ENERGY TRANSFER

Third Quarter 2020 Earnings

November 4, 2020

ET
LISTED
NYSE

FORWARD-LOOKING STATEMENTS / LEGAL DISCLAIMER

Management of Energy Transfer LP (ET) will provide this presentation in conjunction with ET's 3rd quarter earnings conference call. On the call, members of management may make statements about future events, outlook and expectations related to Panhandle Eastern Pipe Line Company, LP (PEPL), Sunoco LP (SUN), USA Compression Partners, LP (USAC), Energy Transfer Operating, L.P. (ETO) 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. Any statement made by a member of management of the Partnerships on the earnings call 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 (SEC), copies of which are available to the public. In addition to the risks and uncertainties disclosed in our SEC filings, the Partnership have also been, or may in the future be, impacted by new or heightened risks related to the COVID-19 pandemic and the recent declines in commodity prices, and we cannot predict the length and ultimate impact of those risks. 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.

ACHIEVED RECORD NGL VOLUMES IN Q3'20

NGL Transportation Volumes	NGL Fractionation Volumes	NGL Segment Adj. EBITDA
1.5 MMbbls/d	877 Mbbls/d	$762MM
+10% from 3Q'19	**+23%** from 3Q'19	**+14%** from 3Q'19

Utilization on the Mariner East pipeline system and Texas NGL pipeline system remained strong

RENEWABLE ENERGY INITIATIVE

Energy Transfer's 2019 Community Engagement Report is now available at www.energytransfer.com

WE DO THE RIGHT THING

Renewable Energy Use

- Today, approximately 20% of the electrical energy ET purchases originates from a renewable energy source

Landfill Power Generation

- ET's gas fired electric generating company uses renewable natural gas in Pennsylvania to generate electricity, helping to power Pennsylvania homes

Duel Drive Compressors

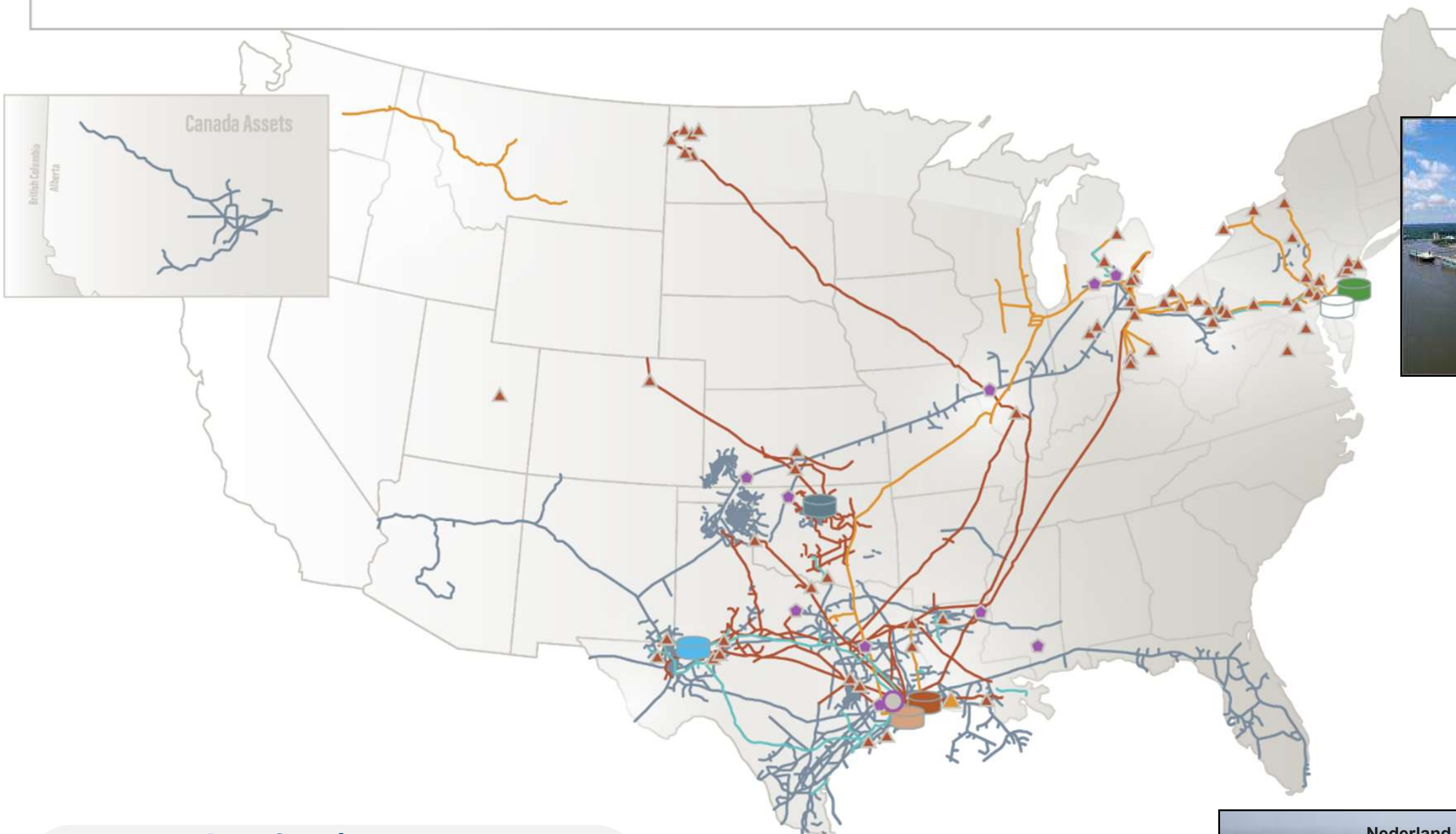
- ET's Duel Drive compressors, which have a patented technology that allows for switching between electric motors and natural gas engines to drive compressors, offers the industry a more efficient compression system, helping to reduce greenhouse gas emissions

Solar

- Entered into first-ever dedicated solar contract for which a 28 megawatt solar facility is currently under construction and will deliver clean power to Energy Transfer under a 15-year Power Purchase Agreement
- Operate approximately 18,000 solar panel-powered metering stations across the country

As the energy industry continues to evolve, and customer demand for these services increases, ET will look for additional ways to further integrate alternative energy sources into the business, when economically beneficial

ENERGY TRANSFER- A TRULY UNIQUE FRANCHISE




Marcus Hook

Asset Overview

- Natural Gas
- Natural Gas Liquids (NGLs)
- Crude
- Refined Products
- Storage
- Fractionator
- Terminals
- Marcus Hook Terminal
- Eagle Point Terminal
- Nederland Terminal
- Midland Terminal
- Houston Terminal
- Cushing Terminal
- Lake Charles Regas


Houston Terminal


Nederland Terminal

PATH TOWARD FREE CASH FLOW

Business Diversity

- Diversified business model comprised of five core segments; no segment contributes more than 30 percent of adjusted EBITDA
- Unrivaled geographic diversity with assets in all major producing basins in the U.S.

Strong Asset Base

- Continue to leverage expansive footprint to drive operational efficiencies and optimize assets
- Ongoing growth projects building near-and long-term value

Capital Discipline

- Increased project return thresholds and high-graded investment opportunities
- Significant reduction in growth capital in 2021, growth capex forecast down 60% from FY 2020 forecast

Balance Sheet

- Improved balance sheet enhances long-term value of partnership
- Focused on achieving leverage target of 4 to 4.5x and maintain a solid investment grade rating

Inflection Point

- Taking significant steps toward creating more financial flexibility and a lower cost of capital
- Expect to be free cash flow positive in 2021 after growth capital and equity distributions

Q3 2020 HIGHLIGHTS

Operational

- Record NGL fractionation volumes at Mont Belvieu facilities
- Record transportation volumes on the Mariner East System and strong volumes on Texas NGL pipelines
- Lone Star Express Expansion put into service under budget and ahead of schedule
- Increased operational efficiencies to improve cost structure

Q3'2020 Financials

- Adjusted EBITDA: $2.87B
- DCF: $1.69B[1]
- Excess cash flow after distributions for Q3'20: ~$1.28B
- Growth Capital spend YTD: ~$2.5B
- YTD recognized cost savings of $400mm in G&A and Opex
  - Expect over $500mm by YE'20

Strategic

- Significant progress on capital projects to be placed in service by year-end
- Distribution reduction to strategically accelerate debt reduction
- Focus on extending existing contracts under longer terms
- Leverage ET's extensive infrastructure to drive operational efficiencies and optimize asset base

Activity improved around the Permian midstream assets, across the Mariner East complex, and through NGL fractionation assets during the third quarter of 2020

1. Distributable cash flow attributable to the partners of ET, as adjusted

UPDATED 2020 ADJUSTED EBITDA OUTLOOK

Now expect to come in at upper end of guidance range

2020E Adjusted EBITDA ~$10.2-$10.5 billion

2019 to 2020 Drivers

+ SEMG integration/synergies

- Legacy contracts/renewals

- Crude/gas spreads

- Economic slow down/volumes

+Organic Projects

  +Mariner East system

  +Fractionation plants (VI, VII)

  +PE4 Pipeline

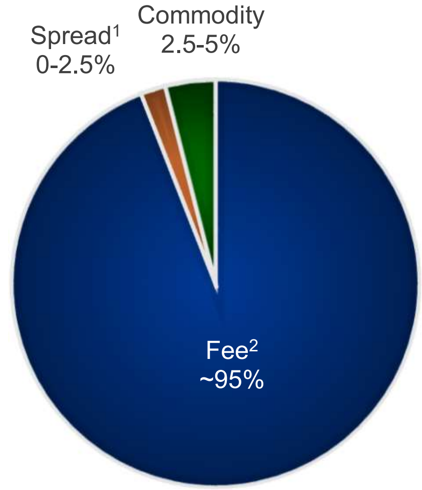
  +Lone Star Express Expansion

  +Permian processing plants

  +JC Nolan Diesel Pipeline

  +Red Bluff Express Pipeline

2020E Adjusted EBITDA Breakout

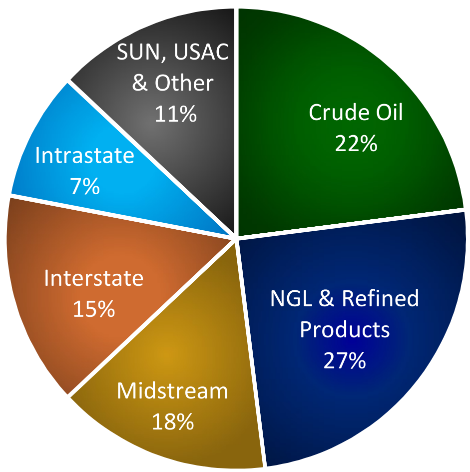


➢ Pricing and spread assumptions based on current futures markets

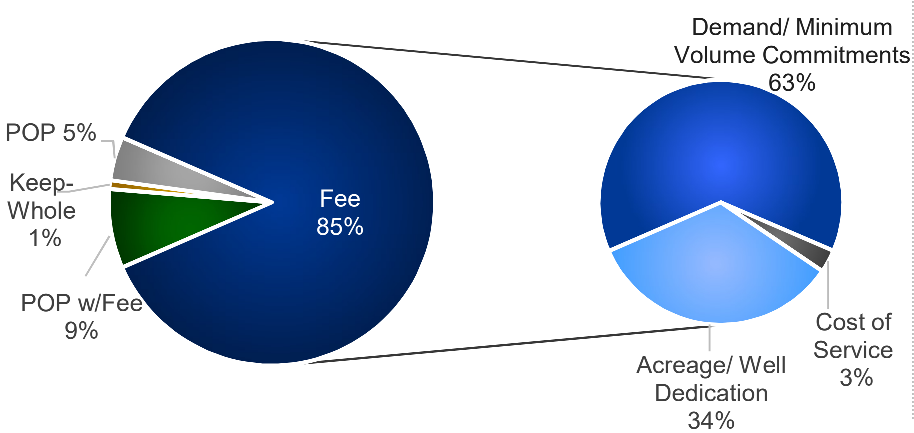
1. *Spread margin is pipeline basis, cross commodity and time spreads*
2. *Fee margins include transport and storage fees from affiliate customers at market rates*

EARNINGS SUPPORTED BY PREDOMINANTLY FEE-BASED CONTRACTS

Q3 2020 Adjusted EBITDA by Segment



2019 Midstream Segment Contract Mix By Volume



Segment	Contract Structure	Strength
Crude Oil	Fees from dedicated acreage, take-or-pay and throughput-based transportation, terminalling and storage	More than 9,500 miles connecting Permian, Bakken and Midcon Basins to U.S. markets, including Nederland terminal
NGL & Refined Products	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
Interstate Transport & Storage	Fees based on reserved capacity, take-or-pay contacts	Connected to all major U.S. supply basins and demand markets, including exports
Midstream	Minimum volume commitment (MVC), acreage dedication, utilization-based fees and percent of proceeds (POP)	Significant acreage dedications, including assets in Permian, Eagle Ford, and Marcellus/Utica Basins
Intrastate Transport & Storage	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 US

DISCIPLINED INVESTMENTS WITH HIGHER RETURNS FOCUS

2020E Growth Capital: ~$3.3 billion

18% reduction from original estimate[1]

		% of 2020E[2]
NGL & Refined Products	• Lone Star Express Expansion • Mariner East system (ME2, ME2X) • Nederland LPG facilities • Fractionation plant VII (placed in service in February) • Orbit Export facilities (Nederland and Mt. Belvieu) • Multiple projects < $50mm	70-75%
Midstream	• Gathering and processing projects primarily in West Texas, the Northeast, and Eagle Ford (slowed pace of development in accordance with demand)	10-15%
Crude Oil	• Bakken pipeline optimization • Ted Collins Link • Multiple projects < $50mm	5-10%

2021E Growth Capital: ~$1.3 billion

28% reduction from original estimate[1]

2022E and 2023E Growth Capital: ~$500-700 million per year

Expect to be free cash flow positive in 2021, after growth capital and equity distributions

1. *As provided in February 2020*
2. *Intra/Interstate and other segments estimated at ~5%*

NON-GAAP RECONCILIATION

Energy Transfer LP
Reconciliation of Non-GAAP Measures

	Full Year 2017 (b)	Full Year 2018 (b)	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2019 YTD	2020 Q1	2020 Q2	2020 Q3	2020 YTD
Net income (a)	$ 2,315	$ 3,420	$ 1,118	$ 1,209	$ 1,187	$ 1,311	$ 4,825	$ (964)	$ 672	$ (401)	$ (693)
(Income) loss from discontinued operations	177	265	-	-	-	-	-	-	-	-	-
Interest expense, net	1,922	2,055	590	578	579	584	2,331	602	579	569	1,750
Impairment losses	1,039	431	50	-	12	12	74	1,325	4	1,474	2,803
Income tax expense (benefit) from continuing operations	(1,833)	4	126	34	54	(19)	195	28	99	41	168
Depreciation, depletion and amortization	2,554	2,859	774	785	784	804	3,147	867	936	912	2,715
Non-cash compensation expense	99	105	29	29	27	28	113	22	41	30	93
(Gains) losses on interest rate derivatives	37	(47)	74	122	175	(130)	241	329	3	(55)	277
Unrealized (gains) losses on commodity risk management activities	(59)	11	(49)	23	(64)	95	5	(51)	48	30	27
Losses on extinguishments of debt	89	112	18	-	-	-	18	62	-	-	62
Inventory valuation adjustments	(24)	85	(93)	(4)	26	(8)	(79)	227	(90)	(11)	126
Impairment of investment in unconsolidated affiliates	313	-	-	-	-	-	-	-	-	129	129
Equity in (earnings) losses of unconsolidated affiliates	(144)	(344)	(65)	(77)	(82)	(78)	(302)	7	(85)	32	(46)
Adjusted EBITDA related to unconsolidated affiliates	716	655	146	163	161	156	626	154	157	169	480
Adjusted EBITDA from discontinued operations	223	(25)	-	-	-	-	-	-	-	-	-
Other, net	(155)	(21)	17	(37)	(47)	13	(54)	27	74	(53)	48
Adjusted EBITDA (consolidated)	7,269	9,565	2,735	2,825	2,812	2,768	11,140	2,635	2,438	2,866	7,939
Adjusted EBITDA related to unconsolidated affiliates	(716)	(655)	(146)	(163)	(161)	(156)	(626)	(154)	(157)	(169)	(480)
Distributable Cash Flow from unconsolidated affiliates	431	407	93	107	107	108	415	113	112	128	353
Interest expense, net	(1,958)	(2,057)	(590)	(578)	(579)	(584)	(2,331)	(602)	(579)	(569)	(1,750)
Preferred unitholders' distributions	(12)	(170)	(53)	(64)	(68)	(68)	(253)	(89)	(96)	(97)	(282)
Current income tax (expense) benefit	(39)	(472)	(28)	7	(2)	45	22	14	(15)	(7)	(8)
Transaction-related income taxes	-	470	-	-	-	(31)	(31)	-	-	-	-
Maintenance capital expenditures	(479)	(510)	(92)	(170)	(178)	(215)	(655)	(103)	(136)	(129)	(368)
Other, net	67	49	18	19	18	30	85	22	18	17	57
Distributable Cash Flow (consolidated)	4,563	6,627	1,937	1,983	1,949	1,897	7,766	1,836	1,585	2,040	5,461
Distributable Cash Flow attributable to Sunoco LP (100%)	(449)	(445)	(97)	(101)	(133)	(120)	(451)	(159)	(121)	(139)	(419)
Distributions from Sunoco LP	259	166	41	41	41	42	165	41	41	41	123
Distributable Cash Flow attributable to USAC (100%)	-	(148)	(55)	(54)	(55)	(58)	(222)	(55)	(58)	(57)	(170)
Distributions from USAC	-	73	21	21	24	24	90	24	24	24	72
Distributable Cash Flow attributable to PennTex Midstream Partners, LP (100%)	(19)										
Distributions from PennTex Midstream Partners, LP	8										
Distributable Cash Flow attributable to noncontrolling interests in other non-wholly-owned subsidiaries	(350)	(875)	(251)	(293)	(283)	(286)	(1,113)	(290)	(209)	(234)	(733)
Distributable Cash Flow attributable to the partners of ET - pro forma for ETO merger	4,012	5,398	1,596	1,597	1,543	1,499	6,235	1,397	1,262	1,675	4,334
Transaction-related adjustments	57	52	(2)	5	3	8	14	20	10	16	46
Distributable Cash Flow attributable to the partners of ET, as adjusted - pro forma for ETO merger	$ 4,069	$ 5,450	$ 1,594	$ 1,602	$ 1,546	$ 1,507	$ 6,249	$ 1,417	$ 1,272	$ 1,691	$ 4,380

Notes

(a) Effective January 1, 2020, the Partnership elected to change its accounting policy related to certain barrels of crude oil that were previously accounted for as inventory. Under the revised accounting policy, certain amounts of crude oil that are not available for sale have been reclassified from inventory to non-current assets. The results for prior periods have been adjusted to reflect this change in accounting policy.

(b) The closing of the ETO Merger impacted the Partnership's calculation of Distributable Cash Flow attributable to partners, as well as the number of ET Common Units outstanding and the amount of distributions to be paid to partners. In order to provide information on a comparable basis for pre-ETO Merger and post-ETO Merger periods, the Partnership has included certain pro forma information. Pro forma Distributable Cash Flow attributable to partners reflects the following ETO Merger related impacts:

- ETO is reflected as a wholly-owned subsidiary and pro forma Distributable Cash Flow attributable to partners reflects ETO's consolidated Distributable Cash Flow (less certain other adjustments, as follows).
- Distributions from Sunoco LP and USAC include distributions to both ET and ETO.
- Distributions from PennTex are separately included in Distributable Cash Flow attributable to partners.
- Distributable Cash Flow attributable to noncontrolling interest in our other non-wholly-owned subsidiaries is subtracted from consolidated Distributable Cash Flow to calculate Distributable Cash Flow attributable to partners.

Pro forma distributions to partners include actual distributions to legacy ET partners, as well as pro forma distributions to legacy ETO partners. Pro forma distributions to ETO partners are calculated assuming (i) historical ETO common units converted under the terms of the ETO Merger and (ii) distributions on such converted common units were paid at the historical rate paid on ET Common Units. Pro forma Common Units outstanding include actual Common Units outstanding, in addition to Common Units assumed to be issued in the ETO Merger, which are based on historical ETO common units converted under the terms of the ETO Merger.

Definitions

Adjusted EBITDA, Distributable Cash Flow and distribution coverage ratio are non-GAAP financial measures used by industry analysts, investors, lenders and rating agencies to assess the financial performance and the operating results of ET'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, Distributable Cash Flow and distribution coverage ratio, 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, Distributable Cash Flow and distribution coverage ratio 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. 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 ET'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 ET, the Partnership has reported Distributable Cash Flow attributable to the partners of ET, which is calculated by adjusting Distributable Cash Flow (consolidated), as follows:

- For subsidiaries with publicly traded equity interests, other than ETO, 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.

Distribution coverage ratio for the three months ended September 30, 2020 is calculated as Distributable Cash Flow attributable to partners, as adjusted, divided by distributions expected to be paid to the partners of ET in respect of the third quarter of 2020, which expected distributions total $412 million.