



GIBSON ENERGY

# Q1 2019 UNAUDITED SUPPLEMENTARY INFORMATION

May 6, 2019

# Non-GAAP Measures



This presentation refers to certain financial measures that are not determined in accordance with IFRS. Adjusted EBITDA from continuing operations and Distributable cash flow ("DCF") from combined operations are not a measure recognized under IFRS and does not have standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures reported by other entities. Management considers these to be important supplemental measures of Gibson's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures. Adjusted EBITDA from continuing operations and Distributable cash flow are used to assess the level of cash flow generated and to evaluate the adequacy of internally generated cash flow to fund dividends. Additional information about reconciliation of historical distributable cash flow and Adjusted EBITDA to its most closely related IFRS measure, cash flow from operating activities and segment profit, respectively, can be found in our MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.gibsonenergy.com](http://www.gibsonenergy.com).

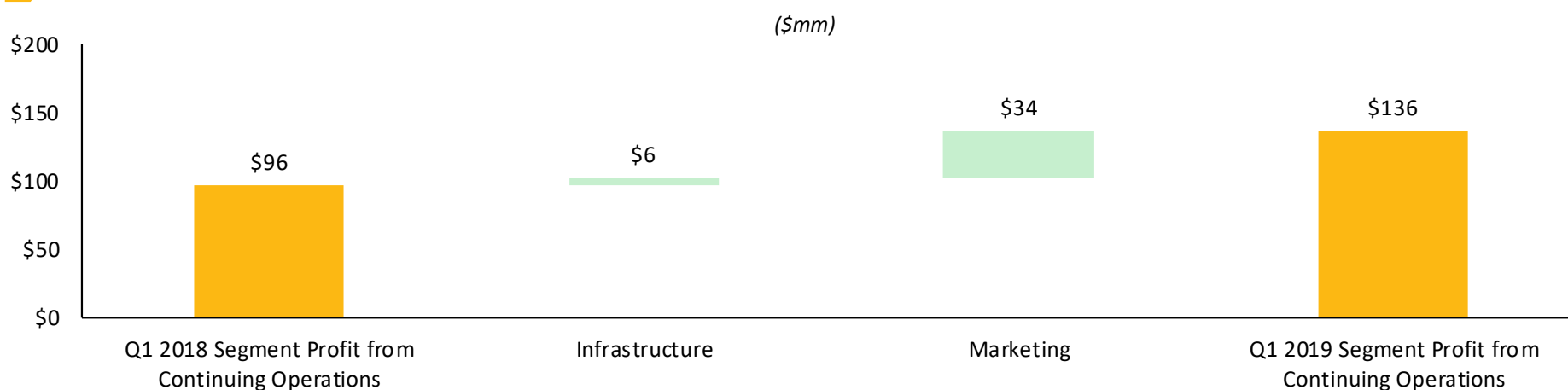
For a full discussion of our material risk factors, see "Risk Factors" in the Company's Annual Information Form dated March 4, 2019 as filed on SEDAR and available on the Gibson website at [www.gibsonenergy.com](http://www.gibsonenergy.com).

# Segment Profit Bridges

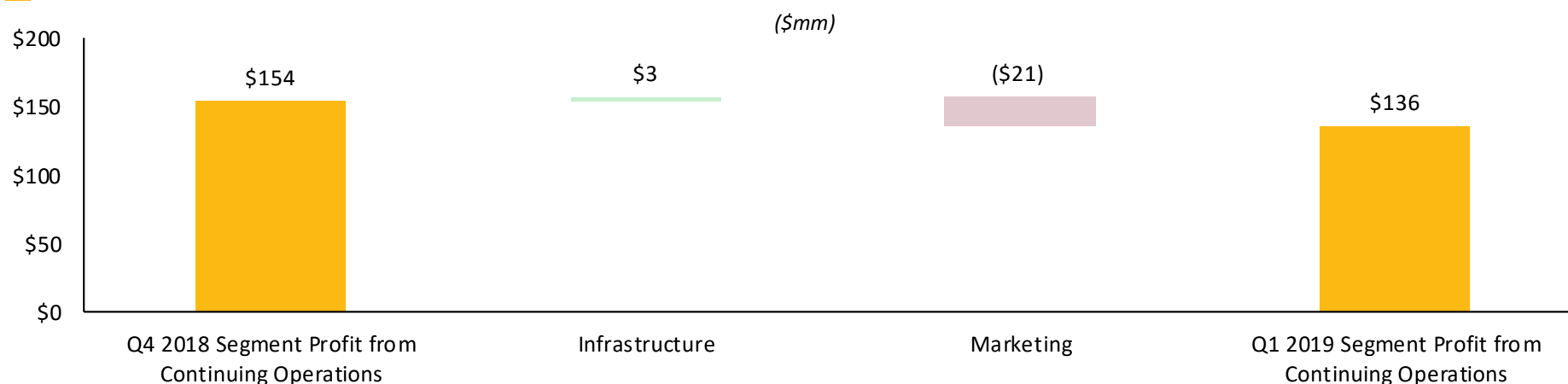


## Q1 2018 to Q1 2019 and Q4 2018 to Q1 2019

### Q1 2018 to Q1 2019 Segment Profit From Continuing Operations



### Q4 2018 to Q1 2019 Segment Profit From Continuing Operations



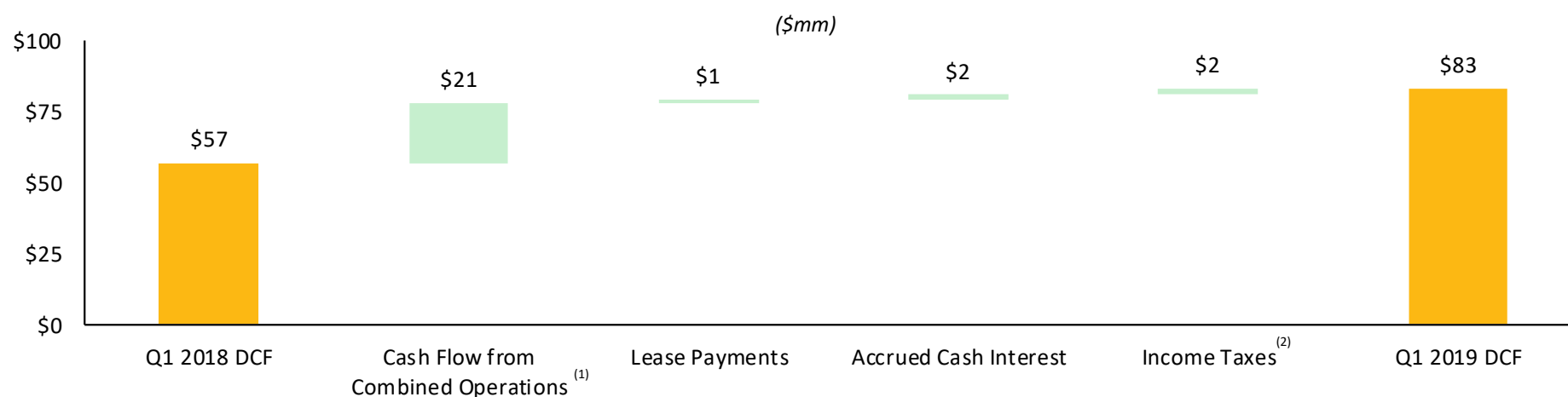
Note: Figures may not sum due to rounding

# Distributable Cash Flow Bridges

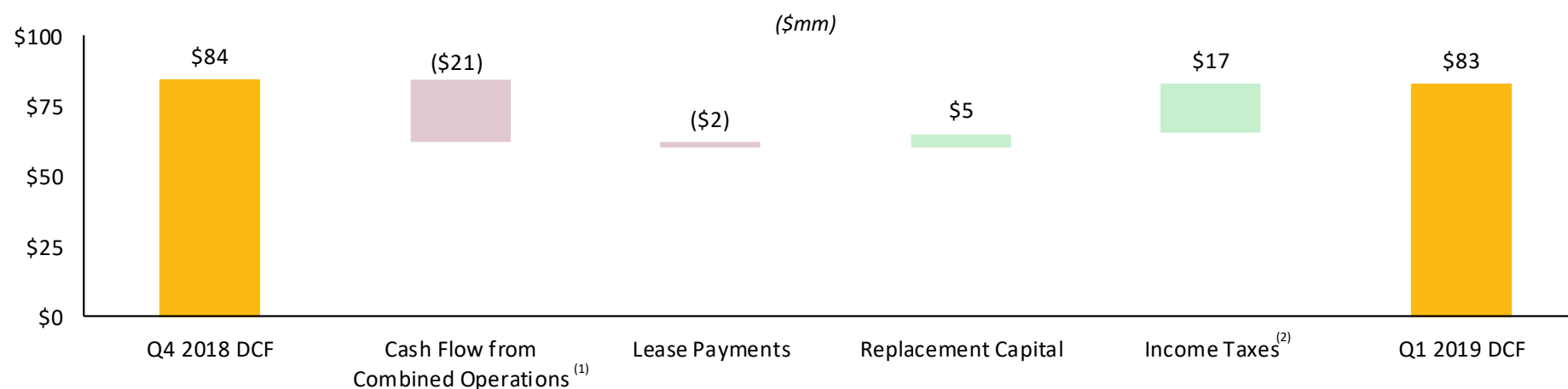


## Q1 2018 to Q1 2019 and Q4 2018 to Q1 2019

### Q1 2018 to Q1 2019 Distributable Cash Flow From Combined Operations



### Q4 2018 to Q1 2019 Distributable Cash Flow From Combined Operations



(1) Calculated as sum of Cash Flow from Combined Operations, plus changes in non-cash working capital; Finance Lease payments are excluded from Cash Flow from Operations due to the adoption of IFRS 16.

(2) Calculated as current income tax expense as reported in the financial statements.

Note: Figures may not sum due to rounding

# Quarterly Lease Costs



## Lease Costs from Continuing Operations

(\$mm)

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Infrastructure	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Marketing <sup>(1)</sup>	11.1	11.4	9.7	9.1	11.0
<b>Total Impacting Segment Profit</b>	<b>\$11.2</b>	<b>\$11.4</b>	<b>\$9.8</b>	<b>\$9.2</b>	<b>\$11.1</b>
Corporate	2.1	2.1	2.0	2.0	1.9
<b>Total Finance Leases</b>	<b>\$13.3</b>	<b>\$13.5</b>	<b>\$11.8</b>	<b>\$11.2</b>	<b>\$13.0</b>

(1) NGL represented approximately 50% of Wholesale lease costs in Q3 2018 and approximately 33% in Q4 2018.

Note: Figures may not sum due to rounding

# Adjusted EBITDA Reconciliation



## 2018 & 2019 Adjusted EBITDA Reconciliation Table

(\$mm)

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
<b>Continuing Operations</b>					
Segment profit	\$96	\$96	\$142	\$154	\$136
Interest income	-	-	-	-	-
Foreign exchange gain (loss) - corporate	-	(2)	3	2	(3)
General and administrative	(8)	(7)	(8)	(9)	(11)
Net unrealized (gain) loss from financial instruments	(1)	9	4	(13)	(3)
<b>Adjusted EBITDA</b>	<b>\$87</b>	<b>\$96</b>	<b>\$140</b>	<b>\$134</b>	<b>\$118</b>
<b>Combined Operations</b>					
Segment profit	\$110	\$101	\$148	\$160	\$141
Interest income	-	-	-	-	-
Foreign exchange gain (loss) - corporate	-	(2)	3	2	(3)
General and administrative	(8)	(7)	(8)	(9)	(11)
Net unrealized (gain) loss from financial instruments	(1)	9	4	(13)	(3)
<b>Adjusted EBITDA</b>	<b>\$101</b>	<b>\$102</b>	<b>\$147</b>	<b>\$140</b>	<b>\$124</b>

Note: Figures may not sum due to rounding

# Distributable Cash Flow Reconciliation



## 2018 & 2019 Distributable Cash Flow Reconciliation Table

	(\$mm)				
	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
<b>Continuing Operations</b>					
Cash flow from operating activities	\$119	\$26	\$118	\$262	(\$12)
Adjustments:					
Changes in non-cash working capital	(32)	72	20	(124)	130
Upgrade and replacement capital	(4)	(6)	(6)	(10)	(5)
Accrued cash interest	(18)	(17)	(17)	(17)	(16)
Taxes <sup>(1)</sup>	(7)	(8)	(22)	(22)	(5)
Lease Payments	(13)	(13)	(12)	(11)	(13)
<b>Distributable Cash Flow</b>	<b>\$45</b>	<b>\$54</b>	<b>\$81</b>	<b>\$78</b>	<b>\$79</b>
<b>Combined Operations</b>					
Cash flow from operating activities	\$137	\$29	\$126	\$272	(\$3)
Adjustments:					
Changes in non-cash working capital	(35)	75	19	(127)	126
Upgrade and replacement capital	(5)	(6)	(6)	(9)	(5)
Accrued cash interest	(18)	(17)	(17)	(17)	(16)
Taxes <sup>(1)</sup>	(8)	(9)	(24)	(23)	(5)
Lease Payments	(15)	(14)	(12)	(12)	(14)
<b>Distributable Cash Flow</b>	<b>\$56</b>	<b>\$57</b>	<b>\$85</b>	<b>\$84</b>	<b>\$83</b>

(1) Calculated as current income tax expense as reported in the financial statements.

Note: Figures may not sum due to rounding

# Distributable Cash Flow Reconciliation



## 2018 & 2019 Distributable Cash Flow Reconciliation Table

(\$mm)

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
<b>Combined Operations</b>					
Segment Profit	\$110	\$101	\$148	\$160	\$141
General and administrative	(8)	(7)	(8)	(9)	(11)
Other <sup>(1)</sup>	(1)	7	6	(11)	(7)
<b>Adjusted EBITDA</b>	<b>\$101</b>	<b>\$102</b>	<b>\$147</b>	<b>\$140</b>	<b>\$124</b>
Interest	(18)	(17)	(17)	(17)	(16)
Replacement capital	(5)	(6)	(6)	(9)	(5)
Taxes (paid) refund <sup>(2)</sup>	(8)	(9)	(24)	(23)	(5)
Lease payment (IFRS 16)	(15)	(14)	(12)	(12)	(14)
Other <sup>(3)</sup>	(0)	2	(2)	5	(1)
<b>Distributable Cash Flow</b>	<b>\$56</b>	<b>\$57</b>	<b>\$85</b>	<b>\$84</b>	<b>\$83</b>

(1) Including interest income, foreign exchange loss (gain), net unrealized (gain) loss from financial instruments, restructuring, severance and other costs.

(2) Calculated as current income tax expense as reported in the financial statements.

(3) Including working capital adjustment, (gain) loss on sale of assets, and other.

Note: Figures may not sum due to rounding



# Supplementary Disclosure



## 2018 & 2019 Distributable Cash Flow Reconciliation Table

(\$mm)

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
<b>Segment Profit from Continuing Operations</b>					
Infrastructure	\$69	\$68	\$76	\$72	\$75
Marketing	27	28	66	81	61
<b>Total</b>	<b>\$95</b>	<b>\$96</b>	<b>\$142</b>	<b>\$154</b>	<b>\$136</b>
Segment Profit from Discontinued Operations	\$15	\$5	\$6	\$6	\$5
<b>Select information on Terminals and Pipelines</b>					
Contribution to segment profit	\$59	\$62	\$63	\$64	\$67
Replacement capital	1	3	3	4	2
Growth Capital	23	46	62	76	33

Note: Figures may not sum due to rounding