

**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): **March 23, 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 49th Annual Scotia Howard Weil Energy Conference on Tuesday, March 23, 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.**

<b>Exhibit Number</b>	<b>EXHIBIT</b>
Exhibit 99.1	<a href="#">Slides to be used on March 23, 2021.</a>
Exhibit 104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document

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**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: March 23, 2021

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

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49<sup>th</sup> Annual  
*Scotia Howard Weil  
Energy Conference*

March 23, 2021

North Beach Comp



# Forward-Looking Statements

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 may differ. Actual results may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other financial 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 respect 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 our quarterly reports on Form 10-Q, filed with the SEC and available on NuStar's website at [www.nustarenergy.com](http://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.



# Introduction

**CRUDE OIL**





Thanks to Our Employees' Perseverance and Hard Work We Generated Solid Full-Year 2020 Results...

## 2020 Actions



Maintained Reliable Operations & Industry-leading Health & Safety Record



Reduced Expenses  
**\$52 million\***

Reduced Strategic Capital Spending  
**66%**



Reduced Debt With  
**\$106 million**  
Proceeds From Sale of Terminal

Issued \$1.2 billion of Senior Notes to Address Maturities through 2025

## 2020 Results

Adjusted EBITDA  
**\$723 MM**

**8%  
HIGHER**  
Than  
Our 2019  
Results

\*- 2020 actuals compared to pre-COVID 2020 guidance for spending/expenses

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



# ... Along With Strong Operational Performance Across Our Footprint

- ★ Our pipeline systems have rebounded strongly, and several of our terminals continue to benefit in 2021 from 2020's contango
  - Based on March 2021 MTD data, we are currently around **90%** of our early 2020 pre-covid utilization



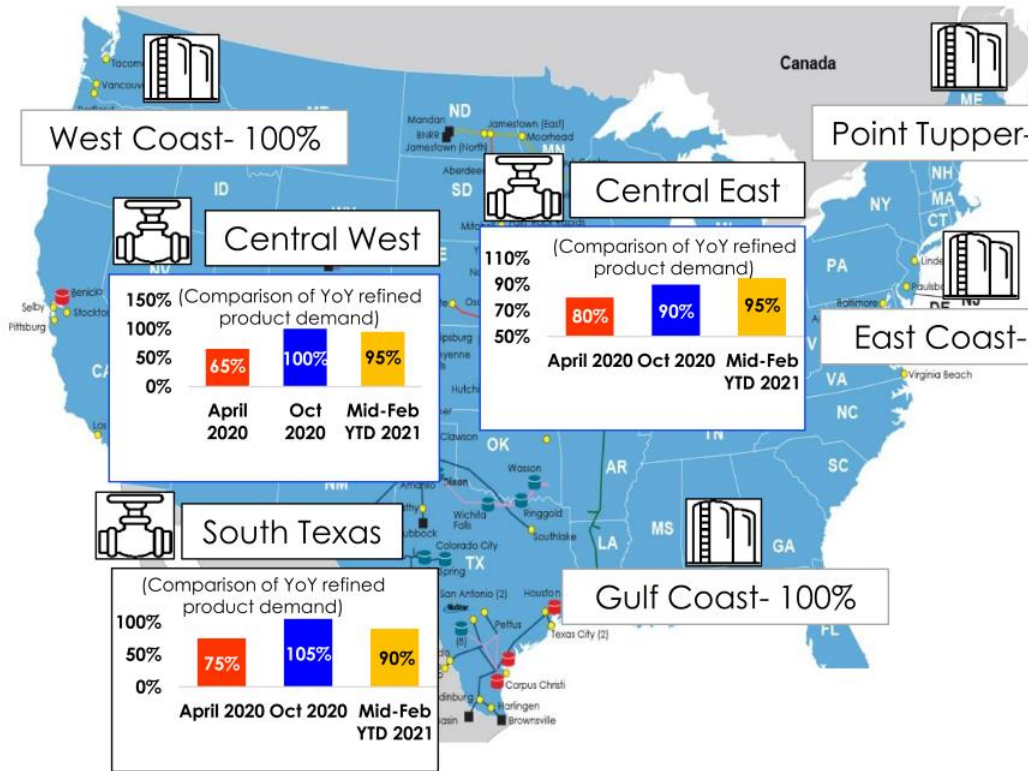
PIPELINE SEGMENT

Transported **817MM** bbls Crude + Refined Products during 2020, **6MM** more than 2019



STORAGE SEGMENT

Successfully contracted **100%** of our storage across our footprint







# NuStar is Well-positioned in 2021...

Strong Coverage



Lower Leverage



Simplified Structure/  
Governance



No IDR Burden



Maximized Self-Funding

• Common Unit Price <sup>(1)</sup> :	\$17.20
• Distribution/CU/Year:	\$1.90
• Yield <sup>(1)</sup> :	9.3%
• Market Cap <sup>(1)</sup> :	~\$1.5B
• Credit Ratings:	
➤ Moody's:	Ba3
➤ S&P:	BB-
➤ Fitch:	BB-
• Enterprise Value:	~\$1.5B
• Total Assets:	~\$1.5B
• Pipeline Miles:	~11,000
• Pipeline Volumes <sup>(2)</sup> :	1.8 Bbl/d
• Storage Capacity:	~7 Bbl/d
• Storage Throughput Volumes <sup>(2)</sup> :	4.7 Bbl/d

NYSE: NS

1. As of March 19, 2021  
2. Average daily volume for the year ended December 31, 2020



... To Continue to Demonstrate Financial Strength and Stability in 2021

2021  
Expectations

Expect to Generate  
2021 EBITDA  
Comparable to 2020  
Adjusted EBITDA\*

&

Expect to Fund All  
NuStar's 2021  
Spending From Our  
Internally Generated  
Cash Flows

\*- After taking into account EBITDA associated with the Texas City terminal, sold in December 2020



# Over the Past Year, We are Proud of the Strength of Our Support of Each Other and Our Communities



Ranked #62!

- ★ 99.9% of our U.S. employees contribute to our United Way campaign, and our average per capita contribution is one of the highest in the nation for a company our size

- ☐ NuStar's total 2020 record pledge was \$4.7 million

- ★ NuStar employees log an average of over 88,000 volunteer hours annually

- ★ NuStar was recently awarded another honor in February by Latino Magazine

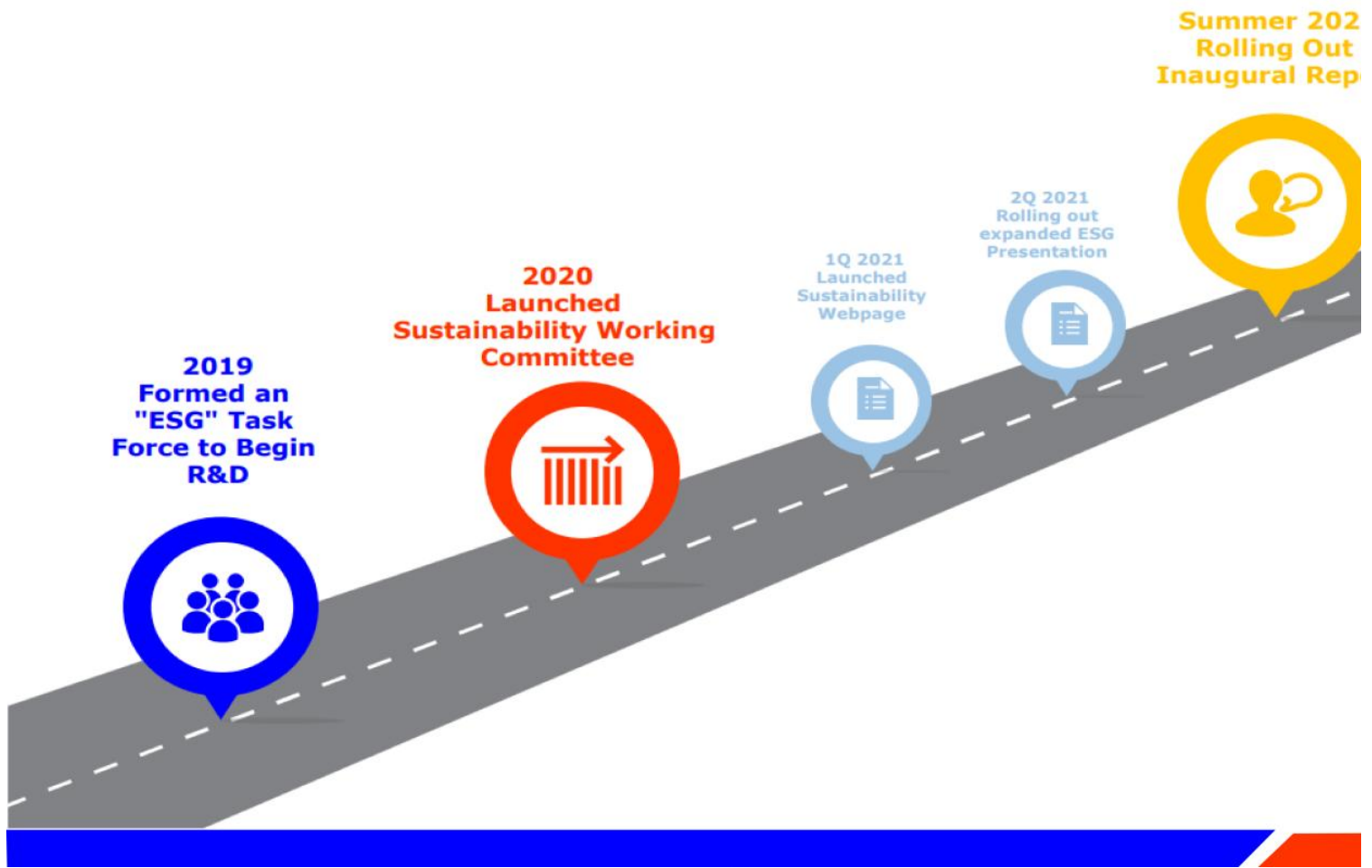


Ranked #46!





# Later This Year, We Plan to Release Our First Sustainability Report...







## ... To Provide More of the Statistics, Record and Rank That Demonstrate How Much NuStar Cares, Contributes and Shares



- ★ NuStar has been recognized for its strong corporate culture with numerous awards
  - NuStar has been recognized 11 times in Fortune's Annual "100 Best Companies to Work For" list
- ★ NuStar employees contribute an average of over 88,000 volunteer hours annually
  - NuStar maintains local volunteer councils in each community in which we operate to contribute to the charitable and civic causes unique to that local community
- ★ Since 2007, NuStar's employees have hosted a golf tournament to support Haven for Hope, a transformational campus in San Antonio that addresses homelessness
  - The tournament has generated an aggregate of nearly \$ million for Haven for Hope

201  
RECOGNIZED  
COMPANIES  
THAT CARE  
RANKED  
#1







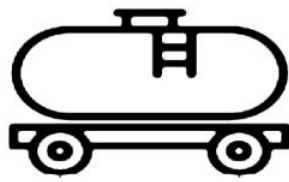
We are Proud That Pipelines Provide the Most Efficient and Safest Way to Transport the Energy That Powers Everyday Life...

Transporting the Volume NuStar Moves in ONE DAY Would Require:

11,000 Trucks



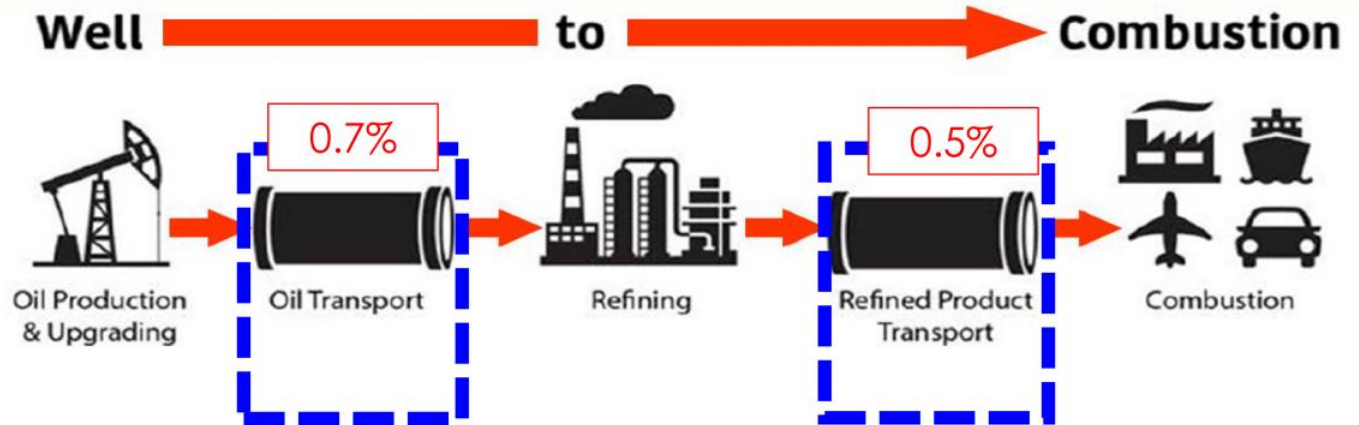
37 Unit Trains



Pipelines are the Safest Mode of Energy Transportation:

- Rail is over 4.5 times more likely than pipelines to experience an incident
- Trucks are 6 times more likely than pipelines to experience a fatality

### Pipelines' Proportion of Emissions

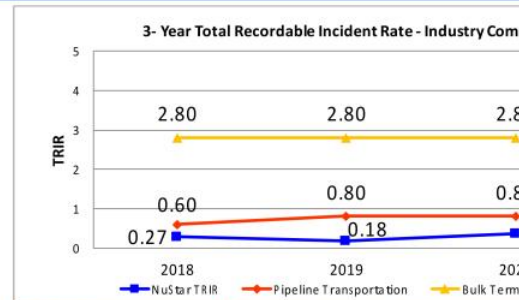


Sources: ARC Energy Research Institute, using input data from the U.S. Department of Energy National Energy Technology Laboratory to define the U.S. Refined Average \*U.S. Refined Average (2014); Student Research Associate, Strata



# .... Of How Well NuStar Protects Our Employees, the Environment and Our Communities Across Our Footprint...

- ★ Our safety statistics reflect our commitment to safe, responsible operations
  - ☐ In 2020, as in years past, we performed substantially better than our peers
    - Over 7.5 times better than the Bureau of Labor Statistics (BLS) comparison data for the Bulk Terminals Industry
    - And 2 times better than the BLS data for the Pipeline Transportation Industry
- ★ NuStar has received the International Liquids Terminals Association's (ILTA) Safety Excellence Award 10 times
  - ☐ ILTA reviews its members' safety reports filed with OSHA, and recognizes member companies that achieve exemplary safety statistics with an award
- ★ We participate in the OSHA Voluntary Protection Program (VPP), which promotes effective worksite safety and health
  - ☐ Achieving VPP *Star Status* requires rigorous OSHA review and audit, and *Star Status* requires renewal every three years
  - ☐ 85% of our eligible U.S. terminals are VPP-certified



1 – Industry averages derived from 2018-2019 Bureau of Labor Statistics (BLS) Data. 2019 averages carried forward to 2020 for illustration purposes.



# ... And the Alignment of NuStar's Governance With Our Unitholders' Interests

No IDRs

Annual Unitholder Meetings

NS Board of Directors

*100% Attendance for 2020 Board & Committee Meeting*

78% Independent Directors

11% Women

Audit Committee

Nominating,  
Governance &  
Conflicts Committee

Compensation  
Committee

NS Management

*Majority of Executive Officers' Compensation Tied to Performance and Unit Returns*

Sustainability  
Committee

Governance, Ethics  
& Compliance  
Committee

Cyber Risk  
Governance  
Committee

Financial  
Reporting &  
Disclosure  
Committee





## We Are Focused on Our Strategic Priorities for 2021



Working to  
Fund  
Spending  
From Internally  
Generated  
Cash Flows



Continuing to  
Take Steps to  
Improve Our  
Debt Metrics

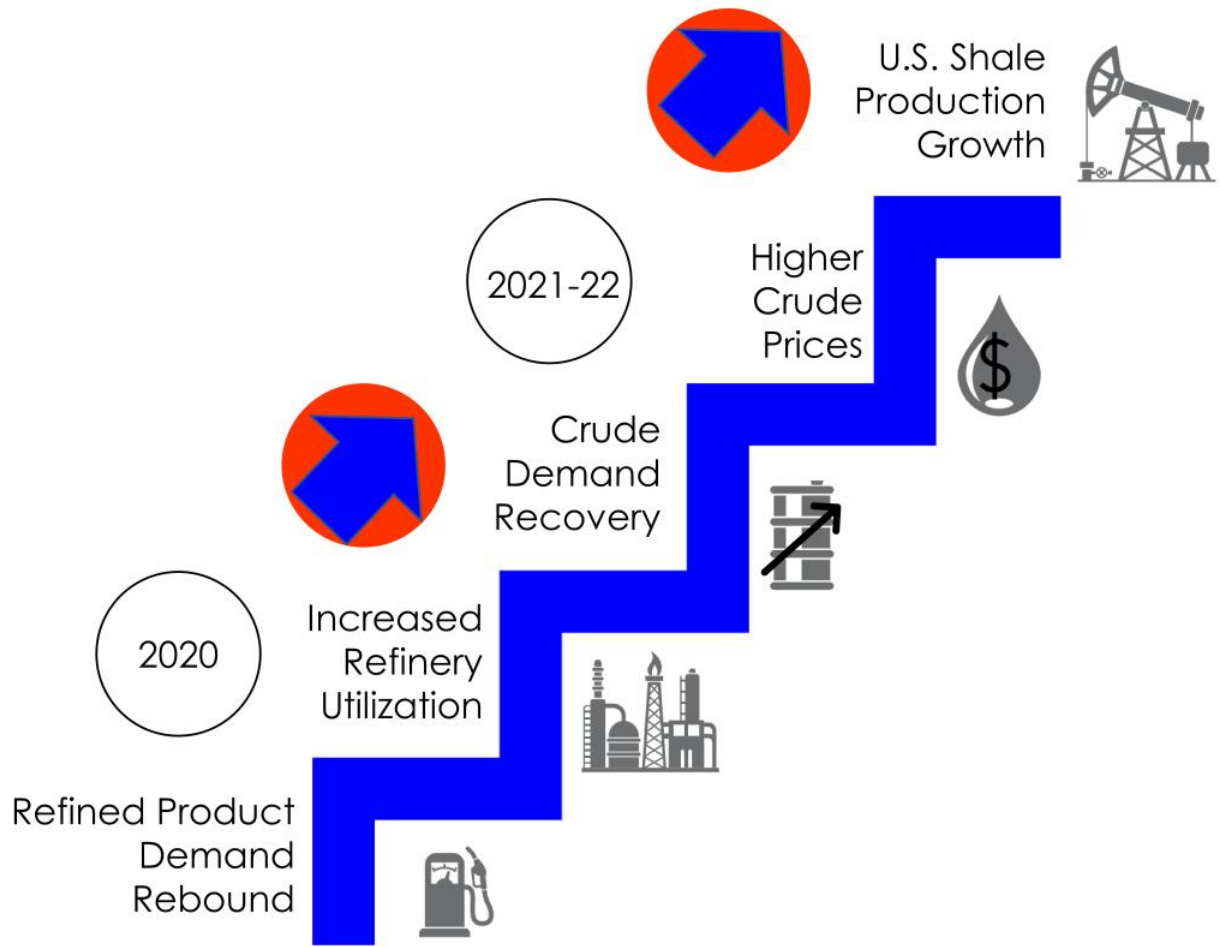


Promoting  
NuStar's  
ESG  
Excellence





# We Remain Confident That Product Demand Rebound is the First Step on the Road Back to Shale Production Growth in 2021-2022



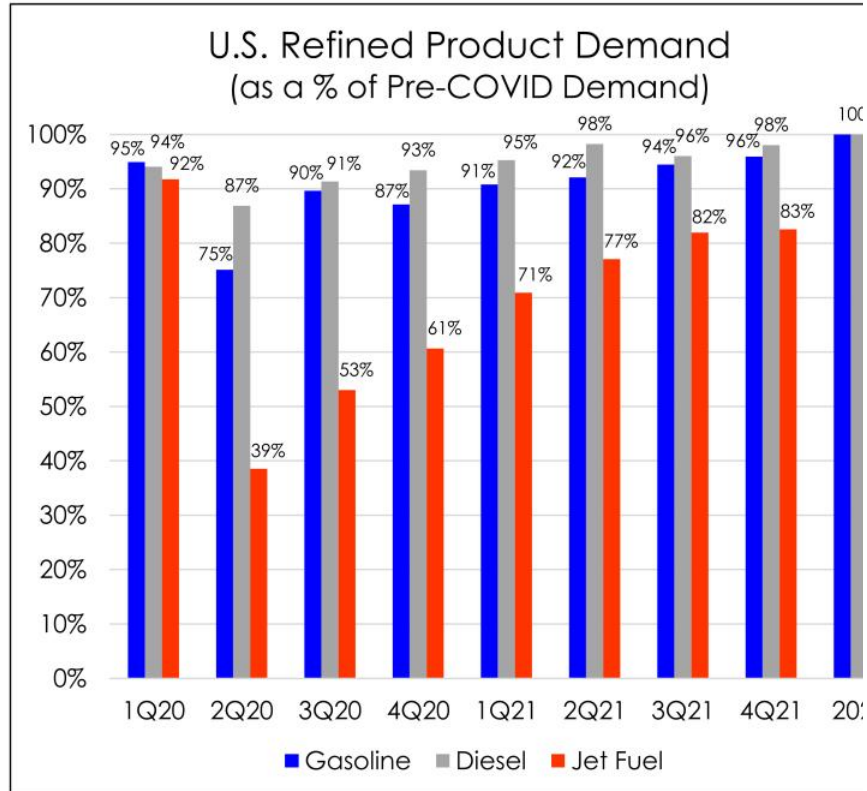




# Overall Gasoline and Diesel Demand in the United States is Expected to Rebound up to 95% of Pre-COVID Levels in 2Q 2021...

★ In the second quarter of 2020, U.S. refined products demand dropped by 21% compared to January 2020, but by 2022, gasoline and diesel demand are expected to recover to pre-COVID demand levels

- The recovery of jet fuel demand is expected to lag behind gasoline and diesel demand, as the airline industry continues to experience low flight demand due to COVID concerns

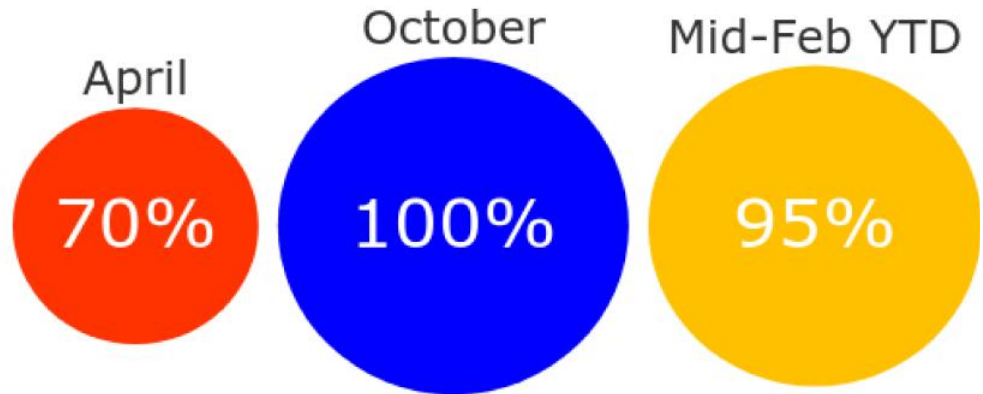


Source: EIA



... While the Refined Products Markets that NuStar's Assets Serve Have Continued to Demonstrate Remarkable Resilience

# Total Refined Products:



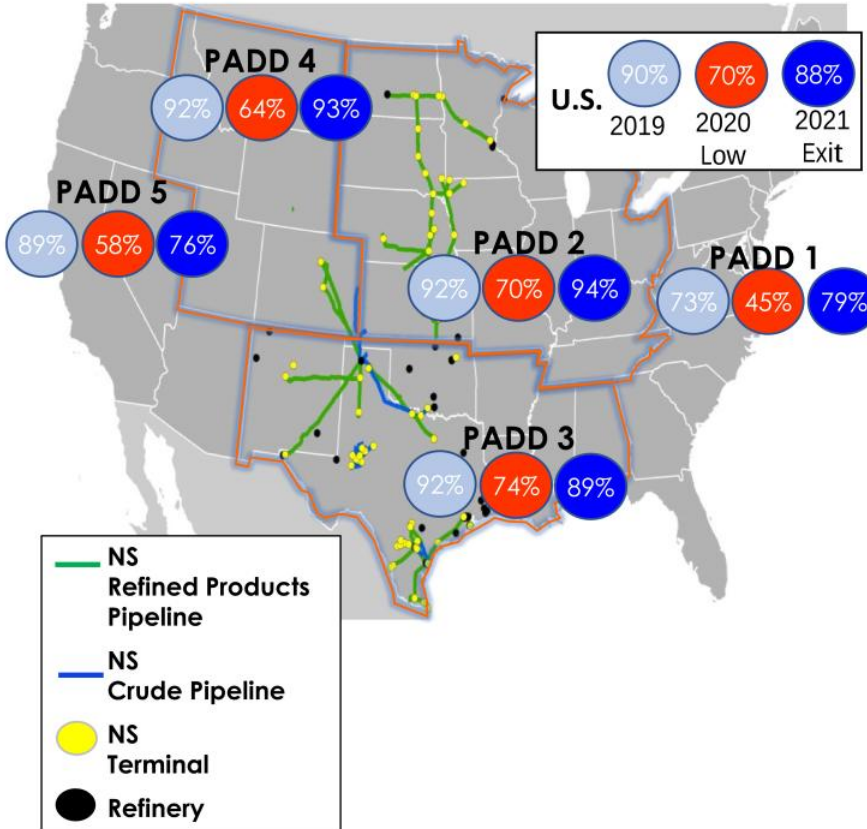
★ Based on March 2021 MTD data, we are currently around 90% of early 2020 pre-covid lev

1 - Comparison of year-over-year demand



# Refinery Utilization Across the United States Continues to Recover, Led Largely by Refiners in PADD 2 and PADD 3 Which NuStar's Pipeline Systems Serve...

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



Source: ESI

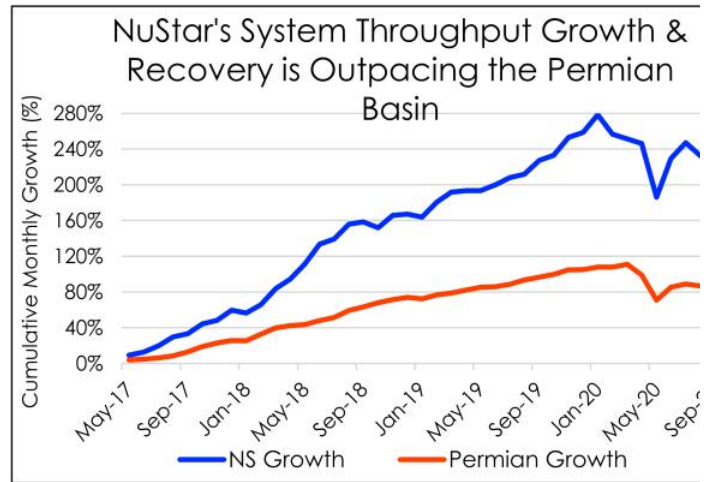
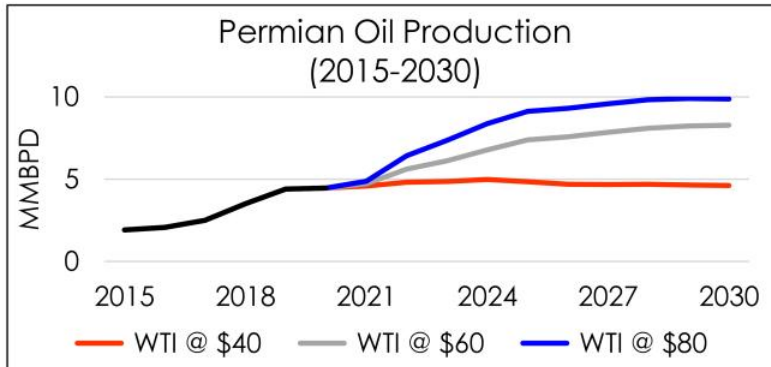
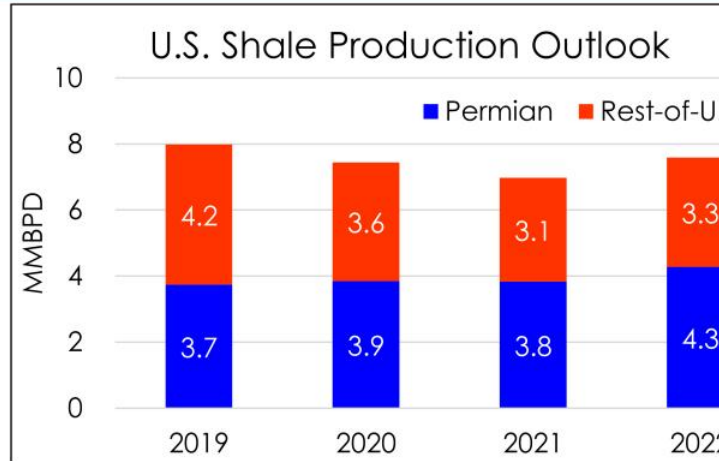
- ★ Nearly all of NuStar's pipeline assets are located in PADD 2 and 3, where refinery utilization is high. PADD 2 and 3 did not suffer the same degree of deterioration experienced by East and West Coast refineries in 2020.
- ★ Refinery utilization in PADD 2 and 3 is forecasted to recover leading ahead of the rest of the U.S.
  - PADD 2 refineries benefit from lower supply costs with access to nearby Canadian crudes as well as abundant U.S. shale production
  - Complex Gulf Coast refineries can process low-cost heavy crudes and maximize production of high-margin products





# The Permian Basin- the World's Largest, Most Resilient Shale is Expected to Resume Growth in 2022, and Our System has Already Rebounded Ahead of the Rest of the Permian Basin

- ★ Because of its superior geology and breakeven costs, the Permian Basin's production:
  - Exited 2020 at 3.9 MMBPD, approximately 52% of the nation's total shale output
  - Is expected to return to growth in 2022
- ★ Our system's throughput volumes are now up 15% above May 2020 lows, while the rest of the Permian is up 11% from the May 2020 low
- ★ We averaged 418MBPD in the fourth quarter of 2020



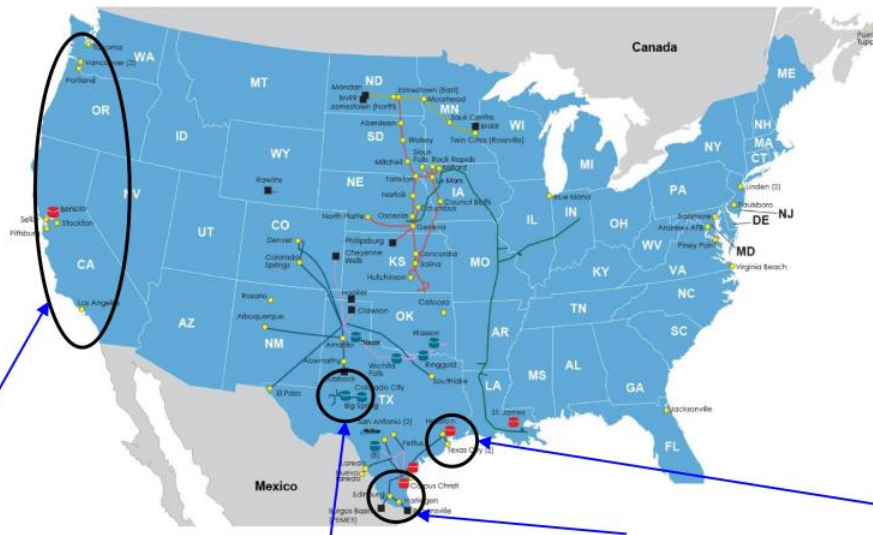
Source: EIA Drilling Productivity Report (February 2021), Rystad, ESAI



# Our Trimmed-Down Strategic Spending Program for 2020 and 2021 Focuses on Low-multiple Projects to Enhance Our Existing Footprint

- ★ We finished 2020 having spent **66% less** on capital projects than we did in 2019
- ★ We continue to exercise strict capital discipline and execute on low-multiple projects that enhance our existing footprint and improve our metrics

**Total  
2020  
Strategic  
Spending:**  
\$  
**160MM**



**Total Estimated  
2021  
Strategic  
Spending:**  
\$  
**140-170MM**

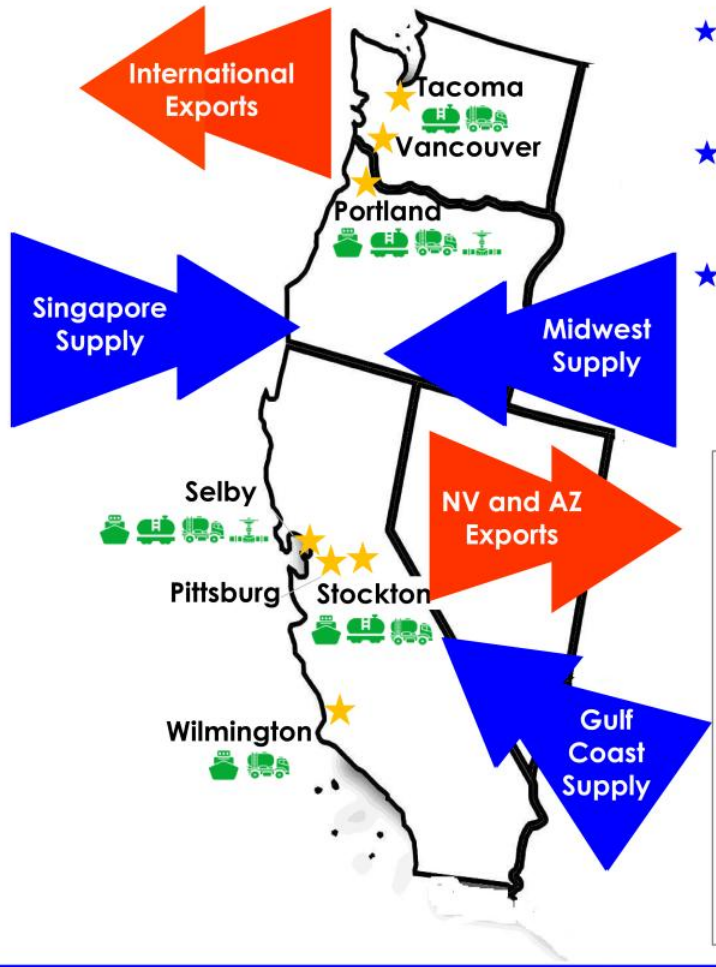
<p><b><u>West Coast Renewable Fuels Storage</u></b> ~\$15MM in 2020 (~\$50MM in 2021)</p>	<p><b><u>Permian Crude Pipeline System</u></b> ~\$60MM in 2020 (~\$50MM in 2021)</p>	<p><b><u>N. Mexico Refined Products Supply</u></b> ~\$10MM in 2020</p>	<p><b><u>Gulf Coast S and Exp</u></b> ~\$10MM in</p>
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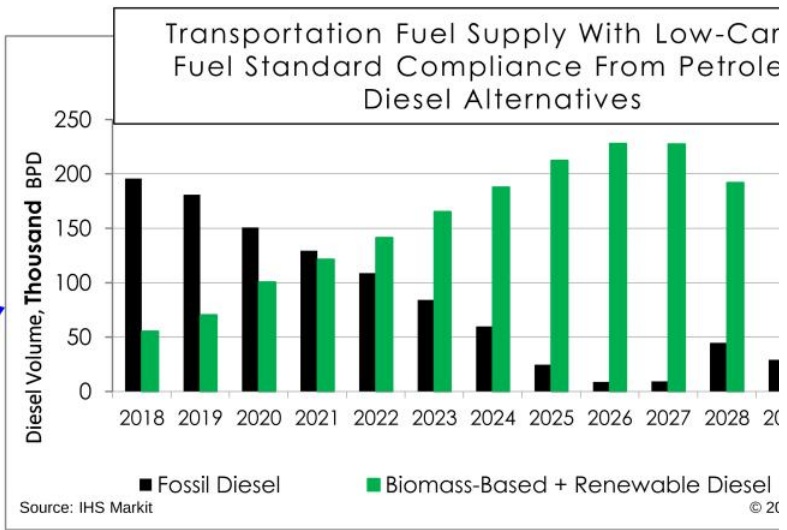


## WEST COAST RENEWABLE FUELS STORAGE

Aggressive West Coast Carbon Emissions Reduction Goals Contribute to Generate Growing Demand and Dislocations That Require Midstream Solutions



- ★ Regulatory priorities on the West Coast are dramatically increasing demand for renewable in the region
- ★ At the same time, obtaining permits for greenfield projects in the region is difficult, which increases value of existing assets
- ★ Our terminals have the access to facilities needed to receive bio-fuels from outside the region and provide a base for distribution of renewable fuel across the West Coast



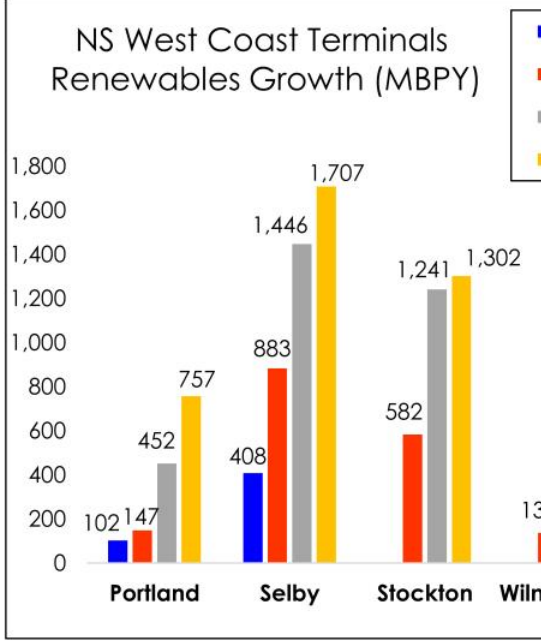


## WEST COAST RENEWABLE FUELS STORAGE

NuStar has Partnered With Key Customers to Develop Renewable Fuels Storage Projects at Several of Our West Coast Facilities

- ★ 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 renewable jet, ethanol and other renewable fuels as the renewable fuels market continues to grow

		Complete
Portland	Convert 36,000 bbls to <b>biodiesel</b>	✓
	Convert 57,000 bbls to <b>renewable diesel</b>	✓
Selby	Construct truck-loading for <b>renewable diesel</b>	✓
	Construct truck-loading for <b>renewable jet fuel</b>	✓
	Convert 208,000 bbls to <b>renewable jet fuel</b>	✓
	Modify rail to handle <b>renewable feedstock</b> offloading	
Stockton	Convert 30,000 bbls to <b>biodiesel</b>	✓
	Convert 73,000 bbls to <b>renewable diesel</b> and expand <b>renewable diesel</b> handling to all 15 rail spots	
	Convert 151,000 bbls to <b>renewable diesel</b>	
	Connect to railcar <b>ethanol</b> offload facility	
Wilmington	Convert 160,000 bbls to <b>renewable diesel</b>	✓
	Reconfigure dock for enhanced marine capability	





## WEST COAST RENEWABLE FUELS STORAGE

We Handle and Store a Significant Proportion of the Total Low Carbon Fuels Volumes Utilized in California, the Largest Driving State in the Nation

### NuStar's Proportionate Share of California's Renewable Fuels Market (By 2020 Volume through 3Q 2020<sup>1</sup>)

6%



BIODIESEL

18%



ETHANOL

27%



RENEWABLE DIESEL

- ★ We expect these percentages to increase through 2023, along with associated EBITDA, as we complete additional projects presently in planning or under construction

1 – Most recent available data

Source



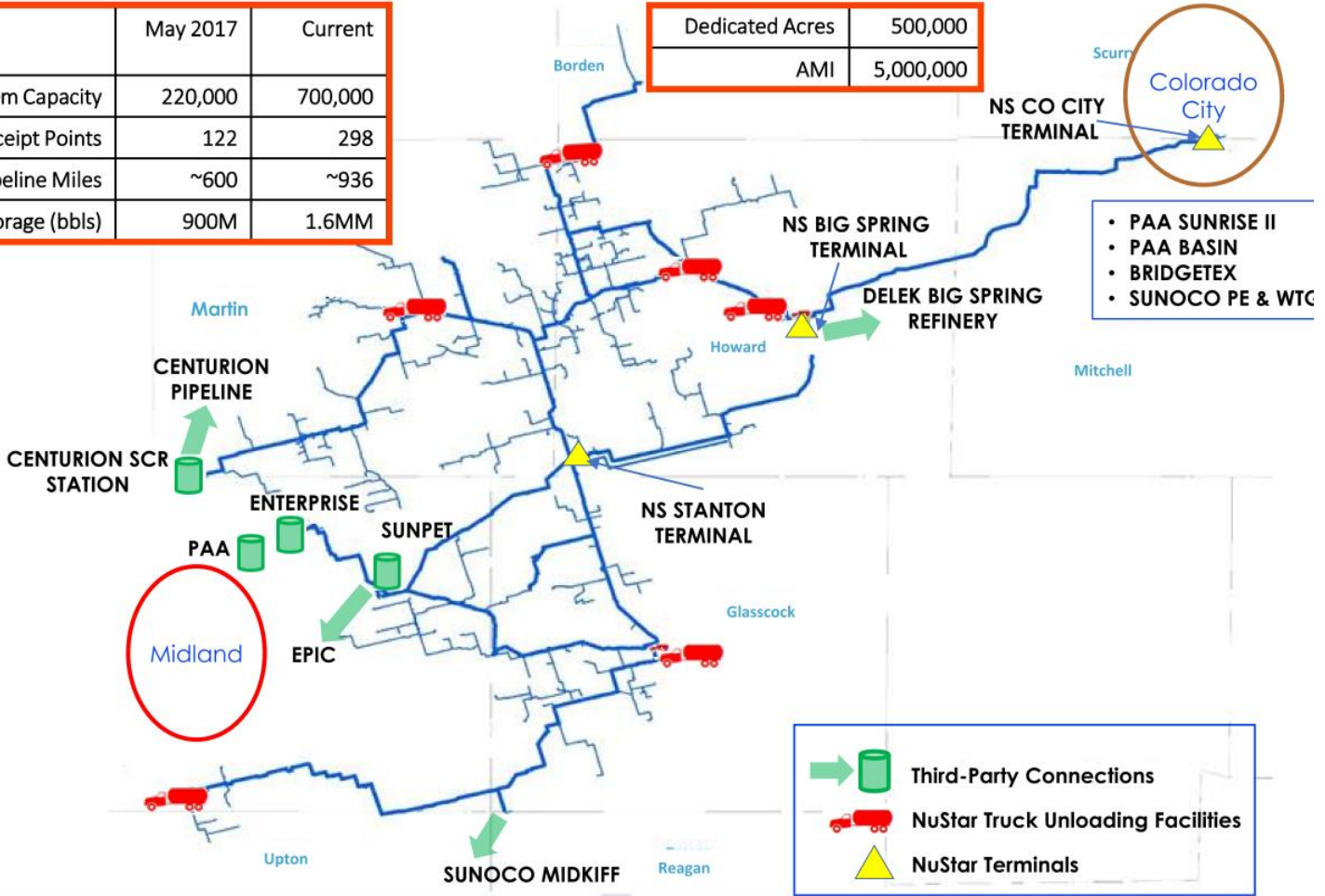


# PERMIAN CRUDE PIPELINE SYSTEM

With the "Backbone" of Our Now-700K-BPD System Complete, Permian Spending Will be Focused on Scaling With Our Product Gathering Needs

	May 2017	Current
System Capacity	220,000	700,000
Receipt Points	122	298
Pipeline Miles	~600	~936
Storage (bbls)	900M	1.6MM

Dedicated Acres	500,000
AMI	5,000,000

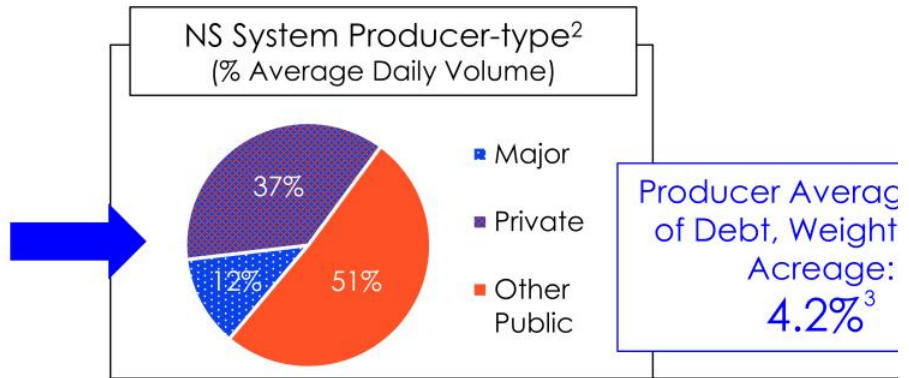




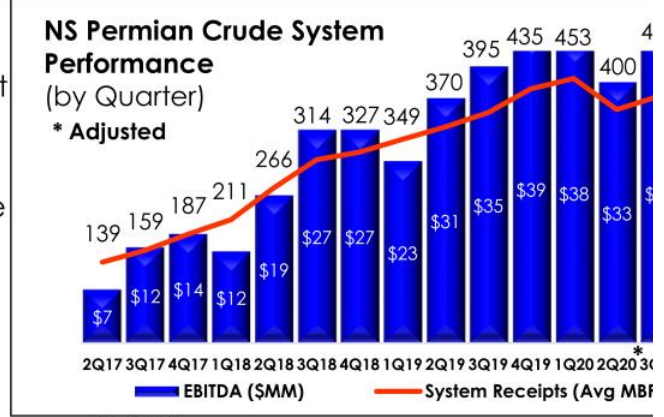
# PERMIAN CRUDE PIPELINE SYSTEM

Our "Core of the Core" Location has Attracted Top-Tier Customers With Large DUC Inventories to Support Continued Recovery in

- ★ 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 basin, as well as large independent refiners and marketers
  - ~80% of our system's revenue is generated from investment-grade (IG) rated and Non-IG BB-rated entities<sup>1</sup>



- ★ January receipts averaged ~427MBPD and we expect to exit 2021 between 470 to 480 MBPD
- ★ Our producers have around 25 rigs and ~20% of the total Permian drilled-uncompleted (DUCs) wells on the system, which provide an important platform for growth – only 16 rigs with no DUCs are needed to maintain current volumes



1 – December 31, 2020 YTD  
 2 – December 31, 2020 MTD  
 3 – As of March 2, 2021

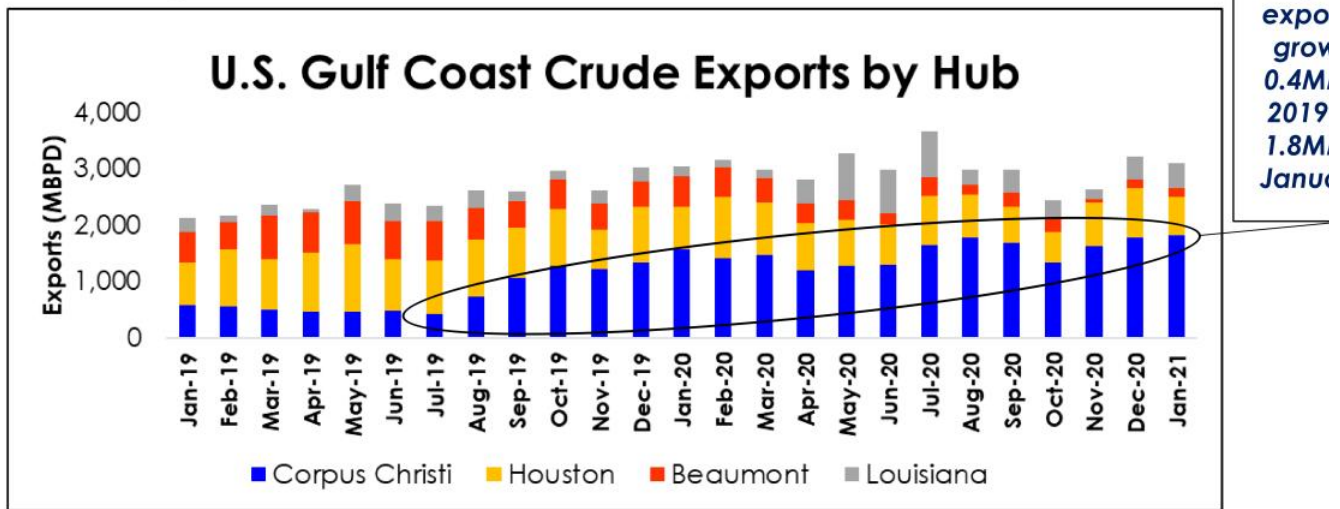
Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures





# Gulf Coast Exports Held Up Well in 2020, and the Port of Corpus Christi Remains the Leading U.S. Crude Export Hub

- ★ A significant proportion of the volumes transported on the additional 2.1MMBPD new long-haul pipeline capacity from the Permian to the Corpus area is moving over Corpus dock facilities
- ★ Corpus Christi, historically a regional refinery and domestic marine delivery hub, evolved into a major U.S. crude oil export hub
  - Currently, Corpus Christi comprises half of the ~3.0 MMBPD of Gulf Coast crude exports
  - In July, Corpus Christi exports recovered to pre-COVID levels of 1.5MMBPD
  - Analysts expect Corpus Christi exports to remain steady during the near-term with upside potential as global crude demand recovers in late 2021

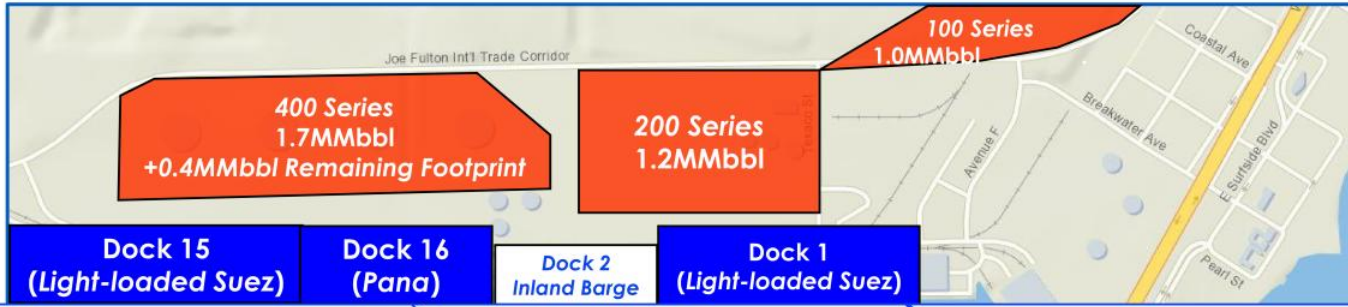


Source: RBN Energy



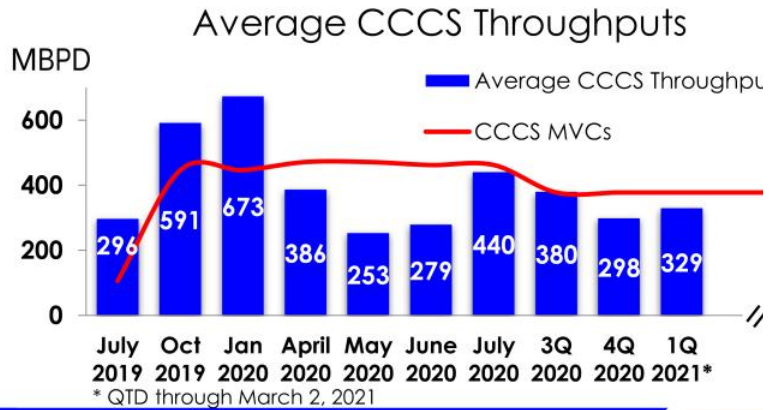
**GULF COAST STORAGE & EXPORT**

We Continue to Export Permian Long-haul and Eagle Ford Barrels From Our Corpus Christi North Beach Terminal



In-bound Capacity	Storage Capacity	Out-bound Capacity
<p><b>Current total: 1.2MMBPD</b></p> <ul style="list-style-type: none"> <li>• South Texas Crude System 16" Pipeline - 240MBPD</li> <li>• Taft 30" - 720MBPD and expandable</li> <li>• Harvest 16" Pipeline - 240MBPD</li> </ul>	<p><b>Current total: 3.9MMbbl</b></p> <ul style="list-style-type: none"> <li>• <u>Potential</u> 0.4MMbbl</li> </ul>	<p><b>Current total: 1.2MMBPD</b></p> <ul style="list-style-type: none"> <li>• Ship docks - 750MBPD to 1.0</li> <li>• Refinery pipelines - 220MBPD</li> </ul>

- ★ Our Corpus Christi North Beach Terminal is now receiving 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
- We are cautiously optimistic about initial indications of recovery during the first half of 2021

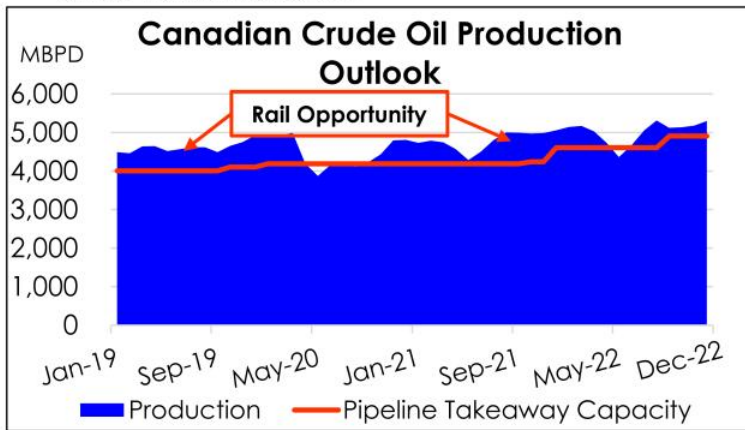
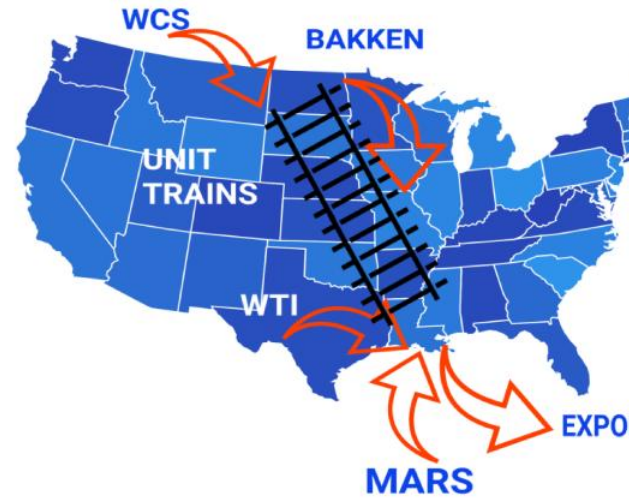




## GULF COAST STORAGE & EXPORT

Our St. James Facility Benefits From Price Dislocations From Pipeline Constraints and Will Benefit From Export Growth as Those Constraints are Resolved

- ★ Prior to March 2020, the lack of long-haul pipeline capacity to transport WCS supply to Gulf Coast demand generated price differentials that supported unit train economics
  - We have contract commitments for 30MBPD through April 2022
  - As Canadian production ramps back up, this price dislocation is expected to re-emerge and continue until Enbridge Line 3 is in service, now estimated to occur by the end of 2021
- ★ We can also handle light Bakken barrels with our rail facility, which may be an attractive alternative to DAPL



Source: ESAI, UBS

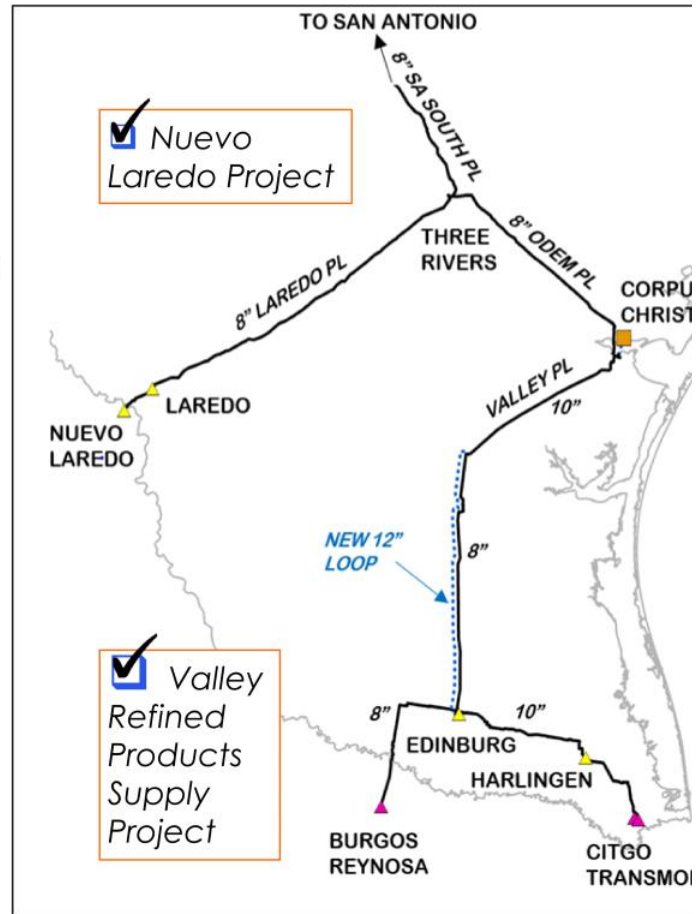
- ★ We continue to work to assure our facility is connected to the pipeline projects in progress to debottleneck shale plays, the region, as well as the Midwest and beyond
  - In March 2019, Bayou Bridge began bringing WTI light, Bakken and Canadian barrels to the Gulf Coast for export or local use
  - As soon as early 2022, Capline owners plan to reverse its service to bring WTI, heavy Canadian and Bakken crude for use in regional refineries and export to other locations





# We Have Completed Two Projects to Help Remedy Mexico Supply Shortfall

- ★ In 2020, we fully completed service on two projects that address the supply imbalance in Northern Mexico:
  - Nuevo Laredo project for Valero
    - Odem pipeline, Dos Laredos pipeline and Nuevo Laredo terminal expansion
    - ~28MBPD new capacity with take-or-pay volumes on seven-year contract term
  - Valley Pipeline expansion for major customers completed in September 2019
    - 45MBPD new capacity with seven-year contract term
    - Open season was fully subscribed







# APPENDIX

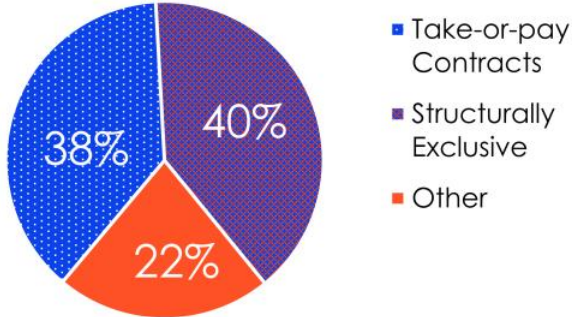


South Texas C

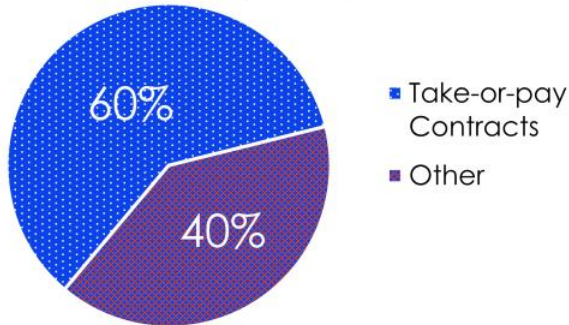


# Long-term Commitments From Creditworthy Customers

## Pipeline Segment Contracted<sup>1</sup> Revenues (% 2021 Projections)



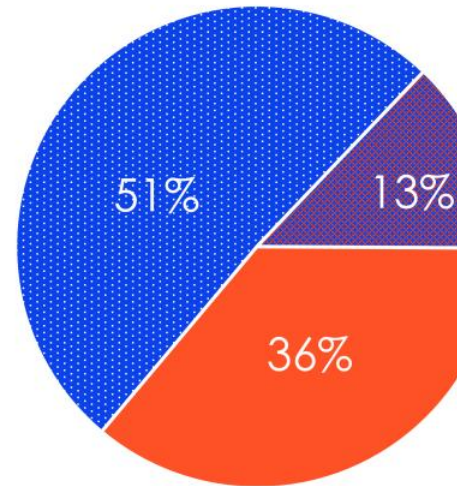
## Storage Segment Contracted Revenues (% 2021 Projections)



## NuStar Investment-Grade (IG) Customers (% 2020 Revenues)

**Pipeline Segment**  
~62% IG

**Storage Segment**  
~60% IG



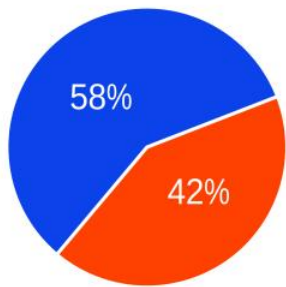
- Investment-Grade
- Large Private or International (Not rate)
- Other

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

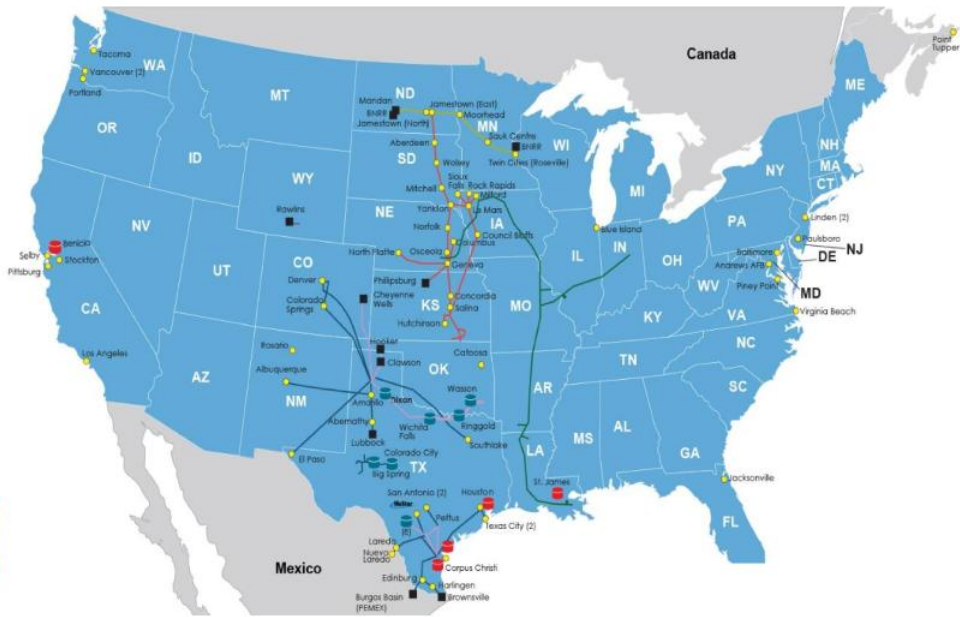


# The Balance of Our Business and the Location of Our Assets Contribute to the Resilience of Our Results

Pipeline and Storage Segment Revenues (% 4Q 2020 Revenues)

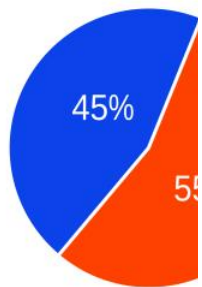


- Pipeline Segment
- Storage Segment



- NS Refined Products Pipeline
- NS Crude Pipeline
- NS Terminal
- Refinery

Refined Products and Crude Revenue (% 4Q 2020 Revenue)



- Crude
- Refined Products

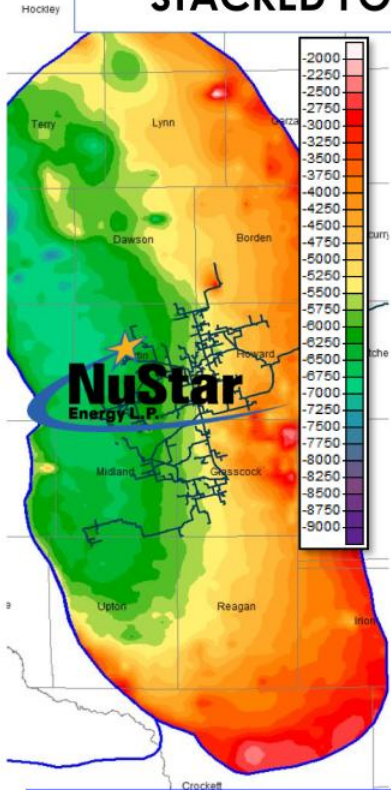




We Acquired Our Permian Crude System Because It Sits Square Over the Midland Basin's Most Geologically Advantaged Acre

**MOST ACCESSIBLE, STACKED FORMATIONS...**

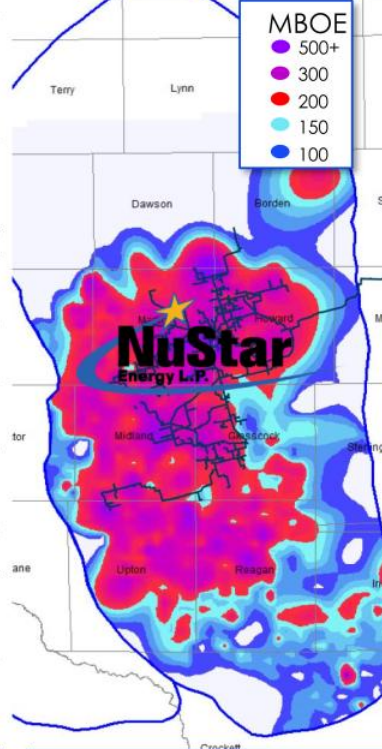
**BEST RECOVERIES AND SUPERIOR GORS...**



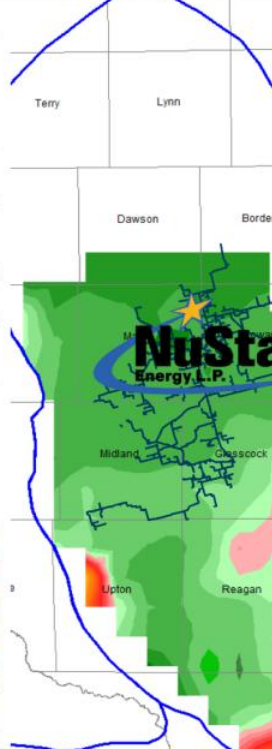
Wolfcamp Structure (TVDSS ft)



Midland Fairways



24M CUM (MBOE 20:1) <sup>(1)</sup>



Wolfcamp 24M

1. Normalized to 10,000 ft Lateral Lengths.

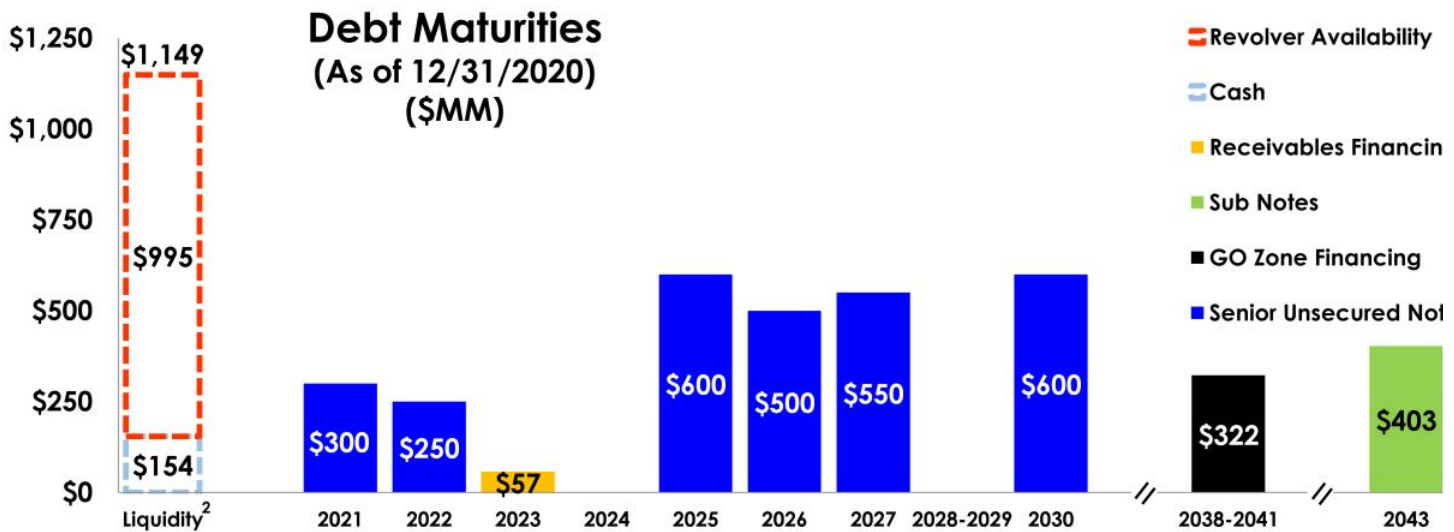
Source: Barclays (Janu





# Debt Maturity Schedule – NuStar Expects to Have Adequate Liquidity to Accommodate Our 2021 and Bond Maturities

- ★ In March 2020, we renewed our revolver through October 2023
- ★ In April 2020, we entered into a three-year, \$750 million unsecured term loan agreement with Oaktree Capital Management, L.P. to increase our liquidity and to address near-term debt maturities
  - The April 2020 term loan was terminated in February 2021
- ★ 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 the \$500 million balance outstanding under the April 2020 term loan, as well as all the balances then-outstanding under our revolving credit agreement
- ★ We utilized our liquidity to pay-off our February 2021 bond maturities and plan to use it to pay-off our February 2022 bond maturities as well



1 – As of December 31, 2020, approximately \$5 million of Letters of Credit were outstanding under our revolving credit agreement  
 2 – Liquidity as of December 31, 2020



## Capital Structure as of December 31, 2020 (\$ in Millions)

\$1.0B Credit Facility	\$ 0	Common Equity and AOCI	\$4
NuStar Logistics Notes (4.75%)	250	Series A, B and C Preferred Units	\$7
NuStar Logistics Notes (5.625%)	550	Series D Preferred Units	\$4
NuStar Logistics Notes (5.75%)	600	<b>Total Equity<sup>1</sup></b>	<b>1,1</b>
NuStar Logistics Notes (6.00%)	500	<b>Total Capitalization</b>	<b>\$5</b>
NuStar Logistics Notes (6.375%)	600		
NuStar Logistics Notes (6.75%)	300		
NuStar Logistics Sub Notes	403		
GO Zone Bonds	322		
Receivables Financing	57		
Finance Lease Liability	58		
Other	(43)		
<b>Total Debt</b>	<b>\$3,597</b>		

### ★ As of December 31, 2020:

- ☐ Credit facility availability ~\$995MM
- ☐ Debt-to-EBITDA ratio<sup>2</sup> 4.24x

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

2 - 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, (ii) investors and other external users of our financial statements benefit from having access to the same financial measures being used 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 which 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 discontinued operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP. For purposes of segment or system reporting, we do not allocate general and administrative expenses because those expenses relate primarily to the overall management at the entity level. The EBITDA reflected in the segment or asset system reconciliations exclude any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

The following is a reconciliation of operating (loss) income to EBITDA to 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	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Operating (loss) income	\$(3,424)	\$ 1,050	\$ 650	\$(1,847)	\$ 3,605	\$11,546	\$10,878	\$ 5,358	\$13,543	\$17,280	\$21,132	\$(106,476)	\$14,481	\$17,627
Depreciation and amortization expense	10,227	11,005	13,165	13,477	15,059	15,235	16,589	17,647	17,182	18,114	18,154	18,606	18,928	20,115
EBITDA	6,803	12,055	13,815	11,630	18,664	26,781	27,467	23,005	30,725	35,394	39,286	(87,870)	33,409	37,742
Goodwill impairment loss (a)	—	—	—	—	—	—	—	—	—	—	—	126,000	—	—
Adjusted EBITDA	<u>\$ 6,803</u>	<u>\$12,055</u>	<u>\$13,815</u>	<u>\$11,630</u>	<u>\$18,664</u>	<u>\$26,781</u>	<u>\$27,467</u>	<u>\$23,005</u>	<u>\$30,725</u>	<u>\$35,394</u>	<u>\$39,286</u>	<u>\$ 38,130</u>	<u>\$33,409</u>	<u>\$37,742</u>

(a) Represents a non-cash goodwill impairment charge.





## Reconciliation of Non-GAAP Financial Information (continued)

The following is a reconciliation of (loss) income from continuing operations to EBITDA from continuing operations and adjusted EBITDA from continuing operations (in thousands of dollars):

	<u>Year Ended Decem</u>	
	<u>2020</u>	
(Loss) income from continuing operations	\$	(198,983) \$
Interest expense, net		229,054
Income tax expense		2,663
Depreciation and amortization expense		285,101
EBITDA from continuing operations		317,835
Goodwill impairment loss (a)		225,000
Loss on sale (b)		34,697
Loss on extinguishment of debt (c)		141,746
Other		3,963
Adjusted EBITDA from continuing operations	\$	<u>723,241</u> \$

(a) Represents a non-cash goodwill impairment charge related to our crude oil pipelines reporting unit.

(b) Represents the loss on the sale of the Texas City terminals in December 2020.

(c) This adjustment mainly represents a loss associated with the repayment of \$500.0 million outstanding on our unsecured term loan credit agreement in quarter of 2020.





## 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):

	<u>Year Ended Decem</u>
Operating income	\$
Depreciation and amortization expense	
Goodwill impairment loss (a)	
Equity awards (b)	
Pro forma effects of disposition (c)	
Material project adjustments and other items (d)	
Consolidated EBITDA, as defined in the Revolving Credit Agreement	<u>\$</u>
Total consolidated debt	\$
NuStar Logistics' floating rate subordinated notes	
Available Cash Netting Amount, as defined in the Revolving Credit Agreement	
Consolidated Debt, as defined in the Revolving Credit Agreement	<u>\$</u>
Consolidated Debt Coverage Ratio (Consolidated Debt to Consolidated EBITDA)	

(a) Represents a non-cash goodwill impairment charge related to our crude oil pipelines reporting unit.

(b) Represents the non-cash expense related to the vestings of equity-based awards with the issuance of our common units.

(c) Represents the pro forma effects of the disposition of the Texas City terminals, as if we had completed the sale on January 1, 2020.

(d) Represents a percentage of the projected Consolidated EBITDA attributable to any Material Project and other noncash items, as defined in the Revolving Credit Agreement.

