



Energy Partners LP

Investor Presentation

June 2021

NGL ENERGY PARTNERS LP

NYSE Ticker	NGL
Common Unit Price	\$3.13
Market Capitalization	\$1.12 billion
Enterprise Value	\$4.49 billion

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FORWARD LOOKING STATEMENTS

This presentation includes “forward looking statements” within the meaning of federal securities laws. All statements, other than statements of historical fact, included in this presentation are forward looking statements, including statements regarding the Partnership’s future results of operations or ability to generate income or cash flow, make acquisitions, or make distributions to unitholders. Words such as “anticipate,” “project,” “expect,” “plan,” “goal,” “forecast,” “intend,” “could,” “believe,” “may” and similar expressions and statements are intended to identify forward-looking statements. Although management believes that the expectations on which such forward-looking statements are based are reasonable, neither the Partnership nor its general partner can give assurances that such expectations will prove to be correct. Forward looking statements rely on assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside of management’s ability to control or predict. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership’s actual results may vary materially from those anticipated, estimated, projected or expected.

Additional information concerning these and other factors that could impact the Partnership can be found in Part I, Item 1A, “Risk Factors” of the Partnership’s Annual Report on Form 10-K for the year ended March 31, 2021 and in the other reports it files from time to time with the Securities and Exchange Commission.

Readers are cautioned not to place undue reliance on any forward-looking statements contained in this presentation, which reflect management’s opinions only as of the date hereof. Except as required by law, the Partnership undertakes no obligation to revise or publicly update any forward-looking statement.



WATER SOLUTIONS

- Transports, treats, recycles and disposes of produced and flowback water generated from crude oil and natural gas production. Disposes of solids such as tank bottoms, drilling fluids and drilling muds and performs other ancillary services such as truck and frac tank washouts
- Owns the largest integrated network of large diameter produced water pipelines, recycling facilities and disposal wells in the Delaware Basin
- Underpinned by long-term, fixed fee contracts, acreage dedications and minimum volume commitments



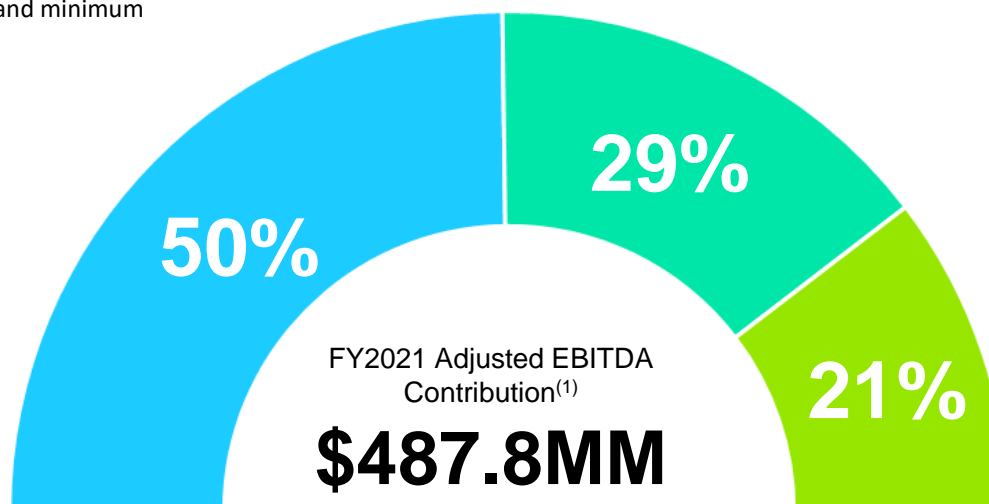
CRUDE OIL LOGISTICS

- Purchases crude oil from producers and marketers and transports it to refineries or for resale at pipeline injection stations, storage terminals, barge loading facilities, rail facilities, refineries, and other trade hubs
- Provides storage, terminaling and transportation services through its owned assets
- Supported by certain long-term, fixed rate contracts which may include minimum volume commitments

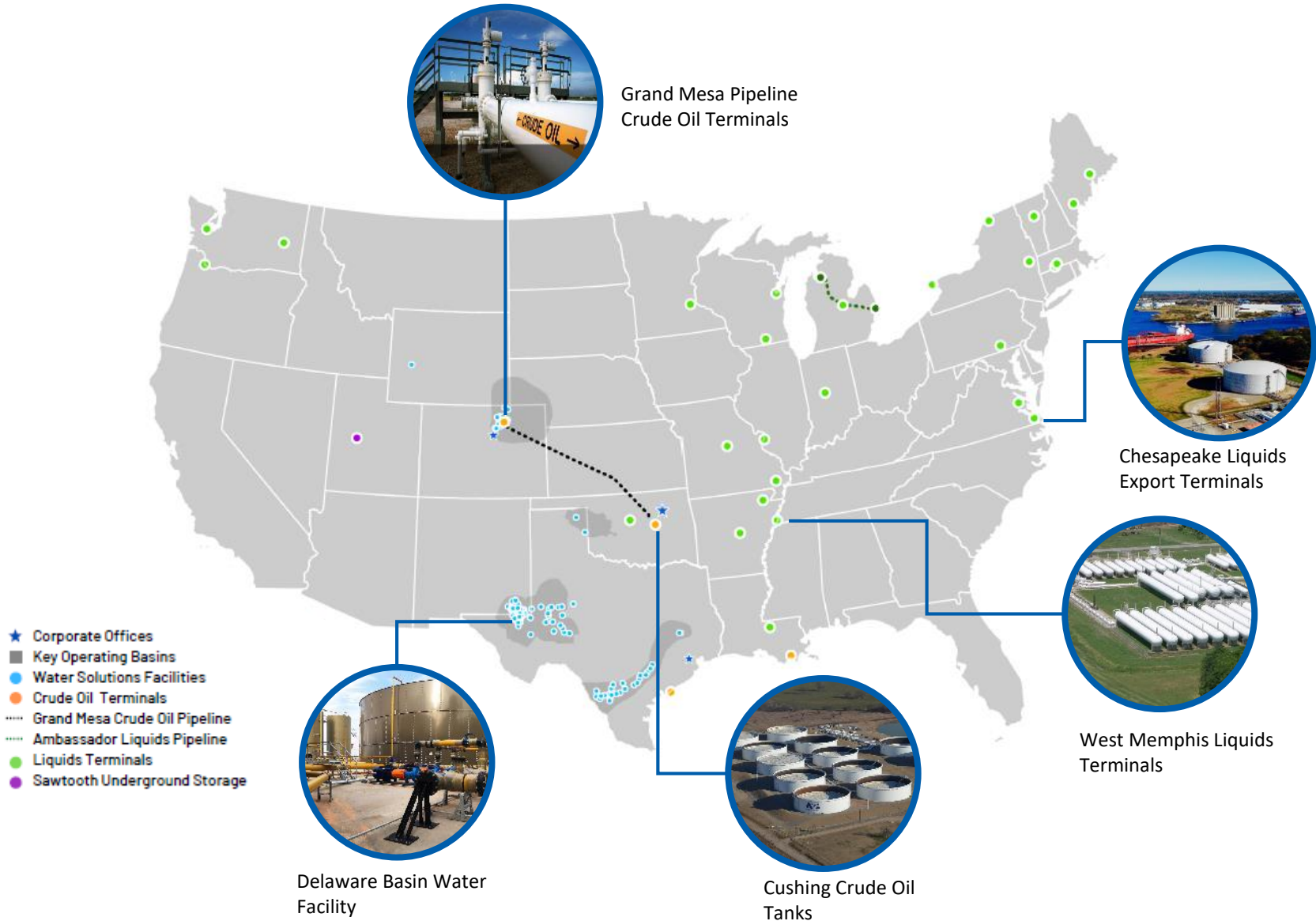


LIQUIDS LOGISTICS

- Conducts wholesale operations for NGLs, refined petroleum products and biodiesel to a broad range of commercial, retail and industrial customers across the US and Canada
- Operations are conducted through 28 company-owned terminals, other third party storage and terminal facilities, common carrier pipelines and a fleet of leased railcars
- Provides marine exports of butane through a facility located in Chesapeake, VA



(1) Excludes Corporate & Other FY2021 Adjusted EBITDA of (\$39.6) million





Build a diversified midstream MLP providing multiple services

- Transport water from the producer to treatment for disposal, recycle, or discharge
- Transport crude oil from the wellhead to refiners
- Transport natural gas liquids from processing facilities to end-users



Operate in a safe and environmentally responsible manner

- Operate in a safe and environmentally responsible manner by working with our employees, customers, vendors, and local communities
- Minimize our environmental impact and comply with local, state, and federal environmental laws and regulations



Focus on consistent annual cash flows from operations

- Focus on generating revenues under long-term, fee-based contracts, in addition to back-to-back contracts, which minimize direct commodity price exposure
- Continue to increase cash flows that are supported by certain fee-based, multi-year contracts, some of which include acreage dedications and/or volume commitments from producers



Prudently manage balance sheet to provide maximum financial flexibility

- Maintain sufficient liquidity and credit metrics to manage existing and future capital requirements and to take advantage of market opportunities
- Continue to evaluate the capital markets to opportunistically pursue financing transactions to optimize capital structure



Achieve growth by generating attractive rates of return

- Invest in existing businesses to capitalize on accretive, organic growth opportunities
- Utilize existing operating capacity to increase cash flows with minimal incremental capital investment
- Continue to pursue strategic transactions and ventures that complement and enhance our existing footprint

We recently published our 2020 Sustainability Report and are proud to share many of the activities we are undertaking that demonstrate our commitment to achieving sustainable results.

Environment

- Our midstream operations generate a relatively low level of GHGs compared to our peers
- NGL provided 14.1 million barrels of wastewater for reuse in 2020 leading the industry in reducing the need for freshwater
- We are actively collaborating with regulatory agencies, academia, local stakeholders and industry groups to enhance our safety measures and protect the environment

Safety

- We employ an internal team of EHS experts, external consultants and advanced technologies across our EHS platform
- Each of our business units establishes and maintains a set of systems and controls tailored to each unit's specific needs
- Our employees completed over 15,700 hours of EHS training during 2020
- We cut our TRIR approximately in half from 2.56 in 2019 to 1.27 in 2020

People

- Established a \$20 per hour minimum wage for all our full-time employees
- We are proud that 97% of our eligible employees participate in our 401(k) Plan
- Minorities and women make up nearly half of our workforce and women represent 46% of the staff in our three corporate offices
- Our employees are active participants in a wide range of community events and charitable and civic organizations at many levels



We believe in operating our business in a safe and environmentally responsible manner. Our EHS Principles reinforce our commitment to the health and safety of our employees, protecting the environment and supporting our employees and their communities.

Segment Overview

WATER SOLUTIONS SEGMENT

Our Water Solutions segment transports, treats, recycles and disposes of produced and flowback water generated from crude oil and natural gas production, disposes of solids such as tank bottoms, drilling fluids and drilling muds and performs other ancillary services, such as truck and frac tank washouts. Additionally, this segment sells the hydrocarbons recovered from water processing and provides produced and sourcewater services.



- Water pipelines owned by NGL and 3rd parties connected to NGL facilities
- Over 620 miles of large diameter water pipelines in service in the Northern Delaware Basin alone
- Additional water pipelines under development

Water Pipelines



- Existing recycle facility in Pinedale Anticline
- 11.6 million barrels per year of brackish water rights in New Mexico
- 23 million barrels per year of brackish water capacity in Texas
- Recycle capabilities across the Northern Delaware Basin under development

Recycling & Sourcewater



- 114 SWD facilities, 212 injection wells
- Primary areas of operation:
 - Delaware (TX & NM)
 - Eagle Ford (TX)
 - DJ (CO)
 - Midland (TX)
 - Pinedale Anticline (WY)
- 24/7 operations at most locations

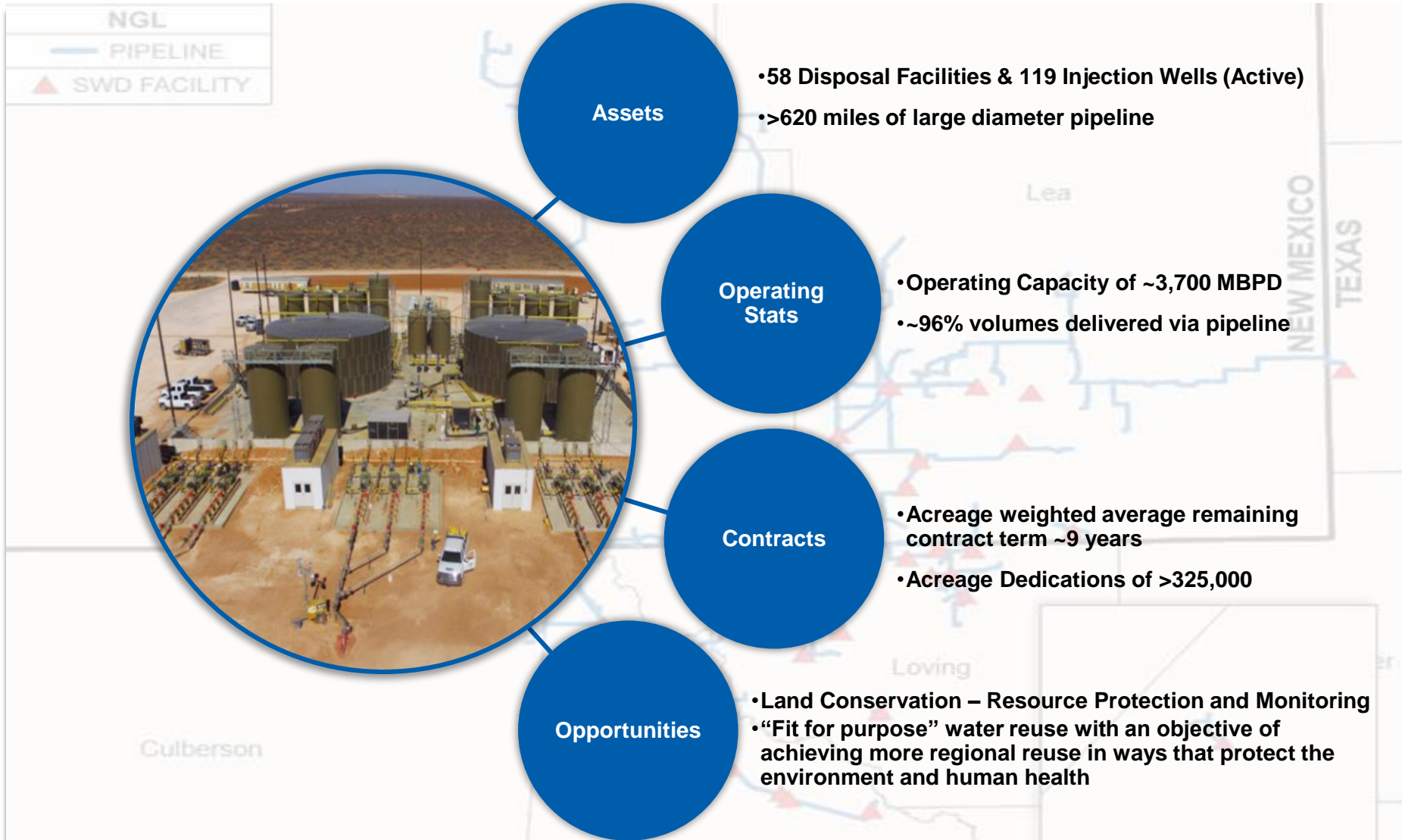
Water Disposal



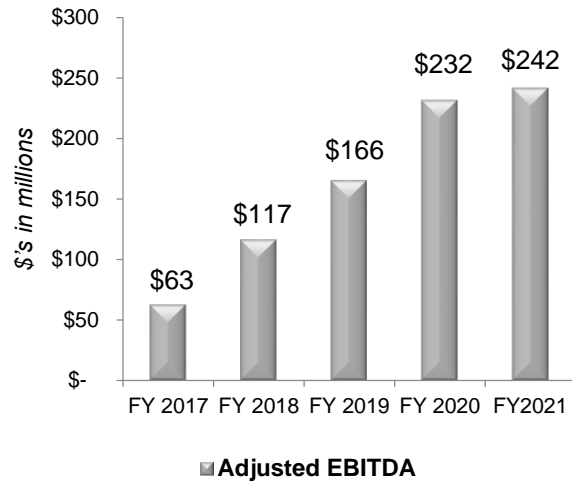
- Ownership of two ranches and a 50% interest in a third property in southeast New Mexico
- ~200,000 acres including fee, state and federal agricultural leased property
- Preservation of the agricultural integrity of the lands and natural, cultural, and environmental resources

New Mexico Ranches





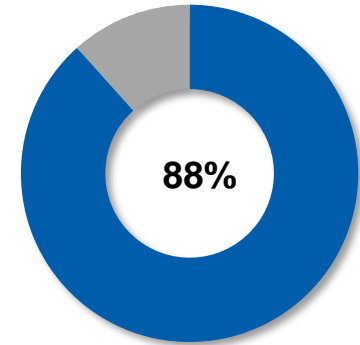
LARGEST INTEGRATED PRODUCED WATER SYSTEM IN THE DELAWARE BASIN



\$0.62
Disposal Fee/BBL

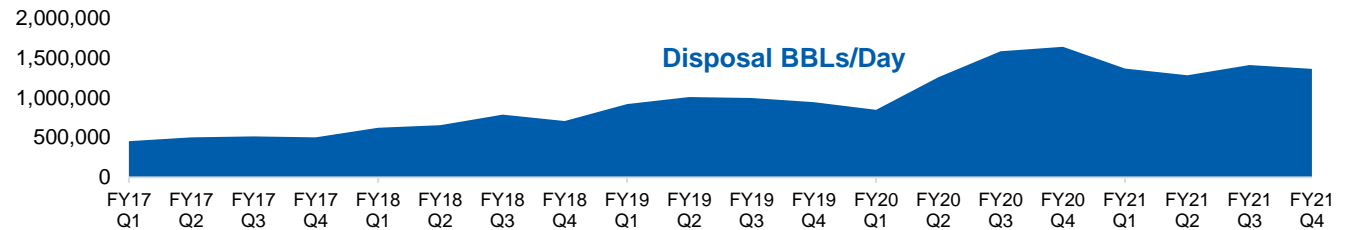
\$0.29
Operating Expense/BBL

FY21 KEY STATISTICS

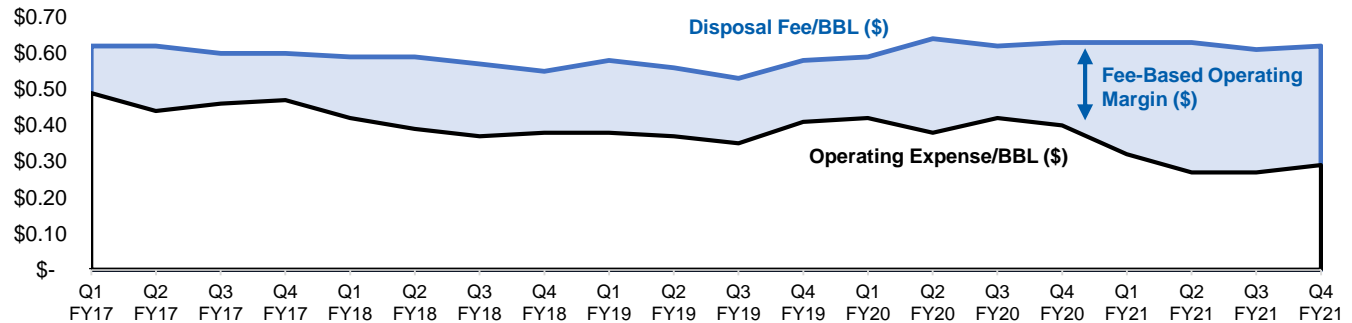


FY21 Total Water Transported via Pipeline

Water Volumes Trend (BPD)



Disposal Fee & Operating Expense per BBL Trend



CRUDE OIL LOGISTICS SEGMENT

Our Crude Oil Logistics segment purchases crude oil from producers and marketers and transports it to refineries for resale at pipeline injection stations, storage terminals, barge loading facilities, rail facilities, refineries, and other trade hubs, and provides storage, terminaling and transportation services through its owned assets.



- ~550 mile 20" crude oil pipeline from the DJ Basin to Cushing, OK
- 150,000 BPD capacity
- 16 total truck unloading bays
- 970,000 barrels origin tankage

Grand Mesa Pipeline



- 3.6 MMbbls of storage in Cushing
- 1.6 MMbbls of storage in addition to Cushing, including origin tankage at Grand Mesa
- Export terminal at Pt. Comfort, TX
- Blending terminal at Houma, LA

Crude Assets



- Tow boats and barges
- GP railcars (leased and owned)
- Truck and trailers (owned and 3rd party)
- LACT units

Crude Transportation

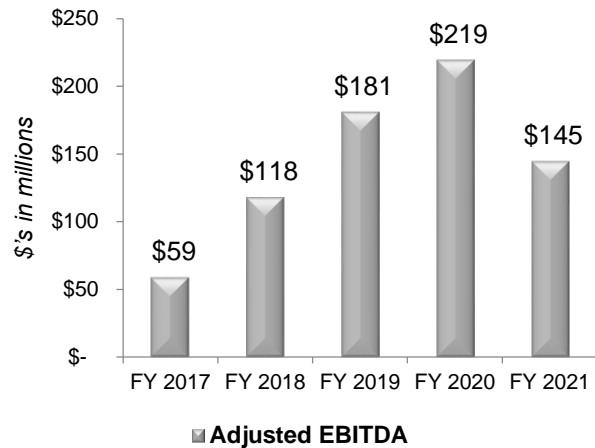


- Operations are concentrated in and around four prolific crude oil producing regions in the United States - the DJ Basin in Colorado, the Permian Basin in Texas and New Mexico, the Eagle Ford Basin in Texas and the United States Gulf Coast.

Crude Logistics

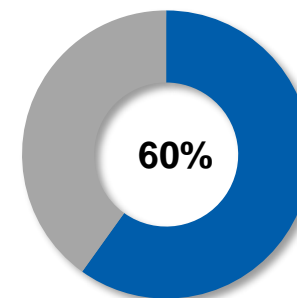


Crude Oil Logistics Key Metrics



~105
Crude Oil Logistics KBBLs/Day

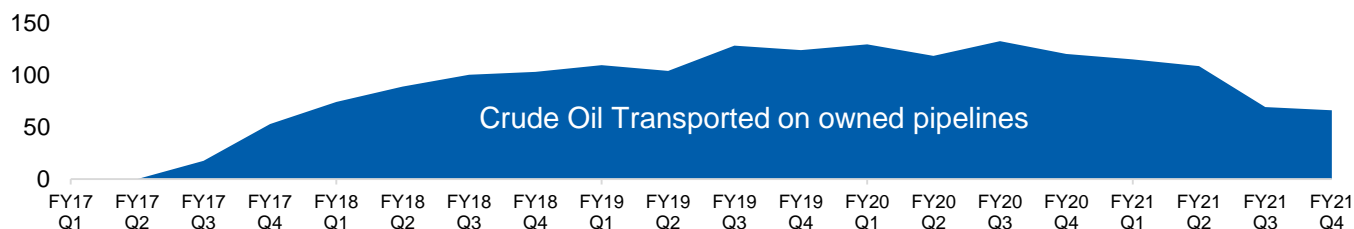
~90
Grand Mesa KBBLs/Day



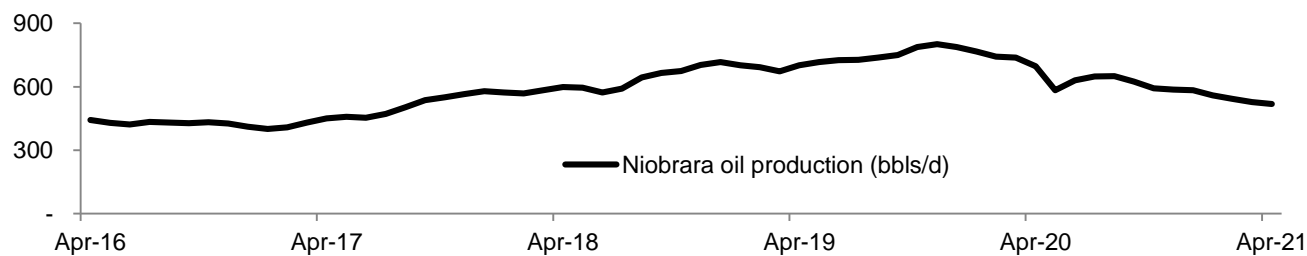
FY21 Grand Mesa Pipeline Utilization Rate

FY21 KEY STATISTICS

Grand Mesa Volumes (KBPd)



Niobrara Oil Production (KBPd)



LIQUIDS LOGISTICS SEGMENT

Our Liquids Logistics segment purchases gasoline, diesel, propane, butane and other products from refiners, processing plants, producers and other parties, and sells the products to retailers, wholesalers, refiners and petrochemical plants throughout the United States and Canada.



- Fleet of ~5,100 railcars (owned and leased)
- 23 transloading units
- Diverse customer base with long-term relationships
- Shipper on 5 common carrier pipelines
- Approximately 2.5 million barrels of leased storage

Propane/Butane Wholesale



- 28 Terminals
- Chesapeake Terminal is one of 3 active liquid export facilities on the East Coast
- Port Hudson terminal is located in proximity to other refined products infrastructure along the Colonial pipeline

NGL Terminals

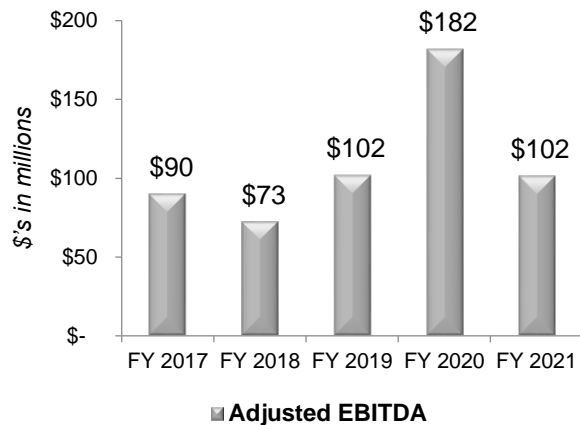


- Refined product services from over 150 terminals in 30 states providing diesel and gasoline products
- Margins driven by normal supply/demand activity as well as disruption events such as weather or refinery/pipeline issues

Refined Products



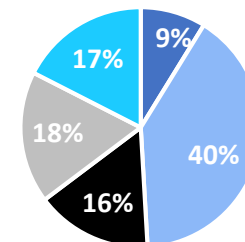
Liquids Logistics Key Metrics



Margin/gal

~\$0.057 Propane
~\$0.074 Butane
~\$0.048 Other Products
~\$0.019 Refined Products

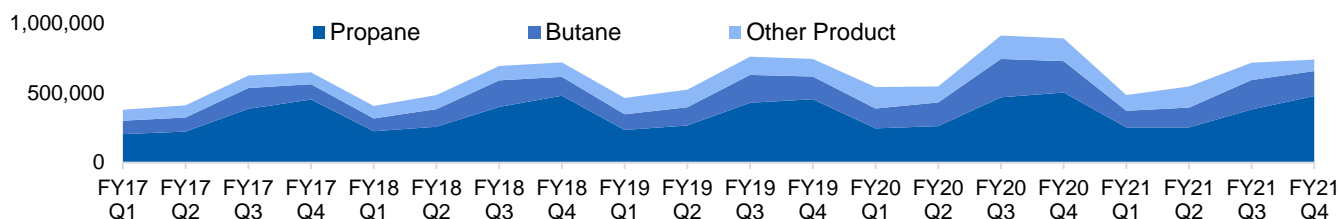
FY21 Margin by Product



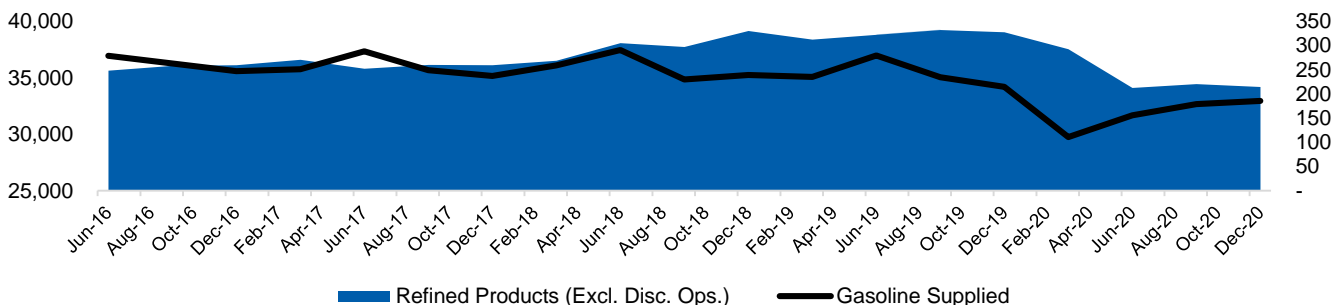
■ Refined Products
■ Butane
■ Service
■ Propane
■ Other Products

FY21 KEY STATISTICS

NGL Volumes by Product (KGALs)

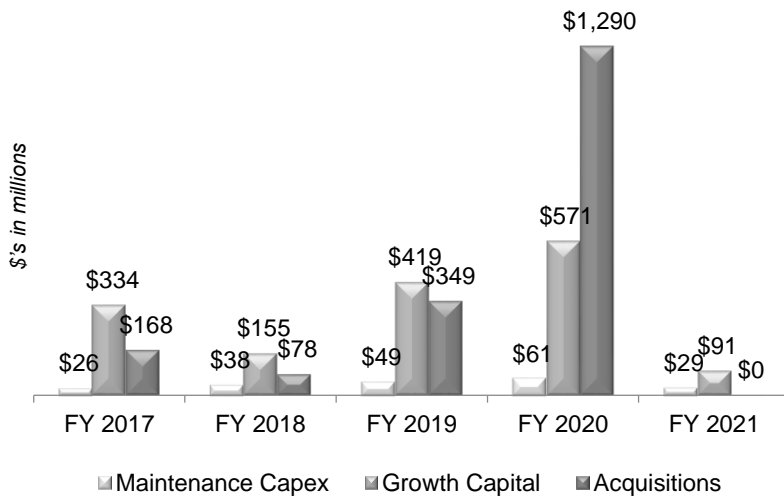
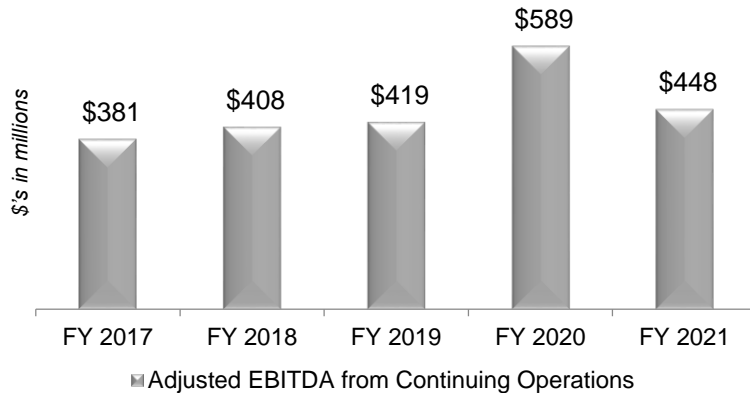


U.S. Gasoline Demand vs. Refined Product Volumes (MMGALs)



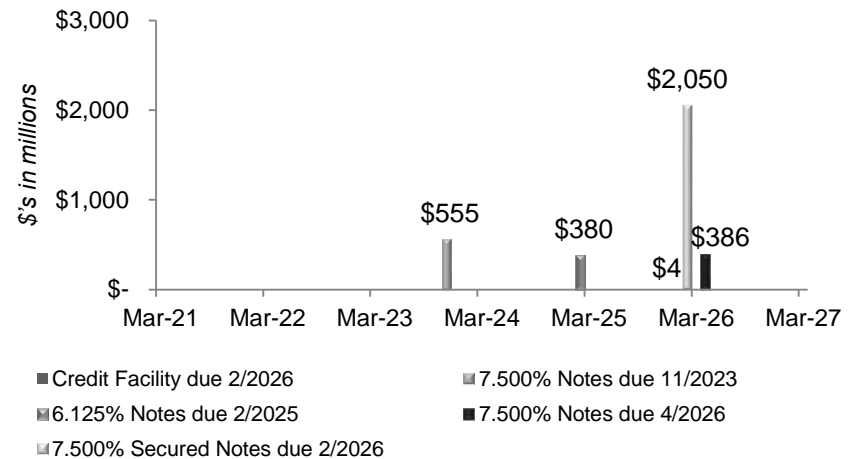
Financial Overview





Capitalization⁽¹⁾ (in thousands)

Debt	3/31/2021	12/31/2020
Credit Facility	\$ 4,000	\$ 1,681,000
Secured Notes due 2026	2,050,000	-
Secured Term Loan due 2024	-	250,000
7.500% Senior Notes due 2023	555,251	555,251
6.125% Senior Notes due 2025	380,020	380,020
7.500% Senior Notes due 2026	338,402	386,323
Other long-term debt	46,912	46,275
Total Long-Term Debt	\$ 3,374,585	\$ 3,298,869
Preferred Equity		
9.00% Class B Perpetual Preferred	\$ 314,641	\$ 314,641
9.625% Class C Perpetual Preferred	45,000	45,000
9.00% Class D Perpetual Preferred	624,339	624,339
Total Preferred Equity	\$ 983,980	\$ 983,980



(1) Debt and Preferred Equity represented at face value

Segment Summary:

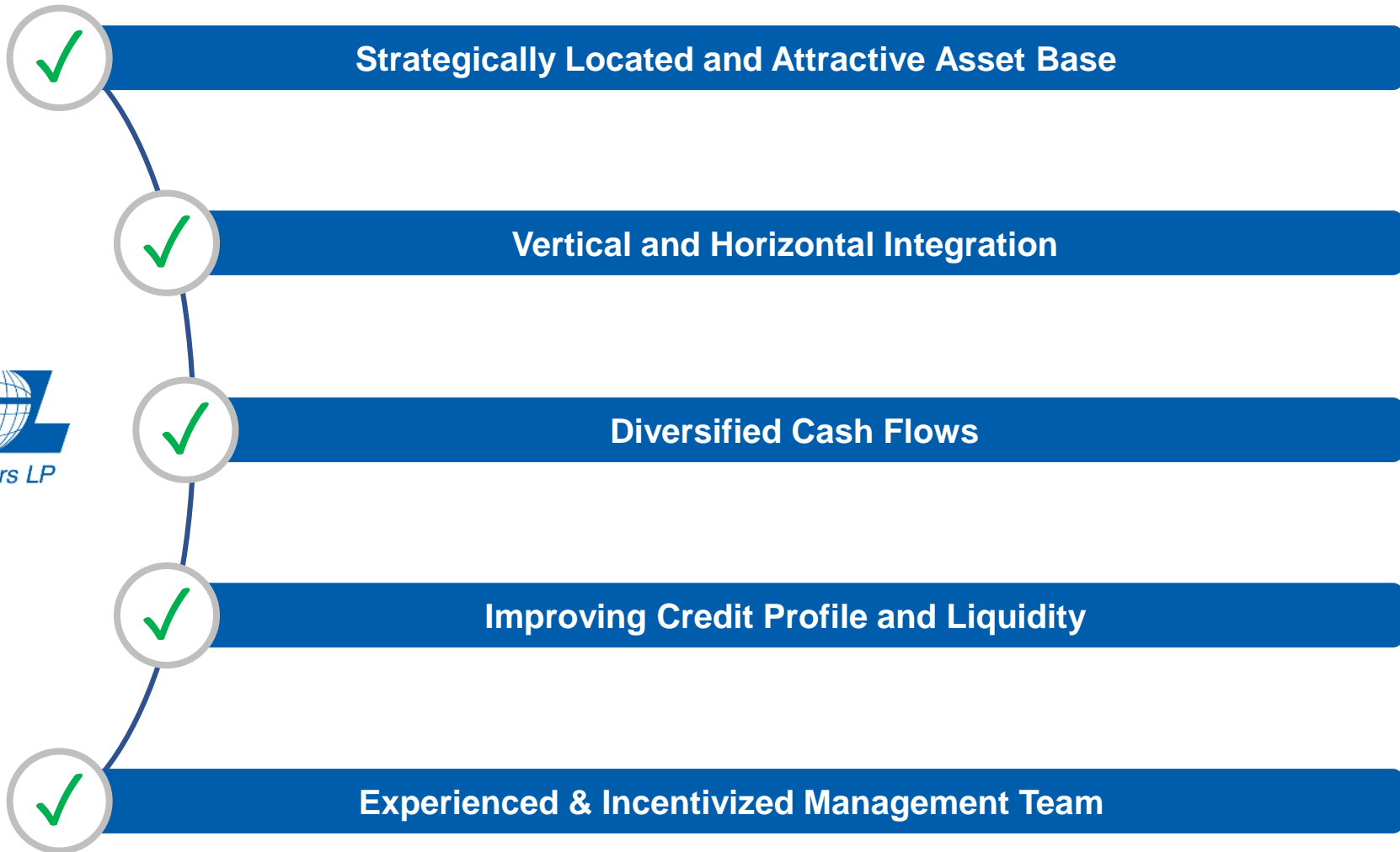
- Crude Oil Logistics results were negatively impacted by lower volumes on the Grand Mesa Pipeline due primarily to the rejection of our transportation contracts with Extraction ("XOG") as well as decreased drilling in the DJ Basin. Volumes are expected to increase going forward as the new agreement with XOG takes effect and as drilling and completion activity increases in the DJ Basin.
- The Water Solutions segment saw average disposal barrels of 1.4 million barrels per day during the quarter. Volumes decreased compared to prior year due to lower disposal volumes across the entire footprint resulting from lower crude oil prices, drilling activity and production volumes, as well as winter storm Uri. Operating expense decreased substantially from last year's 4Q due to numerous cost-saving initiatives.
- The Liquids Logistics segment's margins and volumes were lower due to higher supply costs and continued lower demand resulting from the COVID-19 pandemic.

Financing highlights:

- Repurchased \$47.9 million of 7.500% senior unsecured notes due 2026 during the quarter at an average price of \$0.88 per dollar.
- Closed its \$2.05 billion senior secured notes offering and entered into a \$500 million asset-based revolving credit facility on February 4, 2021. Proceeds from the offering and the ABL facility were used to terminate the existing revolving credit facility and term credit agreement.

Total Volume (In Thousands)	3/31/2021	12/31/2020
Crude Logistics (BBL's)		
Crude Oil Sold	8,146	10,733
Crude Oil Transported	5,961	6,368
Water Solutions (BBL's/Day)		
Delaware Basin	1,212,453	1,216,125
Eagle Ford Basin	63,871	72,951
DJ Basin	101,116	96,383
Other Basins	21,210	26,503
Total Water Processed	1,398,650	1,411,962
Liquids & Refined Products (GAL's)		
Propane	477,652	381,590
Butane	179,601	212,697
Refined Products	188,368	214,132
Other Products	119,606	122,645
Financial Summary (In Millions)		
Total Revenue	\$ 1,752.4	\$ 1,462.0
Total Cost of Sales	\$ 1,573.0	\$ 1,278.9
Adjusted EBITDA(1)	\$ 94.3	\$ 125.0
Distributable Cash Flow(1)(2)	\$ 8.0	\$ 52.2
Distribution Paid to LP Unitholders	\$ -	\$ 0.10
Maintenance Capex	\$ 6.5	\$ 6.3
Growth Capex with Investments	\$ 46.7	\$ 5.3
Total Debt(3)	\$ 3,374.6	\$ 3,298.9
Borrowings under Credit Facility (excl. L/C's)	\$ 4.0	\$ 1,681.0
Total Liquidity	\$ 344.9	\$ 103.1

(1) Does not include acquisition expenses or Adj. EBITDA from discontinued operations
(2) LP distributable cash flow is net of distributions on preferred units
(3) Face value of total debt



Appendix

4Q'21 & 4Q'21YTD Adjusted EBITDA & DCF Walk

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2021	2020	2021	2020
	(in thousands)		(in thousands)	
Net loss	\$ (229,240)	\$ (248,444)	\$ (639,187)	\$ (398,780)
Less: Net (income) loss attributable to noncontrolling interests	(447)	1,210	(632)	1,773
Net loss attributable to NGL Energy Partners LP	(229,687)	(247,234)	(639,819)	(397,007)
Interest expense	60,664	49,388	198,823	181,357
Income tax (benefit) expense	(1,153)	(650)	(3,444)	365
Depreciation and amortization	66,921	74,098	314,476	265,147
EBITDA	(103,255)	(124,398)	(129,964)	49,862
Net unrealized (gains) losses on derivatives	(291)	(46,408)	47,366	(38,557)
Inventory valuation adjustment	(169)	(4,121)	1,224	(29,676)
Lower of cost or net realizable value adjustments	3,111	33,667	(30,102)	31,202
Loss on disposal or impairment of assets, net	83,677	292,726	476,601	464,483
Loss (gain) on early extinguishment of liabilities, net	60,984	(1,341)	16,692	(1,341)
Equity-based compensation expense	1,049	(699)	6,727	26,510
Acquisition expense	796	1,127	1,711	19,722
Revaluation of liabilities	6,261	(806)	6,261	9,194
Class D Preferred Unitholder consent fee	40,000	-	40,000	-
Other	2,086	5,107	11,135	15,788
Adjusted EBITDA	\$ 94,249	\$ 154,854	\$ 447,651	\$ 547,187
Adjusted EBITDA - Discontinued Operations	\$ (30)	\$ (6,908)	\$ (621)	\$ (42,270)
Adjusted EBITDA - Continuing Operations	\$ 94,279	\$ 161,762	\$ 448,272	\$ 589,457
Less: Cash interest expense	57,178	45,848	185,138	170,254
Less: Income tax (benefit) expense	(1,154)	(650)	(3,391)	345
Less: Maintenance capital expenditures	6,520	10,999	28,787	61,353
Less: Preferred unit distributions paid	23,770	14,237	77,678	45,721
Less: Other	(9)	16	-	658
Distributable Cash Flow - Continuing Operations	\$ 7,974	\$ 91,312	\$ 160,060	\$ 311,126

4Q'21 & 4Q'20 Adjusted EBITDA by Segment

Three Months Ended March 31, 2021							
	Water Solutions	Crude Oil Logistics	Liquids Logistics	Corporate and Other	Continuing Operations	Discontinued Operations (TPSL, Mid-Con, Gas Blending)	Consolidated
	(in thousands)						
Operating (loss) income	\$ (79,217)	\$ 6,303	\$ 19,103	\$ (16,166)	\$ (69,977)	\$ -	\$ (69,977)
Depreciation and amortization	48,427	10,334	7,026	1,785	67,572	-	67,572
Amortization recorded to cost of sales	-	-	77	-	77	-	77
Net unrealized losses (gains) on derivatives	975	4,233	(5,499)	-	(291)	-	(291)
Inventory valuation adjustment	-	-	(202)	-	(202)	-	(202)
Lower of cost or net realizable value adjustments	-	(213)	3,357	-	3,144	-	3,144
Loss (gain) on disposal or impairment of assets, net	80,357	(248)	3,346	229	83,684	-	83,684
Equity-based compensation expense	-	-	-	1,049	1,049	-	1,049
Acquisition expense	10	-	-	786	796	-	796
Other income (expense), net	7	50	297	(39,917)	(39,563)	-	(39,563)
Adjusted EBITDA attributable to unconsolidated entities	1,136	-	8	(109)	1,035	-	1,035
Adjusted EBITDA attributable to noncontrolling interest	(330)	-	(1,071)	-	(1,401)	-	(1,401)
Revaluation of liabilities	6,261	-	-	-	6,261	-	6,261
Class D Preferred Unitholder consent fee	-	-	-	40,000	40,000	-	40,000
Other	353	1,717	25	-	2,095	-	2,095
Discontinued operations	-	-	-	-	-	(30)	(30)
Adjusted EBITDA	\$ 57,979	\$ 22,176	\$ 26,467	\$ (12,343)	\$ 94,279	\$ (30)	\$ 94,249

Three Months Ended March 31, 2020							
	Water Solutions	Crude Oil Logistics	Liquids Logistics	Corporate and Other	Continuing Operations	Discontinued Operations (TPSL, Mid-Con, Gas Blending)	Consolidated
	(in thousands)						
Operating (loss) income	\$ (207,444)	\$ 16,750	\$ 29,204	\$ (15,872)	\$ (177,362)	\$ -	\$ (177,362)
Depreciation and amortization	49,522	17,531	6,896	770	74,719	-	74,719
Amortization recorded to cost of sales	-	-	87	-	87	-	87
Net unrealized (gains) losses on derivatives	(35,748)	(11,391)	731	-	(46,408)	-	(46,408)
Inventory valuation adjustment	-	-	(1,886)	-	(1,886)	-	(1,886)
Lower of cost or net realizable value adjustments	-	29,469	4,213	-	33,682	-	33,682
Loss on disposal or impairment of assets, net	264,306	284	7,678	-	272,268	-	272,268
Equity-based compensation expense	-	-	-	(699)	(699)	-	(699)
Acquisition expense	92	-	-	1,035	1,127	-	1,127
Other income (expense), net	4	614	(20)	119	717	-	717
Adjusted EBITDA attributable to unconsolidated entities	1,467	-	29	(93)	1,403	-	1,403
Adjusted EBITDA attributable to noncontrolling interest	(613)	-	(546)	-	(1,159)	-	(1,159)
Revaluation of liabilities	(806)	-	-	-	(806)	-	(806)
Intersegment transactions	-	-	974	-	974	-	974
Other	1,360	3,681	64	-	5,105	-	5,105
Discontinued operations	-	-	-	-	-	(6,908)	(6,908)
Adjusted EBITDA	\$ 72,140	\$ 56,938	\$ 47,424	\$ (14,740)	\$ 161,762	\$ (6,908)	\$ 154,854

4Q'21YTD & 4Q'20YTD Adjusted EBITDA by Segment

	Year Ended March 31, 2021						
	Water Solutions	Crude Oil Logistics	Liquids Logistics	Corporate and Other	Continuing Operations	Discontinued Operations (TPSL, Mid-Con, Gas Blending)	Consolidated
	(in thousands)						
Operating (loss) income	\$ (92,720)	\$ (304,330)	\$ 70,441	\$ (64,144)	\$ (390,753)	\$ -	\$ (390,753)
Depreciation and amortization	222,107	60,874	29,184	5,062	317,227	-	317,227
Amortization recorded to cost of sales	-	-	307	-	307	-	307
Net unrealized losses (gains) on derivatives	24,500	23,432	(566)	-	47,366	-	47,366
Inventory valuation adjustment	-	-	1,197	-	1,197	-	1,197
Lower of cost or net realizable value adjustments	-	(29,458)	(617)	-	(30,075)	-	(30,075)
Loss on disposal or impairment of assets, net	76,942	384,143	3,350	11,001	475,436	-	475,436
Equity-based compensation expense	-	-	-	6,727	6,727	-	6,727
Acquisition expense	27	-	-	1,684	1,711	-	1,711
Other income (expense), net	266	1,565	1,301	(39,635)	(36,503)	-	(36,503)
Adjusted EBITDA attributable to unconsolidated entities	3,019	-	(3)	(252)	2,764	-	2,764
Adjusted EBITDA attributable to noncontrolling interest	(1,647)	-	(2,887)	-	(4,534)	-	(4,534)
Revaluation of liabilities	6,261	-	-	-	6,261	-	6,261
Class D Preferred Unitholder consent fee	-	-	-	40,000	40,000	-	40,000
Intersegment transactions	-	-	(27)	-	(27)	-	(27)
Other	2,751	8,317	100	-	11,168	-	11,168
Discontinued operations	-	-	-	-	-	(621)	(621)
Adjusted EBITDA	<u>\$ 241,506</u>	<u>\$ 144,543</u>	<u>\$ 101,780</u>	<u>\$ (39,557)</u>	<u>\$ 448,272</u>	<u>\$ (621)</u>	<u>\$ 447,651</u>
	Year Ended March 31, 2020						
	Water Solutions	Crude Oil Logistics	Liquids Logistics	Corporate and Other	Continuing Operations	Discontinued Operations (TPSL, Mid-Con, Gas Blending)	Consolidated
	(in thousands)						
Operating (loss) income	\$ (173,064)	\$ 117,768	\$ 142,411	\$ (90,447)	\$ (3,332)	\$ -	\$ (3,332)
Depreciation and amortization	163,588	70,759	27,930	3,035	265,312	-	265,312
Amortization recorded to cost of sales	-	-	349	-	349	-	349
Net unrealized (gains) losses on derivatives	(29,861)	(11,315)	2,619	-	(38,557)	-	(38,557)
Inventory valuation adjustment	-	-	(2,150)	-	(2,150)	-	(2,150)
Lower of cost or net realizable value adjustments	-	29,469	2,724	-	32,193	-	32,193
Loss (gain) on disposal or impairment of assets, net	255,285	(1,144)	7,645	-	261,786	-	261,786
Equity-based compensation expense	-	-	-	26,510	26,510	-	26,510
Acquisition expense	4,079	-	-	15,643	19,722	-	19,722
Other (expense) income, net	(448)	717	21	1,394	1,684	-	1,684
Adjusted EBITDA attributable to unconsolidated entities	2,152	-	24	(263)	1,913	-	1,913
Adjusted EBITDA attributable to noncontrolling interest	(1,210)	-	(1,842)	-	(3,052)	-	(3,052)
Revaluation of liabilities	9,194	-	-	-	9,194	-	9,194
Intersegment transactions	-	-	2,099	-	2,099	-	2,099
Other	2,607	12,965	214	-	15,786	-	15,786
Discontinued operations	-	-	-	-	-	(42,270)	(42,270)
Adjusted EBITDA	<u>\$ 232,322</u>	<u>\$ 219,219</u>	<u>\$ 182,044</u>	<u>\$ (44,128)</u>	<u>\$ 589,457</u>	<u>\$ (42,270)</u>	<u>\$ 547,187</u>