
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-38066

SELECT WATER SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

81-4561945
(IRS Employer
Identification Number)

1820 North I-35
Gainesville, TX
(Address of principal executive offices)

76240
(Zip Code)

(940) 668-1818

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value \$0.01 per share	WTTR	New York Stock Exchange Texas, Inc. NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Indicate by check mark whether the registrant is a shell company. Yes No

As of November 3, 2025, the registrant had 104,908,604 shares of Class A common stock and 16,221,101 shares of Class B common stock outstanding.

SELECT WATER SOLUTIONS, INC.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I—FINANCIAL INFORMATION</u>	
Item 1. Financial Statements (Unaudited)	6
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	41
Item 3. Quantitative and Qualitative Disclosures about Market Risk	59
Item 4. Controls and Procedures	59
<u>PART II—OTHER INFORMATION</u>	
Item 1. Legal Proceedings	60
Item 1A. Risk Factors	60
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	63
Item 3. Defaults Upon Senior Securities	63
Item 4. Mine Safety Disclosures	63
Item 5. Other Information	63
Item 6. Exhibits	64

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the “Quarterly Report”) includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, other than statements of historical fact, included in this Quarterly Report regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Quarterly Report, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “preliminary,” “forecast,” and similar expressions or variations are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors” included in our most recent Annual Report on Form 10-K, in this Quarterly Report and those set forth from time to time in our other filings with the Securities and Exchange Commission (the “SEC”). These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those summarized below:

- global economic distress, including that resulting from the sustained Russia-Ukraine war and related economic sanctions, instability and continued hostilities in the Middle East, including increased tensions with Iran, economic uncertainty as a result of changing trade policies, inflation and high interest rates, each of which may decrease demand for oil and natural gas or contribute to volatility in the prices for oil and natural gas, which may decrease demand for our services;
- actions taken by the members of the Organization of the Petroleum Exporting Countries (“OPEC”) and Russia (together with OPEC and other allied producing countries, “OPEC+”) with respect to oil production levels and announcements of potential changes in such levels, including the ability of the OPEC+ countries to agree on and comply with announced supply limitations, which may be exacerbated by increased hostilities in the Middle East and heightened tensions with Iran;
- impacts related to changing U.S. and foreign trade policies, including increased trade restrictions or tariffs, the impact of changes in diplomatic and trade relations, and the results of countermeasures and any tariff mitigation initiatives;
- changes in global political or economic conditions, generally, and in the markets we serve, including the rate of inflation and potential economic recession;
- changes in safety, health, environmental and other governmental policy and regulation, including changes to tax laws such as the One Big Beautiful Bill Act (“OBBBA”);
- the level of capital spending and access to capital markets by oil and gas companies in response to changes in commodity prices or reduced demand;
- the impact of central bank policy actions and disruptions in the bank and capital markets;
- the potential deterioration of our customers’ financial condition, including defaults resulting from actual or potential insolvencies;
- the degree to which consolidation among our customers may affect spending on U.S. drilling and completions, including the recent consolidation in the Permian Basin;

[Table of Contents](#)

- trends and volatility in oil and gas prices, and our ability to manage through such volatility;
- the impact of current and future laws, rulings and governmental regulations, including those related to accessing water, disposing of wastewater, transferring produced water, interstate freshwater transfer, chemicals, carbon pricing, pipeline construction, taxation or emissions, hydraulic fracturing, leasing, permitting or drilling on federal lands and various other environmental matters;
- the ability to source certain raw materials and other critical components or manufactured products globally on a timely basis from economically advantaged sources, including any delays and/or supply chain disruptions;
- regional impacts to our business, including our key infrastructure assets within the Northern Delaware and Midland Basin portions of the Permian Basin, the Bakken, and the Haynesville;
- capacity constraints on regional oil, natural gas and water gathering, processing and pipeline systems that result in a slowdown or delay in drilling and completion activity, and thus a decrease in the demand for our services in our core markets;
- the impact of regulatory and related policy actions by federal, state and/or local governments, such as the Inflation Reduction Act of 2022 (“IRA 2022”), that may negatively impact the future production of oil and gas in the U.S., thereby reducing demand for our services;
- our ability to hire and retain key management and employees, including skilled labor;
- our access to capital to fund expansions, acquisitions and our working capital needs and our ability to obtain debt or equity financing on satisfactory terms, or at all;
- our health, safety and environmental performance;
- the impact of competition on our operations;
- the degree to which our E&P customers may elect to operate their water-management services in-house rather than source these services from companies like us;
- our level of indebtedness and our ability to comply with covenants contained in our Sustainability-Linked Credit Facility (as defined herein) or future debt instruments;
- delays or restrictions in obtaining permits by us or our customers;
- constraints in supply or availability of equipment used in our business;
- the impact of advances or changes in well-completion technologies or practices that result in reduced demand for our services, either on a volumetric or time basis;
- acts of terrorism, war or political or civil unrest in the U.S. or elsewhere, such as the Russia-Ukraine war, the instability and hostilities in the Middle East, including heightened tensions with Iran;
- information technology failures or cyberattacks;
- accidents, weather, natural disasters or other events affecting our business; and

[Table of Contents](#)

- the other risks identified in our most recent Annual Report on Form 10-K and under the headings “Part I—Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Part II—Item 1A. Risk Factors” in this Quarterly Report.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on our future results. Our future results will depend upon various other risks and uncertainties, including those described under the heading “Part I—Item 1A. Risk Factors” in our most recent Annual Report on Form 10-K and under the heading “Part II—Item 1A. Risk Factors” in this Quarterly Report. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise. All forward-looking statements attributable to us are qualified in their entirety by this cautionary note.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

**SELECT WATER SOLUTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)**

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
	<u>(unaudited)</u>	
Assets		
Current assets		
Cash and cash equivalents	\$ 17,828	\$ 19,978
Accounts receivable trade, net of allowance for credit losses of \$4,919 and \$4,543, respectively	276,949	281,569
Accounts receivable, related parties	42	150
Inventories	37,974	38,447
Prepaid expenses and other current assets	47,470	45,354
Total current assets	<u>380,263</u>	<u>385,498</u>
Property and equipment	1,581,048	1,405,486
Accumulated depreciation	(693,686)	(679,832)
Total property and equipment, net	<u>887,362</u>	<u>725,654</u>
Right-of-use assets, net	28,429	36,851
Goodwill	45,129	18,215
Other intangible assets, net	110,582	123,715
Deferred tax assets, net	38,820	46,339
Investments in unconsolidated entities	78,394	11,347
Other long-term assets	19,172	18,663
Total assets	<u>\$ 1,588,151</u>	<u>\$ 1,366,282</u>
Liabilities and Equity		
Current liabilities		
Accounts payable	\$ 54,710	\$ 39,189
Accrued accounts payable	53,843	76,196
Accounts payable and accrued expenses, related parties	3,945	4,378
Accrued salaries and benefits	21,028	29,937
Accrued insurance	23,557	24,685
Sales tax payable	3,789	2,110
Current portion of tax receivable agreements liabilities	17	93
Accrued expenses and other current liabilities	40,672	40,137
Current operating lease liabilities	13,423	16,439
Current portion of long-term debt	15,625	—
Current portion of finance lease obligations	701	211
Total current liabilities	<u>231,310</u>	<u>233,375</u>
Long-term tax receivable agreements liabilities	38,409	38,409
Long-term operating lease liabilities	23,292	31,092
Long-term debt, net	285,440	85,000
Other long-term liabilities	78,045	62,872
Total liabilities	<u>656,496</u>	<u>450,748</u>
Commitments and contingencies (Note 9)		
Class A common stock, \$0.01 par value; 350,000,000 shares authorized and 104,905,040 and 103,069,732 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	1,049	1,031
Class B common stock, \$0.01 par value; 150,000,000 shares authorized and 16,221,101 shares issued and outstanding as of September 30, 2025 and December 31, 2024	162	162
Preferred stock, \$0.01 par value; 50,000,000 shares authorized; no shares issued and outstanding as of September 30, 2025 and December 31, 2024	—	—
Additional paid-in capital	991,475	998,474
Accumulated deficit	(184,578)	(206,147)
Total stockholders' equity	<u>808,108</u>	<u>793,520</u>
Noncontrolling interests	123,547	122,014
Total equity	<u>931,655</u>	<u>915,534</u>
Total liabilities and equity	<u>\$ 1,588,151</u>	<u>\$ 1,366,282</u>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

SELECT WATER SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue				
Water Infrastructure	\$ 78,805	\$ 82,017	\$ 232,051	\$ 214,089
Water Services	166,877	234,019	608,185	692,334
Chemical Technologies	76,561	55,313	220,606	196,605
Total revenue	<u>322,243</u>	<u>371,349</u>	<u>1,060,842</u>	<u>1,103,028</u>
Costs of revenue				
Water Infrastructure	36,964	35,503	106,668	102,776
Water Services	136,795	186,041	491,825	545,881
Chemical Technologies	61,352	48,450	181,965	165,846
Depreciation, amortization and accretion	43,578	38,906	123,307	113,243
Total costs of revenue	<u>278,689</u>	<u>308,900</u>	<u>903,765</u>	<u>927,746</u>
Gross profit	43,554	62,449	157,077	175,282
Operating expenses				
Selling, general and administrative	41,674	37,268	118,041	120,229
Depreciation and amortization	1,310	661	4,153	2,667
Impairments and abandonments	2,279	—	4,904	91
Lease abandonment costs	63	5	785	411
Total operating expenses	<u>45,326</u>	<u>37,934</u>	<u>127,883</u>	<u>123,398</u>
(Loss) income from operations	(1,772)	24,515	29,194	51,884
Other income (expense)				
Gain on sales of property and equipment and divestitures, net	2,600	1,624	10,468	2,331
Interest expense, net	(5,963)	(1,906)	(16,484)	(5,204)
Remeasurement gain on business combination	14,924	—	14,924	—
Other	(2,277)	(78)	(1,856)	(318)
Income before income tax expense and equity in (losses) earnings of unconsolidated entities	7,512	24,155	36,246	48,693
Income tax expense	(434)	(5,852)	(7,849)	(11,263)
Equity in (losses) earnings of unconsolidated entities	(4,784)	507	(4,872)	154
Net income	2,294	18,810	23,525	37,584
Less: net loss (income) attributable to noncontrolling interests	389	(3,019)	(1,956)	(5,300)
Net income attributable to Select Water Solutions, Inc.	<u>\$ 2,683</u>	<u>\$ 15,791</u>	<u>\$ 21,569</u>	<u>\$ 32,284</u>
Net income per share attributable to common stockholders (Note 15):				
Class A—Basic	<u>\$ 0.03</u>	<u>\$ 0.16</u>	<u>\$ 0.21</u>	<u>\$ 0.32</u>
Class B—Basic	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Net income per share attributable to common stockholders (Note 15):				
Class A—Diluted	<u>\$ 0.03</u>	<u>\$ 0.15</u>	<u>\$ 0.21</u>	<u>\$ 0.32</u>
Class B—Diluted	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

SELECT WATER SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)
(in thousands)

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net income	\$ 2,294	\$ 18,810	\$ 23,525	\$ 37,584
Comprehensive income	2,294	18,810	23,525	37,584
Less: comprehensive loss (income) attributable to noncontrolling interests	389	(3,019)	(1,956)	(5,300)
Comprehensive income attributable to Select Water Solutions, Inc.	<u>\$ 2,683</u>	<u>\$ 15,791</u>	<u>\$ 21,569</u>	<u>\$ 32,284</u>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

SELECT WATER SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the nine months ended September 30, 2025 and 2024
(unaudited)
(in thousands, except share data)

	Class A Stockholders		Class B Stockholders		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total
	Shares	Class A Common Stock	Shares	Class B Common Stock					
Balance as of December 31, 2024	103,069,732	\$ 1,031	16,221,101	\$ 162	\$ 998,474	\$ (206,147)	\$ 793,520	\$ 122,014	\$ 915,534
Issuance of shares for acquisitions	862,069	9	—	—	7,514	—	7,523	141	7,664
Equity-based compensation	—	—	—	—	12,183	—	12,183	1,894	14,077
Issuance of restricted shares	1,124,985	11	—	—	1,158	—	1,169	(1,169)	—
Cashless exercise of options	24,943	—	—	—	216	—	216	—	216
Repurchase of common stock	(615,422)	(6)	—	—	(6,467)	—	(6,473)	(511)	(6,984)
Restricted shares forfeited	(155,562)	(2)	—	—	(157)	—	(159)	159	—
Performance shares vested	594,295	6	—	—	400	—	406	(406)	—
Contributions from noncontrolling interests	—	—	—	—	—	—	—	2,875	2,875
Dividend and distribution declared:									
Class A common stock (\$0.07 per share)	—	—	—	—	(21,307)	—	(21,307)	—	(21,307)
Unvested restricted stock (\$0.07 per share)	—	—	—	—	(539)	—	(539)	—	(539)
Class B common stock (\$0.07 per share)	—	—	—	—	—	—	—	(3,406)	(3,406)
Net income	—	—	—	—	—	21,569	21,569	1,956	23,525
Balance as of September 30, 2025	104,905,040	\$ 1,049	16,221,101	\$ 162	\$ 991,475	\$ (184,578)	\$ 808,108	\$ 123,547	\$ 931,655

	Class A Stockholders		Class B Stockholders		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total
	Shares	Class A Common Stock	Shares	Class B Common Stock					
Balance as of December 31, 2023	102,172,863	\$ 1,022	16,221,101	\$ 162	\$ 1,008,095	\$ (236,791)	\$ 772,488	\$ 119,684	\$ 892,172
Equity-based compensation	—	—	—	—	15,854	—	15,854	2,505	18,359
Issuance of restricted shares	1,239,597	12	—	—	1,258	—	1,270	(1,270)	—
Stock options exercised	287,686	3	—	—	(3)	—	—	—	—
Repurchase of common stock	(1,103,993)	(11)	—	—	(7,149)	—	(7,160)	(163)	(7,323)
Restricted shares forfeited	(102,617)	(1)	—	—	(105)	—	(106)	106	—
Performance shares vested	303,917	3	—	—	308	—	311	(311)	—
Dividend and distribution declared:									
Class A common stock (\$0.06 per share)	—	—	—	—	(17,948)	—	(17,948)	—	(17,948)
Unvested restricted stock (\$0.06 per share)	—	—	—	—	(498)	—	(498)	—	(498)
Class B common stock (\$0.06 per share)	—	—	—	—	—	—	—	(2,920)	(2,920)
Net income	—	—	—	—	—	32,284	32,284	5,500	37,584
Balance as of September 30, 2024	102,797,453	\$ 1,028	16,221,101	\$ 162	\$ 999,812	\$ (204,507)	\$ 796,495	\$ 123,931	\$ 919,426

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

SELECT WATER SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended September 30, 2025 and 2024
(unaudited)
(in thousands, except share data)

	Class A Stockholders		Class B Stockholders		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total
	Shares	Class A Common Stock	Shares	Class B Common Stock					
Balance as of June 30, 2025	104,185,713	\$ 1,042	16,221,101	\$ 162	\$ 985,337	\$ (187,261)	\$ 799,280	\$ 123,839	\$ 923,119
Issuance of shares for acquisitions	862,069	9	—	—	7,514	—	7,523	141	7,664
Equity-based compensation	—	—	—	—	6,408	—	6,408	990	7,398
Issuance of restricted shares	10,130	—	—	—	11	—	11	(11)	—
Repurchase of common stock	(38,992)	—	—	—	(328)	—	(328)	(4)	(332)
Restricted shares forfeited	(113,880)	(2)	—	—	(114)	—	(116)	116	—
Dividend and distribution declared:									
Class A common stock (\$0.07 per share)	—	—	—	—	(7,175)	—	(7,175)	—	(7,175)
Unvested restricted stock (\$0.07 per share)	—	—	—	—	(178)	—	(178)	—	(178)
Class B common stock (\$0.07 per share)	—	—	—	—	—	—	—	(1,135)	(1,135)
Net income	—	—	—	—	—	2,683	2,683	(389)	2,294
Balance as of September 30, 2025	104,905,040	\$ 1,049	16,221,101	\$ 162	\$ 991,475	\$ (184,578)	\$ 808,108	\$ 123,547	\$ 931,655
	Class A Stockholders		Class B Stockholders		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total
Shares	Class A Common Stock	Shares	Class B Common Stock						
Balance as of June 30, 2024	102,799,602	\$ 1,028	16,221,101	\$ 162	\$ 1,001,123	\$ (220,298)	\$ 782,015	\$ 120,115	\$ 902,130
Equity-based compensation	—	—	—	—	5,009	—	5,009	790	5,799
Issuance of restricted shares	7,765	—	—	—	8	—	8	(8)	—
Stock options exercised	157,970	2	—	—	(2)	—	—	—	—
Repurchase of common stock	(139,275)	(2)	—	—	(127)	—	(129)	(42)	(171)
Restricted shares forfeited	(28,609)	—	—	—	(30)	—	(30)	30	—
Dividend and distribution declared:									
Class A common stock (\$0.06 per share)	—	—	—	—	(6,015)	—	(6,015)	—	(6,015)
Unvested restricted stock (\$0.06 per share)	—	—	—	—	(154)	—	(154)	—	(154)
Class B common stock (\$0.06 per share)	—	—	—	—	—	—	—	(973)	(973)
Net income	—	—	—	—	—	15,791	15,791	3,019	18,810
Balance as of September 30, 2024	102,797,453	\$ 1,028	16,221,101	\$ 162	\$ 999,812	\$ (204,507)	\$ 796,495	\$ 122,931	\$ 919,426

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

SELECT WATER SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Nine months ended September 30,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 23,525	\$ 37,584
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, amortization and accretion	127,460	115,910
Deferred tax expense	7,566	10,571
Gain on disposal of property and equipment and divestitures	(10,468)	(2,331)
Equity in losses of unconsolidated entities	4,872	(154)
Credit loss expense	1,124	855
Amortization and write off of debt issuance costs	1,815	366
Inventory adjustments	52	(528)
Equity-based compensation	14,077	18,359
Impairments and abandonments	4,904	91
Remeasurement gain on business combination	(14,924)	—
Other operating items, net	1,778	926
Changes in operating assets and liabilities		
Accounts receivable	3,015	29,011
Prepaid expenses and other assets	(1,751)	(16,494)
Accounts payable and accrued liabilities	(13,824)	(27,047)
Net cash provided by operating activities	<u>149,221</u>	<u>167,119</u>
Cash flows from investing activities		
Purchase of property and equipment	(223,063)	(118,080)
Purchase of equity-method investment	(72,059)	—
Acquisitions, net of cash received	(52,341)	(158,438)
Proceeds received from sales of property and equipment	13,757	12,275
Net cash used in investing activities	<u>(333,706)</u>	<u>(264,243)</u>
Cash flows from financing activities		
Borrowings from revolving line of credit	105,000	150,000
Payments on revolving line of credit	(135,000)	(70,000)
Borrowings from long-term debt	250,000	—
Payments of finance lease obligations	(442)	(163)
Payment of debt issuance costs	(7,867)	—
Dividends and distributions paid	(25,250)	(21,533)
Payments under tax receivable agreements	(77)	—
Contributions from noncontrolling interests	2,875	—
Repurchase of common stock	(6,909)	(7,323)
Net cash provided by financing activities	<u>182,330</u>	<u>50,981</u>
Effect of exchange rate changes on cash	5	(2)
Net decrease in cash and cash equivalents	(2,150)	(46,145)
Cash and cash equivalents, beginning of period	19,978	57,083
Cash and cash equivalents, end of period	<u>\$ 17,828</u>	<u>\$ 10,938</u>
Supplemental cash flow disclosure:		
Cash paid for interest	\$ 12,480	\$ 5,225
Cash paid for income taxes, net	<u>\$ 1,352</u>	<u>\$ 1,447</u>
Supplemental disclosure of noncash investing activities:		
Issuance of shares for acquisitions	\$ 7,664	\$ —
Assets and liabilities transferred in business combination	<u>\$ 20,734</u>	<u>\$ —</u>
Property and equipment obtained by assuming liabilities	<u>\$ 1,615</u>	<u>\$ —</u>
Capital expenditures included in accounts payable and accrued liabilities	<u>\$ 41,100</u>	<u>\$ 41,095</u>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

SELECT WATER SOLUTIONS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1—BUSINESS AND BASIS OF PRESENTATION

Description of the business: Select Water Solutions, Inc. (“we,” “Select Inc.,” “Select” or the “Company”), formerly Select Energy Services, Inc., was incorporated as a Delaware corporation on November 21, 2016. On May 8, 2023, Select Energy Services, Inc.’s Fifth Amended and Restated Certificate of Incorporation became effective upon filing with the Secretary of State of the State of Delaware which, among other things, changed the name of the Company from Select Energy Services, Inc. to Select Water Solutions, Inc. to reflect its strategic focus as a water-focused company. We retained our stock ticker “WTTR” trading on the New York Stock Exchange. The Company is a holding company whose sole material asset consists of common units (“SES Holdings LLC Units”) in SES Holdings, LLC (“SES Holdings”).

We are a leading provider of sustainable water-management solutions to the energy industry in the United States (“U.S.”). As a leader in the water solutions industry, we place the utmost importance on safe, environmentally responsible management of oilfield water throughout the lifecycle of a well. Additionally, we believe that responsibly managing water resources through our operations to help conserve and protect the environment in the communities in which we operate is paramount to our continued success.

Class A and Class B common stock: As of September 30, 2025, the Company had both Class A and Class B common shares issued and outstanding. Holders of shares of our Class A common stock, par value \$0.01 per share (“Class A common stock”) and Class B common stock, par value \$0.01 per share (“Class B common stock”) are entitled to one vote per share and vote together as a single class on all matters presented to our stockholders for their vote or approval.

Exchange rights: Under the Eighth Amended and Restated Limited Liability Company Agreement of SES Holdings (the “SES Holdings LLC Agreement”), SES Legacy Holdings LLC (“Legacy Owner Holdco”) and its permitted transferees have the right (an “Exchange Right”) to cause SES Holdings to acquire all or a portion of its SES Holdings LLC Units for, at SES Holdings’ election, (i) shares of Class A common stock at an exchange ratio of one share of Class A common stock for each SES Holdings LLC Unit exchanged, subject to conversion rate adjustments for stock splits, stock dividends, reclassification and other similar transactions or (ii) cash in an amount equal to the Cash Election Value (as defined within the SES Holdings LLC Agreement) of such Class A common stock. Alternatively, upon the exercise of any Exchange Right, Select Inc. has the right (the “Call Right”) to acquire the tendered SES Holdings LLC Units from the exchanging unitholder for, at its election, (i) the number of shares of Class A common stock the exchanging unitholder would have received under the Exchange Right or (ii) cash in an amount equal to the Cash Election Value of such Class A common stock. In connection with any exchange of SES Holdings LLC Units pursuant to an Exchange Right or Call Right, the corresponding number of shares of Class B common stock will be cancelled.

Basis of presentation: The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the U.S. (“GAAP”) and pursuant to the rules and regulations of the SEC. These unaudited interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not include all disclosures required for financial statements prepared in conformity with GAAP.

This Quarterly Report relates to the three and nine months ended September 30, 2025 (the “Current Quarter” and the “Current Period”, respectively) and the three and nine months ended September 30, 2024 (the “Prior Quarter” and the “Prior Period”, respectively). The Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Form 10-K”), filed with the SEC on February 19, 2025, includes certain definitions and a summary of significant accounting policies and should be read in conjunction with this Quarterly Report. All material adjustments (consisting solely of normal recurring adjustments) which, in the opinion of management, are necessary for a fair

[Table of Contents](#)

statement of the results for the interim periods have been reflected. The results for the Current Quarter and Current Period may not be indicative of the results to be expected for the full year.

The unaudited interim consolidated financial statements include the Company's accounts and all of its majority-owned or controlled subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies: The Company's significant accounting policies are disclosed in Note 2 of the consolidated financial statements for the year ended December 31, 2024, included in the 2024 Form 10-K.

Use of estimates: The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

On an ongoing basis, the Company evaluates its estimates, including those related to the recoverability of long-lived assets and intangibles, useful lives used in depreciation, amortization and accretion, uncollectible accounts receivable, inventory reserve, income taxes, self-insurance liabilities, share-based compensation, contingent liabilities, lease-related reasonably certain option exercise assessments, and the incremental borrowing rate for leases. The Company bases its estimates on historical and other pertinent information that are believed to be reasonable under the circumstances. The accounting estimates used in the preparation of the consolidated financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment changes.

Allowance for credit losses: The Company's allowance for credit losses relates to trade accounts receivable. The Company treats trade accounts receivable as one portfolio and records an initial allowance calculated as a percentage of revenue recognized based on a combination of historical information and future expectations. Additionally, the Company adjusts this allowance based on specific information in connection with aged receivables. Historically, most bad debt has been incurred when a customer's financial condition significantly deteriorates, which in some cases leads to bankruptcy. Market volatility is highly uncertain and, as such, the impact on expected losses is subject to significant judgment and may cause variability in the Company's allowance for credit losses in future periods.

The change in the allowance for credit losses is as follows:

	<u>Nine months ended September 30, 2025</u>	
	<u>(in thousands)</u>	
Balance as of December 31, 2024	\$	4,543
Increase to allowance based on a percentage of revenue		2,146
Adjustment based on aged receivable analysis		(750)
Charge-offs		(1,051)
Recoveries		31
Balance as of September 30, 2025	\$	<u>4,919</u>

[Table of Contents](#)

Asset retirement obligations: The Company’s asset retirement obligations (“ARO”) relate to disposal facilities and landfills with obligations for plugging wells, removing surface equipment, and returning land to its pre-drilling condition. The following table describes the changes to the Company’s ARO liability for the Current Period:

	Nine months ended September 30, 2025	
	(in thousands)	
Balance as of December 31, 2024	\$	63,230
Accretion expense		3,179
Additions		1,317
Acquired AROs		9,538
Divested AROs		(1,062)
Settlements		(4,585)
Balance as of September 30, 2025	\$	<u>71,617</u>
Short-term ARO liability		6,652
Long-term ARO liability		64,965
Balance as of September 30, 2025	\$	<u>71,617</u>

We review the adequacy of our ARO liabilities whenever indicators suggest that the estimated cash flows underlying the liabilities have changed. The Company’s ARO liabilities are included in accrued expenses and other current liabilities and other long-term liabilities in the accompanying consolidated balance sheets.

Lessor Income: The Company is a lessor for a nominal number of owned facilities and also recognizes income related to multiple facility subleases that are accounted for as follows:

Category	Classification	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
(in thousands)					
Lessor income	Costs of revenue	\$ 161	\$ 48	\$ 239	\$ 109
	Lease abandonment costs and Costs of				
Sublease income	revenue	637	533	1,662	1,363

The Company also generates short-term equipment rental revenue. See “Note 4—Revenue” for a discussion of revenue recognition for the accommodations and rentals business.

During the Current Period and Prior Period, the Company made the decision to abandon operations at multiple Water Services locations. As a result, the Company recorded right-of-use asset impairment charges of \$0.7 million and \$0.6 million, respectively.

Defined Contribution Plan: The Company sponsors a defined contribution 401(k) Profit Sharing Plan for the benefit of substantially all employees of the Company. The Company incurred \$1.3 million, \$1.4 million, \$4.5 million and \$4.9 million match expense in the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively.

Severance: During the Current Quarter, the Company incurred \$1.5 million of severance expense in connection with the termination of certain former management employees related to a reorganization, included in selling, general and administrative within the consolidated statements of operations and \$1.2 million is included in accrued salaries and benefits as of September 30, 2025.

During the Prior Period, the Company incurred \$0.6 million of severance in connection with the termination of its former Chief Financial Officer, included in selling, general and administrative within the consolidated statements of operations and which has been fully paid as of June 30, 2025.

[Table of Contents](#)

Dividends: During the Current Period, the Company paid \$21.3 million in dividends accounted for as a reduction to additional paid-in capital, \$3.4 million of distributions accounted for as a reduction to noncontrolling interests and \$0.5 million as a reduction to accrued expenses and other current liabilities associated with restricted stock awards that vested during the Current Period. As of September 30, 2025, the Company had \$0.8 million of dividends payable included in accrued expenses and other current liabilities in connection with unvested restricted stock awards. All future dividend payments are subject to quarterly review and approval by the board of directors.

Segment reporting: The Company has three reportable segments. Reportable segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to allocate resources and assess performance. The Company’s reportable segments are Water Infrastructure, Water Services, and Chemical Technologies. See “Note 16—Segment Information” for additional information.

The Water Infrastructure segment consists of the Company’s fixed infrastructure assets, including operations associated with our water distribution pipeline infrastructure, our water recycling facilities, our produced water gathering pipelines, saltwater disposal wells (“SWDs”), and our solids management facilities, primarily serving E&P companies.

The Water Services segment primarily consists of the Company’s water-related services businesses, including water sourcing, water transfer, fluids hauling, water monitoring, water containment and water network automation, primarily serving E&P companies. Additionally, this segment includes the operations of our accommodations and rentals and flowback and well testing businesses.

The Chemical Technologies segment provides technical solutions, products and expertise related to chemical applications in the oil and gas industry. We develop, manufacture, manage logistics and provide a full suite of chemicals used in hydraulic fracturing, stimulation, cementing and well completions for customers ranging from pressure pumpers to major integrated and independent oil and gas producers. This segment also utilizes its chemical experience and lab testing capabilities to customize tailored water treatment solutions designed for the recycling and treatment of produced water and to optimize the fracturing fluid system in conjunction with the quality of water used in well completions.

Equity Investments: For investments in subsidiaries that are not wholly-owned, but where the Company exercises control, the equity held by the minority owners and their portion of net income or loss are reflected as noncontrolling interests. Investments in entities in which the Company exercises significant influence over operating and financial policies are accounted for using the equity-method, and investments in entities for which the Company does not have significant control or influence are accounted for using the cost-method or other appropriate basis as applicable. As of September 30, 2025, the Company had four equity-method investments. The Company’s investments are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. When circumstances indicate that the fair value of its investment is less than its carrying value and the reduction in value is other than temporary, the reduction in value is recognized in earnings.

On February 14, 2025, the Company entered into a new partnership arrangement through AV Farms, LP, a newly-formed Delaware limited partnership (“AV Farms”), pursuant to a limited partnership agreement (the “LPA”) by and among Select Water Reuse, LLC, a wholly-owned subsidiary of the Company (“SWR”), C&A Rollover Company, LLC, (“C&A”) and Geneses Water, L.P., (“Geneses”), as limited partners, and AV Farms Management, LLC as the general partner (“AV GP”), effective as of February 28, 2025. SWR contributed \$72 million in capital contributions to AV Farms on February 28, 2025. Concurrently, each of SWR, C&A and Geneses owns approximately 39%, 38% and 23%, respectively, of AV Farms and 25%, 50% and 25%, respectively, of AV GP.

[Table of Contents](#)

Our investments in unconsolidated entities are summarized below:

Investment	Ownership %	Year attained	Accounting method	As of September 30,	As of December 31,
				2025	2024
(in thousands)					
Water Infrastructure					
AV Farms, LP	39%	2025	Equity-method	\$ 71,238	\$ —
Water Services					
ESG Solutions Group, Inc.	20%	2020	Equity-method	4,096	4,017
ICE Thermal, Inc.	38%	2021	Equity-method	250	4,388
AquaNyx Midstream LP	47%	2021	Equity-method	2,810	2,942
Total investment in unconsolidated entities				\$ 78,394	\$ 11,347

Reclassifications: Certain reclassifications have been made to the Company's prior period consolidated financial information to conform to the current year presentation. These presentation changes did not impact the Company's consolidated net income, consolidated cash flows, total assets, total liabilities or total stockholders' equity.

Recent accounting pronouncements: In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). The Company will adopt the standard for the annual reporting period ending December 31, 2025. Upon adoption, the Company's annual income tax disclosures will be expanded to provide additional transparency into the drivers of its effective tax rate and cash taxes paid, net of refunds received, to various jurisdictions. The disclosures will reflect new quantitative thresholds and expanded presentation requirements introduced under ASU 2023-09.

For the reconciliation of the effective tax rate to the U.S. statutory rate, any reconciling item with a tax effect that exceeds five percent of pretax income, computed at the federal statutory rate, must be separately disclosed. ASU 2023-09 also requires disaggregation of income (or loss) from continuing operations before income taxes between U.S. and foreign operations.

The Company will adopt the standard on a prospective basis.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)" ("ASU 2024-03"). The amendments in this update enhance disclosures about a public business entity's expenses and provide more detailed information about the types of expenses included in certain expense captions in the consolidated financial statements. ASU 2024-03 is effective for the Company for the year ending December 31, 2027, and for interim periods thereafter. The Company is currently evaluating the impacts of the adoption of ASU 2024-03.

NOTE 3—ACQUISITIONS

The following table presents key information connected with our 2025 and 2024 acquisitions (in thousands, except share amounts):

Assets and Operations Acquired	Acquisition Date	Shares Issued	Cash Consideration	Acquisition related costs for Asset Acquisitions	Other Consideration	Value of Shares Issued	Total Consideration	Segments
Seven Smaller Asset Acquisitions	Multiple 2025 Dates	—	\$ 24,432	\$ —	\$ —	\$ —	24,432	Water Infrastructure
One Asset Acquisition	August 29, 2025	—	7,537	—	—	—	7,537	Corporate-Other
Omni	July 1, 2025	862,069	17,747	—	20,734	7,664	46,145	Water Infrastructure
One Smaller Asset Acquisition	April 1, 2025	—	1,725	—	—	—	1,725	Water Services
Eight Smaller Asset Acquisitions	Multiple 2024 Dates	—	14,591	31	—	—	14,622	Water Infrastructure
Bobcat	April 18, 2024	—	8,070	—	—	—	8,070	Water Infrastructure
Trinity	April 1, 2024	—	30,832	—	—	—	30,832	Water Infrastructure
Buckhorn	March 1, 2024	—	18,781	—	—	—	18,781	Water Infrastructure
Iron Mountain Energy	January 8, 2024	—	14,000	—	—	—	14,000	Water Infrastructure
Tri-State Water Logistics	January 3, 2024	—	58,330	—	—	—	58,330	Water Infrastructure
Rockies produced water gathering and disposal infrastructure	January 1, 2024	—	18,100	—	—	—	18,100	Water Infrastructure
Total		862,069	\$ 214,145	\$ 31	\$ 20,734	\$ 7,664	242,574	

2025 Business Combination with Omni

On July 1, 2025, the Company acquired certain assets and operations of Omni Environmental Solutions (“Omni”) in the Bakken region. The acquired assets include:

- A solids waste landfill with approximately 3.2 million cubic yards of remaining offtake capacity;
- A processing, recovery, and disposal facility for reclaiming diesel and other hydrocarbons from oilfield waste streams;
- One SWD with a permitted disposal capacity of approximately 12,000 barrels per day; and
- A commercial oil storage tank farm with total capacity of approximately 24,000 barrels of storage.

The purchase consideration included (i) \$17.7 million in cash consideration, including \$7.5 million in base consideration and \$10.2 million to compensate for retained net working capital, (ii) the issuance of 862,069 shares of the Company’s Class A common stock, (iii) rental and oil hauling operations in the Bakken, (iv) Northeast fluids hauling operations, (v) Midcon fluids hauling operations, and (vi) one Midcon SWD. As part of the transaction, 280 fluids hauling employees were transferred to Omni. The property and equipment divested had a net book value of \$5.7 million and was classified as held-for-sale on the consolidated balance sheet as of June 30, 2025 with \$5.5 million attributable to our Water Services segment and \$0.2 million attributable to our Water Infrastructure segment. The divested Fluids Hauling operations represented approximately 8% of the Water Services segment’s revenue during the first half of 2025.

This acquisition enhances the Company’s Water Infrastructure segment by expanding landfill and disposal capacity in the Bakken and introducing new service offerings. The transaction was accounted for as a business combination under the acquisition method in accordance with ASC 805. The Company engaged third-party valuation experts to assist in the purchase price allocation for the net assets received. These estimates, judgments, assumptions and valuation of the property and equipment acquired, intangible assets, current assets, current liabilities and long-term liabilities have not been finalized as of September 30, 2025. The Company also used a third-party analysis for the

[Table of Contents](#)

valuation of property and equipment divested, which resulted in a \$14.9 million remeasurement gain in our Water Services segment. The assets acquired and liabilities assumed are included in the Company's Water Infrastructure segment and the goodwill acquired is deductible for income tax purposes. The goodwill recognized represents the anticipated strategic benefits of expanding Select's fluids and solids treatment and disposal capabilities in the Bakken region, as well as the expected operational synergies and economies of scale from integrating Select's existing assets and operations with those acquired from Omni. The Company incurred \$0.3 million and \$1.2 million of transaction-related costs related to this acquisition during the Current Quarter and Current Period, respectively, and such costs are included in selling, general and administrative expenses within the consolidated statements of operations.

The following table summarizes the consideration transferred and the estimated fair value of identified assets acquired and liabilities assumed at the date of acquisition:

<i>Preliminary purchase price allocation</i>	<u>Amount</u>
<i>Consideration transferred</i>	<u>(in thousands)</u>
Cash paid	\$ 17,747
Class A common stock (862,069 shares)	7,664
Property and equipment (\$5,663 carrying value with \$14,924 step-up)	20,587
Other assets and liabilities transferred/assumed	147
Total consideration transferred	<u>46,145</u>
<i>Less: identifiable assets acquired and liabilities assumed</i>	
Working capital	(3,520)
Property and equipment	26,300
Long-term ARO	(3,549)
Total identifiable net assets acquired	<u>19,231</u>
<i>Goodwill</i>	<u>26,914</u>
Fair value allocated to net assets acquired	<u>\$ 46,145</u>

2025 Asset Acquisitions

During the Current Period, the Company acquired certain assets and associated liabilities in the Permian Basin from six transactions for aggregate consideration of \$23.4 million, as well as one asset acquisition in the Northeast region for total consideration of \$1.0 million. These asset acquisitions added disposal capacity, pipeline capacity, surface rights, and over 400 acres of land and also improved connectivity with customers by enhancing infrastructure and connectivity across operational sites. The allocation of the purchase price for these assets was a combined \$32.2 million in property and equipment and \$7.8 million in asset retirement obligations and other liabilities. The Company also acquired certain wastewater treatment facilities for the accommodations and rentals business line in the Permian and Eagle Ford regions for \$1.7 million during the Current Period. Further, the Company paid \$7.5 million to purchase its corporate headquarters building in Gainesville, Texas, which was previously subject to a lease agreement.

2024 Asset Acquisitions

During 2024, the Company acquired certain assets and associated liabilities, primarily in the Permian Basin and Northeast Ohio, from eight transactions for \$14.6 million, inclusive of acquisition-related costs. The allocation of the purchase price for these assets was a combined \$8.6 million in property and equipment, \$6.0 million in land, \$1.5 million in intellectual property, \$0.1 million in other long-term assets and \$1.6 million in asset retirement obligations and other liabilities.

[Table of Contents](#)

2024 Business Combinations

In 2024, the Company completed six business combinations for which all purchase accounting was finalized during 2024. A summary of the consideration transferred and the estimated fair value of identified assets acquired and liabilities assumed as of December 31, 2024 is presented below:

<u>Purchase price allocation</u>	<u>Bobcat</u>	<u>Trinity</u>	<u>Buckhorn</u>	<u>Iron Mountain Energy</u>	<u>Tri-State Water Logistics</u>	<u>Rockies Infrastructure</u>	<u>Total 2024 Acquisitions</u>
(in thousands)							
<i>Consideration transferred</i>							
Cash consideration ⁽¹⁾	\$ 8,070	\$ 30,832	\$ 18,781	\$ 14,000	\$ 58,330	\$ 18,100	\$ 148,113
Total consideration transferred	8,070	30,832	18,781	14,000	58,330	18,100	148,113
<i>Less: identifiable assets acquired and liabilities assumed</i>							
Working capital	(285)	(408)	752	(3,974)	(1,428)	(500)	(5,843)
Property and equipment	8,291	41,706	19,665	21,876	44,613	8,266	144,417
Right-of-use assets	—	182	—	—	1,028	—	1,210
Customer relationships	535	—	4,100	—	10,240	8,230	23,105
Deferred tax liabilities	—	—	(2,393)	—	—	—	(2,393)
Long-term ARO	(471)	(10,149)	(6,898)	(3,902)	(2,569)	(471)	(24,460)
Long-term lease liabilities	—	(499)	—	—	(956)	—	(1,455)
Total identifiable net assets acquired	8,070	30,832	15,226	14,000	50,928	15,525	134,581
Goodwill	—	—	3,555	—	7,402	2,575	13,532
Fair value allocated to net assets acquired	\$ 8,070	\$ 30,832	\$ 18,781	\$ 14,000	\$ 58,330	\$ 18,100	\$ 148,113

(1) During the Current Period, the Company paid \$0.9 million to the Buckhorn sellers in connection with the release of an indemnity holdback that was determined to be no longer necessary.

NOTE 4—REVENUE

The Company follows ASC 606, *Revenue from Contracts with Customers*, for most revenue recognition, which provides a five-step model for determining revenue recognition for arrangements that are within the scope of the standard: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company applies the five-step model only to contracts when it is probable that we will collect the consideration the Company is entitled to in exchange for the goods or services the Company transfers to the customer. The accommodations and rentals revenue continues to be guided by ASC 842 – *Leases*, which is discussed further below.

The following factors are applicable to the Company’s segments for the Current Quarter, Prior Quarter, Current Period and Prior Period:

- The vast majority of Water Services and Chemical Technologies customer agreements are short-term, lasting less than one year. Water Infrastructure contains both short-term and long-term agreements.
- Contracts are seldom combined together as virtually all of our customer agreements constitute separate performance obligations. Each job or project is typically distinct, thereby not interdependent or interrelated with other customer agreements.
- Most contracts allow either party to terminate at any time without substantive penalties. If the customer terminates the contract, the Company is unconditionally entitled to the payments for the services rendered and products delivered to date. This largely applies to Water Services and Chemical Technologies.

[Table of Contents](#)

- Contract terminations before the end of the agreement are rare.
- Sales returns are rare and no sales return assets have been recognized on the balance sheet.
- There are minimal volume discounts.
- There are no service-type warranties.
- There is no long-term customer financing.
- Taxes assessed by government authorities included on customer invoices are excluded from revenue.

In the Water Infrastructure and Water Services segments, performance obligations arise in connection with services provided to customers in accordance with contractual terms, in an amount the Company expects to collect. Services are generally sold based on customer orders or contracts with customers that include fixed or determinable prices. Revenues are generated by services rendered and measured based on the output generated, which is usually simultaneously received and consumed by customers at their job sites. As a multi-job site organization, contract terms, including the pricing for the Company's services, are negotiated on a job site level on a per-job basis. Most jobs are completed in a short period of time, usually between one day and one month. Revenue is recognized as performance obligations are completed on a daily, hourly or per-unit basis with unconditional rights to consideration for services rendered reflected as accounts receivable trade, net of allowance for credit losses. In cases where a prepayment is received before the Company satisfies its performance obligations, a contract liability is recorded in accrued expenses and other current liabilities. Final billings generally occur once all of the proper approvals are obtained. Mobilization and demobilization are factored into the pricing for services. Billings and costs related to mobilization and demobilization are not material for customer agreements that start in one period and end in another. The Company recognizes revenue from certain sales when title passes to the customer, the customer assumes risks and rewards of ownership, collectability is reasonably assured and delivery occurs as directed by the customer.

Within the Water Infrastructure segment, we have contracts containing acreage dedications, areas of mutual interest ("AMIs"), wellbore dedications and minimum volume commitments ("MVCs"). Acreage dedications are longer term contracts pursuant to which a customer dedicates certain activities or volumes to Select within a defined set of the customer's leased acreage, typically committing to us all water demanded by future wells they complete or produced from current and future wells that they operate, and we commit to provide, gather, recycle or dispose such water volumes. AMI arrangements similarly are defined by a geographic right to current and future customer volumes, though AMIs may encompass a broader geographic area beyond a customer's existing leasehold acreage. Wellbore dedications are similar to acreage dedications; however, they limit the contractual obligations to a defined set of existing or future wells. Under our MVC agreements our customers guarantee to deliver certain minimum volumes of produced water to our pipeline networks at an agreed upon fee or pay a deficiency fee for the minimum volume that is not met for a specified period. In most cases, these contracts are covenant to the land and assets they encompass.

As of September 30, 2025 and December 31, 2024, the Company reported no contract assets and had contract liabilities of \$3.5 million and \$1.1 million, respectively. During the Current Period and Prior Period, the Company recognized revenue of \$1.1 million and \$1.7 million, respectively, related to contract liabilities that existed at the beginning of the period.

Accommodations and rentals revenue is included in the Water Services segment and the Company accounts for accommodations and rentals agreements as an operating lease. The Company recognizes revenue from renting equipment on a straight-line basis. Accommodations and rental contract periods are generally daily, weekly or monthly. The average lease term is less than three months and as of September 30, 2025, there were no material rental agreements in effect lasting more than one year. During the Current Quarter, Prior Quarter, Current Period and Prior Period, approximately \$21.6 million, \$20.1 million, \$62.4 million and \$59.6 million, respectively, of accommodations and rentals revenue was accounted for under ASC 842 lease guidance.

[Table of Contents](#)

In the Chemical Technologies segment, the typical performance obligation is to provide a specific quantity of chemicals to customers in accordance with the customer agreement in an amount the Company expects to collect. Products and services are generally sold based upon customer orders or contracts with customers that include fixed or determinable prices. Revenue is recognized as the customer takes title to chemical products in accordance with the agreement. Products may be provided to customers in packaging or delivered to the customers' containers through a hose. In some cases, the customer takes title to the chemicals upon consumption from storage containers on their property, where the chemicals are considered inventory until customer usage. In cases where the Company delivers products and recognizes revenue before collecting payment, the Company has an unconditional right to payment reflected in accounts receivable trade, net of allowance for credit losses. Customer returns are rare and immaterial and there were no material in-process customer agreements for this segment as of September 30, 2025, lasting greater than one year.

The following table sets forth certain financial information with respect to the Company's disaggregation of revenues by geographic location:

Geographic Region	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Permian Basin	\$ 171,321	\$ 183,949	\$ 538,457	\$ 533,028
Rockies	38,035	48,509	126,661	158,095
Marcellus/Utica	31,506	33,531	118,527	104,378
Eagle Ford	28,576	37,946	107,289	124,446
Bakken	21,300	26,833	69,353	61,723
Mid-Continent	20,718	25,315	68,464	64,158
Haynesville/E. Texas	13,255	17,221	41,203	64,627
Eliminations and other regions	(2,468)	(1,955)	(9,112)	(7,427)
Total	\$ 322,243	\$ 371,349	\$ 1,060,842	\$ 1,103,028

In the Water Infrastructure segment, the most recent top three revenue-producing regions are the Permian Basin, Haynesville and Bakken, which collectively comprised 88%, 82%, 86% and 82% of segment revenue for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively. In the Water Services segment, the most recent top three revenue-producing regions are the Permian Basin, Rockies and Eagle Ford, which collectively comprised 77%, 71%, 73% and 73% of segment revenue for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively. In the Chemical Technologies segment, the most recent top three revenue-producing regions are the Permian Basin, Midcon and Rockies, which collectively comprised 92%, 87%, 88% and 83% of segment revenue for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively.

NOTE 5—INVENTORIES

Inventories, which are comprised of chemicals and raw materials available for resale and parts and consumables used in operations, are valued at the lower of cost and net realizable value, with cost determined under the weighted-average method. The significant components of inventory are as follows:

	September 30, 2025	December 31, 2024
	(in thousands)	
Raw materials	\$ 30,987	\$ 24,884
Finished goods	6,987	13,563
Total	\$ 37,974	\$ 38,447

During the Current Quarter and Current Period, the Company recorded net charges to the reserve for excess and obsolete inventory of less than \$0.1 million and \$0.1 million, respectively. During the Prior Quarter and Prior Period, the Company recorded net credits to the reserve for excess and obsolete inventory of \$0.1 million and \$0.5 million,

[Table of Contents](#)

respectively. Net charges and credits to the reserve for excess and obsolete inventory were recognized within cost of revenue on the accompanying consolidated statements of operations. The Company's inventory reserve was \$4.9 million and \$4.8 million as of September 30, 2025 and December 31, 2024, respectively. The reserve for excess and obsolete inventories is determined based on the Company's historical usage of inventory on hand, as well as future expectations and the amount necessary to reduce the cost of the inventory to its estimated net realizable value.

NOTE 6—PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation. Depreciation (and amortization of finance lease assets) is calculated on a straight-line basis over the estimated useful life of each asset. Property and equipment consists of the following as of September 30, 2025 and December 31, 2024:

	<u>September 30, 2025</u>	<u>(in thousands)</u>	<u>December 31, 2024</u>
Machinery and equipment	\$ 541,745		\$ 581,566
Gathering and disposal infrastructure	393,854		309,854
Pipelines	205,534		103,425
Recycling facilities	165,005		115,227
Buildings and leasehold improvements	106,777		109,520
Land	46,425		39,960
Computer equipment and software	8,903		7,864
Vehicles and equipment	8,175		13,870
Machinery and equipment - finance lease	3,137		533
Computer equipment and software - finance lease	854		904
Office furniture and equipment	612		453
Construction in progress	100,027		122,310
	<u>1,581,048</u>		<u>1,405,486</u>
Less accumulated depreciation ⁽¹⁾	<u>(693,686)</u>		<u>(679,832)</u>
Total property and equipment, net	<u>\$ 887,362</u>		<u>\$ 725,654</u>

(1) Includes \$1.4 million and \$0.9 million of accumulated depreciation related to finance leases as of September 30, 2025 and December 31, 2024, respectively.

During the Current Quarter, the Company recognized \$2.3 million in impairments and abandonments related to the abandonment of a SWD well in the Water Infrastructure segment.

During the Current Period, the Company recognized \$4.9 million in impairments and abandonments, consisting of \$3.1 million in the Water Infrastructure segment primarily associated with SWD abandonments and the termination of a disposal lease, \$1.2 million in Other related to abandonment of back-office software development costs previously classified as Other long-term assets, \$0.6 million in the Water Services segment related to the relocation of operations from a leased facility. Prior Period impairments and abandonments were less than \$0.1 million.

[Table of Contents](#)

Total depreciation, amortization and accretion expense related to property and equipment and finance leases presented in the table above, as well as amortization of intangible assets presented in “Note 7— Other Intangible Assets” is as follows:

Category	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Depreciation expense from property and equipment	\$ 39,199	\$ 34,425	\$ 110,619	\$ 101,949
Amortization expense from finance leases	177	52	528	165
Amortization expense from intangible assets	4,378	4,505	13,134	12,704
Accretion expense from asset retirement obligations	1,134	585	3,179	1,092
Total depreciation, amortization and accretion	<u>\$ 44,888</u>	<u>\$ 39,567</u>	<u>\$ 127,460</u>	<u>\$ 115,910</u>

NOTE 7—GOODWILL AND OTHER INTANGIBLE ASSETS

The Company recorded \$26.9 million and \$13.5 million of goodwill in connection with the Company’s 2025 and 2024 acquisitions, respectively (See “Note 3—Acquisitions”). Goodwill is evaluated for impairment annually, or more frequently if indicators of impairment exist.

The changes in the carrying amounts of goodwill by reportable segment for the Current Period are as follows:

	Water Infrastructure	Water Services	Total
	(in thousands)		
Balance as of December 31, 2024	\$ 16,777	\$ 1,438	\$ 18,215
Additions	26,914	—	26,914
Balance as of September 30, 2025	<u>\$ 43,691</u>	<u>\$ 1,438</u>	<u>\$ 45,129</u>

The components of other intangible assets, net as of September 30, 2025 and December 31, 2024 are as follows:

	As of September 30, 2025			As of December 31, 2024		
	Gross Value	Accumulated Amortization (in thousands)	Net Value	Gross Value	Accumulated Amortization (in thousands)	Net Value
Definite-lived						
Customer relationships	\$ 187,230	\$ (87,739)	\$ 99,491	\$ 187,706	\$ (76,638)	\$ 111,068
Patents and other intellectual property	14,272	(9,674)	4,598	14,272	(8,521)	5,751
Water rights	1,750	(538)	1,212	3,125	(1,510)	1,615
Total definite-lived	<u>203,252</u>	<u>(97,951)</u>	<u>105,301</u>	<u>205,103</u>	<u>(86,669)</u>	<u>118,434</u>
Indefinite-lived						
Water rights	5,281	—	5,281	5,281	—	5,281
Total indefinite-lived	<u>5,281</u>	<u>—</u>	<u>5,281</u>	<u>5,281</u>	<u>—</u>	<u>5,281</u>
Total other intangible assets, net	<u>\$ 208,533</u>	<u>\$ (97,951)</u>	<u>\$ 110,582</u>	<u>\$ 210,384</u>	<u>\$ (86,669)</u>	<u>\$ 123,715</u>

[Table of Contents](#)

The weighted-average periods for customer relationships, patents and other intellectual property, and water rights were 12.8 years, 9.7 years and 3.3 years, respectively, and the weighted-average remaining amortization periods for customer relationships, patents and other intellectual property, and water rights were 7.8 years, 4.9 years and 2.3 years, respectively, as of September 30, 2025. See “Note 6—Property and Equipment” for the amortization expense during the Current Quarter, Prior Quarter, Current Period and Prior Period. The indefinite-lived water rights are generally subject to renewal every five to ten years at immaterial renewal costs. Annual amortization of intangible assets for the next five years and beyond is as follows:

	<u>Amount</u> <u>(in thousands)</u>
Remainder of 2025	\$ 4,378
2026	17,424
2027	16,922
2028	14,655
2029	14,114
Thereafter	37,808
Total	<u>\$ 105,301</u>

NOTE 8—DEBT*Sustainability-linked credit facility and revolving line of credit*

On January 24, 2025 (the “Closing Date”), SES Holdings and Select LLC entered into a \$550.0 million sustainability-linked senior secured credit facility (the “Sustainability-Linked Credit Facility”), by and among SES Holdings, as parent, Select LLC, as borrower and certain of SES Holdings’ subsidiaries, as guarantors, each of the lenders party thereto and Bank of America, N.A., as administrative agent, issuing lender and swingline lender (the “Administrative Agent”), which initially provides for \$300.0 million in revolving commitments (the “Revolving Credit Facility”) and \$250.0 million in term commitments (the “Term Loan Facility”), in each case, subject to a borrowing base. The Sustainability-Linked Credit Facility also has a sublimit of \$50.0 million for letters of credit and a sublimit of \$30.0 million for swingline loans. Subject to obtaining commitments from existing or new lenders, Select LLC has the option to increase the maximum amount under the senior secured credit facility by (i) \$150.0 million for additional revolving commitments and (ii) \$50.0 million for additional term commitments, in each case, during the first four years following the Closing Date.

The Borrowing Base for the Revolving Credit Facility is calculated as the sum of (i) 90% of the Eligible Investment Grade Billed Receivables, plus (ii) 85% of the Eligible Billed Receivables (other than Eligible Investment Grade Billed Receivables), plus (iii) the lesser of (a) 75% of the amount of Eligible Unbilled Receivables and (b) an amount equal to 40% of the Borrowing Base, plus (iv) the least of (x) the product of 70% multiplied by the value of Eligible Inventory at such time, (y) the product of 85% multiplied by the Net Recovery Percentage identified in the most recent Acceptable Appraisal of Inventory, multiplied by the value of Eligible Inventory at such time and (z) an amount equal to 30% of the Borrowing Base, minus (v) the aggregate amount of Reserves, if any, established by the Administrative Agent from time to time. As of September 30, 2025, the Borrowing Base for the Revolving Credit Facility under the Sustainability-Linked Credit Facility was \$232.3 million. The Borrowing Base is calculated on a monthly basis pursuant to a borrowing base certificate delivered by Select LLC to the Administrative Agent.

The Term Advance Borrowing Base for the Term Loan Facility is calculated as the lesser of (i) the product of 100% multiplied by the Net Book Value of all Machinery and Equipment (“M&E”) and (ii) the product of 65% multiplied by the net orderly liquidation value – in place (“NOLV-IP”) of the Term Advance Collateral. As of the Closing Date, the Term Advance Borrowing Base under the Term Loan Facility was \$426.27 million. The Term Advance Borrowing Base is thereafter only subject to reporting and redetermination during the period commencing after the date that excess availability is less than the greater of (a) 25% of the lesser of (1) the aggregate revolving commitments and (2) the then-effective borrowing base (such lesser amount, the “Borrowing Limit”) and

[Table of Contents](#)

(b) \$30.0 million for three or more consecutive business days and ending on the first date that excess availability has equaled or exceeded the greater of (1) 25% of the Borrowing Limit and (2) \$30.0 million for 30 consecutive days.

Borrowings under the Sustainability-Linked Credit Facility bear interest, at Select LLC's election, at either Term SOFR (subject to a zero percent floor) or the Base Rate ("Base Rate" being equal to the greater of (a) the Prime Rate for such day; (b) the Federal Funds Rate for such day, plus 0.50%; or (c) Term SOFR for a one month Interest Period as of such day, plus 1.0%), in each case plus an applicable margin. The applicable margin for Term SOFR loans under the Term Loan Facility ranges from 3.00% to 3.50% and the applicable margin for Base Rate loans under the Term Facility ranges from 2.00% to 2.50%, in each case, depending on Select LLC's average excess availability under the Sustainability-Linked Credit Facility. Additionally, the applicable margin for Term SOFR loans under the Revolving Credit Facility ranges from 1.50% to 2.00% and the applicable margin for Base Rate loans under the Revolving Credit Facility ranges from 0.50% to 1.00%, in each case, depending on Select LLC's average excess availability under the Sustainability-Linked Credit Facility. Interest is payable monthly in arrears for Base Rate loans and, for Term SOFR loans, at the end of each applicable Interest Period, which may be one month or three months at Select LLC's election. A commitment fee accrues on the unused commitments under the Revolving Credit Facility at either 0.25% per annum or 0.375% per annum depending on Select LLC's average utilization of the Revolving Credit Facility in the preceding calendar month and is payable monthly in arrears. The Sustainability-Linked Credit Facility is scheduled to mature on the fifth anniversary of the Closing Date or the earlier termination in full of the Commitments.

Under the Sustainability-Linked Credit Facility, the interest rate margin and the facility fee rates are also subject to annual adjustments based on the Select LLC's performance of specified sustainability target thresholds with respect to (i) total recordable incident rate, as the Employee Health and Safety Metric, and (ii) barrels of recycled produced water recycled at facilities of the Credit Parties, as the Water Stewardship Metric, in each case, subject to limited assurance verification by a qualified independent external reviewer. The adjustment for the interest rate margin is a range of plus and minus 5.00 basis points and the adjustment for the commitment fee rate is a range of plus and minus 1.00 basis point, subject to the mechanics under the Sustainability-Linked Credit Facility. As of the Closing Date, the margin adjustment in effect is a reduction of 5.00 basis points and the commitment fee adjustment in effect is a reduction of 1.00 basis point.

The obligations under the Sustainability-Linked Credit Facility are guaranteed by SES Holdings and certain subsidiaries of SES Holdings and Select LLC and secured by a security interest in substantially all of the personal property assets of SES Holdings, Select LLC and their domestic subsidiaries that are guarantors.

The Sustainability-Linked Credit Facility contains certain customary representations and warranties, affirmative and negative covenants and events of default. If an event of default occurs and is continuing, the lenders may declare all amounts outstanding under the Sustainability-Linked Credit Facility to be immediately due and payable.

In addition, the Sustainability-Linked Credit Facility restricts SES Holdings' and Select LLC's ability to make distributions on, or redeem or repurchase, its equity interests, except for certain distributions, including distributions of cash so long as, both at the time of the distribution and after giving effect to the distribution, no default or event of default exists under the Sustainability-Linked Credit Facility or would result from the making of such distribution and (a) the fixed charge coverage ratio of SES Holdings is equal to or greater than 1.0 to 1.0 on a pro forma basis, (b) the leverage ratio of SES Holdings is not greater than 3.5 to 1.0 on a pro forma basis, (c) excess availability at all times during the preceding 30 consecutive days, on a pro forma basis and after giving effect to such distribution, is not less than the greater of (1) 20% of the Borrowing Limit and (2) \$27.0 million. Additionally, the Sustainability-Linked Credit Facility generally permits Select LLC to make distributions required under its existing tax receivable agreements, subject to certain limitations.

The Sustainability-Linked Credit Facility also requires SES Holdings to maintain (i) a fixed charge coverage ratio of at least 1.0 to 1.0 and (ii) a leverage ratio of not more than 3.5 to 1.0, in each case, as of the last day of any fiscal quarter.

[Table of Contents](#)

Commencing on the first day of the calendar month immediately following the first full fiscal quarter ending after the first anniversary of the closing date, the Term Loan Facility will amortize in quarterly installments equal to \$15.625 million (subject to reduction of such amount on account of certain prepayments). Upon the repayment in full of the Term Loan Facility, certain terms of the Sustainability-Linked Credit Facility will be automatically adjusted (including the conditions to the making of cash distributions and the financial maintenance covenants) and the Term Advance Collateral will be released as Collateral, in each case, as described in the Sustainability-Linked Credit Facility.

Certain lenders party to the Sustainability-Linked Credit Facility and their respective affiliates have from time to time performed, and may in the future perform, various financial advisory, commercial banking and investment banking services for the Company and its affiliates in the ordinary course of business for which they have received and would receive customary compensation. In addition, in the ordinary course of their various business activities, such parties and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investments and securities activities may involve the Company's securities and/or instruments.

In connection with the entry into the Sustainability-Linked Credit Facility, the obligations of SES Holdings, Select LLC and their applicable subsidiaries under the Prior Sustainability-Linked Credit Facility were repaid in full and the Prior Sustainability-Linked Credit Facility was terminated on the Closing Date.

Prior Sustainability-linked credit facility and revolving line of credit

On March 17, 2022 (the "Restatement Date"), SES Holdings and Select Water Solutions, LLC ("Select LLC"), formerly Select Energy Services, LLC and a wholly-owned subsidiary of SES Holdings, entered into a \$270.0 million amended and restated senior secured sustainability-linked revolving credit facility (the "Prior Sustainability-Linked Credit Facility"), by and among SES Holdings, as parent, Select LLC, as borrower, and certain of SES Holdings' subsidiaries, as guarantors, each of the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent, issuing lender and swingline lender (the "Prior Administrative Agent") (which amended and restated the Credit Agreement dated November 1, 2017 by and among SES Holdings, as parent, Select LLC, as borrower and certain of SES Holdings' subsidiaries, as guarantors, each of the lenders party thereto and the Prior Administrative Agent (the "Prior Credit Agreement")). The Prior Sustainability-Linked Credit Facility also had a sublimit of \$40.0 million for letters of credit and \$27.0 million for swingline loans, respectively.

The Prior Sustainability-Linked Credit Facility permitted extensions of credit up to the lesser of \$270.0 million and a borrowing base that is determined by calculating the amount equal to the sum of (i) 85% of the Eligible Billed Receivables (as defined in the Prior Sustainability-Linked Credit Facility), plus (ii) 75% of Eligible Unbilled Receivables (as defined in the Prior Sustainability-Linked Credit Facility), provided that this amount would not equal more than 35% of the borrowing base, plus (iii) the lesser of (A) the product of 70% multiplied by the value of Eligible Inventory (as defined in the Prior Sustainability-Linked Credit Facility) at such time and (B) the product of 85% multiplied by the Net Recovery Percentage (as defined in the Prior Sustainability-Linked Credit Facility) identified in the most recent Acceptable Appraisal of Inventory (as defined in the Prior Sustainability-Linked Credit Facility), multiplied by the value of Eligible Inventory at such time, provided that this amount would not equal more than 30% of the borrowing base, minus (iv) the aggregate amount of Reserves (as defined in the Prior Sustainability-Linked Credit Facility), if any, established by the Prior Administrative Agent from time to time, including, if any, the amount of the Dilution Reserve (as defined in the Prior Sustainability-Linked Credit Facility). The borrowing base was calculated on a monthly basis pursuant to a borrowing base certificate delivered by Select LLC to the Prior Administrative Agent.

Borrowings under the Prior Sustainability-Linked Credit Facility bore interest, at Select LLC's election, at either the (a) one- or three-month Term Secured Overnight Financing Rate ("SOFR") (as defined in the Prior Sustainability-Linked Credit Facility) or (b) greatest of (i) the federal funds rate plus 0.5%, (ii) one-month Term SOFR plus 1% and (iii) the Prior Administrative Agent's prime rate (the "Base Rate"), in each case plus an applicable margin, and interest shall be payable monthly in arrears. The applicable margin for Term SOFR loans ranges from 1.75% to 2.25% and the applicable margin for Base Rate loans ranges from 0.75% to 1.25%, in each case, depending on Select LLC's average excess availability under the Prior Sustainability-Linked Credit Facility, as set forth in the table below.

[Table of Contents](#)

During the continuance of a bankruptcy event of default, automatically, and during the continuance of any other default, upon the Prior Administrative Agent's or the required lenders' election, all outstanding amounts under the Prior Sustainability-Linked Credit Facility would bear interest at 2.00% plus the otherwise applicable interest rate.

Under the Prior Sustainability-Linked Credit Facility, the interest rate margin and the facility fee rates were also subject to adjustments based on Select LLC's performance of specified sustainability target thresholds with respect to (i) total recordable incident rate, as the Employee Health and Safety Metric and (ii) barrels of produced water recycled at permanent or semi-permanent water treatment and recycling facilities owned or operated, as the Water Stewardship Metric, in each case, subject to limited assurance verification by a qualified independent external reviewer. The adjustment for the interest rate margin is a range of plus and minus 5.0 basis points and the adjustment for the fee margin was a range of plus and minus 1.0 basis point, subject to the mechanics under the Prior Sustainability-Linked Credit Facility.

The obligations under the Prior Sustainability-Linked Credit Facility were guaranteed by SES Holdings and certain subsidiaries of SES Holdings and Select LLC and secured by a security interest in substantially all of the personal property assets of SES Holdings, Select LLC and their domestic subsidiaries.

The Prior Sustainability-Linked Credit Facility contained certain customary representations and warranties, affirmative and negative covenants and events of default. If an event of default occurred and had continued, the lenders could have declared all amounts outstanding under the Prior Sustainability-Linked Credit Facility to be immediately due and payable.

In addition, the Prior Sustainability-Linked Credit Facility restricted SES Holdings' and Select LLC's ability to make distributions on, or redeem or repurchase, its equity interests, except for certain distributions, including distributions of cash so long as, both at the time of the distribution and after giving effect to the distribution, no default exists under the Prior Sustainability-Linked Credit Facility and either (a) excess availability at all times during the preceding 30 consecutive days, on a pro forma basis and after giving effect to such distribution, was not less than the greater of (1) 25% of the lesser of (A) the maximum revolver amount and (B) the then-effective borrowing base and (2) \$33.75 million or (b) if SES Holdings' fixed charge coverage ratio was at least 1.0 to 1.0 on a pro forma basis, and excess availability at all times during the preceding 30 consecutive days, on a pro forma basis and after giving effect to such distribution, is not less than the greater of (1) 20% of the lesser of (A) the maximum revolver amount and (B) the then-effective borrowing base and (2) \$27.0 million. Additionally, the Prior Sustainability-Linked Credit Facility generally permitted Select LLC to make distributions required under its existing Tax Receivable Agreements. See "Note 12—Related Party Transactions—Tax Receivable Agreements" for further discussion of the Tax Receivable Agreements.

The Prior Sustainability-Linked Credit Facility also required SES Holdings to maintain a fixed charge coverage ratio of at least 1.0 to 1.0 at any time availability under the Prior Sustainability-Linked Credit Facility is less than the greater of (i) 10% of the lesser of (A) the maximum revolver amount and (B) the then-effective borrowing base and (ii) \$15.0 million and continuing through and including the first day after such time that availability under the Prior Sustainability-Linked Credit Facility has equaled or exceeded the greater of (i) 10% of the lesser of (A) the maximum revolver amount and (B) the then-effective borrowing base and (ii) \$15.0 million for 60 consecutive calendar days.

Certain lenders party to the Prior Sustainability-Linked Credit Facility and their respective affiliates have from time to time performed, and may in the future perform, various financial advisory, commercial banking and investment banking services for the Company and its affiliates in the ordinary course of business for which they have received and would receive customary compensation. In addition, in the ordinary course of their various business activities, such parties and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investments and securities activities may involve the Company's securities and/or instruments.

The Company had \$305.0 million in borrowings outstanding under the Sustainability-Linked Credit Facility as of September 30, 2025 and \$85.0 million outstanding under the Prior Sustainability-Linked Credit Facility as of

[Table of Contents](#)

December 31, 2024. As of September 30, 2025 and December 31, 2024, the borrowing base under the Sustainability-Linked Credit Facility and Prior Sustainability-Linked Credit Facility was \$232.3 million and \$218.8 million, respectively. The borrowing capacity under the Sustainability-Linked Credit Facility and Prior Sustainability-Linked Credit Facility was reduced by outstanding letters of credit of \$19.6 million and \$19.0 million as of September 30, 2025 and December 31, 2024, respectively. The Company's letters of credit have a variable interest rate between 1.75% and 2.25% based on the Company's average excess availability as outlined above. The unused portion of the available borrowings under the Sustainability-Linked Credit Facility was \$157.7 million as of September 30, 2025.

The principal maturities of debt outstanding as of September 30, 2025 were as follows:

	Amount (in thousands)		
	Revolving Credit Facility	Term Loan	Total
2025	\$ —	\$ —	\$ —
2026	—	31,250	31,250
2027	—	62,500	62,500
2028	—	62,500	62,500
2029	—	62,500	62,500
2030	55,000	31,250	86,250
Total	\$ 55,000	\$ 250,000	\$ 305,000
Less: Debt issuance costs	—	(3,935)	(3,935)
Less: Current portion of long-term debt	—	(15,625)	(15,625)
Long-term debt, net	\$ 55,000	\$ 230,440	\$ 285,440
Interest rate as of September 30, 2025	6.24%	7.41%	

In connection with the entry into the Sustainability-Linked Credit Facility, the Company incurred \$7.9 million of debt issuance costs during the Current Period. Additionally, the Company expensed \$0.7 million of previously unamortized deferred debt issuance costs related to the Prior Sustainability-Linked Credit Facility and transferred \$0.4 million of unamortized costs to the new Sustainability-Linked Credit Facility for lenders that remained in the syndicate. Unamortized debt issuance costs as of September 30, 2025 and December 31, 2024, were \$7.1 million and \$1.1 million, respectively. The debt issuance costs related to the revolving line of credit are presented as a deferred charge within other assets on the consolidated balance sheets. The debt issuance costs related to the term loan are presented as a deferred credit, reducing the loan's carrying value on the consolidated balance sheets. Debt issuance costs are amortized to interest expense over the life of the debt to which they pertain. Total amortization expense related to debt issuance costs was \$0.4 million, \$0.1 million, \$1.1 million and \$0.4 million for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively.

The Company was in compliance with all debt covenants as of September 30, 2025.

NOTE 9—COMMITMENTS AND CONTINGENCIES

Litigation

The Company is subject to a number of lawsuits and claims arising out of the normal conduct of its business. The ability to predict the ultimate outcome of such matters involves judgments, estimates and inherent uncertainties. Based on a consideration of all relevant facts and circumstances, including applicable insurance coverage, it is not expected that the ultimate outcome of any currently pending lawsuits or claims against the Company will have a material

[Table of Contents](#)

adverse effect on its consolidated financial position, results of operations or cash flows; however, there can be no assurance as to the ultimate outcome of these matters.

Retentions

We are self-insured up to certain retention limits with respect to workers' compensation, general liability and vehicle liability matters, and health insurance. We maintain accruals for self-insurance retentions that we estimate using third-party data and claims history.

NOTE 10—EQUITY-BASED COMPENSATION

The SES Holdings 2011 Equity Incentive Plan (the "2011 Plan") was approved by the board of managers of SES Holdings in April 2011. In conjunction with the private placement of 16,100,000 shares of the Company's Class A common stock on December 20, 2016 (the "Select 144A Offering"), the Company adopted the Select Energy Services, Inc. 2016 Equity Incentive Plan (as amended, the "2016 Plan") for employees, consultants and directors of the Company and its affiliates. Options that were outstanding under the 2011 Plan immediately prior to the Select 144A Offering were cancelled in exchange for new options granted under the 2016 Plan. On May 8, 2020, the Company's stockholders approved an amendment to the 2016 Plan to increase the number of shares of the Company's Class A common stock that may be issued under the 2016 Plan by 4,000,000 shares and to make certain other administrative changes.

On March 25, 2024, the Company adopted the Select Water Solutions, Inc. 2024 Equity Incentive Plan (the "2024 Plan") subject to approval by the Company's stockholders. On May 8, 2024, the Company's stockholders approved the 2024 Plan and the 2024 Plan became effective as of such date. The 2024 Plan reserved 8,487,004 shares of the Company's Class A common stock for issuance with respect to equity awards granted under the 2024 Plan. In connection with the approval of the 2024 Plan, no further awards will be granted under the 2016 Plan, the Nuverra Environmental Solutions Inc. 2017 Long Term Incentive Plan and the Nuverra Environmental Solutions, Inc. 2018 Restricted Stock Plan for Directors. The 2024 Plan includes share recycling provisions, allowing awards that expire, are canceled, forfeited, exchanged, settled in cash, or otherwise terminated without the actual delivery of the underlying Class A common stock, to again be available for future grants. As of September 30, 2025, there were 8,499,231 shares available for issuance as future equity awards under the 2024 Plan.

Stock Option Awards

The Company has outstanding stock option awards as of September 30, 2025 but there have been no option grants since 2018. The stock options were granted with an exercise price equal to or greater than the fair market value of a share of Class A common stock as of the date of grant. The expected life of the options at the time of the grant was based on the vesting period and term of the options awarded, which was ten years.

[Table of Contents](#)

A summary of the Company's stock option activity and related information as of and for the Current Period is as follows:

	For the nine months ended September 30, 2025			
	Stock Options	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands) ^(a)
Beginning balance, outstanding	1,030,595	\$ 19.89	2.5	\$ 1,399
Exercised	(24,943)	8.66		—
Expired	(28,045)	13.98		—
Ending balance, outstanding	977,607	\$ 20.35	1.8	\$ 558
Ending balance, exercisable	977,607	\$ 20.35	1.8	\$ 558
Nonvested as of September 30, 2025	—	\$ —		

(a) Aggregate intrinsic value for stock options is based on the difference between the exercise price of the stock options and the quoted closing Class A common stock price of \$10.69 and \$13.24 as of September 30, 2025 and December 31, 2024, respectively.

All equity-based compensation expense related to stock options has been previously recognized.

Restricted Stock Awards

The value of the restricted stock awards granted was established by the market price of the Class A common stock on the date of grant and is recorded as compensation expense ratably over the vesting term, which is generally over three years from the applicable date of grant. The Company recognized compensation expense of \$3.1 million, \$2.6 million, \$9.4 million and \$9.3 million related to the restricted stock awards for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively. As of September 30, 2025, there was \$15.5 million of unrecognized compensation expense with a weighted-average remaining life of 1.7 years related to unvested restricted stock awards.

A summary of the Company's restricted stock awards activity and related information for the Current Period is as follows:

	For the nine months ended September 30, 2025	
	Restricted Stock Awards	Weighted-average Grant Date Fair Value
Nonvested as of December 31, 2024	2,670,410	\$ 8.18
Granted	1,124,985	10.93
Vested	(1,272,317)	8.15
Forfeited	(155,562)	10.40
Nonvested as of September 30, 2025	2,367,516	\$ 9.36

Performance Share Units ("PSUs")

During 2023, the Company approved grants of PSUs that are subject to both performance-based and service-based vesting provisions related to (i) return on asset performance ("ROA") in comparison to thirteen peer companies and (ii) Adjusted Free Cash Flow ("FCF") performance percentage. The number of shares of Class A common stock issued to a recipient upon vesting of the PSUs will be calculated based on ROA and FCF performance over the applicable period from January 1, 2023 through December 31, 2025.

The target number of shares of Class A common stock subject to each remaining PSU granted in 2023 is one; however, based on the achievement of performance criteria, the number of shares of Class A common stock that may be received in the settlement of each PSU can range from 0.0 to 1.75 times the target number. The PSUs become earned at the end of the performance period after the attainment of the performance level has been certified by the compensation

[Table of Contents](#)

committee, which will be no later than June 30, 2026, assuming the applicable minimum performance metrics are achieved.

The target PSUs granted in 2023 that become earned connected with the ROA in comparison to other companies will be determined based on the Company's Average Return on Assets (as defined in the applicable PSU agreement) relative to the Average Return on Assets of the peer companies (as defined in the applicable PSU agreement) in accordance with the following table, but the Company must have a positive Total Shareholder Return (as defined in the applicable PSU agreement) over the performance period. As a result of this market condition, the 2023 PSUs will be valued each reporting period utilizing a Black-Scholes model.

Ranking Among Peer Group	Percentage of Target Amount Earned
Outside of Top 10	0%
Top 10	50%
Top 7	100%
Top 3	175%

The target PSUs that become earned in connection with the adjusted FCF performance percentage will be determined (as defined in the applicable PSU agreement) in accordance with the following table:

Adjusted FCF Performance Percentage	Percentage of Target Amount Earned
Less than 70%	0%
70%	50%
100%	100%
130%	175%

During 2024, the Company approved grants of PSUs that are subject to both performance-based and service-based vesting provisions related to ROA in comparison to twelve peer companies and PSUs subject to market-based and service-based vesting provisions related to absolute total shareholder return ("TSR") over the performance period from January 1, 2024 through December 31, 2026. The target number of shares of Class A common stock subject to each PSU granted in 2024 is 1.0; however, based on the achievement of performance criteria, the number of shares of Class A common stock that may be received in the settlement of each PSU can range from 0.0 to 2.0 times the target number. No PSUs are earned if the Company's TSR is negative. The PSUs become earned at the end of the performance period after the attainment of the performance level has been certified by the compensation committee, which will be no later than June 30, 2027.

The target PSUs granted in 2024 that become earned in connection with the ROA in comparison to other companies will be determined (as defined in the applicable PSU agreement) in accordance with the following table:

Ranking Among Peer Group	Percentage of Target Amount Earned
Outside of Top 10	0%
Top 10	50%
Top 7	100%
Top 3	200%

[Table of Contents](#)

The PSUs granted in 2024 that become earned in connection with TSR will be determined (as defined in the applicable PSU agreement) in accordance with the following table:

Performance Level	Absolute TSR (%)	Percentage of Target PSUs Earned
Below Threshold	Less than 0%	0%
Threshold	0%	50%
Target	10%	100%
Maximum	Greater than or equal to 30%	200%

During 2025, the Company approved grants of PSUs that are subject to both performance-based and service-based vesting provisions related to relative and absolute TSR, with relative TSR measured against a defined peer group specified in the grant agreement, over the performance period from January 1, 2025 to December 31, 2027. The target number of shares of Class A common stock subject to each PSU granted in 2025 is 1.0; however, based on the achievement of performance criteria, the number of shares of Class A common stock that may be received in the settlement of each PSU can range from 0.0 to 2.0 times the target number. The PSUs become earned at the end of the performance period after the attainment of the performance level has been certified by the compensation committee, which will be no later than June 30, 2028.

The PSUs granted in 2025 that become earned in connection with TSR will be determined (as defined in the applicable PSU agreement) in accordance with the following table:

Performance Level	Relative TSR (%)	Absolute TSR between 0% and 15%*	Absolute TSR greater than 15%	Absolute TSR less than 0%
Maximum	Greater than or equal to 80%	200%	200%	100%
Target	55%	100%	100%	100%
Threshold	25%	50%	50%	50%
Below Threshold	Less than 25%	0%	50%	0%

*The percentage of Target PSUs that become earned PSUs for performance that is between the values set forth in the table above, excluding between the third and fourth rows of the table, shall be linearly interpolated between the values in the table.

The fair value on the date the PSUs were granted during 2025, 2024 and 2023 was \$5.4 million, \$5.2 million and \$5.3 million, respectively. Compensation expense related to the PSUs is determined by multiplying the number of shares of Class A common stock underlying such awards that, based on the Company's estimate, are probable to vest by the measurement date (i.e., the last day of each reporting period date) fair value and recognized using the accelerated attribution method. The Company recognized compensation expense of \$4.3 million, \$3.1 million, \$4.6 million and \$9.1 million related to the PSUs for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively.

As of September 30, 2025, the unrecognized compensation cost related to our unvested PSUs is estimated to be \$7.3 million and is expected to be recognized over a weighted-average period of 1.7 years. However, this compensation cost will be adjusted as appropriate throughout the applicable performance periods.

[Table of Contents](#)

A summary of the Company's PSUs and related information for the Current Period is as follows:

	PSUs
Nonvested as of December 31, 2024	1,988,208
Target shares granted	376,397
Target shares vested ⁽¹⁾	(594,295)
Target shares added by performance factor	98,029
Target shares forfeited ⁽¹⁾	(189,798)
Target shares outstanding as of September 30, 2025	1,678,541

(1) The PSUs granted in 2022 related to ROA and FCF vested at 132% and 62% of target, respectively.

Share Repurchases

During the Current Quarter, the Company repurchased 38,992 shares of Class A common stock in connection with the satisfaction of employee minimum tax withholding requirements for shares vested under the 2016 Plan. All repurchased shares were retired. During the Current Quarter, the repurchases were accounted for as a decrease to paid-in capital of \$0.3 million and a decrease to Class A common stock of less than \$1,000. In the Prior Quarter, the Company repurchased 139,275 shares of Class A common stock in connection with the cashless exercise of options and the satisfaction of employee minimum tax withholding requirements. The Company did not make any open market repurchases in either the Current Quarter or Prior Quarter.

During the Current Period, the Company repurchased 615,422 shares of Class A common stock in connection with the cashless exercise of options and the satisfaction of employee minimum tax withholding requirements for shares vested under the 2016 Plan. All repurchased shares were retired. During the Current Period, the repurchases were accounted for as a decrease to paid-in capital of \$7.0 million and a decrease to Class A common stock of \$6,000. In the Prior Period, the Company repurchased 1,103,993 shares of Class A common stock in connection with the cashless exercise of options and the satisfaction of employee minimum tax withholding requirements. The Company did not make any open market repurchases in either the Current Period or Prior Period.

The 1% U.S. federal excise tax on certain repurchases of stock by publicly traded U.S. corporations enacted as part of the IRA 2022 applies to our share repurchase program.

NOTE 11—FAIR VALUE MEASUREMENT

The Company utilizes fair value measurements to measure assets and liabilities in a business combination or assess impairment and abandonment of property and equipment, intangible assets and goodwill or to measure the value of securities marked to market. Fair value is defined as the amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in an orderly transaction between market participants at the measurement date. Further, ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and includes certain disclosure requirements. Fair value estimates are based on either (i) actual market data or (ii) assumptions that other market participants would use in pricing an asset or liability, including estimates of risk.

ASC 820 establishes a three-level valuation hierarchy for the disclosure of fair value measurements. The valuation hierarchy categorizes assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. The three levels are defined as follows:

Level 1—Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2—Quoted prices for similar assets or liabilities in non-active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3—Inputs that are unobservable and significant to the fair value measurement (including the Company’s own assumptions in determining fair value).

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. There were no transfers into, or out of, the three levels of the fair value hierarchy for the nine months ended September 30, 2025 or the year ended December 31, 2024.

Other fair value considerations

The carrying values of the Company’s current financial instruments, which include cash and cash equivalents, accounts receivable trade and accounts payable, approximate their fair value as of September 30, 2025 and December 31, 2024 due to the short-term nature of these instruments. The carrying value of debt as of September 30, 2025 approximates fair value due to variable market rates of interest. The estimated fair values of the Company’s financial instruments are not necessarily indicative of the amounts that would be realized in a current market exchange.

NOTE 12—RELATED-PARTY TRANSACTIONS

The Company considers its related parties to be those stockholders who are beneficial owners of more than 5.0% of its common stock, executive officers, members of its board of directors or immediate family members of any of the foregoing persons, transactions with a company that is significantly influenced by another related party, and cost-method and equity-method investees. The Company has entered into a number of transactions with related parties. In accordance with the Company’s related persons transactions policy, the audit committee of the Company’s board of directors regularly reviews these transactions. However, the Company’s results of operations may have been different if these transactions were conducted with non-related parties.

During the Current Quarter, sales to related parties were \$0.2 million and purchases from related-party vendors were \$8.2 million. These purchases consisted of \$3.9 million relating to the rental of certain equipment or other services used in operations, \$1.8 million relating to property and equipment, \$1.5 million relating to inventory and consumables and \$1.0 million relating to management, consulting and other services.

During the Prior Quarter, sales to related parties were \$0.2 million and purchases from related-party vendors were \$8.1 million. These purchases consisted of \$5.1 million relating to the rental of certain equipment or other services used in operations, \$1.6 million relating to property and equipment, \$0.8 million relating to management, consulting and other services and \$0.6 million relating to inventory and consumables.

During the Current Period, sales to related parties were \$0.4 million and purchases from related-party vendors were \$23.6 million. These purchases consisted of \$14.5 million relating to the rental of certain equipment or other services used in operations, \$3.4 million relating to management, consulting and other services, \$3.4 million relating to inventory and consumables, and \$2.3 million relating to property and equipment.

During the Prior Period, sales to related parties were \$0.6 million and purchases from related-party vendors were \$18.1 million. These purchases consisted of \$11.5 million relating to the rental of certain equipment or other services used in operations, \$3.3 million relating to property and equipment, \$2.0 million relating to management, consulting and other services and \$1.3 million relating to inventory and consumables.

Tax Receivable Agreements

In connection with the Select 144A Offering, the Company entered into two tax receivable agreements (the “Tax Receivable Agreements” or “TRA’s”) with certain then-affiliates of the then-holders of SES Holdings LLC Units. As of September 30, 2025, certain of the TRA Holders were employed by the Company, on the Company’s board of directors and/or owned shares of the Company’s Class A and/or Class B common stock.

[Table of Contents](#)

The first of the Tax Receivable Agreements, which the Company entered into with Legacy Owner Holdco and Crestview Partners II GP, L.P. (“Crestview GP”) generally provides for the payment by the Company to such TRA Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income and franchise tax that the Company actually realizes (computed using simplifying assumptions to address the impact of state and local taxes) or is deemed to realize in certain circumstances in periods after the Select 144A Offering as a result of, as applicable to each such TRA Holder, (i) certain increases in tax basis that occur as a result of the Company’s acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of such TRA Holder’s SES Holdings LLC Units in connection with the Select 144A Offering or pursuant to the exercise of the Exchange Right or the Company’s Call Right and (ii) imputed interest deemed to be paid by the Company as a result of, and additional tax basis arising from, any payments the Company makes under such Tax Receivable Agreement.

The second of the Tax Receivable Agreements, which the Company entered into with an affiliate of Legacy Owner Holdco and Crestview GP, generally provides for the payment by the Company to such TRA Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income and franchise tax that the Company actually realizes (computed using simplifying assumptions to address the impact of state and local taxes) or is deemed to realize in certain circumstances in periods after the Select 144A Offering as a result of, as applicable to each such TRA Holder, (i) any net operating losses available to the Company as a result of certain reorganization transactions entered into in connection with the Select 144A Offering and (ii) imputed interest deemed to be paid by the Company as a result of any payments the Company makes under such Tax Receivable Agreement.

On June 23, 2023, the Tax Receivable Agreements were amended to replace references to one year LIBOR with references to the 12-month term SOFR published by CME Group Benchmark Administration Limited plus 171.513 basis points, which is the benchmark replacement rate and additional margin that, under the Adjustable Interest Rate (LIBOR) Act of 2021, would have otherwise been inserted in place of references to LIBOR in the Tax Receivable Agreements following June 30, 2023.

The Company has recognized a liability associated with the Tax Receivable Agreements of September 30, 2025 and December 31, 2024 of \$38.4 million and \$38.5 million, respectively because the likelihood of a payment to be made under the Tax Receivable Agreements has been determined to be probable as of both September 30, 2025, and December 31, 2024. The recognized liability associated with the Tax Receivable Agreements represents 85% of the net cash savings in U.S. federal, state and local income tax or franchise tax that the Company anticipates realizing in future years from certain increases in tax basis and other tax attributes arising from the Company’s completed acquisitions of SES Holdings LLC Units from the TRA Holders and from the net operating losses available to the Company as a result of certain reorganization transactions entered into in connection with the Select 144A Offering. This liability could materially change in the future, based on multiple factors including, among others, whether the remaining holders of SES Holdings LLC Units exchange such units for Class A common stock, the value of our Class A common stock, changes in our economic projections and actual results, passage of future legislation, and consummation of significant transactions in the future. We expect the One Big Beautiful Bill Act (“OBBA”), enacted on July 4, 2025, to defer the timing of payments under the Tax Receivable Agreements but not the amount of the payments expected to be made.

NOTE 13—INCOME TAXES

The Company’s income tax information is presented in the table below. The effective tax rate is different than the 21% U.S. federal income tax rate due to net income allocated to noncontrolling interests, state income taxes, income tax credits and permanent book tax differences.

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(in thousands)			
Current income tax (benefit) expense	\$ (174)	\$ 202	\$ 283	\$ 692
Deferred income tax expense	608	5,650	7,566	10,571
Total income tax expense	\$ 434	\$ 5,852	\$ 7,849	\$ 11,263
Effective Tax Rate	5.8%	24.2%	21.7%	23.1%

[Table of Contents](#)

The Company regularly reviews its deferred tax assets for realization and establishes a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company considers all available positive and negative evidence in determining whether realization of the tax benefit is more likely than not. This evidence includes historical income/loss, projected future income, the expected timing of the reversal of existing temporary differences and the implementation of tax planning strategies. Management has continued to assess both positive and negative evidence and determined that no adjustments to the remaining valuation allowance were necessary as of September 30, 2025.

OBBBA introduced significant modifications to the U.S. federal income tax code. While the Company is continuing to evaluate the impact of the OBBBA on it, it currently expects the increase in deductions available as a result of the OBBBA to decrease its tax liabilities and defer the timing of payments under the Tax Receivable Agreements. It is expected that the OBBBA will not have a material impact to the Company's current year financial statements.

NOTE 14—NONCONTROLLING INTERESTS

The Company's noncontrolling interests fall into two categories as follows:

- Noncontrolling interests attributable to joint ventures formed for water-related services.
- Noncontrolling interests attributable to holders of Class B common stock.

	As of September 30, 2025	As of December 31, 2024
	(in thousands)	
Noncontrolling interests attributable to joint ventures formed for water-related services	\$ (1,281)	\$ (1,570)
Noncontrolling interests attributable to holders of Class B common stock	124,828	123,584
Total noncontrolling interests	\$ 123,547	\$ 122,014

During the Current Period, the Company received a \$2.9 million cash contribution from a noncontrolling interest for business development. For all periods presented, there were changes in Select Inc.'s ownership interest in SES Holdings. The effects of the changes in Select Inc.'s ownership interest in SES Holdings are as follows:

	Nine months ended September 30,	
	2025	2024
	(in thousands)	
Net income attributable to Select Water Solutions, Inc.	\$ 21,569	\$ 32,284
Transfers from noncontrolling interests:		
Decrease in additional paid-in capital as a result of issuing shares for business combination	(141)	—
Increase in additional paid-in capital as a result of restricted stock issuance, net of forfeitures	1,010	1,164
Increase in additional paid-in capital as a result of vested PSUs	406	311
Increase in additional paid-in capital as a result of the repurchase of SES Holdings LLC Units	511	163
Change to equity from net income attributable to Select Water Solutions, Inc. and transfers from noncontrolling interests	\$ 23,355	\$ 33,922

NOTE 15—INCOME PER SHARE

Income per share is based on the amount of income allocated to the stockholders and the weighted-average number of shares outstanding during the period for each class of common stock. Outstanding options are included in the calculation of diluted weighted-average shares outstanding to the extent they may be dilutive upon exercise and are excluded to the extent they would be antidilutive. Accordingly, outstanding options to purchase 692,908, 725,634, 692,908 and 913,042 shares of Class A common stock, representing 71%, 62%, 71% and 78% of the total outstanding options at period end, for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively, are excluded from the calculation of diluted weighted-average shares outstanding as their effect is antidilutive. Shares of the Company's Class B common stock do not share in net income or losses attributable to the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class B common stock under the two-class method has not been presented. Diluted earnings per share was computed using the treasury stock method.

The following tables present the Company's calculation of basic and diluted earnings per share for the Current and Prior Quarter and the Current and Prior Period (dollars in thousands, except share and per share amounts):

	Three months ended September 30, 2025			Three months ended September 30, 2024		
	Select Water Solutions, Inc.	Class A	Class B	Select Water Solutions, Inc.	Class A	Class B
Numerator:						
Net income	\$ 2,294			\$ 18,810		
Net loss (income) attributable to noncontrolling interests	389			(3,019)		
Net income attributable to Select Water Solutions, Inc. — basic	\$ 2,683	\$ 2,683	\$ —	\$ 15,791	\$ 15,791	\$ —
Add: Reallocation of net income attributable to noncontrolling interests for the dilutive effect of restricted stock	3	3	—	34	34	—
Add: Reallocation of net income attributable to noncontrolling interests for the dilutive effect of performance units	4	4	—	33	33	—
Add: Reallocation of net income attributable to noncontrolling interests for the dilutive effect of stock options	—	—	—	3	3	—
Net income attributable to Select Water Solutions, Inc. — diluted	\$ 2,690	\$ 2,690	\$ —	\$ 15,861	\$ 15,861	\$ —
Denominator:						
Weighted-average shares of common stock outstanding — basic		102,512,351	16,221,101		100,246,000	16,221,101
Dilutive effect of restricted stock		623,975	—		1,149,092	—
Dilutive effect of performance share units		1,087,590	—		1,100,652	—
Dilutive effect of stock options		12,823	—		110,455	—
Weighted-average shares of common stock outstanding — diluted		104,236,739	16,221,101		102,606,199	16,221,101
Income per share:						
Basic	\$ 0.03	\$ —	\$ —	\$ 0.16	\$ —	\$ —
Diluted	\$ 0.03	\$ —	\$ —	\$ 0.15	\$ —	\$ —

[Table of Contents](#)

	Nine months ended September 30, 2025			Nine months ended September 30, 2024		
	Select Water Solutions, Inc.	Class A	Class B	Select Water Solutions, Inc.	Class A	Class B
Numerator:						
Net income	\$ 23,525			\$ 37,584		
Net income attributable to noncontrolling interests	(1,956)			(5,300)		
Net income attributable to Select Water Solutions, Inc. — basic	\$ 21,569	\$ 21,569	\$ —	\$ 32,284	\$ 32,284	\$ —
Add: Reallocation of net income attributable to noncontrolling interests for the dilutive effect of restricted stock	30	30	—	68	68	—
Add: Reallocation of net income attributable to noncontrolling interests for the dilutive effect of performance units	37	37	—	60	60	—
Add: Reallocation of net income attributable to noncontrolling interests for the dilutive effect of stock options	1	1	—	4	4	—
Net income attributable to Select Water Solutions, Inc. — diluted	\$ 21,637	\$ 21,637	\$ —	\$ 32,416	\$ 32,416	\$ —
Denominator:						
Weighted-average shares of common stock outstanding — basic		101,616,535	16,221,101		99,867,600	16,221,101
Dilutive effect of restricted stock		761,416	—		847,502	—
Dilutive effect of performance share units		941,200	—		1,002,161	—
Dilutive effect of stock options		32,775	—		60,537	—
Weighted-average shares of common stock outstanding — diluted		103,351,926	16,221,101		101,777,800	16,221,101
Income per share:						
Basic	\$ 0.21	\$ —	\$ —	\$ 0.32	\$ —	\$ —
Diluted	\$ 0.21	\$ —	\$ —	\$ 0.32	\$ —	\$ —

NOTE 16—SEGMENT INFORMATION

Select Inc. is a leading provider of sustainable water and chemical solutions to the energy industry in the U.S. The Company's services are offered through three reportable segments. Reportable segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the CODM in deciding how to allocate resources and assess performance. The Company's CODM assesses performance and allocates resources on the basis of the three reportable segments. Corporate and other expenses that do not individually meet the criteria for segment reporting are reported separately as Corporate or Other.

The Company's CODM assesses performance and allocates resources on the basis of the following three reportable segments:

Water Infrastructure — The Water Infrastructure segment consists of the Company's fixed infrastructure assets, including operations associated with our water distribution pipeline infrastructure, our water recycling facilities, our produced water gathering pipelines, SWDs, and our solids management facilities, primarily serving E&P companies.

Water Services — The Water Services segment primarily consists of the Company's water-related services businesses, including water sourcing, water transfer, fluids hauling, water monitoring, water containment and water network automation, primarily serving E&P companies. Additionally, this segment includes the operations of our accommodations and rentals and flowback and well testing businesses.

Chemical Technologies — The Chemical Technologies segment provides technical solutions, products and expertise related to chemical applications in the oil and gas industry. We develop, manufacture, manage logistics and provide a full suite of chemicals used in hydraulic fracturing, stimulation, cementing and well completions for customers ranging from pressure pumpers to major integrated and independent oil and gas producers. This segment also utilizes its chemical experience and lab testing capabilities to customize tailored

[Table of Contents](#)

water treatment solutions designed for the recycling and treatment of produced water and to optimize the fracturing fluid system in conjunction with the quality of water used in well completions.

In assessing segment results and allocating resources, the CODM places particular emphasis on significant expense categories, including cost of revenue, selling, general & administrative expenses, and depreciation, accretion, and amortization. The CODM evaluates segment performance primarily based on segment EBITDA, which serves as the key profitability measure for decision-making. The Company reports EBITDA by segment as a measure of segment performance. The Company defines EBITDA as net income, plus interest expense, income taxes, and depreciation, amortization and accretion.

Financial information by segment for the Current and Prior Quarter and the Current and Prior Period is as follows:

For the three months ended September 30, 2025						
	Water Infrastructure	Water Services	Chemical Technologies	Other	Eliminations	Totals
Revenue	\$ 79,877	\$ 169,014	\$ 76,909	\$ -	\$ (3,557)	\$ 322,243
Costs of revenue excluding depreciation, amortization and accretion	(40,214)	(136,840)	(61,614)	-	3,557	(235,111)
Depreciation, amortization and accretion	(25,065)	(16,838)	(1,675)	(1,310)		(44,888)
Selling general and administrative	(5,367)	(8,723)	(4,181)	(23,403)		(41,674)
Other ⁽¹⁾	(2,962)	10,710	357	16		8,121
Net income						\$ 2,294
Interest expense, net						5,963
Tax expense						434
Depreciation, amortization and accretion						44,888
EBITDA	\$ 31,334	\$ 34,161	\$ 11,471	\$ (23,387)		\$ 53,579
Capital expenditures	\$ 64,402	\$ 20,446	\$ 1,217	\$ 9		\$ 86,074

For the three months ended September 30, 2024						
	Water Infrastructure	Water Services	Chemical Technologies	Other	Eliminations	Totals
Revenue	\$ 82,967	\$ 236,498	\$ 55,823	\$ -	\$ (3,939)	\$ 371,349
Costs of revenue excluding depreciation, amortization and accretion	(39,068)	(186,087)	(48,778)	-	3,939	(269,994)
Depreciation, amortization and accretion	(17,557)	(19,497)	(1,853)	(660)		(39,567)
Selling general and administrative	(4,833)	(7,169)	(4,477)	(20,789)		(37,268)
Other ⁽¹⁾	219	2,057	26	(254)		2,048
Net income						\$ 18,810
Interest expense, net						1,906
Tax expense						5,852
Depreciation, amortization and accretion						39,567
EBITDA	\$ 39,285	\$ 45,299	\$ 2,594	\$ (21,043)		\$ 66,135
Capital expenditures	\$ 18,670	\$ 17,466	\$ 1,235	\$ 65		\$ 37,436

[Table of Contents](#)

For the nine months ended September 30, 2025						
	Water Infrastructure	Water Services	Chemical Technologies	Other	Eliminations	Totals
Revenue	\$ 233,766	\$ 614,914	\$ 221,895	\$ -	\$ (9,733)	\$ 1,060,842
Costs of revenue excluding depreciation, amortization and accretion	(115,576)	(491,923)	(182,692)	-	9,733	(780,458)
Depreciation, amortization and accretion	(67,115)	(51,090)	(5,102)	(4,153)		(127,460)
Selling general and administrative	(16,405)	(26,454)	(13,289)	(61,893)		(118,041)
Other ⁽¹⁾	525	13,019	1,060	(1,629)		12,975
Net income						\$ 23,525
Interest expense, net						16,484
Tax expense						7,849
Depreciation, amortization and accretion						127,460
EBITDA	\$ 102,310	\$ 109,556	\$ 26,974	\$ (63,522)		\$ 175,318
Capital expenditures	\$ 165,834	\$ 44,236	\$ 3,229	\$ 848		\$ 214,147

For the nine months ended September 30, 2024						
	Water Infrastructure	Water Services	Chemical Technologies	Other	Eliminations	Totals
Revenue	\$ 215,700	\$ 698,630	\$ 197,724	\$ -	\$ (9,026)	\$ 1,103,028
Costs of revenue excluding depreciation, amortization and accretion	(110,439)	(546,178)	(166,912)	-	9,026	(814,503)
Depreciation, amortization and accretion	(46,088)	(61,622)	(5,534)	(2,666)		(115,910)
Selling general and administrative	(13,653)	(23,588)	(14,433)	(68,555)		(120,229)
Other ⁽¹⁾	18	2,580	(502)	(431)		1,665
Net income						\$ 37,584
Interest expense, net						5,204
Tax expense						11,263
Depreciation, amortization and accretion						115,910
EBITDA	\$ 91,626	\$ 131,444	\$ 15,877	\$ (68,986)		\$ 169,961
Capital expenditures	\$ 80,083	\$ 40,882	\$ 3,604	\$ 148		\$ 124,717

(1) Other includes lease abandonment costs, impairments, remeasurement gains, gains or losses on sales of property and equipment, tax receivable agreements expense, equity in losses of unconsolidated entities and other income and expenses.

Total assets by segment as of September 30, 2025 and December 31, 2024, is as follows:

	As of September 30, 2025	As of December 31, 2024
	(in thousands)	
Water Infrastructure	\$ 911,063	\$ 652,870
Water Services	456,467	506,437
Chemical Technologies	148,414	136,658
Other	72,207	70,317
Total	\$ 1,588,151	\$ 1,366,282

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this report, as well as the historical consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission on February 19, 2025 (our “2024 Form 10-K”). This discussion and analysis contains forward-looking statements based upon our current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors as described under “Cautionary Note Regarding Forward-Looking Statements” and other cautionary statements described under the heading “Risk Factors” included in our 2024 Form 10-K and this Quarterly Report on Form 10-Q. We assume no obligation to update any of these forward-looking statements.

This discussion relates to the three and nine months ended September 30, 2025 (the “Current Quarter” and the “Current Period”, respectively) and the three and nine months ended September 30, 2024 (the “Prior Quarter” and the “Prior Period”, respectively).

Overview

We are a leading provider of sustainable water and chemical solutions to the energy industry in the U.S. As a leader in the water solutions industry, we place the utmost importance on safe, environmentally responsible management of oilfield water throughout the lifecycle of a well. Additionally, we believe that responsibly managing water resources through our operations to help conserve and protect the environment in the communities in which we operate is paramount to our continued success.

Sustainability

Select is committed to a corporate strategy that supports the long-term viability of our business model in a manner that focuses on all stakeholders, including our people, our customers, the environment, and the communities in which we operate. We believe this focus will help us and our customers achieve their short-term and long-term strategic goals, help us attract and retain top talent, and further our efforts to generate investor returns. We believe our commitment to foster a culture of corporate responsibility is an important part of being a company with operations spanning the contiguous U.S. Further, we believe being a good corporate steward is strategic to our growth in the energy industry and will better allow us to develop solutions that both address the needs of our customers and contribute to sustainable business practices. Our commitment to these principles is exemplified through our sustainability-linked credit facility, which incorporates certain key performance indicator targets related to growing produced water recycling volumes and maintaining market-leading employee safety performance. Additionally, as a customer-oriented company, we compete with other providers based on various factors, including safety and operational performance, technological innovation, process efficiencies and reputational awareness. We have identified the following four priorities as part of our comprehensive corporate responsibility initiative: Environmental Consciousness, Health and Safety, Human Capital Management and Community Outreach. We believe there is a strong link between these corporate responsibility initiatives and our ability to provide value to our stakeholders.

We are one of the few public companies whose primary focus is on the management of water and water logistics in the energy industry, with a focus on driving efficient, environmentally responsible, and economical solutions that lower costs throughout the lifecycle of the well. We believe water is a valuable resource and understand that the energy industry, other industries, and the general public are competing for this resource. We continue to provide access to water as demanded by our customers and have significantly increased our focus on the recycling and reuse of produced water, as well as assessing other industrial water sources, to meet the industry’s water demand and align our operations with the goals of our customers. We have invested significantly in the development and acquisition of fixed and mobile recycling facilities that support the advancement of commercialized produced water reuse solutions. By doing so, we strive to reduce the amount of produced water being reinjected into SWDs and to reduce our usage of fresh water as well as that of our customers. By implementing our innovative approach to end-to-end water solutions, Select has become a leader in recycling produced water to be reused for energy production.

[Table of Contents](#)

Our strong company culture includes commitments to all stakeholders, and we aim to create a work environment that fosters a diverse and inclusive company culture. Additionally, we prioritize safety in our operations through rigorous training, structured protocols and ongoing automation of our operations. Our prioritization of safety includes a commitment to safeguarding the communities in which we operate.

We believe that proper alignment of our management and our board of directors with our shareholders is critical to creating long-term value, including the alignment of management compensation and incentive structures and the continued leadership of an experienced, diverse and independent board of directors.

Recent Developments

Recent Acquisitions

On July 1, 2025, we acquired certain assets and operations of Omni Environmental Solutions (“Omni”) in the Bakken region. The acquired assets include:

- A solids waste landfill with approximately 3.2 million cubic yards of remaining offtake capacity;
- A processing, recovery, and disposal facility for reclaiming diesel and other hydrocarbons from oilfield waste streams;
- One SWD with a permitted disposal capacity of approximately 12,000 barrels per day; and
- A commercial oil storage tank farm with total capacity of approximately 24,000 barrels of storage.

In addition, we have wound down our fluids hauling operations in the Haynesville region and divested the remaining lower-margin fluids hauling operations in the Midcon region. We will continue to operate our higher margin fluids hauling businesses in the Permian, Rockies and Eagle Ford regions, which also have more integration with our disposal infrastructure.

See “Note 3—Acquisitions” for further discussion.

In the first nine months of 2025, Select executed seven asset acquisitions totaling \$24.4 million, enhancing current and future water infrastructure capabilities. These asset acquisitions added disposal capacity, pipeline capacity, surface rights, and over 400 acres of land and also improved connectivity with customers by enhancing infrastructure and connectivity across operational sites and position Select for future growth and operational efficiency in the Water Infrastructure segment. We also acquired certain wastewater treatment facilities for the accommodation and rentals business line in the Permian and Eagle Ford regions for \$1.7 million. Further, the Company paid \$7.5 million to purchase its corporate headquarters building in Gainesville, Texas, which was previously subject to a lease agreement.

In parallel, Select has continued to win new long-term contracts in its infrastructure segment, further strengthening its recurring revenue base and supporting sustained growth. Additionally, several Water Infrastructure projects currently under development are anticipated to commence operations in the fourth quarter of 2025. Further, we made a \$72.1 million equity method investment in an entity to consolidate one of the largest water holdings and storage portfolios in Colorado to serve agricultural, municipal, and industrial stakeholders in the region (Refer to “Note 2—Significant Accounting Policies” for further discussion on AV Farms). Additionally, on January 24, 2025, we entered into a \$550.0 million sustainability-linked senior secured credit facility and extinguished our prior debt (Refer to “Note 8—Debt” for further discussion of the Sustainability-Linked Credit Facility).

Select is prioritizing investments in Water Infrastructure projects, which often bring a more predictable and steady revenue stream through long-term contracts and production-related operations. These investments typically produce higher gross margins and also foster stronger partnerships with customers, as Select becomes an integral partner in ensuring well productivity for ongoing customer production over the life of a well. Our focus is on integrated solutions that enhance contracted infrastructure projects with logistics services and chemical solutions, and expanding the value we provide to our customers. Our approach has been to streamline operations and offer a more comprehensive

[Table of Contents](#)

and valuable overall package to customers that is built around optimizing the entire water lifecycle, as such integrated solutions drive revenue growth and enhance overall value to clients.

Peak Rental Update

In August 2025, we announced that we had started an evaluation of strategic alternatives for Peak Rentals, our equipment rental and distributed power business within the Water Services segment. This evaluation includes a range of potential paths forward, including capital structure initiatives and other portfolio optimization opportunities. As of September 30, 2025, no transaction is pending or imminent, and we continue to own 100% of the business. We are continuing to evaluate strategic alternatives for Peak Rentals in the ordinary course; however, there can be no assurance that any particular outcome will ultimately be pursued or completed.

Market Trends and Outlook

We are navigating through various evolving external factors that create uncertainty and volatility in our operating environment, including, but not limited to, global geopolitical conflicts, volatility in energy prices and inflation due to geopolitical dynamics, increased tariffs and their impact on costs of goods and services and developing trends among our customers, including increased consolidation in the industry and demand for produced water recycling services.

The armed conflict between Ukraine and Russia has continued into 2025, as well as ongoing conflicts in the Middle East, including heightened tensions with Iran. As a result of the Russian invasion of Ukraine, the U.S., the United Kingdom, the member states of the European Union and other public and private actors have imposed severe sanctions on Russian financial institutions, businesses and individuals. In the Middle East, various conflicts have resulted in increased hostilities and instability in oil and gas producing regions in the Middle East as well as in key adjacent shipping lanes and supply chains, including elevated tensions with Iran, a major oil producer. In addition, in July of 2025, the U.S. government threatened additional sanctions on Russia and additional tariffs on countries that import energy from Russia.

The Russia-Ukraine conflict, and the resulting sanctions and concerns regarding global energy security, have contributed to, and conflicts in the Middle East may contribute to, increases and volatility in the prices for oil and natural gas. Such volatility, coupled with an increased cost of capital, due, in part to elevated rates of inflation and interest rates, may lead to a more difficult investing and planning environment for us and our customers. The ultimate geopolitical and macroeconomic consequences of these conflicts and associated sanctions and/or international responses cannot be predicted, and such events, or any further hostilities elsewhere, could severely impact the world economy and may adversely affect our financial condition. An end to these conflicts and an easing or elimination of the related sanctions and/or international response could result in a significant fall in commodity prices as hydrocarbons become more readily accessible in global markets, which could have an adverse effect on our customers, and therefore, adversely affect our customers' demand for our services. An intensification of that conflict could also have an adverse effect on our customers and their demand for our services.

Since 2021, OPEC+ countries have instituted production cuts (as well as voluntary production cuts), which currently cut output by approximately 4.2 million barrels/day in the aggregate, comprised of a core production cut of 3.65 million barrels/day and voluntary production cuts of approximately 0.55 million barrels/day, which are being gradually unwound. Most recently, in September 2025, OPEC+ announced the beginning of the unwinding of the core production cuts, with 0.14 million barrels/day expected to be unwound in October 2025, followed by an additional 0.14 million barrels/day in November 2025. OPEC+ may, at its discretion, continue to decrease, or increase, production, which will continue to impact crude oil and natural gas price volatility. The actions of OPEC+ countries with respect to oil production levels and announcements of potential changes in such levels, including agreement on and compliance with production targets, may result in volatility in the industry in which we and our customers operate. The average price of West Texas Intermediate ("WTI") crude oil decreased in the Current Quarter versus the Prior Quarter due to a combination of factors, including heightened trade tensions, weakening global demand, rising domestic production, the threat of a global recession and increased production from OPEC+ countries and the unwinding of OPEC+ production

[Table of Contents](#)

cuts. During the Current Quarter, the average spot price of WTI crude oil was \$65.78 versus an average price of \$76.43 for the Prior Quarter. The average Henry Hub natural gas spot price during the Current Quarter was \$3.03 versus an average of \$2.11 for the Prior Quarter. Henry Hub natural gas price levels in the Current Quarter have increased relative to the Prior Quarter due to a variety of factors, including increased demand driven by power consumption, severe weather events, infrastructure disruptions, lower than expected inventories, and the ongoing LNG export growth in the U.S., and have positively impacted activity levels in natural gas basins.

Separately, global macroeconomic developments, such as the development or change in international trade policies, including the imposition of tariffs, may adversely affect our ability to source raw materials and the demand for our services. While we have positioned ourselves to largely not be reliant on any sole supplier and believe we would be able to find alternative sources for our raw materials, any trading disruption (such as tariffs, product restrictions, etc.) in the trading relationships between the U.S. and other nations may adversely impact our business. For instance, beginning in the first quarter of 2025, the U.S. imposed new or additional tariffs, through executive orders, on a variety of imported raw materials and products, including steel and aluminum. In response to the U.S. tariffs on steel and aluminum, the European Union and several other countries, including Canada and China, have threatened and/or imposed retaliatory tariffs. We continue to monitor the effects of the ever-evolving global trade landscape, including with respect to sanctions, tariffs, existing trade agreements, anti-dumping and countervailing duty regulations and more. President Trump has threatened additional increased tariffs on goods imported from China as result of current Chinese trade policy. A portion of those tariffs might be overturned depending on the resolution of certain U.S. litigation. Specifically, the U.S. Supreme Court has agreed to hear a case determining whether a federal law giving the president certain emergency powers allowed President Trump to levy tariffs on nearly all goods imported into the United States through a series of executive orders. The Court is scheduled to begin hearing oral arguments on November 5, with a ruling on the challenges potentially expected at the end of 2025. Tariffs and any additional changes in U.S. trade policy could result in one or more other jurisdictions adopting responsive trade policies. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact us and the global economy.

Additionally, increased inflation in recent years has resulted in higher interest rates and increased cost of capital for Select and for our customers. As costs of capital have increased, many of our customers have demonstrated their resolve to manage their capital spending within budgets and cash flow from operations and increase redemptions of debt and/or returns of capital to investors. Furthermore, consolidation among our customers, such as the consolidation of E&P companies in the Permian Basin, can disrupt our market in the near term and the resulting demand for our services. When one customer acquires another, drilling and completions activity levels may decrease overall, but acquisitions can lead to larger blocks of consolidated development and production acreage, which can increase the demand for our longer term integrated full water lifecycle solutions. This consolidation may streamline operations, as Select can offer integrated solutions to clients with larger water volumes to manage in certain areas. The Company's position in the market may strengthen, as it becomes an essential partner for long-term production integrity in larger, more comprehensive water projects. However, it also means Select must meet the changing needs and structures of these consolidated entities to maintain and grow these relationships. While customers involved in acquisitions may initially slow activity to focus on integration and portfolio management, we believe we are well-positioned to meet the increased responsibilities of overall water management, including water reuse, recycling, transmitting and balancing across customers and regions, and ultimately disposal, for these larger customers and blocks of contiguous acreage.

Overall, however, even though commodity prices have moderated recently, the financial health of the oil and gas industry is in a generally healthy position, including many of our customers specifically, as reflected in revenues and earnings, debt metrics, recent capital raises, and recurring shareholder returns. The industry may face additional changes due to recent and future legislative and regulatory changes under the current presidential administration. Most recently, the OBBBA, signed into law in July 2025, includes many provisions intended to expand onshore oil and gas leasing and drilling on federal land, such as increased federal oil and gas lease sales and lower royalty rates on federal oil and gas leases. While the financial health of the broader oil and gas industry has shown improvement as compared to prior periods, central bank policy actions and associated liquidity risks and other factors may negatively impact the value of our equity and that of our customers, and may reduce our and their ability to access liquidity in the bank and capital markets or result in capital being available on less favorable terms, which could negatively affect our financial condition and that of our customers.

[Table of Contents](#)

From an operational standpoint, many of the recent efficiency trends still apply to ongoing unconventional oil and gas development. The continued trend towards multi-well pad development and simultaneous well completions, executed within a limited time frame, combined with service price inflation and elevated interest rates, has increased the overall intensity, complexity and cost of well completions, while increasing fracturing efficiency and the use of lower-cost in-basin sand has decreased total costs for our customers. However, we note the continued efficiency gains in the well completions process can limit the days we spend on the wellsite and, therefore, negatively impact the total revenue opportunity for certain of our services utilizing day-rate pricing models.

This multi-well pad development, combined with upstream acreage consolidation and corporate mergers as well as the growing trends around the recycling and reuse applications of produced water provides a significant opportunity for companies like us that can deliver increasingly complex solutions for our E&P customers across large swathes of acreage through our regional infrastructure networks, delivering solutions for the full completion and production lifecycle of wells. While these trends have advanced the most in the Permian Basin to date, they are emerging in other basins as well and Select has recently performed recycling projects in the Haynesville, Rockies and South Texas regions as well.

The increased reuse of produced water requires additional chemical treatment solutions. We have a dedicated team of specialists focused every day on developing and deploying innovative water treatment and reuse services for our customers. Our FluidMatch™ design solutions enable our customers to economically use these alternative sources to optimize their fluid systems by providing water profiling and fluid assessment services working towards real-time. This trend also supports more complex “on-the-fly” solutions that treat, proportion, and blend various streams of water and chemicals at the wellsite. This complexity favors service companies that are able to provide advanced technology solutions. Ultimately, we intend to play an important role in the advancement of water and chemical solutions that are designed to meet the sustainability goals of key stakeholders.

Our water logistics, treatment, and chemical application expertise, in combination with advanced technology solutions, are applicable to other industries beyond oil and gas. We are working to further commercialize our services in other businesses and industries through our industrial solutions group and equity method investments.

Our Segments

Our services are offered through three reportable segments: (i) Water Infrastructure; (ii) Water Services; and (iii) Chemical Technologies.

- *Water Infrastructure.* The Water Infrastructure segment consists of the Company’s fixed infrastructure assets, including operations associated with our water distribution pipeline infrastructure, our water recycling facilities, our produced water gathering pipelines, SWDs, and our solids management facilities, primarily serving E&P companies.
- *Water Services.* The Water Services segment primarily consists of the Company’s water-related services businesses, including water sourcing, water transfer, fluids hauling, water monitoring, water containment and water network automation, primarily serving E&P companies. Additionally, this segment includes the operations of our accommodations and rentals and flowback and well testing businesses.
- *Chemical Technologies.* The Chemical Technologies segment provides technical solutions, products and expertise related to chemical applications in the oil and gas industry. We develop, manufacture, manage logistics and provide a full suite of chemicals used in hydraulic fracturing, stimulation, cementing and well completions for customers ranging from pressure pumpers to major integrated and independent oil and gas producers. This segment also utilizes its chemical experience and lab testing capabilities to customize tailored water treatment solutions designed for the recycling and treatment of produced water and to optimize the fracturing fluid system in conjunction with the quality of water used in well completions.

How We Generate Revenue

We currently generate most of our revenue through our water-management services associated with well completions as well as ongoing produced water management, provided through our Water Services and Water Infrastructure segments. Most of this revenue is realized through customer agreements with fixed pricing terms and is recognized when delivery of services is provided, generally at our customers' sites. While we have a growing portfolio of contracts incorporating long-term pricing arrangements, particularly in our Water Infrastructure segment, the majority of our water and water-related services are priced based on prevailing market conditions, giving due consideration to the customer's specific requirements.

Within the Water Infrastructure segment, we have contracts containing acreage dedications, areas of mutual interest ("AMIs"), wellbore dedications and minimum volume commitments ("MVCs"). Acreage dedications are longer term contracts pursuant to which a customer dedicates certain activities or volumes to Select within a defined set of the customer's leased acreage, typically committing to us all water demanded by future wells they complete or produced from current and future wells that they operate, and we commit to provide, gather, recycle or dispose such-water volumes. AMI arrangements similarly are defined by a geographic right to current and future customer volumes, though AMIs may encompass a broader geographic area beyond a customer's existing leasehold acreage. Wellbore dedications are similar to acreage dedications; however, they limit the contractual obligations to a defined set of existing or future wells. Under our MVC agreements our customers guarantee to deliver certain minimum volumes of produced water to our pipeline networks at an agreed upon fee or pay a deficiency fee for the minimum volume that is not met for a specified period. In most cases, these contracts are covenant to the land and assets they encompass.

We also generate revenue by providing completion and specialty chemicals through our Chemical Technologies segment. We invoice the majority of our Chemical Technologies customers for services provided based on the quantity of chemicals used or pursuant to short-term contracts as customer needs arise.

Costs of Conducting Our Business

The principal expenses involved in conducting our business are labor costs, vehicle and equipment costs (including depreciation, rental, repair and maintenance and leasing costs), raw materials including water sourcing costs and fuel costs. Overall, our fixed costs are relatively low and most of the costs of serving our customers are variable, i.e., they are incurred only when we provide water and water-related services, or chemicals and chemical-related services to our customers.

Labor costs associated with our employees and contract labor comprise the largest portion of our costs of doing business. We incurred labor and labor-related costs of \$115.8 million, \$134.2 million, \$369.6 million and \$399.2 million for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively. The majority of our recurring labor costs are variable and dependent on the market environment and are incurred only while we are providing our operational services. We also incur costs to employ personnel to ensure safe operations, sell and supervise our services and perform maintenance on our assets, which is not as directly tied to our level of business activity. Additionally, we incur selling, general and administrative costs for compensation of our administrative personnel at our field sites and in our operational and corporate headquarters, as well as for third-party support, permitting, licensing and services.

We incur significant vehicle and equipment costs in connection with the services we provide, including depreciation, repairs and maintenance, rental and leasing costs. We incurred vehicle and equipment costs of \$71.7 million, \$80.0 million, \$230.9 million and \$238.5 million for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively.

We incur raw material costs in manufacturing our chemical products, as well as for water that we source for our customers. We incurred raw material costs of \$60.4 million, \$54.8 million, \$184.4 million and \$179.7 million for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively.

We incur variable transportation costs associated with our service lines, predominantly fuel and freight. We incurred fuel and freight costs of \$16.0 million, \$19.7 million, \$56.8 million and \$64.7 million for the Current Quarter, Prior Quarter, Current Period and Prior Period, respectively. Changes to fuel prices impact our transportation costs, which affects the results of our operations.

How We Evaluate Our Operations

We use a variety of operational and financial metrics to assess our performance. Among other measures, management considers each of the following:

- Revenue;
- Gross Profit;
- Gross Margins;
- EBITDA;
- Adjusted EBITDA;
- Cash Flows; and
- Free Cash Flow.

Revenue

We analyze our revenue and assess our performance by comparing actual monthly revenue to our internal projections and across periods. We also assess incremental changes in revenue compared to incremental changes in direct operating costs, and selling, general and administrative expenses across our reportable segments to identify potential areas for improvement, as well as to determine whether segment performance is meeting management's expectations.

Gross Profit

To measure our financial performance, we analyze our gross profit, which we define as revenues less direct operating expenses (including depreciation, amortization and accretion expenses). We believe gross profit provides insight into profitability and the true operating performance of our assets. We also compare gross profit to prior periods and across segments to identify trends as well as underperforming segments.

Gross Margins

Gross margins provide an important gauge of how effective we are at converting revenue into profits. This metric works in tandem with gross profit to ensure that we do not seek to increase gross profit at the expense of lower margins, nor pursue higher gross margins at the expense of declining gross profits. We track gross margins by segment and service line and compare them across prior periods and across segments and service lines to identify trends as well as underperforming segments.

EBITDA and Adjusted EBITDA

We view EBITDA and Adjusted EBITDA as important indicators of performance. We define EBITDA as net income, plus interest expense, income taxes, and depreciation, amortization and accretion. We define Adjusted EBITDA as EBITDA plus any impairment and abandonment charges or asset write-offs pursuant to accounting principles generally accepted in the U.S. ("GAAP"), plus non-cash losses on the sale of assets or subsidiaries less remeasurement

[Table of Contents](#)

gains on fixed assets related to business combinations, non-recurring compensation expense, non-cash compensation expense, and non-recurring or unusual expenses or charges, including severance expenses, transaction costs, or facilities-related exit and disposal-related expenditures, plus/(minus) foreign currency losses/(gains), plus/(minus) losses/(earnings) on unconsolidated entities and plus tax receivable agreements expense. The adjustments to EBITDA are generally consistent with such adjustments described in our Sustainability-Linked Credit Facility. See “—Comparison of Non-GAAP Financial Measures—EBITDA and Adjusted EBITDA” for more information and a reconciliation of EBITDA and Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP.

Cash Flows and Free Cash Flow

We define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment, plus proceeds received from sale of property and equipment. Our board of directors and executive management team use free cash flow to assess our liquidity and ability to repay maturing debt, fund operations and make additional investments. We believe free cash flow provides useful information to investors because it is an important indicator of our liquidity including our ability to reduce net debt, make strategic investments, pay dividends and distributions and repurchase common stock. Our measure of free cash flow may not be directly comparable to similar measures reported by other companies. Furthermore, free cash flow is not a substitute for, or more meaningful than, net cash provided by (used in) operating activities nor any other measure prescribed by GAAP, and there are limitations to using non-GAAP measures such as free cash flow. Accordingly, free cash flow should not be considered a measure of the income generated by our business or discretionary cash available to it to invest in the growth of our business.

Factors Affecting the Comparability of Our Results of Operations to Our Historical Results of Operations

Our future results of operations may not be comparable to our historical results of operations for the periods presented, primarily for the reasons described below and those described in “—Recent Developments” above.

Acquisition Activity

As described above, we continuously evaluate potential investments, particularly in water infrastructure and other water-related services and technology. To the extent we consummate acquisitions, any pre-transaction revenues or expenses from such transactions are not included in our historical results of operations.

During the Current Period, we completed one business combination and nine asset acquisitions. Our historical financial statements for periods prior to the respective date each acquisition was completed do not include the results of operations of that acquisition. See “—Recent Developments” and “Note 3—Acquisitions” for a description of these transactions.

Results of Operations

The following tables set forth our results of operations for the periods presented.

Current Quarter Compared to the Prior Quarter

	Three months ended September 30,		Change	
	2025	2024	Dollars	Percentage
	(in thousands)			
Revenue				
Water Infrastructure	\$ 78,805	\$ 82,017	\$ (3,212)	(3.9)%
Water Services	166,877	234,019	(67,142)	(28.7)%
Chemical Technologies	76,561	55,313	21,248	38.4 %
Total revenue	322,243	371,349	(49,106)	(13.2)%
Costs of revenue				
Water Infrastructure	36,964	35,503	1,461	4.1 %
Water Services	136,795	186,041	(49,246)	(26.5)%
Chemical Technologies	61,352	48,450	12,902	26.6 %
Depreciation, amortization and accretion	43,578	38,906	4,672	12.0 %
Total costs of revenue	278,689	308,900	(30,211)	(9.8)%
Gross profit	43,554	62,449	(18,895)	(30.3)%
Operating expenses				
Selling, general and administrative	41,674	37,268	4,406	11.8 %
Depreciation and amortization	1,310	661	649	98.2 %
Impairments and abandonments	2,279	—	2,279	NM
Lease abandonment costs	63	5	58	1160.0 %
Total operating expenses	45,326	37,934	7,392	19.5 %
(Loss) income from operations	(1,772)	24,515	(26,287)	(107.2)%
Other income (expense)				
Gain on sales of property and equipment and divestitures, net	2,600	1,624	976	NM
Interest expense, net	(5,963)	(1,906)	(4,057)	212.9 %
Remeasurement gain on business combination	14,924	—	14,924	NM
Other	(2,277)	(78)	(2,199)	NM
Income before income tax expense and equity in (losses) earnings of unconsolidated entities	7,512	24,155	(16,643)	(68.9)%
Income tax expense	(434)	(5,852)	5,418	(92.6)%
Equity in (losses) earnings of unconsolidated entities	(4,784)	507	(5,291)	NM
Net income	\$ 2,294	\$ 18,810	\$ (16,516)	(87.8)%

Revenue

Our revenue decreased by \$49.1 million, or 13.2%, to \$322.2 million for the Current Quarter compared to \$371.3 million for the Prior Quarter. This decrease was composed of a \$67.1 million decrease in Water Services revenue and a \$3.2 million decrease in Water Infrastructure revenue partially offset by a \$21.2 million increase in Chemical Technologies revenue. For the Current Quarter, our Water Infrastructure, Water Services and Chemical Technologies constituted 24.5%, 51.7% and 23.8% of our total revenue, respectively, compared to 22.1%, 63.0% and 14.9%, respectively, for the Prior Quarter. The revenue changes by reportable segment are as follows:

Water Infrastructure. Revenue decreased \$3.2 million, or 3.9%, to \$78.8 million for the Current Quarter compared to \$82.0 million for the Prior Quarter. The decline was primarily driven by lower recycling revenues, reflecting key

[Table of Contents](#)

customer activity timing, a combination of macroeconomic factors, including a reduction in hydraulic fracturing crews impacting activity and key customer activity timing, as well as lower Bakken activity. This was partially offset by increased disposal and solids revenues, supported by the expansion of our asset base through recent acquisitions.

Water Services. Revenue decreased \$67.1 million, or 28.7%, to \$166.9 million for the Current Quarter compared to \$234.0 million in the Prior Quarter. The decrease was primarily due to declines in Water Transfer and Well Testing revenue due to macroeconomic factors, including a reduction in hydraulic fracturing crews impacting activity and pricing. This was also impacted by lower Water Sourcing revenue, reflecting the transition from freshwater to produced water and lower Fluids Hauling revenue stemming from divested operations in connection with the Omni transaction.

Chemical Technologies. Revenue increased by \$21.2 million, or 38.4%, to \$76.6 million for the Current Quarter compared to \$55.3 million for the Prior Quarter. The increase in revenues was primarily driven by enhanced sales performance and new product developments.

Costs of Revenue

Costs of revenue decreased \$30.2 million, or 9.8%, to \$278.7 million for the Current Quarter compared to \$308.9 million for the Prior Quarter. The decrease was primarily composed of a \$49.2 million decrease in Water Services costs partially offset by a \$12.9 million increase in Chemical Technologies costs, a \$1.5 million increase in Water Infrastructure costs and a \$4.7 million increase in depreciation, amortization and accretion.

Water Infrastructure. Costs of revenue increased \$1.5 million, or 4.1%, to \$37.0 million for the Current Quarter compared to \$35.5 million for the Prior Quarter. Cost of revenue as a percentage of revenue increased from 43.3% to 46.9% primarily due to lower recycling margins, driven by reduced revenue levels. This was partially offset by modest margin improvement in disposal and solids margins, reflecting higher revenue contributions and continued integration of recently acquired assets.

Water Services. Costs of revenue decreased \$49.2 million, or 26.5%, to \$136.8 million for the Current Quarter compared to \$186.0 million for the Prior Quarter. As a percentage of revenue, cost of revenue increased from 79.5% in the Prior Quarter to 82.0% in the Current Quarter. The increase was primarily impacted by lower revenue levels in the Water Transfer, Well Testing and Accommodation and Rentals business lines, as not all costs could be proportionally reduced. This increase was also impacted by a decline in water sourcing revenue, reflecting a transition from fresh water to produced water operations. This was partially offset by higher poly and containment margins stemming from the right-sizing of vehicle and equipment rentals, and higher Fluids Hauling margins, favorably impacted by the divestment of lower margin operations in connection with the Omni transaction.

Chemical Technologies. Costs of revenue increased \$12.9 million, or 26.6%, to \$61.4 million for the Current Quarter compared to \$48.5 million for the Prior Quarter. Cost of revenue as a percentage of revenue decreased from 87.6% to 80.1% attributable to a higher proportion of sales from higher margin products, coupled with reduced freight costs resulting from a shift from third-party providers to internal logistics execution.

Depreciation, amortization and accretion. Depreciation, amortization and accretion expense increased \$4.7 million, or 12.0%, to \$43.6 million for the Current Quarter compared to \$38.9 million for the Prior Quarter primarily due to a higher fixed asset base resulting from recent acquisitions as well as increased capital expenditures made into new organic infrastructure projects.

Gross Profit

Gross profit was \$43.6 million for the Current Quarter compared to \$62.4 million for the Prior Quarter primarily driven by a \$17.9 million decrease in gross profit from our Water Service segment, a \$4.7 million decrease in gross profit from our Water Infrastructure segment and a \$4.7 million increase in depreciation, amortization and accretion expense partially offset by an \$8.3 million increase in gross profit from our Chemical Technologies segment. Gross margin as a percentage of revenue was 13.5% and 16.8% in the Current Quarter and Prior Quarter, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$4.4 million, or 11.8%, to \$41.7 million for the Current Quarter compared to \$37.3 million for the Prior Quarter, driven primarily by a \$1.5 million severance charge in the Current Quarter in connection with the termination of certain former management employees related to a reorganization, a \$1.4 million increase in wages and associated taxes and benefits and contract labor, \$1.4 million in higher information technology costs and a \$0.6 million increase in incentive and equity-based compensation partially offset by a decrease in other expenses of \$0.5 million.

Impairments and Abandonments

During the Current Quarter, we recognized \$2.3 million in impairments and abandonments primarily due to the abandonment of a SWD well in the Water Infrastructure segment.

Net Interest Expense

Net interest expense increased by \$4.1 million, or 212.9%, to \$6.0 million for the Current Quarter compared to \$1.9 million in the Prior Quarter due to interest expense on the new Term Loan Facility as well as higher amortization of deferred debt issuance costs in connection with our new Sustainability-Linked Credit Facility.

Remeasurement Gain on Business Combination

A remeasurement gain of \$14.9 million was recognized in the Current Quarter in connection with Water Services property and equipment that was part of the purchase consideration transferred to Omni.

Net Income

Net income decreased by \$16.5 million, or 87.8%, to \$2.3 million for the Current Quarter compared to \$18.8 million for the Prior Quarter, driven primarily by lower gross profit, higher net interest expense, higher selling, general and administrative expenses and equity losses in the Current Quarter partially offset by lower income tax expense and the remeasurement gain on business combination in the Current Quarter.

Current Period Compared to the Prior Period

	Nine months ended September 30,		Change	
	2025	2024	Dollars	Percentage
	(in thousands)			
Revenue				
Water Infrastructure	\$ 232,051	\$ 214,089	\$ 17,962	8.4 %
Water Services	608,185	692,334	(84,149)	(12.2)%
Chemical Technologies	220,606	196,605	24,001	12.2 %
Total revenue	1,060,842	1,103,028	(42,186)	(3.8)%
Costs of revenue				
Water Infrastructure	106,668	102,776	3,892	3.8 %
Water Services	491,825	545,881	(54,056)	(9.9)%
Chemical Technologies	181,965	165,846	16,119	9.7 %
Depreciation, amortization and accretion	123,307	113,243	10,064	8.9 %
Total costs of revenue	903,765	927,746	(23,981)	(2.6)%
Gross profit	157,077	175,282	(18,205)	(10.4)%
Operating expenses				
Selling, general and administrative	118,041	120,229	(2,188)	(1.8)%
Depreciation and amortization	4,153	2,667	1,486	55.7 %
Impairments and abandonments	4,904	91	4,813	NM
Lease abandonment costs	785	411	374	91.0 %
Total operating expenses	127,883	123,398	4,485	3.6 %
Income from operations	29,194	51,884	(22,690)	(43.7)%
Other income (expense)				
Gain on sales of property and equipment and divestitures, net	10,468	2,331	8,137	NM
Interest expense, net	(16,484)	(5,204)	(11,280)	216.8 %
Remeasurement gain on business combination	14,924	—	14,924	NM
Other	(1,856)	(318)	(1,538)	NM
Income before income tax expense and equity in (losses) earnings of unconsolidated entities	36,246	48,693	(12,447)	(25.6)%
Income tax expense	(7,849)	(11,263)	3,414	(30.3)%
Equity in (losses) earnings of unconsolidated entities	(4,872)	154	(5,026)	NM
Net income	\$ 23,525	\$ 37,584	\$ (14,059)	(37.4)%

Revenue

Our revenue decreased by \$42.2 million, or 3.8%, to \$1.061 billion for the Current Period compared to \$1.103 billion for the Prior Period. This decrease was composed of a \$84.1 million decrease in Water Services revenue partially offset by a \$24.0 million increase in Chemical Technologies revenue and a \$18.0 million increase in Water Infrastructure revenue. The net \$42.2 million decrease was driven primarily by macroeconomic conditions, including fewer hydraulic fracturing crews, partially offset by increases as a result of recent capital investments in our Water Infrastructure segment and enhanced sales performance in Chemical Technologies. For the Current Period, our Water Infrastructure, Water Services and Chemical Technologies constituted 21.9%, 57.3% and 20.8% of our total revenue, respectively, compared to 19.4%, 62.8% and 17.8%, respectively, for the Prior Period. The revenue changes by reportable segment are as follows:

Water Infrastructure. Revenue increased \$18.0 million, or 8.4%, to \$232.1 million for the Current Period compared to \$214.1 million for the Prior Period. The increase was primarily driven by higher recycling revenue, supported by long-

[Table of Contents](#)

term contracts and the continued organic buildout of our recycling infrastructure, as well as higher disposal and solids revenues reflecting contributions from recently acquired assets. These gains were partially offset by a combination of macroeconomic factors, including a reduction in hydraulic fracturing crews impacting activity and key customer activity timing and reduced activity levels in the Bakken.

Water Services. Revenue decreased \$84.1 million, or 12.2%, to \$608.2 million for the Current Period compared to \$692.3 million in the Prior Period. The decrease was primarily driven by lower Water Sourcing revenue following the conversion from freshwater to produced water operations, reduced fluids hauling revenue reflecting the divestiture of operations in connection with the Omni transaction and broader macroeconomic softness, and lower Well Testing revenue, also impacted by macroeconomic conditions.

Chemical Technologies. Revenue increased by \$24.0 million, or 12.2%, to \$220.6 million for the Current Period compared to \$196.6 million for the Prior Period. The increase in revenues was primarily driven by enhanced sales performance.

Costs of Revenue

Costs of revenue decreased \$24.0 million, or 2.6%, to \$903.8 million for the Current Period compared to \$927.7 million for the Prior Period. The decrease was primarily composed of a \$54.1 million decrease in Water Services costs partially offset by a \$16.1 million increase in Chemical Technologies costs, a \$3.9 million increase in Water Infrastructure costs and a \$10.1 million increase in depreciation, amortization and accretion.

Water Infrastructure. Costs of revenue increased \$3.9 million, or 3.8%, to \$106.7 million for the Current Period compared to \$102.8 million for the Prior Period. Cost of revenue as a percentage of revenue decreased from 48.0% to 46.0% primarily driven by higher margins in gathering, disposal, and solids operations, reflecting both the accretive impact of recently acquired assets and effective integration execution. Pipeline margins were also higher in the period. These increases were partially offset by modest declines in higher margin recycling operations, primarily reflecting changes in service mix.

Water Services. Costs of revenue decreased \$54.1 million, or 9.9%, to \$491.8 million for the Current Period compared to \$545.9 million for the Prior Period. As a percentage of revenue, cost of revenue increased from 78.8% in the Prior Period to 80.9% in the Current Period. The increase was primarily impacted by lower revenue levels in the Water Transfer, Well Testing and Accommodation and Rentals business lines, as not all costs could be proportionally reduced. This increase was also impacted by a decline water sourcing revenue and margins, reflecting a transition from fresh water to produced water operations. This was partially offset by improved gross margins in our Fluids Hauling business line, favorably impacted by the divestment of lower margin operations in connection with the Omni transaction.

Chemical Technologies. Costs of revenue increased \$16.1 million, or 9.7%, to \$182.0 million for the Current Period compared to \$165.8 million for the Prior Period. Cost of revenue as a percentage of revenue decreased from 84.4% to 82.5% primarily attributable to a higher proportion of sales from higher margin products, coupled with reduced freight costs resulting from a shift from third-party providers to internal logistics execution.

Depreciation, amortization and accretion. Depreciation, amortization and accretion expense increased \$10.1 million, or 8.9%, to \$123.3 million for the Current Period compared to \$113.2 million for the Prior Period primarily due to a higher fixed asset base resulting from recent acquisitions as well as increased capital expenditures made into new organic infrastructure projects.

Gross Profit

Gross profit was \$157.1 million for the Current Period compared to \$175.3 million for the Prior Period primarily driven by a \$30.1 million decrease in gross profit from our Water Services segment and a \$10.1 million increase in depreciation, amortization and accretion expense partially offset by a \$14.1 million increase in gross profit

from our Water Infrastructure segment and a \$7.9 million increase in our Chemical Technologies segment. Gross margin as a percentage of revenue was 14.8% and 15.9% in the Current Period and Prior Period, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased \$2.2 million, or 1.8%, to \$118.0 million for the Current Period compared to \$120.2 million for the Prior Period. The decrease was primarily driven by \$4.6 million in lower transaction and rebranding costs, a \$4.5 million decline in incentive and equity-based compensation and a \$1.0 million reduction in legal and professional fees and other expenses, partially offset by \$4.0 million in higher information technology costs, a \$3.1 million increase in wages and associated taxes and benefits and contract labor and \$0.8 million in higher severance expense.

Impairments and Abandonments

During the Current Period, the Company recognized \$4.9 million in impairments and abandonments, consisting of \$3.1 million in the Water Infrastructure segment primarily associated with SWD abandonments and the termination of a disposal lease, \$1.2 million in Other related to abandonment of back-office software development costs previously classified as Other long-term assets and \$0.6 million in the Water Services segment related to the relocation of operations from a leased facility. Prior Period impairments and abandonments were less than \$0.1 million.

Gain on Sales of Property and Equipment and Divestitures, Net

During the Current Period, we recognized \$10.5 million in gains on sales of property and equipment and divestitures, primarily consisting of \$5.5 million in underutilized or obsolete property and equipment in our Water Services segment, \$4.0 million in our Water Infrastructure segment related to the sale of excess land in the Haynesville/E. Texas region and \$1.0 million of obsolete property and equipment in our Chemical Technologies segment. Prior Period amounts were due primarily to sales of underutilized or obsolete property and equipment.

Net Interest Expense

Net interest expense increased by \$11.3 million, or 216.8%, to \$16.5 million for the Current Period compared to \$5.2 million in the Prior Period due to interest expense on the new Term Loan Facility as well as higher amortization of deferred debt issuance costs in connection with our new Sustainability-Linked Credit Facility and extinguishment costs related to our Prior Sustainability-Linked Credit Facility.

Remeasurement Gain on Business Combination

A remeasurement gain of \$14.9 million was recognized in the Current Period in connection with Water Services property and equipment that was part of the purchase consideration transferred to Omni.

Net Income

Net income decreased by \$14.1 million, or 37.4%, to \$23.5 million for the Current Period compared to \$37.6 million for the Prior Period, driven primarily by lower gross profit, an increase in interest expense and equity investment losses in the Current Period partially offset by lower income tax expense, the remeasurement gain on business combination and increased gains on sales of property and equipment and divestitures, net.

Comparison of Non-GAAP Financial Measures

Our board of directors, management and investors use EBITDA and Adjusted EBITDA to assess our financial performance because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation, amortization and accretion) and items outside the control of our management team. We present EBITDA and Adjusted EBITDA because we believe they provide useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP.

Note Regarding Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are not financial measures presented in accordance with GAAP. We believe that the presentation of these non-GAAP financial measures will provide useful information to investors in assessing our financial performance and results of operations. Net income is the GAAP measure most directly comparable to EBITDA and Adjusted EBITDA. Our non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measure. Each of these non-GAAP financial measures has important limitations as an analytical tool due to the exclusion of some but not all items that affect the most directly comparable GAAP financial measures. One should not consider EBITDA or Adjusted EBITDA in isolation or as substitutes for an analysis of our results as reported under GAAP. Because EBITDA and Adjusted EBITDA may be defined differently by other companies in our industry, our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

[Table of Contents](#)

The following table sets forth our reconciliation of EBITDA and Adjusted EBITDA to our net income, which is the most directly comparable GAAP measure for the periods presented:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Net income	\$ 2,294	\$ 18,810	\$ 23,525	\$ 37,584
Interest expense, net	5,963	1,906	16,484	5,204
Income tax expense	434	5,852	7,849	11,263
Depreciation, amortization and accretion	44,888	39,567	127,460	115,910
EBITDA	53,579	66,135	175,318	169,961
Non-cash compensation expenses	7,398	5,799	14,077	18,359
Non-recurring severance expenses ⁽¹⁾	1,467	—	1,467	648
Non-cash loss on sale of assets or subsidiaries	875	368	1,312	3,548
Transaction and rebranding costs	3,289	710	6,490	8,505
Lease abandonment costs	63	5	785	411
Impairments and abandonments	2,279	—	4,904	91
Remeasurement gain on business combination	(14,924)	—	(14,924)	—
Equity in losses (earnings) of unconsolidated entities	4,784	(507)	4,872	(154)
Other	671	240	1,825	786
Adjusted EBITDA	\$ 59,481	\$ 72,750	\$ 196,126	\$ 202,155

(1) For the Current Quarter and Current Period, these costs relate to severance expense in connection with the termination of certain former management employees related to a reorganization. For the Prior Period, these costs related to severance costs associated with our former CFO.

EBITDA was \$53.6 million for the Current Quarter compared to \$66.1 million for the Prior Quarter. The \$12.5 million decrease in EBITDA was driven primarily by a \$14.2 million decrease in gross profit, \$5.3 million less in equity earnings in unconsolidated investments, a \$4.4 million increase in selling, general and administrative expense and a \$2.3 million increase in impairments and abandonments partially offset by the \$14.9 million remeasurement gain on business combination with Omni. Adjusted EBITDA was \$59.5 million for the Current Quarter compared to \$72.8 million for the Prior Quarter.

EBITDA was \$175.3 million for the Current Period compared to \$170.0 million for the Prior Period. The \$5.3 million increase in EBITDA was driven primarily by a \$14.9 million remeasurement gain on business combination with Omni, a \$8.1 million increase in gains on asset sales and a \$2.2 million decrease in selling, general and administrative expense partially offset by lower gross profit of \$8.1 million, \$5.0 million less in equity earnings in unconsolidated investments and a \$4.8 million increase in impairments and abandonments. Adjusted EBITDA was \$196.1 million for the Current Period compared to \$202.2 million for the Prior Period.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are cash on hand, borrowing capacity under the Sustainability-Linked Credit Facility, cash flows from operations and proceeds from the sale of excess property and equipment. Our primary uses of capital have been to fund current operations, maintain our asset base, implement technological advancements, make capital expenditures to support organic growth, fund acquisitions and equity investments, pay dividends and distributions, and when appropriate, repurchase shares of Class A common stock in the open market. Depending on available opportunities, market conditions and other factors, we may also issue debt and equity securities in the future, if needed.

We prioritize sustained positive free cash flow and a strong balance sheet and evaluate potential acquisitions and investments in the context of those priorities, in addition to the economics of the opportunity. We believe this

[Table of Contents](#)

approach provides us with additional flexibility to evaluate larger investments as well as improved resilience in a sustained downturn versus many of our peers.

Based on our current cash and cash equivalents balance, operating cash flow, available borrowings under our Sustainability-Linked Credit Facility and the ongoing actions discussed above, we believe that we will be able to maintain sufficient liquidity to satisfy our obligations and remain in compliance with our existing debt covenants through the next twelve months and beyond, prior to giving effect to any future financing that may occur.

We intend to finance most of our capital expenditures, contractual obligations and working capital needs with cash on hand, cash generated from operations and borrowings under our Sustainability-Linked Credit Facility. For a discussion of the Sustainability-Linked Credit Facility, see “—Sustainability-Linked Credit Facility” below. Although we cannot provide any assurance, we believe that our current cash balance, operating cash flow and available borrowings under our Sustainability-Linked Credit Facility will be sufficient to fund our operations for at least the next twelve months.

During the fourth quarter of 2022, we initiated a quarterly dividend and distribution program of \$0.05 per share and \$0.05 per unit for holders of Class A and Class B shares, respectively. We paid quarterly dividends at the same rate through the third quarter of 2023, then the board of directors increased the quarterly dividend paid on November 17, 2023 to \$0.06 per share and \$0.06 per unit for holders of Class A and Class B shares, respectively. We paid quarterly dividends at the same rate through the third quarter of 2024, then the board of directors increased the quarterly dividend paid on November 15, 2024 to \$0.07 per share and \$0.07 per unit for holders of Class A and Class B shares, respectively. This resulted in a financing outflow of \$25.3 million in the Current Period, and this quarterly dividend program is expected to continue. All future dividend payments are subject to quarterly review and approval by our board of directors.

As of September 30, 2025 cash and cash equivalents totaled \$17.8 million, and we had approximately \$157.7 million of available borrowing capacity under the Revolving Credit Facility under our Sustainability-Linked Credit Facility. As of September 30, 2025, we had \$305.0 million in outstanding indebtedness, the borrowing base for the Revolving Credit Facility under the Sustainability-Linked Credit Facility was \$232.3 million, the borrowing base for the Term Loan Facility under the Sustainability-Linked Credit Facility was \$426.3 million and outstanding letters of credit totaled \$19.6 million. As of November 3, 2025, we had \$315.0 million in outstanding indebtedness, the borrowing base for the Revolving Credit Facility under the Sustainability-Linked Credit Facility was \$229.2 million, the borrowing base for the Term Loan Facility under the Sustainability-Linked Credit Facility was \$426.3 million, the outstanding letters of credit totaled \$19.6 million, and the available borrowing capacity under the Sustainability-Linked Credit Facility was \$144.6 million.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Nine months ended September 30,		Change	
	2025	2024	Dollars	Percentage
	(in thousands)			
Net cash provided by operating activities	\$ 149,221	\$ 167,119	\$ (17,898)	(10.7)%
Net cash used in investing activities	(333,706)	(264,243)	(69,463)	(26.3)%
Net cash provided by financing activities	182,330	50,981	131,349	257.6 %
Subtotal	(2,155)	(46,143)		
Effect of exchange rate changes on cash and cash equivalents	5	(2)	7	NM
Net decrease in cash and cash equivalents	<u>\$ (2,150)</u>	<u>\$ (46,145)</u>		

Analysis of Cash Flow Changes between the nine months ended September 30, 2025 and 2024

Operating Activities. Net cash provided by operating activities was \$149.2 million for the Current Period, compared to \$167.1 million for the Prior Period. The \$17.9 million decrease is comprised primarily of a decrease of

[Table of Contents](#)

\$19.9 million of net income combined with non-cash adjustments partially offset by a \$2.0 million increase in converting working capital to cash.

Investing Activities. Net cash used in investing activities was \$333.7 million for the Current Period, compared to \$264.2 million for the Prior Period. The \$69.5 million increase in net cash used in investing activities was due primarily to a \$105.0 million increase in purchases of property and equipment and a \$72.1 million investment in unconsolidated entities during the Current Period partially offset by a \$106.1 million decrease in spending for acquisitions net of cash received and \$1.5 million higher proceeds received from sales of property and equipment.

Financing Activities. Net cash provided by financing activities was \$182.3 million for the Current Period, compared to \$51.0 million for the Prior Period. The \$131.3 million increase in net cash provided by financing activities was due primarily to a \$140.0 million increase in borrowings net of repayments and \$2.9 million of cash received from noncontrolling interest holders in the Current Period partially offset by \$7.9 million of debt issuance costs in the Current Period and a \$3.7 million increase in dividends and distributions paid.

Free Cash Flow

The following table summarizes our free cash flow for the periods indicated:

	Nine months ended September 30,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	\$ 149,221	\$ 167,119
Purchase of property and equipment	(223,063)	(118,080)
Proceeds received from sale of property and equipment	13,757	12,275
Free cash flow	\$ (60,085)	\$ 61,314

Sustainability-Linked Credit Facility

On January 24, 2025 (the “Closing Date”), SES Holdings, LLC (“SES Holdings”), a subsidiary of the Company, Select Water Solutions, LLC, a subsidiary of SES Holdings (the “Select LLC”), Bank of America, N.A., as administrative agent, issuing lender and swingline lender (the “Administrative Agent”), and the other lenders party thereto, entered into that certain sustainability-linked senior secured credit facility (the “Sustainability-Linked Credit Facility”), which initially provides for \$300.0 million in revolving commitments (the “Revolving Credit Facility”) and \$250.0 million in term commitments (the “Term Loan Facility”), in each case, subject to a borrowing base. The Sustainability-Linked Credit Facility also has a sublimit of \$50.0 million for letters of credit and a sublimit of \$30.0 million for swingline loans. Subject to obtaining commitments from existing or new lenders, Select LLC has the option to increase the maximum amount under the sustainability-linked senior secured credit facility by (i) \$150.0 million for additional revolving commitments and (ii) \$50.0 million for additional term commitments, in each case, during the first four years following the Closing Date. As of the Closing Date, (i) there were no borrowings outstanding under the Revolving Credit Facility and approximately \$20.0 million of letters of credit issued and outstanding thereunder and (ii) the Term Loan Facility was fully funded. Capitalized terms used but not defined herein have the meaning ascribed to them in the Sustainability-Linked Credit Facility.

Refer to “Note 8—Debt” for further discussion of the Sustainability-Linked Credit Facility.

Contractual Obligations

Our contractual obligations include, among other things, our Sustainability-Linked Credit Facility and operating leases. Refer to “Note 6—Leases” in our 2024 Form 10-K for operating lease obligations as of December 31, 2024 and “Note 8—Debt” in Part I, Item 1 of this Quarterly Report for an update to our Sustainability-Linked Credit Facility as of September 30, 2025.

Critical Accounting Policies and Estimates

There were no changes to our critical accounting policies from those disclosed in our 2024 Form 10-K.

Recent Accounting Pronouncements

Refer to “Note 2—Significant Accounting Policies” for recent accounting pronouncements.

Off-Balance-Sheet Arrangements

As of September 30, 2025, we had no material off-balance-sheet arrangements. As such, we are not exposed to any material financing, liquidity, market or credit risk that could arise if we had engaged in such financing arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The demand, pricing and terms for oilfield services provided by us are largely dependent upon the level of drilling and completion activity in the U.S. oil and gas industry as well as the level of oil and gas production. The level of drilling and completion activity is influenced by numerous factors over which we have no control, including, but not limited to: the supply of and demand for oil and gas; war, armed conflicts, economic sanctions and other constraints to global trade and economic growth; current price levels as well as expectations about future prices of oil and gas, including announcements and actions taken by the members of OPEC+ with respect to oil production levels; such as announced production cuts and the willingness of member countries to follow such cuts; the magnitude and timing of capital spending by our customers; the cost of exploring for, developing, producing and delivering oil and gas; the extent to which our E&P customers choose to drill and complete new wells to offset decline from their existing wells; the extent to which our E&P customers choose to invest to grow production; discoveries of new oil and gas reserves; available storage capacity and pipeline and other transportation capacity; weather conditions; domestic and worldwide economic conditions; instability in oil-producing countries; environmental regulations; technical advances in alternative forms of energy (e.g., wind and solar electricity, electric vehicles) that encourage substitution for or displacement of oil and gas consumption in end-use markets; the price and availability of alternative fuels; the ability of oil and gas producers to raise equity capital and debt financing; changes in global trade policy, including the imposition of tariffs; global health events; merger and acquisition activity and consolidation in our industry, and other factors.

Any combination of these factors that results in sustained low oil and gas prices and, therefore, lower capital spending and / or reduced drilling and completion activity by our customers, would likely have a material adverse effect on our business, financial condition, results of operations and cash flows.

Interest Rate Risk

As of September 30, 2025, we had \$305.0 million in outstanding borrowings and \$157.7 million of available borrowing capacity under our Sustainability-Linked Credit Facility. As of November 3, 2025, we had \$315.0 million in outstanding borrowings and \$144.6 million of available borrowing capacity under our Sustainability-Linked Credit Facility. Interest is calculated under the terms of our Sustainability-Linked Credit Facility based on our selection, from time to time, of one of the index rates available to us plus an applicable margin that varies based on certain factors. We do not currently have or intend to enter into any derivative arrangements to protect against fluctuations in interest rates applicable to our outstanding indebtedness.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that the information required to be disclosed by us in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such

[Table of Contents](#)

information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(b) under the Exchange Act, we have evaluated, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of September 30, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any legal proceedings that, if determined adversely against us, individually or in the aggregate, would have a material adverse effect on our financial position, results of operations or cash flows. We are, however, named defendants in certain lawsuits, investigations and claims arising in the ordinary course of conducting our business, including certain environmental claims and employee-related matters, and we expect that we will be named defendants in similar lawsuits, investigations and claims in the future. While the outcome of these lawsuits, investigations and claims cannot be predicted with certainty, we do not expect these matters to have a material adverse impact on our business, results of operations, cash flows or financial condition. We have not assumed any liabilities arising out of these existing lawsuits, investigations and claims.

Item 1A. Risk Factors

Our results of operations and financial condition are subject to various risks and uncertainties as disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2024 (“2024 Form 10-K”). The following information updates, and should be read in conjunction with, the information disclosed in Part I, Item 1A, Risk Factors of our 2024 Form 10-K, which are incorporated herein by reference. You should carefully consider the risks set forth in our 2024 Form 10-K and the following risks, together with all the other information in this report, including our condensed consolidated financial statements and notes thereto. If any of the risks actually materialize, our operating results, financial condition and liquidity could be materially and adversely affected. Except as disclosed below, there have been no material changes from the risk factors disclosed in our 2024 Form 10-K. The following risk factors below are hereby added to the risk factors disclosed in our 2024 Form 10-K.

Our investment in AV Farms could be materially and adversely affected by our lack of sole decision-making authority, our reliance on our co-investors’ financial condition, and disputes between our co-investors and us.

As described in *Note 1—Business and Basis of Presentation*, we recently entered into a new arrangement with C&A and Geneses pursuant to which we have jointly invested in AV Farms and AV GP. AV Farms was formed to consolidate and commercialize one of the largest water holdings and storage portfolios in Colorado. Currently, we, C&A and Geneses own approximately 39%, 38% and 23%, respectively, of AV Farms and 25%, 50% and 25%, respectively, of AV GP. We have contributed \$72 million in capital to AV Farms during the first quarter of 2025 and expect to contribute approximately \$74 million in additional contributions over a three-year period. As such, we may not have a controlling interest in AV Farms and may share responsibility with C&A and Geneses for managing the operations of AV Farms as we may not have sole decision-making authority regarding AV Farms, which presents risks that may not be present in our other operations. For example, C&A or Geneses may have economic or other business interests or

[Table of Contents](#)

goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our preferences, policies or objectives. Additionally, it is possible that C&A or Geneses might become bankrupt, fail to fund their share of capital contributions or block or delay decisions that we believe are necessary. Such an investment may also have the potential risk of impasses on decisions, such as sales, because neither we nor C&A and Geneses may have full control over AV Farms. Disputes between us and C&A or Geneses may result in litigation or arbitration that would increase our expenses and divert the attention of our officers and directors from other aspects of our business. We may in certain circumstances be liable for the actions of such third parties. Any of the foregoing factors could materially and adversely affect our AV Farms investment.

We have recently completed implementing our new ERP system, and challenges with the implementation of the system may adversely impact our business and operations.

In February 2025, we completed an implementation of a new ERP software system, which replaced certain existing business, operational, and financial processes and systems. This ERP implementation project will continue to require the re-engineering of business processes, and the attention of many employees who would otherwise be focused on other areas of our business. This system change entails certain risks, including difficulties with changes in business processes that could disrupt our operations. In addition, the implementation of the new system may not achieve the anticipated benefits and may divert management's attention from other operational activities, negatively affect employee morale, or have other unintended consequences. Delays in integration or disruptions to our business from the implementation of new or upgraded systems could have a material adverse impact on our financial condition and operating results. The ERP implementation has required the integration of the new ERP with multiple information systems and business processes, and has been designed to continue to accurately maintain our books and records and provide timely information to our management team important to maximizing the operating efficiency of the business. Conversion from our old systems to the new ERP may cause inefficiencies until the ERP is stabilized and mature. The implementation of our new ERP will mandate subtle changes to our procedures and controls over financial reporting. If we are unable to adequately implement and maintain procedures and controls relating to our new ERP, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired and impact our assessment of the effectiveness of our internal controls over financial reporting.

Changes in U.S. and international trade policies, such as the imposition of tariffs, particularly involving China, may adversely impact our business and operating results.

Though a comprehensive trade agreement was signed in 2020 between the U.S. and China, a trade war has rapidly escalated during 2025, with current tariffs on goods imported from China into the U.S. at a blended average tariff rate of approximately 40% and goods from the U.S. imported into China at an average tariff rate of approximately 33%. Further on October 10, 2025, President Trump announced an additional 100% tariffs on goods imported from China, effective November 1, 2025. Approximately 9% of the raw material feedstock for our chemicals we produced in 2024 originated in China and were sold to us by our supplier partners. As a result, tariffs incurred by our supplier partners could increase our costs significantly and reduce profitability. Such elevated tariff rates may substantially increase the costs for certain products. Select sources and, more importantly, our customers source from China, while also effectively pricing out U.S. oil, natural gas and NGLs from the Chinese market, which may adversely affect our customers as China is a major importer of oil, natural gas and NGLs globally. The continuation, expansion or worsening of these tariffs may adversely affect the industry in which we operate and reduce demand for our services. Further, the escalating trade war has resulted in a suspension of China's imports of U.S. natural gas. As the world's largest importer of natural gas, the loss of access to the market could have an adverse effect on our customers' operations and the demand for their products.

Additionally, delays or interruptions in the supply of some chemicals for any reason could impact our ability to generate chemicals revenue. If we are forced to source chemicals currently originating in China from other countries, such compounds might be more expensive, inferior in quality, or take longer to source. If we incur higher costs that we cannot pass on to our customers or if we are unable to adequately replace the chemicals we currently source with chemicals produced elsewhere, our business could be adversely affected.

In addition to tariffs on Chinese imports, the U.S. administration has announced sweeping tariffs against a majority of other nations, with a universal 10% base tariff and a schedule of reciprocal tariffs. The U.S. is a major exporter of oil, gas and NGLs and may no longer be able to compete with global prices due to the tariffs on oil, gas and NGLs if other nations retaliate with their own tariffs, and such tariffs may reduce the demand for our customers' products.

While the reciprocal tariffs imposed by the U.S. against many other nations are currently deferred, to the extent that any future U.S. trade policy results in retaliatory tariffs against the U.S., such as the escalated retaliatory tariffs with China, such developments could have an adverse effect on our customers' business, and reduce demand for our services, which could have a material adverse effect on our business, results of operations and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Common Stock Repurchases Made in the Quarter

During the Current Quarter, we repurchased the shares of Class A Common Stock as shown in the table below, which included 38,992 shares purchased to satisfy the tax withholding obligations related to vested shares under the Select Energy Services, Inc. 2016 Equity Incentive Plan and Select Water Solutions, Inc. 2024 Equity Incentive Plan previously awarded to certain of our current and former employees.

Period	Total Number of Shares Purchased	Weighted-Average Price Paid Per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs ⁽²⁾
July 1, 2025 to July 31, 2025	13,050	\$9.40	—	\$21,177,432
August 1, 2025 to August 31, 2025	25,942	\$8.07	—	\$21,177,432
September 1, 2025 to September 30, 2025	—	\$0.00	—	\$21,177,432

- (1) The average price paid per share includes commissions.
- (2) On November 8, 2023, our board of directors authorized a share repurchase program of up to \$25.0 million of outstanding shares of Class A common stock. This new authorization was in addition to the \$7.5 million remaining outstanding under our previous authorization, as of November 8, 2023. Repurchases under the share repurchase program may be made at any time or from time to time, without prior notice, in the open market or in privately negotiated transactions at prevailing market prices, or such other means as will comply with applicable state and federal securities laws and regulations, including the provisions of the Securities Exchange Act of 1934, including Rule 10b5-1 and, to the extent practicable or advisable, Rule 10b-18 thereunder, and consistent with the Company's contractual limitations and other requirements.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended September 30, 2025, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as defined in Item 408 of Regulation S-K.

[Table of Contents](#)

Item 6. Exhibits

The following exhibits are filed, furnished or incorporated by reference, as applicable, as part of this report.

Exhibit Number	Description
3.1	Fifth Amended and Restated Certificate of Incorporation of Select Water Solutions, Inc. dated as of May 8, 2023 (incorporated by reference herein to Exhibit 3.1 to Select Water Solutions, Inc.'s Current Report on Form 8-K, filed May 8, 2023).
3.2	Third Amended and Restated Bylaws of Select Water Solutions, Inc. dated as of May 8, 2023 (incorporated by reference herein to Exhibit 3.2 to Select Water Solutions, Inc.'s Current Report on Form 8-K, filed May 8, 2023).
*†10.1	Separation and General Release of Claims Agreement between Christina Ibrahim and Select Water Solutions, LLC, dated August 5, 2025.
*31.1	Certification of Chief Executive Officer required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934.
*31.2	Certification of Chief Financial Officer required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934.
**32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Equity, (v) Consolidated Statements of Cash Flow, and (vi) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

*Filed herewith

†Management contract or compensatory plan or arrangement.

**Furnished herewith

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SELECT WATER SOLUTIONS, INC.

Date: November 5, 2025

By: /s/ John D. Schmitz
John D. Schmitz
Chairman, President and Chief Executive Officer

Date: November 5, 2025

By: /s/ Chris George
Chris George
Executive Vice President and Chief Financial Officer

SEPARATION AND GENERAL RELEASE OF CLAIMS AGREEMENT

This SEPARATION AND GENERAL RELEASE OF CLAIMS AGREEMENT (this “*Agreement*”) is entered into by and between Select Water Solutions, LLC (the “*Company*”) and Christina Ibrahim (“*Employee*”). Select Water Solutions, Inc. (“*Select*”) enters into this Agreement for the purpose of acknowledging and agreeing to Sections 2.2 and 19 below and those provisions of this Agreement necessary to interpret and apply them. Select, the Company and Employee are each referred to herein individually as a “*Party*” and collectively as the “*Parties*.”

WHEREAS, reference is made to that certain: (i) Restricted Stock Grant Notice and Restricted Stock Agreement effective February 24, 2025 by and between Employee and Select (the “*2025 Restricted Stock Agreement*”); (ii) Restricted Stock Grant Notice and Restricted Stock Agreement effective February 24, 2024 by and between Employee and Select (the “*2024 Restricted Stock Agreement*”); (iii) Restricted Stock Grant Notice and Restricted Stock Agreement effective May 4, 2023 by and between Employee and Select (the “*2023 Restricted Stock Agreement*”); (iv) Performance Share Unit Grant Notice – Relative and Absolute Total Shareholder Return and Performance Share Unit Agreement effective February 24, 2025 (the “*2025 PSU Agreement*”); (v) Performance Share Unit Grant Notice – Absolute Total Shareholder Return and Performance Share Unit Agreement effective February 24, 2024 (the “*2024 PSU Absolute TSR Agreement*”); (vi) Performance Share Unit Grant Notice – Return on Assets and Performance Share Unit Agreement effective February 24, 2024 by and between Employee and Select (the “*2024 PSU ROA Agreement*”); (vii) Performance Share Unit Grant Notice – Adjusted Free Cash Flow and Performance Share Unit Agreement effective May 4, 2023 by and between Employee and Select (the “*2023 PSU Adjusted FCF Agreement*”); and (viii) Performance Share Unit Grant Notice – Return on Assets and Performance Share Unit Agreement effective May 4, 2023 by and between Employee and Select (the “*2023 PSU ROA Agreement*” and together with the 2025 Restricted Stock Agreement, 2024 Restricted Stock Agreement, 2023 Restricted Stock Agreement, 2025 PSU Agreement, 2024 PSU Absolute TSR Agreement, 2024 PSU ROA Agreement, and 2023 PSU Adjusted FCF Agreement, the “*Award Agreements*”);

WHEREAS, as of the Separation Date (as defined below), Employee ceased to be employed by the Company or any of its affiliates, and Employee resigned from all offices she held with the Company and Select, including such offices as Select’s Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary;

WHEREAS, the Parties wish for Employee to receive certain severance benefits, which benefits are conditioned upon Employee’s entry into, and non-revocation of, this Agreement in the time provided to do so and Employee’s compliance with the terms of this Agreement; and

WHEREAS, the Parties wish to resolve any and all claims that Employee has or may have against the Company, Select, or any of the other Company Parties (as defined below), including any claims that Employee may have arising out of Employee’s employment or the end of such employment.

NOW, THEREFORE, in consideration of the promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. **Separation from Employment.** The Parties acknowledge and agree that the last day of Employee's employment with the Company was August 5, 2025 (the "***Separation Date***"). As of the Separation Date, Employee had no further employment relationship or offices with the Company, Select, or any other Company Party, and Employee is deemed to have resigned as Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary of the Company and Select.

2. **Separation Benefits.**

2.1 **Bi-Weekly Separation Payments.** Provided that Employee (i) executes this Agreement on or after the Separation Date and returns a copy of this Agreement signed by Employee to Company care of Kristi Long, SVP HR at 1820 N I-35 Gainesville, Texas 76240 (email: Klong@selectwater.com) so that it is received by Kristi Long no later than August 26, 2025 before 11:59 p.m. Gainesville, Texas time; (ii) does not exercise Employee's revocation right as set forth in **Section 14** below; and (iii) abides by each of Employee's commitments set forth herein, then:

(a) the Company will pay Employee a total amount equal to \$675,000, less applicable taxes and withholdings (the "***Separation Payment***"), which amount represents twelve (12) months' worth of Employee's base salary as in effect immediately prior to the Separation Date plus 100% of Employee's target bonus under the Company's short-term incentive plan (the "***STI Plan***") for 2025. The Separation Amount shall be paid in twenty-six (26) substantially equal installments on the Company's regular bi-weekly pay dates that follow the Separation Date. On the Company's first regularly scheduled pay date that comes after the day that this Agreement has been timely signed by Employee and returned to the Company as set forth above and the Release Revocation Period (as defined below) has expired without Employee having exercised Employee's revocation right (such date, the "***First Payment Date***"), the Company shall pay to Employee, without interest, a number of installments of the Separation Payment equal to the number of such installments that would have been paid during the period beginning on the Separation Date and ending on the First Payment Date had the installments been paid on the Company's regular bi-weekly pay dates commencing on the Company's first regularly scheduled pay date following the Separation Date, and each of the remaining installments shall be paid on a bi-weekly basis thereafter.

(b) The Company shall pay to Employee a pro-rated portion of the bonus under the STI Plan that Employee would have been paid for 2025 (the "***Pro-Rata Bonus Payment***"), which Pro-Rata Bonus Payment, if any, shall be paid (if the applicable criteria for earning a bonus under the STI Plan are satisfied for 2025, other than the requirement with respect to continued employment through the applicable payment date), at the same time bonuses under the STI Plan for 2025 are paid to similarly situated employees of the Company, but no later than March 15, 2026.

2.2 **Treatment of Outstanding Equity Awards.** Employee has been granted certain equity awards that remain outstanding and unvested as of the Separation Date.

(a) **Performance Share Unit:** Employee was granted (i) 20,718 target Performance Share Units (“***PSUs***”) pursuant to the 2023 PSU ROA Agreement; (ii) 20,718 target PSUs pursuant to the 2023 PSU Adjusted FCF Agreement (such PSUs that remain outstanding, in each case shall be referred to herein as the “***Subject PSUs***”). All of the Subject PSUs remain outstanding and unvested on the Separation Date. In addition to the Subject PSUs, Employee was granted, (iii) 17,626 target PSUs pursuant to the 2024 PSU Absolute TSR Agreement (the “***2024 Absolute TSR PSUs***”) and 17,626 target PSUs pursuant to the 2024 PSU ROA Agreement (the “***2024 ROA PSUs***”) and together with the 2024 Absolute TSR PSUs, the “***2024 PSUs***”); (iv) 23,202 target PSUs pursuant to the 2025 PSU Agreement (the “***2025 PSUs***”). All of the 2024 PSUs and the 2025 PSUs remain outstanding and unvested on the Separation Date. In consideration for Employee’s entry into (and non-revocation in the time provided to do so) this Agreement and abiding by the terms herein, as of the Separation Date, (A) the service requirement applicable to the Subject PSUs shall be deemed satisfied and the Subject PSUs shall remain outstanding and eligible to vest and settle, subject to the satisfaction of the applicable performance goals, in accordance with the original vesting schedules set forth in the applicable Award Agreements; (B) the service requirement applicable to 9,054 of the 2024 Absolute TSR PSUs shall be deemed satisfied and such PSUs shall remain outstanding and eligible to vest and settle, subject to the satisfaction of the applicable performance goals, in accordance with the original vesting schedule set forth in the 2024 PSU Absolute TSR Agreement; (C) the service requirement applicable to 9,054 of the 2024 ROA PSUs shall be deemed satisfied and such PSUs shall remain outstanding and eligible to vest and settle, subject to the satisfaction of the applicable performance goals, in accordance with the original vesting schedule set forth in the 2024 PSU ROA Agreement and (D) the service requirement applicable to 4,174 of the 2025 PSUs shall be deemed satisfied and such PSUs shall remain outstanding and eligible to vest and settle, subject to the satisfaction of the applicable performance goals, in accordance with the original vesting schedule set forth in the 2025 PSU Agreement.

If Employee fails to abide by any of Employee’s obligations under this Agreement, the portion of the Subject PSUs, 2024 PSUs, and 2025 PSUs that remains outstanding and unvested as of the date of such failure shall be forfeited for no consideration. For the avoidance of doubt, the portion of the 2024 PSUs and 2025 PSUs that does not remain outstanding and eligible to vest and settle in accordance with the terms hereof and the applicable Award Agreements, were forfeited for zero consideration on the Separation Date pursuant to the terms of the 2024 PSU Absolute TSR Agreement, the 2024 PSU ROA Agreement, and the 2025 PSU Agreement, as applicable.

(b) **Restricted Stock Award:** Employee was granted 41,436 restricted shares (“***Restricted Shares***”) of which 13,812 remain outstanding, pursuant to the 2023 Restricted Stock Agreement, (such Restricted Shares that remain outstanding,

shall be referred to herein as the “**Subject Restricted Shares**”). All of the Subject Restricted Shares remain outstanding and unvested on the Separation Date. In consideration for Employee’s entry into (and non-revocation of) this Agreement and abiding by the terms herein, as of the Separation Date, the Subject Restricted Shares shall vest in full and be settled in accordance with the applicable Award Agreements.

For the avoidance of doubt, all Restricted Shares granted to Employee pursuant to the 2024 Restricted Stock Agreement and the 2025 Restricted Stock Agreement that remain outstanding and unvested as of the Separation Date were forfeited for zero consideration on the Separation Date pursuant to the terms of the 2024 Restricted Stock Agreement and the 2025 Restricted Stock Agreement, as applicable.

2.3 **COBRA Coverage.** So long as Employee satisfies the requirements to receive the Separation Payment, then during the portion, if any, of the twelve (12) month period following the Separation Date (the “**Subsidy Period**”) that Employee elects to continue coverage for Employee and Employee’s eligible dependents, if any, under the Company’s group health plans pursuant to Consolidated Omnibus Budget Reconciliation Act of 1985 (“**COBRA**”), the Company shall provide a subsidy on a monthly basis for the difference between the amount Employee pays to effect and continue such coverage and the employee contribution amount that similarly situated employees of the Company pay for the same or similar coverage under such group health plans (the “**COBRA Benefit**”). Employee shall be eligible to receive such subsidy payments until the earliest of: (i) the last day of the Subsidy Period; (ii) the date Employee is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which Employee becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by Employee). Employee acknowledges and agrees that the election of continuation coverage pursuant to COBRA and the payment of any premiums due with respect to such continuation coverage will remain Employee’s sole responsibility, and the Company shall not assume any obligation for payment of any such premiums relating to such COBRA continuation coverage. Notwithstanding the foregoing, if the provision of the benefits described in this paragraph cannot be provided in the manner described above without penalty, tax or other adverse impact on the Company or any other Company Party, then the Company and Employee shall negotiate in good faith to determine an alternative manner in which the Company may provide substantially equivalent benefits to Employee without such adverse impact on the Company or any other Company Party.

3. **Satisfaction of All Leaves and Payment Amounts; Prior Rights and Obligations.** Employee acknowledges and agrees that, as of the Separation Date, Employee has received all leaves (paid and unpaid) to which Employee was entitled during Employee’s employment with the Company and any other Company Party, and Employee has received all wages, bonuses and other compensation, been provided all benefits and been afforded all rights, been reimbursed for all expenses, and been paid all sums that Employee has been owed by the Company, Select, and any other Company Party, including all payments arising out of all incentive plans and any other bonus or contractual arrangements. Employee acknowledges and agrees that

Employee has no right to any severance pay or severance benefits other than as set forth herein, and Employee is not entitled to the severance pay and benefits set forth herein but for Employee's entry into this Agreement and compliance with the terms herein. Employee acknowledges and agrees that the Company and each other Company Party have fully satisfied all obligations to Employee pursuant to any and all employment agreements, and all notices of termination of employment are deemed to have been fully and finally satisfied.

4. **Complete Release of Claims.**

(a) For good and valuable consideration, including the benefits described in Sections 2 of this Agreement (and any part thereof), Employee hereby forever releases, discharges and acquits the Company, Select, each of their respective affiliates, and each of the foregoing entities' respective past, present and future subsidiaries, affiliates, stockholders, members, managers, partners, directors, officers, employees, agents, attorneys, heirs, predecessors, successors and representatives, in their personal and representative capacities, as well as all employee benefit plans maintained by the Company, Select or any of their affiliates and all fiduciaries and administrators of any such plans, in their personal and representative capacities (collectively, the "***Company Parties***" and each a "***Company Party***"), from liability for, and Employee hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment or affiliation with any Company Party, the termination of such employment or affiliation, and any other acts or omissions related to any matter occurring or existing, whether known or unknown, on or prior to the date that Employee executes this Agreement, whether arising under federal or state laws or the laws of any other jurisdiction, including (i) any alleged violation of: (A) any federal, state or local anti-discrimination or anti-retaliation law, including the Age Discrimination in Employment Act (including as amended by the Older Workers Benefit Protection Act), Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, and Sections 1981 through 1988 of Title 42 of the United States Code, the Americans with Disabilities Act of 1990; (B) the Employee Retirement Income Security Act of 1974 ("***ERISA***"); (C) the Immigration Reform Control Act; (D) the Occupational Safety and Health Act; (E) the Family and Medical Leave Act of 1993; (F) the Securities Exchange Act of 1934; (G) the Investment Advisers Act of 1940; (H) the Investment Company Act of 1940; (I) the Private Securities Litigation Reform Act of 1995; (J) the Sarbanes-Oxley Act of 2002; (K) the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010; (L) the Fair Labor Standards Act and any other federal, state, or local wage law; (M) any other local, state, or federal law, regulation, or ordinance including the laws of the State of Texas and the Texas Labor Code (including the Texas Payday Law, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, and the Texas Whistleblower Act); (N) any other local, state or federal law, regulation, ordinance or orders which may have afforded any legal or equitable causes of action of any nature; or (O) any public policy, contract, tort, or common law, including any claim for defamation, slander, libel, negligence, emotional distress, fraud or misrepresentation of any kind, promissory estoppel, breach of implied duty of good faith and fair dealing, breach of implied or express contract, breach of fiduciary duty or wrongful discharge; (ii)

any allegation for costs, fees, or other expenses including attorneys' fees incurred in, or with respect to, a Released Claim; (iii) any and all claims Employee may have under any employment contract or offer letter or any other agreement, incentive or compensation plan (including the Award Agreements) or under any other benefit plan or program; (iv) any claim, whether direct or derivative, arising from, or relating to, Employee's status as a member or holder of any interest in the Company or any other Company Party; and (v) any claim for compensation, damages or benefits of any kind not expressly set forth in this Agreement (collectively, the "**Released Claims**"). **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

(b) Notwithstanding this release of liability, *nothing in this Agreement prevents Employee from filing any non-legally waivable claim, including a challenge to the validity of this Agreement, with the Equal Employment Opportunity Commission, the Securities and Exchange Commission, or other federal, state or local governmental agency or commission (collectively "**Governmental Agencies**") or participating in (or cooperating with) any investigation or proceeding conducted by any Governmental Agency; however, Employee understands and agrees that, to the extent permitted by law, Employee is waiving any and all rights to recover any monetary or personal relief or recovery from any Company Party as a result of such Governmental Agency proceeding or subsequent legal actions.* Nothing herein waives Employee's right to receive an award for information provided to a Governmental Agency (including, for the avoidance of doubt, any monetary award or bounty from any governmental agency or regulatory or law enforcement authority in connection with any protected "whistleblower" activity). Further, in no event shall the Released Claims include (i) any claim that arises after the date this Agreement is executed by Employee; or (ii) any claim to vested benefits under an employee benefit plan that is subject to ERISA and that ERISA prevents from being released pursuant to a release agreement. Nothing herein will prevent Employee from seeking workers' compensation or unemployment insurance benefits.

(c) Nothing in this Agreement shall prohibit or restrict Employee from (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by Governmental Agency regarding a possible violation of any law; (b) responding to any inquiry or legal process directed to Employee from any Governmental Agency; (c) testifying, participating or otherwise assisting in an action or proceeding by any Governmental Agency relating to a possible violation of law; or (d) making any disclosures that are protected under the whistleblower provisions of any applicable law. This Agreement does not require Employee to obtain prior authorization from Select or the Company before engaging in any conduct described in this paragraph or to notify Select or the Company that Employee has engaged in any such conduct.

5. **Advice to Consult with Counsel and Employee's Acknowledgments.** *This is an important legal document, and Employee is hereby advised to consult with an attorney prior to entering into this Agreement.* By executing and delivering this Agreement, Employee expressly acknowledges that:

(a) Employee has carefully read this Agreement and has had sufficient time (and at least 21 days) to consider it;

(b) Employee is receiving, pursuant to this Agreement, consideration in addition to anything of value to which Employee is already entitled;

(c) Employee has been advised, and hereby is advised in writing, to discuss this Agreement with an attorney before signing this Agreement, and Employee has had an adequate opportunity to do so prior to executing this Agreement;

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated within the four corners of this document; and Employee is signing this Agreement knowingly, voluntarily and of Employee's own free will, and Employee understands and agrees to each of the terms of this Agreement;

(e) Employee relies on Employee's own judgment in entering into this Agreement, and in entering this Agreement, Employee has not relied on any representation or statement, written or oral, of any Company Party or any Company Party's agent that is not set forth in this Agreement;

(f) No changes to this Agreement, whether material or immaterial, will re-start the time period for Employee to consider whether to enter into this Agreement and accept the terms set forth herein; and

(g) No Company Party has provided any tax or legal advice regarding this Agreement to Employee, and Employee has had an adequate opportunity to receive sufficient tax and legal advice from advisors of Employee's own choosing such that Employee enters into this Agreement with full understanding of the tax and legal implications thereof.

6. **Cooperation.** Employee agrees to assist the Company, Select and their respective counsel in any internal or external audits, projects, litigation, regulatory actions, complaints or claims against or involving the Company, Select or their affiliates and otherwise provide such assistance as the Company, Select and their respective counsel may deem necessary in connection with such audits, projects, IP application requirements, litigation, regulatory actions, complaints or claims (including, without limitation, appearing at the Company's or Select's request to give truthful testimony without requiring service of a subpoena or other legal process) unless otherwise prohibited by law. The Company shall provide Employee with reasonable advance notice of any internal or external audits, projects, IP application requirements, litigation, regulatory actions, complaints or claims against or involving the Company or its affiliates that may require Employee's services under this Section 6.

7. **Applicable Law.** This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas without reference to the principles of conflicts of law thereof.

8. **Counterparts.** This Agreement may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

9. **Amendment; Entire Agreement.** This Agreement may not be changed orally but only by an agreement in writing agreed to and signed by Employee and the Company (or, with respect to any change regarding “*The Treatment of Outstanding Equity Awards*” section hereof (if applicable), signed by Select). This Agreement (and, as referenced herein, the Award Agreements) constitutes the entire agreement of the Parties with regard to the subject matter hereof. Notwithstanding the foregoing, this Agreement complements and is in addition to (and does not supersede or replace) any obligation Employee has to the Company or any of its affiliates (whether arising by contract, common law, statute, or otherwise) with respect to non-disclosure, confidentiality, non-competition or non-solicitation, and return of property.

10. **Third-Party Beneficiaries.** This Agreement shall be binding upon and inure to the benefit of the Company, Select, and each other Company Party, as Employee expressly acknowledges and agrees that each Company Party that is not a signatory hereto shall be a third-party beneficiary of Employee’s representations, warranties and releases set forth in this Agreement.

11. **Severability and Modification.** To the extent permitted by applicable law, the Parties agree that any term or provision of this Agreement (or part thereof) that renders such term or provision (or part thereof) or any other term or provision (or part thereof) of this Agreement invalid or unenforceable in any respect shall be severable and shall be modified or severed to the extent necessary to avoid rendering such term or provision (or part thereof) invalid or unenforceable, and such severance or modification shall be accomplished in the manner that most nearly preserves the benefit of the Parties’ bargain hereunder.

12. **Withholding of Taxes and Other Deductions.** The Company may withhold from any payments made pursuant to this Agreement all federal, state, local, and other taxes and withholdings as may be required by any law or governmental regulation or ruling.

13. **Return of Property.** Employee represents and warrants that Employee has returned to the Company all property belonging to the Company, Select, or any other Company Party, including all equipment, computers, computer files, electronically stored information and all other materials provided to Employee by the Company, Select or any other Company Party in the course of Employee’s employment or affiliation, and Employee further represents and warrants that Employee will not maintain a copy of any such materials in any form.

14. **Revocation Right.** Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven-day period beginning on the date Employee executes this Agreement (such seven day period being referred to herein as the “***Release Revocation Period***”). To be effective, such revocation

must be in writing signed by Employee and must be received by the Company, care of Kristi Long, SVP HR, at 1820 N I-35 Gainesville, Texas 76240 (email: Klong@selectwater.com) so that it is received by Kristi Long before 11:59 p.m. Gainesville, Texas time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, the release of claims set forth in Section 4 will be of no force or effect, Employee will not receive the consideration set forth in Section 2 or any other severance pay or benefits set forth herein, and this Agreement shall be null and void; *provided, however*, the terms of Section 1 shall remain in effect.

15. **Section 409A.** Neither this Agreement nor any payment provided hereunder are intended to constitute “deferred compensation” subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (“**Section 409A**”), and this Agreement shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service, as a short-term deferral, or otherwise shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. Notwithstanding the foregoing, the Company and Select make no representations that the payments provided under this Agreement comply with or are exempt from the requirements of Section 409A and in no event shall the Company, Select, or any other Company Party be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

16. **Interpretation.** Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. The word “or” as used herein is not exclusive and is deemed to have the meaning “and/or.” The words “herein”, “hereof”, “hereunder” and other compounds of the word “here” shall refer to the entire Agreement and not to any particular provision hereof.

All references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. The use herein of the word “including” following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation”, “but not limited to”, or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against any Party, whether under any rule of construction or otherwise.

This Agreement has been reviewed by each of the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the Parties.

17. **No Waiver.** No failure by any Party at any time to give notice of any breach by the other Party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

18. **Assignment.** This Agreement is personal to Employee and may not be assigned by Employee. The Company may assign its rights and obligations under this Agreement without Employee's consent, including to any other Company Party and to any successor (whether by merger, purchase or otherwise).

19. **Non-Disparagement; Reference Letter.**

19.1 Employee hereby agrees that Employee shall not disparage or otherwise take any action which is intended to adversely affect the personal, professional or business reputation of the Company, Select, any of their affiliated entities, or any of their respective products, services, directors, officers, managers, members, agents, or representatives in any manner. Select hereby agrees that it shall instruct the persons serving, as of the Separation Date, as (i) members of Select's board of directors, and (ii) its President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Executive Vice President and Chief Operating Officer, Executive Vice President and Chief Strategy and Technology Officer, Executive Vice President, Business and Regulatory Affairs, Senior Vice President Water Services, Executive Vice President Chemistry, and Senior Vice President Human Resources not to disparage or otherwise take any action which is intended to adversely affect the personal, professional or business reputation of Employee. Nothing in this Section 19.1 shall prevent any individual or entity from: (a) making any truthful statement in the course of any investigation, audit, or legal proceeding or in response to a subpoena or other legal process, (b) making any disclosures or statements required by applicable law or regulatory requirements, (c) making any statements in the course of filing a charge with, or initiating, testifying, assisting, or participating in any manner with an investigation conducted by a local, state, or federal governmental agency or regulatory authority; (d) filing or disclosing any facts necessary to receive unemployment insurance, Medicaid, or other public benefits to which Employee is entitled; or (e) making any communication to a Governmental Agency, including as described in Section 4(b).

19.2 Employee agrees to direct all requests for professional references from third parties to a human resources representative designated by the Company or Select (who shall initially be Kristi Long, SVP HR, at the e-mail address listed in Sections 2.1 and 14 above). In response to such third-party requests, the Company's or Select's human resources representative will provide the reference letter attached hereto as Exhibit A.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth beneath their names below, effective for all purposes as provided above.

SELECT WATER SOLUTIONS, LLC

By: _____

Name: Kristi Long

Title: SVP, HR

Date:

With respect to Sections 2.2 and 19 and those provisions of this Agreement necessary to interpret and apply them:

SELECT WATER SOLUTIONS, INC.

By: _____

Name: Kristi Long

Title: SVP, HR

Date:

Christina Ibrahim

Date: _____

EXHIBIT A

REFERENCE LETTER

[Select Water Solutions, Inc. letterhead]

August 5, 2025

Re: Christina Ibrahim

To Whom it May Concern:

This letter confirms that Christina Ibrahim was employed by Select Water Solutions, LLC (the “Company”) from May [●], 2023 through August 5, 2025. During that time, Christina served as the Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary of the Company’s parent company, Select Water Solutions, Inc. (“Select”).

Christina made important contributions to the Company and Select, and she departed on good terms. We appreciate her efforts on Select’s and the Company’s behalf, and wish her well in her future endeavors.

Yours sincerely,

John Schmitz
Chairman of the Board, President and Chief Executive
Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, John Schmitz, certify that:

1. I have reviewed this quarterly report of Select Water Solutions, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2025

/s/ John D. Schmitz

John D. Schmitz

Chairman, President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Chris George, certify that:

1. I have reviewed this quarterly report of Select Water Solutions, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2025

/s/ Chris George

Chris George

Executive Vice President and Chief Financial Officer

**CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
UNDER SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350**

In connection with the quarterly report of Select Water Solutions, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), John Schmitz, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ John D. Schmitz
John D. Schmitz
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER
UNDER SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350**

In connection with the quarterly report of Select Water Solutions, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Chris George, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ Chris George
Chris George
Executive Vice President and Chief Financial
Officer
(Principal Financial Officer)
