



Third Quarter 2020

Financial Results Conference Call

November 6, 2020



CALUMET
SPECIALTY PRODUCTS PARTNERS, L.P.

Cautionary Statements

This Presentation has been prepared by Calumet Specialty Products Partners, L.P. (the “Company,” “Calumet,” “we,” “our,” or like terms) as of November 6, 2020. 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 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, Quarterly Report on Form 10-Q, and Current Reports on Form 8-K. 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 Current Reports on Form 8-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.

Non-GAAP Financial Measures

Adjusted EBITDA, Adjusted EBITDA margin, Adjusted gross profit (loss) per barrel, Adjusted net income (loss), Adjusted net income (loss) per unit, and Free cash flow are non-GAAP financial measures provided in this Presentation. 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.

Successful Progress Through The Pandemic

- **2020 Specialty Adj. EBITDA Ahead of 2019**

- Consumer-facing units growing
- Industrial-facing specialties rebound in Q3
- YTD record for Finished Lubes & Chemicals

- **Decisive Actions**

- Step change cost reduction
- Yield and margin management
- Hedging

- **Maintained Positive Cash Flow**

Third Quarter Highlights

\$25.4 MM Adjusted EBITDA⁽¹⁾⁽²⁾

- ✓ Specialty Adj. EBITDA⁽¹⁾ of \$56.0 MM & \$176.6 MM YTD
- ✓ Fuels Adj. EBITDA⁽¹⁾ of (\$13.5) MM & \$27.6 MM YTD
- ✓ 2020 YTD Specialty Adj. EBITDA ahead of same 2019 period



Strategy & Balance Sheet

- ✓ Liquidity of ~\$269 MM; ~\$109 MM of cash equivalents
- ✓ Cash flow from operating activities of \$15 MM
- ✓ Outstanding notes firming



Specialty Margin Performance

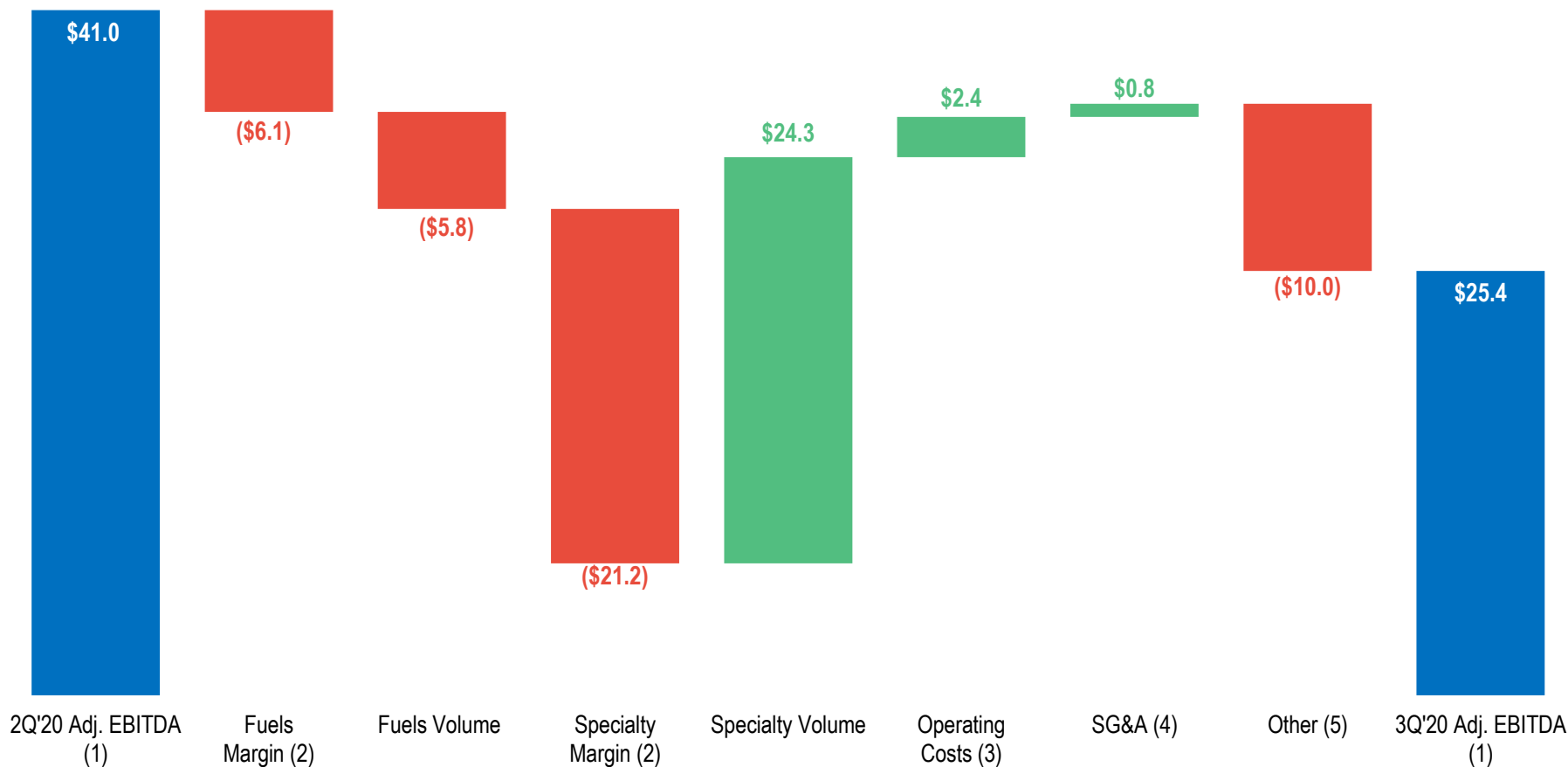
- ✓ Gross profit grew as industrial volumes recovered
- ✓ Adj. EBITDA margin⁽¹⁾ of 19.9%
- ✓ Adj. gross profit per barrel⁽¹⁾ of \$38.32



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

(2) Includes Corporate segment results

Total CLMT Adjusted EBITDA⁽¹⁾ Bridge Q/Q – (\$MM)



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

(2) Includes hedging

(3) Includes plant operating and maintenance costs including RINs activities

(4) Excludes \$5.4 million of 2024 notes exchange related expenses

(5) Includes transportation, a one-time property tax settlement in the second quarter of 2020 and San Antonio Refinery 2019 RINs obligation

Total CLMT Adjusted EBITDA⁽¹⁾ Bridge YTD – (\$MM)



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

(2) Includes hedging

Specialty Products Segment Highlights

	Adj. EBITDA ⁽¹⁾			Adj. EBITDA Margin ⁽¹⁾			Adj. Gross Profit/ bbl ⁽¹⁾		
	\$MM	Y/Y Δ	Q/Q Δ	%	Y/Y Δ	Q/Q Δ	\$/bbl	Y/Y Δ	Q/Q Δ
3Q'20	\$56.0	+\$4.4M	(\$0.1M)	19.9%	+540bps	(420bps)	\$38.32	+\$4.49	(\$6.20)

- Resilience in Consumer Specialties
- Rebound in Industrial Specialties
- Gross profit up despite mix reversion
- Adj. EBITDA growth Y/Y

penreco



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

Fuels Products Segment Highlights

	Adj. EBITDA ⁽¹⁾			Production Volume ⁽²⁾			Adj. Gross Profit (Loss)/ bbl ⁽¹⁾		
	\$MM	Y/Y Δ	Q/Q Δ	K bpd	Y/Y Δ	Q/Q Δ	\$/bbl	Y/Y Δ	Q/Q Δ
3Q'20	(\$13.5)	(\$61.2M)	(\$15.4M)	58.4	(28.4%)	(5.2%)	(\$6.30)	(\$11.48)	(\$2.61)
						With realized hedge results	(\$3.33) ^(*)	(\$8.56) ^(*)	(\$1.74) ^(*)

- Weak global fundamentals
- Local rack sales records
- Opportunistically advanced plant maintenance
- Successful hedging strategies

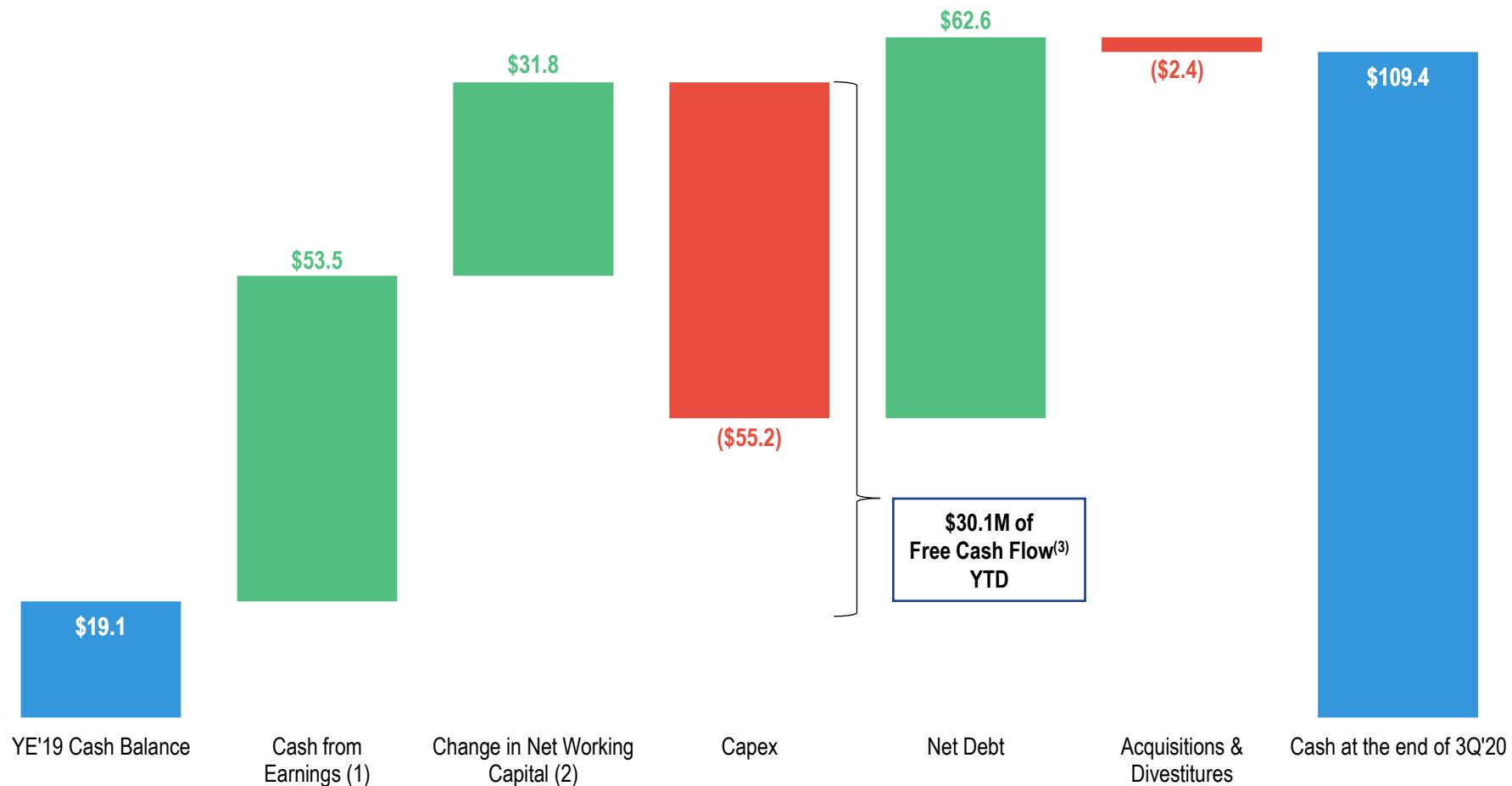


(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

(2) Production volume is as reported and not pro-forma for the sale of the San Antonio refinery

(*) Reflects realized Adj. gross profit (loss) per barrel, and relevant comparisons inclusive of hedging impacts

Year-to-Date Sources/Uses of Cash (\$MM)



(1) Cash Flow from Operations less turnaround costs and changes in assets and liabilities

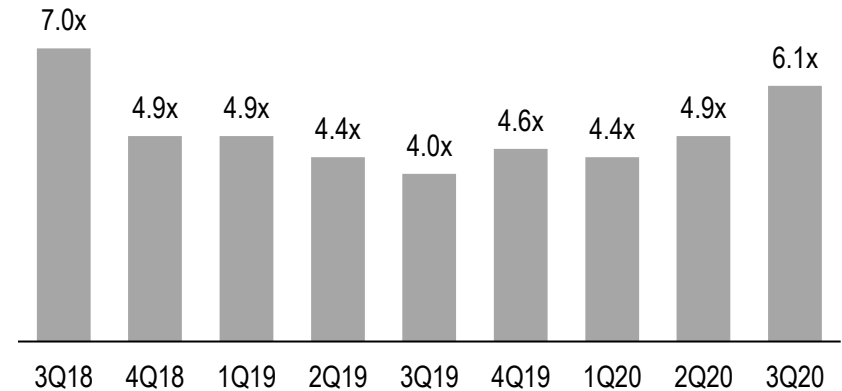
(2) Excludes turnaround costs

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

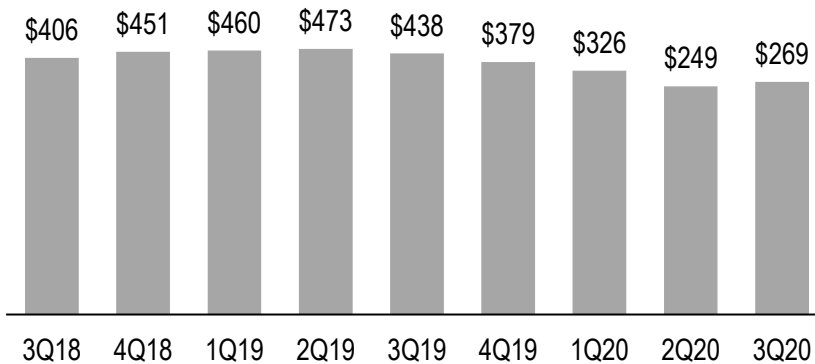
Liquidity & Credit Metrics

- \$269 MM of liquidity:
 - \$109 MM of cash
 - \$160 MM of revolver availability

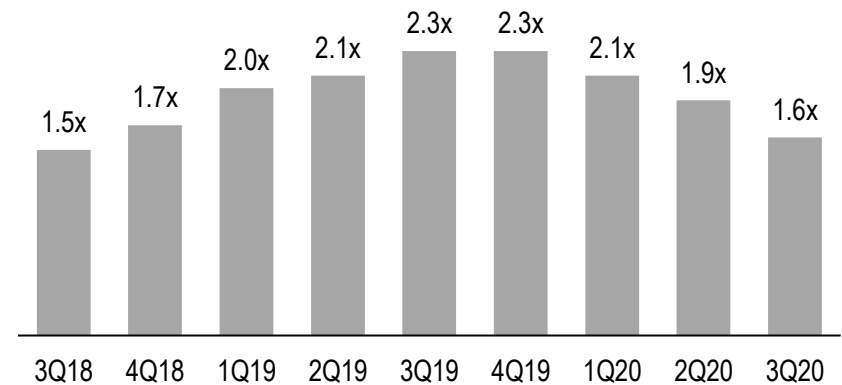
NET DEBT TO LTM ADJ. EBITDA RATIO⁽¹⁾



LIQUIDITY AVAILABILITY (\$MM)



FIXED CHARGE COVERAGE RATIO⁽²⁾



(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

Northwest Louisiana Specialty Products Complex



Largest U.S. High-Yield Specialty Complex⁽¹⁾

Shreveport, Princeton, & Cotton Valley, LA

- Interconnected sites comprise the largest specialty petroleum product focused operation in USA⁽¹⁾
- 78,000 bpd, 19.1 Nelson complexity
- Good logistics access to major markets
- Advantaged inland location

(1) Largest of all U.S. crude fed sites producing 25+% specialties yield (lubes, solvents, specialty roofing asphalt, waxes) based on Baker O'Brien data and company research

Q4'20 Outlook

▪ Specialty Products

- Continued resilience in consumer-facing specialties
- Industrial brands remain strong
- No sign of seasonal slowdown yet

▪ Fuels Products

- Focus on controllable actions
- Inventory levels improving in the U.S.



Appendix

Supplemental Financial Data

Exhibit A: Capital Structure Overview

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
(\$ in millions)	12/31/18	03/31/19	06/30/19	09/30/19	12/31/19	03/31/20	06/30/20	09/30/20
Cash	\$ 155.7	\$ 152.9	\$ 173.5	\$ 164.2	\$ 19.1	\$ 103.7	\$ 105.4	\$ 109.4
ABL Revolver Borrowings	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 147.2	\$ 110.3	\$ 100.1
6.50% Senior Notes due 2021	900.0	876.8	810.2	761.2	—	—	—	—
7.625% Senior Notes due 2022	350.0	350.0	350.0	350.0	350.0	350.0	350.0	150.0
7.75% Senior Notes due 2023	325.0	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
11.00% Senior Notes due 2025	—	—	—	—	550.0	550.0	550.0	550.0
Capital Leases	42.4	3.3	3.0	2.8	2.7	3.9	3.9	3.9
Other	5.2	4.9	4.5	4.1	3.8	3.4	3.0	2.7
Total Debt	\$ 1,622.6	\$ 1,560.0	\$ 1,492.7	\$ 1,443.1	\$ 1,231.5	\$ 1,379.5	\$ 1,342.2	\$ 1,331.7
Partners' Capital (Deficit)	\$ 65.7	\$ 83.5	\$ 67.1	\$ 62.8	\$ 21.6	\$ 7.0	\$ 10.9	\$ (44.8)
Total Capitalization	\$ 1,688.3	\$ 1,643.5	\$ 1,559.8	\$ 1,505.9	\$ 1,253.1	\$ 1,386.5	\$ 1,353.1	\$ 1,286.9
LTM Adjusted EBITDA	\$ 300.8	\$ 288.6	\$ 300.7	\$ 319.9	\$ 262.8	\$ 286.8	\$ 250.8	\$ 200.0
Net Debt / LTM Adjusted EBITDA	4.9 x	4.9 x	4.4 x	4.0 x	4.6 x	4.4 x	4.9 x	6.1 x

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

(\$ in millions)	09/30/18	12/31/18	03/31/19	06/30/19	09/30/19	12/31/19	03/31/20	06/30/20	09/30/20
Segment Adjusted EBITDA									
Corporate Adjusted EBITDA	\$ (24.0)	\$ (23.1)	\$ (24.6)	\$ (28.3)	\$ (23.1)	\$ (21.6)	\$ (20.0)	\$ (17.0)	\$ (17.1)
Specialty products Adjusted EBITDA	37.2	45.2	58.4	55.1	51.6	42.8	64.5	56.1	56.0
Fuel products Adjusted EBITDA	44.0	82.9	25.9	50.2	47.7	28.7	39.2	1.9	(13.5)
Discontinued operations Adjusted EBITDA	(0.2)	2.0	—	—	—	—	—	—	—
Total Adjusted EBITDA	\$ 57.0	\$ 107.0	\$ 59.7	\$ 77.0	\$ 76.2	\$ 49.9	\$ 83.7	\$ 41.0	\$ 25.4
Less:									
LCM / LIFO (gain) loss	\$ 2.7	\$ 51.3	\$ (38.0)	\$ (2.6)	\$ 2.7	\$ (3.9)	\$ 66.5	\$ (32.1)	\$ 1.1
Unrealized (gain) loss on derivative instruments	2.4	(29.8)	2.6	12.2	5.4	5.9	(31.6)	1.2	9.2
Realized (gain) loss on derivative activities, not included in net income (loss) or settled in a prior period	0.7	(2.8)	—	—	—	—	—	—	—
Amortization of turnaround costs	2.7	4.1	4.8	5.6	6.1	2.8	5.1	3.6	4.0
(Gain) loss on debt extinguishment costs	—	—	(0.4)	(0.3)	—	2.9	—	—	—
(Gain) loss on the sale of business, net	(3.4)	2.9	—	—	—	8.7	—	—	—
Other non-recurring (income) expenses	—	—	—	—	1.3	2.2	(1.2)	—	5.5
Gain on sale of unconsolidated affiliate ⁽¹⁾	—	—	(1.2)	—	—	—	—	—	—
Loss on impairment and disposal of assets	0.9	3.2	11.7	16.2	3.2	5.9	6.0	0.7	—
Equity based compensation and other items	(0.2)	(4.1)	3.4	2.3	0.4	1.3	(2.9)	7.0	2.1
EBITDA	\$ 51.2	\$ 82.2	\$ 76.8	\$ 43.6	\$ 57.1	\$ 24.1	\$ 41.8	\$ 60.6	\$ 3.5
Less:									
Interest expense	\$ 37.7	\$ 35.1	\$ 32.3	\$ 33.1	\$ 33.8	\$ 35.4	\$ 29.3	\$ 30.6	\$ 33.3
Depreciation and amortization	29.6	29.3	28.2	27.0	27.4	27.5	26.4	26.2	26.2
Income tax expense (benefit)	0.4	(0.3)	(0.1)	0.3	0.5	(0.2)	0.5	0.2	0.1
Net income (loss)	\$ (16.5)	\$ 18.1	\$ 16.4	\$ (16.8)	\$ (4.6)	\$ (38.6)	\$ (14.4)	\$ 3.6	\$ (56.1)

⁽¹⁾ In 2018, the Company and The Heritage Group formed Biosyn for the purposes of acquiring Biosynthetic Technologies, a startup company which developed an intellectual property portfolio for the manufacture of renewable-based and biodegradable esters. The initial cash investment of \$3.8 million made by the Company into Biosyn was expensed in the period ended March 31, 2018 given Biosyn's operations were all related to research and development. The Company accounts for its ownership in Biosyn under the equity method of accounting. During March 2019, the Company sold its investment to The Heritage Group and recognized a gain of \$5.0 million. For comparability purposes, \$3.8 million of the gain is included in Adj. EBITDA for the three months ended March 31, 2019.

Exhibit C: Reconciliation of Operating Metrics

(\$ in millions, except per barrel data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Specialty products Adjusted EBITDA	\$56.0	\$51.6	\$176.6	\$165.1
Fuels products Adjusted EBITDA	(13.5)	47.7	27.6	123.8
Corporate Adjusted EBITDA	(17.1)	(23.1)	(54.1)	(76.0)
Total segment Adjusted EBITDA	\$25.4	\$76.2	\$150.1	\$212.9
Specialty products segment gross profit	\$86.5	\$80.7	\$240.9	\$255.6
LCM inventory adjustments	(4.7)	(0.9)	13.3	(7.1)
LIFO inventory layer adjustments	—	—	—	0.9
Specialty products segment Adjusted gross profit	\$81.8	\$79.8	\$254.2	\$249.4
Fuel products segment gross profit (loss)	\$(41.9)	\$37.1	\$(52.7)	\$105.3
LCM inventory adjustments	5.8	3.6	22.2	(31.7)
Fuel products segment Adjusted gross profit (loss)	\$(36.1)	\$40.7	\$(30.5)	\$73.6
Reported Specialty gross profit per barrel	\$40.52	\$34.21	\$39.09	\$36.30
LCM/LIFO inventory adjustments per barrel	(2.20)	(0.38)	2.16	(0.88)
Specialty products segment Adjusted gross profit per barrel	\$38.32	\$33.83	\$41.25	\$35.42
Reported Fuels gross profit (loss) per barrel	\$(7.31)	\$4.72	\$(2.92)	\$4.71
LCM/LIFO inventory adjustments per barrel	1.01	0.46	1.23	(1.42)
Fuels products segment Adjusted gross profit (loss) per barrel	\$(6.30)	\$5.18	\$(1.69)	\$3.29
Specialty products Adjusted EBITDA	\$56.0	\$51.6	\$176.6	\$165.1
Specialty products sales	281.3	355.8	840.9	1,052.4
Specialty products Adjusted EBITDA margin	19.9%	14.5%	21.0%	15.7%

EXHIBIT D: Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss)

(\$ in millions, except per unit data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net loss	\$ (56.1)	\$ (4.6)	\$ (66.9)	\$ (5.0)
LCM inventory adjustments	1.1	2.7	35.5	(38.8)
LIFO inventory layer adjustments	—	—	—	0.9
Unrealized (gain) loss on derivative instruments	9.2	5.4	(21.2)	20.2
Gain from debt extinguishment	—	—	—	(0.7)
Gain on sale of unconsolidated affiliate	—	—	—	(1.2)
Loss on impairment and disposal of assets	—	3.2	6.7	31.1
Other non-recurring expenses	5.5	1.3	4.3	1.3
Equity based compensation and other non-cash items	2.1	0.4	6.2	6.1
Adjusted net income (loss)	\$ (38.2)	\$ 8.4	\$ (35.4)	\$ 13.9
Adjusted net income (loss) per unit	\$ (0.49)	\$ 0.11	\$ (0.45)	\$ 0.18
Average limited partner units - basic and diluted	78,743,083	78,299,472	78,602,651	78,174,976

EXHIBIT E: Adj. Gross Profit (Loss) per Barrel with Realized Hedge Results

(\$ in millions, except per barrel data)

	Three Months Ended September 30,		Three Months Ended June 30,
	2020	2019	2020
Fuel products segment gross profit (loss)	\$(41.9)	\$37.1	\$5.1
LCM inventory adjustments	5.8	3.6	(27.9)
Fuels realized gain on derivative instruments	17.0	0.4	13.0
Fuels products segment Adjusted gross profit (loss) with realized hedge results	(19.1)	41.1	(9.8)
Reported Fuels gross profit (loss) per barrel	\$(7.31)	\$4.72	\$0.83
LCM/LIFO inventory adjustments per barrel	1.01	0.46	(4.52)
Fuels realized gain on derivative instruments per barrel	2.97	0.05	2.10
Fuels products segment Adjusted gross profit (loss) per barrel with realized hedge results	\$(3.33)	\$5.23	\$(1.59)

EXHIBIT F: Reconciliation of Net Cash Provided By (Used In) Operating Activities to Free Cash Flow

(\$ in millions)	3/31/2020	6/30/2020	9/30/2020	9/30/2020 YTD
Net cash provided by (used in) operating activities	\$(19.9)	\$70.3	\$15.2	\$65.6
Additions to property, plant and equipment	(14.9)	(13.5)	(7.1)	(35.5)
Free Cash Flow	\$(34.8)	\$56.8	\$8.1	\$30.1



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