

UIG

Cheniere Energy, Inc.

(NYSE: LNG)

April 4, 2025



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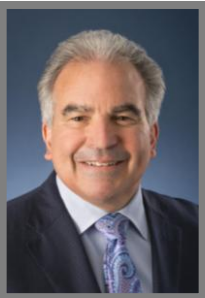
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Company Overview

Cheniere Energy, Inc (LNG)

- Houston, TX-based LNG company and the **leading U.S. exporter of liquefied natural gas**
- Founded in 1996 and pivoting to LNG exports in 2016, Cheniere owns and operates two large-scale terminals — Sabine Pass & Corpus Christi— with expansion projects currently underway to increase total capacity beyond **~45 mtpa**
- Utilizes a long-term, fixed-fee contract model to liquefy and deliver U.S. natural gas to **over 35 countries** worldwide through its vertically integrated Gulf Coast infrastructure

Leadership



Jack Fusco
CEO
(2016-Present)



Zach Davis
CFO
(2013-Present)



Sean Markowitz
CLO
(2015-Present)



Anatol Feygin
CCO
(2014-Present)

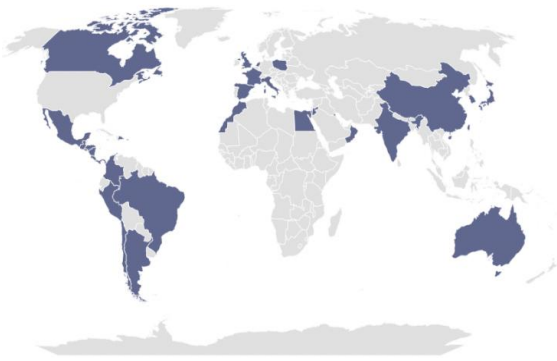
2024 Key Metrics

- **Employees:** ~ 1,700
- **Market cap:** \$50.89bn
- **Revenue:** \$15.7bn
- **CapEx:** \$2.2bn
- **Exports:** 646 cargoes/2,327 TBtu
- **Capacity:** ~ 45 MTPA
- **Free Cash Flow:** \$3.2bn
- **Annual Dividend:** \$2.00 per share

History

1996	2007	2008	2010
Founded Cheniere Energy Inc, upstream energy company	IPO NYSE: LNG	Sabine Pass operational; designed for LNG imports	Shift to exports Sabine Pass adds export capabilities
2016	2018	2022	2026
First LNG Export produced & export first LNG cargo from Lower 48	Corpus Christi Greenfield LNG export facility in Texas	Corpus Christi Expansion FID for Stage 3 expansion	CCL Stage 3 Completion 7 total trains & ~10 mtpa increase

Global Energy Provider



Strategic Overview

2024 Capital Allocation

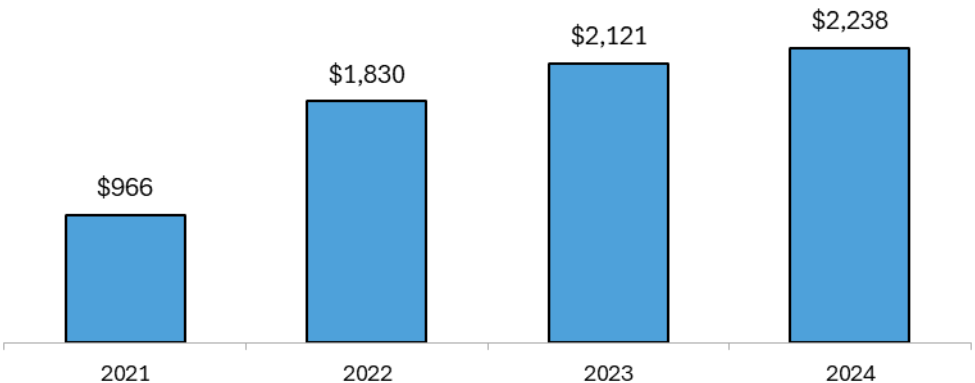
\$800mm
Debt
Reduction

\$2.3bn
Shares
Repurchased

\$2.00
Dividend
Per Share

\$1.5bn
Capex
Funded

Capital Expenditure Growth



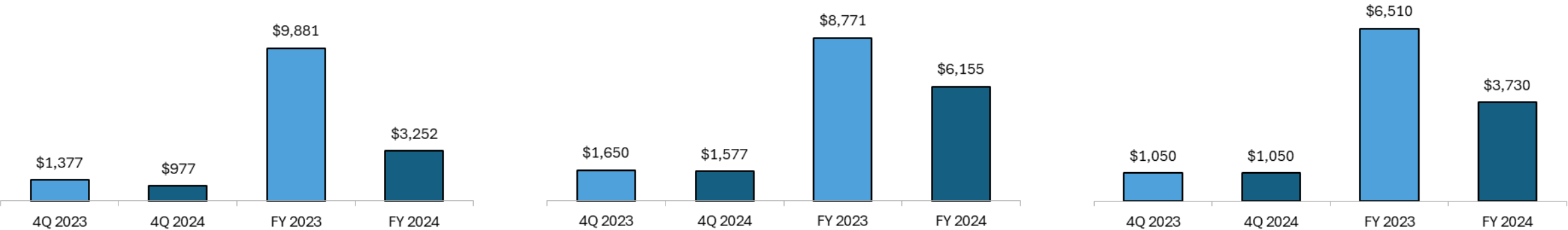
Financial Highlights

(\$ in millions)

Net Income

Consolidated Adjusted EBITDA

Distributable Cash Flow



2023 results reflect Cheniere's ability to capitalize on record-high global LNG prices through monetization of uncontracted cargoes

Operations

Simplified LNG Value Chain

Natural Gas Sourcing



Cheniere purchases natural gas from U.S. producers across major basins

Pipeline Transportation



The gas is transported through pipelines to facilities and removed of impurities

Liquefaction



Purified natural gas is cooled to -260°F , converting it into a liquid and reducing volume by 600x

LNG Shipping



The LNG is loaded onto specialized tankers and exported to 35+ countries

Regasification



LNG is regasified and used for power and heating

Contract Info

Long Term Fixed Fee

- 15-20 year “take-or-pay” agreements where the customer pays a capacity fee regardless of usage
- Stable and predictable cash flow

SPAs

- Customer pays for natural gas plus a fixed liquefaction fee and retains ownership of processed LNGs
- Indexed to U.S. gas prices; provides cost pass-through

Short Term Spot Sales

- Uncontracted cargoes are sold at prevailing global prices
- Upside optionality, but more volatile margins

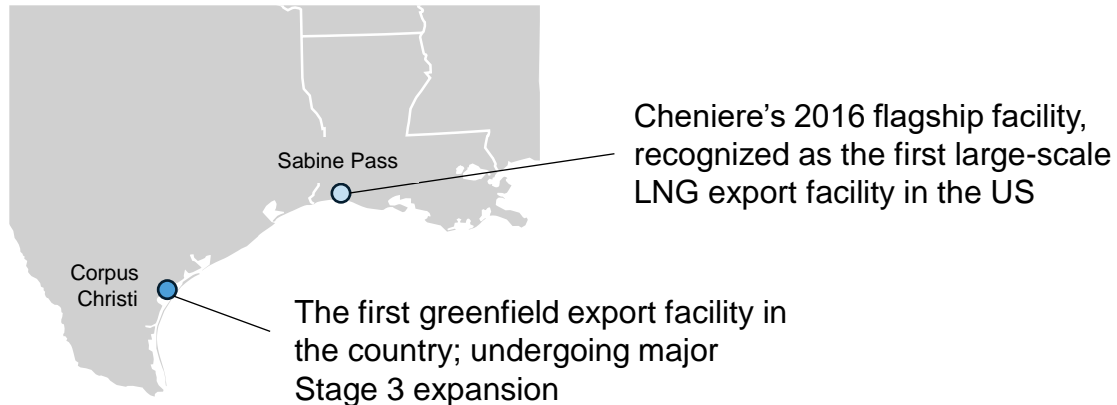
Highlights

- **90%** of 2025 operational volumes expected to be sold in long term agreements
- **85%** of total production capacity is contracted through long-term SPAs
- Remaining uncontracted cargoes are sold at spot prices, allowing for upside during high pricing cycles

Cheniere makes money on the “liquefaction margin” — converting U.S. gas into LNG and exporting it under long-term contracts or at spot prices

Operations

Terminal Breakdown



Corpus Christi

~25 mtpa

Total Production Capacity

3

Trains in Operation

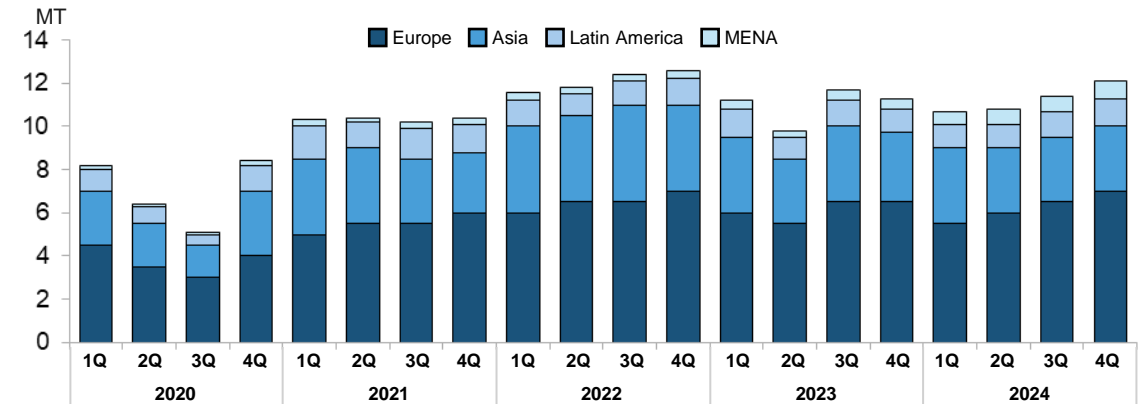
~1,090

Cargoes Produced & Exported

- **10+ mtpa** Stage 3 project ~77% complete, adding 7 total trains
- Achieved first LNG from Train 1 of Stage 3 in December 2024
 - 2 additional trains expected to be completed in 2025
 - Remaining 4 trains expected in 2026
- Up to ~2.8 mtpa of long-term contracts available to support Train 8 & 9 development

Expansion projects expected to increase production by ~30+ mtpa by EOY 2026

LNG Exports by Destination



Sabine Pass

~30 mtpa

Total Production Capacity

6

Trains in Operation

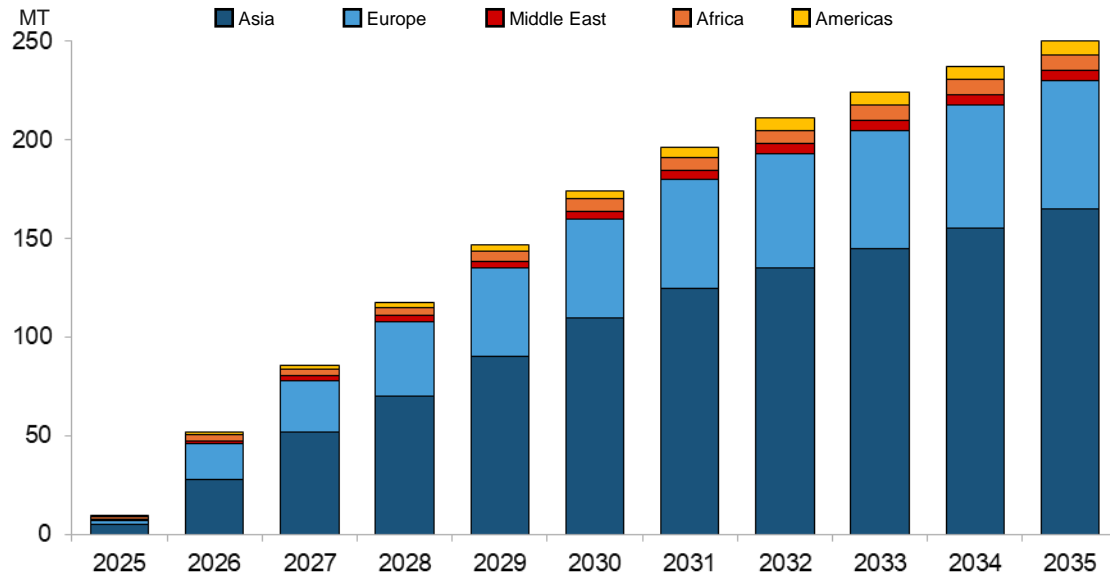
~2,840

Cargoes Produced & Exported

- **20+ mtpa** SPL Expansion Project in permitting process; FID anticipated in 2026
- Developing Carbon Capture & Storage (CCS) opportunities
- Up to ~7 mtpa of long-term contracts available to support the SPL Expansion project

Industry Overview

Market Will Require ~230mtpa of Supply



- The Asian Pacific region is expected to account for over 60% of global LNG demand growth through 2035
 - China, India, and other nations are phasing out coal-fired power plants as they pursue energy diversification
- Europe is prioritizing energy security and independence from Russian pipeline gas
 - Long-term contracts and new regasification capacity is ramping up across Germany, Poland, and the Baltics

Market Sensitive to Supply & Demand Disruptions

Tightening Factors		Δ MT	
Trinidad and Tobago Exports	(0.5)	(5.1) MT Supply Reduction From Resource Depletion	
Algeria Exports	(1.8)		
Egypt Exports	(2.8)		
Egypt Imports	+2.4	+18.6 MT Demand From Weather & Resource Depletion	
Columbia Low Hydro Power	+0.9		
Brazil Low Hydro Power	+1.9		
South Asia Heat Wave	+2.3		
SE Asia Heat Wave	+2.8		
NE Asia Heat Wave	+8.3		
Loosening Factors		Δ MT	
Arctic LNG 2	+0.6	+3.5 MT Supply From New Projects	
Plaquemines	+0.1		
NFE Altamira	+0.2		
Tango	+0.4		
Other Operational Projects	+2.3		

Industry Overview (Domestic U.S.)

Trump's Bullish Administration



Pro-Energy White House

Trump administration actively supports LNG export growth projects



Accelerated DOE Approvals

DOE resumed rapid approval of LNG exports, removing a key regulatory bottleneck



Energy Secretary Chris Wright

Advocate for LNG as a bridge fuel — boosting demand and credibility in global markets

Strategic Impact



Faster Expansion Timelines

Less regulatory delays = quicker path to revenue



Supportive Growth Narrative

Admin's stance boosts domestic and global demand



Competitive Advantage

Size & contracts enable faster response to demand



Expanded Contract Opps

Clear policy and demand drive new long-term contracts

Broader Domestic Tailwinds



Record U.S. Natural Gas Production

Abundant supply, low-cost feedstock



Increased LNG Demand from U.S. Allies

Geopolitical factors & energy security concerns favor U.S. LNG supply



Infrastructure Advantage

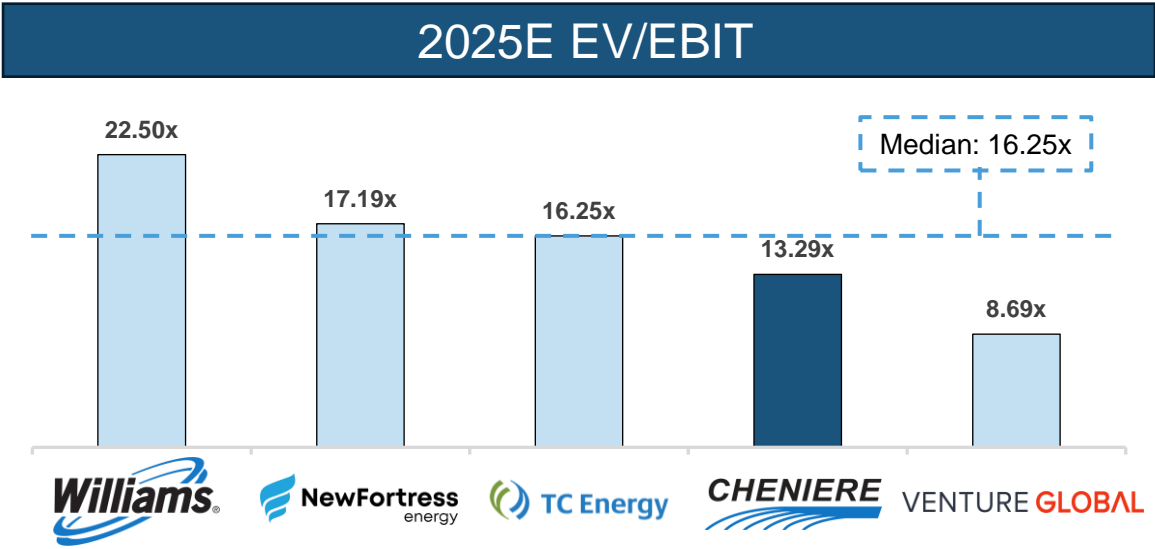
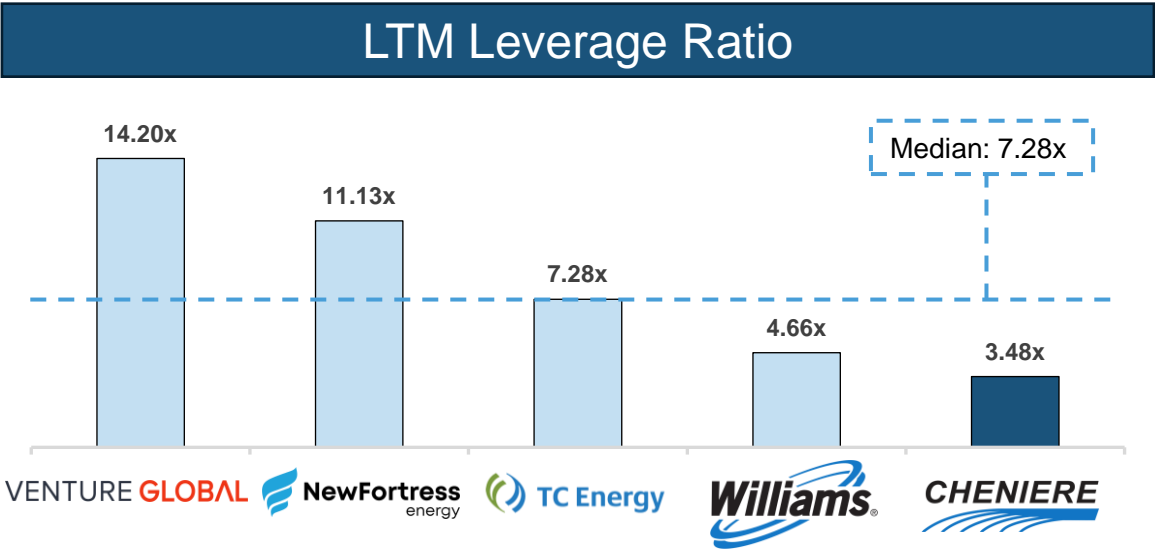
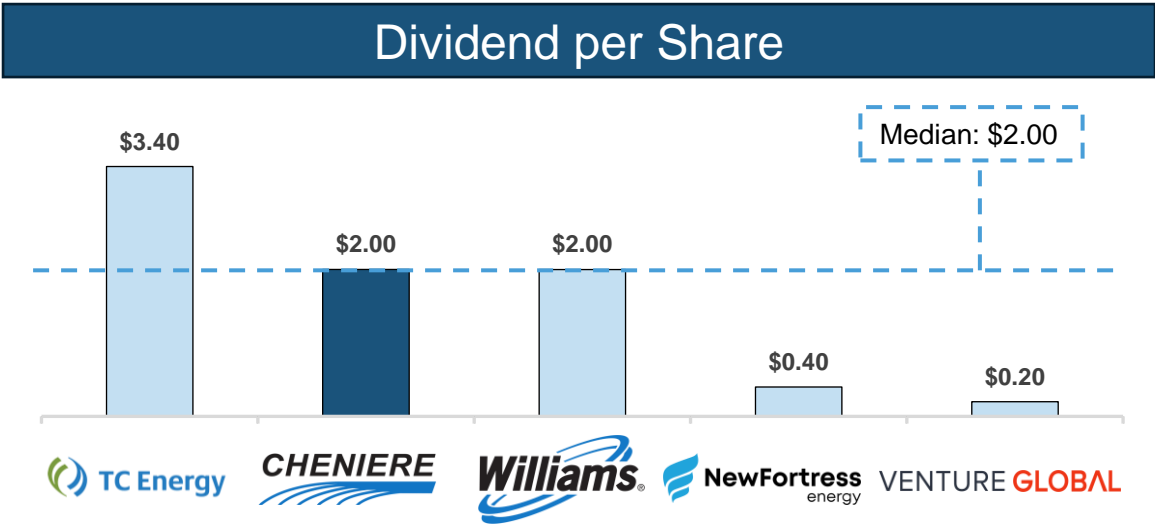
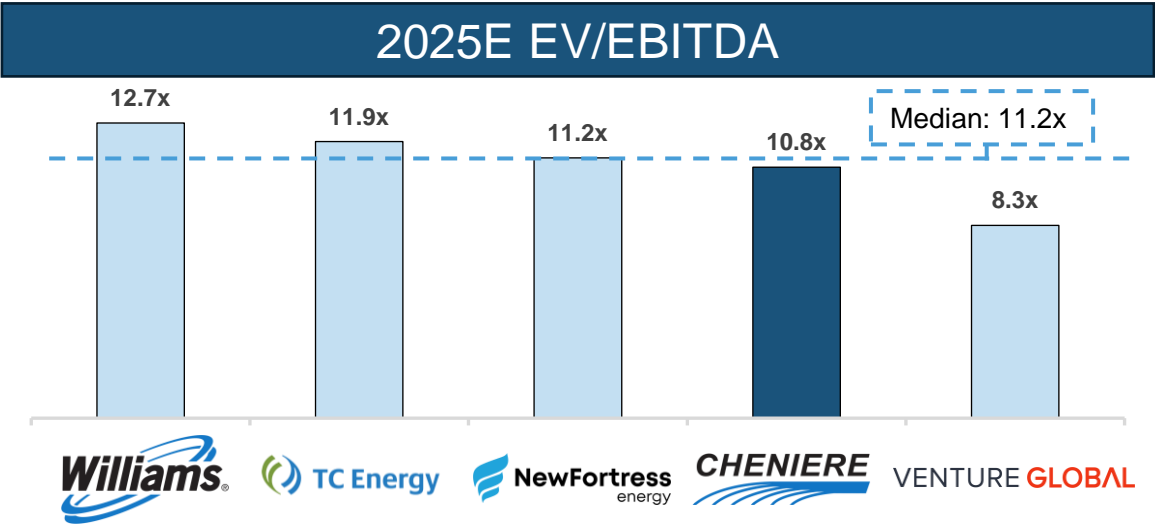
Ideal Gulf Coast location, with existing liquefaction and export capacity

Despite regulatory shifts, Cheniere remains committed to environmental transparency — achieving an AAA ESG rating (MSCI), publishing detailed life-cycle emissions data, and targeting methane intensity of just 0.03% by 2027 across both terminals.

Risk Analysis

Risk	Analysis
International Exposure	<ul style="list-style-type: none"> • Green New China: shift into green perspective, investing in electrification and renewables in wind and PV • Changes in the interpretation of existing laws and regulations could harm operations
LNG Export Permitting	<ul style="list-style-type: none"> • If the Trump administration does not pursue their commitment to resume LNG permitting, there may be potential struggles to reach operational and shareholder demands
Developing Regions	<ul style="list-style-type: none"> • Developing countries often take on significant debt to finance infrastructure expansion • Concerns over currency volatility and repayment risks can discourage trade with these nations, potentially limiting Cheniere's global market opportunities
Capital Expenditures	<ul style="list-style-type: none"> • Infrastructure costs and asset heavy balance sheet requires significant investment • Cheniere's sustainable dividend and payout policy ensures financial flexibility for future initiatives and balances shareholder returns with long-term growth potential
Pricing	<p>Volatility in pricing due to:</p> <ul style="list-style-type: none"> • Additions to global regasification capacity • Introduction of tariffs on imports of LNG • Excess export capacity worldwide

Comparable Company Analysis



Broker Outlook



Current price as of 3/17/2025

Discounted Cash Flow Analysis

Unlevered Free Cash Flow Calculation

	2025E	2026E	2027E	2028E	2029E
EBITDA	\$7,648.77	\$8,528.37	\$9,338.57	\$9,992.27	\$10,242.07
(-) Depreciation & Amortization	(\$2,145.15)	(\$2,391.84)	(\$2,619.07)	(\$2,802.40)	(\$2,872.46)
EBIT	\$5,503.62	\$6,136.53	\$6,719.50	\$7,189.87	\$7,369.61
(-) Tax Expense	(\$841.68)	(\$938.47)	(\$1,027.63)	(\$1,099.56)	(\$1,127.05)
NOPAT	\$4,661.93	\$5,198.06	\$5,691.87	\$6,090.30	\$6,242.56
(+) Depreciation & Amortization	\$2,145.15	\$2,391.84	\$2,619.07	\$2,802.40	\$2,872.46
(-) Change Net Working Capital	\$1,074.93	\$2,040.57	\$330.17	\$266.40	\$101.80
(-) CapEx	(\$2,504.32)	(\$2,752.39)	(\$2,970.14)	(\$3,131.26)	(\$3,161.59)
Free Cash Flow	\$3,227.84	\$2,796.95	\$5,010.63	\$5,495.04	\$5,851.63

WACC		Perpetuity Growth Method		Multiples Method	
Cost of Debt	6.24%	Perpetuity Growth Rate	2.0%	EBITDA Multiple	10.0x
Tax Rate	15.29%	Terminal Value	\$98,708	Terminal Value	\$102,421
After-Tax Cost of Debt	5.29%	PV of Terminal Value	\$67,034	PV of Terminal Value	\$69,555
Cost of Equity	10.01%	PV of Cash Flows	\$17,362	PV of Cash Flows	\$17,362
Weight of Equity	58.48%	Enterprise Value	\$84,395	Enterprise Value	\$86,917
Weight of Debt	41.52%	(-) Net Debt	\$31,475	(-) Net Debt	\$31,475
WACC	8.05%	Equity Value	\$52,920	Equity Value	\$55,442
		Dilluted Shares Outstanding	226	Dilluted Shares Outstanding	226
		Equity Value per Share	\$233.69	Equity Value per Share	\$244.82
		(Premium) / Discount to Price	6.18%	(Premium) / Discount to Price	11.24%

Using Original Methods
Blended Implied Price
Implied Price: \$239.25
8.71% Discount %
\$19.16 Discount Price

Discounted Cash Flow Sensitivity Analysis

Perpetuity Growth Discount % (+/-)

	1.50%	1.75%	2.00%	2.25%	2.50%
7.05%	25.58%	33.19%	41.55%	50.78%	61.03%
7.55%	9.18%	15.44%	22.26%	29.73%	37.94%
8.05%	-4.70%	0.52%	6.18%	12.32%	19.02%
8.55%	-16.61%	-12.19%	-7.44%	-2.31%	3.24%
9.05%	-26.92%	-23.15%	-19.12%	-14.78%	-10.12%

Terminal Multiple Discount % (+/-)

	9.00x	9.50x	10.00x	10.50x	11.00x
7.05%	4.32%	11.62%	18.93%	26.24%	33.55%
7.55%	0.75%	7.89%	15.03%	22.17%	29.32%
8.05%	-2.72%	4.26%	11.24%	18.21%	25.19%
8.55%	-6.10%	0.72%	7.54%	14.36%	21.18%
9.05%	-9.39%	-2.72%	3.94%	10.60%	17.27%

Averages of Blended Discount % (+/-)

14.95%	22.41%	30.24%	38.51%	47.29%
4.96%	11.66%	18.65%	25.95%	33.63%
-3.71%	2.39%	8.71%	15.27%	22.10%
-11.35%	-5.74%	0.05%	6.02%	12.21%
-18.15%	-12.94%	-7.59%	-2.09%	3.58%

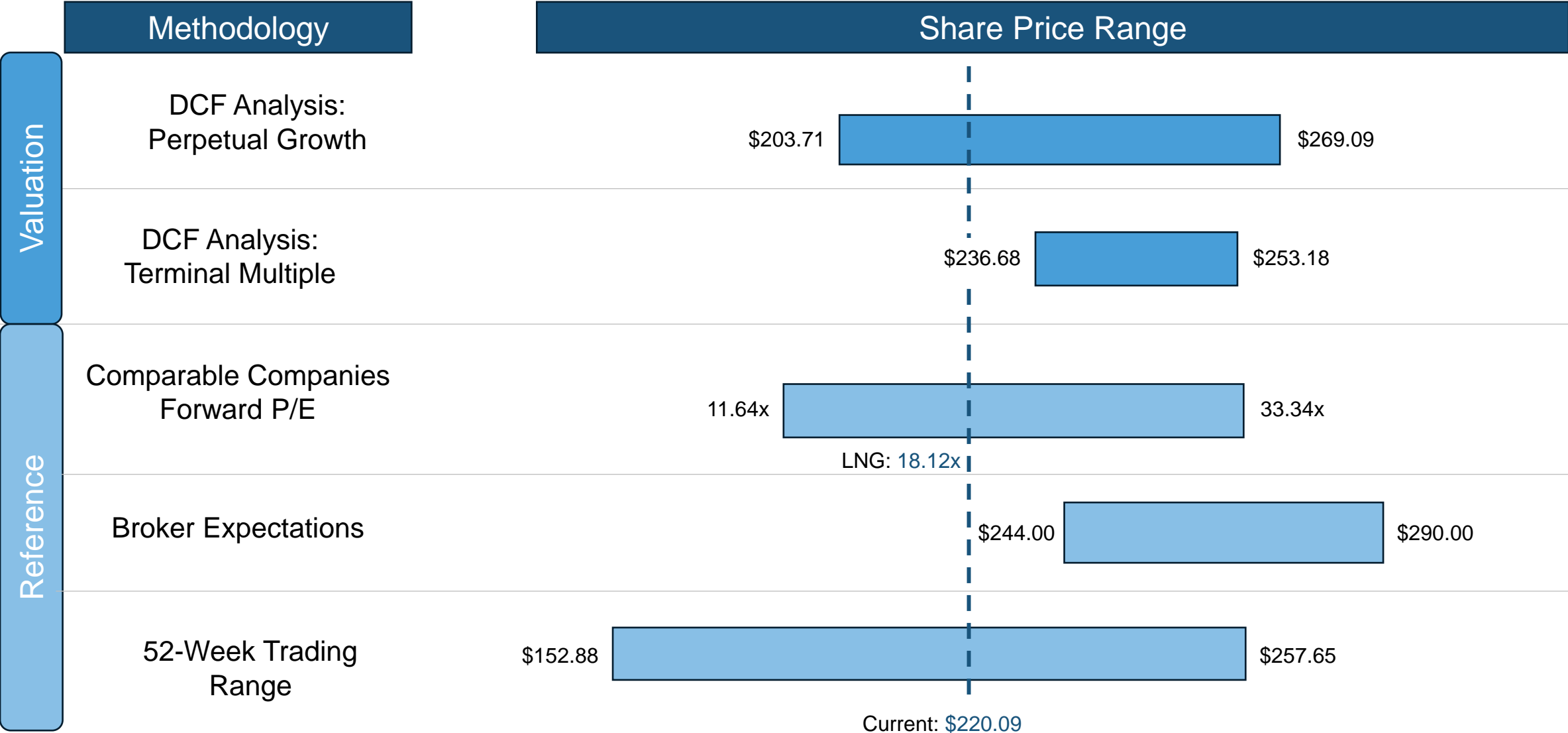
Using W.A of Blended Scenarios

Blended Implied Price

Implied Price: \$240.01

9.05% Discount %
\$19.92 Discount Price

Football Field



Investment Thesis

Global LNG Infrastructure Leader

- The U.S. is the world's top LNG exporter, and Cheniere leads domestically with ~45+ mtpa of operational capacity
- Long term fixed fee contracts allow for cash flow stability while spot pricing provides upside potential

Expansion Driven Growth

- ~\$1.5bn invested into CCL Stage 3, which is 77% complete and alongside the SPL expansion will add ~30mtpa of capacity by 2026
- Expansions are supported by up to ~10 mtpa of new contracts, providing cash flow certainty and strengthening the investment case

Positioned for Global Demand Surge

- Global LNG demand is set to grow by ~230 mtpa through 2035, led by Asia and Europe as countries continue to phase out coal
- U.S. policy under a pro-energy administration accelerates export approvals, creating a multi-year tailwind

Attractive Valuation Mispricing

- Despite its scale, contracted cash flows, and forward growth, Cheniere trades at a discount to its peers
- The market has not fully priced in the production ramp up from Stage 3 and SPL expansion