



Insights at a Glance: Midstream/MLP Buyback Update

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One of the potential tailwinds for midstream in 2021 relative to past recoveries is the proliferation of buyback programs supported by expectations for robust free cash flow generation this year. Today's brief note provides an update to Alerian's [November piece](#) on midstream buybacks with total capital spent on share repurchases through year-end 2020 by company and index-level perspective.

Since Alerian's last buyback [note](#) in November, [Pembina Pipeline](#) (PPL CN) [formally announced](#) a repurchase program, which the company first discussed in [December](#). With PPL added, the table below now includes fifteen midstream MLPs and corporations with buyback authorizations. While the number of companies with buyback programs has not changed significantly since mid-November, there was notable repurchase activity in 4Q20, particularly from companies that announced buyback programs earlier in the quarter. Of the combined \$322 million spent on repurchases in 4Q20 by the companies below, \$224 million or approximately 70% was spent by those companies that announced buyback authorizations in October and November 2020.

Company Name	Ticker	AMNA Weight	AMZI Weight	AMEI Weight	AEDW Weight	Total	Spent to Date Through 12/31/20 (\$ millions)	Date Announced
Antero Midstream Corporation	AM	0.9%	--	2.6%	2.1%	300	150	8/12/2019
Cheniere Energy	LNG	6.0%	--	4.9%	--	1,000	404	6/3/2019
Energy Transfer LP	ET	6.1%	10.0%	5.2%	6.5%	2,000	1,089	2/18/2015
EnLink Midstream LLC	ENLC	0.4%	3.2%	1.1%	0.7%	100	1	11/4/2020
Enterprise Products Partners LP	EPD	10.0%	10.1%	9.3%	9.5%	2,000	312	1/31/2019
Gibson Energy Inc ¹	GEI CN	0.8%	--	2.3%	0.6%	257	19	8/27/2020
Kinder Morgan Inc	KMI	10.1%	--	5.5%	8.7%	2,000	575	7/19/2017
Magellan Midstream Partners LP	MMP	3.3%	10.2%	2.9%	3.0%	750	277	1/21/2020
MPLX LP	MPLX	3.4%	10.3%	3.0%	10.0%	1,000	33	11/2/2020
NGL Energy Partners LP	NGL	0.1%	--	0.1%	0.1%	150	--	8/30/2019
Pembina Pipeline Corp ²	PPL CN	5.4%	--	5.0%	4.0%	1,025	--	12/14/2020
Plains All American Pipeline LP ³	PAA	2.0%	10.1%	5.1%	2.2%	500	50	11/2/2020
Rattler Midstream LP	RTLRL	0.2%	--	0.4%	--	100	15	11/4/2020
Targa Resources Corp	TRGP	2.4%	--	4.8%	0.3%	500	92	10/5/2020
Western Midstream Partners LP	WES	1.2%	9.8%	1.1%	2.1%	250	33	11/9/2020
Total		52.3%	63.8%	53.4%	49.9%			

Index weightings as of 3/19/2021.

¹ GEI's authorization is to repurchase and cancel up to 10% of public float as of 8/24/2020. The dollar amount shown reflects the share price as of 3/19/2021.

² PPL's authorization is to repurchase up to 5% of outstanding common shares as of 2/16/2021. The dollar amount shown reflects the share price as of 3/19/2021.

Purchases were able to begin on March 2, 2021.

³ PAA's weighting in AMNA and AEDW represents the combined weighting of PAA and Plains GP Holdings (PAGP). Weighting in AMEI represents the weighting of PAGP.

Source: Alerian, Company Reports as of 3/19/2021

For index-level perspective, the table includes company weightings in the [Alerian Midstream Energy Index \(AMNA\)](#), the [Alerian MLP Infrastructure Index \(AMZI\)](#), the [Alerian Midstream Energy Select Index \(AMEI\)](#), and the [Alerian Midstream Energy Dividend Index \(AEDW\)](#) as applicable. The AMZI, the only MLP index shown, has the largest weighting to companies with buyback authorizations at 63.8%, reflecting the widespread adoption of buyback programs by large MLPs. For the other three indexes, which include both MLPs and US and Canadian corporations, constituents with buyback programs represent roughly half of the indexes by weighting.

For midstream investors, it is positive to see companies supporting equity prices in the ongoing recovery by executing on buyback programs as a means of returning cash to shareholders beyond generous dividends.

AMNA is the underlying index for the ETRACS Alerian Midstream Energy Index ETN (AMNA). AMZI is the underlying index for the Alerian MLP ETF (AMLP) and the ETRACS Alerian MLP Infrastructure Index ETN Series B (AMUB). AMEI is the underlying index for the Alerian Energy Infrastructure ETF (ENFR). AEDW is the underlying index for the ETRACS Alerian Midstream Energy High Dividend Index ETN (AMND) and the Alerian Midstream Energy Dividend UCITS ETF (MMLP).

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