



# 2024 Investor Update

April 3, 2024

NYSE: EPD



# Forward-Looking Statements

This presentation contains forward-looking statements based on the beliefs of the company, as well as assumptions made by, and information currently available to our management team (including information published by third parties). When used in this presentation, words such as “anticipate,” “project,” “expect,” “plan,” “seek,” “goal,” “estimate,” “forecast,” “intend,” “could,” “should,” “would,” “will,” “believe,” “may,” “scheduled,” “pending,” “potential” and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. You should not put undue reliance on any forward-looking statements, which speak only as of their dates. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expected, including insufficient cash from operations, adverse market conditions, governmental regulations, the possibility that tax or other costs or difficulties related thereto will be greater than expected, the impact of competition and other risk factors discussed in our latest filings with the Securities and Exchange Commission.

All forward-looking statements attributable to Enterprise or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained herein, in such filings and in our future periodic reports filed with the Securities and Exchange Commission. Except as required by law, we do not intend to update or revise our forward-looking statements, whether as a result of new information, future events or otherwise.



**Jim Teague – Co-CEO**

**Randy Fowler – Co-CEO**

**Tony Chovanec – EVP, Fundamentals**



# 2024 Investor Day Topics



Execution, Reliability and Operational Excellence



Strong Supply / Demand Fundamentals



Visibility to Growth



Financial Objectives



Proven Track Record

# Strong Safety Culture

## Accountability Drives Results

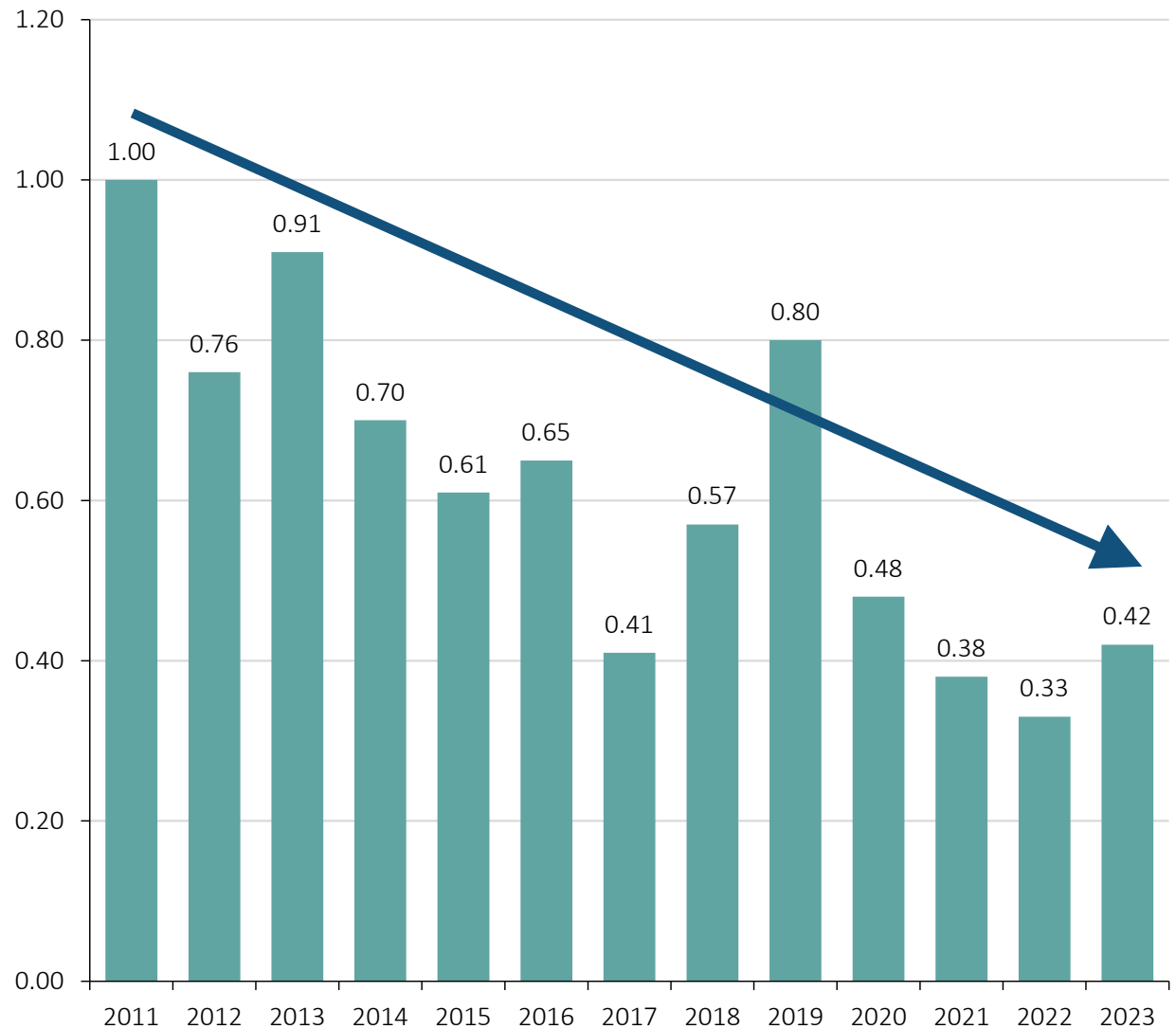
Strong Leadership  
Commitment

Focus on Personal  
Accountability for Safety

Strong In-House  
Technical Support

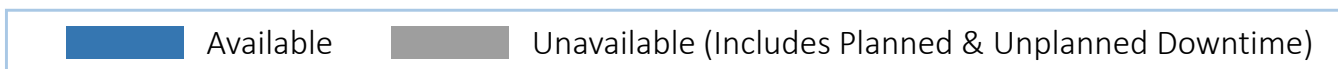
Audit  
Functions

Total Recordable Incident Rate (TRIR)

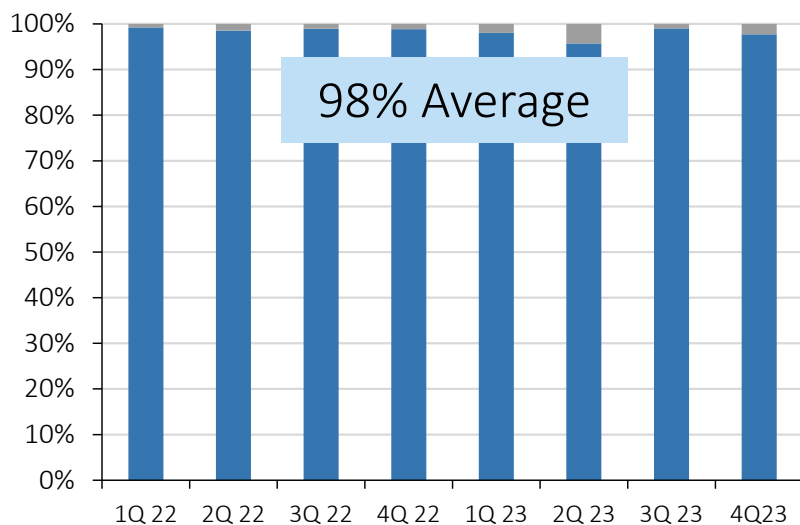


# Execution, Reliability & Operational Excellence

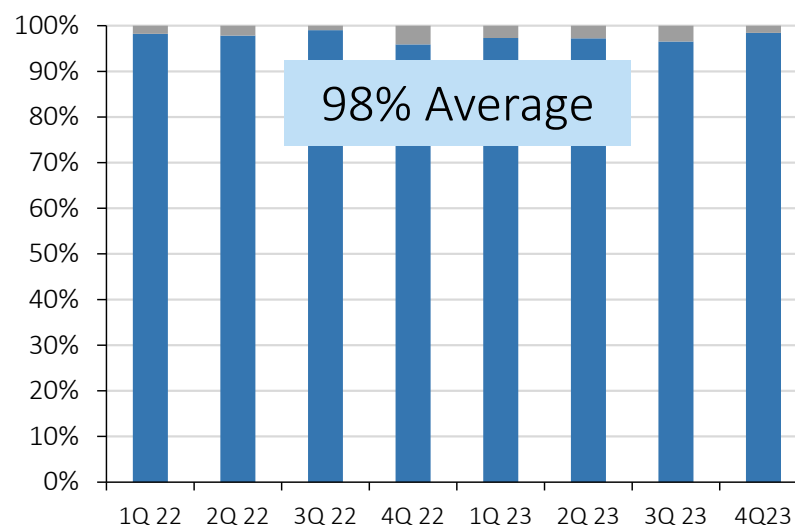
## Operational Availability



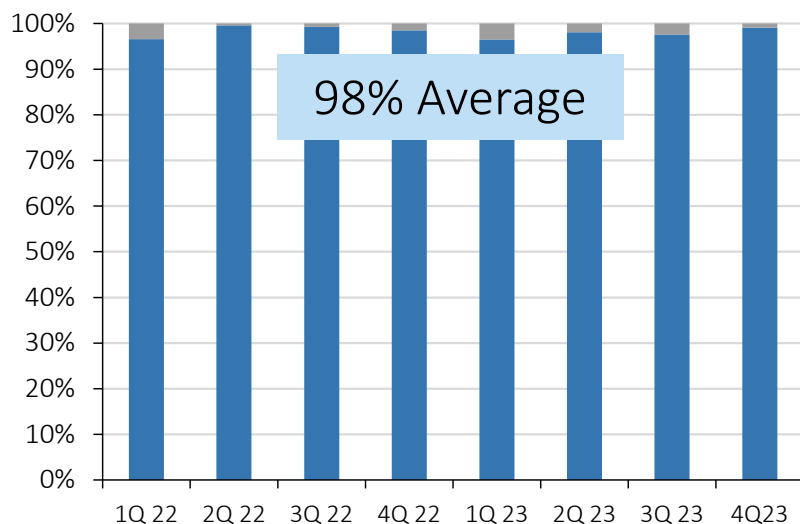
### Gas Processing Plants



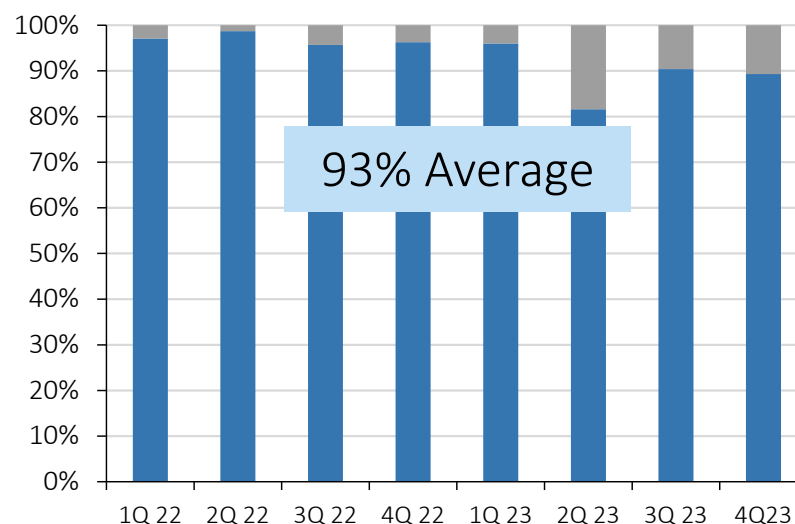
### NGL Fractionators



### LPG Export Facilities



### Propylene Production Facilities



Note: Estimated run rates based on field operating data.

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# PDH 1 and PDH 2

## Different Challenges, Different Solutions

### PDH 1

- In-Service: April 2018
- Technology: Lummus CATOFIN
- Issues:
  - Initial design and construction deficiencies
  - History of unplanned outages
  - Damaged / failed equipment due to high temperature and cyclic operation
  - “Heavies” production fouling equipment resulting in reduced throughput and unplanned downtime
- Steps to Resolution:
  - Repair and upgrade equipment
  - Clean fouled equipment and install additional equipment to clean on-line
  - Install additional redundancy and spare equipment to improve uptime
- Resolution Timing:
  - Major turnaround is underway
  - Scheduled to resume operation in May 2024

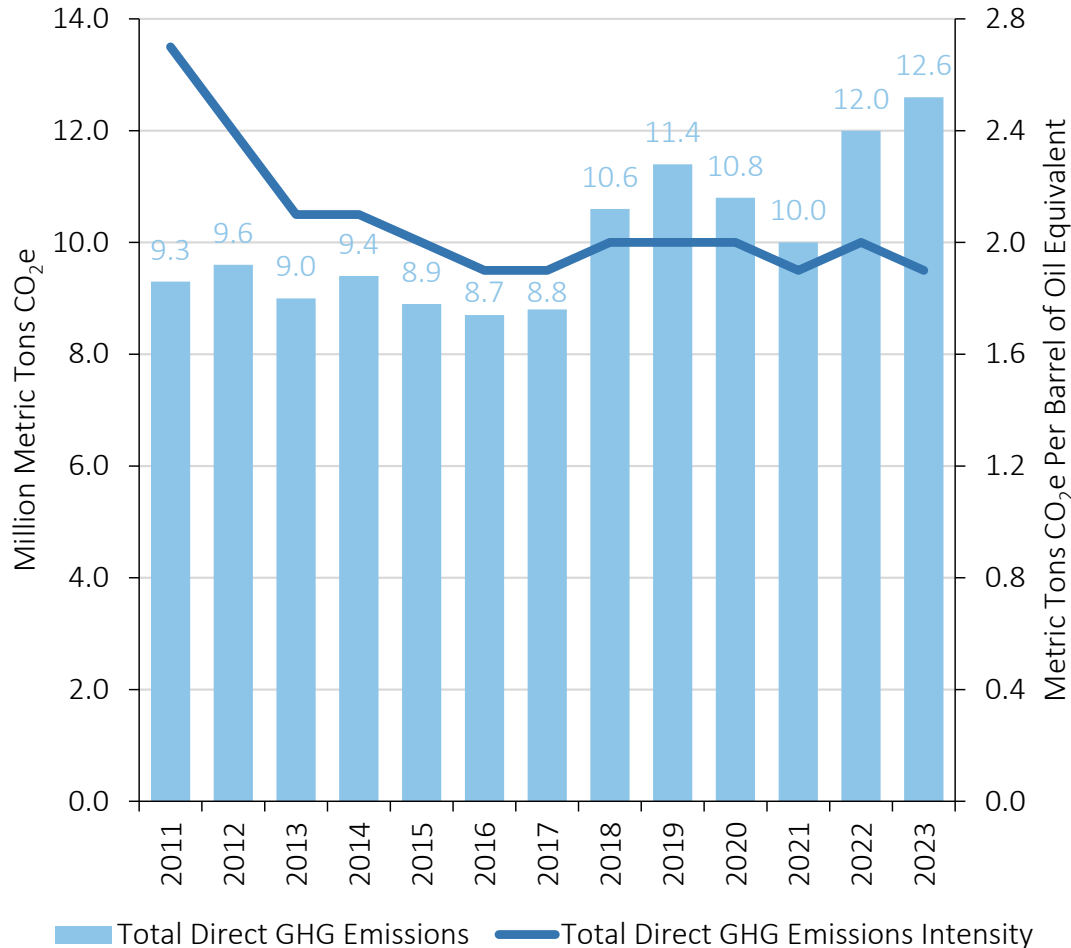
### PDH 2

- In-Service: July 2023
- Technology: Honeywell UOP’s Oleflex
- Issues:
  - Production limited to 80% of design due to high pressure drop in 4<sup>th</sup> Reactor
  - Initial startup issues due to design-related heater tube failure
- Steps to Resolution:
  - Heater & design fix (implemented)
  - Shut down and replace 4<sup>th</sup> Reactor screens
  - Revise shutdown procedures and controls to prevent recurrence
- Resolution Timing:
  - 2H 2024 (to be scheduled)

# Responsible, Efficient Growth

## Reducing CO<sub>2</sub>e Emissions Intensity as We Grow Our Network

Total Direct GHG Emissions<sup>(1)</sup> & Emissions Intensity



\$51B of organic growth projects and acquisitions placed in service over period

30% improvement in emissions intensity

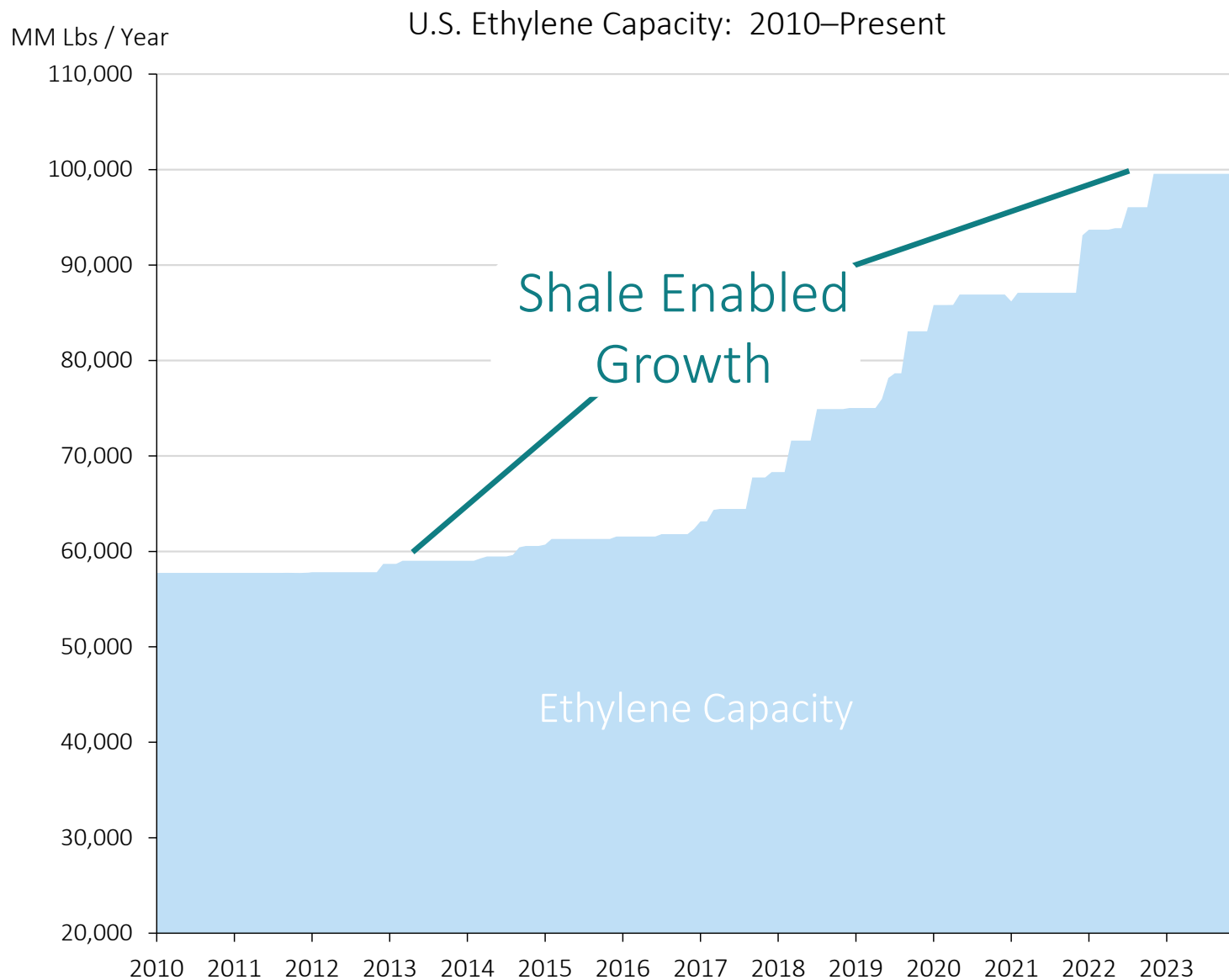
We continue to evaluate and pursue those opportunities that enable us to reduce our CO<sub>2</sub> and methane emissions cost efficiently and economically

(1) Reportable direct CO<sub>2</sub> equivalent emissions for facilities and operations that are subject to EPA reporting with global warming potential ratios including: Subpart C – Emissions from Stationary Combustion Equipment (regardless of facility) and Subpart W – Emissions from Petroleum and Natural Gas Systems; all other equipment emissions from natural gas processing, transmission, storage. Also includes emissions from gas gathering and boosting. New assets from acquisitions or construction impact total direct emissions, including: Oiltanking, EFS and Navitas Midstream acquisitions, new pipelines, processing facilities, storage, and export facilities. 2022 performance includes the impact of the acquisition of Navitas Midstream, which closed in February 2022.



# Renaissance of U.S. Petrochemical Industry

Over 70% Growth Enabled by Abundant U.S. Ethane Supply

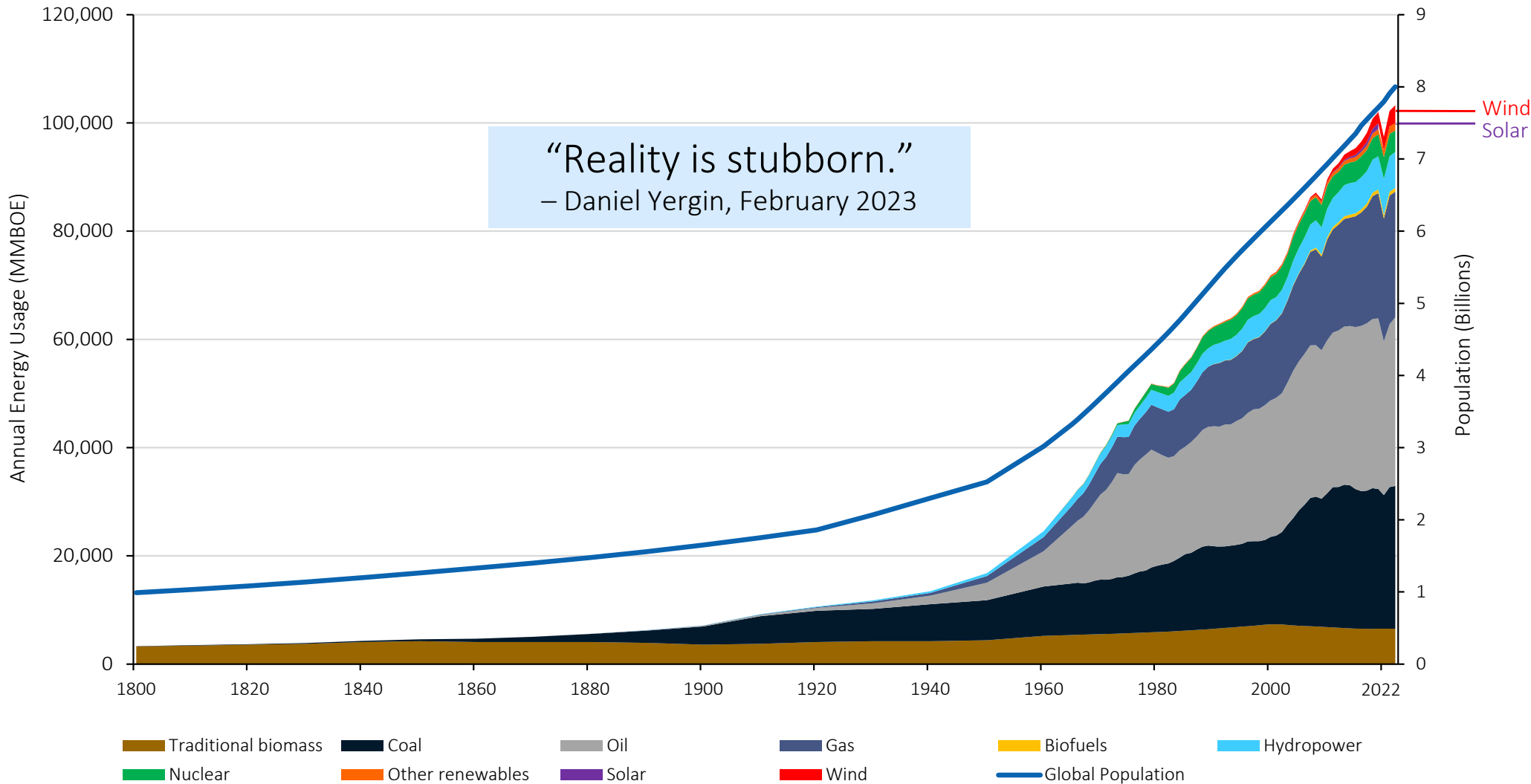


# The World Has Never Done Energy “Transition”

## Global Population Growth Drives Energy “Addition”

Over the past century, global energy usage increased rapidly in connection with industrialization and rising global population. Further, from 1965 to 2022, per capita energy consumption grew 62%.

Historical Energy Demand by Source vs. Population Growth



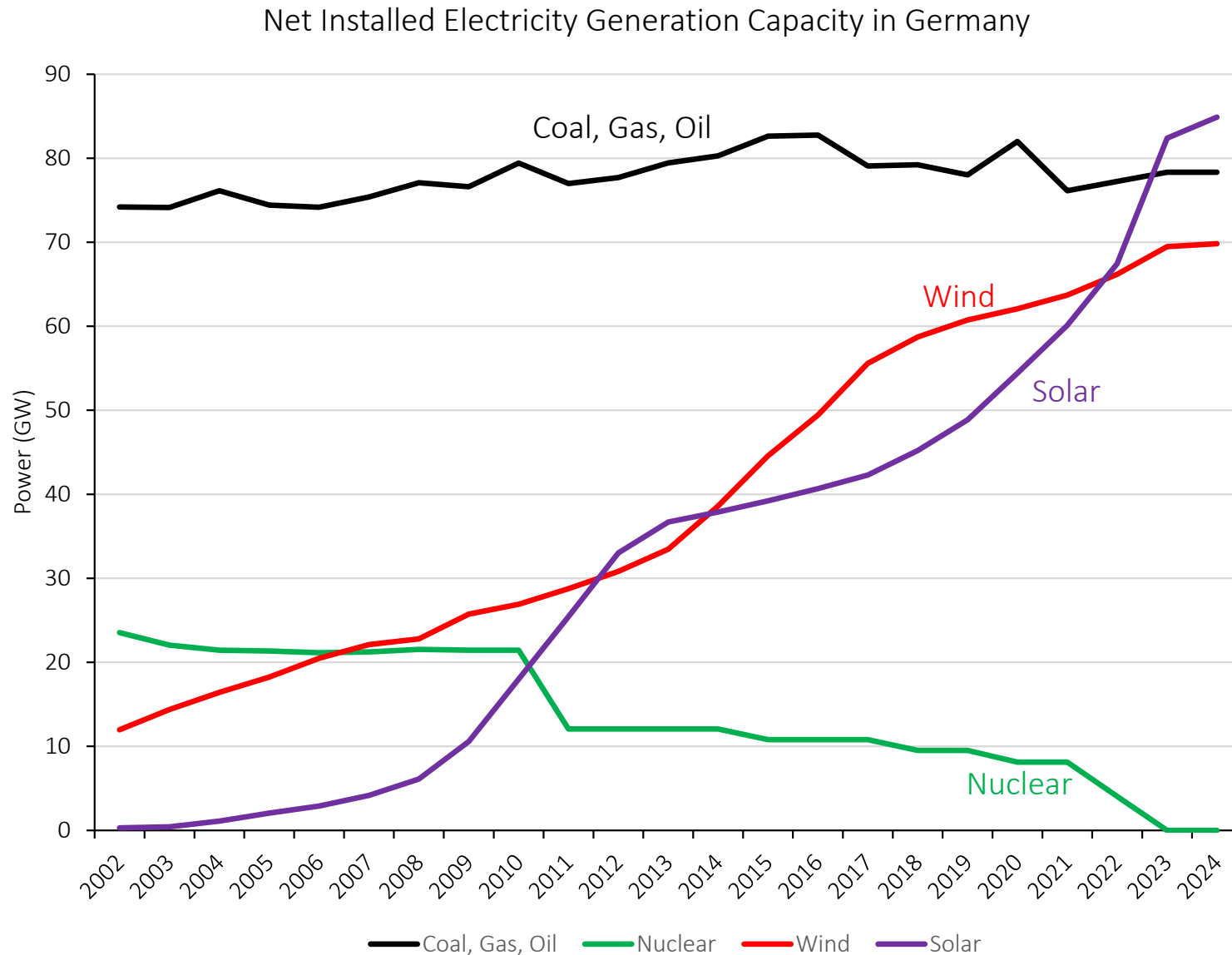
Sources: Our World in Data 2022, a collaborative effort between researchers at Oxford University and Global Change Data Lab; Statista

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# Reliable Power Generation is Critical

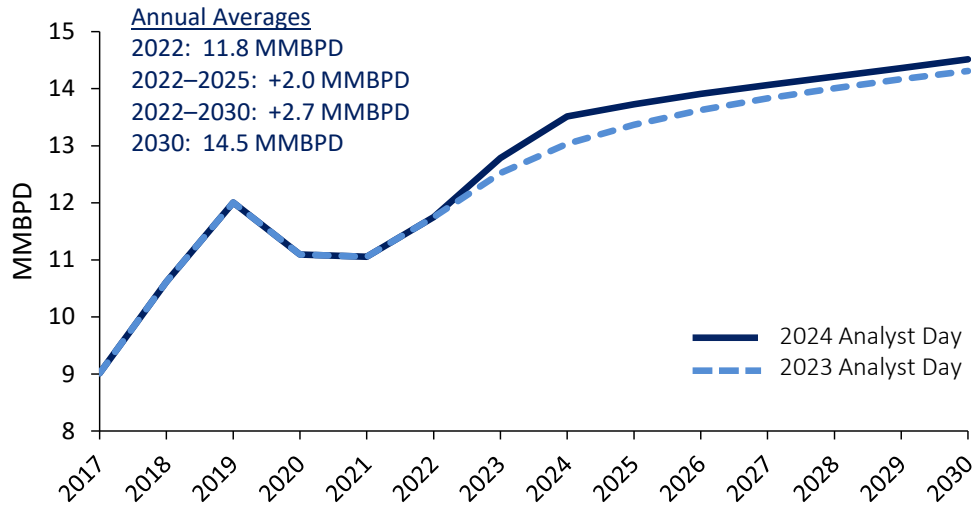
Thermal Power Redundancy is Essential to Support New Renewables



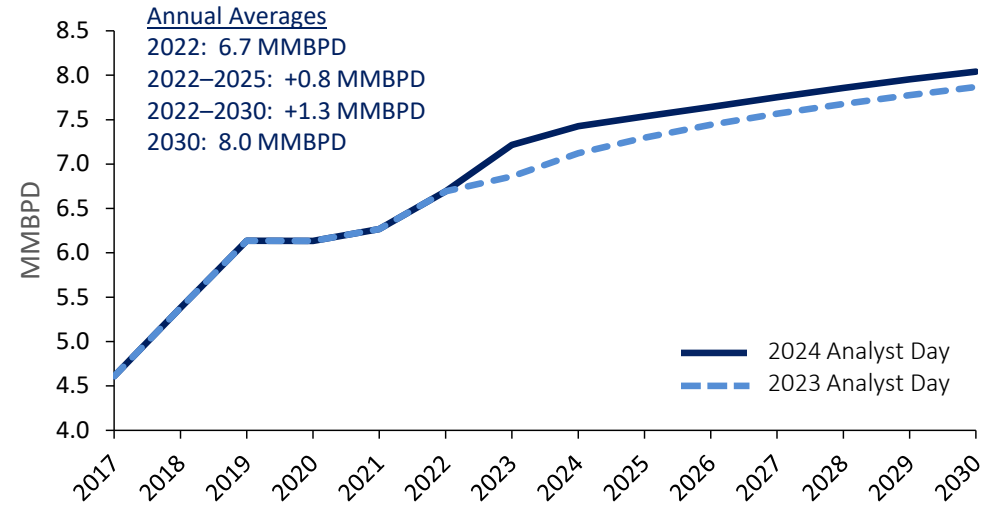
# U.S. Production Forecasts

## Crude Oil, NGLs and Natural Gas

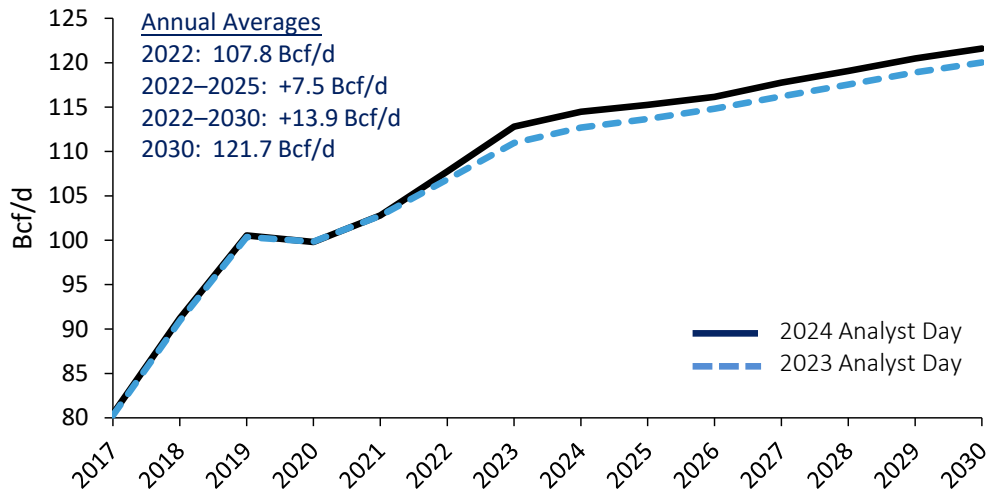
### Oil



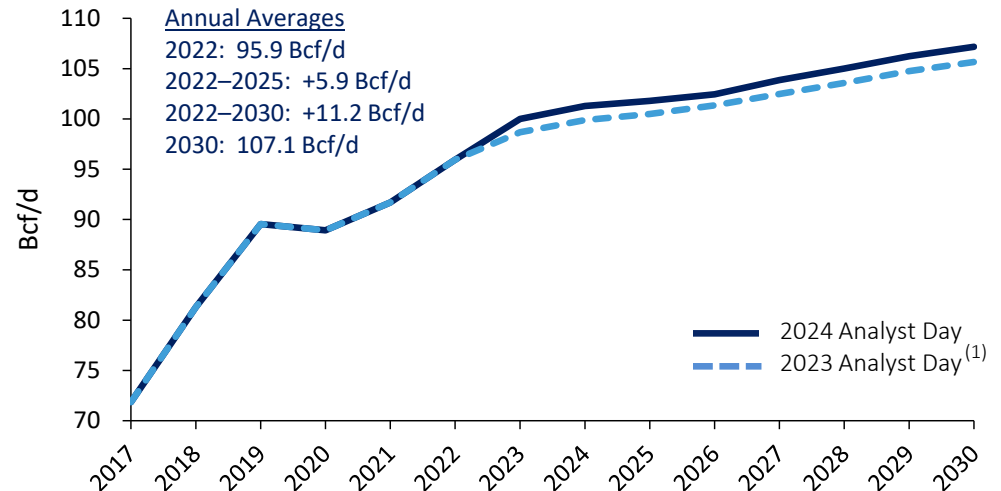
### NGLs



### Total Natural Gas



### Dry Natural Gas



(1) 2023 Analyst Day adjusted to actuals  
 Source: EPD Fundamentals

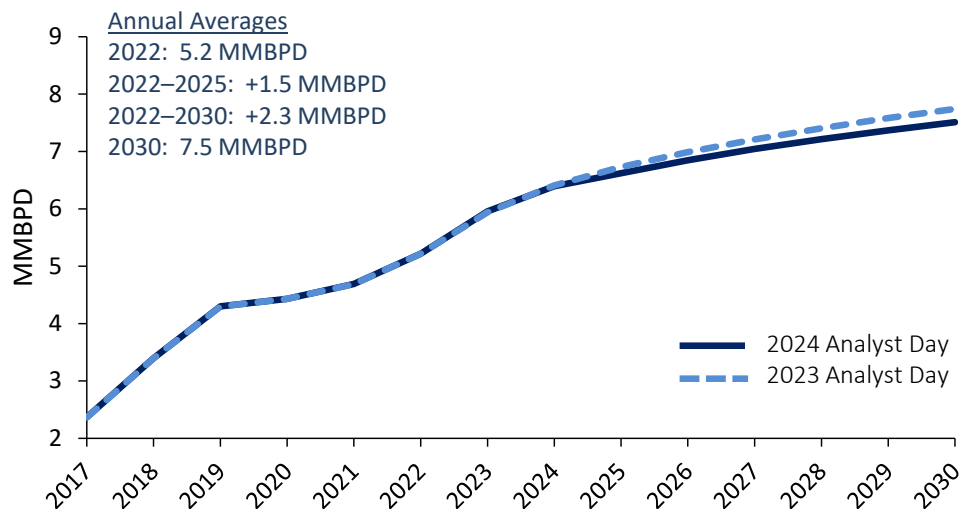




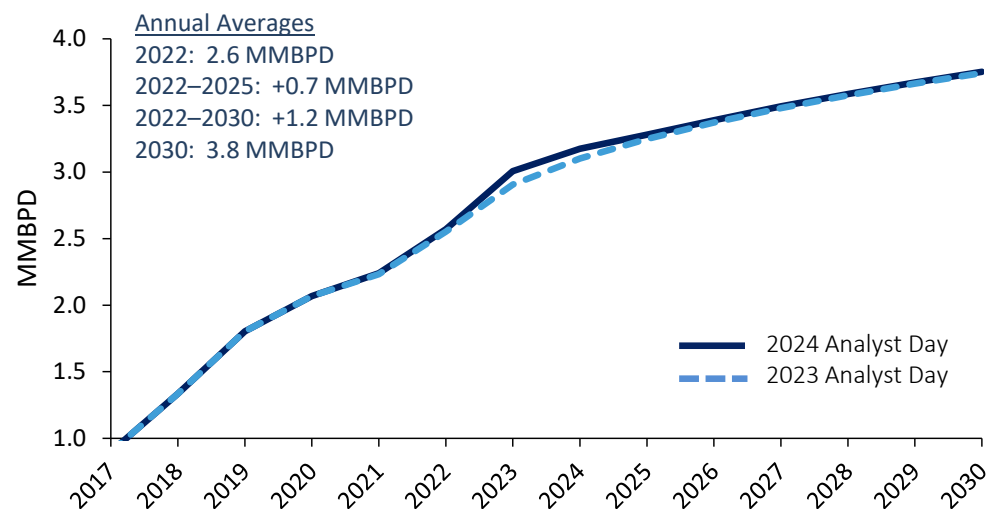
# Permian Production Forecasts

## Permian Responsible for Over 90% of U.S. Growth

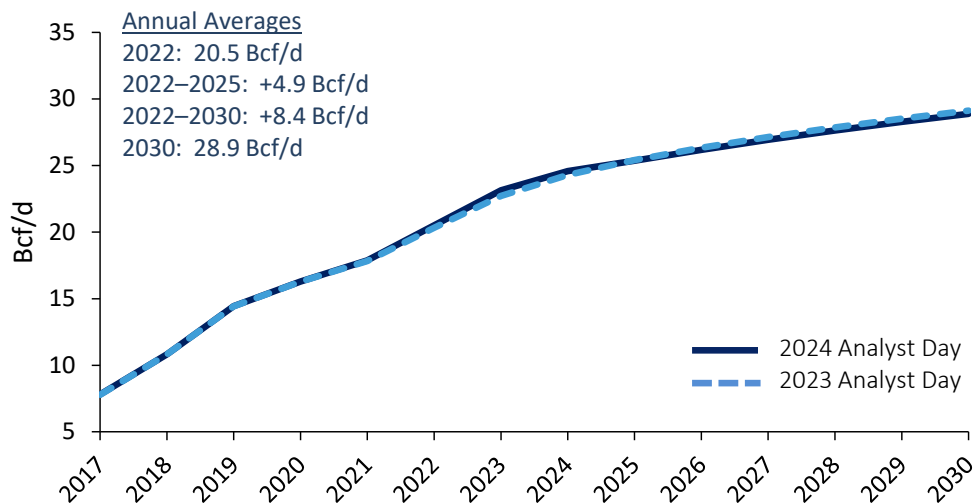
### Oil



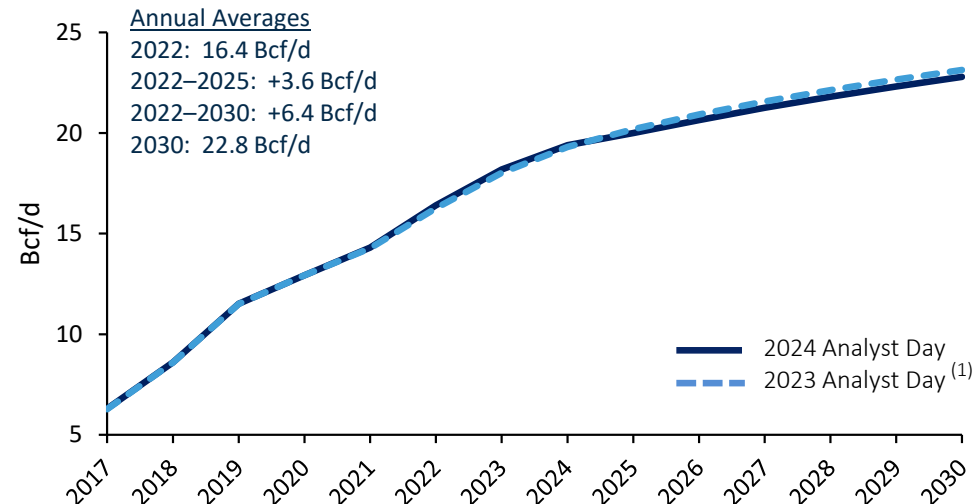
### NGLs



### Total Natural Gas



### Dry Natural Gas



(1) 2023 Analyst Day adjusted to actuals

Source: EPD Fundamentals



# Strong Fundamentals

**SUPPLY** Innovation & efficiencies from producers & OFS sector in U.S. Shale is the ‘gift that keeps on giving’

## ABUNDANT RESOURCE

Production continues to surprise to the upside; growing PDP wedge is the underappreciated “runway for the future”

## CONSOLIDATION

Permian M&A drives contiguous acreage, longer laterals, massive efficiencies and advances / sharing of technology

## IMPROVED RECOVERIES

Simultaneous development of all stacked pay targets yields increased reserves, lower declines and higher returns; increasing recoveries from existing resource is the next frontier

## BIG DATA & TECHNOLOGY

Producers employing highly sophisticated computer simulations using massive amounts of drilling, completion and production data to increase resource and production

“...the work we’ve been doing and I’ve talked about I think quite a bit in the past, is challenging our technology organization to double the recovery rate. Today, if you look at unconventional resources, recovery rates are fairly low within the industry given the challenges associated with fracking...**There are a number of emerging technologies that we’re trialing in the field that we think will continue to improve the recovery rate.**”

*Darren Woods, Exxon Mobil, October 2023*

“We now plan to average two drilling rigs and just over one completion crew for our maintenance capital program in 2024. Also contributing to our reduced capital budget is **a lower base decline rate**. As we enter year four of a maintenance capital program, our decline rate is substantially lower in the mid to low 20% range. This low decline rate requires less capital to hold production flat.”

*Paul Rady, Antero Resources, February 2024*

# Strong Fundamentals

**DEMAND** All sources of energy will be required for decades to come

## POPULATION & HUMAN DEVELOPMENT

+700 million people have gained access to clean cooking since 2010, and 1/3 of the global population still lack access to clean cooking & reliable energy

## DEMAND GROWTH CONTINUES

Global demand growth continues on trend to exceed 1 million BPD in growth each year

## ELECTRIFICATION

The U.S. digital economy has the potential to grow at unprecedented rates; data centers, artificial intelligence, and crypto mining will require massive amounts of electricity

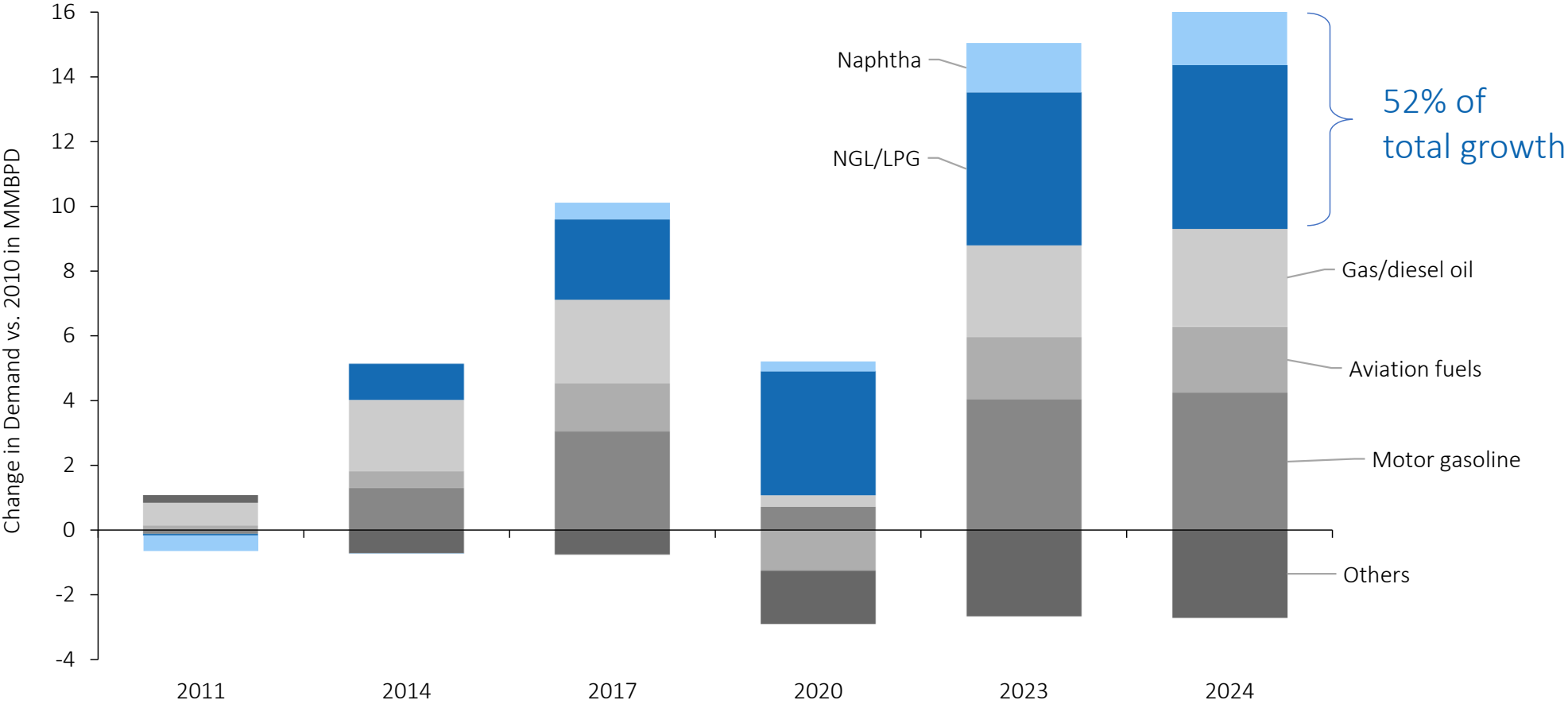
“An enduring focus on oil security is a consequence of the continued need for oil to fuel cars, trucks, ships and aircraft, as well as to produce the petrochemicals necessary to manufacture countless everyday items.”  
*IEA, March 2024*

“Electravisión. The predominant vision for the future involves the electrification of everything, powered by solar, wind, transmission and distributed energy storage.”

“Without legislative and cultural changes allowing transmission to replicate the growth of the interstate highway system, fiber optic cables, national rail, civil aviation, waterways and other infrastructure, Electravisión will remain just that: a vision.”  
*Michael Cembalest, J.P. Morgan, March 2024*

# Global Demand is Light Ends Dominant

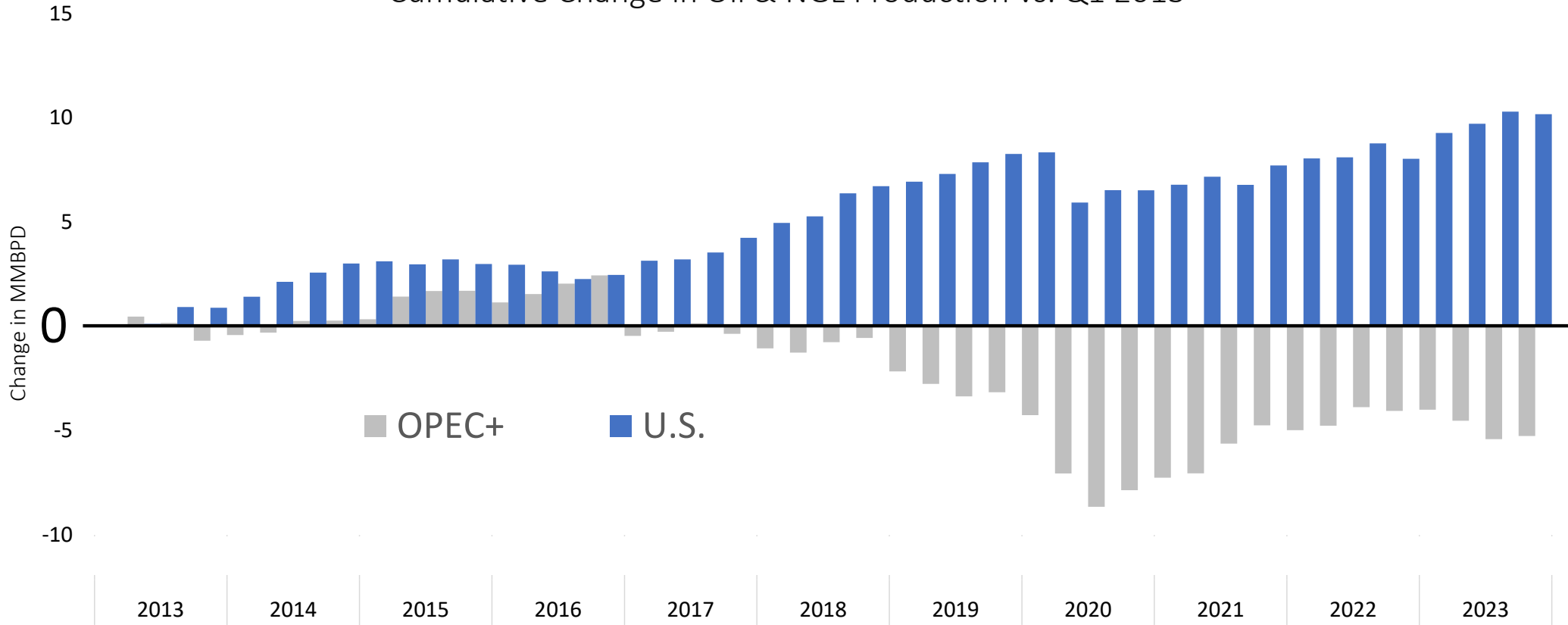
Global Oil Demand Growth Since 2010



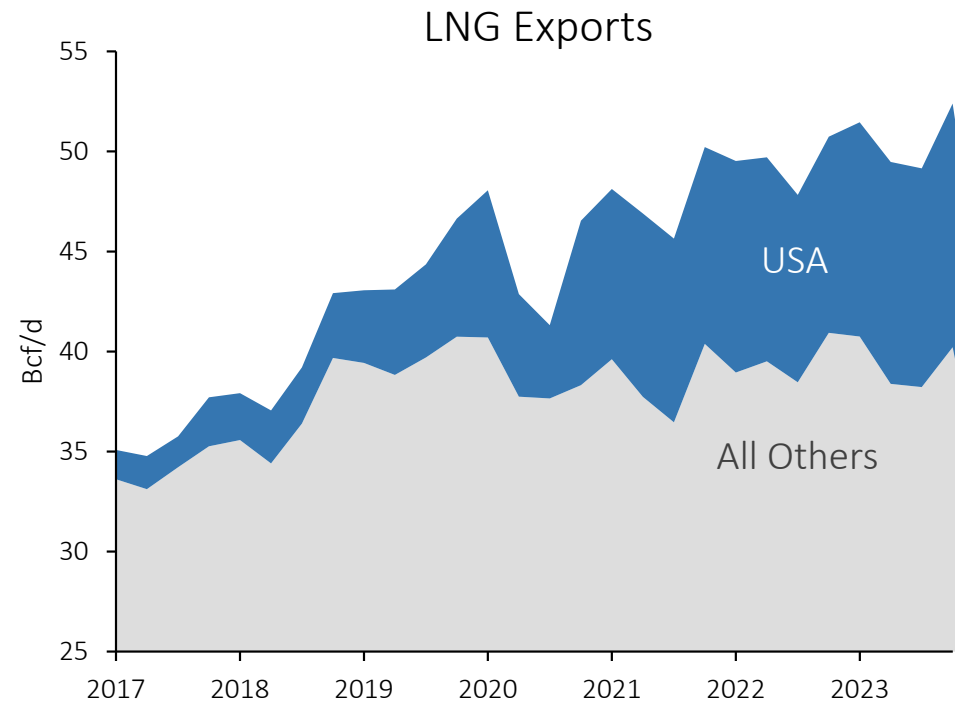
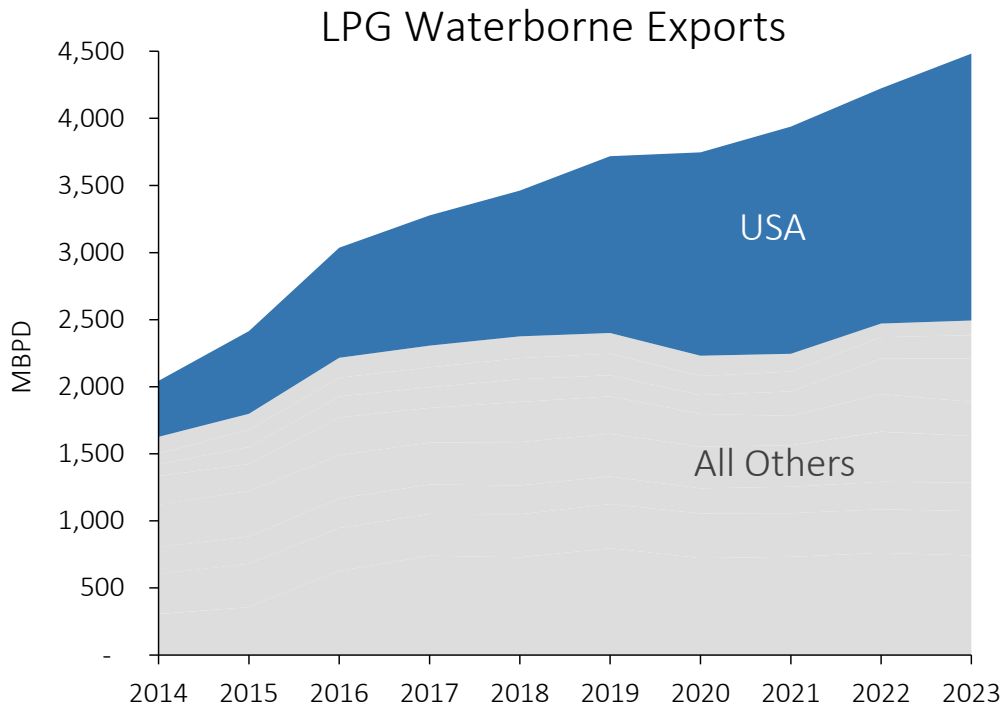


# U.S. Satisfied Recent Oil Demand Growth

Cumulative Change in Oil & NGL Production vs. Q1 2013



# U.S. is a Leading Exporter of Energy



U.S. has altered the global energy landscape by being a competitive, safe, and stable producer and exporter of energy

- U.S. has satisfied most of global liquid hydrocarbon demand growth over past decade, while OPEC+ production has been flat to in decline
- Growing U.S. LNG exports have been a crucial lifeline to Europe
- U.S. LPGs have provided critical, affordable and clean cooking fuel to the developing world

# EPD's Integrated Footprint

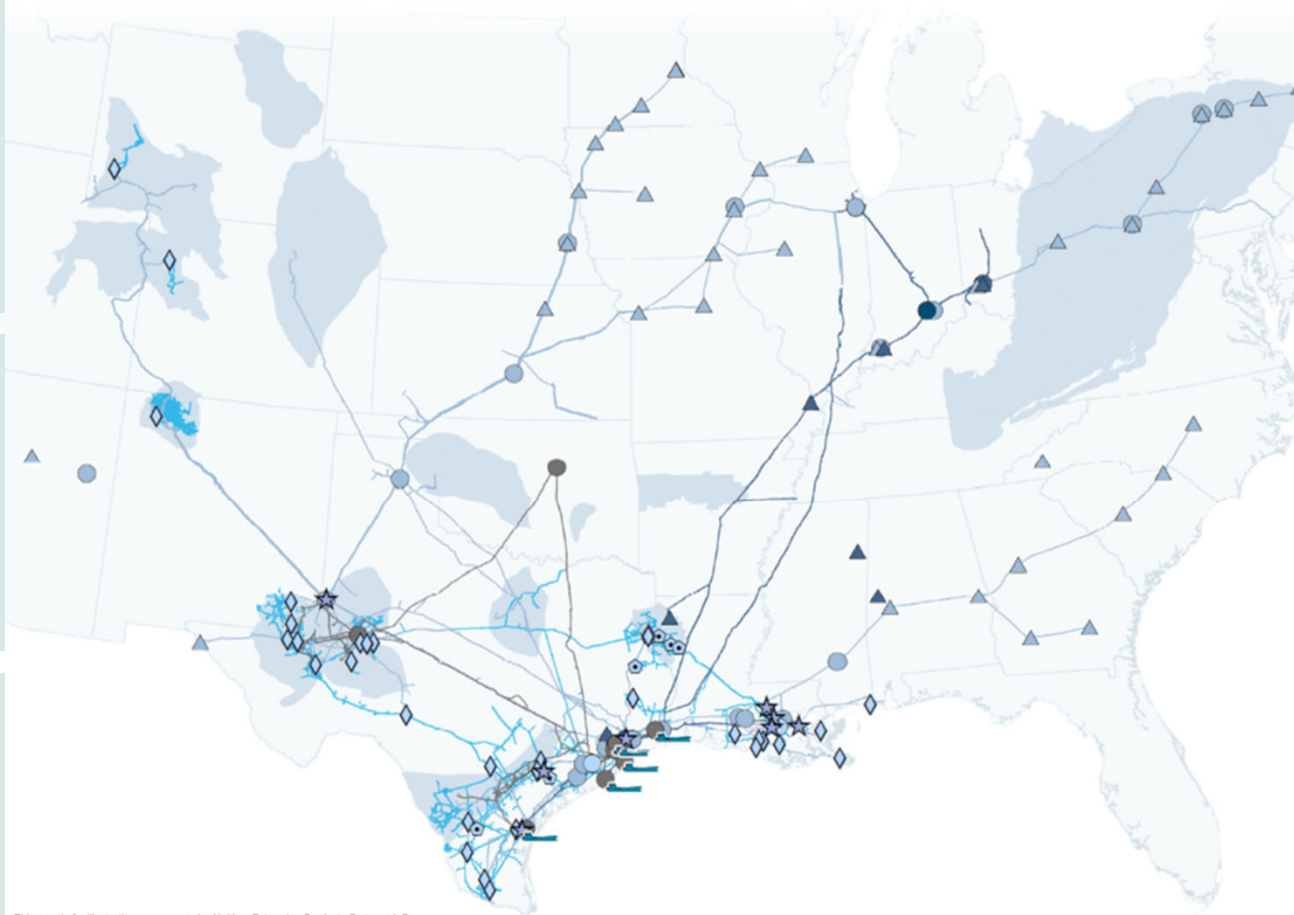
In the Hub of U.S. Supply and Domestic & International Markets

## Our Platform NGLs, Crude Oil, Natural Gas, Petrochemicals and Refined Products

>50,000  
Miles  
of Pipeline

>300  
MMBbls of  
Liquids Storage

20  
Deepwater  
Docks



42  
Natural Gas  
Processing  
Trains

26  
Fractionators

2  
PDH<sup>(1)</sup>  
2  
iBDH<sup>(1)</sup>

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A full interactive map of our assets is available on our website, [enterpriseproducts.com](https://enterpriseproducts.com).

(1) PDH means propane dehydrogenation. iBDH means isobutane dehydrogenation

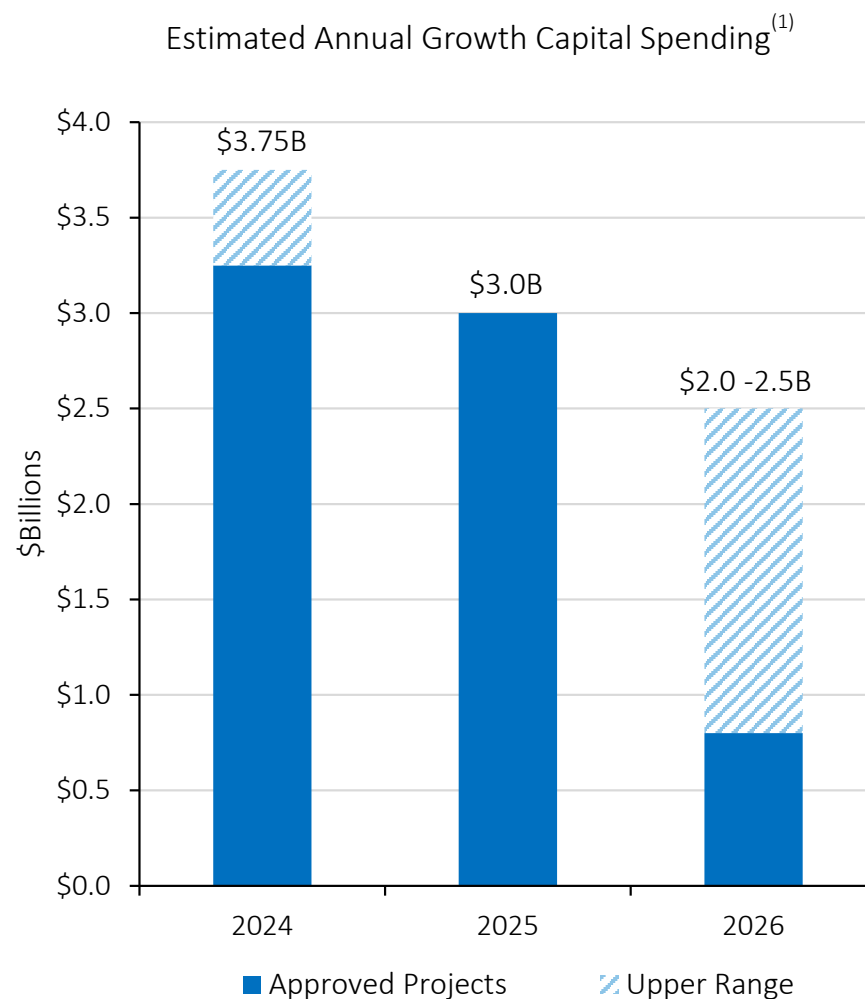
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# Visibility to Near Term Growth

≈\$6.5B of Approved Major Projects Under Construction

Capital Project Summary		Forecast In-Service
Natural Gas Liquids	Leonidas Plant (Midland Basin)	In Service
	Orion Plant (Midland Basin)	2H 2025
	Mentone 3 Plant (Delaware Basin)	In Service
	Mentone West Plant (Delaware Basin)	2H 2025
	Mentone West 2 Plant (Delaware Basin)	2026
	Bahia NGL Pipeline	1H 2025
	Fractionator 14	2H 2025
	Neches River Ethane / Propane Export Terminal	2H 2025 & 1H 2026
	EHT Export Facility Upgrades	1H 2025
Natural Gas	Gathering Expansions	2024 & 2025
Petchem & Refined Products	Texas Western Products System	1H 2024 <sup>(2)</sup>
	Ethylene Export Expansion	2H 2024 & 2H 2025



(1) Projects categorized under “Upper Range” are under development and have not been sanctioned; excludes capital investments associated with the SPOT export terminal, which is pending receipt of license and FID

(2) “Phase 1” of the Texas Western Products System began operations in March 2024; “Phase 2” is expected to be completed in 2Q 2024

Note: The table and graphs above include a selection of highlighted projects, and does not represent the entirety of projects included in the estimated amounts



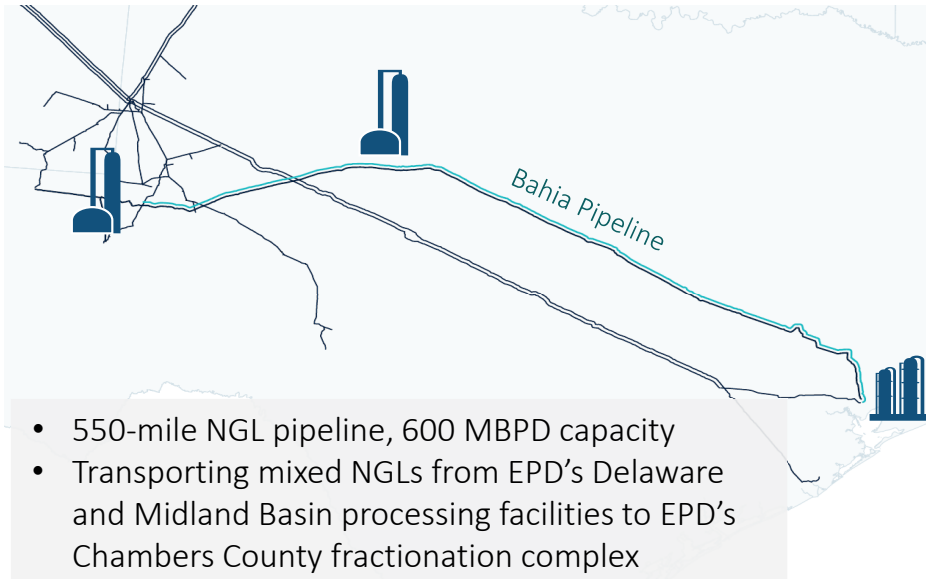


# Expanding & Enhancing the Value Chain

## Selected Major Projects Under Construction

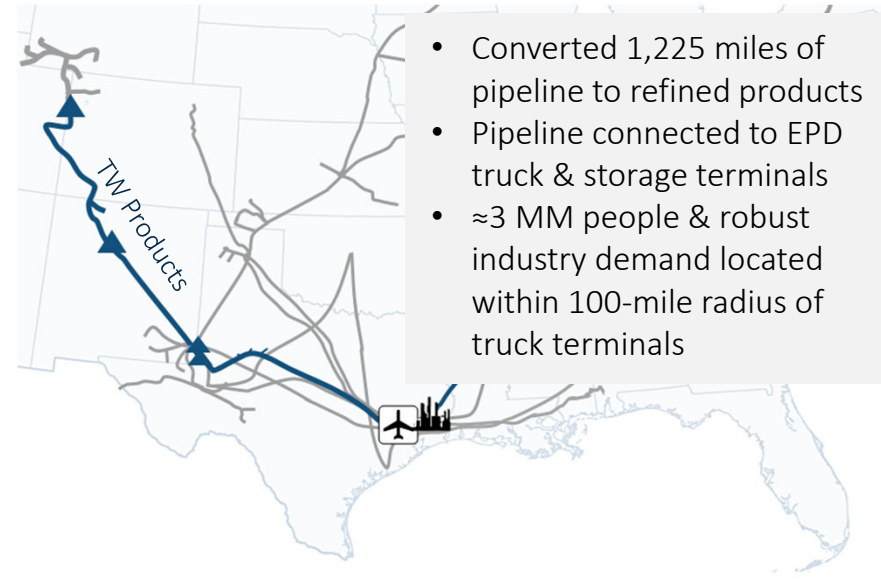
### Bahia NGL Pipeline

Growth, Optionality, Optimization | 1H 2025



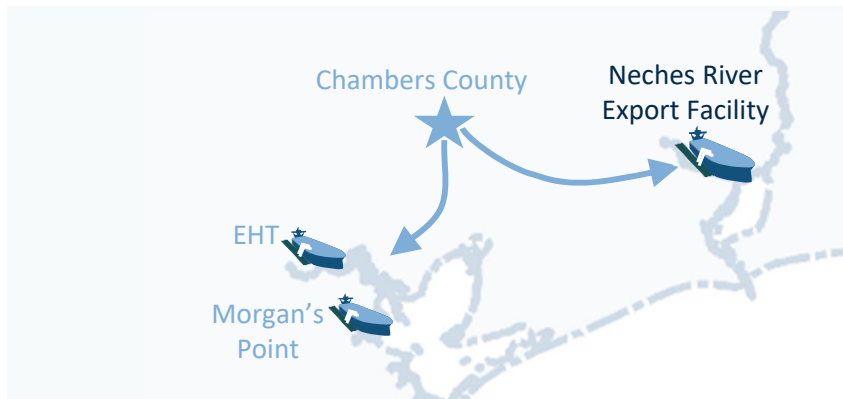
### TW Products System

Extending Gulf Coast Products Reach | 1H 2024



### Neches River NGL Export Facility

Expanding & Diversifying Export Footprint | 2H 2025 & 1H 2026



- New build facility located on the Neches River in Orange County, Texas
- Adjacent to Enterprise Beaumont East Refined Products Terminal
- Phase 1: 120 MBPD ethane refrigeration train, new loading dock, 900 MBbl refrigerated ethane tank
- Phase 2: Flex refrigeration train with 180 MBPD ethane or 360 MBPD propane, or a combination

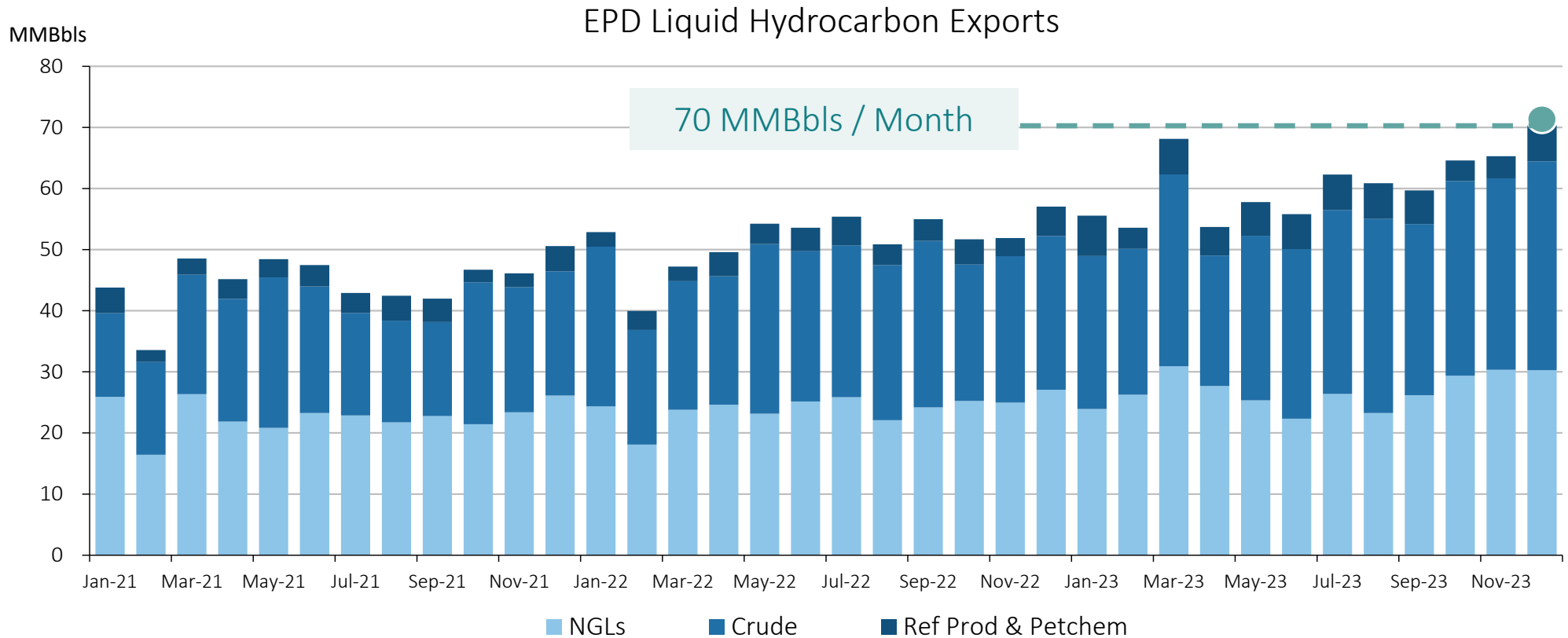
Note: Dates above represent estimated in-service dates. TW Products System "Phase 1" began operations in March 2024; "Phase 2" is expected to be completed in 2Q 2024.

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# Liquid Hydrocarbon Exports

## EPD Volumes Reach New Heights



New-Build Projects & Facility Enhancements to Support Continued Growth

Neches River

Morgan's Point

Enterprise Hydrocarbons Terminal (EHT)

Project 11 Houston Ship Channel

# Additional Growth Possibilities

## Highlighted Opportunities Under Development

### Supply Initiatives

- Pipelines & Processing

Crude gathering, natural gas gathering & processing, y-grade and crude oil pipelines

### Providing Solutions to Refining & Chemicals Customers

- Product Transformation

Support evolving initiatives of refining and chemical customers to high grade production and co-products

### Liquid Hydrocarbon Exports

- Marine Terminals

Sea Port Oil Terminal (SPOT), LPG, ethane, ethylene & propylene expansions & facility enhancements, energy evolution opportunities dependent on viable economics

### Ethylene & Propylene System Expansion

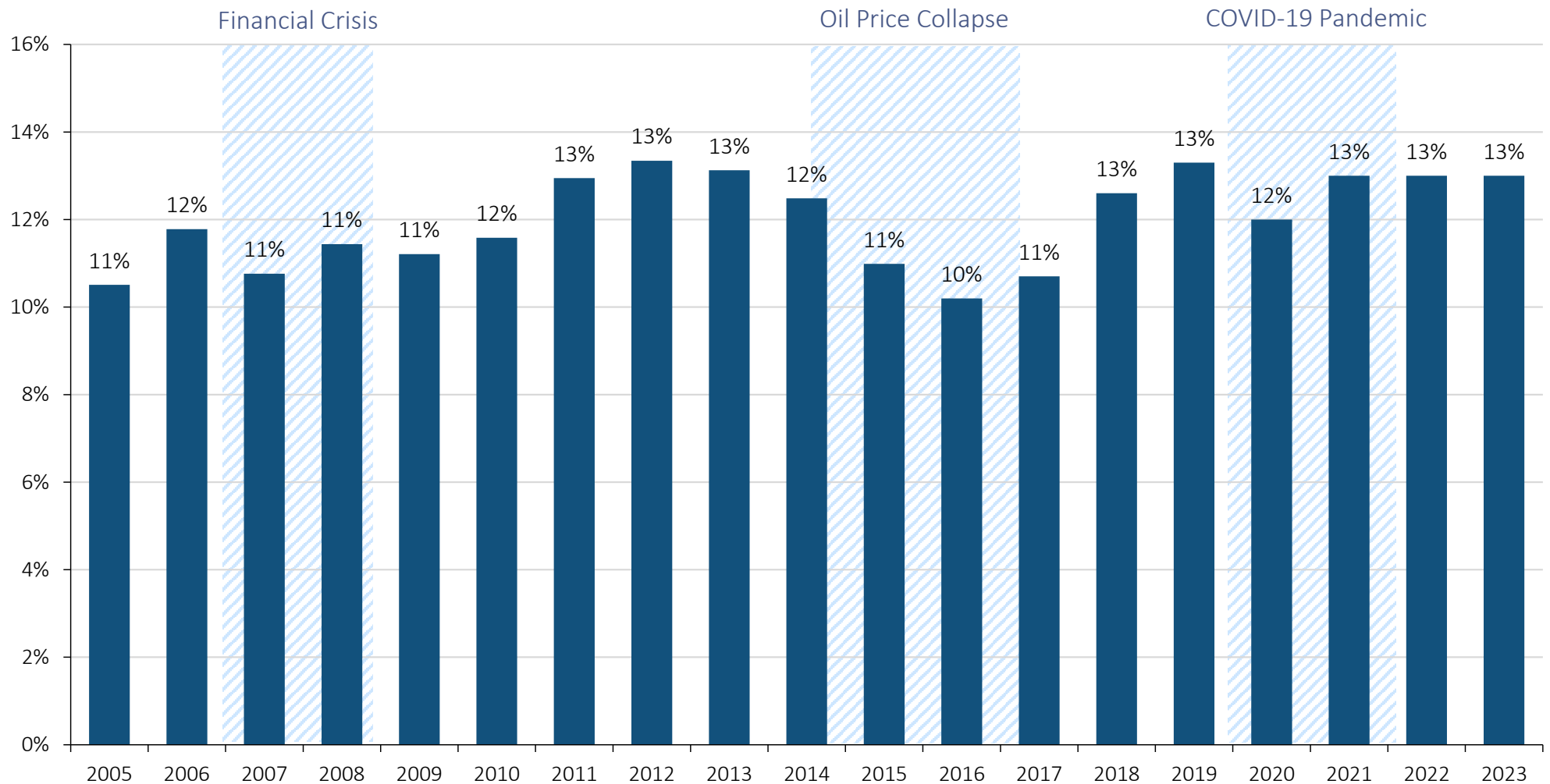
- Pipelines & Storage

Continued growth in development of ethylene and propylene hubs, enhancing system value and product liquidity

# EPD's Success in Deploying Capital

## Consistent Returns on Invested Capital Over the Long Term

EPD's Historical Return on Invested Capital ("ROIC")<sup>(1)(2)(3)</sup>



(1) For a definition, see appendix

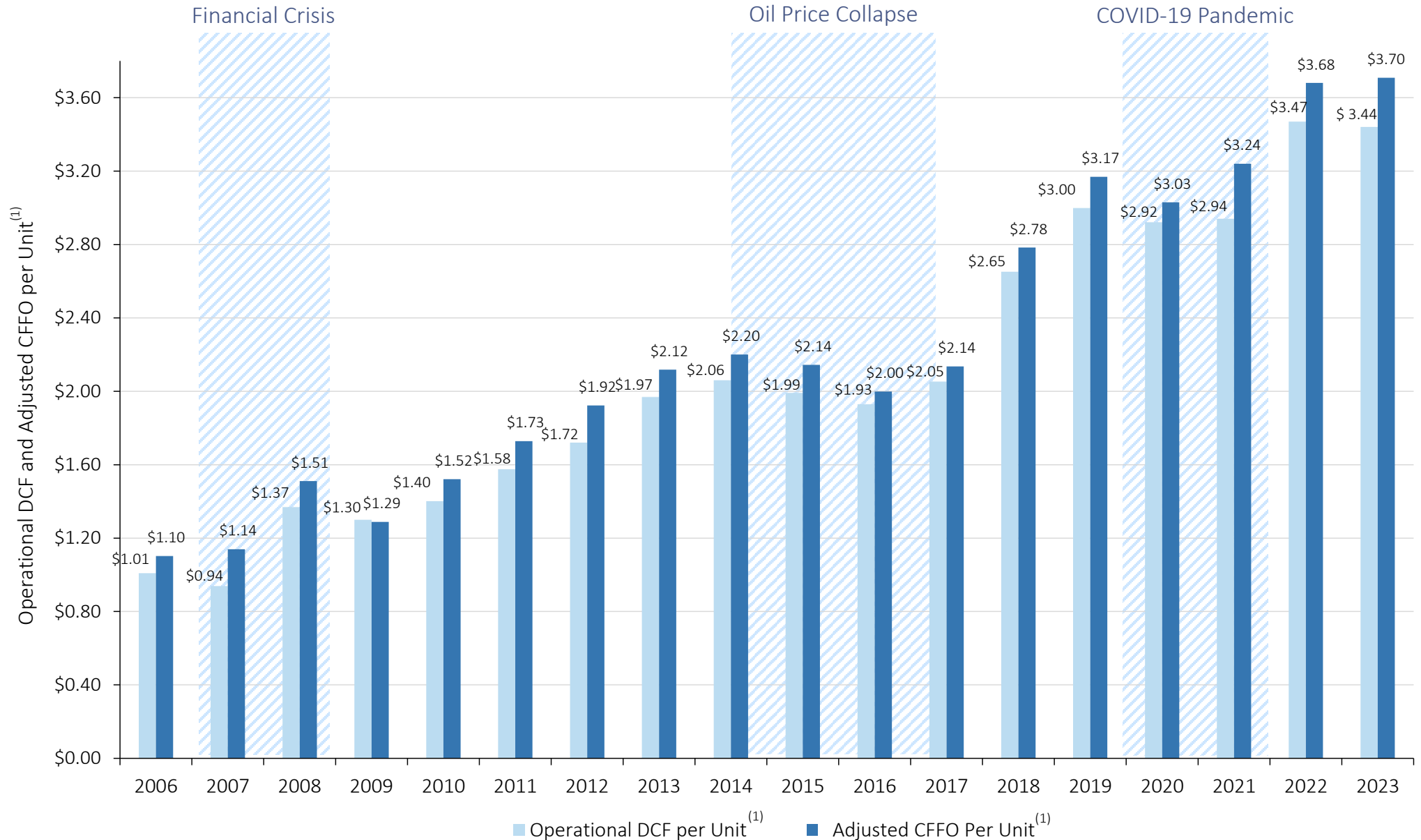
(2) Pre-2008 is based on EPD reported results (not recast for Mergers)

(3) 2008 and 2009 reflect recast financial statements of Enterprise giving effect to the TEPPCO and Enterprise GP Holdings mergers



# History of Cash Flow per Unit Growth

## A Track Record of Resilience Throughout Business Cycles



Source: EPD

(1) For a definition, please see Appendix.

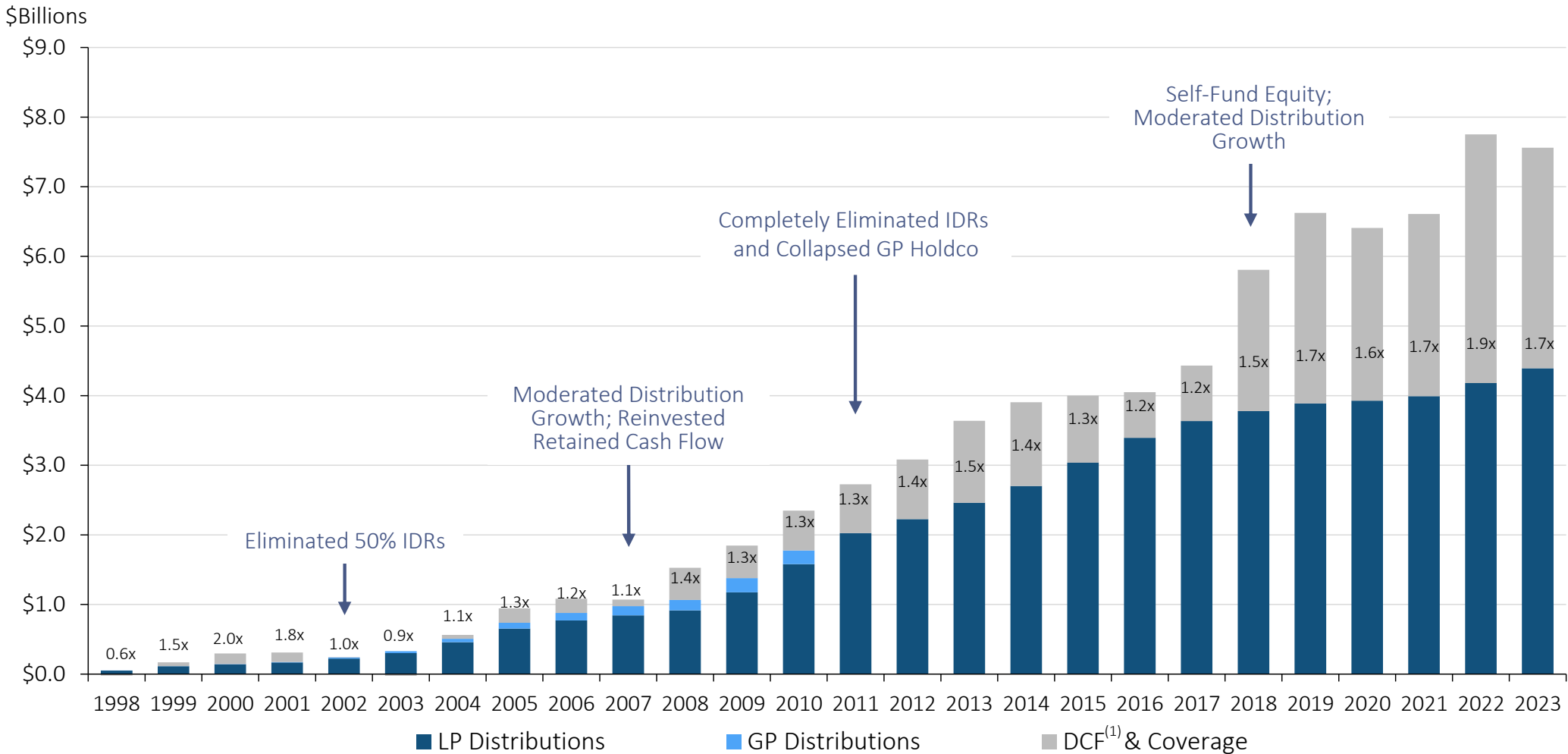
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# Consistently Returning Capital to Unitholders

## Distribution Stability and Growth Remains a Core Focus

25 consecutive years of distribution growth and \$52 Billion returned to unitholders via LP distributions & unit buybacks



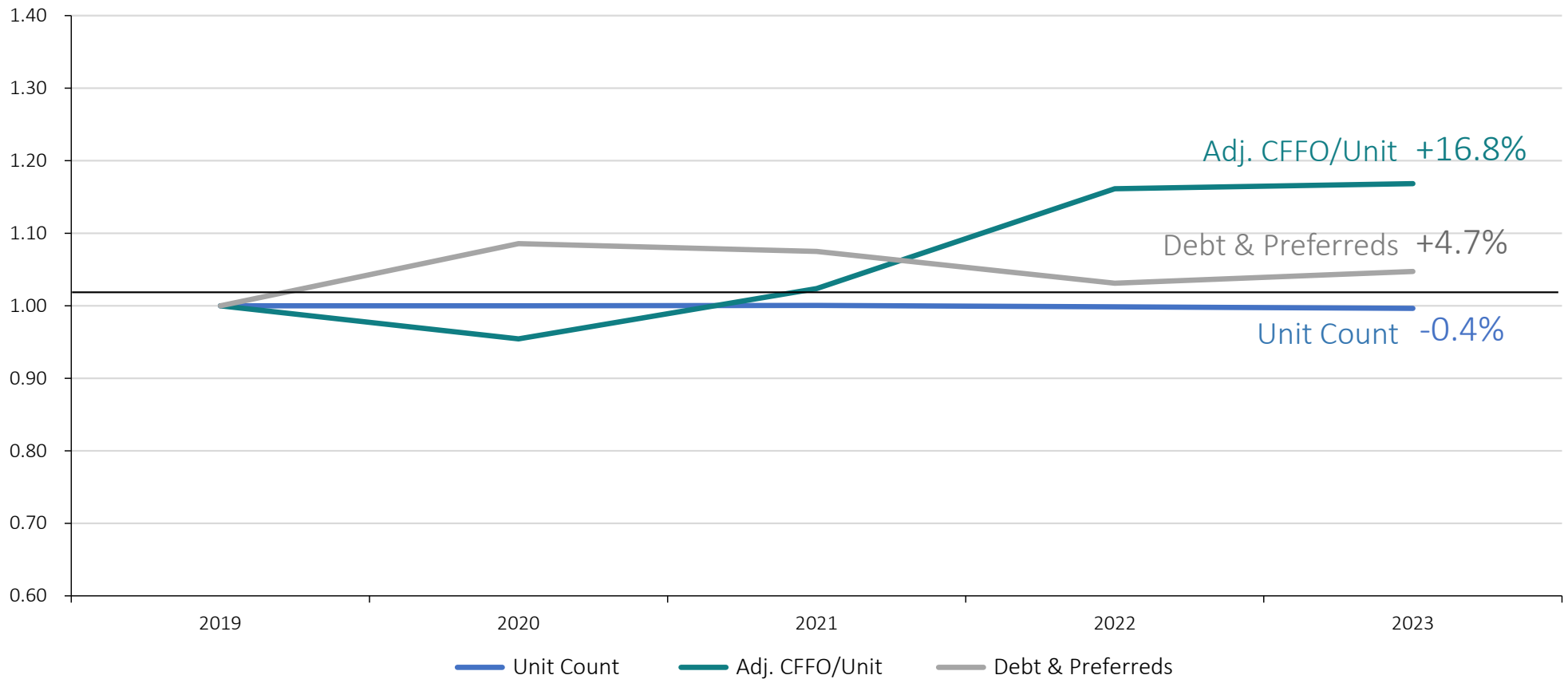
(1) For a reconciliation of Distributable Cash Flow ("DCF") to its nearest GAAP measure, please see our website.

# EPD Stands Apart

## Balancing Cash Flow per Unit Growth with Capital Efficiency

EPD is the only midstream company to grow Adjusted CFFO per Unit and reduce unit count without material asset sales<sup>(1)</sup>

EPD's 2019 buyback program is now ~48% utilized, including ~\$40 million of unit repurchases in 1Q 2024



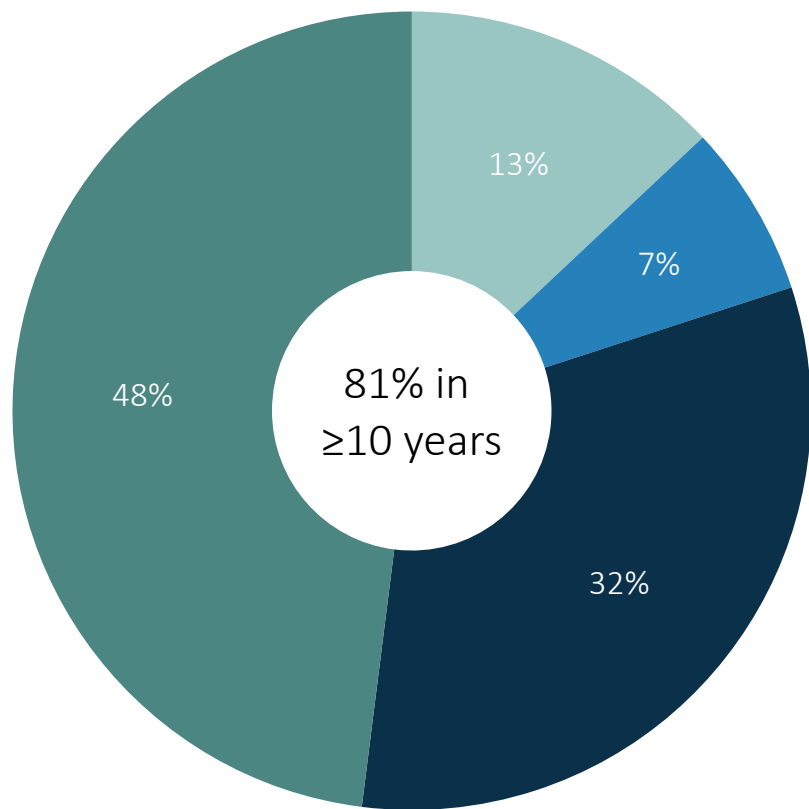
(1) Based on Bloomberg and midstream companies' public filings with market capitalization >\$35 billion as of year-end 2023

Note: "Unit Count" represents the total number of weighted average fully diluted units or shares outstanding for the applicable period; "Adj. CFFO/Unit" is cash flow from operations, as adjusted for net changes in operating accounts, divided by the applicable "Unit Count"; "Debt & Preferreds" represents the sum of total debt principal (including amounts outstanding under credit facilities, commercial paper programs and other borrowing arrangements), total lease liabilities and preferred equity balances as of the applicable period.

# Strengthening Debt Portfolio<sup>(1)</sup>

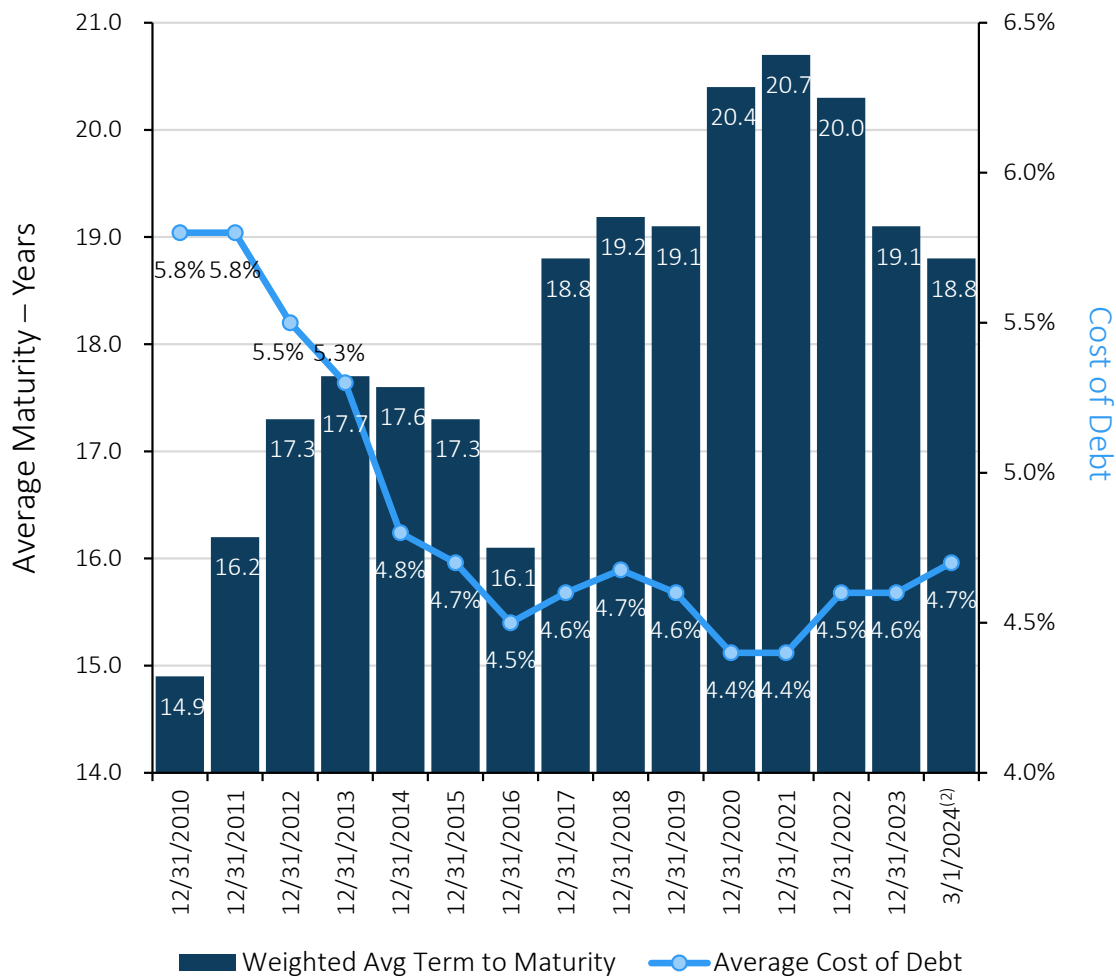
Only Midstream Issuer with an A- Credit Rating

\$36.9 Billion Notes Issued  
(2010–January 2024)



■ 3 Year ■ 5 Year ■ 10 Year ■ 30+ Year

96.5% Fixed Rate Debt<sup>(2)</sup>



(1) Figures shown are as of February 2024

(2) Reflects retirement of Senior Notes JJ in February 2024

# EPD Financial Objectives

Build a reliable and resilient integrated U.S. midstream energy company to provide essential services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals

Invest in midstream energy infrastructure at attractive returns on capital

Grow cash flow per unit

Manage for long-term financial flexibility and balance sheet strength

Responsibly return capital to investors

# Why EPD?

## Built for the Long Run

**Diversified**



Geographic, Product  
and Market Diversification

≈\$62B Market Capitalization  
≈\$93B Enterprise Value  
≈\$113MM Average Daily Trading Value (last 20 days)

Bloomberg as of March 21, 2024

25 Years of Consecutive Distribution Increases



7% CAGR

A- / A- / A3 Credit Rating  
3.0x Leverage<sup>(1)</sup>  
2023 reported

Average Return on Invested Capital<sup>(1)</sup>  
**12%**  
Over the Last 10 Years  
2024 Growth Capex Estimate<sup>(4)</sup>  
≈\$3.25–3.75B

History of Unitholder Alignment Through Actions & Ownership  
**≈32%**  
of Common Units Owned by EPCO & Affiliates<sup>(2)</sup>

\$2.06/unit 4Q23 Distribution Annualized  
1.7x 2023 Distribution Coverage  
\$918MM Repurchased<sup>(2)</sup> of \$2B Buyback Program

\$8.1B 2023 Adjusted CFFO<sup>(3)</sup>  
\$4.8B 2023 Adjusted FCF<sup>(3)</sup>  
Responsibly Returning Capital to Investors  
Adjusted CFFO Payout Ratio<sup>(1)</sup>: 56%  
Adjusted FCF Payout Ratio<sup>(1)</sup>: 94%

Note: ROIC for 2022 and 2023 was 13%.

(1) For a definition, see Appendix

(2) As of December 31, 2023

(3) Adjusted CFFO and Adjusted FCF are non-generally accepted accounting principles ("Non-GAAP") financial measures. See Appendix for a reconciliation of these amounts to their nearest GAAP counterparts

(4) Excludes capital investments associated with the SPOT export terminal, which is pending receipt of license and FID

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# Appendix

# Definitions

**Operational DCF per Unit** represents Distributable Cash Flow (“DCF”) excluding proceeds from asset sales and property damage insurance claims and net receipts / payments from the monetization of interest rate derivative instruments for a period divided by the average number of fully diluted common units outstanding for that period.

**Net Cash Flows Provided by Operating Activities (“CFFO”)** represents the GAAP financial measure “Net cash flows provided by operating activities”.

**Adjusted CFFO** is CFFO before the net effect of changes in operating accounts (working capital).

**Adjusted CFFO per Unit** is Adjusted CFFO divided by the average number of fully diluted common units outstanding for that period.

**Free Cash Flow (“FCF”)** is CFFO less investing activities less net cash flow to non-controlling interests.

**Adjusted Free Cash Flow** is CFFO before the net effect of changes in operating accounts less investing activities less net cash flow to non-controlling interests.

**Adjusted Free Cash Flow per Unit** is Adjusted Free Cash Flow divided by the average number of fully diluted common units outstanding for that period.

**Adjusted CFFO Payout Ratio** is calculated as trailing 12 months distributions + distribution equivalent rights + buybacks divided by the trailing 12 months Adjusted CFFO.

**Adjusted FCF Payout Ratio** is calculated as trailing 12 months distributions + distribution equivalent rights + buybacks divided by the trailing 12 months Adjusted FCF **excluding net cash used for business combinations**.

**Discretionary FCF per Unit** is Adjusted FCF excluding cash used for business combinations, net of cash received, less distributions and distribution equivalent right payments with respect to the applicable period divided by average number of distribution-bearing common units and phantom unit awards outstanding as of each record date during the applicable period

**Leverage Ratio** is defined as net debt adjusted for equity credit in junior subordinated notes (hybrids) divided by Adjusted EBITDA.

**Adjusted EBITDA** is earnings before interest, taxes, depreciation and amortization (“EBITDA”) adjusted for cash distributions received from unconsolidated affiliates, equity in income of unconsolidated affiliates, non-cash impairment charges, changes in the fair market value of commodity derivative instruments and net gains/losses attributable to asset sales and related matters. Additionally, amortization of major maintenance costs for reaction-based plants is excluded as this is a component of Adjusted EBITDA.

**Return on Invested Capital (“ROIC”)** is calculated by dividing non-GAAP gross operating margin for the assets (the numerator) by the average historical cost of the underlying assets (the denominator). The average historical cost includes fixed assets, investments in unconsolidated affiliates, intangible assets and goodwill. Like gross operating margin, the historical cost amounts used in determining ROIC are before depreciation and amortization and reflect the original purchase or construction cost.

# Distributable Cash Flow and Operational DCF

We measure available cash by reference to **DCF**, which is a non-GAAP cash flow measure. DCF is an important financial measure for our limited partners since it serves as an indicator of our success in providing a cash return on investment. Specifically, this financial measure indicates to investors whether or not we are generating cash flows at a level that can sustain our declared quarterly cash distributions. DCF is also a quantitative standard used by the investment community with respect to publicly traded partnerships since the value of a partnership unit is, in part, measured by its yield, which is based on the amount of cash distributions a partnership can pay to a unitholder. Our management compares the DCF we generate to the cash distributions we expect to pay our partners. Using this metric, management computes our distribution coverage ratio.

**Operational DCF**, which is defined as DCF excluding the impact of proceeds from asset sales and other matters and monetization of interest rate derivative instruments accounted for as cash flow hedges, is a supplemental non-GAAP liquidity measure that quantifies the portion of cash available for distribution to common unitholders that was generated from our normal operations. We believe that it is important to consider this non-GAAP measure as it provides an enhanced perspective of our assets' ability to generate cash flows without regard for certain items that do not reflect our core operations.

Our calculation of DCF and Operational DCF may or may not be comparable to similarly titled measures used by other companies. The GAAP financial measure most directly comparable to DCF and Operational DCF is net cash flows provided by operating activities. For additional information regarding DCF and Operational DCF, see "Non-GAAP Cash Flow Measures" included under Item 7 of our annual report on Form 10-K for the most recent year.

See "**Investors – Financials**" on our website ([www.enterpriseproducts.com](http://www.enterpriseproducts.com)) for more information regarding DCF, including additional reconciliation detail. The following table presents our calculation of DCF for the years 2017–2023 (each ended December 31) or periods presented below (dollars in millions):

	<u>Total 2017</u>	<u>Total 2018</u>	<u>Total 2019</u>	<u>Total 2020</u>	<u>Total 2021</u>	<u>Total 2022</u>	<u>1Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2023</u>	<u>Total 2023</u>
Net income attributable to common unitholders (GAAP)	\$ 2,799.3	\$ 4,172.4	\$ 4,591.3	\$ 3,775	\$ 4,634	\$ 5,487	\$ 1,390	\$ 1,253	\$ 1,318	\$ 1,568	\$ 5,529
<i>Adjustments to GAAP net income attributable to common unitholders to derive DCF and Operational DCF (addition or subtraction indicated by sign):</i>											
Depreciation, amortization and accretion expenses	1,644.0	1,791.6	1,949.3	2,072	2,140	2,245	567	576	599	601	2,343
Cash distributions received from unconsolidated affiliates	483.0	529.4	631.3	615	590	544	119	128	120	121	488
Equity in income of unconsolidated affiliates	(426.0)	(480.0)	(563.0)	(426)	(583)	(464)	(104)	(121)	(122)	(115)	(462)
Asset impairment charges	49.8	50.5	132.8	890	233	53	13	3	12	4	32
Change in fair market value of derivative instruments	22.8	16.4	27.2	(79)	(27)	78	3	7	38	(15)	33
Change in fair value of Liquidity Option Agreement	64.3	56.1	119.6	2	-	-	-	-	-	-	-
Gain on step acquisition of unconsolidated affiliate	-	(39.4)	-	-	-	-	-	-	-	-	-
Sustaining capital expenditures	(243.9)	(320.9)	(325.2)	(294)	(430)	(372)	(84)	(101)	(99)	(129)	(413)
Other, net	38.3	30.0	40.0	(128)	(88)	58	11	(14)	2	(11)	(12)
<b>Operational distributable cash flow (non-GAAP)</b>	<b>4,431.6</b>	<b>5,806.1</b>	<b>6,603.3</b>	<b>6,427</b>	<b>6,469</b>	<b>7,629</b>	<b>1,915</b>	<b>1,731</b>	<b>1,868</b>	<b>2,024</b>	<b>7,538</b>
Proceeds from asset sales and other matters	40.1	161.2	20.6	13	64	122	2	4	1	35	42
Monetization of interest rate derivative instruments accounted for as cash flow hedges	30.6	22.1	-	(33)	75	-	21	-	-	-	21
<b>Distributable cash flow (non-GAAP)</b>	<b>4,502.3</b>	<b>5,989.4</b>	<b>6,623.9</b>	<b>6,407</b>	<b>6,608</b>	<b>7,751</b>	<b>1,938</b>	<b>1,735</b>	<b>1,869</b>	<b>2,059</b>	<b>7,601</b>
<i>Adjustments to non-GAAP DCF to derive GAAP net cash flows provided by operating activities (addition or subtraction indicated by sign):</i>											
Net effect of changes in operating accounts, as applicable	32.2	16.2	(457.4)	(768)	1,366	(54)	(439)	36	(303)	151	(555)
Sustaining capital expenditures	243.9	320.9	325.2	294	430	372	84	101	99	129	413
Other, net	(112.1)	(200.2)	28.8	(42)	109	(30)	-	30	53	27	110
<b>Net cash flows provided by operating activities (GAAP)</b>	<b>\$ 4,666.3</b>	<b>\$ 6,126.3</b>	<b>\$ 6,520.5</b>	<b>\$ 5,891</b>	<b>\$ 8,513</b>	<b>\$ 8,039</b>	<b>\$ 1,583</b>	<b>\$ 1,902</b>	<b>\$ 1,718</b>	<b>\$ 2,366</b>	<b>\$ 7,569</b>

# Gross Operating Margin

We evaluate segment performance based on our financial measure of gross operating margin. **Gross operating margin** is an important performance measure of the core profitability of our operations and forms the basis of our internal financial reporting. We believe that investors benefit from having access to the same financial measures that our management uses in evaluating segment results.

Total gross operating margin represents GAAP operating income exclusive of (i) depreciation, amortization and accretion expenses (excluding amortization of major maintenance costs for reaction-based plants), (ii) impairment charges, (iii) gains and losses attributable to asset sales and related matters, and (iv) general and administrative costs. Total gross operating margin includes equity in the earnings of unconsolidated affiliates, but is exclusive of other income and expense transactions, income taxes, the cumulative effect of changes in accounting principles and extraordinary charges. Total gross operating margin is presented on a 100 percent basis before any allocation of earnings to noncontrolling interests.

Gross operating margin by segment for NGL Pipelines & Services and Crude Oil Pipelines & Services reflects adjustments for non-refundable deferred transportation revenues relating to the make-up rights of committed shippers on certain major pipeline projects. These adjustments are included in managements' evaluation of segment results. However, these adjustments are excluded from non-GAAP total gross operating margin in compliance with guidance from the SEC.

Our calculation of total gross operating margin may or may not be comparable to similarly titled measures used by other companies. The GAAP financial measure most directly comparable to total gross operating margin is operating income. For additional information regarding total gross operating margin, see Note 10 of the Notes to Consolidated Financial Statements included under Item 8 of our annual report on Form 10-K for the most recent year.

See **"Investors – Financials"** on our website ([www.enterpriseproducts.com](http://www.enterpriseproducts.com)) for more information regarding GOM, including additional reconciliation detail. The following table presents our calculation of GOM for the years 2017–2023 (each ended December 31) or periods presented below (dollars in millions):

	<u>Total 2017</u>	<u>Total 2018</u>	<u>Total 2019</u>	<u>Total 2020</u>	<u>Total 2021</u>	<u>Total 2022</u>	<u>1Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2023</u>	<u>Total 2023</u>
Gross operating margin by segment:											
NGL Pipelines & Services	\$ 3,258.3	\$ 3,830.7	\$ 4,069.8	\$ 4,182	\$ 4,316	\$ 5,142	\$ 1,212	\$ 1,110	\$ 1,196	\$ 1,380	\$ 4,898
Crude Oil Pipelines & Services	987.2	1,511.3	2,087.8	1,997	1,680	1,655	397	422	432	456	1,707
Natural Gas Pipelines & Services	714.5	891.2	1,062.6	927	1,155	1,042	314	238	239	286	1,077
Petrochemical & Refined Products Services	714.6	1,057.8	1,069.6	1,082	1,357	1,517	419	383	453	439	1,694
Total segment gross operating margin (a)	5,674.6	7,291.0	8,289.8	8,188	8,508	9,356	2,342	2,153	2,320	2,561	9,376
Net adjustment for shipper make-up rights (b)	5.8	34.7	(24.1)	(85)	53	(47)	(7)	28	11	(13)	19
Total gross operating margin (non-GAAP)	5,680.4	7,325.7	8,265.7	8,103	8,561	9,309	2,335	2,181	2,331	2,548	9,395
<i>Adjustments to reconcile non-GAAP gross operating margin to GAAP operating income (addition or subtraction indicated by sign):</i>											
Depreciation, amortization and accretion expense in operating costs and expenses (c)	(1,531.3)	(1,687.0)	(1,848.3)	(1,962)	(2,011)	(2,107)	(533)	(545)	(566)	(571)	(2,215)
Asset impairment charges in operating costs and expenses	(49.8)	(50.5)	(132.7)	(890)	(233)	(53)	(13)	(3)	(11)	(3)	(30)
Net gains or losses attributable to asset sales and related matters in operating costs and expenses	10.7	28.7	5.7	4	(5)	(1)	2	2	-	6	10
General and administrative costs	(181.1)	(208.3)	(211.7)	(220)	(209)	(241)	(57)	(56)	(59)	(59)	(231)
Operating income (GAAP)	<u>\$ 3,928.9</u>	<u>\$ 5,408.6</u>	<u>\$ 6,078.7</u>	<u>\$ 5,035</u>	<u>\$ 6,103</u>	<u>\$ 6,907</u>	<u>\$ 1,734</u>	<u>\$ 1,579</u>	<u>\$ 1,695</u>	<u>\$ 1,921</u>	<u>\$ 6,929</u>

- (a) Within the context of this table, total segment gross operating margin represents a subtotal and corresponds to measures similarly titled and presented with the business segment footnote found in our consolidated financials statements.
- (b) Gross operating margin by segment for NGL Pipelines & Services and Crude Oil Pipelines & Services reflect adjustments for shipper make-up rights that are included in management's evaluation of segment results. However, these adjustments are excluded from non-GAAP total gross operating margin in compliance with guidance from the SEC.
- (c) Excludes amortization of major maintenance costs for reaction-based plants, which are a component of gross operating margin.

# Free Cash Flow (“FCF”) and Adjusted FCF

FCF is a non-GAAP cash flow metric that is widely used by a variety of investors and other participants in the financial community, reflects how much cash flow a business generates during a period after accounting for all capital investments, including expenditures for growth and sustaining capital projects. By comparison, only sustaining capital expenditures are reflected in Distributable Cash Flow (“DCF”).

We believe that FCF is important to traditional investors since it reflects the amount of cash available for reducing debt, investing in additional capital projects, paying distributions, common unit repurchases and similar matters. Since business partners fund certain capital projects of our consolidated subsidiaries, our determination of FCF reflects the amount of cash we receive from noncontrolling interests, net of any distributions paid to such interests.

Our calculation of FCF may or may not be comparable to similarly titled measures used by other companies. The GAAP financial measure most directly comparable to FCF is net cash flows provided by operating activities.

**Adjusted FCF** is a non-GAAP measure of how much cash a business generates, excluding the net effect of changes in operating accounts, after accounting for capital expenditures. Like FCF, we believe that Adjusted FCF is important to traditional investors since it reflects the amount of cash available for reducing debt, investing in additional capital projects and/or paying distributions, without regard for fluctuations caused by timing of when amounts earned or incurred were collected, received or paid from period to period. Since we partner with other companies to fund certain capital projects of our consolidated subsidiaries, our determination of Adjusted FCF appropriately reflects the amount of cash contributed from and distributed to noncontrolling interests.

Our calculation of Adjusted FCF may or may not be comparable to similarly titled measures used by other companies. The GAAP financial measure most directly comparable to Adjusted FCF is net cash flows provided by operating activities.

See *“Investors – Financials”* on our website ([www.enterpriseproducts.com](http://www.enterpriseproducts.com)) for more information regarding FCF and Adjusted FCF, including additional reconciliation detail. The following table presents our calculation of FCF and Adjusted FCF for the years 2017–2023 (each ended December 31) or periods presented below (dollars in millions):

	<u>Total 2017</u>	<u>Total 2018</u>	<u>Total 2019</u>	<u>Total 2020</u>	<u>Total 2021</u>	<u>Total 2022</u>	<u>1Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2023</u>	<u>Total 2023</u>
Net cash flow provided by operating activities (GAAP)	\$ 4,666.3	\$ 6,126.3	\$ 6,520.5	\$ 5,891	\$ 8,513	\$ 8,039	\$ 1,583	\$ 1,902	\$ 1,718	\$ 2,366	\$ 7,569
<i>Adjustments to reconcile GAAP net cash flow provided by operating activities to non-GAAP free cash flow and Adjusted free cash flow (addition or subtraction by sign):</i>											
Cash used in investing activities	(3,286.1)	(4,281.6)	(4,575.5)	(3,121)	(2,135)	(4,954)	(637)	(765)	(818)	(977)	(3,197)
Cash contributions from noncontrolling interests	0.4	238.1	632.8	31	72	7	4	11	10	19	44
Cash distributions paid to noncontrolling interests	(49.2)	(81.6)	(106.2)	(131)	(154)	(163)	(42)	(39)	(40)	(39)	(160)
Free Cash Flow (non-GAAP)	1,331.4	2,001.2	2,471.6	2,670	6,296	2,929	908	1,109	870	1,369	4,256
Net effect of changes in operating accounts, as applicable	(32.2)	(16.2)	457.4	768	(1,366)	54	439	(36)	303	(151)	555
Adjusted Free Cash Flow (non-GAAP)	<u>\$ 1,299.2</u>	<u>\$ 1,985.0</u>	<u>\$ 2,929.0</u>	<u>\$ 3,438</u>	<u>\$ 4,930</u>	<u>\$ 2,983</u>	<u>\$ 1,347</u>	<u>\$ 1,073</u>	<u>\$ 1,173</u>	<u>\$ 1,218</u>	<u>\$ 4,811</u>

# Adjusted EBITDA

Adjusted EBITDA is earnings before interest, taxes, depreciation and amortization ("EBITDA") adjusted for cash distributions received from unconsolidated affiliates, equity in income of unconsolidated affiliates, non-cash impairment charges, changes in the fair market value of commodity derivative instruments and net gains/losses attributable to asset sales and related matters. Additionally, amortization of major maintenance costs for reaction-based plants is excluded as this is a component of Adjusted EBITDA.

Adjusted EBITDA is commonly used as a supplemental financial measure by our management and external users of our financial statements, such as investors, commercial banks, research analysts and rating agencies, to assess the financial performance of our assets without regard to financing methods, capital structures or historical cost basis; the ability of our assets to generate cash sufficient to pay interest and support our indebtedness; and the viability of projects and the overall rates of return on alternative investment opportunities.

Since Adjusted EBITDA excludes some, but not all, items that affect net income or loss and because these measures may vary among other companies, our calculation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. The GAAP financial measure most directly comparable to Adjusted EBITDA is net cash flow provided by operating activities.

See *"Investors – Financials"* on our website ([www.enterpriseproducts.com](http://www.enterpriseproducts.com)) for more information regarding Adjusted EBITDA, including additional reconciliation detail. The following table presents our calculation of Adjusted EBITDA for the years 2017–2023 (each ended December 31) or periods presented below (dollars in millions):

	<u>Total 2017</u>	<u>Total 2018</u>	<u>Total 2019</u>	<u>Total 2020</u>	<u>Total 2021</u>	<u>Total 2022</u>	<u>1Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2023</u>	<u>Total 2023</u>
Net income (GAAP)	\$ 2,855.6	\$ 4,238.5	\$ 4,687.1	\$ 3,886	\$ 4,755	\$ 5,615	\$ 1,422	\$ 1,283	\$ 1,350	\$ 1,602	\$ 5,657
<i>Adjustments to GAAP net income to derive non-GAAP Adjusted EBITDA</i>											
<i>(addition or subtraction indicated by sign):</i>											
Depreciation, amortization and accretion in costs and expenses (a)	1,565.9	1,723.3	1,894.3	2,010	2,055	2,156	546	558	579	584	2,267
Interest expense, including related amortization	984.6	1,096.7	1,243.0	1,287	1,283	1,244	314	302	328	325	1,269
Cash distributions received from unconsolidated affiliates	483.0	529.4	631.3	615	590	544	119	128	120	121	488
Equity in income of unconsolidated affiliates	(426.0)	(480.0)	(563.0)	(426)	(583)	(464)	(104)	(121)	(122)	(115)	(462)
Asset impairment charges	49.8	50.5	132.8	890	233	53	13	3	12	4	32
Provision for or benefit from income taxes	25.7	60.3	45.6	(124)	70	82	10	13	22	(1)	44
Change in fair market value of commodity derivative instruments	23.1	16.2	(67.7)	(79)	(27)	78	3	7	38	(15)	33
Change in fair value of Liquidity Option Agreement	64.3	56.1	119.6	2	-	-	-	-	-	-	-
Gain on step acquisition of unconsolidated affiliate	-	(39.4)	-	-	-	-	-	-	-	-	-
Other, net	(10.7)	(28.7)	(5.7)	(4)	5	1	(2)	(2)	-	(6)	(10)
<b>Adjusted EBITDA (non-GAAP)</b>	<b>5,615.3</b>	<b>7,222.9</b>	<b>8,117.3</b>	<b>8,057</b>	<b>8,381</b>	<b>9,309</b>	<b>2,321</b>	<b>2,171</b>	<b>2,327</b>	<b>2,499</b>	<b>9,318</b>
<i>Adjustments to non-GAAP Adjusted EBITDA to derive GAAP net cash flows provided by operating activities (addition or subtraction by sign):</i>											
Interest expense, including related amortization	(984.6)	(1,096.7)	(1,243.0)	(1,287)	(1,283)	(1,244)	(314)	(302)	(328)	(325)	(1,269)
Net effect of changes in operating accounts, as applicable	32.2	16.2	(457.4)	(768)	1,366	(54)	(439)	36	(303)	151	(555)
Other, net	3.4	(16.1)	103.6	(111)	49	28	15	(3)	22	41	75
<b>Net cash flows provided by operating activities (GAAP)</b>	<b>\$ 4,666.3</b>	<b>\$ 6,126.3</b>	<b>\$ 6,520.5</b>	<b>\$ 5,891</b>	<b>\$ 8,513</b>	<b>\$ 8,039</b>	<b>\$ 1,583</b>	<b>\$ 1,902</b>	<b>\$ 1,718</b>	<b>\$ 2,366</b>	<b>\$ 7,569</b>

(a) Excludes amortization of major maintenance costs for reaction-based plants, which are a component of Adjusted EBITDA.

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# Adjusted CFFO

Adjusted CFFO is a non-GAAP measure that represents net cash flow provided by operating activities ("CFFO") before the net effect of changes in operating accounts. We believe that it is important to consider this non-GAAP measure as it can often be a better way to measure the amount of cash generated from our operations that can be used to fund our capital investments or return value to our investors through cash distributions and buybacks, without regard for fluctuations caused by timing of when amounts earned or incurred were collected, received or paid from period to period.

Our calculation of Adjusted CFFO may or may not be comparable to similarly titled measures used by other companies. The GAAP financial measure most directly comparable to Adjusted CFFO is net cash flows provided by operating activities.

See *"Investors – Financials"* on our website ([www.enterpriseproducts.com](http://www.enterpriseproducts.com)) for more information regarding Adjusted CFFO, including additional reconciliation detail. The following table presents our calculation of Adjusted CFFO for the years 2017–2023 (each ended December 31) or periods presented below (dollars in millions):

	<u>Total 2017</u>	<u>Total 2018</u>	<u>Total 2019</u>	<u>Total 2020</u>	<u>Total 2021</u>	<u>Total 2022</u>	<u>1Q 2023</u>	<u>2Q 2023</u>	<u>3Q 2023</u>	<u>4Q 2023</u>	<u>Total 2023</u>
Net cash flow provided by operating activities (GAAP)	\$ 4,666.3	\$ 6,126.3	\$ 6,520.5	\$ 5,891	\$ 8,513	\$ 8,039	\$ 1,583	\$ 1,902	\$ 1,718	\$ 2,366	\$ 7,569
<i>Adjustments to reconcile net cash flow provided by operating activities to Adjusted Cash Flow from operations</i>											
Net effect of changes in operating accounts, as applicable	(32.2)	(16.2)	457.4	768	(1,366)	54	439	(36)	303	(151)	555
Adjusted CFFO (non-GAAP)	<u>\$ 4,634.1</u>	<u>\$ 6,110.1</u>	<u>\$ 6,977.9</u>	<u>\$ 6,659</u>	<u>\$ 7,147</u>	<u>\$ 8,093</u>	<u>\$ 2,022</u>	<u>\$ 1,866</u>	<u>\$ 2,021</u>	<u>\$ 2,215</u>	<u>\$ 8,124</u>



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