



USA Compression Partners, LP

Investor Presentation

Citi Natural Resources Conference

August 2025

Forward-Looking Statements and Disclaimer

Forward Looking Statements

This presentation contains forward-looking statements related to the operations of the Partnership that are based on management's current expectations, estimates, and projections about its operations. You can identify many of these forward-looking statements by words such as "believe," "expect," "intend," "project," "anticipate," "estimate," "continue," "if," "outlook," "will," "could," "should," or similar words or the negatives thereof. You should consider these statements carefully because they discuss our plans, targets, strategies, prospects, and expectations concerning our business, operating results, financial condition, our ability to make distributions, and other similar matters. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and other factors, some of which are beyond our control and are difficult to predict. These include risks relating to changes in general economic conditions, including inflation, supply chain disruptions, or tariff impacts; changes in economic conditions of the crude oil and natural gas industries, including any impact from the ongoing military conflict involving Russia and Ukraine or the conflict in the Middle East; changes in the long-term supply of and demand for crude oil and natural gas; competitive conditions in our industry, including competition for employees in a tight labor market; our ability to realize the anticipated benefits of a shared services integration with Energy Transfer LP; changes in the availability and cost of capital, including changes to interest rates; renegotiation of material terms of customer contracts; actions taken by our customers, competitors, and third-party operators; and the factors set forth under the heading "Risk Factors" or included elsewhere that are incorporated by reference herein from our Annual Report on Form 10-K for the year ended December 31, 2024, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, each filed with the Securities and Exchange Commission; and if applicable, our other Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. As a result of such risks and others, our business, financial condition and results of operations could differ materially from what is expressed or forecasted in such forward-looking statements. Before you invest in our securities, you should be aware of such risks, and you should not place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this presentation speaks only as of the date of this presentation. Unpredictable or unknown factors not discussed herein also could have material adverse effects on forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, information regarding the conversion of 100% of the Partnership's remaining Series A Preferred Units ("Preferred Units") is for illustrative purposes only. As of August 6, 2025, 420,000 of the 500,000 Preferred Units have been converted to Common Units.

Industry & Market Data

The market data and certain other statistical information used throughout this presentation are based on independent industry publications, government publications or other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates and our management's understanding of industry conditions. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in these publications.

Intellectual Property

This presentation contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

USA Compression at a Glance: Financial

USAC Market Statistics¹

- NYSE: **USAC**
- Market Cap: **\$2.9 billion**
- Enterprise Value: **\$5.5 billion**
- Current Unit Price: **\$23.84**
- Distribution Yield: **8.8%**
- DCF Coverage Ratio²: **1.40x**

Contract compression services provides:

- Strong adjusted gross margins of ~66%^{2, 3}
- Fixed-fee, take-or-pay contracts that provide consistent cash flows
- Majority of contract terms at three-to-five years

Growth capital focused on high-quality customers delivering significant gas growth to market

2025 Financial Guidance²

- Adjusted EBITDA: **\$590 - \$610 million**
- Distributable Cash Flow: **\$350 - \$370 million**



¹ As of August 6, 2025, except DCF Coverage Ratio which is for the three months ended June 30, 2025, and debt for Enterprise Value calculation is as of June 30, 2025.

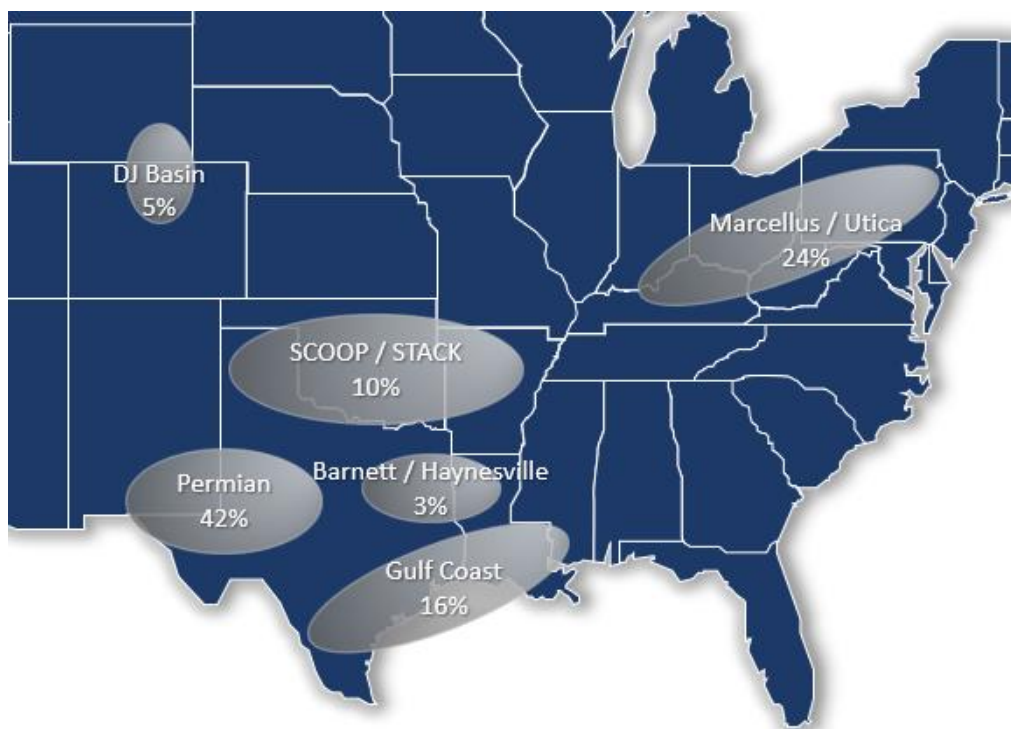
² Adjusted gross margin, Adjusted EBITDA, DCF, and DCF Coverage Ratio are Non-GAAP measures. See appendix for reconciliations to the comparable GAAP measures, and information on the calculation of these non-GAAP measures. Non-GAAP measures may not be comparable to similarly titled measures of other companies.

³ For the six months ended June 30, 2025.

USA Compression at a Glance: Operations

Large-Horsepower Strategy is *Vital* to Natural Gas Infrastructure and Delivered Strong Financial Performance in Q2 2025

3.9 million fleet HP; 94% utilization¹



Compression services provided across geographically diversified operating areas

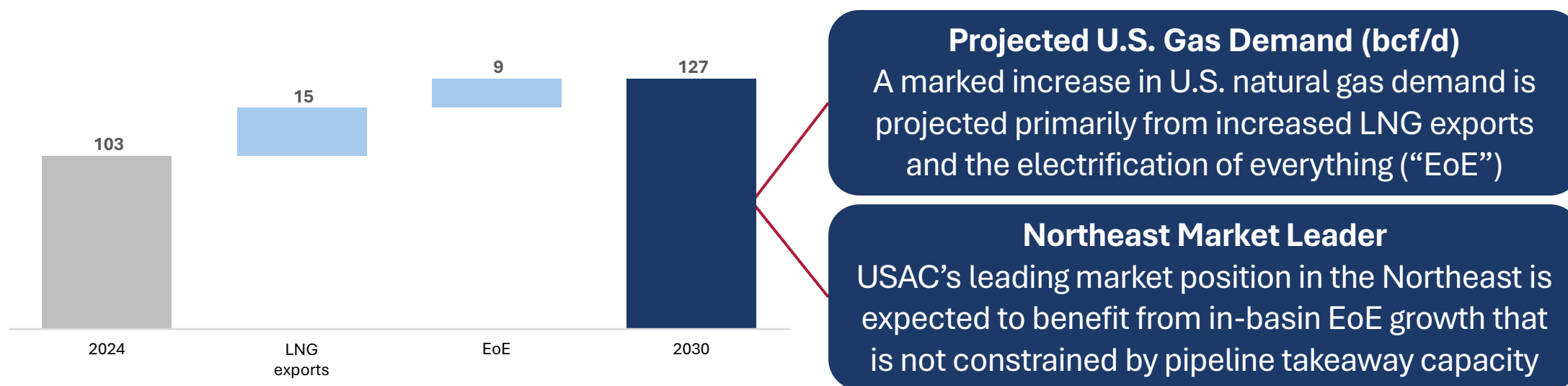
- Major operating presence in each of the gas growth basins in the U.S.
- Focused efforts on gas lift, midstream booster and large station services
- Standardized assets and services optimize utilization and minimize operating expense

Strategic focus on large horsepower with creditworthy counterparties

- Provides stable cash flows with durable ROIC
- 76% of fleet $\geq 1,000$ HP¹
- 98% utilization on $\geq 1,000$ HP units¹

¹ As of June 30, 2025.

USAC is Well Positioned to Benefit from Natural Gas Demand Growth



>60%

USAC’s active fleet that is within the Permian and along the Gulf Coast, the regions expected to benefit most from increased exports

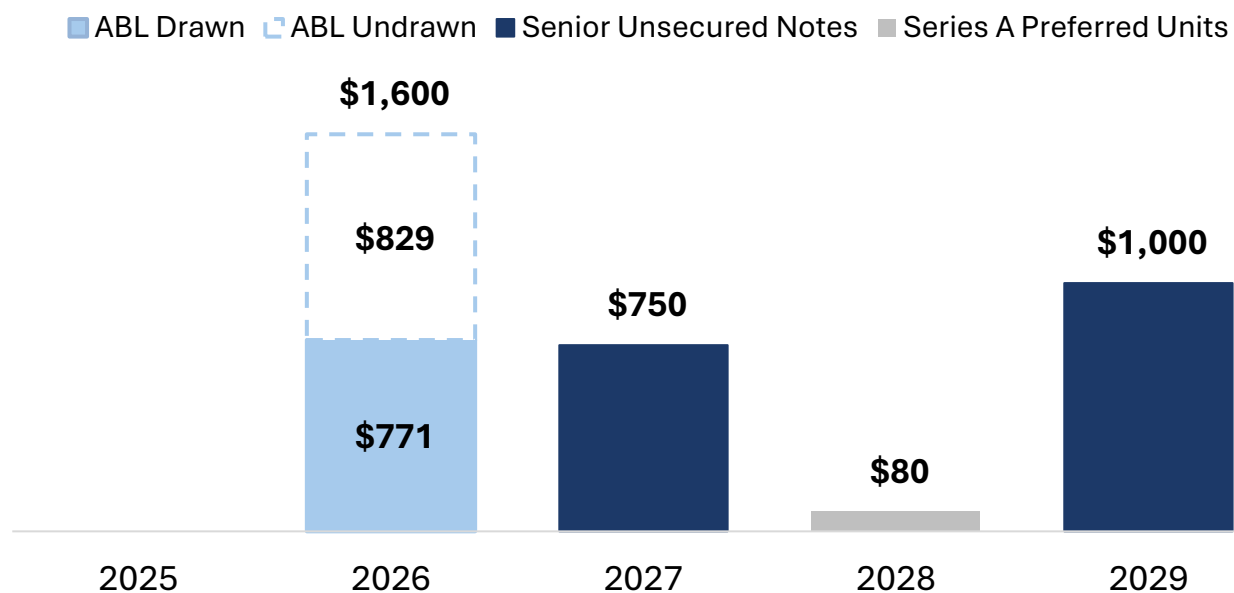
~3.3MM

Projected amount of additional contract compression HP capacity required to meet the incremental U.S. natural gas demand

Capital Structure

- \$100MM Series A Preferred Units were converted into Common Units in June 2025
- \$420MM of \$500MM Series A Preferred Units have been converted into Common Units in total
- Moody's upgraded corporate and unsecured debt rating in February 2025
- No maturities until December 2026

Maturity Profile *(in millions)*¹



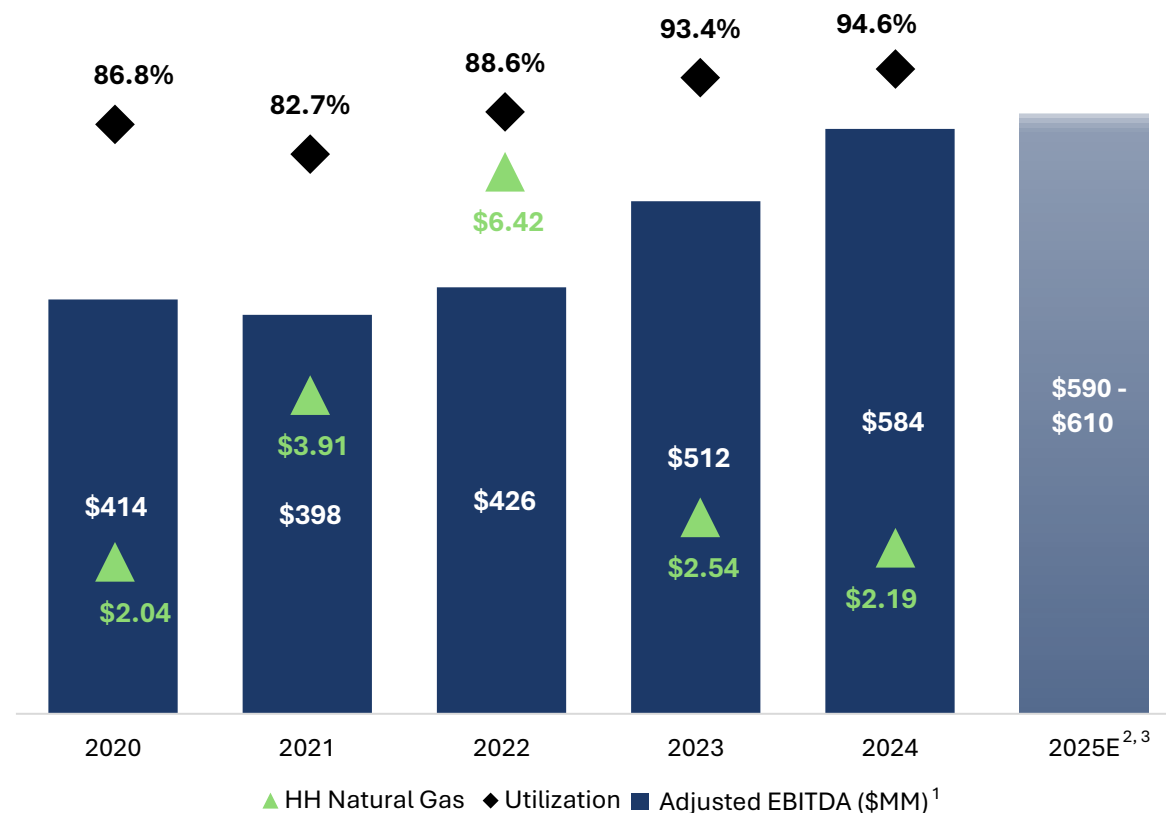
¹ As of June 30, 2025.

Ratings Summary

	Moody's	S&P	Fitch
Corporate Rating	Ba3	B+	BB
Unsecured	B1	B+	BB
Outlook	Stable	Stable	Stable

Stable Cash Flows Throughout Commodity Cycles

Durable cash flows during industry downcycles and are tied to production, rather than swings in commodity prices



¹ Adjusted EBITDA is a Non-GAAP measure. See appendix for a reconciliation to the comparable GAAP measures, and information on the calculation of this non-GAAP measure. Non-GAAP measures may not be comparable to similarly titled measures of other companies.

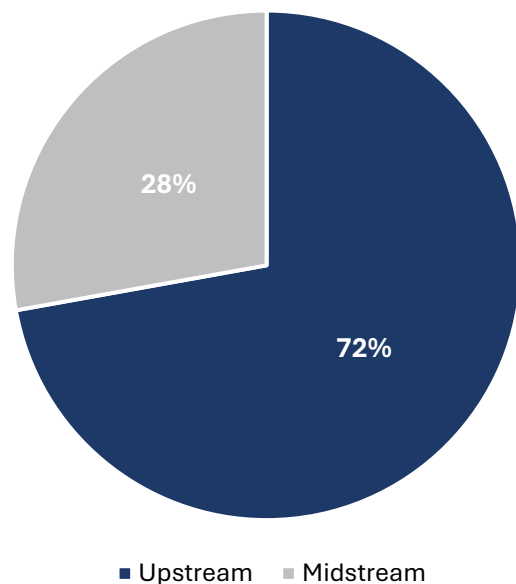
² Represents 2025 Adjusted EBITDA guidance.

³ Utilization was 94.2% as of June 30, 2025.

USAC Customer Overview

Diverse, Creditworthy Counterparties with Long-Term Relationships

Top 20 Customer by Type¹



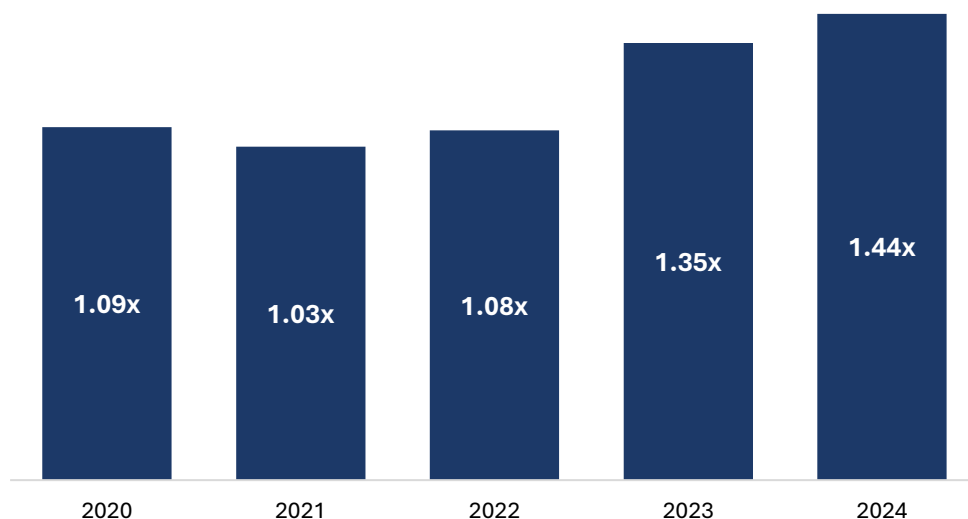
- ✓ Low revenue concentration risk – top 10 customers are 46%¹ of total revenues
- ✓ Average relationship with top 10 customers over 17 years
- ✓ Top 7 customers are investment grade
- ✓ 81%¹ of total revenues are under primary term
- ✓ Weighted average primary term of 31 months²

¹ Represents recurring revenues for the three months ended June 30, 2025.

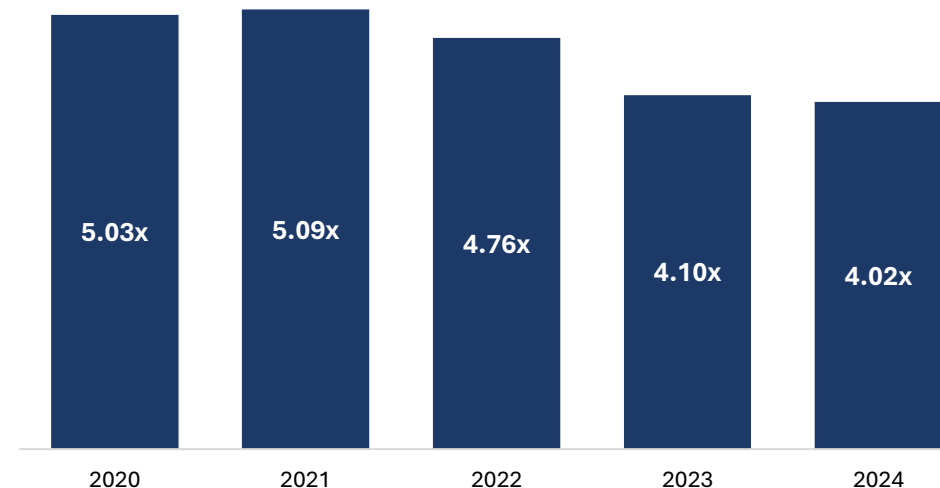
² Based on horsepower under primary term, excluding month-to-month, as of June 30, 2025.

USAC's Asset Base Supports Reduced Credit and Equity Risk

DCF Coverage Ratio¹



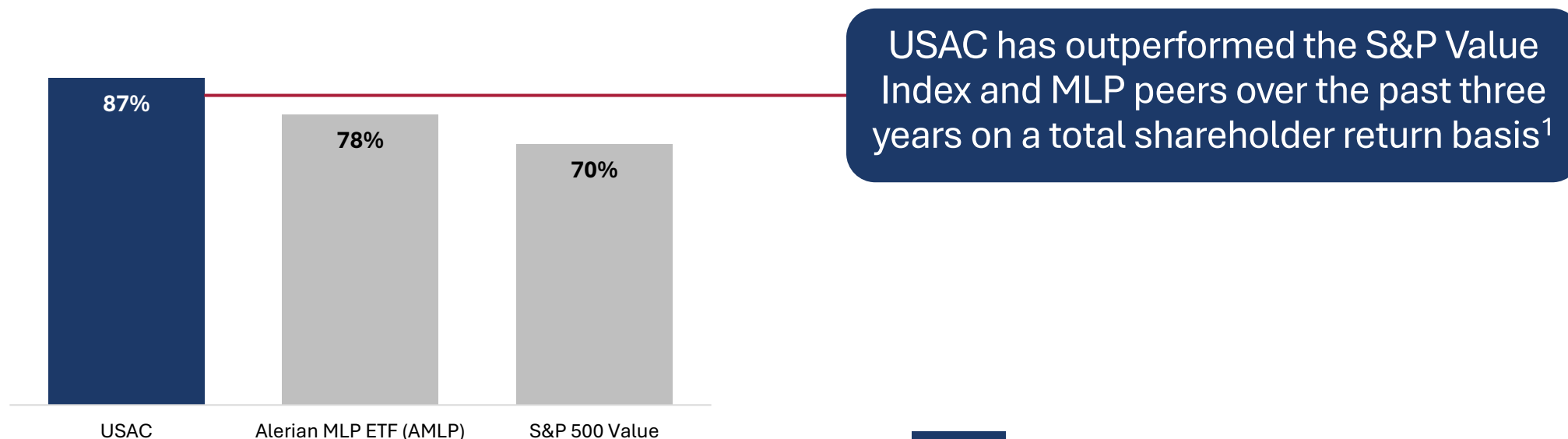
Leverage Ratio



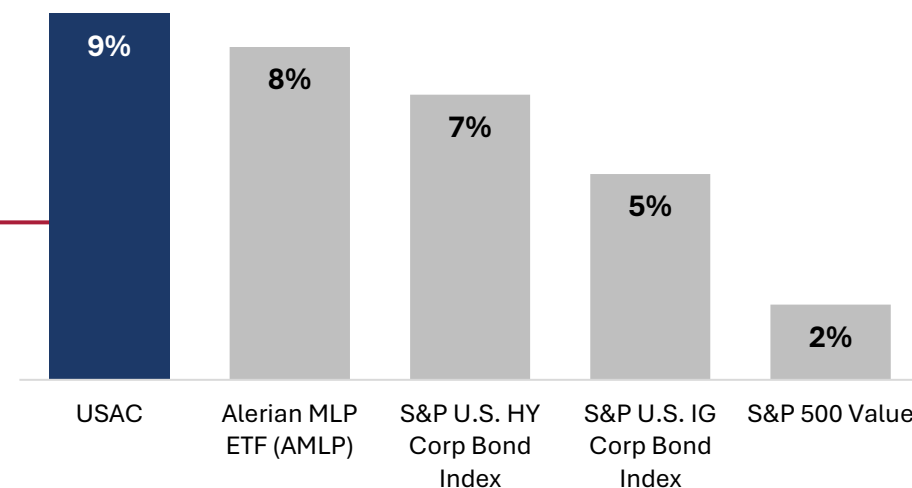
DCF Coverage Ratio and Leverage Ratio have both improved since 2021, reducing risk for credit and equity holders of USAC

¹ DCF Coverage Ratio is a Non-GAAP measure with full year figures represented. See appendix for information on the calculation of this non-GAAP measure. Non-GAAP measures may not be comparable to similarly titled measures of other companies. Leverage Ratios represent Q4 annualized figures for each year. Note: DCF Coverage Ratio was 1.40x for the three months ended June 30, 2025, and Leverage Ratio was 4.08x as of June 30, 2025.

History of Strong and Consistent Returns to Unitholders



USAC's durable distribution provides income-seeking investors consistent income and an appealing yield¹



¹ As of June 30, 2025.

Preferred Unitholder Partial Conversions of Preferred Units

- As of June 30, 2025, EIG Veteran Equity Aggregator, L.P. and FS Specialty Lending Fund (collectively “EIG”) has converted 420,000 Series A Perpetual Preferred Units (the “Preferred Units”) of the Partnership into Common Units representing limited partner interests in the Partnership (the “Conversions”)
- The Conversions represent 84% (eighty-four percent) of EIG’s Preferred Units
- Prior to the Conversions, EIG held 500,000 Preferred Units
- Following the Conversions, EIG holds 80,000 Preferred Units
- The preferred to common conversion price is \$20.0115/common unit, with each Preferred Unit having a liquidation value of \$1,000
- The Preferred Unit coupon rate is 9.75%
- USAC provides the following illustrative summary to provide stakeholders with the potential pro-forma impact to financial metrics if the remaining Preferred Units were to be converted

The Conversions of 84% of Preferred to Common Units has minimal impact on USAC’s financial metrics

Illustrative Example of Potential Preferred Unit Conversions

The potential conversion of 100% has minimal impact on the financial position of USAC

(\$ in thousands)	Three Months Ended June 30, 2025	
	As Reported	Pro Forma ³
	84% Converted	100% Assumption ⁴
Distributable Cash Flow ("DCF") ¹	\$ 89,926	\$ 89,926
Pro Forma increase upon Preferred Unit Conversion	-	1,950
DCF	\$ 89,926	\$ 91,876
Distributions for DCF Coverage Ratio ^{1,2}	\$ 64,409	\$ 64,409
Pro Forma increase upon Preferred Unit Conversion	-	2,099
Distributions for DCF Coverage Ratio	\$ 64,409	\$ 66,508
DCF Coverage Ratio	1.40x	1.38x

Conversions of the Preferred Units:

- Enhances common unitholder liquidity
- Slight increase to total distributions, approximately \$149,000 per quarter if remaining Preferred Units were to be converted
- Modestly reduces Distributable Cash Flow Coverage Ratio

¹ DCF and DCF Coverage Ratio are Non-GAAP measures. See appendix for reconciliations to the comparable GAAP measures, and information on the calculation of these non-GAAP measures. Non-GAAP measures may not be comparable to similarly titled measures of other companies.

² Represents distributions to the holders of the Partnership's common units as of the second quarter 2025 distribution record date.

³ Information used herein that is qualified as "pro forma" is presented on an illustrative basis assuming 100% of the remaining 80,000 Series A Preferred Units were converted to Common Units as of July 28, 2025, the second quarter 2025 distribution record date, in accordance with the Partnership's Second Amended and Restated Agreement of Limited Partnership.

⁴ Information presented herein is for illustrative purposes only.

Appendix

Second Quarter 2025 Highlights

Operational and Financial Results

Average revenue-
generating HP

3.55 MM
1% Y-o-Y ↑

Record
\$ per revenue-
generating HP

\$21.31
5% Y-o-Y ↑

Record
Revenues

\$250.1 MM
7% Y-o-Y ↑

Adjusted
EBITDA¹

\$149.5 MM
4% Y-o-Y ↑

Highlights

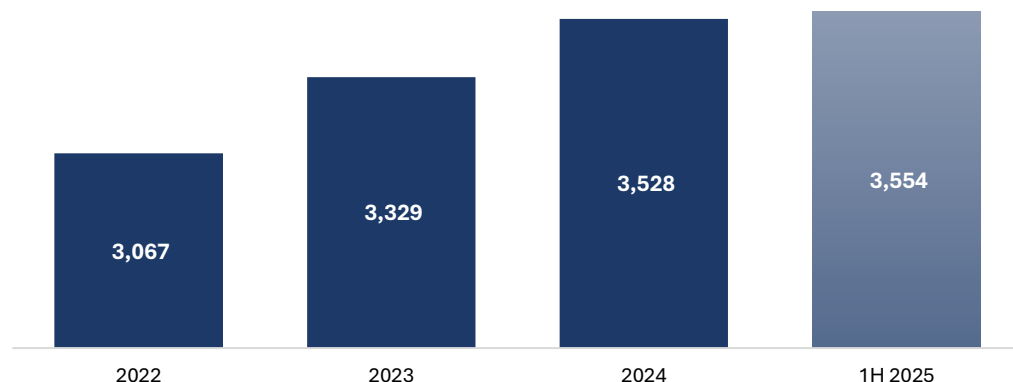
- Continued strong business execution with total utilization at 94% and large horsepower at 98%²
- Pricing continues at record levels
- Ample distribution coverage of 1.40x¹
- Leverage ratio remains near 4.0x
- 100,000 Preferred Units converted into ~5 million Common Units

¹ Adjusted EBITDA and DCF Coverage Ratio are Non-GAAP measures. See appendix for reconciliations to the comparable GAAP measures, and information on the calculation of these non-GAAP measures. Non-GAAP measures may not be comparable to similarly titled measures of other companies.

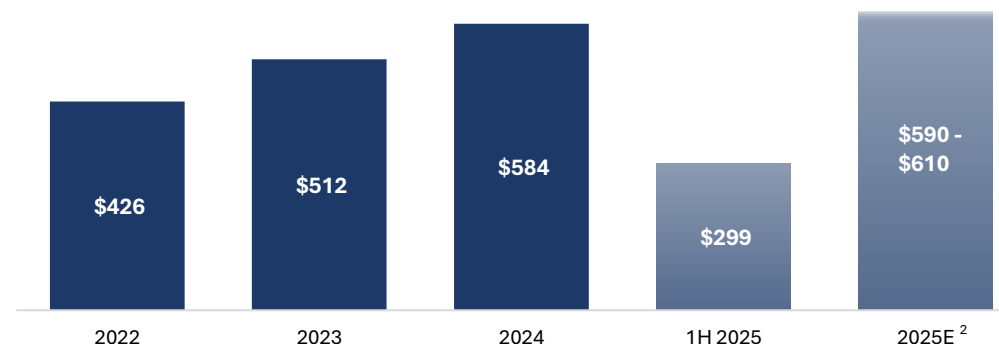
² As of June 30, 2025. Large horsepower is defined as compression units 1,000 horsepower or greater.

Operational and Financial Performance

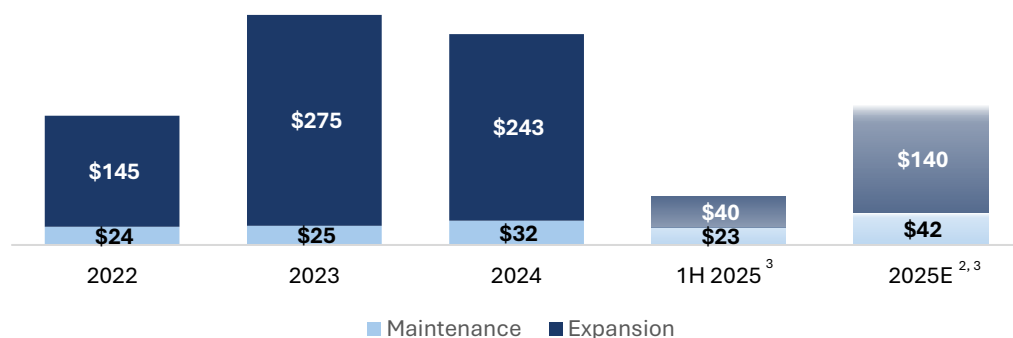
Average Revenue-generating HP (000s)



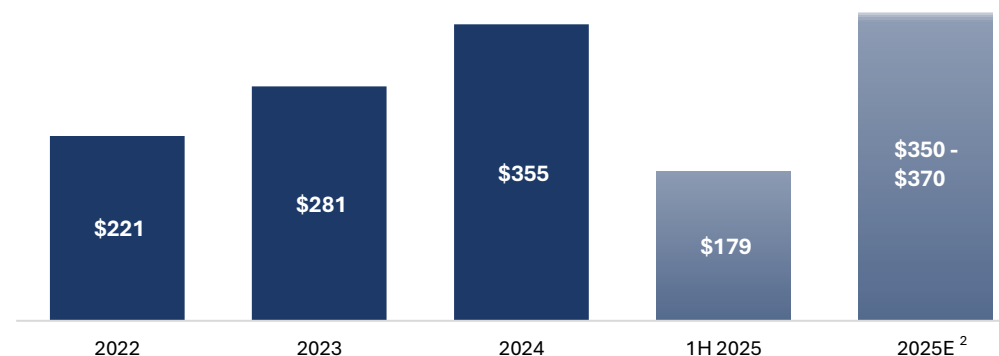
Adjusted EBITDA (\$MM)¹



Total Capex (\$MM)



DCF (\$MM)¹



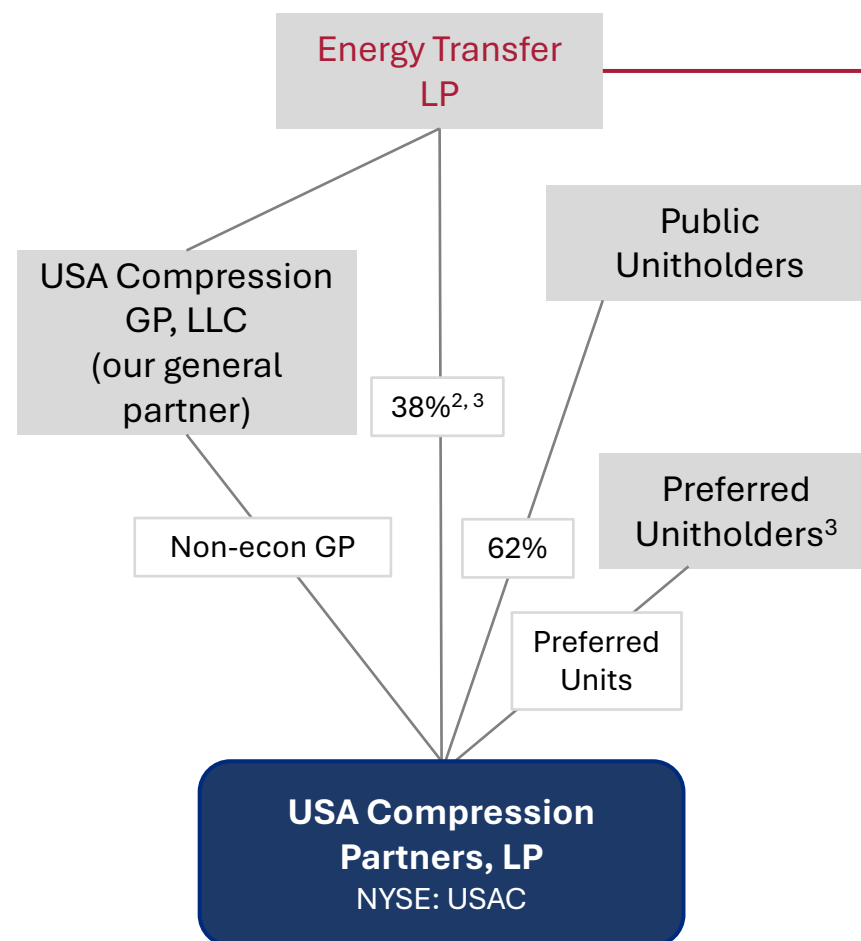
¹ Adjusted EBITDA and DCF are Non-GAAP measures. See appendix for reconciliations to the comparable GAAP measures, and information on the calculation of these non-GAAP measures. Non-GAAP measures may not be comparable to similarly titled measures of other companies.

² Represents 2025 Adjusted EBITDA, 2025 Capex, and 2025 DCF guidance.

³ Expansion capital expenditures for the first half of 2025 and full year 2025 guidance include approximately \$8 million and \$21 million, respectively, of other business support capital that includes vehicles, tools, and IT infrastructure.

Ownership Structure and Energy Transfer Relationship

USAC Ownership Structure¹



- Supportive parent that owns one of the largest and most diversified portfolios of energy assets in the United States
- Energy Transfer has owned USAC's general partner since April 2018 and has not sold any Common Units since then
- In 2025, USAC relocated its headquarters to Dallas, Texas and began implementing shared services model to benefit from the Energy Transfer family relationship
 - Delivers cost savings tied to economies-of-scale
 - Provides real-time expertise of gas market fundamentals
 - Includes key leadership adding decades of additional experience to USAC team

¹ As of August 6, 2025.

² Includes 8 million Common Units held by our General Partner.

³ EIG converted \$100 million of Series A Preferred Units in June 2025, with \$80 million Series A Preferred Units remaining to be converted.

Non-GAAP Reconciliations

Adjusted gross margin and Adjusted EBITDA

\$in thousands	2025		2024
	Q2	Q1	Q2
Total revenues	\$ 250,125	\$ 245,234	\$ 235,313
Cost of operations, exclusive of depreciation and amortization	(86,499)	(81,618)	(78,162)
Depreciation and amortization	(70,841)	(70,393)	(65,313)
Gross margin	\$ 92,785	\$ 93,223	\$ 91,838
Depreciation and amortization	70,841	70,393	65,313
Adjusted gross margin	\$ 163,626	\$ 163,616	\$ 157,151
Net income	\$ 28,559	\$ 20,512	\$ 31,238
Interest expense, net	47,674	47,369	48,828
Depreciation and amortization	70,841	70,393	65,313
Income tax expense	391	1,535	463
EBITDA	\$ 147,465	\$ 139,809	\$ 145,842
Unit-based compensation expense (benefit)	(1,736)	3,384	562
Transaction expenses	—	—	63
Severance charges and other employee costs	472	1,351	44
Loss (gain) on disposition of assets	39	1,325	(18)
Gain on derivative instrument	—	—	(3,131)
Impairment of assets	3,242	3,645	311
Adjusted EBITDA	\$ 149,482	\$ 149,514	\$ 143,673
Interest expense, net	(47,674)	(47,369)	(48,828)
Non-cash interest expense	2,231	2,241	2,257
Income tax expense	(391)	(1,535)	(463)
Transaction expenses	—	—	(63)
Severance charges and other employee costs	(472)	(1,351)	(44)
Cash received on derivative instrument	—	—	2,466
Other	(39)	85	37
Changes in operating assets and liabilities	21,107	(46,934)	(2,294)
Net cash provided by operating activities	\$ 124,244	\$ 54,651	\$ 96,741

Distributable Cash Flow and Distributable Cash Flow Coverage

\$in thousands	2025		2024
	Q2	Q1	Q2
Net income	\$ 28,559	\$ 20,512	\$ 31,238
Non-cash interest expense	2,231	2,241	2,257
Depreciation and amortization	70,841	70,393	65,313
Non-cash income tax expense (benefit)	(39)	85	37
Unit-based compensation expense (benefit)	(1,736)	3,384	562
Transaction expenses	—	—	63
Severance charges and other employee costs	472	1,351	44
Other	—	1,000	—
Loss (gain) on disposition of assets	39	1,325	(18)
Change in fair value of derivative instrument	—	—	(665)
Impairment of assets	3,242	3,645	311
Distributions on Preferred Units	(1,950)	(4,388)	(4,387)
Maintenance capital expenditures	(11,733)	(10,853)	(8,892)
Distributable Cash Flow	\$ 89,926	\$ 88,695	\$ 85,863
Maintenance capital expenditures	11,733	10,853	8,892
Transaction expenses	—	—	(63)
Severance charges and other employee costs	(472)	(1,351)	(44)
Distributions on Preferred Units	1,950	4,388	4,387
Other	—	(1,000)	—
Changes in operating assets and liabilities	21,107	(46,934)	(2,294)
Net cash provided by operating activities	\$ 124,244	\$ 54,651	\$ 96,741
Distributable Cash Flow	\$ 89,926	\$ 88,695	\$ 85,863
Distributions for Distributable Cash Flow Coverage Ratio	\$ 64,409	\$ 61,731	\$ 61,429
Distributable Cash Flow Coverage Ratio	1.40x ¹	1.44x	1.40x

¹ Q2 2025 DCF Coverage Ratio includes the effects of the \$100 million conversion of Series A Preferred Units into Common Units. \$80 million remains outstanding on the Series A Preferred Units.

Non-GAAP Reconciliations

Adjusted gross margin and Adjusted EBITDA

\$in thousands	Years Ended December 31,				
	2024	2023	2022	2021	2020
Total revenues	\$ 950,449	\$ 846,178	\$ 704,598	\$ 632,645	\$ 667,683
Cost of operations, exclusive of depreciation and amortization	(312,726)	(284,708)	(234,336)	(194,389)	(205,939)
Depreciation and amortization	(264,756)	(246,096)	(236,677)	(238,769)	(238,968)
Gross margin	\$ 372,967	\$ 315,374	\$ 233,585	\$ 199,487	\$ 222,776
Depreciation and amortization	264,756	246,096	236,677	238,769	238,968
Adjusted gross margin	\$ 637,723	\$ 561,470	\$ 470,262	\$ 438,256	\$ 461,744

	Years Ended December 31,				
	2024	2023	2022	2021	2020
Net income (loss)	\$ 99,575	\$ 68,268	\$ 30,318	\$ 10,279	\$ (594,732)
Interest expense, net	193,471	169,924	138,050	129,826	128,633
Depreciation and amortization	264,756	246,096	236,677	238,769	238,968
Income tax expense	2,231	1,365	1,016	874	1,333
EBITDA	\$ 560,033	\$ 485,653	\$ 406,061	\$ 379,748	\$ (225,798)
Interest income on capital lease	—	—	—	48	383
Unit-based compensation expense	16,552	22,169	15,894	15,523	8,400
Transaction expenses	133	46	27	34	136
Severance charges and other employee costs	2,430	841	982	494	3,130
Loss (gain) on disposition of assets	4,939	(1,667)	1,527	(2,588)	146
Loss on extinguishment of debt	4,966	—	—	—	—
Gain on derivative instrument	(5,684)	(7,449)	—	—	—
Impairment of assets	913	12,346	1,487	5,121	8,090
Impairment of goodwill	—	—	—	—	619,411
Adjusted EBITDA	\$ 584,282	\$ 511,939	\$ 425,978	\$ 398,380	\$ 413,898
Interest expense, net	(193,471)	(169,924)	(138,050)	(129,826)	(128,633)
Non-cash interest expense	8,748	7,279	7,265	9,765	8,402
Income tax expense	(2,231)	(1,365)	(1,016)	(874)	(1,333)
Interest income on capital lease	—	—	—	(48)	(383)
Transaction expenses	(133)	(46)	(27)	(34)	(136)
Severance charges and other employee costs	(2,430)	(841)	(982)	(494)	(3,130)
Cash received on derivative instrument	6,888	6,245	—	—	—
Other	1,204	1,448	(851)	(2,742)	4,230
Changes in operating assets and liabilities	(61,523)	(82,850)	(31,727)	(8,702)	283
Net cash provided by operating activities	\$ 341,334	\$ 271,885	\$ 260,590	\$ 265,425	\$ 293,198

Distributable Cash Flow and Distributable Cash Flow Coverage

\$in thousands	Years Ended December 31,				
	2024	2023	2022	2021	2020
Net income (loss)	\$ 99,575	\$ 68,268	\$ 30,318	\$ 10,279	\$ (594,732)
Non-cash interest expense	8,748	7,279	7,265	9,765	8,402
Depreciation and amortization	264,756	246,096	236,677	238,769	238,968
Non-cash income tax expense (benefit)	574	(52)	(151)	(42)	530
Unit-based compensation expense	16,552	22,169	15,894	15,523	8,400
Transaction expenses	133	46	27	34	136
Severance charges and other employee costs	2,430	841	982	494	3,130
Loss (gain) on disposition of assets	4,939	(1,667)	1,527	(2,588)	146
Loss on extinguishment of debt	4,966	—	—	—	—
Change in fair value of derivative instrument	1,204	(1,204)	—	—	—
Impairment of assets	913	12,346	1,487	5,121	8,090
Impairment of goodwill	—	—	—	—	619,411
Distributions on Preferred Units	(17,550)	(47,775)	(48,750)	(48,750)	(48,750)
Proceeds from insurance recovery	—	—	—	—	336
Maintenance capital expenditures	(31,923)	(25,234)	(23,777)	(19,477)	(23,301)
Distributable Cash Flow	\$ 355,317	\$ 281,113	\$ 221,499	\$ 209,128	\$ 220,766
Maintenance capital expenditures	31,923	25,234	23,777	19,477	23,301
Transaction expenses	(133)	(46)	(27)	(34)	(136)
Severance charges and other employee costs	(2,430)	(841)	(982)	(494)	(3,130)
Distributions on Preferred Units	17,550	47,775	48,750	48,750	48,750
Other	630	1,500	(700)	(2,700)	3,364
Changes in operating assets and liabilities	(61,523)	(82,850)	(31,727)	(8,702)	283
Net cash provided by operating activities	\$ 341,334	\$ 271,885	\$ 260,590	\$ 265,425	\$ 293,198
Distributable Cash Flow	\$ 355,317	\$ 281,113	\$ 221,499	\$ 209,128	\$ 220,766
Distributions for Distributable Cash Flow					
Coverage Ratio	\$ 245,990	\$ 208,856	\$ 205,559	\$ 203,978	\$ 203,409
Distributable Cash Flow Coverage Ratio	1.44x	1.35x	1.08x	1.03x	1.09x

Non-GAAP Reconciliation for Illustrative Preferred Unit Example

\$ in thousands	Three Months Ended June 30, 2025	
	As Reported	Pro Forma ²
	84% Converted	100% Assumption ³
Net income	\$ 28,559	\$ 28,559
Non-cash interest expense	2,231	2,231
Depreciation and amortization	70,841	70,841
Non-cash income tax benefit	(39)	(39)
Unit-based compensation benefit	(1,736)	(1,736)
Severance charges and other employee costs	472	472
Loss on disposition of assets	39	39
Impairment of assets	3,242	3,242
<i>Distributions on Preferred Units</i>	<i>(1,950)</i>	<i>—</i>
Maintenance capital expenditures	(11,733)	(11,733)
Distributable Cash Flow	\$ 89,926	\$ 91,876
Maintenance capital expenditures	11,733	11,733
Severance charges and other employee costs	(472)	(472)
<i>Distributions on Preferred Units</i>	<i>1,950</i>	<i>—</i>
Changes in operating assets and liabilities	21,107	21,107
Net cash provided by operating activities	\$ 124,244	\$ 124,244
 Distributions for DCF Coverage Ratio¹	 \$ 64,409	 \$ 66,508
 Distributable Cash Flow Coverage Ratio	 1.40x	 1.38x

¹ Represents distributions to the holders of the Partnership's common units as of the second quarter 2025 distribution record date.

² Information used herein that is qualified as "pro forma" is presented on an illustrative basis assuming 100% of the remaining 80,000 Series A Preferred Units were converted to Common Units as of July 28, 2025, the second quarter 2025 distribution record date, in accordance with the Partnership's Second Amended and Restated Agreement of Limited Partnership.

³ Information presented herein is for illustrative purposes only.

Basis of Presentation; Explanation of Non-GAAP Financial Measures

This presentation includes the non-U.S. generally accepted accounting principles (“non-GAAP”) financial measures, which may include Adjusted gross margin, Adjusted EBITDA, Distributable Cash Flow, and Distributable Cash Flow Coverage Ratio.

Adjusted gross margin, a non-GAAP measure, is defined as revenue less cost of operations, exclusive of depreciation and amortization expense. Management believes that Adjusted gross margin is useful to investors as a supplemental measure of the Partnership’s operating profitability. Adjusted gross margin primarily is impacted by the pricing trends for service operations and cost of operations, including labor rates for service technicians, volume and per-unit costs for lubricant oils, quantity and pricing of routine preventative maintenance on compression units, and property tax rates on compression units.

EBITDA, a non-GAAP measure, is defined as net income (loss) before net interest expense, depreciation and amortization expense, and income tax expense (benefit). Adjusted EBITDA, also a non-GAAP measure, is defined as EBITDA plus impairment of assets, impairment of goodwill, interest income on capital leases, unit-based compensation expense (benefit), severance charges and other employee costs, certain transaction expenses, loss (gain) on disposition of assets, loss on extinguishment of debt, loss (gain) on derivative instrument, and other. The Partnership’s management views Adjusted EBITDA as one of its primary tools, to assess: (i) the financial performance of the Partnership’s assets without regard to the impact of financing methods, capital structure, or the historical cost basis of the Partnership’s assets; (ii) the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities; (iii) the ability of the Partnership’s assets to generate cash sufficient to make debt payments and pay distributions; and (iv) the Partnership’s operating performance as compared to those of other companies in its industry without regard to the impact of financing methods and capital structure. The Partnership believes that Adjusted EBITDA provides useful information to investors because, when viewed in conjunction with GAAP results and the accompanying reconciliations, it may provide a more complete assessment of the Partnership’s performance compared to considering solely GAAP results.

Distributable Cash Flow, a non-GAAP measure, is defined as net income (loss) plus non-cash interest expense, non-cash income tax expense (benefit), depreciation and amortization expense, unit-based compensation expense (benefit), impairment of assets, impairment of goodwill, certain transaction expenses, severance charges and other employee costs, loss (gain) on disposition of assets, loss on extinguishment of debt, change in fair value of derivative instrument, proceeds from insurance recovery, and other, less distributions on the Partnership’s Series A Preferred Units (“Preferred Units”), and maintenance capital expenditures. The Partnership’s management believes Distributable Cash Flow is an important measure of operating performance because it allows management, investors, and others to compare the cash flows that the Partnership generates (after distributions on the Partnership’s Preferred Units but prior to any retained cash reserves established by the Partnership’s general partner and the effect of the Distribution Reinvestment Plan (“DRIP”)) to the cash distributions that the Partnership expects to pay its common unitholders.

See previous slides for, as applicable, gross margin reconciled to Adjusted gross margin, Adjusted EBITDA reconciled to net income (loss) and net cash provided by operating activities, and net income (loss) reconciled to Distributable Cash Flow.

This presentation also contains a forward-looking estimate of Adjusted EBITDA and Distributable Cash Flow projected to be generated by the Partnership for its 2025 fiscal year. The Partnership is unable to reconcile projected Adjusted EBITDA and Distributable Cash Flow to projected net income (loss) and projected net cash provided by operating activities, the most comparable financial measures calculated in accordance with GAAP because components of the required calculations cannot be reasonably estimated, such as changes to current assets and liabilities, unknown future events, and estimating certain future GAAP measures. The inability to project certain components of the calculation would significantly affect the accuracy of the reconciliations.

Adjusted gross margin, Adjusted EBITDA, and Distributable Cash Flow should not be considered an alternative to, or more meaningful than, gross margin, net income (loss), operating income, cash flows from operating activities, or any other measure presented in accordance with GAAP. Moreover, Adjusted gross margin, Adjusted EBITDA, and Distributable Cash Flow as presented may not be comparable to similarly titled measures of other companies.

The Partnership believes that external users of its financial statements benefit from having access to the same financial measures that management uses to evaluate the results of the Partnership’s business.

Distributable Cash Flow Coverage Ratio, a non-GAAP measure, is defined as Distributable Cash Flow divided by distributions declared to common unitholders in respect of such period. Management believes Distributable Cash Flow Coverage Ratio is an important measure of operating performance because it permits management, investors, and others to assess the Partnership’s ability to pay distributions to common unitholders out of the cash flows that the Partnership generates. The Partnership’s Distributable Cash Flow Coverage Ratio as presented may not be comparable to similarly titled measures of other companies.