

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 5, 2023

**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
8.50% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprA	New York Stock Exchange
7.625% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprB	New York Stock Exchange
9.00% 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 meetings with members of the investment community at the Mizuho Power, Energy & Infrastructure Conference on December 5, 2023 and the Wells Fargo 22nd Annual Midstream & Utilities Symposium on December 6, 2023. 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>
<a href="#">Exhibit 99.1</a>	Slides to be used on December 5, 2023 and December 6, 2023.
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

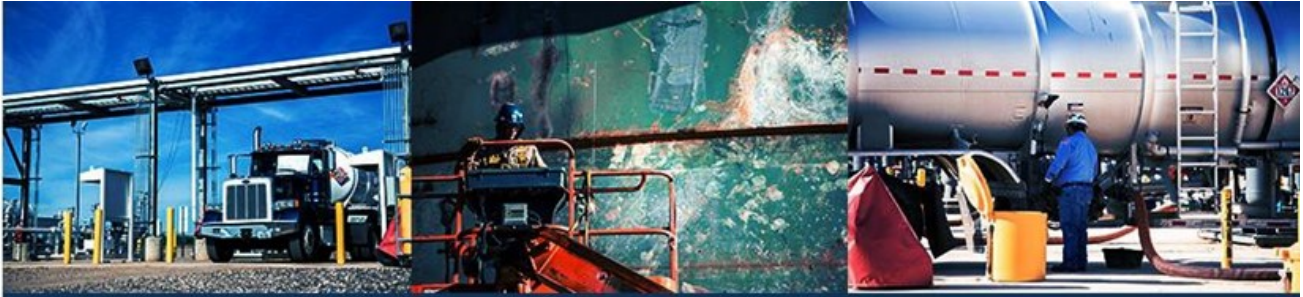
Date: December 5, 2023

By: /s/ Amy L. Perry

Name: Amy L. Perry

Title: Executive Vice President-Strategic Development and General Counsel

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# Investor Presentation

December 2023

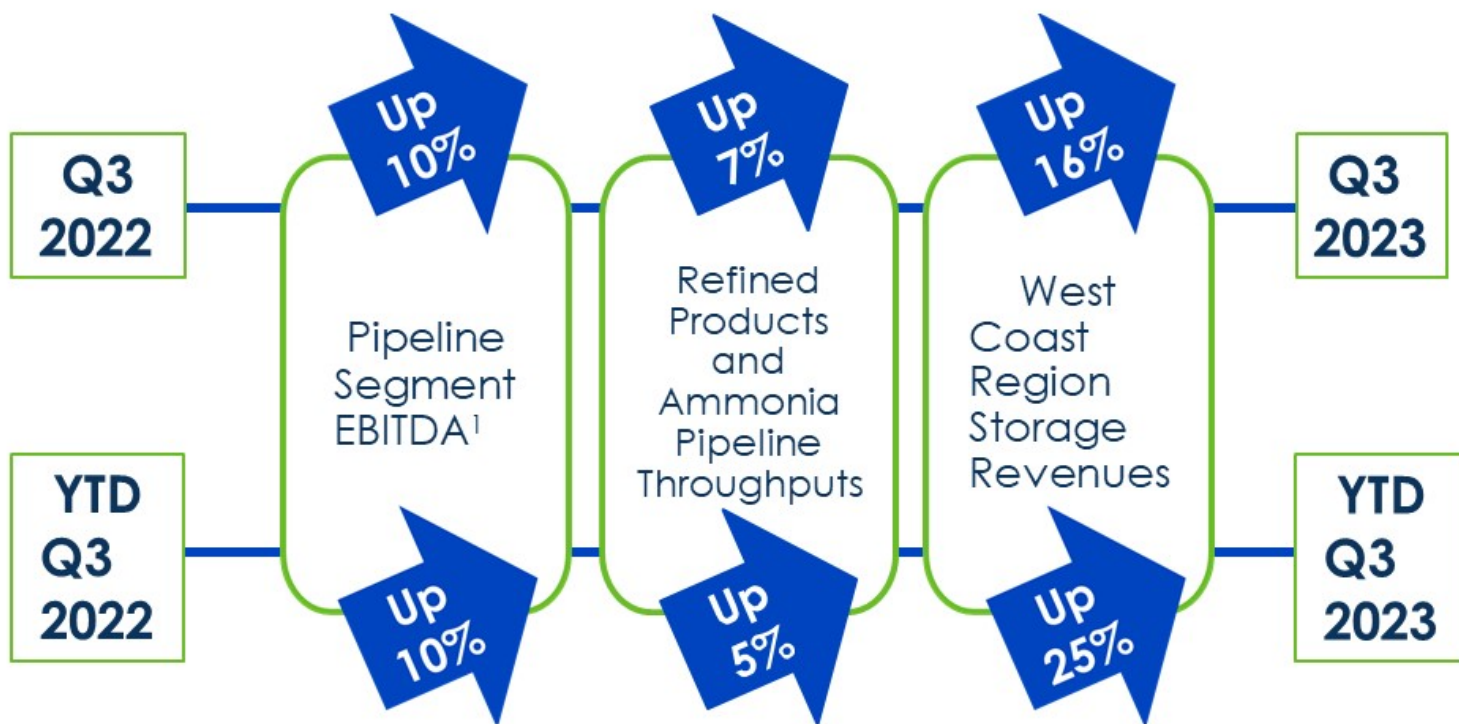


Statements contained in this presentation other than statements of historical fact are forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual 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.

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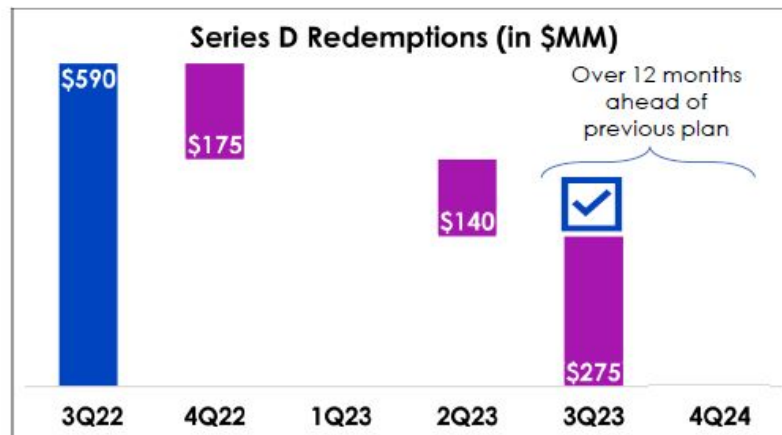
We undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see NuStar Energy L.P.'s annual report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

- ★ **Our third quarter 2023 EBITDA<sup>1</sup> was \$180MM**, up compared to third quarter of 2022 EBITDA of \$178 million
- ★ **Our adjusted distribution coverage ratio<sup>1</sup> was 1.84x for the third quarter of 2023**



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

- ★ We redeemed the remaining one-third of Series D Preferred Units on September 12<sup>th</sup>, which represents an expedited timeline compared to our previously announced target of YE 2024



- ★ In mid-August, we issued 14.95 million common units for net proceeds of \$222 million (including exercise of overallotment option) to complete our redemption of the Series D
  - The equity offering is immediately accretive to cash flows through cost savings on distributions
  - The offering is also slightly accretive to our leverage metric, and we continue to target a healthy debt-to-EBITDA ratio of below 4.0x by year-end 2023
- ★ Redeeming the remaining Series D eliminates an obligation senior to our common unitholders, simplifies our capital structure and increases our financial resilience and flexibility

## Generating **Strong EBITDA**

- Expecting to generate Adjusted EBITDA of \$720-740MM<sup>1</sup> in 2023

## Redeemed **Series D Preferred Units**

- Completed two-thirds redemption of the Series D in last 12 months
- Accelerated redemption of remaining one-third into 3Q 2023 by using the equity proceeds

## Targeting **Healthy Debt-to-EBITDA Metric**

- Aiming to maintain at 4.0x or better

## Increasing **Free Cash Flow**

- Working to position NuStar to return increasing value in the future



# In 2023, We Continue to Focus Our Strategic Capital Program on Our Core Asset Footprint



## Renewable Fuels

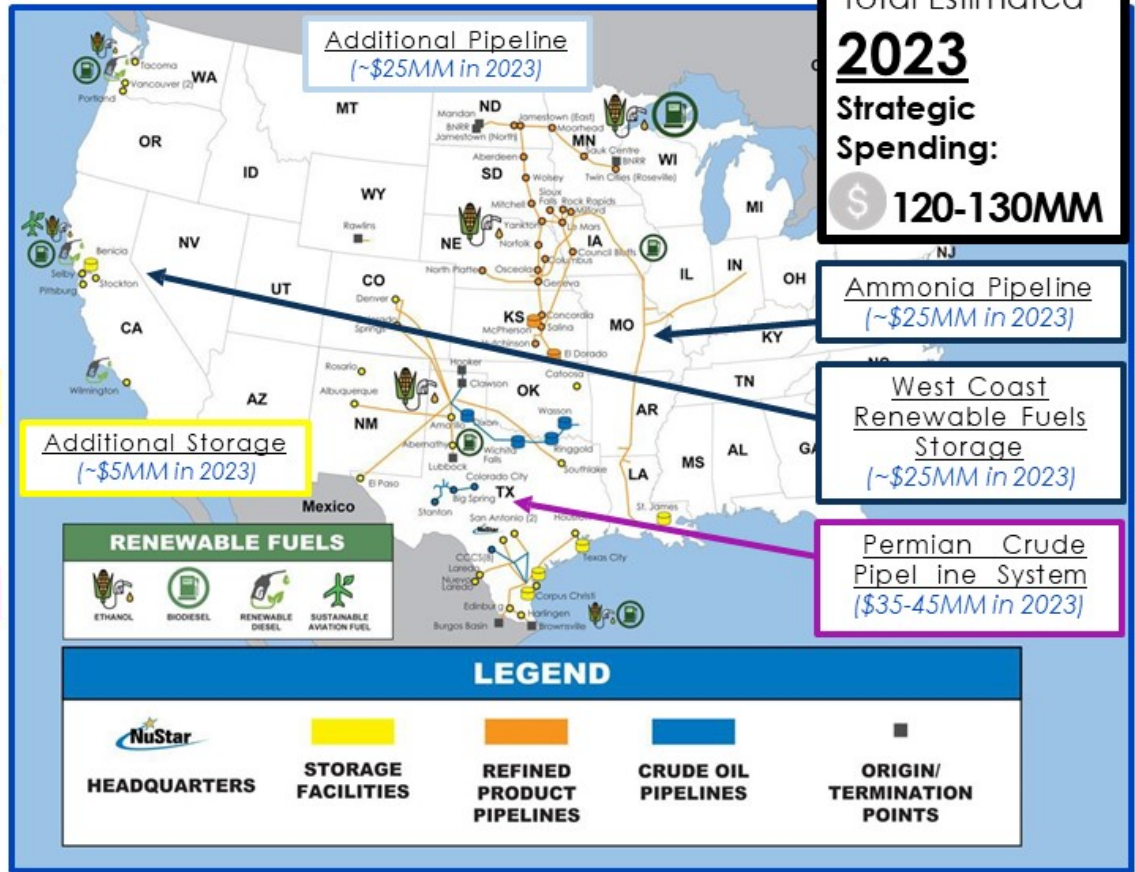
- **Established:**
  - West Coast Network
  - Ethanol & bio-diesel blending
- **Developing:**
  - Ammonia System

## Refined Products

- Midcontinent
- Colorado/NM/Texas
- Northern Mexico

## Crude Supply/Export

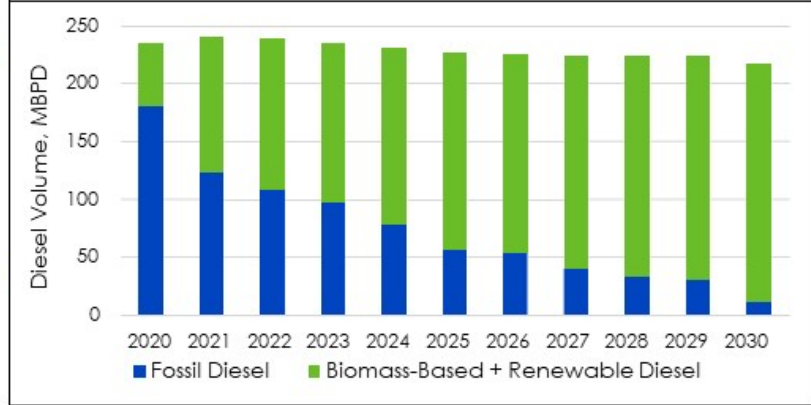
- Permian Crude System
- Corpus Christi Crude System
- St. James Terminal



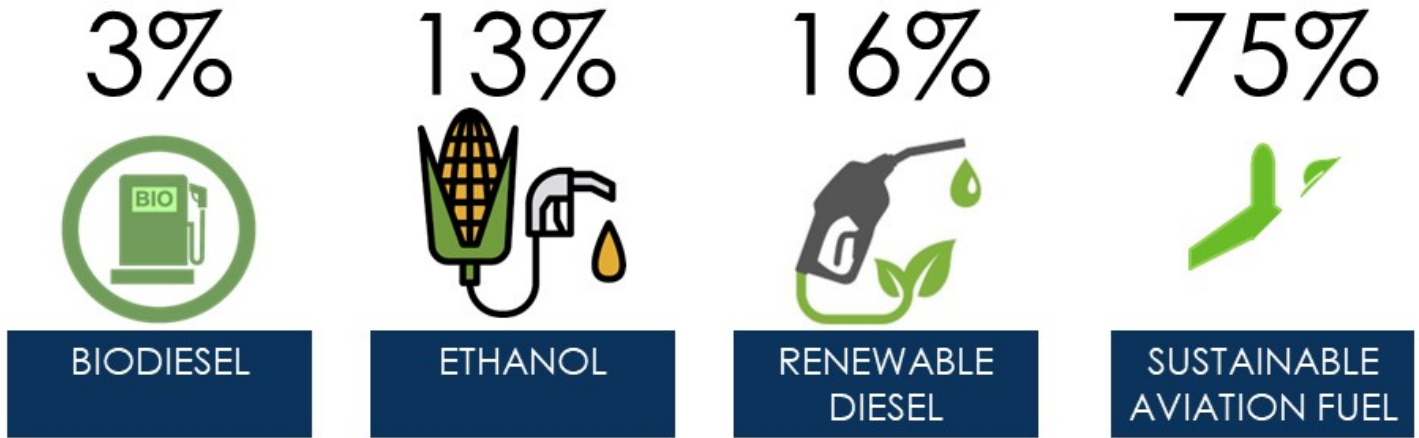


- ★ Regulatory priorities on the West Coast and in Canada continue to dramatically increase demand for renewable fuels in the region
- ★ At the same time, obtaining permits for greenfield projects is difficult, which increases the value of existing assets
- ★ Our West Coast terminals have the access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

California's Transportation Fuel Supply With Low-Carbon Fuel Standard Compliance From Petroleum Diesel Alternatives



NuStar's Proportionate Share of California's Renewable Fuels Market  
(Total Volume for the Four Quarters Ended June 30, 2023<sup>1</sup>)



- ★ We expect our renewable fuels EBITDA to increase in 2023, along with associated market share, as we complete additional projects presently in planning or under construction
  - We intend to continue converting tankage to renewable fuels as the market demands
- ★ Our facilities are positioned to benefit from new production and conversion projects for renewable diesel, sustainable aviation fuel (SAF), ethanol and other renewable fuels across the region

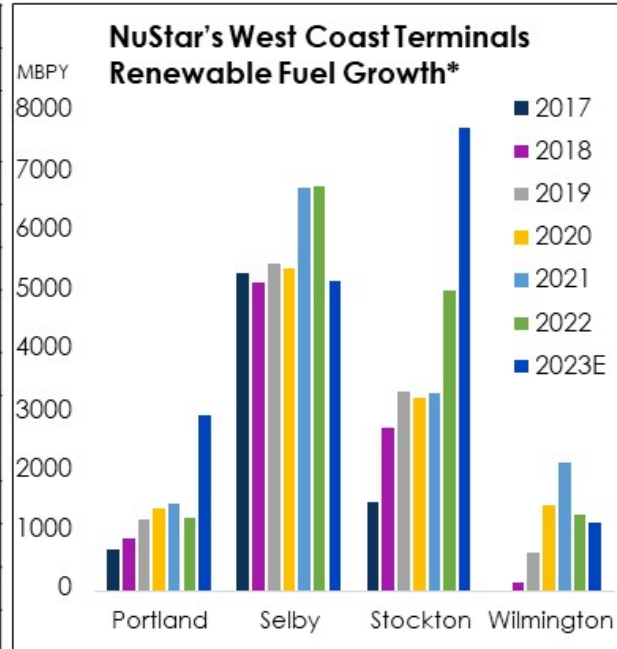
Source: California Air Resource Board (CARB)  
1 – Most recent data available



- ★ Since establishing ourselves as an “early mover” in the renewable fuels logistics market on the West Coast over five years ago, we have developed an extensive renewable fuels logistics network to serve key global producers that spans across our West Coast footprint
- ★ Our West Coast assets now generate **40-45%** of our storage segment revenues

Renewable Fuels Projects completed-to-date and under construction:

Portland	Convert 210,000 bbls to <b>renewable diesel</b>	✓
	Convert 36,000 bbls to <b>biodiesel</b>	✓
Selby	Construct additional 400,000 bbls of <b>renewable diesel</b> storage	4Q24 Est.
	Construct truck-loading for <b>renewable diesel</b>	✓
	Multimodal shipment of <b>SAF</b>	✓
	Convert 208,000 to <b>SAF</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 <b>ethanol</b> unit train offload facility	✓
Wilmington	Convert 160,000 bbls to <b>renewable diesel</b>	✓
	Reconfigure dock for enhanced marine capability	1H26 Est.



\* Includes biodiesel, ethanol, renewable diesel, renewable feedstock and SAF; 2023 estimated based on volumes through October 2023

- ★ Ammonia is the basic building block for all types of nitrogen fertilizer which is an essential nutrient for growing plants
  - About 80% of the 200 million tons of ammonia produced each year is used for fertilizer
  - About 50% of the world's food production depends on ammonia
- ★ Ammonia is also used to make urea, a critical component of Diesel Exhaust Fluid ("DEF")
  - DEF converts the nitrous oxide (NOx) emitted by diesel engines into water and nitrogen
  - Virtually all diesel engines, from those powering light-duty vehicles to heavy-duty trucks to industrial machinery, require DEF to comply with tightening emissions standards in the U.S., and also in nations around the world
  - Global DEF demand is expected to continue to grow by an expected ~20% from 2023 to 2026



50%  
of World's Food  
Production  
Depends on  
NH<sub>3</sub>



Global Demand  
for DEF Expected  
to Grow From  
2023 to 2026 by  
~20%

### Gray Ammonia

- ★ Derived from natural gas, nearly all of the world's production made utilizing the Haber-Bosch process

### Blue Ammonia

- ★ Gray Ammonia for which by-product CO<sub>2</sub> has been captured and stored, reducing climate impact

### Green Ammonia

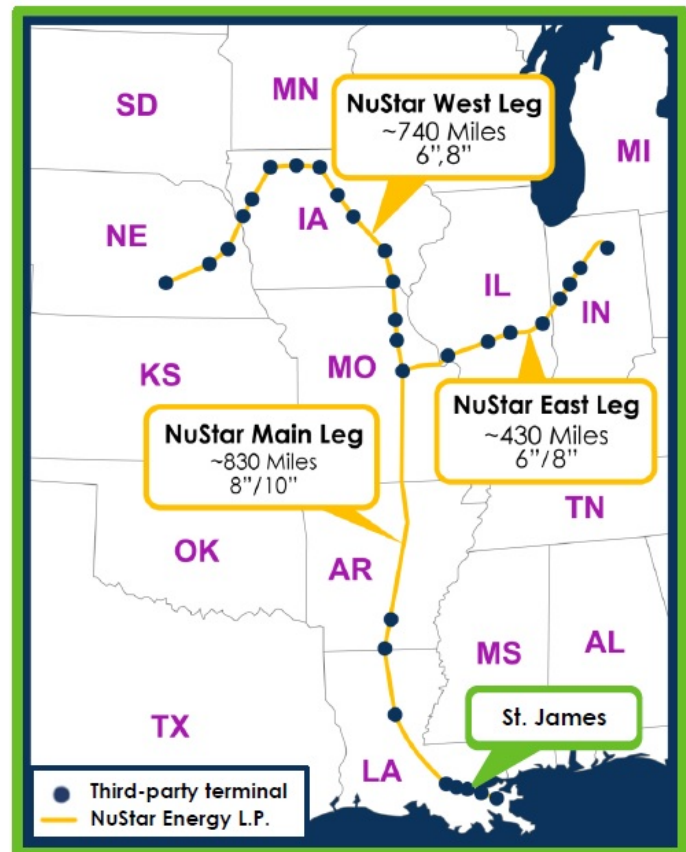
- ★ Produced with hydrogen from water electrolysis powered by renewable energy

- ★ Traditional fossil-fuel ammonia production is estimated to contribute about 1.0% of global CO<sub>2</sub> 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. 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

- ★ Our Ammonia System spans approximately 2,000 miles from Louisiana north along the Mississippi River to Missouri, and then Northwest and East, to Nebraska and Indiana
  - Today, we provide the lowest-cost option for transporting both 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 STPD<sup>1</sup>), but have operating capacity close to ~50 MBPD (~5,500 STPD)
  - Our Ammonia System currently represents 5-10% of our pipeline segment revenues
- ★ We expect the system's utilization, and its revenue contribution, to see strong growth starting in early 2024
  - We have near-term opportunities for low capex projects that we expect to meaningfully increase our system utilization, and we are discussing larger, longer-term ammonia opportunities for our system, as well as for our St. James facility



# We Have Signed an Agreement With OCI Global to Deliver Ammonia into the Midwest



**OCI** Global

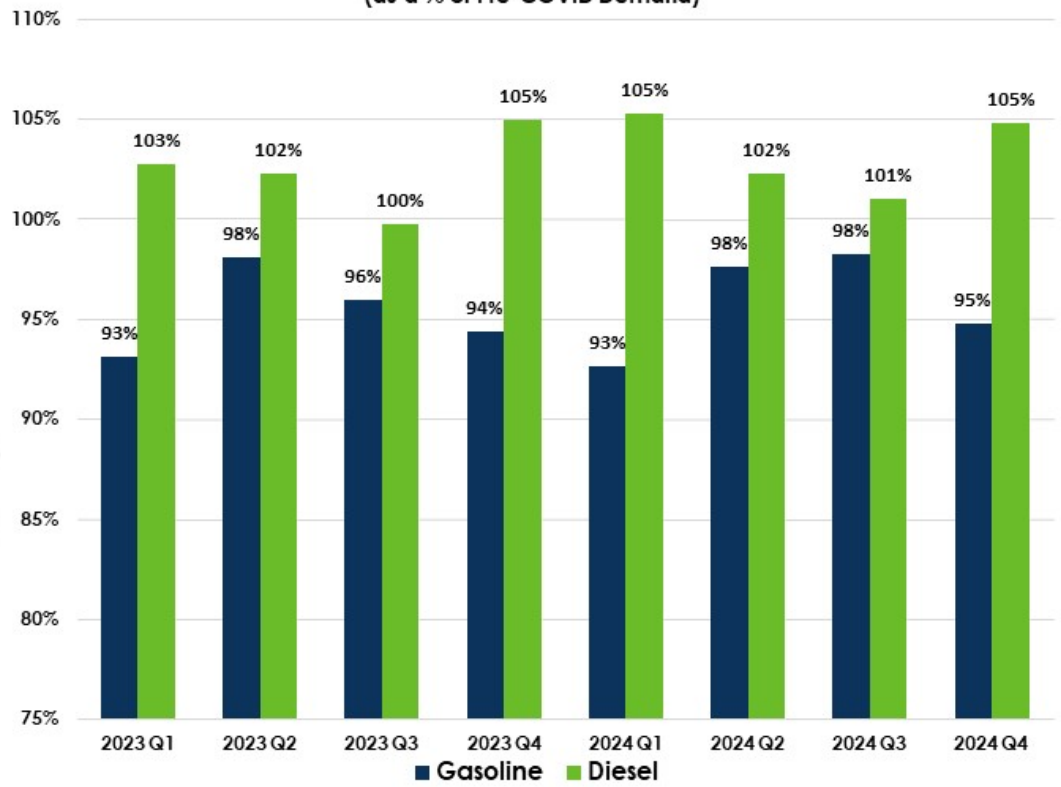
OCI's facility in Wever, IA



- ★ We have partnered with OCI Global (OCI) to build a new 14-mile pipeline segment that will connect OCI's facility in Wever, IA to our existing ammonia pipeline
  - OCI's facility uses ammonia to make fertilizer and to meet growing demand for DEF (Diesel Exhaust Fluid)
- ★ We have agreed to provide transportation services under a long-term contract
  - Healthy-return, low-capital project will increase utilization
  - Expected completion in January 2024
- ★ OCI has committed \$30 million in capital expenditures for new ammonia cooling and storage infrastructure at their Wever facility and is expected to bring an additional 1.1 million tons of blue ammonia capacity online in 2025 from the Gulf Coast



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



★ Gasoline demand was steady in the United States throughout 2023 and is on track for modest growth in 2024

★ Diesel demand has continued its strong performance in 2023 and is expected to remain at or exceed Pre-COVID levels in 2024



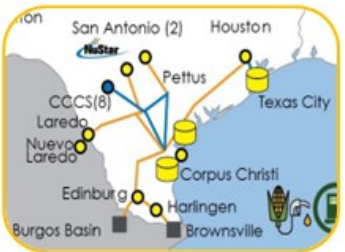
**Midcontinent Systems-**

- ★ **CENTRAL EAST:** A 2,500-mile 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:** Approximately 2,000 miles of structurally exclusive pipeline, supplied from the McKee, Texas refinery serving markets in Texas and nearby states



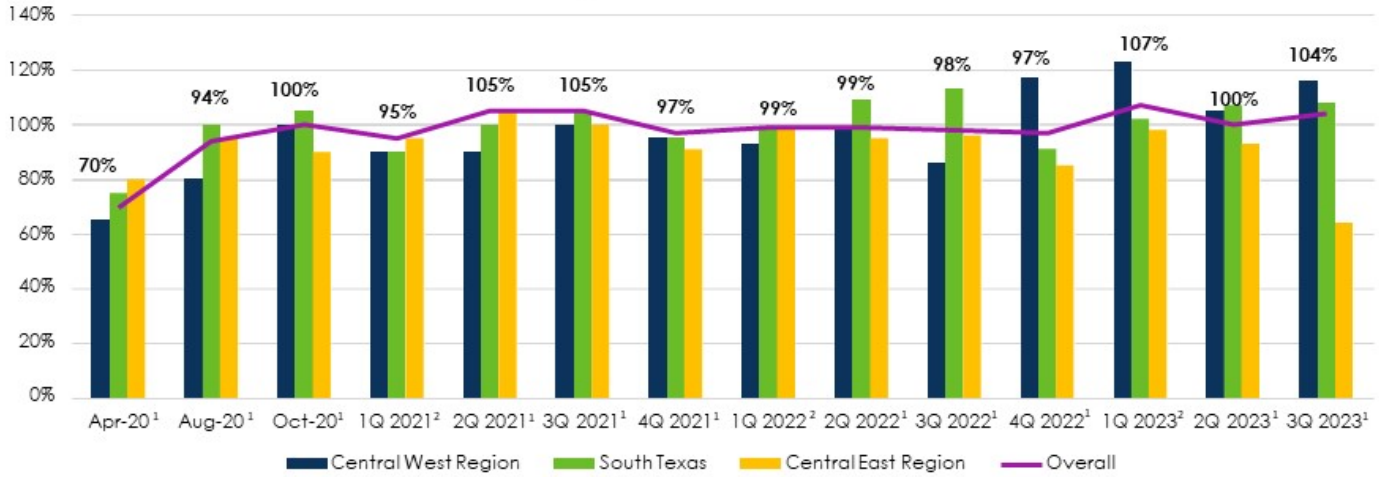
**South Texas Systems-**

- ★ Around 700 miles, a majority of which are structurally exclusive pipeline, supplied from refineries located in Corpus Christi and Three Rivers, Texas serving markets in Texas and northern Mexico



# Total Refined Products

Percentage of Pre-COVID Demand



- ★ Our resilient asset base recovered quickly from April 2020's pandemic low
- ★ Third quarter 2023 refined product throughputs were 104%<sup>1</sup> of pre-COVID levels

<sup>1</sup> – Comparison versus 2019 demand; applicable periods adjusted for Northern Mexico projects for a comparable presentation; includes on-road product demand in our storage system; <sup>2</sup> – Comparison versus 2020 demand; applicable periods adjusted for Northern Mexico projects; includes on-road product demand in our storage system

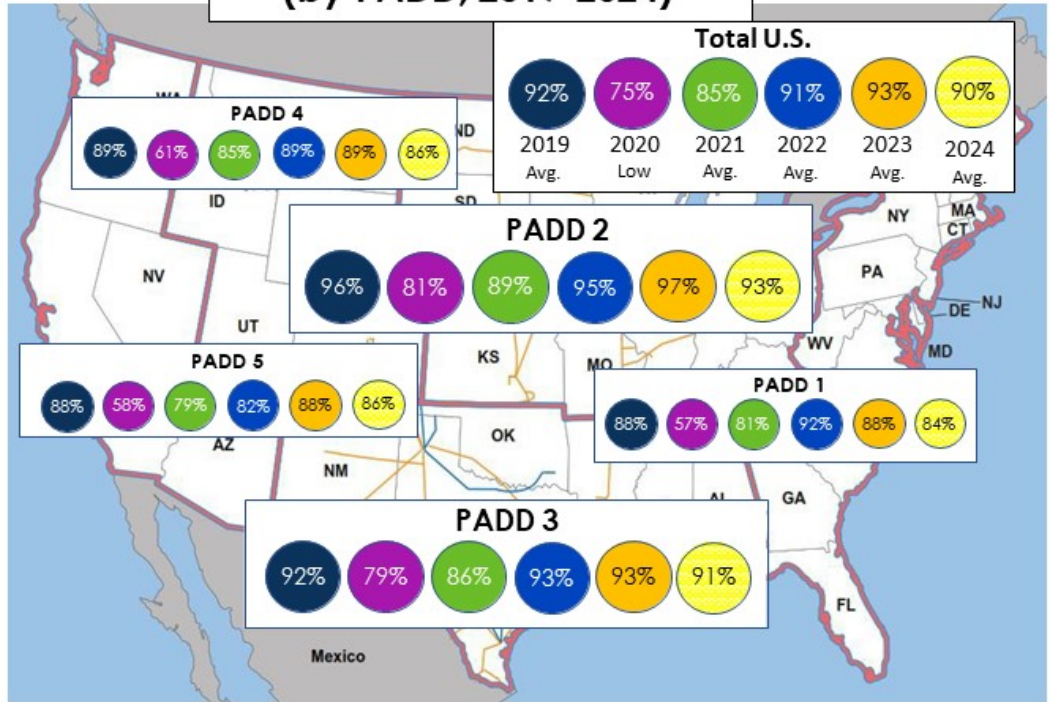
# Refinery Utilization has Risen Steadily Since the Pandemic Through 2023



## Global Refinery Utilization (2019-2023)



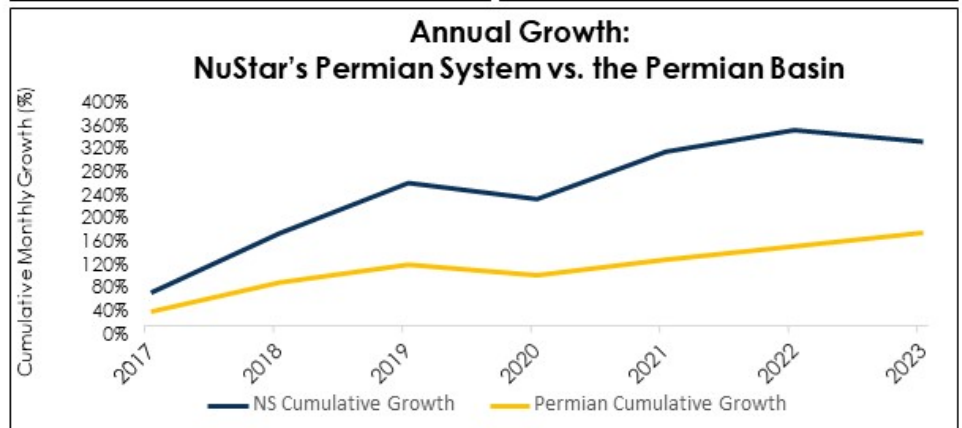
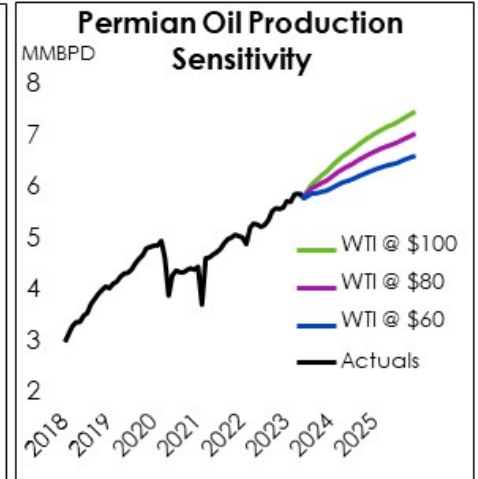
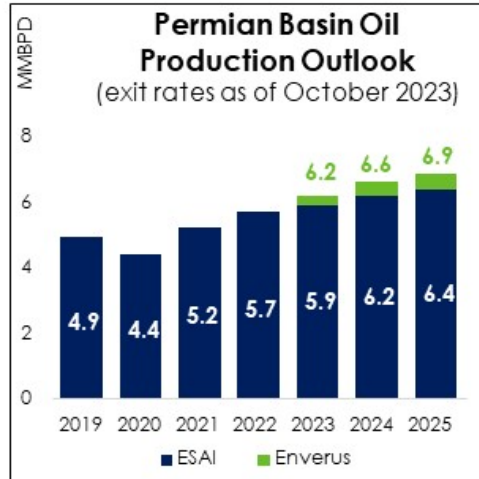
## U.S. Refinery Utilization (by PADD, 2019-2024)



- ★ Global refinery utilization has been rising steadily since the pandemic, with the U.S. (90%), Asia (90%), and Europe (93%) gaining ground, while Russia (70%) and the Middle East (82%) continue to lag<sup>1</sup>
- ★ U.S. refinery utilization is currently expected to be at 93% in 2023, up 2% over the over 2022 average

# Our Permian System Continues to Benefit from the Strength of the Basin

- ★ Because of its superior geology and low breakeven costs, the Permian Basin's production:
  - Exited 2022 at 5.7 MMBPD, representing approximately 45% of the nation's total output
  - Is projected to exit 2023 at 5.9 MMBPD, representing 3% growth compared to 2022 exit
- ★ We have been pleased with our system's performance since we acquired it in 2017, and we expect our system to continue to generate strong results in 2023 and in the years ahead



Our “Core of the Core” Location has Attracted Active Top-tier Customers Whose Activity is Supporting Steady Growth

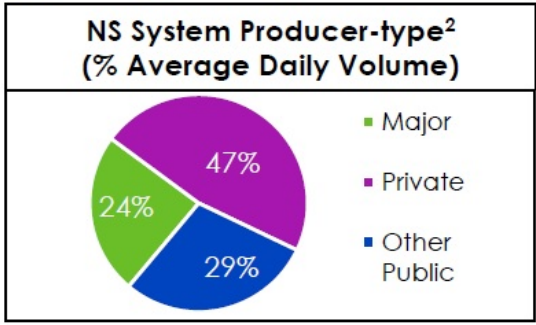
★ The quality of geological formations underlying our system has attracted top-tier customers

- ~69% of our system's revenue is generated from investment-grade (IG) rated and Non-IG BB-rated entities<sup>1</sup>

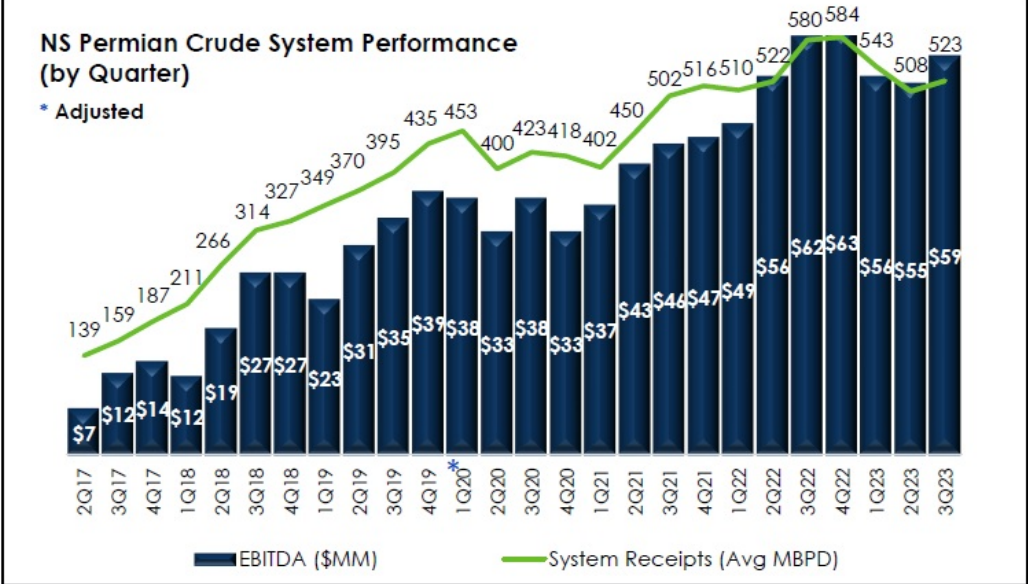
★ We averaged 523 MBPD in 3Q23, more than 15 Mbpd higher than 2Q23, and averaged 533 MBPD in October

- We expect the rest of 2023 to continue to rebound, backed by capital projects already in progress
- And expect to average ~540 MBPD in 4Q23

★ As volumes flex, we also expect to flex our capital expenditures and project 2023 spending to be in the range of \$35 – 45MM



Producer Average Cost of Debt, Weighted by Acreage:  
**6.7%**<sup>3</sup>



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

1 – For the year ended September 30, 2023  
2 – For the month ended September 30, 2023

3 – As of November 14, 2023

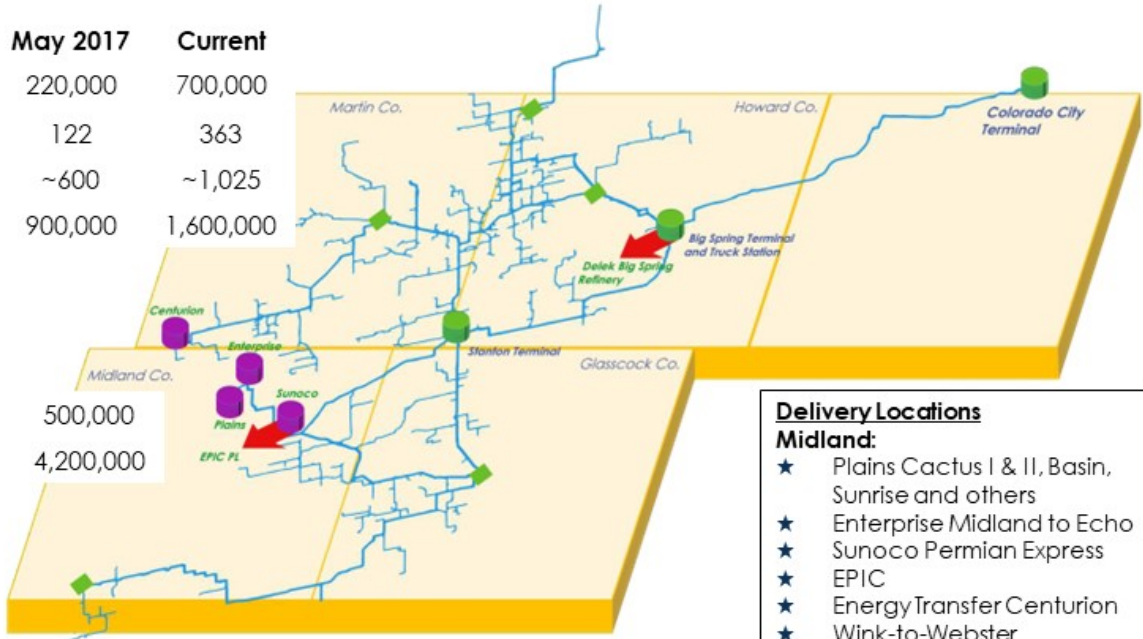
# Since 2017, We Have Expanded Our Permian System to Meet Our Producers' Needs



	May 2017	Current
System Capacity	220,000	700,000
Receipt Points	122	363
Pipeline Miles	~600	~1,025
Storage (bbls)	900,000	1,600,000

Dedicated Acres  
AMI

500,000  
4,200,000



**Delivery Locations**

**Midland:**

- ★ Plains Cactus I & II, Basin, Sunrise and others
- ★ Enterprise Midland to Echo
- ★ Sunoco Permian Express
- ★ EPIC
- ★ Energy Transfer Centurion
- ★ Wink-to-Webster

**Colorado City:**

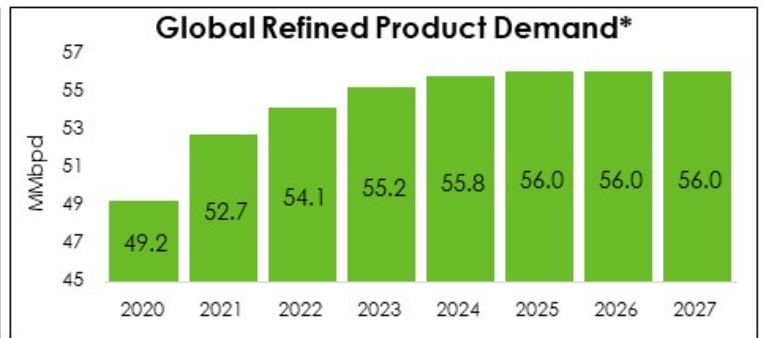
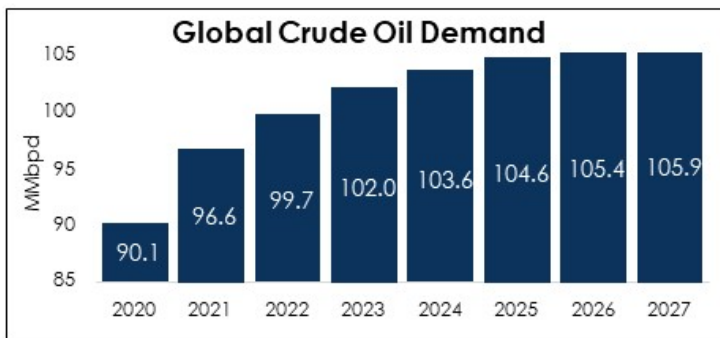
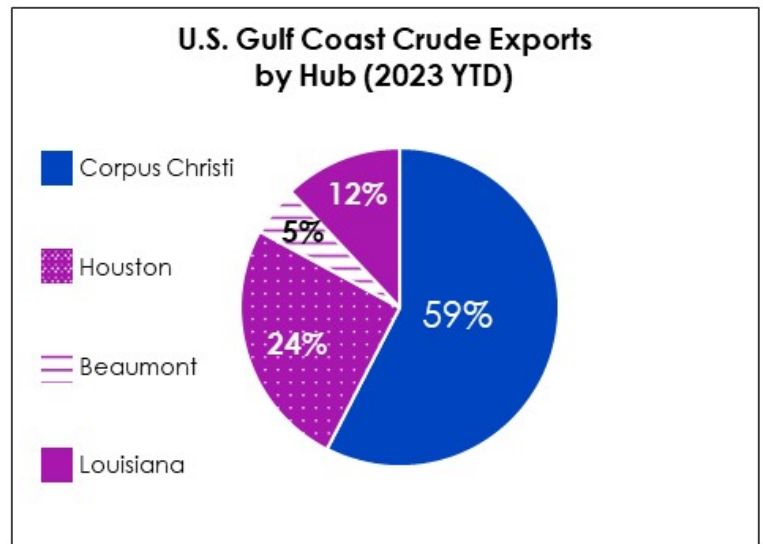
- ★ Sunoco WTG, Permian Express
- ★ Bridgetex
- ★ Plains Basin
- ★ Sunrise II

**Other:**

- ★ Delek Big Spring Refinery



- ★ Corpus Christi has remained the dominant Gulf Coast crude exports hub since 2020
  - In 2023, 59% of the U.S. Gulf Coast's total export volumes left via Corpus Christi-based terminals
- ★ U.S. Gulf Coast crude exports are projected to continue at record volumes due to the global oil demand forecasted over the upcoming years
- ★ Improved global refined product demand should continue to lead the way to further recovery in global crude demand



\*Comprised of gasoline and diesel demand



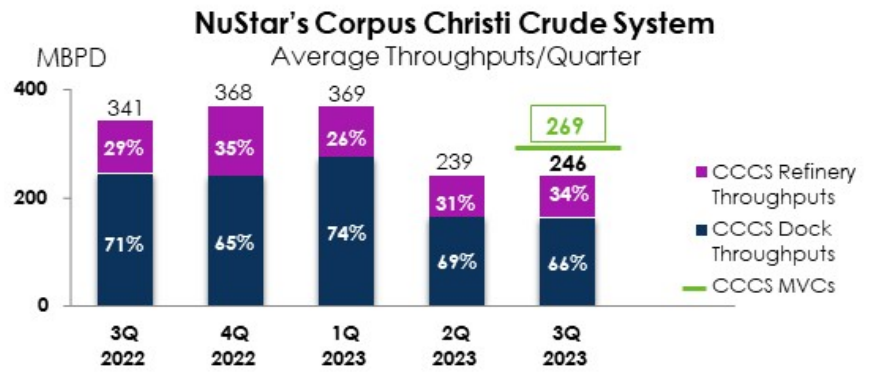
# Our Corpus Christi Crude System's MVCs- for Export and Local Refinery Supply- Provide Strength & Stability



- ★ Our Corpus Christi Crude System (CCCS) is comprised of our 16" South Texas Crude Oil Pipeline System, our 12" Three Rivers Supply Pipeline, our 30" pipeline from Taft and our North Beach Export Terminal, which also receives volumes from Harvest's 16" Pipeline and delivers to local refineries
- ★ In July 2022, we extended our MVC contract with Trafigura for an additional year and a half, through December 2024

<u>In-bound Capacity</u>	<u>Storage Capacity</u>	<u>Outbound Capacity</u>
<p><u>TOTAL: 1.2MMBPD</u></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><u>TOTAL: 3.9MMbbl</u></p> <ul style="list-style-type: none"> <li>• <u>Potential expansion 0.4MMbbl</u></li> </ul>	<p><u>TOTAL: 1.2MMBPD</u></p> <ul style="list-style-type: none"> <li>• Export Docks- 750MBPD to 1.0MMBPD</li> <li>• Refinery Supply- 220MBPD</li> </ul>

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



## Our Strategic Priorities:

1.

Maximizing  
Our Cash  
Flow

2.

Maintaining a  
Healthy Debt  
Metric

3.

Providing Safe  
& Reliable  
Transportation  
& Storage of  
Essential  
Energy

# Appendix

Big Springs, TX



- Common Unit Price<sup>(1)</sup>: \$19.18
- Distribution/CU/Year: \$1.60
- Yield<sup>(1)</sup>: 8.3%
- Market Cap<sup>(1)</sup>: ~\$2.5 billion
- Credit Ratings:
  - *Moody's*: Ba3 (Stable)
  - *S&P*: BB- (Positive)
  - *Fitch*: BB (Stable)
- Enterprise Value<sup>(1)</sup>: ~\$6.5 billion
- Total Assets: ~\$5.0 billion
- Pipeline Miles: ~9,500
- Pipeline Volumes<sup>(2)</sup>: 1.8MMBPD
- Storage Capacity: ~49MMB
- Storage Throughput Volumes<sup>(2)</sup>: 410MBPD

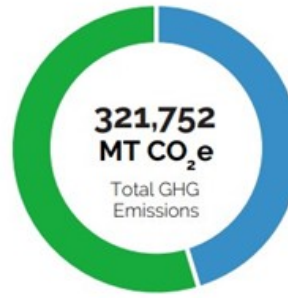


1. As of December 1, 2023

2. Average daily volume for the quarter ended September 30, 2023

Issued 2022 Sustainability Report including Scope 1 & 2 GHG Emissions

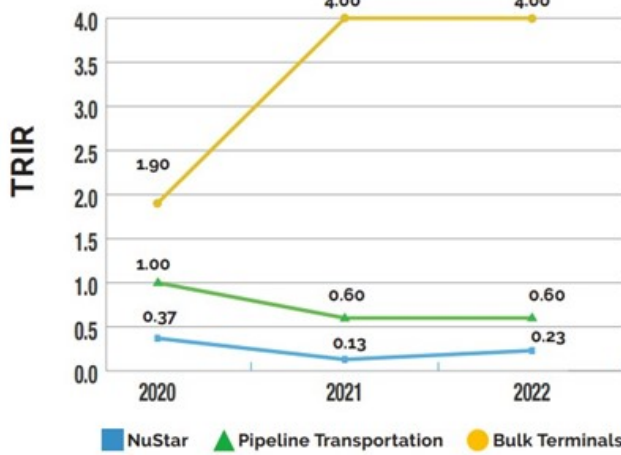
## 2022 Scope 1 and 2 Emissions<sup>2</sup>



**144,168** MT CO<sub>2</sub>e  
Scope 1 GHG Emissions

**177,584** MT CO<sub>2</sub>e  
Scope 2 GHG Emissions

### Three-Year Total Recordable Incident Rate<sup>[1]</sup>

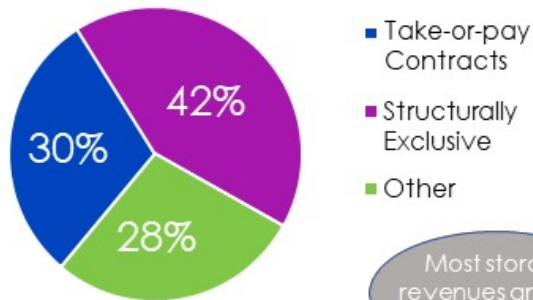


[1] Industry averages derived from 2020–2022 Bureau of Labor Statistics Data.



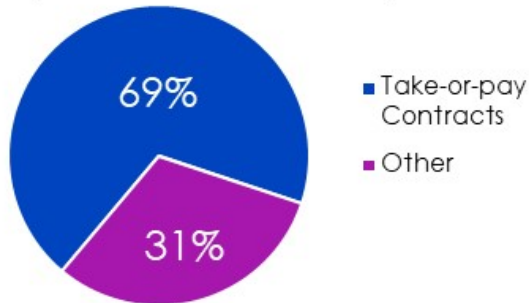
~95% of revenues are tied to PPI-FC<sup>2</sup>

## Pipeline Segment Contracted<sup>1</sup> Revenues (% 2023 Forecast – as of 3Q23)

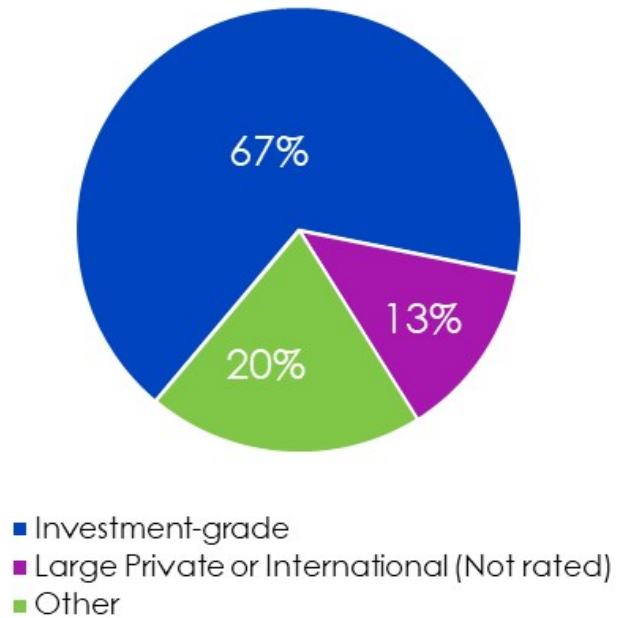


Most storage revenues are tied to regional CPI

## Storage Segment Contracted Revenues (% 2023 Forecast – as of 3Q23)



## NuStar Investment-grade Customers (% Pipeline/Storage 2023 YTD Revenues as of September 30, 2023)

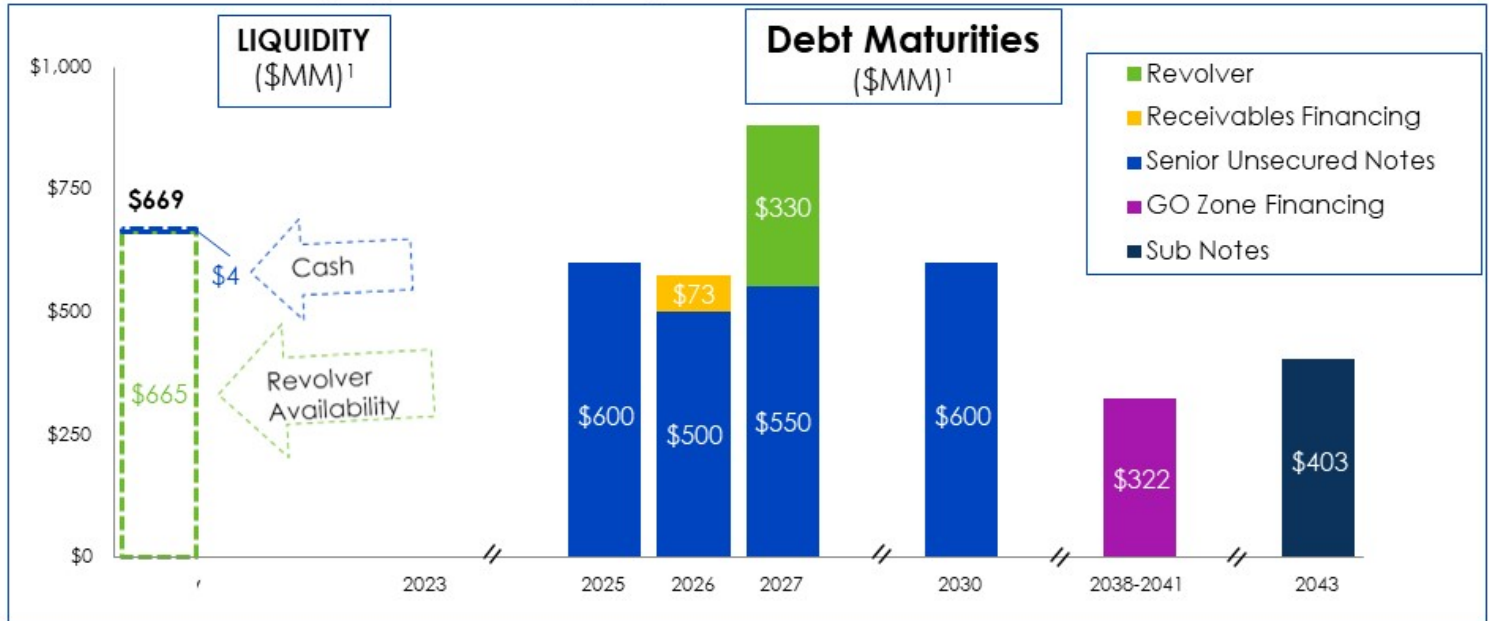


1 - Committed through take or pay contracts or through structural exclusivity (uncommitted lines serving refinery customers with no competition); 2 - Most crude pipelines have rates that are subject to floors and caps, which is common in the industry.

# Liquidity and Debt Maturity Schedule



- ★ In the past few years, we utilized cash flows, proceeds from asset sales and monetization of our corporate real estate to continue to reduce debt balances, which enabled us to repurchase about 2/3 of the Series D preferred units through July 2023
- ★ And on September 12<sup>th</sup>, we redeemed the remaining 1/3 of the Series D preferred units with proceeds of ~\$222 from the ~15 million units of equity we issued in August 2023
  - Thus, strengthening our balance sheet and simplifying our capital structure
- ★ In June 2023, we also extended the term of our \$1.0 billion revolver through January 2027 and our receivables financing agreement through July 2026



<sup>1</sup> – Balances as of September 30, 2023

# Capital Structure as of September 30, 2023 (\$ in Millions)



\$1.0B Credit Facility	\$ 330	Common Equity and AOCI	\$ 286
NuStar Logistics Notes (5.625%)	550	Series A, B and C Preferred Units	<u>756</u>
NuStar Logistics Notes (5.75%)	600	<b>Total Equity</b>	<b>1,042</b>
NuStar Logistics Notes (6.00%)	500	<b>Total Capitalization</b>	<b><u>\$4,445</u></b>
NuStar Logistics Notes (6.375%)	600		
NuStar Logistics Sub Notes	403		
GO Zone Bonds	322		
Receivables Financing	73		
Finance Lease Liability	55		
Other	<u>(30)</u>		
<b>Total Debt</b>	<b>\$3,403</b>		

★ **As of September 30, 2023:**

- Credit facility availability ~\$665MM
- Debt-to-EBITDA ratio<sup>1</sup> 3.83x

<sup>1</sup> - 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. (the Partnership) 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 present segment EBITDA to facilitate period-over-period comparisons of the operational performance of our business segments and to understand our business segments' relative contributions to our consolidated performance. We may also adjust these measures 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 a financial indicator 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. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP.

The following is a reconciliation of operating income to segment EBITDA for our pipeline segment (in thousands of dollars).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating income	\$ 125,953	\$ 110,365	\$ 353,615	\$ 307,070
Depreciation and amortization expense	44,231	44,806	131,636	134,076
Segment EBITDA	<u>\$ 170,184</u>	<u>\$ 155,171</u>	<u>\$ 485,251</u>	<u>\$ 441,146</u>

# Reconciliation of Non-GAAP Financial Information (continued)



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

	Three Months Ended September 30,	
	2023	2022
Net income	\$ 51,195	\$ 59,633
Interest expense, net	63,125	52,294
Income tax expense	1,134	1,430
Depreciation and amortization expense	64,295	65,075
EBITDA	\$ 179,749	\$ 178,432
Interest expense, net	(63,125)	(52,294)
Reliability capital expenditures	(9,756)	(11,252)
Income tax expense	(1,134)	(1,430)
Long-term incentive equity awards (a)	3,691	2,534
Preferred unit distributions	(26,535)	(32,463)
Premium on redemption of Series D Cumulative Convertible Preferred Units	(71,438)	—
Other items	9,870	9,958
DCF	\$ 21,322	\$ 93,485
Distributions applicable to common limited partners	\$ 50,358	\$ 44,125
Distribution coverage ratio (b)	0.42x	2.12x

(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) Distribution coverage ratio is calculated by dividing DCF by distributions applicable to common limited partners.

# Reconciliation of Non-GAAP Financial Information (continued)



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

	<b>Three Months Ended September 30, 2023</b>
DCF	\$ 21,322
Premium on redemption of Series D Cumulative Convertible Preferred Units	71,438
Adjusted DCF	<u>\$ 92,760</u>
Distributions applicable to common limited partners	\$ 50,358
Adjusted distribution coverage ratio (a)	1.84x

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

The following is a reconciliation of projected net income to EBITDA and adjusted EBITDA (in thousands of dollars).

	<b>Projected for the Year Ended December 31, 2023</b>
Net income	\$ 261,000 - 273,000
Interest expense, net	242,000 - 245,000
Income tax expense	4,000 - 6,000
Depreciation and amortization expense	<u>254,000 - 257,000</u>
EBITDA	761,000 - 781,000
Gain on sale of assets	<u>(41,000)</u>
Adjusted EBITDA	<u>\$ 720,000 - 740,000</u>

# Reconciliation of Non-GAAP Financial Information (continued)



The following are reconciliations of operating (loss) income to EBITDA and if applicable, 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
Operating (loss) income	\$ (3,424)	\$ 1,050	\$ 650	\$ (1,847)	\$ 3,605	\$ 11,546	\$ 10,878
Depreciation and amortization expense	10,227	11,005	13,165	13,477	15,059	15,235	16,589
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>

	Three Months Ended						
	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Operating income (loss)	\$ 5,358	\$ 13,543	\$ 17,280	\$ 21,132	\$ (106,476)	\$ 14,481	\$ 17,627
Depreciation and amortization expense	17,647	17,182	18,114	18,154	18,606	18,928	20,115
EBITDA	<u>\$ 23,005</u>	<u>\$ 30,725</u>	<u>\$ 35,394</u>	<u>\$ 39,286</u>	<u>(87,870)</u>	<u>\$ 33,409</u>	<u>\$ 37,742</u>
Goodwill impairment loss					126,000		
Adjusted EBITDA					<u>\$ 38,130</u>		

	Three Months Ended						
	Dec. 31, 2020	Mar. 31, 2021	June 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	June 30, 2022
Operating income	\$ 13,523	\$ 16,912	\$ 22,767	\$ 25,515	\$ 26,901	\$ 28,545	\$ 35,482
Depreciation and amortization expense	19,579	19,694	19,843	20,035	20,013	20,328	20,465
EBITDA	<u>\$ 33,102</u>	<u>\$ 36,606</u>	<u>\$ 42,610</u>	<u>\$ 45,550</u>	<u>\$ 46,914</u>	<u>\$ 48,873</u>	<u>\$ 55,947</u>

	Three Months Ended				
	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	June 30, 2023	Sept. 30, 2023
Operating income	\$ 41,150	\$ 42,261	\$ 34,266	\$ 33,359	\$ 37,506
Depreciation and amortization expense	20,769	21,073	21,266	21,365	21,650
EBITDA	<u>\$ 61,919</u>	<u>\$ 63,334</u>	<u>\$ 55,532</u>	<u>\$ 54,724</u>	<u>\$ 59,156</u>

# 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):

	<b>For the Four Quarters Ended September 30, 2023</b>
Operating income	\$ 507,599
Depreciation and amortization expense	256,442
Amortization expense of equity-based awards	15,572
Other	(2,287)
Consolidated EBITDA, as defined in the Revolving Credit Agreement	<u>\$ 777,326</u>
Long-term debt, less current portion of finance leases	\$ 3,398,006
Finance leases (long-term)	(50,000)
Unamortized debt issuance costs	29,234
NuStar Logistics' floating rate subordinated notes	(402,500)
Consolidated Debt, as defined in the Revolving Credit Agreement	<u>\$ 2,974,740</u>
Consolidated Debt Coverage Ratio (Consolidated Debt to Consolidated EBITDA)	3.83x

## INVESTOR RELATIONS

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## SUSTAINABILITY

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<https://sustainability.nustarenergy.com/>