



Fourth Quarter and Full Year 2016

Financial Results Conference Call

February 24, 2017



CALUMET

SPECIALTY PRODUCTS PARTNERS, L.P.



Forward-Looking Statements

This Presentation has been prepared by Calumet Specialty Products Partners, L.P. (the “Company” or “Calumet”) as of February 24, 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 and Quarterly Reports on Form 10-Q. The risk factors and other factors noted in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q 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.

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PERFORMANCE OVERVIEW

Tim Go

Chief Executive Officer



2016 Highlights: Setting the Foundation for the Recovery

- **Successfully navigated difficult industry conditions that impacted all three of our businesses**
 - Intensified our focus throughout 2016 and executed aggressively against our strategic plan
- **Set the long-term direction and solidified the foundation**
 - Shifted long-term vision to become the premier producer of petroleum-based specialty products in the market
 - Took decisive action to extend debt obligations and boost liquidity
 - Began the process of optimizing our asset base through the sale of Dakota Prairie (DPR) and by shedding some third party terminal agreements
- **Despite industry conditions, set numerous annual records**
 - Production, throughput and fuel sales volume
 - Sales volumes for diesel, asphalt, esters, lubricating oils, and branded and packaged (B&P) products
 - Record profit contribution from several Specialty business lines
- **Shifted culture/focus: elimination of waste, driving efficiencies and applying best practices**
 - Implemented first step of our strategic plan and “self help” program
 - Included implementation of core operations excellence platform, which exceeded 2016 goals (\$60-75 million) contributing over \$89 million in additional Adjusted EBITDA
 - Capex of \$122 million also ahead of \$125-150 million original projections
- **Realigned and reinvigorated management team**
 - Added significant talent across the management team with deep and diverse energy experience

Welcome West Griffin

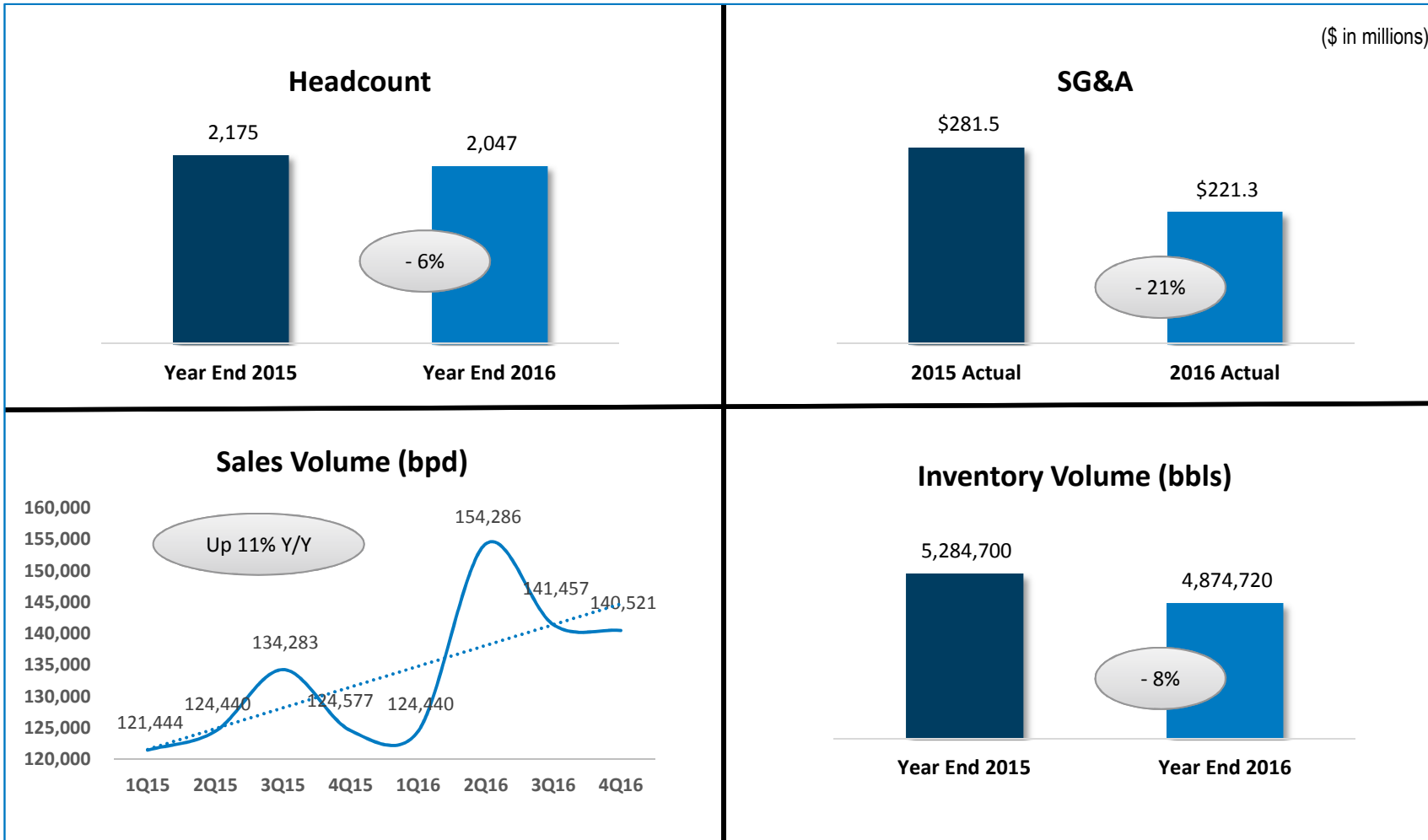


Background:

- Appointed Executive Vice President & Chief Financial Officer (CFO) in January, 2017
- Responsible for all financing and capital markets activities, as well as overseeing the internal finance, accounting and IT functions
- Historical Experience:
 - Energy XXI
 - Alon USA
 - InterGen North America
 - Investment banking at BT Securities and UBS
- Bachelor's in Engineering degree as well as an MBA from Dartmouth College

Operations Excellence in Action

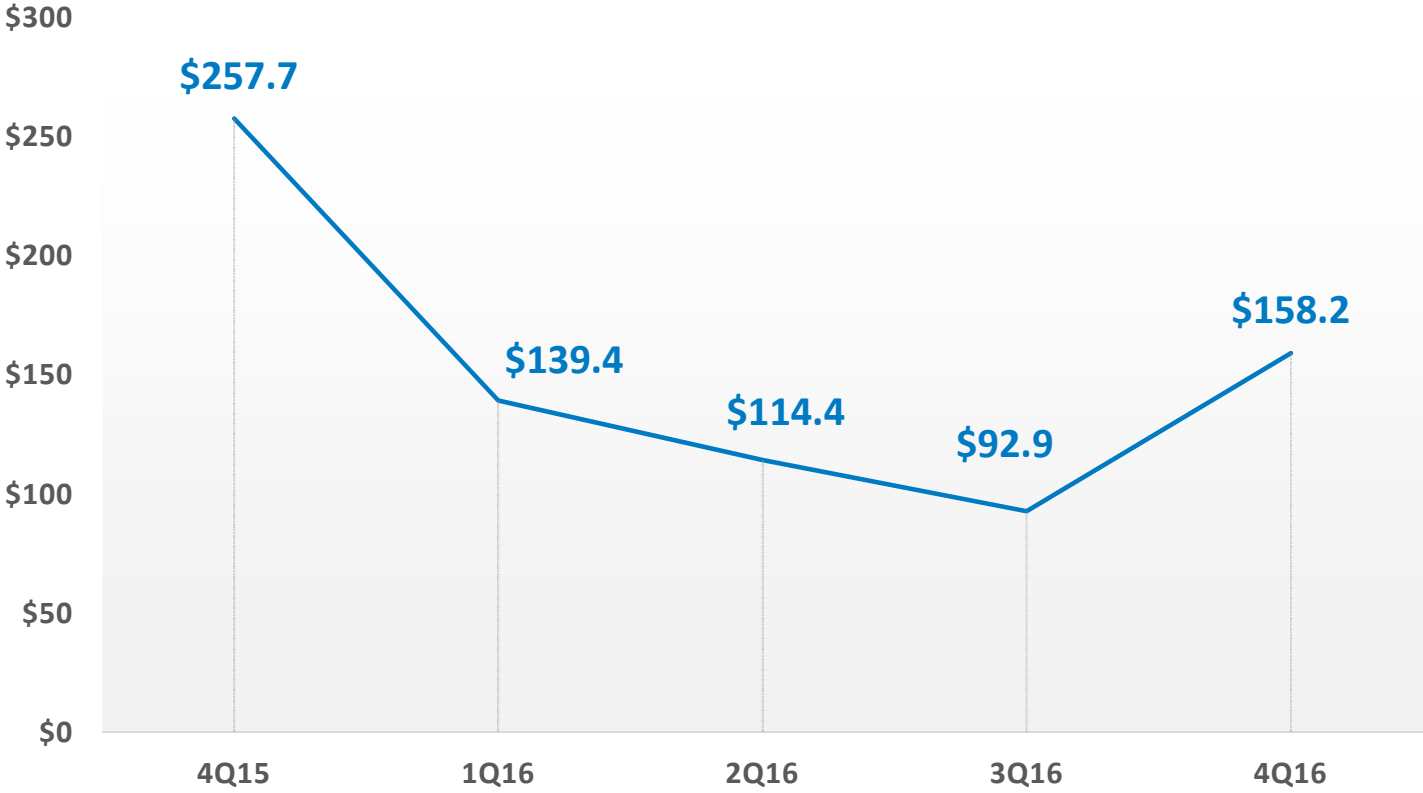
Moving to more efficient operations...



...while hitting record volume and minimizing inventory.

Starting to Turn the Corner

Trailing Twelve Months Adjusted EBITDA (\$MM)



(in millions of dollars)



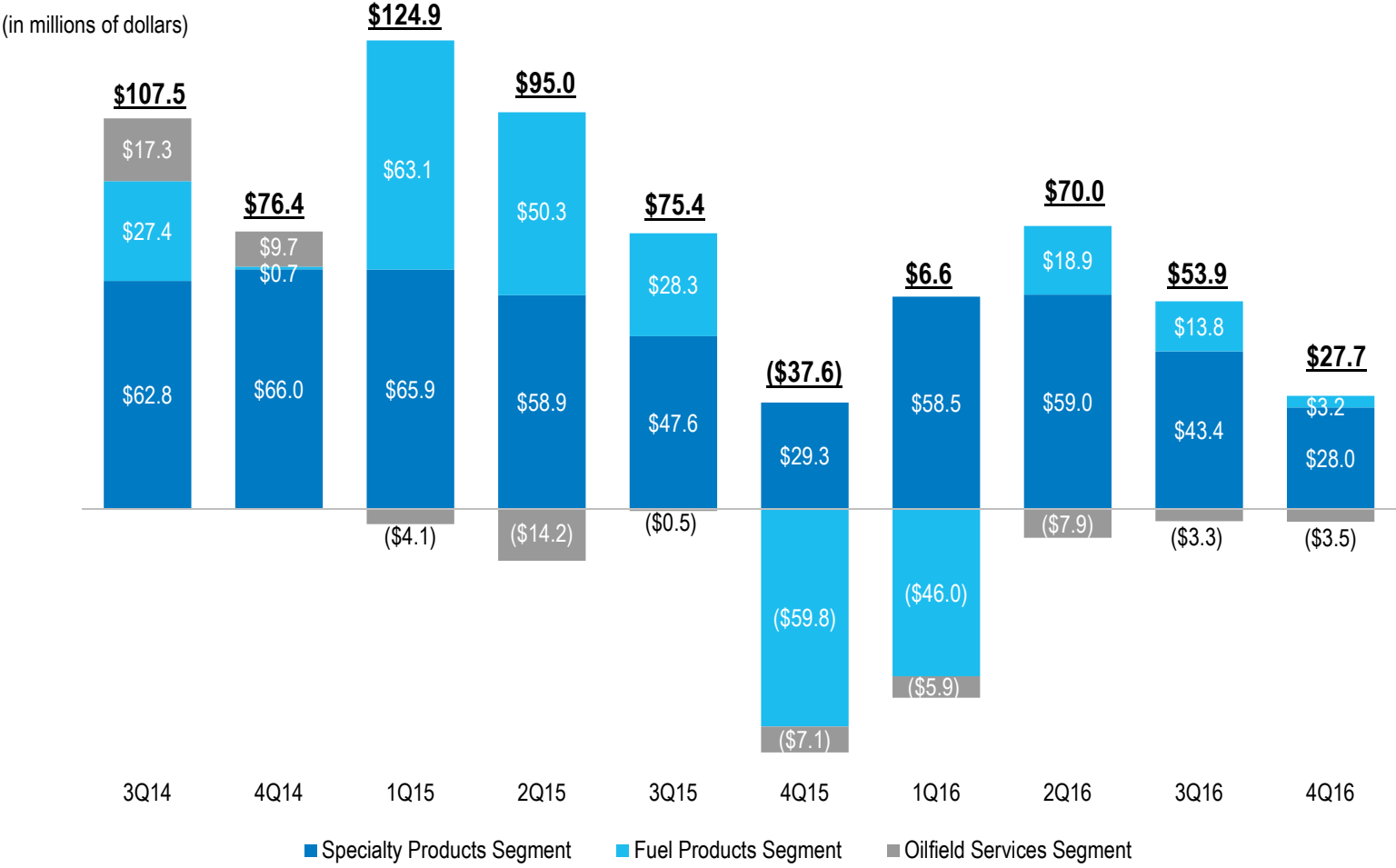
4Q16 FINANCIAL UPDATE

Pat Murray

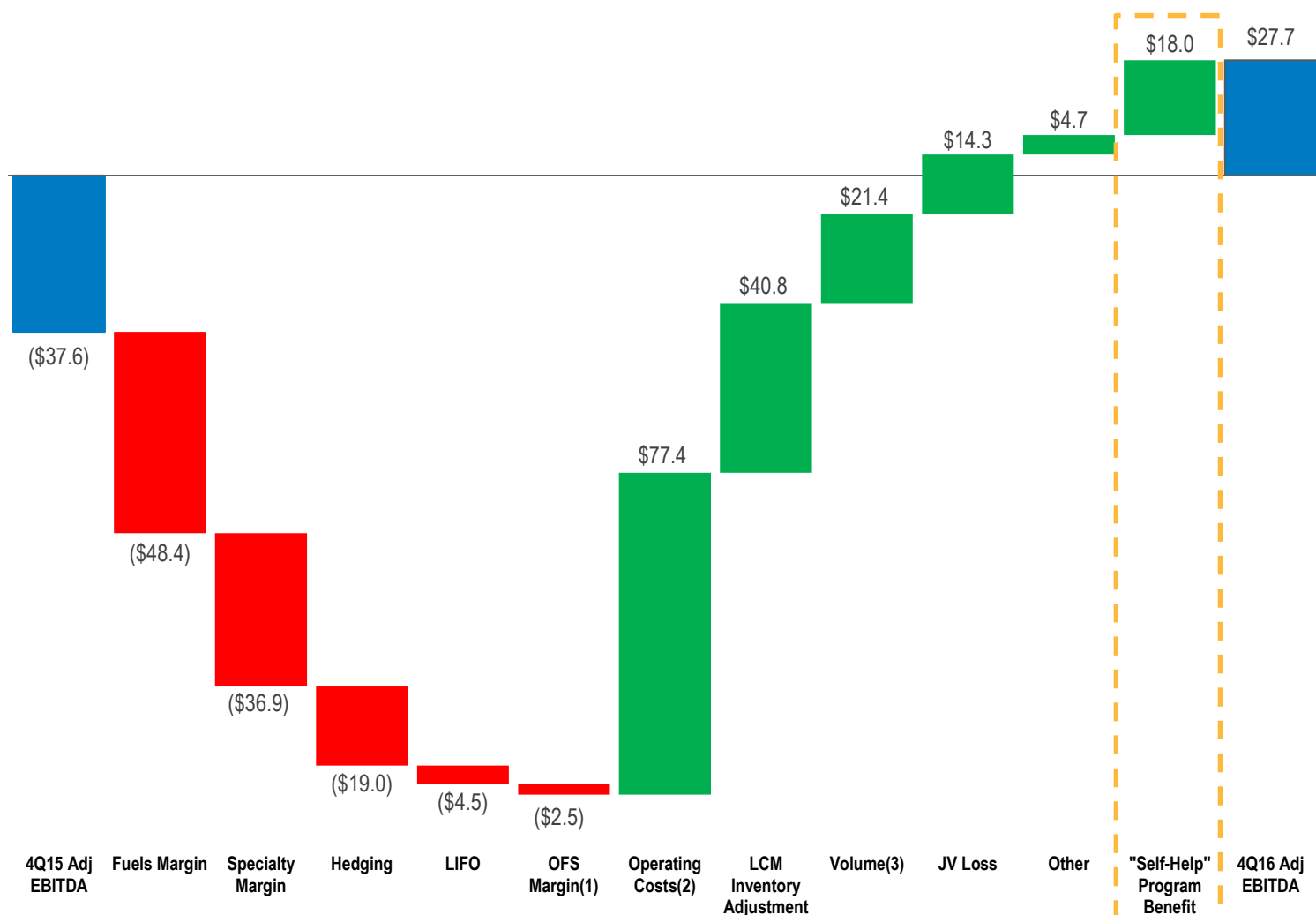
VP and Chief Accounting Officer



Historical Adjusted EBITDA by Segment (\$MM)

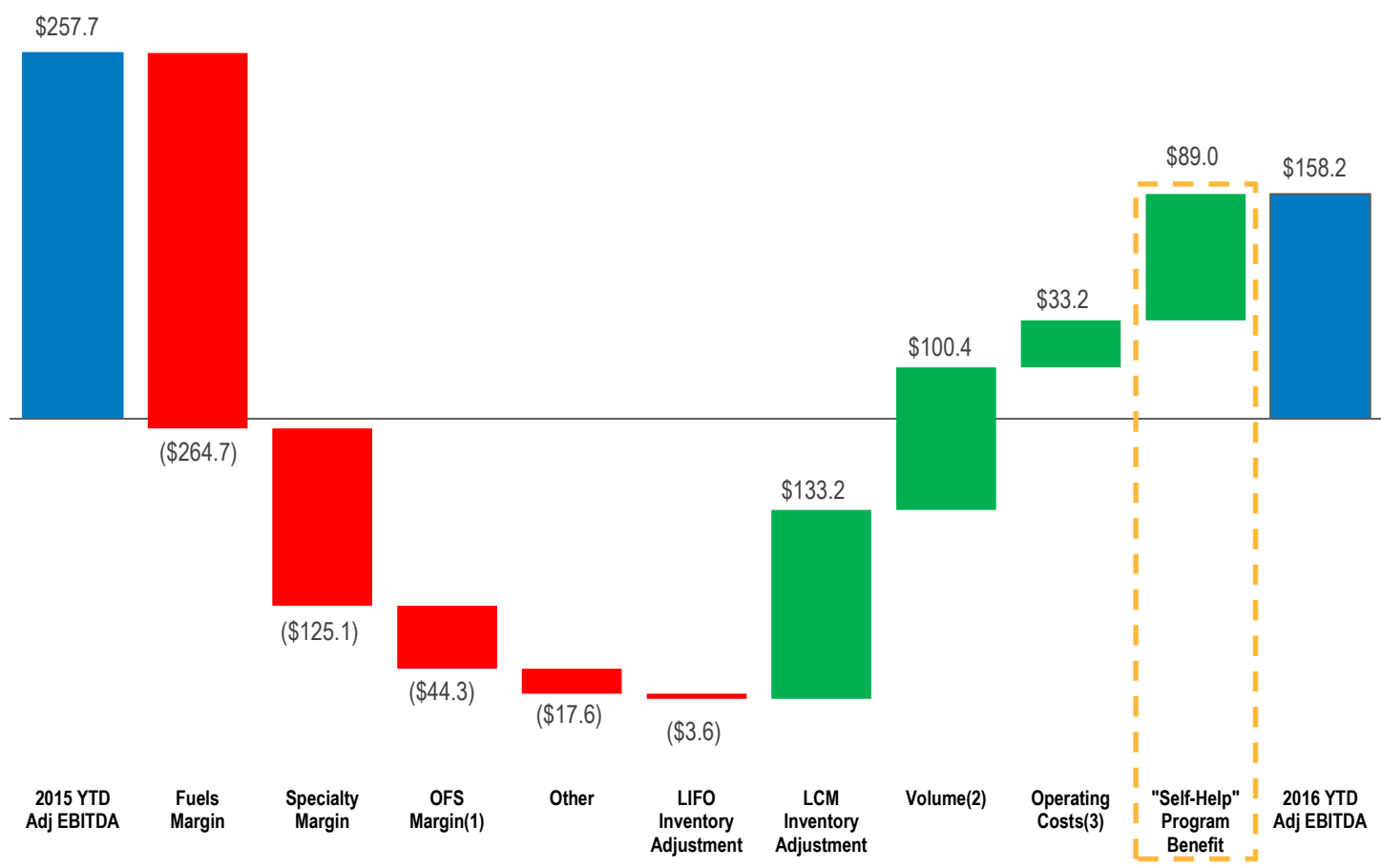


Adjusted EBITDA Bridge – 4Q15 vs. 4Q16 (\$MM)



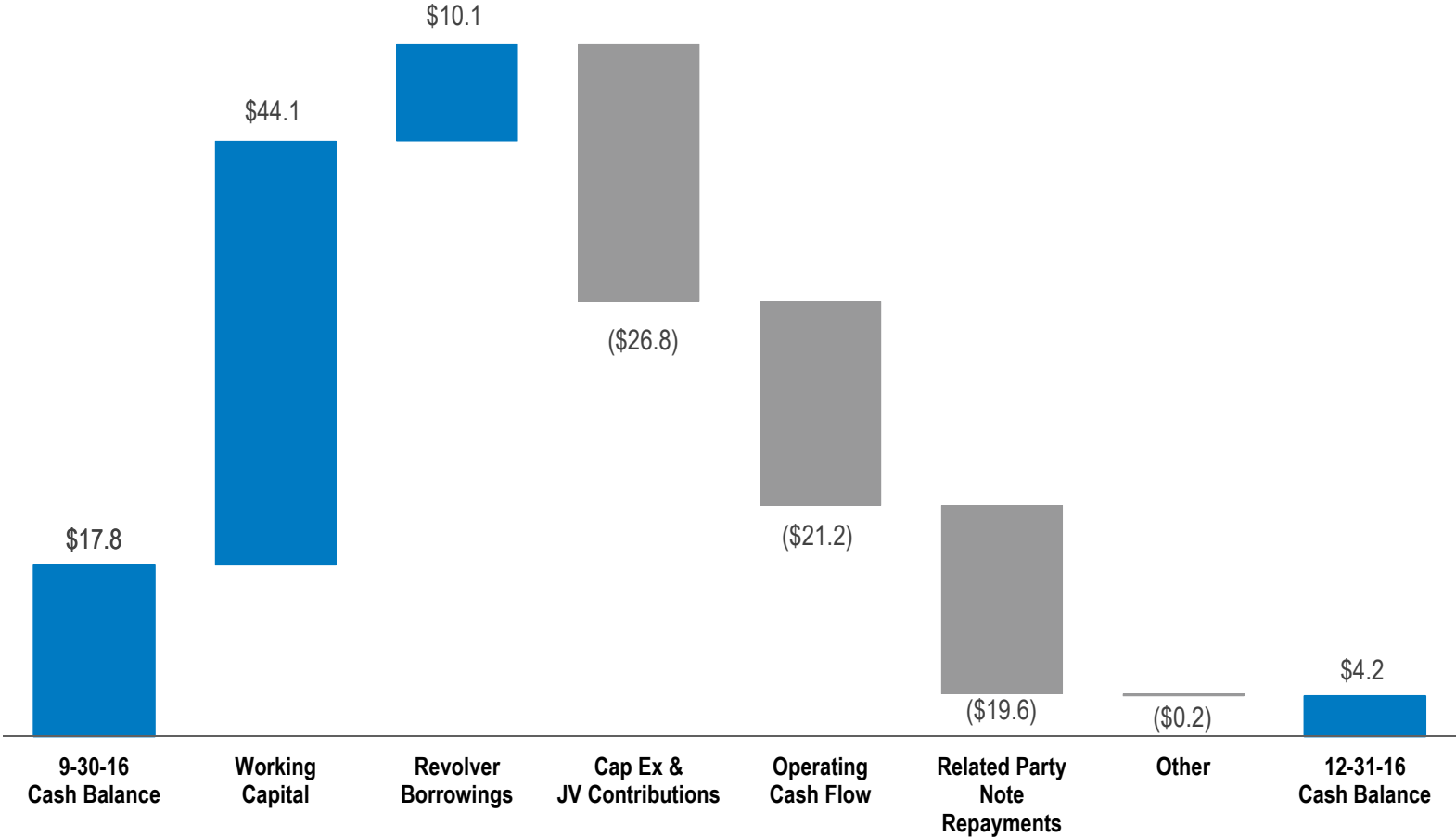
(1) Includes transportation expense and operating costs
 (2) Includes Renewable Identification Numbers ("RINs") mark to market impacts
 (3) Includes specialty products and fuel products only

Adjusted EBITDA Bridge –2015 vs. 2016 (\$MM)

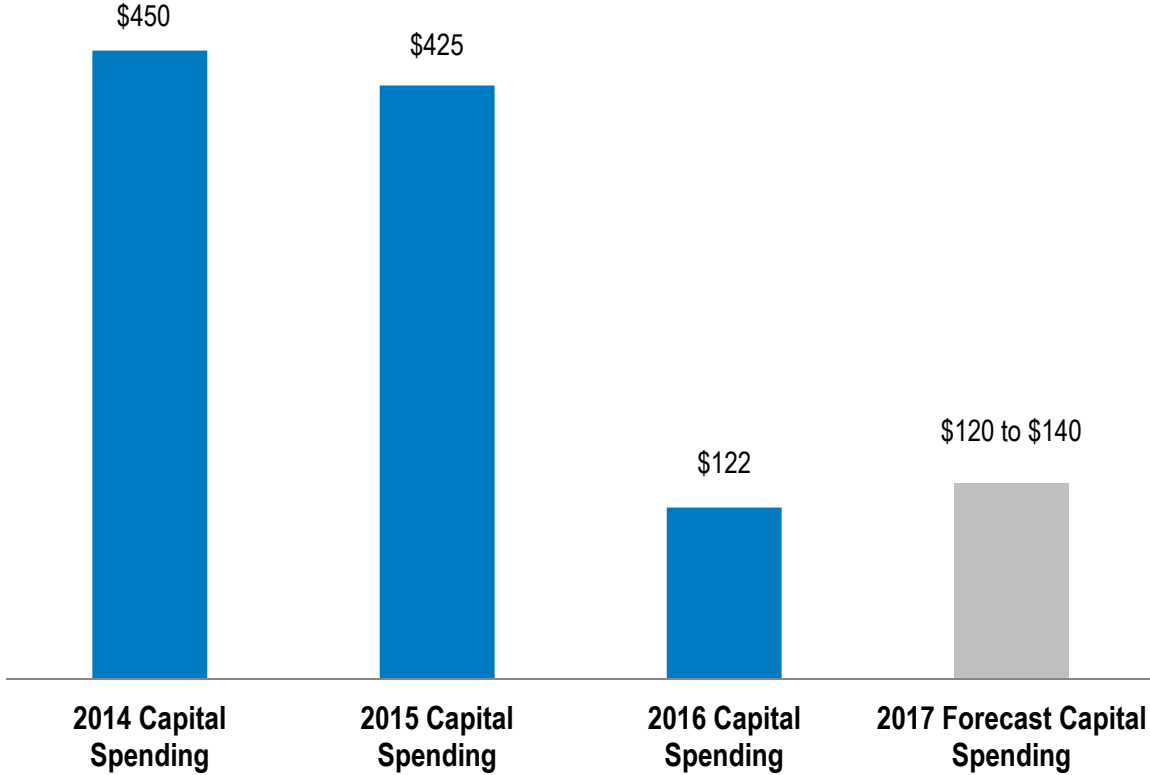


(1) Includes transportation expense and operating costs
 (2) Includes specialty products and fuel products only
 (3) Includes RINs mark to market impacts

Cash Flow Bridge – 3Q16 vs. 4Q16 (\$MM)

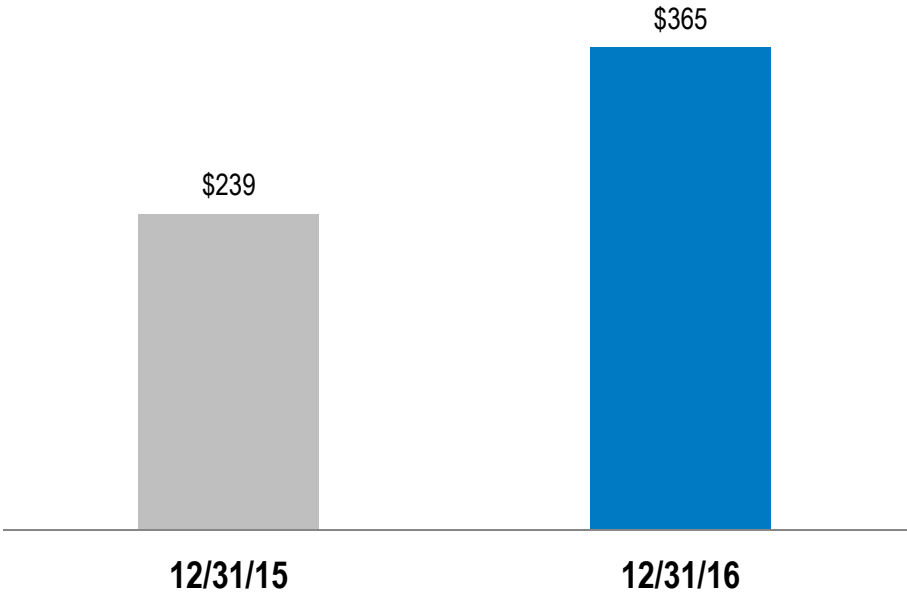


Historical and Projected Capital Spending (\$MM)



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

Total Cash and Available Liquidity (\$MM)



Our Strategy & Roadmap for Growth

OUR VISION

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

OUR MISSION

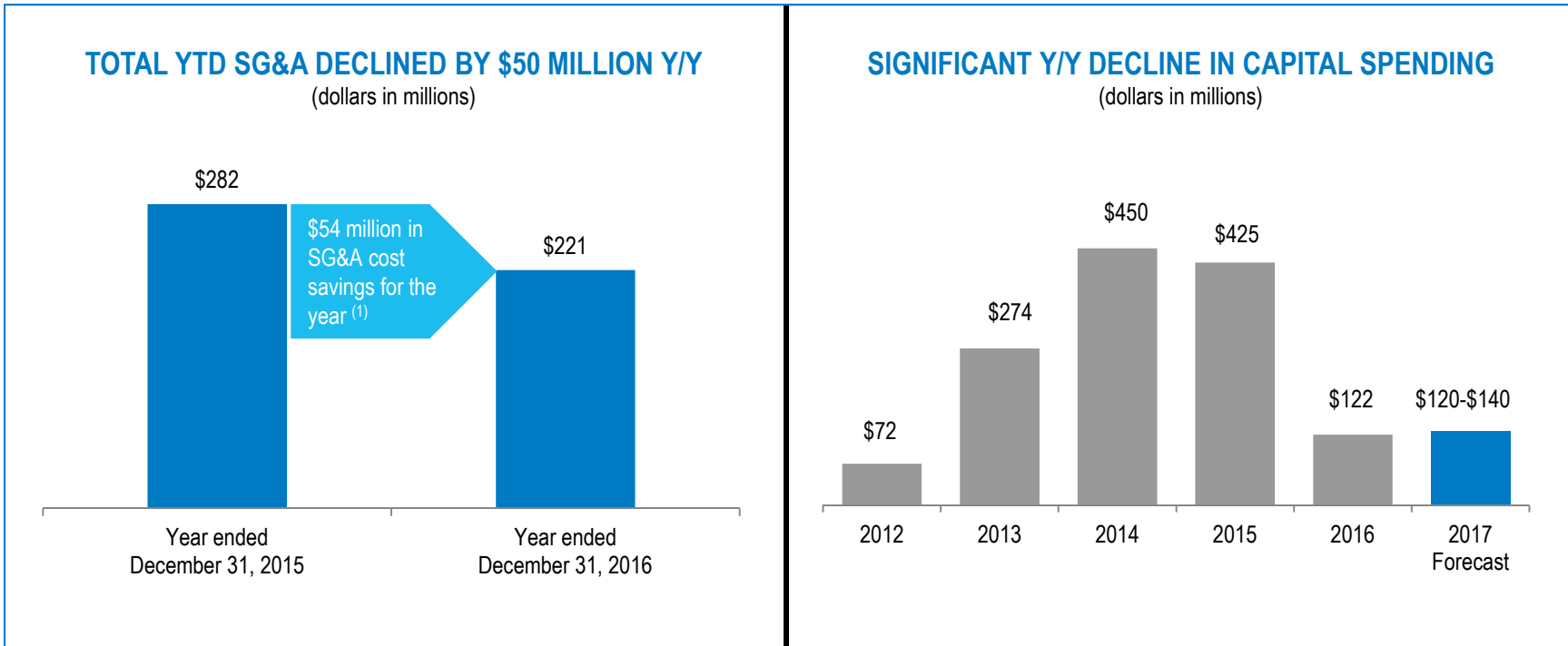
We build high-return niche businesses through innovation, unmatched customer service and best-in-class operations to deliver quality products that meet the unique needs and specifications of our customers. We capture attractive opportunities where others do not.



OPERATIONS EXCELLENCE IN ACTION: Targeted Cost Reductions



- Over 21% reduction in total SG&A, totaling \$54 million⁽¹⁾ year-over-year
- Total capital spending declined over 70% in 2016 (lowest since 2012)
- Took new initiatives in early Q1 to eliminate further waste, expect additional \$10 to \$20 million in annual SG&A savings by end of fiscal 2017

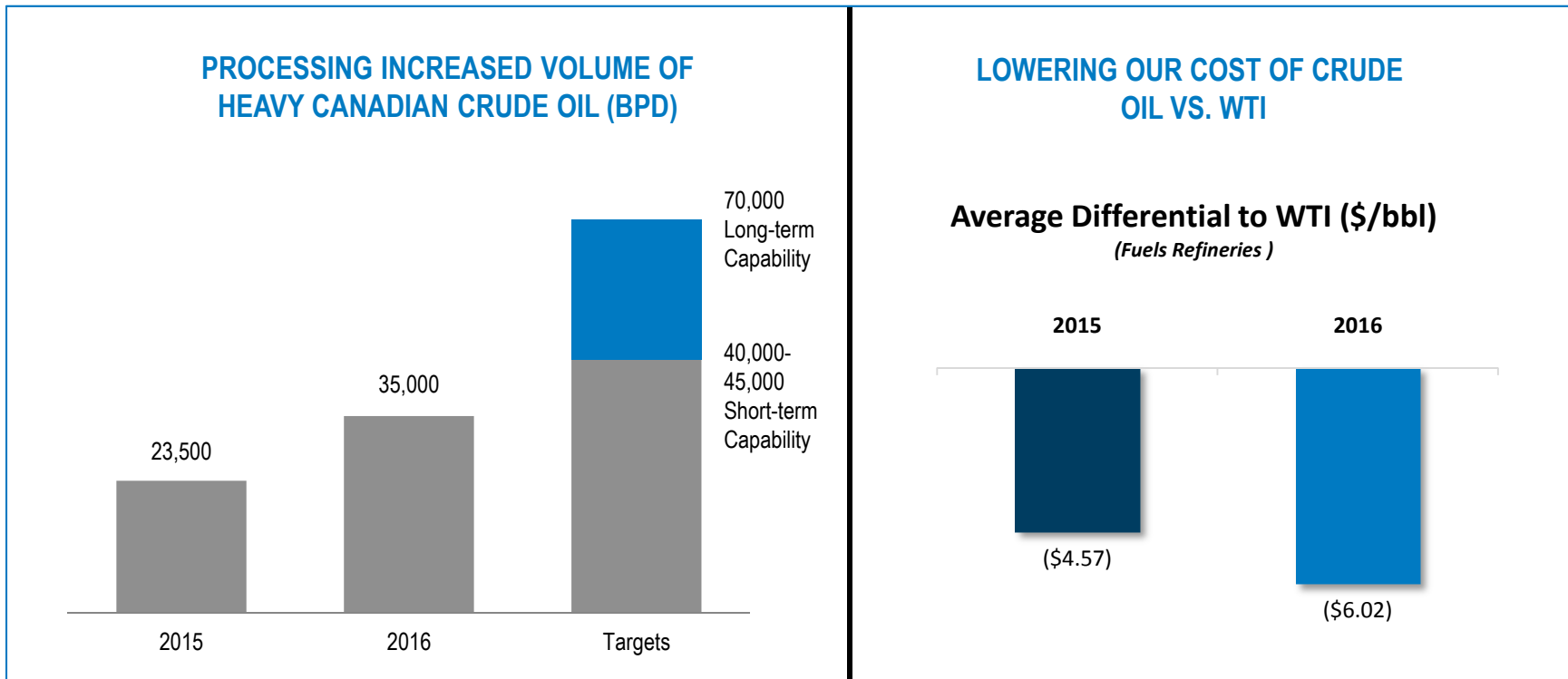


(1) Excludes depreciation and amortization

OPERATIONS EXCELLENCE IN ACTION: Raw Material Optimization



- In 2016, we processed a record 35,000 bpd of heavy Canadian-based crude oil
- 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



* Includes CHV, CL, Bow River, Hardisty Heavy

OPERATIONS EXCELLENCE IN ACTION: Margin Enhancements



■ Supply Chain Efficiencies

- Remain focused on leveraging scale and integration across portfolio to capture efficiencies in supply chain including Transportation (trucking, rail, water), Procurement (equipment, materials, additives, utilities), and Raw Materials & Feedstocks
 - Renegotiated all trucking lanes in second half of 2016
 - Significantly reduced demurrage costs at Superior and Shreveport
 - Leveraged global procurement strategy to lower raw material costs
- Achieved over \$8 million in benefit in 2016 and see additional capture opportunities in 2017

■ Product Upgrades

- Upgraded lower margin fuel products to higher margin specialty products
 - Heavy gas oil stream upgraded at Karns City to white oil/petrolatum
 - San Antonio fuels stream shipped to Shreveport and now makes base oils/lubes
 - Expanded de-asphalting unit at Shreveport to improve yields and upgrade base stocks
- Realized \$7 million in additional “self help” from these product upgrade efforts in 2016 and see additional opportunities in 2017

SELF-HELP IN ACTION: Bottom-Line Results



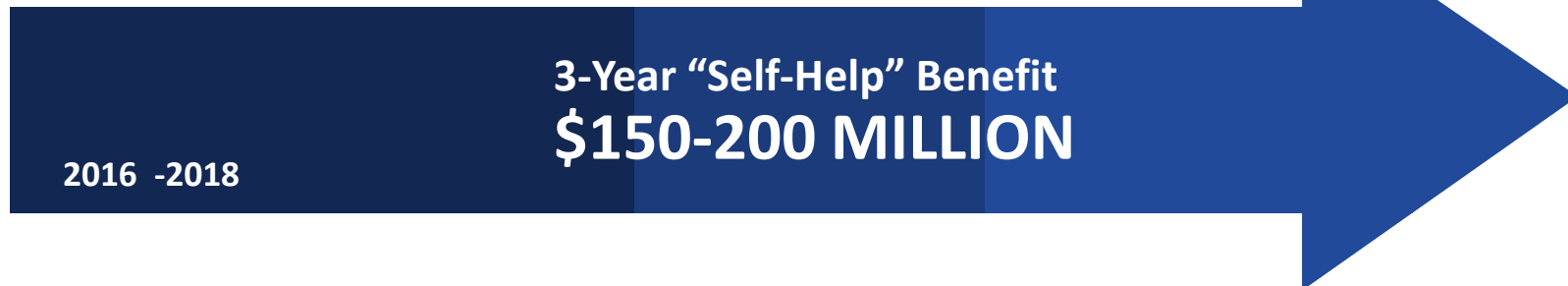
- Integrated business teams identified "self-help" opportunities for value creation
- Remain on target to drive incremental EBITDA resulting from these efforts of \$150-200 million by 2018, including \$40 to \$60 million in 2017

2016 YTD = \$89 million in "Self-Help"



■ Cost Reductions ■ Raw Material Optimization ■ Margin Enhancements

Additional 2017 "Self-Help"
Benefit Projected:
\$40-60 MILLION

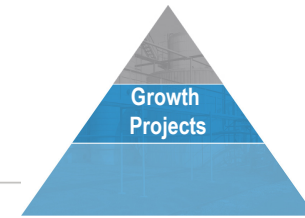


Note: At current market economics

Expanding “Self-Help” 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
 - Started in Q4, ramping up as planned
 - Utilizes plant more efficiently and significantly increases capacity throughput
- **New Superior Flexibility Project**
 - Estimated cost \$15 to \$20 million
 - Improves product yield and recovery
 - Projected EBITDA in excess of \$10 million annually beginning April 2018
- **New Product Innovation/Development**
 - Testing phase now on multiple self-developed specialty products with strong long-term potential
 - Starts in 2017 and could become meaningful in 2018 and beyond

Q1'17 Outlook

- Anticipate typical seasonality across all the businesses, especially in fuels, given elevated product inventories
- Expect some catch-up in specialty product performance as price adjustments take hold
- Anticipate incremental improvements in oilfield services segment as RIG counts increase
- “Self-help” initiatives add estimated \$40-60 million benefit in 2017
- Committed to reducing waste, increasing efficiencies, improving cash flows & delevering business

APPENDIX

Supplemental Financial Data

EXHIBIT A: Capital Structure Overview

(\$ in millions)	Actual 3/31/15	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
Cash	\$ 272.8	\$ 11.7	\$ 6.2	\$ 5.6	\$ 7.2	\$ 32.2	\$ 17.8	\$ 4.2
ABL Revolver Borrowings	\$ 0.1	\$ 103.1	\$ 107.7	\$ 111.0	\$ 294.9	\$ 0.1	\$ 0.1	\$ 10.2
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
9.625% Senior Notes due 2020	\$ 275.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
Note Payable - related party	\$ -	\$ -	\$ -	\$ 75.0	\$ 73.4	\$ 40.7	\$ 19.6	\$ -
Capital Leases	\$ 43.5	\$ 43.4	\$ 46.9	\$ 46.4	\$ 46.1	\$ 45.6	\$ 47.5	\$ 46.5
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.6	\$ 8.0
Total Debt	\$ 1,893.6	\$ 1,721.5	\$ 1,729.6	\$ 1,807.4	\$ 1,989.4	\$ 2,061.4	\$ 2,046.8	\$ 2,039.7
Partners' Capital	\$ 939.1	\$ 871.7	\$ 763.9	\$ 603.9	\$ 478.5	\$ 331.5	\$ 294.2	\$ 218.7
Total Capitalization	\$ 2,832.7	\$ 2,593.2	\$ 2,493.5	\$ 2,411.3	\$ 2,467.9	\$ 2,392.9	\$ 2,341.0	\$ 2,258.4
LTM Adjusted EBITDA (as reported)	\$ 348.1	\$ 403.8	\$ 371.7	\$ 257.7	\$ 139.4	\$ 114.4	\$ 92.9	\$ 158.2
Total Debt / LTM Adjusted EBITDA (as reported)	5.4 x	4.3 x	4.7 x	7.0 x	14.3 x	18.0 x	22.0 x	12.9 x
Total Debt / Total Capitalization	67%	66%	69%	75%	81%	86%	87%	90%

EXHIBIT B: Reconciliation of Adjusted EBITDA and Distributable Cash Flow

(\$ in millions)	Quarter Ended							
	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Sales	\$ 1,019	\$ 1,156	\$ 1,140	\$ 898	\$ 713	\$ 973	\$ 967	\$ 947
Cost of sales	823	954	975	866	627	842	856	866
Gross profit	195	203	165	32	86	131	110	\$81
Selling, general and administrative	78	70	67	68	58	51	54	58
Transportation	42	42	46	45	39	45	42	43
Taxes other than income taxes	4	4	6	4	6	4	5	5
Asset impairment	-	-	34	-	-	33	-	2
Other	3	3	3	2	2	-	(1)	-
Total operating expenses	127	119	155	119	105	134	100	109
Operating income (loss)	69	84	10	(87)	(19)	(3)	10	(28)
Other	(50)	(90)	(66)	(36)	(49)	(145)	(51)	(52)
Income tax benefit	(5)	(9)	(8)	(7)	-	-	(8)	-
Net income (loss)	\$ 24	\$ 3	\$ (49)	\$ (117)	\$ (68)	\$ (148)	\$ (33)	\$ (80)
Interest expense and debt extinguishment costs	27	74	26	25	30	43	45	44
Depreciation and amortization	35	36	36	38	39	44	45	44
Income tax benefit	(5)	(9)	(8)	(7)	-	-	(8)	(1)
EBITDA	\$ 81	\$ 103	\$ 5	\$ (60)	\$ 2	\$ (61)	\$ 48	\$ 8
Hedging adjustments - non-cash	34	(18)	3	10	(7)	(26)	-	6
Impairment charges	-	-	58	-	-	33	-	3
Amortization of turnaround costs	6	7	7	10	9	8	8	8
Loss on sale of unconsolidated affiliate	-	-	-	-	-	114	-	-
Non-cash equity based compensation and other non-cash items	3	3	3	3	3	2	(2)	3
Adjusted EBITDA	\$ 125	\$ 95	\$ 75	\$ (38)	\$ 7	\$ 70	\$ 54	\$ 28
Replacement and environmental capital expenditures ⁽¹⁾	(7)	(10)	(16)	(11)	(8)	(3)	(9)	(9)
Cash interest expense	(26)	(26)	(23)	(24)	(28)	(40)	(42)	(42)
Turnaround costs	(3)	(3)	(9)	(4)	(6)	(2)	(1)	-
Loss from unconsolidated affiliates	5	8	10	14	11	7	-	-
Income tax benefit	5	9	8	7	-	-	8	1
Distributable Cash Flow	\$ 99	\$ 73	\$ 45	\$ (55)	\$ (25)	\$ 32	\$ 10	\$ (23)

(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 C: Reconciliation of Segment Adjusted EBITDA to Net Income (Loss)

	Quarter Ended									
	9/30/14	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
(\$ in millions)										
Segment Adjusted EBITDA										
Specialty products Adjusted EBITDA	\$ 62.8	\$ 66.0	\$ 65.9	\$ 58.9	\$ 47.6	\$ 29.3	\$ 58.5	\$ 59.0	\$ 43.4	\$ 28.0
Fuel products Adjusted EBITDA	27.4	0.7	63.1	50.3	28.3	(59.8)	(46.0)	18.9	13.8	3.2
Oilfield services Adjusted EBITDA	17.3	9.7	(4.1)	(14.2)	(0.5)	(7.1)	(5.9)	(7.9)	(3.3)	(3.5)
Total segment Adjusted EBITDA	\$ 107.5	\$ 76.4	\$ 124.9	\$ 95.0	\$ 75.4	\$ (37.6)	\$ 6.6	\$ 70.0	\$ 53.9	\$ 27.7
Less:										
Unrealized (gain) loss on derivative instruments	\$ 25.6	\$ 23.2	\$ 27.9	\$ (5.2)	\$ 5.0	\$ 11.8	\$ (4.6)	\$ (23.8)	\$ 4.9	\$ 3.6
Realized gain (loss) on derivatives, not included in net income (loss) or settled in a prior period	(3.3)	6.5	6.1	(12.6)	(1.9)	(1.6)	(2.1)	(2.3)	(4.8)	2.8
Amortization of turnaround costs	6.4	6.2	6.1	6.6	6.7	9.6	9.1	8.3	7.9	8.0
Impairment charges	-	36.0	-	-	58.1	-	-	33.4	-	2.5
Loss on sale of unconsolidated affiliate	-	-	-	-	-	-	-	113.9	-	-
Non-cash equity based compensation and other non-cash items	3.2	4.1	3.4	2.8	2.8	3.0	2.6	1.5	(2.2)	3.1
EBITDA	\$ 75.6	\$ 0.4	\$ 81.4	\$ 103.4	\$ 4.7	\$ (60.4)	\$ 1.6	\$ (61.0)	\$ 48.1	\$ 7.8
Less:										
Interest expense	\$ 28.4	\$ 27.5	\$ 27.0	\$ 27.4	\$ 25.5	\$ 25.0	\$ 30.3	\$ 42.8	\$ 44.6	\$ 44.0
Debt extinguishment costs	0.3	-	-	46.6	-	-	-	-	-	-
Depreciation and amortization	35.4	37.6	35.4	36.0	36.0	38.0	38.8	43.8	44.5	44.0
Income tax expense (benefit)	2.1	(1.2)	(4.8)	(9.1)	(7.9)	(6.6)	0.2	0.3	(7.6)	(0.6)
Net income (loss)	\$ 9.4	\$ (63.5)	\$ 23.8	\$ 2.5	\$ (48.9)	\$ (116.8)	\$ (67.7)	\$ (147.9)	\$ (33.4)	\$ (79.6)

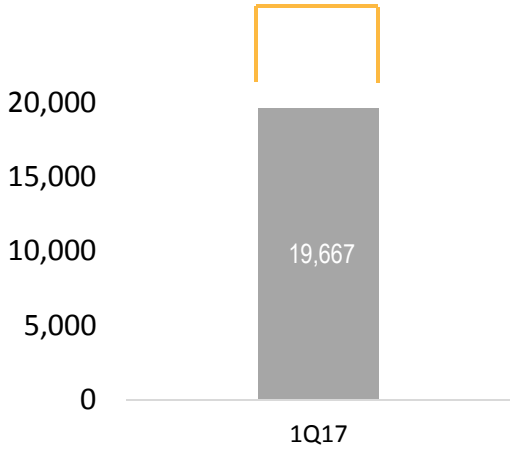
EXHIBIT D: Hedged a Portion of Anticipated 2017 WCS Purchases & 1Q17 Crack Spreads

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)

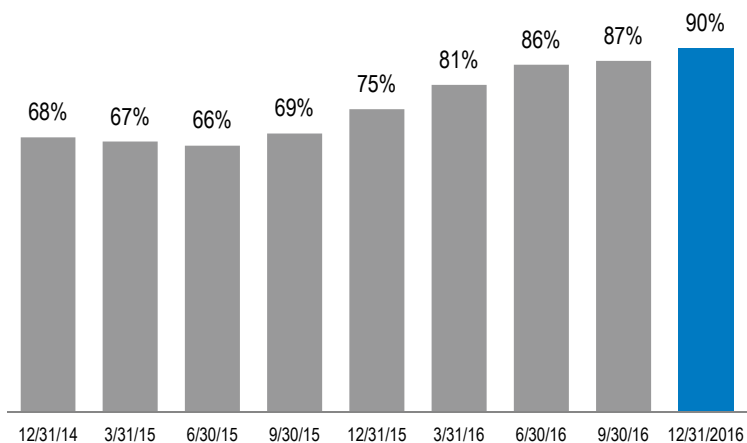
Crack Spread Swaps: \$11.93



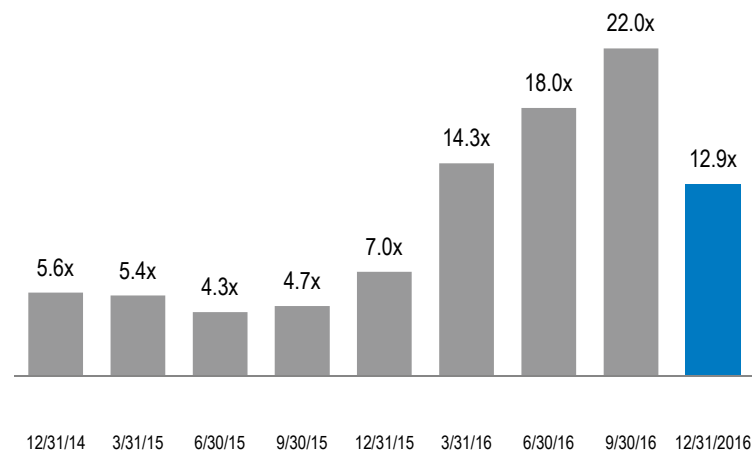
■ Crack Spreads Volume Hedged (barrels per day)

Exhibit E: Key Credit Metrics

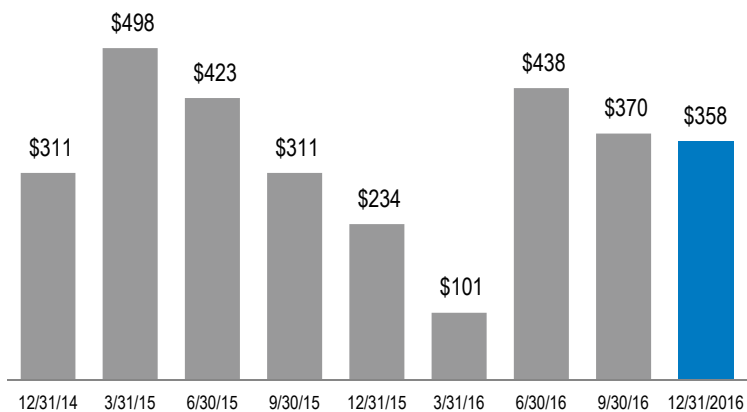
DEBT TO CAPITAL RATIO



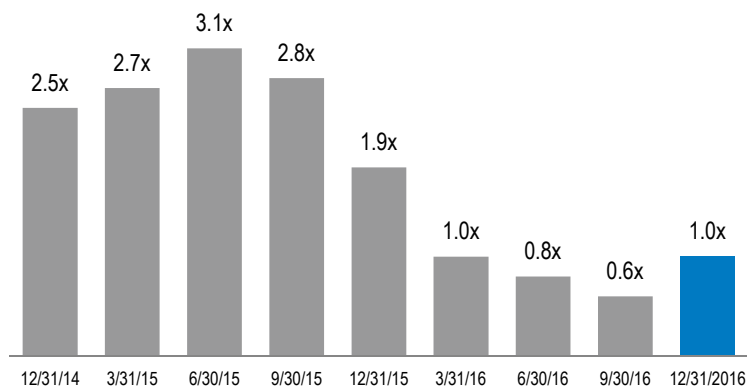
DEBT TO LTM ADJUSTED EBITDA (LEVERAGE) RATIO



REVOLVER AVAILABILITY (\$MM)



FIXED CHARGE COVERAGE RATIO ⁽¹⁾



(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

CONTACT INFORMATION

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