
**TSX: SPB** **February 14, 2018**

# Superior Plus Corp. Announces Strong 2017 Annual and Fourth Quarter Results

Superior Plus Corp. (“Superior”) (TSX:SPB) announced today the financial and operating results for the fourth quarter of 2017. All financial figures are expressed in Canadian dollars.

***Strong momentum from acquisitions, colder weather and improved chlor-alkali markets results in 2017 Adjusted Operating Cash Flow per share at the top of the 2017 Financial Outlook***

“Superior delivered record fourth quarter Adjusted EBITDA of $109.1 million in 2017 driven by the contribution from the Canwest Propane acquisition, colder weather and continued strength in the chlor-alkali market. We made significant progress in 2017 towards achieving our *Evolution 2020* goal of increasing 2016 EBITDA from operations in the range of $50 million to $150 million by the end of 2020. EBITDA from operations of $306.8 million in 2017 was a $30.3 million increase from 2016 and doesn’t include the impact of a full-year contribution from Canwest Propane including synergies and the tuck-in acquisitions completed in our Energy Distribution and Specialty Chemicals businesses” said Luc Desjardins, Superior’s President and Chief Executive Officer.”

## Highlights

- Adjusted Operating Cash Flow (“AOCF”) per share before transaction and other costs during the fourth quarter was $0.69, 28% higher than the prior year quarter due to an increase in Adjusted EBITDA, offset in part by increased interest expense. AOCF per share before transaction and other costs during 2017 was $1.75, 31% higher than 2016 and at the top of the financial outlook range. Net cash flows from operating activities were $192.5 million in 2017, a $4.0 million or 2% increase over the prior year.
- Superior had net earnings from continuing operations of $45.3 million in the fourth quarter compared to a net loss of $22.8 million in the prior year quarter primarily due to lower taxes and higher gross profit from Energy Distribution and Specialty Chemicals. Superior had a net loss from continuing operations of $27.9 million in 2017 compared to net earnings of $114.2 in 2016 primarily due to a decrease in unrealized gains on derivative financial instruments and increased deferred income tax expense in 2017 related to settling the dispute with the CRA with respect to the company’s corporate conversion transaction.
- Superior achieved record fourth quarter Adjusted EBITDA of $109.1 million, a $23.6 million or 28% increase over the prior year quarter primarily due to higher Energy Distribution EBITDA from operations. Superior’s 2017 Adjusted EBITDA increased $67.3 million or 29% due to higher Specialty Chemicals and Energy Distribution EBITDA from operations, income associated with Canwest and lower realized losses on foreign currency hedging contracts.
- Issued an additional $150 million principal amount of 5.25% Senior Unsecured Notes due February 27, 2024. The 5.25% Senior Unsecured Notes were issued at $1.015 per principal amount.

- Redeemed the $97 million aggregate principal amount outstanding of Superior's 6.00% convertible unsecured subordinated debentures due June 30, 2019.
- Subsequent to quarter end, Superior issued $220 million principal amount of 5.125% Senior Unsecured Notes due August 27, 2025. The 5.125% Senior Unsecured Notes were issued at par.
- Energy Distribution EBITDA from operations for the fourth quarter was $81.3 million, an increase of $21.5 million or 36% compared to the prior year quarter primarily due to the contribution from Canwest and higher sales volumes related to colder weather and the impact of organic customer growth initiatives. Energy Distribution EBITDA from operations during 2017 was $180.4 million, an increase of $13.0 million or 8% primarily due to the contribution from Canwest and higher Canadian propane distribution sales volumes, partially offset by lower average unit margins in Canadian propane distribution and lower U.S. refined fuels (USRF) sales volumes.
- Specialty Chemicals EBITDA from operations for the fourth quarter was $35.5 million, an increase of $1.3 million or 4% compared to the prior year quarter primarily due to higher caustic soda and hydrochloric acid sales prices and higher hydrochloric acid and caustic potash sales volumes. Specialty Chemicals EBITDA from operations during 2017 was $126.4 million, an increase of $17.3 million or 16% primarily due to higher chlor-alkali sales volumes and higher caustic soda and hydrochloric acid average sales prices, partially offset by lower caustic potash prices.

## Financial Overview

| *(millions of dollars, except per share amounts)* | **Three Months Ended December 31** **2017** | **2016** | **Twelve Months Ended December 31** **2017** | **2016** |
|---|---|---|---|---|
| Revenue (1) | **768.9** | 583.1 | **2,385.0** | 2,023.7 |
| Gross Profit (1) | **238.1** | 193.6 | **735.4** | 656.4 |
| Net earnings (loss) | **45.3** | (22.8) | **(27.9)** | 114.2 |
| Net earnings (loss) per share, basic (4) | **$0.32** | $(0.16) | **$(0.20)** | $0.80 |
| Net earnings (loss) per share, diluted (4) | **$0.32** | $(0.19) | **$(0.20)** | $0.78 |
| EBITDA from operations (1)(2) | **116.8** | 94.0 | **306.8** | 276.5 |
| Adjusted EBITDA (1)(2) | **109.1** | 85.5 | **297.6** | 230.3 |
| Net cash flows from operating activities | **38.9** | 27.6 | **192.5** | 188.5 |
| Net cash flows from operating activities per share – basic (4) | **$0.27** | $0.19 | **$1.35** | $1.33 |
| Net cash flows from operating activities per share – diluted (4) | **$0.27** | $0.19 | **$1.35** | $1.33 |
| AOCF before transaction and other costs (2)(3)(4) | **98.7** | 77.3 | **250.5** | 189.8 |
| AOCF before transaction and other costs per share – basic (2)(3)(4) | **$0.69** | $0.54 | **$1.75** | $1.34 |
| AOCF before transaction and other costs per share –diluted (2)(3)(4) | **$0.69** | $0.54 | **$1.75** | $1.34 |
| AOCF (2) | **94.0** | 68.4 | **217.4** | 139.6 |
| AOCF per share– basic and diluted (2)(4) | **$0.66** | $0.48 | **$1.52** | $0.98 |
| Cash dividends declared | **25.7** | 25.5 | **102.8** | 102.2 |
| Cash dividends declared per share | **$0.18** | $0.18 | **$0.72** | $0.72 |

(1) Revenue, gross profit, EBITDA from operations, Adjusted EBITDA, AOCF and AOCF per share for 2016 have been restated to exclude the results of Construction Products Distribution ("CPD"). Refer to "Basis of Presentation" in the Annual Management Discussion and Analysis ("MD&A") for further details.

(2) EBITDA from operations, Adjusted EBITDA and AOCF are non-GAAP measures. Refer to "Non-GAAP Financial Measures" for further details and the MD&A for reconciliations.

(3) Transaction and other costs for the three and twelve months ended December 31, 2017 are related to the acquisition of Canwest Propane and tuck-in acquisitions. Transaction and other costs for the three and twelve months ended December 31, 2016 are related to the terminated acquisition of Canexus Corporation, the divestiture of CPD and restructuring. Refer to "Transaction and Other Costs" in the MD&A for further details.

(4) The weighted average number of shares outstanding for the three and twelve months ended December 31, 2017 is 142.8 million (December 31, 2016 – 142.8 and 142.1 million respectively). There were no dilutive instruments with respect to AOCF per share or net cash flows from operating activities per share for the three and twelve months ended December 31, 2017 and 2016.

## Segmented Information

| *(millions of dollars)* | **Three months ended December 31** **2017** | 2016 | **Twelve months ended December 31** **2017** | 2016 |
|---|---|---|---|---|
| EBITDA from operations(1) | | | | |
| Energy Distribution | **81.3** | 59.8 | **180.4** | 167.4 |
| Specialty Chemicals | **35.5** | 34.2 | **126.4** | 109.1 |
| | **116.8** | 94.0 | **306.8** | 276.5 |

(1) See "Non-GAAP Financial Measures".

## Strategic Growth and Evolution 2020 Initiatives

- On October 2, 2017, Superior Plus Energy Services Inc., closed the acquisition of the propane distribution assets of R.W. Earhart for an aggregate purchase price of US $38.0 million. The acquisition of R.W. Earhart is anticipated to add approximately 12,600 residential and commercial customers and 47.3 million litres of retail propane sales in Ohio, a new region for Superior's Energy Distribution business.

- On October 31, 2017, Superior Plus U.S. Holding Inc., a subsidiary of Superior Plus LP, closed the acquisition of International Dioxcide. Inc. (“IDI”) from the LANXESS Corporation. The IDI acquisition was Superior’s fifth tuck-in during 2017, exceeding Superior’s *Evolution 2020* goal of 2 – 4 tuck-ins per year.
- In 2017, Superior saw a year of significant acquisition activities, investing over $500 million in acquisitions that expanded our propane distribution business in Canada and the U.S. and expanded our reach in the sodium chlorite value chain.
- On February 2, 2018, Superior Plus Energy Services Inc., closed the acquisition of the propane distribution assets of Hi-Grade Oil, an independent propane and distillate fuel distributor in Ohio.
- In 2018, Superior signed agreements with two third-parties to sell the propane assets required by the consent agreement entered into with the Competition Bureau as part of the Canwest acquisition. Both transactions are subject to approval by the Competition Bureau and other customary closing conditions. Superior anticipates closing the transactions early in the second quarter of 2018.

**2018 Financial Outlook**

- Superior’s 2018 financial outlook of AOCF per share has been confirmed at $1.65 to $1.95 before transaction and other costs. See “2018 Financial Outlook” for further details. Superior is also confirming the 2018 Adjusted EBITDA guidance of $295 million to $335 million. See “2018 Financial Outlook” for further details.

**Total Debt and Leverage**

- Total debt as at December 31, 2017 was $1,063.4 million, an increase of $521.7 million compared to total debt of $541.7 million as at December 31, 2016. Total debt was higher primarily due to the Canwest acquisition and tuck-in acquisitions completed in 2017, partially offset by cash flows from operating activities.
- Total debt to adjusted EBITDA(1) as at December 31, 2017 was 3.3x, compared to 2.1x at December 31, 2016. Total debt to adjusted EBITDA is currently above the long-term target of 3.0x. Superior anticipates the total debt to EBITDA ratio will be in the range of 3.0x to 3.4x at December 31, 2018.

(1) Pro forma including the trailing twelve months results of Canwest and tuck-in acquisitions.

## MD&A and Financial Statements

Superior’s MD&A, the audited Consolidated Financial Statements and the Notes to the Consolidated Financial Statements for the year ended December 31, 2017 provide a detailed explanation of Superior’s operating results. These documents are available online at Superior’s website at www.superiorplus.com under the Investor Relations section and on SEDAR under Superior’s profile at www.sedar.com.

## 2017 Fourth Quarter and Annual Conference Call

Superior will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2017 Annual and Fourth Quarter Results at 10:30 a.m. EST on Thursday, February 15, 2018. To participate in the call, dial: 1-844-389-8661. Internet users can listen to the call live, or as an archived call on Superior’s website at www.superiorplus.com under the Events section.

## Non-GAAP Financial Measures

Throughout the fourth quarter earnings release, Superior has used the following terms that are not defined by Canadian generally accepted accounting principles (“GAAP”), but are used by management to evaluate the performance of Superior and its business: AOCF before and after transaction and other costs, earnings before interest, taxes, depreciation and amortization ("EBITDA") from operations, and Adjusted EBITDA. These measures may also be used by investors, financial institutions and credit rating agencies to assess Superior's performance and ability to service debt. Non-GAAP financial measures do not have standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that non-GAAP financial measures are clearly defined, qualified and reconciled to their most comparable GAAP financial measures. Except as otherwise indicated, these non-GAAP financial measures are calculated and disclosed on a consistent basis from period to period. Specific items may only be relevant in certain periods. See "Non-GAAP Financial Measures" in the MD&A for a discussion of non-GAAP measures and their reconciliations.

The intent of non-GAAP financial measures is to provide additional useful information to investors and analysts, and the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate non-GAAP financial measures differently.

Investors should be cautioned that AOCF, EBITDA from operations, and Adjusted EBITDA should not be construed as alternatives to net earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP as an indicator of Superior's performance. Non-GAAP financial measures are identified and defined as follows:

**Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share**
AOCF is equal to cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital, other expenses, non-cash interest expense, current income taxes and finance costs. Superior may deduct or include additional items in its calculation of AOCF; these items would generally, but not necessarily, be infrequent in nature and could distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. AOCF and AOCF per share are presented before and after transaction and other costs.

AOCF per share before transaction and other costs is calculated by dividing AOCF before transaction and other costs by the weighted average number of shares outstanding. AOCF per share is calculated by dividing AOCF by the weighted average number of shares outstanding.

AOCF is a performance measure used by management and investors to evaluate Superior's ongoing performance of its businesses and ability to generate cash flow. AOCF represents cash flow generated by Superior that is available for, but not necessarily limited to, changes in working capital requirements, investing activities and financing activities of Superior. AOCF is also used as one component in determining short-term incentive compensation for certain management employees.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized AOCF. Adjustments recorded by Superior as part of its calculation of AOCF include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Energy Distribution segment, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenues and expenses, which can differ significantly from quarter to quarter.

**Adjusted EBITDA**
Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, restructuring costs, transaction and other costs, and unrealized gains (losses) on derivative financial instruments. Adjusted EBITDA is used by Superior and investors to assess its consolidated results and ability to service debt. Adjusted EBITDA is reconciled to net earnings before income taxes.

**EBITDA from operations**
EBITDA from operations is defined as Adjusted EBITDA excluding costs that are not considered representative of Superior's underlying core operating performance, including gains and losses on foreign currency hedging contracts, corporate costs and transaction and other costs. Management uses EBITDA from operations to set targets for Superior

(including annual guidance and variable compensation targets). EBITDA from operations is reconciled to net earnings before income taxes.

## Forward Looking Information

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior, Superior LP and its businesses. Such information is typically identified by words such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “plan”, “forecast”, “future”, “outlook, “guidance”, “may”, “project”, “should”, “strategy”, “target”, “will” or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: future financial position, consolidated and business segment outlooks, the Evolution 2020 goal, expected Adjusted EBITDA, expected AOCF and AOCF per share, expected leverage ratios and debt repayment, expectations in terms of the cost of operations, business strategy and objectives, development plans and programs, business expansion and cost structure and other improvement projects, expected product margins and sales volumes, market conditions in Canada and the U.S., continued improvements in operational efficiencies and sales and marketing initiatives in Energy Distribution, expected synergies from the acquisition of Canwest, expected time Superior will be required to pay provincial cash income taxes, future economic conditions, future exchange rates, exposure to such rates and incremental earnings associated with such rates, expected weather, expectations for the global economic environment, our trading strategy and the risk involved in these strategies, the impact of certain hedges on future reported earnings and cash flows, commodity prices and costs, the impact of contracts for commodities, demand for propane, heating oil and similar products, demand for chemicals including sodium chlorate and chlor-alkali, effect of operational and technological improvements, anticipated costs and benefits of business enterprise system upgrade plans, future working capital levels, expected governmental regulatory regimes and legislation and their expected impact on regulatory and legislative compliance costs, expectations for the outcome of existing or potential legal and contractual claims, our ability to obtain financing on acceptable terms, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior or Superior LP.

Forward-looking information is provided for the purpose of providing information about management’s expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources, and the historic performance of Superior’s businesses. Such assumptions include anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, utilization of tax basis, regulatory developments, currency, exchange and interest rates, future commodity prices relating to the oil and gas industry, future oil rig activity levels, trading data, cost estimates, our ability to obtain financing on acceptable terms, the assumptions set forth under the “Financial Outlook” sections of our MD&A and, in respect of the Evolution 2020 goal, also include the successful completion of acquisitions contributing approximately $10 million to $70 million in annual EBITDA (including synergies), organic growth of approximately 3-5% in annual EBITDA for each business, the anticipated and sustained recovery in the chlor-alkali sector within Specialty Chemicals, no significant divestitures or changes in the strategic direction of the business. The forward looking information is also subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, Superior's or Superior LP's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) our MD&A under the heading "Risk Factors" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on our forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither Superior nor Superior LP undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

For more information about Superior, visit our website at www.superiorplus.com or contact:


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