



CHEMTRADE



MAY 2019

BUSINESS UPDATE

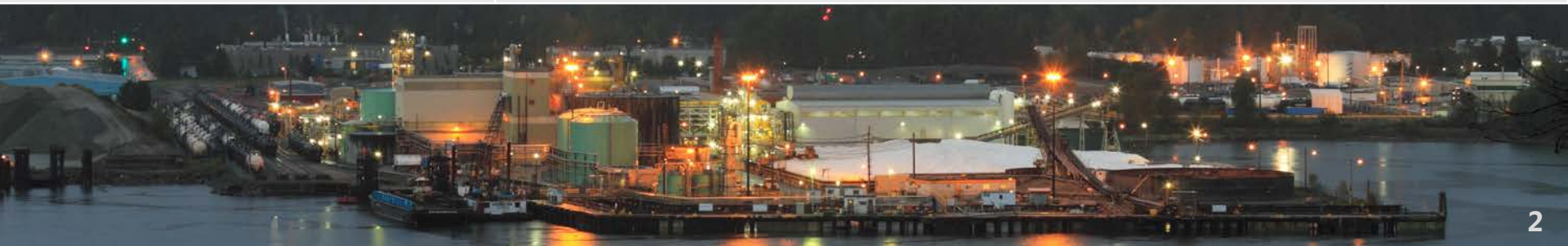


CAUTION REGARDING FORWARD- LOOKING STATEMENTS



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 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.





CHEMTRADE



Unique portfolio providing growth and yield



- Worldwide provider of industrial chemicals and services
 - Primarily industrial inorganic chemicals
 - Electrochemicals
 - Water and specialty chemicals
 - Critical but non-core services to industrial users or producers of chemicals
- Significant market shares; competitive advantages in niche specialty chemicals
- Business model mitigates typical commodity risks





SINCE OUR IPO WE HAVE:

- Diversified our product portfolio
- Increased our geographic reach
- Enhanced quality of earnings
- Sustained distributions
- Maintained balance sheet strength



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CHEMTRADE LOCATIONS





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

Maintains distributions and balance sheet strength



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CHEMTRADE'S M&A TRACK RECORD

Chemtrade's Demonstrated Ability to Successfully
Complete Acquisitions

CREATING A STRONGER, MORE RESILIENT BUSINESS



SHS Operation

Leading North American supplier of Sodium Hydrosulphite

2002
Dec



Pulp Chemicals

Leading regional supplier of sodium chlorate, toll processor of CTO

2003
Aug



Peak Chemicals

Expanded sulphuric acid business, diversified end markets

2005
Aug



Marsulex

Increased presence in core products, expanded geographic reach and enhanced quality of earnings

2011
Jun



General Chemical

Further strengthened and expanded Chemtrade's platform

2014
Jan



Canexus

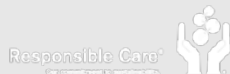
Expands sodium chlorate capabilities, diversification through chlor-alkali product portfolio and Brazilian platform

2017
Mar



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OPERATING REPORTING SEGMENTS



SPPC

- Sulphuric Acid (regen, ultra pure, merchant) and other sulphur products

WSSC

- Water Solution Chemicals (alum, PACl, ACH)
- Certain Specialties (KCl, sodium nitrite, P_2S_5)

EC

- Sodium Chlorate and Chlor-alkali (caustic soda, HCl, chlorine)



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)

Two stable sources
of earnings:

- NA sodium chlorate;
Brazil


Upside Potential:

- NA chlor-alkali



Q1 2019 Results

2019 results include the benefit of adopting IFRS 16 on leases, as lease expenses have been excluded from EBITDA



Q1 EBITDA (as of March 31st, 2019, C\$M)

Sulphur Products and Performance Chemicals (SPPC)

Q1 2018

\$21.2

Q1 2019

\$37.5

- Includes positive impact of IFRS 16 of \$5.2 million
- Adjusted customer base and cost structure to account for substantially reduced volume from our largest merchant acid supplier
- Higher selling prices for merchant acid offset lower volumes and higher freight costs



Q1 EBITDA (as of March 31st, 2019, C\$M)

Water Solutions and Specialty Chemicals (WSSC)

Q1 2018

\$18.8

Q1 2019

\$18.1

- Includes positive impact of IFRS 16 of \$1.5 million
- **Alum products:** Higher selling prices and renewed contracts offset higher raw material costs
- **Potassium chloride:** Pursuing additional markets to offset expected continuing lower sales volumes of KCL
- Overall, pricing remains firm & overall demand is strong

Q1 EBITDA (as of March 31st, 2019, C\$M)

Electrochemicals (EC)

Q1 2018

\$49.3

Q1 2019

\$48.1

- Includes positive impact of IFRS 16 of \$7.5 million
- Results negatively affected by recent lower pricing for caustic soda
- Prices expected to increase as the year progresses and to continue to increase through 2023





BALANCE SHEET

(As at March 31, 2019)



EQUITY (92.6M units)

C \$0.8B

SENIOR SECURED CREDIT

(March 2023 maturity)

Total Drawn

US \$657M

Available

~ US \$193M

Accordion (undrawn)

US \$400M




CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

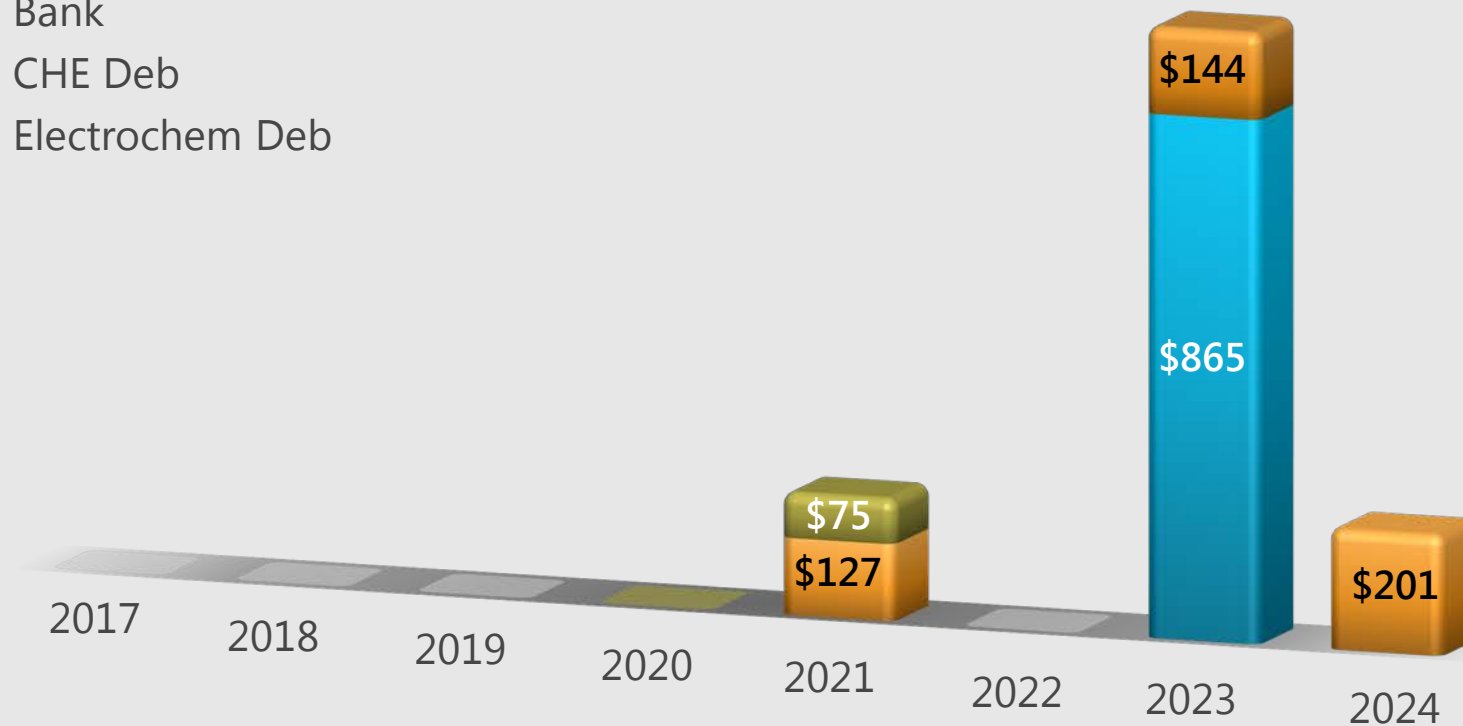
Three series (Jun. 2021, Aug. 2023, Apr. 2024) C \$472M

CANEXUS DEBT:

One series of convertible debentures C \$75M
(Dec. 2021)



-  Bank
-  CHE Deb
-  Electrochem Deb





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Concluding
Remarks

Guidance and Transparency

Helping stakeholders understand the key drivers, risks and opportunities inherent in the business



Risk Mitigating Business Model

Provides a solid foundation of relatively stable earnings, opportunity to benefit from upward commodity movements



2019 EBITDA Guidance

Excludes litigation reserve but includes the effect of the adoption of IFRS 16 on Leases

Expected to range between \$335 - \$375 million

Includes lease benefit of between \$55-\$60 million





Many of the initiatives
we pursued are starting
to show their benefit



CHEMTRADE



We are well-
positioned for future
success

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.



(\$'000)	Three months ended	
	March 31, 2019	March 31, 2018
Net (loss) earnings ⁽¹⁾	\$ (29,318)	\$ 6,916
Add:		
Depreciation and amortization ⁽¹⁾	67,464	52,337
Net finance costs ⁽¹⁾	27,111	15,672
Income tax recovery	(17,534)	(2,944)
EBITDA	47,723	71,981
Add:		
Loss (gain) on disposal and write-down of assets	303	(115)
Unrealized foreign exchange (gain) loss	(4,063)	105
Adjusted EBITDA	\$ 43,963	\$ 71,971

⁽¹⁾ Chemtrade has initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were previously classified as operating leases, Chemtrade recognizes depreciation and interest expense, instead of operating lease expense. During the three months ended March 31, 2019, Chemtrade recognized \$13.6 million of depreciation expense related to the new right-of-use assets and \$2.2 million of interest expense related to the new lease liabilities. Adjusted EBITDA and net earnings for the three months ended March 31, 2018 included lease expenses of \$14.2 million. Chemtrade has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.



SPPC –

(\$'000)	Three Months Ended	
	March 31, 2019	March 31, 2018
Revenue	\$ 131,079	\$ 122,634
Gross profit	16,483	7,580
Adjusted EBITDA ⁽¹⁾	37,525	21,266
Gain on disposal and write-down of assets	2	125
EBITDA	37,527	21,391

⁽¹⁾ Chemtrade has initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were previously classified as operating leases, Chemtrade recognizes depreciation and interest expense, instead of operating lease expense. For the three months ended March 31, 2018, Adjusted EBITDA included lease expense of \$5.6 million, whereas, lease expense related to the three months ended March 31, 2019 was excluded from the calculation of Adjusted EBITDA, as a result of recognizing depreciation expense related to right-of-use assets and interest expense related to lease liabilities. Chemtrade has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.



Segmented Results - WSSC

WSSC		
(\$'000)	Three Months Ended	
	March 31, 2019	March 31, 2018
Revenue	\$ 105,390	\$ 98,893
Gross profit	6,188	7,943
Adjusted EBITDA ⁽¹⁾	18,067	18,845
Gain (loss) on disposal and write-down of assets	2	(10)
EBITDA	18,069	18,835

⁽¹⁾Chemtrade has initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were previously classified as operating leases, Chemtrade recognizes depreciation and interest expense, instead of operating lease expense. For the three months ended March 31, 2018, Adjusted EBITDA included lease expense of \$1.0 million, whereas, lease expense related to the three months ended March 31, 2019 was excluded from the calculation of Adjusted EBITDA, as a result of recognizing depreciation expense related to right-of-use assets and interest expense related to lease liabilities. Chemtrade has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.



EC

	Three Months Ended	
	March 31, 2018	March 31, 2017
North American sales volumes:		
Sodium chlorate sales volume (000's MT)	101	98
Chlor-alkali sales volume (000's MECU)	42	44
Revenue	\$ 148,783	\$ 159,946
Gross profit	21,764	29,933
Adjusted EBITDA ⁽¹⁾	48,094	49,222
Loss on write-down of assets	(4)	—
EBITDA	48,090	49,222

⁽¹⁾ Chemtrade has initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were previously classified as operating leases, Chemtrade recognizes depreciation and interest expense, instead of operating lease expense. For the three months ended March 31, 2018, Adjusted EBITDA included lease expense of \$7.3 million, whereas, lease expense related to the three months ended March 31, 2019 was excluded from the calculation of Adjusted EBITDA, as a result of recognizing depreciation expense related to right-of-use assets and interest expense related to lease liabilities. Chemtrade has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.



(\$'000)	Three months ended	
	March 31, 2019	March 31, 2018
Cash flow (used in) from operating activities ⁽¹⁾	\$ (53,470)	\$ 35,037
Add (Less):		
Lease payments ⁽¹⁾	(14,643)	—
Changes in non-cash working capital and other items	79,582	19,054
Adjusted cash flows from operating activities	11,469	54,091
Less:		
Maintenance capital expenditure	8,958	9,932
Distributable cash after maintenance capital expenditure	2,511	44,159
Less:		
Non-maintenance capital expenditure ⁽¹⁾	2,442	1,502
Distributable cash after all capital expenditure	\$ 69	\$ 42,657

⁽¹⁾ Chemtrade has initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were previously classified as operating leases, Chemtrade recognizes depreciation and interest expense, instead of operating lease expense. Cash flow from operating activities for the three months ended March 31, 2018 included lease expenses of \$14.2 million. Chemtrade has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.

⁽²⁾ Non-maintenance capital expenditures are: (a) pre-identified or pre-funded, usually as part of a significant acquisition and related financing; (b) considered to expand the capacity of Chemtrade's operations; (c) significant environmental capital expenditures that are considered to be non-recurring; or (d) capital expenditures to be reimbursed by a third party.