



2019

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INVESTOR
RELATIONS

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SECOND-QUARTER 2019 REVIEW

July 31, 2019

Cautionary Language Regarding Forward Looking Statements

This presentation contains forward-looking statements. Western Midstream Partners, LP (“WES”) believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this presentation. These factors include the ability to meet financial guidance or distribution-growth expectations; the ability to safely and efficiently operate WES’s assets; the ability to obtain new sources of hydrocarbons and related products; the effect of fluctuations in commodity prices and the demand for hydrocarbons; the ability to meet projected in-service dates for capital growth projects; construction costs or capital expenditures exceeding estimated or budgeted costs or expenditures; and the other factors described in the “Risk Factors” section of WES’s most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission and in their other public filings and press releases. WES undertakes no obligation to publicly update or revise any forward-looking statements. Please also see the attached Appendix and our earnings release, posted on our website at www.westernmidstream.com, for reconciliations of the differences between any non-GAAP financial measures used in this presentation and the most directly comparable GAAP financial measures.

2Q19 vs 1Q19 Financial Performance

(\$ in Millions)

	2Q19	1Q19
Adjusted EBITDA ¹	\$432.9	\$428.3
Total Capital Expenditures ²	\$290.3	\$437.9
Maintenance Capital Expenditures	\$29.9	\$35.7
Distributable Cash Flow ¹	\$335.5	\$340.2
Coverage Ratio ¹	1.20x	1.23x

Note: 1Q19 information includes the full-quarter impact of the financial position and results attributable to the midstream assets acquired from Anadarko in February 2019 ("AMA").

1) Amounts exclude the 25% interest in Chipeta held by a third-party member and the 2.0% limited partner interest in WES Operating held by a subsidiary of Anadarko.

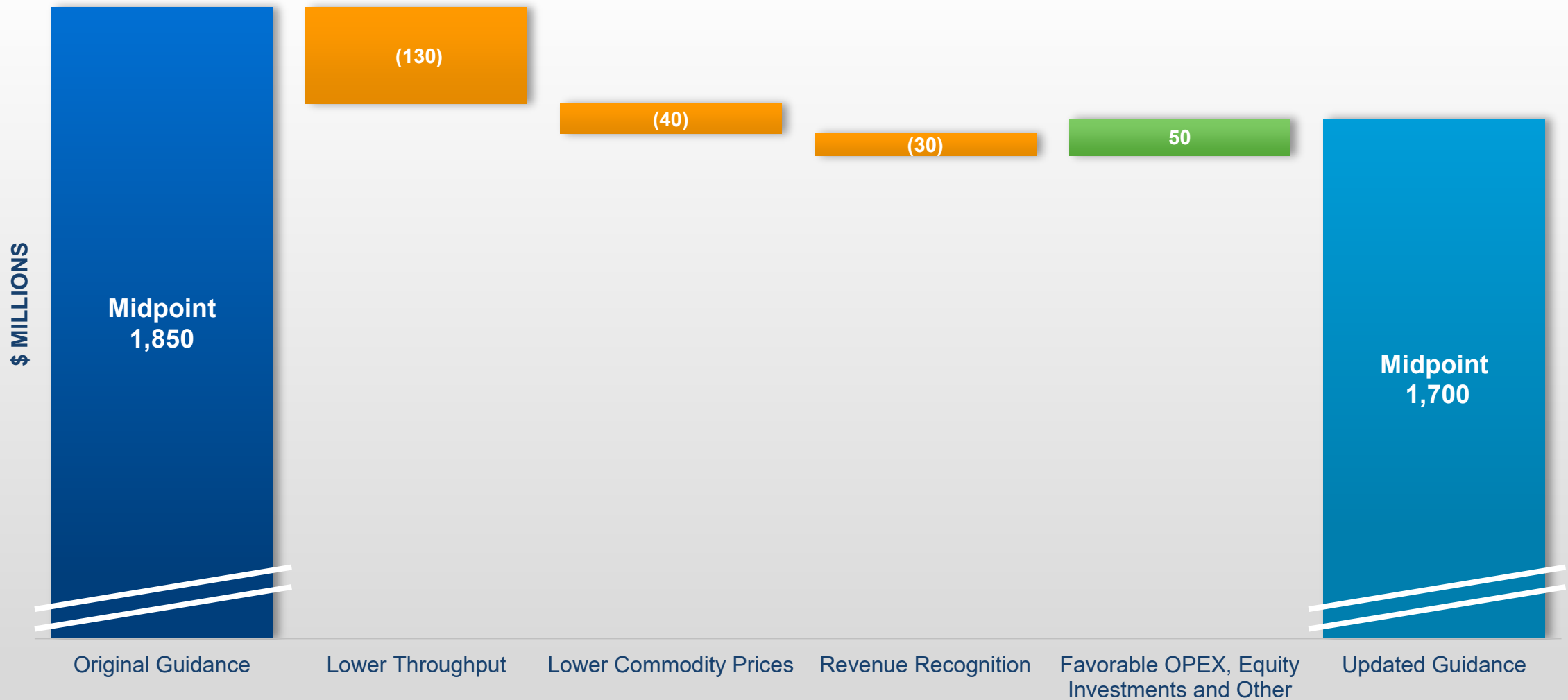
2) Total Capital Expenditures attributable to WES includes equity investments and acquisition capital, including the 1Q19 acquisition of our interests in Red Bluff Express (\$92.5 million), which are accounted for as acquisitions on the statement of cash flows, less capitalized interest.

2Q19 vs 1Q19 Operational Performance

	2Q19	1Q19	Key Drivers
Natural Gas Throughput (Bcf/d)	4.28	4.20	Wyoming assets and Equity Investments
Adjusted Gross Margin for Natural Gas Assets (\$/Mcf)	\$1.06	\$1.09	–
Crude, NGL & Produced Water Throughput (MMBbls/d)	1.11	1.10	DJ Oil and Equity Investments
Adjusted Gross Margin for Crude, NGL & Produced Water Assets (\$/Bbl)	\$1.85	\$1.77	Equity Investment distribution timing

Note: 1Q19 information includes the full-quarter impact of the financial position and results attributable to AMA and all amounts exclude the 25% interest in Chipeta held by a third-party member and the 2.0% limited partner interest in WES Operating held by a subsidiary of Anadarko.

2019 Adjusted EBITDA Guidance Changes



Note: Numbers relating to 2019 Adjusted EBITDA guidance changes are approximate.

A reconciliation of the Adjusted EBITDA range to net cash provided by operating activities and net income is not provided because the items necessary to estimate such amounts are not reasonably accessible or estimable at this time. Amounts exclude the 25% interest in Chipeta held by a third-party member and the 2.0% limited partner interest in WES Operating held by a subsidiary of Anadarko.

Updated 2019 Guidance

(\$ in millions, includes full-year effect of acquired assets)

Adjusted EBITDA¹

2019 Guidance

\$1,675 - \$1,725

Total Capital Expenditures^{2,3}

\$1,300 - \$1,400

Maintenance Capital Expenditures

\$130 - \$140

Annual Distribution Growth

5% - 6%

Annual Distribution Coverage

1.15x

1) A reconciliation of the Adjusted EBITDA range to net cash provided by operating activities and net income is not provided because the items necessary to estimate such amounts are not reasonably accessible or estimable at this time.

2) Includes equity investments.

3) Includes acquisition of a 30% interest in Red Bluff Express Pipeline for an estimated total cost of \$110 million.



Q&A

Appendices

WES Non-GAAP Reconciliation

“Adjusted EBITDA”

WES defines Adjusted EBITDA attributable to Western Midstream Partners, LP (“Adjusted EBITDA”) as net income (loss), plus distributions from equity investments, non-cash equity-based compensation expense, interest expense, income tax expense, depreciation and amortization, impairments, and other expense (including lower of cost or market inventory adjustments recorded in cost of product), less gain (loss) on divestiture and other, net, income from equity investments, interest income, income tax benefit, and other income and excluding the noncontrolling interest owners’ proportionate share of revenues and expenses.

<i>thousands</i>	Three Months Ended	
	June 30, 2019	March 31, 2019
Reconciliation of Net income (loss) to Adjusted EBITDA attributable to Western Midstream Partners, LP		
Net income (loss)	\$ 175,058	\$ 211,979
Add:		
Distributions from equity investments	70,522	62,013
Non-cash equity-based compensation expense	4,343	1,798
Interest expense	79,472	65,876
Income tax expense	1,278	10,092
Depreciation and amortization	121,117	113,946
Impairments	797	390
Other expense	58,639	35,213
Less:		
Gain (loss) on divestiture and other, net	(1,061)	(590)
Equity income, net – affiliates	63,598	57,992
Interest income – affiliates	4,225	4,225
Adjusted EBITDA attributable to noncontrolling interests ⁽¹⁾	11,544	11,350
Adjusted EBITDA attributable to Western Midstream Partners, LP	\$ 432,920	\$ 428,330

1) For all periods presented, includes (i) the 25% interest in Chipeta held by a third-party member and (ii) the 2.0% limited partner interest in WES Operating held by a subsidiary of Anadarko, which collectively represent WES’s noncontrolling interests as of June 30, 2019.

WES Non-GAAP Reconciliation

“Adjusted EBITDA”

WES defines Adjusted EBITDA attributable to Western Midstream Partners, LP (“Adjusted EBITDA”) as net income (loss), plus distributions from equity investments, non-cash equity-based compensation expense, interest expense, income tax expense, depreciation and amortization, impairments, and other expense (including lower of cost or market inventory adjustments recorded in cost of product), less gain (loss) on divestiture and other, net, income from equity investments, interest income, income tax benefit, and other income and excluding the noncontrolling interest owners’ proportionate share of revenues and expenses.

<i>thousands</i>	Three Months Ended	
	June 30, 2019	March 31, 2019
Reconciliation of Net cash provided by operating activities to Adjusted EBITDA attributable to Western Midstream Partners, LP		
Net cash provided by operating activities	\$ 343,458	\$ 343,073
Interest (income) expense, net	75,247	61,651
Uncontributed cash-based compensation awards	1,218	(570)
Accretion and amortization of long-term obligations, net	(1,337)	(1,511)
Current income tax (benefit) expense	458	6,027
Other (income) expense, net ⁽¹⁾	(470)	(432)
Distributions from equity investments in excess of cumulative earnings – affiliates	9,260	7,792
Changes in assets and liabilities:		
Accounts receivable, net	6,818	(9,486)
Accounts and imbalance payables and accrued liabilities, net	25,669	55,529
Other items, net	(15,857)	(22,393)
Adjusted EBITDA attributable to noncontrolling interests ⁽²⁾	(11,544)	(11,350)
Adjusted EBITDA attributable to Western Midstream Partners, LP	\$ 432,920	\$ 428,330

1) Excludes the non-cash loss on interest-rate swaps of \$59.0 million and \$35.6 million for the three months ended June 30, 2019 and March 31, 2019, respectively.

2) For all periods presented, includes (i) the 25% interest in Chipeta held by a third-party member and (ii) the 2.0% limited partner interest in WES Operating held by a subsidiary of Anadarko, which collectively represent WES’s noncontrolling interests as of June 30, 2019.

WES Non-GAAP Reconciliation

“Distributable Cash Flow”

WES defines Distributable cash flow as Adjusted EBITDA, plus interest income and the net settlement amounts from the sale and/or purchase of natural gas, condensate and NGLs under WES Operating’s commodity price swap agreements to the extent such amounts are not recognized as Adjusted EBITDA, less Service revenues – fee based recognized in Adjusted EBITDA (less than) in excess of customer billings, net cash paid (or to be paid) for interest expense (including amortization of deferred debt issuance costs originally paid in cash, offset by non-cash capitalized interest), maintenance capital expenditures, and income taxes and excluding Distributable cash flow attributable to noncontrolling interests to the extent such amounts are not excluded from Adjusted EBITDA.

	Three Months Ended	
	June 30, 2019	March 31, 2019
<i>thousands except Coverage ratio</i>		
Reconciliation of Net income (loss) to Distributable cash flow and calculation of the Coverage ratio		
Net income (loss)	\$ 175,058	\$ 211,979
Add:		
Distributions from equity investments	70,522	62,013
Non-cash equity-based compensation expense	4,343	1,798
Income tax (benefit) expense	1,278	10,092
Depreciation and amortization	121,117	113,946
Impairments	797	390
Above-market component of swap agreements with Anadarko	—	7,407
Other expense	58,639	35,213
Less:		
Recognized Service revenues – fee based (less than) in excess of customer billings	(12,038)	(6,258)
Gain (loss) on divestiture and other, net	(1,061)	(590)
Equity income, net – affiliates	63,598	57,992
Cash paid for maintenance capital expenditures	29,899	35,691
Capitalized interest	6,342	6,205
Cash paid for (reimbursement of) income taxes	—	96
Distributable cash flow attributable to noncontrolling interests ⁽¹⁾	9,529	9,534
Distributable cash flow	\$ 335,485	\$ 340,168
Distributions declared		
Distributions from WES Operating	\$ 282,319	\$ 277,604
Less: Cash reserve for the proper conduct of WES’s business	2,360	1,280
Distributions to WES unitholders ⁽²⁾	\$ 279,959	\$ 276,324
Coverage ratio	1.20 x	1.23 x

1) For all periods presented, includes (i) the 25% interest in Chipeta held by a third-party member and (ii) the 2.0% limited partner interest in WES Operating held by a subsidiary of Anadarko, which collectively represent WES’s noncontrolling interests as of June 30, 2019.

2) Reflects cash distributions of \$0.61800 per unit and \$0.6100 per unit declared for the three months ended June 30, 2019, and March 31, 2019, respectively.

WES Non-GAAP Reconciliation

“Adjusted Gross Margin”

WES defines Adjusted gross margin attributable to Western Midstream Partners, LP (“Adjusted gross margin”) as total revenues and other (less reimbursements for electricity-related expenses recorded as revenue), less cost of product, plus distributions from equity investments, and excluding the noncontrolling interest owner’s proportionate share of revenue and cost of product.

<i>thousands</i>	Three Months Ended	
	June 30, 2019	March 31, 2019
Reconciliation of Operating income (loss) to Adjusted gross margin attributable to Western Midstream Partners, LP		
Operating income (loss)	\$ 310,060	\$ 318,928
Add:		
Distributions from equity investments	70,522	62,013
Operation and maintenance	148,431	142,829
General and administrative	30,027	22,844
Property and other taxes	14,282	16,285
Depreciation and amortization	121,117	113,946
Impairments	797	390
Less:		
Gain (loss) on divestiture and other, net	(1,061)	(590)
Equity income, net – affiliates	63,598	57,992
Reimbursed electricity-related charges recorded as revenues	20,189	16,589
Adjusted gross margin attributable to noncontrolling interests ⁽¹⁾	16,034	15,550
Adjusted gross margin attributable to Western Midstream Partners, LP	\$ 596,476	\$ 587,694
Adjusted gross margin attributable to Western Midstream Partners, LP for natural gas assets	\$ 412,494	\$ 412,428
Adjusted gross margin attributable to Western Midstream Partners, LP for crude oil, NGLs and produced water assets	183,982	175,266

1) For all periods presented, includes (i) the 25% interest in Chipeta held by a third-party member and (ii) the 2.0% limited partner interest in WES Operating held by a subsidiary of Anadarko, which collectively represent WES’s noncontrolling interests as of June 30, 2019.