



Gibson Energy Announces 2023 First Quarter Results

All financial figures are in Canadian dollars unless otherwise noted

Calgary, Alberta (May 1, 2023) – Gibson Energy Inc. announced today its financial and operating results for the three months ended March 31, 2023.

“Gibson is off to a great start in 2023, with Adjusted EBITDA in the quarter reaching a new high-water mark, driven by consistent results from the Infrastructure segment and a Marketing contribution well above our initial outlook,” said Steve Spaulding, President and Chief Executive Officer. “This solid business performance has further improved our leading financial position to a payout ratio of 56% and leverage of 2.4x, both below our target ranges, and enables us to increase our share repurchase target for the second quarter to \$50 million resulting in a potential full year repurchase of up to \$125 million. Importantly, since the start of the year, we have continued to progress discussions with customers to underpin the sanction of incremental infrastructure projects and have increasing line of sight to exceeding the high end of our \$100 million to \$125 million growth capital target for the year.”

Financial Highlights:

- Revenue of \$2,366 million in the first quarter, a \$322 million or 12% decrease over the first quarter of 2022, primarily a result of lower commodity prices decreasing contribution from the Marketing segment
- Infrastructure Adjusted EBITDA⁽¹⁾ of \$108 million in the first quarter, a \$1 million or 1% decrease from the first quarter of 2022, with an increase in contribution at the DRU offset by a decrease from Pipelines
- Marketing Adjusted EBITDA⁽¹⁾ of \$59 million in the first quarter, a \$38 million or 185% increase from the first quarter of 2022, primarily due to a much stronger contribution from both Refined Products and Crude Marketing
- Adjusted EBITDA⁽¹⁾ on a consolidated basis of \$155 million in the first quarter, a \$34 million or 28% increase over the first quarter of 2022, as result of the factors described above
- Net Income of \$88 million in the first quarter, a \$36 million or 70% increase over the first quarter of 2022, due to the factors described above and lower depreciation partially offset by higher income tax expense and interest expense
- Distributable Cash Flow⁽¹⁾ of \$107 million in the first quarter, a \$28 million or 36% increase from the first quarter of 2022, a result of the factors described above
- Dividend Payout ratio⁽²⁾ on a trailing twelve-month basis of 56%, below the Company’s 70% – 80% target range
- Net Debt to Adjusted EBITDA ratio⁽²⁾ at March 31, 2023 of 2.4x, below the bottom end of the Company’s 3.0x – 3.5x target range

Strategic Developments and Highlights:

- Repurchased 1.1 million shares for an aggregate \$27 million in the first quarter plus an additional 0.7 million shares subsequent to the end of the quarter, for a total to date this year of 1.8 million shares for an aggregate \$42 million representing 1.3% of outstanding shares
- Announced continued progress in its sustainability journey, achieving top quartile safety performance in 2022 among North American peers highlighted by Lost Time Injury Frequency and Recordable Vehicle Incident Frequent rates of zero for both employees and contractors for the third year in a row, with a Total Recordable Injury Frequency rate of 0.46 for employees that places Gibson in the top quartile within its peer group for the second year in a row
- Announced that Gibson’s Board of Directors approved a quarterly dividend of \$0.39 per common share, an increase of \$0.02 per common share or 5%, beginning with the dividend payable in April
- Renewed the Company’s \$750 million sustainability-linked revolving credit facility, extending its maturity into 2028

(1) Adjusted EBITDA and Distributable Cash Flow are non-GAAP financial measures. See the “Specified Financial Measures” section of this release.

(2) Net debt to Adjusted EBITDA ratio and Dividend Payout ratio are non-GAAP financial ratios. See the “Specified Financial Measures” section of this release.

Management's Discussion and Analysis and Financial Statements

The 2023 first quarter Management's Discussion and Analysis and unaudited Condensed Consolidated Financial Statements provide a detailed explanation of Gibson's financial and operating results for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022. These documents are available at www.gibsonenergy.com and at www.sedar.com.

Earnings Conference Call & Webcast Details

A conference call and webcast will be held to discuss the 2023 first quarter and operating results at 7:00am Mountain Time (9:00am Eastern Time) on Tuesday, May 2, 2023.

The conference call dial-in numbers are:

- 416-764-8659 / 1-888-664-6392

This call will also be broadcast live on the Internet and may be accessed directly at the following URL:

- <https://app.webinar.net/K8Rlzx3PeYj>

The webcast will remain accessible for a 12-month period at the above URL. Additionally, a digital recording will be available for replay two hours after the call's completion until May 16, 2023, using the following dial-in numbers:

- 416-764-8677 / 1-888-390-0541
- Replay Entry Code: 101920

Annual General Meeting & Webcast Details

Gibson is holding its Annual Meeting of Shareholders on Tuesday, May 2, 2023 at 10:00am Mountain Time (12:00 noon Eastern Time). This meeting will be held in a hybrid format (virtual and in-person). Applying technology to the meeting by allowing virtual participation will make the meeting more relevant, accessible and engaging for all involved, permitting a broader base of shareholders to participate in the meeting, regardless of their geographic location. The optional virtual format for the meeting will also help mitigate health and safety risks.

Following the conclusion of the formal proceedings of the annual shareholder meeting, Mr. Steve Spaulding, President and Chief Executive Officer, will address shareholders and provide brief remarks on the current state of the business and discuss the highlights of the Company's key initiatives.

Attending In-Person:

- Lumi Experience Studio
- Suite 1410, 225 6 Ave SW, Calgary, Alberta

Attending virtually can be accessed using the following URL:

- <https://web.lumiagm.com/#/431480231>
- Password: gibson2023

The webcast will remain accessible for a 12-month period at the above URL.

Additionally, information and materials related to the annual general meeting of shareholders can be accessed using the following URL:

- <https://www.gibsonenergy.com/investor-centre/shareholder-information/2023-annual-meeting-of-shareholders/>

Supplementary Information

Gibson has also made available certain supplementary information regarding the 2023 first quarter financial and operating results, available at www.gibsonenergy.com.

About Gibson

Gibson Energy Inc. ("Gibson" or the "Company") (TSX: GEI), is a Canadian-based liquids infrastructure company with its principal businesses consisting of the storage, optimization, processing, and gathering of liquids and refined products. Headquartered in Calgary, Alberta, the Company's operations are focused around its core terminal assets located at Hardisty and Edmonton, Alberta, and include the Moose Jaw Facility and an infrastructure position in the U.S.

Gibson shares trade under the symbol GEI and are listed on the Toronto Stock Exchange. For more information, visit www.gibsonenergy.com.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information and statements (collectively, forward-looking statements) including, but not limited to, statements concerning Gibson's dividend payment, share repurchase and growth capital targets and sanction of incremental infrastructure projects and continued progress in Gibson's sustainability journey. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward looking statements. The forward-looking statements reflect Gibson's beliefs and assumptions with respect to, among other things, dividend payment, ability to meet share repurchase and growth capital targets and ability to sanction incremental infrastructure projects. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release. The Company does not undertake any obligations to publicly update or revise any forward-looking statements except as required by securities law. Actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous risks and uncertainties including, but not limited to, the risks and uncertainties described in "Forward-Looking Information" and "Risk Factors" included in the Company's Annual Information Form and Management's Discussion and Analysis, each dated February 21, 2023, as filed on SEDAR and available on the Gibson website at www.gibsonenergy.com.

For further information, please contact:

Mark Chyc-Cies

Vice President, Strategy, Planning & Investor Relations

Phone: (403) 776-3146

Email: mark.chyc-cies@gibsonenergy.com

Specified Financial Measures

This press release refers to certain financial measures that are not determined in accordance with GAAP, including non-GAAP financial measures and non-GAAP financial ratios. Readers are cautioned that non-GAAP financial measures and non-GAAP financial ratios do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other entities. Management considers these to be important supplemental measures of the Company'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.

For further details on these specified financial measures, including relevant reconciliations, see the "Specified Financial Measures" section of the Company's MD&A for the three months ended March 31, 2023 and 2022, which is incorporated by reference herein and is available on Gibson's SEDAR profile at www.sedar.com and Gibson's website at www.gibsonenergy.com.

a) **Adjusted EBITDA**

Noted below is the reconciliation to the most directly comparable GAAP measures of the Company's segmented and consolidated adjusted EBITDA for the three months ended March 31, 2023, and 2022:

Three months ended March 31 <i>(\$ thousands)</i>	Infrastructure		Marketing		Corporate and Adjustments		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Segment Profit	106,571	106,977	71,831	30,648	-	-	178,402	137,625
Unrealized gain on derivative financial instruments	-	-	(13,081)	(10,040)	-	-	(13,081)	(10,040)
General and administrative	-	-	-	-	(11,917)	(8,936)	(11,917)	(8,936)
Adjustments to share of profit from equity accounted investees	1,435	2,011	-	-	-	-	1,435	2,011
Adjusted EBITDA	108,006	108,988	58,750	20,608	(11,917)	(8,936)	154,839	120,660

<i>(\$ thousands)</i>	Three Months ended March 31,	
	2023	2022
Net Income	88,251	51,970
Income tax expense	27,047	16,002
Depreciation, amortization, and impairment charges	28,155	38,439
Net finance costs	18,419	14,921
Unrealized gain on derivative financial instruments	(13,081)	(10,040)
Stock based compensation	4,146	6,155
Adjustments to share of profit from equity accounted investees	1,435	2,011
Corporate foreign exchange loss	467	1,202
Adjusted EBITDA	154,839	120,660

b) **Distributable Cash Flow**

The following is a reconciliation of distributable cash flow from operations to its most directly comparable GAAP measure, cash flow from operating activities:

<i>(\$ thousands)</i>	Three months ended March 31,	
	2023	2022
Cash flow from operating activities	159,527	305,736
Adjustments:		
Changes in non-cash working capital and taxes paid	(4,879)	(190,653)
Replacement capital	(5,335)	(2,168)
Cash interest expense, including capitalized interest	(16,799)	(13,619)
Lease payments	(9,572)	(10,596)
Current income tax	(15,541)	(9,581)
Distributable cash flow	107,401	79,119

Twelve months ended March 31,
2023

(\$ thousands)

Cash flow from operating activities	452,103
Adjustments:	
Changes in non-cash working capital and taxes paid	104,198
Replacement capital	(25,408)
Cash interest expense, including capitalized interest	(62,996)
Lease payments	(34,373)
Current income tax	(49,034)
Distributable cash flow	384,490

c) Dividend Payout Ratio

Twelve months ended March 31,
2023 2022

Distributable cash flow	384,490	306,439
Dividends declared	216,452	208,463
Dividend payout ratio	56%	68%

d) Net Debt To Adjusted EBITDA Ratio

Twelve months ended March 31,
2023 2022

Long-term debt	1,577,069	1,480,033
Lease liabilities	67,910	73,437
Less: unsecured hybrid debt	(250,000)	(250,000)
Less: cash and cash equivalents	(40,586)	(54,129)
Net debt	1,354,393	1,249,341
Adjusted EBITDA	555,158	462,816
Net debt to adjusted EBITDA ratio	2.4	2.7