

# Enable Midstream Partners, LP

MLPA Investor Conference Fireside Chat



# Forward-looking Statements

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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

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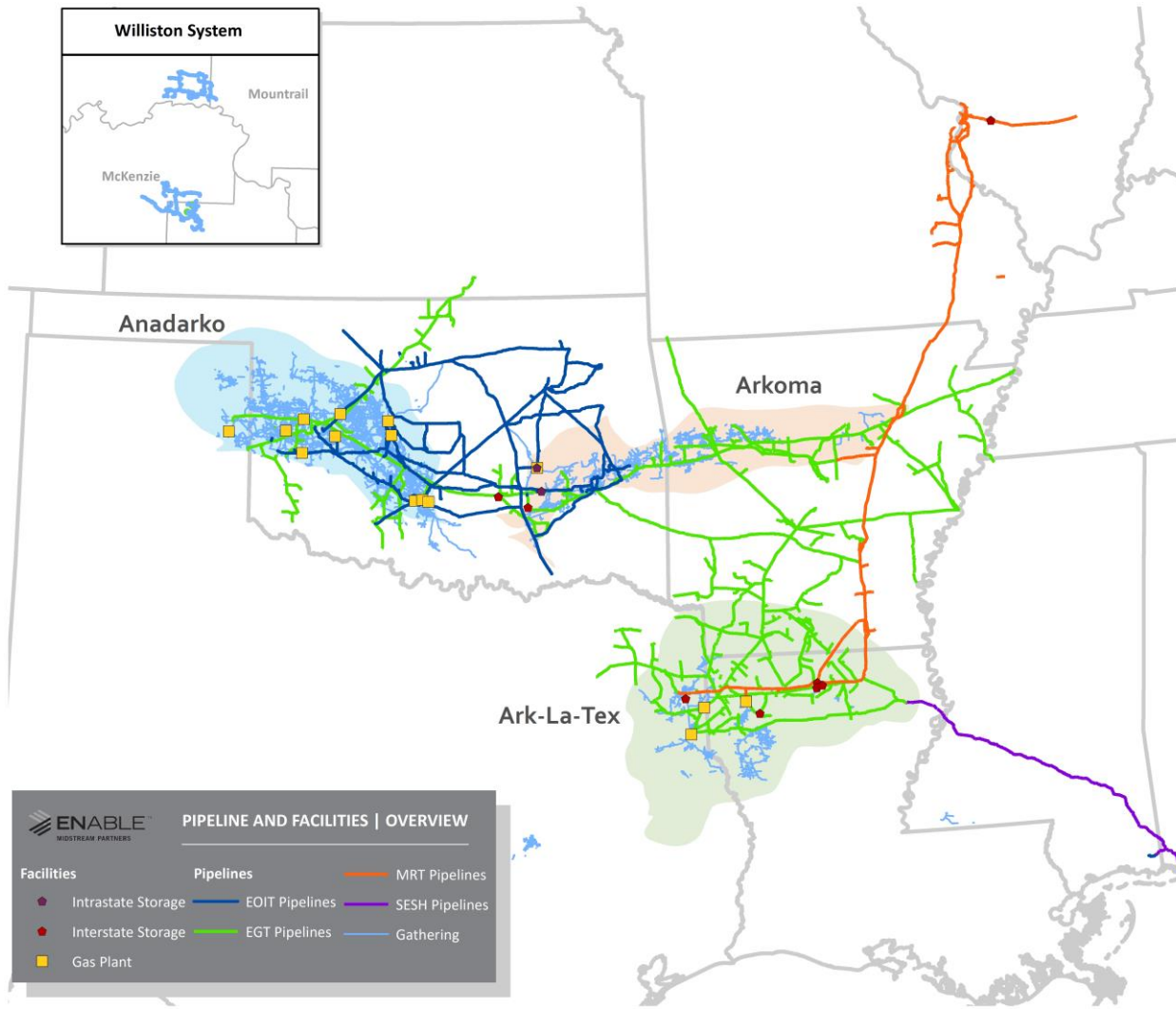
Gross margin, Adjusted EBITDA, Adjusted interest expense, Distributable cash flow and Distribution coverage ratio are not financial measures presented in accordance with GAAP. Enable has included these non-GAAP financial measures in this presentation based on information in its consolidated financial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

# Fully Integrated Midstream Platform Across Leading Basins



**10,100 Miles**  
Interstate/Intrastate Pipelines

**13,900 Miles**  
Gathering Pipelines

**2.6 Bcf/d**  
Processing Capacity

**84.5 Bcf**  
Storage Capacity

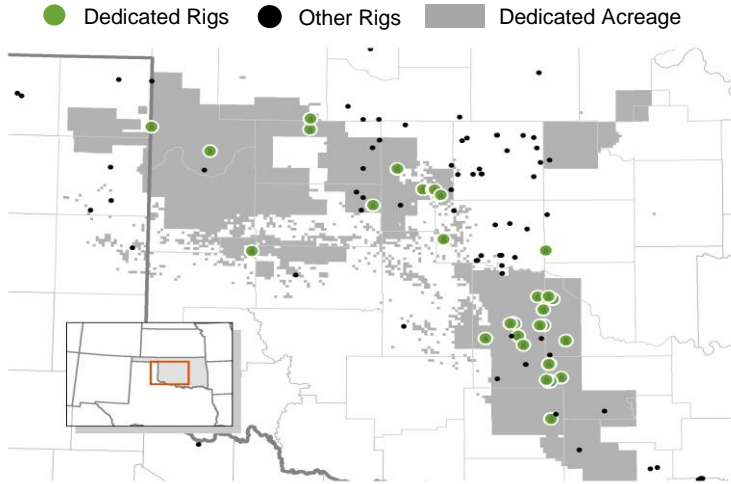
**52 Active Rigs**  
On Enable's Footprint<sup>1</sup>

Note: Map as of May 7, 2019; Stats as of Dec. 31, 2018; Pipeline miles are approximate and interstate/intrastate pipeline miles include ~7,800 miles of interstate pipeline (including SESH) and ~2,300 miles of intrastate pipeline

1. Rigs drilling wells expected to be connected to Enable's gathering systems; per DrillingInfo as of April 24, 2019

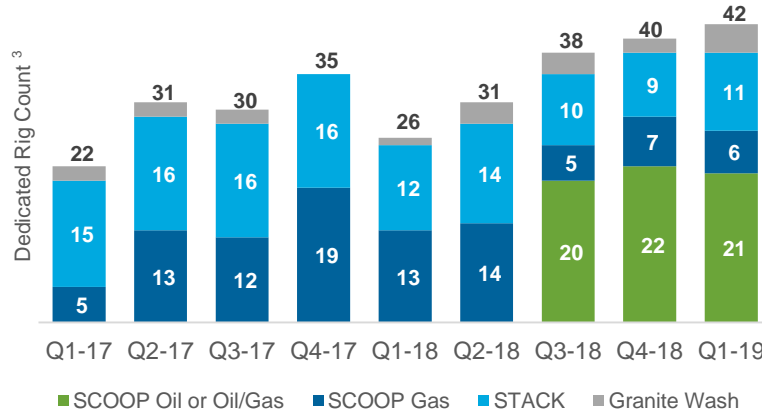
# Market-Leading Anadarko Basin Position

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

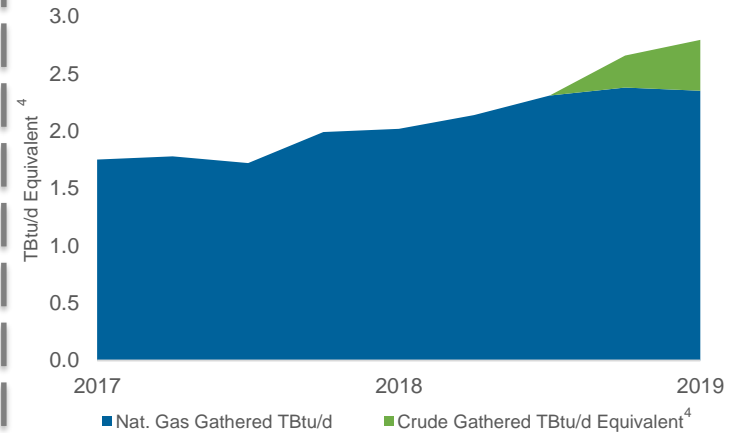


- #1 in Processing Capacity in the SCOOP and STACK<sup>1</sup>
- 39% of rigs running in the SCOOP and STACK are dedicated to Enable<sup>2</sup>
- Enable's Anadarko Basin rig count is at its highest quarterly level since Q1-15<sup>3</sup>
- Significant natural gas and crude oil midstream infrastructure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

## Increasing Producer Activity ...<sup>3</sup>



## ... Drives Crude, Gas Volumes



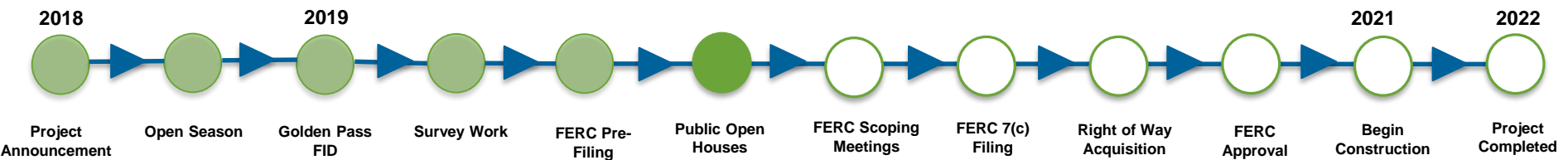
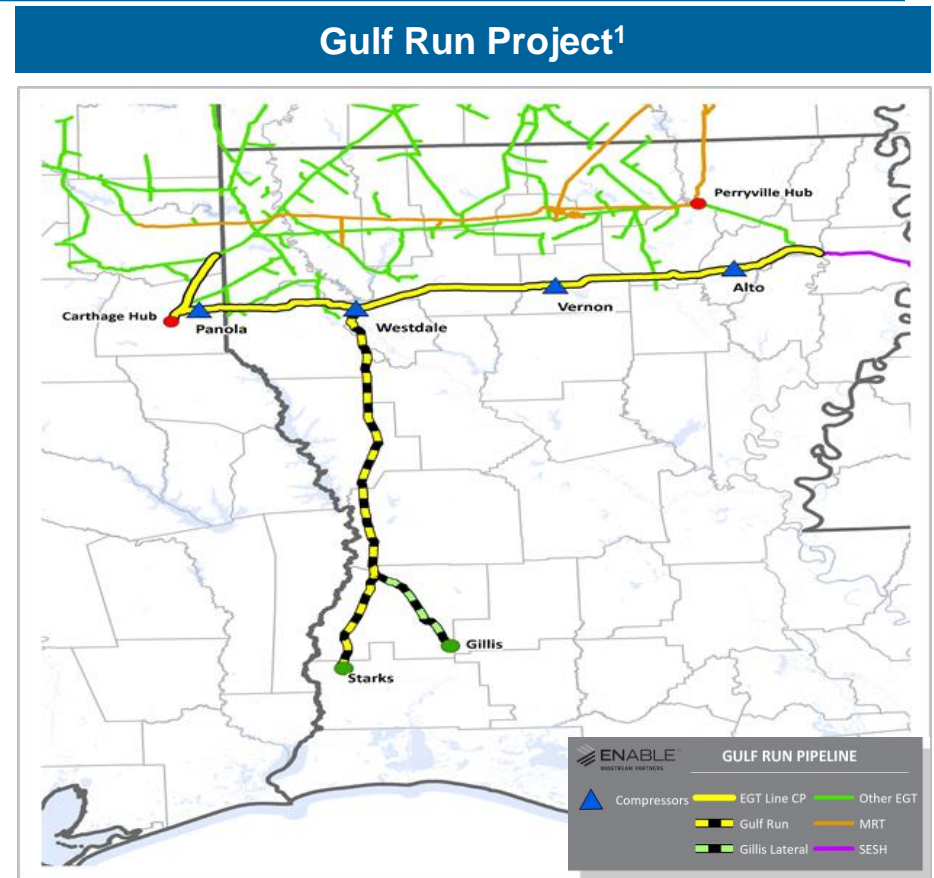
Note: SCOOP counties are designated as Caddo, Carter, Garvin, Grady, McClain and Stephens and STACK counties are designated as Blaine, Canadian, Custer, Dewey, Kingfisher, Major and Woodward counties of Oklahoma

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



# 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 Enable Gas Transmission (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



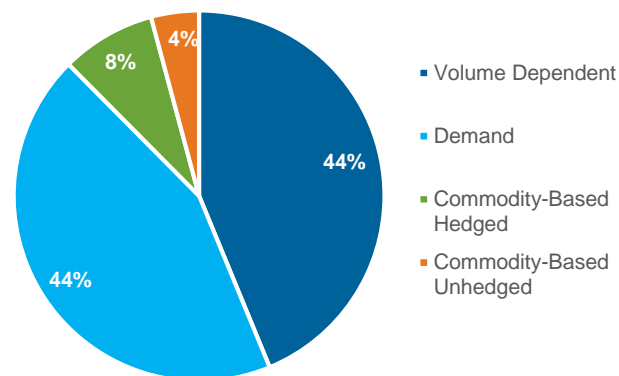
1. Map as of May 7, 2019

# Financial Strength and Discipline

## Enable's Results Check All of the Boxes<sup>1</sup>

- ✓ Investment-Grade Credit Metrics
- ✓ Strong Distribution Coverage
- ✓ Per-Unit DCF Growth
- ✓ Improved Returns on Invested Capital

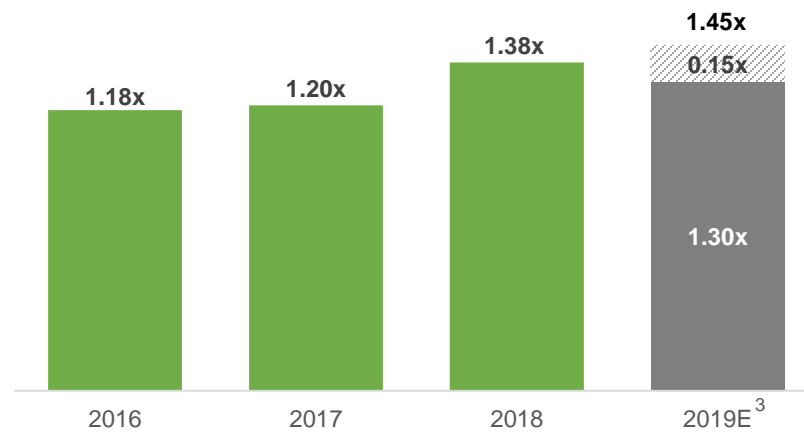
## Margin Profile 96% Fee-Based or Hedged<sup>2</sup>



## Adjusted EBITDA



## Distribution Coverage

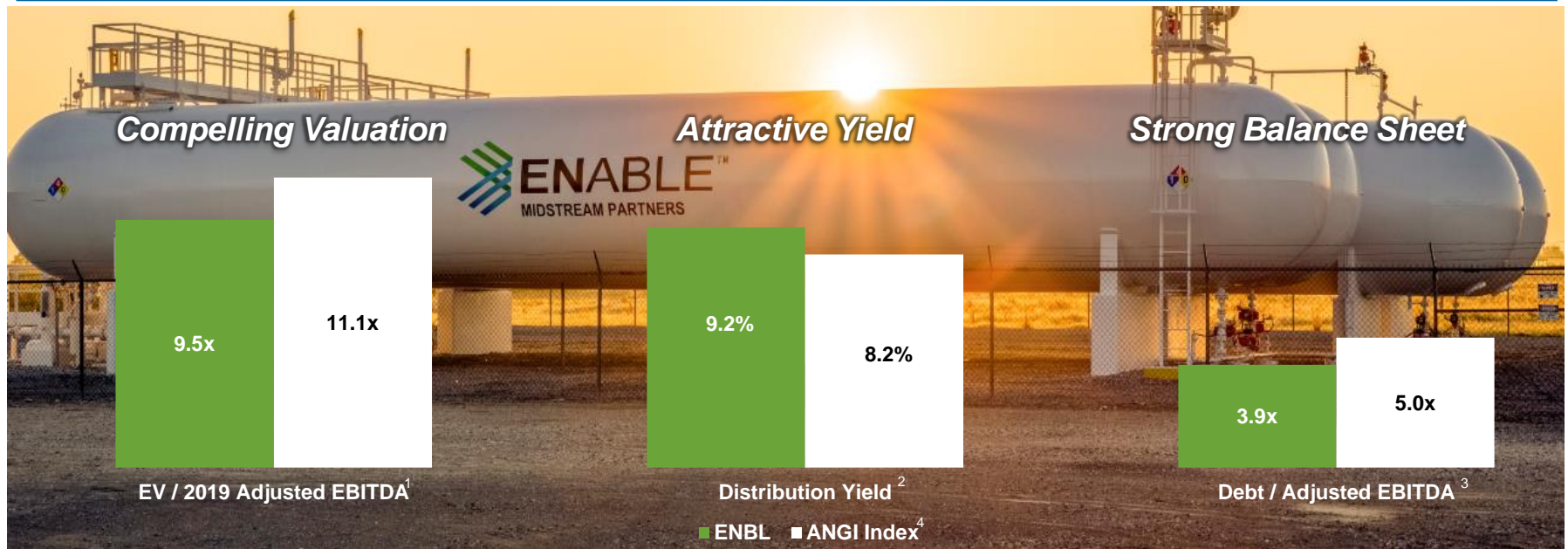


1. Results from 2016 through 2018

2. Gross margin profile represents hedges as of April 5, 2019, and Enable's current 2019 forecast and price assumptions

3. 2019E represents Enable's 2019 outlook ranges provided Nov. 7, 2018, and reaffirmed May 1, 2019

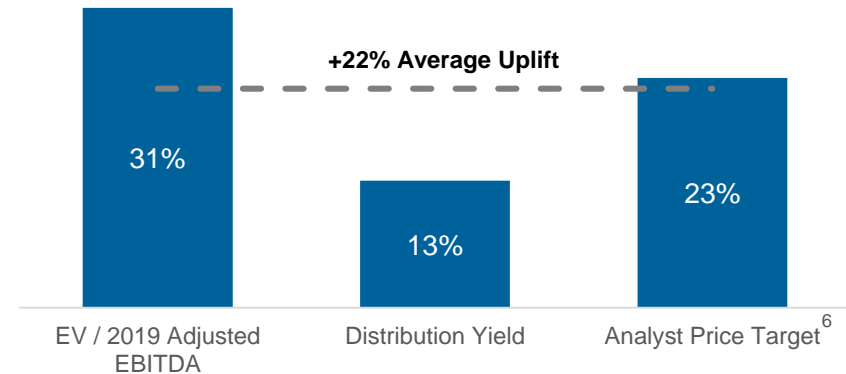
# Proven Track Record with Upside Potential



## 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<sup>5</sup>



Source: Bloomberg market data and peer mean consensus estimates as of May 8, 2019

1. EV / 2019 Adjusted EBITDA equals current Enterprise Value divided by 2019 Adjusted EBITDA; Adjusted EBITDA reduced by General Partner (GP) percentage of distributions for peers with GP distributions

2. Distribution Yield equals most recently announced distribution on an annualized basis divided by May 8, 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

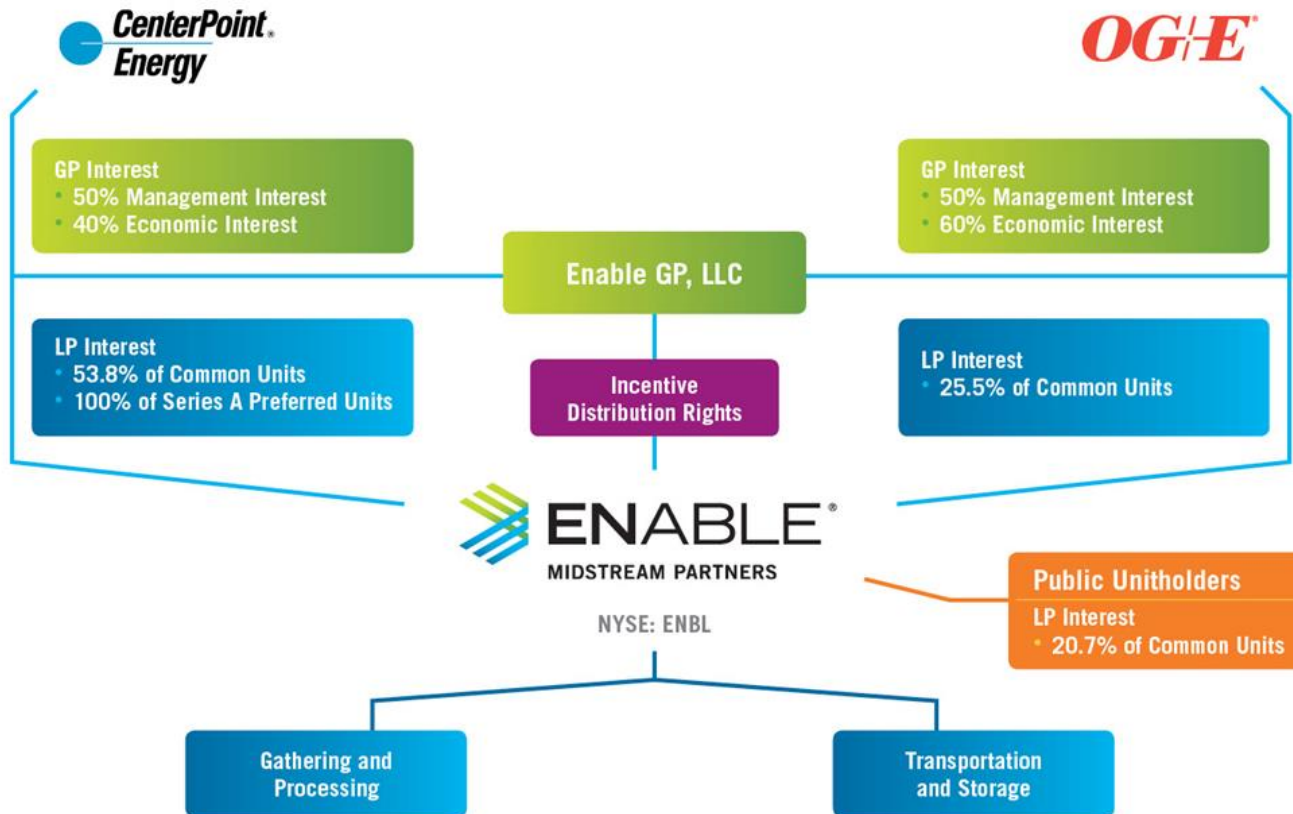
6. Median analyst price target from analysts listed on Enable's Investor Relations website as of May 8, 2019



# Appendix



# Enable Ownership Structure



Note: Structure as of March 31, 2019

# 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 <sup>1</sup>	\$1,090 – \$1,180
Series A Preferred Unit Distributions <sup>2</sup>	\$36
Adjusted Interest Expense <sup>1</sup>	\$195 – \$215
Maintenance Capital	\$105 – \$125
Distributable Cash Flow <sup>1</sup>	\$740 – \$810
Distribution Coverage Ratio	1.30x – 1.45x
Total Debt / Adjusted EBITDA <sup>1</sup>	+/- 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

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.

# Enable Unit Price Appreciation Potential

## EV / EBITDA +31% Potential Uplift

\$ in Millions	Current ENBL Unit Price	EBITDA Multiple Uplift	Potential Unit Price Uplift
2019 Adjusted EBITDA <sup>1</sup>	\$1,135	\$0	\$1,135
EBITDA Multiple	9.5x	1.6x	11.1x
<b>Implied Total Enterprise Value</b>	<b>\$10,770</b>	<b>\$1,828</b>	<b>\$12,599</b>
Adjustments <sup>2</sup>	(\$4,776)	\$0	(\$4,776)
<b>Implied Common Equity Value</b>	<b>\$5,994</b>	<b>\$1,828</b>	<b>\$7,823</b>
LP Units Outstanding <sup>6</sup>	435.1	0	435.1
<b>Implied Unit Price</b>	<b>\$13.78</b>		<b>\$17.98</b>

## Distribution Yield +13% Potential Uplift

\$ in Millions	Annualized Distribution <sup>3</sup>	2019 Distribution Yield	Potential Unit Price
ENBL Distribution at ENBL Yield	\$1.27	9.2%	\$13.78
ENBL Distribution at Peer Average Yield	\$1.27	8.2%	\$15.56

## Analyst Price Target +23% Potential Uplift

\$ in Millions	Current ENBL Unit Price <sup>4</sup>	Analyst Price Target <sup>5</sup>
Unit Price	\$13.78	\$17.00

Source: Bloomberg market data and peer mean consensus estimates as of May 8, 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 May 8, 2019

5. Median analyst price target from analysts listed on Enable's Investor Relations website as of May 8, 2019

6. LP Units outstanding as of April 12, 2019

# Consolidated Statements of Income

	Year Ended December 31,		
	2018	2017	2016
(In millions, except per unit data)			
<b>Revenues (including revenues from affiliates):</b>			
Product sales	\$ 2,106	\$ 1,653	\$ 1,172
Service revenue	1,325	1,150	1,100
Total Revenues	<u>3,431</u>	<u>2,803</u>	<u>2,272</u>
<b>Cost and Expenses (including expenses from affiliates):</b>			
Cost of natural gas and natural gas liquids (excluding depreciation and amortization shown separately)	1,819	1,381	1,017
Operation and maintenance	388	369	367
General and administrative	113	95	98
Depreciation and amortization	398	366	338
Impairments	—	—	9
Taxes other than income tax	65	64	58
Total Cost and Expenses	<u>2,783</u>	<u>2,275</u>	<u>1,887</u>
<b>Operating Income</b>	<u>648</u>	<u>528</u>	<u>385</u>
<b>Other Income (Expense):</b>			
Interest expense	(152)	(120)	(99)
Equity in earnings of equity method affiliate	26	28	28
Other, net	—	—	—
Total Other Expense	<u>(126)</u>	<u>(92)</u>	<u>(71)</u>
<b>Income Before Income Tax</b>	<u>522</u>	<u>436</u>	<u>314</u>
Income tax expense	(1)	(1)	1
<b>Net Income</b>	<u>\$ 523</u>	<u>\$ 437</u>	<u>\$ 313</u>
Less: Net income attributable to noncontrolling interest	2	1	1
<b>Net Income Attributable to Limited Partners</b>	<u>\$ 521</u>	<u>\$ 436</u>	<u>\$ 312</u>
Less: Series A Preferred Unit distributions	36	36	22
<b>Net Income Attributable to Common and Subordinated Units <sup>(1)</sup></b>	<u>\$ 485</u>	<u>\$ 400</u>	<u>\$ 290</u>
<b>Basic earnings per unit</b>			
Common units	\$ 1.12	\$ 0.92	\$ 0.69
Subordinated units <sup>(1)</sup>	\$ —	\$ 0.93	\$ 0.68
<b>Diluted earnings per unit</b>			
Common units	\$ 1.11	\$ 0.92	\$ 0.69
Subordinated units <sup>(1)</sup>	\$ —	\$ 0.93	\$ 0.68

1. All outstanding subordinated units converted into common units on a one-for-one basis on Aug. 30, 2017

# Non-GAAP Reconciliations

	Year Ended December 31,		
	2018	2017	2016
	(In millions)		
<b>Reconciliation of Gross margin to Total Revenues:</b>			
<b>Consolidated</b>			
Product sales	\$ 2,106	\$ 1,653	\$ 1,172
Service revenue	<u>1,325</u>	<u>1,150</u>	<u>1,100</u>
Total Revenues	3,431	2,803	2,272
Cost of natural gas and natural gas liquids (excluding depreciation and amortization)	<u>1,819</u>	<u>1,381</u>	<u>1,017</u>
Gross margin	<u>\$ 1,612</u>	<u>\$ 1,422</u>	<u>\$ 1,255</u>
<b>Reportable Segments</b>			
<i>Gathering and Processing</i>			
Product sales	\$ 2,016	\$ 1,538	\$ 1,081
Service revenue	<u>802</u>	<u>632</u>	<u>559</u>
Total Revenues	2,818	2,170	1,640
Cost of natural gas and natural gas liquids (excluding depreciation and amortization)	<u>1,741</u>	<u>1,285</u>	<u>915</u>
Gross margin	<u>\$ 1,077</u>	<u>\$ 885</u>	<u>\$ 725</u>
<i>Transportation and Storage</i>			
Product sales	\$ 625	\$ 621	\$ 479
Service revenue	<u>537</u>	<u>525</u>	<u>545</u>
Total Revenues	1,162	1,146	1,024
Cost of natural gas and natural gas liquids (excluding depreciation and amortization)	<u>628</u>	<u>604</u>	<u>492</u>
Gross margin	<u>\$ 534</u>	<u>\$ 542</u>	<u>\$ 532</u>

# Non-GAAP Reconciliations Continued

	Year Ended December 31,		
	2018	2017	2016
(In millions, except Distribution coverage ratio)			
<b>Reconciliation of Adjusted EBITDA and DCF to net income attributable to limited partners and calculation of Distribution coverage ratio:</b>			
Net income attributable to limited partners	\$ 521	\$ 436	\$ 312
Depreciation and amortization expense	398	366	338
Interest expense, net of interest income	152	120	99
Income tax expense	(1)	(1)	1
Distributions received from equity method affiliate in excess of equity earnings	7	5	15
Non-cash equity-based compensation	16	15	13
Change in fair value of derivatives	(26)	(28)	60
Other non-cash losses <sup>(1)</sup>	7	11	26
Impairments	—	—	9
Adjusted EBITDA	<u>\$ 1,074</u>	<u>\$ 924</u>	<u>\$ 873</u>
Series A Preferred Unit distributions <sup>(2)</sup>	(36)	(36)	(31)
Distributions for phantom and performance units <sup>(3)</sup>	(5)	(2)	—
Adjusted interest expense <sup>(4)</sup>	(159)	(123)	(103)
Maintenance capital expenditures	(114)	(101)	(101)
Current income taxes	—	(2)	1
DCF	<u>\$ 760</u>	<u>\$ 660</u>	<u>\$ 639</u>
Distributions related to common and subordinated unitholders <sup>(5)</sup>			
	<u>\$ 552</u>	<u>\$ 551</u>	<u>\$ 539</u>
Distribution coverage ratio	<u>1.38</u>	<u>1.20</u>	<u>1.18</u>

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 years-ended December 31, 2018 and 2017. The year-ended December 31, 2016 amount includes the prorated quarterly cash distribution on the Series A Preferred Units declared on April 26, 2016. 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 and subordinated units outstanding as of each respective period. Amounts for 2018 reflect estimated cash distributions for common units outstanding for the quarter ended December 31, 2018. All outstanding subordinated units converted into common units on a one-for-one basis on August 30, 2017

# Non-GAAP Reconciliations Continued

	Year Ended December 31,		
	2018	2017	2016
	(In millions)		
<b>Reconciliation of Adjusted EBITDA to net cash provided by operating activities:</b>			
Net cash provided by operating activities	\$ 924	\$ 834	\$ 721
Interest expense, net of interest income	152	120	99
Net income attributable to noncontrolling interest	(2)	(1)	(1)
Current income taxes	—	2	(1)
Other non-cash items <sup>(1)</sup>	7	4	12
Proceeds from insurance	2	2	—
Changes in operating working capital which (provided) used cash:			
Accounts receivable	11	28	(4)
Accounts payable	(6)	(54)	40
Other, including changes in noncurrent assets and liabilities	5	12	(68)
Return of investment in equity method affiliate	7	5	15
Change in fair value of derivatives	(26)	(28)	60
Adjusted EBITDA	<u>\$ 1,074</u>	<u>\$ 924</u>	<u>\$ 873</u>

	Year Ended December 31,		
	2018	2017	2016
	(In millions)		
<b>Reconciliation of Adjusted interest expense to Interest expense:</b>			
Interest Expense	\$ 152	\$ 120	\$ 99
Amortization of premium on long-term debt	6	6	6
Capitalized interest on expansion capital	6	—	1
Amortization of debt expense and discount	(5)	(3)	(3)
Adjusted interest expense	<u>\$ 159</u>	<u>\$ 123</u>	<u>\$ 103</u>

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



# 2019 Forward Looking Non-GAAP Reconciliation

	<u>2019 Outlook</u>
	(In millions)
<b>Reconciliation of Adjusted EBITDA and distributable cash flow to net income attributable to limited partners and calculation of Distribution coverage ratio:</b>	
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	<u>\$1,090 - \$1,180</u>
Series A Preferred Unit distributions <sup>(1)</sup>	\$36
Adjusted interest expense	\$195 - \$215
Maintenance capital expenditures	\$105 - \$125
Other	<u>\$5 - \$6</u>
DCF	<u><u>\$740 - \$810</u></u>

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

# 2019 Forward Looking Non-GAAP Reconciliation Continued

	<u>2019 Outlook</u>
	(In millions)
<b>Reconciliation of Adjusted interest expense to Interest expense:</b>	
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	<u>\$195 - \$215</u>

\*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.