

<b>Cheniere Energy Partners LP</b> NYSE: CQP Sector: Energy Industry: Oil and Gas Midstream	Intrinsic Value: \$57.04 Current Price: \$50.38 Stop Loss: \$39.30	TTM P/E: 10.84x Forward P/E: 11.66x Beta: .67 5 Yr. ROIC: 18.51%	Market Cap: \$23.73B Dividend Yield: 6.67% 52 Wk. Range H/L: \$45.51-62.34
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**Cheniere Energy Partners (CQP)** is a publicly traded LNG producer and exporter, operating the Sabine Pass terminal in Louisiana with a 30 MTPA capacity, serving Asia, Europe, and Latin America. Over 95% of its LNG supply is secured under 20-year take-or-pay contracts with investment-grade customers. The firm charges a fee on top of the Henry Hub natural gas price. According to the EIA, the shift from coal to natural gas-fired electricity accounts for 65% of the United States’ decline in CO2 emissions. Demand for natural gas and LNG remains strong, particularly in China and India, as these nations work to transition from coal to gas. Global LNG consumption is projected to increase by 50% by 2040. CQP stands out as a low-cost producer, achieving \$600–700 per ton, undercutting global competitors. The company benefits from stable cash flows, with take-or-pay contracts insulating it from natural gas price fluctuations. CQP has potential for expansion, an attractive 6.67% dividend yield, and a stable business model. The company is well-positioned to capitalize on the global shift towards cleaner energy sources.

**Competitive Advantage:**

- Market Leader: First U.S. LNG export terminal
- Stable Revenues: Long-term contracts, reduced price risk
- Strategic Location: Gulf Coast, efficient global access
- Operational Scale: Economies of scale, cost efficiency

**Risks:**

- Demand Risk: Dependent on global LNG demand
- Supply Chain: Reliance on third-party pipelines
- ESG Concerns: Carbon emissions, especially scope 3

**Investment Thesis:**

- Stable Cash Flows
- Low Commodity Price Risk
- Strong Growth Potential
- Attractive Return
- Increased Global Demand

**ESG:**

- ESG Risk: Medium/High risk
- Environmental Efforts: Collecting greenhouse emissions data, addressing EU methane regulations
- Diversity & Inclusion: 15% increase in ethnic diversity, 21% increase in female workforce, 14% in management
- Safety Performance: 63% reduction in incident rate

**Comp Analysis:**

Company Name	Description	Market Cap (MM)	EV	EBITDA	EV/EBITDA	P/E TTM	EV Avg. ROC	Stock Margin %	Net Margin %	EV Beta	Credit Rating
Cheniere Energy Partners LP	Cheniere Energy Partners is the direct owner of the Sabine Pass LNG terminal as well as exportation facilities. It also owns the Corpus Christi Pipeline, which connects the terminal to mid-coast gas pipelines. Cheniere Energy owns the majority but not all gas processing capacity in the Sabine Pass industrial gas complex.	\$23,732.00	\$6,766.00	4,200.00	9.05	6.28	18.51%	40.00%	21.20%	0.67	BBB
Targa Resources Corp	Targa Resources is a pipeline for natural gas, primarily gathering and processing assets with substantial operations in the Permian, STACK, SCOOP, and Bakken plays. It has production capacity at West Bakken and operates a natural gas processing gas export terminal. The STACK Plus pipeline is a highly efficient, efficient system.	\$41,829.23	\$4,957.00	4,521.00	13.67	34.50	9.21%	34.1%	8.50%	2.25	BBB-
Enterprise Products Partners LP	Enterprise Products Partners transports and processes natural gas, natural gas liquids, crude oil, refined products, and petroleum coke. It is one of the largest midstream companies, with operations serving mid-producing regions in the Lower 48 states. Enterprise is particularly concentrated in the EGS, natural gas and oil. The low-lying field provides midstream services across the full hydrocarbon value chain.	\$65,040.00	\$7,169.00	9,380.00	10.35	11.62	15.97%	12.77%	18.30%	1.01	A-
Kinder Morgan, Inc.	Kinder Morgan is one of the largest midstream energy firms in North America, with an interest in an operator on about 60,000 miles in pipelines and 120 storage terminals. The company is focused on transportation, storage, and processing of natural gas, crude oil, refined products, natural gas liquids, and carbon dioxide. The majority of Kinder Morgan's cash flow is from fee-based contracts for handling, storage, and storage fees for products.	\$58,400.00	\$2,182.00	6,830.00	13.89	21.96	2.88%	55.52%	18.87%	0.92	BBB
<b>Statistical Summary</b>		<b>Market Cap (MM)</b>	<b>EV</b>	<b>EBITDA</b>	<b>EV/EBITDA</b>	<b>P/E TTM</b>	<b>ROC</b>	<b>Stock Margin %</b>	<b>Net Margin %</b>	<b>EV Beta</b>	
High	\$3,040	\$7,170	\$,390	\$4.50	16.51%	18.51%	55.52%	31.20%	2.25		
Low	\$3,732	\$6,766	4,021	5.26	2.88%	2.88%	12.77%	8.50%	0.67		
Average	47,299	70,249	6,973	11.64	16.2	10.79%	38.98%	18.71%	1.2125		
Oil & Gas Midstream				10.1	14	3.40%	7.40%	2.20%	0.67		

**Intrinsic Valuation:**

**Exit Multiple Method - Value per Share**

EBITDA per year \$	\$ 1,702
WACC (After Tax)	6.30%
Net Enterprise Value (\$/EBITDA)	6.11
Terminal Value in 5 years	\$4,165
PV of Terminal Value (\$/ WACC)	29,426
(+) PV of Free Cash Flows	13,264
(-) Current Enterprise Value	38,797
(-) Minority Interest	(2,226)
(-) Total Debt	(6,802)
(+) Cash and Marketable Securities	311
(-) Equity Value	29,754
Shares outstanding	484
Estimated Value per Share (\$/E)	\$61.21
Current Price (\$/E)	\$50.38
Margin of Safety	8.79%

**Expected Returns**

EBITDA/FCF: EXISTING FCF/EBITDA	1.00
Perpetuity Growth Method Fair Value	\$ 89
Exit Multiple Method Fair Value	\$ 81
Risk Free Rate	\$ 4%
WACC	\$ 6.30%
Margin of Safety	13.41%

**Probability Growth Method - Value per Share**

Free Cash Flow in year 0	\$ 2,222
WACC (After Tax)	6.30%
Probability Growth Rate	1.00%
Perpetuity Value in 5 years	\$4,165
PV of Perpetuity (\$/ WACC)	13,264
(+) PV of Free Cash Flows (\$/ WACC)	13,264
(-) Current Enterprise Value	46,831
(-) Minority Interest	(2,226)
(-) Total Debt	(6,802)
(+) Cash and Marketable Securities	311
(-) Equity Value	33,566
Shares outstanding	484
Estimated Value per Share (\$/E)	\$69.40
Current Price (\$/E)	\$50.38
Margin of Safety	37.87%

**WACC (After Tax)**

Cost	\$ 11,215
Debt	\$ 1,545
Cost of Debt	8.00%
Equity	\$ 9,670
WACC	6.30%

**Exit Multiple Sensitivity Analysis**

WACC	Exit Multiple	Sensitivity	Analysis
7.00%	240	\$45	\$59
6.50%	240	\$45	\$57
6.00%	241	\$46	\$56
5.50%	241	\$47	\$55
5.00%	241	\$47	\$54
4.50%	241	\$47	\$53
4.00%	241	\$47	\$53

**Perpetuity Growth Method Analysis**

WACC	Perpetuity Growth Rate	Fair Value	Analysis
7.00%	30	\$ 36	\$ 41
6.50%	30	\$ 36	\$ 41
6.00%	30	\$ 36	\$ 41
5.50%	30	\$ 36	\$ 41
5.00%	30	\$ 36	\$ 41
4.50%	30	\$ 36	\$ 41
4.00%	30	\$ 36	\$ 41

**Inputs**

WACC	6.30%
Perpetuity Growth Rate	1.00%
Exit Multiple	241
Current Share Price	\$50.38
Shares outstanding	484

**Historic EV/EBITDA Multiples**

Year	2019	2020	2021	2022	2023	2024
Average	14.9	12.2	12.4	19.1	8	7.6
High	15.6	19.2	14.7	23.1	22.0	8.9
Low	13.8	9.6	11.8	12.1	7.2	7.1

**Margin of Safety: 13.41%**  
**Target Price: 57.04**  
**WACC: 6.30**