

EP MINERALS ACQUISITION

*A rare combination of
advantages and
strengths*



March 23, 2018



Disclaimer



This presentation contains forward-looking statements that reflect, when made, our current views with respect to current events and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to our operations and business environment, which may cause our actual results to be materially different from any future results, express or implied, by such forward-looking statements. All statements that address future operating, financial or business performance or our strategies or expectations are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “outlook” or “continue,” and other comparable terminology. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, those discussed in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except to the extent required by law.

This presentation includes certain non-GAAP financial measures, including Segment Contribution Margin. This measure should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP and may differ from similarly titled measures used by others. For a reconciliation of such measures to the most directly comparable GAAP term, please see our most recent Annual Report on Form 10K for the year ended December 31, 2017.

Today's Participants



Bryan Shinn
President and Chief Executive Officer
U.S. Silica



Don Merrill
EVP and Chief Financial Officer
U.S. Silica



Gregg Jones
President & Chief Executive Officer
EP Minerals

EP Minerals Checks All the Boxes

Three Key Advantages:



1

Attractive market structure

- Number one or number two player in each of its global markets

2

Strong margins with exciting growth opportunities

- Platform to launch new, high margin products and bolt-on M&A

3

Reliable cash flow complements Oil & Gas segment

- Allows for opportunistic investing throughout cycles

Diverse
Company with
Rare
Combination of
Advantages and
Strengths



EP Minerals Transaction Overview



Cash consideration	<ul style="list-style-type: none">• \$750 million• Financed with term loan debt, 2.4x pro forma net leverage
Adjusted EBITDA multiple	<ul style="list-style-type: none">• Approx. 12.5X – in line with comparable transactions• Reflects durable cash flows and margin expansion opportunities
Accretion	<ul style="list-style-type: none">• In Q4 2018
Expected close	<ul style="list-style-type: none">• Q2 2018• Subject to customary closing conditions
Leadership	<ul style="list-style-type: none">• EP Minerals management team to remain in place



EP Minerals: Overview



Profile

- Global leader in diatomaceous earth (DE), bentonite and perlite filter aids, absorbents and functional additives
- #1 or #2 player in each of its global markets
- 7 processing plants: Nevada (3), Oregon, Tennessee, Nebraska and Mississippi
- Acquired by Golden Gate Capital in 2011
- ~680 employees globally
- Headquarters: Reno, NV



Key Metrics TTM February⁽¹⁾

Revenue	\$242M
---------	--------

Adj. EBITDA	\$60M
-------------	-------

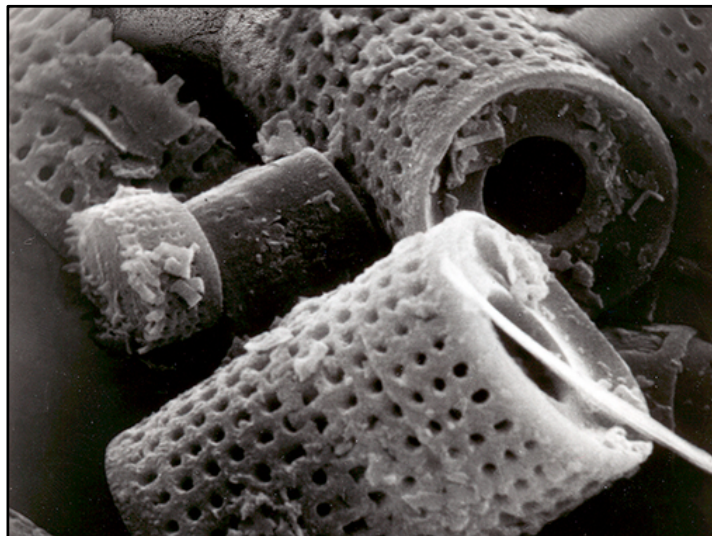
Adj. EBITDA Margin	25%
--------------------	-----

Maintenance Capex	\$5M
-------------------	------

Recurring revenue	>90%
-------------------	------







End customers	>10,000
---------------	---------

Diatomaceous Earth: A Million Years in the Making



Applications Overview: Diverse Markets, High Recurring Revenue



	Core Applications	Key End Markets	Mission Critical	Recurring	Low Cost-to-Value
DE / Perlite (75% Sales)	  Filtration Absorbents  Functional Additives & Catalysts	<ul style="list-style-type: none"> • Food & Beverage • Industrial, Medical, Agricultural • Oil Cleanup, Chemical, Pet Litter 	✓	✓	✓
Engineered Clays (15% Sales)	 Catalysts  Additives	<ul style="list-style-type: none"> • Petrochemical Refining, Jet Fuels, Lubrication Oils • Edible Oils, Oleochemicals, Biofuels 	✓	✓	✓
Non-Activated Clays (10% Sales)	 Absorbents	<ul style="list-style-type: none"> • Animal & Human Nutrition, Spill Clean Up, Athletics, Agriculture 	✓	✓	✓

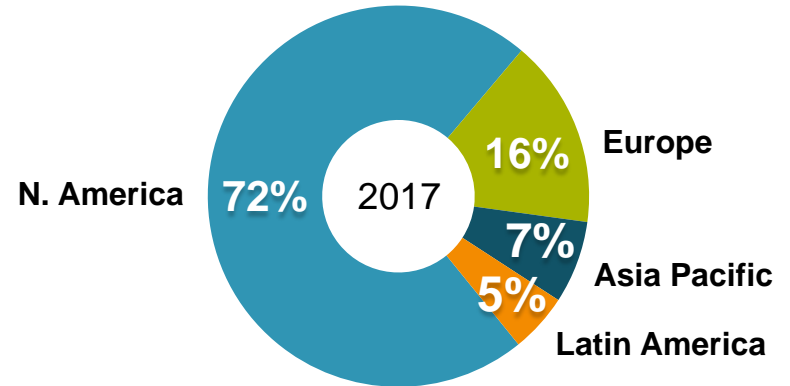
Attractive Market Structure



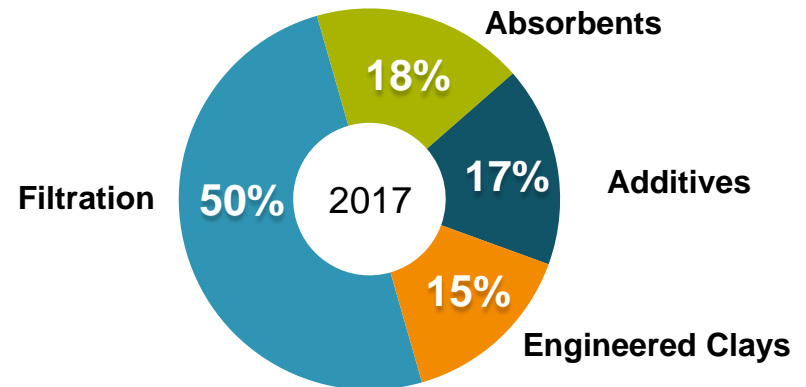
Key Strengths

- 1** Market leader
 - #1 or #2 player in each of its global markets
- 2** High barriers to entry
 - Due to limited DE deposits and unique traits of each of the deposits worldwide
- 3** Sticky customers
 - Recurring customers account for more than 90% of revenues
- 4** Stable, growing and diversified global end markets
- 5** Differentiation supported by strong IP and high-quality reserves

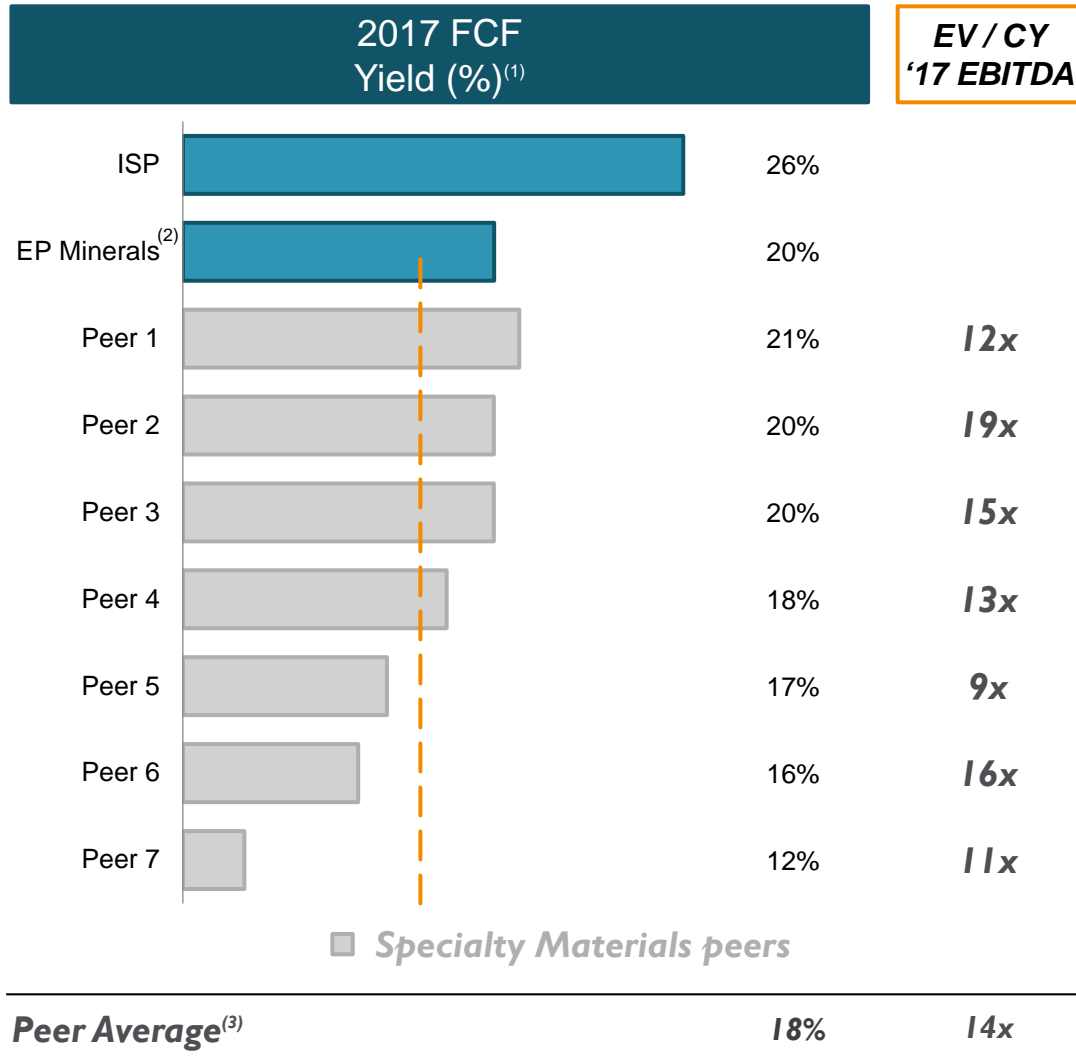
Revenue by Geography



Revenue by Application



Leading Cash Flow in Specialty Materials



Exciting Growth Drivers

- Expect GDP+% organic EBITDA growth CAGR over next 5 years
- Vibrant new product pipeline – developing and manufacturing revolutionary new products from engineered materials
- Jointly expand R&D efforts to accelerate new product development for both companies
- Bolt-on and R&D pipeline



Source: Company management and filings, FactSet, Capital IQ and Wall Street research as of March 21, 2018.

Note: Peers include Albemarle, Ashland, Balchem, Ecolab, Ingevity, Minerals Technologies, and W.R. Grace.

(1) Free cash flow yield defined as (EBITDA – CapEx) / Net Sales.

(2) EP Minerals data as of TTM Feb. 2018.

(3) Averages exclude ISP & EP Minerals.

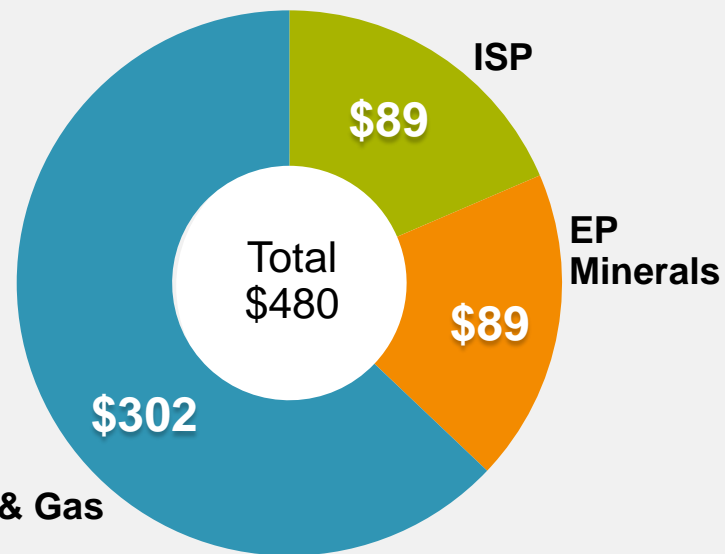
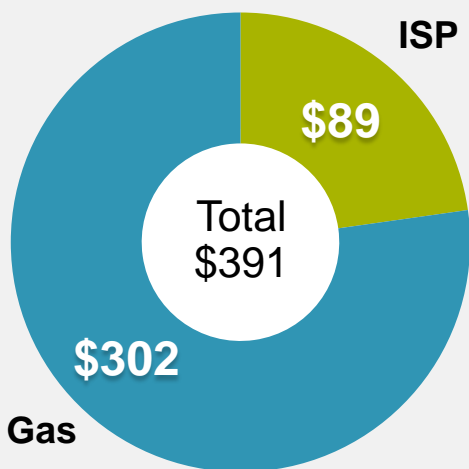
Reliable Cash Flow Complements Oil & Gas



Contribution Margin (\$MM)

2017A

2017 Pro Forma



Contribution Margin %

31.5%

32.5%

Operating Facilities

20

27

Attractive Returns for Shareholders While Enhancing Financial Flexibility



Platform For Growth	Consistent growth business – platform for new products and M&A	
Reduces Cyclicity	Increases contribution from industrial GDP+ businesses	
Aligned with U.S. Silica's Strategy	Provides U.S. Silica a greater ability to invest throughout cycles	
U.S. Silica the Right Owner for EP Minerals	U.S. Silica core competencies in operating markets similar to EP Minerals'	
Accretive	in Q4 2018	

QUESTIONS?

