



CHEMTRADE



RESPONSIBLE CARE®
OUR COMMITMENT TO
SUSTAINABILITY

2024

Guidance | January 15, 2024

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.

One of the 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. Non-IFRS and other financial measure are fully defined in our MD&A.

- 2023 Adjusted EBITDA guidance above \$490.0 million, the highest level Chemtrade has ever achieved
- 2024 Adjusted EBITDA guidance range of \$395.0 million to \$435.0 million
- Implied Payout ratio ⁽¹⁾ of 45% for 2024, assuming the midpoint of guidance, compared to 22% for the last 12 months (LTM) ending Q3 2023.

	2024 Guidance	2023 Guidance Updated in Q4	2022 Actual
Adjusted EBITDA ⁽¹⁾	\$395.0 - \$435.0	Above \$490.0	\$430.9
Maintenance capital expenditures ⁽¹⁾	\$85.0 - \$105.0	\$80.0 - \$105.0	\$99.8
Growth capital expenditures ⁽¹⁾	\$60.0 - \$90.0	\$50.0 - \$75.0	\$21.6
Lease payments	\$55.0 - \$65.0	\$50.0 - \$60.0	\$52.4
Cash interest ⁽¹⁾	\$45.0 - \$55.0	\$42.0 - \$48.0	\$51.7
Cash tax ⁽¹⁾	\$30.0 - \$50.0	\$15.0 - \$25.0	\$12.0

(1) Adjusted EBITDA is a Total of segments measure. Maintenance capital expenditures, Cash interest and Cash tax are Supplementary financial measures. Growth capital expenditures is a non-IFRS financial measure. Payout ratio is a non-IFRS ratio. See Appendix for more information.

Key Assumptions	2024 Assumptions	2023 Assumptions Updated in Q4	2022 Actual
Approximate North American MECU sales volumes	173,000	180,000	184,000
2024 realized MECU Netback being lower than 2023 (per MECU)	CAD (\$210)	NA	N/A
Average CMA ⁽¹⁾ NE Asia caustic spot price index per tonne ⁽²⁾	US\$375	US\$455 ⁽³⁾	US\$650
Approximate North American production volumes of sodium chlorate (MTs)	268,000	285,000	343,000
USD to CAD average foreign exchange rate	1.300	1.334	1.302
Long Term Incentive Plan costs (in millions)	\$10.0 - \$20.0	\$10.0 - \$20.0	\$21.0

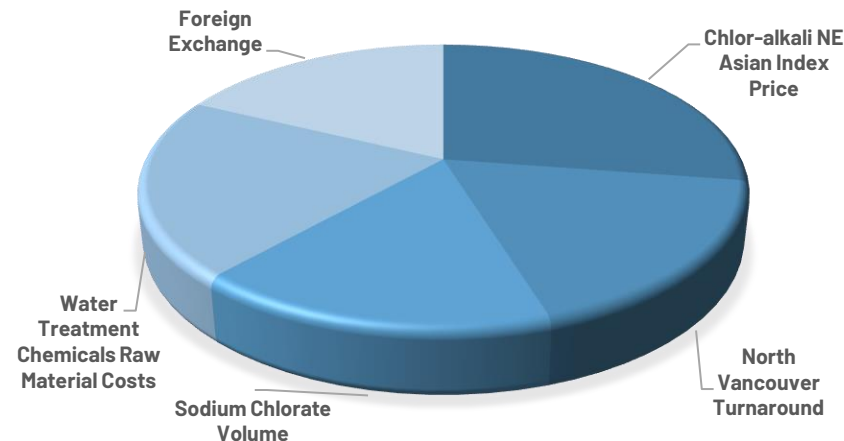
(1) Chemical Market Analytics by OPIS, a Dow Jones Company, formerly IHS Markit Base Chemical

(2) The average CMA NE Asia caustic spot price for 2023 and 2022 is the average spot price for the four quarters ending with the third quarter of that year as the majority of our pricing is based on a one quarter lag.

(3) Implies that the index pricing for Q4 2023 will be approximately US\$365 per tonne compared with approximately US\$580 during Q4 2022

- While Adjusted EBITDA in 2024 is expected to be below 2023, the mid-point of 2024's Adjusted EBITDA of \$415.0 million is more representative of a sustainable level for Chemtrade. Below are the key factors relative to 2023:
 - Lower average selling prices for caustic due to lower NE Asia index prices,
 - Turnaround in North Vancouver chlor-alkali plant,
 - Lower sales volumes of sodium chlorate,
 - Higher cost of raw materials for water treatment chemicals, and
 - A stronger Canadian dollar relative to the U.S. dollar.

Midpoint of 2024 Guidance compared to 2023 Guidance



Caustic Soda Price

- Change of US\$50/DMT = CA\$12.5 million

Sodium Chlorate Price

- Change of CA\$50/metric tonne = CA\$13.4 million

CA\$/US\$ exchange rate

- Change of 1 cent = CA\$3.8 million

APPENDIX

Non-IFRS financial measures are financial measures disclosed by an entity that (a) depict historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) are not disclosed in the financial statements of the entity and (d) are not a ratio, fraction, percentage or similar representation. Non-IFRS ratios are financial measures disclosed by an entity that are in the form of a ratio, fraction, percentage or similar representation that has a non-IFRS financial measure as one or more of its components, and that are not disclosed in the financial statements of the entity.

These non-IFRS financial measures and non-IFRS ratios are not standardized financial measures under IFRS and, therefore, are unlikely to be comparable to similar financial measures presented by other entities. Management believes these non-IFRS financial measures and non-IFRS ratios provide transparent and useful supplemental information to help investors evaluate our financial performance, financial condition and liquidity using the same measures as management. These non-IFRS financial measures and non-IFRS ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.

The following slides outline our non-IFRS financial measures and non-IFRS ratios, their compositions, and why management uses each measure. It includes reconciliations to the most directly comparable IFRS measures. Except as otherwise described herein, our non-IFRS financial measures and non-IFRS ratios are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable.

Distributable cash after maintenance capital expenditures –

Most directly comparable IFRS financial measure: Cash flows from operating activities

Definition: Distributable cash after maintenance capital expenditures is calculated as cash flow from operating activities less lease payments net of sub-lease receipts, Maintenance capital expenditures and adjusting for Cash interest and current taxes, and before decreases or increases in working capital.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.

Distributable cash after maintenance capital expenditures per unit –

Definition: Distributable cash after maintenance capital expenditures per unit is calculated as distributable cash after maintenance capital expenditures divided by the weighted average number of units outstanding.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.

Payout ratio –

Definition: Payout ratio is calculated as Distributions declared per unit divided by Distributable cash after maintenance capital expenditures per unit.

Why we use the measure and why is it useful to investors: It provides useful information related to our cash flows including our ability to pay distributions to Unitholders.

Non-IFRS Measures and Ratios

C\$ Thousands, except per unit metrics and ratios

	For the quarter ended
	Q3 2023
LTM Cash flow from operating activities	\$ 407.5
Add (Less):	
LTM lease payments net of sub-lease receipts	(56.6)
LTM (decrease) Increase in working capital	17.1
LTM changes in other items ⁽¹⁾	38.2
LTM Maintenance capital expenditures	(93.3)
LTM Distributable cash after maintenance capital expenditures	312.9
Weighted average number of units outstanding	115,841,117
LTM Distributable cash after maintenance capital expenditures per unit	\$ 2.70
LTM Distributions declared per unit ⁽²⁾	\$ 0.60
LTM Payout ratio (%)	22%

(1) Changes in other items relates to Cash interest and current taxes.

(2) Based on actual number of units outstanding on record date.

Non-IFRS Measures and Ratios

C\$ Thousands, except per unit metrics and ratios

Growth capital expenditures –

Most directly comparable IFRS financial measure: Capital expenditures

Definition: Growth capital expenditures is calculated as Capital expenditures less Maintenance capital expenditures, plus Investments in a joint venture

Why we use the measure and why is it useful to investors: It provides useful information related to the capital spending and investments intended to grow earnings

		Year ended December 31, 2022
Capital Expenditures		\$ 115,440
Add (Less):		
Maintenance capital expenditures		(99,766)
Non-maintenance capital expenditures		15,674
Investment in a joint venture (1)		5,931
Growth capital expenditures		\$ 21,605

(1) KPCT Advanced Chemicals LLC (“KPCT”) joint venture’s project to build an ultrapure sulphuric acid facility in Arizona

Total of Segments Measures

Total of segments measures are financial measures disclosed by an entity that (a) are a subtotal of two or more reportable segments, (b) are not a component of a line item disclosed in the primary financial statements of the entity, (c) are disclosed in the notes of the financial statements of the entity, and (d) are not disclosed in the primary financial statements of the entity.

The following slide provides an explanation of the composition of the total of segments measures.

Adjusted EBITDA -

Most directly comparable IFRS financial measure: Net earnings (loss)

		Year ended December 31, 2022
Net earnings (loss)		\$ 109,115
Add (Less):		
Depreciation and amortization		216,950
Net finance costs		49,969
Income tax expense		60,068
Net gain on disposal and write-down of PPE		(15,304)
Loss on disposal of assets held for sale		478
Unrealized foreign exchange (gain) loss		9,592
Adjusted EBITDA		\$ 430,868

Supplementary financial measures are financial measures disclosed by an entity that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity, (b) are not disclosed in the financial statements of the entity, (c) are not non-IFRS financial measures, and (d) are not non-IFRS ratios.

The following provides an explanation of the composition of those supplementary financial measures.

Maintenance capital expenditures

Represents capital expenditures that are required to sustain operations at existing levels and include major repairs and maintenance and plant turnarounds.

Non-maintenance capital expenditures

Represents capital expenditures that are: (a) pre-identified or pre-funded, usually as part of a significant acquisition and related financing; (b) considered to expand the capacity of our operations; (c) significant environmental capital expenditures that are considered to be non-recurring; or (d) capital expenditures to be reimbursed by a third party.

Cash interest

Represents interest expense related to long-term debt, convertible unsecured subordinated debentures and pension plans. It excludes non-cash finance costs such as changes in fair value of the convertible unsecured subordinated debentures, ineffective portion of cash flow hedges, changes in fair value of interest rate swaps and accretion expense.

Cash tax

Represents current income tax expense adjusted to exclude current income expense related to the disposal of assets held for sale