# Enable Midstream Partners, LP

First Quarter 2019 Conference Call

May 1, 2019

# Forward-looking Statements

Some of the information in this presentation may contain forward-looking statements. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition, or forecasts of future events. Words such as "could," "will," "should," "may," "assume," "forecast," "position," "predict," "strategy," "expect," "intend," "plan," "estimate," "anticipate," "believe," "project," "budget," "potential," or "continue," and similar expressions are used to identify forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation include our expectations of plans, strategies, objectives, growth and operational performance, including revenue projections, capital expenditures and tax position. Forward-looking statements can be affected by assumptions used or by known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, when considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this presentation and in our Annual Report on Form 10-K for the year ended December 31, 2018 ("Annual Report"). Those risk factors and other factors noted throughout this presentation and in our Annual Report could cause our actual results to differ materially from those disclosed in any forward-looking statement. You are cautioned not to place undue reliance on any forward-looking statements.

Forward-looking statements speak only as of the date on which they are made. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

# Non-GAAP Financial Measures

Gross margin, Adjusted EBITDA, Adjusted interest expense, Distributable cash flow and Distribution coverage ratio are not financial measures presented in accordance with GAAP. Enable has included these non-GAAP financial measures in this presentation based on information in its consolidated financial statements.

Gross margin, Adjusted EBITDA, Adjusted interest expense, Distributable cash flow and Distribution coverage ratio are supplemental financial measures that management and external users of Enable's financial statements, such as industry analysts, investors, lenders and rating agencies may use, to assess:

- Enable's operating performance as compared to those of other publicly traded partnerships in the midstream energy industry, without regard to capital structure or historical cost basis;
- The ability of Enable's assets to generate sufficient cash flow to make distributions to its partners;
- Enable'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.

This presentation includes a reconciliation of Gross margin to total revenues, Adjusted EBITDA and Distributable cash flow to net income attributable to limited partners, Adjusted EBITDA to net cash provided by operating activities and Adjusted interest expense to interest expense, the most directly comparable GAAP financial measures, as applicable, for each of the periods indicated. Distribution coverage ratio is a financial performance measure used by management to reflect the relationship between Enable's financial operating performance and cash distributions. Enable believes that the presentation of Gross margin, Adjusted EBITDA, Adjusted interest expense, Distributable cash flow and Distribution coverage ratio provides information useful to investors in assessing its financial condition and results of operations. Gross margin, Adjusted EBITDA, Adjusted interest expense, Distributable cash flow and Distribution coverage ratio should not be considered as alternatives to net income, operating income, revenue, cash flow from operating activities, interest expense or any other measure of financial performance or liquidity presented in accordance with GAAP. Gross margin, Adjusted EBITDA, Adjusted interest expense, Distributable cash flow and Distribution coverage ratio have important limitations as analytical tools because they exclude some but not all items that affect the most directly comparable GAAP measures. Additionally, because Gross margin, Adjusted EBITDA, Adjusted interest expense, Distributable cash flow and Distribution coverage ratio may be defined differently by other companies in Enable's industry and Enable's definitions of these measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

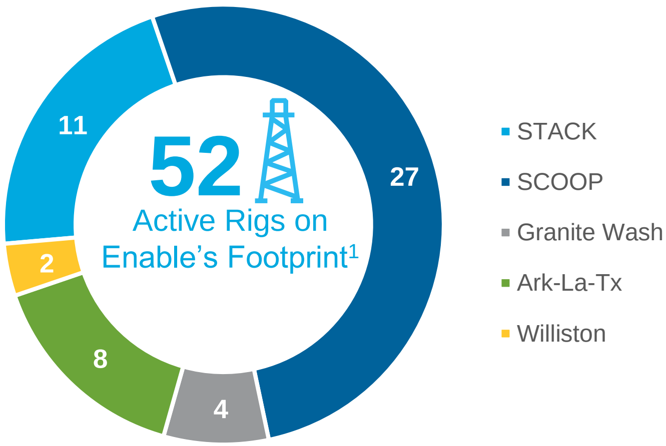
# Enable First Quarter 2019 Highlights

- Higher quarterly revenues, gross margin, net income, Adjusted EBITDA and distributable cash flow (DCF) compared to the first quarter of 2018
- Higher natural gas gathered, natural gas processed, crude oil and condensate gathered and natural gas transported volumes compared to the first quarter of 2018
- Achieved a distribution coverage ratio of 1.51x
- Declared quarterly cash distributions of $0.318 per unit on all outstanding common units and $0.625 on all outstanding Series A Preferred Units

# Commercial Highlights

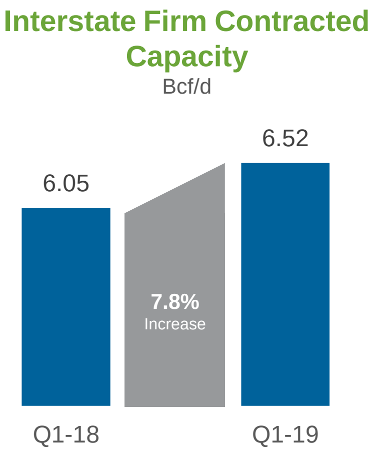
## Gathering and Processing

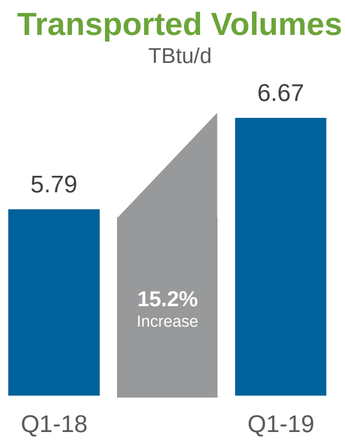
- Rig activity remains strong around Enable's gathering footprint with 52 rigs[1] currently drilling wells expected to be connected to Enable's gathering systems
  - Enable expects to gather crude oil and condensate from wells drilled by 44% of these rigs[1]
- Crude oil and condensate volumes gathered reached 108 MBbl/d driven by the first full-quarter contribution from the recent Anadarko Basin crude midstream business acquisition and growth on Williston Basin assets




## Transportation and Storage

- Contracted or extended over 1 million Dth/d of transportation capacity during the first quarter of 2019
- All FERC 501-G proceedings for Enable Gas Transmission, LLC (EGT) have been concluded, and EGT's existing rates remain in effect, unchanged
- Received FERC approval to initiate the pre-filing process for the Gulf Run Project, an important milestone in FERC's review of the project
  - Enable continues to pursue opportunities to increase the size of the project

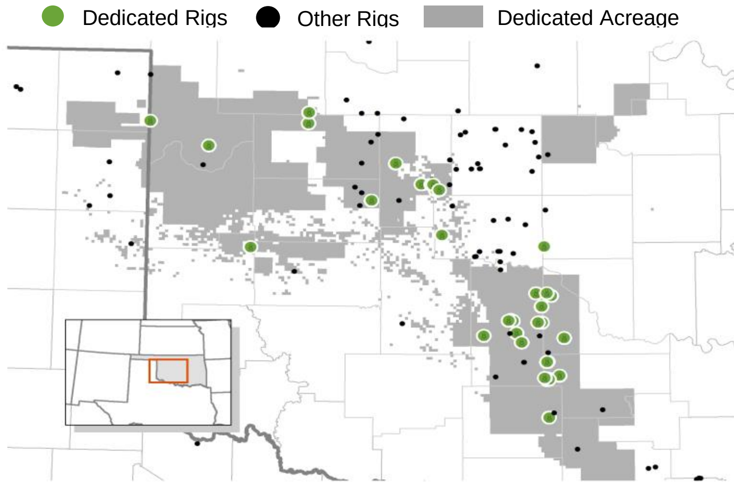



1. *Rigs per DrillingInfo as of April 24, 2019*

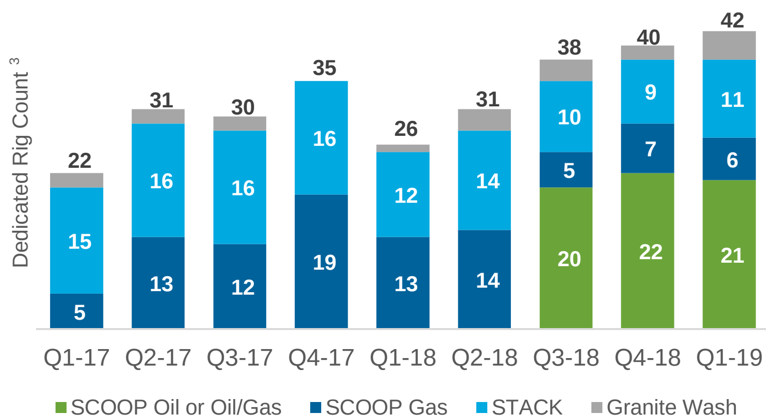
# Market-Leading Anadarko Basin Position

## Strategically-Advantaged Footprint Supports Growth from Top-Tier Producers

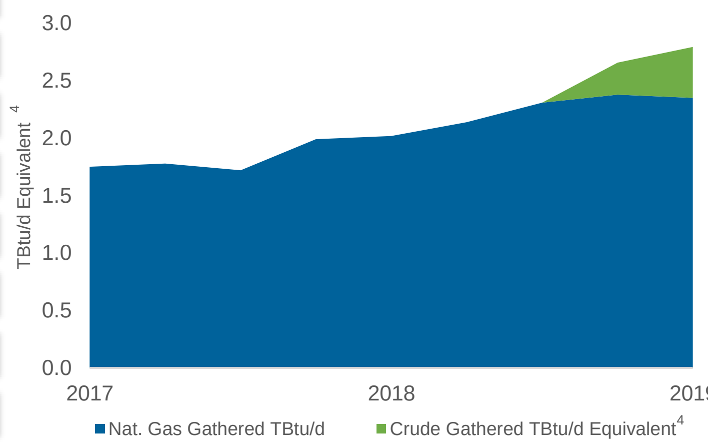



- #1 in Processing Capacity in the SCOOP and STACK[1]
- 39% of rigs running in the SCOOP and STACK are dedicated to Enable[2]
- Enable's Anadarko Basin rig count is at its highest quarterly level since Q1-15[3]
- Significant natural gas and crude oil midstream infrastructure positions Enable to capitalize on changing rig activity

## Increasing Producer Activity …[3]




## … Drives Crude, Gas Volumes




*Note: SCOOP counties are designated as Caddo, Carter, Garvin, Grady, McClain and Stephens and STACK counties are designated as Blaine, Canadian, Custer, Dewey, Kingfisher, Major and Woodward counties of Oklahoma*

1. *Processing capacity per Bentek as of April 18, 2019*
2. *Rigs per DrillingInfo as of April 24, 2019*
3. *Rigs as reported in Enable's quarterly earnings press releases*
4. *Enable's Anadarko Basin crude oil and condensate volumes have been converted to an MMBtu equivalent using a conversion factor of 5.80 MMBtus per barrel*

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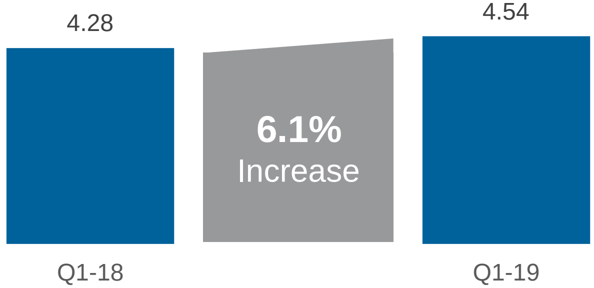
# Operational and Financial Results

# Operational Performance Overview

- Natural gas gathered volumes increased for first quarter 2019 compared to first quarter 2018 primarily as a result of higher gathered volumes in the Anadarko Basin
- Natural gas processed volumes increased for first quarter 2019 compared to first quarter 2018 primarily as a result of higher processed volumes in the Anadarko Basin
- Crude oil and condensate gathered volumes increased for first quarter 2019 compared to first quarter 2018 primarily as a result of the recent crude oil and condensate gathering system acquisition in the Anadarko Basin
- Transported volumes increased for first quarter 2019 compared to first quarter 2018 primarily as a result of new contracted capacity on EGT, including volumes from EGT's CaSE project and increased gathered volumes in the Anadarko Basin

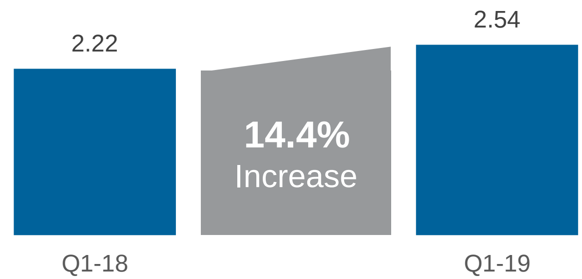
## Natural Gas Gathered Volumes

TBtu/d



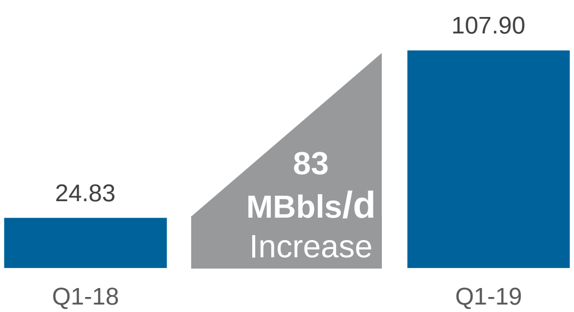

## Natural Gas Processed Volumes

TBtu/d



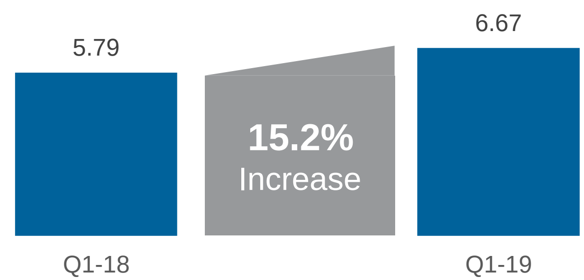

## Crude Oil and Condensate Gathered Volumes

MBbls/d




## Transported Volumes

TBtu/d



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# Financial Results

| Financial Results | | | |
|---|---|---|---|
| | Quarter over Quarter | | |
| *$ in millions, except per-unit and ratio data* | Q1-19 | Q1-18 | % Change |
| Total Revenues | $795 | $748 | ⬆ 6% |
| Gross Margin[1] | $417 | $373 | ⬆ 12% |
| Net Income Attributable to Limited Partners | $122 | $114 | ⬆ 7% |
| Net income Attributable to Common Units | $113 | $105 | ⬆ 8% |
| Net Cash provided by Operating Activities | $215 | $166 | ⬆ 30% |
| Adjusted EBITDA[1] | $297 | $257 | ⬆ 16% |
| Distributable Cash Flow[1] | $208 | $196 | ⬆ 6% |
| Distribution Coverage Ratio[2] | 1.51x | 1.42x | ⬆ 6% |
| Cash Distribution per Common Unit | $0.318 | $0.318 | ⬌ |
| Cash Distribution per Series A Preferred Unit | $0.625 | $0.625 | ⬌ |

1. *Gross margin, Adjusted EBITDA and distributable cash flow are non-GAAP financial measures and are reconciled to the nearest GAAP financial measures in the Appendix*
2. *A non-GAAP measure calculated as distributable cash flow divided by distributions related to common units*



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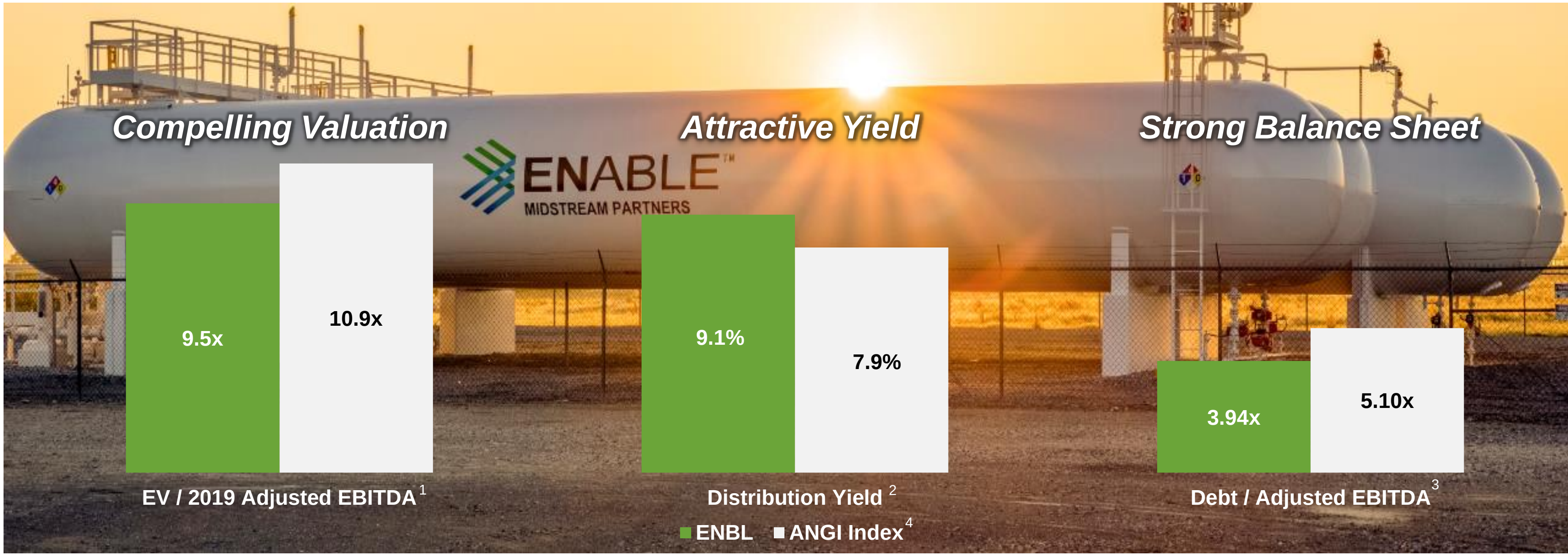
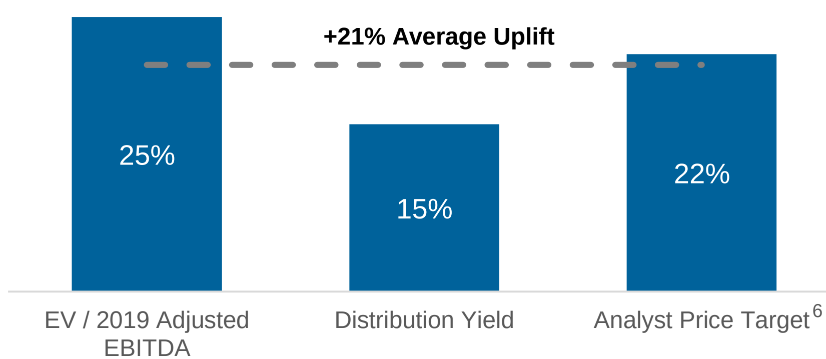
# Proven Track Record with Upside Potential




## Proven Track Record

- Strong operational and financial results driven by high-quality assets and a focus on cost discipline and capital efficiency
- History of developing creative and cost-effective market solutions
- Financially disciplined with solid distribution coverage and an investment-grade balance sheet

## Enable Unit Price Appreciation Potential[5]




Source: Bloomberg Pricing and Peer Consensus Estimates as of April 30, 2019

1. EV / 2019 Adjusted EBITDA equals current Enterprise Value divided by 2019 Adjusted EBITDA
2. Distribution Yield equals most recently announced distribution on an annualized basis divided by April 30, 2019 close price
3. Debt / Adjusted EBITDA equals total current debt divided by TTM Adjusted EBITDA
4. ANGI Index is the Alerian Natural Gas MLP Index
5. See Appendix for Enable Unit Price Appreciation Potential assumptions
6. Median analyst price target from analysts listed on Enable's Investor Relations website as of April 30, 2019

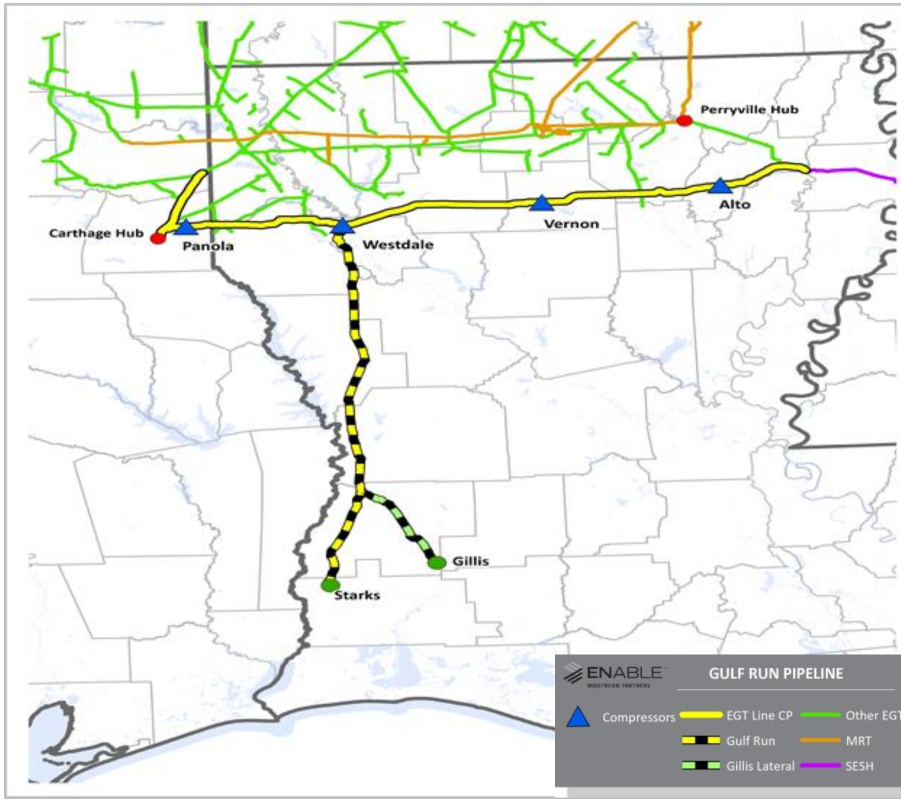
# Question and Answer

# Appendix

# Gulf Run Pipeline

- The Gulf Run Pipeline, backed by cornerstone shipper Golden Pass LNG, will provide access to some of the most prolific natural gas producing regions in the U.S.
- Enable continues to pursue opportunities to increase the size of the project
- On April 12, 2019, Enable received FERC approval for the request made by Enable Gulf Run and EGT to initiate the FERC's pre-filing process for the project
- Public open houses for stakeholders are scheduled for May 2019
- The project is expected to be completed by late 2022 and is subject to FERC approval

## Gulf Run Project[1]




**2018**
- Project Announcement
- Open Season

**2019**
- Golden Pass FID
- Survey Work
- FERC Pre-Filing
- Public Open Houses
- FERC Scoping Meetings
- FERC 7(c) Filing
- Right of Way Acquisition
- FERC Approval

**2021**
- Begin Construction

**2022**
- Project Completed

1. *Map as of 4/17/2019*



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# 2019 Outlook

*2019 outlook provided Nov. 7, 2018, reaffirmed May 1, 2019*

## 2019 Financial Outlook

*$ in millions*

| | |
|---|---|
| Net Income Attributable to Common Units | $435 – $505 |
| Interest Expense | $190 – $210 |
| Adjusted EBITDA[1] | $1,090 – $1,180 |
| Series A Preferred Unit Distributions[2] | $36 |
| Adjusted Interest Expense[1] | $195 – $215 |
| Maintenance Capital | $105 – $125 |
| Distributable Cash Flow[1] | $740 – $810 |
| Distribution Coverage Ratio | 1.30x – 1.45x |
| Total Debt / Adjusted EBITDA[1] | +/- 4.0x |

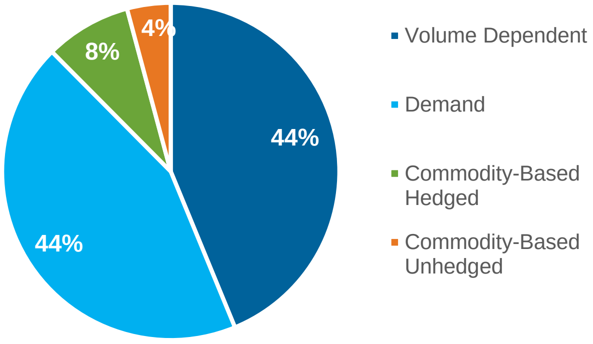
## 2019 Expansion Capital Outlook

*$ in millions*

| | |
|---|---|
| Gathering and Processing Segment | $290 – $370 |
| Transportation and Storage Segment | $35 – $55 |
| Total Expansion Capital | $325 – $425 |

## 2019 Gross Margin Profile[3]

**~96% Fee-Based or Hedged**






1. Financial measures are non-GAAP financial measures and are reconciled to the nearest GAAP financial measures in this appendix
2. In accordance with the Partnership Agreement, the Series A Preferred Unit distributions are deemed to have been paid out of available cash with respect to the quarter immediately preceding the quarter in which the distribution is made.
3. Gross margin profile represents hedges as of April 5, 2019, and Enable's current 2019 forecast and price assumptions

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# Derivative Activity and Price Sensitivities

## Derivative Activity ($ in millions)

| | Three Months Ended March 31 | |
|---|---|---|
| | 2019 | 2018 |
| Gain (Loss) on Derivative Activity | ($10) | $- |
| *Change in Fair Value of Derivatives* | *($12)* | *($2)* |
| *Realized Gain on Derivatives* | *$2* | *$2* |

## 2019 Price Sensitivities[1] ($ in millions)

### Net Income[2]

| | (10%) | +10% |
|---|---|---|
| Natural Gas and Ethane | ($11) | $11 |
| NGLs (excluding ethane) and Condensate | ($8) | $8 |

### Adjusted EBITDA (including hedges)

| | (10%) | +10% |
|---|---|---|
| Natural Gas and Ethane | ($6) | $6 |
| NGLs (excluding ethane) and Condensate | ($3) | $3 |

## Hedging Summary[3]

| Commodity | 2019 | 2020 |
|---|---|---|
| **Natural Gas (NYMEX)** | | |
| Exposure Hedged (%) | 58% | 6% |
| Average Hedge Price ($/MMBtu) | $2.86 | $3.12 |
| **Natural Gas Basis (PEPL / EGTE)** | | |
| Exposure Hedged (%) | 49% | 27% |
| Average Hedge Price ($/MMBtu) | $(0.56) | $(0.41) |
| **Crude[4]** | | |
| Exposure Hedged (%) | 67% | 23% |
| Average Hedge Price ($/Bbl) | $59.87 | $64.17 |
| **Propane** | | |
| Exposure Hedged (%) | 55% | 11% |
| Average Hedge Price ($/gal) | $0.73 | $0.80 |
| **Normal Butane** | | |
| Exposure Hedged (%) | 26% | 0% |
| Average Hedge Price ($/gal) | $0.80 | - |

*1. 2019 price sensitivities are based on Enable's current forecast and commodity outlook and hedges as of April 11, 2019*
*2. The impact of price sensitivities is the same for net income attributable to limited partners and net income attributable to common units*
*3. Table includes hedges and commodity exposures associated with equity volumes resulting from Enable's gathering, processing and transportation businesses; percentage hedged includes hedges executed through April 11, 2019; Enable has hedged a de minimis amount of 2021 exposure not shown above*
*4. Enable hedges net condensate and natural gasoline exposure with crude; net exposure and the percentage hedged excludes the proportion of long condensate positions offset by short natural gasoline positions*



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# Gathering and Processing Segment Results

## Operational Results

| | | Quarter over Quarter | | |
|---|---|---|---|---|
| | | Q1-19 | Q1-18 | % Change |
| Anadarko Basin | Gathered Volumes (TBtu/d) | 2.35 | 2.02 | 16% ↑ |
| | Processed Volumes (TBtu/d)[1] | 2.12 | 1.82 | 16% ↑ |
| | NGLs Produced (MBbl/d)[1,2] | 120.43 | 95.85 | 26% ↑ |
| | Crude Oil and Condensate Gathered Volumes (MBbl/d) | 76.54 | - | |
| Arkoma Basin | Gathered Volumes (TBtu/d) | 0.49 | 0.54 | 9% ↓ |
| | Processed Volumes (TBtu/d) [1] | 0.10 | 0.10 | ↔ |
| | NGLs Produced (MBbl/d) [1,2] | 6.23 | 4.98 | 25% ↑ |
| Ark-La-Tex Basin | Gathered Volumes (TBtu/d) | 1.70 | 1.71 | 1% ↓ |
| | Processed Volumes (TBtu/d) | 0.32 | 0.29 | 10% ↑ |
| | NGLs Produced (MBbl/d) [2] | 11.53 | 9.46 | 22% ↑ |
| Williston Basin | Crude Oil Gathered Volumes (MBbl/d) | 31.36 | 24.83 | 26% ↑ |

## Financial Results ($ in millions)

| | | Q1-19 | Q1-18 | % Change |
|---|---|---|---|---|
| Total G&P | Total Revenues[3] | $630 | $591 | 7% ↑ |
| | Gross Margin[3,4] | $270 | $233 | 16% ↑ |
| | Operation & Maintenance and G&A Expenses[3] | $84 | $76 | 11% ↑ |
| | Depreciation and Amortization | $74 | $62 | 19% ↑ |
| | Taxes other than Income Tax | $11 | $10 | 10% ↑ |
| | **Operating Income** | **$101** | **$85** | 19% ↑ |

1. *Includes volumes under third party processing arrangements*
2. *Excludes condensate*
3. *Before eliminations upon consolidation*
4. *Non-GAAP financial measure and is reconciled to the nearest GAAP financial measures in the Appendix*



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# Transportation and Storage Segment Results

| Operational Results | | | |
|---|---|---|---|
| | Quarter over Quarter | | |
| | Q1-19 | Q1-18 | % Change |
| Transported Volumes (Tbtu/d) | 6.67 | 5.79 | 15% ⬆ |
| Interstate Firm Contracted Capacity (Bcf/d) | 6.52 | 6.05 | 8% ⬆ |
| Intrastate Average Deliveries (TBtu/d) | 2.32 | 2.10 | 10% ⬆ |

| Financial Results ($ in millions) | | | |
|---|---|---|---|
| Total Revenues[1] | $316 | $279 | 13% ⬆ |
| Gross Margin[1,2] | $147 | $140 | 5% ⬆ |
| Operation & Maintenance and G&A Expenses[1] | $45 | $46 | 2% ⬇ |
| Depreciation and Amortization | $31 | $34 | 9% ⬇ |
| Taxes other than Income Tax | $7 | $7 | ⬌ |
| **Operating Income** | **$64** | **$53** | 21% ⬆ |

1. *Before eliminations upon consolidation*
2. *Non-GAAP financial measure and is reconciled to the nearest GAAP financial measures in the Appendix*



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# Enable Unit Price Appreciation Potential

## EV / EBITDA +25% Potential Uplift

| $ in Millions | Current ENBL Unit Price | EBITDA Multiple Uplift | Potential Unit Price Uplift |
|---|---|---|---|
| 2019 Adjusted EBITDA[1] | $1,135 | $0 | $1,135 |
| EBITDA Multiple | 9.5x | 1.4x | 10.9x |
| **Implied Total Enterprise Value** | **$10,832** | **$1,540** | **$12,372** |
| Adjustments[2] | ($4,776) | $0 | ($4,776) |
| **Implied Common Equity Value** | **$6,056** | **$1,540** | **$7,596** |
| LP Units Outstanding[6] | 435.1 | 0 | 435.1 |
| **Implied Unit Price** | **$13.92** | | **$17.46** |

## Distribution Yield +15% Potential Uplift

| $ in Millions | Annualized Distribution[3] | 2019 Distribution Yield | Potential Unit Price |
|---|---|---|---|
| **ENBL Distribution at ENBL Yield** | **$1.27** | **9.1%** | **$13.92** |
| **ENBL Distribution at Peer Average Yield** | **$1.27** | **7.9%** | **$16.08** |

## Analyst Price Target +22% Potential Uplift

| $ in Millions | Current ENBL Unit Price[4] | Analyst Price Target[5] |
|---|---|---|
| **Unit Price** | **$13.92** | **$17.00** |

*Source: Bloomberg Pricing and Consensus Estimates as of April 30, 2019*

1. *Based on midpoint of Enable's 2019 Outlook*
2. *Adjustments represents Cash & Equivalents of $18, less Preferred $362, less Minority Interest $38, less Total Debt $4,394*
3. *Annualized common unit distribution of $0.318 per unit*
4. *ENBL unit price as of April 30, 2019*
5. *Median analyst price target from analysts listed on Enable's Investor Relations website as of April 30, 2019*
6. *LP Units outstanding as of April 12, 2019*



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# Consolidated Statements of Income

| | Three Months Ended March 31, 2019 | Three Months Ended March 31, 2018 |
|---|---|---|
| | (In millions, except per unit data) | |
| **Revenues (including revenues from affiliates):** | | |
| Product sales | $ 443 | $ 443 |
| Service revenue | 352 | 305 |
| Total Revenues | 795 | 748 |
| **Cost and Expenses (including expenses from affiliates):** | | |
| Cost of natural gas and natural gas liquids (excluding depreciation and amortization shown separately) | 378 | 375 |
| Operation and maintenance | 103 | 94 |
| General and administrative | 26 | 27 |
| Depreciation and amortization | 105 | 96 |
| Taxes other than income tax | 18 | 17 |
| Total Cost and Expenses | 630 | 609 |
| **Operating Income** | 165 | 139 |
| **Other Income (Expense):** | | |
| Interest expense | (46) | (33) |
| Equity in earnings of equity method affiliate | 3 | 6 |
| Other, net | — | 2 |
| Total Other Expense | (43) | (25) |
| **Income Before Income Tax** | 122 | 114 |
| Income tax benefit | (1) | — |
| **Net Income** | $ 123 | $ 114 |
| Less: Net income attributable to noncontrolling interest | 1 | — |
| **Net Income Attributable to Limited Partners** | $ 122 | $ 114 |
| Less: Series A Preferred Unit distributions | 9 | 9 |
| **Net Income Attributable to Common Units** | $ 113 | $ 105 |
| | | |
| **Basic earnings per unit** | | |
| Common units | $ 0.26 | $ 0.24 |
| **Diluted earnings per unit** | | |
| Common units | $ 0.26 | $ 0.24 |



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# Non-GAAP Reconciliations

| | Three Months Ended March 31, 2019 | 2018 |
|---|---|---|
| | (In millions) | |
| **Reconciliation of Gross margin to Total Revenues:** | | |
| **Consolidated** | | |
| Product sales | $ 443 | $ 443 |
| Service revenue | 352 | 305 |
| Total Revenues | 795 | 748 |
| Cost of natural gas and natural gas liquids (excluding depreciation and amortization) | 378 | 375 |
| Gross margin | $ 417 | $ 373 |
| | | |
| **Reportable Segments** | | |
| *Gathering and Processing* | | |
| Product sales | $ 423 | $ 418 |
| Service revenue | 207 | 173 |
| Total Revenues | 630 | 591 |
| Cost of natural gas and natural gas liquids (excluding depreciation and amortization) | 360 | 358 |
| Gross margin | $ 270 | $ 233 |
| | | |
| *Transportation and Storage* | | |
| Product sales | $ 167 | $ 140 |
| Service revenue | 149 | 139 |
| Total Revenues | 316 | 279 |
| Cost of natural gas and natural gas liquids (excluding depreciation and amortization) | 169 | 139 |
| Gross margin | $ 147 | $ 140 |



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# Non-GAAP Reconciliations Continued

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| | (In millions, except Distribution coverage ratio) | |
| **Reconciliation of Adjusted EBITDA and DCF to net income attributable to limited partners and calculation of Distribution coverage ratio:** | | |
| Net income attributable to limited partners | $ 122 | $ 114 |
| Depreciation and amortization expense | 105 | 96 |
| Interest expense, net of interest income | 46 | 33 |
| Income tax benefit | (1) | — |
| Distributions received from equity method affiliate in excess of equity earnings | 9 | 7 |
| Non-cash equity-based compensation | 4 | 5 |
| Change in fair value of derivatives | 12 | 2 |
| Other non-cash losses [1] | 1 | — |
| Adjusted EBITDA | $ 297 | $ 257 |
| Series A Preferred Unit distributions [2] | (9) | (9) |
| Distributions for phantom and performance units [3] | (9) | (3) |
| Adjusted interest expense [4] | (47) | (35) |
| Maintenance capital expenditures | (24) | (14) |
| Current income taxes | — | (2) |
| DCF | $ 208 | $ 196 |
| | | |
| Distributions related to common unitholders [5] | $ 138 | $ 138 |
| | | |
| Distribution coverage ratio | 1.51 | 1.42 |

1. Other non-cash losses includes loss on sale of assets and write-downs of materials and supplies
2. This amount represents the quarterly cash distributions on the Series A Preferred Units declared for the three months ended March 31, 2019 and 2018. In accordance with the Partnership Agreement, the Series A Preferred Unit distributions are deemed to have been paid out of available cash with respect to the quarter immediately preceding the quarter in which the distribution is made
3. Distributions for phantom and performance units represent distribution equivalent rights paid in cash. Phantom unit distribution equivalent rights are paid during the vesting period and performance unit distribution equivalent rights are paid at vesting
4. See below for a reconciliation of Adjusted interest expense to Interest expense
5. Represents cash distributions declared for common units outstanding as of each respective period. Amounts for 2019 reflect estimated cash distributions for common units outstanding for the quarter ended March 31, 2019

# Non-GAAP Reconciliations Continued

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| | (In millions) | |
| **Reconciliation of Adjusted EBITDA to net cash provided by operating activities:** | | |
| Net cash provided by operating activities | $ 215 | $ 166 |
| Interest expense, net of interest income | 46 | 33 |
| Net income attributable to noncontrolling interest | (1) | — |
| Current income taxes | (1) | — |
| Other non-cash items[1] | — | (1) |
| Changes in operating working capital which (provided) used cash: | | |
| Accounts receivable | (29) | (23) |
| Accounts payable | 55 | 60 |
| Other, including changes in noncurrent assets and liabilities | (9) | 13 |
| Return of investment in equity method affiliate | 9 | 7 |
| Change in fair value of derivatives | 12 | 2 |
| Adjusted EBITDA | $ 297 | $ 257 |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| | (In millions) | |
| **Reconciliation of Adjusted interest expense to Interest expense:** | | |
| Interest Expense | $ 46 | $ 33 |
| Amortization of premium on long-term debt | 1 | 1 |
| Capitalized interest on expansion capital | 1 | 2 |
| Amortization of debt expense and discount | (1) | (1) |
| Adjusted interest expense | $ 47 | $ 35 |

*1. Other non-cash items include amortization of debt expense, discount and premium on long-term debt and write-downs of materials and supplies*



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# 2019 Forward Looking Non-GAAP Reconciliation

| | 2019 Outlook<br>(In millions) |
|---|---|
| **Reconciliation of Adjusted EBITDA and distributable cash flow to net income attributable to limited partners and calculation of Distribution coverage ratio:** | |
| Net income attributable to limited partners | $471 - $541 |
| Depreciation and amortization expense | $415 - $430 |
| Interest expense, net of interest income | $190 - $210 |
| Income tax (benefit) expense | ($2) - $2 |
| Distributions received from equity method affiliate in excess of equity earnings | $5 - $10 |
| Non-cash equity based compensation | $5 - $10 |
| Change in fair value of derivatives | $0 - ($5) |
| Adjusted EBITDA | $1,090 - $1,180 |
| Series A Preferred Unit distributions (1) | $36 |
| Adjusted interest expense | $195 - $215 |
| Maintenance capital expenditures | $105 - $125 |
| Other | $5 - $6 |
| DCF | $740 - $810 |

1. *In accordance with the Partnership Agreement, the Series A Preferred Unit distributions are deemed to have been paid out of available cash with respect to the quarter immediately preceding the quarter in which the distribution is made*



ENABLE MIDSTREAM PARTNERS

# 2019 Forward Looking Non-GAAP Reconciliation Continued

| | 2019 Outlook |
|---|---|
| | (In millions) |
| **Reconciliation of Adjusted interest expense to Interest expense:** | |
| Interest expense, net of interest income | $190 - $210 |
| Amortization of premium on long-term debt | $6 - $9 |
| Capitalized interest on expansion capital | $3 - $7 |
| Amortization of debt expense and discount | ($3 - $7) |
| Adjusted interest expense | $195 - $215 |

*****Enable is unable to present a quantitative reconciliation of forward looking Adjusted EBITDA to net cash provided by operating activities because certain information needed to make a reasonable forward-looking estimate of changes in working capital which may (provide) use cash during the calendar year 2019 cannot be reliably predicted and the estimate is often dependent on future events which may be uncertain or outside of Enable's control. This includes changes to accounts receivable, accounts payable and other changes in non-current assets and liabilities.



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