



# Deutsche Bank Leveraged Finance Conference

October 2021

# Forward-Looking Statements

This Presentation has been prepared by Calumet Specialty Products Partners, L.P. (the “Company,” “Calumet,” “we,” “our” or like terms) as of October 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,” “outlook,” “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, subsequent Quarterly Reports on Form 10-Q and other filings with the SEC. 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 other filings with the SEC 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 update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

## Non-GAAP Financial Measures

Adjusted EBITDA, Adjusted EBITDA margin, Adjusted gross profit (loss) and Adjusted gross profit (loss) per barrel are non-GAAP financial measures provided in this Presentation. During the first quarter of 2021, we changed how we calculate Adjusted EBITDA and segment Adjusted gross profit (loss), which now exclude RINs mark-to-market adjustments. Additionally, the calculation for segment Adjusted gross profit (loss) now excludes depreciation and amortization expenses. Each of these measures has been revised for all periods presented to consistently reflect these changes. 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.

# Why Are Investors Interested in Calumet?

- Resilient and growing Specialty products business – generated cash during Covid
- Early stages of business cycle recovery – still well below mid-cycle
- Renewable Diesel is a game-changing opportunity for the company

Segment Adjusted EBITDA <sup>(1)</sup> (\$ MM)	3 Year Average <sup>(2)</sup>
Specialty Products and Solutions	\$198
Performance Brands	\$57
Montana/Renewables <sup>(3)</sup>	\$55
Corporate	(\$79)
Divestitures	\$8
<b>TOTAL</b>	<b>\$258</b>
Renewable Diesel (RD) Project <sup>(4)</sup>	\$350

Key Market Statistics (\$MM)	
NASDAQ	CLMT
Enterprise Value	\$1,877
Market Cap	\$610
Net Debt	1,267

As of September 29<sup>th</sup>, 2021

***A solid core specialties business with transformational upside right now***

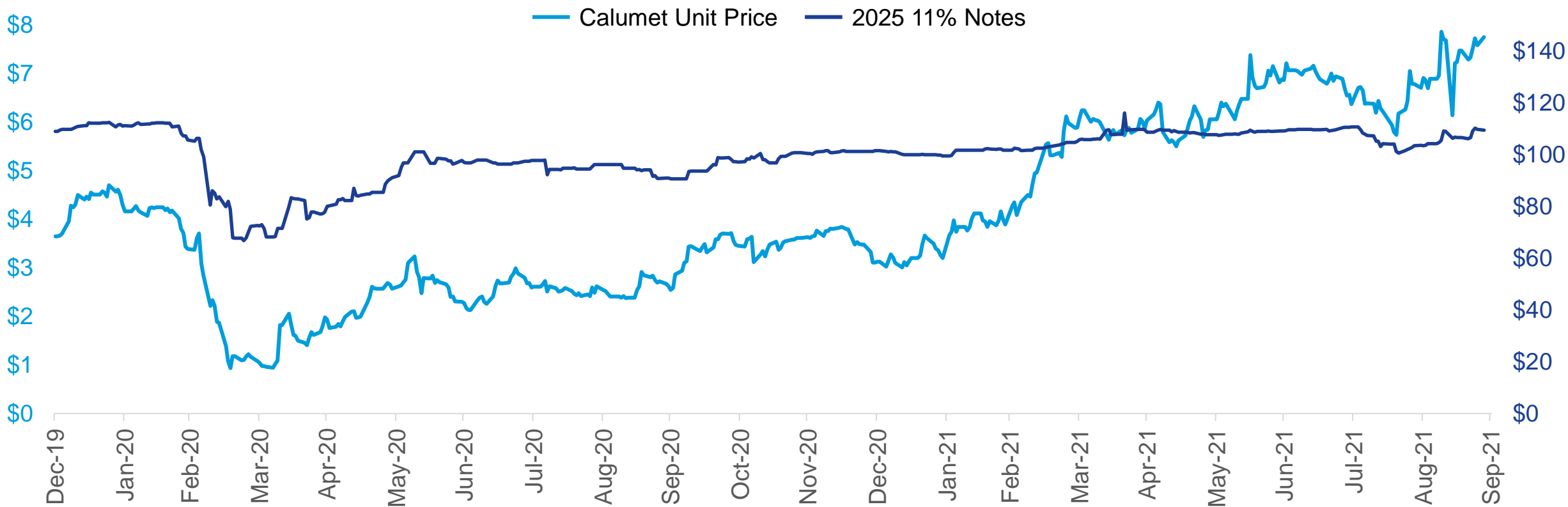
(1) See Appendix to this presentation for GAAP to Non-GAAP reconciliations

(2) 2021 Annualized and adjusted to exclude one-time impacts; see Appendix for one-time impacts

(3) Does not reflect results from the Renewable Diesel Project as the conversion was not operational in 2019 or 2020.

(4) Illustrative Adjusted EBITDA potential for Renewable Diesel Project based on management's backcast model. See Appendix for methodology and assumptions underlying the backcast model.

# Attractive High Yield Investment Opportunity

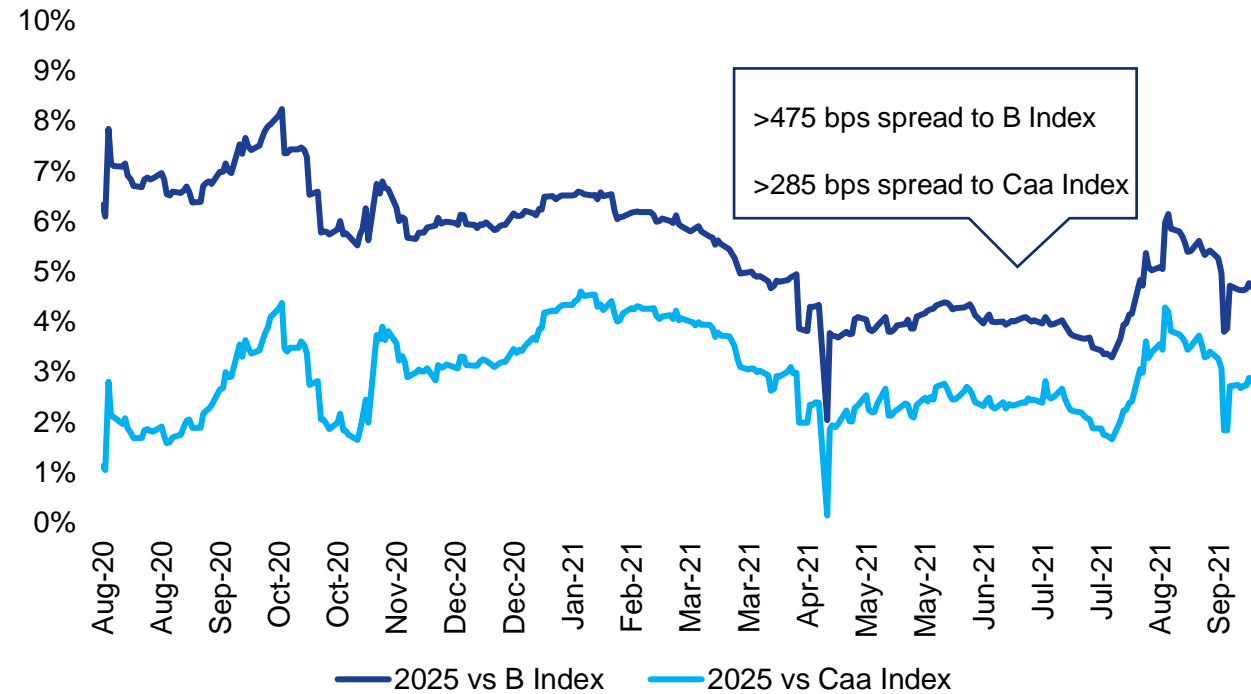


*Bond returns significantly lagging equity*

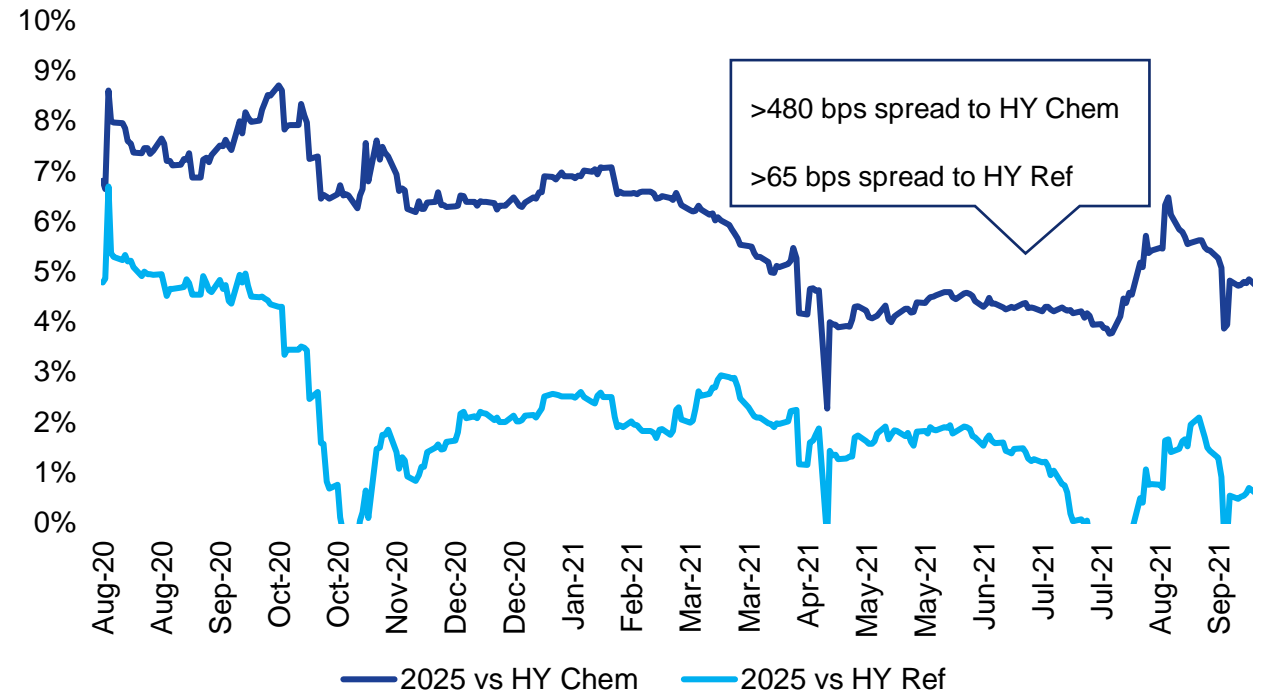
Source: Bloomberg

# Undervalued, Even Before RD?

2025 YTW Spread to Ratings Indices



2025 YTW Spread to Segment Indices



*Yield premium to comparative ratings and industry benchmarks*

- (1) Bloomberg Barclays Capital Caa High Yield Total Return Index Unhedged USD
- (2) Bloomberg Barclays B US High Yield TR Index Value Index Unhedged USD
- (3) Bloomberg Barclays High Yield Chemicals Total Return Index Unhedged USD
- (4) Bloomberg Barclays High Yield Refining Total Return Index Unhedged USD

# Segment Discussion



# Performance Brands Segment: Our Premium Growth



**TRUFUEL**  
THE ORIGINAL ENGINEERED FUEL

TruFuel® is ready-to-use, ethanol-free fuel made specifically for 2-cycle and 4-cycle outdoor power equipment and other small engines. Precision-engineered with synthetic lubricants and advanced stabilizers, our high-performance fuel empowers equipment to start dependably and run strongly, year after year.



**BEL-RAY**  
TOTAL PERFORMANCE LUBRICANTS

Bel-Ray® has over 75 years of trusted performance in providing lubricants and greases to a wide variety of sectors including industrial, mining, commercial, consumer and powersports.

MINING CONSUMER POWER SPORTS  
INDUSTRIAL COMMERCIAL



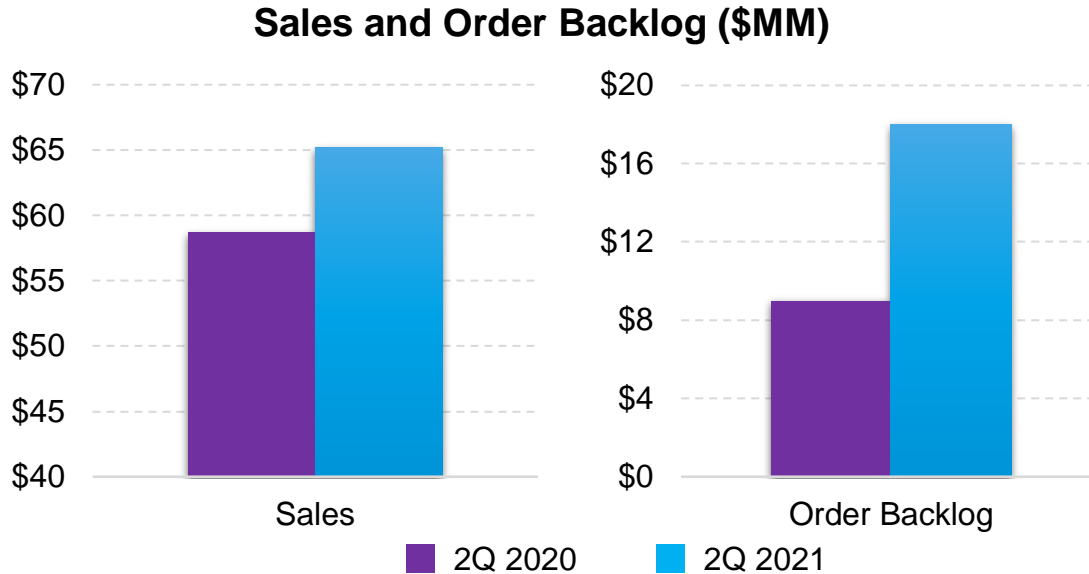
**ROYAL PURPLE**  
SYNTHETIC OIL

Royal Purple®, the Synthetic Expert, develops and manufactures world-leading performance lubricants that exceed the toughest standards for a variety of applications including industrial, automotive, commercial, and marine.

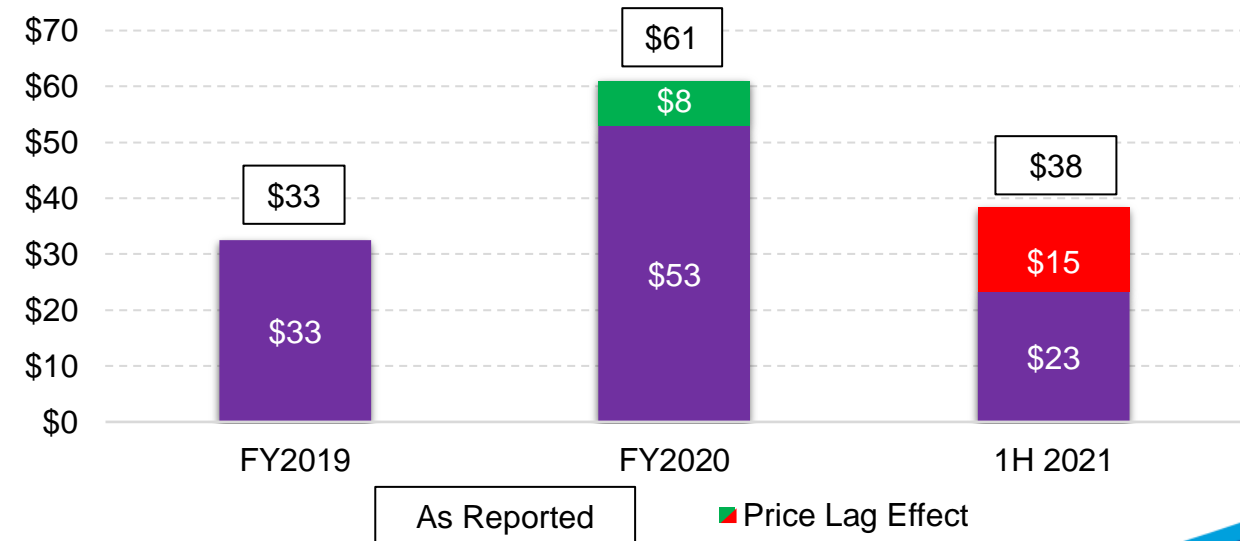
# Performance Brands Financial Review

## Key Takeaways

- Extraordinary ~85% growth from 2019 to 2020 included a benefit from falling prices (\$8MM help)
- Managing the rising price environment in 2021 (\$7MM hurt)
- Supply chain issues continue to affect 2021 performance (\$8MM hurt)
  - Restricted production and constrained sales volumes
  - Significant but temporary operating cost impact incurred to flex and support customer needs
- Strong underlying fundamentals and demand



## Adjusted EBITDA<sup>(1)</sup> (\$MM)



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



# Unique Brands Drive High Growth

	Total Addressable Market (Billion gallons)	Market Growth	Leading Positions
	1.8	>8%	#1 Independent Super Premium Synthetics
	1.8	>4%	#1 Independent High- Performance Grease
	0.8	>20%	#1 Engineered Fuels North America

# SPS Segment: Our Consistent Cornerstone

Our diversified portfolio of **customers**, **markets**, and **products** provides margin growth across all business cycles

**750+**

DIFFERENT PRODUCTS

**3,000+**

CUSTOMER LOCATIONS

**50+**

COUNTRIES WORLDWIDE



# Highly Diversified and World-Renowned Customer Base



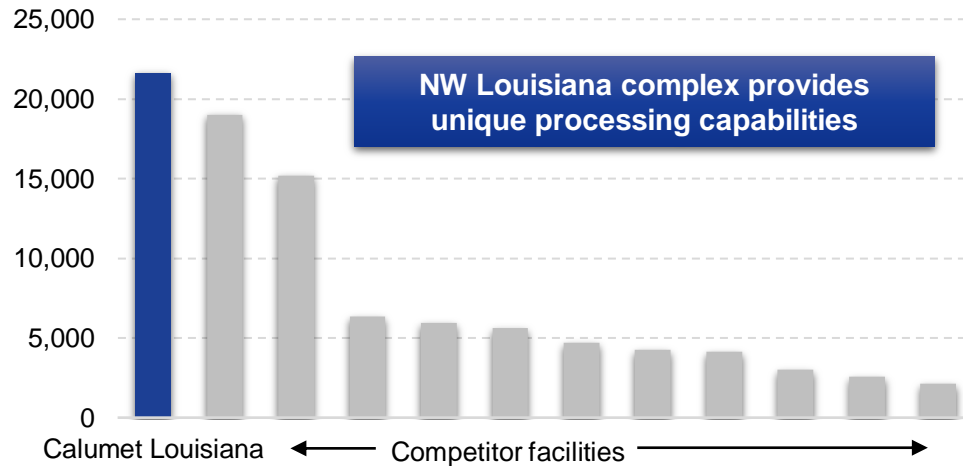
U.S. AIR FORCE



The above customer trademarks are the property of their respective owners.

# Integrated Plants, Solutions at Scale

## Specialty Product Yield (BPD)<sup>1</sup>

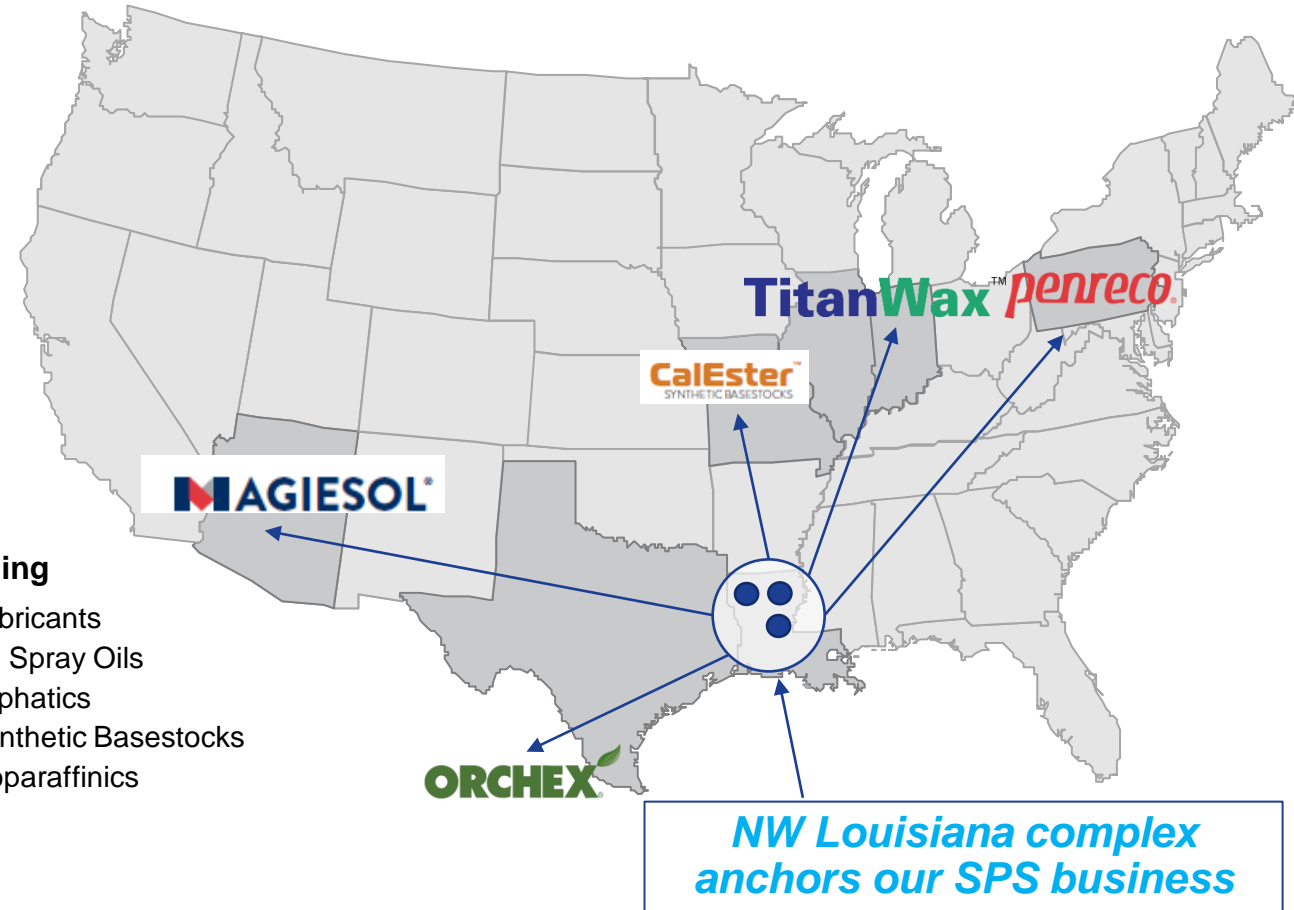


### Northwest Louisiana Production

- Base Oils
- Solvents
- Waxes
- Esters
- Specialty Asphalt
- Transportation Fuels

### Further Upgrading and Blending

- Gels
- Petrolatum
- Process Oils
- Ink Oils
- Drilling Fluids
- Lubricants
- Ag Spray Oils
- Aliphatics
- Synthetic Basestocks
- Isoparaaffinics

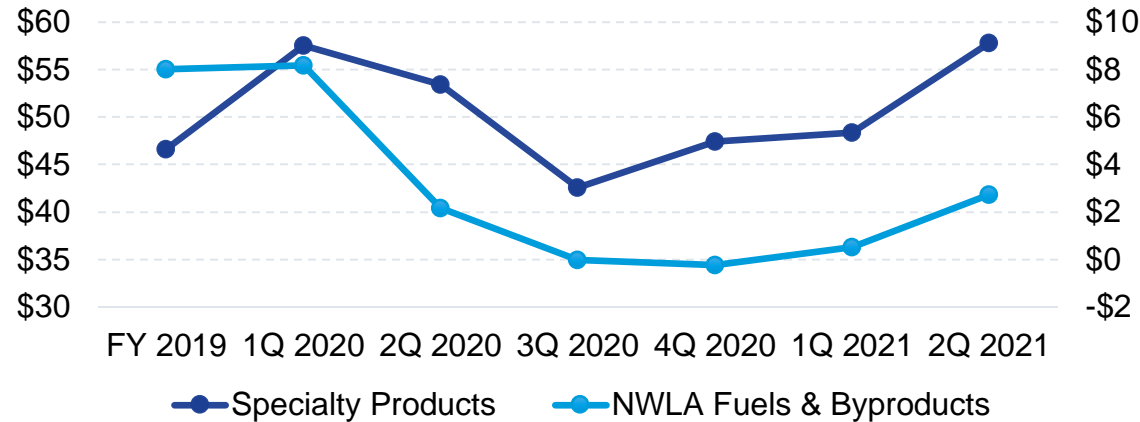


1. Source: Baker & O'Brien (solvents + base oils + asphalt)

2. For manufacturing plants that produce over 20% of specialty products (solvents + base oils + asphalt) vs. throughput capacity

# SPS Delivers Throughout The Business Cycle

**Material Margin (\$/bbl)**



## Key Takeaways

- Strong demonstrated cash flow foundation even in trough fuel margin environment
- Continued strength in specialty product demand and margins across the cycle
- Highly diversified customer base and industries
- Fuel margin recovery has started, long runway for continued improvement

	2019	2020	1Q21	2Q21
Adjusted EBITDA <sup>(1)</sup> (\$MM)	\$243.2MM	\$151.0 MM	\$(2.2) MM	\$31.8 MM
Specialty Material Margin (\$/bbl)	\$46.58	\$50.10	\$48.38	\$57.79
Fuels Material Margin <sup>(2)</sup> (\$/bbl)	8.00	\$2.91	\$0.53	\$2.74

1H 2021 over \$90 MM,  
after adjusting for  
reported one-time  
impacts

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

(2) Includes RVO accrual



# MR Segment: Our Unique RD Opportunity

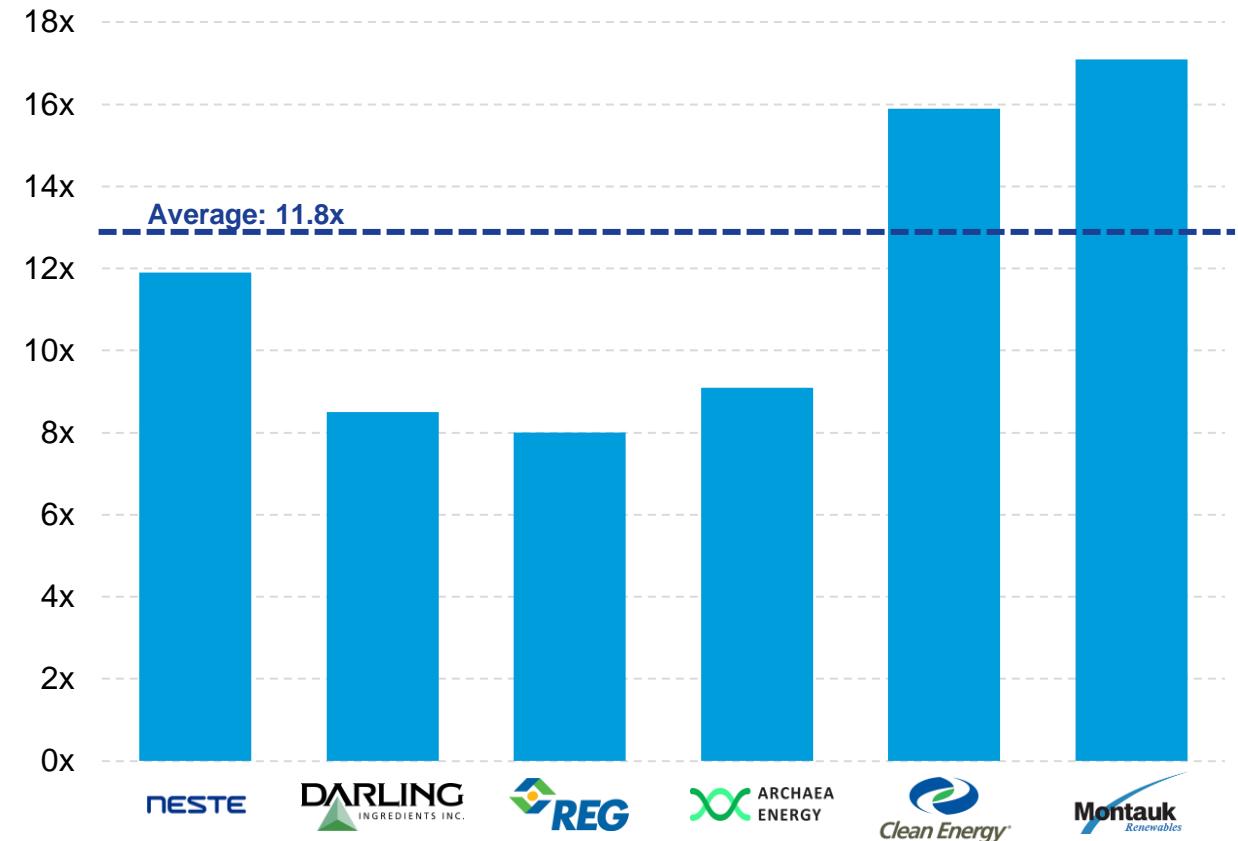
- Calumet acquired Great Falls in 2011
  - Original capacity 10,000bpd
  - Primarily fuels and specialty asphalt production
  - 100% Canadian crude diet
- Significant expansion project completed in 2016
  - Purchased 25,000bpd oversized hydrocracker and installed 317L Stainless steel
  - Increased capacity to 30,000bpd
  - Total project cost \$450 MM
- Partial conversion to RD facility began in April 2021
  - Two independent businesses post-conversion
  - RD capacity: 15,000bpd
  - Fossil capacity: 12,000bpd



# RD is Transformational for Calumet

- Backcast estimate of \$350 MM of annual EBITDA<sup>1</sup>
- 11.6x 2023E EV/EBITDA valuation on publicly traded RD comp's
- Project Timeline:
  - 2Q 2022 operational startup: 5,000bpd
  - 4Q 2022 final project complete

**Trading Comparables  
(Consensus 2023E EV / EBITDA)**



(1) Illustrative Adjusted EBITDA potential for Renewable Diesel Project based on management's backcast model. See Appendix for methodology and assumptions underlying the backcast model.

Source: FactSet, public disclosure, Wall Street research (as of 9/30/2021)

# RD is a Growth Business

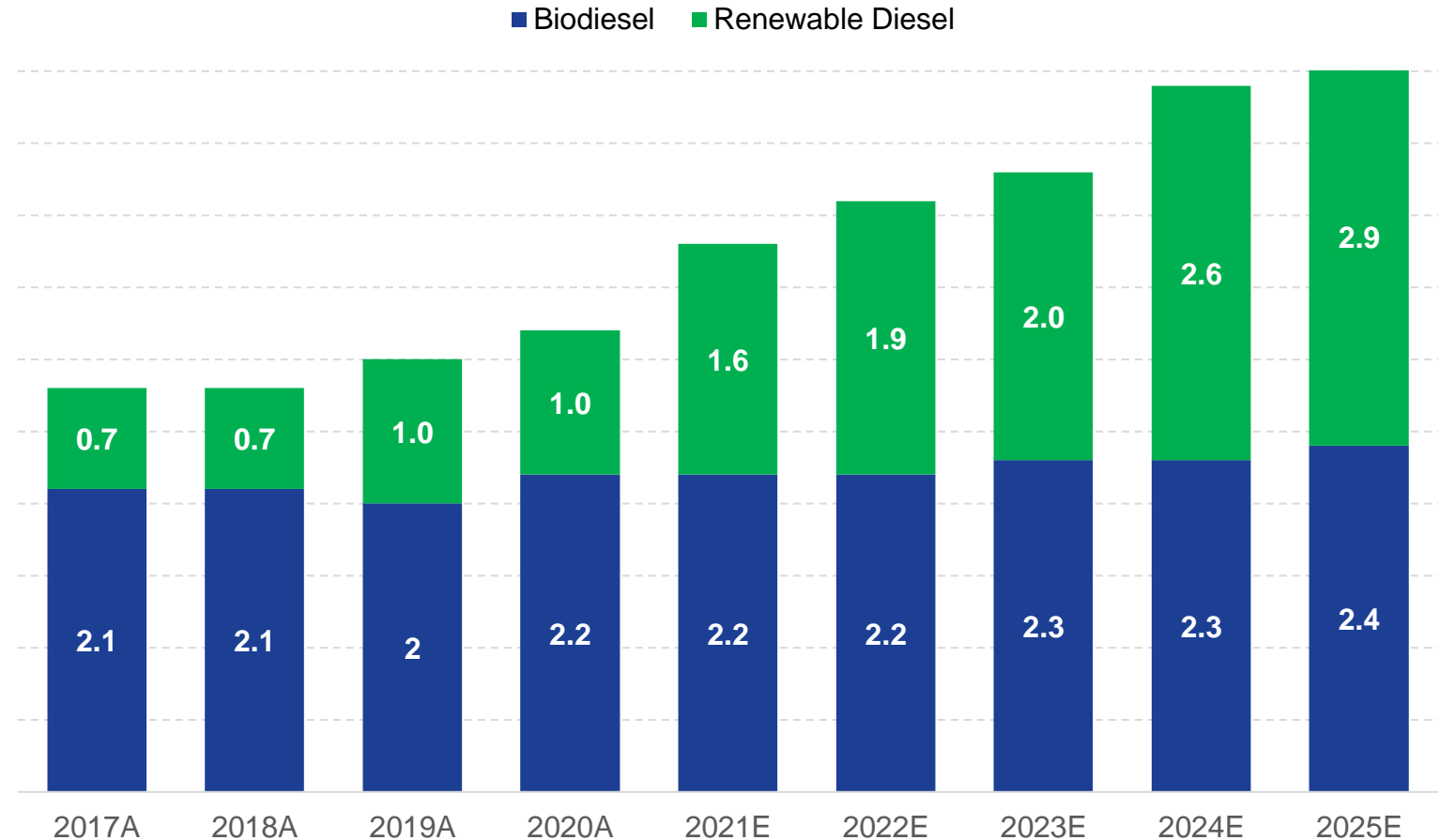
## Renewable Diesel

- High tech catalysis
- High quality product
- Margin floats above traditional biodiesel
- Emergent high growth segment of industry

## Biodiesel

- Low tech batch chemistry
- Low quality; can only be blended in small volumes; cannot be used in sustainable aviation fuel (SAF)
- Sustained by regulatory policies

## US & Canada Biomass-Based Diesel Demand (Billion Gallons)

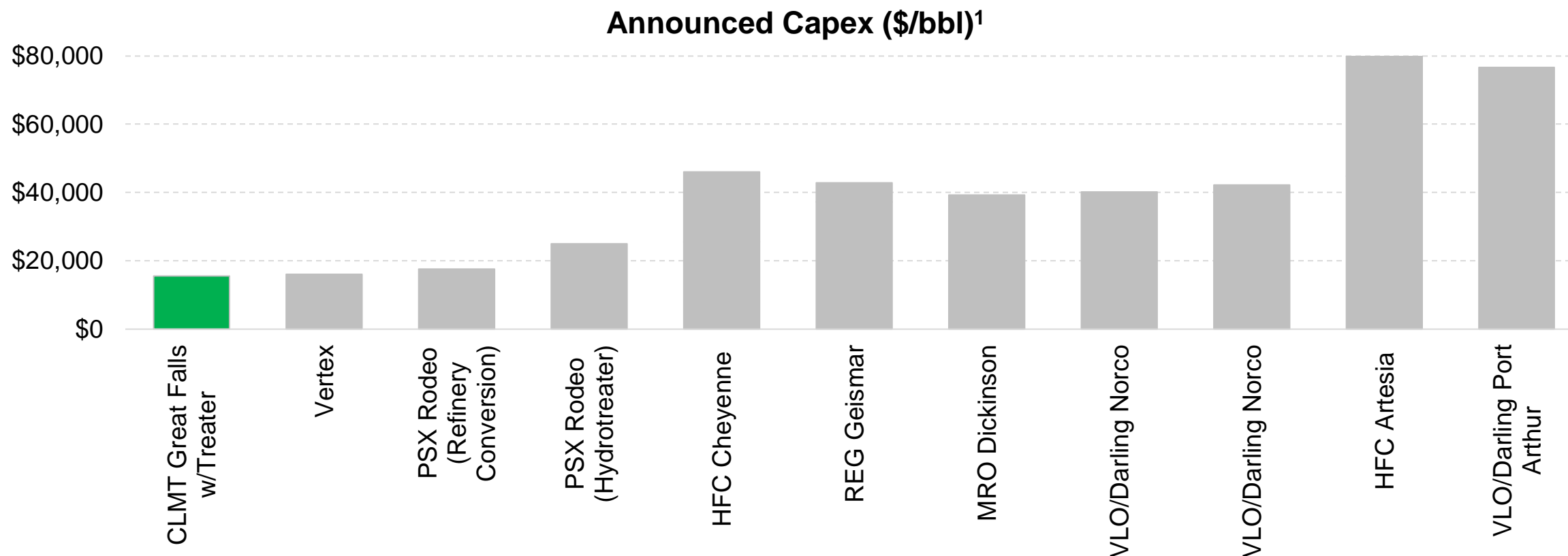


Source: Advanced Biofuels Canada, EIA, EPA, IEA, Navis, WAEES.

Note: Total demand assumed to increase based on domestic production growth; assumes imports are held constant at 2020 levels.

Biodiesel demand assumed to increase by 2% per annum in forecast.

# The Most Cost Competitive Project in N. America?



(1) Public information compiled by Tudor Pickering Holt (1Q 2021).

# The Fastest To Market RD Project in N. America?

- Module 1: April 2022 catalyst change will allow 5,000bpd renewable diesel production
- Module 2: 2H 2022 construction of renewable hydrogen plant lowers Carbon Intensity (CI) and increases production to 12,000bpd
- Module 3: 2H 2022 construction of feedstock pre-treatment unit vastly improves feedstock optionality and increases capacity to 14,000bpd
- Haldor Topsoe to provide Hydroflex™ solution, Burns & McDonnell EPC contractor
- Hydrocracker metallurgy capable of processing any renewable feedstock
- Modification and separation of tanks and piping isolates renewable production from fossil production
- Rail infrastructure is already in place



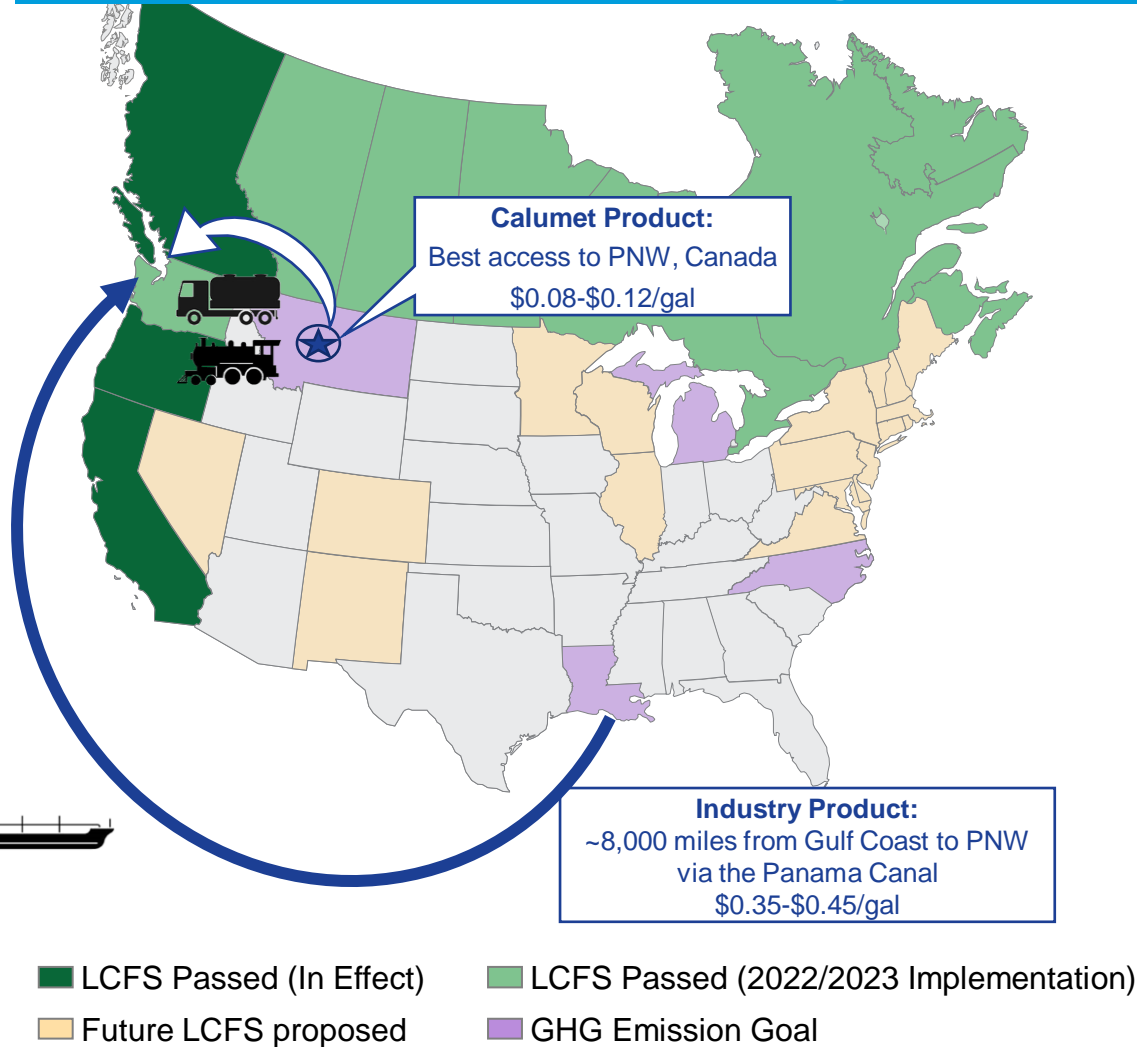
*Montana Governor Greg Gianforte and Calumet CEO Steve Mawer at Great Falls ribbon cutting ceremony to highlight the first railcar delivery of renewable diesel feedstock to the facility*



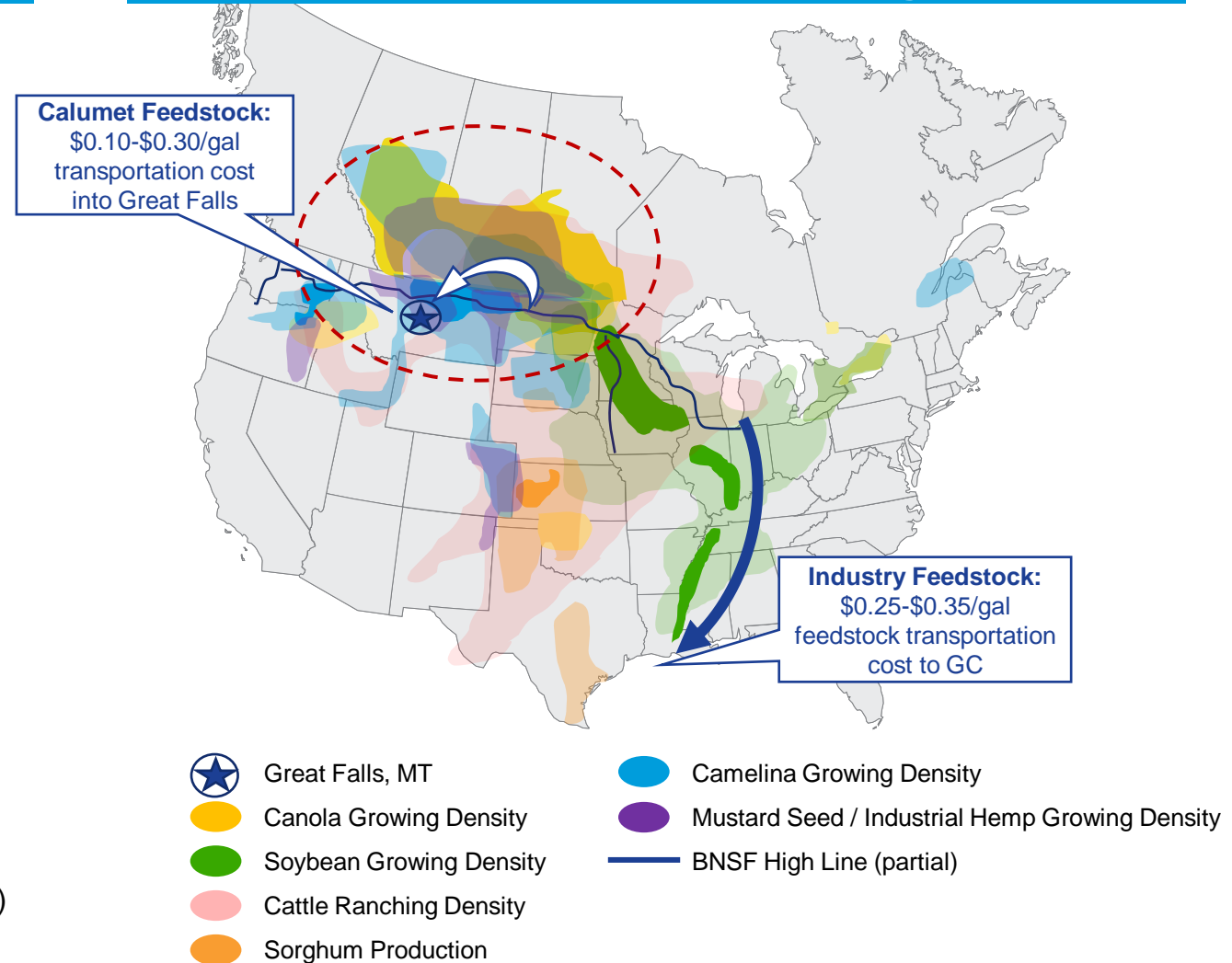
# The Most Advantaged RD Location in N. America?

*\$0.40/gal cost advantage versus Gulf Coast RD producers; \$65mm EBITDA / yr<sup>(1)</sup>*

## Montana Product Advantage

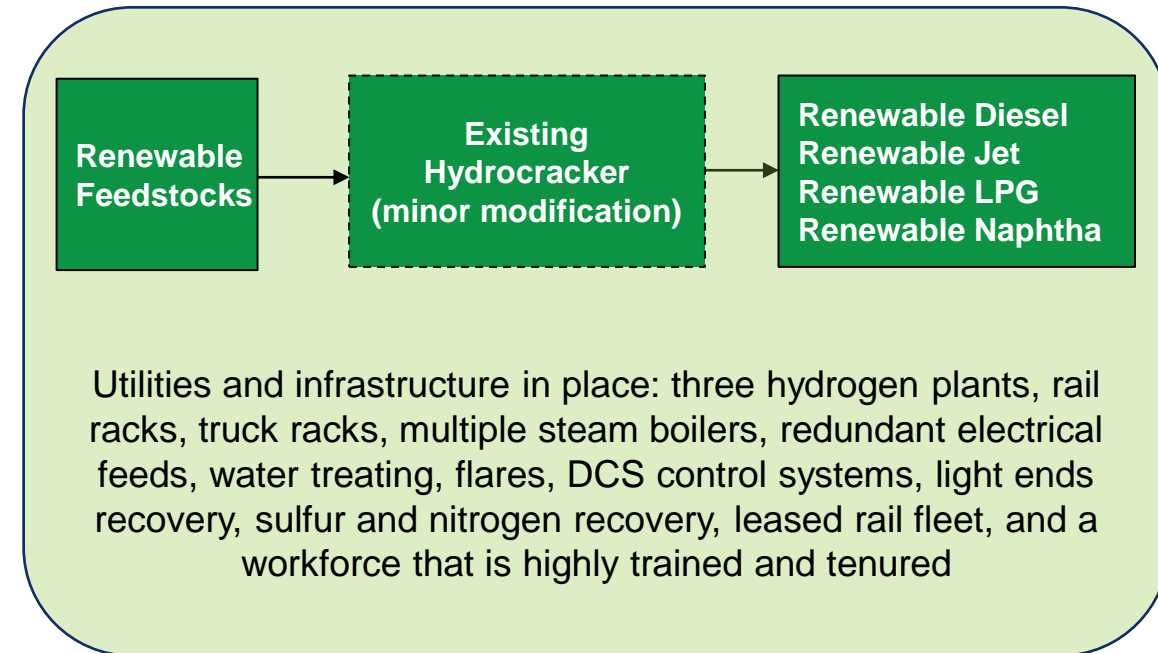


## Montana Feedstock Advantage



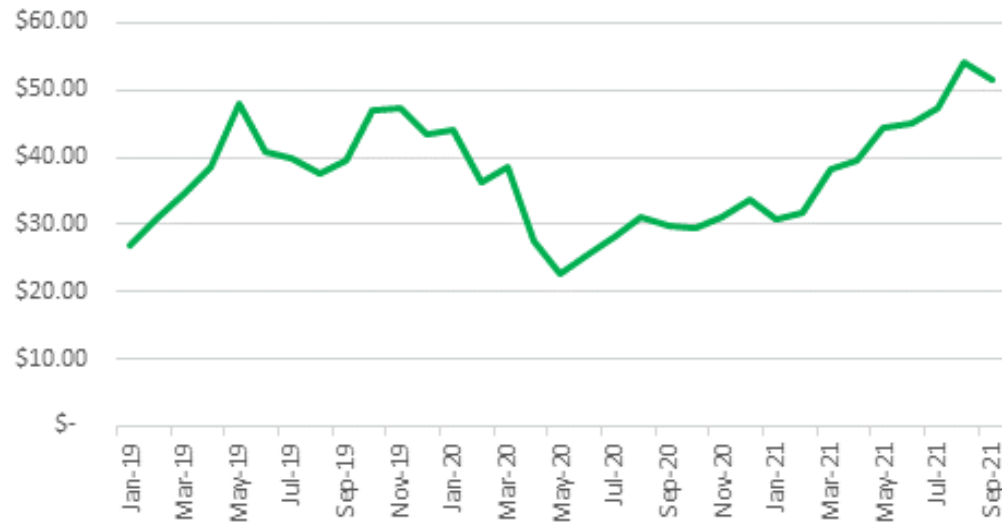
# The Best RD Project In North America?

- Uniquely cost advantaged with speed to market
  - Existing oversized hydrocracker (new in 2016)
  - 317L metallurgy for renewable feedstock
  - Logistics already in place
- Low project execution risk, modular approach
  - Catalyst change
  - Renewable Hydrogen project
  - Feedstock pretreatment project
- Ideal location for renewable diesel
  - Best strategic footprint for future feedstocks
  - Best product logistics into PNW and Canada



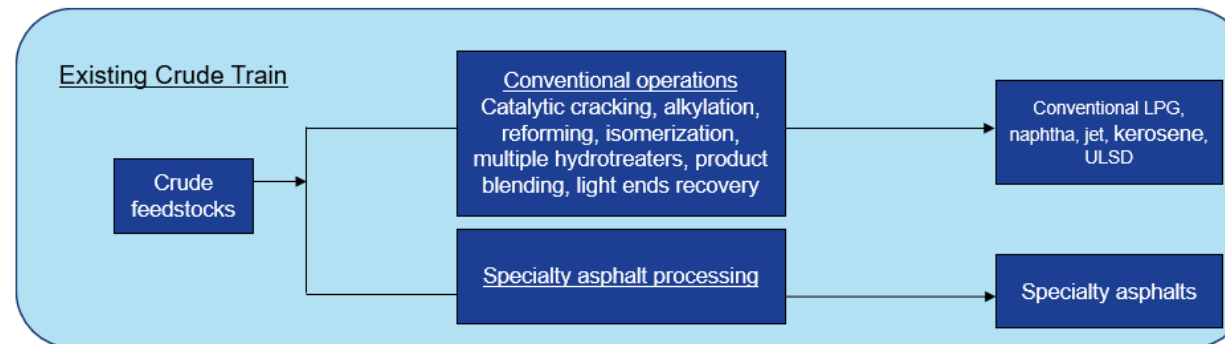
# Legacy Plant Is A Stable Cash Generator Post-RD

**Montana/Renewables 3-1-2 Crack Spread to WCS (\$/bbl)**



## Key Takeaways

- Legacy plant (pre-hydrocracker and expansion) stays in service
- Will primarily produce diesel, gasoline and specialty asphalt
- Steady margin environment and cash flow generation
- We expect approximately 60% of Adj. EBITDA remains via legacy plant



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

# Calumet Offers A Unique Investment Proposition

## Montana/Renewables

- Best-in-class renewable diesel project underway
- Transformational deleveraging event
- Meaningful Adj. EBITDA contribution from legacy refinery

## Specialty Products and Solutions

- Industry leading portfolio of top-tier customers
- Unique specialty product and formulation capabilities
- Highly integrated asset base

## Performance Brands

- High-growth, high-multiple business
- Iconic Brands: Bel-Ray, Royal Purple, TruFuel

*A core specialty products business with a long runway for growth; a renewable diesel project that is transformational for the company; creating real value for our investors*



# Appendix



# 2021 Performance Update

- Specialty Products and Solutions
  - Polar Vortex, Turnaround - \$70 MM
- Performance Brands
  - Supply Chain - \$8 MM
  - Rising Price Environment - \$7 MM

Segment Adjusted EBITDA <sup>(1)</sup> (\$ MM)	2019	2020	1H 2021
Specialty Products and Solutions	\$243	\$151	\$30
Performance Brands	\$33	\$61	\$23
Montana/Renewables <sup>(2)</sup>	\$72	\$71	\$11
Corporate	(\$98)	(\$66)	\$(37)
Divestitures	\$8	\$0	\$0
<b>TOTAL</b>	<b>\$258</b>	<b>\$217</b>	<b>\$27</b>

***One-time impacts have impaired 2021 results by \$85 MM***

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

(2) Does not reflect results from the Renewable Diesel Project as the conversion was not operational in 2019 or 2020.

# RD Feedstock Mix

- **Spring 2022 Startup**

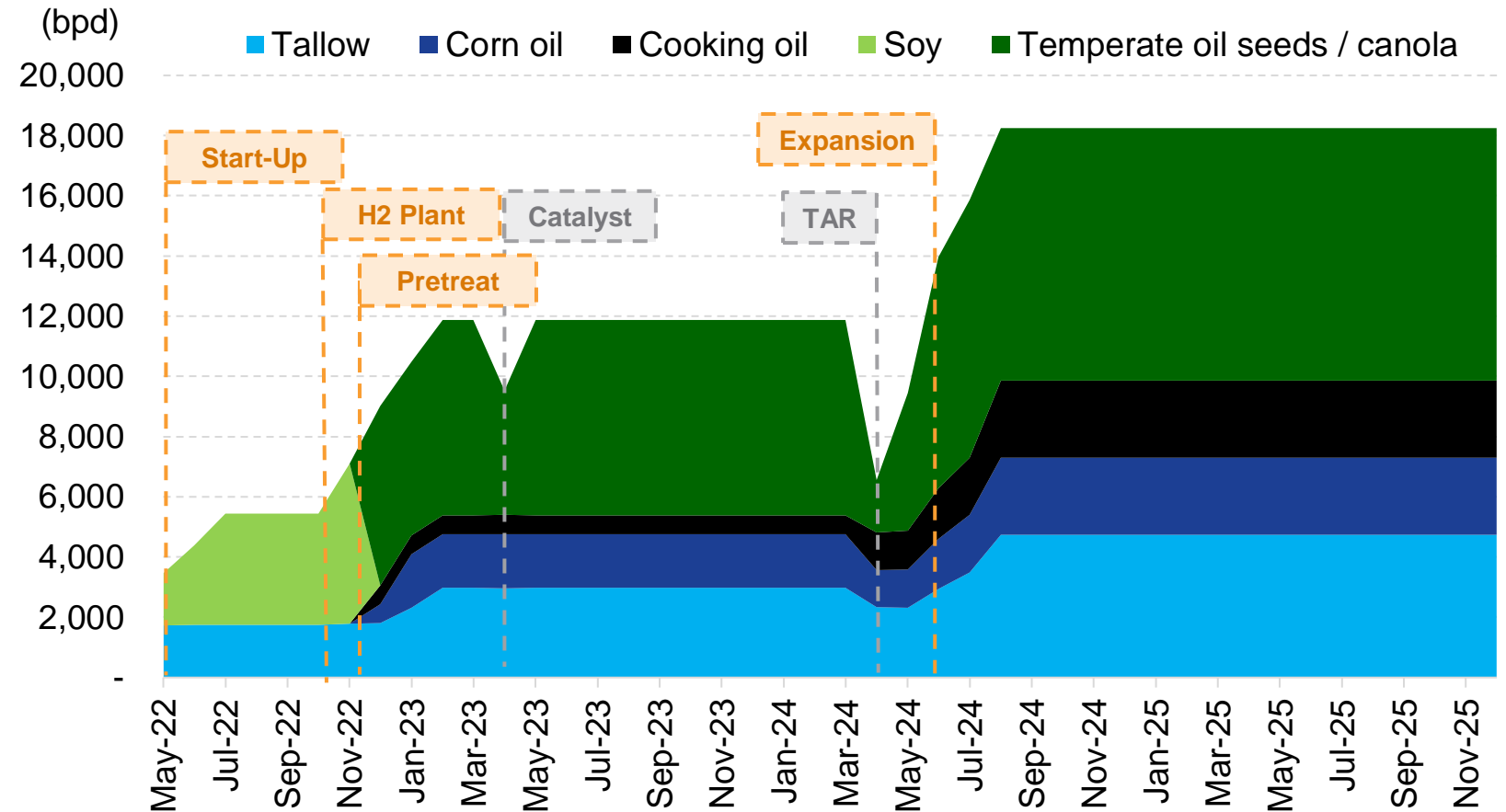
- Technical tallow & RBD soy

- **Fall 2022 Renewable H2 Plant and Feedstock Pretreat**

- Opens universe of local temperate seed oils

- **2024 Expansion**

- Hydraulic debottleneck



# Methodology for RD Backcast

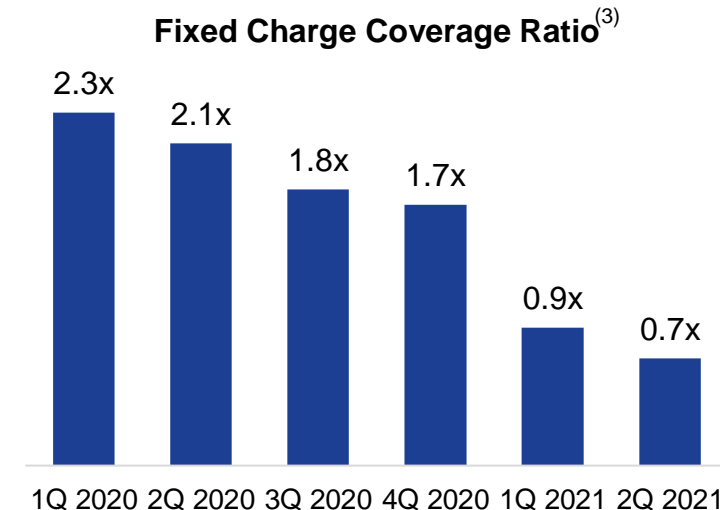
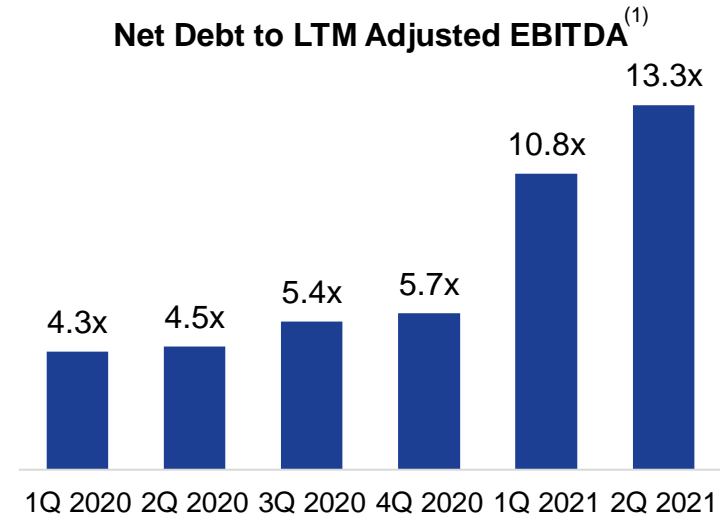
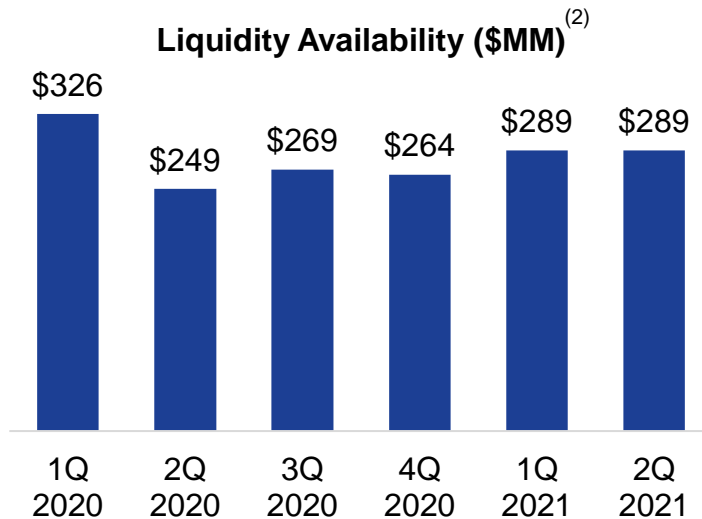
- Assumptions Underlying Backcast Model. The Backcast Model calculates illustrative Adjusted EBITDA potential during the years 2017-2020 based on the following material assumptions:
- A static charge-and-yield 9,800 bpd Renewable Diesel (RD) production with approximately 10% coproducts, which is held constant across the time period (10,800 bpd feedstock total).
- Feedstock consisting of 100% crude degummed grade soybean oil (SBO) and fancy grade tallow (TAL) passed through a feed pretreatment unit, and price history was sourced from industry sources.
- RD sales are priced delivered at the sum of LA CARB ULSD prices from EIA wholesale price history, D4 RIN price history from the EPA, LCFS credit price history from the CARB, and the Blenders Tax Credit (BTC) from the IRS. Other coproduct prices are based on Calumet company estimates.
- The Carbon Intensity (CI) value assigned to the Great Falls RD product was estimated using pathways previously documented by CARB for 100% SBO as the feedstock.
- Variable processing costs were estimated from the Company's process simulation models; and variable rail freight estimates based on shipping SBO from Illinois and RD product to Los Angeles. Natural gas price is indexed to Henry Hub with local differential adjustments. Other utilities (water, electricity, treating costs) are based on local cost experience. Fixed expense was estimated at \$36M/year for the RD processing train only (excluding the crude processing train) and includes site operations costs, amortized catalyst and turnaround expenses, fixed railcar lease costs and SG&A.
- No interest expense, depreciation, amortization other than catalyst and TAR, or income tax expense is accounted for in the model.
- Using these assumptions, an indicative Adjusted EBITDA potential was calculated monthly for 2017-2020

# Capital Structure Overview

	Actual	Actual	Actual	Actual	Actual	Actual	Actual
(\$ in millions)	12/31/19	03/31/20	06/30/20	09/30/20	12/31/20	03/31/21	06/30/21
Cash	\$ 19.1	\$ 103.7	\$ 105.4	\$ 109.4	\$ 109.4	\$ 114.2	\$ 34.5
ABL Revolver Borrowings	\$ —	\$ 147.2	\$ 110.3	\$ 100.1	\$ 108.0	\$ 115.5	\$ 73.3
7.625% Senior Notes due 2022	350.0	350.0	350.0	150.0	150.0	150.0	80.0
7.75% Senior Notes due 2023	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	200.0	200.0
11.00% Senior Notes due 2025	550.0	550.0	550.0	550.0	550.0	550.0	550.0
Shreveport terminal asset financing arrangement	—	—	—	—	—	69.5	68.0
Finance lease obligations	2.7	3.9	3.9	3.9	3.7	3.6	4.3
Other	3.8	3.4	3.0	2.7	2.3	1.9	1.5
Total Debt	\$ 1,231.5	\$ 1,379.5	\$ 1,342.2	\$ 1,331.7	\$ 1,339.0	\$ 1,415.5	\$ 1,302.1
Partners' Capital/(Deficit)	\$ 21.6	\$ 7.0	\$ 10.9	\$ (44.8)	\$ (128.6)	\$ (273.5)	\$ (351.7)
Total Capitalization	\$ 1,253.1	\$ 1,386.5	\$ 1,353.1	\$ 1,286.9	\$ 1,210.4	\$ 1,142.0	\$ 950.4
LTM Adjusted EBITDA	\$ 258.4	\$ 297.5	\$ 273.8	\$ 228.2	\$ 217.3	\$ 120.1	\$ 95.4
Net Debt / LTM Adjusted EBITDA	4.7 x	4.3 x	4.5 x	5.4 x	5.7 x	10.8 x	13.3 x

# Liquidity and Credit Metrics

- **\$289 MM of liquidity (as of 6/30/21):**
  - **\$35 MM of cash**
  - **\$254 MM of revolver availability**



(1) GAAP to Non-GAAP reconciliations included in this Appendix.

(2) As of the end of the period presented.

(3) As defined in the indentures governing the 2022, 2023, 2024 and 2025 senior notes.



# Reconciliation of Net Income (Loss) to Adjusted EBITDA

(\$ in millions)	FY 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021
Net income (loss)	\$(43.6)	\$(14.4)	\$3.6	\$(56.1)	\$(82.1)	\$(146.1)	\$(78.4)
Add:							
Depreciation and amortization	129.4	31.5	29.8	30.2	28.2	30.9	29.5
LCM / LIFO (gain) loss	(41.8)	66.5	(32.1)	1.1	(7.0)	(22.7)	(17.7)
Interest expense	134.6	29.3	30.6	33.3	32.7	34.2	36.9
Unrealized (gain) loss on derivatives	26.1	(31.6)	1.2	9.2	18.4	6.3	6.9
RINs mark to market (gain) loss	(4.4)	8.1	16.0	9.3	42.4	75.0	48.2
Loss on impairment and disposal of assets	37.0	6.0	0.7	—	0.1	0.7	1.2
Loss on sale of business, net	8.7	—	—	—	—	—	—
Debt extinguishment costs	2.2	—	—	—	—	—	0.4
Gain on sale of unconsolidated affiliate	(1.2)	—	—	—	—	—	—
Other non-recurring (income) expenses	3.5	(1.2)	—	5.5	(1.9)	2.5	0.3
Equity-based compensation and other items	7.4	(2.9)	7.0	2.1	2.7	13.6	4.1
Income tax expense	0.5	0.5	0.2	0.1	0.3	0.2	0.9
Adjusted EBITDA	\$258.4	\$91.8	\$57.0	\$34.7	\$33.8	\$(5.4)	\$32.3

# Reconciliation of Segment Gross Profit (Loss) to Adjusted Gross Profit (Loss)

(\$ in millions, except per barrel data)

	1Q 2020	2Q 2020	4Q 2020	1Q 2021	2Q 2021
Specialty Products and Solution segment gross profit (loss)	\$(5.9)	\$32.2	\$(8.1)	\$(38.3)	\$7.7
LCM/LIFO inventory (gain) loss	53.9	(23.2)	(7.7)	(17.6)	(11.3)
RINs mark to market loss	5.6	8.5	24.6	43.7	26.0
Depreciation and amortization	16.1	14.4	15.1	16.7	15.6
Specialty Products and Solutions segment Adjusted gross profit	<u>\$69.7</u>	<u>\$31.9</u>	<u>\$23.9</u>	<u>\$4.5</u>	<u>\$38.0</u>
Performance Brands segment gross profit	\$15.3	\$22.4	\$19.9	\$23.5	\$16.4
LCM/LIFO inventory (gain) loss	(0.1)	0.1	0.2	—	(0.5)
Depreciation and amortization	0.7	0.7	0.8	0.7	0.7
Performance Brands segment Adjusted gross profit	<u>\$15.9</u>	<u>\$23.2</u>	<u>\$20.9</u>	<u>\$24.2</u>	<u>\$16.6</u>
Montana/Renewables segment gross profit (loss)	\$14.1	\$9.9	\$(17.2)	\$(27.2)	\$(5.0)
LCM/LIFO inventory (gain) loss	12.7	(9.0)	0.5	(5.1)	(5.9)
RINs mark to market loss	1.0	5.2	13.0	23.3	18.3
Depreciation and amortization	9.3	9.4	6.9	8.6	8.4
Montana/Renewables segment Adjusted gross profit (loss)	<u>\$37.1</u>	<u>\$15.5</u>	<u>\$3.2</u>	<u>\$(0.4)</u>	<u>\$15.8</u>
Reported Specialty Products and Solutions segment gross profit (loss) per barrel	\$(1.02)	\$6.13	\$(1.68)	\$(10.21)	\$1.55
LCM/LIFO inventory (gain) loss per barrel	9.36	(4.41)	(1.60)	(4.69)	(2.27)
RINs mark to market loss per barrel	0.97	1.62	5.11	11.64	5.23
Depreciation and amortization per barrel	2.79	2.74	3.14	4.45	3.14
Specialty Products and Solutions segment Adjusted gross profit per barrel	<u>\$12.10</u>	<u>\$6.08</u>	<u>\$4.97</u>	<u>\$1.19</u>	<u>\$7.65</u>
Reported Performance Brands segment gross profit per barrel	\$119.53	\$183.61	\$160.48	\$166.67	\$123.31
LCM/LIFO inventory (gain) loss per barrel	(0.78)	0.82	1.61	—	(3.76)
Depreciation and amortization per barrel	5.47	5.73	6.46	4.96	5.26
Performance Brands segment Adjusted gross profit per barrel	<u>\$124.22</u>	<u>\$190.16</u>	<u>\$168.55</u>	<u>\$171.63</u>	<u>\$124.81</u>
Reported Montana/Renewables segment gross profit (loss) per barrel	\$5.64	\$3.80	\$(6.67)	\$(10.86)	\$(1.93)
LCM/LIFO inventory (gain) loss per barrel	5.08	(3.46)	0.19	(2.04)	(2.28)
RINs mark to market loss per barrel	0.40	2.00	5.04	9.30	7.08
Depreciation and amortization per barrel	3.73	3.61	2.68	3.43	3.24
Montana/Renewables segment Adjusted gross profit (loss) per barrel	<u>\$14.85</u>	<u>\$5.95</u>	<u>\$1.24</u>	<u>\$(0.17)</u>	<u>\$6.11</u>
Specialty Products and Solutions Adjusted EBITDA	\$69.0	\$33.4	\$25.4	\$(2.2)	\$31.8
Specialty Products and Solutions sales	\$492.8	\$297.6	\$372.3	\$380.1	\$543.8
Specialty Products and Solutions Adjusted EBITDA margin	14.0%	11.2%	6.8%	(0.6)%	5.8%