



Published on Equitrans Midstream Investor Center (<https://ir.equitransmidstream.com/news/news-archives/default.aspx>) on 12/16/2019

Equitrans Midstream and EQM Midstream Partners Provide 2020 Financial and Capital Expenditure Guidance

Release Date:
12/16/2019

PITTSBURGH, Pa.--(BUSINESS WIRE)-- Equitrans Midstream Corporation (NYSE: ETRN) and EQM Midstream Partners, LP (NYSE: EQM) today announced 2020 financial and capital expenditure guidance.

EQM Financial Forecast:

| \$B | 2020 Forecast |
|--------------------------------|-----------------|
| Net income attributable to EQM | \$1.05 - \$1.10 |
| EQM adjusted EBITDA(1) | \$1.36 - \$1.41 |

The Non-GAAP Disclosures section of this news release includes important disclosures regarding the non-GAAP financial measure EQM adjusted EBITDA.

EQM Capital Expenditures & Capital Contributions:

EQM forecasts 2020 growth capital expenditures (CAPEX) and capital contributions to Mountain Valley Pipeline, LLC (MVP JV), to be \$1,200 - \$1,300 million; and ongoing maintenance CAPEX to be approximately \$55 million.

| \$MM | 2020 Forecast |
|-----------------|-------------------|
| MVP | \$650 - \$700 |
| Gathering(2) | \$430 - \$460 |
| Transmission(3) | \$100 - \$120 |
| Water | |
| Total | \$1,200 - \$1,300 |

1. Forecast does not include (i) contributions from Mountain Valley Pipeline (MVP), which has a targeted in-service of late 2020 and is backed by 20-year firm reservation commitments, or (ii) contributions relating to the 20-year firm reservation commitments backing the Hammerhead project and the Equitrans Expansion project, which commitments commence with MVP in-service. Information regarding these projects is available in ETRN's and EQM's investor presentation which can be found at www.equitransmidstream.com and www.eqm-midstreampartners.com.

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

3. Includes capital contributions of approximately \$50 million to MVP JV for the MVP Southgate project.

In conjunction with the third quarter 2019 EQM distribution and ETRN dividend declarations, EQM announced that it expects to maintain a quarterly distribution of \$1.16 per common unit and ETRN announced that it expects to maintain a quarterly dividend of \$0.45 per share at least through the in-service date of MVP.

The 2020 business plan is expected to be funded through retained cash flow and existing liquidity under EQM's \$3 billion unsecured credit facility. As of September 30, 2019, the EQM credit facility had approximately \$2.7 billion of available capacity.

Contract negotiations with EQT remain active and while timing is hard to predict, ETRN/EQM will only execute a deal that delivers fair value to ETRN shareholders and EQM unitholders. ETRN and EQM believe that a mutually beneficial and equitable agreement can be achieved and expect that any agreement on gathering contracts will not take effect prior to MVP in-service.

ETRN and EQM management speak to investors from time-to-time and the presentation for these discussions, which is updated periodically, is available via the companies' respective websites at www.equitransmidstream.com and www.eqm-midstreampartners.com.

NON-GAAP DISCLOSURES

EQM Adjusted EBITDA

As used in this news release, EQM adjusted EBITDA means net income (loss) plus net interest expense, depreciation, amortization of intangible assets, impairments of long-lived assets, payments on EQM's preferred interest in EQT Energy Supply, LLC, non-cash long-term compensation expense and transaction costs, less equity income, AFUDC - equity, adjusted EBITDA attributable to noncontrolling interest and adjusted EBITDA of assets prior to acquisition. EQM adjusted EBITDA is a non-GAAP supplemental financial measure that management and external users of ETRN's and EQM's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, use to assess:

- EQM's operating performance as compared to other publicly traded partnerships in the midstream energy industry without regard to historical cost basis or financing methods;
- EQM's ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

ETRN and EQM believe that EQM adjusted EBITDA provides useful information to investors in assessing ETRN's and EQM's financial condition and results of operations. EQM adjusted EBITDA should not be considered as an alternative to net income, operating income or any other measure of financial performance presented in accordance with GAAP. EQM adjusted EBITDA has important limitations as an analytical tool because it excludes some, but not all, items that affect net income and operating income.

Additionally, because adjusted EBITDA may be defined differently by other companies in ETRN's and EQM's industry, ETRN's and EQM's definition of EQM adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing the utility of the measure.

ETRN and EQM are unable to provide a reconciliation of EQM's projected EQM adjusted EBITDA from projected net income, the most comparable financial measure calculated in accordance with GAAP, because EQM does not provide guidance with respect to the intra-year timing of its or the MVP JV's capital spending, which impact AFUDC – debt and – equity and equity earnings, among other items, that are reconciling items between EQM adjusted EBITDA and net income. The timing of capital expenditures is volatile as it depends on weather, regulatory approvals, contractor availability, system performance and various other items. EQM provides a forecast range for full-year 2020 net income attributable to EQM and EQM adjusted EBITDA to allow for the variability in the timing of cash receipts and disbursements, capital spending and the impact on the related reconciling items, many of which interplay with one another. Therefore, the reconciliation of projected EQM adjusted EBITDA from projected net 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 is one of the largest natural gas gatherers in the United States. With a rich 135-year history in the energy industry, ETRN was launched as a standalone company in 2018 and, through its subsidiaries, has an operational focus on gas gathering systems, transmission and storage systems, and water services assets that support natural gas producers across the Basin. 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. ETRN owns the non-economic general partner interest and a majority ownership of the limited partner interest in EQM.

Visit Equitrans Midstream Corporation at www.equitransmidstream.com

About EQM Midstream Partners:

EQM Midstream Partners, LP (EQM) is a growth-oriented limited partnership formed to own, operate, acquire, and develop midstream assets in the Appalachian Basin. As one of the largest gatherers of natural gas in the United States, EQM provides midstream services to producers, utilities, and other customers through its strategically located natural gas transmission, storage, and gathering systems, and water services to support energy development and production in the Marcellus and Utica regions. EQM owns approximately 950 miles of FERC-regulated interstate pipelines and also owns and/or operates approximately 1,900 miles of high- and low-pressure gathering lines.

Visit EQM Midstream Partners, LP at www.eqm-midstreampartners.com

Cautionary Statements

Disclosures in this news release contain certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Statements that do not relate

strictly to historical or current facts are forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this news release specifically include the expectations of plans, strategies, objectives and growth and anticipated financial and operational performance of ETRN and its subsidiaries, including guidance regarding EQM's projected adjusted EBITDA and net income attributable to EQM; infrastructure programs (including the timing of the in-service dates associated with such projects); capital 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; liquidity and financing requirements, including sources and availability; and dividend and distribution amounts, timing, rates and growth, including the effect thereon of completion of MVP; the final contractual terms, if any, which might result from discussions with EQT or related financial, operational or other effects of any new agreement or amendments to existing agreements with EQT, and the timing of resolution of such discussions; and expected cash flows and minimum volume commitments. 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 and EQM have based these forward-looking statements on current expectations and assumptions about future events. While ETRN and EQM consider 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 and/or EQM's control. The risks and uncertainties that may affect the operations, performance and results of ETRN's and EQM's business and forward-looking statements include, but are not limited to, those set forth under (i) Item 1A, "Risk Factors" in ETRN's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the Securities and Exchange Commission (the SEC), as may be updated by Part II, Item 1A, "Risk Factors," of ETRN's subsequent Quarterly Reports on Form 10-Q filed or to be filed with the SEC, and (ii) Item 1A, "Risk Factors" in EQM's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC, as may be updated by Part II, Item 1A, "Risk Factors," of EQM's subsequent Quarterly Reports on Form 10-Q filed or to be filed with the SEC. Any forward-looking statement speaks only as of the date on which such statement is made, and neither ETRN nor EQM intends to correct or update any forward-looking statement, unless required by securities laws, whether as a result of new information, future events or otherwise.

SOURCE: Equitrans Midstream Corporation

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Analyst inquiries:

Nate Tetlow – Vice President, Corporate Development and Investor Relations

412-553-5834

ntetlow@equitransmidstream.com

Media inquiries:

Natalie Cox – Director, Communications and Corporate Affairs

412-395-3941

ncox@equitransmidstream.com

Source: Equitrans Midstream Corporation