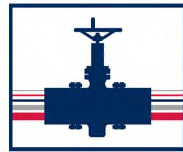


Houston, TX | February 9, 2021

# 4Q & FY 2020 Earnings Package



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## **Fourth-Quarter 2020 Earnings Conference Call**

**Tuesday, February 9, 2021**

### **Roy Lamoreaux:**

Thank you, Tulare. Good afternoon, and welcome to Plains All American's fourth-quarter and full-year 2020 earnings conference call. Today's slide presentation, which contains a good deal of supplementary information is posted on the Investor Relations, News & Events section of our website at [plainsallamerican.com](http://plainsallamerican.com), where audio replay will also be available following our call today. Later this evening we plan to post our "Earnings Package" to the Investor Kit section of our IR website, which will include today's transcript and other reference materials. Important disclosures regarding forward looking statements and non-GAAP financial measures are provided on slide 2 of today's presentation. A condensed consolidating balance sheet for PAGP and other reference materials are located in the appendix.

Today's call will be hosted by Willie Chiang, Chairman and Chief Executive Officer and Al Swanson, Executive Vice President and Chief Financial Officer. Additionally, Harry Pefanis, President and Chief Commercial Officer; Chris Chandler, Executive Vice President and Chief Operating Officer; Jeremy Goebel, Executive Vice President – Commercial; and Chris Herbold, Senior Vice President and Chief Accounting Officer, along with other members of our senior management team are available for the Q&A portion of today's call.

With that, I will now turn the call over to Willie.

### **Willie Chiang:**

Thanks, Roy. Hello everyone, and thank you for joining us. This afternoon we reported fourth-quarter and full-year 2020 results, each of which were largely in-line with our expectations. We also furnished full-year guidance for 2021. Al will discuss the

results and guidance in more detail during his portion of the call, so let me start off with a few comments on the progress we made in 2020 and our positioning going forward. As we all appreciate, the challenges in 2020 were very significant. I'm thankful for and very proud of our team who demonstrated strength and resilience, worked to overcome obstacles, and focused on what we could control. As a result, we accelerated several key initiatives, two of which I want to highlight:

- First, we have fully embraced our company-wide transition to “efficiency mode” – focusing on streamlining the organization, reducing costs, and working to optimize all aspects of our business.
- Second, we have positioned ourselves to generate meaningful positive free cash flow after distributions. We implemented actions that improved our 2020 cash positioning by roughly \$1 billion and expect to have strong positive free-cash-flow after distributions in 2021 and beyond.

The collective result of these activities allowed us to activate a balanced equity repurchase program that aligns with our priorities of reducing leverage, improving our investment-grade credit metrics, and returning capital to equity holders.

Throughout 2020, we had solid execution against the goals we outlined at the beginning of the year, which are summarized on slide 4.

- Notably, we delivered Adjusted EBITDA within 1% of our initial “pre-COVID” guidance – a significant achievement largely accomplished via strong mid-year Supply & Logistics results buffering the negative impact of reduced volumes in our Transportation Segment.
- We completed \$450 million in asset sales, electing to defer our process for certain targeted asset sales into 2021.
- We also advanced optimization and efficiency initiatives throughout the year, resulting in more than \$125 million of OPEX and G&A cost savings which we expect to endure in 2021 and future years.

- And most importantly, we continued our progress toward our goal of zero incidents, with our best year ever. We exceeded our annual 20% reduction target of our total recordable injury rate and federally reportable releases, resulting in a reduction of more than 50% for each metric over the past three-years.
- In addition to the goals we defined for the year, we continued to increase our alignment with investors and external stakeholders, including many of you – advancing our sustainability program, improving our disclosures, and continuing to enhance our executive compensation program and overall governance framework.

With respect to the heightened focus in 2020 on the topics of sustainability (or “ESG”), energy transition, and policy agendas shared throughout the U.S. election process, let me share a few comments. Appreciating all of the above, we continue to believe that hydrocarbons will remain a key part of the energy mix needed to meet increasing global population demands and improving quality of life. Mobility, power generation, heating and cooling are all widely recognized as key drivers of energy demand. Perhaps less frequently recognized are the basic building blocks of growth and prosperity – steel, cement, plastics, and fertilizers – each of which require hydrocarbons. We believe the transition to lower carbon intensity will occur over an extended period of time and that all sources of energy, including hydrocarbons and efficiency and conservation will be required to meet that demand and provide a bridge to the future. In that regard, we expect absolute demand for nearly all forms of energy to increase for the foreseeable future and for midstream infrastructure to remain an essential link between energy supply and demand.

As a result, we have strong conviction in the long-term value of our business and the sustainability of our cash flow stream. We also acknowledge that we must continuously improve our operating “footprint” – building on our safety and environmental performance, reducing emissions, improving efficiency, increasing conservation, and leveraging technology to move whatever aligns with the highest and

best use of our asset base and capabilities. As you have likely seen, we have increased our sustainability disclosures over the past two years, and we plan to issue an updated sustainability report later this year which will share additional information about our sustainability strategy, progress, and ongoing initiatives.

With respect to current industry fundamentals, the unprecedented shock to global oil demand clearly reset the base for North America production. For perspective, we entered the year expecting U.S. oil production to grow from year-end 2019 to year-end 2020 by roughly 500,000 barrels per day or 4%. U.S. oil production is now estimated to have decreased during this time period by 2.3 million barrels per day or 17%. This equates to a reset of absolute production expectations of more than 2.5 million barrels per day, which has created a significant level of surplus midstream infrastructure capacity for the foreseeable future.

As illustrated on slide 5, global oil demand is expected to continue to recover, although the timing of a global supply/demand rebalance is subject to multiple variables, including, on the demand side, global COVID vaccination pace and effectiveness, and on the supply side, a number of dynamics, including OPEC++ compliance, natural production declines, continued capital discipline from producers, available surplus supply, as well as the impact of potential regulatory and carbon transition impacts. Appreciating these variables, we believe that North American crude oil will be needed long-term to support growing global population needs, and that the Permian Basin will be key to meeting those needs. As producers continue to exercise capital discipline and operate well within cash flow, we believe the Permian could grow oil production to 5 million barrels per day within a couple of years and to 6 million or more barrels per day longer term.

Plains has a highly integrated system in place with a significant degree of flexibility, optionality and operating leverage. Our assets will continue to be critical to meeting the longer-term needs of North American oil production growth, while requiring minimal capital investment going forward. The actions we have taken position

us to generate meaningful positive free cash flow after distributions for years to come. In 2021 we expect to generate free cash flow after distributions of roughly \$300 million, which expands to more than \$1 billion when including proceeds from targeted asset sales. This is illustrated on slide 6. I'll also note that consistent with our November commentary on our \$500 million common equity repurchase program, in 2021 we plan to allocate 75% or more of free cash flow after distributions to debt reduction, and up to 25% to buybacks. Beyond 2021, as a result of anticipated EBITDA growth and a run-rate investment capital of \$200 to \$300 million per year, we expect to generate a meaningful level of annual free cash flow. Subject to our annual board review and approval, as leverage decreases over time, we expect the allocation to further shift from debt reduction toward equity holder returns.

With that, I will turn the call over to Al.

**Al Swanson:**

Thanks, Willie. During my portion of the call, I'll review our fourth-quarter and full-year results, review our current capitalization, liquidity, and leverage metrics, and provide additional color with respect to our outlook for 2021.

As shown on slide 7, fourth-quarter fee-based Adjusted EBITDA of \$555 million was slightly above our expectations. Transportation Segment results were in line with our expectations but decreased compared to third-quarter 2020, driven primarily by MVC deficiencies billed and collected in the third-quarter related to volume deficiencies from the second and third quarters. Facilities Segment results exceeded our expectations primarily due to higher than expected activity and revenues at our Cushing terminal and certain other facilities and were in-line with third-quarter 2020, effectively offsetting the impact of asset sales completed late in the year. Fourth-quarter Supply & Logistics results of \$4 million were below expectations and primarily driven by the impact of warmer seasonal temperatures on our NGL sales activities in Canada and less favorable margins on Canadian crude oil activities.

Moving to our capitalization and liquidity, a summary of key metrics is provided on slide 8. Our long-term debt to Adjusted EBITDA ratio is 3.7 times, which is above our target range of 3.0 to 3.5 times and reinforces the rationale for debt reduction to remain a top priority within our capital allocation framework. Additionally, we exited the year with total committed liquidity of \$2.2 billion, and we do not expect to access the capital markets for the foreseeable future.

Let me share some additional comments on our 2021 guidance, which is summarized on slide 9. Our fee-based Adjusted EBITDA guidance of plus or minus \$2.1 billion reflects a 2% decrease relative to the preliminary guidance we shared in November and incorporates the anticipated impact of a \$150 million increase to our 2021 asset sales target, an additional reduction in our investment capital program and refined expectations based on our current outlook for 2021. Additional segment-level discussion is provided on the slide, which recaps notable variances to our 2020 results. With respect to our S&L guidance, this highlights our expectation for the continuation of challenging market conditions to limit margin-based opportunities in the future.

As Willie noted, we forecast free cash flow after distributions including targeted asset sales proceeds to be more than \$1 billion, slightly above our November estimate due to the increasing our 2021 asset sales target by \$150 million for a total of \$750 million. A top priority continues to be maximizing free cash flow after distributions and allocating capital in a balanced and disciplined manner, with the intent to reduce debt and prudently return cash to equity holders over time. We remain focused on disciplined capital management, and with pre-requisites of high return, “must do, no regrets” for every incremental dollar invested. In that regard as shown on slide 10, we exited 2020 with investment capital \$30 million below our November estimate, maintenance capital \$35 million below our February estimate, and we have further reduced our 2021 investment capital guidance by 15% from \$500 million to \$425 million. I’ll note that a high-level overview and status update for our two key projects



that remain underway is provided on slides 26 and 27 of the appendix of today's slide presentation.

With respect to returning capital to shareholders, thus far we have repurchased 6.6 million PAA common units for \$53 million with an average price of \$8.12 per unit. Consistent with what we have previously communicated, we plan on allocating 75% or more of our 2021 free cash flow after distributions to debt reduction, with the remaining balance available for equity repurchases. In the event of meaningful assets sales like we are forecasting this year, we may allocate a higher relative percentage towards debt reduction in recognition of the loss of EBITDA associated with the assets sold. To be clear, we do not plan to utilize debt to fund equity repurchases.

With that, I will turn the call back over to Willie.

**Willie Chiang:**

Thanks, Al. Our goals for 2021 are outlined on slide 11. We remain very focused on the long-term positioning of our business which is built upon our continuous diligence of: operating safely, reliably, and responsibly; generating meaningful multi-year free cash flow after distributions; strengthening our balance sheet and financial flexibility while prudently returning cash to equity holders; and, continuing to advance our sustainability program and disclosures.

We believe hydrocarbons will remain a key part of the energy equation going forward, and we believe in the innovation of our industry, our PAA team, and the flexibility of our assets to meet the evolving energy landscape. Energy infrastructure is, and will remain, the critical link between energy supply and demand, and we believe in the long-term sustainability of our assets, operations and cash flow.

Thank you for your interest and support of Plains, and we look forward to providing you with additional updates on our continued progress. With that, I will turn the call over to Roy to lead us into Q&A.

**Roy Lamoreaux:**

Thanks, Willie. I would mention that a recap of today's call is located on slide 12.

As we enter the Q&A session, please limit yourself to one question and one follow up question and then return to the queue if you have additional follow-ups. This will allow us to address the top questions from as many participants as practical in our available time this afternoon. Additionally, our IR team plans to be available throughout the week to address additional questions.

Tulare, we are now ready to open the call for questions.

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Thank you, Al. Our goals for 2021 are outlined on Slide 11. We remain very focused on the long-term positioning of our business, which is built upon our continuous diligence of operating safely, reliably, responsibly, generating meaningful multi-year cash flow after distributions, strengthening our balance sheet and financial flexibility while prudently returning cash to equity holders, and continuing to advance our sustainability program and disclosures. We believe hydrocarbons will remain a key part of the energy equation going forward. And we believe in the innovation of our industry, our PAA team and the flexibility of our assets to meet the evolving energy landscape. Energy infrastructure is and will remain the critical link between every supply and demand and we believe in the long-term sustainability of our assets operations and cash flow.

Thank you for your interest and support of Plains. We look forward to providing you with more additional updates on our continued progress.

With that, I'll turn the call over to Roy, who will lead us into Q&A.

**Roy Lamoreaux** {BIO 15162871 <GO>}

Thanks, Willie. I mentioned a recap state forward-looking on Slide 12. As we enter the Q&A session, please limit yourself to one question and one follow-up question and then return to the queue if you have additional follow-ups. This will allow us to address the top questions from as many participants as practical in our available time this evening. Additionally, our Investor Relations team plans to be available throughout the week to address additional questions.

We're now ready to open the call up to questions.

## Questions And Answers

### Operator

Thank you. (Operator Instructions) We'll move first to Jeremy Tonet with JP Morgan.

**Q - Jeremy Tonet** {BIO 15946844 <GO>}

Hi, good afternoon.

**A - Willie Chiang** {BIO 16032895 <GO>}

Hi, Jeremy.

**Q - Jeremy Tonet** {BIO 15946844 <GO>}

Just wanted to dig in a little bit more if I could, on the fee based guidance for '21 coming down a little bit here. Appreciate a portion of it probably is coming from a bit more asset sales, but still it seems like that's not full bridge there. And if I think about when you guys gave guidance last quarter if anything, the environment has probably somewhat improved with WTI moving up the way that it has been, maybe at the margin producers

expecting a little bit more production granted that win materialize till later in the year, but I guess you're just thinking there could be more upward bias than downward bias to the guidance here. So just wondering if there's any other moving pieces we should be thinking about?

**A - Willie Chiang** {BIO 16032895 <GO>}

AI, why don't you take that?

**A - Al Swanson** {BIO 4094149 <GO>}

Yes, I'll take a shot at that. Jeremy, asset sales are clearly a part of it, as well as our CapEx, reduction in some of the optimization around the CapEx program coming down. As well as just differentials out of the Permian make movements both north to Cushing into the water more challenging. So we've dialed that into our thinking as well as just activity through some of our facilities and utilization of some of our facilities on the crude and NGL side.

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Jeremy. This is, Jeremy Goebel. One thing to add. There is a significant component there as AI mentioned optimization of capital. We've worked on eliminating additional capital by these ongoing [ph] projects and that's a significant component on the pipeline size, that's really deferred revenue and not lost revenue opportunities. So we've worked on those components. That's the biggest driver in the capital reduction and also revenue, from a net free cash flow basis you're neutral to positive and longer-term, we have a month revenue generating opportunity.

**A - Willie Chiang** {BIO 16032895 <GO>}

And Jeremy, one more thing that I'll ask Jeremy Goebel to comment on, our premise for the Permian really even though in the higher price environment, our belief is that there is going to be more discipline from the producers in bringing free cash back to their shareholders were taken debt down. So our forecast is really a modest growth of production flat to modest growth in the Permian, probably not to the extent of what the flat price and first based on history.

**A - Jeremy Goebel** {BIO 19271634 <GO>}

That's great. This is Jeremy again. For 2021, our view, and Jeremy, you usually ask this question second time, I'm just going to preemptively answer it, is modest growth of 200,000 barrels a day this year, larger public companies taking the 60% to 75% of recycle ratio reinvestment and that's trended down as prices have run up. We really haven't seen material increases and rates to drive additional production growth. This will ultimately for the upstream companies being in a much healthier position going into 2022 if prices stay where they are. It likely leads to more moderated growth in pre-pandemic levels, but it could lead to more ratable growth more predictable growth.

Everyone on the production side is being cautious with respect to adding incremental production until demand returned and then OPEC barrels come back to market. So once

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you see those two things happen, I think you'll see a more constructive environment for activity, and you'll have healthier balance sheets. The smaller E&Ps in some of the under-levered private guys are yet not in front of this, but not enough to make the material impact at 2021 and this is largely around the Permian, rest of basins we have largely flat to slightly declining even with the higher flat rises. So while that may be deemed conservative, if you think about any rig additions now are impacting 6 to 9-month out of production. Anything that's happening in this front periods really impacting the second half or the latter part of the year. Very constructive going in 2022 but we're for reasons being cautious until demand and OPEC barrels get back to market to more rig levels.

**Q - Jeremy Tonet** {BIO 15946844 <GO>}

Got it. That's helpful color. Thank you for that. And maybe kind of just shifting gears a bit here with the move in propane as we've seen it, we are thinking it could be more kind of upside bias to S&L here but didn't look like there was much showed up this quarter, not to be expected but even in the first quarter, it doesn't look like naturally it's making a big impact there. And just wanted to get to the core of the NGL business and is that something that you guys still think of it as a core business or is that something that maybe someone else could drive more value from just as you think about coring up your business getting paying down debt and increasing returns to shareholders over time?

**A - Willie Chiang** {BIO 16032895 <GO>}

Jeremy?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Jeremy, this is Jeremy again. Warmer weather persisted through the fourth quarter and even January has not just until the last couple of weeks to where you saw the markets we sell into largely the Midwest and the Northeast. So as those inventories dropped, basis improve, we'll capture more opportunities, but some of that could be pushing into later in the year, as the cold is just started. So the more persistent this is the cold weather and more likely you'll see draws to more normalized propane in those regions. And if you could just push the opportunity out into later in the year, but we're certainly paying attention to it, it is a core business, it's the large business for us and we're going to continue to optimize around it. Yes, there were some large backwardation but that was largely driven by Gulf Coast pulls and not necessarily pulls in Northeast.

**A - Harry Pefanis** {BIO 1407851 <GO>}

Hey, this is Harry. I'd also add, what you saw last year, especially with the inventories in Canada was when you got into that market in sort of the spring of last year April, May even into early summer June, decreased demand, inventories as well in Canada, we actually ended the year with higher than normal inventories in Canada. So that also impacts the margins to generate out of that business. And we have seen a run-up in NGL prices into this year. But also keep in mind, we treated a little bit like a manufacturing business and we do hedge. So we don't sit there and just takes spot prices all day long. So, you get back of that to just because near-term prices not doesn't mean that we are exposed likewise if they decline, we typically have production against it.

**Q - Jeremy Tonet** {BIO 15946844 <GO>}

Got it. I'll stop there. Thank you very much.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thanks, Jeremy.

**Operator**

Next we'll move to Shneur Gershuni with UBS.

**Q - Shneur Gershuni** {BIO 4850225 <GO>}

Hi, good afternoon, everyone. Just wondering if we can revisit the guidance responses to Jeremy's questions. The explanation, if I understand, if you can sort of square this for me a little bit is, is partially due to the asset sales. You also said that there is going to be less capital and mentioned optimization as part of it. But I think the CapEx is going down about \$80 million if I read it correctly, in your slides. I was wondering if you can expand on it little bit. Are you saying that you're more conservative than you were in November? I'm just trying to understand, like if you can get into a little bit more detail about what's changed. And then secondly, given the S&L is going to be a lot lower than last year, is there going to be working capital with these, that comes with that?

**A - Willie Chiang** {BIO 16032895 <GO>}

Yes, Shneur. This is Willie. Let me start and others can jump in. I mean one of the things I want to make sure people realize, when we talk about where we're embracing efficiency mode, maximum cash flow, that is exactly what we're doing. We're trying to figure out how do we maximize cash flow and everything we do. And one example that Jeremy Goebel gave was as we think about CapEx and in commitments on volumes to it if we ended up -- we are able to save some CapEx on a piece of work and not spend it and exchange for an MPV neutral pushing some cash flow up. So it's, things like that that are driving the reduced CapEx and it's frankly a better resolution, I'm talking with producers and getting our arms around what we think, we expect to happen.

Anyone else want to add to that?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

I guess your question was on -- the second part of your question was around working capital release with less S&L. I think -- this is Jeremy Goebel. I think that will happen throughout the year as the market's moved in the backwardation, at some point we will opportunistically take positions off and that would allow for a releases at the short-term debt or working capital. But we're being opportunistic around it.

**Q - Shneur Gershuni** {BIO 4850225 <GO>}

Okay, great. And as a follow-up question. In your appendix in today's slide, you've got investor FAQ. You specifically address federal lands. I was just wondering if you can

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expand on the federal lands exposure. I think during the last call you had said it was about 20%, but it's not listed in the slide here. I was wondering if you can sort of talk to what do you think your exposure is, if the current drilling pause or permits pause [ph] last for more than a couple of years?

**A - Willie Chiang** {BIO 16032895 <GO>}

Jeremy, do you want to take that?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Yes. This is -- Shneu, this is Jeremy Goebel. I would say one we're in a wait and see mode. I think from a producer standpoint, consistent with other commentary and other calls is the expectation is that producers at some point will be able to develop the leases that they have. No new leases seems like a probable opportunity. We need clarity on the land in right away on multiple fronts, will it be -- well it potentially take longer time to get permit but that's definitely possible, but I don't think people have given up on New Mexico at this point and I think there's a lot of opportunity around it.

Will then impact this year would reduce capital as well as potential impact on production, but still about 15% to 20% number from a total dedication but a lot of the producers that we have a New Mexico also will have inventory in Texas. That's very much with higher gas prices and higher crude prices as well in the money, I don't know that it's an absolute loss events. I mean, if we don't get in New Mexico, we don't get it at all. So I'd say probably a pivot the more state land in Texas and a lot of the same producers we have in New Mexico have significant inventory that would be well in our money and on the Texas side. So I don't think you can just saying Plains is going to lose 15% to 20% you have to look at the whole picture. And so I'd say it's not was lots of New Mexico is not a total loss of Plains is one way to look at.

**Q - Shneur Gershuni** {BIO 4850225 <GO>}

Got it. Thank you very much guys. Really appreciate the color. Thanks.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thanks, Shneur.

**Operator**

We'll move to Michael Blum with Wells Fargo.

**Q - Michael Blum** {BIO 6739027 <GO>}

Thanks. Good evening, everybody. I guess, first question I want to ask was around the decision to continue to allocate some of the excess cash flow to buybacks. I guess just given the reduction in EBITDA guidance and some perhaps some of the pressure that I'll put on the balance sheet. Why not just is all your free cash flow to reduce leverage this year and wait for that to rebound?

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**A - Willie Chiang** {BIO 16032895 <GO>}

I'll make a comment and Al I think can jump in and add to it. One of the big things that's -- I'm glad you brought up free cash flow because that's clearly we think about EBITDA it only translates into cash, free cash flow. So when you think about the asset sales that we've got this year Michael, it's a pretty significant chunk of capital allocation, which we think we can really take balanced approach to both the equity holders and continue to reduce debt. Al?

**A - Al Swanson** {BIO 4094149 <GO>}

Yes, Michael. As we mentioned in the commentary, our primary focus will be to debt reduction 75% or more. Again, with the vast majority of what we expect in our guidance of coming from asset sales, we're going to recognize that that we're probably going to have to allocate more against debt reduction in this year. And so we're very much focused on that, but we also want to be able to support our equity as well. And so again leverage valuation of our shares as we go throughout the year outlook of the business, what oil prices are doing, what producer activities are, all those will get dialed in, there is no just prescribed or formula approach. So we're going to try to balance all of that. But again, just to be clear, our focus will be to reduce debt. And make sure we manage our leverage, but we also want to support our equity.

**Q - Michael Blum** {BIO 6739027 <GO>}

Great. I appreciate that. My second question is just on the increase in the asset sale target. Is that just -- I'm sure you don't want to tell anyone here what asset figure considering, but should we assume that you have now contemplated selling additional assets. And it's not that you think you're going to get better pricing on the existing asset sales we were targeting?

**A - Willie Chiang** {BIO 16032895 <GO>}

I would tell you, Michael, it's confidence in being able to -- increased confidence in being able to execute what we had considered. And I leave it at that at this point.

**Q - Michael Blum** {BIO 6739027 <GO>}

Great. Thank you very much.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thank you, Michael.

**Operator**

And next we'll move to Keith Stanley with Wolfe Research.

**Q - Keith Stanley** {BIO 18687391 <GO>}

Hi, thanks. First wanted to follow up on the last question on the asset sales. So can you just give more color on, I guess the amount of progress you've made to date, where you

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are in the process. It's just -- it's a big dollar target. Should we think you are in active discussions now? Is it still mainly identified assets and thoughts on timing for executing that throughout the year?

**A - Willie Chiang** {BIO 16032895 <GO>}

Jeremy?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Yes, thanks. This is Jeremy. I'd say year-to-date, we post \$20 million in asset sales. But, so that has generated close to \$2 million annually of EBITDA. The rents are in various stages, whether it's an bid rounds kicking up the process, but all sale processes are underway, so that give you a sense for timing. So there is nothing that we haven't begun marketing, it's all things that are actively in the market and in discussions with the third parties.

**Q - Keith Stanley** {BIO 18687391 <GO>}

Okay, great. Follow-up questions separate one. Can you just give an update on where you are in the permitting process for the Diamond expansion project Are there any key permits you still need for that one? Not sure if you've broken ground. Yes, just an update on the process and timeline. Thanks.

**A - Willie Chiang** {BIO 16032895 <GO>}

Keith, I'll let Chris Chandler handle that one.

**A - Chris Chandler** {BIO 20565857 <GO>}

Keith, this is Chris Chandler, so we've secured all of the environmental permits that we need for the Diamond expansion project. And those are federal, state and local permits everything that's needed to begin construction there, all long lead equipment and pipes been ordered, we've secured 95% of the right away. We're targeting to begin construction in the second quarter of this year and still are targeting to have a line in service by the end of the year. I will note that we're taking some time to continue our engagement in the community. We've met with elected officials. We've met with local businesses and community leaders all along the route. And ultimately, we're looking forward to safely and responsibly building and operating a pipeline that will be a long-term benefit to the region.

**Q - Keith Stanley** {BIO 18687391 <GO>}

Thank you.

**Operator**

Next, let's move on to Colton Bean with Tudor, Pickering, Holt & Company.

**A - Willie Chiang** {BIO 16032895 <GO>}

Hi Colton.

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**Q - Colton Bean** {BIO 19109997 <GO>}

Good afternoon. Hi. How are you? So, just a follow up on the discussion around Q1 EBITDA guidance, it looks like it's just shy of \$500 million. Can you frame to what degree the step-down is driven by the fee-based business versus potentially a negative result in ethanol and then I guess as a follow on, Q1, traditionally a seasonally stronger quarters due to NGL marketing margins. So yes. Factories should be real option to drive that rent back to hit the full year guide meet our quarters?

**A - Willie Chiang** {BIO 16032895 <GO>}

AI?

**A - Al Swanson** {BIO 4094149 <GO>}

Yes. I'll take a shot at it. It's -- a large piece of it is related to the fee base to aren't necessarily assuming a strong, strong S&L quarter as well. But there is a number of things that add the differentials in the market for moving barrels out of the Permian, whether it's to Cushing or to the water, we've modeled some impacts relative to refinery turnarounds. Again, we've had on our gathering systems, we have some producer forecast that have been revised down for first quarter, not necessarily an impact for the whole year. Some of the terminals, some of the utilization and throughput where we've seen positive impacts this year, we're not necessarily forecasting that those continue MVC timing on pipes, have a bit of it as well as well as just some natural timing on our operating expenses. So no one particular item but the large piece of it is a result of the two fee based segment.

**Q - Colton Bean** {BIO 19109997 <GO>}

Got it. And then just to follow up on Jeremy's comments around producers potentially reallocating from New Mexico to Texas, if federal permits aren't forthcoming. Is there a material variance in infrastructure positioning between the two regions of the basin thinking in terms of potential CapEx impacts if producers were to shift their longer-term allocation plants?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

This is Jeremy. Realistically, in New Mexico, we do more of the wellhead gathering and Texas, a lot of our position is around central gathering. And so those positions are -- on the Midland side, there is some well that connects, but for the vast majority of our Texas position is behind existing batteries in position. So it couldn't yield lower CapEx outlays in Texas. But all in all, tariffs are somewhat similar between the two regions.

**Q - Colton Bean** {BIO 19109997 <GO>}

Thanks. Appreciate the time.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thanks Colton.

**Operator**

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Next we'll move to Jean Ann Salisbury with Bernstein.

**Q - Jean Ann Salisbury** {BIO 19010444 <GO>}

Hi, your segment EBITDA facilities next year is guided to \$0.42 per barrel, which is lower than it's been in a few years. Is that -- I think in Slide 9 that you talk about this lower utilization at NGL and crude storage facilities. Could you talk a little bit more about what's driving that and if it structurally is going to be lower?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Jean Ann, this is Jeremy Goebel. Part of this is driven by market structure. If you look at the steep contango and see backwardation in the NGL side and the crude side, it's just less opportunity to store. So I think part of that is driven there. But from a structural standpoint, that you get to seasonal norms and NGLs, winter -- summer, winter spreads, you can see some of that come back. But ultimately, we're just looking at the current market structure and making an assessment. And right now, you're at pretty steep backwardation. What happens is some of the facilities aren't as fully utilized because of backwardation. It could be from crude or it could be pure storage, yes.

**A - Al Swanson** {BIO 4094149 <GO>}

And the other point -- this is Al and I would throw in on just -- you mentioned the per unit. Some of the asset sales have impacted the business mix there as well, like the LA terminals as an example that we divested here in 2020 in the fourth quarter and some of what we anticipate change that business mix a little bit on a per unit basis.

**Q - Jean Ann Salisbury** {BIO 19010444 <GO>}

Okay. Just to follow-up on that, I thought that most of your crude storage was like, as you call it, operational and didn't move too much between contango and backwardation. So is this just kind of on the margins, what does move even though most of it is operational?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Jean Ann, this is Jeremy. On the NGL side, it's more exposure to the seasonal spreads. There's lower contracting on the crude side for our large facilities that Parsley contracted. There is some operational stories we can contract opportunistically when you're in steep contango like last year. So we can flex and make more available. So last year, with a steep contango, we were able to flex into more -- but the large facilities that are contracted, that business mix hasn't changed. It was more opportunistic on the crude side from last year. And then on the NGL side, the seasonal spreads start there right now.

**Q - Jean Ann Salisbury** {BIO 19010444 <GO>}

Got it. That's really helpful. And then just as a very quick follow-up, if DAPL does end up having to shut down, what's the availability of your Bakken rail terminal to start loading ASAP?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Jean Ann, this is Jeremy again. I would view that as a secondary impact relative to the other exposures we have, right? If you look at our Wascana and Bakken North assets that should move barrels out of the Williston, if you look at our past peak from Guernsey South that connects into the pipeline to Cushing from Platteville, those would be substantially larger impacts, and that's readily available now.

**A - Al Swanson** {BIO 4094149 <GO>}

But we could -- we will be able to rail too.

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Yes, you will. But I think the impact would be substantially larger on the pipeline side.

**A - Willie Chiang** {BIO 16032895 <GO>}

And Jean Ann, this is Willie. One comment I would make is, clearly, what we all seek is regulatory certainty when you have permits, and so that -- we're watching this very carefully. But as Jeremy talked about, we do have a flexible system. And as we have in all of our regions, if there are disruptions, we are -- we should be able to adapt and adjust to be able to capture, one, get barrels to market and capture some value there.

**Q - Jean Ann Salisbury** {BIO 19010444 <GO>}

And I couldn't agree more. Thank you very much, it's helpful.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thanks Jean Ann.

**Operator**

We'll move next to Michael Lapidés with Goldman Sachs.

**Q - Michael Lapidés** {BIO 6317499 <GO>}

Hi guys. Thank you for taking my question. I hate to beat the dead horse here on guidance, but I'm going to try to be pretty specific. I don't know if you all can. How much higher would the EBITDA guidance has been if you weren't forecasting the \$750 million of asset sales? How much do those asset sales, the ones you've not completed, impacts what guidance would have been?

**A - Willie Chiang** {BIO 16032895 <GO>}

I'm not sure we can comment on that, Michael. I mean, you could apply just a round number of multiple to it to get an order of magnitude, but I don't think we're ready to disclose that.

**Q - Michael Lapidés** {BIO 6317499 <GO>}

FINAL

Bloomberg Transcript

But you might be somewhere between the -- I guess somewhere in the 7 times to 10 times directionally. I'm not going to be terribly far.

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Michael, this is Jeremy. I just don't want to disclose anything that could impact valuation of the current processes. Please understand those are confidential, and we don't want to guide in any way on the asset sales and the potential impact. So I hope you can appreciate that.

**A - Willie Chiang** {BIO 16032895 <GO>}

And Michael, this may help a little bit as well. When we -- everything we've been talking about as far as guidance, I mean, in November, we were \$50 million higher on what we thought our preliminary guidance for transport -- or for the fee-based was. Where we sit today, with the disclosure that we've shared on, flat, slightly up, I would tell you that it's a fairly measured approach. When I think about where we are right now, sometimes you read the headlines, and it seems like everything is fixed, there remains a lot of uncertainty going forward.

And so the measured approach to where we think things are going, I think, is actually prudent. And anything that we look at, a lot of it is going to happen later in the year, as Jeremy Goebel mentioned. So I don't -- I just want to make sure I qualify that as people think about where we are on how we're thinking about the year. It is a measured approach with certainly less impact in the first part of the year. If there is upside, it's probably going to be in the back half of the year. Hopefully, that helps.

**Q - Michael Lapides** {BIO 6317499 <GO>}

No, super helpful. And then one follow-up. Just curious, how are you guys thinking about the Canada business and how it fits in strategically to the broader portfolio?

**A - Willie Chiang** {BIO 16032895 <GO>}

Jeremy?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Thanks. This is Jeremy. So the Canadian business, we spent the better part of the last year integrating that system from an executive side, all the way through to operations, and we continue to see more opportunities to optimize around that business and further integrate into the US business. I think we're really excited about those opportunities and view that as a core asset and a business that we've been working around to better understand and more commercially align with how we operate and manage here in the United States. So I think that integration process is underway, and we look forward to continuing to work with as a group to get there.

**Q - Michael Lapides** {BIO 6317499 <GO>}

Got it. Thank you, guys. Much appreciated.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thank you, Michael.

## Operator

Next, we'll move to Ujjwal Pradhan with Bank of America.

**Q - Ujjwal Pradhan** {BIO 18883341 <GO>}

Good evening everyone. Thanks for taking my question. I appreciate the color so far on guidance. Just wanted to go back on some of the comments you made around the CapEx coming from rationalization, while keeping the cash flow NPV neutral. Are you able to comment where you made the CapEx reductions in that particular regard? And whether this could limit Plains' operating leverage if we see stronger recovery and growth than you are anticipating?

**A - Willie Chiang** {BIO 16032895 <GO>}

Yes. Ujjwal, this is Willie. We don't want to share the specifics of any one contract, but you did bring up operating leverage. I will tell you, again, as you go into this, our mission was to stay ahead of the production side. And so when you think about our system, I know I've shared this before with folks, in the Permian, we had roughly 5 million tariff barrels or barrel capacity, 2 in gathering, 2 in intra-basin, 1 in long haul.

And we've built that out over the last number of years. So when you think about operating leverage that we have in the Permian specifically, there's a significant amount of operating leverage that we do have that we'd be able to take advantage of. We're kind of in efficiency mode now. We're trying to consolidate, save power, drag reducing agent balancing, all those kinds of things. But if there are barrels that need to be moved, that's one of the reasons we've made the strong statement about. We have a very flexible system with a lot of optionality that gives us the opportunity to work with either shippers, partners to be able to optimize.

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Ujjwal, this is Jeremy. Just to put a bow on that. I think what you're hearing Willie say is that the reduced capital doesn't impact our capacity in any way. And so this is -- we're able to use the flexibility and commercial structure of our business to get to the same result for our customers without spending any capital. So this is pure optimization.

**Q - Ujjwal Pradhan** {BIO 18883341 <GO>}

Got it. Thanks for that. And a follow-up on the federal lands issue. Could you share any comments based on your conversations with producer customers on this issue, if you have them? Have they already started thinking about adjusting their activity, given the evolving opposition to federal lands drilling here?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

FINAL

Ujjwal, this is Jeremy. What I would tell you is everyone is waiting to understand the rules of engagement, it's premature to discuss that. I think the discussions with the producers largely, and for -- you have to look at it, a connection that's going to be made in November, we are -- we've already been working that and have right-of-way. So I think very little impact to this year's plan. Is it likely that some of the locations end up drilling permits behind existing pads with existing right-of-way? Yes, I think you'll see some of that. But by and large, the discussions somewhat everyone is in a wait and see what the rules of engagement before things that are impacted. But a lot of the impacts now are things that are impacting the fourth quarter of this year and next year. So I think it's -- while everybody wants to know the answer today, I don't think anyone knows the complete rules. And once they do, then we'll report back on what that impact looks like.

**A - Willie Chiang** {BIO 16032895 <GO>}

And I think we're still in that transition. We've got people just getting into appointed positions. And there's a lot of discussion on the producer side that calls on their positions with permitting backlogs. I think I would just leave it at that at this point. And frankly, it's another reason why we have our measured approach as we think about our fee-based numbers for 2021.

**Q - Ujjwal Pradhan** {BIO 18883341 <GO>}

Got it. Thank you both.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thanks.

**Operator**

And we'll move next to Gabe Moreen with Mizuho.

**Q - Gabe Moreen** {BIO 4768761 <GO>}

Hey, good afternoon guys. Two quick ones. Can you just remind me to what extent the Capline reversal economics and contractual backing is contingent at all or not at all on the Line 3 expansion coming into service?

**A - Willie Chiang** {BIO 16032895 <GO>}

Jeremy?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Gabe, this is Jeremy. It's not contingent upon the Line 3 expansion.

**Q - Gabe Moreen** {BIO 4768761 <GO>}

Great. Thanks. And then maybe just a question on ESG since it sounds like you're putting out a report later this year. Have you -- to what extent are you or you not maybe evaluating some, I would assume, smaller investments like renewables to potentially power some of

your pipelines and things like that? I'm just curious if that's something that's on plan, is there agenda at the moment?

**A - Willie Chiang** {BIO 16032895 <GO>}

Yes, Gabe, this is Willie. Maybe Chris Chandler can chime in on some of the specifics. But we are looking at a lot of different things around ESG and sustainability, right? I always talk about, first and foremost, you got to run a reliable business. And so I really laud our organization for making the continuous improvements on safety and on the environmental release side. But as far as being able to move different products, it's going to be -- that's going to be a longer decision process or development process. And when we think about buying renewable fuel, renewable power, that's certainly a piece of it, but the economics have to work for us. Chris?

**A - Chris Chandler** {BIO 20565857 <GO>}

Yes, this is Chris Chandler. I'll just note that we've evaluated a number of opportunities to purchase renewable power under long-term contracts or help underwrite or support facilities behind our meters like solar wind and battery. To-date, they haven't met our investment thresholds. But I will say they are getting more competitive as time goes on. So there's a potential to make some of those investments out in the future.

The other thing I'll note that efficiency goes along perfectly with the goals of reducing emissions and having a lower carbon footprint. So we are always working on efficiency for that reason and for the cost benefits of doing that. So whether that's reducing the number of generators we use and hooking up to permanent utility power, optimizing our pipelines with drag-reducing agent or how many pump stations we operate or the use of variable frequency drives or what pressure we operate at or whether we operate at full flow for 10 hours or half flow for 20 hours, we're doing all those things all the time. And those have all contributed to a portion of the cost reduction we've been able to achieve. So we're looking at that each and every day.

**A - Willie Chiang** {BIO 16032895 <GO>}

And Gabe, I think you'll see more about this in our report that we'll put out later this year on kind of our strategy. It's really putting our arms around Scope 1, Scope 2 emissions, trying to quantify that and also be able to -- you have to have good data before you can make commitments. So we're definitely committed to working through that process, and I would ask you to be patient with us until we share later this year.

**Q - Gabe Moreen** {BIO 4768761 <GO>}

Thanks Willie.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thank you, Gabe.

**Operator**

FINAL

Bloomberg Transcript



We'll move next to Spiro Dounis with Credit Suisse.

**Q - Spiro Dounis** {BIO 18241795 <GO>}

Okay. Afternoon guys. Well, Willie, you mentioned optimizing assets late last year. You did an asset swap of sorts, and that was fairly well received. Curious how you're thinking about that opportunity set to do similar transactions this year? And are there any specific assets that you've identified, I guess, yet that could make sense to do something similar?

**A - Willie Chiang** {BIO 16032895 <GO>}

We've got a lot identified that we won't share publicly yet because we're working on it. I can assure you that it is -- I talked about it quite a bit because that really is the mode that we've got to get into, it's rationalization. In my prepared comments, I talked about that reset. There's a lot of spare capacity in there. And so we are continuing to work with potential partners on how do you develop something where you can get a little rationalization and get more capital efficiency in there. So more to come on that. I just can't give you a time frame.

**Q - Spiro Dounis** {BIO 18241795 <GO>}

No, totally fine. Follow-up to some of the comments made earlier around marrying some of what you said around the 1Q guidance and then Jeremy's comments about ending the year, kind of strong and setting up for a good 2022. And I guess, if you look at the 1Q guidance, you talked about a 23% sort of full year weighting. You guys have also said that sales are going to be back-half weighted. And so I guess the simple way I thought about it is I would have thought the first part of the year would have been maybe a higher percentage of EBITDA because asset sales within the fit. You just mentioned that the type of current volume seems to be setting up for a stronger 2022. So are you guys contemplating a strong end of the year? And is there an exit rate on volumes that you could share?

**A - Willie Chiang** {BIO 16032895 <GO>}

The only number I'll share with you is we did talk about the Permian, and it's possibly 100 to 200 higher than the beginning, Jeremy, depending on a lot of different things. But that's really a key driver of the -- of course, the Permian volumes that we might see.

**A - Jeremy Goebel** {BIO 19271634 <GO>}

And also as we talked about the higher inventories in Canada on the NGL side, you're going to have more sales weighted. The profile of sales for the NGL business will be different this year than historically. We entered the year with more inventory. There's higher inventories now. We have more inventories to sell. And the cold weather is just occurring now, it may push some of the sales into the latter part of the year. So I think a lot of this is just sculpting of the NGL sales out of fourth quarter this year, first quarter of -- fourth quarter of last year, first quarter of this year into subsequent periods.

**A - Al Swanson** {BIO 4094149 <GO>}

FINAL

The only thing I would add to that, too, is we do -- we are assuming that our Transportation segment, while the Permian is growing -- it is growing. It's not growing as much as it did in prior years. We do expect to see the Transportation segment have quarter-over-quarter kind of growth this year. Most of our asset sales are anticipated in our Facilities segment.

**A - Jeremy Goebel** {BIO 19271634 <GO>}

And one last thing, this is Jeremy, is the Wink to Webster project starts in the latter part of the year as well. So when that starts contributing, that's really just -- and while the pipeline has started up, you have some interim service now, but the real commitments don't start until the latter part of the year.

**Q - Spiro Dounis** {BIO 18241795 <GO>}

Got it. Thanks again, guys.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thank you.

**Operator**

We'll move next to Tristan Richardson with Truist Securities.

**Q - Tristan Richardson** {BIO 15926809 <GO>}

Hi, good evening guys. Thanks for squeezing me in. I appreciate all the comments in helping us understand the guide. I guess I'm just thinking about the price signal the producers are seeing today. You mentioned your customers are reticent to change plans. But can you talk about what you're hearing from customers around what conditions we would need to see for producers to come out of maintenance mode?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Yes. This is Jeremy. I think I tried to articulate it earlier. I think what you're -- to some respect, the current prices are popped up by available production that's off the market by OPEC in meaningful numbers. So the struggle is, if the US producer base goes and adds a bunch of rigs and commits to a bunch of additional production and whether demand is delayed, demand recovery is delayed or OPEC pushes barrels back on, that could change the balances again.

So I think part of this is waiting for demand to recover, which could be -- I think we showed some slides earlier in the year that shows the forecast, which is ramps between now and the end of 2022, with roughly half of it returning this year. It's going to be how does OPEC bring production back online. So I think there's just -- people don't want to get out in front of that. And candidly, for them to kill their balance sheets during this period is not a bad inning, right? So there may be more activity once -- go ahead.

**Q - Tristan Richardson** {BIO 15926809 <GO>}

Thank you. And then I guess the follow-up, a lot of questions on asset sales, maybe just at the risk of one more. Can you talk about the identification process of asset sales? I think we really think of 2017 and '18 as the time period where you tackled some really large low-hanging fruit. Can you talk about the most important criteria in identification process today?

**A - Jeremy Goebel** {BIO 19271634 <GO>}

Sure. This is Jeremy again. I think the way you look at it is our business works really well when our pipeline facilities and marketing groups all work together on an integrated platform, things that don't fit within that context or usually things that whether we're strong in one or the other, but we really don't have a market-leading type presence. So things there or our cash flows that are more difficult to manage, those are things that -- or they have operating risk or high maintenance capital, things like that, that have different risk profiles. Let's say, all of those are things that are candidates for sale.

So you'd see a lot of the smaller NGL facilities around the United States we've been selling as we moved out to that downstream type market. That's a strategic exit from those, so you've seen packets of those sales. So I think the important thing is from an investment community, a lot of things you really don't know that we own or operate, we're exiting some of those positions. Some of you've seen like BridgeTex that we have, but a lot of the assets, you probably couldn't name. It's just those things where it's not something where our three business segments all are aligned on optimizing value and being in a leading position.

**A - Harry Pefanis** {BIO 1407851 <GO>}

Well, historically, we've also sold interest in assets where the counterparty has brought value. So that when you look at an NPV basis, it is actually an NPV accretive to us to sell down a portion of our interest and sort of partner with a counterparty that adds value to the asset.

**Q - Tristan Richardson** {BIO 15926809 <GO>}

I appreciate it, Jeremy, Harry. Thank you.

**A - Willie Chiang** {BIO 16032895 <GO>}

Thanks.

**Operator**

That does conclude our question-and-answer session at this time. I'll turn the conference back over to our speakers for any final or additional comments.

**A - Willie Chiang** {BIO 16032895 <GO>}

FINAL

Thanks. This is Willie. I just wanted to make a couple of comments here at the end. We've got a lot of great questions from folks, and I just want to kind of reiterate kind of where I see things going here. There are some green shoots out there. Hopefully, we'd characterize that there still is uncertainty out there. We talked about our measured approach and how we're looking on to volumes. But I think what you should take away from this call is, clearly, the focus is on efficiency mode and driving all the optimization from an operating standpoint, a portfolio standpoint, we're trying to make ourselves as strong as we can as well as efficient. And we're ultimately in a commodity business, low cost, reliable supplier partner usually wins in that. So that's what you hear about on the optimization side.

We've shared a lot on the financial strategy. Again, it's maximizing free cash flow. We've gotten ourselves to a position where we're going to be generating meaningful free cash flow going forward, excluding asset sales. And with asset sales, it gives us a little opportunity to jump-start some additional deleveraging. And so it's really the balanced approach to deleveraging and getting value back to shareholders and unitholders that we really think we're on the right path going forward.

We're cautiously optimistic about the future. Again, oil prices are pretty sturdy. But I can tell you, one sure thing that happens, sometimes if -- we've always heard the comment about prices, fixed prices. And I think what the North American sector is doing is being very careful not to over-respond, which would create additional problems. So I think the whole industry right now is really -- it's moving forward, but I think it's still some questionable times as we get through global demand coming back and really getting arms around the vaccine and getting control of COVID.

So with that, I'll stop and thank all of you again for your patience this afternoon, and we look forward to chatting with you as we do on an interim basis between calls. Thank you very much.

**A - Roy Lamoreaux** {BIO 15162871 <GO>}

Thank you Tilari. I appreciate you hosting today, and thank you, each of our investors and analysts for joining. This will end our call today. Thank you.

## Operator

You are very welcome. That does conclude our conference call, everyone. Thank you for your participation. You may now disconnect.

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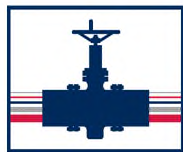
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Bloomberg Transcript

Houston, Texas | February 9, 2021

# 4Q & FY 2020 EARNINGS CALL



**PLAINS**  
ALL AMERICAN

# Forward-Looking Statements & Non-GAAP Financial Measures Disclosure

- This presentation contains forward-looking statements, including, in particular, statements about the performance, plans, strategies and objectives for future operations of Plains All American Pipeline, L.P. (“PAA”) and Plains GP Holdings, L.P. (“PAGP”). These forward-looking statements are based on PAA’s current views with respect to future events, based on what we believe to be reasonable assumptions. PAA and PAGP can give no assurance that future results or outcomes will be achieved. Important factors, some of which may be beyond PAA’s and PAGP’s control, that could cause actual results or outcomes to differ materially from the results or outcomes anticipated in the forward-looking statements are disclosed in PAA’s and PAGP’s respective filings with the Securities and Exchange Commission.
- This presentation also contains non-GAAP financial measures relating to PAA, such as Adjusted EBITDA, Implied DCF and Free Cash Flow. A reconciliation of these historical measures to the most directly comparable GAAP measures is available in the Investor Relations section of PAA’s and PAGP’s website at [www.plainsallamerican.com](http://www.plainsallamerican.com), select “PAA” or “PAGP,” navigate to the “Financial Information” tab, then click on “Non-GAAP Reconciliations.” PAA does not provide a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures on a forward-looking basis as it is impractical to forecast certain items that it has defined as “Selected Items Impacting Comparability” without unreasonable effort.



# Key Messages

## 2020 Highlights

- Adapted and executed well against significant challenges
- Accelerated transition to positive Free Cash Flow after Distributions (FCFaD)
  - Improved 2020 cash positioning by ~\$1B
- Activated balanced equity repurchase program
- Advanced organizational streamlining, cost reductions, portfolio optimization

## 2021+ Goals & Initiatives

- Generate ~\$1B FCFaD in 2021<sup>(1)</sup> & position 2022+ for meaningful positive FCFaD
  - Includes targeted asset sales in 2021 of \$750MM
  - Further business optimization and cost reductions
- Reduce leverage while returning capital to equity holders
- Drive continuous improvement throughout organization

(1) 2021 FCFaD assumes current annualized distribution rate of \$0.72 per common unit.



# Performance vs. Goals Outlined in Feb-2020

## Run a safe, reliable and responsible operation

*Best year ever for TRIR & Federally Reportable Releases*



## Meet or exceed 2020 operating & financial guidance

*Delivered Adj. EBITDA of \$2.56B & DCF to Common of \$1.68B*



## Execute targeted asset sales and capital program

*Executed \$450MM in asset sales; Reduced 20/21 CAPEX by ~\$950MM <sup>(1)</sup>*



## Advance key optimization initiatives, positioning for 2021+

*Positioned for ~\$1B of FCFaD in 2021<sup>(2)</sup> (including asset sales), and meaningful positive FCFaD in 2022+  
Reduced 2020 OPEX / G&A by ~\$250MM<sup>(3)</sup> vs. 2019 (~\$125MM+ expected to endure)*



Feb-G: Furnished Feb. 4, 2020. <sup>(1)</sup> Reduced by ~\$1.55B when including elimination of previously assumed JV project financing; <sup>(2)</sup> 2021 FCFaD assumes current annualized distribution rate of \$0.72 per common unit.

<sup>(3)</sup> Includes fixed and variable costs as well as the benefit of asset sales and other factors.

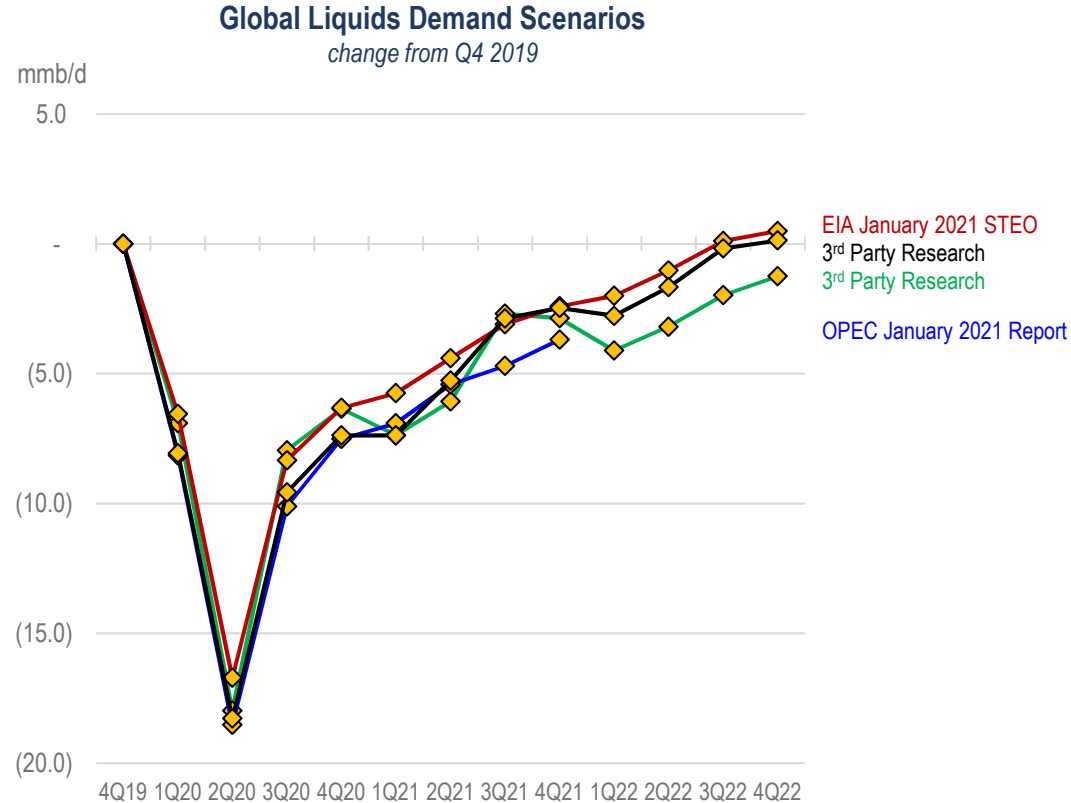
Please visit <https://ir.paalp.com> for a reconciliation of Non-GAAP financial measures reflected above to most directly comparable GAAP measures.



# Fundamentals Support Need for Continued Development of NAM Supply

*Permian positioned to lead recovery, Plains continues to play key role*

- Expect global demand to recover
- Rebalance of supply / demand subject to multiple variables:
  - Global vaccinations (pace / effectiveness)
  - OPEC++ compliance
  - Natural production declines
  - Producer capital discipline
  - Available surplus supply
  - Regulatory / political environment

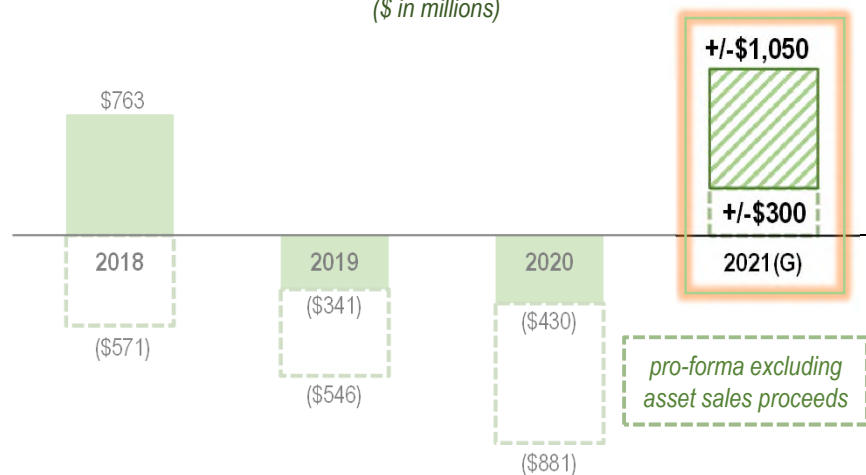


# 2021: Inflection to Multi-Year Positive FCF after Distributions

*Advancing Opportunities to Maximize Free Cash Flow*

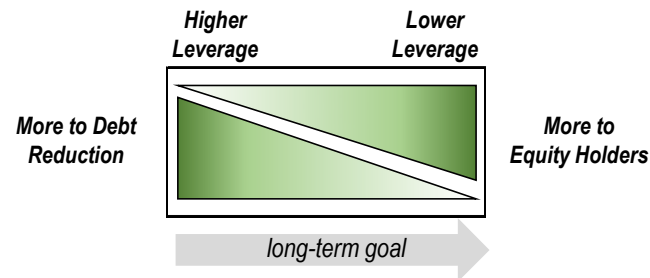
## FCF after Distributions

(\$ in millions)



*Note: FCFaD estimate does not factor in material changes in ST working capital (i.e. hedged inventory storage activities / volume / price / margin)*

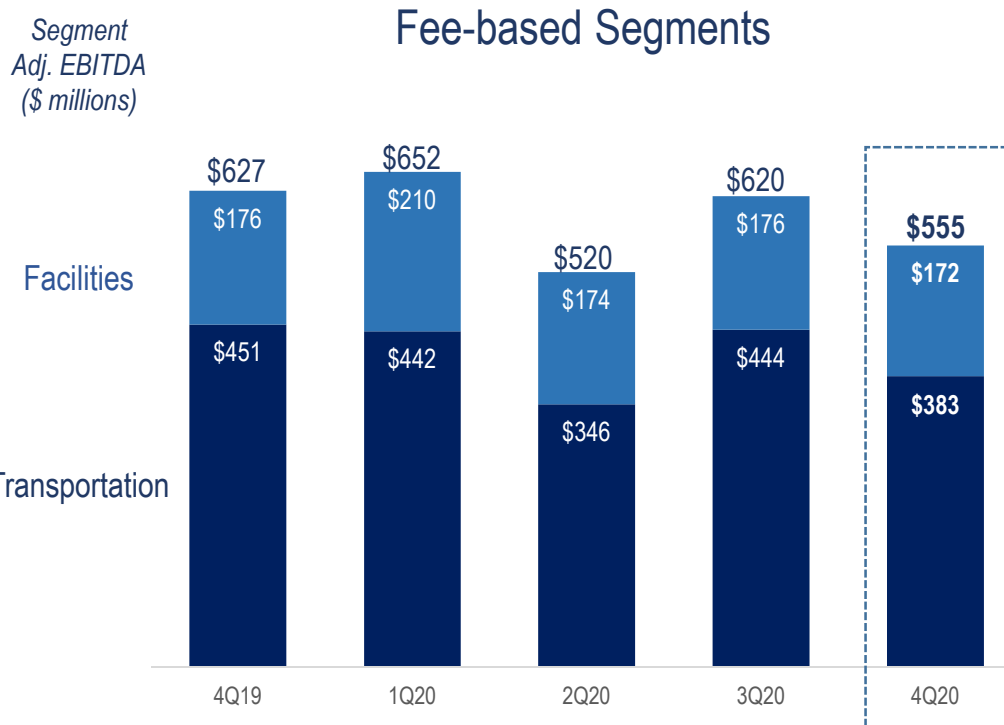
## Directional Allocation of FCFaD (*balanced approach*)



**2022+: expect to generate meaningful positive FCFaD**

- Driven by EBITDA growth and run-rate investment capital at \$200-\$300mm / year
- Shift to higher equity return as leverage decreases

# 4Q20 Fee-Based Results Overview



## 4Q Transportation Segment Results

- In-line with expectations
  - Q/Q: Lower due to MVC deficiencies billed & collected in Q3
  - Y/Y: reduced tariff volumes resulting from lower production and new 3rd party lines to the Gulf Coast

## 4Q Facilities Segment Results

- Ahead of expectations
  - Q/Q & Y/Y: in-line as cost reductions and hub terminal activity & revenues offset the impact of asset sales



# Capitalization, Liquidity & Other Updates

(\$ billions)

Capitalization	12/31/2019	12/31/2020
ST Debt	\$0.5	\$0.8
LT Debt	9.2	9.4
Partners' Capital	13.2	9.7
Total Book Cap	\$22.4	\$19.1

*No near-term maturities.  
Do not expect to access capital  
markets for foreseeable future.*

Credit Stats & Liquidity			Internal Target
LT Debt / Book Cap	41%	49%	≤ 50%
Total Debt / Book Cap <sup>(1)</sup>	42%	51%	≤ 60%
LTM Adj. EBITDA / LTM Int.	7.6x	5.9x	> 3.3x
LT Debt / LTM Adj. EBITDA	2.8x	3.7x	3.0 - 3.5x <sup>(2)</sup>
Total Debt / LTM Adj. EBITDA	3.0x	4.0x	
Committed Liquidity	\$2.5	\$2.2	

(1) "Total Debt" and "Total Book Cap" include short-term debt for purposes of the ratio calculation.

(2) Targeted leverage assumes normalized S&L contribution.

# 2021 Guidance Overview

(\$ millions, except per-unit results)

<b>Adj. EBITDA</b>	<b>2020</b>	<b>2021(G)</b>
Transportation	\$1,616	+/- \$1,530
Facilities	\$731	+/- 570
<b>Fee-Based</b>	<b>\$2,347</b>	<b>+/- \$2,100</b>
S&L, other	213	+/- 50
<b>Total</b>	<b>\$2,560</b>	<b>+/- \$2,150</b>
<b>Other</b>		
Implied DCF / CEU <sup>(1)</sup>	\$2.29	\$1.82
Adj. NI / Diluted Unit	\$1.55	\$0.95
Investment Capital	\$921	\$425
Maintenance Capital	\$216	\$195
<b>FCF After Distributions<sup>(2)</sup></b>	<b>(\$430)</b>	<b>+/- \$300</b>
Targeted 2021 Asset Sales		<b>+/- \$750</b>

## ■ 2021 Adj. EBITDA Guidance vs. 2020

- **Transportation:** full-year impact of lower volumes
- **Facilities:** impact of asset sales, lower utilization at certain NGL and crude oil storage facilities, lower crude oil rail activity, and multi-year MVC payment received 1Q20
- **S&L:** challenging market conditions, limited margin-based opportunities

## ■ 2021 FCFaD Est. vs. 2020: benefitting from asset sales, lower investment capital and cost structure

2021(G): Furnished February 9, 2021 (2021 FCFaD assumes current annualized distribution rate of \$0.72 per common unit).

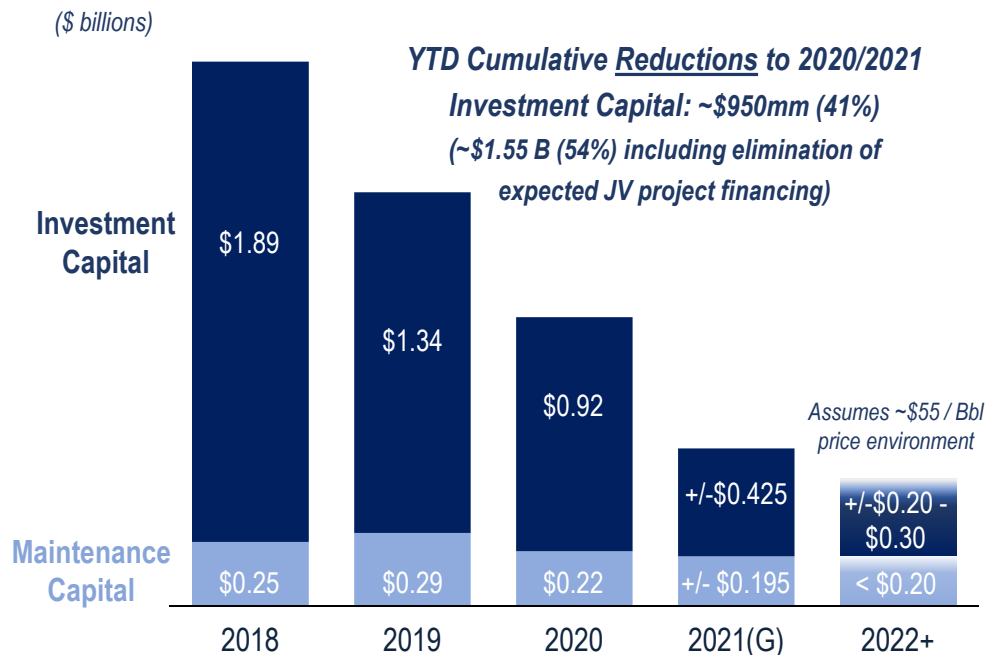
(1) Implied DCF per Common Unit & Common Equivalent Unit

(2) Excludes material changes in short-term working capital (i.e. hedged inventory storage activities / volume / price / margin)

Note: Please visit <https://ir.paalp.com> for reconciliation of Non-GAAP financial measures reflected above to most directly comparable GAAP measures.



# Capital Investment Outlook



- Disciplined capital investment
  - High-return “must do / no regrets”
- 2021 Investment Capital:
  - ~60%: W2W & Diamond / Capline
  - ~20%-25%: Wellhead & CDP Connections
- 2022+ Investment Capital ~\$200-\$300MM
  - ~50%: Wellhead & CDP Connections (paced w/ producer activity levels)
  - No material capital commitments beyond 2021
- 2022+ Maintenance Capital: < \$200mm

# Overview of 2021 Goals

**Run a safe, reliable and responsible operation**



**Generate meaningful free cash flow after distributions**



**Strengthen balance sheet / financial flexibility while prudently  
returning cash to equity holders**



**Advance sustainability program and disclosures**





# Key Takeaways From Today's Call

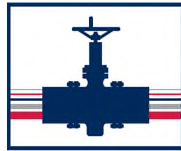
- **Maximizing FCFaD: targeting ~\$1B in 2021<sup>(1)</sup>; positioning to be meaningfully positive in 2022+**
  - Reduce leverage while returning capital to equity holders
  - 2021: allocating 75%+ to debt reduction, and up to 25% to buybacks
  - 2022+: shift to higher equity return as leverage decreases
- **Critical asset base, significant operating leverage**
  - Hydrocarbons to play a key, long-term role in energy transition
  - Permian will be an integral part of the world's supply needs for decades
  - Highly integrated and flexible Permian franchise with minimal future CAPEX needs
- **Focused on continuous improvement and engagement with all stakeholders**
  - Plan to issue updated Sustainability (“ESG”) report later this year
  - Summary of current Sustainability metrics, progress and ongoing initiatives included within the appendix of today's deck (see slides 13-20)

(1) 2021 FCFaD assumes current annualized distribution rate of \$0.72 per common unit.



# Sustainability Update

Please visit <https://www.plainsallamerican.com/sustainability>  
for full sustainability presentation and disclosures.



**PLAINS**  
ALL AMERICAN

# Plains' Long-Term Outlook for Energy Industry

- Hydrocarbons will remain essential to global population growth & improving quality of life
  - Mobility, power generation, heating and cooling, steel, cement, plastics & fertilizers
- Transition to lower carbon intensity to occur over extended time period; will require all sources of energy (including hydrocarbons) to meet demand & bridge to the future
  - Expect absolute demand for nearly all forms of energy to increase for the foreseeable future
  - Midstream will remain an essential link between energy supply & demand
- Conviction in long-term value of Plains' business & cash flow sustainability
- Have meaningfully increased Sustainability disclosures over past 2 years. In 2021, publishing additional info on Plains' Sustainability metrics, progress and ongoing initiatives



# Solid ESG Alignment with Investors & Stakeholders

*Culture is Key, Plains' Mantra: "Do the Right Thing"*

- **Environmental: unwavering commitment to operating excellence**
  - Long-term sustainability through Safe, Reliable, Responsible operations
  - Commitment to reduce emissions and improve efficiency
- **Social: make meaningful positive impact in our communities**
  - For our Employees, Communities & Stakeholders
  - Through operational excellence, active engagement, volunteerism & philanthropy
- **Governance: sound, principled and transparent governance practices**
  - Continued focus on returns and shareholder alignment



# Sustainability Presentation (Published Aug-2020)

Excerpt Below: “The Building Blocks of our Sustainability Program”

## VALUES



**Safety & Environmental Stewardship**



**Accountability**



**Ethics & Integrity**



**Respect & Fairness**

## FOCUS AREAS



### Environment

- Operational Safety
- Environmental Strategy



### Social

- Employee Considerations
- Stakeholder Engagement



### Governance

- Governance Practices

## OVERSIGHT

Board of Directors



Chairman & CEO



Sustainability Executive Committee



VP Sustainability Committee

## ADMINISTRATION



### Implementation

- Ensure we are living and advancing our Values
- Continuously improve our safety and environmental performance
- Limit environmental impacts and resource utilization
- Incorporate ESG best practices / risk mitigation into our operations



### Community Investment

- Support charitable initiatives that align with our values and improve communities where we operate
- Participate in volunteerism that complements our charitable giving, engages employees and increases visibility in our communities

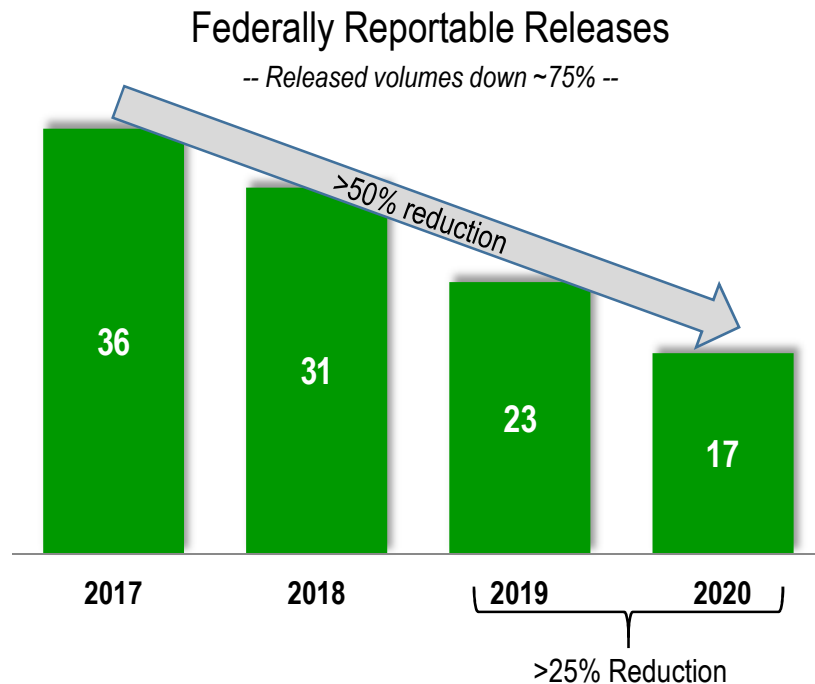
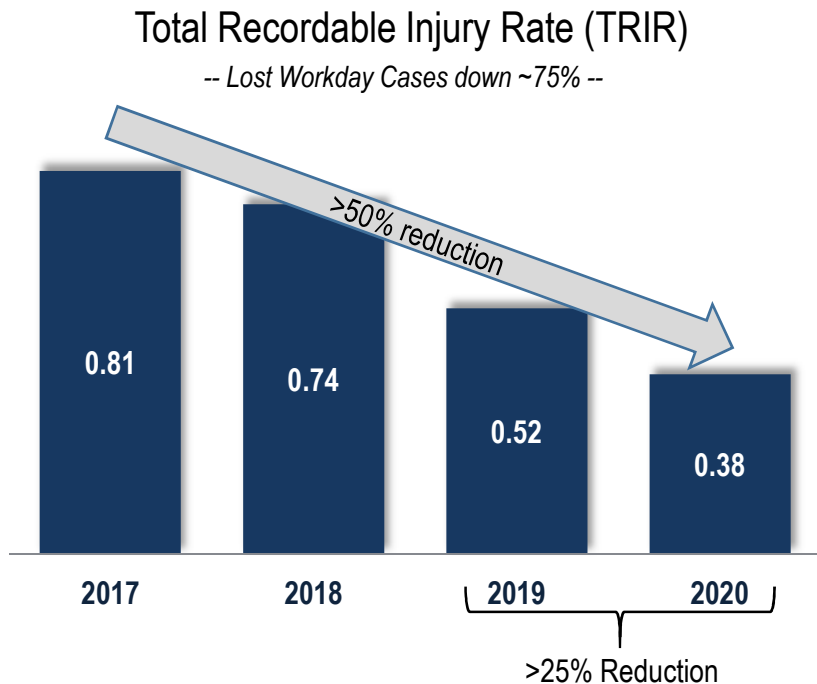
Link to full presentation here:

<https://www.plainsallamerican.com/getattachment/Sustainability/Sustainability-Information/Sustainability-at-Plains.pdf?lang=en-US>



# Health, Safety & Environmental

*2020: >50 % improvement in TRIR & Federally Reportable Releases vs. 2017*



*-- 2021: Targeting additional 20% Y/Y reduction in TRIR & Federally Reportable Releases --  
(company-wide performance metric)*

# Plains' Governance Closely Aligned with C-Corps

- Public Election of Independent Directors on a staggered 3-yr rolling basis (commenced in 2018 per 2016 Simplification Transaction)
- Mandatory Majority-Independence – currently 64% (formalized as a requirement in 2019)
- Lead Independent Director, alongside Chairman, responsible for leading one Unified Board of Directors (PAA & PAGP)
- Significant Board and Executive Equity Ownership
- No Incentive Distribution Rights (“IDRs”) or “Golden Share”<sup>(1)</sup>
- Significant Variable / At-risk Executive Compensation Structure (88% for CEO, 83% avg. for other Named Executive Officers)

## 1 for 1 Economic & Voting Rights

**PAA GP HOLDINGS LLC (PAGP GP)**  
(Unified Board of Directors)



**PLAINS GP  
HOLDINGS**

**(Nasdaq: PAGP) 1099 SECURITY**  
(Public Investors)

**PLAINS AAP, L.P. (AAP)<sup>(2)</sup>**  
(Private Owners & Management)



**PLAINS  
ALL AMERICAN  
PIPELINE, L.P.**

**(Nasdaq: PAA) K-1 SECURITY**  
Public Investors • Series A & B Preferred  
• 100% of Plains' assets & operations

<sup>(1)</sup> Incentive Distribution Rights (“IDRs”) give a general partner an increasing share of incremental distributable cash flow based upon certain conditions. “Golden Share” refers to a control right granted in certain partnership agreements whereby the holder has the right to direct certain activities of the partnership, including the unilateral right to appoint and replace board members, irrespective of the holder’s economic interest.

<sup>(2)</sup> Right to exchange AAP Unit for PAGP Class A Share, or alternatively, right to redeem AAP Unit for PAA Common Unit





# Multiple Enhancements to Executive Compensation

## *Aligned with Investor Feedback*

- Have engaged independent compensation consultant and have proactively sought investor feedback
- Examples of recent enhancements:
  - 2018: Converted annual bonus program to a more formula-based model (includes target metrics for per-unit financial results and Safety & Environmental improvements)
  - 2019: Implemented annual compensation benchmark studies via 3<sup>rd</sup> party compensation consultant
  - 2020: Compensation Committee composed of 100% independent directors
  - 2020: Added TSR Metric to LTI program (considered various returns-based incentive metrics)
  - 2020: Added S&P 500 to TSR benchmarking group used in LTI program
  - 2020: Increased multi-year accountability (3-yr cumulative) to DCF / CEU<sup>(1)</sup> metric in LTI program
  - 2020: Added Leverage Modifier to DCF/CEU metric in LTI program – aligns w/ company deleveraging goals
  - 2020: Adopted Clawback Policy and Equity Ownership Guidelines

(1) DCF / CEU = Distributable Cash Flow per Common Unit & Common Equivalent Unit



# Detailed Data Disclosure (Published Aug-2020)

*Excerpts Below:* Link to full presentation here: <https://www.plainsallamerican.com/careers/career-opportunities/fy2019-plains-sustainability-report.pdf>

PIPELINE AND ASSET INTEGRITY	2019	2018	2017	GRI/SASB
Integrity and Maintenance Expenditures (mm)	\$512	\$468 <sup>8</sup>	\$520	—   EM-MD-540a.4
Pipeline Miles Assessed via In-line Inspection <sup>1</sup>	8,717	6,870	7,647	—   EM-MD-540a.2
Pipeline Control Center Simulator Trainings <sup>4</sup>	681	682	275	404-2   —

SAFETY	2019	2018	2017	GRI/SASB
Employee Total Recordable Injury Rate (TRIR) <sup>2</sup> (per 200,000 work hours)	0.52	0.74	0.81	403-9   EM-EP-320a.1
Contractor Total Recordable Injury Rate (per 200,000 work hours)	0.26	0.38	0.57	403-9   EM-EP-320a.1
Employee Lost Time Injury Rate (per 200,000 work hours)	0.17	0.53	0.35	403-9   —
Employee Fatalities	0	0	0	403-9   EM-EP-320a.1
Contractor Fatalities <sup>6</sup>	1	0	0	403-9   EM-EP-320a.1
Employee Motor Vehicle Incident Rate (per one million miles)	0.94	1.40 <sup>7</sup>	1.63	—
Emergency Preparedness Tabletop Exercises	153	118	94	404-2   EM-EP-320a.1
Large-scale Emergency Preparedness Exercises	12	6	1	404-2   EM-EP-320a.1
Emergency Preparedness Specialty Exercises <sup>8</sup>	17	7	8	404-2   EM-EP-320a.1

Corporate and Regulatory Asset Security Plans <sup>4</sup>	57	79	55	—
Qualified Individual Notification Drills <sup>10</sup>	214	203	206	404-2   —
Employees Trained on Emergency Response	3,934	3,074	2,407	404-2   —
Employees Trained on the Incident Command System	2,428	1,111	1,042	404-2   —
Agencies/Response Organizations Trained on Emergency Preparedness	576	297	382	—
First Responders Trained on Emergency Preparedness	2,123	909	1,380	—   EM-EP-320a.1

ENVIRONMENTAL <sup>11</sup>	2019	2018	2017	GRI/SASB
Number of Federally Reportable Releases <sup>12</sup>	23	31	36	306-3   EM-MD-540a.1
Barrels of Petroleum Liquids Transported (B)	2.6	2.3	2.0	—
Percentage of Barrels Safely Delivered	>99.999%	>99.999%	>99.999%	—

PUBLIC AWARENESS AND DAMAGE PREVENTION	2019	2018	2017	GRI/SASB
Pipeline Safety Guides Distributed to the Public <sup>13</sup>	365,272	154,800	413,272	—
Call Before you Dig One-call Tickets Processed	254,827	242,855	243,715	—   EM-MD-540a.4
Public Awareness Safety Trainings	172	120	226	—
Third-party Line Strikes Resulting in a Release	0	1	3	—   EM-MD-540a.4

EMPLOYEE <sup>14</sup>	2019	2018	2017	GRI/SASB
Employees Located in the United States	3,683 (32 states)	3,660 (34 states)	3,577 (32 states)	102-7   —
Employees Located in Canada	1,315 (4 provinces)	1,237 (4 provinces)	1,206 (4 provinces)	102-7   —
Percentage of Field Employees	68%	69%	71%	102-8   —
Percentage of Non-exempt Employees	54%	55%	57%	—
Number of Employees Hired	930	620	588	401-1   —
Voluntary Employee Turnover Rate	10%	10%	11%	401-1   —
Percentage of Female Employees	21%	21%	20%	102-8, 405-1   —
Percentage of Management Roles Filled by Females <i>Employees at Manager, Director and above levels</i>	19%	22%	20%	405-1   —
Percentage of Executive Roles Filled by Females <i>Employees at the Vice President, Senior Vice President and Executive levels</i>	12%	14%	7%	—
Percentage Minority Employees in the United States <sup>15</sup>	30%	28%	27%	405-1   —
Houston Chronicle Top Workplaces Rank Among Large Companies	6	7	12	—

BOARD COMPOSITION	2020	2019	2018	GRI/SASB
Number of Board Members	11	13	12	—
Number / Percentage of Independent Directors <sup>16</sup>	7 / 64%	7 / 54%	6 / 50%	102-22   —
Percentage of Directors Subject to Public Election <i>3-year staggered term</i>	64%	54%	50%	—
Number / Percentage of Female Directors	1 / 9%	1 / 8%	0	102-22, 405-1   —
Number / Percentage of Minority Directors <sup>17</sup>	1 / 9%	2 / 15%	2 / 17%	102-22, 405-1   —
Average Age of Independent Directors	62	67	68	102-22, 405-1   —
Average Tenure of Independent Directors	9	12	14	102-22   —
Total Number of Board Meetings Held During the Fiscal Year	5 (as of 5/31)	7	4	—
Average Board Meeting Attendance	100%	98%	98%	—

EXECUTIVE COMPENSATION	2020	2019	2018	GRI/SASB
Percentage of Director and Executive Officer Equity Ownership <i>As of date of annual meeting proxy statement</i>	13%	16%	17%	—
Percentage of CEO Target Compensation "At Risk" <sup>18</sup> For Fiscal Year	88%	88%	88% / 0% <sup>19</sup>	—
Average Percentage of All Named Executive Officer (other than CEO) Target Compensation "At Risk" For Fiscal Year	84%	84%	84%	—

# APPENDIX



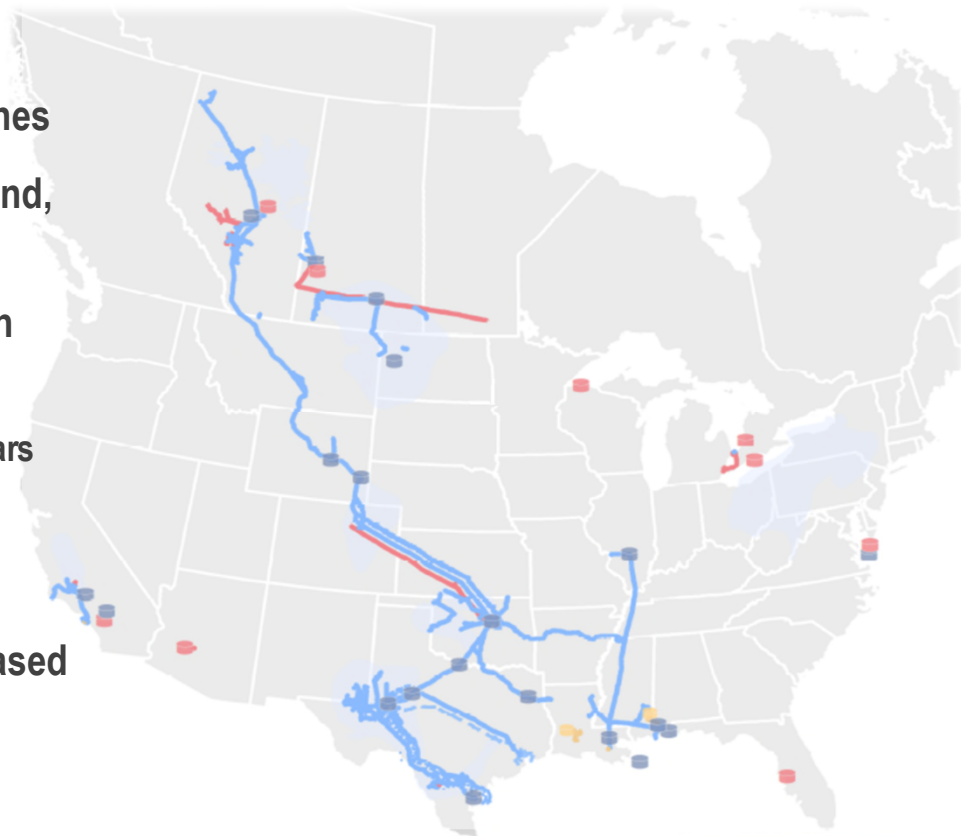
# Investor FAQ: What Are the Potential Implications / Risks Associated With Recent Change in Administration

- Potential challenges related to Federal Lands
  - Most of the producers on our Permian Basin assets believe they have the permits to develop their Federal lands
  - No direct exposure in the Bakken or Powder River
  - If producer access to further development is limited/restricted, expect producers to shift activity / continue to develop private lands
  - Current leasing and permitting moratorium not expected to have an impact on our ACC gathering system. Our backbone infrastructure in the Delaware Basin should position us to participate in growth in other portions of the Permian as producers re-direct capital to non-Federal lands.
- Expect to see more regulations and a slower process to approve permits
  - Could impact the pace at which producers develop their resources
  - However, this should also make pipe in the ground more valuable



# Strong Portfolio of Long-Haul Pipelines, Substantially Backed by Long-Term 3<sup>rd</sup> Party Contractual Commitments

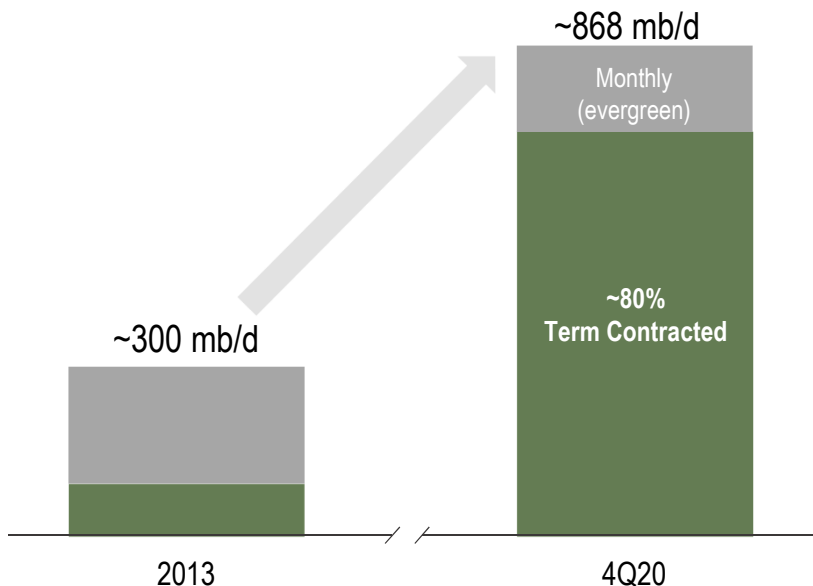
- Combination of supply-push and demand-pull pipelines
- Integrated w/ Plains' hub terminals at Cushing, Midland, Patoka and St. James
- Key long-haul pipes >70% 3<sup>rd</sup> party contracted<sup>(1)</sup> with average remaining term of 5-years:
  - Permian Long-Haul: >70% (>90% excl. Basin); ~5 years
  - Rockies to Cushing<sup>(2)</sup>: >70%; ~5 years
  - Downstream of Cushing: >70%; ~5 years
- Further complemented by term-contracted 1<sup>st</sup> purchased lease supply and long-term acreage dedications underpinning Permian gathering systems



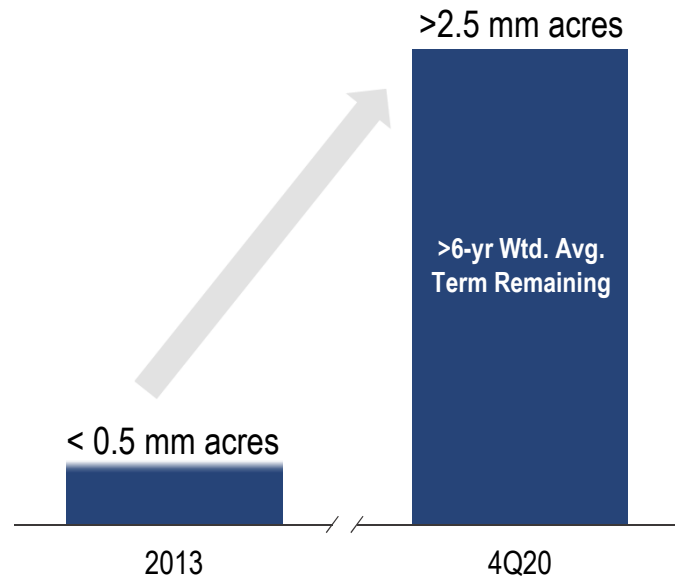
(1) Based on 90% of nameplate capacity  
(2) Includes Saddlehorn and White Cliffs Pipeline systems

# Term Supply & Committed Acreage Position: Enhances Long-Term Volume Security on Plains' Systems; Highly Strategic for Optimization & Rationalization Opportunities

Permian 1<sup>st</sup> Purchased Lease Supply  
(4Q20 vs. 2013)



Permian Acreage Dedications  
(4Q20 vs. 2013)

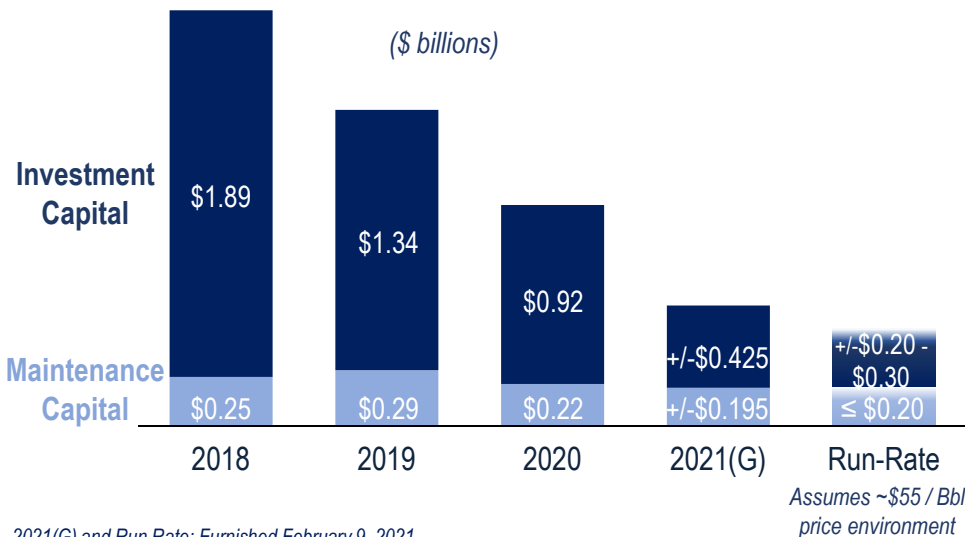


Note: Quantity and location of specific acreage dedications undisclosed due to confidentiality agreements.

# Reinforcing Transition to Positive Free Cash Flow

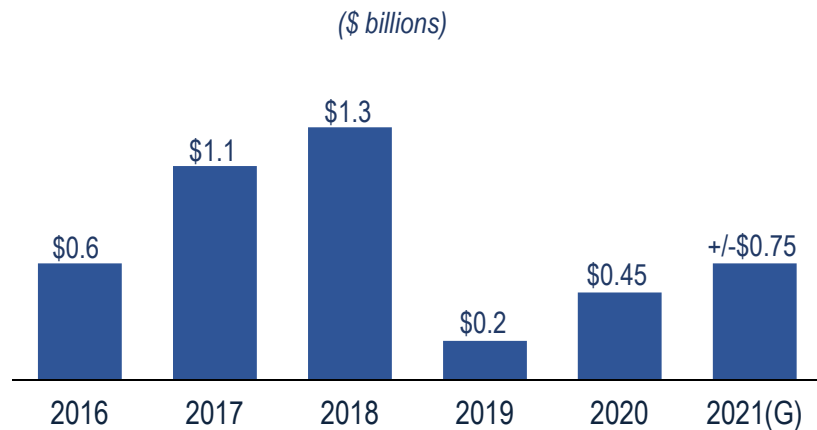
## Capital Investment Decreasing

- Completing multi-year capital program
- Substantially lower investment going forward
- Lower maintenance capex



## Asset Sales Increasing

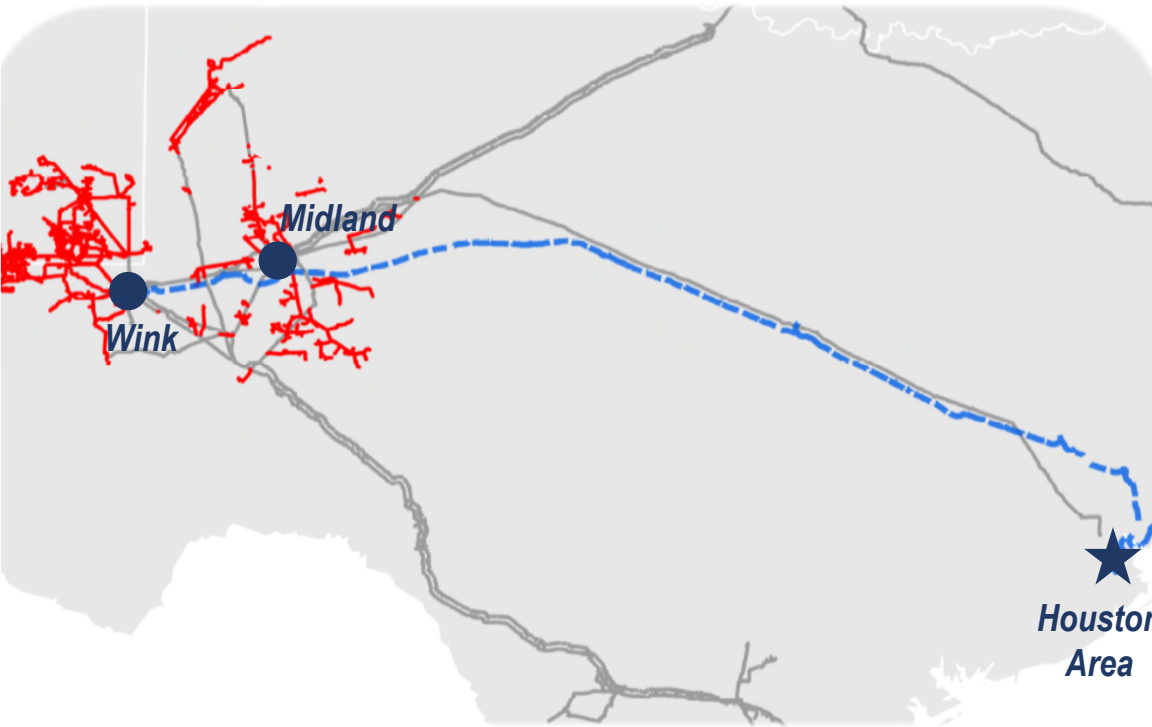
- >\$3.6 B in cumulative divestitures (2016 – 2020)
- Combination of non-core sales and strategic JVs
- Targeting additional \$750mm in 2021





# Permian to USGC: Wink to Webster

*Project sanctioned and progress advancing*



## Status Update

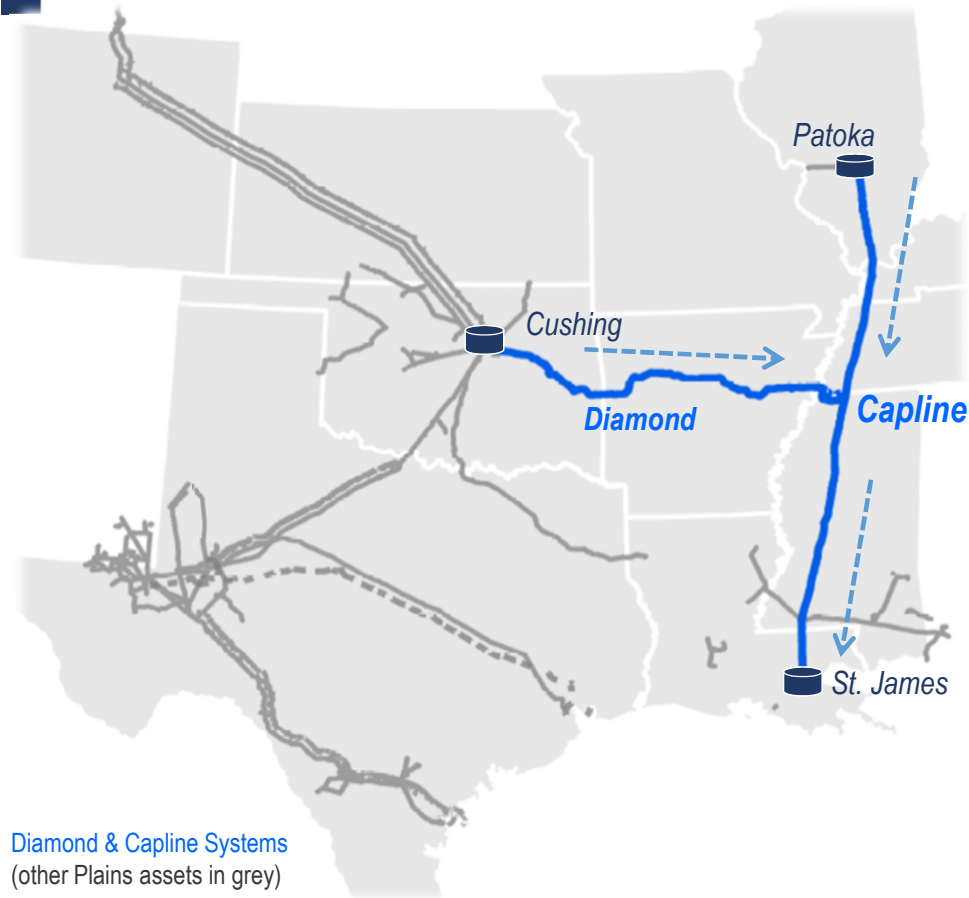
- Midland-to-Webster entered service Jan-2021
- MVCs ramping from 4Q21 through 2023
- Deferred portion of investment to align w/ MVC ramp

## Project Overview

- ~1.5 mmb/d capacity (36" diameter)
- Highly contracted, long-term MVCs
- Origins: Wink & Midland
- Destinations: ECHO, Webster, Baytown, TX City
- W2W JV ownership: 71% of capacity
- PAA: 16% of W2W JV ownership
- Other JV partners: XOM, Lotus, MPLX, DK, RTLR
- UJI w/ EPD: 29%, Midland-to-Webster segment

# Diamond Expansion / Extension & Capline Reversal

*Diamond in-service targeted 4Q 2021 and Capline in-service targeted 1Q22*



## Diamond Expansion / Extension

- ~200 mb/d expansion & modest extension (contractually supported)
- Plains' ownership: 50%

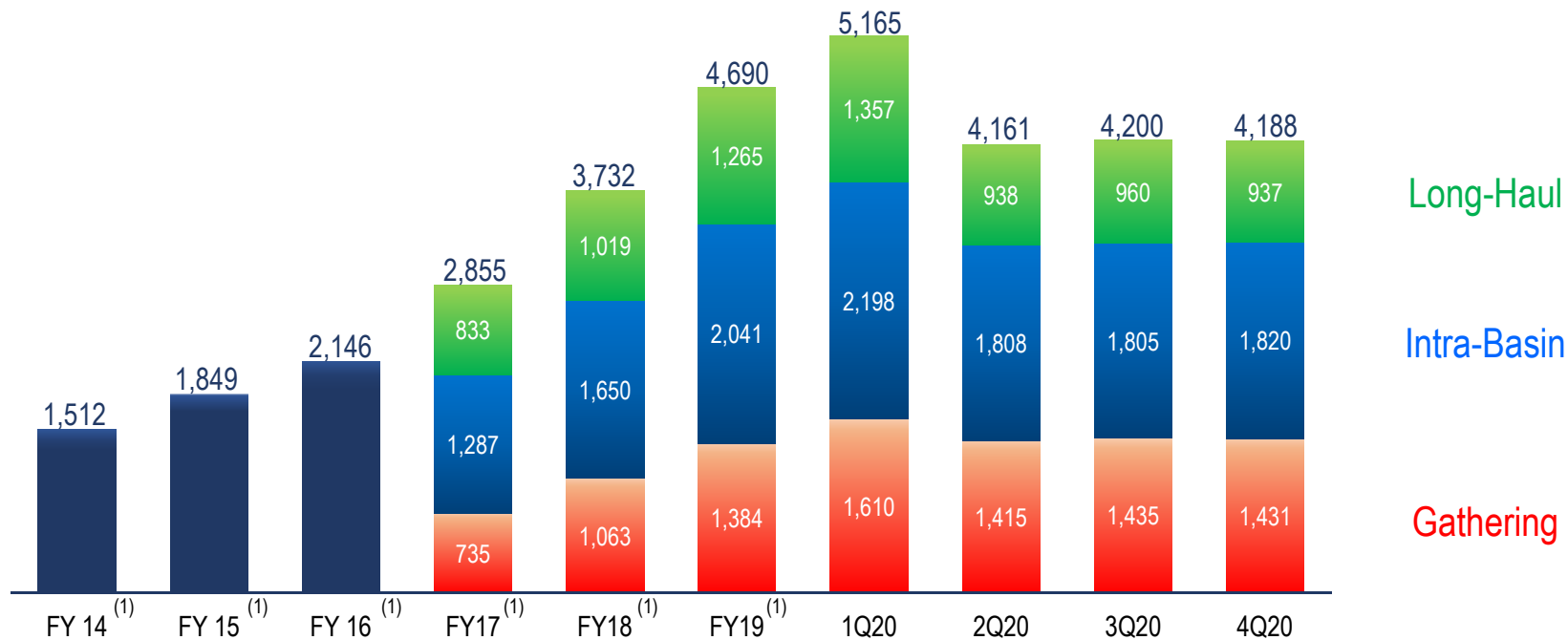
## Capline Reversal

- Reversal of 40" pipe to southbound service (contractually supported)
- Plains' ownership: 54% (non-operated equity interest asset)



# Permian Tariff Volumes – Historical Summary

## PAA Permian Tariff Volumes (mb/d)



(1) Represents full-year averages.



# Free Cash Flow

## GAAP CFFO to Non-GAAP FCF

	2016	2017	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Net Cash Provided by Op. Activities (GAAP)	\$ 733	\$ 2,499	\$ 2,608	\$ 1,033	\$ 431	\$ 314	\$ 726	\$ 2,504	\$ 890	\$ 84	\$ 282	\$ 258	\$ 1,514
Net Cash Used in Investing Activities	(1,273)	(1,570)	(813)	(429)	(549)	(389)	(398)	(1,765)	(610)	(248)	(208)	(27)	(1,093)
Cash Contributions from Noncontrolling Interests	-	-	-	-	-	-	-	-	8	2	1	1	12
Cash Distributions Paid to Noncontrolling Interests <sup>(1)</sup>	(4)	(2)	-	-	-	(4)	(2)	(6)	-	(4)	(2)	(4)	(10)
Sale of Noncontrolling Interest in a Sub	-	-	-	-	128	-	-	128	-	-	-	-	-
<b>Free Cash Flow (non-GAAP)</b>	<b>\$ (544)</b>	<b>\$ 927</b>	<b>\$ 1,795</b>	<b>\$ 604</b>	<b>\$ 10</b>	<b>\$ (79)</b>	<b>\$ 326</b>	<b>\$ 861</b>	<b>\$ 288</b>	<b>\$ (166)</b>	<b>\$ 73</b>	<b>\$ 228</b>	<b>\$ 423</b>
Total Distributions <sup>(2)</sup>	(1,627)	(1,391)	(1,032)	(255)	(324)	(299)	(324)	(1,202)	(299)	(193)	(168)	(193)	(853)
<b>FCF after Distributions (non-GAAP)</b>	<b>\$ (2,171)</b>	<b>\$ (464)</b>	<b>\$ 763</b>	<b>\$ 349</b>	<b>\$ (314)</b>	<b>\$ (378)</b>	<b>\$ 2</b>	<b>\$ (341)</b>	<b>\$ (11)</b>	<b>\$ (359)</b>	<b>\$ (95)</b>	<b>\$ 35</b>	<b>\$ (430)</b>

- Absent short-term changes in the working capital associated with hedged inventory storage, we expect our cash generation combined with lower capital investment to benefit free cash flow in 2021 and beyond.

(1) Cash distributions paid during the period presented.

(2) Cash distributions paid to our preferred and common unitholders during the period presented. The 2016 period also includes distributions paid to our general partner.

Management uses the non-GAAP financial measures Free Cash Flow ("FCF") and Free Cash Flow After Distributions to assess the amount of cash that is available for distributions, debt repayments, equity repurchases and other general partnership purposes. FCF is defined as net cash provided by operating activities, less net cash used in investing activities, which primarily includes acquisition, expansion and maintenance capital expenditures, investments in unconsolidated entities and the impact from the purchase and sale of linefill and base gas, net of proceeds from the sales of assets and further impacted by distributions to, contributions from and proceeds from the sale of noncontrolling interests. FCF is further reduced by cash distributions paid to preferred and common unitholders to arrive at FCF after Distributions.

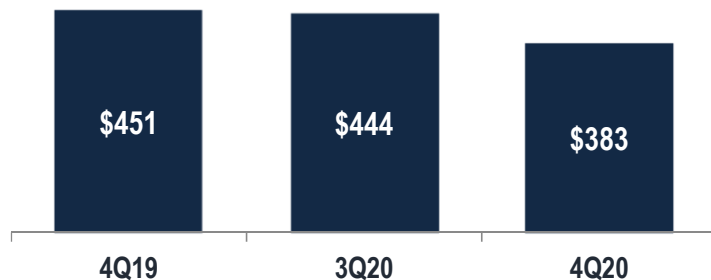
Our definition and calculation of FCF may not be comparable to similarly-titled measures of other companies. FCF and FCF After Distributions are reconciled to net cash flows from operating activities, the most directly comparable measures as reported in accordance with GAAP, and should be viewed in addition to, and not in lieu of, our Consolidated Financial Statements and accompanying notes.

# PAA 4Q20 Fee-Based Segment Overview

(\$ in millions, except per-unit data)

## Segment Adj. EBITDA

### Transportation

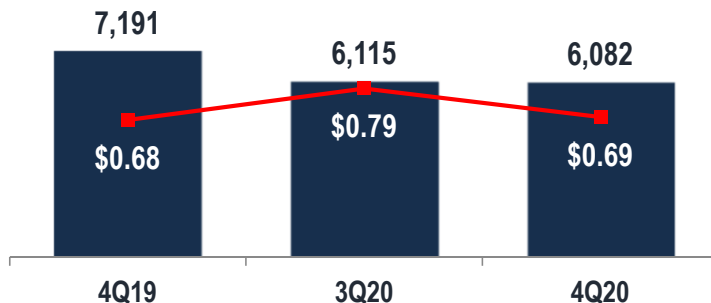


### Facilities

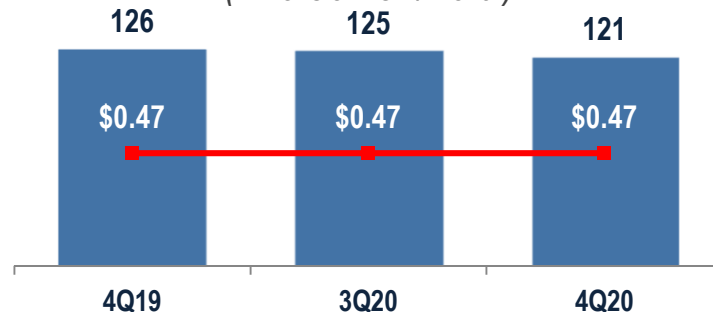


## Volumes & Segment Adj. EBITDA / Barrel

(Thousands of Barrels / Day)



(Millions of BOE / Month)



Note: please visit <https://ir.paalp.com> for a reconciliation of Non-GAAP financial measures reflected above to most directly comparable GAAP measures.



# 2021(G) as of February 9, 2021

	Twelve Months Ended December 31,		
	2019	2020	2021 (G)
(\$ in millions, except per-unit data)			+ / -
<b>Segment Adjusted EBITDA</b>			
Transportation	\$ 1,722	\$ 1,616	\$ 1,530
Facilities	705	731	570
<b>Fee-Based</b>	<b>\$ 2,427</b>	<b>\$ 2,347</b>	<b>\$ 2,100</b>
Supply and Logistics	803	210	50
Adjusted other income/(expense), net	7	3	—
<b>Adjusted EBITDA</b>	<b>\$ 3,237</b>	<b>\$ 2,560</b>	<b>\$ 2,150</b>
Interest expense, net of certain non-cash items	(407)	(415)	(410)
Maintenance capital	(287)	(216)	(195)
Current income tax expense	(112)	(51)	(30)
Other	(55)	3	(25)
<b>Implied DCF</b>	<b>\$ 2,376</b>	<b>\$ 1,881</b>	<b>\$ 1,490</b>
Preferred unit distributions paid	(198)	(198)	(200)
<b>Implied DCF Available to Common Unitholders</b>	<b>\$ 2,178</b>	<b>\$ 1,683</b>	<b>\$ 1,290</b>
<b>Implied DCF per Common Unit and Common Equivalent Unit</b>	<b>\$ 2.91</b>	<b>\$ 2.29</b>	<b>\$ 1.82</b>
<b>Distributions per Common Unit <sup>(1)</sup></b>	<b>\$ 1.38</b>	<b>\$ 0.90</b>	<b>\$ 0.72</b>
<b>Common Unit Distribution Coverage Ratio <sup>(1)</sup></b>	<b>2.17x</b>	<b>2.57x</b>	<b>2.49x</b>
<b>Diluted Adjusted Net Income per Common Unit</b>	<b>\$ 2.51</b>	<b>\$ 1.55</b>	<b>\$ 0.95</b>

2021(G): Furnished Feb. 9, 2021. (1) 2021(G) reflects the annualized distribution rate of \$0.72 per common unit to be paid in February.

Note: Please visit IR page of [www.plainsallamerican.com](http://www.plainsallamerican.com) for reconciliation of Non-GAAP financial measures reflected above to most directly comparable GAAP measures.

# 2021(G) as of February 9, 2021

	Twelve Months Ended December 31,		
	2019	2020	2021 (G)
(\$ in millions, except per-unit and per-barrel data)			+ / -
<b>Operating Data</b>			
<b>Transportation</b>			
Average daily volumes (MBbls/d)	6,893	6,340	6,200
Segment Adjusted EBITDA per barrel	\$ 0.68	\$ 0.70	\$ 0.68
<b>Facilities</b>			
Average capacity (MMBbls/Mo)	125	124	112
Segment Adjusted EBITDA per barrel	\$ 0.47	\$ 0.49	\$ 0.42
<b>Supply and Logistics</b>			
Average daily volumes (MBbls/d)	1,369	1,318	1,380
Segment Adjusted EBITDA per barrel	\$ 1.61	\$ 0.43	\$ 0.10
<b>Investment Capital</b>	<b>\$ 1,340</b>	<b>\$ 921</b>	<b>\$ 425</b>
<b>First-Quarter 2021 Adjusted EBITDA as a Percentage of Full Year</b>	<b>23%</b>		

# Condensed Consolidating Balance Sheet of Plains GP Holdings (PAGP)

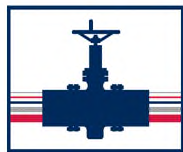
(\$ in millions)	December 31, 2020			December 31, 2019		
	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP
<b>ASSETS</b>						
Current assets	\$ 3,665	\$ 3	\$ 3,668	\$ 4,612	\$ 2	\$ 4,614
Property and equipment, net	14,611	9	14,620	15,355	12	15,367
Investments in unconsolidated entities	3,764	—	3,764	3,683	—	3,683
Goodwill	—	—	—	2,540	—	2,540
Deferred tax asset	—	1,444	1,444	—	1,280	1,280
Linefill and base gas	982	—	982	981	—	981
Long-term operating lease right-of-use assets, net	378	—	378	466	—	466
Long-term inventory	130	—	130	182	—	182
Other long-term assets, net	967	(2)	965	858	(2)	856
Total assets	<u>\$ 24,497</u>	<u>\$ 1,454</u>	<u>\$ 25,951</u>	<u>\$ 28,677</u>	<u>\$ 1,292</u>	<u>\$ 29,969</u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>						
Current liabilities	\$ 4,253	\$ 2	\$ 4,255	\$ 5,017	\$ 2	\$ 5,019
Senior notes, net	9,071	—	9,071	8,939	—	8,939
Other long-term debt, net	311	—	311	248	—	248
Long-term operating lease liabilities	317	—	317	387	—	387
Other long-term liabilities and deferred credits	807	—	807	891	—	891
Total liabilities	14,759	2	14,761	15,482	2	15,484
Partners' capital excluding noncontrolling interests	9,593	(8,129)	1,464	13,062	(10,907)	2,155
Noncontrolling interests	145	9,581	9,726	133	12,197	12,330
Total partners' capital	9,738	1,452	11,190	13,195	1,290	14,485
Total liabilities and partners' capital	<u>\$ 24,497</u>	<u>\$ 1,454</u>	<u>\$ 25,951</u>	<u>\$ 28,677</u>	<u>\$ 1,292</u>	<u>\$ 29,969</u>

<sup>(1)</sup> Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.



Houston, Texas | February 9, 2021

# 4Q & FY 2020 EARNINGS CALL



**PLAINS**  
ALL AMERICAN



**FOR IMMEDIATE RELEASE**

**Plains All American Pipeline and Plains GP Holdings Report Fourth-Quarter and Full-Year 2020 Results**

(Houston — February 9, 2021) Plains All American Pipeline, L.P. (Nasdaq: PAA) and Plains GP Holdings (Nasdaq: PAGP) today reported fourth-quarter and full-year 2020 results and provided an update on other matters, as highlighted below.

**Summary Highlights**

- Reported fourth-quarter and full-year 2020 net cash flow from operations of \$258 million and \$1,514 million, respectively, and a net loss of \$28 million and \$2,590 million, respectively. Reported full-year net loss incorporates the impact of \$3.4 billion of non-cash goodwill and asset impairment charges incurred in the year
- Delivered fourth-quarter and full-year 2020 Adjusted EBITDA of \$559 million and \$2,560 million, respectively (full-year results within 1% of original guidance furnished in February of 2020)
- Completed ~\$450 million of assets sales in 2020
- Reduced full-year 2020 field operating costs and general and administrative expenses by approximately \$250 million, or 16%, versus 2019, with expectation for approximately 50% of these cost savings to endure in future years
- Achieved our annual 20%+ reduction goal in key Safety and Environmental metrics (represents more than a 50% reduction in each of these metrics since 2017 and reflects our best year since formally tracking these metrics)
- Estimate 2021 Free Cash Flow after distributions of +/- \$300 million, or more than \$1 billion when including anticipated proceeds from asset sales targeted in 2021
- Increased 2021 asset sales target to +/- \$750 million (+\$150 million)

“From almost any perspective, 2020 was an extremely challenging year for the world in general and our industry in particular,” stated Willie Chiang, Chairman and CEO of Plains. “Despite the challenges, we capitalized on the opportunity to advance several key initiatives, which accelerated our transition to maximizing free cash flow. The collective result of our actions enabled us to improve our 2020 cash positioning significantly, position the company to generate meaningful free cash flow in 2021 and beyond and activate an equity repurchase program as an additional method of returning cash to equity holders, which we are balancing with our priorities of reducing debt and maintaining an investment-grade balance sheet. We have conviction in the long-term need for crude oil as part of any energy transition and the value of our business and sustainability of our cash flow stream, and we are well positioned to generate a significant level of positive free cash flow after distributions on a multi-year basis going forward.”

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## Plains All American Pipeline

**Summary Financial Information** (unaudited)  
(in millions, except per unit data)

	Three Months Ended December 31,		%	Twelve Months Ended December 31,		%
	2020	2019		2020	2019	
<b>GAAP Results</b>						
Net income/(loss) attributable to PAA <sup>(1)</sup>	\$ (28)	\$ 306	(109)%	\$ (2,590)	\$ 2,171	(219)%
Diluted net income/(loss) per common unit	\$ (0.11)	\$ 0.35	(131)%	\$ (3.83)	\$ 2.65	(245)%
Diluted weighted average common units outstanding <sup>(2)</sup>	726	729	— %	728	800	(9)%
Net cash provided by operating activities	\$ 258	\$ 726	(64)%	\$ 1,514	\$ 2,504	(40)%
Distribution per common unit declared for the period	\$ 0.18	\$ 0.36	(50)%	\$ 0.72	\$ 1.44	(50)%

<sup>(1)</sup> Reported results for the twelve months ended December 31, 2020 include aggregate non-cash goodwill and asset impairments and the write-down of certain of our investments in unconsolidated entities totaling \$3.4 billion representing a twelve-month net loss of \$4.69 after tax per common unit.

<sup>(2)</sup> For the twelve months ended December 31, 2019, includes all potentially dilutive securities (our Series A preferred units and equity-indexed compensation awards) outstanding during the period. See the “Computation of Basic and Diluted Net Income/(Loss) Per Common Unit” table attached hereto for additional information.

	Three Months Ended December 31,		%	Twelve Months Ended December 31,		%
	2020	2019		2020	2019	
<b>Non-GAAP Results <sup>(1)</sup></b>						
Adjusted net income attributable to PAA	\$ 261	\$ 517	(50)%	\$ 1,331	\$ 2,063	(35)%
Diluted adjusted net income per common unit	\$ 0.29	\$ 0.63	(54)%	\$ 1.55	\$ 2.51	(38)%
Adjusted EBITDA	\$ 559	\$ 860	(35)%	\$ 2,560	\$ 3,237	(21)%
Implied DCF per common unit and common equivalent unit	\$ 0.46	\$ 0.71	(35)%	\$ 2.29	\$ 2.91	(21)%
Free cash flow	\$ 228	\$ 326	**	\$ 423	\$ 861	**
Free cash flow after distributions	\$ 35	\$ 2	**	\$ (430)	\$ (341)	**

\*\* Indicates that variance as a percentage is not meaningful.

<sup>(1)</sup> See the section of this release entitled “Non-GAAP Financial Measures and Selected Items Impacting Comparability” and the tables attached hereto for information regarding certain selected items that PAA believes impact comparability of financial results between reporting periods, as well as for information regarding non-GAAP financial measures (such as Adjusted EBITDA, Implied DCF, Free Cash Flow and Free Cash Flow After Distributions) and their reconciliation to the most directly comparable measures as reported in accordance with GAAP.

- more -

Segment Adjusted EBITDA for the fourth quarter and full year of 2020 and 2019 is presented below:

**Summary of Selected Financial Data by Segment** (unaudited)  
(in millions)

	Segment Adjusted EBITDA		
	Transportation	Facilities	Supply and Logistics
Three Months Ended December 31, 2020	\$ 383	\$ 172	\$ 4
Three Months Ended December 31, 2019	\$ 451	\$ 176	\$ 232
<b>Percentage change in Segment Adjusted EBITDA versus 2019 period</b>	<b>(15)%</b>	<b>(2)%</b>	<b>(98)%</b>
<b>Percentage change in Segment Adjusted EBITDA versus 2019 period further adjusted for impact of divested assets <sup>(1)</sup></b>	<b>(14)%</b>	<b>7 %</b>	<b>N/A</b>

	Segment Adjusted EBITDA		
	Transportation	Facilities	Supply and Logistics
Twelve Months Ended December 31, 2020	\$ 1,616	\$ 731	\$ 210
Twelve Months Ended December 31, 2019	\$ 1,722	\$ 705	\$ 803
<b>Percentage change in Segment Adjusted EBITDA versus 2019 period</b>	<b>(6)%</b>	<b>4 %</b>	<b>(74)%</b>
<b>Percentage change in Segment Adjusted EBITDA versus 2019 period further adjusted for impact of divested assets <sup>(1)</sup></b>	<b>(5)%</b>	<b>7 %</b>	<b>N/A</b>

<sup>(1)</sup> Estimated impact of divestitures completed during 2019 and 2020, assuming an effective date of January 1, 2019. Divested assets primarily included certain NGL storage terminals and Los Angeles Basin crude oil storage terminals that were previously included in our Facilities segment and the sale of a portion of our interest in a joint venture pipeline that was previously reported in our Transportation segment.

Fourth-quarter 2020 Transportation Segment Adjusted EBITDA decreased 15% versus comparable 2019 results due to reductions in tariff volumes in multiple regions resulting from lower crude oil prices, reduced drilling and completion activity and compressed regional basis differentials, partially offset by the benefit of operational cost savings.

Fourth-quarter 2020 Facilities Segment Adjusted EBITDA decreased 2% versus comparable 2019 results primarily due to the impact of asset sales and decreased activity at certain of our rail terminals resulting from less favorable market conditions, partially offset by the favorable impact of operational cost savings and increased capacity at certain of our Mid-Continent and Gulf Coast crude oil storage terminals.

Fourth-quarter 2020 Supply and Logistics Segment Adjusted EBITDA decreased 98% versus comparable 2019 results due to less favorable crude oil differentials in both the Permian Basin and Canada as well as a less favorable Canadian NGL market due to warmer seasonal weather, partially offset by the benefit of contango-based margin opportunities.

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## 2021 Full-Year Guidance

The table below presents our full-year 2021 financial and operating guidance:

### Financial and Operating Guidance (unaudited)

(in millions, except volumes, per unit and per barrel data)

	Twelve Months Ended December 31,		
	2019	2020	2021 (G)
			+ / -
<b>Segment Adjusted EBITDA</b>			
Transportation	\$ 1,722	\$ 1,616	\$ 1,530
Facilities	705	731	570
<b>Fee-Based</b>	<b>\$ 2,427</b>	<b>\$ 2,347</b>	<b>\$ 2,100</b>
Supply and Logistics	803	210	50
Adjusted other income/(expense), net	7	3	—
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 3,237</b>	<b>\$ 2,560</b>	<b>\$ 2,150</b>
Interest expense, net of certain non-cash items <sup>(2)</sup>	(407)	(415)	(410)
Maintenance capital	(287)	(216)	(195)
Current income tax expense	(112)	(51)	(30)
Other	(55)	3	(25)
<b>Implied DCF <sup>(1)</sup></b>	<b>\$ 2,376</b>	<b>\$ 1,881</b>	<b>\$ 1,490</b>
Preferred unit distributions paid <sup>(3)</sup>	(198)	(198)	(200)
<b>Implied DCF Available to Common Unitholders</b>	<b>\$ 2,178</b>	<b>\$ 1,683</b>	<b>\$ 1,290</b>
<b>Implied DCF per Common Unit and Common Equivalent Unit <sup>(1)</sup></b>	<b>\$ 2.91</b>	<b>\$ 2.29</b>	<b>\$ 1.82</b>
<b>Distributions per Common Unit <sup>(4)</sup></b>	<b>\$ 1.38</b>	<b>\$ 0.90</b>	<b>\$ 0.72</b>
<b>Common Unit Distribution Coverage Ratio</b>	<b>2.17x</b>	<b>2.57x</b>	<b>2.49x</b>
<b>Diluted Adjusted Net Income per Common Unit <sup>(1)</sup></b>	<b>\$ 2.51</b>	<b>\$ 1.55</b>	<b>\$ 0.95</b>
<b>Operating Data</b>			
<b>Transportation</b>			
Average daily volumes (MBbls/d)	6,893	6,340	6,200
Segment Adjusted EBITDA per barrel	\$ 0.68	\$ 0.70	\$ 0.68
<b>Facilities</b>			
Average capacity (MMBbls/Mo)	125	124	112
Segment Adjusted EBITDA per barrel	\$ 0.47	\$ 0.49	\$ 0.42
<b>Supply and Logistics</b>			
Average daily volumes (MBbls/d)	1,369	1,318	1,380
Segment Adjusted EBITDA per barrel	\$ 1.61	\$ 0.43	\$ 0.10
<b>Investment Capital</b>	<b>\$ 1,340</b>	<b>\$ 921</b>	<b>\$ 425</b>
<b>First-Quarter 2021 Adjusted EBITDA as a Percentage of Full Year</b>	<b>23%</b>		

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(G) 2021 Guidance forecasts are intended to be + / - amounts.

- (1) See the section of this release entitled “Non-GAAP Financial Measures and Selected Items Impacting Comparability” and the Non-GAAP Reconciliation tables attached hereto for information regarding non-GAAP financial measures and, for the historical 2019 and 2020 periods, their reconciliation to the most directly comparable measures as reported in accordance with GAAP. We do not provide a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures on a forward-looking basis as it is impractical to forecast certain items that we have defined as “Selected Items Impacting Comparability” without unreasonable effort, due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of and the periods in which such items may be recognized. Thus, a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures could result in disclosure that could be imprecise or potentially misleading.
- (2) Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.
- (3) Cash distributions paid to our preferred unitholders during 2019 and 2020. 2021(G) reflects the current annualized distribution requirement of \$2.10 per Series A preferred unit and the current annualized distribution requirement of \$61.25 per Series B preferred unit. Distributions on our Series B preferred units are payable in cash semi-annually in arrears on May 15 and November 15.
- (4) Cash distributions per common unit paid during 2019 and 2020. 2021(G) reflects the current annualized distribution rate of \$0.72 per common unit.

### Plains GP Holdings

PAGP owns an indirect non-economic controlling interest in PAA’s general partner and an indirect limited partner interest in PAA. As the control entity of PAA, PAGP consolidates PAA’s results into its financial statements, which is reflected in the condensed consolidating balance sheet and income statement tables included at the end of this release. Information regarding PAGP’s distributions is reflected below:

	Q4 2020	Q3 2020	Q4 2019
<b>Distribution per Class A share declared for the period</b>	\$ 0.18	\$ 0.18	\$ 0.36
<b>Q4 2020 distribution percentage change from prior periods</b>		— %	(50)%

### Conference Call

PAA and PAGP will hold a joint conference call at 4:30 p.m. CT on Tuesday, February 9, 2021 to discuss the following items:

1. PAA’s fourth-quarter and full-year 2020 performance;
2. Capitalization and liquidity; and
3. Financial and operating guidance.

### Conference Call Webcast Instructions

To access the internet webcast, please go to [https://event.webcasts.com/starthere.jsp?ei=1418937&tp\\_key=f158236b02](https://event.webcasts.com/starthere.jsp?ei=1418937&tp_key=f158236b02).

Alternatively, the webcast can be accessed on our website ([www.plainsallamerican.com](http://www.plainsallamerican.com)) under Investor Relations (Navigate to: Investor Relations / either “PAA” or “PAGP” / News & Events / Quarterly Earnings). Following the live webcast, an audio replay in MP3 format will be available on our website within two hours after the end of the call and will be accessible for a period of 365 days. A transcript will also be available after the call at the above referenced website.

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### ***Non-GAAP Financial Measures and Selected Items Impacting Comparability***

To supplement our financial information presented in accordance with GAAP, management uses additional measures known as “non-GAAP financial measures” in its evaluation of past performance and prospects for the future and to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes.

The primary additional measures used by management are earnings before interest, taxes, depreciation and amortization (including our proportionate share of depreciation and amortization of unconsolidated entities), gains and losses on asset sales and asset impairments, goodwill impairment losses and gains on and impairments of investments in unconsolidated entities, adjusted for certain selected items impacting comparability (“Adjusted EBITDA”), Implied distributable cash flow (“DCF”), Free Cash Flow and Free Cash Flow After Distributions.

Our definition and calculation of certain non-GAAP financial measures may not be comparable to similarly-titled measures of other companies. Adjusted EBITDA, Implied DCF and certain other non-GAAP financial performance measures are reconciled to Net Income/(Loss), and Free Cash Flow and Free Cash Flow After Distributions are reconciled to Net Cash Provided by Operating Activities, (the most directly comparable measures as reported in accordance with GAAP) for the historical periods presented in the tables attached to this release, and should be viewed in addition to, and not in lieu of, our Consolidated Financial Statements and accompanying notes. In addition, we encourage you to visit our website at [www.plainsallamerican.com](http://www.plainsallamerican.com) (in particular the section under “Financial Information” entitled “Non-GAAP Reconciliations” within the Investor Relations tab), which presents a reconciliation of our commonly used non-GAAP and supplemental financial measures.

#### **Performance Measures**

Management believes that the presentation of Adjusted EBITDA and Implied DCF provides useful information to investors regarding our performance and results of operations because these measures, when used to supplement related GAAP financial measures, (i) provide additional information about our core operating performance and ability to fund distributions to our unitholders through cash generated by our operations and (ii) provide investors with the same financial analytical framework upon which management bases financial, operational, compensation and planning/budgeting decisions. We also present these and additional non-GAAP financial measures, including adjusted net income attributable to PAA and basic and diluted adjusted net income per common unit, as they are measures that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. These non-GAAP measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) gains and losses on derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), gains and losses on derivatives that are related to investing activities (such as the purchase of linefill) and inventory valuation adjustments, as applicable, (iii) long-term inventory costing adjustments, (iv) items that are not indicative of our core operating results and business outlook and/or (v) other items that we believe should be excluded in understanding our core operating performance. These measures may further be adjusted to include amounts related to deficiencies associated with minimum volume commitments whereby we have billed the counterparties for their deficiency obligation and such amounts are recognized as deferred revenue in “Other current liabilities” in our Consolidated Financial Statements. We also adjust for amounts billed by our equity method investees related to deficiencies under minimum volume commitments. All such amounts are presented net of applicable amounts subsequently recognized into revenue. Furthermore, the calculation of these measures contemplates tax effects as a separate reconciling item, where applicable. We have defined all such items as “selected items impacting comparability.” Due to the nature of the selected items, certain selected items impacting comparability may impact certain non-GAAP financial measures, referred to as adjusted results, but not impact other non-GAAP financial measures. We do not necessarily consider all of our selected items impacting comparability to be non-recurring, infrequent or unusual, but we believe that an understanding of these selected items impacting comparability is material to the evaluation of our operating results and prospects.

Although we present selected items impacting comparability that management considers in evaluating our performance, you should also be aware that the items presented do not represent all items that affect comparability between the periods presented. Variations in our operating results are also caused by changes in volumes, prices, exchange rates, mechanical interruptions, acquisitions, divestitures, investment capital projects and numerous other factors. These types of variations may not be separately identified in this release, but will be discussed, as applicable, in management’s discussion and analysis of operating results in our Annual Report on Form 10-K.

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## **Liquidity Measures**

Management also uses the non-GAAP financial measures Free Cash Flow and Free Cash Flow After Distributions to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes. Free Cash Flow is defined as Net Cash Provided by Operating Activities, less Net Cash Used in Investing Activities, which primarily includes acquisition, investment and maintenance capital expenditures, investments in unconsolidated entities and the impact from the purchase and sale of linefill and base gas, net of proceeds from the sales of assets and further impacted by distributions to, contributions from and proceeds from the sale of noncontrolling interests. Free Cash Flow is further reduced by cash distributions paid to our preferred and common unitholders to arrive at Free Cash Flow After Distributions.

## ***Forward-Looking Statements***

Except for the historical information contained herein, the matters discussed in this release consist of forward-looking statements that involve certain risks and uncertainties that could cause actual results or outcomes to differ materially from results or outcomes anticipated in the forward-looking statements. These risks and uncertainties include, among other things, the following:

### *Factors Related Primarily to the COVID-19 Pandemic:*

- further declines in global crude oil demand and crude oil prices that correspondingly lead to a significant reduction of domestic crude oil, natural gas liquids (“NGL”) and natural gas production (whether due to reduced producer cash flow to fund drilling activities or the inability of producers to access capital, or both, the unavailability of pipeline and/or storage capacity, the shutting-in of production by producers, government-mandated pro-ration orders, or other factors), which in turn could result in significant declines in the actual or expected volume of crude oil and NGL shipped, processed, purchased, stored, fractionated and/or gathered at or through the use of our assets and/or the reduction of commercial opportunities that might otherwise be available to us;
- uncertainty regarding the future impacts of COVID-19, which may depend on the development, deployment and effectiveness of vaccines; treatments and testing protocols; mutations of the virus resulting in increased transmissibility or severity of the disease or decreasing the effectiveness of vaccines or treatments; the capacity of our healthcare systems and public health infrastructure to manage current and future outbreaks; and various political and economic restrictions;
- uncertainty regarding the timing, pace and extent of an economic recovery in the United States and elsewhere, which in turn will likely affect demand for crude oil and therefore the demand for the midstream services we provide and the commercial opportunities available to us;
- the timing of a return to market conditions that are more conducive to an increase in drilling and production activities in the United States and a resulting increase in demand for the midstream services we provide;
- the refusal or inability of our customers or counterparties to perform their obligations under their contracts with us (including commercial contracts, asset sale agreements and other agreements), whether justified or not and whether due to financial constraints (reduced creditworthiness, liquidity issues or insolvency), market constraints, legal constraints (including governmental orders or guidance), the exercise of contractual or common law rights that allegedly excuse their performance (such as force majeure or similar claims) or other factors;
- our inability to perform our obligations under our contracts, whether due to non-performance by third parties, including our customers or counterparties, market constraints, third-party constraints, legal constraints (including governmental orders or guidance), or other factors;
- disruptions to futures markets for crude oil, NGL and other petroleum products, which may impair our ability to execute our commercial or hedging strategies;

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*General Factors:*

- the effects of competition, including the effects of capacity overbuild in areas where we operate;
- negative societal sentiment regarding the hydrocarbon energy industry and the continued development and consumption of hydrocarbons, which could influence consumer preferences and governmental or regulatory actions in ways that adversely impact our business;
- unanticipated changes in crude oil and NGL market structure, grade differentials and volatility (or lack thereof);
- environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves;
- fluctuations in refinery capacity in areas supplied by our mainlines and other factors affecting demand for various grades of crude oil, NGL and natural gas and resulting changes in pricing conditions or transportation throughput requirements;
- maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties;
- the occurrence of a natural disaster, catastrophe, terrorist attack (including eco-terrorist attacks) or other event that materially impacts our operations, including cyber or other attacks on our electronic and computer systems;
- our inability to reduce capital expenditures and other costs and expenses and to sustain reduced spending levels to the extent forecasted, whether due to the incurrence of unexpected or unplanned expenditures, third-party claims or other factors;
- the successful integration and future performance of acquired assets or businesses and the successful operation of joint ventures and joint operating arrangements we enter into from time to time, whether relating to assets operated by us or by third parties;
- failure to implement or capitalize, or delays in implementing or capitalizing, on investment capital projects, whether due to permitting delays, permitting withdrawals or other factors;
- shortages or cost increases of supplies, materials or labor;
- the impact of current and future laws, rulings, governmental regulations, accounting standards and statements, and related interpretations, including legislation or regulatory initiatives that prohibit, restrict or regulate hydraulic fracturing or that prohibit the development of oil and gas resources and the related infrastructure on lands dedicated to our pipelines;
- tightened capital markets or other factors that increase our cost of capital or limit our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, investment capital projects, working capital requirements and the repayment or refinancing of indebtedness;
- inability of producers, who have made commitments to our pipelines, to access capital to fund their drilling and completion activities;
- general economic, market or business conditions (both within the United States and globally and including the potential for a recession or significant slowdown in economic activity levels) and the amplification of other risks caused by volatile financial markets, capital constraints and liquidity concerns;
- the availability of, and our ability to consummate, divestitures, joint ventures, acquisitions or other strategic opportunities;
- the use or availability of third-party assets upon which our operations depend and over which we have little or no control;
- the currency exchange rate of the Canadian dollar;

- more -

- continued creditworthiness of, and performance by, our counterparties, including financial institutions and trading companies with which we do business;
- inability to recognize current revenue attributable to deficiency payments received from customers who fail to ship or move more than minimum contracted volumes until the related credits expire or are used;
- non-utilization of our assets and facilities;
- increased costs, or lack of availability, of insurance;
- weather interference with business operations or project construction, including the impact of extreme weather events or conditions;
- the effectiveness of our risk management activities;
- fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans;
- risks related to the development and operation of our assets, including our ability to satisfy our contractual obligations to our customers; and
- other factors and uncertainties inherent in the transportation, storage, terminalling and marketing of crude oil, as well as in the storage of natural gas and the processing, transportation, fractionation, storage and marketing of NGL as discussed in the Partnerships' filings with the Securities and Exchange Commission.

PAA is a publicly traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil, NGL and natural gas. PAA owns an extensive network of pipeline transportation, terminalling, storage and gathering assets in key crude oil and NGL producing basins and transportation corridors and at major market hubs in the United States and Canada. On average, PAA handles more than 6 million barrels per day of crude oil and NGL in its Transportation segment. PAA is headquartered in Houston, Texas. More information is available at [www.plainsallamerican.com](http://www.plainsallamerican.com).

PAGP is a publicly traded entity that owns an indirect, non-economic controlling general partner interest in PAA and an indirect limited partner interest in PAA, one of the largest energy infrastructure and logistics companies in North America. PAGP is headquartered in Houston, Texas. More information is available at [www.plainsallamerican.com](http://www.plainsallamerican.com).

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in millions, except per unit data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>REVENUES</b>	\$ 5,963	\$ 9,154	\$ 23,290	\$ 33,669
<b>COSTS AND EXPENSES</b>				
Purchases and related costs	5,432	8,234	20,431	29,452
Field operating costs	265	320	1,076	1,303
General and administrative expenses	70	72	271	297
Depreciation and amortization	160	163	653	601
(Gains)/losses on asset sales and asset impairments, net	101	34	719	28
Goodwill impairment losses	—	—	2,515	—
Total costs and expenses	6,028	8,823	25,665	31,681
<b>OPERATING INCOME/(LOSS)</b>	(65)	331	(2,375)	1,988
<b>OTHER INCOME/(EXPENSE)</b>				
Equity earnings in unconsolidated entities	75	115	355	388
Gain on/(impairment of) investments in unconsolidated entities, net	—	—	(182)	271
Interest expense, net	(108)	(114)	(436)	(425)
Other income, net	47	—	39	24
<b>INCOME/(LOSS) BEFORE TAX</b>	(51)	332	(2,599)	2,246
Current income tax expense	(12)	(40)	(51)	(112)
Deferred income tax benefit	38	15	70	46
<b>NET INCOME/(LOSS)</b>	(25)	307	(2,580)	2,180
Net income attributable to noncontrolling interests	(3)	(1)	(10)	(9)
<b>NET INCOME/(LOSS) ATTRIBUTABLE TO PAA</b>	\$ (28)	\$ 306	\$ (2,590)	\$ 2,171
<b>NET INCOME/(LOSS) PER COMMON UNIT:</b>				
Net income/(loss) allocated to common unitholders — Basic	\$ (78)	\$ 256	\$ (2,790)	\$ 1,967
Basic weighted average common units outstanding	726	728	728	727
Basic net income/(loss) per common unit	\$ (0.11)	\$ 0.35	\$ (3.83)	\$ 2.70
Net income/(loss) allocated to common unitholders — Diluted	\$ (78)	\$ 256	\$ (2,790)	\$ 2,119
Diluted weighted average common units outstanding	726	729	728	800
Diluted net income/(loss) per common unit	\$ (0.11)	\$ 0.35	\$ (3.83)	\$ 2.65

**NON-GAAP ADJUSTED RESULTS**

(in millions, except per unit data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Adjusted net income attributable to PAA	\$ 261	\$ 517	\$ 1,331	\$ 2,063
Diluted adjusted net income per common unit	\$ 0.29	\$ 0.63	\$ 1.55	\$ 2.51
Adjusted EBITDA	\$ 559	\$ 860	\$ 2,560	\$ 3,237

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**CONDENSED CONSOLIDATED BALANCE SHEET DATA**

(in millions)

	December 31, 2020	December 31, 2019
<b>ASSETS</b>		
Current assets	\$ 3,665	\$ 4,612
Property and equipment, net	14,611	15,355
Investments in unconsolidated entities	3,764	3,683
Goodwill	—	2,540
Linefill and base gas	982	981
Long-term operating lease right-of-use assets, net	378	466
Long-term inventory	130	182
Other long-term assets, net	967	858
Total assets	<u>\$ 24,497</u>	<u>\$ 28,677</u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Current liabilities	\$ 4,253	\$ 5,017
Senior notes, net	9,071	8,939
Other long-term debt, net	311	248
Long-term operating lease liabilities	317	387
Other long-term liabilities and deferred credits	807	891
Total liabilities	14,759	15,482
Partners' capital excluding noncontrolling interests	9,593	13,062
Noncontrolling interests	145	133
Total partners' capital	9,738	13,195
Total liabilities and partners' capital	<u>\$ 24,497</u>	<u>\$ 28,677</u>

**DEBT CAPITALIZATION RATIOS**

(in millions)

	December 31, 2020	December 31, 2019
Short-term debt	\$ 831	\$ 504
Long-term debt	9,382	9,187
Total debt	<u>\$ 10,213</u>	<u>\$ 9,691</u>
Long-term debt	\$ 9,382	\$ 9,187
Partners' capital	9,738	13,195
Total book capitalization	<u>\$ 19,120</u>	<u>\$ 22,382</u>
Total book capitalization, including short-term debt	<u>\$ 19,951</u>	<u>\$ 22,886</u>
Long-term debt-to-total book capitalization	49 %	41 %
Total debt-to-total book capitalization, including short-term debt	51 %	42 %

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**COMPUTATION OF BASIC AND DILUTED NET INCOME/(LOSS) PER COMMON UNIT <sup>(1)</sup>**

(in millions, except per unit data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>Basic Net Income/(Loss) per Common Unit</b>				
Net income/(loss) attributable to PAA	\$ (28)	\$ 306	\$ (2,590)	\$ 2,171
Distributions to Series A preferred unitholders	(37)	(37)	(149)	(149)
Distributions to Series B preferred unitholders	(12)	(12)	(49)	(49)
Other	(1)	(1)	(2)	(6)
Net income/(loss) allocated to common unitholders	<u>\$ (78)</u>	<u>\$ 256</u>	<u>\$ (2,790)</u>	<u>\$ 1,967</u>
Basic weighted average common units outstanding	726	728	728	727
Basic net income/(loss) per common unit	<u>\$ (0.11)</u>	<u>\$ 0.35</u>	<u>\$ (3.83)</u>	<u>\$ 2.70</u>
<b>Diluted Net Income/(Loss) per Common Unit</b>				
Net income/(loss) attributable to PAA	\$ (28)	\$ 306	\$ (2,590)	\$ 2,171
Distributions to Series A preferred unitholders	(37)	(37)	(149)	—
Distributions to Series B preferred unitholders	(12)	(12)	(49)	(49)
Other	(1)	(1)	(2)	(3)
Net income/(loss) allocated to common unitholders	<u>\$ (78)</u>	<u>\$ 256</u>	<u>\$ (2,790)</u>	<u>\$ 2,119</u>
Basic weighted average common units outstanding	726	728	728	727
Effect of dilutive securities:				
Series A preferred units <sup>(2)</sup>	—	—	—	71
Equity-indexed compensation plan awards <sup>(3)</sup>	—	1	—	2
Diluted weighted average common units outstanding	<u>726</u>	<u>729</u>	<u>728</u>	<u>800</u>
Diluted net income/(loss) per common unit	<u>\$ (0.11)</u>	<u>\$ 0.35</u>	<u>\$ (3.83)</u>	<u>\$ 2.65</u>

<sup>(1)</sup> We calculate net income/(loss) allocated to common unitholders based on the distributions pertaining to the current period's net income (whether paid in cash or in-kind). After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.

<sup>(2)</sup> The possible conversion of our Series A preferred units was excluded from the calculation of diluted net income/(loss) per common unit for the three and twelve months ended December 31, 2020 and the three months ended December 31, 2019 as the effect was antidilutive.

<sup>(3)</sup> Our equity-indexed compensation plan awards that contemplate the issuance of common units are considered dilutive unless (i) they become vested only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. Equity-indexed compensation plan awards that are deemed to be dilutive are reduced by a hypothetical common unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB. For the three and twelve months ended December 31, 2020, the effect of equity-indexed compensation plan awards was antidilutive.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**SELECTED ITEMS IMPACTING COMPARABILITY**

(in millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>Selected Items Impacting Comparability: <sup>(1)</sup></b>				
Losses from derivative activities, net of inventory valuation adjustments <sup>(2)</sup>	\$ (258)	\$ (234)	\$ (460)	\$ (158)
Long-term inventory costing adjustments <sup>(3)</sup>	21	22	(44)	20
Deficiencies under minimum volume commitments, net <sup>(4)</sup>	(5)	8	(74)	18
Equity-indexed compensation expense <sup>(5)</sup>	(5)	(4)	(19)	(17)
Net gain on foreign currency revaluation <sup>(6)</sup>	28	7	16	1
Line 901 incident <sup>(7)</sup>	—	—	—	(10)
Significant acquisition-related expenses <sup>(8)</sup>	—	—	(3)	—
Net gain on early repayment of senior notes <sup>(9)</sup>	—	—	3	—
Selected items impacting comparability - Adjusted EBITDA	\$ (219)	\$ (201)	\$ (581)	\$ (146)
Losses from derivative activities <sup>(2)</sup>	—	—	—	(1)
Gain on/(impairment of) investments in unconsolidated entities, net	—	—	(182)	271
Gains/(losses) on asset sales and asset impairments, net	(101)	(34)	(719)	(28)
Goodwill impairment losses	—	—	(2,515)	—
Tax effect on selected items impacting comparability	31	24	76	12
Selected items impacting comparability - Adjusted net income attributable to PAA	\$ (289)	\$ (211)	\$ (3,921)	\$ 108

<sup>(1)</sup> Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

<sup>(2)</sup> We use derivative instruments for risk management purposes and our related processes include specific identification of hedging instruments to an underlying hedged transaction. Although we identify an underlying transaction for each derivative instrument we enter into, there may not be an accounting hedge relationship between the instrument and the underlying transaction. In the course of evaluating our results of operations, we identify the earnings that were recognized during the period related to derivative instruments for which the identified underlying transaction does not occur in the current period and exclude the related gains and losses in determining adjusted results. In addition, we exclude gains and losses on derivatives that are related to investing activities, such as the purchase of linefill. We also exclude the impact of corresponding inventory valuation adjustments, as applicable.

<sup>(3)</sup> We carry crude oil and NGL inventory that is comprised of minimum working inventory requirements in third-party assets and other working inventory that is needed for our commercial operations. We consider this inventory necessary to conduct our operations and we intend to carry this inventory for the foreseeable future. Therefore, we classify this inventory as long-term on our balance sheet and do not hedge the inventory with derivative instruments (similar to linefill in our own assets). We treat the impact of changes in the average cost of the long-term inventory (that result from fluctuations in market prices) and write-downs of such inventory that result from price declines as a selected item impacting comparability.

<sup>(4)</sup> We, and certain of our equity method investments, have certain agreements that require counterparties to deliver, transport or throughput a minimum volume over an agreed upon period. Substantially all of such agreements were entered into with counterparties to economically support the return on capital expenditure necessary to construct the related asset. Some of these agreements include make-up rights if the minimum volume is not met. We, or our equity method investees, record a receivable from the counterparty in the period that services are provided or when the transaction occurs, including amounts for deficiency obligations from counterparties associated with minimum volume commitments. If a counterparty has a make-up right associated with a deficiency, we, or our equity method investees, defer the revenue attributable to the counterparty's make-up right and subsequently recognize the revenue at the earlier of when the deficiency volume is delivered or shipped, when the make-up right expires or when it is determined that the counterparty's ability to utilize the make-up right is remote. We include the impact of amounts billed to counterparties for their deficiency obligation, net of applicable amounts subsequently recognized into revenue or equity earnings, as a selected item impacting comparability. We believe the inclusion of the contractually committed revenues associated with that period is meaningful to investors as the related asset has been constructed, is standing ready to provide the committed service and the fixed operating costs are included in the current period results.

<sup>(5)</sup> Our total equity-indexed compensation expense includes expense associated with awards that will or may be settled in units and awards that will or may be settled in cash. The awards that will or may be settled in units are included in our diluted net income per unit calculation when the applicable performance criteria have been met. We consider the compensation expense associated with these awards as a selected item impacting comparability as the dilutive impact of the outstanding awards is included in our diluted net income per unit calculation, as applicable, and the majority of the awards are expected to be settled in units. The portion of compensation expense associated with awards that are certain to be settled in cash is not considered a selected item impacting comparability.

<sup>(6)</sup> During the periods presented, there were fluctuations in the value of the Canadian dollar to the U.S. dollar, resulting in the realization of foreign exchange gains and losses on the settlement of foreign currency transactions as well as the revaluation of monetary assets and liabilities denominated in a foreign currency. These gains and losses are not integral to our core operating performance and were thus classified as a selected item impacting comparability.

<sup>(7)</sup> Includes costs recognized during the period related to the Line 901 incident that occurred in May 2015, net of amounts we believe are probable of recovery from insurance.

<sup>(8)</sup> Includes acquisition-related expenses associated with the acquisition of Felix Midstream LLC in February 2020.

<sup>(9)</sup> Includes net gains recognized in connection with the repurchase of our outstanding senior notes on the open market.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**COMPUTATION OF BASIC AND DILUTED ADJUSTED NET INCOME PER COMMON UNIT<sup>(1)</sup>**

(in millions, except per unit data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>Basic Adjusted Net Income per Common Unit</b>				
Net income/(loss) attributable to PAA	\$ (28)	\$ 306	\$ (2,590)	\$ 2,171
Selected items impacting comparability - Adjusted net income attributable to PAA <sup>(2)</sup>	289	211	3,921	(108)
Adjusted net income attributable to PAA	\$ 261	\$ 517	\$ 1,331	\$ 2,063
Distributions to Series A preferred unitholders	(37)	(37)	(149)	(149)
Distributions to Series B preferred unitholders	(12)	(12)	(49)	(49)
Other	(1)	(2)	(4)	(6)
Adjusted net income allocated to common unitholders	\$ 211	\$ 466	\$ 1,129	\$ 1,859
Basic weighted average common units outstanding	726	728	728	727
Basic adjusted net income per common unit	\$ 0.29	\$ 0.64	\$ 1.55	\$ 2.56
<b>Diluted Adjusted Net Income per Common Unit</b>				
Net income/(loss) attributable to PAA	\$ (28)	\$ 306	\$ (2,590)	\$ 2,171
Selected items impacting comparability - Adjusted net income attributable to PAA <sup>(2)</sup>	289	211	3,921	(108)
Adjusted net income attributable to PAA	\$ 261	\$ 517	\$ 1,331	\$ 2,063
Distributions to Series A preferred unitholders	(37)	—	(149)	—
Distributions to Series B preferred unitholders	(12)	(12)	(49)	(49)
Other	(1)	(1)	(2)	(3)
Adjusted net income allocated to common unitholders	\$ 211	\$ 504	\$ 1,131	\$ 2,011
Basic weighted average common units outstanding	726	728	728	727
Effect of dilutive securities:				
Series A preferred units <sup>(3)</sup>	—	71	—	71
Equity-indexed compensation plan awards <sup>(4)</sup>	—	1	—	2
Diluted weighted average common units outstanding	726	800	728	800
Diluted adjusted net income per common unit	\$ 0.29	\$ 0.63	\$ 1.55	\$ 2.51

<sup>(1)</sup> We calculate adjusted net income allocated to common unitholders based on the distributions pertaining to the current period's net income (whether paid in cash or in-kind). After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.

<sup>(2)</sup> Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

<sup>(3)</sup> The possible conversion of our Series A preferred units were excluded from the calculation of diluted net income per common unit for the three and twelve months ended December 31, 2020 as the effect was antidilutive.

<sup>(4)</sup> Our equity-indexed compensation plan awards that contemplate the issuance of common units are considered dilutive unless (i) they become vested only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. Equity-indexed compensation plan awards that are deemed to be dilutive are reduced by a hypothetical common unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB. For the three months ended December 31, 2020, there were no potentially dilutive equity-indexed compensation plan awards and for the twelve months ended December 31, 2020, the effect of equity-indexed compensation plan awards was antidilutive.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**NON-GAAP RECONCILIATIONS**

**Net Income/(Loss) Per Common Unit to Adjusted Net Income Per Common Unit Reconciliations:**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Basic net income/(loss) per common unit	\$ (0.11)	\$ 0.35	\$ (3.83)	\$ 2.70
Selected items impacting comparability per common unit <sup>(1)</sup>	0.40	0.29	5.38	(0.14)
Basic adjusted net income per common unit	<u>\$ 0.29</u>	<u>\$ 0.64</u>	<u>\$ 1.55</u>	<u>\$ 2.56</u>
Diluted net income/(loss) per common unit	\$ (0.11)	\$ 0.35	\$ (3.83)	\$ 2.65
Selected items impacting comparability per common unit <sup>(1)</sup>	0.40	0.28	5.38	(0.14)
Diluted adjusted net income per common unit	<u>\$ 0.29</u>	<u>\$ 0.63</u>	<u>\$ 1.55</u>	<u>\$ 2.51</u>

<sup>(1)</sup> See the “Selected Items Impacting Comparability” and the “Computation of Basic and Diluted Adjusted Net Income Per Common Unit” tables for additional information.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**NON-GAAP RECONCILIATIONS (continued)**

(in millions, except per unit and ratio data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>Net Income/(Loss) to Adjusted EBITDA and Implied DCF Reconciliation</b>				
Net Income/(Loss)	\$ (25)	\$ 307	\$ (2,580)	\$ 2,180
Interest expense, net	108	114	436	425
Income tax expense/(benefit)	(26)	25	(19)	66
Depreciation and amortization	160	163	653	601
(Gains)/losses on asset sales and asset impairments, net	101	34	719	28
Goodwill impairment losses	—	—	2,515	—
(Gain on)/impairment of investments in unconsolidated entities, net	—	—	182	(271)
Depreciation and amortization of unconsolidated entities <sup>(1)</sup>	22	16	73	62
Selected items impacting comparability - Adjusted EBITDA <sup>(2)</sup>	219	201	581	146
Adjusted EBITDA	\$ 559	\$ 860	\$ 2,560	\$ 3,237
Interest expense, net of certain non-cash items <sup>(3)</sup>	(102)	(110)	(415)	(407)
Maintenance capital	(59)	(84)	(216)	(287)
Current income tax expense	(12)	(40)	(51)	(112)
Distributions from unconsolidated entities in excess of/(less than) adjusted equity earnings <sup>(4)</sup>	6	(37)	13	(49)
Distributions to noncontrolling interests <sup>(5)</sup>	(4)	(2)	(10)	(6)
Implied DCF	\$ 388	\$ 587	\$ 1,881	\$ 2,376
Preferred unit distributions paid <sup>(6)</sup>	(62)	(62)	(198)	(198)
Implied DCF Available to Common Unitholders	\$ 326	\$ 525	\$ 1,683	\$ 2,178
Weighted Average Common Units Outstanding	726	728	728	727
Weighted Average Common Units and Common Equivalent Units	797	799	799	798
Implied DCF per Common Unit <sup>(7)</sup>	\$ 0.45	\$ 0.72	\$ 2.31	\$ 2.99
Implied DCF per Common Unit and Common Equivalent Unit <sup>(8)</sup>	\$ 0.46	\$ 0.71	\$ 2.29	\$ 2.91
Cash Distribution Paid per Common Unit	\$ 0.18	\$ 0.36	\$ 0.90	\$ 1.38
Common Unit Cash Distributions <sup>(5)</sup>	\$ 131	\$ 262	\$ 655	\$ 1,004
Common Unit Distribution Coverage Ratio	2.49x	2.00x	2.57x	2.17x
Implied DCF Excess	\$ 195	\$ 263	\$ 1,028	\$ 1,174

<sup>(1)</sup> Adjustment to exclude our proportionate share of depreciation and amortization expense of unconsolidated entities.

<sup>(2)</sup> Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

<sup>(3)</sup> Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.

<sup>(4)</sup> Comprised of cash distributions received from unconsolidated entities less equity earnings in unconsolidated entities (adjusted for our proportionate share of depreciation and amortization and selected items impacting comparability of unconsolidated entities).

<sup>(5)</sup> Cash distributions paid during the period presented.

<sup>(6)</sup> Cash distributions paid to our preferred unitholders during the period presented.

<sup>(7)</sup> Implied DCF Available to Common Unitholders for the period divided by the weighted average common units outstanding for the period.

<sup>(8)</sup> Implied DCF Available to Common Unitholders for the period, adjusted for Series A preferred unit cash distributions paid, divided by the weighted average common units and common equivalent units outstanding for the period. Our Series A preferred units are convertible into common units, generally on a one-for-one basis and subject to customary anti-dilution adjustments, in whole or in part, subject to certain minimum conversion amounts.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**NON-GAAP RECONCILIATIONS (continued)**

**Net Income/(Loss) Per Common Unit to Implied DCF Per Common Unit and Common Equivalent Unit Reconciliations:**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Basic net income/(loss) per common unit	\$ (0.11)	\$ 0.35	\$ (3.83)	\$ 2.70
Reconciling items per common unit <sup>(1) (2)</sup>	0.56	0.37	6.14	0.29
Implied DCF per common unit	<u>\$ 0.45</u>	<u>\$ 0.72</u>	<u>\$ 2.31</u>	<u>\$ 2.99</u>
Basic net income/(loss) per common unit	\$ (0.11)	\$ 0.35	\$ (3.83)	\$ 2.70
Reconciling items per common unit and common equivalent unit <sup>(1) (3)</sup>	0.57	0.36	6.12	0.21
Implied DCF per common unit and common equivalent unit	<u>\$ 0.46</u>	<u>\$ 0.71</u>	<u>\$ 2.29</u>	<u>\$ 2.91</u>

<sup>(1)</sup> Represents adjustments to Net Income to calculate Implied DCF Available to Common Unitholders. See the “Net Income/(Loss) to Adjusted EBITDA and Implied DCF Reconciliation” table for additional information.

<sup>(2)</sup> Based on weighted average common units outstanding for the period of 726 million, 728 million, 728 million and 727 million, respectively.

<sup>(3)</sup> Based on weighted average common units outstanding for the period, as well as weighted average Series A preferred units outstanding of 71 million for each of the periods presented.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**NON-GAAP RECONCILIATIONS (continued)**

(in millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>Free Cash Flow and Free Cash Flow After Distributions Reconciliation <sup>(1)</sup>:</b>				
Net cash provided by operating activities	\$ 258	\$ 726	\$ 1,514	\$ 2,504
Adjustments to reconcile net cash provided by operating activities to free cash flow:				
Net cash used in investing activities	(27)	(398)	(1,093)	(1,765)
Cash contributions from noncontrolling interests	1	—	12	—
Cash distributions paid to noncontrolling interests <sup>(2)</sup>	(4)	(2)	(10)	(6)
Sale of noncontrolling interest in a subsidiary	—	—	—	128
Free cash flow	\$ 228	\$ 326	\$ 423	\$ 861
Cash distributions <sup>(3)</sup>	(193)	(324)	(853)	(1,202)
Free cash flow after distributions	\$ 35	\$ 2	\$ (430)	\$ (341)

<sup>(1)</sup> Management uses the Non-GAAP financial measures Free Cash Flow and Free Cash Flow After Distributions to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes.

<sup>(2)</sup> Cash distributions paid during the period presented.

<sup>(3)</sup> Cash distributions paid to preferred and common unitholders during the period.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**SELECTED FINANCIAL DATA BY SEGMENT**

(in millions)

	Three Months Ended December 31, 2020			Three Months Ended December 31, 2019		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Revenues <sup>(1)</sup>	\$ 491	\$ 277	\$ 5,688	\$ 608	\$ 291	\$ 8,796
Purchases and related costs <sup>(1)</sup>	(45)	(3)	(5,873)	(89)	(5)	(8,677)
Field operating costs <sup>(1)(2)</sup>	(144)	(82)	(43)	(168)	(93)	(63)
Segment general and administrative expenses <sup>(2)(3)</sup>	(25)	(21)	(24)	(24)	(20)	(28)
Equity earnings in unconsolidated entities	74	1	—	115	—	—
Adjustments: <sup>(4)</sup>						
Depreciation and amortization of unconsolidated entities	22	—	—	15	1	—
Losses from derivative activities, net of inventory valuation adjustments	—	1	270	—	1	218
Long-term inventory costing adjustments	—	—	(21)	—	—	(22)
Deficiencies under minimum volume commitments, net	7	(2)	—	(8)	—	—
Equity-indexed compensation expense	3	1	1	2	1	1
Net loss on foreign currency revaluation	—	—	6	—	—	7
Segment Adjusted EBITDA	<u>\$ 383</u>	<u>\$ 172</u>	<u>\$ 4</u>	<u>\$ 451</u>	<u>\$ 176</u>	<u>\$ 232</u>
Maintenance capital	<u>\$ 38</u>	<u>\$ 11</u>	<u>\$ 10</u>	<u>\$ 52</u>	<u>\$ 23</u>	<u>\$ 9</u>

<sup>(1)</sup> Includes intersegment amounts.

<sup>(2)</sup> Field operating costs and Segment general and administrative expenses include equity-indexed compensation expense.

<sup>(3)</sup> Segment general and administrative expenses reflect direct costs attributable to each segment and an allocation of other expenses to the segments. The proportional allocations by segment require judgment by management and are based on the business activities that exist during each period.

<sup>(4)</sup> Represents adjustments utilized by our CODM in the evaluation of segment results. Many of these adjustments are also considered selected items impacting comparability when calculating consolidated non-GAAP financial measures such as Adjusted EBITDA. See the “Selected Items Impacting Comparability” table for additional discussion.

- more -

**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**SELECTED FINANCIAL DATA BY SEGMENT**

(in millions)

	Twelve Months Ended December 31, 2020			Twelve Months Ended December 31, 2019		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Revenues <sup>(1)</sup>	\$ 2,020	\$ 1,138	\$ 22,059	\$ 2,320	\$ 1,171	\$ 32,276
Purchases and related costs <sup>(1)</sup>	(229)	(15)	(22,099)	(244)	(15)	(31,276)
Field operating costs <sup>(1)(2)</sup>	(584)	(316)	(191)	(700)	(360)	(258)
Segment general and administrative expenses <sup>(2)(3)</sup>	(98)	(84)	(89)	(104)	(83)	(110)
Equity earnings in unconsolidated entities	350	5	—	388	—	—
Adjustments: <sup>(4)</sup>						
Depreciation and amortization of unconsolidated entities	71	2	—	61	1	—
(Gains)/losses from derivative activities, net of inventory valuation adjustments	1	(5)	484	—	(13)	173
Long-term inventory costing adjustments	—	—	44	—	—	(20)
Deficiencies under minimum volume commitments, net	71	2	1	(18)	—	—
Equity-indexed compensation expense	11	4	4	9	4	4
Net (gain)/loss on foreign currency revaluation	—	—	(3)	—	—	14
Line 901 incident	—	—	—	10	—	—
Significant acquisition-related expenses	3	—	—	—	—	—
Segment Adjusted EBITDA	<u>\$ 1,616</u>	<u>\$ 731</u>	<u>\$ 210</u>	<u>\$ 1,722</u>	<u>\$ 705</u>	<u>\$ 803</u>
Maintenance capital	<u>\$ 136</u>	<u>\$ 51</u>	<u>\$ 29</u>	<u>\$ 161</u>	<u>\$ 97</u>	<u>\$ 29</u>

<sup>(1)</sup> Includes intersegment amounts.

<sup>(2)</sup> Field operating costs and Segment general and administrative expenses include equity-indexed compensation expense.

<sup>(3)</sup> Segment general and administrative expenses reflect direct costs attributable to each segment and an allocation of other expenses to the segments. The proportional allocations by segment require judgment by management and are based on the business activities that exist during each period.

<sup>(4)</sup> Represents adjustments utilized by our CODM in the evaluation of segment results. Many of these adjustments are also considered selected items impacting comparability when calculating consolidated non-GAAP financial measures such as Adjusted EBITDA. See the “Selected Items Impacting Comparability” table for additional discussion.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**OPERATING DATA BY SEGMENT <sup>(1)</sup>**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>Transportation segment (average daily volumes in thousands of barrels per day):</b>				
Tariff activities volumes				
Crude oil pipelines (by region):				
Permian Basin <sup>(2)</sup>	4,188	5,052	4,427	4,690
South Texas / Eagle Ford <sup>(2)</sup>	372	446	380	446
Central <sup>(2)</sup>	367	420	379	498
Gulf Coast	138	179	134	165
Rocky Mountain <sup>(2)</sup>	224	275	245	293
Western	242	203	223	198
Canada	304	336	294	323
Crude oil pipelines	5,835	6,911	6,082	6,613
NGL pipelines	177	184	184	192
Tariff activities total volumes	6,012	7,095	6,266	6,805
Trucking volumes	70	96	74	88
Transportation segment total volumes	6,082	7,191	6,340	6,893
<b>Facilities segment (average monthly volumes):</b>				
Liquids storage (average monthly capacity in millions of barrels) <sup>(3)</sup>	105	111	109	110
Natural gas storage (average monthly working capacity in billions of cubic feet)	68	63	66	63
NGL fractionation (average volumes in thousands of barrels per day)	129	142	129	144
Facilities segment total volumes (average monthly volumes in millions of barrels) <sup>(4)</sup>	121	126	124	125
<b>Supply and Logistics segment (average daily volumes in thousands of barrels per day):</b>				
Crude oil lease gathering purchases	1,155	1,271	1,174	1,162
NGL sales	178	221	144	207
Supply and Logistics segment total volumes	1,333	1,492	1,318	1,369

<sup>(1)</sup> Average volumes are calculated as the total volumes (attributable to our interest) for the period divided by the number of days or months in the period.

<sup>(2)</sup> Region includes volumes (attributable to our interest) from pipelines owned by unconsolidated entities.

<sup>(3)</sup> Includes volumes (attributable to our interest) from facilities owned by unconsolidated entities.

<sup>(4)</sup> Facilities segment total volumes are calculated as the sum of: (i) liquids storage capacity; (ii) natural gas storage working capacity divided by 6 to account for the 6:1 mcf of natural gas to crude Btu equivalent ratio and further divided by 1,000 to convert to monthly volumes in millions; and (iii) NGL fractionation volumes multiplied by the number of days in the period and divided by the number of months in the period.

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**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**  
**FINANCIAL SUMMARY (unaudited)**

**NON-GAAP SEGMENT RECONCILIATIONS**

(in millions)

**Fee-based Segment Adjusted EBITDA to Adjusted EBITDA Reconciliations:**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Transportation Segment Adjusted EBITDA	\$ 383	\$ 451	\$ 1,616	\$ 1,722
Facilities Segment Adjusted EBITDA	172	176	731	705
Fee-based Segment Adjusted EBITDA	\$ 555	\$ 627	\$ 2,347	\$ 2,427
Supply and Logistics Segment Adjusted EBITDA	4	232	210	803
Adjusted other income, net <sup>(1)</sup>	—	1	3	7
Adjusted EBITDA <sup>(2)</sup>	<u>\$ 559</u>	<u>\$ 860</u>	<u>\$ 2,560</u>	<u>\$ 3,237</u>

<sup>(1)</sup> Represents “Other income, net” as reported on our Condensed Consolidated Statements of Operations, adjusted for selected items impacting comparability of \$(47) million, \$1 million, \$(36) million and \$(17) million for the three and twelve months ended December 31, 2020 and 2019, respectively. See the “Selected Items Impacting Comparability” table for additional information.

<sup>(2)</sup> See the “Net Income/(Loss) to Adjusted EBITDA and Implied DCF Reconciliation” table for reconciliation to Net Income/(Loss).

**Reconciliation of Segment Adjusted EBITDA to Segment Adjusted EBITDA further adjusted for impact of divested assets:**

	Three Months Ended December 31, 2020			Three Months Ended December 31, 2019		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Segment Adjusted EBITDA	\$ 383	\$ 172	\$ 4	\$ 451	\$ 176	\$ 232
Impact of divested assets <sup>(1)</sup>	—	(1)	—	(4)	(16)	—
Segment Adjusted EBITDA further adjusted for impact of divested assets	<u>\$ 383</u>	<u>\$ 171</u>	<u>\$ 4</u>	<u>\$ 447</u>	<u>\$ 160</u>	<u>\$ 232</u>

	Twelve Months Ended December 31, 2020			Twelve Months Ended December 31, 2019		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Segment Adjusted EBITDA	\$ 1,616	\$ 731	\$ 210	\$ 1,722	\$ 705	\$ 803
Impact of divested assets <sup>(1)</sup>	(1)	(43)	—	(14)	(60)	—
Segment Adjusted EBITDA further adjusted for impact of divested assets	<u>\$ 1,615</u>	<u>\$ 688</u>	<u>\$ 210</u>	<u>\$ 1,708</u>	<u>\$ 645</u>	<u>\$ 803</u>

<sup>(1)</sup> Estimated impact of divestitures completed during 2019 and 2020, assuming an effective date of January 1, 2019. Divested assets primarily included certain NGL storage terminals and Los Angeles Basin crude oil storage terminals that were previously included in our Facilities segment and the sale of a portion of our interest in a joint venture pipeline that was previously reported in our Transportation segment.

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**PLAINS GP HOLDINGS AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**

(in millions, except per share data)

	Three Months Ended December 31, 2020			Three Months Ended December 31, 2019		
	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP
<b>REVENUES</b>	\$ 5,963	\$ —	\$ 5,963	\$ 9,154	\$ —	\$ 9,154
<b>COSTS AND EXPENSES</b>						
Purchases and related costs	5,432	—	5,432	8,234	—	8,234
Field operating costs	265	—	265	320	—	320
General and administrative expenses	70	1	71	72	1	73
Depreciation and amortization	160	1	161	163	1	164
(Gains)/losses on asset sales and asset impairments, net	101	—	101	34	—	34
Total costs and expenses	6,028	2	6,030	8,823	2	8,825
<b>OPERATING INCOME/(LOSS)</b>	(65)	(2)	(67)	331	(2)	329
<b>OTHER INCOME/(EXPENSE)</b>						
Equity earnings in unconsolidated entities	75	—	75	115	—	115
Interest expense, net	(108)	—	(108)	(114)	—	(114)
Other income, net	47	—	47	—	—	—
<b>INCOME/(LOSS) BEFORE TAX</b>	(51)	(2)	(53)	332	(2)	330
Current income tax expense	(12)	—	(12)	(40)	—	(40)
Deferred income tax (expense)/benefit	38	4	42	15	(14)	1
<b>NET INCOME/(LOSS)</b>	(25)	2	(23)	307	(16)	291
Net (income)/loss attributable to noncontrolling interests	(3)	6	3	(1)	(242)	(243)
<b>NET INCOME/(LOSS) ATTRIBUTABLE TO PAGP</b>	<u>\$ (28)</u>	<u>\$ 8</u>	<u>\$ (20)</u>	<u>\$ 306</u>	<u>\$ (258)</u>	<u>\$ 48</u>
<b>BASIC NET INCOME/(LOSS) PER CLASS A SHARE</b>			<u>\$ (0.11)</u>			<u>\$ 0.26</u>
<b>DILUTED NET INCOME/(LOSS) PER CLASS A SHARE</b>			<u>\$ (0.11)</u>			<u>\$ 0.26</u>
<b>BASIC WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING</b>			<u>191</u>			<u>182</u>
<b>DILUTED WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING</b>			<u>191</u>			<u>182</u>

<sup>(1)</sup> Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

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**PLAINS GP HOLDINGS AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**

(in millions, except per share data)

	Twelve Months Ended December 31, 2020			Twelve Months Ended December 31, 2019		
	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP
<b>REVENUES</b>	\$ 23,290	\$ —	\$ 23,290	\$ 33,669	\$ —	\$ 33,669
<b>COSTS AND EXPENSES</b>						
Purchases and related costs	20,431	—	20,431	29,452	—	29,452
Field operating costs	1,076	—	1,076	1,303	—	1,303
General and administrative expenses	271	5	276	297	5	302
Depreciation and amortization	653	3	656	601	3	604
(Gains)/losses on asset sales and asset impairments, net	719	—	719	28	—	28
Goodwill impairment losses	2,515	—	2,515	—	—	—
Total costs and expenses	25,665	8	25,673	31,681	8	31,689
<b>OPERATING INCOME/(LOSS)</b>	(2,375)	(8)	(2,383)	1,988	(8)	1,980
<b>OTHER INCOME/(EXPENSE)</b>						
Equity earnings in unconsolidated entities	355	—	355	388	—	388
Gain on/(impairment of) investments in unconsolidated entities, net	(182)	—	(182)	271	—	271
Interest expense, net	(436)	—	(436)	(425)	—	(425)
Other income, net	39	—	39	24	—	24
<b>INCOME/(LOSS) BEFORE TAX</b>	(2,599)	(8)	(2,607)	2,246	(8)	2,238
Current income tax expense	(51)	—	(51)	(112)	—	(112)
Deferred income tax (expense)/benefit	70	148	218	46	(110)	(64)
<b>NET INCOME/(LOSS)</b>	(2,580)	140	(2,440)	2,180	(118)	2,062
Net (income)/loss attributable to noncontrolling interests	(10)	1,882	1,872	(9)	(1,722)	(1,731)
<b>NET INCOME/(LOSS) ATTRIBUTABLE TO PAGP</b>	<u>\$ (2,590)</u>	<u>\$ 2,022</u>	<u>\$ (568)</u>	<u>\$ 2,171</u>	<u>\$ (1,840)</u>	<u>\$ 331</u>
<b>BASIC NET INCOME/(LOSS) PER CLASS A SHARE</b>			<u>\$ (3.06)</u>			<u>\$ 1.97</u>
<b>DILUTED NET INCOME/(LOSS) PER CLASS A SHARE</b>			<u>\$ (3.07)</u>			<u>\$ 1.96</u>
<b>BASIC WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING</b>			<u>186</u>			<u>168</u>
<b>DILUTED WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING</b>			<u>246</u>			<u>170</u>

<sup>(1)</sup> Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.  
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**PLAINS GP HOLDINGS AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**CONDENSED CONSOLIDATING BALANCE SHEET DATA**

(in millions)

	December 31, 2020			December 31, 2019		
	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP	PAA	Consolidating Adjustments <sup>(1)</sup>	PAGP
<b>ASSETS</b>						
Current assets	\$ 3,665	\$ 3	\$ 3,668	\$ 4,612	\$ 2	\$ 4,614
Property and equipment, net	14,611	9	14,620	15,355	12	15,367
Investments in unconsolidated entities	3,764	—	3,764	3,683	—	3,683
Goodwill	—	—	—	2,540	—	2,540
Deferred tax asset	—	1,444	1,444	—	1,280	1,280
Linefill and base gas	982	—	982	981	—	981
Long-term operating lease right-of-use assets, net	378	—	378	466	—	466
Long-term inventory	130	—	130	182	—	182
Other long-term assets, net	967	(2)	965	858	(2)	856
Total assets	<u>\$ 24,497</u>	<u>\$ 1,454</u>	<u>\$ 25,951</u>	<u>\$ 28,677</u>	<u>\$ 1,292</u>	<u>\$ 29,969</u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>						
Current liabilities	\$ 4,253	\$ 2	\$ 4,255	\$ 5,017	\$ 2	\$ 5,019
Senior notes, net	9,071	—	9,071	8,939	—	8,939
Other long-term debt, net	311	—	311	248	—	248
Long-term operating lease liabilities	317	—	317	387	—	387
Other long-term liabilities and deferred credits	807	—	807	891	—	891
Total liabilities	<u>14,759</u>	<u>2</u>	<u>14,761</u>	<u>15,482</u>	<u>2</u>	<u>15,484</u>
Partners' capital excluding noncontrolling interests	9,593	(8,129)	1,464	13,062	(10,907)	2,155
Noncontrolling interests	145	9,581	9,726	133	12,197	12,330
Total partners' capital	<u>9,738</u>	<u>1,452</u>	<u>11,190</u>	<u>13,195</u>	<u>1,290</u>	<u>14,485</u>
Total liabilities and partners' capital	<u>\$ 24,497</u>	<u>\$ 1,454</u>	<u>\$ 25,951</u>	<u>\$ 28,677</u>	<u>\$ 1,292</u>	<u>\$ 29,969</u>

<sup>(1)</sup> Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

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**PLAINS GP HOLDINGS AND SUBSIDIARIES**  
**FINANCIAL SUMMARY** (unaudited)

**COMPUTATION OF BASIC AND DILUTED NET INCOME/(LOSS) PER CLASS A SHARE**

(in millions, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>Basic Net Income/(Loss) per Class A Share</b>				
Net income/(loss) attributable to PAGP	\$ (20)	\$ 48	\$ (568)	\$ 331
Basic weighted average Class A shares outstanding	191	182	186	168
Basic net income/(loss) per Class A share	<u>\$ (0.11)</u>	<u>\$ 0.26</u>	<u>\$ (3.06)</u>	<u>\$ 1.97</u>
<b>Diluted Net Income/(Loss) per Class A Share</b>				
Net income/(loss) attributable to PAGP	\$ (20)	\$ 48	\$ (568)	\$ 331
Incremental net income/(loss) attributable to PAGP resulting from assumed exchange of AAP units and AAP Management Units	—	—	(189)	2
Net income/(loss) attributable to PAGP including incremental net income/(loss) from assumed exchange of AAP units and AAP Management Units	<u>\$ (20)</u>	<u>\$ 48</u>	<u>\$ (757)</u>	<u>\$ 333</u>
Basic weighted average Class A shares outstanding	191	182	186	168
Dilutive shares resulting from assumed exchange of AAP units and AAP Management Units	—	—	60	2
Diluted weighted average Class A shares outstanding	<u>191</u>	<u>182</u>	<u>246</u>	<u>170</u>
Diluted net income/(loss) per Class A share <sup>(1)</sup>	<u>\$ (0.11)</u>	<u>\$ 0.26</u>	<u>\$ (3.07)</u>	<u>\$ 1.96</u>

<sup>(1)</sup> For the three months ended December 31, 2020 and the three and twelve months ended December 31, 2019, the possible exchange of any AAP units would not have had a dilutive effect on basic net income/(loss) per Class A share. For the three and twelve months ended December 31, 2020 and the three months ended December 31, 2019, the possible exchange of AAP Management units would not have had a dilutive effect on basic net income/(loss) per Class A share.

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**PLAINS**  
**ALL AMERICAN**  
**PIPELINE, L.P.**

**Fourth-Quarter 2020**

**PAA & PAGP**

**Non-GAAP & Supplemental Reconciliations**

## Non-GAAP Reconciliations and Supplemental Calculations: Table of Contents

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## Introduction

### **Non-GAAP Financial Measures and Selected Items Impacting Comparability**

To supplement our financial information presented in accordance with GAAP, management uses additional measures known as “non-GAAP financial measures” in its evaluation of past performance and prospects for the future and to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes.

The primary additional measures used by management are earnings before interest, taxes, depreciation and amortization (including our proportionate share of depreciation and amortization of, and gains and losses on significant asset sales by, unconsolidated entities), gains and losses on asset sales and asset impairments, goodwill impairment losses and gains on and impairments of investments in unconsolidated entities, adjusted for certain selected items impacting comparability (“Adjusted EBITDA”), Implied distributable cash flow (“DCF”), Free Cash Flow and Free Cash Flow After Distributions.

Our definition and calculation of certain non-GAAP financial measures may not be comparable to similarly-titled measures of other companies. Adjusted EBITDA, Implied DCF and certain other non-GAAP financial performance measures are reconciled to Net Income/(Loss), and Free Cash Flow and Free Cash Flow After Distributions are reconciled to Net Cash Provided by Operating Activities, (the most directly comparable measures as reported in accordance with GAAP) for the historical periods presented in the following pages, and should be viewed in addition to, and not in lieu of, our Consolidated Financial Statements in our Annual Reports on Form 10-K, our Condensed Consolidated Financial Statements in our Quarterly Reports on Form 10-Q and notes thereto. We do not provide a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures on a forward-looking basis as it is impractical to forecast certain items that we have defined as “Selected Items Impacting Comparability” without unreasonable effort, due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of and the periods in which such items may be recognized. Thus, a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures could result in disclosure that could be imprecise or potentially misleading.

### ***Performance Measures***

Management believes that the presentation of such additional financial measures provides useful information to investors regarding our performance and results of operations because these measures, when used to supplement related GAAP financial measures, (i) provide additional information about our core operating performance and ability to fund distributions to our unitholders through cash generated by our operations and (ii) provide investors with the same financial analytical framework upon which management bases financial, operational, compensation and planning/budgeting decisions. We also present these and additional non-GAAP financial measures, including adjusted net income attributable to PAA and basic and diluted adjusted net income per common unit, as they are measures that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. These non-GAAP measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) gains or losses on derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), gains and losses on derivatives that are related to investing activities (such as the purchase of linefill) and inventory valuation adjustments, as applicable, (iii) long-term inventory costing adjustments, (iv) items that are not indicative of our core operating results and business outlook and/or (v) other items that we believe should be excluded in understanding our core operating performance. These measures may further be adjusted to include amounts related to deficiencies associated with minimum volume commitments whereby we have billed the counterparties for their deficiency obligation and such amounts are recognized as deferred revenue in “Other current liabilities” in our Consolidated Financial Statements in our Annual Reports on Form 10-K and our Condensed Consolidated Financial Statements in our Quarterly Reports on Form 10-Q. We also adjust for amounts billed by our equity method investees related to deficiencies under minimum volume commitments. All such amounts are presented net of applicable amounts subsequently recognized into revenue. Furthermore, the calculation of these measures contemplates tax effects as a separate reconciling item, where applicable. We have defined all such items as “selected items impacting comparability.” Due to the nature of the selected items, certain selected items impacting comparability may impact certain non-GAAP financial measures, referred to as adjusted results, but not impact other non-GAAP financial measures. We do not necessarily consider all of our selected items impacting comparability to be non-recurring, infrequent or unusual, but we believe that an understanding of these selected items impacting comparability is material to the evaluation of our operating results and prospects.

Although we present selected items impacting comparability that management considers in evaluating our performance, you should also be aware that the items presented do not represent all items that affect comparability between the periods presented. Variations in our operating results are also caused by changes in volumes, prices, exchange rates, mechanical interruptions, acquisitions, investment capital projects and numerous other factors and will be discussed, as applicable, in management’s discussion and analysis of operating results in our Quarterly Report on Form 10-Q and in our Annual Report on form 10-K for the period(s) applicable.

### ***Liquidity Measures***

Management also uses the non-GAAP financial measures Free Cash Flow and Free Cash Flow After Distributions to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes. Free Cash Flow is defined as Net Cash Provided by Operating Activities, less Net Cash Used in Investing Activities, which primarily includes acquisition, investment and maintenance capital expenditures, investments in unconsolidated entities and the impact from the purchase and sale of linefill and base gas, net of proceeds from the sales of assets and further impacted by distributions to, contributions from and proceeds from the sale of noncontrolling interests. Free Cash Flow is further reduced by cash distributions paid to our preferred and common unitholders to arrive at Free Cash Flow After Distributions.

## Reconciliation to Adjusted EBITDA and Adjusted Net Income Attributable to PAA: 2018 - 2020 (in millions)<sup>(1) (2)</sup>

### Selected Items Impacting Comparability<sup>(3)</sup>

	2020					2019					2018				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Gains/(losses) from derivative activities, net of inventory valuation adjustments	\$ (4)	\$ (99)	\$ (98)	\$ (258)	\$ (460)	\$ 97	\$ (51)	\$ 30	\$ (234)	\$ (158)	\$ 19	\$ (232)	\$ 108	\$ 610	\$ 505
Long-term inventory costing adjustments	(115)	51	(2)	21	(44)	21	(25)	1	22	20	13	(5)	10	(38)	(21)
Deficiencies under minimum volume commitments, net	2	(7)	(64)	(5)	(74)	7	(1)	4	8	18	(10)	(3)	4	2	(7)
Equity-indexed compensation expense	(4)	(5)	(5)	(5)	(19)	(3)	(4)	(5)	(4)	(17)	(11)	(12)	(14)	(19)	(55)
Net gain/(loss) on foreign currency revaluation	(46)	23	10	28	16	(4)	(8)	5	7	1	(8)	4	2	3	1
Significant acquisition-related expenses	(3)	—	—	—	(3)	—	—	—	—	—	—	—	—	—	—
Line 901 incident	—	—	—	—	—	—	(10)	—	—	(10)	—	—	—	—	—
Net gain on early repayment of senior notes	—	3	—	—	3	—	—	—	—	—	—	—	—	—	—
Selected items impacting comparability - Adjusted EBITDA	\$ (170)	\$ (34)	\$ (159)	\$ (219)	\$ (581)	\$ 118	\$ (99)	\$ 35	\$ (201)	\$ (146)	\$ 3	\$ (248)	\$ 110	\$ 558	\$ 423
Gains/(losses) from derivative activities	—	—	—	—	—	—	(1)	—	—	(1)	3	—	—	—	4
Gain/(loss) on or (impairment of) investments in unconsolidated entities, net	(22)	(69)	(91)	—	(182)	267	—	4	—	271	—	—	210	(10)	200
Gains/(losses) on asset sales and asset impairments, net <sup>(4)</sup>	(619)	1	2	(101)	(719)	(4)	4	7	(34)	(28)	—	81	(2)	36	114
Goodwill impairment losses	(2,515)	—	—	—	(2,515)	—	—	—	—	—	—	—	—	—	—
Tax effect on selected items impacting comparability	23	11	9	31	76	24	(9)	(27)	24	12	(28)	24	29	(120)	(95)
Selected items impacting comparability - Adjusted net income attributable to PAA	\$ (3,303)	\$ (91)	\$ (239)	\$ (289)	\$ (3,921)	\$ 405	\$ (105)	\$ 19	\$ (211)	\$ 108	\$ (22)	\$ (143)	\$ 347	\$ 464	\$ 646

### Net Income/(Loss) to Adjusted EBITDA Reconciliation

	2020					2019					2018				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income/(Loss)	\$ (2,845)	\$ 144	\$ 146	\$ (25)	\$ (2,580)	\$ 970	\$ 448	\$ 454	\$ 307	\$ 2,180	\$ 288	\$ 100	\$ 710	\$ 1,117	\$ 2,216
Interest expense, net	108	108	113	108	436	101	103	108	114	425	106	111	110	104	431
Income tax expense/(benefit)	21	(12)	(3)	(26)	(19)	24	(23)	41	25	66	61	(16)	(10)	163	198
Depreciation and amortization	168	166	160	160	653	136	147	156	163	601	127	130	129	136	520
(Gains)/losses on asset sales and asset impairments, net	619	(1)	(2)	101	719	4	(4)	(7)	34	28	—	(81)	2	(36)	(114)
Goodwill impairment losses	2,515	—	—	—	2,515	—	—	—	—	—	—	—	—	—	—
(Gain)/loss on or impairment of investments in unconsolidated entities, net	22	69	91	—	182	(267)	—	(4)	—	(271)	—	—	(210)	10	(200)
Depreciation and amortization of unconsolidated entities <sup>(5)</sup>	17	16	18	22	73	12	14	18	16	62	14	14	15	13	56
Selected items impacting comparability - Adjusted EBITDA	170	34	159	219	581	(118)	99	(35)	201	146	(3)	248	(110)	(558)	(423)
Adjusted EBITDA	\$ 795	\$ 524	\$ 682	\$ 559	\$ 2,560	\$ 862	\$ 784	\$ 731	\$ 860	\$ 3,237	\$ 593	\$ 506	\$ 636	\$ 949	\$ 2,684

### Net Income/(Loss) to Adjusted Net Income Attributable to PAA Reconciliation

	2020					2019					2018				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income/(Loss)	\$ (2,845)	\$ 144	\$ 146	\$ (25)	\$ (2,580)	\$ 970	\$ 448	\$ 454	\$ 307	\$ 2,180	\$ 288	\$ 100	\$ 710	\$ 1,117	\$ 2,216
Less: Net income attributable to noncontrolling interests	(2)	(2)	(3)	(3)	(10)	—	(2)	(5)	(1)	(9)	—	—	—	—	—
Net income/(loss) attributable to PAA	(2,847)	142	143	(28)	(2,590)	970	446	449	306	2,171	288	100	710	1,117	2,216
Selected items impacting comparability - Adjusted net income attributable to PAA	3,303	91	239	289	3,921	(405)	105	(19)	211	(108)	22	143	(347)	(464)	(646)
Adjusted net income attributable to PAA	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 565	\$ 551	\$ 430	\$ 517	\$ 2,063	\$ 310	\$ 243	\$ 363	\$ 653	\$ 1,570

(1) Amounts may not recalculate due to rounding.

(2) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(3) For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.

(4) During the fourth quarter of 2018, we began classifying net gains and losses on asset sales and asset impairments as a "Selected Item Impacting Comparability" of net income. Prior period amounts have been recast to reflect this change.

(5) Adjustment to add back our proportionate share of depreciation and amortization expense of, and gains or losses on significant asset sales by, unconsolidated entities.



## Reconciliation to Adjusted EBITDA and Adjusted Net Income Attributable to PAA: 2014 - 2017 (in millions) <sup>(1) (2)</sup>

### Selected Items Impacting Comparability <sup>(3)</sup>

	2017					2016					2015					2014				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Gains/(losses) from derivative activities, net of inventory valuation adjustments	\$ 285	\$ 15	\$ (214)	\$ (28)	\$ 59	\$ (122)	\$ (93)	\$ 69	\$ (227)	\$ (374)	\$ (91)	\$ (60)	\$ 39	\$ 2	\$ (110)	\$ 65	\$ (14)	\$ 27	\$ 166	\$ 243
Long-term inventory costing adjustments	(7)	(7)	16	22	24	(23)	67	(38)	51	58	(38)	23	(47)	(37)	(99)	—	—	—	(85)	(85)
Deficiencies under minimum volume commitments, net	(11)	14	(8)	3	(2)	(27)	(8)	(25)	14	(46)	—	—	—	—	—	—	—	—	—	—
Equity-indexed compensation expense	(3)	(9)	(7)	(5)	(23)	(4)	(11)	(8)	(10)	(33)	(11)	(11)	—	(5)	(27)	(19)	(17)	(12)	(8)	(56)
Significant acquisition-related expenses	(5)	(1)	—	—	(6)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net gain/(loss) on foreign currency revaluation	3	8	11	—	21	3	(1)	(3)	(7)	(8)	27	(1)	(6)	1	21	(5)	11	(16)	(3)	(13)
Line 901 incident	—	(12)	—	(20)	(32)	—	—	—	—	—	—	(65)	—	(18)	(83)	—	—	—	—	—
Net loss on early repayment of senior notes	—	—	—	(40)	(40)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Selected items impacting comparability - Adjusted EBITDA	\$ 262	\$ 8	\$ (202)	\$ (68)	\$ 1	\$ (173)	\$ (46)	\$ (5)	\$ (179)	\$ (403)	\$ (113)	\$ (114)	\$ (14)	\$ (57)	\$ (298)	\$ 40	\$ (20)	\$ (1)	\$ 70	\$ 89
Gains/(losses) from derivative activities	—	(2)	(8)	—	(10)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains/(losses) on asset sales and asset impairments, net <sup>(4)</sup>	5	(5)	(15)	(94)	(109)	6	(70)	84	—	20	—	—	—	—	—	—	—	—	—	—
Tax effect on selected items impacting comparability	(42)	(7)	48	18	16	20	11	9	27	67	27	5	1	—	32	(9)	—	(1)	(43)	(52)
Deferred income tax expense	—	—	—	—	—	—	—	—	—	—	—	(22)	—	—	(22)	—	—	—	—	—
Selected items impacting comparability - Adjusted net income attributable to PAA	\$ 225	\$ (6)	\$ (177)	\$ (144)	\$ (102)	\$ (147)	\$ (105)	\$ 88	\$ (152)	\$ (316)	\$ (86)	\$ (131)	\$ (13)	\$ (57)	\$ (288)	\$ 32	\$ (20)	\$ (2)	\$ 27	\$ 37

### Net Income to Adjusted EBITDA Reconciliation

	2017					2016					2015					2014				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income	\$ 444	\$ 189	\$ 34	\$ 191	\$ 858	\$ 203	\$ 102	\$ 298	\$ 127	\$ 730	\$ 284	\$ 124	\$ 250	\$ 248	\$ 906	\$ 385	\$ 288	\$ 324	\$ 390	\$1,386
Interest expense, net	129	127	134	120	510	112	114	113	127	467	105	107	109	111	432	80	84	87	95	348
Income tax expense/(benefit)	66	10	(45)	14	44	19	(5)	1	11	25	16	33	17	34	100	48	22	20	81	171
Depreciation and amortization	126	124	136	131	517	120	134	117	143	514	104	108	107	113	432	94	98	95	98	384
(Gains)/losses on asset sales and asset impairments, net	(5)	5	15	94	109	(6)	70	(84)	—	(20)	—	—	—	—	—	—	—	—	—	—
Depreciation and amortization of unconsolidated entities <sup>(5)</sup>	14	4	13	13	45	12	13	13	13	50	10	11	12	12	45	6	7	7	10	29
Selected items impacting comparability - Adjusted EBITDA	(262)	(8)	202	68	(1)	173	46	5	179	403	113	114	14	57	298	(40)	20	1	(70)	(89)
Adjusted EBITDA	\$ 512	\$ 451	\$ 489	\$ 631	\$2,082	\$ 633	\$ 474	\$ 463	\$ 600	\$2,169	\$ 632	\$ 497	\$ 509	\$ 575	\$2,213	\$ 573	\$ 519	\$ 534	\$ 604	\$2,229

### Net Income to Adjusted Net Income Attributable to PAA Reconciliation

	2017					2016					2015					2014				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income	\$ 444	\$ 189	\$ 34	\$ 191	\$ 858	\$ 203	\$ 102	\$ 298	\$ 127	\$ 730	\$ 284	\$ 124	\$ 250	\$ 248	\$ 906	\$ 385	\$ 288	\$ 324	\$ 390	\$1,386
Less: Net income attributable to noncontrolling interests	—	(1)	(1)	—	(2)	(1)	(1)	(1)	(1)	(4)	(1)	—	(1)	(1)	(3)	(1)	(1)	(1)	(1)	(2)
Net income attributable to PAA	444	188	33	191	856	202	101	297	126	726	283	124	249	247	903	384	287	323	389	1,384
Selected items impacting comparability - Adjusted net income attributable to PAA	(225)	6	177	144	102	147	105	(88)	152	316	86	131	13	57	288	(32)	20	2	(27)	(37)
Adjusted net income attributable to PAA	\$ 219	\$ 194	\$ 210	\$ 335	\$ 958	\$ 349	\$ 206	\$ 209	\$ 278	\$1,042	\$ 369	\$ 255	\$ 262	\$ 304	\$1,191	\$ 352	\$ 307	\$ 325	\$ 362	\$1,347

<sup>(1)</sup> Amounts may not recalculate due to rounding.

<sup>(2)</sup> Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

<sup>(3)</sup> For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.

<sup>(4)</sup> During the fourth quarter of 2018, we began classifying net gains and losses on asset sales and asset impairments as a "Selected Item Impacting Comparability" of net income. Prior period amounts for 2016-2017 have been recast to reflect this change. Amounts prior to 2016 were immaterial.

<sup>(5)</sup> Adjustment to add back our proportionate share of depreciation and amortization expense of, and gains or losses on significant asset sales by, unconsolidated entities.

## Reconciliation to Adjusted EBITDA and Adjusted Net Income Attributable to PAA: 2010 - 2013 (in millions) <sup>(1) (2)</sup>

### Selected Items Impacting Comparability <sup>(3)</sup>

	2013					2012					2011					2010				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Gains/(losses) from derivative activities, net of inventory valuation adjustments	\$ 24	\$ 26	\$ (59)	\$ (51)	\$ (59)	\$ (59)	\$ 72	\$ (31)	\$ (56)	\$ (74)	\$ 20	\$ 21	\$ 31	\$ (11)	\$ 62	\$ 19	\$ 21	\$ (42)	\$ (12)	\$ (14)
Equity-indexed compensation expense	(24)	(16)	(12)	(12)	(63)	(26)	(12)	(12)	(10)	(59)	(14)	(20)	(6)	(37)	(77)	(14)	(9)	(10)	(33)	(67)
Net loss on early repayment of senior notes	—	—	—	—	—	—	—	—	—	—	(23)	—	—	—	(23)	—	—	(6)	—	(6)
Significant acquisition-related expenses	—	—	—	—	—	(4)	(9)	—	(1)	(14)	(4)	—	—	(6)	(10)	—	—	—	—	—
PNGS contingent consideration fair value adjustment	—	—	—	—	—	(1)	—	—	—	(1)	—	—	—	(1)	(1)	(1)	(1)	(1)	—	(2)
Insurance deductible related to property damage incident	—	—	—	—	—	—	—	—	—	—	(1)	—	—	—	(1)	—	—	—	—	—
Net gain/(loss) on foreign currency revaluation	8	(4)	2	(7)	(1)	—	(16)	11	(1)	(7)	—	—	(17)	10	(7)	—	—	—	—	—
Other	1	—	—	—	(1)	—	—	—	—	(1)	—	—	(1)	—	—	—	—	—	—	—
Selected items impacting comparability - Adjusted EBITDA	\$ 9	\$ 6	\$ (69)	\$ (69)	\$ (124)	\$ (90)	\$ 35	\$ (32)	\$ (68)	\$ (156)	\$ (22)	\$ 1	\$ 7	\$ (45)	\$ (57)	\$ 4	\$ 11	\$ (59)	\$ (45)	\$ (89)
Tax effect on selected items impacting comparability	(5)	(1)	15	8	16	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Asset impairments	—	—	—	—	—	—	—	(125)	(41)	(166)	—	—	—	—	—	—	—	—	—	—
Other	—	—	1	—	2	1	—	—	—	2	2	—	—	—	2	—	—	—	—	—
Selected items impacting comparability - Adjusted net income attributable to PAA	\$ 4	\$ 5	\$ (53)	\$ (61)	\$ (105)	\$ (90)	\$ 35	\$ (157)	\$ (109)	\$ (320)	\$ (20)	\$ 1	\$ 7	\$ (44)	\$ (55)	\$ 4	\$ 11	\$ (59)	\$ (45)	\$ (89)

### Net Income to Adjusted EBITDA Reconciliation

	2013					2012					2011					2010				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income	\$ 536	\$ 300	\$ 237	\$ 318	\$1,391	\$ 237	\$ 386	\$ 173	\$ 330	\$1,127	\$ 185	\$ 233	\$ 288	\$ 288	\$ 994	\$ 151	\$ 133	\$ 84	\$ 146	\$ 514
Interest expense, net	79	77	74	83	313	67	77	76	76	297	67	64	64	65	261	58	62	64	64	248
Income tax expense/(benefit)	53	18	9	19	99	20	10	13	11	54	13	9	6	17	45	—	—	(4)	3	(1)
Depreciation and amortization	80	89	91	106	365	58	84	208	124	473	61	61	63	56	241	67	64	61	64	256
Depreciation and amortization of unconsolidated entities <sup>(4)</sup>	4	5	6	6	22	4	4	4	6	17	—	—	—	—	—	—	—	—	—	—
Selected items impacting comparability - Adjusted EBITDA	(9)	(6)	69	69	124	90	(35)	32	68	156	22	(1)	(7)	45	57	(4)	(11)	59	45	89
Adjusted EBITDA	\$ 743	\$ 483	\$ 486	\$ 601	\$2,314	\$ 476	\$ 526	\$ 506	\$ 615	\$2,124	\$ 348	\$ 366	\$ 414	\$ 471	\$1,598	\$ 272	\$ 248	\$ 264	\$ 322	\$1,106

### Net Income to Adjusted Net Income Attributable to PAA Reconciliation

	2013					2012					2011					2010				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income	\$ 536	\$ 300	\$ 237	\$ 318	\$1,391	\$ 237	\$ 386	\$ 173	\$ 330	\$1,127	\$ 185	\$ 233	\$ 288	\$ 288	\$ 994	\$ 151	\$ 133	\$ 84	\$ 146	\$ 514
Less: Net income attributable to noncontrolling interests	(8)	(8)	(6)	(9)	(30)	(7)	(8)	(8)	(10)	(33)	(3)	(8)	(7)	(10)	(28)	—	(2)	(3)	(4)	(9)
Net income attributable to PAA	528	292	231	309	1,361	230	378	165	320	1,094	182	225	281	278	966	151	131	81	142	505
Selected items impacting comparability - Adjusted net income attributable to PAA	(4)	(5)	53	61	105	90	(35)	157	109	320	20	(1)	(7)	44	55	(4)	(11)	59	45	89
Adjusted net income attributable to PAA	\$ 524	\$ 287	\$ 284	\$ 371	\$1,466	\$ 320	\$ 343	\$ 322	\$ 429	\$1,414	\$ 202	\$ 224	\$ 274	\$ 322	\$1,021	\$ 147	\$ 120	\$ 140	\$ 187	\$ 594

<sup>(1)</sup> Amounts may not recalculate due to rounding.

<sup>(2)</sup> Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

<sup>(3)</sup> For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.

<sup>(4)</sup> Adjustment to add back our proportionate share of depreciation and amortization expense of, and gains or losses on significant asset sales by, unconsolidated entities.

## Reconciliation to Adjusted EBITDA and Adjusted Net Income Attributable to PAA: 2006 - 2009 <sup>(1) (2)</sup> (in millions)

### Selected Items Impacting Comparability <sup>(3)</sup>

	2009					2008					2007					2006				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Gains/(losses) from derivative activities, net of inventory valuation adjustments	\$ 48	\$ 19	\$ 11	\$ (20)	\$ 58	\$ (5)	\$ (87)	\$ 98	\$ (12)	\$ (4)	\$ (17)	\$ 15	\$ (13)	\$ (9)	\$ (24)	\$ (1)	\$ (2)	\$ 18	\$ (19)	\$ (4)
Equity-indexed compensation expense	(9)	(15)	(12)	(14)	(50)	(6)	(15)	(3)	2	(21)	(18)	(19)	—	(6)	(44)	(11)	(6)	(10)	(16)	(43)
Net gain on purchase of remaining 50% interest in PNGS	—	—	9	—	9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on Rainbow acquisition-related foreign currency and linefill hedges	—	—	—	—	—	—	11	—	—	11	—	—	—	—	—	—	—	—	—	—
Net loss on early repayment of senior notes	—	—	—	(4)	(4)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on sale of linefill	—	—	—	—	—	—	—	—	—	—	—	—	—	12	12	—	—	—	—	—
PNGS contingent consideration fair value adjustment	—	—	—	(1)	(1)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative effect of change in acct. principle	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6	—	—	—	6
Net gain/(loss) on foreign currency revaluation	10	2	—	—	12	—	—	(8)	(13)	(21)	—	—	—	—	—	—	—	—	—	—
Selected items impacting comparability - Adjusted EBITDA	\$ 49	\$ 6	\$ 8	\$ (39)	\$ 24	\$ (11)	\$ (91)	\$ 87	\$ (23)	\$ (35)	\$ (35)	\$ (4)	\$ (13)	\$ (3)	\$ (56)	\$ (5)	\$ (9)	\$ 8	\$ (35)	\$ (41)
Deferred income tax expense	—	—	—	—	—	—	—	—	—	—	—	(11)	—	—	(10)	—	—	—	—	—
Selected items impacting comparability - Adjusted net income attributable to PAA	\$ 49	\$ 6	\$ 8	\$ (39)	\$ 24	\$ (11)	\$ (91)	\$ 87	\$ (23)	\$ (35)	\$ (35)	\$ (15)	\$ (13)	\$ (3)	\$ (66)	\$ (5)	\$ (9)	\$ 8	\$ (35)	\$ (41)

### Net Income to Adjusted EBITDA Reconciliation

	2009					2008					2007					2006				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income	\$ 211	\$ 136	\$ 122	\$ 110	\$ 580	\$ 92	\$ 41	\$ 206	\$ 98	\$ 437	\$ 85	\$ 105	\$ 98	\$ 77	\$ 365	\$ 63	\$ 80	\$ 95	\$ 46	\$ 285
Interest expense, net	51	56	59	58	224	42	49	52	53	196	41	41	39	41	162	15	18	19	32	85
Income tax expense/(benefit)	1	(2)	2	5	6	(2)	5	3	1	8	—	12	3	1	16	—	—	—	—	—
Depreciation and amortization	58	56	59	63	236	48	52	49	61	211	40	52	43	45	180	22	21	24	33	100
Selected items impacting comparability - Adjusted EBITDA	(49)	(6)	(8)	39	(24)	11	91	(87)	23	35	35	4	13	3	56	5	9	(8)	35	41
Adjusted EBITDA	\$ 272	\$ 240	\$ 234	\$ 275	\$ 1,022	\$ 191	\$ 238	\$ 223	\$ 236	\$ 887	\$ 201	\$ 214	\$ 196	\$ 167	\$ 779	\$ 105	\$ 128	\$ 131	\$ 146	\$ 511

### Net Income to Adjusted Net Income Attributable to PAA Reconciliation

	2009					2008					2007					2006				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income	\$ 211	\$ 136	\$ 122	\$ 110	\$ 580	\$ 92	\$ 41	\$ 206	\$ 98	\$ 437	\$ 85	\$ 105	\$ 98	\$ 77	\$ 365	\$ 63	\$ 80	\$ 95	\$ 46	\$ 285
Less: Net income attributable to noncontrolling interest	—	—	—	—	(1)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income attributable to PAA	211	136	122	110	579	92	41	206	98	437	85	105	98	77	365	63	80	95	46	285
Selected items impacting comparability - Adjusted net income attributable to PAA	(49)	(6)	(8)	39	(24)	11	91	(87)	23	35	35	15	13	3	66	5	9	(8)	35	41
Adjusted net income attributable to PAA	\$ 162	\$ 130	\$ 114	\$ 149	\$ 555	\$ 103	\$ 132	\$ 119	\$ 121	\$ 472	\$ 120	\$ 120	\$ 111	\$ 80	\$ 431	\$ 68	\$ 89	\$ 88	\$ 81	\$ 326

<sup>(1)</sup> Amounts may not recalculate due to rounding.

<sup>(2)</sup> Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

<sup>(3)</sup> For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.



## Reconciliation to Adjusted EBITDA and Adjusted Net Income: 2002 - 2005 (in millions) <sup>(1) (2)</sup>

### Selected Items Impacting Comparability <sup>(3)</sup>

	2005					2004					2003					2002				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Gains/(losses) from derivative activities, net of inventory valuation adjustments	\$ (13)	\$ (13)	\$ 6	\$ 1	\$ (19)	\$ 8	\$ (7)	\$ 1	\$ (1)	\$ 1	\$ 1	\$ —	\$ (3)	\$ 2	\$ —	\$ (3)	\$ 1	\$ —	\$ 2	\$ —
Equity-indexed compensation expense	(2)	(8)	(7)	(9)	(26)	(4)	—	—	(4)	(8)	—	—	(7)	(21)	(29)	—	—	—	—	—
Cumulative effect of change in accounting principle	—	—	—	—	—	(3)	—	—	—	(3)	—	—	—	—	—	—	—	—	—	—
Net gain/(loss) on foreign currency revaluation	(1)	1	(2)	(1)	(2)	—	1	3	2	5	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	(2)	(2)	—	—	—	—	—	—	—	—	(2)	(2)
Selected items impacting comparability - Adjusted EBITDA	\$ (16)	\$ (20)	\$ (2)	\$ (9)	\$ (47)	\$ —	\$ (6)	\$ 4	\$ (5)	\$ (7)	\$ 1	\$ —	\$ (10)	\$ (19)	\$ (29)	\$ (3)	\$ 1	\$ —	\$ —	\$ (2)
Selected items impacting comparability - Adjusted net income	\$ (16)	\$ (20)	\$ (2)	\$ (9)	\$ (47)	\$ —	\$ (6)	\$ 4	\$ (5)	\$ (7)	\$ 1	\$ —	\$ (10)	\$ (19)	\$ (29)	\$ (3)	\$ 1	\$ —	\$ —	\$ (2)

### Net Income to Adjusted EBITDA Reconciliation

	2005					2004					2003					2002				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income	\$ 33	\$ 62	\$ 69	\$ 54	\$ 218	\$ 28	\$ 36	\$ 42	\$ 25	\$ 130	\$ 24	\$ 23	\$ 12	\$ —	\$ 59	\$ 14	\$ 17	\$ 16	\$ 18	\$ 65
Interest expense, net	15	14	16	15	59	10	10	13	15	47	9	9	9	9	35	7	6	7	9	29
Depreciation and amortization	19	19	20	25	84	13	16	16	23	69	11	11	12	12	46	7	7	9	11	34
Selected items impacting comparability - Adjusted EBITDA	16	20	2	9	47	—	6	(4)	5	7	(1)	—	10	19	29	3	(1)	—	—	2
Adjusted EBITDA	\$ 83	\$ 115	\$ 107	\$ 103	\$ 408	\$ 51	\$ 68	\$ 67	\$ 67	\$ 252	\$ 43	\$ 43	\$ 43	\$ 40	\$ 169	\$ 31	\$ 29	\$ 33	\$ 38	\$ 130

### Net Income to Adjusted Net Income Reconciliation

	2005					2004					2003					2002				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Income	\$ 33	\$ 62	\$ 69	\$ 54	\$ 218	\$ 28	\$ 36	\$ 42	\$ 25	\$ 130	\$ 24	\$ 23	\$ 12	\$ —	\$ 59	\$ 14	\$ 17	\$ 16	\$ 18	\$ 65
Selected items impacting comparability - Adjusted net income	16	20	2	9	47	—	6	(4)	5	7	(1)	—	10	19	29	3	(1)	—	—	2
Adjusted net income	\$ 49	\$ 82	\$ 71	\$ 63	\$ 265	\$ 28	\$ 42	\$ 38	\$ 29	\$ 137	\$ 23	\$ 23	\$ 21	\$ 19	\$ 88	\$ 17	\$ 16	\$ 16	\$ 18	\$ 67

<sup>(1)</sup> Amounts may not recalculate due to rounding.

<sup>(2)</sup> Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

<sup>(3)</sup> For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.

## Adjusted Net Income Per Common Unit (in millions, except per unit data) <sup>(1) (2)</sup>

### Basic Adjusted Net Income Per Common Unit

	2020					2019					2018	2017
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD	YTD
Net income/(loss) attributable to PAA	\$ (2,847)	\$ 142	\$ 143	\$ (28)	\$ (2,590)	\$ 970	\$ 446	\$ 449	\$ 306	\$ 2,171	\$ 2,216	\$ 856
Selected items impacting comparability - Adjusted net income attributable to PAA <sup>(3)</sup>	3,303	91	239	(289)	3,921	(405)	105	(19)	211	(108)	(646)	102
Adjusted net income attributable to PAA	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 565	\$ 551	\$ 430	\$ 517	\$ 2,063	\$ 1,570	\$ 958
Distributions to Series A preferred unitholders <sup>(4)</sup>	(37)	(37)	(37)	(37)	(149)	(37)	(37)	(37)	(37)	(149)	(149)	(142)
Distributions to Series B preferred unitholders <sup>(4)</sup>	(12)	(12)	(12)	(12)	(49)	(12)	(12)	(12)	(12)	(49)	(49)	(11)
Other	(2)	(1)	(2)	(1)	(4)	(2)	(2)	(1)	(2)	(6)	(6)	(17)
Adjusted net income allocated to common unitholders	\$ 405	\$ 183	\$ 331	\$ 211	\$ 1,129	\$ 514	\$ 500	\$ 380	\$ 466	\$ 1,859	\$ 1,366	\$ 788
Basic weighted average common units outstanding	728	728	728	726	728	727	727	728	728	727	726	717
Basic adjusted net income per common unit	\$ 0.56	\$ 0.25	\$ 0.45	\$ 0.29	\$ 1.55	\$ 0.71	\$ 0.69	\$ 0.52	\$ 0.64	\$ 2.56	\$ 1.88	\$ 1.10

### Diluted Adjusted Net Income Per Common Unit

	2020					2019					2018	2017
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD	YTD
Net income/(loss) attributable to PAA	\$ (2,847)	\$ 142	\$ 143	\$ (28)	\$ (2,590)	\$ 970	\$ 446	\$ 449	\$ 306	\$ 2,171	\$ 2,216	\$ 856
Selected items impacting comparability - Adjusted net income attributable to PAA <sup>(3)</sup>	3,303	91	239	289	3,921	(405)	105	(19)	211	(108)	(646)	102
Adjusted net income attributable to PAA	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 565	\$ 551	\$ 430	\$ 517	\$ 2,063	\$ 1,570	\$ 958
Distributions to Series A preferred unitholders <sup>(4)</sup>	—	(37)	(37)	(37)	(149)	—	—	(37)	—	—	(149)	(142)
Distributions to Series B preferred unitholders <sup>(4)</sup>	(12)	(12)	(12)	(12)	(49)	(12)	(12)	(12)	(12)	(49)	(49)	(11)
Other	(1)	(1)	(1)	(1)	(2)	(1)	(1)	(1)	(1)	(3)	(4)	(17)
Adjusted net income allocated to common unitholders	\$ 443	\$ 183	\$ 332	\$ 211	\$ 1,131	\$ 552	\$ 538	\$ 380	\$ 504	\$ 2,011	\$ 1,368	\$ 788
Basic weighted average common units outstanding	728	728	728	726	728	727	727	728	728	727	726	717
Effect of dilutive securities:												
Series A preferred units <sup>(5)</sup>	71	—	—	—	—	71	71	—	71	71	—	—
Equity-indexed compensation plan awards <sup>(6)</sup>	1	—	—	—	—	2	2	1	1	2	2	1
Diluted weighted average common units outstanding	800	728	728	726	728	800	800	729	800	800	728	718
Diluted adjusted net income per common unit	\$ 0.55	\$ 0.25	\$ 0.46	\$ 0.29	\$ 1.55	\$ 0.69	\$ 0.67	\$ 0.52	\$ 0.63	\$ 2.51	\$ 1.88	\$ 1.10

(1) Amounts may not recalculate due to rounding.

(2) We calculate adjusted net income allocated to common unitholders based on the distributions pertaining to the current period's net income (whether paid in cash or in-kind). After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.

(3) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(4) Distributions pertaining to the period presented.

(5) For certain periods presented, the possible conversion of our Series A preferred units was excluded from the calculation of diluted adjusted net income per common unit as the effect was antidilutive.

(6) Our equity-indexed compensation plan awards that contemplate the issuance of common units are considered dilutive unless (i) they become vested only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. Equity-indexed compensation plan awards that are deemed to be dilutive are reduced by a hypothetical common unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB. For certain periods presented, such equity-indexed compensation plan awards did not change the presentation of diluted weighted average common units outstanding or diluted net income per common unit.

## Net Income/(Loss) Per Common Unit to Adjusted Net Income Per Common Unit Reconciliation <sup>(1)</sup>

### Basic Adjusted Net Income Per Common Unit

	2020					2019					2018	2017
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD	YTD
Basic net income/(loss) per common unit	\$ (3.98)	\$ 0.13	\$ 0.13	\$ (0.11)	\$ (3.83)	\$ 1.26	\$ 0.54	\$ 0.55	\$ 0.35	\$ 2.70	\$ 2.77	\$ 0.96
Selected items impacting comparability per common unit <sup>(2)</sup>	4.54	0.12	0.32	0.40	5.38	(0.55)	0.15	(0.03)	0.29	(0.14)	(0.89)	0.14
Basic adjusted net income per common unit	<u>\$ 0.56</u>	<u>\$ 0.25</u>	<u>\$ 0.45</u>	<u>\$ 0.29</u>	<u>\$ 1.55</u>	<u>\$ 0.71</u>	<u>\$ 0.69</u>	<u>\$ 0.52</u>	<u>\$ 0.64</u>	<u>\$ 2.56</u>	<u>\$ 1.88</u>	<u>\$ 1.10</u>

### Diluted Adjusted Net Income Per Common Unit

	2020					2019					2018	2017
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD	YTD
Diluted net income/(loss) per common unit	\$ (3.98)	\$ 0.13	\$ 0.13	\$ (0.11)	\$ (3.83)	\$ 1.20	\$ 0.54	\$ 0.55	\$ 0.35	\$ 2.65	\$ 2.71	\$ 0.95
Selected items impacting comparability per common unit <sup>(2)</sup>	4.53	0.12	0.33	0.40	5.38	(0.51)	0.13	(0.03)	0.28	(0.14)	(0.83)	0.15
Diluted adjusted net income per common unit	<u>\$ 0.55</u>	<u>\$ 0.25</u>	<u>\$ 0.46</u>	<u>\$ 0.29</u>	<u>\$ 1.55</u>	<u>\$ 0.69</u>	<u>\$ 0.67</u>	<u>\$ 0.52</u>	<u>\$ 0.63</u>	<u>\$ 2.51</u>	<u>\$ 1.88</u>	<u>\$ 1.10</u>

(1) Amounts may not recalculate due to rounding.

(2) For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.

**PAA Credit Metrics (in millions, except ratio amounts): 2013 - 2020 <sup>(1)</sup>**
**Debt Capitalization Ratios**

	As of March 31,	As of June 30,	As of September 30,	As of December 31,	As of December 31,						
	2020				2019	2018	2017	2016	2015	2014	2013
Short-term debt	\$ 363	\$ 729	\$ 790	\$ 831	\$ 504	\$ 66	\$ 737	\$ 1,715	\$ 999	\$ 1,287	\$ 1,113
Senior notes, net	8,941	9,067	9,069	9,071	8,939	8,941	8,933	9,874	9,698	8,699	6,670
Other long-term debt, net	477	326	312	311	248	202	250	250	677	5	5
Long-term debt	9,418	9,393	9,381	9,382	9,187	9,143	9,183	10,124	10,375	8,704	6,675
Total debt	<u>\$ 9,781</u>	<u>\$ 10,122</u>	<u>\$ 10,171</u>	<u>\$ 10,213</u>	<u>\$ 9,691</u>	<u>\$ 9,209</u>	<u>\$ 9,920</u>	<u>\$ 11,839</u>	<u>\$ 11,374</u>	<u>\$ 9,991</u>	<u>\$ 7,788</u>
Long-term debt	\$ 9,418	\$ 9,393	\$ 9,381	\$ 9,382	\$ 9,187	\$ 9,143	\$ 9,183	\$ 10,124	\$ 10,375	\$ 8,704	\$ 6,675
Partners' capital	9,722	9,802	9,851	9,738	13,195	12,002	10,958	8,816	7,939	8,191	7,703
Total book capitalization	<u>\$ 19,140</u>	<u>\$ 19,195</u>	<u>\$ 19,232</u>	<u>\$ 19,120</u>	<u>\$ 22,382</u>	<u>\$ 21,145</u>	<u>\$ 20,141</u>	<u>\$ 18,940</u>	<u>\$ 18,314</u>	<u>\$ 16,895</u>	<u>\$ 14,378</u>
Total book capitalization, including short-term debt	<u>\$ 19,503</u>	<u>\$ 19,924</u>	<u>\$ 20,022</u>	<u>\$ 19,951</u>	<u>\$ 22,886</u>	<u>\$ 21,211</u>	<u>\$ 20,878</u>	<u>\$ 20,655</u>	<u>\$ 19,313</u>	<u>\$ 18,182</u>	<u>\$ 15,491</u>
Long-term debt-to-total book capitalization	49 %	49 %	49 %	49 %	41 %	43 %	46 %	53 %	57 %	52 %	46 %
Total debt-to-total book capitalization, including short-term debt	50 %	51 %	51 %	51 %	42 %	43 %	48 %	57 %	59 %	55 %	50 %

(1) Amounts may not recalculate due to rounding.

**PAA Credit Metrics (in millions, except ratio amounts): 2004 - 2012 <sup>(1)</sup>**

**Debt Capitalization Ratios**

	As of December 31,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Short-term debt	\$ 1,086	\$ 679	\$ 1,326	\$ 1,074	\$ 1,027	\$ 960	\$ 1,001	\$ 378	\$ 176
Senior notes, net	5,971	4,236	4,363	4,136	3,219	2,623	2,623	947	797
Other long-term debt, net	310	258	268	6	40	1	3	5	152
Long-term debt	6,281	4,494	4,631	4,142	3,259	2,624	2,626	952	949
Less: Adjustments <sup>(2)</sup>	—	—	(466)	(222)	—	—	—	—	—
Adjusted long-term debt	6,281	4,494	4,165	3,920	3,259	2,624	2,626	952	949
Adjusted total debt	<u>\$ 7,367</u>	<u>\$ 5,173</u>	<u>\$ 5,491</u>	<u>\$ 4,994</u>	<u>\$ 4,286</u>	<u>\$ 3,584</u>	<u>\$ 3,627</u>	<u>\$ 1,330</u>	<u>\$ 1,125</u>
Adjusted long-term debt	\$ 6,281	\$ 4,494	\$ 4,165	\$ 3,920	\$ 3,259	\$ 2,624	\$ 2,626	\$ 952	\$ 949
Partners' capital	7,146	5,974	4,573	4,159	3,552	3,424	2,977	1,331	1,070
Total book capitalization	<u>\$ 13,427</u>	<u>\$ 10,468</u>	<u>\$ 8,738</u>	<u>\$ 8,079</u>	<u>\$ 6,811</u>	<u>\$ 6,048</u>	<u>\$ 5,603</u>	<u>\$ 2,282</u>	<u>\$ 2,019</u>
Total book capitalization, including short-term debt	<u>\$ 14,513</u>	<u>\$ 11,147</u>	<u>\$ 10,064</u>	<u>\$ 9,153</u>	<u>\$ 7,838</u>	<u>\$ 7,008</u>	<u>\$ 6,604</u>	<u>\$ 2,660</u>	<u>\$ 2,195</u>
Adjusted long-term debt-to-total book capitalization	47 %	43 %	48 %	49 %	48 %	43 %	47 %	42 %	47 %
Adjusted total debt-to-total book capitalization, including short-term debt	51 %	46 %	55 %	55 %	55 %	51 %	55 %	50 %	51 %

(1) Amounts may not recalculate due to rounding.

(2) The adjustments represent the portion of our \$500 million, 4.25% senior notes that had been used to fund hedged inventory and would have been classified as short-term debt if funded on our credit facilities. These notes were issued in July 2009 and the proceeds were used to supplement capital available from our hedged inventory facility. These notes matured in September 2012.

**Cash Distribution Coverage (in millions, except per unit and ratio data): 2016 - 2020 <sup>(1)</sup>**

**Cash Distribution Coverage (based on distributions paid within the period presented)**

	Three Months Ended		Twelve Months Ended December 31,				
	Dec 31, 2020	Dec 31, 2019	2020	2019	2018	2017	2016
Adjusted EBITDA	\$ 559	\$ 860	\$ 2,560	\$ 3,237	\$ 2,684	\$ 2,082	\$ 2,169
Interest expense, net of certain non-cash items <sup>(2)</sup>	(102)	(110)	(415)	(407)	(419)	(483)	(451)
Maintenance capital	(59)	(84)	(216)	(287)	(252)	(247)	(186)
Current income tax expense	(12)	(40)	(51)	(112)	(66)	(28)	(85)
Distributions from unconsolidated entities in excess of/(less than) adjusted equity earnings <sup>(3)</sup>	6	(37)	13	(49)	1	(10)	(29)
Distributions to noncontrolling interests <sup>(4)</sup>	(4)	(2)	(10)	(6)	—	(2)	(4)
Implied DCF	\$ 388	\$ 587	\$ 1,881	\$ 2,376	\$ 1,948	\$ 1,312	\$ 1,414
Preferred unit distributions paid <sup>(4)(5)</sup>	(62)	(62)	(198)	(198)	(161)	(5)	—
General partner cash distributions <sup>(4)</sup>	—	—	—	—	—	—	(565)
Implied DCF available to common unitholders	<u>\$ 326</u>	<u>\$ 525</u>	<u>\$ 1,683</u>	<u>\$ 2,178</u>	<u>\$ 1,787</u>	<u>\$ 1,307</u>	<u>\$ 849</u>
Weighted average common units outstanding	726	728	728	727	726	717	464
Weighted average common units and common equivalent units	797	799	799	798	797	784	522
Implied DCF per common unit <sup>(6)</sup>	\$ 0.45	\$ 0.72	\$ 2.31	\$ 2.99	\$ 2.46	\$ 1.82	\$ 1.83
Implied DCF per common unit and common equivalent unit <sup>(7)</sup>	\$ 0.46	\$ 0.71	\$ 2.29	\$ 2.91	\$ 2.38	\$ 1.67	\$ 1.63
Cash distribution paid per common unit	\$ 0.18	\$ 0.36	\$ 0.90	\$ 1.38	\$ 1.20	\$ 1.95	\$ 2.65
Common unit cash distributions <sup>(4)(8)</sup>	\$ 131	\$ 262	\$ 655	\$ 1,004	\$ 871	\$ 1,386	\$ 1,627
Common unit distribution coverage ratio	2.49x	2.00x	2.57x	2.17x	2.05x	0.94x	0.87x
Implied DCF excess/(shortage)	\$ 195	\$ 263	\$ 1,028	\$ 1,174	\$ 916	\$ (79)	\$ (213)

(1) Amounts may not recalculate due to rounding.

(2) Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.

(3) Comprised of cash distributions received from unconsolidated entities less equity earnings in unconsolidated entities (adjusted for our proportionate share of depreciation and amortization, selected items impacting comparability and gains and losses on significant asset sales).

(4) Cash distributions paid during the period presented.

(5) A pro-rated initial distribution on the Series B preferred units was paid on November 15, 2017. The current \$0.5250 quarterly (\$2.10 annualized) per unit distribution requirement of our Series A preferred units was paid-in-kind for each quarterly distribution since their issuance through February 2018.

(6) Distributions on our Series A preferred units have been paid in cash since the May 2018 quarterly distribution. The current \$61.25 per unit annual distribution requirement of our Series B preferred units, which were issued in October 2017, is payable in cash semi-annually in arrears on May 15 and November 15.

(7) Implied DCF Available to Common Unitholders for the period divided by the weighted average common units outstanding for the period.

(8) Implied DCF Available to Common Unitholders for the period, adjusted for Series A preferred unit cash distributions paid (if any), divided by the weighted average common units and common equivalent units outstanding for the period. Our Series A preferred units are convertible into common units, generally on a one-for-one basis and subject to customary anti-dilution adjustments, in whole or in part, subject to certain minimum conversion amounts.

(9) Common unit cash distributions include distributions paid to the general partner for the 2016 period.

**Cash Distribution Coverage (in millions, except ratio data): 2006 - 2015<sup>(1) (2)</sup>**
**Cash Distribution Coverage (based on distributions paid within the period presented)**

	Twelve Months Ended December 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Adjusted EBITDA	\$ 2,213	\$ 2,229	\$ 2,314	\$ 2,124	\$ 1,598	\$ 1,106	\$ 1,022	\$ 887	\$ 779	\$ 511
Interest expense, net <sup>(3)</sup>	(417)	(334)	(296)	(285)	(253)	(248)	(224)	(196)	(162)	(86)
Maintenance capital	(220)	(224)	(176)	(170)	(120)	(93)	(81)	(81)	(50)	(28)
Current income tax (expense)/benefit	(84)	(71)	(100)	(53)	(38)	1	(15)	(9)	(3)	—
Distributions from unconsolidated entities in excess of/(less than) adjusted equity earnings <sup>(4)</sup>	(14)	(32)	(32)	(15)	10	6	(8)	(4)	(14)	(8)
Distributions to noncontrolling interests <sup>(5)</sup>	(4)	(3)	(49)	(48)	(40)	(10)	(2)	—	—	—
Interest income	—	—	—	—	—	—	—	—	—	1
Non-cash amortization of terminated interest rate and foreign currency hedging instruments	—	—	—	—	—	—	—	—	1	2
Other	—	—	—	—	(1)	—	—	—	—	—
Implied DCF	<u>\$ 1,474</u>	<u>\$ 1,565</u>	<u>\$ 1,661</u>	<u>\$ 1,553</u>	<u>\$ 1,156</u>	<u>\$ 762</u>	<u>\$ 692</u>	<u>\$ 597</u>	<u>\$ 551</u>	<u>\$ 392</u>
Cash distributions paid per common unit	\$ 2.76	\$ 2.55	\$ 2.33	\$ 2.11	\$ 1.95	\$ 1.88	\$ 1.81	\$ 1.75	\$ 1.64	\$ 1.44
Common unit cash distributions <sup>(5) (6)</sup>	\$ 1,671	\$ 1,407	\$ 1,160	\$ 968	\$ 791	\$ 682	\$ 605	\$ 532	\$ 451	\$ 263
Common unit distribution coverage ratio	0.88x	1.11x	1.43x	1.60x	1.46x	1.12x	1.14x	1.12x	1.22x	1.49x
Implied DCF excess/(shortage)	\$ (197)	\$ 158	\$ 501	\$ 585	\$ 365	\$ 80	\$ 87	\$ 65	\$ 100	\$ 129

(1) Amounts may not recalculate due to rounding.

(2) For information regarding our calculation of implied DCF and common unit distribution coverage ratio, please refer to our latest issued PAA & PAGP Earnings Release.

(3) The 2011-2015 periods presented exclude certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.

(4) Represents the difference between non-cash equity earnings in unconsolidated entities (2012-2015 periods have been adjusted for our proportionate share of depreciation and amortization and gains or losses on significant asset sales) and cash distributions received from such entities.

(5) Cash distributions paid during the period presented.

(6) Common unit cash distributions include distributions paid to the general partner during the period presented.

# **Net Income/(Loss) Per Common Unit to Implied DCF Per Common Unit and Common Equivalent Unit Reconciliation <sup>(1) (2)</sup>**

## **Implied DCF Per Common Unit**

	Three Months Ended				Three Months Ended				Twelve Months Ended		
	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Basic net income/(loss) per common unit	\$ (3.98)	\$ 0.13	\$ 0.13	\$ (0.11)	\$ 1.26	\$ 0.54	\$ 0.55	\$ 0.35	\$ (3.83)	\$ 2.70	\$ 2.77
Reconciling items per common unit	4.80	0.28	0.51	0.56	(0.36)	0.19	0.09	0.37	6.14	0.29	(0.31)
Implied DCF per common unit	<u>\$ 0.82</u>	<u>\$ 0.41</u>	<u>\$ 0.64</u>	<u>\$ 0.45</u>	<u>\$ 0.90</u>	<u>\$ 0.73</u>	<u>\$ 0.64</u>	<u>\$ 0.72</u>	<u>\$ 2.31</u>	<u>\$ 2.99</u>	<u>\$ 2.46</u>

## **Implied DCF Per Common Unit and Common Equivalent Unit**

	Three Months Ended				Three Months Ended				Twelve Months Ended		
	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2020	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Basic net income/(loss) per common unit	\$ (3.98)	\$ 0.13	\$ 0.13	\$ (0.11)	\$ 1.26	\$ 0.54	\$ 0.55	\$ 0.35	\$ (3.83)	\$ 2.70	\$ 2.77
Reconciling items per common unit and common equivalent unit	4.77	0.29	0.50	0.57	(0.39)	0.17	0.08	0.36	6.12	0.21	(0.39)
Implied DCF per common unit and common equivalent unit	<u>\$ 0.79</u>	<u>\$ 0.42</u>	<u>\$ 0.63</u>	<u>\$ 0.46</u>	<u>\$ 0.87</u>	<u>\$ 0.71</u>	<u>\$ 0.63</u>	<u>\$ 0.71</u>	<u>\$ 2.29</u>	<u>\$ 2.91</u>	<u>\$ 2.38</u>

(1) Amounts may not recalculate due to rounding.

(2) For information regarding our reconciliation of net income per common unit to implied DCF per common unit and common equivalent unit, please refer to our latest issued PAA & PAGP Earnings Release.



## Free Cash Flow (in millions): 2016 - 2020 <sup>(1)</sup>

### Free Cash Flow and Free Cash Flow After Distributions Reconciliation

	2020					2019					2018	2017	2016
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD	YTD	YTD
Net cash provided by operating activities	\$ 890	\$ 84	\$ 282	\$ 258	\$ 1,514	\$ 1,033	\$ 431	\$ 314	\$ 726	\$ 2,504	\$ 2,608	\$ 2,499	\$ 733
Adjustments to reconcile net cash provided by operating activities to free cash flow:													
Net cash used in investing activities	(610)	(248)	(208)	(27)	(1,093)	(429)	(549)	(389)	(398)	(1,765)	(813)	(1,570)	(1,273)
Cash contributions from noncontrolling interests	8	2	1	1	12	—	—	—	—	—	—	—	—
Cash distributions paid to noncontrolling interests <sup>(2)</sup>	—	(4)	(2)	(4)	(10)	—	—	(4)	(2)	(6)	—	(2)	(4)
Sale of noncontrolling interest in a subsidiary	—	—	—	—	—	—	128	—	—	128	—	—	—
Free cash flow	\$ 288	\$ (166)	\$ 73	\$ 228	\$ 423	\$ 604	\$ 10	\$ (79)	\$ 326	\$ 861	\$ 1,795	\$ 927	\$ (544)
Cash distributions <sup>(3)</sup>	(299)	(193)	(168)	(193)	(853)	(255)	(324)	(299)	(324)	(1,202)	(1,032)	(1,391)	(1,627)
Free cash flow after distributions	\$ (11)	\$ (359)	\$ (95)	\$ 35	\$ (430)	\$ 349	\$ (314)	\$ (378)	\$ 2	\$ (341)	\$ 763	\$ (464)	\$ (2,171)

(1) Amounts may not recalculate due to rounding.

(2) Cash distributions paid during the period presented.

(3) Cash distributions paid to our preferred and common unitholders during the period presented. The 2016 period also includes distributions paid to our general partner.

**Reconciliation of Fee-based Segment Adjusted EBITDA to Adjusted EBITDA (in millions) <sup>(1)</sup>**
**Reconciliation to Adjusted EBITDA**

	Three Months Ended				Three Months Ended				Twelve Months Ended December 31,				
	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	2020	2019	2018	2017	2016
Transportation Segment Adjusted EBITDA	\$ 442	\$ 346	\$ 444	\$ 383	\$ 399	\$ 410	\$ 462	\$ 451	\$ 1,616	\$ 1,722	\$ 1,508	\$ 1,287	\$ 1,141
Facilities Segment Adjusted EBITDA	210	174	176	172	184	172	173	176	731	705	711	734	667
Fee-based Segment Adjusted EBITDA	\$ 652	\$ 520	\$ 620	\$ 555	\$ 583	\$ 582	\$ 635	\$ 627	\$ 2,347	\$ 2,427	\$ 2,219	\$ 2,021	\$ 1,808
Supply and Logistics Segment Adjusted EBITDA	141	3	61	4	278	200	92	232	210	803	462	60	359
Adjusted other income/(expense), net <sup>(2)</sup>	2	1	1	—	1	2	4	1	3	7	3	1	2
Adjusted EBITDA <sup>(3)</sup>	<u>\$ 795</u>	<u>\$ 524</u>	<u>\$ 682</u>	<u>\$ 559</u>	<u>\$ 862</u>	<u>\$ 784</u>	<u>\$ 731</u>	<u>\$ 860</u>	<u>\$ 2,560</u>	<u>\$ 3,237</u>	<u>\$ 2,684</u>	<u>\$ 2,082</u>	<u>\$ 2,169</u>

(1) Amounts may not recalculate due to rounding.

(2) Represents "Other income/(expense), net" adjusted for selected items impacting comparability. For more information please refer to our recently issued PAA & PAGP Earnings Releases.

(3) See the "Net Income/(Loss) to Adjusted EBITDA Reconciliation" tables for reconciliation to Net Income/(Loss).

## Segment Supplemental Calculations: 2018 - 2020 (in millions, except volumes and per unit data) <sup>(1)</sup>

### Segment Adjusted EBITDA

	2020					2019					2018				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation Segment Adjusted EBITDA	\$ 442	\$ 346	\$ 444	\$ 383	\$ 1,616	\$ 399	\$ 410	\$ 462	\$ 451	\$ 1,722	\$ 335	\$ 360	\$ 388	\$ 425	\$ 1,508
Facilities Segment Adjusted EBITDA	210	174	176	172	731	184	172	173	176	705	185	171	173	181	711
Fee-based Segment Adjusted EBITDA	\$ 652	\$ 520	\$ 620	\$ 555	\$ 2,347	\$ 583	\$ 582	\$ 635	\$ 627	\$ 2,427	\$ 520	\$ 531	\$ 561	\$ 606	\$ 2,219
Supply and Logistics Segment Adjusted EBITDA	\$ 141	\$ 3	\$ 61	\$ 4	\$ 210	\$ 278	\$ 200	\$ 92	\$ 232	\$ 803	\$ 72	\$ (26)	\$ 75	\$ 342	\$ 462

### Total Average Volumes <sup>(2)</sup>

	2020					2019					2018				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation total average volumes (thousands of barrels per day)	7,255	5,914	6,115	6,082	6,340	6,504	6,787	7,081	7,191	6,893	5,328	5,797	6,015	6,404	5,889
Facilities total average volumes (millions of barrels per month) <sup>(3)</sup>	127	124	125	121	124	124	124	125	126	125	124	124	123	124	124
Supply and Logistics total average volumes (thousands of barrels per day)	1,538	1,171	1,230	1,333	1,318	1,456	1,260	1,270	1,492	1,369	1,392	1,202	1,237	1,403	1,309

### Segment Adjusted EBITDA Per Barrel

	2020					2019					2018				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation Segment Adjusted EBITDA per barrel	\$ 0.67	\$ 0.64	\$ 0.79	\$ 0.69	\$ 0.70	\$ 0.68	\$ 0.66	\$ 0.71	\$ 0.68	\$ 0.68	\$ 0.70	\$ 0.68	\$ 0.70	\$ 0.72	\$ 0.70
Facilities Segment Adjusted EBITDA per barrel	\$ 0.55	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.49	\$ 0.49	\$ 0.46	\$ 0.46	\$ 0.47	\$ 0.47	\$ 0.50	\$ 0.46	\$ 0.47	\$ 0.49	\$ 0.48
Supply and Logistics Segment Adjusted EBITDA per barrel	\$ 1.00	\$ 0.03	\$ 0.54	\$ 0.03	\$ 0.43	\$ 2.12	\$ 1.74	\$ 0.79	\$ 1.69	\$ 1.61	\$ 0.57	\$ (0.24)	\$ 0.66	\$ 2.65	\$ 0.97

(1) Amounts may not recalculate due to rounding.

(2) Average volumes are calculated as the total volumes (attributable to our interest) for the period divided by the number of days or months in the period.

(3) Facilities segment total volumes are calculated as the sum of: (i) liquids storage capacity; (ii) natural gas storage working capacity divided by 6 to account for the 6:1 mcf of natural gas to crude Btu equivalent ratio and further divided by 1,000 to convert to monthly volumes in millions; and (iii) NGL fractionation volumes multiplied by the number of days in the period and divided by the number of months in the period.

## Segment Supplemental Calculations: 2014 - 2017 (in millions, except volumes and per unit data)<sup>(1)</sup>

### Segment Adjusted EBITDA

	2017					2016					2015					2014				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation Segment Adjusted EBITDA	\$ 273	\$ 298	\$ 363	\$ 354	\$ 1,287	\$ 281	\$ 274	\$ 308	\$ 278	\$ 1,141	\$ 256	\$ 267	\$ 265	\$ 268	\$ 1,056	\$ 219	\$ 236	\$ 244	\$ 280	\$ 979
Facilities Segment Adjusted EBITDA	188	180	182	184	734	167	161	171	171	667	144	146	148	150	588	159	138	149	151	597
Fee-based Segment Adjusted EBITDA	\$ 461	\$ 478	\$ 545	\$ 538	\$ 2,021	\$ 448	\$ 435	\$ 479	\$ 449	\$ 1,808	\$ 400	\$ 413	\$ 413	\$ 418	\$ 1,644	\$ 378	\$ 374	\$ 393	\$ 431	\$ 1,576
Supply and Logistics Segment Adjusted EBITDA	\$ 51	\$ (28)	\$ (56)	\$ 92	\$ 60	\$ 184	\$ 39	\$ (17)	\$ 151	\$ 359	\$ 231	\$ 84	\$ 95	\$ 157	\$ 568	\$ 194	\$ 144	\$ 141	\$ 173	\$ 651

### Total Average Volumes<sup>(2)</sup>

	2017					2016					2015					2014				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation total average volumes (thousands of barrels per day)	4,754	5,163	5,341	5,477	5,186	4,608	4,781	4,602	4,558	4,637	4,244	4,529	4,545	4,491	4,453	3,840	3,931	4,226	4,314	4,079
Facilities total average volumes (millions of barrels per month) <sup>(3)(4)</sup>	131	132	127	129	130	125	124	129	129	127	118	119	119	122	120	114	113	114	115	114
Supply and Logistics total average volumes (thousands of barrels per day) <sup>(4)</sup>	1,267	1,150	1,131	1,329	1,219	1,221	1,061	1,090	1,241	1,153	1,267	1,125	1,110	1,165	1,166	1,166	1,070	1,124	1,267	1,157

### Segment Adjusted EBITDA Per Barrel

	2017					2016					2015					2014				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation Segment Adjusted EBITDA per barrel	\$ 0.64	\$ 0.63	\$ 0.74	\$ 0.70	\$ 0.68	\$ 0.67	\$ 0.63	\$ 0.73	\$ 0.66	\$ 0.67	\$ 0.67	\$ 0.65	\$ 0.64	\$ 0.65	\$ 0.65	\$ 0.63	\$ 0.66	\$ 0.63	\$ 0.71	\$ 0.66
Facilities Segment Adjusted EBITDA per barrel	\$ 0.48	\$ 0.45	\$ 0.48	\$ 0.48	\$ 0.47	\$ 0.45	\$ 0.43	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.46	\$ 0.41	\$ 0.44	\$ 0.44	\$ 0.44
Supply and Logistics Segment Adjusted EBITDA per barrel	\$ 0.45	\$ (0.27)	\$ (0.54)	\$ 0.75	\$ 0.13	\$ 1.66	\$ 0.41	\$ (0.16)	\$ 1.32	\$ 0.85	\$ 2.03	\$ 0.82	\$ 0.93	\$ 1.47	\$ 1.33	\$ 1.85	\$ 1.48	\$ 1.36	\$ 1.48	\$ 1.54

(1) Amounts may not recalculate due to rounding.

(2) Average volumes are calculated as total volumes for the period (attributable to our interest) divided by the number of days or months in the period.

(3) Facilities segment total volumes are calculated as the sum of: (i) liquids storage capacity; (ii) natural gas storage working capacity divided by 6 to account for the 6:1 mcf of natural gas to crude Btu equivalent ratio and further divided by 1,000 to convert to monthly volumes in millions; and (iii) NGL fractionation volumes multiplied by the number of days in the period and divided by the number of months in the period.

(4) Beginning in fourth-quarter 2017, PAA determined rail load and unload volumes (Facilities segment) and waterborne cargos (Supply and Logistics segment) were not primary drivers of the operations of the segment. Therefore, Facilities and Supply and Logistics segment total volumes have been recast to exclude such volumes.

**Segment Supplemental Calculations: 2010 - 2013 (in millions, except volumes and per unit data)<sup>(1)</sup>**
**Segment Adjusted EBITDA**

	2013					2012					2011					2010				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation Segment Adjusted EBITDA	\$ 179	\$ 172	\$ 211	\$ 220	\$ 782	\$ 177	\$ 184	\$ 194	\$ 204	\$ 759	\$ 143	\$ 137	\$ 155	\$ 160	\$ 595	\$ 134	\$ 135	\$ 142	\$ 138	\$ 549
Facilities Segment Adjusted EBITDA	156	153	150	169	629	100	119	143	141	502	87	91	96	107	381	61	72	75	75	284
Fee-based Segment Adjusted EBITDA	\$ 335	\$ 325	\$ 361	\$ 389	\$ 1,411	\$ 277	\$ 303	\$ 337	\$ 345	\$ 1,261	\$ 230	\$ 228	\$ 251	\$ 267	\$ 976	\$ 195	\$ 207	\$ 217	\$ 213	\$ 833
Supply and Logistics Segment Adjusted EBITDA	\$ 407	\$ 154	\$ 124	\$ 209	\$ 893	\$ 197	\$ 221	\$ 169	\$ 267	\$ 855	\$ 117	\$ 136	\$ 161	\$ 200	\$ 613	\$ 79	\$ 40	\$ 48	\$ 109	\$ 277

**Total Average Volumes<sup>(2)</sup>**

	2013					2012					2011					2010				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation total average volumes (thousands of barrels per day)	3,641	3,603	3,741	3,859	3,712	3,166	3,563	3,530	3,656	3,479	3,003	3,049	3,025	3,111	3,047	2,793	3,082	3,072	2,995	2,986
Facilities total average volumes (millions of barrels per month) <sup>(3)(4)</sup>	112	114	113	113	113	91	109	111	113	106	77	82	84	86	82	66	70	71	72	70
Supply and Logistics total average volumes (thousands of barrels per day) <sup>(4)</sup>	1,141	1,013	1,001	1,142	1,074	932	971	995	1,113	1,003	900	818	852	894	866	809	747	786	796	784

**Segment Adjusted EBITDA Per Barrel**

	2013					2012					2011					2010				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation Segment Adjusted EBITDA per barrel	\$ 0.55	\$ 0.52	\$ 0.61	\$ 0.62	\$ 0.58	\$ 0.60	\$ 0.57	\$ 0.58	\$ 0.61	\$ 0.60	\$ 0.53	\$ 0.49	\$ 0.55	\$ 0.56	\$ 0.53	\$ 0.53	\$ 0.48	\$ 0.50	\$ 0.50	\$ 0.50
Facilities Segment Adjusted EBITDA per barrel	\$ 0.46	\$ 0.45	\$ 0.44	\$ 0.50	\$ 0.46	\$ 0.37	\$ 0.36	\$ 0.43	\$ 0.42	\$ 0.39	\$ 0.37	\$ 0.37	\$ 0.38	\$ 0.41	\$ 0.39	\$ 0.31	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.34
Supply and Logistics Segment Adjusted EBITDA per barrel	\$ 3.96	\$ 1.67	\$ 1.35	\$ 1.99	\$ 2.28	\$ 2.33	\$ 2.50	\$ 1.85	\$ 2.61	\$ 2.34	\$ 1.46	\$ 1.82	\$ 2.05	\$ 2.43	\$ 1.94	\$ 1.09	\$ 0.60	\$ 0.66	\$ 1.49	\$ 0.97

(1) Amounts may not recalculate due to rounding.

(2) Average volumes are calculated as total volumes for the period (attributable to our interest) divided by the number of days or months in the period.

(3) Facilities segment total volumes are calculated as the sum of: (i) liquids storage capacity; (ii) natural gas storage working capacity divided by 6 to account for the 6:1 mcf of natural gas to crude Btu equivalent ratio and further divided by 1,000 to convert to monthly volumes in millions; and (iii) NGL fractionation volumes multiplied by the number of days in the period and divided by the number of months in the period.

(4) Beginning in fourth-quarter 2017, PAA determined rail load and unload volumes (Facilities segment) and waterborne cargos (Supply and Logistics segment) were not primary drivers of the operations of the segment. Therefore, 2013 Facilities and Supply and Logistics segment total volumes have been recast to exclude such volumes. Prior to 2013, PAA did not report rail volumes and waterborne cargos were not a material percentage of Supply and Logistics segment volumes.

## Segment Supplemental Calculations: 2006 - 2009 (in millions, except volumes and per unit data) <sup>(1)</sup>

### Segment Adjusted EBITDA

	2009					2008					2007					2006				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation Segment Adjusted EBITDA	\$ 117	\$ 122	\$ 135	\$ 130	\$ 502	\$ 92	\$ 114	\$ 120	\$ 129	\$ 456	\$ 82	\$ 89	\$ 92	\$ 92	\$ 356	\$ 43	\$ 57	\$ 58	\$ 63	\$ 221
Facilities Segment Adjusted EBITDA	47	54	59	56	217	32	38	40	46	156	24	32	29	32	116	4	9	10	17	40
Fee-based Segment Adjusted EBITDA	\$ 164	\$ 176	\$ 194	\$ 186	\$ 719	\$ 124	\$ 152	\$ 160	\$ 175	\$ 612	\$ 106	\$ 121	\$ 121	\$ 124	\$ 472	\$ 47	\$ 66	\$ 68	\$ 80	\$ 261
Supply and Logistics Segment Adjusted EBITDA	\$ 107	\$ 59	\$ 37	\$ 84	\$ 287	\$ 66	\$ 85	\$ 49	\$ 58	\$ 256	\$ 90	\$ 93	\$ 75	\$ 43	\$ 300	\$ 59	\$ 63	\$ 62	\$ 66	\$ 249

### Total Average Volumes <sup>(2)</sup>

	2009					2008					2007					2006				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation total average volumes (thousands of barrels per day)	2,900	3,074	2,919	2,794	2,921	2,758	3,038	2,982	3,030	2,948	2,719	2,879	2,809	2,859	2,817	2,471	2,104	2,235	2,580	2,207
Facilities total average volumes (millions of barrels per month) <sup>(3)</sup>	58	60	61	64	61	56	58	58	58	56	45	46	50	53	48	24	25	25	34	27
Supply and Logistics total average volumes (thousands of barrels per day)	833	739	709	807	772	890	825	782	868	841	880	830	819	854	846	859	720	769	859	783

### Segment Adjusted EBITDA per Barrel

	2009					2008					2007					2006				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Transportation Segment Adjusted EBITDA per barrel	\$ 0.45	\$ 0.44	\$ 0.50	\$ 0.50	\$ 0.47	\$ 0.37	\$ 0.41	\$ 0.44	\$ 0.46	\$ 0.42	\$ 0.33	\$ 0.34	\$ 0.36	\$ 0.35	\$ 0.35	\$ 0.19	\$ 0.30	\$ 0.28	\$ 0.26	\$ 0.27
Facilities Segment Adjusted EBITDA per barrel	\$ 0.27	\$ 0.30	\$ 0.32	\$ 0.30	\$ 0.30	\$ 0.19	\$ 0.23	\$ 0.23	\$ 0.26	\$ 0.23	\$ 0.18	\$ 0.23	\$ 0.19	\$ 0.20	\$ 0.20	\$ 0.05	\$ 0.12	\$ 0.14	\$ 0.17	\$ 0.12
Supply and Logistics Segment Adjusted EBITDA per barrel	\$ 1.42	\$ 0.88	\$ 0.56	\$ 1.14	\$ 1.02	\$ 0.81	\$ 1.13	\$ 0.67	\$ 0.74	\$ 0.84	\$ 1.13	\$ 1.23	\$ 0.99	\$ 0.53	\$ 0.97	\$ 0.76	\$ 0.95	\$ 0.88	\$ 0.83	\$ 0.87

(1) Amounts may not recalculate due to rounding.

(2) Average volumes are calculated as total volumes for the period (attributable to our interest) divided by the number of days or months in the period.

(3) Facilities segment total volumes are calculated as the sum of: (i) liquids storage capacity; (ii) natural gas storage working capacity divided by 6 to account for the 6:1 mcf of natural gas to crude Btu equivalent ratio and further divided by 1,000 to convert to monthly volumes in millions; and (iii) NGL fractionation volumes multiplied by the number of days in the period and divided by the number of months in the period.