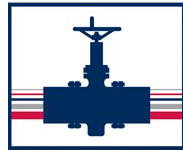


Houston, TX | February 8, 2022

# 4Q 2022 Earnings Package



**PLAINS**  
ALL AMERICAN

# Index

- Conference Call Transcript
- Conference Call Slides
- PAA / PAGP Earnings Release
- PAA Non-GAAP Reconciliations





## Fourth-Quarter 2022 Earnings Conference Call

Wednesday, February 8, 2023

### **Blake Fernandez:**

Thank you, Andrew. Good afternoon, and welcome to Plains All American's fourth-quarter 2022 earnings call. My name is Blake Fernandez, and I recently joined Plains as Vice President of Investor Relations. The company's attractive asset base, including its premier Permian operating system, coupled with a long-term capital allocation framework focused on increasing returns to equity holders, makes it an exciting time for the company. I look forward to engaging with all of you throughout the year.

In today's materials, we are providing forward guidance for 2023. In an effort to improve communication and forecasting, we've made a few updates including an Adjusted EBITDA "range" which reflects potential volatility in the underlying commodity markets along with a volumetric outlook for each segment. The slide presentation is posted on the Investor Relations website under the "News & Events" section at [plains.com](https://plains.com), where an audio replay will also be available following today's call. Important disclosures regarding forward-looking statements and non-GAAP financial measures are provided on slide 2. An overview of today's call is provided on slide 3. A condensed consolidating balance sheet for PAGP and other reference materials are located in the appendix.

Today's call will be hosted by Willie Chiang, Chairman and CEO, and Al Swanson, Executive Vice President and CFO. Other members of our team will be available for Q&A, including: Harry Pefanis, President; Chris Chandler, Executive Vice President and COO; Jeremy Goebel, Executive Vice President and CCO; and Chris Herbold, Senior Vice President, Finance and CAO.

With that, I will now turn the call over to Willie.

**Willie Chiang:**

Thanks, Blake. We are very pleased to have you join our Plains Team. Good afternoon everyone and thank you for joining us. Today we announced strong fourth-quarter and full-year results exceeding our expectations in both our Crude Oil and NGL Segments. 2022 represented a positive inflection point for Plains. We executed on our goals and initiatives for the year, we captured meaningful Permian production growth on both our gathering and long-haul systems, and our team was able to capture both market-based opportunities via our integrated business model and flexible asset base as well as commodity price upside. In summary:

- Fourth quarter & full-year Adjusted EBITDA attributable to PAA was \$659 million and \$2.510 billion, respectively, with full-year results exceeding our February guidance by \$310 million, or approximately 14%.
- As a result, we achieved the low-end of our targeted leverage range earlier than anticipated, which enabled us to announce our multi-year capital allocation and financial framework in November. Consistent with that framework, we subsequently announced a \$0.20 per unit, or approximately 23%, annualized distribution increase in January to be paid later this month, bringing our yield to approximately 8.5% based on current trading levels.
- Additionally, we completed and/or announced several win-win strategic transactions in both our Crude Oil and NGL Segments, including Cactus II, Advantage, Empress and Keyera Fort Saskatchewan, all which further optimize our asset base and streamline our operations.
- We also achieved record health, safety and environmental performance by achieving or exceeding ~20% reduction targets in Employee Recordable Injury Rate and Federally Reportable Releases metrics. While we have made great progress in both of these areas and achieved top quartile performance, we remain focused on continuous improvement with “zero” as our ultimate goal for both of these metrics.

Looking to 2023, and as highlighted on slide 4, we provided Adjusted EBITDA attributable to PAA guidance of \$2.45 to \$2.55 billion. This reflects year-over-year growth in our Crude Oil Segment underpinned by continued Permian production and tariff volume growth on our gathering and long-haul systems. Our guidance also factors in a reduction in our NGL Segment primarily driven by lower weighted average frac spreads and C3+ spec product sales volumes as well as the Keyera Fort Saskatchewan sale which is expected to close this quarter. AI will provide additional color on our guidance in his portion of the call.

As shown on slide 5, we anticipate 2023 Permian crude oil production to grow plus or minus 500 thousand barrels per day exit-to-exit, based on an assumed 2022 exit production level of approximately 5.65 million barrels per day. Our updated forecast assumes an average horizontal oil rig count of 340, consistent with current levels. As part of our routine fundamentals forecasting process, we will continue monitoring our assumptions regarding natural gas takeaway capacity and commodity prices as the year progresses.

Our Permian JV system is well positioned with more than 4 million long-term dedicated acres and operating leverage. As shown on slide 6, we expect to capture approximately 350 thousand barrels per day of incremental gathering tariff volume for full-year 2023 versus 2022. For our long-haul systems, we are seeing higher utilization year-over-year, particularly on our Cactus I and Cactus II systems. On Cactus I, we have contracted or hedged a substantial portion of our open capacity for 2023 at levels generally consistent with prior expectations. We also expect to see similar year-over-year throughput from the Permian to Cushing on Basin pipeline. Furthermore, we anticipate additional volume on Wink-to-Webster due to an increase in MVCs.

In our NGL Segment, we continue to focus on optimizing the business as well as improving the predictability of our earnings. During 2022, we completed a transaction to obtain full ownership of our Empress facility and announced the \$270 million sale of our interest in Keyera Fort Saskatchewan at an attractive multiple and on terms that will improve connectivity to the Plains Fort Sask complex. Additionally, we are advancing capital-efficient

debottlenecking and expansion projects around our Fort Saskatchewan facility, and we hope to be able to share additional detail over the coming quarters.

With that, I will turn the call over to Al.

**Al Swanson:**

Thanks, Willie. We reported fourth-quarter Adjusted EBITDA of \$659 million which includes Crude Oil Segment benefits of Canadian market-based opportunities and increased volumes across our systems, primarily within the Permian, along with NGL Segment benefits from stronger seasonal sales. For the full year, we reported Adjusted EBITDA of \$2.510 billion which was \$310 million above our initial February guidance. Full-year outperformance was primarily driven by market-based opportunities captured by our assets throughout the year, higher commodity price benefits and increased tariff volumes, primarily on our Permian systems. Slides 17 through 19 in today's appendix contain walks which provide more detail on our fourth-quarter and full-year performance.

A summary of 2023 guidance as well as key guidance assumptions are located on slides 7 and 8. Looking at 2023 compared to 2022, and as illustrated by the EBITDA walk on slide 7, we expect Adjusted EBITDA of \$2.45 to \$2.55 billion with year-over-year growth in our Crude Oil Segment and a reduction in the NGL Segment. Growth in our Crude Segment is primarily driven by anticipated tariff volume increases in our Permian gathering and long-haul businesses due in part to our increased ownership in Cactus II which is now consolidated into PAA's financials with volumes reported on a consolidated basis and earnings on a proportional basis. This is partially offset by an assumption of fewer market-based opportunities as well as lower assumed oil prices in 2023 for our Pipeline Loss Allowance barrels. We expect lower year-on-year NGL Segment Adjusted EBITDA as a result of lower weighted average frac spreads and C3+ spec product sales volumes due to a planned 3<sup>rd</sup> party facility turnaround as well as the sale of our KFS interest. I would note that our C3+ spec product sales volumes are approximately 80% hedged for the year.

Regarding capital allocation, as illustrated on slide 9, we remain committed to (1) significant returns of capital, (2) continued capital discipline and (3) maintaining financial flexibility. For 2023, we expect to generate \$2.3 billion in Cash Flow from Operations, which assumes approximately \$200 million of working capital outflows and excludes approximately \$225 million of anticipated insurance proceeds related to the settlement of a Line 901 class action lawsuit, which we now expect to collect in 2024. Furthermore, we expect \$1.60 billion of Free Cash Flow, inclusive of \$270 million of asset sales. Intended uses of cash flow are as follows:

- 1) Allocate approximately \$1 billion to common and preferred distributions, inclusive of their respective increases.
- 2) Self-fund \$325 million and \$195 million of approved investment and maintenance capital, net to PAA, which includes POPJV well connect and intra-basin debottlenecking capital to support future growth across our Delaware system. I would note this does not include amounts related to potential Fort Sask debottlenecks and expansions.
- And 3) retire \$1.1 billion of senior notes through a combination of cash flow, asset sales, cash on hand and available capacity on our credit facilities, bringing expected year-end leverage to approximately 3.5x; As of today, we have repaid \$400 million of the \$1.1 billion target.
- Additional detail on our capital program and the balance sheet are included on slides 10 and 11.

Before I turn the call back to Willie, I wanted to provide detail on a few housekeeping items. In regards to our Series A preferred equity security, the owners exercised their one-time option to reprice the security at a fixed rate of 9.375%, increasing annual payments by approximately \$26 million. This is in addition to the Series B preferred equity security shifting to a floating rate in November 2022, increasing expected annual payments by approximately \$20 million. As a result of the Series A election, we have the right to redeem the security at

110% of par, which is \$26.25 per unit. We will continue to evaluate our longer-term capital structure, but near-term, we intend to maintain our financial flexibility and do not foresee any changes with respect to the preferred securities at this time. Second, during the quarter we purchased an additional 5% interest in the Cactus II pipeline which resulted in a consolidation of the entity and a non-cash gain on investments in unconsolidated entities of \$370 million. Furthermore, 2022 results also include a \$330 million non-cash impairment related to our California assets.

With that I will turn the call back to Willie.

**Willie Chiang:**

Thanks, Al. Today's results reflect a critical inflection point for our business and a strong year of performance and execution. I would like to acknowledge and thank our Plains team members for their dedication and progress in all areas. We continue to believe that the world needs North American energy supply long-term, and that our business will perform well in the current and longer-term environment. As such, and as illustrated on slide 12, Plains is well positioned to improve returns of capital to unitholders through a capital allocation framework that targets multi-year distribution growth, an 8.5% current yield, significant Free Cash Flow generation and balance sheet flexibility in addition to the strength of our strategically located Crude and NGL footprint across North America. We appreciate your continued interest and support, and we look forward to providing further updates on our earnings conference call in May.

A summary of key takeaways from today's call and our goals for 2023 are provided on slides 13 and 14. With that, I will turn the call over to Blake to lead us into Q&A.

**Blake Fernandez:**

Thanks, Willie. As we enter the Q&A session, please limit yourself to one question and one follow up. For those with additional questions, please feel free to return to the queue. This will allow us to address questions from as many participants as practical in our available



time this afternoon. Additionally, the IR team will be available throughout the week to address any additional questions you may have.

Andrew, we are now ready to open the call for questions.

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We will continue to evaluate our longer-term capital structure. But near-term, we intend to maintain our financial flexibility and do not foresee any changes with respect to the preferred securities at this time. Second, during the quarter, we purchased an additional 5% interest in the Cactus II pipeline, which resulted in a consolidation of the entity and a noncash gain on investments in unconsolidated entities of \$370 million. Furthermore, 2022 results also include a \$330 million noncash impairment related to our California assets.

With that, I'll turn the call back over to Willie.

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**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

Thanks, Al. Today's results reflect a critical inflection point for the business and a very strong year of performance and execution. I'd like to acknowledge and thank our Plains team members for their dedication and progress in all areas. We continue to believe that the world needs North American energy supply long-term and that our business will perform well in the current and longer-term environment.

As such and as illustrated on Slide 12, Plains is well-positioned to improve returns of capital to unit-holders through a capital allocation framework that targets multiyear distribution growth and 8.5% current yield, significant free cash flow generation and balance sheet flexibility built on the strength of our strategically located crude and NGL footprint across North America.

We appreciate your continued interest and support, and we look forward to providing further updates on our earnings conference in May. A summary of our key takeaways from today's call and our goals for '23 are provided on Slides 13 and 14.

With that, I will turn the call over to Blake to lead us through Q&A.

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**Blake Michael Fernandez** - Plains All American Pipeline, L.P. - VP of IR

Thanks, Willie. As we enter the Q&A session, please limit yourself to one question and one follow-up. For those with additional questions, please feel free to return to the queue. This will allow us to address questions from as many participants as practical and are available time this afternoon. Additionally, the IR team will be available throughout the week to address any additional questions you may have.

Andrew, we're now ready to open the call for questions.

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## QUESTIONS AND ANSWERS

### Operator

Certainly. (Operator Instructions) And our first question comes from the line of Michael Blum with Wells Fargo.

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**Michael Jacob Blum** - Wells Fargo Securities, LLC, Research Division - MD and Senior Analyst

Wonder if I could just start just one item, I guess, relates to the quarter. Can you quantify if you benefited from the fact that Keystone was down in December? And then I understand it's running at reduced pressures today. So does that benefit you at all in 2023?

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**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

Jeremy?

**Jeremy L. Goebel** - Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC

Michael, hi, this is Jeremy Goebel. It happened in December. So it wasn't really impacting the trade month and in December. It was more impactful to forward periods. The impact was modest, but you'll see some from our Canadian group and some throughput impacts at our (inaudible) facility. But by and large, that's incorporated into our guidance. It didn't really impact 2022 as much as it will be the first quarter of 2023.

**Michael Jacob Blum** - Wells Fargo Securities, LLC, Research Division - MD and Senior Analyst

Okay. Great. And then I just wanted to ask about the capital budget. Maybe just -- are there any major projects to flag in that number? And then it looks like maintenance is down year-over-year so maybe you can talk to that as well.

**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

Yes, Michael. These are pretty consistent with kind of previous levels with a slight step-up in the expansion capital piece. Chris Chandler, would you cover the key ones?

**Christopher R. Chandler** - Plains All American Pipeline, L.P. - Executive VP & COO of Plains All American GP LLC

Sure, Michael. It's Chris Chandler. We're wrapping up the link to Lester project this year and that's a little higher year-on-year. We do have some additional well connects that are driving higher costs based on volume assumptions and producer forecasts. We are funding some incremental Permian debottlenecking costs, primarily for station work and that's driven by supporting, of course, flow assurance, reliability and flexibility. There aren't any major projects included. And as AI mentioned, we're not currently including any costs related to the Fort Sask debottleneck projects.

**Operator**

Our next question comes from the line of Brian Reynolds with UBS.

**Brian Patrick Reynolds** - UBS Investment Bank, Research Division - Analyst

Maybe to start off on just the Permian growth expectations. It seems like there was a slight shift in cadence lower for -- to 500,000 barrels per day from prior expectations. But it also seems like Plains is capturing the larger share of the gathering in long-haul volumes compared to prior year. So curious if you could just discuss the drivers around, one, the Permian growth guidance and then second, Plains assumptions around market share and margin opportunities into '23?

**Jeremy L. Goebel** - Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC

This is Jeremy Goebel. First, on the production forecast. Last February, we guided roughly approximately 600,000 barrels a day of growth in '22 and '23. You're going to exit '22 at roughly 5.7 million barrels a day. Exit '23, at roughly 6.1 million to 6.2 million barrels a day. That puts you in a range of on target with where we were last year. So we think the cadence is consistent. The 340-ish rigs that are working today is roughly 75 more than we're working in the prior period contributing to growth today. So we look at that plus a roughly 10% increase in the well connects across our system throughout the year gives us pretty much good confidence on a top-down level as well as the bottoms up filled from producer forecast in the 500,000 barrels a day outlook that we have.

Some of the offset is to potentially slowing down is what we can foresee is incremental basin decline just from higher production. You've got a rebuilding of a modest level of DUCs across the system because you had some depletion last year. And then the continued conversion of development programs to maximizing the value of the inventory in the units as opposed to unbounded wells. So that combination gives us a view as to -- if you

just ran out based on historical books and every well gets completed, you get higher than 500,000 barrels a day growth. So that's kind of some of the factors we considered in coming out with our view of production for this year.

As for the capture rate, we look at our individual producer contributions and we look at the bottoms-up forecast as well as a top-down view. That gives us confidence as to where our capture rate would look. I'd also highlight that roughly 50,000 barrels a day is coming from another gathering system moving on to our long-haul pipe. So it's really an intra-basin capture. So some of that's really being gathered by a third party. We capture it intra-basin movement to our long-haul type. So the 350 number you could really look at that as 300 relative to 500 as opposed to 350 relative to 500.

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**Brian Patrick Reynolds** - UBS Investment Bank, Research Division - Analyst

And then quickly just on margin into '23. Is it basically the same as 22? Or should we assume any changes upward or down?

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**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

Are you talking about long-haul margins or...

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**Brian Patrick Reynolds** - UBS Investment Bank, Research Division - Analyst

Yes, long-haul Permian crude oil margins.

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**Jeremy L. Goebel** - Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC

So the incremental margins for spot capacity are more this year than they were last year, if that's directly answering it. Contract roll-offs and step-ups can change it. But if you're looking at what the marginal capacities were this year versus next year, it's higher this year. And based on the way we were able to contract that space for this year, we've locked in largely all of our spot capacity to the Gulf Coast. And then going forward, we sold additional capacity in '24 and '25 at successively higher levels. These would be levels consistent with what we talked about before.

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**Brian Patrick Reynolds** - UBS Investment Bank, Research Division - Analyst

Great. Appreciate it. And then just for a quick follow-up. On the NGL segment, it just seems like the fee-for-service component seems to be trending higher. I'm just curious if you can talk about -- is that primarily driven from the asset sale and looking forward, are there more opportunities to term out this side of the business?

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**Jeremy L. Goebel** - Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC

I would think some of that would come from just the decline in commodity prices, so that contribution being lower. But as Chris talked about, we're advancing opportunities for potential adding fee-for-service. So I think you may see that longer-term trend that way, but this year specifically is an erosion of some of the commodity-based margins, which is based into the forecast.

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**Operator**

And our next question comes from the line of Keith Stanley with Wolfe Research.

**Keith T. Stanley** - Wolfe Research, LLC - Research Analyst

So first, just on the guidance for the year. So one of the drivers in the waterfall is fewer market-based opportunities 2023 versus 2022. Can you talk just high level on what you're assuming in the '23 guidance for marketing and logistics opportunities? Are you picking some in? Are you staying pretty conservative? And if you are baking in some opportunities where they may be beyond the Keystone outage that you already referenced?

**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

Yes, Keith, this is Willie. On the guidance for kind of market-based, what we've done is, as you know, we've got a pretty complex system that's got a lot of flexibility to be able to capture volumes when the arbitrage opportunities are there. We're not going to get into a detailed assessment of where things are. What I would tell you is we put what we thought was probable that we could capture. And then there's a lot of variations, I think that was mentioned in the prepared scripts, we went with the range, and it was actually as a response to some of our conversations with analysts on not trying to be too precise on that.

So it's a long-winded answer of telling we've got some baked in that we think we're going to capture and there's some upsides and downsides. And you know the typical buckets that we capture these in, whether it be distressed crude into storage. We've got some time spreads. Sometimes we're able to capture if the market is conducive from that. And then we've got some unhedged portions of our PLA as well as our frac spreads, not a lot. We've got the predominant amount of that hedged that would give us some upside if oil prices are higher or lower.

**Harry N. Pefanis** - Plains All American Pipeline, L.P. - President & Director of Plains All American GP LLC

This is Harry. Also differentials -- quality differentials can impact that.

**Keith T. Stanley** - Wolfe Research, LLC - Research Analyst

Got it. Second question is just on the NGL guidance for the year, so down \$100 million year-over-year. Last quarter, you pointed to that \$100 million impact, but you beat pretty good in the fourth quarter. So '22 actually came in higher. You also had the Keyera sale. So is it fair to say the NGL business is improving in some ways. It just feels like the outlook has actually gotten a little bit better than your last update.

**Harry N. Pefanis** - Plains All American Pipeline, L.P. - President & Director of Plains All American GP LLC

Yes, I think it's a fair assessment. And remember, we expect to close Keyera Fort Sask later this quarter. So you'll see that -- that number wasn't included in anything past hands. It will be prospective. But I think it's a fair assessment.

**Operator**

And our next question comes from the line of [Mark Salcedo] with Barclays.

**Unidentified Analyst**

Maybe just a follow-up on the Permian production growth outlook. Is there any sensitivity you could provide from the Plains' perspective to that 500,000 barrel a day number in terms of '23 EBITDA guidance or any context around the embedded assumptions within your guidance range?

**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

The way we look at it is roughly -- it's different for the gathering the long-haul business, but a simple approach would be 100,000 barrels a day would have roughly \$10 million to \$15 million of EBITDA impact to net Plains. So if you think about that just on the gathering side and the long-haul

will be a function of which market it goes to. And so since we have had a substantial portion, if that barrel wanted to go to Cushing or our shippers on Cactus II decided to ship that at higher rates, it would add additional margins. So that's a rough view on the gathering side and then your view of -- and that's assuming no market-related opportunities is just the gathering fees associated with that.

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#### Unidentified Analyst

Great. That's helpful. And then on Slide 9, you referenced net debt reduction in the context of the \$600 million of free cash after dividends and you also have the \$400 million of cash on the balance sheet as of year-end. Just wondering if there's a particular target you have for net debt repayments this year in the context of the \$1.1 billion you have maturing.

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#### AI P. Swanson - Plains GP Holdings, L.P. - Executive VP & CFO of PAA GP Holdings LLC

Yes, this is AI. The leverage we talked about going down basically 2/10 from 3.7 to 3.5, that's roughly about \$600 million is what we're assuming. So it will be partly a reduction using cash to reduce the gross debt, but the net debt we've modeled about \$600 million. Again, there's things that can happen throughout the year that will change that, but that's what's embedded in our assumptions at this time.

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#### Operator

And our next question comes from the line of John Mackay with Goldman Sachs.

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#### John Ross Mackay - Goldman Sachs Group, Inc., Research Division - Research Analyst

Maybe looking again at the Permian, just thinking about kind of barrels out of the Houston versus Corpus, starting to see the Corpus bound lines start to fill up on a relative basis given export levels. Curious if you can kind of share a view of what you think is going to happen in terms of the need potentially for actually more capacity or expansions on any of the lines going to Corpus and whether or not that could be a '24 or '25 or later conversation?

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#### Jeremy L. Goebel - Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC

This is Jeremy Goebel. I'd say what you're seeing is the Corpus line is filling up because international demand is waking up for crude oil. I'd say that Wink-to-Webster step-up is having a larger impact on the market centers at Houston, moving from market centers there to Webster in Midland. And then the fourth quarter of this year, you'll see a step-up in additional movements into the Beaumont from that same market.

So you'll see more of an impact there. Corpus is continuing to draw barrels, but there's a lot of spot capacity moving into Corpus today and those margins will move out over time, just as -- to get from the lower levels they are today, they're closer to new build economics. I don't think you're looking at an expansion in the near term. The markets have to move off incentive tariffs closer to where you could build or support additional construction.

But Houston and New Zealand both have strong markets and to pull barrels and Cushing will continue to pull barrels based on the excellent frac spreads you're seeing in the market today. So we see the Permian need all of the above to clear. But at this point, the most efficient dock from a quality and a logistics standpoint is Corpus and it yields a premium to the other market. So if it's an export barrel, it's going to look to price into that market, but there's lower flow capacity into the others and you'll see pull into those other markets. But for purely logistics and quality reasons and pricing, you'll see Corpus pull that export.

**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

And John, you know this, but the markets change in different locations, as Jeremy outlined, you can say, will be the lead or lag, but there are times when we've got access to all those markets. So there's times where Corpus will be attractive and sometimes we end up with a pull on Cushing up to -- on our basin pipeline from Permian to Cushing and we're able to move volumes there. So when I think about it, if market is generally dynamic and we have a system that is able to capitalize on really any of that to move barrels for our customers.

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**John Ross Mackay** - Goldman Sachs Group, Inc., Research Division - Research Analyst

That's helpful. Maybe just on the gathering pickup, the 50 a day that's now going to be flowing on to your long-haul lines, are there more of these opportunities out there? Is this kind of a one-off, maybe anything you can share on, again, any others we could see what that maybe means for rates overall? Anything else would be helpful.

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**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

I think some of that is just a preference for producers to shift barrels. We just offer flexibility of our customers to go to specific markets. As we said earlier on the call, we continue to contract additional space opportunistically when it makes sense. And so we've layered in contracts over time to Corpus to Cushing to other markets, and we'll continue to do that. There are step-ups in our contracts on Cactus II and Wink-to-Webster this year, which can impact that. There's additional movements to Corpus as contracts roll off and we contract new pieces, it just changes the dynamics in the system.

So we're not going to disclose who shippers are, how they move barrels, but that's something you continue to see. We have an attractive gathering system and people like to deal with one operator from wellhead to market, and we'll continue to capture opportunities that work for us and the customers.

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## Operator

And our next question comes from the line of Jeremy Tonet with JPMorgan.

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**Jeremy Bryan Tonet** - JPMorgan Chase & Co, Research Division - Senior Analyst

Just want to come back to the assumptions in the Permian here, the \$500 million assume year-over-year as well as kind of on Slide 6, the market share of those gains across gathering intra-basin long-haul. Is there any high-level thoughts you're able to provide as far as sensitivities if we want to kind of overlay our own assumptions on those, how that might impact EBITDA in the year?

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**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

I think Jeremy Goebel's earlier comment on the rough sensitivity is probably about as close as we can probably get. I mean that was at roughly \$10 million to \$15 million in the gathering system, if you -- for every 100,000 barrels a day of growth in the Permian. It's hard to put a detailed number more on that because it really depends on what system it's going on. And as you might understand, the -- sometimes if it's an MVC that's empty and the volume wants to go differently, it will be a benefit. So there's a lot of variables that play into, but I'd probably just go with that \$10 million to \$15 million per 100,000.

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**Jeremy L. Goebel** - Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC

Yes. And Jeremy, just to recognize on the long-haul side, we feel very confident in the volumes that we put in here through the additional hedging and contracting of additional capacity. So I'd say that the long-haul system, look, some of this is flexing based on market demand, but we have a

very good view of that. And I don't know that with 100,000 barrels a day of basin growth, you're going to see a lot of movement in what we think we'll capture on the long-haul side this year.

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**AI P. Swanson** - *Plains GP Holdings, L.P. - Executive VP & CFO of PAA GP Holdings LLC*

One thing that's notably different this year than past years that you may have picked up is we're coming into this year with substantial amount of our long-haul volumes in the Permian and 80% of our frac spreads kind of locked in. So that gives us a little more confidence as we think about 2023, but that's different than what we've done in the past.

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**Jeremy Bryan Tonet** - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Got it. That's helpful. And AI, this kind of a question, maybe for Matt a little bit here. Just as far as what's the right leverage level for the business going forward? We've seen larger peers move to a lower leverage level. So just curious, I guess, how you think -- what do you think is the right leverage for this business longer term?

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**Unidentified Company Representative**

Good question. Yes. We've seen that same disclosure. Our current leverage targets we established in 2019, we lowered them then pandemic hit. We've now got into them and have now migrated below. And what we're communicating versus establishing a new target is that we intend to migrate further below the low end and kind of operate there. And I think what our view is we'll assess that. We do believe that probably broader energy industry leverage probably needs to be lower than it's been historically. But we'll take a little time and assess that in the future. But for now just kind of look at it and pass along the math that we just intend to kind of operate below the low end.

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**Wilfred C.W. Chiang** - *Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC*

Yes. I think having additional financial flexibility is a good thing these days.

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**Operator**

And our next question comes from the line of Neel Mitra with Bank of America.

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**Indraneel Mitra** - *BofA Securities, Research Division - Analyst*

First question, the frac spread, I know you've talked about that improving for 2030 on the outlook. Could you maybe talk about what the moving parts were from the last outlook to this outlook since you're 80% hedged when you look at the NGL basket versus AECO?

---

**Jeremy L. Goebel** - *Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC*

Sure. Neel, this is Jeremy. Just think of it as in the fourth quarter in November, natural gas prices were substantially higher than they are now. We were not hedging through that period in the fourth quarter. And as natural gas price, Henry Hub and subsequently AECO declined, we were able to hedge into -- so propane and butane and condensate prices didn't have to move materially for -- relative to the spread of buying AECO and selling NGLs. And so we took advantage of that move and hedge additional volume. That gave us a stronger outlook for pricing, but that's all priced into the forecast we've given today. So we have an outlook that's consistent with the hedging we have and then the forward market that's there today.



**Indraneel Mitra** - *BofA Securities, Research Division - Analyst*

Got it. That makes sense. Second question, Jeremy, probably for you also. We had a lot of crude kind of flooding the Houston area with the SPR release last year. Now that that's gone, it seemed to have affected a lot of exports and improved outlook. Is the same push there for exports and subsequently move it to Corpus versus Houston this year?

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**Jeremy L. Goebel** - *Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC*

I would say those are somewhat independent because last year, light crude exports increased by just a bit more than light crude production growth from the light basins, including the Permian. The SPR was 70% heavy and that more impacted imports from Canada and imports from other locations. So the real need for replacement from those refineries, roughly the average of 450,000 barrels a day of SPR releases over the calendar year is going to be on the heavy side.

They're going to need to find replacements for that distillate yield. So it's really not a replacement in yield there. We look at that more of an impact on the heavy markets than it is to the light markets. So we still think the best logistics and the best quality will draw the additional barrels for export. So we kind of look at those as independent because the domestic refiners increased last year exports of product and exports of lights. And so we just look at those in.

---

**Indraneel Mitra** - *BofA Securities, Research Division - Analyst*

Got it. And if I could just ask one clarification. So when you talked about hedging the spread, let's say, between the Permian and Corpus Christi market or Permian MEH, is that for your equity volumes that you're doing that now?

---

**Jeremy L. Goebel** - *Plains All American Pipeline, L.P. - Executive VP & Chief Commercial Officer of Plains All American GP LLC*

It's also the price for it's an FOB sales from a Midland Basin or it's a price for contracts based on pipelines. So if you think about it on a prompt basis, in the given month, the spread to the water could be \$0.50 from MEH. It's a little -- it's different than Houston and Corpus, but just from a Corpus standpoint, it could be in excess of \$0.50 on a longer-term basis, if you're looking at the MEH market, it could be easily in the \$0.30 to \$0.40. So if you're looking at that as the market, the relationship has changed a bit since Wink-to-Webster started and the less liquidity at MEH. But it's still a proxy, but there's a premium for Corpus for sure.

---

**Wilfred C.W. Chiang** - *Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC*

I'm not sure if your question was the margin -- we capture the margin on barrels that we buy and move. Was that your question?

---

**Indraneel Mitra** - *BofA Securities, Research Division - Analyst*

That was it. But Jeremy's color was also very helpful.

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**Operator**

Our next question comes from the line of Neal Dingmann with Truist.

**Neal David Dingmann** - *Truist Securities, Inc., Research Division - MD*

Kind of been asked, I just want to ask maybe a different way. I'm trying to get a sense of if you see any difference in strategy now when I look at sort of simply growth versus distribution? And then maybe part of that, how you think about the sort of minimum distribution growth coverage that you're comfortable with on either side of that if those things have changed?

**Wilfred C.W. Chiang** - *Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC*

Yes, Neal, this is Willie. The strategy hasn't changed. Capital discipline and discipline in everything we do continues. Our goal is to continue to generate lots of free cash flow, continue to pay debt down. We've got the preps that we want to deal with at some point in time when it's optimal. And as we go forward, we want to have that extra financial flexibility. We've got some very exciting opportunities of potential debottlenecks on some of our NGL assets. So if you do see us take on some more projects, they're going to be strong return. And we're going to be very, very measured as we go forward, whether it be capital investments or even bolt-on acquisitions or anything else. So that's why we think about it.

**Neal David Dingmann** - *Truist Securities, Inc., Research Division - MD*

Very good. And then one last one. Just you mentioned -- I know previously you had a little bit of downtime or offline in the Canadian facilities. I'm just wondering any update on how that's trending now?

**Christopher R. Chandler** - *Plains All American Pipeline, L.P. - Executive VP & COO of Plains All American GP LLC*

Yes. This is Chris Chandler. I can take that. We did have a turnaround at our Empress facility late in 2022. We completed that successfully, and we're back at full strength across our Canadian assets, both on the Empress Extraction plants and at the fractionation facilities at both Fort Sask and in the East at Sarnia.

**Operator**

Our next question comes from the line of Sunil Sibal with Seaport Global.

**Sunil K. Sibal** - *Seaport Research Partners - MD*

My first question was on the CapEx. So it seems like you've guided to CapEx a little bit higher than what you did last year. I was just curious, since there are no specific big item projects, is this the kind of run rate we can assume going forward, especially if the Permian growth going forward remains in the same -- similar kind of range?

**Wilfred C.W. Chiang** - *Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC*

Yes, Sunil, if I understood your question, you're asking kind of trajectory of growth in run rate. Is that what you're asking?

**Sunil K. Sibal** - *Seaport Research Partners - MD*

Correct.

**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

Yes. So we do have operating leverage. So we've got capacity in the Permian gathering intra-basin and long-haul multiple markets. So there will always be some opportunities there. And then as I shared earlier on the NGL assets, there's definitely some opportunities there as well.

**Sunil K. Sibal** - Seaport Research Partners - MD

Okay. And then one question for Al. So when I look at the Slide 8, where you lay out financial assumptions for 2023, could you walk us from cash flow from operations of \$2.3 billion to your free cash flow of \$1.6 billion?

**Al P. Swanson** - Plains GP Holdings, L.P. - Executive VP & CFO of PAA GP Holdings LLC

Yes. Well, from cash flow, the \$2.3 billion. Yes, it would be -- we're assuming \$270 million of asset sales, which would increase it, the CapEx, both the \$325 million and the maintenance capital would reduce it. And I think in our calculation, we have distributions to non-controlling interest embedded in there as well. So it's the same formula as we use all the pieces and parts are -- if you look at our definition of free cash flow, you'll be able to take to some of these parts and get there. Does it make sense?

**Sunil K. Sibal** - Seaport Research Partners - MD

Yes, got it. And then one follow-up from the previous question on leverage. I think you also guided to a mid-BBB kind of credit ratings. So does your previous range of 3.75% to 4.25% on the leverage metrics helps you get there considering the overall environment that we are in and what we are hearing from other midstream producers also, you need to kind of lower that 3.75% to 4.5% to get to mid-BBB?

**Al P. Swanson** - Plains GP Holdings, L.P. - Executive VP & CFO of PAA GP Holdings LLC

I would say probably not, other than we'd probably have to operate in the lower band of it and operate in the lower band of it on kind of a through-the-cycle kind of basis. But again, as we've communicated on this call and the call in November, we intend to operate kind of at the lower band or below. And we've had the same dialogue and communication with the rating agencies as well.

We believe the path that we plan to manage our financial capital structure at is commensurate with mid-BBB ratings and it will just take time in us executing against what we've laid out to get there. So we're pleased with the progress so far. We did get one positive outlook recently and we're hopeful, again, we've just got to continue to execute and deliver like we think we will.

## Operator

I will now turn the call back over to CEO, Willie Chiang for any closing remarks.

**Wilfred C.W. Chiang** - Plains GP Holdings, L.P. - Chairman & CEO of PAA GP Holdings LLC

Thanks. I did want to add one thing. When we talked about things that we look at with intense financial discipline, we talked about capital investments. We looked at some -- talked about some of the NGL expansions. The one other thing on there, of course, is acquisitions. And you would expect us to take the same level of financial discipline as we think about acquisitions. When you think about our system and what we're ultimately playing for, we've got great assets.

We're probably able to capture more synergies out of some of these, but we're going to be very disciplined and think about the valuation on these when they do come up. But again, anything you'll see us do is going to go through that threshold of financial discipline.

Thanks, everyone, for your attention, joining us this afternoon, and we'll look forward to keeping you updated as we go forward through the year. Thank you very much.

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**Operator**

Ladies and gentlemen, this concludes today's conference call. Thank you for participating, and you may now disconnect.

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# 4Q & FY 2022 Earnings Call

February 8, 2023



**PLAINS**



# Forward-Looking Statements & Non-GAAP Financial Measures Disclosure

- This presentation contains forward-looking statements, including, in particular, statements about the performance, plans, strategies and objectives for future operations of Plains All American Pipeline, L.P. (“PAA”) and Plains GP Holdings, L.P. (“PAGP”). These forward-looking statements are based on PAA’s current views with respect to future events, based on what we believe to be reasonable assumptions. PAA and PAGP can give no assurance that future results or outcomes will be achieved. Important factors, some of which may be beyond PAA’s and PAGP’s control, that could cause actual results or outcomes to differ materially from the results or outcomes anticipated in the forward-looking statements are disclosed in PAA’s and PAGP’s respective filings with the Securities and Exchange Commission.
- This presentation also contains non-GAAP financial measures relating to PAA, such as Adjusted EBITDA attributable to PAA, Implied DCF and Free Cash Flow. A reconciliation of these historical measures to the most directly comparable GAAP measures is available in the Investor Relations section of PAA’s and PAGP’s website at [www.plains.com](http://www.plains.com), select “PAA” or “PAGP,” navigate to the “Financial Information” tab, then click on “Non-GAAP Reconciliations.” PAA does not provide a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures on a forward-looking basis as it is impractical to forecast certain items that it has defined as “Selected Items Impacting Comparability” without unreasonable effort. Definitions for certain non-GAAP financial measures and other terms used throughout this presentation are included in the appendix.

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# 4Q & FY 2022 Earnings Call Takeaways

*Solid execution, strong results, increasing returns of capital to equity holders*

**4Q & FY 2022 Adj. EBITDA<sup>(1)</sup>: \$659MM / \$2.51B; FCF: \$1.61B**

Adj. EBITDA<sup>(1)</sup> +\$310MM vs. Feb(G); achieved YE-22 Leverage of 3.7x

**2023(G): Adj. EBITDA<sup>(1)</sup> \$2.45 - \$2.55B; FCF +/- \$1.60B**

Expected YE-23 Leverage: +/- 3.5x

**Increasing Returns of Capital to Equity Holders; Maintaining Capital Discipline**

Targeting distribution increases of ~\$0.15/unit annually, subject to a 160% coverage ratio

**Premier Permian System with Operating Leverage**

Capturing growth on gathering & long-haul systems

# 2023(G): Key Financial Metrics

*Capturing Permian growth, generating meaningful FCF & increasing returns of capital to equity holders*

Adj. EBITDA attributable to PAA

**\$2.45B - \$2.55B**

Year-End Leverage Ratio

**3.5x**

Free Cash Flow (FCF)

**\$1.60B<sup>(1)</sup>**

Investment Capital

(Net to PAA)

**\$325MM**

Key Assumptions

WTI: \$82.50/Bbl

Propane: ~45% of WTI

Butane: ~50% of WTI

AECO Gas: \$3.50 CAD/GJ

Permian Production Growth:  
+/- 500 Mb/d (exit-to-exit)

2023(G): Furnished February 8, 2023. Non-rangebound metrics align with midpoint of Adj. EBITDA attributable to PAA; amounts intended to be +/-.

(1) Free Cash Flow estimate assumes \$270MM of anticipated asset sales & ~\$200MM of working capital outflows; excludes ~\$225MM of anticipated insurance proceeds related to the settlement of a Line 901 class action lawsuit, which funds are expected to be collected in 2024.



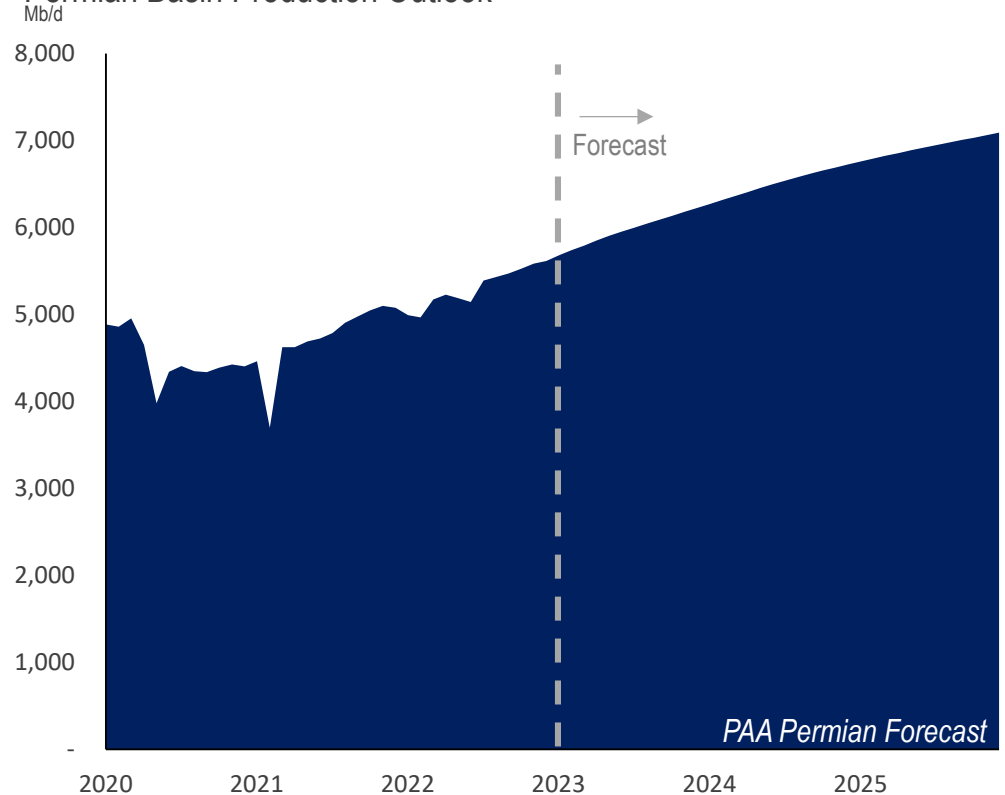
# Permian Basin Growth Continues in 2023

Current producer activity & demonstrated performance driving growth

## 2023 Forecast Assumptions



## Permian Basin Production Outlook<sup>(1)</sup>

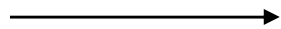


(1) Source: PAA Estimates, Enverus. (2) Based on an assumed 2022 exit production level of ~5.65 MMb/d.

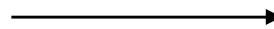
# Capturing Permian Volume Growth

Highly integrated system with operating leverage to capture Permian growth

## Gathering



## Intra-Basin



## Long-Haul

### Acreage dedications driving growth

- +350 Mb/d YoY growth
  - +/- 50 Mb/d of second-touch volumes
- Substantial Delaware Basin activity & associated well connects

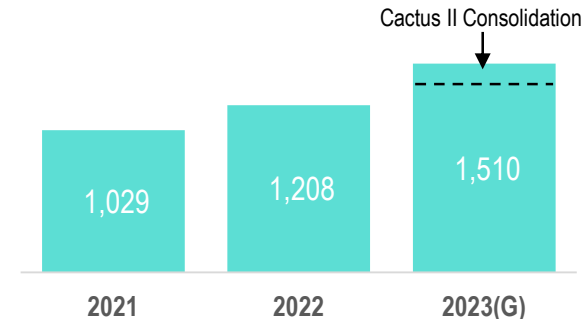
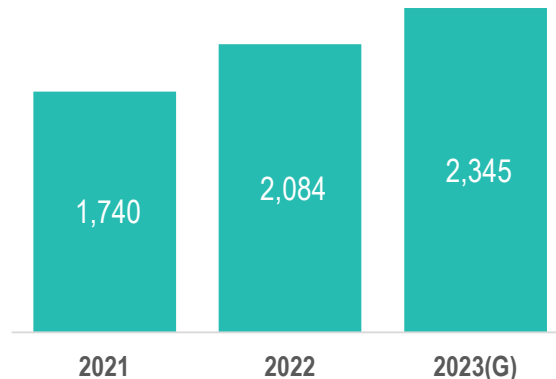
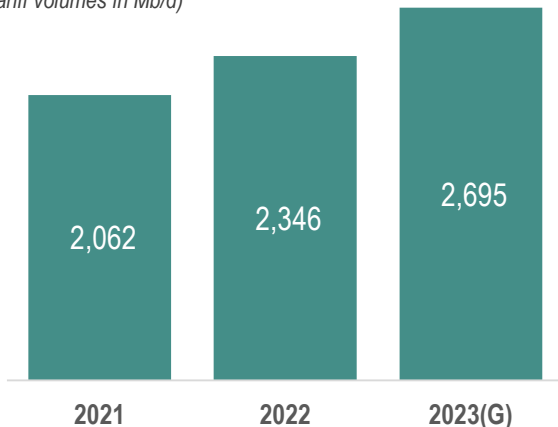
### Supporting downstream movements

- +260 Mb/d YoY growth
- Supporting downstream movements on Cactus I & II and Wink-to-Webster

### Demand driving utilization higher

- +300 Mb/d YoY growth
- Higher contracted utilization on Cactus I & II
  - +/- 150 Mb/d of Cactus II consolidation
  - +/- 70 Mb/d of MVC credit utilization and incentive tariffs
- Increase in Wink-to-Webster MVCs

(tariff volumes in Mb/d)

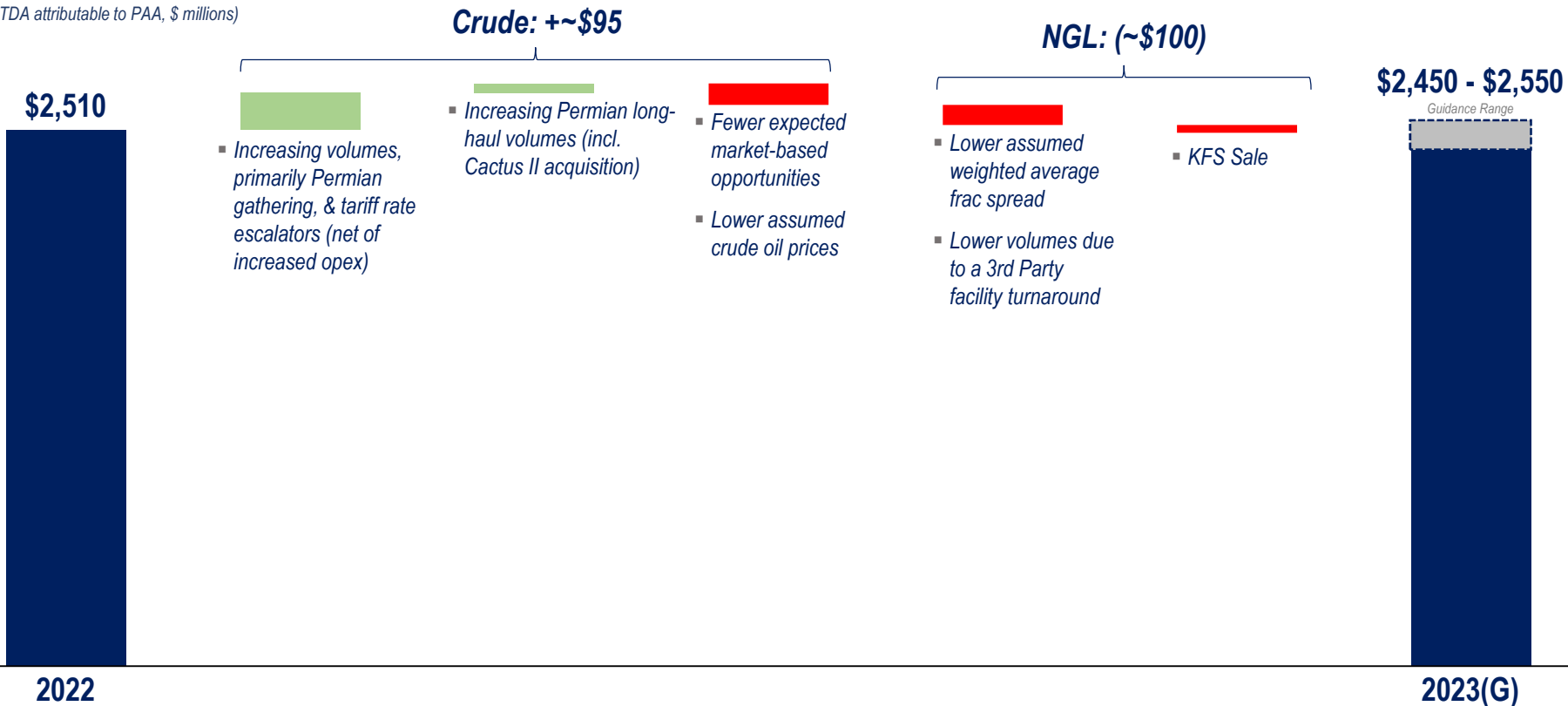


2023(G): Furnished February 8, 2023.  
Note: Permian JV & Cactus II volumes on a consolidated (8/8ths) basis. 2021 Gathering includes pro forma historical Oryx volumes.

# Key Drivers: 2022 to 2023(G)

Permian growth driving Crude higher; lower commodity prices & volumes reducing earnings

(Adj. EBITDA attributable to PAA, \$ millions)



2023(G): Furnished February 8, 2023.

Note: 2022 includes ~\$6MM of Other Income.

Please visit <https://ir.paalp.com> for a reconciliation of Non-GAAP financial measures reflected above to most directly comparable GAAP measures.

# 2023(G): Financial & Operational Metrics & Assumptions

Financial (\$MM, except per-unit metrics)	2023(G) <sup>(1)</sup>
<b>Adjusted EBITDA attributable to PAA</b>	<b>\$2,450 - \$2,550</b>
Crude Oil Segment	2,080
NGL Segment	420
<b>Implied DCF to Common</b>	<b>\$1,600</b>
<b>Distribution Coverage (Common)</b>	<b>215%</b>
<b>Year-End Leverage Ratio</b>	<b>3.5x</b>
<b>Cash Flow from Operations (CFFO)</b>	<b>\$2,300<sup>(2)</sup></b>
<b>Asset Sales</b>	<b>\$270</b>
<b>Free Cash Flow (FCF)</b>	<b>\$1,600</b>
<b>Free Cash Flow after Distributions (FCFaD)</b>	<b>\$600</b>

Operational (Mb/d)		Capital		Key Assumptions		
	<u>Crude Oil</u>	<u>Net to PAA</u>	<u>Consolidated</u>		<u>Commodities</u>	
<b>Crude Pipeline Volumes<sup>(3)</sup></b>	<b>8,570</b>	<b>Investment</b>	<b>\$325</b>	<b>\$420</b>	<b>WTI</b>	<b>\$82.50/Bbl</b>
Permian	6,550	Crude	255	350	<b>Propane / Butane</b>	~45% / ~50% of WTI
Other	2,020	Permian JV	170	265	<b>AECO</b>	\$3.50 CAD/GJ
		Other	85	85		
		NGL	70	70		
<b>C3+ Spec Product Sales<sup>(4)</sup></b>	<b>53</b>	<b>Maintenance</b>	<b>\$195</b>	<b>\$205</b>	<b>Permian Production</b>	+/- 500 Mb/d (exit-to-exit)
<b>Fractionation Volumes</b>	<b>130</b>	<b>Total</b>	<b>\$520</b>	<b>\$625</b>	<b>C3+ Sales Hedged<sup>(5)</sup></b>	+/- 80%
						<u>Operational</u>

2023(G): Furnished February 8, 2023. (1) Non-rangebound metrics align with midpoint of Adj. EBITDA attributable to PAA; amounts intended to be +/- (2) Assumes ~\$200MM of working capital outflows; excludes ~\$225MM of anticipated insurance proceeds related to the settlement of a Line 901 class action lawsuit, which funds are expected to be collected in 2024. (3) Permian JV, Cactus II & Red River volumes on a consolidated (8/8ths) basis.

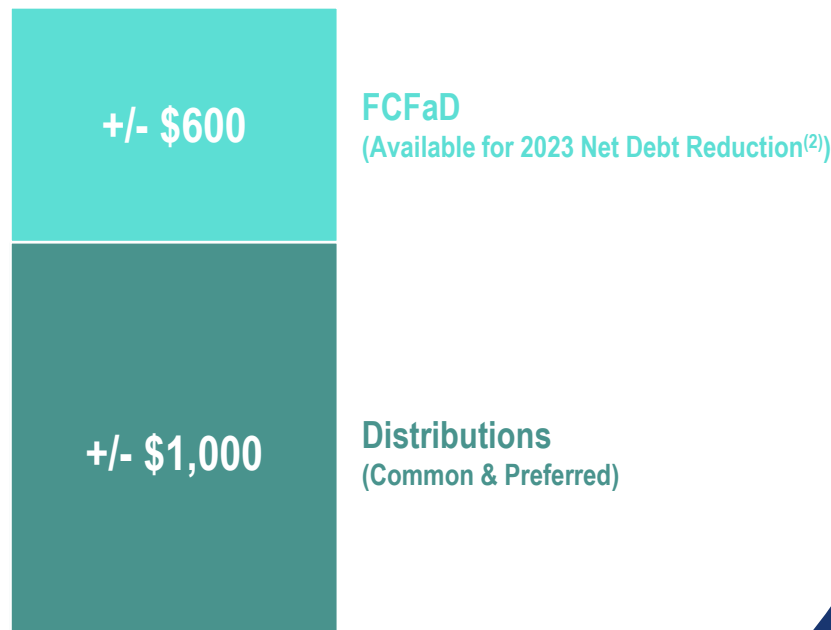
(4) C3+ sales on this slide refers to the sale of spec C3, C4 and C5+ exposed to frac spread. (5) Annual Frac spread volume hedged as a percentage of total C3+ volume produced / forecasted that is exposed to frac spread.

# Free Cash Flow Priorities

Committed to significant returns of capital, continued capital discipline & financial flexibility

## 2023(G) Capital Allocation

Represents +/- \$1.60B of Free Cash Flow<sup>(1)</sup>



### (1) Targeting multi-year, sustainable distribution growth & opportunistic repurchases

2023: +\$0.20/unit annual distribution increase

After 2023: targeting ~\$0.15/unit annual distribution growth (until ~160% coverage reached)



### (2) Disciplined capital investments

Self-fund annual routine capital (inv. & maint.) with cash flow



### (3) Balance sheet stability & financial flexibility

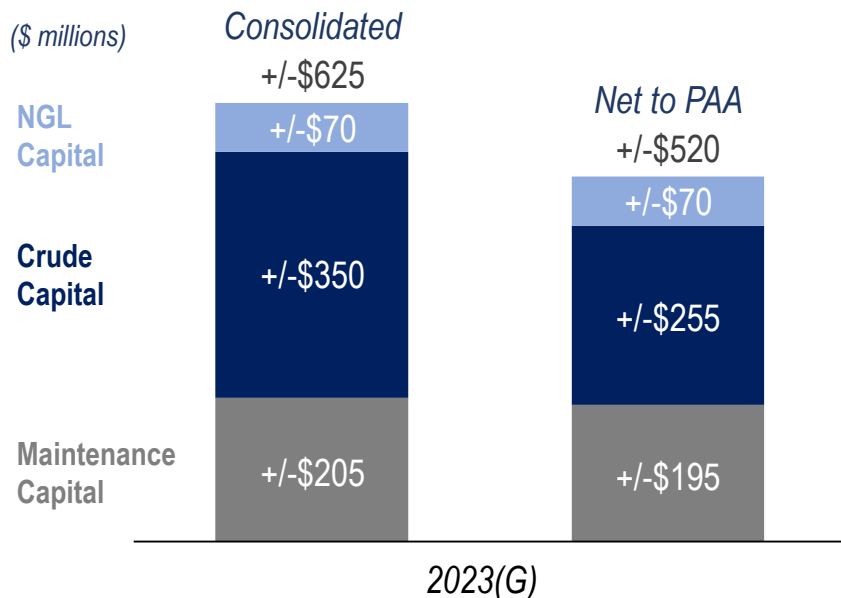
Resilient through cycles; create dry powder

2023(G): Furnished February 8, 2023.

(1) Free Cash Flow estimate assumes \$270MM of anticipated asset sales & ~\$200MM of working capital outflows; excludes ~\$225MM of anticipated insurance proceeds related to the settlement of a Line 901 class action lawsuit, which funds are expected to be collected in 2024. (2) Excludes cash on balance sheet which can be used for debt reduction.

# Disciplined Capital Investments

*Capital-efficient expansion & debottlenecking opportunities*



## 2023 Capital Overview

- Self-fund annual routine capital with cash flow
- Create long-term shareholder value by leveraging existing crude & NGL infrastructure
  - Permian wellhead & CDP connections
  - Permian debottlenecking projects providing flow assurance, reliability and additional flexibility
  - Last phase of W2W projects
  - NGL optimization projects
    - Does not include capital related to potential Ft. Sask debottlenecks & expansions
  - Optimizing & aligning assets with emerging energy opportunities

# Balance Sheet Stability & Financial Flexibility

*Creates additional flexibility for returns to equity holders & disciplined investment opportunities*

## Investment Grade balance sheet

Achieve & maintain mid-BBB / Baa credit ratings

## Ensure balance sheet flexibility

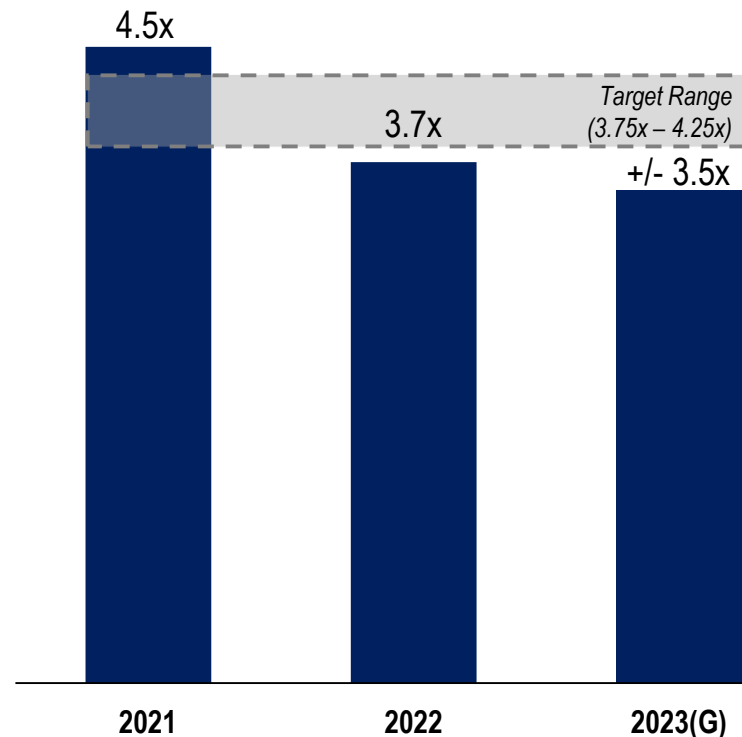
Resilient through cycles; create dry powder

## Reduce absolute debt with excess FCF

\$1.1B of maturities due in 2023, \$400MM repaid YTD

Achieved balance sheet leverage target

Leverage Ratio



# Plains' Investment Opportunity

Generating multi-year Free Cash Flow & increasing returns of capital to equity holders



## Attractive Current Yield of ~8.5%

Meaningful coverage, targeting multi-year distribution growth



## Significant Free Cash Flow

2023(G): +/- \$1.60B FCF / \$600MM FCFaD



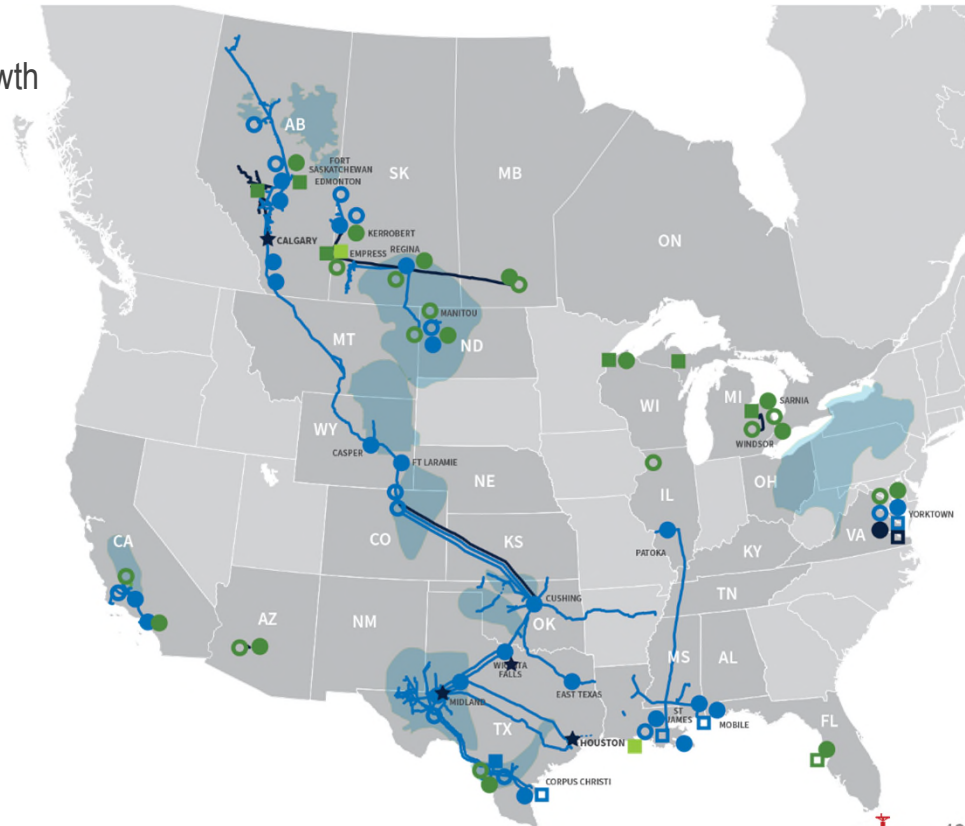
## Balance Sheet Strength

YE-2023(G) leverage of +/- 3.5x



## Strategically Located

Premier North American Crude & NGL Assets



2023(G): Furnished February 8, 2023.

Yield based on closing unit price as of 2/7/23 & current annualized distribution of \$1.07.



# 4Q & FY 2022 Earnings Call Takeaways

*Solid execution, strong results, increasing returns of capital to equity holders*

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Expected YE-23 Leverage: +/- 3.5x

**Increasing Returns of Capital to Equity Holders; Maintaining Capital Discipline**

Targeting distribution increases of ~\$0.15/unit annually, subject to a 160% coverage ratio

**Premier Permian System with Operating Leverage**

Capturing growth on gathering & long-haul systems

# Overview of 2023 Goals

Run a safe, reliable and responsible operation



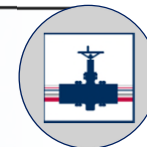
Increase returns of capital to equity holders



Generate meaningful Free Cash Flow



Strengthen balance sheet / financial flexibility



# Appendix

## *Incremental Updates:*

- Segment Adj. EBITDA Walks
- Financial & Operational Updates



**PLAINS**



# Solid Execution of 2022 Goals

**Run a safe, reliable and responsible operation**

*- Record HS&E performance, achieved ~20% reduction target in key metrics*



**Generate meaningful Free Cash Flow**

*- Adj. EBITDA<sup>(1)</sup> +\$310MM vs. Feb(G); generated \$1.61B of FCF*



**Strengthen balance sheet / financial flexibility**

*- Achieved leverage objectives earlier than anticipated (YE-22: 3.7x)*



**Increase returns of capital to equity holders**

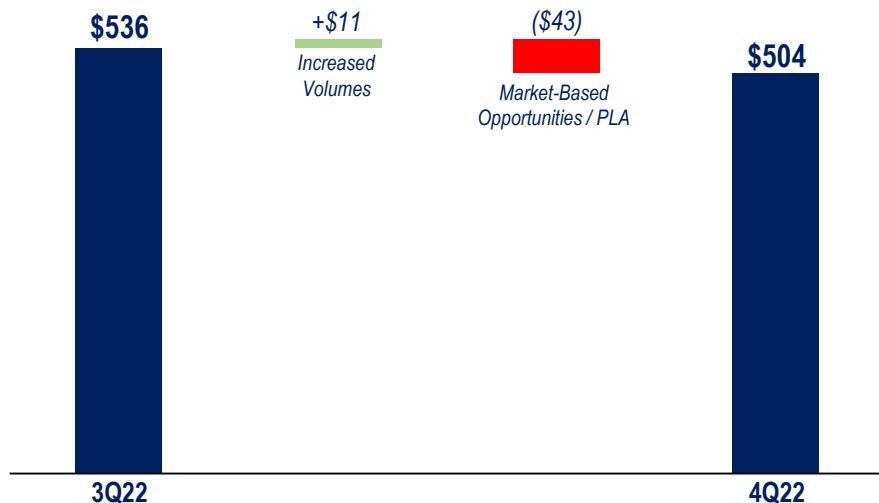
*- Increased annual distribution \$0.20/unit, repurchased \$74MM of common units*



# Key Drivers: 3Q22 to 4Q22

(\$ millions)

## Crude Oil Segment Adjusted EBITDA



### Crude Oil Segment

- **Increased Volumes:** higher Permian tariff volumes partially offset by MVC deficiency payments in 3Q22
- **Market-Based Opportunities / PLA :** primarily fewer market-based opportunities & lower pipeline loss allowance

## NGL Segment Adjusted EBITDA



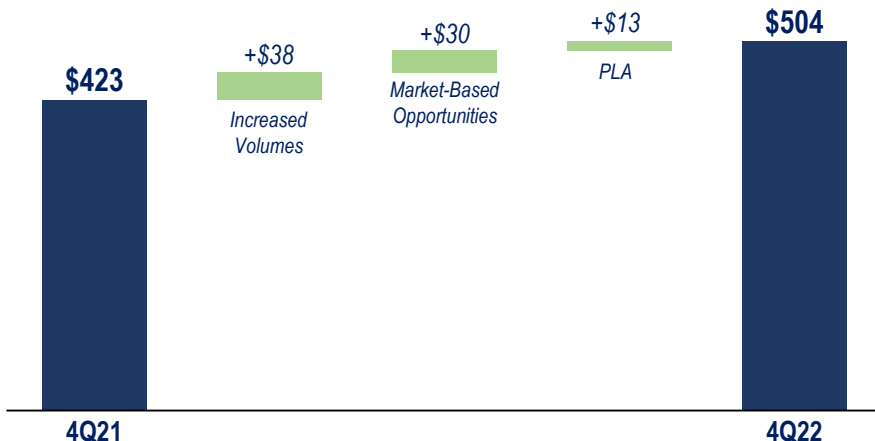
### NGL Segment

- **NGL Seasonality:** primarily higher sales volumes versus seasonally weaker quarter
- **Increased Throughput:** higher fractionation, gas processing & storage volumes

# Key Drivers: 4Q21 to 4Q22

(\$ millions)

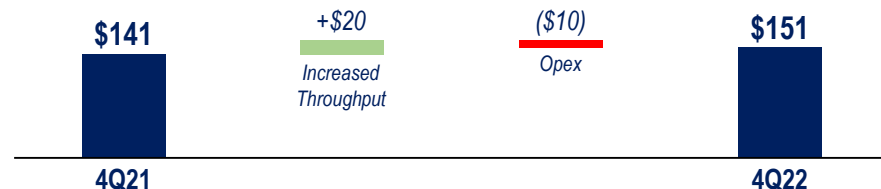
## Crude Oil Segment Adjusted EBITDA



### ■ Crude Oil Segment

- **Increased Volumes:** higher tariff volumes on our Permian gathering & intra-basin assets in addition to the start-up of Capline & W2W, partially offset by increased opex
- **Market-Based Opportunities:** primarily benefit of market-based opportunities in Canada
- **PLA:** benefit of higher commodity prices & volumes

## NGL Segment Adjusted EBITDA



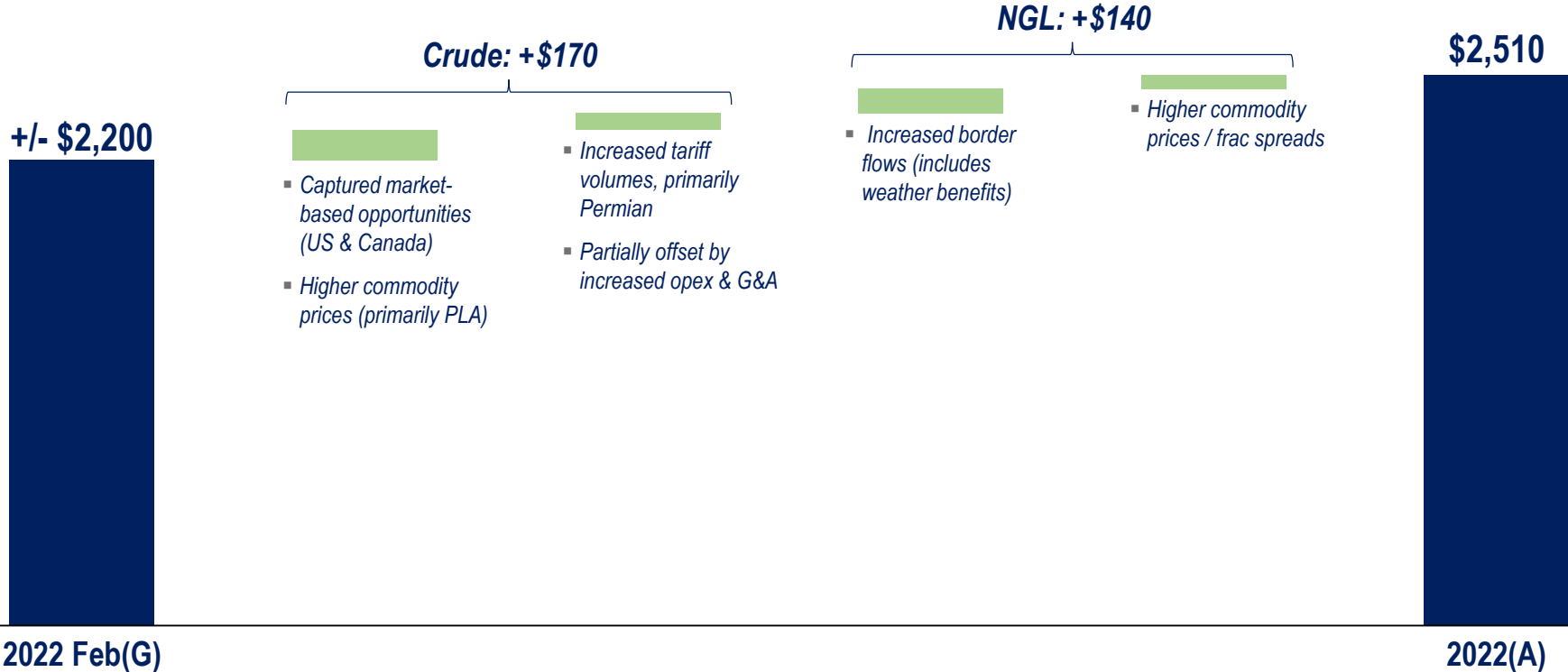
### ■ NGL Segment

- **Increased Throughput:** higher fractionation, gas processing & storage volumes
- **Opex:** higher opex as a result of higher volumes & utility costs, along with an increased ownership interest at Empress

# Key Drivers: 2022 Feb(G) to 2022(A)

*Solid execution, additional volume capture & favorable commodity price environment*

(Adj. EBITDA attributable to PAA, \$ millions)



2022 Feb(G): Furnished February 9, 2022.

Please visit <https://ir.paalp.com> for a reconciliation of Non-GAAP financial measures reflected above to most directly comparable GAAP measures.

# Current Financial Profile

*Achieved leverage below mid-point of target range*

	<u>12/31/21</u>	<u>12/31/22</u>	
<b>Balance Sheet</b>			
Short-Term Debt	\$822	\$1,159	
Long-Term Debt	8,398	7,287	
<b>Total Debt</b>	<b>\$9,220</b>	<b>\$8,446</b>	
Cash & Equivalents <sup>(1)</sup>	449	378	
<b>Net Debt</b>	<b>\$8,771</b>	<b>\$8,068</b>	
<b>Adj. EBITDA (LTM)<sup>(2)</sup></b>	<b>\$2,196</b>	<b>\$2,510</b>	
<b>Credit Stats &amp; Liquidity</b>			
<b>Leverage Ratio</b>	<b>4.5x</b>	<b>3.7x</b>	<b>3.75x - 4.25x</b>
Committed Liquidity (\$ bln)	\$3.0	\$3.0	
Investment Grade Balance Sheet		BBB- / BBB- / Baa3	

(1) 2021 & 2022 exclude restricted cash of \$4MM and \$23MM, respectively. (2) Attributable to PAA.

Note: Please visit <https://ir.paap.com> for reconciliation of Non-GAAP financial measures reflected above to most directly comparable GAAP measures.



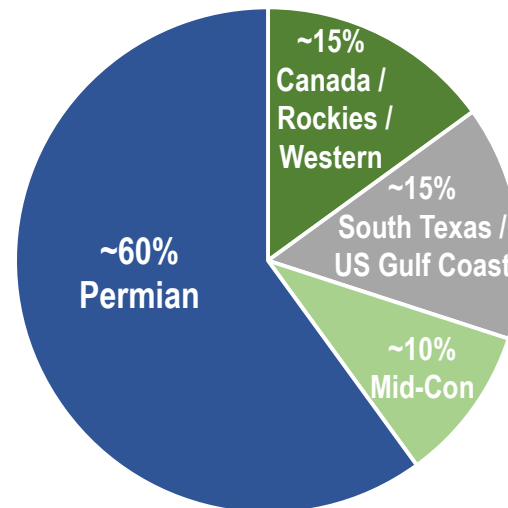
# 2023(G): Crude Operational Metrics

Capturing Permian gathering, intra-basin & long-haul growth

	2020	2021	2022	2023(G)	
<b>Crude Oil Segment (Mb/d)</b>					
<b>Permian</b>	Gathering	1,472	1,643	2,346	2,695
	Intra-Basin	1,907	1,740	2,084	2,345
	Long-Haul	1,048	1,029	1,208	1,510
	<b>Total<sup>(1)</sup></b>	<b>4,427</b>	<b>4,412</b>	<b>5,638</b>	<b>6,550</b>
	Canada	294	286	328	330
	Rockies	245	332	332	290
	Western	223	236	179	250
	<b>Total</b>	<b>762</b>	<b>854</b>	<b>839</b>	<b>870</b>
	South Texas	380	326	357	390
	U.S. Gulf Coast	134	158	219	235
	<b>Total</b>	<b>514</b>	<b>484</b>	<b>576</b>	<b>625</b>
<b>Mid-Con<sup>(1)</sup></b>	<b>379</b>	<b>455</b>	<b>512</b>	<b>525</b>	
<b>Total Crude Oil Pipeline Volumes</b>					
	<b>6,082</b>	<b>6,205</b>	<b>7,565</b>	<b>8,570</b>	

**2023(G): \$2,080MM Adj. EBITDA<sup>(2)</sup>**

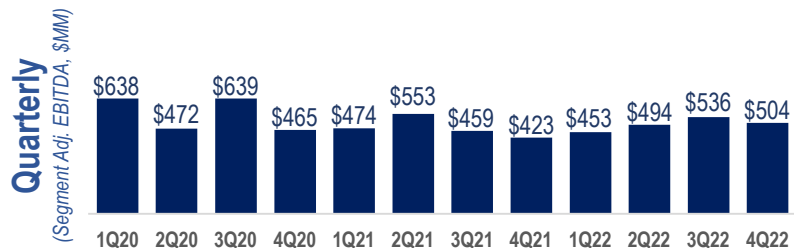
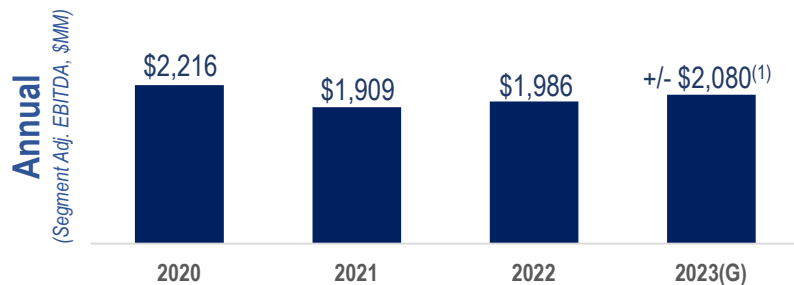
Includes +/- \$200MM from Storage Terminals<sup>(3)</sup>



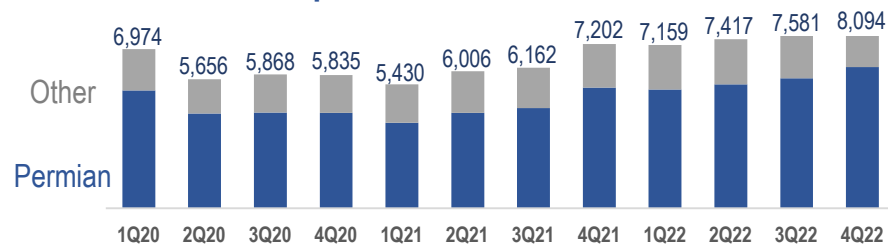
# Crude Oil Segment Detailed Data

## Crude Oil Segment Considerations / Context:

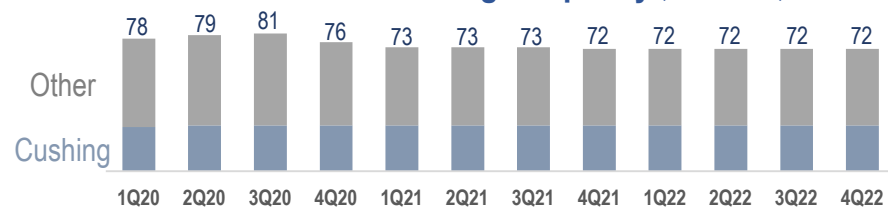
- COVID-19 production reset - L48 onshore decreased >2MMb/d from Mar-20 peak, competitive market dynamics
- ~\$1.2B in non-core / strategic JV asset sales since 2020



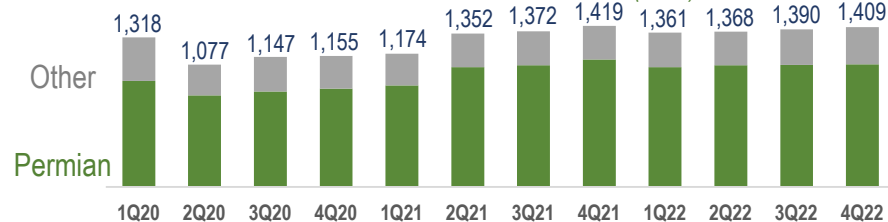
## Pipeline Tariff Volumes<sup>(2)</sup> (Mb/d)



## Commercial Storage Capacity (MMbbls/mo)



## 1<sup>st</sup> Purchase Volumes (Mb/d)



# NGL Segment 2023(G) Detail

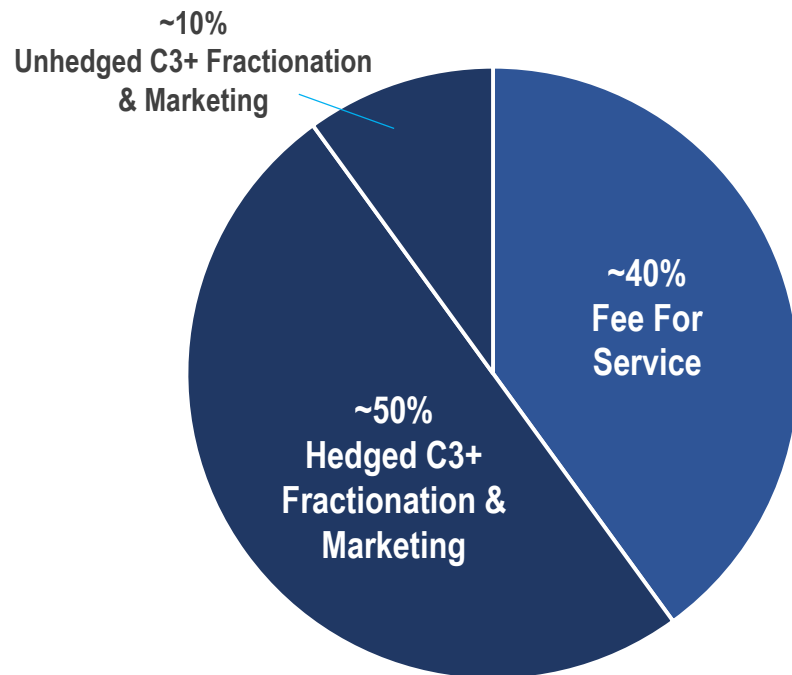
## Majority of EBITDA generated by C3+ frac spread benefit

- Hedge frac spread (12+ months rolling)
- Purchase AECO nat gas & sell spec products (C3+) on Mont Belvieu pricing<sup>(1)</sup>
- ~53 Mb/d of total NGL sales benefit from Frac Spread

## Fee-for-Service

- Third-party throughput<sup>(2)</sup>: fractionate, store, and transport (~45 Mb/d not included in reported NGL sales)
- Net purchased volume (purity and Y-grade): transport, fractionate, store & sell (~45 Mb/d)

**2023(G): \$420MM Adj. EBITDA<sup>(3)</sup>**



# NGL Segment Frac Spread & Hedging Profile

## 2023 NGL Adj. EBITDA(G) ~\$100MM below 2022

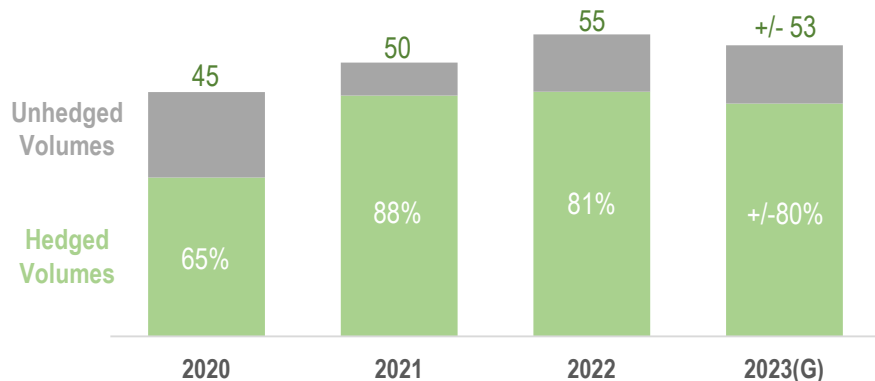
- Lower year-over-year weighted average frac spread
- KFS divestiture expected to close in 1Q23
- Lower C3+ Spec Product Sales as a result of a 3rd party turnaround

## Hedging Profile (2020 – 2023(G))

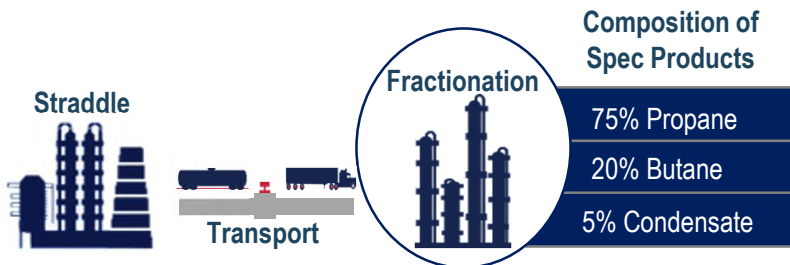
(table data reflects full-year averages)

	2020	2021	2022	2023(G)
<b>NGL Segment</b>				
C3+ Spec Product Sales <sup>(1)</sup> (Mb/d)	45	50	55	+/- 53
% of C3+ Sales Hedged <sup>(2)</sup>	65%	88%	81%	+/- 80%

## C3+ Spec Product Sales<sup>(1)</sup> (Mb/d)



## +/- 53Mb/d Benefit from Frac Spread (+/- 80% of 2023 volumes hedged)

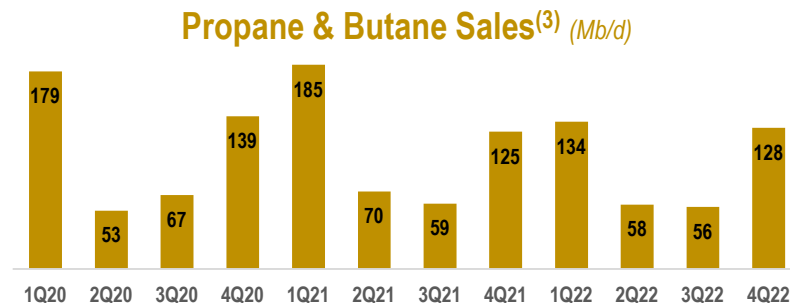
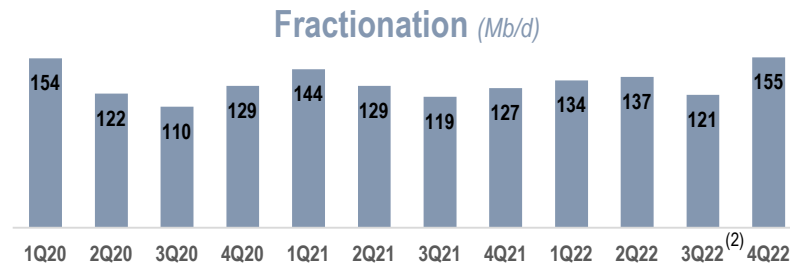
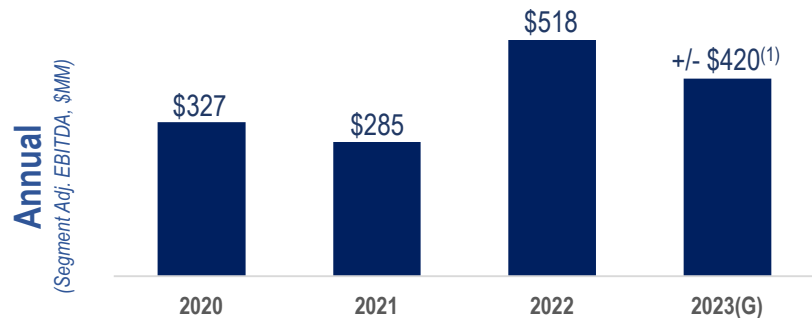


2023(G): Furnished February 8, 2023. (1) C3+ sales on this slide refers to the sale of spec C3, C4 and C5+ exposed to frac spread. (2) Annual Frac spread volume hedged as a percentage of total C3+ volume produced / forecasted that is exposed to frac spread.

# NGL Segment Detailed Data

## ■ NGL Segment Considerations / Context:

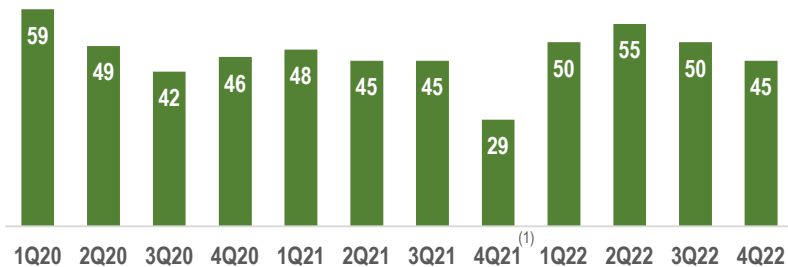
- Seasonally stronger demand / sales in winter months
- Frac spread hedging & 3<sup>rd</sup> party contracts helps improve predictability



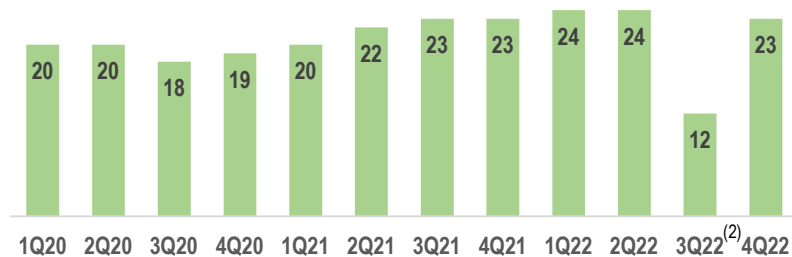
# Additional NGL Detail: Fractionation Volumes by Asset

(Mb/d)

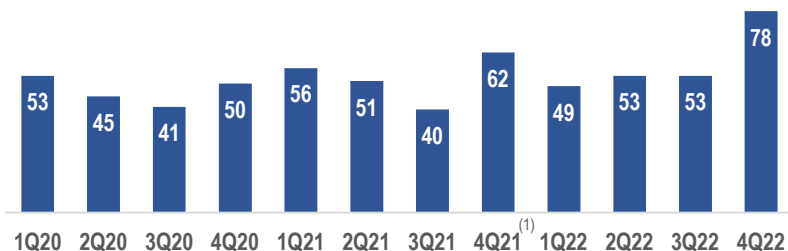
## Fort Sask



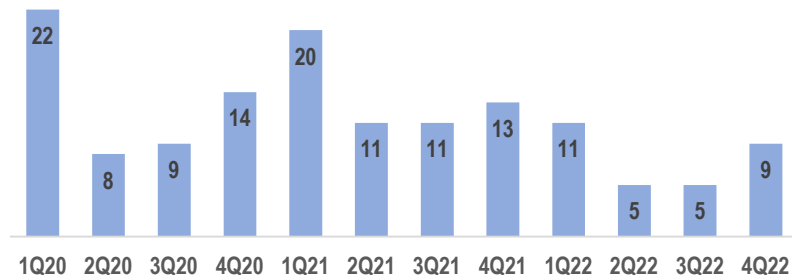
## Empress



## Sarnia



## Other



(1) Throughput volume impacted by Fort Sask Incident. (2) Throughput volume impacted by turnaround at Empress.

# Free Cash Flow: Historical Detail

## GAAP CFFO to Non-GAAP FCF

	2020	2021	1Q22	2Q22	3Q22	4Q22 <sup>(3)</sup>	2022
Net Cash Provided by Op. Activities (GAAP)	\$ 1,514	\$ 1,996	\$ 340	\$ 792	\$ 941	\$ 335	\$ 2,408
Net Cash (Used in) / Provided by Investing Activities	(1,093)	386	(81)	(42)	(168)	(235)	(526)
Cash Contributions from Noncontrolling Interests	12	1	-	-	26	-	26
Cash Distributions Paid to Noncontrolling Interests <sup>(1)</sup>	(10)	(14)	(59)	(62)	(73)	(104)	(298)
Sale of Noncontrolling Interest in a Sub	-	-	-	-	-	-	-
<b>Free Cash Flow (non-GAAP)</b>	<b>\$ 423</b>	<b>\$ 2,369</b>	<b>\$ 200</b>	<b>\$ 688</b>	<b>\$ 726</b>	<b>\$ (4)</b>	<b>\$ 1,610</b>
Total Distributions <sup>(2)</sup>	(853)	(715)	(164)	(215)	(189)	(214)	(782)
<b>FCF after Distributions (non-GAAP)</b>	<b>\$ (430)</b>	<b>\$ 1,654</b>	<b>\$ 36</b>	<b>\$ 473</b>	<b>\$ 537</b>	<b>\$ (218)</b>	<b>\$ 828</b>

*Expect to generate meaningful multi-year Free Cash Flow based on financial performance and continued capital discipline*

(1) Cash distributions paid during the period presented.

(2) Cash distributions paid to our preferred and common unitholders during the period presented. The 2016 period also includes distributions paid to our general partner.

(3) Fourth-quarter 2022 Free Cash Flow is impacted by a \$230 million payment related to the settlement of a Line 901 class action lawsuit and the purchase of an additional interest in the Cactus II pipeline for approximately \$85 million.

Management uses the non-GAAP financial measures Free Cash Flow ("FCF") and Free Cash Flow after Distributions ("FCFaD") to assess the amount of cash that is available for distributions, debt repayments, equity repurchases and other general partnership purposes. FCF is defined as net cash provided by operating activities, less net cash used in investing activities, which primarily includes acquisition, expansion and maintenance capital expenditures, investments in unconsolidated entities and the impact from the purchase and sale of linefill and base gas, net of proceeds from the sales of assets and further impacted by distributions to, contributions from and proceeds from the sale of noncontrolling interests. FCF is further reduced by cash distributions paid to preferred and common unitholders to arrive at FCF after Distributions.

Our definition and calculation of FCF may not be comparable to similarly-titled measures of other companies. FCF and FCF after Distributions are reconciled to net cash flows from operating activities, the most directly comparable measures as reported in accordance with GAAP, and should be viewed in addition to, and not in lieu of, our Consolidated Financial Statements and accompanying notes.

# Condensed Consolidating Balance Sheet of Plains GP Holdings (PAGP)

	December 31, 2022			December 31, 2021		
	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP
<b>ASSETS</b>						
Current assets	\$ 5,355	\$ 3	\$ 5,358	\$ 6,137	\$ 3	\$ 6,140
Property and equipment, net	15,250	3	15,253	14,903	6	14,909
Investments in unconsolidated entities	3,084	—	3,084	3,805	—	3,805
Intangible assets, net	2,145	—	2,145	1,960	—	1,960
Deferred tax asset	—	1,309	1,309	—	1,362	1,362
Linefill	961	—	961	907	—	907
Long-term operating lease right-of-use assets, net	349	—	349	393	—	393
Long-term inventory	284	—	284	253	—	253
Other long-term assets, net	464	—	464	251	(2)	249
<b>Total assets</b>	<b>\$ 27,892</b>	<b>\$ 1,315</b>	<b>\$ 29,207</b>	<b>\$ 28,609</b>	<b>\$ 1,369</b>	<b>\$ 29,978</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>						
Current liabilities	\$ 5,891	\$ 2	\$ 5,893	\$ 6,232	\$ 2	\$ 6,234
Senior notes, net	7,237	—	7,237	8,329	—	8,329
Other long-term debt, net	50	—	50	69	—	69
Long-term operating lease liabilities	308	—	308	339	—	339
Other long-term liabilities and deferred credits	1,081	—	1,081	830	—	830
<b>Total liabilities</b>	<b>14,567</b>	<b>2</b>	<b>14,569</b>	<b>15,799</b>	<b>2</b>	<b>15,801</b>
Partners' capital excluding noncontrolling interests	10,057	(8,533)	1,524	9,972	(8,439)	1,533
Noncontrolling interests	3,268	9,846	13,114	2,838	9,806	12,644
<b>Total partners' capital</b>	<b>13,325</b>	<b>1,313</b>	<b>14,638</b>	<b>12,810</b>	<b>1,367</b>	<b>14,177</b>
<b>Total liabilities and partners' capital</b>	<b>\$ 27,892</b>	<b>\$ 1,315</b>	<b>\$ 29,207</b>	<b>\$ 28,609</b>	<b>\$ 1,369</b>	<b>\$ 29,978</b>

<sup>(1)</sup> Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.



# Definitions

- **Adjusted EBITDA:** adjusted earnings before interest, taxes, depreciation and amortization (Consolidated)
  - Attributable to PAA where noted; Segment Adjusted EBITDA by definition is attributable to PAA
- **Implied Distributable Cash Flow (DCF) Per Common Unit & Common Unit Equivalent (CUE):** Adjusted EBITDA (Consolidated) less interest expense net of certain non-cash items, maintenance capital, current income tax expense, investment capital of noncontrolling interests, distributions from unconsolidated entities in excess of/(less than) adjusted equity earnings, distributions to noncontrolling interests and preferred unit distributions paid adjusted for Series A preferred unit cash distributions paid, divided by the weighted average common units and common unit equivalents outstanding for the period
- **Cash Flow from Operations (CFFO):** Net Cash Provided by Operating Activities (GAAP)
- **Free Cash Flow (FCF):** net cash provided by operating activities (CFFO), less net cash used in investing activities, further impacted by distributions to, contributions from and proceeds from the sale of noncontrolling interests
- **Free Cash Flow after Distributions (FCFaD):** FCF further reduced by cash distributions paid to preferred and common unitholders
- **CFFO, FCF & FCFaD** estimates do not factor in material, unforeseen changes in ST working capital (i.e. hedged inventory storage activities / volume / price / margin)
- **Leverage Ratio:** Total Debt plus 50% of PAA Preferred Securities less cash divided by LTM Adj. EBITDA attributable to PAA
- **Pipeline Volumes:** pipeline volumes associated with the Permian JV, Cactus II JV & Red River JV are presented on a consolidated (8/8ths) basis; all other volumes are presented net to our interest



**Plains All American Reports Fourth-Quarter and Full-Year 2022 Results;  
Announces 2023 Guidance**

(Houston — February 8, 2023) Plains All American Pipeline, L.P. (Nasdaq: [PAA](#)) and Plains GP Holdings (Nasdaq: [PAGP](#)) today reported fourth-quarter and full-year 2022 results, announced 2023 guidance and provided the following highlights:

**2022 Highlights**

- Fourth-quarter and full-year 2022 Net income attributable to PAA of \$263 million and \$1.04 billion, respectively, and 2022 Net cash provided by operating activities of \$335 million and \$2.41 billion, respectively
- Delivered better than expected fourth-quarter and full-year 2022 Adjusted EBITDA attributable to PAA of \$659 million and \$2.51 billion, respectively
- Generated full-year 2022 Free Cash Flow of \$1.61 billion, repurchased \$74 million of common units, repaid \$774 million of total debt and achieved year-end leverage of 3.7x
- Announced multi-year capital allocation framework prioritizing Free Cash Flow generation, further improving financial flexibility and increasing returns of capital to equity holders

**2023 Outlook**

- Expect full-year 2023 Adjusted EBITDA attributable to PAA of \$2.45 - \$2.55 billion and year-end 2023 leverage of +/- 3.5x
- Increased the annualized common distribution by \$0.20 to \$1.07 per unit in January 2023 (to be paid in February)
- Expect to generate approximately \$1.60 billion of Free Cash Flow in 2023, underpinning multi-year return of capital to equity holders and absolute debt reduction
- Remain focused on disciplined capital investments, anticipating full-year 2023 Investment and Maintenance Capital of \$325 million and \$195 million, net to PAA

“2022 represented a positive inflection point for Plains, evidenced by strong execution of our goals and initiatives. This included reaching the lower-end of our leverage target range and increasing returns of capital to equity holders through a combination of increased distributions and share repurchases. Additionally, we achieved record health, safety, and environmental performance by achieving or exceeding 20% reduction targets in our key metrics,” stated Willie Chiang, Chairman and CEO of Plains. “Looking to 2023, our Permian Basin assets are well positioned to benefit from continued production growth. In our NGL segment, we continue to evaluate capital efficient debottlenecking opportunities which we expect to improve our long-term fee-based earnings. We remain focused on continuing to generate significant Free Cash Flow, which provides visibility for improving shareholder returns primarily through distribution increases and disciplined accretive investments, all while maintaining balance sheet flexibility.”

- more -

## Plains All American Pipeline

### Summary Financial Information (unaudited) (in millions, except per unit data)

<i>GAAP Results</i>	Three Months Ended December 31,		%	Twelve Months Ended December 31,		%
	2022	2021	Change	2022	2021	Change
Net income attributable to PAA <sup>(1)</sup>	\$ 263	\$ 450	(42)%	\$ 1,037	\$ 593	75 %
Diluted net income per common unit	\$ 0.30	\$ 0.56	(46)%	\$ 1.19	\$ 0.55	116 %
Diluted weighted average common units outstanding	698	709	(2)%	701	716	(2)%
Net cash provided by operating activities	\$ 335	\$ 635	(47)%	\$ 2,408	\$ 1,996	21 %
Distribution per common unit declared for the period	\$ 0.2675	\$ 0.1800	49 %	\$ 0.9200	\$ 0.7200	28 %

<sup>(1)</sup> Reported results for the three and twelve months ended December 31, 2022 include a non-cash asset impairment of \$330 million related to our California assets and a non-cash gain on investments in unconsolidated entities of approximately \$370 million related to our purchase of an additional interest in the Cactus II pipeline. Reported results for the twelve months ended December 31, 2021 include aggregate non-cash asset impairments of approximately \$695 million related to the sale of our gas storage assets and the write-down of certain crude oil terminal assets.

<i>Non-GAAP Results</i> <sup>(1)</sup>	Three Months Ended December 31,		%	Twelve Months Ended December 31,		%
	2022	2021	Change	2022	2021	Change
Adjusted net income attributable to PAA	\$ 286	\$ 231	24 %	\$ 1,091	\$ 884	23 %
Diluted adjusted net income per common unit	\$ 0.33	\$ 0.25	32 %	\$ 1.26	\$ 0.95	33 %
Adjusted EBITDA	\$ 759	\$ 646	17 %	\$ 2,875	\$ 2,290	26 %
Adjusted EBITDA attributable to PAA <sup>(2)</sup>	\$ 659	\$ 564	17 %	\$ 2,510	\$ 2,196	14 %
Implied DCF per common unit and common unit	\$ 0.58	\$ 0.54	7 %	\$ 2.26	\$ 2.05	10 %
Free Cash Flow <sup>(3)</sup>	\$ (4)	\$ 539	(101)%	\$ 1,610	\$ 2,369	(32)%
Free Cash Flow after Distributions	\$ (218)	\$ 349	(162)%	\$ 828	\$ 1,654	(50)%

<sup>(1)</sup> See the section of this release entitled “Non-GAAP Financial Measures and Selected Items Impacting Comparability” and the tables attached hereto for information regarding our Non-GAAP financial measures, including their reconciliation to the most directly comparable measures as reported in accordance with GAAP, and certain selected items that PAA believes impact comparability of financial results between reporting periods.

<sup>(2)</sup> Excludes amounts attributable to noncontrolling interests in the Plains Oryx Permian Basin LLC joint venture, Cactus II Pipeline LLC and Red River Pipeline LLC.

<sup>(3)</sup> Fourth-quarter 2022 Free Cash Flow is impacted by a \$230 million payment related to the settlement of a Line 901 class action lawsuit and the purchase of an additional interest in the Cactus II pipeline for approximately \$85 million.

- more -

**Summary of Selected Financial Data by Segment** (unaudited)

(in millions)

	Segment Adjusted EBITDA	
	Crude Oil	NGL
Three Months Ended December 31, 2022	\$ 504	\$ 151
Three Months Ended December 31, 2021	\$ 423	\$ 141
<b>Percentage change in Segment Adjusted EBITDA versus 2021 period</b>	<b>19 %</b>	<b>7 %</b>

	Segment Adjusted EBITDA	
	Crude Oil	NGL
Twelve Months Ended December 31, 2022	\$ 1,986	\$ 518
Twelve Months Ended December 31, 2021	\$ 1,909	\$ 285
<b>Percentage change in Segment Adjusted EBITDA versus 2021 period</b>	<b>4 %</b>	<b>82 %</b>
<b>Percentage change in Segment Adjusted EBITDA versus 2021 period further adjusted for impact of divested assets <sup>(1)</sup></b>	<b>7 %</b>	<b>82 %</b>

<sup>(1)</sup> Estimated impact of divestitures completed during 2021 and 2022, assuming an effective date of January 1, 2021. Divested assets primarily included natural gas storage facilities that were previously reported in our Crude Oil segment.

Fourth-quarter 2022 Crude Oil Segment Adjusted EBITDA increased 19% versus comparable 2021 results primarily due to higher volumes across our pipeline systems, particularly our Permian gathering and intra-basin assets in addition to the start-up of the Wink-to-Webster and Capline pipelines, as well as more favorable market conditions for our merchant activities, particularly in Canada. These benefits were partially offset by higher operating expenses as a result of increased volumes and utility costs.

Fourth-quarter 2022 NGL Segment Adjusted EBITDA increased 7% versus comparable 2021 results primarily due to higher throughput at certain of our fractionation, gas processing and storage assets partially offset by higher operating expenses as a result of higher volumes and utility costs, along with an increased ownership interest at Empress.

- more -

## **Plains GP Holdings**

PAGP owns an indirect non-economic controlling interest in PAA's general partner and an indirect limited partner interest in PAA. As the control entity of PAA, PAGP consolidates PAA's results into its financial statements, which is reflected in the condensed consolidating balance sheet and income statement tables attached hereto.

### ***Conference Call***

PAA and PAGP will hold a joint conference call at 4:30 p.m. CT on Wednesday, February 8, 2023 to discuss the following items:

1. PAA's fourth-quarter and full-year 2022 performance;
2. Capitalization and liquidity; and
3. 2023 Financial guidance.

### ***Conference Call Webcast Instructions***

To access the internet webcast, please go to <https://edge.media-server.com/mmc/p/igr8sbqe>.

Alternatively, the webcast can be accessed on our website ([www.plains.com](http://www.plains.com)) under Investor Relations (Navigate to: Investor Relations / either "PAA" or "PAGP" / News & Events / Quarterly Earnings). Following the live webcast, an audio replay in MP3 format will be available on our website within two hours after the end of the call and will be accessible for a period of 365 days. Slides will be posted prior to the call and a complete transcript will be posted after the call at the above referenced website.

### ***Non-GAAP Financial Measures and Selected Items Impacting Comparability***

To supplement our financial information presented in accordance with GAAP, management uses additional measures known as "non-GAAP financial measures" in its evaluation of past performance and prospects for the future and to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes. The primary additional measures used by management are Adjusted EBITDA, Adjusted EBITDA attributable to PAA, Implied Distributable Cash Flow ("DCF"), Free Cash Flow and Free Cash Flow after Distributions.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization (including our proportionate share of depreciation and amortization, including write-downs related to cancelled projects and impairments, of unconsolidated entities), gains and losses on asset sales and asset impairments, goodwill impairment losses and gains or losses on and impairments of investments in unconsolidated entities, adjusted for certain selected items impacting comparability. Our definition and calculation of certain non-GAAP financial measures may not be comparable to similarly-titled measures of other companies. Adjusted EBITDA, Adjusted EBITDA attributable to PAA, Implied DCF and certain other non-GAAP financial performance measures are reconciled to Net Income, and Free Cash Flow and Free Cash Flow after Distributions are reconciled to Net Cash Provided by Operating Activities (the most directly comparable measures as reported in accordance with GAAP) for the historical periods presented in the tables attached to this release, and should be viewed in addition to, and not in lieu of, our Consolidated Financial Statements and accompanying notes. In addition, we encourage you to visit our website at [www.plains.com](http://www.plains.com) (in particular the section under "Financial Information" entitled "Non-GAAP Reconciliations" within the Investor Relations tab), which presents a reconciliation of our commonly used non-GAAP and supplemental financial measures. We do not reconcile non-GAAP financial measures on a forward-looking basis as it is impractical to do so without unreasonable effort.

- more -

## Performance Measures

Management believes that the presentation of Adjusted EBITDA, Adjusted EBITDA attributable to PAA and Implied DCF provides useful information to investors regarding our performance and results of operations because these measures, when used to supplement related GAAP financial measures, (i) provide additional information about our core operating performance and ability to fund distributions to our unitholders through cash generated by our operations and (ii) provide investors with the same financial analytical framework upon which management bases financial, operational, compensation and planning/budgeting decisions. We also present these and additional non-GAAP financial measures, including adjusted net income attributable to PAA and basic and diluted adjusted net income per common unit, as they are measures that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. These non-GAAP measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) gains and losses on derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), gains and losses on derivatives that are either related to investing activities (such as the purchase of linefill) or purchases of long-term inventory, and inventory valuation adjustments, as applicable, (iii) long-term inventory costing adjustments, (iv) items that are not indicative of our core operating results and/or (v) other items that we believe should be excluded in understanding our core operating performance. These measures may be further adjusted to include amounts related to deficiencies associated with minimum volume commitments whereby we have billed the counterparties for their deficiency obligation and such amounts are recognized as deferred revenue in “Other current liabilities” in our Consolidated Financial Statements. We also adjust for amounts billed by our equity method investees related to deficiencies under minimum volume commitments. Such amounts are presented net of applicable amounts subsequently recognized into revenue. Furthermore, the calculation of these measures contemplates tax effects as a separate reconciling item, where applicable. We have defined all such items as “selected items impacting comparability.” Due to the nature of the selected items, certain selected items impacting comparability may impact certain non-GAAP financial measures, referred to as adjusted results, but not impact other non-GAAP financial measures. We do not necessarily consider all of our selected items impacting comparability to be non-recurring, infrequent or unusual, but we believe that an understanding of these selected items impacting comparability is material to the evaluation of our operating results and prospects.

Although we present selected items impacting comparability that management considers in evaluating our performance, you should also be aware that the items presented do not represent all items that affect comparability between the periods presented. Variations in our operating results are also caused by changes in volumes, prices, exchange rates, mechanical interruptions, acquisitions, divestitures, investment capital projects and numerous other factors. These types of variations may not be separately identified in this release, but will be discussed, as applicable, in management’s discussion and analysis of operating results in our Annual Report on Form 10-K.

## Liquidity Measures

Management also uses the non-GAAP financial measures Free Cash Flow and Free Cash Flow after Distributions to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes. Free Cash Flow is defined as Net Cash Provided by Operating Activities, less Net Cash Provided by/(Used in) Investing Activities, which primarily includes acquisition, investment and maintenance capital expenditures, investments in unconsolidated entities and the impact from the purchase and sale of linefill, net of proceeds from the sales of assets and further impacted by distributions to and contributions from noncontrolling interests. Free Cash Flow is further reduced by cash distributions paid to our preferred and common unitholders to arrive at Free Cash Flow after Distributions.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in millions, except per unit data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>REVENUES</b>	\$ 12,952	\$ 12,989	\$ 57,342	\$ 42,078
<b>COSTS AND EXPENSES</b>				
Purchases and related costs	11,995	11,760	53,176	38,504
Field operating costs	343	319	1,315	1,065
General and administrative expenses	82	87	325	292
Depreciation and amortization	254	223	965	774
(Gains)/losses on asset sales and asset impairments, net	315	—	269	592
Total costs and expenses	12,989	12,389	56,050	41,227
<b>OPERATING INCOME/(LOSS)</b>	(37)	600	1,292	851
<b>OTHER INCOME/(EXPENSE)</b>				
Equity earnings in unconsolidated entities	96	83	403	274
Gain/(loss) on investments in unconsolidated entities, net	345	2	346	2
Interest expense, net	(100)	(106)	(405)	(425)
Other income/(expense), net	18	6	(219)	19
<b>INCOME BEFORE TAX</b>	322	585	1,417	721
Current income tax expense	(24)	(38)	(84)	(50)
Deferred income tax (expense)/benefit	12	(50)	(105)	(23)
<b>NET INCOME</b>	310	497	1,228	648
Net income attributable to noncontrolling interests	(47)	(47)	(191)	(55)
<b>NET INCOME ATTRIBUTABLE TO PAA</b>	<u>\$ 263</u>	<u>\$ 450</u>	<u>\$ 1,037</u>	<u>\$ 593</u>
<b>NET INCOME PER COMMON UNIT:</b>				
Net income allocated to common unitholders — Basic and Diluted	\$ 210	\$ 398	\$ 831	\$ 393
Basic and diluted weighted average common units outstanding	698	709	701	716
Basic and diluted net income per common unit	<u>\$ 0.30</u>	<u>\$ 0.56</u>	<u>\$ 1.19</u>	<u>\$ 0.55</u>

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**CONDENSED CONSOLIDATED BALANCE SHEET DATA**

(in millions)

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets (including Cash and cash equivalents of \$401 and \$449, respectively)	\$ 5,355	\$ 6,137
Property and equipment, net	15,250	14,903
Investments in unconsolidated entities	3,084	3,805
Intangible assets, net	2,145	1,960
Linefill	961	907
Long-term operating lease right-of-use assets, net	349	393
Long-term inventory	284	253
Other long-term assets, net	464	251
Total assets	<u>\$ 27,892</u>	<u>\$ 28,609</u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Current liabilities	\$ 5,891	\$ 6,232
Senior notes, net	7,237	8,329
Other long-term debt, net	50	69
Long-term operating lease liabilities	308	339
Other long-term liabilities and deferred credits	1,081	830
Total liabilities	<u>14,567</u>	<u>15,799</u>
Partners' capital excluding noncontrolling interests	10,057	9,972
Noncontrolling interests	3,268	2,838
Total partners' capital	<u>13,325</u>	<u>12,810</u>
Total liabilities and partners' capital	<u>\$ 27,892</u>	<u>\$ 28,609</u>

**DEBT CAPITALIZATION RATIOS**

(in millions)

	December 31, 2022	December 31, 2021
Short-term debt	\$ 1,159	\$ 822
Long-term debt	7,287	8,398
Total debt	<u>\$ 8,446</u>	<u>\$ 9,220</u>
Long-term debt	\$ 7,287	\$ 8,398
Partners' capital excluding noncontrolling interests	10,057	9,972
Total book capitalization excluding noncontrolling interests ("Total book capitalization")	<u>\$ 17,344</u>	<u>\$ 18,370</u>
Total book capitalization, including short-term debt	<u>\$ 18,503</u>	<u>\$ 19,192</u>
Long-term debt-to-total book capitalization	42 %	46 %
Total debt-to-total book capitalization, including short-term debt	46 %	48 %

- more -



**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**COMPUTATION OF BASIC AND DILUTED NET INCOME PER COMMON UNIT <sup>(1)</sup>**

(in millions, except per unit data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>Basic and Diluted Net Income per Common Unit</b>				
Net income attributable to PAA	\$ 263	\$ 450	\$ 1,037	\$ 593
Distributions to Series A preferred unitholders	(37)	(37)	(149)	(149)
Distributions to Series B preferred unitholders	(15)	(12)	(52)	(49)
Amounts allocated to participating securities	(1)	(3)	(5)	(2)
Net income allocated to common unitholders	<u>\$ 210</u>	<u>\$ 398</u>	<u>\$ 831</u>	<u>\$ 393</u>
Basic and diluted weighted average common units outstanding <sup>(2) (3)</sup>	698	709	701	716
Basic and diluted net income per common unit	<u>\$ 0.30</u>	<u>\$ 0.56</u>	<u>\$ 1.19</u>	<u>\$ 0.55</u>

- <sup>(1)</sup> We calculate net income allocated to common unitholders based on the distributions pertaining to the current period's net income. After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.
- <sup>(2)</sup> The possible conversion of our Series A preferred units was excluded from the calculation of diluted net income per common unit for the three and twelve months ended December 31, 2022 and 2021 as the effect was either antidilutive or did not change net income per common unit.
- <sup>(3)</sup> Our equity-indexed compensation plan awards that contemplate the issuance of common units are considered dilutive unless (i) they become vested only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. Equity-indexed compensation plan awards that are deemed to be dilutive are reduced by a hypothetical common unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB. For the three and twelve months ended December 31, 2022 and 2021, the effect of equity-indexed compensation plan awards was either antidilutive or did not change net income per common unit.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**NON-GAAP RECONCILIATIONS**

**COMPUTATION OF BASIC AND DILUTED ADJUSTED NET INCOME PER COMMON UNIT** <sup>(1)</sup>

(in millions, except per unit data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>Basic and Diluted Adjusted Net Income per Common Unit</b>				
Net income attributable to PAA	\$ 263	\$ 450	\$ 1,037	\$ 593
Selected items impacting comparability - Adjusted net income attributable to PAA <sup>(2)</sup>	23	(219)	54	291
Adjusted net income attributable to PAA	\$ 286	\$ 231	\$ 1,091	\$ 884
Distributions to Series A preferred unitholders	(37)	(37)	(149)	(149)
Distributions to Series B preferred unitholders	(15)	(12)	(52)	(49)
Amounts allocated to participating securities	(1)	(2)	(5)	(3)
Adjusted net income allocated to common unitholders	\$ 233	\$ 180	\$ 885	\$ 683
Basic and diluted weighted average common units outstanding <sup>(3) (4)</sup>	698	709	701	716
Basic and diluted adjusted net income per common unit	\$ 0.33	\$ 0.25	\$ 1.26	\$ 0.95

(1) We calculate adjusted net income allocated to common unitholders based on the distributions pertaining to the current period's net income. After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.

(2) See the "Selected Items Impacting Comparability" table for additional information.

(3) The possible conversion of our Series A preferred units was excluded from the calculation of diluted adjusted net income per common unit for the three and twelve months ended December 31, 2022 and 2021 as the effect was antidilutive.

(4) Our equity-indexed compensation plan awards that contemplate the issuance of common units are considered dilutive unless (i) they become vested only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. Equity-indexed compensation plan awards that are deemed to be dilutive are reduced by a hypothetical common unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB. For the three and twelve months ended December 31, 2022 and 2021, the effect of equity-indexed compensation plan awards did not change adjusted net income per common unit.

**Net Income Per Common Unit to Adjusted Net Income Per Common Unit Reconciliation:**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Basic and diluted net income per common unit	\$ 0.30	\$ 0.56	\$ 1.19	\$ 0.55
Selected items impacting comparability per common unit <sup>(1)</sup>	0.03	(0.31)	0.07	0.40
Basic and diluted adjusted net income per common unit	\$ 0.33	\$ 0.25	\$ 1.26	\$ 0.95

(1) See the "Selected Items Impacting Comparability" and the "Computation of Basic and Diluted Adjusted Net Income Per Common Unit" tables for additional information.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**NON-GAAP RECONCILIATIONS (continued)**

(in millions, except per unit and ratio data)

**Net Income to Adjusted EBITDA attributable to PAA and Implied DCF Reconciliation:**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net Income	\$ 310	\$ 497	\$ 1,228	\$ 648
Interest expense, net	100	106	405	425
Income tax expense	12	88	189	73
Depreciation and amortization	254	223	965	774
(Gains)/losses on asset sales and asset impairments, net	315	—	269	592
(Gain)/loss on investments in unconsolidated entities, net	(345)	(2)	(346)	(2)
Depreciation and amortization of unconsolidated entities <sup>(1)</sup>	27	14	85	123
Selected items impacting comparability - Adjusted EBITDA <sup>(2)</sup>	86	(280)	80	(343)
Adjusted EBITDA	\$ 759	\$ 646	\$ 2,875	\$ 2,290
Adjusted EBITDA attributable to noncontrolling interests	(100)	(82)	(365)	(94)
Adjusted EBITDA attributable to PAA	\$ 659	\$ 564	\$ 2,510	\$ 2,196
Adjusted EBITDA	\$ 759	\$ 646	\$ 2,875	\$ 2,290
Interest expense, net of certain non-cash items <sup>(3)</sup>	(96)	(100)	(391)	(401)
Maintenance capital	(65)	(52)	(211)	(168)
Investment capital of noncontrolling interests <sup>(4)</sup>	(18)	(9)	(69)	(9)
Current income tax expense	(24)	(38)	(84)	(50)
Distributions from unconsolidated entities in excess of/(less than) adjusted equity earnings <sup>(5)</sup>	20	5	(28)	16
Distributions to noncontrolling interests <sup>(6)</sup>	(104)	(4)	(298)	(14)
Implied DCF	\$ 472	\$ 448	\$ 1,794	\$ 1,664
Preferred unit cash distributions <sup>(6)</sup>	(62)	(62)	(198)	(198)
Implied DCF Available to Common Unitholders	\$ 410	\$ 386	\$ 1,596	\$ 1,466
Weighted Average Common Units Outstanding	698	709	701	716
Weighted Average Common Units and Common Unit Equivalents	769	780	772	787
Implied DCF per Common Unit <sup>(7)</sup>	\$ 0.59	\$ 0.54	\$ 2.28	\$ 2.05
Implied DCF per Common Unit and Common Unit Equivalent <sup>(8)</sup>	\$ 0.58	\$ 0.54	\$ 2.26	\$ 2.05
Cash Distribution Paid per Common Unit	\$ 0.2175	\$ 0.1800	\$ 0.8325	\$ 0.7200
Common Unit Cash Distributions <sup>(6)</sup>	\$ 152	\$ 128	\$ 584	\$ 517
Common Unit Distribution Coverage Ratio	2.70x	3.02x	2.73x	2.84x
Implied DCF Excess	\$ 258	\$ 258	\$ 1,012	\$ 949

<sup>(1)</sup> Adjustment to exclude our proportionate share of depreciation and amortization expense (including write-downs related to cancelled projects and impairments) of unconsolidated entities.

<sup>(2)</sup> See the “Selected Items Impacting Comparability” table for additional information.

- more -

- (3) Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.
- (4) Investment capital expenditures attributable to noncontrolling interests that reduce Implied DCF available to PAA common unitholders.
- (5) Comprised of cash distributions received from unconsolidated entities less equity earnings in unconsolidated entities (adjusted for our proportionate share of depreciation and amortization, including write-downs related to cancelled projects and impairments, and selected items impacting comparability of unconsolidated entities).
- (6) Cash distributions paid during the period presented.
- (7) Implied DCF Available to Common Unitholders for the period divided by the weighted average common units outstanding for the period.
- (8) Implied DCF Available to Common Unitholders for the period, adjusted for Series A preferred unit cash distributions paid, divided by the weighted average common units and common unit equivalents outstanding for the period. Our Series A preferred units are convertible into common units, generally on a one-for-one basis and subject to customary anti-dilution adjustments, in whole or in part, subject to certain minimum conversion amounts.

**Net Income Per Common Unit to Implied DCF Per Common Unit and Common Unit Equivalent Reconciliation:**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Basic net income per common unit	\$ 0.30	\$ 0.56	\$ 1.19	\$ 0.55
Reconciling items per common unit <sup>(1)(2)</sup>	0.29	(0.02)	1.09	1.50
Implied DCF per common unit	<u>\$ 0.59</u>	<u>\$ 0.54</u>	<u>\$ 2.28</u>	<u>\$ 2.05</u>
Basic net income per common unit	\$ 0.30	\$ 0.56	\$ 1.19	\$ 0.55
Reconciling items per common unit and common unit equivalent <sup>(1)(3)</sup>	0.28	(0.02)	1.07	1.50
Implied DCF per common unit and common unit equivalent	<u>\$ 0.58</u>	<u>\$ 0.54</u>	<u>\$ 2.26</u>	<u>\$ 2.05</u>

- (1) Represents adjustments to Net Income to calculate Implied DCF Available to Common Unitholders. See the “Net Income to Adjusted EBITDA attributable to PAA and Implied DCF Reconciliation” table for additional information.
- (2) Based on weighted average common units outstanding for the period of 698 million, 709 million, 701 million and 716 million, respectively.
- (3) Based on weighted average common units outstanding for the period, as well as weighted average Series A preferred units outstanding of 71 million for each of the periods presented.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**NON-GAAP RECONCILIATIONS (continued)**

(in millions)

**Free Cash Flow and Free Cash Flow after Distributions Reconciliation <sup>(1)</sup>:**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ 335	\$ 635	\$ 2,408	\$ 1,996
Adjustments to reconcile net cash provided by operating activities to free cash flow:				
Net cash provided by/(used in) investing activities	(235)	(92)	(526)	386
Cash contributions from noncontrolling interests	—	—	26	1
Cash distributions paid to noncontrolling interests <sup>(2)</sup>	(104)	(4)	(298)	(14)
Free Cash Flow	\$ (4)	\$ 539	\$ 1,610	\$ 2,369
Cash distributions <sup>(3)</sup>	(214)	(190)	(782)	(715)
Free Cash Flow after Distributions	\$ (218)	\$ 349	\$ 828	\$ 1,654

<sup>(1)</sup> Management uses the Non-GAAP financial liquidity measures Free Cash Flow and Free Cash Flow after Distributions to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes.

<sup>(2)</sup> Cash distributions paid during the period presented.

<sup>(3)</sup> Cash distributions paid to preferred and common unitholders during the period.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**SELECTED ITEMS IMPACTING COMPARABILITY**

(in millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>Selected Items Impacting Comparability: <sup>(1)</sup></b>				
Gains/(losses) from derivative activities and inventory valuation adjustments <sup>(2)</sup>	\$ (76)	\$ 249	\$ 91	\$ 285
Long-term inventory costing adjustments <sup>(3)</sup>	(18)	13	4	94
Deficiencies under minimum volume commitments, net <sup>(4)</sup>	24	38	(7)	7
Equity-indexed compensation expense <sup>(5)</sup>	(8)	(5)	(32)	(19)
Net gain/(loss) on foreign currency revaluation <sup>(6)</sup>	2	11	(41)	7
Line 901 incident <sup>(7)</sup>	(10)	(15)	(95)	(15)
Significant transaction-related expenses <sup>(8)</sup>	—	(11)	—	(16)
<b>Selected items impacting comparability - Adjusted EBITDA</b>	<b>\$ (86)</b>	<b>\$ 280</b>	<b>\$ (80)</b>	<b>\$ 343</b>
Gains from derivative activities	1	—	7	—
Gain/(loss) on investments in unconsolidated entities, net	345	2	346	2
Gains/(losses) on asset sales and asset impairments, net	(315)	—	(269)	(592)
Tax effect on selected items impacting comparability	24	(63)	(65)	(44)
Aggregate selected items impacting noncontrolling interests	8	—	7	—
<b>Selected items impacting comparability - Adjusted net income attributable to PAA</b>	<b>\$ (23)</b>	<b>\$ 219</b>	<b>\$ (54)</b>	<b>\$ (291)</b>

<sup>(1)</sup> Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

<sup>(2)</sup> We use derivative instruments for risk management purposes and our related processes include specific identification of hedging instruments to an underlying hedged transaction. Although we identify an underlying transaction for each derivative instrument we enter into, there may not be an accounting hedge relationship between the instrument and the underlying transaction. In the course of evaluating our results, we identify differences in the timing of earnings from the derivative instruments and the underlying transactions and exclude the related gains and losses in determining adjusted results such that the earnings from the derivative instruments and the underlying transactions impact adjusted results in the same period. In addition, we exclude gains and losses on derivatives that are related to (i) investing activities, such as the purchase of linefill, and (ii) purchases of long-term inventory. We also exclude the impact of corresponding inventory valuation adjustments, as applicable. In addition, we exclude gains and losses from the mark-to-market of the embedded derivative associated with the Preferred Distribution Rate Reset Option of our Series A preferred units.

<sup>(3)</sup> We carry crude oil and NGL inventory that is comprised of minimum working inventory requirements in third-party assets and other working inventory that is needed for our commercial operations. We consider this inventory necessary to conduct our operations and we intend to carry this inventory for the foreseeable future. Therefore, we classify this inventory as long-term on our balance sheet and do not hedge the inventory with derivative instruments (similar to linefill in our own assets). We treat the impact of changes in the average cost of the long-term inventory (that result from fluctuations in market prices) and write-downs of such inventory that result from price declines as a selected item impacting comparability.

<sup>(4)</sup> We, and certain of our equity method investments, have certain agreements that require counterparties to deliver, transport or throughput a minimum volume over an agreed upon period. Substantially all of such agreements were entered into with counterparties to economically support the return on capital expenditure necessary to construct the related asset. Some of these agreements include make-up rights if the minimum volume is not met. We, or our equity method investees, record a receivable from the counterparty in the period that services are provided or when the transaction occurs, including amounts for deficiency obligations from counterparties associated with minimum volume commitments. If a counterparty has a make-up right associated with a deficiency, we, or our equity method investees, defer the revenue attributable to the counterparty's make-up right and subsequently recognize the revenue at the earlier of when the deficiency volume is delivered or shipped, when the make-up right expires or when it is determined that the counterparty's ability to utilize the make-up right is remote. We include the impact of amounts billed to counterparties for their deficiency obligation, net of applicable amounts subsequently recognized into revenue or equity earnings, as a selected item impacting comparability. We believe the inclusion of the contractually committed revenues associated with that period is meaningful to investors as the related asset has been constructed, is standing ready to provide the committed service and the fixed operating costs are included in the current period results.

<sup>(5)</sup> Our total equity-indexed compensation expense includes expense associated with awards that will be settled in units and awards that will be settled in cash. The awards that will be settled in units are included in our diluted net income per unit calculation when the applicable performance criteria have been met. We consider the compensation expense associated with these awards as a selected item impacting comparability as the dilutive impact of the outstanding awards is included in our diluted net income per unit calculation, as applicable. The portion of compensation expense associated with awards that will be settled in cash is not considered a selected item impacting comparability.

<sup>(6)</sup> During the periods presented, there were fluctuations in the value of the Canadian dollar to the U.S. dollar, resulting in the realization of foreign exchange gains and losses on the settlement of foreign currency transactions as well as the revaluation of monetary assets and liabilities denominated in a foreign currency. These gains and losses are not integral to our core operating performance and were thus classified as a selected item impacting comparability.

<sup>(7)</sup> Includes costs recognized during the period related to the Line 901 incident that occurred in May 2015, net of amounts we believe are probable of recovery from insurance.

<sup>(8)</sup> Includes expenses associated with the Plains Oryx Permian Basin joint venture transaction, which closed on October 5, 2021.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**SELECTED FINANCIAL DATA BY SEGMENT**

(in millions)

	Three Months Ended December 31, 2022		Three Months Ended December 31, 2021	
	Crude Oil	NGL	Crude Oil	NGL
Revenues <sup>(1)</sup>	\$ 12,386	\$ 686	\$ 12,137	\$ 934
Purchases and related costs <sup>(1)</sup>	(11,593)	(522)	(11,394)	(448)
Field operating costs <sup>(2)</sup>	(253)	(90)	(242)	(77)
Segment general and administrative expenses <sup>(2) (3)</sup>	(63)	(19)	(70)	(17)
Equity earnings in unconsolidated entities	96	—	83	—
Adjustments: <sup>(4)</sup>				
Depreciation and amortization of unconsolidated entities	27	—	14	—
(Gains)/losses from derivative activities and inventory valuation adjustments	(8)	91	(9)	(239)
Long-term inventory costing adjustments	14	4	(2)	(11)
Deficiencies under minimum volume commitments, net	(24)	—	(38)	—
Equity-indexed compensation expense	8	—	5	—
Net (gain)/loss on foreign currency revaluation	4	1	(5)	(1)
Line 901 incident	10	—	15	—
Significant transaction-related expenses	—	—	11	—
Adjusted EBITDA attributable to noncontrolling interests <sup>(5)</sup>	(100)	—	(82)	—
Segment Adjusted EBITDA	\$ 504	\$ 151	\$ 423	\$ 141
Maintenance capital	\$ 32	\$ 33	\$ 25	\$ 27

<sup>(1)</sup> Includes intersegment amounts.

<sup>(2)</sup> Field operating costs and Segment general and administrative expenses include equity-indexed compensation expense.

<sup>(3)</sup> Segment general and administrative expenses reflect direct costs attributable to each segment and an allocation of other expenses to the segments. The proportional allocations by segment require judgment by management and are based on the business activities that exist during each period.

<sup>(4)</sup> Represents adjustments utilized by our CODM in the evaluation of segment results. Many of these adjustments are also considered selected items impacting comparability when calculating consolidated non-GAAP financial measures such as Adjusted EBITDA. See the "Selected Items Impacting Comparability" table for additional discussion.

<sup>(5)</sup> Reflects amounts attributable to noncontrolling interests in Plains Oryx Permian Basin LLC (beginning October 2021), Cactus II Pipeline LLC (beginning November 2022) and Red River Pipeline LLC.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**SELECTED FINANCIAL DATA BY SEGMENT**

(in millions)

	Twelve Months Ended December 31, 2022		Twelve Months Ended December 31, 2021	
	Crude Oil	NGL	Crude Oil	NGL
Revenues <sup>(1)</sup>	\$ 55,080	\$ 2,761	\$ 40,470	\$ 1,968
Purchases and related costs <sup>(1)</sup>	(52,088)	(1,587)	(37,540)	(1,324)
Field operating costs <sup>(2)</sup>	(1,003)	(312)	(824)	(241)
Segment general and administrative expenses <sup>(2) (3)</sup>	(250)	(75)	(221)	(71)
Equity earnings in unconsolidated entities	403	—	274	—
Adjustments: <sup>(4)</sup>				
Depreciation and amortization of unconsolidated entities	85	—	123	—
Gains from derivative activities and inventory valuation adjustments	(11)	(269)	(252)	(19)
Long-term inventory costing adjustments	(3)	(1)	(67)	(27)
Deficiencies under minimum volume commitments, net	7	—	(7)	—
Equity-indexed compensation expense	32	—	19	—
Net (gain)/loss on foreign currency revaluation	3	1	(3)	(1)
Line 901 incident	95	—	15	—
Significant transaction-related expenses	—	—	16	—
Adjusted EBITDA attributable to noncontrolling interests <sup>(5)</sup>	(364)	—	(94)	—
Segment Adjusted EBITDA	\$ 1,986	\$ 518	\$ 1,909	\$ 285
Maintenance capital	\$ 112	\$ 99	\$ 100	\$ 68

<sup>(1)</sup> Includes intersegment amounts.

<sup>(2)</sup> Field operating costs and Segment general and administrative expenses include equity-indexed compensation expense.

<sup>(3)</sup> Segment general and administrative expenses reflect direct costs attributable to each segment and an allocation of other expenses to the segments. The proportional allocations by segment require judgment by management and are based on the business activities that exist during each period.

<sup>(4)</sup> Represents adjustments utilized by our CODM in the evaluation of segment results. Many of these adjustments are also considered selected items impacting comparability when calculating consolidated non-GAAP financial measures such as Adjusted EBITDA. See the “Selected Items Impacting Comparability” table for additional discussion.

<sup>(5)</sup> Reflects amounts attributable to noncontrolling interests in Plains Oryx Permian Basin LLC (beginning October 2021), Cactus II Pipeline LLC (beginning November 2022) and Red River Pipeline LLC.

- more -



**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**OPERATING DATA BY SEGMENT**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>Crude Oil Segment Volumes</b>				
Crude oil pipeline tariff (by region) <sup>(1)</sup>				
Permian Basin <sup>(3)</sup>	6,195	5,297	5,638	4,412
South Texas / Eagle Ford <sup>(3)</sup>	382	358	357	326
Mid-Continent <sup>(3)</sup>	538	495	512	455
Gulf Coast	229	151	219	158
Rocky Mountain <sup>(3)</sup>	327	367	332	332
Western	90	228	179	236
Canada	333	306	328	286
Total crude oil pipeline tariff <sup>(1)(3)</sup>	8,094	7,202	7,565	6,205
Commercial crude oil storage capacity <sup>(2)(3)</sup>	72	72	72	73
Crude oil lease gathering purchases <sup>(1)</sup>	1,409	1,419	1,382	1,330
<b>NGL Segment Volumes <sup>(1)</sup></b>				
NGL fractionation	155	127	137	129
NGL pipeline tariff	222	189	192	179
Propane and butane sales <sup>(4)</sup>	128	125	94	110

<sup>(1)</sup> Average daily volumes calculated as the total volumes (attributable to our interest for assets owned by unconsolidated entities or through undivided joint interests) for the period divided by the number of days in the period. Volumes associated with acquisitions represent total volumes for the number of days we actually owned the assets divided by the number of days in the period.

<sup>(2)</sup> Average monthly capacity calculated as total volumes for the period divided by the number of months in the period.

<sup>(3)</sup> Includes volumes (attributable to our interest) from assets owned by unconsolidated entities.

<sup>(4)</sup> During the fourth quarter of 2022, we modified our sales volumes reported to include only propane and butane sales. Prior to the fourth quarter of 2022, our reported sales volumes included other NGL products, primarily ethane, that represented a significant portion of our total NGL sales volumes but did not contribute significantly to Segment Adjusted EBITDA. Sales volumes for earlier periods presented herein have been recast to include only propane and butane.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**NON-GAAP SEGMENT RECONCILIATIONS**

(in millions)

**Segment Adjusted EBITDA to Adjusted EBITDA attributable to PAA Reconciliation:**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Crude Oil Segment Adjusted EBITDA	\$ 504	\$ 423	\$ 1,986	\$ 1,909
NGL Segment Adjusted EBITDA	151	141	518	285
Segment Adjusted EBITDA	\$ 655	\$ 564	\$ 2,504	\$ 2,194
Adjusted other income/(expense), net <sup>(1)</sup>	4	—	6	2
Adjusted EBITDA attributable to PAA <sup>(2)</sup>	\$ 659	\$ 564	\$ 2,510	\$ 2,196

<sup>(1)</sup> Represents “Other income/(expense), net” as reported on our Condensed Consolidated Statements of Operations, excluding other income/(expense), net attributable to noncontrolling interests, adjusted for selected items impacting comparability of \$(14) million, \$(6) million, \$226 million and \$(17) million for the three and twelve months ended December 31, 2021 and 2020, respectively. See the “Selected Items Impacting Comparability” table for additional information. Other income/(expense), net attributable to noncontrolling interests was \$1 million for the twelve months ended December 31, 2022 and less than \$1 million for each of the other periods presented.

<sup>(2)</sup> See the “Net Income to Adjusted EBITDA attributable to PAA and Implied DCF Reconciliation” table for reconciliation to Net Income.

**Reconciliation of Segment Adjusted EBITDA to Segment Adjusted EBITDA further adjusted for impact of divested assets:**

	Twelve Months Ended December 31, 2022		Twelve Months Ended December 31, 2021	
	Crude Oil	NGL	Crude Oil	NGL
Segment Adjusted EBITDA	\$ 1,986	\$ 518	\$ 1,909	\$ 285
Impact of divested assets <sup>(1)</sup>	—	—	(58)	—
Segment Adjusted EBITDA further adjusted for impact of divested assets	\$ 1,986	\$ 518	\$ 1,851	\$ 285

<sup>(1)</sup> Estimated impact of divestitures completed during 2021 and 2022, assuming an effective date of January 1, 2021. Divested assets primarily included natural gas storage facilities that were previously reported in our Crude Oil segment. Note: The natural gas storage business captured one-time benefits from Winter Storm Uri in the first quarter of 2021.

- more -

**PLAINS GP HOLDINGS AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**

(in millions, except per share data)

	Three Months Ended December 31, 2022			Three Months Ended December 31, 2021		
	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP
<b>REVENUES</b>	\$ 12,952	\$ —	\$ 12,952	\$ 12,989	\$ —	\$ 12,989
<b>COSTS AND EXPENSES</b>						
Purchases and related costs	11,995	—	11,995	11,760	—	11,760
Field operating costs	343	—	343	319	—	319
General and administrative expenses	82	1	83	87	1	88
Depreciation and amortization	254	1	255	223	1	224
(Gains)/losses on asset sales and asset impairments, net	315	—	315	—	—	—
Total costs and expenses	12,989	2	12,991	12,389	2	12,391
<b>OPERATING INCOME/(LOSS)</b>	(37)	(2)	(39)	600	(2)	598
<b>OTHER INCOME/(EXPENSE)</b>						
Equity earnings in unconsolidated entities	96	—	96	83	—	83
Gain/(loss) on investments in unconsolidated entities, net	345	—	345	2	—	2
Interest expense, net	(100)	—	(100)	(106)	—	(106)
Other income, net	18	—	18	6	—	6
<b>INCOME BEFORE TAX</b>	322	(2)	320	585	(2)	583
Current income tax expense	(24)	—	(24)	(38)	—	(38)
Deferred income tax (expense)/benefit	12	(13)	(1)	(50)	(24)	(74)
<b>NET INCOME</b>	310	(15)	295	497	(26)	471
Net income attributable to noncontrolling interests	(47)	(204)	(251)	(47)	(340)	(387)
<b>NET INCOME ATTRIBUTABLE TO PAGP</b>	<u>\$ 263</u>	<u>\$ (219)</u>	<u>\$ 44</u>	<u>\$ 450</u>	<u>\$ (366)</u>	<u>\$ 84</u>
Basic and diluted weighted average Class A shares outstanding			194			194
Basic and diluted net income per Class A share			<u>\$ 0.23</u>			<u>\$ 0.43</u>

<sup>(1)</sup> Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

- more -

**PLAINS GP HOLDINGS AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**

(in millions, except per share data)

	Twelve Months Ended December 31, 2022			Twelve Months Ended December 31, 2021		
	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP
<b>REVENUES</b>	\$ 57,342	\$ —	\$ 57,342	\$ 42,078	\$ —	\$ 42,078
<b>COSTS AND EXPENSES</b>						
Purchases and related costs	53,176	—	53,176	38,504	—	38,504
Field operating costs	1,315	—	1,315	1,065	—	1,065
General and administrative expenses	325	5	330	292	6	298
Depreciation and amortization	965	3	968	774	3	777
(Gains)/losses on asset sales and asset impairments, net	269	—	269	592	—	592
Total costs and expenses	56,050	8	56,058	41,227	9	41,236
<b>OPERATING INCOME</b>	1,292	(8)	1,284	851	(9)	842
<b>OTHER INCOME/(EXPENSE)</b>						
Equity earnings in unconsolidated entities	403	—	403	274	—	274
Gain/(loss) on investments in unconsolidated entities, net	346	—	346	2	—	2
Interest expense, net	(405)	—	(405)	(425)	—	(425)
Other income/(expense), net	(219)	—	(219)	19	—	19
<b>INCOME BEFORE TAX</b>	1,417	(8)	1,409	721	(9)	712
Current income tax expense	(84)	—	(84)	(50)	—	(50)
Deferred income tax expense	(105)	(57)	(162)	(23)	(39)	(62)
<b>NET INCOME</b>	1,228	(65)	1,163	648	(48)	600
Net income attributable to noncontrolling interests	(191)	(804)	(995)	(55)	(485)	(540)
<b>NET INCOME ATTRIBUTABLE TO PAGP</b>	<u>\$ 1,037</u>	<u>\$ (869)</u>	<u>\$ 168</u>	<u>\$ 593</u>	<u>\$ (533)</u>	<u>\$ 60</u>
Basic and diluted weighted average Class A shares outstanding			194			194
Basic and diluted net income per Class A share			<u>\$ 0.86</u>			<u>\$ 0.31</u>

<sup>(1)</sup> Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

- more -

**PLAINS GP HOLDINGS AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**CONDENSED CONSOLIDATING BALANCE SHEET DATA**

(in millions)

	December 31, 2022			December 31, 2021		
	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP
<b>ASSETS</b>						
Current assets	\$ 5,355	\$ 3	\$ 5,358	\$ 6,137	\$ 3	\$ 6,140
Property and equipment, net	15,250	3	15,253	14,903	6	14,909
Investments in unconsolidated entities	3,084	—	3,084	3,805	—	3,805
Intangible assets, net	2,145	—	2,145	1,960	—	1,960
Deferred tax asset	—	1,309	1,309	—	1,362	1,362
Linefill	961	—	961	907	—	907
Long-term operating lease right-of-use assets, net	349	—	349	393	—	393
Long-term inventory	284	—	284	253	—	253
Other long-term assets, net	464	—	464	251	(2)	249
Total assets	<u>\$ 27,892</u>	<u>\$ 1,315</u>	<u>\$ 29,207</u>	<u>\$ 28,609</u>	<u>\$ 1,369</u>	<u>\$ 29,978</u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>						
Current liabilities	\$ 5,891	\$ 2	\$ 5,893	\$ 6,232	\$ 2	\$ 6,234
Senior notes, net	7,237	—	7,237	8,329	—	8,329
Other long-term debt, net	50	—	50	69	—	69
Long-term operating lease liabilities	308	—	308	339	—	339
Other long-term liabilities and deferred credits	1,081	—	1,081	830	—	830
Total liabilities	14,567	2	14,569	15,799	2	15,801
Partners' capital excluding noncontrolling interests	10,057	(8,533)	1,524	9,972	(8,439)	1,533
Noncontrolling interests	3,268	9,846	13,114	2,838	9,806	12,644
Total partners' capital	13,325	1,313	14,638	12,810	1,367	14,177
Total liabilities and partners' capital	<u>\$ 27,892</u>	<u>\$ 1,315</u>	<u>\$ 29,207</u>	<u>\$ 28,609</u>	<u>\$ 1,369</u>	<u>\$ 29,978</u>

<sup>(1)</sup> Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

- more -

**PLAINS GP HOLDINGS AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**COMPUTATION OF BASIC AND DILUTED NET INCOME PER CLASS A SHARE**

(in millions, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>Basic and Diluted Net Income per Class A Share</b>				
Net income attributable to PAGP	\$ 44	\$ 84	\$ 168	\$ 60
Basic and diluted weighted average Class A shares outstanding	194	194	194	194
Basic and diluted net income per Class A share	\$ 0.23	\$ 0.43	\$ 0.86	\$ 0.31

***Forward-Looking Statements***

Except for the historical information contained herein, the matters discussed in this release consist of forward-looking statements that involve certain risks and uncertainties that could cause actual results or outcomes to differ materially from results or outcomes anticipated in the forward-looking statements. These risks and uncertainties include, among other things, the following:

- general economic, market or business conditions in the United States and elsewhere (including the potential for a recession or significant slowdown in economic activity levels, the risk of persistently high inflation and continued supply chain issues, the impact of pandemics on demand and growth, and the timing, pace and extent of economic recovery) that impact (i) demand for crude oil, drilling and production activities and therefore the demand for the midstream services we provide and (ii) commercial opportunities available to us;
- declines in global crude oil demand and crude oil prices (whether due to pandemics or other factors) or other factors that correspondingly lead to a significant reduction of North American crude oil and NGL production (whether due to reduced producer cash flow to fund drilling activities or the inability of producers to access capital, or both, the unavailability of pipeline and/or storage capacity, the shutting-in of production by producers, government-mandated pro-ration orders, or other factors), which in turn could result in significant declines in the actual or expected volume of crude oil and NGL shipped, processed, purchased, stored, fractionated and/or gathered at or through the use of our assets and/or the reduction of commercial opportunities that might otherwise be available to us;
- fluctuations in refinery capacity in areas supplied by our mainlines and other factors affecting demand for various grades of crude oil and NGL and resulting changes in pricing conditions or transportation throughput requirements;
- unanticipated changes in crude oil and NGL market structure, grade differentials and volatility (or lack thereof);
- the effects of competition and capacity overbuild in areas where we operate, including downward pressure on rates and margins, contract renewal risk and the risk of loss of business to other midstream operators who are willing or under pressure to aggressively reduce transportation rates in order to capture or preserve customers;
- negative societal sentiment regarding the hydrocarbon energy industry and the continued development and consumption of hydrocarbons, which could influence consumer preferences and governmental or regulatory actions that adversely impact our business;
- environmental liabilities, litigation or other events that are not covered by an indemnity, insurance or existing reserves;
- the occurrence of a natural disaster, catastrophe, terrorist attack (including eco-terrorist attacks) or other event that materially impacts our operations, including cyber or other attacks on our electronic and computer systems;
- weather interference with business operations or project construction, including the impact of extreme weather events or conditions;

- more -

- the impact of current and future laws, rulings, governmental regulations, executive orders, trade policies, accounting standards and statements, and related interpretations, including legislation, executive orders or regulatory initiatives that prohibit, restrict or regulate hydraulic fracturing or that prohibit the development of oil and gas resources and the related infrastructure on lands dedicated to or served by our pipelines;
- loss of key personnel and inability to attract and retain new talent;
- disruptions to futures markets for crude oil, NGL and other petroleum products, which may impair our ability to execute our commercial or hedging strategies;
- the effectiveness of our risk management activities;
- shortages or cost increases of supplies, materials or labor;
- maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties;
- tightened capital markets or other factors that increase our cost of capital or limit our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, investment capital projects, working capital requirements and the repayment or refinancing of indebtedness;
- the successful operation of joint ventures and joint operating arrangements we enter into from time to time, whether relating to assets operated by us or by third parties, and the successful integration and future performance of acquired assets or businesses;
- the availability of, and our ability to consummate, divestitures, joint ventures, acquisitions or other strategic opportunities;
- the refusal or inability of our customers or counterparties to perform their obligations under their contracts with us (including commercial contracts, asset sale agreements and other agreements), whether justified or not and whether due to financial constraints (such as reduced creditworthiness, liquidity issues or insolvency), market constraints, legal constraints (including governmental orders or guidance), the exercise of contractual or common law rights that allegedly excuse their performance (such as force majeure or similar claims) or other factors;
- our inability to perform our obligations under our contracts, whether due to non-performance by third parties, including our customers or counterparties, market constraints, third-party constraints, supply chain issues, legal constraints (including governmental orders or guidance), or other factors or events;
- the incurrence of costs and expenses related to unexpected or unplanned capital expenditures, third-party claims or other factors;
- failure to implement or capitalize, or delays in implementing or capitalizing, on investment capital projects, whether due to permitting delays, permitting withdrawals or other factors;
- the amplification of other risks caused by volatile financial markets, capital constraints, liquidity concerns and inflation;
- the use or availability of third-party assets upon which our operations depend and over which we have little or no control;
- the currency exchange rate of the Canadian dollar to the United States dollar;
- inability to recognize current revenue attributable to deficiency payments received from customers who fail to ship or move more than minimum contracted volumes until the related credits expire or are used;
- significant under-utilization of our assets and facilities;
- increased costs, or lack of availability, of insurance;
- fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans;
- risks related to the development and operation of our assets; and
- other factors and uncertainties inherent in the transportation, storage, terminalling and marketing of crude oil, as well as in the processing, transportation, fractionation, storage and marketing of NGL as discussed in the Partnerships' filings with the Securities and Exchange Commission.

- more -

About Plains:

PAA is a publicly traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil and natural gas liquids (“NGL”). PAA owns an extensive network of pipeline gathering and transportation systems, in addition to terminalling, storage, processing, fractionation and other infrastructure assets serving key producing basins, transportation corridors and major market hubs and export outlets in the United States and Canada. On average, PAA handles more than 7 million barrels per day of crude oil and NGL.

PAGP is a publicly traded entity that owns an indirect, non-economic controlling general partner interest in PAA and an indirect limited partner interest in PAA, one of the largest energy infrastructure and logistics companies in North America.

PAA and PAGP are headquartered in Houston, Texas. For more information, please visit [www.plains.com](http://www.plains.com).

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- more -





**Fourth-Quarter 2022**

**PAA & PAGP**

Non-GAAP & Supplemental Reconciliations



## Non-GAAP Reconciliations and Supplemental Calculations: Table of Contents

Page 1	Introduction
Page 2	Reconciliation to Adjusted EBITDA and Adjusted Net Income Attributable to PAA
Page 3	Adjusted Net Income Per Common Unit
Page 4	Net Income/(Loss) Per Common Unit to Adjusted Net Income Per Common Unit Reconciliation
Page 5	Credit Metrics
Page 6	Implied Distributable Cash Flow
Page 7	Net Income/(Loss) Per Common Unit to Implied DCF Per Common Unit and Common Unit Equivalent Reconciliation
Page 8	Free Cash Flow
Page 9	Segment Information

## Introduction

### **Non-GAAP Financial Measures and Selected Items Impacting Comparability**

To supplement our financial information presented in accordance with GAAP, management uses additional measures known as “non-GAAP financial measures” in its evaluation of past performance and prospects for the future and to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes. The primary additional measures used by management are Adjusted EBITDA, Adjusted EBITDA attributable to PAA, Implied Distributable Cash Flow (“DCF”), Free Cash Flow and Free Cash Flow after Distributions.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization (including our proportionate share of depreciation and amortization, including write-downs related to cancelled projects of unconsolidated entities), gains and losses on asset sales and asset impairments, goodwill impairment losses and gains on and impairments of investments in unconsolidated entities, adjusted for certain selected items impacting comparability. Our definition and calculation of certain non-GAAP financial measures may not be comparable to similarly-titled measures of other companies. Adjusted EBITDA, Adjusted EBITDA attributable to PAA, Implied DCF and certain other non-GAAP financial performance measures are reconciled to Net Income/(Loss), Free Cash Flow and Free Cash Flow after Distributions are reconciled to Net Cash Provided by Operating Activities, the most directly comparable measures as reported in accordance with GAAP, for the historical periods presented in the following pages, and should be viewed in addition to, and not in lieu of, our Consolidated Financial Statements in our Annual Reports on Form 10-K, our Condensed Consolidated Financial Statements in our Quarterly Reports on Form 10-Q and notes thereto. We do not provide a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures on a forward-looking basis as it is impractical to forecast certain items that we have defined as “Selected Items Impacting Comparability” without unreasonable effort, due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of and the periods in which such items may be recognized. Thus, a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures could result in disclosure that could be imprecise or potentially misleading.

### ***Performance Measures***

Management believes that the presentation of such additional financial measures provides useful information to investors regarding our performance and results of operations because these measures, when used to supplement related GAAP financial measures, (i) provide additional information about our core operating performance and ability to fund distributions to our unitholders through cash generated by our operations and (ii) provide investors with the same financial analytical framework upon which management bases financial, operational, compensation and planning/budgeting decisions. We also present these and additional non-GAAP financial measures, including adjusted net income attributable to PAA and basic and diluted adjusted net income per common unit, as they are measures that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. These non-GAAP measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) gains and losses on derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), gains and losses on derivatives that are either related to investing activities (such as the purchase of linefill) or purchases of long-term inventory, and inventory valuation adjustments, as applicable, (iii) long-term inventory costing adjustments, (iv) items that are not indicative of our core operating results and/or (v) other items that we believe should be excluded in understanding our core operating performance. These measures may further be adjusted to include amounts related to deficiencies associated with minimum volume commitments whereby we have billed the counterparties for their deficiency obligation and such amounts are recognized as deferred revenue in “Other current liabilities” in our Consolidated Financial Statements in our Annual Reports on Form 10-K and our Condensed Consolidated Financial Statements in our Quarterly Reports on Form 10-Q. We also adjust for amounts billed by our equity method investees related to deficiencies under minimum volume commitments. Such amounts are presented net of applicable amounts subsequently recognized into revenue. Furthermore, the calculation of these measures contemplates tax effects as a separate reconciling item, where applicable. We have defined all such items as “selected items impacting comparability.” Due to the nature of the selected items, certain selected items impacting comparability may impact certain non-GAAP financial measures, referred to as adjusted results, but not impact other non-GAAP financial measures. We do not necessarily consider all of our selected items impacting comparability to be non-recurring, infrequent or unusual, but we believe that an understanding of these selected items impacting comparability is material to the evaluation of our operating results and prospects.

Although we present selected items impacting comparability that management considers in evaluating our performance, you should also be aware that the items presented do not represent all items that affect comparability between the periods presented. Variations in our operating results are also caused by changes in volumes, prices, exchange rates, mechanical interruptions, acquisitions, investment capital projects and numerous other factors and will be discussed, as applicable, in management’s discussion and analysis of operating results in our Quarterly Report on Form 10-Q and in our Annual Report on form 10-K for the period(s) applicable.

### ***Liquidity Measures***

Management also uses the non-GAAP financial measures Free Cash Flow and Free Cash Flow after Distributions to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes. Free Cash Flow is defined as Net Cash Provided by Operating Activities, less Net Cash Provided by/ (Used in) Investing Activities, which primarily includes acquisition, investment and maintenance capital expenditures, investments in unconsolidated entities and the impact from the purchase and sale of linefill, net of proceeds from the sales of assets and further impacted by distributions to and contributions from noncontrolling interests. Free Cash Flow is further reduced by cash distributions paid to our preferred and common unitholders to arrive at Free Cash Flow after Distributions.

## Reconciliation to Adjusted EBITDA and Adjusted Net Income Attributable to PAA (in millions)<sup>(1) (2)</sup>

### Selected Items Impacting Comparability<sup>(3)</sup>

	2022					2021					2020					2019				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Gains/(losses) from derivative activities and inventory valuation adjustments	\$ (132)	\$ (28)	\$ 327	\$ (76)	\$ 91	\$ 131	\$ (86)	\$ (9)	\$ 249	\$ 285	\$ (4)	\$ (99)	\$ (98)	\$ (258)	\$ (460)	\$ 97	\$ (51)	\$ 30	\$ (234)	\$ (158)
Long-term inventory costing adjustments	92	13	(83)	(18)	4	41	27	13	13	94	(115)	51	(2)	21	(44)	21	(25)	1	22	20
Deficiencies under minimum volume commitments, net	(6)	(10)	(16)	24	(7)	32	(6)	(56)	38	7	2	(7)	(64)	(5)	(74)	7	(1)	4	8	18
Equity-indexed compensation expense	(7)	(7)	(9)	(8)	(32)	(5)	(4)	(6)	(5)	(19)	(4)	(5)	(5)	(5)	(19)	(3)	(4)	(5)	(4)	(17)
Net gain/(loss) on foreign currency revaluation	9	(19)	(32)	2	(41)	8	7	(18)	11	7	(46)	23	10	28	16	(4)	(8)	5	7	1
Significant transaction-related expenses	—	—	—	—	—	—	(3)	(2)	(11)	(16)	(3)	—	—	—	(3)	—	—	—	—	—
Line 901 incident	(85)	—	—	(10)	(95)	—	—	—	(15)	(15)	—	—	—	—	—	—	(10)	—	—	(10)
Net gain on early repayment of senior notes	—	—	—	—	—	—	—	—	—	—	—	3	—	—	3	—	—	—	—	—
Selected items impacting comparability - Adjusted EBITDA	\$ (129)	\$ (51)	\$ 187	\$ (86)	\$ (80)	\$ 207	\$ (65)	\$ (78)	\$ 280	\$ 343	\$ (170)	\$ (34)	\$ (159)	\$ (219)	\$ (581)	\$ 118	\$ (99)	\$ 35	\$ (201)	\$ (146)
Gains/(losses) from derivative activities	—	4	2	1	7	—	—	—	—	—	—	—	—	—	—	—	(1)	—	—	(1)
Gain (loss) on/(impairment of) investments in unconsolidated entities, net	—	—	1	345	346	—	—	—	2	2	(22)	(69)	(91)	—	(182)	267	—	4	—	271
Gains/(losses) on asset sales and asset impairments, net	42	3	—	(315)	(269)	(2)	(369)	(221)	—	(592)	(619)	1	2	(101)	(719)	(4)	4	7	(34)	(28)
Goodwill impairment losses	—	—	—	—	—	—	—	—	—	—	(2,515)	—	—	—	(2,515)	—	—	—	—	—
Tax effect on selected items impacting comparability	8	(13)	(85)	24	(65)	(15)	1	32	(63)	(44)	23	11	9	31	76	24	(9)	(27)	24	12
Other	—	—	(1)	8	7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Selected items impacting comparability - Adjusted net income attributable to PAA	\$ (79)	\$ (57)	\$ 104	\$ (23)	\$ (54)	\$ 190	\$ (433)	\$ (267)	\$ 219	\$ (291)	\$ (3,303)	\$ (91)	\$ (239)	\$ (289)	\$ (3,921)	\$ 405	\$ (105)	\$ 19	\$ (211)	\$ 108

### Net Income/(Loss) to Adjusted EBITDA attributable to PAA Reconciliation

	2022					2021					2020					2019				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income/(Loss)	\$ 225	\$ 251	\$ 442	\$ 310	\$ 1,228	\$ 423	\$ (216)	\$ (55)	\$ 497	\$ 648	\$ (2,845)	\$ 144	\$ 146	\$ (25)	\$ (2,580)	\$ 970	\$ 448	\$ 454	\$ 307	\$ 2,180
Interest expense, net	107	99	99	100	405	107	107	106	106	425	108	108	113	108	436	101	103	108	114	425
Income tax expense/(benefit)	21	47	109	12	189	24	(10)	(30)	88	73	21	(12)	(3)	(26)	(19)	24	(23)	41	25	66
Depreciation and amortization	230	242	238	254	965	177	196	178	223	774	168	166	160	160	653	136	147	156	163	601
(Gains)/losses on asset sales and asset impairments, net	(42)	(3)	—	315	269	2	369	221	—	592	619	(1)	(2)	101	719	4	(4)	(7)	34	28
Goodwill impairment losses	—	—	—	—	—	—	—	—	—	—	2,515	—	—	—	2,515	—	—	—	—	—
(Gain on)/impairment of investments in unconsolidated entities, net	—	—	(1)	(345)	(346)	—	—	—	(2)	(2)	22	69	91	—	182	(267)	—	(4)	—	(271)
Depreciation and amortization of unconsolidated entities <sup>(4)</sup>	20	17	21	27	85	20	68	21	14	123	17	16	18	22	73	12	14	18	16	62
Selected items impacting comparability - Adjusted EBITDA	129	51	(187)	86	80	(207)	65	78	(280)	(343)	170	34	159	219	581	(118)	99	(35)	201	146
Adjusted EBITDA	\$ 690	\$ 704	\$ 721	\$ 759	\$ 2,875	\$ 546	\$ 579	\$ 519	\$ 646	\$ 2,290	\$ 795	\$ 524	\$ 682	\$ 559	\$ 2,560	\$ 862	\$ 784	\$ 731	\$ 860	\$ 3,237
Less: Adjusted EBITDA attributable to noncontrolling interests	(76)	(89)	(98)	(100)	(365)	(3)	(4)	(5)	(82)	(94)	(2)	(2)	(4)	(5)	(14)	—	(3)	(5)	(2)	(10)
Adjusted EBITDA attributable to PAA	\$ 614	\$ 615	\$ 623	\$ 659	\$ 2,510	\$ 543	\$ 575	\$ 514	\$ 564	\$ 2,196	\$ 793	\$ 522	\$ 678	\$ 554	\$ 2,546	\$ 862	\$ 781	\$ 726	\$ 858	\$ 3,227

### Net Income/(Loss) to Adjusted Net Income Attributable to PAA Reconciliation

	2022					2021					2020					2019				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income/(Loss)	\$ 225	\$ 251	\$ 442	\$ 310	\$ 1,228	\$ 423	\$ (216)	\$ (55)	\$ 497	\$ 648	\$ (2,845)	\$ 144	\$ 146	\$ (25)	\$ (2,580)	\$ 970	\$ 448	\$ 454	\$ 307	\$ 2,180
Less: Net income attributable to noncontrolling interests	(38)	(48)	(58)	(47)	(191)	(1)	(4)	(4)	(47)	(55)	(2)	(2)	(3)	(3)	(10)	—	(2)	(5)	(1)	(9)
Net income/(loss) attributable to PAA	187	203	384	263	1,037	422	(220)	(59)	450	593	(2,847)	142	143	(28)	(2,590)	970	446	449	306	2,171
Selected items impacting comparability - Adjusted net income attributable to PAA	79	57	(104)	23	54	(190)	433	267	(219)	291	3,303	91	239	289	3,921	(405)	105	(19)	211	(108)
Adjusted net income attributable to PAA	\$ 266	\$ 260	\$ 280	\$ 286	\$ 1,091	\$ 232	\$ 213	\$ 208	\$ 231	\$ 884	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 565	\$ 551	\$ 430	\$ 517	\$ 2,063

(1) Amounts may not recalculate due to rounding.

(2) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(3) For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.

(4) Adjustment to add back our proportionate share of depreciation and amortization expense (including write-downs related to cancelled projects) of unconsolidated entities.

**Adjusted Net Income Per Common Unit (in millions, except per unit data)<sup>(1) (2)</sup>**

**Basic Adjusted Net Income Per Common Unit**

	2022					2021					2020					2019
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD
Net income/(loss) attributable to PAA	\$ 187	\$ 203	\$ 384	\$ 263	\$ 1,037	\$ 422	\$ (220)	\$ (59)	\$ 450	\$ 593	\$ (2,847)	\$ 142	\$ 143	\$ (28)	\$ (2,590)	\$ 2,171
Selected items impacting comparability - Adjusted net income attributable to PAA <sup>(3)</sup>	79	57	(104)	23	54	(190)	433	267	(219)	291	3,303	91	239	289	3,921	(108)
Adjusted net income attributable to PAA	\$ 266	\$ 260	\$ 280	\$ 286	\$ 1,091	\$ 232	\$ 213	\$ 208	\$ 231	\$ 884	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 2,063
Distributions to Series A preferred unitholders <sup>(4)</sup>	(37)	(37)	(37)	(37)	(149)	(37)	(37)	(37)	(37)	(149)	(37)	(37)	(37)	(37)	(149)	(149)
Distributions to Series B preferred unitholders <sup>(4)</sup>	(12)	(12)	(12)	(15)	(52)	(12)	(12)	(12)	(12)	(49)	(12)	(12)	(12)	(12)	(49)	(49)
Other	(1)	(1)	(2)	(1)	(5)	(1)	(1)	(1)	(2)	(3)	(2)	(1)	(2)	(1)	(4)	(6)
Adjusted net income allocated to common unitholders	\$ 216	\$ 210	\$ 229	\$ 233	\$ 885	\$ 182	\$ 163	\$ 158	\$ 180	\$ 683	\$ 405	\$ 183	\$ 331	\$ 211	\$ 1,129	\$ 1,859
Basic weighted average common units outstanding	705	702	698	698	701	722	720	715	709	716	728	728	728	726	728	727
Basic adjusted net income per common unit	\$ 0.31	\$ 0.30	\$ 0.33	\$ 0.33	\$ 1.26	\$ 0.25	\$ 0.23	\$ 0.22	\$ 0.25	\$ 0.95	\$ 0.56	\$ 0.25	\$ 0.46	\$ 0.29	\$ 1.55	\$ 2.56

**Diluted Adjusted Net Income Per Common Unit**

	2022					2021					2020					2019
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD
Net income/(loss) attributable to PAA	\$ 187	\$ 203	\$ 384	\$ 263	\$ 1,037	\$ 422	\$ (220)	\$ (59)	\$ 450	\$ 593	\$ (2,847)	\$ 142	\$ 143	\$ (28)	\$ (2,590)	\$ 2,171
Selected items impacting comparability - Adjusted net income attributable to PAA <sup>(3)</sup>	79	57	(104)	23	54	(190)	433	267	(219)	291	3,303	91	239	289	3,921	(108)
Adjusted net income attributable to PAA	\$ 266	\$ 260	\$ 280	\$ 286	\$ 1,091	\$ 232	\$ 213	\$ 208	\$ 231	\$ 884	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 2,063
Distributions to Series A preferred unitholders <sup>(4)</sup>	(37)	(37)	(37)	(37)	(149)	(37)	(37)	(37)	(37)	(149)	—	(37)	(37)	(37)	(149)	—
Distributions to Series B preferred unitholders <sup>(4)</sup>	(12)	(12)	(12)	(15)	(52)	(12)	(12)	(12)	(12)	(49)	(12)	(12)	(12)	(12)	(49)	(49)
Other	(1)	(1)	(2)	(1)	(5)	(1)	(1)	(1)	(2)	(3)	(1)	(1)	(1)	(1)	(2)	(3)
Adjusted net income allocated to common unitholders	\$ 216	\$ 210	\$ 229	\$ 233	\$ 885	\$ 182	\$ 163	\$ 158	\$ 180	\$ 683	\$ 443	\$ 183	\$ 332	\$ 211	\$ 1,131	\$ 2,011
Basic weighted average common units outstanding	705	702	698	698	701	722	720	715	709	716	728	728	728	726	728	727
Effect of dilutive securities:																
Series A preferred units <sup>(5)</sup>	—	—	—	—	—	—	—	—	—	—	71	—	—	—	—	71
Equity-indexed compensation plan awards <sup>(6)</sup>	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	2
Diluted weighted average common units outstanding	705	702	698	698	701	722	720	715	709	716	800	728	728	726	728	800
Diluted adjusted net income per common unit	\$ 0.31	\$ 0.30	\$ 0.33	\$ 0.33	\$ 1.26	\$ 0.25	\$ 0.23	\$ 0.22	\$ 0.25	\$ 0.95	\$ 0.55	\$ 0.25	\$ 0.46	\$ 0.29	\$ 1.55	\$ 2.51

(1) Amounts may not recalculate due to rounding.

(2) We calculate adjusted net income allocated to common unitholders based on the distributions pertaining to the current period's net income (whether paid in cash or in-kind). After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.

(3) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(4) Distributions pertaining to the period presented.

(5) For certain periods presented, the possible conversion of our Series A preferred units was excluded from the calculation of diluted adjusted net income per common unit as the effect was either antidilutive or did not change the presentation of diluted adjusted net income per common unit.

(6) Our equity-indexed compensation plan awards that contemplate the issuance of common units are considered dilutive unless (i) they become vested only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. Equity-indexed compensation plan awards that are deemed to be dilutive are reduced by a hypothetical common unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB. For certain periods presented, such equity-indexed compensation plan awards did not change the presentation of diluted weighted average common units outstanding or diluted adjusted net income per common unit.

**Net Income/(Loss) Per Common Unit to Adjusted Net Income Per Common Unit Reconciliation <sup>(1)</sup>**
**Basic Adjusted Net Income Per Common Unit**

	2022					2021					2020					2019
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD
Basic net income/(loss) per common unit	\$ 0.19	\$ 0.22	\$ 0.48	\$ 0.30	\$ 1.19	\$ 0.51	\$ (0.37)	\$ (0.15)	\$ 0.56	\$ 0.55	\$ (3.98)	\$ 0.13	\$ 0.13	\$ (0.11)	\$ (3.83)	\$ 2.70
Selected items impacting comparability per common unit <sup>(2)</sup>	0.12	0.08	(0.15)	0.03	0.07	(0.26)	0.60	0.37	(0.31)	0.40	4.54	0.12	0.33	0.40	5.38	(0.14)
Basic adjusted net income per common unit	<u>\$ 0.31</u>	<u>\$ 0.30</u>	<u>\$ 0.33</u>	<u>\$ 0.33</u>	<u>\$ 1.26</u>	<u>\$ 0.25</u>	<u>\$ 0.23</u>	<u>\$ 0.22</u>	<u>\$ 0.25</u>	<u>\$ 0.95</u>	<u>\$ 0.56</u>	<u>\$ 0.25</u>	<u>\$ 0.46</u>	<u>\$ 0.29</u>	<u>\$ 1.55</u>	<u>\$ 2.56</u>

**Diluted Adjusted Net Income Per Common Unit**

	2022					2021					2020					2019
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD
Diluted net income/(loss) per common unit	\$ 0.19	\$ 0.22	\$ 0.48	\$ 0.30	\$ 1.19	\$ 0.51	\$ (0.37)	\$ (0.15)	\$ 0.56	\$ 0.55	\$ (3.98)	\$ 0.13	\$ 0.13	\$ (0.11)	\$ (3.83)	\$ 2.65
Selected items impacting comparability per common unit <sup>(2)</sup>	0.12	0.08	(0.15)	0.03	0.07	(0.26)	0.60	0.37	(0.31)	0.40	4.53	0.12	0.33	0.40	5.38	(0.14)
Diluted adjusted net income per common unit	<u>\$ 0.31</u>	<u>\$ 0.30</u>	<u>\$ 0.33</u>	<u>\$ 0.33</u>	<u>\$ 1.26</u>	<u>\$ 0.25</u>	<u>\$ 0.23</u>	<u>\$ 0.22</u>	<u>\$ 0.25</u>	<u>\$ 0.95</u>	<u>\$ 0.55</u>	<u>\$ 0.25</u>	<u>\$ 0.46</u>	<u>\$ 0.29</u>	<u>\$ 1.55</u>	<u>\$ 2.51</u>

(1) Amounts may not recalculate due to rounding.

(2) For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.

**PAA Credit Metrics (in millions, except ratio amounts)<sup>(1)</sup>**

**Debt Capitalization Ratios**

	2022				2021				2020	2019
	As of March 31,	As of June 30,	As of September 30,	As of December 31,	As of March 31,	As of June 30,	As of September 30,	As of December 31,	As of December 31,	
Short-term debt	\$ 900	\$ 630	\$ 459	\$ 1,159	\$ 254	\$ 1,456	\$ 808	\$ 822	\$ 831	\$ 504
Senior notes, net	7,931	7,933	7,934	7,237	9,073	8,326	8,327	8,329	9,071	8,939
Other long-term debt, net	55	53	52	50	265	63	61	69	311	248
Long-term debt	7,986	7,986	7,986	7,287	9,338	8,389	8,388	8,398	9,382	9,187
<b>Total debt</b>	<b>\$ 8,886</b>	<b>\$ 8,616</b>	<b>\$ 8,445</b>	<b>\$ 8,446</b>	<b>\$ 9,592</b>	<b>\$ 9,845</b>	<b>\$ 9,196</b>	<b>\$ 9,220</b>	<b>\$ 10,213</b>	<b>\$ 9,691</b>
Long-term debt	\$ 7,986	\$ 7,986	\$ 7,986	\$ 7,287	\$ 9,338	\$ 8,389	\$ 8,388	\$ 8,398	\$ 9,382	\$ 9,187
Partners' capital excluding noncontrolling interests	10,043	9,931	9,944	10,057	9,943	9,495	9,152	9,972	9,593	13,062
Total book capitalization excluding noncontrolling interests ("Total book capitalization")	\$ 18,029	\$ 17,917	\$ 17,930	\$ 17,344	\$ 19,281	\$ 17,884	\$ 17,540	\$ 18,370	\$ 18,975	\$ 22,249
Total book capitalization, including short-term debt	\$ 18,929	\$ 18,547	\$ 18,389	\$ 18,503	\$ 19,535	\$ 19,340	\$ 18,348	\$ 19,192	\$ 19,806	\$ 22,753
Long-term debt-to-total book capitalization	44 %	45 %	45 %	42 %	48 %	47 %	48 %	46 %	49 %	41 %
Total debt-to-total book capitalization, including short-term debt	47 %	46 %	46 %	46 %	49 %	51 %	50 %	48 %	52 %	43 %

(1) Amounts may not recalculate due to rounding.

**Implied Distributable Cash Flow (in millions, except per unit and ratio data)<sup>(1)</sup>**

**Implied Distributable Cash Flow Reconciliation**

	Three Months Ended		Twelve Months Ended December 31,			
	Dec 31, 2022	Dec 31, 2021	2022	2021	2020	2019
Adjusted EBITDA <sup>(2)</sup>	\$ 759	\$ 646	\$ 2,875	\$ 2,290	\$ 2,560	\$ 3,237
Interest expense, net of certain non-cash items <sup>(3)</sup>	(96)	(100)	(391)	(401)	(415)	(407)
Maintenance capital	(65)	(52)	(211)	(168)	(216)	(287)
Investment capital of noncontrolling interests <sup>(4)</sup>	(18)	(9)	(69)	(9)	—	—
Current income tax expense	(24)	(38)	(84)	(50)	(51)	(112)
Distributions from unconsolidated entities in excess of/(less than) adjusted equity earnings <sup>(5)</sup>	20	5	(28)	16	13	(49)
Distributions to noncontrolling interests <sup>(6)</sup>	(104)	(4)	(298)	(14)	(10)	(6)
Implied DCF	\$ 472	\$ 448	\$ 1,794	\$ 1,664	\$ 1,881	\$ 2,376
Preferred unit distributions paid <sup>(6)</sup>	(62)	(62)	(198)	(198)	(198)	(198)
Implied DCF available to common unitholders	\$ 410	\$ 386	\$ 1,596	\$ 1,466	\$ 1,683	\$ 2,178
Weighted average common units outstanding	698	709	701	716	728	727
Weighted average common units and common unit equivalents	769	780	772	787	799	798
Implied DCF per common unit <sup>(7)</sup>	\$ 0.59	\$ 0.54	\$ 2.28	\$ 2.05	\$ 2.31	\$ 2.99
Implied DCF per common unit and common unit equivalent <sup>(8)</sup>	\$ 0.58	\$ 0.54	\$ 2.26	\$ 2.05	\$ 2.29	\$ 2.91
Cash distribution paid per common unit	\$ 0.2175	\$ 0.1800	\$ 0.8325	\$ 0.7200	\$ 0.9000	\$ 1.3800
Common unit cash distributions <sup>(6)</sup>	\$ 152	\$ 128	\$ 584	\$ 517	\$ 655	\$ 1,004
Common unit distribution coverage ratio	2.70x	3.02x	2.73x	2.84x	2.57x	2.17x
Implied DCF excess	\$ 258	\$ 258	\$ 1,012	\$ 949	\$ 1,028	\$ 1,174

(1) Amounts may not recalculate due to rounding.

(2) Please refer to the "Reconciliation to Adjusted EBITDA and Adjusted Net Income Attributable to PAA" table, where we reconcile Net Income to Adjusted EBITDA and Adjusted EBITDA attributable to PAA.

(3) Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.

(4) Investment capital expenditures attributable to noncontrolling interests that reduce Implied DCF available to PAA common unitholders.

(5) Comprised of cash distributions received from unconsolidated entities less equity earnings in unconsolidated entities (adjusted for our proportionate share of depreciation and amortization, including write-downs related to cancelled projects, gains and losses on significant asset sales by such entities and selected items impacting comparability of unconsolidated entities).

(6) Cash distributions paid during the period presented.

(7) Implied DCF Available to Common Unitholders for the period divided by the weighted average common units outstanding for the period.

(8) Implied DCF Available to Common Unitholders for the period, adjusted for Series A preferred unit cash distributions paid, divided by the weighted average common units and common unit equivalents outstanding for the period. Our Series A preferred units are convertible into common units, generally on a one-for-one basis and subject to customary anti-dilution adjustments, in whole or in part, subject to certain minimum conversion amounts.



**Net Income/(Loss) Per Common Unit to Implied DCF Per Common Unit and Common Unit Equivalent Reconciliation <sup>(1) (2)</sup>**
**Implied DCF Per Common Unit**

	Three Months Ended		Twelve Months Ended			
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Basic net income/(loss) per common unit	\$ 0.30	\$ 0.56	\$ 1.19	\$ 0.55	\$ (3.83)	\$ 2.70
Reconciling items per common unit	0.29	(0.02)	1.09	1.50	6.14	0.29
Implied DCF per common unit	<u>\$ 0.59</u>	<u>\$ 0.54</u>	<u>\$ 2.28</u>	<u>\$ 2.05</u>	<u>\$ 2.31</u>	<u>\$ 2.99</u>

**Implied DCF Per Common Unit and Common Unit Equivalent**

	Three Months Ended		Twelve Months Ended			
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Basic net income/(loss) per common unit	\$ 0.30	\$ 0.56	\$ 1.19	\$ 0.55	\$ (3.83)	\$ 2.70
Reconciling items per common unit and common unit equivalent	0.28	(0.02)	1.07	1.50	6.12	0.21
Implied DCF per common unit and common unit equivalent	<u>\$ 0.58</u>	<u>\$ 0.54</u>	<u>\$ 2.26</u>	<u>\$ 2.05</u>	<u>\$ 2.29</u>	<u>\$ 2.91</u>

(1) Amounts may not recalculate due to rounding.

(2) For information regarding our reconciliation of net income per common unit to Implied DCF per common unit and common unit equivalent, please refer to our latest issued PAA & PAGP Earnings Release.

**Free Cash Flow (in millions): <sup>(1)</sup>**
**Free Cash Flow and Free Cash Flow after Distributions Reconciliation**

	2022					2021					2020	2019
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD	YTD
Net cash provided by operating activities	\$ 340	\$ 792	\$ 941	\$ 335	\$ 2,408	\$ 791	\$ 235	\$ 336	\$ 635	\$ 1,996	\$ 1,514	\$ 2,504
<b>Adjustments to reconcile net cash provided by operating activities to free cash flow:</b>												
Net cash provided by/(used in) investing activities	(81)	(42)	(168)	(235)	(526)	(108)	(175)	761	(92)	386	(1,093)	(1,765)
Cash contributions from noncontrolling interests	—	—	26	—	26	1	—	—	—	1	12	—
Cash distributions paid to noncontrolling interests <sup>(2)</sup>	(59)	(62)	(73)	(104)	(298)	(6)	—	(4)	(4)	(14)	(10)	(6)
Sale of noncontrolling interest in a subsidiary	—	—	—	—	—	—	—	—	—	—	—	128
Free Cash Flow	\$ 200	\$ 688	\$ 726	\$ (4)	\$ 1,610	\$ 678	\$ 60	\$ 1,093	\$ 539	\$ 2,369	\$ 423	\$ 861
Cash distributions <sup>(3)</sup>	(164)	(215)	(189)	(214)	(782)	(167)	(192)	(166)	(190)	(715)	(853)	(1,202)
Free Cash Flow after Distributions	\$ 36	\$ 473	\$ 537	\$ (218)	\$ 828	\$ 511	\$ (132)	\$ 927	\$ 349	\$ 1,654	\$ (430)	\$ (341)

(1) Amounts may not recalculate due to rounding.

(2) Cash distributions paid during the period presented.

(3) Cash distributions paid to our preferred and common unitholders during the period presented.

**Segment Information (dollars in millions) <sup>(1)(2)</sup>**

**Segment Adjusted EBITDA <sup>(3)</sup>**

	2022					2021					2020					2019				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Crude Oil Segment Adjusted EBITDA	\$ 453	\$ 494	\$ 536	\$ 504	\$ 1,986	\$ 474	\$ 553	\$ 459	\$ 423	\$ 1,909	\$ 638	\$ 472	\$ 639	\$ 465	\$ 2,216	\$ 659	\$ 727	\$ 681	\$ 684	\$ 2,753
NGL Segment Adjusted EBITDA	161	120	86	151	518	69	21	54	141	285	153	49	38	89	327	202	52	41	173	467
Segment Adjusted EBITDA	\$ 614	\$ 614	\$ 622	\$ 655	\$ 2,504	\$ 543	\$ 574	\$ 513	\$ 564	\$ 2,194	\$ 791	\$ 521	\$ 677	\$ 554	\$ 2,543	\$ 861	\$ 779	\$ 722	\$ 857	\$ 3,220
Adjusted other income/(expense), net <sup>(4)</sup>	—	1	1	4	6	—	1	1	—	2	2	1	1	—	3	1	2	4	1	7
Adjusted EBITDA attributable to PAA <sup>(5)</sup>	\$ 614	\$ 615	\$ 623	\$ 659	\$ 2,510	\$ 543	\$ 575	\$ 514	\$ 564	\$ 2,196	\$ 793	\$ 522	\$ 678	\$ 554	\$ 2,546	\$ 862	\$ 781	\$ 726	\$ 858	\$ 3,227

**Segment Operational Information**

	2022					2021					2020					2019				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
<b>Crude Oil Segment Volumes:</b>																				
Crude oil pipeline tariff volumes <sup>(6)(8)</sup>	7,159	7,417	7,581	8,094	7,565	5,430	6,006	6,162	7,202	6,205	6,974	5,656	5,868	5,835	6,082	6,201	6,522	6,807	6,911	6,613
Commercial crude oil storage capacity <sup>(7)(8)</sup>	72	72	72	72	72	73	73	73	72	73	78	79	81	76	79	75	76	77	77	76
Crude oil lease gathering purchases <sup>(6)</sup>	1,361	1,368	1,390	1,409	1,382	1,174	1,352	1,372	1,419	1,330	1,318	1,077	1,147	1,155	1,174	1,128	1,102	1,146	1,271	1,162
<b>NGL Segment Volumes <sup>(6):</sup></b>																				
NGL fractionation	134	137	121	155	137	144	129	119	127	129	154	122	110	129	129	157	137	140	142	144
NGL pipeline tariff volumes	176	187	182	222	192	183	181	165	189	179	187	194	180	177	184	210	182	193	184	192
Propane and butane sales <sup>(9)</sup>	134	58	56	128	94	185	70	59	125	110	179	53	67	139	110	274	105	91	179	162

(1) Amounts may not recalculate due to rounding.

(2) During the fourth quarter of 2021, we reorganized our historical operating segments: Transportation, Facilities and Supply and Logistics into two operating segments: Crude Oil and Natural Gas Liquids (“NGL”). The change in our segments stems from several factors including, (i) a multi-year transition in the midstream energy industry driven by increased competition that has reduced the stand alone earnings opportunities of our supply and logistics activities such that those activities now function as a business development effort to help maximize the utilization of our Crude Oil and NGL assets and (ii) internal changes regarding the oversight and reporting of our assets and related results of operations. All segment data and related disclosures for earlier periods presented herein have been recast to reflect the new segment reporting structure.

(3) During the fourth quarter of 2021, we modified our definition of Segment Adjusted EBITDA to exclude amounts attributable to noncontrolling interests. In connection with the Plains Oryx Permian Basin joint venture formation in October 2021, our Chief Operating Decision Maker (“CODM”) determined this modification resulted in amounts that were more meaningful to evaluate segment performance. Amounts for prior periods have been recast to reflect this modification.

(4) Represents “Other income/(expense), net” as reported on our Condensed Consolidated Statements of Operations, adjusted for selected items impacting comparability. See the “Selected Items Impacting Comparability” table for additional information. Adjusted other income/(expense), net attributable to noncontrolling interests is less than \$1 million for each of the periods presented.

(5) See the “Net Income/(Loss) to Adjusted EBITDA attributable to PAA Reconciliation” table for reconciliation to Net Income/(Loss).

(6) Average daily volumes calculated as the total volumes (attributable to our interest for assets owned by unconsolidated entities or undivided joint interests) for the period divided by the number of days in the period. Volumes associated with acquisitions represent total volumes for the number of days we actually owned the assets divided by the number of days in the period.

(7) Average monthly capacity calculated as total volumes for the period divided by the number of months in the period.

(8) Includes volumes (attributable to our interest) from assets owned by unconsolidated entities.

(9) During the fourth quarter of 2022, we modified our sales volumes reported to include only propane and butane sales. Prior to the fourth quarter of 2022, our reported sales volumes included other NGL products, primarily ethane, that represented a significant portion of our total NGL sales volumes but did not contribute significantly to Segment Adjusted EBITDA. Sales volumes for earlier periods presented herein have been recast to include only propane and butane.