Enterprise Products Partners L.P.

# Investor Deck

February 2023

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.

# Enterprise Products Partners L.P.

## A Fully Integrated Midstream Energy Company

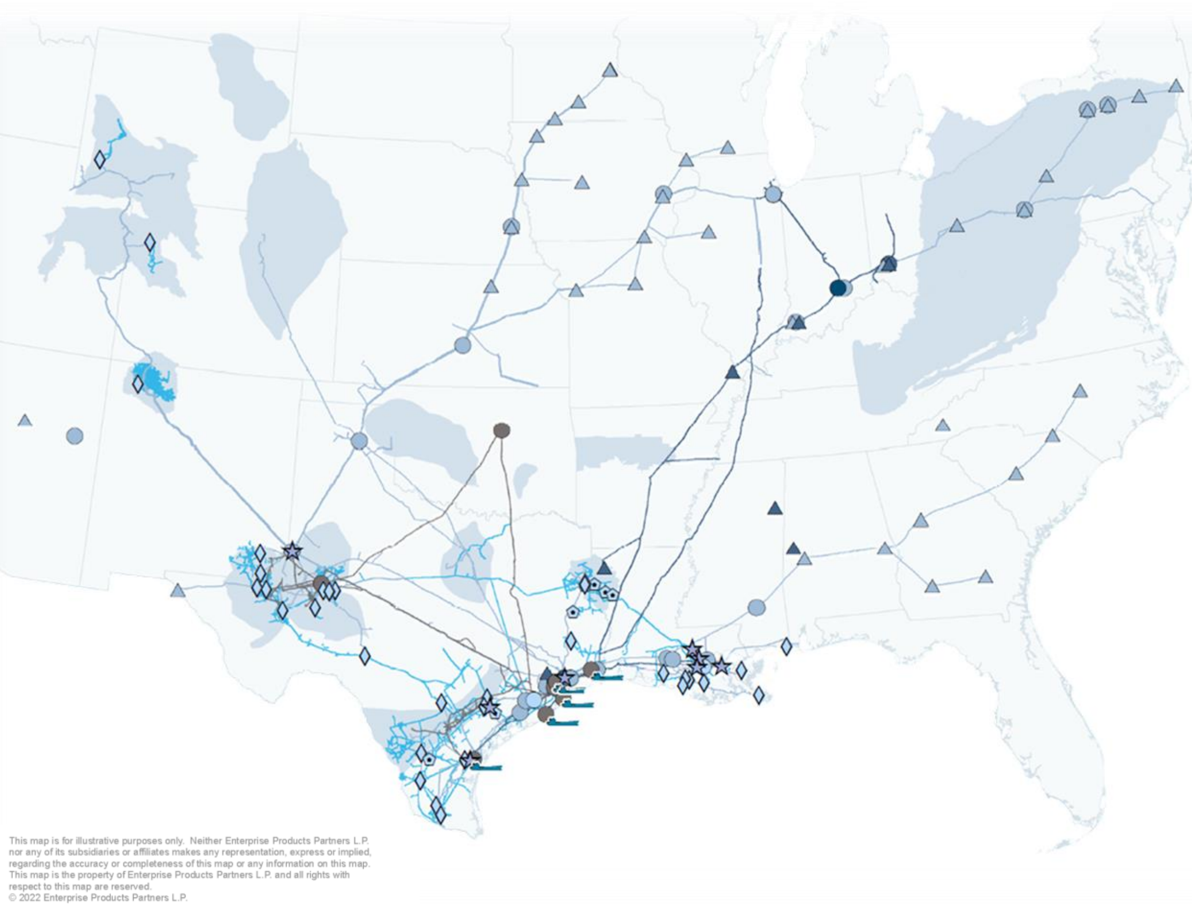
## Our Platform

NGLs, Crude Oil, Natural Gas, Petrochemicals, and Refined Products

**>50,000**
Miles of Pipeline

**260**
MMBbls of Liquids Storage

**20**
Deepwater Docks




**29**
Natural Gas Processing Plants

**25**
Fractionators

**2**
PDH(1)

**2**
iBDH

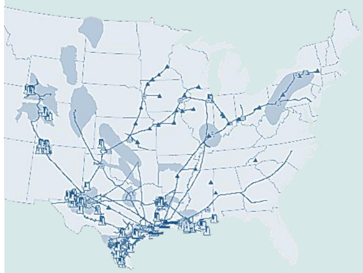
A full interactive map of our assets is available on our website, enterpriseproducts.com.

(1) PDH 2 is expected to be in-service mid-2023.

# Why EPD?

## Built for the Long Run

Diversified



Geographic, Product and Market Diversification

≈$56B Market Capitalization

≈$87B Enterprise Value

≈$126MM Average Daily Trading Value (last 20 days)

Bloomberg data as of February 23, 2023

24 years of consecutive distribution increases


BBB+ / Baa1 credit rating

2.9x Leverage(1)

2022 reported

Average Return on Invested Capital(1)

12%

over the last 10 years

2023 Growth Capex Estimate

≈$2.3 to 2.5B

History of unitholder alignment through actions & ownership

≈32%

of common units owned by Management

$1.96/unit

4Q22 distribution annualized

1.9x Distribution Coverage

$2B Buyback in Place

≈$731MM repurchased(2)

$8.0B 2022 Adjusted CFFO(3)

$3.0B 2022 Adjusted FCF(3)

Responsibly Returning Capital to Investors

Adjusted CFFO Payout Ratio(1): 54%

Adjusted FCF Payout Ratio(1): 71%

Note: ROIC for 2022 was 13%.

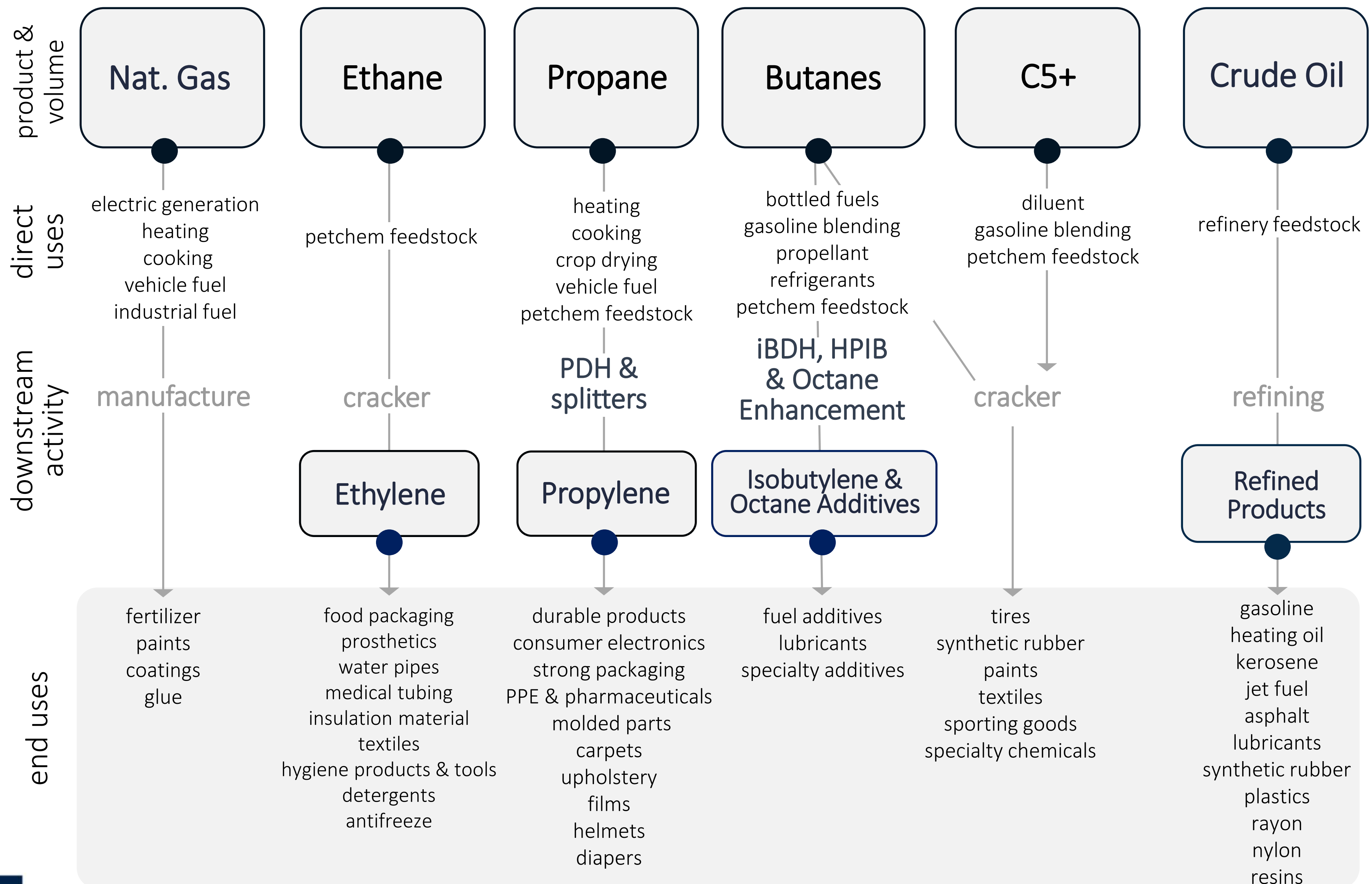
(1) For a definition, see appendix.

(2) As of December 31, 2022

(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.

# Value Chain Model

## EPD Earns Fees Delivering Raw Materials Essential to Everyday Life



# EPD Sustainability Highlights

## A Leader in Sustainability

Recognized as one of America's Most Trustworthy Companies from Newsweek Magazine in 2023

Recognized as one of America's Most Responsible Companies from Newsweek Magazine in 2022

Upgraded from a BBB to an "A" ESG Rating from MSCI in 2023[1]

Recognized by Institutional Investor magazine in 2023 for ESG and Board Governance

Modified PDH 2 design to reduce the plant's absolute carbon emissions by almost 90%

Rated A-, A- and A3, by S&P, Fitch and Moody's respectively

Diverse & collaborative workforce ≈32% minority[1]

26% improvement in $CO_2e$ emission per BOE since 2011[2]

Commercial teams pursuing carbon capture, $H_2$, other opportunities

ESG metrics incorporated into management compensation

More information on EPD's ESG efforts can be found in our latest Sustainability Report, available on our website www.enterpriseproducts.com

(1) Based on 2022 metrics
(2) Represents total Scope 1 emissions, as reported to the EPA for 2022 and includes the Navitas Midstream acquisition, which closed in February 2022

# Energy Fundamentals

Enterprise Products Partners L.P.

# U.S. Oil & Gas and Global Energy Security

## Global Population Growth Requires "All of the Above" Energy Sources

**Energy Security** has replaced **Energy Transition** as highest priority

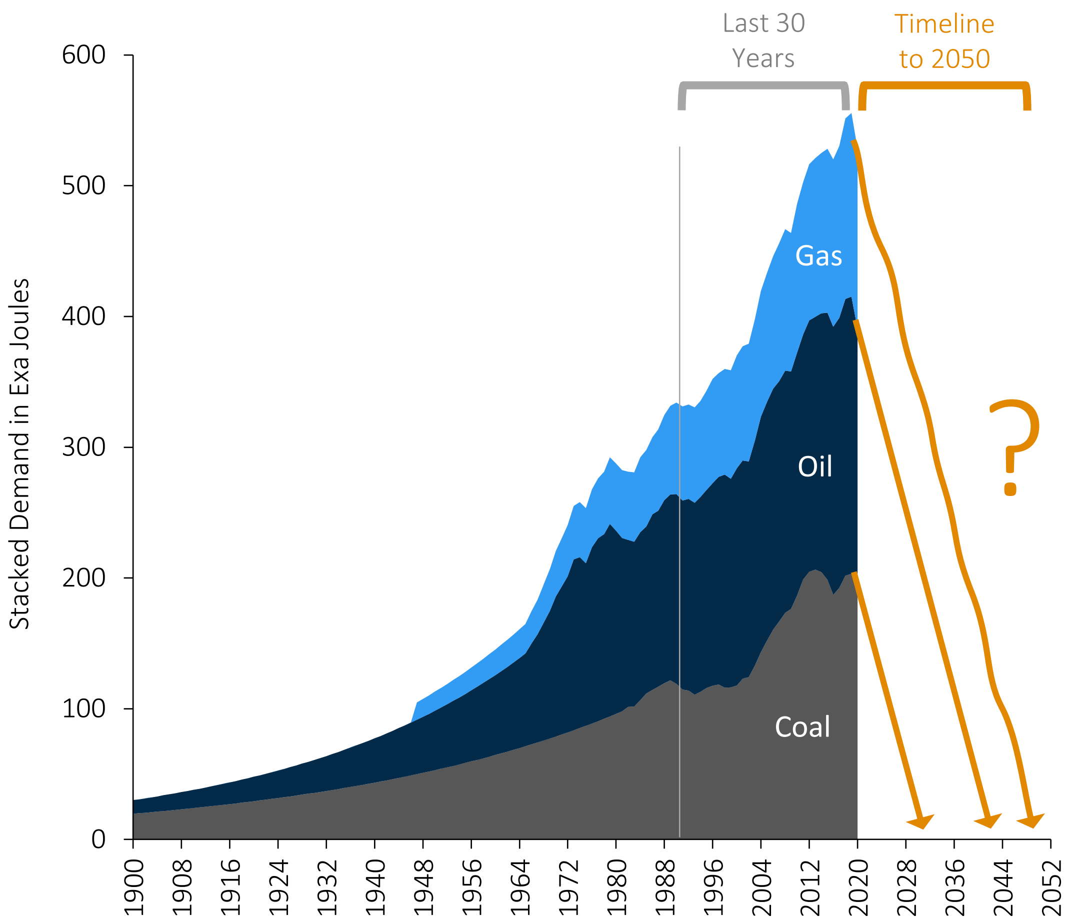
Energy **"transition"** is really energy **"addition"**

U.S. oil & gas industry will be the **first mover in significant CCUS**[(1)] **projects**

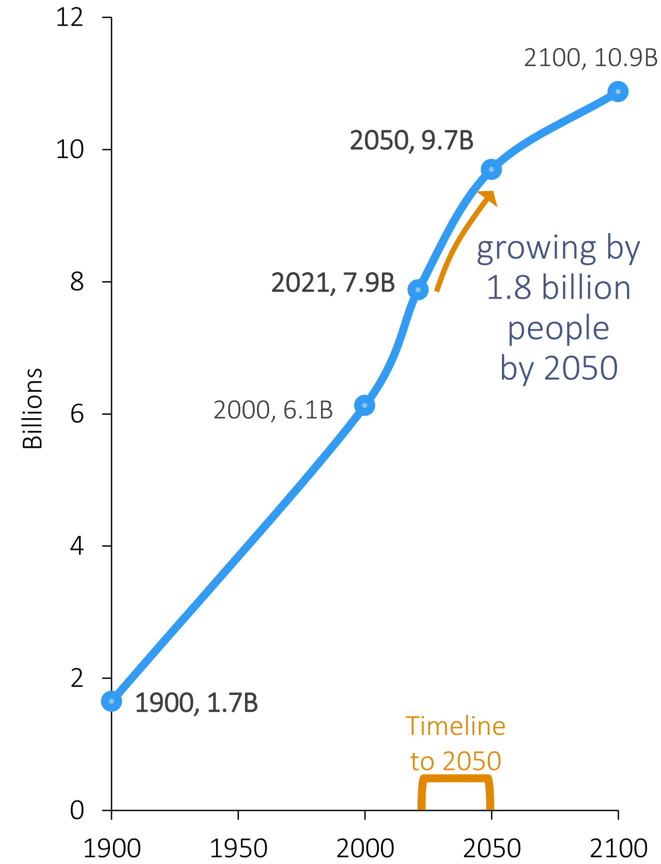
(1) "CCUS" means carbon capture, utilization, and storage
Sources: IEA and EPD Fundamentals

# Global Energy Needs Won't Disappear Overnight

Traditional Energy Demand




Global Population

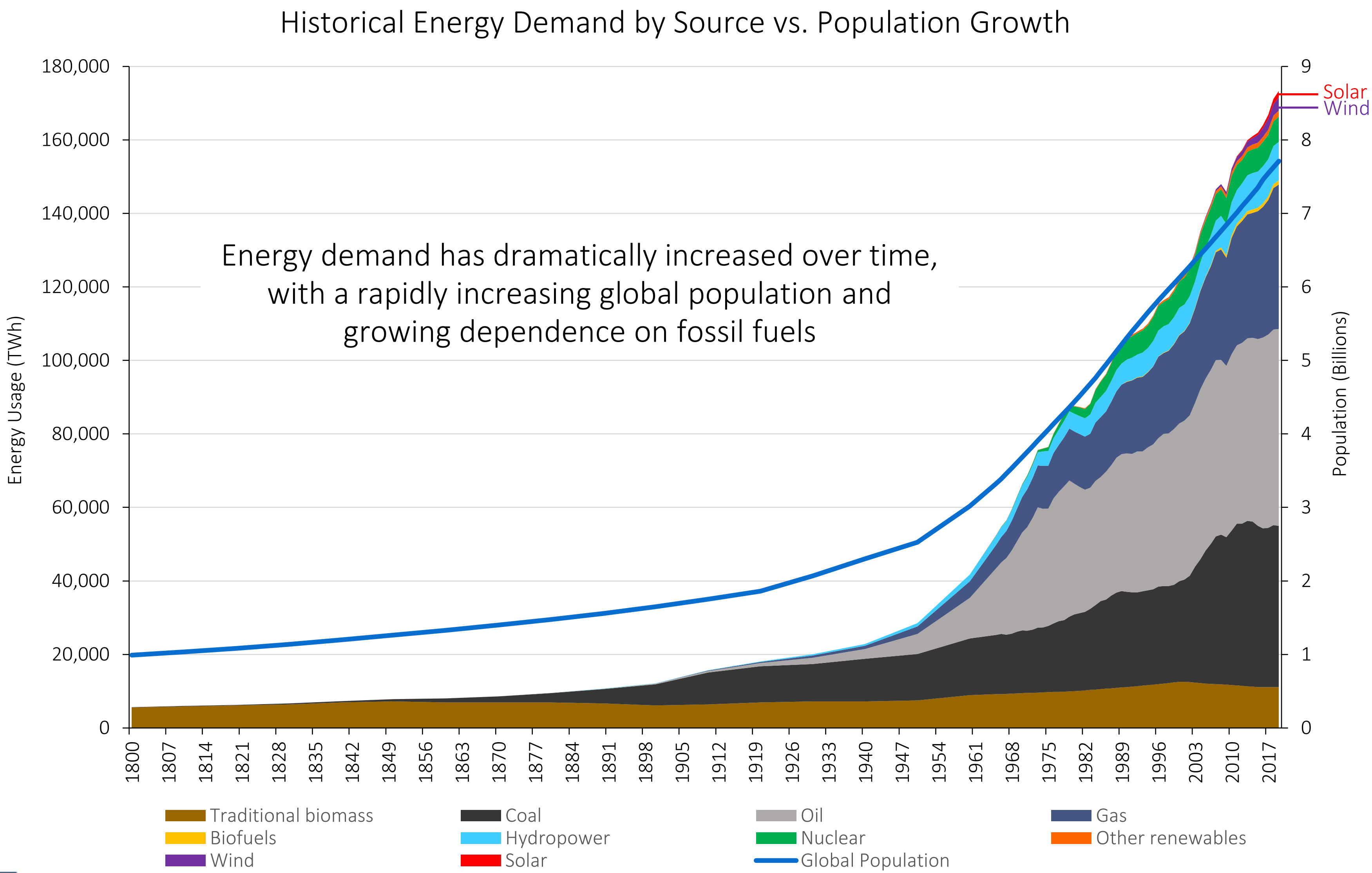



Sources: IEA, World Bank and EPD Fundamentals
Notes: Simplified view of traditional energy demand. Data prior to 1965 was estimated by following historical trends.

# Has the World Ever Done Energy "Transition"?

## Global Population Growth Drives Energy "Addition"

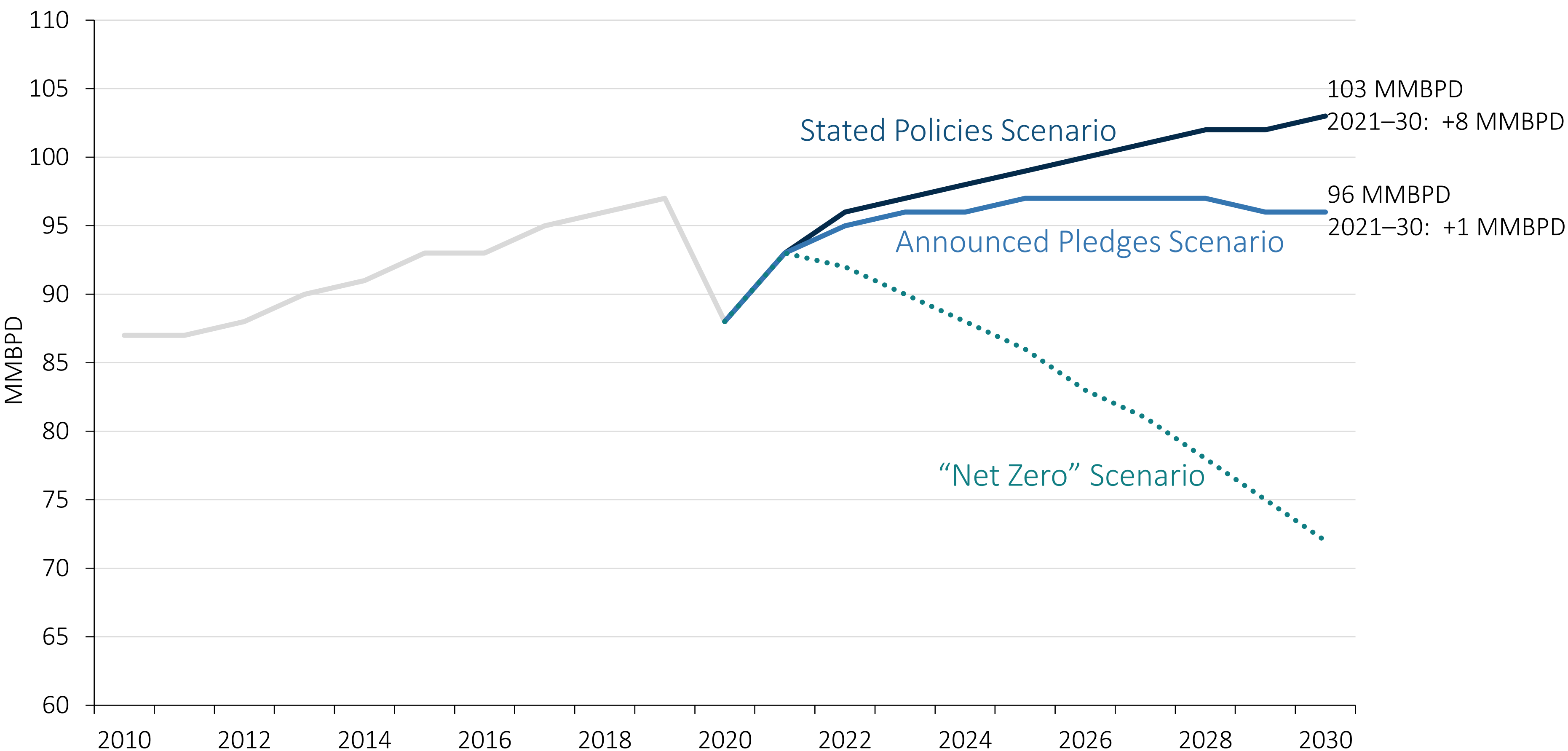



Source: Our World in Data

# IEA on Oil Demand

## Oil demand only declines in the IEA's Net Zero Emissions scenario, which would be essentially impossible to implement

IEA Oil Demand by Scenario

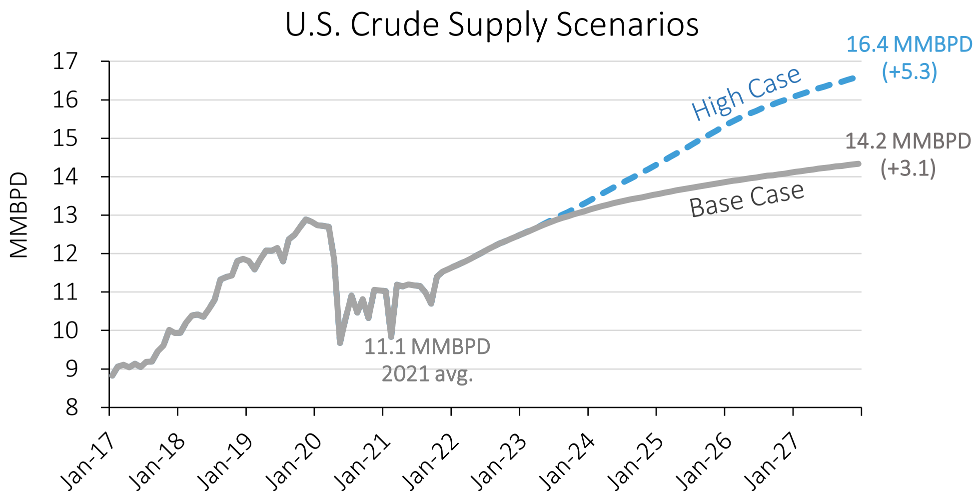


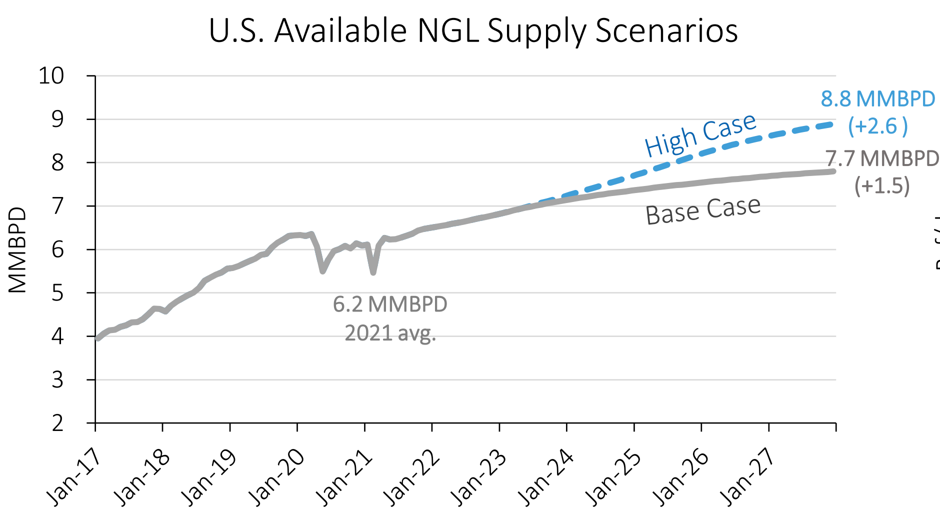

Source: IEA WEO 2021

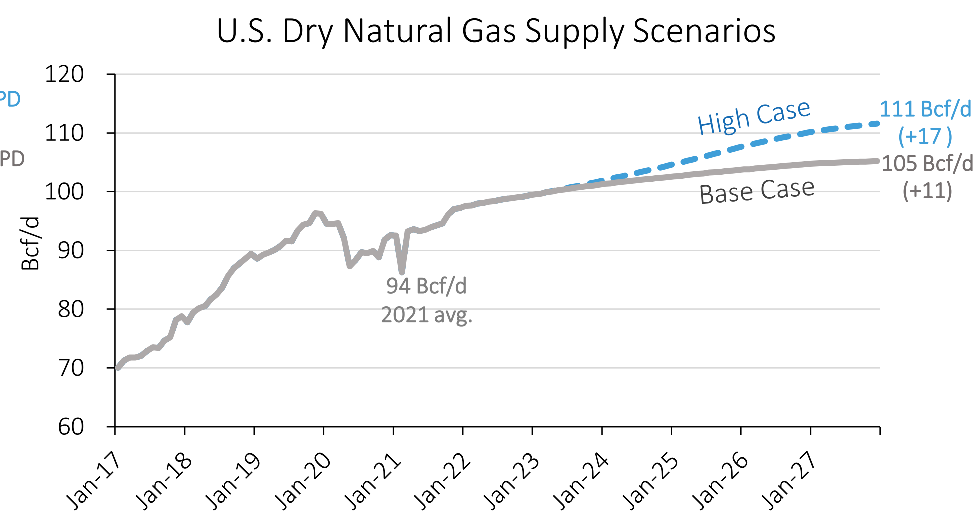
# EPD Supply Forecasts

## Expecting Growth Across Commodities

We expect significant growth in commodity supply forecasts, even in each "Base Case", as post-COVID demand recovers along with growing developing energy needs across the globe



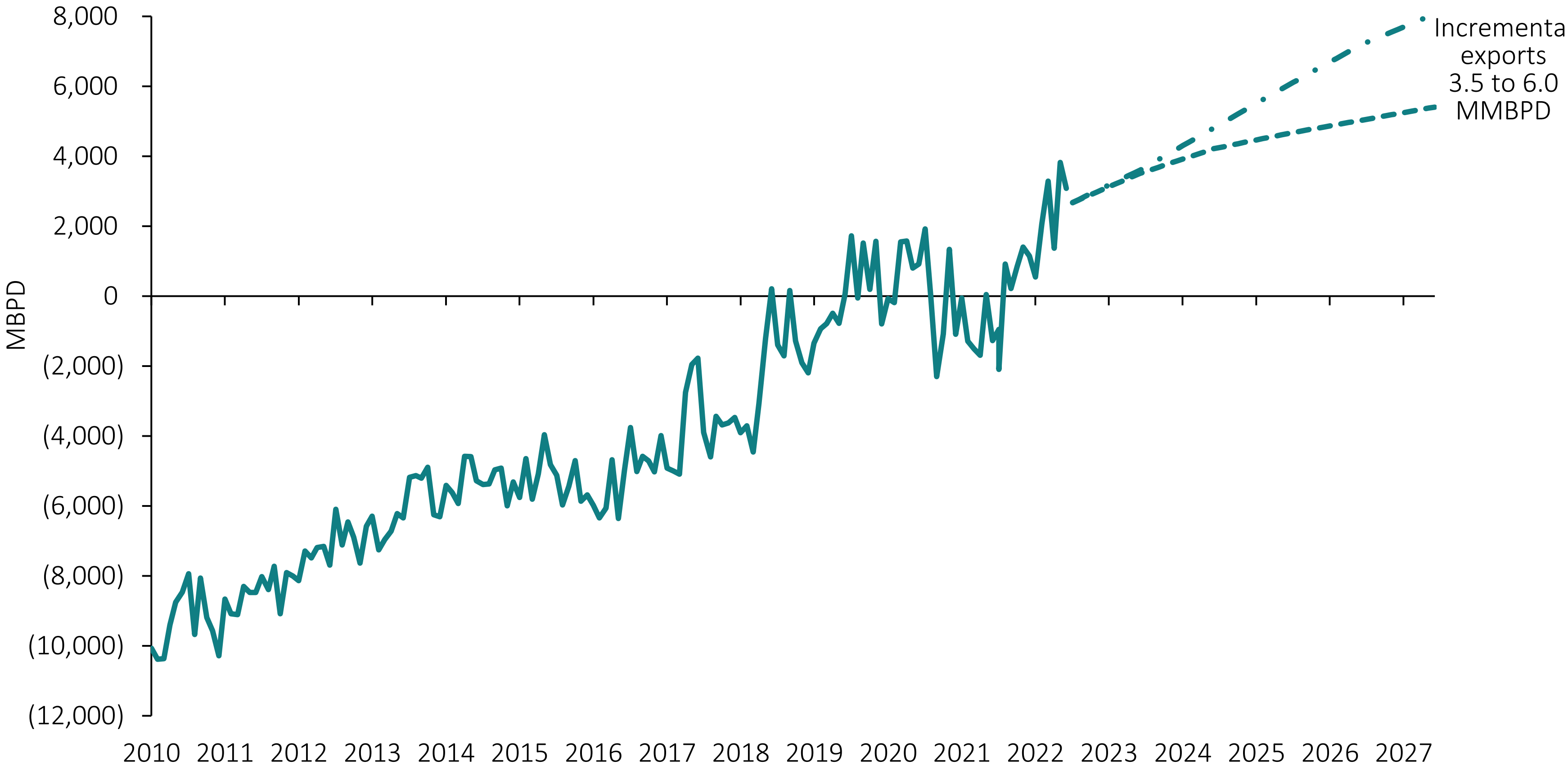




Source: EPD Fundamentals, April 2022 Investor Day

# A Transition Following the Shale Revolution

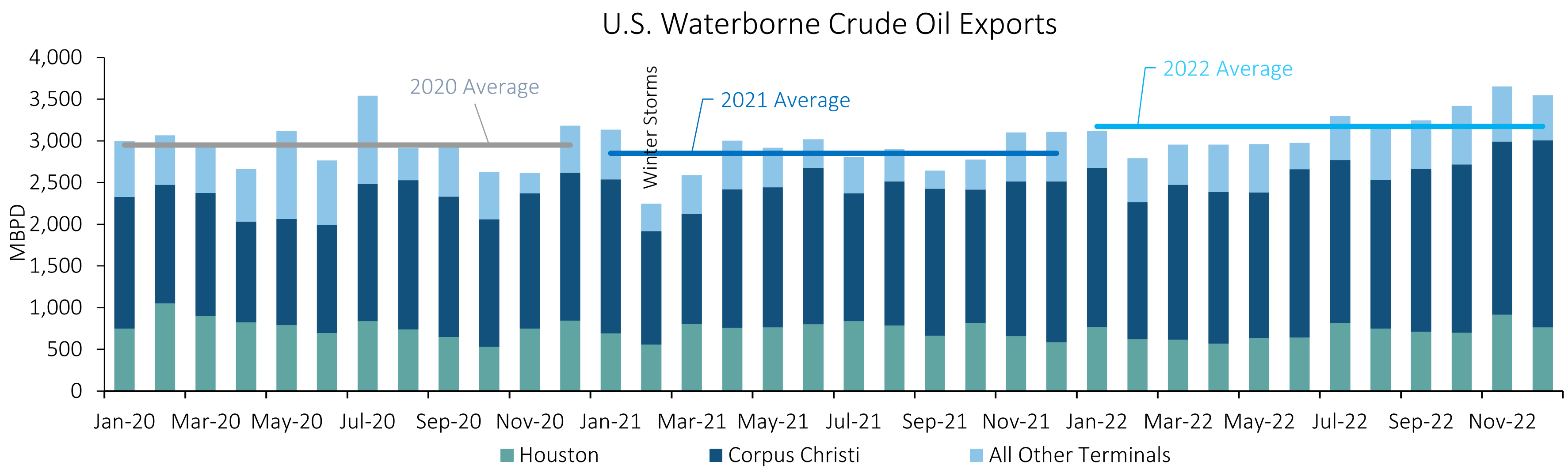
## U.S. Migrated From a Net Importer to Net Exporter of Crude and Refined Products

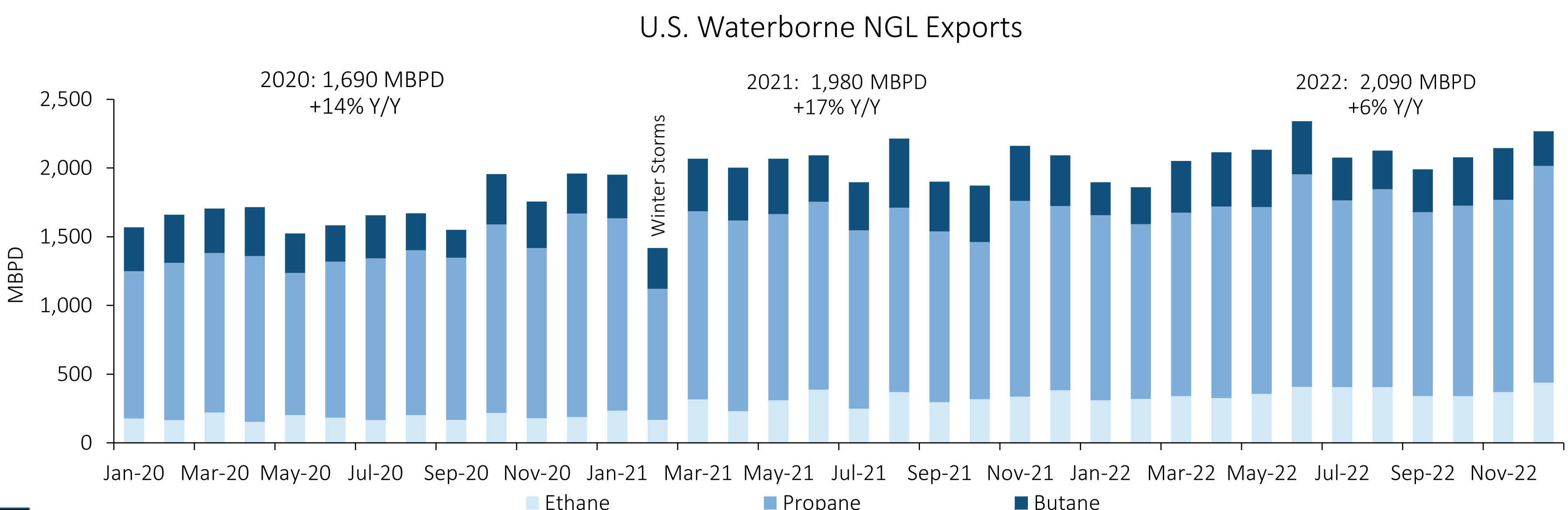



Sources: EIA and EPD Fundamentals

# U.S. Waterborne Exports

## Continuing to Remain Strong



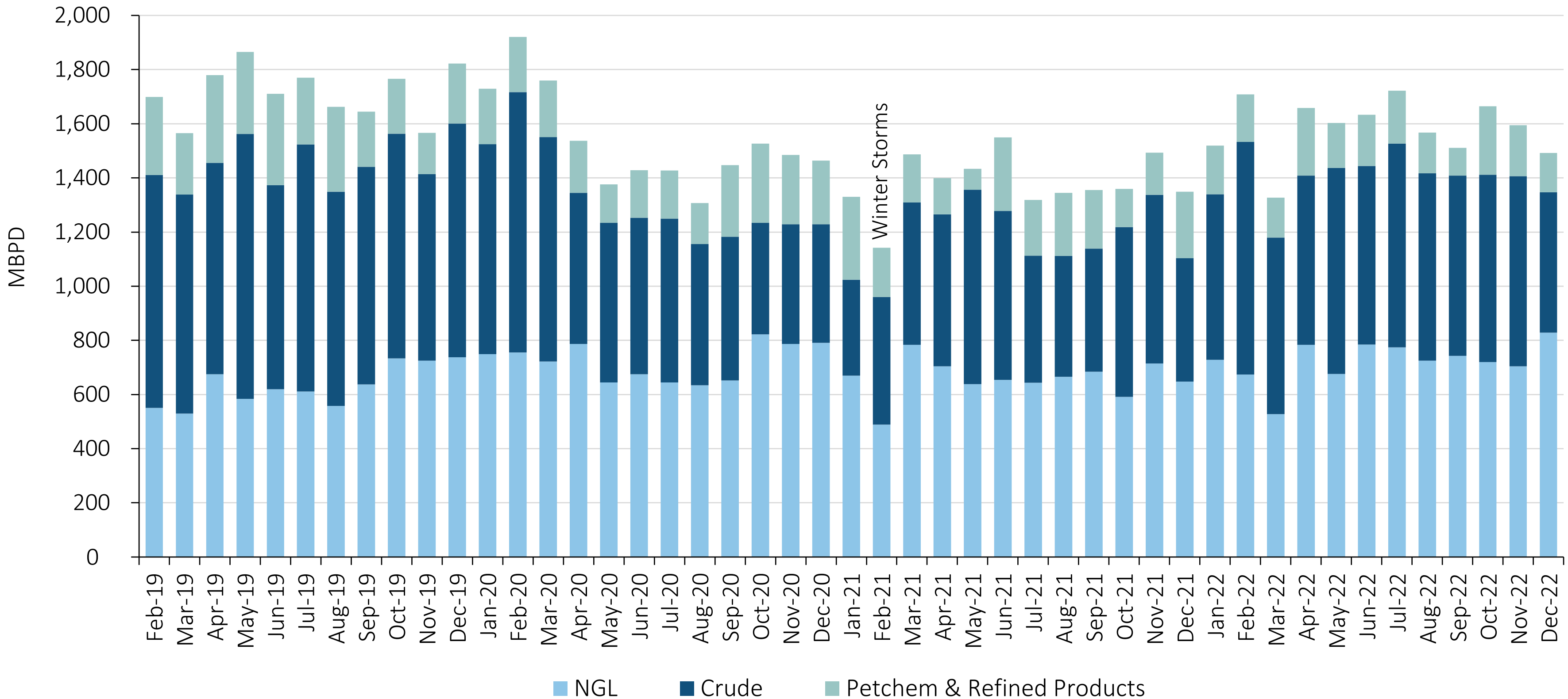

Sources: EPD, Waterborne and RBN Energy, as of December 2022

# EPD Facility Exports

## Volumes Remain Resilient

EPD Crude exports averaged 681 MBPD in 2022 (≈22% of U.S. waterborne exports)

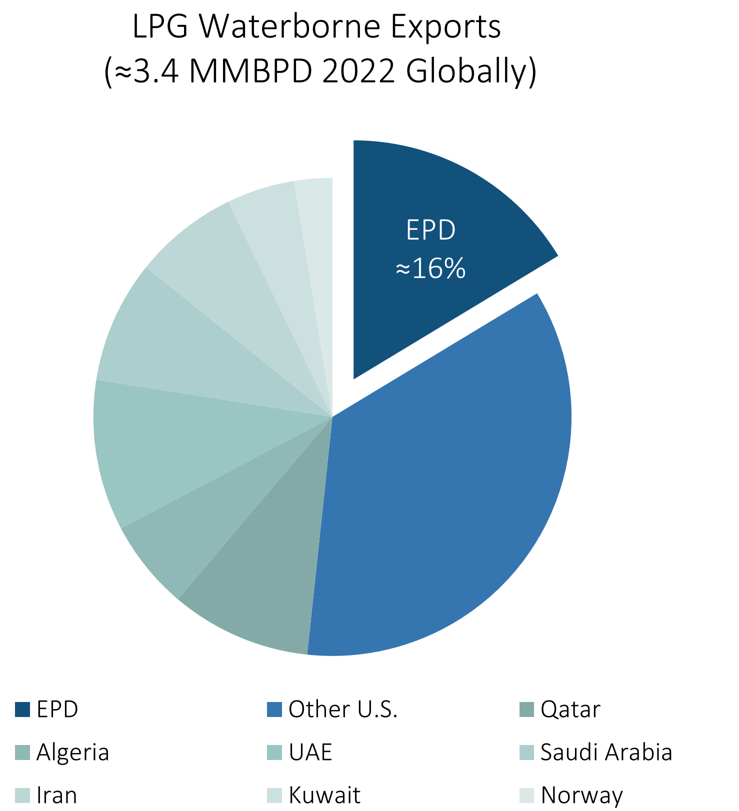
EPD NGL exports averaged 723 MBPD in 2022 (≈35% of U.S. waterborne exports)

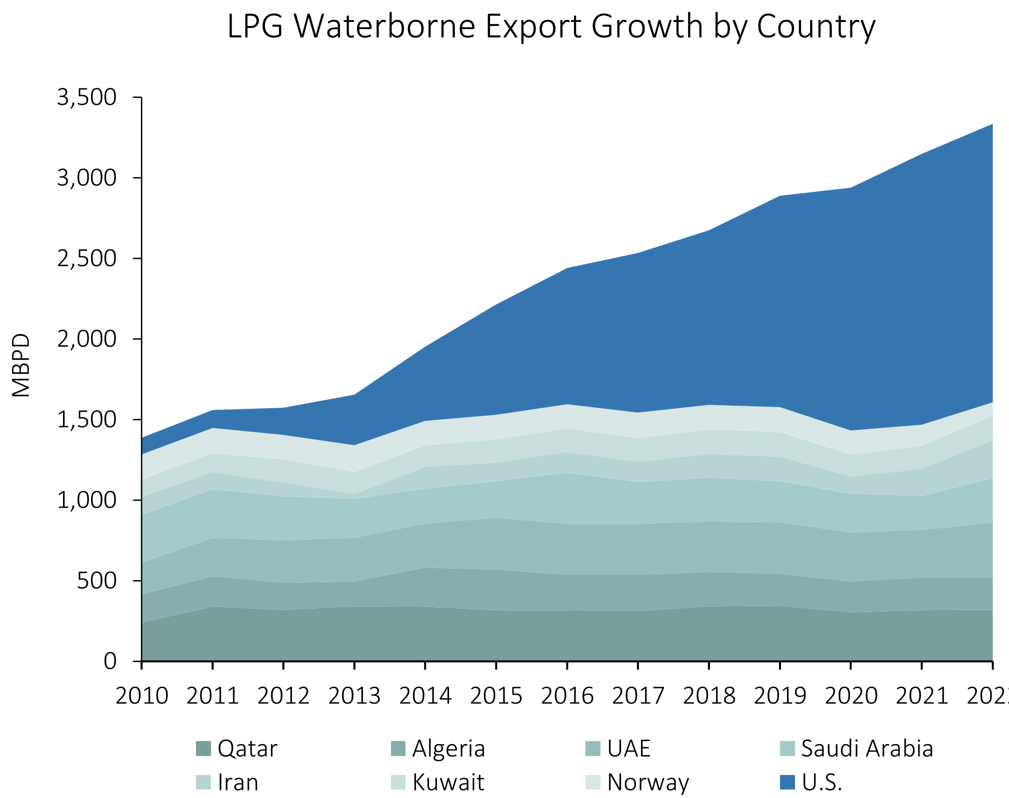



Sources: EIA and EPD data, as of December 2022

# U.S. Responsible for Global LPG Export Growth

## Growth Driven by Residential Market; >70% of Global LPG Demand




Enterprise is one of the largest LPG exporters in the world, exporting ≈550 MBPD or ≈16% of total global exports and ≈32% of total U.S. LPG exports

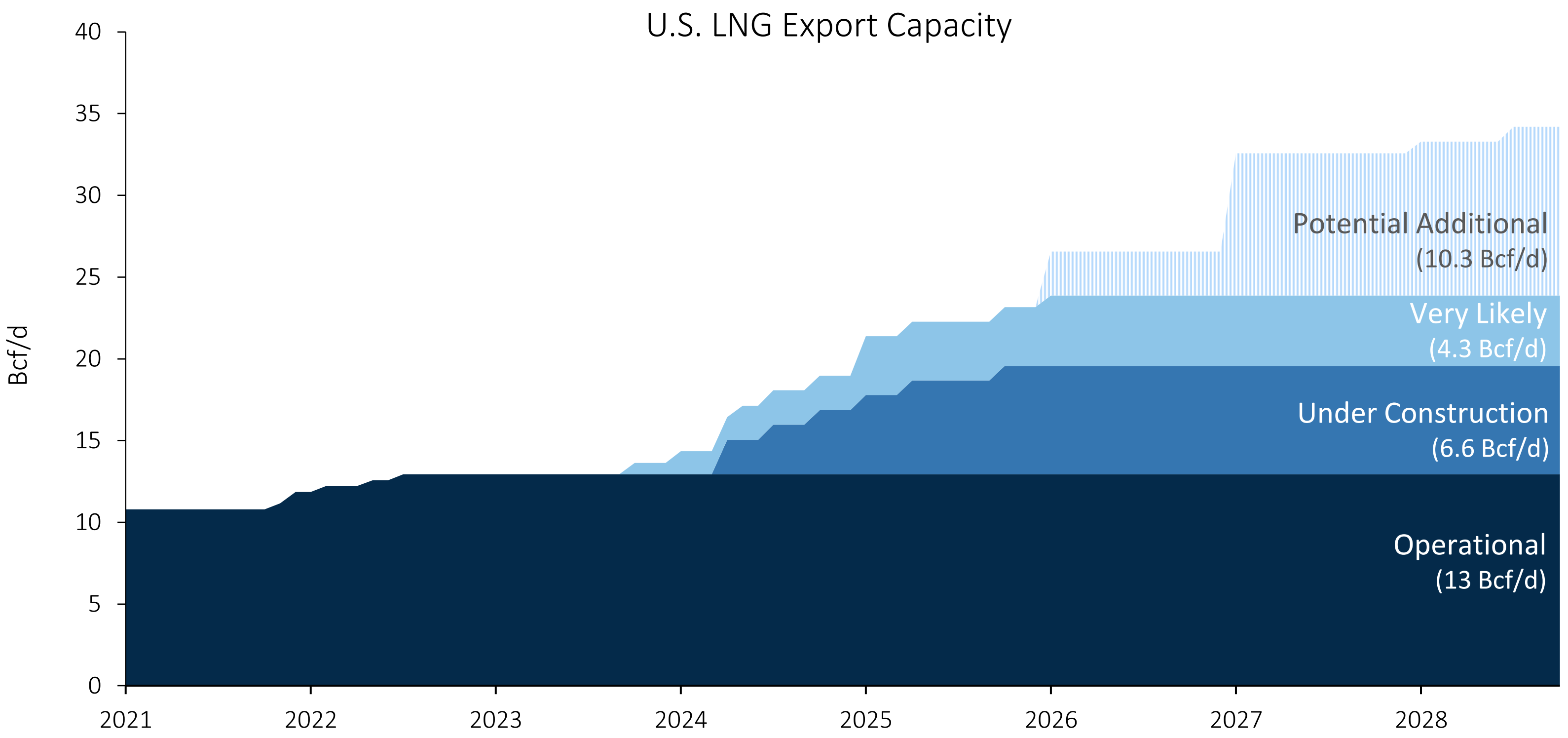
The U.S. is the leading exporter of LPGs globally, which displaces coal and biomass – holding ≈52% of the global market share in 2022

Source: S&P Global and EPD data as of December 2022

# U.S. LNG Potential is Huge

## FERC Needs to Fast-Track Projects; U.S. & E.U. Need to Finance

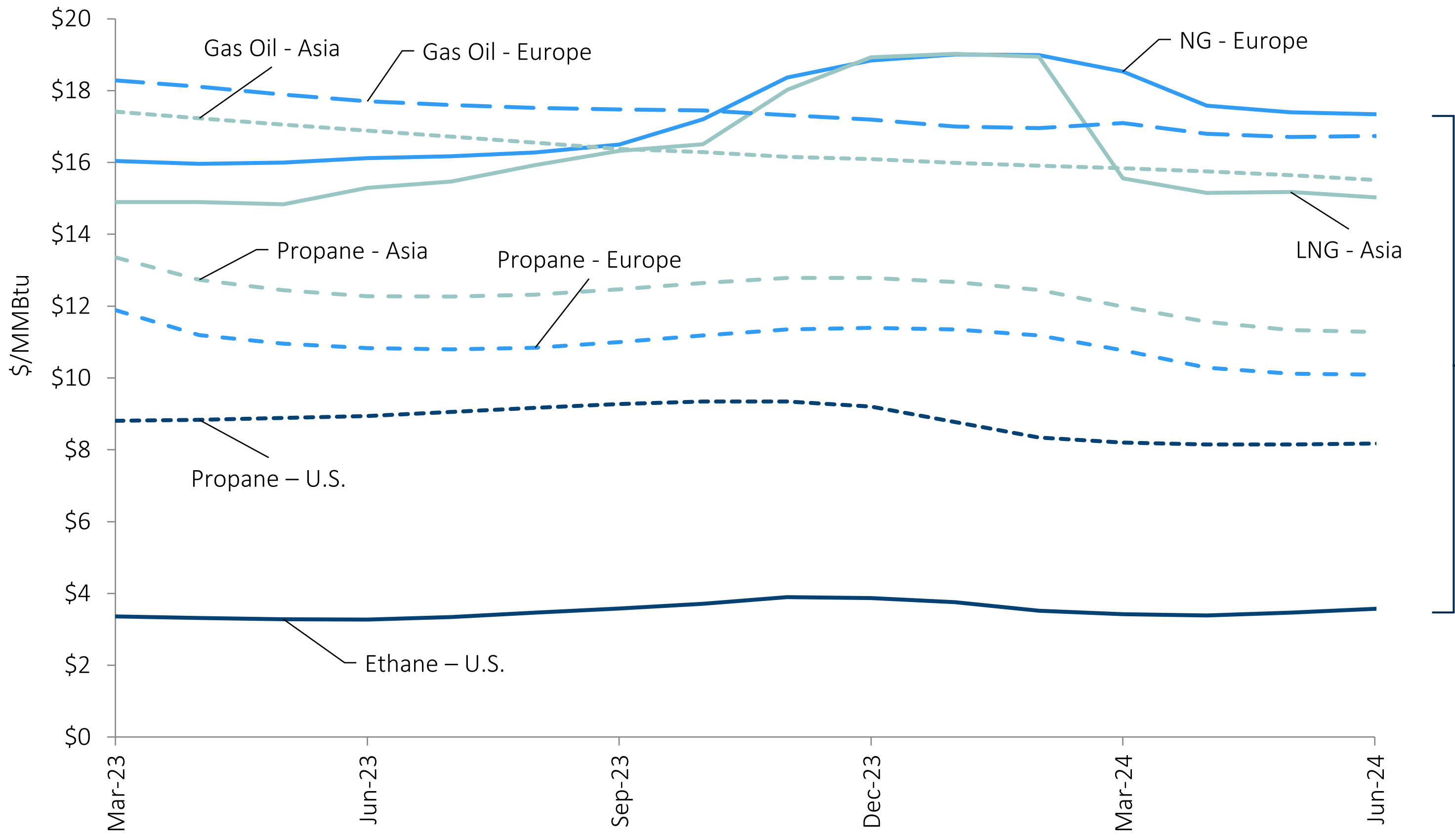
- More than 90% of “Operational” capacity is on the USGC
- All “Under Construction” and “Potential Additional” capacity is also on the USGC




Sources: FERC, EPD and corporate presentations

# Comparing U.S. BTU Values to Markets Overseas

## U.S. NGLs Expected to Maintain a Material Price Advantage



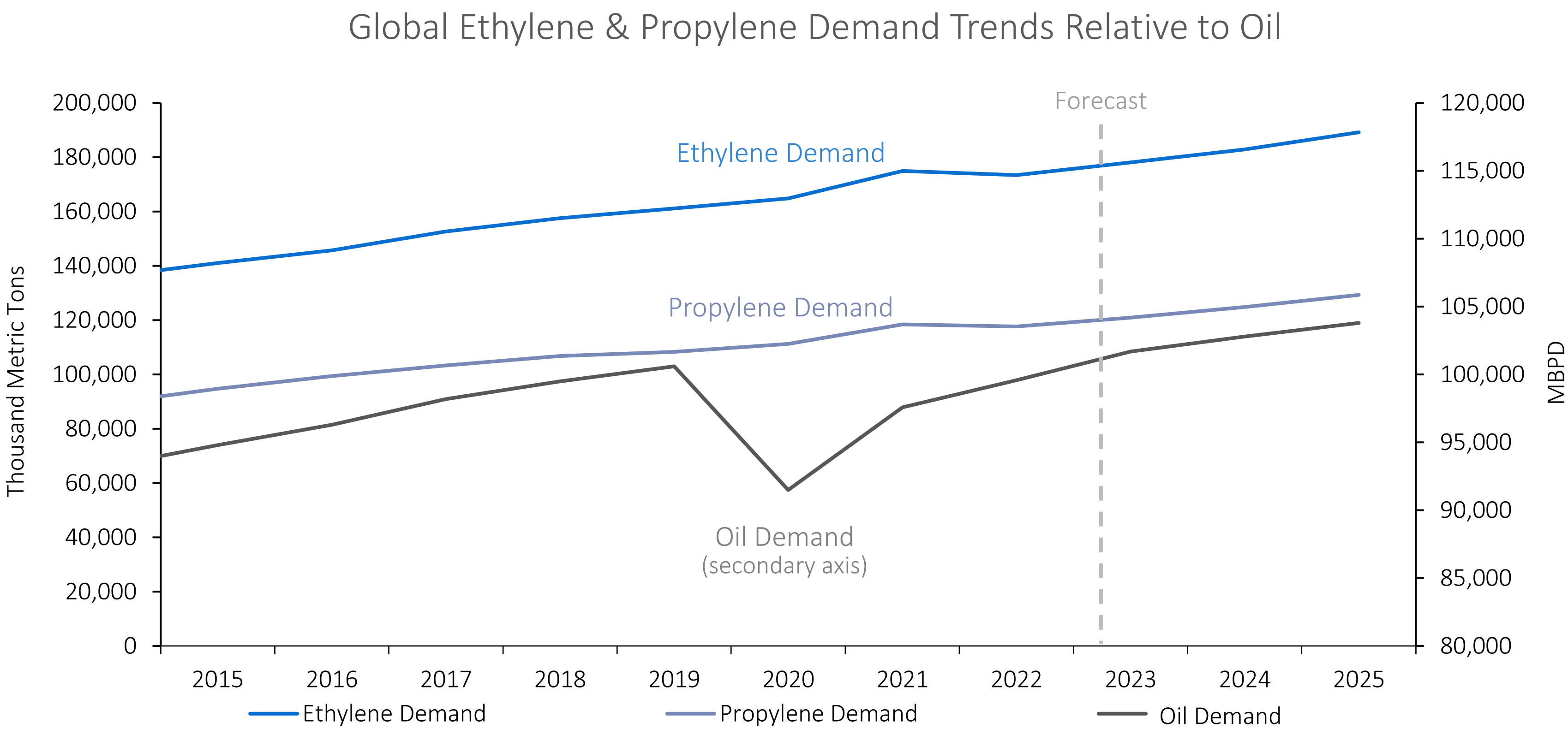

U.S. BTU's hold a material advantage over E.U. and Asian alternatives

Sources: EPD Fundamentals and Bloomberg as of February 2022

# Primary Petrochemical Demand

## Poised for Growth

2020 Case Study: World GDP declined by ≈3.5%, oil demand fell by ≈9% and ethylene and propylene demand rose ≈2.5%



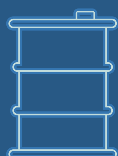

Sources: Bloomberg, IEA and EPD Fundamentals

# The 4 Pillars of Modern Civilization[1]

## Depend on Crude Oil, Natural Gas & NGLs

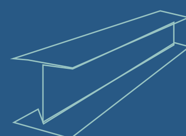
### Modern Civilization

**Ammonia**



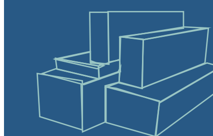
Natural gas is primary raw material; 80% of ammonia production used for fertilizer

**Steel**



Natural gas fueled blast furnace to synthesize iron ore, coke & limestone at 2,900° F

**Cement**



Natural gas fueled kilns heat limestone, shale & clays to 2,600° F

**Plastics & Petrochemicals**

NGLs and naphtha are primary raw materials; natural gas fuels crackers to 1,900° F

### Crude Oil, Natural Gas & NGLs

(1) Excerpts from 'How the World Really Works' by Vaclav Smil

# Everyday Products Made From Oil

## >96% of Manufactured Goods are Touched by Petrochemicals Industry

### Electronics

Devices such as semi conductors, cell phones and computers are derived from petroleum products

### Asphalt

A building block of roads, key to keeping our growing world connected

### Renewable Energy Materials

Oil is needed to create materials used to manufacture batteries, solar panels, wind turbines, and even electric cars

### Medicines

99% of pharmaceutical feedstocks and/or reagents are derived from petrochemicals

### Plastics

Oil is needed to produce almost all plastics – including everything from water bottles to cars. In fact, plastics make up 50% of the volume of new cars and only 10% of the weight!

### Cosmetics

Deodorants and makeup, among other cosmetic materials, are often produced from petrochemicals

### Cleaning Products

Products needed to keep you and your family safe from exposure to illnesses and bacteria are produced from oil products

Products Include…

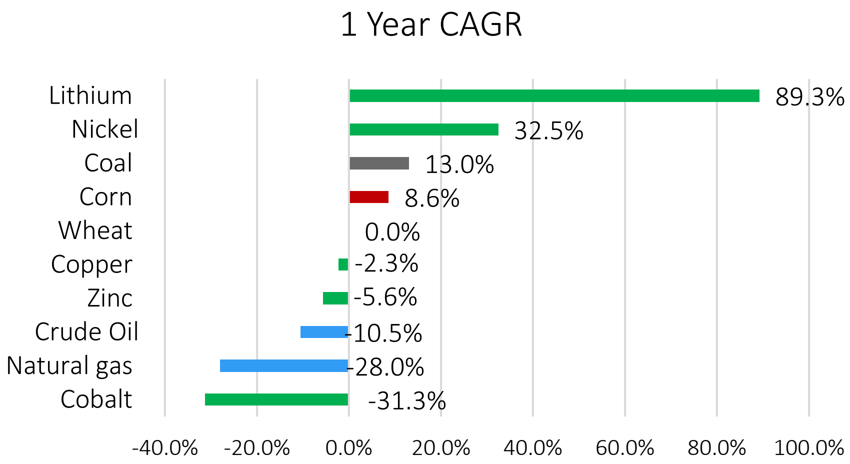
food packaging, clothing and footwear, textiles, carpets, furniture, detergents, diapers, sports equipment, lighter vehicle exteriors like cars, planes, and boats; synthetic rubber tires, fuel additives, engine coolants, interior car panels, car seats and carpet, coatings, insulation, paints, road paving materials, pharmaceuticals, sterile packaging (single-use) like IV bags, syringes, medicine bottles, liners; ethyl-alcohol / hand sanitizer, ventilators, heart rate monitors, suction machines, defibrillators, oxygen masks, personal protective equipment (PPE) like gloves, gowns, and face masks; wind turbine and solar panel parts, battery containers and parts, coatings, insulation, paints, unbreakable glass, agro-chemicals, etc.

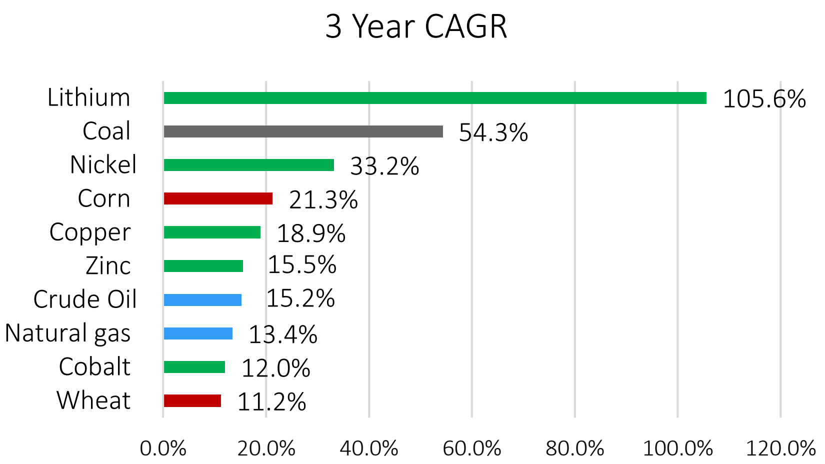
Sources: IEA, American Chemistry Council and National Institute of Health

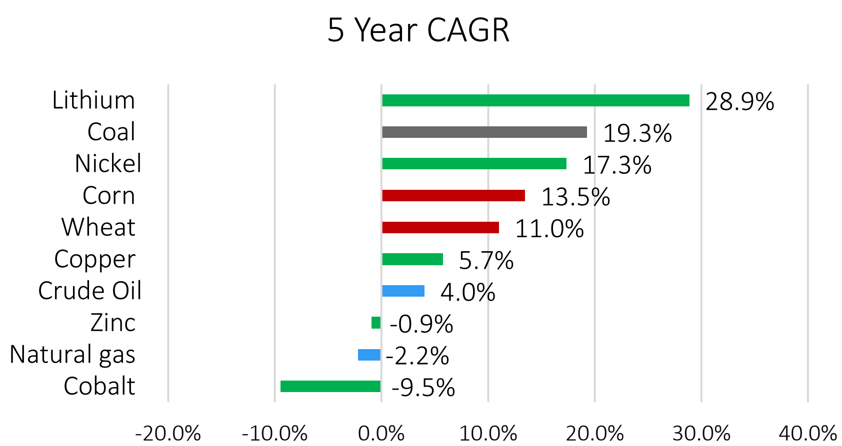
# Commodity Inflation

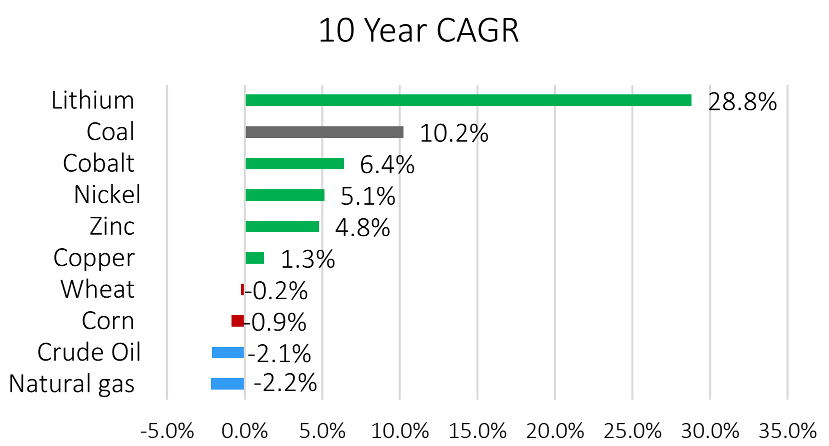
## Green Metals, Food & Energy

- Russia invasion has exacerbated mineral, food and energy inflation already impacted by underinvestment, lack of strategic sourcing of green metals, and post COVID supply chain issues



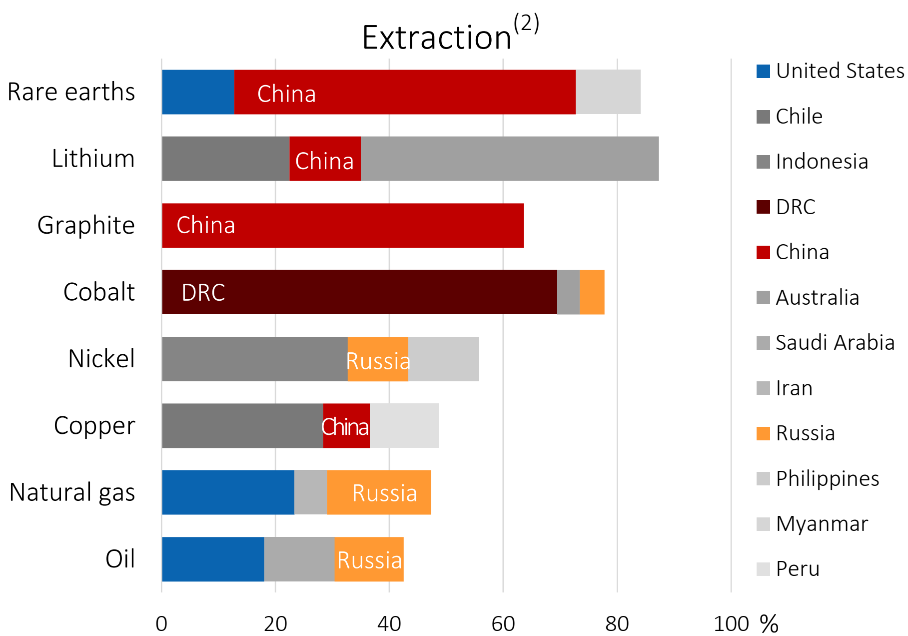

Source: Bloomberg (LTBMPRIN Index, LMCODY Comdty, LN1 Comdty, HG1 Comdty, LX1 Comdty, CL1 Comdty, NG1 Comdty, W1 Comdty, C1 Comdty, XW1 Comdty)
Note: Compound Annual Growth Rates ("CAGR") for periods ending February 1, 2023

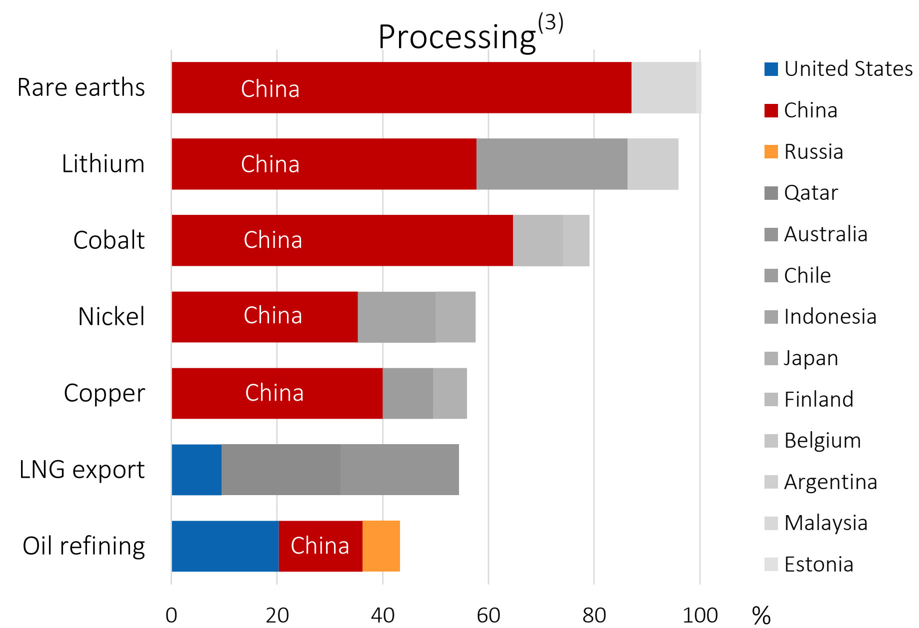
# Critical Minerals Extraction and Processing

## Concentrated in Politically and Socially Sensitive Regions

- Mineral demand to facilitate "clean" energy tech would need to increase by 4–6x by 2040 to meet Sustainable Development and Scenario ("SDS") and net-zero climate goals(1)
- Production of many energy transition minerals is more geographically concentrated than that of oil and natural gas, with potential growth concentrated in politically and socially sensitive areas

Share of Top 3 Countries in Extraction and Processing of Selected Minerals and Fossil Fuels




Sources:
(1) IEA, Total mineral demand for clean energy technologies by scenario, 2020 compared to 2040, IEA, Paris https://www.iea.org/data-and-statistics/charts/total-mineral-demand-for-clean-energy-technologies-by-scenario-2020-compared-to-2040
(2) IEA, Share of top three producing countries in extraction of selected minerals and fossil fuels, 2019, IEA, Paris https://www.iea.org/data-and-statistics/charts/share-of-top-three-producing-countries-in-extraction-of-selected-minerals-and-fossil-fuels-2019
(3) IEA, Share of top three producing countries in total processing of selected minerals and fossil fuels, 2019, IEA, Paris https://www.iea.org/data-and-statistics/charts/share-of-top-three-producing-countries-in-total-processing-of-selected-minerals-and-fossil-fuels-2019

# The Grass Isn't Always Greener

## How Environmentally Sustainable is Your Energy?

### Rare Earth Mineral Mine

MP Materials' rare earth open-pit mine in Mountain Pass, CA

### Petroleum Pipeline

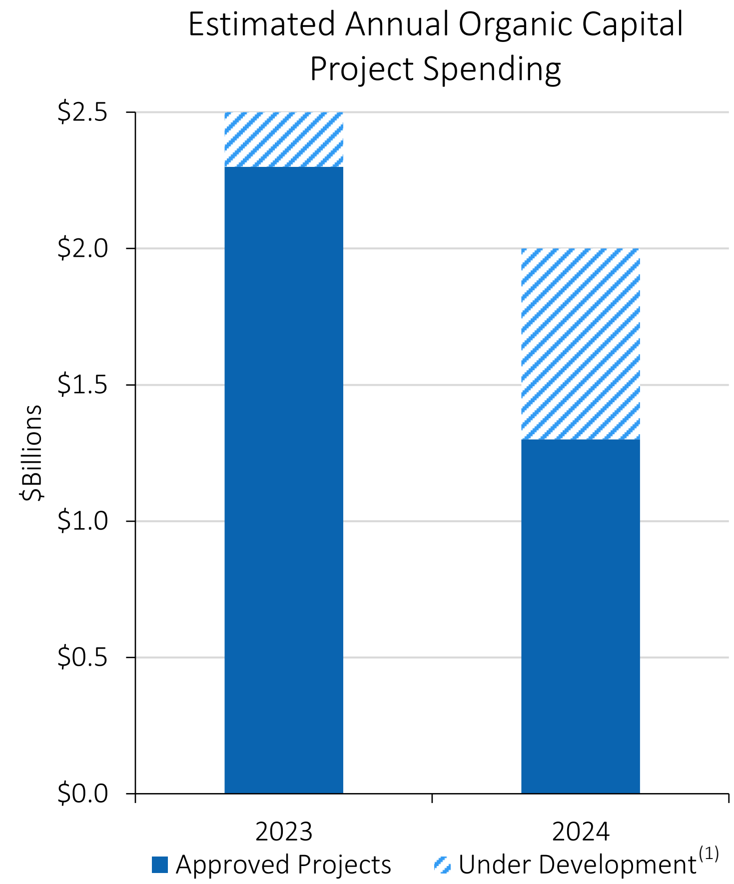
# Financial Update


Enterprise Products Partners L.P.

# Growth Capital Updates

## ≈$5.8B of Major Projects Under Construction

| | Capital Project Summary | Forecast In-Service |
|---|---|---|
| Natural Gas Liquids | Midland Basin Poseidon Plant (Plant 6) | 3Q 2023 |
| | Midland Basin Leonidas Plant (Plant 7) | 1Q 2024 |
| | Mentone II | 4Q 2023 |
| | Mentone III | 1Q 2024 |
| | Shin Oak Expansion | 1H 2025 |
| | Frac 12 | 3Q 2023 |
| | New Ethane Export Terminal | 2H 2025 |
| Natural Gas | Permian Gathering Expansions | 2023 |
| | Acadian Expansion | 2Q 2023 |
| Petchem & Refined Products | PDH 2 Facility | 2Q 2023 |
| | Texas Western Products System | 4Q 2023 |
| | Ethylene Export Expansion | 2H 2024 & 2H 2025 |




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

# 2022 Business Segment Highlights

## Continuing to Produce Results

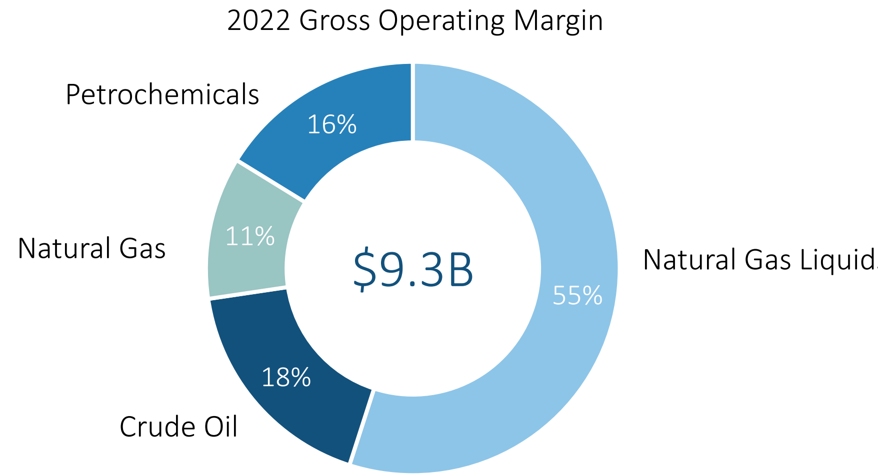
### 2022 Highlights

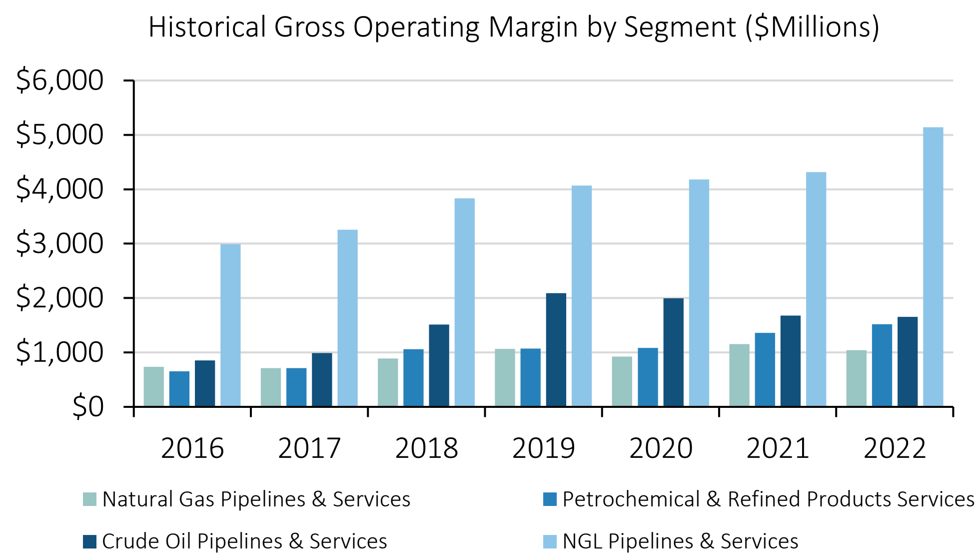
10 operational records included record:

1. NGL pipeline transportation volumes
2. Ethane marine terminal volumes
3. Total NGL marine terminal volumes
4. Fee-based natural gas processing volumes
5. Natural gas pipeline transportation volumes
6. Propylene production volumes
7. Standalone DIB processing volumes
8. Octane enhancement and related plant sales volumes
9. Liquids pipeline transportation volumes
10. Total equivalent pipeline transportation volumes

13 financial records included record:

1. Natural Gas Processing GOM
2. Total NGL Pipelines and Services GOM
3. Octane Enhancement GOM
4. Ethylene Exports and Related Activities GOM
5. Total Petrochemicals & Refined Products Services GOM
6. Total Gross Operating Margin
7. Adjusted EBITDA
8. Net Income to Common Unitholders
9. Fully Diluted Earnings Per Unit
10. Adjusted Cash Flow from Operations
11. DCF(1)
12. DCF Coverage(1)
13. Retained DCF(1)



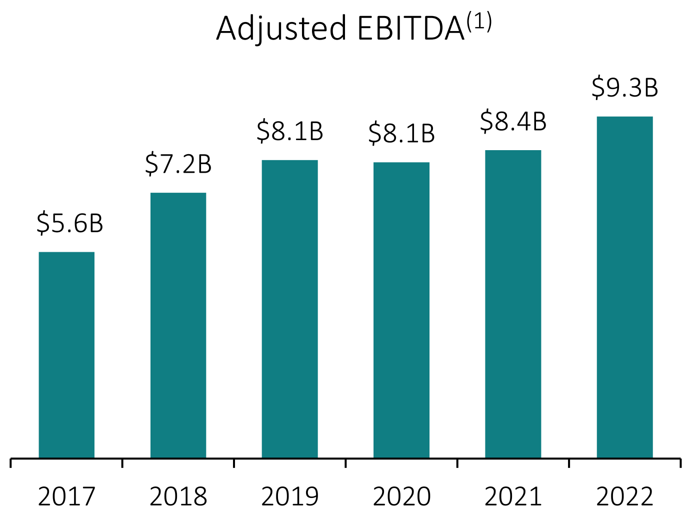

(1) Represents DCF excluding proceeds from asset sales and other matters and monetization of interest rate derivatives

Total gross operating margin, Adjusted Net Cash Flows Provided by Operating Activities ("Adjusted Cash Flow From Operations" or "Adjusted CFFO"), Adjusted Earnings Before Interest, Taxes, Depreciation, Amortizations ("Adjusted EBITDA") and Distributable Cash Flow ("DCF") are Non-GAAP measures. For a reconciliation of these amounts to their nearest GAAP counterparts, see "Non-GAAP Financial Measures" on our website.

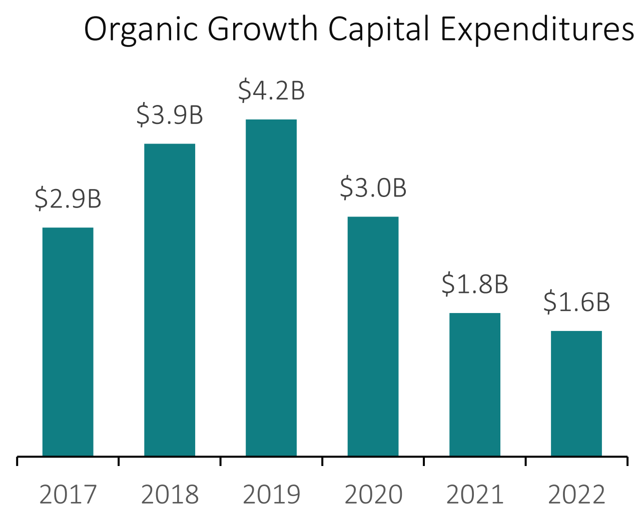
# Financial Stability

## A Track Record of Financial Discipline

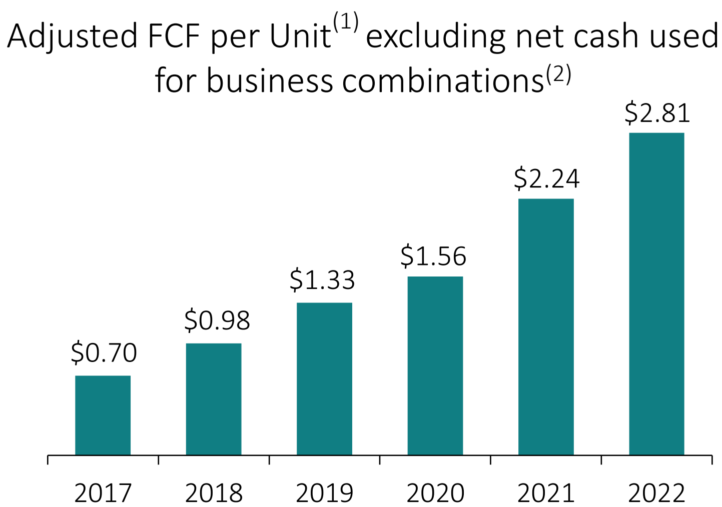
10.6% CAGR



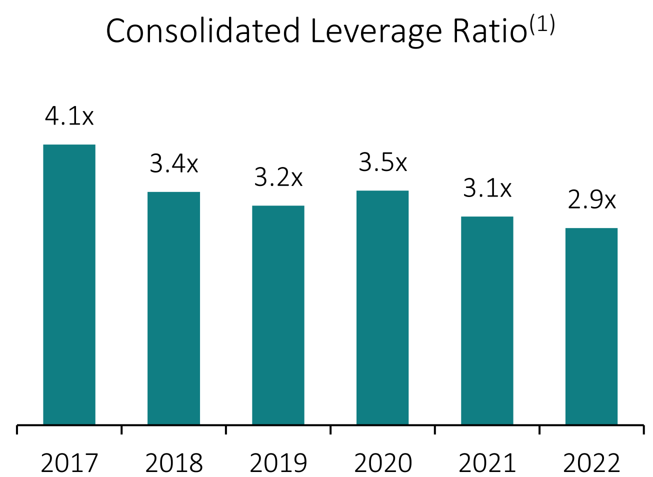

Responding to customer & market signals




32.0% CAGR




Lowering leverage to gain financial flexibility




Adjusted EBITDA is a Non-GAAP measure. See Appendix for a reconciliation of these amounts to their nearest GAAP counterparts.
(1) See definitions
(2) The presented data excludes net cash used in business combinations of $199 MM in 2017, $151 MM in 2018, and $3.2 B in 2022.

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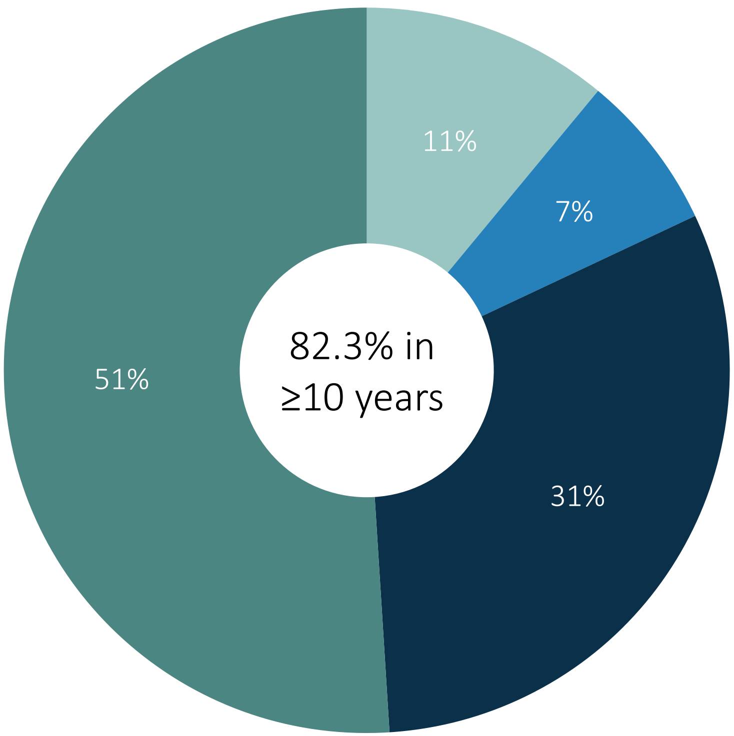
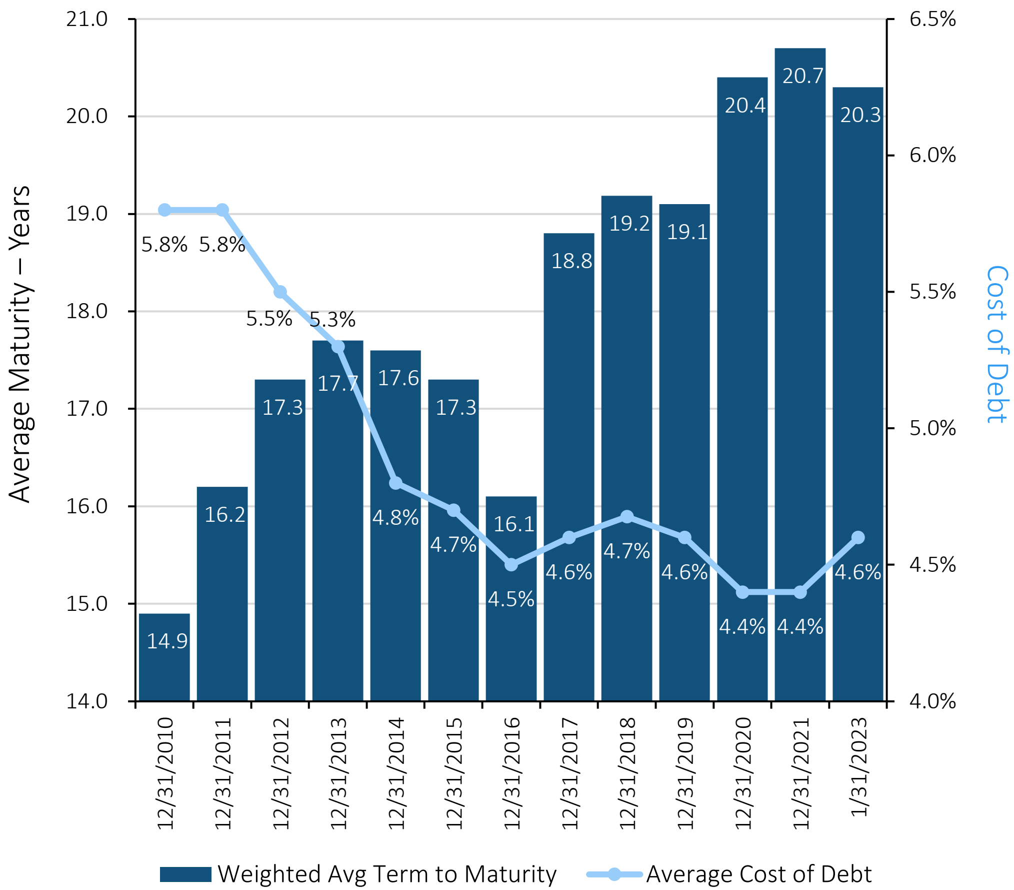
# Strengthening Debt Portfolio (1)(2)

## Extending Maturities Without Increasing Costs

$34.9 Billion Notes Issued
2010–January 2023




97.9% Fixed Rate Debt
(as of January 31, 2023)




(1) Figures shown are as of January 31, 2023
(2) Assumes Senior Notes HH are retired in March 2023

# Setting the Standard for Balance Sheet Strength

## BBB+ / Baa1

One of the highest credit ratings in the midstream space

## ≈$4.1B of liquidity

Ample amount of liquidity, allowing for flexibility and opportunity

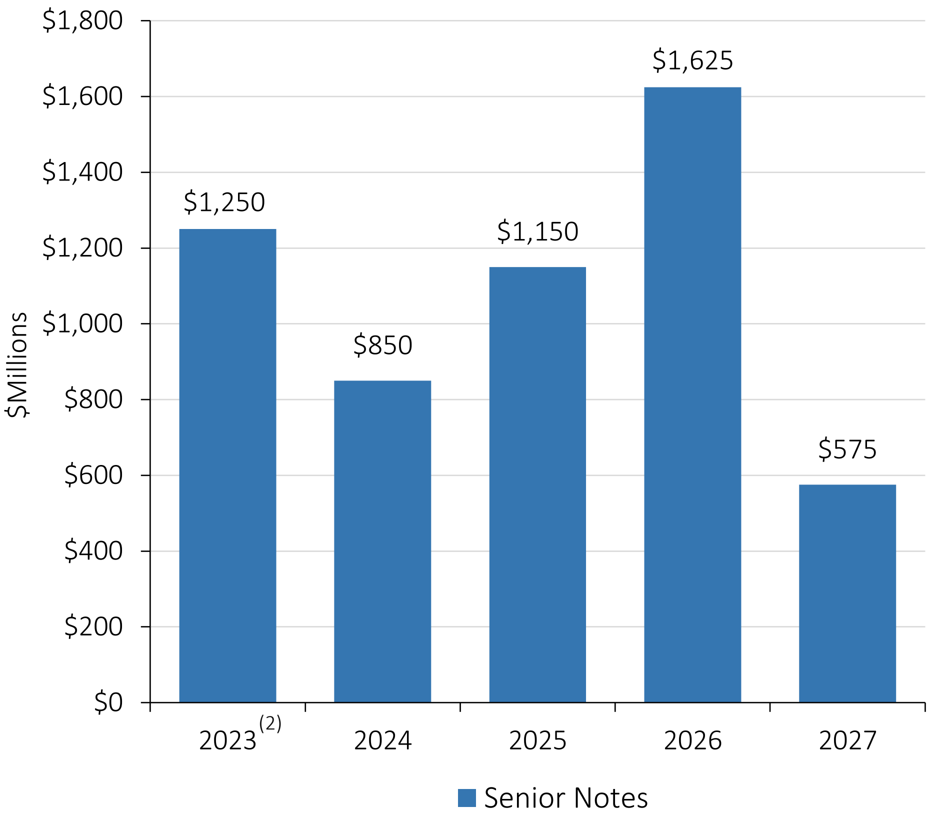
## 4.6% weighted average cost of debt[3]

Expect to retire 2023 notes in March with no need to return to capital markets in 2023

## Lowering leverage ratio to 2.9x, with a 2.75-3.25x target

Lowering leverage range to reflect robust balance sheet as we approach 25 years of consecutive distribution growth

Manageable Debt Maturity Schedule[1]



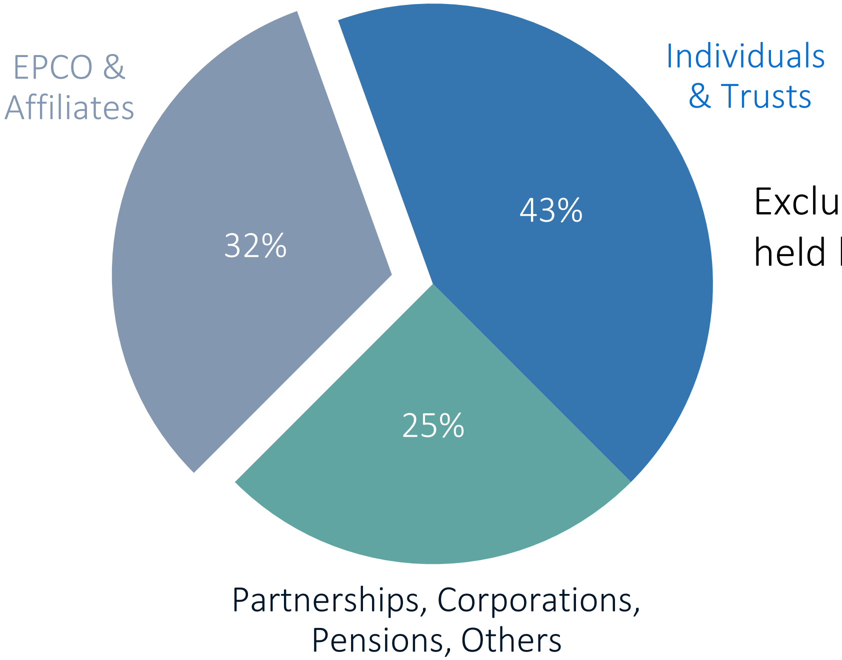

For a definition of Leverage Ratio, see Appendix.
Unless otherwise noted, all figures are as of December 31, 2022
(1) 2026 includes January issuance of $750 million; excludes $495 million in commercial paper notes and maturities beyond 2027
(2) Reflects maturity of $1.25 billion in March 2023
(3) As of January 31, 2023, and assumes repayment of Senior Notes HH due in March 2023

# Long-Term, Distribution-Focused Unitholders

## Over 50% of Units Held for 5+ Years

### EPD Common Unit Ownership by Type

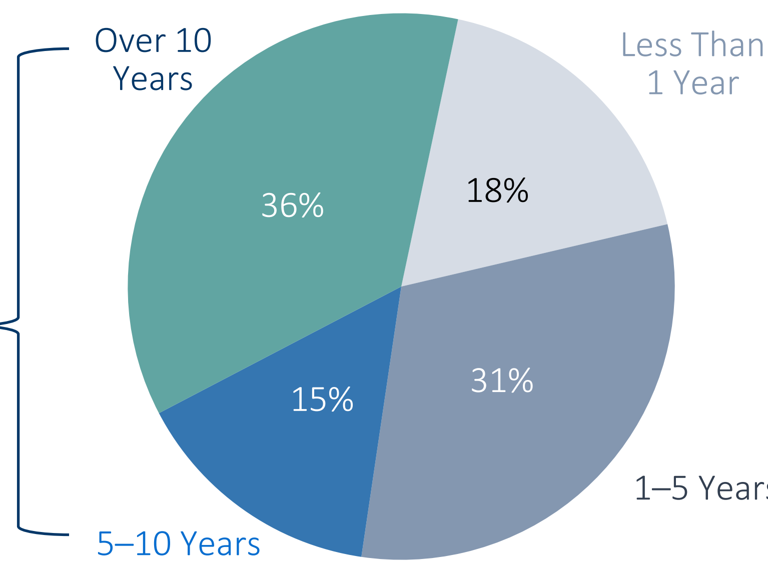
2.2 Billion Common Units Outstanding




Excluding EPCO & Affiliates, 63% of remaining units are held by Individuals & Trusts[(1)]

### Length of Common Unit Ownership[(2)]

51% of units have been held for 5+ years

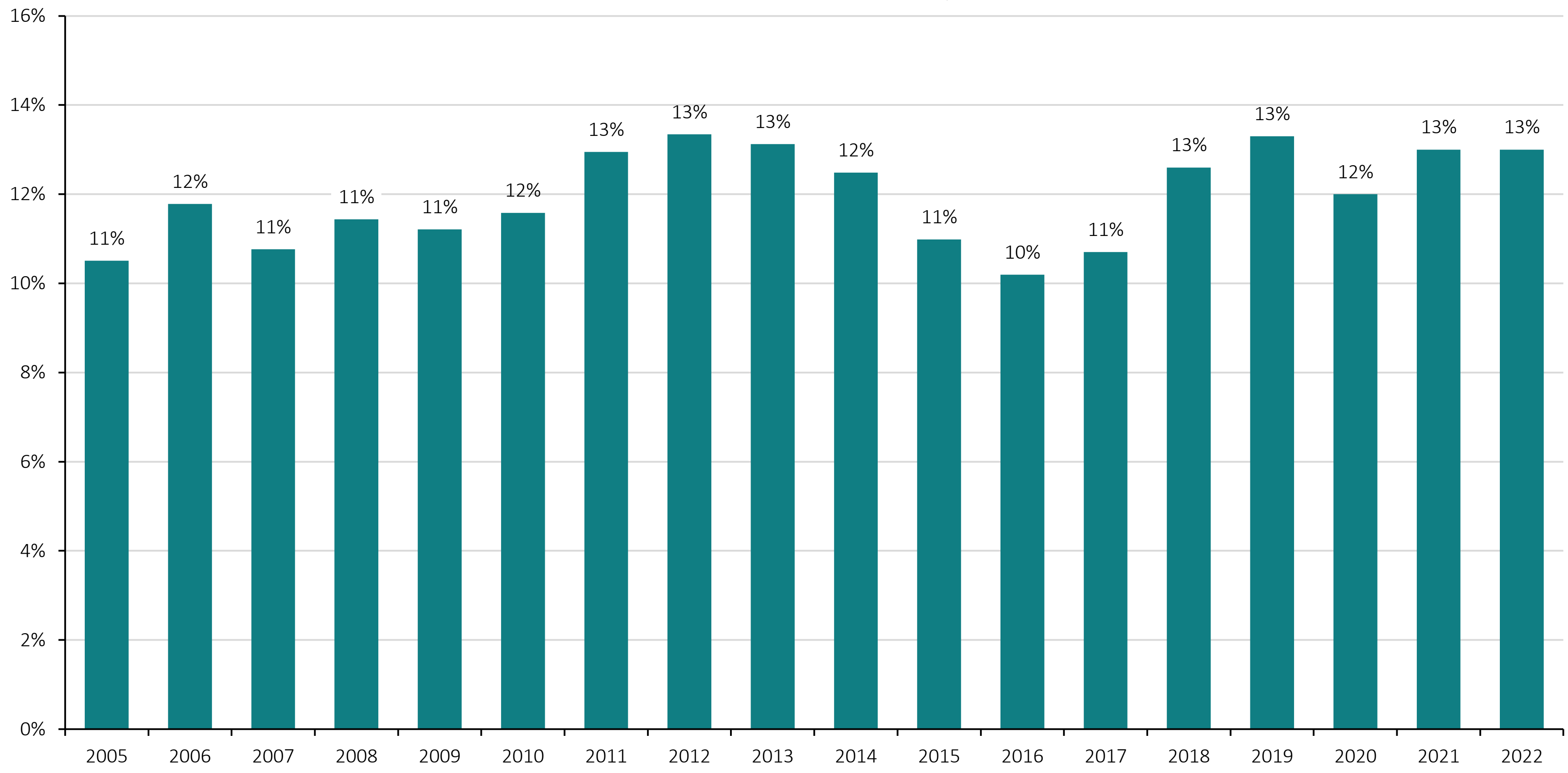



Sources: Estimates based on EPD 2021 10-K and PwC 2021 K-1 database
(1) Per PwC 2021 K-1 database
(2) Includes units owned by EPCO affiliates

# Enterprise's History of Returning Capital

## Attractive, Long-Term Returns

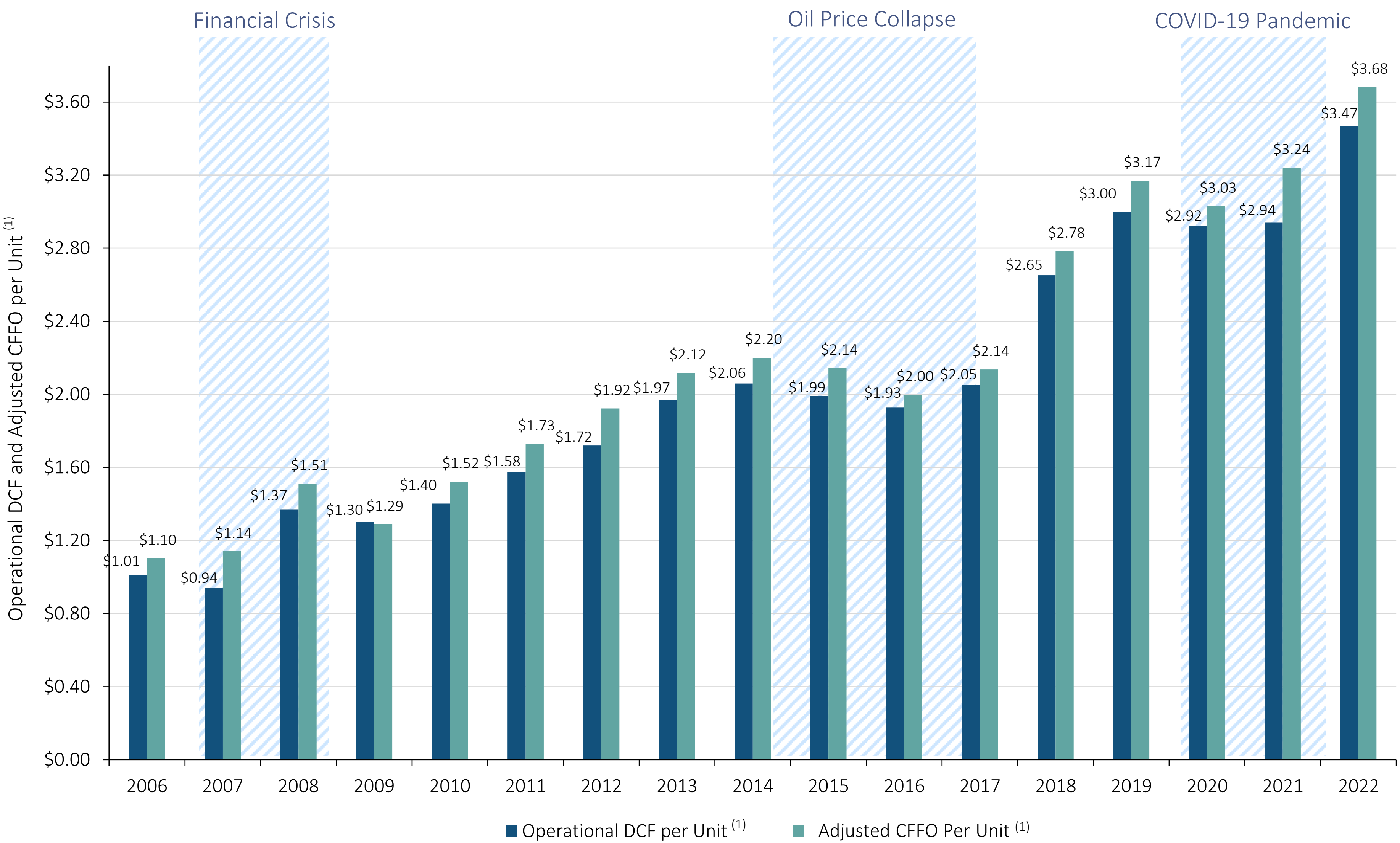
EPD's Historical Return on Invested Capital ("ROIC")(1) (2) (3)




(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 Durability

## A Track Record of Resilience

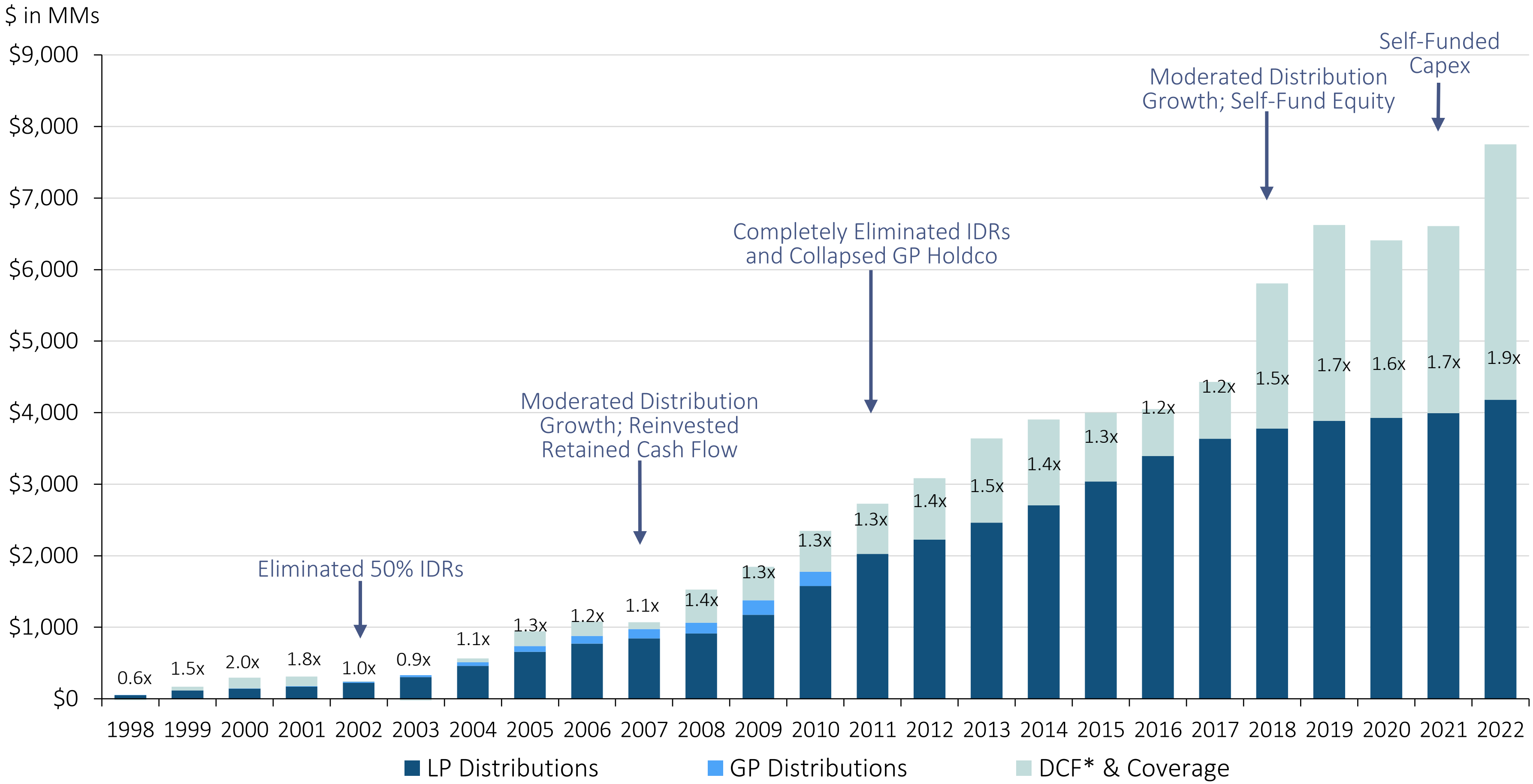



Source: EPD
(1) For a definition, please see Appendix.

# Returning Capital to Unitholders

## Distribution Stability and Growth Remains a Core Focus

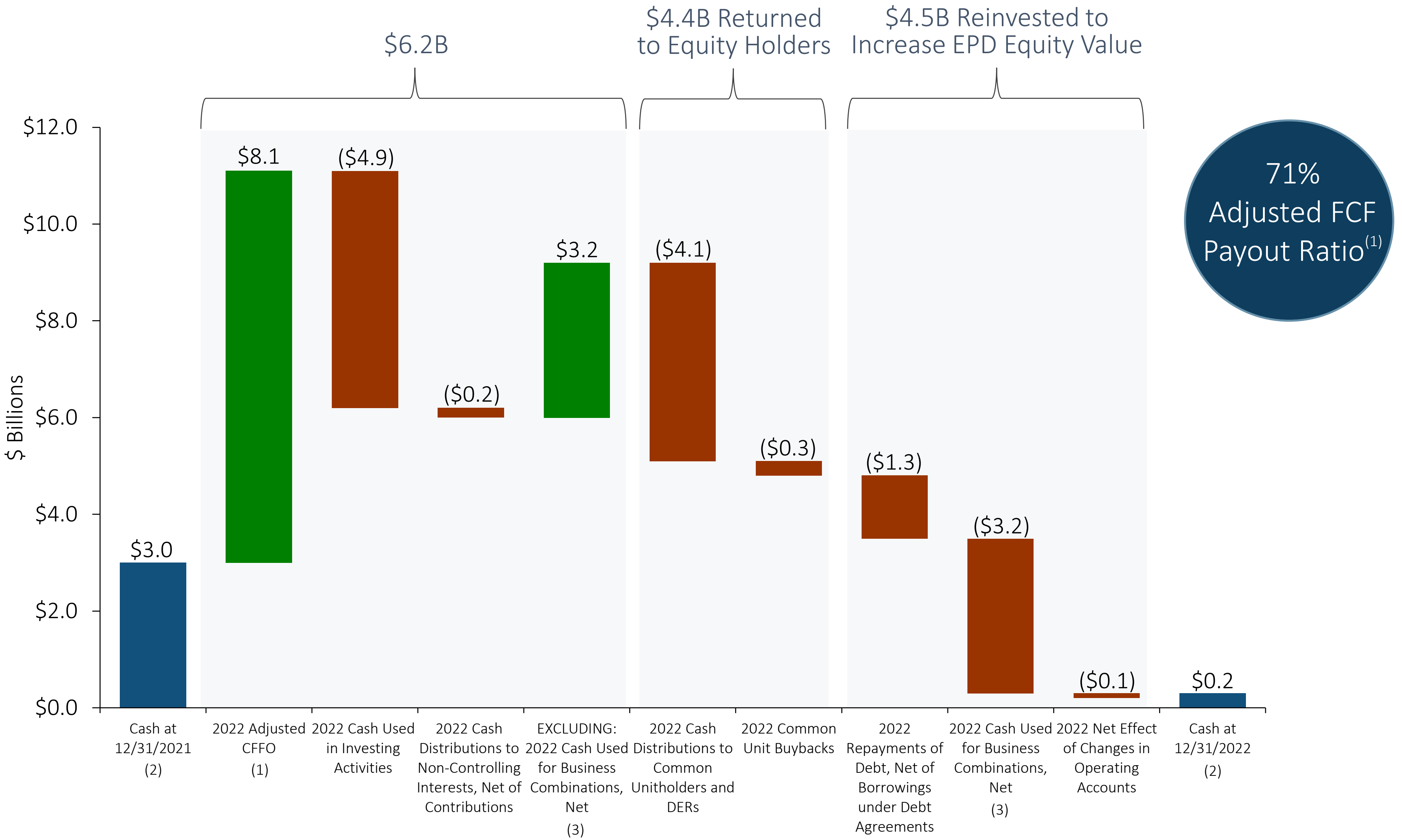
24 consecutive years of distribution growth and $47.4 Billion returned to unitholders via LP distributions & unit buybacks




*Please see our website for the reconciliation of Distributable Cash Flow ("DCF") to its nearest GAAP measure.

# Returning Capital to Equity Investors

## 2022 Results




(1) See definitions. Adjusted CFFO is a Non-GAAP measure. For a reconciliation of this amount to its nearest GAAP counterpart, see "Non-GAAP Financial Measures" in the Appendix.
(2) Represents the total ending balance of cash and cash equivalents, including restricted cash, as of the specified date
(3) Includes the Navitas Midstream (Midland Basin natural gas gathering and processing) acquisition, which closed in February 2022

# Financial Objectives

- Invest in midstream energy infrastructure with attractive, long-term returns on investment
- Support and grow cash distributions to partners
- Buybacks
- Support strong balance sheet and financial flexibility

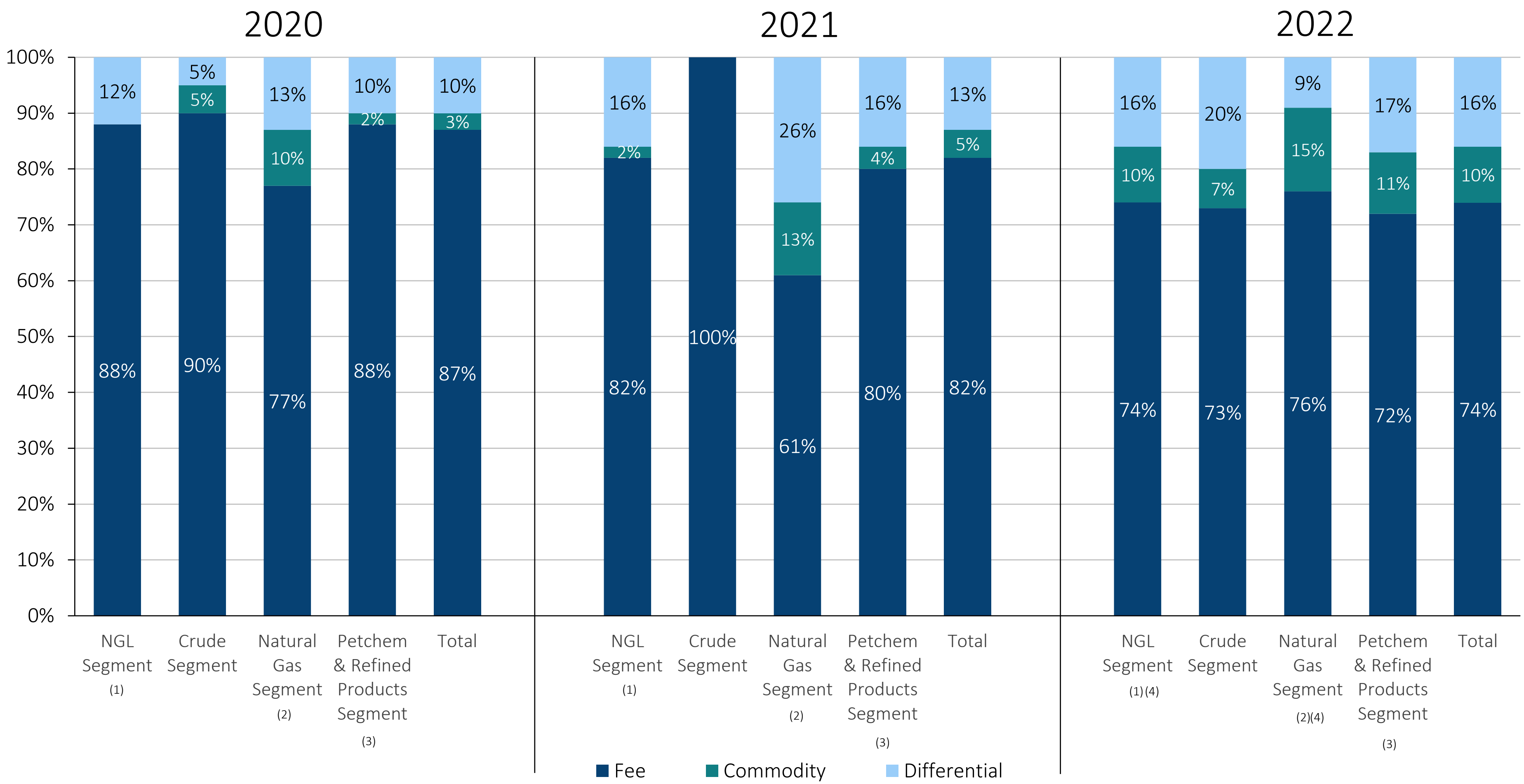
ALL OF THE ABOVE

# Appendix
## Financials & Non-GAAP Reconciliations

Enterprise Products
Partners L.P.

# Indicative Attribution of Segment GOM

## As of Year-End 2022




Based on Gross Operating Margin

(1) Differential-based may include: marketing transactions, location or commodity differentials and keepwhole gas processing agreements. Commodity-based may include: percent of liquids and percentage of proceeds gas processing agreements.

(2) San Juan gathering generates commodity sensitive earnings. The largest net differential contribution was from natural gas marketing.

(3) Largest differential contributions were from propylene and octane enhancement marketing.

(4) Includes Navitas gross operating margin from 2/17/2022 through 12/31/2022.

Total gross operating margin is a Non-GAAP measure. For a reconciliation of these amounts to their nearest GAAP counterparts, see “Non-GAAP Financial Measures” on our website.

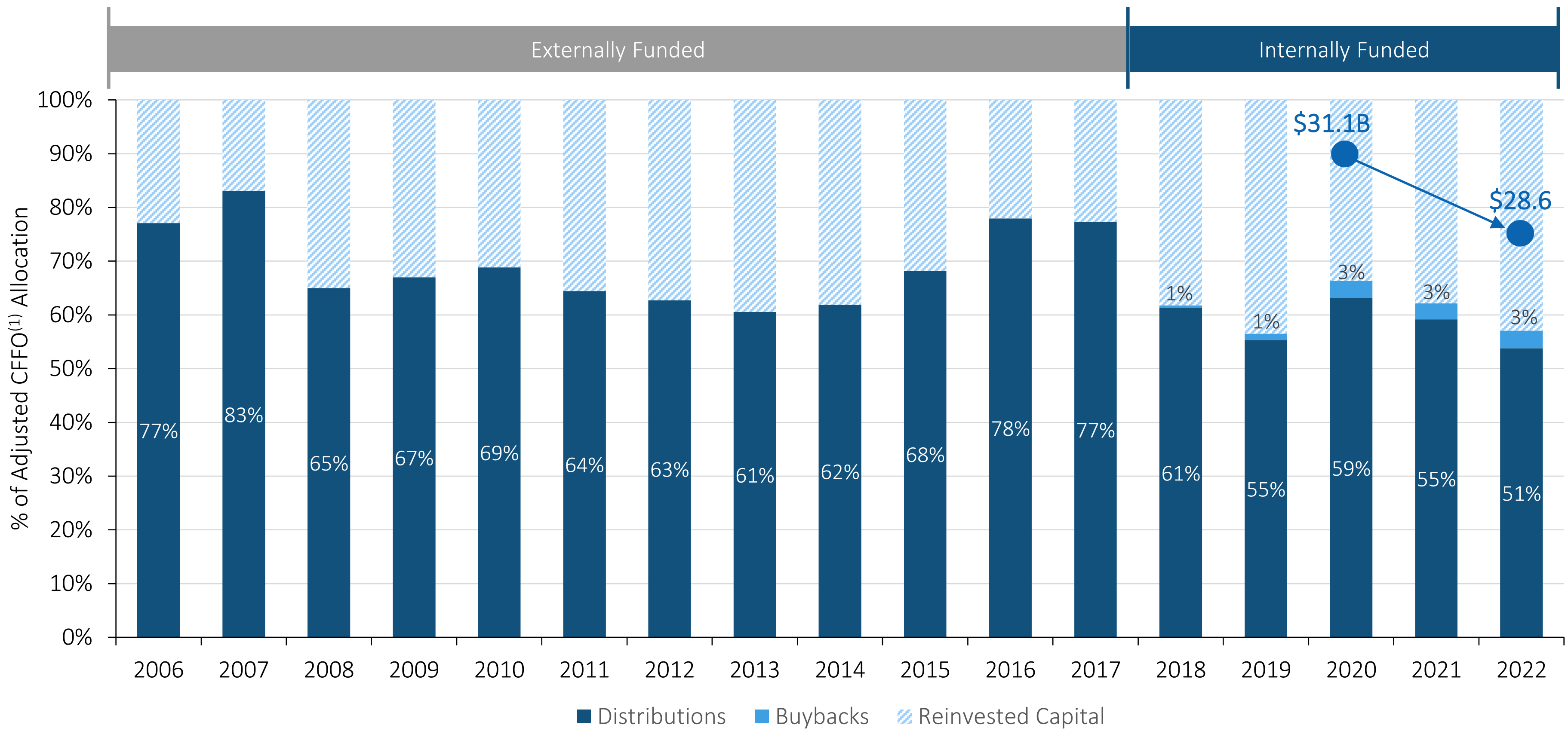
The amounts above are adjusted to exclude non-cash MTM results for the respective periods.

# History of Returning Capital to Partners

## Adjusted CFFO[1]

- Distributions include: GP & LP distributions paid and distribution equivalent rights
- Excess cash flow from operations goes towards funding distributions, repayments of debt and growth capital projects

We continue to reduce debt principal, a total reduction of ≈$1.3B since "peak debt" in 2020




(1) For a definition, please see Appendix.

# Total Return Since 1998 of XLE, SPX and EPD


Source: Bloomberg as of January 31, 2023; EPD, XLE, and SPX values represent the total return of the applicable stock or fund since 12/31/1998, including dividends
Past results may not be indicative of future performance.

# Indicative Attribution of GOM

Slide 38 attributes gross operating margin ("GOM") among fee-based, commodity-based and differential-based business activities. Most activities fit easily into one category; however, the classification of certain activities involves an element of subjectivity. The classifications reflected in the following slides represent what we currently believe is the most logical fit of our business activities into the categories described below, based on the underlying fee or pricing characteristics applicable thereto.

These classifications may be subject to change in the event that management's estimates or assumptions underlying such classifications are revised or updated. In addition, our attribution of GOM into the categories described below may not be comparable to similar classifications by other companies because such companies may use different estimates and assumptions than we do in defining such categories or otherwise calculating such attributions.

Three categories of GOM:

- Fee-based: Pipeline transportation fees and tariffs, NGL and propylene fractionation fees, storage capacity reservation and throughput fees, export terminal fees, marine and trucking fees, fee-based natural gas processing arrangements, isomerization and dehydrogenation fees, demand and deficiency fees, and similar activities that are predominantly fee-oriented.
- Commodity-based: Percentage-of-liquids and percentage-of-proceeds natural gas processing arrangements, certain condensate sales, gathering revenues on our San Juan natural gas pipeline system, and similar activities that have commodity price exposure.
- Differential-based: Certain business activities where earnings are generated based on price differentials or spreads between locations, time periods and products in excess of any related fees, tariffs and other expenses.

# 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.**

**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

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.

Our calculation of DCF may or may not be comparable to similarly titled measures used by other companies. The GAAP financial measure most directly comparable to DCF is net cash flows provided by operating activities. For additional information regarding 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 – Non-GAAP Financial Measures"*** 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 2018–2022 (each ended December 31) or periods presented below (dollars in millions):

| | Total 2018 | Total 2019 | Total 2020 | Total 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | Total 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Net income attributable to common unitholders (GAAP) | $ 4,172.4 | $ 4,591.3 | $ 3,775 | $ 4,634 | $ 1,296 | $ 1,411 | $ 1,360 | $ 1,420 | $ 5,487 |
| *Adjustments to GAAP net income attributable to common unitholders to derive DCF (addition or subtraction indicated by sign):* | | | | | | | | | |
| Depreciation, amortization and accretion expenses | 1,791.6 | 1,949.3 | 2,072 | 2,140 | 551 | 566 | 558 | 570 | 2,245 |
| Cash distributions received from unconsolidated affiliates | 529.4 | 631.3 | 615 | 590 | 120 | 159 | 132 | 133 | 544 |
| Equity in income of unconsolidated affiliates | (480.0) | (563.0) | (426) | (583) | (117) | (107) | (111) | (129) | (464) |
| Asset impairment charges | 50.5 | 132.8 | 890 | 233 | 14 | 5 | 29 | 5 | 53 |
| Change in fair market value of derivative instruments | 16.4 | 27.2 | (79) | (27) | 42 | 52 | (48) | 32 | 78 |
| Change in fair value of Liquidity Option Agreement | 56.1 | 119.6 | 2 | - | - | - | - | - | - |
| Gain on step acquisition of unconsolidated affiliate | (39.4) | - | - | - | - | - | - | - | - |
| Sustaining capital expenditures | (320.9) | (325.2) | (294) | (430) | (75) | (82) | (77) | (138) | (372) |
| Other, net | 30.0 | 40.0 | (128) | (88) | (5) | 11 | 19 | 33 | 58 |
| *Subtotal DCF, before proceeds from assets sales and monetization of interest rate derivative instruments accounted for as cash flow hedges* | 5,806.1 | 6,603.3 | 6,427 | 6,469 | 1,826 | 2,015 | 1,862 | 1,926 | 7,629 |
| Proceeds from asset sales and other matters | 161.2 | 20.6 | 13 | 64 | 11 | 3 | 6 | 102 | 122 |
| Monetization of interest rate derivative instruments accounted for as cash flow hedges | 22.1 | - | (33) | 75 | - | - | - | | - |
| Distributable cash flow (non-GAAP) | 5,989.4 | 6,623.9 | 6,407 | 6,608 | 1,837 | 2,018 | 1,868 | 2,028 | 7,751 |
| *Adjustments to non-GAAP DCF to derive GAAP net cash flows provided by operating activities (addition or subtraction indicated by sign):* | | | | | | | | | |
| Net effect of changes in operating accounts, as applicable | 16.2 | (457.4) | (768) | 1,366 | 191 | 27 | (900) | 628 | (54) |
| Sustaining capital expenditures | 320.9 | 325.2 | 294 | 430 | 75 | 82 | 77 | 138 | 372 |
| Other, net | (200.2) | 28.8 | (42) | 109 | 42 | (8) | 5 | (69) | (30) |
| Net cash flows provided by operating activities (GAAP) | $ 6,126.3 | $ 6,520.5 | $ 5,891 | $ 8,513 | $ 2,145 | $ 2,119 | $ 1,050 | $ 2,725 | $ 8,039 |

# 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 – Non-GAAP Financial Measures"** on our website (www.enterpriseproducts.com) for more information regarding GOM, including additional reconciliation detail. The following table presents our calculation of GOM for the years 2018–2022 (each ended December 31) or periods presented below (dollars in millions):

| | Total 2018 | Total 2019 | Total 2020 | Total 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | Total 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Gross operating margin by segment: | | | | | | | | | |
| NGL Pipelines & Services | $ 3,830.7 | $ 4,069.8 | $ 4,182 | $ 4,316 | $ 1,225 | $ 1,327 | $ 1,296 | $ 1,294 | $ 5,142 |
| Crude Oil Pipelines & Services | 1,511.3 | 2,087.8 | 1,997 | 1,680 | 415 | 407 | 415 | 418 | 1,655 |
| Natural Gas Pipelines & Services | 891.2 | 1,062.6 | 927 | 1,155 | 220 | 229 | 278 | 315 | 1,042 |
| Petrochemical & Refined Products Services | 1,057.8 | 1,069.6 | 1,082 | 1,357 | 404 | 421 | 353 | 339 | 1,517 |
| Total segment gross operating margin (a) | 7,291.0 | 8,289.8 | 8,188 | 8,508 | 2,264 | 2,384 | 2,342 | 2,366 | 9,356 |
| Net adjustment for shipper make-up rights (b) | 34.7 | (24.1) | (85) | 53 | (6) | (22) | (21) | 2 | (47) |
| Total gross operating margin (non-GAAP) | 7,325.7 | 8,265.7 | 8,103 | 8,561 | 2,258 | 2,362 | 2,321 | 2,368 | 9,309 |
| *Adjustments to reconcile non-GAAP gross operating margin to GAAP operating income (addition or subtraction indicated by sign):* | | | | | | | | | |
| Depreciation, amortization and accretion expense in operating costs and expenses (c) | (1,687.0) | (1,848.3) | (1,962) | (2,011) | (514) | (531) | (524) | (538) | (2,107) |
| Asset impairment charges in operating costs and expenses | (50.5) | (132.7) | (890) | (233) | (14) | (5) | (29) | (5) | (53) |
| Net gains or losses attributable to asset sales and related matters in operating costs and expenses | 28.7 | 5.7 | 4 | (5) | (2) | - | (1) | 2 | (1) |
| General and administrative costs | (208.3) | (211.7) | (220) | (209) | (62) | (62) | (55) | (62) | (241) |
| Operating income (GAAP) | $ 5,408.6 | $ 6,078.7 | $ 5,035 | $ 6,103 | $ 1,666 | $ 1,764 | $ 1,712 | $ 1,765 | $ 6,907 |

(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.

ENTERPRISE

# 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 – Non-GAAP Financial Measures"*** on our website (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 2018–2022 (each ended December 31) or periods presented below (dollars in millions):

| | Total 2018 | Total 2019 | Total 2020 | Total 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | Total 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Net cash flow provided by operating activities (GAAP) | $ 6,126.3 | $ 6,520.5 | $ 5,891 | $ 8,513 | $ 2,145 | $ 2,119 | $ 1,050 | $ 2,725 | $ 8,039 |
| *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):* | | | | | | | | | |
| Cash used in investing activities | (4,281.6) | (4,575.5) | (3,121) | (2,135) | (3,532) | (336) | (441) | (645) | (4,954) |
| Cash contributions from noncontrolling interests | 238.1 | 632.8 | 31 | 72 | 2 | 2 | - | 3 | 7 |
| Cash distributions paid to noncontrolling interests | (81.6) | (106.2) | (131) | (154) | (42) | (40) | (33) | (48) | (163) |
| Free Cash Flow (non-GAAP) | 2,001.2 | 2,471.6 | 2,670 | 6,296 | (1,427) | 1,745 | 576 | 2,035 | 2,929 |
| Net effect of changes in operating accounts, as applicable | (16.2) | 457.4 | 768 | (1,366) | (191) | (27) | 900 | (628) | 54 |
| Adjusted Free Cash Flow (non-GAAP) | $ 1,985.0 | $ 2,929.0 | $ 3,438 | $ 4,930 | $ (1,618) | $ 1,718 | $ 1,476 | $ 1,407 | $ 2,983 |

# 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 – Non-GAAP Financial Measures"** on our website (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 2018–2022 (each ended December 31) or periods presented below (dollars in millions):

| | Total 2018 | Total 2019 | Total 2020 | Total 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | Total 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Net income (GAAP) | $ 4,238.5 | $ 4,687.1 | $ 3,886 | $ 4,755 | $ 1,331 | $ 1,440 | $ 1,392 | $ 1,452 | $ 5,615 |
| *Adjustments to GAAP net income to derive non-GAAP Adjusted EBITDA (addition or subtraction indicated by sign):* | | | | | | | | | |
| Depreciation, amortization and accretion in costs and expenses (a) | 1,723.3 | 1,894.3 | 2,010 | 2,055 | 527 | 543 | 536 | 550 | 2,156 |
| Interest expense, including related amortization | 1,096.7 | 1,243.0 | 1,287 | 1,283 | 319 | 309 | 309 | 307 | 1,244 |
| Cash distributions received from unconsolidated affiliates | 529.4 | 631.3 | 615 | 590 | 120 | 159 | 132 | 133 | 544 |
| Equity in income of unconsolidated affiliates | (480.0) | (563.0) | (426) | (583) | (117) | (107) | (111) | (129) | (464) |
| Asset impairment charges | 50.5 | 132.8 | 890 | 233 | 14 | 5 | 29 | 5 | 53 |
| Provision for or benefit from income taxes | 60.3 | 45.6 | (124) | 70 | 19 | 17 | 18 | 28 | 82 |
| Change in fair market value of commodity derivative instruments | 16.2 | (67.7) | (79) | (27) | 42 | 52 | (48) | 32 | 78 |
| Change in fair value of Liquidity Option Agreement | 56.1 | 119.6 | 2 | - | - | - | - | - | - |
| Gain on step acquisition of unconsolidated affiliate | (39.4) | - | - | - | - | - | - | - | - |
| Other, net | (28.7) | (5.7) | (4) | 5 | 2 | - | 1 | (2) | 1 |
| Adjusted EBITDA (non-GAAP) | 7,222.9 | 8,117.3 | 8,057 | 8,381 | 2,257 | 2,418 | 2,258 | 2,376 | 9,309 |
| *Adjustments to non-GAAP Adjusted EBITDA to derive GAAP net cash flows provided by operating activities (addition or subtraction by sign):* | | | | | | | | | |
| Interest expense, including related amortization | (1,096.7) | (1,243.0) | (1,287) | (1,283) | (319) | (309) | (309) | (307) | (1,244) |
| Net effect of changes in operating accounts, as applicable | 16.2 | (457.4) | (768) | 1,366 | 191 | 27 | (900) | 628 | (54) |
| Other, net | (16.1) | 103.6 | (111) | 49 | 16 | (17) | 1 | 28 | 28 |
| Net cash flows provided by operating activities (GAAP) | $ 6,126.3 | $ 6,520.5 | $ 5,891 | $ 8,513 | $ 2,145 | $ 2,119 | $ 1,050 | $ 2,725 | $ 8,039 |

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

# 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 – Non-GAAP Financial Measures"*** on our website (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 2018–2022 (each ended December 31) or periods presented below (dollars in millions):

| | Total 2018 | Total 2019 | Total 2020 | Total 2021 | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | Total 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Net cash flow provided by operating activities (GAAP) *(a)* | $ 6,126.3 | $ 6,520.5 | $ 5,891 | $ 8,513 | $ 2,145 | $ 2,119 | $ 1,050 | $ 2,725 | $ 8,039 |
| *Adjustments to reconcile net cash flow provided by operating activities to Adjusted Cash flow from operations* | | | | | | | | | |
| Net effect of changes in operating accounts, as applicable | (16.2) | 457.4 | 768 | (1,366) | (191) | (27) | 900 | (628) | 54 |
| Adjusted CFFO (non-GAAP) | $ 6,110.1 | $ 6,977.9 | $ 6,659 | $ 7,147 | $ 1,954 | $ 2,092 | $ 1,950 | $ 2,097 | $ 8,093 |

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