



**National Fuel®**

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# Strategies for Acquiring Gas Equipment

*NGA Fall Operations Conference  
October 2022*

# National Fuel – Who We Are

## Upstream

Exploration & Production

Developing our large, high-quality acreage position in Marcellus & Utica shales

52% of NFG EBITDA<sup>(1)</sup>

~1.2 Million

Net acres in Appalachia

~980 MMcf/day

Net Appalachian natural gas production<sup>(2)</sup>

## Midstream

Gathering Pipeline & Storage

Expanding and modernizing pipeline infrastructure to provide outlets for Appalachian natural gas production

35% of NFG EBITDA<sup>(1)</sup>

\$2.2 Billion

Investments since 2010

~4.5 MMDth

Daily interstate pipeline capacity under contract

## Downstream

Utility

Providing safe, reliable and affordable service to customers in WNY and NW Pa.

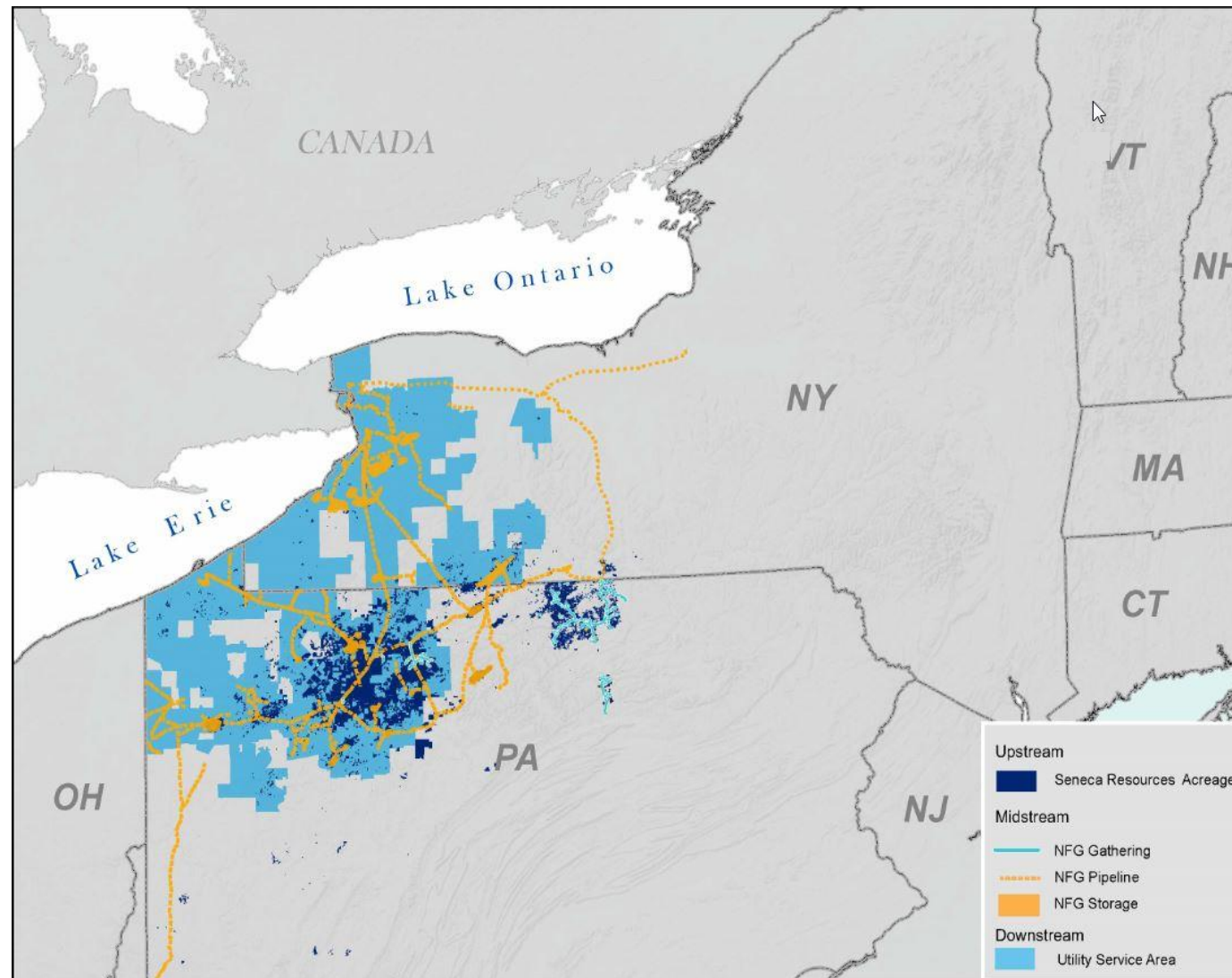
13% of NFG EBITDA<sup>(1)</sup>

753,000

Utility customers

\$359 Million

Investments in safety since 2017



(1) Twelve months ended June 30, 2022.

(2) Average net Appalachian production for the three months ended June 30, 2022. Total net Seneca production for the three months ended June 30, 2022 was ~1,020 MMcf/day.

# Who We Really Are...



# Who We Really Are...



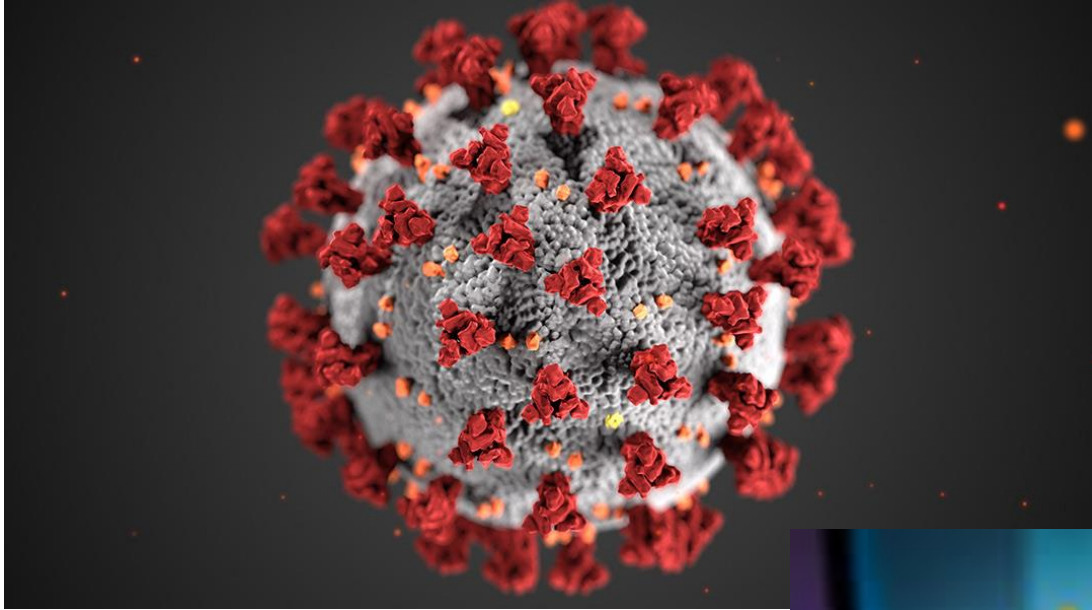
# Evan Crahen... C Something... Who's This Guy?



# Let's Get Started!



# Where Things Began

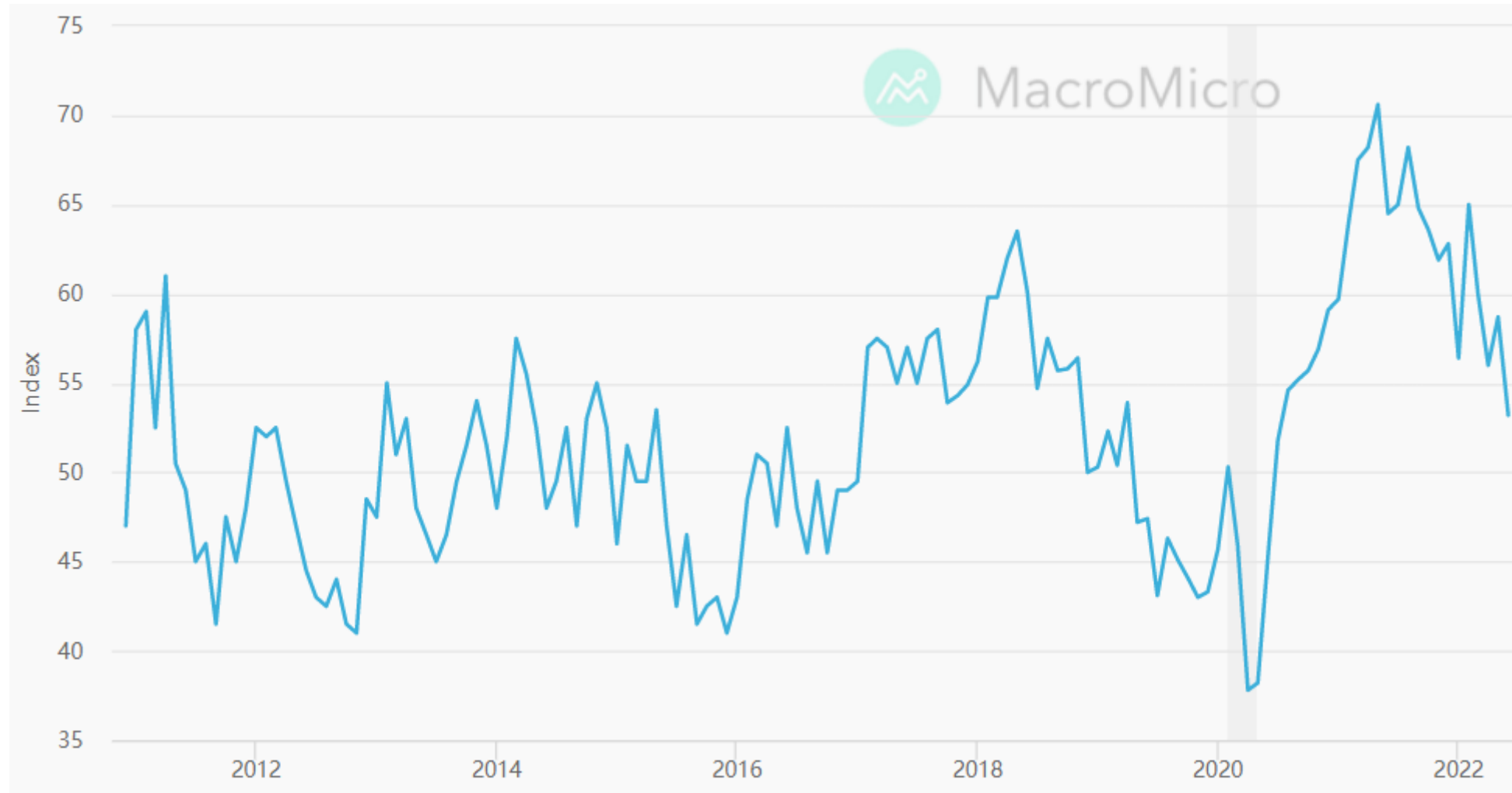


# Where Things Began





# Supply Chain Response...



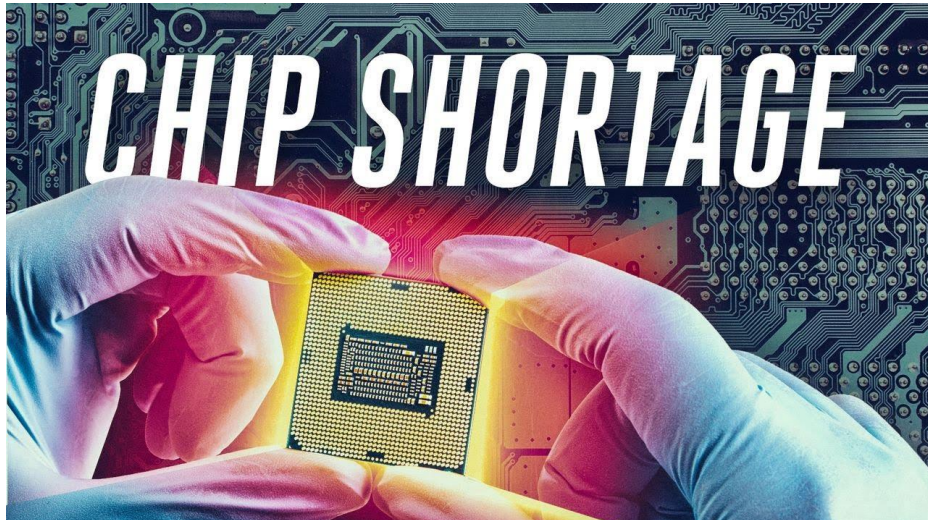
# Consumers did it too...



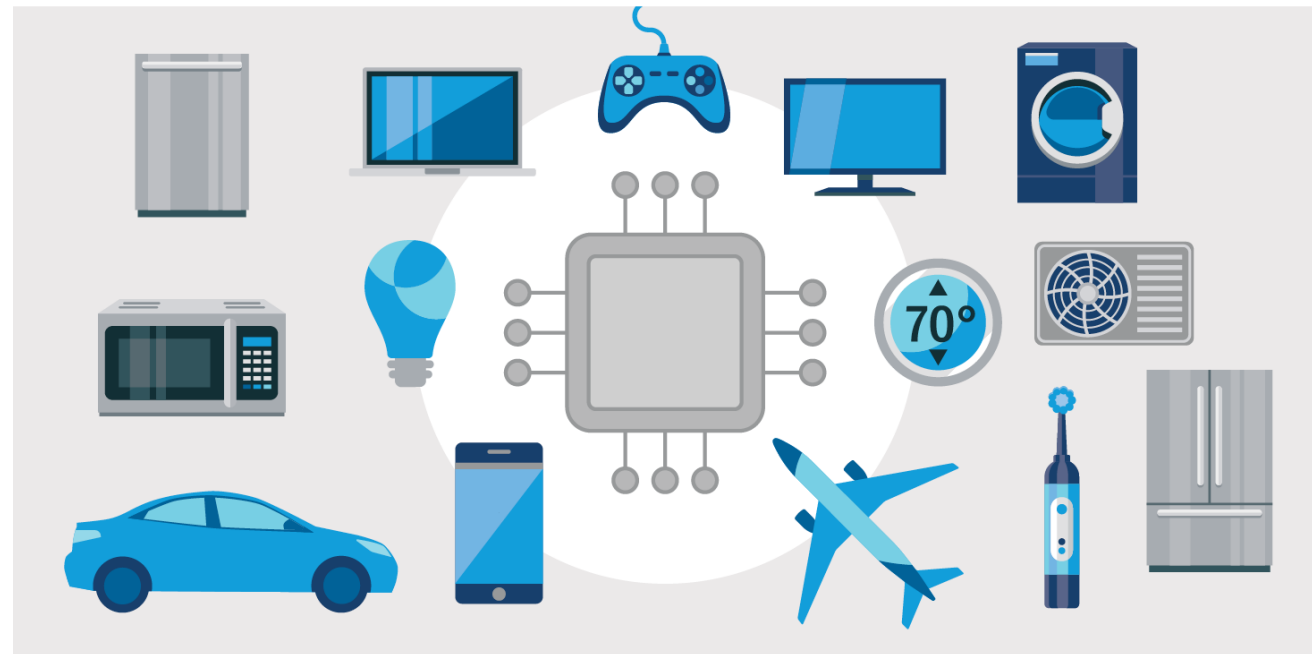
# Labor Market Response...



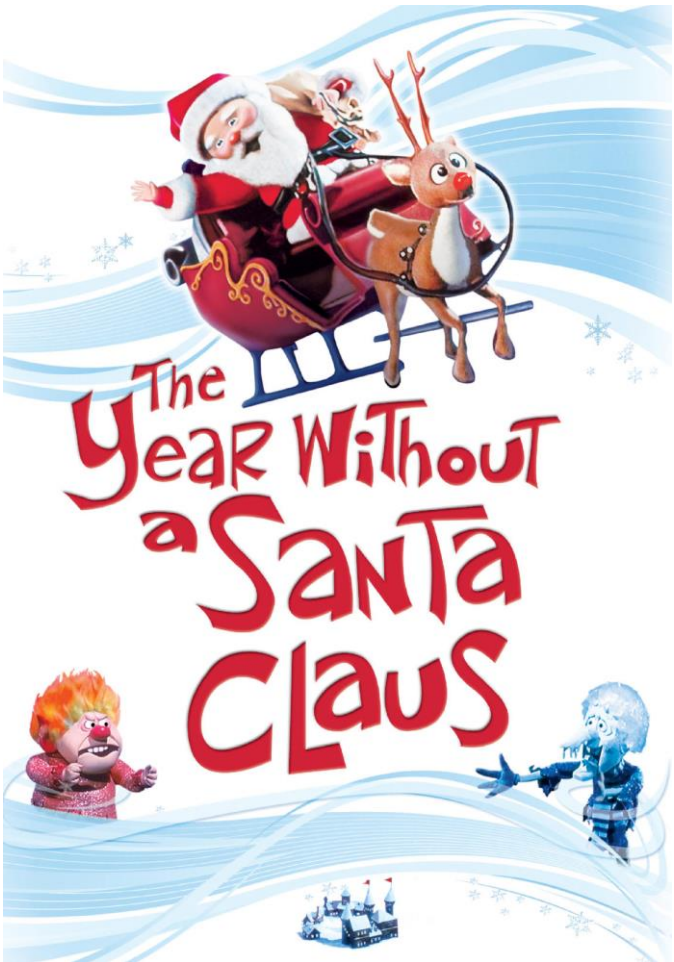
# Technology Impacted...



▶ A chip shortage impacts more than computers and smartphones



# A Little Snow In Texas...



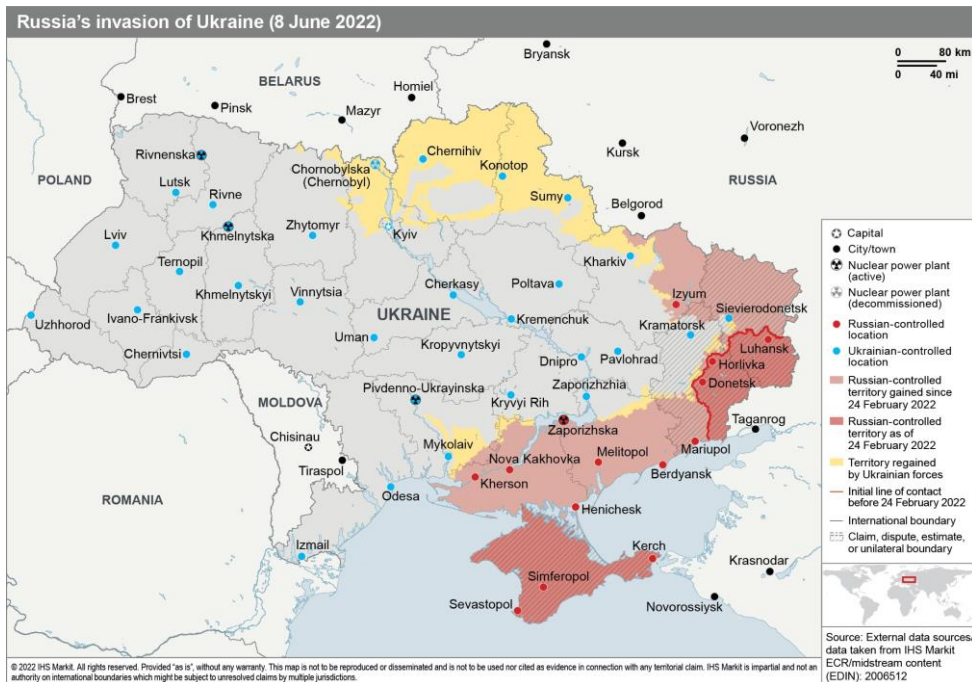
# A Little Snow In Texas...



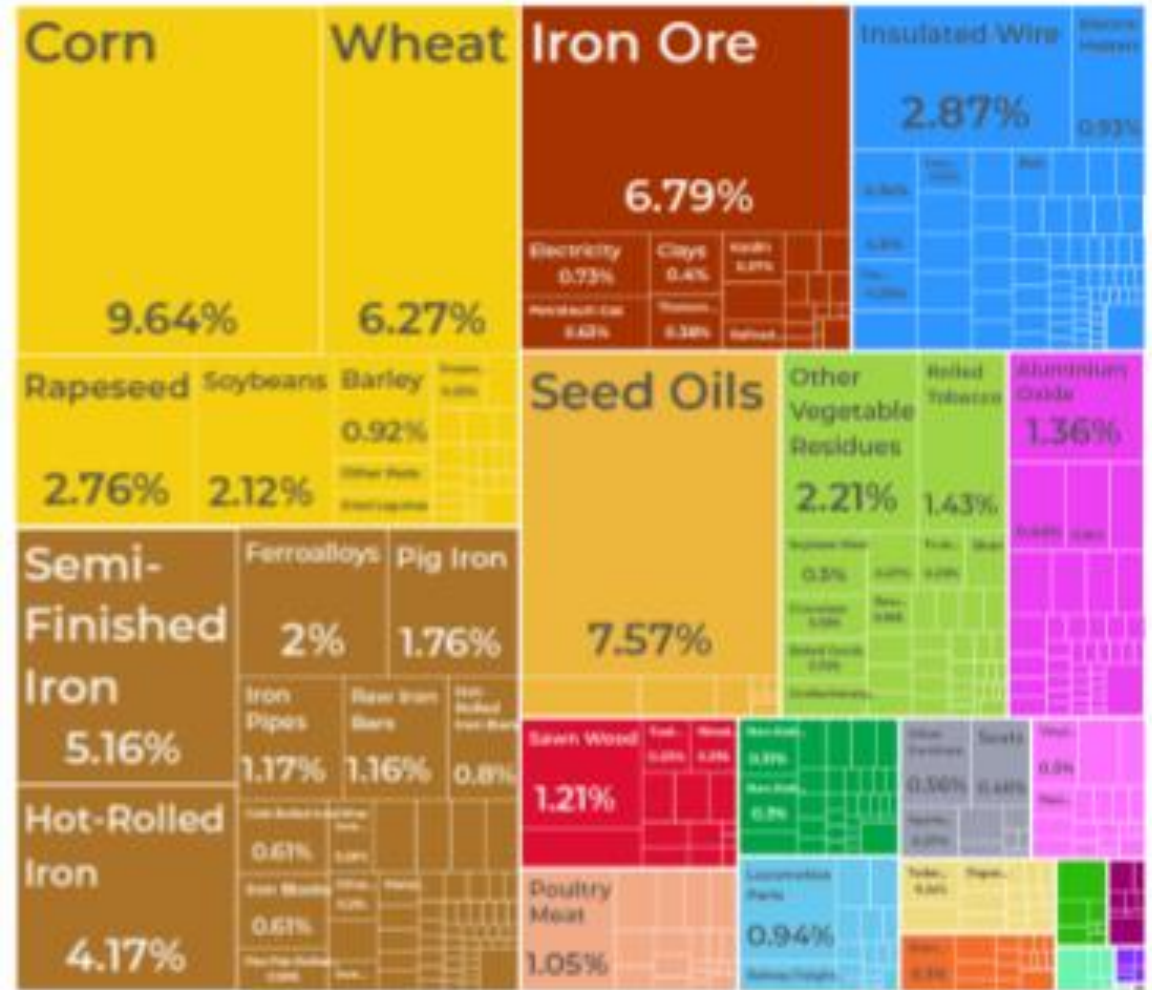
# Meanwhile In China...



# Meanwhile In Ukraine...

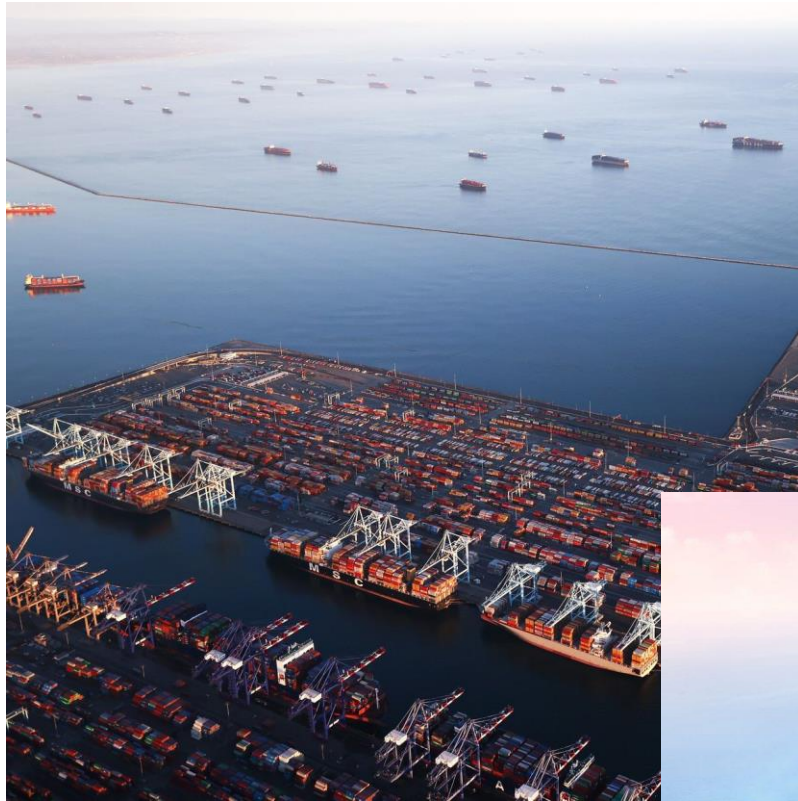


## Ukraine





# Finally Made It Stateside...

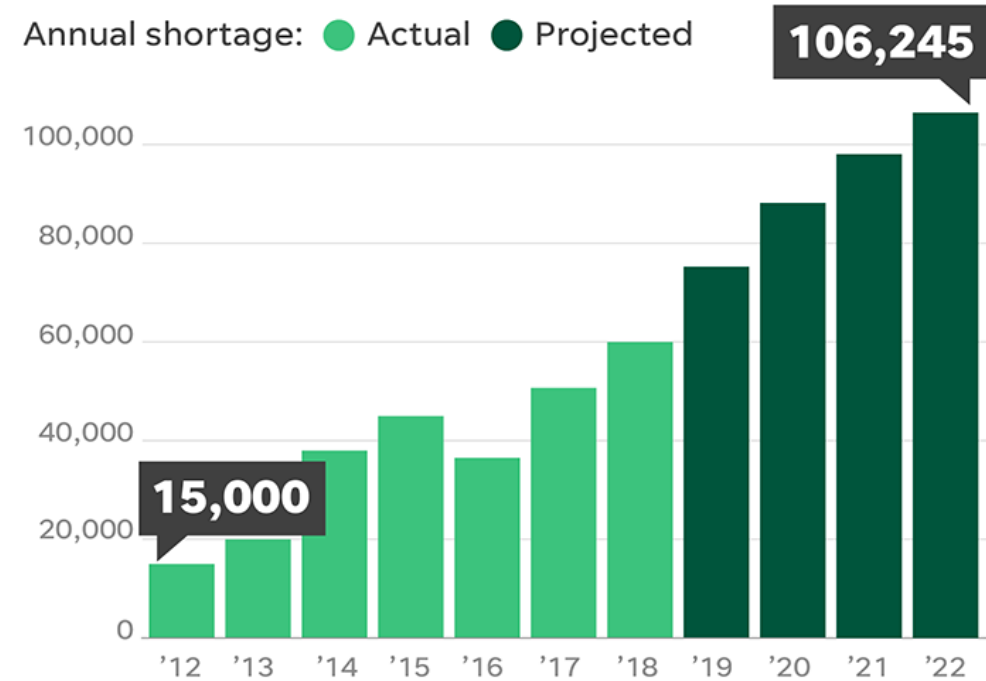


# Finally Made It Stateside...



**Fewer drivers: The trucking industry projects a shortage of more than 100,000 drivers by 2022**

Annual shortage: ● Actual ● Projected



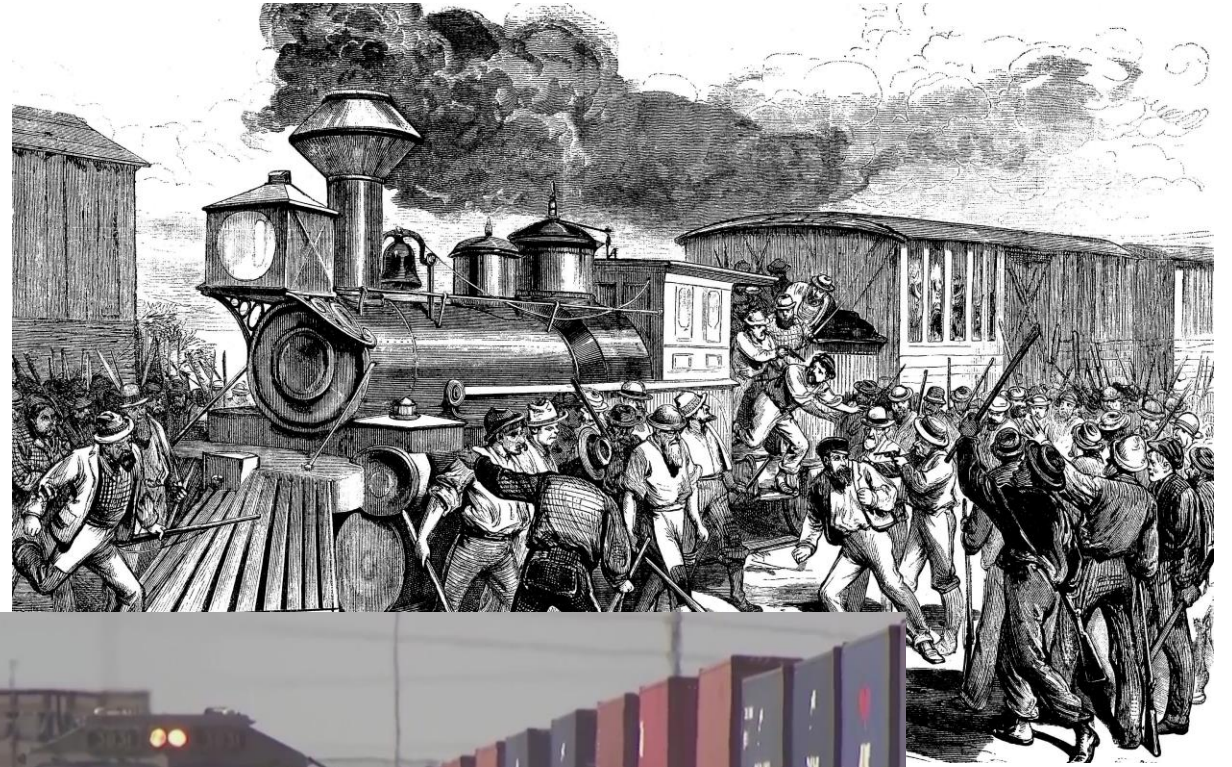
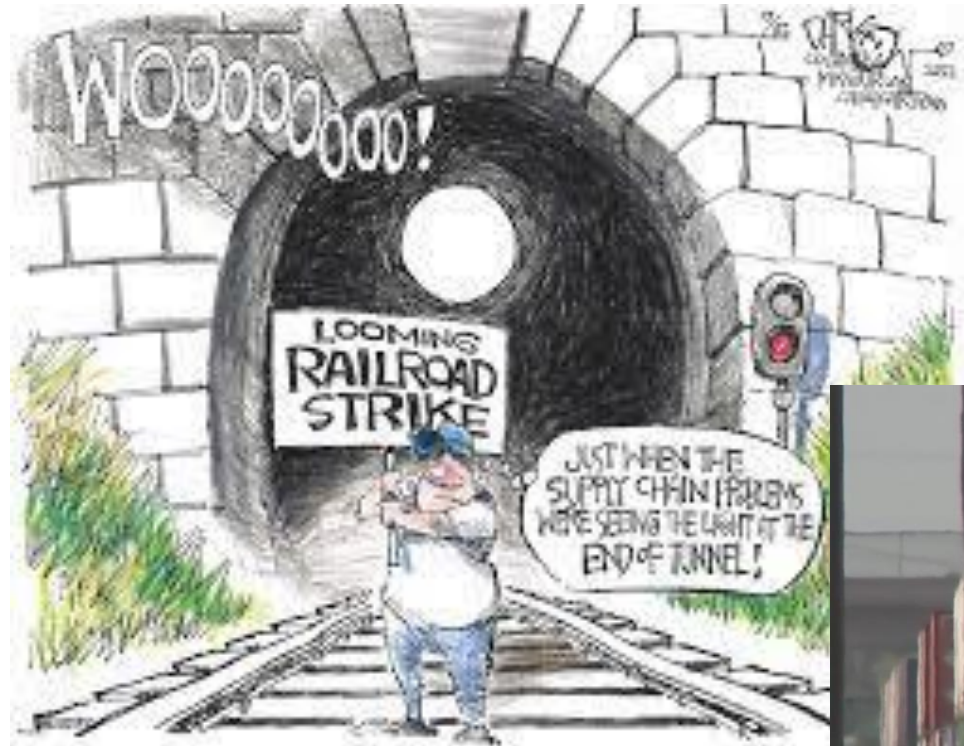
SOURCE American Trucking Associations

George Petras/USA TODAY

# Have to fill the truck...



# Ship it by rail...



U.S. COULD SEE 1ST MAJOR RAIL STRIKE IN 30 YEARS



NN MIGRANT ADVOCATES PRAISE NEW PUBLIC CHARGE RULE; 14 STAT BORDER REPORT

NEWSNATION

3:03 MT

## Even inflation and price increases...



**Inflation rose 9.1% in June, even more than expected, as consumer pressures intensify**



**Inflation Hits Four-Decade High**

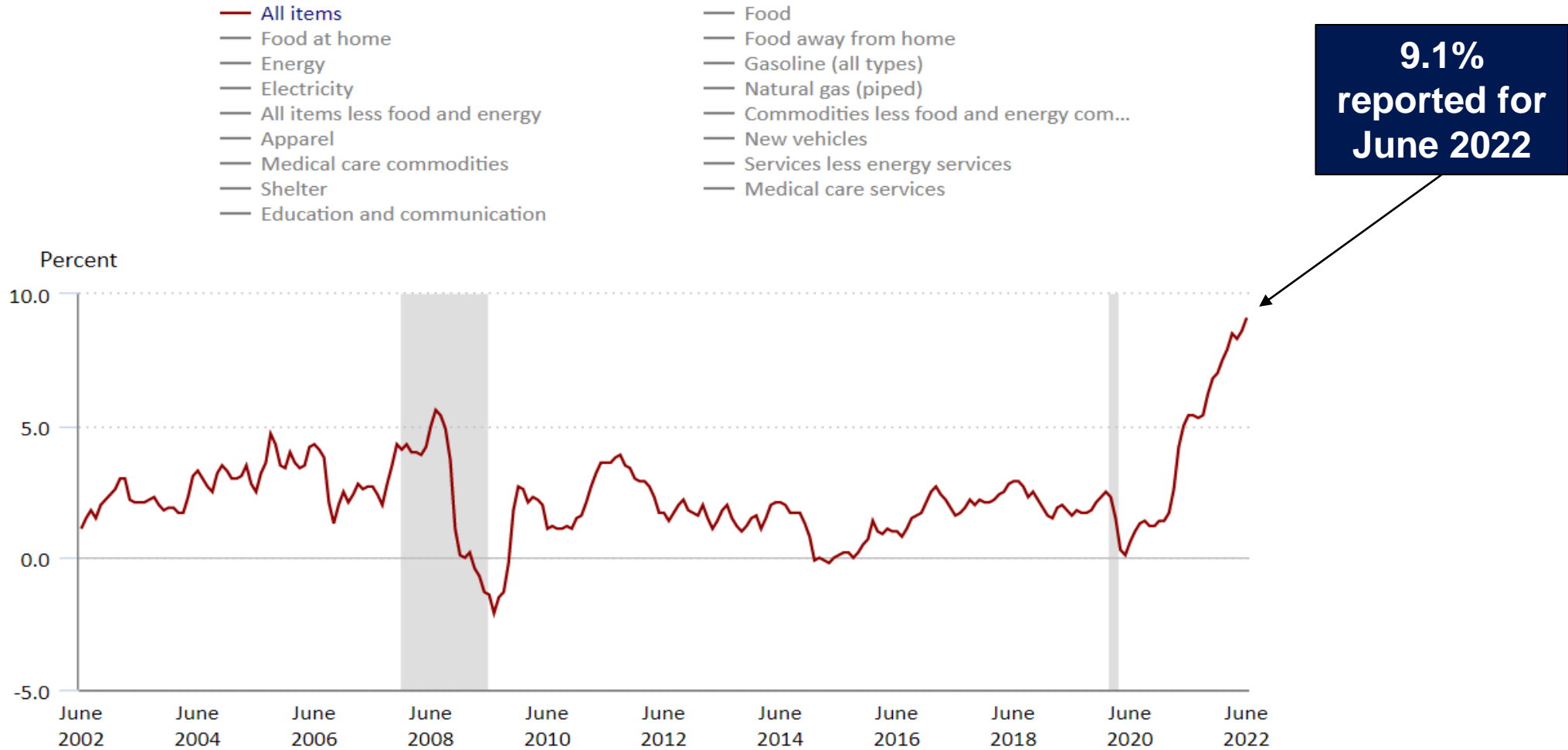
**Inflation Soared in June, Pinching Consumers and Challenging Policymakers**

**'Very Bad': Ultra-Hot Inflation Print Sends Markets Reeling Anew**

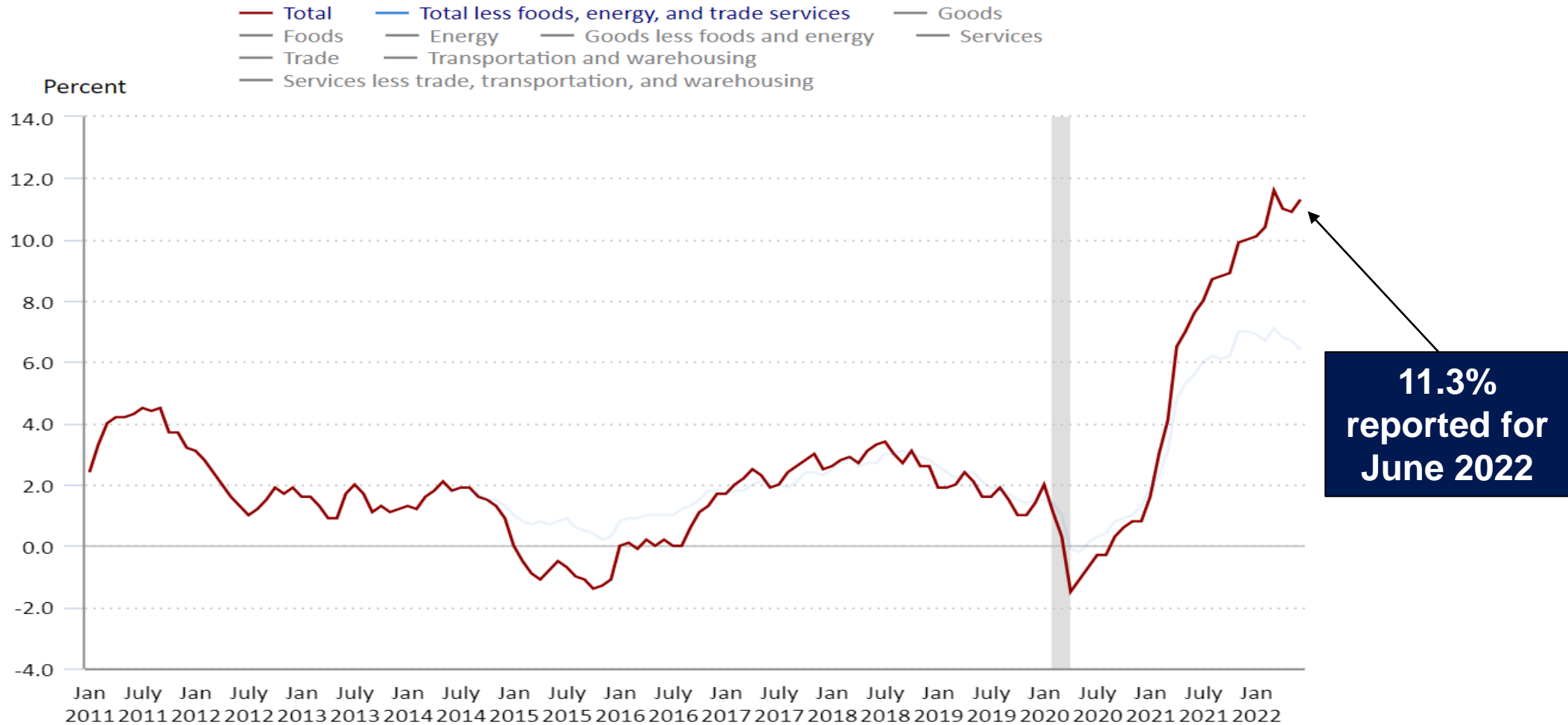
**Bloomberg**

*The New York Times*

# Consumer Price Index % Change



# Producer Price Index % Change



This is fine...



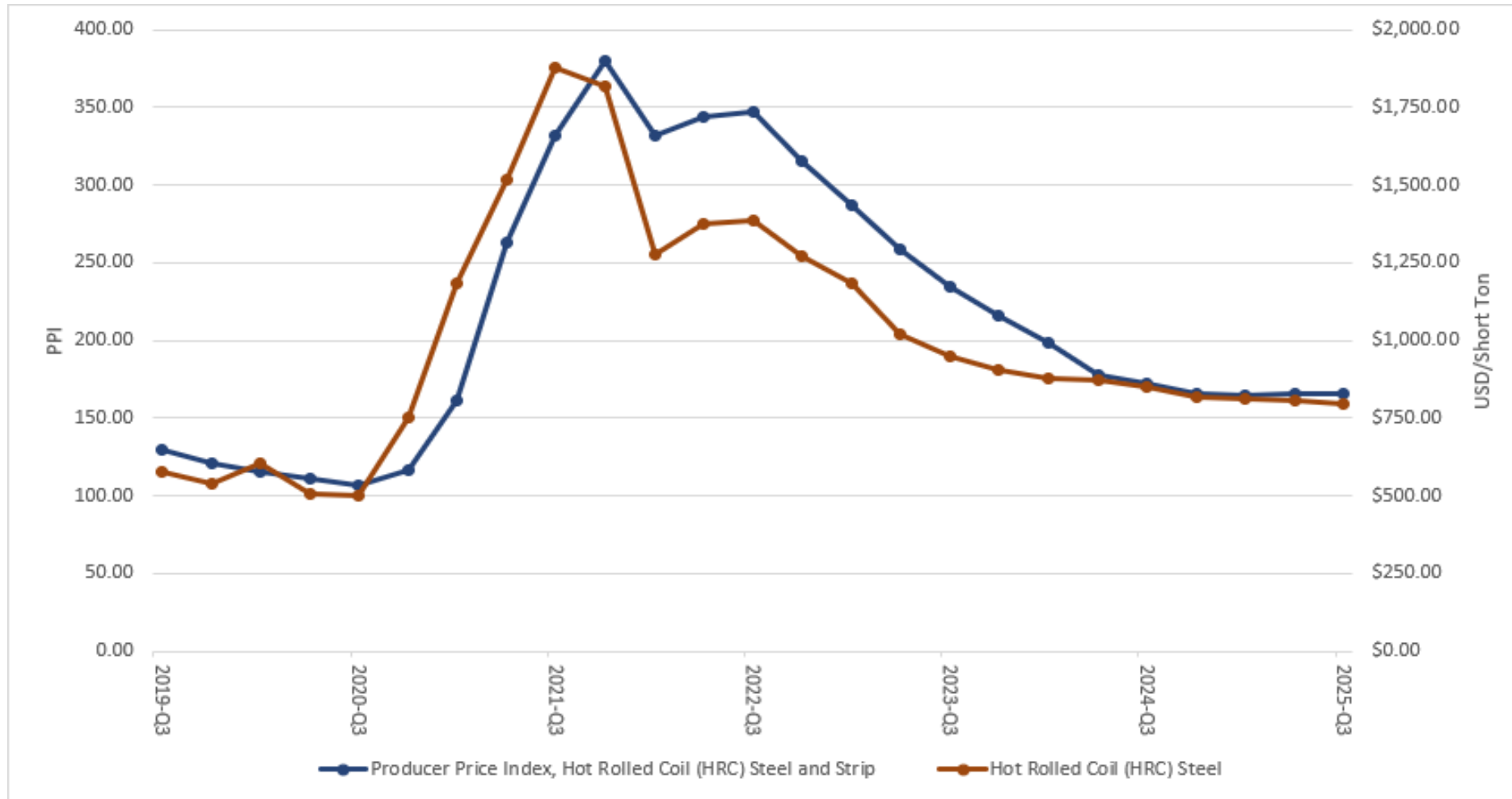




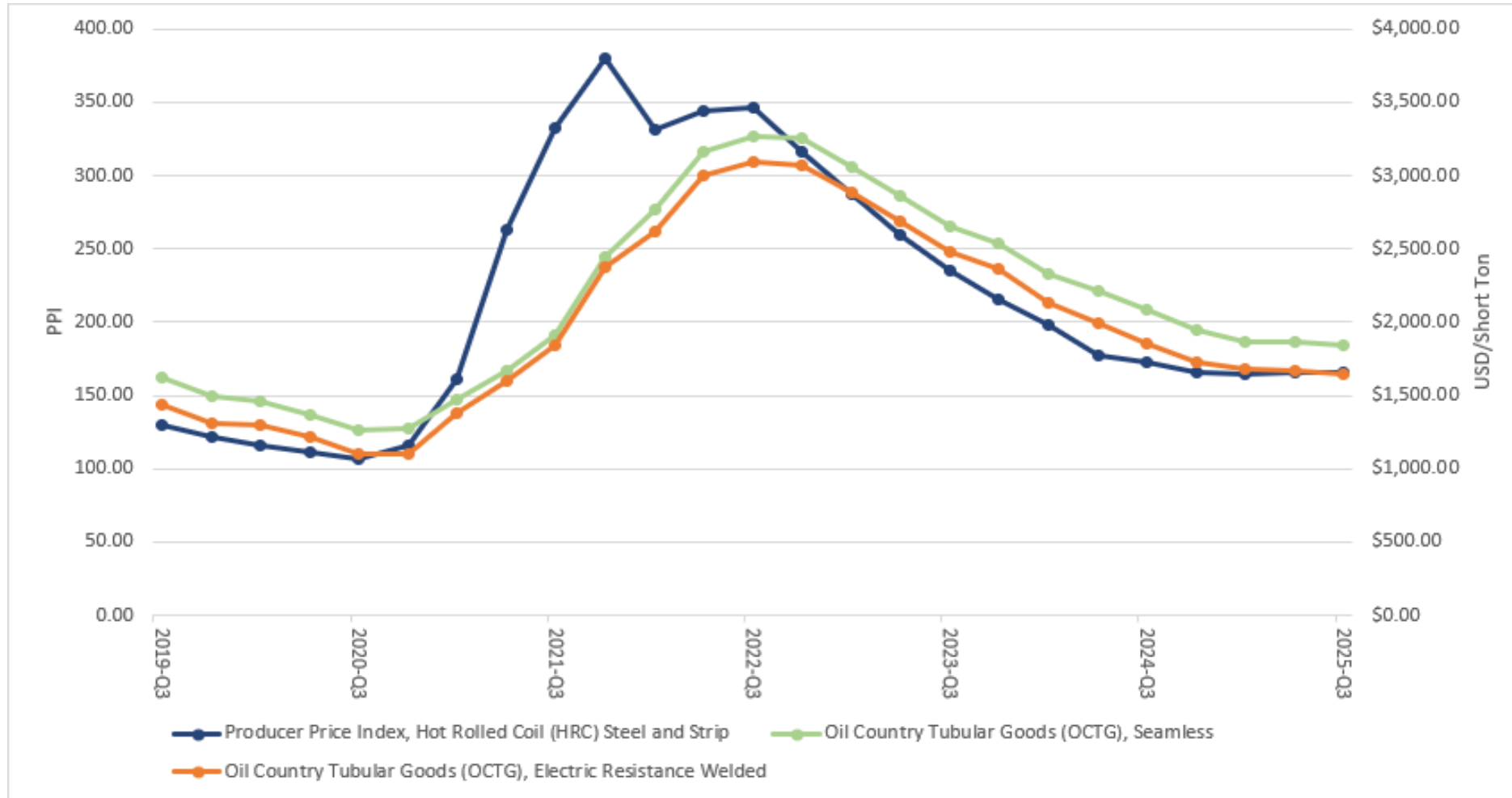
# Price Trends – Pipe and Fitting PPI vs. HDPE Price



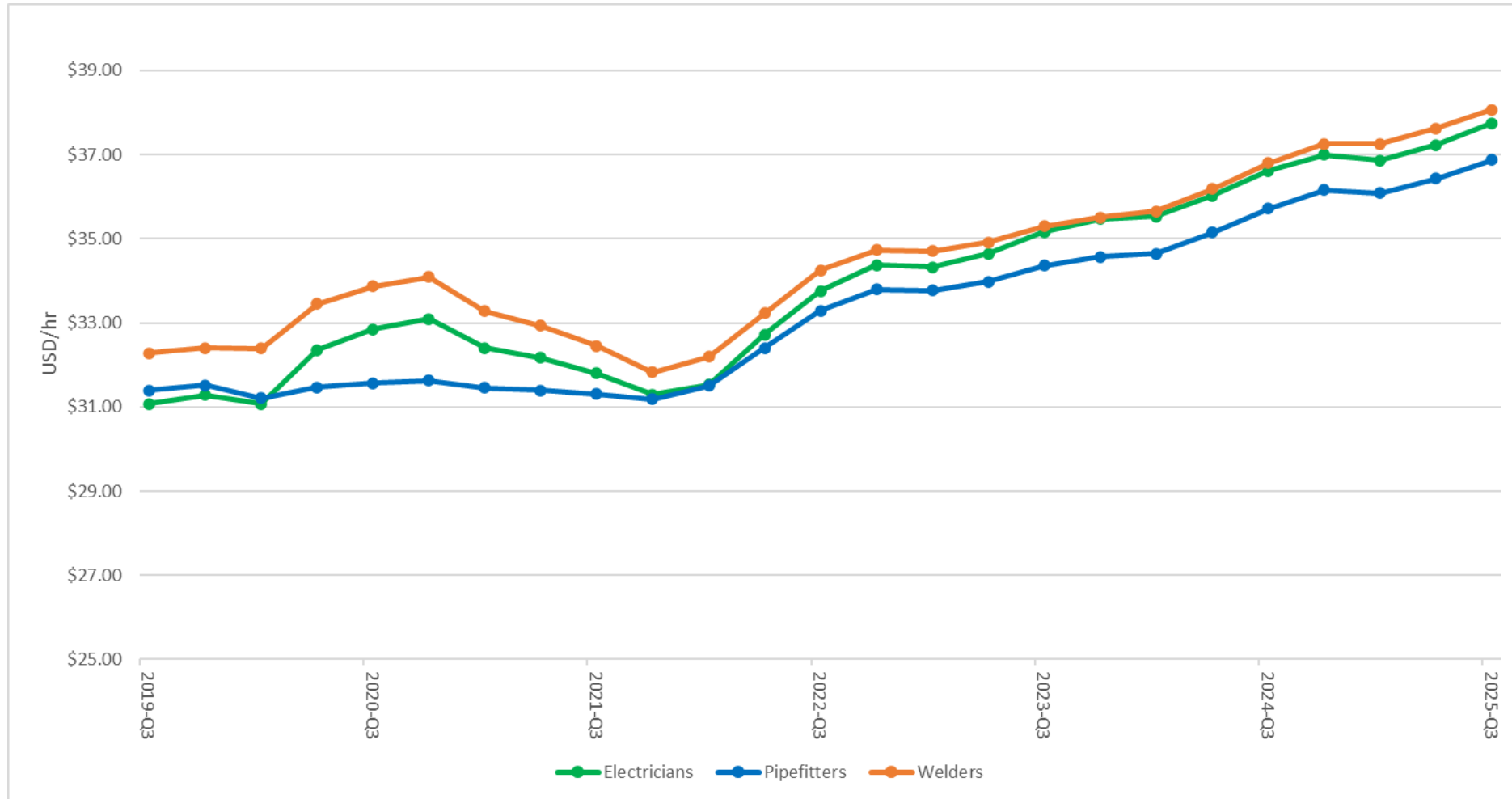
# Price Trends – HRC Steel PPI vs. HRC Price



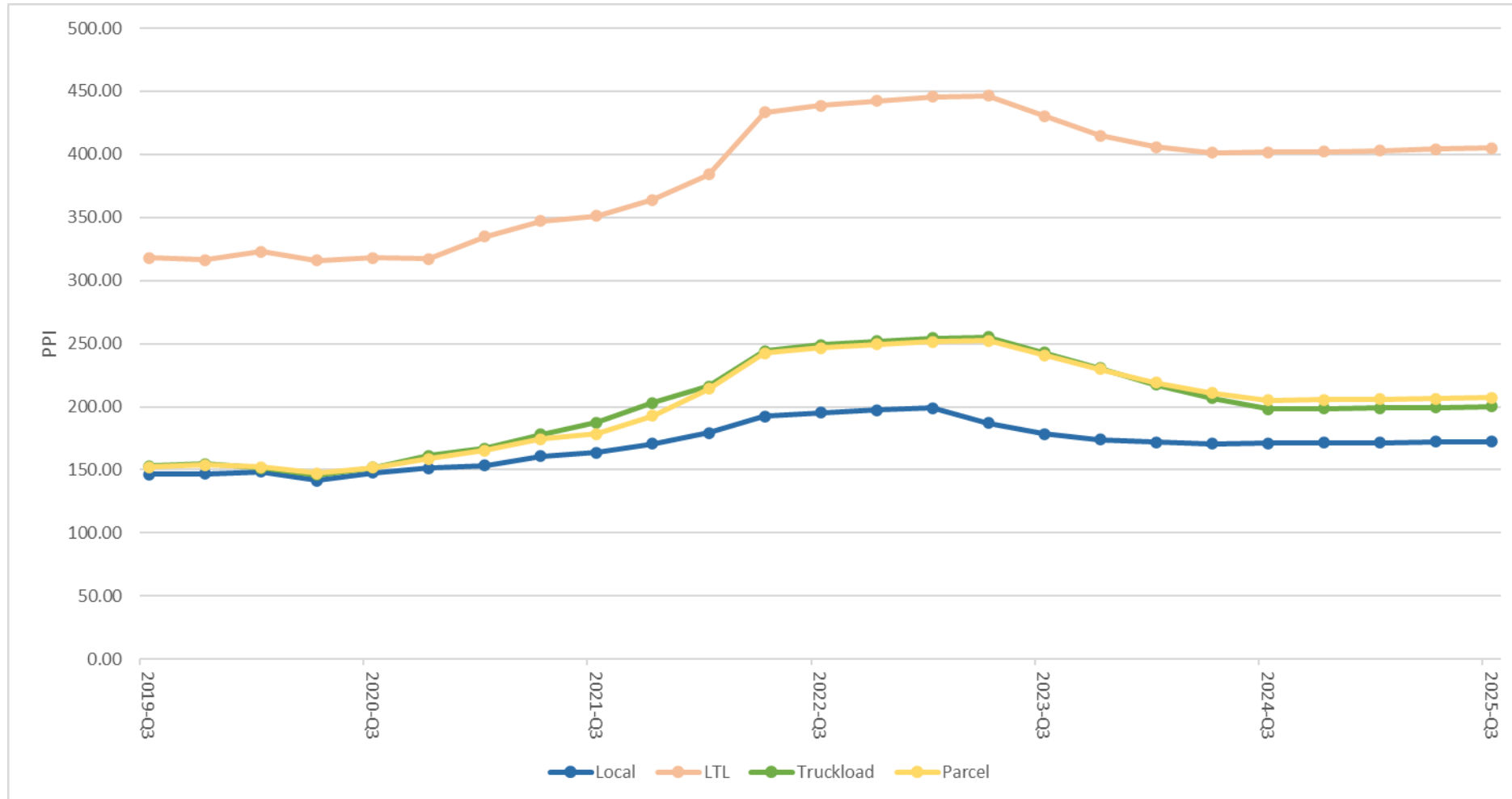
# Price Trends – HRC Steel PPI vs. Steel Pipe Price



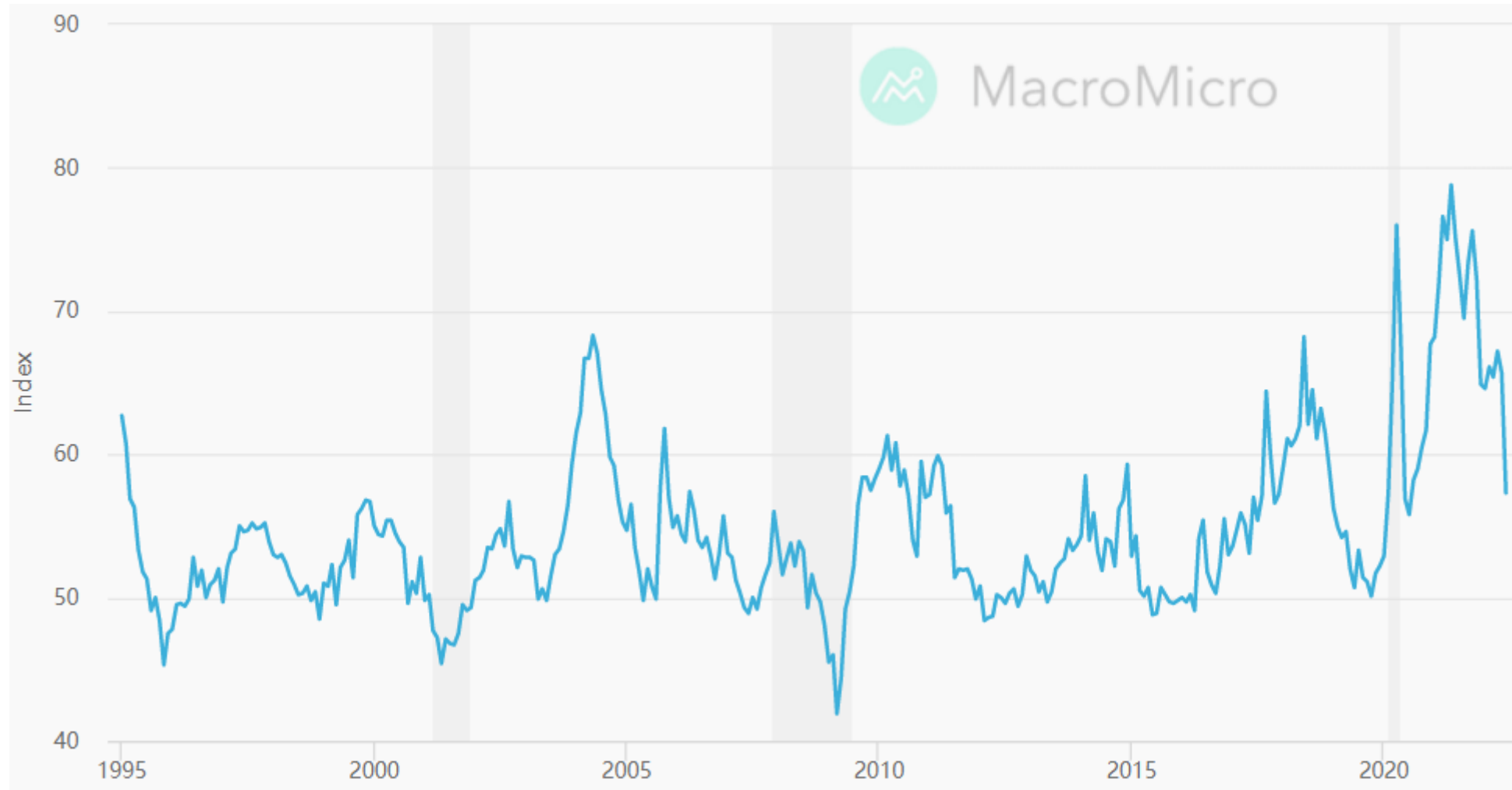
# Price Trends – Specialized Labor Hourly Earnings



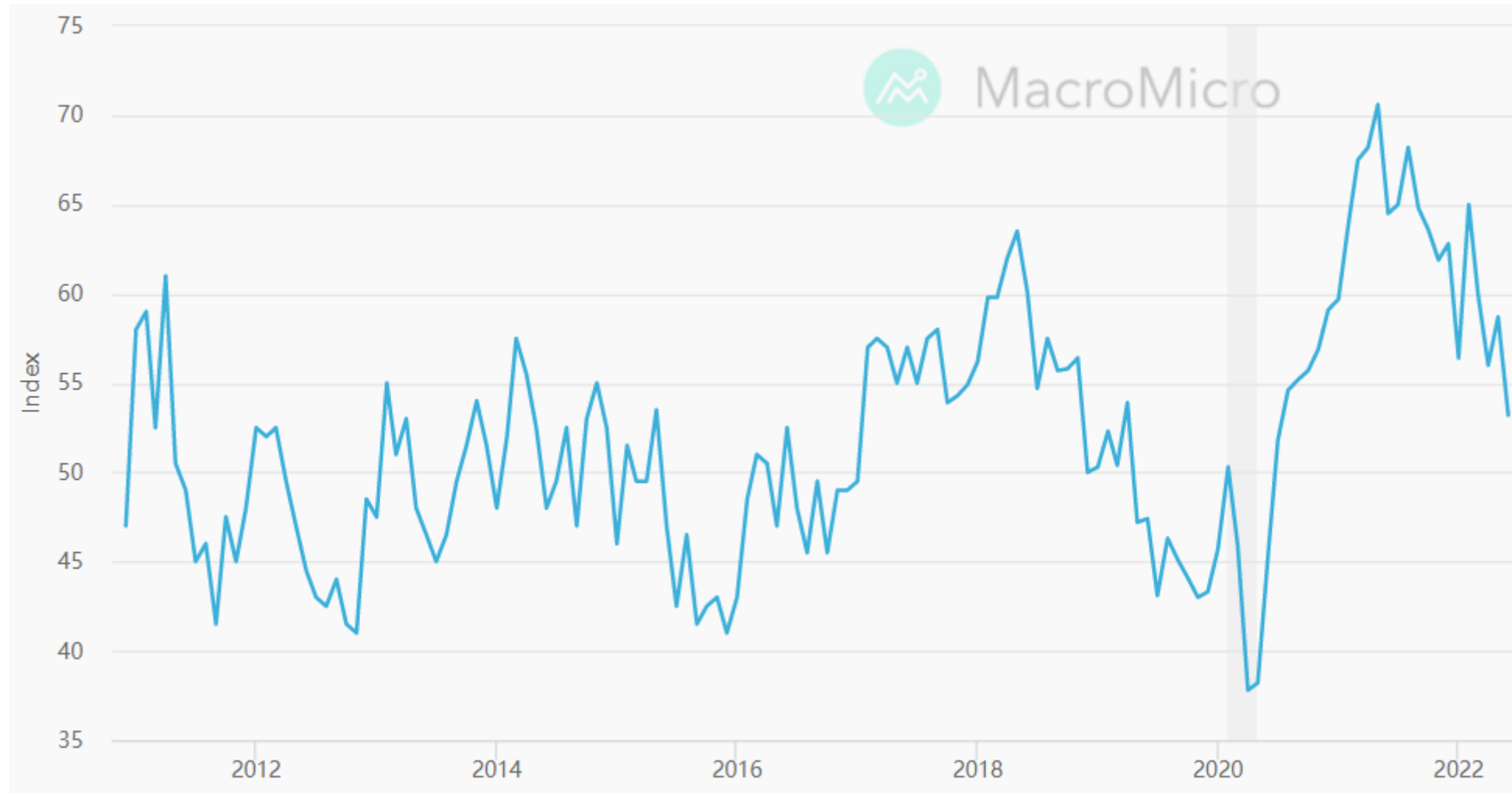
# Price Trends – Modes of Freight PPI



# Supplier Dynamics – Deliveries Index

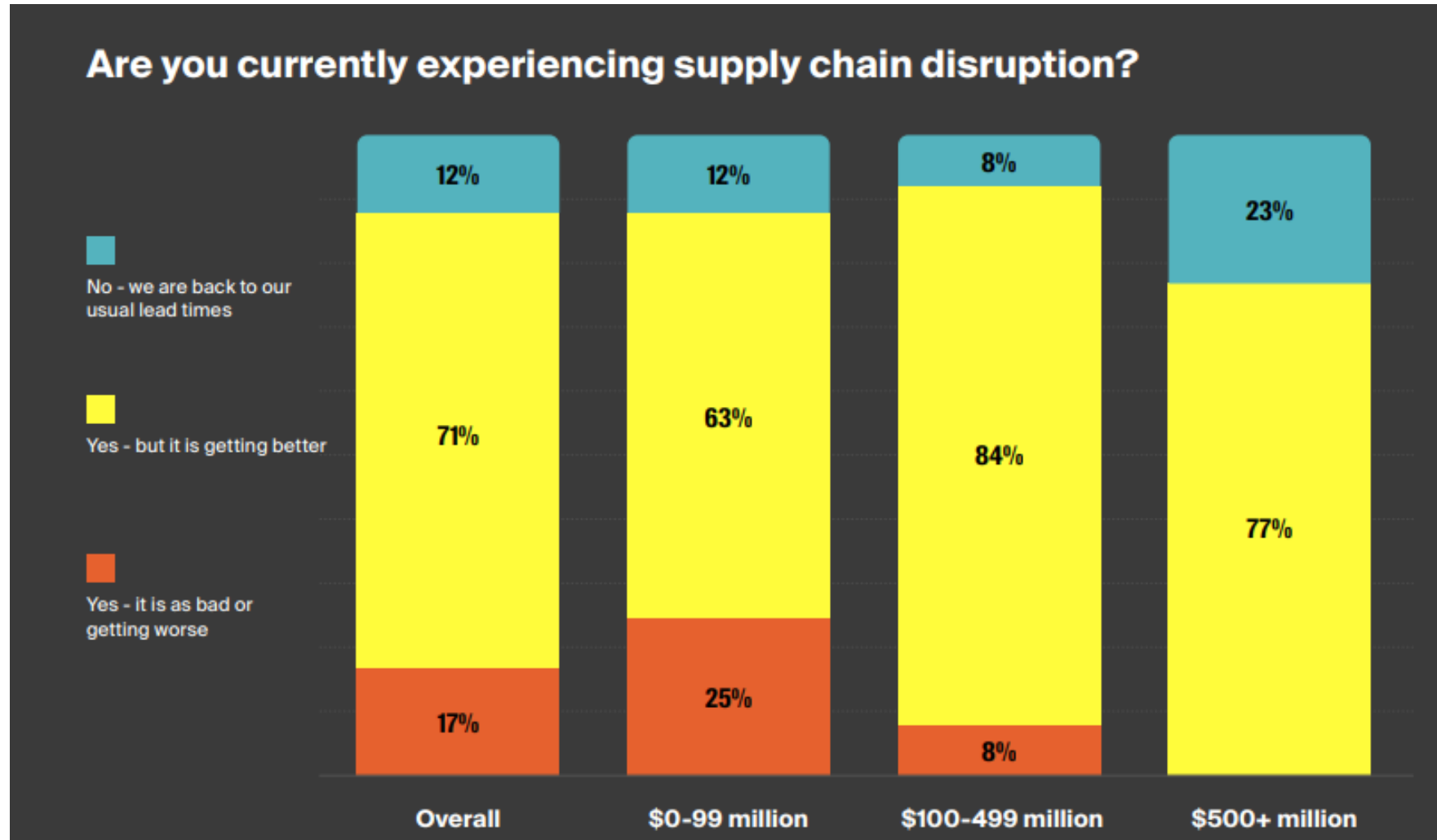


# Supplier Dynamics – Backlog of Orders Index



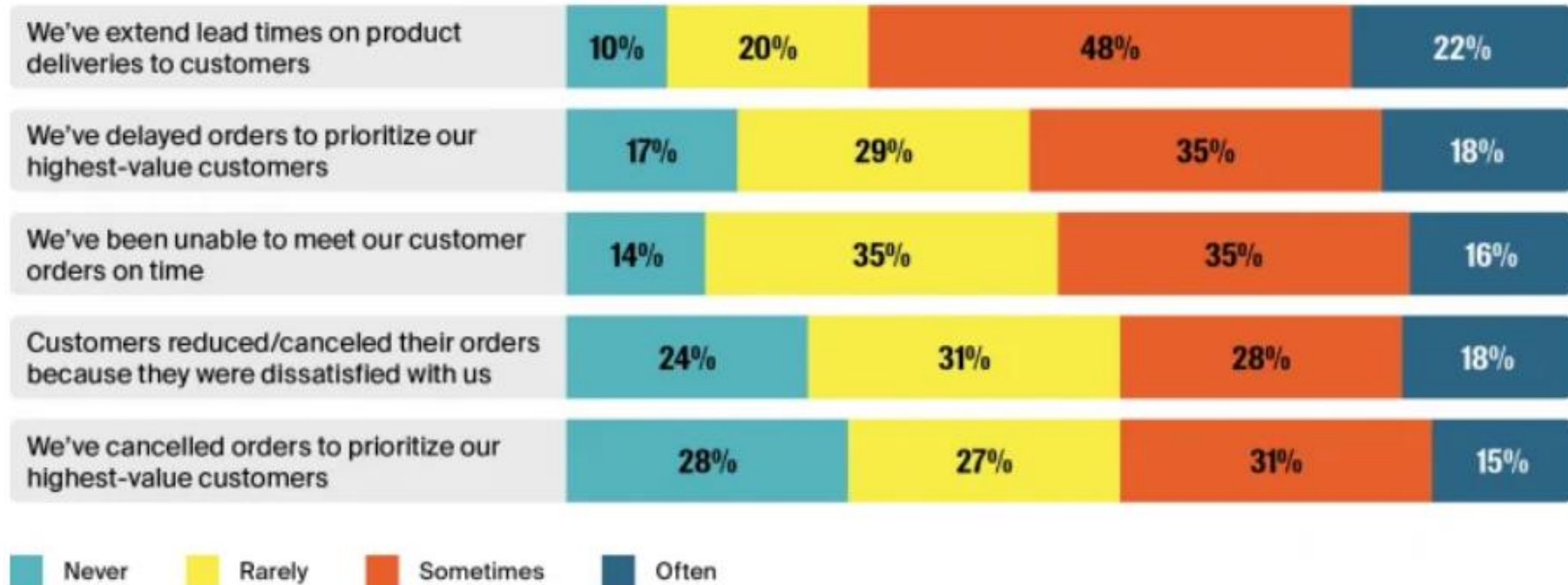


# Supplier Dynamics – Status of Supply Chain Disruption



# Supplier Dynamics – Status of Supply Chain Disruption

## How have supply chain delays impacted your customer relationships?



# Supply Chain Strategy



- Supplier relationships remain key to navigating the complexities of the current supply chain environment
- Industry engagement with the NGA, Buffalo Niagara Partnership, the NY/NJ and National Minority Supplier Development Councils, the Institute for Supply Management, AGA, and peer utilities is helping identify market trends and is providing opportunities for taking immediate action
- On-boarding new suppliers, growing supplier depth, re-sourcing orders, bidding, and negotiating price reductions/agreements remain core tenants of the Company's supply chain strategy

# Supply Chain Strategy

- Keeping an open line of communication with suppliers regarding outstanding orders aids in detecting potential issues and reducing lead times
- Sourcing orders in different geographic regions, with diverse suppliers, or with multiple suppliers allows access to material not otherwise available through traditional methods
- Daily monitoring of inventory levels and potential stock outs is reducing time delays and providing new opportunities to source more effectively
- Material planning and core inventory item identification is helping insulate against supply chain delays
- Breaking orders down into smaller increments and encouraging partial shipments is increasing material availability



# Supply Chain Strategy



- Utilizing the warehouse, stockrooms, and other types of supplier-focused stocking arrangements is mitigating lead times and improving deliverability
- Advance notifications of bill of materials (BOM) for upcoming projects alleviates strains, whether the BOM is bid directly, or if the material is sourced from warehousing stock
- Internal communication about high priority non-inventory orders prevents interruptions and provides advantageous strategic purchasing opportunities
- Establishing forums for internal communication, with support from and participation by senior management, is mission critical



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# Open Forum Discussion

