

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): December 8, 2014

Energy Recovery, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-34112

(Commission File Number)

01-0616867

(I.R.S. Employer Identification No.)

1717 Doolittle Dr. San Leandro, CA 94577
(Address if 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))
-

Item 7.01 Regulation FD Disclosure

Effective December 8, 2014, management of Energy Recovery, Inc. (the “Company”) will begin using the materials included in Exhibit 99.1 to this report (the “Investor Presentation”) in connection with presentations to existing and prospective investors. The Investor Presentation is incorporated by reference into this Item 7.01 and will also be available on the Company’s website at www.energyrecovery.com.

The information in this Item 7.01 is being furnished, not filed, pursuant to Regulation FD. Accordingly, the information in Item 7.01 of this report will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated by reference. The furnishing of the information in this report is not intended to nor does it constitute a determination or admission by the Company that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company or any of its affiliates.

Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect our current estimates, expectations, and projections about our future results, performance, market trends, addressable markets, prospects, and opportunities. Words such as “estimated”, “expect”, “future”, and similar expressions, as well as statements in the future tense, identify forward-looking statements. The Company is furnishing with this report the Investor Presentation prepared by our management, which will be posted on our website after this report is filed.

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

The full text of the Investor Presentation is attached to this report as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|-----------------------|
| 99.1 | Investor Presentation |

SIGNATURES

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.
(Registrant)

Date: **December 8, 2014**

/s/ Joel Gay
Joel Gay
(Chief Financial Officer)

INDEX TO EXHIBITS

Exhibit Number
99.1

Description
Investor Presentation.



Investor Day

Mandarin Oriental, New York
December 8, 2014

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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 presentation include statements about market trends, possible future revenue growth, and business strategy. These statements 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.

These forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties, and other factors that could cause actual results to differ materially. A detailed discussion of these factors and uncertainties is contained in the reports of the Company filed with the U.S. Securities and Exchange Commission. We assume no obligation to update any forward-looking statements made in this presentation except as required by law.

Today's Presenters

Tom Rooney

President and CEO

Joel Gay

Chief Financial Officer

Ron Gusek

Vice President, Technology
Liberty Oilfield Services





Tom Rooney

President and CEO, Energy Recovery

Today's Agenda

9:30 – 10:00 AM

Introduction

10:00 – 11:30 AM

Introducing VorTeq

11:30 – 12:30 PM

Growth and Existing Markets

12:30 – 1:30 PM

Lunch Break

1:30 – 2:30 PM

Q&A

Corporate Overview

- NASDAQ: ERII
 - Market Cap \$250M
 - IPO in 2008
 - Headquartered in San Leandro, CA
 - 125+ employees
 - Global presence
 - Strong Balance Sheet – (\$38M Cash, No debt)
-

• As of September 30, 2014 includes cash and cash equivalents

Our First Disruptive Technology - Desalination

The "PX Pressure Exchanger"

- 15,000 PX Devices Installed Worldwide
- 3-Month Payback
- 25-year Life with No Maintenance
- 90% Market Share Globally
- 65%+ Gross Margins



"So disruptive, it's almost too good to be true."

2011: The Dawn of a New ERI

Three - Prong Strategy

Cut Costs

Gross Margins

2011: 28%
2013: 60%

**Regain
Market
Share**

Market Share

2011: 50%
2013: 90%

Diversify

Underway

THE DAWN OF
A NEW ERI

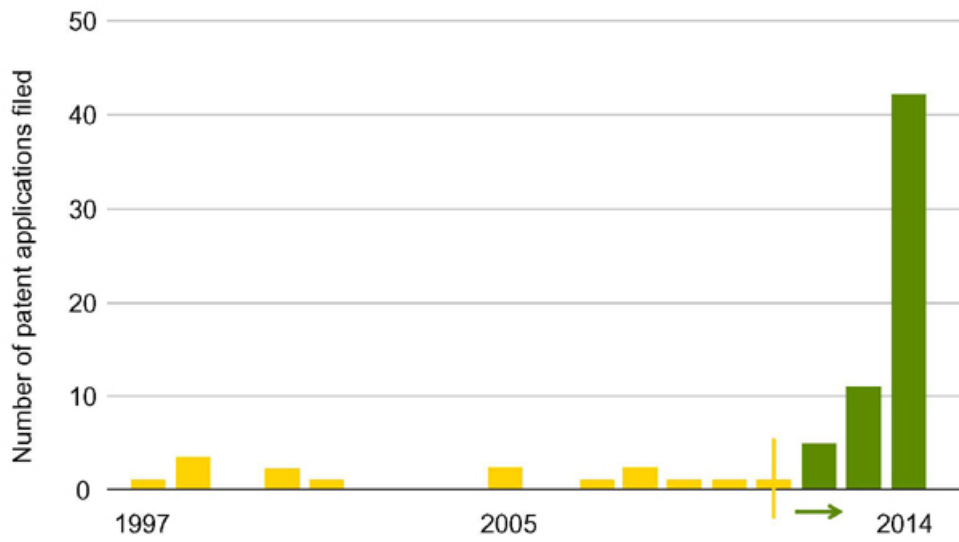


Diversification

- Why?
 - Desalination Market is Small and Lumpy
- How?
 - Ignited a Dormant Innovation Engine

A Culture of Innovation (Video)

Investing in Innovation Leads to Explosive IP



Diversification

- Why?
 - Desalination Market is Small and Lumpy
 - How?
 - Ignited a Dormant Innovation Engine
 - Where?
 - Large Markets with Strong Value Propositions
-

\$5 Billion+ New Addressable Markets



Desal
\$50M



Gas Processing
\$627M



Ammonia
\$1.43B

Pipelines
\$1.05B

Urea
\$399M

Fracking
\$1.4B

**Annual Recurring
TAM ~ \$4B**



The Fracking Opportunity



"To a remarkable extent, this once-obscure oil-field technique defines the nation's economic and environmental future."

Russell Gold,
Energy Reporter,
Wall Street Journal, author of "The Boom"

What is Fracking?

**The Most Important
Geo-political Shift
of the Modern Era**

The Core of a Global
Mega-trend:
Shale Revolution

**Large
Market**

\$50+ Billion Global
Annual Market*

**Substantial
Assets**

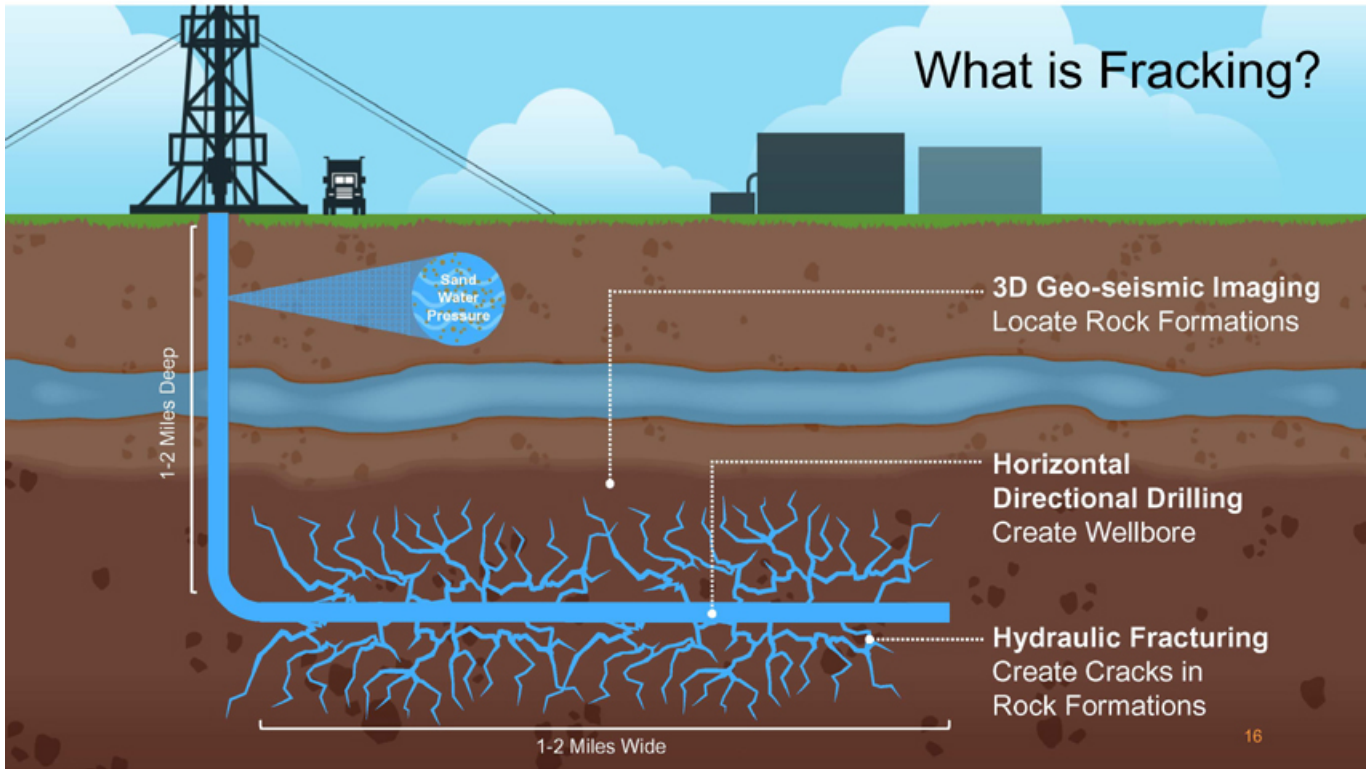
\$20+ Billion in
Pumping Assets

**High Growth
Market**

Double-digit
Market CAGR

*Source: Pac West Consulting Partners

What is Fracking?





Pain Point

Pump Failures are the #1 Operational Challenge Faced by the Industry



High Pump Maintenance Costs

Sporadic and Excessive Downtime (Pump Failures)

High Levels of Redundancy (Mitigate Pump Failures)

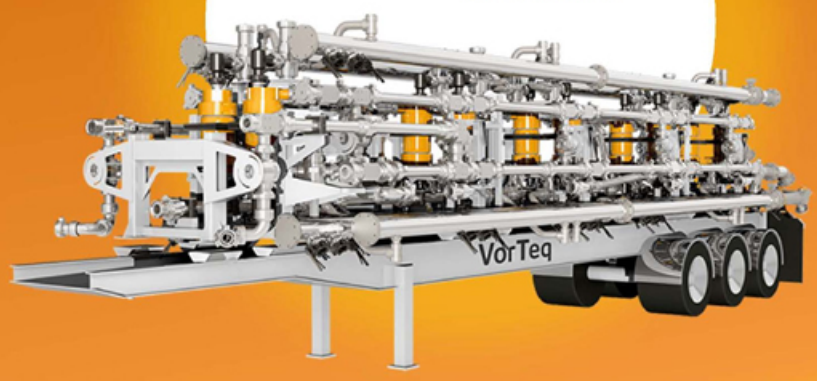
The Mechanical Equivalent of Adding Sand to Your Car's Engine

VorTeq

PURE GRIT

Our Solution

VorTeq
PURE GRIT



**Possibly the Most Disruptive Product
Ever Developed by Energy Recovery**

Our Solution

Introducing the VorTeq: "This Changes Everything"

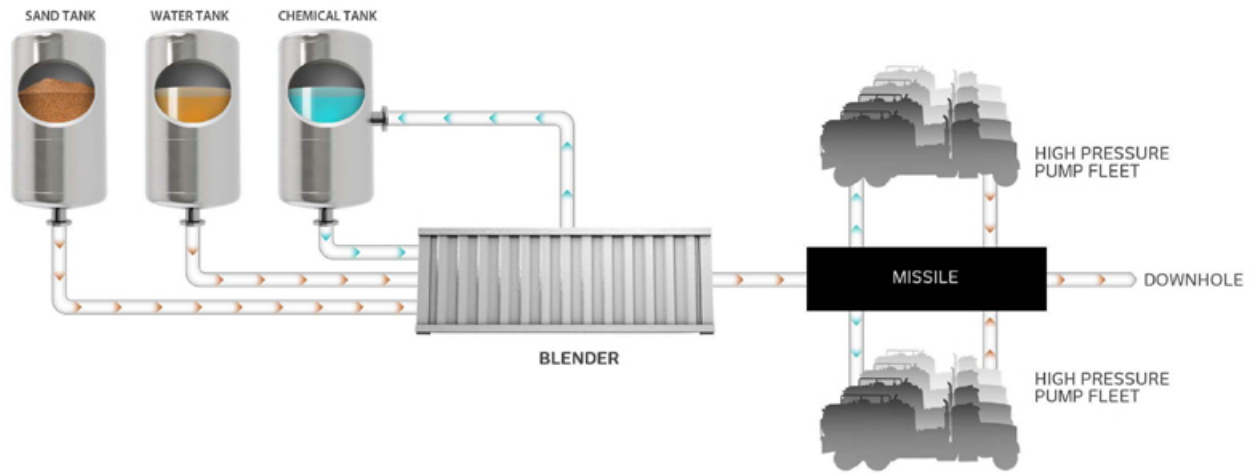
Designed to
Isolate and Save
Frac Pumps

VorTeq Addresses
Pump Failure at
Fracking Sites

VorTeq Re-routes
Hostile Frac Fluid
Away From Critical
and Costly Pumps

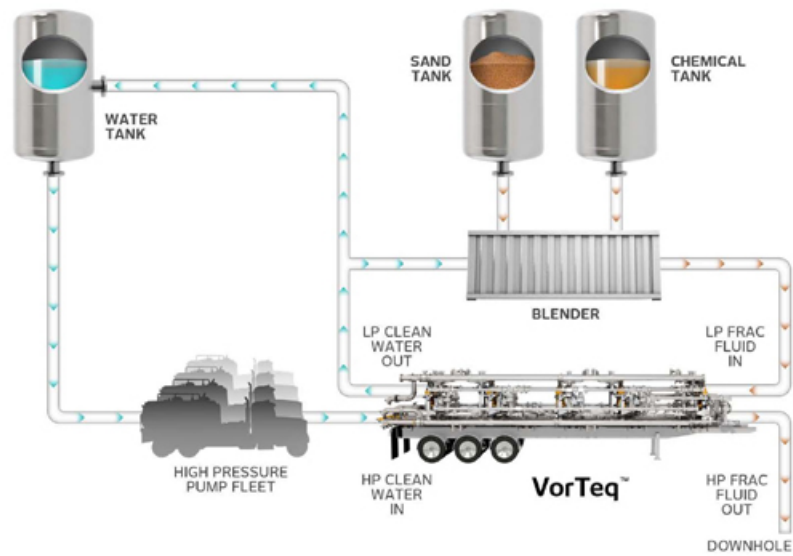
VorTeq Will
Revolutionize the
Fracking Pump
Paradigm

Our Solution: Hydraulic Fracturing Without VorTeq

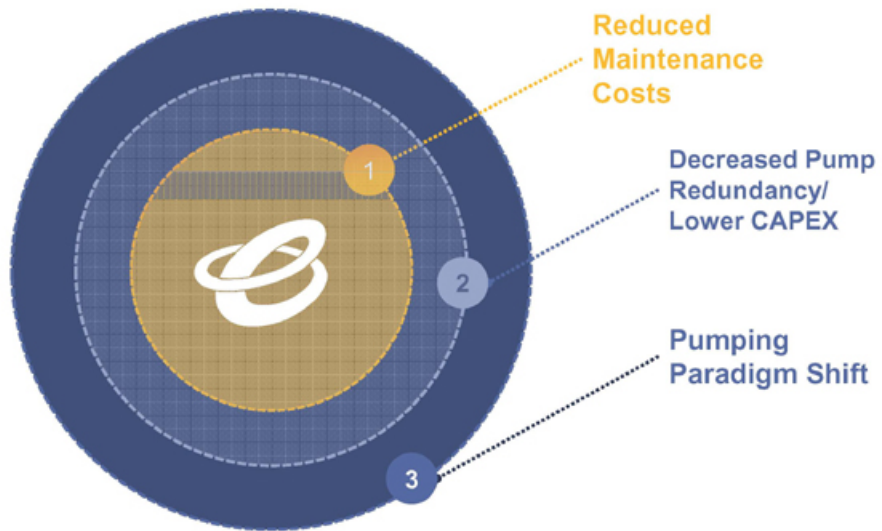


*High Pressure Pumps on Trucks Exposed to Sand

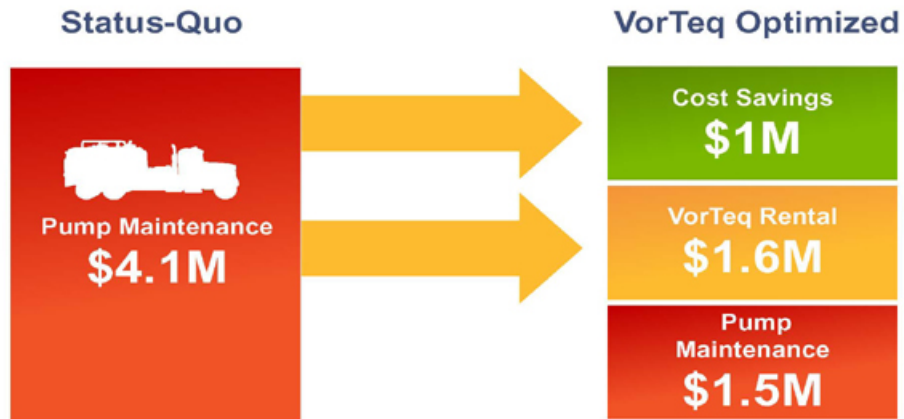
Our Solution: Hydraulic Fracturing with the VorTeq



Value Proposition: Value Creation



Value Proposition: Reduced Maintenance Cost



Fleet Impact Per Year

(Based on 2,000 pumping hours p/yr)





Approximately
850
Fleets Globally

Saving the
Fracking Industry
\$850
Million p/Yr

Value Proposition: Improved Life Expectancies from the VorTeq

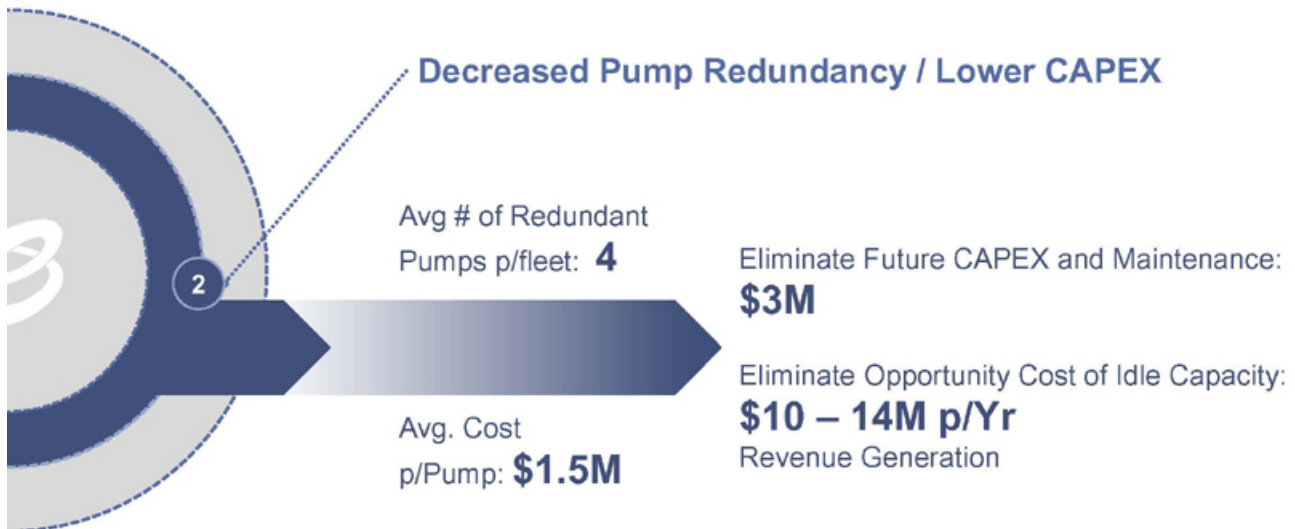
Life Expectancy Guide*

| Status Quo | | VorTeq Optimized | |
|--|-------|--|-------|
| Component | Hours | Multiple | Hours |
|  Valve | 49 | 3.0x | 148 |
|  Seat | 54 |  3.0x | 161 |
|  WS Packing | 86 |  3.0x | 258 |
|  Plunger | 194 | 3.0x | 581 |
|  Fluid End | 581 |  2.0x | 1,162 |

*Source: Pac West Consulting Partners

Value 

Value Proposition: Redundancy



Pumpers will be able to decrease redundancy by at least 50%

Value Proposition: Paradigm Shift

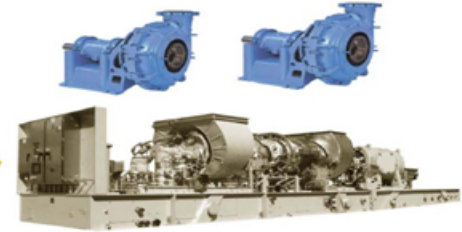
Status Quo: 12-20

Migrate to a More
Efficient and Cost
Effective Pumping
Model

VorTeq

VorTeq Optimized

3-4 Centrifugal Pumps with Gas Turbines



**VORTEQ IS THE GATEWAY TECHNOLOGY
TO A NEW PUMPING MODEL**

**Alleviates Pumping Constraints Faced by
Completions Engineers**

Proppant
Loading

Frac
Chemistry

Volume and
Flow Rates

Market Opportunity: TAM Derivation

| Revenue Model | | Fleet Count ¹ | | TAM | |
|--------------------------------|--------------------|--------------------------|------------|---------------|------------------------|
| Procurement Vehicle | Operating lease | US | 531 | US | 849,600,000 |
| VorTeq Missiles p/Fleet | 1 | Canada | 112 | Canada | 179,200,000 |
| VorTeq Rental Rate p/Yr | \$1,600,000 | ROW | 214 | ROW | 342,400,000 |
| | | Global | 857 | Global | \$1,371,200,000 |

Market Growth: US >10%, International >20%

*Source: Pac West Consulting Partners

N. America Market Segmentation⁽¹⁾

| Basin | Pressure | TAM |
|---------------------------------|----------|------------------------|
| Permian | 9,000 | \$227,166,187 |
| Eagle Ford (incl. Woodbine) | 10,000 | \$205,875,046 |
| Anadarko Woodford | 10,000 | \$121,914,919 |
| Haynesville (incl. Brown Dense) | 12,000 | \$83,454,509 |
| Marcellus | 8,000 | \$66,544,401 |
| Bakken | 7,000 | \$43,893,523 |
| Uinta | 8,000 | \$27,449,643 |
| Barnett | 8,000 | \$18,852,411 |
| DJ Basin | 8,000 | \$15,677,585 |
| Utica | 9,000 | \$8,837,419 |
| Granite Wash | 9,000 | \$8,169,679 |
| Piceance | 8,000 | \$5,184,046 |
| Green River | 8,000 | \$5,067,977 |
| Other Anadarko | 7,000 | \$4,544,030 |
| Other US | 8,000 | \$2,856,929 |
| Fayetteville | 7,000 | \$2,379,007 |
| Cleveland/Tonkawa | 7,000 | \$1,732,689 |
| US TAM | | \$849,600,000 |
| Canada | | \$179,200,000 |
| North America TAM | | \$1,028,800,000 |

Market by Basin⁽²⁾

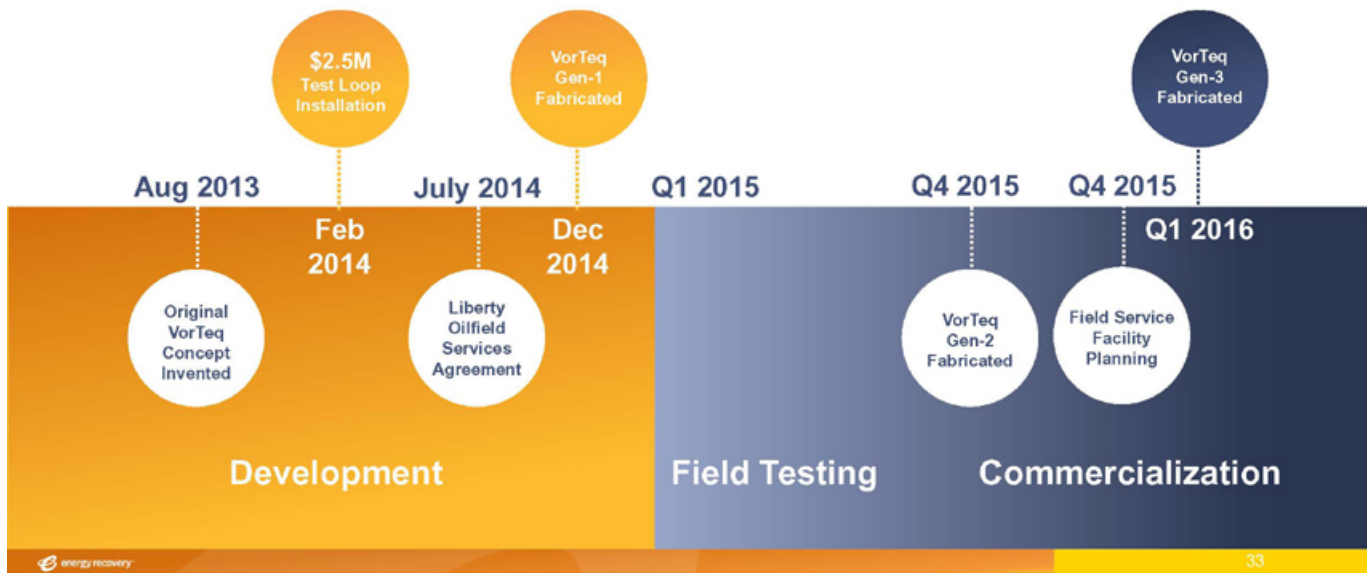
Strategically Targeting the Harshest Operating Conditions

- High Pressure
- Slick Water & Hybrid Chemistry
- High Capacity Utilization

1) TAM assumes price discrimination based on EVC target of \$1M & 2000 pumping hours p/annum

2) Basin data source: Pac West Consulting Partners

Timeline: VorTeq Evolution



The VorTeq Transformation: Manufacturer to Oilfield Services Provider

VorTeq Evolution

Operating Model
Oilfield Service
Provider

Procurement Vehicle
Operating
Lease

Supply Chain
Phased
In-sourcing

Logistics
Basin-specific
Service Facilities

Strategic Partner



Liberty – The Right Partner for ERI

- Nimble
- Iconic Leadership
- Known Innovator
- Collaborative with ERI
- Respected
- Well Capitalized
- Pumper and E&P

Conclusion

- Pain Point of Pump Failures is a Multi-billion Dollar Problem
- A Powerful, Multi-dimensional and Multi-billion Dollar Value Proposition to the Industry
- Massive Market Opportunity for ERI
- Moving Rapidly: Field Validation to Commercialization
- The Right Partner in Liberty
- Inevitable Market Adoption

VorTeq

PURE GRIT



Growth Markets

O&G: Gas Processing



\$5 Billion+ New Addressable Markets



Desal
\$50M



Gas Processing
\$627M



Ammonia
\$1.43B

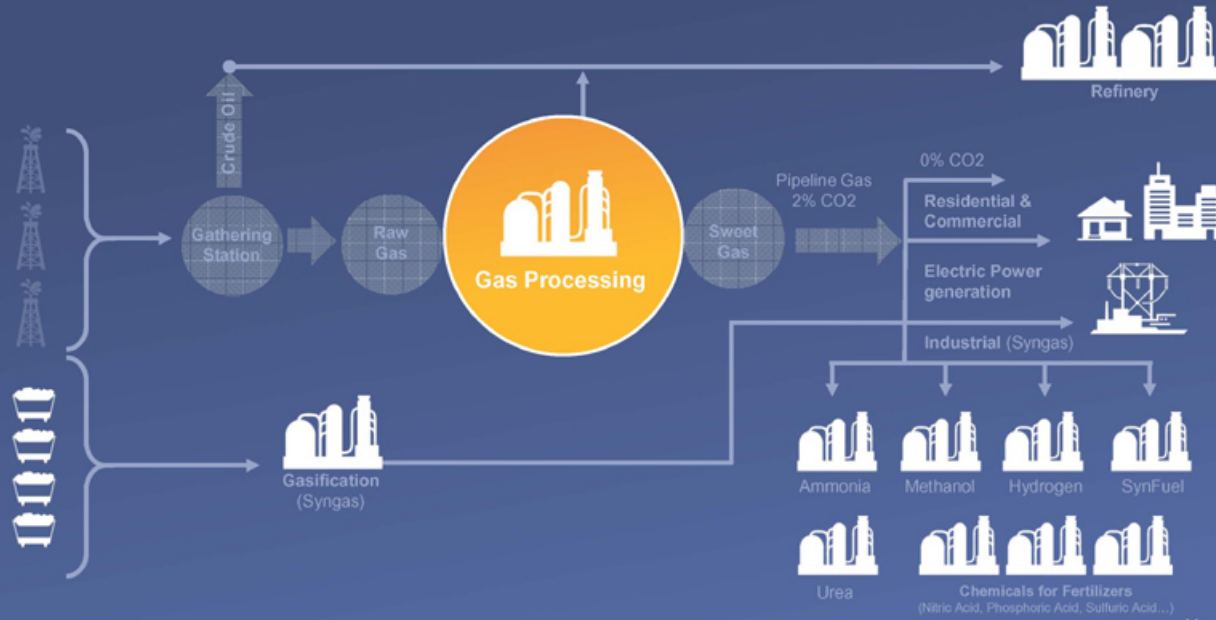
Pipelines
\$1.05B

Urea
\$399M

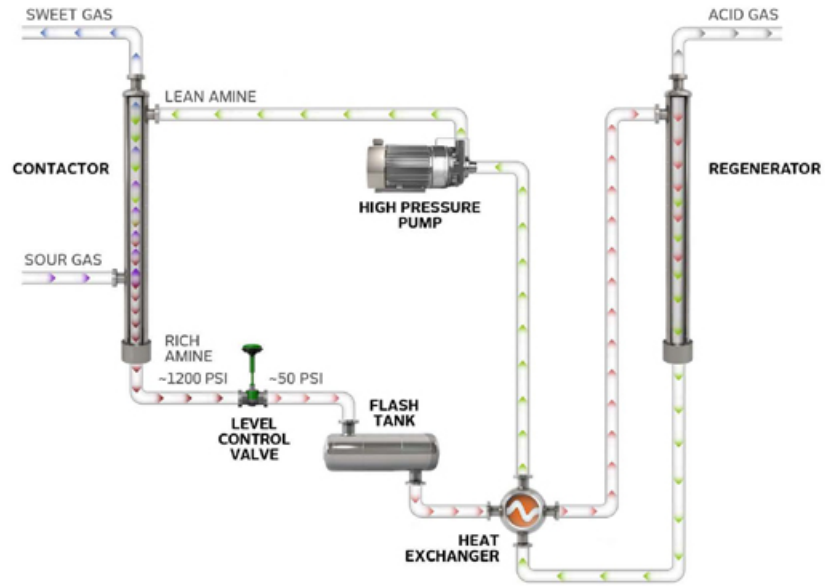
Fracking
\$1.4B

**Annual Recurring
TAM ~ \$4B**

Oil & Gas Market: Gas Processing Eco-System



The Current Amine Process



Pain Points

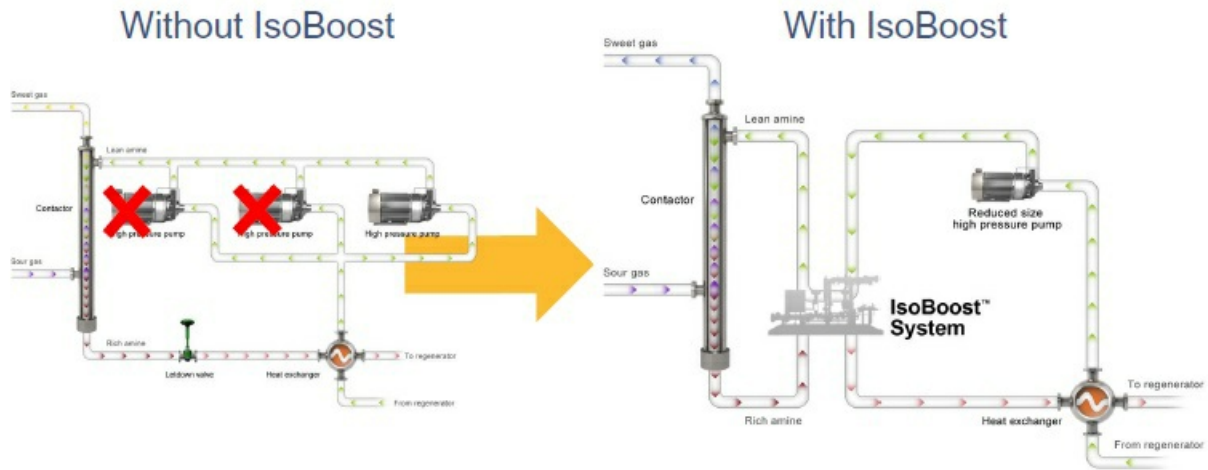
Downtime is Costly
(\$2.5M/day)

Excessive
Redundancy &
Maintenance

High Energy
Consumption

Common Denominator: Pumps

Our Solution: IsoBoost System



Our Solution: IsoBoost System

- Increased Uptime
- Reduces Maintenance
- Reduces Energy Consumption



Our Initial Value Proposition: Energy Savings Alone



“The *energy savings* Sinopec would realize by using the Energy Recovery system is about 25% of total power consumption. In US dollars, that’s around \$1 million in annual savings.”

- Mr. Zhou Hanlin General Manager Sinopec
Songnan Gas Plant, Northeast Oil & Gas Branch

A New "Game Changing" Value Proposition

June 2014
Saudi Aramco
visits Jackalope
Plant, Texas



November 2014
Partnered with Aramco
on 3rd - Party RAM
(Reliability, Availability,
Maintainability) study



Case study:
Fadhili gas plant
(KSA)



"This is a game
changer."



White paper findings will be co-
presented with Aramco at ASME
Turbo Expo 2015

Enhanced Value Proposition



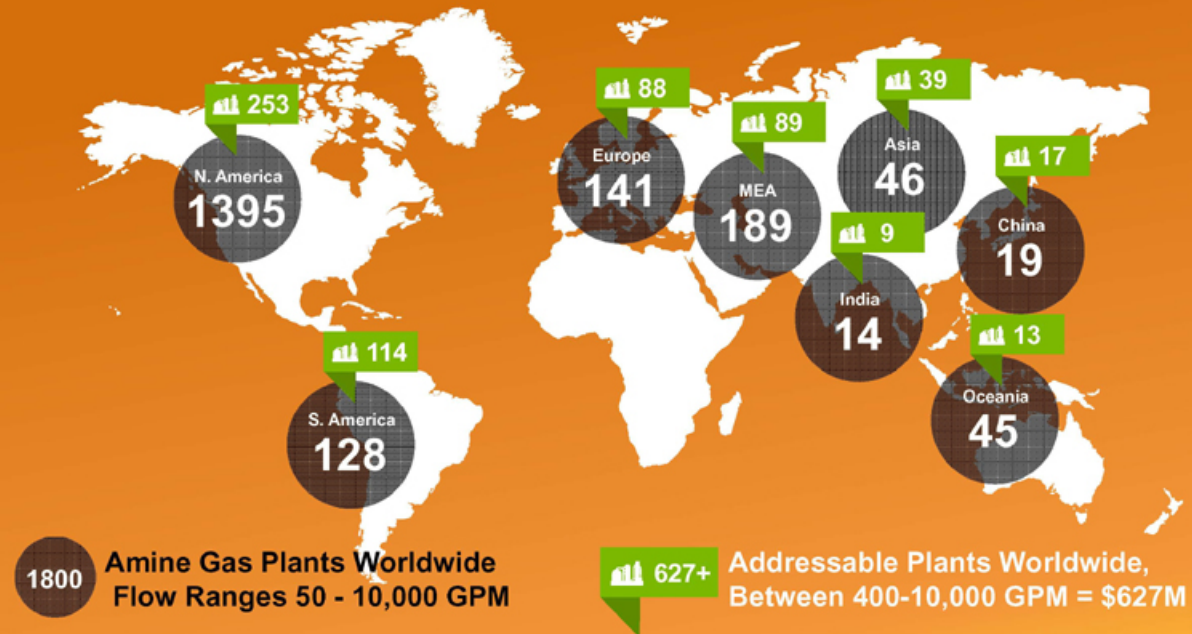
“The IsoBoost does not affect plant availability. *If anything, it runs better.* You are not using the big engines, or putting so much strain on electrical equipment. We are saving electricity and emission compliance by not using gas engines. Roughly we save 50% of the energy with the turbocharger.”

- Odell Gonzalez Plant Manager Energy Transfer
Jackalope Amine Gas Processing Plant

“*Your real value proposition is uptime.* It’s game changing.”

- One of the world’s leading Oil & Gas reliability experts upon visiting the Jackalope Plant,
Houston, Texas

Market Opportunity



Market Opportunity: Converting to an Annual TAM

| One-Time TAM | | | | |
|-----------------------------------|------------|--------------------|----------------------|------------------|
| GAS PROCESSING MARKET OPPORTUNITY | | | | |
| Region | # Plants | Capacity (MMcf) | Market Size | ASP |
| North America | 253 | 26,274,632 | \$198,005,706 | \$782,631 |
| South America | 114 | 26,954,982 | 135,068,934 | 1,184,815 |
| Europe | 88 | 26,863,748 | 120,094,594 | 1,364,711 |
| MEA | 89 | 13,330,091 | 83,155,484 | 934,331 |
| Asia | 39 | 8,314,123 | 46,725,316 | 1,198,085 |
| China | 17 | 2,898,688 | 16,569,114 | 974,654 |
| India | 14 | 3,022,896 | 16,753,280 | 1,196,663 |
| Oceania | 15 | 1,475,338 | 10,500,756 | 736,400 |
| Total | 627 | 109,134,499 | \$626,752,784 | \$999,606 |

| Recurring TAM | |
|------------------|------------------|
| Market Growth | 62,044 |
| Maintenance Cost | 177,964 |
| Replacement Cost | 128,361 |
| Total | \$368,969 |

Sources:

- (1) SBC Energy Institute, October 2014, "Introduction To Natural Gas" and Management estimates
- (2) Statista and Management estimates

IsoBoost: Laying Foundation and Intensifying Value



Growth Markets

O&G: Pipelines



\$5 Billion+ New Addressable Markets



Desal
\$50M



Gas Processing
\$627M



Ammonia
\$1.43B

Pipelines
\$1.05B

Fracking
\$1.4B

Urea
\$399M

**Annual Recurring
TAM ~ \$4B**

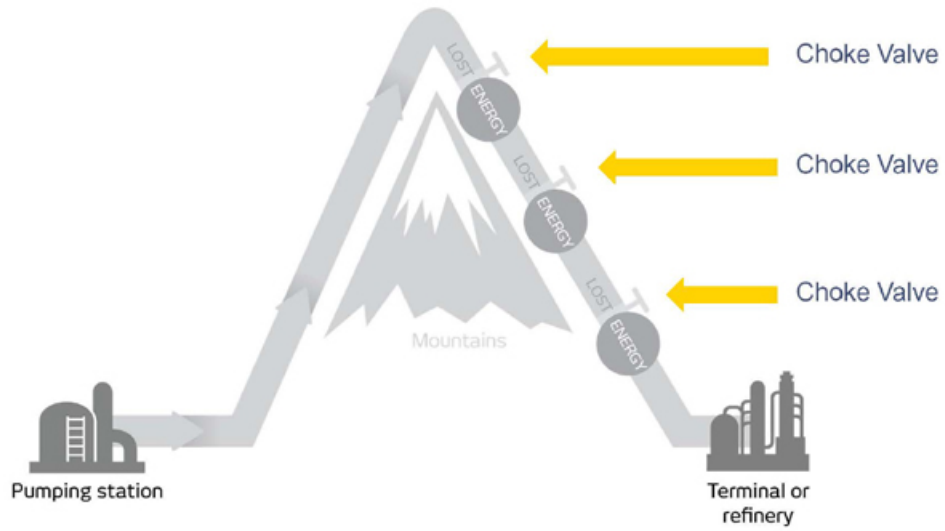
The Market: Pipelines

Over 2,000 Pipelines
Globally

Traversing High
Elevations

Wasted Pressure
Energy

The Market



Vertical Pipelines Must be Depressurized

Pain Point



Wasted Energy



The Solution: IsoGen

Pressure Generating Power

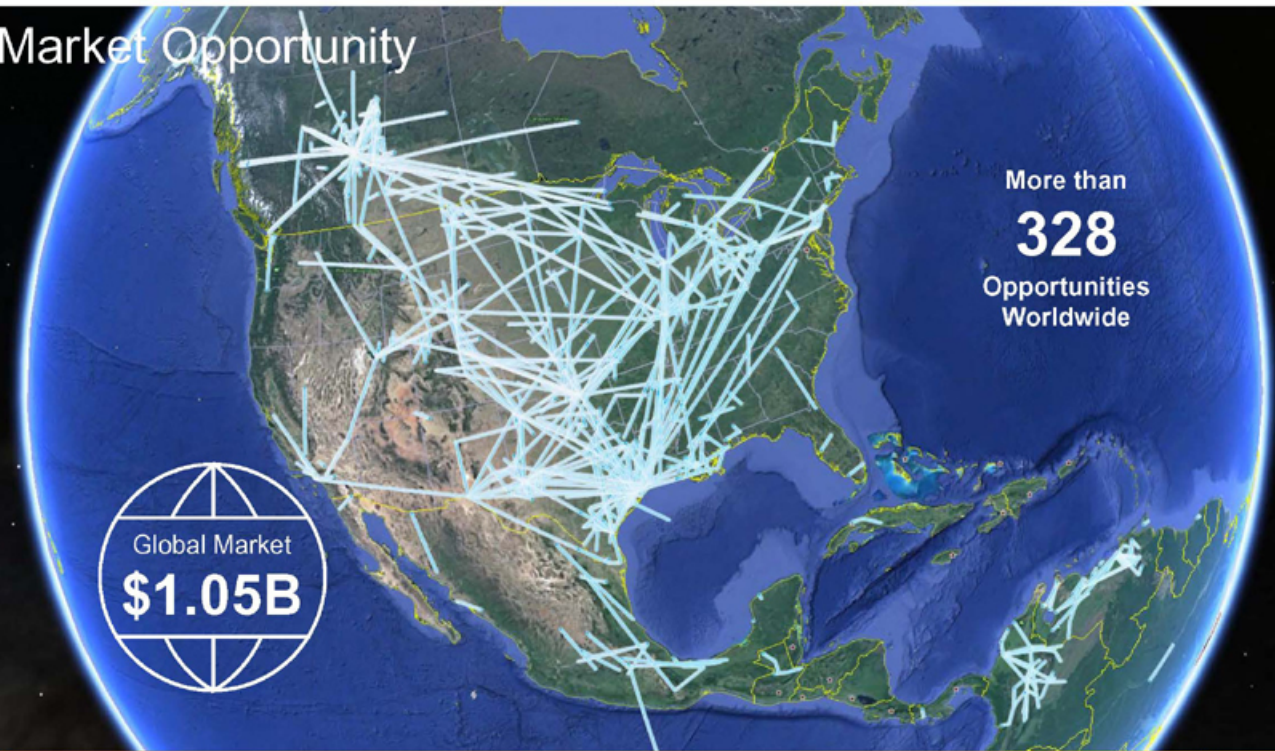


85% Efficiency

Quick Payback

Flexible

Market Opportunity



Global Market
\$1.05B

More than
328
Opportunities
Worldwide

Market Opportunity



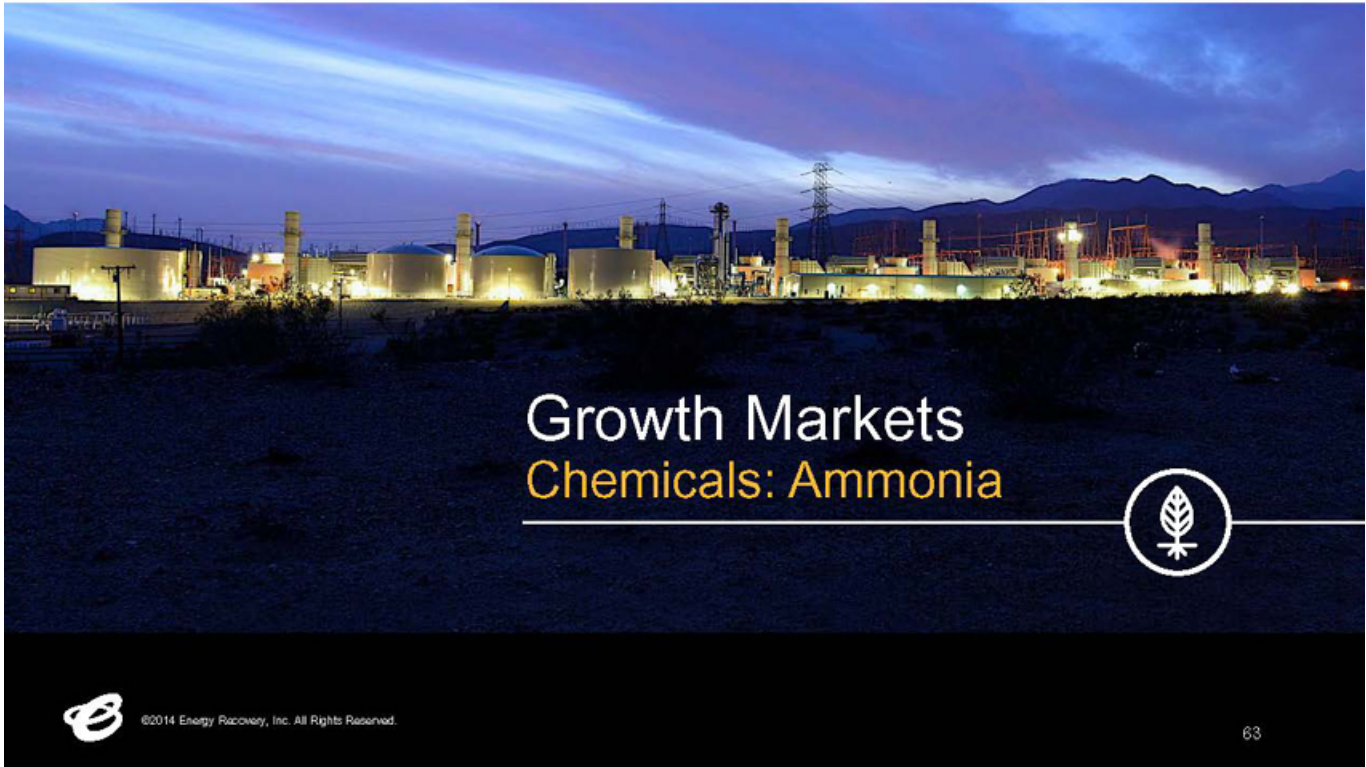
There are Over 328 Opportunities Worldwide

Market Opportunity: Converting to an Annual TAM

| One-Time TAM | | | | |
|------------------------------|---------------|----------------|------------------------|--------------------|
| PIPELINES MARKET OPPORTUNITY | | | | |
| Region | Opportunities | Avg Flow (GPM) | Market Size | ASP |
| North America | 78 | 4,366 | \$311,913,135 | \$3,998,886 |
| South America | 67 | 5,541 | 253,518,995 | 3,783,866 |
| MEA | 65 | 8,361 | 156,887,349 | 2,413,652 |
| Europe | 67 | 3,483 | 197,877,491 | 2,953,395 |
| Asia | 22 | 1,806 | 79,177,220 | 3,598,965 |
| India | 17 | 2,087 | 31,426,760 | 1,848,633 |
| China | 9 | 5,111 | 16,915,557 | 1,879,506 |
| Oceania | 3 | 2,362 | 6,103,389 | 2,034,463 |
| Total | 328 | 5,285 | \$1,053,819,896 | \$3,212,866 |

| Recurring TAM | |
|---------------|-------------------|
| Market Growth | \$ 189,773 |
| Maintenance | 439,910 |
| Replacement | 305,925 |
| Total | \$ 935,608 |

Sources:
 (1) SBC Energy Institute, October 2014, "Introduction To Natural Gas" and Management estimates
 (2) Statista and Management estimates



Growth Markets

Chemicals: Ammonia



\$5 Billion+ New Addressable Markets



Desal
\$50M



Gas Processing
\$627M

Pipelines
\$1.05B

Fracking
\$1.4B

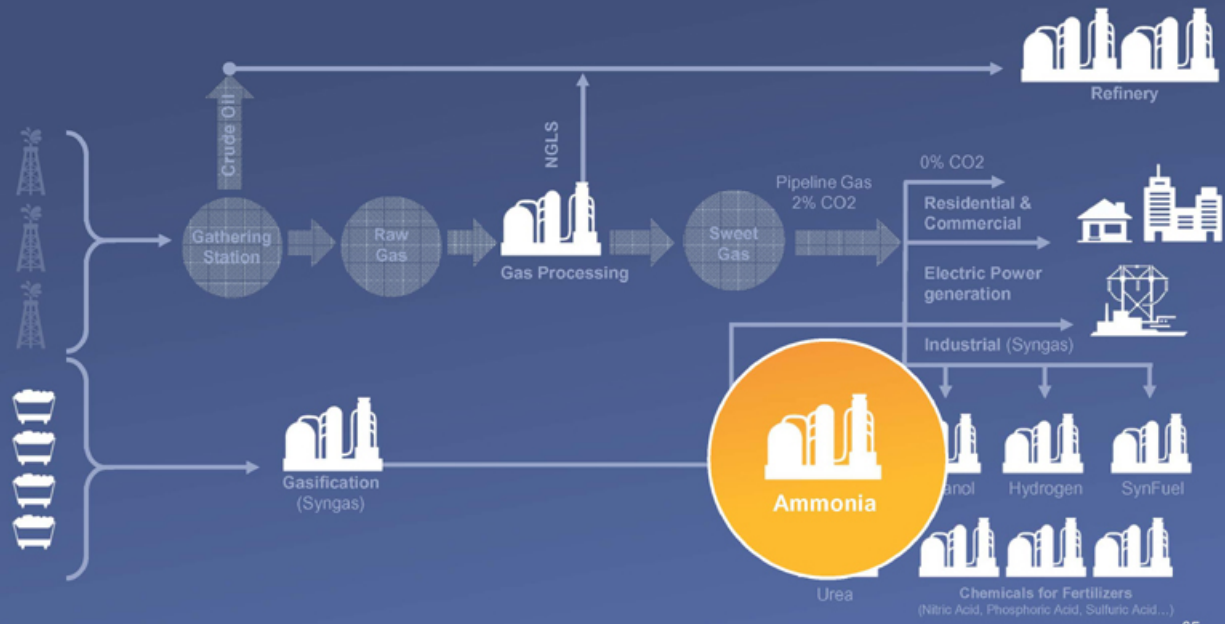


Ammonia
\$1.43B

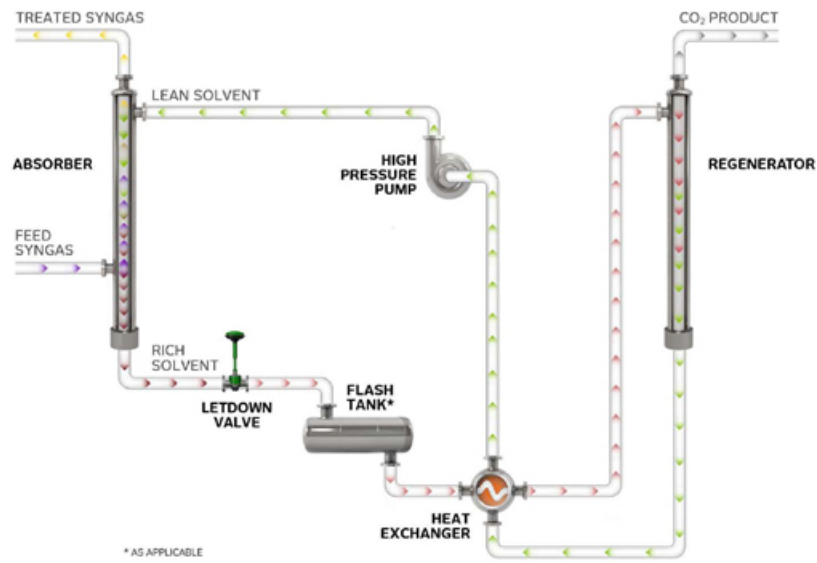
Urea
\$399M

**Annual Recurring
TAM ~ \$4B**

The Market: Ammonia



The Current Ammonia Process



Pain Points

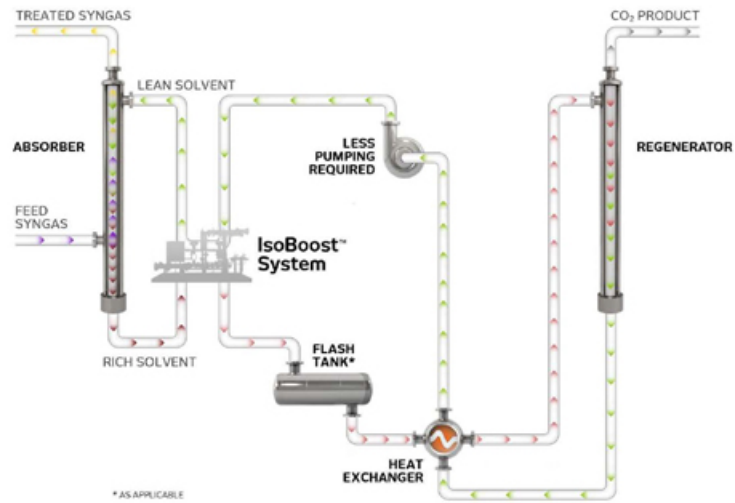
Downtime is Costly
(\$2.5M/day)

Excessive
Redundancy &
Maintenance

High Energy
Consumption

Common Denominator: Pumps

Our Solution: IsoBoost



Issues and Technologies are Almost Identical to Sour Gas Processing

Enhanced Value Proposition



Market Opportunity



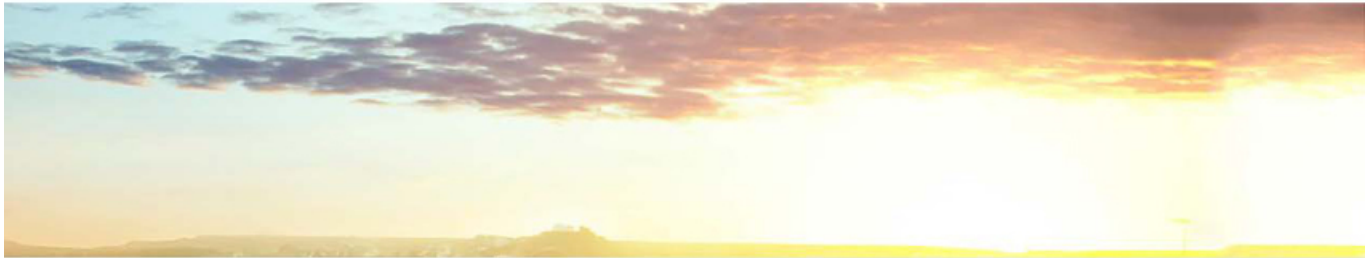
There are Over 735 Addressable Plants Worldwide

Market Opportunity- Converting to an Annual TAM

| One-Time TAM | | | | |
|----------------------------|------------|----------------|------------------------|--------------------|
| AMMONIA MARKET OPPORTUNITY | | | | |
| Region | # Plants | Capacity(KMT) | Market Size | ASP |
| North America | 272 | 90,414 | \$461,365,068 | \$1,696,195 |
| South America | 111 | 50,709 | 223,819,892 | 2,016,395 |
| Europe | 92 | 43,421 | 196,725,236 | 2,138,318 |
| MEA | 79 | 34,684 | 167,939,378 | 2,125,815 |
| Asia | 48 | 25,903 | 110,156,310 | 2,294,923 |
| India | 51 | 26,492 | 114,916,456 | 2,253,264 |
| China | 70 | 28,482 | 133,411,166 | 1,905,874 |
| Oceania | 12 | 4,133 | 23,009,538 | 1,750,795 |
| Total | 735 | 304,238 | \$1,429,343,041 | \$1,944,684 |

| Recurring TAM | |
|------------------|-------------------|
| Market Growth | \$ 156,957 |
| Maintenance Cost | 343,586 |
| Replacement Cost | 337,688 |
| Total | \$ 838,231 |

Sources:
 (1) Lucintel – Global Fertilizers Industry and Management estimates
 (2) Statista and Management estimates



Emerging Markets

Chemicals: Urea



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\$5 Billion+ New Addressable Markets



Desal
\$50M



Gas Processing
\$627M



Ammonia
\$1.43B

Pipelines
\$1.05B

Fracking
\$1.4B

Urea
\$399M

**Annual Recurring
TAM ~ \$4B**

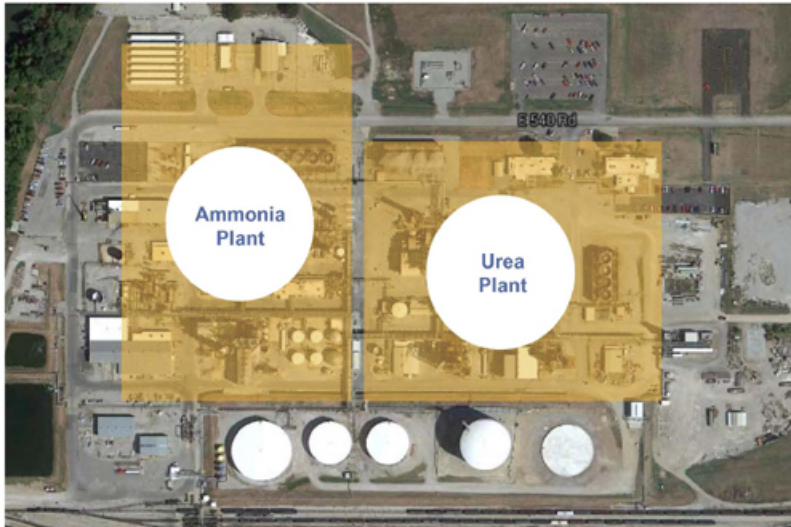


Urea is Used as a
Fertilizer for Crops and
as Raw Material for
Chemicals

The Market: Urea



The Solution: Leveraging Co-location of Ammonia & Urea



Outside Tulsa, Oklahoma

[Energy Savings]



[Eliminating Pump Failures]

Market Opportunity



There are Over 664 Applicable Plants Worldwide

\$5 Billion+ New Addressable Markets



Desal
\$50M



Gas Processing
\$627M



Ammonia
\$1.43B

Pipelines
\$1.05B

Urea
\$399M

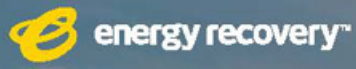
Fracking
\$1.4B

**Annual Recurring
TAM ~ \$4B**

Conclusion

- Strong Balance Sheet & Strong Management Team
- Proven Ability to Disrupt and Dominate a Global Market
- Vibrant Innovation Engine
- Diversification Well Underway
 - 3 years into a 5-year initiative
 - Disruptive Value Propositions
 - Massive Addressable Markets (100x Growth)

Growth & Success Is Inevitable.



Thank You



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Questions & Answers