May 3, 2024

Cheniere Partners Reports First Quarter 2024 Results and Reconfirms Full Year 2024 Distribution Guidance

HOUSTON--(BUSINESS WIRE)-- Cheniere Energy Partners, L.P. (“Cheniere Partners”) (NYSE: CQP) today announced its financial results for first quarter 2024.

HIGHLIGHTS

- During the three months ended March 31, 2024, Cheniere Partners generated revenues of $2.3 billion, net income of $682 million, and Adjusted EBITDA[1] of $1.0 billion.
- With respect to the first quarter of 2024, Cheniere Partners declared a cash distribution of $0.810 per common unit to unitholders of record as of May 9, 2024, comprised of a base amount equal to $0.775 and a variable amount equal to $0.035. The common unit distribution and the related general partner distribution will be paid on May 15, 2024.
- Reconfirming full year 2024 distribution guidance of $3.15 - $3.35 per common unit, maintaining a base distribution of $3.10 per common unit.
- In February 2024, certain subsidiaries of Cheniere Partners submitted an application[2] to the Federal Energy Regulatory Commission (“FERC”) for authorization to site, construct and operate the SPL Expansion Project (defined below), as well as an application[2] to the Department of Energy (“DOE”) requesting authorization to export liquefied natural gas (“LNG”) to Free-Trade Agreement (“FTA”) and non-FTA countries.

2024 FULL YEAR DISTRIBUTION GUIDANCE

	2024
Distribution per Unit	$ 3.15 - $ 3.35

SUMMARY AND REVIEW OF FINANCIAL RESULTS

(in millions, except LNG data)	Three Months Ended March 31,		
	2024	2023	% Change
Revenues	$ 2,295	$ 2,917	*(21)%*
Net income	$ 682	$ 1,935	*(65)%*
Adjusted EBITDA[1]	$ 1,000	$ 1,026	*(3)%*
LNG exported:			
Number of cargoes	114	112	*2%*
Volumes (TBtu)	418	403	*4%*
LNG volumes loaded (TBtu)	417	403	*3%*

Net income was approximately $682 million for the three months ended March 31, 2024, as compared to approximately $1.9 billion in the corresponding 2023 period. The change was

primarily due to an approximate $1.2 billion unfavorable change in fair value of our derivative instruments (further described below), from a $1.3 billion gain in the prior period to a $43 million gain for the three months ended March 31, 2024.

Adjusted EBITDA[1] decreased by approximately $26 million during the three months ended March 31, 2024, as compared to the corresponding 2023 period. The decrease in Adjusted EBITDA was primarily due to lower total margins per MMBtu of LNG delivered compared to the prior period.

Substantially all derivative gains are attributable to the recognition at fair value of our long-term Integrated Production Marketing ("IPM") agreements, natural gas supply contracts with pricing indexed to international gas and LNG prices. Our IPM agreements are structured to provide stable margins on purchases of natural gas and sales of LNG over the life of the agreements and have a fixed fee component, similar to that of LNG sold under our long-term, fixed fee LNG sale and purchase agreements. However, the long-term duration and international price basis of our IPM agreements make them particularly susceptible to fluctuations in fair market value from period to period. In addition, accounting requirements prescribe recognition of these long-term gas supply agreements at fair value each reporting period on a mark-to-market basis, but do not currently permit mark-to-market recognition of the associated sale of LNG, resulting in a mismatch of accounting recognition for the purchase of natural gas and sale of LNG. As a result of continued moderation of international gas price volatility and changes in international forward commodity curves during the three months ended March 31, 2024, we recognized approximately $6 million of non-cash favorable changes in fair value attributable to these IPM agreements, as compared to approximately $1.0 billion of non-cash favorable changes in fair value in the corresponding 2023 period.

During the three months ended March 31, 2024, we recognized in income 417 TBtu of LNG loaded from the SPL Project (defined below).

Capital Resources

As of March 31, 2024, our total available liquidity was approximately $2.1 billion. We had cash and cash equivalents of approximately $333 million. In addition, we had current restricted cash and cash equivalents of $59 million, $1.0 billion of available commitments under the Cheniere Partners Revolving Credit Facility, and $728 million of available commitments under the Sabine Pass Liquefaction, LLC ("SPL") Revolving Credit Facility.

Recent Key Financial Transactions and Updates

During the three months ended March 31, 2024, SPL prepaid $150 million in principal amount of its 5.750% Senior Secured Notes due 2024 with cash on hand.

SABINE PASS OVERVIEW

We own natural gas liquefaction facilities consisting of six liquefaction Trains, with a total production capacity of approximately 30 million tonnes per annum ("mtpa") of LNG at the Sabine Pass LNG terminal in Cameron Parish, Louisiana (the "SPL Project").

As of April 25, 2024, over 2,490 cumulative LNG cargoes totaling over 170 million tonnes of

LNG have been produced, loaded, and exported from the SPL Project.

SPL Expansion Project

We are developing an expansion adjacent to the SPL Project with an expected total production capacity of up to approximately 20 mtpa of LNG (the "SPL Expansion Project"), inclusive of estimated debottlenecking opportunities. In February 2024, certain of our subsidiaries submitted an application to the FERC for authorization to site, construct and operate the SPL Expansion Project, as well as an application to the DOE requesting authorization to export LNG to FTA and non-FTA countries, both of which applications exclude debottlenecking.

DISTRIBUTIONS TO UNITHOLDERS

In April 2024, we declared a cash distribution of $0.810 per common unit to unitholders of record as of May 9, 2024, comprised of a base amount equal to $0.775 ($3.10 annualized) and a variable amount equal to $0.035, which takes into consideration, among other things, amounts reserved for annual debt repayment and capital allocation goals, anticipated capital expenditures to be funded with cash, and cash reserves to provide for the proper conduct of the business. The common unit distribution and the related general partner distribution will be paid on May 15, 2024.

INVESTOR CONFERENCE CALL AND WEBCAST

Cheniere Energy, Inc. will host a conference call to discuss its financial and operating results for first quarter 2024 on Friday, May 3, 2024, at 11 a.m. Eastern time / 10 a.m. Central time. A listen-only webcast of the call and an accompanying slide presentation may be accessed through our website at www.cheniere.com. Following the call, an archived recording will be made available on our website. The call and accompanying slide presentation will include financial and operating results or other information regarding Cheniere Partners.

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[1] Non-GAAP financial measure. See "Reconciliation of Non-GAAP Measures" for further details.

[2] Excludes debottlenecking potential.

About Cheniere Partners

Cheniere Partners owns the Sabine Pass LNG terminal located in Cameron Parish, Louisiana, which has natural gas liquefaction facilities consisting of six liquefaction Trains with a total production capacity of approximately 30 mtpa of LNG. The Sabine Pass LNG terminal also has operational regasification facilities that include five LNG storage tanks, vaporizers, and three marine berths. Cheniere Partners also owns the Creole Trail Pipeline, which interconnects the Sabine Pass LNG terminal with a number of large interstate and intrastate pipelines.

For additional information, please refer to the Cheniere Partners website at www.cheniere.com and Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed with the Securities and Exchange Commission.

Use of Non-GAAP Financial Measures

In addition to disclosing financial results in accordance with U.S. GAAP, the accompanying news release contains a non-GAAP financial measure. Adjusted EBITDA is a non-GAAP financial measure that is used to facilitate comparisons of operating performance across periods. This non-GAAP measure should be viewed as a supplement to and not a substitute for our U.S. GAAP measures of performance and the financial results calculated in accordance with U.S. GAAP, and the reconciliation from these results should be carefully evaluated.

Forward-Looking Statements

This press release contains certain statements that may include “forward-looking statements.” All statements, other than statements of historical or present facts or conditions, included herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things, (i) statements regarding Cheniere Partners’ financial and operational guidance, business strategy, plans and objectives, including the development, construction and operation of liquefaction facilities, (ii) statements regarding Cheniere Partners’ anticipated quarterly distributions and ability to make quarterly distributions at the base amount or any amount, (iii) statements regarding regulatory authorization and approval expectations, (iv) statements expressing beliefs and expectations regarding the development of Cheniere Partners’ LNG terminal and liquefaction business, (v) statements regarding the business operations and prospects of third-parties, (vi) statements regarding potential financing arrangements, (vii) statements regarding future discussions and entry into contracts, and (viii) statements relating to our goals, commitments and strategies in relation to environmental matters. Although Cheniere Partners believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere Partners’ actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere Partners’ periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere Partners does not assume a duty to update these forward-looking statements.

(Financial Tables Follow)

Cheniere Energy Partners, L.P.
Consolidated Statements of Operations
(in millions, except per unit data)[1]
(unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Revenues		
LNG revenues	$ 1,720	$ 2,106
LNG revenues—affiliate	524	761
Regasification revenues	34	34
Other revenues	17	16
Total revenues	2,295	2,917
Operating costs and expenses		
Cost of sales (excluding items shown separately below)	964	313
Cost of sales—affiliate	4	17
Operating and maintenance expense	200	206
Operating and maintenance expense—affiliate	43	44
Operating and maintenance expense—related party	13	16
General and administrative expense	3	3
General and administrative expense—affiliate	22	22
Depreciation and amortization expense	168	167
Other	3	—
Total operating costs and expenses	1,420	788
Income from operations	875	2,129
Other income (expense)		
Interest expense, net of capitalized interest	(202)	(208)
Interest and dividend income	9	14
Total other expense	(193)	(194)
Net income	$ 682	$ 1,935
Basic and diluted net income per common unit[1]	$ 1.18	$ 3.50
Weighted average basic and diluted number of common units outstanding	484.0	484.0

(1) Please refer to the Cheniere Energy Partners, L.P. Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed with the Securities and Exchange Commission.

Cheniere Energy Partners, L.P.
Consolidated Balance Sheets
(in millions, except unit data) [1]

	March 31, 2024 (unaudited)	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 333	$ 575
Restricted cash and cash equivalents	59	56
Trade and other receivables, net of current expected credit losses	237	373
Trade receivables—affiliate	160	278
Advances to affiliate	109	84
Inventory	134	142
Current derivative assets	37	30
Other current assets, net	33	43
Other current assets—affiliate	1	—
Total current assets	1,103	1,581
Property, plant and equipment, net of accumulated depreciation	16,071	16,212
Operating lease assets	78	81
Derivative assets	59	40
Other non-current assets, net	186	188
Total assets	$ 17,497	$ 18,102
LIABILITIES AND PARTNERS' DEFICIT		
Current liabilities		
Accounts payable	$ 34	$ 69
Accrued liabilities	488	806
Accrued liabilities—related party	5	5
Current debt, net of unamortized debt issuance costs	2,145	300
Due to affiliates	32	55
Deferred revenue	84	114
Deferred revenue—affiliate	—	3
Current derivative liabilities	144	196
Other current liabilities	16	18
Total current liabilities	2,948	1,566
Long-term debt, net of unamortized discount and debt issuance costs	13,616	15,606
Operating lease liabilities	69	71
Finance lease liabilities	13	14
Derivative liabilities	1,566	1,531
Other non-current liabilities	84	75
Other non-current liabilities—affiliate	23	23
Partners' deficit		
Common unitholders' interest (484.0 million units issued and outstanding at both March 31, 2024 and December 31, 2023)	1,205	1,038
General partner's interest (2% interest with 9.9 million units issued and outstanding at both March 31, 2024 and December 31, 2023)	(2,027)	(1,822)
Total partners' deficit	(822)	(784)
Total liabilities and partners' deficit	$ 17,497	$ 18,102

(1) Please refer to the Cheniere Energy Partners, L.P. Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed with the Securities and Exchange Commission.

Reconciliation of Non-GAAP Measures

Regulation G Reconciliations

Adjusted EBITDA

The following table reconciles our Adjusted EBITDA to U.S. GAAP results for the three months ended March 31, 2024 and 2023 (in millions):

	Three Months Ended March 31,	
	2024	2023
Net income	$ 682	$ 1,935
Interest expense, net of capitalized interest	202	208
Interest and dividend income	(9)	(14)
Income from operations	$ 875	$ 2,129
Adjustments to reconcile income from operations to Adjusted EBITDA:		
Depreciation and amortization expense	168	167
Gain from changes in fair value of commodity derivatives, net [1]	(43)	(1,270)
Adjusted EBITDA	$ 1,000	$ 1,026

(1) Change in fair value of commodity derivatives prior to contractual delivery or termination

Adjusted EBITDA is commonly used as a supplemental financial measure by our management and external users of our Consolidated Financial Statements to assess the financial performance of our assets without regard to financing methods, capital structures, or historical cost basis. Adjusted EBITDA is not intended to represent cash flows from operations or net income as defined by U.S. GAAP and is not necessarily comparable to similarly titled measures reported by other companies.

We believe Adjusted EBITDA provides relevant and useful information to management, investors and other users of our financial information in evaluating the effectiveness of our operating performance in a manner that is consistent with management's evaluation of financial and operating performance.

Adjusted EBITDA is calculated by taking net income before interest expense, net of capitalized interest, depreciation and amortization, and adjusting for the effects of certain non-cash items, other non-operating income or expense items and other items not otherwise predictive or indicative of ongoing operating performance, including the effects of modification or extinguishment of debt, impairment expense and loss on disposal of assets, and changes in the fair value of our commodity derivatives prior to contractual delivery or termination. The change in fair value of commodity derivatives is considered in determining Adjusted EBITDA given that the timing of recognizing gains and losses on these derivative contracts differs from the recognition of the related item economically hedged. We believe the exclusion of these items enables investors and other users of our financial information to assess our sequential and year-over-year performance and operating trends on a more comparable basis and is consistent with management's own evaluation of performance.

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Source: Cheniere Energy Partners, L.P.