



Hess Midstream LP Reiterates First Quarter and 2022 Annual Guidance

March 1, 2022

HOUSTON--(BUSINESS WIRE)--Mar. 1, 2022-- Hess Midstream LP (NYSE: HESM) ("Hess Midstream") today reiterated its first quarter and full-year 2022 guidance, which includes approximately 95% minimum volume commitment ("MVC") revenue, as Hess Midstream's physical volumes are generally expected to be at or below MVC levels and full year throughput volume guidance remains unchanged. Hess Midstream continues to target 5% annual distribution per share growth through 2024 with annual distribution coverage greater than 1.4x, including distribution coverage greater than 1.5x in 2022. In addition, Hess Midstream is expected to generate Adjusted Free Cash Flow more than sufficient to fully fund targeted distributions in 2022, and for leverage to be approximately 2.6x Adjusted EBITDA on a full-year basis, which is expected to provide capital allocation flexibility.

First Quarter 2022 guidance is reiterated below:

| | Quarter Ending March 31, 2022 |
|---------------------------------|--|
| | (Unaudited) |
| Financials (in millions) | |
| Net income | \$ 150 – 160 |
| Adjusted EBITDA | \$ 235 – 245 |
| Distributable cash flow | \$ 205 – 215 |

Full year 2022 guidance is reiterated below:

| | Year Ending December 31, 2022 |
|----------------------------------|--|
| | (Unaudited) |
| Financials (in millions) | |
| Net income | \$ 630 – 660 |
| Adjusted EBITDA | \$ 970 – 1,000 |
| Distributable cash flow | \$ 840 – 870 |
| Expansion capital expenditures | \$ 225 |
| Maintenance capital expenditures | \$ 10 |
| Adjusted free cash flow | \$ 615 – 645 |

| | Year Ending December 31, 2022 |
|---|--|
| | (Unaudited) |
| Throughput volumes | |
| Gas gathering - MMcf of natural gas per day | 350 – 365 |
| Crude oil gathering - MBbl of crude oil per day | 100 – 105 |
| Gas processing - MMcf of natural gas per day | 330 – 345 |
| Crude terminals - MBbl of crude oil per day | 110 – 115 |
| Water gathering - MBbl of water per day | 70 – 75 |

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

About Hess Midstream

Hess Midstream LP is a fee-based, growth-oriented midstream company that operates, develops and acquires a diverse set of midstream assets to provide services to Hess 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.

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. "Adjusted EBITDA" presented in this release is defined as reported net income (loss) before net interest expense, income tax expense, depreciation and amortization and our proportional share of depreciation of our equity affiliates, 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, non-recurring items, if applicable. “Distributable Cash Flow” or “DCF” is defined as Adjusted EBITDA less net interest, excluding amortization of deferred financing costs, cash paid for federal and state income taxes and maintenance capital expenditures. DCF does not reflect changes in working capital balances. We define “Adjusted Free Cash Flow” as DCF less expansion capital expenditures and ongoing contributions to equity investments. 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, DCF and Adjusted Free Cash Flow to reported net income (GAAP) 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.

| | Guidance | |
|---|---------------------|-------------------|
| | Three Months Ending | Year Ending |
| | March 31, 2022 | December 31, 2022 |
| | (Unaudited) | |
| (in millions) | | |
| Reconciliation of Adjusted EBITDA, Distributable Cash Flow and Adjusted Free Cash Flow to net income: | | |
| Net income | \$ 150 - 160 | \$ 630 – 660 |
| Plus: | | |
| Depreciation expense* | 45 | 190 |
| Interest expense, net | 35 | 130 |
| Income tax expense | 5 | 20 |
| Adjusted EBITDA | \$ 235 - 245 | \$ 970 – 1,000 |
| Less: | | |
| Interest, net, and maintenance capital expenditures | 30 | 130 |
| Distributable cash flow | \$ 205 - 215 | \$ 840 – 870 |
| Less: | | |
| Expansion capital expenditures | | 225 |
| Adjusted free cash flow | | \$ 615 – 645 |

*Includes proportional share of equity affiliates’ depreciation

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; and future economic and market conditions in the oil and gas industry.

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 direct and indirect effects of the COVID-19 global pandemic and other public health developments on our business and those of our business partners, suppliers and customers, including Hess; the ability of Hess and other parties to satisfy their obligations to us, including Hess’ 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 Hess in excess of our MVCs and relative to Hess’ nominations; fluctuations in the prices and demand for crude oil, natural gas and NGLs, including as a result of the COVID-19 global pandemic; changes in global economic conditions and the effects of a global economic downturn 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 safety, such as spills, releases, pipeline integrity and measures to limit greenhouse gas emissions; 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; 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.

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