AN INVESTMENT PRIMER

Midstream and Energy Infrastructure

Pipelines, LNG, and Oilfield Services

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CONTENTS

EXECUTIVE SUMMARY

The midstream and energy infrastructure complex is in the early-to-middle innings of a multi-year demand expansion driven by two durable forces: the LNG export buildout and structural growth in natural gas-fired power generation tied to data centers. Both are gas-centric, and the most prominent opportunities in the universe (Williams, Kinder Morgan, Energy Transfer, DT Midstream, Cheniere, Venture Global) are most exposed to these gas trends.

Among large-cap natural gas pipelines, Williams (WMB), Kinder Morgan (KMI), and Energy Transfer (ET) have the most direct and contracted exposure to data center power demand, with named hyperscaler counterparties and disclosed project economics. DT Midstream (DTM) is the cleanest Upper Midwest pure-play and arguably the most underappreciated name in the group given its growth profile. Cheniere (LNG) remains the dominant US LNG exporter and the most direct beneficiary of widened global gas price spreads, though its heavily contracted volume base mutes near-term spot upside. Venture Global (VG) is the second public LNG exporter, with stronger growth optionality but elevated execution and arbitration risk.

Several names carry meaningful exposure to crude oil and natural gas liquids: Plains All American is a crude midstream pure-play, Enterprise Products, MPLX, and ONEOK derive significant cash flow from NGL processing, fractionation, and exports, and Targa Resources is heavily tied to Permian NGL economics. Patterson-UTI is more directly exposed to oil-driven drilling activity, while Archrock and USA Compression are tied to gas volumes but indirectly affected by oil prices via producer capex.

The dominant risk across the complex is weaker commodity prices that pull producer capex down. Pipelines and LNG would still benefit from US gas demand growth, but oilfield services activity and crude midstream names (PAA in particular) would weaken further if oil drops materially.

Names by investment thesis

Investment Thesis	Primary Name	Secondary Name
High-yield/Income	WES (8.1%)	MPLX (7.8%), HESM (7.8%)
LNG export growth runway	LNG (Cheniere)	VG (Venture Global)
AI and data center power	WMB	ET, KMI, DTM
Permian basin	ET	TRGP, EPD, PAA
Compression and services	AROC	USAC, PTEN
Quality/Balance sheet	KMI	EPD

INDUSTRY OVERVIEW

Energy infrastructure companies provide the physical pipes, terminals, processing plants, compressors, drilling equipment, and ships that move hydrocarbons from wellhead to end market. Unlike upstream producers, these businesses earn most of their cash flow under long-term fee-based contracts that are largely insulated from commodity price volatility. The result is a sector profile that combines current income with embedded growth tied to volumes rather than prices.

Pipelines

The investable pipeline universe breaks into three categories: long-haul gas transmission with LNG and power exposure, gathering and processing tied to basin and commodity mix, and crude midstream tied to Permian volumes and contract structure.

Long-haul natural gas transmission

Long-haul gas transmission is the highest-quality category and the one with the most direct line of sight to LNG and data center demand. Williams (WMB), Kinder Morgan (KMI), Energy Transfer (ET), and DT Midstream (DTM) anchor this category. Revenue is overwhelmingly fee-based with long contract durations of 10 to 20 years, and contracts are typically take-or-pay, meaning the shipper pays even if they do not flow gas. Returns on new capital are competitive but disciplined: build multiples of 5x to 7x EBITDA are typical, with mid-teens unlevered returns.

Gathering and processing

Gathering and processing connects wells to long-haul pipes and separates natural gas liquids from dry gas. Targa Resources (TRGP), Western Midstream (WES), Antero Midstream (AM), Hess Midstream (HESM), and parts of Enterprise Products (EPD), MPLX, and ONEOK (OKE) operate in this category. G&P economics are more sensitive to producer activity than long-haul transmission because volumes flow through these systems before reaching long-haul pipes. Basin exposure drives the differences in this category: Permian operators (TRGP, MPLX, EPD, OKE, WES) benefit from associated gas growth even with flat oil production, while Appalachia (AM) benefits from data center demand pulling Marcellus volumes east and south.

Crude midstream

Crude midstream gathers, transports, and stores crude oil. Plains All American (PAA) is the largest pure-play. Energy Transfer (ET) and Enterprise Products (EPD) have meaningful crude exposure as part of broader integrated platforms. Crude midstream economics are tied to volumes and to long-haul tariff rates which can reset over time. With Permian crude volumes guided roughly flat in 2026 and rate compression in certain contract resets, crude midstream is the least structurally exciting sub-segment, though distribution yields are attractive on a current-income basis.

LNG export

US LNG export capacity has tripled since 2018 and is on track to double again by 2030. The two publicly traded pure-play exporters are Cheniere (LNG) and Venture Global (VG). Cheniere operates Sabine Pass and Corpus Christi at approximately 46 mtpa today and is growing toward 75 mtpa through Phase 1

expansions. Venture Global operates Calcasieu Pass (commercial operations declared April 2025) and Plaquemines LNG (commissioning), with CP2 as the next major development. Beyond these two, Williams owns a 10% interest in Woodside's Louisiana LNG, Energy Transfer's Lake Charles project has been suspended, and most other large terminals are owned by private operators (NextDecade) or integrated supermajors (ExxonMobil at Golden Pass).

The LNG economics work as follows. Operators contract roughly 85 to 95 percent of their offtake under 15 to 20 year contracts with foundation customers, who pay a fixed fee plus 115% of Henry Hub for the gas. The remaining capacity is sold on the spot market. The bulk of the cash flow is fee-based and stable, but spot exposure provides upside in tight markets. Cheniere's 2026 EBITDA guidance of $6.75 to $7.25 billion is actually below 2025 actuals despite higher contracted volumes because spot margins are normalizing from the post-Russia/Ukraine peak. Venture Global remains in heavy growth mode with its CP2 project advancing toward FID; the company also faces ongoing arbitration disputes with foundation customers over commissioning-period cargoes at Calcasieu Pass.

Oilfield services and compression

Oilfield services covers companies that provide equipment, labor, and technology to upstream producers. The investable universe ranges from drilling rigs (Patterson-UTI) to compression (Archrock, USA Compression Partners) to pressure pumping and completions (ProPetro, Liberty) to integrated services (Halliburton, Schlumberger, Baker Hughes).

For this primer the focus is on compression and onshore services. The two large publicly traded compression operators are Archrock (AROC), a C-corp, and USA Compression Partners (USAC), an MLP whose general partner is wholly owned by Energy Transfer. Compression is structurally advantaged because natural gas requires compression at multiple stages including wellhead, gathering, and transmission, and demand for compression grows directly with gas volumes regardless of oil prices. Contracts are typically multi-year (Archrock averages 73 months on location), and utilization runs above 95% across both operators.

Onshore services such as drilling rigs and completions are more cyclical and tied directly to producer capex, which had softened with oil prices in the low $60s until earlier this year. US rig count has declined materially. The opportunity within services is Patterson-UTI's strategic shift toward natural gas-fueled completion fleets, which are sold out into 2026 and benefit from the same gas-demand thesis as compression.

MACRO DRIVERS

The investment case rests on three structural shifts.

First, US natural gas demand is accelerating after a decade of stagnation. Kinder Morgan expects total US natural gas demand to reach approximately 150 Bcf/d by 2031, up from roughly 110 Bcf/d today. INGAA estimates North America requires nearly 40,000 miles of new natural gas pipeline and a 39% increase in transmission capacity by 2052. According to East Daley Analytics, up to 22 Bcf/d of new pipeline capacity is expected to enter service in 2026, the largest annual addition since 2008.

Second, US LNG exports are expanding from approximately 15 Bcf/d in 2025 to a projected 17.0 Bcf/d in 2026 and 18.6 Bcf/d in 2027 (per the EIA Short-Term Energy Outlook), with multiple new trains coming online including Corpus Christi Stage 3 Trains 5 through 7, Golden Pass Trains 1 and 2, and Plaquemines and Rio Grande expansions. The widening price spread between Henry Hub and international benchmarks structurally favors US cargo economics.

Third, data center power demand is creating a new demand layer that did not exist five years ago. S&P Global Ratings projects 3 to 6 Bcf/d of incremental natural gas demand for US data centers by 2030, with Natural Gas Intelligence citing a broader analyst consensus range of 4 to 8 Bcf/d. PJM Interconnection's 2025 Long-Term Load Forecast projects peak summer electricity demand growth of 32 GW between 2024 and 2030, with data centers responsible for 94% of that increase. PJM also expects to add at least 11 GW of new data center capacity by 2030 in Northern Virginia alone, representing more than 40% of the state's current peak demand.

Layered on these structural drivers, the 2026 Strait of Hormuz crisis has widened the spread between Henry Hub and international LNG benchmarks in favor of US LNG, providing a near-term boost to Gulf Coast cargo economics.

The result is a sector that combines current income with most names yielding between 4% and 9%, modest-to-strong dividend growth of 3% to 12% annually depending on the name, and visible multi-year EBITDA growth backed by contracted project backlogs.

LNG export buildout

US LNG exports averaged approximately 15 Bcf/d in 2025. The EIA Short-Term Energy Outlook projects 17.0 Bcf/d in 2026 and 18.6 Bcf/d in 2027. The named near-term projects are: Cheniere's Corpus Christi Stage 3 brings on Trains 3 through 7 across 2026 and 2027, Golden Pass starts up Trains 1 and 2, Plaquemines Phase 2 expands further, and Rio Grande LNG starts commercial deliveries. Cheniere has filed FERC applications for Phase 1 expansions at both Sabine Pass and Corpus Christi that would grow its operating capacity by approximately 50%, with longer-term planning targeting roughly 75 mtpa.

The implication for midstream is feedgas demand, which draws from the Haynesville via LEAP, Gulf Run, and similar takeaway, the Marcellus via Transco southbound flows and Mountain Valley Pipeline, and increasingly the Permian via the Matterhorn, Blackcomb, Eiger Express, and Traverse system. Williams holds a 10% interest in Woodside Energy's Louisiana LNG project, providing direct equity exposure beyond the contracted transportation business.

Data center and AI power demand

Forecasts of incremental natural gas demand for US data centers by 2030 generally cluster in the 3 to 8 Bcf/d range, with S&P Global Ratings projecting 3 to 6 Bcf/d depending on the energy mix and Natural Gas Intelligence citing analyst consensus of 4 to 8 Bcf/d. S&P Global Ratings also projects that if 50% of incremental data center capacity comes from natural gas, the grid would need up to 50 GW of incremental generation supply by 2030. Rystad Energy estimates over 100 GW of US data center demand coming online between 2024 and 2035, roughly 10 times New York City's 2023 summer peak demand. EPRI projects data centers consuming 4.6% to 9.1% of US electricity by 2030, with most forecasts clustering between 300 and 400 TWh per year.

Kinder Morgan estimates that approximately 70% of future power demand from data centers under development sits in states served by its assets. Energy Transfer is pursuing more than 150 data center opportunities and has contracted over 6 Bcf/d of pipeline capacity in the past year to demand-pull customers. Williams is building Project Socrates for Meta in New Albany, Ohio, with two gas-fired power plants and a 20-mile pipeline coming online late 2026, plus Apollo (Ohio) and Aquila (Utah) projects in development. A detailed corridor-by-corridor analysis follows in the data center section.

Geopolitics and US LNG spreads

The March attack on Qatar's Ras Laffan facility (damaging two trains representing 17% of Qatari export capacity, with repairs estimated at up to five years), has widened the spread between Henry Hub and international LNG benchmarks. US LNG cargo economics have widened, supporting Cheniere realized margins and the broader pipeline complex that feeds Gulf Coast terminals.

Capex cycle and free cash flow inflection

Midstream sector capex stepped up 61% in 2025 and is expected to rise another 23% in 2026. The good news is that growth capex is mostly funded from operating cash flow rather than equity issuance. The cautionary note is that several names, notably Williams and MPLX, are running negative free cash flow after distributions during peak capex years. Most projects coming online today were sanctioned at returns in the mid-teens with build multiples of 5x to 6x EBITDA, which should translate into step-changes in EBITDA in 2027 through 2029 as projects ramp.

Sector net debt to EBITDA has fallen materially over the past decade, with most large-caps now operating between 3.0x and 5.0x. Investment-grade ratings have been restored across most of the universe. The result is a backdrop where balance sheets can support continued growth capex while returning capital through both distribution growth and buybacks.

DATA CENTER DEEP DIVE

Geographic mapping

The data center buildout is geographically concentrated and unevenly distributed. Five regions account for the overwhelming majority of new capacity, and each is served by a different gas supply system. Year-to-date 2026, US data center spending totaled $46.5 billion through March, with the Illinois-through-Ohio rust belt corridor leading at over $22 billion in Q1 starts. Texas had $1.3 billion in new starts year-to-date, followed by Arizona at $400 million.

Data Center Corridor	Gas Supply Source	Primary Pipeline Operators
Northern Virginia, Mid-Atlantic	Appalachia (Marcellus/Utica)	WMB (Transco), KMI (Tennessee Gas)
Texas, ERCOT	Permian Basin	ET, KMI, EPD, MPLX, TRGP, OKE
Upper Midwest (IL/IN/OH/WI)	Marcellus and Haynesville	DTM, WMB (Project Socrates), KMI
Desert Southwest (Arizona)	Permian and San Juan	ET (Desert SW), KMI (EPNG)
Georgia, Southeast	Appalachia and Gulf	WMB (Transco SSE), KMI (SNG)

Source: Company filings and East Daley Analytics data center tracker.

WMB is the only large pipeline with truly direct exposure to the densest data center market (Northern Virginia), while ET is the dominant player in the fastest-growing market (Texas). KMI is the broadest because their network touches every corridor. DTM is the smallest and most concentrated pure-play in the second-largest emerging market (Upper Midwest).

Exposure ranking

Direct contracted exposure

These four names have named hyperscaler contracts or specific data center projects in their disclosure.

Williams (WMB)

WMB has the cleanest hyperscaler exposure of any large-cap pipeline because Transco is the literal pipe to Northern Virginia, and the company is now building gas-fired power plants directly for hyperscalers. Project Socrates serves Meta in New Albany, Ohio, with two gas-fired power plants (Plato North and Plato South) and a 20-mile pipeline coming online late 2026. Apollo (Ohio) and Aquila (Utah) are in development, with a recently announced Socrates the Younger project also in Ohio. The Power Innovation business has $5.1 billion of committed capital. Power Express adds 950 MMcf/d on Transco between Station 165 and Northern Virginia. Southeast Supply Enhancement (1.6 Bcf/d) is the largest earnings-contribution project in the company's 118-year history.

Energy Transfer (ET)

ET's data center book is deeper than appreciated even six months ago. The Hugh Brinson Pipeline (2.2 Bcf/d, expected in service Q4 2026) and Desert Southwest Pipeline ($5.3 billion, 1.5 Bcf/d to Arizona) are explicitly built for this demand. Named contracts include Oracle (deliveries flowing on first lateral, two more by mid-2026), CloudBurst (10-year agreement, up to 0.45 Bcf/d to an AI-focused data center),

Fermi, and one behind-the-meter hyperscaler that recently upsized its volume commitment almost five-fold to 0.38 Bcf/d. Management is actively pursuing more than 150 data center opportunities.

Kinder Morgan (KMI)

KMI has the broadest geographic optionality. Approximately 70% of future data center power demand sits in states served by KMI assets. Project backlog of $10.1 billion is 92% gas-weighted, with disclosed build multiples of approximately 5.6x EBITDA. KMI added three data-center-related projects to backlog in Q1 2026 alone, and the $505 million Monument Pipeline acquisition expands Gulf Coast LNG and power generation reach. KMI owns Southern Natural Gas (Georgia/Southeast), EPNG (Desert Southwest), and Tennessee Gas (East Coast), providing direct connectivity to four of the five DC corridors.

DT Midstream (DTM)

DTM is the cleanest Upper Midwest pure-play. Management slides show approximately 50 GW of utility-announced data center and large load opportunities across MISO and PJM, implying roughly 7.5 Bcf/d of natural gas demand. The Guardian G3 expansion adds 537 MMcf/d (40% capacity boost) supported by 20-year contracts with five utilities. DTM is also building a Midwestern system transmission lateral serving AES Indiana's Petersburg Generating Station coal-to-gas conversion. Backlog of $3.4 billion supports forecasted 12.9% EBITDA CAGR through 2030, well above the company's 5-7% long-term target.

Indirect but quality exposure

Targa Resources (TRGP)

TRGP does not sign hyperscaler contracts directly but aggregates the Permian gas that feeds Texas data centers. Major buildout of natural gas processing plants in the Permian plus Mont Belvieu Train 13 NGL fractionator. The thesis is that the Permian becomes both supply source and demand sink simultaneously as Chevron and others build behind-the-meter data center campuses.

MPLX (MPLX)

Strong Permian and Marcellus footprint with substantial Permian takeaway exposure via the Eiger Express (3.7 Bcf/d expansion), Blackcomb (2.5 Bcf/d), and Traverse (2.5 Bcf/d bi-directional). 2026 capital plan of $2.4 billion with 90% earmarked for natural gas and NGL services. Most projects come online in 2028, so the data center read is later-cycle.

ONEOK (OKE)

Owns 15% of Eiger Express alongside Matterhorn JV (70%) and MPLX (15%). 2026 EBITDA guidance reflects first full year of EnLink and Medallion contributions in Texas and Oklahoma. Development of dedicated natural gas spurs to serve 500MW+ data centers in ERCOT and SPP power grids. Less direct DC contract visibility than ET or KMI.

Enterprise Products (EPD)

Best balance sheet in the space and three Permian processing plants placed in service in the past 12 months. Q1 2026 set 12 new operational records including gas processing inlet volumes of 8.3 Bcf/d. More conservative on chasing DC contracts (intentional), which caps the upside narrative but supports the franchise quality.

Volume and basin exposure

Antero Midstream (AM)

Appalachian volumes that will feed Mid-Atlantic and Pennsylvania data center projects. Antero is tracking approximately 5 Bcf/d of Appalachia regional gas demand from power and data center projects (Monarch Cloud Campus 430 MMcf/d, Mon Power coal-to-gas conversion 640 MMcf/d, Shippingport Industrial Park 800 MMcf/d, plus EQT-supplied Homer City 665 MMcf/d).

Western Midstream, Plains All American, Hess Midstream

Limited direct DC exposure. WES is Delaware Basin G&P, benefiting indirectly from Permian gas processing growth. PAA is pure crude with no DC exposure except indirectly via associated gas. HESM is Bakken focused and geographically remote from major DC corridors. These names should be evaluated on yield, contract structure, and basin merits rather than the data center theme.

Second-derivative exposure

Every pipe expansion above (Hugh Brinson, Desert Southwest, Eiger, LEAP, Guardian) requires compression. Archrock is the cleanest expression of that derived compression demand. Permian gas volumes are expected to grow at mid-single-digit rates while oil production stays roughly flat, supporting sustained compression demand. AROC's 95.5% Q4 utilization and 2026 backlog 85% contracted reflect that dynamic.

Most direct exposure ranked

Rank	Company	Rationale
1	WMB	Named hyperscaler power projects (Meta), Transco to densest market, SSE expansion
2	ET	Most named hyperscaler contracts (Oracle, CloudBurst, Fermi); two DC-oriented pipes
3	KMI	Broadest geographic exposure; 70% of future DC demand on footprint
4	DTM	Best Upper Midwest pure-play; 20-year utility contracts; 12.9% CAGR
5	TRGP	Best Permian G&P footprint to capture in-basin DC power demand
6	MPLX	Strong basin footprint but mostly 2028+ projects
7	OKE	Eiger Express partner and EnLink Texas/Oklahoma footprint
8	EPD	High-quality Permian feedgas, more conservative on chasing DC contracts
9	AROC	Second-derivative: compression follows gas volume growth

VALUATION AND FINANCIAL COMPARISON

Consolidated comparison

Ticker	Yield	2026 EBITDA Guide	Dist/Div Growth	Capex Guide	Leverage	Distribution Coverage	EV/EBITDA
Long-haul gas transmission							
KMI	3.5%	~$8.85B	~2%	~$2.5-3.0B	3.66x	2.11x	12.1x
WMB	2.7%	$8.05-8.35B	5%	$7.0-7.6B	3.96x	2.41x	15.3x
DTM	2.3%	$1.155-1.225B	~5%	~$1.0B	2.92x	~2.0x	15.4x
Diversified large-cap (gas, NGL, crude)							
ET	6.7%	$17.45-17.85B	3-5%	$5.0-5.5B	3.79x	1.7-1.8x	7.6x
EPD	5.6%	~$10.7B	~4%	$2.2-2.5B	3.07x	1.5x	11.0x
MPLX	7.8%	~$7.3B	12.5%	$2.4B	3.41x	1.3x	11.1x
OKE	4.6%	~$8.3B	~4%	~$2.5B	3.94x	~2.0x	10.9x
Gathering & processing							
TRGP	1.8%	~$5.75B	High	~$3.0B	3.46x	~3.0x+	13.6x
WES	8.1%	$2.5-2.7B	~2%	~$925M	3.05x	1.2x	9.7x
AM	4.1%	$1.22B	Growing	~$250M	2.89x	~1.8x	11.5x
HESM	7.8%	$1.225-1.275B	≥5%	~$105M	2.97x	~1.4x	9.6x
Crude midstream							
PAA	7.2%	~$2.89B	~10%	~$350M	3.29x	1.5-1.6x	9.0x
LNG export							
LNG	0.9%	$6.75-7.25B	~10%	Phase 1 FID	2.76x	~1.4x	9.4x
VG	0.5%	N/A (new IPO)	N/A	CP2 FID-driven	4.87x	N/A	9.2x
Compression & services							
AROC	2.4%	$865-915M	Growing	$400-445M	2.63x	~2.0x	9.9x
USAC	7.1%	$770-800M	Stable	~$235M	3.84x	~1.5x	9.3x
PTEN	3.3%	~$1.5B	Modest	<$500M	0.88x	High FCF	6.4x

Source: Factset and company disclosures.
Note: Leverage uses Net Debt to FY1 EBITDA. Distribution growth reflects management guidance or most recent declared growth or stated target.

Valuation

Ticker	Price	Mkt Cap	EV	Yield	P/E (FY1)	EV/EBITDA (FY1)	Net Debt / EBITDA
Long-haul gas transmission							
KMI	$33.59	$74.7B	$94.5B	3.5%	23.2x	12.1x	3.66x
WMB	$77.88	$95.2B	$105.3B	2.7%	32.9x	15.3x	3.96x
DTM	$148.76	$15.2B	$15.7B	2.3%	31.2x	15.4x	2.92x
Diversified large-cap (gas, NGL, crude)							
ET	$20.16	$69.4B	$143.9B	6.7%	13.9x	7.6x	3.79x
EPD	$39.39	$85.2B	$104.2B	5.6%	13.6x	11.0x	3.07x
MPLX	$55.44	$56.3B	$78.6B	7.8%	12.8x	11.1x	3.41x
OKE	$92.15	$58.1B	$79.1B	4.6%	16.2x	10.9x	3.94x
Gathering & processing							
TRGP	$270.69	$58.1B	$57.3B	1.8%	25.5x	13.6x	3.46x
WES	$46.02	$18.1B	$23.5B	8.1%	13.6x	9.7x	3.05x
AM	$22.08	$10.5B	$11.5B	4.1%	20.0x	11.5x	2.89x
HESM	$40.05	$8.3B	$7.9B	7.8%	13.6x	9.6x	2.97x
Crude midstream							
PAA	$23.33	$16.5B	$29.1B	7.2%	14.7x	9.0x	3.29x
LNG export							
LNG	$243.66	$51.1B	$72.8B	0.9%	15.1x	9.4x	2.76x
VG	$14.03	$34.9B	$54.7B	0.5%	9.6x	9.2x	4.87x
Compression & services							
AROC	$37.29	$6.5B	$7.0B	2.4%	20.0x	9.9x	2.63x
USAC	$29.66	$4.3B	$5.3B	7.1%	22.0x	9.3x	3.84x
PTEN	$12.28	$4.7B	$3.2B	3.3%	N/A	6.4x	0.88x
Average				4.6%	18.6x	10.7x	3.26x
Median				4.1%	15.6x	9.9x	3.29x

Source: Factset.
Note: PTEN P/E shown as N/A due to negative FY1 estimated earnings.

Growth – Sales & EPS

Ticker	FY1 Sales Growth	5Y Sales Growth	FY1 EPS Growth	5Y EPS Growth
Long-haul gas transmission				
KMI	5.1%	(0.4%)	11.1%	3.1%
WMB	3.1%	2.7%	12.6%	11.0%
DTM	8.0%	9.5%	8.1%	6.6%
Diversified large-cap (gas, NGL, crude)				
ET	26.5%	5.3%	20.2%	(4.0%)
EPD	3.7%	5.0%	8.4%	4.8%
MPLX	(0.2%)	4.4%	(0.6%)	10.5%
OKE	10.8%	17.2%	2.6%	11.6%
Gathering & processing				
TRGP	15.9%	(1.8%)	24.1%	60.4%
WES	11.3%	7.9%	5.6%	8.1%
AM	9.2%	7.6%	27.0%	5.6%
HESM	(0.4%)	7.6%	(2.1%)	12.2%
Crude midstream				
PAA	15.9%	0.6%	2.9%	1.8%
LNG export				
LNG	11.3%	(0.2%)	(33.0%)	5.3%
VG	30.0%	N/A	32.8%	N/A
Compression & services				
AROC	4.9%	17.0%	4.3%	81.7%
USAC	33.6%	13.8%	46.0%	64.2%
PTEN	(5.6%)	35.7%	N/A	N/A

Source: Factset
Note: Five-year growth measured cumulatively. OKE sales growth inflated by Magellan acquisition; ET by USA Compression and Crestwood deals. VG has insufficient history for 5-year comparison.

KEY RISKS

Macro risks

Oil price decline: WTI below $55 would compress producer capex meaningfully. Permian production growth would slow, gathering and processing volumes would decline, and oilfield services activity would weaken further. PAA, AROC, and PTEN have the most direct exposure. ET and TRGP have moderate exposure. Pure gas-leveraged names (KMI, WMB, DTM) are less affected.

AI capex compression: A meaningful slowdown in hyperscaler data center spending would reduce the pace of new gas demand additions. Existing contracted projects would still come online, but the runway of incremental opportunities would shrink. WMB and DTM have the most risk because they are valued for sustained growth.

Sector-specific risks

FERC permitting and approvals: Multiple expansion projects await FERC action, including Cheniere's Sabine Pass and Corpus Christi Phase 1 expansions, Williams' Southeast Supply Enhancement, and Energy Transfer's Lake Charles LNG. Delays or denials would push out the EBITDA conversion of the contracted backlog.

Regulatory and permitting (state-level): Pipeline permitting in northeastern states (New York, New Jersey, Pennsylvania) remains contested. Williams' Northeast Supply Enhancement and reviving Constitution Pipeline both face this risk.

Capex execution: Several names (WMB, MPLX, ET) are running peak capex cycles in 2026 with negative free cash flow after distributions. Project delays, cost overruns, or commissioning issues would pressure both EBITDA and dividend coverage.

MLP structure: K-1 tax reporting and unrelated business taxable income (UBTI) considerations limit institutional ownership of MLPs (ET, EPD, MPLX, WES, PAA, USAC).

Permian rate compression: Long-haul Permian crude pipeline contracts entered into during the 2017-2020 buildout are now resetting at lower rates as oil production growth has slowed. PAA has direct exposure; ET has moderate exposure.

SOURCES AND DISCLOSURES

SOURCES

Primary financial and valuation data is sourced from the GFC midstream comps file (May 2026), covering all 17 names in the universe: Kinder Morgan (KMI), Enterprise Products (EPD), Plains All American (PAA), Targa Resources (TRGP), Energy Transfer (ET), ONEOK (OKE), MPLX, Williams (WMB), Western Midstream (WES), Hess Midstream (HESM), Antero Midstream (AM), DT Midstream (DTM), Cheniere (LNG), Venture Global (VG), Archrock (AROC), USA Compression Partners (USAC), and Patterson-UTI (PTEN). Company-specific guidance and operational data are drawn from SEC filings, earnings releases, and investor presentations accessed through FactSet.

Industry and macro sources include: EIA Short-Term Energy Outlook and Annual Energy Outlook 2026, INGAA pipeline capacity studies, S&P Global Ratings and S&P Global Commodity Insights data center gas demand analyses, PJM Interconnection 2025 Long-Term Load Forecast, Rystad Energy data center demand estimates, EPRI electricity demand studies, RBN Energy data center state analyses, East Daley Analytics Data Center Demand Tracker, BloombergNEF data center power forecasts, and Natural Gas Intelligence reporting on midstream developments.

COMPLIANCE DISCLOSURES

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