MARTIN
MIDSTREAM
PARTNERS

# 2017

## WELLS FARGO
## MLP SYMPOSIUM
## DECEMBER 7

# USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures such as EBITDA and Adjusted EBITDA. These non-GAAP financial measures are not meant to be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States (GAAP). A reconciliation of non-GAAP financial measures included in this presentation to the most directly comparable financial measures calculated and presented in accordance with GAAP is set forth in the Appendix of this presentation or on our web site at www.martinmidstream.com.

MMLP's management believes that these non-GAAP financial measures may provide useful information to investors regarding MMLP's financial condition and results of operations as they provide another measure of the profitability and ability to service its debt and are considered important measures by financial analysts covering MMLP and its peers.

# FORWARD LOOKING STATEMENTS

Statements included that are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance or assumptions or forecasts related thereto), are forward-looking statements. These statements can be identified by the use of forward-looking terminology including “forecast,” “may,” “believe,” “will,” “expect,” “anticipate,” “estimate,” “continue,” or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other “forward-looking” information. We and our representatives may from time to time make other oral or written statements that are also forward-looking statements.

These forward-looking statements are based upon management’s current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Because these forward-looking statements involve risks and uncertainties, actual results could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons. A discussion of these factors, including risks and uncertainties, is set forth in Martin Midstream Partners L.P.’s annual and quarterly reports filed from time to time with the Securities and Exchange Commission. Martin Midstream Partners L.P. expressly disclaims any intention or obligation to revise or update any forward-looking statements whether as a result of new information, future events, or otherwise.

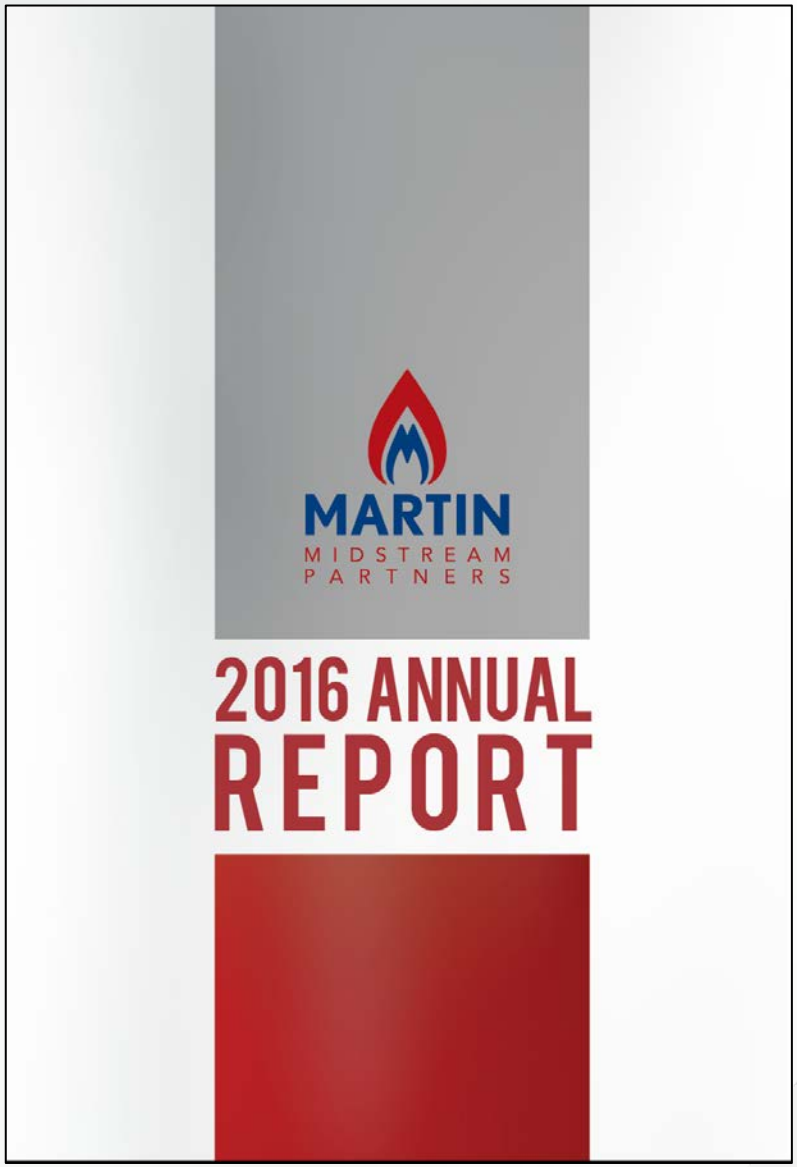


# WELCOME & MMLP OVERVIEW

# MARTIN MIDSTREAM PARTNERS L.P. OVERVIEW
## (MMLP) OVERVIEW

- NASDAQ Listed: MMLP
- Formed October 31, 2002
- MMLP is a publicly traded, diversified master limited partnership with operations including:
  - Terminalling & Storage
  - Natural Gas Services
  - Sulfur Services
  - Marine Transportation
- MMLP Trading Summary [1]
  - Unit Price: $13.75
  - Units Outstanding 38.4 million
  - Market Cap: $528.7 million
  - Quarterly Distribution: $0.50/$2.00 annualized
  - Current Yield: 14.5%

[1] As of December 4, 2017 close



# MARTIN MIDSTREAM PARTNERS L.P.

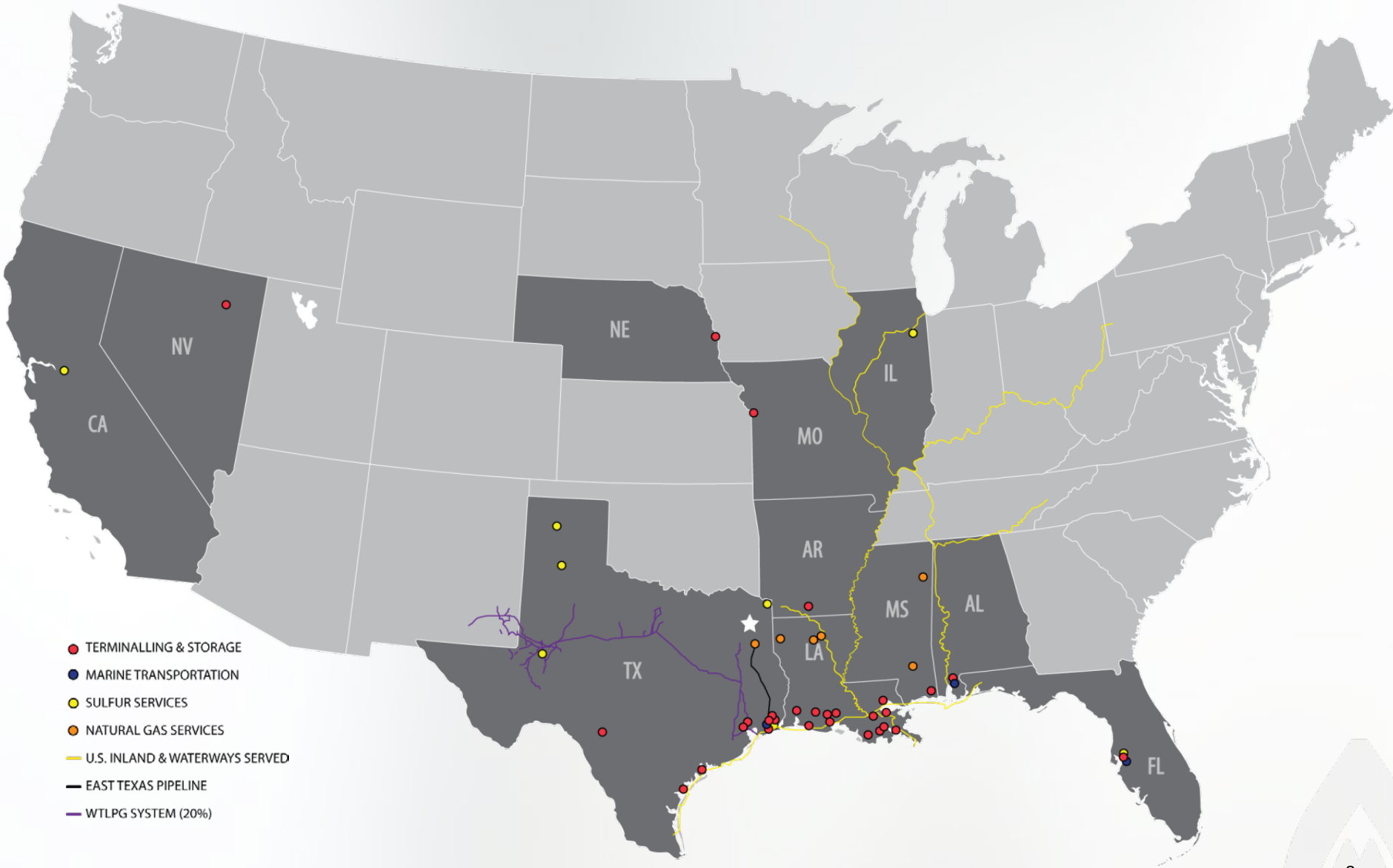
## KEY INVESTMENT HIGHLIGHTS

| | |
|---|---|
| Fee-Based Contracts | • Majority (nearly 70%) of cash flows generated from fee-based contracts which include take or pay, reservation and minimum volume commitments |
| Fully Integrated, Diversified Service Provider | • Diversified asset base with four complementary business units that create an integrated distribution network with the ability to handle and transport specialty products |
| Attractive Operating Footprint | • Strategically located assets in areas of concentrated customer activity; primarily U.S. Gulf Coast – "Refinery Belt" |
| Proven Access To Capital | • 12 public equity offerings since IPO for approximately $925 million in net proceeds[(1)] |
| Stable, Diversified Customer Base | • High-quality base of industry leading customers including major oil and gas companies, independent refiners, large chemical companies and fertilizer manufacturers |

[(1)] Includes GP Contribution and net ATM issuance proceeds

# MARTIN MIDSTREAM PARTNERS L.P. OVERVIEW

## MMLP ASSET LOCATIONS – ALL SEGMENTS



# MARTIN MIDSTREAM PARTNERS L.P.

## STRONG FEE BASED CONTRACT MIX

### Natural Gas Services

- Fee-based, multi-year natural gas storage contracts (weighted average life approximately 4 years as of December 31, 2016)
- Fee-based, regulated common carrier tariffs (WTLPG)
- Margin-based, wholesale NGLs

### Terminalling & Storage

- Fee-based, multi-year contracts for traditional storage assets – Specialty and Shore-Base Terminals (with minimum volume commitments)
- Fee-based, long-term tolling agreement for Smackover Refinery (with guaranteed minimum volume)
- Margin-based, lubricants contracts/revenue

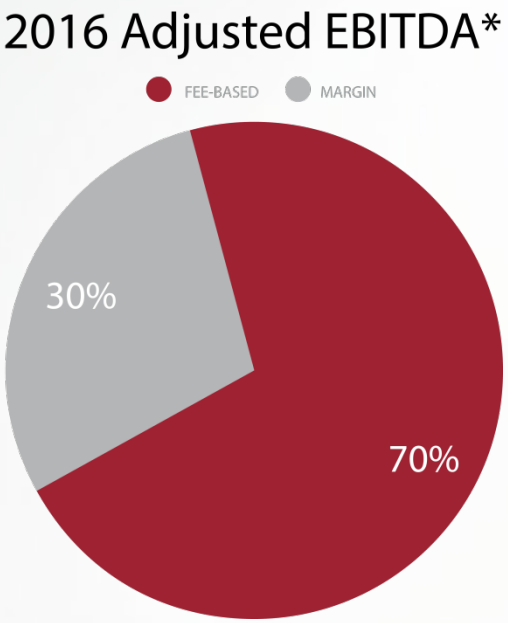
### Sulfur Services

- Fee-based, multi-year "take-or-pay" contracts for prilling assets
- Fee-based, molten sulfur transportation and handling contract
- Margin-based, fertilizer contracts/revenue

### Marine Transportation

- Fee-based, day-rate contracts

Note: "Margin-based" contracts typically represent buy/sell contracts that are priced off of the same benchmark simultaneously




*Adjusted for divestiture of Corpus Christi terminal assets fee/margin split would be 68%/32%

# MARTIN MIDSTREAM PARTNERS L.P.

## HIGH QUALITY LONG-TERM CUSTOMER BASE

- Long-term customer relationships are a key driver of our success
- Full value chain solutions for handling and logistics
- Customers include some of the largest, most recognizable businesses in the energy industry. These include major oil and gas companies, independent refiners, large chemical companies, and fertilizer manufacturers
- Top customers by revenue shown to the right



# MARTIN RESOURCE MANAGEMENT CORPORATION OVERVIEW

## ( MRMC) OVERVIEW

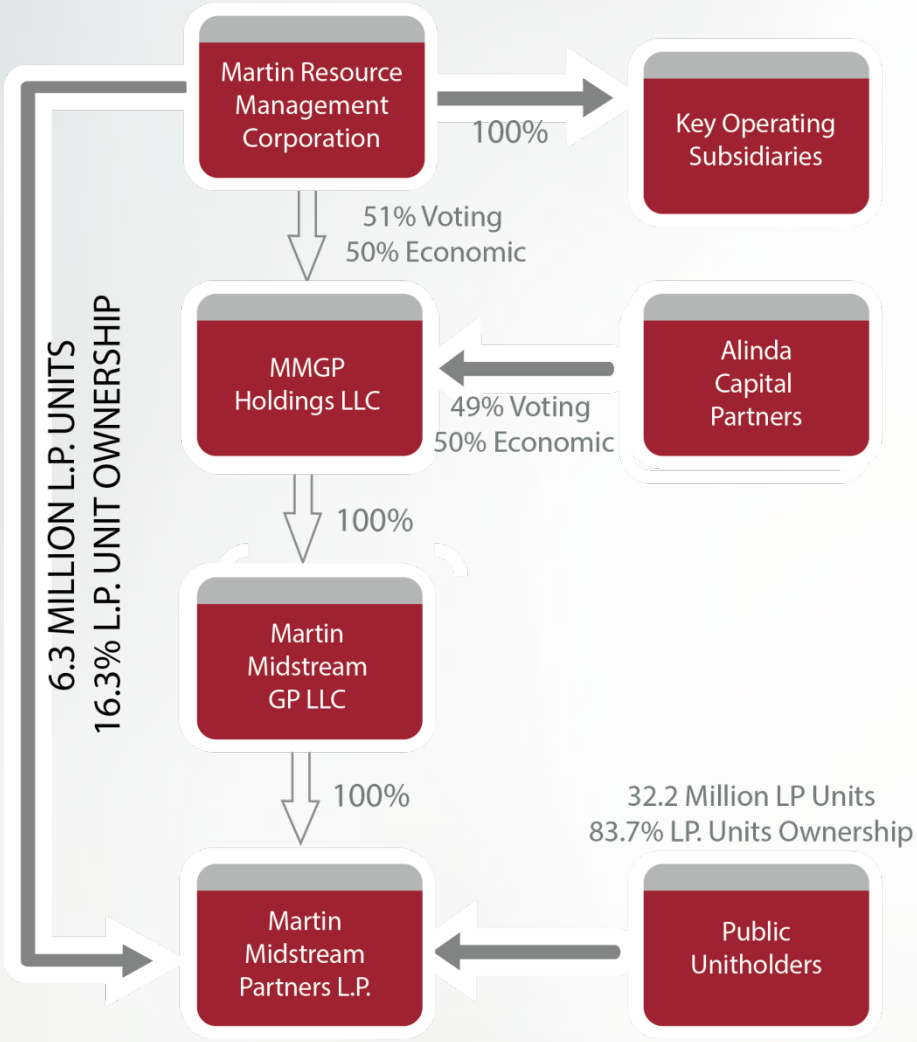
- Based in Kilgore, TX, since 1951, MRMC is a leading independent provider of storage, manufacturing, marketing, and distribution services to energy, petrochemical and other industrial concerns
- Approximately 1,900 employees
- In 2016, MRMC operating entities generated revenue in excess of $1.1 billion[(1)]
- Fully employee-owned through ESOP as of December 2013
    - IRS approved S-Corp 1/1/2014
- Owns 51% voting interest in the general partner of MMLP
    - 6.3 million units (16.3% limited partnership unit ownership)
- Key MRMC Operating Subsidiaries
    - Martin Energy Services LLC
    - Martin Transport, Inc.
    - Cross Oil Refining & Marketing, Inc.
    - Martin Product Sales LLC
- As a major counterparty of MMLP, MRMC's financial stability is vitally important to the Partnership. MRMC has and continues to enhance its credit profile. MRMC significantly de-levered its balance sheet during 2017.

MARTIN
RESOURCE
MANAGEMENT

# MARTIN MIDSTREAM PARTNERS L.P.

## STRONG GENERAL PARTNER SUPPORT

- MRMC's operations support MMLP's cash flow
  - MRMC's distinct assets and business units are complementary to MMLP
  - MRMC's contractual relationships with MMLP are designed to move commodity pricing volatility away from MMLP leaving behind stable, fee-based cash flow
  - Approximately 25% of 2016 MMLP Adjusted EBITDA derived from contracts with MRMC
- MRMC has significantly assisted in MMLP's growth and is committed to the Partnership
  - MRMC has provided over $400 million in asset drop-downs since IPO
  - MRMC owns 16.3% of outstanding LP units
- Alinda Capital Partners ("Alinda") has a 49% voting/50% economic interest in the general partner of MMLP



# MARTIN MIDSTREAM PARTNERS L.P.

## 2017E GUIDANCE BY SEGMENT



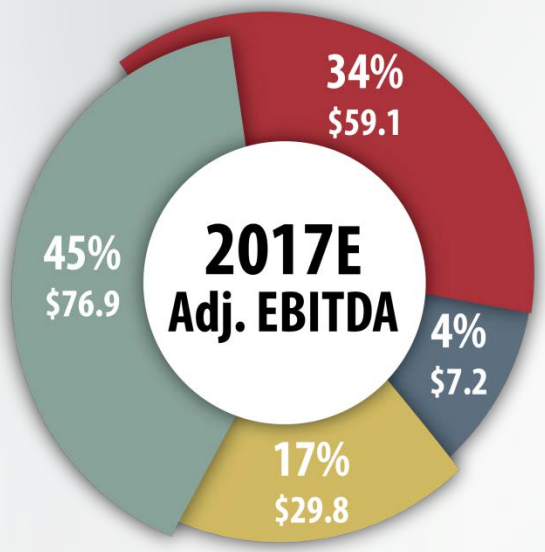
Natural Gas Services

$76.9



Sulfur Services

$29.8




$157.4 million Adjusted EBITDA

($173.0 million before $15.6 million unallocated SG&A and other non-operating income)

Maintenance Capital expenditures (incl. turnaround expenses) projected to be ~$20 million



Terminalling & Storage

$59.1



Marine Transportation

$7.2

$ millions

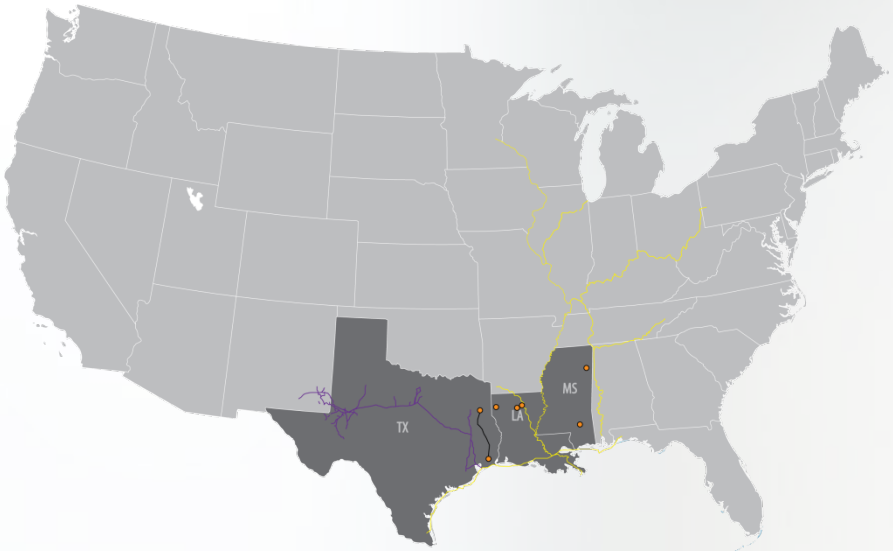



# OPERATIONAL OVERVIEW

# MARTIN MIDSTREAM PARTNERS L.P.

## NATURAL GAS SERVICES OVERVIEW

- Cardinal Gas Storage operates approximately 50 billion cubic feet of natural gas storage capacity across four facilities throughout northern Louisiana and Mississippi.
- MMLP distributes NGLs purchased primarily from refineries and natural gas processors. MMLP stores and transports NGLs for wholesale delivery to propane retailers, refineries and industrial NGL users in Texas and the Southeastern U.S. MMLP owns a NGL pipeline, which spans approximately 200 miles from Kilgore, TX to Beaumont, TX and owns approximately 2.4 million barrels of underground storage capacity for NGLs.
- MMLP owns a combined 20% non-operating interest in WTLPG. WTLPG owns an approximate 2,300 mile common carrier pipeline system that transports NGLs from New Mexico and Texas to Mont Belvieu, TX for fractionation.




| | ACTUAL | GUIDANCE |
|---|---|---|
| Key Assets | 9M 2017 Adj. EBITDA | 2017E Adj. EBITDA |
| Cardinal | $29.4 | $36.3 |
| Butane | $11.2 | $26.1 |
| WTLPG | $4.2 | $8.8 |
| NGLs | $0.9 | $2.5 |
| Propane | $0.4 | $3.2 |
| Total NGS | $46.1 | $76.9 |

$ millions

# MARTIN MIDSTREAM PARTNERS L.P. – NATURAL GAS SERVICES

## CARDINAL GAS STORAGE

### Firm Contracted/Fee-Based Storage Model

- Firm contracted model for natural gas storage with interruptible service upside
- Long term contracts – Cardinal's weighted average contract life of approximately 4 years protects against significant cash flow deterioration in the near term
- Potential storage demand drivers:
  - LNG exports
  - Natural gas exports to Mexico
  - Increasing industrial and petrochemical use
  - Coal-fired power conversions to natural gas
- Increased volatility – Due to demand drivers above, natural gas price volatility should enhance the value of storage assets

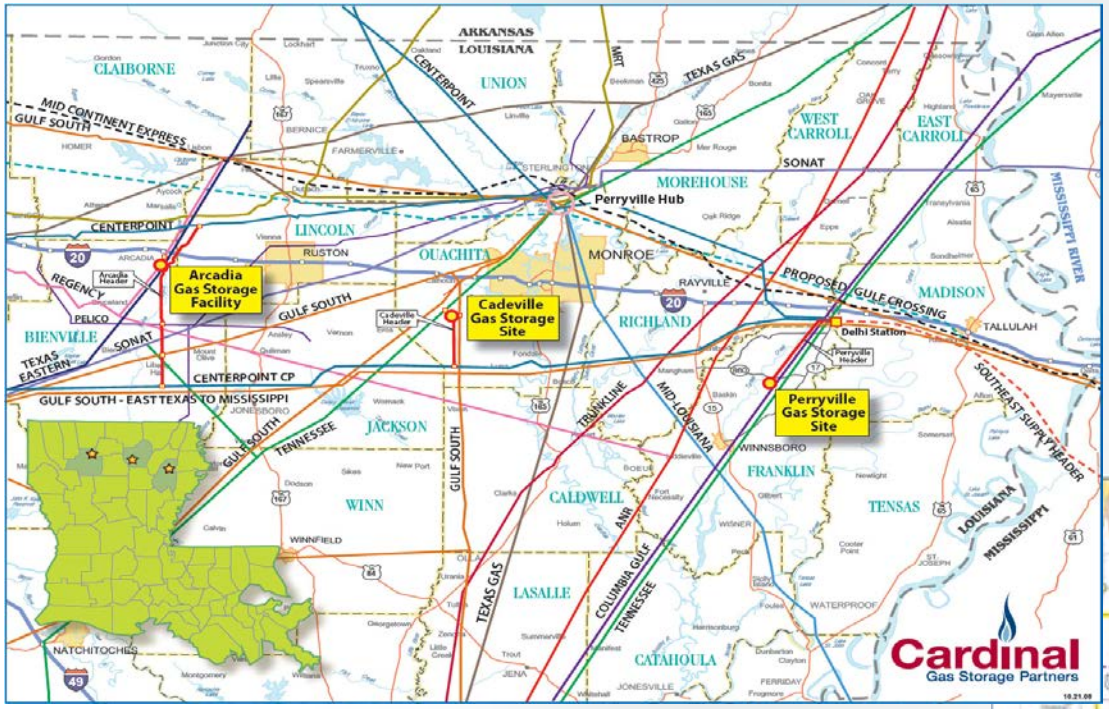
### Cardinal Contract Summary

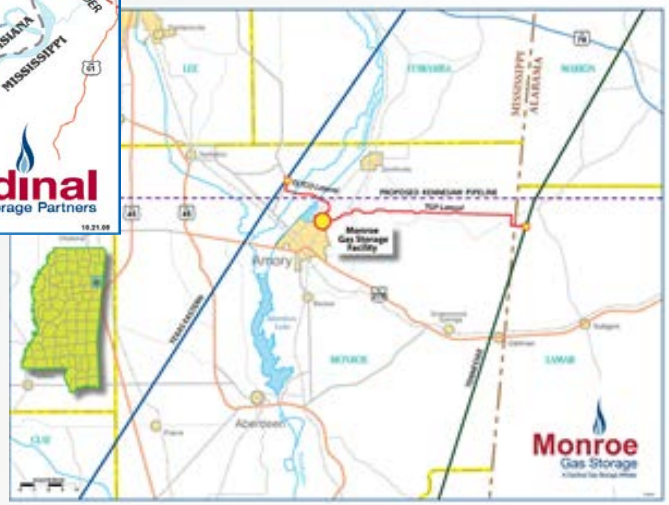
| | Type | Working Gas Capacity (bcf) | Currently Contracted | Years |
|---|---|---|---|---|
| Arcadia | Salt Cavern | 16.3 | 89% | 2.6 |
| Cadeville | Depleted Reservoir | 17.0 | 100% | 6.4 |
| Perryville | Salt Cavern | 9.0 | 94% | 2.0 |
| Monroe | Depleted Reservoir | 7.4 | 89% | 3.3 |
| | Total | 49.7 | 94% | |

Source 10K, December 31, 2016

# MARTIN MIDSTREAM PARTNERS L.P. – NATURAL GAS SERVICES

## CARDINAL GAS STORAGE ASSET LOCATIONS




### Arcadia Gas Storage

- Salt dome facility (Arcadia, LA) – 16.3 bcf

### Perryville Gas Storage

- Salt dome facility (Delhi, LA) – 9.0 bcf

### Cadeville Gas Storage

- Depleted reservoir facility (Monroe, LA) – 17.0 bcf

### Monroe Gas Storage

- Depleted reservoir facility (Amory, MS) – 7.4 bcf

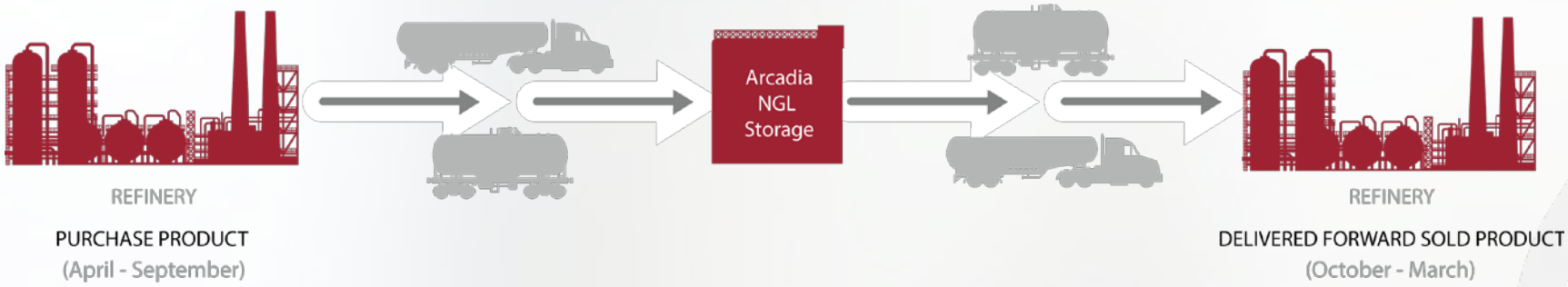
# MARTIN MIDSTREAM PARTNERS L.P. – NATURAL GAS SERVICES

## BUTANE OPTIMIZATION

### Butane Optimization

- Refineries adjust the vapor pressure of gasoline to meet seasonal EPA standards and are allowed to blend butane into gasoline pool during winter months
- MMLP owns and leases a network of underground storage facilities in Louisiana. At the owned Arcadia, LA facility, MMLP has rail and truck transloading capabilities.

### SAMPLE BUTANE EXCHANGE



# MARTIN MIDSTREAM PARTNERS L.P. – NATURAL GAS SERVICES

## WEST TEXAS LPG PIPELINE L.P. (WTLPG)

- The WTLPG system is approximately 2,300 miles of Y-grade pipeline from Eastern New Mexico to Mt. Belvieu, TX
- MMLP owns 20% interests in WTLPG (OKS is owner/operator of remaining 80%)
- Nameplate capacity of approximately 240 MBbls/day; 2016 volumes were approximately 194MBbls/day, current volume approximately 205 Mbls/day
- Connection to Cajun Sibon pipeline provides delivery alternative to Mt. Belvieu, TX
- WTLPG is connected to MAPL system for further NGL supply from the Rockies region
- Moves west to east/southeast across multiple producing regions
    - Permian Basin
    - Barnett Shale
    - East Texas/Cotton Valley
- Opportunistically looking at access to Delaware Basin
- Texas Railroad Commission tariff dispute and adjudication process is ongoing
- Planned expansion into Delaware Basin on-line 3Q 2018

System Map



# MARTIN MIDSTREAM PARTNERS L.P. – NATURAL GAS SERVICES

## NGLs & PROPANE

### NGL

- Assets include 200-mile East Texas Pipeline transporting Y-grade from Kilgore, TX to Beaumont, TX for fractionation; East Texas market volumes gathered by truck for pipeline injection
- Spindeltop terminal supplies natural gasoline to Beaumont area customers

### Propane

- Wholesale propane distribution to approximately 100 regional customers throughout the Southeastern U.S.
- Propane volumes have declined over the past several decades as distributors are consolidated and alternative heat sources are utilized
- Martin LP provides retail propane distribution in the East Texas market

# MARTIN MIDSTREAM PARTNERS L.P.

## TERMINALLING & STORAGE OVERVIEW

- MMLP operates 40 terminal facilities with an aggregate storage capacity of 3.7 million barrels
- These facilities provide storage, refining, blending, packaging and handling services of petroleum products and by-products and petrochemicals through:
  - 26 marine shore-based terminals across the U.S. Gulf Coast
  - 14 specialty terminals throughout the U.S. Gulf Coast and other regions
- The location and composition of these terminals are structured to complement MMLP's other businesses




| | ACTUAL | GUIDANCE |
|---|---|---|
| T&S Segment | 9M 2017 Adj. EBITDA | 2017E Adj. EBITDA |
| Shore-Based Terminals | $11.1 | $15.7 |
| Martin Lubricants | $7.8 | $9.4 |
| Smackover Refinery | $16.0 | $20.7 |
| Specialty Terminals – Other | $7.3 | $13.3 |
| Total T&S | $42.2 | $59.1 |

$ millions

# MARTIN MIDSTREAM PARTNERS L.P. – TERMINALLING & STORAGE

## SPECIALTY TERMINALS

### Specialty Terminals Overview

- Network of 14 terminals which facilitate the movement of petroleum products and by-products and petrochemicals from oil refiners and natural gas processing facilities
- Specialized capabilities include the ability to store and handle products with a wide range of temperature requirements (-30° to +400°F) and receive products transported by vessel, barge, rail or truck
- Products handled include:
    - Anhydrous ammonia (temp requirement: -30°F)
    - Asphalt (temp requirement: up to 400°F)
    - Crude oil
    - Fuel oil
    - Molten Sulfur (temp requirement: 270°F)
    - Sulfuric acid
    - Other assorted petroleum products and by-products



*Port of Tampa Bay Terminal, Tampa, FL*

# MARTIN MIDSTREAM PARTNERS L.P. – TERMINALLING & STORAGE

## SPECIALTY TERMINALS

**Expertise In "Hard to Handle" Product and By-Product Logistics**

### Specialized Sites

- Hondo Asphalt Terminal
  - Acquired February 2017
  - Fully in-service as of September 1, 2017
- South Houston and Omaha Asphalt
  - Asphalt terminalling and processing facilities Backed with minimum throughput guarantee (with MRMC)
- Dunphy
  - Elko, NV sulfuric acid terminal serving the mining industry
  - Minimum throughput guarantee (with MRMC)
- Tampa
  - Asphalt and fuel oil terminalling capabilities
  - Minimum throughput guarantees (with MRMC and multiple other counterparties)

### Specialized Sites (continued)

- Beaumont Neches
  - Multi-service terminal
  - Sulfur offtake and gathering point for Texas and Louisiana refiners
  - Deep water and barge dock access
  - Serviced by 3 rail lines (BNSF, KCS, UP)
  - Dry bulk shiploader – 20,000 tons/day
  - Additional 96 acres available for expansion
- Beaumont Spindletop
  - Natural gasoline terminal providing feedstock to petrochemical manufacturer
- Beaumont Stanolind
  - Multi-product handling facility

# MARTIN MIDSTREAM PARTNERS L.P. – TERMINALLING & STORAGE

## MARINE SHORE-BASED TERMINALS

### Gulf Coast Fuel and Lubricant Distribution Network

- 26 terminals along the Gulf Coast from Blakeley Island, AL to Port O'Connor, TX
- Terminalling assets utilized by Martin Energy Services (MRMC) to facilitate the distribution and marketing of fuel and lubricants to oil and gas exploration and production companies, oilfield service companies, marine transportation companies and offshore construction companies
- Additional logistical support services provided:
    - Storage and handling of tubular goods
    - Loading and unloading bulk materials
    - Providing facilities and equipment to store and mix drilling fluids
- Fee-based contract structure provides stable cash flow
    - MVC contract with MRMC guaranteeing minimum fuel throughput

# MARTIN MIDSTREAM PARTNERS L.P. – TERMINALLING & STORAGE

## SMACKOVER REFINERY

### Specialized Naphthenic Refinery

- 7,700 bpd capacity naphthenic lube refinery located in Smackover, AR
- Specialized facility processes crude oil into finished products including naphthenic lubricants, distillates and asphalt
- Naphthenic lubricants have customized industrial uses including
  - Transformer oils
  - Rubber extenders
  - Base oil for lubricants
- Fee-based contract structure provides stable cash flow
  - Long-term tolling agreement with MRMC eliminates commodity exposure and working capital requirements

# MARTIN MIDSTREAM PARTNERS L.P. – TERMINALLING & STORAGE

## MARTIN LUBRICANTS

### Lubricant Blending & Packaging

- Specialty lubricant product blending and packaging assets located within MMLP's Smackover Refinery in Smackover, AR includes:
  - 235,000 sq. ft. warehouse
  - 3.9 million gallons bulk storage
- MMLP purchases base oils to blend and package branded and private label lubricants for agriculture, fleet, and industrial applications

### Grease

- Additional commercial and industrial grease processing and packaging assets located in Kansas City, MO including:
  - 75,000 sq. ft. warehouse
  - 0.2 million gallons bulk storage



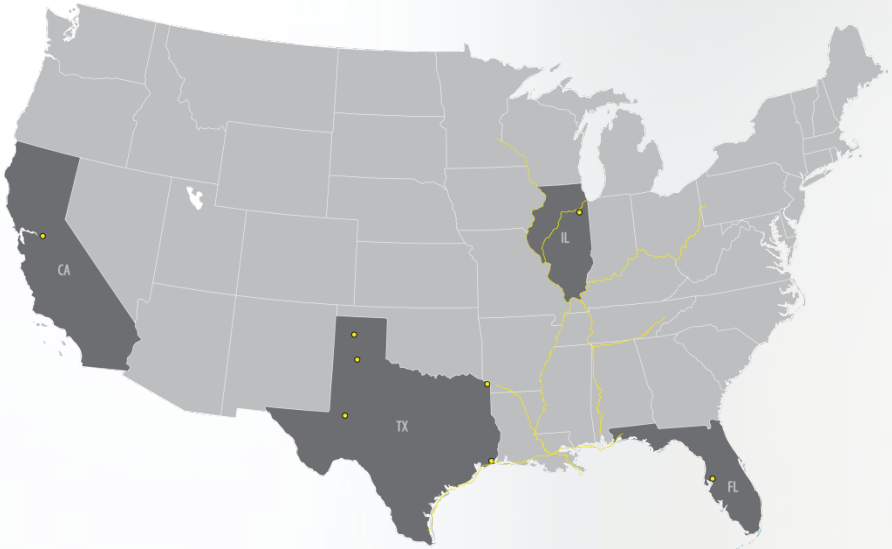



*Packaging Facility, Smackover, AR*

# MARTIN MIDSTREAM PARTNERS L.P.

## SULFUR SERVICES OVERVIEW

- Molten sulfur, a refinery by-product, is aggregated, stored, prilled and transported through MMLP's integrated value chain systems
- MMLP manufactures and markets sulfur-based fertilizers and related sulfur products (sulfuric acid) to wholesale fertilizer distributors and industrial users



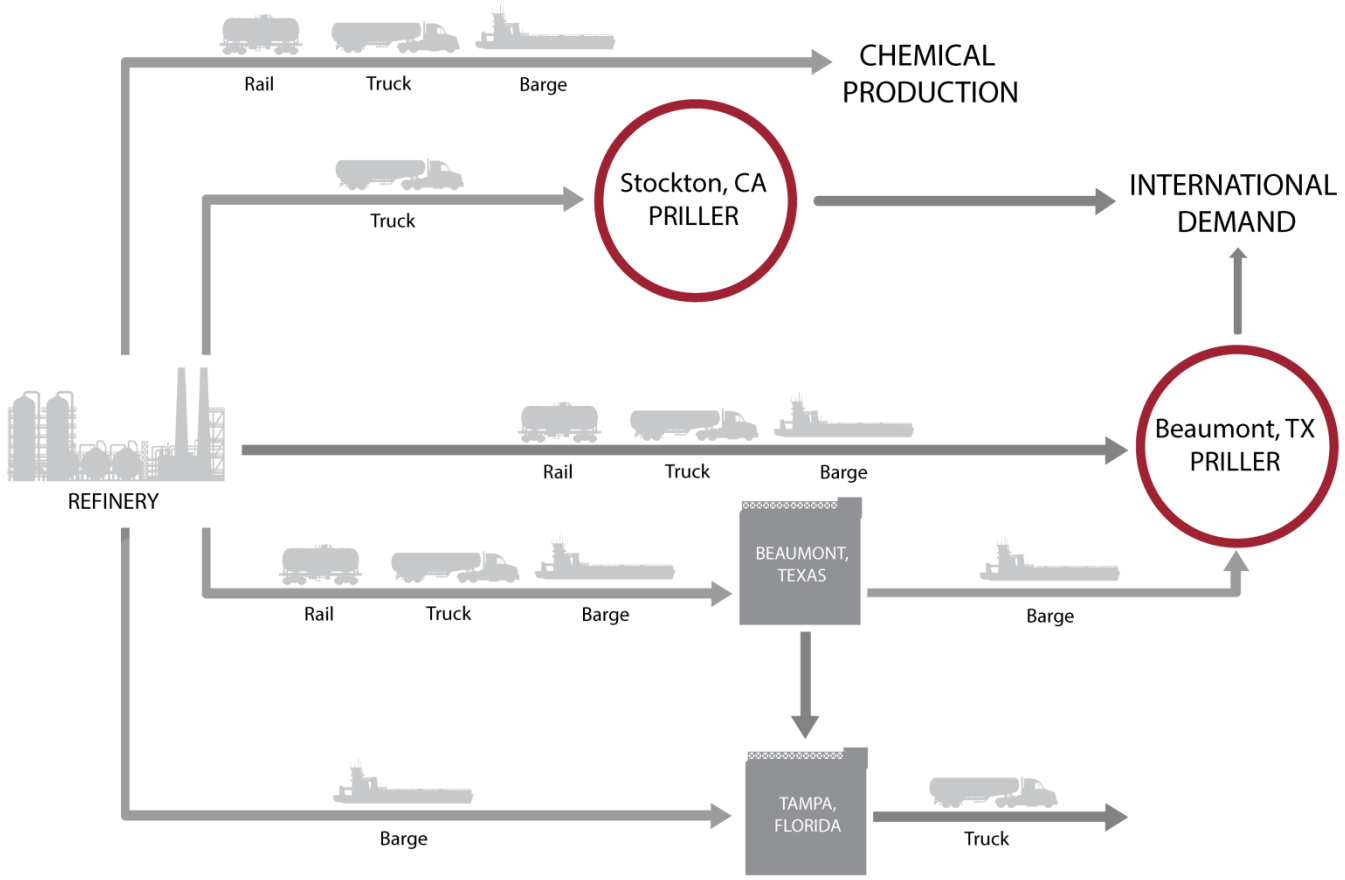

| | ACTUAL | GUIDANCE |
|---|---|---|
| Sulfur Services Segment | 9M 2017 Adj. EBITDA | 2017E Adj. EBITDA |
| Fertilizer | $15.4 | $15.8 |
| Molten Sulfur | $4.9 | $6.6 |
| Sulfur Prilling | $5.0 | $7.4 |
| Total Sulfur Services | $25.3 | $29.8 |

$ millions

# MARTIN MIDSTREAM PARTNERS L.P. – SULFUR SERVICES

## INTEGRATED VALUE CHAIN

- Provides transportation, processing and marketing services necessary to move product from producer to consumer
- Intermodal transportation offers multiple fee opportunities for MMLP



# MARTIN MIDSTREAM PARTNERS L.P. – SULFUR SERVICES

## FERTILIZER

### Fertilizer Overview

- MMLP manufactures and markets sulfur-based fertilizers and related sulfur products for agricultural and industrial use from manufacturing plants in Texas, Illinois and Utah
- Typical customers include large distributors that own or control local retail and wholesale distribution outlets

### Supply/Demand

- The single largest factor influencing fertilizer demand in the U.S. is corn acres planted
- Global population growth is expected to further increase demand for corn from the U.S. (food/fuel-ethanol)
- Approximately 90 million were planted in 2017, we estimate approximately 90-92 acres will be planted in 2018

# MARTIN MIDSTREAM PARTNERS L.P. – SULFUR SERVICES

## MOLTEN SULFUR

### Handling and Transportation Agreement

- MMLP handles molten sulfur and fulfills customer needs by transporting product from Gulf Coast refineries to the Tampa market for fertilizer production

### Supply

- Sulfur production is driven by refinery utilization and demand for refined products
- Refiners require security of by-product offtake

### Demand

- Demand for sulfur is primarily driven by fertilizer and sulfuric acid demand both of which are correlated with global economic drivers

| Assets | Capacity | Products |
|---|---|---|
| Offshore Tank Barge | 10,450 Long Tons | Molten Sulfur |
| Offshore Tugboat | 7,200 Horsepower | N/A |
| Inland Push Boat | 1,200 Horsepower | N/A |
| MGM 101 | 2,450 Long Tons | Molten Sulfur |
| MGM 102 | 2,450 Long Tons | Molten Sulfur |

Note: MMLP has molten sulfur storage in Tampa, FL, Beaumont, TX, Plainview, TX and Stockton, CA

# MARTIN MIDSTREAM PARTNERS L.P. – SULFUR SERVICES

## PRILLED SULFUR

### Prilling Agreements

- Refiners pay MMLP minimum reservation fees, plus operating fees for prilling services
- Contracts consist of 3 to 5 year service agreements with evergreen provisions – long term customer relationships

### Supply/Demand

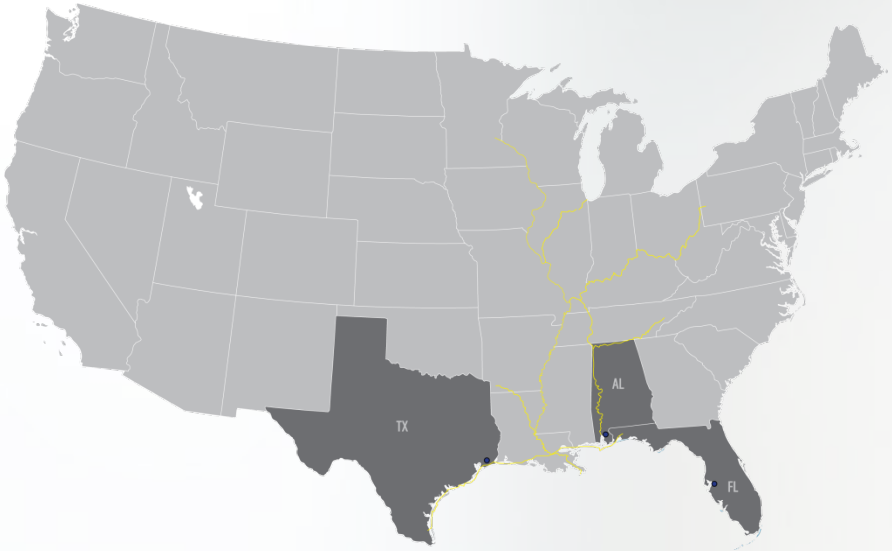
- Security of sulfur/by-product offtake is critical to operational stability of all refiners
- Prilled sulfur enables large scale transportation for export on dry bulk vessels
- At Beaumont, TX the export option provides pricing leverage for Gulf Coast refiners selling sulfur into the domestic market
- At Stockton, CA export is the primary option for disposal of a refinery's residual sulfur production

| Terminal | Location | Production Capacity | Products Stored |
|---|---|---|---|
| Neches | Beaumont, TX | 5,500 metric tons/day | Molten, prilled & granulated sulfur |
| Stockton | Stockton, CA | 1,000 metric tons/day | Molten & prilled sulfur |

# MARTIN MIDSTREAM PARTNERS L.P.

## MARINE TRANSPORTATION OVERVIEW

- MMLP utilizes a fleet of inland and offshore tows to provide marine transportation of petroleum products and by-products
- MMLP's marine transportation business operates coastwise along the Gulf of Mexico, East Coast and on the U.S. inland waterway system, primarily between domestic ports along the Gulf of Mexico, Intracoastal Waterway, the Mississippi River system and the Tennessee-Tombigbee Waterway system.




| | ACTUAL | GUIDANCE |
|---|---|---|
| Marine Transportation Segment | 9M 2017 Adj. EBITDA | 2017E Adj. EBITDA |
| Inland | $6.9 | $9.6 |
| Offshore | $1.9 | $2.4 |
| Marine SG&A | $(3.5) | $(4.8) |
| Total Marine | $5.3 | $7.2 |

$ millions

# MARTIN MIDSTREAM PARTNERS L.P. – MARINE TRANSPORTATION

## ASSETS

### Marine Transportation

- 35 inland marine tank barges
- 19 inland push-boats
- 1 offshore tug and barge unit
- Ability to handle specialty products (asphalt, fuel oil, gasoline, sulfur and other bulk liquids), which complements the MMLP Specialty Terminals
- Marine Transportation contracts with other MMLP segments, MRMC, major and independent oil and gas refiners, and select international and domestic trading companies
- Fee-based day-rate contracts

### Profitability Drivers

- Supply of available marine equipment
- Refinery utilization and runs
- Demand for asphalt, heavy fuel oil and cutters

### Current Environment

- Weak day-rate environment due to oversupply of marine equipment
- Contract tenor trending toward short term and spot market bias
- Asset rationalization underway with goal to further reduce operating expenses



# RECENT GROWTH INITIATIVES

# MARTIN MIDSTREAM PARTNERS L.P.

## DELAWARE GROWTH OPPORTUNITY

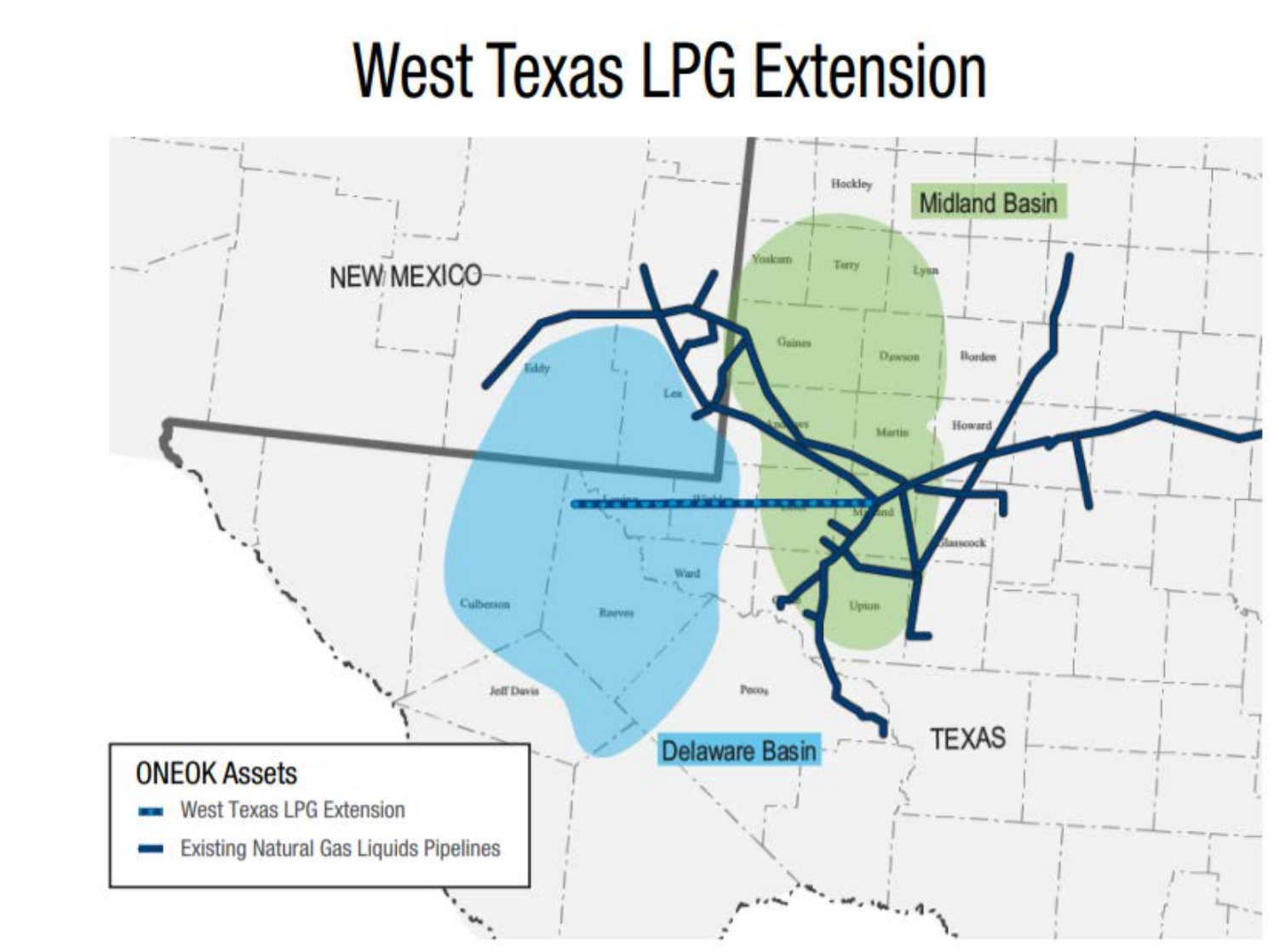
## *WTLPG to Expand in the Delaware Basin*

Project Scope – West Texas Pipeline Expansion:

Connect WTLPG to two planned 200 MMcfd processing plants in Reeves County, TX; Providing plant dedications of up to 40 MBpd – 122 miles, 16" lateral, with initial capacity of 110 MBpd – total capital: $114 million

- Expand WTLPG's capacity from the Delaware Basin to Mont Belvieu by 30 MBpd – total capital: $89 million
    - 68 miles of pipeline looping
    - 2 new pump stations
    - 4 pump station upgrades

- Construction completion time: approximately 12 months




Source: Oneok, Inc.

# MARTIN MIDSTREAM PARTNERS L.P.

## HONDO ASPHALT TERMINAL DROP-DOWN

- $36.0 million purchase price
- $5.0 million annual EBITDA supported by minimum throughput commitments (~7.2x purchase multiple)
    - Contract runs through the paving season of 2030
- Approximately 178,000 barrel (32,000 ton) asphalt storage, blending and processing facility
- Approximately 40 miles west of the San Antonio city center
- Transportation advantaged over the competition in relation to serving San Antonio and the surrounding markets
    - Located in close proximity to multiple major quarries
    - Surrounded by numerous hot mix plants
- Strategic complement to our existing specialty terminals; specifically South Houston Asphalt, Omaha Asphalt, Tampa, and Port Neches Asphalt
- Third party supply optionality from the gulf coast and mid-west regions

## MARTIN MIDSTREAM PARTNERS L.P.

# HONDO ASPHALT TERMINAL DROP-DOWN





# FINANCIAL FOUNDATION

# MARTIN MIDSTREAM PARTNERS L.P.

## CAPITALIZATION

| | 12/31/2016 | 9/30/2017 |
|---|---|---|
| **DEBT** | | |
| Revolving Credit Facility Due 2020 | $443.0 | $463.0 |
| **Senior Secured Debt** | **$443.0** | **$463.0** |
| Senior Notes Due February 2021 | $373.8 | $373.8 |
| **Total Debt** | **$816.8** | **$836.8** |
| Partners' Capital | $312.0 | $298.9 |
| Total Capitalization | $1,128.8 | $1,135.7 |
| Market Capitalization | $650.6 | $644.0 |
| Enterprise Value | $1,467.4 | $1,480.8 |
| **CREDIT METRICS** | | |
| Revolver Capacity | $664.4 | $664.4 |
| Availability | $221.4 | $201.4 |
| Adjusted EBITDA per lender compliance [(1)] | $166.4 | $163.4 |
| Senior Debt/Adjusted EBITDA | 2.66x | 2.83x |
| Total Debt/Adjusted EBITDA | 4.91x | 5.12x |
| Debt/Cap | 72.4% | 73.7% |

(1) Adjusted EBITDA per lender compliance; including adjustments for divestiture of Corpus Christi terminalling assets



# APPENDIX: PARTNERSHIP GUIDANCE AND GAAP RECONCILIATIONS

$ millions

# MMLP 3Q 2017 ADJUSTED EBITDA COMPARISON TO GUIDANCE

| | Natural Gas Services | Terminalling & Storage | Sulfur Services | Marine Transportation | SG&A | Interest Expense | 3Q17 Actual |
|---|---|---|---|---|---|---|---|
| Net income (loss) | $7.3 | $(6.4) | $0.6 | $(0.7) | $(4.5) | $(12.6) | $(16.3) |
| Interest Expense Add-back | -- | -- | -- | -- | -- | $12.6 | $12.6 |
| Depreciation & amortization | $6.2 | $10.2 | $2.0 | $1.8 | -- | -- | $20.2 |
| (Gain) loss on sale of property, plant & equipment | -- | $0.2 | -- | -- | -- | -- | $0.2 |
| Hurricane damage repair accrual | -- | $3.7 | -- | -- | -- | -- | $3.7 |
| Asset retirement obligation revision | -- | $5.5 | -- | -- | -- | -- | $5.5 |
| Distributions from unconsolidated entities | $1.7 | -- | -- | -- | -- | -- | $1.7 |
| Equity in earnings of unconsolidated entities | $(0.7) | -- | -- | -- | -- | -- | $(0.7) |
| Unit-based compensation | -- | -- | -- | -- | $0.1 | -- | $0.1 |
| Income tax expense | -- | -- | -- | -- | $0.1 | -- | $0.1 |
| **Adjusted EBITDA** | **$14.5** | **$13.2** | **$2.6** | **$1.1** | **$(4.3)** | **$0.0** | **$27.1** |

| Natural Gas Services | 2017E Guidance | 3Q17 Guidance | 3Q17 Actual |
|---|---|---|---|
| Cardinal | $36.3 | $8.7 | $9.6 |
| Butane | $26.1 | $0.7 | $3.4 |
| WTLPG | $8.8 | $2.6 | $1.7 |
| NGLs | $2.5 | $0.6 | $(0.1) |
| Propane | $3.2 | $0.1 | $(0.1) |
| **Total NGS** | **$76.9** | **$12.7** | **$14.5** |

| Sulfur Services | 2017E Guidance | 3Q17 Guidance | 3Q17 Actual |
|---|---|---|---|
| Fertilizer | $15.8 | $0.4 | $(0.2) |
| Molten Sulfur | $6.6 | $1.7 | $1.3 |
| Sulfur Prilling | $7.4 | $1.9 | $1.5 |
| **Total Sulfur Services** | **$29.8** | **$4.0** | **$2.6** |

| Terminalling & Storage | 2017E Guidance | 3Q17[(1)] Guidance | 3Q17[(1)] Actual |
|---|---|---|---|
| Shore-Based Terminals | $15.7 | $4.0 | $3.0 |
| Martin Lubricants | $9.4 | $2.5 | $2.3 |
| Smackover Refinery | $20.7 | $5.0 | $5.3 |
| Specialty Terminals | $13.3 | $4.1 | $2.6 |
| **Total T&S** | **$59.1** | **$15.6** | **$13.2** |

| Marine Transportation | 2017E Guidance | 3Q17 Guidance | 3Q17 Actual |
|---|---|---|---|
| Inland | $9.6 | $2.4 | $2.0 |
| Offshore | $2.4 | $0.7 | $0.4 |
| Marine USG&A | $(4.8) | $(1.2) | $(1.3) |
| **Total Marine** | **$7.2** | **$1.9** | **$1.1** |

| | | | |
|---|---|---|---|
| Unallocated SG&A | $(15.6) | $(3.9) | $(4.3) |
| **Total Adjusted EBITDA** | **$157.4** | **$30.3** | **$27.1** |

[(1)] These figures include the incremental adjusted EBITDA associated with the thru-put from the Partnership's acquisition of certain asphalt terminalling assets located in Hondo, Texas commencing July 1, 2017.

$ millions

# MMLP FULL YEAR 2017E ADJUSTED EBITDA GUIDANCE

| | Natural Gas Services | Terminalling & Storage[1] | Sulfur Services | Marine Transportation | SG&A | Interest Expense | 2017E |
|---|---|---|---|---|---|---|---|
| Net income (loss) | $47.5 | $9.8 | $21.5 | $(1.2) | $(17.1) | $(45.6) | $14.9 |
| Interest expense add back | -- | -- | -- | -- | -- | $45.6 | $45.6 |
| Depreciation and amortization | $28.0 | $49.3 | $8.3 | $8.4 | -- | -- | $94.0 |
| Distributions from unconsolidated entities | $8.8 | -- | -- | -- | -- | -- | $8.8 |
| Equity in earnings of unconsolidated entities | $(7.4) | -- | -- | -- | -- | -- | $(7.4) |
| Unit-based compensation | -- | -- | -- | -- | $0.9 | -- | $0.9 |
| Income tax expense | -- | -- | -- | -- | $0.6 | -- | $0.6 |
| **Adjusted EBITDA** | **$76.9** | **$59.1** | **$29.8** | **$7.2** | **$(15.6)** | **$0.0** | **$157.4** |

| Natural Gas Services | 1Q17E | 2Q17E | 3Q17E | 4Q17E | 2017E |
|---|---|---|---|---|---|
| Cardinal | $9.0 | $9.2 | $8.7 | $9.4 | $36.3 |
| Butane | $9.6 | $0.5 | $0.7 | $15.3 | $26.1 |
| WTLPG | $1.8 | $1.5 | $2.6 | $2.9 | $8.8 |
| NGLs | $0.5 | $0.6 | $0.6 | $0.8 | $2.5 |
| Propane | $1.8 | $0.0 | $0.1 | $1.3 | $3.2 |
| **Total NGS** | **$22.7** | **$11.8** | **$12.7** | **$29.7** | **$76.9** |

| Sulfur Services | 1Q17E | 2Q17E | 3Q17E | 4Q17E | 2017E |
|---|---|---|---|---|---|
| Fertilizer | $6.9 | $6.9 | $0.4 | $1.6 | $15.8 |
| Molten Sulfur | $1.6 | $1.6 | $1.7 | $1.7 | $6.6 |
| Sulfur Prilling | $1.9 | $1.8 | $1.9 | $1.8 | $7.4 |
| **Total Sulfur Services** | **$10.4** | **$10.3** | **$4.0** | **$5.1** | **$29.8** |

[1] These figures include the incremental adjusted EBITDA associated with the thru-put from the Partnership's acquisition of certain asphalt terminalling assets located in Hondo, Texas commencing July 1, 2017.

| Terminalling & Storage[1] | 1Q17E | 2Q17E | 3Q17E[1] | 4Q17E[1] | 2017E |
|---|---|---|---|---|---|
| Shore-Based Terminals | $3.7 | $4.0 | $4.0 | $4.0 | $15.7 |
| Martin Lubricants | $2.3 | $2.5 | $2.5 | $2.1 | $9.4 |
| Smackover Refinery | $5.2 | $5.3 | $5.0 | $5.2 | $20.7 |
| Specialty Terminals | $2.6 | $2.5 | $4.1 | $4.1 | $13.3 |
| **Total T&S** | **$13.8** | **$14.3** | **$15.6** | **$15.4** | **$59.1** |

| Marine Transportation | 1Q17E | 2Q17E | 3Q17E | 4Q17E | 2017E |
|---|---|---|---|---|---|
| Inland | $2.3 | $2.4 | $2.4 | $2.5 | $9.6 |
| Offshore | $0.5 | $0.6 | $0.7 | $0.6 | $2.4 |
| Marine USG&A | $(1.2) | $(1.2) | $(1.2) | $(1.2) | $(4.8) |
| **Total Marine** | **$1.6** | **$1.8** | **$1.9** | **$1.9** | **$7.2** |

| Unallocated SG&A | $(3.9) | $(3.9) | $(3.9) | $(3.9) | $(15.6) |
|---|---|---|---|---|---|
| **Total Adjusted EBITDA** | **$44.6** | **$34.3** | **$30.3** | **$48.2** | **$157.4** |

$ millions

# MMLP 9 MONTHS ENDED 2017 ADJUSTED EBITDA

| | Natural Gas Services | Terminalling & Storage | Sulfur Services | Marine Transportation | SG&A | Interest Expense | 9M 2017 |
|---|---|---|---|---|---|---|---|
| Net income (loss) | $29.8 | $(3.2) | $19.2 | $0.0 | $(12.8) | $(34.7) | $(1.7) |
| Interest expense add back | -- | -- | -- | -- | -- | $34.7 | $34.7 |
| Depreciation and amortization | $18.6 | $36.0 | $6.1 | $5.2 | -- | -- | $65.9 |
| (Gain) loss on sale of property, plant and equipment | -- | $0.2 | -- | $0.1 | -- | -- | $0.3 |
| Hurricane damage repair accrual | -- | $3.7 | -- | -- | -- | -- | $3.7 |
| Asset retirement obligation revision | -- | $5.5 | -- | -- | -- | -- | $5.5 |
| Unrealized mark-to-market on commodity derivatives | $(4.0) | -- | -- | -- | -- | -- | $(4.0) |
| Distributions from unconsolidated entities | $4.2 | -- | -- | -- | -- | -- | $4.2 |
| Equity in earnings of unconsolidated entities | $(2.5) | -- | -- | -- | -- | -- | $(2.5) |
| Unit-based compensation | -- | -- | -- | -- | $0.5 | -- | $0.5 |
| Income tax expense | -- | -- | -- | -- | $0.3 | -- | $0.3 |
| **Adjusted EBITDA** | **$46.1** | **$42.2** | **$25.3** | **$5.3** | **$(12.0)** | **$0.0** | **$106.9** |

# MMLP 4Q 2017E ADJUSTED EBITDA GUIDANCE

| | Natural Gas Services | Terminalling & Storage[1] | Sulfur Services | Marine Transportation | SG&A | Interest Expense | 4Q2017E |
|---|---|---|---|---|---|---|---|
| Net income (loss) | $22.1 | $5.2 | $3.0 | $(0.2) | $(4.3) | $(11.8) | $14.0 |
| Interest expense add back | -- | -- | -- | -- | -- | $11.8 | $11.8 |
| Depreciation and amortization | $7.1 | $10.2 | $2.1 | $2.1 | -- | -- | $21.5 |
| Distributions from unconsolidated entities | $2.9 | -- | -- | -- | -- | -- | $2.9 |
| Equity in earnings of unconsolidated entities | $(2.4) | -- | -- | -- | -- | -- | $(2.4) |
| Unit-based compensation | -- | -- | -- | -- | $0.2 | -- | $0.2 |
| Income tax expense | -- | -- | -- | -- | $0.2 | -- | $0.2 |
| **Adjusted EBITDA** | **$29.7** | **$15.4** | **$5.1** | **$1.9** | **$(3.9)** | **$0.0** | **$48.2** |

[1] These figures include the incremental adjusted EBITDA associated with the thru-put from the Partnership's acquisition of certain asphalt terminalling assets located in Hondo, Texas commencing July 1, 2017.




2017 | MARTIN MIDSTREAM PARTNERS