

Midstream Summer Recap

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



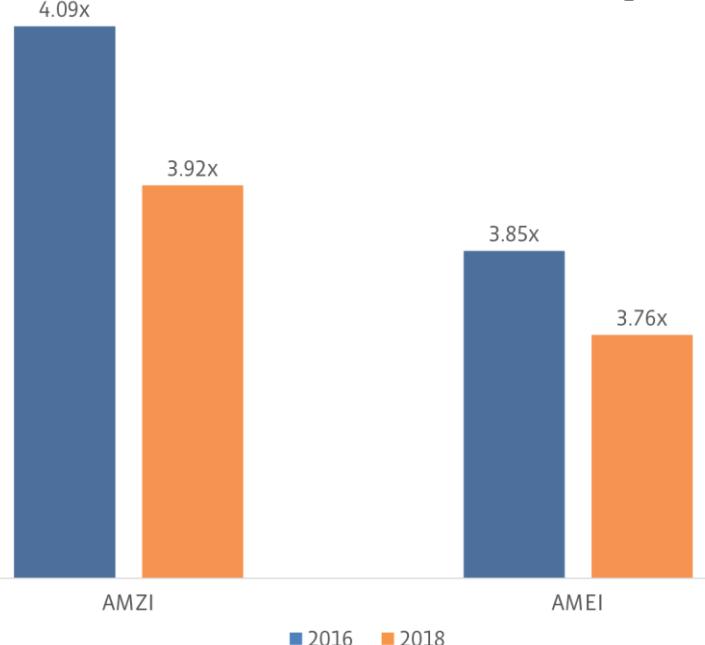
- Several large MLPs reported strong 2Q19 earnings and raised full-year guidance
- Natural gas weakness resulted in downward revisions for some gas-focused MLPs
- Cut-free quarter for the AMZI – 13 constituents grew distributions Q/Q
- AMZI distribution coverage averaged 1.4x for 2Q19*

*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

Now vs. Then – Midstream space cleaner today

Midstream Has Reduced Leverage¹



AMZI Has Improved Positioning, but With a Higher Yield

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

¹ Reflects the index average using long-term debt divided by adjusted EBITDA

² Today reflects average distribution coverage as of 2Q19

³ 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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