



# Second Quarter 2021 Financial Results

August 6, 2021

# Forward-Looking Statements

This Presentation has been prepared by Calumet Specialty Products Partners, L.P. (the “Company,” “Calumet,” “we,” “our,” or like terms) as of August 2021. The information in this Presentation includes certain “forward-looking statements.” These statements can be identified by the use of forward-looking terminology including “may,” “intend,” “believe,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “continue” or other similar words. The statements discussed in this Presentation that are not purely historical data are forward-looking statements. These forward-looking statements discuss future expectations or state other “forward-looking” information and involve risks and uncertainties. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in our most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and other filings with the SEC. The risk factors and other factors noted in our most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and other filings with the SEC could cause our actual results to differ materially from those contained in any forward-looking statement.

Our forward-looking statements are not guarantees of future performance, and actual results and future performance may differ materially from those suggested in any forward-looking statement. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the foregoing. Existing and prospective investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Presentation. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

## Non-GAAP Financial Measures

Adjusted EBITDA, Adjusted EBITDA margin, Adjusted gross profit (loss), and Adjusted gross profit (loss) per barrel, are non-GAAP financial measures provided in this Presentation. During the first quarter of 2021, we changed how we calculate Adjusted EBITDA and segment Adjusted gross profit (loss), which now exclude RINs mark-to-market adjustments. Additionally, the calculation for segment Adjusted gross profit (loss) now excludes depreciation and amortization expenses. Each of these measures has been revised for all periods presented to consistently reflect these changes. Reconciliations to the most comparable GAAP financial measures are included in the Appendix to this Presentation. These non-GAAP financial measures are not defined by GAAP and should not be considered in isolation or as an alternative to net income (loss) or other financial measures prepared in accordance with GAAP.

# 2Q 2021 Overview

## Financial Performance

- 2Q Adjusted EBITDA<sup>(1)</sup> of \$32.3 MM
- Redeemed \$70 MM of 2022 unsecured notes
- Liquidity at quarter end \$289 MM

## Key Business Highlights

- Strong demand and margins for specialty products
- Supply chain issues impacted our businesses in differing ways
- Seasonal demand and margin improvement in Montana

## Renewable Diesel Highlights

- Timing, EBITDA and capital spend continue to track on target
- Feedstock pre-treater increases earnings power and flexibility



(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

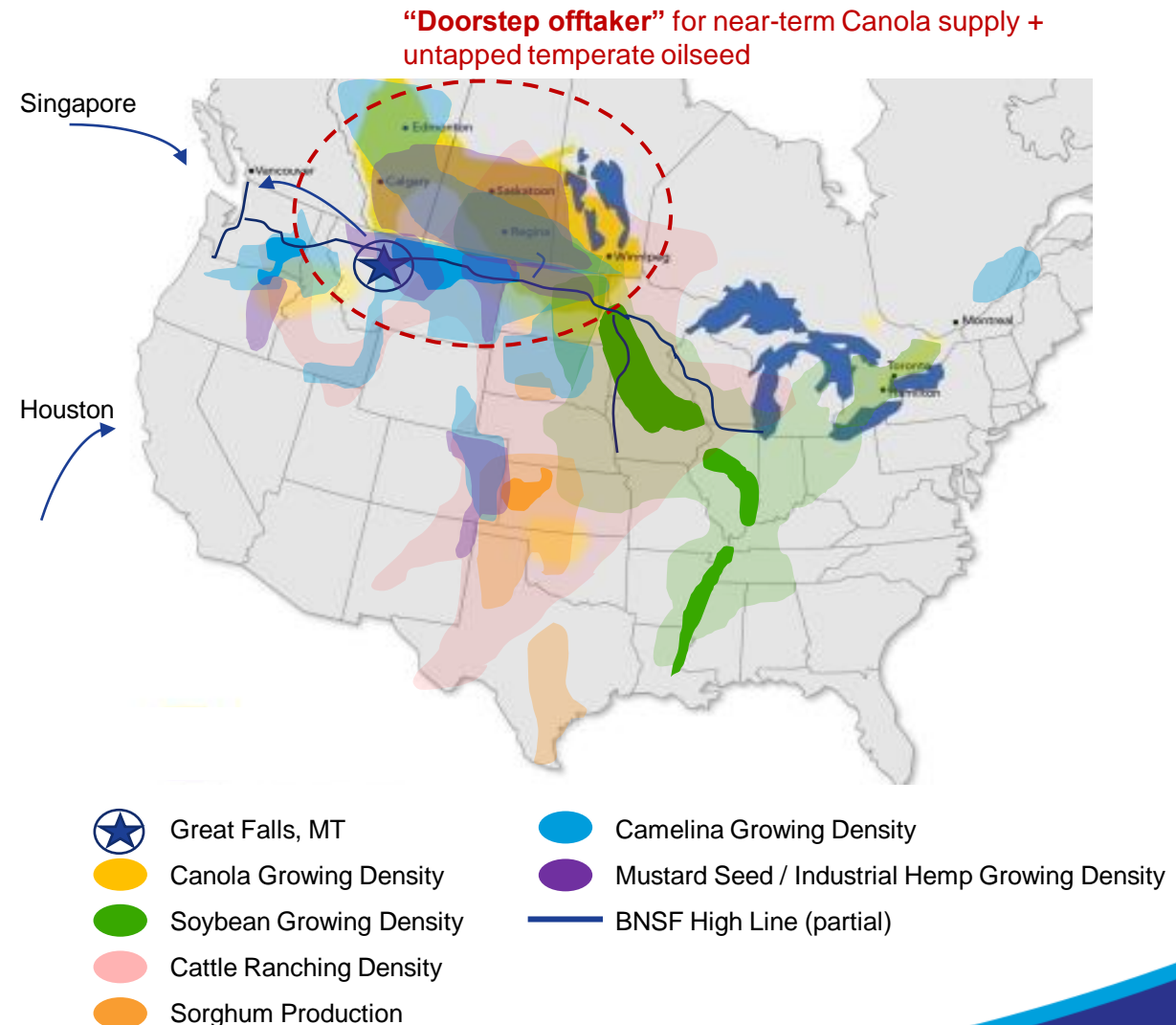
# Best Renewable Diesel Project In North America?

## Feedstock access and logistics

- Diverse feedstock supply in close proximity
- Truck and rail access to farm and ranch feedstocks on both sides of the border
- Advantage relative to Gulf Coast renewable diesel facilities

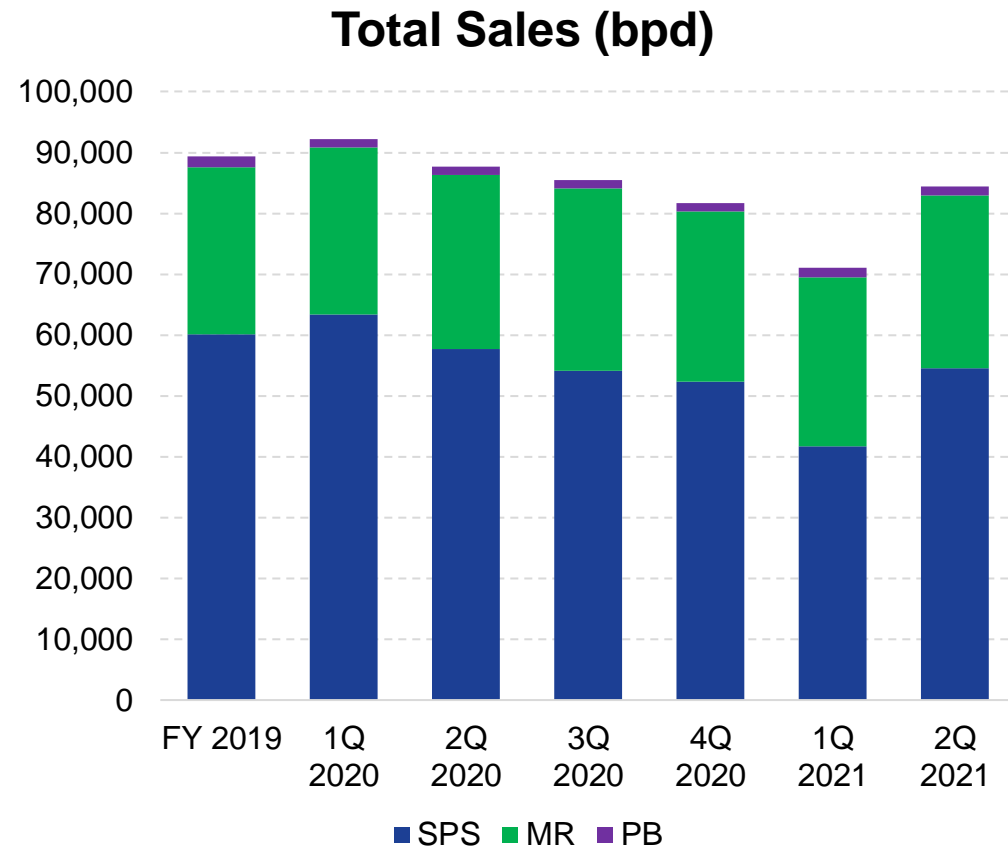
## Product placement and logistics

- Shortest product route into Pacific Northwest
- West Coast balances require marine imports



# 2Q 2021 Financial Summary

- Total Adjusted EBITDA<sup>(1)</sup>: \$32.3 MM
- Specialty Products & Solutions (SPS): \$31.8 MM
- Montana/Renewables (MR): \$12.8 MM
- Performance Brands (PB): \$7.3 MM
- Corporate: (\$19.6) MM



(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

# Supply Chain Impacts Our Businesses Differently

## Specialty Products & Solutions

- Trucking shortage substantially alleviated through quarter
- End users still restocking inventories

## Performance Brands

- Base oil and additive supply recovering from Uri
- Inconsistent supply of packaging materials
- Shortened production runs
- Grease supplier fire disrupts entire industry

## Montana/Renewables

- Rockies markets disconnects due to trucking

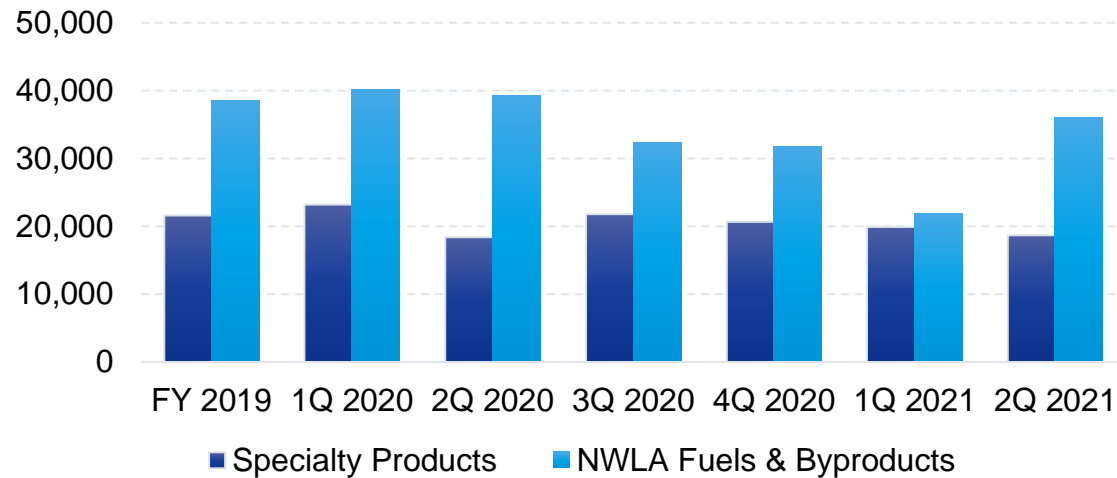
# Specialty Products and Solutions

	2Q20	1Q21	2Q21
Adjusted EBITDA <sup>(1)</sup> (\$MM)	\$33.4 MM	\$(2.2) MM	\$31.8 MM
Adjusted Gross Profit <sup>(1)</sup> (\$MM)	\$31.9 MM	\$4.5 MM	\$38.0 MM
Adjusted Gross Profit <sup>(1)</sup> (\$/bbl)	\$6.08	\$1.19	\$7.65
Specialty Material Margin (\$/bbl)	\$53.41	\$48.38	\$57.79
Fuels Material Margin <sup>(2)</sup> (\$/bbl)	\$2.27	\$0.53	\$2.74

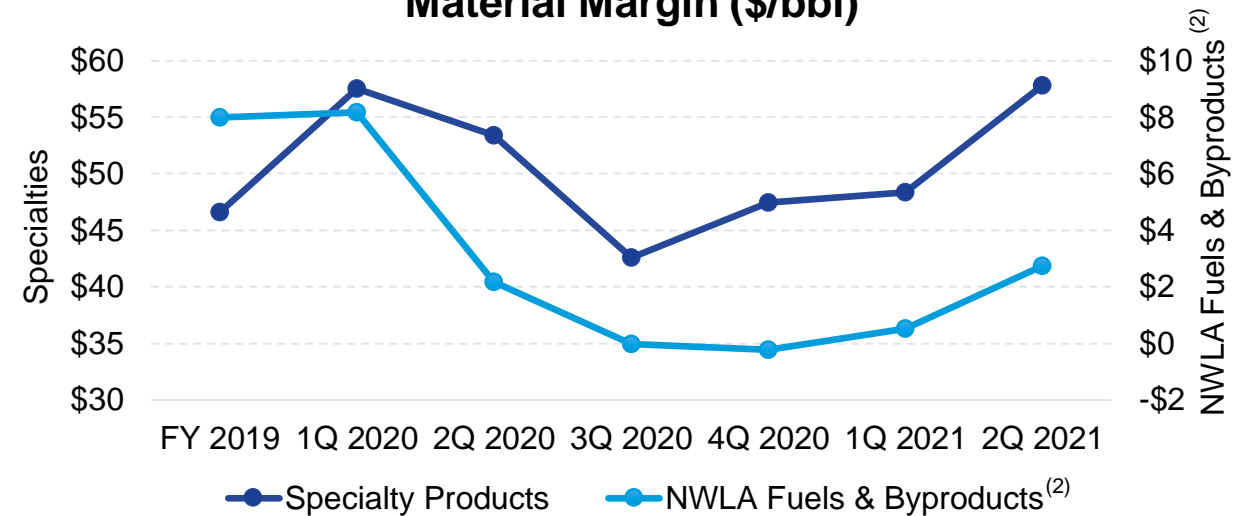
## 2Q 2021 Key Takeaways

- Strong underlying specialty product demand and margins
- Inventory rebuild & unplanned downtime impacted Shreveport volumes
- Exceptional production at Princeton, Cotton Valley and Karns City
- Fuels margins low but improving

### Sales Volume (bpd)



### Material Margin (\$/bbl)



(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

(2) Includes RVO accrual

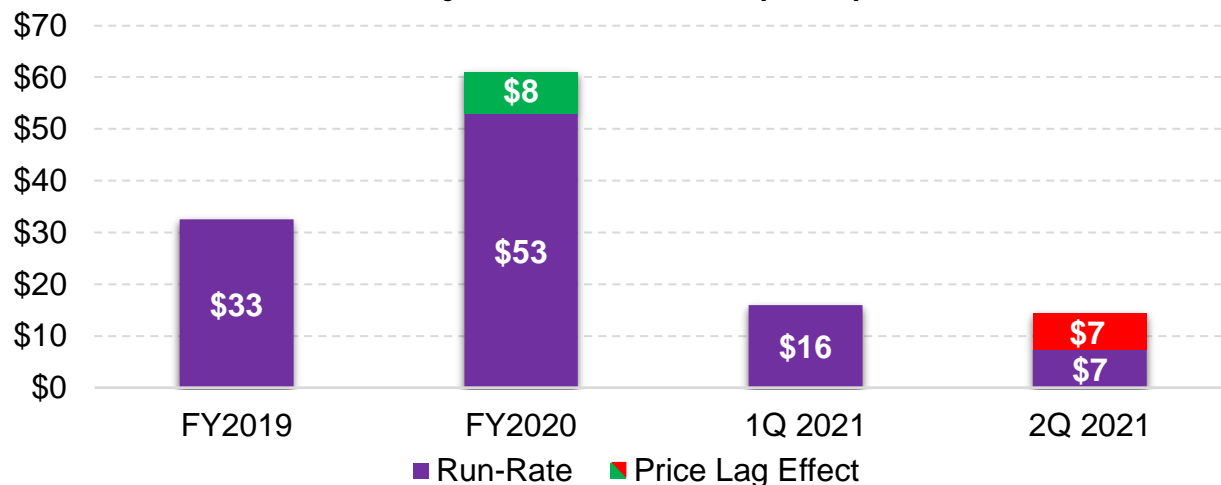
# Performance Brands

	2Q20	1Q21	2Q21
Adjusted EBITDA <sup>(1)</sup> (\$MM)	\$17.6 MM	\$16.0 MM	\$7.3 MM
Adjusted Gross Profit <sup>(1)</sup> (\$MM)	\$23.2 MM	\$24.2 MM	\$16.6 MM
Adjusted Gross Profit <sup>(1)</sup> (\$/bbl)	\$190.16	\$171.63	\$124.81

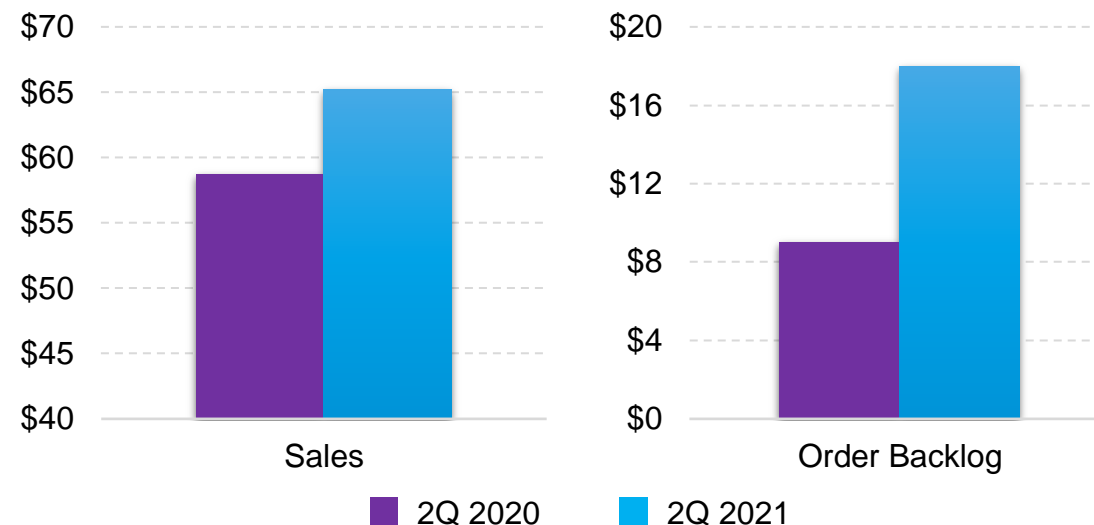
## 2Q 2021 Key Takeaways

- Accelerating rate of demand
- Acute supply chain environment
  - Restricted production and constrained sales volumes
  - Significant but temporary operating cost impact incurred to flex and support customer needs
- Sales demand up 11%, order backlog doubled

### Adjusted EBITDA<sup>(1)</sup> (\$MM)



### Sales and Order Backlog (\$MM)



(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

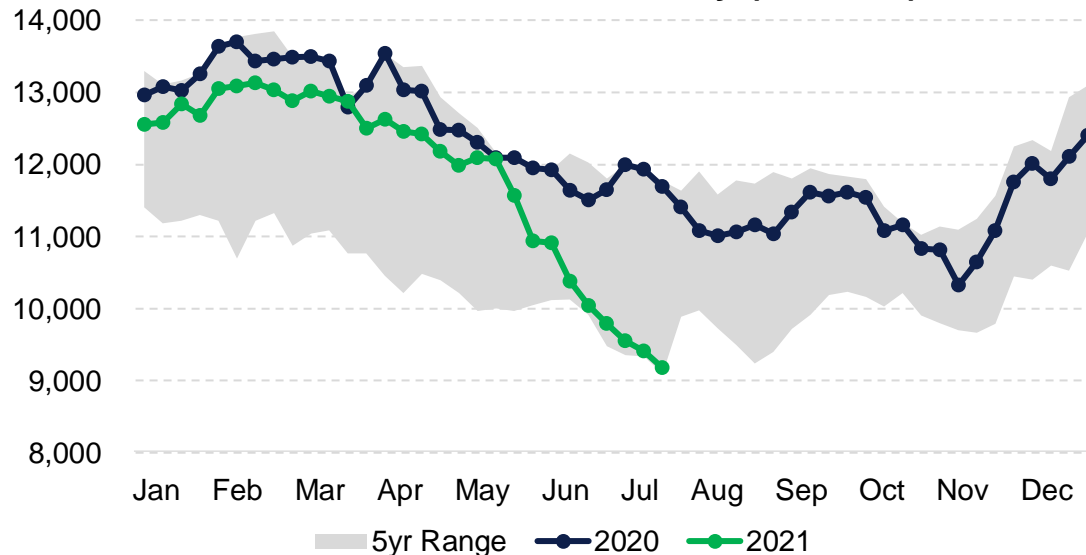


	2Q20	1Q21	2Q21
Adjusted EBITDA <sup>(1)</sup> (\$MM)	\$23.0 MM	\$(2.0) MM	\$12.8 MM
Adjusted Gross Profit/(Loss) <sup>(1)</sup> (\$MM)	\$15.5 MM	\$(0.4) MM	\$15.8 MM
Adjusted Gross Profit/(Loss) <sup>(1)</sup> (\$/bbl)	\$5.95	\$(0.17)	\$6.11

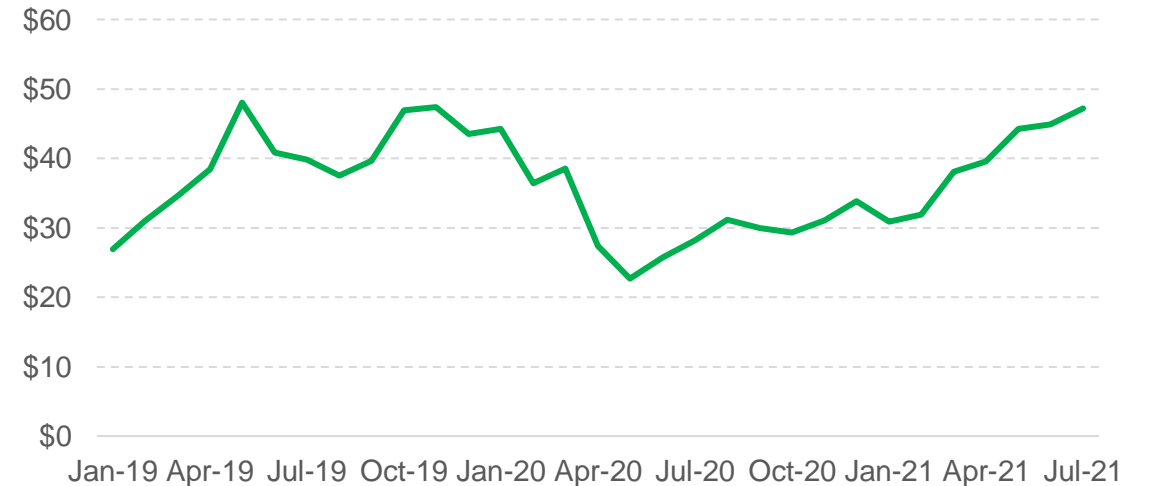
## 2Q 2021 Key Takeaways

- Margins return with expected seasonal improvement
- Asphalt prices lagging increase in crude costs
- Clean product inventories in PADD 4 are at multi-year lows

PADD 4 Gas + Diesel Inventory (000 bbls)



Montana/Renewables 3-1-2 Crack Spread to WCS (\$/bbl)



(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations  
Source: EIA Weekly Statistics



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# APPENDIX

# Renewable Diesel Project – Feedstock Mix

## • Spring 2022 Startup

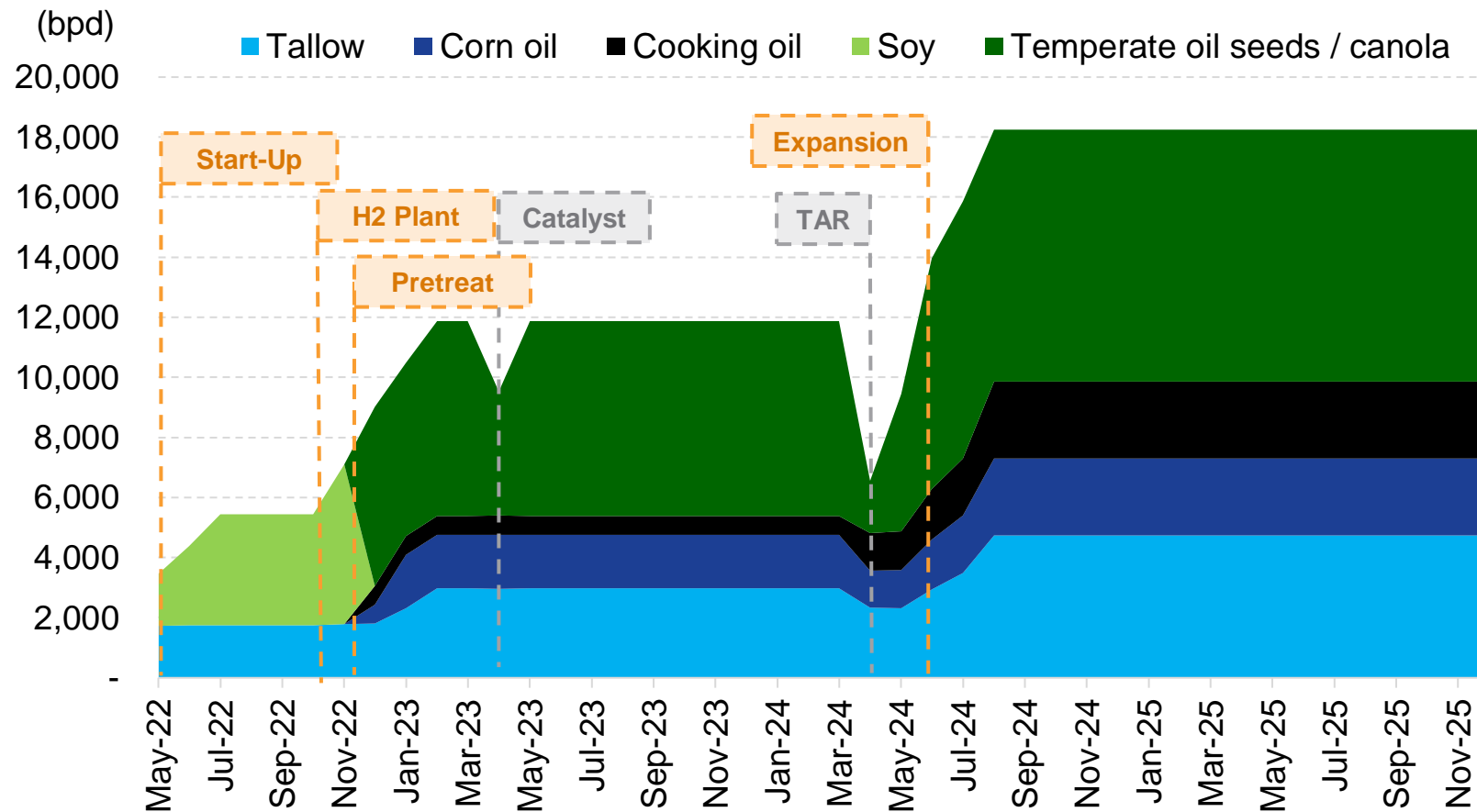
- Technical tallow & RBD soy

## • Fall 2022 Renewable H2 Plant and Feedstock Pretreat

- Opens universe of local temperate seed oils

## • 2024 Expansion

- Hydraulic debottleneck



# Levering a \$450MM Pre-investment

## Existing oversized hydrocracker (new in 2016)

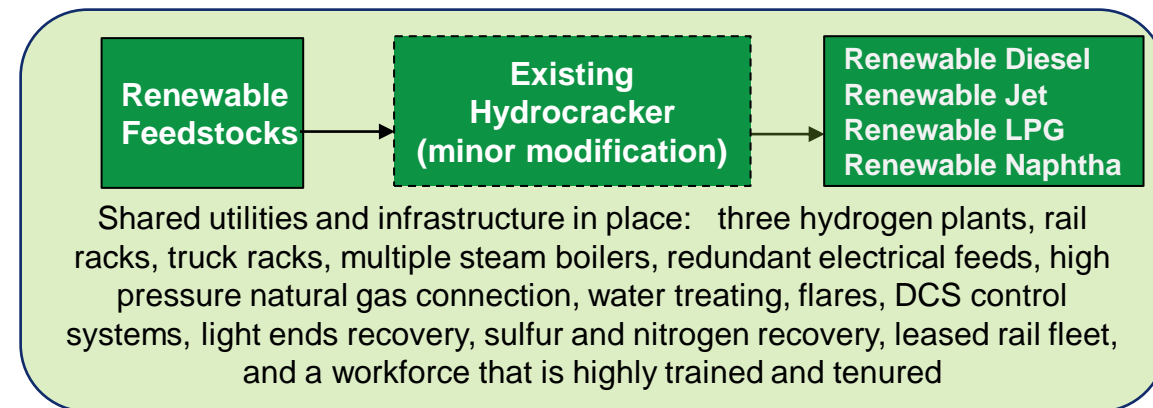
- Mechanically the best conversion in North America
- 317L metallurgy for renewable feedstock
- Logistics already in place

## Growth projects at 100+% IRR

- Renewable Hydrogen project
- Feedstock pretreatment project

## Clean investment offering in a best-in-class competitor

- Best product logistics into Northwest and Canada
- Best strategic footprint for future feedstocks
- Best capex
- Experienced site workforce
- Experienced C-suite over the new business



2017-2020 Average Prices	Original Guidance	Current Guidance
EBITDA (\$MM/yr)	\$175	\$350
Feedrate (000's bpd)	10	14

# MR: Methodology for Backcast

- Assumptions Underlying Backcast Model. The Backcast Model calculates illustrative EBITDA potential during the years 2017-2020 based on the following material assumptions:
- A static charge-and-yield 9,800 bpd Renewable Diesel (RD) production with approximately 10% coproducts, which is held constant across the time period (10,800 bpd feedstock total).
- Feedstock consisting of 100% crude degummed grade soybean oil (SBO) and fancy grade tallow (TAL) passed through a feed pretreatment unit, and price history was sourced from industry sources.
- RD sales are priced delivered at the sum of LA CARB ULSD prices from EIA wholesale price history, D4 RIN price history from the EPA, LCFS credit price history from the CARB, and the Blenders Tax Credit (BTC) from the IRS. Other coproduct prices are based on Calumet company estimates.
- The Carbon Intensity (CI) value assigned to the Great Falls RD product was estimated using pathways previously documented by CARB for 100% SBO as the feedstock.
- Variable processing costs were estimated from the Company's process simulation models; and variable rail freight estimates based on shipping SBO from Illinois and RD product to Los Angeles. Natural gas price is indexed to Henry Hub with local differential adjustments. Other utilities (water, electricity, treating costs) are based on local cost experience. Fixed expense was estimated at \$36M/year for the RD processing train only (excluding the crude processing train) and includes site operations costs, amortized catalyst and turnaround expenses, fixed railcar lease costs and SG&A.
- No interest expense, depreciation, amortization other than catalyst and TAR, or income tax expense is accounted for in the model.
- Using these assumptions, an indicative EBITDA potential was calculated monthly for 2017-2020

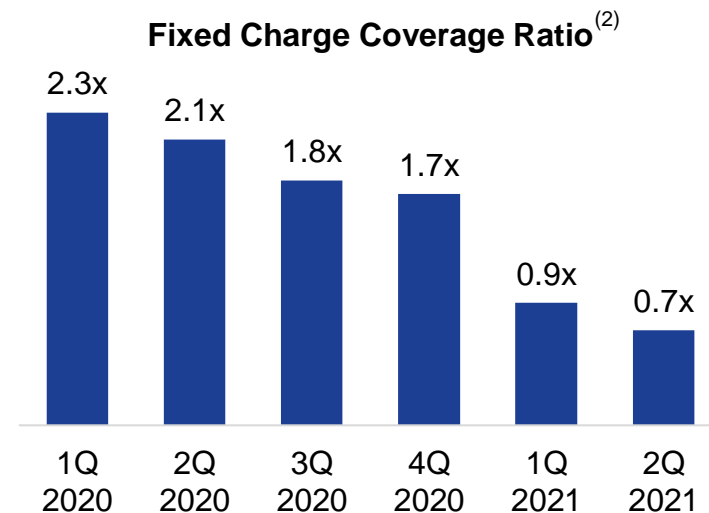
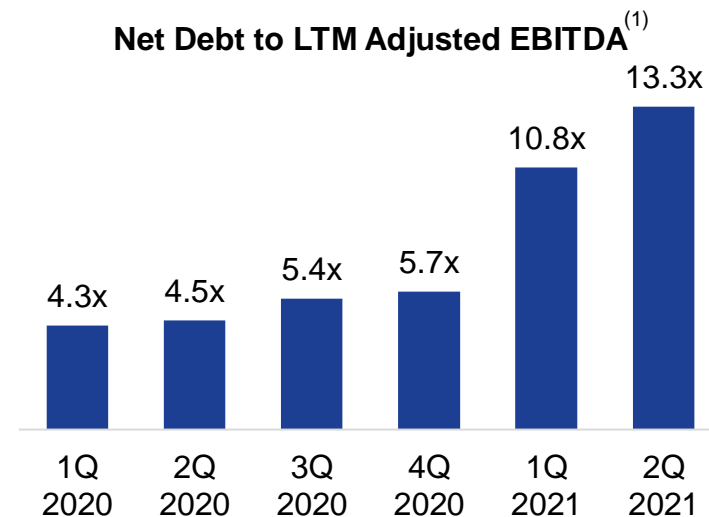
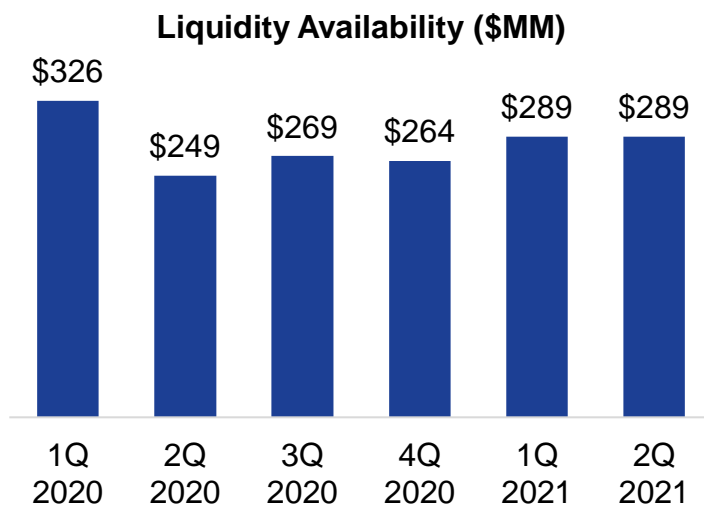
# Montana Is Highly Competitive



<sup>1</sup> Public information compiled by Tudor Pickering Holt (1Q 2021)

# Liquidity and Credit Metrics

- **\$289 MM of liquidity:**
  - **\$35 MM of cash**
  - **\$254 MM of revolver availability**



(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

(2) As defined in the indentures governing the 2022, 2023, 2024 and 2025 senior notes

# Exhibit A: Capital Structure Overview

	Actual	Actual	Actual	Actual	Actual	Actual	Actual
(\$ in millions)	12/31/19	03/31/20	06/30/20	09/30/20	12/31/20	03/31/21	06/30/21
Cash	\$ 19.1	\$ 103.7	\$ 105.4	\$ 109.4	\$ 109.4	\$ 114.2	\$ 34.5
ABL Revolver Borrowings	\$ —	\$ 147.2	\$ 110.3	\$ 100.1	\$ 108.0	\$ 115.5	\$ 73.3
7.625% Senior Notes due 2022	350.0	350.0	350.0	150.0	150.0	150.0	80.0
7.75% Senior Notes due 2023	325.0	325.0	325.0	325.0	325.0	325.0	325.0
9.25% Senior Secured First Lien Notes due 2024	—	—	—	200.0	200.0	200.0	200.0
11.00% Senior Notes due 2025	550.0	550.0	550.0	550.0	550.0	550.0	550.0
Shreveport terminal asset financing arrangement	—	—	—	—	—	69.5	68.0
Finance lease obligations	2.7	3.9	3.9	3.9	3.7	3.6	4.3
Other	3.8	3.4	3.0	2.7	2.3	1.9	1.5
<b>Total Debt</b>	<b>\$ 1,231.5</b>	<b>\$ 1,379.5</b>	<b>\$ 1,342.2</b>	<b>\$ 1,331.7</b>	<b>\$ 1,339.0</b>	<b>\$ 1,415.5</b>	<b>\$ 1,302.1</b>
Partners' Capital/(Deficit)	\$ 21.6	\$ 7.0	\$ 10.9	\$ (44.8)	\$ (128.6)	\$ (273.5)	\$ (351.7)
<b>Total Capitalization</b>	<b>\$ 1,253.1</b>	<b>\$ 1,386.5</b>	<b>\$ 1,353.1</b>	<b>\$ 1,286.9</b>	<b>\$ 1,210.4</b>	<b>\$ 1,142.0</b>	<b>\$ 950.4</b>
LTM Adjusted EBITDA	\$ 258.4	\$ 297.5	\$ 273.8	\$ 228.2	\$ 217.3	\$ 120.1	\$ 95.4
Net Debt / LTM Adjusted EBITDA	4.7 x	4.3 x	4.5 x	5.4 x	5.7 x	10.8 x	13.3 x



# Exhibit B: Reconciliation of Net Income (Loss) to Adjusted EBITDA

(\$ in millions)	FY 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021
Net income (loss)	\$(43.6)	\$(14.4)	\$3.6	\$(56.1)	\$(82.1)	\$(146.1)	\$(78.4)
Add:							
Depreciation and amortization	129.4	31.5	29.8	30.2	28.2	30.9	29.5
LCM / LIFO (gain) loss	(41.8)	66.5	(32.1)	1.1	(7.0)	(22.7)	(17.7)
Interest expense	134.6	29.3	30.6	33.3	32.7	34.2	36.9
Unrealized (gain) loss on derivatives	26.1	(31.6)	1.2	9.2	18.4	6.3	6.9
RINs mark to market (gain) loss	(4.4)	8.1	16.0	9.3	42.4	75.0	48.2
Loss on impairment and disposal of assets	37.0	6.0	0.7	—	0.1	0.7	1.2
Loss on sale of business, net	8.7	—	—	—	—	—	—
Debt extinguishment costs	2.2	—	—	—	—	—	0.4
Gain on sale of unconsolidated affiliate	(1.2)	—	—	—	—	—	—
Other non-recurring (income) expenses	3.5	(1.2)	—	5.5	(1.9)	2.5	0.3
Equity-based compensation and other items	7.4	(2.9)	7.0	2.1	2.7	13.6	4.1
Income tax expense	0.5	0.5	0.2	0.1	0.3	0.2	0.9
Adjusted EBITDA	\$258.4	\$91.8	\$57.0	\$34.7	\$33.8	\$(5.4)	\$32.3

# Exhibit C: Reconciliation of Segment Gross Profit (Loss) to Adjusted Gross Profit (Loss)

(\$ in millions, except per barrel data)

	1Q 2020	2Q 2020	4Q 2020	1Q 2021	2Q 2021
Specialty Products and Solution segment gross profit (loss)	\$(5.9)	\$32.2	\$(8.1)	\$(38.3)	\$7.7
LCM/LIFO inventory (gain) loss	53.9	(23.2)	(7.7)	(17.6)	(11.3)
RINs mark to market loss	5.6	8.5	24.6	43.7	26.0
Depreciation and amortization	16.1	14.4	15.1	16.7	15.6
Specialty Products and Solutions segment Adjusted gross profit	<u>\$69.7</u>	<u>\$31.9</u>	<u>\$23.9</u>	<u>\$4.5</u>	<u>\$38.0</u>
Performance Brands segment gross profit	\$15.3	\$22.4	\$19.9	\$23.5	\$16.4
LCM/LIFO inventory (gain) loss	(0.1)	0.1	0.2	—	(0.5)
Depreciation and amortization	0.7	0.7	0.8	0.7	0.7
Performance Brands segment Adjusted gross profit	<u>\$15.9</u>	<u>\$23.2</u>	<u>\$20.9</u>	<u>\$24.2</u>	<u>\$16.6</u>
Montana/Renewables segment gross profit (loss)	\$14.1	\$9.9	\$(17.2)	\$(27.2)	\$(5.0)
LCM/LIFO inventory (gain) loss	12.7	(9.0)	0.5	(5.1)	(5.9)
RINs mark to market loss	1.0	5.2	13.0	23.3	18.3
Depreciation and amortization	9.3	9.4	6.9	8.6	8.4
Montana/Renewables segment Adjusted gross profit (loss)	<u>\$37.1</u>	<u>\$15.5</u>	<u>\$3.2</u>	<u>\$(0.4)</u>	<u>\$15.8</u>
Reported Specialty Products and Solutions segment gross profit (loss) per barrel	\$(1.02)	\$6.13	\$(1.68)	\$(10.21)	\$1.55
LCM/LIFO inventory (gain) loss per barrel	9.36	(4.41)	(1.60)	(4.69)	(2.27)
RINs mark to market loss per barrel	0.97	1.62	5.11	11.64	5.23
Depreciation and amortization per barrel	2.79	2.74	3.14	4.45	3.14
Specialty Products and Solutions segment Adjusted gross profit per barrel	<u>\$12.10</u>	<u>\$6.08</u>	<u>\$4.97</u>	<u>\$1.19</u>	<u>\$7.65</u>
Reported Performance Brands segment gross profit per barrel	\$119.53	\$183.61	\$160.48	\$166.67	\$123.31
LCM/LIFO inventory (gain) loss per barrel	(0.78)	0.82	1.61	—	(3.76)
Depreciation and amortization per barrel	5.47	5.73	6.46	4.96	5.26
Performance Brands segment Adjusted gross profit per barrel	<u>\$124.22</u>	<u>\$190.16</u>	<u>\$168.55</u>	<u>\$171.63</u>	<u>\$124.81</u>
Reported Montana/Renewables segment gross profit (loss) per barrel	\$5.64	\$3.80	\$(6.67)	\$(10.86)	\$(1.93)
LCM/LIFO inventory (gain) loss per barrel	5.08	(3.46)	0.19	(2.04)	(2.28)
RINs mark to market loss per barrel	0.40	2.00	5.04	9.30	7.08
Depreciation and amortization per barrel	3.73	3.61	2.68	3.43	3.24
Montana/Renewables segment Adjusted gross profit (loss) per barrel	<u>\$14.85</u>	<u>\$5.95</u>	<u>\$1.24</u>	<u>\$(0.17)</u>	<u>\$6.11</u>
Specialty Products and Solutions Adjusted EBITDA	\$69.0	\$33.4	\$25.4	\$(2.2)	\$31.8
Specialty Products and Solutions sales	\$492.8	\$297.6	\$372.3	\$380.1	\$543.8
Specialty Products and Solutions Adjusted EBITDA margin	14.0%	11.2%	6.8%	(0.6)%	5.8%