

News Release

HESS MIDSTREAM LP REPORTS ESTIMATED RESULTS FOR THE FIRST QUARTER OF 2021

First Quarter 2021 Highlights:

- **Net income was \$159.6 million. Net cash provided by operating activities was \$165.4 million.**
- **Net income attributable to Hess Midstream LP was \$8.6 million, or \$0.45 per Class A share, after deduction for noncontrolling interests.**
- **Adjusted EBITDA¹ was \$226.7 million, Distributable Cash Flow¹ was \$204.6 million and Adjusted Free Cash Flow¹ was \$182.2 million.**
- **Increased quarterly cash distribution to \$0.4526 per Class A share, an increase of 1.2% compared with the fourth quarter of 2020 and 5% on an annualized basis, resulting in a 1.6x coverage ratio relative to distributions.**
- **Hess Midstream LP is targeting annual distribution per share growth of at least 5% through 2023 with expected annual distribution coverage greater than 1.4x.**
- **Hess Midstream LP is reaffirming its previously announced guidance for full year 2021.**

HOUSTON, April 28, 2021—Hess Midstream LP (NYSE: HESM) (“Hess Midstream”) today reported first quarter 2021 net income of \$159.6 million compared with net income of \$129.0 million for the first quarter of 2020. After deduction for noncontrolling interests, net income attributable to Hess Midstream was \$8.6 million, or \$0.45 per Class A share. Hess Midstream generated Adjusted EBITDA of \$226.7 million. Distributable Cash Flow (“DCF”) for the first quarter of 2021 was \$204.6 million and Adjusted Free Cash Flow was \$182.2 million.

“We continue to advance projects that will significantly expand our gas capture capability further positioning us for long-term organic growth,” said John Gatling, President and Chief Operating Officer of Hess Midstream. “With 95% revenue protection from minimum volume commitments through 2022, we are uniquely positioned to deliver continued growth in Adjusted EBITDA, adjusted free cash flow and distributions with low leverage and downside contract protection.”

Hess Midstream’s results contained in this release are consolidated to include the noncontrolling interests in Hess Midstream Operations LP owned by affiliates of Hess Corporation (“Hess”) and Global Infrastructure Partners (“GIP”). We refer to certain results as “attributable to Hess Midstream LP,” which exclude the noncontrolling interests in Hess Midstream Operations LP owned by Hess and GIP.

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.

Financial Results

Revenues and other income in the first quarter of 2021 were \$288.8 million compared with \$290.8 million in the prior-year quarter. First quarter 2021 revenues included \$18.8 million of pass-through rail transportation, electricity, produced water trucking and disposal costs and \$13.4 million of shortfall fee payments related to minimum volume commitments compared with \$49.3 million and \$1.0 million, respectively, in the prior-year quarter. Excluding pass-through revenues, first quarter 2021 revenues and other income were up \$28.5 million compared to the prior-year quarter primarily due to higher tariff rates. Total costs and expenses in the first quarter of 2021 were \$106.3 million down from \$138.0 million in the prior-year quarter. The decrease was primarily attributable to lower pass-through transportation costs.

Net income for the first quarter of 2021 was \$159.6 million, or \$0.45 per Class A share, after deduction for noncontrolling interests. Substantially all of income tax expense is attributed to earnings of Class A shares reflective of our organizational structure. Net cash provided by operating activities for the first quarter of 2021 was \$165.4 million.

Adjusted EBITDA for the first quarter of 2021 was \$226.7 million. Relative to distributions, DCF for the first quarter of 2021 of \$204.6 million resulted in an approximately 1.6x distribution coverage ratio. Adjusted Free Cash Flow for the first quarter of 2021 was \$182.2 million.

Operational Highlights

Throughput volumes decreased 23% for crude oil terminaling and 22% for crude oil gathering in the first quarter of 2021 compared with the first quarter of 2020 due to reduced drilling activity and the impact of severe winter weather. Throughput volumes decreased 6% for gas gathering and gas processing in the first quarter of 2021 compared with the first quarter of 2020 driven by lower third-party volumes, partially offset by higher gas capture of Hess volumes. The impact of the reduction in physical volumes in the first quarter of 2021 compared to the first quarter of 2020 was offset by higher tariff rates and shortfall fee payments related to minimum volume commitments. Water gathering volumes increased 30% compared with the year-ago quarter reflecting continued steady organic growth of our water handling business. Third parties comprised approximately 15% of crude oil gathering and 10% of gas gathering volumes for the first quarter of 2021. Hess added a second operated rig in the Bakken in February 2021.

Capital Expenditures

Capital expenditures for the first quarter of 2021 totaled \$23.1 million, including \$22.4 million of expansion capital expenditures and \$0.7 million of maintenance capital expenditures, and were primarily attributable to continued expansion of our gathering and compression capacity. Capital expenditures in the prior-year quarter were \$57.0 million, including \$55.3 million of expansion capital expenditures and \$1.7 million of maintenance capital expenditures, and were primarily attributable to construction and fabrication activities for the Tioga Gas Plant expansion.

Quarterly Cash Distributions

On April 23, 2021, our general partner's board of directors declared a cash distribution of \$0.4526 per Class A share for the first quarter of 2021, an increase of 1.2% over the distribution for the prior quarter, which equals a 5% increase on an annualized basis. The distribution is expected to be paid on May 13, 2021 to shareholders of record as of the close of business on May 3, 2021.

Guidance

Hess Midstream is targeting annual distribution per share growth of at least 5% through 2023 with expected annual distribution coverage greater than 1.4x. In 2021 and 2022, Hess Midstream expects revenues that are 95% protected by minimum volume commitments. Hess Midstream reaffirms its previously announced guidance for full year 2021 as follows:

	Year Ending December 31, 2021 (Unaudited)	
Financials (in millions)		
Net income	\$	590 – 620
Adjusted EBITDA	\$	860 – 890
Distributable cash flow	\$	750 – 780
Expansion capital expenditures	\$	140
Maintenance capital expenditures	\$	20
Adjusted free cash flow	\$	610 – 640

	Year Ending December 31, 2021 (Unaudited)	
Throughput volumes		
Gas gathering* - MMcf of natural gas per day		285 – 295
Crude oil gathering - MBbl of crude oil per day		110 – 120
Gas processing* - MMcf of natural gas per day		270 – 280
Crude terminals - MBbl of crude oil per day		120 – 130
Water gathering - MBbl of liquids per day		60 – 70

**Gas gathering and gas processing throughput volumes in 2021 guidance each reflect an approximate 30 MMcf of natural gas per day reduction due to the planned Tioga Gas Plant turnaround.*

Investor Webcast

Hess Midstream will review first quarter financial and operating results and other matters on a webcast today at 12:00 p.m. Eastern Time. The live audio webcast is accessible on the Investor page of our website www.hessmidstream.com. Conference call numbers for participation are 866-395-9624, or 213-660-0871 for international callers. The passcode number is 6996363. A replay of the conference call will be available at the same location following the event.

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) and net cash provided by operating activities (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.

First Quarter (unaudited)	
<u>2021</u>	<u>2020</u>

(in millions, except ratio and per-share data)

**Reconciliation of Adjusted EBITDA and
Distributable Cash Flow to net income:**

Net income	\$ 159.6	\$ 129.0
Plus:		
Depreciation expense	40.2	38.5
Proportional share of equity affiliates' depreciation	1.3	1.3
Interest expense, net	23.1	24.8
Income tax expense (benefit)	2.5	1.7
Adjusted EBITDA	<u>226.7</u>	<u>195.3</u>
Less:		
Interest, net ⁽¹⁾	21.4	23.3
Maintenance capital expenditures	0.7	1.7
Distributable cash flow	<u>\$ 204.6</u>	<u>\$ 170.3</u>

**Reconciliation of Adjusted EBITDA,
Distributable Cash Flow and Adjusted
Free Cash Flow to net cash provided
by operating activities:**

Net cash provided by operating activities	\$ 165.4	\$ 140.2
Changes in assets and liabilities	43.8	28.4
Amortization of deferred financing costs	(1.7)	(1.8)
Proportional share of equity affiliates' depreciation	1.3	1.3
Interest expense, net	23.1	24.8
Earnings from equity investments	2.7	2.7
Distribution from equity investments	(7.5)	-
Other	(0.4)	(0.3)
Adjusted EBITDA	<u>\$ 226.7</u>	<u>\$ 195.3</u>
Less:		
Interest, net ⁽¹⁾	21.4	23.3
Maintenance capital expenditures	0.7	1.7
Distributable cash flow	<u>\$ 204.6</u>	<u>\$ 170.3</u>
Less:		
Expansion capital expenditures	22.4	55.3
Adjusted free cash flow ⁽²⁾	<u>\$ 182.2</u>	<u>\$ 115.0</u>
Distributed cash flow	128.8	122.6
Distribution coverage ratio	1.6x	1.4x
Distribution per Class A share	\$ 0.4526	\$ 0.4310

(1) Excludes amortization of deferred financing costs.

(2) Adjusted Free Cash Flow as reported in this release reflects Hess Midstream's definition of Adjusted Free Cash Flow, which is DCF less expansion capital expenditures and ongoing contributions to equity investments, adopted in the fourth quarter of 2020 to conform to definitions used by other publicly traded midstream energy companies. Prior period calculations of Adjusted Free Cash Flow have been recast to conform to the new presentation, as applicable.

Guidance
Year Ending
December 31, 2021
(Unaudited)

(in millions)

**Reconciliation of Adjusted EBITDA, Distributable Cash Flow
and Adjusted Free Cash Flow to net income:**

Net income	\$	590 – 620
Plus:		
Depreciation expense*		160
Interest expense, net		100
Income tax expense		10
Adjusted EBITDA	\$	<u>860 – 890</u>
Less:		
Interest, net, and maintenance capital expenditures		110
Distributable cash flow	\$	<u>750 – 780</u>
Less:		
Expansion capital expenditures		140
Adjusted free cash flow	\$	<u>610 – 640</u>

*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 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; 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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HESS MIDSTREAM LP
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

	<u>First Quarter 2021</u>	<u>First Quarter 2020</u>	<u>Fourth Quarter 2020</u>
<u>Statement of operations</u>			
Revenues			
Affiliate services	\$ 288.8	\$ 290.6	\$ 266.5
Other income	-	0.2	-
Total revenues	<u>288.8</u>	<u>290.8</u>	<u>266.5</u>
Costs and expenses			
Operating and maintenance expenses (exclusive of depreciation shown separately below)	59.8	91.9	66.6
Depreciation expense	40.2	38.5	40.0
General and administrative expenses	6.3	7.6	5.2
Total costs and expenses	<u>106.3</u>	<u>138.0</u>	<u>111.8</u>
Income from operations	182.5	152.8	154.7
Income from equity investments	2.7	2.7	3.1
Interest expense, net	23.1	24.8	23.4
Income before income tax expense (benefit)	162.1	130.7	134.4
Income tax expense (benefit)	2.5	1.7	2.1
Net income	<u>\$ 159.6</u>	<u>\$ 129.0</u>	<u>\$ 132.3</u>
Less: Net income attributable to noncontrolling interest	151.0	122.5	125.7
Net income attributable to Hess Midstream LP	<u>\$ 8.6</u>	<u>\$ 6.5</u>	<u>\$ 6.6</u>
Net income attributable to Hess Midstream LP per Class A share:			
Basic	\$ 0.45	\$ 0.37	\$ 0.36
Diluted	\$ 0.43	\$ 0.35	\$ 0.36
Weighted average Class A shares outstanding			
Basic	19.3	18.0	18.0
Diluted	19.4	18.0	18.2

HESS MIDSTREAM LP
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

	First Quarter 2021				
	Gathering	Processing and Storage	Terminals and Export	Interest and Other	Total
Statement of operations					
Revenues					
Affiliate services	\$ 152.7	\$ 103.5	\$ 32.6	\$ -	\$ 288.8
Total revenues	<u>152.7</u>	<u>103.5</u>	<u>32.6</u>	<u>-</u>	<u>288.8</u>
Costs and expenses					
Operating and maintenance expenses (exclusive of depreciation shown separately below)	33.0	22.5	4.3	-	59.8
Depreciation expense	24.9	11.2	4.1	-	40.2
General and administrative expenses	2.4	1.6	0.2	2.1	6.3
Total costs and expenses	<u>60.3</u>	<u>35.3</u>	<u>8.6</u>	<u>2.1</u>	<u>106.3</u>
Income (loss) from operations	92.4	68.2	24.0	(2.1)	182.5
Income from equity investments	-	2.7	-	-	2.7
Interest expense, net	-	-	-	23.1	23.1
Income before income tax expense (benefit)	92.4	70.9	24.0	(25.2)	162.1
Income tax expense (benefit)	-	-	-	2.5	2.5
Net income (loss)	92.4	70.9	24.0	(27.7)	159.6
Less: Net income (loss) attributable to noncontrolling interest	86.0	66.1	22.4	(23.5)	151.0
Net income (loss) attributable to Hess Midstream LP	<u>\$ 6.4</u>	<u>\$ 4.8</u>	<u>\$ 1.6</u>	<u>\$ (4.2)</u>	<u>\$ 8.6</u>

	First Quarter 2020				
	Gathering	Processing and Storage	Terminals and Export	Interest and Other	Total
Statement of operations					
Revenues					
Affiliate	\$ 141.6	\$ 96.8	\$ 52.2	\$ -	\$ 290.6
Other income	-	0.2	-	-	0.2
Total revenues	<u>141.6</u>	<u>97.0</u>	<u>52.2</u>	<u>-</u>	<u>290.8</u>
Costs and expenses					
Operating and maintenance expenses (exclusive of depreciation shown separately below)	40.4	24.2	27.3	-	91.9
Depreciation expense	23.3	11.2	4.0	-	38.5
General and administrative expenses	2.0	1.6	0.2	3.8	7.6
Total costs and expenses	<u>65.7</u>	<u>37.0</u>	<u>31.5</u>	<u>3.8</u>	<u>138.0</u>
Income (loss) from operations	75.9	60.0	20.7	(3.8)	152.8
Income from equity investments	-	2.7	-	-	2.7
Interest expense, net	-	-	-	24.8	24.8
Income before income tax expense (benefit)	75.9	62.7	20.7	(28.6)	130.7
Income tax expense (benefit)	-	-	-	1.7	1.7
Net income (loss)	75.9	62.7	20.7	(30.3)	129.0
Less: Net income (loss) attributable to noncontrolling interest	71.1	58.7	19.4	(26.7)	122.5
Net income (loss) attributable to Hess Midstream LP	<u>\$ 4.8</u>	<u>\$ 4.0</u>	<u>\$ 1.3</u>	<u>\$ (3.6)</u>	<u>\$ 6.5</u>

HESS MIDSTREAM LP
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS)

	Fourth Quarter 2020				
	Gathering	Processing and Storage	Terminaling and Export	Interest and Other	Total
<u>Statement of operations</u>					
Revenues					
Affiliate services	\$ 141.0	\$ 96.6	\$ 28.9	\$ -	\$ 266.5
Total revenues	141.0	96.6	28.9	-	266.5
Costs and expenses					
Operating and maintenance expenses (exclusive of depreciation shown separately below)	33.4	27.3	5.9	-	66.6
Depreciation expense	24.8	11.2	4.0	-	40.0
General and administrative expenses	2.1	1.7	0.1	1.3	5.2
Total costs and expenses	60.3	40.2	10.0	1.3	111.8
Income (loss) from operations	80.7	56.4	18.9	(1.3)	154.7
Income from equity investments	-	3.1	-	-	3.1
Interest expense, net	-	-	-	23.4	23.4
Income before income tax expense (benefit)	80.7	59.5	18.9	(24.7)	134.4
Income tax expense (benefit)	-	-	-	2.1	2.1
Net income (loss)	80.7	59.5	18.9	(26.8)	132.3
Less: Net income (loss) attributable to noncontrolling interest	75.4	55.8	17.6	(23.1)	125.7
Net income (loss) attributable to Hess Midstream LP	\$ 5.3	\$ 3.7	\$ 1.3	\$ (3.7)	\$ 6.6

HESS MIDSTREAM LP
SUPPLEMENTAL OPERATING DATA (UNAUDITED)
(IN THOUSANDS)

	First Quarter 2021	First Quarter 2020	Fourth Quarter 2020
<u>Throughput volumes</u>			
Gas gathering - Mcf of natural gas per day	316	336	333
Crude oil gathering - bopd	117	150	130
Gas processing - Mcf of natural gas per day	302	322	317
Crude terminals - bopd	125	163	132
NGL loading - blpd	13	15	15
Water gathering - blpd	70	54	81