



Superior Plus



2020 Fourth Quarter & Full Year Results

February 19, 2021

Superior Plus Corp.

TSX: SPB

Forward-Looking Statements and Information

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

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, expected Adjusted EBITDA, the anticipated closing of the Transaction, the duration and anticipated impact of the COVID-19 pandemic and the expected economic recession, estimates of the impact COVID-19 may have on our operations, the markets for our products and our financial results, anticipated impact from the weaker Canadian dollar, business strategy and objectives, development plans and programs, organic growth, weather, economic activity in Western Canada, product pricing and sourcing, wholesale propane market fundamentals, exchange rates, expected seasonality of demand, and future economic conditions.

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, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior or Superior LP, the assumptions set forth under the “Financial Outlook” sections of our MD&A. 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, the anticipated impact of the COVID-19 pandemic and the expected economic recession, 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.

Q4 & FY 2020 Highlights & Recent Developments



Specialty Chemical Sale

- Announced Specialty Chemicals sale to Birch Hill Equity Partners for total consideration of \$725 million
- Represents the final step in Superior's long-term portfolio transformation into a pure-play energy distribution company
- Total consideration consists of \$600 million in cash proceeds and \$125 million in the form of a 6% unsecured vendor note
- The transaction will improve Superior's financial flexibility and allow it to pursue growth through energy distribution acquisitions



Corporate Development

- Superior completed 5 tuck-in acquisitions in 2020 for \$288 million
- January 26, 2021, Superior acquired Holden, an independent propane and distillate distributor in Massachusetts
- February 1, 2021, Superior acquired Miller Propane, a retail propane distributor in Quebec
- February 11, 2021, Superior acquired the propane distribution assets of Highlands Propane, a retail propane distributor in Ontario



Synergies and Workforce Optimization

- Achieved targeted USD\$24M of run rate synergies exiting 2020 related to the NGL acquisition
- U.S. Propane continues to realize synergies from acquisitions primarily through supply chain efficiencies, margin management improvements and operation expense savings
- Superior continues to focus on workforce optimization and cost savings in 2021 across all business segments

Specialty Chemicals Sale – Transaction Overview

- Following the Brookfield preferred share investment and the subsequent acquisition of retail propane businesses in the U.S., the divestiture of ERCO is the logical next step in Superior’s transformation into a pure-play energy distribution company
- In 2020, Superior acquired more than \$285 million of energy distribution assets, and Superior has already completed three acquisitions in the U.S. and Canada in 2021
- Superior has a robust pipeline of acquisition opportunities and anticipates more than doubling the U.S. Propane Distribution EBITDA from operations over the next five years

Transaction Summary

- \$725 million transaction value representing 8.1x⁽¹⁾ multiple
- Under the terms of the transaction, Superior:
 - Will receive \$600 million in cash on close
 - Will issue a \$125 million 6% unsecured note (the “Note”) that will mature in 5½ years
- Purchase price is subject to adjustment based on the Average EBITDA of Specialty Chemicals for the three consecutive twelve-month periods following the close of the Transaction

(1) Based on 2020 pre-IFRS 16 EBITDA from Operations of \$90.0 million. See “Non-GAAP Financial Measures”.

Specialty Chemicals Sale – Strategic Rationale

Strategic Rationale

Transform to a pure-play Energy Distribution Business

- Streamlines the portfolio into a more focused business concentrated on Energy Distribution
- Logical next step in Superior's transformation into a pure-play energy distribution company following several successful energy distribution acquisitions

Deleverage the Balance Sheet

- Strengthens the balance sheet by using proceeds from sale to reduce debt
- Flexibility to enable significant strategic business acquisitions

Retain Exposure in Speciality Chemicals performance

- Purchase price adjustment mechanism allows Superior to continue to participate in exposure related to the speciality chemicals segment

Strong Retail Propane Growth Opportunities in the U.S.

- Fragmented U.S. market presents opportunity to adopt aggressive M&A strategy to expand presence in Eastern U.S. and California

Focus on Superior's Existing Expertise

- Focus on driving operational efficiencies through the "Superior Way"
- Economies of scale enhances capabilities to expand the digital service offering and operating platform

Deleverage to Target

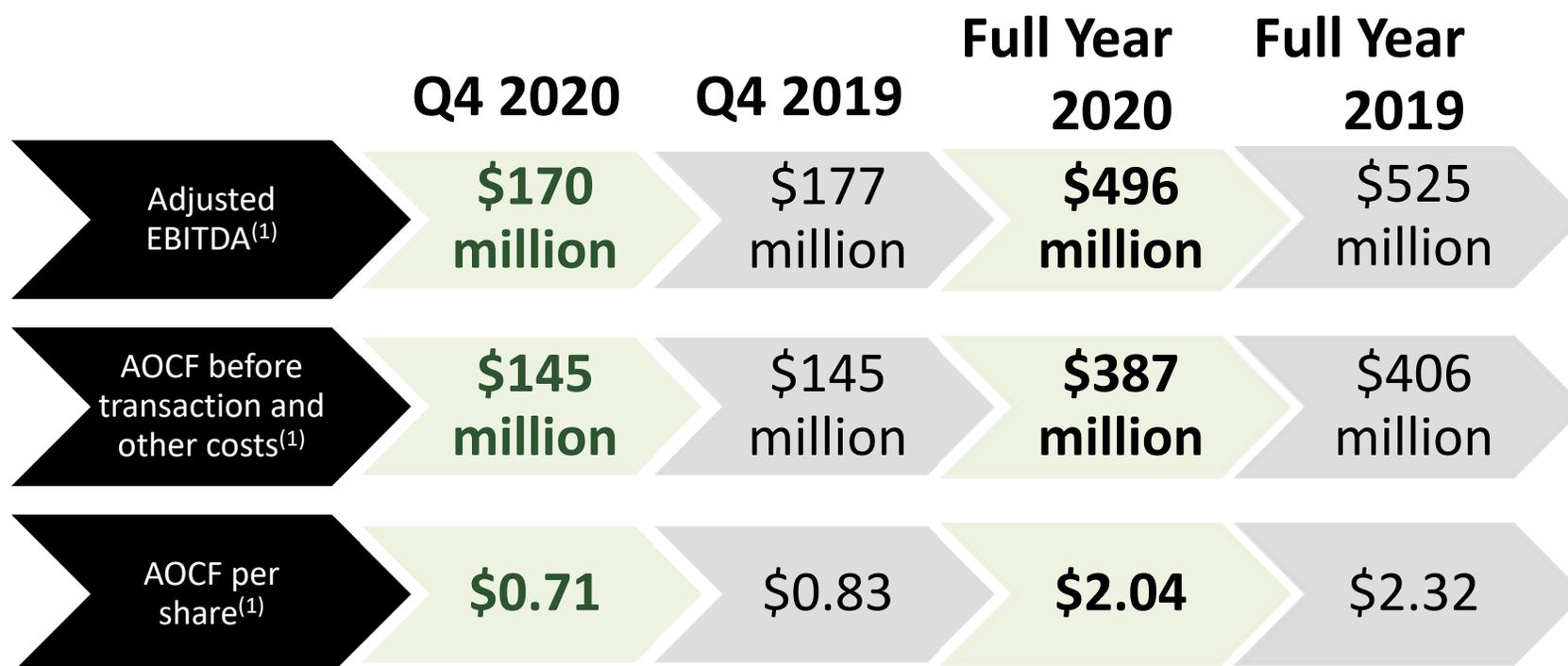
- Anticipated Net Debt to EBITDA leverage ratio of 2.9x⁽¹⁾ pro forma the Transaction
- Anticipated Total Debt to EBITDA of 3.4x⁽¹⁾

Credit Highlights

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

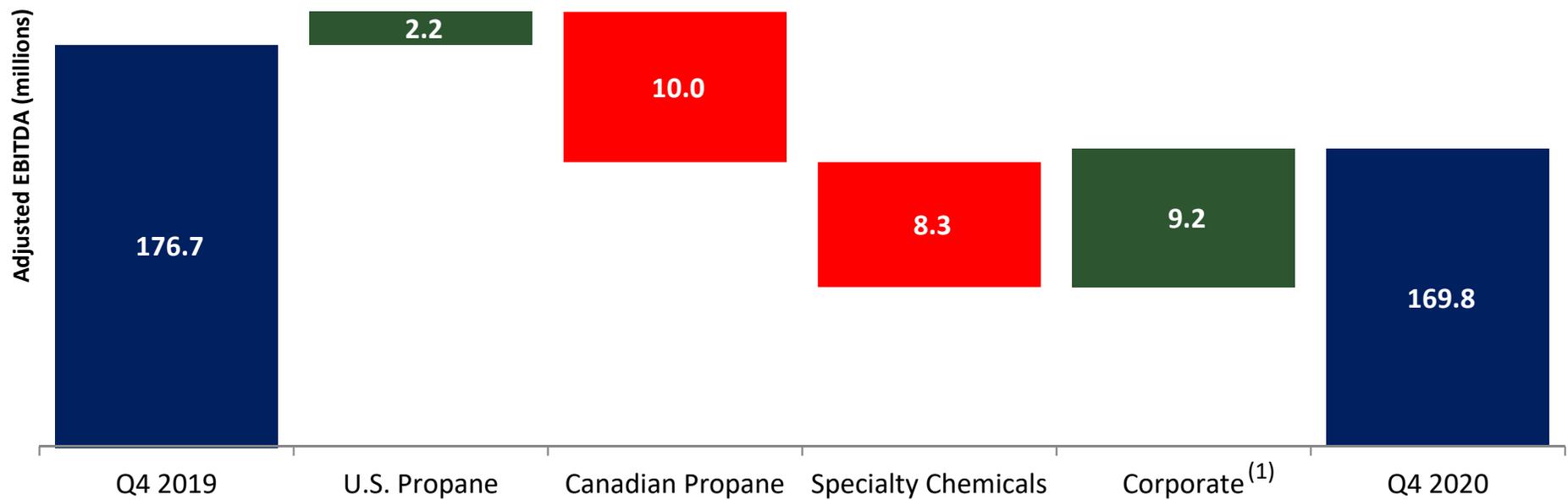
Q4 2020 & Full Year 2020 and 2019 Results

Strong Fourth Quarter and Full Year Results Despite Global Pandemic



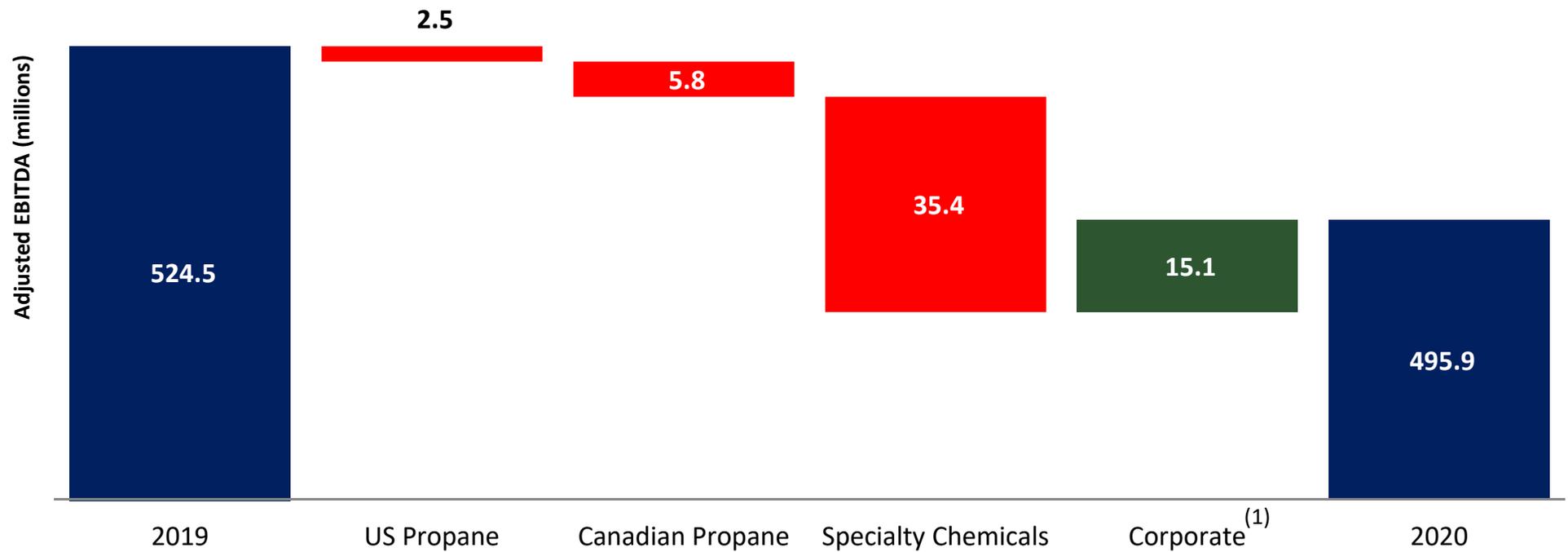
(1) Per 2020 Fourth Quarter MD&A ("MD&A"). See "Non-GAAP Financial Measures".

Q4 2020 vs. Q4 2019 – Adjusted EBITDA Bridge



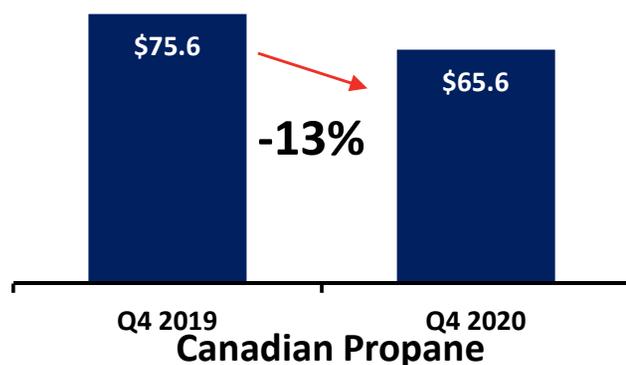
(1) Corporate includes corporate costs and realized gains or losses on foreign exchange hedging contracts.

FY2020 vs. FY2019 - Adjusted EBITDA Bridge

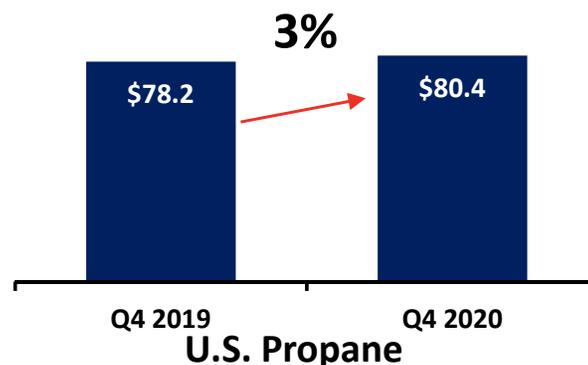


Q4 2020 Financial & Operational Performance

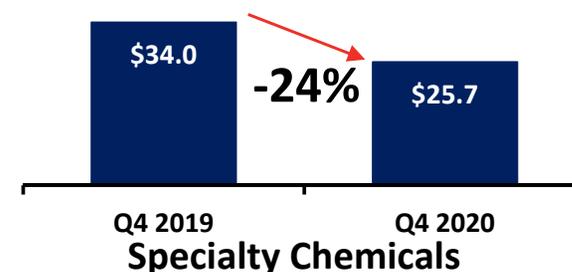
Fourth Quarter 2020 Results (millions)⁽¹⁾



- EBITDA from Operations decreased by \$10.0 million compared to the prior year quarter
- Weaker propane market differentials, the impact of lower sales volumes related to the impact of COVID-19 and warmer weather
- Lower expenses due to impact of the CEWS recorded in the current period and cost saving initiatives



- EBITDA from Operations increased by \$2.2 million compared to the prior year quarter
- Cost reductions, higher margins, incremental synergies and impact of acquisitions completed since Q4 2019
- Partially offset by lower sale volumes due to warmer weather and the impact of COVID-19 on commercial demand



- EBITDA from Operations decreased by \$8.3 million compared to the prior year quarter
- Decrease due to lower sales volumes and net backs related to COVID-19
- Partially offset by lower mill rates and impact of the CEWS recorded in the current period

(1) EBITDA from Operations based on Q4 2020 quarterly report. See "Non-GAAP Financial Measures".

2021 Adjusted EBITDA Guidance and Leverage

2021 Adjusted EBITDA Guidance Reflects Pure-Play Energy Distribution

Guidance	2021
Adjusted EBITDA Guidance ⁽¹⁾⁽²⁾	\$370MM - \$410MM

Achieved midpoint of 2020 Adjusted EBITDA guidance and high end of leverage range.

Potential Impacts to Adjusted EBITDA Guidance⁽¹⁾⁽²⁾

Potential Scenario	Directional Impact on Adjusted EBITDA ⁽¹⁾⁽²⁾
Warmer than normal weather in 2021	↓
Colder than normal weather in 2021	↑
Wholesale propane market fundamentals consistent with 2019	↑
Reduced oil and gas activity in Western Canada in 2020	↓
Increased oil and gas activity in Western Canada in 2020	↑
COVID-19 shutdown lasts for an extended period	↓
Faster than expected economic recovery	↑
Tuck-in acquisitions	↑

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 before transaction and other costs per share ("AOCF")

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 Annual 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 Annual 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 Annual MD&A.

Pre-IFRS 16 EBITDA from Operations represents the definition above excluding the impact of IFRS 16. ERCO EBITDA from Operations for 2020 was \$116.5 million including IFRS 16, deduct \$26.5 million relating to IFRS 16, resulting in \$90.0 million pre-IFRS 16.

Average EBITDA

Average EBITDA is defined as the average EBITDA from operations of the Specialty Chemicals business for the three years following the closing date of the Transaction and excludes the impact of IFRS 16.

Total Debt to Adjusted EBITDA Leverage Ratio and Pro Forma Adjusted EBITDA

Adjusted EBITDA for the Total Debt to Adjusted EBITDA leverage ratio is defined as Adjusted EBITDA calculated on a 12-month trailing basis giving pro forma effect to acquisitions and dispositions adjusted to the first day of the calculation period ("Pro Forma Adjusted EBITDA"). Pro Forma Adjusted EBITDA is used by Superior to calculate its Total Debt to Adjusted EBITDA leverage ratio.

To calculate the Total Debt to Adjusted EBITDA leverage ratio divide the sum of borrowings before deferred financing fees and lease liabilities by Pro Forma Adjusted EBITDA. Total Debt to Adjusted EBITDA leverage ratio is used by Superior and investors to assess its ability to service debt.

Net Debt to Pro Forma Adjusted EBITDA leverage ratio

Adjusted EBITDA for the Net Debt to Pro Forma Adjusted EBITDA leverage ratio is defined as Adjusted EBITDA calculated on a 12-month trailing basis giving pro forma effect to acquisitions and dispositions adjusted to the first day of the calculation period ("Pro Forma Adjusted EBITDA"). Pro Forma Adjusted EBITDA is used by Superior to calculate its Net Debt to Pro Forma Adjusted EBITDA leverage ratio.

Total Debt is the sum of borrowings before deferred financing fees and lease liabilities and Net Debt is Total Debt minus cash and cash equivalents. To calculate the Net Debt to Pro Forma Adjusted EBITDA leverage ratio divide Net Debt by Pro Forma Adjusted EBITDA.

Management believes that Net Debt to Pro Forma Adjusted EBITDA is an important measure to monitor leverage and evaluate the balance sheet.

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 Annual MD&A, available on SEDAR at www.sedar.com



Superior Plus



Q&A

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