

Cheniere Energy Inc (LNG)

FQ2 2026 Earnings Review
Period ended June 30, 2026
Reported August 6, 2026

Materially stronger near-term outlook, but exceptional margins are not permanent

1 | KEY RESULTS VS. CONSENSUS

Metric	Reported	Consensus	vs. Cons.
Revenue	\$5.732 billion	\$4.71 billion	+21.7%
Adjusted EBITDA	\$1.804 billion	\$1.71 billion	+5.5%
Diluted EPS (vs. Year Ago)	\$14.65	\$7.30	+100.7%
SEGMENT REVENUE			
LNG Revenue (vs. Year Ago)	\$5.640 billion	\$4.516 billion	+24.9%
Regasification Revenue (vs. Year Ago)	\$34 million	\$34 million	0.0%
Other Revenue (vs. Year Ago)	\$58 million	\$92 million	-37.0%

2 | GUIDANCE AND OUTLOOK

Adjusted EBITDA guidance was raised to \$7.90 billion to \$8.40 billion from \$7.25 billion to \$7.75 billion, and distributable cash flow guidance to \$5.30 billion to \$5.80 billion from \$4.75 billion to \$5.25 billion. Production guidance rose to 53 million to 54 million tonnes, a floor-led increase. CQP distribution guidance was reaffirmed at \$3.10 to \$3.40 per unit. Sabine Pass Phase 1 targets an early-2027 FID; Midscale Trains 8 & 9 remain H2 2028.

3 | EARNINGS ANALYSIS

LNG LED THE BEAT. LNG revenue increased approximately 24.9% to \$5.640 billion, while regasification revenue remained \$34 million and other revenue fell to \$58 million from \$92 million. The revenue beat substantially exceeded the EBITDA beat because commodity-linked amounts and gas-cost pass-through do not translate proportionately into retained margins. Operating and maintenance expense declined to \$533 million from \$559 million despite higher output, consistent with improved operating performance and the absence of the prior-year major turnaround.

GAAP OVERSTATES RECURRING GROWTH. GAAP net income attributable to Cheniere rose 88.7% to \$3.068 billion, versus adjusted net income growth of 26.9% to \$632 million. The reconciliation removed \$2.900 billion of commodity and foreign-exchange fair-value gains, so the quarter's exceptionally high GAAP earnings primarily reflected reversals of earlier accounting losses, not comparable recurring cash growth. The normal purchases and normal sales designation improves reporting visibility but creates no incremental EBITDA, DCF or liquidity. Sequential EBITDA fell 22.7%; excluding Q1's \$370 million nonrecurring excise tax credit, the analytical decline was approximately 8.1%: smaller, not eliminated.

SCARCITY MARGINS ARE TEMPORARY. Approximately \$300 million of the latest EBITDA upgrade came from just 0.5 million additional tonnes produced into marketing margins of approximately \$10 to \$13 per MMBtu. Sustainable physical output can be repeatable without crisis-level earnings being repeatable. Improved realization and Henry Hub-related lifting margins contributed approximately \$200 million, with optimization adding approximately \$100 million to \$150 million. Reliability and disciplined brownfield expansion strengthened the investment case, but the entire guidance increase should not be capitalized as permanent earnings.

GROWTH STILL REQUIRES FUNDING. Q2 DCF was \$1.17 billion, not cash after all growth capex. Operating cash flow less net cash investment was approximately \$398 million, before distributions and repurchases. Growth investment was approximately \$1.1 billion, approximately \$900 million debt-funded; repurchases used approximately \$550 million. Debt was approximately \$24.3 billion and liquidity approximately \$7.5 billion, including restricted cash and credit commitments, not all freely distributable parent cash. Reduced unplanned downtime supports recurring production gains, but persistence across seasons and maintenance cycles still needs demonstration, and forward selling does not remove physical performance risk on committed cargoes.

4 | KEY READ-THROUGHS

VENTURE GLOBAL HAS GREATER NEAR-TERM MERCHANT SENSITIVITY

Venture Global (VG) | Positive for near-term merchant and commissioning economics | High relative to Cheniere's remaining open exposure, but with correspondingly greater downside sensitivity

Plaquemines commissioning leaves greater exposure to merchant cargoes while feedgas costs remain stable. Venture Global's May disclosure showed approximately \$300 million to \$350 million of EBITDA sensitivity per \$1 change in liquefaction fees, versus Cheniere's August sensitivity below \$50 million; the two are not synchronized hedge books. Realized fees and unsold cargoes matter more than inserting Cheniere's margins into its model.

INTERNATIONALLY INDEXED CANADIAN GAS CAPTURES PROFITS

Tourmaline Oil (TOU) | Positive | Material for its internationally indexed sales portfolio and moderately positive for consolidated cash generation, subject to hedging

Tourmaline's 140,000 MMBtu per day Cheniere agreement receives JKM-linked pricing after fixed shipping and liquefaction deductions, so higher Asian prices reach upstream netbacks without stronger Canadian gas prices. Tourmaline disclosed approximately 220,000 MMBtu per day of international exposure in 2026. Substantial hedging limits upside; weak domestic conditions make the access valuable.

PETRONET FACES PHYSICAL VOLUME RISK, NOT A SIMPLE LNG-PRICE WINDFALL

Petronet LNG (PETRONET) | Negative | High at the affected supply and terminal level; potentially material but contractually moderated at the earnings and cash-flow level

Petronet's 7.5 million tonne Qatar supply agreement creates exposure to disrupted imports. Lower throughput and expensive replacement cargoes can weaken utilization, while higher LNG prices can reduce downstream demand. Dahej utilization was approximately 53% in March, not necessarily depressed afterward. Use-or-pay arrangements moderate the exposure, but billing does not guarantee cash collection. Cargo arrivals, throughput and collections are the normalization tests.

A SECURITY-OF-SUPPLY PREMIUM DOES NOT REMOVE COMPETITION FOR LONG-TERM CONTRACTS

NextDecade (NEXT) | Negative for valuation and commercialization assumptions on unsanctioned expansion capacity | Limited near-term earnings effect; potentially material to project value and financing

Cheniere estimated approximately 100 million tonnes of competing supply seeking end-user demand, a race to the bottom in contract pricing. It was comfortable contracting mid-single-digit millions of tonnes at desired economics, not 20 million tonnes. NextDecade's Train 6 (H2 2027 FID target) sits inside that window. Lower fees reduce EBITDA and debt capacity; the warning applies to unsanctioned expansion, not the five trains building.