KINETIK

King of the North

August 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; 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, free cash flow, 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.

Why Kinetik?

Pure-play Permian midstream company positioned for growth

Permian pure-play	**2.4 Bcfpd processing capacity[1]** 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
Growth oriented	**43%** increase in processed gas volumes since 2021	**10%** 3-year Adjusted EBITDA CAGR[2][3]	**25%+** 3-year Free Cash Flow CAGR[2][4]
Financial discipline and transparency	**3.4x Leverage Ratio[1]** Below 3.5x leverage target[1]	**7% dividend yield[5]** Attractive vs. C-corp peers	**100%** debt capital structure linked to sustainability performance targets

(1) Following in-service of Kings Landing Cryo I estimated in April 2025.
(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 $40.86 as of August 12th, 2024.

Premier Delaware Basin platform with compelling scale

Extensive Delaware Basin gathering system across Texas and New Mexico

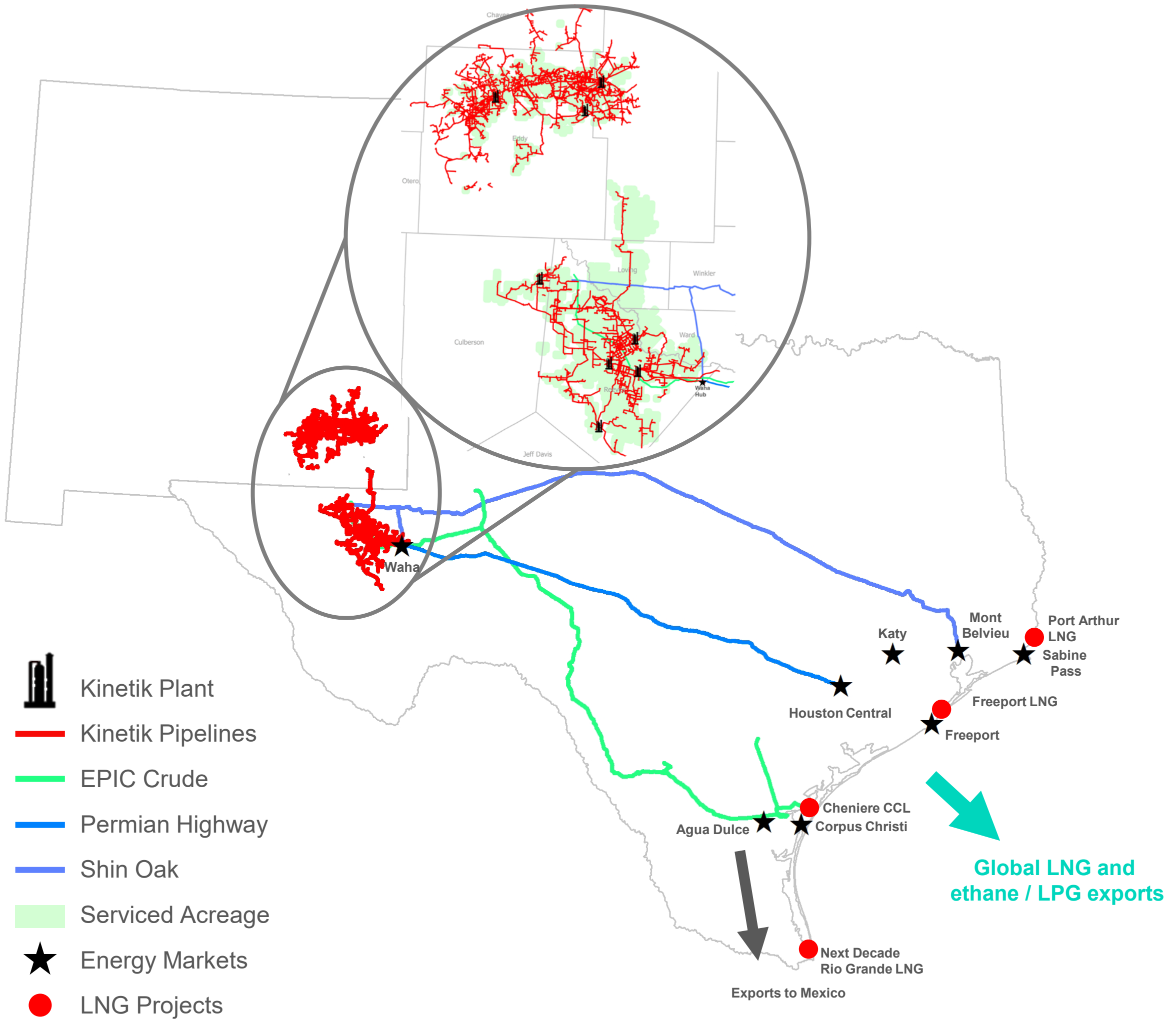
Opportunistically primed for future Permian growth

- Third largest processor in the Delaware Basin with over 2.4 Bcfpd processing capacity across Texas and New Mexico(1)
- 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 market share 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

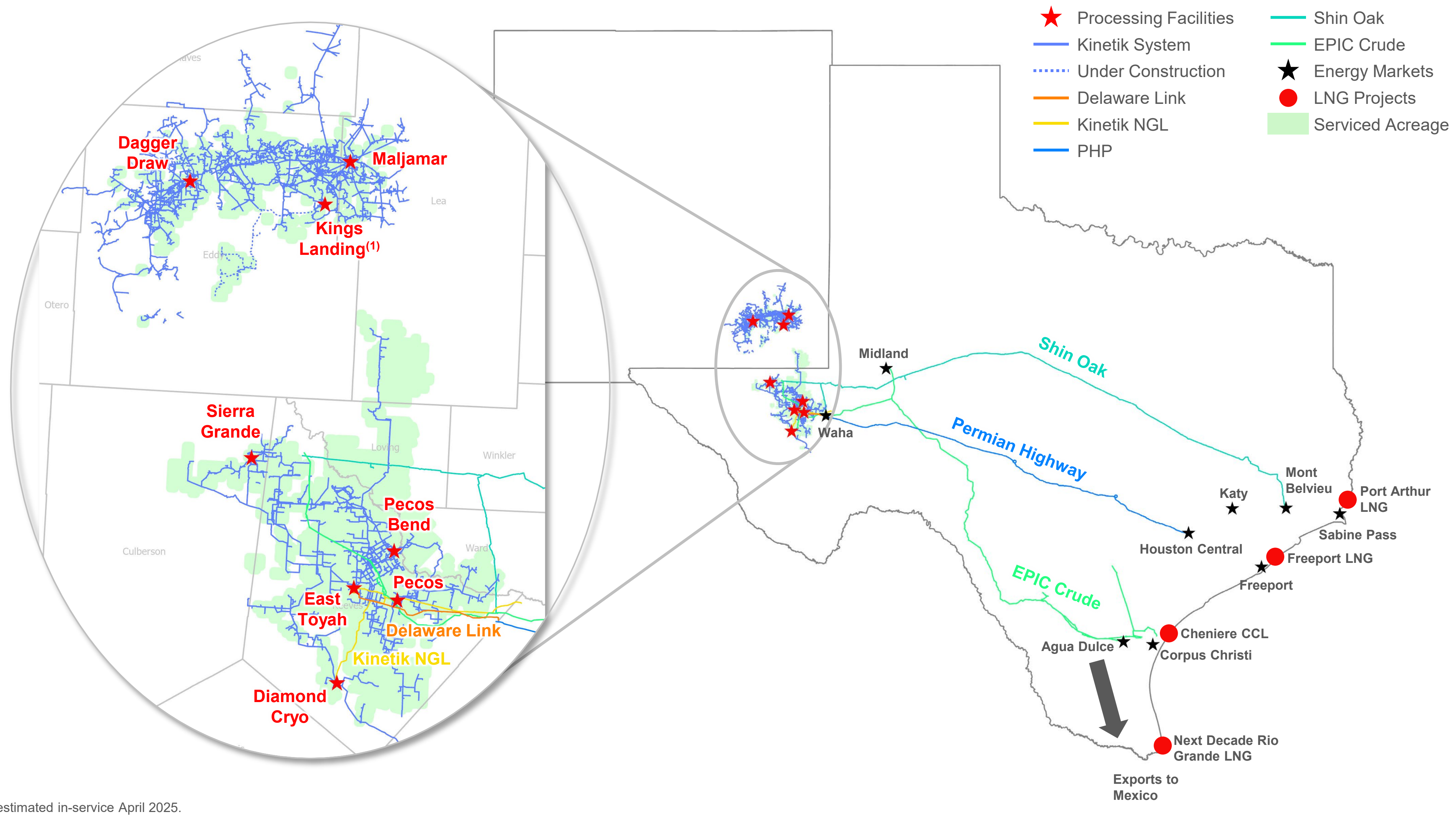
	Operational Highlights
Processing Capacity	Over 2.4 Bcfpd(1)
Processing Complexes	7
Operated Pipelines	~4,600 miles
Serviced Acres	~1.4mm acres
Customers	~90 customers



(1) Following in-service of 200 Mmcfpd Kings Landing Cryo I estimated in April 2025.

Broad system reach across the Delaware Basin

Unique downstream connectivity positioned to support basin-wide growth



(1) Kings Landing Cryo I estimated in-service April 2025.

A full-service, integrated midstream model

Fee-based business with mission critical infrastructure

KINETIK

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

- 7 complexes with over 2.4 Bcfpd of processing capacity(1)
- 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(1)

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(2)

Intrabasin pipelines

- 1 Bcfpd Delaware Link residue gas pipeline offers direct connectivity to Waha
- 580 Mbpd Kinetik NGL pipeline enhances flow assurance and margin expansion

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

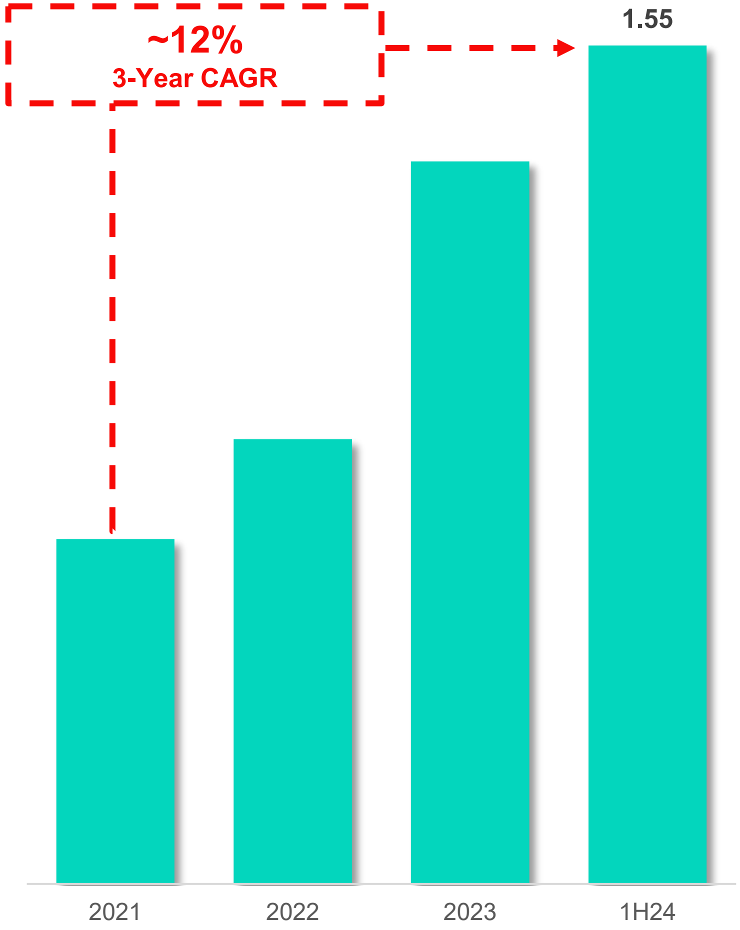
Kinetik's interconnected super-system and unique access to multiple downstream markets offer Delaware Basin customers reliability and enhanced economic value

(1) Following in-service of Kings Landing Cryo I estimated in April 2025.
(2) A non-GAAP measure. See "Non-GAAP Financial Measures Reconciliation" for a reconciliation to the nearest comparable GAAP measure.

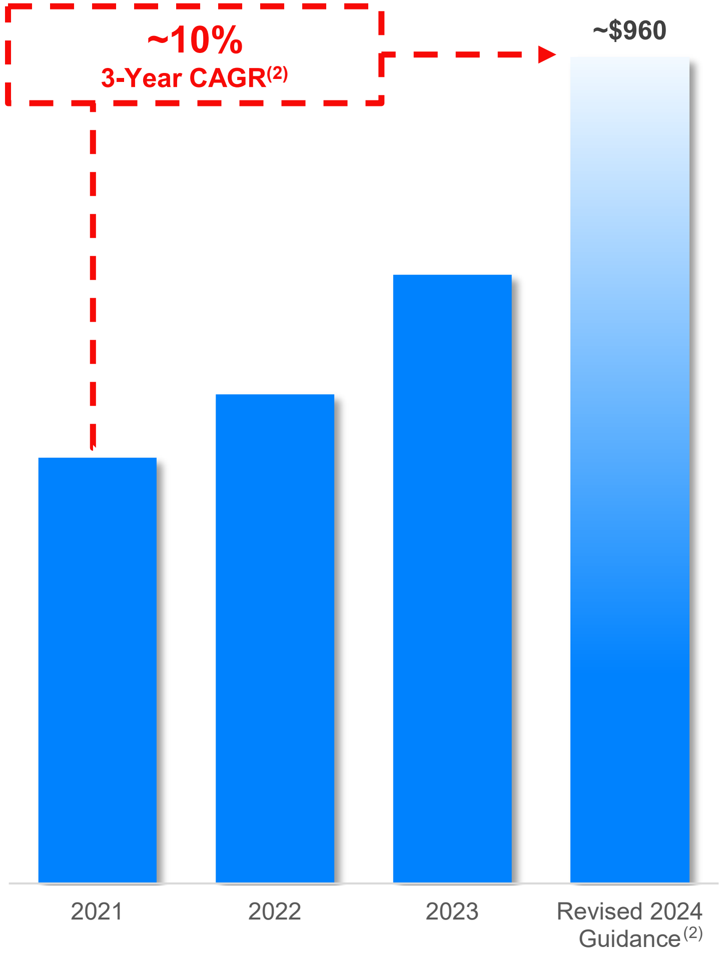
Compelling volume and Adjusted EBITDA[1] growth year-over-year

Maximizing shareholder value through growth opportunities and execution of capital allocation objectives

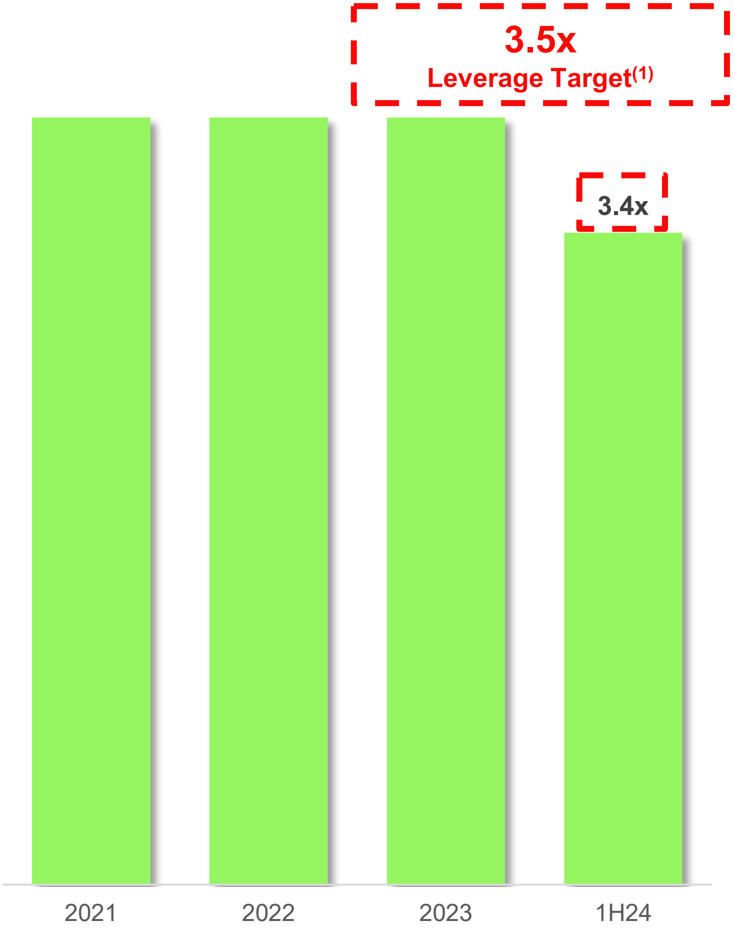
Processed Gas Volumes (Bcfpd)



Adjusted EBITDA[1] ($mm)



Leverage Ratio[1]

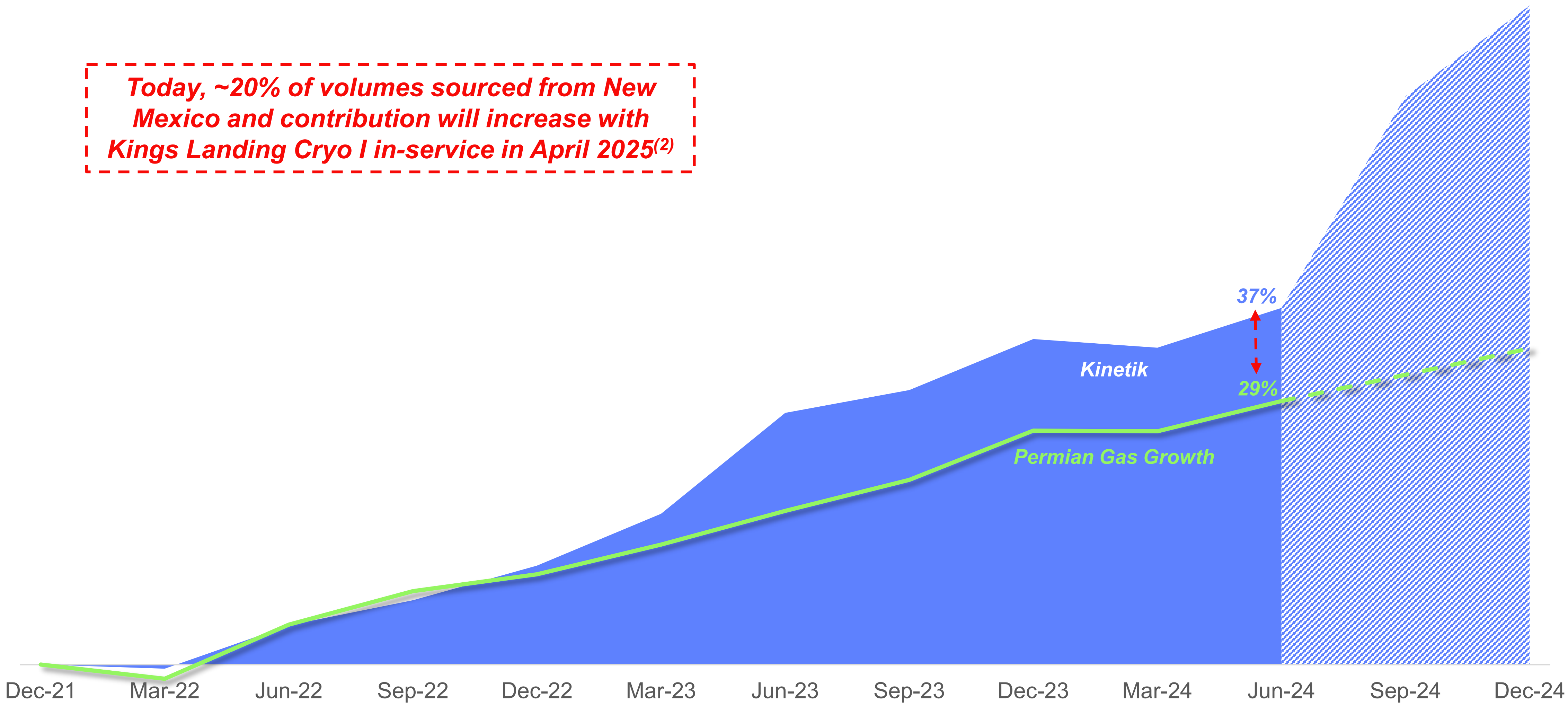


(1) A non-GAAP measure. See "Non-GAAP Financial Measures Reconciliation" for a reconciliation to the nearest comparable GAAP measure.
(2) Reflects midpoint of Revised 2024 Guidance.

Meaningful gas volume growth year-over-year

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

Indexed Gas Volume Growth Since 2021(1)



(1) Source: EIA DPR as of May 13th, 2024 and internal. Kinetik processed gas volume growth and Permian gas production growth indexed beginning 4Q22. 2024 estimates reflect internal forecasts.
(2) As of August 12th, 2024.

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 increase by up to 76% by 2050(1)
- 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(2)

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(3)
- 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_2 and methane emissions(4)
- 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(5)

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

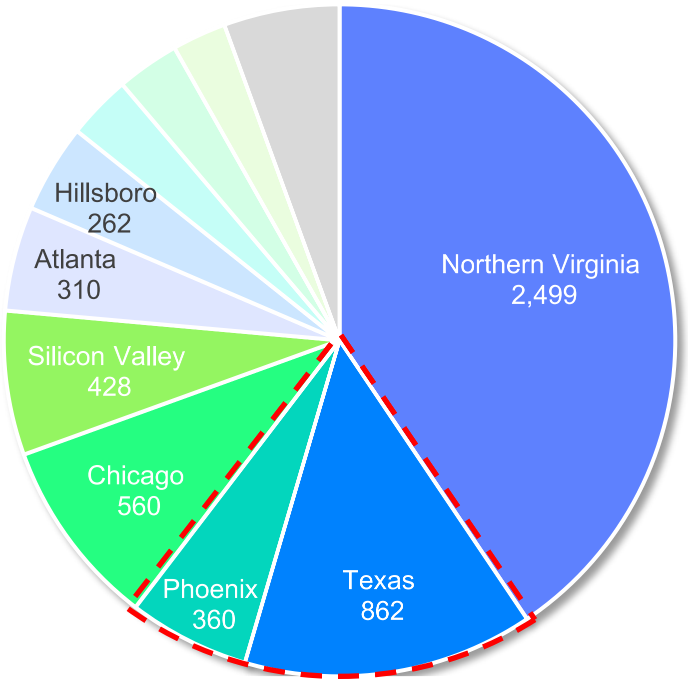
- Delaware Basin fundamentals reinforced by significant inventory across several benches at low-end of the cost curve
- Kinetik is well-positioned to support continued basin growth, moving natural gas from the wellhead to the US Gulf Coast

(1) Source: EIA International Energy Outlook, October 2023.
(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.

Permian natural gas ideally located for Southwest AI data center demand

Texas and Phoenix markets advantaged with reliable Permian natural gas infrastructure

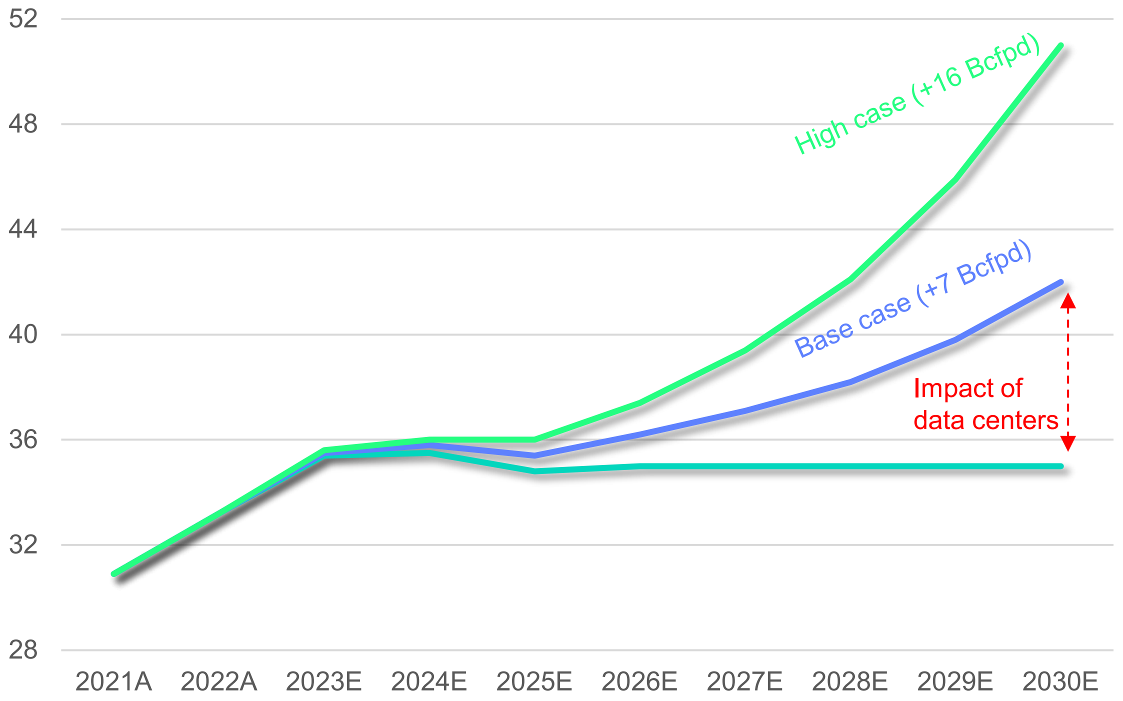
North America data center market inventory (MW)[1]



Texas and Phoenix markets with over 1,220 MW, representing ~20% of market demand

- Further growth in southwestern markets supported by natural gas supply, established infrastructure and transmission network, land availability, advantageous operating costs, and favorable regulatory environments

Natural gas power generation demand (Bcfpd)[2]



AI data centers expected to drive ~7 Bcfpd of incremental natural gas demand by 2030

- Natural gas will be required to meet growing power demand given abundance, reliability, and affordability
- Increased power needs and lack of infrastructure limiting data center development, extending project timelines, and elevating project costs in some markets

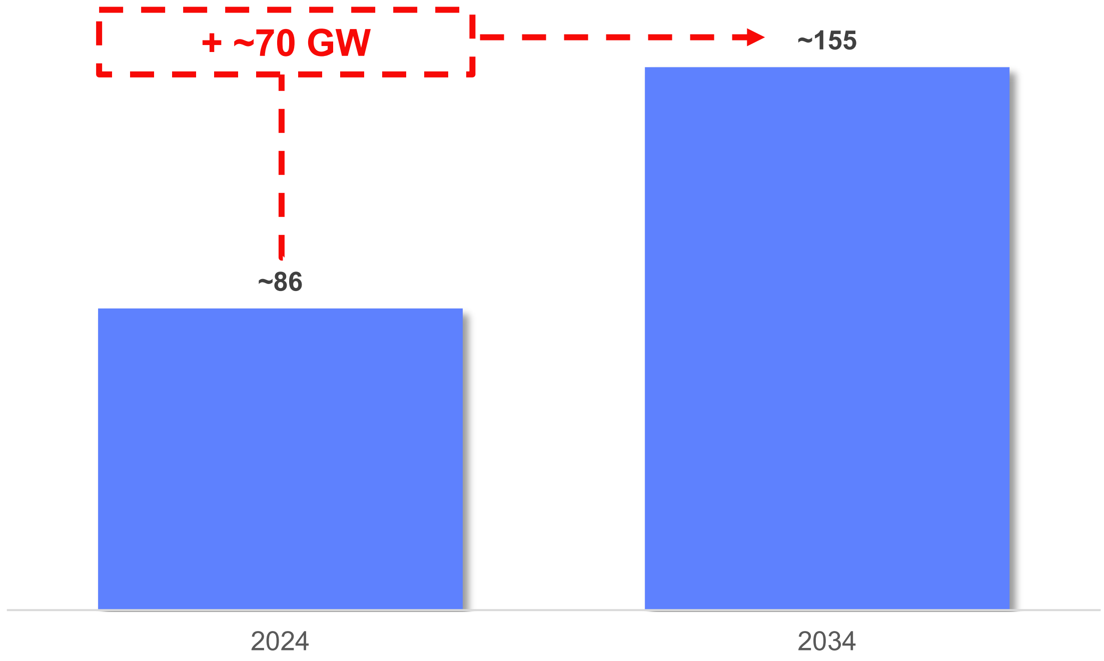
(1) Source: CBRE North America Data Centers Trends H2 2023, March 6th, 2024.
(2) Source: Wells Fargo AI Power Surge – Quantifying Upside for Renewables & Natural Gas Demand, March 21st, 2024.

Natural gas critical to meet growing electricity demand in Texas

KINETIK

ERCOT forecasts electrical demand to nearly double by 2034[1]

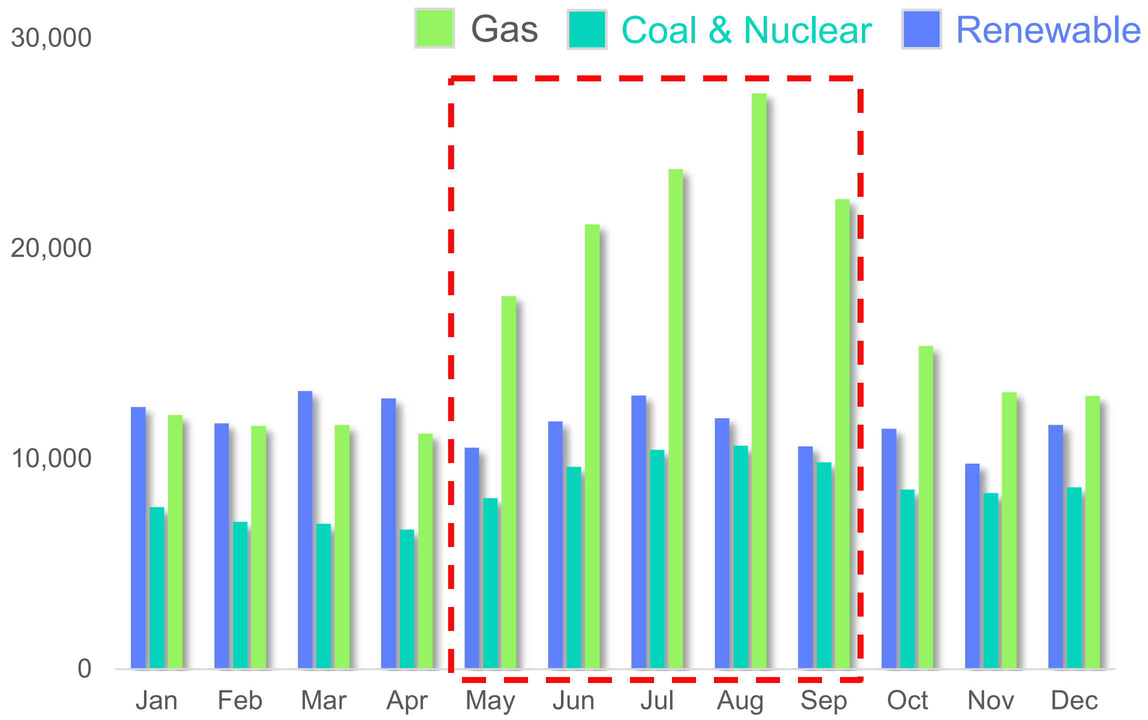
ERCOT load forecast (GW)[1]



Electrical demand forecasted to increase by nearly 70 GW driven by AI, oil and gas industry, and population growth[1]

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

2023 Power generation by fuel source (GWh)[2]



Over 50% of electrical demand in Texas supplied by natural gas power generation from May to September 2023[2]

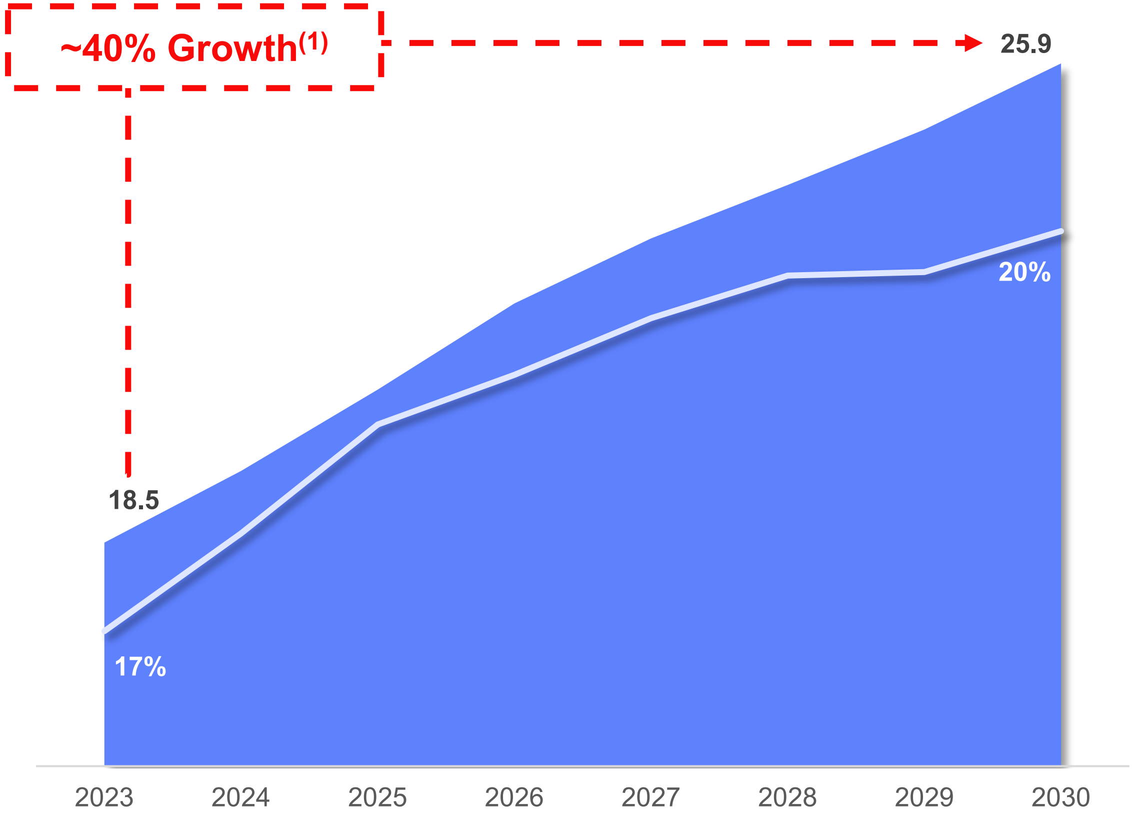
- Natural gas is required to meet peak demand, especially during summer months
- With continued retirement of coal generation, dispatchable generation will require an increased reliance on natural gas

(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

US natural gas demand expected to increase nearly 20% by 2030 driven largely by LNG[1]

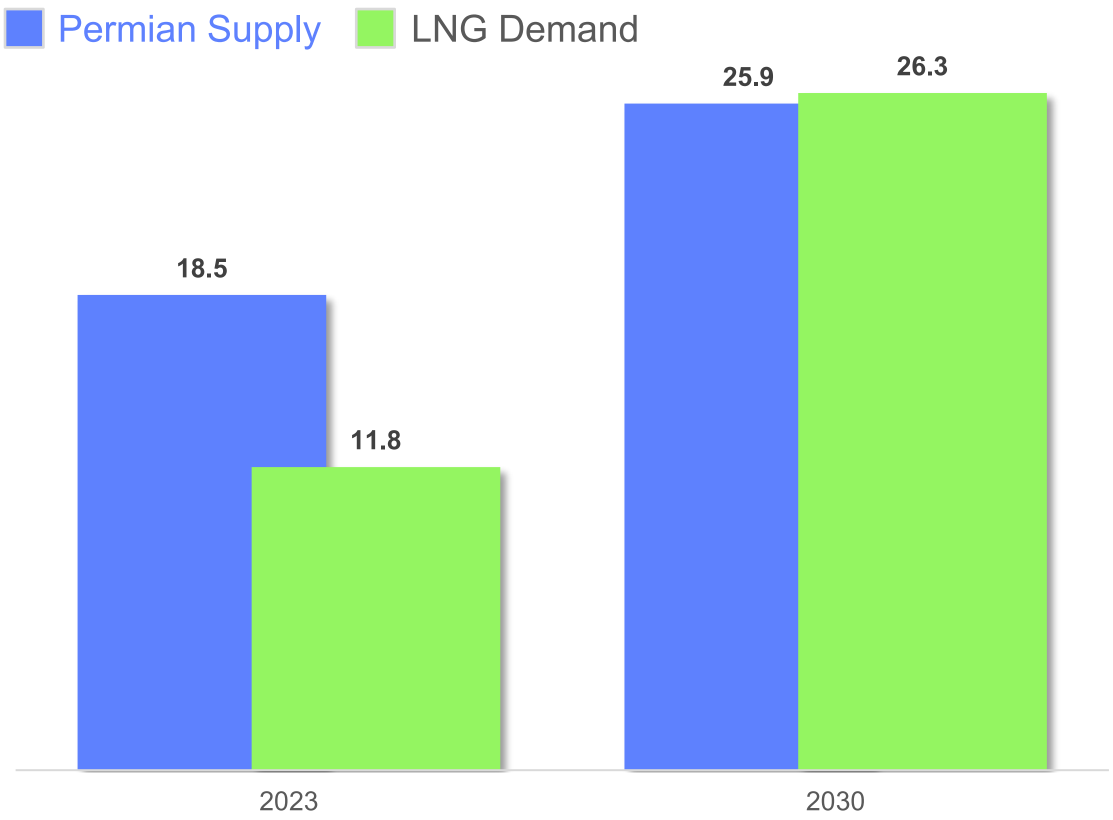
Permian supply forecast (Bcfpd and % US Demand)[1]



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)[1]



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.

Revised 2024 Guidance and assumptions

KINETIK

Updating 2024 Adjusted EBITDA(1) and Capital Expenditure(1)(2) Guidance

Revised 2024 Financial Guidance

	Revised Range *($mm)*	Revised Midpoint *($mm)*	% YoY(3)
Adjusted EBITDA(1)	$940 - $980	$960	14%
Capital Expenditures(1)(2)	$260 - $300	$280	(47%)

Volume Assumptions

	2023A % YoY	2024E % YoY
Permian Production(5)		
Natural Gas	12%	Mid-to-high single digit
Crude Oil	9%	Low-to-mid single digit
Kinetik		
Natural Gas	21%	High-teens
Crude Oil	(21%)	(Low-single digit)
Produced Water	80%	(Low-single digit)

2024 Commodity Price Sensitivities(4)

Commodity	Price Input	% Change in Price	Potential Impact to Adj. EBITDA(1)
WTI *($/Bbl)*	~$77	+/- 10%	+/- $4mm
Natural Gas *($/MMBtu at Houston Ship Channel)*	~$2		
NGLs *($/Gal)*	~$0.60		

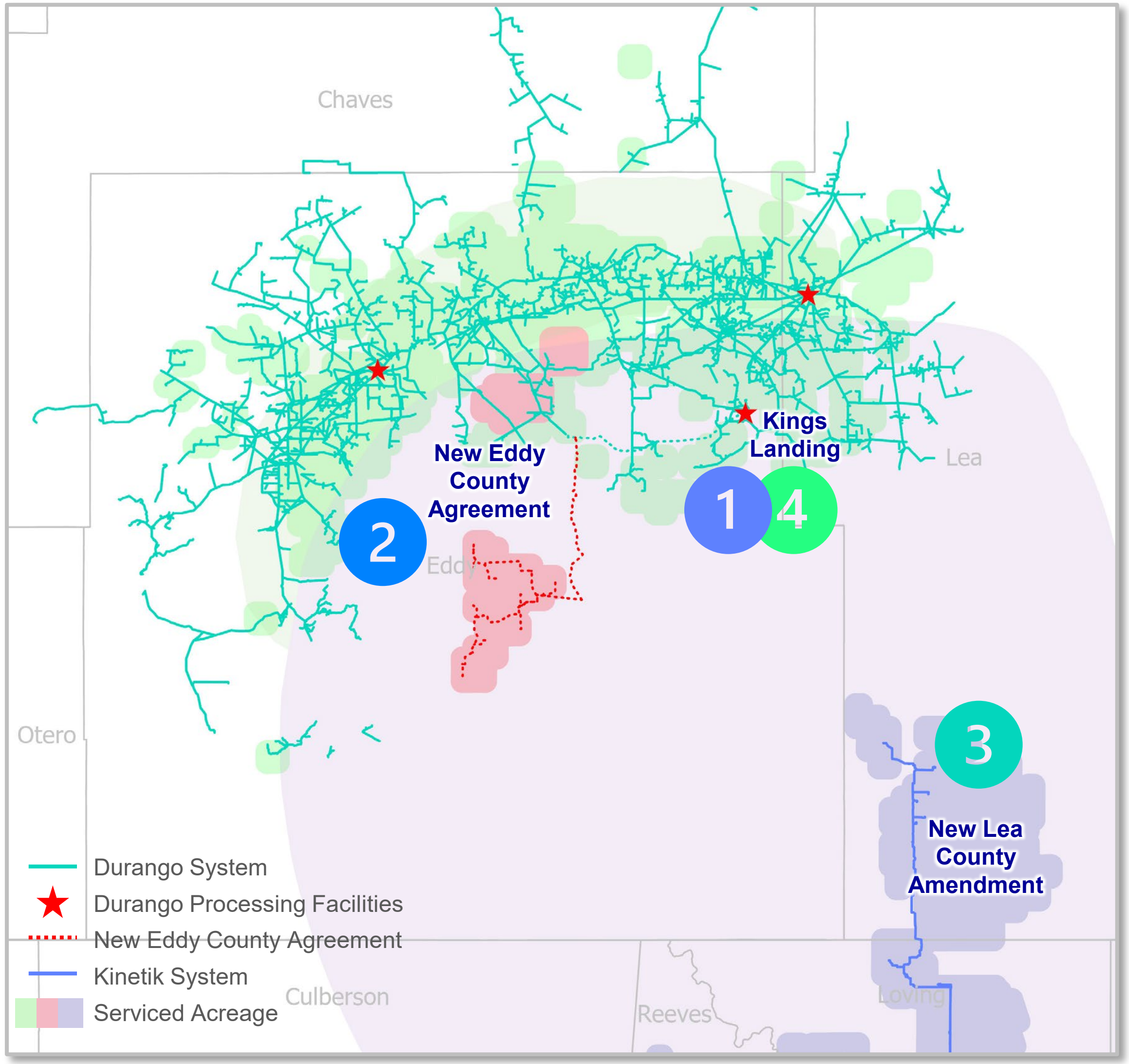
2024E Gross Profit Sources

Remaining 2024E unhedged commodity exposure is 7%

(1) A non-GAAP measure. See "Non-GAAP Financial Measures Reconciliation" for a reconciliation to the nearest comparable GAAP measure.
(2) Capital contribution at JV Pipes will be categorized as "Investment in unconsolidated affiliates" in Kinetik's financials. JV Pipe capital contributions included in Kinetik's Capital Expenditures Guidance for simplicity.
(3) Year-over-year growth as compared to the midpoint of Revised 2024 Financial Guidance.
(4) Assumes pricing as of July 30th, 2024. Sensitivity applied for August through December 2024.
(5) Source: EIA DPR as of January 12th, 2024.
(6) Hedged commodity includes seven months of realized pricing for January through July 2024.

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 Durango capacity
- Anticipate plant at full capacity 2H25 with high inventory backlog
- Run-rate EBITDA[(1)] contributions to double with plant reaching full capacity
- Estimated in-service: April 2025

2 New Eddy County Agreement

- 15-year low- and high-pressure gas gathering and processing agreement
- 5x run-rate build multiple with ~$200mm capex investment through 2026
- Contract to begin at year-end with gathering services and extend to processing services in 2Q25

3 New Lea County Amendment

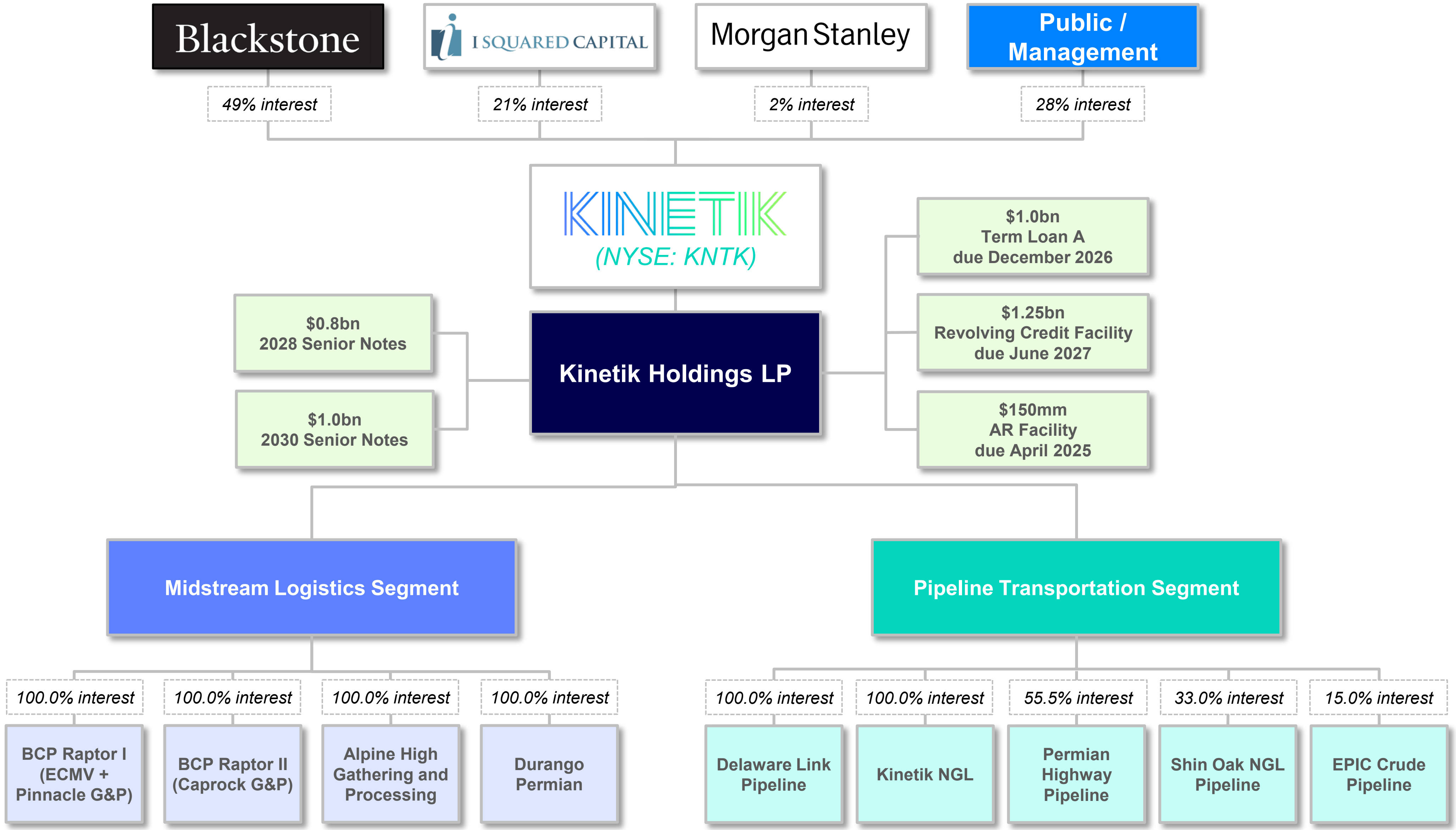
- Expansion of gathering, treating, and processing services results in MVC increase and margin expansion
- Estimated to commence November 2024

4 Kings Landing Cryo II

- Sanctioned pre-FID work and long-lead critical path procurement
- Advanced subsurface and permitting workstreams for an acid gas injection well that enables treating for high contents of H_2S and CO_2
- Scope accelerates timeline from formal FID to in-service by six months

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

Organization structure



(1) As of June 30th, 2024.

Our capital allocation framework

KINETIK

Maximizes shareholder value while providing flexibility for opportunistic capital deployment

3.5x leverage target(1)

- Leverage target(1) achieved with the strategic transactions
- Accelerates Investment Grade ratings

$1bn Adjusted EBITDA target(1)

- Project execution and integration of Durango

Accretive growth projects

- Continued investment in strategic and accretive growth projects
- Emphasis on mid-single digit investment multiples

Incremental capital to shareholders

- Annual increases to $3.00 current cash dividend
- Opportunistic share repurchases

Financial flexibility

- Strong balance sheet while maximizing free cash flow per share(1)

(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[(1)]
- 61% electricity sourced from renewable energy sources
- Voluntarily inspected 100% of gas plants and compressor stations with advanced aerial OEGI technology

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

Safety

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

Governance

- 66% of Board committees chaired by women
- 100% Independent Board committee members[(2)]
- 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.

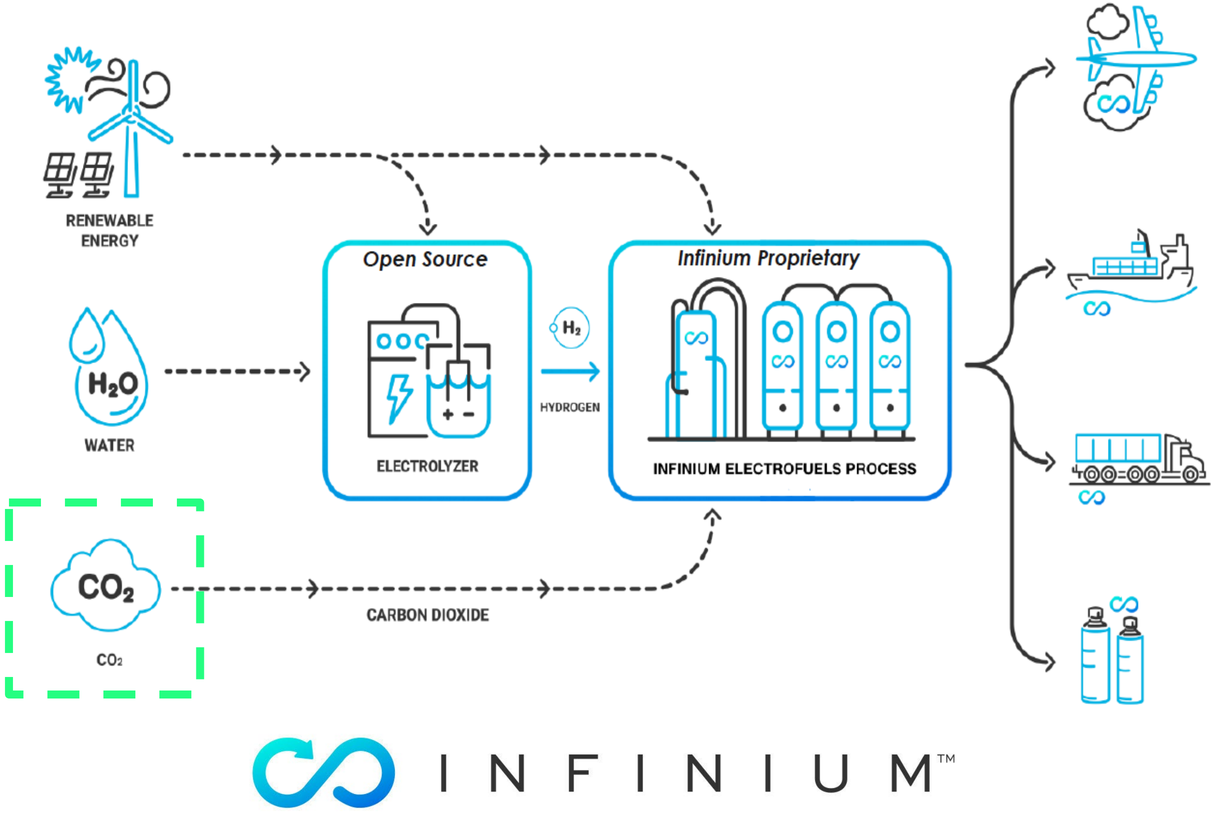
Supporting decarbonization opportunities through partnership with Infinium

KINETIK

Long-term agreement represents a new model for beneficial reuse of CO_2

Innovative CO_2 Utilization Agreement

- Partial CO_2 dedication from one of Kinetik's processing complexes for use in the production of ultra-low carbon eFuels at Infinium's Project Roadrunner
- The first-of-its-kind commercial project will primarily produce Infinium eSAF, a sustainable aviation fuel
- Project Roadrunner received financial commitment from Breakthrough Energy Catalyst, the first project equity investment from the fund
- Provides model for the industry to rethink repurposing of waste streams into positive and beneficial reuse
- Creates another attractive revenue stream with zero capital or operating costs to Kinetik
- Exemplifies commitment to sustainability and advances new low carbon technologies as part of Kinetik's strategy of 'energy for change'



Kinetik's New Energy Ventures and Project Roadrunner featured on Viewpoint with Dennis Quaid

(1) Source: Infinium.

Kinetik at a glance

KINETIK

ONE OF THE LARGEST MIDSTREAM COMPANIES IN THE DELAWARE BASIN

Offices in Midland and Houston, TX

APPROX. 90 CUSTOMERS

OPERATES 7 MAJOR COMPLEXES(2)
& OVER 4,600 MILES OF PIPELINE
ACROSS 8 COUNTIES IN TX & NM

APPROXIMATELY **1,400,000** SERVICED ACRES

HAS A CAPACITY OF **90,000** BARRELS OF CRUDE STORAGE CAPACITY

MANAGES OVER **570,000** BARRELS/DAY OF WATER INJECTION CAPACITY

MAINTAINS OVER **570,000** HORSEPOWER OF GAS COMPRESSION CAPACITY

NEARLY 1,300 MILES OF GAS & NGL TRANSPORT PIPELINES

EQUITY INTERESTS IN LONG-HAUL PIPELINES

- 55.5% OF PHP
- 33% OF SHIN OAK
- 15% OF EPIC CRUDE

OWNS & OPERATES:

- 100% OF KINETIK NGL
- 100% OF D LINK

INTERESTS IN **2.7 Bcfpd** OF RESIDUE GAS TAKEAWAY

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

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

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

DELIVERS ~2.4 Bcfpd(2) OF PROCESSING CAPACITY

(1) As of June 30th, 2024.
(2) Following in-service of Kings Landing Cryo I estimated in April 2025.

KINETIK

For more information:

Leadership

Board of Directors

Sustainability

Viewpoint with Dennis Quaid


KINETIK

Glossary of terms

- 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023(1)
Net Income Including Noncontrolling Interests to Adjusted EBITDA		**(In thousands)**		
Net income including noncontrolling interests (GAAP)	$ 108,948	$ 71,668	$ 144,355	$ 75,967
Add back:				
Interest expense	54,049	16,126	101,516	85,434
Income tax expense	9,214	311	13,001	727
Depreciation and amortization	75,061	69,482	148,667	138,336
Amortization of contract costs	1,655	1,655	3,310	3,310
Proportionate EBITDA from unconsolidated affiliates	85,922	74,481	174,324	146,348
Share-based compensation	15,136	13,299	37,697	30,839
(Gain) loss on disposal of assets	(76)	12,137	4,090	12,239
Loss on debt extinguishment	525	—	525	—
Unrealized hedging loss	—	—	6,883	—
Integration costs	2,510	41	2,551	953
Acquisition transaction costs	3,232	2	3,232	270
Other one-time costs or amortization	2,581	1,104	5,006	4,864
Deduct:				
Interest income	310	—	887	—
Warrant valuation adjustment	—	33	—	77
Gain on sale of equity method investment	59,884	—	59,884	—
Unrealized hedging gain	8,205	2,678	—	7,643
Equity income from unconsolidated affiliates	55,955	49,610	116,424	96,074
Adjusted EBITDA(1) (non-GAAP)	$ 234,403	$ 207,985	$ 467,962	$ 395,493

(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 interests or any other measure of financial performance presented in accordance with GAAP.

Non-GAAP Measures Reconciliation

	Six Months Ended June 30,	
	2024	2023
Reconciliation of net cash provided by operating activities to Adjusted EBITDA	(In thousands)	
Net cash provided by operating activities	$ 279,222	$ 231,047
Net changes in operating assets and liabilities	49,046	47,040
Interest expense	101,516	85,434
Amortization of deferred financing costs	(3,582)	(3,055)
Current income tax expense	610	124
Returns on invested capital from unconsolidated affiliates	(152,642)	(136,230)
Proportionate EBITDA from unconsolidated affiliates	174,324	146,348
Derivative fair value adjustment and settlement	2,683	26,341
Unrealized hedging loss (gain)	6,883	(7,643)
Interest income	(887)	—
Integration costs	2,551	953
Transaction costs	3,232	270
Other one-time cost or amortization	5,006	4,864
Adjusted EBITDA[(1)] (non-GAAP)	$ 467,962	$ 395,493

(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 interests or any other measure of financial performance presented in accordance with GAAP.

Non-GAAP Measures Reconciliation

KINETIK

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023[1]
Distributable Cash Flow[1]	(In thousands)			
Adjusted EBITDA (non-GAAP)	$ 234,403	$ 207,985	$ 467,962	$ 395,493
Proportionate EBITDA from unconsolidated affiliates	(85,922)	(74,481)	(174,324)	(146,348)
Returns on invested capital from unconsolidated affiliates	75,429	68,466	152,642	136,230
Interest expense	(54,049)	(16,126)	(101,516)	(85,434)
Unrealized gain on interest rate derivatives	(189)	(36,835)	(9,566)	(19,646)
Maintenance capital expenditures	(6,780)	(5,002)	(17,780)	(9,562)
Distributable cash flow (non-GAAP)	$ 162,892	$ 144,007	$ 317,418	$ 270,733
Free Cash Flow[2]				
Distributable cash flow (non-GAAP)	$ 162,892	$ 144,007	$ 317,418	$ 270,733
Cash interest adjustment	(29,144)	(35,705)	(29,395)	(20,331)
Realized gain on interest rate swaps	3,953	2,417	7,905	2,417
Growth capital expenditures	(32,160)	(98,644)	(80,413)	(161,908)
Capitalized interest	(986)	(4,811)	(1,930)	(7,044)
Investments in unconsolidated affiliates	—	(93,112)	(3,273)	(150,331)
Returns of invested capital from unconsolidated affiliates	—	—	1,240	5,793
Contributions in aid of construction	894	6,203	1,408	6,872
Free cash flow (non-GAAP)	$ 105,449	$ (79,645)	$ 212,960	$ (53,799)

(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 interests 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 make.

(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 interests 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 make.

Non-GAAP Measures Reconciliation

KINETIK

		June 30, 2024		March 31, 2024
		(In thousands)		
Net Debt[1]				
Short-term debt	$	148,800	$	—
Long-term debt, net		3,258,403		3,517,115
Plus: Debt issuance costs, net		28,597		29,885
Total debt		3,435,800		3,547,000
Less: Cash and cash equivalents		12,549		9,756
Net debt (non-GAAP)	$	3,423,251	$	3,537,244

(1) Net Debt is defined as total long-term debt, excluding deferred financing costs, 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.