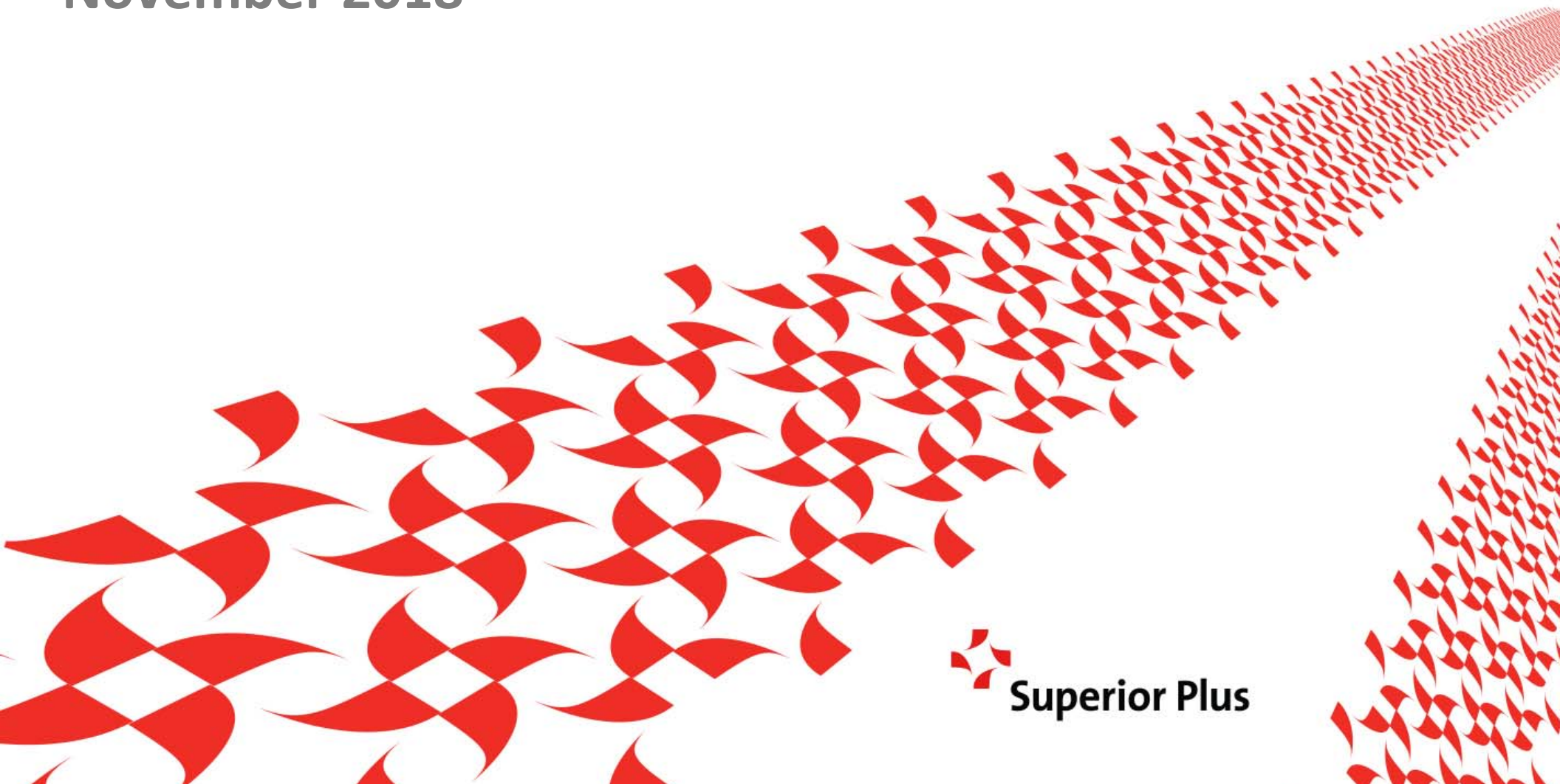


**Superior Plus Corp.**

TSX: SPB

# **Investor Update**

**November 2018**



# Forward-Looking Statements and Information

This presentation is for information purposes only and is not intended to, and should not be construed to constitute, an offer to sell or the solicitation of an offer to buy, securities of Superior Plus Corp. ("Superior"). This presentation and its contents should not be construed, under any circumstances, as investment, tax or legal advice. Any person accepting delivery of this presentation acknowledges the need to conduct their own thorough investigation into Superior and its activities before considering any investment in its securities. Certain information included herein and certain oral statements made by management are 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 and operating results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior Plus Corp., Superior Plus LP ("Superior LP") and its businesses. Such information is typically identified by words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "plan", "intend", "forecast", "future", "guidance", "may", "predict", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: the amount and timing of the expected synergies from NGL Propane, the Evolution 2020 aspirational goal which assumes no material divestitures of existing businesses and is based on non-organic growth through acquisitions (including synergies) estimated to contribute approximately \$10 million to \$70 million in EBITDA; organic growth initiatives throughout all divisions to 2020 anticipated to provide approximately \$30 million to \$50 million in EBITDA, representing a 3-5% compound annual growth rate to 2020; and the anticipated recovery in the chlor-alkali sector within the Specialty Chemicals division anticipated to provide \$10 million to \$30 million in incremental EBITDA to 2020 EBITDA from operations. The updated ("new") Evolution 2020 goal which is consistent with the original evolution 2020 goal assumes U.S. Propane Distribution grows by over \$160 million which includes the addition of normalized EBITDA of NGL Propane and anticipated run-rate synergies from NGL Propane. Canwest Propane ("Canwest") run-rate synergies (including amount and timing), tank sensor installation goal of 100,000 sensors by 2020, AOCF per share accretion, the pro forma Adjusted EBITDA, payout ratio, sale volumes, total debt to adjusted EBITDA, Superior's consolidated 2018 AOCF per share guidance, 2018 Adjusted EBITDA guidance, 2018 estimated capital spending, run rate maintenance capital spend for U.S. Propane Distribution, future financial position, deleveraging from 3.7x after closing the NGL Propane transaction to 3.0x by 2020 assuming free cash flow generated by NGL Propane is used for debt repayment, consolidated and business segment outlooks, expected EBITDA from operations, expected leverage ratios, expected future taxes, 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, 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, future taxes, the impact of contracts for commodities, demand for propane, heating oil and similar products, demand for chemicals including sodium chlorate, chlor-alkali, and potassium, and sodium chlorite, effect of operational and technological improvements, 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, Superior's 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, availability and utilization of tax basis, regulatory developments, currency, exchange and interest rates, trading data, cost estimates, the assumptions set forth under the "Financial Outlook" sections of our third quarter MD&A and are 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 and potential synergies when making acquisitions, increases in debt service charges, the loss of key personnel, fluctuations in foreign currency, exchange rates and commodity prices, 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, risks related to integrating the NGL business, assumption of NGL's liabilities, counterparty risk relating to obligations of the vendor of NGL and regulatory risks relating to NGL Propane, and the risks and assumptions identified in (i) our third quarter 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.

See Superior's Q3 2018 MD&A for definitions related to Non-GAAP Financial Measures.

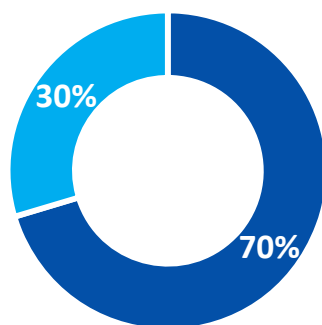
All figures shown in Canadian Dollars ("CAD") unless otherwise stated.

# Superior Plus Overview

Superior Plus operates two businesses, Energy Distribution and Specialty Chemicals, with a focus on:

- Organic Growth
- Continuous improvement
- Safety
- Talent

TTM Q3 2018 EBITDA from Operations<sup>(4)</sup>



■ Energy Distribution   ■ Specialty Chemicals

Shares outstanding <sup>(2)</sup>	174.9 million
TSX share price <sup>(2)</sup>	\$11.17
Market Capitalization <sup>(2)</sup>	\$2.0 billion
Enterprise value <sup>(2)</sup>	\$3.7 billion
Monthly dividend per share	\$0.06
Dividend Yield <sup>(2)</sup>	6.4%
EBITDA from operations <sup>(3)(4)</sup>	\$471.8 million
Adjusted EBITDA <sup>(1)(3)</sup>	\$444.9 million
Debt/Adjusted EBITDA <sup>(5)</sup>	3.8x – 4.2x
Credit Rating	S&P – BB Moody's – Ba2 DBRS – BB (high)

(1) Pro forma Adjusted EBITDA for Trailing Twelve Months ("TTM") period ending Q3 2018 (excludes anticipated synergies).

(2) As at November 9, 2018 for share price, dividend yield and market capitalization. Debt as at Q3 2018.

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

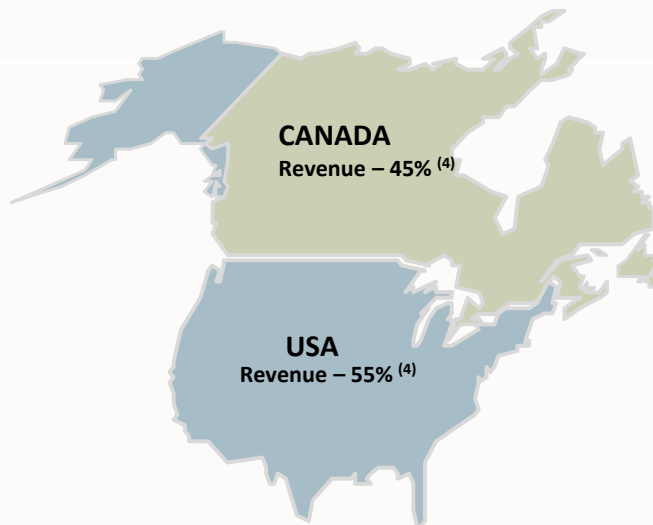
(4) TTM period ending Q3 2018 EBITDA from operations, which includes \$114.5 million pro forma EBITDA from NGL (excludes anticipated synergies).

(5) Represents anticipated leverage for 2018 year-end as disclosed in Q3 2018 earnings release and conference call. Leverage is calculated as Adjusted EBITDA divided by Total Debt as defined by Superior Plus ("Superior"). See "Non-GAAP Financial Measures".

# Superior Overview

## Energy Distribution

- Leading distributor and marketer of propane in Canada
  - Sales volume of 2.0 billion litres<sup>(1)</sup>
- Distribution of retail and wholesale propane and distillates in the Eastern U.S.
  - Sales volume of 1.2 billion litres<sup>(2)</sup>
- Approximately 70% of EBITDA from operations<sup>(3)</sup>
- 2<sup>nd</sup> largest propane distributor in North America
- 4<sup>th</sup> largest propane distributor in the United States



## Specialty Chemicals

Production and sales of:

- Sodium Chlorate products
  - One of the largest producers in North America and globally
  - Captive producer in Chile, South America
  - Export sales represent ~16% of North American production capacity<sup>(5)</sup>
- Chlor-alkali and related products in North America
  - 2 plants located close to customers
- Sodium Chlorite
- Approximately 30% of EBITDA from operations<sup>(3)</sup>

Energy Distribution and Chemicals have:

- > Solid industry positions
- > Sustainable free cash flow
- > Attractive acquisition opportunities
- > Opportunities for geographic and market expansion

(1) FY 2017 Canadian Propane Distribution pro forma Canwest volumes.

(2) Based on FY 2017 volumes excluding wholesale refined fuels for U.S. propane distribution and including pro forma 2017 volumes for NGL.

(3) Based on TTM period ending Q3 2018, pro forma the acquisition of NGL Propane. See “Non-GAAP financial measures”.

(4) Based on TTM period ending Q3 2018, excluding the acquisition of NGL Propane. USA includes results from Chile, representing ~4% of gross revenue.

(5) Based on 2017 volumes.

# Recent Developments

- > Announced the closing of United Pacific Energy (“UPE”) on October 2, 2018, an independent wholesale propane and butane distributor in California.
  - UPE serves over 115 wholesale customers, which include retail propane distribution companies, primarily in the California market
  - UPE operates four rail terminals with approximately 9.8 million litres of natural gas liquid storage capacity
- > Announced the At-the-Market (“ATM”) equity financing program, a tool to assist in financing acquisitions, enabling the company to raise a maximum of \$100 million at the discretion of the company and at lower cost than traditional equity offerings
- > Announced the acquisition of Porco Energy Corp., an independent propane distributor in New York serving residential and commercial customers, on September 18, 2018.
- > Completed the acquisition of the assets of NGL Propane Retail East (“NGL Propane”) on July 10, 2018 for total consideration of US \$896.5 million (CAD \$1.2 billion);
  - The acquisition provides an established platform to execute on further expansion opportunities in the U.S. with a contiguous presence throughout the Eastern U.S.

# Energy Distribution Summary

## Business Summary



Leading retail supplier of propane in Canada and established footprint in the Eastern U.S propane and retail heating oil markets



Growth opportunities through new markets and industry consolidation

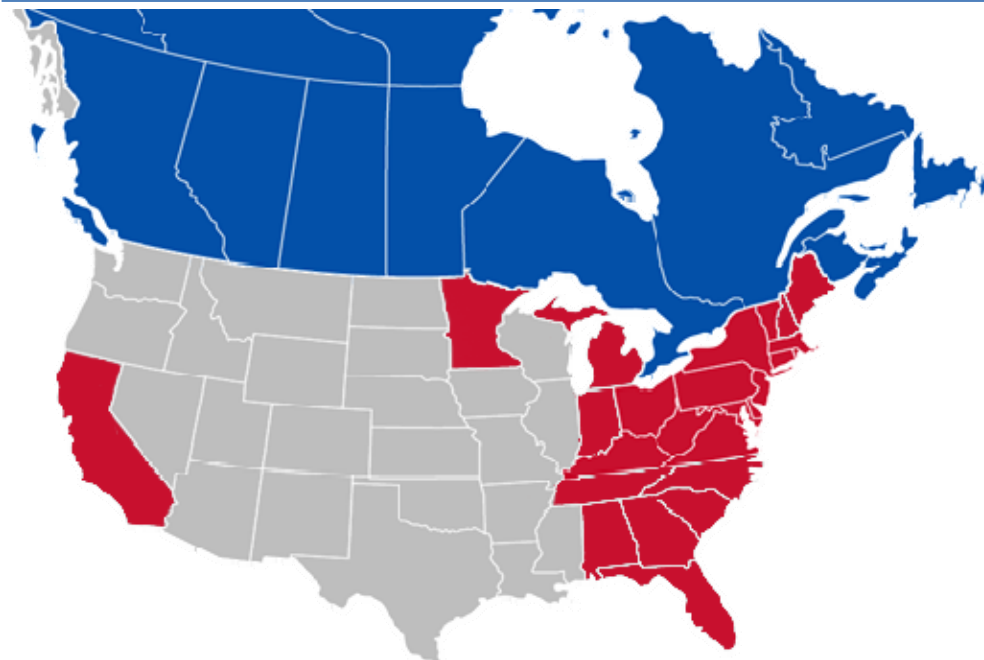


Leading competitive position with full service capabilities



Technological improvements and productivity initiatives resulting in reduced costs and enhanced returns

## Geographic Footprint



### Canada

2.0 Billion litres<sup>(1)</sup>  
270,000 Customers<sup>(3)</sup>  
1,776 Employees

### United States

1.2 Billion litres<sup>(2)</sup>  
200,000 Customers<sup>(4)</sup>  
2,100 Employees

(1) FY 2017 Canadian Propane Distribution pro forma Canwest volumes.

(2) Based on FY 2017 volumes excluding wholesale refined fuels for U.S. propane distribution and including pro forma 2017 volumes for NGL.

(3) Based on 2017 Annual Information Form ("AIF").

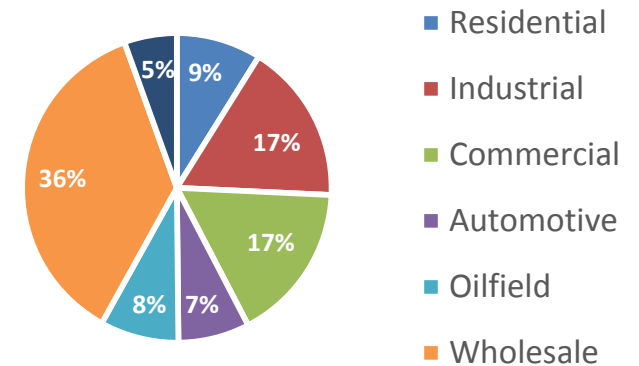
(4) 2017 AIF; includes wholesale customers.

# Energy Distribution - Segment Summary

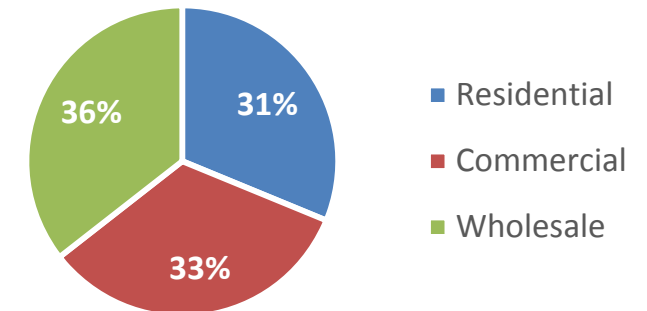
## Business & Product Summary

<b>Canadian Propane Distribution</b>	<ul style="list-style-type: none"> <li>&gt; Superior Propane is Canada's leading propane distribution company             <ul style="list-style-type: none"> <li>- Founded in 1951, Superior Propane is an iconic 65-year old Canadian brand with ~40-45% market share including pro forma acquisition of Canwest</li> <li>- Offers coast to coast propane solution</li> <li>- Largest purchaser of propane for domestic retail supply</li> <li>- Leading customer portal and digital sensor solutions</li> </ul> </li> </ul>
<b>U.S. Propane Distribution</b>	<ul style="list-style-type: none"> <li>&gt; U.S. Propane Distribution distributes propane and heating oil under several different brand names to customers located in states in the Eastern U.S.             <ul style="list-style-type: none"> <li>- Superior digital offering and operating platform to implement in a highly fragmented market</li> </ul> </li> </ul>

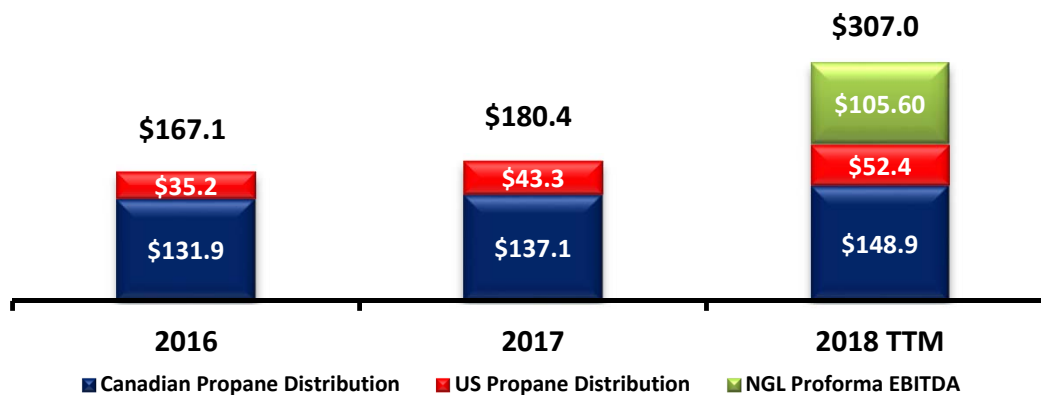
## Cdn. Propane Distribution Volumes<sup>(1)</sup>



## U.S. Propane Distribution Volumes<sup>(1)</sup>



## EBITDA from Operations<sup>(2)</sup>



(1) For TTM period ending Q3 2018. US Propane doesn't reflect sale of wholesale refined fuels business or full year of NGL.

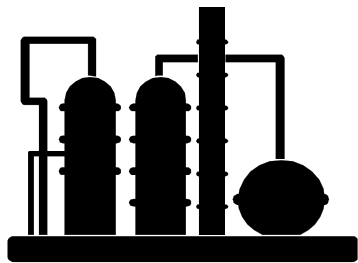
(2) See "Non-GAAP Financial Measures".

# Propane Distribution Overview

SUPPLY



REFINERIES



MIDSTREAM FACILITIES

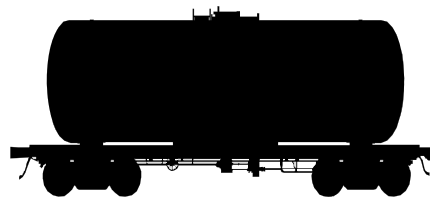


PRODUCERS

LOGISTICS

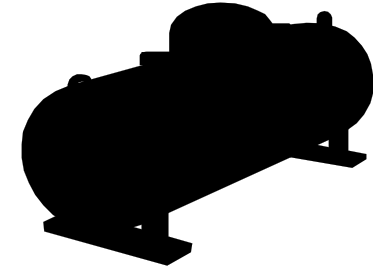


THIRD PARTY TRUCKING

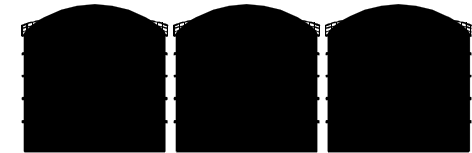


RAIL

DISTRIBUTION/MARKETING



COMMERCIAL/INDUSTRIAL



WHOLESALE



RESIDENTIAL



# Specialty Chemicals - Segment Summary

## Business Summary

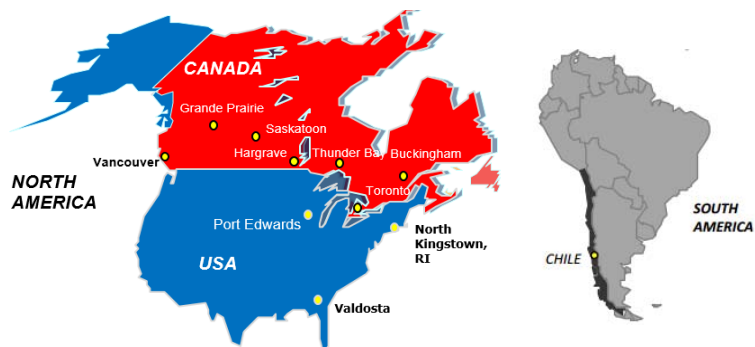
- ✓ One of North America's largest producers and supplier of sodium chlorate, chlor-alkali and sodium chlorite
- ✓ Diversified end market and customer exposure, with key verticals including pulp & paper, oil & gas and water treatment
- ✓ Strategic Americas production footprint being proximate to rail lines and major customers affords delivered cost advantages
- ✓ Exposure to attractive growth trends in finished product end markets, particularly in emerging economics

## Geographic Footprint

### North America

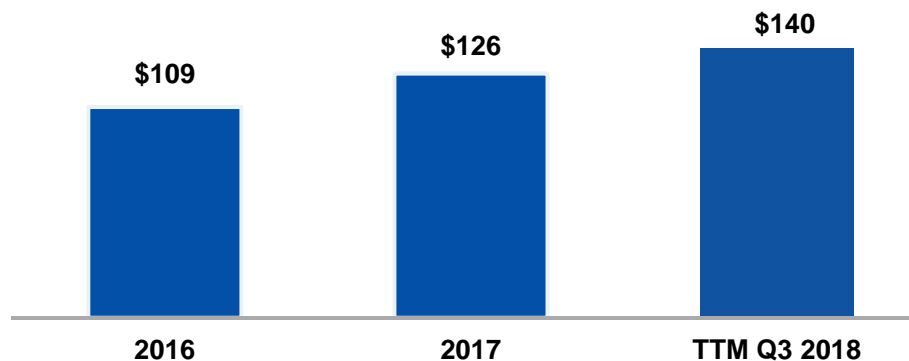
### South America

Production facilities located at 9 sites across North America and one facility in Chile<sup>(2)</sup>

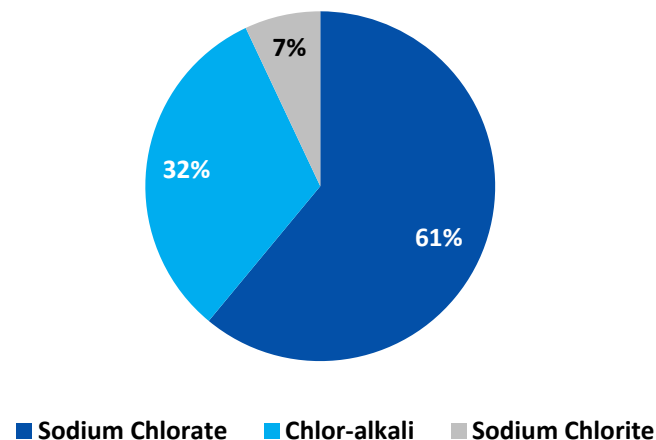


## Financial Overview (C\$ mm)

### EBITDA from Operations<sup>(1)</sup>



### EBITDA from Operations by Segment<sup>(3)</sup>



(1) Based on Q3 2018 EBITDA from Operations. See "Non-GAAP Financial Measures".

(2) 2017 AIF. Excluding Toronto location which is the head office.

(3) 2017 FY. See "Non-GAAP Financial Measures".

# Specialty Chemicals – Business & Product Overview

## Business & Product Summary

- 1**

**Sodium Chlorate**  
(61% of EBITDA)<sup>(1)</sup>

  - > Sodium chlorate is an inorganic specialty chemical used primarily (>95%) by the pulp and paper industry for the dioxin-free bleaching of pulp
    - Simple ingredient profile: water, salt and electricity, with electricity representing as much as 80% of total input costs
  - > ERCO's six plants in North America and one in Chile total 515,000 metric tonnes of annual capacity, and are expected to achieve high operating rates going forward
    - North American facilities represent 28% of continental chlorate capacity

---

- 2**

**Chlor-alkali**  
(32% of EBITDA)<sup>(1)</sup>

  - > ERCO's chlor-alkali segment produces caustic soda, potassium caustic, chlorine and hydrochloric acid for a variety of end markets
    - North American sales also concentrated around pulp & paper, but with additional consumption by the oil & gas and water treatment industries
  - > ERCO production facilities located in Port Edwards, WI and Saskatoon, SK
    - Facilities have achieved operating rates over 10% higher than the North American industry average over the last 5 years
  - > 157,000 electrochemical units of chlor-alkali annual capacity

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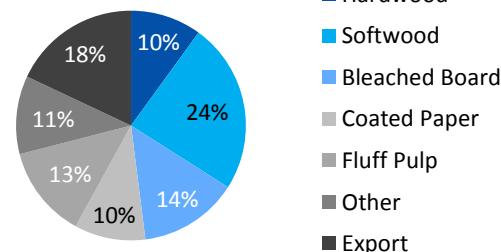
- 3**

**Sodium Chlorite**  
(7% of EBITDA)<sup>(1)</sup>

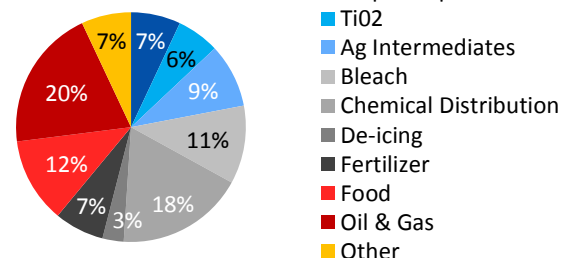
  - > Sodium chlorite is a niche chemical used in various water treatment, food processing and oil & gas applications
  - > ERCO's two facilities at Thunder Bay, ON and Buckingham, QC constitute 55% of total North American capacity for the chemical
  - > 10,000 metric tonnes of annual capacity

## Sales by Customer Segment

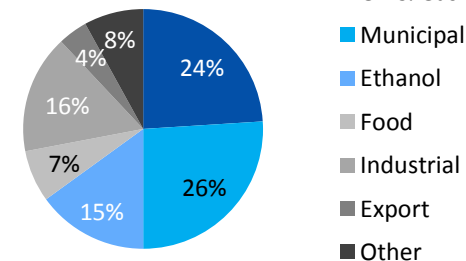
**Sodium Chlorate**



**Chlor-alkali**



**Sodium Chlorite**



(1) Based on 2017 Specialty Chemicals EBITDA from operations. See "Non-GAAP Financial Measures".

Leading North American sodium chlorate producer selling into a diverse range of attractive, stable end markets

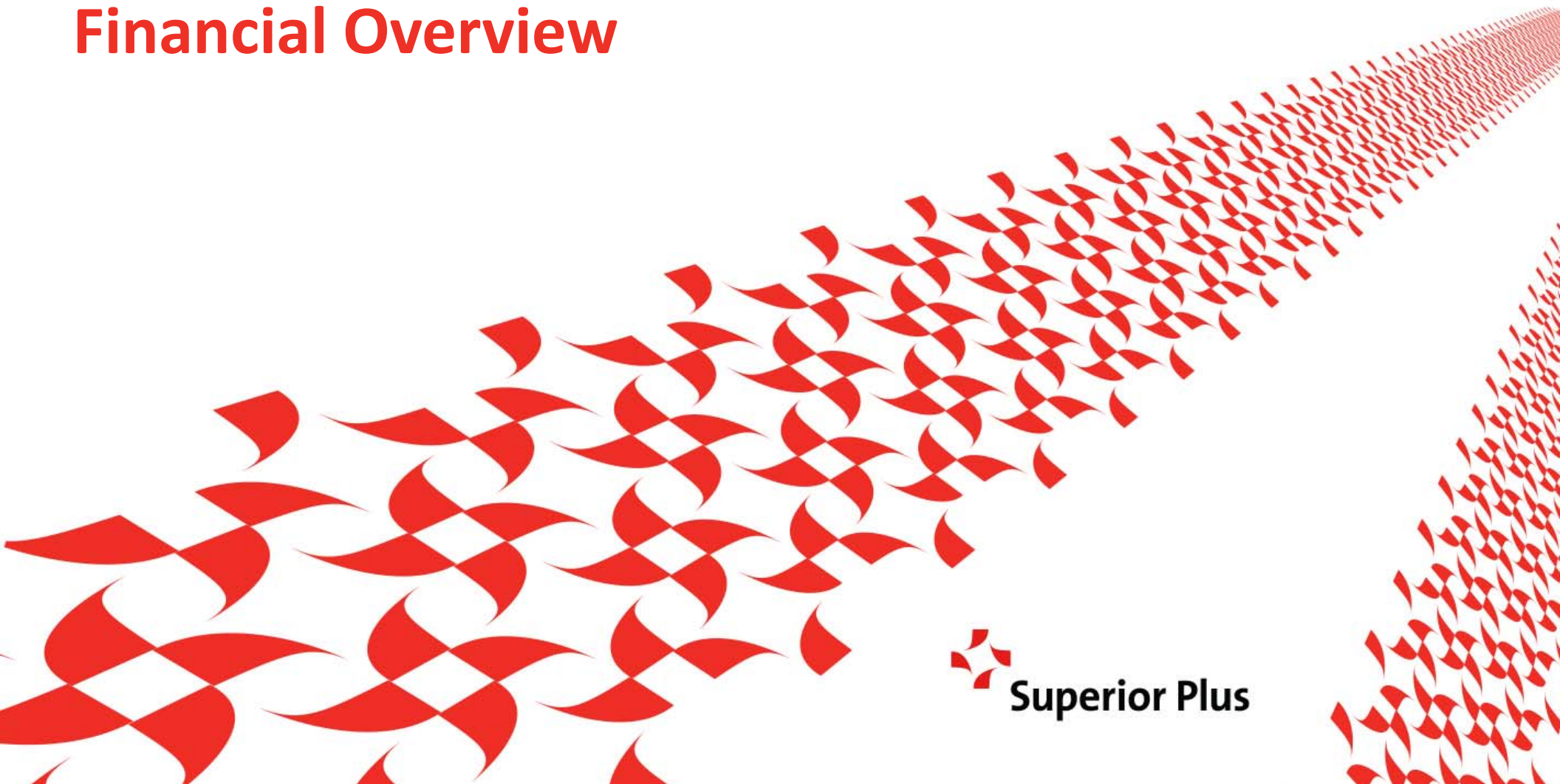
# 2019 Areas of Focus

<b>Superior Plus</b>	<ul style="list-style-type: none"><li>&gt; Execution on key themes of Evolution 2020<ul style="list-style-type: none"><li>• Internal growth</li><li>• Continuous improvement programs</li><li>• Talent management</li><li>• Sustainable capital structure and cash flow profile</li><li>• Continued focus on acquisitions</li></ul></li></ul>
<b>Energy Distribution</b>	<ul style="list-style-type: none"><li>&gt; Integration of Canwest and NGL</li><li>&gt; Strategic tuck-in acquisitions</li><li>&gt; Continuous focus on cost improvement</li><li>&gt; Growth of wholesale propane business</li><li>&gt; Investment in sales and marketing in support of growth</li></ul>
<b>Specialty Chemicals</b>	<ul style="list-style-type: none"><li>&gt; Focus on plant optimization and logistics</li><li>&gt; Developing advanced sales and marketing approach</li><li>&gt; Maintaining excellent customer partner relationships</li><li>&gt; Continue to develop export market</li><li>&gt; Strategic acquisitions</li></ul>

**Superior Plus Corp.**

TSX: SPB

# Financial Overview



**Superior Plus**

# Q3 2018 Results and 2018 Guidance

*AOCF per share<sup>(1)</sup>, Adjusted EBITDA and Debt/Adjusted EBITDA guidance confirmed with Q3-18 results.*

	2018
Adjusted Operating cash flow per share <sup>(1)(2)</sup>	\$1.75 - \$1.95
Adjusted EBITDA Guidance <sup>(1)(2)</sup>	\$345-\$375 million
Total Debt to Adjusted EBITDA <sup>(1)(2)</sup>	3.8X – 4.2X

- AOCF per share before transaction and other costs during the third quarter was \$0.01, 91% lower than the prior year quarter primarily due to an increase in interest expense, the impact from the increase in the weighted average shares outstanding and a decrease in Adjusted EBITDA.
- Superior achieved third quarter Adjusted EBITDA of \$25.9 million, a \$3.1 million or 11% decrease over the prior year quarter primarily due to lower Energy Distribution EBITDA from operations and higher realized losses on foreign currency hedging contracts, partially offset by higher Specialty Chemicals EBITDA from operations and lower corporate costs.
- Superior's estimated total debt to Adjusted EBITDA ratio is based on maintenance and growth-related expenditures as well as capital equivalent of operating leases of \$110 million to \$120 million in 2018 and on working capital funding requirements.

(1) Per 2018 Third Quarter MD&A. AOCF guidance is before transaction and other costs. See "Non-GAAP Financial Measures".

(2) See "Forward-Looking Statements and Information".

# 2019 Adjusted EBITDA Guidance and Leverage

*Adjusted EBITDA<sup>(1)</sup> guidance for 2019 results a 30% improvement compared to 2018<sup>(3)</sup>*

Guidance	2019
Adjusted EBITDA Guidance <sup>(1)(2)</sup>	\$445-\$495 million
Total Debt to Adjusted EBITDA <sup>(1)(2)</sup>	3.6X – 4.0X

- EBITDA from operations for Energy Distribution is anticipated to be higher than 2018 primarily due to full year results from NGL as well as the incremental contribution from the six tuck-in acquisitions completed in 2018.
- EBITDA from operations for Specialty Chemicals is anticipated to be consistent with 2018 as an increase in chlor-alkali and sodium chlorite gross profit is expected to be offset by a decrease in sodium chlorate gross profit and a modest increase in operating expenses.
- Superior anticipates total debt to Adjusted EBITDA will be in the range of 3.6x to 4.0x as at December 31, 2019 as cash generated from operations is used to repay debt.

(1) Per 2018 Third Quarter MD&A. See “Non-GAAP Financial Measures”.

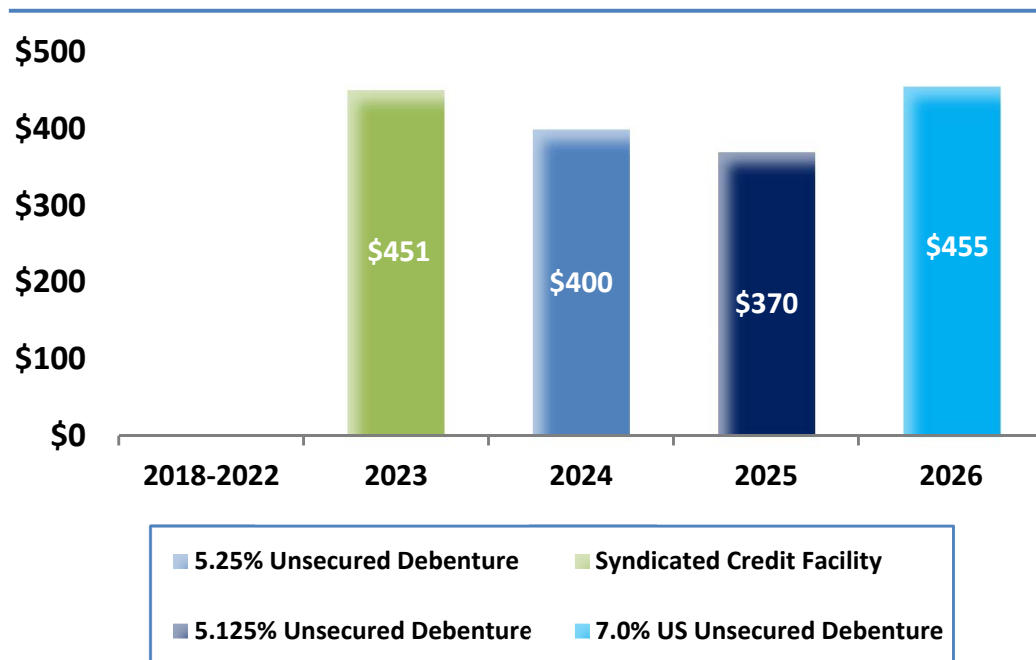
(2) See “Forward-Looking Statements and Information”.

(3) Represents 30% improvement based on the mid-point of 2018 & 2019 Adjusted EBITDA guidance.

# Debt Maturity Profile

- > Superior has a staggered balanced maturity profile with no material maturities until 2023
- > NGL transaction financed with a C\$150 million upsize of existing 5.125% unsecured debentures, \$400 million equity offering, 7.0% \$350 million US<sup>(1)</sup> unsecured debenture and incremental credit facility borrowing
- > Prudent capital management
- > Long-term Debt to Adjusted EBITDA target of 3.0x
- > Payout Ratio of 40 – 60%<sup>(2)</sup>
- > Credit facility extended to 2023 and increased to \$750 million
  - > \$451 million was drawn on the credit facility as at September 30, 2018<sup>(3)</sup>

Debt Maturity Schedule (C\$ millions)



## Credit Rating Summary

	S&P		DBRS		Moody's	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Corporate Issuer Rating	BB	Negative	BB (high)	Stable	Ba2	Stable
Senior Unsecured	BB	Negative	BB	Stable	Ba3	Stable

(1) 7% US high yield debenture is converted to \$CAD at the USD/CAD exchange rate of 1.30.

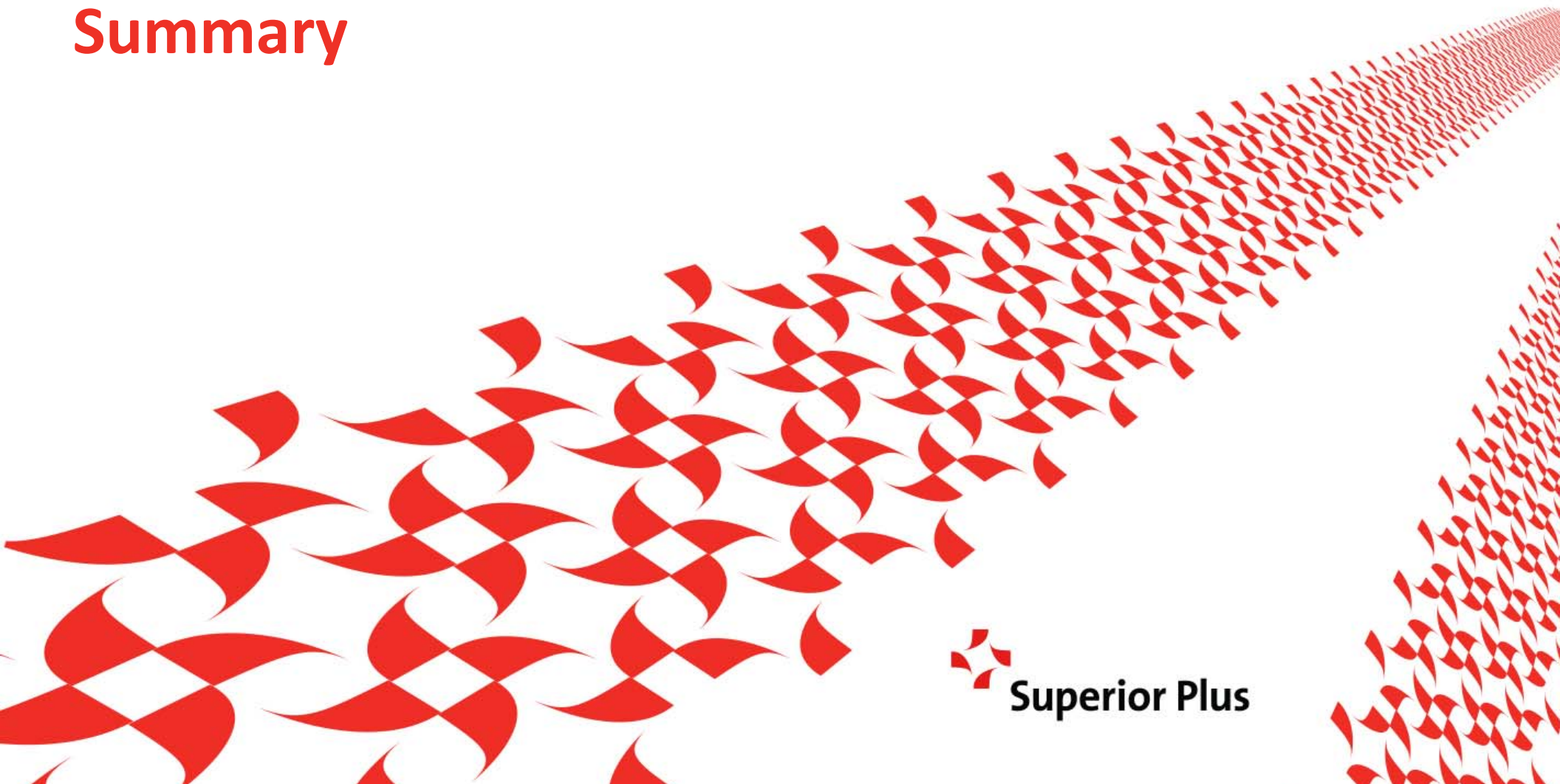
(2) See "Non-GAAP Financial Measures".

(3) Total debt excludes borrowing related to closing consideration for the acquisition of UPE which occurred on October 2, 2018.

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# Summary





# Evolution 2020 Business Overview

## Energy Distribution

- > An ideal industry to grow through acquisitions and immediately leverage our solid platform, including:
  - Increased provision of value-added services
  - Utilizing our supply cost advantage
  - Maximizing logistics capabilities
- > Acquisition strategy focused on retail and wholesale propane

## Specialty Chemicals

- > Focus on sodium chlorate optimization and sales strategy:
  - Improved go-to-market strategy
  - Increase export volumes
  - Evaluate plant expansions and continued focus on low-cost operations
- > Increase direct customer sales initiatives in chlor-alkali
- > Improve operations and marketing for chlor-alkali recovery
- > Source strategic acquisition opportunities

# Evolution 2020 Keys to Success

## ORGANIC GROWTH

Digital innovation, partnerships and geographic expansion

## STRATEGIC ACQUISITIONS

Deploying capital to build up retail propane platform and move closer to the customer in Specialty Chemicals

## CONTINUOUS IMPROVEMENT

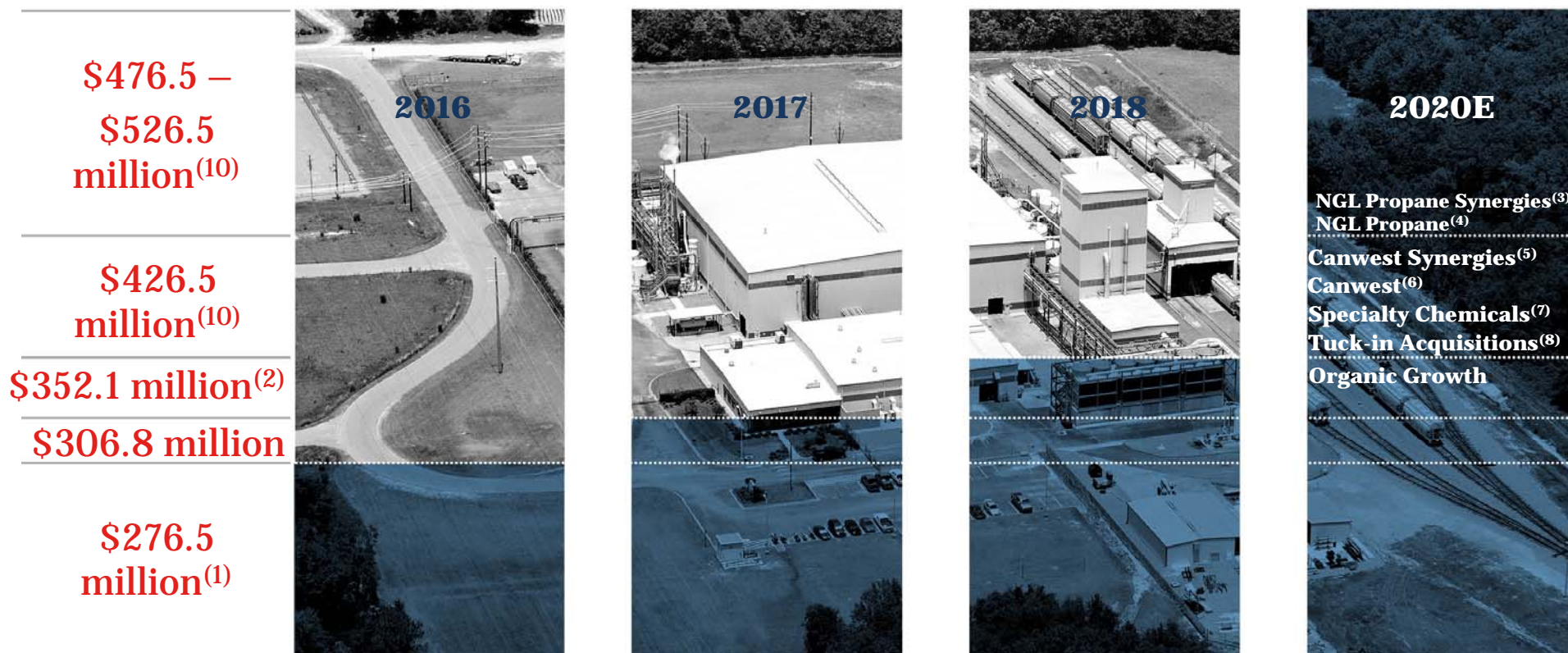
Consistently identifying opportunities to reduce costs and service customers efficiently

## TALENT MANAGEMENT

Having the best people aligned with corporate goals and competencies

*Continued focus on building our future without losing sight of improving our day-to-day operations.*

# Evolution 2020 Goals



*Evolution 2020 updated goal of achieving \$200-\$250 million increase in annual EBITDA from operations<sup>(9)</sup>*

(1) 2016 EBITDA from operations excludes the results of CPD.

(2) Based on TTM Q1 2018 incorporating results for Canwest for Q2 and Q3 2017 as these amounts were recorded as investment income during 2017.

(3) Estimated run-rate synergies of \$26-\$32 million.

(4) Anticipated NGL Propane EBITDA from operations.

(5) Estimated run-rate synergies of at least \$20 million.

(6) Anticipated Canwest EBITDA from operations.

(7) Anticipated chlor-alkali recovery.

(8) Tuck-in acquisitions include anticipated synergies.

(9) Compared to 2016 EBITDA from operations.

(10) See "Forward-Looking Information & Statements".

# Investment Highlights

## > Industry Leadership

- Experienced management team
- Best-in-class operations
- Continuing focus to create value through differentiation and digitalization

## > Safety and Environment Commitment

- Continue to be an industry leader in safety compliance and regulation
- Ensure all employees operate safely

## > Strong Financial Profile

- Achieving target leverage ratio
- Strong free cash flow generation
- Access to capital and liquidity to fund future growth
- Attractive dividend yield

## > Compelling Growth Prospects

- Numerous unique organic growth opportunities currently under evaluation
- Disciplined and focused capital allocation strategy

# Non-GAAP Financial Measures

Throughout the presentation, Superior has used the following terms that are not defined by GAAP, but are used by management to evaluate the performance of Superior and its businesses. Since 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 nearest 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 adjusting items may only be relevant in certain periods. 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 Adjusted EBITDA, EBITDA from operations and AOCF 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.

Superior Non-GAAP financial measures are identified and defined as follows:

## **Adjusted Operating Cash Flow**

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 items of a non-recurring nature. AOCF is the main performance measure used by management and investors to evaluate Superior's performance. 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. Please see the "Adjusted Operating Cash Flow Reconciled to Net Cash Flow from Operating Activities" section of Superior's Q3 2018 MD&A.

## **Adjusted EBITDA**

For the purposes of this presentation Adjusted EBITDA represents earnings before taxes, depreciation, amortization, finance expense, and certain other non-cash expenses and transaction and other costs deemed to be non-recurring, and is used by Superior to assess its consolidated results and ability to service debt. The EBITDA of Superior's operating segments may be referred to as EBITDA from operations. Please see the "Reconciliation of Net Earnings before Income Taxes to Adjusted EBITDA" section of Superior's Q3 2018 MD&A.

## **EBITDA from operations**

EBITDA from operations is defined as adjusted EBITDA excluding gains/(losses) on foreign currency hedging contracts, corporate costs and transaction and other costs. For purposes of this presentation, foreign currency hedging contract gains and losses are excluded from the results of the operating segments. EBITDA from Operations is used by Superior and investors to assess the results of its operating segments. Please see the "Reconciliation of Divisional Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs" section of Superior's Q3 2018 MD&A.

## **Payout Ratio**

Payout ratio represents dividends paid as a percentage of AOCF before transaction and other costs less maintenance capital expenditures, CRA payments and capital lease repayments and is used by Superior to assess its financial results and leverage. Payout ratio is not a defined performance under GAAP. Superior's calculation of payout ratio may differ from similar calculations provided by comparable entities.

For additional information with respect to financial measures which have not been identified by GAAP, including reconciliations to the closest comparable GAAP measure, see Superior's Q3 2018 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com)

NGL Non-GAAP Financial Measures measures are identified and defined as follows:

## **Fiscal 2018 Adjusted EBITDA**

Adjusted EBITDA of NGL Propane is defined as fiscal 2018 net income attributable to the Company per US GAAP adjusted for depreciation and amortization, loss or gain on disposal of assets, equity-based compensation expense, interest expense and net income attributable to redeemable non-controlling interest.

## **Normalized EBITDA**

Normalized EBITDA represents Fiscal 2018 Adjusted EBITDA of NGL Propane adjusted for the pro forma impact of acquisitions completed in the twelve months ending 2018.

Please see the following Appendix for a reconciliation of Fiscal 2018 Adjusted EBITDA and Normalized EBITDA to net earnings.