



Fourth Quarter and Full Year 2020

Financial Results Conference Call

March 3, 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 March 3, 2021. 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, and Current Reports on Form 8-K. The risk factors and other factors noted in our most recent Annual Report on Form 10-K 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), 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.

Business Highlights – 2020

Excellent Specialty Results

- **Adj. EBITDA and margin growth**
- **\$41.66 Adj. gross profit / bbl ⁽¹⁾**
- **Diversification strategy success**

Decisive & Successful Actions

- **Step-change reduction in costs**
- **Capex reset**
- **Maintained selective growth**

Capital Discipline

- **Positive free cash flow ⁽¹⁾**
- **Liquidity strong all year**
- **Creative & effective maturity management**



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

Fourth Quarter and Full Year Highlights

Fourth Quarter 2020

(\$8.6) MM Adj. EBITDA⁽¹⁾

- ✓ Specialty Adj. EBITDA of \$61.4 MM
- ✓ Fuels Adj. EBITDA of (\$57.9) MM
- ✓ Corporate Adj. EBITDA of (\$12.1) MM

Full Year 2020

\$141.5 MM of Adj. EBITDA⁽¹⁾

- ✓ Specialty Adj. EBITDA of \$238.0 MM
- ✓ Fuels Adj. EBITDA of (\$30.3) MM
- ✓ Corporate Adj. EBITDA of (\$66.2) MM

Strategy & Balance Sheet Execution

- ✓ Positive cash flows: CFFO of \$62.8 MM and FCF⁽¹⁾ of \$18.8 MM
- ✓ Step-change cost reduction
- ✓ Effective debt maturity management

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

Structural Progress, Transient Headwinds*

2020 Major Headwinds

Fuels Margins

Weak market fundamentals

(\$93 MM)

RINs Costs

RINs pricing increased materially

(\$117 MM)

2020 Action-Driven Progress

**Specialty Margin
& Transportation**

Maximized cash flows through margin/volume optimization

+\$23 MM

**SG&A & Op. Cost
Reductions**

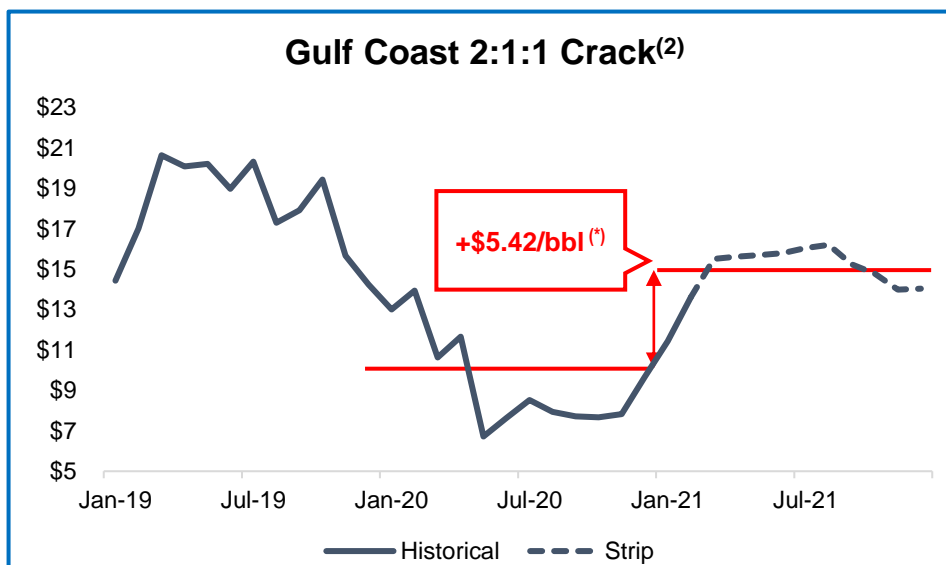
Leaner cost structure remains

+\$78 MM

(*) All numbers above a Y/Y vs. FY'19

Fuels Products Segment Highlights

	FY20	FY19	Δ Y/Y
Adjusted EBITDA ⁽¹⁾	(\$30.3) MM	\$152.5 MM	(\$182.8) MM
Adj. Gross Profit ⁽¹⁾	(\$102.3) MM	\$97.4 MM	(\$199.7) MM
Adj. Gross Profit/ bbl ⁽¹⁾	(\$4.35)	\$3.34	(\$7.69)



2020 Key Takeaways

- Fuels margin compression across FY'20
- RINs costs most significant driver of Y/Y decline
 - ~\$117 MM Y/Y⁽³⁾; ~\$36 MM Q4'20/Q3'20⁽³⁾
- Record product sales through the local racks
- Step change improvement in cash operating costs
- Forward strip recovering after Q4'20

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

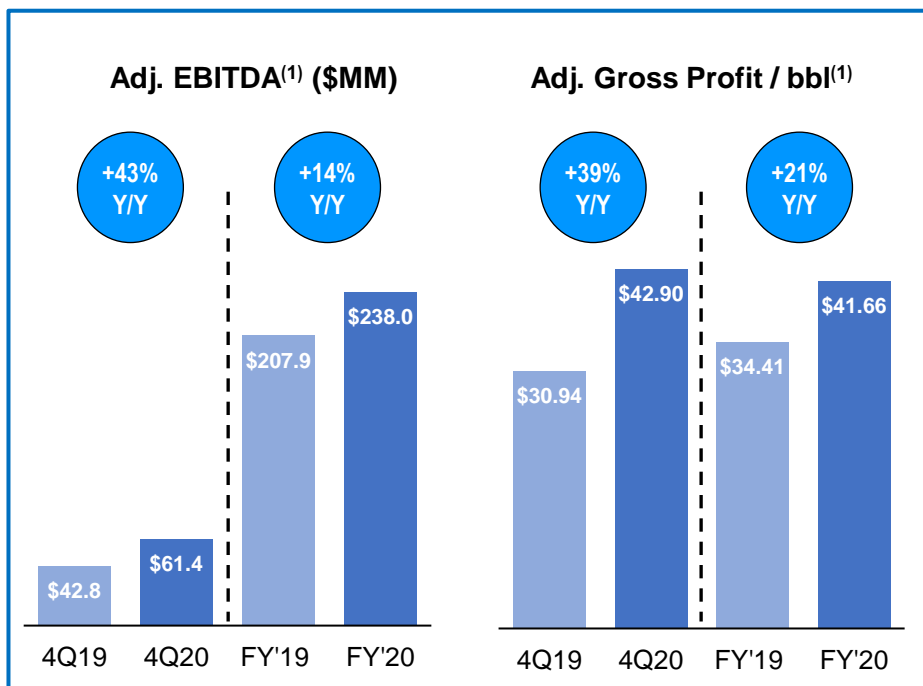
(2) Forward strip as of 2/26/21

(3) Includes RINs expense associated with the San Antonio refinery for the 2019 compliance period

(*) Compared to 2020 average

Specialty Products Segment Highlights

	FY20	FY19	Δ Y/Y
Adjusted EBITDA ⁽¹⁾	\$238.0 MM	\$207.9 MM	+\$30.1 MM
Adj. EBITDA Margin ⁽¹⁾	21.2%	15.4%	+580bps
Adj. Gross Profit ⁽¹⁾	\$340.9 MM	\$312.7 MM	+28.2 MM
Adj. Gross Profit/ bbl ⁽¹⁾	\$41.66	\$34.41	+\$7.25



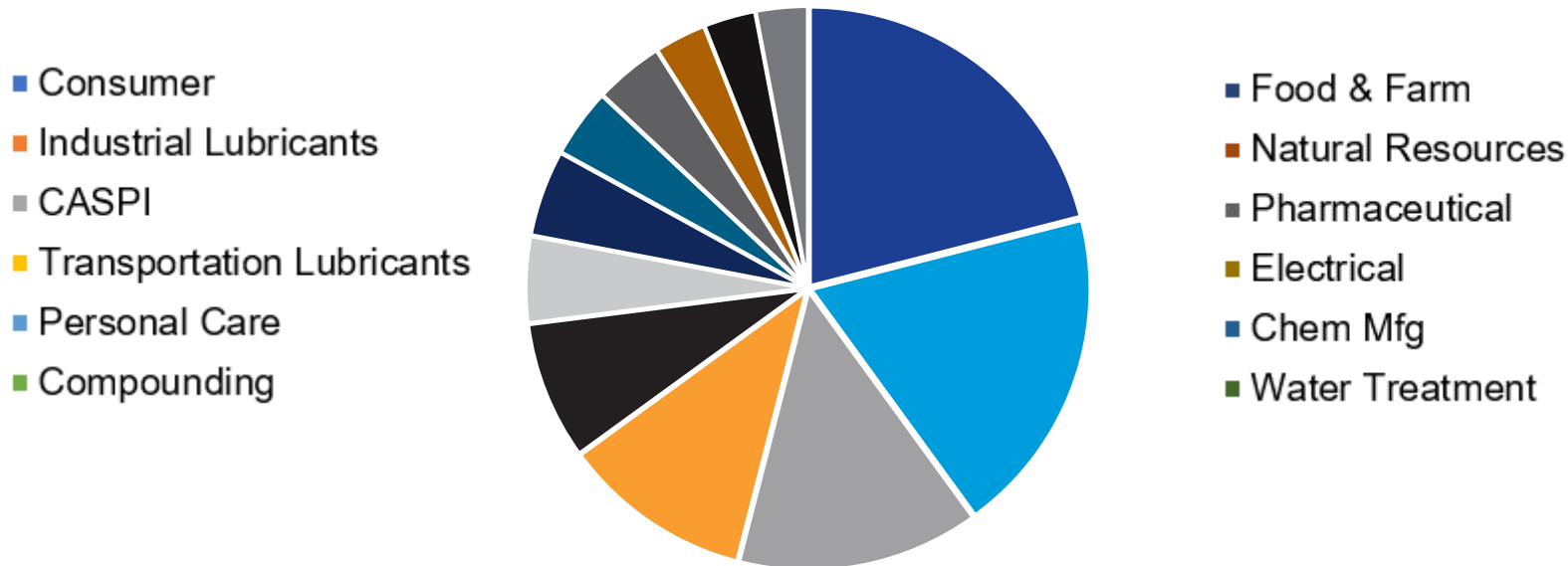
2020 Key Takeaways

- Y/Y growth driven by:
 - Volume growth in consumer-facing markets
 - Industrial specialties unit margin improvements
- Q4 outperformed vs seasonal norms
- Industrial specialties volumes normalizing
- Record year for Performance Brands

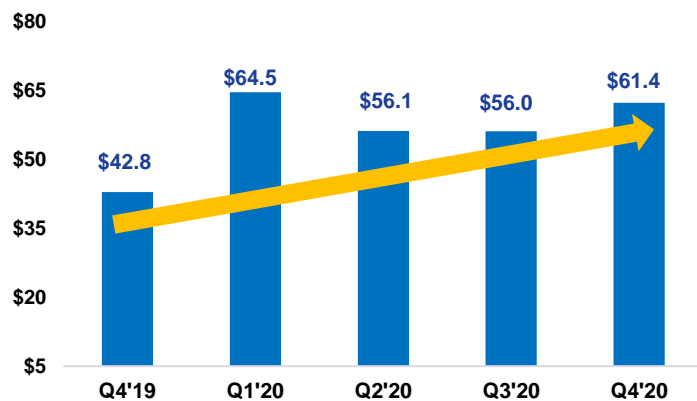
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Exceptional Customer and Product Diversity

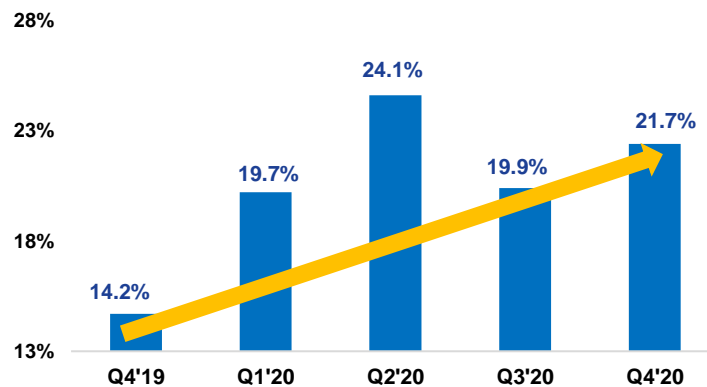
Specialty Total Margin Contribution (%)



Specialty Adj. EBITDA⁽¹⁾ +14% Y/Y



Specialty Adj. EBITDA⁽¹⁾ Margins +38% Y/Y



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

New Business Segments

*Montana /
Renewables*



*Specialty Products
& Solutions*



*Performance
Brands*





Montana / Renewables

Strategic Driver

Exceptional energy transition project — good, fast and cheap

- ✓ Renewable supply to Canada and USWC
- ✓ Specialty asphalt and essential products to Montana farm, ranch and military

Why Great Falls?

Physical infrastructure in place

- ✓ Oversized hydrocracker — extremely capital-competitive with announced industry projects; low-cost supplier if market becomes long or overbuilt
- ✓ Rail capability in place — logistically advantaged to renewable markets

Dual Train Operation

\$220-260 MM annual Adj. EBITDA⁽¹⁾

- ✓ 10-12 kbpd renewable feedstock
- ✓ 10-12 kbpd low-cost Canadian crude feedstock

Capital Structure

- ✓ Intend equity partner funding, avoids CLMT capital
- ✓ EV/EBITDA multiple for renewables



⁽¹⁾ Adj. EBITDA estimate assuming mid-cycle market prices and existing environmental market structure (BTC, RINs, LCFS).

Specialty Products & Solutions

Customer Diversity

- ✓ Customer and market diversity provides competitive advantage
- ✓ Growth through branding, product development, formulations, and innovation

Integrated Value Chain

- ✓ Anchored by a unique set of integrated assets at our NW Louisiana complex
- ✓ Downstream formulating, blending, and packaging capability

Product Breadth

- | | | |
|---------------------------------------|------------------|-----------|
| ✓ Base Oils (Paraffinic + Naphthenic) | ✓ White Oils | ✓ Esters |
| ✓ Aliphatic Solvents | ✓ Petrolatums | ✓ Fuels |
| ✓ Wax | ✓ Specialty Gels | ✓ Asphalt |





Performance Brands



Established Brands	1986	1946	2010
Segment Expertise	Consumer Industrial	Industrial Consumer	Engineered Fuels
High Performing	#1 Independent US Premium Synthetic Brand ⁽¹⁾	70 Year Track Record Of Outperformance	#1 North American Engineered Fuel ⁽²⁾
Significant Potential	Synthetic Market Growth ~8%	Core Market Growth ~5%	Market Growth >20%
Highly- Recognizable			

1. NPD retail sales data
2. Calumet commissioned research

FY'21 Outlook

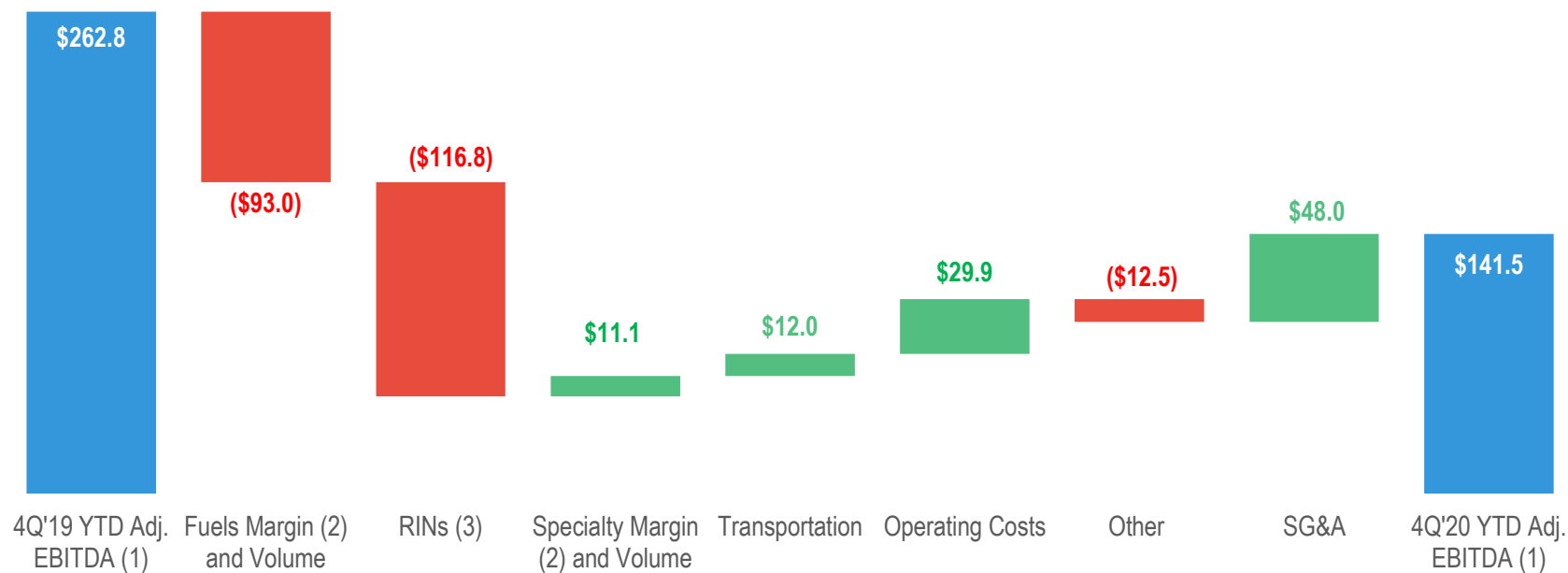
- **Strong economic activity**
- **Polar storm in February**
- **Crack spreads continue to recover in Q1'21**
- **Strategic progress will be achieved**



Appendix

Supplemental Financial Data

Total CLMT Adjusted EBITDA⁽¹⁾ Bridge Y/Y

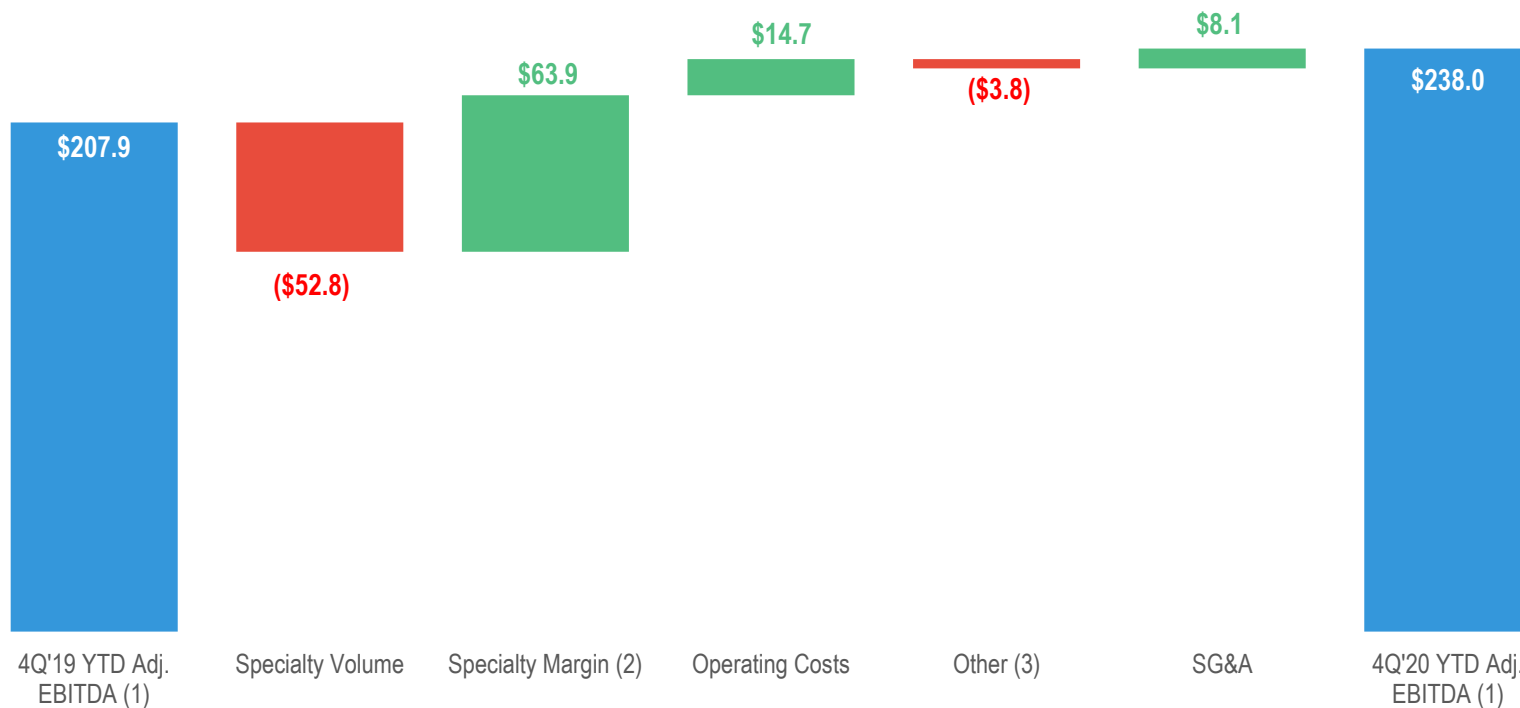


(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

(2) Includes hedging

(3) Includes RINs expense associated with the San Antonio refinery for the 2019 compliance period

Specialty Products Segment Adj EBITDA⁽¹⁾ Bridge Y/Y

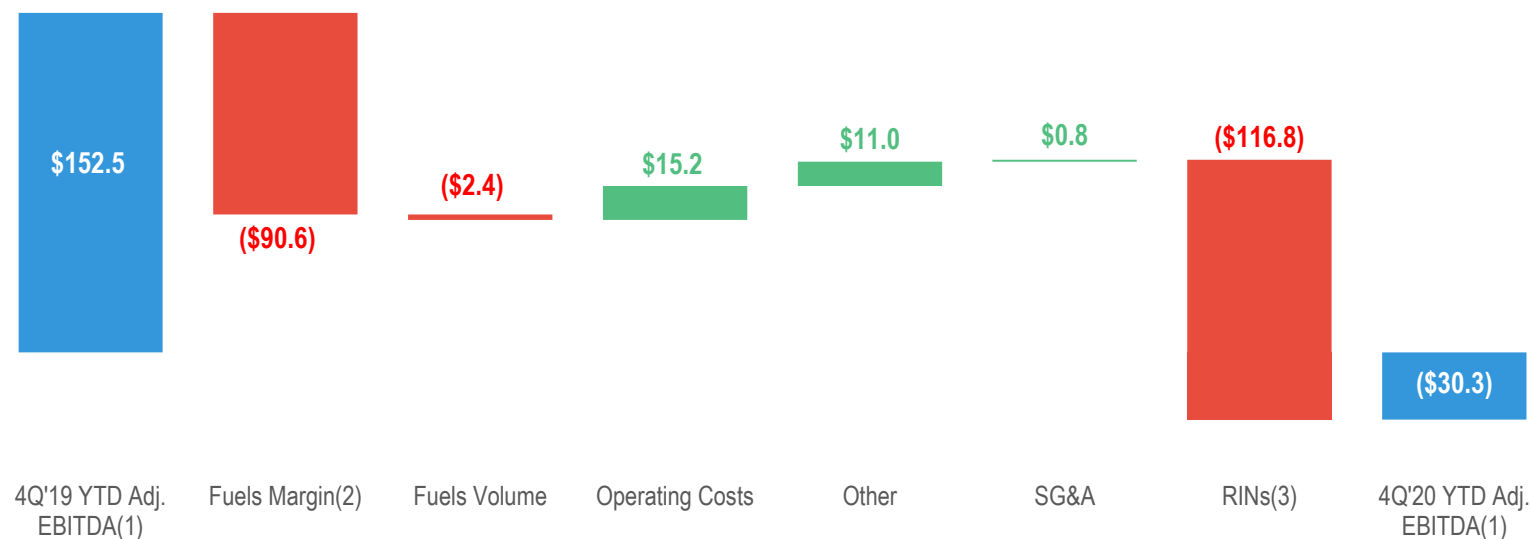


(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

(2) Includes hedging

(3) Includes transportation expenses and settlements related to discontinued production arrangements

Fuels Products Segment Adj EBITDA ⁽¹⁾ Bridge Y/Y

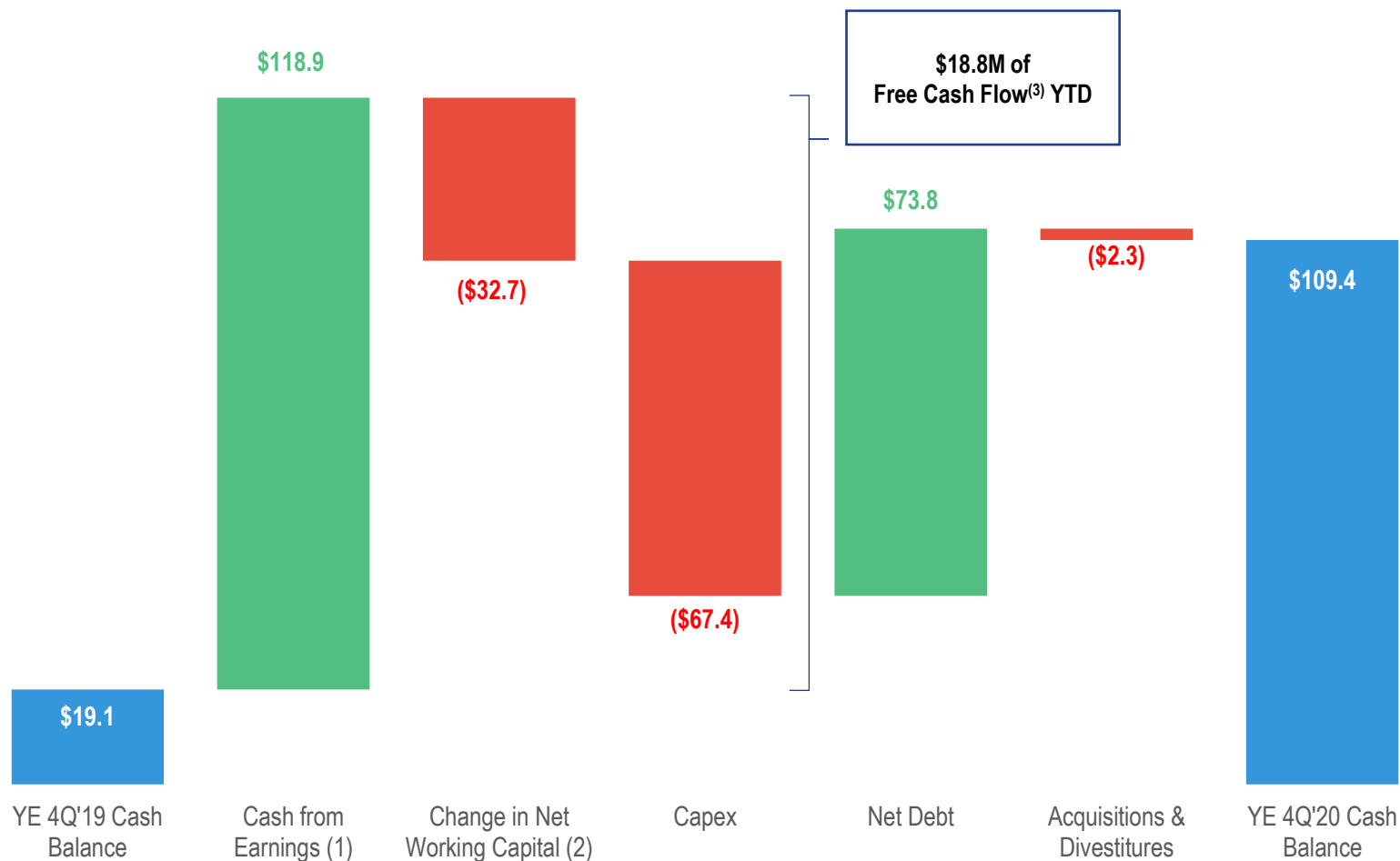


(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

(2) Includes hedging

(3) Includes RINs expense associated with the San Antonio refinery for the 2019 compliance period

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



(1) Cash Flow from Operations less turnaround costs, changes in assets and liabilities, and changes in the RINs obligation

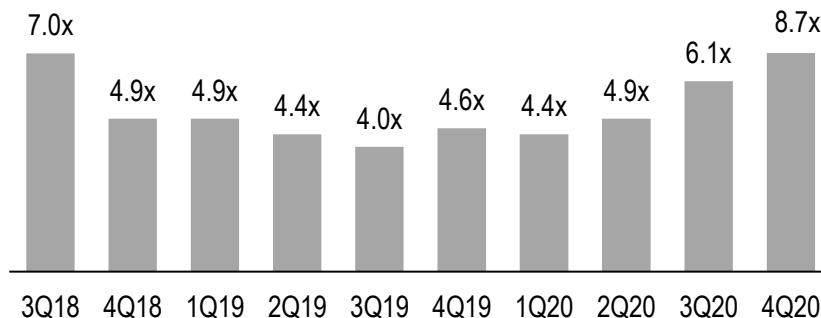
(2) Excludes turnaround costs and changes in the RINs obligation

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

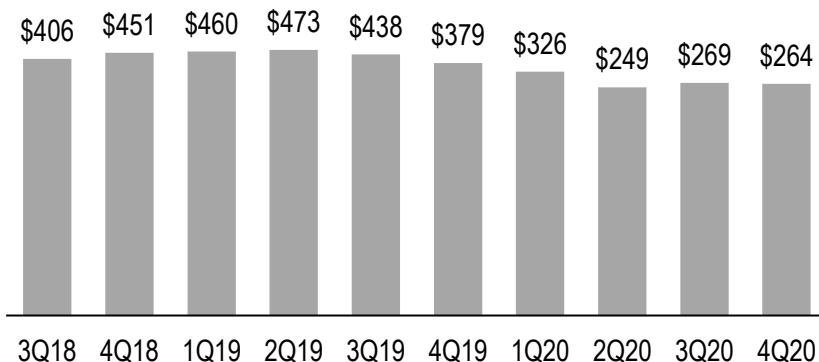
Liquidity & Credit Metrics

- **\$264 MM of liquidity:**
 - **\$109 MM of cash**
 - **\$154 MM of revolver availability**

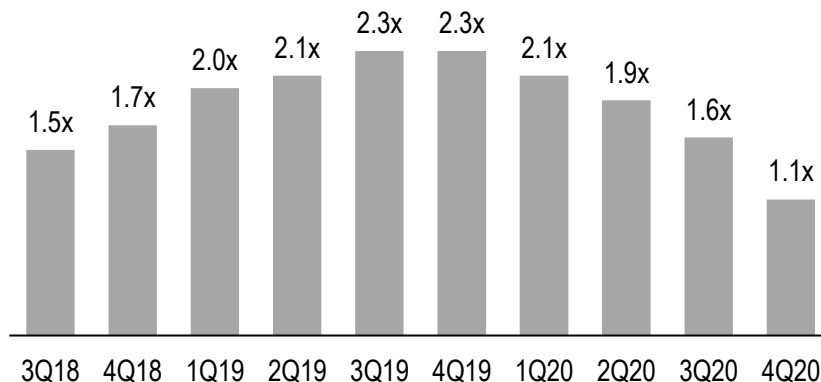
NET DEBT TO LTM ADJ. EBITDA RATIO⁽¹⁾



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

Exhibit A: Capital Structure Overview

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
(\$ in millions)	03/31/19	06/30/19	09/30/19	12/31/19	03/31/20	06/30/20	09/30/20	12/31/20
Cash	\$ 152.9	\$ 173.5	\$ 164.2	\$ 19.1	\$ 103.7	\$ 105.4	\$ 109.4	\$ 109.4
ABL Revolver Borrowings	\$ —	\$ —	\$ —	\$ —	\$ 147.2	\$ 110.3	\$ 100.1	\$ 108.0
6.50% Senior Notes due 2021	876.8	810.2	761.2	—	—	—	—	—
7.625% Senior Notes due 2022	350.0	350.0	350.0	350.0	350.0	350.0	150.0	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	200.0
11.00% Senior Notes due 2025	—	—	—	550.0	550.0	550.0	550.0	550.0
Finance Leases	3.3	3.0	2.8	2.7	3.9	3.9	3.9	3.7
Other	4.9	4.5	4.1	3.8	3.4	3.0	2.7	2.3
Total Debt	\$ 1,560.0	\$ 1,492.7	\$ 1,443.1	\$ 1,231.5	\$ 1,379.5	\$ 1,342.2	\$ 1,331.7	\$ 1,339.0
Partners' Capital (Deficit)	\$ 83.5	\$ 67.1	\$ 62.8	\$ 21.6	\$ 7.0	\$ 10.9	\$ (44.8)	\$ (128.6)
Total Capitalization	\$ 1,643.5	\$ 1,559.8	\$ 1,505.9	\$ 1,253.1	\$ 1,386.5	\$ 1,353.1	\$ 1,286.9	\$ 1,210.4
LTM Adjusted EBITDA	\$ 288.6	\$ 300.7	\$ 319.9	\$ 262.8	\$ 286.8	\$ 250.8	\$ 200.0	\$ 141.5
Net Debt / LTM Adjusted EBITDA	4.9 x	4.4 x	4.0 x	4.6 x	4.4 x	4.9 x	6.1 x	8.7 x

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

(\$ in millions)	03/31/19	06/30/19	09/30/19	12/31/19	03/31/20	06/30/20	09/30/20	12/31/20
Segment Adjusted EBITDA								
Corporate Adjusted EBITDA	\$ (24.6)	\$ (28.3)	\$ (23.1)	\$ (21.6)	\$ (20.0)	\$ (17.0)	\$ (17.1)	\$ (12.1)
Specialty products Adjusted EBITDA	58.4	55.1	51.6	42.8	64.5	56.1	56.0	61.4
Fuel products Adjusted EBITDA	25.9	50.2	47.7	28.7	39.2	1.9	(13.5)	(57.9)
Adjusted EBITDA	\$ 59.7	\$ 77.0	\$ 76.2	\$ 49.9	\$ 83.7	\$ 41.0	\$ 25.4	\$ (8.6)
Less:								
LCM / LIFO (gain) loss	\$ (38.0)	\$ (2.6)	\$ 2.7	\$ (3.9)	\$ 66.5	\$ (32.1)	\$ 1.1	\$ (7.0)
Unrealized (gain) loss on derivative instruments	2.6	12.2	5.4	5.9	(31.6)	1.2	9.2	18.4
Amortization of turnaround costs	4.8	5.6	6.1	2.8	5.1	3.6	4.0	1.9
(Gain) loss on debt extinguishment costs	(0.4)	(0.3)	—	2.9	—	—	—	—
(Gain) loss on the sale of business, net	—	—	—	8.7	—	—	—	(1.0)
Other non-recurring (income) expenses	—	—	1.3	2.2	(1.2)	—	5.5	(1.9)
Gain on sale of unconsolidated affiliate ⁽¹⁾	(1.2)	—	—	—	—	—	—	—
Loss on impairment and disposal of assets	11.7	16.2	3.2	5.9	6.0	0.7	—	0.1
Equity based compensation and other items	3.4	2.3	0.4	1.3	(2.9)	7.0	2.1	3.7
EBITDA	\$ 76.8	\$ 43.6	\$ 57.1	\$ 24.1	\$ 41.8	\$ 60.6	\$ 3.5	\$ (22.8)
Less:								
Interest expense	\$ 32.3	\$ 33.1	\$ 33.8	\$ 35.4	\$ 29.3	\$ 30.6	\$ 33.3	\$ 32.7
Depreciation and amortization	28.2	27.0	27.4	27.5	26.4	26.2	26.2	26.3
Income tax (benefit) expense	(0.1)	0.3	0.5	(0.2)	0.5	0.2	0.1	0.3
Net income (loss)	\$ 16.4	\$ (16.8)	\$ (4.6)	\$ (38.6)	\$ (14.4)	\$ 3.6	\$ (56.1)	\$ (82.1)

Exhibit C: Reconciliation of Operating Metrics

(\$ in millions, except per barrel data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Specialty products Adjusted EBITDA	\$61.4	\$42.8	\$238.0	\$207.9
Fuels products Adjusted EBITDA	(57.9)	28.7	(30.3)	152.5
Corporate Adjusted EBITDA	(12.1)	(21.6)	(66.2)	(97.6)
Total segment Adjusted EBITDA	<u>\$ (8.6)</u>	<u>\$49.9</u>	<u>\$141.5</u>	<u>\$262.8</u>
Specialty products segment gross profit	\$88.3	\$69.2	\$329.2	\$324.8
LCM inventory adjustments	(5.5)	(2.2)	7.8	(9.3)
LIFO inventory layer adjustments	3.9	(3.7)	3.9	(2.8)
Specialty products segment Adjusted gross profit	<u>\$86.7</u>	<u>\$63.3</u>	<u>\$340.9</u>	<u>\$312.7</u>
Fuel products segment gross profit (loss)	\$ (66.4)	\$21.6	\$ (119.1)	\$126.9
LCM inventory adjustments	(6.0)	5.4	16.2	(26.3)
LIFO inventory layer adjustments	0.6	(3.2)	0.6	(3.2)
Fuel products segment Adjusted gross profit (loss)	<u>\$ (71.8)</u>	<u>\$23.8</u>	<u>\$ (102.3)</u>	<u>\$97.4</u>
Reported Specialty gross profit per barrel	\$43.69	\$33.82	\$40.23	\$35.74
LCM/LIFO inventory adjustments per barrel	(0.79)	(2.88)	1.43	(1.33)
Specialty products segment Adjusted gross profit per barrel	<u>\$42.90</u>	<u>\$30.94</u>	<u>\$41.66</u>	<u>\$34.41</u>
Reported Fuels gross profit (loss) per barrel	\$ (12.09)	\$3.18	\$ (5.06)	\$4.35
LCM/LIFO inventory adjustments per barrel	(0.98)	0.32	0.71	(1.01)
Fuels products segment Adjusted gross profit (loss) per barrel	<u>\$ (13.07)</u>	<u>\$3.50</u>	<u>\$ (4.35)</u>	<u>\$3.34</u>
Specialty products Adjusted EBITDA	\$61.4	\$42.8	\$238.0	\$207.9
Specialty products sales	283.4	301.7	1,124.3	1,354.1
Specialty products Adjusted EBITDA margin	21.7%	14.2%	21.2%	15.4%

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

(\$ in millions, except per unit data)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net loss	\$ (82.1)	\$ (38.6)	\$ (149.0)	\$ (43.6)
LCM inventory (gain) loss adjustments	(11.5)	3.0	24.0	(35.8)
LIFO inventory layer (gain) loss adjustments	4.5	(6.9)	4.5	(6.0)
Unrealized (gain) loss on derivative instruments	18.4	5.9	(2.8)	26.1
Loss from debt extinguishment	—	2.9	—	2.2
Gain on sale of unconsolidated affiliate	—	—	—	(1.2)
Loss on impairment and disposal of assets	0.1	5.9	6.8	37.0
(Gain) loss on sale of business, net	(1.0)	8.7	(1.0)	8.7
Other non-recurring (income) expenses	(1.9)	2.2	2.4	3.5
Equity based compensation and other items	3.7	1.3	9.9	7.4
Adjusted net loss	\$ (69.8)	\$ (15.6)	\$ (105.2)	\$ (1.7)
Adjusted net loss per unit	\$ (0.89)	\$ (0.20)	\$ (1.34)	\$ (0.02)
Average limited partner units - basic and diluted	78,429,721	78,332,671	78,369,091	78,212,136

EXHIBIT E: 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	12/31/2020	12/31/2020 YTD
Net cash provided by (used in) operating activities	\$(19.9)	\$70.3	\$15.2	\$(2.8)	\$62.8
Additions to property, plant and equipment	(14.9)	(13.5)	(7.1)	(8.5)	(44.0)
Free Cash Flow	\$(34.8)	\$56.8	\$8.1	\$(11.3)	\$18.8



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