

# Midstream Summer Recap

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September 10, 2019

## Performance Recap – Midstream is still the bright spot in energy



## Positive 2Q19 results offset by natural gas weakness

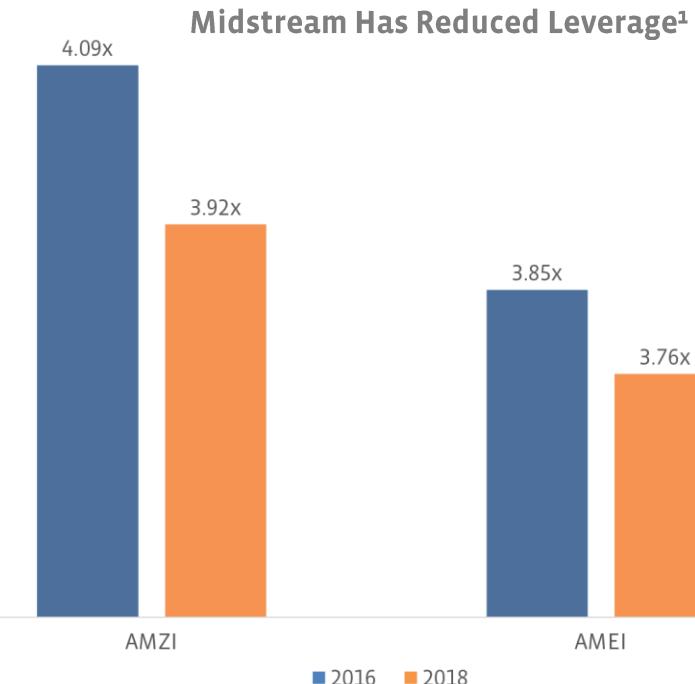
### One Q/Q Distribution Cut in the AMZ; Zero Cuts in the AMZI



- Several large MLPs reported strong 2Q19 earnings and raised full-year guidance
- Natural gas weakness resulted in downward revisions for some gas-focused MLPs
- Cut-free quarter for the AMZI – 13 constituents grew distributions Q/Q
- AMZI distribution coverage averaged 1.4x for 2Q19\*

\*Excludes Cheniere Energy Partners (CQP), which does not report DCF, and NGL Energy Partners (NGL) as a result of seasonality

- › **Pembina Pipeline to acquire Kinder Morgan Canada in 4Q19 or 1Q20**
- › **Private equity involvement in midstream continues**
  - IFM Investors to acquire Buckeye Partners in 4Q19
  - Tallgrass Energy received a take-private offer from Blackstone Infrastructure Partners



## AMZI Has Improved Positioning, but With a Higher Yield

	4Q16	Today
<b>Index Weighting Without IDRs</b>	38%	86%
<b>Average Distribution Coverage<sup>2</sup></b>	1.2X	1.4X
<b>Index Yield<sup>3</sup></b>	7.1%	8.5%

<sup>1</sup> Reflects the index average using long-term debt divided by adjusted EBITDA

<sup>2</sup> Today reflects average distribution coverage as of 2Q19

<sup>3</sup> Yields are as of 12/30/2016 and 08/30/2019

- › **Improvement in oil prices**
- › **Further private equity involvement**
- › **A focus on total return**
  - Antero Midstream, NGL Energy Partners announced buyback programs in August
- › **New investors entering the space**
- › **Continued execution by midstream operators**



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