

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): November 12, 2015

**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))
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**Item 7.01 Regulation FD Disclosure**

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

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

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

<b>Exhibit Number</b>	<b>Description</b>
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.

Date: November 12, 2015

Energy Recovery, Inc.

By: /s/ Juan Otero  
Juan Otero  
Corporate Counsel and Secretary

# INVESTOR PRESENTATION

NOVEMBER 2015



## FORWARD LOOKING STATEMENT

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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 files 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.

## CORPORATE OVERVIEW

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- NASDAQ: ERII
- Market Cap ~\$450M
- IPO in 2008
- Headquartered in San Leandro, CA
- 105+ employees
- Global presence
- Strong Balance Sheet (\$100M Cash, No debt)

# ABOUT US

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- **Who We Are**

- Energy solutions provider



- **Core Competencies**

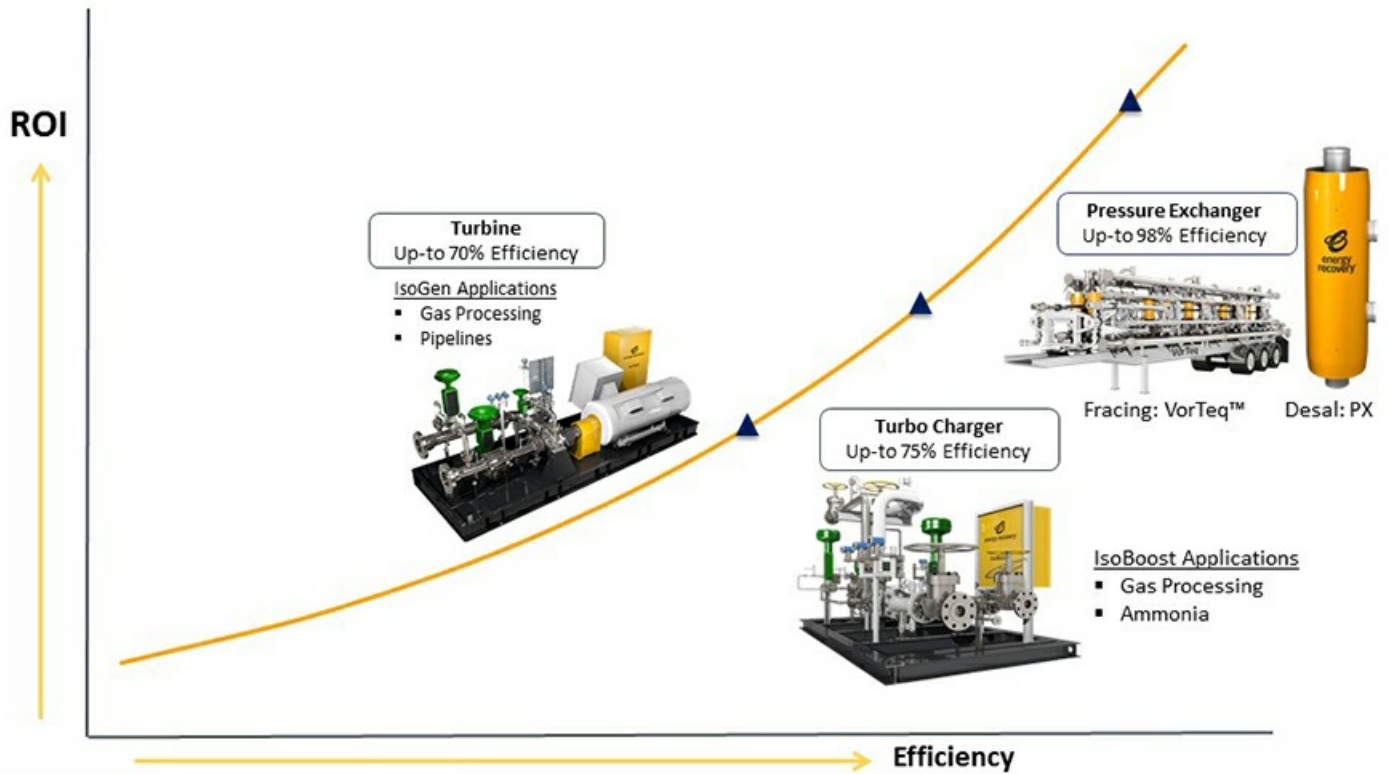
- Fluid dynamics
- Advanced material science

- **What We Do**

- Convert wasted pressure energy into reusable asset
- Preserve or eliminate pumping technology in hostile processing environments



# PRODUCT PORTFOLIO



# \$4 BILLION GLOBAL RECURRING MARKETS

## WATER



Desal  
**\$50M**

## O&G



Gas Processing  
**\$369M**

Pipelines  
**\$936M**

Hydraulic Fracturing  
**\$1.4B**

## CHEMICALS



Ammonia  
**\$838M**

Urea  
**\$364M**



# KEY MILESTONES & PERFORMANCE

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## o Recent Key Developments

- CEO Transition (Joel Gay appointed CEO in April 2015)
- Management reconstituted (CFO and VP of Strategy joined in June 2015)
- Strategy Reloaded – Bias towards execution (March 2015)
- Liberty Field Trial Commencement of VorTeq™ for Hydraulic Fracturing (April 2015)
- 15-year deal with Schlumberger Technology Corp. to provide exclusive rights to VorTeq™ hydraulic pumping system (October 2015)

## o YTD Performance

- Energy Recovery (ERII) shares are up 47%\* year-to-date
  - ✓ S&P Energy Select Sector Index: down -14.7%
  - ✓ S&P 500 Index: up 0.8%
  - ✓ Russell 2000 Index: down 2.2%
- Energy Recovery has outperformed major equity indices on average by 52% year-to-date

\* Data as of market close 11/11/2015

# SIGNED 15-YEAR LICENSE AGREEMENT WITH SCHLUMBERGER

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- **Agreement provides exclusive rights to ERI's VorTeq™ Hydraulic Pumping System**
  - Commercializes the VorTeq™ technology with one of the industry's most respected oil-field services companies
  
- **Highlights**
  - 2015: Schlumberger paid an upfront \$75M exclusivity fee
  - 2016: Schlumberger will pay two separate \$25M milestone payments (for a total of \$50M) subject to certain KPI's
  - 2017 – 2030
    - ✓ Annual royalties of \$1.5M per VorTeq
    - ✓ \$80 - \$200M in steady-state royalty income subject to satisfying KPI's
  - Minimum adoption curves
    - ✓ Existing pumping model – beginning in 2017, 100% penetration by 2022
    - ✓ New pumping model – beginning in 2020, 100% penetration by 2025
  - Royalty payments on a “take or pay” basis



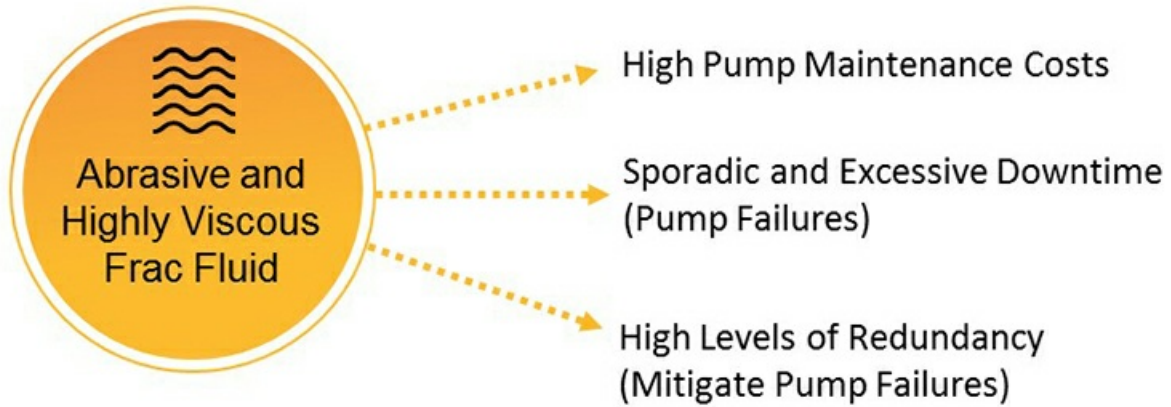
Emerging Markets  
Hydraulic Fracturing



# PAIN POINT

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



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

## OUR SOLUTION

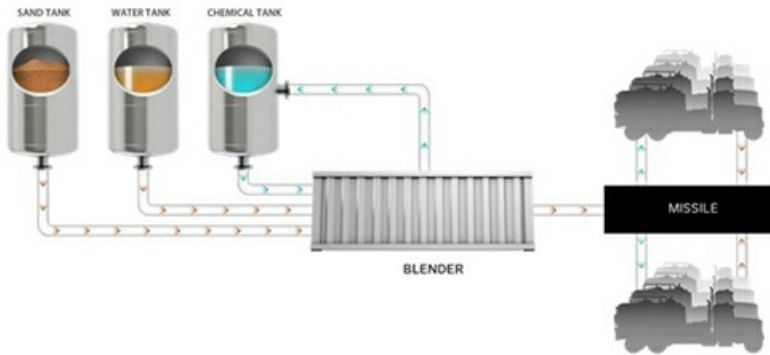
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**Possibly the Most Disruptive Product Ever Developed by ERI**

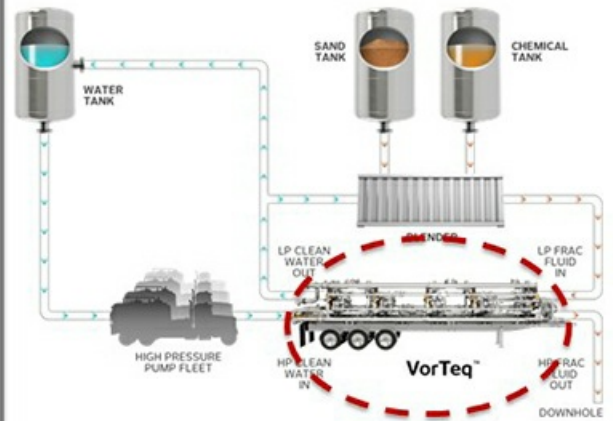


# VORTEQ INTEGRATION

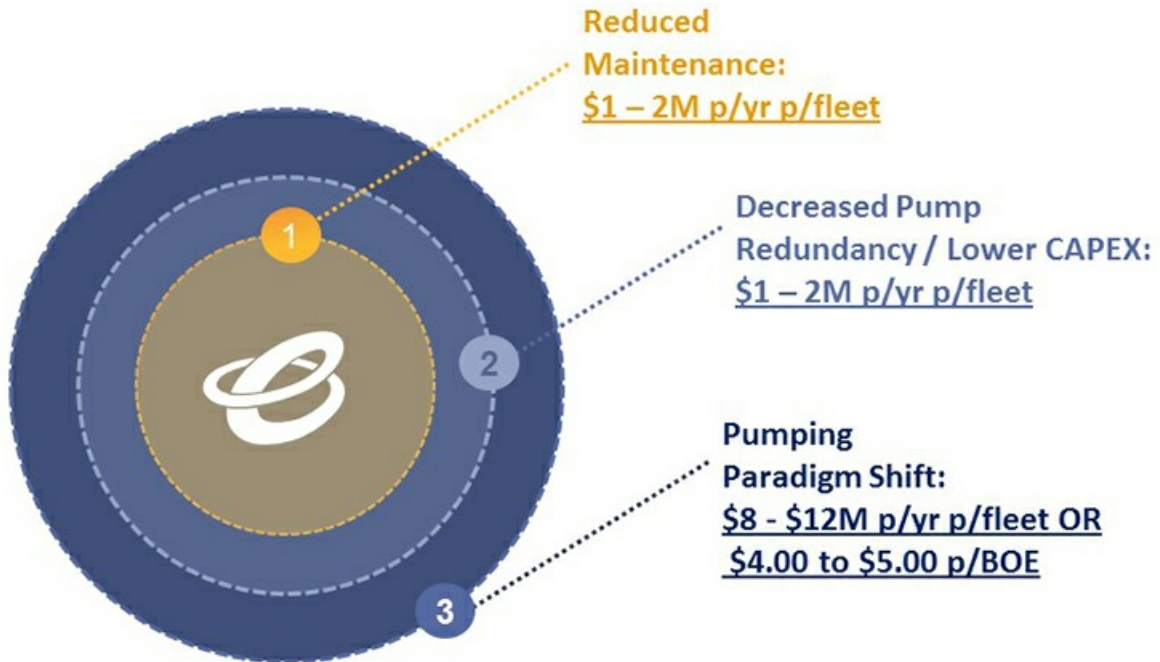
## Status Quo



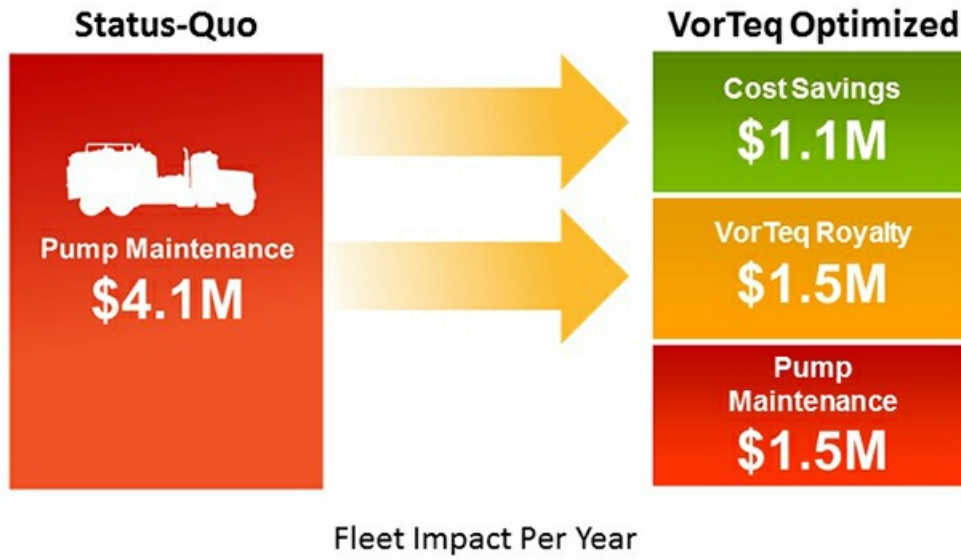
## With VorTeq



# VALUE PROPOSITION – 3 ORDERS OF VALUE CREATION



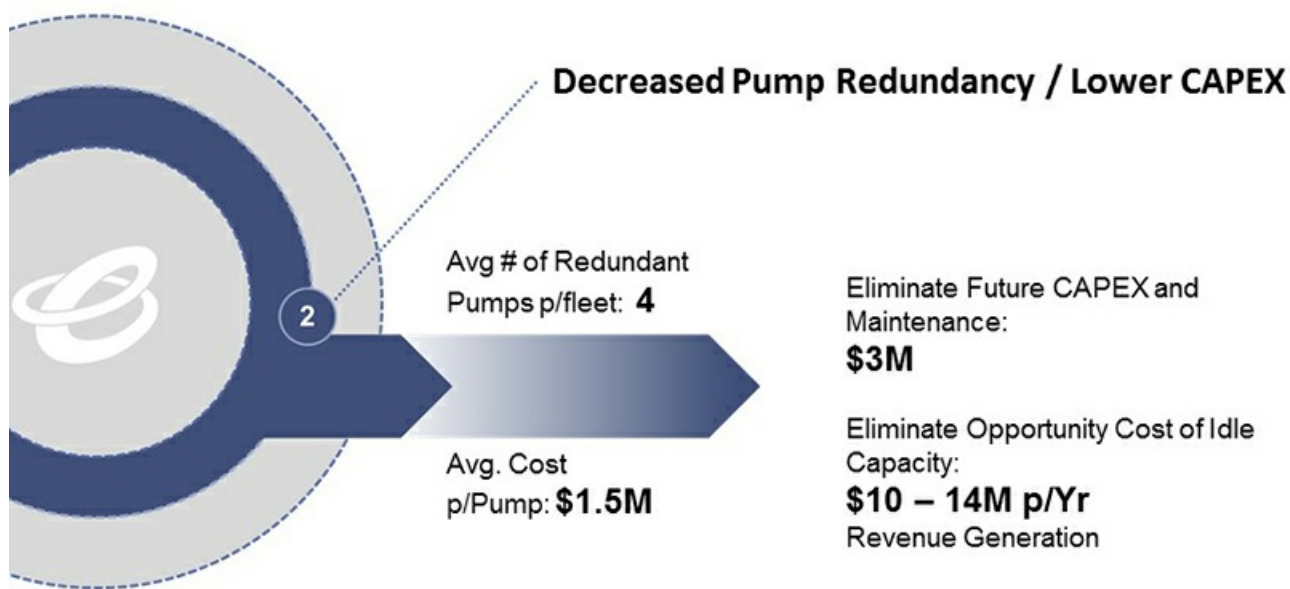
# 1<sup>ST</sup> ORDER VALUE PROP - REDUCED MAINTENANCE COST



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



## 2<sup>ND</sup> ORDER VALUE PROP - REDUCED REDUNDANCY



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

# 3<sup>RD</sup> ORDER VALUE PROP - PARADIGM SHIFT

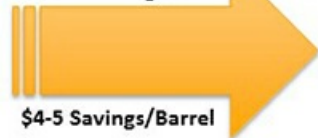
Status Quo Pumping Model with 15-20 PD Pumps



- 1 Migrate to a More Efficient and Cost Effective Pumping Model
- 2 Dramatically Decrease Operational Footprint
- 3 Streamline Process



\$8-12M Savings/Fleet

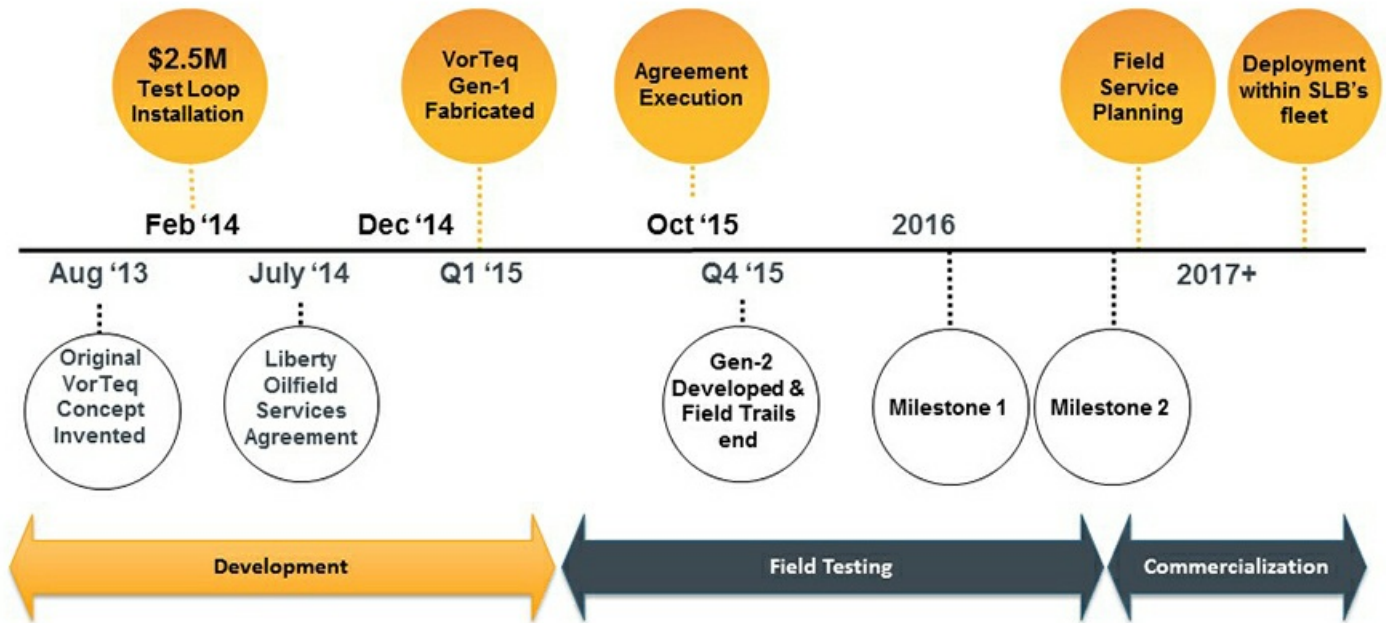


\$4-5 Savings/Barrel



Novel Pumping Model with 3-4 PD Pumps

# SPEED & AGILITY – CONCEPT TO COMMERCIALIZATION



# STRATEGIC SIGNIFICANCE

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- **Innovation**

- ERI develops disruptive technologies for value-rich industries; first in desalination, now in hydraulic fracturing

- **Validation**

- Recent deal with Schlumberger Technology, the global leader in oilfield technology, verifies Company's ability to create markets in varied industries

- **Value Creation**

- Explosive value proposition, applicable to virtually any segment of the global pumping market – Pressure Exchanger is ubiquitous





# Desalination



# DESALINATION - OUR FIRST DISRUPTIVE TECHNOLOGY

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## ○ The “PX Pressure Exchanger”

- 16,000 PX Devices Installed Worldwide
- 3-Month Payback
- 25-year Life with No Maintenance
- Dominant Global Market Share
- 60%+ Gross Margins

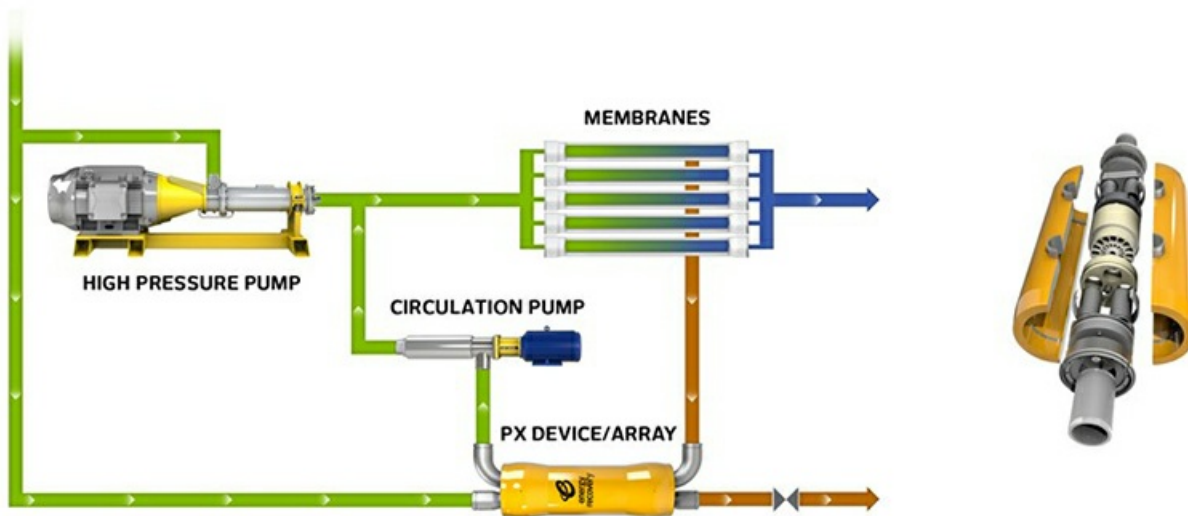
## ○ Compelling Short and Long Term Market Opportunity

- Global Water Demand / Supply Gap



*“So disruptive, it’s almost too good to be true.”*

# DESALINATION WITH PX PRESSURE EXCHANGER





Emerging Markets  
Gas Processing, Ammonia, Pipelines





## PAIN POINTS

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**Downtime  
is Costly**

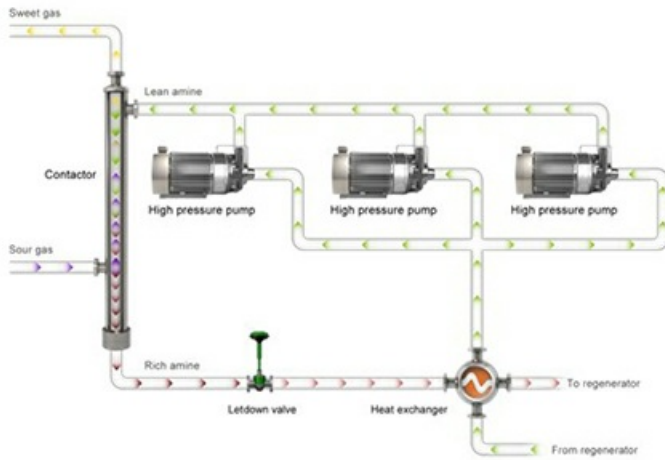
**Excessive  
Redundancy &  
Maintenance**

**High Energy  
Consumption**

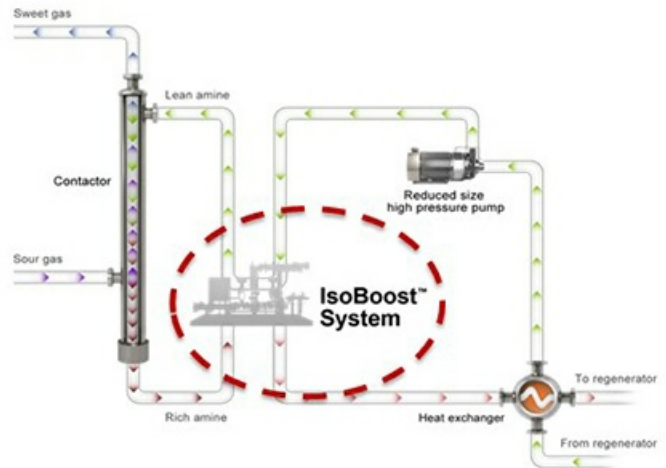
**Common Denominator: Pumps**

# OUR SOLUTION – GAS PROCESSING

## Status Quo

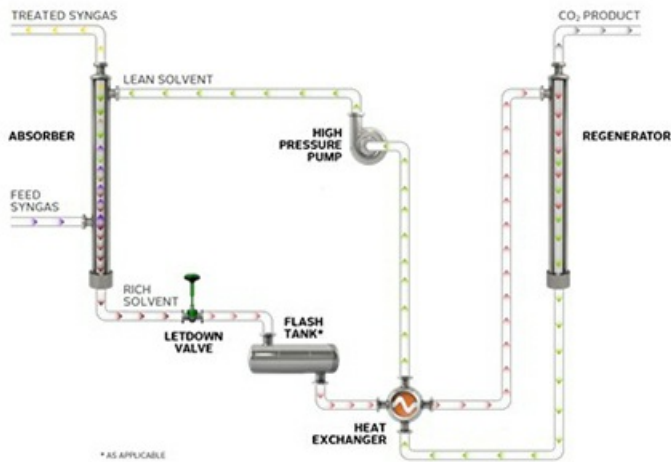


## With IsoBoost

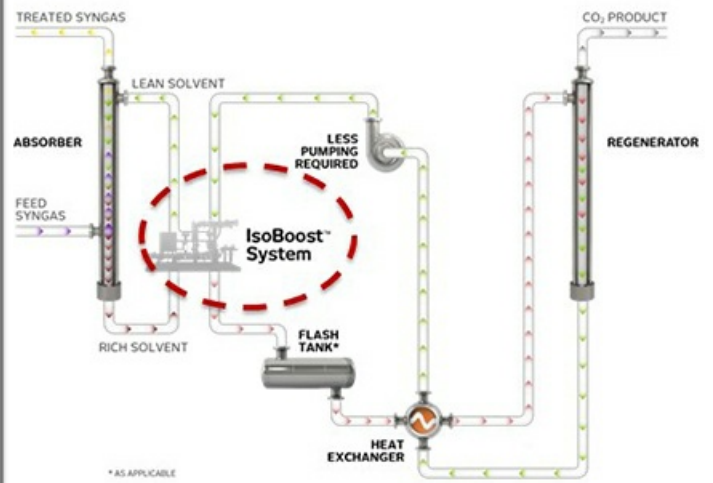


# OUR SOLUTION – AMMONIA

## Status Quo

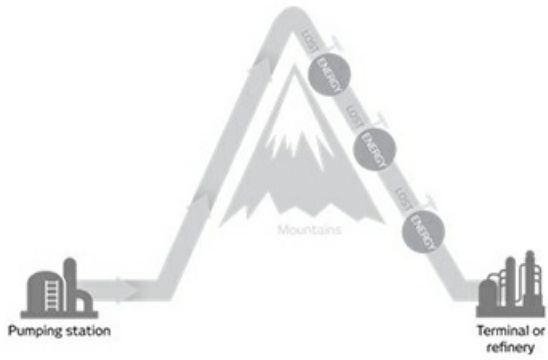


## With IsoBoost



# THE SOLUTION - PIPELINES

## Status Quo



*Vertical Pipelines Must be Depressurized*

## With IsoGen



*Pressure Generating Power*

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