



**ENERGY  
TRANSFER**

Moving America's Energy

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# Investor Presentation

August 2024



Management of Energy Transfer LP (ET) will provide this presentation to analysts and/or investors throughout August 2024. At the meetings, members of management may make statements about future events, outlook and expectations related to Sunoco LP (SUN), USA Compression Partners, LP (USAC), and ET (collectively, the Partnerships), and their subsidiaries and this presentation may contain statements about future events, outlook and expectations related to the Partnerships and their subsidiaries, all of which statements are forward-looking statements. These may also include certain statements about the Partnerships' ability to successfully complete and integrate transactions described herein and the possibility that the anticipated benefits of the transactions cannot be fully realized. Any statement made by a member of management of the Partnerships at these meetings and any statement in this presentation that is not a historical fact will be deemed to be a forward-looking statement. These forward-looking statements rely on a number of assumptions concerning future events that members of management of the Partnerships believe to be reasonable, but these statements are subject to a number of risks, uncertainties and other factors, many of which are outside the control of the Partnerships. While the Partnerships believe that the assumptions concerning these future events are reasonable, we caution that there are inherent risks and uncertainties in predicting these future events that could cause the actual results, performance or achievements of the Partnerships and their subsidiaries to be materially different. These risks and uncertainties are discussed in more detail in the filings made by the Partnerships with the Securities and Exchange Commission, copies of which are available to the public. In addition to the risks and uncertainties disclosed in our SEC filings the Partnerships expressly disclaim any intention or obligation to revise or publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

This presentation includes certain forward looking non-GAAP financial measures as defined under SEC Regulation G, including estimated adjusted EBITDA. Due to the forward-looking nature of the aforementioned non-GAAP financial measures, management cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures without unreasonable effort. Accordingly, we are unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures.

All references in this presentation to capacity of a pipeline, processing plant or storage facility relate to maximum capacity under normal operating conditions and with respect to pipeline transportation capacity, is subject to multiple factors (including natural gas injections and withdrawals at various delivery points along the pipeline and the utilization of compression) which may reduce the throughput capacity from specified capacity levels.

# What's New?

## Q2 2024 Net Income

Attributable to the Partners

**\$1.31**  
**BILLION**

Up 44% vs Q2 2023

### Operational

- Volumes compared to Q2'23
  - Crude oil transportation up 23% - record
  - Crude oil export volumes up 11%
  - NGL fractionation volumes up 11%
  - Total NGL exports up 3% - record
  - NGL transportation volumes up 4% - record
  - NGL and Refined Products terminal volumes up 4% - record
  - Refined Products transportation volumes up 9%
- In June 2024, began relocation of 200 MMcf/d processing plant (Badger) to the Delaware Basin
- In July 2024, placed 2 million Bbl NGL storage well at Mont Belvieu into service
- In July 2024, placed Ajax treating facility into service in the Haynesville with total capacity of 300 MMcf/d

## Q2 2024 Adjusted EBITDA<sup>1</sup>

**\$3.76**  
**BILLION**

Up 20% vs Q2 2023

### Financial

- Announced increased 2024 Guidance:
  - Expected Adj. EBITDA<sup>2</sup>: \$15.3 – \$15.5B
  - Expected Growth Capital<sup>3</sup>: \$3.0 – \$3.2B
- Distributable Cash Flow (DCF) attributable to partners:
  - Q2'24: \$2.04B (up 32% vs. 2Q'23)
- Q2'24 Capital Expenditures:
  - Growth<sup>3</sup>: \$549mm
  - Maintenance<sup>3</sup>: \$223mm
- Announced increase to quarterly cash distribution to \$0.32 per unit
  - Up 3.2% vs Q2'23
- In June 2024, ET's sr. unsecured debt rating was upgraded by Moody's to Baa2

## 2024 Adjusted EBITDA Guidance

**\$15.3-\$15.5**  
**BILLION**

Midpoint up 12% vs FY 2023

### Strategic

- In July 2024, completed WTG Midstream acquisition for \$2.275 million and ~50.8mm ET units
- In July 2024, formed joint venture with Sunoco LP combining respective crude oil and produced water gathering assets in the Permian Basin
- Recently approved 9<sup>th</sup> fractionator at Mont Belvieu, which will have a design capacity of 165,000 Bbls/d
- Recently signed deals across ET's system to provide gas loads of over 500 thousand MMBtu/d

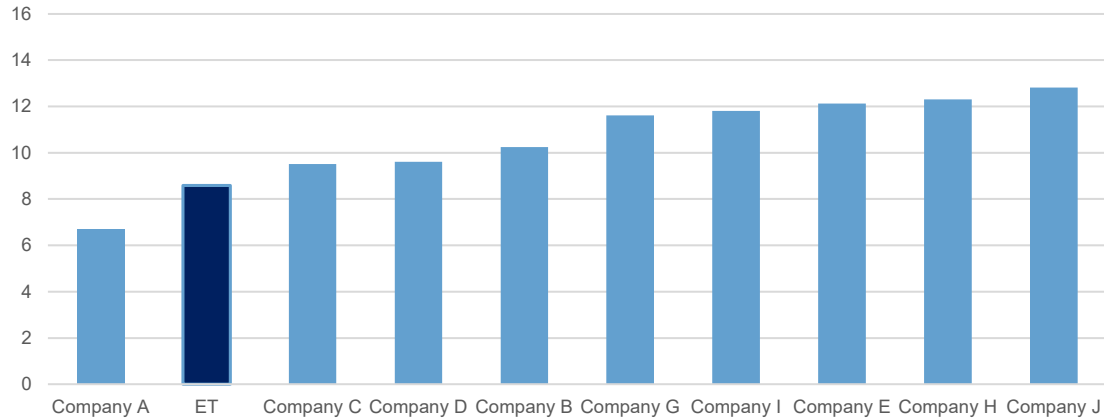
1. Adjusted EBITDA for Q2 2024 includes over \$80 million of transaction-related expenses incurred by the Partnership and Sunoco LP

2. Revised to include earnings related to ET's recently completed acquisition of WTG, which closed July 15, 2024, and outperformance in the base business, even with over \$100 million of transaction costs also included within the full-year guidance

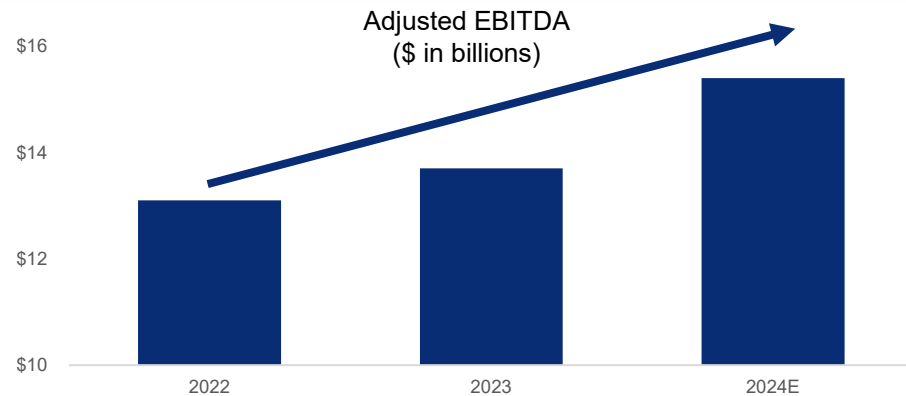
3. Energy Transfer excluding SUN and USA Compression capital expenditures

# Why Energy Transfer

## Valuation Opportunity (LTM EV/EBITDA<sup>1,2</sup>)



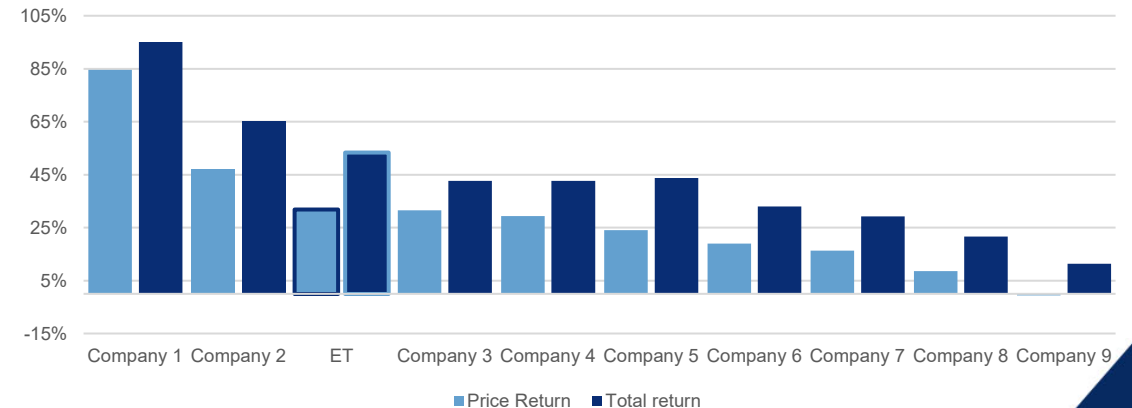
## Well Positioned for Continued Growth



## Significantly Improved Financial Position

- Sr. Unsecured debt rating recently upgraded by S&P and Fitch to BBB with stable outlook, and Moodys to Baa2
- Pro forma for a full year of acquisitions, Energy Transfer's leverage ratios are now in the lower half of its 4.0-4.5x target range<sup>3</sup>
- Targeting annual distribution growth rate of 3% to 5%

## Total Value Return Since Jan. 1, 2023<sup>2,4</sup>



1. Source: Bloomberg: EV= Current market cap + preferred equity +minority interest + net debt; EBITDA = TTM Adjusted EBITDA  
 2. Peer group includes: ENB, EPD, KMI, MPLX, OKE, PAA, TRGP, TRP, WMB  
 3. Based on Energy Transfer's calculation of the Rating Agency leverage ratios  
 4. As of 8/12/2024



# Positioned to Deliver on Key Themes in 2024

## Strong Returns

Current Yield **~8.2%**<sup>1</sup>

Distribution Growth **3-5%**  
expected Annual Growth

Sr. Unsecured Debt Rating **Baa2**  
recently upgraded by Moodys

Expect to prioritize **unit buybacks** over  
debt paydown once leverage target is achieved

## Disciplined Growth

**Organic** expansion projects  
Franchise positioned as a natural industry  
consolidator via **strategic M&A**

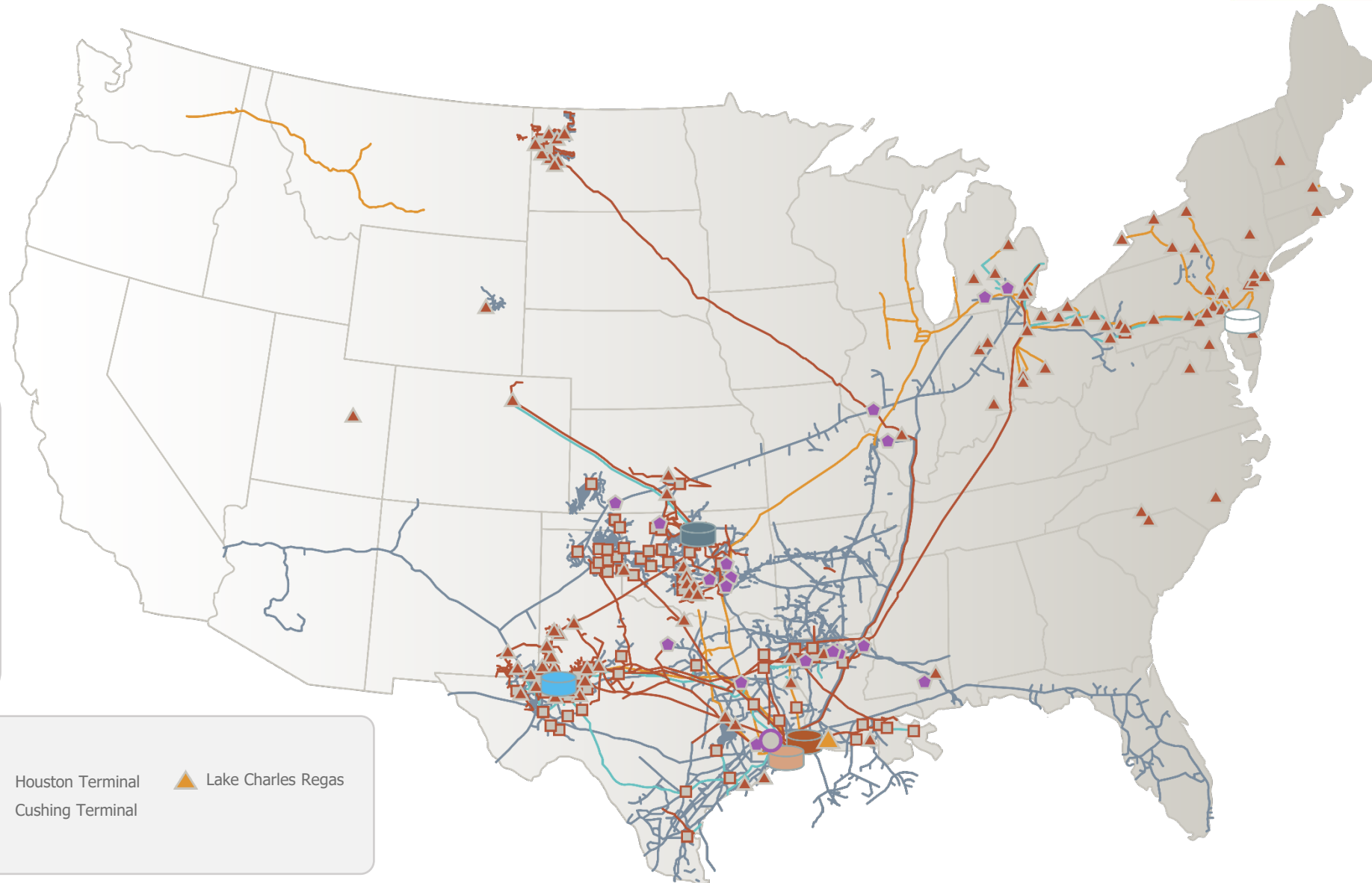
## Well-Balanced Asset Base

Oil, Natural Gas and NGLs **equally**  
**weighted** across the U.S.

## Predominantly Fee-Based

**~90%** of earnings from fee-based contracts  
**~10%** from commodity and spread  
exposure

# Nationwide Footprint



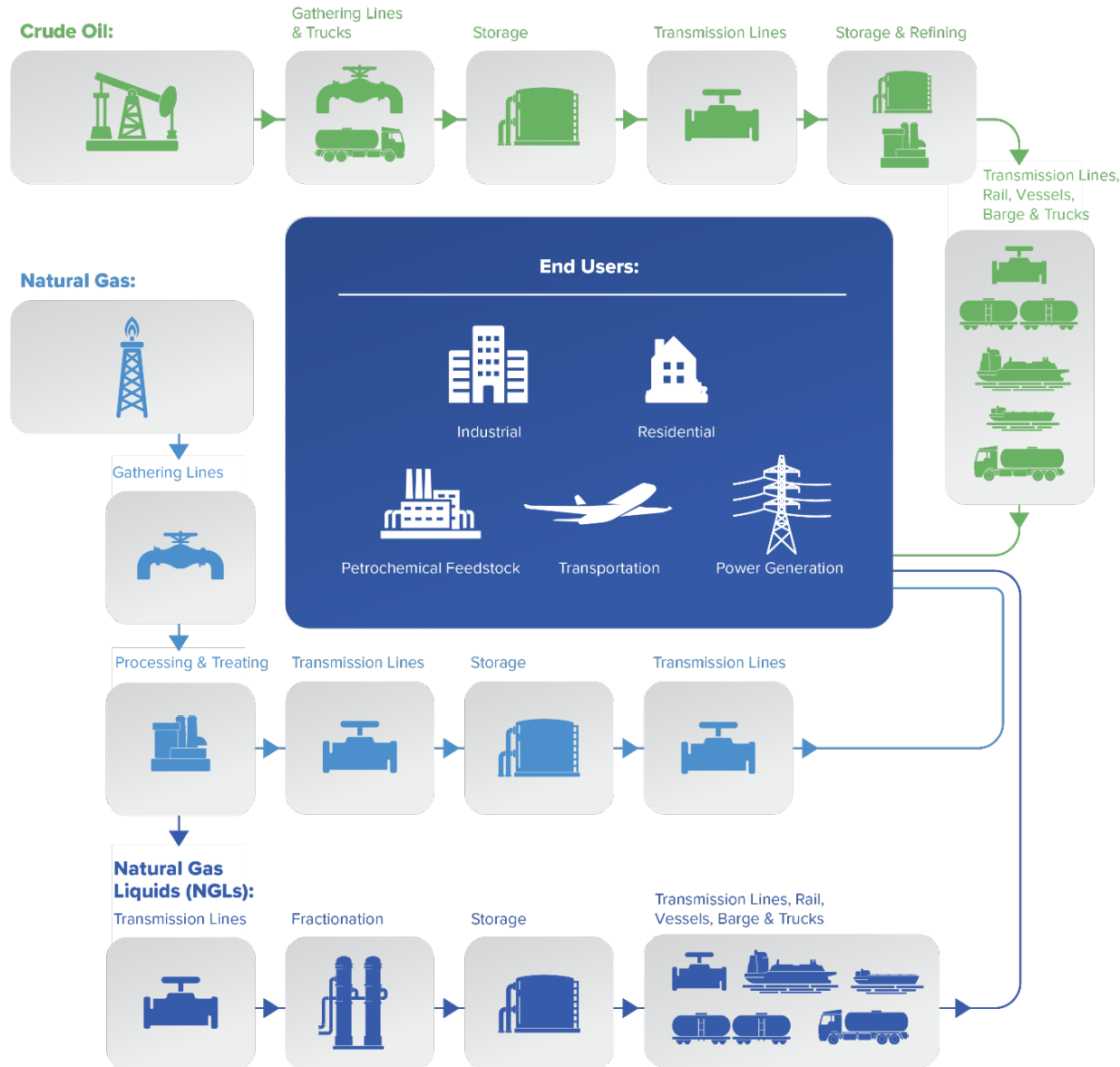
## Asset Overview

- Natural Gas
- Natural Gas Liquids (NGLs)
- Crude
- Refined Products
- ◆ Storage
- Mont Belvieu NGL Complex
- ▲ Terminals
- Processing

## Major Terminals

- Marcus Hook Terminal
- Houston Terminal
- ▲ Lake Charles Regas
- Nederland Terminal
- Cushing Terminal
- Midland Terminals

# Providing Services from Wellhead to Water



**130,000+ Miles of Pipeline**

**Gather ~19.4 million MMBtu/d of gas and 890,000 Bbls/d of NGLs produced**

**Transport ~29.5 million MMBtu/d of natural gas via inter and intrastate pipelines**

**Fractionate ~1.1 million Bbls/d of NGLs**

**Transport ~6.5 million Bbls/d of crude oil**

**Capable of exporting ~1.85 million Bbls/d of crude oil and 1.1 million+ Bbls/d of NGLs**

# Track Record of Efficient Consolidation



- **Closed December 2021**
- Assets complementary to ET's interstate and intrastate pipeline system
- Increased gathering and processing footprint in the Midcontinent and added complementary U.S. Gulf Coast infrastructure
- Anchored by strong customers and fee-based contracts
- Immediately accretive to free cash flow and DCF/unit
- At announcement, transaction value represented 6.9x multiple of 2021E run-rate EBITDA

- **Closed September 2022**
- Assets extended ET's gas gathering and processing system in the SCOOP play in OK
- Added processing/treating plant and gathering lines directly connected to ET's network
- Anchored by strong customers and fee-based with significant acreage dedications contracts
- Immediately accretive to free cash flow and DCF/unit

- **Closed May 2023**
- Assets complementary to ET's crude oil pipeline system
- Increased gathering and processing footprint in the Permian Basin and increased connectivity to major hubs
- Anchored by strong customers and fee-based contracts
- Immediately accretive to free cash flow and DCF/unit

- **Closed November 2023**
- Assets enhanced NGL & Refined Products storage and logistics business
- Increased gathering and processing footprint in Delaware and Williston Basins
- Added entry into the Powder River Basin
- Anchored by primarily fixed fee agreements and top-tier customer base
- Immediately accretive to DCF/unit upon closing

- **Closed July 2024**
- Expanded natural gas pipeline and processing network in Permian Basin
- Expected to add incremental revenue from downstream NGL transport and frac fees
- Supported by high-quality customers with an average contract life of 8+ years
- Estimated DCF accretion of ~\$0.04/common unit in 2025, increasing to ~\$0.07/unit in 2027
- At announcement, transaction value represented sub 7x multiple of 2025E run-rate EBITDA



# Growth Through Organic Projects and M&A

## ➤ Key asset additions since Q3 2022

### Woodford Express

- Purchase price of \$485mm<sup>1</sup>
- (Closed September '22)

### Gulf Run Pipeline

- (In Service December '22)

### Bear Processing Plant

- (In Service June '23)

### Crestwood Equity Partners

- Valued at \$7.1B<sup>2</sup>
- (Closed November '23)

### Grey Wolf Processing Plant

- (In Service December '22)

### Lotus Midstream

- Total consideration of \$1.5B<sup>3</sup>
- (Closed May '23)

### Frac VIII

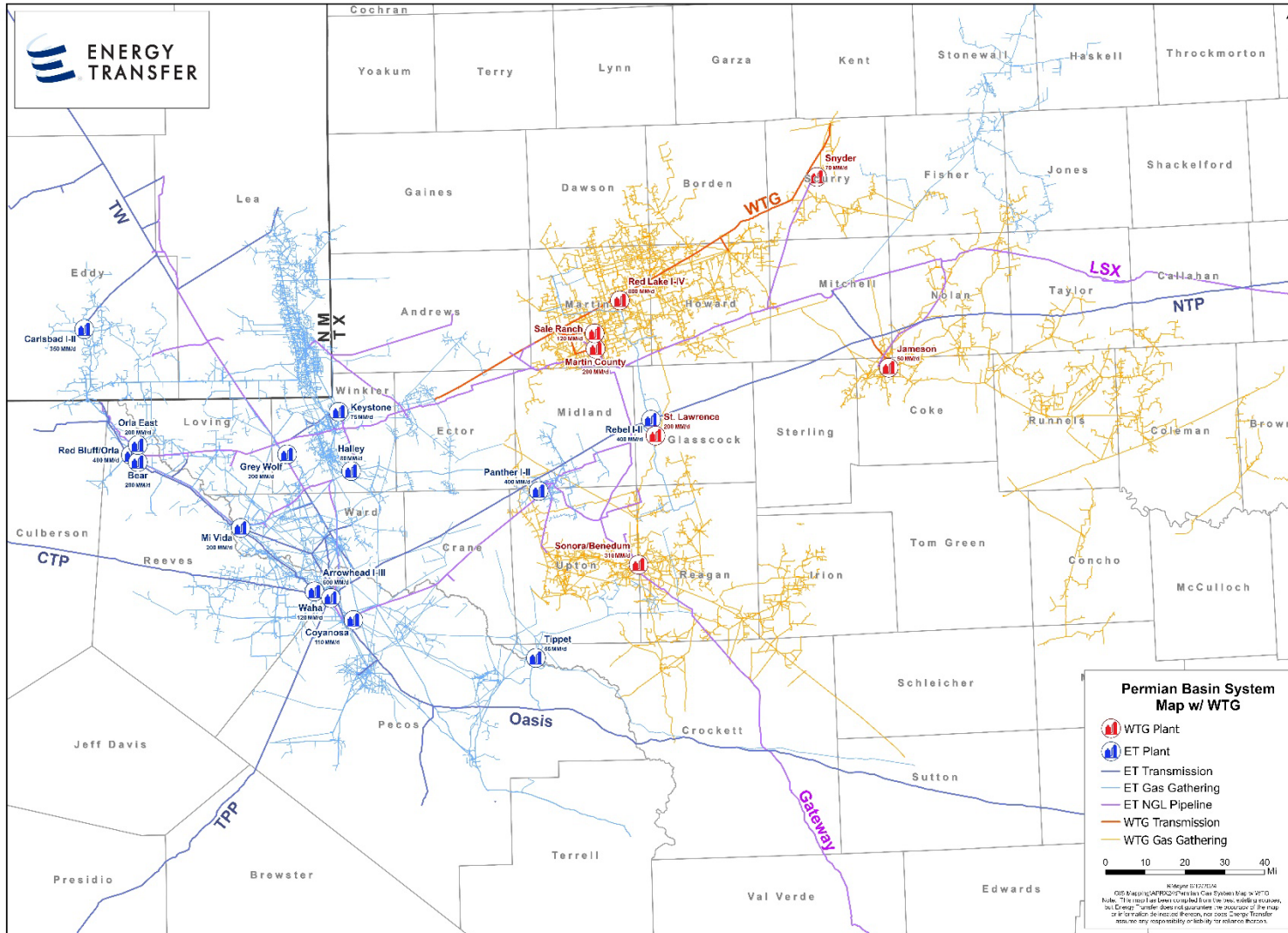
- (In Service August '23)

### WTG Midstream Holdings LLC

- Valued at ~\$3.075B<sup>4</sup>
- (Closed July '24)

1. Plus working capital  
2. At time of announcement  
3. Consideration included \$930mm in cash and ~44.5mm newly issued ET common units, which had an aggregate acquisition-date fair value of \$574mm  
4. As detailed in closing press release dated July 15, 2024

# WTG Transaction Highlights



## Complementary Gathering and Processing Assets

- Added more than 6,000 miles of complementary gas gathering pipelines in the Permian Basin
- Includes eight gas processing plants (~1.3 Bcf/d capacity), with one more under construction (0.4 Bcf/d) – since closing, the 200 MMcf/d Red Lake 3 processing plant was placed into service

## Bolt-On Type Asset

- Connected to ET's pipeline system
- Provided further expansion in core of Midland Basin

## Bolsters NGL/Natural Gas Supplies

- Added incremental revenue from downstream NGL transports and frac fees
- Significant current acreage dedication expected to support long-term supply growth
- Potential upside from access to un-dedicated volumes in proximity to WTG assets

## High-Quality Customer Base

- Long-term agreements with industry leading producers (average contract life of 8+ years)
- 85-90% fee-based contracts, including downstream revenues

## Positive Financial Impact

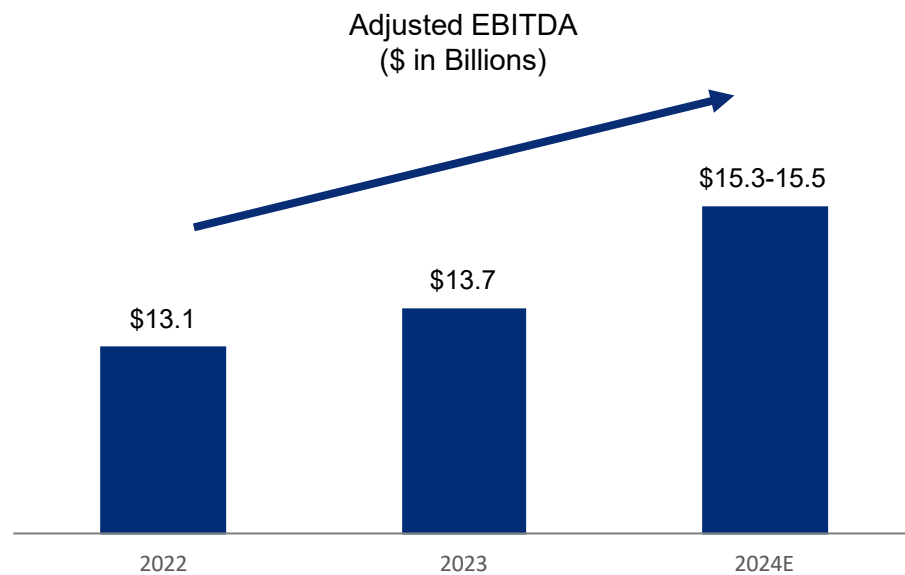
- Continue to expect DCF accretion of ~\$0.04 per common unit in 2025, increasing to \$0.07 per common unit in 2027
- Structured mix of cash and equity consideration expected to provide strong equity returns while maintaining leverage target

Disciplined growth through value transaction

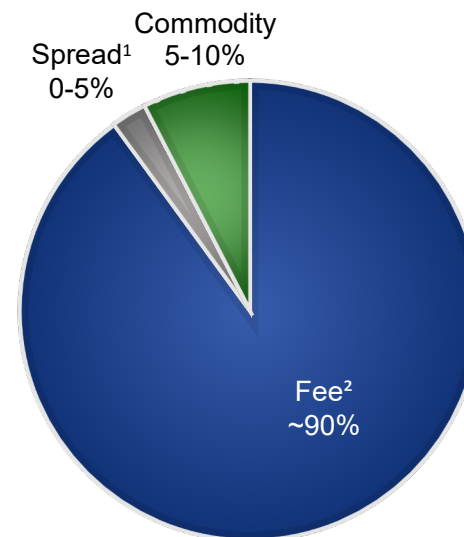
# Outlook Supported by Strong Core Business

2024E Adjusted EBITDA \$15.3- \$15.5 billion

## Balancing M&A and Organic Growth



## 2024E Adjusted EBITDA Breakout

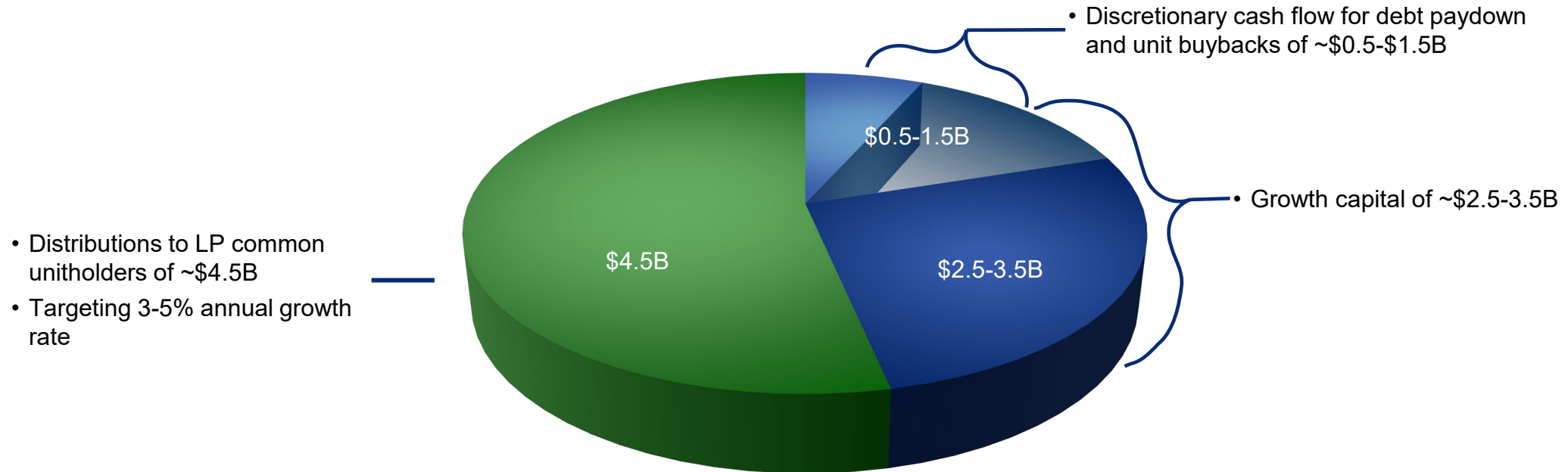


Pricing/spread assumptions based on current futures markets

1. Spread margin is pipeline basis, cross commodity and time spreads  
2. Fee margins include transport and storage fees from affiliate customers at market rates

# Long-Term Capital Allocation Strategy

## Illustrative – Based on \$8.5B Distributable Cash Flow



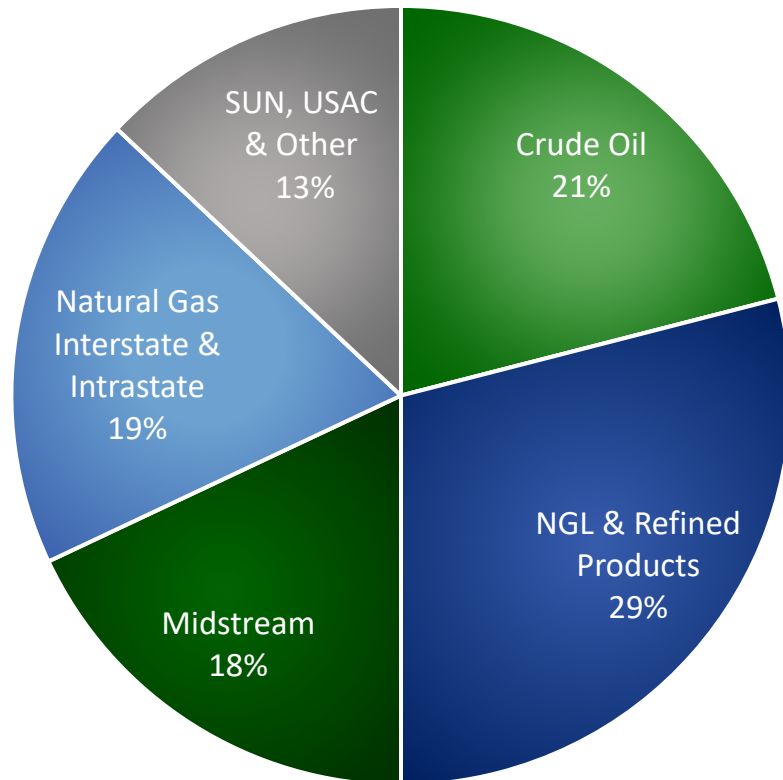
**Targeting debt to EBITDA ratio at lower end of 4-4.5x stated range  
Expect to prioritize unit buybacks once target is achieved**

*Note: As June 30, 2024, \$880 million remained available to repurchase under the current authorized unit buyback program*



# Well Balanced Asset Mix Provides Strong Earnings Support

**Q2 2024 Adjusted EBITDA by Segment**

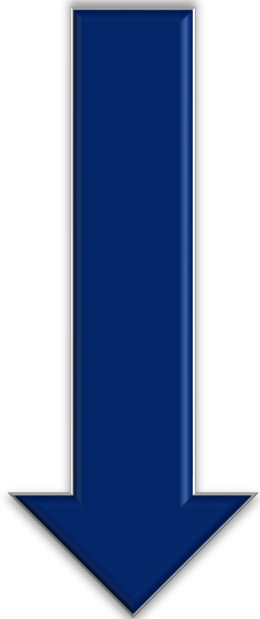


Segment	Contract Structure	Strength
<b>Crude Oil</b>	Fees from dedicated acreage, take-or-pay and throughput-based transportation, terminalling and storage	Significant connectivity from Permian, Bakken and MidCon basins to U.S. markets, including Nederland terminal
<b>NGL &amp; Refined Products</b>	Fees from plant dedications and take-or-pay transportation contracts, storage fees and fractionation fees, which are primarily frac-or-pay structures	~60 facilities connected to ET's NGL pipelines, and benefit from recent frac expansions at the Mont Belvieu complex
<b>Midstream (Gathering &amp; Processing)</b>	Minimum volume commitment (MVC), acreage dedication, utilization-based fees and percent of proceeds (POP)	Significant acreage dedications, including assets in Permian, Eagle Ford, Anadarko, Marcellus/Utica and Powder River Basins
<b>Natural Gas Interstate Transport &amp; Storage</b>	Fees based on reserved capacity, take-or-pay contacts	Connected to all major U.S. supply basins and growing demand markets, including exports
<b>Natural Gas Intrastate Transport &amp; Storage</b>	Reservation charges and transport fees based on utilization	Largest intrastate pipeline system in the U.S. with interconnects to TX markets, as well as major consumption areas throughout the U.S.

# Lower Capital and Higher EBITDA

## ET Organic Growth Capital<sup>1</sup>

2018  
\$4.9B



2024E  
~\$3.1B

## ET Adjusted EBITDA<sup>2</sup>

2024E  
\$15.3-\$15.5B



2018  
\$9.5B

## Major Growth Project Additions

2018	<ul style="list-style-type: none"> <li>Rover Pipeline*</li> <li>Frac V</li> <li>Rebel II Plant</li> </ul>	<ul style="list-style-type: none"> <li>Arrowhead II Plant</li> <li>Mariner East 2</li> </ul>
2019	<ul style="list-style-type: none"> <li>Bayou Bridge Phase II*</li> <li>Permian Express 4*</li> <li>Frac VI</li> <li>Red Bluff Express Pipeline*</li> </ul>	<ul style="list-style-type: none"> <li>JC Nolan Diesel Pipeline*</li> <li>Arrowhead III Plant</li> <li>Panther II Plant</li> </ul>
2020	<ul style="list-style-type: none"> <li>Frac VII</li> <li>Mariner East 2X</li> <li>PA Access</li> <li>Lone Star Express Expansion</li> </ul>	<ul style="list-style-type: none"> <li>Orbit Ethane Export Terminal*</li> <li>LPG Expansions</li> </ul>
2021	<ul style="list-style-type: none"> <li>Mariner East 2X</li> <li>PA Access</li> <li>Cushing South Phase I</li> </ul>	<ul style="list-style-type: none"> <li>Bakken Optimization*</li> <li>Permian Bridge</li> </ul>
2022	<ul style="list-style-type: none"> <li>Mariner East 2</li> <li>Ted Collins Link</li> <li>Cushing South Phase II</li> </ul>	<ul style="list-style-type: none"> <li>Permian Bridge Phase II</li> <li>Grey Wolf Processing Plant</li> <li>Gulf Run Pipeline</li> </ul>
2023	<ul style="list-style-type: none"> <li>Bear Processing Plant</li> <li>Frac VIII</li> </ul>	<ul style="list-style-type: none"> <li>Pipeline optimization projects</li> <li>Trunkline Pipeline Backhaul</li> </ul>
2024	<ul style="list-style-type: none"> <li>STX Processing Optimization</li> <li>Midland to Cushing Pipe Connection**</li> </ul>	<ul style="list-style-type: none"> <li>Permian Processing Optimizations**</li> <li>Red Lake III</li> </ul>
2025	<ul style="list-style-type: none"> <li>Permian Processing Optimizations**</li> <li>Sabina 2 Pipeline Conversion**</li> <li>Gateway Pipeline Debottlenecking**</li> <li>Badger Processing Plant</li> </ul>	<ul style="list-style-type: none"> <li>Nederland Flexport Expansion**</li> <li>Natural gas-fired electric generation</li> <li>Red Lake IV</li> </ul>
2026	<ul style="list-style-type: none"> <li>Lone Star Express Expansion**</li> <li>Frac IX (Recently FID'd)</li> </ul>	<ul style="list-style-type: none"> <li>Natural gas-fired electric generation</li> </ul>

<sup>1</sup>Includes ET's proportionate share of JV spend

<sup>2</sup>Adjusted EBITDA includes 100% of ET's EBITDA related to non-wholly-owned subsidiaries

\* Joint Ventures

\*\* Under Construction

# Disciplined Growth Targeting Strong Investment Returns

2024E Growth Capital: \$3.0 - \$3.2 billion		
		% of 2024E
<b>NGL &amp; Refined Products</b>	• Nederland NGL expansion	~45%
	• Nederland storage tank expansion	
	• Lone Star Express and Gateway NGL Pipeline projects	
	• Mont Belvieu Frac and storage facilities optimization	
	• Mont Belvieu Frac IX*	
	• Optimization work at Marcus Hook	
	• Sabina 2 Pipeline Conversion	
	• Multiple smaller projects	
<b>Midstream</b>	• New projects associated with WTG acquisition*	~30%
	• New treating capacity in the Haynesville	
	• Processing plant capacity additions*	
	• Efficiency improvements and emissions reduction projects	
	• Multiple gathering & processing and compression projects (primarily WTX, STX, Northeast)	
<b>Crude</b>	• Projects associated with acquisitions completed in 2023*	~13%
	• Optimization projects across various systems expected to capture incremental synergies	
	• New customer pipeline connections	
<b>Other<sup>1</sup></b>	• Compression and laterals to existing interstate and intrastate pipelines	~12%
	• Backhaul, looping and compression projects on FGT*	
	• Power generation facilities	
	• Multiple smaller projects	

1. Other includes the Interstate, Intrastate and All Other segments

\* New projects recently approved

# Growth Project Updates

Project Name	Project Overview	Status
Midland to Cushing Pipe Connection	Constructing ~30 miles of pipe to add a direct connection from Midland to ET's pipeline from the Permian Basin to Cushing; expected to be able to transport ~100,000 Bbls/d of crude from ET terminals in Midland, TX to Cushing, OK	Q4 2024
Permian Processing Upgrades	Upgrading four processing plants to add ~200 MMcf/d of incremental processing capacity in West Texas (Includes adding 50 MMcf/d at Grey Wolf, Orla East, Arrowhead II and Arrowhead III, respectively)	Q4 2024-Q1 2025
Sabina 2 Pipeline Conversion	Expected to increase the capacity from 25,000 Bbls/d to 70,000 Bbls/d to provide additional natural gasoline service between Mont Belvieu and Nederland	Early 2025
Badger Processing Plant	Relocating idle plant to the Delaware Basin to provide an incremental 200 MMcf/d of processing capacity	Mid-2025
Nederland Flexport Expansion Project	Expansion expected to add up to 250,000 Bbls/d of NGL export capacity at Nederland Terminal; expected to provide flexibility to load various products, based on customer demand	Mid-2025
Gateway Pipeline Debottlenecking	Project to allow for the full usage of interest in the EPIC Pipeline and optimize deliveries from the Delaware Basin into Gateway Pipeline for deliveries to Mont Belvieu	2025
Red Lake IV	200 MMcf/d processing plant in the Permian Basin	Q3 2025
Lone Star Express Expansion	Performing upgrades that are expected to provide more than 90,000 Bbls/d of incremental Permian NGL takeaway capacity	2026
Frac IX (New)	165,000 Bbls/d fractionator at Mont Belvieu	Q4 2026
Natural Gas-Fired Electric Generation	Constructing 8, 10-MW natural gas-fired electric generation facilities to support Energy Transfer's operations in Texas	2025-2026
Marcus Hook Terminal Optimization	First phase of an optimization project at Marcus Hook Terminal	Construction Underway
Nederland Refrigerated Storage Expansion	Expansion of refrigerated storage at Nederland; expected to increase butane storage by 33% and propane storage by 50%	Construction Underway
Sabina 1	Continue to have discussions to provide transportation for potentially multiple products from Mont Belvieu to Houston Ship Channel	Proposed
Blue Marlin	VLCC project from Nederland Terminal; recently approved final FEED study, which keeps the project on pace to meet internal projections	Proposed
Lake Charles	Developing large-scale LNG export facility at existing Lake Charles LNG regasification terminal	Proposed
Carbon Capture and Sequestration	In May 2024, entered into agreement with CapturePoint that commits CO2 from ET treating facilities in northern Louisiana to the capture and sequestration project being joint developed by ET and CapturePoint	Proposed
Blue Ammonia	Developing ammonia hub concept at Lake Charles, LA and Nederland, TX that would provide infrastructure services to several blue ammonia facilities, including natural gas supply, CO2 transportation to 3 <sup>rd</sup> party sequestration sites, ammonia storage and deep-water marine loading services	Proposed

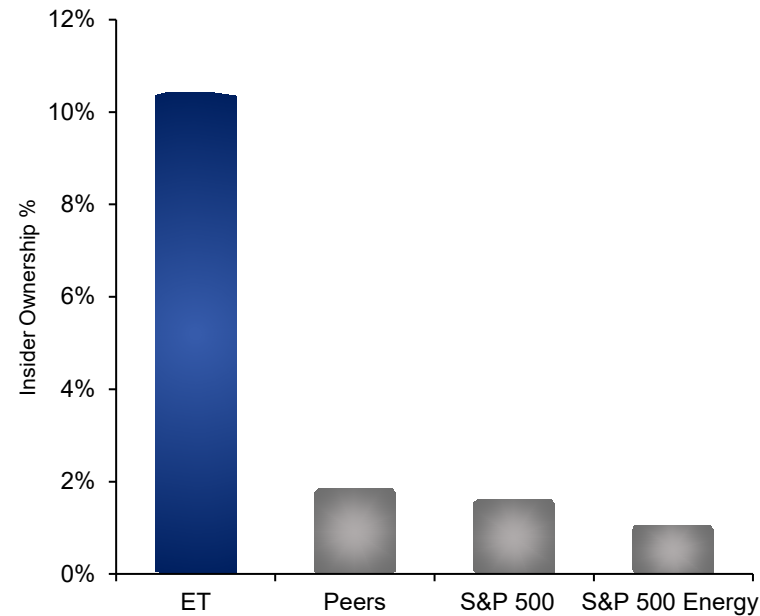


# Significant Management Ownership – Continued Buying

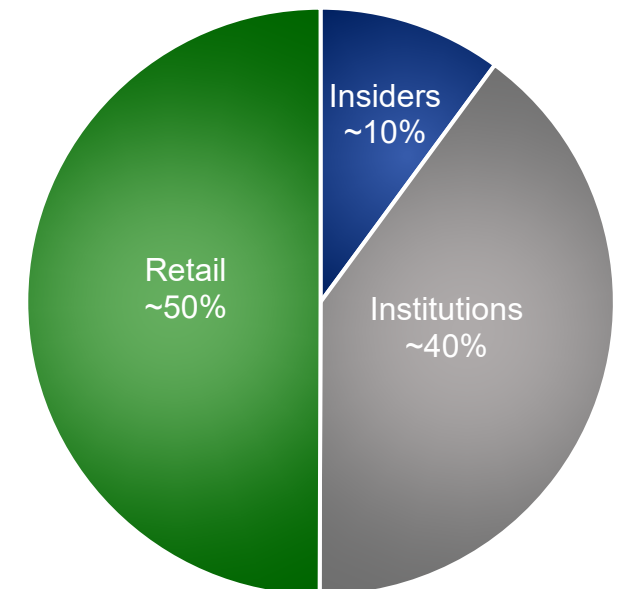
## Leadership Support

- Energy Transfer insiders and independent board members purchased more than 44 million units, totaling ~\$468 million, since January 2021<sup>1</sup>
- Executive Chairman (Kelcy Warren) - ET unit purchases since Jan. 2019<sup>1</sup>:
  - ~61mm units or ~\$675mm
- Co-CEOs hold at least 6x annual base salary in ET units

## Insider Ownership vs Peers<sup>2</sup>



## Ownership Breakout<sup>2</sup>



**Management and Insiders significantly aligned with unitholders**

Source: Bloomberg/Company Filings

Peer Group: ENB, EPD, KMI, OKE, TRGP, PAA, WMB, MMP

1. Includes units purchased by certain officers and directors of the Partnership via the secondary offering that closed on August 12<sup>th</sup>

2. As of May 2024

# Natural Gas Pipeline Footprint Expected to Help Meet Growing Electricity Demand

*Energy Transfer is pursuing opportunities to serve growing power loads from new demand centers across its pipeline network*

Gas-fired power plants served via direct and indirect connections:

**~185**

**Plants Served**

Constructing 8, 10-MW natural gas-fired electric generation facilities:

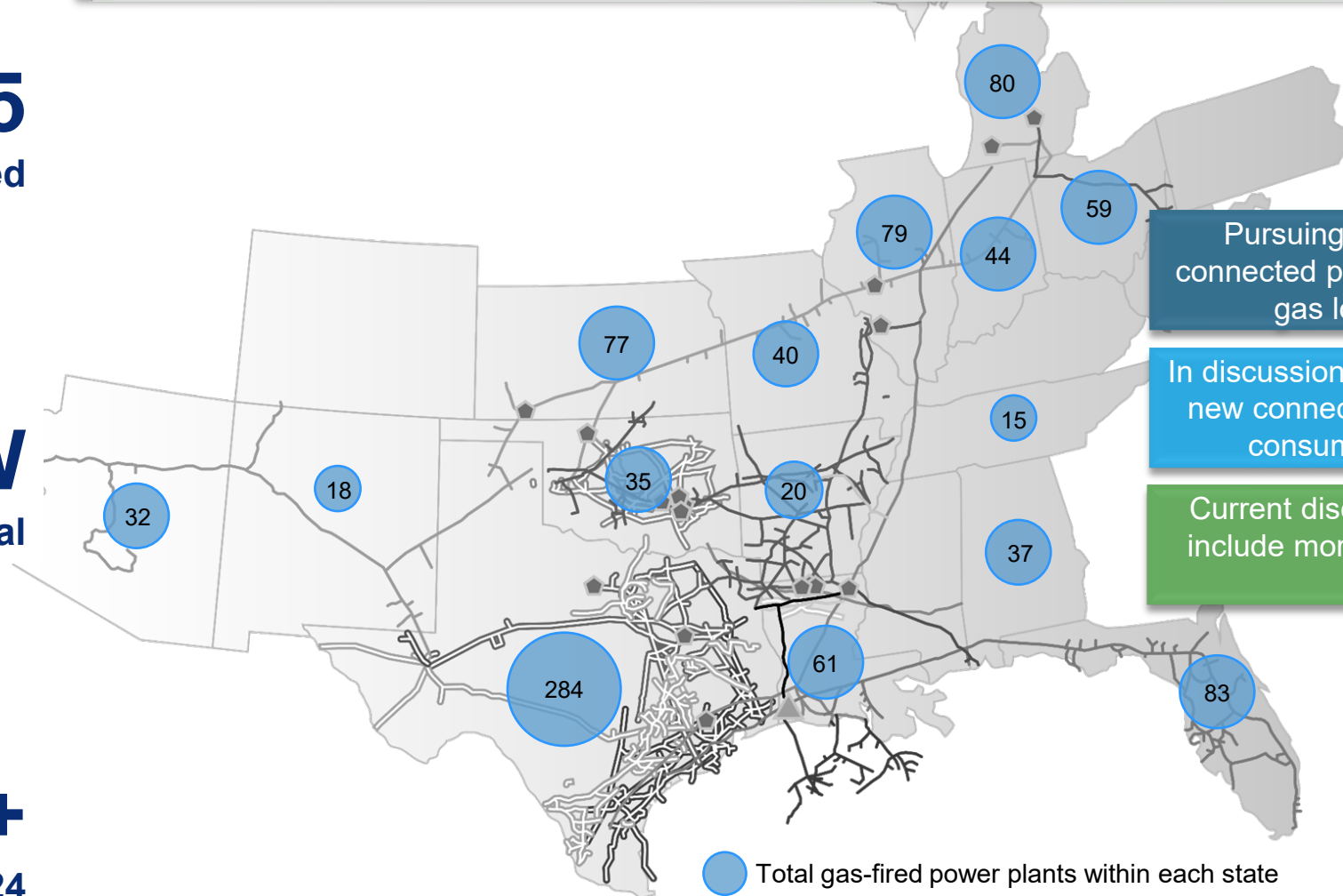
**80 MW**

**Total**

Deals signed to provide gas loads to gas-fired power plants :

**500,000+**

**MMBtu/d in '23 & YTD'24**



Pursuing expansions at currently connected plants for potential additional gas loads of over **1 Bcf/d**

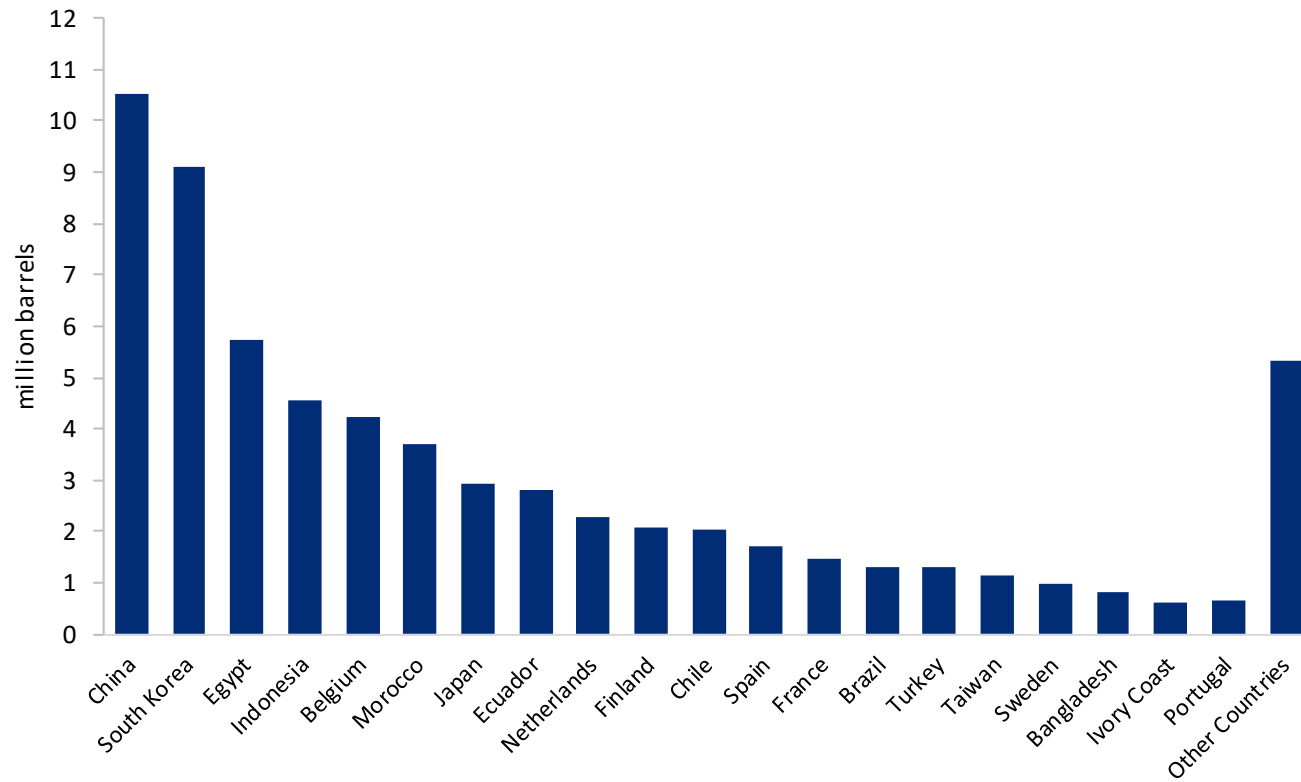
In discussions to serve power plants with new connections that could potentially consume over **5 Bcf/d** of gas

Current discussions with data centers include more than **3 Bcf/d** of potential new demand

● Total gas-fired power plants within each state

# Worldwide Markets for Rapidly Growing LPG Business

Energy Transfer Q2 2024 Top 20 LPG Exports by Destination



During Q2 2024, Energy Transfer exported LPGs to 40 countries

# Expanding World-Class NGL Export Facilities



Houston Terminal

## Marcus Hook Terminal

- Construction continues on the first phase of an optimization project



Marcus Hook Terminal

**Total NGL Export Capacity**  
**> 1.1mm Bbls/d**

## Nederland Terminal

- Construction is underway on an expansion which is expected to add up to 250,000 Bbls/d of NGL export capacity
  - Expected to be in service in mid-2025
- Building new refrigerated storage which will increase butane storage capacity by a third and double Energy Transfer's propane storage capacity
  - Project will further increase ability to keep customers' ships loading on time
- Combined costs of both projects expected to be ~\$1.5B

## Recent Pipeline Acquisitions

- Mont Belvieu to Energy Transfer's Nederland Terminal
  - Will have the ability to flow at least 70,000 Bbls/d and provide much needed capacity for several products in high demand both internationally and domestically
  - Expect to have term transportation commitments in the near future
- Mont Belvieu to Houston Ship Channel
  - In discussions to provide transportation for potentially multiple products on the pipeline



Nederland Terminal

**Energy Transfer's market share of worldwide NGL exports remains at ~20%**



# NGL Pipeline & Fractionation – Continuing to Expand Leading Asset Base

## Lone Star Express Upgrades

- Pump and filter upgrades along the pipeline that are expected to provide more than 90,000 Bbls/d of incremental Permian NGL takeaway capacity
- Completing debottlenecking on NGL pipes west of Baden facility
- Expected to be complete in 2026

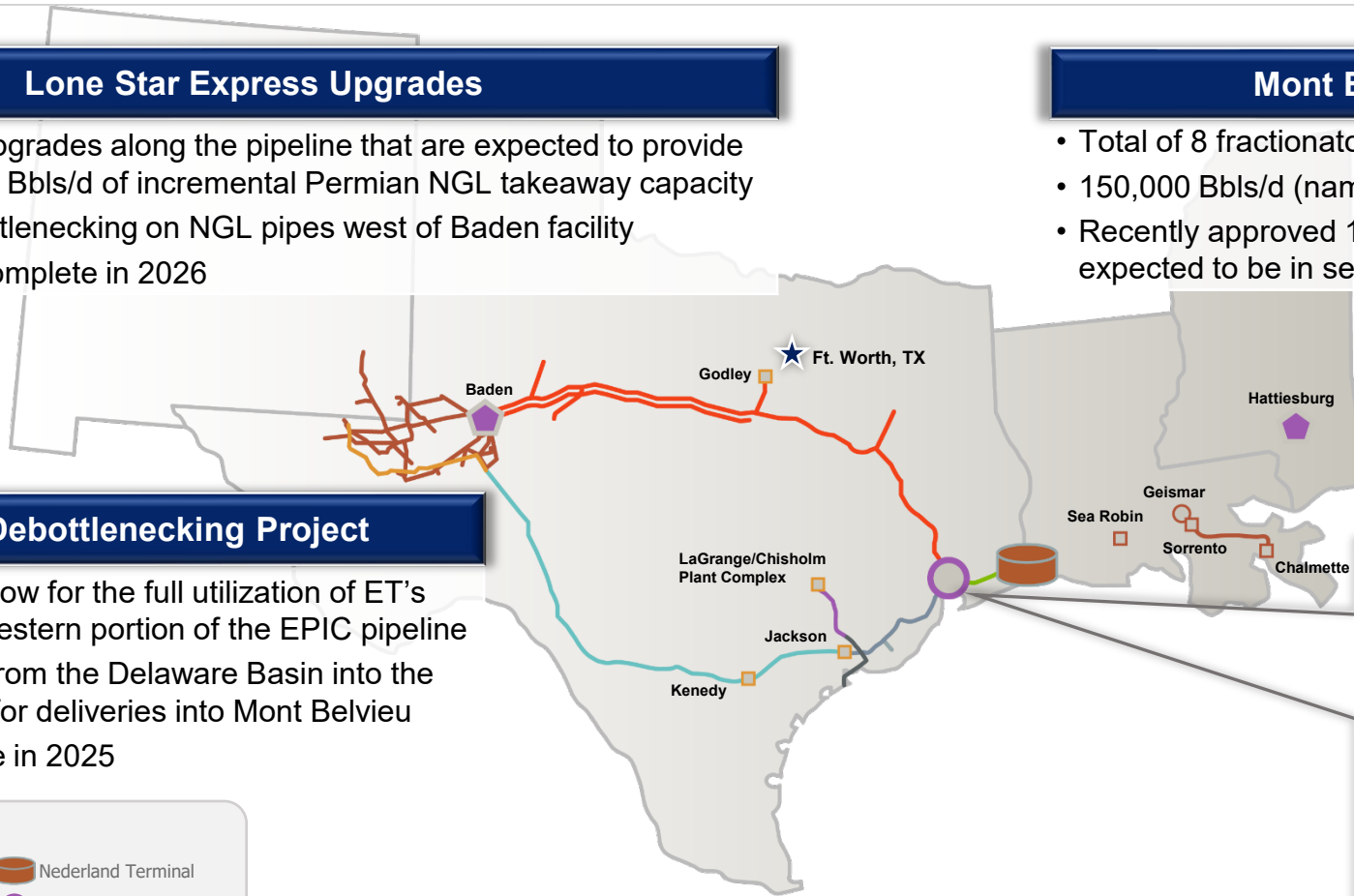
## Mont Belvieu Fractionation Expansions

- Total of 8 fractionators at Mont Belvieu; current capacity 1.15mm+ Bbls/d
- 150,000 Bbls/d (nameplate) Frac VIII went into service in August 2023
- Recently approved 165,000 Bbls/d Frac IX at Mont Belvieu, which is expected to be in service in Q4'26

**Upon completion of Frac IX, ET's Mont Belvieu fractionation capacity is expected to be over 1.3 million Bbls/d**

## WTX Gateway Debottlenecking Project

- Project is expected to allow for the full utilization of ET's 80,000 Bbls/d on the western portion of the EPIC pipeline
- Will optimize deliveries from the Delaware Basin into the WTX Gateway Pipeline for deliveries into Mont Belvieu
- Expected to be complete in 2025



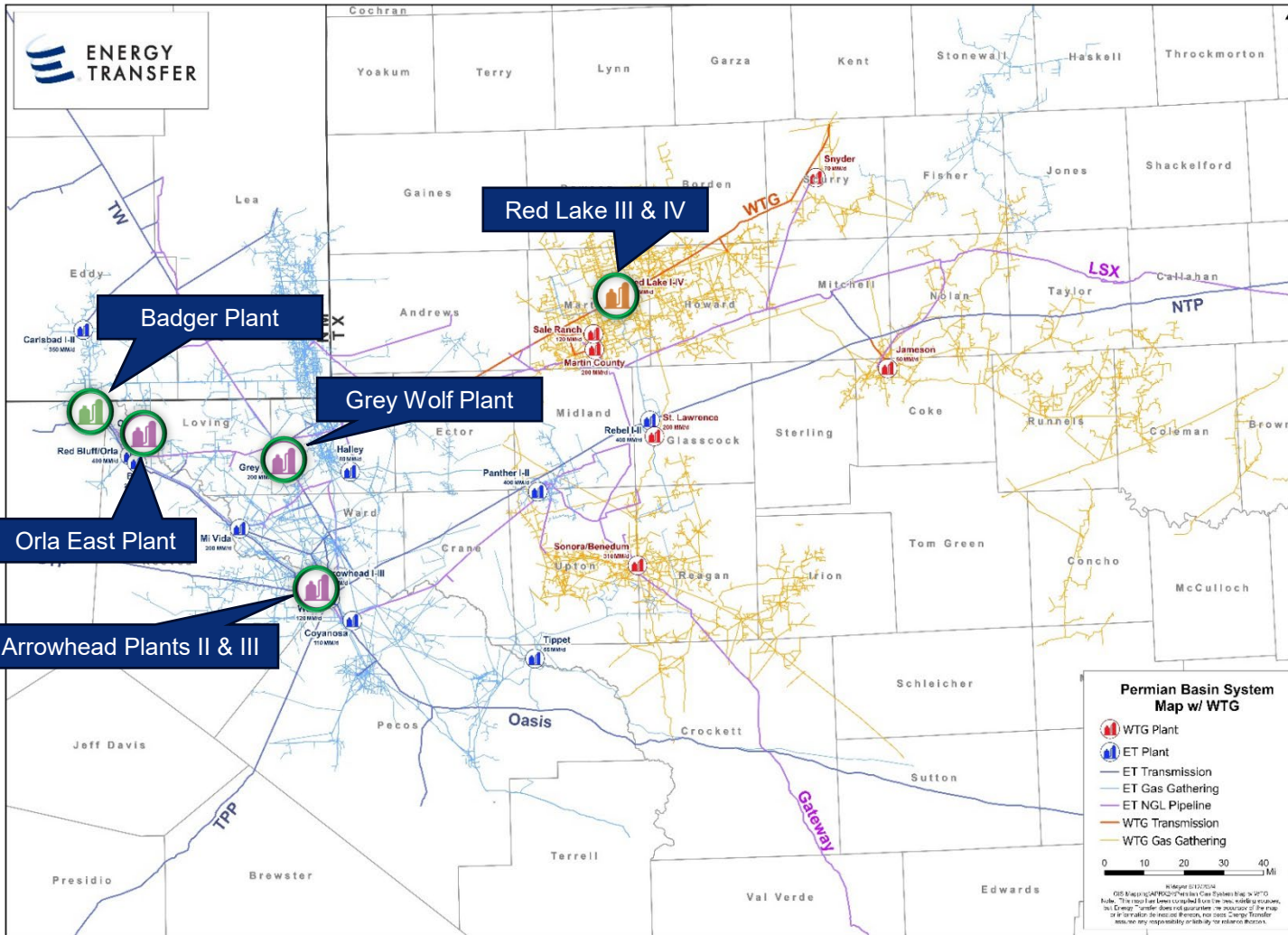
### Asset Overview

EPIC NGL Pipeline UDI <sup>1</sup>	Nederland Terminal
ET NGL	Mt. Belvieu NGL Complex
ET Justice	Plant
ET Liberty	Fractionator
ET Gulf Coast NGL Express	Processing Plant
ET Gulf Coast NGL/WTX Gateway	Storage
ET Spirit	
ET Freedom	
Mont Belvieu to Nederland System	

**Upon completion of current debottlenecking and upgrade projects, ET's total deliverability into Mont Belvieu is expected to increase to more than ~1.3 million Bbls/d**

1. Energy Transfer owns an undivided interest (UDI) in 80 MBbls/d of capacity in a segment of the EPIC Y-Grade Pipeline, LP (EPIC) pipeline from Orla, TX to Benedum, TX

# Permian Basin Processing Expanding to Meet Growing Demand



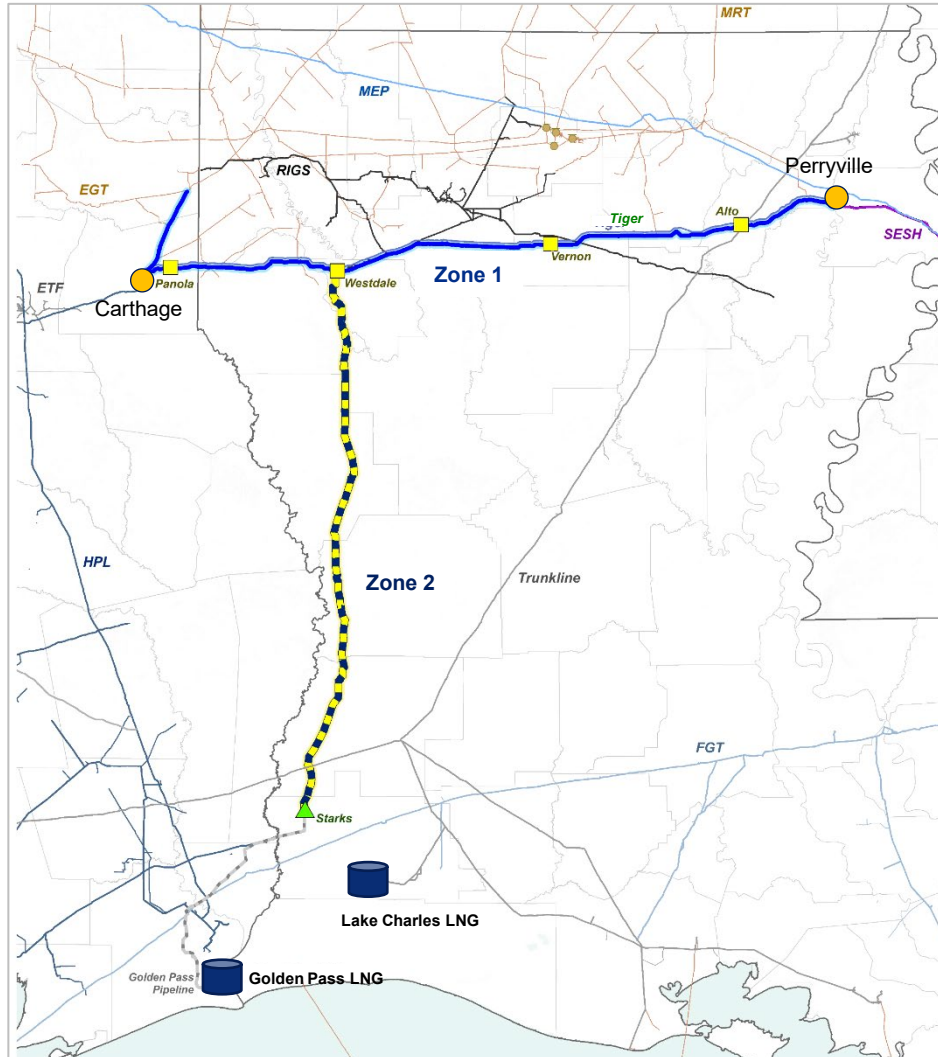
## Permian Basin Footprint

- **Extensive Permian Basin Footprint:**
  - Currently have ~3.4 Bcf/d of processing capacity in the Permian Basin
  - Have significant acreage dedications to ET processing plants in the Permian Basin
- **Processing Plant Optimizations**
  - In the process of adding approximately 200 MMcf/d of incremental processing capacity in the Permian Basin
    - Includes adding ~50 MMcf/d at four different Permian processing plants (Grey Wolf, Orla East, Arrowhead II and Arrowhead III)
    - Expected to be in service in Q4 2024 and Q1 2025
- **Recently FID'd New Processing Plant**
  - The Badger plant, which will provide an incremental 200 MMcf/d of processing capacity, will utilize an idle plant that is to be relocated to the Delaware Basin
    - Relocating this idle plant will help save capital versus building a new plant
    - Expected to be in service in mid-2025
  - The volumes from the tailgate of these plants will utilize Energy Transfer gas and NGL pipelines for takeaway from the basin
- **Red Lake III & IV**
  - Following the closing of the WTG acquisition, the 200 MMcf/d Red Lake 3 processing plant was placed into service
  - The 200 MMcf/d Red Lake IV processing plant is expected to be in service Q3'25

*In the process of expanding processing capacity at several existing processing plants, as well as adding new processing capacity in West Texas*

# Gulf Run Pipeline

## Providing An Efficient Gulf Coast Connection



### Gulf Run Pipeline

- Unparalleled access to prolific natural gas producing regions in the U.S. with ability to deliver Haynesville-area gas to Gulf Coast Region
- Zone 1: ~200-mile, FERC-regulated interstate pipeline with a capacity of ~1.4 Bcf/d<sup>1</sup>
- Zone 2: 135-mile, 42" FERC-regulated interstate pipeline with a capacity of 1.65 Bcf/d
- Backed by a 20-year commitment for 1.1 Bcf/d with cornerstone shipper Golden Pass LNG (QatarEnergy & Exxon Mobil)
  - Rate step-up on 1.1 Bcf Golden Pass contract effective July 1, 2023
- Zone 2 has very limited available capacity in the near term, and is fully subscribed beginning in January 2025

Continue to evaluate work on the next phase of a potential capacity expansion to facilitate the transportation of Natural Gas from Northern Louisiana to the Gulf Coast, based on customer demand

1. Excludes ~0.4 Bcf/d of capacity leased by EGT\* on Zone 1



# Comprehensive Permian Gas Takeaway Solutions

## Flexibility to Provide Natural Gas Delivery to Most Market Hubs

### Waha Header

- Energy Transfer's Waha header connects to more than 10 different natural gas pipelines, as well as to the TPP header<sup>1</sup>, which contains over 6 Bcf of connectivity to all significant markets

### Transwestern Pipeline

- 2.1 Bcf/d pipeline
- Bi-directional capabilities with the ability to access Texas and Midcontinent supply hubs, as well as major western markets in Arizona, Nevada and California

### Permian Natural Gas Takeaway Project

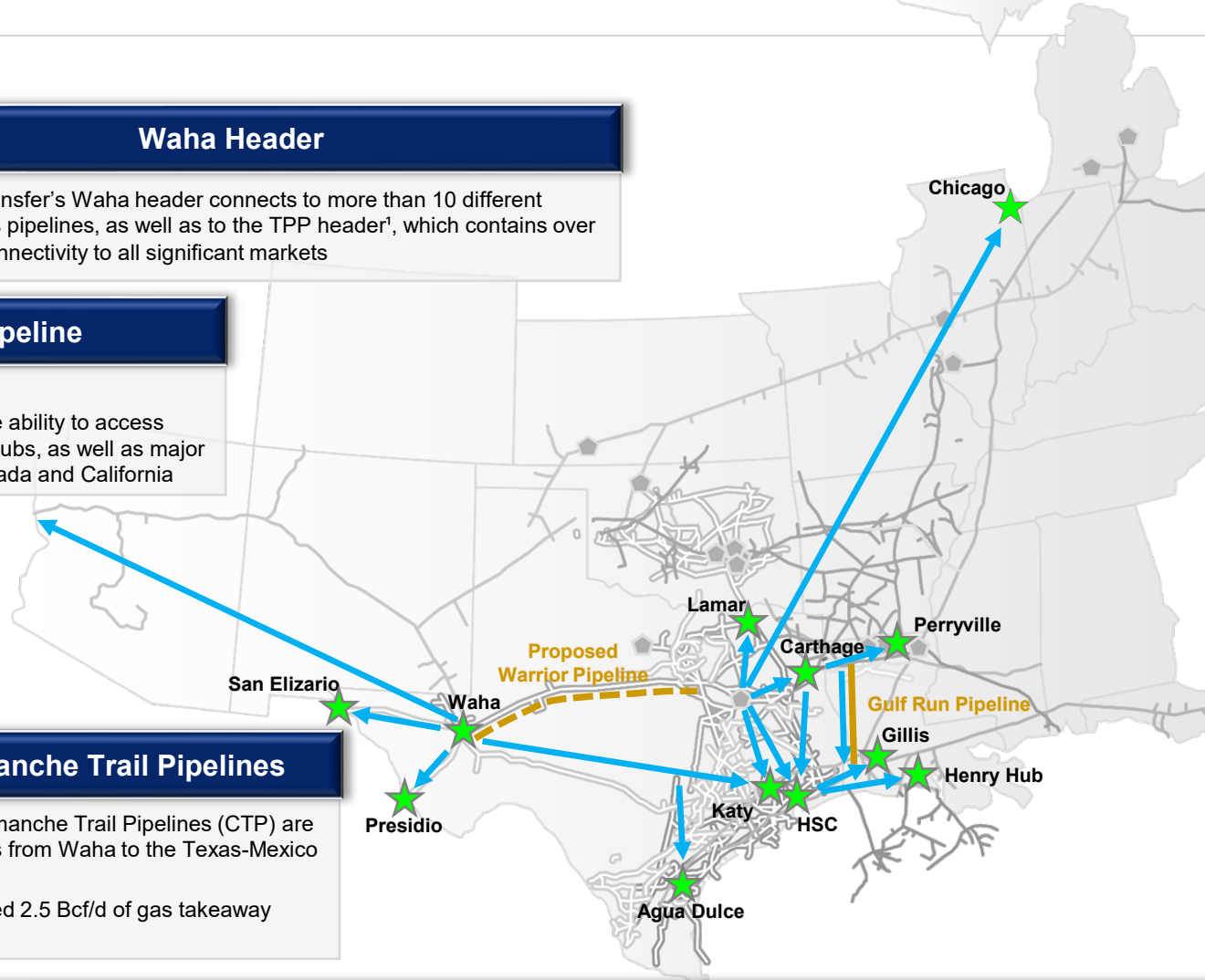
- Proposed project would include construction of a new intrastate pipeline from the Midland Basin to ET's extensive pipeline network south of the DFW area
- From there, ET's vast pipeline systems provide significant flexibility to deliver natural gas to premier markets along the Texas Gulf Coast including Katy, Beaumont, and the Houston Ship Channel, as well as to Carthage, with potential deliveries to most major U.S. trading hubs and markets

### Trans-Pecos and Comanche Trail Pipelines

- The Trans-Pecos (TPP) and Comanche Trail Pipelines (CTP) are designed to transport natural gas from Waha to the Texas-Mexico border<sup>1</sup>
- TPP and CTP provide a combined 2.5 Bcf/d of gas takeaway capacity to Mexico

### Oasis Pipeline Modernization

- Completed modernization and debottlenecking work on the Oasis Pipeline in Q1 2023
- Added at least an incremental 60,000 Mcf/d of takeaway capacity out of the Permian Basin



**Leading Permian Natural Gas franchise provides significant options for long-term takeaway needs**

<sup>1</sup>. Energy Transfer has a 16% ownership interest in the TPP header, as well as a 16% interest in TPP and CTP

# Leveraging asset base and expertise to develop projects to reduce environmental footprint

Approved 8, 10-MW natural gas-fired electric generation facilities **80 MW**  
Total

Powering assets:  
**~20%**  
From Solar & Wind

2023 emissions reduction from Dual Drive:  
**~790,000**  
Tons of CO<sub>2</sub>



## Power Generation

➤ Approved the construction of natural gas-fired electric generation facilities to support Energy Transfer's operations in Texas. These facilities are expected to go into service throughout 2025 and 2026



## Solar

➤ ET has entered into dedicated solar contracts to help support the operations of our assets



## Carbon Capture Utilization and Sequestration

➤ In May 2024, entered into an agreement with CapturePoint that commits CO<sub>2</sub> from Energy Transfer treating facilities in northern Louisiana to the capture and sequestration project being jointly developed by CapturePoint and Energy Transfer



## Renewable Fuels

➤ Utilizing our extensive gas system, ET is able to safely and reliably transport renewable natural gas (RNG)



## Ammonia Projects

➤ Continue to develop an ammonia hub concept at Lake Charles, LA and Nederland, TX where existing Energy Transfer facilities have deep water access, which would allow Energy Transfer to provide critical infrastructure services to several blue ammonia facilities



## Dual Drive Compression

➤ Proprietary technology that offers the industry a more efficient compression system, helping reduce greenhouse gas emissions



## Repurpose Existing Assets

➤ Pursuing opportunities to utilize ET's significant asset footprint to develop solar and wind projects, and transportation of renewable fuels, CO<sub>2</sub> and other products



# Fostering A Culture of Environmental and Social Responsibility

## EH&S

“Safety First, Safety Always”

Committed to environmental conservation and protection

- **Culture of safety first and commitment to zero-incidents**
  - Achieved best safety record in company history in 2023
  - Real-time tracking of EHS incidents
  - ESG metrics reported through EIC/GPA ESG Reporting Template
- **Comprehensive environmental management**
  - Robust systems for pipeline monitoring leak detection and prevention, change detection and pipeline risk modeling
  - Emissions reduction task force to enhance emission data collection and reporting
- **Contributions to conservation-focused organizations**
  - National Fish & Wildlife Foundation
  - Ducks Unlimited
  - Texas Trees Foundation
  - Wildlife Habitat Council
  - Partnership for the Delaware Estuary
  - Tri-State Bird Rescue & Research
  - The Environmental Partnership

## Social Responsibility

2023 Charitable Contributions  
~\$6mm

2023 Employee Volunteer Hours  
>3,900

- **Focused on contributing to 360+ nonprofit organizations across the U.S.**
  - MD Anderson Children’s Hospital
  - American Red Cross
  - Tulsa Community Foundation
  - Mercy Street Dallas
  - Philabundance
  - Carry The Load
  - Methodist Hospital Foundation, ALS Study
  - First Responders Fund
- **Employees volunteer time and talents to assist others and foster strong relationships within communities**
  - Wreaths Across America
  - Salvation Army Angel Tree
  - Sleep in Heavenly Peace
  - Share the Shoes
  - OKC Infant Crisis Center
  - Raystown & Loyalhanna Lakes Clean Up
  - Philabundance Food Bank
  - Yellowstone Schools Houston

## Corporate Governance

Culture of Honesty, Trust and Respect

We are only as good as our people

- **Instilling strong values via training and development opportunities**
  - Full suite of governance policies and 16 annual compliance trainings required for all employees
  - Access to webinars to expand employee knowledge and provide ongoing development of interpersonal and business skills
- **Strong enforcement of integrity and compliance standards**
  - Review of EHS compliance data by Independent BOD Audit Committee
  - Financial reporting controls
  - Dedicated resources to oversee and manage compliance
  - Anonymous and confidential hotline for reporting compliance or other concerns
  - Compensation aligned with business strategies – performance based with retention focus
- **Co-CEO Leadership and Management**
- **Increased transparency with improved website disclosures**
  - Website publication of GRI/SASB Index and EIC/GPA Midstream ESG Reporting Template

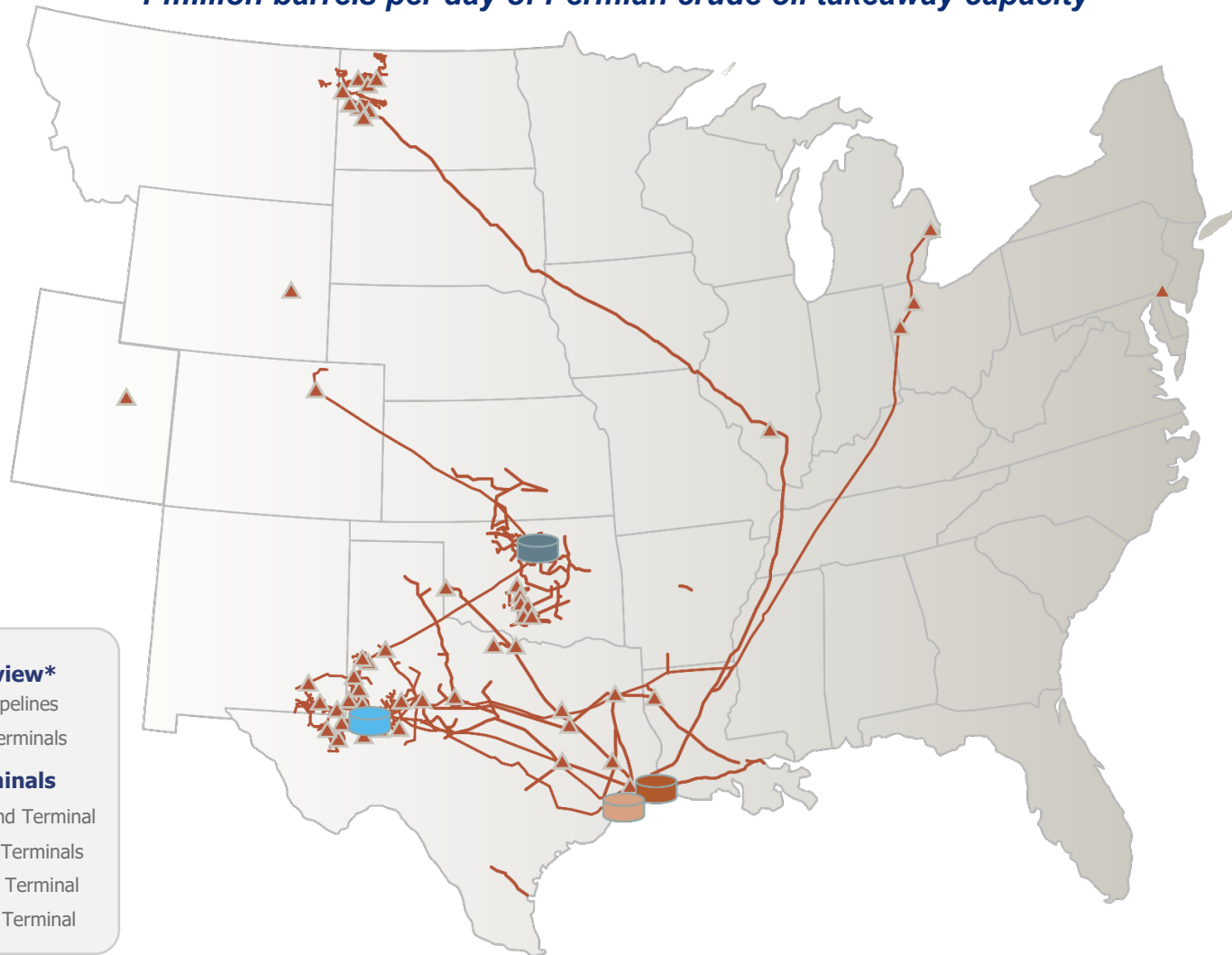
# Appendix

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# Crude Oil Segment

**~14,500 miles of crude oil trunk and gathering lines**  
**~ 1 million barrels per day of Permian crude oil takeaway capacity**



## Crude Oil Pipelines

- Directly connected to 6.8 MMbbls/d (~37%) of domestic refining capacity
- 1.85 MMbbls/d of ET-owned export capacity on USGC
- ET owns and operates substantial interests in the following systems/entities:
  - Bakken Pipeline (36.4%)
  - Bayou Bridge Pipeline (60%)
  - Permian Express Partners (87.7%)
  - White Cliffs (51%)
  - Maurepas (51%)
  - Permian JV (67.5%)
- ET also owns a 5% interest in Wink to Webster Pipeline

## Crude Oil Acquisition & Marketing

- Crude truck fleet of approximately 360+ trucks, 350+ trailers, and ~166+ offload facilities
- Purchase crude oil at the lease from 3,000+ producers, and in-bulk from aggregators at major pipeline interconnections and trading points
- Market crude oil to refining companies and other traders across asset base
- Optimize assets to capture time and location spreads

## Crude Oil Terminals

- Nederland, TX - ~30 million barrel capacity
- Houston, TX - ~18 million barrel capacity
- Cushing, OK - ~10 million barrel capacity
- Midland, TX terminals - ~3 million barrel capacity
- Patoka, IL - ~2 million barrel capacity
- Marcus Hook - ~1 million barrel capacity
- Colt Hub - ~1 million barrel capacity

1. Map includes assets associated with recently announced Permian Joint Venture with Sunoco LP



# Natural Gas Liquids (NGLs) & Refined Products Segment



**Asset Overview**

- NGL Pipelines
- Refined Products Pipelines
- ▮ Storage
- Mont Belvieu NGL Complex
- ▲ Terminals
- ▣ Processing/Treating
- Marcus Hook Terminal
- Nederland Terminal

## Fractionation

- 8 Mont Belvieu fractionators (over 1.15 MMBbls/d)
- 165,000 Bbls/d Frac IX expected to go into service in Q4'26
- 35,000 Bbls/d Geismar Frac

## NGL Storage

- Total NGL storage ~95 million barrels
- ~62 million barrels of NGL storage at Mont Belvieu (recently placed 2 million barrel butane well back into service)
- ~10 million barrels of NGL storage at Marcus Hook & Nederland Terminals
- ~10mm barrels of NGL storage related to Crestwood assets
- ~8 million barrels of NGL storage at Spindletop
- ~5 million barrels of Butane storage at Hattiesburg

## NGL Pipeline Transportation

- ~5,650 miles of NGL pipelines throughout Texas, Midwest, and Northeast
- ~1 MMBbls/d of Permian NGL Takeaway to Mont Belvieu
  - Lone Star Express – ~900-mile NGL pipeline with ~800 Mbpd capacity (currently expanding system to add an incremental 90,000 Bbls/d)
  - West Texas Gateway - ~510-mile NGL pipeline with ~240,000 Bbls/d capacity (debottlenecking project underway)
- Mont Belvieu to Nederland Pipeline System
  - 71-mile propane pipeline with 300,000 Bbls/d capacity
  - 71-mile butane pipeline with 200,000 Bbls/d capacity
  - 62-mile ethane pipeline with 200,000 Bbls/d capacity
  - 62-mile natural gasoline pipeline with 30,000 Bbls/d capacity
- Mariner Pipeline Franchise
  - The Mariner East Pipeline System can move ~360,000 Bbls/d of NGLs (including ethane) to Marcus Hook
  - Mariner West Pipeline with 55,000 MBbls/d capacity

## NGL Exports

- ~700,000 Bbls/d of combined LPG, ethane and natural gasoline export capacity from Nederland Terminal
- ~400,000 Bbls/d of combined LPG and ethane export capacity from Marcus Hook Terminal

## Refined Products

- ~3,760 miles of refined products pipelines in the northeast, midwest and southwest US markets
- 37 refined products marketing terminals with ~8 million barrels storage capacity

# World-Class Export Capabilities – Uniquely Positioned to Serve Global Demand



Houston Terminal

## Houston Terminal

- 330 acres on Houston Ship Channel
- 18.2 million Bbls of crude and heated product storage
- ~850,000 Bbls/d of crude export capacity
- 5 ship docks, 7 barge docks
- Rail and truck unloading
- Connectivity to Gulf Coast refining complex
- Pipeline connectivity to all major basins
- Deepwater marine access



Marcus Hook Terminal

## Marcus Hook Terminal

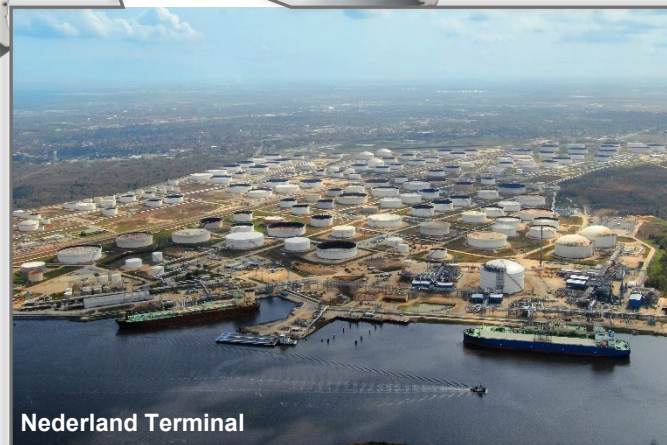
- ~800 acre site: inbound and outbound pipeline along with truck, rail and marine capabilities
- ~2 million Bbls underground NGL storage
- ~4 million standard Bbls of refrigerated NGL storage capacity
- ~1 million Bbls crude storage capacity
- ~1 million Bbls refined products storage capacity
- 4 export docks accommodate VLGC and VLEC sized vessels
- Completed dredging to increase the depth to 42 ft
- ~400,000 Bbls/d of combined LPG and ethane export capacity
- Construction continues on the first phase of an optimization project at Marcus Hook

## Total Export Capacity

**Crude Oil: ~1.9 million Bbls/d**  
**NGL: 1.1+ million Bbls/d**

## Nederland Terminal

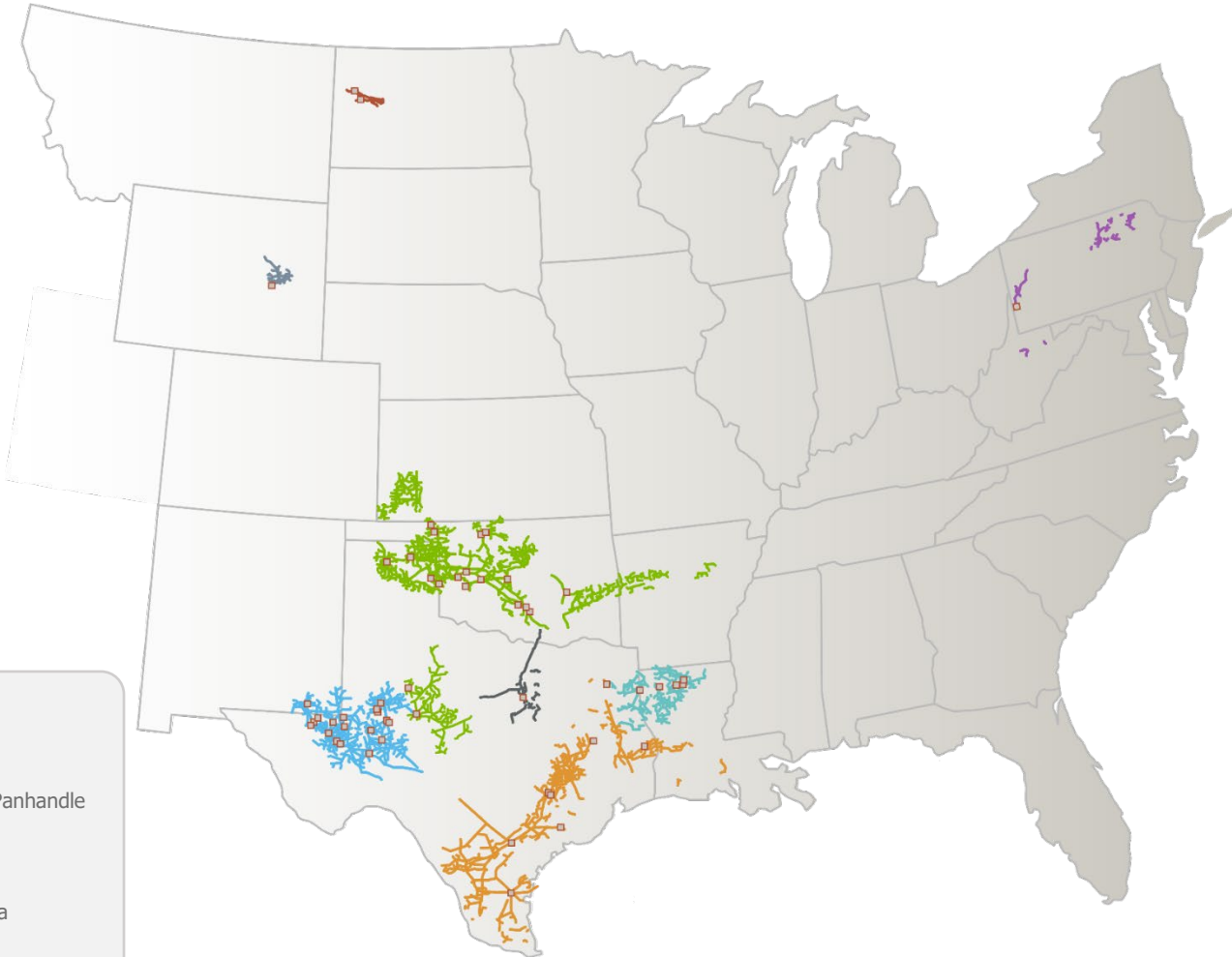
- ~2,000 acre site on U.S. Gulf Coast
- ~30 million Bbls crude storage capacity; 1.9 million standard Bbls of refrigerated propane/butane storage capacity
- 1.2 million standard Bbls of refrigerated ethane storage capacity
- ~700,000 Bbls/d of combined LPG, ethane and natural gasoline export capacity
- ~1 million Bbls/d of crude export capacity
- 6 ship docks (3 NGL, 3 crude capable) and 4 barge docks accommodate Suez Max sized ships
- Rail and truck unloading capabilities
- Space available for further dock and tank expansion and well positioned for future growth opportunities
- Construction is underway on an expansion which is expected to add up to 250,000 Bbls/d of NGL export capacity with initial phases expected in service in mid-2025
- Constructing new refrigerated storage to increase butane and propane storage capacity



Nederland Terminal



# Midstream Segment<sup>1</sup>



**~67,500 miles of gathering pipelines with  
~13 Bcf/d of processing capacity**

## Asset Overview

### Pipelines

- Permian
- Midcontinent/Panhandle
- South Texas
- North Texas
- North Louisiana
- Eastern
- Williston
- Powder River
- Processing Plants

## Midstream Highlights

- Extensive Gathering and Processing Footprint
  - Assets in most of the major U.S. producing basins
- Processing Capacity Additions
  - Recently completed upgrades at Jackson Plant in south Texas that added ~60 MMcf/d of processing capacity
  - In the process of expanding processing capacity at four existing processing plants in west Texas
    - Adding 50 MMcf/d at each plant for a total of 200 MMcf/d of incremental processing capacity (expected in service Q4'24-Q1'25)
  - Relocation of 200 MMcf/d processing plant to the Delaware Basin (Badger) is expected in service mid-2025
  - Post closing of the WTG acquisition in July 2024, 200 MMcf/d Red Lake 3 processing plant is now in service
  - 200 MMcf/d Red Lake 4 processing plant is expected in service in Q3'25

## Current ET Processing Capacity

	<u>Bcf/d</u>	<u>Basins Served</u>
Permian	4.9	Midland, Delaware
Midcontinent/Panhandle	2.9	Granite Wash, Cleveland, SCOOP, STACK
North Texas	0.7	Barnett, Woodford
South Texas	2.5	Eagle Ford, Eagle Bine
North Louisiana	0.9	Haynesville, Cotton Valley
Williston	0.4	Bakken
Powder River	0.3	Powder River Basin
Eastern	0.2	Marcellus Utica

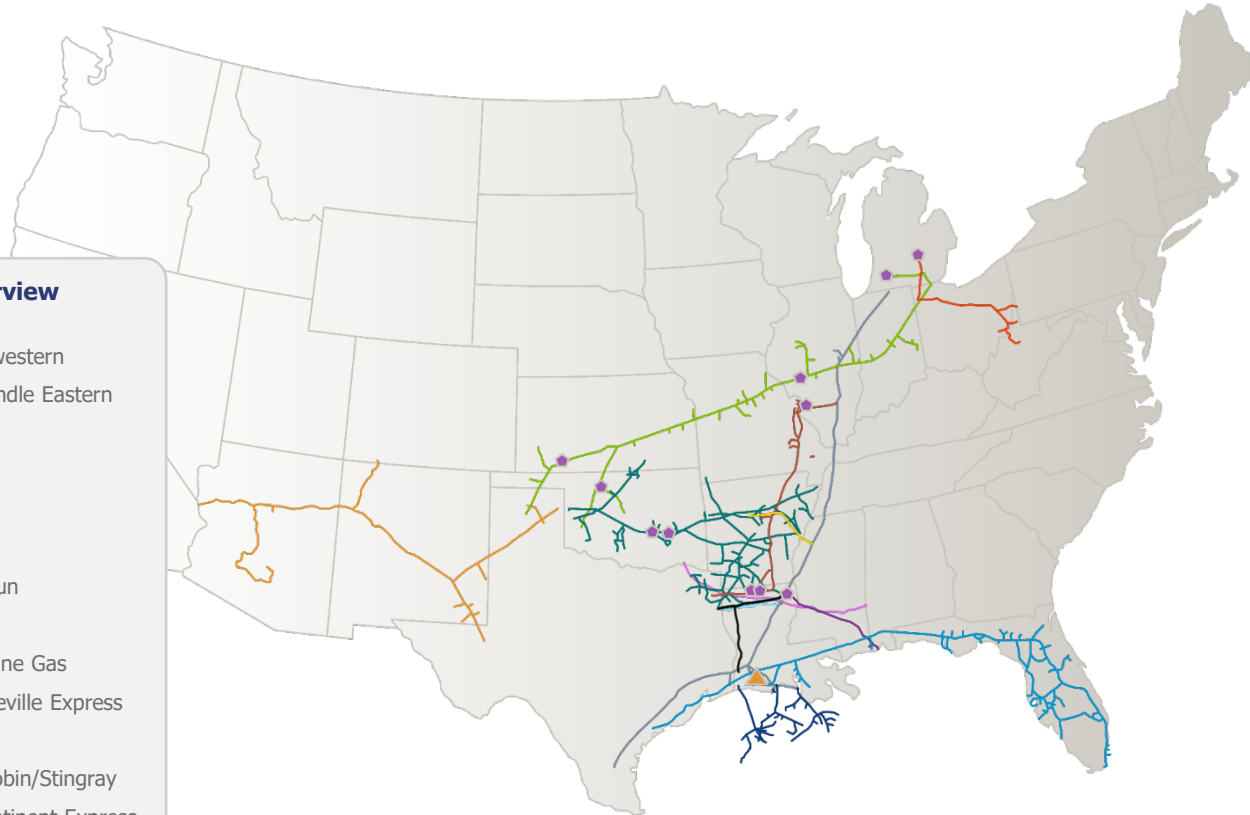
1. Includes assets associated with recently closed WTG acquisition

# Interstate Natural Gas Pipeline Segment

## Interstate Highlights

ET's interstate pipelines provide:

- Stability
  - Approximately 95% of revenue derived from fixed reservation fees
- Diversity
  - Access to multiple shale plays, storage facilities and markets
- Growth Opportunities
  - Well-positioned to capitalize on changing supply and demand dynamics
- Gulf Run Pipeline provides natural gas transportation between the Haynesville Shale and Gulf Coast
  - Zone 1 (formerly Line CP): ~200-mile FERC-regulated interstate pipeline with a capacity of ~1.4 Bcf/d<sup>1</sup>
  - Zone 2 (new build): 135-mile, 42-inch interstate natural gas pipeline with 1.65 Bcf/d of capacity (placed into service in December 2022)
- Trunkline Pipeline
  - Completed backhaul project at end of 2023, which added an incremental 400,000 Mcf/d of southward flow capacity on the system at very efficient capital costs



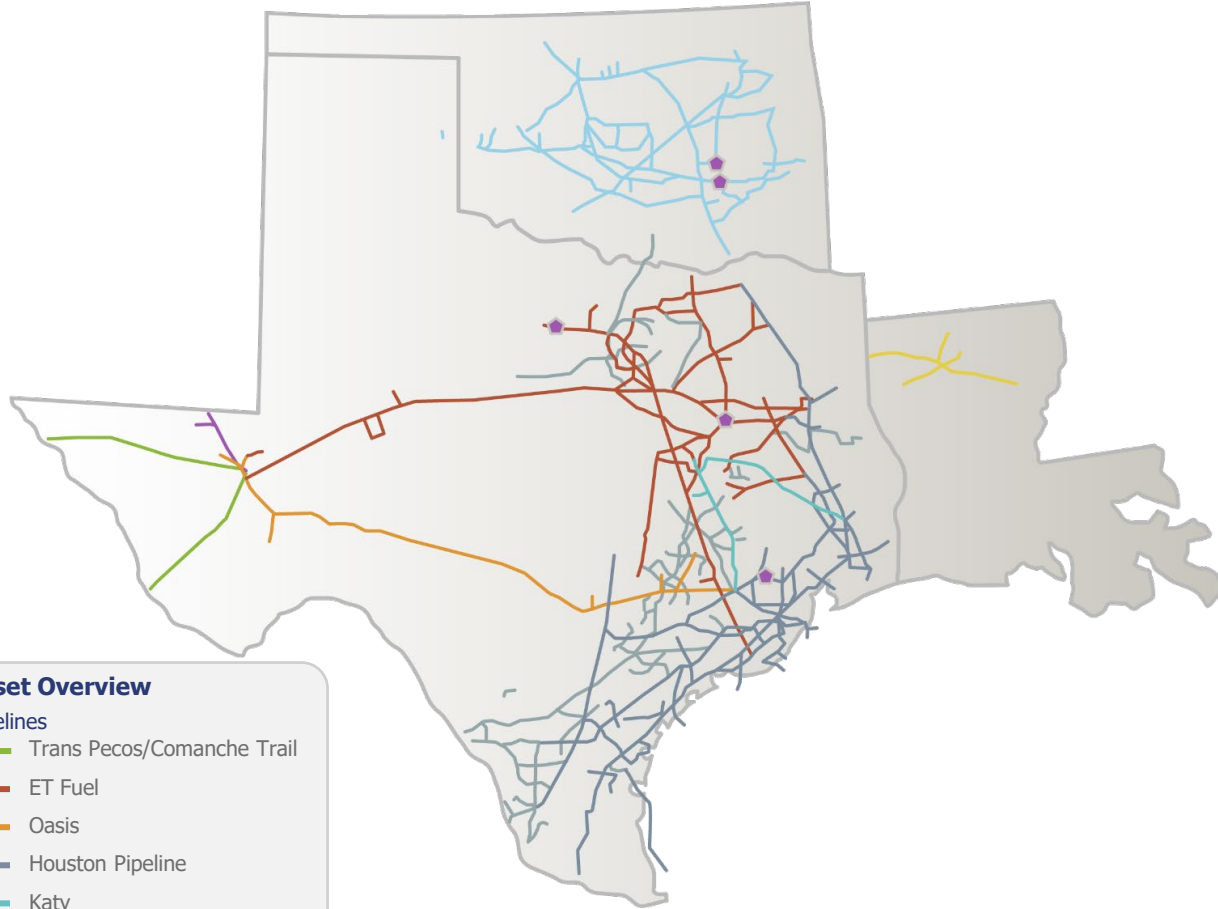
**~27,175 miles of interstate pipelines with ~32 Bcf/d of throughput capacity and ~148 Bcf/d of working storage capacity**

	PEPL	TGC	TW	FGT	SR	FEP	Tiger	MEP	Rover	Stingray	EGT	MRT	SESH	Gulf Run <sup>1</sup>	Total
<b>Miles of Pipeline</b>	6,300	2,190	2,590	5,380	765	185	200	510	720	335	5,700	1,675	290	335	27,175
<b>Capacity (Bcf/d)</b>	2.8	0.9	2.1	4.0	2.0	2.0	2.4	1.8	3.4	0.4	4.8	1.7	1.1	3.0	32.4
<b>Storage (Bcf)</b>	57.0	13.0	--	--	--	--	--	--	--	--	29.3	48.9	--	--	148.2
<b>Ownership</b>	100%	100%	100%	50%	100%	50%	100%	50%	32.6%	100%	100%	100%	50%	100%	

1. Excludes ~0.4 Bcf/d of capacity leased by EGT on Zone 1

# Intrastate Natural Gas Pipeline Segment

~ 12,200 miles of intrastate pipelines with ~24 Bcf/d of throughput capacity, and ~88 Bcf/d of working storage capacity



**Asset Overview**

Pipelines

- Trans Pecos/Comanche Trail
- ET Fuel
- Oasis
- Houston Pipeline
- Katy
- RIGS
- Red Bluff Express
- OIT
- ◆ Storage Facilities

## Intrastate Highlights

- Well-positioned to capture additional revenues from anticipated changes in natural gas supply and demand Strategically taken steps to lock in additional volumes under fee-based, long-term contracts with third-party customers
- Completed modernization and debottlenecking work on the Oasis Pipeline, which added more than 60,000 Mcf/d of capacity out of the Permian Basin in Q1 2023
- Evaluating Permian Basin takeaway project that would utilize Energy Transfer assets, along with a new build intrastate pipeline from the Midland Basin to Energy Transfer’s extensive pipeline network south of Fort Worth, TX, to provide producers with firm capacity to premier markets along the Texas Gulf Coast, as well as throughout the U.S.

Pipeline	Capacity (Bcf/d)	Pipeline (Miles)	Storage (Bcf)	Bi-Directional	Major Connect Hubs
Trans Pecos & Comanche Trail Pipelines	2.5	335	NA	No	Waha Header, Mexico Border
ET Fuel Pipeline	5.2	3,150	11.2	Yes	Waha, Katy, Carthage
Oasis Pipeline	2.0	750	NA	Yes	Waha, Katy
Houston Pipeline System	5.3	3,920	52.5	No	HSC, Katy, Aqua Dulce
ETC Katy Pipeline	2.9	460	NA	No	Katy
RIGS	2.1	450	NA	No	Union Power, LA Tech
Red Bluff Express	1.4	120	NA	No	Waha
OIT	2.4	2,200	24.0	Yes	OG&E, PSO

# Non-GAAP Reconciliations

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# Non-GAAP Reconciliation

**Energy Transfer LP  
Reconciliation of Non-GAAP Measures\***

	2019	2020	2021	2022	2023	2024		
	Full Year	Full Year	Full Year	Full Year	Full Year	Q1	Q2	YTD
Net income	\$ 4,899	\$ 140	\$ 6,687	\$ 5,868	\$ 5,294	\$ 1,692	\$ 1,992	\$ 3,684
Interest expense, net	2,331	2,327	2,267	2,306	2,578	728	762	1,490
Impairment losses and other	74	2,880	21	386	12	-	50	50
Income tax expense from continuing operations	195	237	184	204	303	89	227	316
Depreciation, depletion and amortization	3,147	3,678	3,817	4,164	4,385	1,254	1,213	2,467
Non-cash compensation expense	113	121	111	115	130	46	30	76
(Gains) losses on interest rate derivatives	241	203	(61)	(293)	(36)	(9)	(3)	(12)
Unrealized (gains) losses on commodity risk management activities	5	71	(162)	(42)	(3)	141	(38)	103
Losses on extinguishments of debt	18	75	38	-	(2)	5	6	11
Inventory valuation adjustments (Sunoco LP)	(79)	82	(190)	(5)	114	(130)	32	(98)
Impairment of investment in unconsolidated affiliates	-	129	-	-	-	-	-	-
Equity in earnings of unconsolidated affiliates	(302)	(119)	(246)	(257)	(383)	(98)	(85)	(183)
Adjusted EBITDA related to unconsolidated affiliates	626	628	523	565	691	171	170	341
Non-operating litigation-related costs	-	-	-	-	627	-	-	-
Gain on sale of Sunoco LP West Texas assets	-	-	-	-	-	-	(598)	(598)
Other, net (including amounts related to discontinued operations in 2018)	(54)	79	57	82	(12)	(9)	2	(7)
Adjusted EBITDA (consolidated)	11,214	10,531	13,046	13,093	13,698	3,880	3,760	7,640
Adjusted EBITDA related to unconsolidated affiliates	(626)	(628)	(523)	(565)	(691)	(171)	(170)	(341)
Distributable Cash Flow from unconsolidated affiliates	415	452	346	359	485	125	121	246
Interest expense, net	(2,331)	(2,327)	(2,267)	(2,306)	(2,578)	(728)	(762)	(1,490)
Preferred unitholders' distributions	(253)	(378)	(418)	(471)	(511)	(118)	(100)	(218)
Current income tax (expense) benefit	22	(27)	(44)	(18)	(100)	(22)	(239)	(261)
Transaction-related income taxes	(31)	-	-	(42)	-	-	199	199
Maintenance capital expenditures	(655)	(520)	(581)	(821)	(860)	(135)	(258)	(393)
Other, net	85	74	68	20	41	37	19	56
Distributable Cash Flow (consolidated)	7,840	7,177	9,627	9,249	9,484	2,868	2,570	5,438
Distributable Cash Flow attributable to Sunoco LP (100%)	(450)	(516)	(542)	(648)	(659)	(171)	(186)	(357)
Distributions from Sunoco LP	165	165	165	166	173	61	61	122
Distributable Cash Flow attributable to USAC (100%)	(222)	(221)	(209)	(221)	(281)	(87)	(85)	(172)
Distributions from USAC	90	97	97	97	97	24	24	48
Distributable Cash Flow attributable to noncontrolling interests in other non-wholly-own	(1,113)	(1,015)	(1,113)	(1,240)	(1,352)	(342)	(346)	(688)
Distributable Cash Flow attributable to the partners of Energy Transfer <sup>(a)</sup>	6,310	5,687	8,025	7,403	7,462	2,353	2,038	4,391
Transaction-related adjustments	14	55	194	44	116	3	1	4
Distributable Cash Flow attributable to the partners of Energy Transfer, as adjusted <sup>(a)</sup>	\$ 6,324	\$ 5,742	\$ 8,219	\$ 7,447	\$ 7,578	\$ 2,356	\$ 2,039	\$ 4,395

\* See definitions of non-GAAP measures on next slide



## Definitions

Adjusted EBITDA and Distributable Cash Flow are non-GAAP financial measures used by industry analysts, investors, lenders and rating agencies to assess the financial performance and the operating results of Energy Transfer's fundamental business activities and should not be considered in isolation or as a substitute for net income, income from operations, cash flows from operating activities, or other GAAP measures. There are material limitations to using measures such as Adjusted EBITDA and Distributable Cash Flow, including the difficulty associated with using either as the sole measure to compare the results of one company to another, and the inability to analyze certain significant items that directly affect a company's net income or loss or cash flows. In addition, our calculations of Adjusted EBITDA and Distributable Cash Flow may not be consistent with similarly titled measures of other companies and should be viewed in conjunction with measurements that are computed in accordance with GAAP, such as segment margin, operating income, net income and cash flow from operating activities.

We define Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items, as well as certain non-recurring gains and losses. Inventory adjustments that are excluded from the calculation of Adjusted EBITDA represent only the changes in lower of cost or market reserves on inventory that is carried at last-in, first-out ("LIFO"). These amounts are unrealized valuation adjustments applied to Sunoco LP's fuel volumes remaining in inventory at the end of the period.

Adjusted EBITDA reflects amounts for less than wholly-owned subsidiaries based on 100% of the subsidiaries' results of operations. Adjusted EBITDA reflects amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates.

Distributable Cash Flow is used by management to evaluate our overall performance. Our partnership agreement requires us to distribute all available cash, and Distributable Cash Flow is calculated to evaluate our ability to fund distributions through cash generated by our operations. We define Distributable Cash Flow as net income, adjusted for certain non-cash items, less distributions to preferred unitholders and maintenance capital expenditures. Non-cash items include depreciation, depletion and amortization, non-cash compensation expense, amortization included in interest expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and deferred income taxes. For unconsolidated affiliates, Distributable Cash Flow reflects the Partnership's proportionate share of the investee's distributable cash flow.

On a consolidated basis, Distributable Cash Flow includes 100% of the Distributable Cash Flow of Energy Transfer's consolidated subsidiaries. However, to the extent that noncontrolling interests exist among the Partnership's subsidiaries, the Distributable Cash Flow generated by our subsidiaries may not be available to be distributed to our partners. In order to reflect the cash flows available for distributions to the partners of Energy Transfer, the Partnership has reported Distributable Cash Flow attributable to the partners of Energy Transfer, which is calculated by adjusting Distributable Cash Flow (consolidated), as follows:

- For subsidiaries with publicly traded equity interests, Distributable Cash Flow (consolidated) includes 100% of Distributable Cash Flow attributable to such subsidiary, and Distributable Cash Flow attributable to the our partners includes distributions to be received by the parent company with respect to the periods presented.
- For consolidated joint ventures or similar entities, where the noncontrolling interest is not publicly traded, Distributable Cash Flow (consolidated) includes 100% of Distributable Cash Flow attributable to such subsidiaries, but Distributable Cash Flow attributable to the partners reflects only the amount of Distributable Cash Flow of such subsidiaries that is attributable to our ownership interest.

For Distributable Cash Flow attributable to partners, as adjusted, certain transaction-related and non-recurring expenses that are included in net income are excluded.