

NEWS RELEASE

CHEMTRADE LOGISTICS INCOME FUND REPORTS 2017 THIRD QUARTER RESULTS

TORONTO, November 14, 2017 – Chemtrade Logistics Income Fund (TSX: CHE.UN) today announced results for the three and nine months ended September 30, 2017. The third quarter financial statements and MD&A will be available on Chemtrade’s website at www.chemtradelogistics.com and on SEDAR at www.sedar.com.

On March 10, 2017, Chemtrade completed the acquisition (the "Acquisition") of all the issued and outstanding common shares of Canexus Corporation ("Canexus"). The first quarter results included 22 days contribution from the acquired businesses. The second and third quarters included full quarters of contribution from the acquired businesses. Due to the Acquisition, Chemtrade reconfigured its business segments and introduced a new segment called Electrochemicals ("EC"). EC includes Chemtrade’s legacy sodium chlorate business and all of the newly acquired businesses. Comparative financial reporting has been re-stated to conform with the current period presentation.

On February 24, 2017, Chemtrade entered into a definitive agreement to sell its International business segment to Mitsui & CO., Ltd. ("Mitsui"). The transaction closed during the second quarter of 2017. The International segment is treated as a discontinued operation in the financial statements.

Revenue from continuing operations for the third quarter of 2017 was \$400.5 million, an increase of \$127.5 million from 2016. This increase was primarily due to revenues of \$161.3 million generated by the newly acquired businesses, partially offset by lower revenues in the Sulphur Products & Performance Chemicals ("SPPC") and Water Solutions and Specialty Chemicals ("WSSC") segments.

Net earnings from continuing operations for the third quarter of 2017 were \$22.4 million compared with \$2.1 million during the third quarter of 2016. Relative to the third quarter of 2016, net earnings during the third quarter of 2017 were higher due to the additional earnings of the newly acquired businesses, partially offset by higher depreciation and amortization.

Distributable cash after maintenance capital expenditures from continuing operations⁽¹⁾ for the third quarter was \$46.8 million, or \$0.51 per unit (2016: \$15.4 million, or \$0.22 per unit). The per unit amounts are based on a weighted average number of units outstanding of 92.6 million units in the third quarter this year, versus 69.1 million units outstanding last year. It should also be noted that a foreign exchange loss of \$20.3 million was incurred in the third quarter of 2016.

Adjusted cash flows from operating activities from continuing operations⁽¹⁾ for the third quarter were \$61.3 million (2016: \$26.9 million). Adjusted EBITDA from continuing operations⁽¹⁾ for the third quarter of 2017 was \$81.9 million compared with \$60.8 million in the third quarter of 2016. The increase is mainly attributable to the contribution of approximately \$52.2 million from the new businesses, partially offset by lower Adjusted EBITDA in the SPPC and WSSC segments.

For the nine months ended September 30, 2017, Distributable cash after maintenance capital expenditures from continuing operations was \$114.1 million (2016: \$88.5 million), or \$1.32 per unit (2016: \$1.28 per unit). A portion of Chemtrade’s new credit facilities was used to repay its prior credit facilities and Canexus’ extendible revolving credit facilities. Chemtrade recognized \$18.3 million (\$0.25 per unit) of foreign exchange loss in other comprehensive income in the first quarter as a result of the repayment. This loss is included in Distributable cash after maintenance capital expenditures from continuing operations but excluded from EBITDA. Revenue from continuing operations for the nine months was \$1.1 billion (2016: \$815.5 million). Adjusted EBITDA from

continuing operations was \$221.7 million (2016: \$168.9 million). Adjusted cash flow from operating activities from continuing operations was \$146.1 million (2016: \$113.5 million).

Mark Davis, President and Chief Executive Officer of Chemtrade, said, "Market conditions for Chemtrade's products remained favourable during the third quarter, with demand for key products continuing to be robust. However, the shutdown of our Beaumont, Texas, plant for one month due to Hurricane Harvey and operational and supply issues in our SPPC and WSSC segments had a negative impact on financial results. Our new EC segment continued to perform well. While financial results for the quarter were below our expectations, our strategy of building a diversified product portfolio enabled us to generate Distributable cash well in excess of our distributions."

In the third quarter of 2017, SPPC generated revenue of \$123.3 million compared to \$146.4 million in 2016. Adjusted EBITDA for the quarter was \$24.5 million, which was \$15.3 million lower than 2016. The main reason for the year-over-year decrease was \$13.6 million of lower revenues for sulphuric acid due to the effect of the shutdown of the Beaumont plant as a result of Hurricane Harvey, and decreased by-product supply. Additionally, revenues were \$8.7 million lower due to reduced volumes of liquid sulphur dioxide (SO₂) as a result of Chemtrade exiting the liquid SO₂ business in eastern Canada towards the end of 2016. EBITDA was lower due to the impact of lower opening inventories and production disruptions which necessitated alternative sourcing of product at higher cost.

The WSSC segment reported third quarter revenue of \$105.4 million compared with \$113.6 million in 2016. Adjusted EBITDA was \$21.8 million compared with \$30.5 million generated in 2016. The decreases were largely a result of lower volumes due to production issues and higher costs to source alternative product to meet customer demand.

The EC segment reported revenue of \$171.8 million, most of which is attributable to the newly acquired businesses. Adjusted EBITDA was \$55.4 million, compared with \$3.0 million last year.

Corporate costs during the third quarter of 2017 were \$19.9 million, compared with \$12.4 million in the third quarter of 2016. The increase was due primarily to higher incentive compensation accruals of \$5.0 million and higher costs of \$0.9 million related to the acquired business.

Mr. Davis said, "Most of the operational issues we faced in the third quarter are now behind us and the facilities are essentially back to normal operations. The market fundamentals for our key products are stable. The fourth quarter and 2018 outlook for demand and pricing for our key products is sound and for certain products very positive. Looking forward, our results should better reflect the strength and resiliency of our larger portfolio of products. We remain confident that our portfolio of businesses, business model and strong balance sheet will enable us to sustain our distributions to unitholders and to continue investing in making our businesses stronger."

Distributions

Distributions declared in the second quarter totalled \$0.30 per unit, comprised of monthly distributions of \$0.10 per unit.

About Chemtrade

Chemtrade operates a diversified business providing industrial chemicals and services to customers in North America and around the world. Chemtrade is one of North America's largest suppliers of sulphuric acid, spent acid processing services, inorganic coagulants for water treatment, sodium chlorate, sodium nitrite, sodium hydrosulphite and phosphorus pentasulphide. Chemtrade is a leading regional supplier of sulphur, chlor-alkali products, liquid sulphur dioxide, potassium chloride, and zinc oxide. Additionally, Chemtrade provides industrial services such as processing by-products and waste streams.

(1) Non-IFRS Measures

EBITDA and Adjusted EBITDA –

Management defines EBITDA as net earnings before any deduction for net finance costs, taxes, depreciation and amortization. Adjusted EBITDA also excludes other non-cash charges such as gains and losses on the disposal and write-down of assets, and unrealized foreign exchange gains and losses. EBITDA and Adjusted EBITDA are metrics used by many investors and analysts to compare organizations on the basis of ability to generate cash from operations. Management considers Adjusted EBITDA (as defined) to be an indirect measure of operating cash flow, which is a significant indicator of the success of any business. Adjusted EBITDA is not intended to be representative of cash flow from operations or results of operations determined in accordance with IFRS or cash available for distribution.

EBITDA and Adjusted EBITDA are not recognized measures under IFRS. Chemtrade's method of calculating EBITDA and Adjusted EBITDA may differ from methods used by other income trusts or companies, and accordingly may not be comparable to similar measures presented by other organizations.

A reconciliation of EBITDA and Adjusted EBITDA to net earnings is provided below:

(\$'000)	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,</u> <u>2017</u>	<u>September 30,</u> <u>2016</u>	<u>September 30,</u> <u>2017</u>	<u>September 30,</u> <u>2016</u>
Net earnings from continuing operations	\$ 22,413	\$ 2,102	\$ 33,365	\$ 9,797
Add:				
Depreciation and amortization	52,411	36,457	148,567	111,894
Net finance costs	19,154	26,788	66,352	49,814
Income tax recovery	(12,754)	(7,055)	(31,228)	(48,987)
EBITDA from continuing operations	81,224	58,292	217,056	122,518
Add:				
Impairment of intangible assets	—	—	—	3,143
Loss (gain) on disposal and write-down of assets	282	(33)	4,346	55,783
Unrealized foreign exchange loss (gain)	356	2,518	319	(12,544)
Adjusted EBITDA from continuing operations	\$ 81,862	\$ 60,777	\$ 221,721	\$ 168,900

Segmented Information

SPPC -

(\$'000)	<u>Three months ended</u>		<u>Nine months ended</u>	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Revenue	\$ 123,257	\$ 146,412	\$ 373,880	\$ 450,576
Adjusted EBITDA	24,455	39,710	86,175	114,365
Impairment of intangible assets	—	—	—	(3,143)
(Loss) gain on disposal and write-down of assets	(282)	2	(418)	(55,779)
EBITDA	24,173	39,712	85,757	55,443
Depreciation and amortization	(17,321)	(19,669)	(55,028)	(58,900)
Net finance costs	(4,275)	(5,648)	(15,512)	(15,369)
Income tax recovery (expense)	6,855	(805)	16,580	32,552
Net earnings	\$ 9,432	\$ 13,590	\$ 31,797	\$ 13,726

WSSC -

(\$'000)	<u>Three months ended</u>		<u>Nine months ended</u>	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Revenue	\$ 105,437	\$ 113,565	\$ 323,242	\$ 329,292
Adjusted EBITDA	21,849	30,531	76,260	87,090
Gain (loss) on disposal and write-down of assets	—	31	(25)	(4)
EBITDA	21,849	30,562	76,235	87,086
Depreciation and amortization	(12,901)	(14,651)	(40,165)	(46,302)
Net finance costs	(5,103)	(3,254)	(15,075)	(9,118)
Income tax recovery	8,998	7,783	23,445	15,994
Net earnings	\$ 12,843	\$ 20,440	\$ 44,440	\$ 47,660

EC -

(\$'000)	<u>Three months ended</u>		<u>Nine months ended</u>	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Sodium Chlorate Sales Volume (000's MT)	99	19	264	48
Chlor-alkali Sales Volume (000's MECU)	66	—	142	—
Revenue	\$ 171,810	\$ 13,046	\$ 385,347	\$ 35,640
Adjusted EBITDA	55,430	2,950	109,957	8,605
Loss on write-down of assets	—	—	(3,903)	—
EBITDA	55,430	2,950	106,054	8,605
Depreciation and amortization	(22,189)	(2,137)	(53,374)	(6,692)
Net finance costs	(2,145)	(14)	(12,407)	(43)
Income tax (expense) recovery	(3,552)	16	(8,271)	155
Net earnings	\$ 27,544	\$ 815	\$ 32,002	\$ 2,025

Cash Flow –

Management believes supplementary disclosure related to the cash flows of the Fund including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities provides useful additional information. A cash flows table presenting this information is included in the Fund's MD&A filed on SEDAR. The table is derived from, and should be read in conjunction with, the consolidated statements of cash flows. Certain sub-totals presented within the cash flows table, such as "Adjusted cash flows from operating activities", "Distributable cash after maintenance capital expenditures" and "Distributable cash after all capital expenditures", are not defined terms under IFRS. These sub-totals are used by Management as measures of internal performance and as a supplement to the consolidated statements of cash flows. Investors are cautioned that these measures should not be construed as an alternative to using net earnings as a measure of profitability or as an alternative to the IFRS consolidated statements of cash flows. Further, Chemtrade's method of calculating each measure may not be comparable to calculations used by other income trusts or companies bearing the same description.

A reconciliation of these supplementary cash flow measures to cash flow from operating activities is provided below:

(\$'000)	<u>Three months ended</u>		<u>Nine months ended</u>	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Cash flow from operating activities	\$ 70,452	\$ 67,488	\$ 89,130	\$ 103,219
Less:				
Cash flow from (used in) operating activities of discontinued operations	—	4,024	(3,809)	204
Cash flow from operating activities of continuing operations	70,452	63,464	92,939	103,015
Add:				
Changes in non-cash working capital and other items	(9,119)	(36,596)	53,175	10,510
Adjusted cash flows from operating activities of continuing operations	61,333	26,868	146,114	113,525
Less:				
Maintenance capital expenditure	14,550	11,480	31,977	25,017
Distributable cash after maintenance capital expenditure from continuing operations	46,783	15,388	114,137	88,508
Less:				
Non-maintenance capital expenditure ⁽¹⁾	1,461	2,684	5,817	7,106
Distributable cash after all capital expenditure from continuing operations	\$ 45,322	\$ 12,704	\$ 108,320	\$ 81,402

Caution Regarding Forward-Looking Statements

Certain statements contained in this news release 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. Specifically, forward-looking statements in this news release include statements respecting certain future expectations about: the outlook for demand and pricing of key products in Q4 and 2018; the ability of our product portfolio to reflect strength and resiliency in results; the effectiveness of our business model; the sustainability of Chemtrade’s distribution rate; and our ability to continue investing in our businesses. Forward-looking statements in this news release describe the expectations of the Fund and its subsidiaries as of the date hereof. These statements are based on assumptions and 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 the Fund’s latest Annual Information Form and the “RISKS AND UNCERTAINTIES” section of the Fund’s most recent Management’s Discussion & Analysis.

Although the Fund 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. With respect to the forward-looking statements contained in this news release, the Fund has made assumptions regarding: there being no significant disruptions affecting the operations of the Fund and its subsidiaries, whether due to labour disruptions, supply disruptions, power disruptions, transportation disruptions, damage to equipment or otherwise; the ability of the Fund to obtain products, raw materials, equipment, transportation, services and supplies in a timely manner to carry out its activities and at prices consistent with current levels or in line with the Fund’s expectations; the timely receipt of required regulatory approvals; the cost of regulatory and environmental compliance being consistent with current levels or in line with the Fund’s expectations; the ability of the Fund to successfully access tax losses and tax attributes; the ability of the Fund to obtain financing on acceptable terms; currency, exchange and interest rates being consistent with current levels or in line with the Fund’s expectations; and global economic performance.

Except as required by law, the Fund 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 Logistics Income Fund with the securities regulatory authorities, available at www.sedar.com.

A conference call to review the third quarter 2017 results will be webcast live on www.chemtradelogistics.com and www.newswire.ca on Wednesday, November 15, 2017 at 10:00 a.m. ET.

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