

Parkland Fuel Corporation Announces the Closing of the Pioneer Energy Acquisition, the Appointment of Tim Hogarth to Its Board of Directors, and Revised 2015 Guidance

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RED DEER, AB--(Marketwired - June 25, 2015) - Parkland Fuel Corporation ("**Parkland**") (TSX: PKI), one of North America's fastest growing distributors and marketers of fuels and lubricants, today announced the closing of its acquisition (the "**Acquisition**") of the assets of Pioneer Energy ("**Pioneer**"), the appointment of Mr. Tim Hogarth to its Board of Directors, and revised Adjusted EBITDA guidance for 2015. All financial figures are expressed in Canadian dollars.

Pioneer Acquisition Closing

The Acquisition was completed on June 25, 2015 for an aggregate purchase price of \$377 million. Consideration paid at closing included \$258 million in cash, \$119 million in common shares of Parkland (consisting of 5.8 million common shares of Parkland, issued at a price of \$20.47 per common share based on a 15-day volume weighted average closing price of the common shares of Parkland prior to the Acquisition announcement on September 17, 2014), and the assumption of standard operating liabilities.

The Acquisition has an effective date of June 25, 2015 and the final adjusted purchase price will be determined post-closing and is subject to customary adjustments.

"I am excited to officially welcome Pioneer, its people and its partners to the Parkland family. Our new stronger company reflects the hard work and contributions of many employees from both organizations," said Bob Espey, President and Chief Executive Officer of Parkland. "The Acquisition is a significant achievement for Parkland and demonstrates our disciplined approach to growth. We look forward to pursuing other accretive acquisition opportunities of this quality."

Parkland has appointed Mr. Ian White to lead the operations of Pioneer upon closing. Mr. White joins Parkland from Dollar Financial Group where he was the head of its Canadian subsidiary, National Money Mart Company. Prior to this, Mr. White was responsible for the operating oversight of Canadian Tire's national portfolio of 285 retail gasoline locations and served as the Divisional Vice President of Operations and Business Development in the Petroleum Division. Mr. White also held oversight of other business units while at Canadian Tire.

Tribunal Decision

On May 29, 2015, the Competition Tribunal of Canada (the "**Tribunal**") issued an interim order (the "**Order**") in respect of the application by the Commissioner of Competition (the "**Commissioner**") that permitted Parkland to close the Acquisition. Notwithstanding that closing of the Acquisition has occurred, the Order, which was made available to the public on June 3, 2015, requires that the Pioneer supply agreements with independent dealers and Pioneer owned corporate sites in six local communities are to be held separate from Parkland's other assets and operations and be managed by an independent third

party manager. The Order will continue in effect until the Commissioner's application challenging Parkland's acquisition of Pioneer's assets in 14 communities is resolved or until there is an agreement with the Commissioner in respect of these six communities subject to the Order. Parkland will pursue negotiations with the Commissioner with the objective of resolving the Commissioner's concerns in 11 of the 14 communities (including the six communities subject to the Order) in a manner consistent with its previously announced proposal to divest certain limited assets, and consistent with the invitation by the Tribunal to consult with the Commissioner to reach an agreement in respect of these six communities subject to the Order. At the same time, Parkland will continue to vigorously contest the Commissioner's application before the Tribunal in the communities where there is no resolution of the dispute. Parkland estimates that the total volume of fuel for the Pioneer stations in the six local communities identified by the Tribunal's hold separate order is no more than 37 million litres of fuel which represents 2% of the total volume acquired.

Pioneer Commercial Business

In connection with the Acquisition, Parkland has also entered into an agreement (the "**Commercial Assets Agreement**") with Pioneer providing that Parkland will not, directly or indirectly, in any capacity, own, operate, control or otherwise be involved with the commercial assets of Pioneer or the operations thereof in Ontario, New Brunswick, and Nova Scotia (collectively, the "**Pioneer Commercial Assets**"). The Pioneer Commercial Assets will continue to be owned, operated and controlled solely by Pioneer and its employees and Pioneer has commenced a strategic review and evaluation of opportunities for Pioneer to sell the Pioneer Commercial Assets to a third party in one or more transactions. Pioneer has retained KPMG LLP to administer and conduct any sale process involving the Pioneer Commercial Assets. Under the Commercial Assets Agreement, Parkland will have an indirect economic interest in the Pioneer Commercial Assets and the proceeds of any disposition thereof. The Pioneer Commercial Assets represent approximately 220 million litres of fuel volume.

Appointment of Mr. Tim Hogarth to the Board of Directors

Subsequent to closing of the Acquisition, Mr. Tim Hogarth was appointed to Parkland's Board of Directors. Mr. Hogarth most recently served as the Chairman and Chief Executive Officer of Pioneer.

"Mr. Hogarth is a prominent member of Canada's retail gasoline industry," said Jim Pantelidis, Chairman of the Board. "We are confident that his experience as an entrepreneur and champion of the Pioneer brand will bring valuable perspective to our Board and benefit the shareholders of Parkland."

Mr. Hogarth joined Pioneer in 1984 and served in progressively senior roles, ultimately becoming the President and Chief Executive Officer in 1998. Under his leadership, Pioneer became Canada's largest private independent fuel marketer and a platinum member of Canada's 50 Best Managed Companies.

Mr. Hogarth received his Bachelor of Business Administration from Bishop's University and completed the Program for Management Development at Harvard Business School. Mr. Hogarth is actively involved in his community and has served as Honorary Lieutenant-Colonel and Colonel of the Royal Hamilton Light Infantry and was the recipient of the Queen's Diamond Jubilee Medal by the Department of National Defense for his contributions to the Canadian Forces and Canada. Mr. Hogarth also serves on the boards of several private companies and not-for-profit organizations.

Revised 2015 Adjusted Guidance

Parkland has revised its 2015 Adjusted EBITDA guidance range to \$200 million - \$230 million.

The Adjusted EBITDA guidance range has been updated primarily due to a lower in-year contribution from Pioneer due to the timing of closing of the Acquisition. As a result, Parkland projects the Pioneer business contributing approximately \$28 million to Adjusted EBITDA for the remainder of 2015. Such amount is based on historical Pioneer financial information and an assumption that the Pioneer business will maintain its current performance. On an annualized basis, the contribution to

Adjusted EBITDA of the Pioneer business, is consistent with Parkland's expectations and previous disclosure. The lower end of the as revised Adjusted EBITDA 2015 range accounts for potential adverse market conditions in western Canada and the northern U.S. and the higher end of the as revised Adjusted EBITDA guidance range accounts for potential upside and contributions from organic growth and acquisitions during the remainder of 2015.

The revised Adjusted EBITDA guidance range also includes contribution from the assets in the 11 communities identified above and the indirect economic interest derived from the Pioneer Commercial Assets which are expected to be disposed over time. The aggregate financial impact of the dispositions of any of these assets is not expected to be material. Once the dispositions are complete, Parkland expects to provide a further update on the proceeds realized and Adjusted EBITDA sold.

Other than as disclosed above, the factors and assumptions which contribute to Parkland's assessment of 2015 Adjusted EBITDA guidance are consistent with existing Parkland disclosure. Parkland's 2015 Adjusted EBITDA guidance is subject to risks and uncertainties inherent in Parkland's business. Readers are directed to Parkland's Management's Discussion and Analysis for the three months ended March 31, 2015 and the year ended December 31, 2014 and Parkland's annual information form for the year ended December 31, 2014 for a description of such factors, assumptions, risks and uncertainties, the manner in which Adjusted EBITDA is determined and Parkland's Adjusted EBITDA for the year ended December 31, 2014 ("**2014 Adjusted EBITDA**"). Parkland's 2015 Adjusted EBITDA guidance assumes that 2014 Adjusted EBITDA will be maintained in 2015 and reflects management's current views of the variances therefrom that are expected to result from Parkland's operations and business in 2015.

Forward-Looking Information

Certain information included herein is forward-looking. Forward-looking statements include, without limitation, 2015 Adjusted EBITDA guidance and projected financial results, the impact to the 2015 Adjusted EBITDA guidance due to the delay in closing the Acquisition, the factors and assumptions that contribute to Parkland's assessment of 2015 Adjusted EBITDA, organic growth, acquisitions, weather, the expected contribution to 2015 Adjusted EBITDA guidance of assets in the 11 communities identified above and the indirect economic interest in the Pioneer Commercial Assets and impact to Adjusted EBITDA of the dispositions thereof, future financial position, the indirect economic interest in the ownership and operations of the Pioneer Commercial Assets and Pioneer's strategic review in relation to the Pioneer Commercial Assets, and the proposed disposition of the Pioneer Commercial Assets, the negotiations with the Commissioner to resolve the Commissioner's concerns, future growth opportunities and Parkland's intentions to pursue further acquisitions and the accretive effects of such acquisitions, expansion and efficiencies resulting from the Acquisition, the accretive impact of the Acquisition, the operations of Pioneer and Parkland following the completion of the Acquisition, and the strength of Parkland's balance sheet and financial condition. Many of these statements can be identified by looking for words such as "believe", "expects", "expected", "will", "intends", "projects", "projected", "anticipates", "estimates", "continues", or similar words. Parkland believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties some of which are described in Parkland's annual information form and other continuous disclosure documents. Such forward-looking statements necessarily involve known and unknown risks and uncertainties and other factors, which may cause Parkland's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements.

Such factors include, but are not limited to: failure to achieve the anticipated benefits of the Acquisition (including the amount of potential contribution of the Acquisition to 2015 Adjusted EBITDA), or any future acquisitions, if any, by Parkland, general economic, market and business conditions, failure to meet financial, operational and strategic objectives and plans, including, without limitation, announcement or completion of further acquisitions, failure to realize 2015 Adjusted EBITDA in accordance

with guidance, the impact to 2015 Adjusted EBITDA of factors identified by Parkland, failure to achieve economic benefits from the indirect economic interest in the Pioneer Commercial Assets and its operations and / or disposition, failure to resolve the Commissioner's concerns and factors outside of the control of Parkland and the magnitude of any such impact, competitive action by other companies; refining and marketing margins, the ability of suppliers to meet commitments, changes in environmental and other regulations, actions by governmental authorities and other regulators, and other factors, many of which are beyond the control of Parkland. Any forward-looking statements are made as of the date hereof and Parkland does not undertake any obligation, except as required under applicable law, to publicly update or revise such statements to reflect new information, subsequent or otherwise.

Non-GAAP Financial Measures

This press release includes references to Adjusted EBITDA and EBITDA which are both non-GAAP financial measures.

Adjusted EBITDA is generally used in reference to Parkland's consolidated performance. For a definition of Adjusted EBITDA, please see Adjusted EBITDA in the Non-GAAP financial measures section of Parkland's Management's Discussion and Analysis for the three months ended March 31, 2015. Management uses Adjusted EBITDA to set targets and assess performance of the Corporation.

EBITDA is generally used in reference to the performance of acquired companies. EBITDA is defined simply as net earnings (loss) before interest, income tax (recovery) expense, depreciation and Amortization.

Parkland believes the presentation of Adjusted EBITDA and EBITDA provides useful information to investors and shareholders as it provides increased transparency and predictive value.

About Parkland Fuel Corporation

Parkland Fuel Corporation is one of North America's fastest growing distributors and marketers of fuels and lubricants. We deliver gasoline, diesel, propane, lubricants, heating oil and other high quality petroleum products to motorists, businesses, households and wholesale customers in Canada and the United States. Our mission is to be the partner of choice for our customers and suppliers, and we do this by building lasting relationships through outstanding service, reliability, safety, and professionalism.

We are unique in our ability to provide customers with dependable access to fuel and petroleum products, utilizing a portfolio of supply relationships, storage infrastructure and third-party rail and highway carriers to rapidly respond to supply disruptions in order to protect our customers.

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