

Midstream Mid-Year Update

May 28, 2019

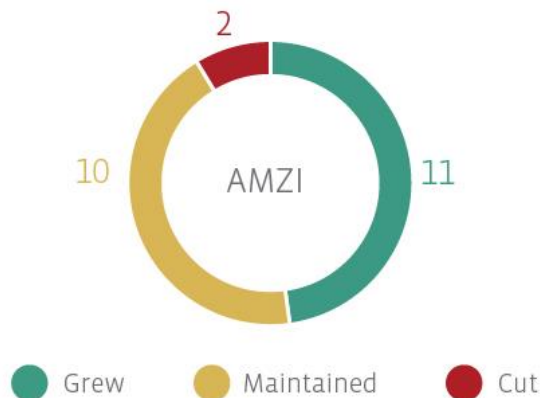
Performance recap – midstream outperforms oil, other sectors



Solid 1Q19 results reflect continued strength in fundamentals

- › Several midstream names reported EBITDA results that beat expectations by 5+%
- › Multiple names raised 2019 EBITDA or DCF guidance
- › PAA/PAGP's 20% distribution increase helps offset backdoor cuts for the AMZI
- › AMZI distribution coverage averaged 1.5x for 1Q19*

1Q19 Q/Q Distribution Recap: Two Backdoor Cuts for the AMZI

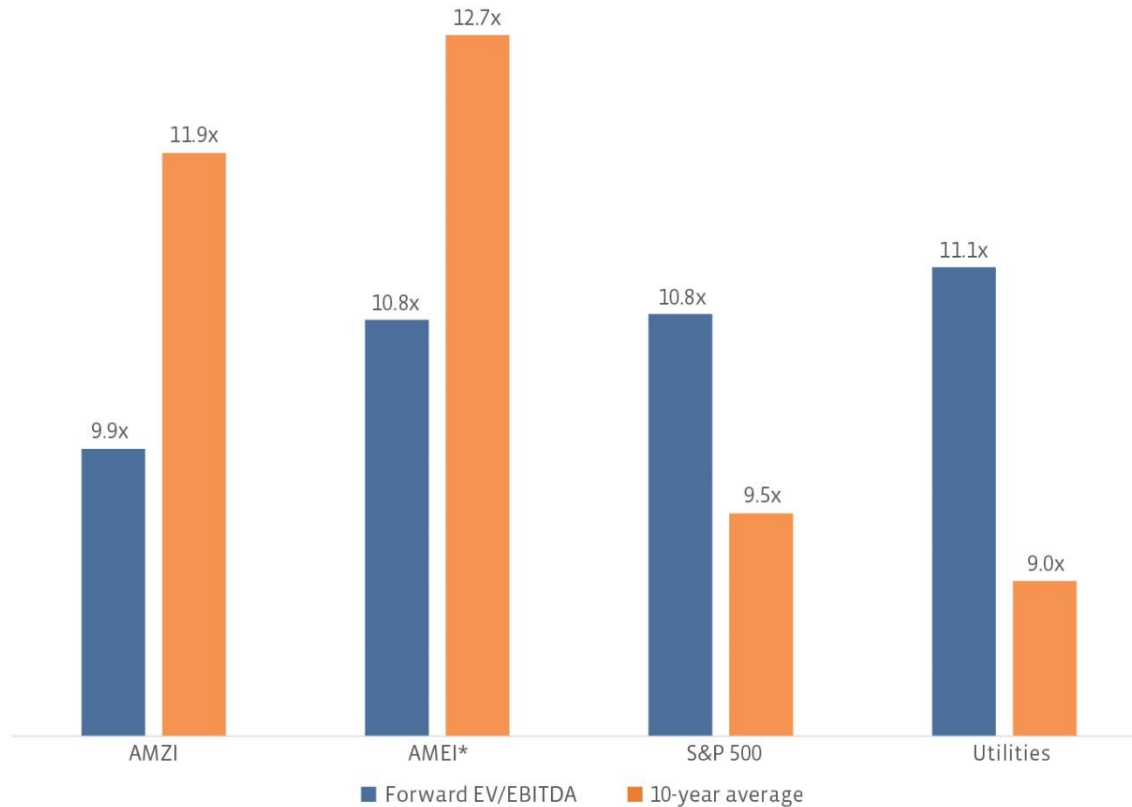


* Excludes Cheniere Energy Partners (CQP), which does not report DCF, and NGL Energy Partners (NGL) which has not reported results (fiscal 4Q19)

Private equity highlights midstream value disconnect

- › **Private equity continues to put billions to work in midstream**
- › **Transactions have been at a significant premium to public valuations**
- › **On May 10, Buckeye Partners (BPL) announced that it will be acquired by IFM Investors**
 - Purchase price of \$41.50/unit – a 27.5% premium to BPL's previous closing price
 - Represents a 10.75x multiple to BPL's consensus 2020 EBITDA estimate

Midstream at a discount to historical forward EV/EBITDA



Forward EV/EBITDA based on Bloomberg 2020 EBITDA estimates
 * AMEI's historical average EV/EBITDA is since inception on April 1, 2013
 Source: Alerian, Bloomberg as of May 17, 2019

Midstream “Summer Loving” or “Summertime Sadness”?

> Potential for Midstream Summer Loving

- Additional private equity involvement
- Operational and project execution by companies
- Fundamentals and company-level improvements come into focus, instead of structure questions
- Increased fund flows

> Potential for Midstream Summertime Sadness

- Oil volatility – OPEC meeting June 25-26 (oil prices more important for sentiment)
- Fund flows remain lackluster – energy underinvestment remains headwind

> 2Q19 earnings season – late July and early August



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