

# ADAMS

*Resources & Energy, Inc.*

## INVESTOR PRESENTATION



APRIL 2021

# FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements based on the beliefs of the company, as well as assumptions made by, and information currently available to our management team. When used in this presentation, words such as “anticipate,” “project,” “expect,” “plan,” “seek,” “goal,” “estimate,” “forecast,” “intend,” “could,” “should,” “will,” “believe,” “may,” “scheduled,” “potential” and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. You should not put undue reliance on any forward-looking statements, which speak only as of their dates. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expected, including insufficient cash from operations, adverse market conditions, governmental regulations, the possibility that tax or other costs or difficulties related thereto will be greater than expected, the impact of competition and other risk factors discussed in our latest filings with the Securities and Exchange Commission.

All forward-looking statements attributable to Adams Resources & Energy, Inc. or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained herein, in such filings and in our future periodic reports filed with the Securities and Exchange Commission. Except as required by law, we do not intend to update or revise our forward-looking statements, whether as a result of new information, future events or otherwise.

# EXECUTIVES



**Kevin Roycraft**

*Chief Executive Officer & President*



**Tracy Ohmart**

*Executive Vice President,  
Chief Financial Officer & Treasurer*

# COMPANY OVERVIEW



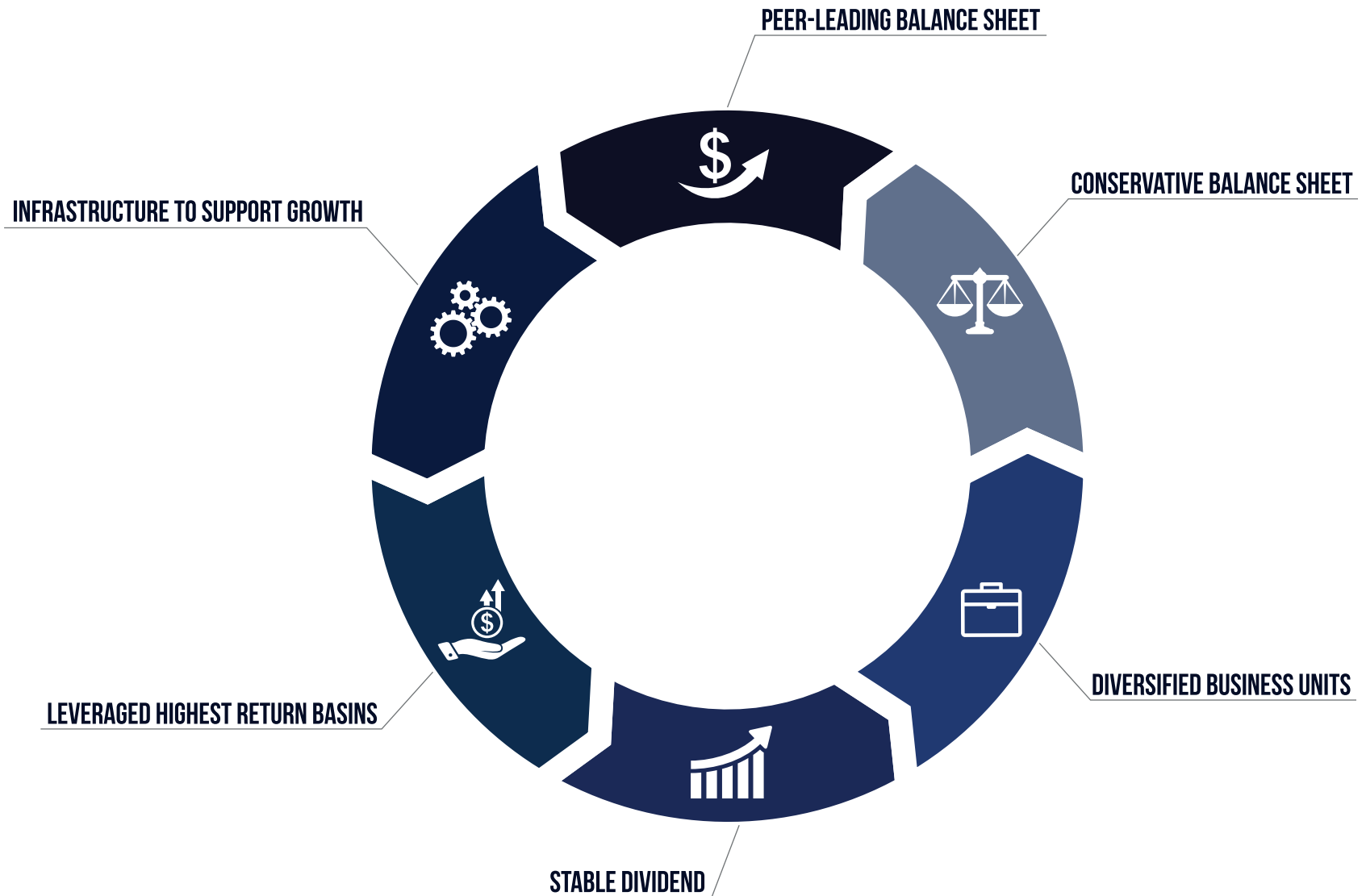
## BUD ADAMS

*1923 - 2013*

Founded in 1947 by the late K.S. "Bud" Adams  
Legendary owner of the Houston Oilers and Tennessee Titans  
Publicly traded company (NYSE AMERICAN: AE) with a conservative philosophy



# ADAMS RESOURCES & ENERGY, INC.



## CURRENT OPERATIONS

Adams Resources & Energy, Inc. (“Adams” or “AE”) is a transportation and logistics company serving the energy and chemical sectors.

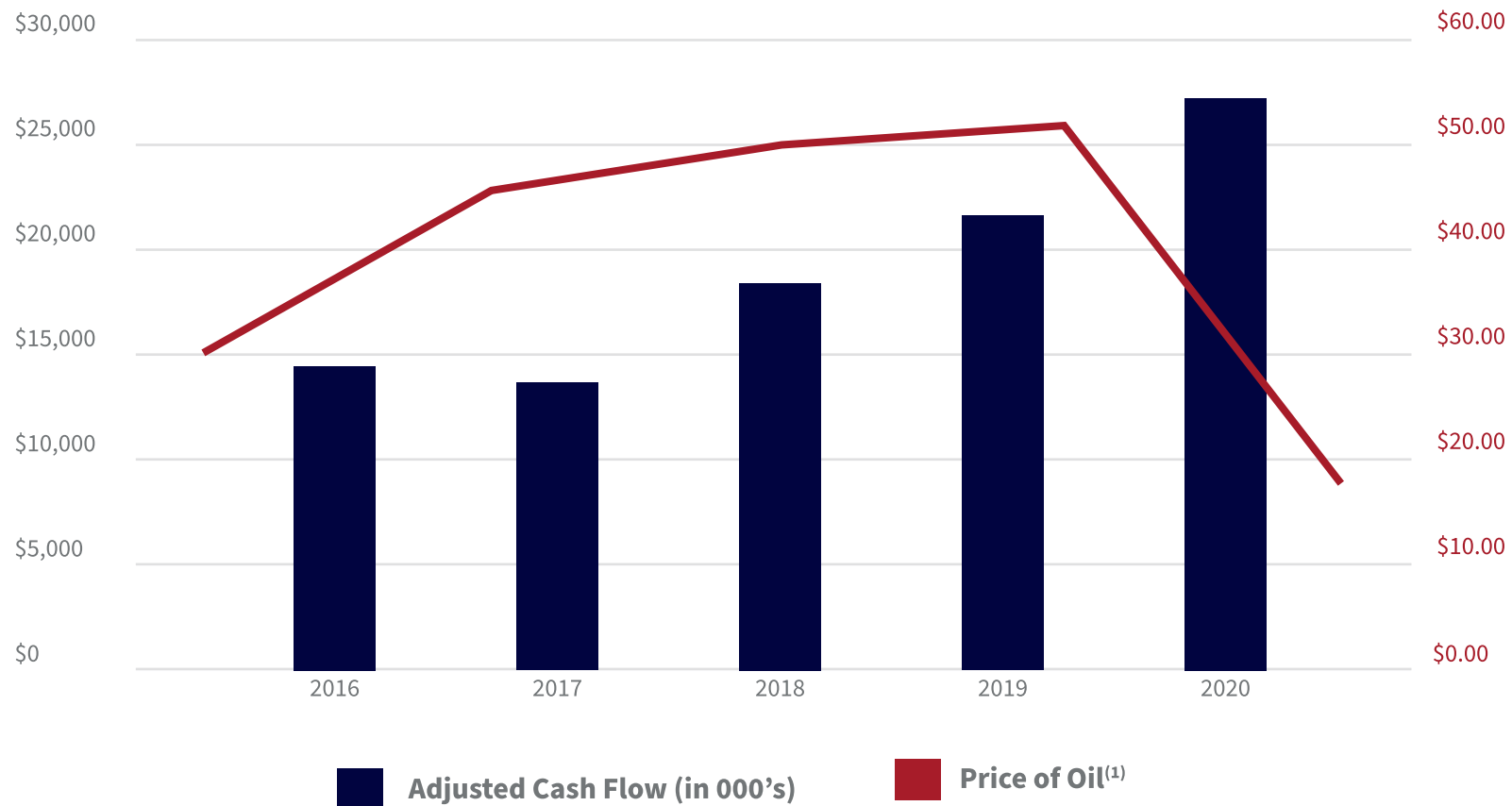
Current operations include:

***GulfMark***  
**ENERGY, INC.**

**service**  
*transport company*



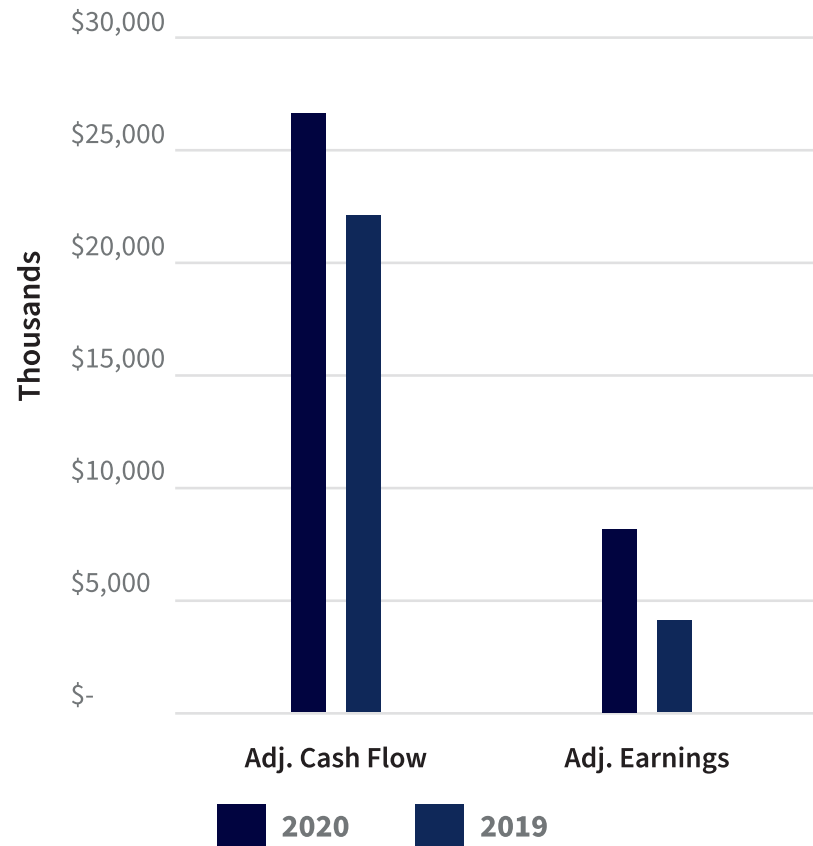
# ADJUSTED CASH FLOW VS. OIL PRICE



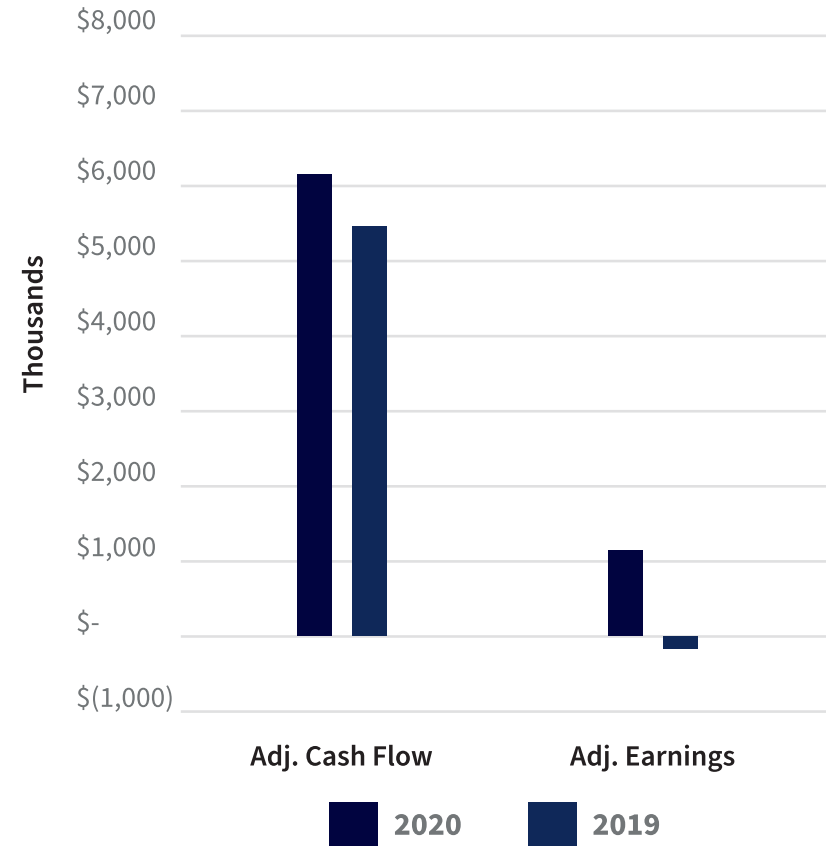
(1) Prices based upon lowest monthly average price during year

# ADJUSTED CASH FLOW / ADJUSTED EARNINGS

2020 ADJ CASH FLOW/ADJ EARNINGS VS. 2019

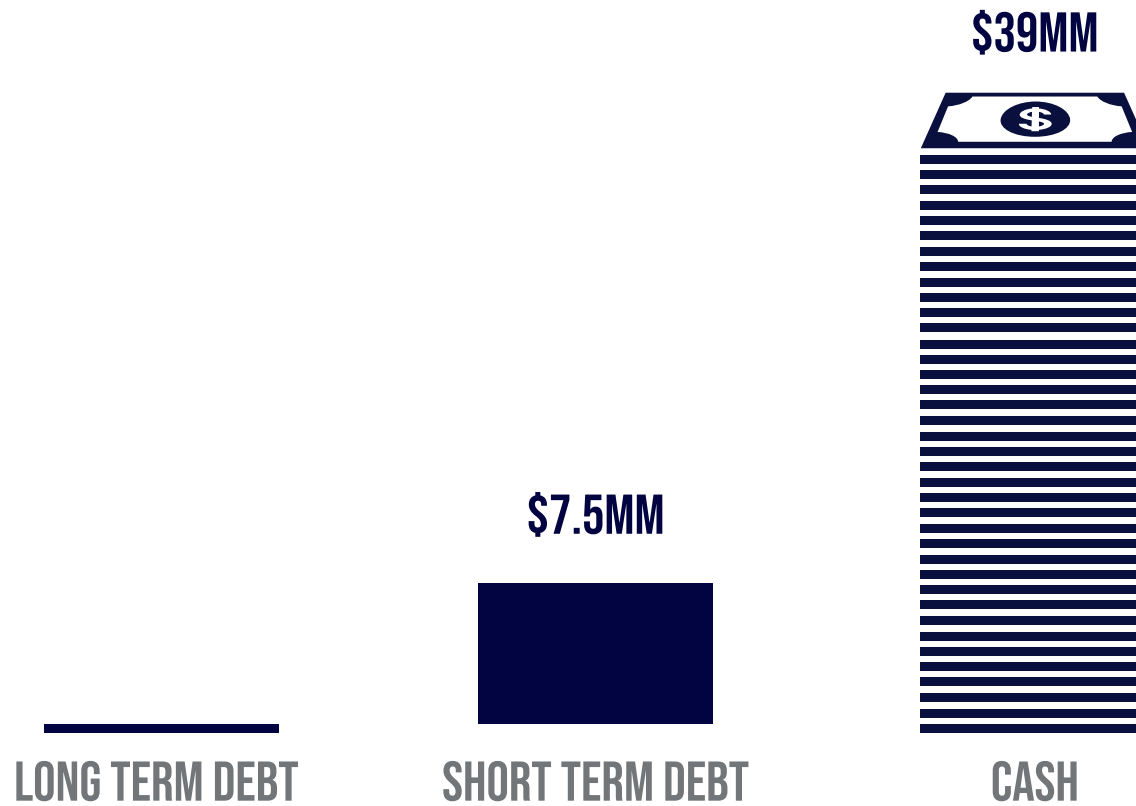


Q4 ADJ CASH FLOW/ADJ EARNINGS VS. 2019

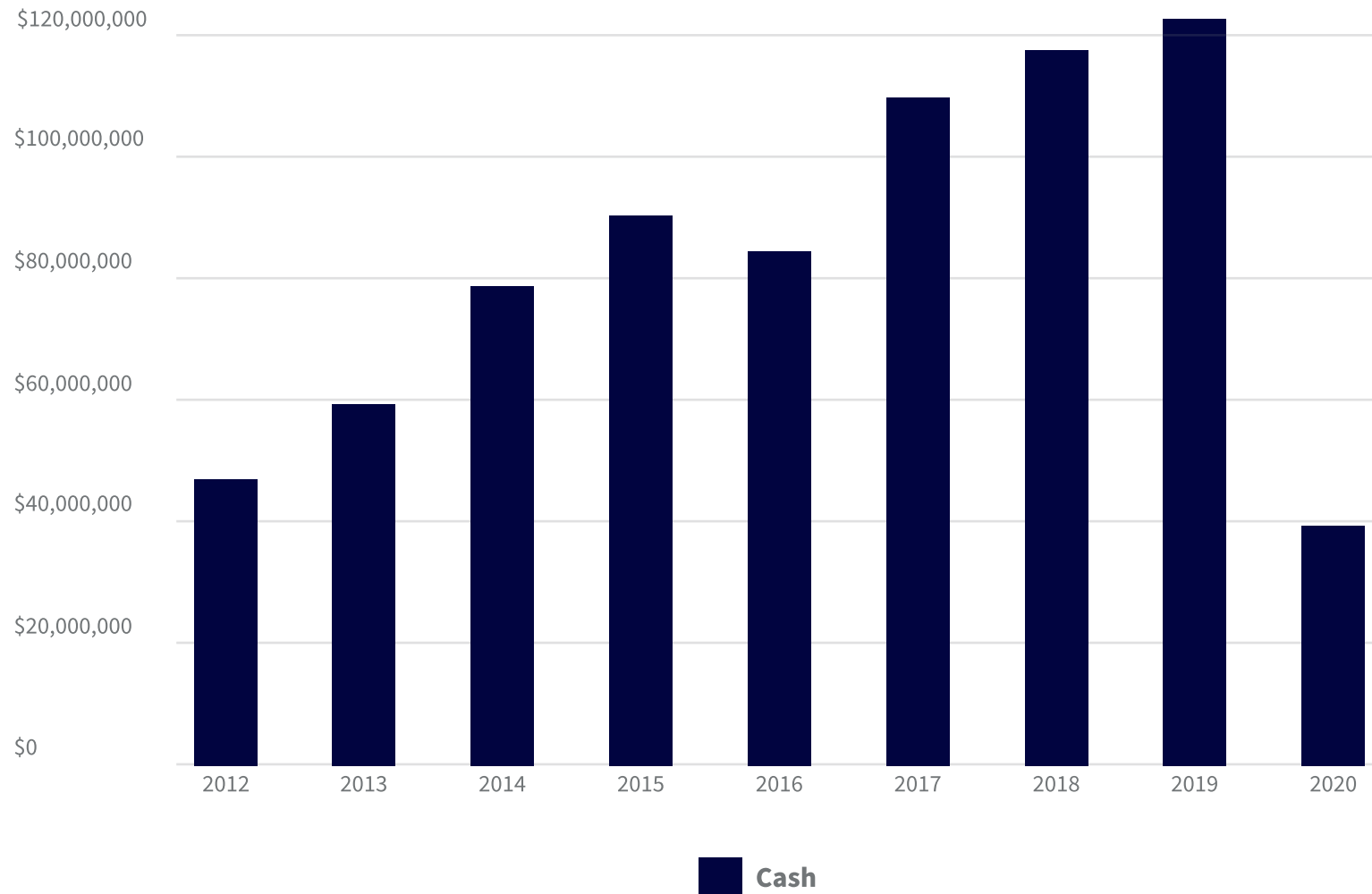




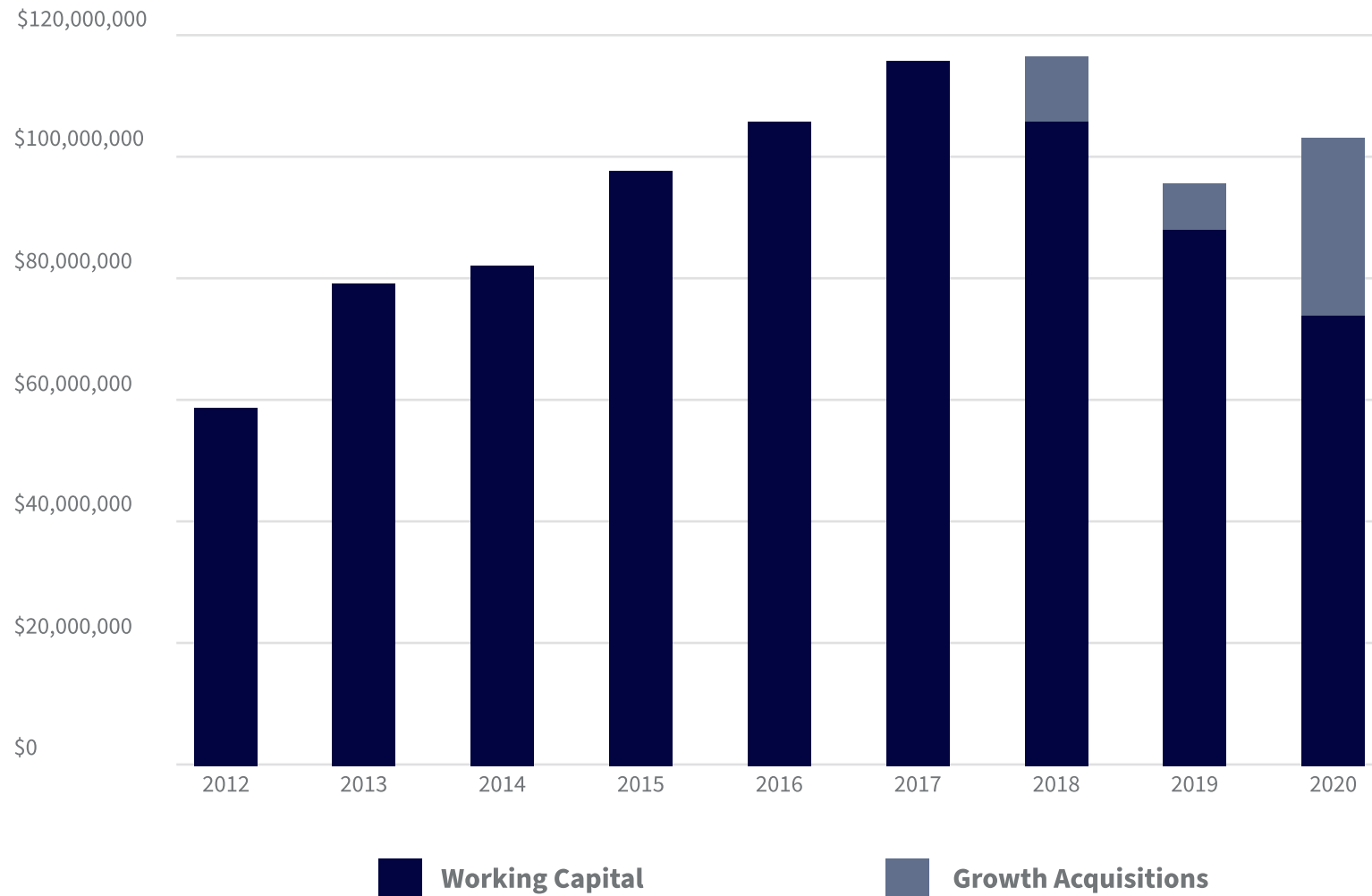
## STRONG BALANCE SHEET



## STRONG BALANCE SHEET

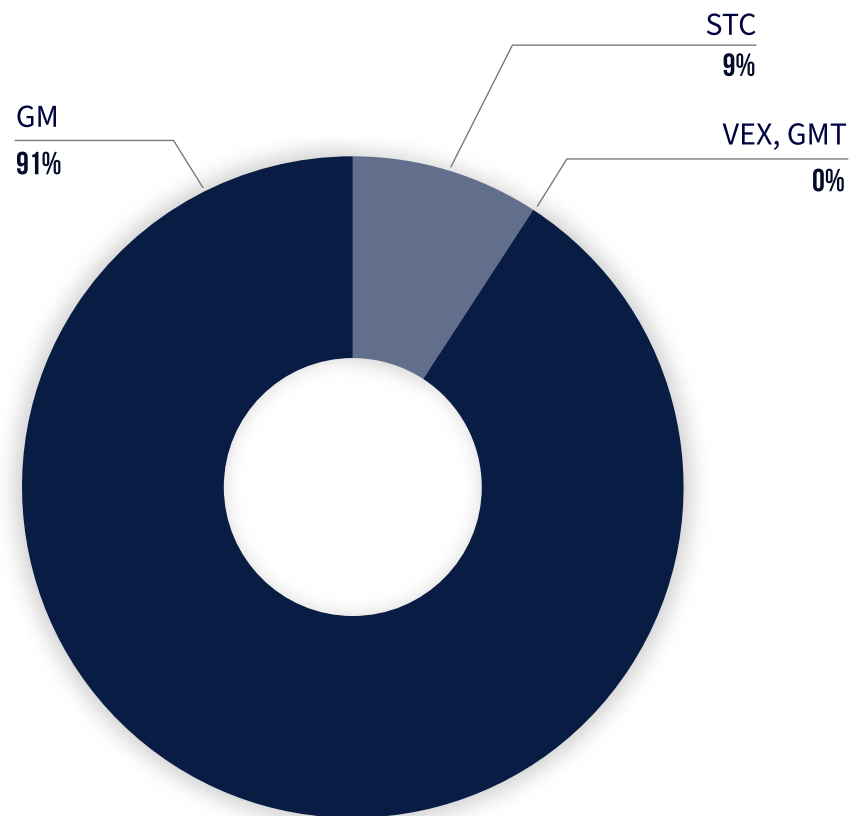


## CONSISTENTLY STRONG WORKING CAPITAL

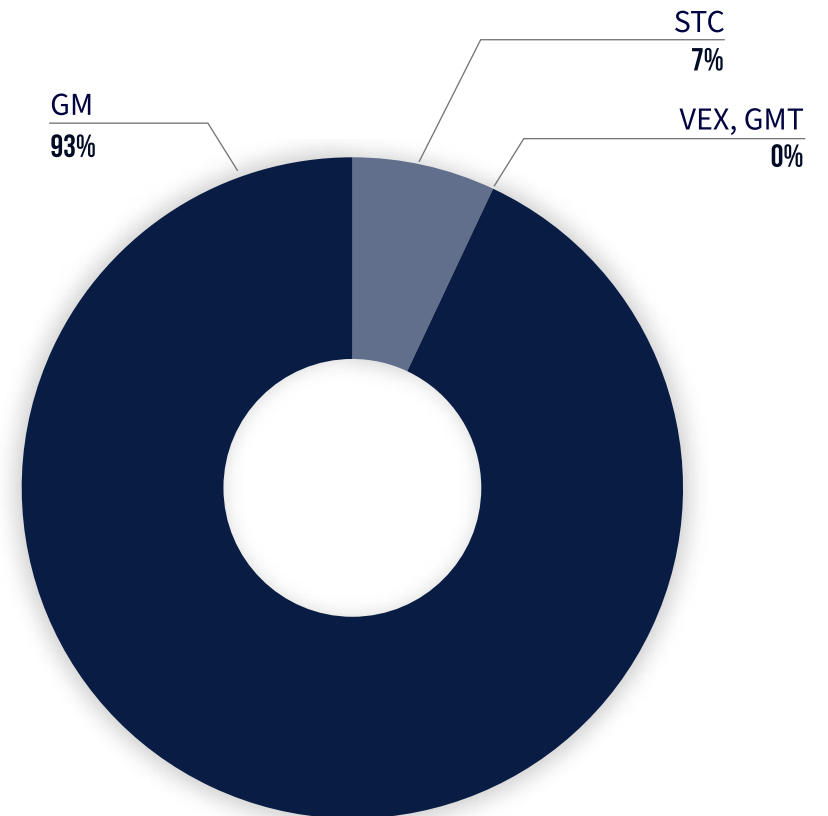


## REVENUE % BY DIVISION

2019 REVENUE BY DIVISION



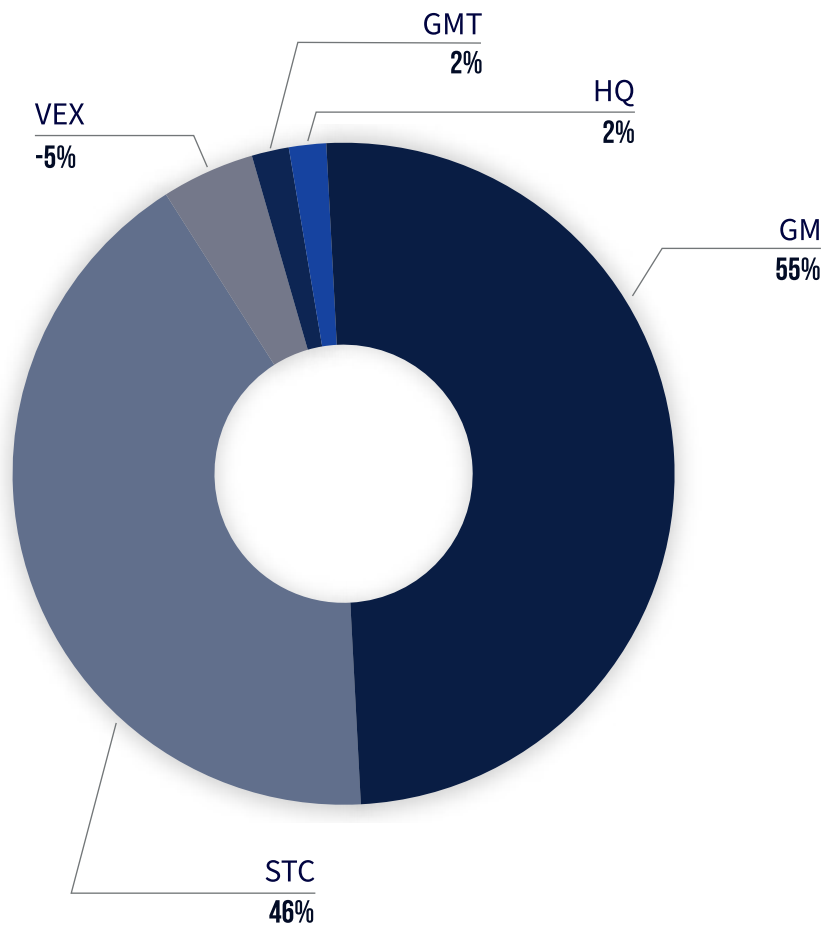
2020 REVENUE BY DIVISION



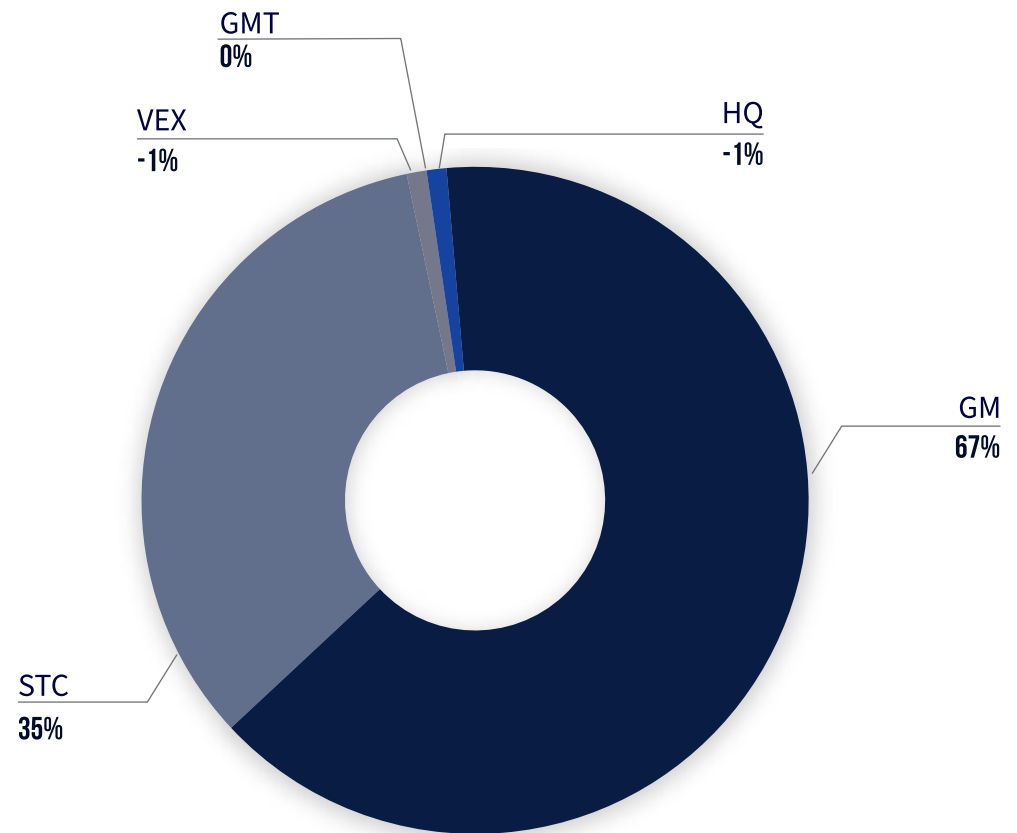


# ADJUSTED CASH FLOW % BY DIVISION

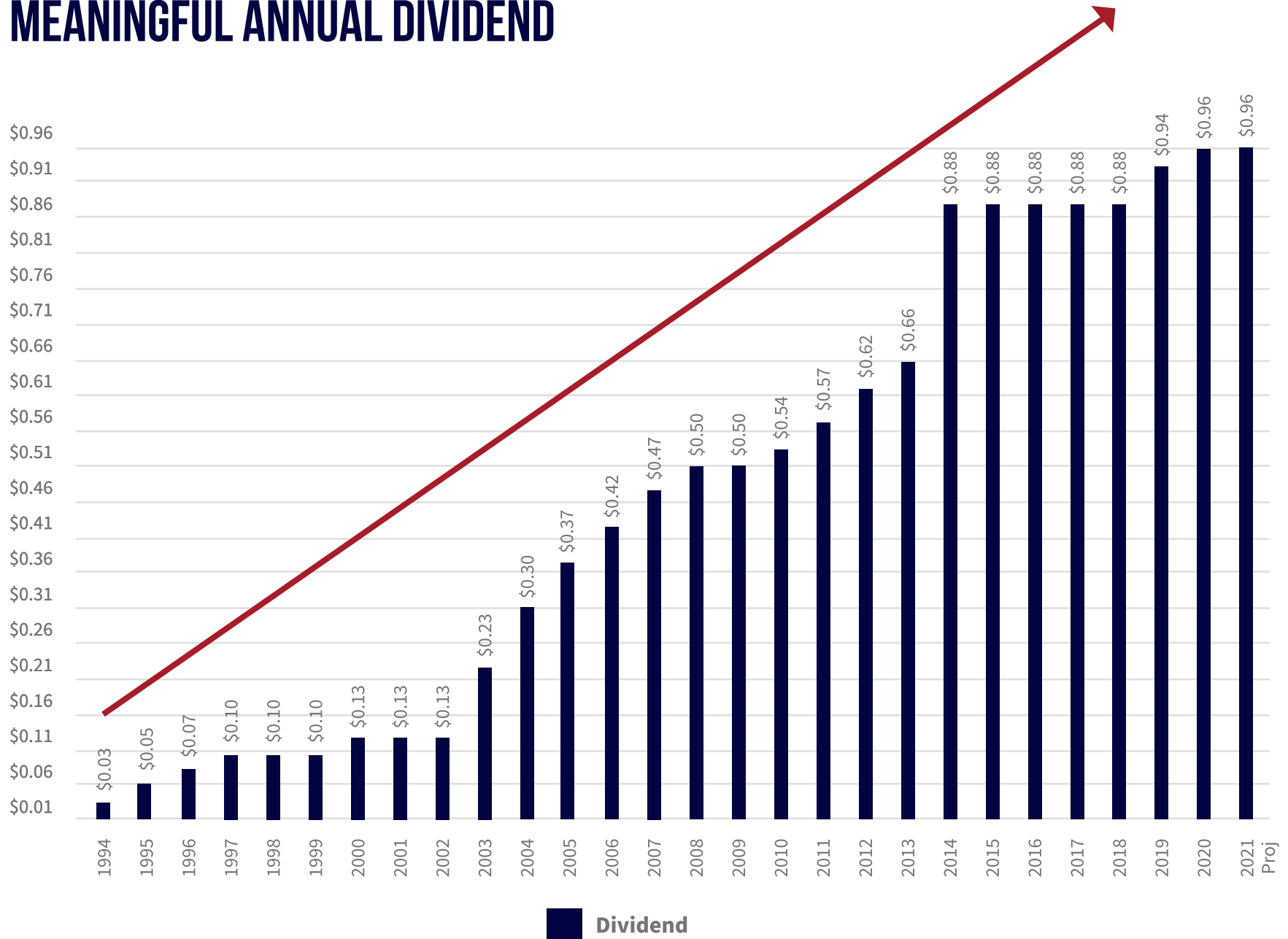
2019 ADJUSTED CASH FLOW BY DIVISION



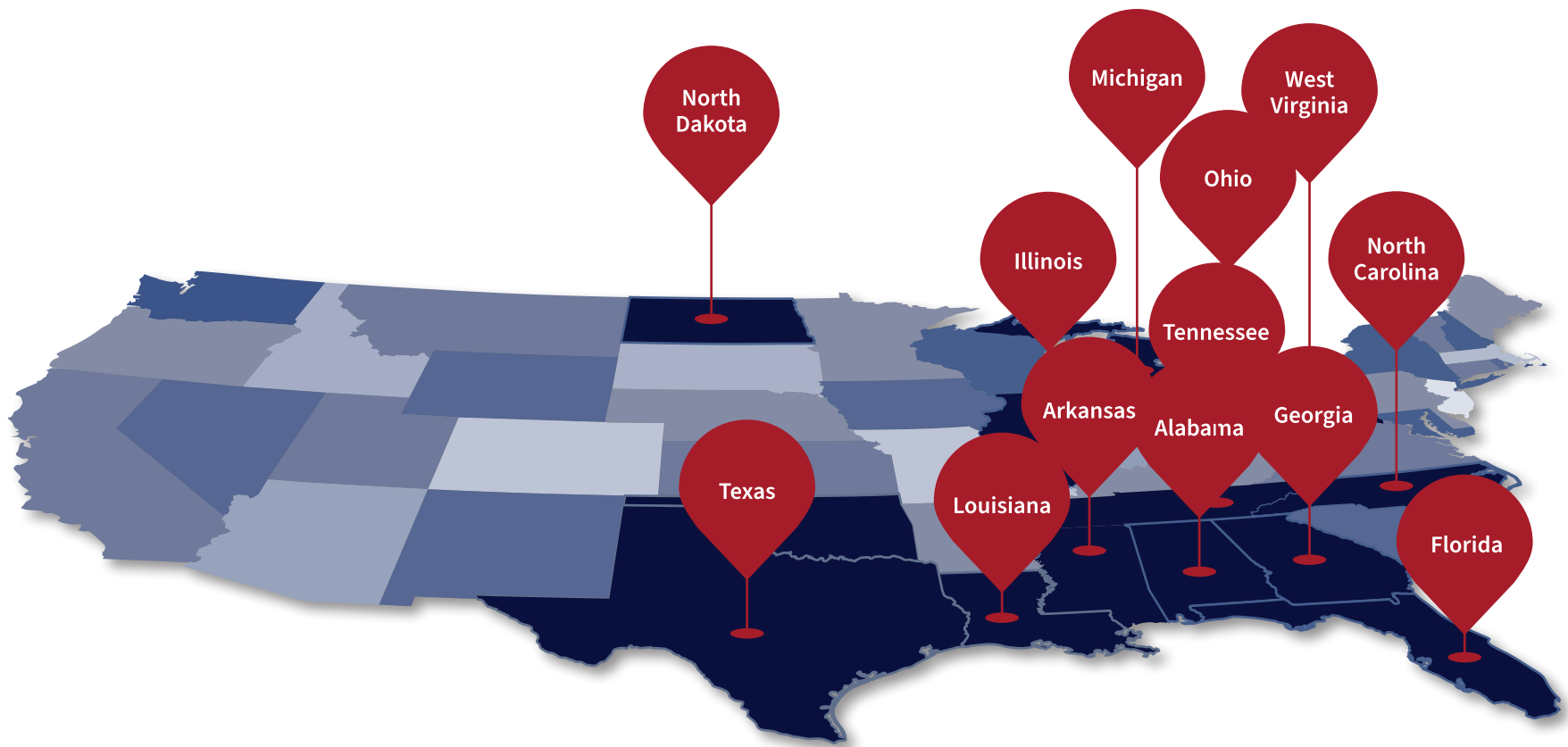
2020 ADJUSTED CASH FLOW BY DIVISION



# MEANINGFUL ANNUAL DIVIDEND



## ADAMS RESOURCES - OPERATING AREAS



 Operating Area

# ADAMS RESOURCES - OVERVIEW

Adams Resources & Energy, Inc. consistently pays a meaningful dividend and is well positioned for further diversification and strategic growth opportunities.

Adams has no long-term debt (other than operating and finance leases) and ~\$39MM in unrestricted cash as of December 31, 2020.

Adams operates in three lines of business:

- Crude oil marketing, transportation and storage (GulfMark Energy, Inc.)

- Long haul trucking of chemicals and dry bulk materials (Service Transport Company)

- Pipeline transportation, terminalling and storage of crude oil (VEX Pipeline & GulfMark Terminals)

AE exited the upstream business through a strategic sale in 2017.

Three-year operating cash flow before working capital of ~\$13MM – \$25MM per year.

AE paid a dividend of \$0.96 per share for 2020, \$0.94 per share for 2019 and \$0.88 per share for 2014-2018.



## MANAGEMENT SYSTEM & SUSTAINABILITY



A faded background image showing an oil tanker truck parked in front of large industrial storage tanks at a refinery or oil field.

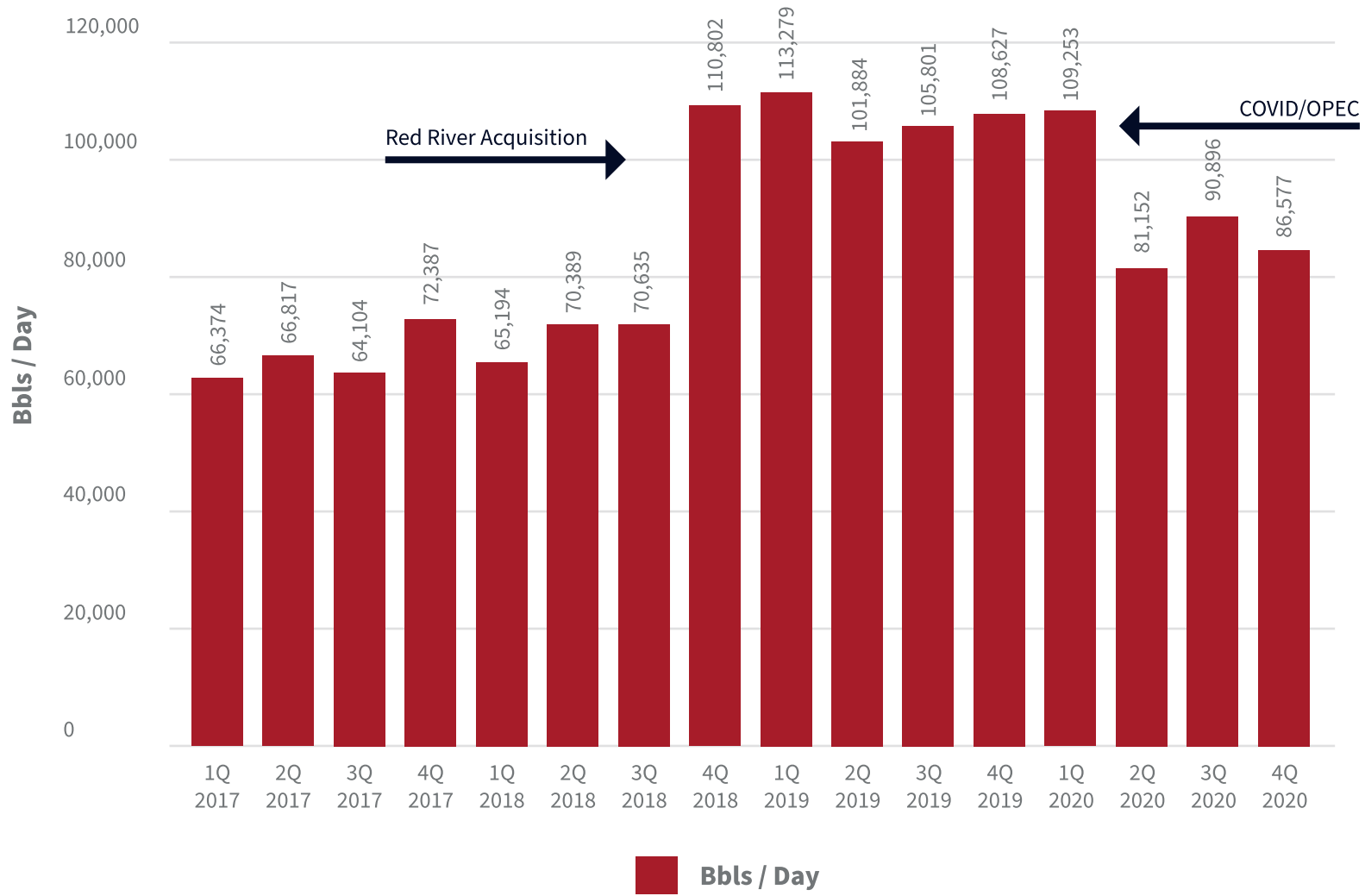
# ***GulfMark***

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## **ENERGY, INC.**

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# GULFMARK - BARRELS PER DAY<sup>(1)</sup>



(1) On October 1, 2018, GulfMark acquired the Red River assets, which has increased the barrels per day beginning in 4Q 2018.

## GULFMARK - INFRASTRUCTURE

The background of the slide is a photograph of an industrial facility. A large white storage tank is visible on the left, with a metal staircase leading up to its top. In the foreground, there are several large white pipes and valves supported by metal structures. The sky is blue with some clouds. The GulfMark Energy, Inc. logo is overlaid on the right side of the image.

**GulfMark**  
ENERGY, INC.

GulfMark currently has the ability to store approximately 915,000 barrels of crude oil in multiple basins onshore and at dock facilities across the Gulf Coast.

GulfMark operates approximately 191 tractor trailers which allows operators to receive prompt service with optimal pricing.

GulfMark has the ability to barge oil across the Gulf Coast to maximize value.

GulfMark delivers to an extensive network of truck unloading locations across its operating areas.



## GULFMARK - TEXAS GULF COAST

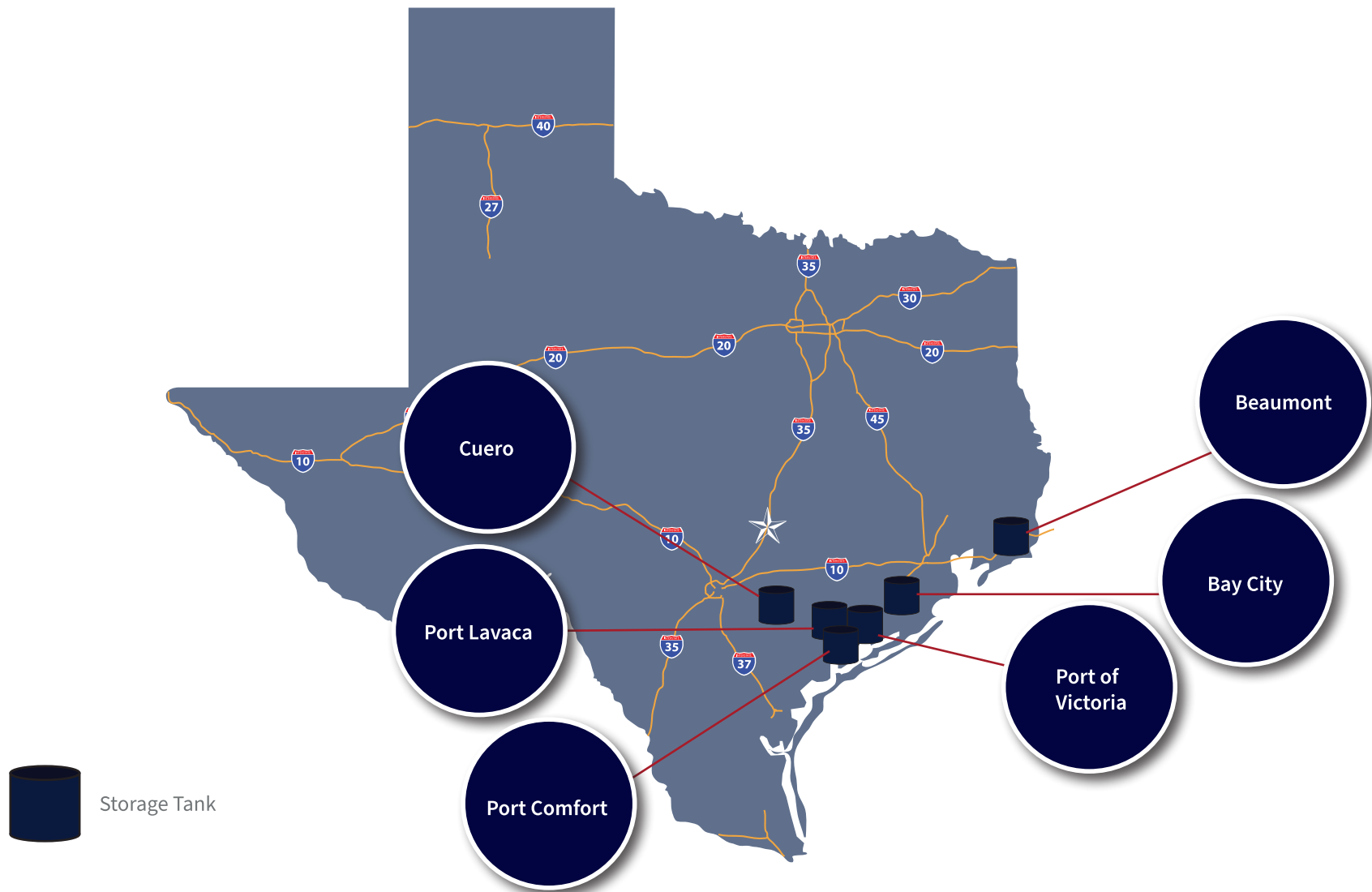


GulfMark has made significant investments along the Texas Gulf Coast and is able to capitalize on pricing opportunities with the flexibility to transport through trucking and barging crude oil.

Port of Victoria has capacity to store 505,000 bbls of crude oil and Port Lavaca, Bay City, Cuero, Point Comfort and Stanolind combined have an additional 410,000 bbls of crude oil storage capacity.

GulfMark's fleet of tractors are approximately replaced every 5 years, and all power units have internal / external facing cameras leading to more disciplined driver behavior and focus.

# GULF MARK - OIL STORAGE LOCATIONS



# CRUDE OIL MARKETING & TRANSPORTATION (GULFMARK ENERGY, INC.)

Over the last five fiscal years, the crude oil and marketing division has marketed up to 107,000 bbls of crude oil per day from diverse basins in North America.

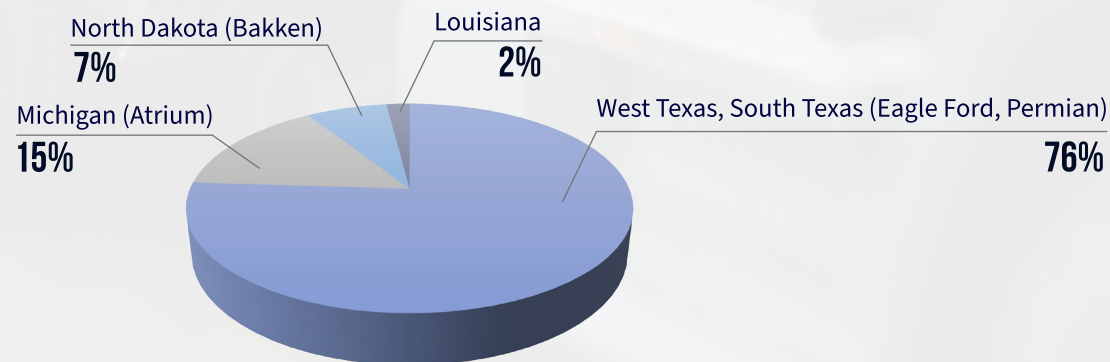
- 2016 daily average of approximately 73,000 bbls per day.
- 2017 daily average of approximately 67,000 bbls per day.
- 2018 daily average of approximately 79,000 bbls per day.
- 2019 daily average of approximately 107,000 bbls per day.
- 2020 daily average of approximately 92,000 bbls per day.

GulfMark is focused on marketing, transporting and storing crude oil and providing value to upstream and refining companies.

GulfMark provides a competitive advantage by owning and/or leasing 191 tractors and utilizing six oil storage facilities across the Gulf Coast.

In October 2018, GulfMark completed the purchase of trucking assets from the Red River pipeline system in Southern Oklahoma and North Texas, adding 113 tractors and 126 trailers to the fleet.

The current distribution of marketed crude oil is as follows:



## BEST IN CLASS SAFETY

All units are equipped with idrive Accident Event Recorders. GulfMark has utilized the idrive system since 2011. Along with GPS coordinates, the idrive 1st and 2nd generation cameras record the speed of the vehicle for each GPS location.

GulfMark trucks have speed governed at 65 MPH and have the Electronic Stability Program.

2018 and newer trucks are being equipped with the Bendix Wingman Advanced and Fusion Systems.

All GulfMark unload stations are equipped with over-fill protection and high level sounding alarms.

GulfMark operates MC 407 trailers equipped with Titan internal gauges to prevent risk of tanker overflow.

All units are equipped with the Omnitrac System. The use of this electronic logging system ultimately reduces hours-of-service violations and improves fleet utilization through data and analytics.



# VEX PIPELINE & TERMINALS ACQUISITION

Victoria Express Pipeline (VEX) is comprised of two unregulated terminals at either end of a FERC governed pipeline. These assets were purchased from EnLink Midstream Operating.

## VEX Pipeline

56-mile, 12", FERC-regulated pipeline with capacity of 90MBpd  
Barrels currently ship under a Texas Railroad Commission Tariff  
Supply is by pipeline connection to the Blackhawk system, and by truck

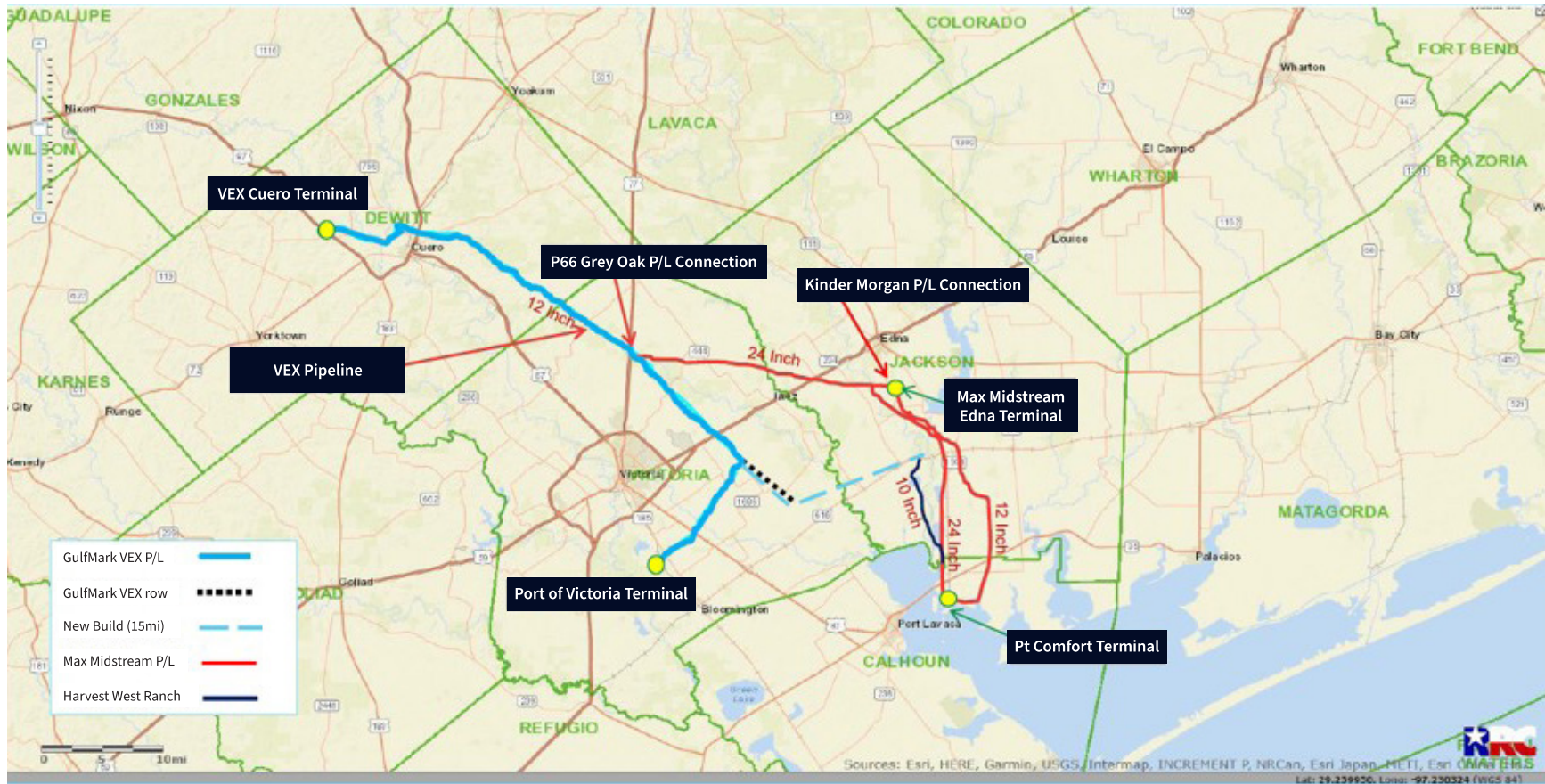
## Cuero Truck Terminal

40MBpd offload capacity via 8 truck unload stations  
Storage - Two 80,000 bbl. and one 16,000 bbl. storage tanks  
Cuero trucks are how GulfMark Energy supplies the system today

## Port of Victoria Truck and Barge Terminal

40MBpd offload capacity via 8 truck unload stations  
Storage - Four 40,000 bbl. storage tanks and one 10,000 bbl. tank  
Water Access - Two barge docks – leased from the Port Authority  
Pipeline Access - connections to GulfMark Energy & Texas Flow Tankage facilities

# VEX PIPELINE & POTENTIAL CONNECTIONS





**service**

*transport company*



# SERVICE TRANSPORT COMPANY OPERATIONS

Service Transport Company (STC) hauls liquid chemicals, propane, LNG, dry bulk and asphalt.

STC operates over 375 active tractors and over 800 tank trailers with 16 terminals across the U.S.

STC has a legacy of safety and customer service that is highly valued by its impressive client base.

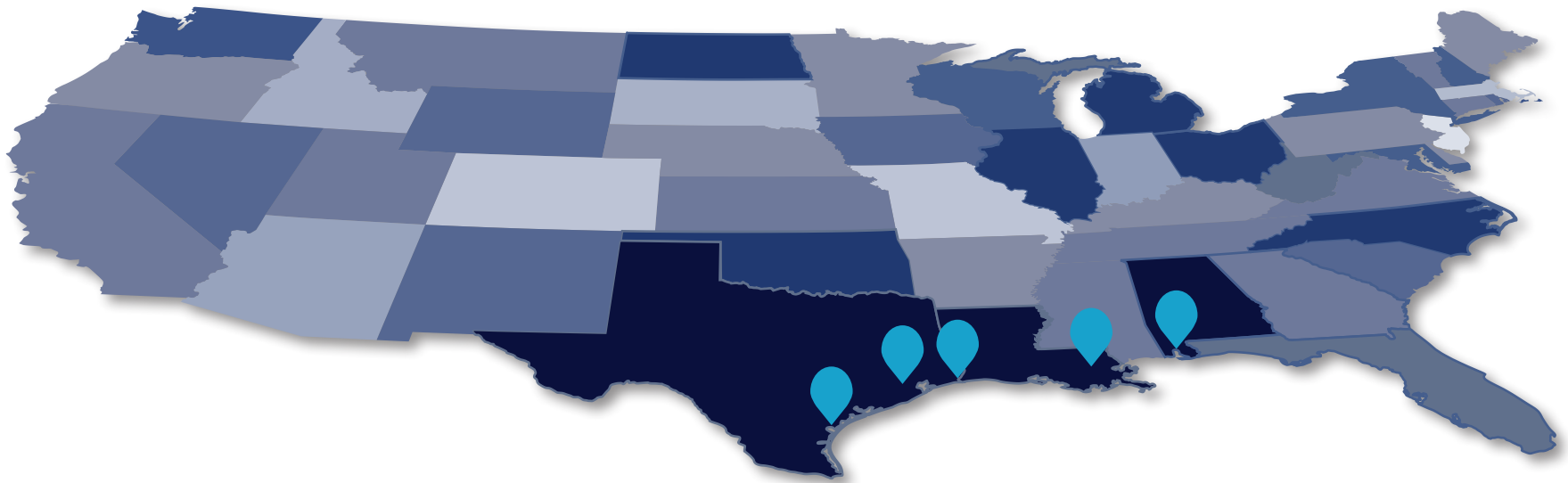
Increased revenues were predominately reinvested into employee compensation, enhanced safety bonuses and fleet improvements.

In May 2019, STC acquired the transportation assets of EH Transport, Inc., a Houston, Texas based bulk carrier trucking company.

In June 2020, STC acquired the transportation assets of CTL Transport.

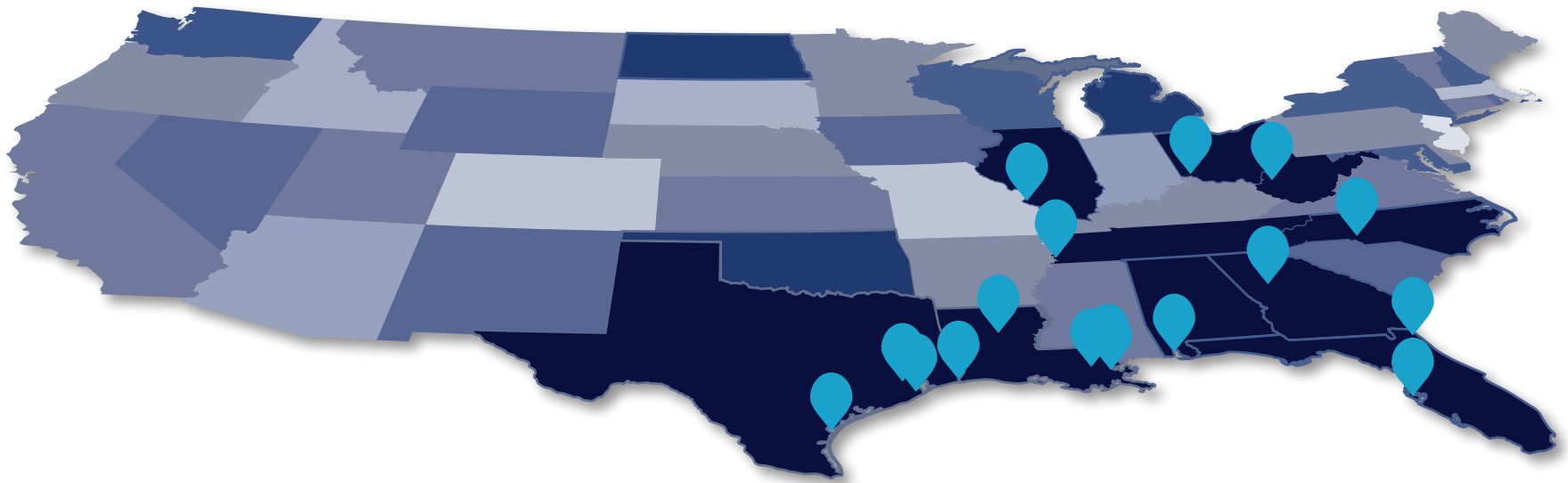


## SERVICE TRANSPORT COMPANY - 2018 LOCATIONS



■ Terminal(s) located within the state

## SERVICE TRANSPORT COMPANY - 2021 LOCATIONS



■ Terminal(s) located within the state

# SERVICE TRANSPORT ADJUSTED CASH FLOW

## 2018

New Management Team brought in to turn around under performing business.

## 2019

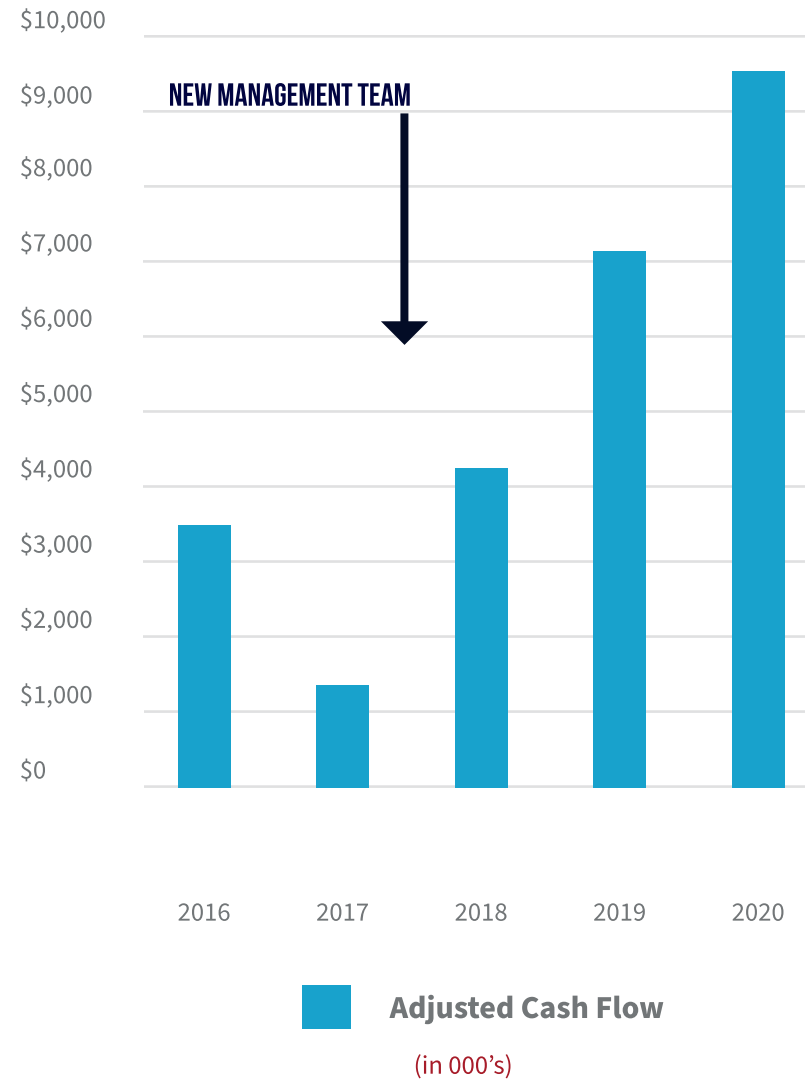
Asset acquisition of Houston based, EH Transport.

## 2018 - 2019

\$22MM in CAPEX to refresh Tractor and Trailer fleet.

## 2020

Asset acquisition of Florida based, CTL Transportation; global pandemic.

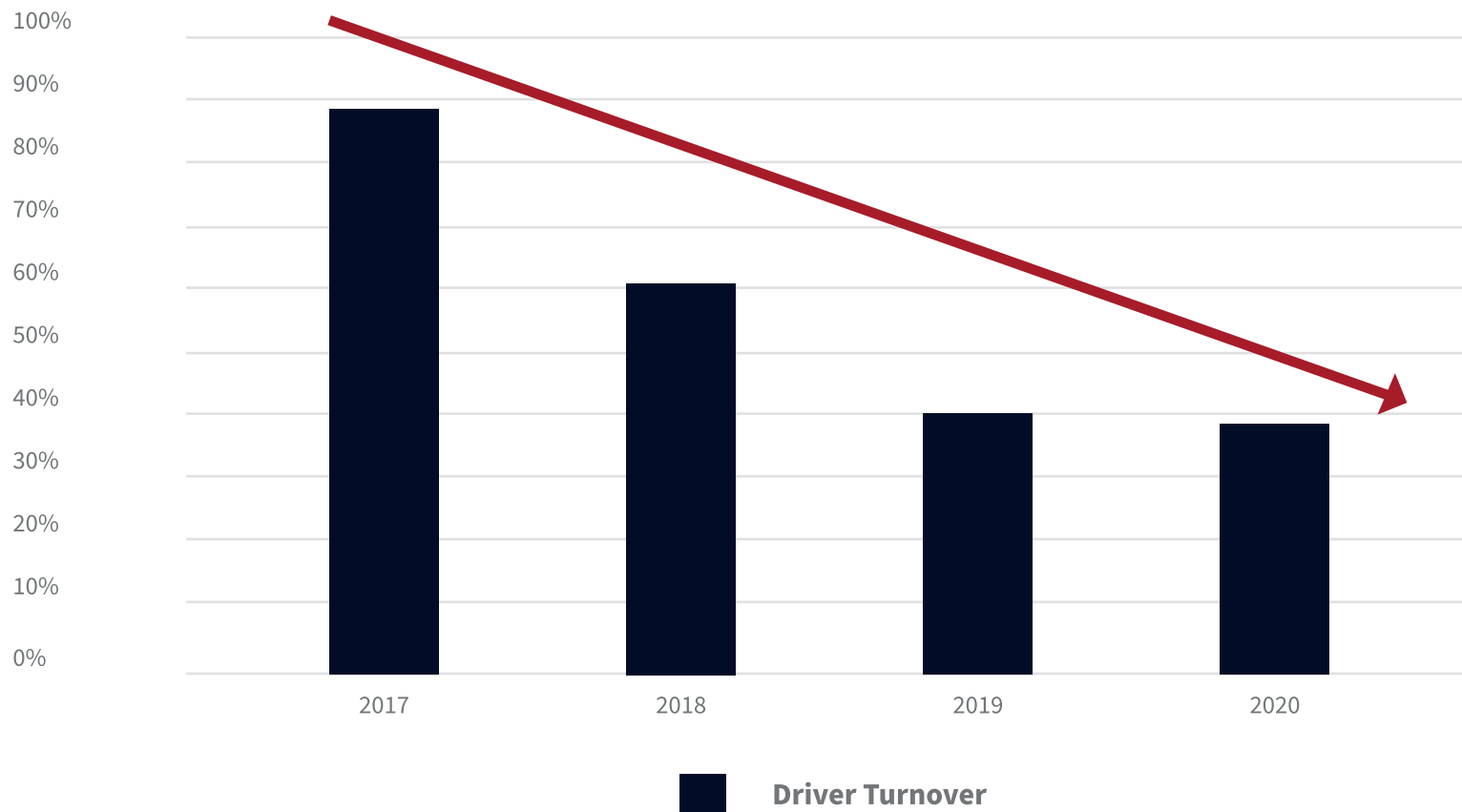


## BLUE CHIP CUSTOMER BASE



## REVERSING INDUSTRY TREND ON DRIVER TURNOVER

Driver turnover has improved over the past few years due to investment in new state-of-the-art tractors, which significantly decreased the average age of the fleet, decreased maintenance down-time, and increased pay and bonus opportunities.



## BEST IN CLASS SAFETY PERFORMANCE

Industry leading CSA scores.

Preventative maintenance on active trailers is every 6 months (or sooner based on visual inspection).

Fleet is equipped with G4 PeopleNet electronic logging devices.

Entire fleet is equipped with idrive Accident Event Recorders featuring front and interior cameras, Internal 3 Axis Accelerometer and other sensors to detect aggressive driving behaviors (hard braking, swerving, etc.) and GPS.

Trucks are equipped with automatic transmissions and speed is governed at 65 MPH.

All vehicles are equipped with Bendix Wingman Advanced or Fusion Systems.

2019 and newer vehicles are equipped with following distance control and lane departure warning.

Average round trip journey for STC is around 700 miles.



# FINANCIAL PERFORMANCE



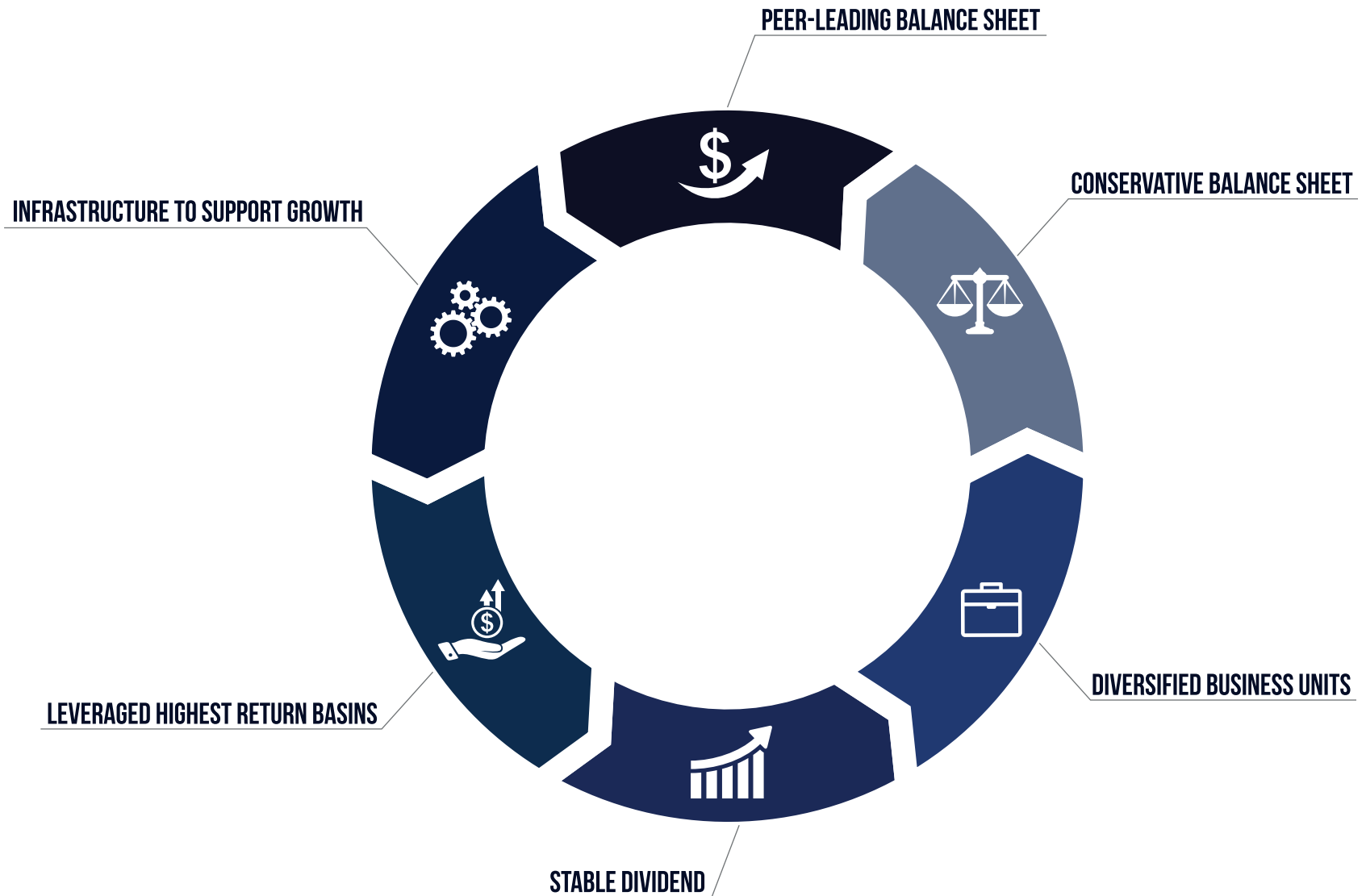
# FINANCIAL METRICS - YE 2020

NYSE American	AE
Shares Outstanding	4.3MM
Share Price on April 9, 2021	\$27.71
Equity Market Cap	\$117.8MM
Common Stock Dividend per Share	\$0.96
Annual Adjusted Cash Flow	~\$27.2MM
Cash & Cash Equivalents	~\$39MM
Short Term Debt <sup>(1)</sup>	\$7.5MM
Employees	~750
Annual Revenue for Fiscal YE 2020	\$1.02Bn
Dividend Yield <sup>(1)</sup>	3.5%

(1) Data as of April 9, 2021



# ADAMS RESOURCES & ENERGY, INC.



# QUESTIONS?

# APPENDIX

# AE CONSOLIDATED INCOME STATEMENTS

(in thousands)

	2020	2019	2018	2017
<b>REVENUES:</b>				
Marketing	\$950,426	\$1,748,056	\$1,694,437	\$1,267,275
Transportation	71,724	63,191	55,776	53,358
Pipeline & Storage	272	-	-	-
Oil & Natural Gas	-	-	-	1,427
<b>Total Revenues</b>	<b>1,022,422</b>	<b>1,811,247</b>	<b>1,750,213</b>	<b>1,322,060</b>
<b>COST &amp; EXPENSES:</b>				
Marketing	940,031	1,723,216	1,681,045	1,247,763
Transportation	58,888	53,392	48,169	48,538
Pipeline & Storage	393	-	-	-
Oil & Natural Gas	-	-	-	948
Oil & Natural Gas Property Impairments	-	-	-	3
General & Administrative	10,284	10,198	8,937	9,707
Depreciation & Amortization	18,573	16,641	10,654	13,599
<b>Total Costs &amp; Expenses</b>	<b>1,028,169</b>	<b>1,803,447</b>	<b>1,748,805</b>	<b>1,320,588</b>
<b>OPERATING (LOSSES) EARNINGS</b>	<b>(5,747)</b>	<b>7,800</b>	<b>1,408</b>	<b>1,502</b>
Interest & Other Income, Net	212	2,703	2,046	(4,929)
<b>INCOME BEFORE TAXES</b>	<b>(5,535)</b>	<b>10,503</b>	<b>3,454</b>	<b>(3,427)</b>
Income Taxes	6,530	(2,296)	(509)	2,945
<b>NET EARNINGS (LOSSES)</b>	<b>\$995</b>	<b>\$8,207</b>	<b>\$2,945</b>	<b>\$(482)</b>
Earnings (losses) per share	\$0.23	\$1.94	\$0.70	\$(0.11)
Dividends per Share	\$0.96	\$0.94	\$0.88	\$0.88

# SEGMENTED DATA - YE 2020

(in thousands)

	TRANSPORTATION	CRUDE OIL MARKETING	PIPELINE & STORAGE	CORPORATE	CONSOLIDATED
<b>REVENUES:</b>					
Marketing	-	\$950,426	-	-	\$950,426
Transportation	71,724	-	-	-	71,724
Pipeline & Storage	-	-	272	-	272
<b>Total Revenues</b>	<b>71,724</b>	<b>950,426</b>	<b>272</b>	<b>-</b>	<b>1,022,422</b>
<b>COST &amp; EXPENSES:</b>					
Marketing	-	940,031	-	-	940,031
Transportation	58,888	-	-	-	58,888
Pipeline & Storage	-	-	393	-	393
General & Administrative	-	-	-	10,284	10,284
Depreciation & Amortization	10,963	7,421	189	-	18,573
<b>Total Costs &amp; Expenses</b>	<b>69,851</b>	<b>947,452</b>	<b>582</b>	<b>10,284</b>	<b>1,028,169</b>
<b>OPERATING (LOSSES) EARNINGS</b>	<b>\$1,873</b>	<b>\$2,974</b>	<b>\$(310)</b>	<b>(10,284)</b>	<b>(5,747)</b>
Interest & Other Income, Net				212	212
<b>INCOME BEFORE INCOME TAXES</b>				<b>(10,072)</b>	<b>(5,535)</b>
Income Taxes				6,530	6,530
<b>NET EARNINGS (LOSSES)</b>				<b>\$(3,542)</b>	<b>\$995</b>
Earnings (losses) per share					\$0.23
Dividends per Share					\$0.96

# SEGMENTED DATA - YE 2019

(in thousands)

	TRANSPORTATION	CRUDE OIL MARKETING	CORPORATE	CONSOLIDATED
<b>REVENUES:</b>				
Marketing	-	\$1,748,056	-	\$1,748,056
Transportation	63,191	-	-	63,191
<b>Total Revenues</b>	63,191	1,748,056	-	1,811,247
<b>COST &amp; EXPENSES:</b>				
Marketing	-	1,723,216	-	1,723,216
Transportation	53,392	-	-	53,392
General & Administrative	-	-	10,198	10,198
Depreciation & Amortization	7,900	8,741	-	16,641
<b>Total Costs &amp; Expenses</b>	61,292	1,731,957	10,198	1,803,447
<b>OPERATING (LOSSES) EARNINGS</b>	\$1,899	\$16,099	(10,198)	7,800
Interest & Other Income, Net			2,703	2,703
<b>INCOME BEFORE INCOME TAXES</b>			(7,495)	10,503
Income Taxes			(2,296)	(2,296)
<b>NET EARNINGS (LOSSES)</b>			\$(9,791)	\$8,207
Earnings (losses) per share				\$1.94
Dividends per Share				\$0.94

# SEGMENTED DATA - YE 2018

(in thousands)

	TRANSPORTATION	CRUDE OIL MARKETING	CORPORATE	CONSOLIDATED
<b>REVENUES:</b>				
Marketing	-	\$1,694,437	-	\$1,694,437
Transportation	55,776	-	-	55,776
<b>Total Revenues</b>	<b>55,776</b>	<b>1,694,437</b>	<b>-</b>	<b>1,750,213</b>
<b>COST &amp; EXPENSES:</b>				
Marketing	-	1,681,045	-	1,681,045
Transportation	48,169	-	-	48,169
General & Administrative	-	-	8,937	8,937
Depreciation & Amortization	4,270	6,384	-	10,654
<b>Total Costs &amp; Expenses</b>	<b>52,439</b>	<b>1,687,429</b>	<b>8,937</b>	<b>1,748,805</b>
<b>OPERATING (LOSSES) EARNINGS</b>	<b>\$3,337</b>	<b>\$7,008</b>	<b>(8,937)</b>	<b>1,408</b>
Interest & Other Income, Net			2,046	2,046
<b>INCOME BEFORE INCOME TAXES</b>			<b>(6,891)</b>	<b>3,454</b>
Income Taxes			(509)	(509)
<b>NET EARNINGS (LOSSES)</b>			<b>\$(7,400)</b>	<b>\$2,945</b>
Earnings (losses) per share				\$0.70
Dividends per Share				\$0.88

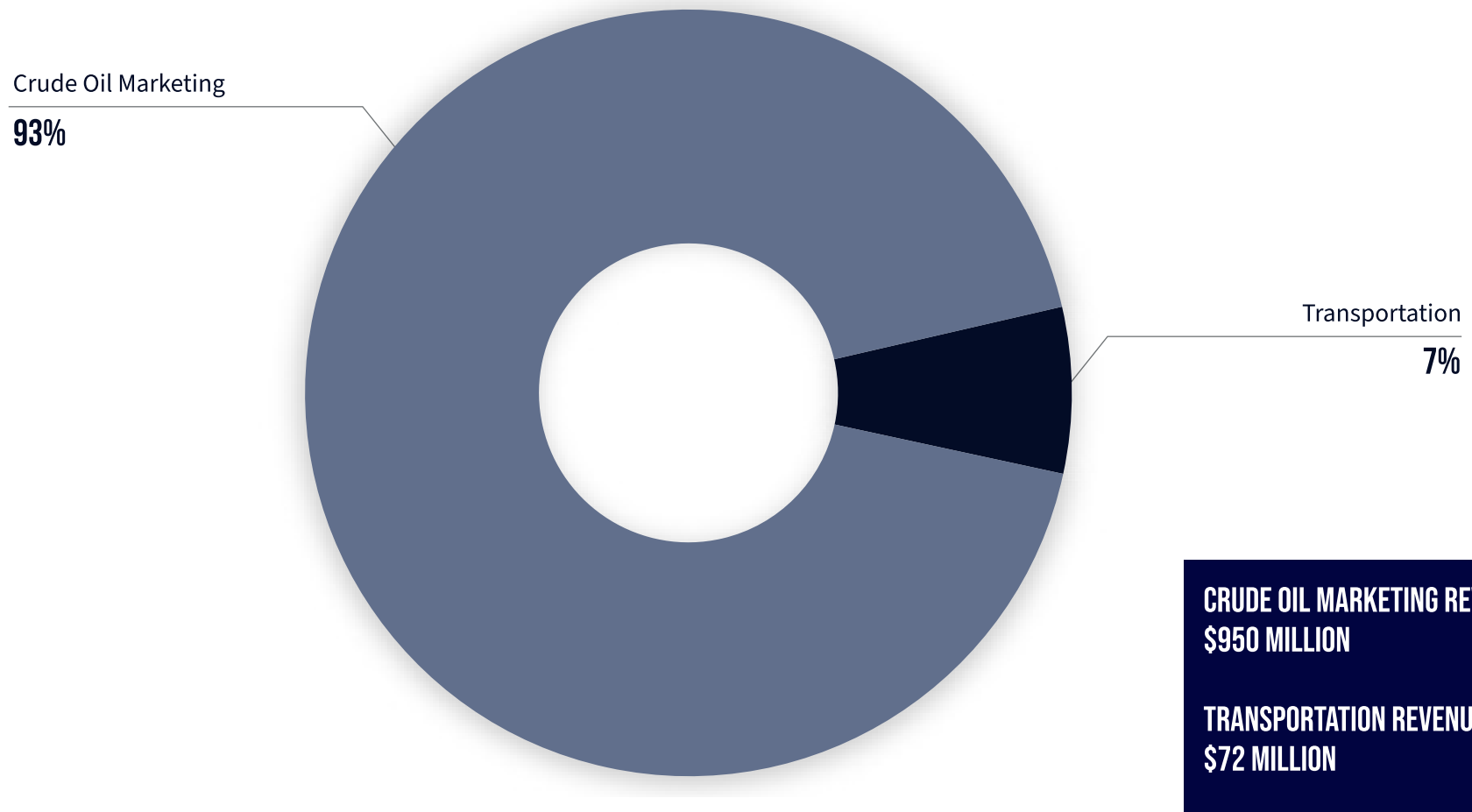
# SEGMENTED DATA - YE 2017

(in thousands)

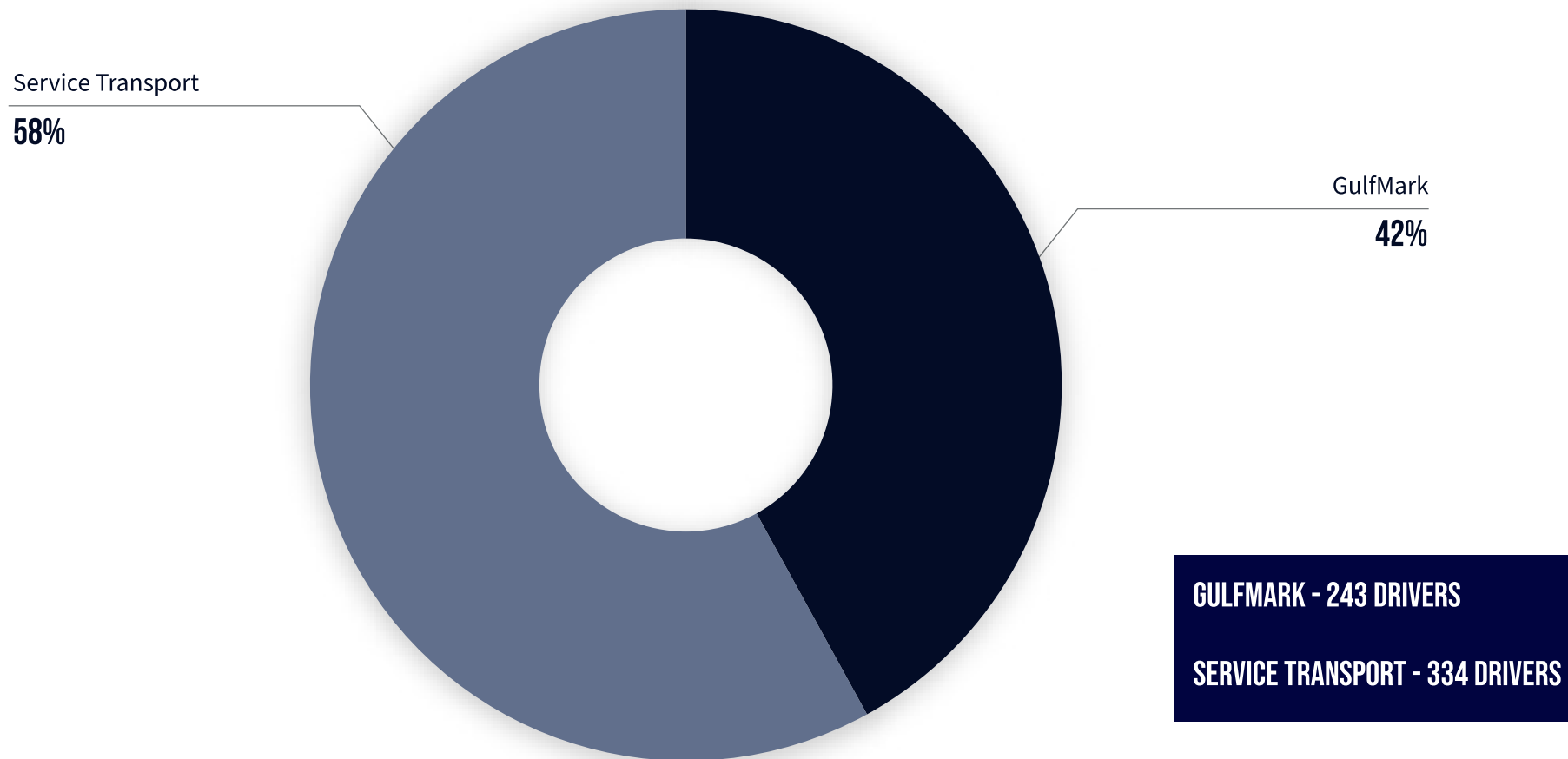
	TRANSPORTATION	CRUDE OIL MARKETING	CORPORATE	CONSOLIDATED
<b>REVENUES:</b>				
Marketing	-	\$1,267,275	-	\$1,267,275
Transportation	53,358	-	-	53,358
Oil & Natural Gas	-	-	1,427	1,427
<b>Total Revenues</b>	<b>53,358</b>	<b>1,267,275</b>	<b>1,427</b>	<b>1,322,060</b>
<b>COST &amp; EXPENSES:</b>				
Marketing	-	1,247,763	-	1,247,763
Transportation	48,538	-	-	48,538
Oil & Natural Gas	-	-	951	951
General & Administrative	-	-	9,707	9,707
Depreciation & Amortization	5,364	7,812	423	13,599
<b>Total Costs &amp; Expenses</b>	<b>53,902</b>	<b>1,255,575</b>	<b>11,081</b>	<b>1,320,558</b>
<b>OPERATING (LOSSES) EARNINGS</b>	<b>\$(544)</b>	<b>\$11,700</b>	<b>(9,654)</b>	<b>1,502</b>
Interest & Other Income, Net			(4,929)	(4,929)
<b>INCOME BEFORE INCOME TAXES</b>			<b>(14,583)</b>	<b>(3,427)</b>
Income Taxes			(509)	2,945
<b>NET EARNINGS (LOSSES)</b>			<b>\$(15,092)</b>	<b>\$(482)</b>
Earnings (losses) per share				\$(0.11)
Dividends per Share				\$0.88



## REVENUE SPLIT - 2020



## DRIVERS BY DIVISION



# ADAMS

*Resources & Energy, Inc.*

## CONTACT:

Tracy E. Ohmart  
Chief Financial Officer  
[tohmart@adamsresources.com](mailto:tohmart@adamsresources.com)  
713-881-3609

