

**19TH ANNUAL B. RILEY FBR
INVESTOR CONFERENCE**

**BRYAN SHINN
PRESIDENT & CEO**

**SANTA MONICA, CA
May 23, 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

LEADERSHIP

Multiple “firsts”

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

5

**SUPERIOR
GROWTH**

Multiple
EBITDA
growth drivers



U.S. Silica: A Profile of Leadership



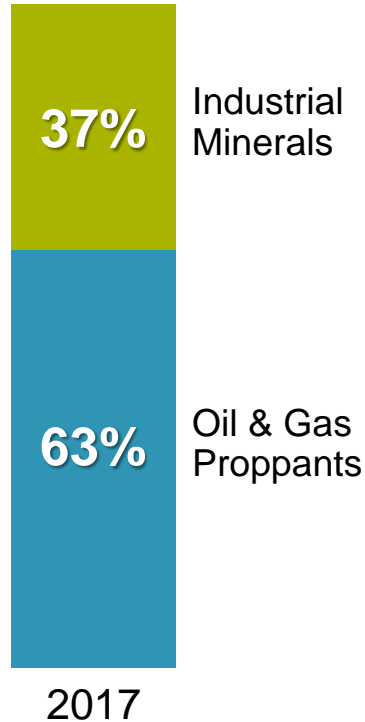
The
ONLY

Ground to Ground
supplier of proppant

\$330M

Cash¹

Diversified
Profits²



Adj. EBITDA
DOUBLED

last 5 years
(\$161M 2013 → \$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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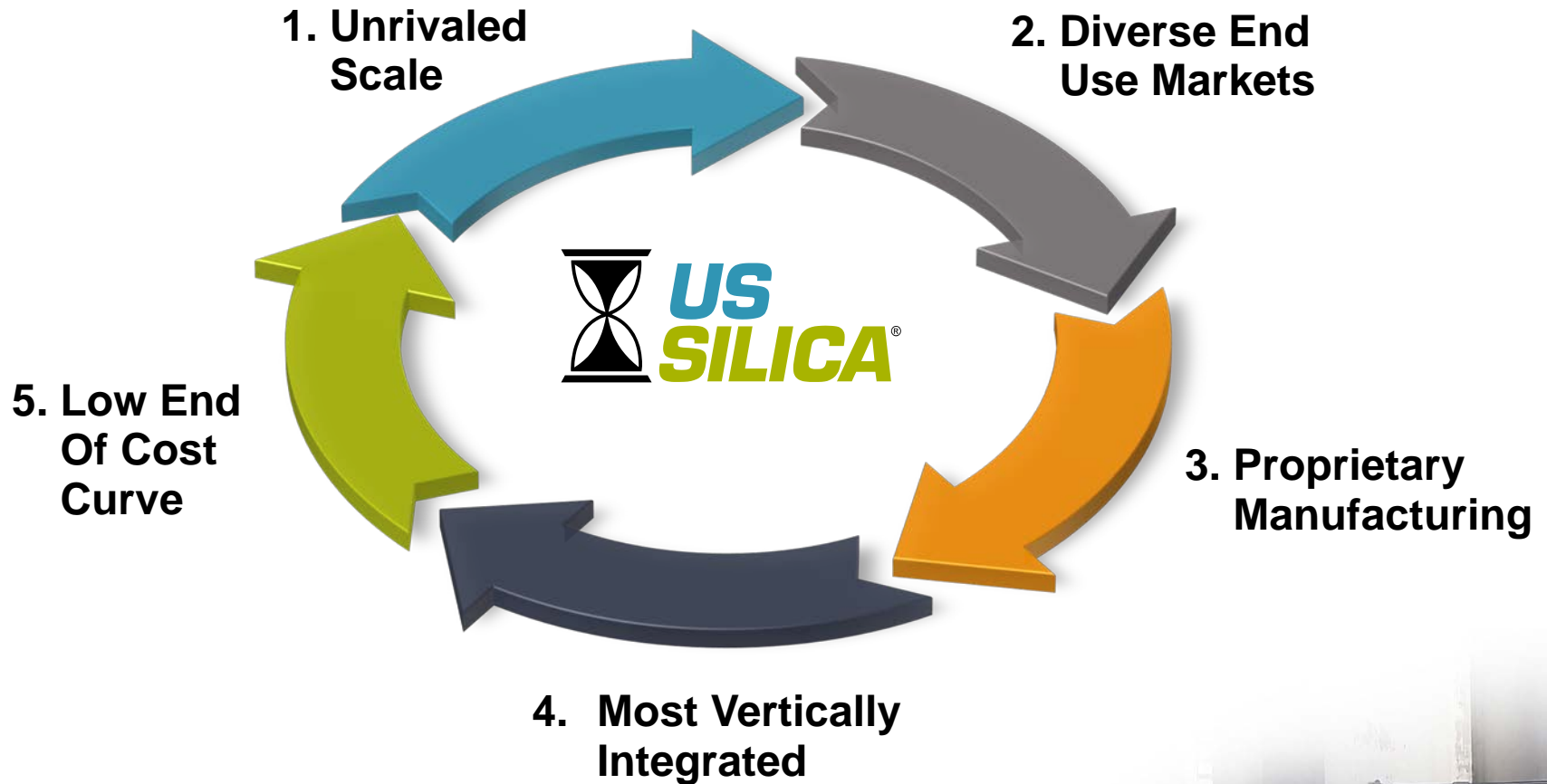
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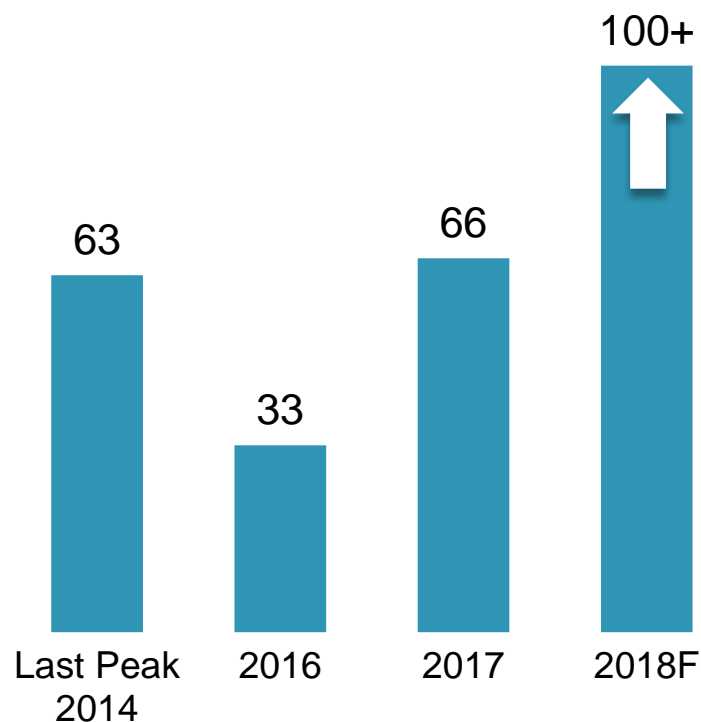
Differentiated Business Model Provides Sustainable Competitive Advantages



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



Growth in US Proppant Demand (M Tons)



Key Trends Underway

- 1 Secular growth in proppant per well – drives well efficiency
- 2 Shift to finer mesh (40/70 and 100M) – drives rig efficiency
- 3 Shift to regional/local sands – lowers delivered cost



Diverse, Flexible, Low-Cost Rail and Transload Network

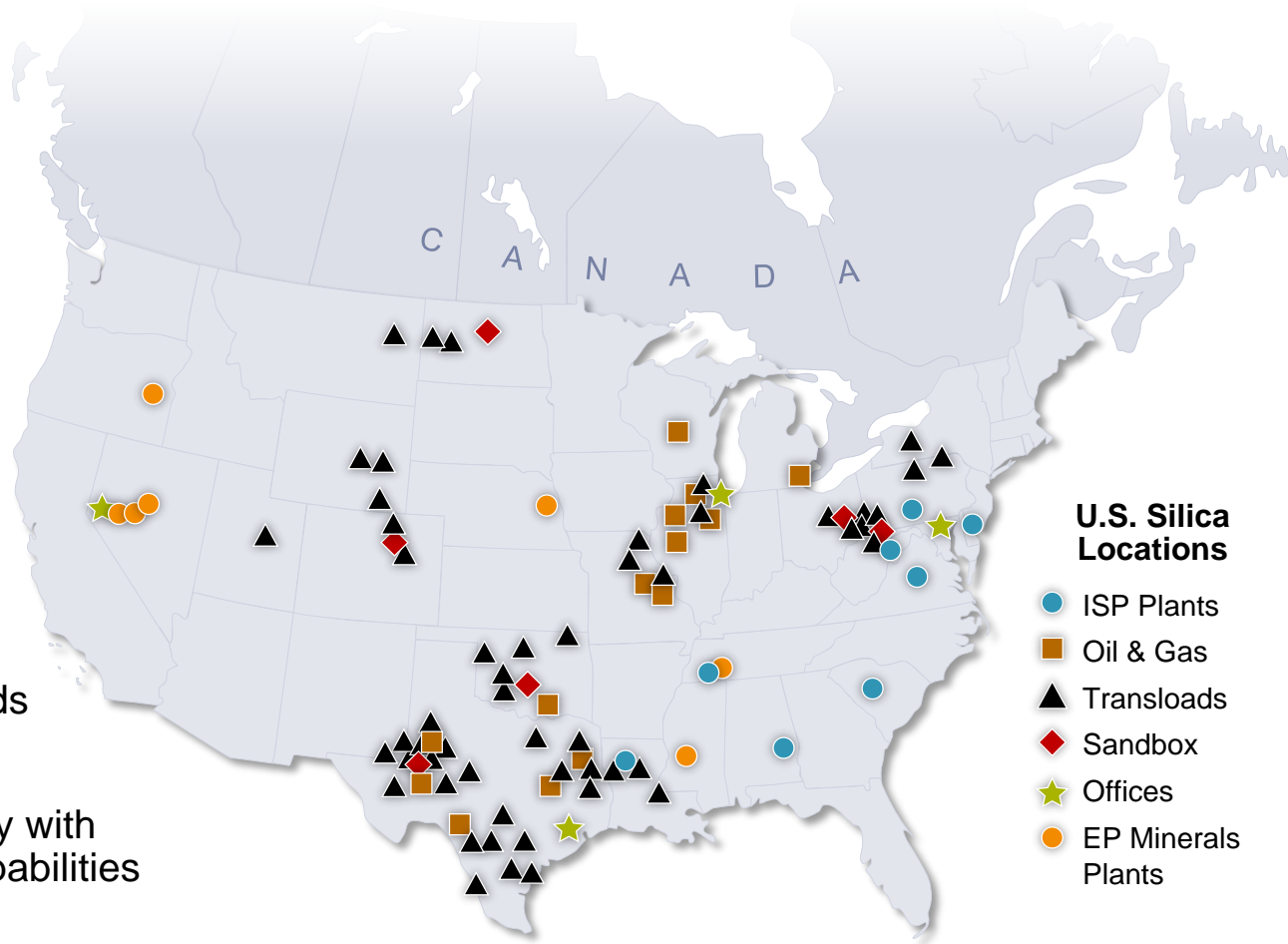


28 operating facilities

50 transload terminals

85% of rigs within 50 miles of our transloads

#1 network in industry with most unit train capabilities



Uniquely able to redirect product flow nationally to maximize margins

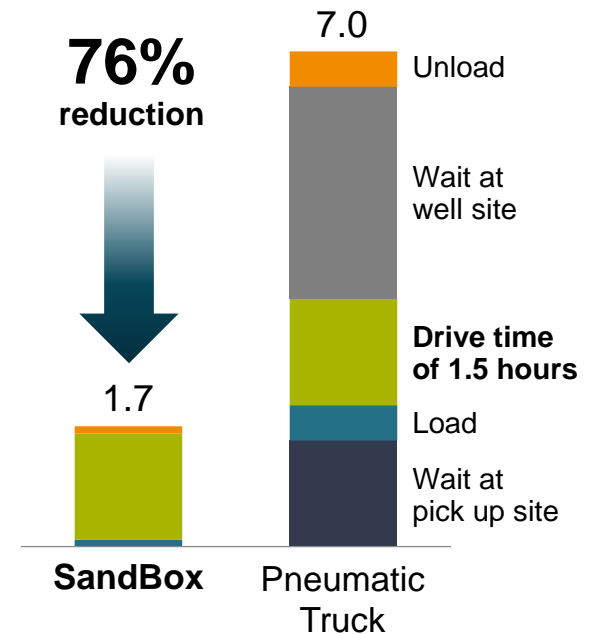
SandBox – Industry Leading Containerized Last Mile Delivery Solution



Advantages

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

Truck Delivery Time per Load (hrs)



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



% of ISP Revenue

Fillers & Extenders | 11%

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

Foundry | 9%

- Molds and Cores for Metal Casting

Building Products | 29%

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

Chemicals | 8%

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

Glass | 32%

- Smartphones
- Tablets
- Containers
- Automotive glass
- Fiberglass

Rec./Filtration + Misc./Other | 11%

- Golf and volleyball sands
- Pool filtration
- Forensic testing

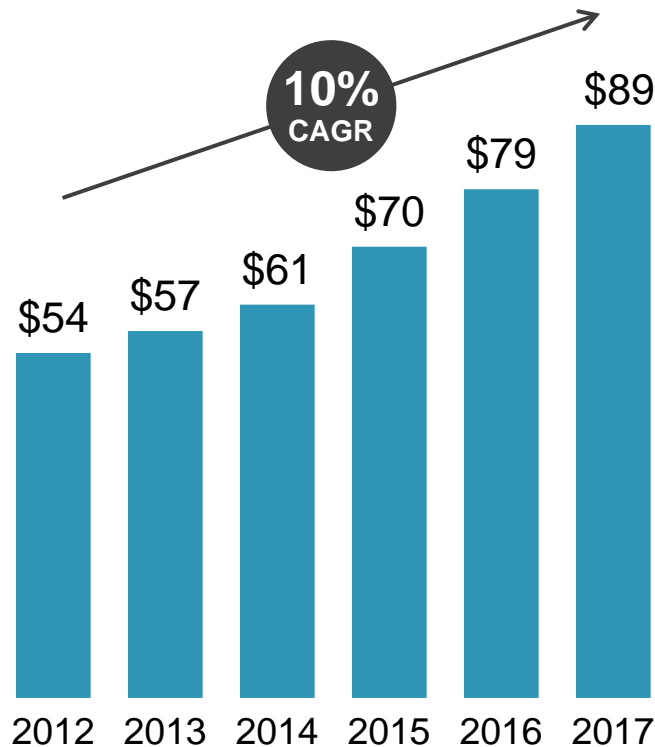


>210 products, critical raw materials for long term customers
– Top 5 customers >50 year relationships

A Predictable, Growing Business with High Barriers to Entry



Contribution Margin (\$M)



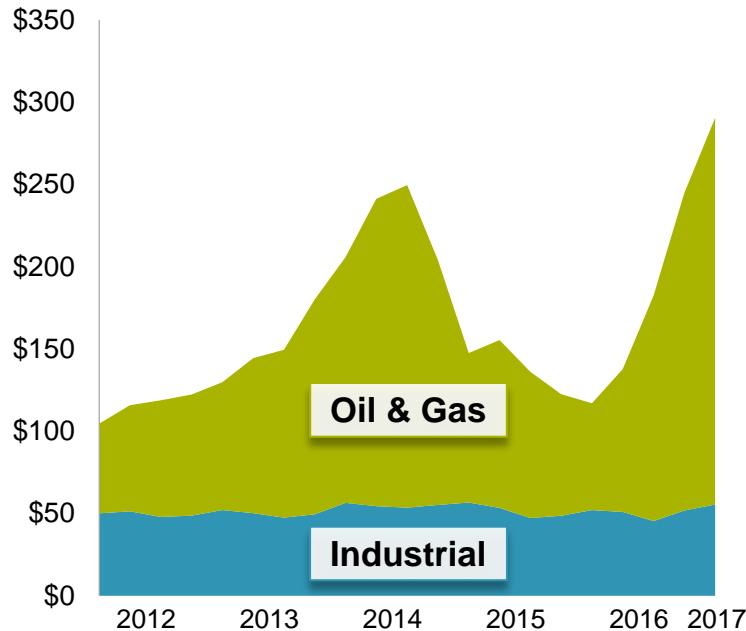
High Barriers to Entry

- 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

Oil & Gas Brings Significant Upside to Reliable Industrials



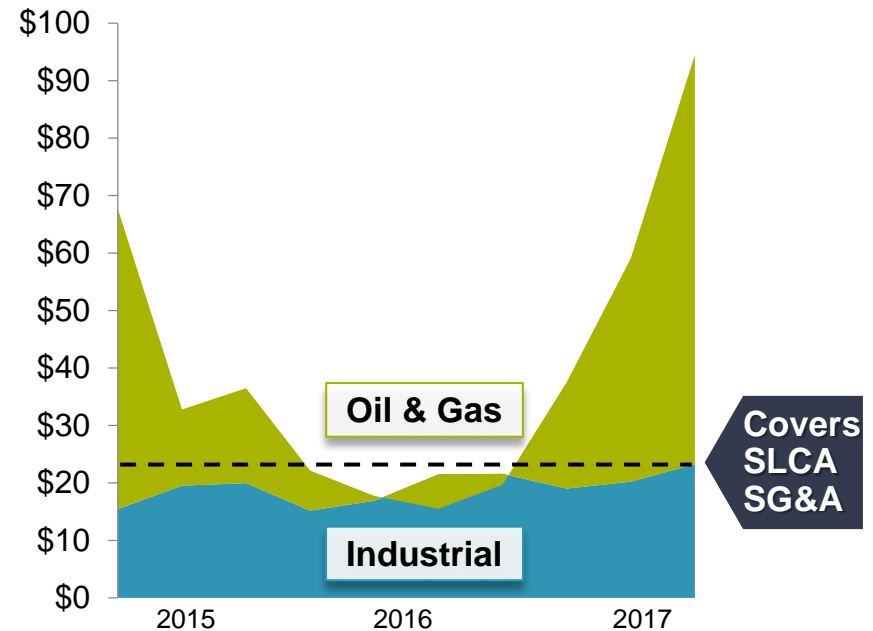
Revenue – Quarterly (\$ Millions)



Consistently delivers ~\$200M/year

- 25-45% of total revenue over the full oil & gas cycle

Contribution Margin – Quarterly (\$ Millions)



Consistently delivers ~\$75M/year

- 30-90% of total contribution dollars over the full oil & gas cycle

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
- #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

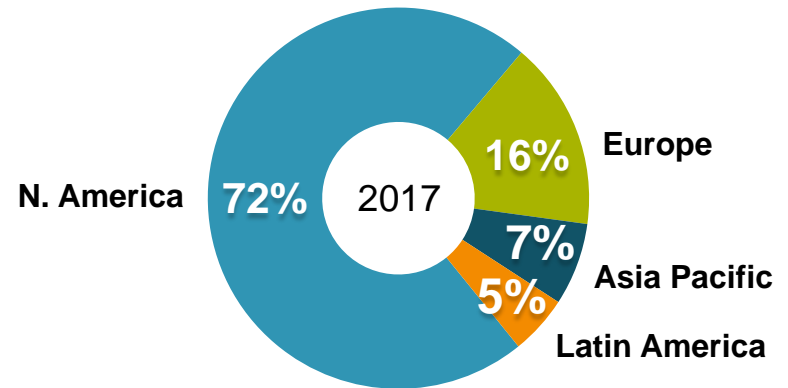
EP Minerals: Attractive Market Structure/Unique Products



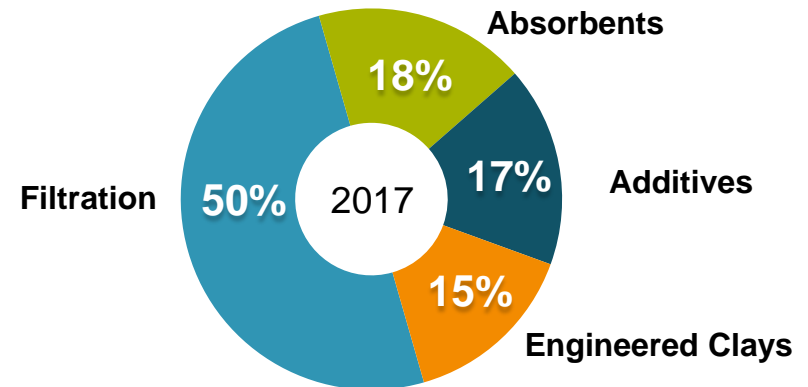
Key Strengths

- 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



EP Minerals: Attractive Returns for Shareholders While Enhancing Financial Flexibility



**Platform
For Growth**

Consistent growth business – platform for new products and M&A



**Reduces
Cyclicality**

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 first year of ownership



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Powerful Cash Flow Will Drive Strong, Dependable Growth



Free cash flow priorities



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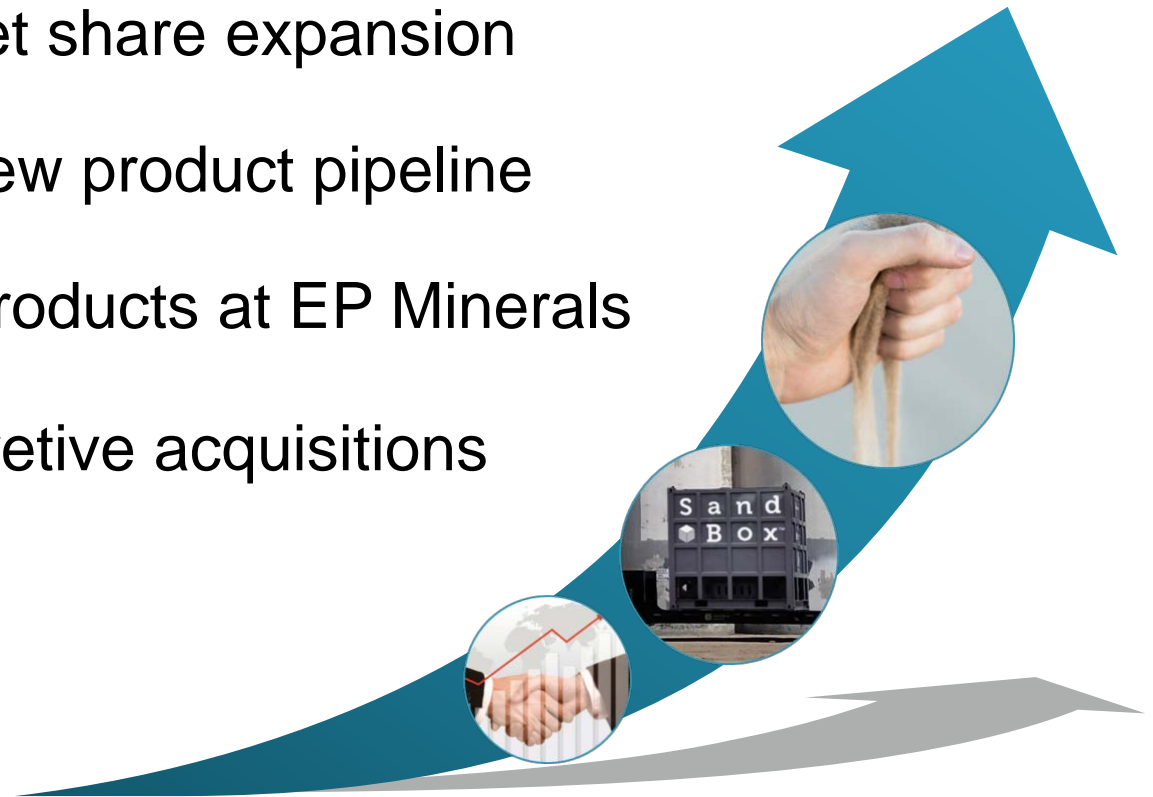
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Multiple EBITDA Growth Drivers

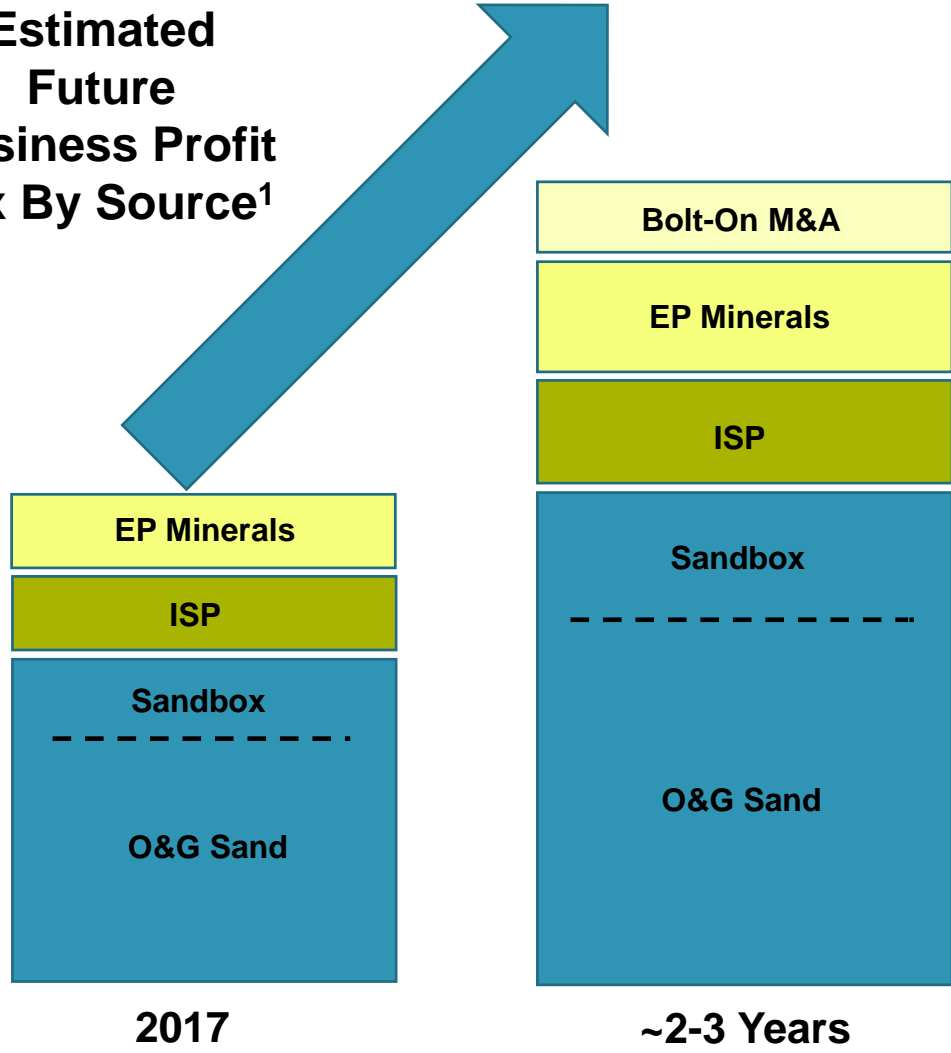
1. Doubled low-cost Oil & Gas capacity
2. Sandbox market share expansion
3. ISP segment new product pipeline
4. New markets/products at EP Minerals
5. Pipeline of accretive acquisitions



Increased Diversification/Strong Growth



Estimated Future Business Profit Mix By Source¹



<u>Profile</u>	<u>Stability</u>
Industrial	Very Stable
GDP+ growth with strong pipeline of new performance products	
25-30% Last Mile Share	Tracks well completions
Low delivered cost assets with high percentage of attractive long term contracts	Best in class stability further supported by delivered to well sand solutions



1- 2017 EP Minerals is a Pro Forma. Future projections are illustrative only.

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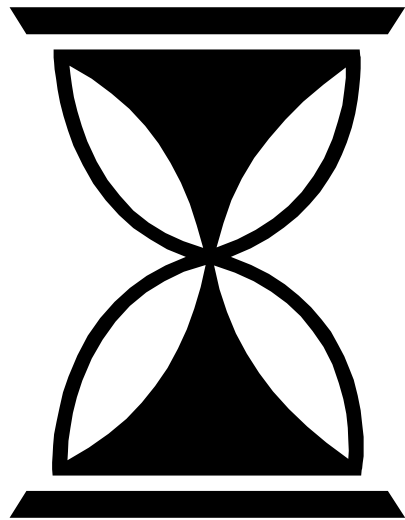
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US
SILICA®

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QUESTIONS?

