



# Pembina Pipeline Corporation

TSX: PPL | NYSE: PBA

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**Strathcona County –  
Council & Priorities  
Committee**

**May 11<sup>th</sup>, 2021**

Building Something Extraordinary





# Presentation outline



Who we are - Corporate

Who we are – Key Pipeline Business Units

Questions



# Forward-looking statements and information



This presentation contains certain forward-looking statements and information (collectively, "forward-looking statements") that are based on Pembina's expectations, estimates, projections and assumptions in light of its experience and its perception of historical trends as well as current market conditions and perceived business opportunities. In some cases, forward-looking statements can be identified by terminology such as "expect", "will", "plans", "commit", "to be", "estimate", "strategy", "remain", "guidance", "develop", "potential", "continue", "could", "create", "keep", and similar expressions suggesting future events or future performance.

In particular, this presentation contains forward-looking statements, including certain financial outlooks, pertaining to, without limitation: Pembina's corporate strategy and the development of new business initiatives and growth opportunities and the expected timing thereof; expectations regarding adjusted EBITDA, Debt (as defined herein)/adjusted EBITDA and funds from operations/Debt; planning, construction, capital expenditure estimates, schedules, locations, expected capacity, incremental volumes, completion and in-service dates, rights, activities and operations with respect to the construction of, or expansions on, existing pipelines systems, deferred projects, gas services facilities, processing and fractionation facilities, terminalling, storage and hub facilities and other facilities or energy infrastructure, as well as the impact of Pembina's projects on its future financial performance; Pembina's allocation of capital, including through common share repurchases through its normal course issuer bid; expectations about industry activities and development opportunities; expectations about future demand for Pembina's infrastructure and services; expectations regarding global energy demand; estimated project costs; the timing for establishing greenhouse gas emissions (GHG) reduction targets; plans to achieve certain diversity targets at each of the board, executive and employee levels through the implementation of the Inclusion & Diversity Stand and under the Board Diversity Policy, as the case may be; plans and strategies to improve environmental, social and governance performance, including as such relates to compensation methodologies; Pembina's commitment to and the future level and sustainability and potential growth of cash dividends that Pembina intends to pay its shareholders; Pembina's objectives with respect to its financial guardrails; Pembina's debt maturity profile; 2021 guidance and the capital budget; levels and types of contracted volumes; expected contract expiries and renewals; expected cost savings and efficiencies; and expected future cash flows, the sufficiency and expected uses thereof.

Undue reliance should not be placed on these forward-looking statements as they are based on assumptions made by Pembina as of the date hereof regarding, among other things: oil and gas industry exploration and development activity

levels and the geographic region of such activity; the success of Pembina's operations and growth projects; that impacts from the COVID-19 pandemic on Pembina's business and growth projects are not materially greater than expected; the approval and availability of one or more vaccines for COVID-19 and the efficient distribution thereof and the resultant lessening of the impact of the COVID-19 pandemic into 2021; prevailing commodity prices, interest rates and exchange rates and the ability of Pembina to maintain current credit ratings; the availability of capital to fund future capital requirements relating to existing assets and projects; future operating costs including geotechnical and integrity costs being consistent with historical costs; that any third-party projects relating to Pembina's growth projects will be sanctioned and completed as expected; that any required commercial agreements can be reached; that all required regulatory and environmental approvals can be obtained on the necessary terms in a timely manner; that counterparties will comply with contracts in a timely manner; that there are no unforeseen events preventing the performance of contracts or the completion of the relevant facilities; that there are no unforeseen material costs relating to the facilities which are not recoverable from customers; the technology will be sufficient to obtain greenhouse gas emissions reductions and targets; prevailing commodity prices, margins and exchange rates, interest and tax rates; that Pembina's future results of operations will be consistent with past performance and management expectations in relation thereto; the continued availability of capital; that future cash flows will be sufficient to fund Pembina's capital program; the success of growth projects; future operating costs; that counterparties to agreements will continue to perform their obligations in a timely manner; that there are no unforeseen events prevent the performance of contracts; that there are no unforeseen material construction or other costs related to growth projects or current operations; prevailing regulatory, tax and environmental laws and regulations and tax pool utilization rates; the amount of future liabilities relating to lawsuits and environmental incidents; and the availability of coverage under Pembina's insurance policies (including in respect of Pembina's business interruption insurance policy).

While Pembina believes the expectations and assumptions reflected in these forward-looking statements are reasonable as of the date hereof, there can be no assurance that they will prove to be correct. Forward-looking statements are subject to known and unknown risks and uncertainties which may cause actual performance and financial results to differ materially from the results expressed or implied, including but not limited to: the regulatory environment and decisions and Indigenous landowner consultation requirement; the impact of competitive entities and pricing; the ability of Pembina to raise sufficient capital (or to raise sufficient capital on favourable terms) to fund future expansions and growth projects and satisfy future commitments; failure to negotiate and conclude any

required commercial agreements or failure to obtain project sanctioning; increased construction costs, or construction delays, on Pembina's expansion and growth projects; labour and material shortages; non-performance or default by counterparties to agreements which Pembina or one or more of its affiliates has entered into in respect of its business; the impact of competitive entities and pricing; reliance on key industry partners, alliances and agreements; the strength and operations of the oil and natural gas production industry and related commodity prices; the continuation or completion of third-party projects; actions by governmental or regulatory authorities including changes in tax laws and treatment, changes in royalty rates, climate change initiatives or policies or increased environmental regulation; adverse general economic and market conditions in Canada, North America and worldwide, including changes, or prolonged weaknesses, as applicable, in interest rates, foreign currency exchange rates, commodity prices, supply/demand trends and overall industry activity levels; risks relating to widespread epidemics or pandemic outbreaks, including risks relating to the ongoing COVID-19 pandemic; constraints on, or the unavailability of adequate infrastructure; the political environment in North America and elsewhere, and public opinion; changes in credit ratings; counterparty credit risk; and technology and cyber security risks; and natural catastrophes.

Additional information on these factors as well as other risks that could impact Pembina's operational and financial results are contained in Pembina's Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2020, and described in our public filings available in Canada at [www.sedar.com](http://www.sedar.com) and in the United States at [www.sec.gov](http://www.sec.gov). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this document speak only as of the date of this document. Except as expressly required by applicable securities laws, Pembina and its subsidiaries assume no obligation to update forward-looking statements should circumstances or management's expectations, estimates, projections or assumptions change. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Readers are cautioned that management of Pembina approved the financial outlooks contained herein as of the date of this presentation. The purpose of the financial outlooks contained herein is to give the reader an indication of the value of Pembina's current and anticipated growth projects. Readers should be cautioned that the information contained in the financial outlooks contained herein may not be appropriate for other purposes.

# Non-GAAP measures



In this presentation, Pembina has used the terms adjusted EBITDA, adjusted EBITDA per common share, Debt to adjusted EBITDA, fee-based adjusted EBITDA, fee-based distributable cash flow, adjusted cash flow from operating activities per common share ("adjusted cash flow per share"), cash flow after dividends, funds from operations to debt ("FFO/Debt"), and debt to total capitalization; which do not have any standardized meaning under GAAP. Since these non-GAAP financial measures do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies, securities regulations require that non-GAAP financial measures be clearly defined, qualified and reconciled to their nearest GAAP measure. These non-GAAP measures are calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The intent of non-GAAP measures is to provide additional useful information respecting Pembina's financial and operational performance to investors and analysts and the measures do not have any standardized meaning under GAAP. The ratio of funds from operations to debt is a ratio defined and used by Pembina's rating agencies in the evaluation of the Company's credit

worthiness. Fee-based distributable cash flow is defined as wholly owned fee-based adjusted EBITDA plus the fee-based portion of distributions from equity accounted investees, less preferred share dividends, interest and illustrative cash taxes. Management believes fee-based distributable cash flow provides investors with a useful figure, which shows Pembina's historical ability to pay dividends on its common shares. Non-GAAP measures should not be considered in isolation or used in substitute for measures of performance prepared in accordance with GAAP.

Other issuers may calculate these non-GAAP measures differently. Investors should be cautioned that these measures should not be construed as alternatives to earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP as an indicator of Pembina's performance.

In accordance with IFRS, Pembina's jointly controlled investments are accounted for using equity accounting. Under equity accounting, the assets and liabilities of the investment are net into a single line item in the Consolidated Statement of Financial Position, Investments in Equity Accounted Investees. Net earnings from investments in equity accounted investees are recognized in

a single line item in the Consolidated Statement of Earnings and Comprehensive Income, Share of Profit from Equity Accounted Investees. Cash contributions and distributions from investments in equity accounted investees represent Pembina's proportionate share paid and received in the period to and from the investments in equity accounted investees. To assist the readers understanding and evaluate the performance of these investments, Pembina is supplementing the IFRS disclosure with non-GAAP proportionate consolidation of Pembina's interest in the investments in equity accounted investees. Pembina's proportionate interest in equity accounted investees has been included in adjusted EBITDA.

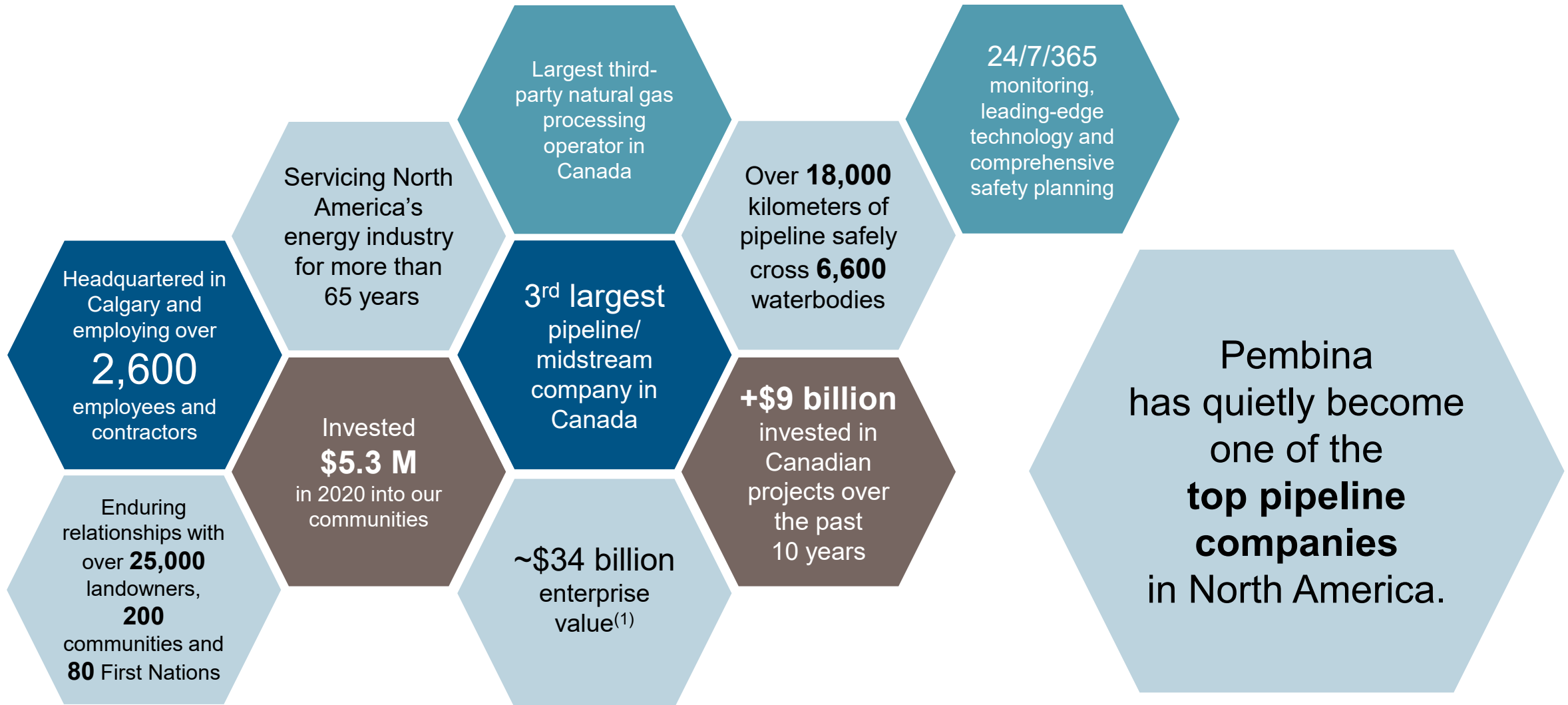
For additional information regarding non-GAAP measures, including reconciliations to the most directly comparable measures recognized by GAAP, please refer to Pembina's management's discussion and analysis for the year ended December 31, 2019, which is available online at [www.sedar.com](http://www.sedar.com), [www.sec.gov](http://www.sec.gov) and [www.pembina.com](http://www.pembina.com).



# Who We Are - Corporate



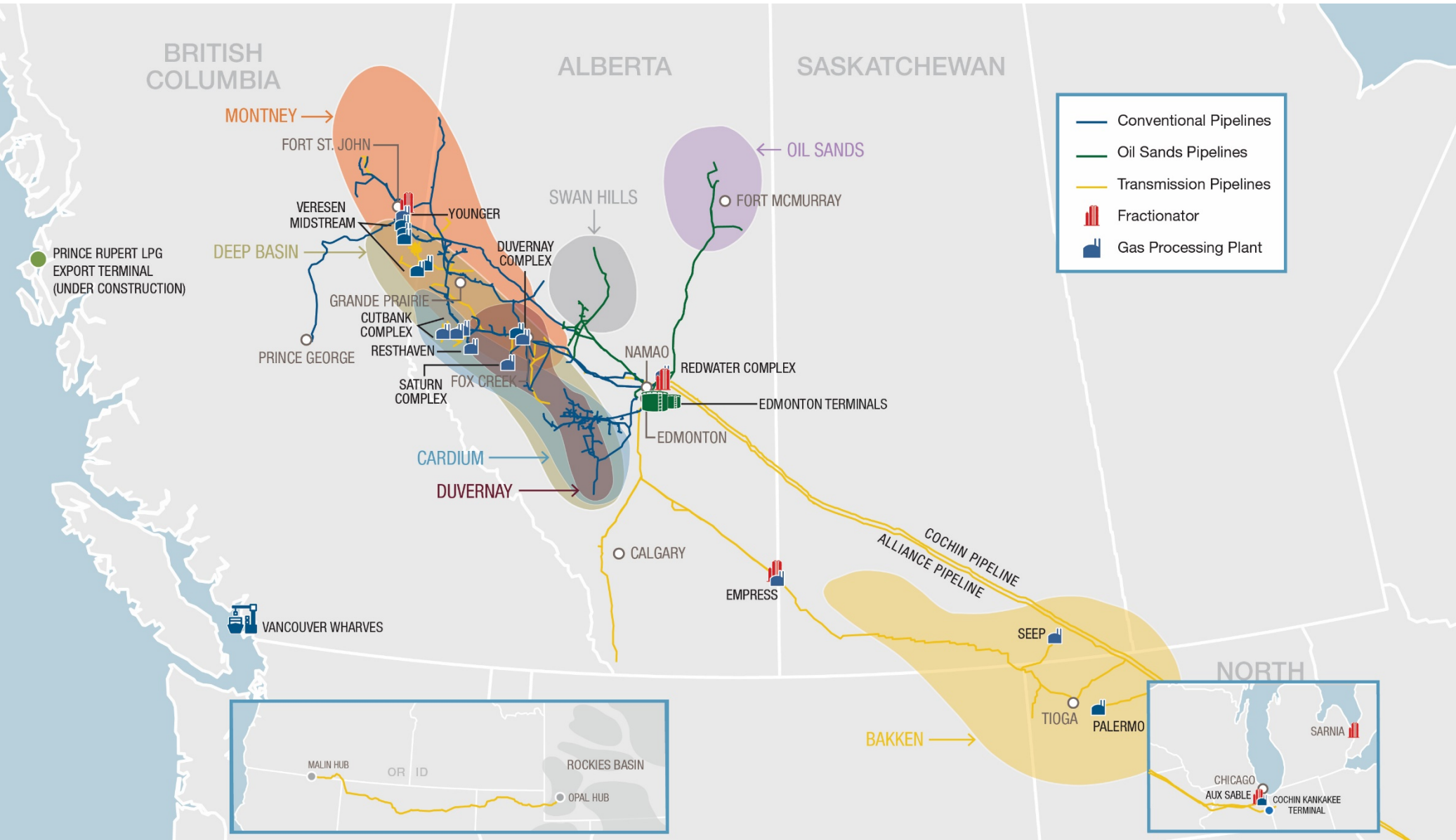
# About Pembina



(1) Updated as at Feb. 24, 2021.  
See "Forward-looking statements and information" and "Non-GAAP measures".



# Integrated transportation and midstream assets



**~3.1 mmbpd**  
hydrocarbon  
transportation capacity

**~6 bcf/d**  
gas processing capacity

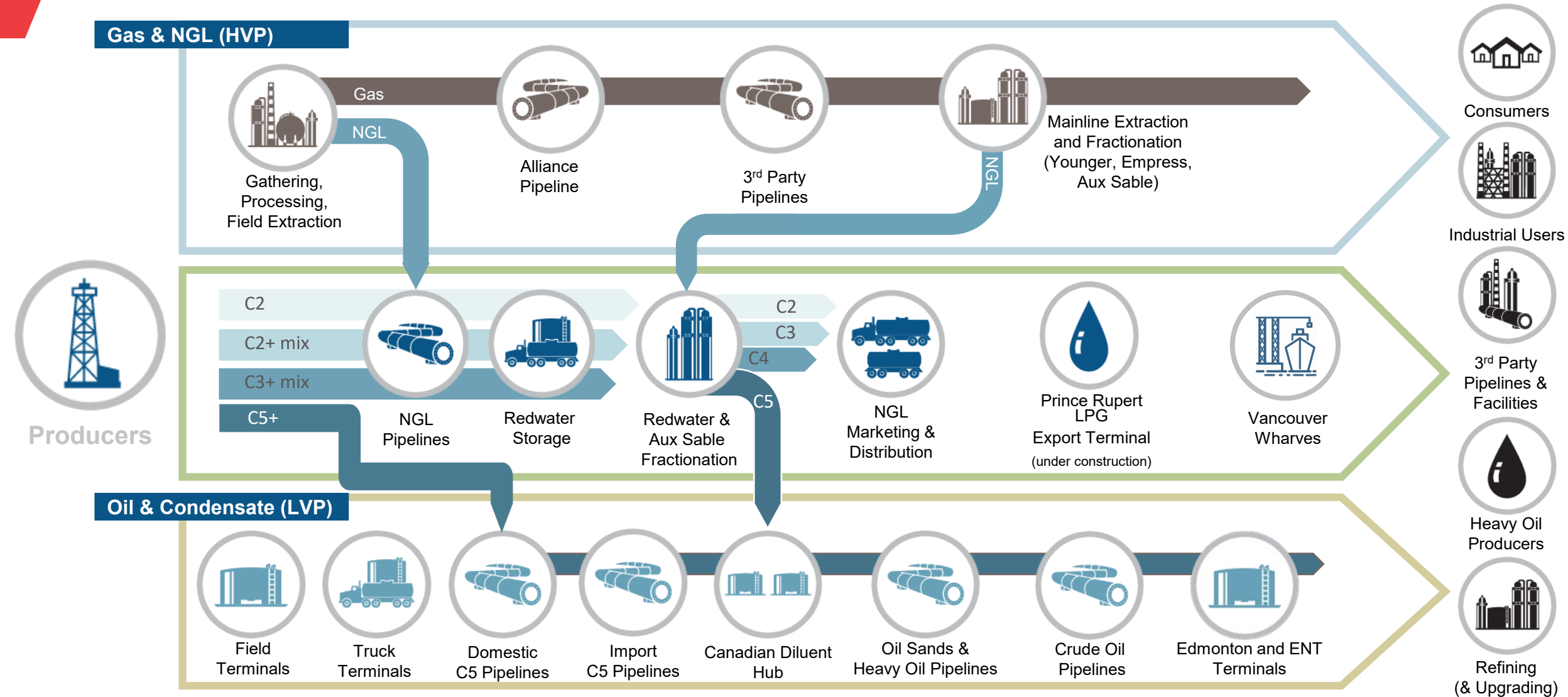
**~130 mbpd**  
condensate stabilization

**~354 mbpd**  
fractionation capacity

**~32 mmbbl**  
storage capacity

**~25 mbpd**  
propane export capacity  
in 2021

# The Pembina Store



Customers value our growing integrated service offering



# Purpose of Pembina



**Communities** welcome us and recognize the net positive impact of our social and environmental commitment

*Our success begins with the trust communities place in Pembina*



**Employees** see us as the 'employer of choice' and value our safe, respectful, collaborative and fair work culture

*We are recognized for being a top employer in Canada, Alberta and by young people.*



**Customers** choose us first for reliable and value-added services

*We have a loyal customer base that generates long-term business value.*

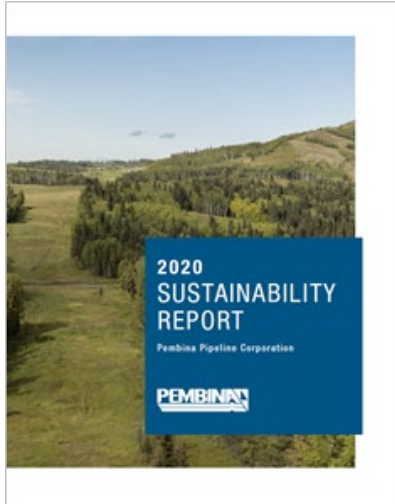


**Investors** receive sustainable industry-leading total returns

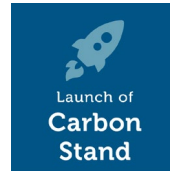
*We have financial guardrails that help us achieve stable, consistent long-term growth.*

**To be the leader in delivering integrated infrastructure solutions connecting global markets**

# Sustainability at Pembina



- Pembina publishes a full-length sustainability report every two years, which allows us the opportunity to share key performance metrics with our customers, investors, communities and employees. In the interim years, we provide a data update of our ESG performance metrics.
- As we continue our ESG journey, our focus will remain on continuous improvement, transparency and engagement, as we build upon our reporting and further integrate sustainable business practices throughout the Company.



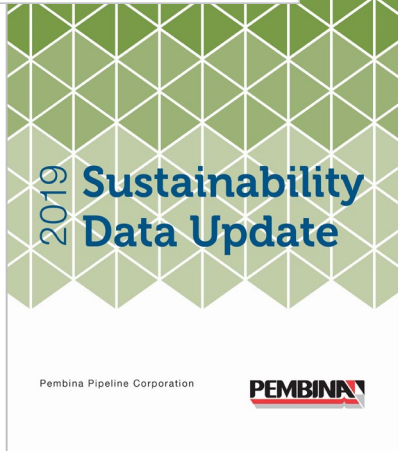
## Carbon Stand

We are committed to reducing the greenhouse gas (GHG) emission intensity in each of our businesses.



## Inclusion & Diversity Stand

We are committed to diversity, equal opportunity and ensuring that our employees have the ability to thrive in an inclusive environment.



**32%**  
increase  
in the use  
of Aboriginal  
suppliers  
from 2018

Women now  
represent  
**36%**  
of our Board of  
Directors

Successfully  
completed  
remediation  
of previously  
contaminated  
lumber mill, turning  
a liability into an  
asset, our Prince  
Rupert Terminal

**\$10M**   
directly invested in the  
community, a more than 30%  
increase over the prior year

Building a positive legacy

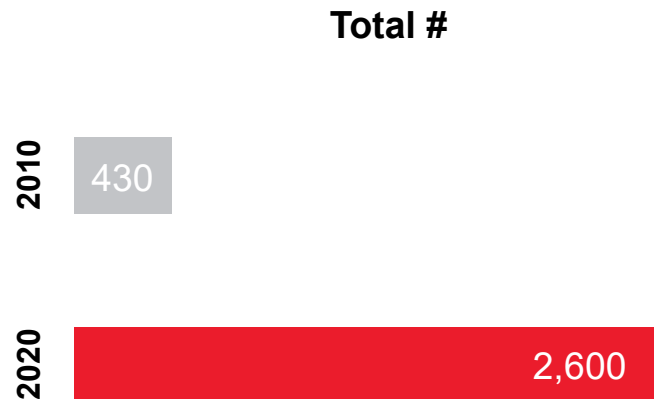


# Dynamic Company. Dynamic People.

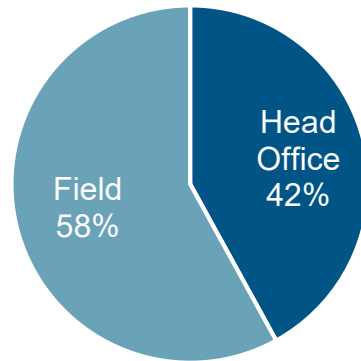


Powering Pembina's growth are our smart, creative and energetic people who allow us to remain a disciplined and responsible energy transportation and service provider and a trusted member in our communities.

## Employee and Contractor Summary<sup>(1)</sup>



## Location



## Recognized as a Top Employer



## Diversity and Inclusion

At Pembina, we recognize the value that different perspectives bring to our business. We are committed to diversity, equal opportunity and ensuring our employees have the ability to thrive in an inclusive environment.

One of Pembina's most valuable assets are its dedicated people that come to work every day

(1) As of November 1, 2020.

# Safe, Reliable Operator



**Our success depends upon protecting the safety of the public and our people throughout the communities where we operate.**

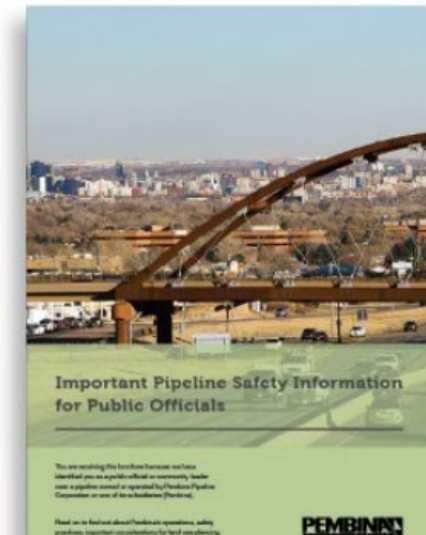
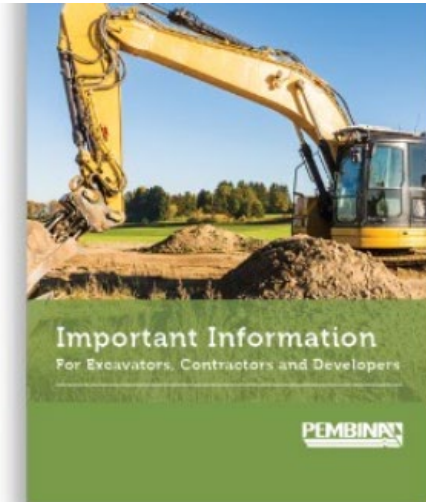
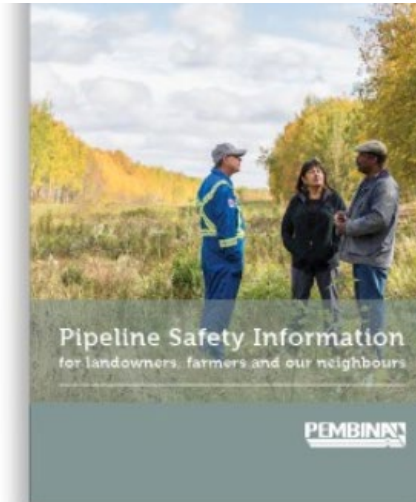
We believe all incidents can be prevented and we work hard – through 24/7/365 monitoring, the use of leading-edge technology and comprehensive safety planning – to keep our systems and people as safe as possible.

## Emergency Preparedness and Response Training

	2017	2018	2019
Emergency preparedness and response exercises completed (#)	45	51	70
Emergency preparedness and response training completed (# responders)	187	429	744

## Integrity Digs and In-Line Inspections

	2017	2018	2019
Integrity digs completed (#)	296	284	218
In-Line Inspections Completed (#)	91	88	97
In-Line Inspection Coverage Length (km)	3,440	3,328	3,810



**Pembina exceeds operational standards amongst the CEPA peer group**



# Building Lasting Relationships



**\$5.6 M**

Invested in 2020



**1,800**

Hours volunteered in 2020



**\$3.2 M**

Raised for United Way  
in 2020



Our signature giving and  
volunteering partnership

**fuel 4 thought**  
CONNECTING KIDS TO THEIR POTENTIAL

IN  
PARTNERSHIP  
WITH



## We invest in: Community Building

Playgrounds, community halls,  
recreation facilities

## Wellness

Breakfast Club of Canada, hospitals,  
Spirit North

## Education

Skills Canada Alberta, Inside Education,  
Inclusion Alberta

## Safety

Local fire departments, Ag for Life,  
STARS & HALO

## Environment

Ducks Unlimited Canada, Tree Canada,  
Alberta Ecotrust

We proudly partner with non-profit and charitable organizations that support the communities where we operate

# Indigenous Communities



**We build long-term, meaningful relationships and take the time to get to know our Indigenous partners near our operations to learn and work to understand their culture, heritage and traditions.**

- Collaborate on community project / initiatives
- Enhancing knowledge of Indigenous Peoples
- Supporting training, employment and business opportunities



Community members from the Alexander First Nation berry picking with Pembina employees at our facility near Edmonton.



# Pembina in Strathcona County

## Business Units:

- Oilsands Pipelines
- Conventional Pipelines
- Transmission Pipelines





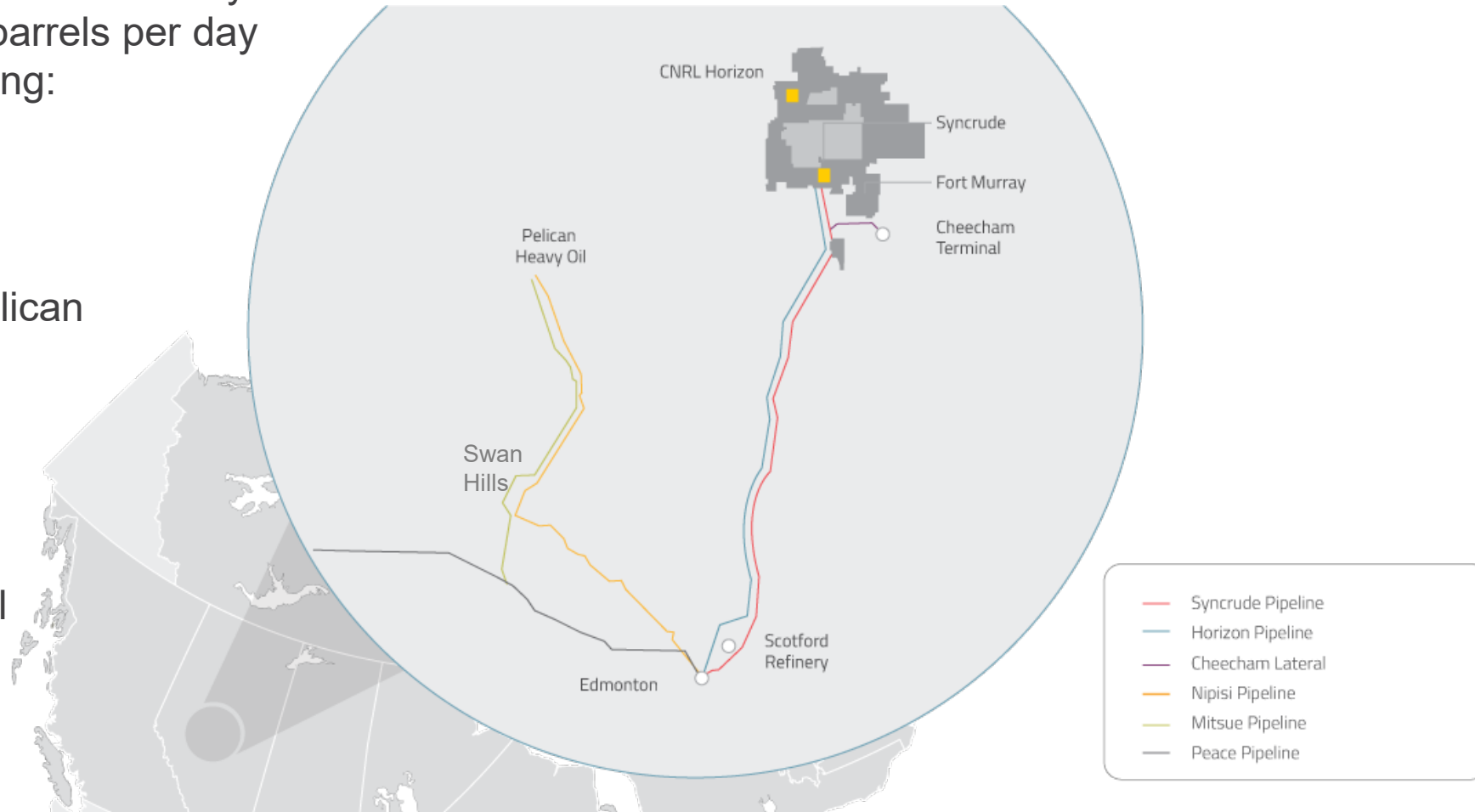
# Who we are – Oilsands Pipelines



## Who we are



- One of Canada's largest Oil Sands and Heavy Oil pipeline operators with ~1M barrels per day of contracted capacity, transporting:
  - Synthetic crude oil from the Athabasca Oil Sands
  - Heavy crude oil from the Pelican Lake Area
  - Light, sweet crude from the Swan Hills Area
- Crudes are delivered to other oil sands facilities and refineries in Alberta



OBU transported 15% of all the oil produced from the Oil Sands last year



# Terminals District



## 1. North 40 Terminal

Merchant Tanks; Operated by Pembina

## 2. Edmonton South Terminal

Merchant Tanks; Operated by Trans Mountain

## 3. Base Line Terminal

Merchant Tanks; Operated by Pembina

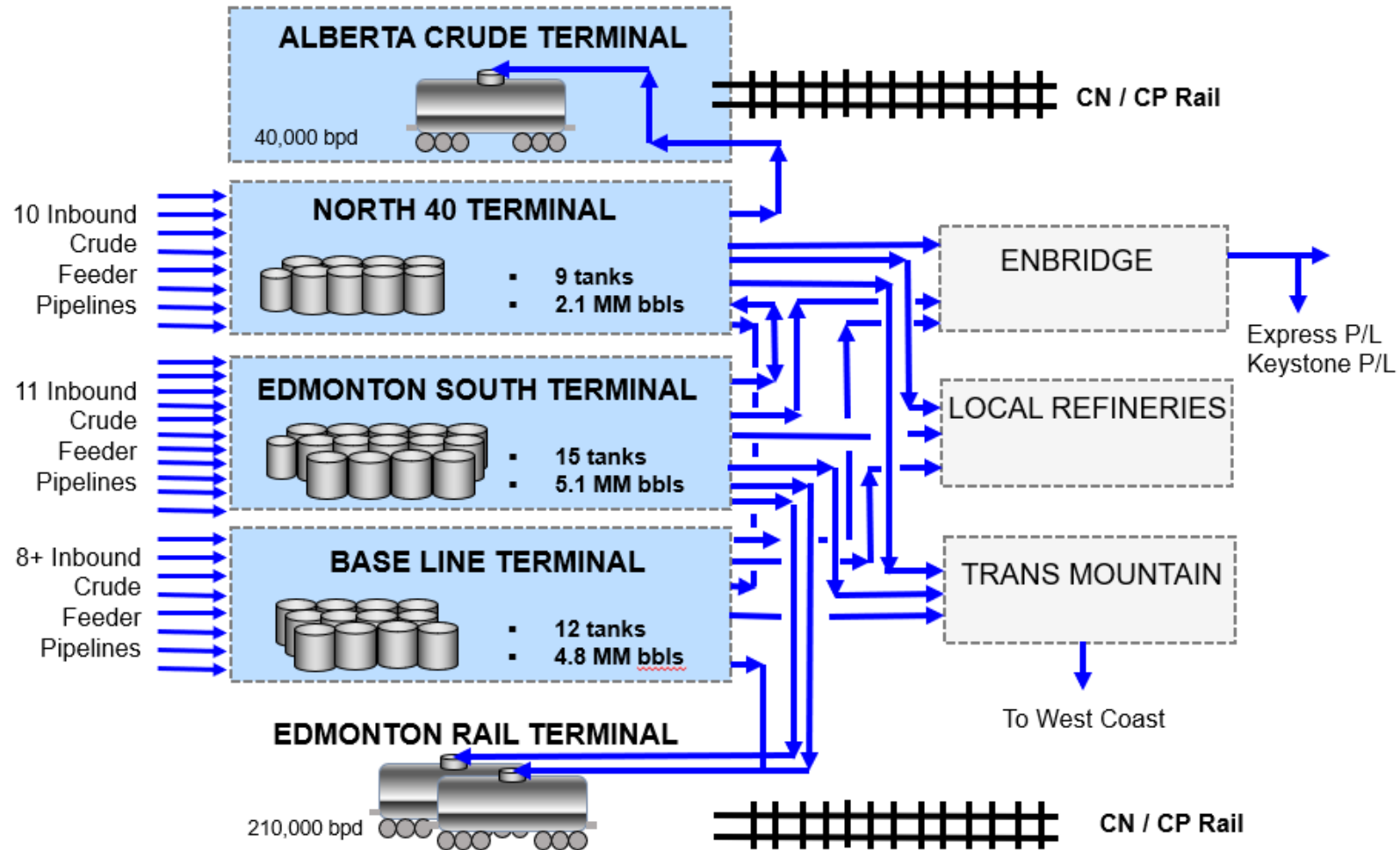
## 4. Edmonton South Rail Terminal

Train Rail; Operated by Pembina

## 5. Alberta Crude Terminal

Manifest Rail; Operated by Keyera

# Terminals District



Terminal District Interconnections



# Who we are – Conventional Pipelines





# Our Assets



## CBU Pipelines Transport:



**50%** Alberta's  
Conventional  
Crude Oil



**57%** Alberta's  
NGL  
Production

We own and operate nearly 8,700 kilometers of pipeline

Our pipeline diameters range from 3" to 24"

High Vapor Pressure (HVP) lines carry Natural Gas Liquids (NGLs)

- Ethane
- Propane
- Butane

Low Vapor Pressure (LVP) lines carry Crude Oil and Condensate



# Peace Pipeline Development



In March, deferred Phases VII, VIII and IX of the Peace Pipeline System Expansions in response to the COVID-19 pandemic, the resulting virtual shutdown of the global economy and the recent significant decline in global energy prices.

Pembina has reevaluated the deferrals and will continue to advance certain components of the Peace Pipeline System Expansions. Phase VII has since resumed construction; however, as of July 2020, construction of VIII and IX of the Peace Pipeline System Expansions remains deferred.



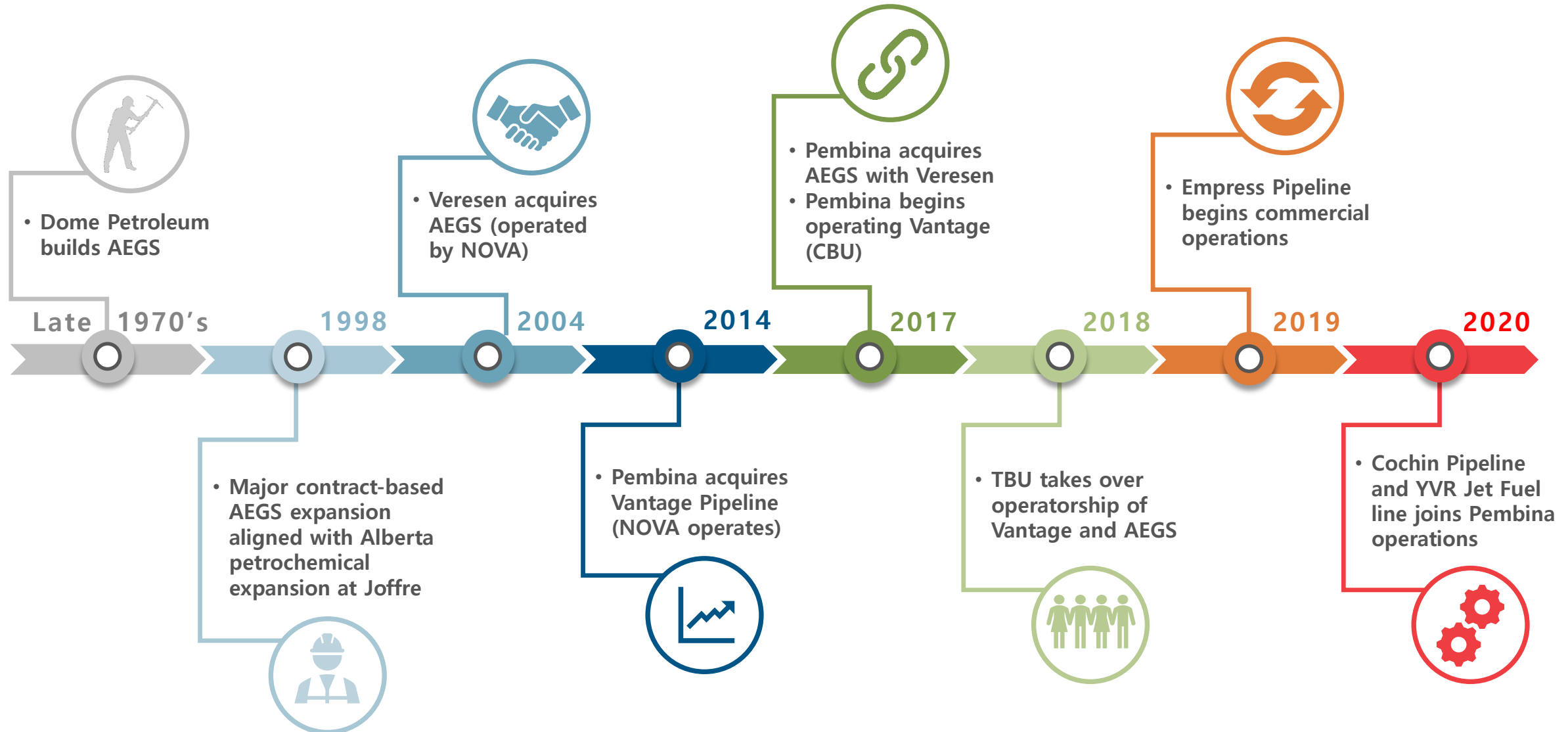


# Who we are – Transmission Pipelines





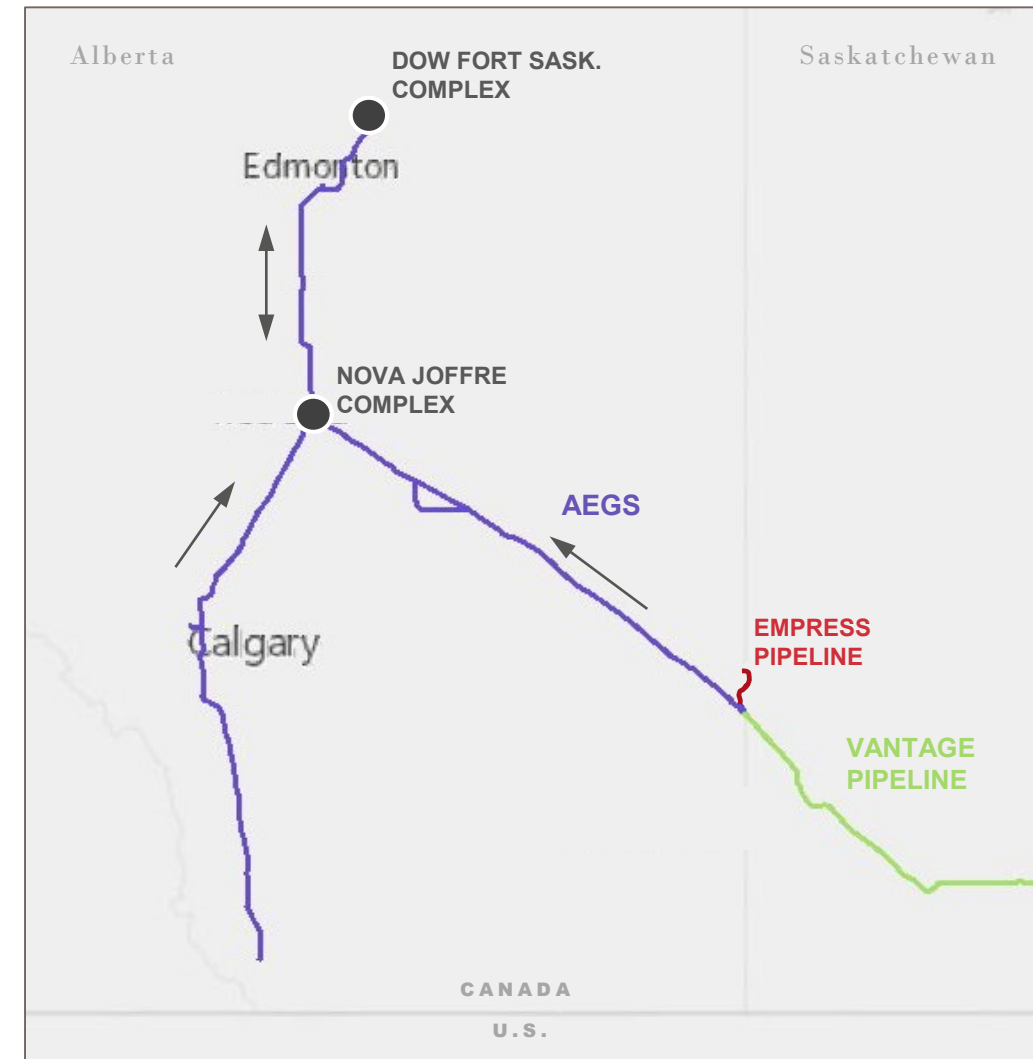
# Evolution of the Prairie Sky District



# Alberta Ethane Gathering System (AEGS)



<b>Description</b>	1,330 kilometer high pressure (HVP) pipeline system
<b>Ownership</b>	100% Pembina
<b>Operator</b>	Pembina (TBU)
<b>Product Type</b>	Specification ethane
<b>Capacity</b>	330,000 bbl/d
<b>Source</b>	17 different ethane receipt locations from various ethane extraction plants in Alberta, plus Saskatchewan and Bakken (via Vantage)
<b>Markets</b>	Delivers to two major petrochemical complexes, plus to/from storage in Fort Saskatchewan and Empress, AB
<b>In-Service</b>	Late 1970's with major expansion in 1998
<b>Regulator</b>	Alberta Energy Regulator ("AER")



Long distance integrated ethane pipeline system connecting multiple supply basins to end users



# CONTACT US

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