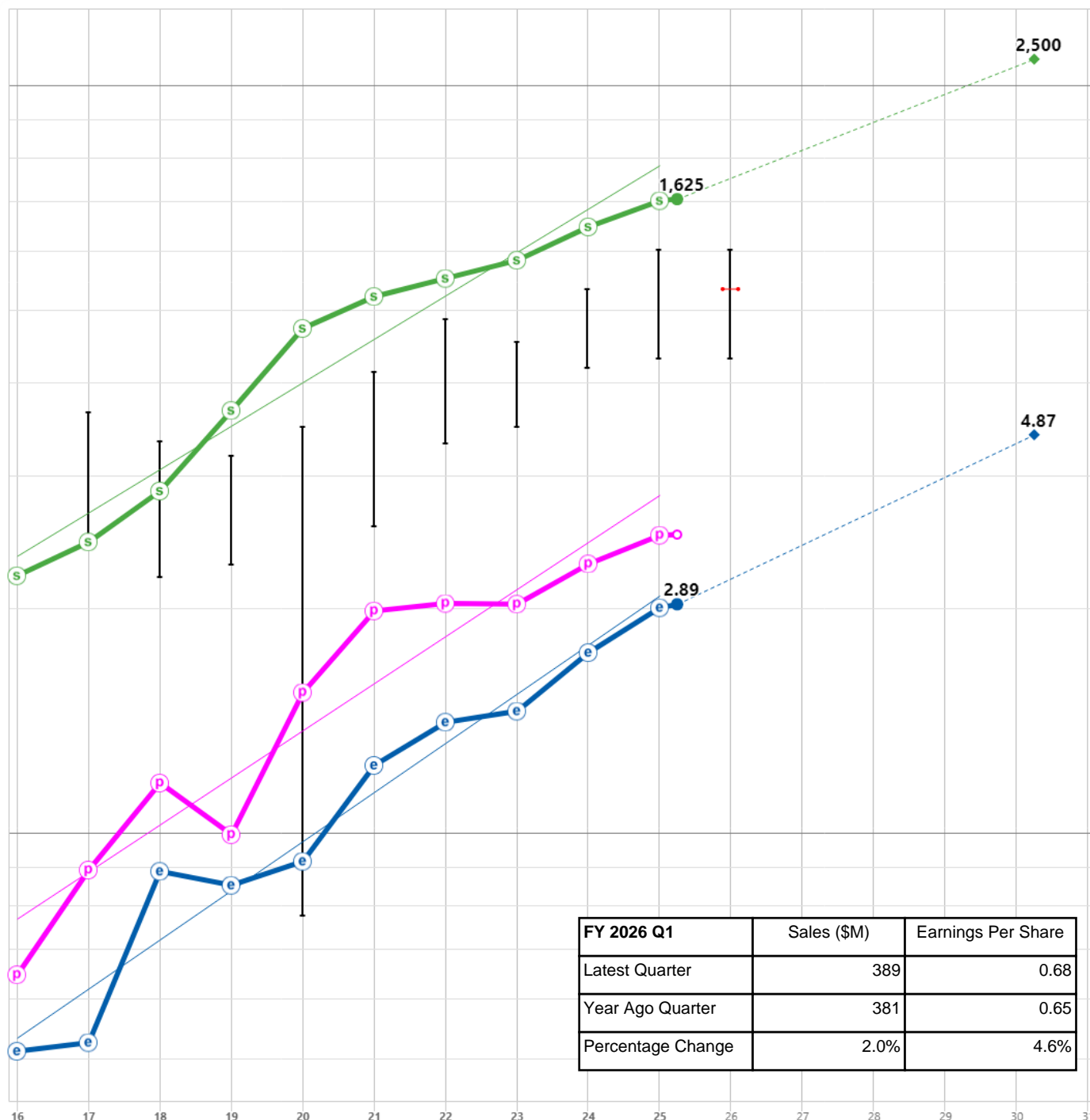


Stock Selection Guide

Company	Hess Midstream		Date	05/14/26	
Prepared by	DETLOFF		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Oil & Gas Midstream		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	129.2		0.1	69.6	
Debt (\$M)	3,772.0	% to Tot Cap	100.0	% Pot Dil	0.0

Symbol: HESM

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2026 Q1	Sales (\$M)	Earnings Per Share
Latest Quarter	389	0.68
Year Ago Quarter	381	0.65
Percentage Change	2.0%	4.6%

- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 14.3% | (3) Historical Earnings Per Share Growth | 16.3% |
| (2) Estimated Future Sales Growth | 9.0% | (4) Estimated Future Earnings Per Share Growth | 11.0% |

2 EVALUATING Management

Hess Midstream

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Last 5 Year Avg.
% Pre-tax Profit on Sales	40.5%	50.4%	56.3%	37.5%	45.1%	52.5%	50.8%	48.0%	49.0%	49.4%	49.9%
% Earned on Equity		7.8%	13.4%	4.3%	18.7%	43.7%	35.7%	38.7%	48.8%	64.6%	46.3%
% Debt To Capital	0.0%			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CURRENT PRICE 39.23 (05/14/26)

52-WEEK HIGH 44.14

52-WEEK LOW 31.63

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2021	30.3	18.9	1.76	17.2	10.7	1.91	108.8	10.1
2022	35.7	24.3	2.01	17.8	12.1	2.19	108.7	9.0
2023	33.3	25.6	2.08	16.0	12.3	2.37	114.1	9.3
2024	39.1	30.7	2.49	15.7	12.3	2.64	105.9	8.6
2025	44.1	31.6	2.86	15.4	11.1	2.90	101.5	9.2
AVERAGE		26.2		16.4	11.7		107.8	
CURRENT/TTM			2.89	15.3	10.9	3.04	105.0	
AVERAGE PRICE EARNINGS RATIO: 14.1					CURRENT PRICE EARNINGS RATIO: 13.6			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 15.0 X Estimate High Earnings/Share 4.87 = Forecasted High Price \$ 73.1

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 11.7 X Estimate Low Earnings/Share 2.86 = Forecasted Low Price \$ 33.5

(b) Avg. Low Price of Last 5 Years 26.2

(c) Recent Market Low Price 30.7

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{3.04}{10.14\%} = 29.9$
Selected Forecasted Low Price \$ 31.0

C ZONING using 25%-50%-25%

Forecasted High Price 73.1 Minus Forecasted Low Price 31.0 = 42.1 Range. 25% of Range 10.5
Buy Zone 31.0 to 41.5
Hold Zone 41.5 to 62.5
Sell Zone 62.5 to 73.1

Present Market Price of 39.23 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price} - \text{Low Price}} = \frac{73.1 - 39.23}{39.23 - 31.0} = \frac{33.82}{8.23} = 4.1$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price}}{\text{Current Price}} = \frac{73.1}{39.23} = 1.8621 \times 100 = 186.21 - 100 = 86.2$ % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{3.04}{39.23} = 0.0774 = 7.7\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{107.8\%}{15.00} = 7.2\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{107.8\%}{13.35} = 8.1\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 13.2 %
Average Yield 7.2 %
Annualized Rate of Return 20.4 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 10.6 %
Average Yield 8.1 %
Annualized Rate of Return 18.7 %

Notes: HESM 4/22/26

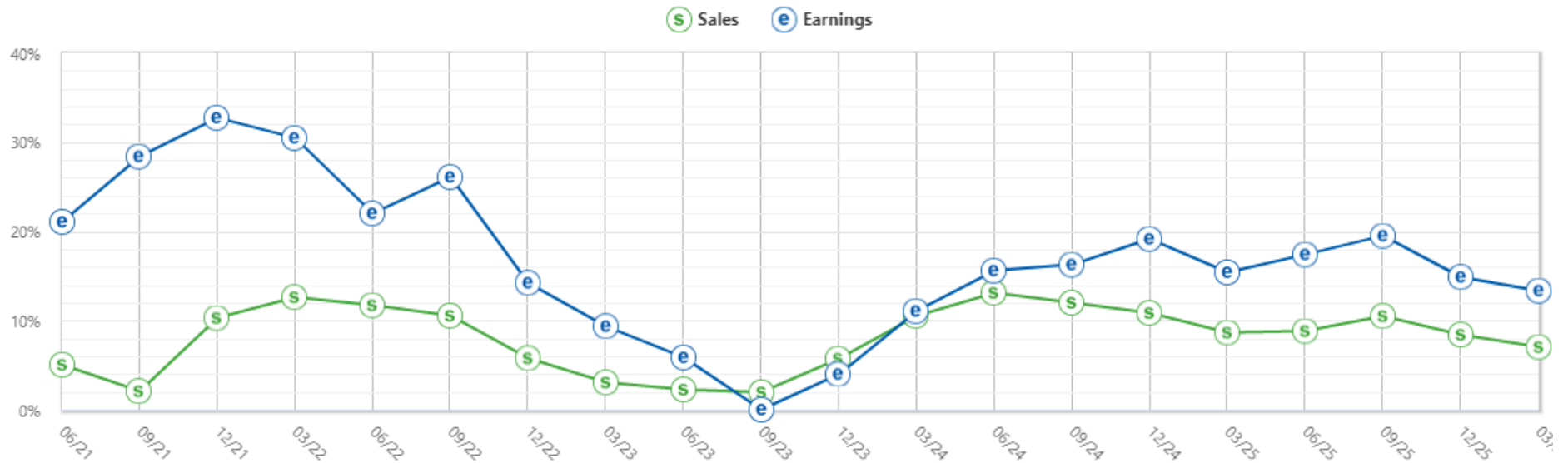
Date	Subject	Description	Type
------	---------	-------------	------

Study Audit: HESM 4/22/26

Review Advised	Category	Explanation
✓	Recent Sales Growth	Sales growth seems lower recently compared to the company's long-term sales growth. Check the company's latest report to determine if this is acceptable. Sales Quarter Change: 2.0% Sales 10 Yr Growth: 14.3%
✓	Recent Earnings Growth	Earnings growth seems lower recently compared to the company's long-term earnings growth. Check the company's latest report to determine if this is acceptable. EPS Quarter Change: 4.6% EPS 10 Yr Growth: 16.3%
✓	%Debt to Capital	More than one-third of this company's capitalization consists of debt. You may want to consider the nature of the industry and this company's prior track record to determine whether this is acceptable. Last FY Debt to Capital: 100.0%

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
03/26	0.68	4.6	185.9	47.8	0.8	388.7	2.0	15.2	2.89	799.9	49.2	1,624.9	119.1	14.9	13.3	8.2	7.0
12/25	0.72	5.9	198.2	49.2	1.8	403.1	2.1	15.2	2.86	798.4	49.4	1,617.2	113.5	14.2	14.9	9.3	8.4
09/25	0.75	19.0	207.0	49.3	12.7	419.6	11.1	15.2	2.82	794.9	49.4	1,609.1	105.8	13.3	19.5	13.4	10.5
06/25	0.74	25.4	208.8	50.5	18.4	413.5	13.4	13.9	2.70	771.5	49.2	1,567.1	93.2	12.1	17.4	11.3	8.8
03/25	0.65	10.2	184.4	48.4	4.7	381.0	7.4	12.5	2.55	739.0	48.7	1,518.2	80.3	10.9	15.4	9.8	8.6
12/24	0.68	23.6	194.7	49.3	18.2	395.0	9.9	11.6	2.49	730.8	49.0	1,491.9	71.4	9.8	19.1	13.2	10.8
09/24	0.63	10.5	183.6	48.6	4.2	377.6	4.5	10.3	2.36	700.8	48.1	1,456.4	60.8	8.7	16.3	8.5	12.0

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
06/24	0.59	18.0	176.3	48.4	13.0	364.6	13.3	9.1	2.30	693.4	48.1	1,440.1	53.6	7.7	15.6	9.9	13.1	
03/24	0.59	25.5	176.2	49.7	18.5	354.7	16.9	8.1	2.21	673.1	48.2	1,397.4	45.5	6.8	11.1	6.2	10.5	
12/23	0.55	12.2	164.7	45.8	-0.3	359.5	14.5	7.2	2.09	645.6	48.0	1,346.1	37.5	5.8	4.0	-0.7	5.7	
09/23	0.57	7.5	176.2	48.8	9.2	361.3	8.1	6.5	2.03	646.1	49.7	1,300.5	32.7	5.1	0.0	-1.4	2.0	
06/23	0.50	0.0	156.0	48.5	-1.8	321.9	2.8	5.2	1.99	631.2	49.6	1,273.4	29.1	4.6	5.9	0.5	2.3	
03/23	0.47	-4.1	148.7	49.0	-9.7	303.4	-2.8	4.4	1.99	634.1	50.1	1,264.5	28.1	4.4	9.3	-0.1	3.0	
12/22	0.49	-3.9	165.2	52.6	-3.1	313.9	-0.8	4.2	2.01	650.0	51.1	1,273.2	26.7	4.1	14.2	2.8	5.8	
09/22	0.53	39.5	161.3	48.3	20.2	334.2	10.0	4.7	2.03	655.3	51.4	1,275.6	25.1	3.8	26.1	9.9	10.5	
06/22	0.50	13.6	158.9	50.8	-4.0	313.0	6.2	4.5	1.88	628.2	50.4	1,245.3	20.4	3.2	22.0	8.4	11.7	
03/22	0.49	14.0	164.6	52.7	1.5	312.1	8.1	3.0	1.82	634.9	51.7	1,227.1	17.0	2.7	30.5	21.3	12.6	
12/21	0.51	41.7	170.5	53.9	27.0	316.3	18.7	3.2	1.76	632.4	52.5	1,203.8	14.5	2.3	32.7	28.5	10.3	
09/21	0.38	22.2	134.2	44.2	14.1	303.9	14.8	2.3	1.61	596.1	51.7	1,154.0	11.3	1.9	28.4	52.9	2.1	
06/21	0.44	49.7	165.6	56.2	51.2	294.8	9.3	2.2	1.54	579.5	52.0	1,114.8	9.9	1.7	21.1	55.9	5.0	
03/21	0.43	19.1	162.1	56.1	24.0	288.8	-0.6	1.5	1.40	523.4	48.0	1,089.8	8.1	1.5	9.9	48.3	13.0	
12/20	0.36	25.0	134.2	50.4	319.4	266.5	-12.8	1.6	1.33	492.0	45.1	1,091.6	7.3	1.5	8.0	54.9	28.8	
09/20	0.31	-5.8	117.6	44.4	18.3	264.7	35.5	1.5	1.25	389.8	34.5	1,130.6			0.7	3.3	58.5	
06/20	0.29	1.4	109.5	40.6	20.5	269.8	56.2	1.6	1.27	371.6	35.0	1,061.3			1.4	-0.9	54.5	
03/20	0.36	12.8	130.7	45.0	37.1	290.6	67.0	1.3	1.27	353.0	36.6	964.2			-1.2	-6.8	42.0	
12/19	0.29	-5.6	32.0	10.5	-65.2	305.5	78.6		1.23	317.6	37.5	847.6			-2.9	-14.7	28.1	
09/19	0.33	-2.9	99.4	50.9	2.7	195.4	15.4		1.25	377.5	52.9	713.2			2.0	5.6	11.3	
06/19	0.29	-9.4	90.9	52.6	-3.9	172.7	5.0		1.26	374.9	54.6	687.1			9.1	11.2	11.1	
03/19	0.32	6.7	95.3	54.8	7.1	174.0	11.0		1.29	378.6	55.8	678.9			23.6	21.9	14.7	
12/18	0.31	17.3	91.9	53.7	19.2	171.1	13.8		1.27	372.3	56.3	661.7			-33.3	30.7	17.0	
09/18	0.34	25.9	96.8	57.2	26.5	169.3	15.4		1.22	357.5	55.8	640.9			-58.5	28.3	13.1	
06/18	0.32	52.4	94.6	57.5	38.9	164.5	18.9		1.15	337.2	54.5	618.3			-67.7	34.6	14.4	
03/18	0.30	-74.1	89.0	56.8	41.0	156.8	20.3		1.04	310.7	52.5	592.1			-74.5	39.6	13.6	
12/17	0.26	-80.0	77.1	51.3	8.6	150.3	-0.9		1.90	284.8	50.4	565.6			-49.9	37.9	10.9	
09/17	0.27	-69.6	76.5	52.1	58.1	146.7	21.9		2.94	278.7	49.2	566.9						
06/17	0.21	-71.4	68.1	49.2	69.8	138.3	16.2		3.56	250.6	46.4	540.5						
03/17	1.16	34.4	63.1	48.4	34.3	130.3	9.6		4.08	222.6	42.7	521.2						
12/16	1.30		71.0	46.8		151.6												

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
09/16	0.89		48.4	40.2		120.3												
06/16	0.74		40.1	33.7		119.0												
03/16	0.86		47.0	39.5		118.9												