



# • Second Quarter 2020 Earnings Call

August 6, 2020

# 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.



# Q2 2020 Highlights and Execution

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# • Strong Execution Through The Cycle

## Q2 2020 Results

### Strong Financial Performance

- Strongest 1H Adjusted EBITDA and DCF in DCP company history<sup>(1)</sup>, 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
- Reissued original 2020 Adjusted EBITDA and DCF guidance ranges

### Volumes Favorable to Expectations

- Continued strong L&M earnings, comprising ~65% of Q2 EBITDA, with uplift from ethane recovery
- YoY wellhead volumes from the DJ and Permian basins up 15% and 5%, respectively, producing higher quality earnings, partially offsetting lower overall G&P volumes
- Vast majority of producer shut-ins are back online, benefiting both segments

## Key Highlights

### Liquidity Secured

- Upsized senior notes issuance in June; \$500 million at 5.625% due 2027
- Ample liquidity with \$1.1B available; expected to increase throughout year and into 2021
- Primary financial focus is substantial delevering

### Strategic Execution

- Supply long, capacity short strategy optimizes asset utilization
- DCP 2.0 capabilities fueling strategic capital management and lowest quarterly costs in history
- Leveraging integrated portfolio to proactively retain volumes on DCP systems
- Improved company risk profile with new 100% take-or-pay logistics assets

### DJ Basin Unleashed

- Cheyenne Connector in-service June 2020, eliminating DJ Basin midstream constraints
- CO Gov. Polis announced a broad coalition committed to actively preventing future anti-oil and gas ballot initiatives and significant legislation through 2022
- Latham 2 offload moved to Q4; MVC effective January 1, 2021

# Deliberate Action & Resiliency

## 2020 DCF Performance (\$MM)

Best 1H in  
DCP History

Strategic Execution & Self-Help

YoY 1H  
Price Impact

(\$125)

**Effective COVID-19 response** ensured health of workforce and maintained safe and reliable operations

**Fully integrated portfolio** buoyed earnings and allowed for optimized producer netbacks to keep volumes on DCP's system

Vigorous **cost discipline** on contract services, consumables, labor, and utilities resulting in \$87MM YoY improvement

Early action on **capital reductions**, including ~\$400MM growth capital reduction and \$23MM YoY sustaining capital reduction

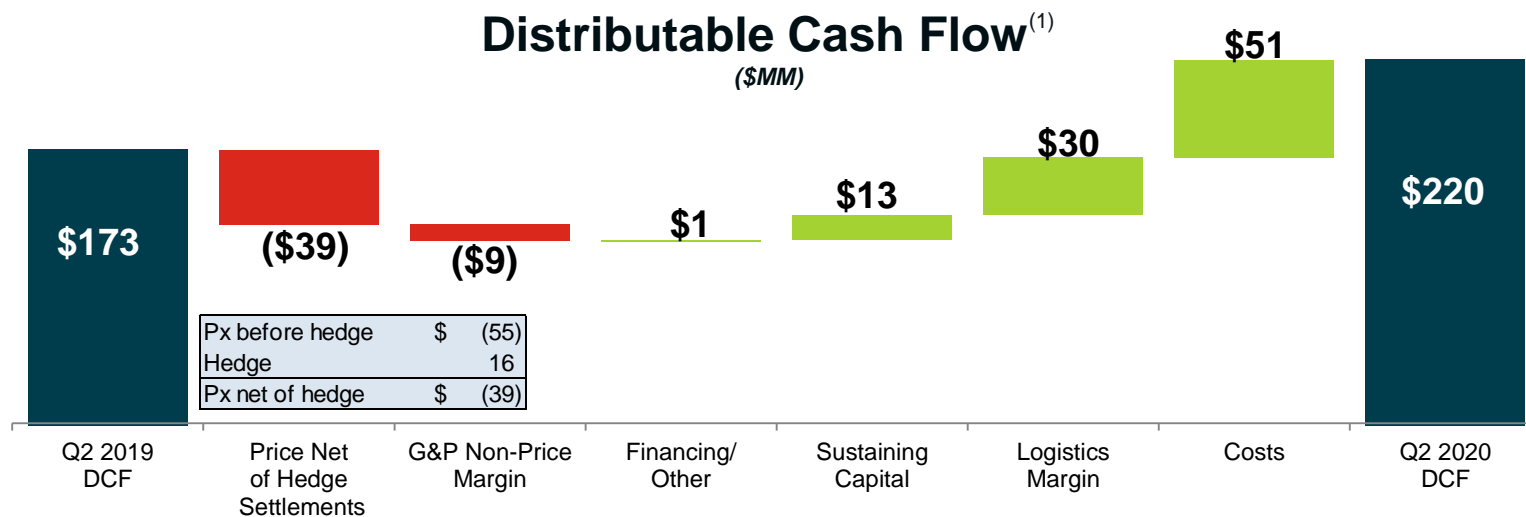
Investment in **DCP 2.0** enabled real-time system and margin optimization, while providing speed to cost and capital reductions and ensuring reliability

\$440

Successfully mitigating impacts of COVID-19 through multi-year company transformation, immediate self-help, and the strong earnings power of our integrated asset base

# Consolidated Q2 2020 Financial Results

*Strong self-help performance and Logistics margins more than offsetting unfavorable commodity prices and volume declines*



## Q2 2020 Drivers (YoY)

- ↑ Best-in-class sustaining capital and cost discipline, driving increased free cash flow
- ↑ Strong Logistics margin driven by Gulf Coast Express, NGL marketing, Sand Hills, the Front Range and Texas Express expansions, and ethane recovery, partially offset by lower Guadalupe earnings
- ❖ Non-recurring reduction in force expense, driving long-term efficiencies
- ↓ Lower commodity prices, partially offset by strategic hedges
- ↓ Lower G&P margin due to Midcontinent and South volume declines, partially offset by increased DJ Basin and Permian volumes
- ↓ Costs included a one-time \$9 million severance expense in Q2

# 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**



# • 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**

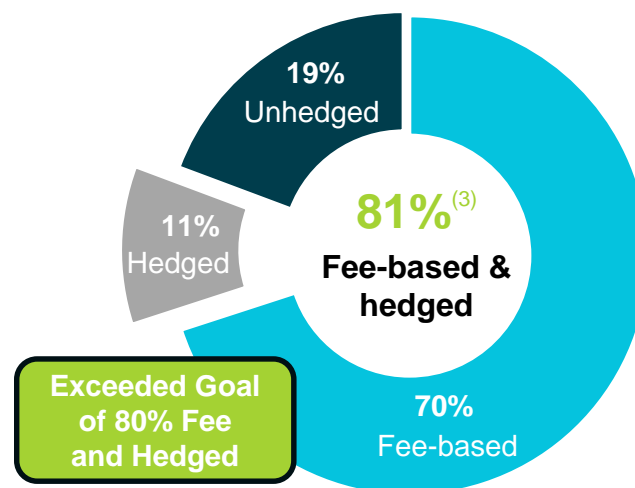
- Reduced leverage to achieve 4.0x target
- Delevering is top financial priority
- Ba2/BB+/BB+ credit ratings
- No common equity issued since 2015

**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

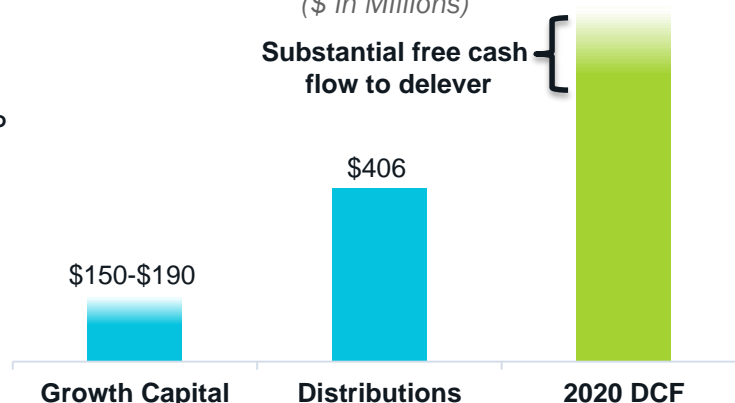
## 2020 Adjusted Gross Margin



## 2020 Free Cash Flow

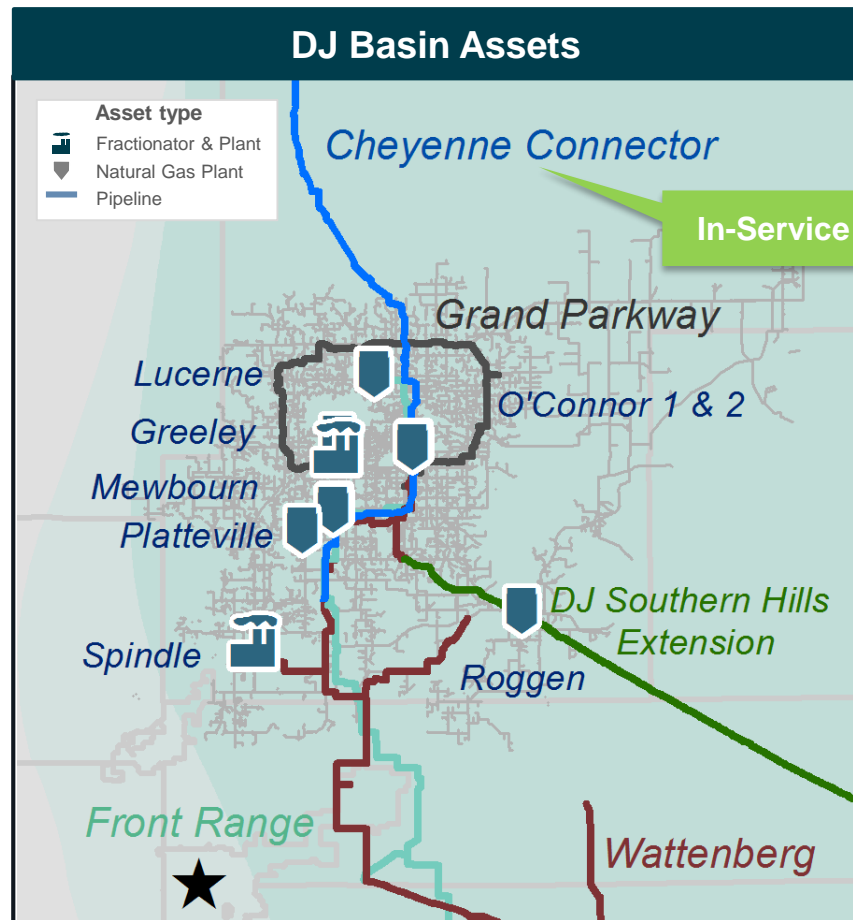
(\$ in Millions)

Substantial free cash flow to delever



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

# Unleashing the DJ Basin



## Regulatory Stability

- No ballot initiatives in 2020 Colorado election cycle, providing increased regulatory certainty
- Colorado Governor Polis announced a broad coalition actively preventing anti-industry ballot initiatives or significant legislation through 2022

## Capital Projects

- Cheyenne Connector in-service late Q2, eliminating all logistics constraints in the DJ Basin
- Front Range and Texas Express expansions in-service April 1, 2020
- Latham 2 offload in-service date moved to Q4
  - Commercial contracts begin January 2021
  - Anticipate meeting all MVC commitments

## Q2 North Business Unit Stats<sup>(1)</sup>

Avg. Wellhead Volumes (MMcf/d)	1,531
Utilization	97%
Avg. NGL Production (MBpd)	122

**DJ Basin unlocked by increased regulatory certainty and comprehensive infrastructure completion**

# • Differentiating DCP Midstream

*Harnessing the earnings power of our assets and optimizing benefits from DCP transformation and early downturn mitigation efforts*

## Supply Long, Capacity Short Capital Allocation

Disciplined capital allocation strategy of just-in-time capacity ensuring high utilization rates; increased capital efficiency by utilizing existing infrastructure; no capital projects currently slated for 2021, system adequate to meet producer supply

## DCP 2.0 Transformation Fueling Response

Prior investments in digital transformation driving cost savings and real-time decision making within the ICC to manage volumetric changes, optimize margins, and improve reliability

## Strong Financial Performance and Position

Delivered strongest 1H Adjusted EBITDA and DCF and lowest quarterly costs in DCP history during economic and industry crisis; generating significantly positive FCF to self-fund all capital needs and delever, while providing an attractive yield to unitholders

## Fully-Integrated Service Provider

Leveraging integrated value chain to proactively keep volumes on our system; ~65% of Q2 EBITDA from L&M underpinning balanced portfolio

## Continued Focus on Operational Excellence

Pandemic response plan and continued dedication to sustainability strategy protects our employees, ensures our business continuity and reliability, and improves our environmental footprint



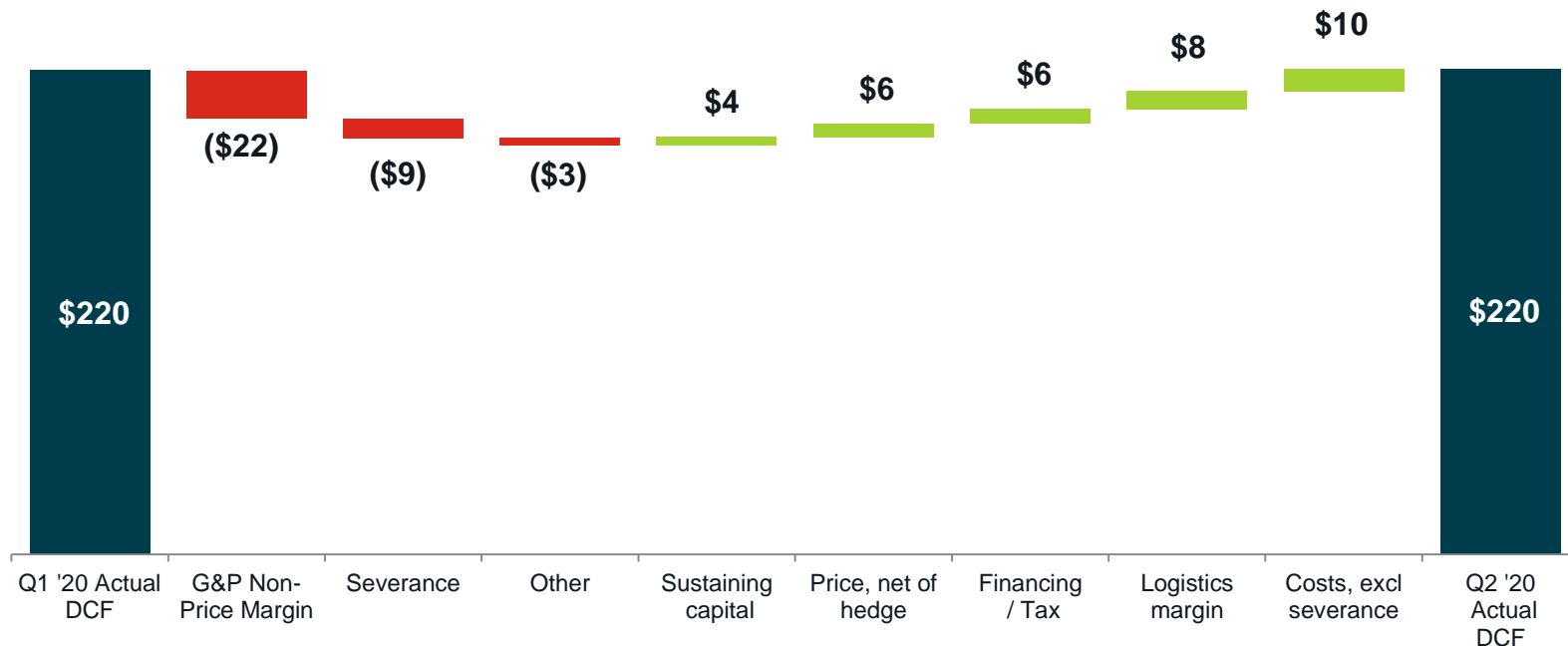
# Appendix

Financial and Other Supporting Slides

# Q1 2020 vs. Q2 2020 Financial Results

*Volume declines and non-recurring severance payments offset by favorable costs and L&M earnings*

## Distributable Cash Flow (\$MM)

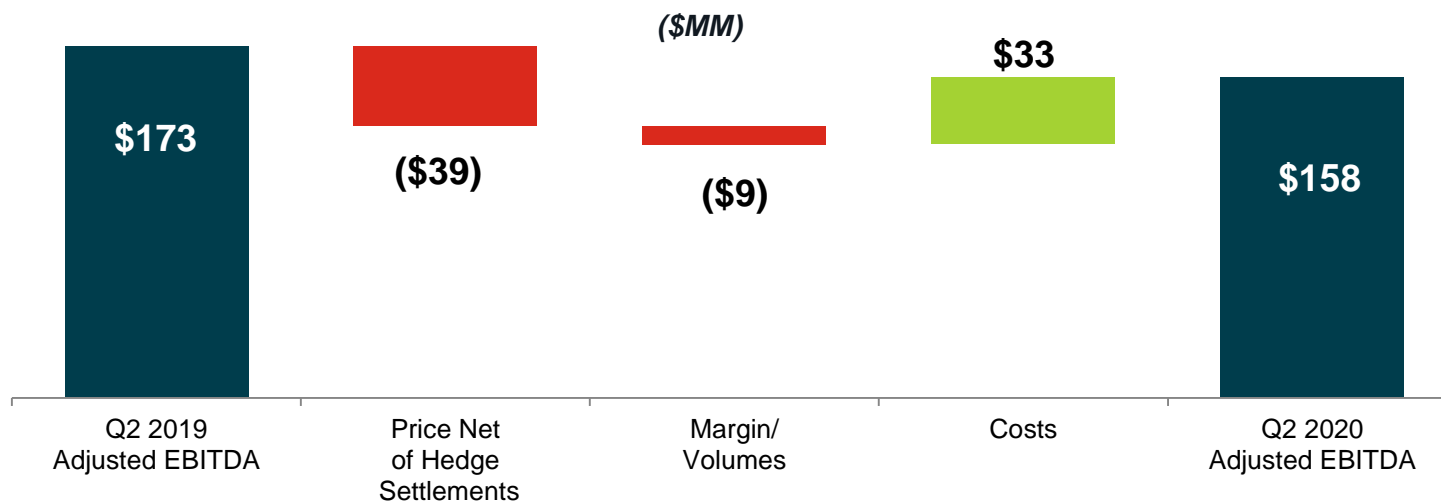


# Adjusted EBITDA by Segment

## Logistics & Marketing Adjusted EBITDA\*



## Gathering & Processing Adjusted EBITDA\*



# 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



# 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**



# Margin by Segment\*

\$MM, except per unit measures

## Gathering & Processing (G&P) Segment

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Natural gas wellhead - Bcf/d	4.49	4.94	5.00	4.96	4.87
Segment gross margin including equity earnings before hedging <sup>(1)</sup>	\$ 264	\$ 299	\$ 333	\$ 317	\$ 329
Non-cash impairment in equity investment	\$ -	\$ (61)	\$ -	\$ -	\$ -
Net realized cash hedge settlements received (paid)	\$ 29	\$ 9	\$ 20	\$ 19	\$ 13
Non-cash unrealized gains (losses)	\$ (62)	\$ 92	\$ (23)	\$ (5)	\$ 15
<b>G&amp;P Segment gross margin including equity earnings</b>	<b>\$ 231</b>	<b>\$ 339</b>	<b>\$ 330</b>	<b>\$ 331</b>	<b>\$ 357</b>
G&P Margin including equity earnings before hedging/wellhead mcf	\$ 0.65	\$ 0.66	\$ 0.73	\$ 0.69	\$ 0.75
G&P Margin including equity earnings and realized hedges/wellhead mcf	\$ 0.72	\$ 0.68	\$ 0.77	\$ 0.74	\$ 0.78

<b>Logistics &amp; Marketing Segment gross margin including equity earnings <sup>(2)</sup></b>	<b>\$ 194</b>	<b>\$ 248</b>	<b>\$ 175</b>	<b>\$ 174</b>	<b>\$ 202</b>
<b>Total gross margin including equity earnings</b>	<b>\$ 425</b>	<b>\$ 587</b>	<b>\$ 505</b>	<b>\$ 505</b>	<b>\$ 559</b>
Direct Operating and G&A Expense	\$ (208)	\$ (209)	\$ (255)	\$ (255)	\$ (259)
DD&A	(93)	(99)	(100)	(100)	(101)
Other Income (Loss) <sup>(3)</sup>	(5)	(749)	(68)	(247)	(6)
Interest Expense, net	(71)	(78)	(83)	(79)	(73)
Income Tax Benefit (Expense)	0	(1)	3	(1)	(0)
Noncontrolling interest	(1)	(1)	(1)	(1)	(1)
<b>Net Income (Loss) - DCP Midstream, LP</b>	<b>\$ 47</b>	<b>\$ (550)</b>	<b>\$ 1</b>	<b>\$ (178)</b>	<b>\$ 119</b>
Industry average NGL \$/gallon	\$ 0.32	\$ 0.39	\$ 0.50	\$ 0.44	\$ 0.51
NYMEX Henry Hub \$/MMBtu	\$ 1.72	\$ 1.95	\$ 2.50	\$ 2.23	\$ 2.64
NYMEX Crude \$/Bbl	\$ 27.85	\$ 46.17	\$ 56.91	\$ 56.45	\$ 59.81
Other data:					
NGL pipelines throughput (MBbl/d) <sup>(4)</sup>	676	677	599	598	637
NGL production (MBbl/d)	376	404	404	406	422

\*Segment gross margin is viewed as a non-Generally Accepted Accounting Principles ("GAAP") measure under the rules of the Securities and Exchange Commission ("SEC"), and is reconciled to its most directly comparable GAAP financial measures under "Reconciliation of Non-GAAP Financial Measures" in schedules at the end of this presentation.

(1) Represents Gathering and Processing (G&P) Segment gross margin plus Earnings from unconsolidated affiliates, excluding trading and marketing (losses) gains, net, before non-cash impairment in equity investment

(2) Represents Logistics and Marketing Segment gross margin plus Earnings from unconsolidated affiliates

(3) "Other Income" includes asset impairments in Q1 2020 and Q3 2019, goodwill impairment in Q1 2020 and Q3 2019, gain/(loss) on asset sales and other miscellaneous items

(4) This volume represents equity and third party volumes transported on DCP's NGL pipeline assets

# Disciplined and Strategic Growth

Projects in Progress or Recently In-Service <i>(\$MM net to DCP's interest for JVs)</i>	Est. 100% Capacity	Total Est. CapEx (\$MM)	Expected In-Service
<b>Gathering &amp; Processing</b>			
<b>Latham 2 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**



# 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)
<b>Net cash provided by operating activities</b>				
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
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)

\*\*\* Represents cumulative cash distributions earned by the Series A, B and C Preferred Units, assuming distributions are declared by DCP's board of directors.

# 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