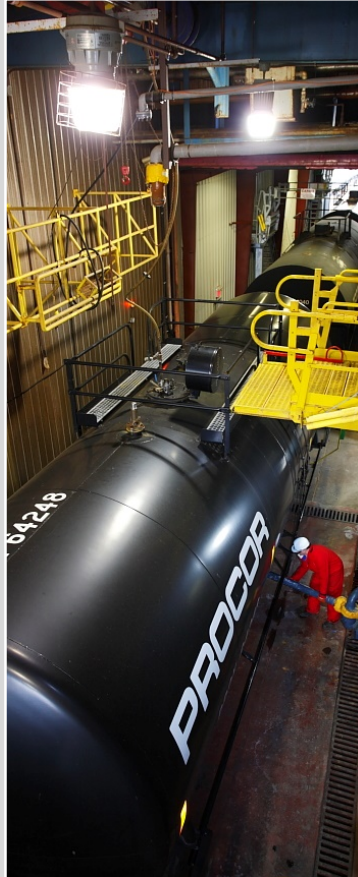




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BUSINESS UPDATE  
JUNE 2020



## CAUTION REGARDING FORWARD- LOOKING STATEMENTS

Certain statements contained in this presentation constitute forward-looking statements within the meaning of certain securities laws, including the Securities Act (Ontario). Forward-looking statements can be generally identified by the use of words such as “anticipate”, “continue”, “estimate”, “expect”, “expected”, “intend”, “may”, “will”, “project”, “plan”, “should”, “believe” and similar expressions. Forward-looking statements in this presentation describe the expectations of Chemtrade Logistics Income Fund (“Chemtrade”) and its subsidiaries as of the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including without limitation the risks and uncertainties detailed under the “RISK FACTORS” section of Chemtrade’s latest Annual Information Form and the “RISKS AND UNCERTAINTIES” section of Chemtrade’s most recent Management’s Discussion & Analysis. Although Chemtrade believes the expectations reflected in these forward-looking statements and the assumptions upon which they are based are reasonable, no assurance can be given that actual results will be consistent with such forward-looking statements, and they should not be unduly relied upon. Except as required by law, Chemtrade does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Further information can be found in the disclosure documents filed by Chemtrade with the securities regulatory authorities, available on [www.sedar.com](http://www.sedar.com).

One of the non-IFRS measures referred to in this presentation is Adjusted EBITDA, which is EBITDA modified to exclude only non-cash items such as unrealized foreign exchange gains and losses. For simplicity, the presentation will just refer to it as EBITDA as opposed to Adjusted EBITDA. Both these terms are fully defined in our MD&A.





## 1 Growth

Increased size, scale and diversity of earnings



## 2 Business Model

Mitigates Commodity Risks



## 3 Operational Excellence

Ensures sustainable earnings through improved operations, assets and people



## 4 Financial Prudence

Maintain financial flexibility & balance sheet strength with sound capital management



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## BUSINESS MODEL FIT



SULPHUR PRODUCTS  
AND PERFORMANCE  
CHEMICALS (SPPC)

Approx 60% of revenue  
based on risk shared  
contracts



WATER SOLUTIONS  
AND SPECIALTY  
CHEMICALS (WSSC)

Wide diversity of sources  
of earnings  
  
Includes specialty  
chemicals with distinct  
barriers to entry



ELECTROCHEMICALS (EC)

Three sources  
of earnings:

- NA sodium chlorate
- SA sodium chlorate  
and chlor-alkali
- NA chlor-alkali



## Operational Excellence

Addressed 2018 Operational Issues

- 1 Rail and supply chain
- 2 Human capital management
- 3 Production shortfalls





- SPPC 2019 EBITDA was \$52.1 MM better than 2018
- Offset by EC, 2019 EBITDA was \$50.5 MM lower than 2018 (Caustic soda & HCl)
- Water products showed a significant improvement over 2018

\*Adjusted for IFRS 16 Leases

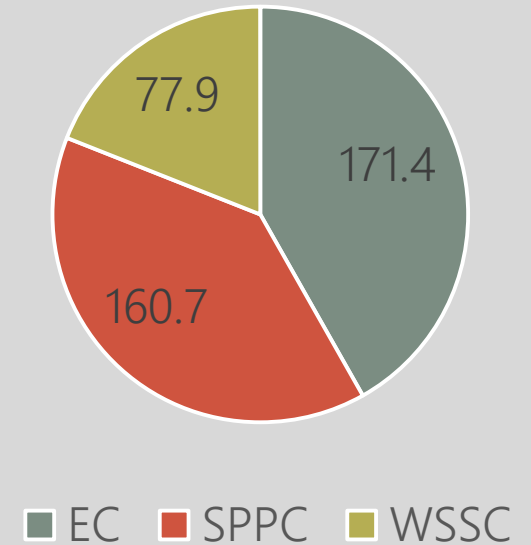




	C\$ MILLIONS
Adjusted EBITDA*	335.6
Maintenance CapEx	82.7
Lease expense	56.8
Cash Interest	69.5
Cash Taxes	4.5
Distributable Cash	122.1
DCPU	\$1.32

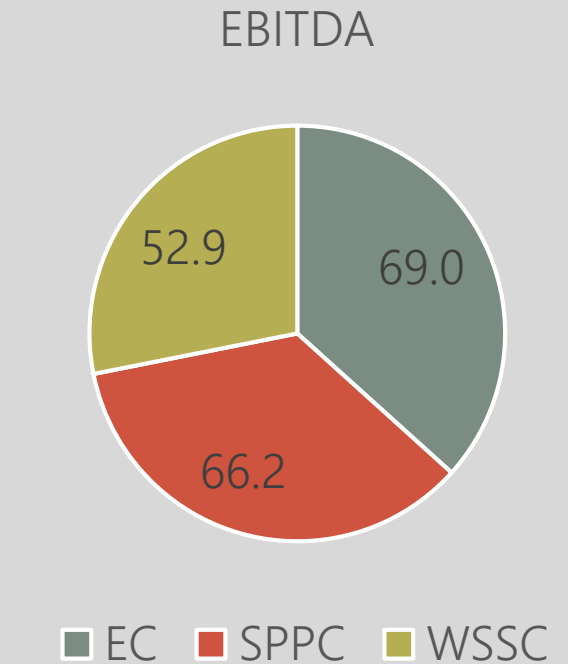
\* Excludes Litigation Reserve

### EBITDA





	C\$ MILLIONS
Adjusted EBITDA	156.4
Maintenance CapEx	23.1
Lease expense	28.1
Cash Interest	33.5
Cash Taxes	1.8
Distributable Cash	69.9
DCPU	\$0.75







- Adjusted EBITDA \$300MM - \$350MM
- 2019 actual EBITDA was \$335.6 MM\*
- Major differences from 2019:
  - Lower caustic and HCL pricing
  - Vancouver biennial turnaround
  - Major turnaround of material refinery customer

*\*Excluding the \$40.0 MM legal provision.*





Key Assumptions – Electrochemicals (EC) Segment	Original	Revised August 2020
Approximate North American MECU production volume	~190KT	~155KT
2020 average IHS NE Asia Caustic price index being lower per tonne than the 2019 average; and	US\$15	US\$60
North American production volume of sodium chlorate	~420KT	~385KT
None of the principal manufacturing facilities (as set out in Chemtrade's AIF) incurs significant unplanned downtime		
A foreign exchange rate per C\$1.00	US\$0.77	US\$0.74





- **Maintenance Capex - \$80MM - \$90MM**
  - *Reduced to \$75MM – 80MM in May 2020*
- **Lease Expense - \$55MM - \$60MM**
- **Cash Interest - \$70MM- \$75MM**
- **Cash Taxes - \$5MM - \$10MM**



### MECU

- 1 tonne of chlorine, 1.12 tonnes of caustic soda

### CHLORINE

- Sold as is, or
- Converted into HCl for fracking or industrial uses

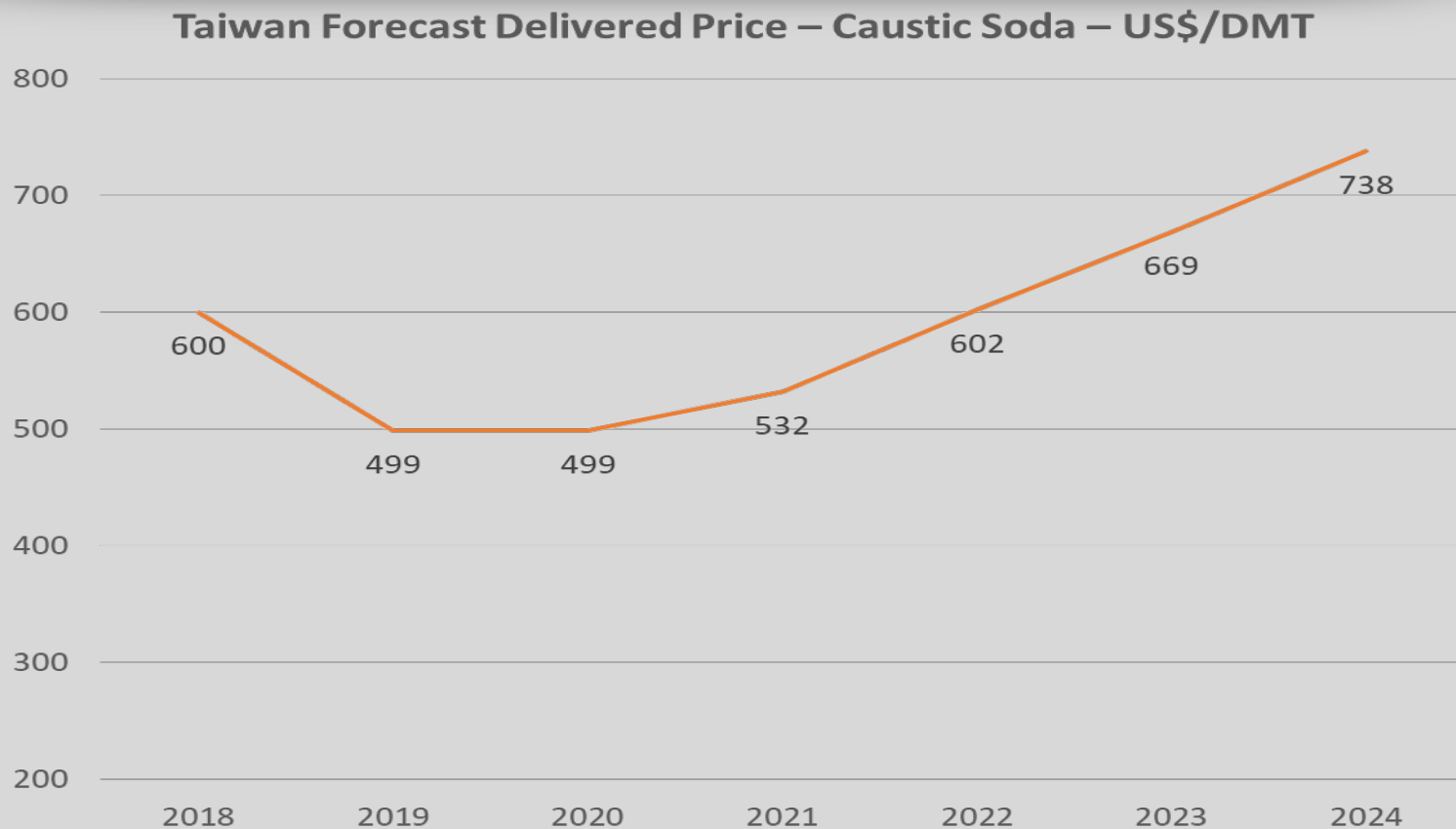
### CAUSTIC SODA

- Domestic market, but
- Compete with Asian imports as not enough domestic supply
- Selling price heavily influenced by NE Asia spot index



### Caustic Soda – A Key Improvement Driver

- Market forecasts still bullish mid to long term
- Demand continues to grow, minimal new supply
- Movements in Taiwan contract price are indicative of movements in NE Asia spot pricing



Source – IHS Markit – Jan 2020





### Recent macro developments:

- **Effect of COVID-19 virus on Asia chlor-alkali industry and general global economy**
  - **Our selling price for caustic is dependent on NE Asia spot price for caustic**
- **Effect of rail blockades in various parts of Canada**
  - **Our business (including customers & suppliers) are heavily reliant on rail**
  - **In most cases, no viable alternative mode of transportation**
- **March 2020 – reduced distributions by 50%**
  - **\$1.20/unit was set in 2007**
  - **2020 earnings guidance unchanged; the reduction in distribution was done to maintain financial flexibility during uncertain times**
  - **Intend paying down bank debt with excess cash flow**





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CONCLUDING REMARKS