



# CVR Partners, LP

## Investor Presentation

November 2019

# Safe Harbor Statement and Non-GAAP Financial Measures



## Forward Looking Statements; Safe Harbor

This presentation contains forward-looking statements (“FLS”) based on management’s current expectations and beliefs, as well as a number of assumptions concerning future events. The assumptions and estimates underlying FLS are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective information. Accordingly, there can be no assurance we will achieve the future results we expect or that actual results will not differ materially from expectations. Statements concerning current estimates, expectations and projections about future results, performance, prospects, opportunities, plans, actions and events and other statements, concerns or matters that are not historical facts are FLS and include, but are not limited to, statements regarding future: distributions; improving industry fundamentals; imports; input, logistics and distribution (including costs thereof); stock ratios; market position; utilization rates; geographic footprint; netbacks; customer optionality; rail access and delivery points; marketing agreements; demand growth and supply/demand imbalance; population; biofuel consumption; diets in developing countries; nitrogen consumption; corn demand, stocks, uses, pricing, consumption, production, planting and yield; farming activities and the timing thereof; and financial performance. The assumptions and estimates underlying FLS are inherently uncertain, many of which are beyond our control, and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective information. Accordingly, there can be no assurance that we will achieve the future results we expect or that actual results will not differ materially from expectations. The FLS included in this presentation are made only as of the date hereof.

You are cautioned not to put undue reliance on such FLS (including forecasts and projections regarding our future performance) because actual results may vary materially from those expressed or implied as a result of various factors, including, but not limited to those set forth under “Risk Factors” in CVR Partners, LP’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any other filings CVR Partners, LP makes with the Securities and Exchange Commission.

CVR Partners, LP assumes no obligation to, and expressly disclaims any obligation to, update or revise any FLS, whether as a result of new information, future events or otherwise, except as required by law.

## Non-GAAP Financial Measures

Certain financial information in this presentation (including EBITDA, Adjusted EBITDA and Free Cash Flow) are not presentations made in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) and use of such terms varies from others in the same industry. Non-GAAP financial measures should not be considered as alternatives to income from continuing operations, income from operations or any other performance measures derived in accordance with GAAP. Non-GAAP financial measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for results as reported under GAAP. This presentation includes a reconciliation of certain non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

# Key Investment Highlights



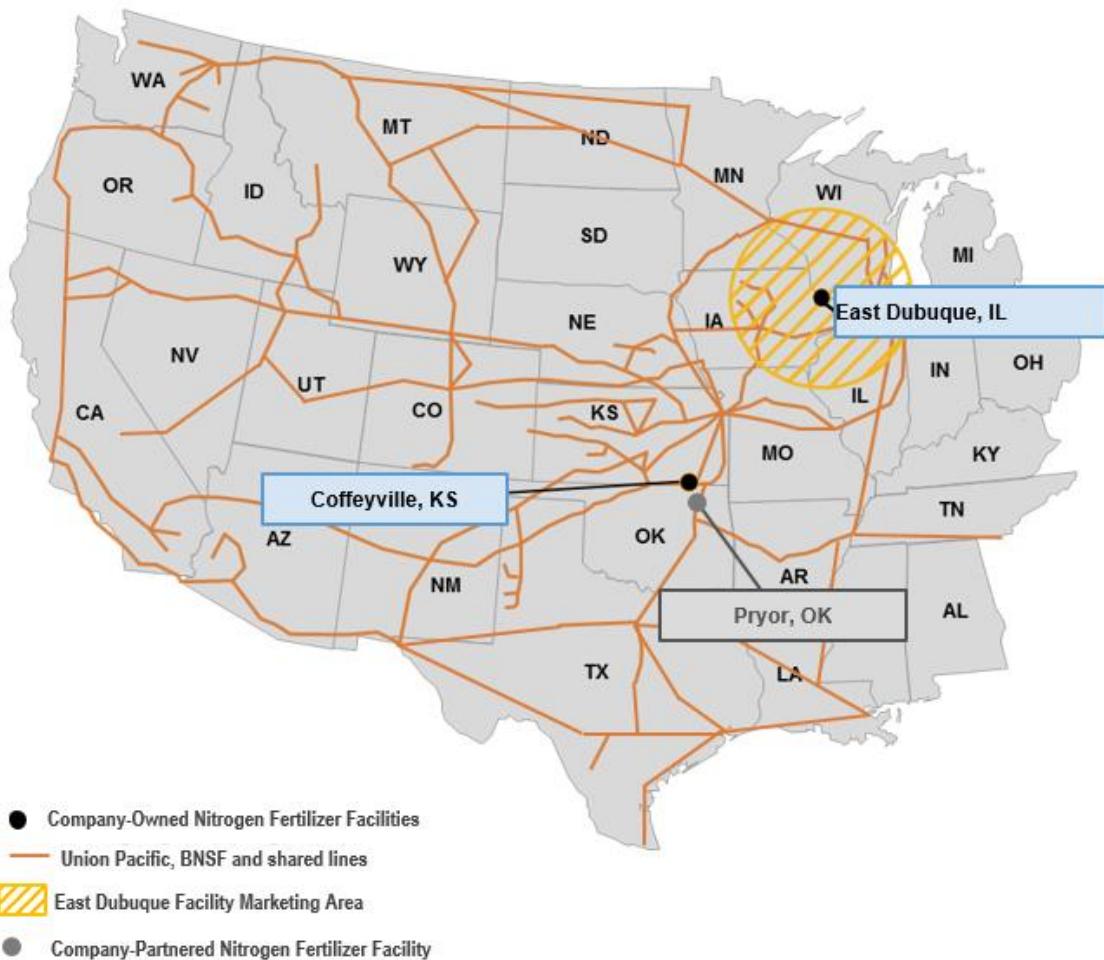
- CVR Partners, LP (NYSE: UAN) is a leading North American producer and distributor of nitrogen fertilizer products
  - Delivered ~1.6MM tons of nitrogen products during LTM November 2019
  - Structured as a publicly-traded master limited partnership
    - General Partner does not receive Incentive Distribution Rights (IDRs)
  - Adjusted LTM November 2019 EBITDA of \$136.5 million
- Experienced management team
- Fundamentals are improving in the nitrogen fertilizer industry
  - Imports are down due to high raw material and logistics costs versus U.S. producers
  - Domestic supply and demand is more balanced with no new supply coming online near-term
  - Sustained demand for corn and consistent 90+ million planted acres
  - Anticipated increase in corn planting acreage in 2020
- Attractive market position
  - Plants are strategically located in the corn belt
  - Low cost logistics
  - High utilization rates at production facilities

# Strategically Located Assets

Well-positioned in premium pricing regions



- Large geographic footprint serving the Southern Plains and Corn Belt region
- Well positioned to minimize distribution costs and maximize net back pricing
- New rail loading rack at Coffeyville increases logistics optionality west of the Mississippi River due to access to both UP and BNSF delivery points
- Production sustainability due to storage capabilities at the plants and offsite locations
- Marketing agreement with LSB Industries Pryor, OK, facility's UAN production

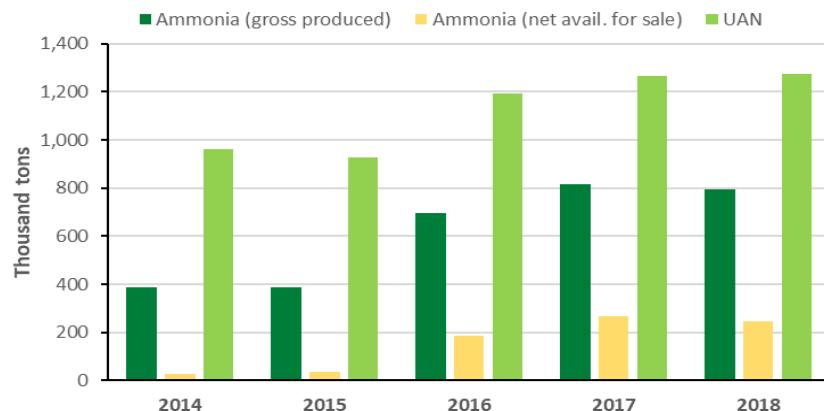


# Key Operating Statistics

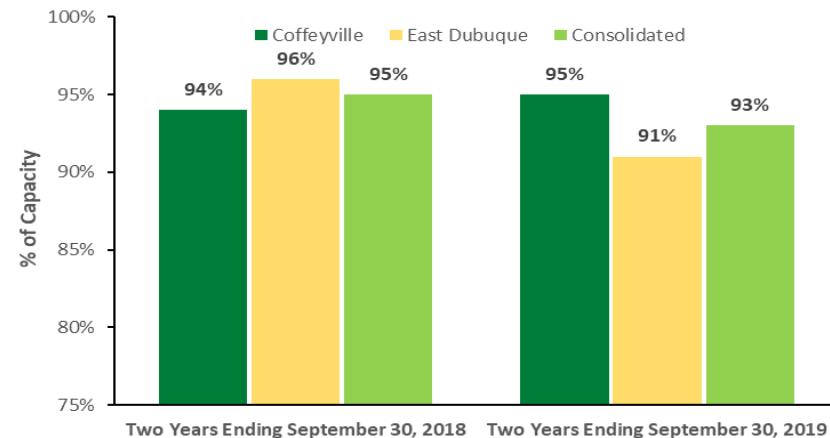
## Consistent high utilization at both facilities



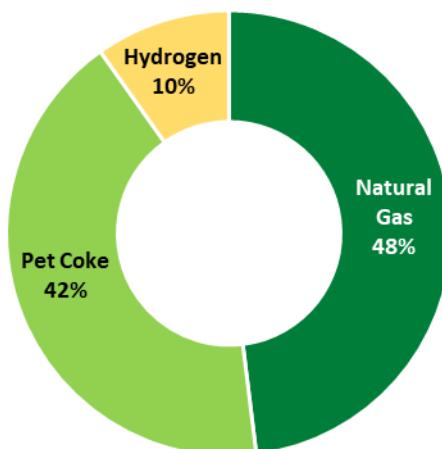
### Consolidated Production Volumes



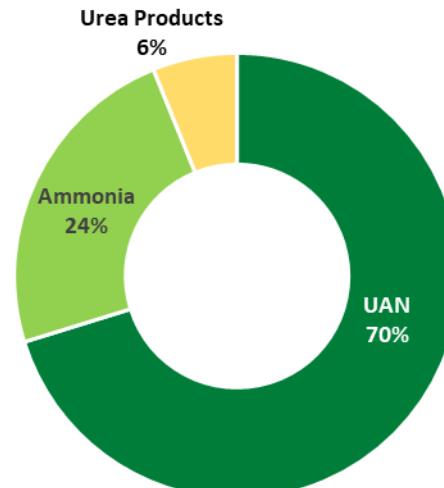
### Ammonia Utilization<sup>(1)</sup>



### Consolidated Feedstocks Costs<sup>(2)</sup>



### Consolidated Sales Revenue<sup>(2)(3)</sup>



(1) Adjusted by planned turnarounds.

(2) For the last twelve months ended September 30, 2019.

(3) Excludes freight.

# Solid Trends in Fertilizer Demand Growth

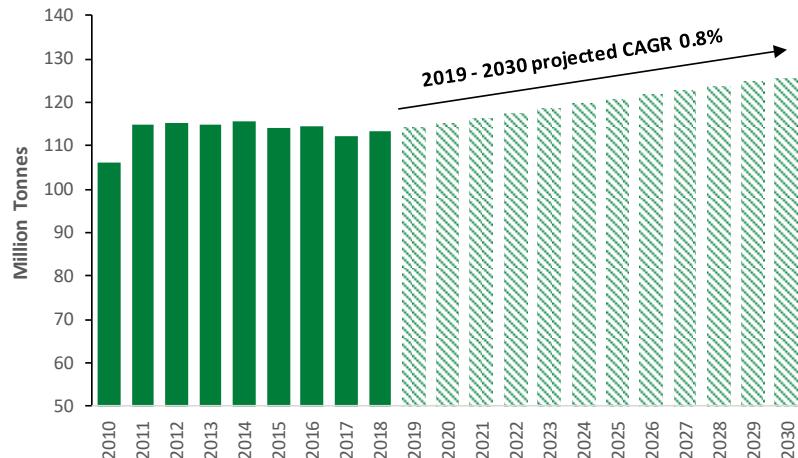
Global and domestic demand for nitrogen remains strong



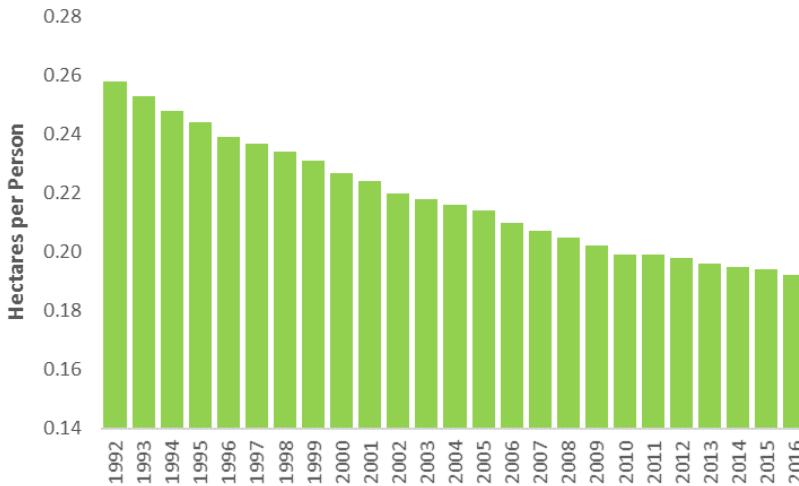
Global nitrogen consumption increased by 15% between 2008 and 2018 driven by:

- Population growth
- Decrease in arable farmland per capita
- Biofuel consumption
- Continued evolution to more protein-based diets in developing countries

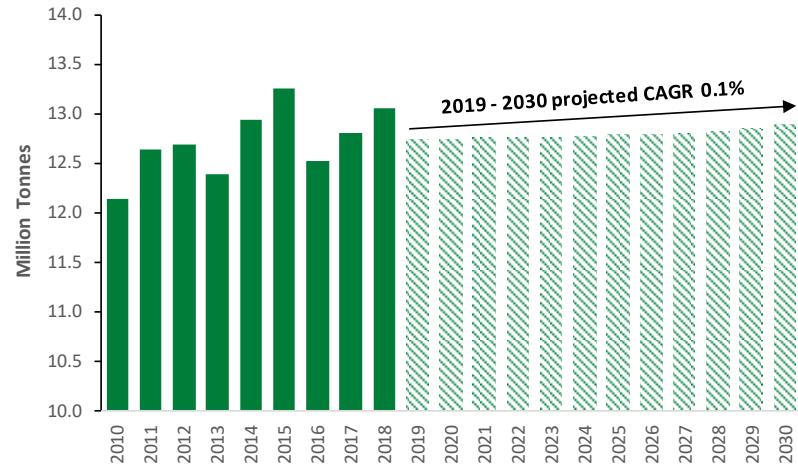
## Global Nitrogen Consumption



## Global Arable Land per Capita



## US Nitrogen Consumption

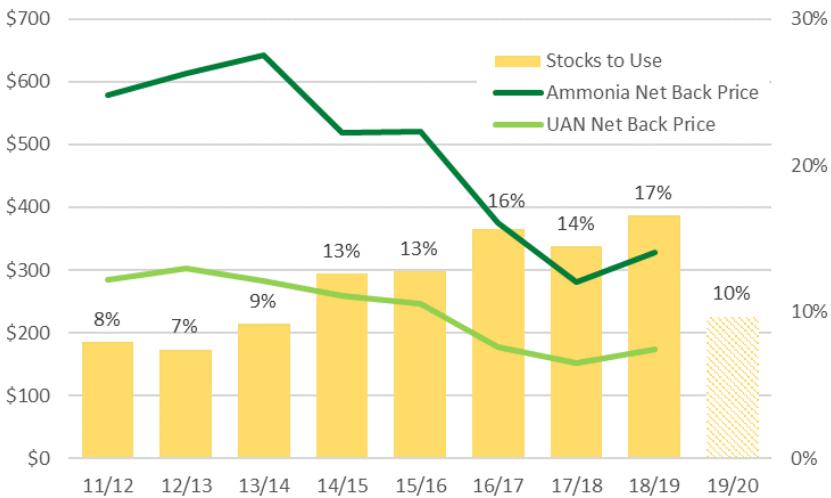


# U.S Nitrogen Supply and Demand

Domestic supply and demand picture is more balanced



## Corn Stocks to Use Compared to Netback Fertilizer Pricing



## US Nitrogen Supply



- Nitrogen fertilizers represent approximately 15% of farmers' cost structure and significantly improves yields
- YTD UAN prices increased \$36/ton through September 30, or 21% Y/Y
- Major global nitrogen capacity build cycle largely complete in 2017/2018. Additional tons have been absorbed by the market
- Product demand currently expected to exceed new supply for the next several years

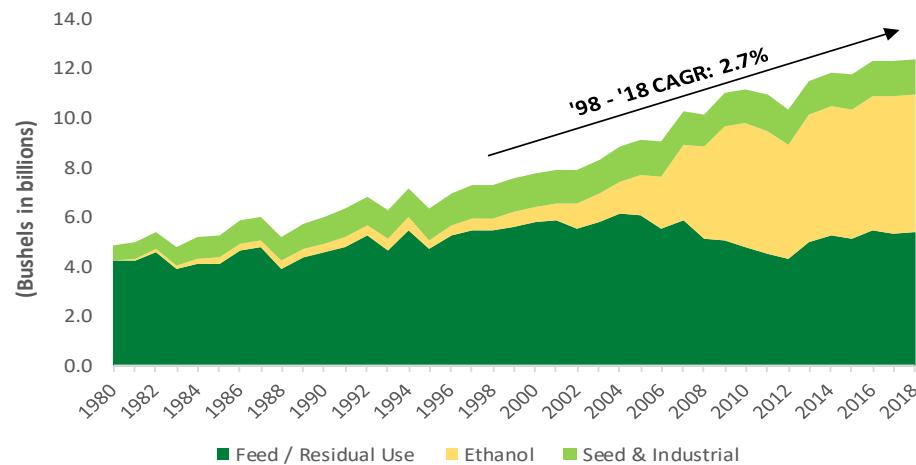
# Strong Demand for Corn in the U.S.

Increasing corn consumption is positive for Nitrogen demand

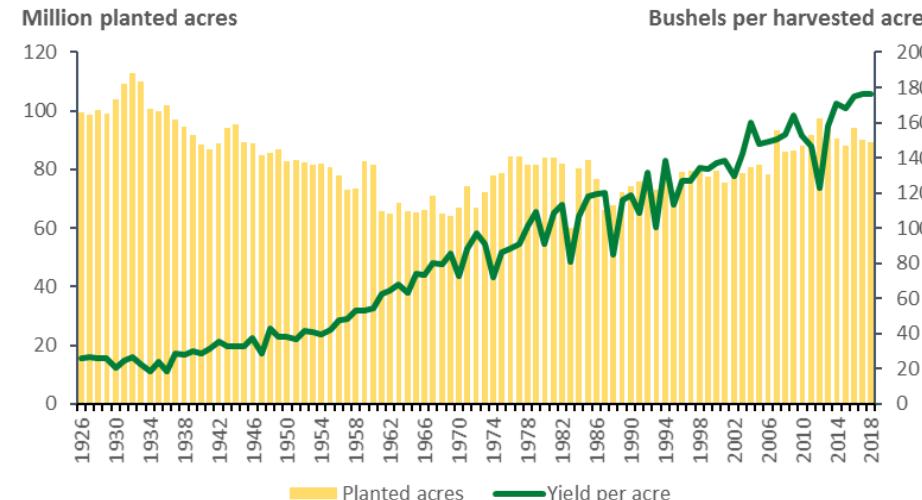


- Corn has a variety of uses and applications, including feed grains, ethanol for fuel and food, seed and industrial (FSI)
- Feed grains
  - ~96% of domestic feed grains are supplied by corn
  - Consumes ~37% of annual corn crop<sup>(1)</sup>
- Ethanol
  - Consumes ~37% of annual corn crop<sup>(1)</sup>
- Corn production driven more by yield than acres planted
- Nitrogen is low on the cost curve for farmers

U.S. Domestic Corn Use



Domestic Corn Planted Acres and Yield per Acre



Source: USDA Economic Research Service and USDA WASDE.

(1) Based on 2014 – 2018 average.

# CVR Partners' 2019 3Q Results

YTD results have significantly improved versus 2018



<i>In millions, except product price at gate per ton and per unit data</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
CVR Partners, L.P.	2019	2018	2019	2018
UAN Product Price Per Ton at Gate <sup>(1)</sup>	\$182	\$170	\$206	\$169
Ammonia Product Price Per Ton at Gate <sup>(1)</sup>	\$337	\$297	\$416	\$329
Net Sales	\$88.6	\$79.9	\$318.1	\$253.0
Net Income (Loss)	(\$23.0)	(\$13.1)	(\$10.1)	(\$48.7)
EBITDA <sup>(2)</sup>	\$11.1	\$18.6	\$96.7	\$51.3
Adjusted EBITDA <sup>(2)</sup>	\$17.9	\$18.6	\$103.7	\$57.7
Available Cash for Distribution <sup>(2)</sup>	\$8.0	(\$0.1)	\$31.2	(\$4.3)
Distribution Declared Per Unit	\$0.14	\$0.00	\$0.33	\$0.00
Common Units Outstanding	113.3	113.3	113.3	113.3

<sup>(1)</sup> Product pricing at gate represents net sales less freight revenue divided by product sales volumes in tons and is shown in order to provide a pricing measure that is comparable across the fertilizer industry.

<sup>(2)</sup> See page 16 for reconciliation of Net Income (Loss) to EBITDA, Adjusted EBITDA and Available Cash for Distribution

# Solid Financial Profile

Ample liquidity and decreasing leverage with increased EBITDA



## Unaudited Selected Balance Sheet Data As of September 31, 2019

(in millions)

Cash and Cash Equivalents	\$ 83.7
Working Capital	\$ 75.4
Total Assets	\$ 1,180.3
Total Debt	\$ 631.5 <sup>(1)</sup>
Total Partners' Capital	\$ 452.4

## Unaudited Selected Income Statement Data For the Twelve Months Ended March 31, 2019

(in millions, except per unit data)

Net Sales	\$ 416.2
EBITDA	\$ 129.5
Adjusted EBITDA	\$ 136.5
Net Loss	\$ (11.5)
EPU - Diluted	\$ (0.10)
Weighted Average Diluted Units Outstanding	113.3

## Unaudited Selected Credit Metrics

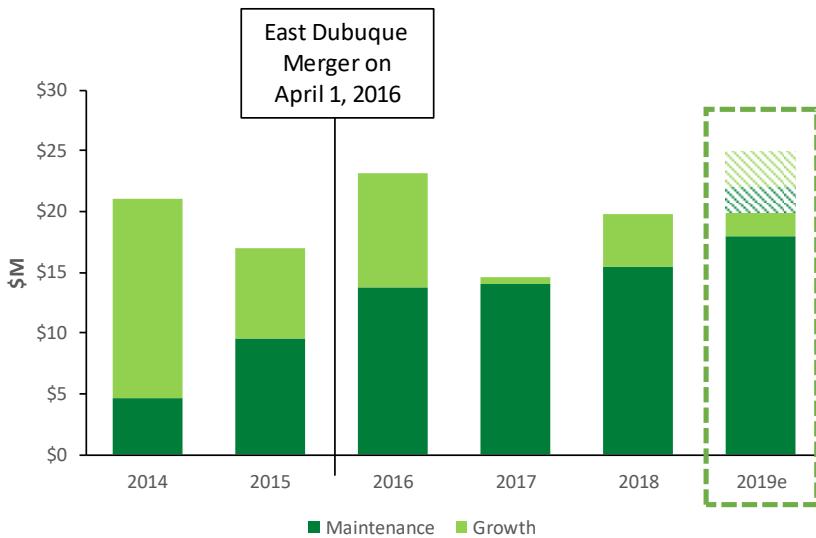
Total Debt to Adjusted EBITDA	4.6 x
Net Debt to Adjusted EBITDA	4.0 x <sup>(2)</sup>
Total Debt to Capital	58%
Net Debt to Capital	55% <sup>(2)</sup>

<sup>(1)</sup> Gross debt not net of unamortized debt issuance costs or unamortized discount

<sup>(2)</sup> Net Debt defined as Total Debt Less Cash and Cash Equivalents

# Capital Expenditures and Turnaround Expenses

Primarily focused on maintenance spending

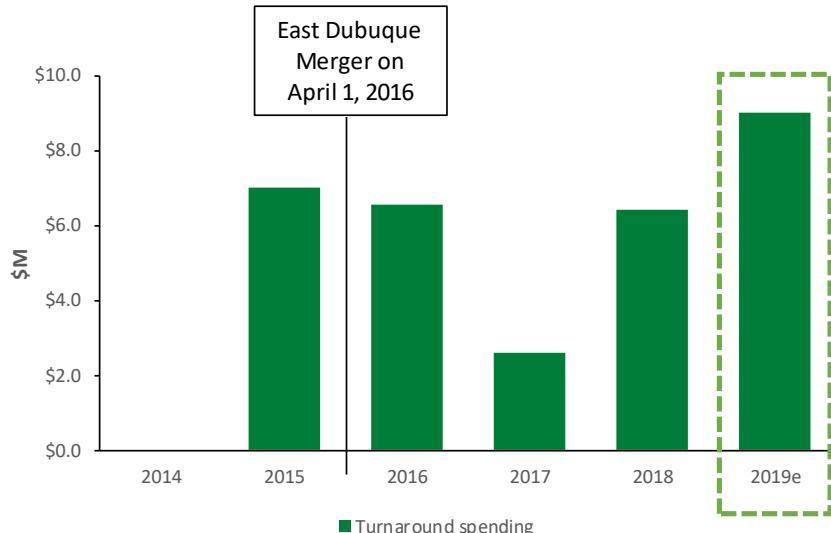


2019 Total Capex budget of \$20M - \$25M

Environmental and Maintenance spending planned at \$18M - \$20M

Growth capex budgeted at \$2M - \$5M

- Growth capex budget comprised of a number of smaller projects



2019 Turnaround spending planned at \$9M

East Dubuque turnaround completed in October 2019

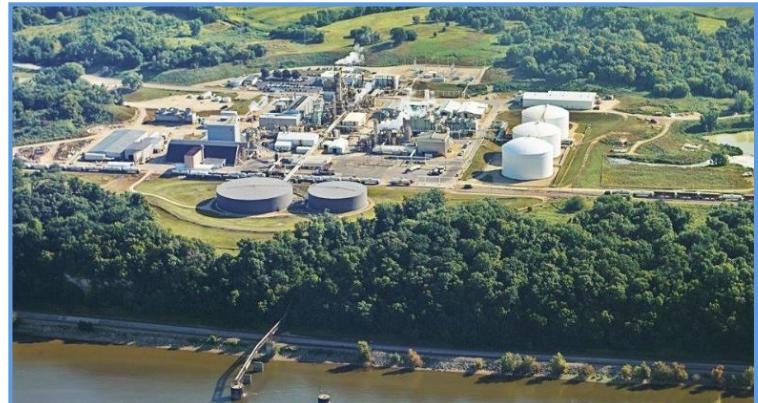
Coffeyville and East Dubuque are on alternating two-year turnaround schedules

Turnarounds have historically lasted two to three weeks and cost approximately \$7M

# Key Investment Highlights



- Leading North American producer and distributor of nitrogen fertilizer products
- Experienced management team
- Early stages of recovery in the nitrogen fertilizer industry
  - Imports are down due to high input and logistics costs
  - Strong corn demand and lower stock to use ratio
  - Anticipated increase in corn planting acreage in 2020
- Attractive market position
  - Plants are strategically located in the heart and near the corn belt
  - Low cost logistics
  - High utilization rates at production facilities



# Management Team Experienced in Refining and Fertilizer Industries



**Dave Lamp:** Executive Chairman – 37 years

**Mark Pytosh:** CEO & President – 32 years

**Tracy Jackson:** CFO & EVP – 26 years

**Melissa Buhrig:** EVP, General Counsel & Secretary – 19 years

**Neal Barkley:** VP & Facility GM Coffeyville – 37 years

**Marc Gilbertson:** VP & Facility GM East Dubuque – 26 years

**Matt Green:** VP Marketing – 34 years



## Appendix

# Non-GAAP Financial Measures



*EBITDA represents net income (loss) before (i) interest expense, net, (ii) income tax expense (benefit) and (iii) depreciation and amortization expense.*

*Adjusted EBITDA represents EBITDA adjusted to exclude consolidated turnaround expense and other non-recurring items which management believes are material to an investor's understanding of the Company's underlying operating results.*

*Available Cash for Distribution represents Adjusted EBITDA reduced for cash reserves established by the board of directors of our general partner for (i) debt service, (ii) maintenance capital expenditures, (iii) turnaround expenses and, to the extent applicable, (iv) reserves for future operating or capital needs that the board of directors of our general partner deems necessary or appropriate, if any. Available cash for distribution may be increased by the release of previously established cash reserves, if any, and other excess cash, at the discretion of the board of directors of our general partner.*

*Note: Due to rounding, numbers presented within this section may not add or equal to numbers or totals presented elsewhere within this document.*

# Typical Farming Activities & Seasons



	January-March	April-June	July-September	October-December
Season	Dealer/Distributor Fill Orders & Wheat Topdress	Spring Planting	Dealer/Distributor Fill Orders	Dealer/Distributor Fill Orders & Fall Planting
Crop	No Planting	Corn Planting	Wheat Planting (Southern Territories)	Wheat Planting
Nitrogen Need	Fill Orders & Topdress	Topdress & Sidedress	Fill Orders	Fill Orders & Topdress
Pricing & Shipments	Prompt Pricing & Shipments  Forward Pricing for Prepay Orders for Q2 Delivery  Delivery of Prior Year Prepay Orders	Prompt Pricing & Shipments  Delivery of Prior Year & Q1 Prepay Orders	Prompt Pricing & Shipments  Forward Pricing for Fill Orders for Q4 Delivery	Prompt Pricing & Shipments  Forward Pricing for Prepay Orders for Next Year Q1 & Q2 Delivery  Delivery of Q3 Fill Orders

Note: Activities and timing exclusive of weather and other impacts

# Reconciliation of Consolidated Net Income (Loss) to Adjusted EBITDA, Free Cash Flow and Cash Available for Distribution



(\$ in millions)	FY Ended December 31,				Q4	Q1	Q2	Q3	LTM Q3
	2015	2016	2017	2018	2018	2019	2019	2019	2019
<b>Net Income (Loss)</b>	\$ 62.0	\$ (26.9)	\$ (72.8)	\$ (50.0)	\$ (1.4)	\$ (6.1)	\$ 19.0	\$ (23.0)	\$ (11.5)
(+) Interest expense and other financing costs, net	7.0	48.6	62.9	62.6	15.5	15.7	15.6	15.6	62.4
(+) Depreciation and amortization	28.4	58.2	74.0	71.6	18.7	16.6	25.0	18.4	78.7
(+) Income tax expense	-	0.3	0.2	(0.0)	(0.0)	(0.1)	0.0	0.0	(0.1)
<b>EBITDA</b>	\$ 97.4	\$ 80.2	\$ 64.3	\$ 84.1	\$ 32.8	\$ 26.0	\$ 59.6	\$ 11.1	\$ 129.5
(+) Major scheduled turnaround expense	7.0	6.6	2.6	6.4	-	-	0.2	6.8	7.0
(+) Share-based compensation, non-cash	0.1	-	-	-	-	-	-	-	-
(+) Loss on extinguishment of debt	-	4.9	-	-	-	-	-	-	-
(+) Expenses associated with the merger	2.3	3.1	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	\$ 106.8	\$ 94.8	\$ 66.9	\$ 90.5	\$ 32.8	\$ 26.0	\$ 59.8	\$ 17.9	\$ 136.5
(-) Maintenance capital expenditures	(9.6)	(13.7)	(14.1)	(14.9)	(4.0)	(3.4)	(1.4)	(6.6)	(15.4)
<b>Free Cash Flow <sup>(1)</sup></b>	\$ 97.2	\$ 81.1	\$ 52.8	\$ 75.6	\$ 28.8	\$ 22.7	\$ 58.3	\$ 11.3	\$ 121.1
<b>Adjusted EBITDA</b>	\$ 106.8	\$ 94.8	\$ 66.9	\$ 90.5	\$ 32.8	\$ 26.0	\$ 59.8	\$ 17.9	\$ 136.5
(-) Debt service	(6.0)	(46.1)	(59.9)	(59.4)	(14.7)	(14.8)	(14.9)	(14.8)	(59.2)
(-) Maintenance capital expenditures	(9.6)	(13.7)	(14.1)	(14.9)	(4.0)	(3.4)	(1.4)	(6.6)	(15.4)
(-) Turnaround expenses	(7.0)	(6.6)	(2.6)	(6.4)	-	-	(0.2)	(6.8)	(7.0)
(-) Cash reserves for future operating needs	-	-	-	-	-	-	(21.0)	-	(21.0)
(-) Cash reserves for future turnaround expenses	(7.9)	-	-	-	-	-	(7.0)	-	(7.0)
(-) Expenses associated with East Dubuque Facility acquisition	(2.3)	(3.2)	-	-	-	-	-	-	-
(+) Impact of purchase accounting	-	13.0	-	-	-	-	-	-	-
(+) Available cash associated with East Dubuque 2016 first quarter	-	6.3	-	-	-	-	-	-	-
(+) Release of previously established cash reserves	7.0	-	-	-	-	-	-	18.4	18.4
<b>Available Cash for Distribution</b>	\$ 81.0	\$ 44.6	\$ (9.7)	\$ 9.8	\$ 14.1	\$ 7.8	\$ 15.3	\$ 8.0	\$ 45.3

(1) Free cash flow defined as Adjusted EBITDA less maintenance capital expenditures.