




# Delek US Holdings, Inc.

## Investor Presentation

June 2020

# 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; future crude slates; 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; 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; differentials including increases, trends and the impact thereof on crack spreads and refineries; pipeline takeaway capacity and projects related thereto; refinery complexity, configurations, utilization, crude oil slate flexibility, capacities, equipment limits and margins; the ability to add flexibility and increase margin potential at the Krotz Springs refinery; improved product netbacks; the performance of our joint venture investments, including Red River and Wink to Webster, and the benefits, flexibility, returns and EBITDA therefrom; our ability to execute on the Big Spring Gathering System 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; retail growth and the opportunities and value derived therefrom; long-term value creation from capital allocation; execution of strategic initiatives and the benefits therefrom; 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; 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 venturetо 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 earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA and distributable cash flow (“DCF”) provide useful information to investors in assessing their financial condition, results of operations and cash flow their business is generating. EBITDA, adjusted EBITDA and DCF 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. EBITDA, adjusted EBITDA and DCF have important limitations as analytical tools because they exclude some, but not all, items that affect net income. Additionally, because EBITDA, adjusted EBITDA and DCF 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 EBITDA, adjusted EBITDA and DCF to their most directly comparable financial measures calculated and presented in accordance with U.S. GAAP in the appendix.

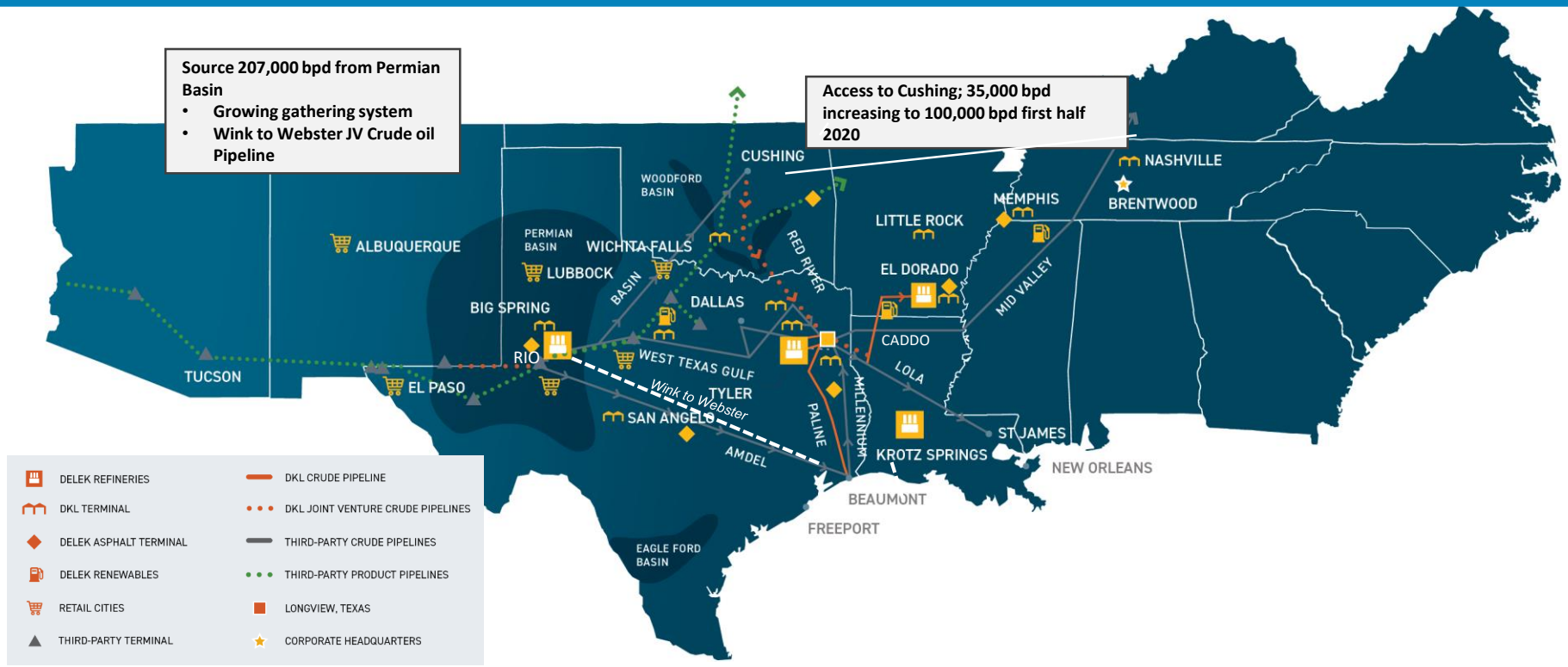
# Investment Overview (NYSE: DK)

| | |
|---|---|
| **Flexible Financial Position to Support Midstream Growth** | • March 31, 2020 balance sheet:<br>  • Delek US: approx. $785 million of cash; $2.2 billion of debt<br>  • Includes $4.2 million cash and $940 million debt of DKL<br>  • Net debt (excl. DKL) of $496 million |
| **Big Spring Gathering** | • Over 275,000 dedicated acres; Ability to control crude oil quality, growing midstream services to support producers in Permian Basin<br>• Dropped to DKL in 1Q20<br>• Expected annualized EBITDA of $30 - $32 million EBITDA underpinned by MVC DK to DKL [(1)] |
| **Wink to Webster Long Haul Pipeline Joint Venture** | • Links value chain from Permian Basin wellhead to Gulf Coast markets<br>• Expected net investment of $340 to $380 million with expected return that is well above internal hurdle rate of 15%<br>• Secured project financing through JV in 1Q20 |
| **Red River Pipeline Joint Venture** | • Supports DKL growth and increases crude oil optionality for DK with improved access to Cushing crude oil<br>• ~$128.0 million initial investment + additional $16.5 million for expansion; Expected annualized adjusted EBITDA of $13.5 to $15.5 million pre-expansion growing to $20.0 to $25.0 million post-expansion (second half 2020)[(1)] |
| **Cash Returns to Shareholders** | • Maintained regular quarterly dividend of $0.31/share [(2)]:<br>• Long history of returning cash to shareholders through a combination of dividends and share repurchases |

1) Please see page 42 and page 43 for a reconciliation of forecasted incremental annualized net income to forecasted incremental annualized adjusted EBITDA for the Red River joint venture and the Big Spring Gathering System.
2) Quarterly dividends mentioned are quarterly dividends per share declared in referenced period.

# Integrated Company with Asset Diversity and Scale

*Strategically located assets with growing crude oil optionality*

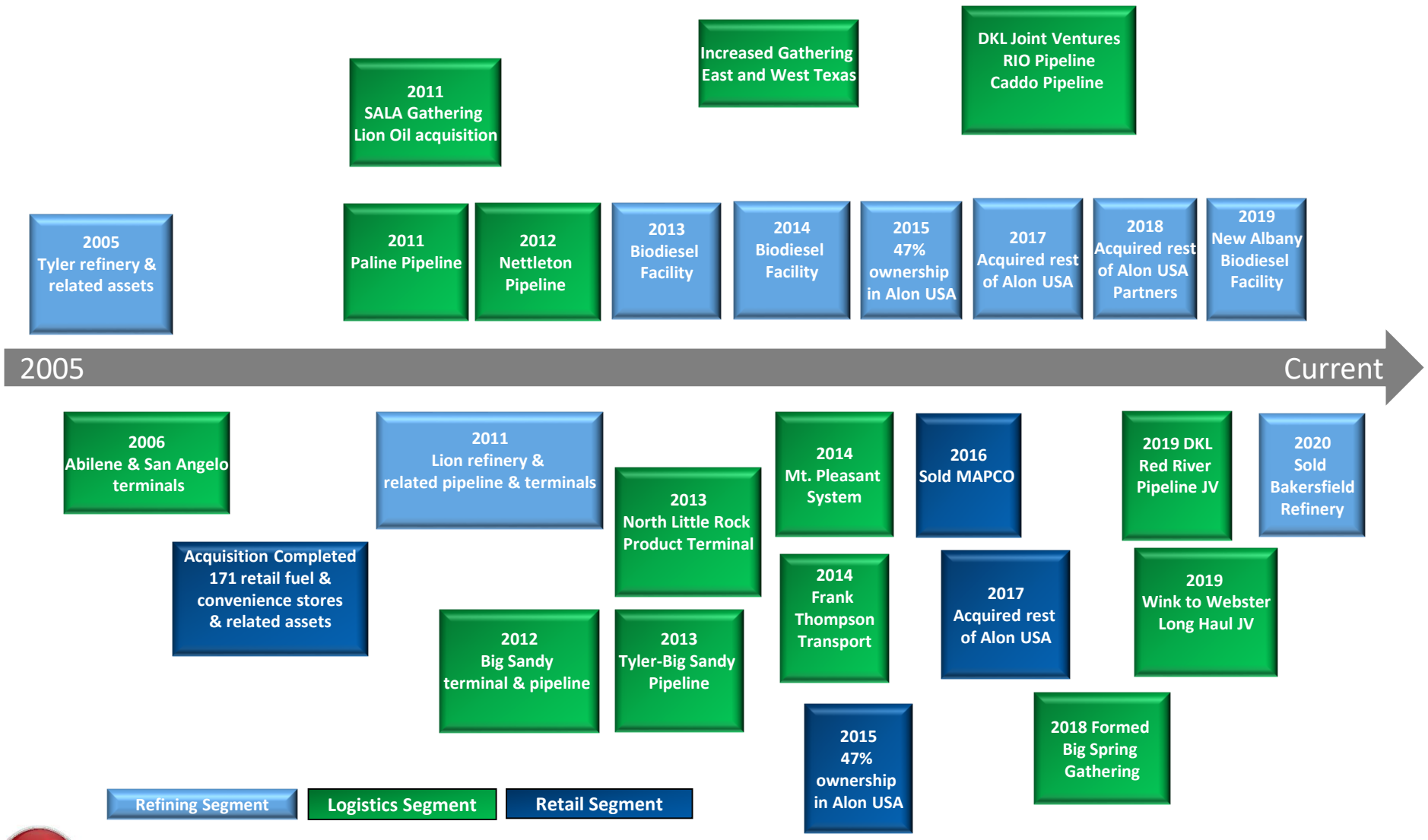



| Refining | Logistics | Asphalt | Retail | Renewables |
|---|---|---|---|---|
| ❑ 302,000 bpd in total<br>▪ El Dorado, AR<br>▪ Tyler, TX<br>▪ Big Spring, TX<br>▪ Krotz Springs, LA<br>❑ Crude oil supply: 262,000 bpd WTI linked currently<br>❑ Increasing crude oil optionality through Red River expansion | ❑ 10 terminals<br>❑ Approximately 1,640 miles of pipeline<br>❑ 11.0 million bbls of storage capacity<br>❑ West Texas wholesale<br>❑ JV crude oil pipelines: RIO / Caddo/ Red River<br>❑ Own ~71%, incl. 2% GP, of DKL(1) | 6 asphalt terminals located in:<br>1) El Dorado, AR<br>2) Muskogee, OK<br>3) Memphis, TN<br>4) Big Spring, TX<br>5) Henderson, TX<br>6) Richmond Beach, WA | ❑ Approximately 253 stores<br>❑ Southwest US locations<br>❑ West Texas wholesale marketing business | Approximately 40m gallons Biodiesel production capacity:<br>1) Crossett, AR<br>2) Cleburne, TX<br>3) New Albany, MS |

1) As of March 31, 2020, 5.4% of the ownership interest in the general partner is owned by three members of senior management of Delek US (who are also directors of the general partner). The remaining ownership interest is held by a subsidiary of Delek US.

# Long History of Opportunistic Acquisitions & Value Creation

*Being Nimble and Capturing Market Dislocations / Opportunities*



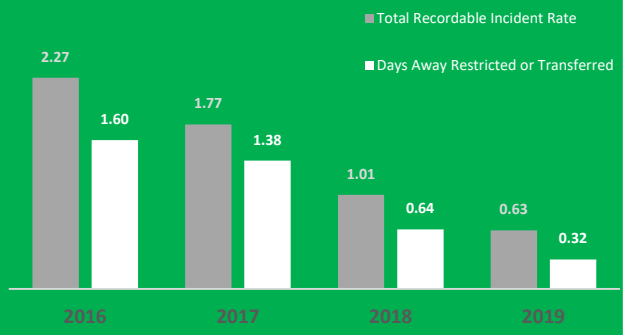
# Environmental, Social, and Governance (ESG)

## Environmental

- DK owns 3 biodiesel facilities with ~40mm gallons of annual biodiesel production capacity
  - Crossett, AR
  - Cleburne, TX
  - New Albany, MS
- The safety and health of our employees is a core value of the company as reflected in progressive safety improvements over time

**72%** and **82%**
Reduction in TRIR and DART rates since 2016, respectively

### TRIR and DART Performance [1,2]



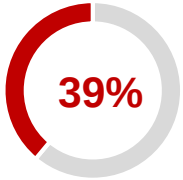



## Social

- We are committed to our employees, the environment and communities in which we operate while delivering great products, services and other initiatives that impact lives within and outside the organization
- In 2019, the Delek Fund for Hope raised $4.7 million; providing financial support for non-profit organizations
  - Over 2,000 organizations supported since inception; Support education, environment, civic & basic human needs
- 1,892 volunteer hours companywide in 2019




**Women hold 36%** of jobs across Delek




**Other than Caucasian ethnicity 39%** of the Delek workforce

- Programs supporting emotional, physical and financial wellness for employees and their families

Delek US fund for hope

## Governance

- DK's governance structure reflects our commitment to serve the best interests of our company and its stakeholders

### Our Board Consists of Independent and Diverse Directors

- Board members have diverse backgrounds and experience
- 71% of Directors are Independent
- 7 board members including one female
- **Board Committees:** The Board relies on 4 standing committees to assist in overseeing the affairs of the Company
  - Environmental, Health & Safety Committee (EHS)
  - Audit Committee
  - Compensation Committee
    - 96.4% Favorable shareholder support on Say on Pay vote in 2020
  - Nominating and Corporate Governance Committee




1. Data represents Delek hours for all business units, excluding Delek Logistics, which is a separate public company
2. Rates calculated using the OSHA formula, which is based on 100 full-time employees for a one-year period (2,000 hours).

# Distinguishing Characteristics

**$175mm of Total Savings**

$75mm CAPEX Reduction *(vs. prior guidance)*
$75mm Decrease in OPEX *(vs. 2019 levels)*
$25mm Decrease in Overhead *(vs. 2019 levels)*

**Niche Markets** + **Contango** + **Improving Regional Demand** = **Higher Utilization**

**Provides insulation in downturn**

**Retail business offers product outlet**

**All purchased barrels subject to Contango**

**$1/Bbl Contango equates to ~$100 million annually** *(assumes 97% utilization)*

**Contango 2Q[1]:**
**March: $1.06**
**April: $6.28**
**May: $1.94**
*(one month lagged impact)*

**Economy opening in our regional footprint**

**Texas has moved to Phase 2, allowing bars and other businesses to open at 25% capacity. Restaurants allowed to be at 50% capacity.**

**Combination of cost savings, niche product markets and feedstock advantages equates to utilization above industry average**

**Mid-point of 2Q20 crude throughput guidance implies ~80% utilization**

**Note: June 3rd, EIA refining utilization rate = 71.8%**

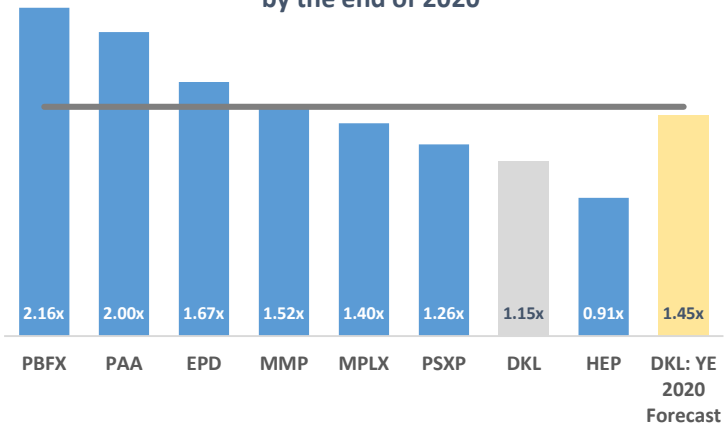
1) Source: Platts and NYMEX as of June 3, 2020

# DKL Relative to Peer Group

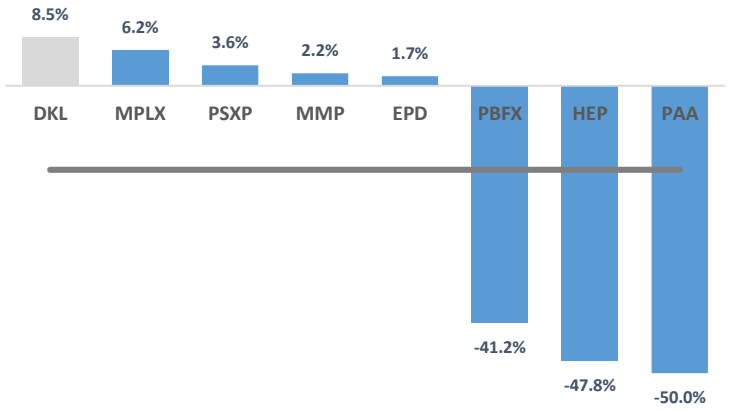
## Where It is and Where It is Going

### 1Q20 Distribution Coverage

Visibility for distribution coverage in the range of 1.4x to 1.5x by the end of 2020

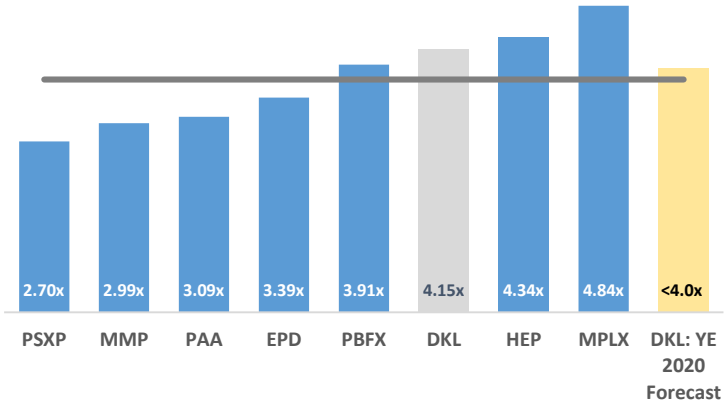



### Yr/Yr Distribution Growth

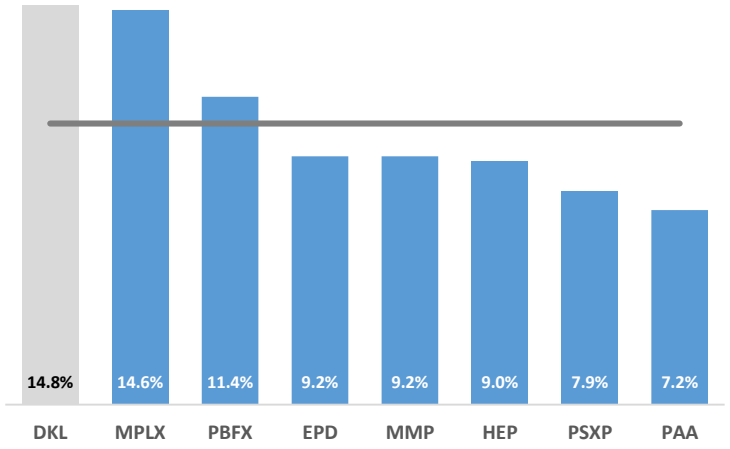



### 1Q20 Leverage Ratio

Visibility for leverage ratio below 4.0x by the end of 2020




### Current Dividend Yield[(1)]




(1) Updated from Factset as of June 1, 2020.

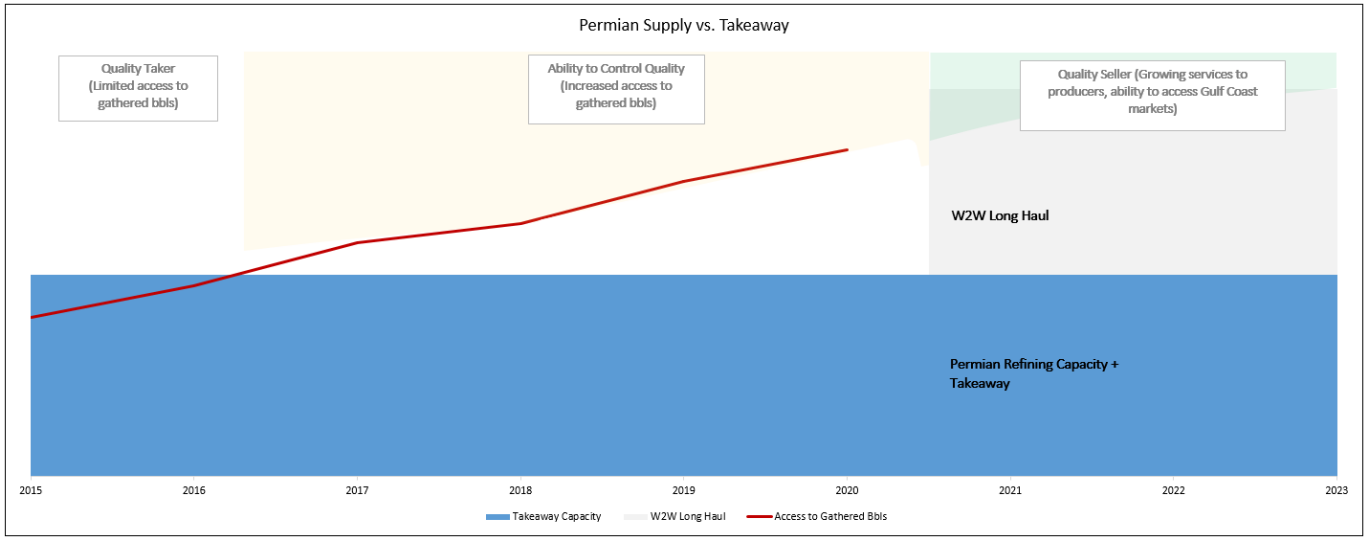
# Midstream: Big Spring Gathering System

*Gathering Helps Control Crude Oil Quality and Cost into Refineries*

## Big Spring Gathering System

- Approximately 200-mile gathering system,
  - 350Kbpd throughput capacity
- >275,000 dedicated acres;
  - Points of origin: Howard, Borden, Martin and Midland counties
- Total terminal storage of 650K bbls;
  - Connection to Big Spring, TX terminal

- **Getting closer to wellhead allows us to control crude quality and cost**
  - Provides improvement in refining performance and cost structure
- **Drop down to DKL completed in Q1 2020**
- **Gathering increases access to barrels**
  - Creates optionality to place barrels:
    - Big Spring (local refinery)
    - Midland
    - Colorado City (access other refineries)
    - Wink (to Gulf Coast)
  - Control quality and blending opportunities




## Delek Logistics Acquired 1Q20

- **$30 - $32 million expected annualized EBITDA underpinned by MVC DK to DKL [1]**
  - **MVC 120mbbl/d for Big Spring system in addition to 50mbbl/d connection to 3rd party pipeline system**
- **CAPEX potential of $33.8 million if requested by DK, matched with MVC providing 12.5% ROR**

1) Please see page 43 for a reconciliation of forecasted incremental annualized net income to forecasted EBITDA for the Big Spring Gathering System.

# Midstream: Wink to Webster Crude Oil Long Haul Pipeline Joint Venture

*Complements Gathering – Provides Access to Gulf Coast Markets*

**Wink to Webster Pipeline JV**

- 650-mile 36-inch diameter crude oil pipeline
- Wink to Webster Pipeline LLC – Exxon, Plains, MPLX, Delek US, Rattler Midstream, Lotus Midstream
- Total system expected completion 2021
- Supported by significant volume of long term commitments




- **Delek US' Investment**
  - Delek US has 15% ownership interest in Wink to Webster Pipeline LLC
  - Expected $340 million to $380 million net investment
  - Integrated with Big Spring gathering system to provide source of barrels and services to producers
- **Well above Delek US' targeted minimum required midstream IRR of 15%**
- **Secured project financing for approximately 80% of our investment**
  - **~$69 million reimbursement in 1Q20**
  - **Results in ~$75 million equity contribution; balance to be project financed**

# Midstream: Red River Pipeline Joint Venture

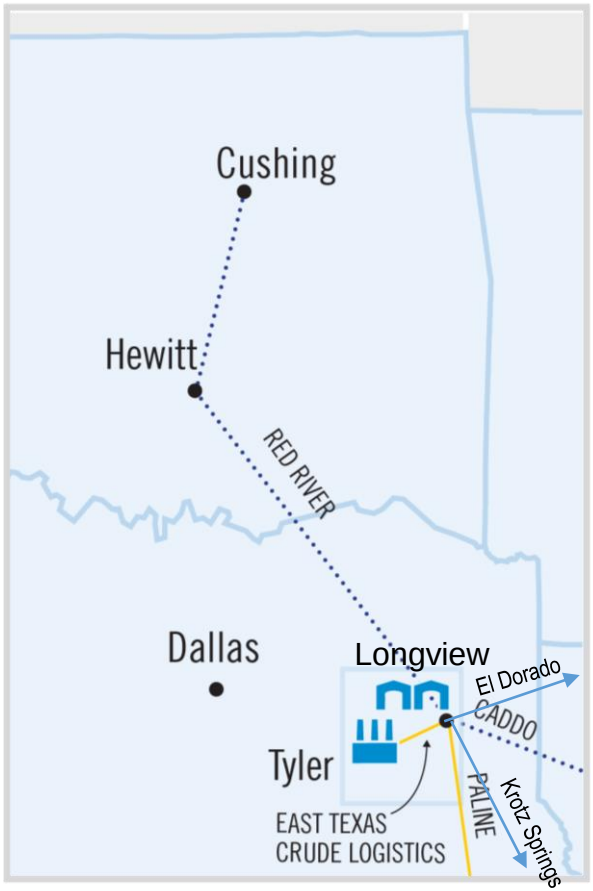
- **DKL purchased 33% interest in May 2019**
  - Approx. $128.0 million initial investment; Financed with revolver
  - DKL will contribute $20.0 million to the expansion, of which $3.5 million was included in initial investment in May 2019
- **Expected annualized adjusted EBITDA**
  - Expected $13.5 to $15.5 million annualized adjusted EBITDA(1) pre-expansion
  - Increases to $20.0 to $25.0 million annualized adjusted EBITDA(1) post-expansion second half 2020

**Delek US is a major shipper on pipeline; increased crude oil optionality**

- Increasing by 65,000 bpd to 100,000 bpd following expansion;
- Incremental 24 million bbls/yr of Cushing crude oil into Longview, TX
- **From Longview, TX DKL access to:**
  - Delek US refining system; Ability to reduce dependence on Midland crude oil at Tyler, El Dorado and Krotz Springs
  - Gulf Coast markets through Paline and other third party pipelines
  - Increases potential WTI-Brent exposure with limited cost to the company

## Red River Pipeline JV

- Planned expansion from 150 kbpd to 235 kbpd
- Expected completion in second half of 2020
- Delek US is a major shipper on pipeline; increased crude oil optionality



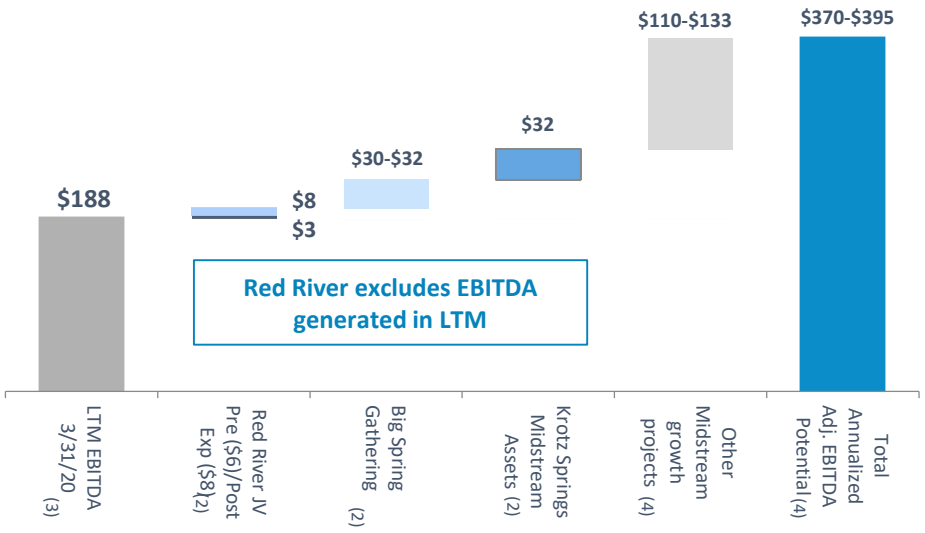

1) Please see page 42 for a reconciliation of forecast incremental annualized net income to forecast incremental annualized adjusted EBITDA.

# Midstream: Utilizing Free Cash Flow & Strong Balance Sheet to Fund Growth

*Supports goal to generate approximately $370 million to $395 million of annualized midstream adjusted EBITDA by '23*

## Strong Adjusted EBITDA Growth Profile from Midstream Initiatives (1)

($ in millions)




**Delek US announced goal to achieve midstream target by 2023**

**Delek Logistics provides platform to unlock logistics value**

### Red River Joint Venture (2)

- Pre Expansion: Expected $13.5 to $15.5 million annualized adjusted EBITDA
- Post Expansion: Expected to increase to $20.0 to $25.0 million annualized adjusted EBITDA (second half 2020 completion)

### Big Spring Gathering

- $30 - $32 million EBITDA underpinned by MVC DK to DKL (2)
- MVC 120mbbl/d for Big Spring system in addition to 50mbbl/d connection to 3rd party pipeline system

### Krotz Springs Midstream Assets

- $30 to $34 million expected annualized EBITDA / year (2)

### Midstream Growth Projects by 2023:

- Other organic midstream growth projects being invested in by strong sponsor DK
  - Wink to Webster Long Haul
  - Other organic growth

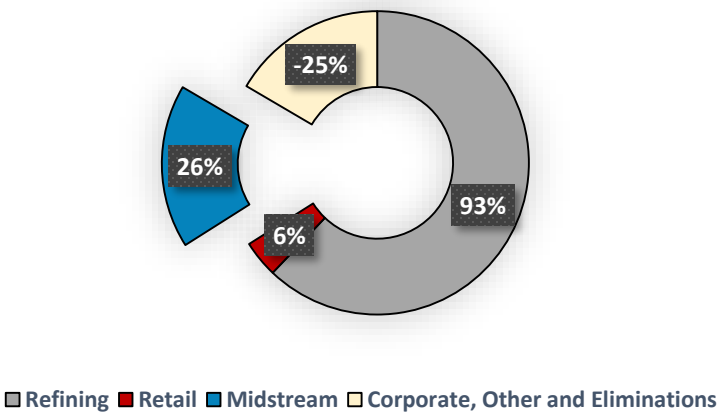
1) Information for illustrative purposes only to show potential based on estimated dropdown assets listed. Actual amounts will vary based on market conditions, which assets are dropped, timing of dropdowns, actual performance of the assets and Delek Logistics in the future. Expected amounts adjusted for what is captured in the LTM period.
2) Please see pages 36, 42, and 43 for a reconciliation of forecasted EBITDA or adjusted EBITDA to forecasted net income for the Krotz Springs midstream assets, Big Spring Gathering, and Red River joint venture. respectively.
3) Please see page 40 for reconciliation of Delek Logistics net income to EBITDA.
4) We are unable to provide a reconciliation of this forward-looking estimate of adjusted EBITDA because certain information needed to make a reasonable forward-looking estimate of net income is difficult to estimate and dependent on future events, which are uncertain or outside of our control, including with respect to unknown construction timing, unanticipated construction costs and other potential variables. Accordingly, a reconciliation to net income as the most comparable GAAP measure is not available without unreasonable effort. These amounts that would require unreasonable effort to quantify could be significant, such that the amount of projected GAAP net income would vary substantially from the amount of EBITDA adjusted projected.

# Transforming to More Diversified Adjusted EBITDA

- **Midstream to comprise increasing % of future adjusted EBITDA**
  - More stable revenue stream
  - Higher multiple business
- **Refining contribution supported by operating cost and overhead reductions**
- **Base adjusted EBITDA performance progressively moving higher based on high grading the portfolio and stable growth projects**
- **Offers integration and synergies; participation in broader value chain**

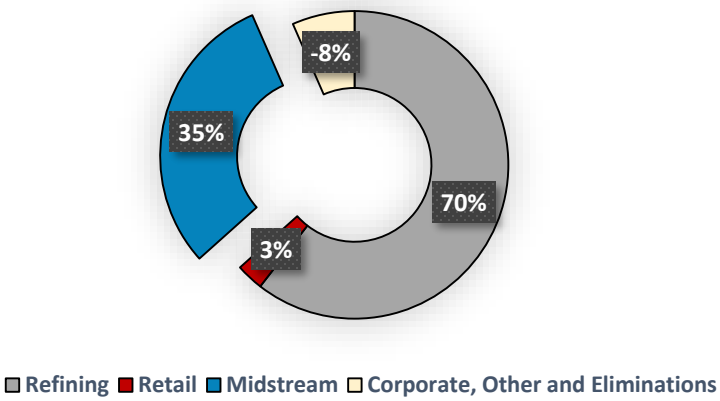
## 2019

**Adjusted EBITDA (1)**




## 2022-2023 Potential

**Adjusted EBITDA (2)**




1) As of December 31, 2019.
2) Delek US 2022 - 2023 target: Actual results will vary based on market conditions, operations and company performance. Please refer to the forward looking statement disclaimer on page 2 for additional considerations.

# Previous Organic Capital Spend Drives Future EBITDA

## *Growth Capital Diversifies EBITDA Base*

### Divested Underperforming Assets

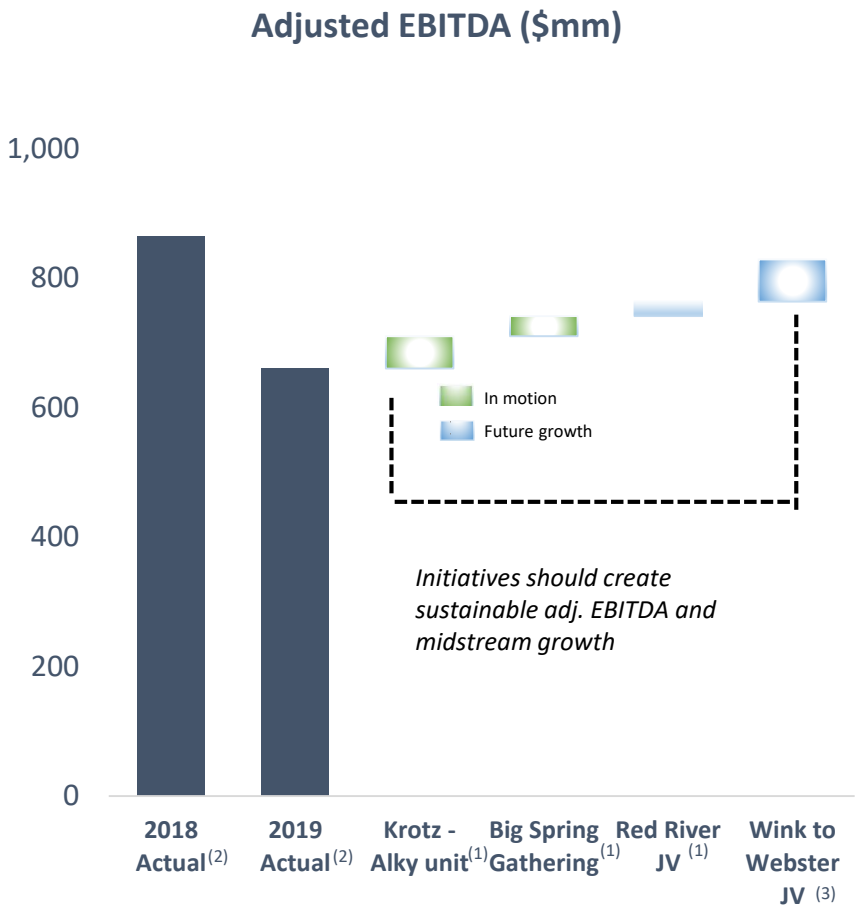
- '18 divested Paramount, CA/AltAir Renewables, West Coast Asphalt terminals, Long Beach, CA
  - (collectively removed ~$35mm of annual carrying costs - based on 2017 run rate)
- Announced $40 million sale of Bakersfield May 2020, removes ~$14 million annual operating expenses & overhead

### Optimized Assets

- Simplified corporate structure with ALDW transaction
- Interest expense savings from simplified debt structure
- Delivered $100mm synergies from Alon Merger (ex-interest expense)
- Unlocked Big Spring Logistics value with drop down to DKL

### Diversifying Portfolio / Incremental Contributions

- Legacy capital investments should lead to stable midstream and gathering build-out
- Krotz alkylation unit ~$50mm/yr expected EBITDA (1)
- Big Spring Gathering expected annual EBITDA $30 to $32 million
- Red River expansion complete second half '20
  - $20-$25mm/yr expected adjusted EBITDA (1)
- Wink to Webster expected completion '21
  - expected greater than 15% unlevered IRR on $340-$380mm capital investment




1) Please see pages 35, 42, and 43 for a reconciliation of forecasted EBITDA or adjusted EBITDA to forecasted net income for Krotz Springs Alkylation Project, Red River joint venture and Big Spring Gathering System, respectively.
2) Please see page 37 for a reconciliation of actual Adjusted EBITDA to Net Income for 2019 and 2018.
3) We are unable to provide a reconciliation of this forward-looking estimate of EBITDA because certain information needed to make a reasonable forward-looking estimate is difficult to estimate and dependent on future events, which are uncertain or outside of our control, including with respect to unknown construction timing, unanticipated construction costs and other potential variables. Accordingly, a reconciliation to net income as the most comparable GAAP measure is not available without unreasonable effort.

# Retail: Diversifies Delek

## DK Advantage and Footprint

- ~80% integration with existing downstream operations offering synergies and competitive advantage
- Operate approximately 253 C-stores in Central and West Texas and New Mexico







## Ongoing Strategy

- Divesting underperforming stores
- Rebrand 7-Eleven stores to DK by 2022
- Implement interior re-branding/re-imaging
- Longer-term build out to industry (NTI) stores

# Renewables: Biodiesel Facilities

**3 Biodiesel Facilities:**
**~40mm gallons of Annual Biodiesel Production Capacity**

- Crossett, AR
- Cleburne, TX
- New Albany, MS

- Congress Approved $1/gallon Biodiesel Tax Credit (BTC) for 2018 – 2022
- $1/gallon BTC leads to improved economics
- Integrated with refining system: Ability to Sell Volumes "In-House" and Retain Most of the Credit
- Renewables Business Enhances ESG Position

## Estimated Carbon Saved by producing Lower Carbon Intensity Fuel [1]

**~1 Billion**
Miles driven by an average passenger vehicle

-or-

**~86,500**
Passenger vehicles driven for one year



**~52 billion**
Number of smartphones charged

-or-

**~940,000**
Barrels of oil consumed

**40mm gallons of biodiesel**
**=**
**407,200 metric tons of carbon reduction**

1. Source: EPA; https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator. Please note that these estimates are approximate and should not be used for emission inventory or formal carbon footprinting exercises.

# PADD 3 Refining System with Crude Slate Optionality

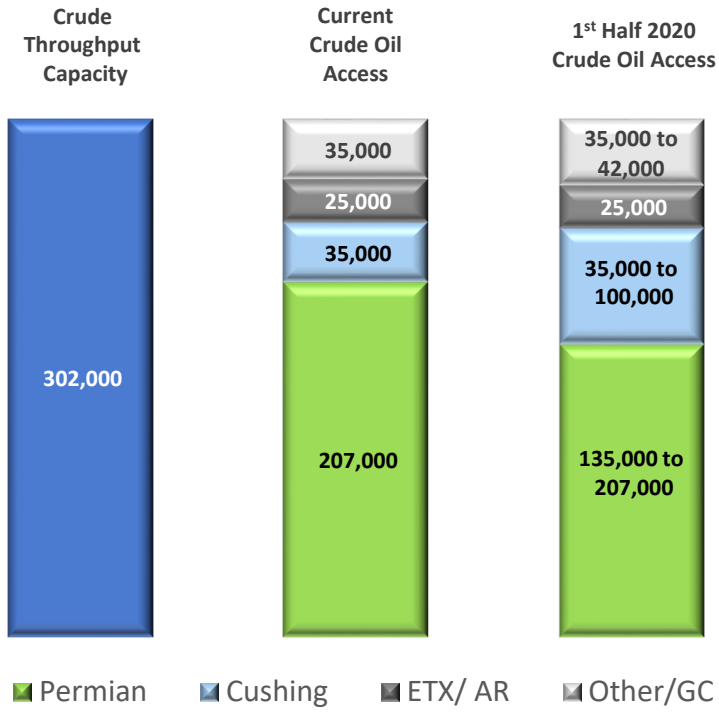
**Tyler, Texas**
- 75,000 bpd crude oil throughput
- 8.7 complexity
- Light crude oil refinery
- Permian Basin, Cushing and East Texas sourced crude oil

**El Dorado, Arkansas**
- 80,000 bpd crude oil throughput
- 10.2 complexity
- Flexibility to process medium and light crude oil
- Permian Basin, local Arkansas, East Texas, Cushing and Gulf Coast crude oils

**Big Spring, Texas**
- 73,000 bpd crude oil throughput
- 10.5 complexity
- Process WTI and WTS crude oil
- Located in the Permian Basin

**Krotz Springs, Louisiana**
- 74,000 bpd crude oil throughput
- 8.8 complexity
- Permian Basin, Cushing, local and Gulf Coast crude oil sources

## Increasing Access to Cushing Crude Oil Grades, bpd

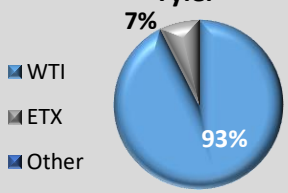



***Crude Oil Optionality** - Red River pipeline joint venture to increase access to Cushing crude oil from 35,000 bpd to 100,000 bpd following expansion in first half 2020*

- *Brings total barrels priced on a Cushing basis, excluding Midland, to 125,000 bpd*

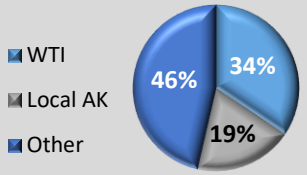
**1Q20**

**Tyler[1]**



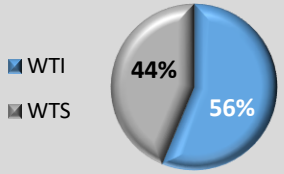

100% WTI linked

**El Dorado[1]**



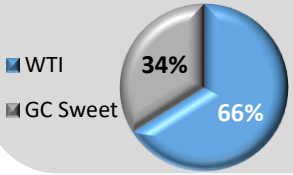

100% WTI linked

**Big Spring[1]**




100% WTI linked

**Krotz Springs[1]**




75% WTI linked

1) Crude oil slate based on amount received year-to-date as of March 31, 2020 and will vary each period based on operations and purchases.

Note: WTI-Brent differential realized through crack spread and capture rates and Midland-WTI differential realized in crude slate.

# Niche Market = Margin Strength

*Permian Centric Assets Offer Advantaged Access*

## Transportation economics should set the differential

- Barrels need incentive to clear the market
- The "incremental barrel" must be exported
- Permian should remain discounted to Brent
- Pipeline tariff renegotiations have reduced costs

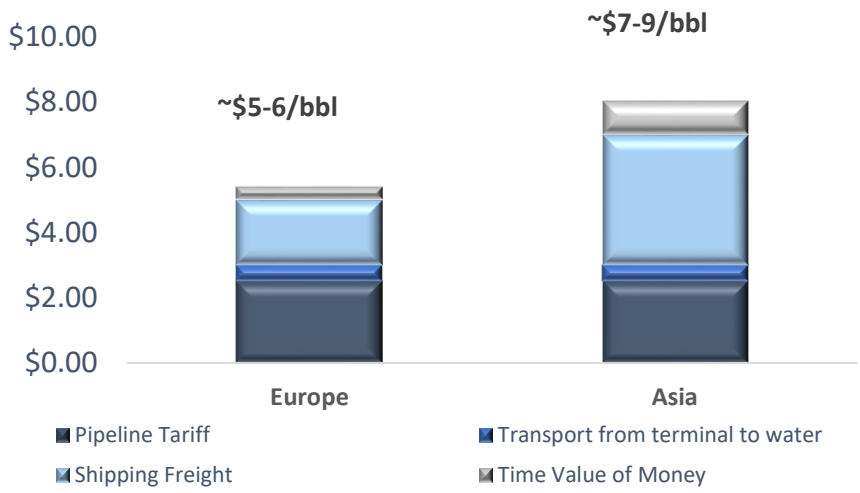
## Midland

- Permian key driver of domestic production growth
- New Permian pipes divert crude from Cushing
- Gulf Coast export constraints remain a variable
- Refining downtime to cause ebb/flow of diffs

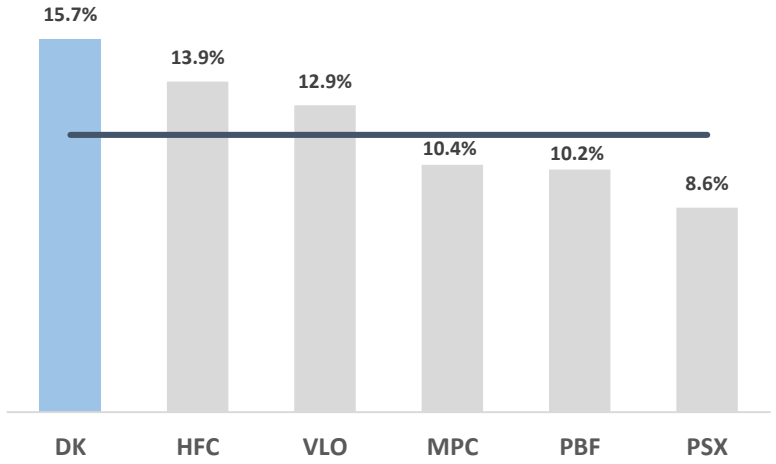
## Red River creates optionality to access Cushing bbls

- 65mbbl/d expansion in 2H20
- Currently access ~75mmbbl Midland crude annually
  - $1/bbl move in Midland to Cushing equates to $75mm annually
- Red River creates optionality to reduce down to 50mmbbl Midland annually;
  - $1/bbl change would equate to $50mm annually

### Long-Term Indication of Permian/Brent Export Economics (1)




### Refining ROCE (5-Year Average) (2)




1) Illustrative of market dynamics December 2019.
2) Source: U.S. Capital Advisors YTD through May 7, 2020.

# Long-Term Capital Allocation Framework

*Four pillars underpinned by a rigorous and disciplined capital allocation program to create long-term value*

**Priorities:**

- **Invest:** Capital allocation program focuses on safety, maintenance, and reliability as top priority
- **Dividends:** Maintain a competitive, commensurate with underlying earnings power
- **Grow:** Maintain financial strength and flexibility to support strategic growth objectives
- **Return excess cash / Enhance Balance Sheet:** Reduce net debt and/or opportunistically repurchase shares

## Non-Discretionary

### Sustaining & Regulatory Capex

- Approximately $130 million sustaining capex/yr
- Between $50-$70 million per turnaround
- Critical for safe and reliable operations
- Various amounts for regulatory capex

### Dividend

- Maintain dividend commensurate with underlying earnings growth of the company
- Level that can be maintained through the cycle

## Discretionary

### Growth Capex

- 25% IRR for >$5mm projects at Refining; <$5mm is 50% IRR
- >15% IRR minimum hurdle rate for Retail projects, dependent on size
- >15% IRR hurdle rate for stable cash flow Logistics projects

### Cash Returns to Shareholders

- Target competitive overall cash return; Share repurchases may be opportunistic based on alternative investment opportunities and relative valuations

### Acquisitions

- Evaluate accretive opportunities as they arise vs. alternative uses of cash

### Opportunistically De-lever

- Continue to optimize the balance sheet
- Opportunistically repay DK debt when FCF supports it

# Capital Allocation – Balanced & Flexible

- **2020 includes the following projects:**
  - **Big Spring Turnaround**
    - Completed in early March 2020
- **Spent 76% of full-year budget in First Quarter 2020**
  - Remaining 2020 spend only ~$60 million
- **CAPEX expected to decline approximately**
  - 23% from original 2020 forecast
  - 42% from 2019 actuals
- **Does not include joint venture investments for recently announced transactions**
  - (Wink to Webster; Red River)

| | 2020 | | | 2019[2] |
|---|---|---|---|---|
| **Capital Forecast** | **YTD[1]** | **Current** | **Prior** | **Actuals** |
| Refining | $168.1 | $205.7 | $205.2 | $266.6 |
| Logistics | $3.0 | $17.6 | $22.7 | $9.9 |
| Retail | $6.2 | $8.6 | $26.2 | $20.5 |
| Other (includes gathering) [2] | $12.9 | $18.1 | $71.6 | $131.1 |
| **Total** | **$190.2** | **$250.0** | **$325.7** | **$428.1** |

1) YTD as of March 31, 2020.
2) Excludes purchases of rights-of-way in the amount of $19.1 million in 2019.

# Capital Allocation Discipline

## Maintaining a Strong Balance Sheet

- Should support ability to invest in the business and return cash to shareholders
- Provides ability to act quickly to take advantage of opportunities
- DK excluding DKL, had $781 million of cash and $496 million net debt at 03/31/20

## Capital Allocation Discipline in Practice

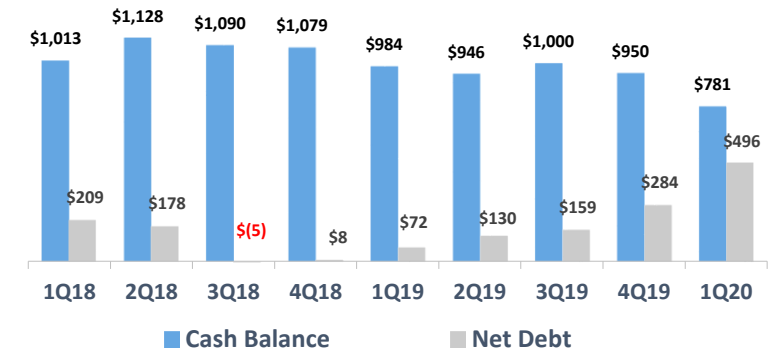
### Investing in the Business

- Big Spring Turnaround completed in 1Q20
  - No other major turnaround scheduled for 2020

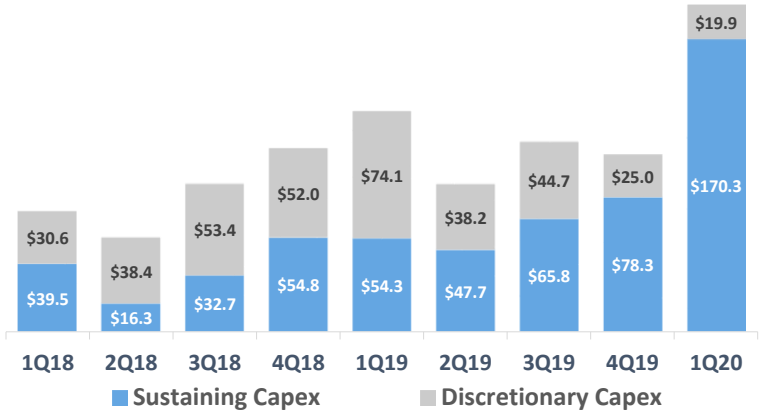
### Growing the Business

- Complete Midstream Growth Projects
  - Big Spring Gathering System capital spending
  - Joint Venture Contributions
    - Wink to Webster long haul pipeline joint venture
    - Red River Joint Venture
- Improving Refining operations
  - Krotz alkylation project (Completed April '19)

### Cash Balance & Net Debt (DK Ex. DKL)(1)




### Capital Expenditures(1)(2)

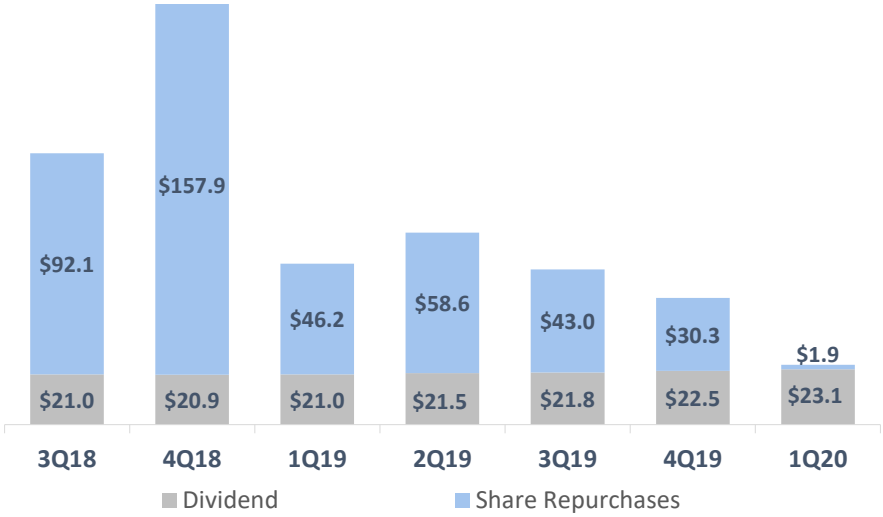



1) Based on company filings from Q1 2018 through Q1 2020. Sustaining capex defined as regulatory & maintenance capital expenditures. Capital expenditures does not include joint venture contributions.
2) Excludes purchases of rights-of-way in the amount of $19.1 million in 2019.

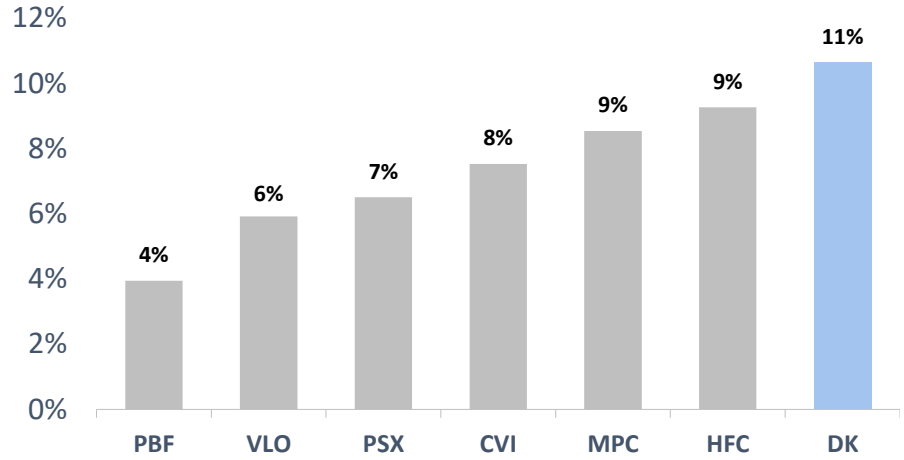
# Capital Allocation Discipline in Practice

## *Cash Returned to Shareholders*

### Delek US Cash Returned[1]




### 2019 Cash Returned to Shareholders as % of Market Cap[2]

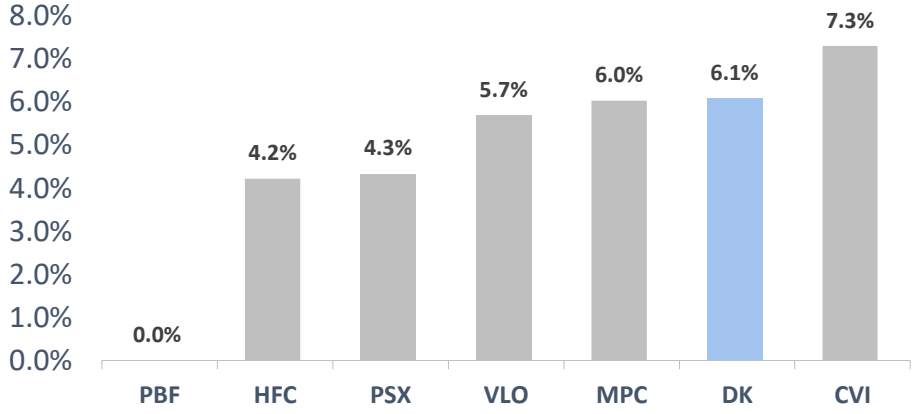



### Dividends Declared ($/share)

Raised quarterly dividend seven times since 1Q18 to $0.31/share




### Dividend Yield [3]




1) Based on company filings from Q1 2018 through 1Q 2020.
2) Based on Factset data and company filings; market capitalization as of last quarter ending 12/31/2019
3) Based on Factset data as of 5/7/2020

Delek US



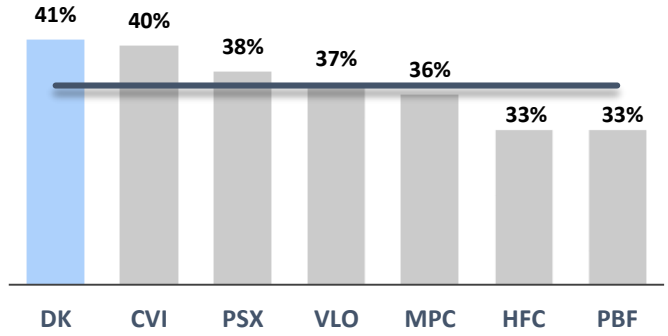
# Market Opportunities & Valuation

# Peer Leading Light Products Yield

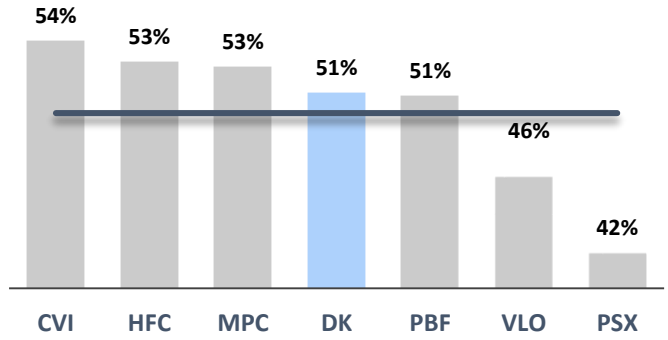
*Delek US positioned to benefit with high value product yields and crude oil slate flexibility*

- **Refining system product yields**
  - Middle distillate: average approx. 115,000 bpd of distillate or 42 million barrels annually[4]
  - Gasoline: average approx. 150,000 bpd of gasoline or 55 million barrels annually[4]
  - Low residual products: approximately 2.9% yield [4]
  - Ability to switch ~10% between gasoline and distillate
- **Crude oil slate has flexibility**
  - Ability to increase sour crude oil processing to approximately 50% based on market economics
    - Big Spring refinery currently processes 26% WTS and can increase to 100%
    - El Dorado refinery flexibility to process light to medium sour crude oil (up to 100%) based on economics
- **Krotz Springs refinery idled FCC unit (reducing gasoline output) selling into IMO market**

## 1Q20 Refiners' Middle Distillates Yield % [1] [2] [3]




## 1Q20 Refiners' Gasoline Yield % [1] [3]




1) Industry average based on peer group.
2) Middle distillates yield includes distillate fuel oil, kerosene and kerosene-type jet fuel.
3) Sourced from respective company press releases, SEC filings, and earnings calls.
4) Average calculated based on 1Q20 results. Residual yield includes asphalt, road oil and residual fuel oil.

# Valuation Opportunity

## Partial Segment Sum of Parts

| Midstream | | |
|---|---|---|
| '23E EBITDA ($mm)* [1] [2] | EBITDA Multiple | |
| $383 | 8.0 x | 10.0 x |
| | $3,060 | $3,825 |
| **Retail Marketing** | | |
| '23E EBITDA ($mm) [1] | EBITDA Multiple | |
| $35 | 8.0 x | 10.0 x |
| | $280 | $350 |
| **Enterprise Value ($MM)** | | |
| Enterprise Value ($MM) | $3,340 | $4,175 |
| DK Consolidated Net Debt 1Q20* | $1,432 | $1,432 |
| Less DKL minority interest | $224 | $224 |
| Equity Value ($MM) | $1,684 | $2,519 |
| 1Q20 est. share count (mm) | 73 | 73 |
| **Equity Value ($/share)** | **$23** | **$34** |
| | *Mid-Pt* | *$29* |

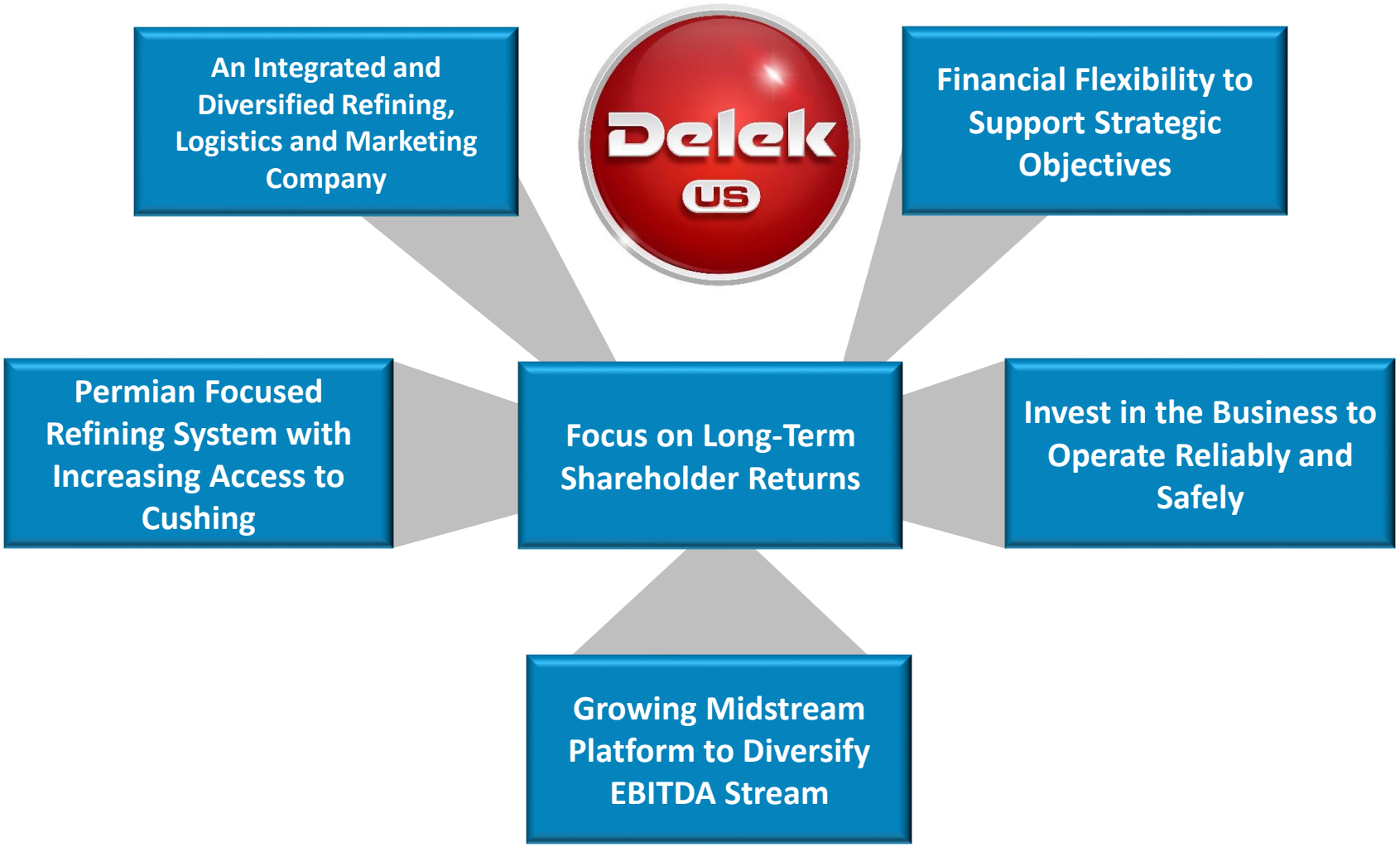
**Refining Value $0****

** Midstream growth funded w/ combination of project financing and free cash flow*

*** Net of corporate expenses*

- DK earnings stream to become more stable with midstream growth
- DK dividend yield well above S&P 500 average[3] (6.2% vs. 2.1%)
- Midstream & Retail EBITDA potential **"alone"** support current equity value

1) We are unable to provide a reconciliation of this forward-looking estimate of EBITDA because certain information needed to make a reasonable forward-looking estimate of net income is difficult to estimate and dependent on future events, which are uncertain or outside of our control, including with respect to unknown construction timing, unanticipated construction costs and other potential variables. Accordingly, a reconciliation to net income as the most comparable GAAP measure is not available without unreasonable effort. These amounts that would require unreasonable effort to quantify could be significant, such that the amount of projected GAAP net income would vary substantially from the amount of EBITDA projected.
2) Please refer to page 9 for additional midstream information.
3) Bloomberg as of 6/3/2020

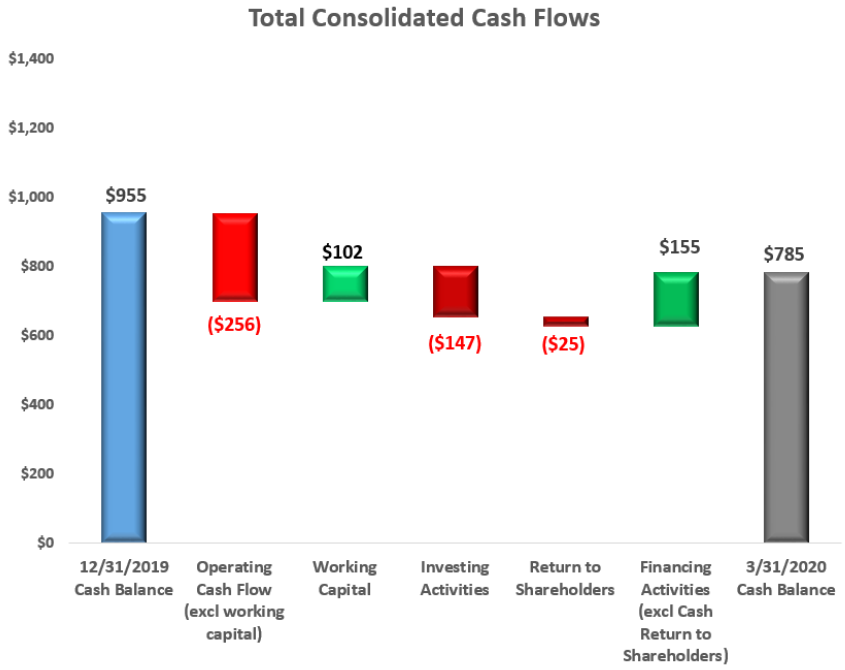

An Integrated and Diversified Refining, Logistics and Marketing Company
Financial Flexibility to Support Strategic Objectives
Permian Focused Refining System with Increasing Access to Cushing
Focus on Long-Term Shareholder Returns
Invest in the Business to Operate Reliably and Safely
Growing Midstream Platform to Diversify EBITDA Stream



# Appendix

# 1Q20 Cash Flows

- **Strong financial position with over $785 million of cash on the balance sheet**
- **Cash flow from operating activities of approx. $(154) million**
- **Working capital increased cash flow by approx. $102 million**
- **Total investing activities of approx. $147 million:**
  - Cash capital expenditures of approx. $190 million
  - Net JV proceeds of approx. $42 million
- **Total cash returned to shareholders of approx.** $25 million



# 1Q20 Guidance Range

| 2Q20 Guidance Range | Low | High |
|---|---|---|
| Consolidated Operating Expenses, $ in millions | $140.0 | $150.0 |
| Consolidated G&A, $ in millions | $57.0 | $63.0 |
| Consolidated Depreciation and Amort., $ in millions | $53.0 | $55.0 |
| Net interest expense, $ in millions | $32.0 | $34.0 |
| Estimate Diluted Share Count (exclusive of repurchases) | 73.1 | 73.4 |
| Total Crude Throughput | 230,000 | 250,000 |

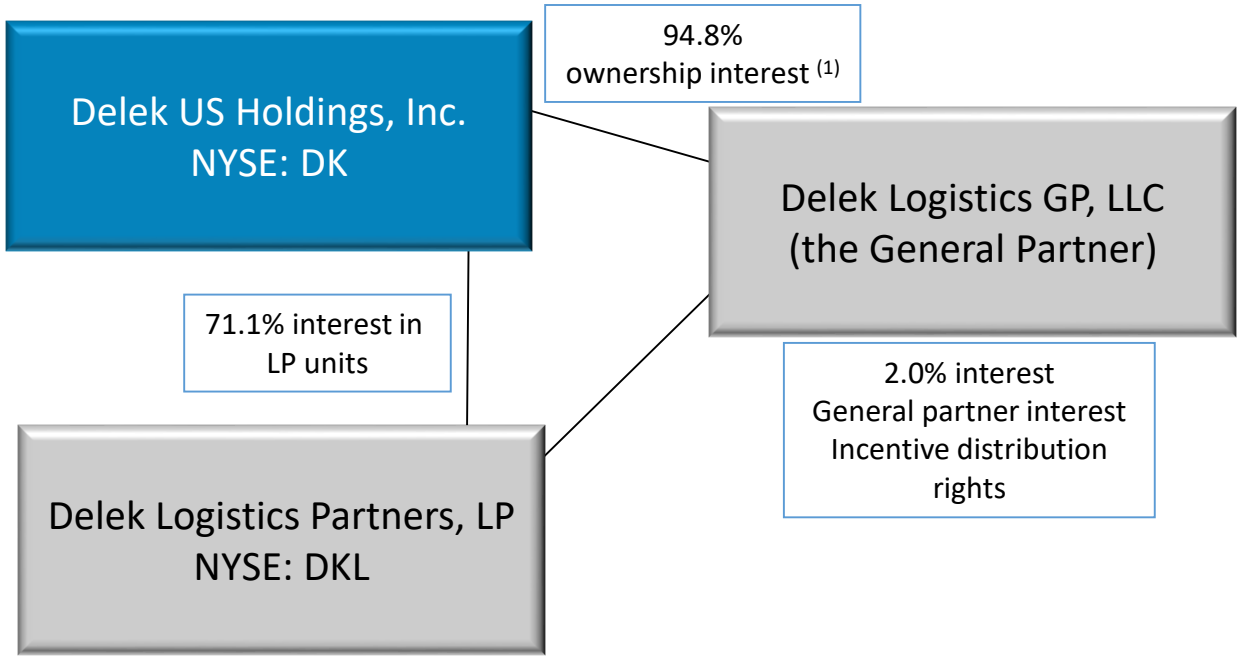
**$175mm of Total Savings**

$75mm CAPEX Reduction *(vs. prior guidance)*

$75mm Decrease in OPEX *(vs. 2019 levels)*

$25mm Decrease in Overhead *(vs. 2019 levels)*

# Current Delek US Corporate Structure



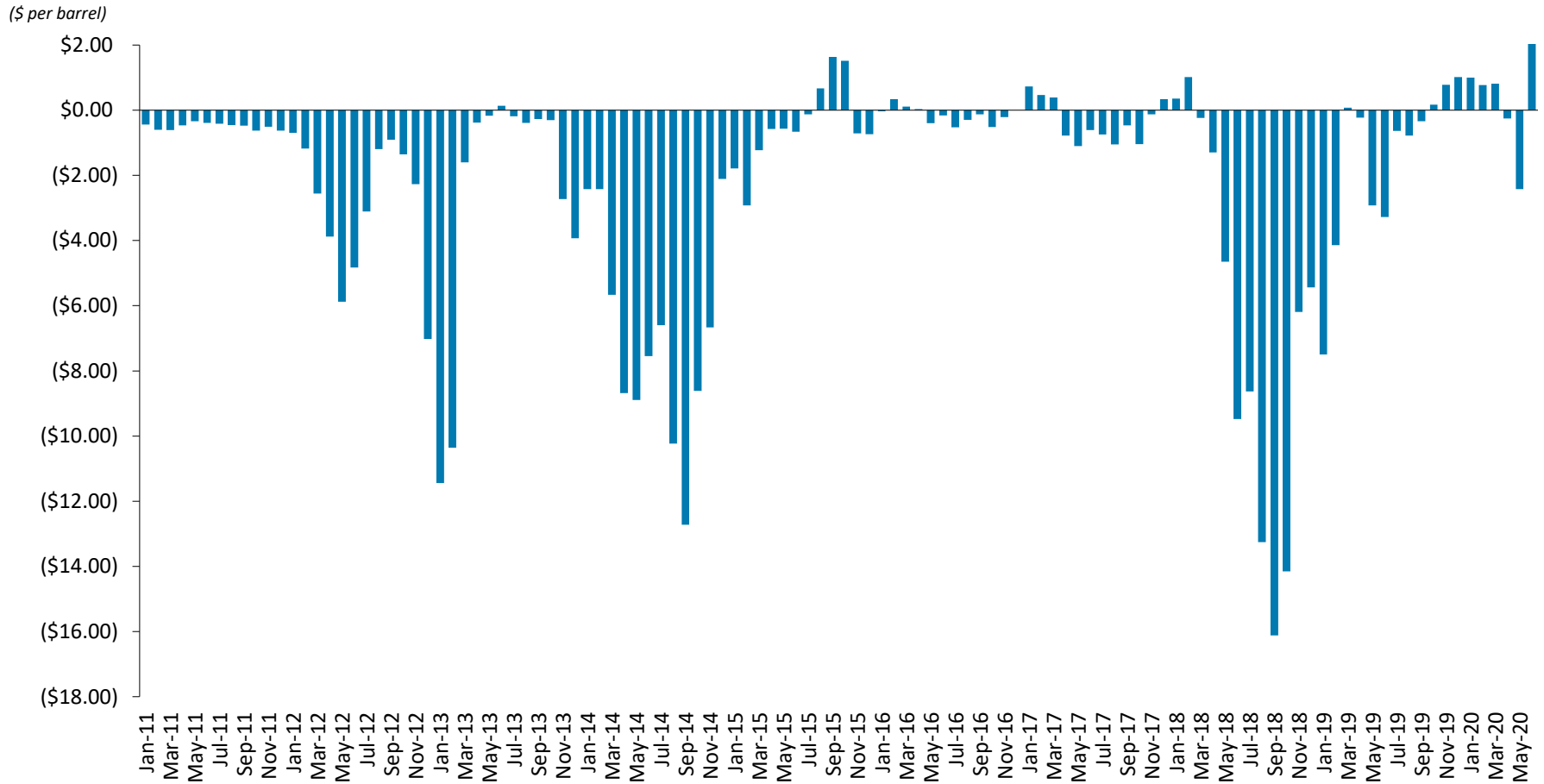

1) As of June 2020, 5.2% of the ownership interest in the general partner is owned by two members of senior management of Delek US (who are also directors of the general partner). The remaining ownership interest is held by a subsidiary of Delek US



# Market Data

# Access to Midland Crude Oil Benefits Margins

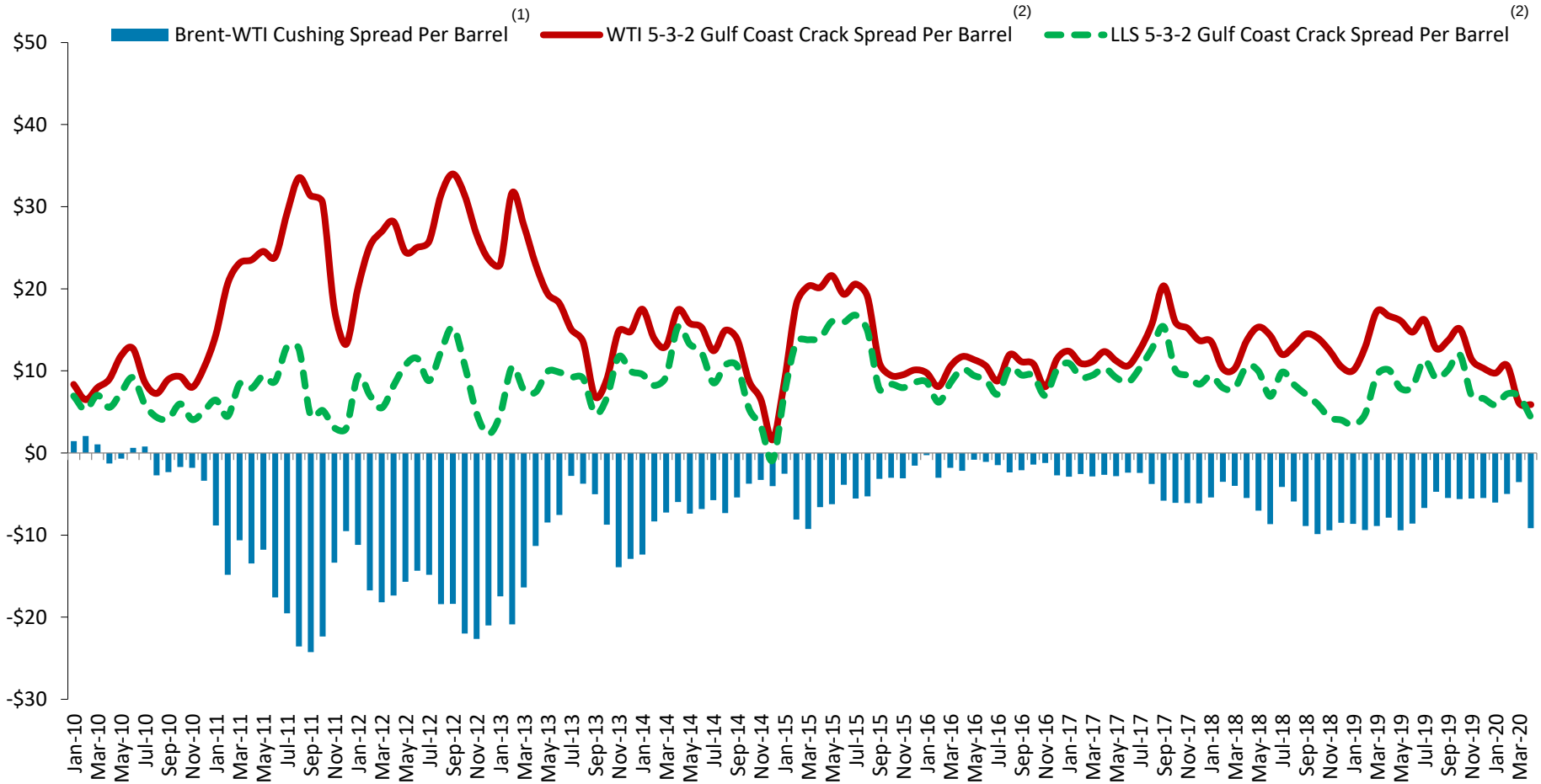
## *WTI Midland vs. WTI Cushing Crude Oil Pricing (1)*




1) Source: Argus – as of June 3, 2020

# U.S Refining Environment Trends

## *Refined Product Margins and WTI-Linked Feedstock Favor Delek US*




1) Source: Platts and NYMEX as of June 2020; 5-3-2 crack spread based on HSD
2) Crack Spreads: (+/-) Contango/Backwardation



# Reconciliations

# Non-GAAP Reconciliation of Alkylation Project EBITDA(1)

**Reconciliation of Forecast Incremental U.S. GAAP Net Income (Loss) to Forecast Incremental EBITDA for Alkylation Project**

| *($ in millions)* | | **Annual Amount** |
|---|---|---|
| Forecasted Incremental Net Income | $ | 33.2 |
| Add Forecasted Incremental Amounts for: | | |
| Interest Expense, net | $ | - |
| Income tax expense | $ | 9.9 |
| Depreciation and amortization | $ | 6.9 |
| **Forecasted Incremental EBITDA** | $ | 50.0 |

1) Based on projected potential future performance from the alkylation unit project at Krotz Springs. Amounts of EBITDA, net income and timing will vary. Actual amounts will be based on performance of the project and market conditions.

# Non-GAAP Reconciliation of Krotz Springs Potential Dropdown EBITDA(1)

**Krotz Springs Logistics Drop Down**

**Reconciliation of Forecast Incremental U.S. GAAP Net Income (Loss) to Forecast Incremental EBITDA**

*($ in millions)*

| | Forecasted Range | |
|---|---|---|
| Forecasted Incremental Net Income | $ 2.9 | $ 3.3 |
| Add Forecasted Incremental Amounts for: | | |
| Depreciation and amortization | 15.6 | 17.7 |
| Interest and financing costs, net | 11.5 | 13.0 |
| **Forecasted Incremental EBITDA** | **$ 30.0** | **$ 34.0** |

1) Based on projected range of potential future logistics assets associated with the Krotz Springs refinery that could be dropped to Delek Logistics from Delek US in the future. Amounts of EBITDA, net income and timing will vary, which will affect the potential future EBITDA and associated deprecation and interest at DKL. Actual amounts will be based on timing, performance of the assets, DKL's growth plans and valuation multiples for such assets at the time of any transaction.

# Non-GAAP Reconciliations of Adjusted EBITDA

## Delek US Holdings, Inc.

Reconciliation of Amounts Reported Under U.S. GAAP

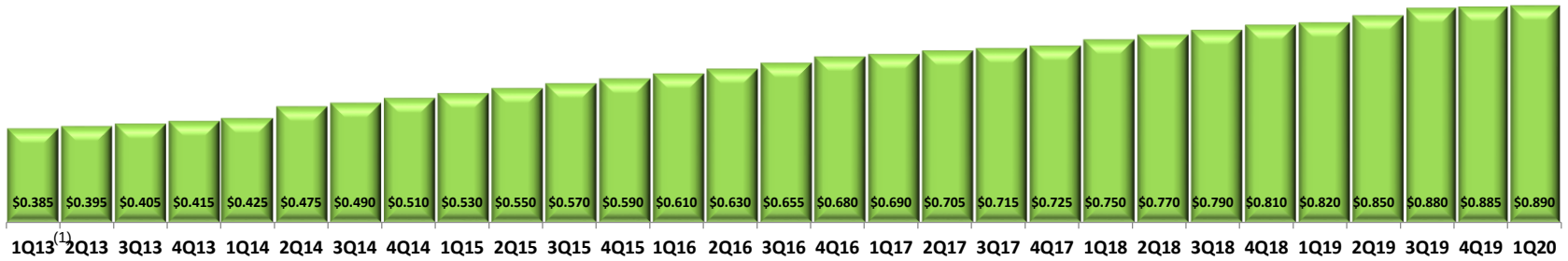
$ in millions

| Reconciliation of Net Income attributable to Delek to Adjusted EBITDA | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | (Unaudited) | | (Unaudited) | |
| **Reported net income attributable to Delek** | **$ 32.7** | **$ 121.6** | **$ 310.6** | **$ 340.1** |
| Add: | | | | |
| Interest expense, net | 33.4 | 27.9 | 119.8 | 120.1 |
| Loss on extinguishment of debt | — | — | — | 9.1 |
| Income tax expense - continuing operations | (12.1) | 29.6 | 71.7 | 101.9 |
| Depreciation and amortization | 47.6 | 53.0 | 194.3 | 199.4 |
| EBITDA | **101.6** | **232.1** | **696.4** | **770.6** |
| **Adjustments** | | | | |
| Net inventory valuation (benefit) loss | (20.8) | 53.4 | (52.3) | 51.3 |
| Environmental indemnification proceeds | — | (20.0) | — | (20.0) |
| Contract termination charges | — | 6.2 | — | 6.2 |
| Adjusted unrealized hedging loss (gain) | 17.1 | (27.1) | 26.1 | (28.6) |
| Transaction related expenses | — | 0.9 | — | 16.0 |
| Impairment loss on assets held for sale | — | — | — | 27.5 |
| Gain on sale of the asphalt business | — | (0.1) | — | (13.3) |
| Retroactive biodiesel tax credit [1] | (36.0) | 36.0 | (36.0) | 11.4 |
| Non-operating write-off of pre-acquisition asset | 4.8 | — | 4.8 | — |
| Discontinued operations (income) loss, net of tax | (6.0) | 0.2 | (5.2) | 8.7 |
| Net income attributable to non-controlling interest | 5.3 | 5.8 | 25.6 | 34.8 |
| Total adjustments | (35.6) | 55.3 | (37.0) | 94.0 |
| Adjusted EBITDA | **$ 66.0** | **$ 287.4** | **$ 659.4** | **$ 864.6** |

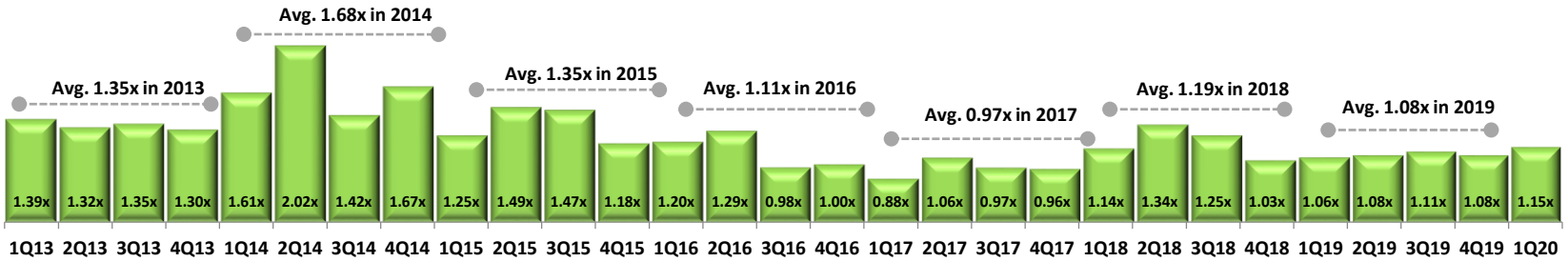
[1] The portion of the retroactive biodiesel tax credit that was attributable to 2018 has been adjusted out of both the three months and year ended December 31, 2019, and has been added to the three months and year ended December 31, 2018 for comparability. Additionally, the retroactive 2017 biodiesel tax credit that was enacted during the first quarter of 2018 has been adjusted out of the adjusted net income for the year ended December 31, 2018, also for comparability.

# Increased Distribution with Conservative Coverage and Leverage

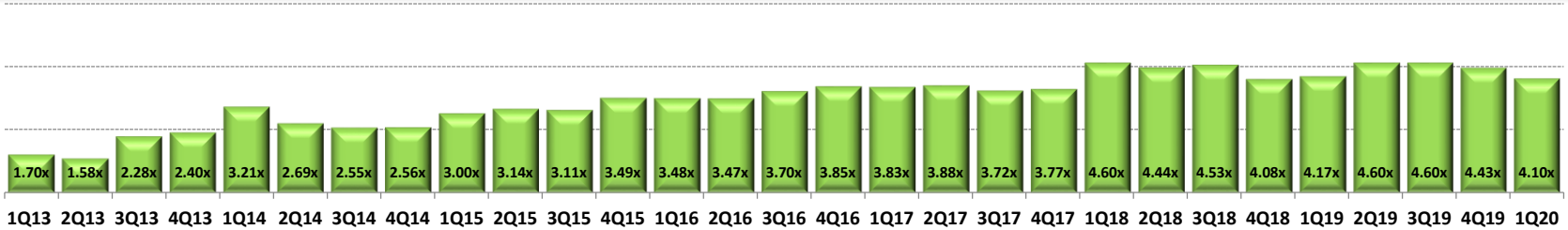
## Distribution per unit has been increased twenty-ninth consecutive times since the IPO




## Distributable Cash Flow Coverage Ratio (2)(3)(4)




## Leverage Ratio (4)




1) MQD = minimum quarterly distribution set pursuant to the Partnership Agreement.
2) Distribution coverage based on distributable cash flow divided by distribution amount in each period. Please see reconciliations starting on page 37.
3) In 4Q17, the reimbursed capital expenditure amounts in the determination of distributable cash flow were revised to reflect the accrual of reimbursed capital expenditures from Delek rather than the cash amounts received for reimbursed capital expenditures during the years ended December 31, 2017, 2016 and 2015.
4) Leverage ratio based on LTM EBITDA as defined by credit facility covenants for respective periods.

# DKL: Reconciliation of Cash Available for Distribution

| (dollars in millions, except coverage) | 2013 [2] | 1Q14 [2] | 2Q14[2] | 3Q14[2] | 4Q14[2] | 2014 [2] | 1Q15[2] | 2Q15 | 3Q15 | 4Q15 | 2015 [2][3] | 1Q16 | 2Q16 | 3Q16 | 4Q16 | 2016 [3] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reconciliation of Distributable Cash Flow to net cash from operating activities** | | | | | | | | | | | | | | | | |
| Net cash provided by operating activities | $49.4 | $14.4 | $31.2 | $20.1 | $20.8 | $86.6 | $15.8 | $30.8 | $20.2 | $1.3 | $68.0 | $26.4 | $31.2 | $29.2 | $13.9 | $100.7 |
| Accretion of asset retirement obligations | (0.2) | (0.1) | (0.1) | (0.1) | 0.0 | (0.2) | (0.1) | (0.1) | (0.1) | (0.1) | (0.3) | (0.1) | (0.1) | (0.1) | (0.1) | (0.3) |
| Deferred income taxes | (0.3) | 0.0 | (0.1) | (0.0) | 0.2 | 0.1 | (0.2) | 0.2 | 0.0 | 0.0 | (0.0) | - | - | - | 0.2 | 0.2 |
| Gain (Loss) on asset disposals | (0.2) | - | (0.1) | - | (0.0) | (0.1) | (0.0) | 0.0 | - | (0.1) | (0.1) | 0.0 | - | (0.0) | - | 0.0 |
| Changes in assets and liabilities | 8.3 | 3.4 | (6.0) | (1.6) | 3.0 | (1.2) | 3.3 | (7.3) | 3.6 | 20.5 | 20.1 | (5.4) | (7.1) | (10.0) | 7.7 | (14.9) |
| Distributions from equity method investments | | | | | | | | | | | | | | | | |
| Maint. & Reg. Capital Expenditures | (5.1) | (0.8) | (1.0) | (0.8) | (3.9) | (6.5) | (3.3) | (3.9) | (3.5) | (2.7) | (13.4) | (0.7) | (0.9) | (0.7) | (3.6) | (5.9) |
| Reimbursement for Capital Expenditures | 0.8 | - | - | - | 1.6 | 1.6 | 1.6 | 1.8 | 2.0 | 0.2 | 5.5 | 0.2 | 0.2 | 0.4 | 2.4 | 3.3 |
| Distributable Cash Flow | $52.9 | $17.0 | $24.0 | $17.7 | $21.8 | $80.3 | $17.1 | $21.4 | $22.2 | $19.0 | $79.8 | $20.4 | $23.3 | $18.8 | $20.6 | $83.0 |
| Distribution Coverage Ratio [1] | 1.35x | 1.61x | 2.02x | 1.42x | 1.67x | 1.68x | 1.25x | 1.49x | 1.47x | 1.18x | 1.35x | 1.20x | 1.29x | 0.98x | 1.00x | 1.11x |
| Total Distribution [1] | $39.3 | $10.5 | $11.9 | $12.4 | $13.1 | $47.9 | $13.7 | $14.4 | $15.1 | $16.1 | $59.3 | $17.1 | $18.1 | $19.3 | $20.5 | $75.0 |

| (dollars in millions, except coverage) | 1Q17 | 2Q17 | 3Q17 | 4Q17 [3] | 2017[3] | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 2018 | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 2019 | 1Q20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reconciliation of Distributable Cash Flow to net cash from operating activities** | | | | | | | | | | | | | | | | |
| Net cash provided by operating activities | $23.5 | $23.9 | $30.5 | $9.8 | $87.7 | $23.7 | $28.0 | $6.0 | $90.4 | $148.0 | $26.2 | $24.1 | $34.3 | $45.8 | $130.4 | $34.8 |
| Accretion of asset retirement obligations | (0.1) | (0.1) | (0.1) | (0.1) | (0.3) | (0.1) | (0.1) | (0.1) | (0.1) | (0.4) | (0.1) | (0.1) | (0.1) | (0.1) | (0.4) | (0.1) |
| Deferred income taxes | - | (0.1) | (0.0) | 0.3 | 0.1 | - | - | - | (0.2) | (0.2) | - | - | (0.1) | (0.6) | (0.7) | (1.3) |
| Gain (Loss) on asset disposals | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | (0.1) | 0.1 | (0.7) | (0.2) | (0.9) | (0.0) | 0.0 | 0.1 | 0.1 | 0.2 | 0.1 |
| Changes in assets and liabilities | (3.6) | 0.9 | (8.5) | 14.6 | 3.4 | 3.7 | 6.2 | 28.1 | (59.9) | (21.9) | 3.2 | 7.8 | 3.2 | (14.8) | (0.6) | 5.6 |
| Non-cash lease expense | | | | | | - | - | - | - | - | (1.0) | (0.4) | (1.1) | 2.4 | (0.2) | (2.9) |
| Distributions from equity method investments | | | | | | | | 0.3 | 0.2 | 1.2 | 0.8 | - | - | - | 0.8 | 0.1 |
| Maint. & Reg. Capital Expenditures | (2.2) | (2.1) | (0.7) | (4.4) | (9.4) | (0.3) | (1.0) | (2.4) | (3.5) | (7.2) | (0.8) | (1.0) | (3.7) | (2.9) | (8.5) | (0.9) |
| Reimbursement for Capital Expenditures | 0.9 | 0.5 | 0.4 | 1.7 | 3.5 | 0.4 | 0.3 | 1.3 | 0.9 | 2.9 | 0.7 | 0.7 | 1.2 | 3.2 | 5.8 | 0.0 |
| Distributable Cash Flow | $18.4 | $23.0 | $21.6 | $21.9 | $85.0 | $27.3 | $33.5 | $32.4 | $27.6 | $121.5 | $29.0 | $31.2 | $33.7 | $33.0 | $126.9 | $35.5 |
| Distribution Coverage Ratio [1] | 0.88x | 1.06x | 0.97x | 0.96x | 0.97x | 1.14x | 1.34x | 1.25x | 1.02x | 1.19x | 1.06x | 1.08x | 1.11x | 1.08x | 1.08x | 1.15x |
| Total Distribution [1] | $21.0 | $21.8 | $22.3 | $22.8 | $87.9 | $24.0 | $25.0 | $26.0 | $26.9 | $101.9 | $27.4 | $28.9 | $30.3 | $30.6 | $117.3 | $30.9 |

1) Distribution based on actual amounts distributed during the periods; does not include LTIP accrual. Coverage is defined as cash available for distribution divided by total distribution.
2) Results in 2013, 2014 and 2015 are as reported excluding predecessor costs related to the dropdown of the tank farms and product terminals at both Tyler and El Dorado during the respective periods.
3) In 4Q17, the reimbursed capital expenditure amounts in the determination of distributable cash flow were revised to reflect the accrual of reimbursed capital expenditures from Delek US rather than the cash amounts received for reimbursed capital expenditures during the years ended December 31, 2017, 2016 and 2015.

Note: May not foot due to rounding and annual adjustments that occurred in year-end reporting.

# DKL: Income Statement and Non-GAAP EBITDA Reconciliation

| | 2013[1] | 1Q14[1] | 2Q14 | 3Q14 | 4Q14 | 2014 [1] | 1Q15[2] | 2Q15 | 3Q15 | 4Q15 | 2015[2] | 1Q16 | 2Q16 | 3Q16 | 4Q16 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Revenue | **$907.4** | **$203.5** | **$236.3** | **$228.0** | **$173.3** | **$841.2** | **$143.5** | **$172.1** | **$165.1** | **$108.9** | **$589.7** | **$104.1** | **$111.9** | **$107.5** | **$124.7** | **$448.1** |
| Cost of Sales | (811.4) | (172.2) | (196.6) | (194.1) | (134.3) | (697.2) | (108.4) | (132.5) | (124.4) | (71.0) | (436.3) | (66.8) | (73.1) | ($73.5) | ($88.8) | (302.2) |
| Operating Expenses (excluding depreciation and amortization presented below) | (25.8) | (8.5) | (9.5) | (10.2) | (9.7) | (38.0) | (10.6) | (10.8) | (11.6) | (11.7) | (44.8) | (10.5) | (8.7) | ($9.3) | ($8.8) | (37.2) |
| Depreciation and Amortization | | | | | | | | | | | | | | | | |
| Contribution Margin | **$70.3** | **$22.8** | **$30.2** | **$23.7** | **$29.3** | **$106.0** | **$24.5** | **$28.8** | **$29.1** | **$26.2** | **$108.6** | **$26.8** | **$30.0** | **$24.7** | **$27.2** | **$108.7** |
| Operating Expenses (excluding depreciation and amortization presented below) | | | | | | | | | | | | | | | | |
| Depreciation and Amortization | (10.7) | (3.4) | (3.5) | (3.7) | (3.9) | (14.6) | (4.0) | (4.7) | (4.5) | (5.9) | (19.2) | (5.0) | (4.8) | ($5.4) | ($5.6) | (20.8) |
| General and Administration Expense | (6.3) | (2.6) | (2.2) | (2.5) | (3.3) | (10.6) | (3.4) | (3.0) | (2.7) | (2.3) | (11.4) | (2.9) | (2.7) | ($2.3) | ($2.3) | (10.3) |
| Gain (Loss) on Asset Disposal | (0.2) | - | (0.1) | - | - | (0.1) | - | - | - | (0.1) | (0.1) | 0.0 | - | ($0.0) | $0.0 | 0.0 |
| Operating Income | **$53.2** | **$16.8** | **$24.4** | **$17.5** | **$22.1** | **$80.8** | **$17.1** | **$21.1** | **$21.8** | **$17.9** | **$77.9** | **$19.0** | **$22.5** | **$17.0** | **$19.2** | **$77.7** |
| Interest Expense, net | (4.6) | (2.0) | (2.3) | (2.2) | (2.1) | (8.7) | (2.2) | (2.6) | (2.8) | (3.0) | (10.7) | (3.2) | (3.3) | ($3.4) | ($3.7) | (13.6) |
| (Loss) Income from Equity Method Invesments | | | | | | | | (0.1) | (0.3) | (0.1) | (0.6) | (0.2) | (0.2) | ($0.3) | ($0.4) | (1.2) |
| Income Taxes | (0.8) | (0.1) | (0.3) | (0.2) | 0.5 | (0.1) | (0.3) | (0.1) | (0.1) | 0.6 | 0.2 | (0.1) | (0.129) | ($0.1) | $0.3 | (0.1) |
| Net Income | **$47.8** | **$14.7** | **$21.8** | **$15.1** | **$20.5** | **$72.0** | **$14.6** | **$18.3** | **$18.6** | **$15.3** | **$66.8** | **$15.4** | **$18.9** | **$13.2** | **$15.3** | **$62.8** |
| EBITDA: | | | | | | | | | | | | | | | | |
| Net Income | $47.8 | $14.7 | $21.8 | $15.1 | $20.5 | $72.0 | $14.6 | $18.3 | $18.6 | $15.3 | $66.8 | $15.4 | $18.9 | $13.2 | $15.3 | $62.8 |
| Income Taxes | 0.8 | 0.1 | 0.3 | 0.2 | (0.5) | 0.1 | 0.3 | 0.1 | 0.1 | (0.6) | (0.2) | 0.1 | 0.1 | 0.13 | (0.28) | 0.1 |
| Depreciation and Amortization | 10.7 | 3.4 | 3.5 | 3.7 | 3.9 | 14.6 | 4.0 | 4.7 | 4.5 | 5.9 | 19.2 | 5.0 | 4.8 | 5.4 | 5.6 | 20.8 |
| Amortization of customer contract intangible assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Expense, net | 4.6 | 2.0 | 2.3 | 2.2 | 2.1 | 8.7 | 2.2 | 2.6 | 2.8 | 3.0 | 10.7 | 3.2 | 3.3 | 3.4 | 3.7 | 13.6 |
| EBITDA | $63.8 | $20.2 | $27.9 | $21.2 | $26.1 | $95.4 | $21.1 | $25.7 | $26.1 | $23.6 | $96.5 | $23.7 | $27.1 | $22.0 | $24.4 | $97.3 |

| | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 2017 | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 2018 | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 2019 | 1Q20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Revenue | **$129.5** | **$126.8** | **$130.6** | **$151.2** | **$538.1** | **$167.9** | **$166.3** | **$164.1** | **$159.3** | **$657.6** | **$152.5** | **$155.3** | **$137.6** | **$138.6** | **$584.0** | **$163.4** |
| Cost of Sales | (92.6) | (85.0) | ($89.1) | ($106.1) | (372.9) | (119.0) | (106.0) | ($105.6) | ($98.4) | (429.1) | ($96.3) | ($93.9) | ($72.6) | ($73.8) | (336.5) | ($101.3) |
| Operating Expenses (excluding depreciation and amortization presented below) | (10.4) | (10.0) | (10.7) | (12.3) | (43.3) | (12.6) | (14.9) | (14.5) | (15.4) | (57.4) | (15.3) | (16.5) | (17.5) | (22.0) | (71.3) | (14.0) |
| Depreciation and Amortization | | | | | | | | (6.3) | (5.8) | (12.1) | (6.1) | (6.2) | (6.1) | (6.4) | (24.9) | (5.8) |
| Contribution Margin | **$26.5** | **$31.8** | **$30.8** | **$32.8** | **$121.9** | **$36.3** | **$45.3** | **$37.8** | **$39.6** | **$159.1** | **$34.8** | **$38.8** | **$41.3** | **$36.4** | **$151.3** | **$42.4** |
| Operating Expenses (excluding depreciation and amortization presented below) | | | | | | | | (0.9) | (0.4) | (1.3) | (0.8) | (0.8) | (0.9) | (0.3) | (2.8) | (0.8) |
| Depreciation and Amortization | (5.2) | (5.7) | (5.5) | (5.5) | (21.9) | (6.0) | (7.0) | (0.5) | (0.4) | (13.9) | (0.5) | (0.5) | (0.5) | (0.5) | (1.8) | (0.5) |
| General and Administration Expense | (2.8) | (2.7) | (2.8) | (3.6) | (11.8) | (3.0) | (3.7) | (3.1) | (7.4) | (17.2) | (4.5) | (5.3) | (5.3) | (5.8) | (20.8) | (6.1) |
| Gain (Loss) on Asset Disposal | 0.0 | 0.0 | (0.0) | (0.0) | (0.0) | - | 0.1 | (0.7) | (0.2) | (0.8) | (0.0) | 0.0 | 0.1 | (0.1) | (0.0) | 0.1 |
| Operating Income | **$18.5** | **$23.4** | **$22.6** | **$23.7** | **$88.1** | **$27.3** | **$34.7** | **$32.6** | **$31.1** | **$125.8** | **$29.1** | **$32.3** | **$34.7** | **$29.7** | **$125.8** | **$35.0** |
| Interest Expense, net | (4.1) | (5.5) | (7.1) | (7.3) | (23.9) | (8.1) | (10.9) | (11.1) | (11.2) | (41.3) | (11.3) | (11.4) | (12.5) | (12.2) | (47.3) | (11.8) |
| (Loss) Income from Equity Method Invesments | 0.2 | 1.2 | 1.6 | 1.9 | 5.0 | 0.8 | 1.9 | 1.9 | 1.5 | 6.2 | 2.0 | 4.5 | 8.4 | 5.0 | 19.8 | 5.6 |
| Other (Expense) Income | - | - | - | - | - | - | - | - | - | - | - | (0.5) | - | (0.1) | (0.6) | - |
| Income Taxes | (0.1) | (0.1) | (0.2) | 0.6 | 0.2 | (0.1) | (0.1) | (0.1) | (0.2) | (0.5) | (0.1) | (0.1) | (0.1) | (0.7) | (1.0) | (1.0) |
| Net Income | **$14.6** | **$19.0** | **$16.9** | **$18.9** | **$69.4** | **$20.0** | **$25.6** | **$23.3** | **$21.3** | **$90.2** | **$19.7** | **$24.9** | **$30.5** | **$21.7** | **$96.8** | **$27.8** |
| EBITDA: | | | | | | | | | | | | | | | | |
| Net Income | $14.6 | $19.0 | $16.9 | $18.9 | $69.4 | $20.0 | $25.6 | $23.3 | $21.3 | $90.2 | $19.7 | $24.9 | $30.5 | $21.7 | $96.8 | $27.8 |
| Income Taxes | 0.1 | 0.1 | 0.2 | ($0.6) | (0.2) | 0.1 | 0.1 | 0.1 | $0.2 | 0.5 | 0.1 | 0.1 | 0.1 | 0.7 | 1.0 | 1.0 |
| Depreciation and Amortization | 5.2 | 5.7 | 5.5 | 5.5 | 21.9 | 6.0 | 7.0 | 6.7 | 6.3 | 26.0 | 6.6 | 6.6 | 6.6 | 6.9 | 26.7 | 6.3 |
| Amortization of customer contract intangible assets | - | - | - | - | - | 0.6 | 1.8 | 1.8 | 1.8 | 6.0 | 1.8 | 1.8 | 1.8 | 1.8 | 7.2 | 1.8 |
| Interest Expense, net | 4.1 | 5.5 | 7.1 | 7.3 | 23.9 | 8.1 | 10.9 | 11.1 | 11.2 | 41.3 | 11.3 | 11.4 | 12.5 | 12.2 | 47.3 | 11.8 |
| EBITDA | $23.9 | $30.3 | $29.7 | $31.1 | $115.0 | $34.7 | $45.4 | $43.0 | $40.7 | $163.9 | $39.4 | $44.8 | $51.5 | $43.3 | $178.9 | $48.7 |

1) Results in 2013 and 2014 are as reported excluding predecessor costs related to the dropdown of the tank farms and product terminals at both Tyler and El Dorado during the respective periods.
2) Results for 1Q15 are as reported excluding predecessor costs related to the 1Q15 dropdowns.
Note: May not foot due to rounding.

# Non-GAAP Reconciliation of Increased Paline Pipeline Tariff EBITDA(1)

**Reconciliation of Forecast Incremental U.S. GAAP Net Income (Loss) to Forecast Incremental EBITDA for Paline Pipeline Tariff Increase**

| *($ in millions)* | Annual | Monthly |
|---|---|---|
| Forecasted Incremental Net Income | $ 10.8 | $ 0.9 |
| Add Forecasted Incremental Amounts for: | | |
| Interest Expense, net | $ - | $ - |
| Depreciation and amortization | $ - | $ - |
| **Forecasted Incremental EBITDA** | $ 10.8 | $ 0.9 |

1) Based on projected potential future performance from the Paline Pipeline using 36,000 bpd and the tariff change from an incentive rate of $0.75/bbl to the FERC rate of $1.57/bbl. Amounts of EBITDA and net income will vary. Actual amounts will be based on market conditions and pipeline operations.

# Non-GAAP Reconciliation of Red River Joint Venture Adjusted EBITDA(1)

**Delek Logistics Partners, LP Reconciliation of Forecasted Incremental Annualized Net Income to Forecasted Incremental Annualized Adjusted EBITDA for the Red River Pipeline Joint Venture**

| *($ in millions)* | **Pre-Expansion Range** | | **Post-Expansion Range** | |
|---|---|---|---|---|
| Forecasted Incremental Annualized Net Income | $5.6 | $7.6 | $10.1 | $15.1 |
| Add Forecasted Incremental for: | | | | |
| Interest Expense, Net | $6.6 | $6.6 | $7.6 | $7.6 |
| Depreciation and Amortization | $0.0 | $0.0 | $0.0 | $0.0 |
| **Forecasted Incremental EBITDA** | **$12.2** | **$14.2** | **$17.7** | **$22.7** |
| Adjustments: | | | | |
| Add Forecasted Incremental Distributions from operations of non- controlled entities in excess of earnings | $1.3 | $1.3 | $2.3 | $2.3 |
| **Forecasted Incremental AnnualizedAdjusted EBITDA** | **$13.5** | **$15.5** | **$20.0** | **$25.0** |

1) Based on projected potential future performance from the Red River joint venture. Amounts of adjusted EBITDA and net income will vary. Actual amounts will be based on market conditions and pipeline operations.

# Non-GAAP Reconciliations of Big Spring Gathering System Forecasted EBITDA

**Reconciliation of Forecasted Incremental Annualized Net Income to Forecasted Incremental Annualized EBITDA for the Big Spring Gathering System**

($ in millions)

| | Forecasted Range | |
|---|---|---|
| Forecasted Incremental Annualized Net Income | $13.3 | $15.3 |
| Add Forecasted Incremental Amounts for: | | |
| Depreciation and amortization | $13.2 | $13.2 |
| Interest expense, net | $3.5 | $3.5 |
| **Forecasted Incremental EBITDA** | **$30.0** | **$32.0** |

Delek US







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