



genesisenergy

Granger Optimization Project

September 2019

Disclosures & Company Information

Genesis Energy, L.P.	NYSE: GEL	Investor Relations Contact
Common Unit Market Value	~\$2.7 billion ^(a)	InvestorRelations@genlp.com (713) 860-2500
Convertible Preferred Equity	~\$0.9 billion ^(a)	
Enterprise Value	~\$7.0 billion ^(a)	<u>Corporate Headquarters</u> 919 Milam Street, Suite 2100 Houston, TX 77002
Annualized Common Unit Distribution	\$2.20 per unit	

Forward-Looking Statements

This presentation 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, or are scheduled to occur, including but not limited to statements relating to future financial and operating results 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 timing and success of business development efforts, that the expansion of the Granger facility may not be completed and, if completed, we may not realize the expected benefits of the expansion, that we may not ultimately obtain the proposed financing or any other financing, that any financing we do obtain may restrict the ongoing operation of our business, and other uncertainties. Those and other applicable uncertainties, factors and risks that may affect those forward-looking statements are described more fully in our Annual Report on Form 10-K for the year ended December 31, 2018 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.

This presentation may include non-GAAP financial measures. We are unable to provide a reconciliation of the forward-looking EBITDA projection contained in this presentation to its most directly comparable GAAP financial measure because the information necessary for quantitative reconciliations of the EBITDA measure to its most directly comparable GAAP financial measure is not available to us without unreasonable efforts. The probable significance of providing this forward-looking EBITDA measure without the directly comparable GAAP financial measure is that such GAAP financial measure may be materially different from the corresponding non-GAAP financial measure

Granger Expansion Overview

- **Genesis announced plans to invest ~\$300 million to expand its Granger soda ash facilities (the “Granger Optimization Project” or “GOP”) by approximately 750k tons per year**
 - Anticipated construction period of 30-36 months
 - Ramp-up of existing solution mining at Granger and is designed as a near-replica of existing ELDM facility (operating since 1995)
- **Opportunity for Genesis to position itself as next logical supplier of natural production and meet increasing demand / compete with cost-disadvantaged synthetic production**
- **Natural soda ash production cost is less than 50%^(a) of the production cost of the marginal synthetic producers**
 - ~30% global demand^(a) is met by natural production. The remaining demand is backfilled by synthetic production
- **Global soda ash demand anticipated to grow at 800-900k MT tons per year^(a)**
 - Incremental tons from GOP will supply less than 1 year of increased demand

Granger Pre-Expansion



Granger Post-Expansion



GOP expansion presents numerous financial and strategic benefits to Genesis including:

- **Highly accretive, low risk project**
 - Attractive construction multiple – approximately \$60 million of expected annual EBITDA on approximately \$300 million of estimated project capital
 - Top side, minimally invasive project – no impact to existing Granger production during construction with expansion modeled after existing ELDM plant technology
- **Meaningfully accretive to coverage / available cash per unit**
- **Expansion compliments goals of maximizing long-term unit holder value and achieving long-term target leverage of 4.00x**
- **Flexible, leverage neutral and accretive financing structure**
 - Not counted as debt under senior credit facility, leverage neutral during construction period and expected delevering thereafter
 - Payment-in-kind in lieu of cash distributions during the anticipated construction period and 10% cash coupon on preferred amount outstanding thereafter
 - No change in current cash flows and distribution policy allows a sweep of cash flow to Genesis
- **Entrenches Genesis' leading market position in an industry that is very stable and generates robust free cash flow**
 - Pro forma soda ash production capacity of 4.7mm tons, making Genesis the largest producer in the US, with all natural low cost production

- **In conjunction with the expansion, Genesis has entered into agreements with funds affiliated with GSO Capital Partners LP (“GSO”) for the purchase of up to \$350 million of preferred interests in an unrestricted subsidiary (“Alkali Holdings”) of Genesis which will hold 100% of Genesis’ alkali business**
- **Select features of the preferred include:**
 - Payment-in-kind in lieu of cash distributions during the anticipated construction period and 10% cash coupon on preferred amount outstanding thereafter
 - No change in current cash flows and distribution policy allows a sweep of cash flow to Genesis
 - Flexibility on tenor with ability to refinance GSO at anytime subject to GSO achieving their expected return
 - Low double digit cost of capital with six year investment horizon
 - Delayed draw feature allows Genesis to draw funds during anticipated construction period on a “just-in-time” basis, with flexibility for Genesis to contribute capital to the expansion
 - No impact on Genesis’ senior credit facility covenant calculations
 - Genesis owns 100% of the common equity of Alkali Holdings and will have control of the board with customary minority type protections for GSO