



Delek US Holdings, Inc.

Fourth Quarter 2020 Earnings Call



February 24, 2021

Disclaimers

Forward Looking Statements:

Delek US Holdings, Inc. ("Delek US") and Delek Logistics Partners, LP ("Delek Logistics"; and collectively with Delek US, "we" or "our") are traded on the New York Stock Exchange in the United States under the symbols "DK" and "DKL", respectively. These slides and any accompanying oral and written presentations contain forward-looking statements within the meaning of federal securities laws that are based upon current expectations and involve a number of risks and uncertainties. Statements concerning current estimates, expectations and projections about future results, performance, prospects, opportunities, plans, actions and events and other statements, concerns, or matters that are not historical facts are "forward-looking statements," as that term is defined under the federal securities laws.

These forward-looking statements include, but are not limited to, the statements regarding the following: financial and operating guidance for future and uncompleted financial periods; financial strength and flexibility; potential for and projections of growth; return of cash to shareholders, stock repurchases and the payment of dividends, including the amount and timing thereof; cost reductions; crude oil throughput; crude oil market trends, including production, quality, pricing, demand, imports, exports and transportation costs; light production from shale plays and Permian growth; the performance of our joint venture investments, including Red River and Wink to Webster, and the benefits, flexibility, returns and EBITDA therefrom; the potential for, and estimates of cost savings and other benefits from, acquisitions, divestitures, dropdowns and financing activities; divestiture of non-core assets and matters pertaining thereto; the attainment of certain regulatory benefits; long-term value creation from capital allocation; execution of strategic initiatives and the benefits therefrom, including cash flow stability from business model transition; and access to crude oil and the benefits therefrom. Words such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "appears," "projects" and similar expressions, as well as statements in future tense, identify forward-looking statements.

Investors are cautioned that the following important factors, among others, may affect these forward-looking statements: uncertainty related to timing and amount of value returned to shareholders; risks and uncertainties with respect to the quantities and costs of crude oil we are able to obtain and the price of the refined petroleum products we ultimately sell, including uncertainties regarding future decisions by OPEC regarding production and pricing disputes between OPEC members and Russia; uncertainty relating to the impact of the COVID-19 outbreak on the demand for crude oil, refined products and transportation and storage services; Delek US' ability to realize cost reductions; risks related to Delek US' exposure to Permian Basin crude oil, such as supply, pricing, production and transportation capacity; gains and losses from derivative instruments; management's ability to execute its strategy of growth through acquisitions and the transactional risks associated with acquisitions and dispositions; acquired assets may suffer a diminishment in fair value as a result of which we may need to record a write-down or impairment in carrying value of the asset; changes in the scope, costs, and/or timing of capital and maintenance projects; the ability of the Wink to Webster joint venture to construct the long-haul pipeline; the ability of the Red River joint venture to expand the Red River pipeline; the ability to grow the Big Spring Gathering System; operating hazards inherent in transporting, storing and processing crude oil and intermediate and finished petroleum products; our competitive position and the effects of competition; the projected growth of the industries in which we operate; general economic and business conditions affecting the geographic areas in which we operate; and other risks contained in Delek US' and Delek Logistics' filings with the United States Securities and Exchange Commission.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not be accurate indications of the times at, or by which such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Neither Delek US nor Delek Logistics undertakes any obligation to update or revise any such forward-looking statements.

Non-GAAP Disclosures:

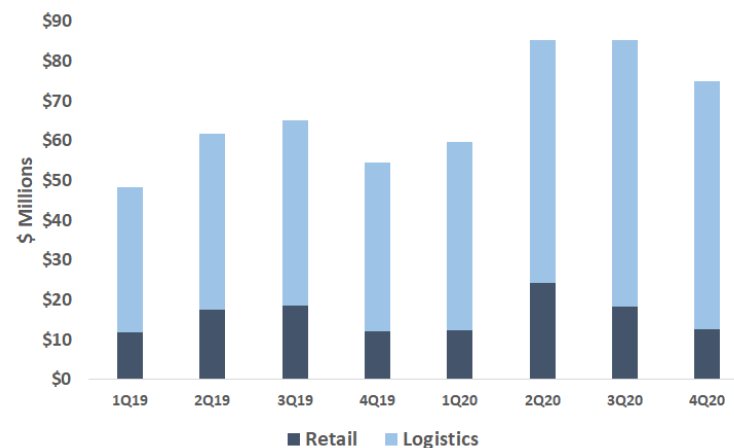
Delek US and Delek Logistics believe that the presentation of adjusted net income, adjusted earnings per share ("adjusted EPS"), earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA provide useful information to investors in assessing their financial condition, results of operations and cash flow their business is generating. Adjusted net income, adjusted EPS, EBITDA and adjusted EBITDA should not be considered as alternatives to net income, operating income, cash from operations or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. Adjusted net income, adjusted EPS, EBITDA and adjusted EBITDA have important limitations as analytical tools because they exclude some, but not all, items that affect net income. Additionally, because adjusted net income, adjusted EPS, EBITDA and adjusted EBITDA may be defined differently by other companies in its industry, Delek US' and Delek Logistics' definitions may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. Please see reconciliations of adjusted net income, adjusted EPS, EBITDA and adjusted EBITDA to their most directly comparable financial measures calculated and presented in accordance with U.S. GAAP in the appendix.



Fourth Quarter 2020

- **Reported EPS of \$(3.98) and adjusted EPS of \$(2.77)⁽¹⁾**
 - Adjusted net loss of \$204 million and adjusted EBITDA loss of \$138 million⁽¹⁾
 - Adjusted quarterly results were impacted by net headwinds totaling approximately \$38 million (after-tax) or \$(0.52) per share
- **Underlying cost improvements and capital reductions across the portfolio position the company well for 2021**
- **COVID-19 vaccination uptake provides an increasing demand backdrop going forward**
- **Robust outlook for the retail segment with line of sight for strong growth potential**
- **“Capital light” approach to renewable diesel with \$13 million option to acquire a one-third economic interest in GCE Holdings Acquisitions**
- **Expecting another 5% distribution growth year-over-year at Delek Logistics in 2021**

Transforming to More Diversified EBITDA



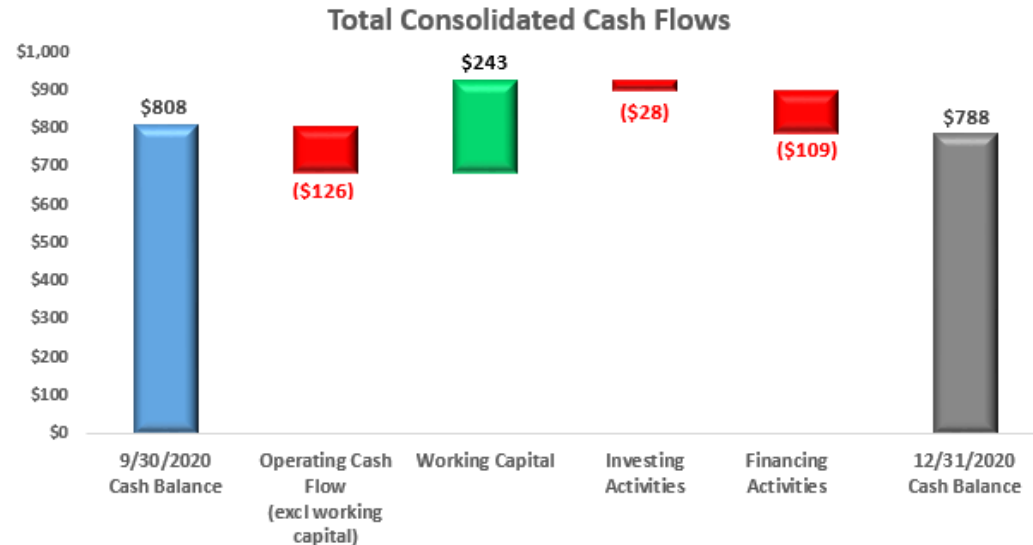
Balance Sheet Flexibility



⁽¹⁾ See slides 10, 11 and 12 for a reconciliation of adjusted net income to net income, adjusted net income per share to net income per share, and adjusted EBITDA to net income.

Fourth Quarter 2020

- Strong financial position with \$788 million of cash on the balance sheet
- Cash flow from operating activities of approx. \$117 million
 - Cash flow from operating activities (excluding working capital) of approx. \$(126) million
 - Working capital impacted cash flow by approx. \$243 million
- Total investing activities of approx. \$(28) million:
 - Cash capital expenditures of approx. \$31.6 million
 - Net JV charge of approx. \$0.4 million
- Financing activities of approx. \$(109) million



Capitalization

- **Delek US Consolidated at December 31, 2020**
 - Cash of \$788 million
 - Net debt of \$1.56 billion
- **Excluding Delek Logistics at December 31, 2020**
 - Cash of \$784 million
 - Net debt of \$573 million
- **Balance sheet provides financial flexibility**
- **Note: \$156 million Federal Tax Income Tax Receivable**
 - \$136 million federal income tax receivable expected first half 2021
 - Remainder expected within 12-18 months

(\$ in millions)	December 31, 2020	December 31, 2019
Current Portion of Long-Term Debt	\$33	\$36
Long-Term Debt	\$2,315	\$2,031
Total Debt	\$2,348	\$2,067
Cash	\$788	\$955
Net Debt Delek US Consolidated	\$1,560	\$1,112
Delek Logistics		
Total Debt	\$992	\$833
Cash	\$4	\$6
Net Debt Delek Logistics	\$988	\$827
Delek US, excl. Delek Logistics		
Total Debt	\$1,356	\$1,234
Cash	\$784	\$949
Net Debt Delek US excluding DKL	\$573	\$285
Net Debt to Cap Delek US Consolidated	45%	28%
Net Debt to Cap (excluding DKL Debt)	38%	13%



Guidance

1Q21 Guidance Range (\$ in millions)	Low	High
Consolidated Operating Expenses	\$150	\$160
Consolidated G&A	\$52	\$57
Consolidated Depreciation and Amort.	\$63	\$66
Net interest expense	\$27	\$30
Total Crude Throughput	165,000	175,000



Capital Expenditure

- **2021 spending guidance of \$150 to \$160 million (including turnarounds)**
 - Reducing CAPEX approximately 35% Y/Y
- **2020 includes the following projects:**
 - **Big Spring Turnaround**
 - Completed in early March 2020

(\$ in millions)	For Year Ended December 31, 2020	2021 Forecast
Refining:		
Regulatory	\$41.3	\$4.4
Maintenance/reliability	\$158.9	\$92.2
Discretionary/business development	\$0.8	\$0.7
Refining segment total	\$201.0	\$97.3
Logistics:		
Regulatory	\$1.9	\$9.0
Maintenance/reliability	\$1.5	\$4.9
Discretionary/business development	\$12.4	\$6.9
Logistics segment total	\$15.8	\$20.8
Retail:		
Regulatory	\$0.2	\$3.3
Maintenance/reliability	\$2.4	\$0.0
Discretionary/business development	\$6.5	\$2.4
Retail segment total	\$9.1	\$5.7
Other:		
Regulatory	\$0.4	\$1.8
Maintenance/reliability	\$1.2	\$15.0
Discretionary/business development	\$12.1	\$9.9
Other total	\$13.7	\$26.7
Total Capital expenditures	\$239.6	\$150.5

Renewable Diesel

- ❑ **Delek has established a 'capital light' approach to Renewable Diesel**
- ❑ **\$13.3 million option for 33% indirect interest in the net cash flow from a renewable diesel facility following its conversion**
- ❑ **The facility will be able to produce up to 220mm gallons a year of renewable fuels**
- ❑ **Estimated Start-up January 2022**

GCE Holdings Acquisitions, LLC recently purchased the Bakersfield Refinery from Delek and is retooling it into the largest facility of its kind in the western United States which can produce renewable fuels from non-food feedstocks.

When complete, the biorefinery will be able to produce renewable diesel from various feedstocks, including varieties of camelina.



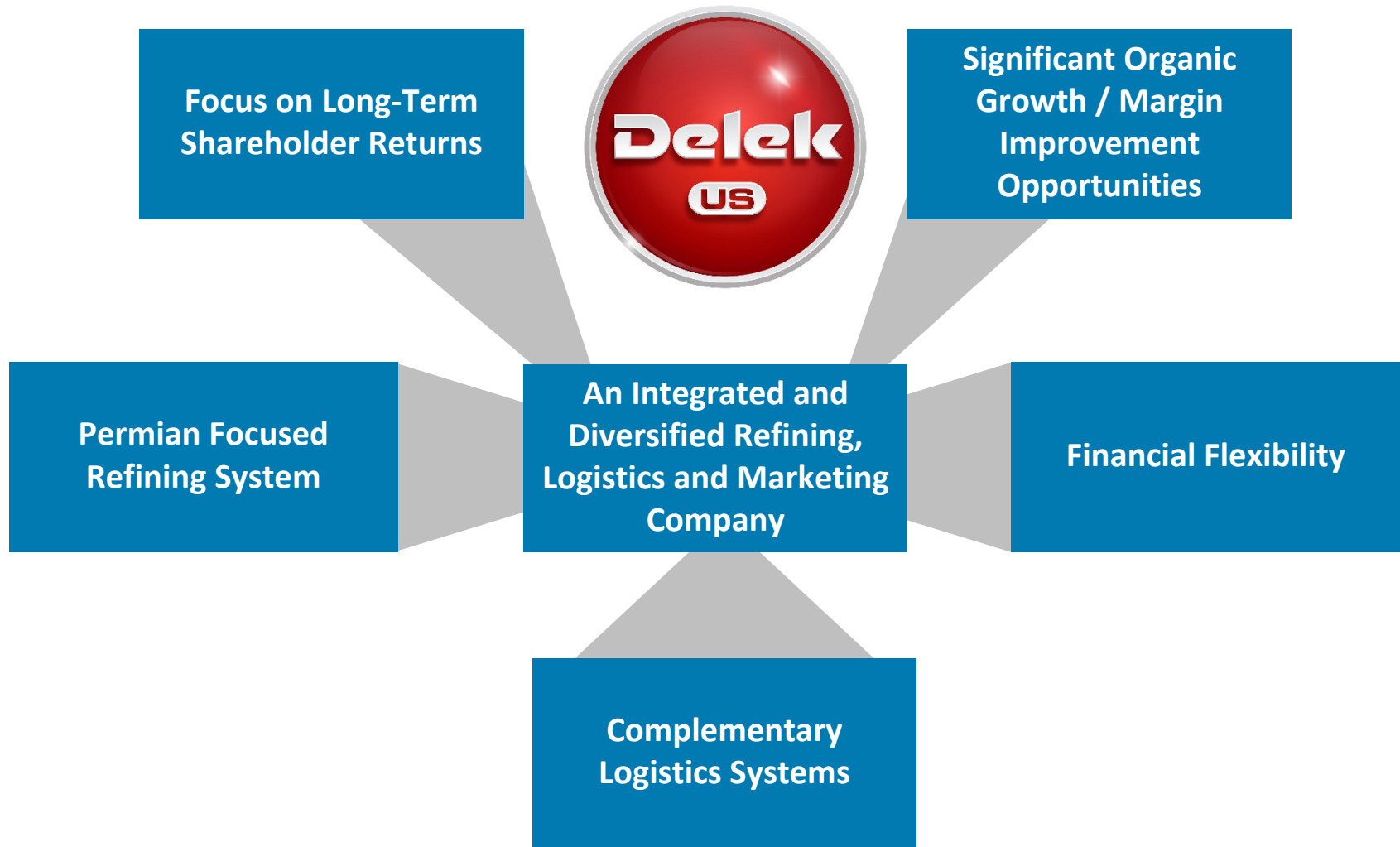
Feedstock Advantage: Camelina

For biofuel strategies to be truly effective, feedstock production must be highly scalable to meet society's growing demand for low carbon fuels.

As a high oil yielding crop per acre, Camelina can be efficiently processed into low carbon biofuels such as renewable diesel and jet fuel using well established existing technologies.

A counter-cyclical crop cycle like Camelina increases asset utilization and total crop year grower returns by turning an expensive fallow crop acre into a revenue-generating acre.

Questions and Answers



Non-GAAP Reconciliations of Adjusted Net Income

Delek US Holdings, Inc.

Reconciliation of Amounts Reported Under U.S. GAAP

\$ in millions

Reconciliation of Net Income (Loss) attributable to Delek to Adjusted Net Income (Loss)	Three Months Ended December 31,	
	2020	2019
	(Unaudited)	
Reported net income (loss) attributable to Delek	\$ (293.2)	\$ 32.7
<u>Adjustments, after tax</u>		
Net after tax inventory valuation (benefit) loss	(27.9)	(15.9)
Net after-tax unrealized hedging (gain) loss where the hedged item is not yet recognized in the financial statements	(13.2)	12.8
Net after-tax non-cash change in fair value of S&O Obligation associated with hedging activities ⁽¹⁾	6.5	—
Net after-tax goodwill impairment expense	120.8	—
Net after-tax retroactive biodiesel tax credit ⁽²⁾	—	(35.9)
Net after-tax COVID-related severance costs	3.0	\$ —
Net after-tax of non-operating write-off of pre-acquisition asset	—	3.7
Net after tax discontinued operations (income) loss	—	(6.0)
Total after tax adjustments	\$ 89.2	\$ (41.3)
Adjusted net income (loss)	\$ (204.0)	\$ (8.6)

⁽¹⁾ Represents an adjustment to exclude the effect of non-cash changes in fair value related to economic hedges that were entered into as discrete amendments to the Supply and Offtake ("S&O") Obligation (i.e., not contemplated in the April 2020 Amendment and Restatement to the S&O Obligation), as such fair value changes are hedges where the hedged item (a future fee) is not yet recognized in the financial statements. This adjustment is identical in nature to the unrealized hedging gains and losses recognized on derivative instruments that are excluded from our adjusted net income (loss).

⁽²⁾ An adjustment for the portion of the retroactive biodiesel tax credit reenacted in December 2019 but that was attributable to 2018 has been adjusted out of both the three months and year ended December 31, 2019 for comparability.



Non-GAAP Reconciliations of Adjusted Net Income per Share

Delek US Holdings, Inc.

Reconciliation of Amounts Reported Under U.S. GAAP
per share data

Reconciliation of U.S. GAAP Income (Loss) per share to Adjusted Net Income (Loss) per share

Three Months Ended December 31,

	2020	2019
	(Unaudited)	
Reported diluted income (loss) per share	\$ (3.98)	\$ 0.44
<u>Adjusting items, after tax (per share)</u> ^{(1) (2)}		
Net inventory valuation loss (benefit)	(0.38)	(0.21)
Total unrealized hedging (gain) loss where the hedged item is not yet recognized in the financial statements	(0.18)	0.17
Non-cash change in fair value of S&O Obligation associated with hedging activities	0.09	—
Goodwill impairment expense	1.64	—
COVID-related severance costs	0.04	—
Retroactive biodiesel tax credit	—	(0.48)
Non-operating write-off of pre-acquisition asset	—	0.05
Discontinued operations (income) loss	—	(0.08)
Total adjusting items	1.21	(0.55)
Adjusted net income (loss) per share	\$ (2.77)	\$ (0.11)

⁽¹⁾ The tax calculation is based on the appropriate marginal income tax rate related to each adjustment and for each respective time period, which is applied to the adjusted items in the calculation of adjusted net income in all periods.

⁽²⁾ For periods of Adjusted net loss, Adjustments (Adjusting Items) and Adjusted net loss per share are presented using basic weighted average shares outstanding.



Non-GAAP Reconciliations of Adjusted EBITDA

Delek US Holdings, Inc.

Reconciliation of Amounts Reported Under U.S. GAAP

\$ in millions

	Three Months Ended December 31,	
	2020	2019
(Unaudited)		
Reconciliation of Net Income (Loss) attributable to Delek to Adjusted EBITDA		
Reported net income (loss) attributable to Delek	\$ (293.2)	\$ 32.7
Add:		
Interest expense, net	30.8	33.4
Income tax (benefit) expense - continuing operations	(58.1)	(12.1)
Depreciation and amortization	90.2	47.6
EBITDA	(230.3)	101.6
Adjusting items		
Net inventory valuation (benefit) loss	(36.4)	(20.8)
Unrealized inventory/commodity hedging (gain) loss where the hedged item is not yet recognized in the financial statements	(18.7)	16.5
Unrealized RINs and other hedging (gain) loss where the hedged item is not yet recognized in the financial statements	1.4	—
Total unrealized hedging gain (loss) where the hedged item is not yet recognized in the financial statements	(17.3)	16.5
Non-cash change in fair value of S&O Obligation associated with hedging activities ⁽¹⁾	8.3	—
Goodwill impairment expense	126.0	—
COVID-related severance costs	3.9	—
Retroactive biodiesel tax credit ⁽²⁾	—	(36.0)
Non-operating write-off of pre-acquisition asset	—	4.8
Discontinued operations (income) loss, net of tax	—	(6.0)
Net income attributable to non-controlling interest	8.2	5.3
Total Adjusting items	92.7	(36.2)
Adjusted EBITDA	\$ (137.6)	\$ 65.4

⁽¹⁾ Represents an adjustment to exclude the effect of non-cash changes in fair value related to economic hedges that were entered into as discrete amendments to the S&O Obligation (i.e., not contemplated in the April 2020 Amendment and Restatement to the S&O Obligation) but which impact the fair value of the overall obligation, as such fair value changes are considered to be identical in nature to the unrealized hedging gains and losses recognized on derivative instruments which are excluded from our adjusted net income (loss).

⁽²⁾ The portion of the retroactive biodiesel tax credit reenacted in December 2019 that was attributable to 2019 has been added to the year ended December 31, 2019.

