ENERGY TRANSFER

Second Quarter 2020 Earnings

August 5, 2020
Management of Energy Transfer LP (ET) will provide this presentation in conjunction with ET’s 2nd 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 sharp 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.
Diversified midstream platform enhances ability to offer wide range of services to both domestic and international markets
Q2 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
- Gathering and processing volumes reached new highs in Midland Basin near the end of the second quarter

Financial
- Adjusted EBITDA: $2.44B
- DCF: $1.27B
- Growth Capital spend YTD: ~$1.8B
- YTD recognized cost savings of $200mm in G&A and Opex
  - Expect to double by YE’20
- Distribution coverage ratio: 1.54x
- Distributable cash flow in excess of distributions of $448mm

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

Exited the second quarter of 2020 with upward trend in volumes across the majority of ET’s oil, natural gas and NGL assets
UPDATED 2020 ADJUSTED EBITDA OUTLOOK

2020E Adjusted EBITDA ~$10.2-$10.5 billion

Reflects revised expectations, including slower pace of recovery

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

- Spread 1
  0-2.5%
- Commodity
  2.5-5%
- Fee 2
  ~95%

- Increased operating efficiencies from lower cost structure
- 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

**Q2 2020 Adjusted EBITDA by Segment**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Contract Structure</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude Oil</td>
<td>Fees from dedicated acreage, take-or-pay and throughput-based transportation, terminalling and storage</td>
<td>More than 9,500 miles connecting Permian, Bakken and Midcon Basins to U.S. markets, including Nederland terminal</td>
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<tr>
<td>NGL &amp; Refined Products</td>
<td>Fees from plant dedications and take-or-pay transportation contracts, storage fees and fractionation fees, which are primarily frac-or-pay structures</td>
<td>~60 facilities connected to ET’s NGL pipelines, and benefit from recent frac expansions at the Mont Belvieu complex</td>
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<tr>
<td>Interstate Transport &amp; Storage</td>
<td>Fees based on reserved capacity, take-or-pay contacts</td>
<td>Connected to all major U.S. supply basins and demand markets, including exports</td>
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<tr>
<td>Midstream</td>
<td>Minimum volume commitment (MVC), acreage dedication, utilization-based fees and percent of proceeds (POP)</td>
<td>Significant acreage dedications, including assets in Permian, Eagle Ford, and Marcellus/Utica Basins</td>
</tr>
<tr>
<td>Intrastate Transport &amp; Storage</td>
<td>Reservation charges and transport fees based on utilization</td>
<td>Largest intrastate pipeline system in the U.S. with interconnects to TX markets, as well as major consumption areas throughout the US</td>
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</table>

**2019 Midstream Segment Contract Mix By Volume**

- Crude Oil: 21%
- NGL & Refined Products: 28%
- Midstream: 15%
- Interstate: 8%
- Intrastate: 17%
- SUN, USAC & Other: 11%

**Earnings Supported by Predominantly Fee-Based Contracts**

- SUN, USAC & Other: 11%
- Crude Oil: 21%
- NGL & Refined Products: 28%
- Midstream: 15%
- Interstate: 8%
- Intrastate: 17%

**Q2 2020 Adjusted EBITDA by Segment**

1. Energy Transfer Operating Segments
# REVISED CAPEX – FOCUSED ON CAPITAL DISCIPLINE

## 2020E Growth Capital: ~$3.4 billion

15% reduction from original estimate

<table>
<thead>
<tr>
<th>% of 2020E</th>
<th>NGL &amp; Refined Products</th>
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<tbody>
<tr>
<td></td>
<td>Lone Star Express Expansion</td>
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<td></td>
<td>Mariner East system (ME2, ME2X)</td>
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<td>Nederland LPG facilities</td>
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<td>Fractionation plant VII (placed in service in February)</td>
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<td>Orbit Export facilities (Nederland and Mt. Belvieu)</td>
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<td>Multiple projects &lt; $50mm</td>
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<td>70-75%</td>
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<td></td>
<td>Midstream</td>
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<td>Gathering and processing projects primarily in West Texas, the Northeast, and Eagle Ford (slowed pace of development in accordance with demand)</td>
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<td>10-15%</td>
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<tr>
<td></td>
<td>Crude Oil</td>
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<td>Bakken pipeline optimization</td>
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<td>Ted Collins Link</td>
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<td>Multiple projects &lt; $50mm</td>
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<tr>
<td>5-10%</td>
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2021E Growth Capital: ~$1.3 billion

28% reduction from original estimate

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

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1. As provided in February 2020
2. Intra/Inter and other segments estimated at ~5%
Distribution coverage ratio for the three months ended June 30, 2020 is calculated as Distributable Cash Flow attributable to partners divided by the next quarter’s estimated cash distribution, which is expected to be $823 million. The calculation is as follows:

\[
\text{Distribution coverage ratio} = \frac{\text{Distributable Cash Flow attributable to partners}}{\text{Estimated cash distribution for the next quarter}}
\]

For the quarter ending June 30, 2020, the calculation would be:

\[
\text{Distribution coverage ratio} = \frac{\text{Distributable Cash Flow attributable to partners}}{823 \text{ million}}
\]