

Bank of America Merrill Lynch 2017  
Energy Credit Conference



JUNE 7, 2017

# Forward-Looking Statements

This Presentation has been prepared by Calumet Specialty Products Partners, L.P. (the “Company” or “Calumet”) as of June 7, 2017. 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,” “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 involved 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. The risk factors and other factors noted in our most recent Annual Report on Form 10-K 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 release the results of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this Presentation or to reflect the occurrence of unanticipated events.

The information contained herein has been prepared to assist interested parties in making their own evaluation of the Company and does not purport to contain all of the information that an interested party may desire. In all cases, interested parties should conduct their own investigation and analysis of the Company, its assets, financial condition and prospects and of the data set forth in this Presentation. This Presentation shall not be deemed an indication of the state of affairs of the Company, or its businesses described herein, at any time after the date of this Presentation nor an indication that there has been no change in such matters since the date of this Presentation.

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# Calumet at a Glance: Investment Summary



## Specialty Products Focus.

*High margin, high touch, bespoke products for long-term customers.*



## Turnaround Story: Still in Early Innings.

*New management team, culture shift, empowered employees, stabilized liquidity and business starting to turn the corner.*



## “Self-Help” Driving EBITDA Improvement.

*Targeted cost reductions, raw materials optimization, margin enhancements and opportunistic growth projects.*



## Liquidity Improving and Repositioning for Growth.

*Focused on strengthening balance sheet, lowering leverage profile and de-risking business.*

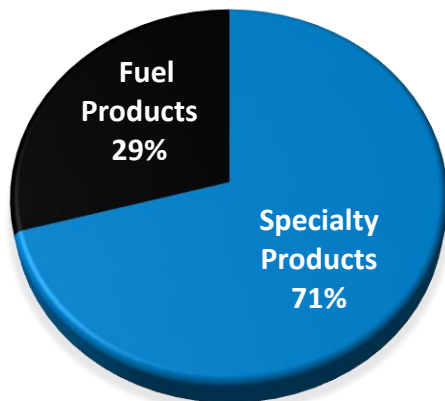


## Committed Long-Term Sponsors.

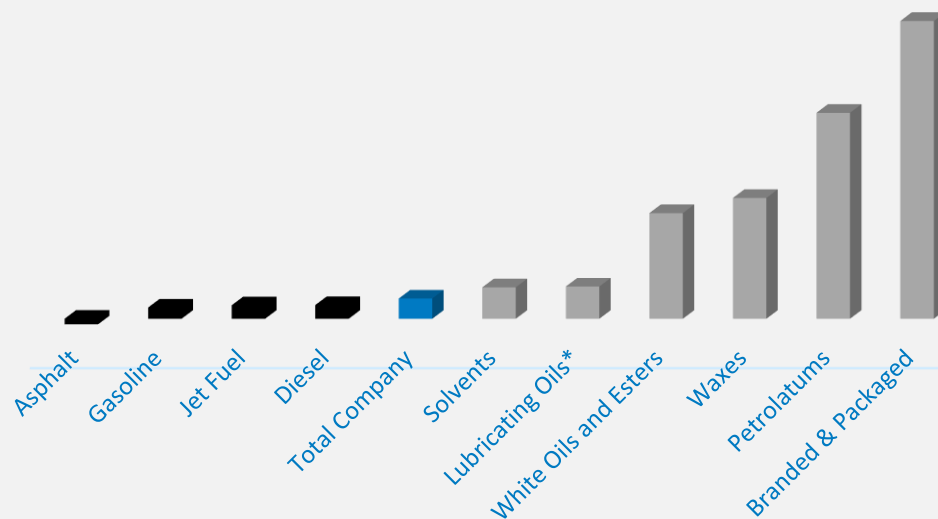
*Founding families own 100% of general partner and 21% of limited partnership units; financially supportive of economic growth.*

# Calumet is First and Foremost a Specialty Company

## TTM EBITDA BY PRODUCT<sup>1</sup>



## Product Differentials to WTI\*



LOWER MARGIN

LOWER VOLUME

### “PRICE-DRIVEN”

- Paraffinic Base Oils
- Solvents

### “QUALITY-DRIVEN”

- White Oils
- Petrolatums
- Naphthenic Base Oils
- Waxes
- Esters

### “BRAND-DRIVEN”

- Packaged & Synthetic Products (Royal Purple, Bel-Ray, TruFuel)

HIGHER VOLUME

HIGHER MARGIN

\* Lubricating Oils = Paraffinic Base Oils + Naphthenic Base Oils; Product Differentials not to perfect scale

<sup>1</sup> Trailing Twelve Months ended March 31, 2017, Oilfield services segment excluded

# Our Geographic Footprint

## SPECIALTY PRODUCTS SEGMENT

**Nine** specialty products facilities that manufacture nearly **4,500** products for global customers

## FUEL PRODUCTS SEGMENT

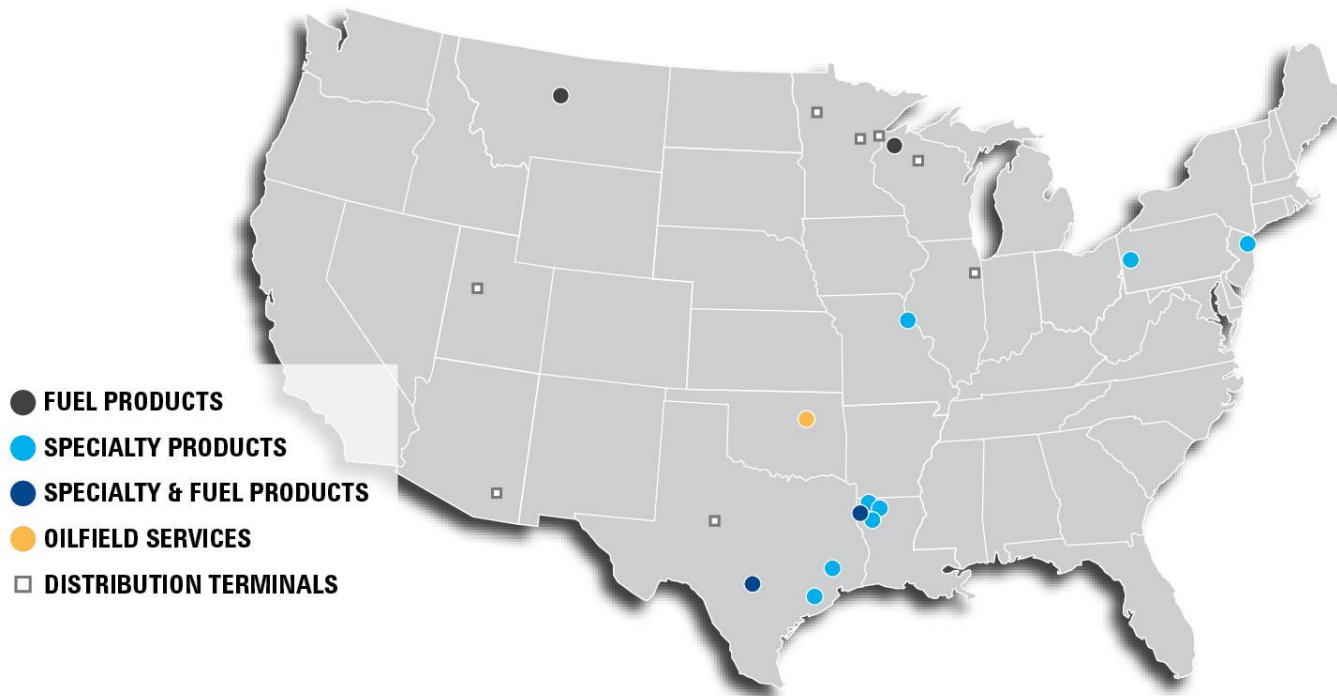
**Four** fuel products refineries with access to cost-advantaged Canadian and domestic shale-based feedstocks

## OILFIELD SERVICES SEGMENT

More than **30** facilities serving **~300** E&P customers that operate in key shale plays in North America

## STORAGE/DISTRIBUTION TERMINALS

In total, we have approximately **13.6 million** barrels of aggregate storage capacity at our facilities and leased storage locations



# Diversified Product Portfolio Serves Wide Range of Industries

## SPECIALTY PRODUCTS



### LUBRICATING OILS

Hydraulic oils  
 Passenger car motor oils  
 Railroad engine oils  
 Cutting oils  
 Compressor oils  
 Metalworking fluids  
 Transformer oils  
 Rubber process oils  
 Industrial lubricants  
 Gear oils and grease  
 Automatic transmission fluids  
 Animal feed dedusting  
 Catalyst carriers

### SOLVENTS

Waterless hand cleaners  
 Alkyd resin diluents  
 Automotive products  
 Calibration fluids  
 Camping fuel  
 Charcoal lighter fluids  
 Chemical processing  
 Drilling fluids  
 Printing inks  
 Water treatment  
 Paint and coatings  
 Stains

### WHITE OIL & PETROLATUMS

Baby oils  
 Bakery pan oils  
 Gelatin capsule lubricants  
 Sunscreen  
 FDA-Compliant products  
 Pharmaceuticals  
 Cosmetics  
 Versagel®

### PACKAGED & SYNTHETIC SPECIALTY PRODUCTS

Refrigeration compressor oils  
 Positive displacement and roto-dynamic compressor oils  
 Commercial and military jet engine oil  
 Lubricating greases and gear oils  
 Aviation hydraulic oils  
 High-performance small engine fuels  
 Two-cycle and four-stroke engine oils  
 High-performance auto engine oils  
 High-performance industrial lubricants  
 High-temp chain lubricants  
 Food contact grade lubricants  
 Charcoal lighter fluids  
 Engine treatment additives

### WAXES

Paraffin waxes  
 Candles  
 Adhesives  
 Crayons  
 Floor care  
 PVC  
 Paint strippers  
 Skin & hair care  
 Timber treatment  
 Waterproofing

### FUELS & ASPHALT

Gasoline  
 Diesel  
 Jet fuel  
 Marine diesel fuel  
 Biodiesel  
 Ethanol  
 Ethanol-free fuels  
 Fluid catalytic cracking feedstock  
 Asphalt vacuum residuals  
 Mixed butanes  
 Roofing  
 Paving  
 Heavy fuel oils

### OILFIELD SERVICES

Drilling fluids  
 Completion fluids  
 Solids control

# Our Strategy & Roadmap for Growth

## OUR VISION

To be the premier specialty petroleum products company in the world.

## OUR MISSION

We build high-return niche businesses through innovation, unmatched customer service and best-in-class operations to deliver quality products that meet the unique needs and specifications of our customers. We capture attractive opportunities where others do not.

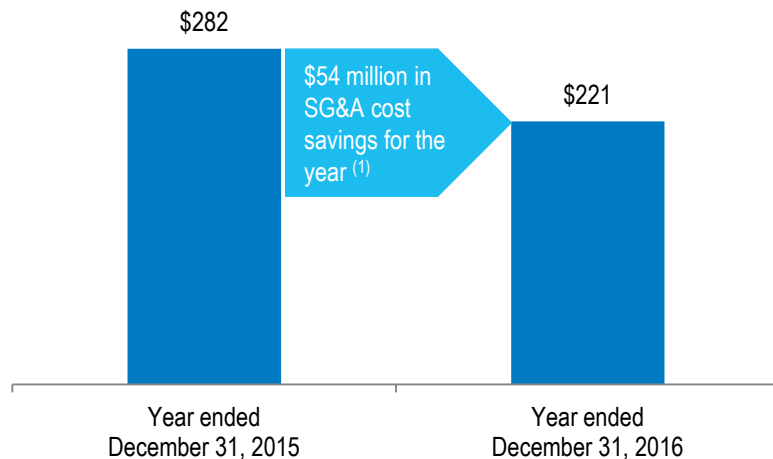


# OPERATIONS EXCELLENCE IN ACTION: Targeted Cost Reductions

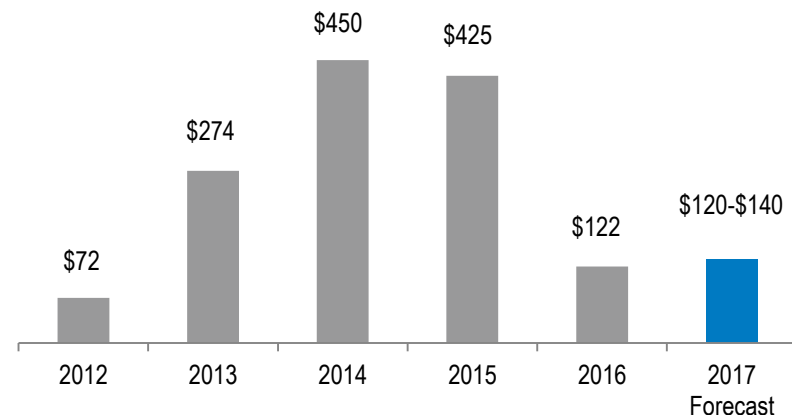


- Over 21% reduction in total SG&A in 2016, totaling \$54 million<sup>(1)</sup> year-over-year
- Total capital spending declined over 70% in 2016 (lowest since 2012)
- Additional reductions in SG&A costs through the quarter, including reductions in headcount
- Transportation, demurrage, and procurement initiatives continue to lower operating costs

**TOTAL YTD SG&A DECLINED BY \$50 MILLION Y/Y**  
(dollars in millions)



**SIGNIFICANT Y/Y DECLINE IN CAPITAL SPENDING**  
(dollars in millions)



(1) Excludes depreciation and amortization

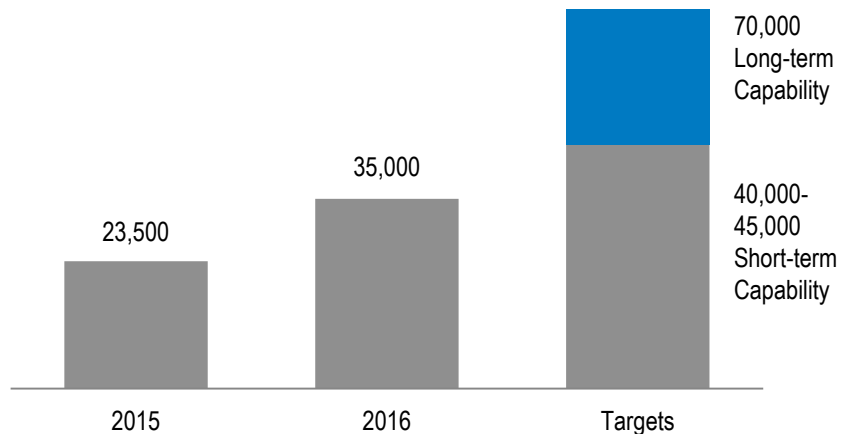


# OPERATIONS EXCELLENCE IN ACTION: Raw Material Optimization



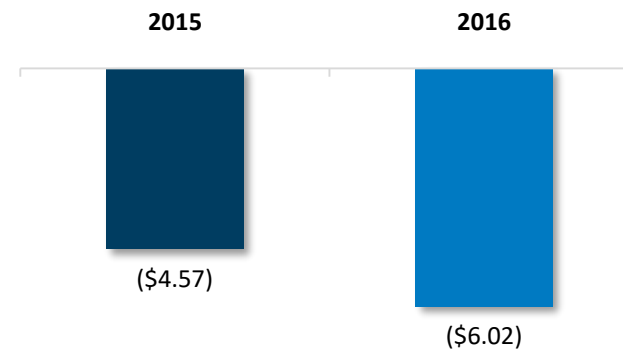
- Processed a record 35,000 bpd of heavy Canadian-based crude oil in 2016 and 36,800 bpd in 1Q17
- Delivered cost of crude oil vs. WTI declined by almost \$1.50/bbl between 2015 and 2016
- Captured \$20 million in “self-help” from heavy-up strategy
- Continued to optimized crude oil costs at Shreveport with the startup of new crude oil pipeline

**PROCESSING INCREASED VOLUME OF HEAVY CANADIAN CRUDE OIL (BPD) \***



**LOWERING OUR COST OF CRUDE OIL VS. WTI**

**Average Differential to WTI (\$/bbl)**  
*(Fuels Refineries)*



\* Includes CHV, CL, Bow River, Hardisty Heavy

# OPERATIONS EXCELLENCE IN ACTION: Margin Enhancements



## ■ Growing High Margin Businesses & Improving Others

- Grew high margin Branded & Packaged (B&P) sales volumes by 18.4% year-over-year during 1Q'17
- Driving improvements in fuels product margins, with sustainable structural improvements

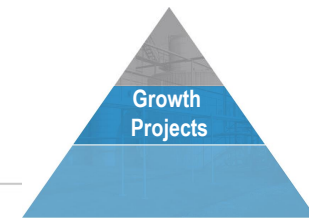
## ■ Supply Chain Efficiencies

- Leveraging scale and integration across portfolio to capture efficiencies in supply chain including Transportation (trucking, rail, water) and Procurement (equipment, materials, additives, utilities, feedstocks)
- Achieved over \$8 million in benefit in 2016 and see additional capture opportunities in 2017

## ■ Product Upgrades

- Upgraded several lower margin fuel products to higher margin specialty products
- Realized \$7 million in additional “self help” from these product upgrade efforts in 2016 and see additional opportunities in 2017

# OPPORTUNISTIC GROWTH PROJECTS: 1-2 Year Payouts, Low Capital Requirements



- **New BP Partnership**
  - Expect to blend and package between 10 to 15 million gallons of their branded lubricants per year in our facilities
  - Utilizes plant more efficiently and significantly increases capacity throughput
- **New Superior Flexibility Project**
  - Improves product yield and recovery
  - Estimated cost \$15 to \$20 million and projected EBITDA in excess of \$10 million annually beginning April 2018
- **New Product Innovation/Development: Two Recent Launches**
  - Both developed in-house by Calumet’s innovation and product development teams
  - **CALPAR™ 4GIII**
    - Calumet becomes first virgin producer of Group III synthetic base oil in the U.S.
  - **CALTRAN 60-00 Group U**
    - Naphthenic transformer oil that meets the International Standard IEC 60296

## SELF-HELP IN ACTION: Bottom-Line Results

- Integrated business teams continue to identify "self-help" opportunities for value creation
- Remain on target to drive incremental EBITDA resulting from these efforts of \$150-200 million by 2018

Additional 2017 "Self-Help"  
Benefit Projected

**\$40-60 MILLION**

2017 YTD =  
\$18 million in  
"Self-Help"

3 Year  
Self-Help Goal  
\$150MM - \$200MM by 4Q 2018

2018

More "self-help"  
to reach goal

2017

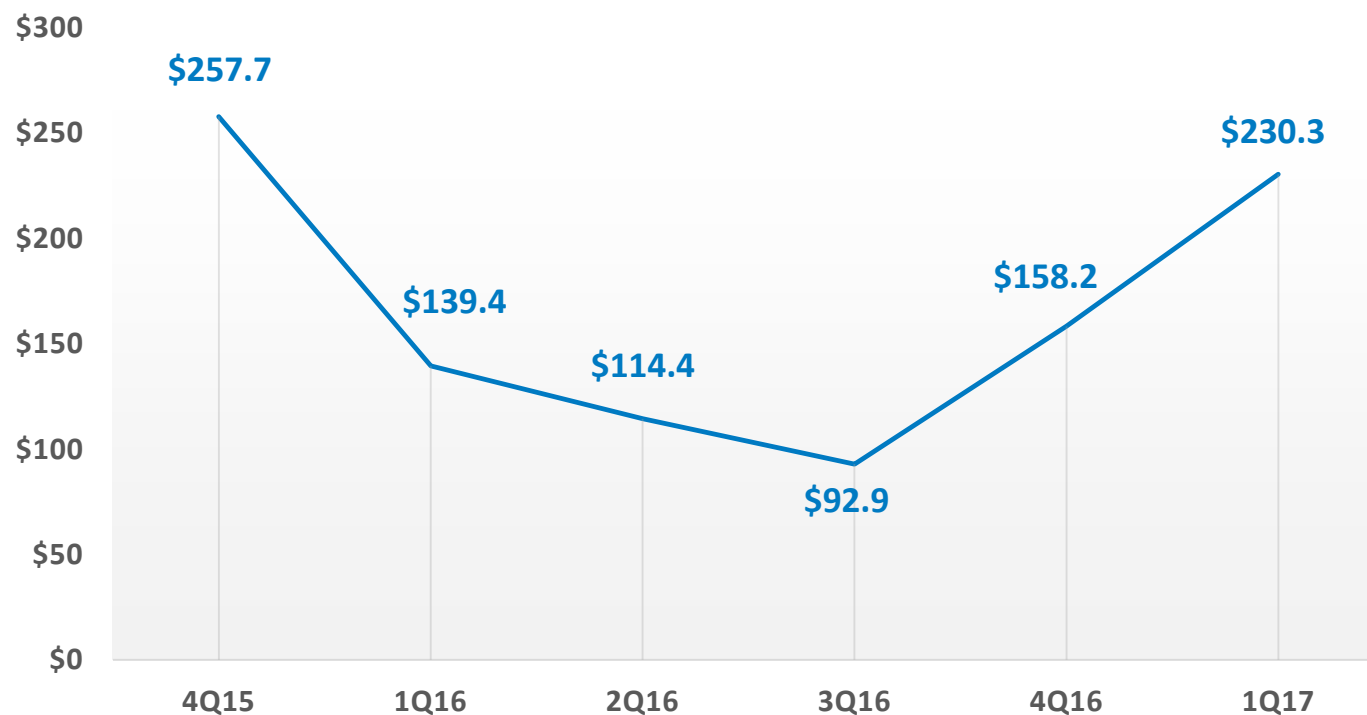
Predicting another  
\$40MM - \$60MM  
in 2017

2016

\$89MM in cost  
reductions, margin  
enhancements,  
and raw material  
optimization

# Turning the Corner

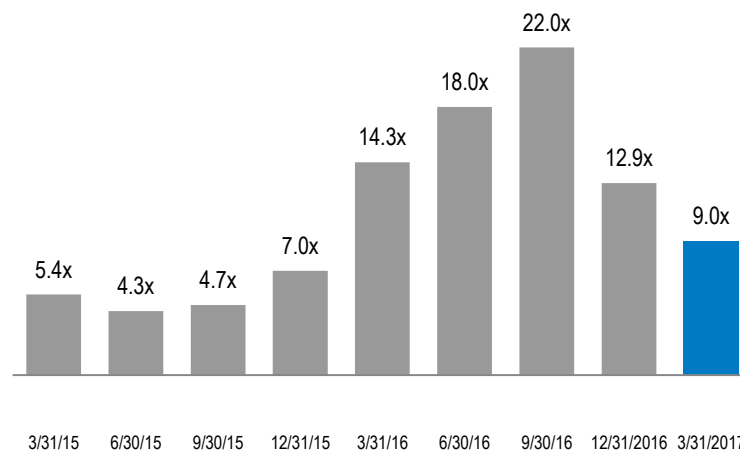
## Trailing Twelve Months Adjusted EBITDA (\$MM)



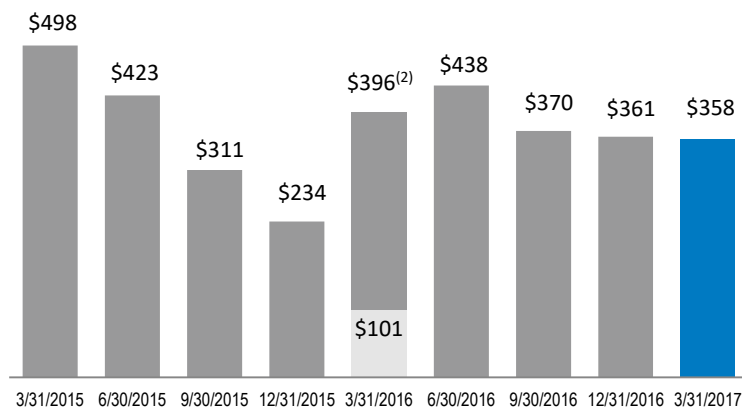
# Business Stability Improving

- Leverage ratio declining and remain committed to lowering further
- Fixed charge coverage ratio improvement
- Liquidity stabilized

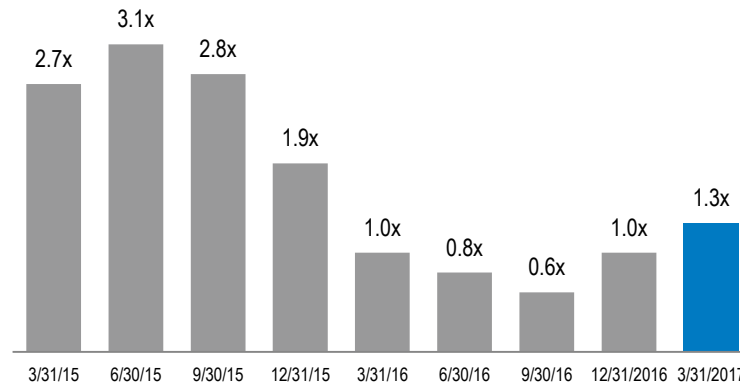
## DEBT TO TTM ADJUSTED EBITDA (LEVERAGE) RATIO



## REVOLVER AVAILABILITY (\$MM)



## FIXED CHARGE COVERAGE RATIO <sup>(1)</sup>



(1) Fixed Charge Coverage Ratio is defined as Adjusted EBITDA divided by consolidated interest expense (plus capitalized interest), neither of which has been pro-forma adjusted for acquisitions or refinancing activity

(2) Proforma, includes proceeds of the 2021 Senior Secured Notes

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*New management team, culture shift, and empowered employees.*



## “Self-Help” Driving EBITDA improvement.

*Targeted cost reductions, raw materials optimization, margin enhancements and opportunistic growth projects.*



## Business Stability and Liquidity Improving.

*Focused on strengthening balance sheet, lowering leverage profile and further de-risking business.*



## Committed Long-Term Sponsors.

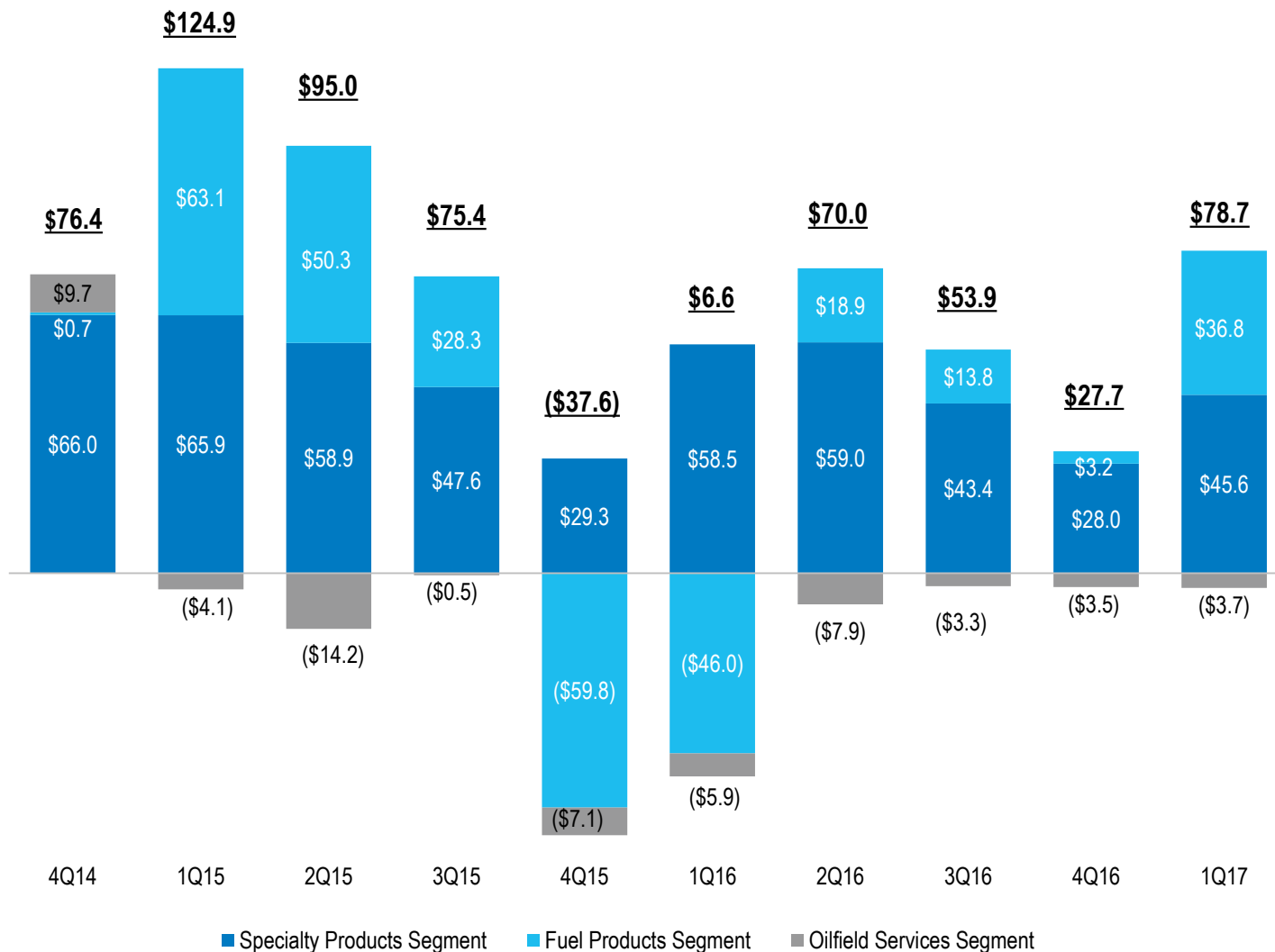
*Founding families own 100% of general partner and 21% of limited partnership units; financially supportive of economic growth.*

# APPENDIX

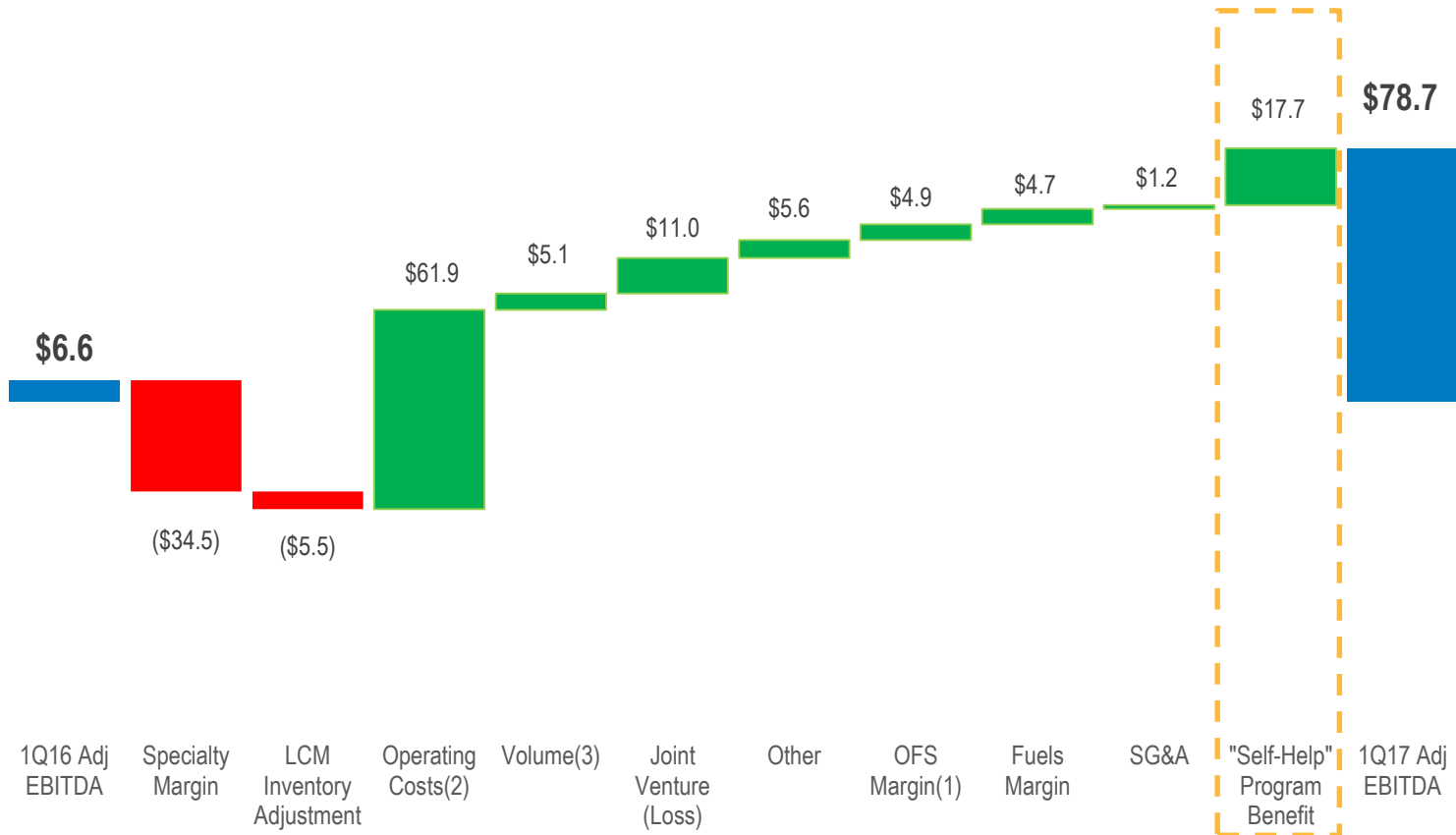
## Supplemental Financial Data



# EXHIBIT A: Historical Adjusted EBITDA by Segment (\$MM)

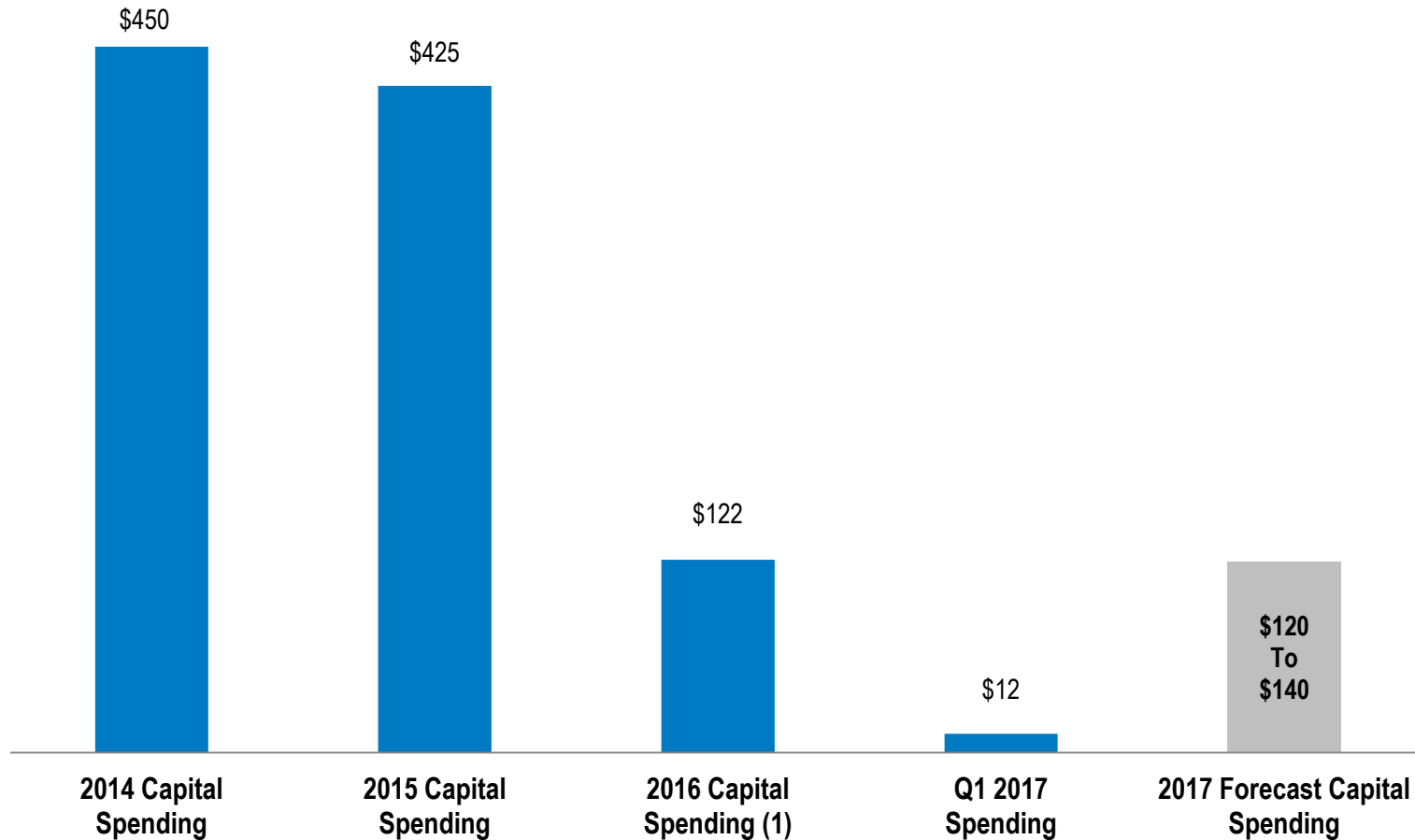


# EXHIBIT B: Adjusted EBITDA Bridge – 1Q16 vs. 1Q17 (\$MM)



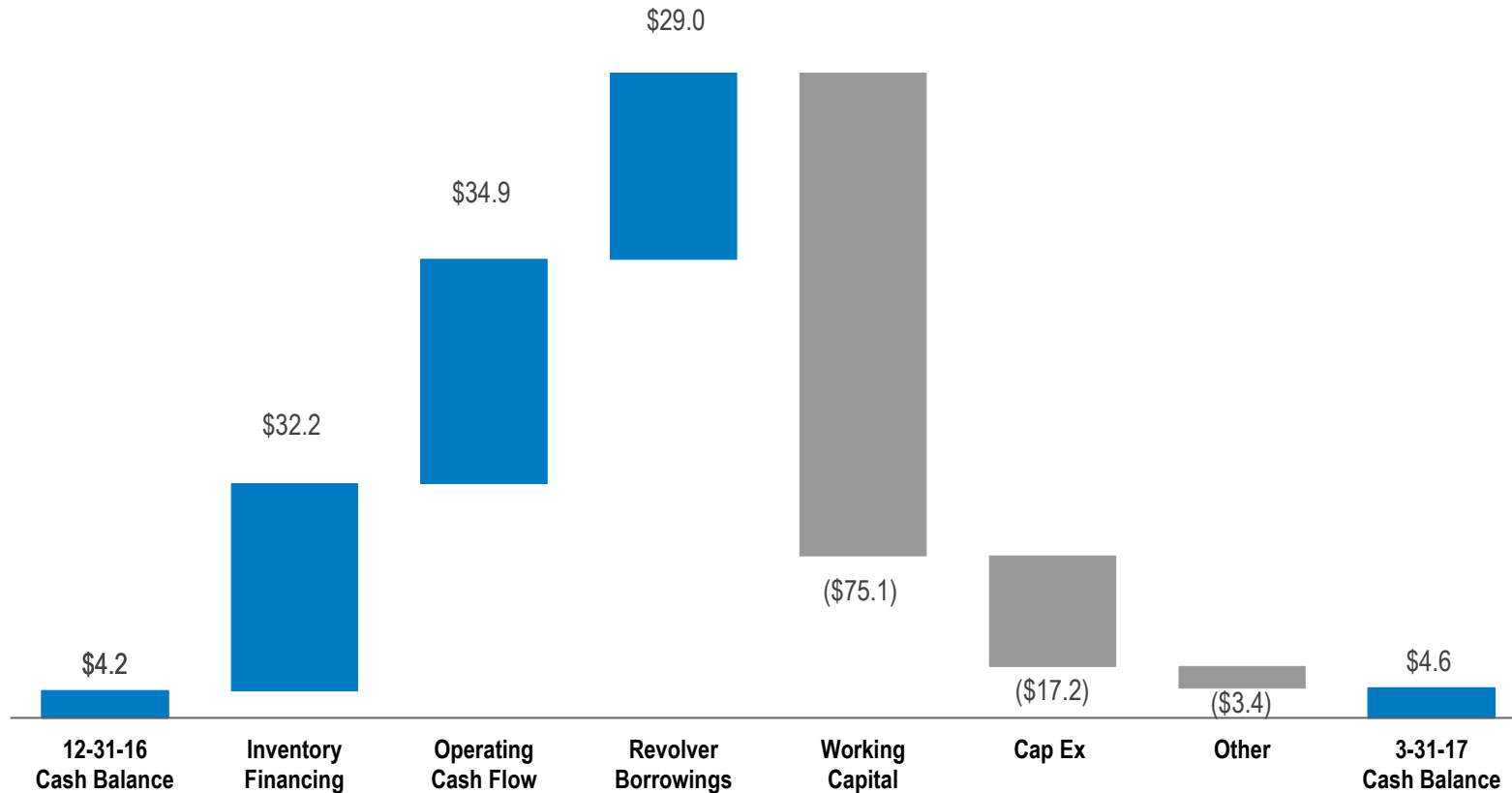
(1) Includes transportation expense and operating costs  
 (2) Includes lower Renewable Identification Numbers ("RINs") costs  
 (3) Includes specialty products and fuel products only

# EXHIBIT C: Historical and Projected Capital Spending (\$MM)



(1) Includes \$36 million of contributions to DPR and \$29 million of proceeds related to the sale of unconsolidated affiliates

# EXHIBIT D: Cash Bridge – 4Q16 vs. 1Q17 (\$MM)



# EXHIBIT E: Capital Structure Overview

(\$ in millions)	Actual 6/30/15	Actual 9/30/15	Actual 12/31/15	Actual 3/31/16	Actual 6/30/16	Actual 9/30/16	Actual 12/31/16	Actual 3/31/17
Cash	\$ 11.7	\$ 6.2	\$ 5.6	\$ 7.2	\$ 32.2	\$ 17.8	\$ 4.2	\$ 4.6
ABL Revolver Borrowings	\$ 103.1	\$ 107.7	\$ 111.0	\$ 294.9	\$ 0.1	\$ 0.1	\$ 10.2	\$ 39.2
7.625% Senior Notes due 2022	\$ 350.0	\$ 350.0	\$ 350.0	\$ 350.0	\$ 350.0	\$ 350.0	\$ 350.0	\$ 350.0
6.50% Senior Notes due 2021	\$ 900.0	\$ 900.0	\$ 900.0	\$ 900.0	\$ 900.0	\$ 900.0	\$ 900.0	\$ 900.0
7.75% Senior Notes due 2023	\$ 325.0	\$ 325.0	\$ 325.0	\$ 325.0	\$ 325.0	\$ 325.0	\$ 325.0	\$ 325.0
11.50% Senior Secured Notes due 2021	\$ -	\$ -	\$ -	\$ -	\$ 400.0	\$ 400.0	\$ 400.0	\$ 400.0
Note Payable - related party	\$ -	\$ -	\$ 75.0	\$ 73.4	\$ 40.7	\$ 19.6	\$ -	\$ -
Capital Leases	\$ 43.4	\$ 46.9	\$ 46.4	\$ 46.1	\$ 45.6	\$ 47.5	\$ 46.5	\$ 45.9
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.6	\$ 8.0	\$ 7.6
<b>Total Debt</b>	<b>\$ 1,721.5</b>	<b>\$ 1,729.6</b>	<b>\$ 1,807.4</b>	<b>\$ 1,989.4</b>	<b>\$ 2,061.4</b>	<b>\$ 2,046.8</b>	<b>\$ 2,039.7</b>	<b>\$ 2,067.7</b>
Partners' Capital	\$ 871.7	\$ 763.9	\$ 603.9	\$ 478.5	\$ 331.5	\$ 294.2	\$ 218.7	\$ 213.3
<b>Total Capitalization</b>	<b>\$ 2,593.2</b>	<b>\$ 2,493.5</b>	<b>\$ 2,411.3</b>	<b>\$ 2,467.9</b>	<b>\$ 2,392.9</b>	<b>\$ 2,341.0</b>	<b>\$ 2,258.4</b>	<b>\$ 2,281.0</b>
LTM Adjusted EBITDA (as reported)	\$ 403.8	\$ 371.7	\$ 257.7	\$ 139.4	\$ 114.4	\$ 92.9	\$ 158.2	\$ 230.3
Total Debt / LTM Adjusted EBITDA (as reported)	4.3 x	4.7 x	7.0 x	14.3 x	18.0 x	22.0 x	12.9 x	9.0 x
Total Debt / Total Capitalization	66%	69%	75%	81%	86%	87%	90%	91%

# EXHIBIT F: Reconciliation of Adjusted EBITDA and Distributable Cash Flow

(\$ in millions)	Quarter Ended							
	6/30/15	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17
Sales	\$ 1,156	\$ 1,140	\$ 898	\$ 713	\$ 973	\$ 967	\$ 947	\$ 937
Cost of sales	954	975	866	627	842	856	866	798
Gross profit	203	165	32	86	131	110	81	140
Selling, general and administrative	70	67	68	58	51	54	58	59
Transportation	42	46	45	39	45	42	43	41
Taxes other than income taxes	4	6	4	6	4	5	5	6
Asset impairment	-	34	-	-	33	-	2	-
Other	3	3	2	2	-	(1)	-	2
Total operating expenses	119	155	119	105	134	100	109	108
Operating income (loss)	84	10	(87)	(19)	(3)	10	(28)	32
Other	(90)	(66)	(36)	(49)	(145)	(51)	(52)	(38)
Income tax benefit	(9)	(8)	(7)	-	-	(8)	-	-
Net income (loss)	\$ 3	\$ (49)	\$ (117)	\$ (68)	\$ (148)	\$ (33)	\$ (80)	\$ (6)
Interest expense and debt extinguishment costs	74	26	25	30	43	45	44	44
Depreciation and amortization	36	36	38	39	44	45	44	41
Income tax benefit	(9)	(8)	(7)	-	-	(8)	(1)	-
<b>EBITDA</b>	<b>\$ 103</b>	<b>\$ 5</b>	<b>\$ (60)</b>	<b>\$ 2</b>	<b>\$ (61)</b>	<b>\$ 48</b>	<b>\$ 8</b>	<b>\$ 79</b>
Hedging adjustments - non-cash	(18)	3	10	(7)	(26)	-	6	(11)
Impairment charges	-	58	-	-	33	-	3	-
Amortization of turnaround costs	7	7	10	9	8	8	8	7
Loss on sale of unconsolidated affiliate	-	-	-	-	114	-	-	-
Non-cash equity based compensation and other non-cash items	3	3	3	3	2	(2)	3	3
<b>Adjusted EBITDA</b>	<b>\$ 95</b>	<b>\$ 75</b>	<b>\$ (38)</b>	<b>\$ 7</b>	<b>\$ 70</b>	<b>\$ 54</b>	<b>\$ 28</b>	<b>\$ 79</b>
Replacement and environmental capital expenditures <sup>(1)</sup>	(10)	(16)	(11)	(8)	(3)	(9)	(9)	(5)
Cash interest expense	(26)	(23)	(24)	(28)	(40)	(42)	(42)	(42)
Turnaround costs	(3)	(9)	(4)	(6)	(2)	(1)	-	(1)
Loss from unconsolidated affiliates	8	10	14	11	7	-	-	-
Income tax benefit	9	8	7	-	-	8	1	-
<b>Distributable Cash Flow</b>	<b>\$ 73</b>	<b>\$ 45</b>	<b>\$ (55)</b>	<b>\$ (25)</b>	<b>\$ 32</b>	<b>\$ 10</b>	<b>\$ (23)</b>	<b>\$ 32</b>

(1) Replacement capital expenditures are defined as those capital expenditures which do not increase operating capacity or reduce operating costs and exclude turnaround costs. Environmental capital expenditures include asset additions that meet or exceed environmental and operating regulations. Investors may refer to our Quarterly Reports on Form 10-Q or quarterly earnings releases for a reconciliation of distributable cash flow to net cash provided by (used in) operating activities.

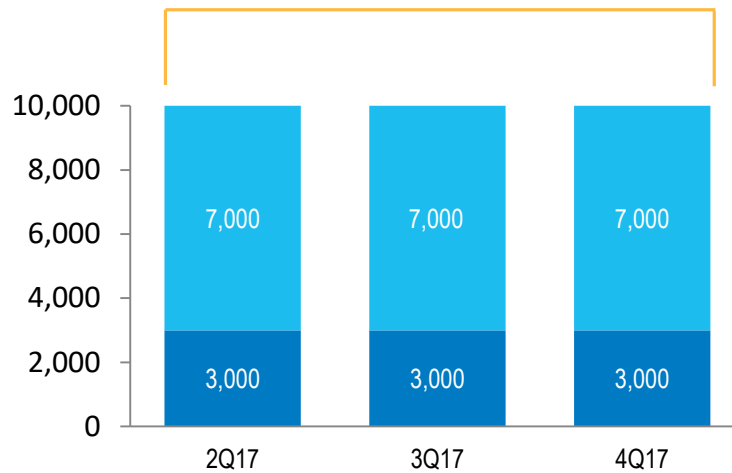
Note: Sum of individual line items may not equal subtotal or total amounts due to rounding.

# EXHIBIT G: Reconciliation of Segment Adjusted EBITDA to Net Income (Loss)

	Quarter Ended										
	12/31/14	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	
(\$ in millions)											
Segment Adjusted EBITDA											
Specialty products Adjusted EBITDA	\$ 66.0	\$ 65.9	\$ 58.9	\$ 47.6	\$ 29.3	\$ 58.5	\$ 59.0	\$ 43.4	\$ 28.0	\$ 45.6	
Fuel products Adjusted EBITDA	0.7	63.1	50.3	28.3	(59.8)	(46.0)	18.9	13.8	3.2	36.8	
Oilfield services Adjusted EBITDA	9.7	(4.1)	(14.2)	(0.5)	(7.1)	(5.9)	(7.9)	(3.3)	(3.5)	(3.7)	
Total segment Adjusted EBITDA	\$ 76.4	\$ 124.9	\$ 95.0	\$ 75.4	\$ (37.6)	\$ 6.6	\$ 70.0	\$ 53.9	\$ 27.7	\$ 78.7	
Less:											
Unrealized (gain) loss on derivative instruments	\$ 23.2	\$ 27.9	\$ (5.2)	\$ 5.0	\$ 11.8	\$ (4.6)	\$ (23.8)	\$ 4.9	\$ 3.6	\$ (10.6)	
Realized gain (loss) on derivatives, not included in net income (loss) or settled in a prior period	6.5	6.1	(12.6)	(1.9)	(1.6)	(2.1)	(2.3)	(4.8)	2.8	-	
Amortization of turnaround costs	6.2	6.1	6.6	6.7	9.6	9.1	8.3	7.9	8.0	7.4	
Impairment charges	36.0	-	-	58.1	-	-	33.4	-	2.5	0.4	
Loss on sale of unconsolidated affiliate	-	-	-	-	-	-	113.9	-	-	-	
Non-cash equity based compensation and other non-cash items	4.1	3.4	2.8	2.8	3.0	2.6	1.5	(2.2)	3.1	2.8	
EBITDA	\$ 0.4	\$ 81.4	\$ 103.4	\$ 4.7	\$ (60.4)	\$ 1.6	\$ (61.0)	\$ 48.1	\$ 7.8	\$ 78.7	
Less:											
Interest expense	\$ 27.5	\$ 27.0	\$ 27.4	\$ 25.5	\$ 25.0	\$ 30.3	\$ 42.8	\$ 44.6	\$ 44.0	\$ 43.9	
Debt extinguishment costs	-	-	46.6	-	-	-	-	-	-	-	
Depreciation and amortization	37.6	35.4	36.0	36.0	38.0	38.8	43.8	44.5	44.0	41.1	
Income tax expense (benefit)	(1.2)	(4.8)	(9.1)	(7.9)	(6.6)	0.2	0.3	(7.6)	(0.6)	(0.1)	
Net income (loss)	\$ (63.5)	\$ 23.8	\$ 2.5	\$ (48.9)	\$ (116.8)	\$ (67.7)	\$ (147.9)	\$ (33.4)	\$ (79.6)	\$ (6.2)	

# EXHIBIT H: Hedged a Portion of Anticipated 2017 WCS Purchases

**Average Fixed Differential Price: (\$13.22)**  
**Average WCS % of WTI: 72.3%**



- WCS % Volume Hedged (barrels per day)
- WCS-Fixed Differential Volume Hedged (barrels per day)



## CONTACT INFORMATION

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