2021

# Letter to Investors

Enterprise Products Partners L.P.

# Partnership Profile

Enterprise Products Partners L.P. (Enterprise) is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services to producers and consumers of natural gas, natural gas liquids ("NGLs"), crude oil, petrochemicals and refined products.

## General Financial Data (Dollars in millions, except per unit amounts)

| | FOR THE YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|
| **INCOME STATEMENT DATA** | **2021** | **2020** | **2019** |
| Revenues | $40,806.9 | $27,199.7 | $32,789.2 |
| Operating income | 6,103.7 | 5,035.1 | 6,078.7 |
| Net income attributable to common unitholders | 4,634.1 | 3,774.7 | 4,591.3 |
| Diluted income per common unit | 2.10 | 1.71 | 2.09 |
| **BALANCE SHEET DATA** | | | |
| Total assets | $67,525.6 | $64,106.7 | $61,733.2 |
| Total debt | 29,535.1 | 29,865.7 | 27,625.1 |
| Total equity | 26,438.5 | 25,377.4 | 25,827.5 |
| **CAPITAL INVESTMENTS** | | | |
| Sustaining capital expenditures | $430.1 | $293.6 | $325.2 |
| Growth capital investments (a) | 1,815.1 | 3,030.5 | 4,334.2 |
| Cash contributions from noncontrolling interests (b) | 72.4 | 30.9 | 632.8 |
| Net growth capital investments (a - b) | 1,742.7 | 2,999.6 | 3,701.4 |
| **OTHER FINANCIAL DATA** | | | |
| Total gross operating margin (non-GAAP)[1] | $8,562.3 | $8,102.4 | $8,265.7 |
| Adjusted EBITDA (non-GAAP)[1] | 8,381.3 | 8,055.7 | 8,117.3 |
| Cash distribution declared per common unit | 1.815 | 1.785 | 1.765 |
| Annual cash distribution rate at December 31[2] | 1.86 | 1.80 | 1.78 |
| Cash distribution coverage[3] | 1.7x | 1.6x | 1.7x |
| Number of common units outstanding at December 31[4] | 2,176.4 | 2,182.3 | 2,189.2 |

GENERAL FINANCIAL DATA

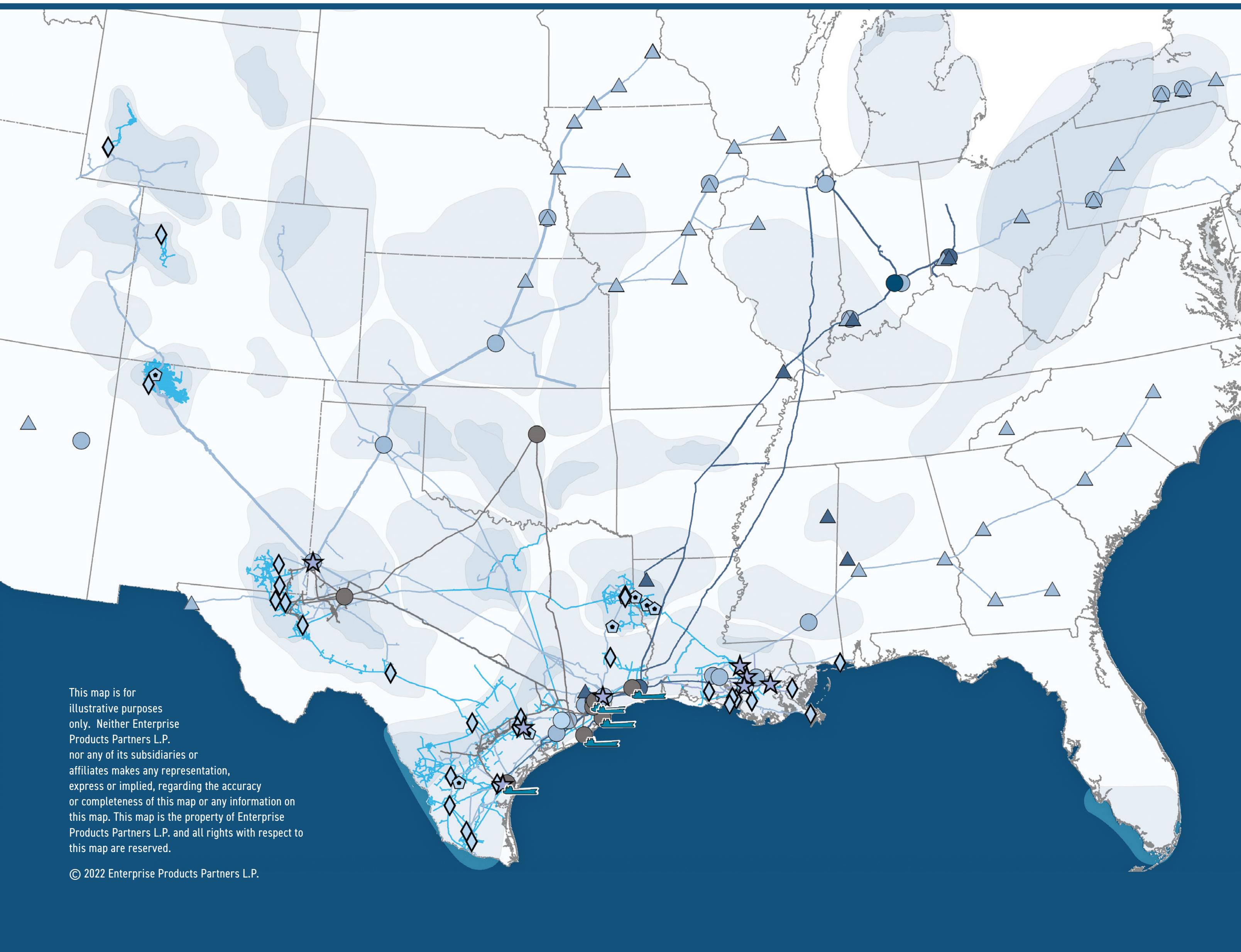
(1) See page 9 for a reconciliation of this Non-Generally Accepted Accounting Principles (GAAP) financial measure to its most directly comparable GAAP financial measure.
(2) Cash distributions declared per common unit represent cash distributions declared with respect to the four fiscal quarters of each year represented. The annual cash distribution rate at December 31 is the annualized quarterly rate declared for the fourth quarter each year.
(3) Represents ratio of DCF to distributions declared with respect to the period. See page 10 for a reconciliation of DCF (a Non-GAAP financial measure) to its most directly comparable GAAP financial measure.
(4) Reflects actual number of Enterprise common units outstanding at December 31 for the periods presented.

# Asset Overview

- 75 MMBbls CRUDE OIL TERMINAL/STORAGE
- 1 OCTANE ENHANCEMENT FACILITY
- 116 MBPD BUTANE ISOMERIZATION CAPACITY
- 7 PROPYLENE FRACTIONATION FACILITIES
- 25 MBPD PDH FACILITY
- 28 MMBbls REFINED PRODUCTS TERMINAL/STORAGE
- 64 TOW BOATS AND 157 TANK BARGES MARINE SERVICES
- 19 IMPORT/EXPORT SHIP DOCKS
- 20 NATURAL GAS PROCESSING FACILITIES
- 18 NGL FRACTIONATORS
- 14 Bcf NATURAL GAS STORAGE CAPACITY
- 177 MMBbls NGL TERMINAL/STORAGE

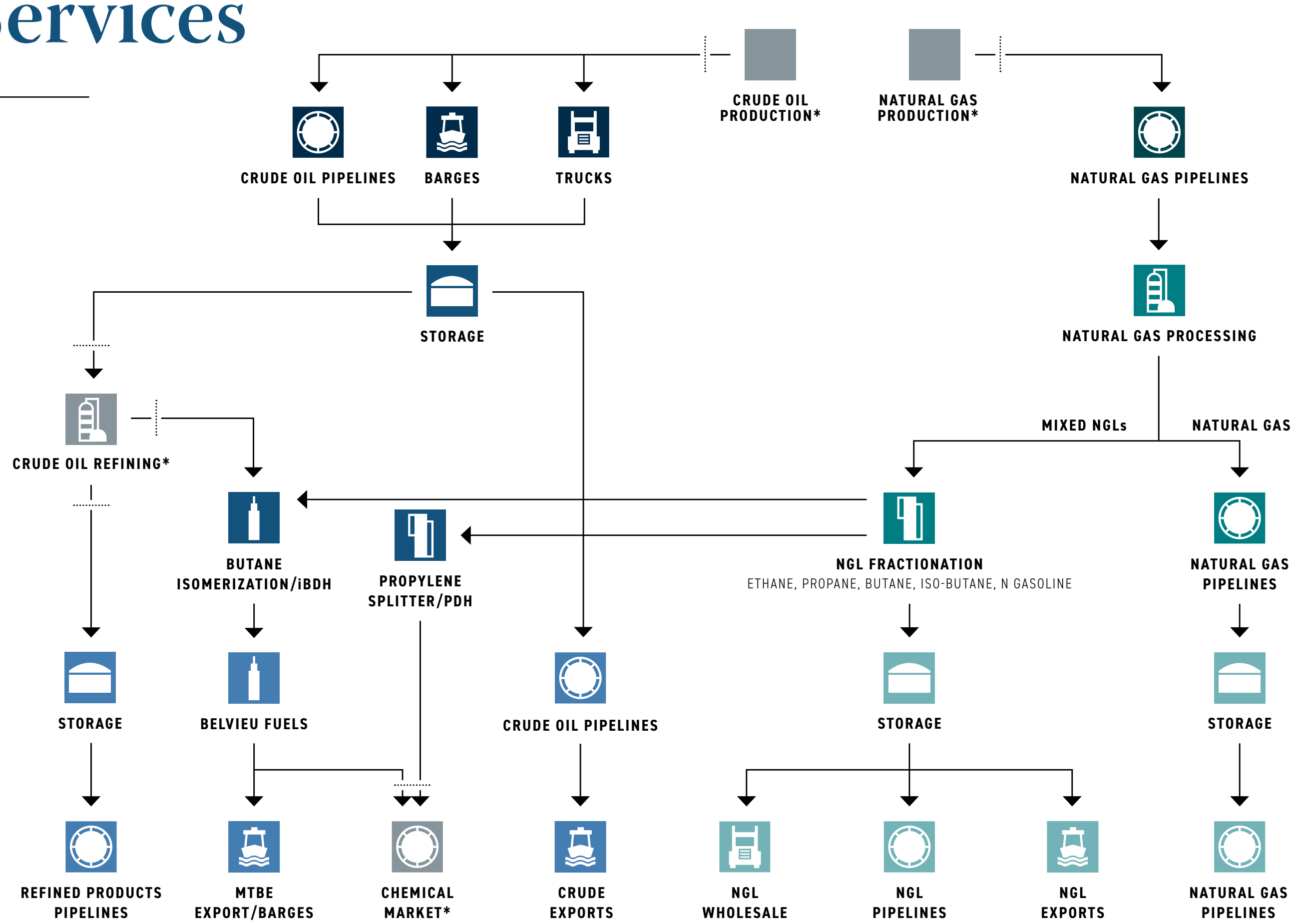
**PIPELINES**

| 19,079 miles | 19,803 miles | 5,737 miles | 3,038 miles | 985 miles |
|---|---|---|---|---|
| Natural Gas | NGL | Crude Oil | Refined Products | Petrochemical |



This map is for illustrative purposes only. Neither Enterprise Products Partners L.P. nor any of its subsidiaries or affiliates makes any representation, express or implied, regarding the accuracy or completeness of this map or any information on this map. This map is the property of Enterprise Products Partners L.P. and all rights with respect to this map are reserved.

# Midstream Energy Services




* 3rd Party Activity

# Map Key

- Fractionation Facility
- Gas Processing Facility
- Gas Treating Facility
- Underground Liquids Storage
- Crude Storage
- Other Liquids Storage
- Natural Gas Storage
- NGL Terminal
- Other Liquids Terminal
- Dock
- NGL Pipeline
- Crude Pipeline
- Other Liquids Pipeline
- Natural Gas Pipeline

AS GENERALLY USED IN THE ENERGY INDUSTRY AND IN THIS REPORT, THE ACRONYMS BELOW HAVE THE FOLLOWING MEANINGS:

Bcf = billion cubic feet
Bcf/d = billion cubic feet per day
MMBbls = million barrels
MBPD = thousand barrels per day
MMBPD = million barrels per day
NGLs = natural gas liquids
LPG = liquefied petroleum gas
PDH = propane dehydrogenation
iBDH = isobutane dehydrogenation
PGP = polymer grade propylene

# Letter to Our Investors

**2021 WAS ANOTHER SUCCESSFUL YEAR FOR ENTERPRISE.** Our diversified footprint of integrated midstream assets and services, coupled with the efforts of our employees, enabled us to report 17 financial and operating records in 2021, including $8.6 billion of Total Gross Operating Margin, $8.5 billion of Cash Flow From Operations ("CFFO") and record safety performance. Our financial performance enabled us to continue our history of responsibly returning capital to investors, with 2021 representing our 23rd consecutive year of distribution growth, or every year since our initial public offering ("IPO") in 1998. The partnership also repurchased $200 million of Enterprise common units ("buybacks") during the year. We have now utilized 24 percent of the $2 billion buyback facility our board of directors authorized in 2019.

## Strong Financial Performance

During 2021, three of our four business segments reported record Gross Operating Margin. This performance generated $6.6 billion of Distributable Cash Flow ("DCF"), which provided 1.7 times coverage of the distributions paid with respect to 2021. We retained $2.6 billion of DCF, which allowed us to entirely self-fund our $1.8 billion of growth capital investments in 2021.

In terms of traditional cash flow metrics, the partnership generated $8.5 billion of CFFO and $6.6 billion of Free Cash Flow ("FCF"). Both CFFO and FCF included $1.4 billion of net cash provided by changes in working capital.

The payout ratio to our limited partners in 2021, which is the sum of cash distributions and buybacks as a percent of CFFO and FCF before changes for working capital, was 58 percent and 84 percent, respectively, which compared favorably to the payout ratio of our midstream peers and the S&P 500.

## Investing for the Future

In 2021, the partnership completed and put into service $1.5 billion of growth capital projects. We completed an expansion of our Acadian natural gas pipeline system, including the Gillis lateral pipeline in the fourth quarter of 2021, which delivers natural gas from the Haynesville shale producing region of North Louisiana to interconnecting pipelines that supply liquefied natural gas ("LNG") to export terminals on the Gulf Coast. The Gillis Lateral pipeline has the capability to transport up to 1.0 billion cubic feet per day ("Bcf/d") of natural gas. In October 2021, we finished construction on and began operations for a natural gasoline hydrotreater facility at our Chambers County complex, which reduces the sulfur content in blend stocks used to reduce the cost of motor gasoline. These projects were underwritten by long-term, fee-based contracts. We have another $2.2 billion of growth capital projects under construction slated to come online in 2022 and 2023, giving us clear visibility to new sources of future cash flows.

The partnership's largest organic growth project under construction is our second propane dehydrogenation ("PDH 2") plant located at our Chambers County complex. This facility will have the capacity to convert up to 35 thousand barrels per day ("BPD") of propane into 1.65 billion pounds of high purity polymer grade propylene, which makes Enterprise one of the largest merchant producers of polymer grade propylene in the world. Demand for propylene is typically durable and historically has grown at an approximate 1.4 times multiplier to global gross domestic product ("GDP") growth. This facility is fully contracted under long-term contracts. It is on budget and on schedule to be completed in the second quarter of 2023.

This facility will provide the partnership with another source of fee-based cash flow and will generate additional fees for our associated natural gas liquids ("NGL") and propylene assets that facilitate PDH 2 activities. We can also use the hydrogen produced from the PDH 2 as a clean fuel to reduce process carbon emissions while also reducing operational expenses associated with natural gas consumption. We are evaluating similar opportunities at our PDH 1 and our isodebutanizer ("iBDH") facilities to further reduce our emissions as the hydrogen produced at those sites come off contract.

## Navitas Midstream Acquisition

In February 2022, we completed our first notable acquisition since 2015. Enterprise acquired Navitas Midstream Partners, LLC ("Navitas Midstream") in a debt-free transaction for $3.25 billion. Navitas Midstream provides natural gas gathering, treating and processing services in the core of the Midland Basin within the broader Permian Basin. Navitas Midstream's assets include approximately 1,750 miles of pipelines and more than 1.0 Bcf/d of cryogenic natural gas processing capacity.

This acquisition provides Enterprise's natural gas processing and NGL business with an entry point into the Midland Basin, one of the most economic and prolific crude oil regions in the United States. Drilling activity in the Midland Basin currently represents approximately 20 percent of active onshore drilling rigs in the United States. The system is anchored by long-term contracts and acreage dedications with a diverse group of independent and publicly owned producers.

Navitas Midstream provides visibility to future growth with up to 10,000 drilling locations, or more than fifteen years of drilling inventory based on current rig counts on the dedicated acreage. Construction of a sixth plant, a 300 million cubic feet per day ("MMcf/d") cryogenic facility, is in the early stages and expected to be completed and begin service in the second quarter of 2023. The system is supported by fee-based contracts that provide additional revenues based on commodity prices. We believe that in the current period of global underinvestment in fossil fuel resources, commodity prices will be higher and this additional exposure to commodity prices will provide additional returns on our capital investment. This acquisition is expected to be immediately accretive to cash flow per unit.

## Energy Supply / Demand Outlook Supply

The COVID-related economic shutdowns of 2020 resulted in a collapse in both the demand for and prices of crude oil, natural gas, NGLs and refined products. Petrochemical demand, however, was resilient with plastics demand as measured by ethylene and propylene consumption holding steady in 2020, and with preliminary indications of 3.6 percent and 4.6 percent growth in 2021, respectively. This sudden economic recession, followed by a sharp recovery in 2021, has led to a whiplash effect on the global economy, including supply chains and the energy sector. Most notably, it exacerbated the free fall in capital investment to develop hydrocarbons globally.

During 2021, the rollout of numerous COVID-19 vaccines and treatments enabled the global economy to make significant strides in its recovery. According to the Energy Information Administration ("EIA"), global GDP for 2021 increased 5.7 percent from 2020. Prior to Russia's invasion of Ukraine in 2022, global GDP in 2022 was forecasted to expand by an additional 4.2 percent. This economic growth is driving a significant rebound in the demand for manufactured products as well as energy and petrochemicals.

In its February 2022 report, the EIA forecasted 2022 global oil demand will increase by an additional 3.5 million BPD, to exceed pre-COVID 2019 levels. This demand recovery coupled with the underinvestment and geopolitical concerns has resulted in Brent crude oil prices rising steadily from $43 per barrel in mid-2020 to more than $120 per barrel in the first quarter of 2022. Industry forecasts and the financial futures indicate crude oil prices will remain relatively strong throughout 2022 and 2023.

In the United States, the EIA reported that average U.S. crude oil production decreased 1.0 million BPD in 2020, to 11.3 million BPD. Production for 2021 declined by another 100 thousand BPD to 11.2 million BPD. The EIA expects U.S. crude oil production to continue to recover throughout 2022, and to average 12.3 million BPD in the fourth quarter of 2022, which compares to pre-COVID levels of 12.9 million BPD in the fourth quarter of 2019. We believe from the end of 2021 until the end of 2025, U.S. crude oil production and NGL production could increase by 2.2 million BPD and 0.8 million BPD, respectively, primarily driven by volume growth in the Delaware and Midland regions in the Permian Basin.

Enterprise's assets are well situated to participate in these macroeconomic trends, both in the production and consumption of hydrocarbons. With 4.3 million barrels of refining capacity and access to both domestic and international markets, we believe the Houston region will become the major supply hub and pricing point for crude oil in the United States. The Mont Belvieu area of southeast Texas is not only the major supply hub for NGLs in the U.S., but also for the world.

## Energy Evolution: Complexities, Challenges and Opportunities

To address concerns for global warming, policy makers in many developed countries are advocating for and implementing policies with the goal of significantly reducing or eliminating global carbon emissions that occur from the use of fossil fuels, including those from crude oil, natural gas and NGLs. Many countries have goals of net zero emissions by 2050. These aspirational goals are encapsulated under the banner "Energy Transition." We believe the term "transition" significantly understates the historic complexity and substantial cost to replace the world's dominant sources of affordable energy and raw materials.

## The Complexities and Challenges

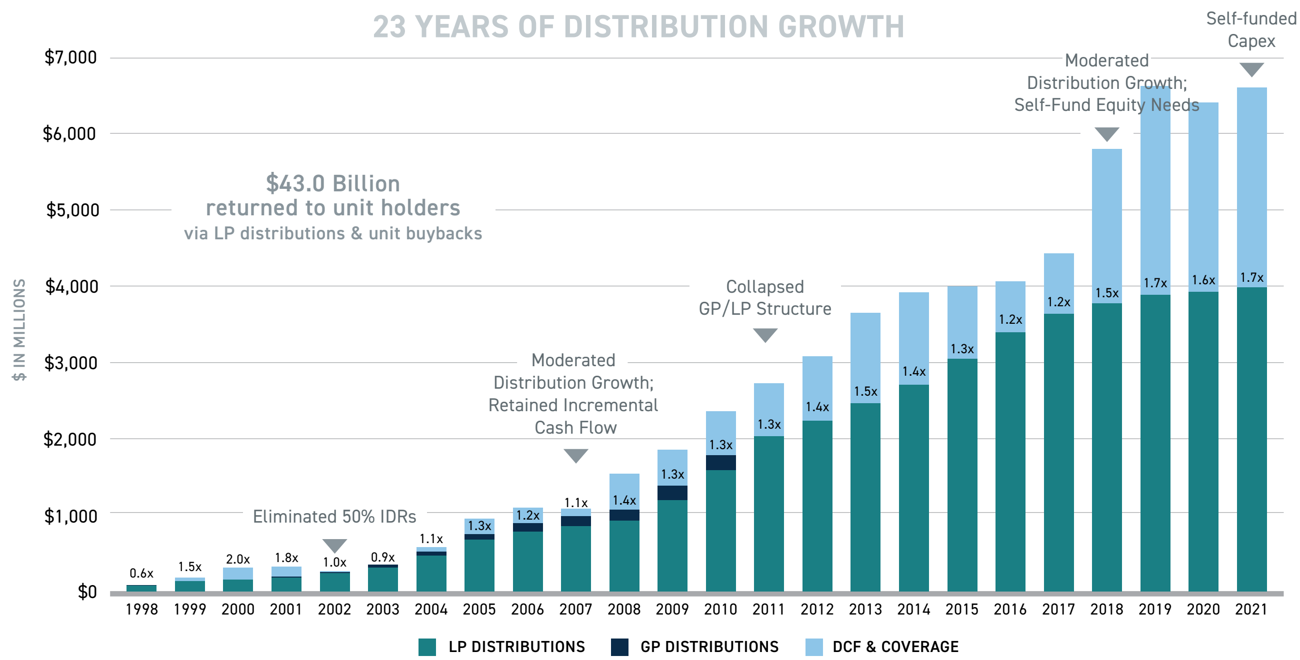
We prefer to use the term "Energy Evolution." As energy historian and Pulitzer Prize–winning author Daniel Yergin noted in *the Atlantic*, November 2021, "Since 1709, not only have past energy transitions been difficult, they have really been 'energy additions.' That is, adding another source of energy to the mix rather than eliminating the incumbent." We couldn't agree more. Yes, power generation from wind and solar is important as an additional source of energy to help meet the ongoing growth in global demand, but it will not be enough. The International Energy Agency forecasts, and we concur, the need for fossil fuels will continue to grow for decades to come. Energy and products derived from crude oil, natural gas and NGLs are the bedrock of modern society (see chart page 6). The expectation of increasing demand is also driven by the world's population continuing to grow by one billion people approximately every twelve years and the fact that more than one-third of the global population are currently living in energy poverty. As United Nations' data proves, the availability of affordable energy is the solution to improve human health, increase life expectancy, escape poverty and promote global economic growth. As one analyst puts it "energy *is* the economy."

Total Gross Operating Margin, Adjusted EBITDA, DCF and FCF are non-generally accepted accounting principle ("non-GAAP") financial measures that are defined and reconciled later in this letter.

# Successful History of Execution

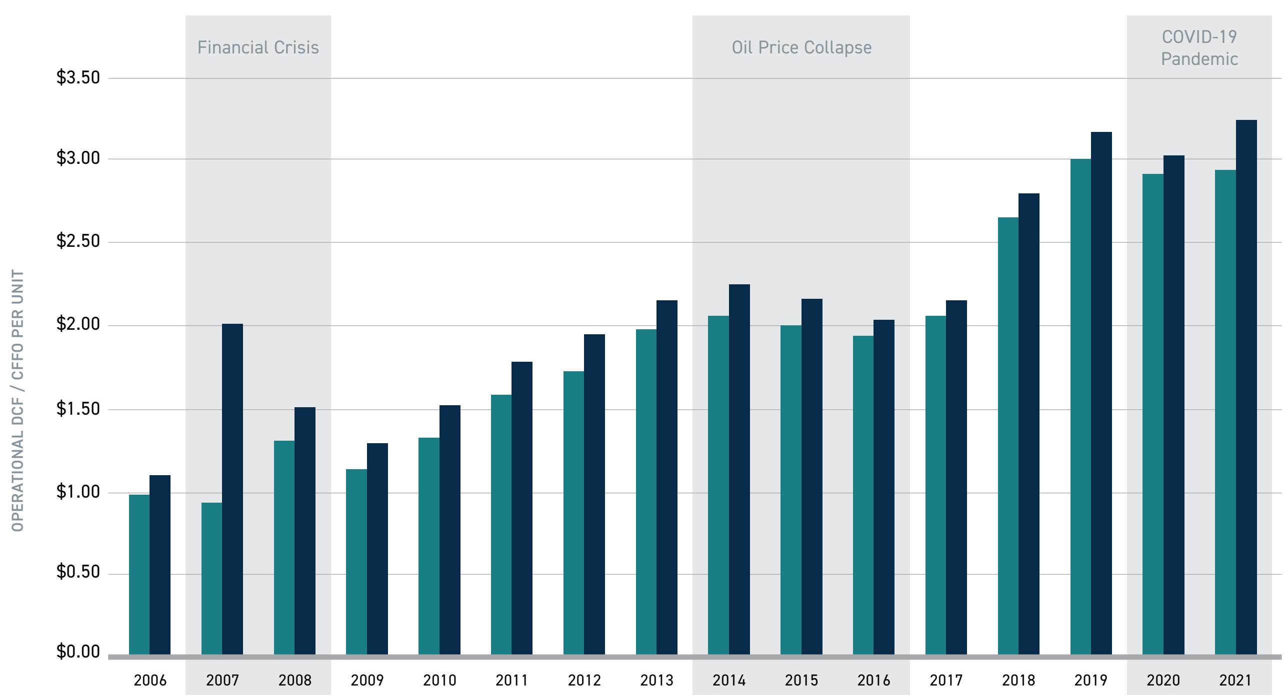
## Preserve, Protect and Provide Partners Reliable / Growing Distributions

*Dependable distribution growth and cash flow coverage in excess of distributions*
*Solid balance sheet; BBB+ rated (highest in the midstream space) and 2021 net leverage ratio of 3.1x*




*Past results may not be indicative of future performance*

# Successful History of Cash Flow per Unit Durability




Operational Distributable Cash Flow ("DCF") represents DCF excluding proceeds from asset sales and property damage insurance claims and net receipts/payments from the monetization of interest rate derivative instruments.
CFFO per unit is defined as net cash flows provided by operating activities, excluding the net effect of changes in operating accounts, divided by the diluted weighted-average number of units outstanding.

To date, these green energy evolution policies and incentives (which can take the form of regulatory mandates, production tax credits, subsidies, emissions trading systems and rebates) typically promote the use of wind, solar, green hydrogen and other forms of renewable energy and the use of electric vehicles, heating and cooking appliances to reduce the use of nuclear and fossil fuels. This is resulting in more and more applications being dependent on the electric power grid and has the unintentional consequence of making society more vulnerable as the electric grid becomes an inevitable single point of failure. As more intermittent wind and solar power generating facilities are installed, it is becoming apparent that these "must take" facilities are eroding the economic viability and reliability of existing coal and natural gas fired power generation plants. At times, during extended periods when the wind does not blow or the sun does not shine, traditional power generation facilities have had challenges filling the void. This is due to either coal or natural gas supplies not being scheduled or readily available or the plants not being able to afford to invest the capital necessary to maintain readiness 24/7/365. Also, many of these traditional power generation facilities were designed to be baseload facilities, not swing facilities that must begin generation instantaneously to secure the grid. For example, think of the blackouts in Texas, in February 2021, and the European energy crisis now.

In its May 2021 report on "The Role of Critical Minerals in Clean Energy Transitions," the IEA highlighted the challenges of exploring, mining and refining sufficient quantities of cobalt, lithium, nickel, copper and rare earth minerals to supply the forecasted demand growth required to facilitate an "everything electrical" world. These are just a few of the reasons that we believe the "energy transition," as currently contemplated, will be slower, more complex, more inflationary and detrimental to global economic growth than policy makers envision or have communicated to the public at large. It will take the form of an evolution or an addition of energy rather than a replacement.

## The Opportunities and Enterprise's Role

In May 2021, Enterprise formed the Evolutionary Technologies Team to identify and assess opportunities to manage our own carbon footprint while also providing our customers with solutions to meet their environmental goals. The team has four primary focus areas: carbon capture and storage, hydrogen, low carbon fuels, and plastics recycling. In each of the four areas, we look to utilize new technologies while leveraging our extensive asset footprint to provide services that are profitable and complementary to our existing business model while advancing a circular and low carbon economy. With our existing assets, capabilities, experience and relationships, we believe we are a natural fit to provide these services. Our customers will appreciate that these new focus areas are no different from our core midstream businesses, and they can expect the same high level of reliability and customer support. We have had hundreds of meetings with customers and strategic partners to better understand goals and collaborate on low carbon solutions. We are very encouraged by the progress this team has made in such a short period of time.

# Petrochemicals are Essential

Petrochemicals are essential for modern everyday life. Petrochemical demand accounts for 60% of projected oil demand growth in the next decade, largely driven by rising demand for plastics

### ELECTRONICS AND EVERYDAY GOODS

- Solvents, silicones and coatings for semiconductors, display and electronics manufacturing
- Food packaging
- Clothing and footwear
- Textiles
  carpets, furniture
- Deodorants and cosmetics
- Detergents
- Diapers
- Sports equipment

### TRANSPORTATION RELATED

- Lighter vehicle exteriors
  cars, planes, boats
- Synthetic rubber tires
- Fuel additives
- Engine coolants
- Interior panels, seats and carpet
- Coatings
- Insulation
- Paints
- Road Paving Materials

### MEDICAL FIELD

- Pharmaceuticals
- Sterile packaging (single-use)
  IV bags, syringes, medicine bottles, liners
- Ethyl-alcohol / hand sanitizer
- Equipment
  ventilators, heart rate monitors, suction machines, defibrillators, oxygen masks
- Personal protective equipment (PPE)
  gloves, gowns, face masks
- Room conveniences
  beds and textiles

### RENEWABLES & OTHER

- Wind turbine and solar panel parts
- Battery containers and parts
- Coatings
- Insulation
- Paints
- Unbreakable glass
- Agro-chemicals

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


# Did You Know?

More than 96% of all manufactured goods are directly touched by the petrochemicals industry

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

Plastics make up 50% of the volume of new cars and only 10% of the weight

Just 2 pounds of plastic can deliver 10 gallons of beverage; better than aluminum (3 pounds), steel (8 pounds) or glass (over 40 pounds)

Plastic building and construction materials save approximately 467 trillion Btus of energy per year (energy for 4.6 million U.S. households) which in turn reduces $CO_2$ emissions by 25 million MT annually

# In Closing

We believe the investments we are making to expand our system and to develop technology to more efficiently operate our assets positions Enterprise for future successes. Enterprise's daily focus and passion continues to be:

- to relentlessly pursue safety, environmental stewardship and efficient operations;
- to respect our employees and provide them with an environment that promotes integrity, teamwork and innovation;
- to provide our energy producing customers value added services, including reliability, flow assurance and market choices;
- to provide our energy consuming customers security and reliability of supply, on-specification feed stocks and operational flexibility; and
- to earn the reputation as the premier midstream energy company in the United States.

We are grateful for our approximately 7,000 employees, whose resilience and work ethic in responding to the inconveniences and challenges over the last two years has enabled us to achieve our successes. We would also like to thank our suppliers, banks and investors for their continuing support.

**Randa Duncan**
Chairman of the Board

**Hank Bachmann**
Vice Chairman of the Board

**Jim Teague**
Co-Chief Executive Officer

**Randy Fowler**
Co-Chief Executive Officer and
Chief Financial Officer

## Snapshot

### $43 Billion

returned to unitholders via cash distributions since IPO

### 23 Years

of cash distribution growth

### ESG Metrics

incorporated into management compensation

### 25% Improvement

in $CO_2$e emission per barrel of equivalent ("BOE") since 2011

# Board of Directors

**Randa Duncan Williams**
*Chairman of the Board*
G C

**Carin M. Barth**
*Director*
G C

**John R. Rutherford**
*Director*
A

**Richard H. Bachmann**
*Vice Chairman of the Board*
C

**Murray E. Brasseux**
*Director*
A

**Richard S. Snell**
*Director*
A C

**A. J. Teague**
*Director, Co-CEO*
C

**James T. Hackett**
*Director*
G C

**Harry P. Weitzel**
*Director, EVP, General Counsel, and Secretary*
C

**W. Randall Fowler**
*Director, Co-CEO and CFO*
C

**William C. Montgomery**
*Director*
A

G Governance Committee
A Audit & Conflicts Committee
C Capital Projects Committee

* As of March 1, 2022

# Executive and Senior Vice Presidents

**A. J. Teague**
*Co-Chief Executive Officer*

**W. Randall Fowler**
*Co-Chief Executive Officer and Chief Financial Officer*

**Graham W. Bacon**
*Executive Vice President and Chief Operating Officer*

**R. Daniel Boss**
*Executive Vice President, Accounting, Risk Control and Information Technology*

**Christian M. Nelly**
*Executive Vice President, Finance and Sustainability and Treasurer*

**Robert D. Sanders**
*Executive Vice President, Asset Optimization*

**Brent Secrest**
*Executive Vice President and Chief Commercial Officer*

**Harry P. Weitzel**
*Executive Vice President, General Counsel and Secretary*

**Anthony C. Chovanec**
*Senior Vice President, Fundamentals and Commodity Risk Assessment*

**F. Christopher D'Anna**
*Senior Vice President, Petrochemicals*

**Paul G. Flynn**
*Senior Vice President and Chief Information Officer*

**Natalie K. Gayden**
*Senior Vice President, Natural Gas*

**Michael C. Hanley**
*Senior Vice President, Pipelines and Terminals*

**Penny Houy**
*Senior Vice President, Tax*

**Justin Kleiderer**
*Senior Vice President, Hydrocarbon Marketing*

**Robert E. Moss**
*Senior Vice President, Houston Region Operations*

**Angie M. Murray**
*Senior Vice President, Technical Services*

**Kevin M. Ramsey**
*Senior Vice President, Capital Projects*

**Karen D. Taylor**
*Senior Vice President, Human Resources*

# Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures (Dollars in millions)

| | FOR THE YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|
| **TOTAL GROSS OPERATING MARGIN** | **2021** | **2020** | **2019** |
| **REVENUES** | **$40,806.9** | **$27,199.7** | **$32,789.2** |
| Subtract operating costs and expenses | (35,077.3) | (22,371.1) | (27,061.8) |
| Add equity in earnings of unconsolidated affiliates | 583.4 | 426.1 | 563.0 |
| Add depreciation, accretion and amortization expense amounts not reflected in gross operating margin | 2,010.6 | 1,961.5 | 1,848.3 |
| Add non-cash impairment charges not reflected in gross operating margin | 232.6 | 890.6 | 132.7 |
| Add net losses or subtract net gains attributable to asset sales and related matters not reflected in gross operating margin | 6.1 | (4.4) | (5.7) |
| **TOTAL GROSS OPERATING MARGIN (NON-GAAP)** | **$8,562.3** | **$8,102.4** | **$8,265.7** |
| | | | |
| **TOTAL GROSS OPERATING MARGIN (NON-GAAP)** | **$8,562.3** | **$8,102.4** | **$8,265.7** |
| Adjustments to reconcile non-GAAP total gross operating margin to GAAP total operating income: | | | |
| Subtract depreciation, amortization and accretion expense amounts not reflected in gross operating margin | (2,010.6) | (1,961.5) | (1,848.3) |
| Subtract non-cash impairment charges not reflected in gross operating margin | (232.6) | (890.6) | (132.7) |
| Add net gains or subtract net losses attributable to asset sales and related matters not reflected in gross operating margin | (6.1) | 4.4 | 5.7 |
| Subtract general and administrative costs not reflected in gross operating margin | (209.3) | (219.6) | (211.7) |
| **OPERATING INCOME (GAAP)** | **$6,103.7** | **$5,035.1** | **$6,078.7** |
| | | | |
| **ADJUSTED EBITDA** | | | |
| **NET INCOME (GAAP)** | **$4,755.3** | **$3,885.7** | **$4,687.1** |
| Adjustments to GAAP net income to derive Non-GAAP Adjusted EBITDA: | | | |
| Subtract equity in earnings of unconsolidated affiliates | (583.4) | (426.1) | (563.0) |
| Add distributions received from unconsolidated affiliates | 590.1 | 614.1 | 631.3 |
| Add interest expense (including related amortization) | 1,283.0 | 1,287.4 | 1,243.0 |
| Subtract benefit from or add provision for taxes | 70.0 | (124.3) | 45.6 |
| Add depreciation, amortization and accretion in costs and expenses (excluding amort. in interest exp.) | 2,055.4 | 2,009.7 | 1,894.3 |
| Add non-cash asset impairment charges | 232.8 | 890.6 | 132.8 |
| Add net losses or subtract net gains on asset sales and related matters | 5.5 | (4.4) | (5.7) |
| Add non-cash expense attributable to changes in fair value of Liquidity Option Agreement | - | 2.3 | 119.6 |
| Subtract changes in fair value of derivative instruments | (27.4) | (79.3) | (67.7) |
| **ADJUSTED EBITDA (NON-GAAP)** | **$8,381.3** | **$8,055.7** | **$8,117.3** |
| | | | |
| **ADJUSTED EBITDA (NON-GAAP)** | **$8,381.3** | **$8,055.7** | **$8,117.3** |
| Adjustments to Non-GAAP Adjusted EBITDA to derive net cash flows provided by operating activities: | | | |
| Subtract interest expense, including related amortization | (1,283.0) | (1,287.4) | (1,243.0) |
| Add benefit from or subtract provision for income taxes | (70.0) | 124.3 | (45.6) |
| Subtract distributions received for return of capital from unconsolidated affiliates | (46.3) | (187.5) | (63.3) |
| Subtract deferred income tax benefit or add deferred income tax expense | 39.8 | (147.6) | 20.0 |
| Add or subtract net effect of changes in operating accounts | 1,366.7 | (767.5) | (457.4) |
| Add miscellaneous non-cash and other amounts to reconcile Non-GAAP Adjusted EBITDA with GAAP net cash flows provided by operating activities | 124.0 | 101.5 | 192.5 |
| **NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES (GAAP)** | **$8,512.5** | **$5,891.5** | **$6,520.5** |

## DISTRIBUTABLE CASH FLOW

| NET INCOME ATTRIBUTABLE TO COMMON UNITHOLDERS (GAAP) | $4,634.1 | $3,774.7 | $4,591.3 |
|---|---|---|---|
| Adjustments to GAAP net income attributable to common unitholders to derive Non-GAAP distributable cash flow: | | | |
| Add depreciation, amortization and accretion in costs and expenses | 2,139.8 | 2,071.9 | 1,949.3 |
| Add distributions received from unconsolidated affiliates | 590.1 | 614.1 | 631.3 |
| Subtract equity in income of unconsolidated affiliates | (583.4) | (426.1) | (563.0) |
| Subtract sustaining capital expenditures | (430.1) | (293.6) | (325.2) |
| Add net losses or subtract net gains related to assets sales and related matters | 5.5 | (4.4) | (5.7) |
| Add changes in fair value of Liquidity Option Agreement | - | 2.3 | 119.6 |
| Subtract changes in fair value of derivative instruments | (27.4) | (79.3) | 27.2 |
| Subtract deferred income tax benefit or add deferred income tax expense | 39.8 | (147.6) | 20.0 |
| Add non-cash impairment charges | 232.8 | 890.6 | 132.8 |
| Add miscellaneous adjustments to derive Non-GAAP distributable cash flow | (132.3) | 24.6 | 25.7 |
| **SUBTOTAL DISTRIBUTABLE CASH FLOW BEFORE PROCEEDS FROM ASSET SALES AND MONETIZATION OF INTEREST RATE DERIVATIVES ("OPERATIONAL DCF")** | **$6,468.9** | **$6,427.2** | **$6,603.3** |
| | | | |
| **OPERATIONAL DCF** | **$6,468.9** | **$6,427.2** | **$6,603.3** |
| Add cash proceeds from asset sales and insurance recoveries | 64.3 | 12.8 | 20.6 |
| Subtract losses or add gains from monetization of interest rate derivative instruments accounted for as cash flow hedges | 75.2 | (33.3) | - |
| **DISTRIBUTABLE CASH FLOW (NON-GAAP)** | **$6,608.4** | **$6,406.7** | **$6,623.9** |
| | | | |
| **DISTRIBUTABLE CASH FLOW (NON-GAAP)** | **$6,608.4** | **$6,406.7** | **$6,623.9** |
| Adjustments to Non-GAAP distributable cash flow to derive GAAP net cash flow provided by operating activities: | | | |
| Add sustaining capital expenditures | 430.1 | 293.6 | 325.2 |
| Subtract cash proceeds from asset sales and insurance recoveries | (64.3) | (12.8) | (20.6) |
| Add losses or subtract gains from monetization of interest rate derivative instruments accounted for as cash flow hedges | (75.2) | 33.3 | - |
| Add or subtract net effect of changes in operating accounts | 1,366.7 | (767.5) | (457.4) |
| Add or subtract miscellaneous non-cash and other amounts to reconcile Non-GAAP distributable cash flow with GAAP net cash flow provided by operating activities | 246.8 | (61.8) | 49.4 |
| **NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES (GAAP)** | **$8,512.5** | **$5,891.5** | **$6,520.5** |
| | | | |
| **NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES (GAAP)** | **$8,512.5** | **$5,891.5** | **$6,520.5** |
| Adjustments to reconcile GAAP net cash flow provided by operating activities to Non-GAAP free cash flow: | | | |
| Subtract net cash used in investing activities | (2,134.6) | (3,120.7) | (4,575.5) |
| Add cash contributions from noncontrolling interests | 72.4 | 30.9 | 632.8 |
| Subtract cash distributions paid to noncontrolling interests | (153.7) | (131.3) | (106.2) |
| **FREE CASH FLOW (NON-GAAP)** | **$6,296.6** | **$2,670.4** | **$2,471.6** |

#### 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 is exclusive of other income and expense transactions, provision for 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. We define total gross operating margin as operating income exclusive of depreciation, amortization and accretion expenses (excluding amortization of major maintenance costs of reaction-based plants), non-cash asset impairment charges, gains and losses from asset sales and related matters, and general and administrative costs. Our calculation of 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 segment gross operating margin is operating income.

#### 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, the adjusted EBITDA data presented in this Letter to Investors may not be comparable to similarly titled measures of other companies. The GAAP measure most directly comparable to adjusted EBITDA is net cash flows provided by operating activities.

#### DISTRIBUTABLE CASH FLOW

Our management compares the distributable cash flow we generate to the cash distributions we expect to pay our partners. Using this metric, management computes our distribution coverage ratio. Distributable cash flow is an important Non-GAAP financial measure for our common unitholders 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. Distributable cash flow is also a quantitative standard used by the investment community with respect to publicly traded partnerships because 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 common unitholder. The GAAP measure most directly comparable to distributable cash flow is net cash flows provided by operating activities.

#### FREE CASH FLOW

This is a measure of how much cash a business generates after accounting for capital expenditures such as plants or pipelines. We believe that free cash flow 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. Since we partner with other companies to fund certain capital projects of our consolidated subsidiaries, our determination of free cash flow appropriately reflects the amount of cash contributed from and distributed to non-controlling interests. Our calculation of FCF may or may not be comparable to similarly titled measures used by other companies. Our use of FCF for the limited purposes described above is not a substitute for net cash flows provided by operating activities, which is the most comparable GAAP measure to FCF.

# Company Profile

## Cash Distributions

Enterprise has increased its cash distribution rate for 23 consecutive years. On January 6, 2022, Enterprise announced that the Board declared a quarterly cash distribution of $0.465 per common unit with respect to the fourth quarter of 2021, or $1.86 per unit on an annualized basis. This distribution was paid February 11, 2022 to unitholders of record as of the close of business on January 31, 2022. This quarterly distribution was a 3.3 percent increase over the distribution declared with respect to the fourth quarter of 2020.

In light of current economic conditions, management will evaluate any future increases in cash distributions on a quarterly basis. The payment of any quarterly cash distribution is subject to management's evaluation of our financial condition, results of operations and cash flows in connection with such payments and Board approval.

## Publicly Traded Partnership Attributes

Enterprise is a publicly traded limited partnership, which operates in the following ways that are different from a publicly traded stock corporation:

- Unitholders own limited partnership units instead of shares of common stock and receive cash distributions rather than dividends.

- A partnership generally is not a taxable entity and does not pay federal income taxes. All of the annual income, gains, losses, deductions or credits flow through the partnership to the unitholders on a per-unit basis. The unitholders are required to report their allocated share of these amounts on their income tax returns whether or not any cash distributions are paid by the partnership to its unitholders.

- Cash distributions paid by a partnership to a unitholder are generally not taxable, unless the amount of any cash distributed is in excess of the unitholder's adjusted basis in their partnership interest.

## Stock Exchange and Common Unit Information

Enterprise common units trade on the New York Stock Exchange under the ticker symbol EPD. Enterprise had 2,176,379,587 common units outstanding at January 31, 2022.

## K-1 Information

Enterprise provides each unitholder a Schedule K-1 tax package that includes each unitholder's allocated share of reportable partnership items and other partnership information necessary to be reported on state and federal income tax returns. The K-1 provides required tax information for a unitholder's ownership interest in the partnership, just as a Form 1099-DIV does for a stockholder's ownership interest in a corporation.

Information concerning the partnership's K-1s can be obtained by calling toll free 800.599.9985 or through the partnership's website.

## Registered Public Accounting Firm

Deloitte & Touche LLP
Houston, TX

EPD
LISTED
NYSE

## Transfer Agent, Registrar and Cash Distribution Paying Agent

EQ Shareowner Services
161 N. Concord Exchange
South St. Paul, MN 55075
855.235.0839
shareowneronline.com

## Additional Investor Information

Additional information about Enterprise, including our SEC annual report on Form 10-K, can be obtained by contacting Investor Relations by telephone at 866.230.0745, writing to the partnership's mailing address or accessing the partnership's website.

## Headquarters

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713.381.6500
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## Mailing Address

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### FORWARD-LOOKING STATEMENTS

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