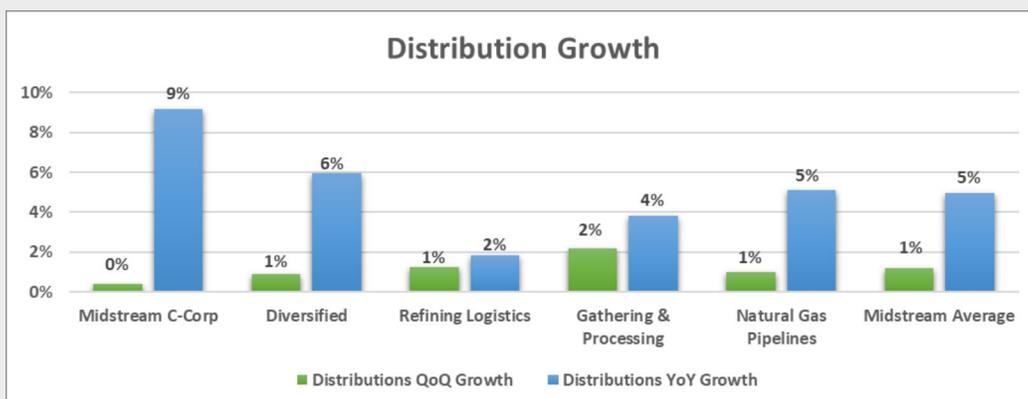
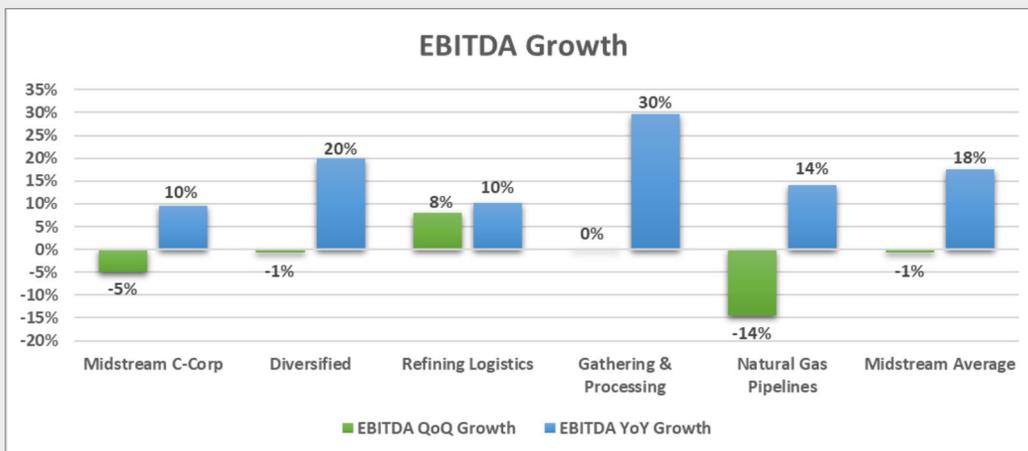


# MLP And Midstream - Earnings Review Q2 2019

## Earnings Results Highlight Selectivity In Midstream Assets

- Second quarter earnings were more volatile than expected with several high-profile beats and misses.
- Large midstream companies and Refining Logistic companies delivered strongest results due to their diversified asset base and minimal exposure to NGL/gas prices, which were down 15%/11% from the prior quarter. In addition, large midstream companies tend to work with major oil/large E&P companies resulting in reduced counterparty exposure and more stable volumes.
- Gathering & Processing and small/mid cap midstream MLPs accounted for the bulk of the weakness and negative earnings guidance revisions. They are more directly impacted by lower commodity prices, which has led to a reduction in drillings activity as E&P companies have revised down their production growth forecasts. On a positive note, growth capex away from the wellhead (i.e., near demand centers) remains attractive. MLPs with exposure to downstream have growth opportunities in exports and long-haul pipeline takeaway capacity.
- While a slowdown in gas volumes in the Northeast was not unexpected, 2Q earnings conference calls confirmed volume growth profiles could be impacted over the next year. The reality of flat volumes resulted in a valuation re-rating for midstream companies with significant Northeast G&P exposure.
- Key issues driving earnings and MLP valuations through the balance of the year include project execution, the impact of several MLP management changes, commodity price volatility and the potential for M&A activity. Lastly, capital discipline is likely to lead to more modest production profiles.



EBITDA Growth		
Company	QoQ	YoY
ENBRIDGE INC	-15%	1%
KINDER MORGAN INC	-8%	-2%
CHENIERE ENERGY INC	-15%	42%
ONEOK INC	-1%	5%
SEMGROUP CORP-CLASS A	2%	7%
TARGA RESOURCES CORP	-2%	-6%
TC ENERGY CORP	-2%	17%
WILLIAMS COS INC	2%	12%
<b>Midstream C-Corp</b>	<b>-5%</b>	<b>10%</b>
INTER PIPELINE LTD	10%	-4%
PEMBINA PIPELINE CORP	-1%	9%
ENTERPRISE PRODUCTS PARTNERS	5%	18%
ENERGY TRANSFER LP	-7%	43%
MAGELLAN MIDSTREAM PARTNERS	-2%	12%
MPLX LP	-1%	6%
PLAINS ALL AMER PIPELINE LP	-9%	55%
<b>Diversified</b>	<b>-1%</b>	<b>20%</b>
BUCKEYE PARTNERS LP	-1%	-16%
DELEK LOGISTICS PARTNERS LP	13%	-1%
HOLLY ENERGY PARTNERS LP	-5%	8%
NUSTAR ENERGY LP	-1%	8%
PBF LOGISTICS LP	31%	34%
PHILLIPS 66 PARTNERS LP	14%	16%
SHELL MIDSTREAM PARTNERS LP	10%	20%
<b>Refining Logistics</b>	<b>9%</b>	<b>10%</b>
CRESTWOOD EQUITY PARTNERS LP	5%	18%
ANTERO MIDSTREAM CORP	2%	17%
CNX MIDSTREAM PARTNERS LP	9%	37%
DCP MIDSTREAM LP	-15%	3%
ENABLE MIDSTREAM PARTNERS LP	-5%	15%
HESS MIDSTREAM PARTNERS LP	-3%	0%
NOBLE MIDSTREAM PARTNERS LP	-11%	26%
OASIS MIDSTREAM PARTNERS LP	15%	120%
SUMMIT MIDSTREAM PARTNERS LP	-1%	-7%
TALLGRASS ENERGY LP	3%	25%
WESTERN MIDSTREAM PARTNERS L	1%	59%
<b>Gathering &amp; Processing</b>	<b>0%</b>	<b>28%</b>
EQM MIDSTREAM PARTNERS LP	-1%	57%
CHENIERE ENERGY PARTNERS LP	-12%	6%
TC PIPELINES LP	-20%	-20%
<b>Natural Gas Pipelines</b>	<b>-11%</b>	<b>14%</b>
<b>Total</b>	<b>0%</b>	<b>18%</b>

Distribution Growth		
Company	QoQ	YoY
ENBRIDGE INC	0%	10%
KINDER MORGAN INC	0%	25%
CHENIERE ENERGY INC	NA	NA
ONEOK INC	3%	9%
SEMGROUP CORP-CLASS A	0%	0%
TARGA RESOURCES CORP	0%	0%
TC ENERGY CORP	0%	9%
WILLIAMS COS INC	0%	12%
<b>Midstream C-Corp</b>	<b>0%</b>	<b>9%</b>
INTER PIPELINE LTD	0%	2%
PEMBINA PIPELINE CORP	4%	5%
ENTERPRISE PRODUCTS PARTNERS	1%	2%
ENERGY TRANSFER LP	0%	0%
MAGELLAN MIDSTREAM PARTNERS	1%	6%
MPLX LP	2%	6%
PLAINS ALL AMER PIPELINE LP	0%	20%
<b>Diversified</b>	<b>1%</b>	<b>6%</b>
BUCKEYE PARTNERS LP	0%	-41%
DELEK LOGISTICS PARTNERS LP	4%	10%
HOLLY ENERGY PARTNERS LP	0%	2%
NUSTAR ENERGY LP	0%	0%
PBF LOGISTICS LP	1%	4%
PHILLIPS 66 PARTNERS LP	1%	14%
SHELL MIDSTREAM PARTNERS LP	4%	18%
<b>Refining Logistics</b>	<b>1%</b>	<b>1%</b>
CRESTWOOD EQUITY PARTNERS LP	0%	0%
ANTERO MIDSTREAM CORP	2%	146%
CNX MIDSTREAM PARTNERS LP	4%	15%
DCP MIDSTREAM LP	0%	0%
ENABLE MIDSTREAM PARTNERS LP	4%	4%
HESS MIDSTREAM PARTNERS LP	4%	15%
NOBLE MIDSTREAM PARTNERS LP	5%	20%
OASIS MIDSTREAM PARTNERS LP	4%	20%
SUMMIT MIDSTREAM PARTNERS LP	-1%	-50%
TALLGRASS ENERGY LP	2%	9%
WESTERN MIDSTREAM PARTNERS L	1%	6%
<b>Gathering &amp; Processing</b>	<b>2%</b>	<b>17%</b>
EQM MIDSTREAM PARTNERS LP	1%	6%
CHENIERE ENERGY PARTNERS LP	2%	9%
TC PIPELINES LP	0%	0%
<b>Natural Gas Pipelines</b>	<b>1%</b>	<b>5%</b>
<b>Total</b>	<b>1%</b>	<b>9%</b>

*DISCLAIMER: The material in this document is prepared for our clients and other interested parties and contains the opinions of Eagle Global Advisors, LLC. Nothing in this document should be construed or relied upon as legal or financial advice. Any specific securities or portfolio characteristics listed above are for illustrative purposes and example only. They may not reflect actual investments in a client portfolio. All investments involve risk - including loss of principal. An investor should consult with an investment professional before making any investment decisions. Factual material is believed to be accurate, taken directly from sources believed to be reliable, including but not limited to, Federal and various state & local government documents, official financial reports, academic articles, and other public materials. However, none of the information should be relied on without independent verification.*