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EQT Corp. (EQT)

Q2 2026 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Hello, everyone. Thank you for joining us, and welcome to the EQT Second Quarter 2026 Results Conference call. After today's prepared remarks, we will host a question-and-answer session. [Operator Instructions]

I will now hand the conference over to Cameron Horowitz. Cameron, please go ahead.

Cameron J. Horowitz

Managing Director-Investor Relations & Strategy, EQT Corp.

Good morning, and thank you for joining our second quarter 2026 earnings results conference call. With me today are Toby Rice, President and Chief Executive Officer; and Jeremy Cano, 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 in subsequent filings we make with the SEC. We do not undertake any duty to update any 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. Our second quarter results are another powerful demonstration of the value of EQT's integrated platform. While our operating teams were busy setting more industry records in the field, we continued to build on our strategic momentum through a series of transactions. Our success this quarter underscores how EQT is uniquely positioned to capture a substantial amount of Appalachian demand growth and continue to improve realized pricing.

Our operational performance remains the foundation of everything we do, and this quarter, our teams once again pushed the boundaries of what is possible. During the quarter, we drilled the longest lateral in the history of shale development at more than 29,000 feet, all while staying 100% in zone with zero safety incidents. We also set a new basin 24-hour drilling record and a new EQT 48-hour drilling record in the process.

While the success of our large scale operations is defined by averages, it's records like this that redefine what is possible. These achievements are not isolated accomplishments. They reflect the culture we've created, the direct result of years of relentless operational focus and evolution aimed at improving our capital efficiency, lowering our cost structure, and enhancing the returns we generate for shareholders.

This strong operational execution, along with robust well performance, is leading to significant production outperformance, which is evident in our second quarter volumes coming in well above the high end of our guidance. A significant portion of this outperformance is coming from our base production, reflecting better than expected results from our midstream compression projects, which are extending flat times on new wells and shallowing base declines on older wells.

As a reminder, these projects were a key piece of the synergies we projected when we acquired Equitrans, and they continue to exceed even our upside forecasts. We expect strong performance to continue throughout the year, and as such, we are raising our 2026 production guidance by roughly 90 Bcfe at the midpoint.

Another important milestone this quarter was the receipt of FERC authorization to begin construction activities on MVP Southgate. With all key regulatory approvals now in hand, we have elected to pull forward capital spending and accelerate construction timing of MVP Southgate into 2026 to de-risk project execution. The project will provide critical infrastructure needed to connect low-cost Appalachian natural gas supply, with one of the fastest-growing demand regions in the country. Bringing additional supply into the Carolinas will help utilities meet growing energy needs, support system reliability, and help keep energy costs affordable for consumers.

MVP Southgate enhances the strategic value of EQT's integrated platform, expanding market access for Appalachian natural gas, while providing an attractive combination of long-term contracted cash flow visibility and compelling risk-adjusted returns. As a reminder, neither MVP Southgate nor the MVP Boost expansion were included in our Equitrans underwriting case. Alongside this performance, we're seeing from our compression projects, these successes demonstrate how our vertically integrated platform and aligned teams continue to unlock value across both our upstream and midstream businesses and drive incremental returns for shareholders.

Turning to Appalachia fundamentals, momentum continues to build for power generation and pipeline projects throughout the region, with an opportunity set in front of EQT today that is significantly larger than it was even six months ago. As illustrated on slide 22 of our investor presentation, our analysis suggests there are over 45 Appalachia demand and pipeline takeaway projects under construction or in evaluation, totaling nearly 20 Bcf a day of potential demand.

The success of even a fraction of these projects is expected to lead to significant strengthening of in-basin supply/demand fundamentals. This demand backdrop creates upstream growth optionality for EQT, thanks to our low-cost peer-leading inventory depth and strong balance sheet position. However, any future growth will be measured and directly tied to demand underpinned by our commercial agreements.

We have no interest in growing for growth's sake, as that is a strategy that has historically resulted in poor returns and value destruction in this industry. Instead, our focus remains on growth with durable contractual demand in a manner that is accretive to corporate returns, expands free cash flow per share, and creates long-term shareholder value.

Wrapping up, the broad takeaway is clear. EQT is delivering at a high level across every part of our business, stacking up wins operationally and strategically. We continue to drive operational excellence, execute commercial agreements that catalyze in-basin demand and improve price realizations for years to come, and also advance infrastructure projects that connect our low-cost supply to premium markets.

As Appalachia continues to emerge as one of the epicenters for secular power-driven natural gas demand growth in North America, EQT is uniquely positioned to capture an outsized share of this opportunity. With a

differentiated integrated platform, industry-leading execution, and a growing portfolio of demand-driven projects, we have a clear path to creating durable, long-term value for our shareholders.

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

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Thanks, Toby. The second quarter was another outstanding one for EQT. We again exceeded expectations across virtually every financial metric, including production, price realizations, operating costs, and capital spending. This resulted in \$330 million of free cash flow attributable to EQT in Q2, despite natural gas prices averaging just \$2.89 per MMBtu during the quarter, underscoring our advantaged position at the low end of the cost curve.

Operational execution is leading to sustained production outperformance. And as a result, we are raising 2026 production guidance by approximately 90 Bcfe, while also lowering full-year CapEx by \$25 million. As Toby mentioned, we have also decided to accelerate MVP Southgate construction timing and are thus pulling forward \$85 million of capital contributions to equity method investments from 2027 into 2026.

During the quarter, we continued to build momentum across our commercial platform. We recently signed a 10-year definitive agreement with Competitive Power Ventures to provide 325 million cubic feet per day of natural gas to a new 2-gigawatt power generation facility planned in Doddridge County in the heart of West Virginia, which will pull gas south from EQT's core production base. This facility is expected to enter service in early 2031.

Note, this marks the second new combined cycle gas turbine project in West Virginia that EQT has helped catalyze following the Wolf Summit project we announced last year. Importantly, the CPV contract pricing is linked to PJM power pricing rather than a gas price index and represents EQT's second deal incorporating this structure.

At the forward strip, we expect this agreement to provide EQT a material premium to local index pricing, while also enhancing the project's ability to secure financing. This structure provides us direct exposure to strong PJM power pricing fundamentals without any capital commitment. This transaction is yet another example of how EQT is uniquely positioned to directly capture a material amount of demand growth in Appalachia and the associated pricing benefits.

Our integrated platform, investment-grade ratings, commercial expertise, and reputation allow us to craft solutions that deliver superior value for customers, while also improving returns for EQT shareholders. As power developers, data centers, and industrial customers look to secure gas supply, EQT is the clear partner of choice throughout the Appalachian region.

We also announced the acquisition of Blackline Midstream for approximately \$77 million. Blackline owns and operates two strategically located propane storage and distribution terminals in New England, representing the largest propane storage facility in the region with both rail and waterborne access. Collectively, the assets provide 46 million gallons of storage capacity, with EQT currently supplying approximately 60% of Blackline's propane volumes.

This transaction is particularly attractive as it requires essentially no incremental capital investment while creating multiple opportunities for value creation. The assets provide physical optionality for EQT's propane production, improve flow assurance, enhance our ability to optimize pricing, and create additional commercial optionality

through domestic and international supply channels. We also see opportunities to leverage our commercial relationships to drive growth and optimize costs over time.

From a financial perspective, we project a 20% free cash flow yield under our base case underwriting, with upside optionality that would roughly double this metric. Blackline is a natural fit within EQT's integrated platform as the acquisition complements our existing upstream and midstream businesses, expands our commercial reach, and allows us to capture additional value from our existing production. Transactions like this demonstrate how our vertically integrated platform and strategic and commercial expertise can unlock unique value-creation opportunities, while enhancing the long-term earnings power of our business.

Turning to our LNG portfolio, we recently executed a five-year offtake agreement with a large Asian integrated energy company for approximately 0.5 million tonnes per annum of LNG sourced from various Gulf Coast LNG facilities beginning in 2028. This deal allows us to accelerate our LNG exposure and develop capabilities while reducing execution risk ahead of the planned commencement of our larger portfolio in 2030. Notably, the agreement was executed at a similar cost to our term deals rather than current market economics.

At recent strip pricing, we expect the contract will increase EQT's 2028 free cash flow by roughly \$45 million. This deal demonstrates our steady progress in developing our LNG business and the relentless hustle of the team on the frontlines as we develop important relationships around the world and improve EQT's access to premium markets.

Turning to capital allocation, we are on the doorstep of achieving our long-term net debt target of \$5 billion, a milestone that represents the culmination of years of commitment towards bulletproofing our balance sheet. During times of turbulence, our balance sheet will become a fortress and cash on hand a strategic tool to fund aggressive share buybacks and long-term growth investments even in low price environments. To that end, in the near term we intend to accumulate cash, which we plan to aggressively deploy into share buybacks during the industry's episodic down cycles.

As we look ahead, we believe the next chapter of value creation at EQT will be driven by the combination of disciplined growth and capital returns, primarily through share buybacks. High-return midstream investments provide visible cash flow growth today and connect our production to new demand, while future upstream growth is supported by both announced supply agreements and a growing number of new demand opportunities. When combined, the ability to repurchase meaningful amounts of stock along the way, we see a clear pathway to driving significant alpha due to the compounding nature of this strategy.

And with that, we will now open the line for questions.

QUESTION AND ANSWER SECTION

Operator: We will now begin the question-and-answer session. [Operator instructions] Your first question comes from the line of Josh Silverstein from UBS. Your line is open.

Josh Silverstein
Analyst, UBS Securities LLC

Q

Yeah, thanks.

Operator: Please go ahead.

Josh Silverstein
Analyst, UBS Securities LLC

Q

Good morning, guys. Oh, yeah. Well, Jeremy, I wanted to start with just the last comments that you had made there. Clearly, the balance sheet continues to improve. The stock price has gone back towards a 52-week low. How much cash do you want on hand to take advantage of some of these periods of stock price weakness versus continuing to just kind of build cash and what's the right level of cash for you guys to have on hand?

Jeremy T. Knop
Chief Financial Officer, EQT Corp.

A

Yeah, good question. I think – look, we're going to be patient with it. We're not opposed to accumulating at certain points in the cycle up to a few billion dollars of cash. I think where the stock price is right now, I think we look to be more aggressive in the buybacks. But it just depends on what's going on in the market. And again, I think we'll be opportunistic and aggressive when we see those opportunities. But we certainly want to be countercyclical rather than pro-cyclical.

Josh Silverstein
Analyst, UBS Securities LLC

Q

Got it. And then, on the new LNG updates here, I want to see if you can provide a little bit more details on how you're implementing the strategy and the 2028 offtake agreements here. How are you sourcing the LNG? Is the infrastructure in place and kind of capacity already lined up for this?

Jeremy T. Knop
Chief Financial Officer, EQT Corp.

A

Yeah. So, the – for the new agreement specifically, we're able to pick the capacity up off a, like we said in prepared remarks, an integrated Asian buyer that is dealing with some tariff-related issues. So, we worked with them to alleviate that, really crafted a win-win deal to where that is in the money for us today and adds meaningfully to our 2028 cash flow. Those are volumes that will be coming from two facilities that are nearing completion right now. So, I would expect those to come online in early 2028. Contractually, it's January, but if there's slippage in project timing, it could be a little bit delayed. But we have high confidence in that, that coming online during that year and contributing to uplift in realized pricing.

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

Doug Leggate

Analyst, Wolfe Research LLC

Q

Thank you. Good morning, everybody. Jeremy, I wonder if I could – maybe this is for Toby. The idea that you've laid out this extraordinary volume potential, obviously a lot of it's post-2030. But I'm curious, Toby, when you talk about you're only going to grow on contracts – when you've got contractual agreements, I'm curious why. If these are premium-priced deals in your backyard, why would you grow at all? Why wouldn't you reallocate existing volumes and get a premium price without having to incur the additional capital and ultimately the growth? That's my first question.

[indiscernible] (00:17:09)

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

You want to take your second question, throw it out there?

Doug Leggate

Analyst, Wolfe Research LLC

Q

Yeah. It's a real quick one. It was for Jeremy, really. The compression is really – is obviously having an impact on capital. I'm just curious how much lower do you think – how much better do you think your sustaining capital can become as a consequence of those compression projects. That's it. Thank you.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah. Doug, I think your first question, I think, hits on something that we spend a lot of time thinking about. The first step and our first focus is to get direct connections to this demand, and I think we're putting a lot of – showing a lot of progress on that front. But the next question that we're going to have to ask ourselves is what part of that demand are we actually going to grow organically into?

And as you mentioned, strengthening basis is going to be one of those considerations and that's going to have an impact of lifting all EQT volumes, not just the volumes that would be exposed to growth. So, our first focus is capture as many of these opportunities as we can and then we'll step back and make that evaluation. But there will be a portion that we'll consider growing, but it would not be the full amount of demand.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. And Doug, just to add to that and then address your second question. We have a disproportionate amount of our gas sold into first a month today on a short-term basis. But I think it's about 30% of our volumes are sold on more medium and longer-term contracts. So, there certainly is the ability to reallocate. And effectively, what happens is less volumes that are sold into that first a month market drives a little more scarcity in that market, and if all else is equal, would lift index pricing. Most of those longer-term deals being indexed to first a month, you get that price benefit. And so, there certainly is flexibility around that, and I think the way you structure those and where you index it back to, to liquid hubs is really critical to make sure that you are able to have the flexibility in supplying those volumes over the longer term.

So, it's something that we're very focused on. Look, I think if you look at that slide 22, which I'd encourage everybody to look at, is really kind of the culmination of a lot of the analysis we're doing and the opportunities

we're tracking in Appalachia today. We don't have to grow into this one-for-one day one. You do see a bit of almost looks like a hockey stick ramp around the end of this decade.

A lot of that's really just due to the fact that it takes three to five years to build most of this large-scale infrastructure. We're not looking to add any sort of step change in production. If you see 2 Bcf a day added in a given year, we might grow a fraction of that, and over time we fill it. But if the market's a little tighter in the intermediate term, there's ample gas, the market will balance. But I think to your point, I think we still benefit because we're in a price times volume business.

On your second question around midstream and compression, I mean, look, candidly, we're working with our reservoir team and our finance team just trying to recalibrate how we forecast some of this stuff. I think our original expectations on the impact on our well performance and type curves from lower pressures have been kind of blown away. We're trying to recalibrate our hydraulic models and just how we forecast type curves and base declines that could lead to further out performance. But it's something we're still in the middle of the process of right now. But obviously, we're seeing quarter after quarter these big beats that continue to surprise us, too. And I think that – if that trend continues, which it feels like it is, that will lead to continued capital efficiency in the years ahead.

Doug Leggate

Analyst, Wolfe Research LLC

That's great. Thanks, fellas. Appreciate it.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Operator, we have the next question.

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

Betty Jiang

Analyst, Barclays Capital, Inc.

Hi, good morning. I want to start with a bigger picture question speaking to that slide 22. Just given where this market is going, we're seeing more midstream pipeline projects. How do you guys see these projects ultimately get supplied? And how do you think about the competitive tension to fill these incremental egress projects and how that's creating tension against the in-basin power projects? And when you – and related to EQT, your ability to be able to leverage better pricing in these supply agreements that you're talking to.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah. Betty, I'd say when we look at slide 22, I'd say probably one of the bigger moves that has become a lot clearer over the past few months, as we referenced in our last quarterly update, was just the number of pipeline takeaway opportunities that are showing up largely in that Clarington area. Those are going to be large potential projects. They're going to require supply to be brought from M2 or basically our core production region to fill those projects. And that's going to give us an opportunity to build infrastructure, and with infrastructure, I think we have an edge in making sure that we supply those projects as well.

So, that's sort of the dynamics that's really exciting to see materialize, and I think EQT will be able to continue to play a role in creating win-win solutions for our customers, while giving our shareholders access to some

premiums in the meantime. And those will come in the form of midstream fees. As we do anticipate these large egress projects, the capacity will be taken from utilities downstream.

Betty Jiang

Analyst, Barclays Capital, Inc.

Q

Great. Thank you. And Jeremy, a question to you on the CPV contract being linked to power price. How do you think about the upside/downside risk around that contract structure? And is there a floor price in for EQT to protect you? Is there any downside risk protection to that?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. Great question, Betty. Just to frame this and put it into perspective, this is a deal that if just say hypothetically this contract came online for the full year of 2027 and just flowed at full capacity. Obviously, there would be a lower utilization, so you can make your assumptions there. It would improve our free cash flow by about \$100 million a year, improve corporate overall differentials by like \$0.05. So, it is a material contract, it is a material premium, and honestly, it is a true win-win for us and the developer. We can hedge it if we would like to.

But if you look at the way electricity prices and gas prices in PJM specifically are correlated, just due to where gas is in the dispatch, they are tightly correlated. And as the cost of building new generation continues to rise, I would expect that spark spread to widen as there needs to be more and more of a market signal long term for more generation to be built. So, we actually think we're on the right side of the bet here, having that long exposure into power. And to some degree, it's almost like what you're seeing in the liquids markets today, where you have a lot more tightness in the refined products market as opposed to in the crude market specifically from what's going on in the Middle East.

I think you're going to see a lot of the same dynamics in power, where that power market gets tighter and tighter. It will trickle through to gas, but not on a one-for-one basis. So, being able to in a manner without putting any capital in get direct exposure to the other side of the generator, I think is really interesting. And again, it's our second deal like that. I'd be open to doing more deals like that. But again, I think it speaks to just the structural creativity and what our team is capable of to provide solutions for all these types of projects and play a lot of different roles to make them come to fruition.

Betty Jiang

Analyst, Barclays Capital, Inc.

Q

Great. That's helpful. Thank you.

Operator: Your next question comes from Arun Jayaram from JPMorgan Securities. Your line is open. Please go ahead.

Arun Jayaram

Analyst, JPMorgan Securities LLC

Q

Yeah. Good – yeah. Good morning, team. I want to go back to the Shay Energy project. Toby and Jeremy, I wondered if you could just discuss what has given EQT perhaps the right to win on this project. You mentioned the Wolf Summit, that infrastructure project maybe was an enabler. And perhaps you could talk about timing here. You mentioned as early as 2031. What are some of the gating items for this project to achieve that startup time, including permit approvals, which has been some of the question from investors on some of these large data center or power projects in the basin?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. So, in terms of competitive dynamics, I mean, I'd say we are probably – we are close on other projects and also including West Virginia. I think before the end of the year you'll probably see at least one more, maybe more, potentially some very large ones, too. I think, Arun, it's really what we've been saying for the past year. It's the power of the platform we've put together. And more than anything, it's the quality of the team here at EQT, working in a really collaborative aligned way, starting with our commercial team with our commodity traders out there structuring the stuff, the depth of relationships, the trust we have, the balance sheet, the integrated platform.

We don't have to do the midstream, we don't have to do certain pieces of this, but we can. Understanding the whole value chain I think adds a lot of value. Being comfortable doing things like we did on CPV Shay, pricing it linked to electricity not gas and showing that flexibility because it's best for the customer. And really starting out with a mindset of what's best for the customer is what's going to win the deal and how do you create that win-win solution. I think when you put all those pieces together, we're just in a really unique spot, and it's allowed us to continue building that momentum and that momentum builds more momentum, which is why we're in the position we are today. So, again, I don't think we're done. I think there's a lot more to come.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah. And Arun, I'd just put some comments here. I mean, certainly have a mentality to help the customers and be creative, and we certainly have a number of capabilities from being an integrated producer. I'd also say we've got great support with the board. I mean, the governance on this, the ability to work through these issues, ask the questions that we need to be asked, allows us to stretch strategically and make, we think, a really high-quality decision.

So, I mean, this organization is firing from top to bottom, and it's what it takes to produce these type of wins. And I think it's worth noting that EQT continues to put up these results, and we seem to be winning almost 100% of these deals that we're on. But it is a lot of work, and we are really putting the customer first.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. Arun, I think what's amazing too is, we talk about feel like we have a new deal every quarter, it seems like lately to talk about. If you really rewind a couple of years back to the end of 2023 when we first announced those sales deals to some of the big utilities in the Southeast, those deals start to come online now at the end of next year and into 2028. Those deals alone are \$300 million a year of uplift of value. At the time and I'd argue today, we're still not getting credit for that. But we keep stacking up these deals, whether it's LNG deals or power deals or whatever it might be, and that value continues to build.

From our perspective, EQT is really the only platform with that. And as that momentum grows, we're going to continue stacking that, that margin. And at the same time, you have the macro backdrop you do as we've talked about in prepared remarks, as we've illustrated on slide 22, which is a further tailwind. But again, it's focusing on what we control every day to differentiate EQT from the rest of the group and deliver the wins in a differentiated way.

Arun Jayaram

Analyst, JPMorgan Securities LLC

Q

Got it. A quick follow-up is I wanted to refer to slide 7. You guys have highlighted your first half 2026 till performance where you're beating your type curve by 8%. I was wondering if you could, Toby, maybe unpack what is going on. Are you drilling better rock? Is there different flow back procedures? Wondering if you could maybe help determine what is maybe driving this outperformance.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah. So, with the till accelerations that we put in place, really this just comes down to extending flat times, and this is a byproduct of producing into optimal pressures on the gathering side. So, this is just another benefit from the compression. It's not just having an impact on improving our base production, it's also improving our wedge performance, which is the new tills that we're putting in.

So, it's one of the great things when operationally these wins create other opportunities for us. I'd say some of the other things that we're looking at on compression that we haven't really wrapped our heads around. But as Jeremy mentioned, we're really digging into this. We also have a number of wells that could benefit from workovers that maybe not would have been a prize in a high-pressure system. But now with the pressures lowered, those workovers make sense. I mean, all of these things are incremental, and they just continue to strengthen the operational story that we have here at EQT.

Arun Jayaram

Analyst, JPMorgan Securities LLC

Q

Great.

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

Neil Mehta

Analyst, Goldman Sachs & Co. LLC

Q

Yeah. Good morning, Toby and Jeremy. Thanks for all the updates here. Just wanted your perspective on the hedging strategy here, saw you layered in a little bit more, and how are you thinking about – you have the optionality of running a little bit more unhedged. But how are you thinking about being opportunistic around your hedging strategy?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. It's a good question. I mean, look, I think candidly we're seeing some of the same very near-term risks that others are seeing around Permian growth potential and some of the super El Niño weather patterns. I think for us, it's more of just ensuring as we look into next year, the balance sheet's in a strong position. We are intending to start buying back quite a bit of stock. We want to make sure if there is a down cycle, there's nothing that holds us back from leaning in pretty aggressively and deploying a lot of cash into that. If that does happen, our hedging has been focused specifically on next summer, where we would expect more of the weakness to show up, making sure that through a cycle like that if there is temporary weakness, that we can be aggressive and on offense.

As you look into late 2027 and beyond though, like we really see this inflecting again. This feels to us like potentially a very short-term soft spot. But I think the structural case for gas as you get into 2028 and 2029 with what's going on in power and LNG and production beyond this near-term potential bump from the Permian looks lackluster, increasingly lackluster to us.

When you look at the Haynesville and some of the rest of these plays, we see a really strong macro backdrop. And frankly, we want to be aggressive trying to buy a lot of stock ahead of it. So, that's kind of how we're thinking about the hedging strategy. I don't know if you'll see us add a bunch more at pricing levels around where the strip is right now. We don't think there's a lot more downside to come. But we're really just trying to put this in place so we can be aggressive.

Neil Mehta

Analyst, Goldman Sachs & Co. LLC

Yeah. That makes a lot of sense. And then, maybe the follow-up is just on M2. We've seen local pricing in Appalachia strengthen here in part because of in-basin demand. Can you talk about your conviction around that story and how are you seeing some of the moving pieces through the curve?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. I mean, it's been a story we've talked about for years, and I think the market's much more aware of it now. All this demand we're talking about as we get later into this decade, I just don't think – even if some of this doesn't happen and things get off track for some reason, I don't see a way for basis not to continue to strengthen materially. So, again, I think we're in a perfect position to benefit from a lot of that.

And again, as we think about a potential strategy to start adding mid-single digit type of growth at some point between now and the end of the decade, I think that's going to be a market that can absorb multiples of anything we could add. So, if our top line is price and volume, we can modestly add volume. I think we'll benefit from price all the same, and that's going to drive a lot of improvement in the bottom line as we're buying stock back at the same time. So, we think it's a recipe for a lot of success.

Neil Mehta

Analyst, Goldman Sachs & Co. LLC

Thanks, Jeremy.

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

Phillip Jungwirth

Analyst, BMO Capital Markets Corp.

Yeah, thanks. Good morning. Coming back to the Appalachia growth wave slide, I know this is unrisks. But is there a good way to think about just risking the projects? I mean, you do list a lot of the parties behind these, but I guess, what do you see as the biggest challenges to this demand materializing? And then, also from EQT's seat, what are the things that you typically look for when deciding who to partner with on some of these?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. Phil, good question. I know you and I have spent some time in the last couple of months talking about this, and I think you've done some good work on this as well. What we've done is we've tried to take a very intentional approach in listing all these out, having direct dialogue with most of these customers, and understanding what exactly their needs are and what their obstacles are to getting these projects to FID and financed, and coming up with solutions to help alleviate some of those roadblocks.

When we have gone through this internally and assigned probabilities across the spectrum for each project, we come up with high-single digit Bcf a day of growth. So, call it 40-ish percent of the total potential here, we think is probably realistic as we alluded to in our conference call last quarter. As we think about what does it take and where to focus to increase those odds, we see our role is taking what is in that navy color, that hockey stick wedge, and trying to understand where can we use the tools available, whether it's midstream or is it volumetric, is it something else working with the downstream customers on gas supply or whatever it might be, to use EQT platform and help actually improve the odds of success for these projects.

So, really just trying to be that partner of choice and work with them so they're a win-win solutions, just like we've done with CPV. I think the reputation we've built by doing that makes more people want to work with EQT, and we've also attracted a lot of talent here that further enables our odds to be the best service provider available. And that's, I think, why you keep seeing us stack these wins up.

Phillip Jungwirth

Analyst, BMO Capital Markets Corp.

Q

Okay, great. And then, on the supply side, is there an upper limit on what you think Appalachia production can grow in any given year, just given inventory depth and also just logistics around gathering water? Just because the top operators are talking about growth, but it still probably sums up to less than [ph] a B (00:37:40) if you add it all up. So, just wondering if you've looked at all at an upper limit on what this could be, assuming demand growth materializes in the outer years.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah. I think we're confident in Appalachia's ability to meet these volumes. But what I do think you're going to see price sensitivity from operators. While you hear some of the larger operators talking about their ability to grow, those operators typically have inventory to support that growth. That's not the case for a number of the other operators here in Appalachia. And I think they're going to be sensitive on price and a little bit more disciplined before they think about growing. I mean, the molecules are going to show up, but price will be a determination.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. I would add to that. When we go with the data we have, land data and understanding inventory depth of peers, when you look at the peers who have inventory versus who don't specifically in Southwest Appalachia, where most of this demand is showing up, we think about a third of the basin's total supply will be challenged to hold flat actually by the time you get towards the end of this decade. And so, if you have the Ohio Utica, you have some producers in like the Panhandle of West Virginia area, and I think up in Northeast PA, struggle to hold flat while you have demand showing up.

I think you get to this inflection point, what we keep referring to as a paradigm shift that happens towards the end of this decade, where the demand and these long-term infrastructure projects come online, they will pull gas right at the time where I think you have operators like EQT who can meet the moment and grow into that. I think other operators there are going to struggle. So, I think, to your point the ability to grow year-over-year and meet this, I think you're going to have to see pricing that provides a further incentive to go into zones that are less economic, so certain operators can still have the economic justification to drill.

But if you're EQT and we actually see our cost structure falling in time, not holding flat, not rising, but falling, I think you're going to see significant margin enhancement from that as the marginal producers push pricing up,

while our pricing falls and we grow volume into that. And that's how you create outsized value in the alpha we referred to in prepared remarks.

Phillip Jungwirth

Analyst, BMO Capital Markets Corp.

Great. Thanks, guys.

Q

Operator: Your next question comes from Neal Dingmann from William Blair. Your line is open. Please go ahead.

Neal Dingmann

Analyst, William Blair & Co. LLC

Morning, guys. Thanks for the time. Toby, maybe for you or Jeremy, just a question on the power side also. I'm just wondering specifically given your obvious leading integrated gas company status, and when you look at these future contracts that you've been discussing, is there a potential for these contracts to maybe structure whereby you all would think about participating in some of the future data center upside? I'm just wondering more on the contract structures going forward.

Q

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah. Neal, that would be a little bit of a jump to go from spark spread to, I guess, token spread. It is a concept that we've thought about. I don't see the market opportunity right now. But yeah, I mean, it is pretty insane to see the margins that are being created off of megawatt of power on the token side of things. Those aren't opportunities that are available in the market right now, but we'll keep an eye on that.

A

Neal Dingmann

Analyst, William Blair & Co. LLC

Perfect. And then, just quickly – what – maybe could you all talk about what's your current reinvestment rate? Seems like it's now incredibly low and given that how low it is, does that imply – would you all think now you have even more potential for M&A given how low your reinvestment rate is?

Q

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

I mean, look, I think – I mean, it's been two – I mean, call it two years since we did any sort of big M&A. I think our focus right now is on what we feel like is a stock price that's somewhat dislocated certainly for the quality of the business we've built. I think that is our M&A target right now. So – but buybacks are going to be a big part of our M&A strategy, if you want to think about it like that, buying back the best company available in the market every day.

A

Neal Dingmann

Analyst, William Blair & Co. LLC

That makes sense. Thanks, Jeremy.

Q

Operator: Your next question comes from Sam Margolin from Wells Fargo.

Sam Margolin

Analyst, Wells Fargo Securities LLC

Hey, good morning.

Q

Operator: Your line is open. Please go ahead.

Sam Margolin

Analyst, Wells Fargo Securities LLC

Thanks for taking the question. Hi, sorry. Good morning. Thanks for the question. Wanted to talk a little bit about MVP Southgate, and this is an interesting delivery point. It's between a huge amount of in-basin demand in Appalachia and then sort of a big wedge of LNG capacity coming south of it. But it's got its own load growth too in the Southeast just from population movement and power. So, the question is, as you have these demand spikes happen on either side of the MVP Southgate delivery point, what's going to happen to this market? Does it basically just have the same effects as what you'll see in Appalachia just a little bit extended or does it actually – could it develop kind of a unique deficit, just given the fact that nobody else but you seems to be really focused on it?

Q

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. I mean, good question. I mean, we do see that Zone 5 market is actually one of the most lucrative and probably all the continental US because you have the demand pull south from LNG down Transco, which is pulling gas out of that market, while at the same time you have the dynamics you just described locally in that market. So, you really have the dual benefits. That is why we are so attracted to it, and why we're building Southgate to get more gas into the Carolinas to Duke and to PSNC. So, yeah, I mean, I think long term it's a tremendous market to have access to, and I think we're one of the only producers that do at this point.

A

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah. And I would add, just given these dynamics that we're seeing, we've announced to accelerate Southgate. We're not seeing any benefits of that right now, but the commercial teams are out there working to pair up the accelerated construction and service date of our project with the commercial terms. So, maybe we'll have some progress on that in the future.

A

Sam Margolin

Analyst, Wells Fargo Securities LLC

Got it. That makes sense. And then, yeah – I mean, this came up on the call, it's another market question. It came up on the call last quarter. Maybe a little bit of an evolution in the outlook for the LNG market, where at one point there was obviously a lot of concern for a multi-year glut and now just given geopolitical conditions that's changing. I wonder if you could just touch on if there's been any changes to your LNG market in terms of either the shape of it or even the long-term kind of addressable market size just in the last three months, again, in the context that you did update some thoughts last quarter.

Q

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah. I'd say what's changed over the last three months – I mean, certainly our view coming into this pre-Iran war was that 2028-2029 was going to be a little bit oversupplied. I think that's gone away with Iran. That's been –

A

that's now not going to be the situation. I think in the last three months people were anticipating when the recovery was going to take place and when that LNG capacity was going to be restored. I think with the current conflict extending, that's just delaying the recovery, which is deepening the hole in supply.

I mean, right now you've got Europe sitting at storage levels north of 10% below year-over-year where they were, and it's starting to hit. I mean, you see spot prices internationally north of \$17. I mean, there's a very large spread forming. When we look at 2028 on pricing – I mean, pre-Iran to where we're at today, we've seen the Henry Hub TTF spread lift over \$2. And it's another reason why this LNG deal that we just signed up coming in the market in 2028 is so attractive to us.

Sam Margolin

Analyst, Wells Fargo Securities LLC

Awesome. Thanks so much.

Q

Operator: Your next question comes from Gabe Daoud from Truist. Your line is open. Please go ahead.

Gabe Daoud

Analyst, Truist Securities, Inc.

Thanks. Hey, morning everyone. Maybe just going back to the West Virginia comments around maybe just signing a couple more deals by year-end. One of the bigger campuses there, maybe 60 miles west is the Monarch campus. Just curious, is your understanding that campus is still on track for 2 gigawatts operational next year and has construction started on that Prosperity gas line?

Q

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. I mean, we're in discussions with them. Probably no surprise. There's a lot of work to be done on that campus, but I think progress continues to be made. But I'd leave it up to the projects to give the specific updates. I mean, we're, again, more focused on the gas supply portion of it. But we don't see any obstacles to EQT being at least one of the gas suppliers for a site like that. And then, again, there's others that I think we're very close on down there in West Virginia and in Southwest Pennsylvania. And we'll give updates as those get definitive documents signed.

A

Gabe Daoud

Analyst, Truist Securities, Inc.

Okay. Okay, cool. Thanks, Jeremy. Maybe just a quick follow-up would be some more comments around the Blackline Midstream acquisition. Maybe strategically could you just talk about how that maybe makes sense for you guys? I know you highlighted it in the prepared remarks, but curious if there's anything else that you could speak to.

Q

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. I would think about it kind of like Equitrans in a way, where we're their largest customer, and we saw it as a way to effectively buy that contract in at a really attractive rate and then, through the integrated platform squeeze even more value out of it. The guy who ran Blackline is actually a former EQT employee from our NGL team in our trading business. So, we have a lot of great relationships there already, happy to welcome him back.

A

And we see it as an opportunity where when you get an asset like that and then you give them access to investment-grade support, the relationships we have, the volume we have, the capital we have to support them in going from being capital constrained to really being able to think outside the box in how they optimize a facility like that. There's a lot of value that's created, and that's exactly what we've done with Equitrans. And I think we see similar opportunities with this platform. It's obviously a lot smaller. But again, I think it shows what you're able to do with a platform like EQT's, where you just keep building through adjacencies as they become core competencies and generate a lot of value in the process.

Gabe Daoud

Analyst, Truist Securities, Inc.

Awesome. Awesome, thanks. And actually, a quick follow-up. Southgate, Toby, did you just say you're working on accelerating the in-service date to 2027? Is that what I heard? Thanks, guys.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah. Construction should be available by the end of this year, and the question's going to be when we start the commercial arrangements on that project. Those are the conversations we're having right now is taking advantage of the acceleration of construction. And this obviously would all be upside for our 2027 plans.

Operator: Your next question comes from James West from Melius Research. Your line is open. Please go ahead.

James West

Analyst, Melius Research LLC

Hey, thanks. Good morning, guys. Obviously, the momentum in the business is extremely solid on the base business, but your strategic momentum continues despite that. I'm curious when we think about both midstream pulling the – accelerating the timeline here, we think about the storage acquisition. How are you guys thinking about balancing capital allocation to that? And then, secondarily, if you could touch on kind of what are the additional opportunities to, one, pull forward on maybe the midstream, and then, two, other M&A – smaller M&A tuck-in opportunities like Blackline that are out there?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Yeah, great question. I feel like our journey in driving growth of EQT really growing free cash flow per share, we've really been handicapped by the fact that we've just been so relentlessly focusing on paying down our debt. And that's prevented us from using a tool, buybacks, to help drive free cash flow per share. Having such strong strategic momentum, I think gives us even more excitement about ramping into buybacks. And so, that certainly is going to be something that's more top of mind for us and allow us to continue this great momentum that we have in driving free cash flow per share.

As it relates to the sort of organic opportunities that we're capturing right now, I mean, these are all high-quality projects. They provide pretty healthy free cash flow yields. And so, those are sort of an all-you-can-eat opportunity for us. And when we think about those relative to doing buybacks, I think we can look at our stock as what's the free cash flow yield embedded. But just like we showed with Blackline, these types of opportunities can present some healthier free cash flow yields. But I mean, it's – we want to get as many of these as we can and with high-quality opportunities, we'll have the ability to finance these in the most accretive manner possible for the business.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. I'd also add to that. I mean, we look at a ton of stuff out there and we kind of – I mean, power, LNG – I mean, gas storage – I mean, in this case, propane storage. We always try to ask ourselves the question of would we rather own or would we rather rent? Would we rather buy or would we rather be a customer? We look at LNG, we see the returns in the high-single digits, right? Like, the exposure we want to get is the offtake and international exposure. Power kind of same dynamic, right? It's so well capitalized, it doesn't need our capital. We can do things to still get that exposure, like the contracts we have with Hilltop and now CPV Shay, where we are getting that exposure to spark spreads widening without putting in capital.

Blackline was a deal where we said the returns are so strong, and it's smaller, let's buy this, let's own it, and let's do what we did with Equitrans all over again. We look at everything through that lens, and we get a lot of reps in doing it. And the more kind of muscle memory you build seeing everything in the market, the better the decisions you can make. Our goal, though, is to reduce our capital base while improving our profitability to drive our return on capital higher. So, again, like the beauty of being a public company and having the stock for sale every day, and candidly having the stock for sale not reflecting the platform value or any of these sort of value unlocks on the horizon for all the deals we've signed is we get to buy that back effectively for free ahead of time. And so, we don't have to put the capital in. We can get the benefit and use the capital for buybacks. And that I think in the long term is going to drive much better share price performance.

James West

Analyst, Melius Research LLC

Q

That's great color. Thanks, guys.

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

Bob Brackett

Analyst, Bernstein Research

Q

Hey, good morning. I'm intrigued by the record laterals, and I'm wondering is there a limit to growth there where effectively the stage length gets too long, you're not fracking effectively, or maybe there's an operational limit? What are you thinking of super long term?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

Yeah. So, sort of the way we define these records really just showcase what's possible. We always need to ask this question, is this going to be best to roll out across the organization? 30,000-foot laterals, the team has shown that it's proven to do that. I think what you're going to see at EQT is we're probably going to increase our normal lateral lengths to north of 15,000 feet, maybe targeting that 17,500 feet. But again, there's other considerations that we're taking into place.

I mean, the ultimate question in our development plan, while longer is better, we are looking to maximize the recovery from every acre. And so, we do have some confines from an acreage perspective that we're working in. So, it's not a complete blank slate. But the team – what's really exciting to see is the teams continue to push the technical limits, and that gives us a lot of optionality to access reserves that we may not have been able to access

from our site locations. But those are very small. The benefits of having a large contiguous exposition that EQT has is we have eliminated a lot of constraints, but we will continue to look for ways to optimize operationally.

Bob Brackett

Analyst, Bernstein Research

Very cool. Thanks.

Q

Operator: Your next question comes from Jacob Roberts from TPH & Company. Your line is open. Please go ahead.

Jacob Roberts

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

Good morning.

Q

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Hey, Jacob. Morning.

A

Jacob Roberts

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

Jeremy, starting on the – hey, good morning. Starting on the CPV deal, I know you guys have done two of these now, PJM netback type deals. But I'm curious as you think about managing spark spread risk over these long-term contracts, is there a desire to have a mixed portfolio of perhaps fixed premium deals alongside these?

Q

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

Yeah. I mean, we look at it like a portfolio. I mean, the beauty of the electricity-linked pricing is you do have, instead of gas where you have your peak demand period in the winter, in power markets you have it in the summer and the winter. And so, you do get that uplift, which should improve our seasonal pricing.

A

And just like I said earlier, due to the correlation of gas and power in PJM, just where gas sits in the generation stack, we think we're in a favorable position to probably leave this exposure open right now and just have further diversification. We can hedge it financially if we want to. But I think right now our bias is to keep it open, and if there's opportunities to duplicate this a couple times, if that's what is best for the customer, we're open-minded about doing that as well.

Jacob Roberts

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

Okay. Thank you. And Toby, earlier you mentioned that some of the strategic growth on the compression side investments that you've made are beneficial, of course, to base declines, but also new well volumes. And this might not be the right way to think about it, but when we're considering that strategic growth capital for this year, what is the timeline in terms of like new wells or wedge volumes that this year's spend could theoretically handle or benefit before you would need to start thinking about adding to that compression spend going forward?

Q

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

A

So, I'm not sure I totally understand the question.

Jacob Roberts

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

Yeah. Well, I'm trying to get at the strategic – sure. The compression investments that you guys have made, I think you spoke to the fact that's boosting what we're seeing on these well results in terms of the new well volumes as part of – as you proceed through the drill program for a year. And so, I'm just wondering what the – to continue that trend, is there continued compression investment spend that we need to see as you drill two years out? And then, maybe...

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

I got that.

Bob Brackett

Analyst, Bernstein Research

...maybe as a secondary, if that question doesn't make any sense is, how does this translate to a lower maintenance capital going forward?

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Sure. Thanks for rephrasing that. I understand. Yeah. So, for our compression program right now, we've identified – we've evaluated all the wells in the portfolio. Over 99% of our wells have evaluated the potential for compression projects, of which we have six compression projects going this year. We've identified probably another 30. Those are different size and scopes for those. But on average, over the next few years, we're going to be deploying compression on well bores that would have production of about 0.5 Bcf a day each year. And so, we'll space that out over time.

And the timing is really going to come to the vintage of the wells and the timing of when these wells will actually benefit from compression and make space for new wells that are coming in. So, we've got a pretty integrated approach that we're looking out through 2029 right now. And so, hopefully, we continue to promote this capital efficiency gains that we're seeing. And as we mentioned before, the returns that we're expecting on compression, this is one of the best bang for the buck opportunities that we can spend. And that was before we've sort of surprised ourselves to the upside with the impact that we're seeing from compression.

Jacob Roberts

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

All right. Thanks a lot. Sorry for the rough question. Appreciate the time, as always.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

All right. Thanks.

Operator: Your next question comes from Kevin MacCurdy with Pickering Energy Partners. Your line is open. Please go ahead.

Kevin MacCurdy

Analyst, Pickering Energy Partners

Q

Hey, appreciate you taking my question. I just wanted to come back to slide 22, which is obviously a popular slide here. That wedge in late 2029 looks massive. At your 40% risk case, how early would you expect prices to react to this increased demand? And obviously, it's not really showing up in the future markets yet, but maybe you guys have a rule of thumb on when the market starts to price that.

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. It's something we've talked about with our traders quite a bit. I think what we see on the ground because we're in all these discussions, both with downstream customers, the midstream customers, players like CPV, I think we have a lens into it that others don't, which is why we wanted to put this together. In our view, I mean, you'll see a wide divergence across a lot of basis points in Appalachian – Appalachia relative to other points. I think in the next year or so, I think that this will become more and more real, as I think what we see behind the scenes starts becoming more public. And you see where those demand sinks show up.

But I think it's one of those things where like we talk about it, commodity market's not reflecting it or the equity market's not reflecting it, stock's still trading with probably a mid-\$3 gas price implied. I mean, it's one of those things that we're moving to take advantage of. We're going to execute on one way or the other. And if the market's slow to react, I think you just see a more visceral reaction when it becomes obvious.

Kevin MacCurdy

Analyst, Pickering Energy Partners

Q

Great. And any key projects we should watch specifically for that 2029 to 2030 kind of demand wedge?

Jeremy T. Knop

Chief Financial Officer, EQT Corp.

A

Yeah. I think the big ones that we're focused on right now are the big projects out of Clarington in the Ohio market that we've talked about for a couple of quarters now. I mean, that is – that's ground zero in our mind, where I think a lot of this gas is going to leave the basin. We're focused on making sure we get EQT gas to that point, to the receipt point on those pipelines, where all that gas needs to be delivered to, and work with the end customers, both on our own projects and other companies' projects being a great partner to them to help get their projects done. Benefits them, benefits EQT, benefits the end customer. And it's really a win-win for everybody.

I think you could see some movement on that before the end of the year, but you're talking about multiple Bcf a day of additional demand if some of that comes to fruition. And these are all projects. I mean, you hear Borealis, you hear about the ports facility in Ohio. I think there's a lot of legs to these, and I think the developers are making good progress to turn those into reality. So, stay tuned, and we'll do our part to try to – try to make them all successful.

Kevin MacCurdy

Analyst, Pickering Energy Partners

Q

Great answer. Thanks, Jeremy.

Operator: We have reached the end of the Q&A session. I'll now pass the call back to Toby Rice for closing remarks.

Toby Z. Rice

President, Chief Executive Officer & Director, EQT Corp.

Thank you, operator. It was another fantastic quarter for EQT. I just want to thank our shareholders for your support and really thank the crew for all the great work that they're doing and putting these numbers up. And we're certainly excited about the path forward. And we'll look forward to updating you guys on what looks to be a pretty bright future in front of us. Thank you.

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

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