



## Goldman Sachs Power, Utilities, MLPs and Pipelines Conference

AUGUST 9, 2017

# Forward-Looking Statements

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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, tailored 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, opportunistic growth projects and new product introductions.*



## Liquidity Improving and Repositioning for Growth.

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

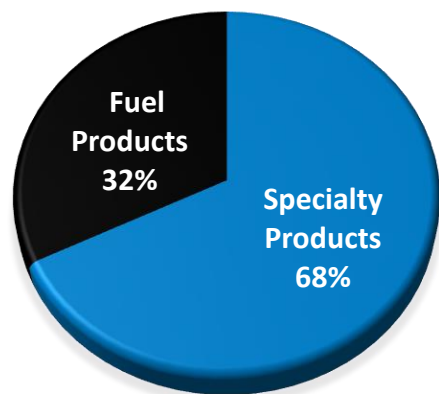


## Committed Long-Term Sponsors.

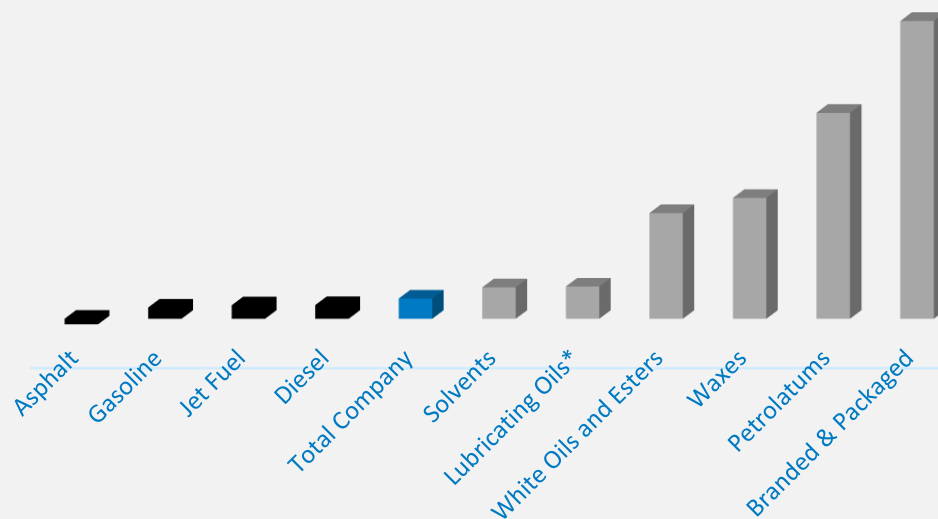
*Founding families own 100% of general partner and 21% of limited partnership units; financially supportive of economic growth.*

# Calumet is First and Foremost a Specialty Company

## TTM ADJUSTED 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 June 30, 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

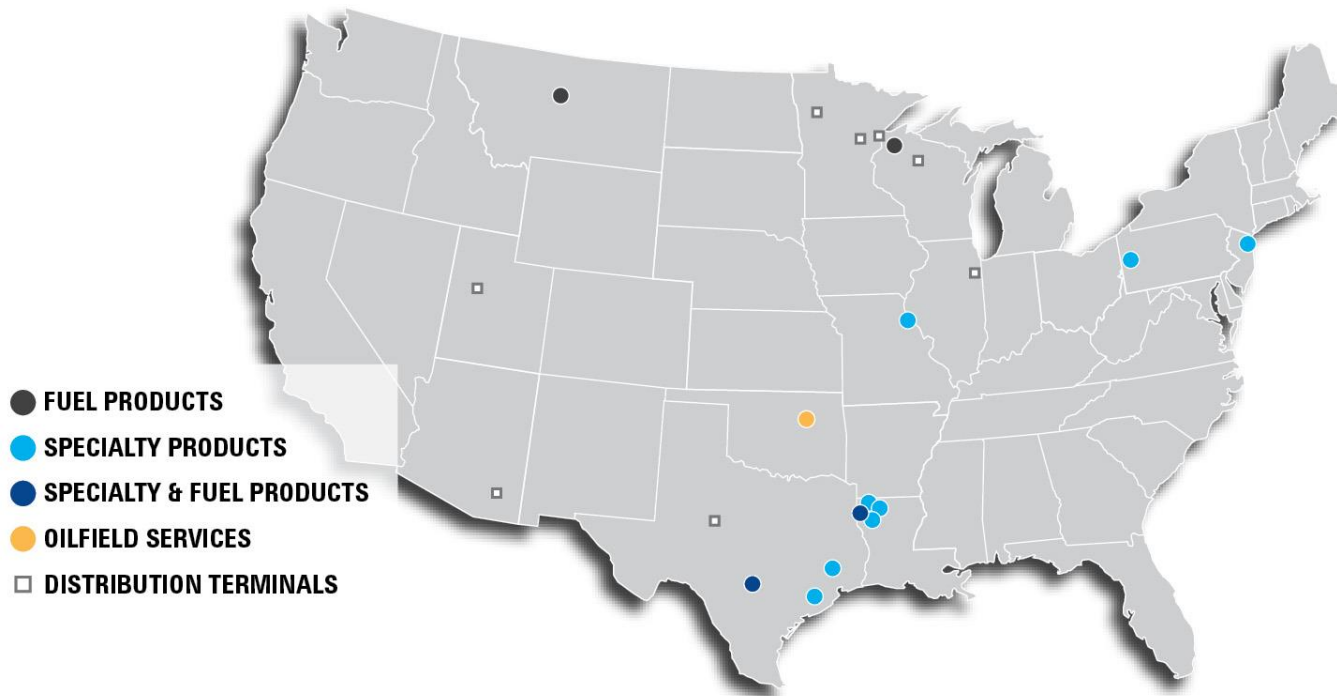
**Four** fuel products refineries with access to cost-advantaged Canadian and domestic shale-based feedstocks

## 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.



# “Self Help” In Action



- **Captured additional \$14.1 million of Self-Help in 2Q17**
  - Growth initiatives in our Branded & Packaged division drove another record quarter for sales and EBITDA contribution
  - Product upgrades and quality improvements drove higher netbacks in Fuels and Specialty Products
  - Targeted cost reductions in the supply chain (transportation procurement, crude, etc.) and operating expenses delivered additional savings
  - Processed record 41,600 bpd of heavy Canadian crude oil during the period
- **Growth projects and new product introductions progressing to drive future Self-Help capture**
  - New Group III Synthetic Base Oil launched May 1<sup>st</sup> (CALPAR™ 4GIII Base Oil)
  - New Transformer Oil focused on international markets launched May 9<sup>th</sup> (CALTRAN 60-00 Group U Transformer Oil)
  - Bel-Ray line of industrial lubricants for food grade applications released at the end of the second quarter (Bel-Ray™ No-Tox® Ultra F Oil)
  - Branded & Packaged expansion projects for Royal Purple and TruFuel™ in 2H17
  - Superior flexibility project in Spring 2018



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

- Integrated business teams continue to identify "self-help" opportunities for value creation
- Increased 2017 goal to \$50-60 million in "self-help"
- Remain on target to drive incremental EBITDA resulting from these efforts of \$150-200 million by 2018

Additional 2017 "Self-Help"  
Benefit Projected

**\$50-60 MILLION**

2017 YTD =  
\$31.8 million in  
"Self-Help"

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

2018

More "self-help"  
to reach goal

2017

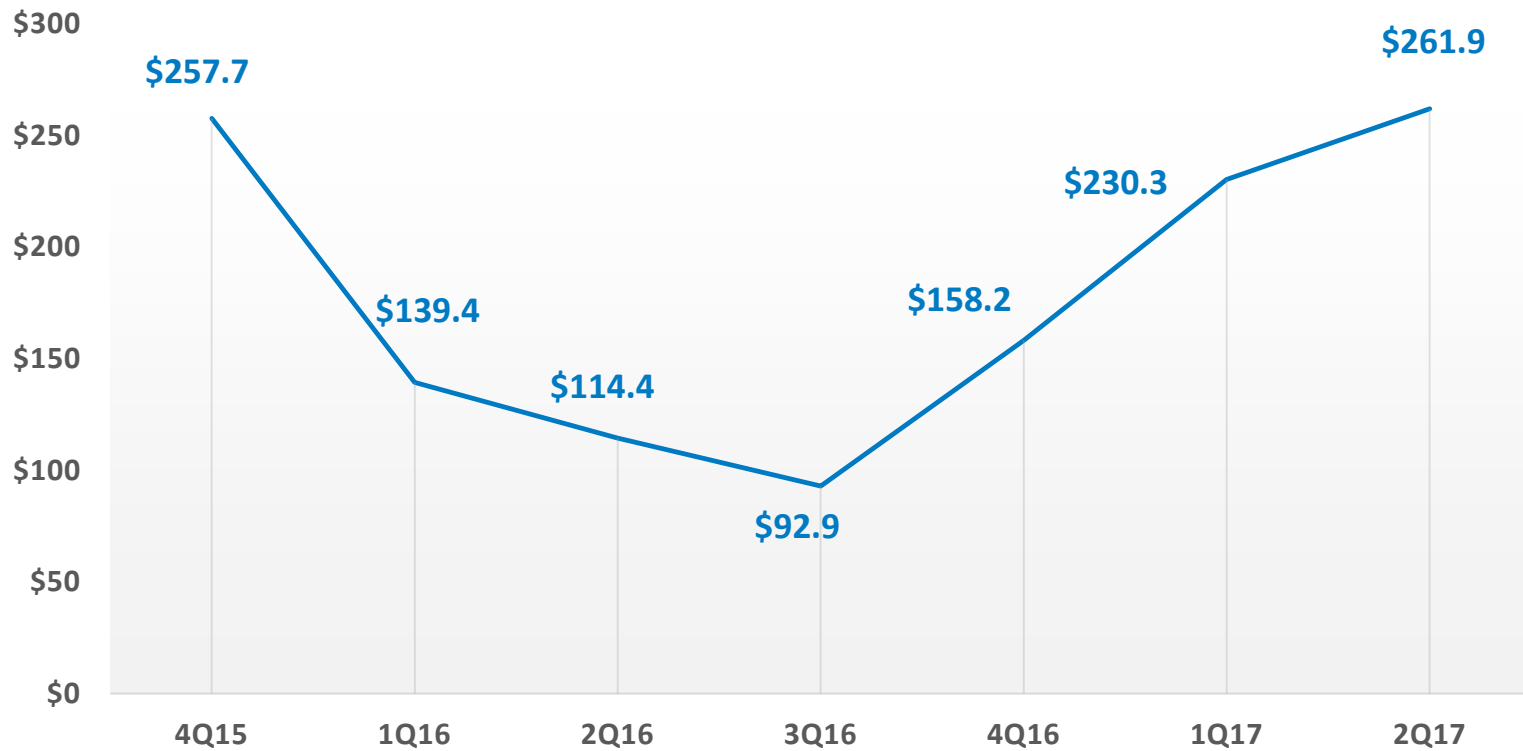
Predicting another  
\$50MM - \$60MM  
in 2017

2016

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

# Three Consecutive Quarters of Improved Results

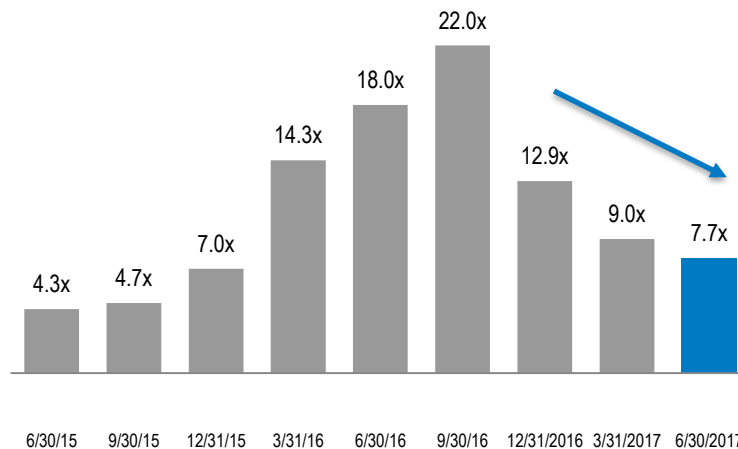
## Trailing Twelve Months Adjusted EBITDA (\$MM)



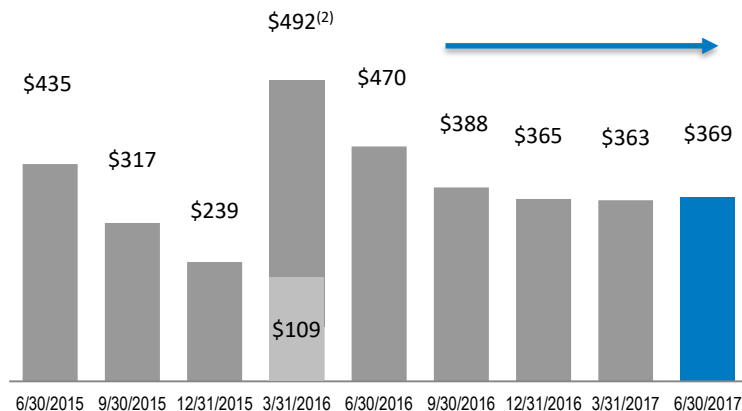
# Business Stability Improving

- Leverage ratio declining and remain committed to lowering further
- Fixed charge coverage ratio improvement
- Liquidity increased and lowered risk profile with second inventory financing agreement this year

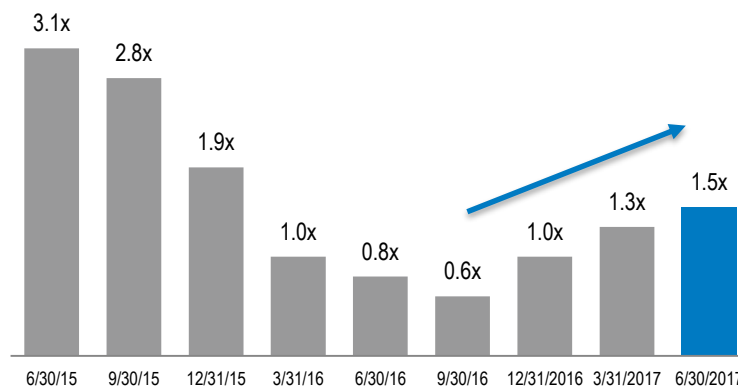
## DEBT TO LTM ADJUSTED EBITDA (LEVERAGE) RATIO



## LIQUIDITY 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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*Targeted cost reductions, raw materials optimization, margin enhancements, opportunistic growth projects and new product introductions.*



## Business Stability and Liquidity Improving.

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



## Committed Long-Term Sponsors.

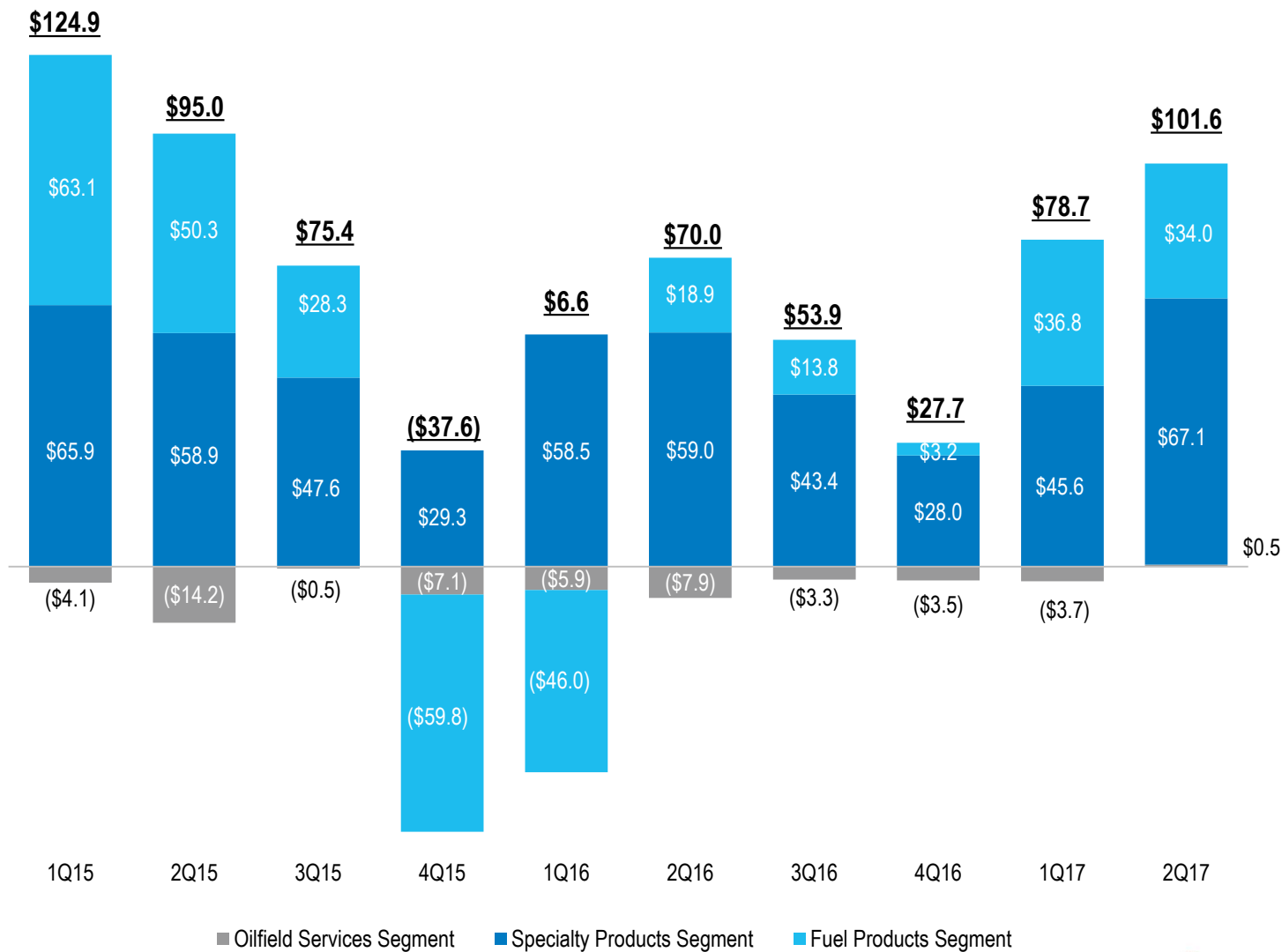
*Founding families own 100% of general partner and 21% of limited partnership units; financially supportive of economic growth.*

# APPENDIX

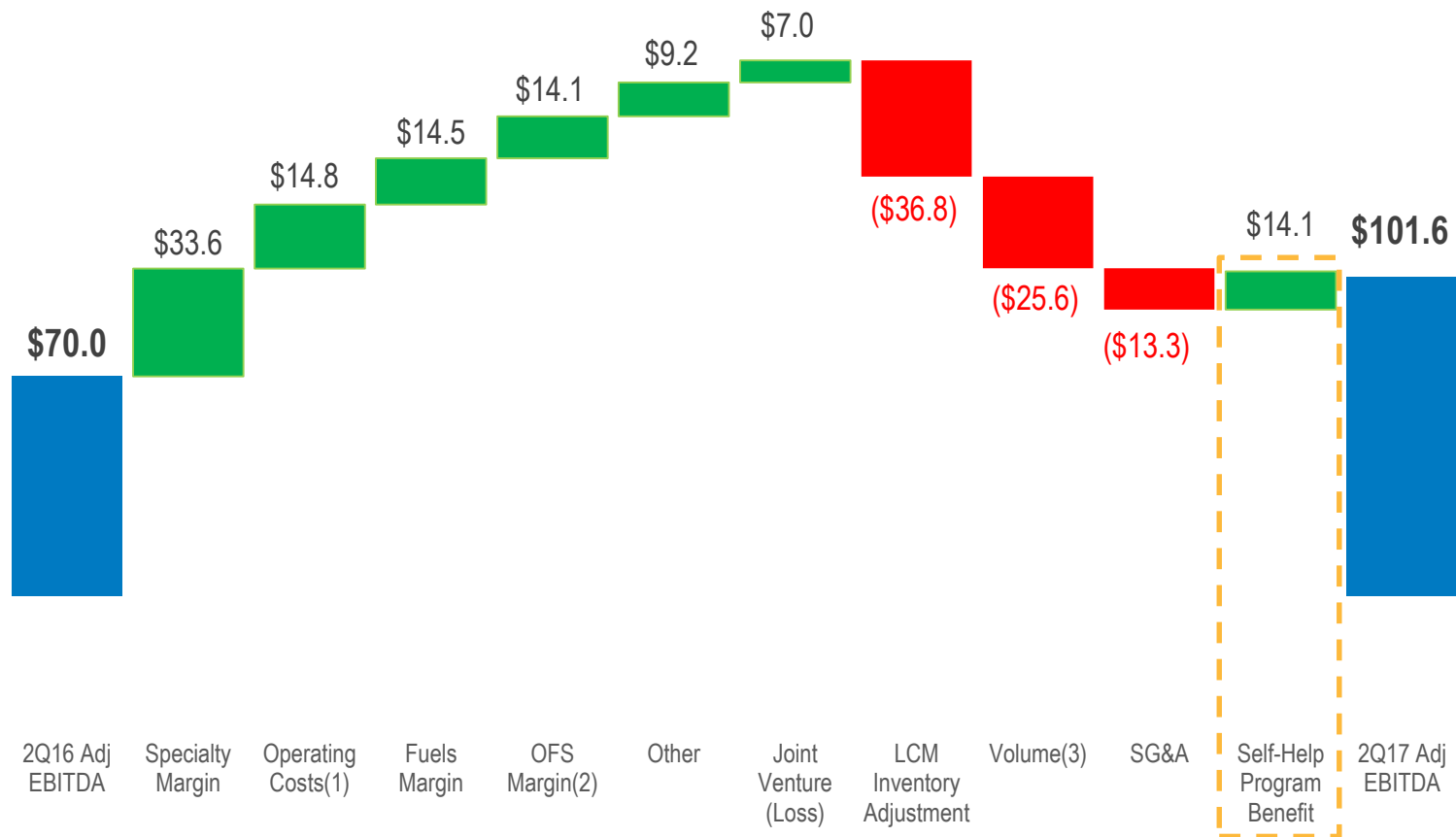
## Supplemental Financial Data



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

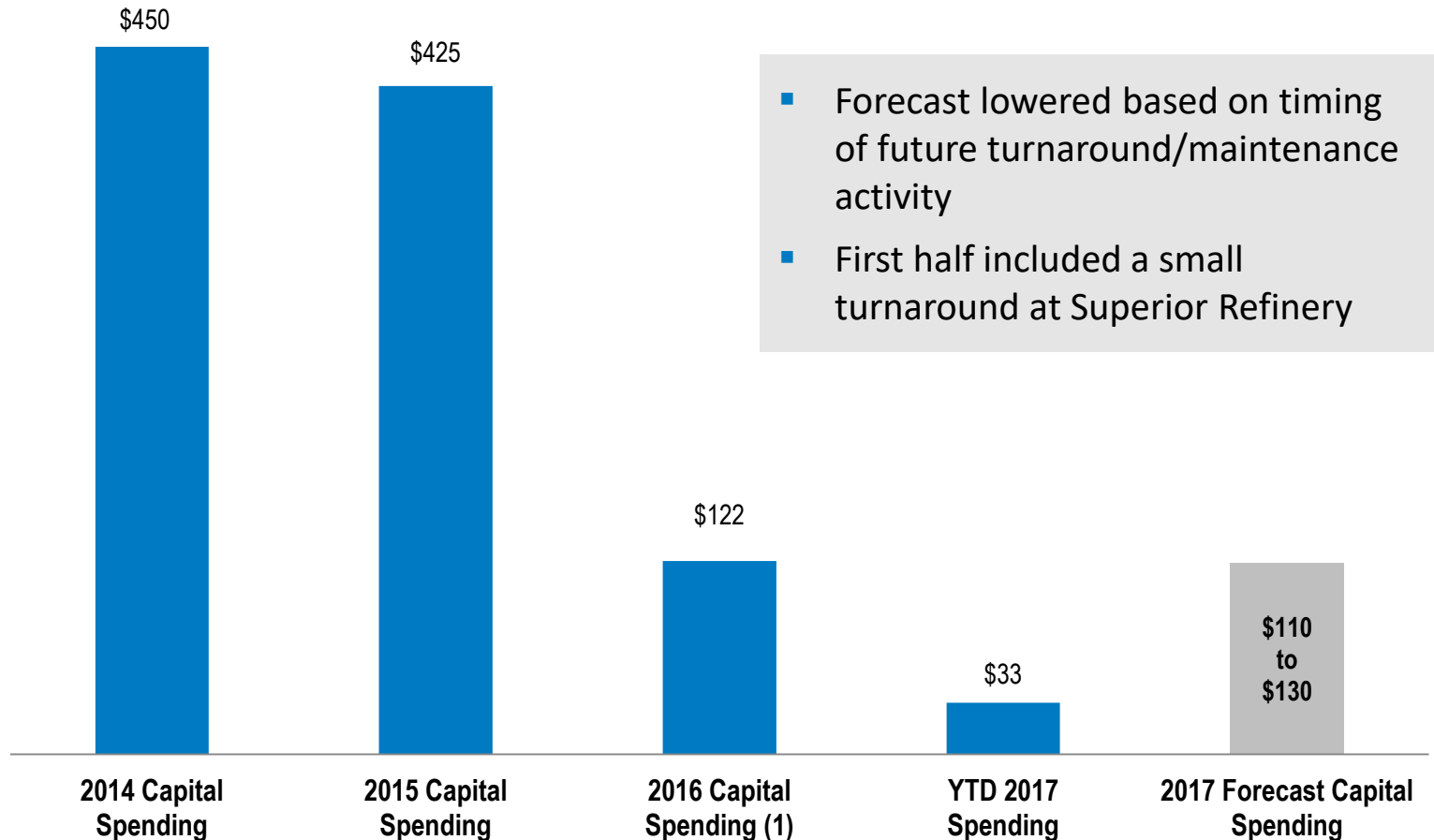


# EXHIBIT B: Adjusted EBITDA Bridge – 2Q16 vs. 2Q17 (\$MM)



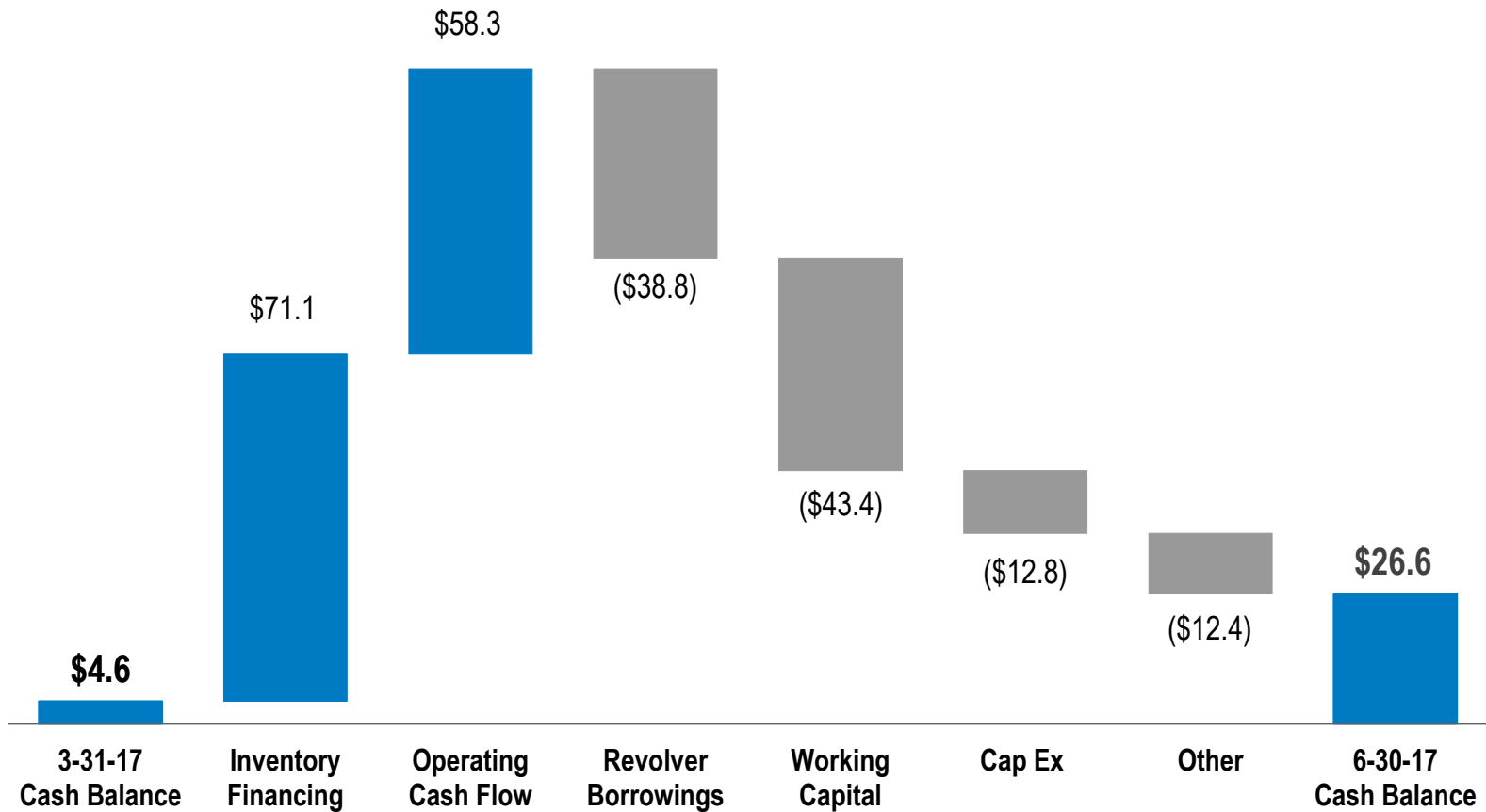
(1) Includes lower Renewable Identification Numbers ("RINs") costs  
 (2) Includes transportation expense and operating costs  
 (3) Includes specialty products and fuel products only

# 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 – 1Q17 vs. 2Q17 (\$MM)



# EXHIBIT E: Capital Structure Overview

(\$ in millions)	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17
Cash	\$ 6.2	\$ 5.6	\$ 7.2	\$ 32.2	\$ 17.8	\$ 4.2	\$ 4.6	\$ 26.6
ABL Revolver Borrowings	\$ 107.7	\$ 111.0	\$ 294.9	\$ 0.1	\$ 0.1	\$ 10.2	\$ 39.2	\$ 0.4
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	\$ 400.0
Note Payable - related party	\$ -	\$ 75.0	\$ 73.4	\$ 40.7	\$ 19.6	\$ -	\$ -	\$ -
Capital Leases	\$ 46.9	\$ 46.4	\$ 46.1	\$ 45.6	\$ 47.5	\$ 46.5	\$ 45.9	\$ 45.2
Other	\$ -	\$ -	\$ -	\$ -	\$ 4.6	\$ 8.0	\$ 7.6	\$ 7.3
<b>Total Debt</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>	<b>\$ 2,027.9</b>
Partners' Capital	\$ 763.9	\$ 603.9	\$ 478.5	\$ 331.5	\$ 294.2	\$ 218.7	\$ 213.3	\$ 224.0
<b>Total Capitalization</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>	<b>\$ 2,251.9</b>
LTM Adjusted EBITDA (as reported)	\$ 371.7	\$ 257.7	\$ 139.4	\$ 114.4	\$ 92.9	\$ 158.2	\$ 230.3	\$ 261.9
Total Debt / LTM Adjusted EBITDA (as reported)	4.7 x	7.0 x	14.3 x	18.0 x	22.0 x	12.9 x	9.0 x	7.7 x
Total Debt / Total Capitalization	69%	75%	81%	86%	87%	90%	91%	90%



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

(\$ in millions)	Quarter Ended							
	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17
Sales	\$ 1,140	\$ 898	\$ 713	\$ 973	\$ 967	\$ 947	\$ 937	\$ 1,031
Cost of sales	975	866	627	842	856	866	798	871
Gross profit	165	32	86	131	110	81	140	160
Selling, general and administrative	67	68	58	51	54	58	59	62
Transportation	46	45	39	45	42	43	41	41
Taxes other than income taxes	6	4	6	4	5	5	6	5
Asset impairment	34	-	-	33	-	2	-	-
Other	3	2	2	-	(1)	-	2	1
Total operating expenses	155	119	105	134	100	109	108	109
Operating income (loss)	10	(87)	(19)	(3)	10	(28)	32	52
Other	(66)	(36)	(49)	(145)	(51)	(52)	(38)	(43)
Income tax benefit	(8)	(7)	-	-	(8)	-	-	(1)
Net income (loss)	\$ (49)	\$ (117)	\$ (68)	\$ (148)	\$ (33)	\$ (80)	\$ (6)	\$ 10
Interest expense and debt extinguishment costs	26	25	30	43	45	44	44	45
Depreciation and amortization	36	38	39	44	45	44	41	41
Income tax benefit	(8)	(7)	-	-	(8)	(1)	-	(1)
<b>EBITDA</b>	<b>\$ 5</b>	<b>\$ (60)</b>	<b>\$ 2</b>	<b>\$ (61)</b>	<b>\$ 48</b>	<b>\$ 8</b>	<b>\$ 79</b>	<b>\$ 94</b>
Hedging adjustments - non-cash	3	10	(7)	(26)	-	6	(11)	-
Impairment charges	58	-	-	33	-	3	-	-
Amortization of turnaround costs	7	10	9	8	8	8	7	7
Loss on sale of unconsolidated affiliate	-	-	-	114	-	-	-	-
Non-cash equity based compensation and other non-cash items	3	3	3	2	(2)	3	3	2
<b>Adjusted EBITDA</b>	<b>\$ 75</b>	<b>\$ (38)</b>	<b>\$ 7</b>	<b>\$ 70</b>	<b>\$ 54</b>	<b>\$ 28</b>	<b>\$ 79</b>	<b>\$ 102</b>
Replacement and environmental capital expenditures <sup>(1)</sup>	(16)	(11)	(8)	(3)	(9)	(9)	(5)	(6)
Cash interest expense	(23)	(24)	(28)	(40)	(42)	(42)	(42)	(42)
Turnaround costs	(9)	(4)	(6)	(2)	(1)	-	-	(10)
Loss from unconsolidated affiliates	10	14	11	7	-	-	-	-
Income tax benefit	8	7	-	-	8	1	-	1
<b>Distributable Cash Flow</b>	<b>\$ 45</b>	<b>\$ (55)</b>	<b>\$ (25)</b>	<b>\$ 32</b>	<b>\$ 10</b>	<b>\$ (23)</b>	<b>\$ 32</b>	<b>\$ 45</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.

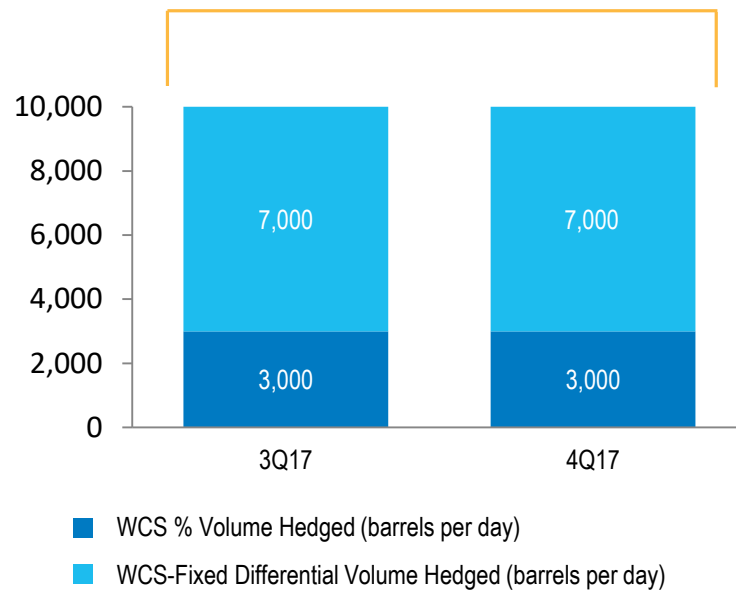
Note: Sum of individual line items may not equal subtotal or total amounts due to rounding.

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

	Quarter Ended									
	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	6/30/17
(\$ in millions)										
Segment Adjusted EBITDA										
Specialty products Adjusted EBITDA	\$ 65.9	\$ 58.9	\$ 47.6	\$ 29.3	\$ 58.5	\$ 59.0	\$ 43.4	\$ 28.0	\$ 45.6	\$ 67.1
Fuel products Adjusted EBITDA	63.1	50.3	28.3	(59.8)	(46.0)	18.9	13.8	3.2	36.8	34.0
Oilfield services Adjusted EBITDA	(4.1)	(14.2)	(0.5)	(7.1)	(5.9)	(7.9)	(3.3)	(3.5)	(3.7)	0.5
Total segment Adjusted EBITDA	\$ 124.9	\$ 95.0	\$ 75.4	\$ (37.6)	\$ 6.6	\$ 70.0	\$ 53.9	\$ 27.7	\$ 78.7	\$ 101.6
Less:										
Unrealized (gain) loss on derivative instruments	\$ 27.9	\$ (5.2)	\$ 5.0	\$ 11.8	\$ (4.6)	\$ (23.8)	\$ 4.9	\$ 3.6	\$ (10.6)	\$ (1.3)
Realized gain (loss) on derivatives, not included in net income (loss) or settled in a prior period	6.1	(12.6)	(1.9)	(1.6)	(2.1)	(2.3)	(4.8)	2.8	-	-
Amortization of turnaround costs	6.1	6.6	6.7	9.6	9.1	8.3	7.9	8.0	7.4	6.6
Impairment charges	-	-	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	3.4	2.8	2.8	3.0	2.6	1.5	(2.2)	3.1	2.8	2.2
EBITDA	\$ 81.4	\$ 103.4	\$ 4.7	\$ (60.4)	\$ 1.6	\$ (61.0)	\$ 48.1	\$ 7.8	\$ 78.7	\$ 94.1
Less:										
Interest expense	\$ 27.0	\$ 27.4	\$ 25.5	\$ 25.0	\$ 30.3	\$ 42.8	\$ 44.6	\$ 44.0	\$ 43.9	\$ 44.5
Debt extinguishment costs	-	46.6	-	-	-	-	-	-	-	-
Depreciation and amortization	35.4	36.0	36.0	38.0	38.8	43.8	44.5	44.0	41.1	40.9
Income tax expense (benefit)	(4.8)	(9.1)	(7.9)	(6.6)	0.2	0.3	(7.6)	(0.6)	(0.1)	(0.9)
Net income (loss)	\$ 23.8	\$ 2.5	\$ (48.9)	\$ (116.8)	\$ (67.7)	\$ (147.9)	\$ (33.4)	\$ (79.6)	\$ (6.2)	\$ 9.6

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

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



## CONTACT INFORMATION

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