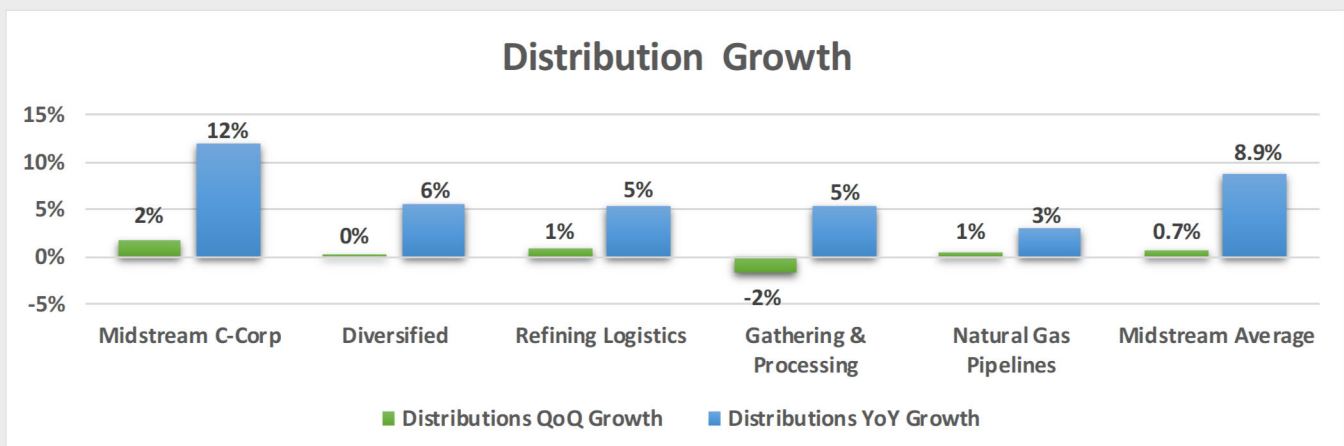
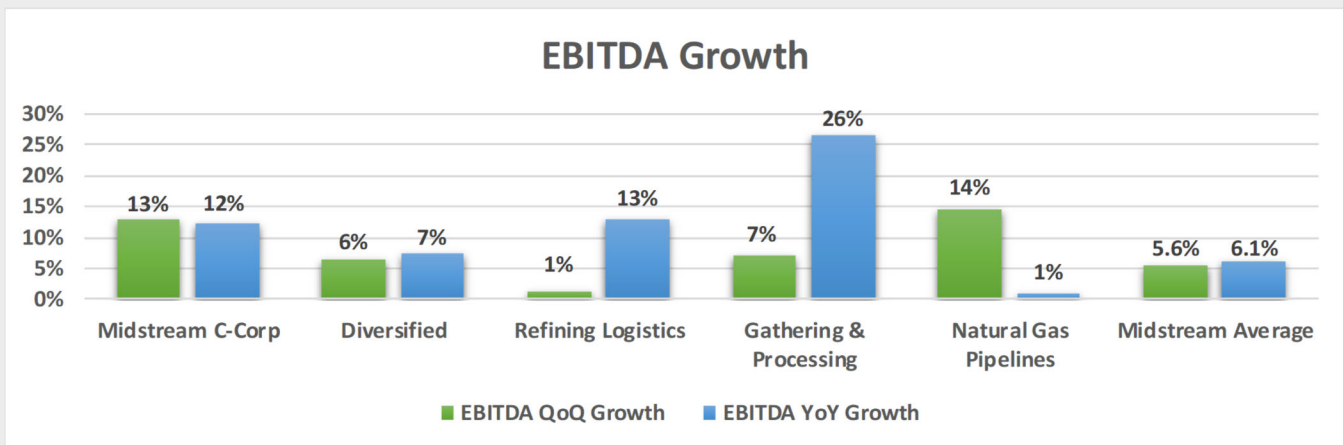


MLP And Midstream - Earnings Review Q4 2019

Another Solid Earnings Season, Overshadowed By An Energy Double Black Swan

- Midstream/MLPs delivered EBITDA growth of 6.1% (YoY) that supported market cap-adjusted dividend increases of 0.7% sequentially and 8.9% year-over-year. Overshadowing what was another healthy earnings season was a “double black swan” for energy. Demand destruction has been caused by COVID-19 and a potential supply surge driven by an unexpected squabble by two major OPEC members Saudi Arabia and Russia. This double whammy gut punched energy markets and the AMZ has fallen 19.6% since March 6 (AMNA: -19.4%).
- We expect this new energy paradigm will continue in the near-term, which means increased scrutiny on capital expenditures, balance sheets and dividend policies. As a result, we expect a selective round of dividend cuts, particularly among the gathering & processing (G&Ps) companies who have significant volumetric risk tied to field activity. Credit agencies may again take a discerning look at Midstream leverage, which has historically forced some Midstream companies to reconsider dividend policy to pay down debt. We believe the vast majority of dividends for large cap Midstream C-Corps and MLPs are not at risk of being cut.
- In regards to the earnings season itself, investors rewarded companies focused on reducing capital expenditures, generating free cash flow, exercising capital discipline and reducing leverage. Not surprisingly, the market warmly received share buyback announcements from MMP and EPD.



EBITDA Growth			Distribution Growth		
Company	QoQ	YoY	Company	QoQ	YoY
ENBRIDGE INC	3%	-4%	ENBRIDGE INC	0%	10%
KINDER MORGAN INC	10%	3%	KINDER MORGAN INC	0%	25%
CHENIERE ENERGY INC	42%	56%	CHENIERE ENERGY INC	NA	NA
ONEOK INC	2%	6%	ONEOK INC	6%	10%
TARGA RESOURCES CORP	33%	24%	TARGA RESOURCES CORP	0%	0%
TC ENERGY CORP	1%	-6%	TC ENERGY CORP	0%	9%
WILLIAMS COS INC	1%	7%	WILLIAMS COS INC	5%	18%
Midstream C-Corp	13%	12%	Midstream C-Corp	2%	12%
INTER PIPELINE LTD	7%	-14%	INTER PIPELINE LTD	0%	1%
PEMBINA PIPELINE CORP	7%	10%	PEMBINA PIPELINE CORP	0%	5%
ENTERPRISE PRODUCTS PARTNERS	0%	8%	ENTERPRISE PRODUCTS PARTNERS	1%	2%
ENERGY TRANSFER LP	-4%	-3%	ENERGY TRANSFER LP	0%	0%
MAGELLAN MIDSTREAM PARTNERS	13%	16%	MAGELLAN MIDSTREAM PARTNERS	0%	4%
MPLX LP	4%	45%	MPLX LP	1%	6%
PLAINS ALL AMER PIPELINE LP	18%	-9%	PLAINS ALL AMER PIPELINE LP	0%	20%
Diversified	6%	7%	Diversified	0%	6%
DELEK LOGISTICS PARTNERS LP	-11%	12%	DELEK LOGISTICS PARTNERS LP	1%	9%
HOLLY ENERGY PARTNERS LP	-3%	-2%	HOLLY ENERGY PARTNERS LP	0%	1%
NUSTAR ENERGY LP	16%	19%	NUSTAR ENERGY LP	0%	0%
PBF LOGISTICS LP	-2%	32%	PBF LOGISTICS LP	0%	3%
PHILLIPS 66 PARTNERS LP	7%	12%	PHILLIPS 66 PARTNERS LP	1%	5%
SHELL MIDSTREAM PARTNERS LP	1%	5%	SHELL MIDSTREAM PARTNERS LP	3%	15%
Refining Logistics	1%	13%	Refining Logistics	1%	5%
CRESTWOOD EQUITY PARTNERS LP	6%	31%	CRESTWOOD EQUITY PARTNERS LP	4%	4%
ANTERO MIDSTREAM CORP	-7%	NA	ANTERO MIDSTREAM CORP	0%	NA
CNX MIDSTREAM PARTNERS LP	9%	15%	CNX MIDSTREAM PARTNERS LP	3%	15%
DCP MIDSTREAM LP	-1%	21%	DCP MIDSTREAM LP	0%	0%
ENABLE MIDSTREAM PARTNERS LP	-7%	1%	ENABLE MIDSTREAM PARTNERS LP	0%	4%
ENLINK MIDSTREAM LLC	11%	6%	ENLINK MIDSTREAM LLC	-34%	-31%
HESS MIDSTREAM LP - CLASS A	17%	23%	HESS MIDSTREAM LP - CLASS A	4%	15%
NOBLE MIDSTREAM PARTNERS LP	15%	-13%	NOBLE MIDSTREAM PARTNERS LP	2%	17%
OASIS MIDSTREAM PARTNERS LP	18%	124%	OASIS MIDSTREAM PARTNERS LP	5%	20%
WESTERN MIDSTREAM PARTNERS LP	9%	29%	WESTERN MIDSTREAM PARTNERS LP	0%	3%
Gathering & Processing	7%	26%	Gathering & Processing	-2%	5%
EQM MIDSTREAM PARTNERS LP	3%	14%	EQM MIDSTREAM PARTNERS LP	0%	3%
CHENIERE ENERGY PARTNERS LP	22%	4%	CHENIERE ENERGY PARTNERS LP	2%	7%
TC PIPELINES LP	19%	-15%	TC PIPELINES LP	0%	0%
Natural Gas Pipelines	14%	1%	Natural Gas Pipelines	1%	3%
Total *	5.6%	6.1%	Total *	0.7%	8.9%

* Market Cap Adjusted

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