

INVESTOR UPDATE

November 2020

KINDER MORGAN

Disclosure

Forward-looking statements / non-GAAP financial measures / industry and market data

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Forward-Looking Statements – This presentation includes forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). Forward-looking statements include any statement that does not relate strictly to historical or current facts and include statements accompanied by or using words such as "anticipate," "believe," "intend," "plan," "projection," "forecast," "strategy," "outlook," "continue," "estimate," "expect," "may," "to," "will," "shall," and "long-term". In particular, statements, express or implied, concerning future actions, conditions or events, including long term demand for our assets and services, opportunities related to alternative energy sources, future operating results or the ability to generate revenues, income or cash flow or to pay dividends are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. There is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, what impact they will have on our results of operations or financial condition. Because of these uncertainties, you are cautioned not to put undue reliance on any forward-looking statement. We disclaim any obligation, other than as required by applicable law, to publicly update or revise any of our forward-looking statements to reflect future events or developments.

Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond our ability to control or predict. These statements are necessarily based upon various assumptions involving judgments with respect to the future, including, among others, the impacts of the COVID-19 pandemic; commodity prices; the timing and extent of changes in the supply of and demand for the products we transport and handle; national, international, regional and local economic, competitive, political and regulatory conditions and developments; the timing and success of business development efforts; the timing, cost, and success of expansion projects; technological developments; condition of capital and credit markets; inflation rates; interest rates; the political and economic stability of oil-producing nations; energy markets; federal, state or local income tax legislation; weather conditions; environmental conditions; business, regulatory and legal decisions; terrorism; cyber-attacks; and other uncertainties. Important factors that could cause actual results to differ materially from those expressed in or implied by forward-looking statements. These factors include risks and uncertainties described in this presentation and in our Annual Report on Form 10-K for the year ended December 31, 2019 (under the headings "Risk Factors," "Information Regarding Forward-Looking Statements" and elsewhere) and our subsequent reports filed with the SEC. These reports are available through the SEC's EDGAR system at www.sec.gov and on our website at www.kindermorgan.com.

GAAP – Unless otherwise stated, all historical and estimated future financial and other information and the financial statements included in this presentation have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP").

Non-GAAP – In addition to using financial measures prescribed by GAAP, we use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Descriptions of our non-GAAP financial measures, as well as reconciliations of historical non-GAAP financial measures to their most directly comparable GAAP measures, can be found in this presentation under "Non-GAAP Financial Measures and Reconciliations". These non-GAAP financial measures do not have any standardized meaning under GAAP and may not be comparable to similarly titled measures presented by other issuers. As such, they should not be considered as alternatives to GAAP financial measures.

Industry and Market Data - Certain data included in this presentation has been derived from a variety of sources, including independent industry publications, government publications and other published independent sources. Although we believe that such third-party sources are reliable, we have not independently verified, and take no responsibility for the accuracy or completeness of such data.

Leader in North American Energy Infrastructure

Unparalleled & irreplaceable asset footprint built over decades

Largest natural gas transmission network

- ~70,000 miles of natural gas pipelines
- 659 bcf of working storage capacity
- ~1,200 miles of natural gas liquids pipelines

Largest independent transporter of refined products

- Transport ~1.7 mmbbld of refined products
- ~6,800 miles of refined products pipelines
- ~3,100 miles of crude pipelines

Largest independent terminal operator

- 147 terminals & 16 Jones Act vessels

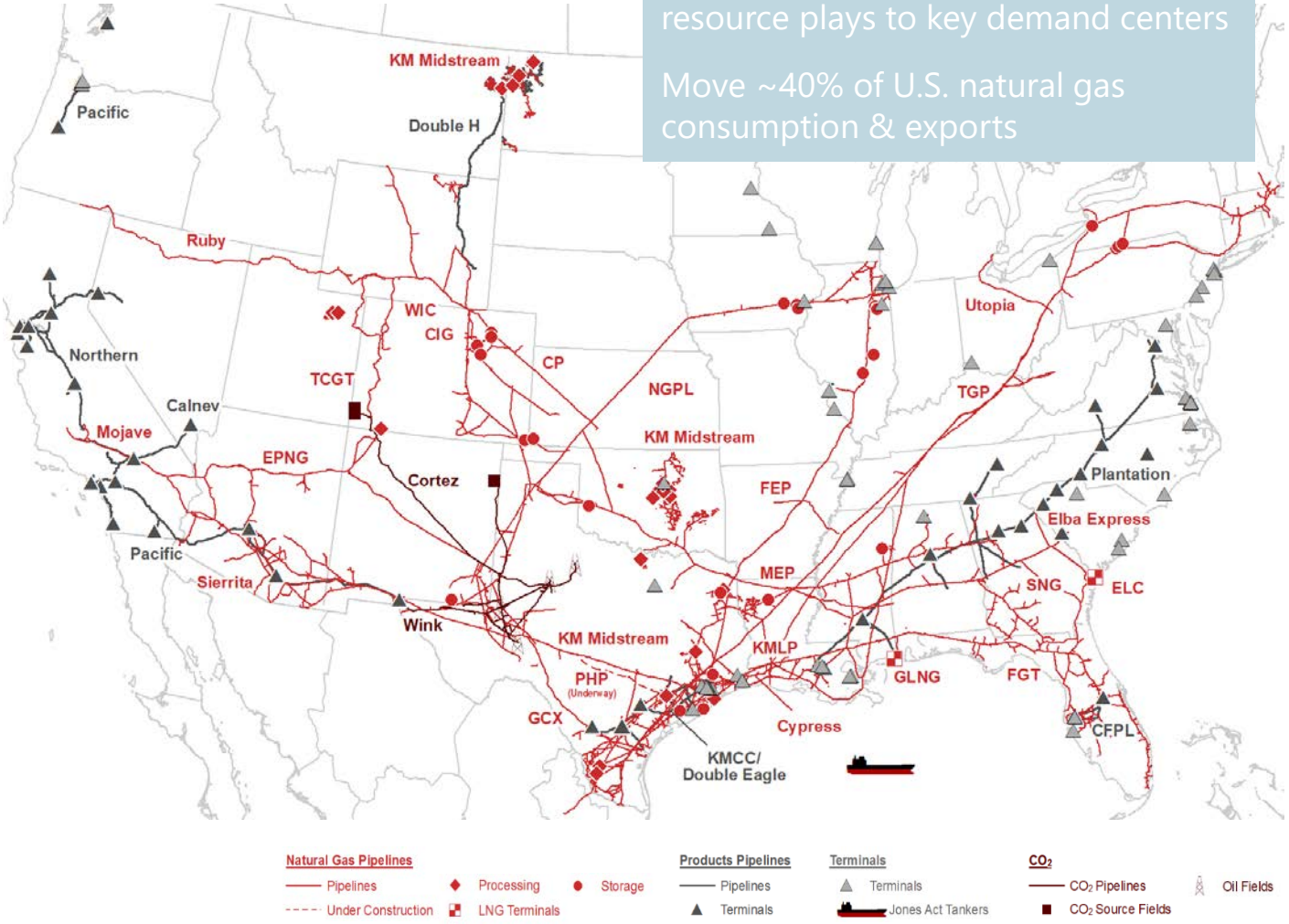
Largest transporter of CO_2 ~1.2 bcfd

BUSINESS MIX



Connecting major U.S. natural gas resource plays to key demand centers

Move ~40% of U.S. natural gas consumption & exports



Note: Mileage & volumes are company-wide per 2020 budget. Business mix based on Adjusted Segment EBDA per the 2020 forecast as of 10/19/2020. See Non-GAAP Financial Measures & Reconciliations.

A Core Energy Infrastructure Holding

Generating significant cash flow & returning significant value to shareholders

>$25 billion market capitalization	One of the 10 largest energy companies in the S&P 500
~15% owned by management	Highly aligned management with significant equity interests
>8% current dividend yield	$1.05 per share Q3 2020 annualized dividend maintains balance sheet strength while returning value to shareholders
$4 billion undrawn credit facility	Substantial liquidity & mid-BBB investment grade credit rating
$2 billion share buyback program	Purchased $575 million since December 2017

2020 Updated Guidance

Revised to incorporate estimated impact of pandemic & commodity price declines

Key metrics	2020 Budget	2020 Forecast
Adjusted EBITDA	$7.6 billion	down slightly more than 8%
Distributable Cash Flow (DCF)	$5.1 billion	down slightly more than 10%
Discretionary capital[(a)]	$2.4 billion	reduced by ~$680 million
Year-end Net Debt / Adj. EBITDA	4.3x	4.6x
Declared dividend / share (Q3 2020, annualized)	$1.25	$1.05

Expected reduction in DCF to be more than offset with reduced discretionary capital spending

Net result increases cash position in 2020

Note: 2020 forecast as of 10/19/2020 & includes actual results for the 9 months ended 9/30/2020. See Non-GAAP Financial Measures & Reconciliations.

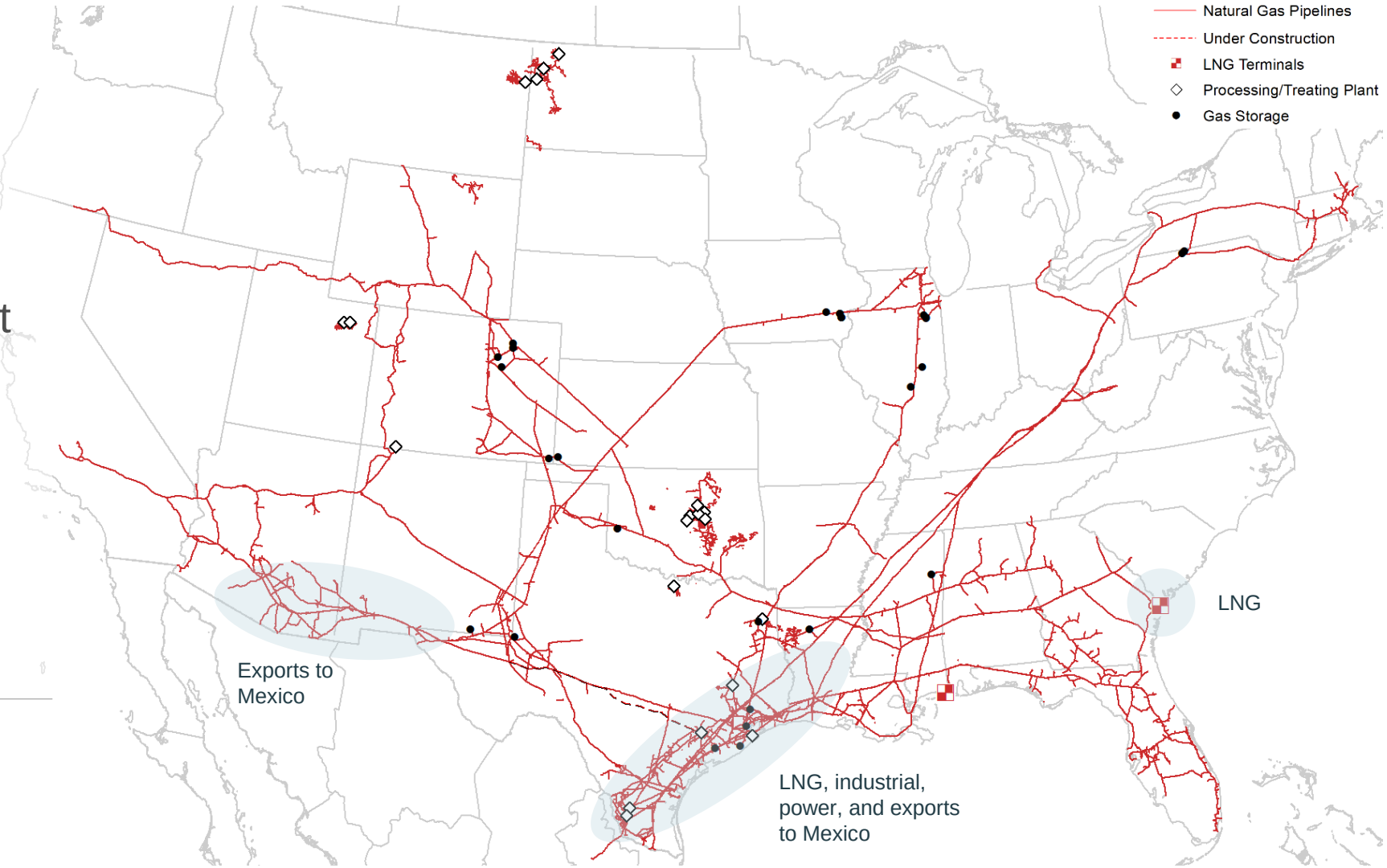
a) Includes growth capital & JV contributions for expansion capital, debt repayments & net of partner contributions for our consolidated JVs.

U.S. Natural Gas Demand Expected to Grow

>85% of the forecasted demand growth is driven by Texas and Louisiana

LONG-TERM DEMAND TRENDS
Bcfd, 2020 – 2030

+12.2	LNG exports
+5.8	Industrial
+2.2	Mexico exports, net
+0.9	Commercial
+0.7	Transport
+0.4	Residential
-0.9	Power
+21.2	Overall

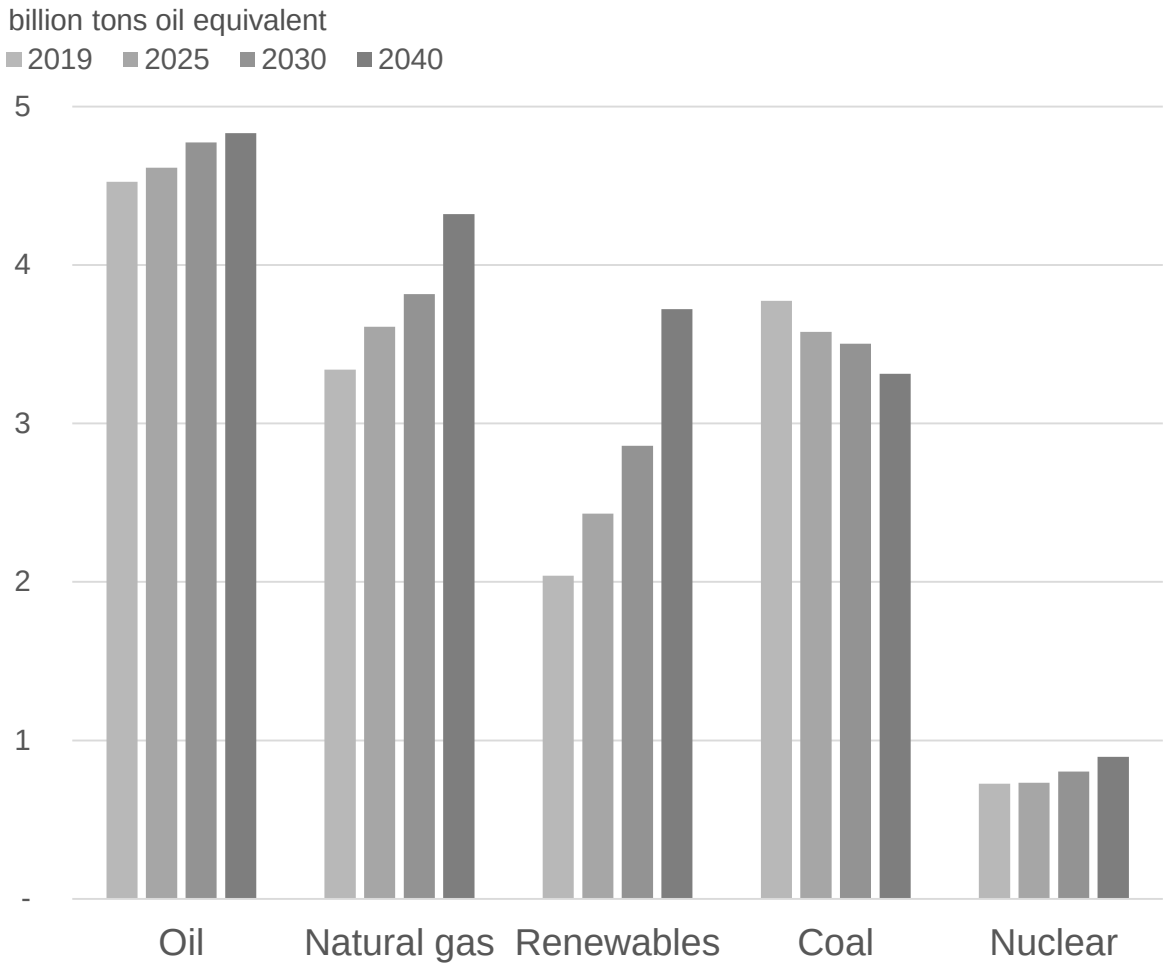


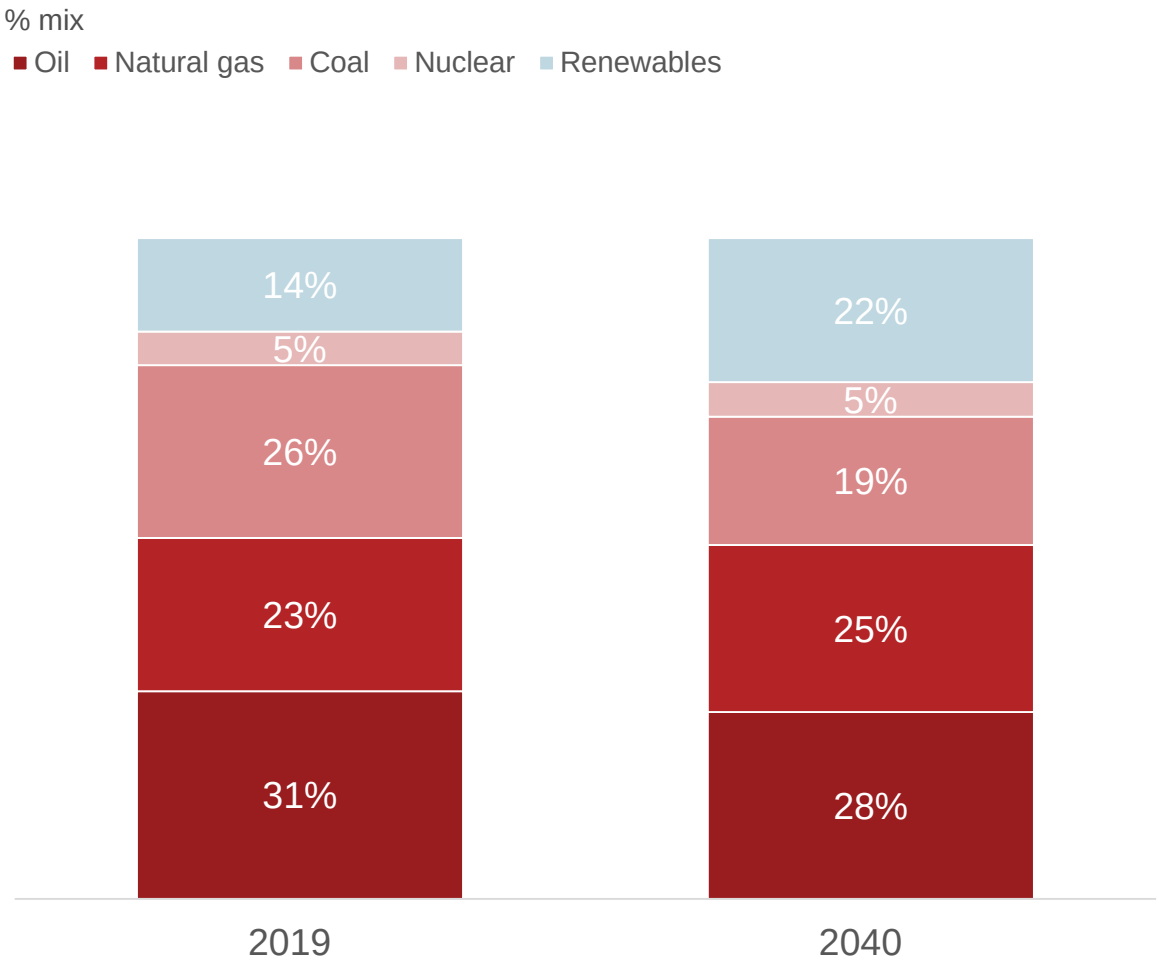
Source: WoodMackenzie, North America Gas Markets Long-Term Outlook, June 2020. Industrial sector includes WoodMackenzie's "Other" category, comprised of lease and plant fuel and fuel used for liquefaction at export facilities.

Hydrocarbons Required to Meet Long-Term Energy Demand

U.S. energy infrastructure will be critical for decades

GLOBAL PRIMARY ENERGY DEMAND BY FUEL





Source: International Energy Agency, World Energy Outlook, October 2020 (Stated Policies Scenario)
Note: World primary energy demand includes final energy consumption by end-use sectors, fuel use in power generation (electricity & heat plants) & other energy sector (includes transformation industries such as coal mines & oil & gas extraction, as well as losses converting primary energy into form used by end-sectors).

$2.6bn of Commercially-Secured Capital Projects Underway

Project backlog as of 9/30/2020

	DEMAND PULL	SUPPLY PUSH	CAPITAL ($ billion)	ESTIMATED IN-SERVICE	PIPELINE CAPACITY
Permian takeaway projects (PHP, TX Intrastates)		●	$ 0.9	Q4 2020 – Q1 2021	3.5 bcfd
Supply for U.S. power & LDC demand (TGP, FGT, EPNG, NGPL, SNG)	●		0.4	Q4 2020 – 2023	0.7 bcfd
Supply for LNG export (KMLP, NGPL, EPNG)	●		0.3	Q3 2021 – 2022	1.3 bcfd
Various Texas Intrastates upgrades (Tejas, KMTP)	●	●	0.1	Q4 2020 – 2023	0.2 bcfd
Other natural gas		●	0.2	Q4 2020 – 2022	>0.4 bcfd
Natural gas			**$ 1.9**	**~74% of total & 5.6x EBITDA multiple**	
Products	●	●	0.1		
Terminals		●	0.1		
CO_2		●	0.5		
Total backlog			**$ 2.6**		

Note: See Non-GAAP Financial Measures & Reconciliations. EBITDA multiple reflects KM share of estimated capital divided by estimated Project EBITDA.

Successfully Achieving Attractive Build Multiples

Established track record of leveraging our footprint & project management expertise

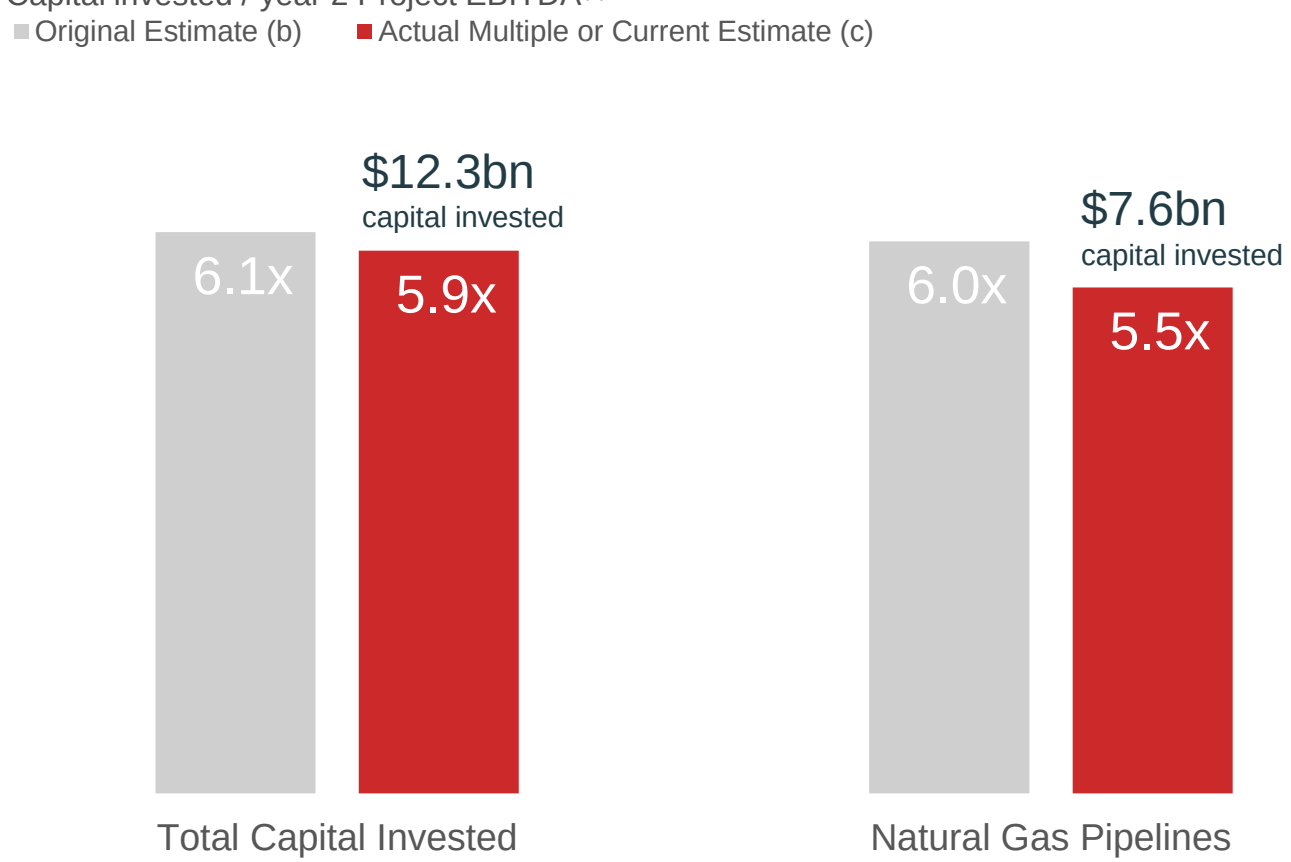
COMPETITIVE ADVANTAGES

- Expansive asset base — ability to leverage or repurpose steel already in the ground
- Connected to practically all major supply sources
- Established deliverability to primary demand centers — final mile builds typically expensive to replicate due to congestion
- Strong balance sheet & ample liquidity — internal cash flow available to fund all investment needs through 2021

Expansive footprint creates opportunities for differentiated returns

INVESTMENT MULTIPLES: PROJECTS COMPLETED 2015-2019

Capital invested / year 2 Project EBITDA[(a)]



Note: See Non-GAAP Financial Measures & Reconciliations. Includes certain projects placed in commercial service prior to 2015, but were still under construction.

a) Multiple reflects KM share of invested capital divided by Project EBITDA generated in its second full year of operations. Excludes CO_2 segment projects.

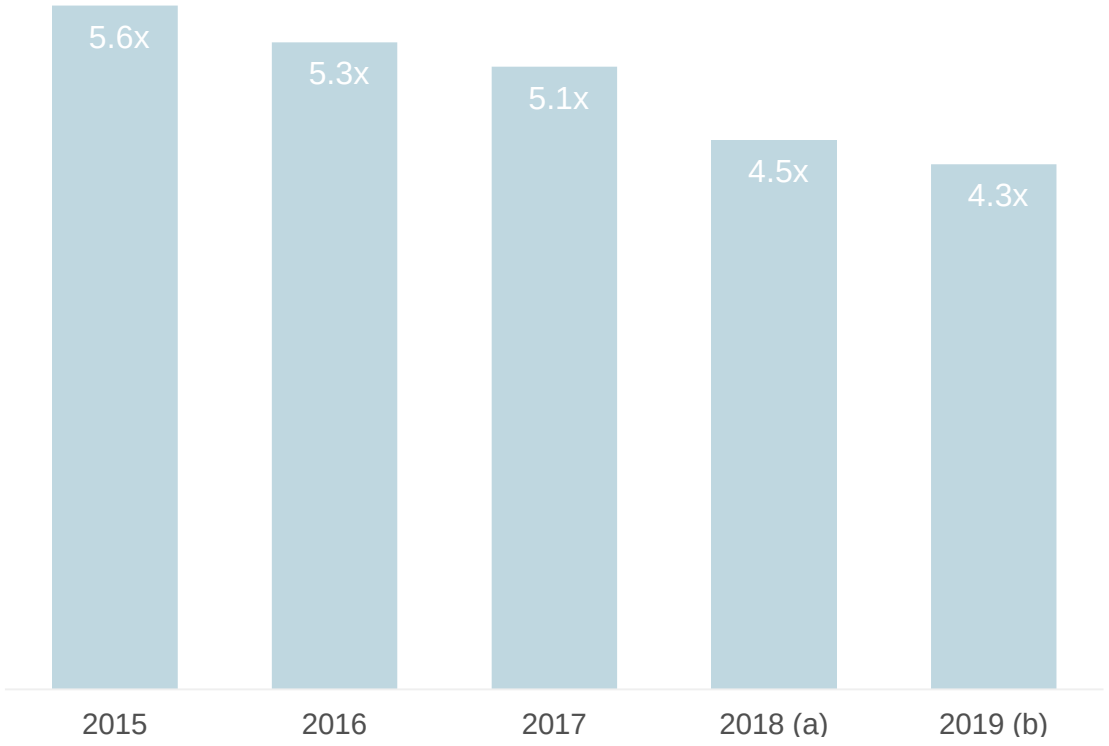
b) Original estimated capital investment divided by original estimated Project EBITDA for project in its second year of operation.

c) Actual capital invested (except for 3 projects which are partially in service & represent $88mm of capex spend beyond 2019) divided by actual or currently estimated Project EBITDA. Natural gas segment multiple includes Elba liquefaction project, for which partial sale of interest & contractual protections at Elba mitigated returns from original model despite in-service delay.

Weathering the Storm

Disciplined management of the balance sheet improves financial position relative to prior downturns

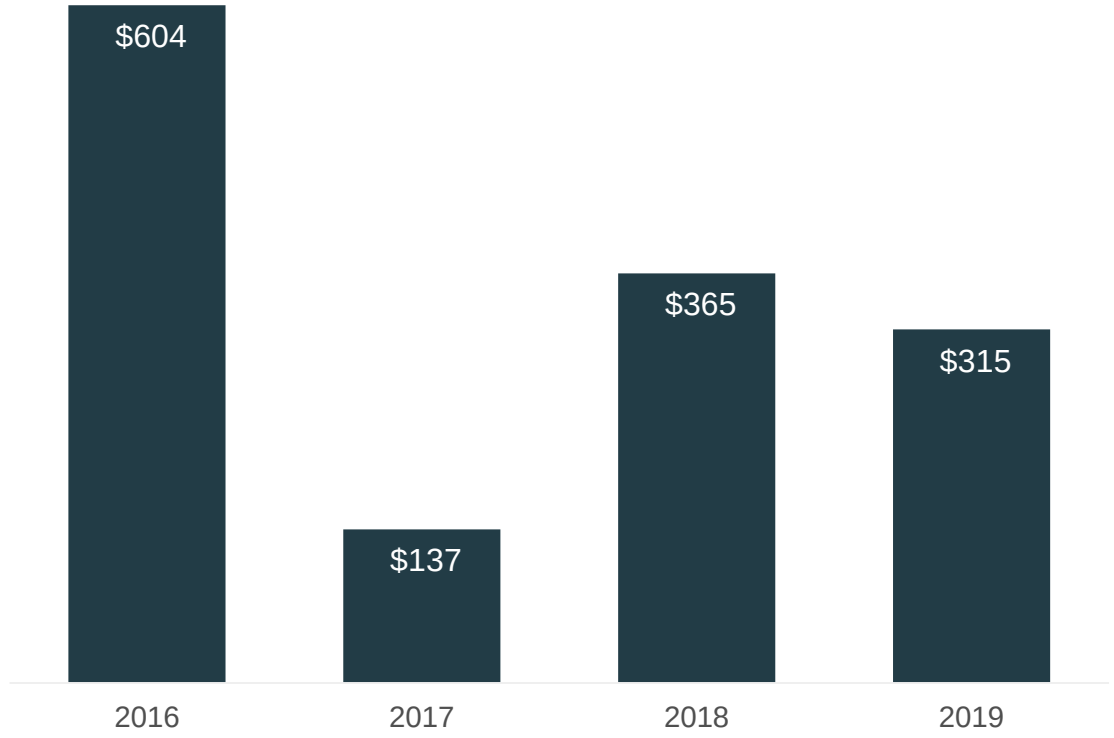
NET DEBT / ADJUSTED EBITDA



Significantly lower leverage with ~$10 billion reduction in net debt since Q3 2015

CFFO – CAPITAL EXPENDITURES – DIVIDENDS PAID[c]

$ in millions



Self funding all dividends & capex with over $19 billion of CFFO since 2016

Note: See Non-GAAP Financial Measures & Reconciliations.

a) 2018 Net Debt has been adjusted for certain KML-related debt and cash balances.

b) 4.6x net debt / adjusted EBITDA estimated for year-end 2020 per forecast as of 10/19/2020.

c) Per GAAP Statement of Cash Flows. Dividends paid includes common & preferred shares.

Highly-Contracted Cash Flows

Stable cash flows with ~74% take-or-pay or hedged earnings[a]

CONTRACT MIX[a]



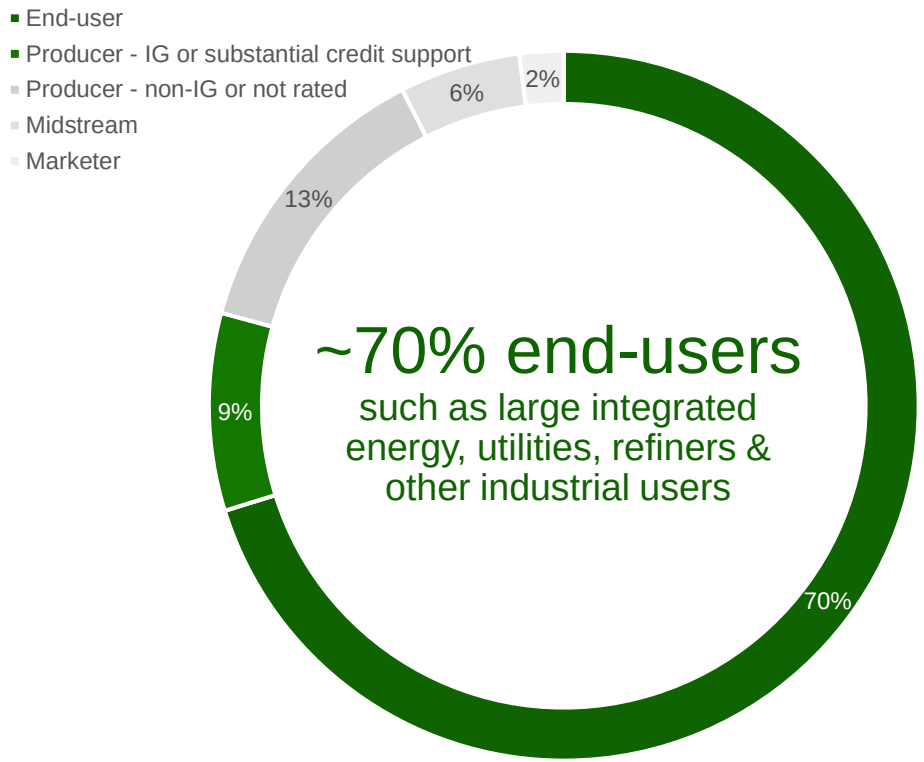
Contract type	Payment feature	Example assets
68% Take-or-pay	Entitled to payment regardless of throughput Reservation fee for capacity	Natural gas interstates / LNG (>90%) Natural gas intrastates (~75%[b]) Liquids terminals (>75%) Crude oil transport (>70%) Jones Act tankers (100%) CO_2 supply & transport (>90%)
24% Fee-based	Fixed fee collected regardless of commodity price Volumetric-based revenues	Refined products pipelines (~90%) Crude oil G&P (>90%) Natural gas G&P (>80%)
6% Hedged	Disciplined approach to managing price volatility Substantially hedged near-term price exposure	CO_2 oil & gas production (>80%[c])
2% Other	Commodity-price based	CO_2 oil & gas production (<20%) Natural gas G&P (<10%)

a) Based on Adjusted Segment EBDA per the 2020 forecast as of 4/20/2020. See Non-GAAP Financial Measures & Reconciliations.
b) Includes term sale portfolio.
c) Percentage of net crude oil, propane & heavy NGL (C4+) net equity production per the 2020 forecast as of 4/20/2020.

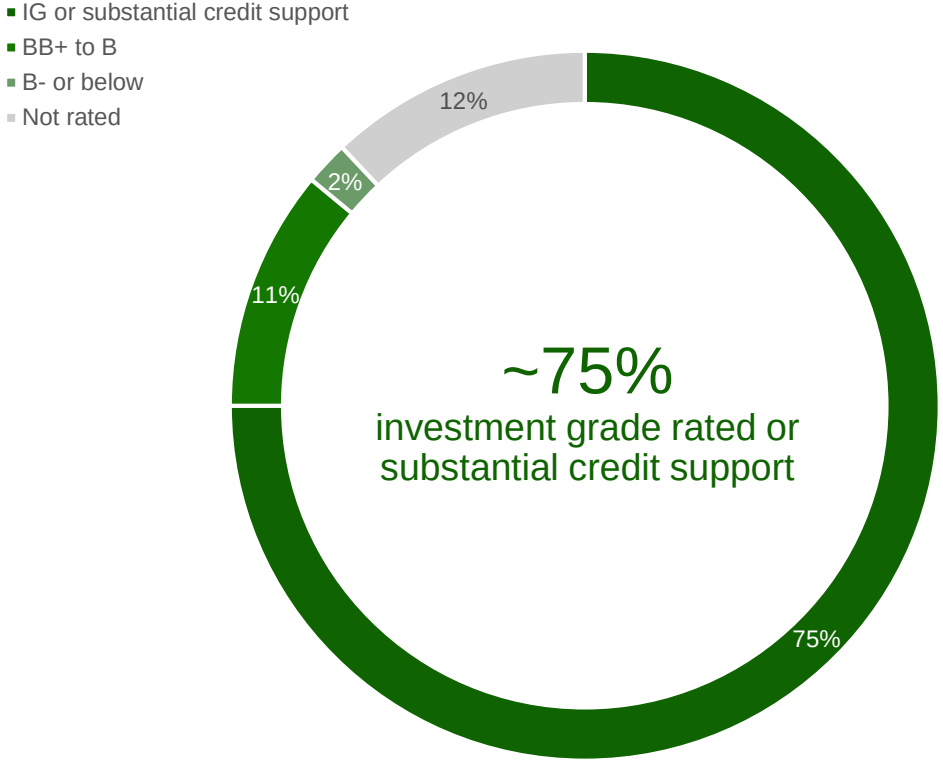
Customers Are Primarily End-Users of the Products We Handle

Net revenues underpinned by investment grade counterparties & credit support | Ratings as of 10/7/2020

CUSTOMER TYPE



CREDIT RATING



Estimate less than 1% of exposure from B- or below rated customers, including non-rated customers in bankruptcy, after collateral & remarketing efforts

Note: Based on 2020 budgeted net revenues, which include our share of unconsolidated joint ventures & net margin for our Texas Intrastate customers & other midstream businesses. Pie charts includes 233 customers >$5mm at their respective company credit ratings per S&P, Moody's & Fitch, shown at the S&P-equivalent rating & utilizing a blended rate for split-rated companies, which represent ~86% of total net revenues.

Prioritizing Environmental, Social & Governance (ESG)

Ongoing enhancements to ESG disclosures | Long-standing commitment to reducing methane emissions

SUSTAINALYTICS ESG RISK RATING[a]

#1
in Refiners & Pipelines industry group (194 companies)

#1
in Oil & Gas Storage & Transportation subindustry (107 companies)

Surpassed methane emissions intensity target[c]

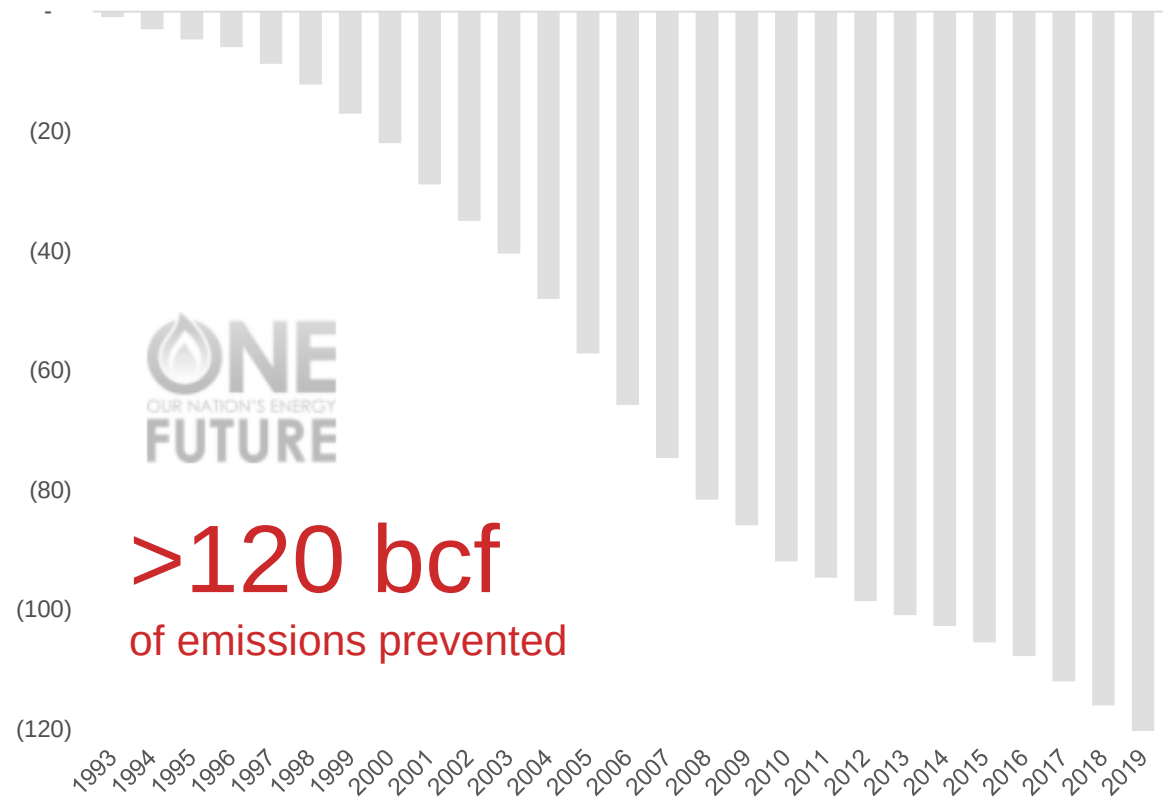
0.03% vs. 0.31%
target for natural gas transmission & storage assets in 2019

7
years ahead of schedule

Planning to report company-wide Scope 1 & 2 greenhouse gas emissions beginning in 2021

SUCCESSFUL METHANE EMISSIONS REDUCTIONS[b]

bcf, cumulative across our operations reported to EPA Natural Gas STAR & Methane Challenge programs



a) As of 10/2/2020.
b) Emission reductions are emissions mitigated or avoided that would otherwise have been emitted.
c) Kinder Morgan's allocation of One Future methane emissions intensity target.

Biofuels Important to Growing Global Transportation Demand

Our network includes substantial blending, pipeline, terminaling & export capabilities for ethanol & other biofuels

	ETHANOL	BIODIESEL	RENEWABLE DIESEL
Our existing assets offer many biofuels capabilities:	Fuel-grade ethanol breakout (e.g., unit-train transloading) & blending into gasoline (e.g., truck racks) Multi-modal ethanol hubs, including our Argo terminal which is the CME pricing & trading point for Chicago ethanol	Biodiesel services include transloading, storage & blending in tank, at the truck rack & in pipeline manifolds	Services include storage, blending, marine, rail, and truck handling Terminals segment services focused in Mississippi River area Products segment can handle up to R5 blends on diesel systems Project currently under construction at Barstow Terminal (CALNEV)
In 2019, our Products and Terminals segments handled:	> 100 mmbbls	> 7 mmbbls	> 2 mmbbls
2019 U.S. production:	~376 mmbbls	~41 mmbbls	~12 mmbbls

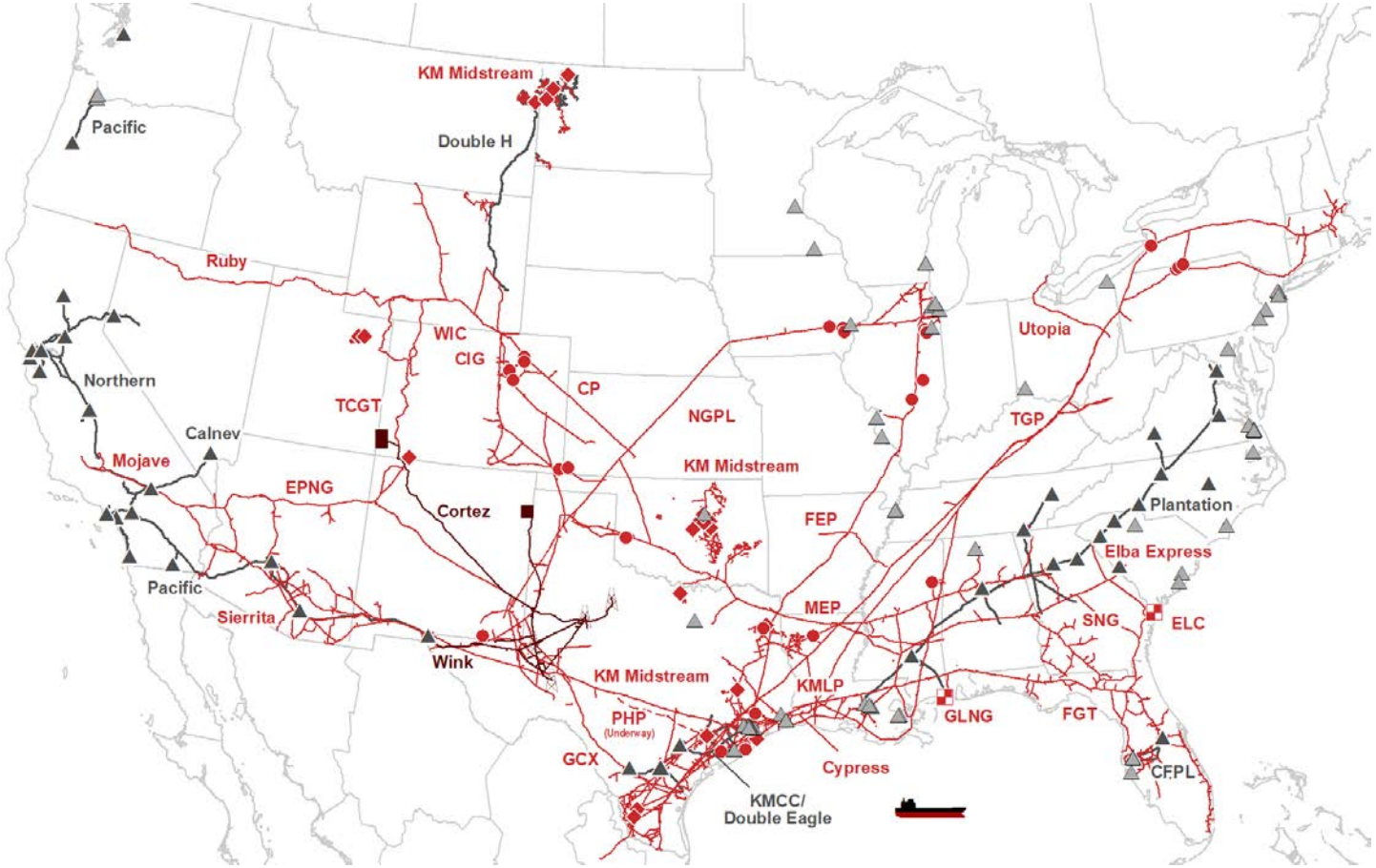
Global biofuels demand expected to increase ~146% from 2019 to 2040

Evaluating multiple opportunities to establish hubs for renewable products / biofuels on West Coast

Source: IEA, World Energy Outlook, October 2020 (Stated Policies Scenario) for biofuels growth. EIA for ethanol and biodiesel 2019 U.S. production. EPA for renewable diesel 2019 U.S. production, per RIN data.

Compelling Investment Opportunity

Strategically-positioned assets generating substantial cash flow with attractive investment opportunities



Stable cash flows with ~74% take-or-pay or hedged earnings[(a)]

>8% current dividend yield

Dividends and capex funded with operating cash flow since 2016

Highly-aligned management
~15% share ownership

Market sentiment may change, but we'll stay focused on making money for our shareholders

Note: See Use of Non-GAAP Financial Measures.

a) Based on Adjusted Segment EBDA per the 2020 forecast as of 4/20/2020. See Non-GAAP Financial Measures & Reconciliations.

Appendix

Gathering & Processing Assets Across Multiple Key Basins

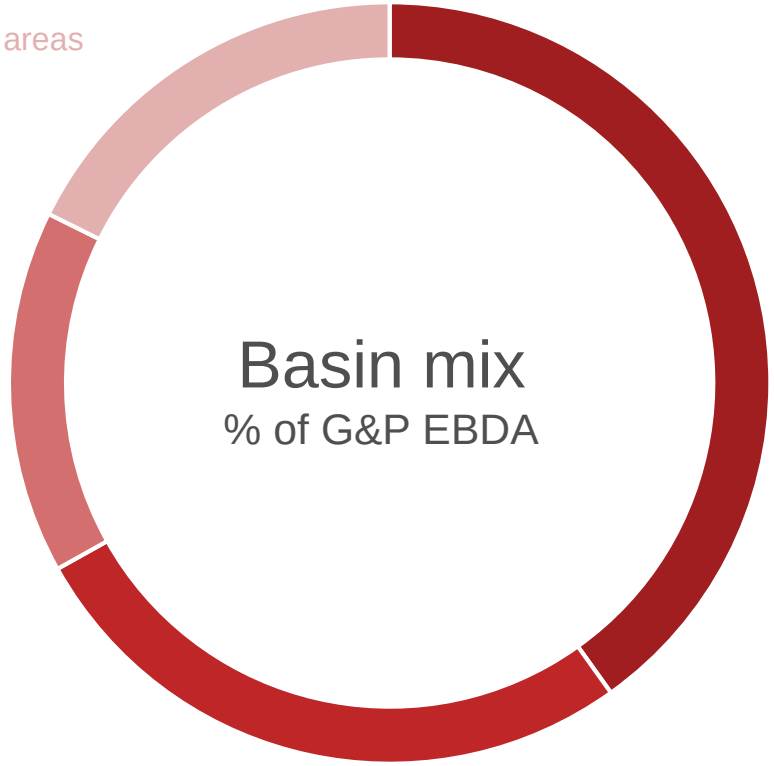
Represents ~9% of KMI EBDA with ~7% in Natural Gas & ~2% in Products (primarily Bakken)

~17% Other
Multiple systems in Uinta, Oklahoma, San Juan & other areas

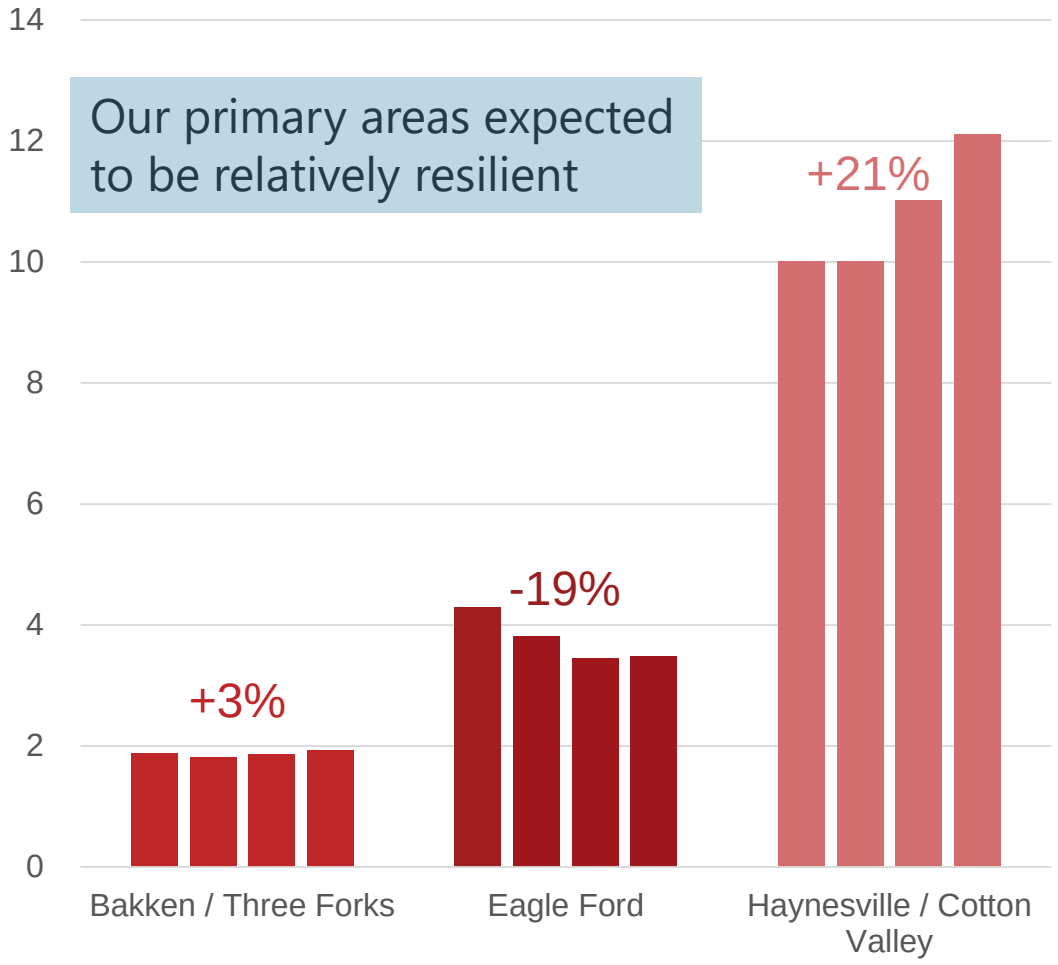
~14% Haynesville
KinderHawk assets with proximity to Gulf Coast industrial & LNG

~30% Bakken
Hiland system in core Williston acreage, including McKenzie County

~39% Eagle Ford
Copano South Texas & EagleHawk JV assets, primarily in LaSalle County



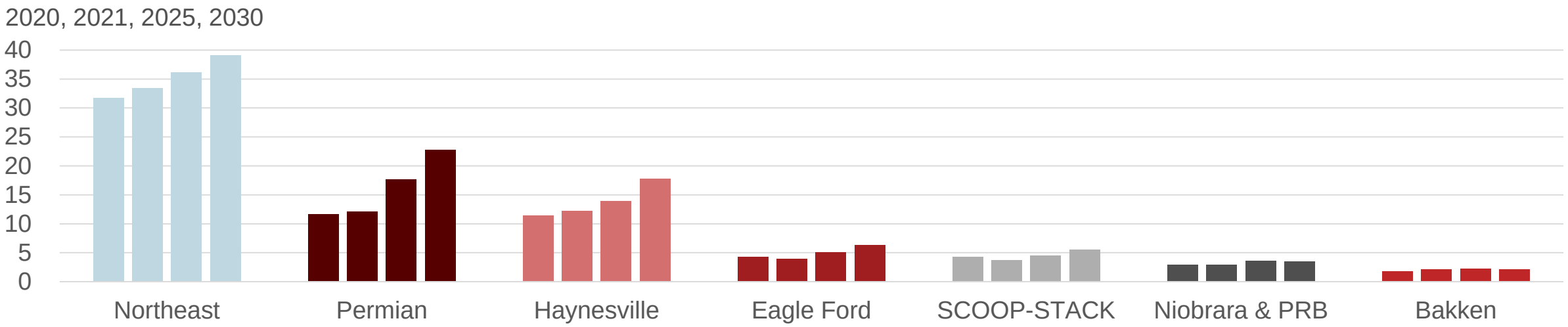
SHORT-TERM DRY GAS PRODUCTION OUTLOOK
Bcfd, 2019 – 2022

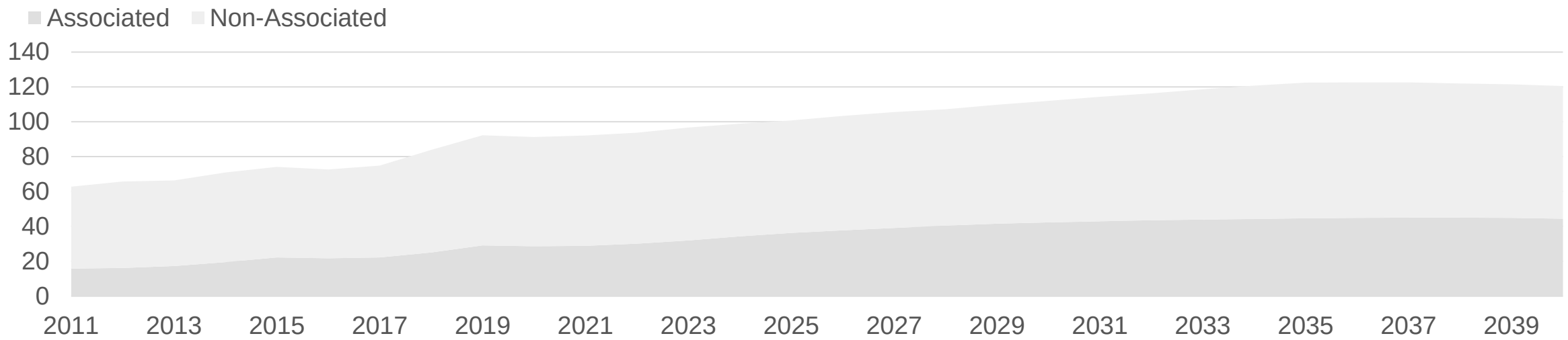


Note: Business mix based on Adjusted Segment EBDA per 2020 forecast as of 10/19/2020. Includes assets in the Natural Gas & Products segments. See Non-GAAP Financial Measures & Reconciliations. Production outlook from Wood Mackenzie's North America Gas Short-Term Outlook (October 2020).

Forecasted U.S. Natural Gas Production

Bcfd

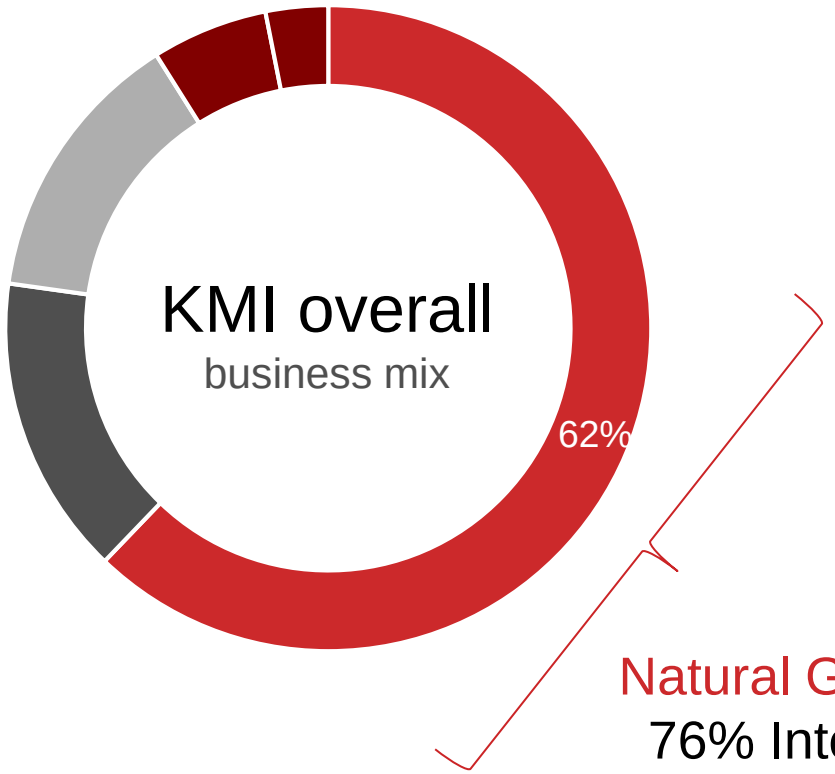




Source: WoodMackenzie Long Term Outlook, June 2020

Natural Gas Segment is Predominantly Transport Pipelines

~80% take-or-pay | Fee-based gathering & processing assets focused on the Bakken, Eagle Ford & Haynesville

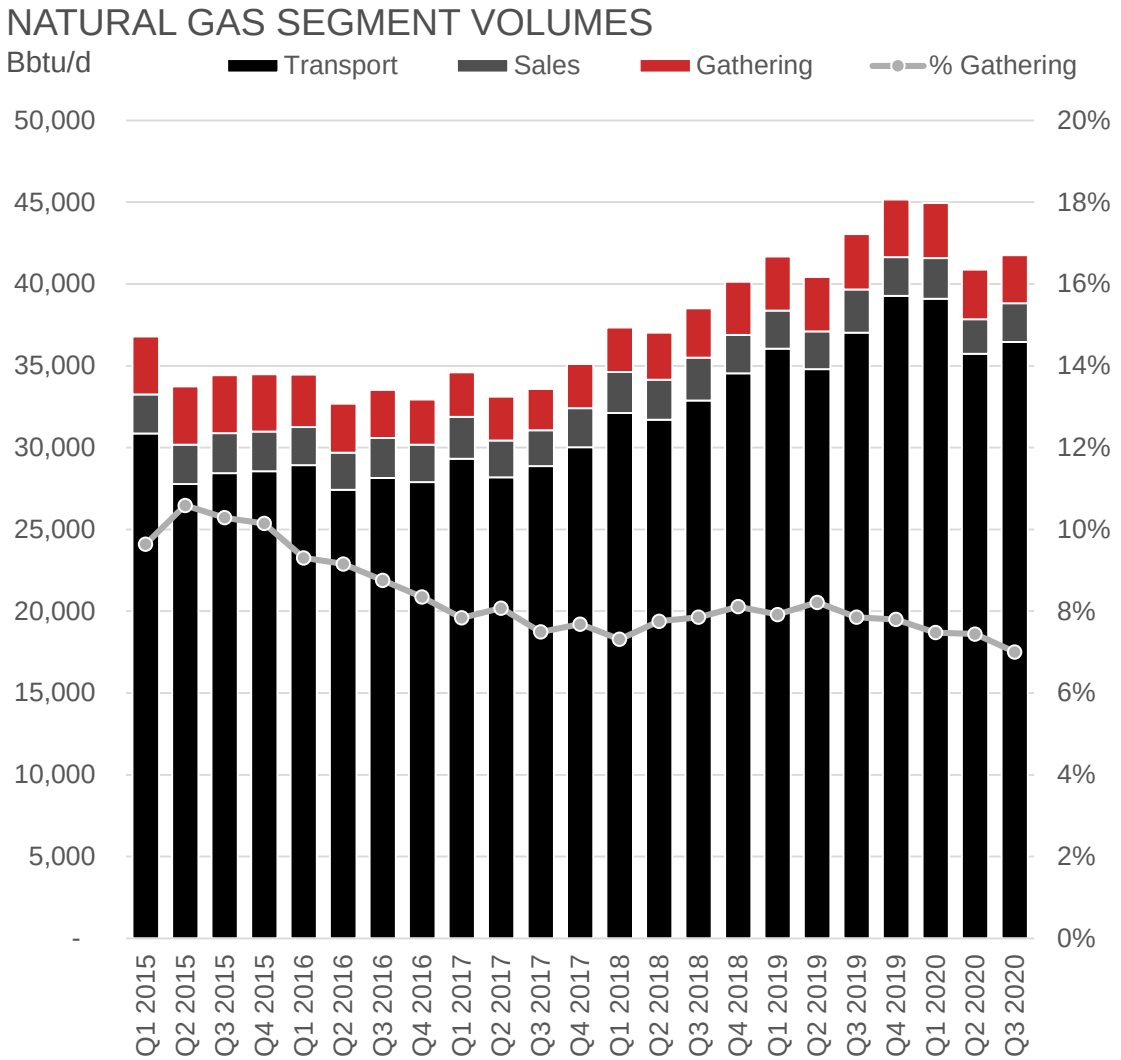


Natural Gas Segment:

76% Interstate / LNG

13% Intrastate

11% G&P



~7% of total KMI from natural gas G&P

Note: % take-or-pay based on budgeted Adjusted Segment EBDA as of 4/20/2020. Overall Business mix based on Adjusted Segment EBDA per 2020 forecast as of 10/19/2020. See Non-GAAP Financial Measures & Reconciliations.

Leading the Way Out of the Permian

Successfully completed GCX on time & budget | PHP close to completion

Leveraging existing footprint into new takeaway capacity

- Reaches across Texas & the Desert/Southwest (DSW), connecting into major demand markets
- Our advantaged network offers broad end-market optionality with deliverability to Houston markets (power, petrochemical), substantial LNG export capacity & Mexico

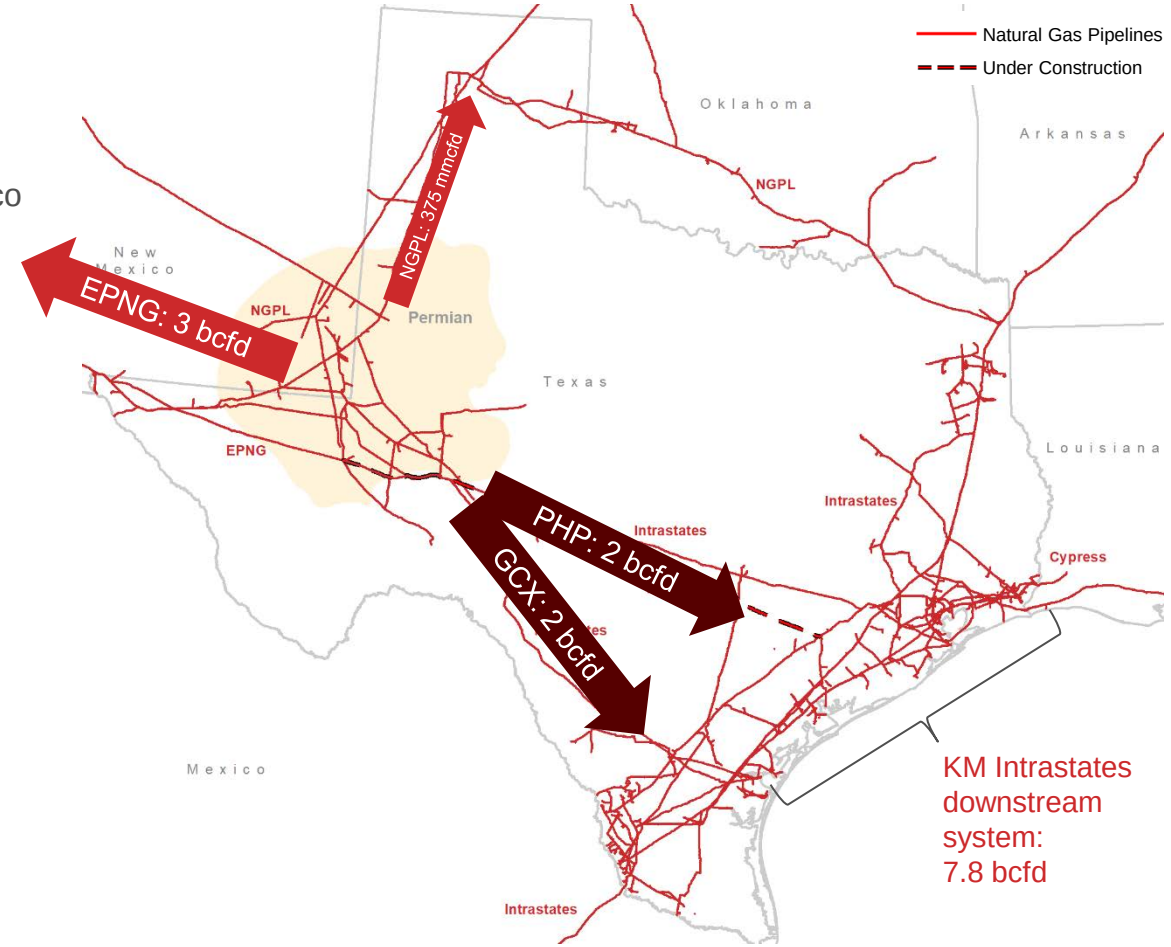
Investing over $250 million across existing Texas Intrastates pipeline networks

- Supports distribution of significant incremental volumes
- Increases capacity by ~1.4 bcfd
- Key to delivering Permian volumes into the U.S. Gulf Coast & Mexico markets

In customer discussions about a third KMI pipeline (Permian Pass Pipeline)

- Targeting E Texas Intrastate markets & LNG terminals in E Texas & Louisiana
- Currently not expected to be needed until 2024 or 2025

	Gulf Coast Express (GCX)	Permian Highway Pipeline (PHP)
Mainline:	450 miles of 42” pipeline	~430 miles of 42” pipeline
Endpoint:	Near Agua Dulce	Near Katy
KM ownership:	34%	26.7%
Capacity:	2.0 bcfd	2.1 bcfd
Capital (100%):	$1.75 billion	~$2.2 billion
In-Service:	Operating since Sept. 2019	Early 2021
Min. contract term:	10 years	10 years



Providing unparalleled takeaway capacity from the Permian basin to the Gulf Coast & DSW markets

Supporting the Buildout of U.S. LNG Exports

Serving significant liquefaction capacity & well-positioned to capture more

Kinder Morgan network advantages:

Natural gas transportation leader

~70,000 miles of natural gas pipelines
Move ~40% of U.S. natural gas consumption & exports

Supply diversity

Connected to major U.S. natural gas resource plays

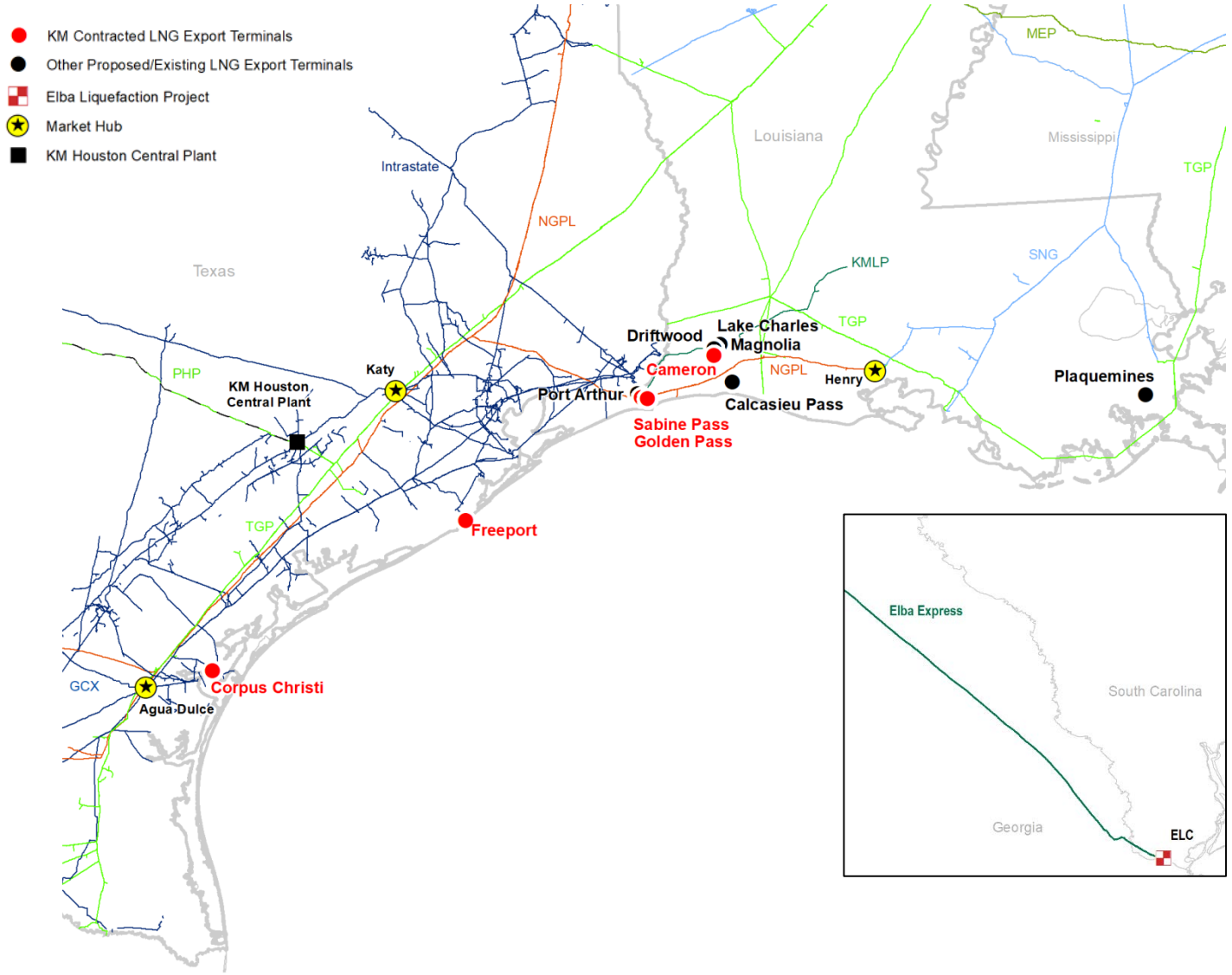
Premier deliverability

659 bcf of working gas storage in production & market areas

Transporter of choice

Contracted capacity online	Contracted capacity FID / to come	Average remaining contract term	In active discussions
~3.9 bcfd	~2.1 bcfd	~17 years	~2-4+ bcfd

Also deliver ~1 bcfd of producer / marketer supply



Manageable Natural Gas Re-Contracting Exposure

Analysis of existing contracts that renew during next two years

EXPECTED ANNUAL NET RE-CONTRACTING EXPOSURE (KM SHARE):

% of $7.8bn 2020B KMI Total Segment EBDA[a]

	2021	2022
Interstate pipelines	(2.4)%	(1.6)%
Intrastates & G&P	(0.5)%	(0.6)%
Total Natural Gas Pipeline Segment[b]	(2.9)%	(2.2)%
Primary drivers / pipelines	FEP Ruby	Ruby

- Expiring contracts are assessed for volumetric & rate risk based on November 2019 market assumptions (time of budget)
- Excludes benefit of new cash flows from growth projects
- Excludes potential for re-purposing underutilized assets or otherwise enhancing service offerings
- Contracts on interstate pipelines have average remaining term of 6.6 years

Expect reduction in re-contracting exposure after 2022

a) 2020 budgeted Adjusted Segment EBDA. See Non-GAAP Financial Measures & Reconciliations.
b) Increase in 2021 recontracting exposure from 2019 Investor Day primarily relates to decrease in KMI Segment EBDA primarily as a result of asset sales.

Integrated Terminaling Network Focused on Refined Products

Irreplaceable collection of assets, capabilities & market-making connectivity

Our unmatched scale & flexibility on the Houston Ship Channel:

43 million barrels total capacity

29 inbound pipelines

18 outbound pipelines

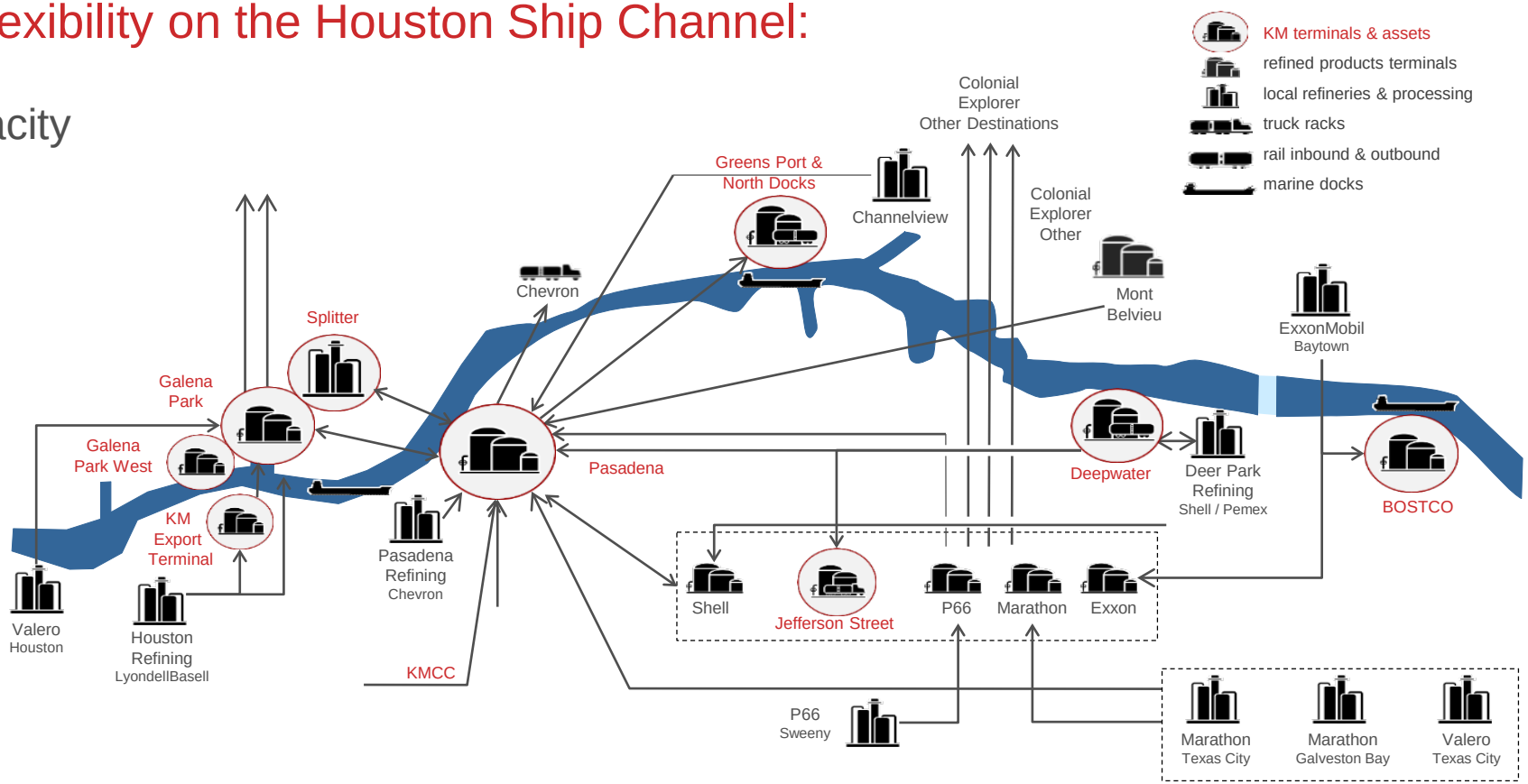
16 cross-channel pipelines

11 ship docks

38 barge spots

35 truck bays

3 unit train facilities

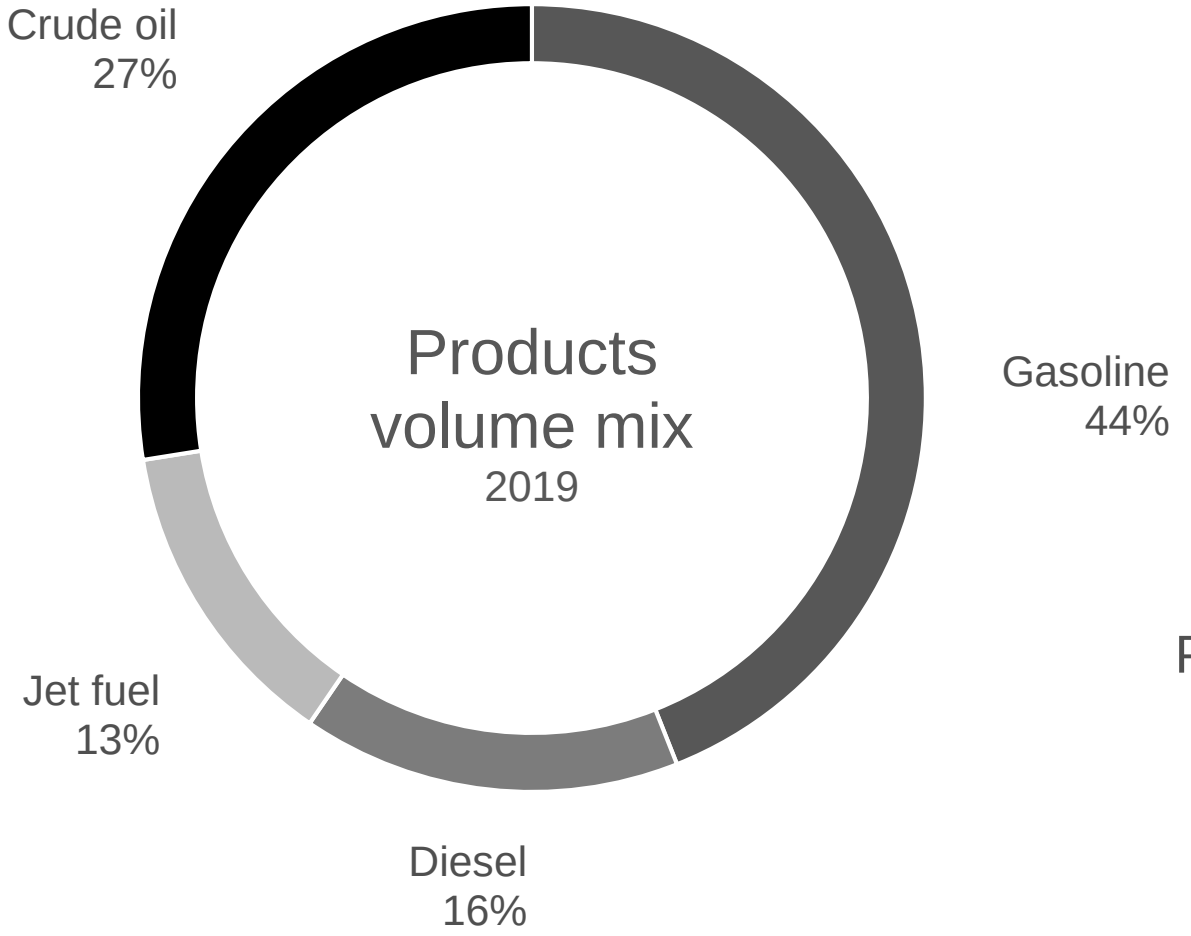


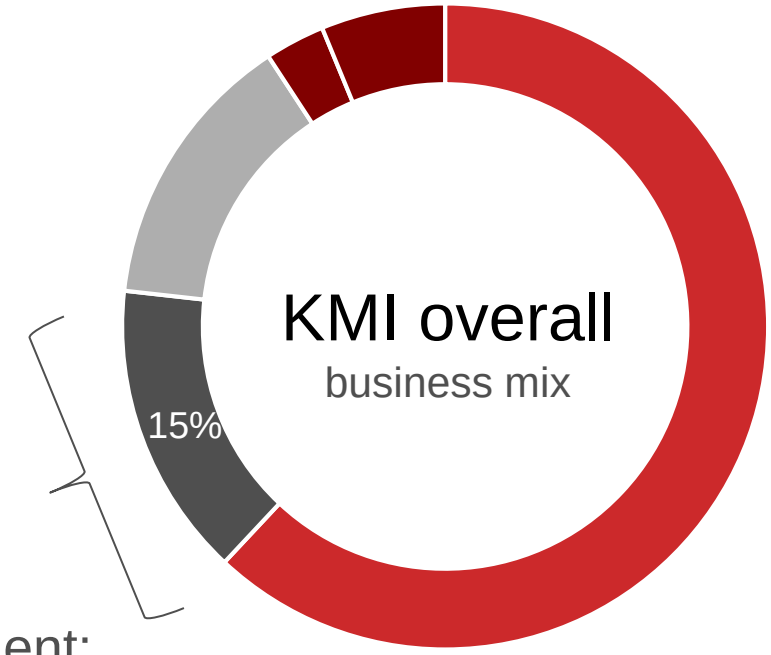
~$2.0 billion invested since 2010

Note: asset metrics include projects currently under construction

Products Segment Transports Multiple Essential Fuels

Fee-based revenues from critical infrastructure providing mix of feedstock & finished products to refineries & end users





Products Segment:

- 64% Refined products
- 24% Crude oil transport
- 12% Crude oil G&P

~2% of total KMI from crude oil G&P

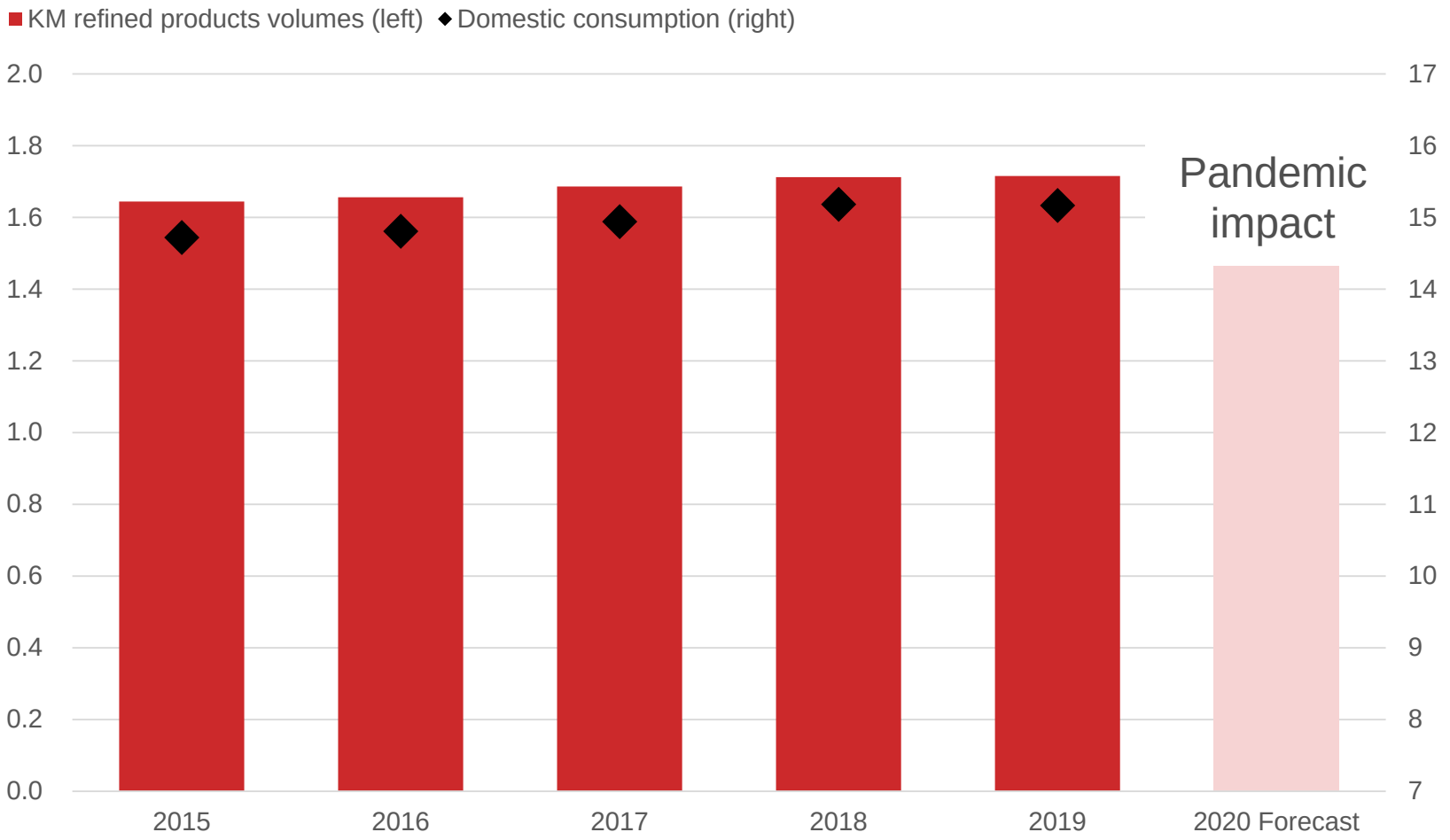
Note: Business mix based on Adjusted Segment EBDA per 2020 forecast as of 10/19/2020. See Non-GAAP Financial Measures & Reconciliations.

Refined Products Pipes Historically A Steady Contributor

Fee-based with stable volumes over time, including through prior crude oil price downturns | ~9% of total KMI EBDA

REFINED PRODUCTS VOLUMES[a]

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HISTORICAL VOLUME GROWTH

CAGR 2015-2019

1.1% KM > 0.7% U.S. consumption

Refined product demand is typically inelastic to price shocks

Expect rapid recovery in demand when economy re-opens

Note: % of total KMI EBDA based on Adjusted Segment EBDA per 2020 forecast as of 10/19/2020. See Non-GAAP Financial Measures & Reconciliations.

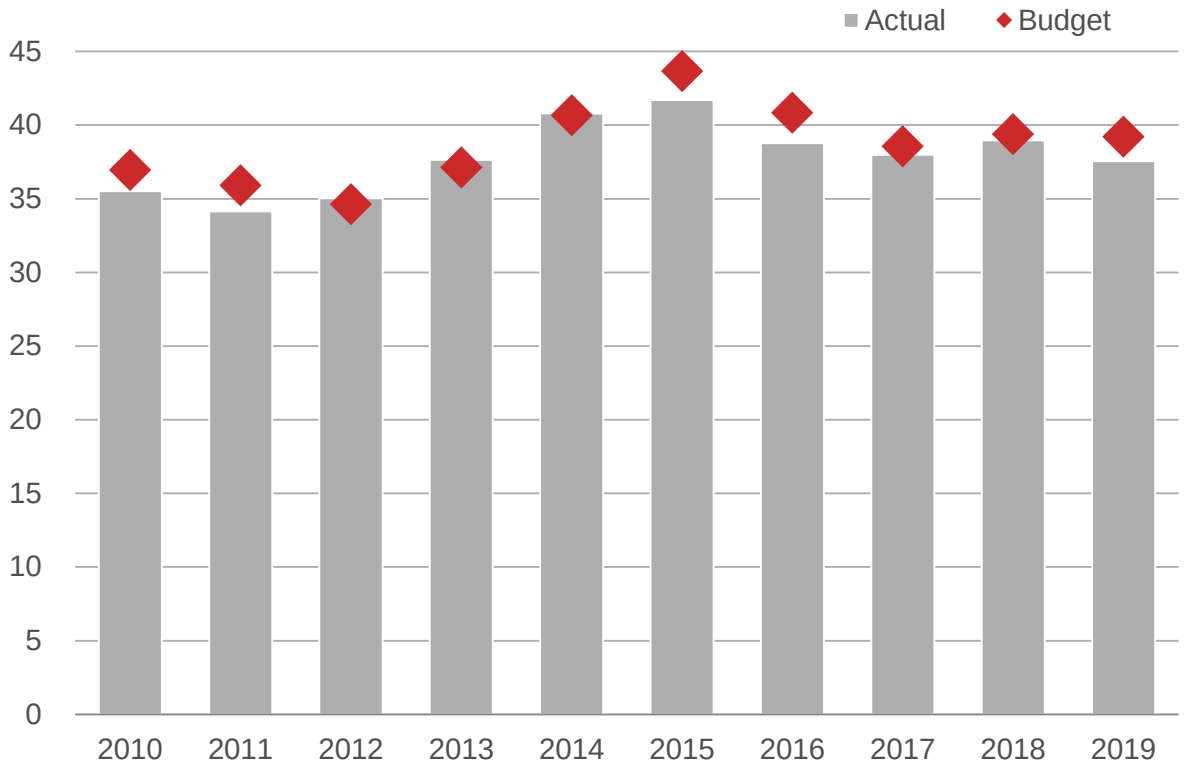
a) KM refined products volumes include SFPP, CALNEV, Central Florida & Plantation Pipe Line (KM share).

CO_2 Segment Predictable Volumes & Hedged Commodity Price

Mitigating uncertainties where possible | EOR oil & gas production represents ~6% of KMI business mix

NET OIL PRODUCTION: ACTUALS VS. BUDGET

mbbld



HEDGED VOLUMES

as of 9/30/2020

	Oct - Dec 2020	2021	2022	2023	2024
Crude oil - West Texas Intermediate					
$/bbl	$56.07	$52.00	$53.05	$50.14	$ 43.40
bbl/d	30,684	20,300	8,600	5,150	950
NGLs					
$/bbl	$28.17	$26.61			
bbl/d	6,315	2,474			
Midland-to-Cushing basis spread					
$/bbl	$0.14	$0.40			
bbl/d	31,100	1,500			

Stable & predictable production over many years with actual oil production within 2% of budget 2010-2019

Disciplined hedge policy mitigates near-term price volatility impact on expected cash flows

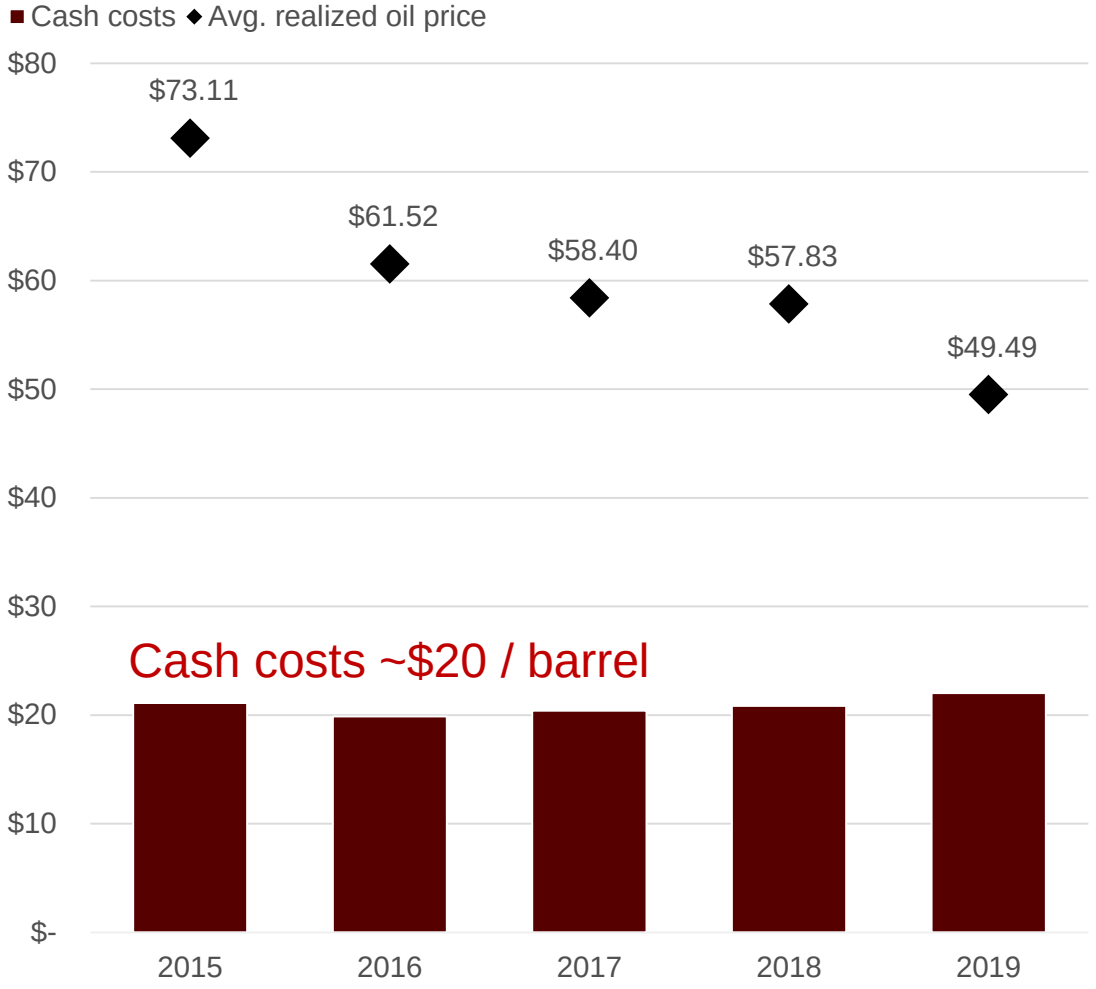
Note: Business mix based on Adjusted Segment EBDA per 2020 Forecast as of 10/19/2020.

CO_2 Segment Consistently Generates Free Cash Flow

Low cash cost structure yields healthy margins through multiple commodity price cycles

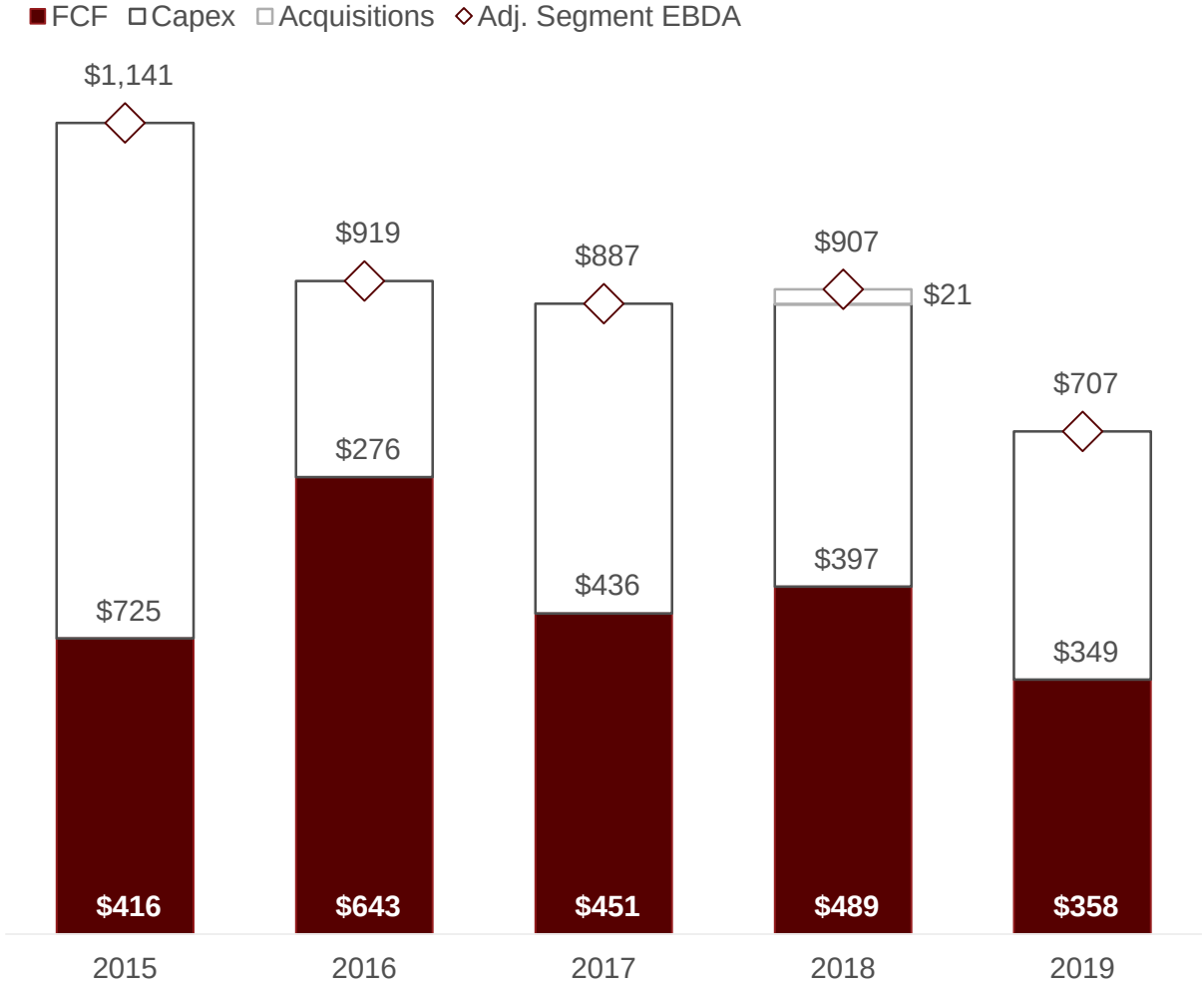
EOR OIL & GAS CASH OPERATING COSTS

$ per net barrel



CO_2 SEGMENT FREE CASH FLOW

$ millions



Note: Cash costs & revenue per net oil barrel, including hedges where applicable. See Non-GAAP Financial Measures & Reconciliations for CO_2 segment free cash flow (FCF).

Energy Toll Road

Cash flow security with >90% from take-or-pay & other fee-based contracts

	Natural Gas Pipelines			Products Pipelines		Terminals			CO_2	
2020 EBDA %[a]	62%			15%		14%			9%	
	Interstate / LNG	Intrastate	G&P	Refined products	Crude	Liquids terminals	Jones Act tankers	Bulk terminals	EOR Oil & Gas	CO_2 & Transport
Asset Mix[a]	76%	13%	11%	64%	36%	57%	21%	22%	68%	32%
Volume Security[a]	~93% take-or-pay[a]	~75% take-or-pay[a,b]	~83% fee-based with minimum volume requirements and/or acreage dedications[a]	primarily volume-based	~89% fee-based[a]	~77% take-or-pay[a]	100% take-or-pay[a]	primarily minimum volume guarantee or requirements	volume-based	Effectively 100% minimum volume committed based on current forecast
Average Remaining Contract Life[c]	6.6 / 20 years	5.7 years[b]	3.0 years	generally not applicable	3.1 years	3.0 years	1.5 years	4.9 years		9 years
Pricing Security	primarily fixed based on contract	primarily fixed margin	primarily fixed price	annual FERC tariff escalator (PPI-FG + 1.23%)	primarily fixed based on contract	based on contract; typically fixed or tied to PPI			volumes ~91% hedged[d]	~91% protected by contractual price floors[a]
Regulatory Security	regulated return	essentially market-based	market-based	Pipelines: regulated return Terminals & transmix: not price regulated[e]		not price regulated			primarily unregulated	
Commodity Price Exposure	no direct exposure	limited exposure	limited exposure	minimal, limited to transmix business		no direct exposure			hedged / limited exposure	

a) 2020 EBDA and Asset Mix based on Adjusted Segment EBDA per the 2020 forecast as of 10/19/2020. Volume Security percentages based on Adjusted Segment EBDA per the forecast as of 4/20/2020. See Non-GAAP Financial Measures & Reconciliations. Amounts have been rounded.
b) Includes term sale portfolio.
c) As of 1/1/2020.
d) Percentage of Q4 2020 forecasted net crude oil, propane & heavy NGL (C4+) net equity production.
e) Products terminals not FERC regulated, except portion of CALNEV.

Our Pandemic Response

Prioritizing the health of our co-workers & their families while maintaining safe & reliable operations of our assets

- Leveraging well-established and previously utilized business continuity & pandemic response plans
- Kinder Morgan's Pandemic Preparedness Committee actively monitors both seasonal influenza & COVID-19
  - Regularly adapts response plan to follow guidance from Centers for Disease Control & other health organizations
- Enhanced cleaning protocols
- Telecommuting strategy began on March 16 where possible & continues as we monitor data from the CDC & other health organizations
- Reviewed all tasks that required physical presence to ensure adequate social distance or made alternative arrangements (e.g., critical roles such as field operations, control centers, IT & network operations, etc.)
  - Limiting access to our facilities
  - Implemented screening procedures
  - Distributing PPE, including masks, for a limited number of tasks where social distancing or alternatives were not possible
- In the case of a COVID-19 diagnoses, Human Resources follows established protocol for notifying employees who had direct contact with someone who tested positive to begin mitigation efforts

Delivering energy that is essential to the communities and businesses we serve

Non-GAAP Financial Measures & Reconciliations

Defined Terms

Reconciliations for the historical periods

Use of Non-GAAP Financial Measures

The non-GAAP financial measures of Adjusted Earnings and distributable cash flow (DCF), both in the aggregate and per share for each; segment earnings before depreciation, depletion, amortization (DD&A), amortization of excess cost of equity investments and Certain Items (Adjusted Segment EBDA); net income before interest expense, income taxes, DD&A, amortization of excess cost of equity investments and Certain Items (Adjusted EBITDA); Net Debt; Net Debt to Adjusted EBITDA; Project EBITDA; and CO_2 Segment Free Cash Flow are presented herein.

Our non-GAAP financial measures described further below should not be considered alternatives to GAAP net income or other GAAP measures and have important limitations as analytical tools. Our computations of these non-GAAP financial measures may differ from similarly titled measures used by others. You should not consider these non-GAAP financial measures in isolation or as substitutes for an analysis of our results as reported under GAAP. Management compensates for the limitations of these non-GAAP financial measures by reviewing our comparable GAAP measures, understanding the differences between the measures and taking this information into account in its analysis and its decision-making processes.

We do not provide (i) budgeted net income attributable to Kinder Morgan, Inc. and net income (the GAAP financial measures most directly comparable to budgeted DCF and Adjusted EBITDA, respectively) or budgeted metrics derived therefrom (such as the portion of net income attributable to an individual capital project, the GAAP financial measure most directly comparable to Project EBITDA) due to the impracticality of predicting certain amounts required by GAAP, such as unrealized gains and losses on derivatives marked to market, and potential changes in estimates for certain contingent liabilities; (ii) budgeted revenue (the GAAP financial measure closest to net revenue) due to impracticality of predicting certain items required by GAAP, including projected commodity prices at the multiple purchase and sale points across certain intrastate pipeline systems. Instead, we are able to project the net revenue received for transportation services based on contractual agreements and historical operational experience; or (iii) budgeted CO_2 Segment EBDA (the GAAP financial measure most directly comparable to 2020 budgeted CO_2 Segment Free Cash Flow) due to the inherent difficulty and impracticability of predicting certain amounts required by GAAP, such as potential changes in estimates for certain contingent liabilities and unrealized gains and losses on derivatives marked to market.

Certain Items, as adjustments used to calculate our non-GAAP financial measures, are items that are required by GAAP to be reflected in net income, but typically either (i) do not have a cash impact (for example, asset impairments), or (ii) by their nature are separately identifiable from our normal business operations and in our view are likely to occur only sporadically (for example, certain legal settlements, enactment of new tax legislation and casualty losses). We also include adjustments related to joint ventures (see “Amounts from Joint Ventures” below).

Adjusted Earnings is calculated by adjusting net income attributable to Kinder Morgan, Inc. for Certain Items. Adjusted Earnings is used by us and certain external users of our financial statements to assess the earnings of our business excluding Certain Items as another reflection of our business’s ability to generate earnings. We believe the GAAP measure most directly comparable to Adjusted Earnings is net income attributable to Kinder Morgan, Inc. Adjusted Earnings per share uses Adjusted Earnings and applies the same two-class method used in arriving at basic earnings per common share.

DCF is calculated by adjusting net income attributable to Kinder Morgan, Inc. for Certain Items (or Adjusted Earnings, as defined above), and further by DD&A and amortization of excess cost of equity investments, income tax expense, cash taxes, sustaining capital expenditures and other items. We also include amounts from joint ventures for income taxes, DD&A and sustaining capital expenditures (see “Amounts from Joint Ventures” below). DCF is a significant performance measure useful to management and external users of our financial statements in evaluating our performance and in measuring and estimating the ability of our assets to generate cash earnings after servicing our debt, paying cash taxes and expending sustaining capital, that could be used for discretionary purposes such as common stock dividends, stock repurchases, retirement of debt, or expansion capital expenditures. DCF should not be used as an alternative to net cash provided by operating activities computed under GAAP. We believe the GAAP measure most directly comparable to DCF is net income attributable to Kinder Morgan, Inc. DCF per common share is DCF divided by average outstanding common shares, including restricted stock awards that participate in common dividends.

Use of Non-GAAP Financial Measures (Continued)

Adjusted Segment EBDA is calculated by adjusting segment earnings before DD&A and amortization of excess cost of equity investments (Segment EBDA) for Certain Items attributable to the segment. Adjusted Segment EBDA is used by management in its analysis of segment performance and management of our business. General and administrative expenses and certain corporate charges are generally not under the control of our segment operating managers, and therefore, are not included when we measure business segment operating performance. We believe Adjusted Segment EBDA is a useful performance metric because it provides management and external users of our financial statements additional insight into the ability of our segments to generate segment cash earnings on an ongoing basis. We believe it is useful to investors because it is a measure that management uses to allocate resources to our segments and assess each segment's performance. We believe the GAAP measure most directly comparable to Adjusted Segment EBDA is Segment EBDA.

Adjusted EBITDA is calculated by adjusting net income before interest expense, income taxes, and DD&A, including amortization of excess cost of equity investments (EBITDA) for Certain Items. We also include amounts from joint ventures for income taxes and DD&A (see "Amounts from Joint Ventures" below). Adjusted EBITDA is used by management and external users, in conjunction with our Net Debt (as described further below), to evaluate certain leverage metrics. Therefore, we believe Adjusted EBITDA is useful to investors. We believe the GAAP measure most directly comparable to Adjusted EBITDA is net income.

Amounts from Joint Ventures - Certain Items, DCF and Adjusted EBITDA reflect amounts from unconsolidated joint ventures (JVs) and consolidated JVs utilizing the same recognition and measurement methods used to record "Earnings from equity investments" and "Noncontrolling interests," respectively. The calculations of DCF and Adjusted EBITDA related to our unconsolidated and consolidated JVs include the same items (DD&A and income tax expense, and for DCF only, also cash taxes and sustaining capital expenditures) with respect to the JVs as those included in the calculations of DCF and Adjusted EBITDA for our wholly-owned consolidated subsidiaries. Although these amounts related to our unconsolidated JVs are included in the calculations of DCF and Adjusted EBITDA, such inclusion should not be understood to imply that we have control over the operations and resulting revenues, expenses or cash flows of such unconsolidated JVs. DCF and Adjusted EBITDA are further adjusted for certain KML activities attributable to our noncontrolling interests (NCI) in KML for the periods presented through KML's sale on December 16, 2019.

Net Debt is calculated by subtracting from debt (i) cash and cash equivalents, (ii) the preferred interest in the general partner of Kinder Morgan Energy Partners L.P. (which was redeemed in January 2020), (iii) debt fair value adjustments, and (iv) the foreign exchange impact on Euro-denominated bonds for which we have entered into currency swaps. Net Debt is a non-GAAP financial measure that management believes is useful to investors and other users of our financial information in evaluating our leverage. We believe the most comparable measure to Net Debt is debt net of cash and cash equivalents.

Project EBITDA is calculated for an individual capital project as earnings before interest expense, taxes, DD&A and general and administrative expenses attributable to such project, or for JV projects, consistent with the methods described above under "Amounts from Joint Ventures." Management uses Project EBITDA to evaluate our return on investment for capital projects before expenses that are generally not controllable by operating managers in our business segments. We believe the GAAP measure most directly comparable to Project EBITDA is the portion of net income attributable to a capital project.

CO_2 Segment Free Cash Flow is calculated by reducing Segment EBDA (GAAP) for our CO_2 business segment by Certain Items, capital expenditures (sustaining and expansion) and acquisitions attributable to the segment. Management uses CO_2 Segment Free Cash Flow as an additional performance measure for our CO_2 business segment. We believe the GAAP measure most directly comparable to CO_2 Segment Free Cash Flow is Segment EBDA (GAAP) for our CO_2 business segment.

GAAP Reconciliations

$ in millions

Reconciliation of DCF	2019
Net income attributable to Kinder Morgan, Inc. (GAAP)	$ 2,190
Total Certain Items	(29)
Adjusted Earnings[a]	2,161
DD&A and amortization of excess cost of equity investments for DCF[b]	2,867
Income tax expense for DCF[a,b]	714
Cash taxes[c]	(90)
Sustaining capital expenditures[c]	(688)
Other items[d]	29
DCF	$ 4,993

Reconciliation of Net Debt	
Outstanding long-term debt	$ 30,883
Current portion of debt	2,377
Foreign exchange impact on hedges for Euro Debt outstanding	(44)
Less: cash & cash equivalents	(185)
Net Debt	$ 33,031

Reconciliation of Adjusted EBITDA	2019
Net income (GAAP)	$ 2,239
Total Certain Items	(29)
DD&A and amortization of excess cost of equity investments	2,494
Income tax expense[a]	627
JV DD&A and income tax expense[a,e]	487
Interest, net[a]	1,816
Net income attributable to NCI (net of KML NCI)[a]	(16)
Adjusted EBITDA	$ 7,618

Certain Items	
Fair value amortization	$ (29)
Legal, environmental and taxes other than income tax reserves	46
Change in fair market value of derivative contracts[f]	(24)
Gain on divestitures and impairments, net[g]	(280)
Income tax Certain Items	299
NCI associated with Certain Items	(4)
Other	(37)
Total Certain Items	$ (29)

a) Amounts are adjusted for Certain Items.
b) Includes DD&A or income tax expense, as applicable, from unconsolidated JVs, reduced by consolidated JV partners' DD&A, and net of DD&A or income tax expense attributable to KML NCI.
c) Includes cash taxes or sustaining capital expenditures, as applicable, from unconsolidated JVs, reduced by consolidated JV partners' sustaining capital expenditures.
d) Includes non-cash pension expense and non-cash compensation associated with our restricted stock program.
e) Represents unconsolidated JV DD&A and income tax expense, reduced by consolidated JV partners' DD&A.
f) Gains or losses are reflected in our DCF when realized.
g) Includes: (i) a $1,296 million pre-tax gain on the sale of KML and U.S. Cochin Pipeline and a pre-tax loss of $364 million for asset impairments, related to gathering and processing assets in Oklahoma and northern Texas in our Natural Gas Pipelines business segment and oil and gas producing assets in our CO2 business segment; and (ii) a pre-tax $650 million loss for an impairment of our investment in Ruby Pipeline.

GAAP Reconciliations

$ in millions

Reconciliation of 2019 Adjusted Segment EBDA	Segment EBDA (GAAP)	Certain Items	Adjusted Segment EBDA
Natural Gas Pipelines	$4,661	($51)	$4,610
Products Pipelines	1,225	33	1,258
Terminals	1,506	(332)	1,174
CO_2	681	26	707
Kinder Morgan Canada	(2)	2	-
Total	$8,071	($322)	$7,749

Reconciliation of DD&A and amortization of excess cost of equity investments for DCF	2019
Depreciation, depletion and amortization (GAAP)	($2,411)
Amortization of excess cost of equity investments (GAAP)	(83)
DD&A and amortization of excess cost of equity investments	(2,494)
JV DD&A	(392)
DD&A attributable to KML NCI	19
DD&A and amortization of excess cost of equity investments for DCF	($2,867)

Reconciliation of general and administrative and corporate charges	
General and administrative (GAAP)	($590)
Corporate charges	(21)
Certain Items	13
General and administrative and corporate charges[(a)]	($598)

Reconciliation of interest, net	2019
Interest, net (GAAP)	$ (1,801)
Certain Items	(15)
Interest, net[(a)]	$ (1,816)

Reconciliation of income tax expense for DCF	
Income tax expense (GAAP)	$ (926)
Certain Items	299
Income tax expense[(a)]	(627)
Unconsolidated JV income tax expense	(95)
Income tax expense attributable to KML NCI[(a)]	8
Income tax expense for DCF[(a)]	$ (714)

Reconciliation of KML NCI DCF adjustments (Prior to December 16, 2019)	
Net income attributable to KML NCI	$ (29)
KML NCI associated with Certain Items	(4)
KML NCI[(a)]	(33)
DD&A attributable to KML NCI	(19)
Income tax expense attributable to KML NCI[(a)]	(8)
KML NCI DCF adjustments[(a)]	$ (60)

Reconciliation of net income attributable to NCI (net of KML NCI and Certain Items)	
Net income attributable to NCI (GAAP)	$ (49)
Less: KML NCI[(a)]	(33)
Net income attributable to NCI (net of KML NCI[(a)])	(16)
NCI associated with Certain Items	(4)
Net income attributable to NCI (net of KML NCI and Certain Items)	$ (20)

a) Amounts are adjusted for Certain Items.

Reconciliation of CO_2 Segment Free Cash Flow

$ in millions

Reconciliation of CO_2 Segment Free Cash Flow	2015	2016	2017	2018	2019
Segment EBDA	$ 657	$ 827	$ 847	$ 759	$ 681
Certain items:					
Non-cash impairments and project write-offs	622	29	-	79	75
Derivatives and other	(138)	63	40	90	(49)
Severance tax refund	-	-	-	(21)	-
Adjusted Segment EBDA	1,141	919	887	907	707
Capital expenditures (a)	(725)	(276)	(436)	(397)	(349)
Acquisitions	-	-	-	(21)	-
CO_2 Segment Free Cash Flow	**$ 416**	**$ 643**	**$ 451**	**$ 489**	**$ 358**

a) Includes sustaining and expansion capital expenditures.