



Midstream Holdings Analysis IV

November 20, 2025



SPINDLETOP
ENERGY INVESTMENT FUND

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Chosen Portfolio Strategy

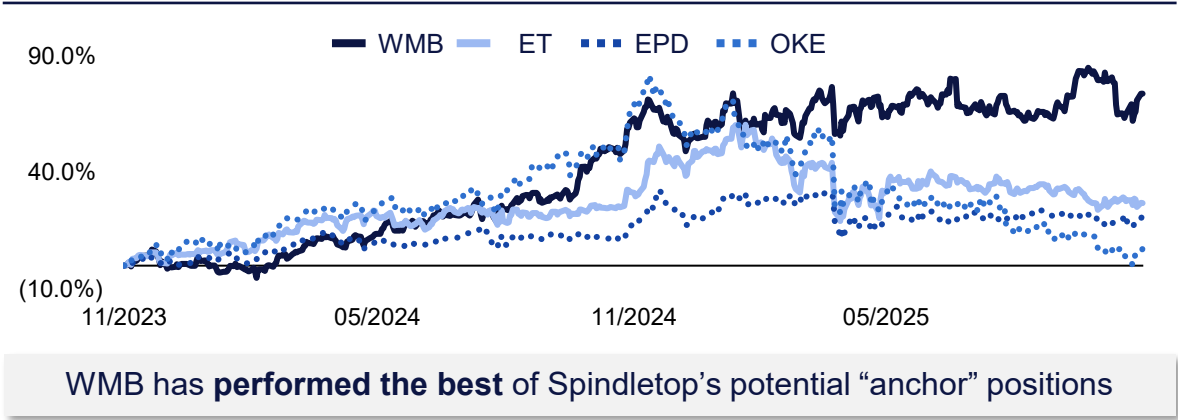


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“Let’s Clear the Air”

Post-Pitch Feedback: After Midstream Holdings Analysis III, the team aims to clarify our desire to **invest previous sale proceeds into WMB.**

Price Performance of Considered Names



“Not an ETF:” The Point of Active Fund Management

Spindletop’s Midstream/Infra. Podium

Williams

1

2

3

Long-Term Growth: Spindletop’s core midstream holding must have dominant exposure to favorable long-term tailwinds

“Tough Cookie”: The player should be able to “weather any storm” caused by transitory volatility (due to Spindletop’s long-term view)

Stable, Predictable Returns: Agnostic to either distributions or price appreciation, the player must have a plan to produce returns

Criteria Check

Possible Names	Long-Term Growth	Tough Cookie	Stable Distributions
Williams	✓	✓	✓
ENERGY TRANSFER	✓	✓	✗
Enterprise Products Partners L.P.	✗	✓	✓
ONEOK	✗	✓	✓

Where Should We Deploy Our \$24,000 of Restricted Cash?

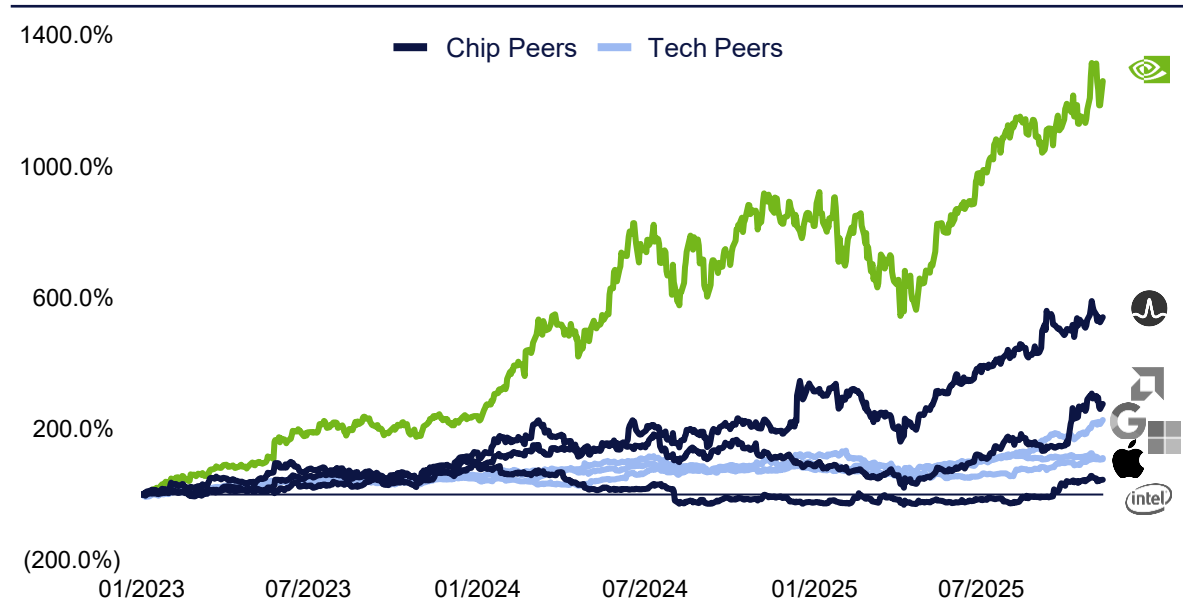
- 1 **Energy Transfer:** Despite their strong standing and stellar yield, the fund is too wary of ET’s “empire-building” approach for a large position.
- 2 **Enterprise Products:** While strong, EPD’s extensive commitment to NGLs misaligns with the fund’s core L48 infrastructure thesis.
- 3 **ONEOK:** As with EPD, ONEOK’s similar reliance on liquids (primarily achieved via Magellan) clouds the company’s growth story.

Answer: **WMB aligns best** with Spindletop’s core midstream thesis

Correlation to Big Tech

“Even Michael Burry Couldn’t Play:” Despite trading above peers, WMB’s business model renders the company **deserving of its valuation.**

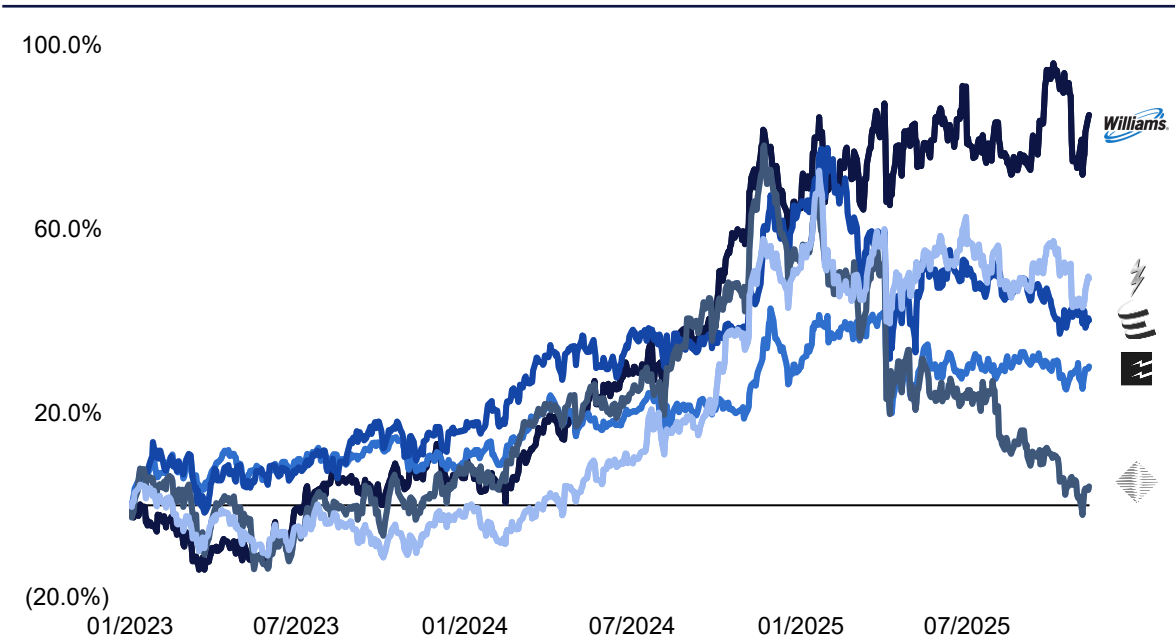
NVDA: A Generational Winner



Current LTM EV/EBITDA						
42.0x	38.0x	34.3x	26.8x	22.8x	18.1x	17.9x

High valuation is warranted due to AI’s immense growth prospects

WMB: Right Place, Right Time



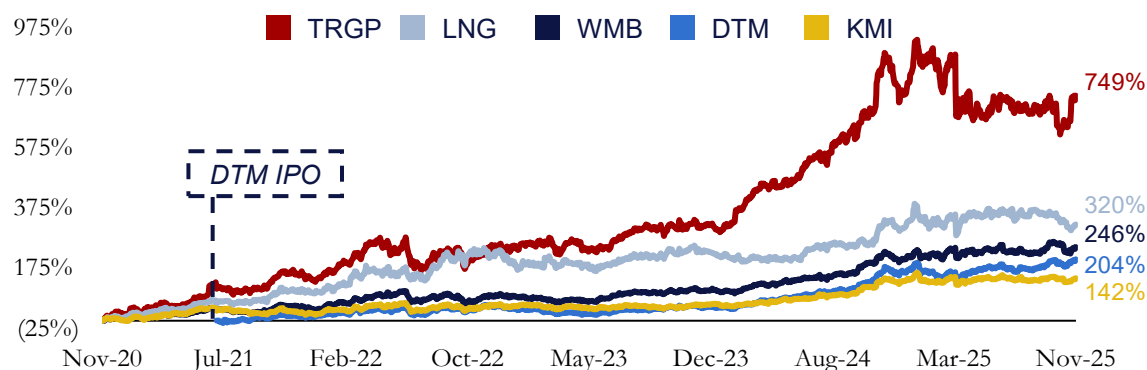
Current LTM EV/EBITDA				
12.2x	10.1x	9.6x	8.6x	7.5x

Premium is deserved due to WMB’s superior positioning

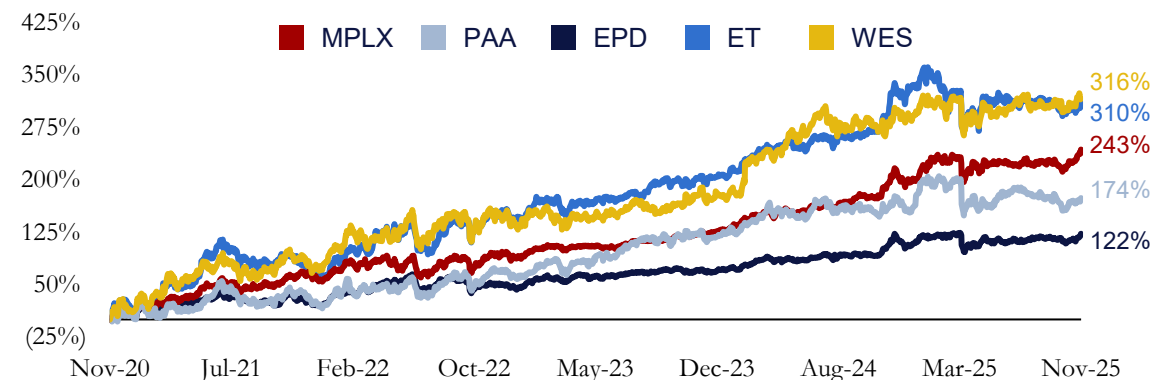
“Don’t Fight The Tape”

Growth vs. Value: With both return profiles and the macro in mind, the team aims to pursue a **growth-oriented midstream approach**.











5-Year Return Profile of Growth Midstream Stocks



5-Year Return Profile of Value Midstream Stocks



Company Information

Category										
Corporate Structure	C-Corp	C-Corp	C-Corp	C-Corp	C-Corp	MLP	MLP	MLP	MLP	MLP
Distribution Yield	3.3%	2.3%	4.2%	1.0%	2.8%	6.8%	9.0%	8.1%	9.4%	7.8%
Growth CapEx/EBITDA	0.4x	0.7x	0.3x	0.4x	0.4x	0.4x	0.1x	0.5x	0.2x	0.3x

Growth-oriented “C-Corporations” have **outperformed** MLPs in recent years, with these names **capitalizing on gas-weighted growth trends**



Idiosyncratic Drivers



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Asset Overview

Irreplicable Player: WMB's operations span across America's most populated regions, creating a concentrated bet on **L48 natural gas growth**.

What We Care About

Transco: Backbone interstate gas system carrying low-cost supply from the Gulf and Appalachia into premium East Coast demand centers.

Gulf Coast LNG Feedgas Systems: Key pipelines delivering stable, long-term contracted volumes to LNG export facilities.

Socrates Power Project: New gas-fired generation asset creating anchored demand and strengthening utility partnerships.

Northeast G&P Systems: Integrated Marcellus and Utica gathering and processing footprint tied to resilient production and high-value markets.

"Bells and Whistles"

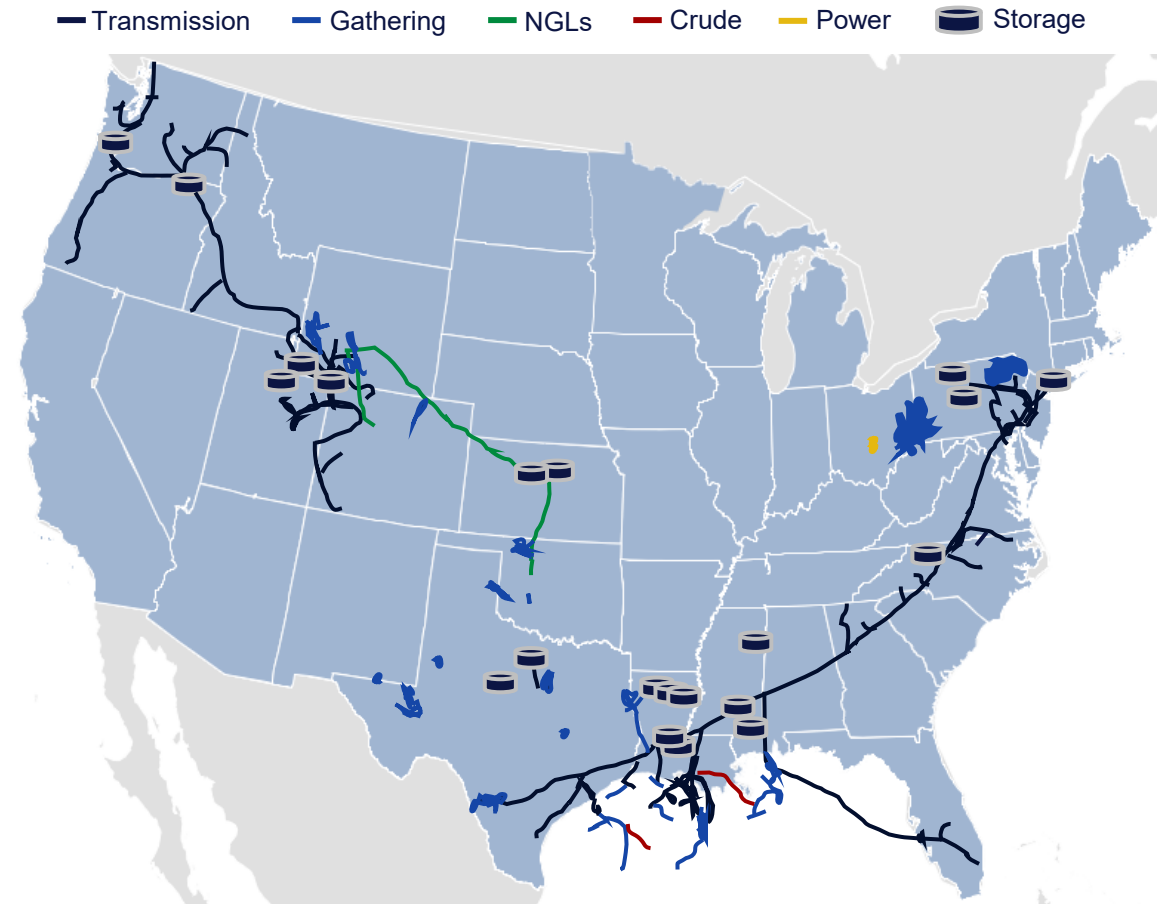
Northwest Pipeline: Western transmission system delivering Rockies natural gas into Pacific Northwest markets with bi-directional flow capability.

Deepwater Offshore Systems: Offshore gathering and transporting pipelines carrying both oil and gas from Gulf of Mexico fields to onshore hubs.

Overland Pass Pipeline: NGL pipeline transporting liquids from the Rockies into Midcontinent distribution hubs.

Florida Gas Assets: Regional transmission and distribution infrastructure serving demand centers across Florida.

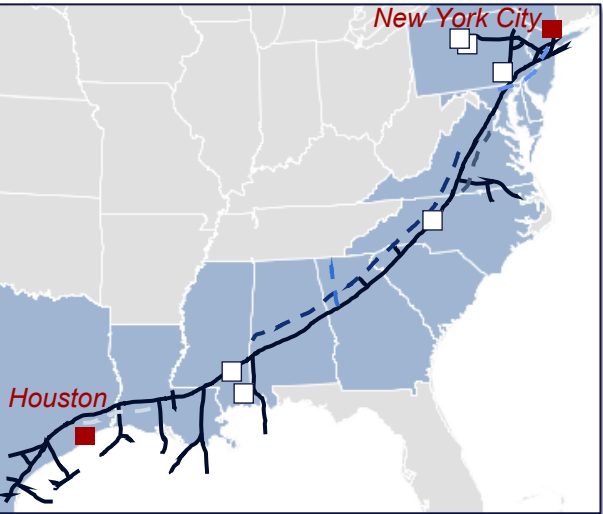
Asset Map



Transcontinental Pipeline

America’s Gas Backbone: WMB’s essential gas assets and ideal trend exposure renders it well-positioned for sustained future gas growth.

“The Gold Standard”



Pipeline Map Key (System and New Projects)

- Notable Cities ■
- Core Pipeline —
- Power Express - -
- NE Supply En. - -
- Gas Storage □
- SE Supply En. - -
- Dalton Exp. - -
- TX/LA Pathway - -

Notable Transco Stats

- ~10,200 Miles of core pipeline
- ~\$2.1B EBITDA FY202
- 7 core expansion projects in service

Project Name	Timing	Capacity	Trend
NE Supply En.	Q4 '27	400 MMCF/D	Residential Demand
SE Supply Ex.	Q3 '27	1,597 MMCF/D	Comprehensive Gas ¹
Power Express	Q3 '30	785 MMCF/D	Virginia Data Centers

Moves ~15% of America’s natural gas volumes

Transco Expansion Projects

Power Express: Expanding capacity to Northern Virginia, with it being the U.S. data center hub due to both favorable regulation and a large tech presence.

SE Supply Expansion: \$1.2B investment to support increasing residential natural gas consumption in Virginia, the Carolinas, Georgia, and Alabama, as well as commercial growth through data centers in Virginia and the Carolinas.

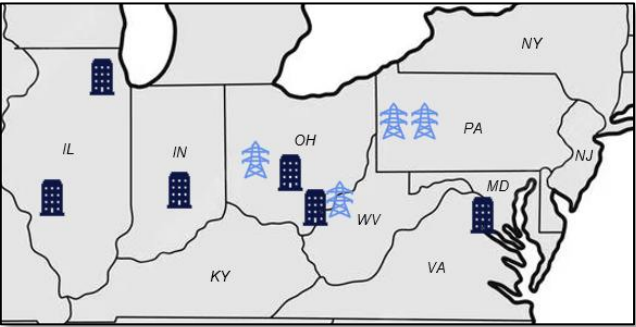
NE Supply Enhancement: \$1.0B investment to fulfill rising demand from dense population centers across New Jersey, New York, and Pennsylvania. Demand stems from residential consumption as well as commercial.

Transco expansions allow WMB to benefit from a **diversified demand thesis**

Realizable Demand

- Announced Natural Gas Power Plant
- Operating/Planned Data Center

Represented Companies

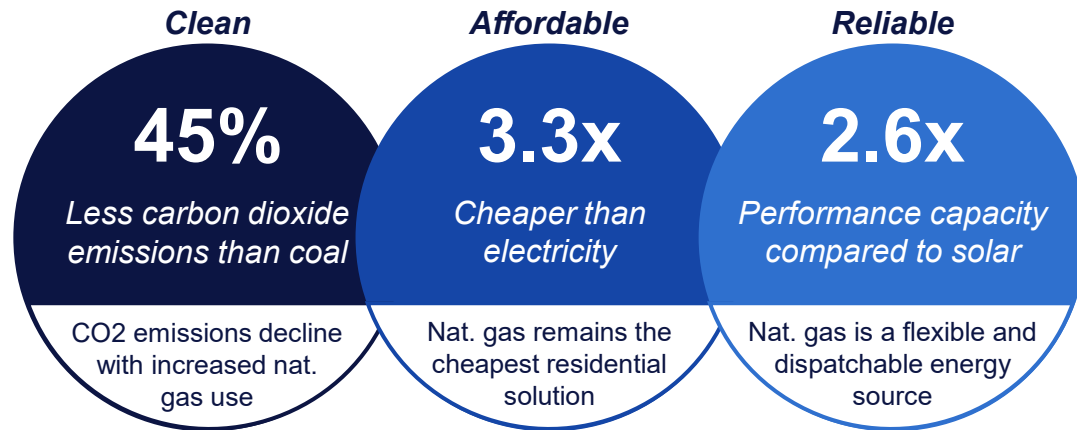


Capital and demand **interests align** with the largest companies in the world

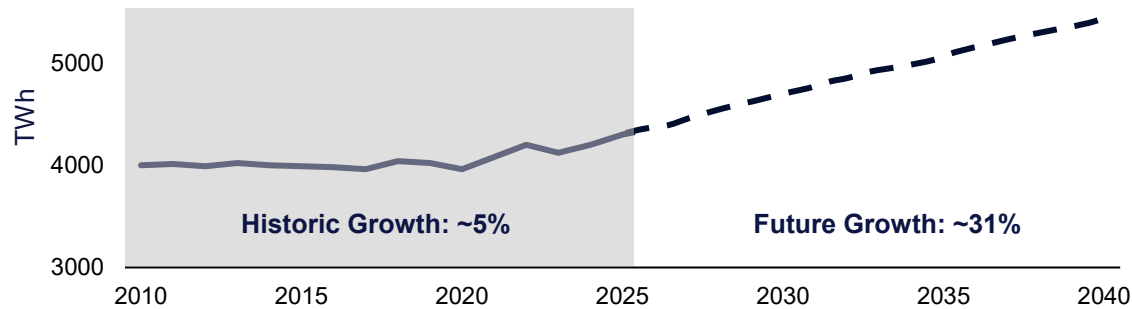
“It’s More Than Just AI”

Breaking the Stigma: While data centers are a major part of its story, **comprehensive L48 gas growth** serves as WMB’s true long-term driver.

Natural Gas Hits the Energy Trifecta



Argument: AI isn’t the Only Growth Factor

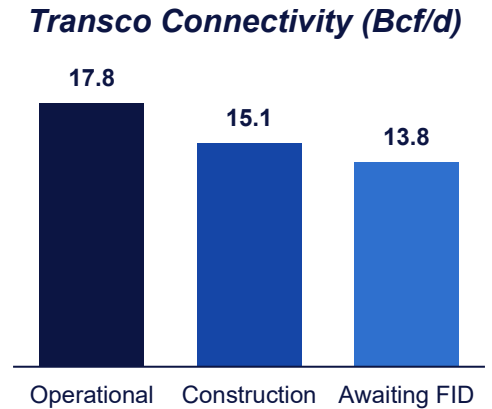


Projected ~400 TWh of demand increase not attributable to data centers

Williams Current LNG Positioning

CHENIERE
WMB has developed the Gulf Trace and Gulf Connector pipelines to connect to both of Cheniere's brownfield LNG projects.

Williams
In July, WMB's Louisiana Energy Gateway (LEG) started service, connecting Haynesville gas to various Gulf Coast Markets



“Wellhead to Water” Strategy

Woodside Energy On October 22nd, WMB entered into a strategic partnership with Woodside Energy to acquire 10% equity interest in their LNG facility, as well as an 80% stake in the associated Driftwood Pipeline for ~\$1.9B

SABER MIDSTREAM In June 2025, WMB acquired 100% of the company, enhancing the companies Haynesville gathering capabilities and furthering their ability to bring nat. gas to the Gulf

WMB is growing their Haynesville footprint to further connect their gas to LNG




Strategic, Responsible Capital Allocation

Ideal Strategy: WMB's high-return CapEx projects, diversified asset base, and consistent dividend offer a **strong plan** for shareholder returns.

Power and Supply Enhancement Projects

Project	Capex (B)	Construction Start / Completion	Contract
Socrates Power Project	2	2025 Q3 / 2026 Q3	10-yr Fixed PPA
Other Power Projects	3.1	Not Specified / 1H 2027	10-yr Fixed PPA

Unlevered IRR Analysis




	~15.6%	10-yr Contract
	~14.8%	20-yr, 1 Renewal
	~9.3%	30-yr, 2 renewals

Project Analysis

- WACC on comparable projects is 7.5%, making the project **highly accretive** even in the bear case.
- Williams strategically locked in the **10-yr fixed PPA** in advance of construction, guaranteeing **value-add**.

Project	Capex (B)	Construction Start / Completion	Contract
NE Supply Enhancement	1.15	2026 Q3 / 2027 Q4	15-yr Contract
SE Supply Enhancement	1.53	2026 Q3 / 2027 Q4	15-yr Contract

Unlevered IRR Analysis

	~11.1%	15-yr Asset Life
	~10.3%	25-yr Asset Life
	~7.5%	40-yr Asset Life

Project Analysis

- Company WACC is 6.3%; project is **accretive** in every case.
- These projects **position** Williams to capture long-term gas **tailwinds** tied to population growth, power gen needs, and **coal-to-gas transition**.

Why Not Make an IPP The Anchor?

Better For A Bigger Bet: While the fund does like IPPs, WMB's balance of concentrated CapEx and marquee assets will benefit via **broad growth** in gas-powered electrification.

Region-Specific Power Players



PJM Interconnection



Constellation

PJM Interconnection

2025-2030E WMB CapEx Split

Growth **80%** Maintenance **20%**



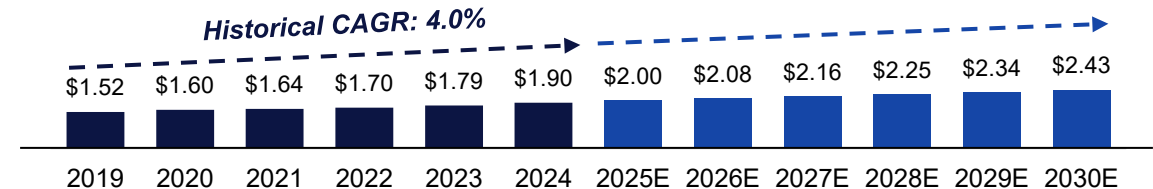
ERCOT (TX)

While strong, region-specific **IPPs** are better suited for individual growth plays

Slow and Steady Wins The Race

Resilient "T-Bill" Dividend: Williams reinvests most FCF into growth but maintains steady dividends with a ~3.3% yield (close to US 10Y), offering investors an appropriate balance of **reliable income** and **growth potential**.

WMB Distribution History



“All This, So What?”

No Time Like The Present: Despite trading above peers, WMB’s premier positioning within the global energy chain is **not to be ignored**.

Always Told “Buy Low, Sell High”



Market Timing: Timing the market is extremely difficult, and given the nature of our investment horizon we believe that finding the best positioned equity is more important than buying a cheap stock



Theory of Price: While historical price trends are important to note, they aren’t always the best indicator on where an equity will go in the future



Selling Winners: WMB has been a clear winner over the last two years within the U.S. midstream cohort, and continues to position itself well to capture long term growth as a result of intensifying natural gas demand

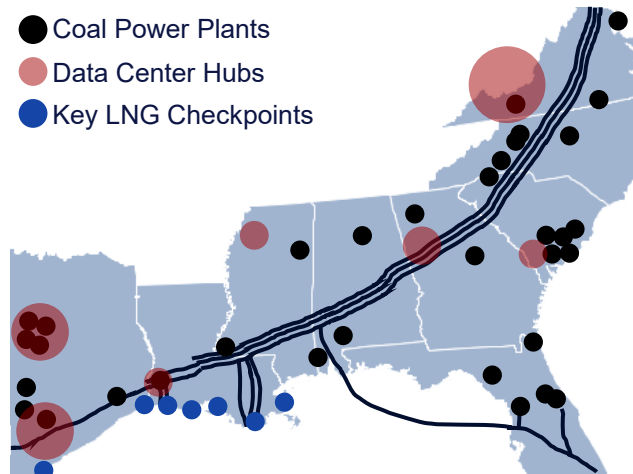
One-of-a-Kind Connectivity

Out With The Old

58 coal plants in WMB operational footprint, equating to ~8.4 Bcf/d in natural gas demand during peak demand

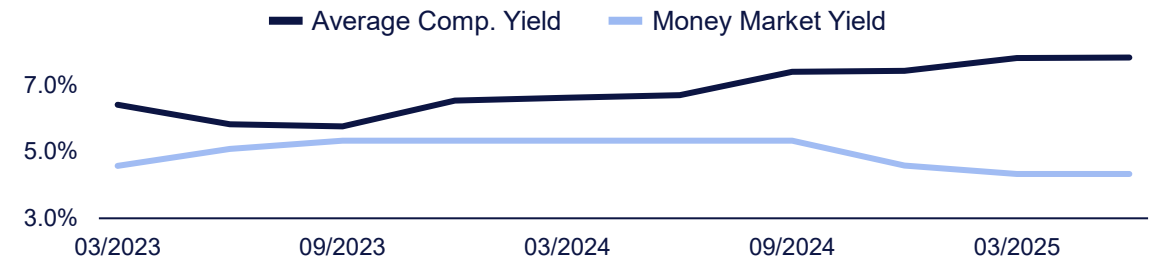
In With The New

Strategically positioned to take advantage of growing data center demand, as well as key gulf LNG markets



Notes:
Sources:

Cash Return vs. Alternative Distribution



Question: Is it worth taking on more risks for a similar yield for our “anchor?”

Where Our Chips Lay



Growth over Yield: Team believes that we can best deploy our capital in a company that is prioritizing long-term growth, as well as reinvesting capital into the business to drive future growth



Gas over Liquids: WMB is the premier gas midstream name moving ~1/3 of the country’s natural gas, and operates irreplaceable assets located in the heart of the U.S. natural gas story



Long over Near-Term: With an acceptance, we would push for Willaims to become a staple holding within the fund to ensure we capture the long-term upside we believe is left to be realized

WMB is a best-in-class player with **supreme positioning** to capture growth



Valuation

Street-Based DCF Analysis

Strong Potential: DCF analysis of WMB yields sizeable **upside** to the current PPS, with Wall Street **bullish** on Williams' growth prospects.

Rationale

WELLS FARGO

October 2025

Behind the Meter: "Heavy-duty combine cycle gas turbines have ~5 year long lead times, single-cycle turbines are less efficient... shorter lead time for BTM providers like WMB."

J.P.Morgan

October 2025

Growth Capex: "WMB invested ~\$3.1B investment in two power innovation projects at a ~5x EBITDA multiple, and partnered with Woodside Energy's Louisiana LNG project."

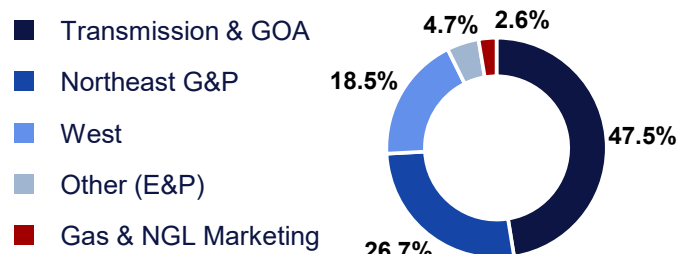
MIZUHO

October 2025

Leverage Capacity: "Ample balance sheet capacity, by 2026 should start to track below the 3.5x-4.0x leverage capacity target. This is a key factor for investing in new projects now."

EBITDA Projections and WACC Calculation

PF EBITDA Contribution



WACC Calculation

Inputs	
Adjusted Beta	0.74
Weight of Equity	0.75
Cost of Equity	7.3%
Weight of Debt	0.25
Cost of Debt	5.3%
Tax Rate	21.0%
WACC	6.5%

Free Cash Flow Build

Forecast Year	2025E	2026E	2027E	2028E	2029E	2030E
EBITDA	\$7,720	\$8,299	\$9,247	\$10,599	\$11,460	\$12,512
(-) Dividends paid to NC interests	(263)	(272)	(276)	(280)	(283)	(285)
(-) Maintenance Capex	(700)	(992)	(1,110)	(1,219)	(1,288)	(1,372)
(-) Cash Taxes	(219)	(196)	(183)	(194)	(203)	(212)
Distributable Cash Flow	\$6,538	\$6,839	\$7,678	\$8,906	\$9,686	\$10,643
(-) Growth Capex	(4,004)	(4,998)	(4,929)	(4,313)	(4,052)	(3,865)
Unlevered FCF	\$2,534	\$1,841	\$2,749	\$4,593	\$5,634	\$6,778
Stub Adjustment	(\$2,224)	—	—	—	—	—
Stub-Adjusted Unlevered FCF	\$310	\$1,841	\$2,749	\$4,593	\$5,634	\$6,778
Time Period	0.12	1.12	2.12	3.12	4.12	5.12
Discount Factor	0.06	0.06	0.06	0.06	0.06	0.06
PV of Unlevered FCF	\$308	\$1,718	\$2,403	\$3,761	\$4,321	\$4,870

Sensitivity Analysis

		EBITDA Multiple				
		10.5x	11.0x	11.5x	12.0x	12.5x
WACC	7.00%	\$67.16	\$70.78	\$74.40	\$78.03	\$81.65
	6.75%	\$68.19	\$71.86	\$75.52	\$79.19	\$82.86
	6.50%	\$69.24	\$72.95	\$76.66	\$80.37	\$84.08
	6.25%	\$70.30	\$74.05	\$77.81	\$81.57	\$85.32
	6.00%	\$71.37	\$75.18	\$78.98	\$82.78	\$86.58

Implied PPS reflects a **24% upside** to WMB's current market value

Volume-Based 3SM and DCF Analysis

Great Learning Opportunity: To understand WMB's marquee assets (particularly Transco), the team attempted a true “bottoms-up” analysis.

Revenue Build

Joel Embiid: “Trust The Process”

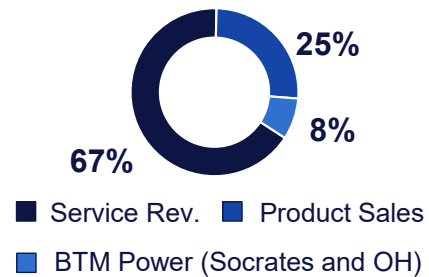
I. Derive T&G's median historical tariff

II. Forecast T&G volumes and revenues

III. Find power revenues via PPA margin

IV. Forecast WMB's additional segments

2025-2030E Revenue Split



WMB's core value driver: **Fee-based pipeline activity**

Additional Assumptions

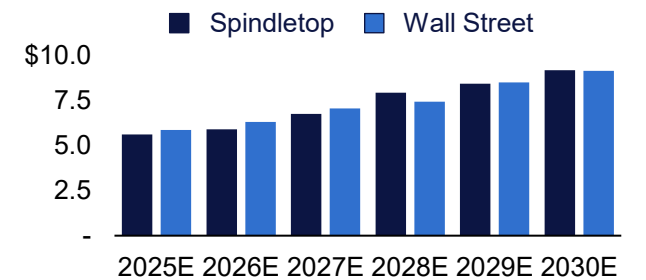
Product Sales: AI demand, LNG exports, and a potential normalizing of US-China trade to provide gas and NGL **price support** to 2027.

Key Power Assumptions

Build Multiple Per PPA **5.0x**

Blended EBITDA Margin **73.9%**

CFO vs. WS Consensus (Thousands)



CFO estimates differ by **no more than 10%** from Street consensus

Transmission & Gulf Volume Schedule

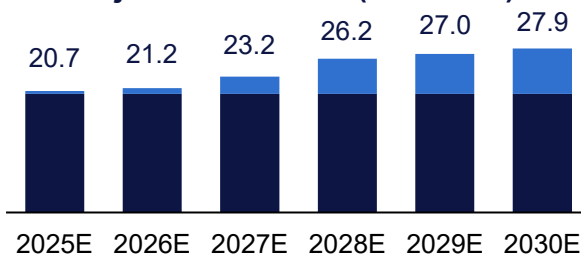
Methodology: After deriving tariffs from historical financials, the team used IR disclosures to forecast volume growth.

Key Model Drivers (MMDth)

2024A Daily Throughput **20.2**

Historical Implied Tariff **\$0.54**

Projected Volumes (MMDth/D)



Transco and West systems to **significantly grow** volume capacity through 2030

Free Cash Flow Walk

Forecast Year	2025E	2026E	2027E	2028E	2029E	2030E
Cash Flows from Operations	\$5,614	\$5,907	\$6,758	\$7,941	\$8,448	\$9,190
(+) After-Tax Interest Expense	1,184	1,240	1,277	1,281	1,284	1,273
(-) Maintenance CapEx	(4,004)	(4,998)	(4,929)	(4,313)	(4,052)	(3,865)
(-) Growth CapEx	(700)	(992)	(1,110)	(1,219)	(1,288)	(1,372)
Unlevered Free Cash Flow	\$2,094	\$1,158	\$1,997	\$3,690	\$4,392	\$5,226
Stub Adjustment	(1,821)	0	0	0	0	0
Stub-Adjusted Unlevered Free Cash Flow	\$273	\$1,158	\$1,997	\$3,690	\$4,392	\$5,226
Time Period	0.13	1.13	2.13	3.13	4.13	5.13
Discount Factor	0.07	0.57	1.57	2.57	3.57	4.57
PV of Unlevered Free Cash Flow	\$272	\$1,117	\$1,809	\$3,138	\$3,506	\$3,916

Using a 6.5% WACC, implied PPS of **\$69.22** yields **17% upside (11/18/2025)**

Broker Outlook

Wall Street Agrees: Analyst targets imply noticeable upside, strengthening our **bullish** thesis on Williams from a price appreciation perspective.

Selected Broker Name	Rating	Price Target
 <small>THE ENERGY BUSINESS OF PERELLA WEINBERG PARTNERS</small>	HOLD	 \$61.00
	HOLD	 \$63.00
 TD Securities	BUY	 \$70.00
	BUY	 \$71.00
	BUY	 \$72.00
	BUY	 \$72.00
	BUY	 \$75.00
	BUY	 \$83.00

BBG 12M Target Price: \$67.76

Price of \$67.26 (11/18/2025) signals a **~13% upside** for WMB, aligning with Spindletop's **bullish view** of WMB's growth prospects



Thesis

Final Midstream Holdings Analysis Thesis

“Tired of Tailing Alerian:” Consolidating into WMB will render it our midstream “anchor” position, providing the best chance for excess returns.

Long-Term Perspective: A Winner Across All Scenarios

I. “Don’t Fight The Tape”

As infrastructure is set to benefit from both short-term and structural tailwinds, the team strongly believes in the prospect of **long-term price appreciation via growthier plays** within midstream.

II. Too Important To America’s Gas Story

With it being the only player comprehensively covering American gas, **WMB’s marquee assets are truly irreplaceable**, rendering the company positioned to benefit regardless of regional power dynamics or short-term trends.

III. Strong Capital Allocator

WMB’s pursuit of high-returning projects (e.g., Socrates, BTM Power) and properly-timed growth expenditures render the team **attracted to management’s capital allocation plans**, inspiring confidence in the company.

Williams Buy:



Buy 415 Shares (\$59.29)

Total PF Allocation: ~\$37,649

Funded Via Proceeds from ENB, PAA, and WES Sales

Blended Price Target



Weighted price target of **\$70.50** reflects a target of **~19% upside**

Midstream Portfolio Restructuring

Goals Per September 30th Pitch

Sale of ENBRIDGE PLAINS

I. Benefit from AI and Power via Gas

II. Expose Fund to Permian G&P Growth

III. Capture Buildout in U.S. LNG

Pro-Forma Midstream Portfolio








~\$71,600 total



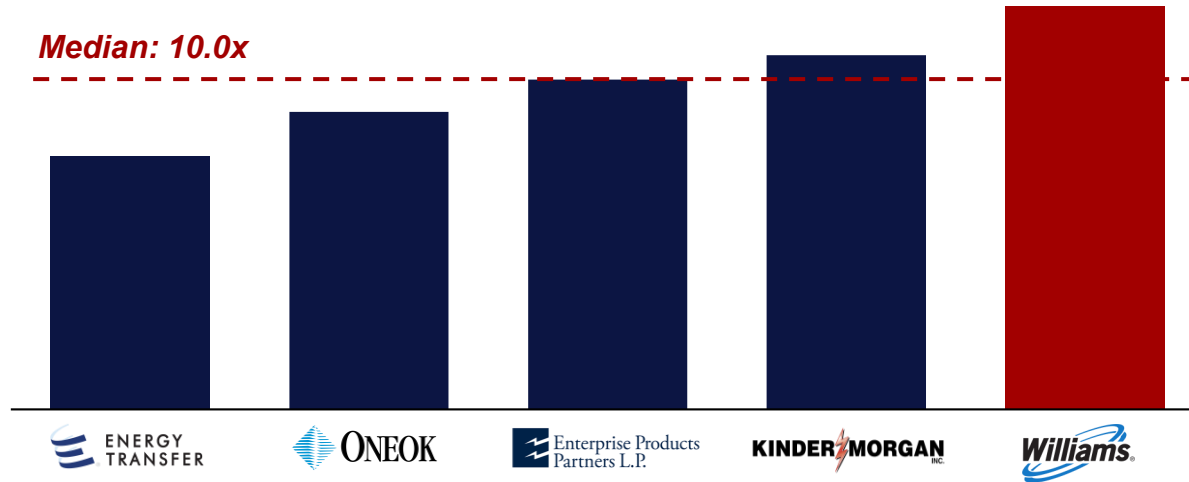
Appendix

Comparable Companies Analysis

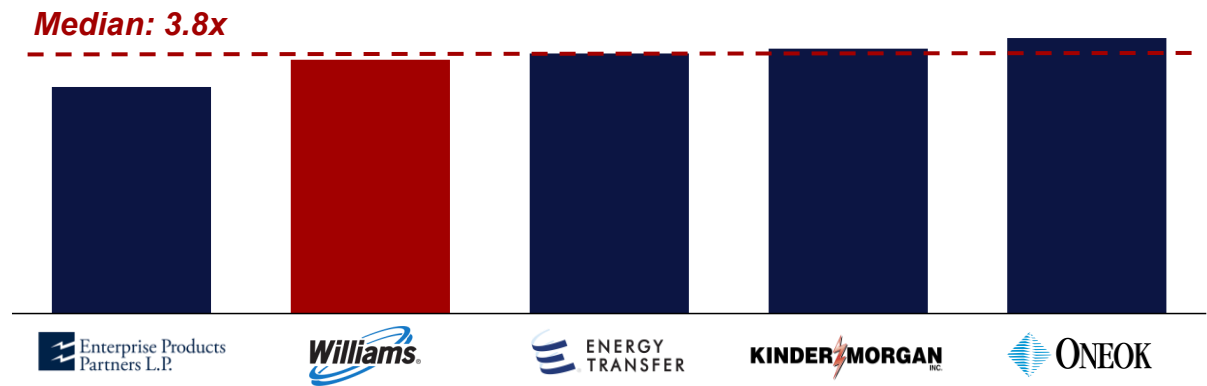
Comps for WMB were chosen based on **size, scale, and strategic positioning** within the U.S midstream sector.

Company	Enterprise Value (\$MM)	EV/EBITDA (FY2)	Leverage Ratio (2025E)	Coverage Ratio (2025E)	Distribution Yield	3-Year Dividend Growth	Dividend Payout Ratio
 ONEOK	\$76,114	8.9x	4.0x	4.5x	6.0%	3.28%	76.5%
 KINDER MORGAN	\$93,810	10.9x	3.9x	4.7x	4.3%	1.86%	97.8%
 Enterprise Products Partners L.P.	\$103,023	10.0x	3.3x	7.2x	6.9%	4.74%	78.1%
 ENERGY TRANSFER	\$133,535	8.1x	3.8x	4.8x	7.8%	9.97%	99.3%
 Williams	\$104,319	12.3x	3.7x	5.4x	3.3%	5.57%	104.6%

FY2 EV/EBITDA



2025E Leverage Ratio



Company Overview

“Heavyweight Champion:” Based in Tulsa, OK with operations across the U.S., WMB is one of North America’s **largest midstream players**.

Business Description

Operations: Williams primarily operates **natural gas gathering, processing, and long-haul transmission networks** across major U.S. basins, including the **Appalachia, DJ, Haynesville, Eagle Ford and Permian**.

Scale: Utilizes 29.6 Bcf/d of gathering, 8.3 Bcf/d of processing, 31.9 Bcf/d of transmission, and 417 Bcf of storage, **moving ~30% of U.S. volumes**.

Dividends: WMB’s annualized current dividend is \$2.00/share, **yielding ~3.4%**

Recent Deals: Recently, WMB divested its South Mansfield assets to JERA for **\$398MM**, while acquiring 80% of Driftwood Pipeline LLC and 10% of Louisiana LNG LLC for **\$250MM** via **partnership with Woodside Energy**.

Distribution vs. Peers

Distribution Yield Comparison

	3.3%
	4.3%
	6.0%
	6.9%
	7.8%

10-Q: “Williams’ business plan for 2025 includes a continued focus on earnings and cash flow growth”

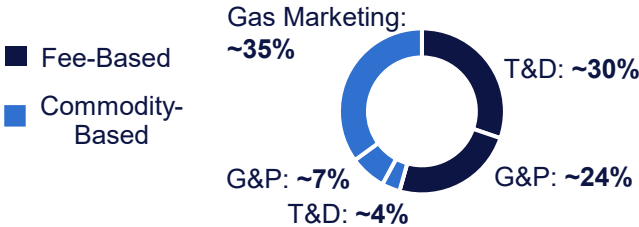
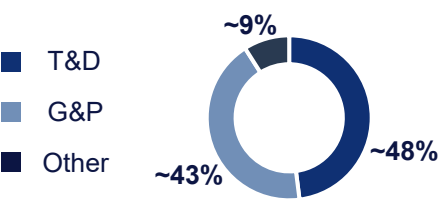
Prioritizing Growth: WMB emphasizes long-term infrastructure expansion and stable cash flows over near-term shareholder distributions.

Stands as a **growth-oriented platform**, rather than a high-yield play

Segment and Contract Mix

2024 Adj. EBITDA: \$7.1Bn

Q2 Contract Breakdown: \$2.8Bn of Rev



Combines stable fee-based earnings with commodity exposure for growth

Growth Capex and Notable Projects

~76% of Williams’ 2025 capex program comes from growth capital:



2025 Growth Capital of **\$2.7B** is anchored by **Transco and Northwest expansions, Louisiana Energy Gateway and Socrates Power Project**, boosting connectivity to LNG and power demand markets

Volume-Based 3SM: Additional Information

Upside Potential: The team's volume-based projections yielded a WACC of 6.5% and PPS of \$69.22, with a sensitivity analysis also included.

WACC Build and Sensitivity Analysis

Adjusted Beta	0.74
Debt/Capitalization	0.26
Cost of Equity	7.32%
Cost of Debt	5.31%
Tax Rate	21.0%
WACC	6.5%

		PGR				
		2.0%	2.3%	2.5%	2.8%	3.0%
WACC	7.0%	\$52.41	\$55.86	\$59.69	\$63.98	\$68.81
	6.7%	\$56.57	\$60.44	\$64.76	\$69.64	\$75.17
	6.5%	\$60.17	\$64.43	\$69.22	\$74.65	\$80.84
	6.2%	\$66.36	\$71.33	\$76.98	\$83.43	\$90.89
	6.0%	\$72.20	\$77.89	\$84.41	\$91.95	\$100.75



SPINDLETOP
ENERGY INVESTMENT FUND