ENERGY TRANSFER

Moving America's Energy

# Q1 2026 Earnings

May 5, 2026

# Forward-looking Statements / Legal Disclaimer

Management of Energy Transfer LP (ET) will provide this presentation in conjunction with ET's 1st quarter 2026 earnings conference call. On the call, members of management may make statements about future events, outlook and expectations related to Sunoco LP (SUN), SunocoCorp LLC (SUNC), USA Compression Partners, LP (USAC), and ET (collectively, the Partnerships), and their subsidiaries and this presentation may contain statements about future events, outlook and expectations related to the Partnerships and their subsidiaries, all of which statements are forward-looking statements. These may also include certain statements about the Partnerships' ability to successfully complete projects and integrate transactions described herein and the possibility that the anticipated benefits of the projects and transactions cannot be fully realized. Any statement made by a member of management of the Partnerships and any statement in this presentation that is not a historical fact will be deemed to be a forward-looking statement. These forward-looking statements rely on a number of assumptions concerning future events that members of management of the Partnerships believe to be reasonable, but these statements are subject to a number of risks, uncertainties and other factors, many of which are outside the control of the Partnerships. While the Partnerships believe that the assumptions concerning these future events are reasonable, we caution that there are inherent risks and uncertainties in predicting these future events that could cause the actual results, performance or achievements of the Partnerships and their subsidiaries to be materially different. These risks and uncertainties are discussed in more detail in the filings made by the Partnerships with the Securities and Exchange Commission, copies of which are available to the public. In addition to the risks and uncertainties disclosed in our SEC filings the Partnerships expressly disclaim any intention or obligation to revise or publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

This presentation includes certain forward looking non-GAAP financial measures as defined under SEC Regulation G, including estimated adjusted EBITDA. Due to the forward-looking nature of the aforementioned non-GAAP financial measures, management cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures without unreasonable effort. Accordingly, we are unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures.

All references in this presentation to capacity of a pipeline, processing plant or storage facility relate to maximum capacity under normal operating conditions and with respect to pipeline transportation capacity, is subject to multiple factors (including natural gas injections and withdrawals at various delivery points along the pipeline and the utilization of compression) which may reduce the throughput capacity from specified capacity levels.

# What's New?

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## Operational

- Energy Transfer volumes compared to Q1'25
  - NGL and refined products terminal volumes up 19%, setting a new partnership record
  - Total NGL exports up 19%; setting a new partnership record
  - NGL transportation volumes up 12%
  - NGL fractionation volumes up 11%; setting a new partnership record
  - Crude Oil transportation volumes up 8%; setting a new partnership record
  - Midstream gathered volumes up 6%; setting a new partnership record
- Placed Gateway NGL Pipeline debottlenecking project into service
- Currently commissioning 275 MMcf/d Mustang Draw I processing plant
- Currently constructing new 3 MMbbl ethane storage cavern at Mont Belvieu fractionation complex

## Financial

- Adjusted EBITDA:
  - Q1'26: $4.94B
- Distributable Cash Flow attributable to partners:
  - Q1'26: $2.70B
- Q1'26 Capital Expenditures:
  - Growth: $1.53B[1]
  - Maintenance: $175MM[1]
- Updated 2026 Guidance:
  - Adjusted EBITDA: $18.2B - $18.6B (up from $17.45B - $17.85B)
  - Expected Growth Capital: ~$5.5B - $5.9B[1] (up from ~$5.0B - $5.5B)
- Announced increase to quarterly cash distribution to $0.3375 per unit; up more than 3% vs Q1'25

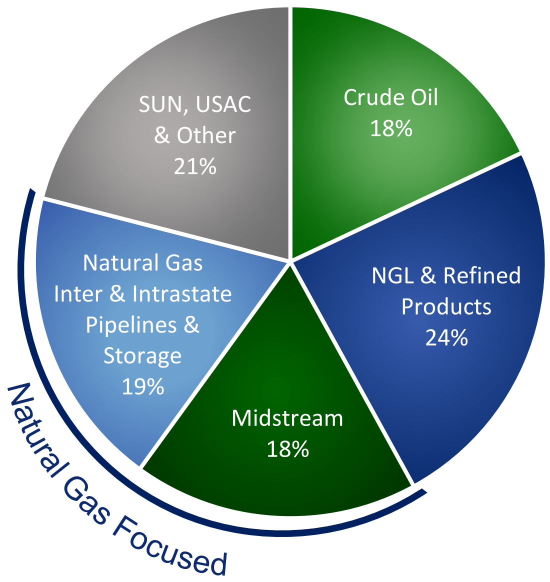
## Strategic

- Recently approved construction of new Springerville Lateral Project to provide natural gas to new gas-powered generation that is expected to replace two coal-fired plants
- Recently entered into long-term agreements to provide firm natural gas transportation to support Nexus Hubbard Campus in central TX, where Nexus is constructing behind-the-meter AI hyperscale campus
- Recently approved an expansion of the Bayou Bridge joint venture pipeline, which is expected to add approximately 200,000 Bbls/d of capacity, depending on product mix
- In March, Transwestern Pipeline initiated the FERC pre-filing process for its Desert Southwest expansion project, as previously scheduled
- At Nederland, recently extended the majority of its existing ethane export agreements into 2041, adding 10 years to the current contracts

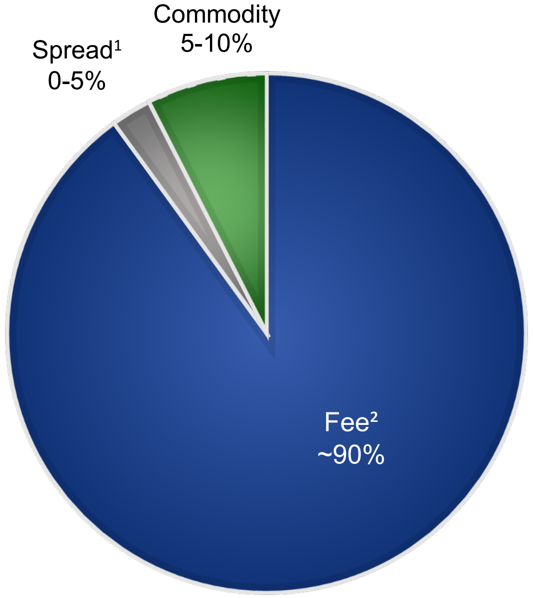
1. *Energy Transfer excluding SUN and USA Compression capital expenditures*
2. *Subject to Fermi's election*
3. *Subject to limited conditions precedent*

# Well-Balanced, Diversified, Fee-Based Earnings

## Q1 2026 Adjusted EBITDA by Segment




## 2026E Adjusted EBITDA Breakout




2026E fee-based breakout expected to be substantially the same as 2025

Pricing/spread assumptions based on current futures markets

1. *Spread margin is pipeline basis, cross commodity and time spreads*
2. *Fee margins include transport and storage fees from affiliate customers at market rates*

# Nationwide Footprint With Diverse Product Offerings Across the Value Chain

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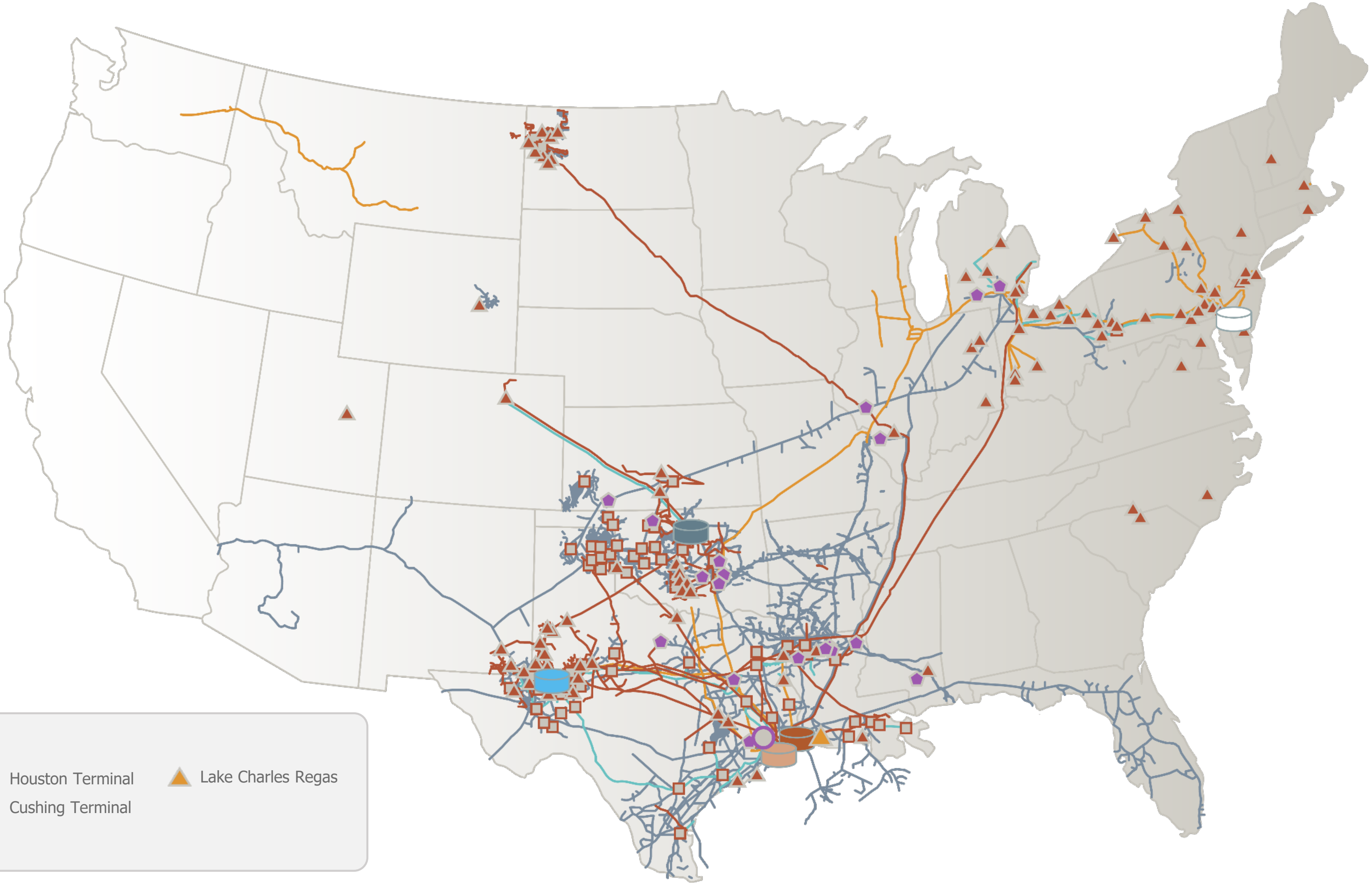

**Asset Overview**

- Natural Gas
- Natural Gas Liquids (NGLs)
- Crude
- Refined Products
- Storage
- Mont Belvieu NGL Complex
- Terminals
- Processing

**Major Terminals**

- Marcus Hook Terminal
- Nederland Terminal
- Midland Terminals
- Houston Terminal
- Cushing Terminal
- Lake Charles Regas

# Leading Natural Gas Pipeline Footprint Well-Positioned to Meet Growing Electricity Demand

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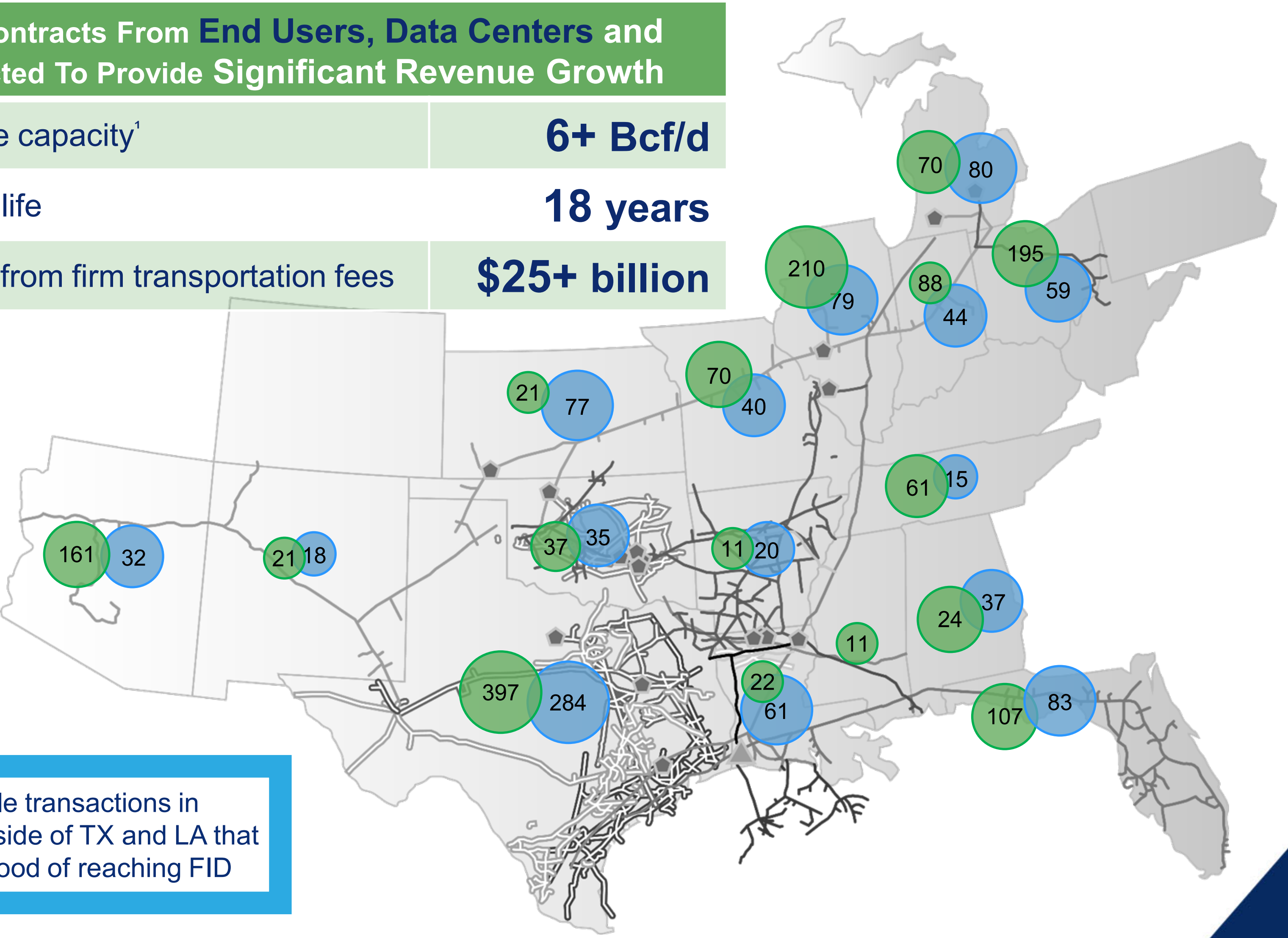
Signed agreements with **Oracle** to provide natural gas to three U.S data centers, two of which are in Texas: **~900,000 Mcf/d**

Added connections to serve 4 new power plant loads in Oklahoma: **~300,000 Mcf/d**

New agreements to provide **Nexus Hubbard Campus** with gas for AI hyperscale campus under construction in Central TX: **150,000 MMcf/d[2]**

20-year binding agreement with **Entergy Louisiana** to provide natural gas to their facilities in Richland Parish, LA: **250,000 MMBtu/d**

| Demand Pull Contracts From **End Users, Data Centers and Utilities** Expected To Provide **Significant Revenue Growth** | |
|---|---|
| Contracted pipeline capacity[1] | **6+ Bcf/d** |
| Weighted average life | **18 years** |
| Expected revenue from firm transportation fees | **$25+ billion** |




Working on multiple transactions in several states outside of TX and LA that have a high likelihood of reaching FID

Total gas-fired power plants within each state

Total data centers within each state

Map Source: EIA and Datacentermap.com

1. *Within the last year*
2. *Initial volumes; Transporter has center rights to increase capacity, upon their election*

# Growth With Continued Financial Discipline

| 2026E Growth Capital: ~$5.5-$5.9 billion[1] | | % of 2026E |
|---|---|---|
| **Midstream** | • Permian processing expansions (Mustang Draw I & II)<br>• Permian gathering buildout and treating upgrades<br>• Compression additions<br>• Well connects | **~27%** |
| **Intrastate Natural Gas Transportation** | • Hugh Brinson Pipeline<br>• Data Center expansions<br>• Bethel storage expansion<br>• Small laterals and tie-in projects to support new demand growth on TX pipelines | **~23%** |
| **NGL & Refined Products** | • Nederland refrigerated storage expansion<br>• Mont Belvieu Frac IX<br>• Marcus Hook Terminal optimization<br>• Lone Star Express expansion<br>• Sabina 2 Pipeline conversion<br>• Delaware Basin NGL pipe looping<br>• Storage upgrades at Mont Belvieu and Spindletop | **~21%** |
| **Interstate** | • Transwestern Pipeline – Desert Southwest Expansion<br>• FGT Optimization projects<br>• Transwestern Pipeline – Springerville Lateral<br>• Data Center Expansions<br>• Natural gas-fired electric generation facilities | **~17%** |
| **Crude & All Other** | • Price River Terminal expansion<br>• Southern Illinois Connector<br>• Bayou Bridge Expansion<br>• Optimization projects and well connects<br>• Natural gas-fired electric generation facilities | **~12%** |

1. *Energy Transfer excluding SUN and USA Compression capital expenditures*

# Natural Gas Growth Project Backlog

| Project Name | Natural Gas Project Overviews | Status |
|---|---|---|
| Mustang Draw I Processing Plant | 275 MMcf/d processing plant in the Midland Basin | Commissioning; expected in full-service June 2026 |
| Mustang Draw II Processing Plant | 275 MMcf/d processing plant in the Midland Basin | Q4 2026 |
| Natural Gas Fired Electric Gen | Constructing 8, 10 MW natural gas-fired electric generation facilities to support Energy Transfer's operations in Texas | Two in service; remainder throughout 2026 |
| OK Power Plant Connections | Added connections to serve four new power plant loads in the State of Oklahoma for a total of ~300 MMcf/d of new gas supply; supported by long-term contracts with investment-grade counterparties | 1st in service; Next 2 Q3'26; Last Q4'28 |
| Hugh Brinson Phase I and II | ~400-mile, bi-directional intrastate natural gas pipeline from Waha to ET's extensive pipeline network south of the DFW metroplex; expected to have the ability to transport ~2.2 Bcf/d from west to east, and also transport ~1 Bcf/d from east to west | Q4 2026 & Q1 2027 |
| Oracle Natural Gas Supply | Multiple long-term agreements with Oracle to supply ~900,000 Mcf/d of natural gas to three U.S. data centers, two of which are in Texas. These are expected to be sourced from ET's extensive natural gas pipeline network | First pipe in service |
| Nexus Hubbard Gas Supply New | Agreements to provide long-term, firm natural gas transportation services to support the Nexus Hubbard Campus, where Nexus is constructing a BTM AI hyperscale campus powered by on-site natural gas generation. Initial volumes expected to be ~150 MMcf/d[1] | End of 2026 |
| AR Data Center Gas Supply | LOI to provide ~150 MMcf/d of firm natural gas transportation service through EGT pipeline to support new data center site in Arkansas | Mid-2027 |
| FGT Phase IX | Construction of ~90 miles of pipeline looping, as well as new and upgraded compression with capacity of ~525 MMcf/d | Q4 2028 |
| Entergy LA/Tiger Lateral | 20-year binding agreement with Entergy Louisiana to provide at least 250,000 MMBtu/d of firm transportation service to fuel facilities in Richland Parish, LA; includes expanding Tiger pipeline with the construction of an 18-mile, 36" lateral[2] | Agmnt begins Dec 2028 |
| Bethel Storage Expansion | Constructing new storage cavern at Bethel natural gas storage facility to double working gas storage capacity to over 12 Bcf | Late 2028 |
| Desert Southwest Expansion Project | ~520-mile, 48-inch pipeline to provide up to ~2.3 Bcf/d of natural gas transportation capacity from the Permian Basin to markets in southern New Mexico, Arizona and across the southwest region of the United States | By Q4 2029 |
| TW Springerville Lateral New | 120-mile, 30-inch pipeline with a capacity of ~625MMcf/d; extends south from existing Transwestern Pipeline to new natural gas-powered generation that is expected to replace two coal-fired plants; backed by 20-year agreements | Q4 2029 |
| FGT South Florida | Construction of ~40-mile, ~230 MMcf/d extension to supply the South Florida area, along with compression and a new meter station | Q1 2030; Subject to conditions precedent and positive FID |
| Fermi American Natural Gas Supply | 10-year agreement with Fermi America to provide pipeline interconnection and initial gas supply of ~300,000 MMBtu/d to Fermi's Hyper Grid campus outside of Amarillo, TX | Subject to Fermi's election |
| CloudBurst | Long-term agreement with CloudBurst to provide firm natural gas supply to data center in Central Texas | Subject to CloudBurst FID with customer |

1. *With certain rights by the transporter to increase capacity upon election*

# NGL, Crude and Other Growth Project Backlog

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| Project | NGL Project Overviews | Status |
| --- | --- | --- |
| Sabina 2 Pipe Conversion | Expanding capacity from 25,000 Bbls/d to ~70,000 Bbls/d to provide additional transportation service between Mont Belvieu and Nederland for multiple products (Initial phase increased capacity to ~40,000 Bbls/d) | Initial Phase In Service; Remainder by mid-2026 |
| Gateway NGL Pipeline Debottleneck | Project to allow for the full usage of interest in the EPIC Pipeline and optimize deliveries from the Delaware Basin into Gateway Pipeline for deliveries to Mont Belvieu | In Service - Q1'26 |
| Lone Star Express Expansion | Performing upgrades that are expected to provide more than 90,000 Bbls/d of incremental Permian NGL takeaway capacity | Mid-2026 |
| Frac IX | 165,000 Bbls/d fractionator at Mont Belvieu | Q4 2026 |
| Delaware Basin NGL Pipe Looping | Looping NGL pipeline upstream of Lone Star Express Pipeline to source an incremental ~150,000 Bbls/d of NGLs from the northern Delaware Basin for transportation on ET's NGL pipeline system | Mid-2027 |
| Mont Belvieu Ethane Storage New | 3 million bbl ethane storage cavern to support Frac IX and future ethane export expansions | 2H 2027 |
| MHIC Terminal Optimization | Constructing 900,000 Bbls refrigerated ethane storage tank and approximately 20,000 Bbls/d of incremental ethane chilling capacity | Q3 2027 |
| Nederland Refrigerated Storage Expansion | Expansion of refrigerated storage at Nederland; expected to increase butane storage by 33% and propane storage by 100% | Construction Underway |
| Sabina 1 Pipeline | Continue to have discussions to provide transportation for potentially multiple products from Mont Belvieu to Houston Ship Channel | Proposed |

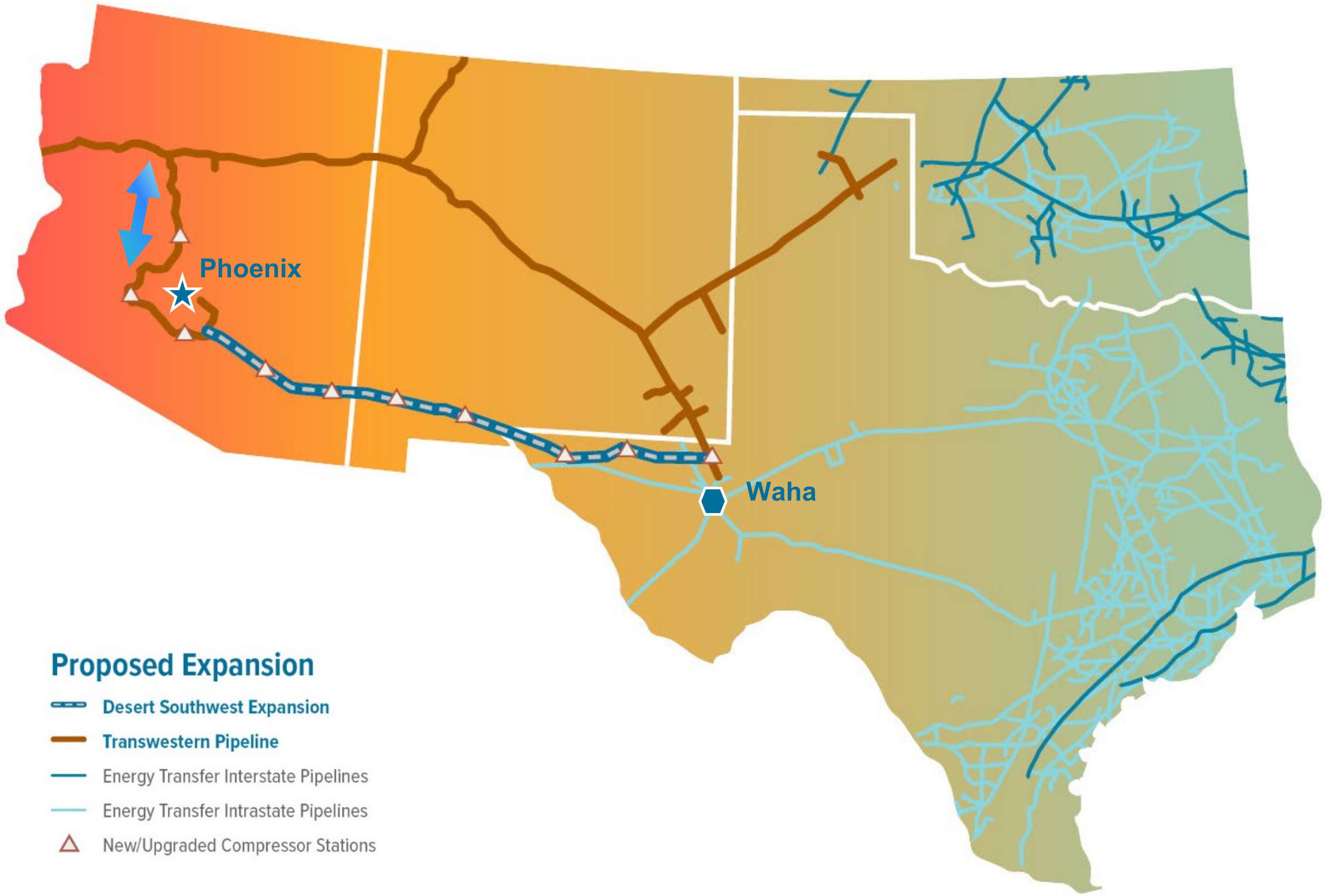
| Project | Crude Project Overviews | Status |
| --- | --- | --- |
| Price River Terminal | Adding new railcar loading facilities, heated storage tank with ~120,000 Bbls of capacity, and two new 6,000-foot storage unit racks to significantly improve storage capacity at the facility; backed by agreement with FourPoint Resources | Q4 2026 |
| Southern Illinois Connector | Project to connect Enbridge pipeline near Wood River to ET's assets in Patoka, IL to support delivery of Canadian crude oil to U.S. refiners; recently completed open season that resulted in 100,000 Bbls/d of contracts | FID'd |
| Dakota Access North Project | Working with Enbridge to provide for capacity of ~250,000 Bbls/d of Canadian crude oil through Dakota Access Pipeline; Open season underway | Open Season Underway; Expect FID Mid-2026 |
| Bayou Bridge New | Expansion of Bayou Bridge crude oil pipeline, which is expected to increase pipeline capacity to up to ~600 thousand Bbls/d, depending on destination and product mix; backed by 10-year term extension and volume increase from demand-pull customer | Q1 2027 |

# Desert Southwest – Transwestern Pipeline Expansion Project

## Desert Southwest Pipeline Project

- ~520-mile, 48-inch pipeline that extends from the heart of the Permian Basin to the Phoenix area in Arizona
  - Up to ~2.3 Bcf/d of capacity
  - Expected cost: Up to ~$5.6 billion, excluding AFUDC
    - ~85% of capital expenditures expected to be in 2027 and beyond
  - Locked in long lead items like compression and pipe with opportunity to expand, as needed
    - Includes commitments with U.S. pipe mills to lock in 100% of space and delivery for pipe in Q4 2027 at favorable prices
  - Expected route collocated along existing ROW, roads, utility corridors
  - In March 2026, initiated FERC pre-filing process for the project, as previously scheduled; expect to file the formal certificate application with FERC in Q4 2026
  - In April 2026, as a continuation of stakeholder engagement program, hosted 15 open houses in communities along the proposed route throughout TX, NM and AZ
  - Teams continue to actively engage with elected officials, county leadership, landowners and associated communities along the route to communicate project information and updates
  - To date, have engaged with over 500 stakeholders who have interest in, or are involved in, the project
  - Anticipate in service by Q4 2029

**Recently upsized pipeline diameter from 42 to 48" which will increase capacity from ~1.5 Bcf/d to up to 2.3 Bcf/d**




**Desert Southwest will provide reliable economic supplies of natural gas to support the long-term energy needs for utilities and energy providers in the region driven by population growth, high-tech industry demand and data center expansion**

# Hugh Brinson Pipeline Project

## *Serving Premier Texas Markets and Supporting Data Center and AI Growth*

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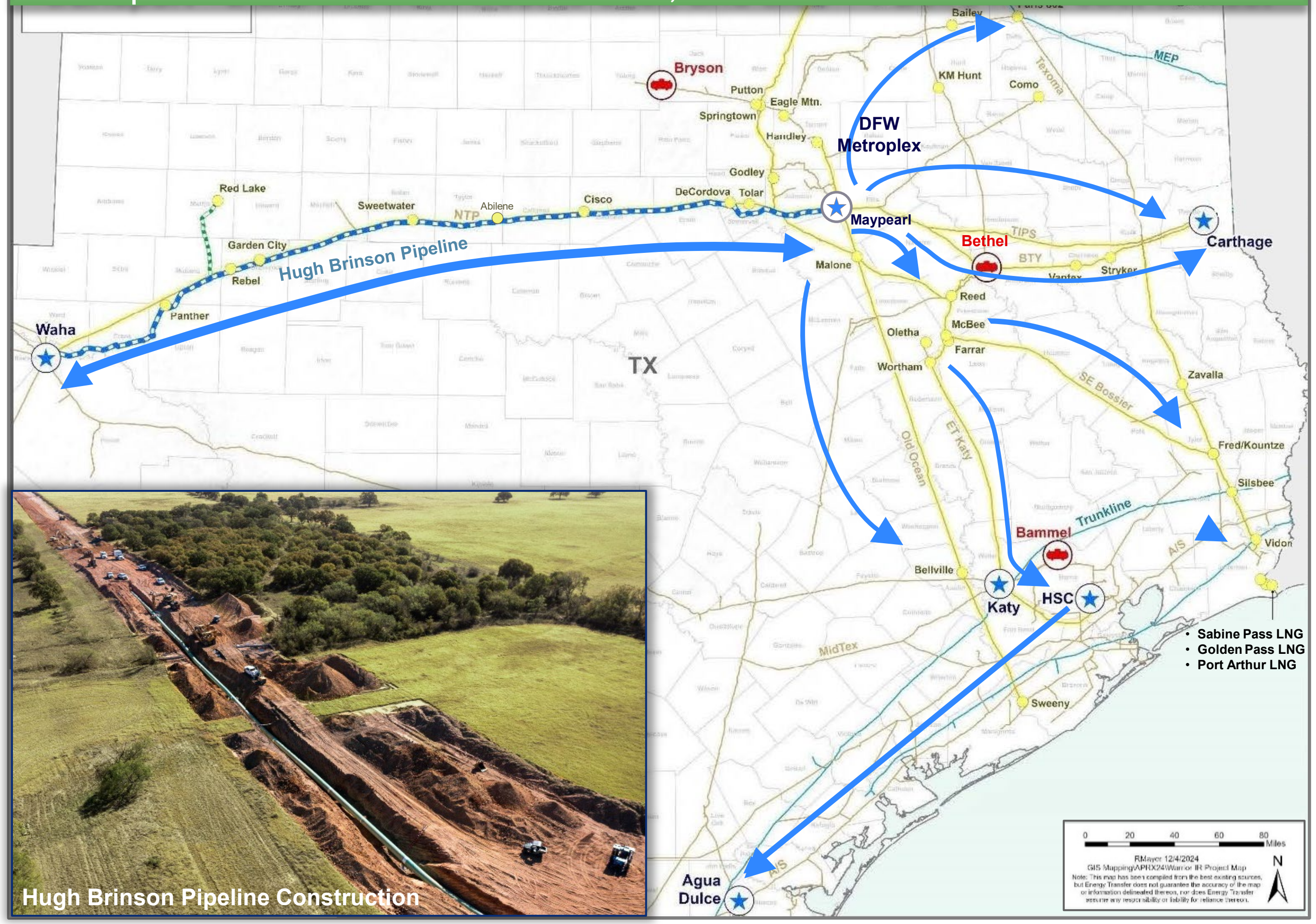
### Hugh Brinson Pipeline Project

- **Phase I:** Construction underway on ~400 miles of 42” pipeline from Waha and the Midland Basin to Maypearl, TX
  - Capacity of ~1.5 Bcf/d
  - Phase 1 is completely sold out and backed by long-term, fee-based commitments with strong investment-grade counterparties
  - Expected to utilize Energy Transfer’s extensive pipeline network south of the DFW metroplex to deliver gas to major trading hubs and markets
  - Expected in service in Q4 2026, upon full buildout of the 400-mile pipeline and associated compression required to move 1.5 Bcf/d of gas to customers’ contractual delivery points
  - However, if stay on current schedule, will have the ability to begin flowing some gas early in the third quarter, prior to placing Phase I into service
- Phase I also includes construction of 42-mile, 36-inch Midland Lateral to connect ET processing plants in Martin and Midland counties to the Hugh Brinson Pipeline

- **Phase II:** Includes the addition of compression
  - Increases capacity to ~2.2 Bcf/d
  - Expected in service Q1 2027

- Fully contracted from west to east; also have growing amount of volumes committed on backhaul that is expected to add significant upside with no additional capital
- Total capital for Phase 1 and Phase 2 expected to be ~$2.7B

**Upon full completion, bi-directional pipeline expected to have the ability transport ~2.2 Bcf/d from west to east, and also ~1 Bcf/d from east to west**




Hugh Brinson Pipeline Construction

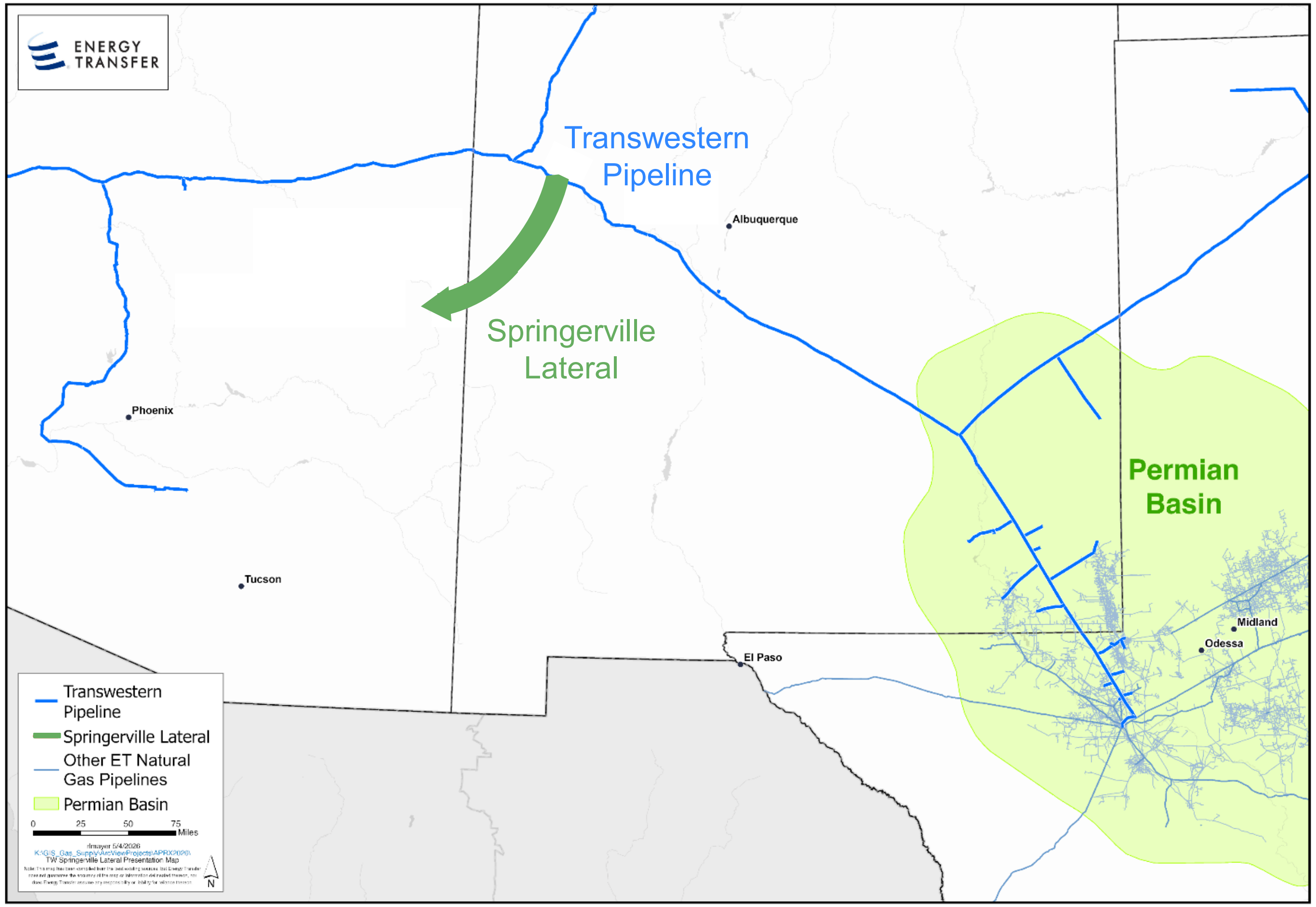
**Further enhances Energy Transfer’s flexibility to deliver natural gas to premier Texas markets and trading hubs, and its ability to support power plant and data center growth**

# Springerville Lateral Project

**Springerville Lateral Project**

- ~120-mile, 30-inch pipeline lateral off of existing Transwestern Pipeline
  - ~625 MMcf/d of capacity
  - Expected cost: ~$600 million
  - Backed by 20-year agreements
  - Anticipated in service in Q4 2029

Lateral extending south off ET's existing Transwestern Pipeline to new natural-gas powered generation that is expected to replace two coal-fired power plants



# Expanding World-Class NGL Export Facilities


## Marcus Hook Terminal

- Construction underway on 900,000 Bbls refrigerated ethane storage tank and approximately 20,000 Bbls/d of incremental ethane chilling capacity
- Expected in service in Q3 2027


**Total NGL Export Capacity**

**> 1.4mm Bbls/d**

## Sabina 2 Pipeline

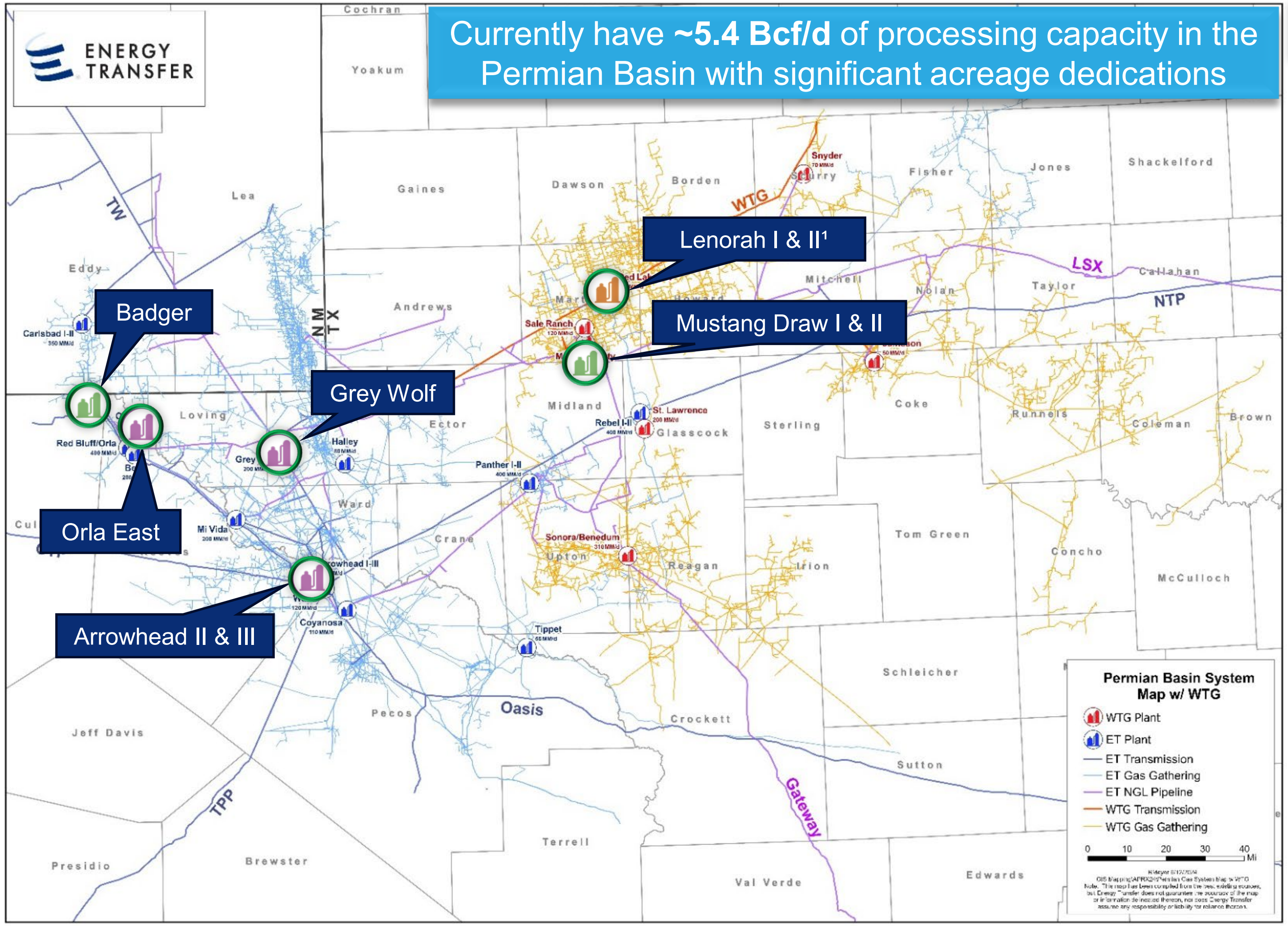
- Mont Belvieu to Energy Transfer's Nederland Terminal
  - Upon completion in mid-2026, will have the ability to flow at least 70,000 Bbls/d and provide much needed incremental transportation capacity to Nederland to meet the growing demand for natural gasoline products
  - Initial phase went into service in Q4 2024 and increased the capacity from 25,000 Bbls/d to ~40,000 Bbls/d
  - Firm transportation commitments in place

***Energy Transfer's market share of worldwide NGL exports remains at ~20%***


## Nederland Terminal

- Flexport expansion project added up to 250,000 Bbls/d of NGL export capacity
  - Ethane and propane in service
  - Ethylene export in service – exported first ethylene cargo in Dec. 2025
- Building new refrigerated storage, which will increase butane storage capacity by a third and double Energy Transfer's propane storage capacity
  - Project will further increase ability to keep customers' ships loading on time
- Combined costs of both projects expected to be ~$1.5B

# Permian Basin Processing
# Strengthening Position to Meet Growing Demand




## Permian Basin Footprint

- **Processing Plant Optimizations**
  - Since mid-2024, added ~50 MMcf/d of capacity at four different Permian Basin processing plants for an incremental ~200 MMcf/d of processing capacity
- **Processing Plant Expansions**
  - Placed the 200 MMcf/d Badger plant into service in Q2 2025
  - Constructing Mustang Draw I, which is expected to provide an incremental 275 MMcf/d of processing capacity in the Midland Basin
    - Commissioning; expected to be in full-service June 2026
    - Volumes expected to ramp up quickly
  - Constructing Mustang Draw II, which will have a capacity of 275 MMcf/d
    - Supported by continued growth from existing customers
    - Expected to be in service in Q4 2026
  - The volumes from the tailgate of these plants will utilize Energy Transfer gas and NGL pipelines for takeaway from the basin
- **Lenorah I & II[1]**
  - 200 MMcf/d Lenorah I processing plant placed into service following the closing of the WTG acquisition in July 2024
  - 200 MMcf/d Lenorah II processing plant was placed in service in the Midland Basin in Q2 2025 – the plant is currently running at full capacity

*1. Lenorah I was formerly known as Red Lake III and Lenorah II was formerly known as Red Lake IV*

# Leveraging Asset Base and Expertise To Develop Projects To Reduce Environmental Footprint

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Constructing 8, 10-MW natural gas-fired electric generation facilities **80 MW** **Total**

Powering assets: **~20%** **From Solar & Wind**

2024 emissions reduction from Dual Drive & CCS: **~822,000** **Tons of $CO_2$**

## Power Generation
- Construction underway on 8 natural gas-fired electric generation facilities to support Energy Transfer's operations in Texas. Two facilities online with the remaining facilities expected to be fully constructed and ready for service later in 2026

## Solar
- ET has entered into dedicated solar contracts to help support the operations of our assets

## Carbon Capture Utilization and Sequestration
- In May 2024, entered into an agreement with CapturePoint that commits CO2 from Energy Transfer treating facilities in northern Louisiana to the capture and sequestration project being jointly developed by CapturePoint and Energy Transfer

## Renewable Fuels
- Utilizing our extensive gas system, ET is able to safely and reliably transport renewable natural gas (RNG)

## Ammonia Projects
- Continue to develop an ammonia hub concept at Lake Charles, LA and Nederland, TX where existing Energy Transfer facilities have deep water access, which would allow Energy Transfer to provide critical infrastructure services to several blue ammonia facilities

## Dual Drive Compression
- Proprietary technology that offers the industry a more efficient compression system, helping reduce greenhouse gas emissions

## Repurpose Existing Assets
- Pursuing opportunities to utilize ET's significant asset footprint to develop solar and wind projects, and transportation of renewable fuels, CO2 and other products

2024 Corporate Responsibility Report now available at energytransfer.com

# Appendix / Non-GAAP Reconciliations


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# Non-GAAP Reconciliation

**Energy Transfer LP**
**Reconciliation of Non-GAAP Measures** *

| | 2021 Full Year | 2021 Full Year | 2022 Full Year | 2024 Full Year | 2025 Full Year | 2026 Q1 |
|---|---|---|---|---|---|---|
| Net income | $ 6,687 | $ 5,868 | $ 5,294 | $ 6,565 | $ 5,708 | $ 1,976 |
| Depreciation, depletion and amortization | 3,817 | 4,164 | 4,385 | 5,165 | 5,682 | 1,583 |
| Interest expense, net | 2,267 | 2,306 | 2,578 | 3,125 | 3,474 | 947 |
| Income tax expense | 184 | 204 | 303 | 541 | 350 | 135 |
| Impairment losses and other | 21 | 386 | 12 | 52 | 285 | - |
| (Gains) losses on interest rate derivatives | (61) | (293) | (36) | (6) | - | - |
| Non-cash compensation expense | 111 | 115 | 130 | 151 | 148 | 42 |
| Unrealized (gains) losses on commodity risk management activities | (162) | (42) | (3) | 56 | (130) | 536 |
| Inventory valuation adjustments (Sunoco LP) | (190) | (5) | 114 | 86 | 156 | (444) |
| Losses (gains) on extinguishments of debt | 38 | - | (2) | 12 | 34 | 7 |
| Adjusted EBITDA related to unconsolidated affiliates | 523 | 565 | 691 | 692 | 726 | 196 |
| Equity in earnings of unconsolidated affiliates | (246) | (257) | (383) | (379) | (419) | (110) |
| Non-operating litigation-related costs | - | - | 627 | - | - | - |
| Gain on sale of Sunoco LP West Texas assets | - | - | - | (586) | - | - |
| Other, net | 57 | 82 | (12) | 9 | (30) | 69 |
| Adjusted EBITDA (consolidated) | 13,046 | 13,093 | 13,698 | 15,483 | 15,984 | 4,937 |
| Adjusted EBITDA related to unconsolidated affiliates | (523) | (565) | (691) | (692) | (726) | (196) |
| Distributable Cash Flow from unconsolidated affiliates | 346 | 359 | 485 | 486 | 510 | 135 |
| Interest expense, net | (2,267) | (2,306) | (2,578) | (3,125) | (3,474) | (947) |
| Preferred unitholders' distributions | (418) | (471) | (511) | (361) | (287) | (88) |
| Current income tax expense | (44) | (18) | (100) | (265) | (173) | (43) |
| Transaction-related income taxes | - | (42) | - | 179 | - | - |
| Maintenance capital expenditures | (581) | (821) | (860) | (1,161) | (1,316) | (277) |
| Other, net | 68 | 20 | 41 | 90 | 97 | 26 |
| Distributable Cash Flow (consolidated) | 9,627 | 9,249 | 9,484 | 10,634 | 10,615 | 3,547 |
| Distributable Cash Flow attributable to Sunoco LP and SunocoCorp | (542) | (648) | (659) | (946) | (1,263) | (526) |
| Distributions from Sunoco LP | 165 | 166 | 173 | 245 | 286 | 99 |
| Distributable Cash Flow attributable to USAC (100%) | (209) | (221) | (281) | (355) | (386) | (131) |
| Distributions from USAC | 97 | 97 | 97 | 97 | 97 | 24 |
| Distributable Cash Flow attributable to noncontrolling interests in other non-wholly-own | (1,113) | (1,240) | (1,352) | (1,335) | (1,153) | (309) |
| Distributable Cash Flow attributable to the partners of Energy Transfer [(a)] | 8,025 | 7,403 | 7,462 | 8,340 | 8,196 | 2,704 |
| Transaction-related adjustments | 194 | 44 | 116 | 23 | 6 | - |
| Distributable Cash Flow attributable to the partners of Energy Transfer, as adjusted [(a)] | $ 8,219 | $ 7,447 | $ 7,578 | $ 8,363 | $ 8,202 | $ 2,704 |

** See definitions of non-GAAP measures on next slide*

# Non-GAAP Reconciliation

**Definitions**

Adjusted EBITDA and Distributable Cash Flow are non-GAAP financial measures used by industry analysts, investors, lenders and rating agencies to assess the financial performance and the operating results of Energy Transfer's fundamental business activities and should not be considered in isolation or as a substitute for net income, income from operations, cash flows from operating activities or other GAAP measures. There are material limitations to using measures such as Adjusted EBITDA and Distributable Cash Flow, including the difficulty associated with using either as the sole measure to compare the results of one company to another, and the inability to analyze certain significant items that directly affect a company's net income or loss or cash flows. In addition, our calculations of Adjusted EBITDA and Distributable Cash Flow may not be consistent with similarly titled measures of other companies and should be viewed in conjunction with measures that are computed in accordance with GAAP, such as operating income, net income and cash flows from operating activities.

We define Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt, certain foreign currency transaction gains and losses and other non-operating income or expense items. Inventory valuation adjustments that are excluded from the calculation of Adjusted EBITDA represent only the changes in lower of cost or market reserves on inventory that is carried at last-in, first-out ("LIFO"). These amounts are unrealized valuation adjustments applied to Sunoco LP's fuel volumes remaining in inventory at the end of the period.

Adjusted EBITDA reflects amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

Adjusted EBITDA is used by management to determine our operating performance and, along with other financial and volumetric data, as internal measures for setting annual operating budgets, assessing financial performance of our numerous business locations, as a measure for evaluating targeted businesses for acquisition and as a measurement component of incentive compensation.

We define Distributable Cash Flow as net income, adjusted for certain non-cash items, less distributions to preferred unitholders and maintenance capital expenditures. Non-cash items include depreciation, depletion and amortization, non-cash compensation expense, amortization included in interest expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and deferred income taxes. For unconsolidated affiliates, Distributable Cash Flow reflects the Partnership's proportionate share of the investees' distributable cash flow.

Distributable Cash Flow is used by management to evaluate our overall performance. Our partnership agreement requires us to distribute all available cash, and Distributable Cash Flow is calculated to evaluate our ability to fund distributions through cash generated by our operations.

On a consolidated basis, Distributable Cash Flow includes 100% of the Distributable Cash Flow of Energy Transfer's consolidated subsidiaries. However, to the extent that noncontrolling interests exist among our subsidiaries, the Distributable Cash Flow generated by our subsidiaries may not be available to be distributed to our partners. In order to reflect the cash flows available for distributions to our partners, we have reported Distributable Cash Flow attributable to partners, which is calculated by adjusting Distributable Cash Flow (consolidated), as follows:

- For subsidiaries with publicly traded equity interests, Distributable Cash Flow (consolidated) includes 100% of Distributable Cash Flow attributable to such subsidiary, and Distributable Cash Flow attributable to our partners includes distributions to be received by the parent company with respect to the periods presented.

- For consolidated joint ventures or similar entities, where the noncontrolling interest is not publicly traded, Distributable Cash Flow (consolidated) includes 100% of Distributable Cash Flow attributable to such subsidiaries, but Distributable Cash Flow attributable to partners reflects only the amount of Distributable Cash Flow of such subsidiaries that is attributable to our ownership interest.

For Distributable Cash Flow attributable to partners, as adjusted, certain transaction-related adjustments and non-recurring expenses that are included in net income are excluded.

For the calculation of Distributable Cash Flow, the amounts reflected for (i) Adjusted EBITDA related to unconsolidated affiliates, (ii) Distributable Cash Flow from unconsolidated affiliates, and (iii) Distributable Cash Flow attributable to Sunoco LP exclude Sunoco LP's Adjusted EBITDA and distributable cash flow related to its investment in joint ventures with Energy Transfer, as such amounts are eliminated in the Energy Transfer consolidation.