



FOR IMMEDIATE RELEASE
July 30, 2020

Genesis Energy, L.P. Implements Cost Savings Initiatives and Amends Senior Secured Credit Facility

HOUSTON – (BUSINESS WIRE) – Genesis Energy, L.P. (NYSE: GEL) announced today that it has implemented certain cost savings measures that are expected to result in annual savings of approximately \$38 million dollars starting in the third quarter of 2020. In conjunction with these measures, Genesis has executed an amendment to its existing senior secured credit facility that will add back to Adjusted Consolidated EBITDA (as calculated under our senior secured credit facility) approximately \$13.5 million dollars of one-time charges associated with our cost savings initiatives for the test period ending June 30, 2020 and for each of the following three test periods.

In addition to the add back, and to help us manage the near-term uncertainty around the COVID-19 pandemic, our Consolidated Leverage Ratio covenant will increase to 5.75x in 3Q 2020 through 1Q 2021 and then revert back to 5.50x for the remaining term of the facility, which currently runs through May of 2022. Also, our Consolidated Interest Coverage Ratio covenant will decrease to 2.75x in 3Q 2020 through 1Q 2021 and then revert back to 3.00x for the remaining term of the facility.

Grant Sims, CEO of Genesis Energy, said, “Given the current operating environment and near-term challenges with the COVID-19 pandemic, we made the difficult yet prudent decision to right size our work force, which is expected to result in significant long-term recurring cost savings. While we currently don’t expect to have any issues with our existing covenants, we made the proactive decision with the unanimous support of our lender group to increase our Consolidated Leverage Ratio covenant by a full quarter turn through the first quarter of 2021. The bank group recognizes the long term fundamentals of our businesses are strong and that the negative effects of the COVID-19 pandemic will pass. Despite the headwinds, we remain on track to be cash flow positive and a net payer of debt in 2020 and beyond.”

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Genesis Energy, L.P. is a diversified midstream energy master limited partnership headquartered in Houston, Texas. Genesis’ operations include offshore pipeline transportation, sodium minerals and sulfur services, marine transportation and onshore facilities and transportation. Genesis’ operations are primarily located in the Gulf Coast region of the United States, Wyoming and the Gulf of Mexico.

This press release includes forward-looking statements as defined under federal law. Although we believe that our expectations are based upon reasonable assumptions, we can give no assurance that our goals will be achieved. Actual results may vary materially. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including but not limited to statements relating to future financial and operating results, the impact of our cost saving measures and the amount of such costs savings, the COVID-19 pandemic, and our strategy and plans, are forward-looking statements, and historical performance is not necessarily indicative of future performance. Those forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside our control, that could cause results to differ materially from those expected by management. Such risks and uncertainties include, but are not limited to, weather, political, economic and market conditions, including a decline in the price and market demand for products, the outbreak or continued spread of disease, and other uncertainties that are described more fully in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission and other filings, including our Current Reports on Form 8-K and Quarterly Reports on Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statement.

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