



# Investor Presentation

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November 2024



**The Permian is Kinetik**

# Forward looking statements

This presentation includes certain statements that may constitute “forward-looking statements” for purposes of the federal securities laws. Forward-looking statements include, but are not limited to, statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “seeks,” “possible,” “potential,” “predict,” “project,” “prospects,” “guidance,” “outlook,” “should,” “would,” “will,” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These statements include, but are not limited to, statements about the Company’s future business strategy and other plans, expectations, and objectives for the Company’s operations, including statements about strategy, synergies, sustainability goals and initiatives, portfolio monetization opportunities, expansion projects, acquisitions and divestitures, and future operations, and financial guidance; growth opportunities; the amount and timing of future shareholder returns; and the Company’s leverage and financial profile. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. See Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023. Any forward-looking statement made by us in this presentation speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future development, or otherwise, except as may be required by law.

## USE OF PROJECTIONS

This presentation contains projections for Kinetik, including with respect to Kinetik’s adjusted EBITDA, capital expenditures, leverage, and processed gas volumes. Kinetik’s independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, have not expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only, should not be relied upon as being necessarily indicative of future results, and are subject to the disclaimers under “Forward Looking Statements” above.

## USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes non-GAAP financial measures, including adjusted EBITDA, capital expenditures, distributable cash flow, free cash flow, net debt, and leverage. Kinetik believes these non-GAAP measures are useful because they allow Kinetik to more effectively evaluate its operating performance and compare the results of its operations from period to period and against its peers without regard to financing methods or capital structure. Kinetik does not consider these non-GAAP measures in isolation or as an alternative to similar financial measures determined in accordance with GAAP. The computations of adjusted EBITDA, capital expenditures, distributable cash flow, free cash flow, net debt, and leverage may not be comparable to other similarly titled measures of other companies. Kinetik excludes certain items from net (loss) income in arriving at Adjusted EBITDA and distributable cash flow because these amounts can vary substantially from company to company within its industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA and distributable cash flow should not be considered an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as indicators of operating performance. Certain items excluded from Adjusted EBITDA and distributable cash flow are significant components in understanding and assessing a company’s financial performance, such as a company’s cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA or distributable cash flow. Kinetik’s presentation of Adjusted EBITDA, capital expenditures, distributable cash flow, free cash flow, net debt, and leverage should not be construed as an inference that its results will be unaffected by unusual or non-recurring terms. See “Notes Regarding Presentation of Financial Information.” For reconciliation, see appendix. This presentation also includes certain forward-looking non-GAAP financial information. Reconciliations of these forward-looking non-GAAP measures to their most directly comparable GAAP measure are not available without unreasonable efforts. This is due to the inherent difficulty of forecasting the timing or amount of various reconciling items that would impact the most directly comparable forward-looking GAAP financial measure, that have not yet occurred, are out of Kinetik’s control and/or cannot be reasonably predicted. Accordingly, such reconciliation is excluded from this presentation. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

# Who is Kinetik?

A business poised to capitalize on a world class, low-cost supply basin and strong natural gas/NGL fundamentals

- > **NYSE-listed** corporate entity with a **market capitalization of \$9 billion**
- > **Pure-play** midstream company solely in the **Permian Basin**, the cornerstone of the US Oil & Gas industry
- > **Integrated natural gas super-system** spanning the Delaware Basin providing customers with **unique access** to multiple **downstream markets** at premium pricing
- > Strong track record of **industry leading volume growth** that has consistently **outpaced** underlying Permian Basin growth
- > Levered to **strong natural gas fundamentals** driven by rising global LNG demand and expected growth in AI data centers
- > **Attractive financial profile** and **balanced capital allocation framework** provide flexibility for opportunistic capital deployment

# Why Kinetik?

The industry's only public Permian pure-play midstream business

## Scaled midstream platform

**2.4 Bcfpd processing capacity<sup>(1)</sup>**

Third largest in the Delaware Basin

**8 counties**

Operations across Texas and New Mexico

**~3.7 Bcfpd of gas & ~1.8 Mmbpd of liquid pipelines**

Permian to US Gulf Coast capacities

## Historical financial performance

**51%**

Increase in processed gas volumes since 2021

**10%**

3-year Adjusted EBITDA CAGR<sup>(2)(3)</sup>

**25%+**

3-year Free Cash Flow CAGR<sup>(2)(4)</sup>

## Financial discipline and transparency

**3.2x Leverage Ratio<sup>(2)</sup>**

Below 3.5x leverage target<sup>(2)</sup>

**5.4%**

Current dividend yield<sup>(5)</sup>

**100%**

Debt capital structure linked to sustainability performance targets

(1) Following in-service of Kings Landing Cryo 1 estimated in 2Q25.

(2) A non-GAAP measure. See "Non-GAAP Financial Measures Reconciliation" for a reconciliation to the nearest comparable GAAP measure.

(3) Reflects midpoint of 2024 Revised Adjusted EBITDA Guidance compared to 2021 Pro Forma Adjusted EBITDA.

(4) Reflects 2024E Free Cash Flow compared to 2021 Pro Forma Free Cash Flow.

(5) KNTK Class A closing share price of \$57.96 as of November 8<sup>th</sup>, 2024.

# Premier Delaware Basin platform with compelling scale

## Extensive gathering system across Texas and New Mexico

### Opportunistically primed for Permian market share gains

- Third largest processor in the Delaware Basin with over 2.4 Bcfpd processing capacity across Texas and New Mexico<sup>(1)</sup>
- Competitively advantaged with system-wide front-end amine treating
- Fee-based crude and water gathering businesses complement gas business
- Diversified customer base provides stable earnings
- Unique platform that combines a call on significant natural gas upside with traditional associated natural gas growth from oil-directed Permian drilling
- Directable plant products provide additional upside via integration with Pipeline Transportation segment

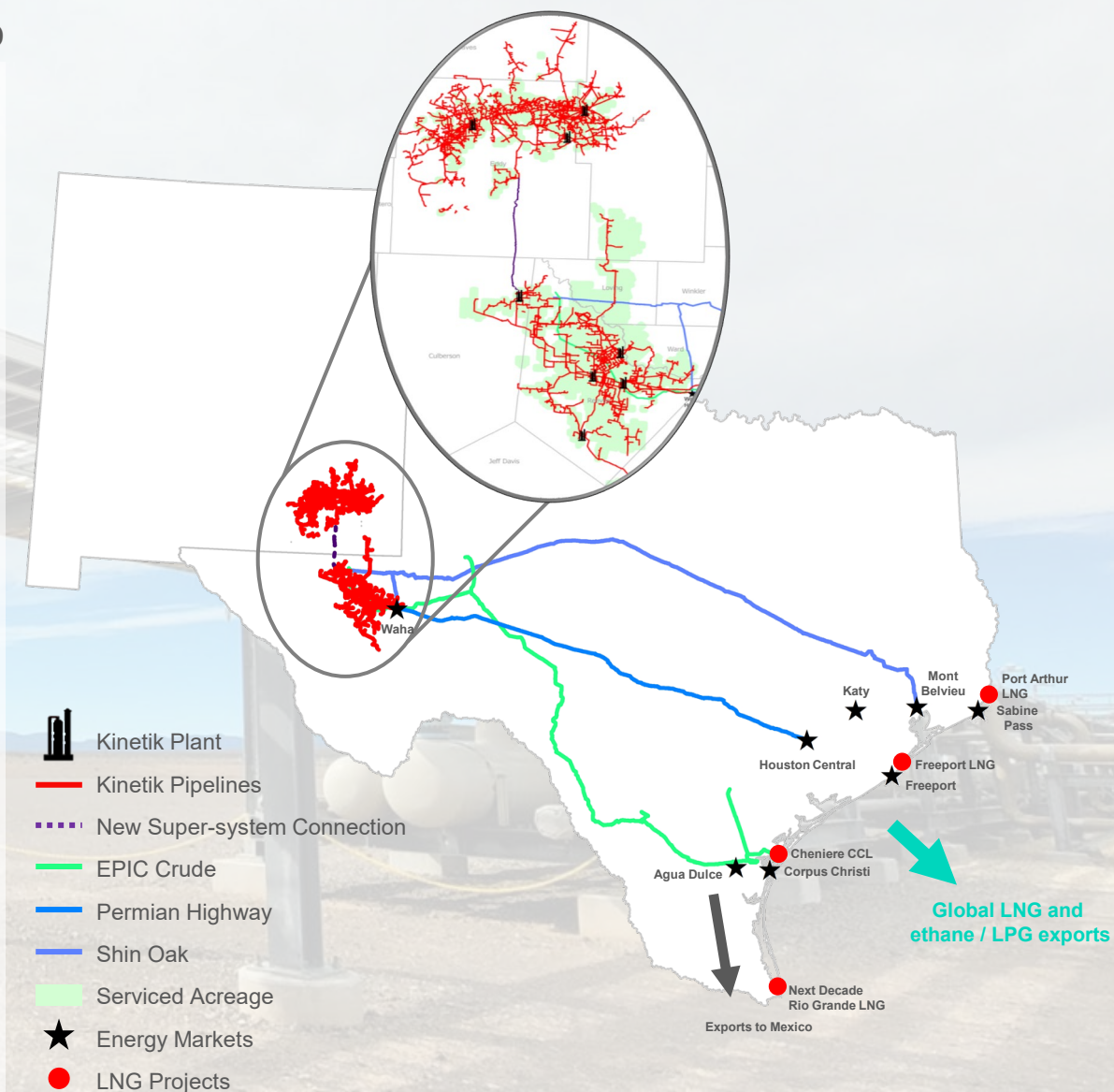
### Significant Delaware position and integrated pipeline footprint to benefit from supply-push and demand-pull fundamentals

- Delaware Link enhances system reliability and provides direct connectivity to Waha
- PHP provides important feedstock supply to demand-pull, export infrastructure (e.g., LNG, pipeline exports to Mexico)
- Shin Oak provides needed NGL supply to rapidly growing Gulf Coast petchem
- EPIC Crude transports crude oil to refineries and export terminals in Corpus Christi

#### Operational Highlights

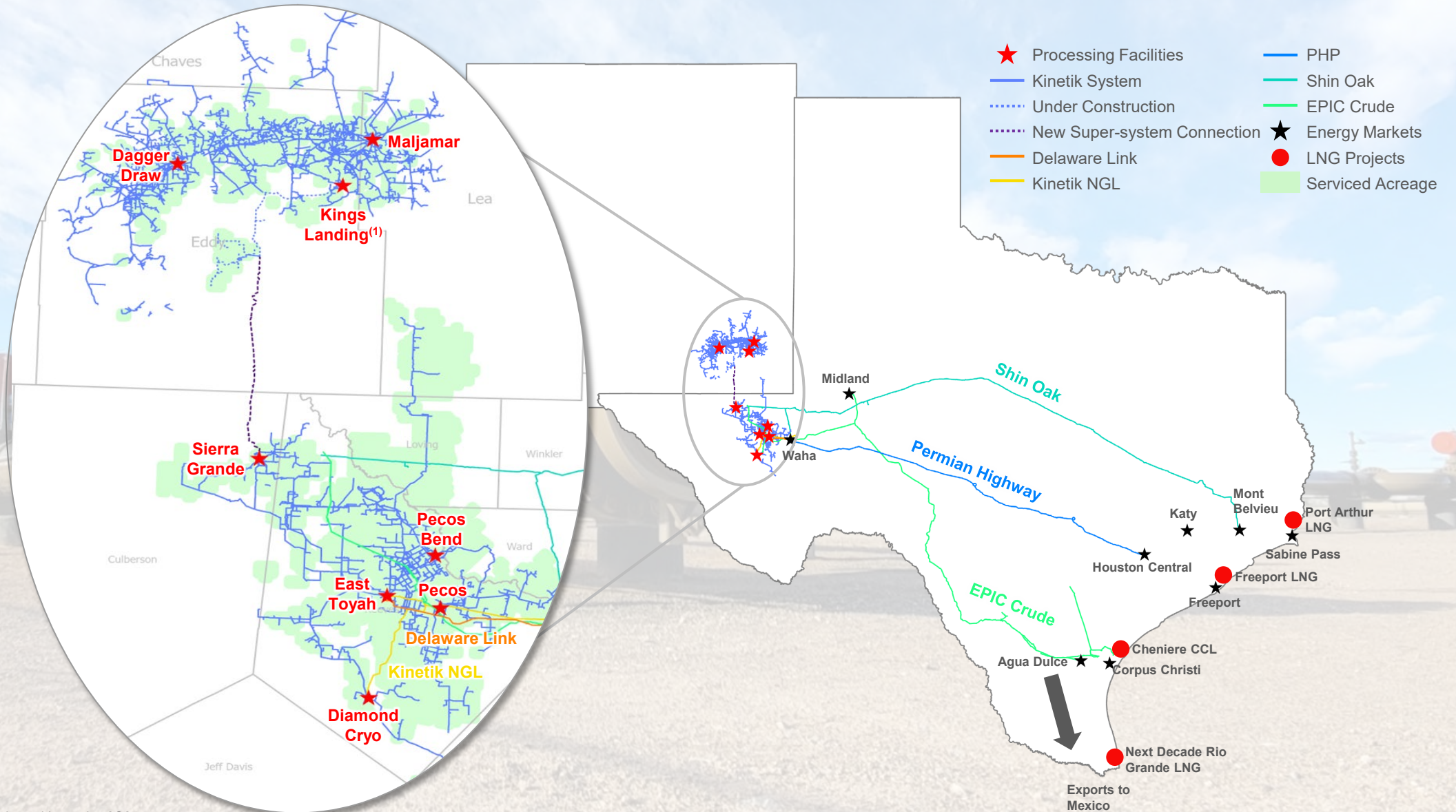
<b>Processing Capacity</b>	Over 2.4 Bcfpd <sup>(1)</sup>
<b>Processing Complexes</b>	8 <sup>(1)</sup>
<b>Operated Pipelines</b>	~4,600 miles
<b>Serviced Acres</b>	~1.4mm acres
<b>Customers</b>	~90 customers

(1) Following in-service of 200 Mmcfpd Kings Landing Cryo I estimated in 2Q25.



# Broad system reach across the Delaware Basin

Unique downstream connectivity positioned to support basin-wide growth



(1) Kings Landing Cryo | estimated in-service 2Q25.

# A full-service, integrated midstream model

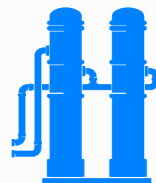
Fee-based business with mission critical infrastructure



## Gas gathering

- Extensive system across Texas and New Mexico
- 4,100+ miles of low- and high-pressure gathering lines spanning the Delaware Basin
- Over 570,000 horsepower of compression capacity

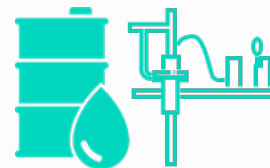
**Diversified customer base of ~90 producers**



## Gas processing and treating

- 8 complexes with over 2.4 Bcfd of processing capacity<sup>(1)</sup>
- System-wide amine treating and 6.5 Mmcfpd AGI capacity
- Super-system connectivity provides enhanced reliability and efficiencies

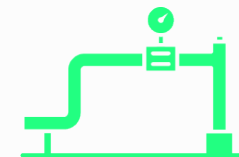
**Third largest processor in the Delaware Basin<sup>(1)</sup>**



## Crude and produced water solutions

- Fee-based crude and water gathering businesses complement gas business
- Crude oil gathering, stabilization, and storage
- Produced water gathering and disposal services

**Represent ~5% of 2024E Adjusted EBITDA<sup>(2)</sup>**



## Intrabasin pipelines

- 1 Bcfd Delaware Link residue gas pipeline offers direct connectivity to Waha
- 580 Mbpd Kinetik NGL pipeline enhances flow assurance and margin expansion
- 150+ Mmcfpd rich gas super-system connection optimizes treating and processing capacity<sup>(3)</sup>

**100% owned and operated intrabasin pipeline connectivity**



## Long-haul pipelines

- Equity interests in PHP (residue gas), Shin Oak (NGLs) and EPIC Crude
- Interconnectivity to downstream markets and access to premium pricing markets for customers

**Strategic ownership in Permian to US Gulf Coast pipelines**

**Kinetik's interconnected super-system and unique access to multiple downstream markets offer Delaware Basin customers reliability and enhanced economic value**

(1) Following in-service of Kings Landing Cryo I estimated in 2Q25.

(2) A non-GAAP measure. See "Non-GAAP Financial Measures Reconciliation" for a reconciliation to the nearest comparable GAAP measure.

(3) Under construction with estimated in-service of 1Q26.

# Strong natural gas fundamentals enhance Kinetik's value proposition

Supply push from the Delaware Basin and demand pull to the US Gulf Coast to drive value



## Global electrification movement resulting in rising energy demand

- Global electricity demand is at record highs and expected to nearly double by 2050<sup>(1)</sup>
- Electrification is critical to improving standards of living, raising the global poverty scale and creating more equitable opportunities
- AI to drive data center demand growth with incremental 55-60GW of capacity expected by 2030<sup>(2)</sup>



## Natural gas is meeting this incremental global demand

- Today, natural gas accounts for approximately 25% of global electricity generation and will continue to capture market share as the world demands cleaner sources of energy<sup>(3)</sup>
- Natural gas is key solution to meet near-term power needs for US data center buildout



## Energy transition cannot occur without natural gas

- Natural gas for electricity generation results in a 50% reduction in CO<sub>2</sub> and methane emissions<sup>(4)</sup>
- Natural gas is a cost-effective, reliable transition fuel to back up the variability and intermittency of renewable energy sources



## LNG facilities driving US Gulf Coast demand pull

- The ability to store, liquefy and ship natural gas globally has created a growing market opportunity with US Gulf Coast LNG demand expected to more than double by 2030<sup>(5)</sup>



## Delaware Basin is one of the most prolific resources in the US for cost advantaged natural gas

- Delaware Basin fundamentals reinforced by significant inventory across several benches at low-end of the cost curve
- Kinetik is well-positioned to support continued basin growth, moving natural gas from the wellhead to the US Gulf Coast

(1) Source: IEA World Energy Outlook, October 2024.

(2) Source: McKinsey and JP Morgan Research. April 2024.

(3) Source: International Energy Agency. July 2023.

(4) Replacement of coal with natural gas for electricity generation. Source: International Energy Agency, 2019.

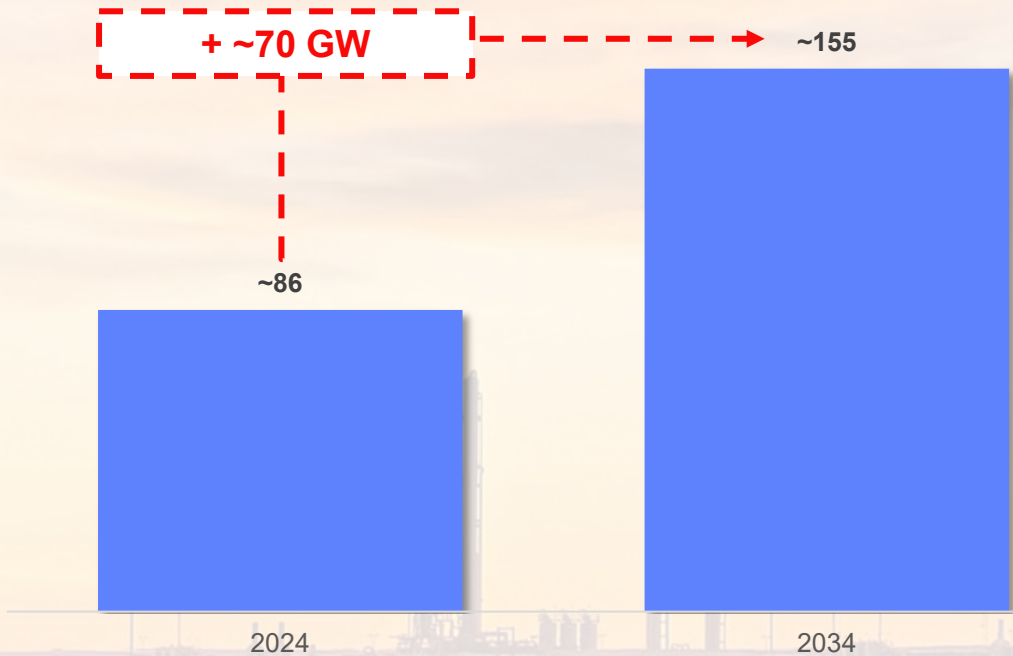
(5) Source: Wood Mackenzie North America Gas Markets Long-Term Outlook, October 2023.



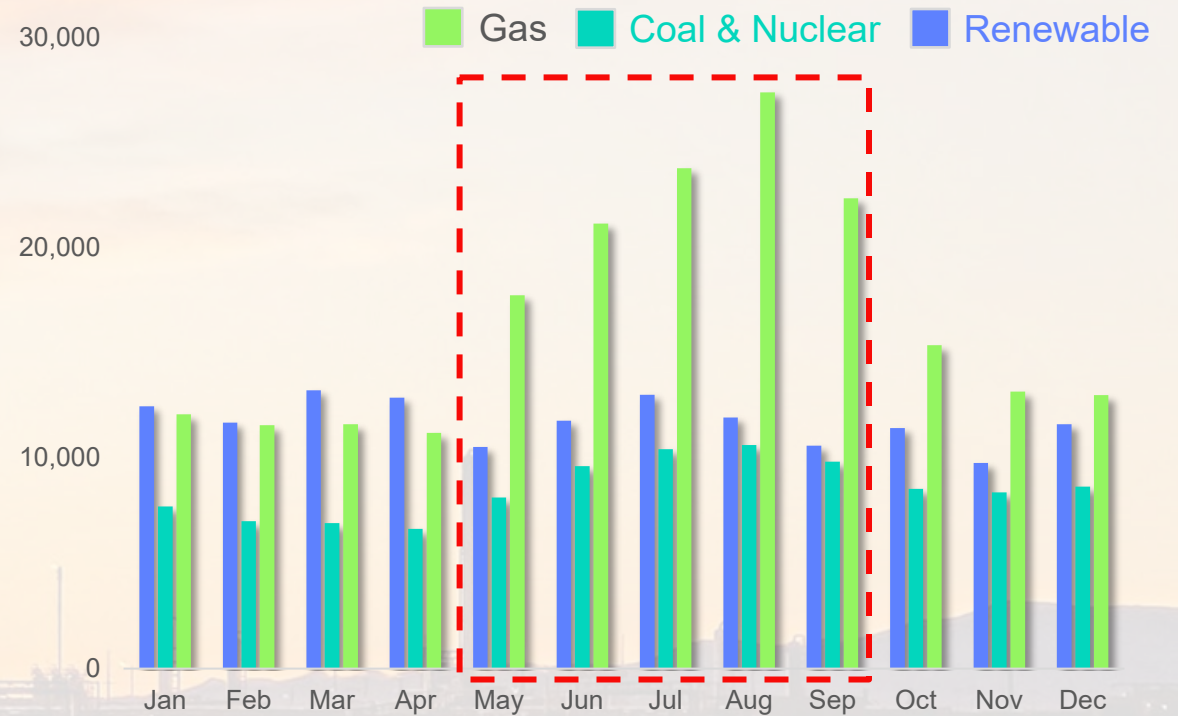
# Natural gas critical to meet growing electricity demand in Texas

ERCOT forecasts electrical demand to nearly double by 2034<sup>(1)</sup>

## ERCOT load forecast (GW)<sup>(1)</sup>



## 2023 Power generation by fuel source (GWh)<sup>(2)</sup>



Electrical demand forecasted to increase by nearly 70 GW driven by AI, oil and gas industry, and population growth<sup>(1)</sup>

- From 2013 to 2023, electrical demand grew by ~15 GW and was met primarily by wind, gas, and solar generation<sup>(2)</sup>
- Texas population is expected to gain 3 to 5 million people by 2036<sup>(3)</sup>

Over 50% of electrical demand in Texas supplied by natural gas power generation from May to September 2023<sup>(2)</sup>

- Natural gas is required to meet peak demand, especially during summer months
- With continued retirement of coal generation, dispatchable generation will require an increased reliance on natural gas

(1) Source: ERCOT 2024 Monthly Peak Demand and Energy Forecast.

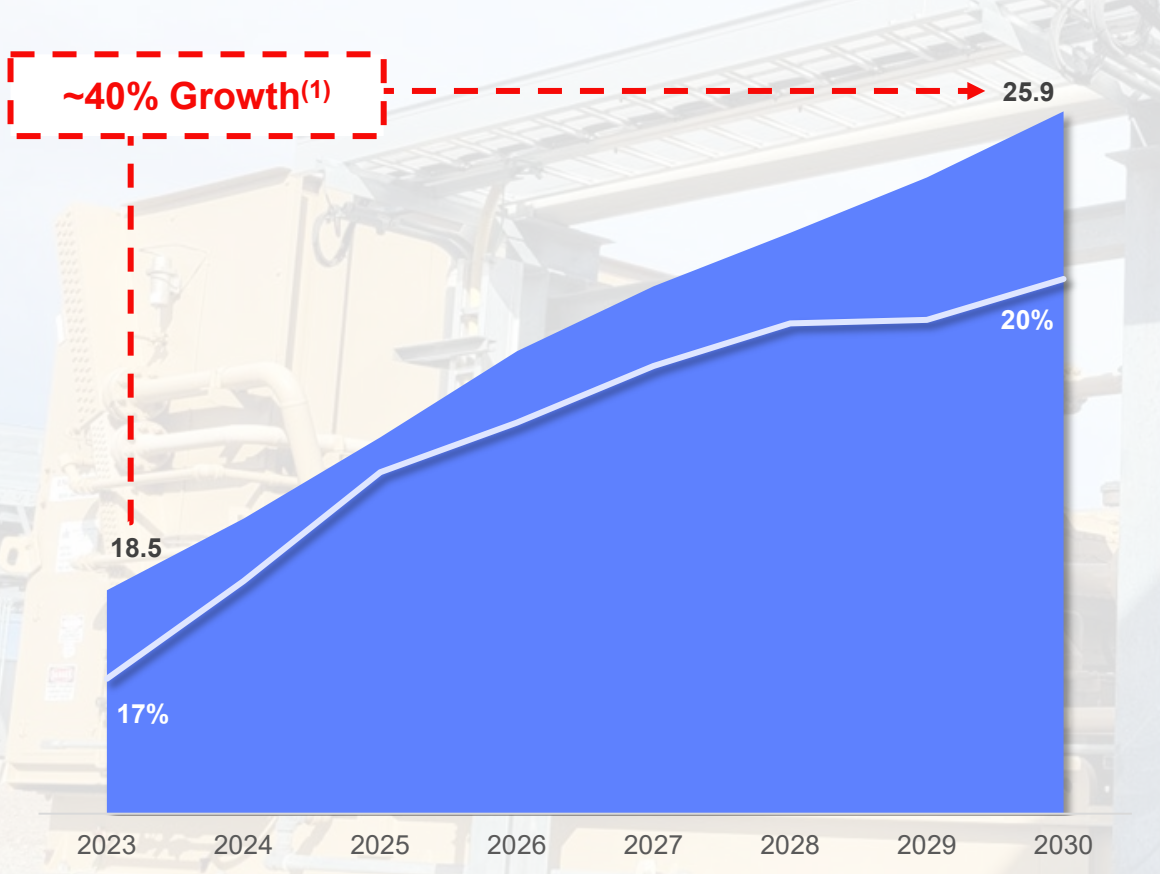
(2) Source: ERCOT Fuel Mix Report.

(3) Source: Texas 2036 Understanding Texas: Population Growth.

# Long-lived Permian natural gas is critical for US Gulf Coast LNG expansion KINETIK

US natural gas demand expected to increase nearly 20% by 2030 driven largely by LNG<sup>(1)</sup>

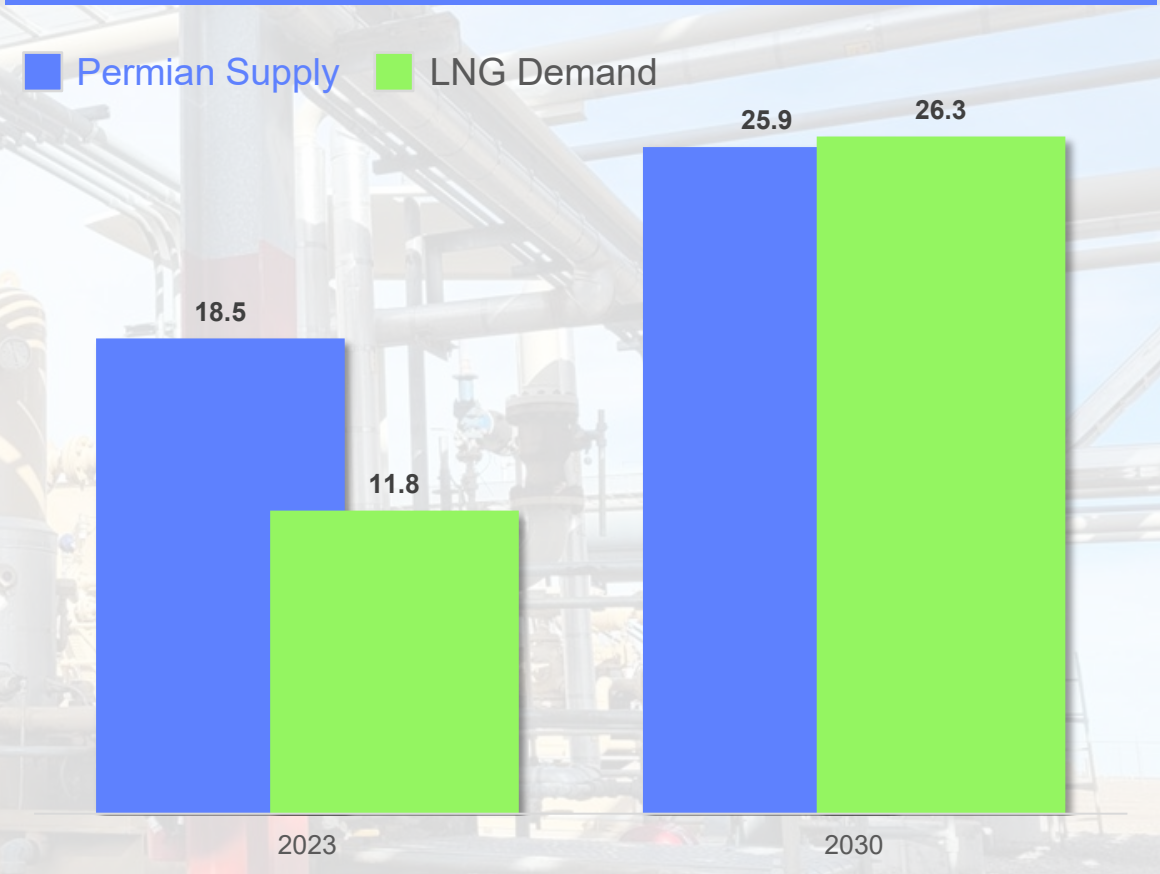
Permian supply forecast (Bcfpd and % US Demand)<sup>(1)</sup>



Permian associated natural gas to grow 40% by end of the decade

- Permian’s share of US natural gas supply expected to increase to ~20%
- Price inelastic suppliers given crude oil directed drilling in the Permian

Permian supply and LNG demand forecast (Bcfpd)<sup>(1)</sup>



LNG demand to more than double by 2030, supported by projects along the Gulf Coast

- US natural gas demand to grow by ~20 Bcfpd, driven by ~15 Bcfpd of LNG demand
- Permian poised to dominate supply to LNG facilities along the Gulf Coast

(1) Source: Wood Mackenzie North America Gas Markets Long-Term Outlook, October 2023.

# Track record of volume growth

Kinetik processed gas volume growth continues to outpace the underlying Permian Basin

## Indexed Gas Volume Growth Since 2021<sup>(1)</sup>

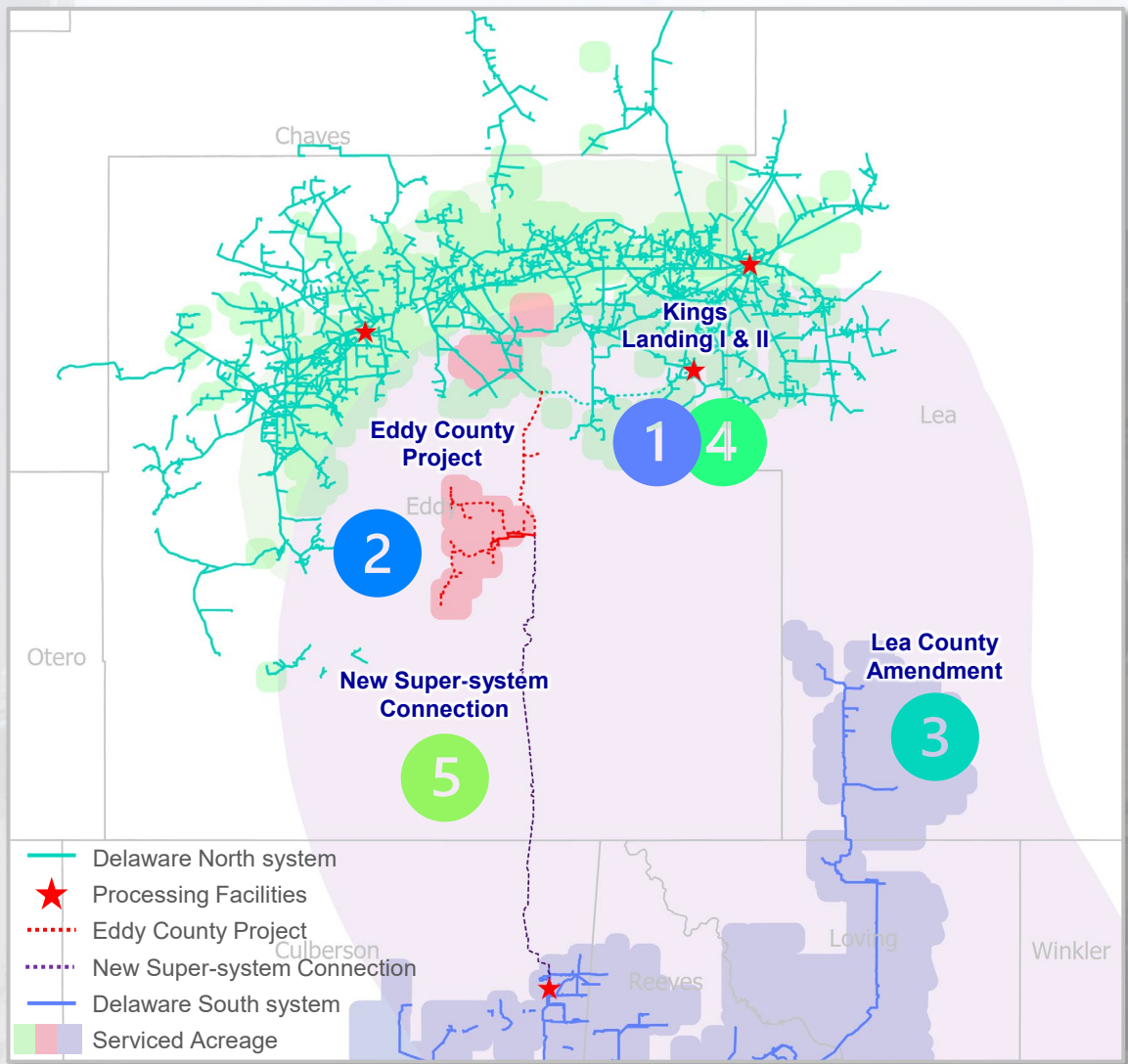
*Durango Permian acquisition, commercial successes and strong asset performance drive meaningful acceleration in volume growth*



(1) Source: EIA Natural Gas Permian Marketed Production as of October 8<sup>th</sup>, 2024 and internal. Kinetik processed gas volume growth and Permian gas production growth indexed beginning 4Q21. 2024 estimates reflect internal forecasts.

# Strategic capital investments drive growth in 2025 and beyond

Highly accretive projects significantly enhance Northern Delaware Basin position



## 1 Kings Landing Cryo I

- Adds 200 Mmcfpd of processing capacity, doubling Delaware North capacity
- Anticipate plant at full capacity 2H25 with high inventory backlog
- Estimated in-service: 2Q25

## 2 Eddy County Project

- 15-year low- and high-pressure gas gathering and processing agreement
- Contract to begin December 2024 with gathering services and extend to processing services in 2Q25

## 3 Lea County Amendment

- Expansion of gathering, treating, and processing services resulting in MVC increase and margin expansion
- Commenced November 1, 2024

## 4 Kings Landing Cryo II

- Commercializing expansion with producers and expect to take FID as soon as possible to facilitate development plans in the Northern Delaware

## 5 New Super-system Connection

- Large diameter, high pressure pipeline to connect Delaware North with Delaware South system to flow >150 Mmcfpd of rich gas
- No incremental capital spend and estimated in-service: 1Q26

(1) A non-GAAP measure. See "Non-GAAP Financial Measures Reconciliation."

# Expanding reach throughout New Mexico

Delivering on our vision of a fully connected super-system

## New Project Highlights

Large diameter, high-pressure pipeline connector from Eddy County, NM to Culberson County, TX

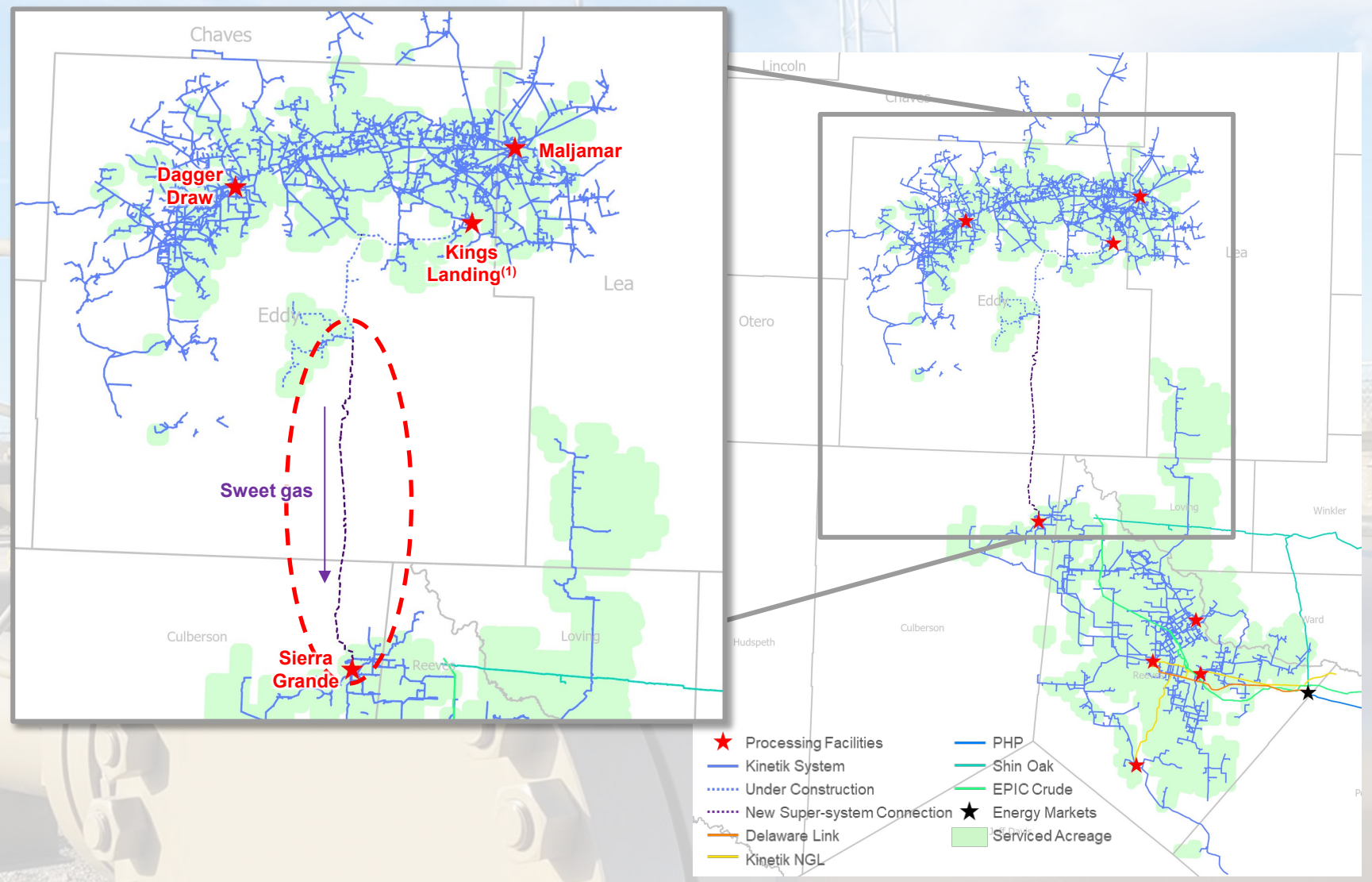
>150 Mmcfd of rich gas throughput capacity

Highly capital efficient and creative scope modification to our recent Eddy County project

1Q26 estimated in-service date

“Drains” sweet gas from Delaware North to Delaware South

Optimizes our treating and processing capacity at Delaware South and Delaware North



(1) Kings Landing Cryo | estimated in-service 2Q25.

# Financial highlights

Attractive financial profile with opportunity for significant growth and accelerated returns to shareholders

**17%**

2023 – 2024E Adj. EBITDA growth<sup>(1,2)</sup>

**87%**

2024E Gross Profit tied to fixed fees

**3.2x**

Leverage Ratio, below 3.5x<sup>(1)</sup> target

**12%**

2024E – 2026E Adj. EBITDA CAGR<sup>(1,3)</sup>

**16%**

2024E – 2026E Free Cash Flow per share CAGR<sup>(1,3)</sup>

**100%**

Debt capital structure linked to sustainability performance targets

**\$3.12**

Annual cash dividend

**5.4%**

Current dividend yield<sup>(4)</sup>

**3 - 5%**

Expected annual dividend growth

(1) A non-GAAP measure. See “Non-GAAP Financial Measures Reconciliation” for a reconciliation to the nearest comparable GAAP measure.

(2) Reflects midpoint of 2024 Revised Adjusted EBITDA Guidance.

(3) FactSet 2024E and 2026E Adjusted EBITDA and Free Cash Flow consensus estimates as of November 8<sup>th</sup>, 2024.

(4) KNTK Class A closing share price of \$57.96 as of November 8<sup>th</sup>, 2024.

# Our capital allocation framework: Now clearly in focus

Maximizes shareholder value while providing flexibility for opportunistic capital deployment

## 3.5x leverage target<sup>(1)</sup>

- Outperformed leverage target<sup>(1)</sup> with the strategic transactions
- Focused on achievement of Investment Grade ratings

## \$1bn Adjusted EBITDA target<sup>(1)</sup>

- Strong business performance and strategic transactions

## Strategic & accretive growth projects

- Continued investment in strategic, financially accretive growth projects
- Target mid-single digit investment multiples

## Incremental capital to shareholders

- Annual ratable increases to current \$3.12 cash dividend
- Opportunistic share repurchases

## Financial flexibility

- Maintain strong balance sheet and flexibility for opportunistic capital deployment

(1) A non-GAAP measure. See appendix for definitions of the non-GAAP financial measures used in this presentation.

# 2023 Sustainability Report: Energy for Change

Demonstrating our commitment to unlocking the potential of energy for a better tomorrow

## Environmental

- 32% and 14% reductions in methane emissions and GHG emissions intensities, respectively, since 2021<sup>(1)</sup>
- 61% electricity sourced from renewable energy sources
- Voluntarily inspected 100% of gas plants and compressor stations with advanced aerial OEGI technology

## Safety

- Zero Lost Time incidents
- 83% reduction in Total Recordable Incident Rate (TRIR)
- 2023 GPA Midstream Safety Award recipient

The KINETIK logo is centered within a large, stylized diamond shape. The diamond is composed of multiple overlapping layers in shades of green and blue, creating a sense of depth and movement. The word "KINETIK" is written in a white, sans-serif font across the center of the diamond.

## Community

- Over \$1.2mm in donations and charitable contributions
- Over \$500,000 raised for local first responders through annual Holes for Heroes Golf Tournament since 2022
- 533 volunteer hours, nearly doubling 2022 efforts

## Governance

- 66% of Board committees chaired by women
- 100% Independent Board committee members<sup>(2)</sup>
- 20% of full-time employees' at-risk pay linked to sustainability performance targets

(1) Scope 1 and Scope 2 emissions. 2023 versus pro forma 2021.

(2) Determined to be independent within the meaning of NYSE and SEC rules and regulations.



# ONE OF THE LARGEST PURE-PLAY MIDSTREAM COMPANIES SOLELY IN THE PERMIAN BASIN

Offices in Midland and Houston, TX

**OPERATES 8 MAJOR COMPLEXES<sup>(2)</sup>  
& OVER 4,600 MILES OF PIPELINE**

**ACROSS 8 COUNTIES IN TX & NM  
APPROX. 90 CUSTOMERS**

APPROXIMATELY **1,400,000** **90,000**  
HAS A CAPACITY OF

SERVICED ACRES

BARRELS OF CRUDE STORAGE CAPACITY

OWNS & OPERATES **6.5 Mmcfpd** INTERESTS IN **2.7 Bcfpd**

OF AGI TAG CAPACITY

OF RESIDUE GAS TAKEAWAY

**NEARLY 1,300 MILES**  
OF GAS & NGL TRANSPORT PIPELINES

**EQUITY INTERESTS  
IN LONG-HAUL  
PIPELINES**

**55.5% OF PHP  
33% OF SHIN OAK  
27.5% OF EPIC CRUDE**

INTERESTS IN **600 Mbpd**

OF CRUDE TAKEAWAY CAPACITY

**DELIVERS ~2.4 Bcfpd<sup>(2)</sup>**

OF PROCESSING CAPACITY

INTERESTS IN **550 Mbpd**  
OF NGL TAKEAWAY CAPACITY

OWNS & OPERATES **1.0 Bcfpd**  
DELAWARE LINK PIPELINE

OWNS & OPERATES **580 Mbpd**  
INTRABASIN KINETIK NGL

(1) As of September 30<sup>th</sup>, 2024.

(2) Following in-service of Kings Landing Cryo I estimated in 2Q25.



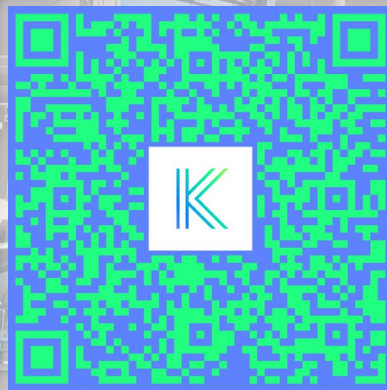
# KINETIK

**For more information:**

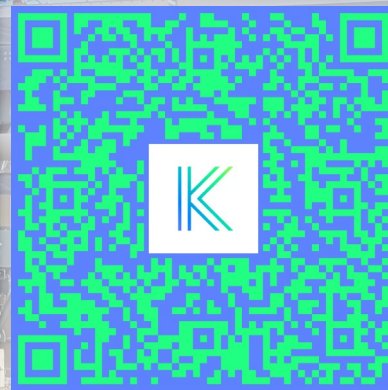
**Leadership**



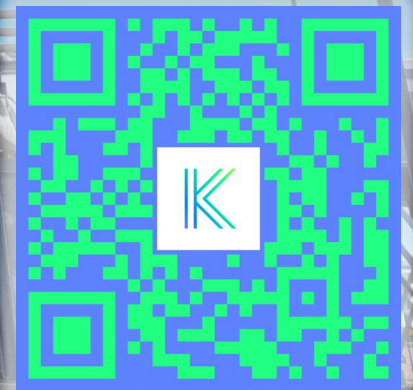
**Board of Directors**



**Sustainability**



**Viewpoint with  
Dennis Quaid**





 KINETIK

- Adjusted EBITDA (EBITDA) is defined as net income including non-controlling interests adjusted for interest, taxes, depreciation and amortization, impairment charges, asset write-offs, the proportionate EBITDA from unconsolidated affiliates, equity in earnings from unconsolidated affiliates, share-based compensation expense, non-cash increases and decreases related to trading and hedging agreements, extraordinary losses and unusual or non-recurring charges
- Capital Expenditures is defined as costs incurred in midstream activities, less any contributions in aid of construction plus investments in unconsolidated affiliates, less returns of invested capital from unconsolidated affiliates
- Distributable Cash Flow is defined as Adjusted EBITDA, adjusted for the proportionate EBITDA from unconsolidated affiliates, returns on invested capital from unconsolidated affiliates, interest expense, net of amounts capitalized, unrealized gains or losses on interest rate derivatives, and maintenance capital expenditures
- Free Cash Flow is defined as Distributable Cash Flow adjusted for growth capital expenditures, investments in unconsolidated affiliates, returns of invested capital from unconsolidated affiliates, cash interest, capitalized interest, realized gains or losses on interest rate derivatives and contributions in aid of construction
- Gross Profit is defined as revenues less cost of goods sold (exclusive of depreciation and amortization)
- Leverage Ratio or Leverage is defined as total debt less cash and cash equivalents divided by last twelve months Adjusted EBITDA, calculated in our credit agreement. The calculation includes EBITDA Adjustments for Qualified Projects, Acquisitions and Divestitures
- Net Debt is defined as total long-term debt, excluding deferred financing costs, less cash and cash equivalents

# Non-GAAP Measures Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net Income Including Noncontrolling Interests to Adjusted EBITDA</b>	<b>(In thousands)</b>			
Net income including noncontrolling interest (GAAP)	\$ 83,654	\$ 43,131	\$ 228,009	\$ 119,098
Add back:				
Interest expense	66,029	45,009	167,545	130,443
Income tax expense	8,260	1,303	21,261	2,030
Depreciation and amortization	87,583	69,935	236,250	208,271
Amortization of contract costs	1,655	1,655	4,965	4,965
Proportionate EBITDA from unconsolidated affiliates	88,229	78,585	262,553	224,933
Share-based compensation	15,171	12,502	52,868	43,340
Loss on disposal of assets	—	2,927	4,090	15,166
Loss on debt extinguishment	—	—	525	—
Unrealized hedging (gain) loss	(8,817)	8,259	(1,935)	616
Contingent liability fair value adjustment	1,400	—	1,400	—
Integration costs	2,540	21	5,091	985
Acquisition transaction costs	31	378	3,538	648
Other one-time costs or amortization	3,717	2,662	8,448	7,545
Deduct:				
Interest income	572	293	1,459	314
Warrant valuation adjustment	—	(4)	—	73
Gain on sale of equity method investment	29,953	—	89,837	—
Equity income from unconsolidated affiliates	53,244	50,754	169,668	146,828
<b>Adjusted EBITDA<sup>(1)</sup> (non-GAAP)</b>	<b>\$ 265,683</b>	<b>\$ 215,324</b>	<b>\$ 733,644</b>	<b>\$ 610,825</b>

(1) Adjusted EBITDA is defined as net income including non-controlling interests adjusted for interest, taxes, depreciation and amortization, impairment charges, asset write-offs, the proportionate EBITDA from unconsolidated affiliates, equity in earnings from unconsolidated affiliates, share-based compensation expense, non-cash increases and decreases related to trading and hedging agreements, extraordinary losses and unusual or non-recurring charges. Adjusted EBITDA provides a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. Adjusted EBITDA should not be considered as an alternative to the GAAP measure of net income including non-controlling interest or any other measure of financial performance presented in accordance with GAAP.

# Non-GAAP Measures Reconciliation

	Nine Months Ended September 30,	
	2024	2023
<b>Reconciliation of net cash provided by operating activities to Adjusted EBITDA</b>	<b>(In thousands)</b>	
Net cash provided by operating activities	\$ 493,356	\$ 405,585
Net changes in operating assets and liabilities	24,981	24,604
Interest expense	167,545	130,443
Amortization of deferred financing costs	(5,497)	(4,601)
Current income tax expense	1,528	355
Returns on invested capital from unconsolidated affiliates	(223,670)	(205,891)
Proportionate EBITDA from unconsolidated affiliates	262,553	224,933
Derivative fair value adjustment and settlement	(835)	25,917
Unrealized hedging loss (gain)	(1,935)	616
Interest income	(1,459)	(314)
Integration costs	5,091	985
Transaction costs	3,538	648
Other one-time cost or amortization	8,448	7,545
<b>Adjusted EBITDA<sup>(1)</sup> (non-GAAP)</b>	<b>\$ 733,644</b>	<b>\$ 610,825</b>

(1) Adjusted EBITDA is defined as net income including non-controlling interests adjusted for interest, taxes, depreciation and amortization, impairment charges, asset write-offs, the proportionate EBITDA from unconsolidated affiliates, equity in earnings from unconsolidated affiliates, share-based compensation expense, non-cash increases and decreases related to trading and hedging agreements, extraordinary losses and unusual or non-recurring charges. Adjusted EBITDA provides a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. Adjusted EBITDA should not be considered as an alternative to the GAAP measure of net income including non-controlling interest or any other measure of financial performance presented in accordance with GAAP.

# Non-GAAP Measures Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Distributable Cash Flow<sup>(1)</sup></b>	<b>(In thousands)</b>			
Adjusted EBITDA (non-GAAP)	\$ 265,683	\$ 215,324	\$ 733,644	\$ 610,825
Proportionate EBITDA from unconsolidated affiliates	(88,229)	(78,585)	(262,553)	(224,933)
Returns on invested capital from unconsolidated affiliates	71,028	69,661	223,670	205,891
Interest expense	(66,029)	(45,009)	(167,545)	(130,443)
Unrealized gain on interest rate derivatives	12,336	(7,835)	2,770	(27,481)
Maintenance capital expenditures	(10,631)	(5,503)	(28,411)	(15,065)
<b>Distributable cash flow (non-GAAP)</b>	<b>\$ 184,158</b>	<b>\$ 148,053</b>	<b>\$ 501,575</b>	<b>\$ 418,794</b>
<b>Free Cash Flow<sup>(2)</sup></b>				
Distributable cash flow (non-GAAP)	\$ 184,158	\$ 148,053	\$ 501,575	\$ 418,794
Cash interest adjustment	27,401	12,378	(1,994)	(7,953)
Realized gain on interest rate swaps	3,994	4,665	11,899	7,082
Growth capital expenditures	(49,840)	(78,732)	(130,253)	(240,640)
Capitalized interest	(2,955)	(6,731)	(4,885)	(13,776)
Investments in unconsolidated affiliates	—	(43,795)	(3,273)	(194,125)
Returns of invested capital from unconsolidated affiliates	1,549	—	2,789	5,793
Contributions in aid of construction	390	967	1,798	7,839
<b>Free cash flow (non-GAAP)</b>	<b>\$ 164,697</b>	<b>\$ 36,805</b>	<b>\$ 377,656</b>	<b>\$ (16,986)</b>

(1) Distributable Cash Flow is defined as Adjusted EBITDA, adjusted for the proportionate EBITDA from unconsolidated affiliates, returns on invested capital from unconsolidated affiliates, interest expense, net of amounts capitalized, unrealized gains or losses on interest rate derivatives and maintenance capital expenditures. Distributable Cash Flow should not be considered as an alternative to the GAAP measure of net income including non-controlling interest or any other measure of financial performance presented in accordance with GAAP. We believe that Distributable Cash Flow is a useful measure to compare cash generation performance from period to period and to compare the cash generation performance for specific periods to the amount of cash dividends we distribute.

(2) Free Cash Flow is defined as Distributable Cash Flow adjusted for growth capital expenditures, investments in unconsolidated affiliates, returns of invested capital from unconsolidated affiliates, cash interest, capitalized interest, realized gains or losses on interest rate derivatives and contributions in aid of construction. Free Cash flow should not be considered as an alternative to the GAAP measure of net income including non-controlling interest or any other measure of financial performance presented in accordance with GAAP. We believe that Free Cash Flow is a useful performance measure to compare cash generation performance from period to period and to compare the cash generation performance for specific periods to the amount of cash dividends that we distribute.

# Non-GAAP Measures Reconciliation

	September 30, 2024	June 30, 2024	March 31, 2024
	(In thousands)		
<b>Net Debt<sup>(1)</sup></b>			
Short-term debt	\$ 150,000	\$ 148,800	\$ —
Long-term debt, net	3,279,689	3,258,403	3,517,115
Plus: Debt issuance costs, net	27,311	28,597	29,885
<b>Total debt</b>	<b>3,457,000</b>	<b>3,435,800</b>	<b>3,547,000</b>
Less: Cash and cash equivalents	20,438	12,549	9,756
<b>Net debt (non-GAAP)</b>	<b>\$ 3,436,562</b>	<b>\$ 3,423,251</b>	<b>\$ 3,537,244</b>

(1) Net Debt is defined as total current and long-term debt, excluding deferred financing costs, premiums and discounts, less cash and cash equivalents. Net Debt illustrates our total debt position less cash on hand that could be utilized to pay down debt at the balance sheet date. Net Debt should not be considered as an alternative to the GAAP measure of total long-term debt, or any other measure of financial performance presented in accordance with GAAP.