Initiating Coverage:

Cheniere Energy ($LNG)

Fueling a Successful LNG Expansion

Key Take-away: Cheniere Energy outperformed its expectations, and according to their August 7 earnings call, they beat their 2025 Q2 EPS estimate by 190.4% and revenue estimate by 8.08%. As a result, they raised their guidance for distributable cash flow to $4.4-4.8 billion and tightened their EBITDA range to $6.7-7.0 billion for 2025. With large expansion projects planned and in progress (Stage 3 & Stage 4) at their Corpus Christi and Sabine Pass LNG-producing locations, they are projecting their run rate EBITDA to reach $9.0 billion by 2030. The company has been taking advantage of the rapid economic growth in Asia and regasification in Europe by expanding its operations to ramp up exports. They recently announced a new 1 mtpa SPA with JERA, making it their 10th contract signed with an Asian counterparty since 2021.

Stage 3 & 4 Expansion Projects: Cheniere Energy is currently in progress on its Stage 3 expansion project in Corpus Christi and s already underway in planning the location's Stage 4. For the Stage 3 expansion, Midscale Trains 1-3 are to be completed by YE 2025, Midscale Trains 4-7 are to be completed by YE 2026, and Midscale Trains 8 & 9 are to be completed by 2028 & 2029, respectively. With the FID of Midscale Trains 8 & 9, they are forecasted to generate over $25B of available cash through 2030. Currently, this expansion is 87% complete and would bring the company's mtpa from 45 to 78 when all is completed. They have also been conducting maintenance on their large-scale trains, increasing run-rate capacity for each one to 5.0-5.2 mtpa each, adding 1 mtpa of production on a run-rate basis. For plans further out in the future, it has initiated the prefiling process for Corpus Christi Location Stage 4 expansion, where they are planning to add 4 new large-scale trains, and have updated their FERC application on their Sabine Pass Location expansion project, where they plan on adding 3 new large-scale trains.

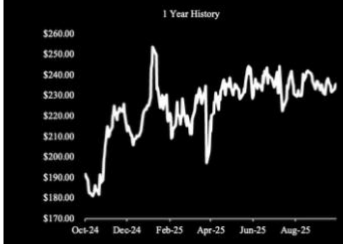
Exports to Asia: Cheniere is also looking to profit massively from export expansion in Asia. They recently announced their 10th contract with an Asian counterparty since 2021 with the Japanese Energy company JERA. Recently, however, Asian imports of LNG have decreased 7% y-o-y, with Chinese demand staying flat (which contributes 25% of Asian LNG imports). Although there was a short-term decrease, in the long term, Asia is expected to represent 90% of worldwide growth in LNG demand through 2040. The continent continues to invest in regas capacity with 290 mtpa of regas capacity proposed or under construction. The US is looking to take advantage of this, with the country representing 25% of the 2021-2025 figure of 28 million tonnes worth of long-term contracts (5x that of trailing years). Cheniere currently represents over 9 million tonnes of the aggregate long-term contracted volumes signed with Asian counterparts from 2021-2025.

Valuation: We initiate coverage with a $302.00 PT.

Consortium Research Group
Energy | Liquefied Natural Gas
October 11th, 2025

Stock Rating:	Overweight
Price Target:	$302.00

Price:	$227.62
Potential Upside/Downside:	32.67%
Ticker:	$LNG



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Company Overview

Company Description: Cheniere Energy is an energy infrastructure company that primarily engages in liquefied natural gas (LNG). The company's mission is to provide clean and affordable LNG to energy companies, utilities, and energy trading companies worldwide. Cheniere currently operates two natural gas liquefaction and export facilities in Sabine Pass, LA, and near Corpus Christi, TX. They are in progress on expansion Stage 3 and initiating plans for Stage 4; Stage 3 is focused on optimizing and adding more LNG trains to each facility (primarily CCH), and it is projected to finish by 2029.

Foundation of Long-Term Counterparty Arrangements: Cheniere's focus on long-term arrangements provides the company with "significant, stable, and long-term" cash flows. Unlike how most natural gas and LNG companies typically behave, Cheniere is not typically focused on large capital expenditures. However, they are currently working on large projects to take advantage of large increases in international LNG demand, but capital expenditures are expected to stay flat for 2025 and only increase by 1% in 2026. As of the end of 2024, Cheniere had 15 years of weighted average remaining life on SPA and IPM deals, showing a focus on stability for the future. They have contracted about 95% of the anticipated production in Liquefaction Projects through the mid-2030s, excluding volumes from less than 10 years and volumes that are contractually subject to additional liquefaction.

Operational Excellence: Cheniere has been emphasizing safety, operational excellence, and customer satisfaction. Increasing demand has caused an expansion of LNG capacity in a financially disciplined manner, with Stage 3 being spread out over 5 years. Additionally, the Corpus Christi location maintains a lot of capacity for new LNG production expansion. CCL Midscale Trains 8 & 9 (two of the 9 new trains at CCL) are expected to generate 3 mtpa of capacity, and the SPL project is expected to create 20 mtpa of new LNG capacity, inclusive of new bottlenecking opportunities.

Industry Overview

Trump Prioritizing LNG: US President Trump is looking to reduce the regulatory challenges and encourage high US energy production and exports. The US's increased LNG exports give it leverage over political rivals like China, which have been installing large amounts of regasification capacity. On January 20, 2025, Trump signed an executive order declaring a national energy emergency. With his push for US LNG exports, they could contribute an estimated $1.3T of GDP to the US through 2040.

Future Asian Demand: Future demand for natural gas is projected to be driven by Asia because they are expected to host more than one-third of AI data centers globally and become one of the biggest EV markets. Using US imports, they can reduce annual energy costs by $200B by 2030. LNG has the potential to add $60B in trade between the US and Asian nations this decade, with dependence on US natural gas potentially more than doubling this decade to reshape supply chains for energy across sectors. The demand for US LNG exports through 2030 is expected to grow 5% annually.

LNG Market Uncertainty: With uncertainty surrounding the oil & gas sector, LNG producers' contracting has been trending towards the need for greater flexibility, optionality, and diversification. The number of intermediaries who buy under long-term deals and sell spot or short-term represents a large portion of contracted volume, adding supply adaptability. More than 80% of contracts are long-term (10 years or more), and there has been movement towards more pricing diversity, with hub-indexed pricing being favored over the traditional oil-indexed pricing due to the decoupling of these indexes.

Peer Comparisons

Comparable Companies

$mm

Ticker	Mkt Cap	EV	P/E LTM	Revenue LTM	EBITDA LTM
Targa Resources Corp. (NYSE:TRGP)	$34,990	$51,696	23.3x	$17,079	$4,491
Kinder Morgan, Inc. (NYSE:KMI)	$62,063	$79,716	22.9x	$15,969	$6,721
ONEOK, Inc. (NYSE:OKE)	$45,802	$72,296	14.2x	$27,953	$6,843
The Williams Companies, Inc. (NYSE:WMB)	$77,643	$93,391	31.9x	$11,363	$6,027
Cheniere Energy, Inc.	$51,720	$76,443	13.8x	$18,231	$8,167

Ticker	LTM EV/EBITDA	Gross Margin	EBITDA Margi	EBIT Margin	Yr Rev Growth Rate LF
Targa Resources Corp. (NYSE:TRGP)	11.5x	34.7%	26.3%	17.6%	2.0%
Kinder Morgan, Inc. (NYSE:KMI)	11.9x	51.6%	42.1%	27.4%	(1.5%)
ONEOK, Inc. (NYSE:OKE)	10.6x	38.7%	24.5%	19.6%	22.7%
The Williams Companies, Inc. (NYSE:WMB)	15.5x	60.0%	53.0%	32.6%	8.1%
Cheniere Energy, Inc.	9.4x	41.0%	44.8%	37.9%	(21.9%)

High	15.50x	60.0%	53.0%	37.9%	22.7%
75th Percentile	11.86x	51.6%	44.8%	32.6%	8.1%
Average	11.76x	45.2%	38.1%	27.0%	1.9%
Median	11.51x	41.0%	42.1%	27.4%	2.0%
25th Percentile	10.57x	38.7%	26.3%	19.6%	-1.5%
Low	9.36x	34.7%	24.5%	17.6%	-21.9%

Cheniere Energy, Inc. Relative Valuation		
Implied Enterprise Value (25th Percentile)	$	86,284
Implied Enterprise Value (Median)	**$**	**94,003**
Implied Enterprise Value (75th Percentile)	$	96,867
Implied Share Price (25th Percentile)	$	280.12
Implied Share Price (Median)	**$**	**315.24**
Implied Share Price (75th Percentile)	$	328.27

Source: S&P Capital IQ

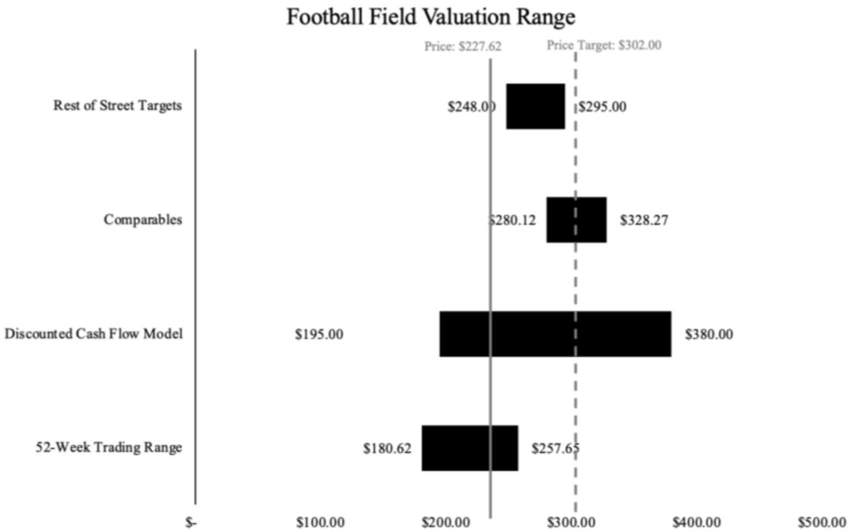
Investment Theses

Strong Cash Flow in the Long Term: Cheniere's large investments in physical capital are expected to produce consistently high cash flow for the long term. Although Cheniere is planning large expansions, they are projecting only a 1% increase in CapEx for E&P in 2026. The company has a reputation for completing its projects on time and on budget, and once expansions are done, assuming no new plans, FCF would expand substantially. With projected lower taxes for the mid-term, the increase in FCF would be amplified, further benefiting the company.

US Pushing LNG Exports: Cheniere is set to benefit from the US's push on LNG exports to take advantage of lower prices than Europe and Asia ($3-4/MMBtu vs. $11-12/MMBtu). Trump is making LNG exports a priority for the US and has already made changes to FDDEI in the OBBBA, which is expected to decrease Cheniere's business taxes for 2026 and onward. Additionally, China is a major consumer of US LNG exports, and it would be in the US's best interest to continue to have China relying on its exports for political leverage, regardless of the US political party in charge. With this assumption, Cheniere's exports should continue to grow at a steady rate. With Trump's push for LNG exports, they could contribute an estimated $1.3T of GDP in the US through 2040. Asian demand for US LNG is expected to grow 5% annually through 2030, and the continent is expected to host more than one-third of AI data centers, which need a substantial amount of energy to operate.

Price Target & Valuation

Our analysis gives ($LNG) a price target of $302.00 and an Overweight rating.



Potential Downsides to Our Rating

Increased LNG Regulations: Trump's policies have given a large boost to the LNG industry, but this could potentially mean that the industry is dependent on partisan decisions. In January 2024, Pres. Biden placed a pause on new LNG exporting contracts to push alternatives that were more environmentally friendly. Although LNG is cleaner than typical oil and gas, Biden was pushing for a complete transition to renewable energy. However, in October 2024, the authorization from the DOE to export LNG to FTA countries was received, allowing for Cheniere's expansion. LNG still has room to grow under any administration in the US; it is just a matter of how quickly it grows as a result of the relaxation or tightening of regulations.

Debt Risk: In the base projections, the expansion is mostly seen as positive, but there is a risk of incurring debt. The ability to effectively fund capital expenditures and refinance indebtedness may depend on the company's ability to access additional project financing and the debt and equity capital markets. There are a variety of factors that can influence the availability or cost of capital, like geopolitical factors, changes in interest rates, or changes in regulations. However, Cheniere is attempting to mitigate this by primarily drawing on its current committed credit facilities to finance their Stage 3 expansion project.

Our Price Target: $302.00

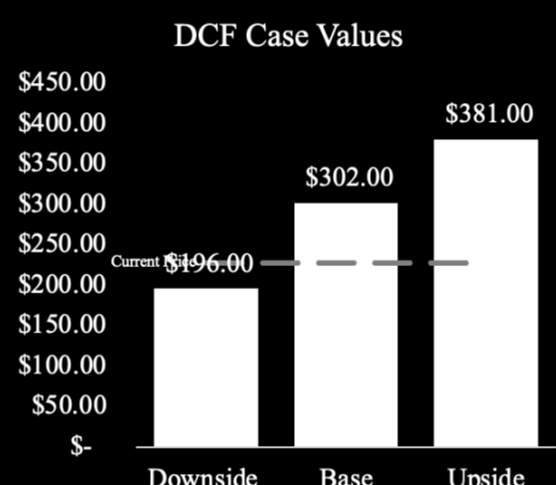
Our PT is based on a 2030 exit multiple of 15.9x and a LSD yearly revenue growth, and a 2030 EBIT margin of 28%. We apply a premium compared to peers due to the company's efficient expansion of its CCL and SPL facilities to keep up with increasing demand for LNG exports.

Our Upside Case: $381.00

Our upside case is based on the assumptions of low-to-mid single-digit revenue growth, an exit multiple of 17.4x, and a slightly increased 2030 EBIT margin of 30%. This case assumes the successful large expansion of the CCL facility with sustained revenue increases a strong efficiency and continued solid growth from the SPL facility through 2030.

Our Downside Case: $196.00

Our downside case is based on concerns of increased regulations in based on US political party changes and competition in Asia as the continent's economies expand. This assumes an initial uptick in revenue growth in their two main facilities but then slowing to a decreasing rate and a lower EBIT margin of 25% by 2030.



Projections

Income Statement ($mm)	2024A	2025E	2026E	2027E	2028E	CAGR%
Revenue	15,454	18,564	19,123	19,658	20,163	9.3%
EBITDA	7,307	6,800	6,603	6,958	7,312	0.0%
EBIT	6,087	5,518	5,355	5,504	5,646	-2.5%
NOPAT	2,591	(21)	4,043	12,994	5,276	26.7%

Margin & Growth Data	2024A	2025E	2026E	2027E	2028E	AVG%
EBITDA Margin	47.3%	36.6%	34.5%	35.4%	36.3%	38.0%
EBIT Margin	39.4%	29.7%	28.0%	28.0%	28.0%	30.6%
Revenue Growth	-21.9%	20.1%	3.0%	2.8%	2.6%	1.3%
EBIT Growth	-60.8%	-9.3%	-3.0%	2.8%	2.6%	-13.5%

Valuation Metrics	2024A	2025E	2026E	2027E	2028E	AVG%
P/FCF	11.6x	14.8x	15.3x	15.0x	14.8x	14.3x
EV/Sales	4.9x	4.1x	4.0x	3.9x	3.8x	4.1x
EV/EBITDA	10.5x	11.2x	11.6x	11.0x	10.5x	10.9x
FCF Yield	8.6%	6.8%	6.5%	6.7%	6.8%	7.1%

About $LNG

Cheniere Energy, Inc. (NYSE: LNG), founded in 1996, operates as a leading liquefied natural gas (LNG) producer and exporter. The company engages in the liquefaction, marketing, and transportation of natural gas through its Sabine Pass and Corpus Christi facilities on the U.S. Gulf Coast. Cheniere operates through two primary segments, liquefaction services and marketing, providing reliable and long-term LNG supply to global customers. The firm differentiates itself through scale, operational efficiency, and vertical integration across the LNG value chain. Cheniere's core objective is to deliver clean, flexible, and affordable energy to global markets while generating sustainable returns through disciplined capital allocation and long-term contracting.

Disclosures & Ratings

Consortium Research Group is a not for profit and is not a registered investment advisory corporation. Analysts and leadership are current college students pursuing careers in finance and are not registered investment advisors. This is not investment advice. The group does not hold any professional relationships with any reported equities unless otherwise stated. All information contained in reports is public information. **Overweight** means the analyst team believes the stock price will materially outperform the coverage industry benchmark (TMT, Healthcare, Industrial, Consumer, FIG, Energy & Sustainability) in the next 6-12 months. **Equal Weight** means the team expects performance in line with the industry benchmark. **Underweight** means the team expects underperformance relative to the industry benchmark.

Appendix

Cheniere Energy, Inc.
Discounted Cash Flow

Active Case:	**2 Base**
Current Share Price	$227.62

DCF Analysis ($mm)	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/2025	12/31/26	12/31/27	12/30/28	12/30/29	12/31/30
Stub						0.78	1.78	2.78	3.78	4.78	5.78
Discount Period						0.11	0.72	1.72	2.72	3.72	4.72
Revenue	9,293	17,531	33,306	19,781	15,454	18,564	19,123	19,658	20,163	20,636	21,072
Revenue Growth	*0%*	*89%*	*90%*	*-41%*	*-22%*	*20%*	*3%*	*3%*	*3%*	*2%*	*2%*
Corpus Christi (CCH)	2,529	3,907	9,363	5,465	4,880	5,862	6,097	6,310	6,499	6,662	6,795
Sabine Pass (CQP)	6,167	9,434	17,206	9,664	8,704	10,456	10,769	11,079	11,384	11,682	11,974
Other	597	4,190	6,737	4,652	1,870	2,246	2,258	2,269	2,280	2,292	2,303
EBIT	2,634	(734)	4,502	15,513	6,087	5,518	5,355	5,504	5,646	5,778	5,900
EBIT Margin	*28%*	*-4%*	*14%*	*78%*	*39%*	*30%*	*28%*	*28%*	*28%*	*28%*	*28%*
Tax Expense	43	(713)	459	2,519	811	828	803	791	776	758	738
Effective Tax Rate	*2%*	*97%*	*10%*	*16%*	*13%*	*15%*	*15%*	*14%*	*14%*	*13%*	*13%*
NOPAT	2,591.00	(21.00)	4,043.00	12,994.00	5,276.00	4,690.30	4,551.37	4,712.93	4,869.36	5,019.63	5,162.75
D&A	932	1,011	1,119	1,196	1,220	1,282	1,249	1,454	1,666	1,885	2,107
Capex	1,839	966	1,830	2,121	2,238	3,294	3,211	3,458	3,709	3,962	4,214
Changes in NWC	(499)	(1,255)	(307)	(177)	(188)	(816)	(796)	(736)	(671)	(602)	(527)
UFCF	2,183	1,279	3,639	12,246	4,446	3,494	3,385	3,445	3,498	3,544	3,582
PV of FCF						3,473	3,254	3,136	3,016	2,894	2,770

Weighted Average Cost of Capital ($mm)	
Market Risk Premium	4.33%
Beta	0.37
Risk Free Rate	4.39%
Cost of Equity	3.94%
Weighted Average Cost of Debt	5.65%
Tax Rate	15.00%
Cost of Debt	1.66%
Total Equity	$50,024
Total Debt	$24,723
Equity/Total Capitalization	65.48%
Debt/Total Capitalization	34.52%
WACC	5.59%

Terminal Value Perpetuity Growth Method	
2034 FCF	$3,582
Growth	2.50%
Terminal Value	$115,818
PV of Terminal Value	$89,558
PV of Projection Period	$18,543
PV of Terminal Value	$89,558
Implied TEV	$108,102
(-) Debt	$26,371
(+) Cash	$1,648
Implied Equity Value	$83,379
Basic Shares Outstanding	220
Implied Share Price	$379.39
Upside/Downside	66.68%

Implied Exit BF EV/EBIT	18.3x

Terminal Value Exit Multiple Method	
2034 EBIT	$5,900
EV/EBIT Exit Multiple	15.9x
Terminal Value	$93,814
PV of Terminal Value	$72,544
PV of Projection Period	$18,543
PV of Terminal Value	$72,544
Implied TEV	$91,087
(-) Debt	$26,371
(+) Cash	$1,648
Implied Equity Value	$66,364
Diluted Shares Outstanding	220
Implied Share Price	$301.97
Upside/Downside	32.7%

Implied PGR	0.6%

Blended Share Price	
Perpetutity Growth Method	0%
Exit Multiple Method	100%
Blended Share Price	$301.97
Upside/Downside	32.67%