



genesisenergy

Genesis Energy, L.P.

3Q 2023 Earnings Supplement

November 2, 2023



Forward-Looking Statements

This presentation includes forward-looking statements as defined under federal law. Although we believe that our expectations are based upon reasonable assumptions, we can give no assurance that our goals will be achieved. Actual results may vary materially. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including but not limited to statements relating to future financial and operating results and compliance with our senior secured credit facility covenants, the timing and anticipated benefits of the King's Quay, Argos, Shenandoah and Salamanca developments, our expectations regarding our Granger expansion, the expected performance of our other projects and business segments, and our strategy and plans, are forward-looking statements, and historical performance is not necessarily indicative of future performance.

Those forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside our control, that could cause results to differ materially from those expected by management. Such risks and uncertainties include, but are not limited to, weather, political, economic and market conditions, including a decline in the price and market demand for products (which may be affected by the actions of OPEC and other oil exporting nations), impacts due to inflation, and a reduction in demand for our services resulting in impairments of our assets, the spread of disease (including Covid-19), the impact of international military conflicts (such as the conflict in Ukraine), the result of any economic recession or depression that has occurred or may occur in the future, construction and anticipated benefits of the SYNC pipeline and expansion of the capacity of the CHOPS system, the timing and success of business development efforts and other uncertainties. Those and other applicable uncertainties, factors and risks that may affect those forward-looking statements are described more fully in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission and other filings, including our Current Reports on Form 8-K and Quarterly Reports on Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statement.

This presentation may also include certain non-GAAP financial measures. Please refer to our earnings release for the most directly comparable GAAP financial measures and the reconciliations of non-GAAP financial measures to GAAP financial measures included at the end of this presentation.

Long-Term Thesis Remains Intact and Positive

- **Long-term outlook for Genesis remains constructive and unchanged**
 - Excited about the expected ramp in earnings and increased financial flexibility in the coming years
 - In 2024 we expect to see continued volume growth offshore, strong performance from marine and additional soda ash volumes from Granger
 - 2025 will see step change in offshore volumes and segment margin contribution when both Shenandoah and Salamanca come on-line
- **Reaffirming guidance range for Adjusted EBITDA^(a) to \$725 - \$745 million for 2023**
 - Expect to deliver full year results at or above the midpoint, if not approaching the top end of the range
 - Still on track to deliver record Adjusted EBITDA^(a) for Genesis
 - Includes record segment margin for offshore, near record segment margin for marine and near record contribution margin from soda ash
 - Exited third quarter with leverage ratio^(b) of 3.92x; continue to expect to exit the year with a leverage ratio^(b) at or near 4.0x
 - Currently expect growth CapEx of \$350 - \$400 million in 2023 and \$150 - \$200 million in 2024
- **Well positioned with clear line of site on significantly increasing volumes in both offshore and soda segments that will provide path to increasing amounts of cash flow^(c) and financial flexibility**
 - Shenandoah and Salamanca projects remain on schedule for late 2024 and early 2025 with combined 160k/d production handling capacity
 - Successfully laid the 105 miles of the SNYC lateral and continue to advance CHOPS expansion; remain on schedule and on budget for both projects
 - Recently started commissioning Granger expansion project and expect work to continue over balance of the year
 - Pro forma Granger expansion expect to have ~4.8mm tons of annual soda ash production capacity
- **Genesis remains well positioned to generate roughly \$200 – \$300 million dollars per year of cash flow^(c) starting in 2025 despite any volatility in soda ash prices over a normalized cycle**
 - Expect to complete growth CapEx program in the next ~12 months; will be able to begin harvesting increasing amounts of cash flow thereafter
 - Well positioned to simplify capital structure and look at ways to return capital to everyone in the capital structure, all while focusing on our leverage ratio^(b)
- **Committed to maintaining financial flexibility while not losing focus on our long-term leverage ratio^(b)**
 - Improving the balance sheet and maintaining long-term target leverage ratio^(b) below 4.0x remains a top priority
 - To date repurchased total of \$75mm of Series A corporate preferred at a discount to call premium and 114,900 units at average price of \$9.09 per unit

(a) Adjusted EBITDA is a non-GAAP financial measure. We are unable to provide a reconciliation of the forward-looking Adjusted EBITDA projections contained in this presentation to its most directly comparable GAAP financial measure because the information necessary for quantitative reconciliations of Adjusted EBITDA to its most directly comparable GAAP financial measure is not available to us without unreasonable efforts. The probable significance of providing these forward-looking Adjusted EBITDA measures without directly comparable GAAP financial measures may be materially different from the corresponding GAAP financial measures.

(b) As calculated under our senior secured credit facility.

(c) After certain cash obligations, including cash interest payments, preferred and existing common unit distributions, maintenance capital requirements, principal payments on our Alkali senior secured notes, and cash taxes.

Key Segment and Operational Highlights

- **Offshore Pipeline Transportation**
 - Benefited from zero downtime associated with any weather-related events and strong volumes from King’s Quay and other host fields
 - Continue to see a ramp in volumes from BP’s Argos facility
 - Currently approaching ~90kb/d
 - Expect volumes to continue to ramp in to 2024
 - Supporting 14 wells at Mad Dog 2 development; 140k/d production handling capacity
- **Soda and Sulfur Services**
 - Soda ash market continues to be over supplied
 - Driven by slowing global industrial production, a slower re-opening of China and new supply in China
 - Starting to see weaker demand in Europe
 - Customers continue to take a wait and see approach with respect to any new purchases of soda ash
 - As a result, working to place volumes in highest and best markets to ensure movement of 100% of volumes and optimize fixed costs absorption
 - Expect a combination of supply and demand responses will help balance the soda ash market over time
 - Continue to see steady demand for NaHS from our copper mining and pulp and paper customers
- **Marine Transportation**
 - Supply of maritime equipment remains extremely tight driven in large part by the continued retirement of older tonnage, current maintenance cycle and no new construction
- **Onshore Facilities and Transportation**
 - Future segment margin driven largely by increasing offshore volumes moving through our Texas and Louisiana facilities as new offshore volumes come on-line

3Q 2023 Financial Results	
	3Q 2023
Offshore Pipeline Transportation	\$109,267
Soda & Sulfur Services	61,957
Marine Transportation	27,126
Onshore Facilities & Transportation	9,547
Total Segment Margin	\$207,897
Adjusted EBITDA ^(a)	\$190,556
Leverage Ratio ^(b)	3.92x

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(b) As calculated under our senior secured credit facility.

Reaffirming Guidance for 2023

- **Reaffirming Adjusted EBITDA^(a) guidance range for 2023**

- Expect to deliver full year results at or above the midpoint, if not approaching the top end of the range
- Results over the remainder of the year are expected to consist of:
 - Strong performance from our offshore pipeline transportation driven by steady base volumes, increasing volumes from Argos and other recent sub-sea developments
 - Somewhat offset by marginally weaker performance in our soda ash business driven in large part by continued weakness in soda ash prices, primarily in our export markets
 - Marine performance driven by strong day rates and effectively 100% utilization across all our fleet
 - Steady performance expected in Onshore

- **2023 Capital Expenditures focused on two major projects**

- Granger expansion and offshore expansion
- Projects remain on schedule and importantly on budget
- Revised 2023 CapEx range of \$350 - \$400 million with \$150 - \$200 million to be spent in 2024

- **Expect calculated leverage reduction in 2023 to be driven primarily by an increase in earnings from base business and announced growth projects**

- Long-term target leverage ratio^(a) remains 4.0x
- Continue to expect to exit 2023 with leverage ratio^(a) at or near 4.0x

2023 Financial Guidance	
Adjusted EBITDA ^(a)	\$725 - \$745 million
Total Growth Capital Expenditures	\$350 - \$400 million
Leverage Ratio ^(b)	Exit 2023 at or near 4.0x

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(b) As calculated under our senior secured credit facility.

Reconciliations

Balance Sheet & Credit Profile

Leverage Ratio & Common Unit Distribution Coverage Ratio

(\$ in 000s)	9/30/2023
Senior secured credit facility	\$198,400
Senior unsecured notes, net of debt issuance costs and premium	3,011,386
Less: Outstanding inventory financing sublimit borrowings	(21,700)
Less: Cash and cash equivalents	(20,535)
Adjusted Debt^(a)	\$3,167,551
	Pro Forma LTM 9/30/2023
Consolidated EBITDA (per our senior secured credit facility) ^(b)	\$742,164
Consolidated EBITDA Adjustments ^(c)	66,598
Adjusted Consolidated EBITDA (per our senior secured credit facility)^(d)	\$808,762
Adjusted Debt / Adjusted Consolidated EBITDA	3.92x
	Q3 2023
Q3 2023 Reported Available Cash Before Reserves	\$88,964
Q3 2023 Common Unit Distributions	18,370
Common Unit Distribution Coverage Ratio	4.84x

(a) We define Adjusted Debt as the amounts outstanding under our senior secured credit facility and senior unsecured notes (including any unamortized premiums, discounts, or issuance costs) less the amount outstanding under our inventory financing sublimit, less cash and cash equivalents on hand at the end of the period from our restricted subsidiaries.

(b) Consolidated EBITDA for the four-quarter period ending with the most recent quarter, as calculated under our senior secured credit facility.

(c) This amount reflects adjustments we are permitted to make under our senior secured credit facility for purposes of calculating compliance with our leverage ratio. It includes a pro rata portion of projected future annual EBITDA associated with material organic growth projects, which is calculated based on the percentage of capital expenditures incurred to date relative to the expected budget multiplied by the total annual contractual minimum cash commitments we expect to receive as a result of the project. These adjustments may not be indicative of future results.

(d) Adjusted Consolidated EBITDA for the four-quarter period ending with the most recent quarter, as calculated under our senior secured credit facility.

Reconciliation

Segment Margin

(\$ in 000s)

	YTD 2023	2022	2021	2020	2019
Net Income (Loss) Attributable to Genesis Energy, LP	\$105,770	\$75,457	(\$165,067)	(\$416,678)	\$95,999
Corporate general and administrative expenses	52,580	71,820	61,287	51,457	52,755
Depreciation, depletion, amortization and accretion	218,788	307,519	315,896	302,602	308,115
Impairment expense	-	-	-	280,826	-
Interest expense	184,057	226,156	233,724	209,779	219,440
Income tax expense	1,748	3,169	1,670	1,327	655
Gain on sale of asset, net to our ownership interest	-	(32,000)	-	22,045	-
Equity compensation adjustments	-	-	-	-	65
Change in provision for leased items no longer in use	-	(671)	598	1,347	(1,367)
Cancellation of debt income ^(a)	-	(8,618)	-	(26,109)	-
Redeemable noncontrolling interest redemption value adjustments ^(b)	-	30,443	25,398	16,113	2,233
Other	-	-	-	-	-
Plus (minus) Select Items, net	54,701	96,780	144,223	164,764	35,367
Segment Margin^(c)	\$617,644	\$770,055	\$617,729	\$607,473	\$713,262

(a) Includes income associated with the repurchase and extinguishment of certain of our senior unsecured notes on the open market.

(b) Includes PIK distributions and accretion on the redemption feature. The associated Alkali Holdings preferred units were fully redeemed during the second quarter of 2022.

(c) We define Segment Margin as revenues less product costs, operating expenses and segment general and administrative expenses, after eliminating gain or loss on sale of assets, plus or minus applicable Select Items.

Reconciliation

Available Cash Before Reserves

(\$ in 000s)

	YTD 2023	2022	2021	2020	2019
Net income (loss) attributable to Genesis Energy, L.P.	\$105,770	\$75,457	(\$165,067)	(\$416,678)	\$95,999
Interest expense	184,057	226,156	233,724	209,779	219,440
Income tax expense	1,748	3,169	1,670	1,327	655
Gain on sale of asset, net to our ownership interest	-	(32,000)	-	22,045	-
Impairment expense	-	-	-	280,826	-
Depreciation, depletion, amortization and accretion	218,788	307,519	315,896	302,602	308,115
EBITDA	\$510,363	\$580,301	\$386,223	\$399,901	\$624,209
Redeemable noncontrolling interest redemption value adjustments	-	30,443	25,398	16,113	2,233
Plus (minus) Select Items, net	57,255	106,327	154,567	165,247	42,153
Adjusted EBITDA	\$567,618	\$717,071	\$566,188	\$581,261	\$668,595
Maintenance capital utilized	(49,900)	(57,400)	(53,150)	(40,833)	(26,875)
Interest expense	(184,057)	(226,156)	(233,724)	(209,779)	(219,440)
Cash tax expense	(823)	(815)	(690)	(650)	(590)
Distribution to preferred unitholders	(69,928)	(80,052)	(74,736)	(74,736)	(62,190)
Other	-	-	-	-	-
Available Cash before Reserves	\$262,910	\$352,648	\$203,888	\$255,263	\$359,500
Common Unit Distributions	\$55,144	\$73,548	\$73,548	\$73,548	\$269,676
Common Unit Distribution Coverage Ratio	4.77x	4.79x	2.77x	3.47x	1.33x

Adjusted Debt & Adjusted Consolidated EBITDA

(\$ in 000s)

	9/30/2023	2022	2021	2020	2019
Long-term debt					
Senior secured credit facility	\$198,400	\$205,400	\$49,000	\$643,700	\$959,300
Senior unsecured notes, net of debt issuance costs and premium	3,011,386	2,856,312	2,930,505	2,750,016	2,469,937
Less: Outstanding inventory financing sublimit borrowings	(21,700)	(4,700)	(9,700)	(34,400)	(4,300)
Less: Cash and cash equivalents	(20,535)	(7,821)	(5,090)	(4,835)	(8,412)
Adjusted Debt^(a)	\$3,167,551	\$3,049,191	\$2,964,715	\$3,354,481	\$3,416,525
Consolidated EBITDA (per our senior secured credit facility) ^(b)	\$742,164	\$693,692	\$576,229	\$576,013	\$668,595
Consolidated EBITDA Adjustments ^(c)	66,598	42,593	18,043	26,353	-
Adjusted Consolidated EBITDA (per our senior secured credit facility)^(d)	\$808,762	\$736,285	\$594,272	\$602,366	\$668,595
Adjusted Debt / Adjusted Consolidated EBITDA	3.92x	4.14x	4.99x	5.57x	5.11x

(a) We define Adjusted Debt as the amounts outstanding under our senior secured credit facility and senior unsecured notes (including any unamortized premiums, discounts, or issuance costs) less the amount outstanding under our inventory financing sublimit, less cash and cash equivalents on hand at the end of the period from our restricted subsidiaries.

(b) Consolidated EBITDA for the four-quarter period ending with the most recent quarter, as calculated under our senior secured credit facility.

(c) This amount reflects adjustments we are permitted to make under our senior secured credit facility for purposes of calculating compliance with our leverage ratio. It includes a pro rata portion of projected future annual EBITDA associated with material organic growth projects, which is calculated based on the percentage of capital expenditures incurred to date relative to the expected budget multiplied by the total annual contractual minimum cash commitments we expect to receive as a result of the project. These adjustments may not be indicative of future results.

(d) Adjusted Consolidated EBITDA for the four-quarter period ending with the most recent quarter, as calculated under our senior secured credit facility.

Select Items

(\$ in 000s)

	YTD 2023	2022	2021	2020	2019
Applicable to all Non-GAAP Measures					
Differences in timing of cash receipts for certain contractual arrangements ^(a)	\$33,519	\$51,102	\$15,482	\$40,848	(\$8,478)
Distributions from unrestricted subsidiaries not included in income ^(b)	-	32,000	70,000	70,490	8,421
Unrealized (gain) loss on derivative transactions excluding fair value hedges, net of changes in inventory value	17,721	(5,717)	30,700	1,189	10,926
Loss on debt extinguishment	1,812	794	1,627	31,730	-
Adjustment regarding equity investees ^(c)	18,535	21,199	26,207	17,042	20,847
Other	(16,886)	(2,598)	207	3,465	3,651
Sub-total Select Items, net (Segment Margin) ^(d)	\$54,701	\$96,780	\$144,223	\$164,764	\$35,367
Applicable only to Adjusted EBITDA and Available Cash before Reserves					
Certain transaction costs ^(e)	105	7,339	8,946	937	3,755
Other	2,449	2,208	1,398	(454)	3,168
Total Select Items, net^(f)	\$57,255	\$106,327	\$154,567	\$165,247	\$42,153

(a) Includes the difference in timing of cash receipts from customers during the period and the revenue we recognize in accordance with GAAP on our related contracts. For purposes of our Non-GAAP measures, we add those amounts in the period of payment and deduct them in the period in which GAAP recognizes them.

(b) Represents the net effect of adding cash receipts from direct financing leases and deducting expenses relating to direct financing leases.

(c) Represents the net effect of adding distributions from equity investees and deducting earnings of equity investees net to us.

(d) Represents all Select Items applicable to Segment Margin, Adjusted EBITDA and Available Cash before Reserves.

(e) Represents transaction costs relating to certain merger, acquisition, transition and financing transactions incurred in acquisition activities.

(f) Represents Select Items applicable to Adjusted EBITDA and Available Cash before Reserves.