ENERGY TRANSFER

Fourth Quarter and Full-Year 2019 Earnings

February 19, 2020

ET LISTED NYSE

FORWARD-LOOKING STATEMENTS / LEGAL DISCLAIMER

Management of Energy Transfer LP (ET) will provide this presentation in conjunction with ET's 4th 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, copies of which are available to the public. 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.

2019 HIGHLIGHTS-DELIVERING ON ALL FRONTS

Operational

- Reported record NGL, natural gas, and crude oil transportation throughput, NGL fractionation volumes, and midstream gathered volumes
- Red Bluff Express Phase II completed in August 2019
- J.C. Nolan Pipeline went into service in August 2019
- Permian Express 4 went into full service October 2019
- Commissioned Panther II Processing Plant in December 2019
- Placed Frac VI into service February 2019, and Frac VII into service February 2020

Financial

- Adjusted EBITDA
  - Q4'19- $2.8B; Up 5% from Q4'18
  - FY'19- $11.2B; Up 18% from FY '18
- DCF
  - Q4'19- $1.55B; Up 2% from Q4'18
  - FY'19- $6.3B; Up 17% from FY '18
- Distribution coverage ratio
  - Q4'19- 1.88x
  - FY'19- 1.96x
- YTD Growth Capital - $4.3B, with incremental value from organic growth projects

Strategic

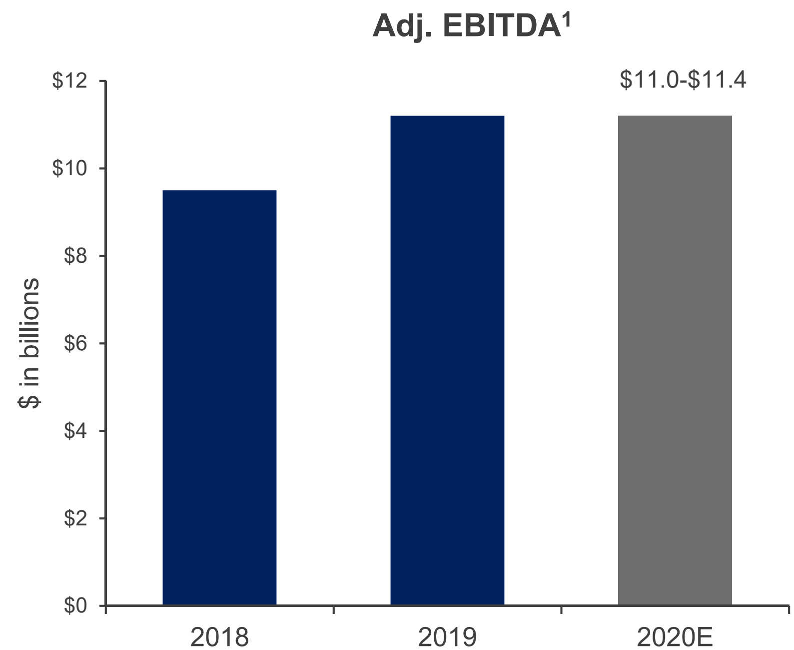
- Successfully completed acquisition of SEMG
- Transaction immediately accretive and balance sheet friendly
- Issued $4.5B of Senior Notes and $1.6B of Preferred Units in January 2020
- Executed SEMG finance synergies by calling/redeeming high yield notes and HFOTCO Term Loan (over $50mm in annual interest savings)

Integrated franchise provides advantages through energy market cycles

2020 EBITDA OUTLOOK

2020E EBITDA ~$11.0-$11.4 billion

2019 to 2020 Drivers
+ SEMG integration/synergies
- Legacy contracts/renewals
- Crude/gas spreads
+ Organic Projects +Mariner East system +Fractionation plants (VI, VII) +PE4 Pipeline +Lone Star Express Expansion +Nederland LPG facilities +Permian processing plants +JC Nolan Diesel Pipeline +Red Bluff Express Pipeline



2020E Breakout	
Fee-Based Margin	85-90%
Commodity Margin	5-7%
Spread Margin[2]	5-7%

1. See Appendix for Reconciliation of Non-GAAP financial measures
2. *Spread margin is pipeline basis, cross commodity and time spreads*

UPDATED CAPEX OUTLOOK – A DISCIPLINED, QUICKER CASH GENERATION CYCLE

2020E Growth Capital: ~$3.9-$4.1 billion[1]

NGL & Refined Products	• Lone Star Express Expansion • Mariner East system (ME2, ME2X) • Nederland LPG facilities • Fractionation plants (VII, VIII) • Orbit export facilities (Nederland and Mt. Belvieu) • Multiple projects < $50mm
Midstream	• Gathering and processing projects (primarily in West Texas) that deliver volumes to ET's downstream systems, the majority of which are with integrated, investment grade counterparties
Crude Oil	• Bakken pipeline optimization • Ted Collins Pipeline • Multiple projects < $50mm

2021E+ Backlog of Approved Growth Capital Projects: ~$1.8 billion[1]

- Raised the bar on return profiles and will continue to use discipline while evaluating any incremental spend
- Long-term, expect capex run-rate to be approximately $2.0-$2.5 billion per year

Believe long-term capex run-rate will result in positive free cash flow starting in 2021

1. *Capital expenditures include expenditures related to recently completed SEMG acquisition*

SEMG ACQUISITION HIGHLIGHTS- COMPLETED DECEMBER 5, 2019

Immediately Accretive Transaction With No Material Credit Impact

Generates an Aggregate $500MM of DCF Coverage 2020-2022

Premier U.S. Gulf Coast Terminal With Stable, Take-or-Pay Cash Flows

18.2 MMBbl Crude Storage Capacity & Export Capabilities

ENERGY TRANSFER

Complementary Assets That Drive Commercial, Operational, Financial and Cost Synergies

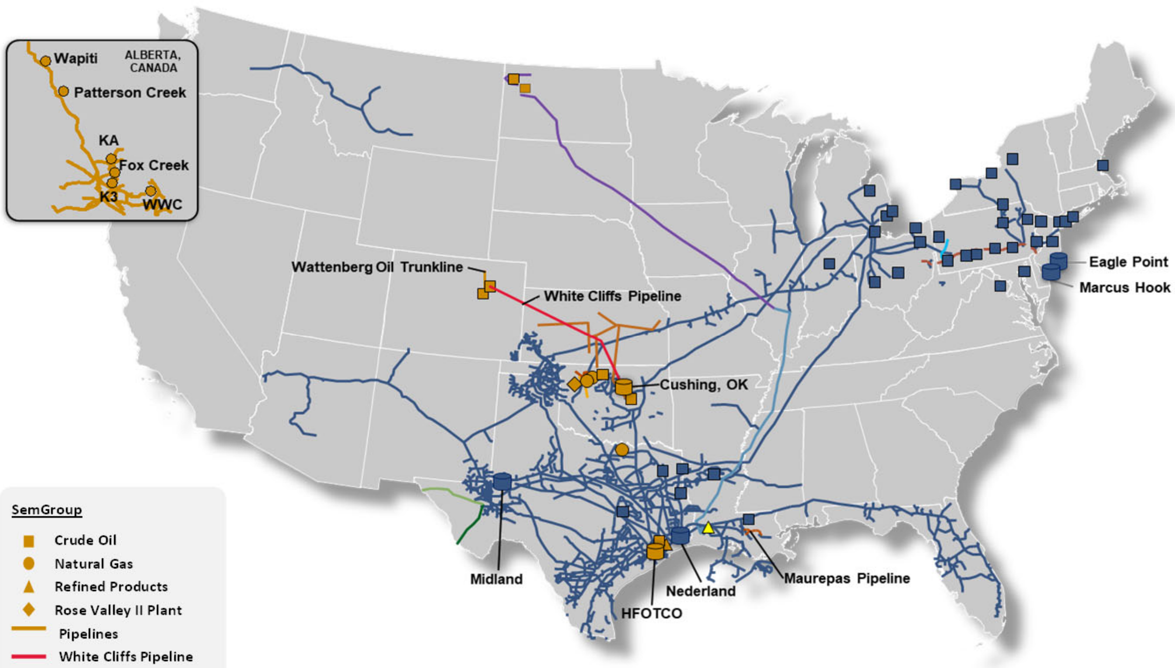
$170MM+ Annual Run-rate

Liquids-Focused Infrastructure With No Direct Commodity Price Exposure

Primary Assets are Terminals & Long-Haul Pipelines

Acquisition is consistent with plans to improve financial position

ET & SEMG COMPLEMENTARY ASSETS



SemGroup
- Crude Oil
- Natural Gas
- Refined Products
- Rose Valley II Plant
- Pipelines
- White Cliffs Pipeline
- Maurepas Pipeline

Energy Transfer
- Terminals
- Pipelines
- Lake Charles LNG
- Mariner East 2X
- Revolution
- ETCO Pipeline
- Dakota Access Pipeline
- Trans Pecos Pipeline
- Comanche Trail Pipeline

Note: Includes growth projects under construction.

Expands Crude Oil Asset Footprint

- Strategic franchise-quality position on the Houston Ship Channel
- Provides connectivity along the U.S. Gulf Coast and throughout ET’s system
- Increases reach into the DJ basin where ET does not have a presence

Expands Logistical Optionality

- Provides additional outlets for Permian, Rockies and Mid-Continent producers
- Offers deep-water marine access
- DJ Basin infrastructure optionality

Expected Synergies

- Utilization rates on existing assets (i.e. Houston Terminal (Formerly “HFOTCO”) docks closer to full capacity)
- Presence in new markets generating opportunities for other aspects of portfolio (i.e. Houston Ship Channel, DJ Basin)
- Integrates assets with ET’s Nederland terminal and U.S. Gulf Coast assets
- Cost efficiencies with combined operations
- $170MM+ annual run-rate synergies including commercial, operational, financial and cost synergies

Fully-integrated midstream platform enhances ability to offer wide range of services to both domestic and international markets


APPENDIX
ENERGY
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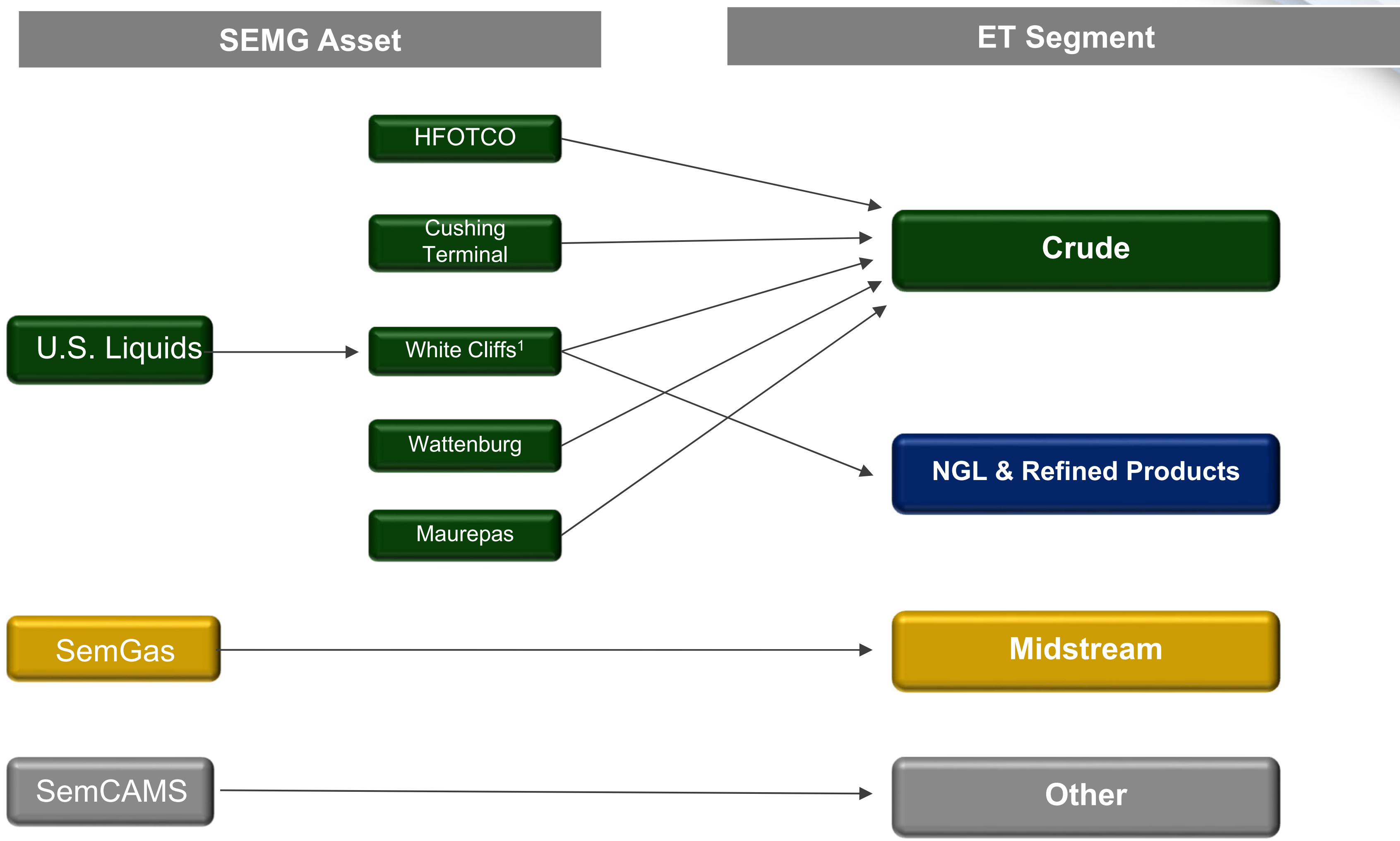
SEMG ASSET FITS TO EXISTING ET SEGMENTS



[1] *White Cliffs Pipeline consist of two parallel, 12-inch common carrier pipelines, one crude oil and one NGL.*

NON-GAAP RECONCILIATION

Energy Transfer LP
Reconciliation of Non-GAAP Measures

	Full Year 2017	Pro Forma for Mergers 2018 Q1	2018 Q2	2018 Q3	2018 Q4	2018 YTD	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2019 YTD
Net income	$ 2,366	$ 489	$ 633	$ 1,391	$ 852	$ 3,365	$ 1,180	$ 1,208	$ 1,161	$ 1,350	$ 4,899
(Income) loss from discontinued operations	177	237	26	2	-	265	-	-	-	-	-
Interest expense, net	1,922	466	510	535	544	2,055	590	578	579	584	2,331
Impairment losses	1,039	-	-	-	431	431	50	-	12	12	74
Income tax expense (benefit) from continuing operations	(1,833)	(10)	68	(52)	(2)	4	126	34	54	(19)	195
Depreciation, depletion and amortization	2,554	665	694	750	750	2,859	774	785	784	804	3,147
Non-cash compensation expense	99	23	32	27	23	105	29	29	27	28	113
(Gains) losses on interest rate derivatives	37	(52)	(20)	(45)	70	(47)	74	122	175	(130)	241
Unrealized (gains) losses on commodity risk management activities	(59)	87	265	(97)	(244)	11	(49)	23	(64)	95	5
Losses on extinguishments of debt	89	106	-	-	6	112	18	-	-	-	18
Inventory valuation adjustments	(24)	(25)	(32)	7	135	85	(93)	(4)	26	(8)	(79)
Impairment of investment in unconsolidated affiliates	313	-	-	-	-	-	-	-	-	-	-
Equity in (earnings) losses of unconsolidated affiliates	(144)	(79)	(92)	(87)	(86)	(344)	(65)	(77)	(82)	(78)	(302)
Adjusted EBITDA related to unconsolidated affiliates	716	156	168	179	152	655	146	163	161	156	626
Adjusted EBITDA from discontinued operations	223	(20)	(5)	-	-	(25)	-	-	-	-	-
Other, net	(155)	(41)	15	(33)	38	(21)	17	(37)	(47)	13	(54)
Adjusted EBITDA (consolidated)	7,320	2,002	2,262	2,577	2,669	9,510	2,797	2,824	2,786	2,807	11,214
Adjusted EBITDA related to unconsolidated affiliates	(716)	(156)	(168)	(179)	(152)	(655)	(146)	(163)	(161)	(156)	(626)
Distributable Cash Flow from unconsolidated affiliates	431	104	99	109	95	407	93	107	107	108	415
Interest expense, net	(1,958)	(468)	(510)	(535)	(544)	(2,057)	(590)	(578)	(579)	(584)	(2,331)
Subsidiary preferred unitholders' distributions	(12)	(24)	(41)	(51)	(54)	(170)	(53)	(64)	(68)	(68)	(253)
Current income tax (expense) benefit	(39)	(468)	27	(24)	(7)	(472)	(28)	7	(2)	45	22
Transaction-related income taxes	-	480	(10)	-	-	470	-	-	-	(31)	(31)
Maintenance capital expenditures	(479)	(91)	(126)	(156)	(137)	(510)	(92)	(170)	(178)	(215)	(655)
Other, net	67	7	7	16	19	49	18	19	18	30	85
Distributable Cash Flow (consolidated)	4,614	1,386	1,540	1,757	1,889	6,572	1,999	1,982	1,923	1,936	7,840
Distributable Cash Flow attributable to Sunoco LP (100%)	(449)	(84)	(99)	(147)	(115)	(445)	(97)	(101)	(132)	(120)	(450)
Distributions from Sunoco LP	259	41	41	41	43	166	41	41	41	42	165
Distributable Cash Flow attributable to USAC (100%)	-	-	(46)	(47)	(55)	(148)	(55)	(54)	(55)	(58)	(222)
Distributions from USAC	-	-	31	21	21	73	21	21	24	24	90
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)	(147)	(181)	(253)	(294)	(875)	(251)	(293)	(283)	(286)	(1,113)
Distributable Cash Flow attributable to the partners of ET - pro forma for ETO and Sunoco Logistics mergers	4,063	1,196	1,286	1,372	1,489	5,343	1,658	1,596	1,518	1,538	6,310
Transaction-related adjustments	57	(1)	14	12	27	52	(2)	5	3	8	14
Distributable Cash Flow attributable to the partners of ET, as adjusted - pro forma for ETO and Sunoco Logistics mergers	$ 4,120	$ 1,195	$ 1,300	$ 1,384	$ 1,516	$ 5,395	$ 1,656	$ 1,601	$ 1,521	$ 1,546	$ 6,324

Notes

The closing of the ETO Merger has 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. For the year ended December 31, 2017, the calculation of Distributable Cash Flow and the amounts reflected for distributions to partners and common units outstanding also reflect the pro forma impacts of the Sunoco Logistics Merger as though the merger had occurred on January 1, 2017.

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 December 31, 2019 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 2019, which expected distributions total $809 million.