

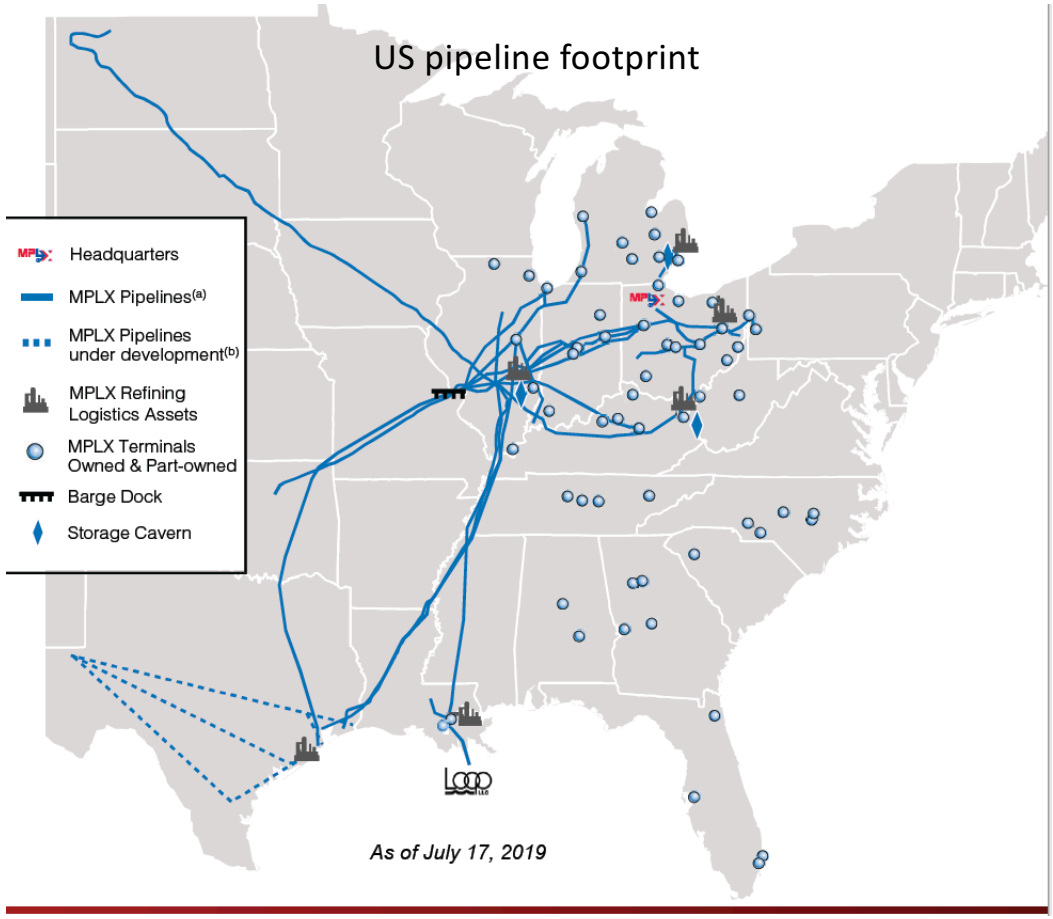
August 15, 2019

MPLX: $26.50

Two revenue sources: logistics and storage, gathering and processing

MPLX is a sponsored master limited partnership under Marathon Petroleum, a US independent refiner. MPLX owns gathering, processing, and fractionation assets across the Northeast and Southwest, as well as pipelines and terminals serving MPC.

Modest growth prospects and no IDRs



Valuation: 13.6 trailing EV/EBITDA is attractive, but it's forward EV/EBITDA of 10.8 is approaching deep value.

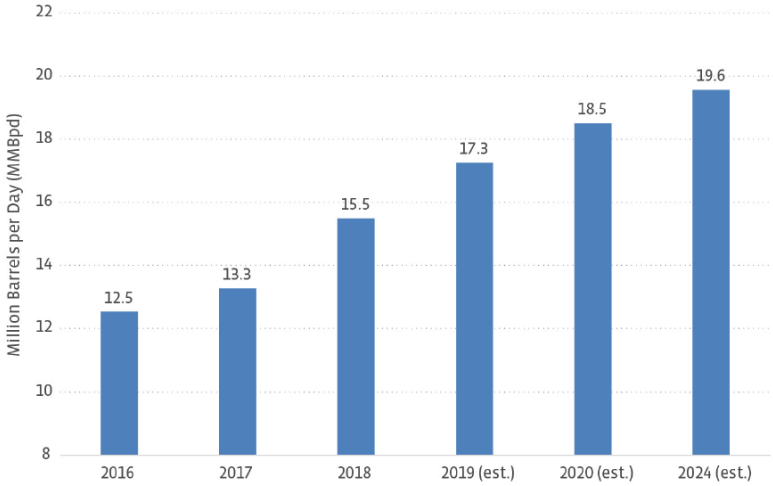
US Crude Exports



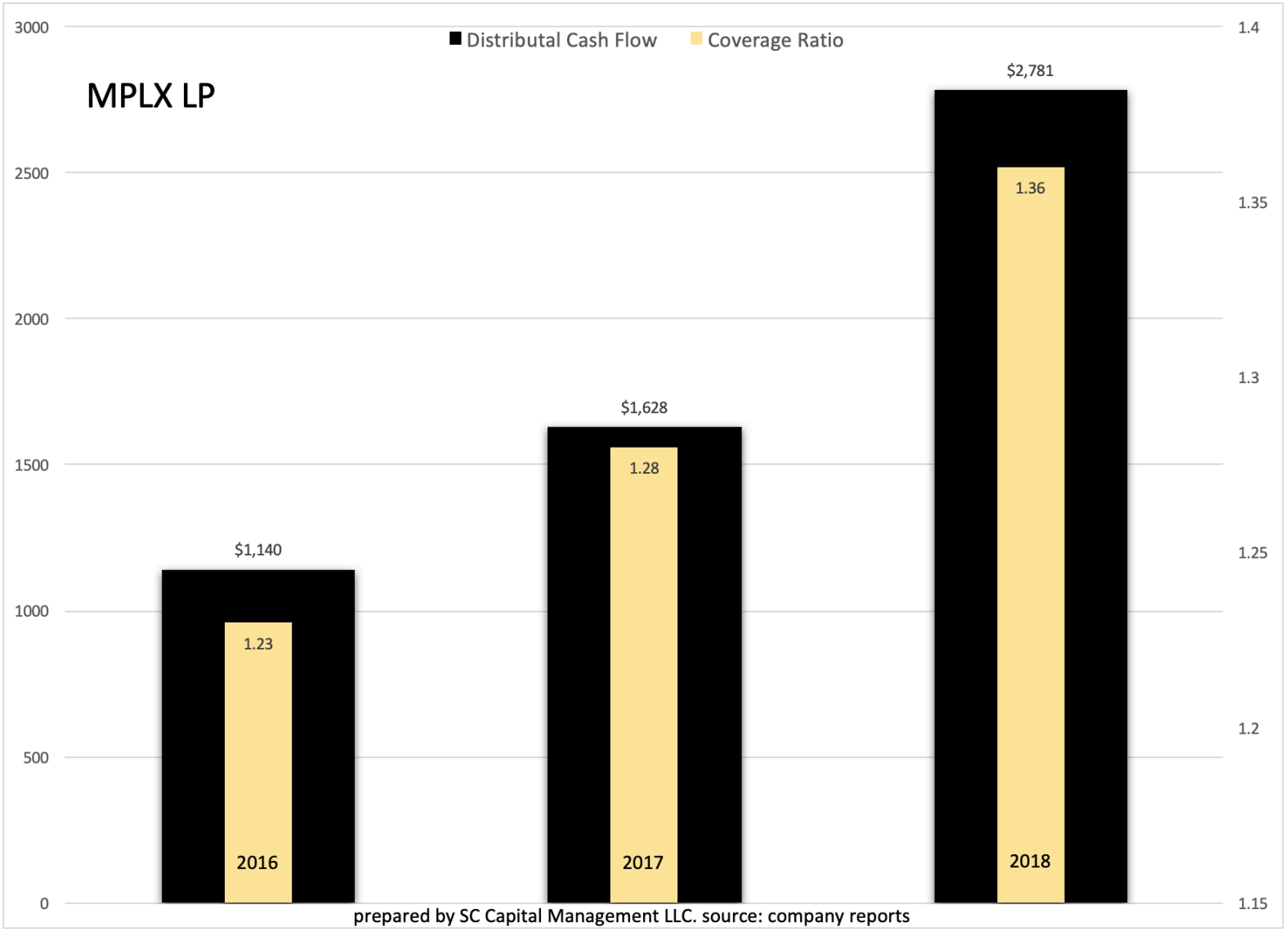
Source: Energy Information Administration as of June 28, 2019

US Fundamentals: In the next few years, US will become world's largest exporter of LNG and 2nd largest exporter of crude

US Liquids Production



Source: International Energy Agency
Comprises crude oil, condensates, NGLs, and oil from non-conventional sources



prepared by SC Capital Management LLC. source: company reports

CREDIT SUISSE

12 August 2019
Americas/United States
Equity Research
Master Limited Partnerships

MPLX LP (MPLX)

Rating	**OUTPERFORM**
Price (08-Aug-19, US$)	27.50
Target price (US$)	(from 38.00) 33.00
52-week price range (US$)	38.11 - 27.12
Market cap(US$ m)	29,073
Enterprise value (US$ m)	48,966

Target price is for 12 months.

DECREASE TARGET PRICE

Trim TP on Lower G&P; Look for Asset Sales

Research Analysts

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Manav Gupta

John Mackay

Douglas Irwin

- **Revising Ests on NE Outlook and Commodity Pressure:** We're trimming 2020 / 2021 by 2-4% to reflect a lower NE volume outlook and commodity price pressure. Our E&P team estimates roughly flat production for RRC and EQT in '20 (vs 4Q19 run-rates) and ~7% growth from AR (below guided 10% CAGR); MPLX's volume guidance from Dec. implies >20% FY20 growth from our FY19 estimates – we believe this guidance is no longer valid and anticipate an update by YE19. We also expect continued pressure on MPLX G&P margins from a weaker NGL price environment. Our ~$235mm EBITDA reduction from prior estimates is composed of ~$75mm from commodity (based on sensitivity), ~$60mm from NE volume declines and $100mm from a reclassification of ANDX operating expenses (maintenance capex offsets).

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
Peiffer Garry L.	MPLX LP [MPLX]	X Director; 10% Owner; Officer (give title below); Other (specify below)
(Last) (First) (Middle): C/O MPLX LP, 200 E. HARDIN STREET	3. Date of Earliest Transaction (Month/Day/Year): 08/09/2019	
(Street): FINDLAY OH 45840	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line): X Form filed by One Reporting Person; Form filed by More than One Reporting Person
(City) (State) (Zip)		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Units (Limited Partner Interests)	08/09/2019		P		18,800	A	$27.301(1)	68,497	I	By Revocable Trust(2)
Common Units (Limited Partner Interests)								14,302.313	D	

Multiple insiders buying this week including CEO

Bond Detail

Lookup Symbol: M

MPLX LP

+ ADD TO WATCHLIST

Coupon Rate	Maturity Date
4.875%	12/01/2024

Symbol	CUSIP	Next Call Date	Callable
MPLX4411851	55336VAG5	09/01/2024	Yes

Last Trade Price	Last Trade Yield	Last Trade Date	US Treasury Yield
$109.53	2.831%	08/15/2019	—

Trade History Prospectus

Investment grade debt – no signs of stress from bond holders

Price/Yield Chart

Price Chart | Yield Chart

09/28/2016 - 08/15/2019 Zoom: 5D 1M 3M YTD 1Y 3Y 5Y 10Y Max

Price



Classification Elements

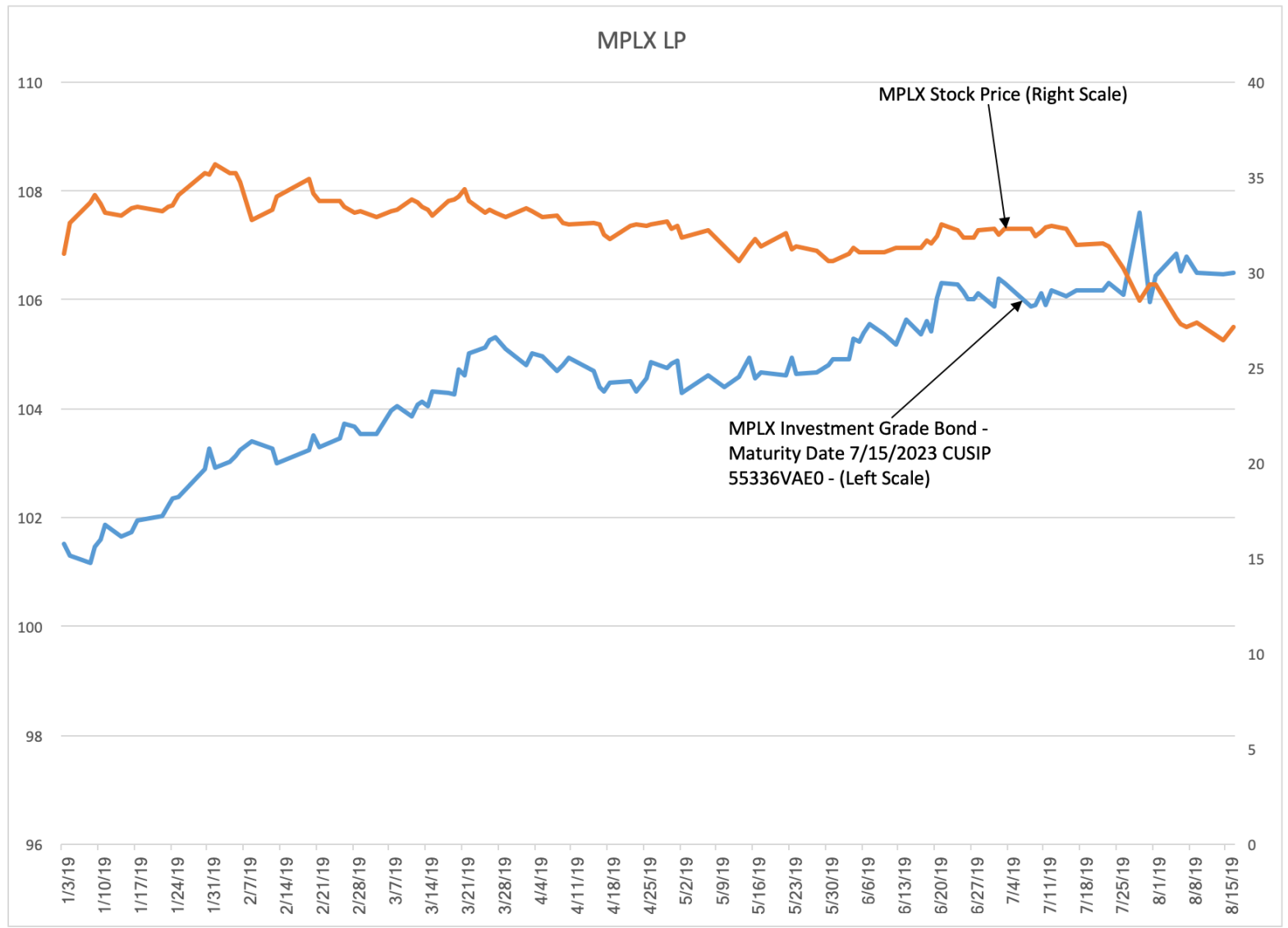
Bond Type	US Corporate Debentures
Debt Type	Senior Unsecured Note
Industry Group	Industrial
Industry Sub Group	Oil And Gas
Sub-Product Asset	CORP
Sub-Product Asset Type	Corporate Bond
State	—
Use of Proceeds	—
Security Code	—

Special Characteristics

Medium Term Note	N

Issue Elements

Offering Date	08/29/2016
Dated Date	06/01/2016
First Coupon Date	12/01/2016


MPLX LP
MPLX Stock Price (Right Scale)
MPLX Investment Grade Bond - Maturity Date 7/15/2023 CUSIP 55336VAE0 - (Left Scale)
110
108
106
104
102
100
98
96
40
35
30
25
20
15
10
5
0
1/3/19
1/10/19
1/17/19
1/24/19
1/31/19
2/7/19
2/14/19
2/21/19
2/28/19
3/7/19
3/14/19
3/21/19
3/28/19
4/4/19
4/11/19
4/18/19
4/25/19
5/2/19
5/9/19
5/16/19
5/23/19
5/30/19
6/6/19
6/13/19
6/20/19
6/27/19
7/4/19
7/11/19
7/18/19
7/25/19
8/1/19
8/8/19
8/15/19

Risks: continued weakness in commodity prices and volumes due to poor macro conditions – especially if gas production comes off line in Appalachia. Net debt/EBITDA of 3.8x is modest enough to weather the trough of the current cycle – this is slightly below the average for companies in the AMZI index and significantly down from the 2016 peak. Look for signals from the trading of the company's investment-grade debt.

The ideas presented in this document do not constitute a recommendation to buy or sell any security. Investors are advised to conduct their own independent research into individual stocks before making a purchase decision. In addition, investors are advised that past stock performance is not indicative of future price action.