

Parkland Fuel Corporation Reports Second Quarter 2015 Results

Parkland Achieves \$34.1 Million of Adjusted EBITDA in the Second Quarter and Re-Confirms 2015 Guidance

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RED DEER, AB--(Marketwired - August 06, 2015) - Parkland Fuel Corporation ("**Parkland**" or the "**Corporation**") (TSX: PKI), one of North America's fastest growing distributors and marketers of fuels and lubricants, today announced the financial and operating results for the three months ended June 30, 2015. All financial figures are expressed in Canadian dollars.

"I am proud that Parkland has been able to deliver a strong second quarter, despite the headwinds experienced by many businesses based in western Canada," said Bob Espey, President and Chief Executive Officer of Parkland. "This quarter has again demonstrated the value that geographic and product diversity contributes to our business, enabling resilient cash flows despite economic softness in some regions. In addition, I am pleased with the continued success of our acquisition strategy, having closed three transactions this quarter including Pioneer Energy, the largest acquisition in the Corporation's history. We continue to be well positioned to take advantage of the opportunities we see in the market."

Parkland achieved \$34.1 million in Adjusted EBITDA in the second quarter of 2015, compared with \$35.7 million in the second quarter of 2014. For the year-to-date period, Parkland has achieved \$91.2 million in Adjusted EBITDA in 2015, compared with \$96.9 million in 2014. "The continued resiliency in our cash flows combined with the recent closing of Pioneer Energy gives us confidence to re-confirm our 2015 guidance of \$200 million to \$230 million in Adjusted EBITDA," said Mike McMillan, Chief Financial Officer of Parkland.

Second Quarter Highlights

Grow

- Closed the acquisition of Pioneer Energy which is expected to contribute approximately \$28 million to Adjusted EBITDA through 2015;
- Closed the acquisition of 11 Chevron-branded retail service stations in British Columbia which are expected to contribute approximately \$3 million to Adjusted EBITDA on an annualized basis; and
- Closed the acquisition of five retail service stations in North Dakota which are expected to contribute approximately \$3 million to Adjusted EBITDA on an annualized basis.

Supply

- Increased total fuel volume for the quarter by 5.6% or 109 million litres from Q2 2014 to Q2 2015 re-enforcing Parkland's supply advantage; and
- Continued to invest in building the Elbow River refined products team to help grow this advantage.

Operate

- Maintained Parkland's track record of safe operations with another quarter of zero lost time injuries, resulting in zero lost time injuries since the first quarter of 2014.

The Retail and Commercial segments were able to achieve solid performance comparable to the second quarter in 2014 despite economic softness in some operating regions. In the SPF Energy segment, a decline in oil prices resulted in both a reduction in drilling activity in the Bakken and an offsetting favourable movement in the CAD to USD exchange rate. The slight overall decrease in Adjusted EBITDA is primarily attributed to additional operating costs in the Wholesale, Supply and Distribution segment, where Parkland continues to grow its refined products trading capability, and the Corporate segment where Parkland continues to invest for anticipated future growth. This was partially offset by the acquisition of Pioneer Energy which contributed \$1.3 million to Adjusted EBITDA in the quarter. Adjusted EBITDA excludes expenses related to acquisition, integration, and other costs, which contained a number of unusual one-time expenses totaling \$13.0 million. The one-time expenses were comprised of acquisition costs (\$5.0 million), a refinery billing adjustment (\$3.2 million), integration costs (\$3.1 million) and other one-time costs.

Finally, there is no new information to report regarding Parkland's ongoing interactions with the Competition Bureau, beyond what was disclosed in Parkland's news release on June 25, 2015.

Financial Summary				
	Three months ended		Six months ended	
	June 30,		June 30,	
(in millions of Canadian dollars and shares)	2015	2014	2015	2014
Sales and operating revenues	1,389.9	1,873.1	2,781.5	3,890.5
Adjusted gross profit ⁽¹⁾	123.0	121.4	278.2	281.4
Net earnings	(10.5)	6.9	9.3	29.2
Per share - basic	(0.13)	0.09	0.11	0.40
Per share - diluted	(0.13)	0.09	0.11	0.40
Adjusted EBITDA ⁽¹⁾	34.1	35.7	91.2	96.9
Dividends	23.3	19.7	46.8	38.9
Dividends declared per share	0.26	0.26	0.52	0.52
Distributable cash flow ⁽²⁾	9.1	22.7	45.4	66.9
Per share - outstanding ⁽²⁾	0.10	0.30	0.50	0.89
Dividend payout ratio ⁽²⁾	257%	87%	103%	58%
Total assets	1,819.6	1,478.1	1,819.6	1,478.1
Total long-term liabilities	590.7	451.9	590.7	451.9
Total Funded Debt ⁽¹⁾	467.3	311.4	467.3	311.4
Shares outstanding	89.9	74.8	89.9	74.8

Operating Summary

	Three months ended		Six months ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Fuel volume (millions of litres)	2,031	1,922	4,269	4,195
Fuel and petroleum product adjusted gross profit ⁽³⁾ (cpl):				
Retail Fuels	5.09	4.94	4.99	4.66
Commercial Fuels	10.46	9.60	12.34	10.67
SPF Energy	3.33	2.78	3.37	3.01
Operating costs - cpl	2.97	3.13	2.97	2.99
Adjusted marketing, general and administrative ⁽³⁾ (cpl)	1.44	1.38	1.44	1.45

(1) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations and Advisories section of the MD&A for period ended June 30, 2015.

(2) Non-GAAP financial measure. See the Distributable Cash Flow section of of the MD&A for period ended June 30, 2015.

(3) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations, and Advisories section of the MD&A for period ended June 30, 2015.

MD&A and Financial Statements

Management's Discussion and Analysis, the audited Consolidated Financial Statements, and the Notes to the Consolidated Financial Statements for the three months ended June 30, 2015, are available online at www.parkland.ca (<http://ctt.marketwire.com/?release=11G049981-001&id=6777421&type=0&url=http%3a%2f%2fwww.parkland.ca>) and SEDAR immediately after the results are released by newswire.

Conference Call Information

Parkland Fuel Corporation will host a webcast and conference call at 6:30 a.m. MST (8:30 a.m. EST) on Friday, August 7, 2015 to discuss the results for the three months ended June 30, 2015.

Please log into the webcast slide presentation 10 minutes before the start time at:

<http://www.gowebcasting.com/6812> (<http://ctt.marketwire.com/?release=11G049981-001&id=6777424&type=0&url=http%3a%2f%2fwww.gowebcasting.com%2f6812>)

To access the conference call by telephone dial toll free 1-866-225-6564. Callers from the Toronto area should use (416) 340-2218. Please connect approximately 10 minutes prior to the beginning of the call.

The webcast will be available for replay two hours after the conference call ends. It will remain available at the link above for one year.

Forward Looking Information

Certain information included herein is forward-looking. Forward-looking statements include, without limitation, statements regarding Parkland's business objectives; future financial position; the strength of Parkland's balance sheet and financial condition; the expected contribution to 2015 Adjusted EBITDA from the acquisitions identified above; business projects and growth strategies, including the manner in which such strategies will be implemented; budgets; projected costs; sources of growth; capital expenditures; financial results; taxes; future growth opportunities and Parkland's intentions to pursue further acquisitions and the anticipated benefits and accretive effects of such acquisitions; expansion, efficiencies and accretive effects resulting from the acquisitions identified above; effectiveness of internal controls; sources of funding for growth capital expenditures; anticipated dividends and the amount thereof, if any, to be declared by Parkland Fuel Corporation; and plans and objectives of or involving Parkland. Many of these statements can be identified by looking for words such as "believe", "expects", "expected", "propose", "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 necessarily involve a number of known and unknown risks and uncertainties some of which are described in Parkland's annual information form and other continuous disclosure documents. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release. Such factors include, but are not limited to: failure to achieve the anticipated benefits of the acquisitions identified above (including the amount of potential contribution of such acquisitions 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; industry capacity; competitive action by other companies; refining and marketing margins; the ability of suppliers to meet commitments; actions by governmental authorities and other regulators; changes and developments in environmental and other regulations; 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. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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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