

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): February 9, 2017

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

Management of Energy Recovery, Inc. (the "Company") will be meeting with analysts and investors at the Credit Suisse Annual Energy Summit in Vail, Colorado during the week of February 13, 2017. The Company is furnishing with this report the investor presentation 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

<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: February 9, 2017

Energy Recovery, Inc.

By: /s/ William Yeung
William Yeung
General Counsel

ERI INVESTOR PRESENTATION

(NASDAQ: ERII)

2017



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.

Who We Are

An energy solutions provider and technology leader in applying fluid dynamics and advanced materials science

Pressure Energy is our Arbitrage

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

Core End-Markets

OIL & GAS



WATER



CHEMICALS



HISTORY OF ENERGY RECOVERY

1992 - 2014



Developed Pressure Exchanger Technology



Invested in R&D



Established Market Leadership in Desalination



Increased shipments of Energy Recovery Devices Worldwide

2015



New Corporate Strategy and Management Team



Signed 15-year license with Schlumberger



Installed first Energy Recovery device in Saudi Aramco production portfolio



Revenues up 47% in 2015

2016



Commenced collaborative VorTeq testing with Schlumberger



Secured largest purchase order in company history



Record company gross margins



2014-2016 revenue CAGR of >30%

INVESTMENT HIGHLIGHTS



Growth

- Commercialize VorTeq Technology
- Further penetration of Saudi Aramco production portfolio
- New product introduction and early stage partner in 2017



Perpetual Innovation

- Pressure exchanger technology, adaptable to other industries
- Target-rich product development road map
- World-class engineering talent – critical mass of PhD assets



Validation of New Corporate Strategy & Management Team

- Signed 15 year exclusive licensing agreement with Schlumberger
- Corporate speed and agility – new product introductions on 12 month cycle

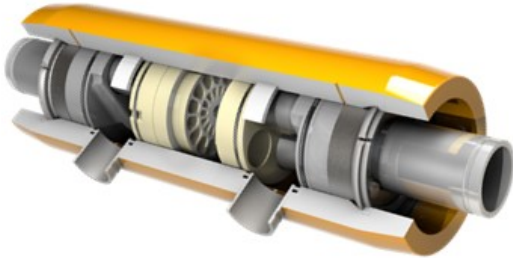


Financial Strength

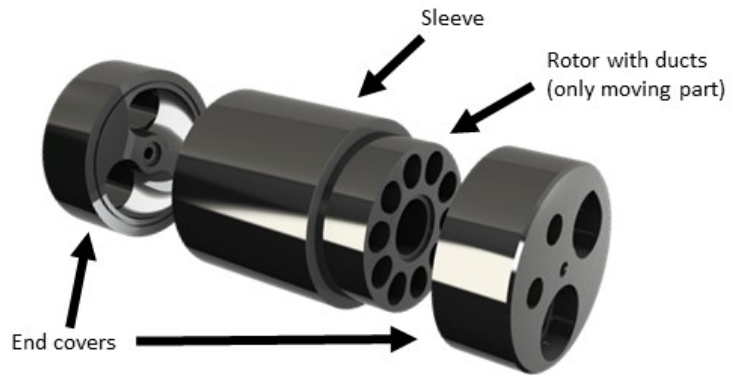
- Industry leading balance sheet (~\$100MM in cash, no debt)

CORE TECHNOLOGY – THE PRESSURE EXCHANGER

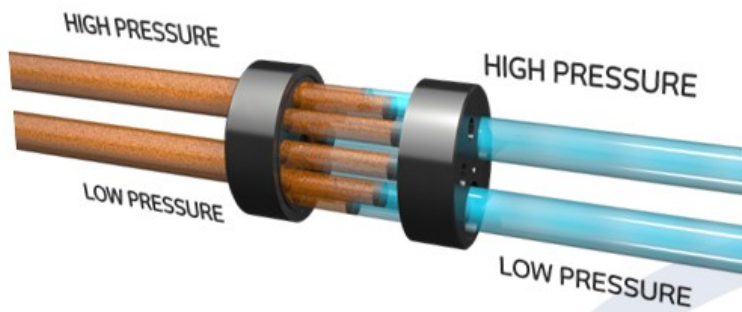
Desalination PX Cutaway



Tungsten Carbide PX for Energy Applications



Pressure Exchange in Motion



PRODUCT PORTFOLIO

WATER

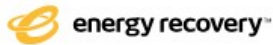


Making Desalination
Affordable

Pressure Exchanger



17,000 Installations
on 7 continents



OIL & GAS



Hydraulic Fracturing: **VorTeq**

CHEMICALS



IsoBoost Applications

- Gas Processing
- Ammonia



IsoGen Applications

- Gas Processing
- Pipelines
- Ammonia

UBIQUITOUS TECHNOLOGY WITH SIGNIFICANT GROWTH

Continue to invest in R&D

- 27.5% of OPEX in 2014
- 20.2% of OPEX in 2015
- 27.8% of OPEX in 2016



2015

\$45M

Incremental Revenue Opportunity

2020+

\$200M+

Derivative of Pressure Exchanger

\$?M

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





SLB Licensing Revenue

~\$80M to \$200M per annum

Desal

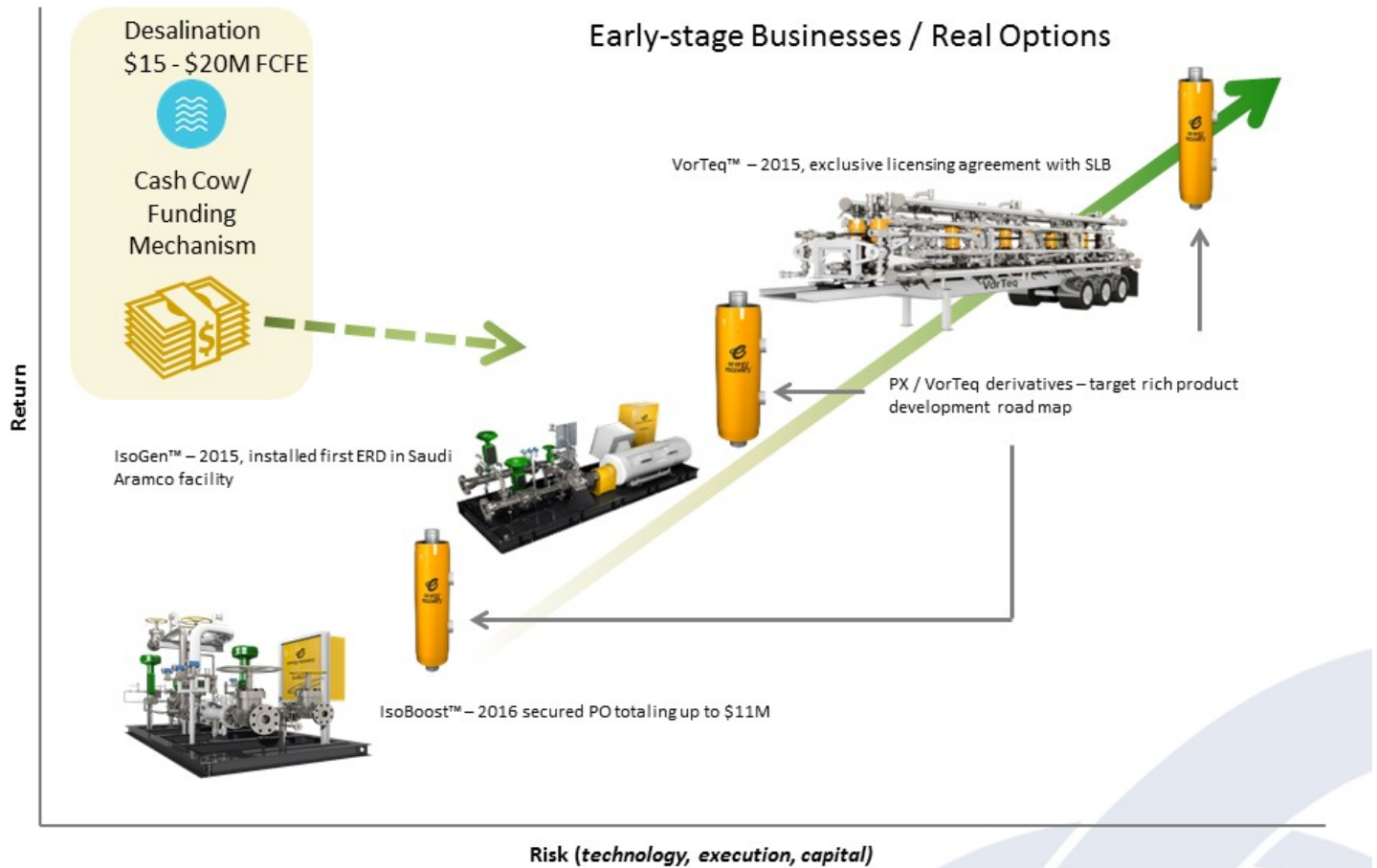
~\$50M

NEW PRODUCT AND MARKET DEVELOPMENT

	High rates of flow	✓
	High pressure differentials	✓
	High capital intensity in the form of pumps and ancillary equipment	✓
	Hostile process fluid applications	✓

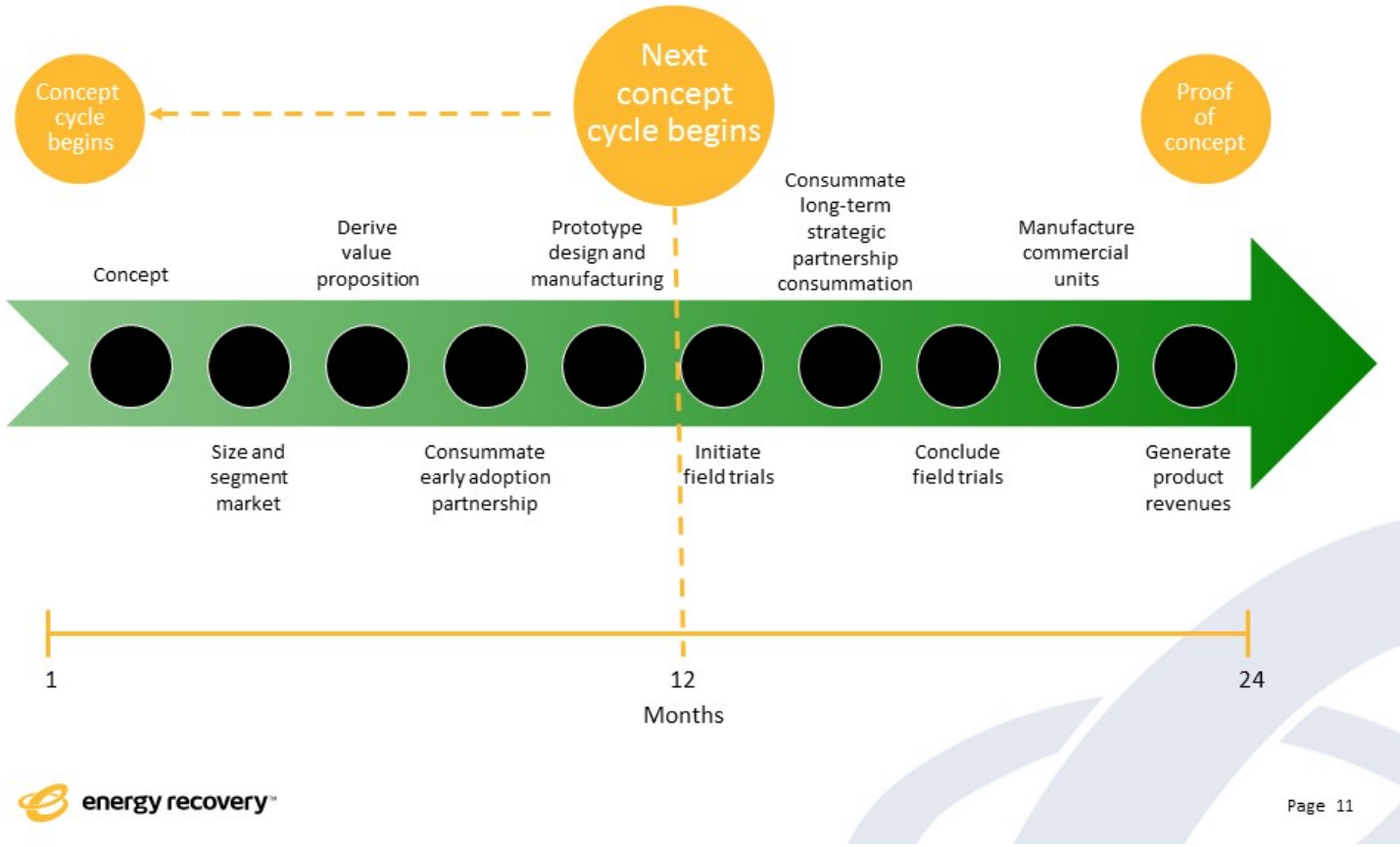
Flow x Pressure Differential = Energy Density

EFFICIENT FRONTIER OF PRODUCT OPTIONALITY

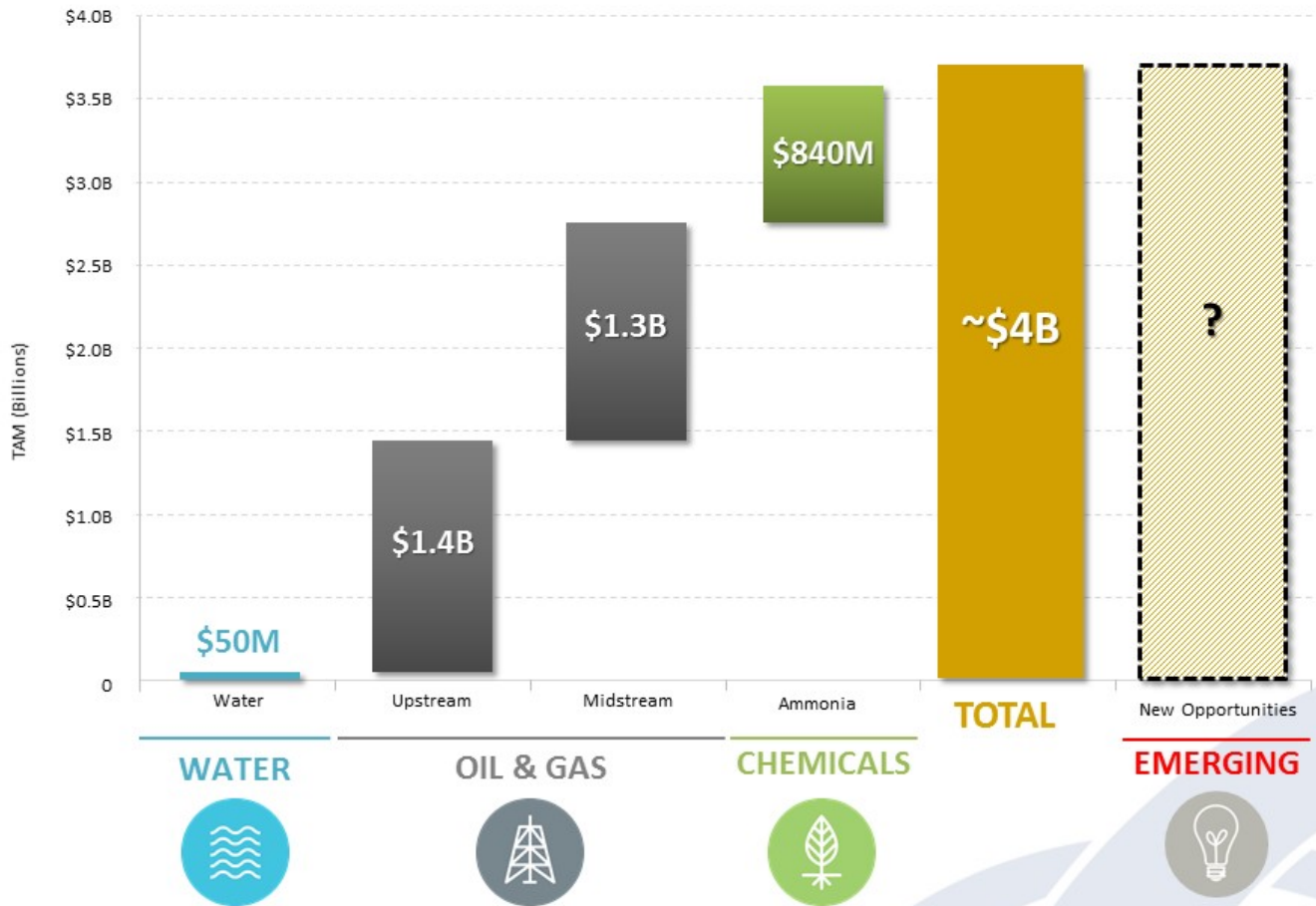


GO TO MARKET STRATEGY

Targeting 24 month development cycles, commencing every twelve months



~\$4B NEAR-TERM ADDRESSABLE MARKET OPPORTUNITY





Desalination



The “PX Pressure Exchanger”

- 17,000 PX Devices Installed Worldwide
- 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
- Expand Product Offering and Procurement Vehicle Options – Energy Services Agreements

Significant Cash Flow Funds Growth Initiatives



Emerging Markets Energy

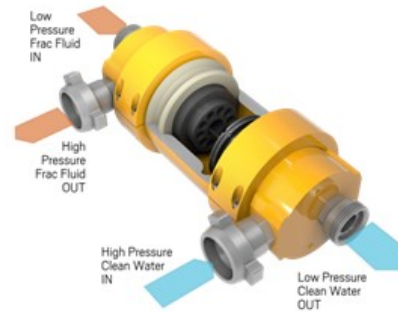


VORTEQ HYDRAULIC PUMPING SYSTEM

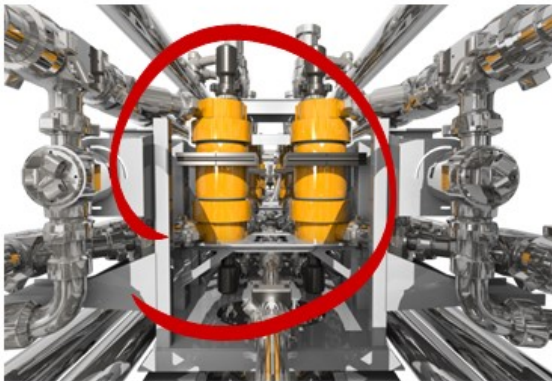
Hydraulic Piston Concept



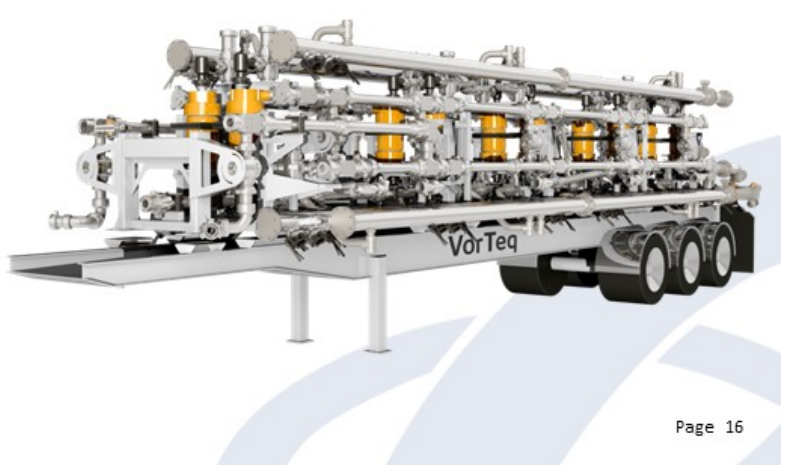
Fluid Flows in Pressure Exchanger



PX on Missile

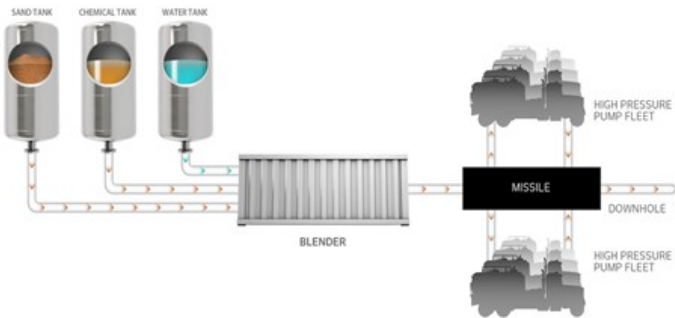


VorTeq Missile

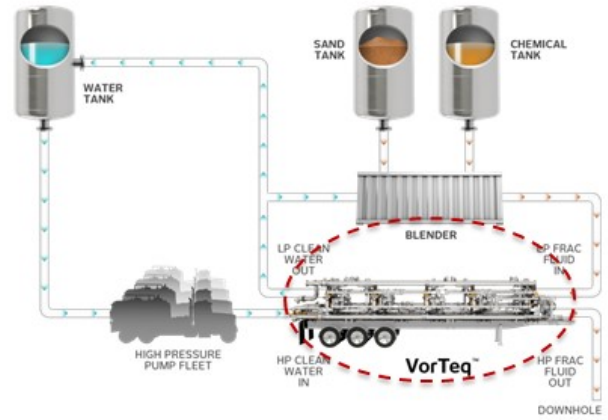


VORTEQ INTEGRATION

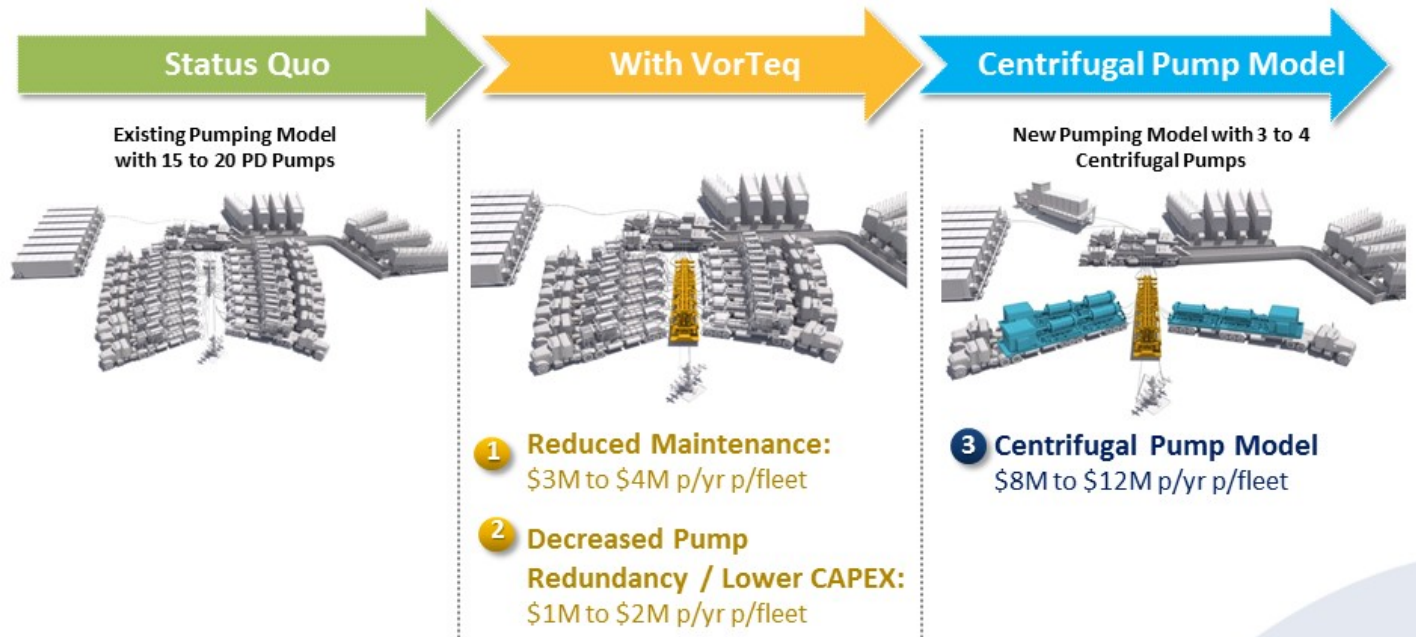
Status Quo



With VorTeq



IS VORTEQ DISRUPTIVE?



SLB LICENSING AGREEMENT STRUCTURE

- **Agreement provides exclusive rights to ERI's VorTeq™ Hydraulic Pumping System for on-shore hydraulic fracturing (Field of Use)**
 - Commercializes the VorTeq™ technology with one of the industry's most respected oil-field services companies
- **Highlights**
 - Schlumberger paid an upfront **\$75M** exclusivity fee (15 year revenue recognition)
 - Schlumberger will pay two separate **\$25M** milestone payments (for a total of **\$50M**) subject to certain KPI's (revenue recognition in period milestone achieved)
 - ✓ Milestone 1: Five stage frac on test well at SLB Oklahoma facility
 - ✓ Milestone 2: Twenty stage frac on E&P well
 - Commercialization and minimum adoption curves
 - ✓ Commercialization: New manifold/missile design implemented and ready for field use
 - ✓ Existing PD pumping model – VorTeq adoption beginning in 2018, 100% fleet penetration by 2023. Royalty rate of \$1.5M per VorTeq per year
 - ✓ New pumping model – pump model conversion beginning in 2021, 100% fleet conversion by 2026. Triggers increased royalty rate
 - Royalty payments on a “take or pay” basis

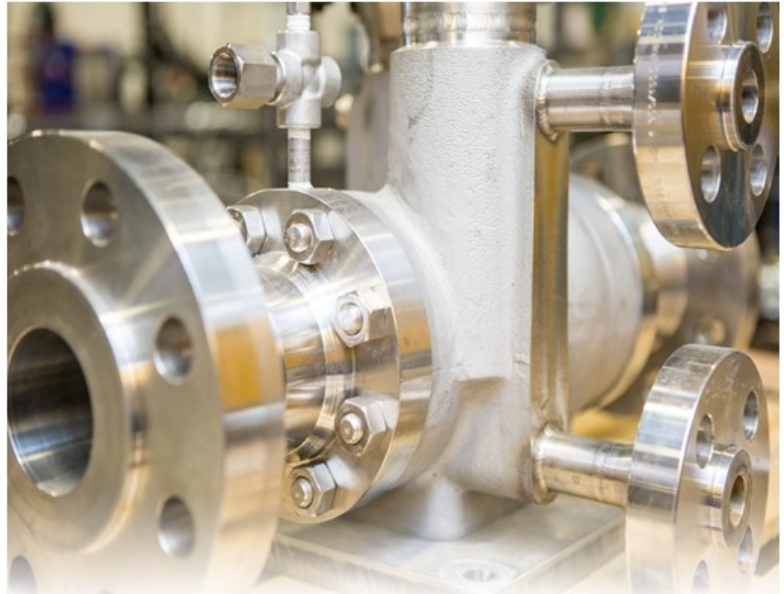


Emerging Markets
Gas Processing, Ammonia, Pipelines



IsoBoost recovers pressure energy and increases reliability of pumping systems

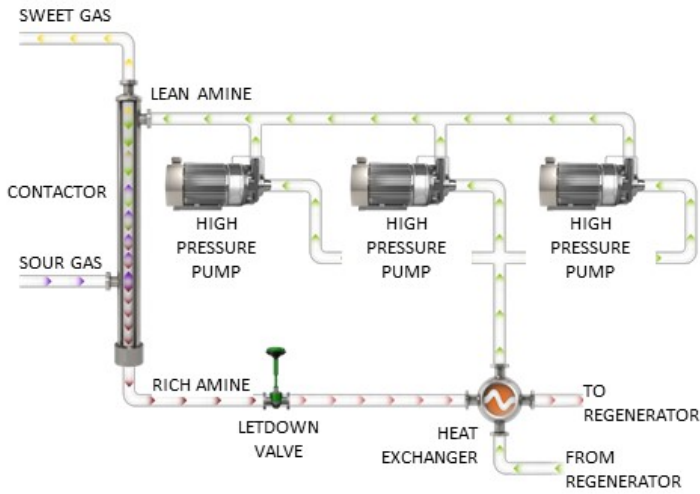
- Save Millions of Dollars in Energy over life of plant
- Improve Reliability, Availability, Maintainability
- Decrease Carbon Footprint



**Helps plants save energy, reduce maintenance,
and run more profitably**

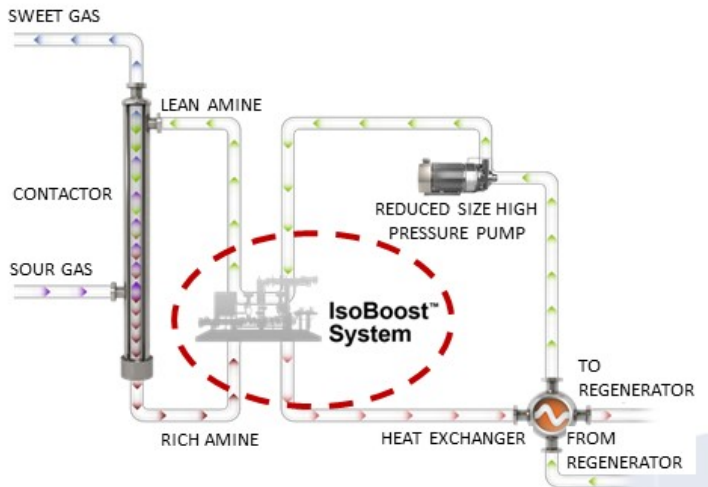
OUR SOLUTION – GAS PROCESSING AND AMMONIA

Status Quo



Wasted Pressure Energy & High Pump CAPEX

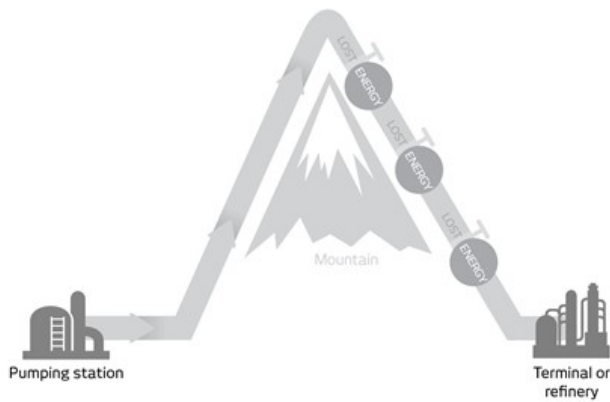
With IsoBoost



Reduced OPEX & Pump CAPEX

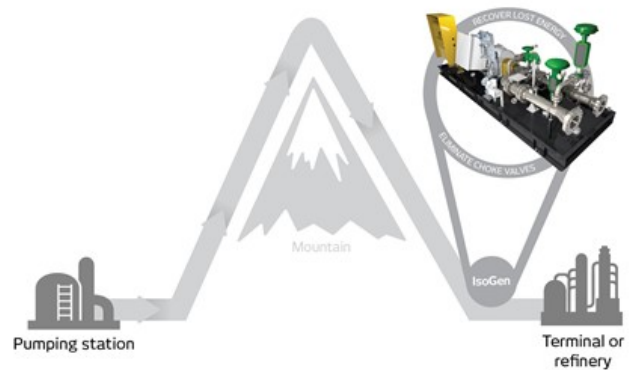
OUR SOLUTION - PIPELINES

Status Quo



Vertical Pipelines Must Be Depressurized

With IsoBoost



Pressure Generating Power



Strategic Imperatives

Short Term and Long Term Goals



STRATEGIC IMPERATIVES



Commercialize VorTeq

- On schedule to achieve Milestone I and II in 2017, begin deployment in 2018



Product Innovation

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



Market Expansion

- Enhance market position in Desalination



Monetize Centrifugal Product Lines

- Monetize IsoBoost and IsoGen through direct sales, strategic partnership, and/or licensing

THANK YOU

