Hess Midstream LP Announces 2026 Guidance, Extends Return of Capital Program

December 9, 2025

2026 and Long-Term Throughput Volumes Guidance

- ***Hess Midstream LP ("Hess Midstream") expects relatively flat throughput volumes in oil and gas in 2026, compared with 2025, consistent with Chevron plans to operate three drilling rigs commencing in the fourth quarter of 2025, as previously announced.***
- ***Hess Midstream expects approximately 1.5% annualized growth in gas throughput volumes and relatively flat oil throughput volumes from 2026 through 2028.***

2026 Financial Guidance

- ***Hess Midstream expects $650 - $700 million of net income and $1,225 - $1,275 million of Adjusted EBITDA[1] in 2026, with Adjusted EBITDA approximately flat at the midpoint of guidance, compared with 2025.***
- ***Hess Midstream expects total capital expenditures of approximately $150 million in 2026, a significant reduction from 2025 estimated capital expenditures.***

Long-Term Financial Guidance

- ***Hess Midstream expects net income and Adjusted EBITDA annualized growth of approximately 5% through 2028 from 2026 levels, driven primarily by higher gas volumes, annual tariff rate increases and lower operating costs.***
- ***Hess Midstream expects a continued reduction in capital expenditures through 2028, with levels declining to less than $75 million in both 2027 and 2028, significantly lower compared with prior levels.***
- ***Hess Midstream expects Adjusted Free Cash Flow[1] annualized growth of approximately 10% through 2028 from 2026 levels, driven primarily by lower capital spending and inflation escalation in tariff rates.***

Capital Allocation

- ***Hess Midstream is targeting annual distribution per Class A share growth of at least 5% through 2028, expected to be fully funded from Adjusted Free Cash Flow even at minimum volume commitment ("MVC") levels.***
- ***Hess Midstream expects to generate approximately $1 billion of Adjusted Free Cash Flow after Distributions[1] through 2028 that is expected to be available for incremental shareholder returns and debt repayment. Hess Midstream continues to prioritize financial strength and expects its long-term leverage to decrease below 3x Adjusted EBITDA.***

(1) Adjusted EBITDA, Gross Adjusted EBITDA Margin, Adjusted Free Cash Flow and Adjusted Free Cash Flow after Distributions are non-GAAP measures. Definitions and reconciliations of these non-GAAP measures to GAAP reporting measures appear in the following pages of this release.

HOUSTON--(BUSINESS WIRE)--Dec. 9, 2025-- Hess Midstream LP (NYSE: HESM) ("Hess Midstream") today provided financial and operational guidance and expectations.

"We continue to successfully execute our strategy of delivering safe and reliable execution," said Jonathan Stein, Chief Executive Officer of Hess Midstream. "With growing net income and Adjusted EBITDA together with planned significant reductions in future capital expenditures, we expect to have clear visibility to a sustained increase in cash flow and continued returns to shareholders."

Full Year 2026 Guidance

Hess Midstream expects full year 2026 net income of between $650 million and $700 million and Adjusted EBITDA of between $1,225 million and $1,275 million. Gross Adjusted EBITDA Margin[1] is targeted to be approximately 75% in 2026.

In 2026, Hess Midstream expects to generate Adjusted Free Cash Flow of between $850 million and $900 million and approximately $210 million at the midpoint of guidance after funding distributions that are targeted to grow at least 5% per annum on a distribution per Class A share basis.

In 2026, full year gas gathering volumes are anticipated to average between 450 to 460 million cubic feet ("MMcf") of natural gas per day and gas processing volumes are expected to average 435 to 445 MMcf of natural gas per day, reflecting Chevron's three-rig program in the Bakken.

Crude oil gathering volumes are anticipated to average 115 to 125 thousand barrels ("MBbl") per day of crude oil in 2026, and crude oil terminaling volumes are expected to average 125 to 135 MBbl of crude oil per day.

Water gathering volumes are expected to average 125 to 135 MBbl of water per day for full year 2026.

Full Year 2026 Capital Guidance

Hess Midstream expects 2026 capital expenditures of approximately $150 million. Approximately $125 million of the 2026 capital budget is allocated to ongoing capital expenditures for gathering system well connects to service Chevron and third-party customers and maintenance, while approximately $25 million is allocated to complete compression and gathering pipeline buildout.

Full year 2026 guidance is summarized below:

	Year Ending December 31, 2026 (Unaudited)
Financials (*in millions*)	
Net income	$ 650 – 700
Adjusted EBITDA	$ 1,225 – 1,275
Capital expenditures	$ 150
Adjusted free cash flow	$ 850 – 900

	Year Ending December 31, 2026 (Unaudited)
Throughput volumes	
Gas gathering - MMcf of natural gas per day	450 – 460
Crude oil gathering - MBbl of crude oil per day	115 – 125
Gas processing - MMcf of natural gas per day	435 – 445
Crude terminals - MBbl of crude oil per day	125 – 135
Water gathering - MBbl of water per day	125 – 135

Minimum Volume Commitments

As part of the annual nomination process set forth in our long-term commercial contracts with Chevron, MVCs were reviewed and updated based on Chevron's volume nominations, which are based on Chevron's expectations of its own volumes and third-party throughput volumes contracted through Chevron. MVCs are set annually at 80% of Chevron's nomination for the three years following each nomination. Once set, MVCs for each year can only be increased and not reduced.

	Chevron Minimum Volume Commitments		
	2026	2027	2028
Gas Gathering Agreement- MMcf of natural gas per day	419	422	346
Crude Oil Gathering Agreement- MBbl of crude oil per day	111	113	89
Gas Processing and Fractionation Agreement- MMcf of natural gas per day	396	404	336
Terminaling and Export Services Agreement - MBbl of crude oil per day	118	124	99
Water Services Agreement - MBbl of water per day	105	100	94

Long-Term Volume and Financial Metrics

Supported by a combination of growth in physical volumes across gas systems, higher average tariff rates and lower capital spending from 2026 through 2028, Hess Midstream expects net income and Adjusted EBITDA annualized growth of approximately 5% through 2028 from 2026 levels. Gas processing and gathering is expected to represent approximately 75% of total affiliate revenues from 2026 through 2028, excluding pass-through revenues. Gross Adjusted EBITDA Margin is targeted to be approximately 75% from 2026 through 2028. Hess Midstream expects to start paying income taxes in 2026.

Hess Midstream expects capital expenditures of less than $75 million a year in each of 2027 and 2028, significantly lower compared with 2026 levels. This includes ongoing capital expenditures focused on the interconnection of Chevron and third-party gas, oil, water volumes and maintenance.

Hess Midstream expects Adjusted Free Cash Flow annualized growth of approximately 10% through 2028 from 2026 levels, which is expected to be more than sufficient to fully fund targeted distribution growth.

Hess Midstream expects approximately 1.5% annualized growth in gas throughput volumes and relatively flat oil throughput volumes from 2026 through 2028, consistent with Chevron's plans to maintain production at approximately 200,000 barrels of oil equivalent per day and Hess Midstream maintaining third party volumes at 10% of total throughput on average across oil and gas volumes.

Capital Allocation

Hess Midstream is targeting annual distribution per Class A share growth of at least 5% through 2028, expected to be fully funded from Adjusted Free Cash Flow and expects to generate approximately $1 billion of Adjusted Free Cash Flow after Distributions through 2028 that is expected to be available for incremental shareholder returns and debt repayment. Hess Midstream continues to prioritize financial strength and expects its long-term leverage to decrease below 3x Adjusted EBITDA.

Governance Changes

With Hess Corporation's ("Hess") integration with Chevron largely complete and his appointment as an executive officer of Chevron, Andrew Walz resigned from the board of directors of Hess Midstream GP LLC, the general partner of Hess Midstream's general partner (the "Hess Midstream Board"), effective December 4, 2025. Kristi McCarthy, an existing member of the Hess Midstream Board, has been appointed the new Chair. In addition, Barbara Harrison, vice president, Crude Supply and Trading at Chevron, has been appointed to the Hess Midstream Board.

About Hess Midstream

Hess Midstream is a fee-based, growth-oriented midstream company that owns, operates, develops and acquires a diverse set of midstream assets to provide services to Chevron, its subsidiaries, and third-party customers. Hess Midstream owns oil, gas and produced water handling assets that are primarily located in the Bakken and Three Forks Shale plays in the Williston Basin area of North Dakota. More information is available at www.hessmidstream.com.

As used in this news release, the term "Chevron" may refer to Chevron Corporation, one or more of its consolidated subsidiaries, or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

Reconciliation of U.S. GAAP to Non-GAAP Measures

In addition to our financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), management utilizes certain additional non-GAAP measures to facilitate comparisons of past performance and future periods. We define "Adjusted EBITDA" as reported net income (loss) before net interest expense, income tax expense (benefit), and depreciation and amortization, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, such as transaction costs, other income and other non-cash and non-recurring items, if applicable. We define "Adjusted Free Cash Flow" as Adjusted EBITDA less net interest, excluding amortization of deferred financing costs, cash paid for federal and state income taxes, capital expenditures and ongoing contributions to equity investments. We define "Adjusted Free Cash Flow after Distributions" as Adjusted Free Cash Flow less cash distributions to shareholders and to noncontrolling interest. We define "Gross Adjusted EBITDA Margin" as the ratio of Adjusted EBITDA to total revenues, less pass-through revenues. We believe that investors' understanding of our performance is enhanced by disclosing these measures as they may assist in assessing our 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, and assessing the ability of our assets to generate sufficient cash flow to make distributions to our shareholders. These measures are not, and should not be viewed as, a substitute for GAAP net income or cash flow from operating activities and should not be considered in isolation. Reconciliations of Adjusted EBITDA, Adjusted Free Cash Flow and Gross Adjusted EBITDA Margin to reported net income (GAAP), net cash provided by operating activities (GAAP) and gross margin (GAAP), respectively, are provided below. Hess Midstream is unable to project net cash provided by operating activities with a reasonable degree of accuracy 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 occur. Therefore, Hess Midstream is unable to provide projected net cash provided by operating activities, or the related reconciliation of projected Adjusted Free Cash Flow to projected net cash provided by operating activities without unreasonable effort. Hess Midstream is unable to project passthrough revenues with a reasonable degree of accuracy. Therefore, Hess Midstream is unable to provide a reconciliation of Gross Adjusted EBITDA Margin without unreasonable effort.

	Guidance Year Ending December 31, 2026 (Unaudited)
(in millions)	
Reconciliation of Adjusted EBITDA and Adjusted Free Cash Flow to net income:	
Net income	$ 650 – 700
Plus:	
Depreciation expense	230
Interest expense, net	220
Income tax expense	125
Adjusted EBITDA	$ 1,225 – 1,275
Less:	
Interest, net	210
Capital expenditures	150
Cash paid for income taxes	15
Adjusted free cash flow	$ 850 - 900
Distributions[1]	665
Adjusted free cash flow after distributions[2]	$ 210

(1) Reflects targeted distributions

(2) Adjusted Free Cash Flow of ~$875MM, at guidance midpoint, after funding targeted distributions

Cautionary Note Regarding Forward-looking Information

This press release contains "forward-looking statements" within the meaning of U.S. federal securities laws. Words such as "anticipate," "estimate," "expect," "forecast," "guidance," "could," "may," "should," "would," "believe," "intend," "project," "plan," "predict," "will," "target" and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our future financial and operational results; our business strategy; our industry; our expected revenues; our future profitability; our maintenance or expansion projects; our projected budget and capital expenditures and the impact of such expenditures on our performance; future economic and market conditions in the oil and gas industry; and our ability to execute incremental return of capital to shareholders and debt repayment.

Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements. The following important factors could cause actual results to differ materially from those in our forward-looking statements: the ability of Chevron and other parties to satisfy their obligations to us, including Chevron's ability to meet its drilling and development plans on a timely basis or at all, its ability to deliver its nominated volumes to us, and the operation of joint ventures that we may not control; our ability to generate sufficient cash flow to pay current and expected levels of distributions; reductions in the volumes of crude oil, natural gas, natural gas liquids ("NGLs") and produced water we gather, process, terminal or store; the actual volumes we gather, process, terminal or store for Chevron in excess of our MVCs and relative to Chevron's nominations; fluctuations in the prices and demand for crude oil, natural gas and NGLs; changes in global economic conditions and the effects of a global economic downturn or inflation on our business and the business of our suppliers, customers, business partners and lenders; our ability to comply with government regulations or make capital expenditures required to maintain compliance, including our ability to obtain or maintain permits necessary for capital projects in a timely manner, if at all, or the revocation or modification of existing permits; our ability to successfully identify, evaluate and timely execute our capital projects, investment opportunities and growth strategies, whether through organic growth or acquisitions; costs or liabilities associated with federal, state and local laws, regulations and governmental actions applicable to our business, including legislation and regulatory initiatives relating to environmental protection and health and safety, such as spills, releases, pipeline integrity and measures to limit greenhouse gas emissions and climate change; our ability to comply with the terms of our credit facility, indebtedness and other financing arrangements, which, if accelerated, we may not be able to repay; reduced demand for our midstream services, including the impact of weather or the availability of the competing third-party midstream gathering, processing and transportation operations; potential disruption or interruption of our business due to catastrophic events, such as accidents, severe weather events, labor disputes, information technology failures, constraints or disruptions and cyber-attacks; any limitations on our ability to access debt or capital markets on terms that we deem acceptable, including as a result of weakness in the oil and gas industry or negative outcomes within commodity and financial markets; liability resulting from litigation; risks and uncertainties associated with Hess' integration with Chevron; and other factors described in Item 1A—Risk Factors in our Annual Report on Form 10-K and any additional risks described in our other filings with the Securities and Exchange Commission.

As and when made, we believe that our forward-looking statements are reasonable. However, given these risks and uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

View source version on businesswire.com: https://www.businesswire.com/news/home/20251209354302/en/

For Hess Midstream LP
Investor Contact:
Jennifer Gordon
(212) 536-8244

Source: Hess Midstream LP