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## Equitrans Midstream Provides 2021 Guidance

**Release Date:**  
12/17/2020

CANONSBURG, Pa.--(BUSINESS WIRE)-- Equitrans Midstream Corporation (NYSE: ETRN) today announced 2021 financial and capital expenditure guidance. Included in the "Non-GAAP Disclosures" section of this news release are important disclosures regarding the use of non-GAAP supplemental financial measures, including information regarding their most comparable GAAP financial measure.

### Financial Forecast: (1)

\$ millions	2021 Forecast
Net income attributable to ETRN	\$540 - \$610
Adjusted EBITDA	\$1,035 - \$1,105
Deferred revenue	\$295
Free cash flow	\$(150) - \$(80)
Retained free cash flow	\$(410) - \$(340)

### Capital Expenditures and Capital Contributions:

\$ millions	2021 Forecast
Mountain Valley Pipeline (MVP)	\$670 - \$720
Gathering(2)	\$305 - \$335
Transmission(3)	\$45 - \$65
Water	\$20
Total	\$1,040 - \$1,140

(1) Does not reflect impact of capital markets transactions, if any.

(2) Includes approximately \$30 million from ETRN's 60% interest in Eureka Midstream Holdings, LLC (Eureka).

(3) Includes capital contributions of approximately \$20 million to Mountain Valley Pipeline, LLC (MVP JV) for the MVP Southgate project.

### Additional Information:

- Approximately 70% of the 2021 forecast for total operating revenue is expected to be generated from firm reservation fees.
- The mid-point of the 2021 financial forecast range assumes an average of 8.0 MMdth per day total gathered volume.

- The MVP JV is continuing to target a full in-service date for the MVP in late 2021 at a total project cost estimate of \$5.8 - \$6.0 billion. The 2021 financial forecast assumes an MVP in-service date of December 31, 2021.
- The 2021 water EBITDA forecast is approximately \$25 million. The year-over-year decrease is driven by a lower forecast for delivered water volumes.

### **Investor Presentation**

ETRN management speaks to investors from time-to-time and the presentation for these discussions, which is updated periodically, is available via [www.equitransmidstream.com](http://www.equitransmidstream.com).

### **Non-GAAP Disclosures**

#### **Adjusted EBITDA**

As used in this news release, adjusted EBITDA means, as applicable, net income, plus income tax expense, net interest expense, loss on early extinguishment of debt, depreciation, amortization of intangible assets, impairments of long-lived assets, payments on the preferred interest in EQT Energy Supply, LLC (Preferred Interest), non-cash long-term compensation expense (income), and transaction costs, less equity income, AFUDC-equity, unrealized gain (loss) on derivative instruments and adjusted EBITDA attributable to noncontrolling interest.

#### **Free Cash Flow**

As used in this news release, free cash flow means net cash provided by operating activities plus principal payments received on the Preferred Interest, and less net cash provided by operating activities attributable to noncontrolling interest, capital expenditures (excluding the noncontrolling interest share (40%) of Eureka capital expenditures), capital contributions to MVP JV, and dividends paid to Series A Preferred shareholders.

#### **Retained Free Cash Flow**

As used in this news release, retained free cash flow means free cash flow less dividends paid to common shareholders.

Adjusted EBITDA, free cash flow and retained free cash flow are non-GAAP supplemental financial measures that management and external users of ETRN's consolidated financial statements, such as industry analysts, investors, lenders, and rating agencies, may use to assess:

- ETRN's operating performance as compared to other publicly traded companies in the midstream energy industry without regard to historical cost basis or, in the case of adjusted EBITDA, financing methods
- The ability of ETRN's assets to generate sufficient cash flow to pay dividends to ETRN's shareholders
- ETRN's ability to incur and service debt and fund capital expenditures and capital contributions
- The viability of acquisitions and other capital expenditure projects and the returns on investment of various investment

opportunities

ETRN believes that adjusted EBITDA, free cash flow, and retained free cash flow provide useful information to investors in assessing ETRN's financial condition and results of operations. Adjusted EBITDA, free cash flow, and retained free cash flow should not be considered as alternatives to net income, operating income, net cash provided by operating activities, as applicable, or any other measure of financial performance or liquidity presented in accordance with GAAP. Adjusted EBITDA, free cash flow, and retained free cash flow have important limitations as analytical tools because they exclude some, but not all, items that affect net income, operating income and net cash provided by operating activities. Additionally, because these non-GAAP metrics may be defined differently by other companies in ETRN's industry, ETRN's definitions of adjusted EBITDA, free cash flow, and retained free cash flow may not be comparable to similarly titled measures of other companies, thereby diminishing the utility of the measures. Free cash flow and retained free cash flow should not be viewed as indicative of the actual amount of cash that ETRN has available for dividends or that ETRN plans to distribute and are not intended to be liquidity measures.

ETRN is unable to provide a reconciliation of projected adjusted EBITDA from projected net income, the most comparable financial measure calculated in accordance with GAAP, or a reconciliation of projected free cash flow or retained cash flow to net cash provided by operating activities, the most comparable financial measure calculated in accordance with GAAP. ETRN has not provided a reconciliation of projected adjusted EBITDA to projected net income, the most comparable financial measure calculated in accordance with GAAP, due to the inherent difficulty and impracticability of predicting certain amounts required by GAAP with a reasonable degree of accuracy. Net income includes the impact of depreciation expense, income tax expense, the revenue impact of changes in the projected fair value of derivative instruments prior to settlement, potential changes in estimates for certain contract liabilities and unbilled revenues and certain other items that impact comparability between periods and the tax effect of such items, which may be significant and difficult to project with a reasonable degree of accuracy. Therefore, a reconciliation of projected adjusted EBITDA to projected net income is not available without unreasonable effort.

ETRN is unable to project net cash provided by operating activities because this metric includes the impact of changes in operating assets and liabilities related to the timing of cash receipts and disbursements that may not relate to the period in which the operating activities occurred. ETRN is unable to project these timing differences with any reasonable degree of accuracy to a specific day, three or more months in advance. Therefore, ETRN is unable to provide projected net cash provided by operating activities, or the related reconciliation of each of projected free cash flow and projected retained free cash flow to projected net cash provided by operating activities without unreasonable effort. ETRN provides a range for the forecasts of net income attributable to ETRN, adjusted EBITDA, free cash flow and retained free cash flow to allow for the inherent difficulty of predicting certain amounts and the variability in the timing of cash spending and receipts and the impact on the related reconciling items, many of which interplay with each other.

### **Water EBITDA**

As used in this news release, water EBITDA means the earnings before interest, taxes, depreciation and amortization of ETRN's water services business. Water EBITDA is a non-GAAP supplemental financial measure that management and external users of ETRN's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, use to assess the impact of ETRN's water services business on ETRN's operating performance and ETRN's ability to incur and service debt and fund

capital expenditures. Water EBITDA should not be considered as an alternative to ETRN's net income, operating income or any other measure of financial performance presented in accordance with GAAP. Water EBITDA has important limitations as an analytical tool because the measure excludes some, but not all, items that affect net income and operating income. Additionally, because water EBITDA may be defined differently by other companies in ETRN's industry, the definition of water EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing the utility of the measure.

ETRN has not provided a reconciliation of projected water EBITDA from projected water operating income, the most comparable measure calculated in accordance with GAAP. ETRN does not allocate certain costs, such as interest expenses, to individual assets within its business segments. Therefore, the reconciliation of projected water EBITDA from projected water operating income is not available without unreasonable effort.

### **About Equitrans Midstream Corporation:**

Equitrans Midstream Corporation (ETRN) has a premier asset footprint in the Appalachian Basin and, as the parent company of EQM Midstream Partners, is one of the largest natural gas gatherers in the United States. Through its strategically located assets in the Marcellus and Utica regions, ETRN has an operational focus on gas transmission and storage systems, gas gathering systems, and water services that support natural gas development and production across the Basin. With a rich 135-year history in the energy industry, ETRN was launched as a standalone company in 2018 with the vision to be the premier midstream services provider in North America. ETRN is helping to meet America's growing need for clean-burning energy, while also providing a rewarding workplace and enriching the communities where its employees live and work. For more information on Equitrans Midstream Corporation, visit [www.equitransmidstream.com](http://www.equitransmidstream.com); and to learn more about our environmental, social, and governance practices, visit <https://csr.equitransmidstream.com>.

### **Cautionary Statements**

This news release contains certain forward-looking statements within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the United States Securities Act of 1933, as amended (the Securities Act), concerning ETRN and other matters. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of the management of ETRN, as well as assumptions made by, and information currently available to, such management. Words such as "could," "will," "may," "assume," "forecast," "position," "predict," "strategy," "expect," "intend," "plan," "estimate," "anticipate," "believe," "project," "budget," "potential," "target," "expect," "intend" or "continue," and similar expressions are used to identify forward-looking statements. These statements are subject to various risks and uncertainties, many of which are outside ETRN's control. Without limiting the generality of the foregoing, forward-looking statements contained in this communication specifically include expectations of plans, strategies, objectives and growth and anticipated financial and operational performance of ETRN and its affiliates, including guidance regarding net income attributable to ETRN, adjusted EBITDA, deferred revenue, free cash flow, retained free cash flow and water EBITDA; projected revenue (including from firm reservation fees) and volume; the cost, timing of regulatory approvals, and targeted in-service dates of current or in-service projects or assets, in each case as applicable; the impact of a dispute with EQT (or resolution thereof) regarding the Hammerhead gathering agreement and/or ownership of the Hammerhead pipeline on ETRN's business and

results of operations; expected cash flows and minimum volume commitments; projected capital contributions and capital and operating expenditures, including the amount and timing of reimbursable capital expenditures, capital budget and sources of funds for capital expenditures; dividend amounts, timing and rates; liquidity and financing requirements, including sources and availability; and expectations regarding production, gathered and water volumes in ETRN's areas of operations. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from projected results.

Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. ETRN has based these forward-looking statements on current expectations and assumptions about future events. While ETRN considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond ETRN's control. The risks and uncertainties that may affect the operations, performance and results of ETRN's business and forward-looking statements include, but are not limited to, those set forth under Item 1A, "Risk Factors" in ETRN's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission (the SEC), as updated by the risk factors disclosed under Part II, Item 1A, "Risk Factors," of ETRN's Quarterly Report on Form 10-Q for the three months ended September 30, 2020 filed with the SEC. Any forward-looking statement speaks only as of the date on which such statement is made, and ETRN does not intend to correct or update any forward-looking statement, unless required by securities laws, whether as a result of new information, future events or otherwise. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

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**Analyst inquiries:**

Nate Tetlow – Vice President, Corporate Development and Investor Relations

412-553-5834

[ntetlow@equitransmidstream.com](mailto:ntetlow@equitransmidstream.com)

**Media inquiries:**

Natalie Cox – Communications and Corporate Affairs

412-395-3941

[ncox@equitransmidstream.com](mailto:ncox@equitransmidstream.com)

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