



# Investor Presentation

Citi 2020 One-on-One Midstream / Energy  
Infrastructure Conference

# Forward-Looking Statements

This presentation may contain or incorporate by reference forward-looking statements regarding DCP Midstream, LP (the “Partnership” or “DCP”) and its affiliates, including outlook, guidance, projections, estimates, forecasts, plans, and objectives. All statements in this presentation, other than statements of historical fact, are forward-looking statements and are typically identified by words such as “target,” “outlook,” “guidance,” “may,” “could,” “will,” “should,” “intend,” “assume,” “project,” “believe,” “predict,” “anticipate,” “expect,” “scheduled,” “estimate,” “budget,” “optionality,” “potential,” “plan,” “forecast,” and other similar words and expressions. Although management believes that expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such expectations will prove to be correct due to risks, uncertainties, and assumptions that are difficult to predict and that may be beyond our control. If any of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership’s actual results may vary materially from what management anticipated, expected, projected, estimated, forecasted, planned, or intended. You are cautioned not to place undue reliance on any forward-looking statements.

Investors are encouraged to consider closely the risks and uncertainties disclosed in the Partnership’s most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission, which risks and uncertainties include, but are not limited to, the ongoing global economic impacts of the COVID-19 pandemic and the recent pricing and supply actions by certain oil exporting countries, the resulting supply of, demand for, and price of oil, natural gas, NGLs, and related products and services, the duration of the foregoing impacts, and the time period for any recovery in commodity prices and demand. These risks and uncertainties could cause our actual results to differ materially from the forward-looking statements in this presentation, which may include, but are not limited to, our expectations on outlook, guidance, and sensitivities, our 2020 mitigating actions and options including distribution, capital, and cost reductions, our sources and uses of liquidity and sufficiency of financial resources, our projected in-service dates for growth projects, and our construction costs or capital expenditures in relation to estimated or budgeted amounts. Furthermore, in addition to causing our actual results to differ, such risks and uncertainties may cause our assumptions and intentions to change at any time and without notice, and any such changes may also cause our actual results to differ materially from the forward-looking statements in this presentation.

The Partnership undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Information contained in this presentation speaks only as of the date hereof unless otherwise expressed, is unaudited, and is subject to change.

Note: All presentation statistics as of June 30, 2020 unless otherwise noted

# DCP Midstream Snapshot

**DCP** NYSE  
TICKER

**\$3.1B** MARKET  
CAP

**1.6M** AVG. 52-week  
TRADING VOLUME

FORTUNE  
500  
NUMBER

**413**

**\$54M** FCF  
IN Q2



**\$1.1B** AVAILABLE  
LIQUIDITY

**\$.39 / \$1.56** ANNUALIZED  
DISTRIBUTION PAYMENT



**Ba2 / BB+ / BB+**  
CREDIT RATINGS

**\$14.68**  
UNIT PRICE



2020 GPA Midstream  
Association Awards  
for Environmental  
Excellence and  
Energy Conservation

**\$17.1B**  
TOTAL ASSET BASE<sup>(1)</sup>

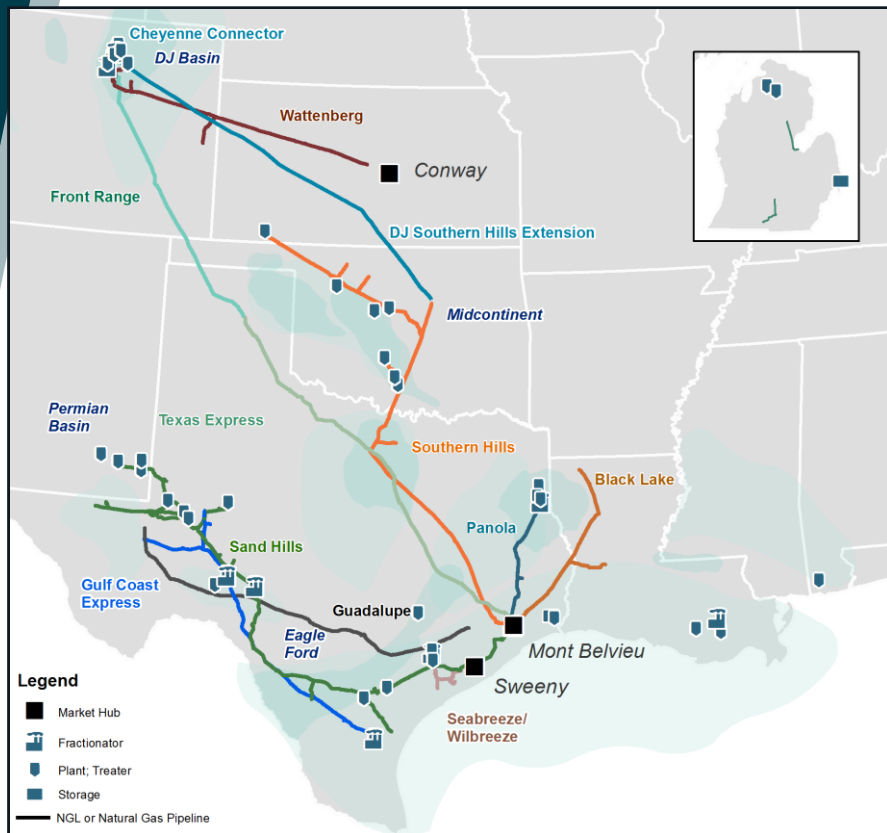


## COMPETITIVE POSITION

- Fully integrated value chain with predominantly fee-based assets generating free cash flow into 2021
- Large footprint in advantaged basins across nine states
- Industry-leading innovation and digital transformation via DCP 2.0



# Strong Portfolio of Assets



## Leading Midstream Provider



- ✓ **Integrated Logistics & Marketing and Gathering & Processing** business with competitive footprint and geographic diversity
- ✓ **Unparalleled interconnectivity and access to fractionators** on the Gulf Coast, including Mt. Belvieu and Sweeny, with Conway for optionality
- ✓ **Leading industry positions in premier basins**, including the DJ Basin, Permian, Eagle Ford, and SCOOP

**57K** Miles of Pipeline

**39** Plants

**6.0** Bcf/d processing capacity <sup>(1)</sup>

**1.8** MMBpd NGL Pipeline capacity

**2.2** Bcf/d Natural Gas Pipeline Capacity

**One of the largest NGL producers and gas processors in the United States**

# • Compelling Investor Value Proposition

## INTEGRATED MIDSTREAM PROVIDER



- Fully integrated midstream business, with growing Logistics portfolio and geographically diverse, premier asset base
- Broad NGL pipeline footprint with unparalleled access to fractionators along the Gulf Coast, including Mont Belvieu and Sweeny, with Conway providing optionality for customers
- Leading industry positions in the DJ Basin, Northern Delaware (Permian), Eagle Ford, and SCOOP (Midcontinent)

## FREE CASH FLOW POSITIVE



- Free cash flow positive in 2020 and into 2021, increasing liquidity and accelerating delevering
- Early downturn mitigation driving ~\$900MM of retained cash through substantial cost and capital savings
- Supply long, capacity short strategy focused on using existing infrastructure, offloads, and strategic asset dispositions to efficiently integrate footprint and harness the earnings power of broad, high-quality footprint

## SUSTAINABILITY & TECHNOLOGY LEADERSHIP



- 2018 and 2019 represent our two best Total Recordable Injury Rate (TRIR) results at 0.23 and 0.33, respectively
- 2020 GPA Midstream Association Awards for Environmental Excellence and Energy Conservation
- DCP 2.0 digital transformation increasing cash flow while minimizing risk via real-time optimization & decision making
- DCP Technology Ventures evaluating emerging technologies to improve sustainability and drive efficiencies

## FINANCIAL FLEXIBILITY & STABILITY



- 4.0x bank leverage ratio<sup>(1)</sup> with primary financial focus on long-term delevering
- \$1.75B capacity via bank facility and A/R securitization facility; ample liquidity secured with \$1.1 billion unutilized
- No common equity offerings since March 2015
- Exceeding 80% fee and hedged target for 2020
- Providing strong yield for unitholders through the cycle

# Long-Term Financial Priorities

## Generate Free Cash Flow

- Free cash flow positive in 2H and 2021, enhancing liquidity and delevering
- Maintain early and aggressive self-help measures driving sustainable FCF
- Strong earnings power of integrated asset base in premier basins

## Reduce Leverage

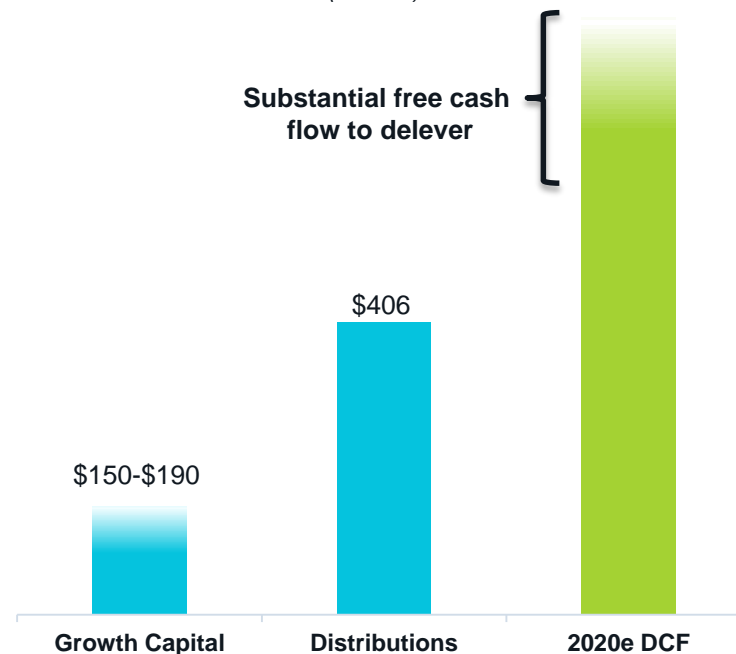
- Delevering is top financial priority
- Current bank leverage at 2020 target of 4.0 times
- Long-term target of 3.5 times bank leverage ratio
- No common equity issued since 2015

## Improve Credit Ratings

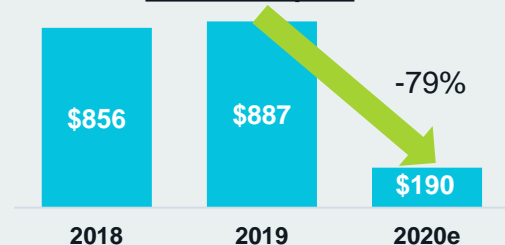
- Ba2/BB+/BB+ credit ratings
- Continual drive toward investment grade to lower cost of capital

## 2020 FCF Generation

(in \$MM)



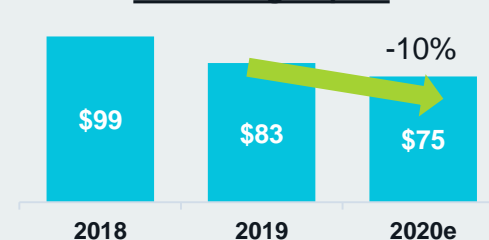
### Growth Capital



### Costs



### Sustaining Capital





# Financial Position



# • Solid Financial Position

**Liquidity**  
**~\$1.1B**

## ***Ample Liquidity***

- \$1.75B capacity via bank facility and A/R securitization facility; ~\$650MM utilized<sup>(1)</sup>
- Issued \$500 million of senior notes in Q2; proceeds used to pay down bank facility

**Leverage<sup>(2)</sup>**  
**4.0x**

## ***Improved Leverage***

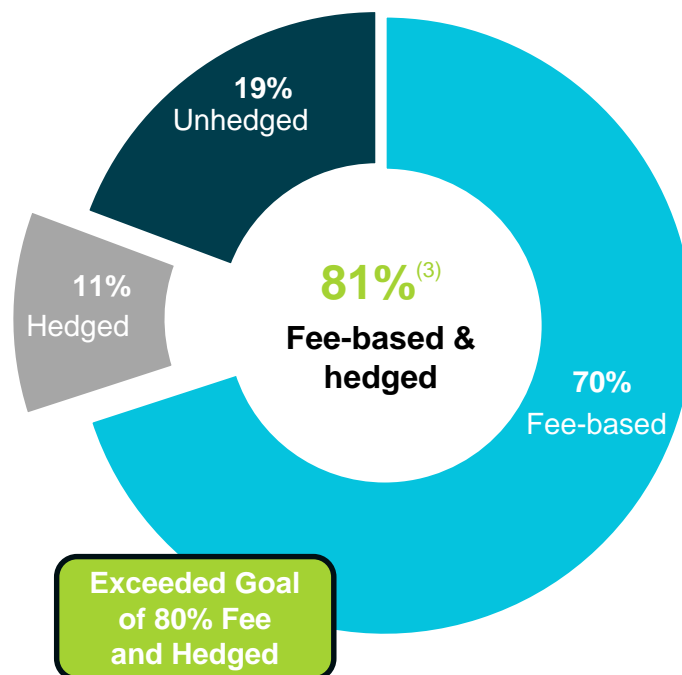
- Reduced leverage to achieve 2020 target of 4.0x<sup>(1)</sup>
- Delevering is top financial priority
- Ba2/BB+/BB+ credit ratings
- No common equity issued since 2015

**Free Cash Flow**  
**Positive**

## ***Increased FCF***

- Premier assets, self-help measures, and DCP 2.0 driving sustainable FCF optimization
- \$54 million of FCF in Q2 2020, fully funding distribution and all capital
- 2H significantly free cash flow positive, enhancing liquidity and delevering

## **2020 Adjusted Gross Margin**



**Free cash flow generation utilized for substantial delevering**



# Proactively Managing Liquidity

*Upsized senior notes issuance in June for \$500 million providing ample liquidity with \$1.1B available, liquidity expected to increase throughout the year*

**\$1.4 billion** unsecured revolving credit facility matures in December of 2024

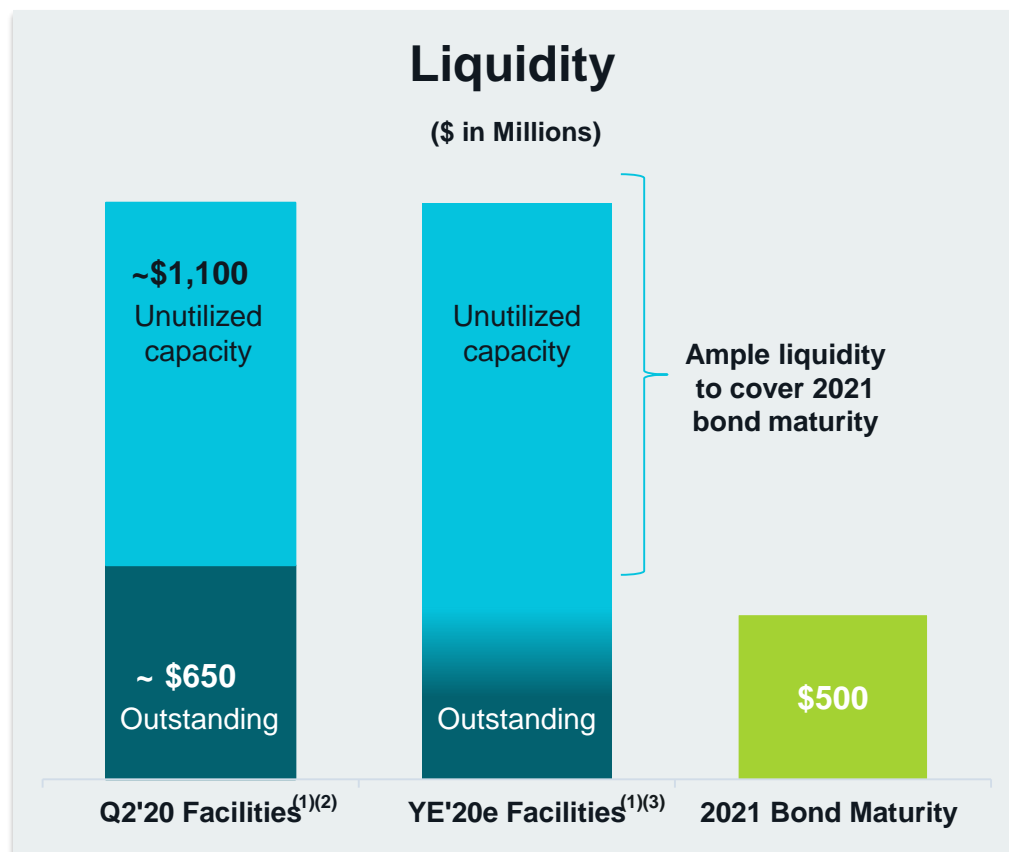
Revolving credit facility backed by **16 leading financial** institutions, majority shared by ENB & PSX

**Only maturity** within 18 months is \$500 million of senior notes due in September 2021

**~40%** of outstanding notes have a remaining tenure of more than 10 years

Notes and revolving credit facility are **unsecured**

**5.0x** bank leverage is primary financial covenant



**Generating significant free cash flow and proactively managing leverage**

# 2020 Financial Guidance Reissued

## 2020 Guidance

(\$ in Millions)

	February	Current
Adjusted EBITDA <sup>(1)</sup>	\$1,205 - \$1,345	\$1,205 - \$1,345
Distributable Cash Flow (DCF) <sup>(1)(2)</sup>	\$730 - \$830	\$730 - \$830
Free Cash Flow (FCF) <sup>(1)(3)</sup>	N/A	\$129 - \$269
Bank Leverage <sup>(4)</sup>	~4.0x	~4.0x

## 2020 Commodity Prices

	YTD Realized	2H Target
NGL (\$/gallon)	\$0.36	\$0.41
Natural Gas (\$/MMBtu)	\$1.83	\$1.95
Crude Oil (\$/Bbl)	\$37.01	\$40.00

## 2020e Revised Sensitivities<sup>(5)</sup>

Commodity	Per unit $\Delta$	Before Hedges (\$MM)	Hedge Impact (\$MM)	After Hedges (\$MM)
NGL (\$/gallon)	\$0.01	\$5	(\$2)	\$3
Natural Gas (\$/MMBtu)	\$0.10	\$8	(\$1)	\$7
Crude Oil (\$/Bbl)	\$1.00	\$4	(\$2)	\$2

**Targeting middle of DCF range, driven by strong focus on cash generation; expecting low end of EBITDA range due to ongoing COVID-19 crisis**

# 2H Assumptions and Outlook

## Logistics & Marketing

- Relatively flat NGL volumes through Q3, with potential declines in Q4, due to a forecasted increase in ethane rejection
- Incremental earnings from newly in-service Cheyenne Connector beginning Q3

## Gathering & Processing

- 2H G&P volumes expected to be slightly higher than Q2
- All shut in volumes back online during Q3, partially offsetting natural declines
- Latham 2 offload online in Q4

## Costs & Capital<sup>(1)</sup>

- Committed to a minimum of \$120 million YoY cost reduction, with costs back-loaded to 2H
- Sustaining capital heavily back-loaded to 2H; expected to exceed May outlook of ~\$60 million
- Growth capital expected to be significantly lower; trending toward high end of \$150 - \$190 million range

## Potential 2H Tailwinds

- Potential upside from continued ethane recovery
- Permian and DJ Basin DUC inventory of 3,000+ and 700+ respectively, mitigating natural declines
- Incremental rigs if commodity pricing strengthens

## Potential 2H Headwinds

- Continuation of lower demand as a result of COVID-19 pandemic
- Sustained lower commodity prices
- Producer capex declines create natural production declines
- Political and regulatory risk



**Strong 1H foundation balancing continued uncertainty in 2H industry outlook**

# 2020 and 2021 Hedges

## Hedge Position as of July 31, 2020

Commodity	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020 Avg.	2021 Avg.
<b>NGLs hedged (Bbls/d)</b>	10,352	10,352	13,011	13,011	11,681	4,241
Targeted average hedge price <sup>(1)</sup> (\$/gal)	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.46
% NGL exposure hedged					~35%	
<b>Gas hedged (MMBtu/d)</b>	35,000	5,000	5,000	5,000	12,500	115,000
Average hedge price (\$/MMBtu)	\$2.66	\$2.58	\$2.58	\$2.58	\$2.64	\$2.37
% gas exposure hedged					~6%	
<b>Crude hedged (Bbls/d)</b>	8,813	8,022	4,978	3,978	6,448	2,491
Average hedge price (\$/Bbl)	\$58.12	\$57.88	\$57.60	\$57.03	\$57.77	\$54.07
% crude exposure hedged					~66%	

### Total Equity Length Hedged<sup>(2)</sup>

2020  
**36%**

2021  
**27%**

2022  
**6%**

**Multi-year hedge program providing increased stability within cash flows**



# External Environment Updates

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# • Strategic Consistency & Resilience

## Multi-Year Strategic Execution

Now fully-integrated and majority fee-based, while avoiding overbuild and launching DCP 2.0

## Health and Safety Priority

Protecting our employees, contractors, customers, and communities

## Operational Excellence

Safe, reliable, efficient, and compliant operations across our footprint

## Proactive Downturn Mitigation

Very early adopter of significant capital, distribution, and cost reductions

## Balance Sheet Focus

Liquidity secured; generating positive free cash flow with a primary focus on delevering

## Strong 2020 Foundation

Strong 1H results building solid foundation for success through the cycle

Remaining focused on operational fundamentals, safety, efficiency, and FCF generation

# • Supporting All Stakeholders During COVID-19

## Employees

- Executing Pandemic Response Plan to ensure health and safety continue to be prioritized
- Regular Executive Committee and COVID-19 Response Team meetings to ensure alignment on health and safety
- All non-operational employees working from home since March 15, ahead of state mandates; with phased approach to office environment return
- All COVID-19 testing is free under employee medical plans
- Monitoring all state and federal requirements and recommendations

## Customers

- Executing Business Continuity Plan to ensure safe and quality customer service
- Running reliable operations via remote and from-home operations
- Consistent and more frequent communication to ensure operational and volumetric transparency and alignment
- Self-service digital portal launched in 2019 to provide customers easy access to critical data

## Communities

- Upholding funding commitments to national and local partners
- Maintaining comprehensive employee donation matching program, including dollar-for-dollar match to the American Red Cross
- PPE donations to local medical facilities
- Continued support for employee engagement with charitable causes through virtual and in-person volunteering
- Launched employee volunteer site to better promote, organize, and track community engagement activities



# • Cycle Execution & Resiliency

April WTI ~\$17<sup>(3)</sup>

- Workforce reduction
- Additional sustaining capital savings
- Executive compensation reductions
- Proactive retention of volumes

March WTI ~\$30<sup>(3)</sup>

- Substantial capex reduction; forgoing Sweeney option in 2020
- Reduced distribution by 50% to \$325MM
- Executed significant cost and capital savings

February WTI ~\$51<sup>(3)</sup>

- Initiated cross-functional Cost Task Force
- Immediate identification of cash preservation measures

January WTI ~\$58<sup>(3)</sup>

- Anticipated upcoming consolidation cycle
- Supply long, capacity short strategy
- Disciplined capital allocation

**January 2020**

Costs \$980MM | Capital<sup>(1)</sup> \$700MM | Headcount 2,250

**Additional  
\$50MM of  
Savings**

**Identified  
\$850MM+  
of Savings**

**Strategic  
Planning  
and Quick  
Action**

**Internal  
Alignment**

**TODAY**

**~\$900 million of expected retained cash**

Costs ~\$890MM (9%)

Capital<sup>(1)(2)</sup> ~\$225-285MM (64%)<sup>(4)</sup>

Headcount ~1,900 (15%)

## Ongoing Efforts

- DCP 2.0 capabilities fueling strategic capital management, increased efficiencies, and margin optimization
- Leveraging integrated portfolio to optimize netbacks
- Supply long, capacity short strategy optimizes asset utilization
- Focused on cost and capital management, while maintaining safe and reliable operations, to drive FCF and increase liquidity

## 1H 2020 Financial Outcomes

- Strongest 1H Adjusted EBITDA and DCF in DCP company history, with \$311 million of Q2 Adjusted EBITDA, \$632 million 1H; \$220 million of Q2 DCF, \$440 million 1H
- Bank facility leverage lowered to 4.0x; FCF positive in Q2, significantly FCF positive in 2H
- Continued strong L&M earnings, comprising ~65% of Q2 EBITDA, with uplift from ethane recovery
- Ample liquidity with \$1.1B available; expected to increase throughout year and into 2021
- Reissued original 2020 Adjusted EBITDA and DCF guidance ranges

**Optimizing over \$900MM of cash to improve leverage, coupled with stringent cost savings and commercial creativity, led to best 1H in DCP Midstream history**

(1) Includes growth and sustaining capital

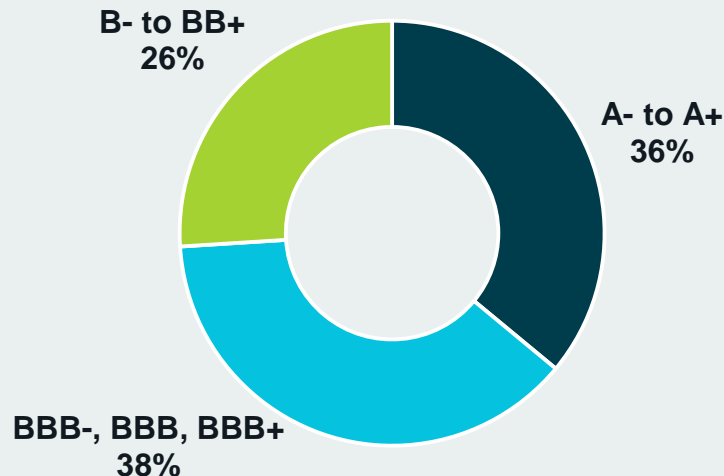
(2) Increased growth capital range driven by unanticipated cost overruns on the third-party construction of Cheyenne Connector

(3) All WTI prices are monthly averages

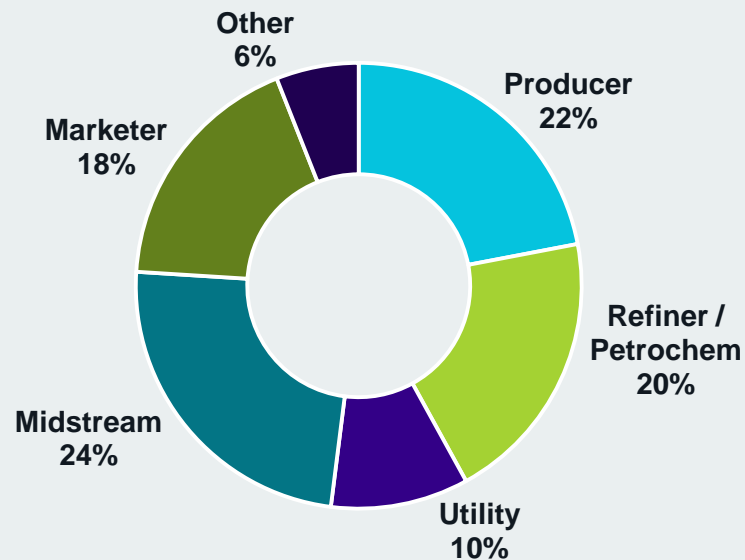
(4) Midpoint of range

# Managing Counterparty Risk

**Customer Ratings<sup>(1)(2)</sup>**



**Customer Types<sup>(1)</sup>**



- Top 50 customer base, representing 80%+ of revenue, is well-diversified amongst producers, midstream, utilities, refiners/petrochemicals, and marketers
- 74% of top customers are investment grade
- Top three customers are Phillips 66, Targa, and CP Chem, accounting for 23% of revenue
- 73% of producer customers are super-majors with A ratings
- Contract structures contain adequate assurance provisions
- DCP generally holds a net payable position with producers, minimizing credit exposure

**Strong and diversified customer base limiting downside risk**



# DCP Strategic Execution

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# • DCP Strategic Approach



## **Operational Excellence and Sustainability**

*Our vision is to be the safest, most reliable, low-cost midstream service provider*

## **Financial Execution**

*Focused on delivering significant free cash flow that will be used to delever the company*

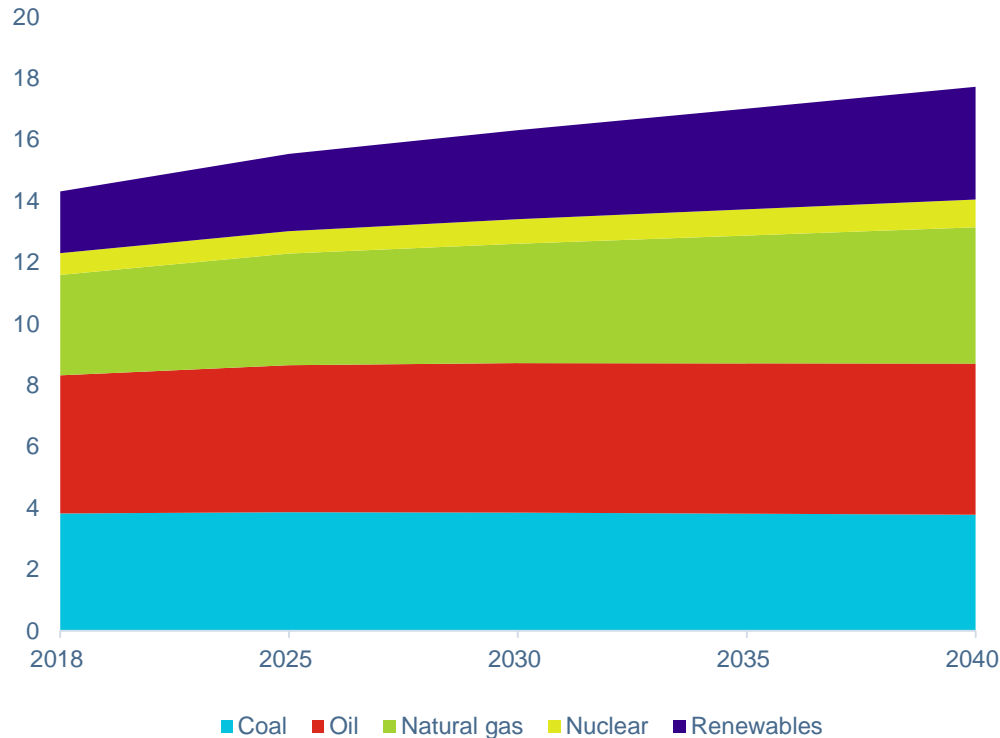
## **Transformation: People, Process, Technology**

*Achieving real-time optimization and decision making, digitally enabling the workforce, and increasing cash flow while diminishing risk*

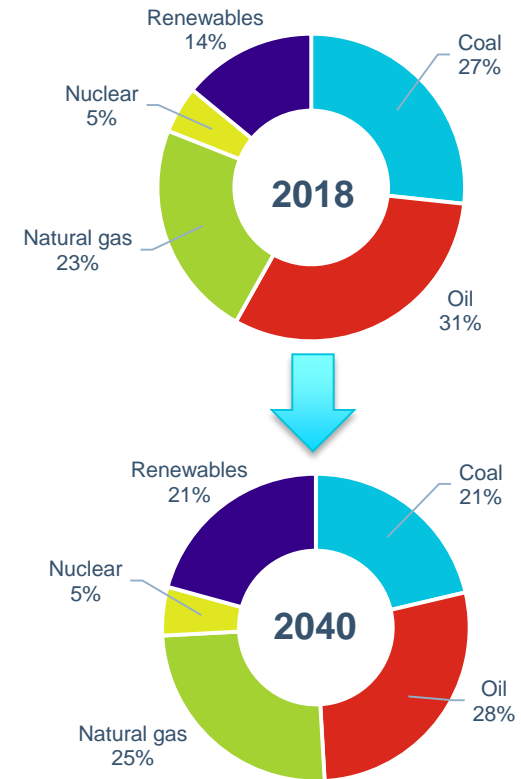
**Purpose: *Building Connections to Enable Better Lives***

# Long-Term Global Demand for Natural Gas

World Primary Energy Demand by Fuel (BTOE)



Share by Fuel

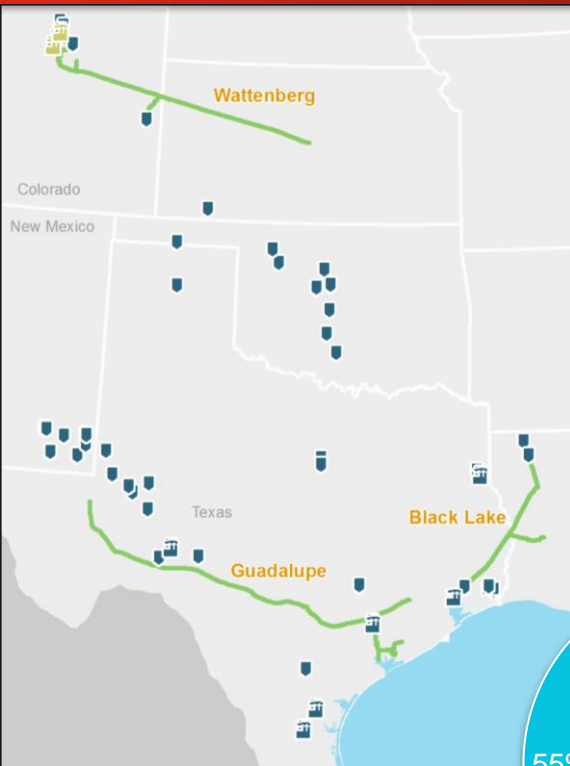


"Shale output from the United States is set to stay higher for longer than previously projected, reshaping global markets, trade flows and security. In the Stated Policies Scenario, annual US production growth slows from the breakneck pace seen in recent years, but the United States still accounts for 85% of the increase in global oil production to 2030, and for 30% of the increase in gas."

**Hydrocarbons continue to fuel our global society for decades, with increased demand for natural gas**

# DCP Business Evolution

**2010\***



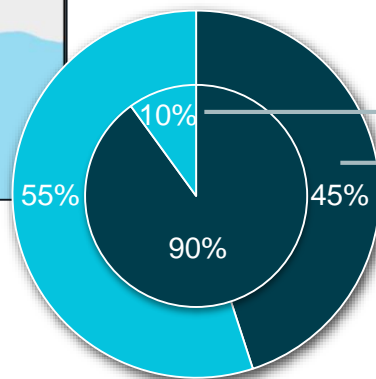
Extended and enhanced Logistics & Marketing (L&M) value chain

Strategically aligned Gathering & Processing (G&P) footprint

Opportunistic consolidation, right-sizing the portfolio

DCP 2.0 transformation through people, process, and technology

Optimized cost structure and generating free cash flow



Adjusted EBITDA by Segment

FY 2010\*

FY 2019

Logistics & Marketing

Gathering & Processing

**2020**



Legend

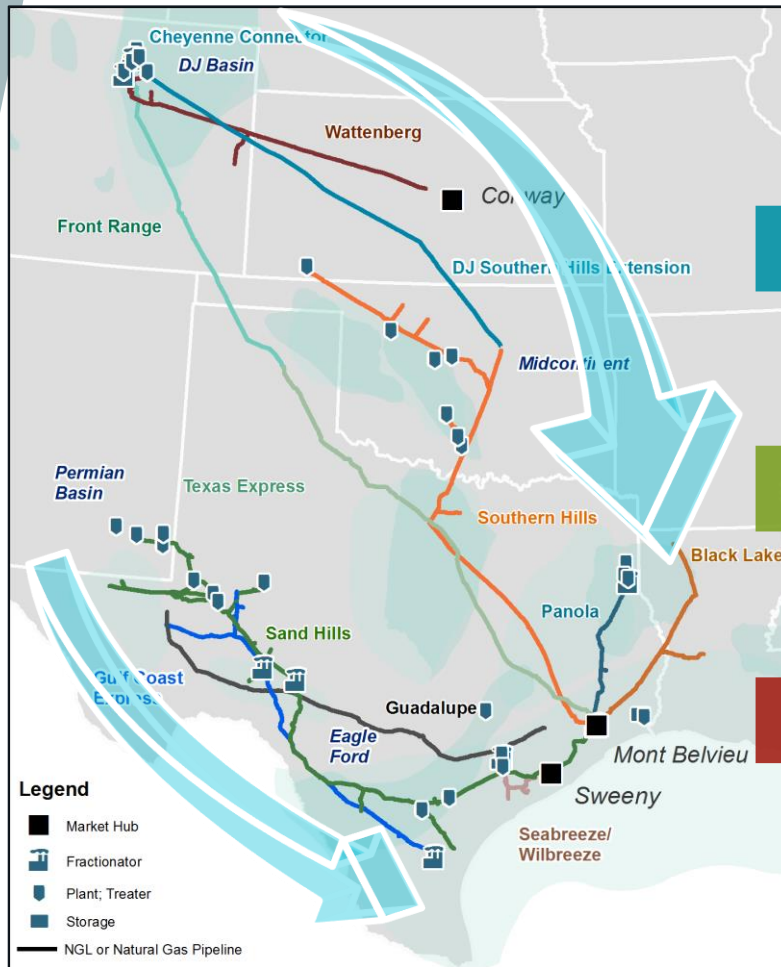
- Market Hub
- Fractionator
- Plant; Treater
- Storage
- NGL or Natural Gas Pipeline

Transformed into a fully integrated midstream provider with a balanced portfolio



# Integrating & Enhancing the Value Chain

*Strategic G&P footprint feeding growing Logistics asset base...*  
*Driving customer volumes to multiple market centers along the Gulf Coast*



## PROCESSING

- Q3 2019 O'Connor 2 plant
- Q4 2019 O'Connor 2 bypass
- Q4 2020 Latham 2 offload

## NGLs

- Q4 2019 DJ Southern Hills extension
- Q2 2020 Front Range and Texas Express expansions

## NATURAL GAS

- Q3 2019 Gulf Coast Express
- Q2 2020 Cheyenne Connector

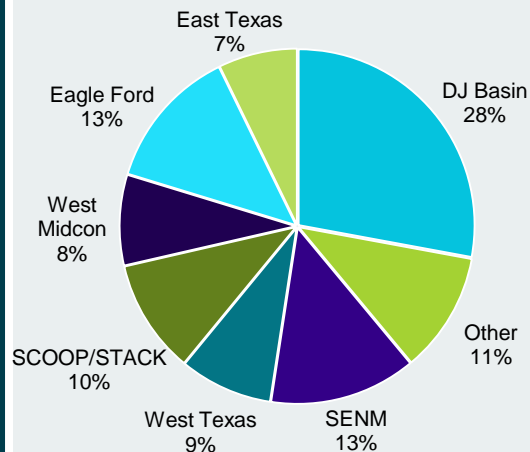


# Strength via Diversification and Transformation

## Diversity of

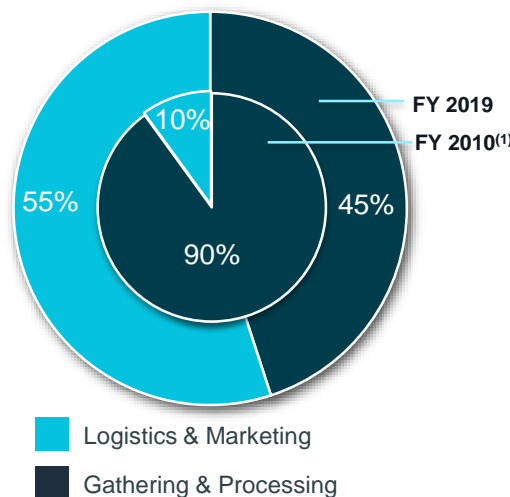
### Basins

#### Wellhead Volume Q2 2020



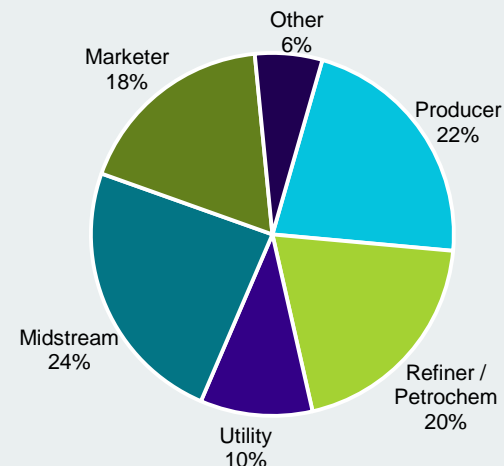
### Cash Flows

#### Adjusted EBITDA 2010 vs. 2019



### Customers

#### Top 50 Customers, 74% IG<sup>(2)</sup>



## Transformation of

**Safety Culture:** 2018 and 2019 represent our two best Total Recordable Injury Rate (TRIR) results at 0.23 and 0.33, respectively

**People, Process, Technology:** Launched DCP 2.0 initiative, including Integrated Collaboration Center (ICC), remote operations, automation, digitization, and DCP Technology Ventures

**Cost and Capital Structure:** DCP's 2015 – 2020e cost base decreasing by 13%; growth strategy focused on maximizing integration, fee-based earnings, and utilization, while mitigating overbuild

**DCP Culture:** Continue to focus on culture through establishment of Cultural Hallmarks and Purpose: *Building Connections to Enable Better Lives*

# Disciplined and Strategic Capital Projects

Projects in Progress or Recently In-Service <i>(\$MM net to DCP's interest for JVs)</i>	Est. 100% Capacity	Total Est. CapEx	Expected In-Service
<b>Gathering &amp; Processing</b>			
<b>Latham 2 Processing Offload</b> <ul style="list-style-type: none"><li>Long-term gas processing offload agreement at Western Midstream Partners Latham facility, with retention of full downstream NGL and gas upside</li><li>Brings DCP's total processing, bypass, and offload capacity to over 1.6 Bcf/d in the DJ Basin</li></ul>	225 MMcf/d	\$125	Q4 2020
<b>Logistics</b>			
<b>Cheyenne Connector (50%)</b> <ul style="list-style-type: none"><li>Residue gas takeaway from the DJ Basin to the Rockies Express Pipeline</li><li>DCP has secured 300 MMcf/d of transport</li><li>Pipeline is fully subscribed and 100% take or pay</li></ul>	600 MMcf/d	\$155	In-Service Q2 2020

**Executing strategic projects at 5-7x target multiples in the DJ Basin where favorable life of lease acreage dedications support downstream investments**

# • DCP 2.0 Driving the Operations of the Future

## DCP 2.0 Strategic Objectives

### Achieve Real-Time Optimization and Decision Making

- Utilize real-time data from a variety of sources to make the most strategic business decisions
- Increase reliability and asset runtime
- Improve margin by optimizing the value of every asset and every molecule

### Digitally Enable the Business and Workforce

- Drive workforce efficiencies through automation
- Create digital platforms to improve employees' quality of life and customer experience
- Build high-tech portfolio and world-class Workforce of Today
- Establish culture of innovation and agility

### Increase Cash Flow While Diminishing Risk

- Improve safety and decrease emissions
- Enhance process and equipment monitoring program
- Drive substantial cost reduction via lean manufacturing platform
- Utilize predictive analytics to improve asset maintenance

Real-Time  
Decisions

Better Reliability  
and Safety

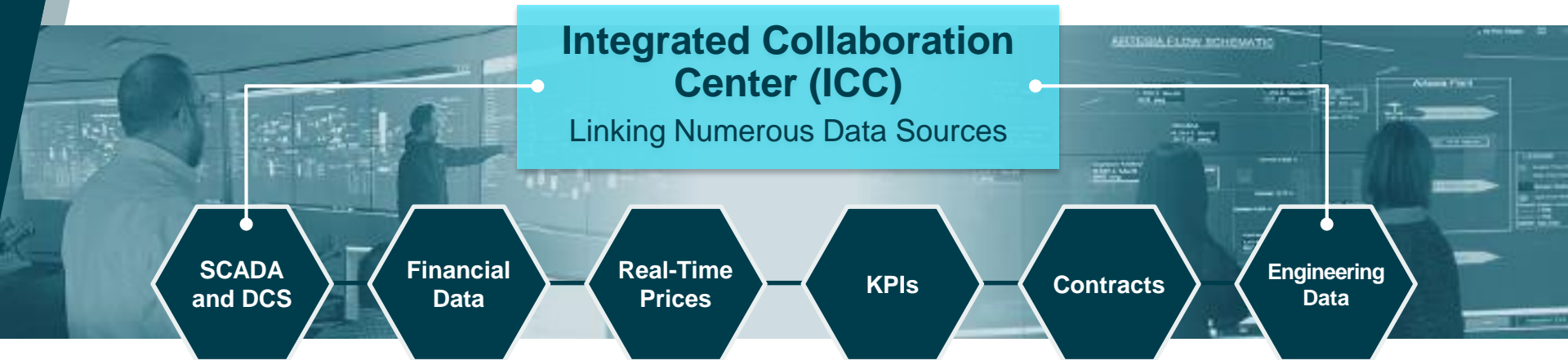
Asset  
Optimization

Higher  
Margins

Cost  
Savings

Industry leading transformation through people, process, and technology

# • ICC and Remote Operations



## Integrated Collaboration Center

- ICC continues to gain momentum with functionality; now tracking data and optimizing the majority of plants
- Incorporating operations, engineering, commercial, and market data
- Focus expanding to the field, including large infrastructure of pipelines and compressors
- 24/7 monitoring for major field assets

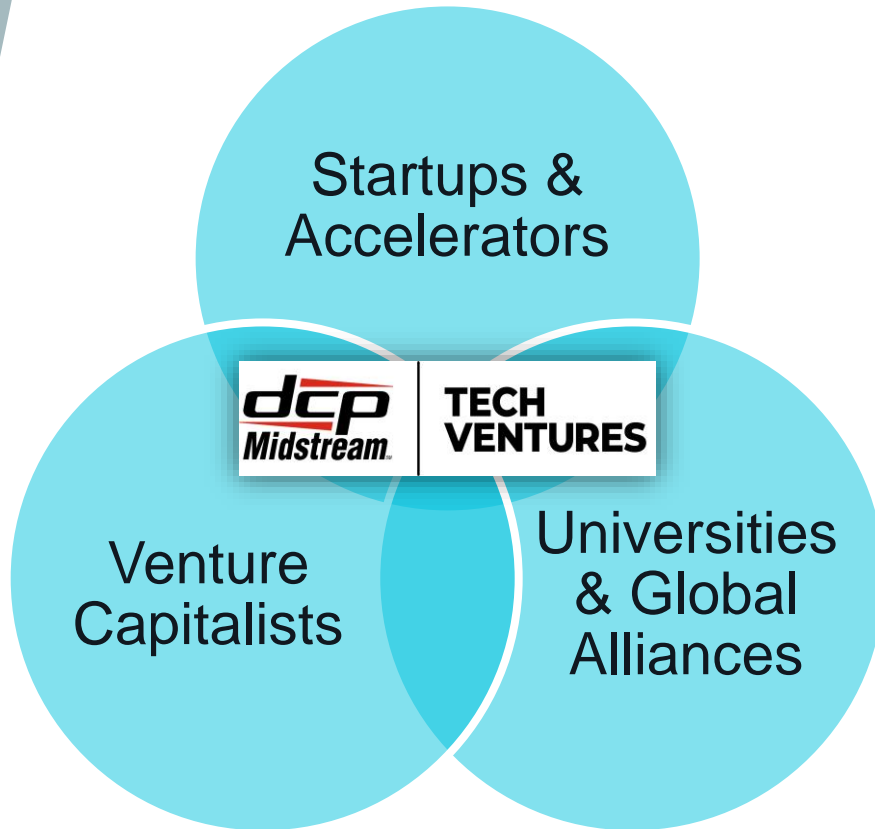
## Remote Operations

- 20 facilities incorporated into the ICC for remote operations in 2019; four transitioned YTD
- During COVID-19 lockdowns, facilities are operated from employee homes
- Driving increased cross-functional collaboration among gas controllers, plant and field coordinators, optimizers, and board operators
- Strengthening integration between plants and across regions
- A platform by which plant operation best practices can be identified and quickly replicated

**Enhancing DCP's ability to optimize cash flow and ensure business continuity through technology**

# • DCP Technology Ventures

*Accelerating digital transformation for the midstream industry to improve sustainability and increase efficiencies*



*Since 2018, DCP Tech Ventures is continuously developing partnerships with an eco-system of startups, accelerators, independent venture capital, corporate venture capital, and universities to reimagine the energy value chain and drive new possibilities*

## **Rapidly Piloting and Adopting Emerging Tech**

- Artificial Intelligence, Advanced Analytics
- Environmental & sustainability programs
- Internet of Things & Edge Analytics
- Safety technologies
- Digital applications for the Workforce of Today
- Smart wearables
- Satellites & drones
- Other emerging technologies

**Driving digital transformation through external open innovation platforms**

***[www.dcpmidstream.com/ventures](http://www.dcpmidstream.com/ventures)***



# Sustainability

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# Highlights from the Inaugural DCP Midstream Sustainability Report

DCP is committed to safety, social responsibility, diversity, environmental leadership, operational excellence, and ethical business practices to ensure the decisions we make today are also the right decisions for the future.



## Our Purpose & Vision

**Our Purpose:** *Building Connections to Enable Better Lives*

**Our Vision:** *To be the safest, most reliable, low-cost midstream service provider*

Our purpose is the lens through which we assess every decision, every action, and every strategy. From creating the feedstock used for thousands of products and warming our homes, to fueling our transportation systems and providing reliable and affordable energy access, we play a critical role in the energy value chain that drives our society. To achieve our purpose, we must sustainably execute our vision.

## Midstream EHS Leader

The safety of our employees, contractors, and communities is top of mind in everything we do, every day, and is prioritized at all levels of the organization as our top value.

Read our full report at:  
[DCPMidstream.com/Sustainability](https://DCPMidstream.com/Sustainability)



2018 & 2019  
recordable injury  
rates represent  
best safety  
records in  
company history



2020 GPA  
Midstream  
Association  
Energy  
Conservation  
Award



2020 GPA  
Midstream  
Association  
Environmental  
Excellence Award



2019 GPA  
Midstream  
Association  
Division I  
Safety Award



## DCP 2.0 Transformation

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**We are leading the industry in innovation and digital adoption with a focus on transformation through people, process, and technology. Highlights include:**

### **Integrated Collaboration Center (ICC)**

Enhancing our digitized central nervous system which processes seven billion data points daily to fully optimize our operations

### **Remote Operations at 20 Facilities**

Resulting in \$13MM of margin uplift and volume, reliability, and recovery improvements at 19 facilities

### **DCP Technology Ventures**

Working with start-ups to help develop groundbreaking energy technologies that improve safety, efficiency, and sustainability

### **Decision Support System (DSS)**

Utilizing software that allows the company's real-time operational statistics to be available to every employee

## Environmental Management

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**We recognize our critical responsibility to provide safe, affordable, reliable energy, while reducing our contribution to, and mitigating the impacts of climate change. In addition to strong environmental compliance and reporting, our efforts include:**

- Monitoring our facilities with innovative technologies, such as infrared cameras to find and repairs leaks
- Participating in iPIPE, a nationally recognized coalition focused on leak detection and prevention
- Actively supporting nationwide Ecosystem Conservation Partnerships
- Supporting public awareness programs on pipeline safety
- Implementing regular emergency management training and asset drills

## Culture & Community

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**We take pride in our dedicated efforts to create a safe, vibrant culture that enables and provides opportunities for our employees and communities to thrive.**

- Established Cultural Hallmarks: Trust, Connect, Inspire, Solve, and Achieve
- Supporting a variety of internal employee groups, including: Young Professionals Network, DCP Veterans, the Leadership Development Network, and the Business Women's Network
- Formed Community Connections Committee to drive local engagement, directing over \$75,000 to new, grassroots charitable efforts in 2019
- Raised and contributed over \$1.4 million for nonprofit causes in 2019
- Top national corporate fundraiser for 2018 American Heart Association (AHA) Heart Walk, with nearly \$9 million contributed to the AHA since 2007
- Recognized as a Forbes Best Midsize Employer for 2018 and 2019

## Governance

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**The Board of Directors and our Executive Committee are committed to ethical business practices and effective risk and performance management.**

- The Audit Committee, comprised of all independent directors, assists the Board in oversight of financial statements, audits, legal, and regulatory compliance
- Eliminated Incentive Distribution Rights in 2019, exemplifying our owners' support and positioning DCP and all stakeholders for long-term success
- Relevant to sustainability, we have identified our material issues, risks, and opportunities for our business and put a governance structure in place that includes an Sustainability Council. We have set ambitions for continuous transparency and accountability and we look forward to discussing our progress



# Segment Overviews

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# Logistics and Marketing (L&M) Overview

## DCP Logistics Assets



The Logistics & Marketing segment is fee-based or fee-like and includes NGL and gas takeaway pipelines, marketing, trading, storage, and fractionators.

### NGL Takeaway

- **Sand Hills** provides NGL takeaway from the Permian and Eagle Ford to the Gulf Coast. This pipe is customer friendly, providing access to Sweeny, Mont Belvieu, and Corpus Christi.
- **Southern Hills** provides NGL takeaway from the DJ Basin and the Midcontinent to Mont Belvieu. In Q4 2019, this pipe was extended into the DJ Basin via the White Cliffs conversion.
- **Front Range** and **Texas Express** provide NGL takeaway from the DJ Basin. Their expansions to 260MBpd and 370MBpd, respectively, placed into service in Q2 of 2020.

### Gas Takeaway

- **Gulf Coast Express** provides ~2.0 Bcf/d gas takeaway from the Permian to the Gulf Coast; placed into service Q3 2019.
- **Guadalupe** provides 245 MMcf/d gas takeaway from the Permian.
- **Cheyenne Connector** provides 600 MMcf/d gas takeaway from the DJ Basin to the Rockies Express Pipeline; placed into service in Q2 2020.

### Gas & NGL Storage

- 12 Bcf **Spindletop** natural gas storage facility in SE Texas.
- 8 MMBbls **Marysville** NGL storage facility in Michigan.

### Fractionation

- Equity ownership of 140 MBpd of DJ Basin and Mont Belvieu **fractionation capacity**.

Strong L&M footprint in premier regions, adding fee-based earnings and balancing the portfolio

# L&M Ownership & Customers

*NGL and gas pipelines provide open access to premier demand markets*

## Legend:

DCP operated

Third party operated

## Front Range

- Operated by EPD
- DCP 33% owner

## Gulf Coast Express

- Operated by KMI
- DCP 25% owner

## Cheyenne Connector

- Operated by TGE
- DCP 50% Owner

## Southern Hills

- DCP 67% owner

## Texas Express

- Operated by EPD
- DCP 10% Owner

## Sand Hills

- DCP 67% owner

## Guadalupe

- Atmos header 75%/25% DCP/ATO
- Waha to New Braunfels 50%/50% DCP/EPD
- New Braunfels to Dewville 100% DCP
- Dewville to Katy 50%/50% DCP/ETC
- Katy Header 100% DCP

## Legend

Market Hub

NGL or Natural Gas Pipeline



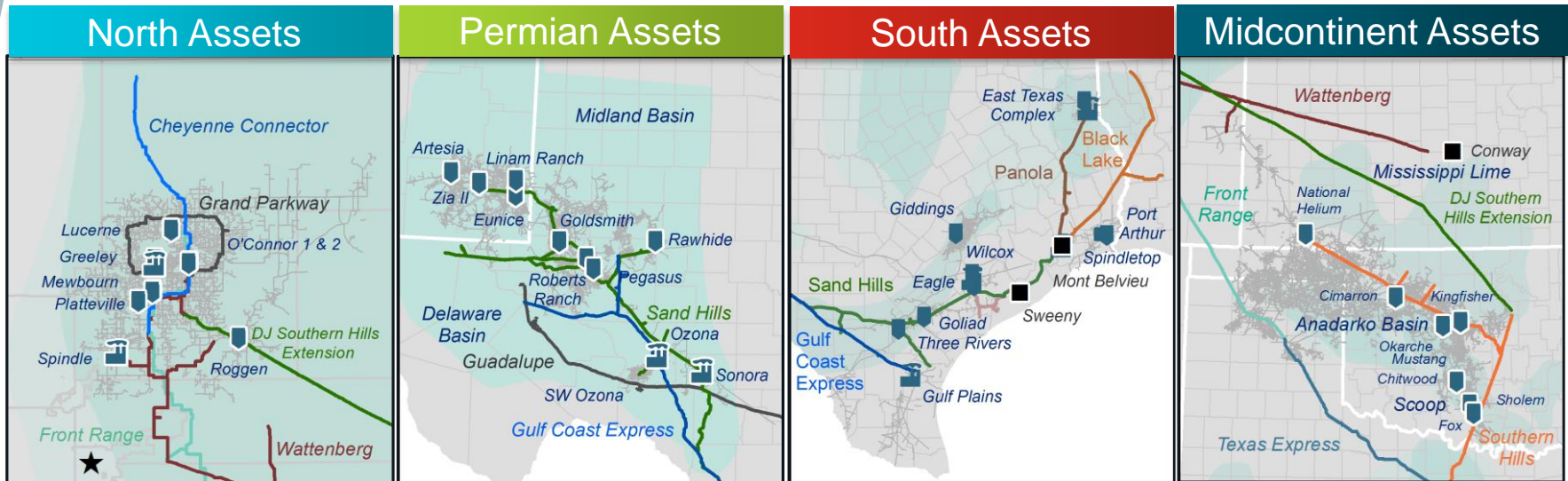
Customer Centric Pipeline Takeaway



ENERGY TRANSFER



# • Gathering and Processing (G&P) Overview



## DJ Basin

- 10 active plants
- 1,160 MMcf/d net active capacity
- ~3,500 miles of gathering

## Michigan/Collbran

- 3 active treaters
- 420 MMcf/d net active capacity
- ~500 miles of gathering

## Delaware Basin

- 4 active plants
- 620 MMcf/d net active capacity
- ~6,500 miles of gathering

## Midland Basin/Other

- 6 active plants
- 580 MMcf/d net active capacity
- ~9,000 miles of gathering

## Eagle Ford

- 5 active plants
- 850 MMcf/d net active capacity
- ~5,500 miles of gathering

## East Texas

- 2 active plants
- 500 MMcf/d net active capacity
- ~1,000 miles of gathering

## Gulf Coast/Other

- 3 active plants
- 770 MMcf/d net active capacity
- ~500 miles of gathering

## SCOOP/STACK

- 5 active plants
- 560 MMcf/d net active capacity
- ~11,000 miles of gathering

## Liberal/Panhandle

- 1 active plants
- 550 MMcf/d net active capacity
- ~13,500 miles of gathering

Asset type	
	Fractionator & Plant
	Natural Gas Plant
	NGL Pipeline
	Natural Gas Pipeline

G&P assets in premier basins underpin integrated value chain



# Diverse Producer Customers in Key Basins

## DJ Basin (North)



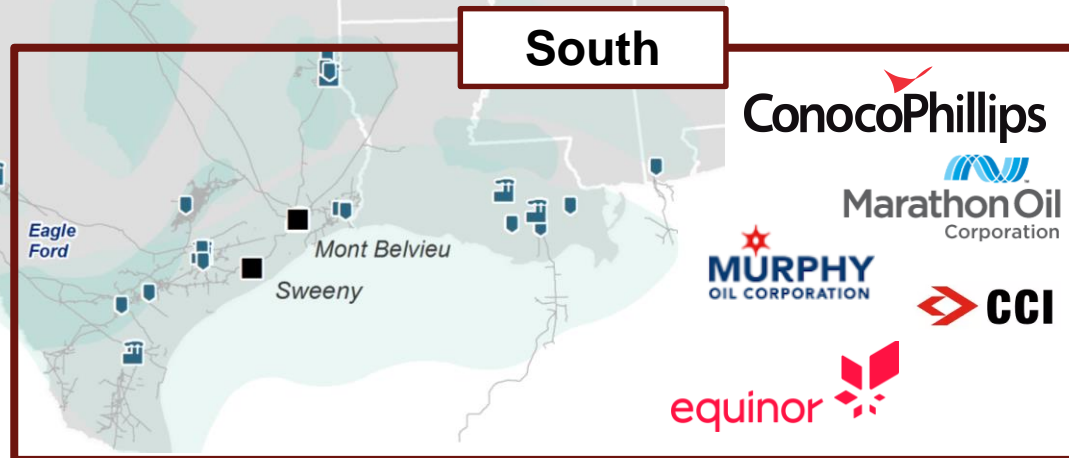
## Midcontinent



## Permian



## South



Volume and margin portfolio supported by long-term agreements with diverse high-quality producers in key regions

# Volumes by Segment

## NGL Pipeline Volume Trends and Utilization

NGL Pipeline	% Owned	Approx System Length (Miles)	Average Gross Capacity (MBbls/d)	Net Capacity (MBpd)	Q2'19 Average NGL Throughput (MBpd) <sup>(1)</sup>	Q1'20 Average NGL Throughput (MBpd) <sup>(1)</sup>	Q2'20 Average NGL Throughput (MBpd) <sup>(1)</sup>	Q2'20 Pipeline Utilization
Sand Hills	66.7%	1,400	500	333	324	322	312	94%
Southern Hills	66.7%	950	192	128	113	93	100	78%
Front Range	33.3%	450	260	87	49	60	56	65%
Texas Express	10.0%	600	370	37	19	20	19	51%
Other <sup>(2)</sup>	Various	1,110	485	400	132	182	189	47%
<b>Total</b>		<b>4,510</b>	<b>1,807</b>	<b>985</b>	<b>637</b>	<b>677</b>	<b>676</b>	

**Q2 2020 Southern Hills volumes up 8% vs. Q1 2020**

**Q2 2020 Front Range volumes up 14% vs. Q2 2019**

## G&P Volume Trends and Utilization

System	Q2'20 Net Plant/Treater Capacity (MMcf/d)	Q2'19 Average Wellhead Volumes (MMcf/d) <sup>(5)</sup>	Q1'20 Average Wellhead Volumes (MMcf/d) <sup>(5)</sup>	Q2'20 Average Wellhead Volumes (MMcf/d) <sup>(5)</sup>	Q2'20 Average NGL Production (MBpd)	Q2'20 Plant Utilization <sup>(3)</sup>
North <sup>(4)</sup>	1,580	1,400	1,603	1,531	122	97%
Permian	1,200	941	1,038	987	106	82%
Midcontinent	1,110	1,140	960	842	64	76%
South	2,120	1,385	1,339	1,127	84	53%
<b>Total</b>	<b>6,010</b>	<b>4,866</b>	<b>4,940</b>	<b>4,487</b>	<b>376</b>	<b>75%</b>

**Q2 2020 DJ Basin wellhead volumes 15% higher than Q2 2019.**

**Q2 2020 SE New Mexico volumes 27% higher than Q2 2019**

(1) Represents total throughput allocated to our proportionate ownership share

(2) Other includes Wattenberg, Black Lake, Panola, Seabreeze, Wilbreeze, and other NGL pipelines

(3) Average wellhead volumes may include bypass and offload

(4) Plant utilization: Average wellhead volumes divided by active plant capacity, excludes idled plant capacity

(5) Q2'19, Q1'20 and Q2'20 include 1,085 MMcf/d, 1,323 MMcf/d and 1,252 MMcf/d, respectively, of DJ Basin wellhead volumes. Remaining volumes are Michigan and Collbran





# Non-GAAP Reconciliations

# Non-GAAP Reconciliations

(\$ in millions)	Three Months Ended June 30,		Year to Date Ended June 30,	
	2020	2019	2020	2019
<b>Logistics and Marketing Segment</b>				
Segment net income attributable to partners	\$ 177	\$ 185	\$ 413	\$ 332
Operating and maintenance expense	9	11	16	20
Depreciation and amortization expense	3	3	6	6
General and administrative expense	1	1	3	4
Other expense, net	4	1	4	1
Earnings from unconsolidated affiliates	(125)	(114)	(262)	(227)
Loss on sales of assets, net	-	1	-	10
<b>Segment gross margin</b>	<b>\$ 69</b>	<b>\$ 88</b>	<b>\$ 180</b>	<b>\$ 146</b>
Earnings from unconsolidated affiliates	125	114	262	227
<b>Segment gross margin including equity earnings</b>	<b>\$ 194</b>	<b>\$ 202</b>	<b>\$ 442</b>	<b>\$ 373</b>
<b>Gathering and Processing (G&amp;P) Segment</b>				
Segment net income (loss) attributable to partners	\$ 11	\$ 90	\$ (634)	\$ 157
Operating and maintenance expense	134	165	276	330
Depreciation and amortization expense	82	91	171	184
General and administrative expense	4	6	7	12
Asset impairments	-	-	746	-
Other (income) expense, net	(1)	-	2	5
(Earnings) loss from unconsolidated affiliates	-	(3)	61	(3)
Loss on sale of assets, net	-	4	-	4
Net income attributable to noncontrolling interests	1	1	2	2
<b>Segment gross margin</b>	<b>\$ 231</b>	<b>\$ 354</b>	<b>\$ 631</b>	<b>\$ 691</b>
(Earnings) loss from unconsolidated affiliates	-	3	(61)	3
<b>Segment gross margin including equity earnings</b>	<b>\$ 231</b>	<b>\$ 357</b>	<b>\$ 570</b>	<b>\$ 694</b>

\*\* We define gross margin as total operating revenues including trading and marketing gains and losses, less purchases and related costs, and we define segment gross margin for each segment as total operating revenues for that segment including trading and marketing gains and losses less purchases and related costs for that segment. Segment gross margin is included as a supplemental disclosure because it is a primary performance measure used by management as it represents the results of product sales versus product purchases and related costs. As an indicator of our operating performance, margin should not be considered an alternative to, or more meaningful than, net income or net cash provided by operating activities as determined in accordance with GAAP. Our gross margin may not be comparable to a similarly titled measure of another company because other entities may not calculate gross margin in the same manner.

# Non-GAAP Reconciliations

**DCP MIDSTREAM, LP**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	(Millions)			
<b>Reconciliation of Non-GAAP Financial Measures:</b>				
Net income (loss) attributable to partners	\$ 47	\$ 119	\$ (503)	\$ 194
Interest expense, net	71	73	149	142
Depreciation, amortization and income tax expense, net of noncontrolling interests	92	101	192	204
Distributions from unconsolidated affiliates, net of earnings	42	18	119	29
Asset impairments	—	—	746	—
Other non-cash charges	2	1	6	6
Loss on sale of assets	—	5	—	14
Non-cash commodity derivative mark-to-market	57	(39)	(77)	15
Adjusted EBITDA	311	278	632	604
Interest expense, net	(71)	(73)	(149)	(142)
Sustaining capital expenditures, net of noncontrolling interest portion and reimbursable projects	(6)	(19)	(16)	(39)
Distributions to preferred limited partners ***	(15)	(15)	(29)	(29)
Other, net	1	2	2	3
Distributable cash flow	220	173	440	397
Distributions to limited partners and general partner	(81)	(155)	(243)	(309)
Distributions to noncontrolling interests	(1)	(2)	(2)	(3)
Expansion capital expenditures and equity investments	(84)	(246)	(173)	(539)
Free cash flow	\$ 54	\$ (230)	\$ 22	\$ (454)
Net cash provided by operating activities	\$ 209	\$ 229	\$ 523	\$ 546
Interest expense, net	71	73	149	142
Net changes in operating assets and liabilities	(19)	15	57	(97)
Non-cash commodity derivative mark-to-market	57	(39)	(77)	15
Other, net	(7)	—	(20)	(2)
Adjusted EBITDA	311	278	632	604
Interest expense, net	(71)	(73)	(149)	(142)
Sustaining capital expenditures, net of noncontrolling interest portion and reimbursable projects	(6)	(19)	(16)	(39)
Distributions to preferred limited partners ***	(15)	(15)	(29)	(29)
Other, net	1	2	2	3
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Distributions to noncontrolling interests	(1)	(2)	(2)	(3)
Expansion capital expenditures and equity investments	(84)	(246)	(173)	(539)
Free cash flow	\$ 54	\$ (230)	\$ 22	\$ (454)

# Non-GAAP Reconciliations

**DCP MIDSTREAM, LP**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**SEGMENT FINANCIAL RESULTS AND OPERATING DATA**  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
(Millions, except as indicated)				
<b>Logistics and Marketing Segment:</b>				
Financial results:				
Segment net income attributable to partners	\$ 177	\$ 185	\$ 413	\$ 332
Non-cash commodity derivative mark-to-market	(5)	(24)	(47)	(6)
Depreciation and amortization expense	3	3	6	6
Distributions from unconsolidated affiliates, net of earnings	37	15	47	21
Loss on sale of assets	—	1	—	10
Other charges	1	1	2	1
Adjusted segment EBITDA	<u>\$ 213</u>	<u>\$ 181</u>	<u>\$ 421</u>	<u>\$ 364</u>
Operating and financial data:				
NGL pipelines throughput (MBbls/d)	676	637	677	652
NGL fractionator throughput (MBbls/d)	51	61	54	62
Operating and maintenance expense	\$ 9	\$ 11	\$ 16	\$ 20
<b>Gathering and Processing Segment:</b>				
Financial results:				
Segment net income (loss) attributable to partners	\$ 11	\$ 90	\$ (634)	\$ 157
Non-cash commodity derivative mark-to-market	62	(15)	(30)	21
Depreciation and amortization expense, net of noncontrolling interest	81	91	170	183
Asset impairments	—	—	746	—
Loss on sale of assets	—	4	—	4
Distributions from unconsolidated affiliates, net of losses	5	3	72	8
Other charges	(1)	—	2	5
Adjusted segment EBITDA	<u>\$ 158</u>	<u>\$ 173</u>	<u>\$ 326</u>	<u>\$ 378</u>
Operating and financial data:				
Natural gas wellhead (MMcft/d)	4,487	4,866	4,713	4,902
NGL gross production (MBbls/d)	376	422	390	429
Operating and maintenance expense	\$ 134	\$ 165	\$ 276	\$ 330

# • Non-GAAP Reconciliations

**DCP MIDSTREAM, LP**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(Unaudited)

	Twelve Months Ended	
	December 31, 2020	
	Low	High
	Forecast	Forecast
	(millions)	
<b>Reconciliation of Non-GAAP Measures:</b>		
Forecasted net income attributable to partners	\$ 380	\$ 480
Distributions from unconsolidated affiliates, net of earnings	65	85
Interest expense, net of interest income	320	340
Income taxes	5	5
Depreciation and amortization, net of noncontrolling interests	420	440
Non-cash commodity derivative mark-to-market	15	(5)
Forecasted adjusted EBITDA	1,205	1,345
Interest expense, net of interest income	(320)	(340)
Sustaining capital expenditures, net of reimbursable projects	(75)	(95)
Preferred unit distributions ***	(60)	(60)
Other, net	(20)	(20)
Forecasted distributable cash flow	730	830
Distributions to limited partners and general partner	(406)	(406)
Distributions to noncontrolling interests	(5)	(5)
Expansion capital expenditures and equity investments	(190)	(150)
Forecasted Free Cash Flow	\$ 129	\$ 269