

**JEFFERIES 2018 INDUSTRIALS
CONFERENCE**

**DON MERRIL
EVP & CFO**

**NEW YORK, NY
August 8, 2018**



**A PERFORMANCE
MATERIALS GROWTH
COMPANY**



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.

A Performance Materials Growth Company



1

INTRODUCTION

A history of growth

2

**SUSTAINABLE
COMPETITIVE
ADVANTAGES**

Scale, positioning,
SandBox first mover, low cost

3

**GROWING STABLE
INDUSTRIAL
BUSINESSES**

High growth, adds stability

4

**DISCIPLINED
CAPITAL
ALLOCATION**

Balanced approach

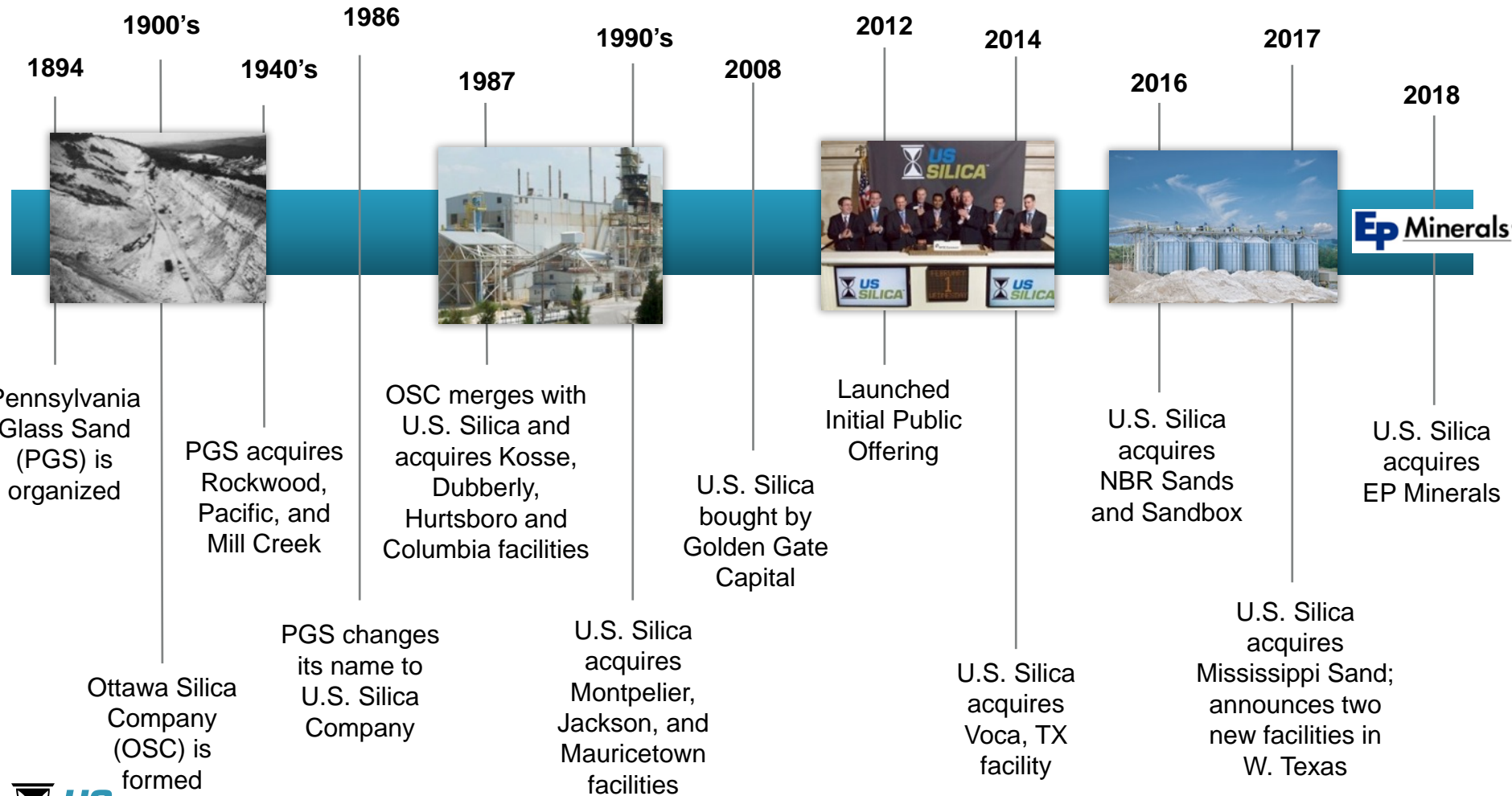
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**SUPERIOR
GROWTH**

Multiple EBITDA growth drivers

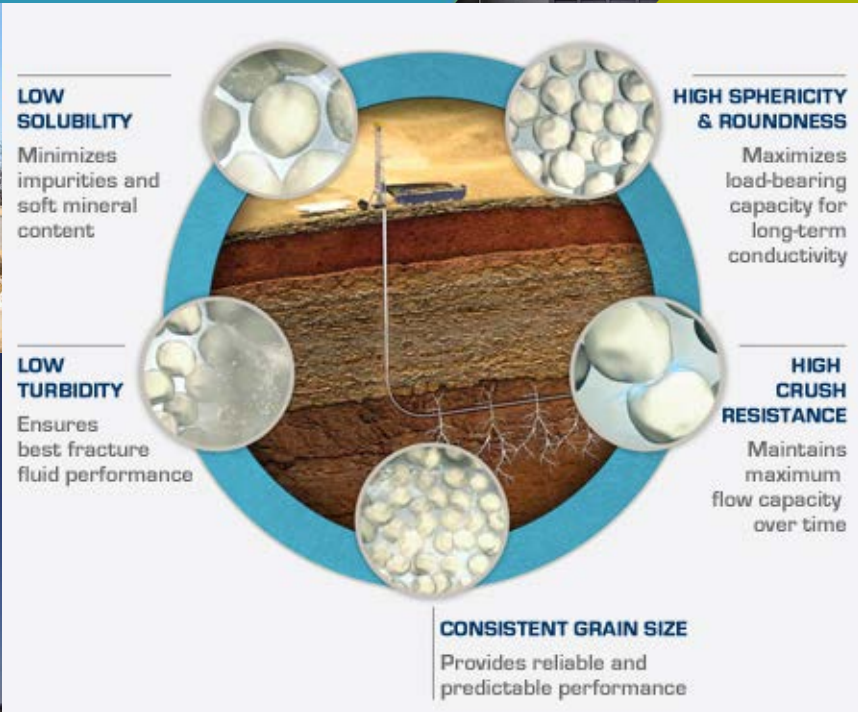


Our History – Founded Over 118 Years Ago



Oil & Gas Segment

Sand
Box



Industrial & Specialty Products Segment



U.S. Silica: A Profile



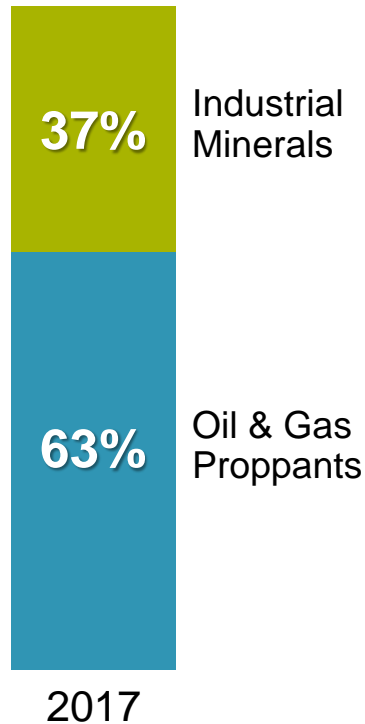
The Largest

Ground to Ground
supplier of proppant

\$322M

Cash¹

Diversified Profits²



Adj. EBITDA
DOUBLED
since IPO
(\$151M 2012 → \$308M 2017)

#1 or #2 market position in
ISP & EP Minerals
end markets

ISP CM/ton has increased
~75%
from 2014 to 2017

Production: **15.1M**
tons in 2017

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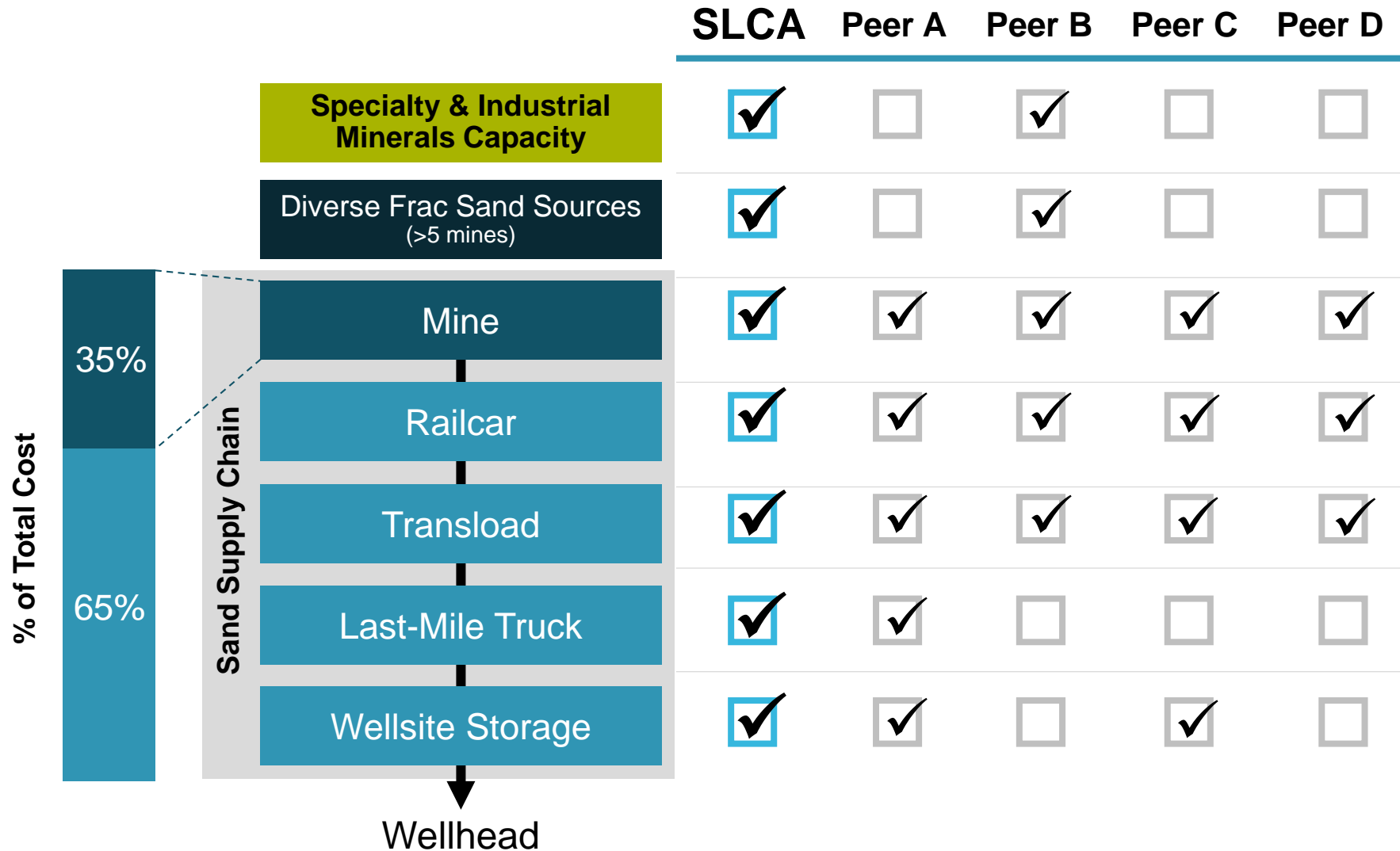
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**SUPERIOR
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Multiple
EBITDA
growth drivers



Deep Vertical Integration A Key Differentiator

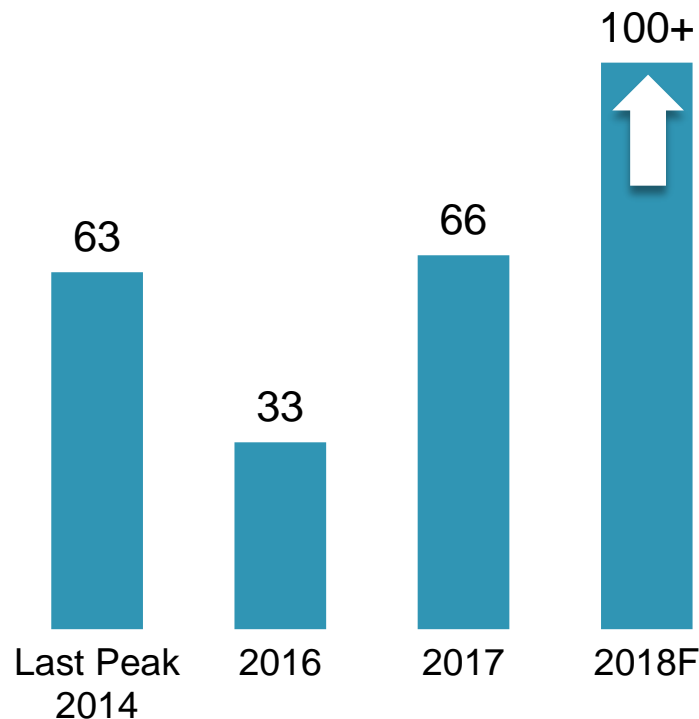


Vertical integration increases margin potential

Positioned in a Growth Market that is also Rapidly Evolving. SCLA is Ahead of the Curve.



US Proppant Demand (M Tons)



Key Trends Underway

1

- Secular growth in proppant per well
 - More proppant per foot
 - Longer lateral length

2

- Shift to finer mesh (40/70 and 100M)
 - drives rig efficiency

3

- In basin sands more common
 - Lower crush seems acceptable
 - Reduced overall delivered cost

4

- Last mile delivery
 - Logistics tightening due to proppant intensity
 - Shortage of trucks and drivers

Diverse, Flexible, Low-Cost Rail and Transload Network

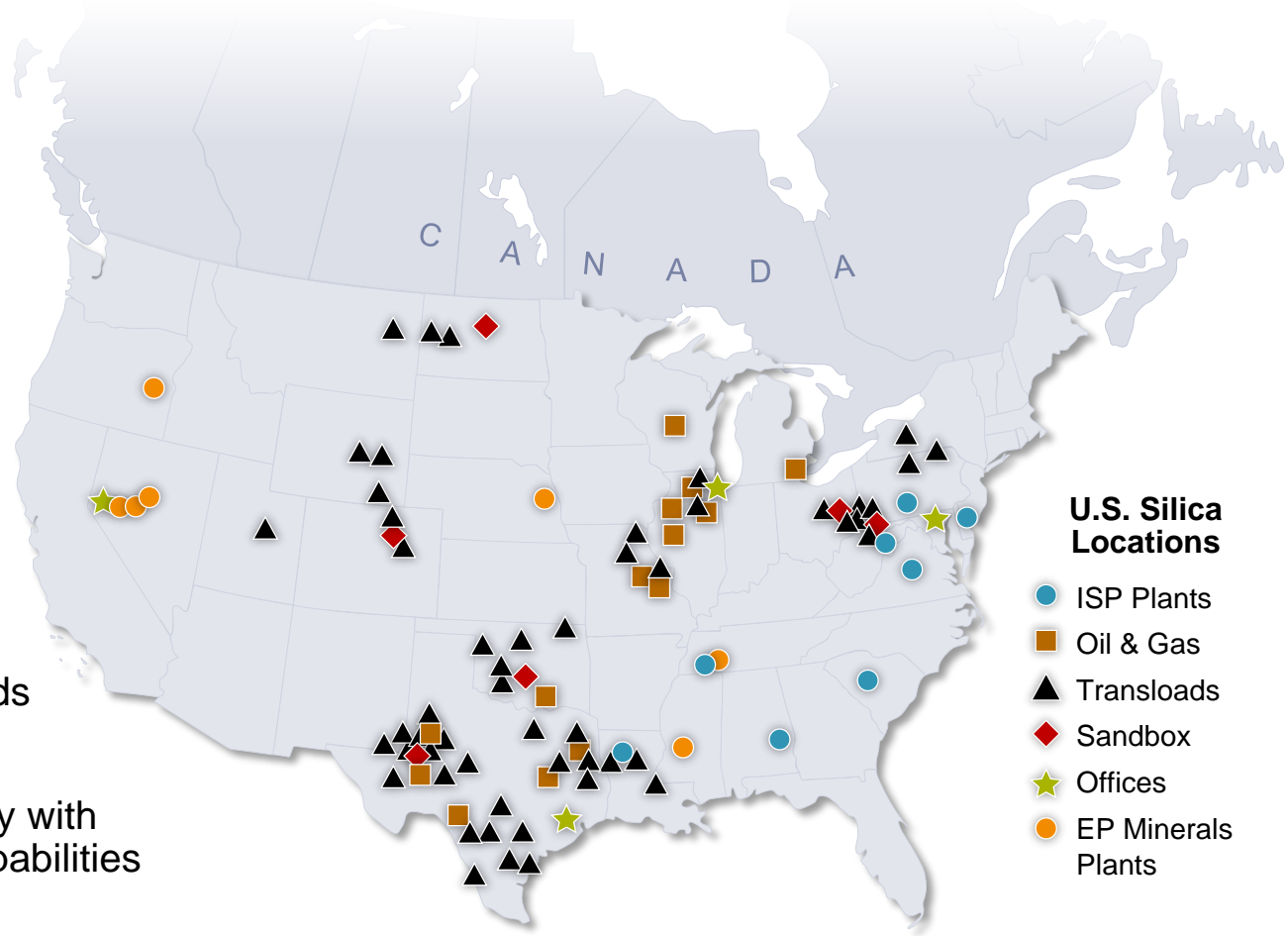


27 operating facilities

>50 transload terminals

85% of rigs within 50 miles of our transloads

#1 network in industry with most unit train capabilities



Unique flexibility allows SLCA to maximize margins

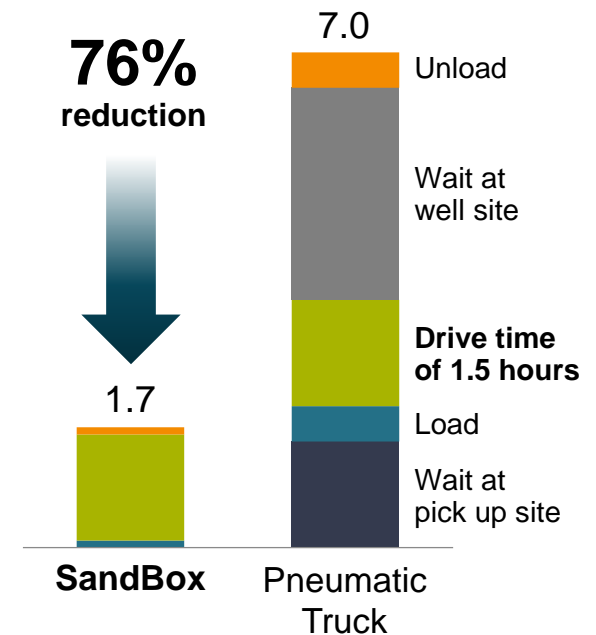
SandBox – Industry Leading Containerized Last Mile Delivery Solution



Advantages

- ✓ SandBox – first mover in containerized solutions
- ✓ Utilizes specially designed, patent-protected equipment – 60+ patents issued to date
- ✓ Cleaner, safer, reliable and more efficient
- ✓ SandBox is a market-leading alternative to pneumatics
- ✓ Greatly exceeding initial expectations

Truck Delivery Time per Load (hrs)



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**SUPERIOR
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Multiple EBITDA growth drivers



ISP: A Diverse Mix of End Markets with Long Term Loyal Customers



% of ISP Revenue¹

Fillers & Extenders | 10%

- Performance coatings
- Architectural, industrial and traffic paints
- Silicone rubber

Foundry | 8%

- Molds and Cores for Metal Casting

Building Products | 32%

- Grouts and Mortars
- Specialty Cements
- Quartz Surfaces
- Roofing Shingles

Chemicals | 7%

- Silica-based Chemicals
- Ceramics
- Sodium Silicates
- Silicon Carbide

Glass | 33%

- Smartphones
- Tablets
- Containers
- Automotive glass
- Fiberglass

Rec./Filtration + Misc./Other | 10%

- Golf and volleyball sands
- Pool filtration
- Forensic testing

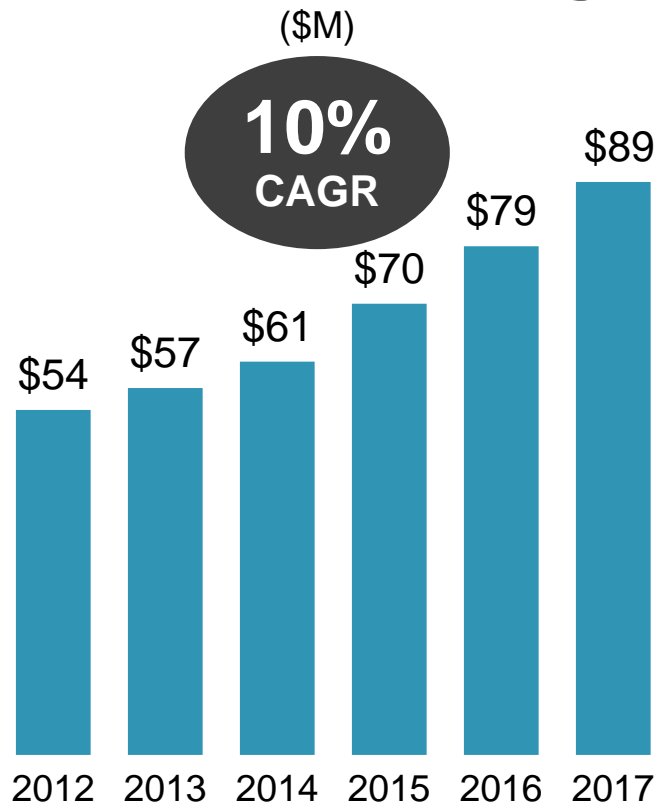


>210 products, critical raw materials for long term customers
– Top 5 customers >50 year relationships

A Predictable, Growing Business with High Barriers to Entry



Contribution Margin



High Barriers to Entry

- 1 A local business**
 - Most customers within 100 miles of mine, transportation a larger cost component
- 2 High switching costs**
 - Complicated customer processes, our products specified into “recipe”
- 3 High cost technology**
 - We process & grind product with high cost equipment

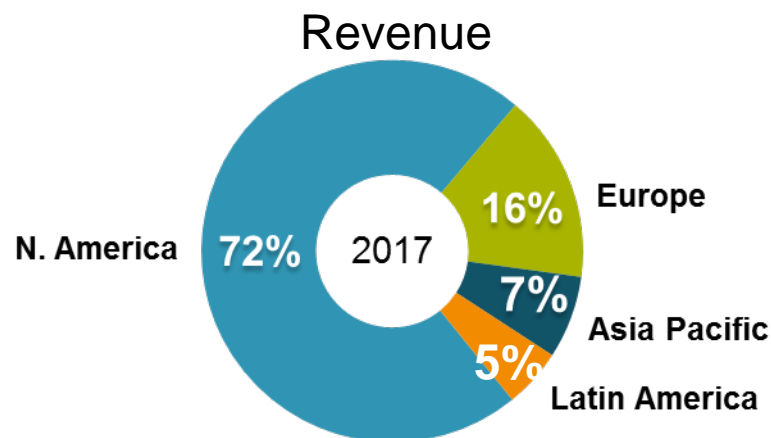
ISP Delivers Consistent Cash Flow Growth

EP Minerals: Diverse Company with Rare Combination of Advantages and Strengths



Profile

- Global leader in diatomaceous earth (DE), bentonite and perlite filter aids, absorbents and functional additives
- 7 processing plants: Nevada (3), Oregon, Tennessee, Nebraska and Mississippi



Key Strengths

1

Market leader

- #1 or #2 in each of its global markets

2

High barriers to entry

- Due to limited DE deposits and unique traits of each one

3

Sticky customers

- Recurring customers account for more than 90% of revenues

4

Stable, growing and diversified global end markets – exciting growth opportunities

5

High margins and Strong cash flow providing flexibility

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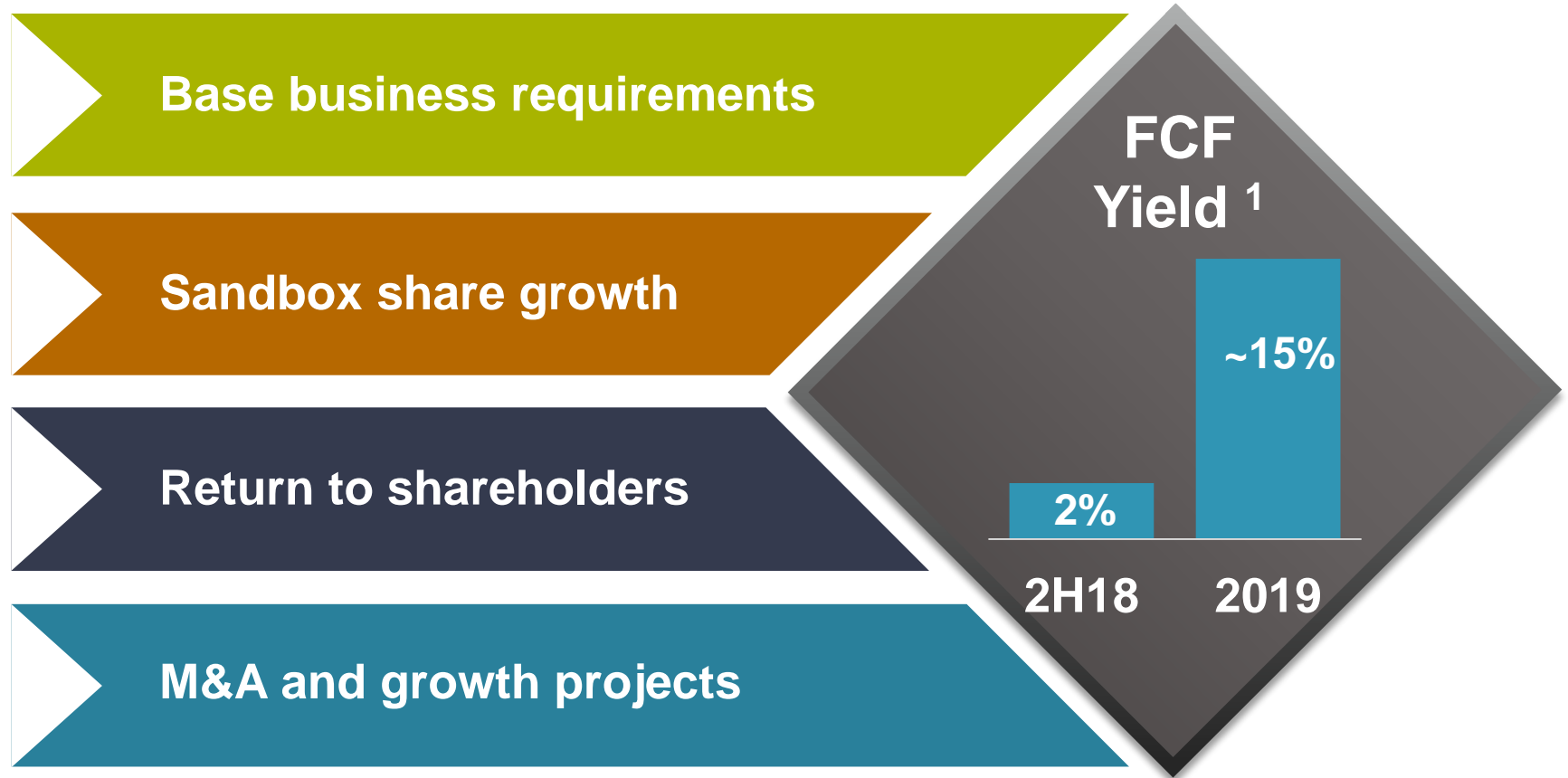
Multiple EBITDA growth drivers



Powerful Cash Flow Will Drive Strong, Dependable Growth



Free cash flow priorities



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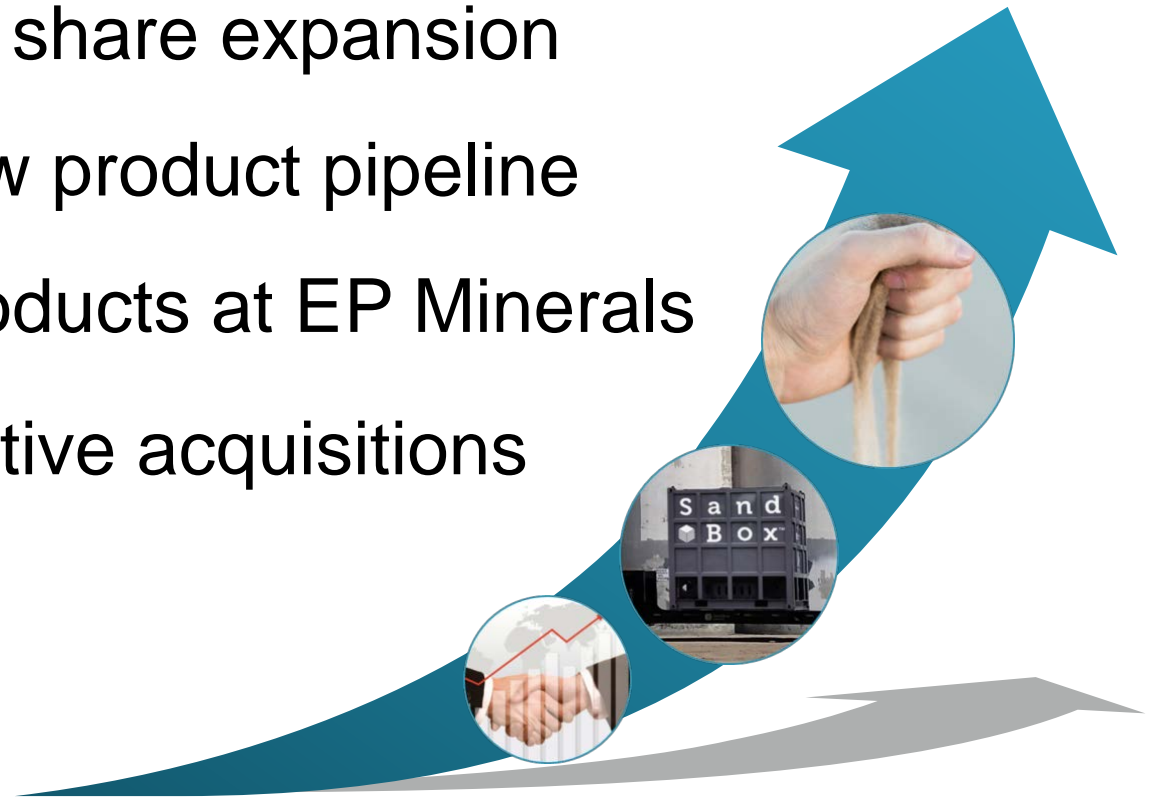
**SUPERIOR
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Multiple EBITDA growth drivers



Multiple EBITDA Growth Drivers

1. Doubled low-cost Oil & Gas capacity
2. Sandbox market share expansion
3. ISP segment new product pipeline
4. New markets/products at EP Minerals
5. Pipeline of accretive acquisitions



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QUESTIONS?

