

# Calumet Pro-Forma Review

**Company Profile Post Sale of Superior Refinery**

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NOVEMBER 10, 2017

# Forward-Looking Statements

This Presentation has been prepared by Calumet Specialty Products Partners, L.P. (the “Company” or “Calumet”) as of November 10, 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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# Superior Refinery Divestiture

**Total Proceeds: \$492 MM**

Purchase Price **\$435 MM**

Working capital, inventories,  
& reimbursement CapEx <sup>1</sup>

**\$57 MM**

## Superior/Transaction Details

- Closed on November 8, 2017
- Includes the refinery, 3.6MM barrels of crude and product storage, and a fuels and asphalt marketing business with four proprietary terminals plus Magellan product pipeline connection
  - Refinery permitted capacity of 50,000 barrels per day (bpd)
  - Processes light and heavy crude oil from North Dakota and western Canada into fuel products and asphalt
  - 2017 output ~9,000 bpd of asphalt, 17,500 bpd of gasoline and 10,900 bpd of diesel and marine fuel
- Husky has hired all of the ~180 employees



<sup>1</sup> The cash consideration is subject to certain purchase price adjustments relating to, among other things, final net working capital adjustments.

# Superior Refinery Divestiture Benefits

Benefits of Transaction	Proof Points
<b>Accretive to 2017 &amp; 2018 cash flows</b>	<ul style="list-style-type: none"> <li>Avoids \$100 MM in turnaround, maintenance, and growth capital planned for Superior in 2018</li> </ul>
<b>Improves leverage profile</b>	<ul style="list-style-type: none"> <li>Net Debt/Total Capitalization reduced from 90% to 76%</li> </ul>
<b>Decreases volatility</b>	<ul style="list-style-type: none"> <li>Calumet portfolio weighting shifts towards Specialty Products</li> <li>Significantly lower earnings volatility vs. Fuel Products</li> </ul>
<b>Decreases capital required</b>	<ul style="list-style-type: none"> <li>2017 CapEx guidance lowered from \$100-130 MM to \$85-95 MM</li> <li>2018 initial CapEx guidance provided at \$80-90 MM</li> </ul>
<b>Decreases RINs exposure</b>	<ul style="list-style-type: none"> <li>2017 obligation ~128 MM Renewable Identification Numbers (RINs)</li> <li>2018 obligation ~85 MM</li> </ul> <p><i>Gross RINs obligation prior to mitigation through blending, exemptions, etc.</i></p>

**Moves Calumet Closer to its Vision**

# Strategy & Roadmap for Growth

## OUR VISION

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

## OUR MISSION

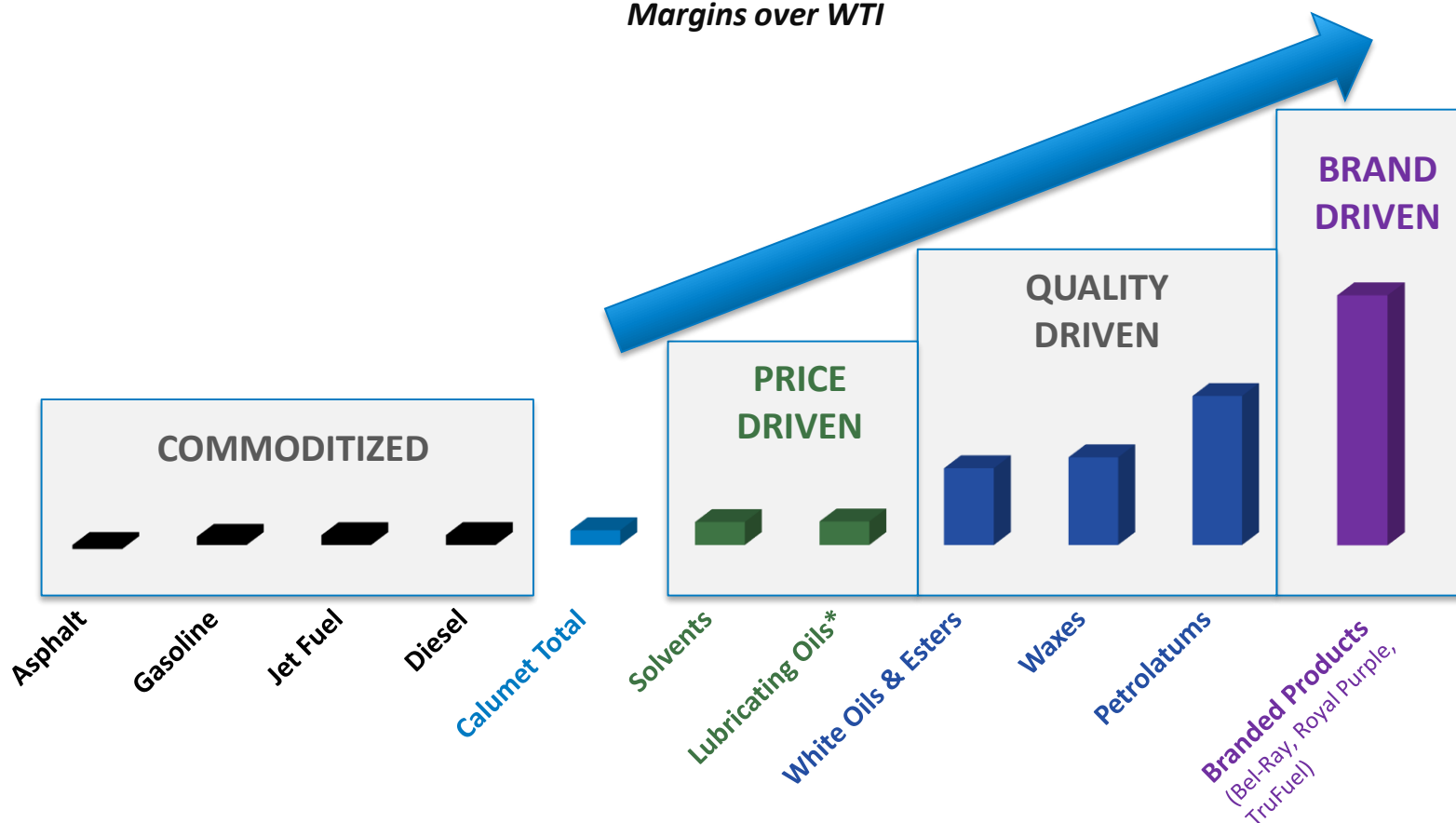
We build high-return niche businesses through innovation, unmatched customer service and best-in-class operations to deliver quality products that meet the unique needs and specifications of our customers. We capture attractive opportunities where others do not.



# Focus Portfolio on High-Return Niche Specialty Markets

## Calumet Portfolio

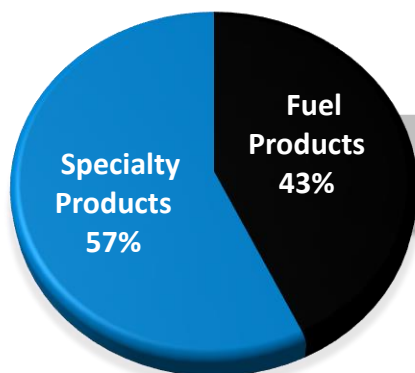
*Margins over WTI*



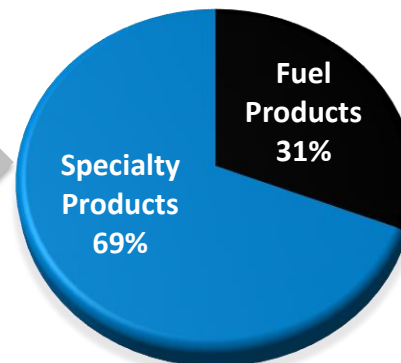
\* Lubricating Oils = Paraffinic Base Oils + Naphthenic Base Oils; Product Differentials not to perfect scale

# Superior Transaction Moves Calumet Toward its Vision

PRE-TRANSACTION<sup>1</sup>



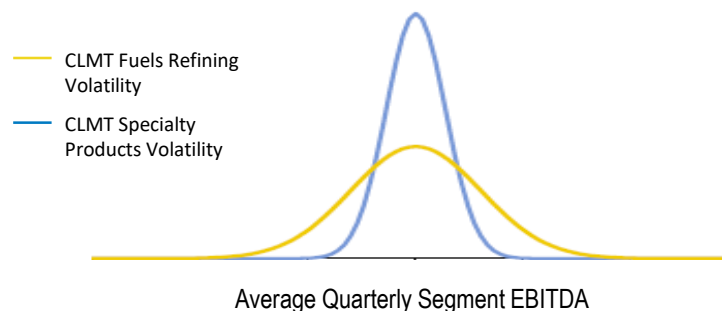
PRO FORMA<sup>1</sup>



<sup>1</sup> TRAILING TWELVE MONTHS MATERIAL GROSS MARGIN ENDING JUNE 30, 2017, OILFIELD SERVICES SEGMENT EXCLUDED

- Transaction shifts portfolio towards Specialty Products with its lower earnings volatility

## HISTORICAL VOLATILITY



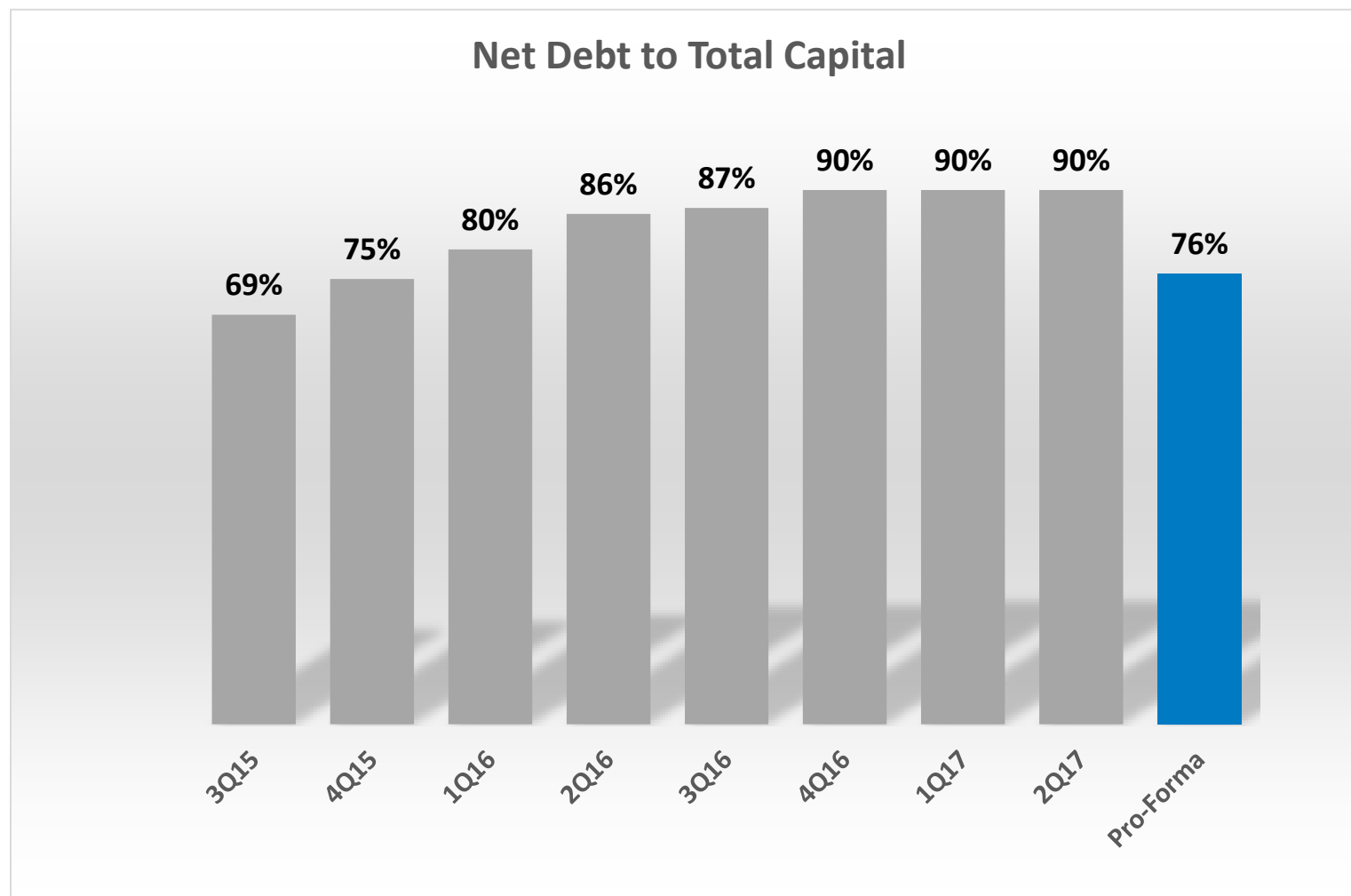
# Strategic M&A: Principles for Calumet

Value Driver	Strategic Rationale	Actions We Control
<b>Stability</b>	<ul style="list-style-type: none"> <li>Stable cash flows more highly valued by investors</li> </ul>	<ul style="list-style-type: none"> <li>Rotate portfolio holdings to improve quality of earnings (volatility and commodity price risk)</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Assets competitive for the long term</li> </ul>	<ul style="list-style-type: none"> <li>Disciplined competitive strategies and industry structure analytics → “Hold Value”</li> </ul>
<b>Reduce capital requirements</b>	<ul style="list-style-type: none"> <li>Reduce drag on equity</li> </ul>	<ul style="list-style-type: none"> <li>Moving toward less capital intensive business</li> <li>Capex discipline by classical gatekeeper process</li> </ul>
<b>Growth by M&amp;A</b>	<ul style="list-style-type: none"> <li>Broader investor appeal, richer long term valuation</li> </ul>	<ul style="list-style-type: none"> <li>Tactical fill-ins along existing value chain</li> <li>New platforms capable of higher growth rates</li> <li>Divestment for portfolio reweighting</li> </ul>

**Superior Divestment Enables Portfolio Reweighting  
Consistent with Long Term Value Creation - Major Step Toward Calumet Vision**

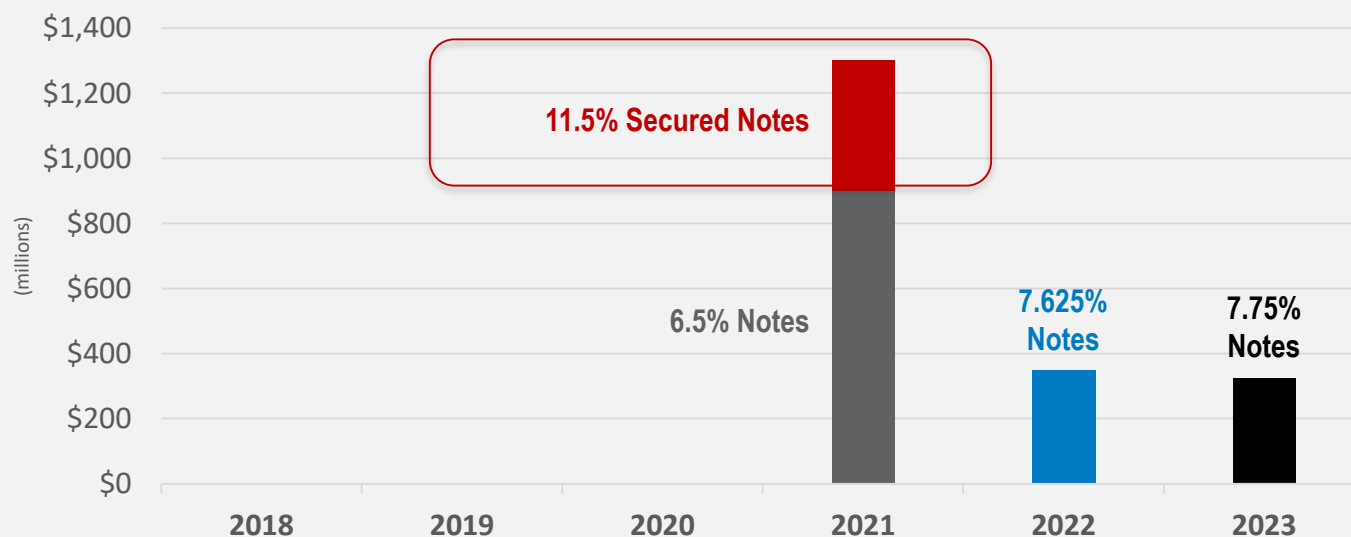


# Immediate Benefit: Improved Leverage Profile



# Use of Proceeds: Debt Reduction

- Committed to eliminating secured notes
- Plan to call secured notes after filing of third quarter 10-Q



# Pro-Forma Review: Income Statement & Balance Sheet

<i>*Dollars in millions</i>	<b>1H17</b>	<b>Pro-Forma Adjustment</b>	<b>Pro-Forma</b>
Sales	\$1,968.3	(\$346.3)	\$1,622.0
Cost of Sales	\$1,668.4 <sup>1</sup>	(\$275.0) <sup>1</sup>	\$1,393.4
Gross Profit	\$299.9 <sup>1</sup>	(\$71.3) <sup>1</sup>	\$228.6
Operating Expenses	\$216.6	(\$7.2) <sup>2</sup>	\$209.4
Operating Income	\$83.3 <sup>1</sup>	(\$64.1) <sup>1</sup>	\$19.2
Inventories	\$438.5	(\$91.4)	\$347.1
PP&E	\$1,633.2	(\$199.7)	\$1,433.5

<sup>1</sup> Includes one time RINs exemption for Superior of 37 MM RINs received in 2Q 2017 for the 2016 fiscal year

<sup>2</sup> Includes immediate \$1.6 MM of SG&A reduction, with significant future reduction as Company completes contracted Transitional Service Agreement supporting Husky

# 2018 Outlook

	2017	2018	Notes
RINs	128 MM	85 MM	Superior contributed roughly 40 MM RINs per year
Capital Spending	Reduced to \$85-95 MM	Guidance \$80-90 MM	2017 reduced from \$110-130 MM and will avoid over \$100 MM in planned Superior CapEx for 2018
Heavy Canadian Crude	40-45K bpd	25K bpd	Great Falls capacity of 25K bpd of cost advantaged crude
Self-help Goals	No change \$50-60 MM	TBD	Maintaining guidance, will update 2018 in 4Q17

# Moving Closer to Our Vision



## APPENDIX

### Supplemental Financial Data

# Appendix A: June 30, 2017 Pro Forma Consolidated Statement of Operations

(\$ in millions)	Six Months Ended June 30, 2017			
	Historical	Pro Forma Adjustments	Pro Forma	
Sales	\$ 1,968.3	\$ (346.3)	\$ 1,622.0	
Cost of sales	1,668.4	(275.0)	1,393.4	
Gross profit	299.9	71.3	228.6	
Operating costs and expenses:				
Selling	55.7	(0.4)	55.3	
General and administrative	65.4	(1.2)	64.2	
Transportation	81.7	(5.2)	76.5	
Taxes other than income taxes	10.4	(0.8)	9.6	
Asset impairment	0.4	-	0.4	
Other	3.0	0.4	3.4	
Operating income	83.3	(64.1)	19.2	
Other income (expense):				
Interest expense	(88.4)	0.8	(87.6)	
Gain on derivative instruments	7.0	-	7.0	
Loss from unconsolidated affiliates	(0.2)	-	(0.2)	
Other	0.7	-	0.7	
Total other expense	(80.9)	0.8	(80.1)	
Net income (loss) before income taxes	2.4	(63.3)	(60.9)	
Income tax benefit	(1.0)	-	(1.0)	
Net income (loss)	\$ 3.4	\$ (63.3)	\$ (59.9)	

# Appendix B: June 30, 2017 Pro Forma Consolidated Balance Sheet

(\$ in millions)	As of June 30, 2017		
	Historical	Pro Forma Adjustments	Pro Forma
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 26.6	\$ 146.0	\$ 172.6
Restricted Cash	-	350.0	350.0
Accounts receivable:			
Trade	277.5	(30.3)	247.2
Other	11.8	-	11.8
	289.3	(30.3)	259.0
Inventories	438.5	(91.4)	347.1
Derivative assets	1.0	-	1.0
Prepaid expenses and other current assets	13.9	(0.7)	13.2
Total current assets	769.3	373.6	1,142.9
Property, plant and equipment, net	1,633.2	(199.7)	1,433.5
Investment in unconsolidated affiliate	10.1	-	10.1
Goodwill	177.2	(5.1)	172.1
Other intangible assets, net	162.1	-	162.1
Other noncurrent assets, net	36.6	(14.2)	22.4
<b>Total Assets</b>	<b>\$ 2,788.5</b>	<b>\$ 154.6</b>	<b>\$ 2,943.1</b>
<b>Liabilities and Partners' Capital</b>			
Current liabilities:			
Accounts payable	\$ 312.2	\$ (63.2)	\$ 249.0
Accrued interest payable	52.4	-	52.4
Accrued salaries, wages and benefits	22.8	(0.6)	22.2
Other taxes payable	21.4	(3.1)	18.3
Obligations under inventory financing agreements	103.5	-	103.5
Other current liabilities	46.2	(1.7)	44.5
Current portion of long-term debt	3.4	-	3.4
Derivative liabilities	2.1	-	2.1
Total current liabilities	564.0	(68.6)	495.4
Deferred income taxes	2.3	-	2.3
Pension and postretirement benefit obligations	10.9	(7.2)	3.7
Other long-term liabilities	0.9	-	0.9
Long-term debt, less current portion	1,986.4	(0.4)	1,986.0
Total liabilities	2,564.5	(76.2)	2,488.3
Commitments and contingencies			
Partners' capital:			
Limited partners' interest	216.3	225.5	441.8
General partners' interest	16.0	4.6	20.6
Accumulated other comprehensive income	(8.3)	0.7	(7.6)
Total partners' capital	224.0	230.8	454.8
<b>Total Liabilities and partners' capital</b>	<b>\$ 2,788.5</b>	<b>\$ 154.6</b>	<b>\$ 2,943.1</b>



# Appendix C: December 31, 2016 Pro Forma Consolidated Statement of Operations

(\$ in millions)	Year Ended December 31, 2016		
	Historical	Pro Forma Adjustments	Pro Forma
Sales	\$ 3,599.4	\$ (681.3)	\$ 2,918.1
Cost of sales	3,191.1	(612.5)	2,578.6
Gross profit	408.3	(68.8)	339.5
Operating costs and expenses:			
Selling	110.7	(0.7)	110.0
General and administrative	110.6	(0.9)	109.7
Transportation	169.2	(12.0)	157.2
Taxes other than income taxes	20.1	(1.6)	18.5
Asset impairment	35.7	-	35.7
Other	1.7	(0.6)	1.1
Operating loss	(39.7)	(53.0)	(92.7)
Other income (expense):			
Interest expense	(161.7)	0.9	(160.8)
Loss on derivative instruments	(4.1)	-	(4.1)
Loss from unconsolidated affiliates	(18.7)	-	(18.7)
Loss on sale of unconsolidated affiliates	(113.4)	-	(113.4)
Other	1.3	(0.3)	1.0
Total other expense	(296.6)	0.6	(296.0)
Net loss before income taxes	(336.3)	(52.4)	(388.7)
Income tax benefit	(7.7)	-	(7.7)
Net loss	\$ (328.6)	\$ (52.4)	\$ (381.0)

## CONTACT INFORMATION

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