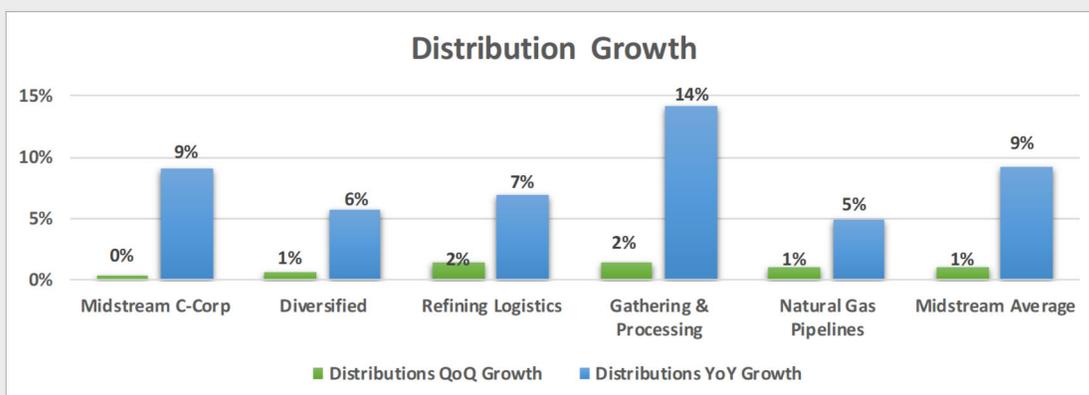
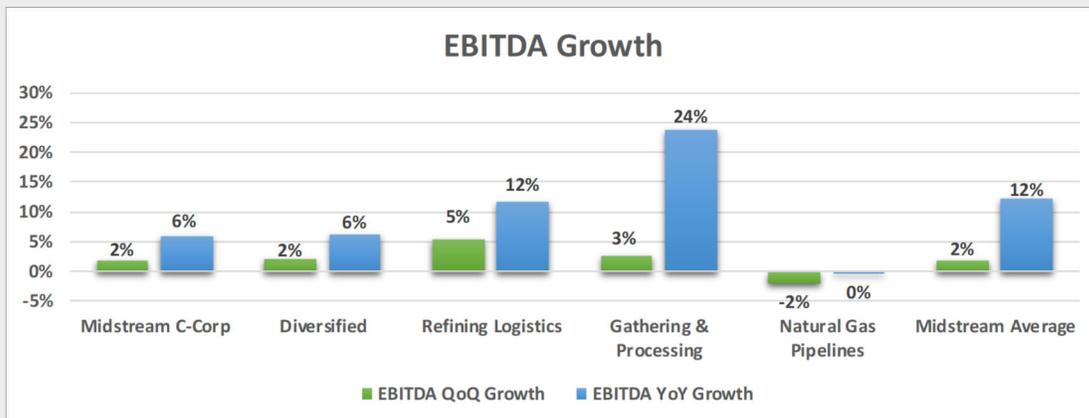


MLP And Midstream - Earnings Review Q3 2019

Q3 Earnings Are Resilient, Yet Weak Stock Prices Persist

- Third quarter earnings were mainly better or in line with expectations, especially for midstream companies who are reducing capex, focusing on free cash flow, exercising capital discipline and reducing leverage. Similar to last quarter, those entities with Northeast and Mid-Continent exposure levered to declining production have suffered.
- Despite solid earnings results, the AMZ is down -12.4% since the end of the third quarter. Why? Outside of commodity price volatility, investors have concerns about producers being more aggressive about midstream rate concessions and production plans. Counterparty risk for midstream also contributes to investor nervousness. Finally, tax loss selling near year end typically contributes to downside price volatility.
- Investors have spoken loud and clear: they want more capital discipline through reduced capital spending, asset sales or joint ventures. Companies such as AM, CNXM, DCP, ENLC, MPLX, NS, TRGP and WES who reported a projected reduction in spending were rewarded; albeit in some instances only for a short time. Companies such as EPD, ET and OKE who reported either flat or higher spending versus 2019 saw their stock prices decline.
- Free cash flow was another hot button on investor minds. While some producers are moderating spending, most did not provide formal budgets for 2020. It appears the larger players will focus on free cash flow generation and shareholder returns versus volume growth.
- IDRs are becoming rare in the midstream space as their elimination continues. DCP completed its long awaited transaction which eliminated the GP's economic interest in exchange for DCP common units. NBLX purchased the GP interest of NBL as well as the remaining midstream assets.



EBITDA Growth		
Company	QoQ	YoY
ENBRIDGE INC	-3%	5%
KINDER MORGAN INC	1%	-1%
CHENIERE ENERGY INC	9%	29%
ONEOK INC	3%	0%
SEMGROUP CORP-CLASS A	-11%	-2%
TARGA RESOURCES CORP	14%	-2%
TC ENERGY CORP	-1%	12%
WILLIAMS COS INC	3%	7%
Midstream C-Corp	2%	6%
INTER PIPELINE LTD	-12%	-27%
PEMBINA PIPELINE CORP	-4%	1%
ENTERPRISE PRODUCTS PARTNERS	-3%	6%
ENERGY TRANSFER LP	0%	7%
MAGELLAN MIDSTREAM PARTNERS	1%	7%
MPLX LP	38%	36%
PLAINS ALL AMER PIPELINE LP	-7%	15%
Diversified	2%	6%
DELEK LOGISTICS PARTNERS LP	15%	20%
HOLLY ENERGY PARTNERS LP	2%	4%
NUSTAR ENERGY LP	0%	-2%
PBF LOGISTICS LP	15%	42%
PHILLIPS 66 PARTNERS LP	1%	6%
SHELL MIDSTREAM PARTNERS LP	-1%	-1%
Refining Logistics	5%	12%
CRESTWOOD EQUITY PARTNERS LP	16%	39%
ANTERO MIDSTREAM CORP	2%	-5%
CNX MIDSTREAM PARTNERS LP	-5%	25%
DCP MIDSTREAM LP	8%	-3%
ENABLE MIDSTREAM PARTNERS LP	5%	-2%
HESS MIDSTREAM PARTNERS LP	10%	6%
NOBLE MIDSTREAM PARTNERS LP	-26%	0%
OASIS MIDSTREAM PARTNERS LP	16%	153%
SUMMIT MIDSTREAM PARTNERS LP	5%	-2%
TALLGRASS ENERGY LP-CLASS A	4%	20%
WESTERN MIDSTREAM PARTNERS LP	-5%	30%
Gathering & Processing	3%	24%
EQM MIDSTREAM PARTNERS LP	2%	20%
CHENIERE ENERGY PARTNERS LP	-9%	-9%
TC PIPELINES LP	1%	-12%
Natural Gas Pipelines	-2%	0%
Total	2%	12%

Distribution Growth		
Company	QoQ	YoY
ENBRIDGE INC	0%	10%
KINDER MORGAN INC	0%	25%
CHENIERE ENERGY INC	NA	NA
ONEOK INC	3%	8%
SEMGROUP CORP-CLASS A	0%	0%
TARGA RESOURCES CORP	0%	0%
TC ENERGY CORP	0%	9%
WILLIAMS COS INC	0%	12%
Midstream C-Corp	0%	9%
INTER PIPELINE LTD	0%	2%
PEMBINA PIPELINE CORP	2%	5%
ENTERPRISE PRODUCTS PARTNERS	1%	2%
ENERGY TRANSFER LP	0%	0%
MAGELLAN MIDSTREAM PARTNERS	1%	4%
MPLX LP	1%	6%
PLAINS ALL AMER PIPELINE LP	0%	20%
Diversified	1%	6%
DELEK LOGISTICS PARTNERS LP	4%	11%
HOLLY ENERGY PARTNERS LP	0%	1%
NUSTAR ENERGY LP	0%	0%
PBF LOGISTICS LP	1%	4%
PHILLIPS 66 PARTNERS LP	1%	9%
SHELL MIDSTREAM PARTNERS LP	3%	16%
Refining Logistics	2%	7%
CRESTWOOD EQUITY PARTNERS LP	0%	0%
ANTERO MIDSTREAM CORP	0%	120%
CNX MIDSTREAM PARTNERS LP	3%	15%
DCP MIDSTREAM LP	0%	0%
ENABLE MIDSTREAM PARTNERS LP	0%	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-CLASS A	2%	8%
WESTERN MIDSTREAM PARTNERS LP	0%	4%
Gathering & Processing	2%	14%
EQM MIDSTREAM PARTNERS LP	0%	4%
CHENIERE ENERGY PARTNERS LP	3%	11%
TC PIPELINES LP	0%	0%
Natural Gas Pipelines	1%	5%
Total	1%	9%

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