

HI-CRUSH PARTNERS LP

(Historical data has been recast to include the results of Hi-Crush Proppants LLC, Hi-Crush GP LLC, Hi-Crush Blair LLC, Hi-Crush Whitehall LLC and Other Assets for all periods leading up to their contribution into the Partnership)

(in thousands, except tons, per ton and per unit amounts)

	2015	2016	2017				2018	2018				2019	
	FY	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
Statement of Operations Data:													
Revenues	\$ 339,640	\$ 204,430	\$ 83,364	\$ 135,220	\$ 167,583	\$ 216,456	\$ 602,623	\$ 218,113	\$ 248,520	\$ 213,972	\$ 162,235	\$ 842,840	\$ 159,910
Cost of goods sold (excluding depreciation, depletion and amortization)	239,625	188,308	72,083	99,882	119,955	146,428	438,348	141,983	154,531	147,583	133,877	577,974	130,522
Depreciation, depletion and amortization	16,613	17,032	4,828	7,596	8,805	8,220	29,449	7,799	10,482	10,241	9,762	38,284	11,272
Gross profit (loss)	83,402	(910)	6,453	27,742	38,823	61,808	134,826	68,331	83,507	56,148	18,596	226,582	18,116
Operating costs and expenses:													
General and administrative expenses	28,624	34,900	11,606	8,986	9,412	11,467	41,471	10,943	12,943	14,164	16,982	55,032	12,613
Depreciation and amortization	2,478	2,266	528	529	491	556	2,104	525	536	1,347	1,457	3,865	1,676
Accretion of asset retirement obligations	394	430	114	114	115	115	458	126	123	124	125	498	129
Other operating (income) expenses, net	14,049	33,666	-	135	(3,254)	522	(2,597)	999	371	754	1,072	3,196	431
Income (loss) from operations	37,857	(72,172)	(5,795)	17,978	32,059	49,148	93,390	55,738	69,534	39,759	(1,040)	163,991	3,267
Other income (expense):													
Earnings (loss) from equity method investments	-	-	(566)	296	128	217	75	1,166	1,144	1,624	1,250	5,184	1,116
Interest expense	(16,103)	(20,853)	(4,601)	(2,450)	(2,815)	(3,105)	(12,971)	(3,473)	(3,722)	(8,012)	(10,140)	(25,347)	(10,590)
Loss on extinguishment of debt	-	-	-	-	-	(4,332)	(4,332)	-	-	(6,233)	-	(6,233)	-
Net income (loss)	\$ 21,754	\$ (93,025)	\$ (10,962)	\$ 15,824	\$ 29,372	\$ 41,928	\$ 76,162	\$ 53,431	\$ 66,956	\$ 27,138	\$ (9,930)	\$ 137,595	\$ (6,207)
Earnings (loss) per limited partner unit (a)													
Limited partner units - basic (a)	\$ 0.73	\$ (1.64)	\$ (0.07)	\$ 0.18	\$ 0.33	\$ 0.48	\$ 0.97	\$ 0.60	\$ 0.68	\$ 0.30	\$ (0.08)	\$ 1.46	\$ (0.06)
Limited partner units - diluted (a)	\$ 0.73	\$ (1.64)	\$ (0.07)	\$ 0.18	\$ 0.32	\$ 0.47	\$ 0.96	\$ 0.59	\$ 0.67	\$ 0.29	\$ (0.08)	\$ 1.42	\$ (0.06)
Distributions per limited partner unit	\$ 1.1500	\$ -	\$ -	\$ -	\$ 0.1500	\$ 0.2000	\$ 0.3500	\$ 0.2250	\$ 0.7500	\$ 0.2250	\$ -	\$ 1.2000	\$ -
Reconciliation of EBITDA, Adjusted EBITDA and Distributable Cash Flow:													
Net income (loss)	\$ 21,754	\$ (93,025)	\$ (10,962)	\$ 15,824	\$ 29,372	\$ 41,928	\$ 76,162	\$ 53,431	\$ 66,956	\$ 27,138	\$ (9,930)	\$ 137,595	\$ (6,207)
Depreciation and depletion expense	16,471	17,616	4,936	7,704	8,875	8,357	29,872	7,903	10,598	10,373	9,901	38,775	11,500
Amortization expense	2,620	1,682	420	421	421	419	1,681	421	420	1,215	1,318	3,374	1,448
Interest expense	16,103	20,853	4,601	2,450	2,815	3,105	12,971	3,473	3,722	8,012	10,140	25,347	10,590
EBITDA	56,948	(52,874)	(1,005)	26,399	41,483	53,809	120,686	65,228	81,696	46,738	11,429	205,091	17,331
Non-cash impairments of goodwill and long-lived assets	24,792	33,745	-	-	-	-	-	-	-	-	-	-	-
(Earnings) loss from equity method investments	-	-	566	(296)	(128)	(217)	(75)	(1,166)	(1,144)	(1,624)	(1,250)	(5,184)	(1,116)
Loss on extinguishment of debt	-	-	-	-	-	4,332	4,332	-	-	6,233	-	6,233	-
Adjusted EBITDA	81,740	(19,129)	(439)	26,103	41,355	57,924	124,943	64,062	80,552	51,347	10,179	206,140	16,215
Less: Cash interest paid, including accruals	(12,979)	(17,175)	(3,598)	(2,077)	(2,442)	(2,833)	(10,950)	(3,278)	(3,479)	(7,688)	(9,738)	(24,183)	(10,181)
Less: Maintenance and replacement capital expenditures, including accrual for reserve replacement (b)	(6,762)	(5,680)	(1,845)	(2,945)	(3,399)	(5,553)	(13,742)	(4,675)	(5,561)	(4,914)	(3,718)	(18,868)	(4,864)
Add: Accretion of asset retirement obligations	394	430	114	114	115	115	458	126	123	124	125	498	129
Add: Unit-based compensation	2,983	2,620	1,178	1,219	1,509	1,808	5,714	1,801	1,810	1,897	1,931	7,439	1,578
Distributable cash flow	65,376	(38,934)	(4,590)	22,414	37,138	51,461	106,423	58,036	73,445	40,766	(1,221)	171,026	2,877
Adjusted for: Distributable cash flow attributable to assets contributed from the sponsor, prior to the period in which the contribution occurred (c)	3,450	7,758	4,641	450	366	1,116	6,573	414	936	(725)	2,171	2,796	-
Distributable cash flow attributable to Hi-Crush Partners LP	68,826	(31,176)	51	22,864	37,504	52,577	112,996	58,450	74,381	40,041	950	173,822	2,877
Less: Distributable cash flow attributable to holders of incentive distribution rights	(1,311)	-	-	-	-	(593)	-	(2,047)	(7,821)	-	-	(7,664)	-
Distributable cash flow attributable to limited partner unitholders	\$ 67,515	\$ (31,176)	\$ 51	\$ 22,864	\$ 37,504	\$ 51,984	\$ 112,996	\$ 56,403	\$ 66,560	\$ 40,041	\$ 950	\$ 166,158	\$ 2,877

(a) Amounts of incremental income or losses recast to periods prior to the Sponsor Contribution, Blair Contribution and Whitehall Contribution are excluded from the calculation of net income per limited partner unit.

(b) Maintenance and replacement capital expenditures, including accrual for reserve replacement, were determined based on an estimated reserve replacement cost of \$1.35 per ton produced and delivered through September 30, 2017. Effective October 1, 2017, we increased the estimated reserve replacement cost to \$1.85 per ton produced and delivered, due to the addition of our Kermit facility. Effective January 1, 2019 we revised our estimated reserve replacement cost to \$2.10 per ton produced and delivered as a result of completion of construction of the second Kermit facility. Such expenditures include those associated with the replacement of equipment and sand reserves, to the extent that such expenditures are made to maintain our long-term operating capacity. The amount presented does not represent an actual reserve account or requirement to spend the capital.

(c) The Partnership's historical financial information has been recast to consolidate results of our sponsor, general partner, Blair, Whitehall, Augusta and PDQ Properties for the periods leading up to their contribution into the Partnership. For purposes of calculating distributable cash flow attributable to Hi-Crush Partners LP, the Partnership excludes the incremental amount of recast distributable cash flow earned during the periods prior to the contributions.

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(in thousands, except tons, per ton and per unit amounts)

	2015	2016	2017				FY	2018				2019	
	FY	FY	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	FY	1Q
Liquidity (at period end):													
Cash	\$ 19,760	\$ 4,843	\$ 71,251	\$ 35,675	\$ 27,896	\$ 7,724	\$ 7,724	\$ 14,345	\$ 28,490	\$ 181,005	\$ 114,256	\$ 114,256	\$ 60,404
Debt													
Senior Notes due 2026 (b)										\$ 440,622	\$ 440,625	\$ 440,625	\$ 440,935
ABL Credit Facility										-	-	-	-
Revolving Credit Agreement (a)	\$ 52,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Term Loan Credit Facility (a)(b)	190,617	189,715	189,490	189,265	189,039	194,365	194,365	194,045	193,741	-	-	-	-
Hi-Crush Proppants, LLC Debt	118,751	61,221	207	83	1,405	1,183	1,183	326	-	2,522	-	-	-
Other notes payable	6,924	6,705	5,743	5,223	4,191	3,054	3,054	2,097	1,129	4,142	4,852	4,852	3,113
Total debt	\$ 368,792	\$ 257,641	\$ 195,440	\$ 194,571	\$ 194,635	\$ 198,602	\$ 198,602	\$ 196,468	\$ 194,870	\$ 447,286	\$ 445,477	\$ 445,477	\$ 444,048
HCLP Credit Agreements													
Capacity	\$ 100,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Availability	\$ 39,847	\$ 66,368	\$ 59,681	\$ 58,231	\$ 58,234	\$ 104,334	\$ 104,334	\$ 103,847	\$ 103,580	\$ 97,731	\$ 58,177	\$ 58,177	\$ 55,164
Supplemental Information (at period end):													
Common units outstanding	36,959,970	63,668,244	91,017,937	91,030,490	91,030,707	89,009,188	89,009,188	88,392,179	88,392,179	89,866,063	100,874,988	100,874,988	101,105,766
Capital expenditures for property, plant and equipment	\$ 130,865	\$ 45,714	\$ 20,565	\$ 68,114	\$ 108,309	\$ 122,246	\$ 122,246	\$ 12,258	\$ 37,980	\$ 69,310	\$ 141,546	\$ 141,546	\$ 40,289
Operating Data:													
Total sand sold (in tons)	5,003,702	4,253,746	1,384,887	2,112,516	2,456,195	2,985,115	8,938,713	2,617,627	3,037,504	2,775,360	1,976,805	10,407,296	2,411,262
Sand produced and delivered (in tons)	5,008,960	4,207,044	1,366,812	2,181,276	2,517,752	3,001,744	9,067,584	2,527,037	3,006,091	2,655,831	2,009,855	10,198,814	2,316,225
Average price per ton sold	\$ 62	\$ 48	\$ 60	\$ 64	\$ 68	\$ 71	\$ 67	\$ 73	\$ 70	\$ 64	\$ 58	\$ 67	\$ 48
Contribution margin	\$ 100,015	\$ 16,122	\$ 11,281	\$ 35,338	\$ 47,628	\$ 70,028	\$ 164,275	\$ 76,130	\$ 93,989	\$ 66,389	\$ 28,358	\$ 264,866	\$ 29,388
Contribution margin per ton sold	\$ 19.99	\$ 3.79	\$ 8.15	\$ 16.73	\$ 19.39	\$ 23.46	\$ 18.38	\$ 29.08	\$ 30.94	\$ 23.92	\$ 14.35	\$ 25.45	\$ 12.19
% of railcars shipped via unit trains		39 %	45 %	68 %	65 %	68 %	63 %	64 %	73 %	75 %	33 %	61 %	43 %
Railcar lease expense	\$ 22,200	\$ 28,900	\$ 6,900	\$ 6,900	\$ 6,800	\$ 6,800	\$ 27,400	\$ 6,900	\$ 7,500	\$ 8,700	\$ 8,300	\$ 31,400	\$ 8,500
Operating Assets (at period end):													
Production capacity (tons per year) (c)(d)	7,570,000	10,430,000	10,430,000	10,430,000	13,430,000	13,430,000	13,430,000	13,430,000	13,430,000	13,430,000	16,430,000	16,430,000	17,280,000
Production facilities	3	4	4	4	5	5	5	5	5	5	6	6	6
Terminals owned or operated	14	11	11	11	11	12	12	12	12	12	12	12	12
Railcar fleet													
Leased or Owned	3,947	4,200	4,180	4,173	4,172	4,253	4,253	4,238	4,884	4,985	4,986	4,986	4,963
Customer or System	2,104	1,358	944	1,866	2,228	2,404	2,404	2,422	2,418	2,729	2,169	2,169	1,495
Total	6,051	5,558	5,124	6,039	6,400	6,657	6,657	6,660	7,302	7,714	7,155	7,155	6,458

(a) In August 2018, the Partnership terminated its Revolving Credit Agreement and Term Loan Credit Facility.

(b) Senior Notes and Term Loan Credit Facility are presented net of unamortized original issue discount and unamortized debt issuance costs.

(c) The Augusta facility, with an annual processing capacity of approximately 2,860,000, was idled in October 2015 and resumed production in September 2016. In January 2019 the Augusta facility was idled.

(d) The Whitehall facility, with an annual processing capacity of approximately 2,860,000, was idled in the second quarter of 2016 and resumed production in March 2017. In September 2018 the the dry plant was idled and resumed operations in January 2019.