



## NEWS RELEASE

### CHEMTRADE LOGISTICS INCOME FUND ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2024

#### NOW EXPECTS 2024 ADJUSTED EBITDA TO BE AT THE HIGHER END OF THE PREVIOUSLY ANNOUNCED GUIDANCE RANGE OF BETWEEN \$395.0 MILLION AND \$435.0 MILLION

**TORONTO, Ontario, May 15, 2024** – Chemtrade Logistics Income Fund (TSX: CHE.UN) (“Chemtrade” or the “Fund”) today announced results for the three months ended March 31, 2024. The financial statements and MD&A will be available on Chemtrade’s website at [www.chemtradelogistics.com](http://www.chemtradelogistics.com) and on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

#### First Quarter 2024 Highlights

- Revenue of \$418.2 million, a decrease of \$53.0 million or 11.2% year-over-year, driven by lower selling prices for caustic soda, merchant acid and Regen acid, and lower selling prices and volumes for sodium nitrite, partially offset by higher selling prices and volumes for water products and higher selling prices for sodium chlorate, Hydrochloric Acid (HCl) and chlorine.
- Adjusted EBITDA<sup>(1)</sup> of \$109.9 million, a decrease of \$21.7 million or 16.5% year-over-year, reflecting reduced revenues, which more than offset improved margins for several products.
- Net earnings of \$42.0 million, a decrease of \$37.6 million or 47.2% year-over-year, mainly due to lower Adjusted EBITDA and higher net finance costs, partially offset by lower income taxes.
- Cash flows from operating activities of \$2.4 million, a decrease of \$52.0 million or 95.6% year-over-year, mainly due to changes in working capital and lower Adjusted EBITDA, partially offset by lower income taxes and lower interest paid.
- Distributable cash after maintenance capital expenditures<sup>(1)</sup> of \$59.9 million, a decrease of \$27.7 million or 31.6% year-over-year, reflecting lower cash flows from operating activities. For the last twelve months ended March 31, 2024, Chemtrade’s Payout ratio<sup>(1)</sup> was 28%.
- Maintained a strong balance sheet throughout the quarter, with a Net debt to LTM Adjusted EBITDA<sup>(1)</sup> ratio of 1.9x at the end of Q1 2024, an improvement from 2.2x at the end of Q1 2023.
- Chemtrade now expects 2024 Adjusted EBITDA to be at the higher end of the previously communicated guidance range of \$395.0 million to \$435.0 million, reflecting its first quarter performance and outlook for the remainder of 2024.
- In January 2024, the monthly distribution rate was increased by 10% to \$0.055 per unit per month or \$0.66 per unit per year.
- Chemtrade intends to implement an NCIB to buy back a portion of its outstanding units.

Scott Rook, President and CEO of Chemtrade, commented on the first quarter 2024 results, “We started the new year on great footing with respect to both our operational performance and our financial performance. Adjusted EBITDA in the first quarter was above our internal expectations, with strong execution in both of our operating segments helping to support profitability. Our water solutions portfolio remained a standout performer in our Sulphur and Water Chemicals (SWC) segment, continuing to benefit from the investments we have made in this business line in recent years. Meanwhile, continued solid pricing and demand for HCl and chlorine helped to offset a portion of the impact from materially lower caustic soda index pricing on a year-over-year basis in the Electrochemicals (EC) segment and our sodium chlorate business also continues to generate strong cash flow in this segment.”

“Based on our strong first quarter performance and improved outlook for the balance of 2024, we now expect that our Adjusted EBITDA for the full year of 2024 will be at the higher end of our previously

(1) Adjusted EBITDA is a Total of Segments measure, Distributable cash after maintenance capital expenditures, Growth capital expenditures is a non-IFRS measure and Distributable cash after maintenance capital expenditures per Unit, Payout ratio and Net debt to LTM Adjusted EBITDA are Non-IFRS ratios. Please see Non-IFRS and Other Financial Measures for more information.

communicated guidance range of between \$395.0 million and \$435.0 million,” Mr. Rook continued. “Achieving the higher end of our guidance range for Adjusted EBITDA in 2024 would mean that we’ve had three consecutive years of Adjusted EBITDA being significantly above historic levels which reaffirms the step change in our business. With the biennial maintenance turnaround at our North Vancouver chlor-alkali facility having been successfully executed in the second quarter of 2024 and with caustic soda index pricing now seemingly on an upward trajectory, amongst other factors, we continue to expect that Chemtrade will generate stronger Adjusted EBITDA in the second half of 2024 than in the first half of the year.”

“We remain very excited about the growth opportunities ahead of Chemtrade, several of which we are investing in during 2024 and that are expected to contribute more meaningfully to results in 2025 and beyond. Construction on the expansion and quality upgrade project at our Cairo, Ohio ultrapure sulphuric acid facility is nearing completion and we are looking forward to commissioning the upgraded and expanded facility in the second half of the year. In addition, we continue to undertake a number of smaller projects in our Water Chemicals business, given the strategic, high-return growth opportunities we are seeing in this area. This includes expanding manufacturing capabilities for our higher growth specialized products. Although our financial results this quarter were below the record first quarter results we delivered in 2023, we believe that Chemtrade remains very well-positioned for continued success moving forward, with our diversified portfolio offering a compelling combination of defensiveness and growth. Chemtrade is also looking to supplement our organic growth initiatives with M&A, should we identify an opportunity that fits strategically within our portfolio and has synergistic value. We will target acquisitions with annual Adjusted EBITDA of between \$10 million and \$50 million,” concluded Mr. Rook.

### **Consolidated Financial Summary of Q1 2024**

Revenue for the first quarter of 2024 was \$418.2 million, compared to \$471.2 million in the first quarter of 2023. The lower revenue was primarily due to: (i) significantly lower selling prices for caustic soda and lower sales volumes of sodium chlorate in the EC segment; and (ii) lower volumes and selling prices of merchant acid mainly due to reduced by-product supply and lower volumes and selling prices of sodium nitrite in the SWC segment. Partial offsets to these factors included higher selling prices for water solutions products in the SWC segment, as well as higher selling prices for sodium chlorate, HCl and chlorine in the EC segment.

Adjusted EBITDA for the first quarter of 2024 was \$109.9 million, compared to \$131.7 million in the first quarter of 2023. The decrease in Adjusted EBITDA was primarily due to: (i) significantly lower selling prices for caustic soda in the EC segment; and (ii) lower gross profit for sodium nitrite and lower volumes for merchant acid in the SWC segment. This decrease was partially offset by: (i) an improvement in margins for water solutions products and improved margins for Regen acid in the SWC segment; and (ii) higher selling prices for sodium chlorate and higher selling prices for HCl and chlorine in the EC segment.

Distributable cash after maintenance capital expenditures for the first quarter of 2024 was \$59.9 million or \$0.51 per unit, compared to \$87.6 million or \$0.76 per unit in the first quarter of 2023. This decrease primarily reflects the same factors that impacted Adjusted EBITDA, as noted above. Chemtrade’s distribution Payout ratio for the twelve months ended March 31, 2024 was 28%.

Chemtrade maintained a strong balance sheet through the first quarter of 2024. As of March 31, 2024, Chemtrade’s Net Debt to LTM Adjusted EBITDA ratio was 1.9x, compared to 2.2x on March 31, 2023. This year-over-year balance sheet improvement reflects a combination of cash generation, Adjusted EBITDA growth over the last twelve months as compared to the prior twelve months, the sale of the P<sub>2</sub>S<sub>5</sub> business in November 2023 for gross proceeds of approximately US\$43.0 million, and a reduction in debt. As of the end of the first quarter of 2024, Chemtrade had US\$397.8 million undrawn on its revolving credit facilities, in addition to \$27.5 million of cash on hand.

### **Segmented Financial Summary of Q1 2024**

The SWC segment reported revenue of \$230.6 million for the first quarter of 2024, compared to \$262.5 million for the first quarter of 2023. Adjusted EBITDA in the SWC segment was \$51.4 million for the first quarter of 2024, compared to \$55.4 million for the first quarter of 2023.

The decrease in SWC revenue was primarily due to: (i) lower volumes of merchant acid mainly due to reduced by-product supply; (ii) lower selling prices for merchant acid; and (iii) lower volumes and selling prices of sodium nitrite. Partial offsets to the lower SWC revenue included higher selling prices for water solutions products and higher volumes of Regen acid. The same factors that affected SWC revenue also contributed to lower SWC Adjusted EBITDA, with the exception of lower merchant acid selling prices, where the impact was largely offset by reduced costs mainly due to risk-shared supply contracts.

The EC segment reported revenue of \$187.6 million for the first quarter of 2024, compared to \$208.7 million for the first quarter of 2023. Adjusted EBITDA in the EC segment was \$82.5 million for the first quarter of 2024, compared to \$99.9 million for the first quarter of 2023.

The decreases in EC revenue and Adjusted EBITDA were primarily due to significantly lower selling prices of caustic soda and lower sales volumes of sodium chlorate. These factors were partially offset by higher selling prices for sodium chlorate, HCl and chlorine. MECU netbacks declined by approximately \$260 year-over-year, with higher netbacks for HCl and chlorine offsetting approximately 25% of the decline in caustic soda.

Corporate costs for the first quarter of 2024 were \$23.9 million, compared with \$23.7 million in the first quarter of 2023.

## 2024 Guidance

Given the strong start to 2024 and improved visibility into the remainder of 2024, Chemtrade now expects its 2024 Adjusted EBITDA to be at the higher end of the guidance range. Chemtrade's Adjusted EBITDA in 2024 is expected to be below the record high 2023 level, but still in the range of Chemtrade's second highest Adjusted EBITDA, achieved in 2022. Further, Chemtrade considers the mid-point of 2024's anticipated Adjusted EBITDA of \$415.0 million to represent a sustainable level of mid-cycle earnings with the current business portfolio.

(\$ million)	2024 Guidance	2023 Actual	Three months ended Actual	
			March 31, 2024	March 31, 2023
Adjusted EBITDA <sup>(1)</sup>	\$395.0 - \$435.0	\$502.6	\$109.9	\$131.7
Maintenance capital expenditures <sup>(1)</sup>	\$85.0 - \$105.0	\$104.2	\$15.4	\$17.5
Growth capital expenditures <sup>(1)</sup>	\$60.0 - \$90.0	\$62.1	\$19.9	\$10.4
Lease payments	\$55.0 - \$65.0	\$58.3	\$14.6	\$14.1
Cash interest <sup>(1)</sup>	\$45.0 - \$55.0	\$42.4	\$11.0	\$10.9
Cash tax <sup>(1)</sup>	\$30.0 - \$50.0	\$14.7	\$9.0	\$1.6

(1) Adjusted EBITDA is a Total of Segments measure. Maintenance capital expenditures, Cash interest and Cash tax are supplementary financial measures. Growth capital expenditures is a Non-IFRS financial measure. See Non-IFRS And Other Financial Measures.

Chemtrade's guidance is based on numerous assumptions. Certain key assumptions that underpin the 2023 guidance are as follows:

- There will be no significant lockdowns or stay-at-home orders issued in North America due to a pandemic outbreak during 2024.
- There will be no service slowdowns, delays and/or interruptions that can affect our operations due to rail disruptions. While a labour disruption with the railways is expected shortly, it is difficult for us to predict the length and hence the impact on our business.
- None of the principal manufacturing facilities (as set out in Chemtrade's AIF) incurs significant unplanned downtime.
- No labour disruptions occur at any of Chemtrade's principal manufacturing facilities (as set out in Chemtrade's AIF).

Key Assumptions	2024 Assumptions	2023 Actual
Approximate North American MECU sales volumes	173,000	181,000
2024 average MECU Netback being lower than 2023 average per MECU	CAD (\$210)	N/A
Average CMA <sup>(1)</sup> NE Asia caustic spot price index per tonne <sup>(2)</sup>	US\$375	US\$455
Approximate North American production volumes of sodium chlorate (MTs)	268,000	283,000
USD to CAD average foreign exchange rate	1.312	1.349
LTIP <sup>(3)</sup> costs (in millions)	\$10.0 - \$20.0	\$17.3

(1) Chemical Market Analytics (CMA) by OPIS, A Dow Jones Company, formerly IHS Markit Base Chemical.

(2) The average CMA NE Asia caustic spot price for 2024 and 2023 is the average spot price for the four quarters ending with the third quarter of that year as the majority of our pricing is based on a one quarter lag.

(3) Long Term Incentive Plan.

The lower expected Adjusted EBITDA for 2024 compared to 2023 is attributed to the following key factors:

- Lower average selling prices for caustic due to lower NE Asia index prices.
- Turnaround at North Vancouver chlor-alkali plant.
- Lower sales volumes of sodium chlorate.
- Higher cost of raw materials for water treatment chemicals.
- Stronger Canadian dollar relative to the U.S. dollar.

### Update on Organic Growth Projects

Chemtrade remains focused on its long-term objective of delivering sustained earnings growth and generating value for investors. To accomplish this, Chemtrade has identified various organic growth initiatives. In 2024, Chemtrade plans to invest between \$60 million and \$90 million in growth capital expenditures. This includes approximately \$40 million for Chemtrade's ultrapure sulphuric acid business, principally at the Cairo, OH facility, with the remainder for water treatment chemicals and other organic growth projects.

The Cairo project is on track and we expect to finish construction later this year. We expect costs to be between US\$60 million and US\$65 million. Following startup later this year, the commercial ramp up will begin to take place in 2025. This will be the first ultrapure sulphuric acid plant in North America that will meet the quality requirements for next generation semiconductor nodes. As a result, completion of this project will further bolster Chemtrade's position as the top North American supplier of ultrapure sulphuric acid to the semiconductor industry. We will provide an update on the expected return on this project after the start-up of the project is complete.

Chemtrade also previously identified a second large ultrapure sulphuric acid growth project, undertaken via a joint venture with KPCT Advanced Chemicals LLC and located in Casa Grande, AZ. Together with its joint venture partner, Chemtrade made the decision to put the project on hold until it can be assured the project generates an acceptable level of return.

### Distributions and Capital Allocation Update

Distributions declared in the first quarter of 2024 totaled \$0.165 per unit, comprised of monthly distributions of \$0.055 per unit.

Chemtrade's management and Board of Trustees periodically assess Chemtrade's capital structure and capital allocation to ensure that it is positioned to deliver maximum long-term value to unitholders.

Chemtrade's balance sheet has significantly improved over the past few quarters and leverage has decreased with a Net Debt to LTM Adjusted EBITDA ratio of 1.9x on March 31, 2024. Chemtrade's business has also strengthened as evidenced by two consecutive record years in terms of Adjusted EBITDA generated. Chemtrade believes that its business has undergone a step-change improvement from the pre-COVID levels. In light of the improved sustainable long-term outlook for Chemtrade's cash flow, Chemtrade's Board increased its monthly distribution by 10%, from 5-cents per month to 5.5-cents per month on January 15, 2024, effective with the distribution declared during the month of January 2024. This distribution represents a Payout ratio of 45% based on the mid-point of Chemtrade's guidance for 2024.

In addition, as part of its updated capital structure and capital allocation strategy, Chemtrade also announced the suspension of its Distribution Reinvestment Plan (DRIP), initiated during the COVID pandemic. The suspension of the DRIP was effective with the distribution declared in January 2024, after which time all distributions of the Fund are paid only in cash.

The increase in the level of cash distributions is expected to have minimal impact on Chemtrade's leverage and is not expected to impede Chemtrade's ability to execute growth initiatives while maintaining a healthy balance sheet.

Chemtrade's Board of Trustees has approved the implementation of a Normal Course Issuer Bid (NCIB), which will enable Chemtrade to, from time to time, repurchase a portion its units with available funds that are not required for operations or investment. Chemtrade intends to file a notice of intention with the Toronto Stock Exchange in this regard and subject to acceptance by the TSX, the NCIB is expected to commence following TSX acceptance of the notice and will continue for up to one year, unless earlier terminated. The NCIB is expected to permit the purchase for cancellation of up to 10% of Chemtrade's public float.

Purchases of units are expected to be effected through the facilities of the TSX and/or alternative Canadian trading systems and will be made by means of open market transactions, or such other means as may be permitted by the TSX, including block purchases of units, at prevailing market rates. The timing and amount of any purchases are subject to regulatory approval and management's discretion based on market conditions.

Rohit Bhardwaj, CFO of Chemtrade, commented on Chemtrade's capital allocation, "Our balance sheet is in sound shape with our key leverage ratio expected to remain below two times Adjusted EBITDA exiting 2024. The significant improvements made to our balance sheet in recent years reflect a number of initiatives aimed at providing Chemtrade with a strong foundation and the financial flexibility to pursue value creation opportunities for the benefit of our unitholders. We remain focused on optimal capital allocation moving forward across our three key pillars of investing in strategic growth, maintaining a strong balance sheet and returning capital to our unitholders. Given the strong outlook we see for our business and our strengthened balance sheet, we announced a 10% increase to our distribution earlier this year and now the implementation of an NCIB. We also intend to pursue other value-enhancing initiatives by judiciously deploying capital and optimizing our capital structure, including retiring the series of convertible debentures that mature next year, at our earliest opportunity."

## **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 and sodium hydrosulphite. Chemtrade is also the largest producer of high purity sulphuric acid for the semiconductor industry in North America. Chemtrade is a leading regional supplier of sulphur, chlor-alkali products, and zinc oxide. Additionally, Chemtrade provides industrial services such as processing by-products and waste streams.

## NON-IFRS AND OTHER FINANCIAL MEASURES

### Non-IFRS financial measures and non-IFRS ratios

Non-IFRS financial measures are financial measures disclosed by an entity that (a) depict historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) are not disclosed in the financial statements of the entity and (d) are not a ratio, fraction, percentage or similar representation. Non-IFRS ratios are financial measures disclosed by an entity that are in the form of a ratio, fraction, percentage, or similar representation that has a non-IFRS financial measure as one or more of its components, and that are not disclosed in the financial statements of the entity.

These non-IFRS financial measures and non-IFRS ratios are not standardized financial measures under IFRS and, therefore, are unlikely to be comparable to similar financial measures presented by other entities. Management believes these non-IFRS financial measures and non-IFRS ratios provide transparent and useful supplemental information to help investors evaluate Chemtrade's financial performance, financial condition and liquidity using the same measures as management. These non-IFRS financial measures and non-IFRS ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.

The following section outlines Chemtrade's non-IFRS financial measures and non-IFRS ratios, their compositions, and why management uses each measure. It includes reconciliations to the most directly comparable IFRS measures. Except as otherwise described herein, Chemtrade's non-IFRS financial measures and non-IFRS ratios are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable.

### Distributable cash after maintenance capital expenditures

**Most directly comparable IFRS financial measure:** Cash flows from operating activities

**Definition:** Distributable cash after maintenance capital expenditures is calculated as cash flow from operating activities less lease payments net of sub-lease receipts, maintenance capital expenditures and adjusting for cash interest and current taxes, and before decreases or increases in working capital.

**Why we use the measure and why it is useful to investors:** It provides useful information related to Chemtrade's cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.

### Distributable cash after maintenance capital expenditures per unit

**Definition:** Distributable cash after maintenance capital expenditures per unit is calculated as distributable cash after maintenance capital expenditures divided by the weighted average number of units outstanding.

**Why we use the measure and why it is useful to investors:** It provides useful information related to Chemtrade's cash flows including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities.

### Payout ratio

**Definition:** Payout ratio is calculated as Distributions declared per unit divided by Distributable cash after maintenance capital expenditures per unit.

**Why we use the measure and why it is useful to investors:** It provides useful information related to Chemtrade's cash flows including Chemtrade's ability to pay distributions to Unitholders.

(\$'000, except per unit metrics and ratios)	<u>Three months ended</u>		<u>Twelve months ended</u>
	March 31, 2024	March 31, 2023	March 31, 2024
Cash flows from operating activities	\$2,412	\$54,372	\$349,503
Add (Less):			
Lease payments net of sub-lease receipts	(14,643)	(14,083)	(58,816)
Increase in working capital	78,612	45,174	33,454
Changes in other items <sup>(1)</sup>	8,874	19,643	33,269
Maintenance capital expenditures <sup>(2)</sup>	(15,361)	(17,531)	(102,079)
Distributable cash after maintenance capital expenditures	\$59,894	\$87,575	\$255,331
Divided by:			
Weighted average number of units outstanding	117,136,762	115,657,409	116,578,501
Distributable cash after maintenance capital expenditures per unit	\$0.51	\$0.76	\$2.19
Distributions declared per unit <sup>(3)</sup>	\$0.165	\$0.15	\$0.615
Payout ratio (%)	32%	20%	28%

(1) Changes in other items relate to Cash interest and current taxes.

(2) Maintenance capital expenditures are a Supplementary financial measure. See "Supplementary financial measures" for more information.

(3) Based on actual number of units outstanding on record date.

#### Net debt

**Most directly comparable IFRS financial measure:** Total long-term debt, Debentures, lease liabilities, and long-term lease liabilities, less cash and cash equivalents.

**Definition:** Net debt is calculated as the total of long-term debt, the principal value of Debentures, lease liabilities and long-term lease liabilities, less cash and cash equivalents.

**Why we use the measure and why is it useful to investors:** It provides useful information related to Chemtrade's aggregate debt balances.

(\$'000)	As of March 31, 2024	As of March 31, 2023
Long-term debt <sup>(1)</sup>	\$322,468	\$327,784
Add (Less):		
Debentures <sup>(1)</sup>	425,527	627,297
Long-term lease liabilities	140,957	107,757
Lease liabilities <sup>(2)</sup>	52,274	47,866
Cash and cash equivalents	(27,543)	(132,715)
Net debt	\$913,683	\$977,989

(1) Principal amount outstanding.

(2) Presented as current liabilities in the condensed consolidated interim statements of financial position.

## Growth capital expenditures

**Most directly comparable IFRS financial measure:** Capital expenditures

**Definition:** Growth capital expenditures are calculated as capital expenditures less Maintenance capital expenditures, plus investments in joint ventures.

**Why we use the measure and why it is useful to investors:** It provides useful information related to the capital spending and investments intended to grow earnings.

(\$'000)	<u>Three months ended</u>		<u>Year ended</u>
	<u>March 31,</u> <u>2024</u>	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2023</u>
Capital expenditures	\$35,227	\$27,903	\$166,395
Add (Less):			
Maintenance capital expenditures	(15,361)	(17,531)	(104,249)
Non-maintenance capital expenditures <sup>(1)</sup>	19,866	10,372	62,146
Investment in Joint Venture <sup>(2)</sup>	-	-	-
<b>Growth capital expenditures</b>	<b>\$19,866</b>	<b>\$10,372</b>	<b>\$62,146</b>

(1) Non-maintenance capital expenditures is a Supplementary financial measure.

(2) Joint venture with KPCT Advanced Chemicals LLC ("KPCT") to build an ultrapure sulphuric acid facility in Arizona.

## Total of segments measures

Total of segments measures are financial measures disclosed by an entity that (a) are a subtotal of two or more reportable segments, (b) are not a component of a line item disclosed in the primary financial statements of the entity, (c) are disclosed in the notes of the financial statements of the entity, and (d) are not disclosed in the primary financial statements of the entity.

The following section provides an explanation of the composition of the Total of segments measures.



## Adjusted EBITDA

**Most directly comparable IFRS financial measure:** Net earnings (loss)

(\$'000, except per unit metrics and ratios)	<u>Three months ended</u>		<u>Twelve months ended</u>	
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023
Net earnings (loss)	\$41,955	\$79,533	\$211,741	\$249,319
Add (less):				
Depreciation and amortization	44,890	52,140	210,240	217,490
Net finance costs (income)	5,642	(12,736)	42,386	24,008
Income tax expense (recovery)	12,244	13,875	40,422	42,053
Change in environmental and decommissioning liability	(730)	894	5,608	7,232
Net loss (gain) on disposal and write-down of PPE	711	1,787	(3,078)	(2,002)
(Gain) loss on disposal of assets	-	-	(24,337)	(24,337)
Unrealized foreign exchange loss (gain)	5,222	(3,824)	(2,080)	(11,126)
<b>Adjusted EBITDA</b>	<b>\$109,934</b>	<b>\$131,669</b>	<b>\$480,902</b>	<b>\$502,637</b>

## Capital management measures

Capital management measures are financial measures disclosed by an entity that (a) are intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital, (b) are not a component of a line item disclosed in the primary financial statements of the entity, (c) are disclosed in the notes of the financial statements of the entity, and (d) are not disclosed in the primary financial statements of the entity.

## Net debt to LTM Adjusted EBITDA

**Definition:** Net debt to LTM Adjusted EBITDA is calculated as Net debt divided by LTM Adjusted EBITDA. LTM Adjusted EBITDA represents the last twelve months' Adjusted EBITDA

**Why we use the measure and why it is useful to investors:** It provides useful information related to Chemtrade's debt leverage and Chemtrade's ability to service debt. Chemtrade monitors Net debt to LTM Adjusted EBITDA as a part of liquidity management to sustain future investment in the growth of the business and make decisions about capital.

## Supplementary financial measures

Supplementary financial measures are financial measures disclosed by an entity that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position, or cash flow of an entity, (b) are not disclosed in the financial statements of the entity, (c) are not non-IFRS financial measures, and (d) are not non-IFRS ratios.

The following section provides an explanation of the composition of those Supplementary financial measures.

## Maintenance capital expenditures

Represents capital expenditures that are required to sustain operations at existing levels and include major repairs and maintenance and plant turnarounds.

### **Non-maintenance capital expenditures**

Represents capital expenditures that 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.

### **Cash interest**

Represents the interest expense on long-term debt, interest on Debentures, and pension plan interest expense and interest income.

### **Cash tax**

Represents current income tax expense.

### **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: that 2024 result will be weaker than 2023; that 2024 Adjusted EBITDA will be at the higher end of the previously communicated guidance range of \$395 million to \$435 million; that we will generate stronger Adjusted EBITDA in the second half of 2024; our ability to commission the expanded Cairo facility and the timing thereof; that growth opportunities being invested in this year will contribute meaningfully to results in 2025 and beyond; our ability to expand manufacturing capacity for higher growth Water products and produce new specialized products; our belief that Chemtrade remains well-positioned for continued success moving forward; our intention to supplement organic growth initiatives with M&A and our ability to identify strategic opportunities and the quantum thereof; our belief that the mid-point of the 2024 Adjusted EBITDA range of \$415 million represents a sustainable level of mid-cycle earnings with the current business portfolio; the expected stated maintenance capital expenditures, growth capital expenditures, lease payments, cash interest and cash tax; our expectations regarding lower 2024 Adjusted EBITDA compared to 2023 due to expected lower average selling prices for caustic soda due to lower NE Asia index prices, the expected impact of a turnaround at the North Vancouver chlor-alkali plant, the expected lower sales volumes of sodium chlorate; the anticipated higher cost of raw materials for water treatment chemicals; and the expected stronger Canadian dollar relative to the U.S. dollar; our intention to invest between \$60.0 million and \$90.0 million in growth capital expenditures and its allocation between the ultrapure sulphuric acid business, water treatment chemicals and other organic growth projects; the expected cost and timing of construction completion, and the expected timing of start-up and commercial ramp-up of the Cairo project; our ability to be the first North American UPA plant to meet the quality requirements of the next generation semiconductor nodes, our ability to retain our position as the top North American supplier to the semiconductor industry; our intention to update the expected return of the Cairo project and timing thereof; the ability of our KPCT joint venture Arizona planned project to generate an acceptable level of return and the timing thereof; our belief that the business has undergone a step-change improvement since prior to COVID; the expected minimal impact of the increase in cash distributions on leverage and on our ability to execute growth initiatives while maintaining a healthy balance sheet; our intention to implement a Normal Course Issuer Bid and timing, parameters and TSX acceptance thereof; our expectation that our key leverage ratio will remain below two times EBITDA at the end of 2024; our intention to allocate capital across strategic growth investments, strong balance sheet maintenance and return of capital to unitholders; and our intention and ability to pursue value-enhancing initiatives, including our ability to retire our maturing convertible debentures and the timing thereof.

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 North American lockdowns or stay-at-home orders issued due to a pandemic outbreak in 2024; there being no service slowdowns, delays, and/or interruptions that can affect our operations due to rail disruptions; there being no significant unplanned downtime nor labour disruptions affecting Chemtrade’s principal manufacturing facilities; the stated North American MECU sales volumes and sodium chlorate production volumes; the 2024 realized MECU netback being lower than 2023 by the stated amount ; the stated average CMA NE Asia caustic spot price index; and the stated U.S. dollar average foreign exchange rate; and the stated range of LTIP costs.

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.sedarplus.com](http://www.sedarplus.com).

A conference call to review the first quarter 2024 results will be webcast live on Thursday, May 16, 2024 at 8:30 a.m. ET. To access the webcast [click here](#).

###

For further information:

Rohit Bhardwaj  
Chief Financial Officer  
Tel: (416) 496-4177

Ryan Paull  
Senior Manager, Corporate Development  
Tel: (973) 515-1831