UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 24, 2021

ENERGY RECOVERY, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-34112**	**01-0616867**
(State or Other Jurisdiction of Incorporation)	*(Commission File Number)*	*(I.R.S. Employer Identification No.)*

1717 Doolittle Drive, San Leandro, California 94577
(Address of Principal Executive Offices) (Zip Code)

(510) 483-7370
(Registrant's telephone number, including area code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	**ERII**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

The Company is furnishing with this report an investor presentation that will be used by the Company during meetings with investors and analysts. The presentation is attached hereto as Exhibit 99.1, which is incorporated herein by reference and will also be posted on our website at http://www.energyrecovery.com.

The Company is not undertaking to update this presentation. This report is not intended as a statement concerning the materiality of any information contained in the presentation.

The information furnished in this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Management Presentation

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Energy Recovery, Inc.

Date: March 24, 2021

By: /s/ William Yeung
William Yeung
Chief Legal Officer

Exhibit 99.1

energy recovery®

Driving Industrial Sustainability

Delivering Value in Fluid-Flow Processes

Energy Recovery Investor Presentation – March 2021

NASDAQ: ERII

FORWARD LOOKING STATEMENT

This presentation contains forward-looking statements within the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this report include, but are not limited to, statements about our expectations, objectives, anticipations, plans, hopes, beliefs, intentions, or strategies regarding the future. Forward-looking statements that represent our current expectations about future events are based on assumptions and involve risks and uncertainties. If the risks or uncertainties occur or the assumptions prove incorrect, then our results may differ materially from those set forth or implied by the forward-looking statements. Our forward-looking statements are not guarantees of future performance or events. Words such as "expects," "anticipates," "believes," "estimates," variations of such words, and similar expressions are also intended to identify such forward-looking statements.

These forward-looking statements are subject to risks, uncertainties, and assumptions that are difficult to predict; therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date of this presentation. All forward-looking statements included in this presentation are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected in the forward-looking statements, as disclosed from time to time in our reports on Forms 10-K, 10-Q, and 8-K as well as in our Annual Reports to Stockholders and, if necessary, updated in our quarterly reports on Form 10 Q or in other filings. We assume no obligation to update any such forward-looking statements. It is important to note that our actual results could differ materially from the results set forth or implied by our forward-looking statements.

ENERGY RECOVERY SNAPSHOT

We design and manufacture solutions that accelerate the environmental sustainability of our customers' operations.

Our solutions increase efficiency and lower lifecycle cost by reducing waste and energy consumption in industrial fluid-flow systems.

Our flagship PX® Pressure Exchanger® (PX) energy recovery device (ERD) revolutionized seawater reverse osmosis desalination (SWRO), reducing energy costs by up to 60%.[1] The PX is now the industry standard for energy recovery.

We continue to push the boundaries of our core technology, the pressure exchanger, to handle different operating environments of industrial or commercial applications.

Financial Snapshot[2]	
Product Rev Growth	
Avg. Growth '15 - '20	21%
2020	27%
2021 (estimated)	up to 10%
2022 (estimated)	up to 25%
2020 Gross Margin	69%
Cash & Securities	$115M
Debt	--

[1]Energy Recovery estimate; [2]Growth and Gross Margin from Product Revenue only

WE HAVE A GROWING ESG STORY

$2.5B saved for customers on energy expenses annually[1]

25k+ PXs installed worldwide

90%+ product revenue from energy-efficiency related products

15M metric tons emissions avoided due to PXs = >2.5M vehicles removed from the road annually[1]

96% PXs use components made from recycled materials

100% Of waste metal from our operations is recycled

Global Installations of Energy Recovery Desalination Products

[1]*Energy Recovery estimates. Assumes all deployed devices are in operation*

ESG AT ENERGY RECOVERY

MSCI
ESG RATINGS

CCC	B	BB	BBB	A	AA	AAA

To download the full report, please visit

bit.ly/ERI-ESG

- First Environmental, Social, Governance (ESG) report issued Sept 2020
  - Aligned with SASB and GRI sustainability reporting frameworks; select United Nations Sustainable Development Goals
- Our products address climate change, sustainable industrialization, energy efficiency, water scarcity
- Reflects our ongoing commitment to becoming a more sustainable, resilient business

INDUSTRIES SERVED

Commercial products across multiple sectors

Industry	Markets	Customer Type	Key Benefits Provided
	o Seawater Desalination o Brackish Water Desalination	o International EPC Firms o Desalination OEMs o Plant Owners and/or Operators	o Less Energy Consumption o Lower Emissions o Reduced Costs
	o Industrial Wastewater Treatment	o International EPC Firms o Industrial Plant Owners and/or Operators	o Less Energy Consumption o Lower Emissions o Reduced Costs
	o Natural Gas Processing	o EPC Firms o Plant Owners and/or Operators	o Less Energy Consumption o Lower Emissions o Reduced Costs

COMMERCIALLY AVAILABLE PRODUCT CATEGORIES

Desalination

Energy Recovery Devices

PX® Pressure Exchanger®

Turbocharger

Pumps

AquaBold™

ATMP

Industrial Wastewater Treatment

Energy Recovery Device

Ultra PX™

Natural Gas Processing

Energy Recovery Device

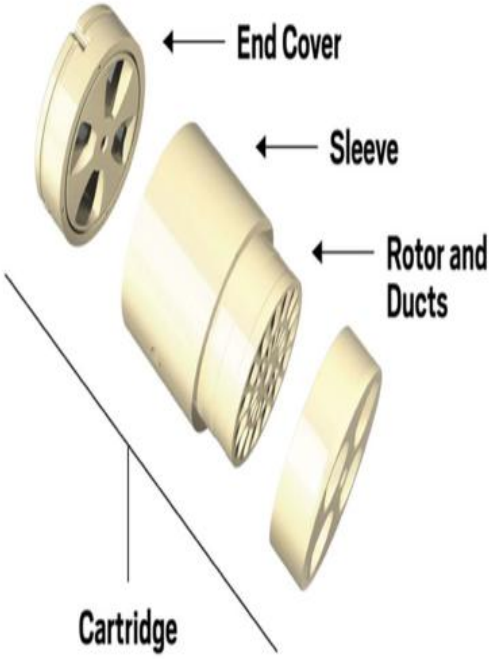
IsoBoost

Please visit EnergyRecovery.com for complete product information

PRESSURE EXCHANGER TECHNOLOGY PLATFORM

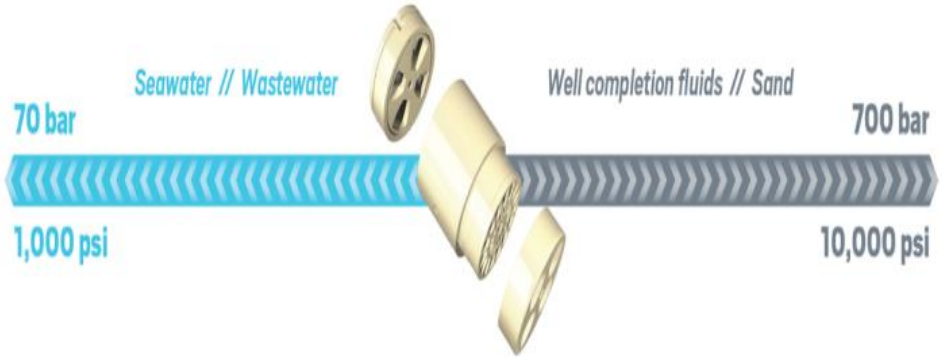
Anatomy of a Pressure Exchanger

Transfers energy from high-pressure to low-pressure fluids (both liquids and gas) through continuously rotating ducts with only one moving part (the rotor)



- Our pressure exchanger technology works as a platform to build product applications
- The technology is versatile – can handle liquid, gas, range of pressures
- Benefits include lower lifecycle cost and energy use in industrial fluid-flow systems
- Pressure exchanger technology is at the heart of many of our products

Pressure Exchanger Technology Operating Range



HOW PRESSURE EXCHANGER TECHNOLOGY REDUCES ENERGY CONSUMPTION

Sealed Phase

Two fluids on opposite sides of PX; rotor duct is sealed, isolating high, low pressure fluid streams

Rotor duct rotates to pressure exchange phase

Pressure Exchange Phase

1. Low pressure driven fluid enters the rotor duct
2. High pressure motive fluid enters the rotor duct

1. Low pressure driven fluid that will be pressurized and sent into system
2. High pressure motive fluid that will pressurize low pressure fluid

Rotor duct rotates to sealed phase

3. Low pressure driven fluid contacts motive fluid, expelling it at low pressure
4. High pressure motive fluid contacts driven fluid, expelling it at high pressure

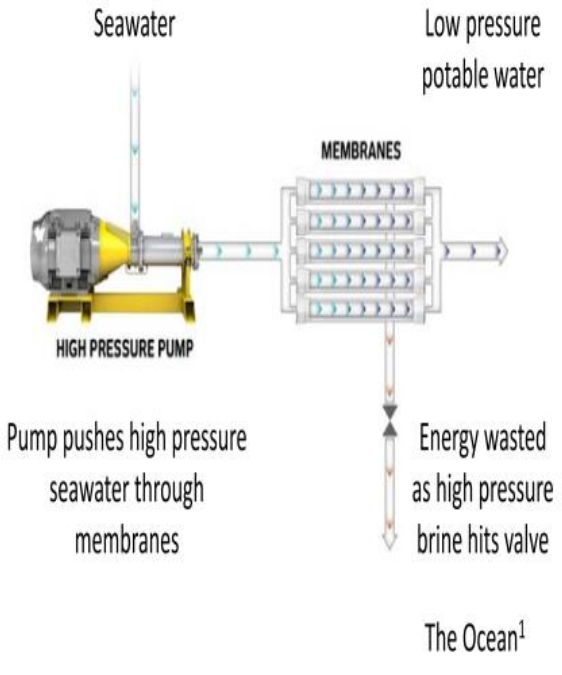
Pressure is exchanged continuously as the rotor spins at high speed

PRESSURE EXCHANGER TECHNOLOGY IN ACTION: PX PRESSURE EXCHANGER FOR SWRO

- Flagship PX device recycles energy, reducing operational costs and emissions in SWRO facilities
- PX plays similar role in other vertical markets - although benefits differ across product applications, energy efficiency is a common theme

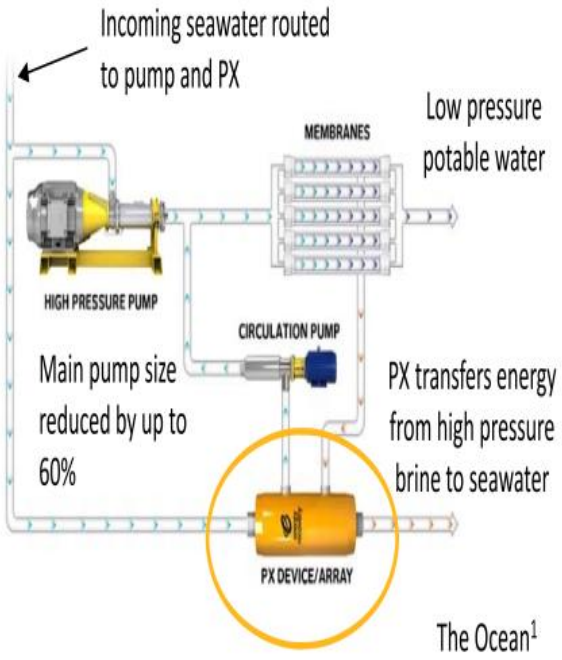
Without Energy Recovery Devices (ERDs)

Approx. 60% of energy wasted during SWRO prior to implementation of ERDs



With PX Pressure Exchanger

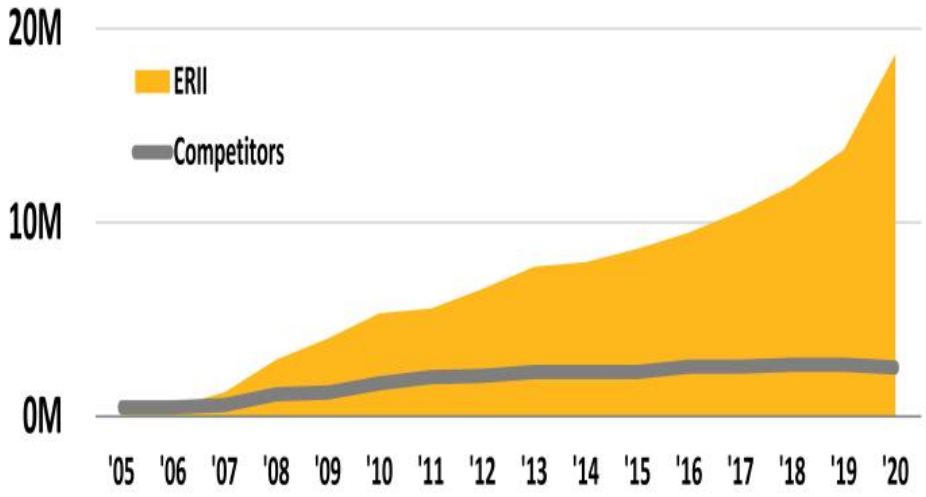
PX lowers energy consumption by up to 60%



[1]*Ocean or other geological mass*

OUR PX PLATFORM HAS COME TO DOMINATE LARGE SCALE SWRO DESALINATION

Cumulative Won Mega Project[1] Desal Capacity (m3/day)



Technology Strength = High Margin

69% ERII Gross Margin[2]

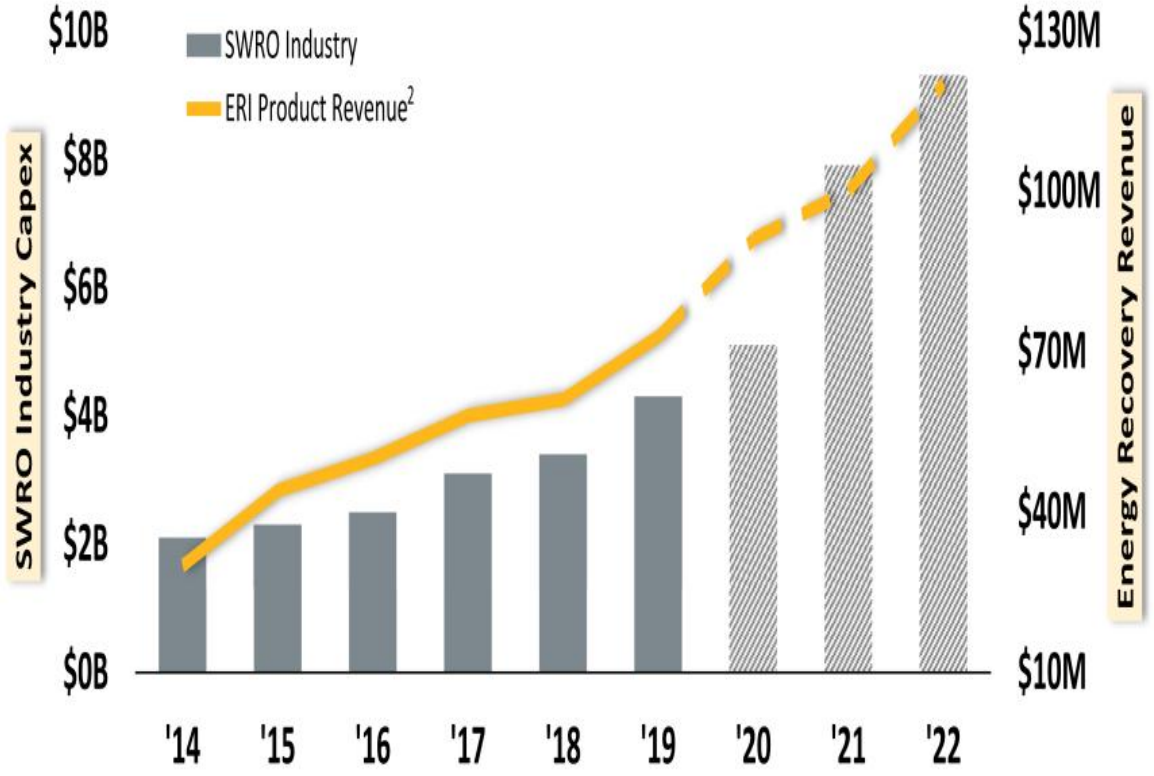
25% Russell 2000 Industrials

Our ceramics PX Pressure Exchanger is designed for a 25-year life, needs no maintenance and has up to 98% efficiency – unrivalled quality that translates into high profitability

[1] Mega Projects produce 50,000 cubic meters or more of water per day; [2]2020 Reported Gross Margin

NEW WATER DEMAND AND TECHNOLOGY SHIFT DRIVING SECULAR SHIFT IN SWRO

Annual SWRO Capital Expenditures[1]



Our growth roughly tracks overall SWRO desal capital spend

[1]*DesalData Estimates;* [2]*2020-2022 – ERI Estimates*

THE WORLD NEEDS MORE WATER

FINANCIAL TIMES

No end to crisis in sight as drought grips India's Chennai

MEED
Middle East business intelligence

Saudi Water Partnership Company has released its Seven-Year Statement for 2020-26

The Washington Post

Africa's largest dam powers dreams of prosperity in Ethiopia – and fears of hunger in Egypt

FRANCE 24

Australia prepares for 'Day Zero' – the day the water runs out

The New York Times

Flash Drought in the South Brings Record Heat Without Rain

PHYS.ORG

South America ravaged by unprecedented drought and fires

npr

Alaska Villages Run Dry and Residents Worry About a 'Future of No Water'

EXISTING FRESH WATER SUPPLIES WILL LIKELY NOT MEET FUTURE DEMAND

60%

The world will only have 60% of the water it needs by 2030

>2B People

1/4 of all people live in high water-stress territories

30%

Potable water demand expected to increase 30% by 2050

26%

Global population is expected to grow from 7.7B to 9.7B in 2050

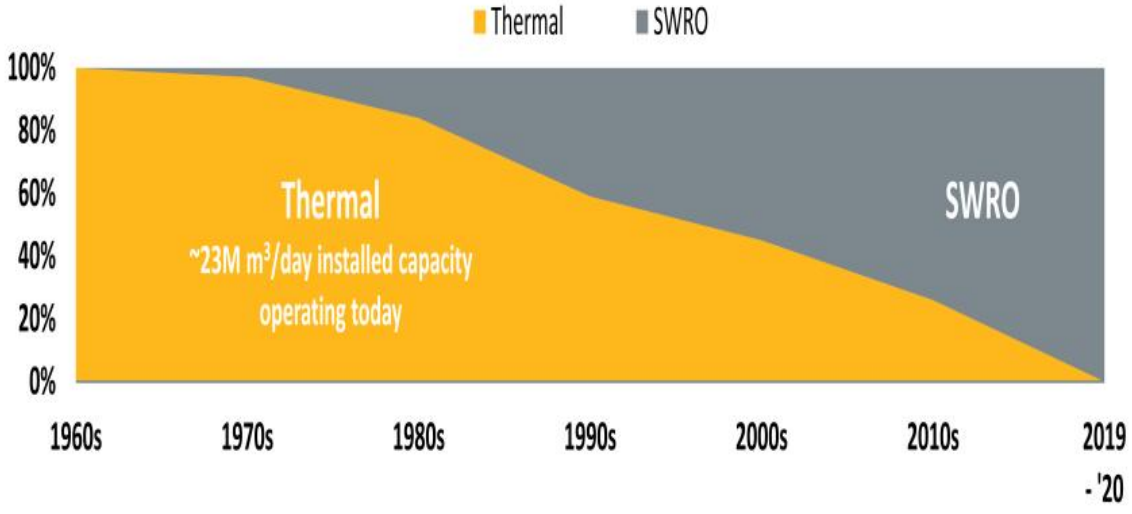
All statistics – United Nations

TECHNOLOGY SHIFT FROM THERMAL TO SWRO: $0.5B TAM TO MAINTAIN EXISTING CAPACITY

SWRO Eclipsed Thermal Desalination as Technology of Choice in the 2000s

- Existing thermal capacity should eventually be replaced by SWRO
- We are seeing this demand in our revenue and pipeline today
- SWRO is more efficient, less energy intensive and far more economical
  - $1B SWRO retrofit of two Saudi thermal plants will generate OPEX savings of $360M/year[1]

Thermal vs. SWRO[1] (% of Annual Plant Installations)



23M cubic meters of thermal capacity equivalent to approximately $0.5 Billion in PX sales[2]

[1]DesalData; [2]ERI Estimate

BUILDING LONG-TERM SUSTAINABLE GROWTH AND VALUE

Revenue Growth	Increase Bottom Line	Sustainability
New Technologies	**Leverage Existing Assets**	**Environmental Sustainability**
Develop new PX products, widen technical aperture	Large investments in organization not needed for success	Accelerate the sustainability of customer operations via reduced energy consumption
Diversify Revenue	**Invest in Achievable Projects**	**Align Organization**
Diversify outside of desalination, de-risking revenue and accelerating growth	Realistic commercial timelines, manage complexity and scope	Align organizational aspirations with sustainable product aspirations
Protect Position in SWRO	**Discipline**	**Shareholder Transparency**
Invest in improved products and operations to protect existing strength in swiftly growing desalination market	Disciplined focus on financial KPIs and marketability of technologies	Open communication with shareholders on progress and plans

LEVERAGING PX TECHNOLOGY FOR SUSTAINABLE DIVERSIFIED GROWTH BEYOND DESALINATION

Fluids

- Manage pressure energy between fluid flows
- Relatively clean seawater to caustic pressure pumping proppant; CO_2 gas

Technology

- PX Platform – focus on reducing energy consumption
- 1,000 - 10,000+ PSI (70 – 700 bar)
- Build off what we know – we are not inventing new markets
- Industrial / Commercial applications
- Maintain first-in-class reliability

KPIs

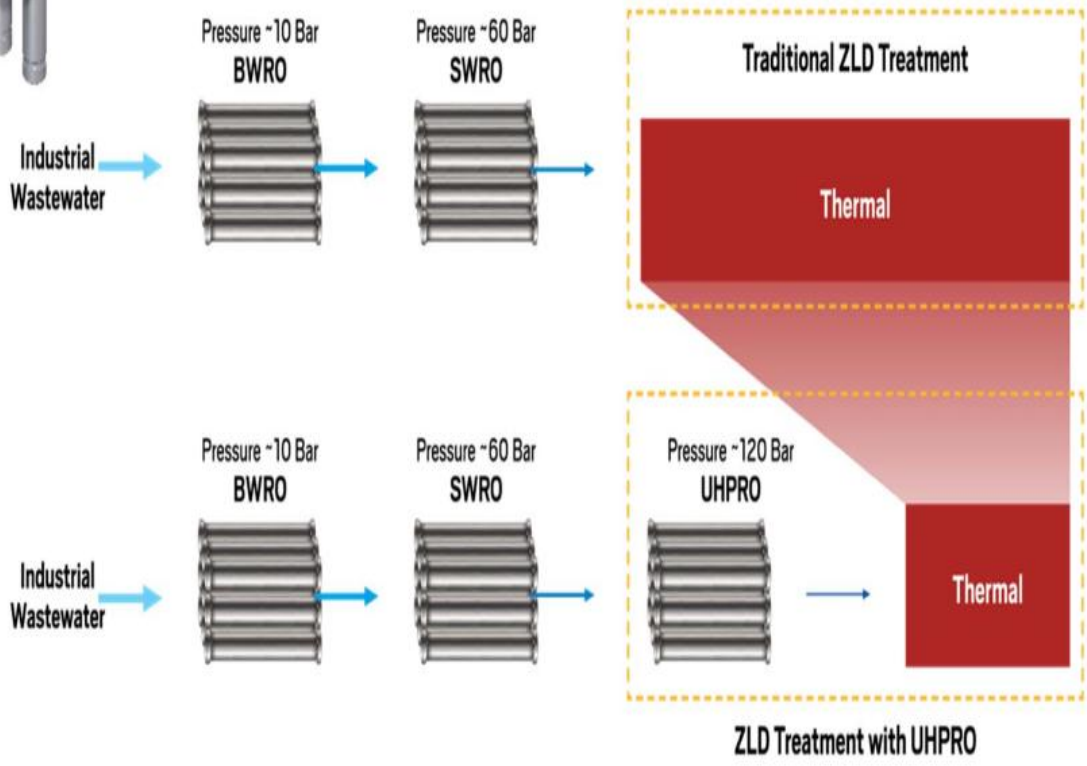
Financial KPIs	3 Year Timeline
20%+ ROI	1 year: prove technical validity
50%+ Gross Margin	2 years: commercial product
	3 years: cash flow positive run rate

→ **Cap R&D Expense to limit size and scope of R&D projects: 15-20% of revenue in 2021**

→ **Discipline: Maintain rigorous commercial hurdles for ROI, Gross Margin, and Timelines**

ULTRA PX – ENERGY RECOVERY DEVICE FOR INDUSTRIAL WASTEWATER LAUNCHED IN 2020

- Countries are mandating zero liquid discharge (ZLD) to mitigate environmental effects of industrial wastewater discharge
- Ultra High-Pressure RO (UHPRO) could supplant thermal as the prevalent technology due to superior efficiency, much as it has in SWRO
- Our PX can potentially recover up to 60% of wasted energy with 93%+ efficiency in the UHPRO process
- First commercial POs for Ultra PX received for projects in India and China



Applying UHPRO to ZLD treatment reduces thermal requirements at the end of the process

VORTEQ – 2 MAJOR HURDLES REMAIN TO COMMERCIALIZE

VorTeq seeks to protect pumps from abrasive proppant

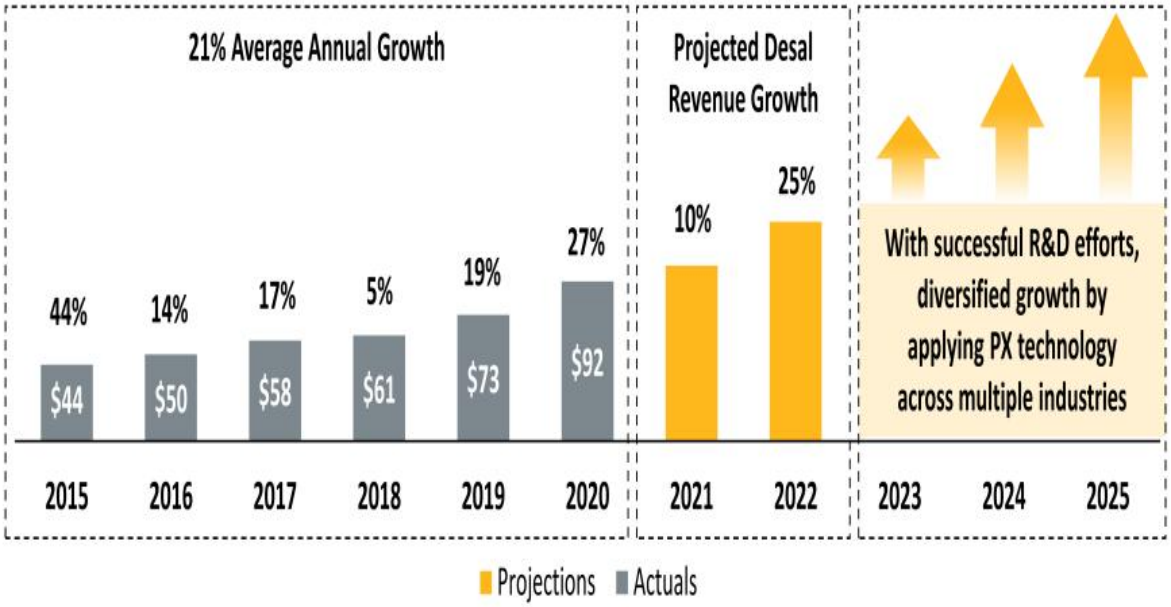
- Increase safety of operations
- Reduce emissions, energy intensity of pump operations
- Decrease pump failures
- Lower maintenance, capital costs

Status of Commercialization

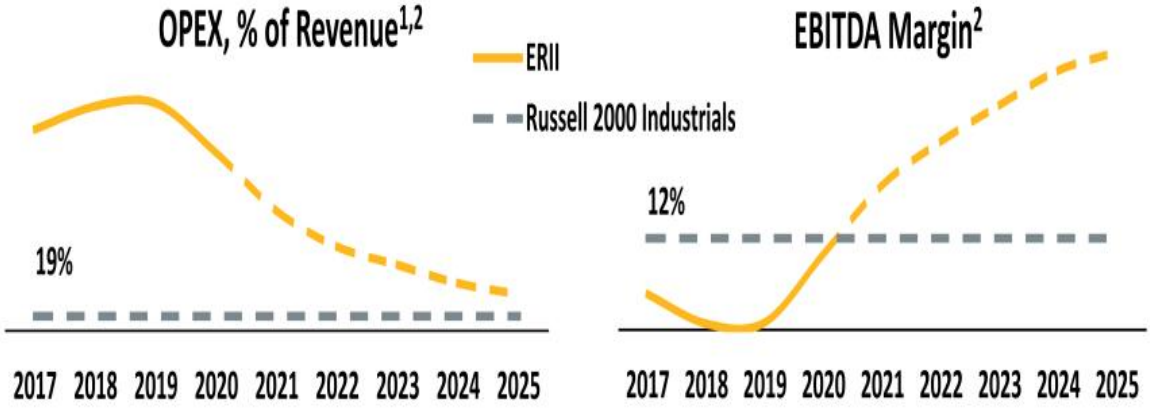
- Completed multiple frac stages at live wells in Q1
- Two critical hurdles remain
  - Validate customer value proposition
  - Optimize cartridge life before repairs or replacement
    - ✓ Highest operational cost to ERI
- Must make decision to commercialize by June 2021, or cease investing
- Spend has decreased roughly 50% since mid 2020 as engineering efforts wind down

DISCIPLINED FOCUS DRIVING TOP AND BOTTOM-LINE GROWTH

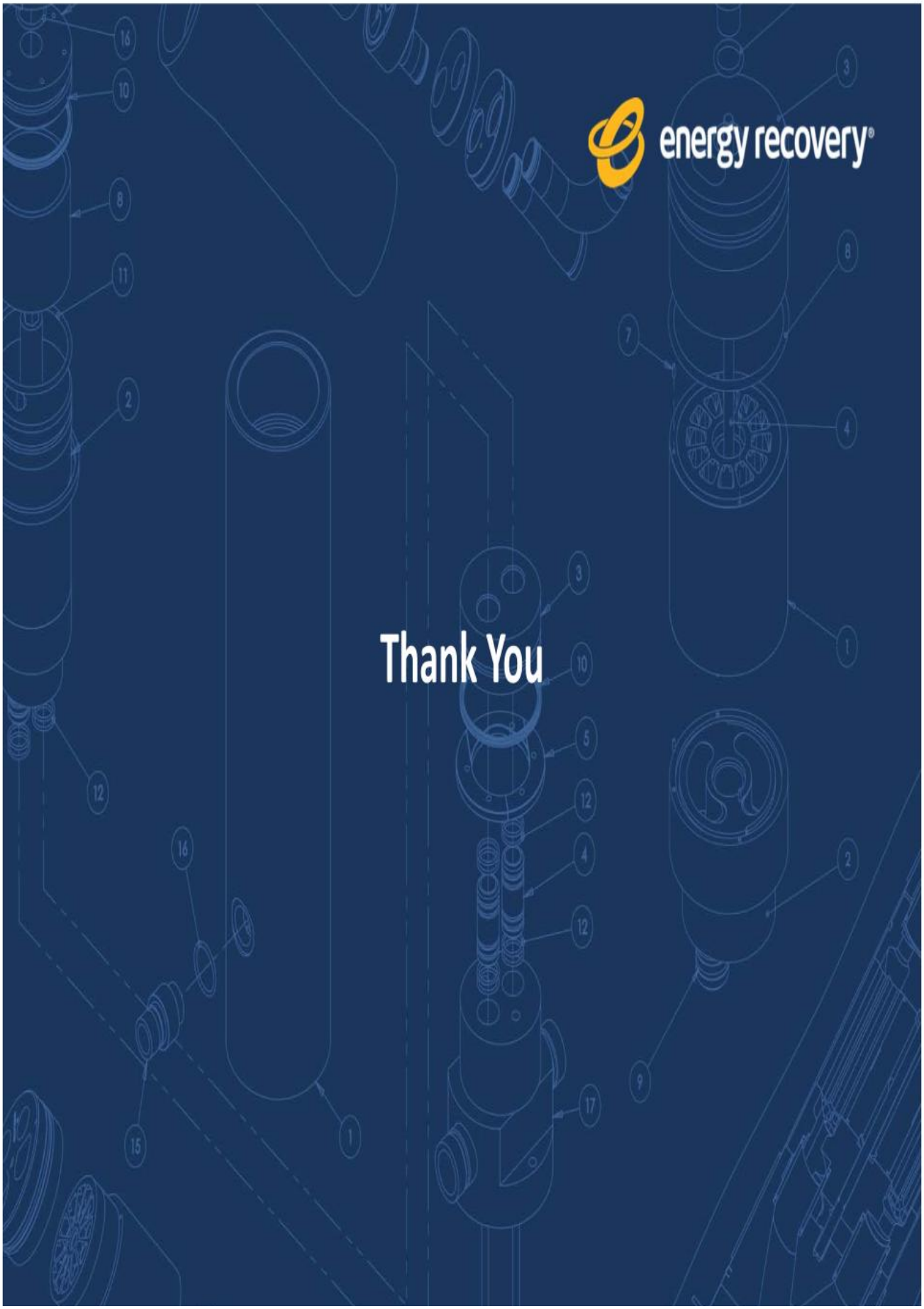
Drive Diversified PX Top Line Growth[1]



Maintain Gross Margin and Manage OPEX to Drive EBITDA



[1]2020 – 2025 are estimated projections; [2]Excluding Schlumberger License and Development Revenue


energy recovery®
Thank You

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