



genesisenergy

Genesis Energy, L.P.

3Q 2024 Earnings Supplement

October 31, 2024



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, 2023 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 In-Tact, Positive and On Schedule

- **Long-term outlook and value proposition for Genesis remains unchanged and on schedule[, despite some near-term challenges]**
 - Reported Adjusted EBITDA^(a) of \$136.7 million in the third quarter, which was below our expectations
 - Important to remember that a large portion of what has impacted us through the first three quarters of the year was outside of our control
 - Prolonged producer mechanical issues in our offshore segment
 - Lingering production challenges at our Westvaco facility have led to lower production volumes and higher costs; softer picture for soda ash prices
 - Remain excited about the approaching inflection point when we will complete our major capital spending program in 1H 2025 and will be on the doorstep of a notable step change in the financial performance of our offshore assets
- **Genesis maintains an increasingly clear line of site to increasing amounts of cash flow^(b) and financial flexibility starting in 2025 despite any volatility in soda ash prices over a normalized cycle**
 - Shenandoah and Salamanca projects expected on-line mid-2025 with combined 160k/d of incremental production handling capacity
 - Corresponding take-or-pay agreements scheduled to start in June 2025 (independent of volumes)
 - Successfully laid the 105 miles of the SNYC lateral and continue to advance CHOPS expansion with expected completion in 1H 2025
 - Consistent market fundamentals and fewer dry-dock days for our offshore fleet should lead to sequential improvement from our marine segment
 - Improved operating performance for our soda ash business should add additional tons helping to mitigate potential price volatility
 - Annual cash costs^(c) to run our business remains ~\$620 million per year; expect to begin harvesting increasing amounts of cash flow thereafter
 - Committed to de minimis future growth capital upon the completion of offshore expansion projects in early 2025
- **Extended and upsized senior secured credit facility with \$900 million in commitments provides adequate liquidity**
 - Plan to utilize existing financial flexibility and liquidity to redeem high-cost convertible preferred equity and pay down debt to reduce cost of capital all while not losing focus on our leverage ratio^(d)
- **Announced increase in quarterly distribution to \$0.165 per common unit starting with 3Q 2024 distribution scheduled to be paid in November 2024**
 - Represents 10% increase over the 2Q 2024 distribution; board will evaluate future distribution growth in coming quarters as we realize increasing Adjusted EBITDA and benefit from reduced cash obligations
- **Committed to maintaining financial flexibility while not losing focus on our long-term leverage ratio^(d)**
 - Senior secured credit facility extended to September 2028; no unsecured maturities until 2027
 - Exited third quarter with leverage ratio^(d) of 4.84x; improving the balance sheet and maintaining leverage ratio^(d) at or near 4.0x is a top priority
 - To date repurchased \$75mm of Class A convertible preferred at a discount to call premium and 114,900 common units at avg. 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) After certain cash obligations, including cash interest payments, principal payments on our Alkali senior secured notes, preferred and existing common unit distributions, maintenance capital requirements, and cash taxes.

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

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

Key Segment and Operational Highlights

- **Offshore Pipeline Transportation**
 - Despite persistent technical issues with individual wells in Q3 continue to see steady volumes across our entire system
 - Now expect repairs will not be complete until the end of the year; no underlying impacts on underlying reservoirs and volumes
 - Active hurricane season in Q3 caused some supply disruptions during the quarter; experienced no damage to our offshore infrastructure
 - Shenandoah and Salamanca remain on schedule for first oil in 2Q 2025
- **Soda and Sulfur Services**
 - Unforeseen downtime and production challenges at our Westvaco facility drove higher maintenance spending and per unit costs
 - Soda ash market has become more challenging in the last 3 months
 - Mixed supply and demand picture in China; increase in Chinese inventories and the availability of exports putting downward pressure on export prices
 - Price levels in China at, or below, current cash costs of average synthetic producer; could see some supply rationalizations
 - Markets work; expect changes in physical flows to also increase pressure on high-cost synthetic producers in Europe
 - Ultimately need normalized global economic activity and growth, combined with steady and growing demand from green initiatives to eliminate any slack or perceived slack in the market
- **Marine Transportation**
 - Will have completed required dry dock maintenance work on 6 of 9 offshore vessels by year end
 - Combination of robust demand, effectively zero new supply, continued retirement of older equipment and a heavy maintenance cycle continue to drive day rates higher
 - Day rates still need to rise to support new construction
- **Onshore Facilities and Transportation**
 - Future segment margin driven largely by increasing offshore volumes moving through our Texas and Louisiana facilities

Financial Results	
	3Q 2024
Offshore Pipeline Transportation	\$72,149
Soda & Sulfur Services	38,188
Marine Transportation	31,068
Onshore Facilities & Transportation	9,703
Total Segment Margin	\$151,108
Adjusted EBITDA ^(a)	\$136,701
Leverage Ratio ^(b)	4.84x

(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.

Reconciliations

Balance Sheet & Credit Profile

Leverage Ratio & Common Unit Distribution Coverage Ratio

(\$ in 000s)	9/30/2024
Senior secured credit facility	\$207,600
Senior unsecured notes, net of debt issuance costs, discount and premium	3,419,025
Less: Outstanding inventory financing sublimit borrowings	(24,200)
Less: Cash and cash equivalents	(12,732)
Adjusted Debt^(a)	\$3,589,693
	Pro Forma LTM
	9/30/2024
Consolidated EBITDA (per our senior secured credit facility)	\$618,816
Consolidated EBITDA Adjustments ^(b)	122,895
Adjusted Consolidated EBITDA (per our senior secured credit facility)^(c)	\$741,711
Adjusted Debt / Adjusted Consolidated EBITDA	4.84x
	Q3 2024
Q3 2024 Reported Available Cash Before Reserves	\$24,490
Q3 2024 Common Unit Distributions	20,207
Common Unit Distribution Coverage Ratio	1.21x

(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, and less cash and cash equivalents on hand at the end of the period from our restricted subsidiaries.

(b) 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. For any material organic growth project not yet completed or in-service, the EBITDA Adjustment 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.

(c) 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 2024	2023	2022	2021	2020	2019
Net Income (Loss) Attributable to Genesis Energy, L.P.	(\$14,568)	\$117,720	\$75,457	(\$165,067)	(\$416,678)	\$95,999
Corporate general and administrative expenses	49,231	73,876	71,820	61,287	51,457	52,755
Depreciation, depletion, amortization and accretion	241,539	291,731	307,519	315,896	302,602	308,115
Impairment expense	-	-	-	-	280,826	-
Interest expense, net	211,588	244,663	226,156	233,724	209,779	219,440
Income tax expense (benefit)	(15)	(19)	3,169	1,670	1,327	655
Gain on sale of asset, net to our ownership interest ^(a)	-	-	(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 ^(b)	-	-	(8,618)	-	(26,109)	-
Redeemable noncontrolling interest redemption value adjustments ^(c)	-	-	30,443	25,398	16,113	2,233
Plus (minus) Select Items, net ^(d)	12,744	99,091	96,780	144,223	164,764	35,367
Segment Margin^(e)	\$500,519	\$827,062	\$770,055	\$617,729	\$607,473	\$713,262

(a) On April 29, 2022, we sold our Independence Hub platform and recognized a gain on the sale of \$40.0 million, of which \$32.0 million was attributable to our 80% ownership interest.

(b) The year ended December 31, 2022 includes income associated with the repurchase and extinguishment of certain of our senior unsecured notes on the open market.

(c) The year ended December 31, 2022 includes paid-in-kind distributions, accretion on the redemption feature and valuation adjustments to the redemption feature as the associated preferred units were redeemed during the second quarter of 2022.

(d) Refer to additional detail of Select Items in our earnings press release dated October 31, 2024.

(e) See definition of Segment Margin in our earnings press release dated October 31, 2024.

Available Cash Before Reserves

(\$ in 000s)

	YTD 2024	2023	2022	2021	2020	2019
Net income (loss) attributable to Genesis Energy, L.P.	(\$14,568)	\$117,720	\$75,457	(\$165,067)	(\$416,678)	\$95,999
Interest expense, net	211,588	244,663	226,156	233,724	209,779	219,440
Income tax expense (benefit)	(15)	(19)	3,169	1,670	1,327	655
Depreciation, depletion, amortization and accretion	241,539	291,731	307,519	315,896	302,602	308,115
EBITDA	438,544	654,095	\$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 ^(b)	10,111	102,272	106,327	154,567	165,247	42,153
Adjusted EBITDA ^(c)	448,655	756,367	\$717,071	\$566,188	\$581,261	\$668,595
Maintenance capital utilized ^(d)	(54,300)	(67,650)	(57,400)	(53,150)	(40,833)	(26,875)
Interest expense, net	(211,588)	(244,663)	(226,156)	(233,724)	(209,779)	(219,440)
Cash tax expense	(966)	(1,048)	(815)	(690)	(650)	(590)
Distributions to preferred unitholders ^(e)	(65,682)	(91,837)	(80,052)	(74,736)	(74,736)	(62,190)
Available Cash before Reserves^(f)	\$116,119	\$351,169	\$352,648	\$203,888	\$255,263	\$359,500
Less: One-time Gain on Sale of Assets						
Adjusted Available Cash before Reserves						
Common Unit Distributions	\$56,947	\$73,514	\$73,548	\$73,548	\$73,548	\$269,676
Common Unit Distribution Coverage Ratio	2.04x	4.78x	4.79x	2.77x	3.47x	1.33x

(a) The year ended December 31, 2022 includes paid-in-kind distributions, accretion on the redemption feature and valuation adjustments to the redemption feature as the associated preferred units were redeemed during the second quarter of 2022.

(b) Refer to additional detail of Select Items in our earnings press release dated October 31, 2024.

(c) See definition of Adjusted EBITDA in our earnings press release dated October 31, 2024.

(d) Maintenance capital expenditures for the third quarter 2024 and third quarter 2023 were \$55.0 million and \$33.6 million, respectively. Maintenance capital expenditures for the nine months ended September 30, 2024 and 2023, were \$128.6 million and \$86.9 million, respectively. Our maintenance capital expenditures are principally associated with our alkali and marine transportation businesses.

(e) Distributions to preferred unitholders attributable to the third quarter 2024 are payable on November 14, 2024 to unitholders of record at close of business on October 31, 2024.

(f) Represents the Available Cash before Reserves to common unitholders.

Reconciliation

Adjusted Debt & Adjusted Consolidated EBITDA

(\$ in 000s)

	9/30/2024	2023	2022	2021	2020	2019
Long-term debt						
Senior secured credit facility	\$207,600	\$298,300	\$205,400	\$49,000	\$643,700	\$959,300
Senior unsecured notes, net of debt issuance costs, discount and premium	3,419,025	3,062,955	2,856,312	2,930,505	2,750,016	2,469,937
Less: Outstanding inventory financing sublimit borrowings	(24,200)	(19,300)	(4,700)	(9,700)	(34,400)	(4,300)
Less: Cash and cash equivalents	(12,732)	(8,498)	(7,821)	(5,090)	(4,835)	(8,412)
Adjusted Debt^(a)	\$3,589,693	\$3,333,457	\$3,049,191	\$2,964,715	\$3,354,481	\$3,416,525
Consolidated EBITDA (per our senior secured credit facility)	\$618,816	\$753,861	\$693,692	\$576,229	\$576,013	\$668,595
Consolidated EBITDA Adjustments ^(b)	122,895	88,479	42,593	18,043	26,353	-
Adjusted Consolidated EBITDA (per our senior secured credit facility)^(c)	\$741,711	\$842,340	\$736,285	\$594,272	\$602,366	\$668,595
Adjusted Debt / Adjusted Consolidated EBITDA	4.84x	3.96x	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, and less cash and cash equivalents on hand at the end of the period from our restricted subsidiaries.

(b) 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. For any material organic growth project not yet completed or in-service, the EBITDA Adjustment 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.

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

Reconciliation

Select Items

(\$ in 000s)

	YTD 2024	2023	2022	2021	2020	2019
Applicable to all Non-GAAP Measures						
Differences in timing of cash receipts for certain contractual arrangements ^(a)	\$8,366	\$56,341	\$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
Certain non-cash items:						
Unrealized losses (gains) on derivative transactions excluding fair value hedges, net of changes inventory value investees	(9,335)	36,688	(5,717)	30,700	1,189	10,926
Loss on debt extinguishment	1,429	4,627	794	1,627	31,730	-
Adjustment regarding equity investees ^(c)	18,542	24,635	21,199	26,207	17,042	20,847
Other	(6,258)	(23,200)	(2,598)	207	3,465	3,651
Sub-total Select Items, net ^(d)	\$12,744	\$99,091	\$96,780	\$144,223	\$164,764	\$35,367
Applicable only to Adjusted EBITDA and Available Cash before Reserves						
Certain transaction costs	60	105	7,339	8,946	937	3,755
Equity compensation adjustments	-	-	-	-	-	(137)
Other	(2,693)	3,076	2,208	1,398	(454)	3,168
Total Select Items, net^(e)	\$10,111	\$102,272	\$106,327	\$154,567	\$165,247	\$42,153

(a) Includes the difference in timing of cash receipts from or billings to 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) The year ended December 31, 2022 includes \$32.0 million in cash receipts associated with the sale of the Independence Hub platform by our 80% owned unrestricted subsidiary (as defined under our senior secured credit agreement), Independence Hub, LLC.

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

(d) Represents Select Items applicable to all Non-GAAP measures.

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