

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 22, 2016

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

<u>Exhibit Number</u>	<u>Description</u>
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: March 23, 2016

Energy Recovery, Inc.

By: /s/ Chris Gannon
Chris Gannon
Chief Financial Officer

ERI INVESTOR PRESENTATION (NASDAQ: ERII)

March 2016



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 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.

ENERGY RECOVERY SNAPSHOT

Who We Are

- An energy solution provider
- A technology leader in applying fluid dynamics and advanced materials science



What We Do

- Create markets to preserve or eliminate pumps that are subject to and destroyed by hostile process fluids
- Convert wasted pressure energy into a reusable asset

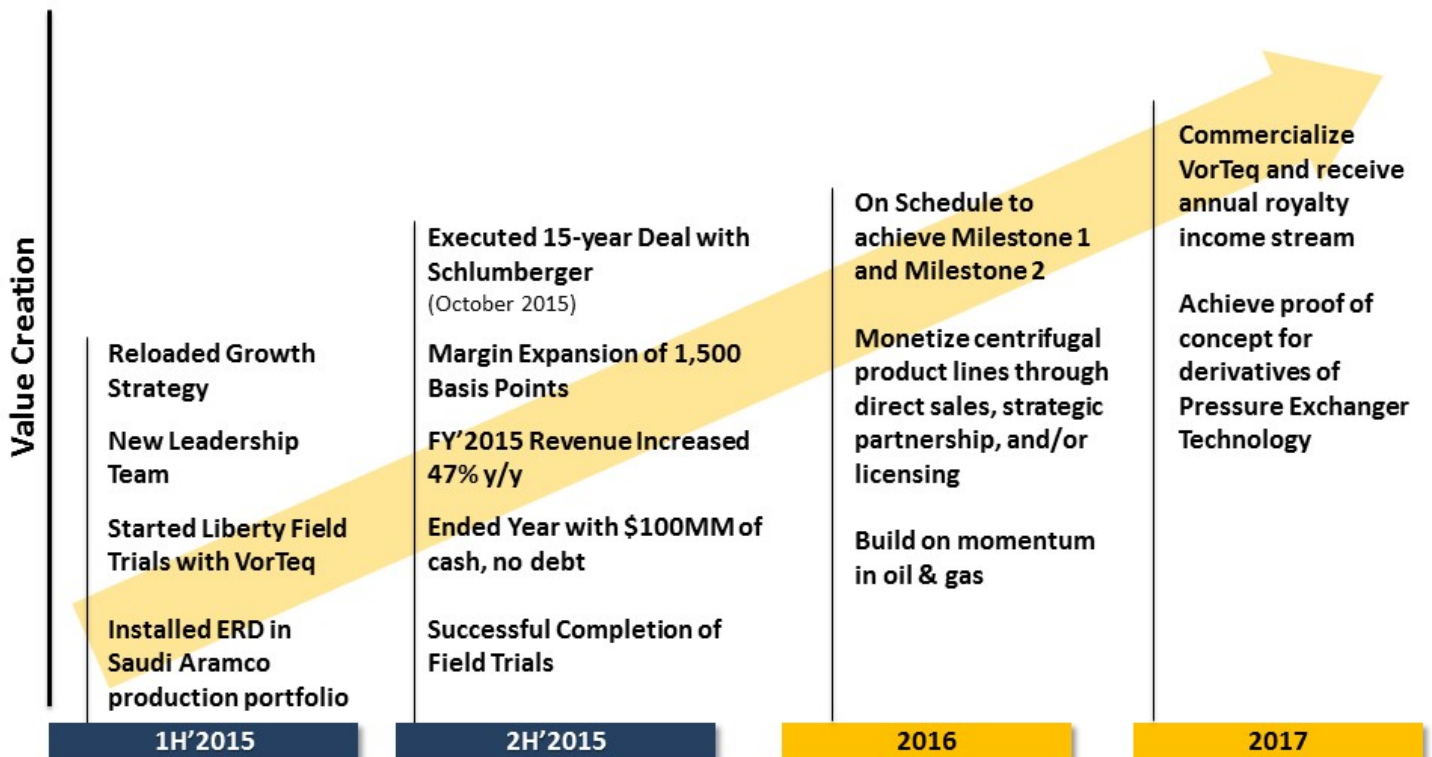
Key Developments

- Signed 15-year license in October 2015 with Schlumberger ("SLB) for VorTeq Technology
- Installed first energy recovery device in Saudi Aramco production portfolio
- Stock up 300% since SLB agreement peaking at \$10.08 from \$2.47, while S&P 500 Energy Index is down 7%⁽¹⁾



(1) Stock performance based on October 18, 2015- March 17, 2016

TRANSFORMATIONAL YEAR IN THE EVOLUTION OF OUR COMPANY



INVESTMENT HIGHLIGHTS



Validation of New Corporate Strategy & Reconstituted Management Team

- Corporate speed and agility
- Signed 15 year exclusive licensing agreement with Schlumberger



Financial Strength

- Industry leading balance sheet (~\$100MM in cash, no debt)
- Momentum to achieve break-even profitability in 2016



Line of sight to significant growth

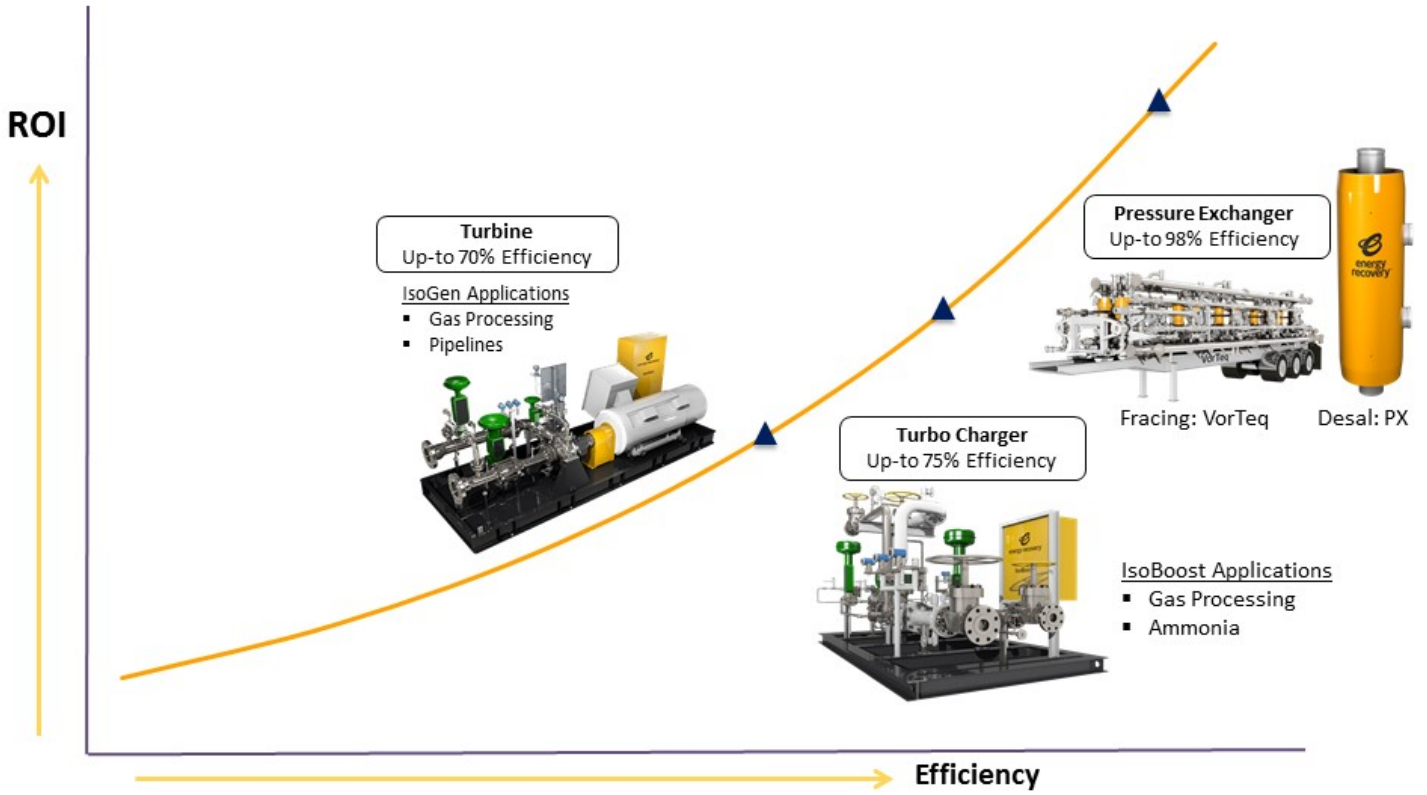
- Commercialize VorTeq Technology
- Further penetration of Saudi Aramco production portfolio



Perpetual Innovation

- Pressure exchanger technology, adaptable to other industries
- Target-rich product development road map
- World-class Engineering talent

PRODUCT PORTFOLIO



\$4 BILLION GLOBAL RECURRING MARKETS

WATER



Desal

\$50M

O&G



Hydraulic Fracturing

\$1.4B

Gas Processing

\$369M

Pipelines

\$936M

CHEMICALS



Ammonia

\$838M



Emerging Markets Hydraulic Fracturing

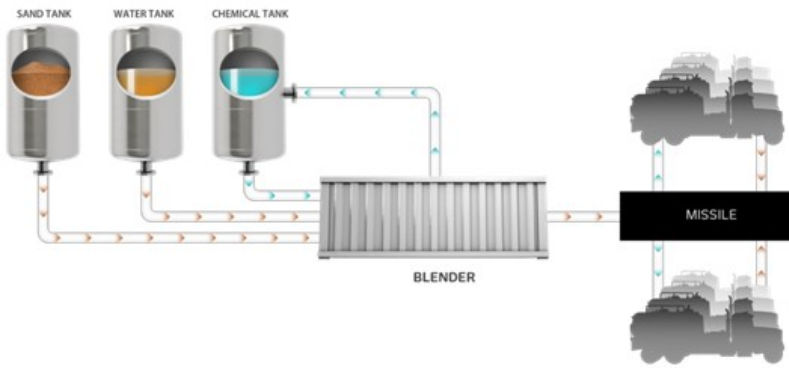


SIGNED 15-YEAR LICENSE AGREEMENT WITH SCHLUMBERGER

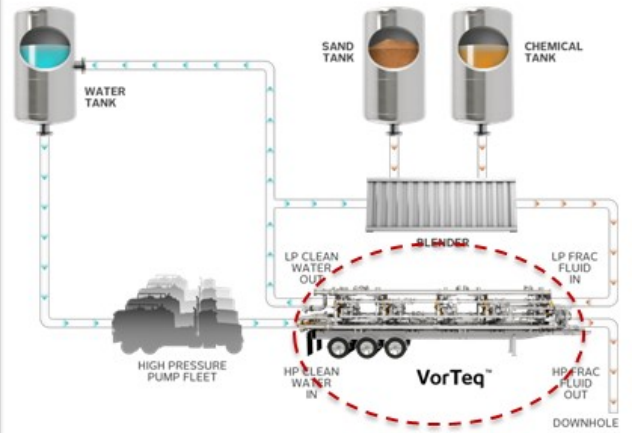
- **Agreement provides exclusive rights to ERI's VorTek™ Hydraulic Pumping System**
 - Commercializes the VorTek™ technology with one of the industry's most respected oil-field services companies
- **Highlights**
 - 2015: Schlumberger paid an upfront \$75M exclusivity fee
 - 2016: Schlumberger will pay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

VORTEQ INTEGRATION

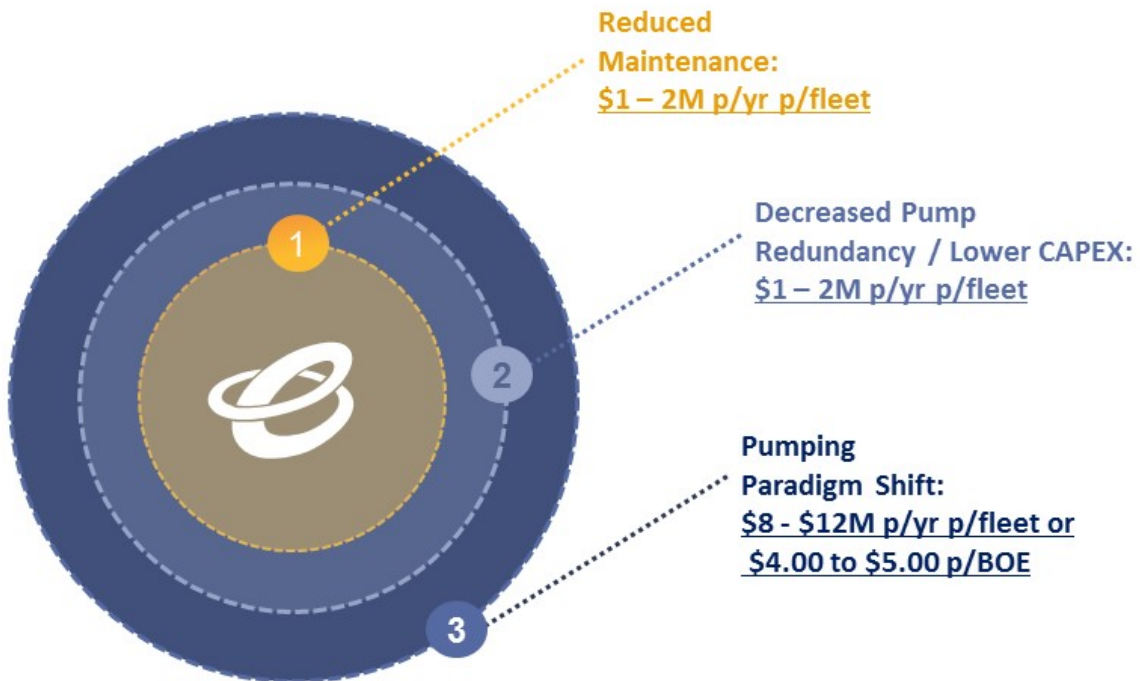
Status Quo



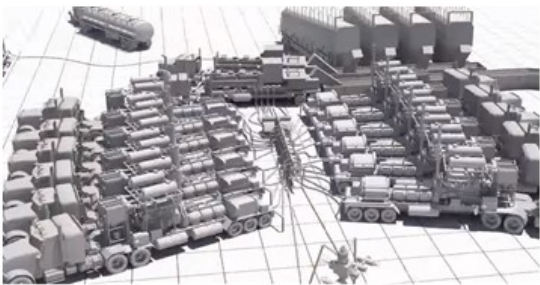
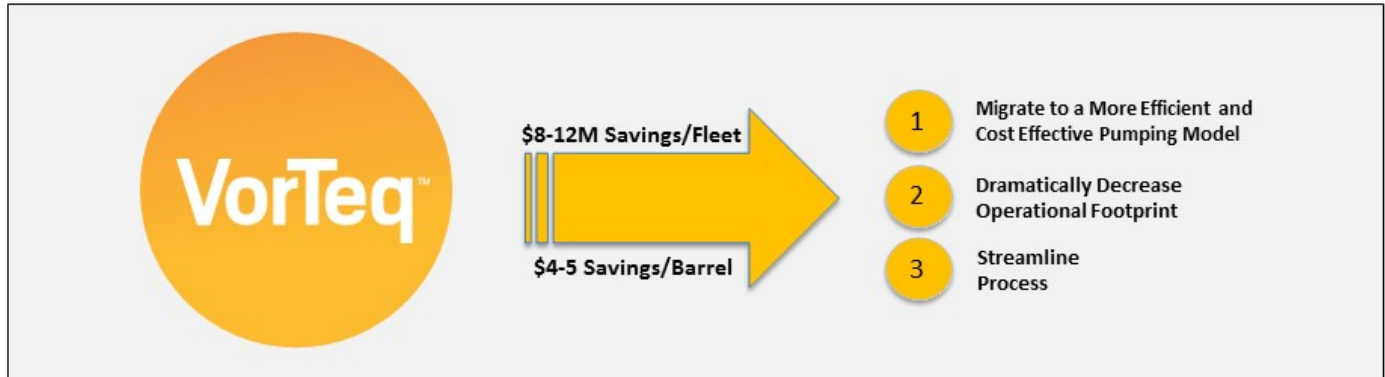
With VorTeq



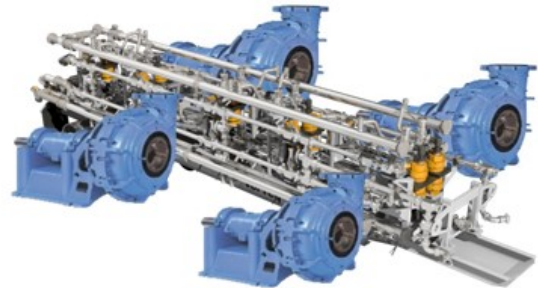
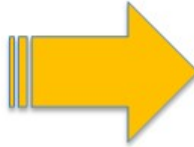
VALUE PROPOSITION – 3 ORDERS OF VALUE CREATION



3RD ORDER VALUE PROP – PARADIGM SHIFT



Existing Pumping Model with 15-20 PD Pumps



New Pumping Model with 3-4 Centrifugal Pumps

SPEED & AGILITY – PATH TO COMMERCIALIZATION

Milestone I

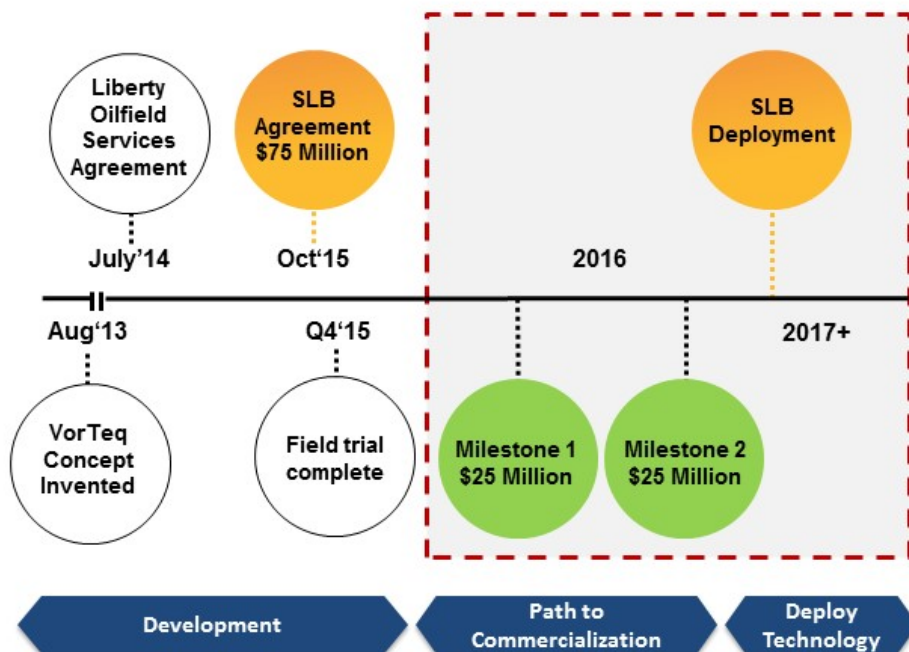
- o Successfully complete 5 frac stages performed at Schlumberger test facility and satisfy certain KPI's

Milestone II

- o KPI: Successfully complete 20 frac stages performed at actual well and satisfy certain KPI's

Commercialization

- o Deployment in SLB fleet anticipated in 2017
- o Minimum adoption curve to reach 100% fleet penetration in 5 years



On schedule to achieve milestone I & II in 2016 resulting in \$50 million payment



Desalination



DESALINATION – OUR FIRST DISRUPTIVE TECHNOLOGY

○ 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

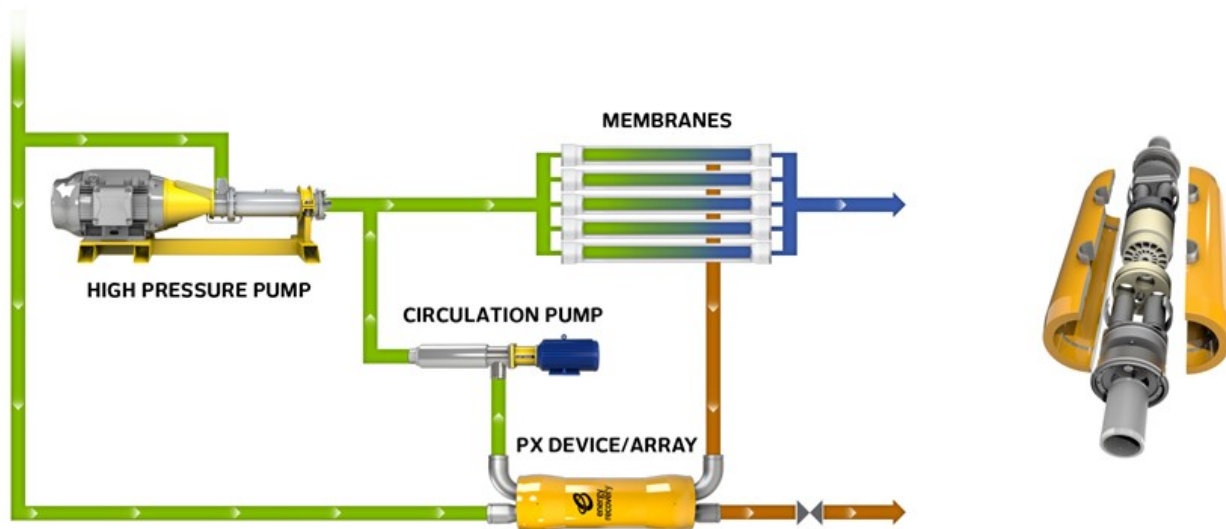
○ Compelling Short and Long Term Market Opportunity

- 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



**Downtime
is Costly**

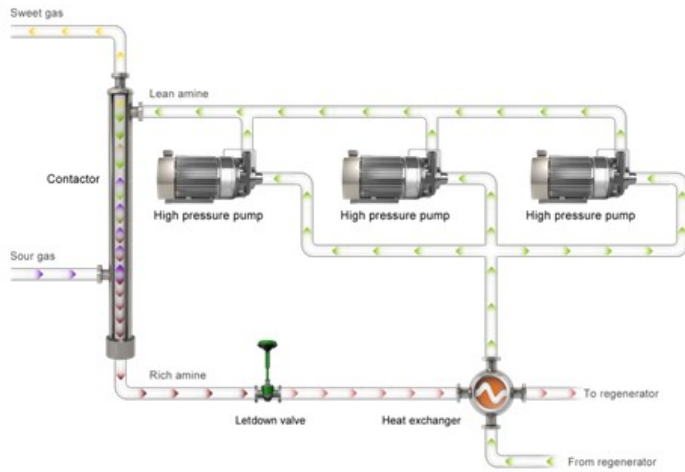
**Excessive
Redundancy &
Maintenance**

**High Energy
Consumption**

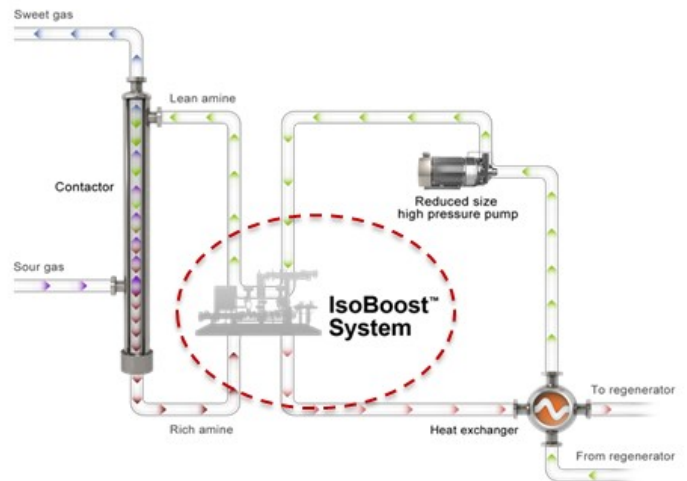
Common Denominator: Pumps

OUR SOLUTION – GAS PROCESSING

Status Quo

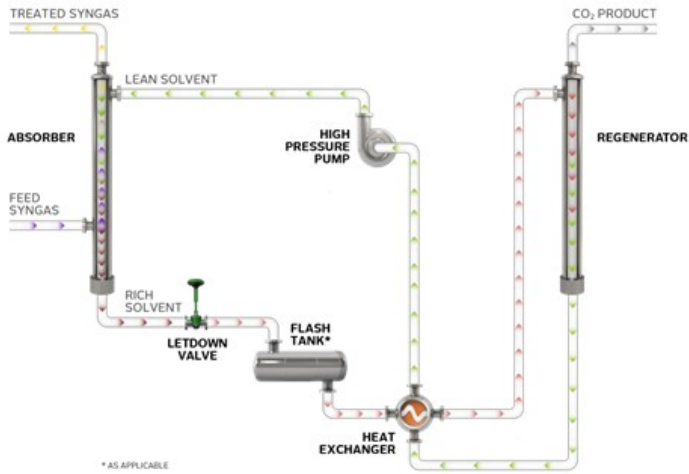


With IsoBoost

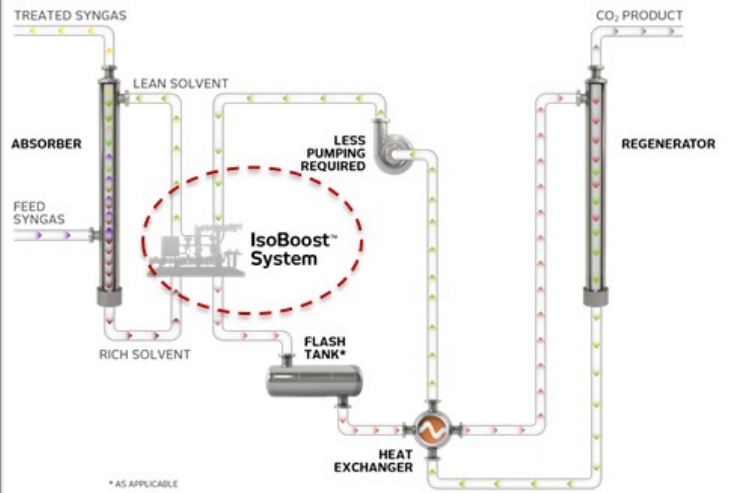


OUR SOLUTION - AMMONIA

Status Quo

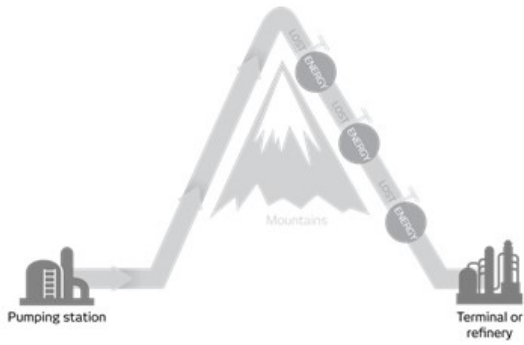


With IsoBoost



OUR SOLUTION - PIPELINES

Status Quo



Vertical Pipelines Must be Depressurized

With IsoGen



Pressure Generating Power



Strategic Imperatives

Short Term and Long Term Goals



PERPETUAL INNOVATION – PRODUCT DEVELOPMENT

- **Develop “PX as a Pump” applications that increase ERI’s total addressable market and support the following criteria:**
 - High rates of fluid flow
 - High pressure differentials
 - High degrees of capital intensity in the form of pumping assets
- **Innovation is in our DNA highlighted by meaningful R&D capital spend**
 - 27.5% of OPEX in 2014
 - 20.2% of OPEX in 2015
- **Invest in our future**
 - Monetize intellectual property, balancing risk and return



Develop derivatives of Pressure Exchanger Technology every 24 months, in annual cycles

SHAREHOLDER VALUE CREATION: STRATEGIC IMPERATIVES



Commercialize VorTeq - on schedule to achieve milestone I and II in 2016, begin deployment in 2017



Innovate and achieve proof of concept of new products that are derivatives of Pressure Exchanger Technology every 24 months, in annual cycles



Enhance market position in Desalination



Monetize centrifugal product lines (IsoBoost and IsoGen) through direct sales, strategic partnership, and/or licensing