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<<MEIC Representative>>

Good afternoon everybody. Up next we have EnLink Midstream. We're going to have Chris Sighinolfi of Jefferies introducing Mike Garberding of EnLink Midstream. Chris over to you.

<<Chris Sighinolfi, Analyst, Jefferies>>

Thank you. Good afternoon everybody. Thanks for joining us. Please to have EnLink Midstream for this 40-minute fireside chat. And with me is company's CEO, Mike Garberding. Mike thanks for making the conference. I hope it's been productive for you and thanks for making time for an open forum.

<<Michael J. Garberding, President and Chief Executive Officer>>

We appreciate. It's great to have your time with us and talk.

<<Chris Sighinolfi, Analyst, Jefferies>>

Yeah, well, I think a great place to start given that you just reported first quarter is maybe to think about that and the three or four sort of key takeaways you want to make sure we got from that before we move on to sort of forward-looking stuff.

<<Michael J. Garberding, President and Chief Executive Officer>>

That's great. So I think a good place to start for us is really just talk about our business. We use the tagline in differentiated midstream business that we think pound for pound is one of the best out there. So what does that mean? We talk about purposely built assets. We talk about execution excellence driven by our people and our culture. We talk about the deep relationships that drive the opportunities and ultimately value creation.

We think that's a great place to start because we is in everything we do. So if you think about sort of those three things, first, you look at first quarter, great diversified cash flows driven by that platform that had over performance both from company and market perspective across the board; number two, feel really good about the trajectory for 2019.

So if you look at not only what we did in the first quarter, but look at project execution, brought a big NGL project on in the Louisiana the first part of the second quarter, brought the expansion of our Lobo facility in Delaware on and getting ready to bring Thunderbird, the next gathering, our next processing plant

in Oklahoma on. And so feel really good about where we're going with the business, and project execution and capability really to execute for 2019.

And third, this platform we have is really driven by these, what you call quick-to-cash, lower capital projects. So we gave a three-year outlook on capital of \$1.2 to \$1.5 billion that drive about a five to six-time return projects. So when you look at the long-term in this business and that platform driving these high return lower capital projects, we couldn't feel better about the long-term outlook on where we're going.

<<Chris Sighinolfi, Analyst, Jefferies>>

Maybe for the room, I just wanted to frame up the rest of our discussion by doing a bit of a deeper dive into your three principle operating areas, the areas that you're growing the most and then pivot at the end of the discussion more towards valuation questions, structured questions and a lot of changes with EnLink in the last year. So I guess with that in mind, if we dive in Oklahoma, I think you guys have said two or a couple of years ago, you said when you think of Oklahoma you think of EnLink.

It's been a great growth basin for you. You did take down in the first quarter some of the volume numbers there, I think, in response to a confluence of factors affecting some of the producers there. It was a meaningful amount of your call conversation in the meeting we had earlier at the conference.

So I'm just curious, can we maybe delve into a little bit some of the factors that drove the changes in Oklahoma just to make sure we clear the air on that and the future of that basin for you?

<<Michael J. Garberding, President and Chief Executive Officer>>

Yeah. So, so first and foremost, we love Oklahoma. We love what we're seeing. We love the results we're seeing. It's a great opportunity. When you think of the Stack or that core Stack, it's a lot like what you see in the Midland from an economic standpoint. So we feel really good about what we're seeing there. Top four producers are the guys you want, the Devon, Encana, Marathon, Roan, represent about two thirds to three quarters of what we're seeing there. So big drivers to what we're seeing.

But what Chris referenced is a little bit of a transition. And I mean transition ultimately because again we're just seeing some events that happened over the last three months or so that allowed us or brought us to where we're seeing 10% to 15% growth rather than sort of that mid-20% growth. So still a very good growth in Oklahoma. The transitions Devon still really getting the recipe for rights about how they think about really manufacturing and that's taken some time. They've gone down number of wells per drilling unit and they now are really focused on pressure and thinking about maximization of value for that.

Encana just stepped in Newfield's position early in the first quarter. Roan has gone through a strategic process. So all things we think are really going to be longer term positive. And so when you think about transition, it still gets us to a growth rate of that 10% to 15%, but we feel really good about what we're seeing longer term Oklahoma.

<<Chris Sighinolfi, Analyst, Jefferies>>

And how do you think about further risk down on whatever you might have – you changed obviously volume guidance so far, there have been a lot of questions as to how you risk given that you don't direct the drill bit. Can you talk about maybe some of what you've embedded and some of what haven't embedded in an updated forecast?

<<Michael J. Garberding, President and Chief Executive Officer>>

Yeah, and so how we think about Oklahoma is we really do a well by well forecast by producer and we factory anything new within that. And so one of the big things that we had really was what Devon was doing and other customers were doing, which was really thinking about the pressure of the well to where your IP rate comes at a later period of time than usual, not in the first couple months, more in that five, six, seven months. And there is still a lot of work around that. So that's new.

So one of the things we've done in our forecast as we've taken into consideration that lower IP rate, but we're still learning about the decline. And so, we still kept the decline the same as we've seen with the wells in the past, but what we believe is you will continue to get a shallower decline because of what they're doing, which is a net benefit for all of us. It should be more capital efficient, should be able to stack volumes on mines. So within the forecast we're still learning, but we feel we've taken to consideration all the things or lessons learned of the producers today.

<<Chris Sighinolfi, Analyst, Jefferies>>

And I guess on this point then discussion on the call, but there's a volume component, there's a margin component, and you sort of spent some time on your call discussing the fact they're not necessarily one-for-one tethered. Can you just maybe help the room understand that commentary and how you guys are thinking about margin versus the volume?

<<Michael J. Garberding, President and Chief Executive Officer>>

Yeah. And I think the normal way for people to think about it is if you saw the volume decline, they would think margin would be one-for-one, but with the contracts we have and how we run the business, we have a lot of capability to earn incremental dollars depending upon how we run our system. And that can be around how the fuel usage is before compared to how we have fuel in our

contracts; that can be compared to how the recoveries are on the processing versus the contracts. There's a lot of fundamental ways for us to earn additional margin on the business, which we're doing today and we did in the first quarter to what you've seen as you did not see margin come down in the same rate that volumes do. And we feel confident and we continue that through the year.

<<Chris Sighinolfi, Analyst, Jefferies>>

And maybe provide a good segment as we move into the other operating areas. But despite this reduction, what is EnLink's largest operating area? You maintained your 2019 EBITDA guidance. And so there's clearly some offsets happening in some of the other regions. And so, I guess, can you talk a little bit about what some of those other financial drivers are to fill the gap that that happened in Oklahoma?

<<Michael J. Garberding, President and Chief Executive Officer>>

Yeah, this goes back to where I started. I mean, again, we've been incredibly purposeful on putting this portfolio together of assets. And what it has really done is give us a nice diversity of cash flows. And so if you really look at the first quarter as an example, you had over performance in North Texas, you had over performance in the Permian, you had over performance in Louisiana both from a company and a market standpoint. And so, we feel really good about what the suite of assets is doing and you still have 10% to 15% growth in Oklahoma, which is off a big number, so it's quite a bit of growth.

A good example is what we saw in the Permian. So really during the first quarter, we signed new contracts both on the Midland and Delaware side. And what those new contracts gave us an opportunity to do is fill up our existing assets quicker than what we originally thought. So Permian, we're looking at not only more cash flow earlier with those contracts, but we're looking at a growth and processing capacity of 65 million a day in the Midland side and a new 200 million a day plant in the Delaware side, really driven by XTO.

<<Chris Sighinolfi, Analyst, Jefferies>>

Can you talk a little bit about that XTO relationship? I know it extends, I think, even before they were part of ExxonMobil back in the Barnett, 15 or more years ago. Can you talk about the depth of that relationship? They clearly had a desire recently communicated about accelerating their activities in the Permian, scope and scale of an opportunity for EnLink tethered to their growth.

<<Michael J. Garberding, President and Chief Executive Officer>>

This again is one – we think one of our competencies was really having those deep customer relationships. Chris we've mentioned we've been with XTO probably 10 years, 15 years, really started in Barnett together and then have continued. XTO actually was our second customer on the Delaware system,

when we actually first bought a plant from Matador, which is 35 million a day and they were that next customer after that. So we've had them for quite awhile. This is exciting for us because now what you really have is you have a customer that has long-term growth plans and big growth plans and is really driving them from in and around the acreage we have.

And so we feel very good about this first new plant and think it can lead to other opportunities as far as how we work together. First and foremost, we have that depth of relationship they know as well, they know how we do business well. And that is quite important when you think about servicing that customer. But we think it's going to be a great growth vehicle for what we're seeing in the Delaware.

<<Chris Sighinolfi, Analyst, Jefferies>>

And I guess how do you risk the activity level in the Permian, frankly on all your basins given the changes that we saw in Oklahoma? We're seeing now some acceleration in the activity in the Permian. I guess as you could do budgeting, as you do forecasting and particularly as you think about the next suite of projects in each of these regions, how you think about just sort of the risking down the guidance that you hear from your producing counterparts?

<<Michael J. Garberding, President and Chief Executive Officer>>

Before getting in forecast, I think, it's good to step back and think about this. But I really believe the capital discipline we're seeing in both sides, both the E&P and ourselves is actually a really good thing. At the end of the day, our scorecard is really creating value. So if you think from a producer standpoint of having that more ratable growth, having more rig stability, meaning you're not going up or down with rigs based on price, you have some pretty consistent rig stability with price moving. That's really good for a midstream company, because you have that more ratable growth, more capital efficiency.

So first and foremost we think longer-term, this is really good for all, but depends on customers and depends on who is driving that. The example, we had in the Delaware is XTO. We feel very good about their capability on long-term planning and really going through that cycle of prices and continuing to produce. If you shift to the Midland Basin for us, the core customers we have Diamondback, Concho, Pioneer, great customers that have had that rig stability.

And so, what we really do is work closely with them at the ground level up to really ensure we understand what they're doing, because more times than not, we have to have long-term planning for capital, which that we both need. So we spend a lot of time with them, but at the end of the day it really comes back to that customer relationship and the type of customers that are driving those opportunities.

<<Chris Sighinolfi, Analyst, Jefferies>>

Well, I think about the first quarter what was interesting is we've talked about the Oklahoma dynamic, but yet the EBITDA guidance didn't change. We also saw a small acquisition in North Texas, and then the addition of this plant and other gas processing plant in the Permian, and yet your capital budget didn't change. So can you talk about maybe in that some of the flexibility you have across your system to manage the capital budget, despite some of the changes in the portfolio?

<<Michael J. Garberding, President and Chief Executive Officer>>

I mentioned on the front end, I think, the third thing I said was really about what the portfolio provides us on what we call quick to cash or capital efficient growth. And so we can use this \$1.2 billion to \$1.5 billion over three years to talk about the growth capital that's driving the business, five to six times on average projects driving about on average \$250 million in EBITDA over that three-year period.

What we've set up is a capability to have a lot of flexibility on capital. And so, what we did in the first quarter is we added two new projects. We added the new processing facility in Delaware. We added a new processing facility in Midland, but for the year we kept capital flat net to EnLink. How do we do that? We have capability to respond to what's happening and what we're seeing in the different basins and producers are doing to allow to shift capital back and forth because of the type of projects we're doing, which allows us to have incredible flexibility to meet capital with what producers are doing and not have capital and ground that's not being supported by volumes.

And so, we think we set up from a platform standpoint is to have incredibly efficient capital that's flexible and really allows you to properly react on what you're seeing. And so we feel very good about it. But most importantly it's the type of capital. It's really quick-to-cash. It's really driving cash flows and above that capital, about 50% of it's being spent or is projected to be spent in 2019, so you can think about that you have a decline in capital, increasing cash flows so it's driving a lot of excess cash flows for the business and again back to value creation. That's what you want.

<<Chris Sighinolfi, Analyst, Jefferies>>

And may be going a little bit out of order, but when you think about that the credit ratings come up a lot, there's some panels here done by some of the agencies. And you mentioned capital budget over the three-year period, likely largest this year and then declining cash flows ramping in the future periods. How do you think about the balance sheet and the rating?

<<Michael J. Garberding, President and Chief Executive Officer>>

So it's effective capital allocation is the way to think about it. And we talk about the levers – our balance sheet, our leverage, the levers are growth and distribution and the levers are coverage and you are maximizing the value between that. We get a lot of questions about how you think about share buybacks, how does that all fit in there. The right answer is we got to maximize value for the stakeholders on how we do that. And we have to make good capital allocation decisions, which can be saying no to projects, which can be continuing to manage the distribution of growth and distribution, because we have to do a good job and be good stewards of that.

That goes back to how we're planning capital. When we put that long-term capital number out there, we're holding ourselves accountable for and we bring new projects in and we're going to bring them in, make sure the market understands what those projects look like and then the economics around those projects, because we have to make sure that we're doing the right choice in that capital allocation. From a rating agency perspective, we're running really right around that three-and-a-half to four times bank covenant leverage and feel very good about that. We have great flexibility on how we set the balance sheet up. We just did a bond offering, so basically have full liquidity. We're in the right place for what we're trying to do from project execution.

<<Chris Sighinolfi, Analyst, Jefferies>>

Great. I just wanted to hit on your final sort of key growth area and that's Louisiana where frankly you've been outperforming there your own guidance for quite some time and talking about some of the long-dated NGL opportunities and the long-dated gas opportunities in Louisiana. I just wanted to touch on that real quickly. Accelerating some of those projects, we talked about maybe some repurposing of pipelines there. Can you walk us through your footprint in Louisiana and what you see in the op or maybe converting in the next year or two?

<<Michael J. Garberding, President and Chief Executive Officer>>

Yes. So it gets down to the starting with the thesis every incremental production from U.S. is in some form or fashion going offshore. And when you think about that, no matter if it's crude, gas, NGLs, that's really what's happening. And when you think about the core places of where that's happening, it's really Texas and Louisiana. And Louisiana for us has been something that we've been focused on for a long time and is a very demand driven opportunity. And we see it really today in the gas and NGL side, but we believe we have the option to continue to be not only grow those two, but look at the crude option.

And what we're seeing from a growth standpoint today, so we just talked about what we call Cajun Sibon III what that allows us to do is actually push more raw-make into Louisiana, into our fractionation facilities, in an area – in a market where you're somewhat fractionation short. So we've positioned ourselves as a company to be in a great place for fractionation through really 2021. And that

gives us that nice option to say, what do we want to do next? So first and foremost, great project, quick to cash, with the two to three times project at about \$50 million.

Next is LNG. We've really seen that next wave of LNG facilities really talking about that next step. We have seen the FERC be helpful on that and so we really see us a big part of that. We have a gas system on the southwestern side of Louisiana that sits on top of the proposed LNG facilities and we think we're going to be part of that as far as that supply to those facilities. And we think that's a great position in low capital because we have the pipes in the ground today and a great opportunity.

Let me now shift back to liquids. We also today are exporting typically propane and butanes from a facility we have on the Mississippi River. We have smaller ships coming in that most likely go to the Caribbean. But we're doing that today. We're looking at how can you expand that. Can you get that bigger? We think we have some strategic advantages, not only with the supply with the location as compared to what we're seeing in Texas.

And then gas, gas is still the bigger opportunity. LNG is a piece we're seeing a nice end use market ultimately continue to drive demand. So we could not be in a better place for opportunities around Louisiana. Today it's a great cash flowing business, but we see that next big leg of growth friendly, really driven by Louisiana. And you really see the production coming into the state, and really trying to find that home and we're perfectly positioned to really do that.

<<Chris Sighinolfi, Analyst, Jefferies>>

I think it's been really good overview of the assets and what you have going on. Part of it is what you can control and part of it is investor sentiment driven by structure, and leverage and various views on what form of shareholder return is the best. So if we could pivot and maybe spend 10 minutes or so on those items, it's been about, I think, a year and a half since you migrated from CFO to CEO, it's been about a year since, Devon sold their stake to GIP. So I guess as a starting measure and then I guess it's kind of what six months not even since EnLink rolled itself into one entity. So it's a pretty active 18-month period. And I guess as a starting measure GIP as a private equity sponsor, controller of EnLink, how has that relationship gone? What have you learned in the first nearly year of their evolved? And how do you see that relationship developing as we moved through Devon?

<<Michael J. Garberding, President and Chief Executive Officer>>

We're really excited about that relationship. Devon was a great partner and still is a great customer. But with how we sit together with GIP, we have great alignment. I started out by talking about the platform we have. GIP was ultimately interested in EnLink, because of those core things that went through of really the platform in a market they believe firmly of us having an advantage of

domestic market internationally. And so they really look at this as a growth platform.

As you alluded to if you look at 2018, 2018 was a lot of change. Ultimately with GIP stepping in simplification that was really the focus of what we did. But we position ourselves today in the right structure with the right partner. So you pivot forward and say, okay, how do we work together? It's really interesting. But all along the scale GIP brings value. You can start in a simple thing they have a group called Operational Excellence where they work hand in hand with our different teams really to improve the processes of how we run the business. We love that, we'll do that every day, we think that's a great outcome for all stakeholders. But it also is them sitting side by side with us in this kind of market saying there's a lot of opportunities out there. We talked about all the Louisiana opportunities.

If we come with a new opportunity, we have to come with a full plan of funding that opportunity. GIP can be a great partner in that that believes in what we're doing on an asset level of our own asset development, on an acquisition level, so they can play a lot of different roles in a market we think is going to be incredibly opportunistic. So we feel very good about the relationship. It's actually nice to get past last year, which was all the structural discussion, of course Eric and I answered every question about Devon overhang, and when you're going to simplify and now we can talk about the business this year.

<<Chris Sighinolfi, Analyst, Jefferies>>

What's interesting, because it's not, I think, it's both the sponsor replacement, if you will, it's the structural simplification, but even the numbers when you think about the Barnett MVC, now the numbers are clean of that in a way that that was sort of a question for a lot of people. So the structural improvement of EnLink, I think, is pretty obvious to folks. But clearly you faced in questions, I think, all the management teams here are grappling with how do they get the unit price to perform? What's the best means of returning value to shareholders?

I guess on that point you're still growing distributions at 5% to 10% clip, I think, that's your multi-year guidance. Can you talk about what forms your view on that? There are some companies that say I'm not being paid for and I'm not going to do it. You mentioned unit repurchase before. I'm just curious GIPs views on unit repurchase, that now I know there's a series of questions sort of embedded in that one larger question, but your thoughts on capital allocation when it comes to shareholder returns and the distribution growth.

<<Michael J. Garberding, President and Chief Executive Officer>>

You started outlook, we got to execute. I mean plain and simple, we have to execute as a business, we think we've done a good job of that in 2018 and 2019, but every quarter we got to come back, that's the scorecard. That's where everything starts and ends. And then you have the opportunity really to think

about that right capital allocation. And so it goes back to what I said early on capital allocation, you got to think about how are you returning the best value to stakeholders. And so as Chris alluded to from a distribution standpoint, we've increased distributions so far and about 6% clip and we feel good about that.

Again, it gives us a capability to get cash back to the shareholders' hands. Why do we feel good about that? Again, we have a coverage of 1.35 times, we have a leverage of 3.7 times, on a bank standpoint, we have an ability to self fund capital. That's where you need to be as a business and that gives us that confidence to do it. We'll look at share buy backs that has to be in your portfolio to look at, but that's something when I talked about our capital for the next three years and capital declining over year 2021 right now. Now you start having a capability to grow cash flows and think about what is that next step in capital allocation.

And so you'll have to think about the next step is share buy backs, what is it is for projects and we'll continue to do that based on the highest return that we can create. And that can be distributions that can be share buy backs that can be paid down debt, you need to look at all of those things because you got to manage the balance sheet well, you have to manage coverage well to fund the projects. But at the end of the day we got to be good allocators of capital.

<<Chris Sighinolfi, Analyst, Jefferies>>

I guess on that point, obviously private equity can operate differently from certainly a leverage standpoint than you can. You did lose the investment grade rating when Devon exited there had been a halo effect that had been described to you. I guess how important do you see it getting back to IG? How important does GIP see it getting back to IG in the context of opening up these other avenues of shareholder returns?

<<Michael J. Garberding, President and Chief Executive Officer>>

Yes, so we're one of three investment grade and nothing changed in the business and we did get downgraded ultimately just because of Devon stepping out - the halo effect - but when you're talking about that fundamentally the balance sheet, I mean nothing changed. And so we're going to be smart in how we run the business. And we meet with the agencies all the time and make sure they understand how we're executing, what our plan is and we think we've done a really good job on delivering expectations for the agencies and we'll continue to do that.

But we also got to run the business the right way and that is trying to get to investment grade but not at all costs. I mean, you just have to balance that because again, as we've all seen, sometimes it's a moving target. But we think the right thing to do is to continue to manage the balance sheet in the range we have, which works you toward an investment grade because we do think there's an advantage of that, but also be very thoughtful and what the broader

business amplifications are and do what's right for the business at the end of the day.

<<Chris Sighinolfi, Analyst, Jefferies>>

And maybe this is a question, not specific to EnLink but I think you're in somewhat of a unique position to answer it. I think a lot of market participants have taken notice of the wide and seemingly at times growing divide between the value of public midstream companies versus private midstream companies, certainly where we see them transact when they transact with one another.

EnLink being a public entity but controlled by a private equity interest – entity that has its own private midstream entities as well. Just how do you think that, what do you think is driving that gap? How do you think that gap maybe closes over time and is there – has there been any discussion just given your arrangement with GIP and given the fact that they have within their portfolio, both public midstream and private midstream?

<<Michael J. Garberding, President and Chief Executive Officer>>

Yes. It's a great question. So you have seen big transactions mostly in the Permian at an asset level, transact at higher multiples. And there's a fundamental belief in really what they're seeing from a play standpoint and asset, you've seen some different things with companies on a take private, so I think that surprised some people. But I think what that all is saying is the belief in value or underlying value and what we're seeing in this industry.

I mean, that's the starting point. I mean to be able to do that from the amount of capitals being put toward this really backs that up. And so we firmly believe that also. But at the end of the day, in some form or fashion, all things come back to the public market whether it's going to be an IPO, whether it's going to be an acquisition from a public company to a private company.

And so that divide at some point in time is going to have to come together. I think what GIP brings for us again goes back to the understanding of the industry, their capabilities, their balance sheet, working with our platform and that's where it can become interesting. Look, we're going to do smart transactions together. We're going to do transactions that make sense for EnLink and create value. That's going to be the guidepost.

We're not in a hurry to do anything, but we do think the market shaping up to be opportunistic for companies because look, there's a lot of companies that are private that have done well. You go to the other side of the ledger, there's a lot of private companies that are trying to figure out what's next and it'll be interesting to see how that plays out over time.

<<Chris Sighinolfi, Analyst, Jefferies>>

You and I have had that discussion. I think we pay close attention to the performance of some of the private entities, certainly the ones that have raised public debt. It's interesting that they traded such a more robust multiple, given the performance they've had over the last let's say four or five quarters versus the public players over that same time profile. It seems like there's even a divergence on that front so day of reckoning, maybe at some point. We didn't want to leave 10, 15 minutes I think we have 11 so good pacing here for questions from the audience.

I think there was an opportunity to add some or text in some questions or there are microphones available in the audience. So why don't we see if anybody in the room has questions for Mike.

Q&A

<MEIC Representative>: Yes, Chris, I think a few comes through on the system.

<Q – Chris Sighinolfi>: Oh, I see and yes, why don't we just go in order here, Mike. You mentioned over performance in North Texas, can you give some color on what drove that over performance and is that something we can expect for the rest of the year?

<A – Michael J. Garberding>: I think North Texas had a misperception a lot because we had an MVC there. And so the performance you saw really from 2014 on was a lot related to not only the cash flow performance of the business, but there was a piece of MVC on top of that. So with the MVC rolling off at the end of last year, you truly see what North Texas has done. North Texas started planning for the MVC roll off the day after we closed EnLink.

And so what you see today is all the work that was done, which was not back-filling positions, which was looking at every cost you do, which was looking at the efficiency of systems. That's all the work that's been done over this four year period to get to the point to where you feel really good about the performance. So what do we do next? We have an acquisition.

I don't think most people expected an acquisition in North Texas. It wasn't big, less than \$25 million but it drives a lot of value. If you can acquire something, you basically move it in your system, shut down their operations, take assets they have, moved them in other places in your system and create a five to six times return that happens today. It's a great opportunity. We think there'll be more of those again. But it all comes down to other owners thinking that they want to transact. We couldn't be in a better position to do things like this because we've been working on this for a long time and feel really good about the performance.

We always say, if you think the hurdle we have in North Texas, we've had one rig running, one rig has given us where you have a decline rate on average about 4% to 5%. So it's a really interesting place with a lot of capital efficiency.

<Q – Chris Sighinolfi>: Before I move to number two here. How do you best optimize your Oklahoma assets while also enhancing producer netback economics? And where is the best economic destination for Oklahoma NGLs?

<A – Michael J. Garberding>: So I'll start with the second. So the value chain, right, we haven't talked about that. That is the name of the game. And so if you think about what we're doing in Oklahoma, we have wellhead gathering, we have compression, we have processing, we then take the NGLs and move them down on a third-party pipeline, Oneok, we chose to do that because of the capital efficiency of it.

We could have built our own, but it was more economic to use someone else's with the lower rate than we could have done on our own. So we chose that. That actually feeds into what's called our Cajun Sibon system, which is our raw make system, which moves – from Texas into Louisiana into our fractionation. We fractionate it, send it to the Petchem's, we take some, put it in storage, send it to refineries.

That's the name of the game is really linking from wellhead all the way through to where you turned a couple of coupons into nine. And so we think we have a really, really good position not only in Oklahoma but in the Permian where we're doing that today. That's feeding what we're seeing in Louisiana and will continue to grow. From optimizing Oklahoma assets, again for us, we spent a lot of time on that. We spend a lot of time with producer customers, really ensuring gas flows, ensuring value, how we work together to do that.

We don't wear that risk, but we ensure that that happens with the producer customers ultimately, because that's a big piece of what we're trying to do is provide that value of the platform back to producer customers. And so we'll be connected, for example, to the new Cheniere pipeline coming in at both of our plants, which have come in sort of that latter half of this year. All those things we're doing to ensure that producers have that best net back because again, that's a key driver ultimately to capital allocation.

<Q – Chris Sighinolfi>: How do you think about assets sales going forward? You guys have done several small ones over the last couple of years. Do you have any non-core or non-scalable assets that may be good candidates for divestiture?

<A – Michael J. Garberding>: We're – if you look at our portfolio, we're real happy. We really like what we have. There's some assets people have talked about, but we've maximized value in those and have earned a very good cash flow in those. So there's nothing that in today's market we really think makes sense because look, if we can create value in the assets we have, we're going to continue doing that because we're just not going to sell assets for the sake of selling if we don't get the value we need. And sort of that's where we're at when

we look at what we have. But our core platform in Louisiana and Texas and New Mexico and Oklahoma, we couldn't feel better about.

<Q – Chris Sighinolfi>: On the asset sales that you did were in part driven by sort of streamlined the footprint, but also avoiding capital needs at a time of heightened CapEx. And I guess if the CapEx comes down, that need naturally falls away.

<A – Michael J. Garberding>: Falls away. That's exactly right.

<Q – Chris Sighinolfi>: I guess this is I mean this is sort of the central question for a lot of management teams that are still growing distributions. As I mentioned, you guys are doing 5% to 10%. So question here, if you don't get credit for distribution growth lineup, preserve that cash for CapEx, slow the growth until your share price increases and your yield comes down.

<A – Michael J. Garberding>: If you look at all of those, we each have a diversity of stakeholders and certain stakeholders will want one thing versus the other. I know there's been a lot of surveys out there saying, okay, how would you rank order, how do you think about the different ways from capital allocation. And again, we think the right thing to do is ensure we're good stewards of capital and allocate that accordingly to ensure the stakeholders are really getting a return.

So if you have good coverage, if you can fund your growth assets like we're doing and you can have a strong distribution and grow the distribution, we think that's the right thing to do. But we'll keep looking at that and saying, what's the best thing to do. If we have large scale projects come on, there might be a point in time we have to look and say, okay, what is the right thing to do. But we have to prove it to the market that is worth doing that from a capital allocation standpoint. And I think with what we have here with the distribution and the growth, it always forces you to do that because if you basically are keeping cash on hand, you're going to some form or fashion most likely to spend it.

<Q – Chris Sighinolfi>: Yeah. Looks like I'll cover some of the refiners too, and they've been doing sizable buy backs, but the shares have recently dislocated. And it's another question, what's the virtue of the rate of buy back; seemingly nobody has ever had there. Let's move to – if 75% of your Oklahoma business is with four big producers, are you seeing any trends on maybe the smaller 25% of your business there that could help or harm your Stack outlook?

<A – Michael J. Garberding>: The answer is no. I mean, if you think of the core Stack, it's really blocked up by those guys. Those are the big guys that are really driving. A lot of our producer customers around that are opportunistic is what I would say and are things that are going to improve over time as we see that development really continue to get solved for what manufacturing is. So we look at those most likely more as an opportunity than a risk from what we see in Oklahoma.

<Q – Chris Sighinolfi>: The final one on the submission, and we can scan the room again. What do you think about doing a joint venture with Kinder Morgan? I'm not sure if this question is specific or do you know what somebody's referencing there, but JVs with Kinder, how do you feel?

<A – Michael J. Garberding>: That's interesting. Is there a Kinder person that's asking that? Look, we did something in the Delaware originally and this goes back to what you say, Chris, where we brought in a partner NGP to help fund. And why we did that is when we looked at capital across our portfolio, we want to ensure we had the capability to grow everything, but still manage our balance sheet appropriately. And so that was done in a point in time when the capital markets weren't there. We had a different distribution coverage ratio and we felt there were projects that were created when we needed to do. So there was a point in time we did that.

I think you need to look at JVs today. I think you look at them more for the fact of bringing midstream parties together to create a stronger opportunity together rather than each doing it themselves. That's why I look at JVs as being very incremental. I'm not sure the history of how we did things. We are always very good at that. But if you look at the tea leaves in the market, you're seeing more and more of that. And I believe that's a really good thing.

And so when we look at opportunities, whether it'd be in Louisiana, whether it'd be in Oklahoma, et cetera, we will look at opportunities, and then look at the strength of our position and then how do we jointly increase or create more value together. I do believe you're going to see more of those, just not all with KML.

<Q – Chris Sighinolfi>: We had one more come in. And I know you showed us some slides on what you have in the river in terms of NGL export or LPG export. But this is a question about what are the impediments you're gaining a larger NGL or purity product storage and exports gain along the Gulf Coast?

<A – Michael J. Garberding>: So we have two large storages already in Louisiana that store natural gas and purity products, and we have capabilities to expand those today. And so really it's again looking at the market and ensuring that we have the economic need and support to do that and we're doing that today. So for us what's nice about export is that we have the infrastructure in place really to feed that facility; it's then the process of thinking, okay, what does that facility need to look like, what's the capital costs, what's that off-take agreement, all of those things would you typically work through when you look at that opportunity. And so that's what we're working through when we think about that.

But that's just a piece of the puzzle of all the different things we're seeing in Louisiana. That is one opportunity that could be purity product lines, move purities into Louisiana, could be crude. All of those options are possible because of that base level of infrastructure we have in place in Louisiana today because

everything we're talking about is using a portion of what we have, which gives us a huge strategic advantage on cost and time.

<<Chris Sighinolfi, Analyst, Jefferies>>

Well, Mike, I think we're nearly out of time and I think we're out of prepared questions. I don't know, if you want to scan the room one more time, anybody have a question? All right. I just want to thank you again for making yourselves available. Appreciate it.

<<Michael J. Garberding, President and Chief Executive Officer>>

Appreciate it.