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EQT Corp. (EQT)

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, and welcome to the EQT Third Quarter 2025 Quarterly Results Conference Call. All participants are in a listen-only mode. After the speakers' remarks, we will conduct a question-and-answer session. [Operator Instructions] As a reminder, this conference call is being recorded.

I would now like to turn the call over to Cameron Horwitz, Managing Director, Investor Relations & Strategy. Please go ahead.

Cameron J. Horwitz

Managing Director-Investor Relations & Strategy, EQT Corp.

Good morning, and thank you for joining our third quarter 2025 earnings results conference call. With me today are Toby Rice, President and Chief Executive Officer; and Jeremy Knop, Chief Financial Officer. In a moment, Toby and Jeremy will present their prepared remarks with a question-and-answer session to follow. An updated investor presentation has been posted to the Investor Relations portion of our website, and we will reference certain slides during today's discussion. A replay of today's call will be available on our website beginning this evening.

I'd like to remind you that today's call may contain forward-looking statements. Actual results and future events could materially differ from these forward-looking statements because of factors described in yesterday's earnings release, in our investor presentation, the Risk Factors section of our most recent Form 10-K and Form 10-Q, and the subsequent filings we make with the SEC. We do not undertake any duty to update forward-looking statements. Today's call also contains certain non-GAAP financial measures. Please refer to our most recent earnings release and investor presentation for important disclosures regarding such measures, including reconciliations to the most comparable GAAP financial measures.

With that, I'll turn the call over to Toby.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Thanks, Cam, and good morning, everyone. Third quarter results is built upon EQT's strong track record of operational and financial outperformance. Our performance this quarter resulted in \$484 million of free cash flow attributable to EQT, which is net of \$21 million of one-time costs associated with the Olympus transaction. We have now generated cumulative free cash flow attributable to EQT of more than \$2.3 billion over the past four quarters, with natural gas prices averaging just \$3.25 per million Btu, highlighting the differentiated cash flow generation capabilities of EQT's low cost integrated business model.

Production was near the high end of guidance despite price related curtailments as we continue to benefit from robust well productivity and compression project outperformance. Our tactical approach to volume curtailments in response to volatile local pricing resulted in another quarter of significant price realization outperformance, with our corporate differential coming in \$0.12 tighter than the midpoint of guidance, despite local basis widening after we provided Q3 guidance.

Operating costs were also lower than expected across the board, driving record low total cash costs per unit in underscoring ongoing benefits from water infrastructure investments and midstream cost optimization. Capital

spending came in roughly \$70 million below the midpoint of guidance, supported by further upstream efficiency gains and midstream optimization. Our team set multiple EQT and basin wide records during the quarter, including our highest pumping hours ever in a month, our fastest quarterly completion pace on record, and the most lateral footage drilled and completed in a 24-hour period. Simply put, our execution machine is firing on all cylinders.

Turning to our acquisition of Olympus Energy, we closed the transaction on July 1 and completed the full integration of all upstream and midstream operations in just 34 days. This marks the fastest operational transition in EQT's acquisition history. Our teams have already achieved significant operational improvements since taking control of the asset. An example of this is in the Deep Utica, where we drilled two wells during the third quarter at a pace that was nearly 30% faster than Olympus' historic performance, driving an estimated \$2 million of per well cost savings.

Deep Utica inventory represents significant long term upside optionality on the Olympus assets, which we ascribed zero value to in the purchase price. Olympus' production also provides a significant supply source to feed the Homer City data center project that we announced last quarter, underscoring how assets can become more valuable once they are part of EQT's platform and our ability to unlock sustainable growth.

Shifting to our growth project pipeline, we have made significant progress with the various in-basin power projects that we announced last quarter and are seeing additional opportunities to provide natural gas supply and infrastructure to service new load growth in Appalachia. We also completed an exceptionally strong and oversubscribed open season on our MVP Boost expansion project. Demand far exceeded our initial expectations, and as a result, we collaborated with our vendors and partners to upsize the project by 20%, increasing capacity to over 600,000 dekatherms per day.

Even with the additional capacity, the region's appetite for Appalachian natural gas remains greater than what we can currently provide, a clear signal of continued market strength and long-term demand growth. The MVP Boost project is 100% underpinned by 20-year capacity reservation fee contracts with the leading southeastern utilities, highlighting the depth and durability of these customer commitments. We estimate a three times adjusted EBITDA build multiple for the expansion project, highlighting how strong the economics are for low-risk infrastructure investments in our midstream business.

Once expanded by the Boost project, MVP will have a total capacity of 2.6 Bcf per day of gas, which is more than 1 Bcf per day greater than current flow rates on the MVP mainline due to downstream bottlenecks, which will be solved when the Transco southbound and northbound expansion projects are completed in 2027 and 2028. This additional takeaway should come online at the same time that in-basin power demand is inflecting higher, which we expect will drive improvement in Appalachian pricing over the coming years. In fact, the futures market is already starting to take note, with M2 basis futures in 2029 and 2030 tightening by more than \$0.20 over the past few months.

In summary, our third quarter performance once again demonstrates the power of EQT's integrated model and our relentless drive for continuous improvement. From record setting operational efficiency to seamless acquisition, integration, and advancement of strategic growth projects, all aspects of our business are performing at a high level. The strength and consistency of our results, even in a moderate gas price environment, reflects the quality of our company, the durability of our low cost structure and depth of our opportunity set. The foundation we've built at EQT is strong, our strategy is working and our future has never been brighter.

I'll now turn the call over to Jeremy.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Thanks, Toby. Our strong financial results and free cash flow outperformance left our balance sheet in a stronger-than-expected position during the third quarter, despite approximately \$600 million of cash outflows from closing the Olympus transaction, the previously disclosed legal settlement in working capital impacts, our net debt balance ended the quarter just under \$8 billion. We continue to target a maximum of \$5 billion in total debt, which is three times unlevered free cash flow before strategic growth CapEx at a \$2.75 natural gas price. With \$19 billion of forecasted cumulative free cash flow attributable to EQT over the next five years at recent strip pricing, we have plenty of capacity to execute on our capital allocation priorities, which include investing in high return, strategic growth projects, further deleveraging, steadily growing our base dividend and building cash to opportunistically buyback shares.

Last week, we increased our base dividend by 5% to \$0.66 per share on an annualized basis. As we begin returning permanent cost structure improvements and synergy capture to shareholders, now that our credit ratings are stabilized and we are on a glide path of further balance sheet strengthening, we have now grown our base dividend at an approximate 8% compound annual growth rate since 2022. This is a testament to our confidence and the sustainability of our business and a corporate free cash flow breakeven price that is among the lowest in North America. We will continue to look for ways to recycle structural cost savings in the future growth ensuring that our base dividend is bulletproof through commodity cycles.

Turning to LNG, we signed offtake agreements with Sempra's Port Arthur, NextDecade's Rio Grande and Commonwealth LNG beginning in the 2030 and 2031 timeframe. These SPAs represent patient execution of the LNG strategy that we began formulating in 2022 as we waited for the right time to gain exposure to high quality facilities with geographic diversification, competitive pricing, and favorable credit terms. We intentionally positioned our exposure to begin after the 2027 to 2029 window, which we have flagged for several years as a potential period of global oversupply. This oversupply should result in a trough period of new LNG FID activity, and lower prices should stimulate new international demand, setting the stage for tightening fundamentals concurrent with the commencement of our contracts.

While we remain bullish on domestic demand growth, we believe that international growth will increase even faster and it is important to have the right exposure in our portfolio to these markets. Our strategy of signing SPAs on tolling arrangements provides direct connectivity to the international markets, with less downside risk and greater upside optionality than net backed deal structures. Our structures give us complete in-market flexibility, allowing us to provide tailor made solutions to in-market customers globally with varying contract tenors and price benchmarks over the 20-year lives of these contracts. We are taking the same direct to customer approach to LNG that we have deployed domestically with utilities and data centers.

We expect to enter into sales agreements and regasification capacity covering a large portion of our LNG exposure in the coming years, leaving us with a geographically diversified portfolio of customers and pricing exposure. Our recent discussions with international buyers give us confidence in the long-term LNG demand outlook, and suggests a desire to contract with an integrated, US-based natural gas producer that can offer greater flexibility than legacy LNG suppliers due to their short exposure at Henry Hub. It's worth noting that EQT is the second largest marketer of natural gas in the US, ahead of all upstream and midstream peers as well as the super majors.

LNG marketing is a natural bolt-on to our existing capabilities, and we've been building our expertise over the past several years. While the US market has significant demand tailwinds over the near and medium term, global growth in natural gas demand should far outpace the domestic market over the long term. We expect natural gas

demand outside the US to rise by 200 Bcf per day between now and 2050, highlighting the tremendous opportunity for US producers that can directly access international markets.

However, that access will only be available to producers that have the combination of scale, low cost structure, multiple decades of quality inventory and investment grade balance sheet, and strong environmental attributes, all of which are hallmarks of the differentiated platform we have built at EQT.

Turning to natural gas macro, we see a supportive setup emerging as we head into yearend with a tightening balance driven by factors including surging LNG demand and slowing associated gas supply growth as crude oil prices weaken.

On the demand side, the US is on track to exit 2025 with over 4 Bcf per day of incremental LNG demand compared to year-end 2024, the largest annual increase since the US began exporting LNG almost 10 years ago. The start-up of Golden Pass and continued ramp-up of the Corpus Christi Stage 3 expansion are expected to add another 2.5 to 3 Bcf per day of demand by year end 2026, providing a further tailwind for US natural gas prices.

Looking ahead to winter weather, several major forecasters are calling for one of the coldest winters in over a decade, as early indications suggest a transition from El Niño to a moderate La Niña phase. This transition tends to produce below normal temperatures across key US consuming regions, including the Midwest and Northeast. A return to sustained cold could drive a meaningful rebound in residential and commercial heating demand, tightening inventories and accelerating the drawdown pace by late Q1.

Finally, on the supply side, we anticipate flat associated gas volumes through the first half of 2026. The rig reductions in capital discipline we've seen across major oil basins this year are beginning to translate into lower associated gas growth, particularly from the Permian. Should Brent and WTI prices remain in the \$50s as OPEC increases production and geopolitical tensions in the Middle East ease, oil prices could approach breakeven economics for many producers and further discourage incremental oil activity. Together, these trends point to a tighter supply picture emerging into 2026 and 2027, supporting a more durable recovery in US gas prices.

In sum, the US gas market is entering a critical inflection point. Rapidly growing LNG demand and slowing associated gas production point to a constructive setup in 2026, which could be bolstered further should a cold winter manifest. That said, we remain vigilant over the medium term due to the wave of new Permian pipelines scheduled to be completed by the end of 2026 and an increasing risk of LNG oversupply later this decade, which we believe could temporarily back up gas supply into US storage and set up another short down-cycle.

Wrapping up, I want to point out a couple items on our updated guidance and provide a few thoughts as we think ahead to 2026. Our fourth quarter production and operating expense guidance includes the impact of 15 to 20 Bcfe of strategic curtailments during October as our teams continue to optimize around in-basin pricing volatility. Additionally, recent IRS guidance suggests that we will not be subject to AMT in 2025, and thus we now expect to pay minimal cash taxes this year, which will save nearly \$100 million relative to our prior forecasts. Looking ahead to 2026, we expect to maintain production volumes at a level consistent with our 2025 exit rate.

We expect maintenance CapEx in line with 2025, plus the full year impact of the Olympus acquisition. As our compression projects are completed and base decline shallow, we expect maintenance CapEx to decline towards \$2 billion later this decade.

As we highlighted last quarter, we have an expanding backlog of high return infrastructure growth projects, which will unlock sustainable growth for our upstream business. We are excited to allocate the first dollars of our free

cash flow after maintenance CapEx to these opportunities, which we believe will create more long-term shareholder value than any other reinvestment opportunity available to us today.

Our total capital spend in the years ahead will be based on the quality of the investment opportunity set in a given year, and we hope to continue sourcing opportunities and unlock differentiated value across our integrated platform. Our pipeline of projects provides a low-risk, high return reinvestment opportunity that is unique to EQT, allowing us to drive sustainable cash flow per share growth and compound capital for shareholders for years to come.

And with that, I'd like to open the call to questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Thank you. Our first question will come from Arun Jayaram from JPMorgan. Please go ahead. Your line is open.

Arun Jayaram

Analyst, JPMorgan Securities LLC

Yeah, good morning. Arun Jayaram from JPMorgan. Jeremy, Toby, I was wondering maybe you could start with the open season and talk about some of the key demand takeaways that you saw from the utilities during that process?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah. Arun, I think, it's really interesting just to look at what took place with MVP compared to what took place with this MVP Boost. I mean, I think the most significant signal is the fact that to get MVP project going, it required a producer, EQT, to sign up for over 60% of the capacity to make sure that volumes were spoken for to get that pipeline built, in contrast with MVP Boost, 100% of the shipping capacity is taken by the utilities. It just represents the fact that we're in a pull environment and should not be surprising just given the tremendous amount of demand that we're all seeing that show up in our projects with utilities.

Arun Jayaram

Analyst, JPMorgan Securities LLC

Great. And then maybe just a follow-up. Jeremy, you provided some soft 2026 outlook commentary. I guess one question is, how are you thinking about strategic midstream capital in 2026 and over the next, maybe through 2028? Do you have any visibility on that spending in the midstream bucket?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. Arun, we're still working through that. We're not going to give any specific guidance on that today. But I would say it's going to be something at our discretion based on the quality of projects. We certainly don't need to spend any of it if we don't want to. But I think when we look at the full cycle returns both on those projects, but also the demand it unlocks for our product from our upstream business, the holistic return is so attractive and allows us to grow in a really differentiated way.

We're going to be pretty disciplined about how we invest in those, but we also recognize it's a key differentiator for EQT to be able to bring those online. So, we're going to keep it in balance. But we're continuing to see that opportunity set grow, which is pretty exciting.

Arun Jayaram

Analyst, JPMorgan Securities LLC

Great. Thanks a lot.

Operator: Our next question comes from Devin McDermott from Morgan Stanley. Please go ahead. Your line is open.

Devin McDermott

Analyst, Morgan Stanley & Co. LLC

Hey, good morning, and thanks for taking my questions. I wanted to start on the commercial side. It's already been a big year for you guys on the commercial front, solidifying some of the power opportunity. I think, Toby, you mentioned in your prepared remarks that you're seeing additional opportunities still here, and I feel like it's just sort of headlines since the last call. I think there was another large data center site through [ph] a banner (00:19:24) project in Greene County, Pennsylvania that actually did call out a new supply contract with EQT. So, I'm not sure if you can comment on that, but maybe broadly, the kind of trends you're seeing on incremental opportunities. Any updated thoughts on price structure and how this all fits into your views on in-basin demand growth through decade-end?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Hey, Devin, how are you doing? Good morning. Yeah. So, we have a robust opportunity pipeline. I mean, what we've announced to-date has been pretty large. Our midstream growth team is working multiple opportunities. I expect us to have more announcements in the future. Can't say when. But I'll tell you this, I mean, the focus still is on scale and speed. That has been the factor. So as these projects are still trying to get as large as they can, figuring out exactly what they need, once schedules get put in, that baseline gets put in place, then people will be working on moving things to the left.

As far as structuring on gas prices here, I think on that [ph] Robena (00:20:24) site specifically, we talked about some structure on gas prices. We talked about, we think that entering into conversations about structure on pricing, like specifically getting into more fixed nature is an opportunity down the road, but the focus right now is on the scale and the speed. But I do anticipate once the dust settles that will be a great optimization opportunity for these hyperscalers to solidify that a part of their cost structure. We'd be open to having those conversations. All of this would be a tool for us to continue to bring more durability to the cash flows at EQT. So, it's a good strategic fit for us.

Devin McDermott

Analyst, Morgan Stanley & Co. LLC

Okay. Got it. Makes a lot of sense. And then sticking with the commercial side. But shifting over to LNG, is an active quarter for LNG deals for you all. I mean, Jeremy, maybe could you comment on what you've done so far kind of solidifies your strategic goal of diversifying price exposure and giving some direct access to international markets, and then a little bit more clarity on how you think about terming this out and the evolution of your direct-to-customer sales strategy as you place these volumes over time?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah, absolutely. So, look, we've been talking about LNG as a company for several years now, and we've been laying the groundwork in terms of team and expertise in negotiating with a lot of projects for that duration of time. We've been very intentional about the time of these projects coming online. If you look back at our prior commentary over the last couple of years, we've been pretty eyes wide open about what we think will be a relatively well supplied LNG market between call it 2027, 2029. So, we've intentionally tried to partner with and take capacity out on projects that come online after that window. That's one of the reasons we've been so patient.

But it's not only that it's getting the right credit terms, making sure the right EPC is building these contracts, you have the right financial sponsor behind the facility itself. We think we got that with all of these facilities. We think there are really some of the best, really along the Gulf Coast. I think with what we signed up for today, our bucket is full now. We moved really swiftly once we saw that opportunity come up. I wouldn't anticipate we signed anything else near-term. And our focus really going forward is getting our team fully built out, finishing the build-out of our systems, which we've been working on for, really about a year now on the LNG side. And then working on those long-term sale agreements with customers around the world. And we're having a lot of really productive conversations. They're seeing a lot of good traction in those discussions. And it's going to give us a lot of flexibility to diversify that exposure around different markets in the world while giving us that direct-to-customer model that we've been talking about and developing domestically. So, it's going according to plan and we're really excited about the momentum.

Devin McDermott

Analyst, Morgan Stanley & Co. LLC

Q

Okay. Great. Thanks so much.

Operator: Our next question comes from Doug Leggate from Wolfe Research. Please go ahead. Your line is open.

Doug Leggate

Analyst, Wolfe Research LLC

Q

Good morning, guys. Thanks for having me on. I guess, Toby or Jeremy, whoever wants to take this. My first question is on marketing, because obviously you guys had a phenomenal quarter in terms of marketing optimization. I'm trying to understand, is this kind of a new normal for you guys? And I wonder if I could bolt on to that when you pivot into LNG, I mean, guys like Shell are your competition on this. Give us some color, I know it's some way off, but give us some color as to how you're confident on how that domestic gas marketing translates to a successful international marketing business. That's my first one.

My follow-up very quickly. Jeremy, you mentioned buybacks again. You know where I'm going with this, we're heading into a much more volatile gas price environment. One suspects I think you've acknowledged that yourself, where is the priority on the net debt balance sheet sit versus the priority for getting back to buybacks? And I'll leave it there. Thanks.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

All right. My count that is three questions, Doug.

Doug Leggate

Analyst, Wolfe Research LLC

Yeah, okay.

Q

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah, let me just [indiscernible] (00:24:36). I think one of the things coming into this year we were most excited about this company is seeing Jeremy really spend a lot more time and attention on the commercial front. And I think you're seeing the results of that. So, we'll save the comments on marketing for him. But as it relates to just our positioning on the LNG marketplace, we think that we're going to be very competitive in this space. We've got the scale to be able to be meaningful here.

A

I mean, just to give you some perspective, some of these customers, with us being able to deliver up to over 800 million cubic feet of gas a day in LNG form, we are relevant. We've been networking in the LNG space for years now. You all remember the unleashed US LNG campaign. We've been part of the global conversation about energy. We've made a ton of contacts and had a lot of meetings with energy leaders around the world. And now, as we've solidified our offtake agreements, those conversations are now advancing, and we're excited about keeping people up to speed with how that portfolio shapes up over time.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. Doug, I'll hop in on the other part of your question too on marketing. Look, I think we're in the early innings of the potential of the team here. We have the right leadership in place. We're redeveloping some systems internally. It's giving a lot of visibility to the team of, I mean, our total trading team size today is about 45 people. So, they're getting really dialed in, taking advantage of a lot of great opportunities. I mean, even stuff we've done in the past week in the amount of money we're making, doing, that's really exciting to watch. I would correlate the performance of that team with volatility.

A

So, for example, winter volatility and like [ph] winters permitting (00:26:20) fall shoulder season volatility, I think you'll see the most benefit in realizations relative to where you would just assume basis shakes out first a month as the team optimizes around what we're seeing in the daily markets and capturing those spreads. And again, as you and I have talked about, the more volatility we see develop in the markets over the coming years, the more profitable that business will become. I expect it to be pretty consistent. It's not trading so much in a speculative sense. It's really just optimization very proactively in the markets. So, I hope it becomes something that is more and more consistent. But again, I think we're in the early innings of the potential that team has.

And then your final question as it relates to balance sheet capital allocation, look, as we said in the prepared remarks, we see \$5 billion as our maximum total debt level going forward. We don't really have a view that when you look at valuation in the industry today, that companies get any benefit from having much debt on the balance sheet. In fact, I would argue there's really a DING in valuation that comes from that. So, we're very focused on converting that liability into equity value and reducing that equity volatility. And at the same time, what that does is it opens up the optionality for us to take aggressive and decisive action when you see pullbacks in our stock price.

Just look at what our stock has done over the course of this year. I mean we've traded between the DeepSeek pullback Liberation Day. What's happened over the summer between a range of like \$45 and \$60 a share, there was a lot of really great opportunities for us to step in and buy the stock once we have the capacity to do so. So that's what we intend to do as we go about executing that buyback once we have the capacity to do it. And I think

a core tenet of our strategy is having low leverage and being able to act with conviction during down cycles and pullbacks like that. And we think over the long-term that creates the most value for shareholders.

Doug Leggate

Analyst, Wolfe Research LLC

Q

Great answers. Thanks for taking my two and a half questions. Yes. Thank you. [ph] Cheers (00:28:23).

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Thanks.

Operator: Our next question comes from Betty Jiang from Barclays. Please go ahead. Your line is open.

Betty Jiang

Analyst, Barclays Capital, Inc.

Q

Good morning, team. I want to ask about the growth capital and how you guys are thinking about allocation of capital there. Jeremy, you mentioned earlier that you're looking at full cycle returns and not just the [indiscernible] (00:28:46), but the demand unlock for the upstream business. So, can you just expand on how you assess the value of these opportunities, and is the flow-through to upstream benefits coming from pricing uplift or volume growth? And is that like – and are you looking at opportunities above and beyond the \$1 billion investment identified last quarter?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. Great question. So, whether it's LNG or whether it's power, our teams have done a lot of work over the last couple of years to understand where along that value chain a lot of the value is accruing to. And I think the one thing that really jumps out to us is that the most value really comes back to being able to grow sustainably our base volumes and ideally into premium markets or premium contracts. And so, what we're trying to do is use our midstream business to connect our upstream production to those markets and opportunities. Whether you have a really good low-risk return, which is a foundation for then allowing us to steadily and methodically increase our base upstream business by increasing volumes into that over time when the market needs it.

So that's in essence what we're trying to do, just create this virtuous cycle, sort of a flywheel effect there. But I would argue the majority of that long-term value uplift comes from unlocking our multiple decades of upstream, high quality inventory and being able to pull that forward, but again, doing it in a sustainable way. So that is really what we're trying to unlock through those opportunities. And yes, I would say that growth pipeline, specifically on the midstream side, which is what then unlocks the upstream side that continues to grow.

We're working a number of really high quality opportunities right now. We're not ready to talk about them yet. But, we're trying to increase the number of shots on goal to see what shakes loose and continue to increase that optionality in the amount of value we can create by growing the business in the years ahead.

Betty Jiang

Analyst, Barclays Capital, Inc.

Q

Got it. That's helpful. And then my follow-up is actually on the MVP Boost. Just talking about that flywheel effect, you got the utilities signing up for the [ph] pipe FT (00:31:01), but do you see opportunity to sign a separate sales agreement on the upstream side for you guys to lock in premium pricing, a premium pricing similar to what you have done in the past.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. Look, we'll see where those negotiations go. But if you think about where MVP connects to, it's really fed by our pipeline systems in Appalachian upstream. So, I think there's opportunity both on further pipeline expansions upstream as well as sales deals. So, I think this is setting the stage for that next stage of negotiations for our business holistically.

Betty Jiang

Analyst, Barclays Capital, Inc.

Q

Got it. Thank you.

Operator: Our next question comes from Josh Silverstein from UBS. Please go ahead. Your line is open.

Josh Silverstein

Analyst, UBS Securities LLC

Q

Yeah. Thanks. Good morning, guys. Just on the LNG side, you had highlighted the \$4 to \$4.50 cash flow breakeven on pricing there. I was curious, can you not get the spread with the tolling agreement versus an offtake agreement? And maybe the suggestion is tolling agreements are more like a \$5 to \$7 range. And so the cash flow breakeven there would be much higher. I was curious about that. Thanks.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. Good question. Just give us a chance to clarify this. So, economically they are, I mean, virtually the exact same. I would argue the spread is the same needed to break even on the contracts. The difference in tolling is that we are responsible for delivering the physical molecules to the facility. So in that case, we need to take out additional FT and probably take out storage capacity nearby just to help with balancing. With an offtake agreement, we don't have to worry about any of that. So, it just makes a bit more of a pure expression on the international spread and diversifying into that pricing market. But that's why, look, we're open to both. I think something like tolling, we're more open minded about on the Texas coast market, just because you have so much long-term Permian supply.

I think as you move towards Louisiana or appetite for offtake increases, because we do have concerns about long-term just gas supply in the region, because you have so much demand pull relative to a Haynesville play, which is pretty short inventory at this point. So, we're trying to sort of match contract structure with where we see the risks long term to make sure we have the best exposure for EQT. But I would say in both situations, whether it's the tolling agreement we have at Texas LNG, which again is on the Texas coast side, versus something more like Commonwealth on the Louisiana side, the spreads we need to break even are virtually the same.

Josh Silverstein

Analyst, UBS Securities LLC

Q

Got it, thanks for that. And then you had highlighted tighter Appalachia pricing a few years out from now. Given that you see this, and that you have the ability to further ramp supply into that market, how do you think about your consolidation strategy in the basin as part of this? You've obviously had a lot of integration success with recent transactions, and that could provide a further uplift to you guys beyond tightening diff. So, I was just curious how you were thinking about that going forward? Thanks.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. I'll make a comment or show on basis and let Toby talk about future strategic moves. I would encourage you to look at what has happened to M2 basis. If you look at like [ph] Cal 2029-2030 (00:34:20), that is tightened by call it \$0.30. I mean, you're trading in the \$60s now. Over the past six months, it's been a material move in response to these demand projects getting built, discussion of new pipeline capacity out of basin. So, I think you're already seeing the impact of that, effectively around the timeframe and beyond, after these projects come into service that is accruing entirely to the value of our asset base in a way that's not been factored in historically and is not really factored into our forecast today. So, that tailwind is already in full effect and we hope continues.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah. As it relates to acquisitions and strategically expanding, what is a pretty remarkable story that we have right here. I think you have to start with the remarkable story that we've created. Strategically, when we look at what we're doing, I mean, it's very simple getting access to the best markets and supplying the best energy. With our asset base we have right now, we've got a lot of runway across all of those fronts that we can do organically. So, it's easy for us to stay disciplined here.

But there are, I think we're seeing the opportunities of scale. You're seeing that with our capture of these data center demand opportunities within our footprint. You're seeing the scale coming from our more robust trading platform that we're leveraging. You're seeing scale. You're seeing that benefit to scale with our operations teams, the number of reps that they're getting. They're exceeding execution capabilities on the operational front.

So, I mean, there's wins across the board from this company firing on all cylinders so you can look and see the opportunity for us to replicate that in other assets. But, we'll continue to make sure we make the best decisions and stay disciplined to value creation with what we have now.

Operator: Our next question comes from Neil Mehta from Goldman Sachs. Please go ahead. Your line is open.

Neil Mehta

Analyst, Goldman Sachs & Co. LLC

Q

Yeah. Good morning Toby, team. Just wanted to talk a little bit more about the 4Q outlook here. You elected to take some curtailment in the quarter. And so I just – talk about what the mechanism or what the trigger to lower that near-term production is and what you're looking to bring some of that supply back on? And then any comments around CapEx as well where it did come in a little bit hotter than we expect in the quarter, but I think some of that just probably reflected timing.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. Great questions. So, first of all, on curtailment, so we went into the quarter assuming we baseload a Bcf a day of curtailments. When you look at where pricing was a week ago, [ph] sub about \$50 (00:37:00), we were

effectively fully curtailed. Where we sit today with pricing in basin, they call it [ph] \$250 (00:37:08) we're fully online. So, we have been very tactical about shifting production on and off in response to this. That is also what drives, in many ways, our improved realizations that you saw in Q3 and hopefully in Q4 as well. So, we're very responsive to market conditions and making sure we're a reliable supplier.

As it relates to CapEx in Q4, I mean, look, there's just some lumpiness in there to some degree. But, you're also approaching the end of the year where, typically when there are dollars that have been allocated, and we have call it 2 to 3 months left in the year, we typically don't trim those back. We leave the option open for teams to spend that and finish up projects for the year. Some of that might not get spent or might get pushed, but we've left it in the budget for now. So look, there's a chance for being conservative, but, we feel good about the guidance we've given and, hope to consistently beat that.

Neil Mehta

Analyst, Goldman Sachs & Co. LLC

Q

Thank you. I apologize for the background noise, but the follow-up is just around 2027. And I know, Jeremy, you've been very consistent in your view that LNG markets could flip the US gas market into oversupplied potentially as well, if there's any backup as well. So, I know you're leaving 2026 more open. And that's been a really good call as the curve is strengthened up. But does this make you want to be more aggressive around hedging 2027 now that the 2027 curve rally as well?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Look, we're going to, all options are open. Again, our approach to hedging is to be opportunistic and tactical. Right now, we don't have a specific plan in place, but we're watching the markets as always and we continue to be patient. And look, I think what we're doing with actual price realizations and optimizing how every physical molecule is sold right now also should continue to provide a big uplift there. And again, the more volatility that we see, the more we can optimize. So, we'll see. And, if we decide to add some hedges, you'll see it in our quarterly results. But right now, we remain pretty bullish over the near term.

Neil Mehta

Analyst, Goldman Sachs & Co. LLC

Q

Thanks, Jeremy.

Operator: Our next question comes from Kalei Akamine from Bank of America. Please go ahead. Your line is open.

Kalei Akamine

Analyst, BofA Securities, Inc.

Q

Hey, good morning guys. I want to come back to 2026. There has obviously been some portfolio changes over the last 12 months with Northeast non-op coming out, Olympus coming in, strategic curtailments here in 4Q. So, that's quite a few moving parts. And I appreciate the call out for maintenance CapEx. But for parity, can we also get your view on maintenance production?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah, Kalei, good question. We expect next year to be approximately flat to where we are exiting 2025. So, you could extrapolate forward our Q4 guidance adjusted for the curtailments.

Kalei Akamine

Analyst, BofA Securities, Inc.

Q

Got it. I appreciate that. Next, I want to ask on data centers. So Homer City and Shippingport were obviously big wins. And there's more in development and there's some attention on Ohio. Some would say that you don't have the same presence in Ohio as you do in Southwest PA, and therefore those projects might be out of reach. But you guys do have FT and the ability to build lateral pipelines. So, I'm wondering if that expands your range for those kind of sales agreements.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah, I think you're exactly right. We look at these opportunities that come to EQT sort of across three different tiers; our upstream footprint, across our midstream footprint, the 3,000 miles of pipeline network that we have, and then also looking at opportunities across our commercial footprint, which factors into all the pipelines that we have, selling gas anywhere east of the Mississippi, which includes Ohio opportunities. So, we're engaged in conversations on that now. I think the biggest focus has been around our midstream footprint, but we are having conversations around the commercial footprint as well.

Kalei Akamine

Analyst, BofA Securities, Inc.

Q

Toby, a while back, you guys calling out several smaller projects on the XcL Midstream system, Clarington Connector, OakGate. And the purpose was to get more gas over to the Rex from West Virginia. Just what's the latest on those projects?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

So, on Clarington, that's a project that we're planning on putting in place in 2026 budget. So, hopefully we'll do a little bit of spend here in 2025 and then that'll be bigger in 2026. So, that will get completed. Our midstream team is going to continue to look inside the operational footprint. We have to look for ways to continue to de-bottleneck the system. I mean, when you look at where we're optimizing the energy systems, what started with the sites has now evolved to the gas systems. And now, obviously with FT and de-bottlenecking some of those points like this Clarington Connector, we'll continue to look for more of those opportunities because those will be really great, high rate of return low capital type projects.

Kalei Akamine

Analyst, BofA Securities, Inc.

Q

Got it. Thanks, Toby. I appreciate it.

Operator: Our next question comes from Phillip Jungwirth from BMO Capital Markets. Please go ahead. Your line is open.

Phillip Jungwirth

Analyst, BMO Capital Markets Corp.

Q

Thanks. Good morning. With the very successful open season for MVP Boost, wondering if you could give us an update on MVP Southgate here and whether the changes in the marketplace, greater pull on gas demand, more favorable permit regime, provide any reason to maybe revisit the project scope.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah. So, Southgate, I think the results of MVP Boost specifically, the fact that we're seeing a strong pull environment, gives us more excitement over the future potential of Southgate, and the opportunity to potentially expand that pipeline system in the future. But when you look at this region here, I mean, there's some big things that are happening. Obviously the customers are demanding more gas supply into this area. You see what happened in this region this last winter with MVP flowing above max rate.

So, the demand is there. MVP Boost oversubscribed. And then on a federal level, you're seeing, the drive for more reliable lower cost energy systems. So, I mean I think all the factors are there. So we're going to be looking at ways to optimize just like we did and taken advantage of up sizing the MVP Boost project by increasing that by over 20%. So, we're starting that right now. We'll report back.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah, I would just say for the sake of clarity though, I mean, we're moving ahead on Southgate. I mean that's a project that we're counting on happening and I think, as Toby said, the Boost Open season, I think just further underscores how important that is. And there is, I would expect there to be overlap in customers there as well. So it just further highlights how much of that gas is needed in that region.

Phillip Jungwirth

Analyst, BMO Capital Markets Corp.

Q

Okay, great. And then you guys had talked about an LNG strategy for a couple of years now. Really the only recently had announced some numerous agreements. I was wondering if you could talk about how offtake terms have evolved maybe before and after the LNG export pause. And are you generally seeing a lot more favorable deals and structures than you would have a couple of years ago if you had signed up some of these arrangements?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. Look, I think the one thing that held us back in a major way were some of the credit conditions that we were going to have to sign up for with some of these projects in the past. And it was very much a seller's market where if you wanted to be an off-taker or have tolling capacity, it was very difficult to get it on terms that we were comfortable with. As you saw that LNG pause gets released and a lot of these projects move rapidly towards FID.

In our mind, it shifted to be more of a buyer's market, shifting in the favor of the likes of EQT. And so that's why we tried to move pretty quickly in response to this. We also have a view that the contracts of this quality at this cost. LNG build out, it kind of happens in waves. And so once you get beyond this wave, if you do see a period of oversupply, that will probably put a chill on new FIDs for a couple of years, that next wave that comes up, I would expect the pricing on those, on this projects to probably increase another level as well.

So, what we're trying to do is get in at the tail end of this wave, capacity comes online post any sort of risk of LNG glut. We have the right credit terms, the right EPCs and the right partners on the LNG facilities. And then I think

we will be structurally advantaged long term as the cost of building equipment and facilities like this inevitably just goes up over time. So that, I mean, there's a culmination of factors leading to why we made the decisions we did, at the time, we did. But, again, we feel really good about just the totality of the terms we got.

Phillip Jungwirth

Analyst, BMO Capital Markets Corp.

Makes sense. Thanks guys.

Operator: Our next question comes from Bob Brackett from Bernstein Research. Please go ahead. Your line is open.

Bob Brackett

Analyst, Bernstein Institutional Services LLC

Good morning. You guys highlight that you're the number two gas marketer in the US. If you look at your peers, they use that scale and that market insight to extend into gas trading, gas storage, even power marketing. There's a lot of adjacencies. What's your appetite to explore some of those adjacencies and maybe what timeframe?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. Look, we're not looking to get into like speculative trading and things away from our base business. We're looking at optimizing the value of our production. So again, we're sticking to our knitting and where we really have an edge. That's why we're able to produce the results we did and realize pricing this quarter as an example. As it relates to LNG too, because there's been a lot of questions around the overlap between that business and LNG, where you have a lot of big players like Shell internationally.

In our view, you need to have a minimum of about four MTPA of LNG capacity on the water to where you can really start to optimize and be a real player and be competitive. That's part of what also held us back signing in the past is we didn't think that the cost structure and the balance sheet and everything else was lined up within EQT with enough scale to be able to do that. We thought we might be overextending ourselves by doing it, but we were very patient until we could get to the point we could sign up for at least four. But we do think there's a lot of synergies between the two. And I think the discussions we've been having with international buyers of gas are proving that out.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah. And I would just say when we think about just strategically what we're trying to do with the best energy making it cheaper, making it more reliable, making it cleaner. We've spent a lot of time focusing on making our energy more affordable, lowering the cost structure of this business. That's been a huge focus. We focused a lot of making the energy cleaner. All the work we've done to become the first company of scale to achieve net zero Scope 1 and 2 emissions. And on the – I think now you're seeing a little bit more focus for us on the reliability of the energy that we produce. And that, simply put, is just making sure the market gets the energy when it needs it. And trading will be a big function there. And it's a part of the story here that we're spending a little bit more time, improving the reliability of the energy systems we develop and working.

Bob Brackett

Analyst, Bernstein Institutional Services LLC

That's great. I appreciate the color.

Operator: Our next question comes from Sam Margolin from Wells Fargo. Please go ahead. Your line is open.

Sam Margolin

Analyst, Wells Fargo Securities LLC

Good morning. Thanks for taking the question.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Hey, Sam.

Sam Margolin

Analyst, Wells Fargo Securities LLC

There's a question on commercial and it kind of relates back to an earlier comment Toby made. One of the things that turbine manufacturers are talking about is a shift in customer mix. And, data center customers, hyperscalers directly ordering turbines. And I wonder if that's the catalyst to change pricing structure around gas supply deals. Utilities are comfortable with variable pricing. Maybe the hyperscalers directly would prefer something a little more bracketed or stable. Maybe if you could elaborate on that comment you made earlier, that'd be great.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah. What we're seeing on the turbine side of things is we're actually seeing some opportunities for turbines that have been put on order locked up that are actually looking for homes. Hyperscalers, I think, are going to be looking to relieve whatever constraints that they're facing. For them getting into actually developing the power themselves would be an interesting move for them. I wouldn't put it past just given the cost. But that is outside their area of expertise. I mean, our perspective is that if hyperscalers had it their way, they would be able to sign up and just pay a rate for every kilowatt that they use and keep it very simple because they've got so many other bigger things to focus on.

But in the spirit of simplifying the story for them, yeah, I think that could create opportunities for EQT and creating more structure on pricing, increasing the durability of our cash flow. So, we're certainly willing to entertain those conversations.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. I think from what I've heard in the market, whether it's, but I know Amazon has done a little bit of this, Meta might have. Some of these big facilities, specifically down along like the Louisiana-Mississippi corridor. You have to order a lot of this equipment multiple years ahead of time and it's very costly. Utilities are not in the business of speculating like that. And so whether it's done through like a PPA offtake or whether it's one of the hyperscalers stepping in and making the order, basically guaranteeing the cost, I think that kind of has to happen for these megaprojects.

So, I wouldn't say that means the hyperscaler is building or owning the power themselves. I think it's more so inherently providing the credit support in one way or the other for what are very large capital expenditures. But

again, it really just speaks to the demand for power and the necessity for all this stuff to get built as quick as possible. So, it's all positive either way.

Sam Margolin

Analyst, Wells Fargo Securities LLC

Q

Got it. Thank you. And then just on the marketing side, you pointed out that on the curve stiff is tightening. And I guess in the past that might have compelled you to hedge basis if not the flat price. And I guess the question is like with the evolution of this marketing team and the success it had, should we expect basis hedging to really be reduced and de-emphasized, just given what your capabilities are now?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. In the past, I mean, we never provide a lot of clear disclosure on what we do in basis, just because we don't want to influence the markets in any indirect way. But we in the background had usually hedged up to about 90% of our in-basin sales just to provide that stability. We are not doing that anymore. We will hedge basis and we do have some basis hedged, but it will be likely far less than that in 2026 and beyond just due to those dynamics. And if you think about it, we can also effectively hedge basis by just shutting gas in. And that is kind of the new paradigm shift in the ability to coordinate between our traders, our production control center, midstream control center, and make sure we're not just selling gas at a price that doesn't make sense when you can shut in for a month and sell it into winter, and then provide that reliability during the winter months when you can surge above your baseline of production capacity.

So, it is an evolution for us, but the need to hedge basis to protect that downside is just not there in the same way. And instead we're turning it from like a defensive strategy to more of an opportunistic proactive strategy through what we're doing with curtailments.

Sam Margolin

Analyst, Wells Fargo Securities LLC

Q

Thank you so much.

Operator: Our next question comes from Scott Hanold from RBC. Please go ahead. Your line is open.

Scott Hanold

Analyst, RBC Capital Markets LLC

Q

Yeah. On the MVP Boost and potentially Southgate, can you talk about – do you expect that EQT will be the supplier for those pull volumes? And if so, how do you think about where you source it? Is it pulling it from in-basin Appalachia, or would you grow into that and just give us a sense of if it's a grow option kind of the timeframe at which it starts?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. Great question. So MVP again pulls off EQT Systems and comes out of the Mobley plant. So, I would expect it to be at least majority EQT volumes, if not all of it. And that provides us the opportunity to grow. We're not committing to growing to fill that yet. We have to ultimately see how the markets balance out. But whether it's the data center projects or whether it's more egress out of basin, what that is doing is teeing up the opportunity for us to grow with confidence and do so in a sustainable way.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah, to quantify that from where MVP is flowing today through end of Boost coming online that we see over a Bcf a day of greater takeaway from the MVP complex. And you pair that up with another B and a half a day of data center demand, it's a pretty attractive demand set-up.

Scott Hanold

Analyst, RBC Capital Markets LLC

Q

Yeah. That's right. Okay. And then, real quickly you talked that you feel you're good with the LNG offtakes right now, which I think is circa 10% of your production. And you've obviously done some of these power deals. Can you talk a little bit about, like, industrial types of deals? Have you seen any interest in there and how much are you willing to allocate toward those initiatives?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. I mean, look, we're seeing opportunities across the board. I think our sort of reinvigorated commodities team and our gas origination efforts are turning up a ton of opportunities, whether that ultimately manifests in a midstream deal or a supply deal. We're open minded about both. We're trying to be a sort of one stop shop solution for gas supply. But, look, we're pretty flexible and open minded about it.

Scott Hanold

Analyst, RBC Capital Markets LLC

Q

Thank you.

Operator: Our next question comes from Jacob Roberts from Tudor, Pickering, Holt & Company. Please go ahead. Your line is open.

Jacob Roberts

Analyst, Tudor, Pickering, Holt & Co. Securities LLC

Q

Good morning.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Good morning.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Good morning.

Jacob Roberts

Analyst, Tudor, Pickering, Holt & Co. Securities LLC

Q

On LNG, you've laid out some thoughts on demand through 2050. And Jeremy, you touched on this a few questions ago, but we were curious if you could comment on global supply over that timeframe and maybe more specifically your assumptions on the cyclicalities of the global LNG market over the contract type with respect to the outcomes on slide 12.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah, great question. So, what's interesting when – a lot of people are focused on the risk of LNG oversupply right now, and I think rightly so. It is a short window where I think that is at risk. But just say haircut our assumptions in half if you want to, right. The amount of new LNG that has to get built to serve that market means that that spread needs to be in excess of [ph] \$4.50 (00:56:44) at a minimum to justify new projects getting built. And if the cost of those projects goes up in time with inflation that just means that spread has to widen out. So that spread has to structurally stay wide as long as you do have additional demand growth. Otherwise the demand growth cannot be served. So that's why like structurally we're really bullish on that setup long term. Ultimately it just comes down to what that export arb incentive is for new projects to get built though.

And ultimately a question of where does the gas come from? We think the US is advantaged in many ways, whether it's gas from Appalachia or gas from the Permian. That really will be the biggest source of demand over the next two decades. We are certainly bullish on the domestic opportunity. But when you think about the call it 20 Bs of growth, we could see from domestic demand, not including LNG over that time period. We think that global market is going to dwarf even what a really bullish domestic outlook will be. And that's why we're so excited about getting into that LNG market even in a small way because even a small increase in that export arb can have meaningful impacts on our profitability and realized pricing.

So, it's a really good way for us to extend our exposure and further improve the profitability of EQT over the long term.

Jacob Roberts

Analyst, Tudor, Pickering, Holt & Co. Securities LLC

Q

Great. Thank you. And then a quick follow-up on the Olympus results. The two deep Utica wells, you point to in the presentation, would you classify those as having met the EQT standard in terms of efficiencies and cost? And then how are those results shaping thoughts about development going forward?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah, I would classify that as early innings for us. I mean, we have not got a ton of reps on deep Utica. So, it's really encouraging to see the teams come out the gate and cut drilling times by over 30% and save \$2 million per well. In that area we've got a pretty hefty amount of acreage, hundreds of potential sticks. So that's a starting point, is the way we would look at it.

Where we're going to get to is going to be where we're at with Marcellus relative to peers, and that's going to be peer leading, setting operational records both on the CapEx side and peer leading LOE. I think the table is set, we just need to get some more reps. And it's something that we'll sprinkle in and give the teams the opportunity to lightly touch and prove themselves over time. But in the meantime, the core story is going to be continuing on the success that we've had with our core Marcellus in Pennsylvania and West Virginia.

Jacob Roberts

Analyst, Tudor, Pickering, Holt & Co. Securities LLC

Q

Great. Appreciate the time, guys.

Operator: Our next question comes from Bert Donnes from William Blair. Please go ahead. Your line is open.

Bertrand Donnes

Analyst, Truist Securities, Inc.

Q

Hey. Morning, guys. I'll keep it pretty short. I just want to follow-up on the potential for the data center fixed gas price agreements. It sounds like your view is that the structure might ultimately fit better for both parties involved. But is there also a discussion to potentially take some equity in a power project or is that not even on the table?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah. Right now, I mean our strategy is the same when it comes to vertical integration, whether it's LNG or power plants. We're taking a very capital-light approach towards creating value in these arenas. The infrastructure continues to get funded by [ph] others, return to not compete (01:00:00) with our core business. And we're able to access the value potential of these arenas without taking the equity stake. So that's the situation right now. We'll continue to be capital-light. But those are the factors that we're watching that drives our decision.

Bertrand Donnes

Analyst, Truist Securities, Inc.

Q

Perfect. That makes sense. And then on the same topic, at a time there was an idea that maybe a consortium of smaller E&Ps could potentially piece together a power deal. Is that no longer the case? You really need the midstream side of things in order to sign these deals, or is there room for maybe smaller projects to work that way?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

I mean, every project that we look at, the projects are only getting bigger. I mean, if we were in a situation where 50 megawatt data centers make sense, I guess you could say that would be an opportunity. We're talking about gigawatts, multiple gigawatts at a time. You're going to need large scale. I mean, 1.5 Bcf a day is a tremendous amount of natural gas. EQT is unique in the sense that we could say we've already got that gas flowing above ground in local markets, and we could just allocate that to you when you're ready.

The credit requirements here again, investment grade balance sheets matter. That's something that's not available to smaller peers. So, I look at this as sort of a big player opportunity. And it's a big responsibility for EQT to make sure that we get our tech customers all the energy they can.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. I would also just add that I think one of the biggest obstacles to getting all these data centers specifically built out is you have too many parties already involved. When you think about the needs for an \$8,000 billion project, adding more chefs in the kitchen doesn't improve efficiency. I think one of our edges at EQT is really simplifying this and being a one stop shop. So, I think a strategy like that would actually be moving the wrong direction and make even more challenging to get something done. And it doesn't solve the credit quality either. So, I don't think that really holds water.

Bertrand Donnes

Analyst, Truist Securities, Inc.

Q

Great detail. Thanks, guys.

Operator: Our last question today will come from David Deckelbaum from TD Cowen. Please go ahead. Your line is open.

David Adam Deckelbaum

Analyst, TD Cowen

Q

Thanks for squeezing me in guys. I did want to just ask on the margin. You guys have seen some outsized performance on the well productivity side, but we've seen, like, we've seen an increase in liquids recovery. Is that happening from benefits on the midstream side, or is that something that's more geologically driven? Perhaps if you could speak to that going into next year?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah, I think that would be more driven from just where we've been developing, if I'm being honest with you. And on that front, we have been reassessing some of our, parts of our asset base and, looking at the opportunities we see from the Equinor trade. We just got done looking at that. Probably not a lot of running room from the Ohio Utica there, but have identified the prospect of the Ohio Marcellus could be very prospective over 80,000 acres. This would be big upside. It would give us even more exposure to liquids. So, I mean, it's something that we're looking at and how we're shaping it. But, just given the size of our base, we're going to be a dry gas story.

David Adam Deckelbaum

Analyst, TD Cowen

Q

I appreciate that, Toby. And then maybe Jeremy, just at a high level, I think there's been a lot of questions around firm sales and LNG and data centers. And I guess as you see all the market forces progressing here, do you see a long-term target? Obviously, you guys give guidance all the way up to 2050 on demand. As you enter into like the next decade, do you have an expectation or a target for what percent of total EQT gas volumes will be sold on firm sales agreement in the direct-to-customer model?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. I mean, if I'm honest with you, we're seeing more opportunities pop up, like literally every single week. I consider it to be a bit of a, what we call internally, like an all you can eat opportunity. We can grow volumes if there's really that much demand that comes up, we can market it, whether it's third party gas. I wouldn't say there really is a limit. Our job as it relates to just what's best for EQT and shareholders is just to capture as much of that growth opportunity as possible. And, I would say, that continues to ramp up. And I think the teams are doing an amazing job just increasing the frequency of conversations and getting in front of every potential customer and making sure we capture it.

David Adam Deckelbaum

Analyst, TD Cowen

Q

Thanks, guys.

Operator: We are out of time for questions today. I would like to turn the call back over to Toby Rice for any closing remarks.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Thanks for your time, everybody. This quarter stepping back just thinking about is probably one of my favorite quarters, just because of the fact that every, this is a really great example of the total team effort that's taking place here at EQT. We're seeing wins across the board from every department CapEx, OpEx, volumes. The back-office team is getting in the mix with lightning fast strategic integrations of Olympus, our commodities team grinding wins on the trading front. It's a really great example of the culture we built of teamwork and trust in delivering for our stakeholders. So, we look forward to continuing the success going forward. Thank you, guys.

Operator: This concludes today's conference call. Thank you for your participation. You may now disconnect.

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