



Summit Midstream Partners, LP Announces Opportunistic Refinancing of its 2025 Unsecured Notes and Amendment to ABL Facility

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HOUSTON, Nov. 16, 2023 /PRNewswire/ -- As part of its previously announced strategic alternatives review, Summit Midstream Partners, LP (NYSE: SMLP) ("Summit," "SMLP" or the "Partnership") announces the execution of an opportunistic refinancing of its senior notes due 2025 (the "2025 Unsecured Notes") and amendment to its asset-based lending credit facility ("ABL Facility").



Purpose of the Transaction

- Provides for a holistic refinancing solution of the 2025 Unsecured Notes
- Eliminates any material near-term maturities and provides additional runway to continue to de-lever
- Enables SMLP to evaluate its ongoing strategic alternatives review from a position of strength and financial flexibility

Heath Deneke, President, Chief Executive Officer, and Chairman, commented, "We are pleased to announce this opportunistic refinancing and would like to thank our bondholders and banks for their continued support. This transaction highlights the significant momentum in the business and allows Summit to more fully evaluate its ongoing strategic alternatives review in a position of strength with plenty of running room on debt maturities. We are pleased with the continued and growing level of interest from third parties for potential transactions, ranging from the sale of specific assets to consideration for the entire Partnership and other strategic transactions. Looking ahead, we remain on track to achieve our fourth quarter 2023 guidance range of \$75 to \$85 million and approximately \$300 million of LTM Adjusted EBITDA during the first half of 2024. The maturity extension and bank amendment provides additional runway to enable the Partnership to benefit from the expected Adjusted EBITDA growth and continued de-levering of the balance sheet."

Transaction Overview

SMLP has entered into a privately negotiated agreement to issue a total of \$209.5 million aggregate principal amount of unsecured notes (the "2026 Unsecured Notes") in exchange for \$180.0 million aggregate principal amount of existing 2025 Unsecured Notes, which such notes will be cancelled, and \$29.5 million in cash. The new money raised will be used to redeem or repurchase existing 2025 Unsecured Notes (collectively, the "Transactions") that are not exchanged. Following the consummation of the Transactions, approximately \$49.9 million of 2025 Unsecured Notes are expected to remain outstanding. The 2026 Unsecured Notes will bear interest at 12.00% and mature on October 15, 2026, in line with the maturity date of SMLP's existing 8.50% senior second lien notes due 2026.

Concurrent to the Transactions, SMLP will execute an amendment to its ABL Facility to facilitate the Transactions, address springing maturities associated with the 2025 Unsecured Notes and allow for the approximately \$49.9 million remaining aggregate principal amount of 2025 Unsecured Notes to be repaid with free cash flow, subject to certain conditions. Additionally, SMLP will amend its Interest Coverage Ratio ("ICR") covenant to 1.75x through year-end 2024 and 1.90x thereafter.

The 2026 Unsecured Notes will not be and have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release is neither an offer to sell nor the solicitation of an offer to buy the 2026 Unsecured Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any person to whom, such an offer, solicitation or sale is unlawful.

Advisors

RBC Capital Markets, LLC acted as the lead financial advisor, and Baker Botts L.L.P. acted as counsel, to Summit in connection with the Transactions.

About Summit Midstream Partners, LP

SMLP is a value-driven limited partnership focused on developing, owning and operating midstream energy infrastructure assets that are strategically located in the core producing areas of unconventional resource basins, primarily shale formations, in the continental United States. SMLP provides natural gas, crude oil and produced water gathering, processing and transportation services pursuant to primarily long-term, fee-based agreements with customers and counterparties in five unconventional resource basins: (i) the Appalachian Basin, which includes the Utica and Marcellus shale formations in Ohio and West Virginia; (ii) the Williston Basin, which includes the Bakken and Three Forks shale formations in North Dakota; (iii) the Denver-Julesburg Basin, which includes the Niobrara and Codell shale formations in Colorado and Wyoming; (iv) the Fort Worth Basin, which includes

the Barnett Shale formation in Texas; and (v) the Piceance Basin, which includes the Mesaverde formation as well as the Mancos and Niobrara shale formations in Colorado. SMLP has an equity method investment in Double E Pipeline, LLC, which provides interstate natural gas transportation service from multiple receipt points in the Delaware Basin to various delivery points in and around the Waha Hub in Texas. SMLP also has an equity method investment in Ohio Gathering, which operates extensive natural gas gathering and condensate stabilization infrastructure in the Utica Shale in Ohio. SMLP is headquartered in Houston, Texas.

Forward-Looking Statements

This press release includes certain statements concerning expectations for the future that are forward-looking within the meaning of the federal securities laws. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements and may contain the words "expect," "intend," "plan," "anticipate," "estimate," "believe," "will be," "will continue," "will likely result," and similar expressions, or future conditional verbs such as "may," "will," "should," "would," and "could", including sources and uses of funding. In addition, any statement concerning future financial performance (including future revenues, earnings, growth rates, leverage, future refinancings or strategic alternatives outcomes), ongoing business strategies and possible actions taken by us or our subsidiaries are also forward-looking statements. Forward-looking statements also contain known and unknown risks and uncertainties (many of which are difficult to predict and beyond management's control) that may cause SMLP's actual results in future periods to differ materially from anticipated or projected results. An extensive list of specific material risks and uncertainties affecting SMLP is contained in its 2022 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 1, 2023, as amended and updated from time to time, including the Partnership's Quarterly Report on Form 10-Q filed with the SEC on November 7, 2023. Any forward-looking statements in this press release are made as of the date of this press release and SMLP undertakes no obligation to update or revise any forward-looking statements to reflect new information or events.

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