

# [***-Plains All American Reports Third-Quarter 2022 Results, Increases 2022 Guidance and Announces Multi-Year Capital Allocation Framework***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:66SF-4HF1-JD3Y-Y174-00000-00&context=1516831)

ENP Newswire

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**Body**

HOUSTON - Plains All American Pipeline, L.P. (Nasdaq: PAA) and Plains GP Holdings (Nasdaq: PAGP) today reported third-quarter 2022 results and provided the following highlights and increase to 2022 guidance:

Third-quarter Net income attributable to PAA of $ 384 million and Net cash provided by operating activities of $ 941 million

Delivered strong third-quarter Adjusted EBITDA attributable to PAA of $ 623 million

Increased guidance for full-year 2022 Adjusted EBITDA attributable to PAA by $ 75 million to +/- $ 2.450 billion, representing a $ 250 million increase compared to initial February 2022 guidance as a result of increased Permian tariff volumes, higher commodity prices and margin-based opportunities

Achieved leverage ratio below the mid-point (4.0x) of targeted range, expect year-end 2022 leverage of +/- 3.8x

Capital Allocation Framework Update

Plains has made significant progress on strengthening its financial position and continues to execute on its long-term goals of generating meaningful Free Cash Flow, maintaining capital discipline, improving financial flexibility, and increasing returns of capital to equity holders via both distribution growth and opportunistic equity repurchases. Plains has achieved leverage below the mid-point of its targeted leverage range well ahead of expectations entering 2022 and now anticipates exiting the year with a leverage ratio of approximately 3.8x.

Given the progress made on deleveraging, solid financial and operating performance, and confidence in the long-term outlook of the business, we are providing the following multi-year capital allocation and financial framework:

Management currently intends to recommend to the Board of Directors of PAA GP Holdings LLC ('the Plains Board') an annualized increase of $ 0.20 to PAA's and PAGP's fourth-quarter 2022 distribution payable in February 2023 (one quarter earlier than our standard beginning-of-the-year annual budgeting process), which would increase the annualized rate from $ 0.87 to $ 1.07 per common unit and Class A share

Beyond 2023, as part of its standard annual review process, management anticipates targeting annualized common distribution increases of approximately $ 0.15 per unit each year until reaching a targeted Common Unit Distribution Coverage Ratio of approximately 160%

Maintaining capital discipline, enhancing financial flexibility and achieving mid-BBB/Baa credit ratings remain top priorities; management anticipates leverage migrating below the low-end of the targeted 3.75x - 4.25x range in 2023

Opportunistic unit repurchases will remain a component of our long-term capital allocation framework

'We continue to execute, and we maintain a constructive view of long-term global ***energy*** fundamentals. We also believe our business has reached a positive inflection point, and we are pleased to be achieving our leverage objectives earlier than anticipated, allowing us to increase returns of capital to equity holders in a prudent, long-term manner,' stated Willie Chiang, Chairman and CEO of Plains. 'Given the positive outlook for our business, operating leverage across our crude oil and NGL footprints and continued focus on capital discipline, we are positioned to continue generating Free Cash Flow and increasing returns to our equity holders over multiple years while further enhancing our financial flexibility.'

Consistent with past practice, the Plains Board will consider management's recommendation prior to its approval and declaration of the distribution for the fourth quarter of 2022, payable in February of 2023. Moving forward, Plains management intends to review specific capital allocation recommendations with the Plains Board during its standard beginning-of-the-year annual budgeting process with any future adjustments occurring in the first quarter of each calendar year and payable in May. Future recommendations will be subject to financial positioning, investment opportunities and the general outlook for business, industry and macro economy.

About Plains:

PAA is a publicly traded master limited partnership that owns and operates midstream ***energy*** infrastructure and provides logistics services for crude oil and natural gas liquids (NGL). PAA owns an extensive network of pipeline gathering and transportation systems, in addition to terminalling, storage, processing, fractionation and other infrastructure assets serving key producing basins, transportation corridors and major market hubs and export outlets in the United States and Canada. On average, PAA handles more than 7 million barrels per day of crude oil and NGL.

PAGP is a publicly traded entity that owns an indirect, non-economic controlling general partner interest in PAA and an indirect limited partner interest in PAA, one of the largest ***energy*** infrastructure and logistics companies in North America.

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