

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **December 8, 2021**

NuStar Energy L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-16417
(Commission File Number)

74-2956831
(I.R.S. Employer Identification No.)

19003 IH-10 West
San Antonio, Texas 78257
(Address of principal executive offices)

(210) 918-2000
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common units	NS	New York Stock Exchange
Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprA	New York Stock Exchange
Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprB	New York Stock Exchange
Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Senior management of NuStar Energy L.P. is participating in virtual meetings with members of the investment community at the 2021 Wells Fargo Midstream, Utility & Renewables Symposium on Wednesday, December 8, 2021 and Thursday, December 9, 2021. The slides attached to this report were prepared in connection with, and are being used during, the meetings. The slides are included in Exhibit 99.1 to this report and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) **Exhibits.**

Exhibit Number

EXHIBIT

Exhibit 99.1

[Slides to be used on December 8, 2021 and December 9, 2021.](#)

Exhibit 104

Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NUSTAR ENERGY L.P.

By: Riverwalk Logistics, L.P.
its general partner

By: NuStar GP, LLC
its general partner

Date: December 8, 2021

By: /s/ Amy L. Perry
Name: Amy L. Perry
Title: Executive Vice President-Strategic Development and General Counsel



2021 Wells Fargo

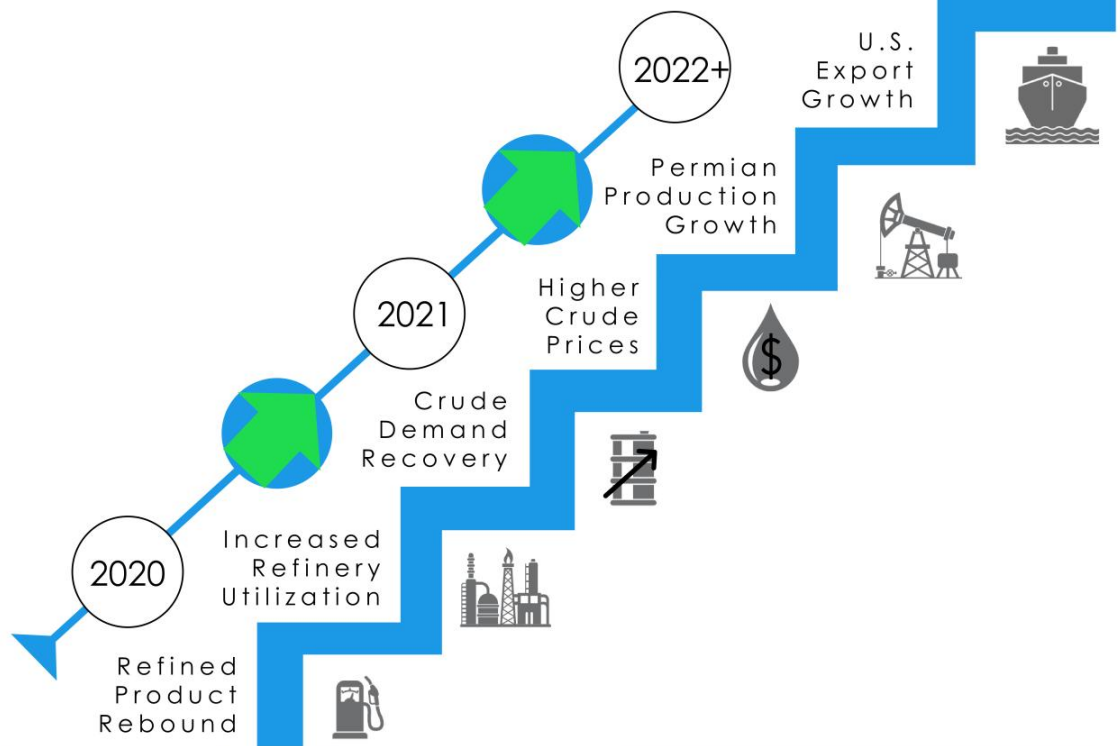
Virtual Midstream,
Utility & Renewables
Symposium



DECEMBER 8 - 9, 2021

Statements contained in this presentation other than statements of historical fact are forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will likely vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance presented or suggested in this presentation. These forward-looking statements can generally be identified by the words "anticipates," "believes," "expects," "plans," "intends," "estimates," "forecasts," "budgets," "projects," "could," "should," "may" and similar expressions. These statements reflect our current views with regard to future events and are subject to various risks, uncertainties and assumptions.

We undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see NuStar Energy L.P.'s annual report on Form 10-K and quarterly reports on Form 10-Q, filed with the SEC and available on NuStar's website at www.nustarenergy.com. We use financial measures in this presentation that are not calculated in accordance with generally accepted accounting principles ("non-GAAP") and our reconciliations of non-GAAP financial measures to GAAP financial measures are located in the appendix to this presentation. These non-GAAP financial measures should not be considered an alternative to GAAP financial measures.



Our 2021 Strategic Priorities:

1.

Promoting
Our ESG
Excellence

2.

Reducing
Our
Debt

3.

Self-
funding
Our
Business

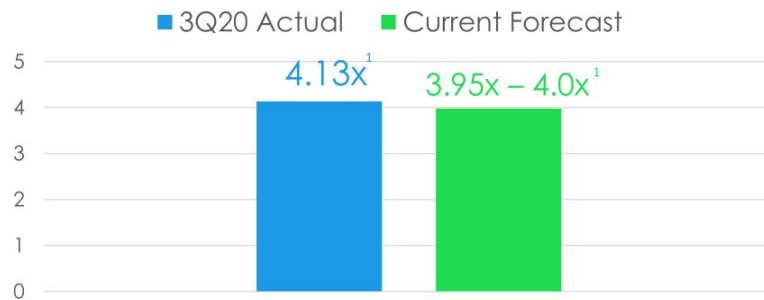
2021 Sustainability

- ✓ Built NuStar's Sustainability **webpage**
- ✓ Posted Sustainability investor **presentation**
- ✓ Posted **inaugural sustainability report**
- ✓ Working to quantify Scope 1 & 2 **emissions**

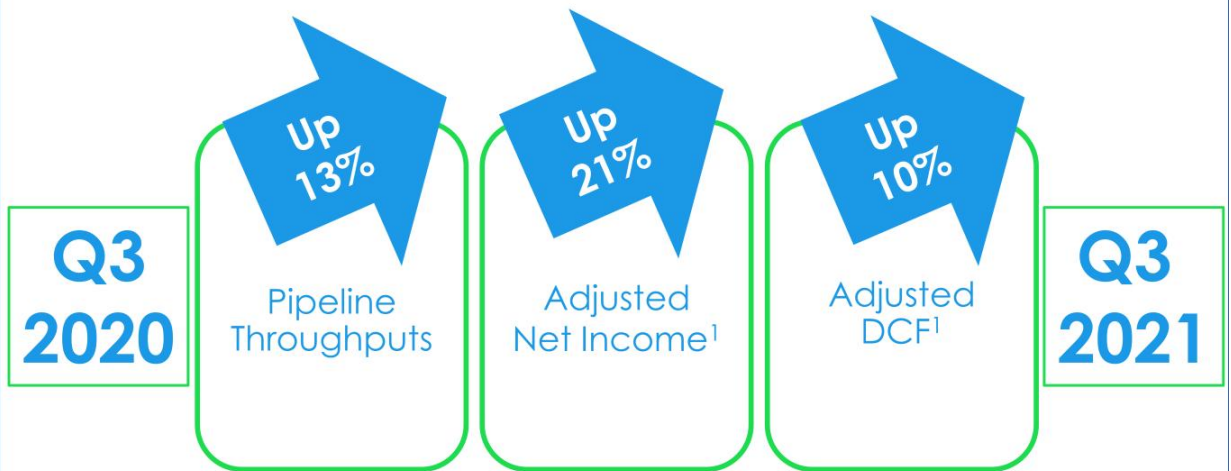
★ Since this time last year, we have divested of non-core assets for a total of \$356 million in proceeds, in both cases, at an attractive multiple



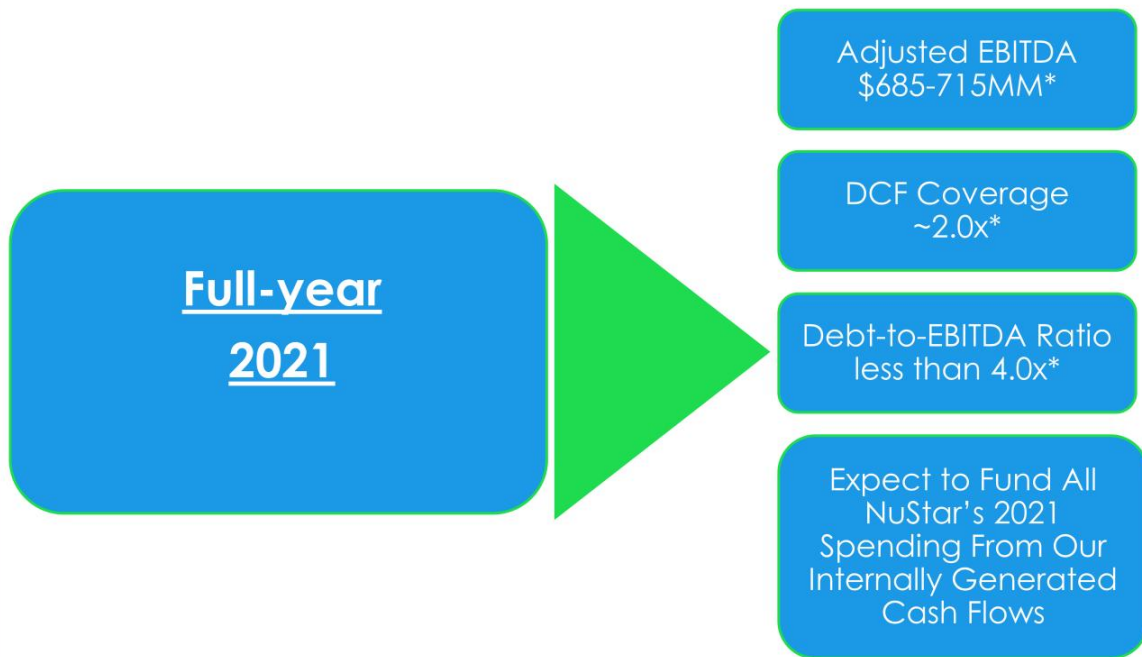
★ We have deployed those proceeds to reduce debt, and our Debt-to-EBITDA ratio projected for year-end 2021 is now below 4X



¹ - Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures



¹ - Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures



* - Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures.

Renewable Fuels

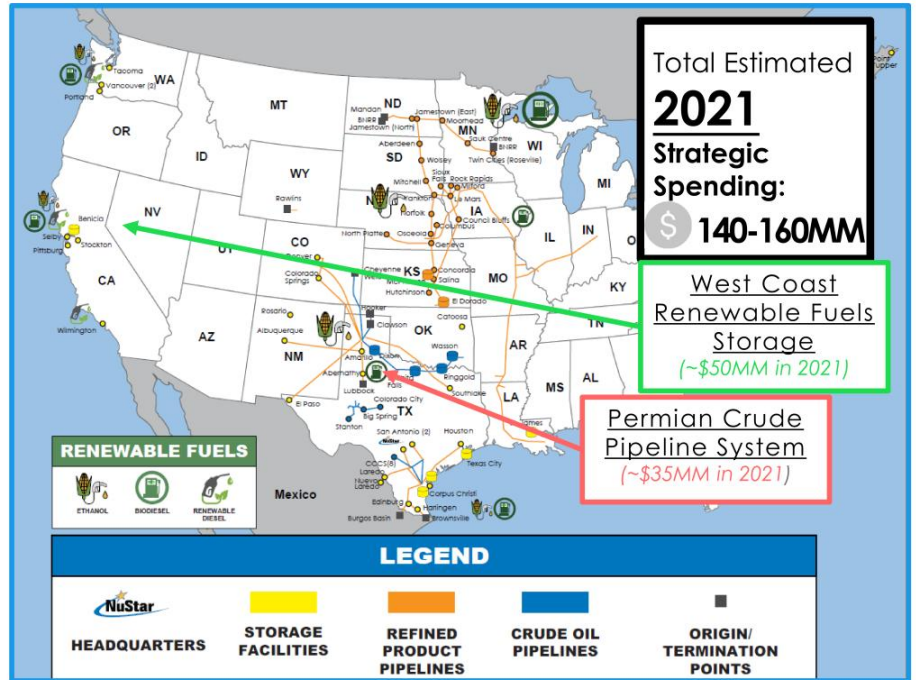
- **Established:**
 - West Coast Network
 - Ethanol & bio-diesel blending
- **Developing:**
 - Ammonia System

Refined Products

- Midcontinent
- Colorado/NM/Texas
- Northern Mexico

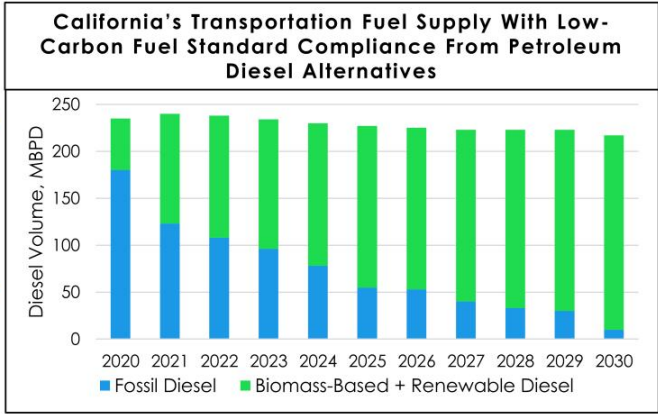
Crude Supply/Export

- Permian Crude System
- Corpus Christi Crude System
- St. James Terminal



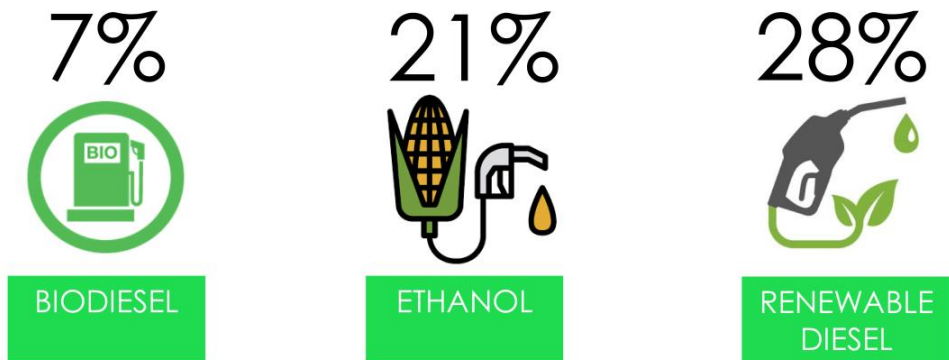


- ★ Regulatory priorities on the West Coast and in Canada continue to dramatically increase demand for renewable fuels in the region
- ★ At the same time, obtaining permits for greenfield projects is difficult, which increases the value of existing assets
- ★ Our West Coast terminals have the access and optionality to receive and distribute renewable fuels across the West Coast



Source: IHS Markit 2021

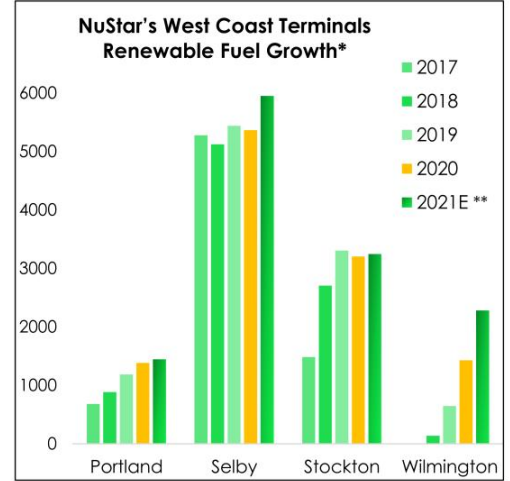
NuStar's Proportionate Share of California's Renewable Fuels Market (Second Quarter 2021 Total Volume¹)



- ★ We expect our market share to increase in 2022, along with associated EBITDA, as we complete additional projects presently in planning or under construction
 - We intend to convert remaining tankage to renewable fuels as the market demands
- ★ Our facilities are positioned to benefit from new production and conversion projects for renewable diesel, renewable jet, ethanol and other renewable fuels across the region

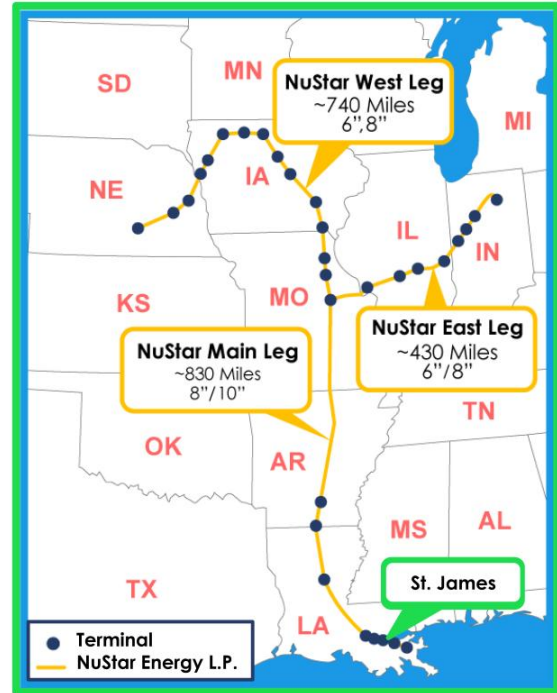
- ★ We have established ourselves as an early mover in the renewable fuels transportation market by developing and completing a number of renewable fuels projects
- ★ These projects, in partnership with our customers on the West Coast, have allowed NuStar to capture market share and build on relationships with key global producers
 - Our facilities are positioned to benefit from new production and conversion supply projects for renewable diesel, sustainable aviation fuel ("SAF"), ethanol and other renewable fuels as the renewable fuels market continues to grow

		Complete
Portland	Convert 36,000 bbls to biodiesel	✓
	Convert 57,000 bbls to renewable diesel	✓
Selby	Construct truck-loading for renewable diesel	✓
	Multimodal shipment of SAF	✓
	Convert 208,000 to SAF	✓
	Modify rail to handle renewable feedstock offloading	✓
Stockton	Convert 30,000 bbls to biodiesel	✓
	Convert 73,000 bbls to renewable diesel and expand renewable diesel handling to all 15 rail spots	✓
	Convert 151,000 bbls to renewable diesel	4Q21 Est.
	Connect to ethanol unit train offload facility	1Q22 Est.
Wilmington	Convert 160,000 bbls to renewable diesel	✓
	Reconfigure dock for enhanced marine capability	1H25 Est.



* Includes biodiesel, ethanol, renewable diesel and SAF
 ** October 2021 YTD, annualized

- ★ Our Ammonia Pipeline is the longest and only ammonia pipeline in the country, spanning over 2,000 miles and seven states, from Louisiana, north along the Mississippi to Missouri, and then northwest and east, to Nebraska and Indiana
- ★ Today, we provide the lowest-cost option for transporting imported and domestically produced ammonia to fertilize crops in our nation's "breadbasket"
- ★ We have capacity available to transport additional volumes, including "blue" or "green" ammonia
 - Currently running ~30 MBPD (~3,500 STPD¹), but have capacity close to ~50 MBPD (~5,500 STPD)



- ★ Ammonia is the basic building block for ammonium nitrate fertilizer, which releases nitrogen, an essential nutrient for growing plants
 - About 90% of the **200 million tons of ammonia** (worth about \$60 billion in the aggregate) produced each year is used for fertilizer
 - About **½ of the world's food production** relies on ammonia
- ★ Traditional fossil-fuel ammonia production is estimated to contribute about 1.6% of global GHG emissions, which has driven interest in its de-carbonization
 - "Blue" ammonia is produced with natural gas, but the associated emissions are captured and stored
 - "Green" ammonia is produced using "renewable" electricity to power an electrolyser to extract hydrogen from water and an air separation unit to extract nitrogen from air, which are then combined, through a chemical reaction powered by renewable electricity, to produce ammonia
- ★ In addition, "blue" and "green" ammonia have potential for use as **lower-carbon alternative fuels**: for engines/turbines to generate electricity, in alkaline fuel cells, as an up-to-70% blend ICE vehicles and for the maritime industry
- ★ Ammonia can also be a lower-cost option for **transporting hydrogen**, which can be used for fuel cells or other applications, but ammonia is easier to transport and store than hydrogen as it doesn't require cryogenic or high-pressure storage and can be relatively easily cracked to convert it to hydrogen



50%
of World's Food
Production Relies
on
NH₃



NH₃ Gas Turbine



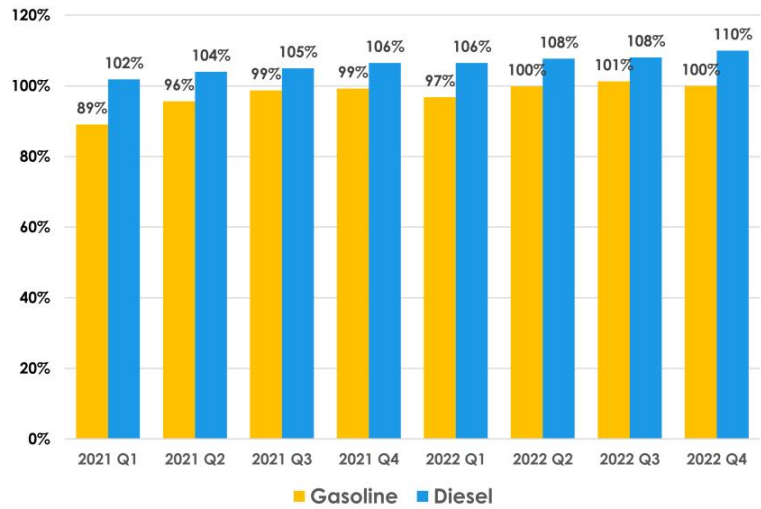
70% NH₃-fueled Car



NH₃ Fuel-cell
Ship

- ★ Gasoline demand in the United States continued to recover through the first half of 2021 and is on track to rebound to pre-Covid levels in the second half of 2022
- ★ In the first quarter of 2021, U.S. diesel demand significantly exceeded, and continues to exceed, pre-Covid demand

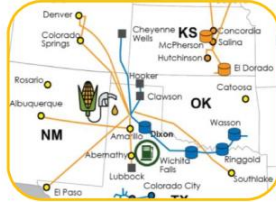
U.S. Gasoline & Diesel Demand
(as a % of Pre-Covid Demand)



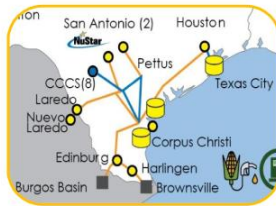
Midcontinent Systems-



- ★ CENTRAL EAST: A 2,500-mile open pipeline system with multiple delivery options
 - *East Pipeline* – This system serves important markets across the Midwest/West, with flexible refined product supply from refineries in McPherson, Kansas, El Dorado, Kansas and Ponca City, Oklahoma
 - *North Pipeline* – System flows from North Dakota to the Twin Cities, serving both rural markets and large cities with refined product supply from Mandan, North Dakota refinery



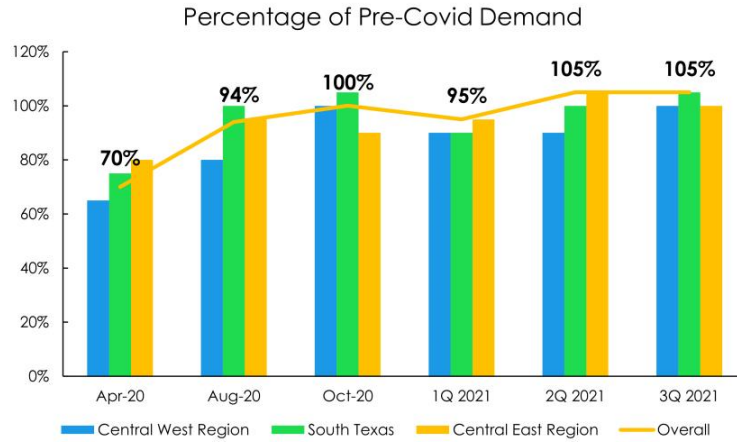
- ★ CENTRAL WEST: Comprised of over 2,200 miles of pipeline with structural exclusivity, serving markets in Texas and nearby states supplied from the McKee, Texas refinery



South Texas Systems-

- ★ Around 700 miles of pipeline with structural exclusivity, primarily serving markets in Texas and northern Mexico supplied from refineries located in Corpus Christi and Three Rivers, Texas

Total Refined Products



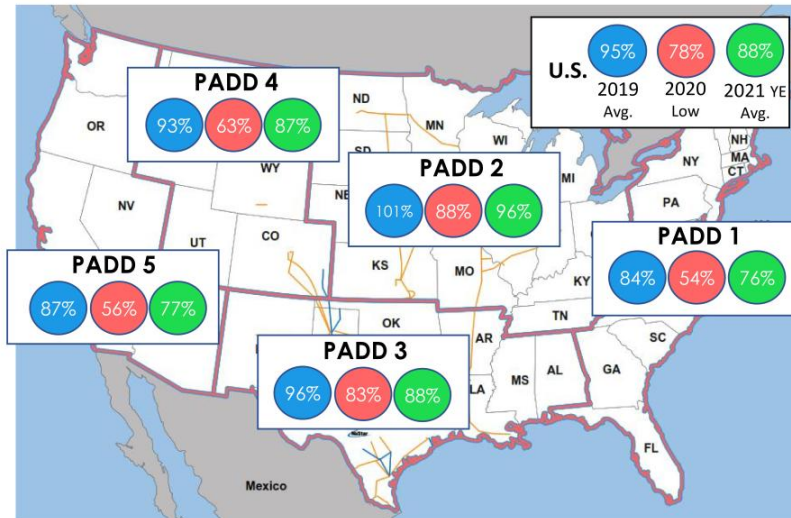
- ★ Our resilient asset base recovered quickly from April 2020's pandemic low
- ★ Our refined product throughputs are up **16%** over 3Q 2020 and up a strong **8%** over 3Q 2019
- ★ We are expecting **100%** of our late 2019/early 2020 (pre-Covid) levels for the remainder of the year

1 - Comparison of year-over-year demand; includes on-road product demand in our storage system

2 - Comparison of 2Q 2019 versus 2Q 2021 and 3Q 2019 versus 3Q 2021; includes on-road product demand in our storage system

U.S. Refinery Utilization has Risen Along With Rebounding Product Demand

U.S. Refinery Utilization (by PADD, 2019-2021)



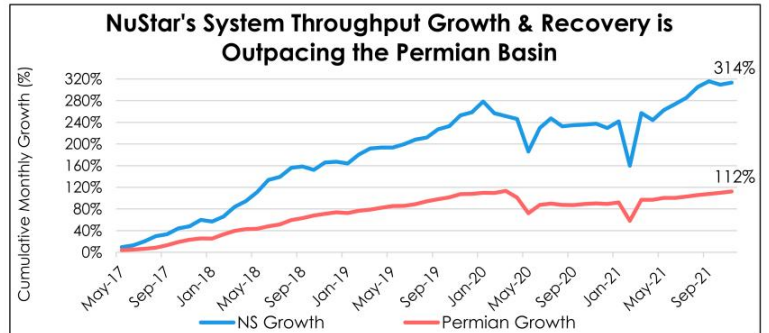
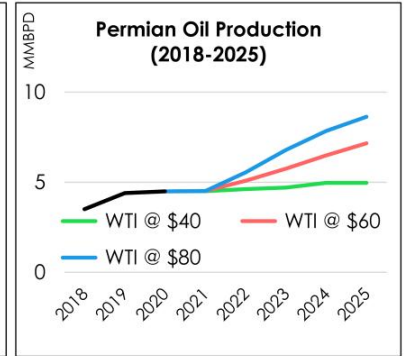
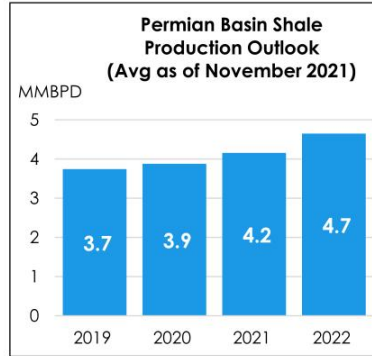
★ By the end of this year, U.S. refinery utilization is expected to reach 88%, with additional upward volumetric revisions to occur in the USGC

★ USGC refiners' location is expected to continue to provide several advantages, relative to other U.S. regions:

- Better access to lower-priced natural gas, which should mitigate seasonal volatility
- Capacity to upgrade heavy fuel oil
- Better access to export markets for refined products

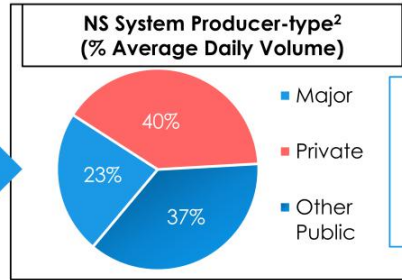
The Permian Basin is Leading U.S. Shale Rebound, With Our Permian System Continuing to Outperform

- ★ Because of its superior geology and low breakeven costs, the Permian Basin's shale production:
 - Exited 2020 at 3.9 MMBPD, representing approximately 52% of the nation's total shale output
 - Projected to exit 2021 at 4.5 MMBPD; higher than both 2019 and 2020
 - Is expected to continue its growth in 2022 to nearly 4.8 MMBPD
- ★ Our system's throughput volumes are now up 44% above Covid lows, while the rest of the Permian is up 23% from the Covid low
- ★ We expect to exit 2021 at 514 MBPD



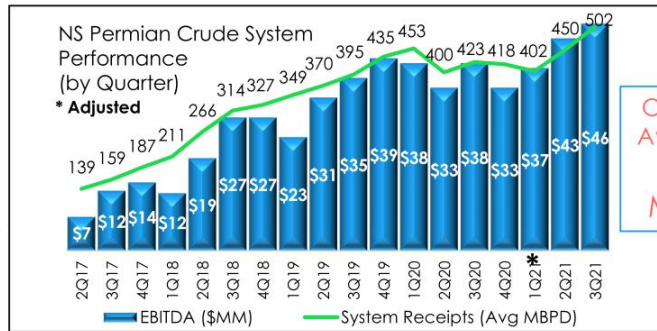
Our "Core of the Core" Location has Attracted Top-Tier Customers Whose Activity is Supporting Steady Growth

- ★ The quality of geological formations underlying our system attracts the strongest customers
 - Our creditworthy customers include majors and the most prolific E&Ps, both private and public, in the basin, as well as large independent refiners and marketers
 - ~72% of our system's revenue is generated from investment-grade (IG) rated and Non-IG BB-rated entities¹



Producer Average Cost of Debt, Weighted by Acreage: **4.3%**³

- ★ We averaged 502 MBPD in 3Q21 (our best quarter since we acquired the system in 2017) and expect to exit 2021 at 514 MBPD
- ★ Our producers have averaged around 20 rigs throughout 2021 and have around 20% of the total Permian drilled-uncompleted (DUCs) wells on the system, which provide an important platform for growth



October Average: **512 MBPD**

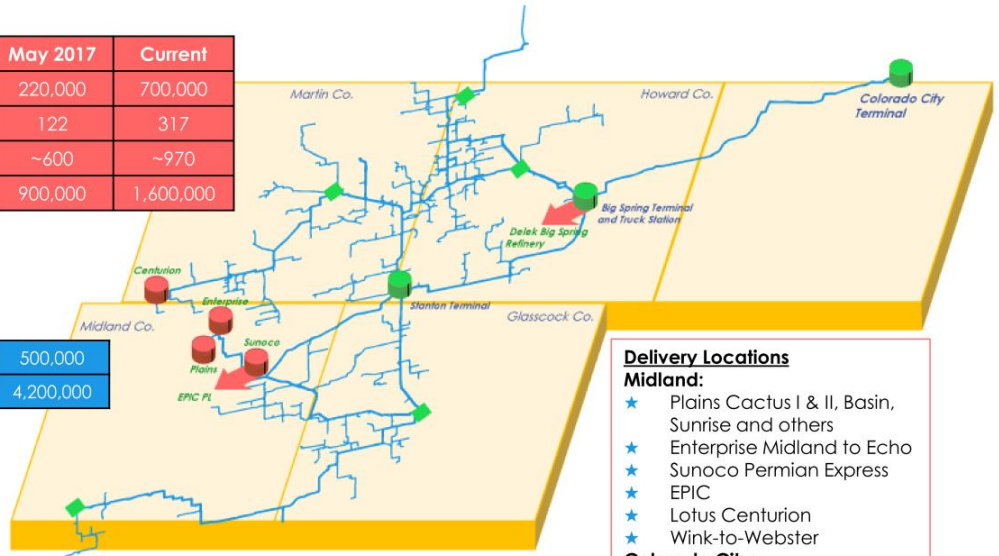
Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures

1 – September 30, 2021 YTD
2 – September 30, 2021 MTD

3 – As of December 1, 2021

	May 2017	Current
System Capacity	220,000	700,000
Receipt Points	122	317
Pipeline Miles	~600	~970
Storage (bbls)	900,000	1,600,000

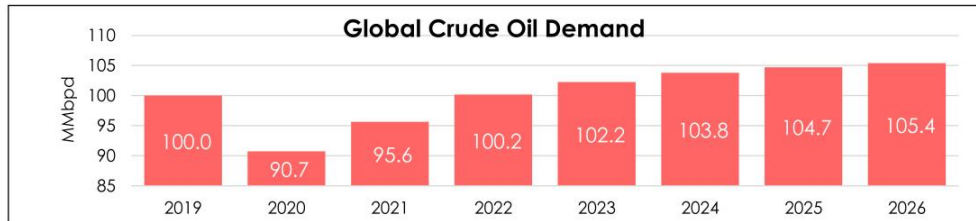
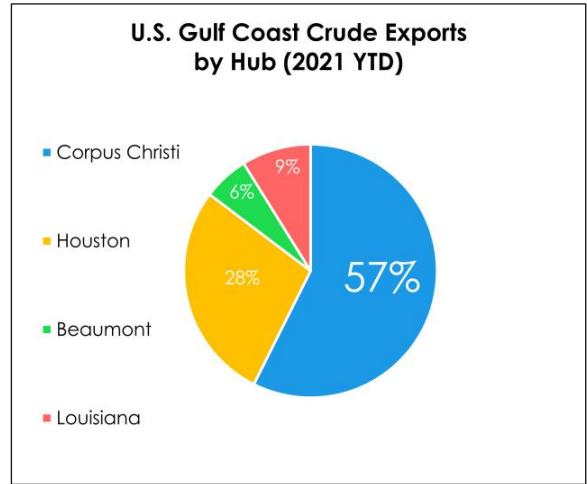
Dedicated Acres	500,000
AMI	4,200,000



- Third-Party Connections
- NuStar Terminals
- NuStar Truck Unloading Facilities

- Delivery Locations**
- Midland:**
- ★ Plains Cactus I & II, Basin, Sunrise and others
 - ★ Enterprise Midland to Echo
 - ★ Sunoco Permian Express
 - ★ EPIC
 - ★ Lotus Centurion
 - ★ Wink-to-Webster
- Colorado City:**
- ★ Sunoco WTG, Permian Express
 - ★ Bridgetex
 - ★ Plains Basin
 - ★ Sunrise II
- Other:**
- ★ Delek Big Spring Refinery

- ★ Corpus Christi's share of Gulf Coast crude exports remained steady in 2020 and throughout 2021
 - Corpus Christi continues to be the U.S. premier crude exporter, currently capturing 57% of the USGC export volumes
- ★ Global economic forecasts, taking into consideration higher energy prices, tight supply and the Omnicron variant, project U.S. crude export returning to pre-pandemic levels in the second half of 2022
- ★ The Port of Corpus Christi's expansion project, along with the resilience and strength of Permian Basin production growth and recovering global crude demand, is expected to solidify Corpus Christi's position as the U.S.'s primary crude oil export hub in 2022 and beyond



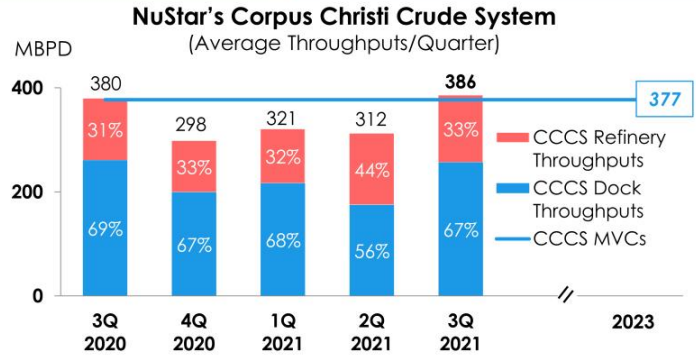


Our Corpus Christi Crude System's MVCs- for Export and Local Refinery Supply- Provide Strength & Stability

- ★ The heart of our Corpus Christi Crude System is our North Beach Terminal, which receives barrels from our South Texas Crude Oil Pipeline System, our 12" Three Rivers Supply Pipeline and our 30" pipeline from Taft, as well as from third-party pipeline connections

<i>In-bound Capacity</i>	<i>Storage Capacity</i>	<i>Out-bound Capacity</i>
TOTAL: 1.2MMBPD • South Texas Crude System 16" Pipeline - 240MBPD • Taft 30"- 720MBPD and expandable • Harvest 16" Pipeline - 240MBPD	TOTAL: 3.9MMbbl • <u>Potential expansion</u> 0.4MMbbl	TOTAL: 1.2MMBPD • EXPORT DOCKS- 750MBPD to 1.0MMBPD • REFINERY SUPPLY- 220MBPD

- ★ Unlike most other midstream operators in the Port of Corpus Christi, NuStar provides unparalleled optionality for marine exports and extensive connectivity to local refineries
- ★ U.S. shale production growth and improving global demand will drive the recovery and growth in our CCCS volumes



Pipeline



Connections:

- ✓ 48" LOCAP – 2.0MMBPD
- ✓ 40" Capline Reversal (1Q 2022) – 102MBPD
- ✓ 24" Bayou Bridge – 456MBPD
- ✓ 20" Ship Shoal – 360MBPD
- ✓ 18" Zydco – 360MBPD
- ✓ 16" Crimson Bonefish – 108MBPD
- ✓ 30" Marathon Garyville – 530MBPD
- ✓ 24" Maurepas Pipeline – 380MBPD
- ✓ 24" XOM Baton Rouge – 350MBPD
- ✓ 16" XOM North Line – 150MBPD

- In 2019, Bayou Bridge began bringing WTI light, Bakken and Canadian barrels
- In January 2022, Capline owners plan to reverse its service to bring heavy Canadian crude for use in regional refineries and export

Marine



Three Docks:

- ✓ Dock 1 – inland barge dock (bi-directional)
- ✓ Dock 2 – ship dock (bi-directional) Aframax capable
- ✓ Dock 5 – ship dock (receipt only) Light-Loaded Suezmax capable

- Growth in global demand and North American crude production will drive increased export opportunities
- We expect to be able to expand to 34MBPH with modest capital spend and our current loading capacity is 20MBPH

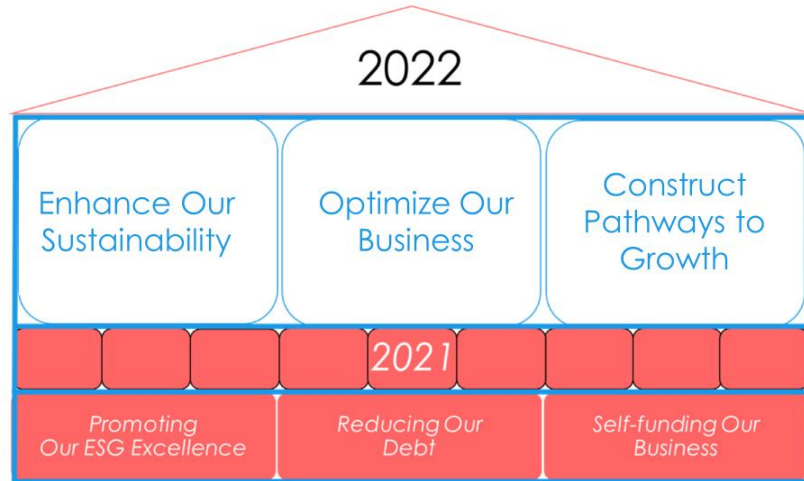
Rail



Two Unit Train Facilities:

- ✓ 240 unloading spots with track to store four additional unit trains
- ✓ Capable of unloading light, sweet crude oil at 18MBPH and heavy diluted crude oil at 8MBPH
- ✓ Strong customer interest in developing steam to facilitate unloading different grades of oil

- We have customer commitments for 30MBPD through April 2022, and we are currently negotiating renewals that include unit train optionality



- ★ Recognizing the increasing constraints, as well as the inherent opportunities, presented by the energy transition, we will plan to build on the strong, resilient foundation we have continued to build in 2021:
 - Measure and reduce GHG emissions, continue to enhance our [sustainability](#) and inform our stakeholders,
 - [Optimize](#) across our business to maximize our financial independence, and
 - Build resilience through innovative [growth](#) opportunities across our footprint



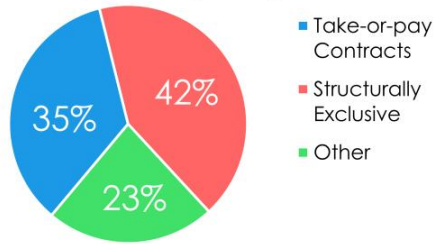
APPENDIX

- Common Unit Price⁽¹⁾: \$14.34
- Distribution/CU/Year: \$1.60
- Yield⁽¹⁾: 11.2%
- Market Cap⁽¹⁾: ~\$1.5 billion
- Credit Ratings:
 - Moody's: Ba3 (Stable)
 - S&P: BB- (Stable)
 - Fitch: BB- (Stable)
- Enterprise Value⁽¹⁾: ~\$6.5 billion
- Total Assets: ~\$5.5 billion
- Pipeline Miles: ~10,000
- Pipeline Volumes⁽²⁾: 2.0MMBPD
- Storage Capacity: ~57MMB
- Storage Throughput Volumes⁽²⁾: 462MBPD

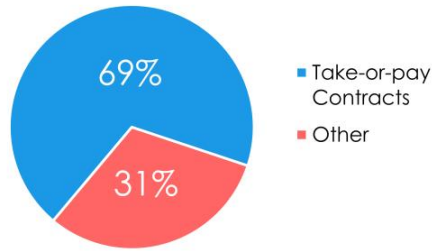


1. As of December 3, 2021
 2. Average daily volume for the quarter ended September 30, 2021

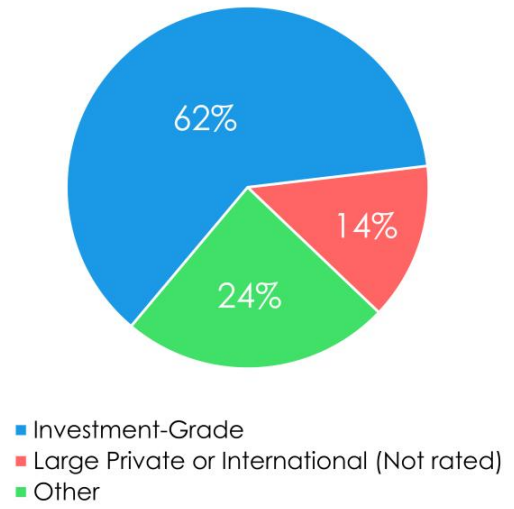
Pipeline Segment Contracted¹ Revenues (% 2021 Projections)



Storage Segment Contracted Revenues (% 2021 Projections²)

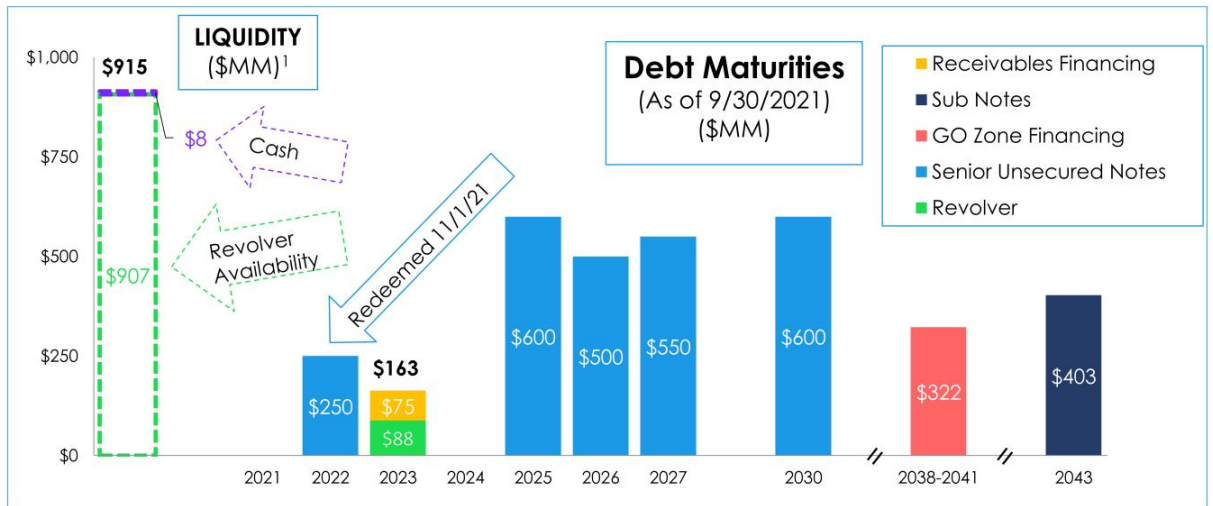


NuStar Investment-Grade (IG) Customers (% Pipeline/Storage 2021 Expected Revenues)



¹ - committed through take or pay contracts or through structural exclusivity (uncommitted lines serving refinery customers with no competition)

- ★ In March 2020, we extended our revolver term through October 2023
- ★ In September 2020, we issued two \$600 million tranches of five-year and 10-year senior unsecured notes maturing in 2025 and 2030
 - We utilized the proceeds to repay our debt
- ★ We utilized cash flows and our revolver to pay-off our February 2021 bond maturities, and we utilized proceeds from the sale of the Eastern U.S. Terminals to pay-off our February 2022 bond maturities in November of this year



1 - Liquidity as of September 30, 2021



Capital Structure as of September 30, 2021 (\$ in Millions)

\$1.0B Credit Facility	\$ 88	Common Equity and AOCI	\$229
NuStar Logistics Notes (4.75%) ¹	250	Series A, B and C Preferred Units	\$756
NuStar Logistics Notes (5.625%)	550	Series D Preferred Units	\$612
NuStar Logistics Notes (5.75%)	600	Total Equity²	1,597
NuStar Logistics Notes (6.00%)	500	Total Capitalization	<u>\$4,998</u>
NuStar Logistics Notes (6.375%)	600		
NuStar Logistics Sub Notes	403		
GO Zone Bonds	322		
Receivables Financing	75		
Finance Lease Liability	52		
Other	<u>(39)</u>		
Total Debt	\$3,401		

★ **As of September 30, 2021:**

- Credit facility availability ~\$907MM
- Debt-to-EBITDA ratio³ 4.10x

¹ - On November 1, 2021, we redeemed \$250 million of 4.75% senior notes due February 1, 2022

² - Total Equity includes Partners' and Mezzanine Equity (Series D Preferred Units)

³ - Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures



Reconciliation of Non-GAAP Financial Information

NuStar Energy L.P. utilizes financial measures, such as earnings before interest, taxes, depreciation and amortization (EBITDA), distributable cash flow (DCF) and distribution coverage ratio, which are not defined in U.S. generally accepted accounting principles (GAAP). Management believes these financial measures provide useful information to investors and other external users of our financial information because (i) they provide additional information about the operating performance of the partnership's assets and the cash the business is generating, (ii) investors and other external users of our financial statements benefit from having access to the same financial measures being utilized by management and our board of directors when making financial, operational, compensation and planning decisions and (iii) they highlight the impact of significant transactions. We may also adjust these measures and/or calculate them based on continuing operations, to enhance the comparability of our performance across periods.

Our board of directors and management use EBITDA and/or DCF when assessing the following: (i) the performance of our assets, (ii) the viability of potential projects, (iii) our ability to fund distributions, (iv) our ability to fund capital expenditures and (v) our ability to service debt. In addition, our board of directors uses EBITDA, DCF and a distribution coverage ratio, which is calculated based on DCF, as some of the factors in its compensation determinations. DCF is used by the master limited partnership (MLP) investment community to compare partnership performance. DCF is used by the MLP investment community, in part, because the value of a partnership unit is partially based on its yield, and its yield is based on the cash distributions a partnership can pay its unitholders.

None of these financial measures are presented as an alternative to net income, or for any periods presented reflecting discontinued operations, income from continuing operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP.

Included in the tables below are the following items: In the the third quarter of 2021, we recorded a non-cash asset impairment loss of \$95.7 million and a non-cash goodwill impairment loss of \$34.1 million associated with our Eastern U.S. Terminal Operations, which were sold in October 2021 and classified as held for sale as of September 30, 2021, a non-cash asset impairment loss of \$59.2 million related to our Houston pipeline and a gain from insurance recoveries of \$9.4 million related to damage caused by a fire in 2019 at our Selby terminal. In the third quarter of 2020, we recognized a loss on extinguishment of debt of \$137.9 million related to the repayment of our \$750.0 million unsecured term loan credit agreement on September 16, 2020. In the first quarter of 2020, we recorded a non-cash goodwill impairment loss of \$225.0 million related to our crude oil pipelines reporting unit, which includes \$126.0 million related to our Permian Crude System.



Reconciliation of Non-GAAP Financial Information (continued)

The following is a reconciliation of operating (loss) income to EBITDA and adjusted EBITDA for the Permian Crude System (in thousands of dollars):

	Three Months Ended									
	June 30, 2017	Sept. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	
Operating (loss) income	\$ (3,424)	\$ 1,050	\$ 650	\$ (1,847)	\$ 3,605	\$ 11,546	\$ 10,878	\$ 5,358	\$ 13,543	
Depreciation and amortization expense	10,227	11,005	13,165	13,477	15,059	15,235	16,589	17,647	17,182	
EBITDA	6,803	12,055	13,815	11,630	18,664	26,781	27,467	23,005	30,725	
Goodwill impairment loss	—	—	—	—	—	—	—	—	—	
Adjusted EBITDA	\$ 6,803	\$ 12,055	\$ 13,815	\$ 11,630	\$ 18,664	\$ 26,781	\$ 27,467	\$ 23,005	\$ 30,725	

	Three Months Ended									
	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	June 30, 2021	Sept. 30, 2021	
Operating income (loss)	\$ 17,280	\$ 21,132	\$ (106,476)	\$ 14,481	\$ 17,627	\$ 13,523	\$ 16,912	\$ 22,767	\$ 25,515	
Depreciation and amortization expense	18,114	18,154	18,606	18,928	20,115	19,579	19,694	19,843	20,035	
EBITDA	35,394	39,286	(87,870)	33,409	37,742	33,102	36,606	42,610	45,550	
Goodwill impairment loss	—	—	126,000	—	—	—	—	—	—	
Adjusted EBITDA	\$ 35,394	\$ 39,286	\$ 38,130	\$ 33,409	\$ 37,742	\$ 33,102	\$ 36,606	\$ 42,610	\$ 45,550	

The following are reconciliations of net loss to adjusted net income (in thousands of dollars):

	Three Months Ended September 30,	
	2021	2020
Net loss	\$ (124,933)	\$ (96,640)
Asset impairment losses	154,908	—
Goodwill impairment loss	34,060	—
Gain from insurance recoveries	(9,372)	—
Loss on extinguishment of debt	—	137,904
Other	—	3,963
Adjusted net income	\$ 54,663	\$ 45,227



Reconciliation of Non-GAAP Financial Information (continued)

The following is a reconciliation of net loss to EBITDA, DCF and adjusted DCF (in thousands of dollars):

	Three Months Ended September 30,	
	2021	2020
Net loss	\$ (124,933)	\$ (96,640)
Interest expense, net	53,513	64,165
Income tax expense (benefit)	685	(1,783)
Depreciation and amortization expense	68,007	72,585
EBITDA	(2,728)	38,327
Interest expense, net	(53,513)	(64,165)
Reliability capital expenditures	(10,806)	(7,279)
Income tax (expense) benefit	(685)	1,783
Long-term incentive equity awards (a)	2,730	2,416
Preferred unit distributions	(31,889)	(31,888)
Asset Impairment losses	154,908	—
Goodwill impairment loss	34,060	—
Other items	(10)	6,856
DCF	92,067	(53,950)
Loss on extinguishment of debt	—	137,904
Adjusted DCF	<u>\$ 92,067</u>	<u>\$ 83,954</u>

(a) We intend to satisfy the vestings of these equity-based awards with the issuance of our common units. As such, the expenses related to these awards are considered non-cash and added back to DCF. Certain awards include distribution equivalent rights (DERs). Payments made in connection with DERs are deducted from DCF.



Reconciliation of Non-GAAP Financial Information (continued)

The following is the reconciliation for the calculation of our Consolidated Debt Coverage Ratio, as defined in our revolving credit agreement (the Revolving Credit Agreement) (in thousands of dollars, except ratio data):

	For the Four Quarters Ended September 30,		Projected for the
	2021	2020	Year Ended December 31, 2021
Operating income	\$ 239,125	\$ 228,742	\$ 225,000 - 245,000
Depreciation and amortization expense	280,233	284,846	270,000 - 278,000
Asset impairment losses	154,908	—	155,000
Goodwill impairment losses	34,060	225,000	34,000
Equity awards (a)	13,842	12,424	12,000 - 15,000
Other	5,814	12,727	(13,000) - (3,000)
Consolidated EBITDA, as defined in the Revolving Credit Agreement	<u>\$ 727,982</u>	<u>\$ 763,739</u>	<u>\$ 683,000 - 724,000</u>
Total consolidated debt	\$ 3,387,240	\$ 3,585,140	\$ 3,100,000 - 3,300,000
NuStar Logistics' floating rate subordinated notes	(402,500)	(402,500)	(402,500)
Available Cash Netting Amount, as defined in the Revolving Credit Agreement	—	(30,494)	—
Consolidated Debt, as defined in the Revolving Credit Agreement	<u>\$ 2,984,740</u>	<u>\$ 3,152,146</u>	<u>\$ 2,697,500 - 2,897,500</u>
Consolidated Debt Coverage Ratio (Consolidated Debt to Consolidated EBITDA)	4.10x	4.13x	3.95x - 4.0x

(a) This adjustment represents the non-cash expense related to the vestings of equity-based awards with the issuance of our common units.



Reconciliation of Non-GAAP Financial Information (continued)

The following is a reconciliation of net income to EBITDA, adjusted EBITDA, adjusted DCF and adjusted distribution coverage ratio (in thousands of dollars, except ratio data):

	Projected for the Year Ended December 31, 2021
Net income	\$ 23,000 - 32,000
Interest expense, net	210,000 - 220,000
Income tax expense	2,000 - 5,000
Depreciation and amortization expense	<u>270,000 - 278,000</u>
EBITDA	505,000 - 535,000
Asset impairment losses	155,000
Goodwill impairment loss	34,000
Gain from insurance recoveries	<u>(9,000)</u>
Adjusted EBITDA	685,000 - 715,000
Interest expense, net	(210,000 - 220,000)
Reliability capital expenditures	(35,000 - 45,000)
Income tax expense	(2,000 - 5,000)
Long-term incentive equity awards (a)	12,000 - 15,000
Preferred unit distributions	(125,000 - 130,000)
Other	<u>15,000 - 20,000</u>
Adjusted DCF	<u>\$ 340,000 - 350,000</u>
Distributions applicable to common limited partners	\$ 175,000 - 178,000
Adjusted distribution coverage ratio (b)	1.9x - 2.0x

(a) We intend to satisfy the vestings of these equity-based awards with the issuance of our common units. As such, the expenses related to these awards are considered non-cash and added back to DCF. Certain awards include distribution equivalent rights (DERs). Payments made in connection with DERs are deducted from DCF.

(b) Adjusted distribution coverage ratio is calculated by dividing adjusted DCF by distributions applicable to common limited partners.



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