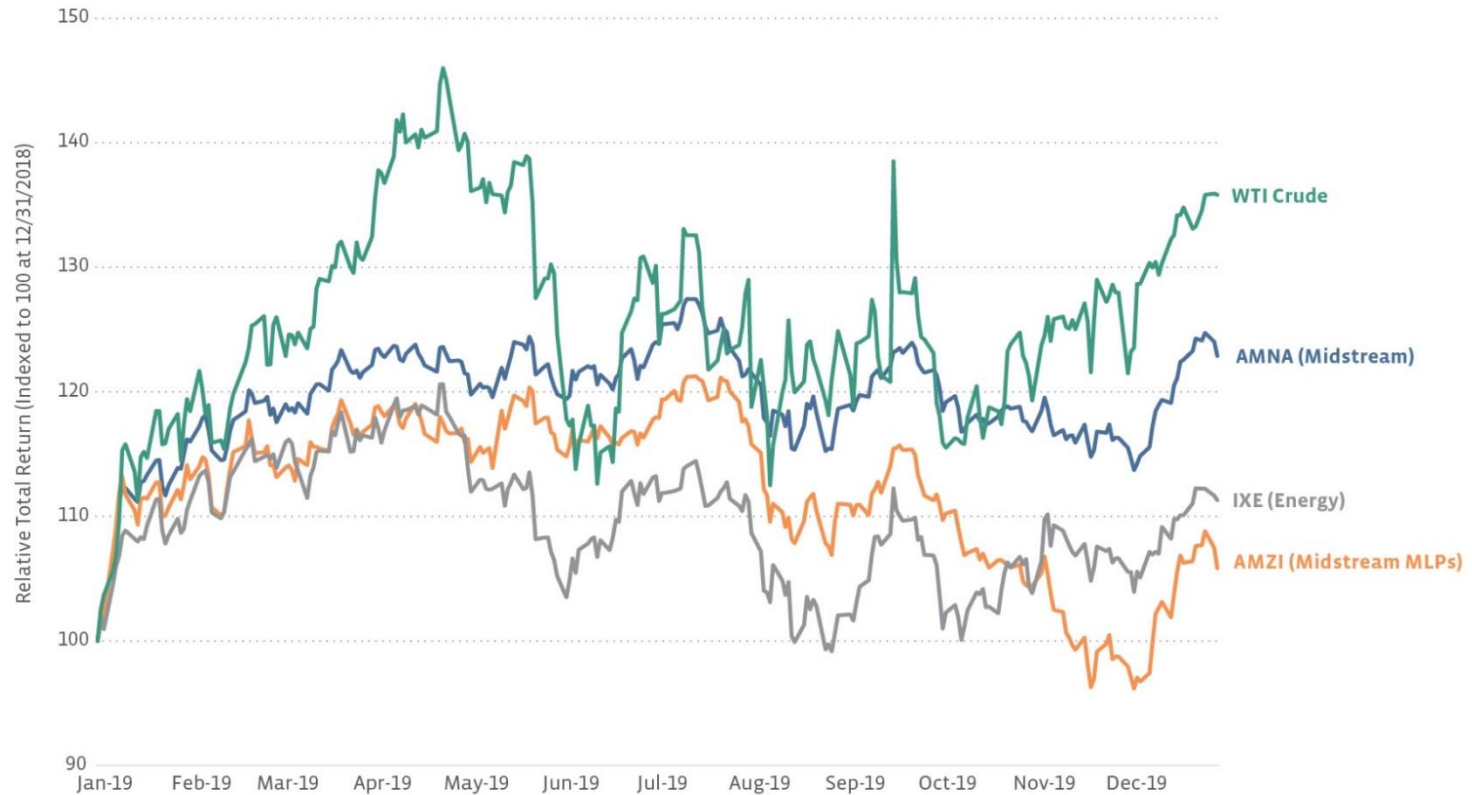


# 2020 Midstream Outlook

---

January 7, 2020

## 2019 Performance – Midstream Outshines Broader Energy



# Distributions Remain Stable Despite Elevated Yields

3Q19 Was a Cut-Free Quarter for the AMZI and AMNA



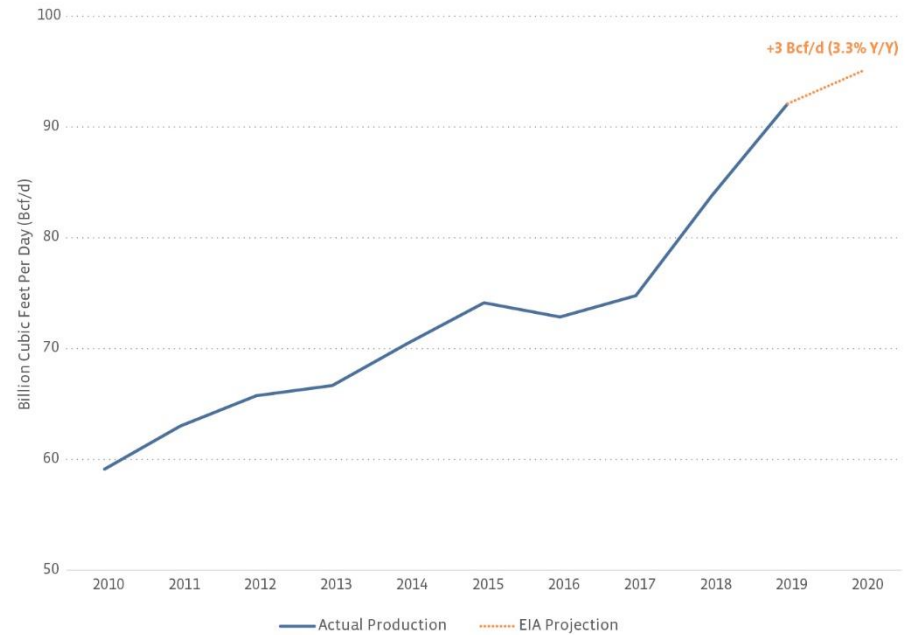
	<b>Current Yield</b>	<b>3-year Average</b>
AMZI	8.74%	7.81%
AMNA	6.38%	6.06%

# US Energy Production Continues to Grow

US Crude Production Since 2010



US Dry Natural Gas Production Since 2010



## Lower Spending Paves the Way for Free Cash Flow Generation

	Growth Capex (Millions)		
	2019 Guidance	2020 Guidance	Delta
Antero Midstream Corporation	\$675	\$313	-53.6%
Crestwood Equity Partners LP	\$450	\$125	-72.2%
Enbridge Inc	\$5,500	\$5,500	0.0%
Enable Midstream Partners LP	\$375	\$200	-46.7%
EnLink Midstream LLC	\$630	\$325	-48.4%
Enterprise Products Partners LP	\$4,000	\$3,500	-12.5%
Energy Transfer LP	\$4,000	\$3,700	-7.5%
EQM Midstream Partners LP	\$1,715	\$1,250	-27.1%
Gibson Energy Inc	\$265	\$300	13.2%
Inter Pipeline Ltd	\$1,340	\$1,115	-16.8%
Kinder Morgan Inc	\$2,800	\$2,400	-14.3%
Magellan Midstream Partners LP <sup>1</sup>	\$1,000	\$400	-60.0%
MPLX LP <sup>2</sup>	\$2,800	\$2,000	-28.6%
Plains All American Pipeline LP	\$1,350	\$1,350	0.0%
Targa Resources Corp	\$2,400	\$1,250	-47.9%
TC Energy Corp	\$9,000	\$7,200	-20.0%
Western Midstream Partners LP	\$1,350	\$913	-32.4%
The Williams Companies Inc	\$2,400	\$1,200	-50.0%
<b>Average</b>			<b>-29.2%</b>

<sup>1</sup> 2020 guidance only reflects current slate of projects

<sup>2</sup> 2019 guidance reflects the combined guidance of MPLX and ANDX

Source: Company Reports as of 1/6/2020

## What Could Drive Performance in 2020?

### > Potential catalysts

- Oil price improvement
- Continued private equity investment
- Share buyback programs

### > Tailwinds

- MLPs becoming more investable (lower leverage, better governance, self-funding equity)
- Improved distribution/dividend profiles
- Moderating capex lays groundwork for free cash flow generation

### > Headwinds

- Underinvestment in energy
- Natural gas weakness – counterparty risk
- Political risk – 2020 Election



## Disclaimers

### **Copyright. No Unauthorized Redistribution.**

Alerian © 2020. All rights reserved. This document, in whole or in part, may not be redistributed, reproduced, and/or photocopied without prior written permission.

### **This Document Is Impersonal and Not a Solicitation.**

In jurisdictions where Alerian or its affiliates do not have the necessary licenses, this document does not constitute an offering of any security, product, or service. All information provided by Alerian in this document is impersonal and not customized to the specific needs of any entity, person, or group of persons. Alerian and its affiliates do not endorse, manage, promote, sell, or sponsor any investment fund or other vehicle that is offered by third parties and that seeks to provide an investment return linked to or based on the returns of any Alerian index.

### **No Advisory Relationship.**

Alerian is not an investment advisor, and Alerian and its affiliates make no representation regarding the advisability of investing in any investment fund or other vehicle. This document should not be construed to provide advice of any kind, including, but not limited to, tax and legal.

### **You Must Make Your Own Investment Decision.**

It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. Past performance is not a guarantee of future returns. You should not make a decision to invest in any investment fund or other vehicle based on the statements set forth in this document and are advised to make an investment in any investment fund or other vehicle only after carefully evaluating the risks associated with investment in the investment fund or other vehicle, as detailed in the offering memorandum or similar document prepared by or on behalf of the issuer. This document does not contain, and does not purport to contain, the level of detail necessary to give sufficient basis to an investment decision. The addition, removal, or inclusion of a security in any Alerian index is not a recommendation to buy, sell, or hold that security, nor is it investment advice.

### **No Warranties.**

The accuracy and/or completeness of any Alerian index, any data included therein, or any data from which it is based is not guaranteed by Alerian, and it shall have no liability for any errors, omissions, or interruptions therein. Alerian makes no warranties, express or implied, as to results to be obtained from use of information provided by Alerian and used in this service, and Alerian expressly disclaims all warranties of suitability with respect thereto.

### **Research May Not Be Current.**

This document has been prepared solely for informational purposes based on information generally available to the public from sources believed to be reliable. Alerian makes no representation as to the accuracy or completeness of this document, the content of which may change without notice. Alerian expressly disclaims any obligation to update the contents of this document to reflect developments in the energy sector. Alerian shall not be liable for any citations or links to a third-party author or data source. Information may not be updated or current.

### **Forward Looking Statements.**

This document may contain forward-looking statements, based upon any number of assumptions concerning future conditions that may be inaccurate or incomplete. Such statements are subject to risks and uncertainties, and various factors may cause actual results to differ materially. Alerian assumes no obligation to update any forward-looking statements.

### **Limitation of Liability.**

While Alerian believes that the information provided in this document is reliable, Alerian shall not be liable for any claims or losses of any nature in connection with the use or misuse of the information in this document, including but not limited to, lost profits or punitive or consequential damages, even if Alerian has been advised of the possibility of same.