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ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Intangible Assets and Goodwill

Identifiable Intangible Assets

The following table summarizes our intangible assets by business segment at the dates indicated:

	June 30, 2023			December 31, 2022		
	Gross Value	Accumulated Amortization	Carrying Value	Gross Value	Accumulated Amortization	Carrying Value
NGL Pipelines & Services:						
Customer relationship intangibles	\$ 449	\$ (257)	\$ 192	\$ 449	\$ (249)	\$ 200
Contract-based intangibles	751	(95)	656	749	(84)	665
Segment total	1,200	(352)	848	1,198	(333)	865
Crude Oil Pipelines & Services:						
Customer relationship intangibles	2,195	(477)	1,718	2,195	(431)	1,764
Contract-based intangibles	283	(273)	10	283	(271)	12
Segment total	2,478	(750)	1,728	2,478	(702)	1,776
Natural Gas Pipelines & Services:						
Customer relationship intangibles	1,350	(607)	743	1,350	(588)	762
Contract-based intangibles	639	(201)	438	639	(195)	444
Segment total	1,989	(808)	1,181	1,989	(783)	1,206
Petrochemical & Refined Products Services:						
Customer relationship intangibles	181	(83)	98	181	(80)	101
Contract-based intangibles	45	(29)	16	45	(28)	17
Segment total	226	(112)	114	226	(108)	118
Total intangible assets	\$ 5,893	\$ (2,022)	\$ 3,871	\$ 5,891	\$ (1,926)	\$ 3,965

The following table presents the amortization expense of our intangible assets by business segment for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
NGL Pipelines & Services	\$ 10	\$ 9	\$ 19	\$ 17
Crude Oil Pipelines & Services	25	21	48	41
Natural Gas Pipelines & Services	13	14	25	25
Petrochemical & Refined Products Services	2	1	4	3
Total	\$ 50	\$ 45	\$ 96	\$ 86

The following table presents our forecast of amortization expense associated with existing intangible assets for the periods indicated:

Remainder of 2023	2024	2025	2026	2027
\$ 107	\$ 222	\$ 230	\$ 237	\$ 235

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the amounts assigned to assets acquired and liabilities assumed in the transaction. There has been no change in our goodwill amounts since those reported in our 2022 Form 10-K.

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Note 7. Debt Obligations

The following table presents our consolidated debt obligations (arranged by company and maturity date) at the dates indicated:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
EPO senior debt obligations:		
Commercial Paper Notes, variable-rates	\$ 355	\$ 495
Senior Notes HH, 3.35% fixed-rate, due March 2023	—	1,250
Senior Notes JJ, 3.90% fixed-rate, due February 2024	850	850
March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement, variable-rate, due March 2024 (1)	—	—
Senior Notes MM, 3.75% fixed-rate, due February 2025	1,150	1,150
Senior Notes FFF, 5.05% fixed-rate, due January 2026	750	—
Senior Notes PP, 3.70% fixed-rate, due February 2026	875	875
Senior Notes SS, 3.95% fixed-rate, due February 2027	575	575
March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement, variable-rate, due March 2028 (2)	—	—
Senior Notes WW, 4.15% fixed-rate, due October 2028	1,000	1,000
Senior Notes YY, 3.125% fixed-rate, due July 2029	1,250	1,250
Senior Notes AAA, 2.80% fixed-rate, due January 2030	1,250	1,250
Senior Notes GGG, 5.35% fixed-rate, due January 2033	1,000	—
Senior Notes D, 6.875% fixed-rate, due March 2033	500	500
Senior Notes H, 6.65% fixed-rate, due October 2034	350	350
Senior Notes J, 5.75% fixed-rate, due March 2035	250	250
Senior Notes W, 7.55% fixed-rate, due April 2038	400	400
Senior Notes R, 6.125% fixed-rate, due October 2039	600	600
Senior Notes Z, 6.45% fixed-rate, due September 2040	600	600
Senior Notes BB, 5.95% fixed-rate, due February 2041	750	750
Senior Notes DD, 5.70% fixed-rate, due February 2042	600	600
Senior Notes EE, 4.85% fixed-rate, due August 2042	750	750
Senior Notes GG, 4.45% fixed-rate, due February 2043	1,100	1,100
Senior Notes II, 4.85% fixed-rate, due March 2044	1,400	1,400
Senior Notes KK, 5.10% fixed-rate, due February 2045	1,150	1,150
Senior Notes QQ, 4.90% fixed-rate, due May 2046	975	975
Senior Notes UU, 4.25% fixed-rate, due February 2048	1,250	1,250
Senior Notes XX, 4.80% fixed-rate, due February 2049	1,250	1,250
Senior Notes ZZ, 4.20% fixed-rate, due January 2050	1,250	1,250
Senior Notes BBB, 3.70% fixed-rate, due January 2051	1,000	1,000
Senior Notes DDD, 3.20% fixed-rate, due February 2052	1,000	1,000
Senior Notes EEE, 3.30% fixed-rate, due February 2053	1,000	1,000
Senior Notes NN, 4.95% fixed-rate, due October 2054	400	400
Senior Notes CCC, 3.95% fixed-rate, due January 2060	<u>1,000</u>	<u>1,000</u>
Total principal amount of senior debt obligations	26,630	26,270
EPO Junior Subordinated Notes C, variable-rate, due June 2067 (3)(7)	232	232
EPO Junior Subordinated Notes D, variable-rate, due August 2077 (4)(7)	350	350
EPO Junior Subordinated Notes E, fixed/variable-rate, due August 2077 (5)(7)	1,000	1,000
EPO Junior Subordinated Notes F, fixed/variable-rate, due February 2078 (6)(7)	700	700
TEPPCO Junior Subordinated Notes, variable-rate, due June 2067 (3)(7)	<u>14</u>	<u>14</u>
Total principal amount of senior and junior debt obligations	28,926	28,566
Other, non-principal amounts	(279)	(271)
Less current maturities of debt	<u>(1,204)</u>	<u>(1,744)</u>
Total long-term debt	<u>\$ 27,443</u>	<u>\$ 26,551</u>

(1) Under the terms of the agreement, EPO may borrow up to \$1.5 billion (which may be increased by up to \$200 million to \$1.7 billion at EPO's election provided certain conditions are met).

(2) Under the terms of the agreement, EPO may borrow up to \$2.7 billion (which may be increased by up to \$500 million to \$3.2 billion at EPO's election provided certain conditions are met).

(3) Variable rate is reset quarterly and based on 3-month London Interbank Offered Rate ("LIBOR") plus 2.778%.

(4) Variable rate is reset quarterly and based on 3-month LIBOR plus 2.986%.

(5) Fixed rate of 5.250% through August 15, 2027; thereafter, a variable rate reset quarterly and based on 3-month LIBOR plus 3.033%.

(6) Fixed rate of 5.375% through February 14, 2028; thereafter, a variable rate reset quarterly and based on 3-month LIBOR plus 2.57%.

(7) See discussion below in “Variable Interest Rates” regarding the LIBOR replacement and LIBOR replacement rate.

References to “TEPPCO” mean TEPPCO Partners, L.P. prior to its merger with one of our wholly owned subsidiaries in October 2009.

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Variable Interest Rates

The following table presents the range of interest rates and weighted-average interest rates paid on our consolidated variable-rate debt during the six months ended June 30, 2023:

	Range of Interest Rates Paid	Weighted-Average Interest Rate Paid
Commercial Paper Notes	4.59% to 5.43%	5.17%
EPO Junior Subordinated Notes C and TEPPCO Junior Subordinated Notes	7.54% to 8.27%	7.76%
EPO Junior Subordinated Notes D	7.63% to 8.30%	7.91%

Amounts borrowed under EPO's March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement and March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement bear interest, at EPO's election, equal to: (i) the Secured Overnight Financing Rate ("SOFR"), plus an additional variable spread; or (ii) an alternate base rate, which is the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.5%, or (c) Adjusted Term SOFR, for an interest period of one month in effect on such day plus 1%, and a variable spread. The applicable spreads are determined based on EPO's debt ratings.

In July 2017, the Financial Conduct Authority in the U.K. announced a desire to phase out LIBOR as a benchmark by the end of June 2023. In December 2022, the Board of Governors of the Federal Reserve System approved a final rule to implement the Adjustable Interest Rate (LIBOR) Act, which established benchmark replacements for certain contracts that reference various tenors of LIBOR and do not provide an alternative rate or would result in a rate that is expressed in terms of the last known value of LIBOR (typically referred to as a "frozen LIBOR" provision). The final rule became effective during the first quarter of 2023. As a result of the LIBOR Act, our Junior Subordinated Notes C and D and the TEPPCO Junior Subordinated Notes, which were subject to a variable rate (as defined by the applicable agreement) based on three-month LIBOR (in each case, a "LIBOR Rate") through June 30, 2023, replaced the applicable LIBOR Rate with a variable rate based on the three-month CME Term SOFR ("SOFR Rate") as administered by the CME Group Benchmark Administration, Ltd. plus a 0.26161% tenor spread adjustment beginning on July 1, 2023. Additionally, our Junior Subordinated Notes E and F, which would have been subject to a variable rate (as defined by the applicable agreement) based on three-month LIBOR beginning in August 2027 and February 2028, respectively, will replace the applicable LIBOR Rate with the three-month SOFR Rate plus a 0.26161% tenor spread adjustment. The foregoing tenor spread adjustment will be in addition to the applicable spread under the terms of each series of Junior Subordinated Notes. We do not expect the transition from LIBOR to have a material financial impact on us.

Scheduled Maturities of Debt

The following table presents the scheduled maturities of principal amounts of EPO's consolidated debt obligations at June 30, 2023 for the next five years, and in total thereafter:

	Total	Scheduled Maturities of Debt					
		Remainder of 2023	2024	2025	2026	2027	Thereafter
Commercial Paper Notes	\$ 355	\$ 355	\$ —	\$ —	\$ —	\$ —	\$ —
Senior Notes	26,275	—	850	1,150	1,625	575	22,075
Junior Subordinated Notes	2,296	—	—	—	—	—	2,296
Total	<u>\$ 28,926</u>	<u>\$ 355</u>	<u>\$ 850</u>	<u>\$ 1,150</u>	<u>\$ 1,625</u>	<u>\$ 575</u>	<u>\$ 24,371</u>

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March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement

In March 2023, EPO entered into a new 364-Day Revolving Credit Agreement (the “March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement”) that replaced its September 2022 364-Day Revolving Credit Agreement. There were no principal amounts outstanding under the September 2022 364-Day Revolving Credit Agreement when it was replaced by the March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement. As of June 30, 2023, there were no principal amounts outstanding under the March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement.

Under the terms of the March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement, EPO may borrow up to \$1.5 billion (which may be increased by up to \$200 million to \$1.7 billion at EPO’s election, provided certain conditions are met) at a variable interest rate for a term of up to 364 days, subject to the terms and conditions set forth therein. The March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement matures in March 2024. To the extent that principal amounts are outstanding at the maturity date, EPO may elect to have the entire principal balance then outstanding continued as non-revolving term loans for a period of one additional year, payable in March 2025. Borrowings under the March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement may be used for working capital, capital expenditures, acquisitions and general company purposes.

The March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement contains customary representations, warranties, covenants (affirmative and negative) and events of default, the occurrence of which would permit the lenders to accelerate the maturity date of any amounts borrowed under this credit agreement. The March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement also restricts EPO’s ability to pay cash distributions to the Partnership, if an event of default (as defined in the credit agreement) has occurred and is continuing at the time such distribution is scheduled to be paid or would result therefrom.

EPO’s obligations under the March 2023 \$1.5 Billion 364-Day Revolving Credit Agreement are not secured by any collateral; however, they are guaranteed by the Partnership.

March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement

In March 2023, EPO entered into a new revolving credit agreement that matures in March 2028 (the “March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement”). The March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement replaced EPO’s prior multi-year revolving credit agreement that was scheduled to mature in September 2026. There were no principal amounts outstanding under the prior multi-year revolving credit agreement when it was replaced by the March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement. As of June 30, 2023, there were no principal amounts outstanding under the March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement.

Under the terms of the March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement, EPO may borrow up to \$2.7 billion (which may be increased by up to \$500 million to \$3.2 billion at EPO’s election, provided certain conditions are met) at a variable interest rate for a term of five years, subject to the terms and conditions set forth therein. The March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement matures in March 2028, although the maturity date may be extended at EPO’s request (up to two requests) for a one-year extension of the maturity date by delivering a request prior to the maturity date and with the consent of required lenders as set forth under the March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement. Borrowings under the March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement may be used for working capital, capital expenditures, acquisitions and general company purposes.

The March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement contains customary representations, warranties, covenants (affirmative and negative) and events of default, the occurrence of which would permit the lenders to accelerate the maturity date of any amounts borrowed under this credit agreement. The March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement also restricts EPO’s ability to pay cash distributions to the Partnership, if an event of default (as defined in the credit agreement) has occurred and is continuing at the time such distribution is scheduled to be paid or would result therefrom.

EPO’s obligations under the March 2023 \$2.7 Billion Multi-Year Revolving Credit Agreement are not secured by any collateral; however, they are guaranteed by the Partnership.

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Issuance of \$1.75 Billion of Senior Notes in January 2023

In January 2023, EPO issued \$1.75 billion aggregate principal amount of senior notes comprised of (i) \$750 million principal amount of senior notes due January 2026 (“Senior Notes FFF”) and (ii) \$1.0 billion principal amount of senior notes due January 2033 (“Senior Notes GGG”). Net proceeds from this offering were used by EPO for general company purposes, including for growth capital investments, and the repayment of debt (including the repayment of all of our \$1.25 billion principal amount of 3.35% Senior Notes HH at their maturity in March 2023 and amounts outstanding under our commercial paper program).

Senior Notes FFF were issued at 99.893% of their principal amount and have a fixed-rate interest rate of 5.05% per year. Senior Notes GGG were issued at 99.803% of their principal amount and have a fixed-rate interest rate of 5.35% per year. The Partnership guaranteed these senior notes through an unconditional guarantee on an unsecured and unsubordinated basis.

Letters of Credit

At June 30, 2023, EPO had \$110 million of letters of credit outstanding primarily related to our commodity hedging activities.

Lender Financial Covenants

We were in compliance with the financial covenants of our consolidated debt agreements at June 30, 2023.

Parent-Subsidiary Guarantor Relationships

The Partnership acts as guarantor of the consolidated debt obligations of EPO, with the exception of the remaining debt obligations of TEPPCO. If EPO were to default on any of its guaranteed debt, the Partnership would be responsible for full and unconditional repayment of such obligations.

Note 8. Capital Accounts

Common Limited Partner Interests

The following table summarizes changes in the number of our common units outstanding since December 31, 2022:

Common units outstanding at December 31, 2022	2,170,806,347
Common unit repurchases under 2019 Buyback Program	(682,589)
Common units issued in connection with the vesting of phantom unit awards, net	4,364,301
Other	20,892
Common units outstanding at March 31, 2023	2,174,508,951
Common unit repurchases under 2019 Buyback Program	(2,910,121)
Common units issued in connection with the vesting of phantom unit awards, net	153,502
Common units outstanding at June 30, 2023	<u>2,171,752,332</u>

Registration Statements

We have a universal shelf registration statement on file with the SEC which allows the Partnership and EPO (each on a standalone basis) to issue an unlimited amount of equity and debt securities, respectively.

In addition, the Partnership has a registration statement on file with the SEC covering the issuance of up to \$2.5 billion of its common units in amounts, at prices and on terms based on market conditions and other factors at the time of such offerings (referred to as the Partnership’s at-the-market (“ATM”) program). The Partnership did not issue any common units under its ATM program during the six months ended June 30, 2023. The Partnership’s capacity to issue additional common units under the ATM program remains at \$2.5 billion as of June 30, 2023.

We may issue additional equity and debt securities to assist us in meeting our future liquidity requirements, including those related to capital investments.