

## EQT CORPORATION (NYSE: EQT)

### Energy: Gas Exploration and Production

Yusuf Saputra | Managing Director | yusuf.saputra@mail.utoronto.ca

Keane Mohammad Aushaff | Analyst | keane.aushaff@mail.utoronto.ca

Rain Jing | Analyst | rain.jing@mail.utoronto.ca

## Initiating Coverage on EQT at \$68.71 Target

### OUTLOOK

We are initiating coverage of EQT Corporation with a Market Outperform rating for the mid to long term and a price target price of \$68.71 per share. We view EQT as a scale leader in U.S. natural gas, supported by a cost-focused operating model, deep Appalachian inventory, and a differentiated integrated footprint following the 2024 re-integration of midstream assets. We believe EQT is positioned to generate durable free cash flow through the cycle by combining low-cost upstream execution with improved market access and a growing share of contracted demand. We also see upside as the U.S. natural gas market tightens, supported by Liquefied Natural Gas (LNG) export growth and rising power demand driven by data centers and electrification.

### Key Points

**Cost leadership anchored by scale and execution.** EQT's core advantage is its position as a large-scale, low-cost Appalachian producer. Operational scale, digital workflow discipline, and combo-development execution support lower unit costs and capital efficiency, allowing EQT to generate free cash flow across a wider range of gas price environments than higher-cost peers.

**Vertical integration strengthens margins and reduces bottlenecks.** The re-integration of midstream assets expands EQT's control across gathering, transmission, and storage, improving reliability and reducing friction between production and delivery. This integrated footprint can lower full-cycle costs, reduce exposure to third-party constraints, and enhance flexibility to route volumes to higher-value markets.

**Takeaway and market access are a structural catalyst for realizations.** EQT's strategy is increasingly focused on improving netbacks by expanding market access into premium demand regions. As incremental takeaway projects progress and enter service, EQT has a clearer path to narrowing Appalachian basis differentials, supporting higher realized pricing and more stable cash flow.

**Demand de-risking through long-term physical contracting.** EQT is shifting from reliance on short-term hedging toward longer-dated physical supply agreements with utilities, LNG-linked demand, and power or data-center related developments. This approach improves visibility on future volume placement, reduces cash flow volatility, and positions EQT to benefit from structurally rising U.S. gas demand.

**In-basin power demand creates a second engine for growth.** Management's focus on in-basin demand projects, including large gas-to-power developments, adds a local outlet for Appalachian supply and complements the takeaway buildout. Over time, these projects can support regional balances, improve basis, and extend EQT's growth runway without requiring solely long-haul pipeline egress.

**Capital allocation supports equity upside through the cycle.** EQT's strategy ties infrastructure decisions to balance sheet flexibility. Selective midstream monetization, disciplined capex, and a focus on debt reduction increase the capacity for shareholder returns, including buybacks and potential dividend growth, particularly as project-driven cash flow ramps.

**Market Outperform**  
**Target Price \$68.71**

Suitability Moderate Risk/Growth

### MARKET DATA

Current Price	\$59.77
52-Week Range	\$43.57-\$62.23
Market Cap	\$38,342.91
Enterprise Value	\$46,396.06
Current Net Debt	\$7,863.12
EPS	\$3.31
Beta	0.94

### KEY FINANCIAL METRICS

	2024A	2025A	2026E
Revenue	\$5,273	\$8,644	\$9,303
% Growth	-2.19%	56.59%	10.00%
Net Income	\$230.6	\$2,039	\$1,362
% Growth	28.2%	156.1%	278.0%
EBITDA	2,847	\$5,850	\$2,567
% Growth	-29.62%	105.5%	(56.1)%
FCF	\$1,294	\$2,752	\$1,060
% Change	-34.09%	112.7%	(61.5)%

### KEY MULTIPLES

#### VALUATION

P/E	16.18x
EV/Sales	5.38x
P/TBV	1.41x
P/CF	6.44x

#### LIQUIDITY

Current Ratio	0.76x
Cash Ratio	0.04x
Quick Ratio	0.76x

#### LEVERAGE

Debt/Assets	17.42%
Debt/Equity	31.19%
Net Debt/EBITDA	1.38x

#### EFFICIENCY

Total Asset Turnover	0.20x
Return on Equity	9.20%

Source(s): FactSet, EQT Corporation Company Filings  
 All figures in millions of \$USD except per share values.

**Table of Contents**

Company Overview.....pg. 3

Industry Overview.....pg. 6

Competitive Landscape.....pg. 7

Key Projects, Partnerships, and Strategy.....pg. 8

Catalysts.....pg. 10

Investment Risks.....pg. 11

Valuation.....pg. 12

Important Disclosures.....pg. 15

Analyst Information .....pg. 16

## Company Overview

### BUSINESS MODEL

EQT Corporation is the largest producer of natural gas in the United States, operating a vertically integrated business across upstream production, gathering, transmission, and storage. The company's primary revenue streams come from the sale of natural gas and natural gas liquids (NGLs), as well as fee-based midstream services.

EQT's strategy centers on cost leadership and operational scale. The company leverages its extensive resource base in the Appalachian Basin alongside proprietary digital tools and combo-development techniques, which allow multiple wells to be drilled and completed from a single pad at the same time. This approach has significantly improved efficiency and helped reduce breakeven costs to approximately \$2.00 per MMBtu (million British thermal units). In 2024, EQT re-integrated its midstream operations through the acquisition of Equitrans Midstream, making it the only large-scale U.S. gas producer with fully owned gathering, transmission, and storage infrastructure. This vertical integration delivers cost savings, enhances supply reliability, and provides greater flexibility to access premium markets.

The company aims to generate durable free cash flow across commodity cycles. During low-price environments, its low-cost structure and fee-based midstream income provide downside protection. During high-price periods, EQT's low hedge coverage enables greater price participation. With a disciplined capital allocation framework, EQT prioritizes debt reduction, shareholder returns (dividends and buybacks), and selective investment in strategic growth and energy transition opportunities.

#### Exhibit 1: EQT Corporation Measurement Guides

Abbreviation	Meaning
Bbl	barrel
Bcf	billion cubic feet
Bcfe	billion cubic feet of natural gas equivalents, with one barrel of NGLs and oil being equivalent to 6,000 cubic feet of natural gas
Btu	British thermal unit
Dth	dekatherm or million British thermal units
Mbbl	thousand barrels
Mcf	thousand cubic feet
Mcfe	thousand cubic feet of natural gas equivalents, with one barrel of NGLs and oil being equivalent to 6,000 cubic feet of natural gas
MMbbl	million barrels
MMBtu	million British thermal units
MMcf	million cubic feet
MMcfe	million cubic feet of natural gas equivalents, with one barrel of NGLs and oil being equivalent to 6,000 cubic feet of natural gas
MMDth	million dekatherm
Tcfe	trillion cubic feet of natural gas equivalents, with one barrel of NGLs and oil being equivalent to 6,000 cubic feet of natural gas

Source(s): Company Filings, VIG Research

### PRODUCT SUITES

#### Upstream Production – Natural Gas, NGLs, and Oil

##### Natural Gas

Natural gas is EQT's core product, comprising over 90% of total production. Extracted from deep shale formations, this natural gas originates in fine-grained sedimentary rocks that trap hydrocarbons and require horizontal drilling and hydraulic fracturing to produce. The gas is sourced from Northeast Pennsylvania (NEPA), Ohio (OH), Southwest Pennsylvania (SWPA), and West Virginia (WV). It is primarily dry and used for power generation, industrial applications, and heating. EQT sells to utilities, industrial users, and marketers, reaching markets across the United States and parts of Canada.

As of December 31, 2024, EQT held 26.3 Tcfe (trillion cubic feet of natural gas equivalents) of proved reserves, 92% of which was natural gas. The company operates on approximately 2.1 million gross acres, mostly in the Marcellus and Utica shales. Production in 2024 was 2.23 Bcfe/day (billion cubic feet of natural gas equivalents), with more than 4,600 producing wells and 300+ wells in process. EQT has an estimated 30+ years of drilling inventory, supported by advanced combo-development practices that lower costs and increase capital efficiency.

**EQT scale, cost leadership, and growing mix of fee-based midstream income position it to benefit from rising gas demand while maintaining resilience across commodity cycles.**

### Natural Gas Liquids (NGLs)

NGLs are hydrocarbon byproducts of natural gas production, including ethane, propane, butane, and natural gasoline. EQT's NGLs are separated at processing facilities and sold into petrochemical and heating markets.

EQT's NGL production comprises of over 5% of total production. The Company has access to over 1.1 Bcf/day (billion cubic feet) of gas processing capacity, including 0.2 Bcf/day at its own facility. NGL volumes are recovered and sold via partnerships with processors like MarkWest and Williams. In 2024, EQT sold nearly 13 million barrels of NGLs under fixed-volume delivery commitments, and prices averaged approximately \$39.13/bbl (barrel), excluding ethane.

### Oil

Crude oil is a small portion of EQT's production mix. It is primarily produced in liquids-rich zones and sold into local Appalachian markets. Oil is not a strategic focus but adds some revenue diversification.

### Midstream Services

EQT owns and operates critical midstream infrastructure, including gathering pipelines, interstate transmission lines, and gas storage facilities. These systems serve both EQT's own production and third-party shippers. Services include:

- **Gathering:** Collecting natural gas from wellheads.
- **Processing:** Separating NGLs from raw gas streams.
- **Transmission:** Transporting gas to downstream markets.
- **Storage:** Holding gas to manage seasonal demand.

These services are monetized through long-term contracts, many with firm commitments, providing stable, fee-based revenue.

The company's gathering system spans approximately 1,975 miles, with over 620,000 horsepower of compression capacity. This network is tightly integrated with its upstream operations, facilitating lower gathering costs and efficient field development. As of 2024, about 71% of throughput on the system came from EQT's production, while the remainder came from third-party producers.

While in the transmission and storage services, EQT operates a 950-mile FERC-regulated interstate pipeline network with 5.0 Bcf/day throughput capacity and 43 Bcf of working gas storage. Its flagship Mountain Valley Pipeline (MVP), a 303-mile line delivering 2.0 Bcf/day, entered service in 2024, enhancing access to Southeastern U.S. markets. The system serves both EQT and third parties, with firm contracts averaging 11–14 years in duration.

The midstream segment generated over \$950 million in revenue in 2024, with around 40% of throughput and around 35% of revenue derived from non-EQT customers.

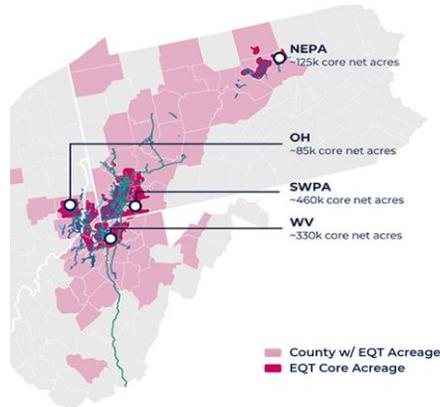
## FOUNDING HISTORY & MANAGEMENT

### Historical Background

EQT traces its roots to 1888, originally formed as Equitable Gas Company following the Haymaker well discovery in Pennsylvania. After several transformations, it emerged as *Equitable Resources* in the mid-20th century and eventually rebranded as EQT Corporation in 2009. The company exited the utility business in 2013 and began a series of large-scale acquisitions to consolidate its upstream position, including the transformative purchase of Rice Energy in 2017.

After performance setbacks post-Rice deal, activist shareholders led by the Rice family pushed for leadership change. In 2019, Toby Z. Rice, co-founder of Rice Energy, became CEO. Under his leadership, EQT implemented a digitally focused operating model and reduced well costs through combo-development.

Exhibit 2: EQT Corporation Critical Infrastructure



Source(s): Company Filings, VIG Research

Exhibit 3: EQT Corporation Operations



Source(s): Company Filings, VIG Research

Management and Governance:

**Toby Z. Rice** has served as President and Chief Executive Officer since 2019. As co-founder and former President and Chief Operating Officer of Rice Energy, he played a key role in developing innovative drilling and completion techniques that improved efficiency in the Marcellus Shale. At EQT, he has focused on operational discipline, cost leadership, and the integration of digital technologies to enhance productivity and free cash flow generation.

**Jeremy Knop**, Chief Financial Officer since 2023, brings extensive experience in corporate development and energy finance. Prior to becoming CFO, he led EQT's corporate development efforts and played a central role in major transactions, including the Equitrans acquisition and midstream monetization initiatives. Earlier in his career, he worked in energy private equity at Blackstone and in investment banking, providing him with a strong background in capital allocation and balance sheet management.

The broader executive team includes leaders across operations, commercial strategy, legal, ESG, and midstream integration. Many senior leaders have deep Appalachian Basin experience and operational backgrounds, supporting EQT's focus on execution, safety, and cost efficiency.

EQT's Board of Directors is chaired by Lydia Beebe, an experienced governance leader and former Chief Governance Officer and Corporate Secretary at Chevron Corporation. Her background in corporate governance, regulatory oversight, and board leadership strengthens EQT's governance framework and aligns with institutional investor expectations.

The board includes several directors with extensive energy and capital markets experience:

- **Daniel J. Rice IV** – Co-founder and former CEO of Rice Energy, bringing operational expertise in shale development and strategic insight into Appalachian Basin assets.
- **James McManus II** – Former Chairman and CEO of Energen Corporation, providing deep experience in exploration and production and corporate leadership.
- **Anita Powers** – Former Executive Vice President of Worldwide Exploration at Occidental Petroleum, contributing technical expertise in upstream operations and resource development.
- **Frank Hu** – Former investment executive with significant energy sector exposure, offering capital markets and investment oversight expertise.

## Industry Overview

### GLOBAL MARKET ANALYSIS

**The global gas market is entering a 2026 LNG-driven supply wave that could tighten the link between U.S. gas prices and global LNG markets.** The International Energy Agency (IEA) expects global LNG production to rise by more than 7%, equivalent to over 40 billion cubic meters (bcm), in 2026. North America is expected to contribute approximately 85% of this incremental supply, while global gas demand growth is projected to accelerate to nearly 2%. Europe remains structurally reliant on LNG even as it expands renewable capacity. The European Union's plan to fully phase out Russian gas by November 2027 should keep demand for non-Russian LNG elevated through 2028. In parallel, Europe is expected to import a record 185 bcm of LNG in 2026, according to IEA estimates, while Asia's demand growth is concentrated on China and emerging markets.

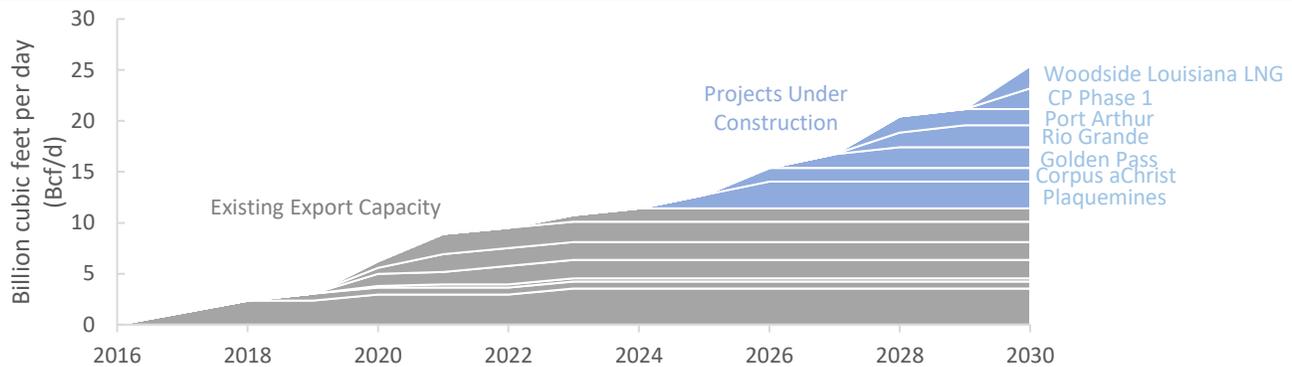
**U.S. gas demand is increasingly driven by electricity needs, while residential and commercial demand mainly drives short-term volatility during extreme weather.** The U.S. Energy Information Administration (EIA) expects U.S. electricity demand to rise from 4,195 billion kilowatt-hours (kWh) in 2025 to 4,268 billion kWh in 2026 and 4,372 billion kWh in 2027, driven by artificial intelligence (AI) and cryptocurrency data centers plus broader electrification trends, including increased adoption of electric vehicles, electric heating systems, and industrial electrification. In the same outlook, natural gas is expected to account for approximately 40% of power generation in 2025 and 2026, before moderating slightly to 39% in 2027. This indicates that natural gas continues to serve as the primary balancing fuel when renewable output fluctuates. On the non-power side, EIA expects 2026 natural gas sales of 13.1 billion cubic feet per day (Bcf/d) residential, 9.7 Bcf/d commercial, and 23.3 Bcf/d industrial. This suggests that most long-term demand growth is concentrated in electricity generation rather than traditional end uses.

**U.S. supply is still growing overall, but Appalachia's local pricing is heavily influenced by pipeline constraints that can prevent gas from reaching higher-priced markets.** The EIA estimates cold-weather freeze-offs reduced U.S. production by about 4 Bcf/d from December to January, with impacts mostly in the Northeast Appalachia region, yet still forecasts U.S. dry gas production averaging approximately 110 Bcf/d in 2026 and 111 Bcf/d in 2027. EQT's latest Form 10-K highlights that Appalachian basin pricing is typically lower than NYMEX Henry Hub because the basin's supply growth can outpace the region's ability to move gas out. Market commentary from Aegis Hedging suggests there will be no material increase in the Northeast pipeline capacity until 2028. As a result, regional price differentials, commonly referred to as "basis", remain a key factor influencing cash flows for Appalachian producers.

Global LNG growth and rising power demand are tightening U.S. gas markets, which support long-term demand despite ongoing Appalachian pipeline constraints.

### INDUSTRY UPSIDE FACTORS

**LNG export growth is the highest conviction upside driver for U.S. natural gas fundamentals, and the 2026 to 2028 commissioning schedule provides multiple catalysts.** The EIA tracks many major U.S. LNG projects under construction, including Golden Pass, Rio Grande, and Port Arthur Phase 1. In total, the U.S. LNG export capacity is expected to increase by 13.9 Bcf/d between 2025 and 2029. EIA's Short-Term Energy Outlook (STEO) also projects U.S. LNG exports to rise to 16.4 Bcf/d in 2026 and 18.1 Bcf/d in 2027. Golden Pass expects first LNG production in March 2026, Rio Grande LNG targets 2027, and Port Arthur LNG Trains 1 and 2 are expected to begin operations in 2027 and 2028. On the policy front, the U.S. Department of Energy has lifted the prior LNG export permit pause and returned to standard review procedures, as confirmed by the Congressional Research Service.

**Exhibit 4: United States LNG Export Capacity by Project (2016–2029)**

Source(s): U.S. Energy Information Administration, VIG Research

**Easing Appalachia infrastructure bottlenecks would be the most direct driver of better realized prices for EQT.** Aegis expects no major Northeast pipeline expansion until 2028, meaning even smaller infrastructure additions could meaningfully affect regional pricing during periods of high demand or maintenance outages. EQT’s investor materials highlight “MVP Boost” compression project to increase takeaway capacity by approximately 600 million dekatherms per day (MDth/d), equivalent to 600 million cubic feet per day (MMcf/d), according to Federal Energy Regulatory Commission filings. Other regional projects, such as National Fuel Gas’s Tioga Pathway project with capacity of 190 MMcf/d and expected in-service date of November 2026, could further improve system reliability and reduce pricing bottlenecks. While these additions are modest relative to total basin output, they can have an outsized impact on local price differentials.

## Competitive Landscape

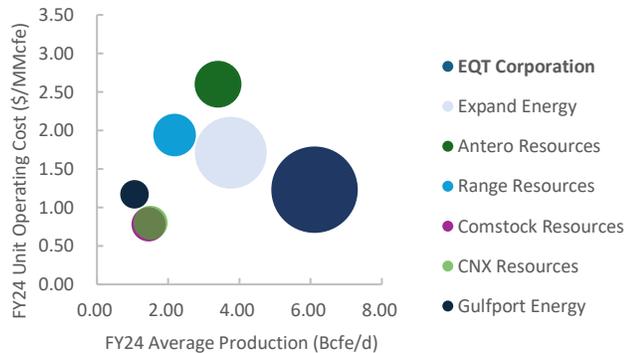
EQT operates in the U.S. natural gas exploration and production (E&P) market, where competitive differentiation is driven by scale, cost structure, inventory depth, and market access rather than pure production growth. The peer group is led by large Appalachian operators such as Range Resources, CNX Resources, Antero Resources, Expand Energy, etc. Competition also comes from outside the gas pure-play universe, where gas produced alongside oil in basins like the Permian can ramp up quickly and add supply when economics are attractive, which can weigh on U.S. gas prices during weaker commodity cycles.

Within this peer group, EQT stands out primarily for its scale and operational depth in Appalachia. It is one of the largest natural gas producers in the U.S., with a highly concentrated footprint in the Marcellus Shale. Its large and contiguous acreage position allows it to drill efficiently using multi-well pad development, which lowers per-unit costs compared to smaller operators. While peers such as Range Resources emphasize long-life inventory and Antero Resources highlights liquids exposure for pricing uplift, EQT’s competitive edge lies in being a pure-play gas leader with substantial drilling inventory and operational consistency. This scale provides flexibility during periods of weak gas prices and supports more stable free cash flow generation.

Another key differentiator is EQT’s midstream integration and market access. Following its merger with Equitrans Midstream in 2024, EQT now controls significant gathering and pipeline infrastructure. This reduces reliance on third-party transport and helps mitigate regional price discounts that often affect Appalachian producers. Compared to peers that rely more heavily on contracted transportation to the Gulf Coast, EQT benefits from greater control over how and where its gas is delivered. In an environment where LNG exports are increasingly driving U.S. gas demand, reliable access to downstream markets is a strategic advantage.

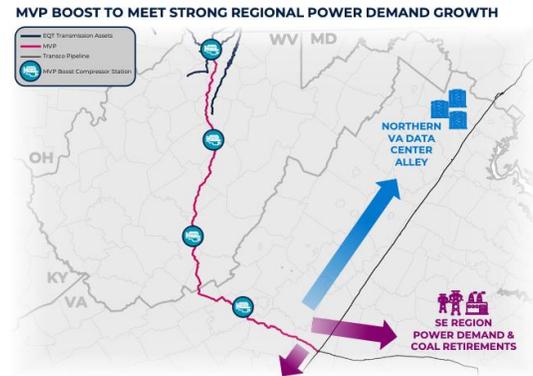
Finally, EQT’s positioning is supported by its ongoing consolidation strategy and focus on disciplined capital allocation. Recent acquisitions, including Olympus Energy, demonstrate management’s commitment to expanding core acreage rather than pursuing higher-risk geographic diversification. At the same time, the company has emphasized maintaining manageable leverage and generating free cash flow. While regulatory and methane-related scrutiny remains an industry-wide risk, EQT has publicly highlighted progress on emissions intensity and responsible gas certification. Overall, its scale leadership, integrated infrastructure, and disciplined strategy position EQT as one of the structurally advantaged operators in the U.S. natural gas competitive landscape.

**Exhibit 5: FY24 Average Natural Gas Production vs. Unit Operating Cost (Bubble Size = Market Capitalization)**



Source(s): Company Filings, VIG Research

**Exhibit 6: MVP Boost to meet strong regional power demand growth**



Source(s): Company Filings, VIG Research

## Key Projects, Partnerships, & Strategy

### MAJOR INITIATIVES, CONTRACTS, OR PARTNERSHIPS

EQT’s core strategy is to control more of the natural gas value chain while securing stable, long-term demand. (1) By reintegrating its upstream production with midstream pipeline assets, the company lowers costs, captures transportation margins, and gains flexibility to deliver gas to higher-value markets. (2) The midstream joint venture with Blackstone monetizes part of these assets to reduce debt while retaining operational control. (3) At the same time, EQT is shifting from short-term price hedging to long-term physical supply agreements with utilities, LNG projects, and power/data-center developments, for a predictable revenue. (4) Its LNG-linked contracts and in-basin partnerships further diversify customers and connect EQT’s gas to both local and global demand growth.

#### Re-integration of upstream and midstream

EQT’s core strategic initiative has been the re-integration of upstream + midstream, completed in 2024 via the Equitrans Midstream transaction. The goal is to lock in structural cost advantages, capture midstream margin internally, and improve delivery optionality into premium demand markets.

#### Midstream Joint Venture with Blackstone Credit & Insurance (BXCI)

In late 2024, EQT formed and funded a midstream JV with BXCI, receiving \$3.5B of cash consideration for a non-controlling equity interest in a JV that includes contracted midstream assets such as MVP (Series A), FERC-regulated transmission & storage assets, and the Hammerhead Pipeline. The structure monetizes a portion of midstream value while retaining strategic control/benefits and supporting deleveraging.

**Long-term physical gas sales strategy**

EQT has been increasingly shifting from relying mainly on financial hedges to locking in long-term physical demand with large end-users, such as utilities, LNG, and power/data-center projects, using its transportation position on MVP to access premium Southeast markets.

A major example is the set of 10-year firm supply deals totaling 1.2 Bcf/d starting in 2027, later reported as 800 MMcf/d to Duke Energy and 400 MMcf/d to Southern Company, which is the material volumes relative to EQT’s production base.

**LNG linkage: Port Arthur LNG Phase 2 (Sempra Infrastructure)**

In August of 2025, EQT signed a 20-year SPA for 2 Mtpa (million tonnes per annum) of LNG offtake from Port Arthur LNG Phase 2, priced indexed to Henry Hub (FOB purchase). This positions EQT as a long-term participant in LNG-linked demand growth and diversifies demand exposure beyond domestic utility load.

**In-basin demand partnerships (power + data center-oriented projects)**

EQT has highlighted multiple in-basin/offtake initiatives by supplying gas to local power plants and data centers.

- Shippingport Power Station: A 3.6-GW natural gas facility supported by approx. 800 MMcf/d of EQT supply under a 20-year, index-plus structure, with a multi-phase development expected across 2027–2028.
- Homer City Redevelopment: A 4.4-GW natural gas facility tied to approx. 665 MMcf/d of supply plus associated midstream infrastructure, also under a 20-year, index-plus structure, with a multi-phase development across 2027–2028.
- West Virginia Power Project: A 610-MW natural gas facility supported by midstream infrastructure under a 10-year term, with anticipated 2028 in-service.

**EQT’s strategy centers on vertical integration, long-term contracting, and infrastructure expansion to secure demand, improve pricing, and strengthen free cash flow durability.**

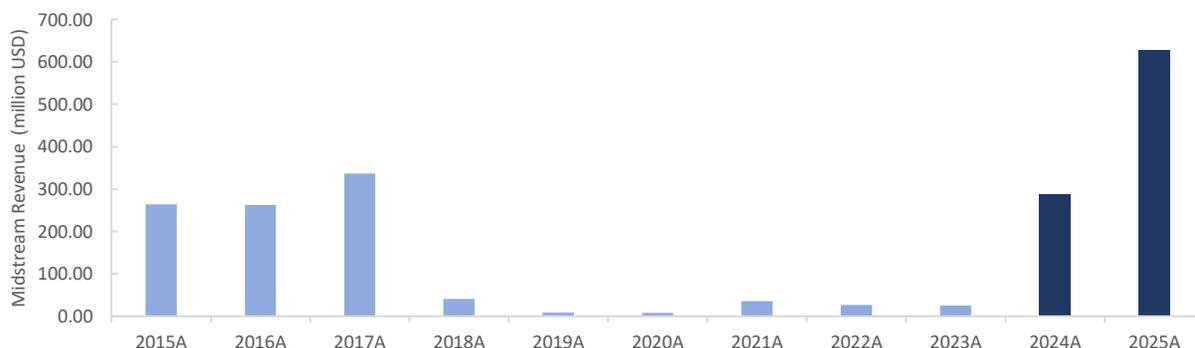
**EXPANSION PLANS & INFRASTRUCTURE INVESTMENTS**

EQT’s expansion plan focuses on expanding market access and improving pipeline efficiency to support long-term growth. (1) MVP which entered service in 2024, is central to delivering Appalachian gas to higher-demand Southeast markets, with planned expansions such as MVP Southgate and potential “MVP Boost” capacity additions extending reach into the Carolinas and beyond. (2) Alongside large pipeline projects, EQT is investing in compression and field-level upgrades that increase throughput and well performance at relatively low cost. (3) The 3Q25 project pipeline also adds third-party gathering expansion (contract-backed) as another lever to grow fee-based midstream cash flows.

**MVP ramp and optimization**

MVP entered service June 14, 2024, and is a cornerstone of EQT’s Southeast market access strategy; EQT is a significant owner and operator. EQT’s commercial strategy pairs MVP transport with long-term offtake (e.g., the 1.2 Bcf/d utility deals beginning 2027).

**Exhibit 7: Midstream revenue surged as MVP entered service in June 2024, and is expected to continue growing**



Source(s): Company Filings, VIG Research

**MVP Southgate expansion into the Carolinas**

EQT has been advancing MVP Southgate to add incremental capacity into the Carolinas; company updates reference a target in-service in 2028, and FERC is processing an Amendment Project filing (CP25-60-000).

Recent state-level progress, including approvals in North Carolina cited in project updates, has improved the permitting outlook relative to prior versions of the project.

**Incremental takeaway: “MVP Boost”**

EQT has discussed/market-tested an MVP Boost concept to increase takeaway capacity by approx. 600 MDth/d, equivalent to 600 MMcf/d. This fits the broader theme of expanding egress from Appalachia into structurally growing demand regions.

**Compression and field-level infrastructure**

Alongside large pipe projects, EQT has emphasized compression investments that can raise effective throughput/operability and improve well performance, often a faster payback path than greenfield pipeline builds. EQT explicitly linked 2025 guidance upside and efficiency gains to these compression investments.

**Capital strategy linkage**

EQT’s infrastructure strategy is closely linked to its capital structure. The company monetizes or selectively partners portions of its midstream assets, such as the BXCI joint venture, while reinvesting in projects that expand market access and improve margins. The overarching goal is to sustain low breakeven costs and generate durable free cash flow.

**Catalysts****UPCOMING 1Q26 EARNINGS REPORT**

After 4Q25, we see 2026 shaping up as a steady year for EQT. Management is guiding to production of 2,275–2,375 Bcfe and about \$3.5 billion in free cash flow. This supports continued debt reduction and shareholder returns and shows that EQT can still generate strong cash flow even when gas prices are volatile, keeping the company on stable footing into 2026.

**Near-term earnings strength, rising power and LNG-driven gas demand expansions could support stronger pricing, cash flow growth, and shareholder returns.**

**SURGING ELECTRICITY NEEDS FROM AI AND DATA CENTRES**

Analysts predict long-term energy consumption increases of 500% for data centres by 2040, or 12% CAGR, with a large majority of this energy consumption being fuelled by fossil fuels and natural gas.

**LONG TERM DEBT REDUCTION AND SHARE BUYBACKS**

EQT management discussions aims to reduce net debt to \$5-\$7.5 billion by 2026, with share buybacks in 2027 and potential dividend increases.

In late 2024, the Company entered a joint venture with Blackstone to monetize a minority stake in its midstream assets, receiving \$3.5 billion in cash and using the proceeds to pay down debt and further improve financial flexibility.

**STRONG LNG EXPORT OUTLOOK**

EQT has secured deals to supply Liquefied Natural Gas from terminals coming online in the early 2030s, which could unlock significant revenue streams. This aligns with global demand growth, such as in Europe, where lawmakers are attempting to ween off Russian natural gas by 2027.

**PIPELINE INFRASTRUCTURE EXPANSIONS**

Ongoing expansions mentioned previously such as the MVP into the Carolinas will improve capacity, reduce basis differentials and support greater production volumes.

## Risks and Mitigants

### RISK: COMMODITY PRICE VOLATILITY

Natural gas prices are inherently volatile and influenced by weather patterns, storage levels, supply-demand imbalances, and geopolitical developments. Seasonal temperature swings can drive sharp changes in heating and cooling demand, while shifts in LNG export activity, pipeline outages, or unexpected production growth can quickly alter market balances. For EQT, regional basis differentials in Appalachia can further amplify volatility, causing realized prices to diverge from Henry Hub benchmarks. Sustained price declines or widening basis spreads could compress margins, reduce operating cash flow, and limit the company's ability to fund capital programs and shareholder returns.

### MITIGANT

Relatively speaking Natural Gas prices in the United States are relatively stable compared to other commodities. The company also employs hedging strategies, which helps mitigate the risk. Additionally, the company's low breakeven cost supported by strong inventory allows profitability even in low-price environments with significant asymmetric upside related to LNG prices.

### RISK: OPERATIONAL AND INFRASTRUCTURE RISKS

Aging transmissions and storage infrastructure pose threats to reliability, potentially creating outages or safety issues. Drilling hazards, supply chain disruptions and performance variability add to operational uncertainties.

### MITIGANT

EQT focuses more than \$2.2 billion in Capital Expenditures annually, often spending \$300-400 million more in CapEx than Depreciation towards technology and improving operations, such as improving hydraulic fracking gains, or enhancing midstream capacity through the Equitrans acquisition.

### RISK: REGULATORY AND ENVIRONMENTAL RISKS

Potential political and regulatory pressure could increase compliance costs or limit operations. Activist groups may also oppose fossil fuel development, including natural gas production, which could lead to permitting delays, project cancellations, or stricter operating requirements.

### MITIGANT

EQT was able to achieve a net 67% reduction in emissions since 2018, as well as achieve many of its other environmental stewardship goals such as net zero Scope 1 and 2 Greenhouse Gas (GHG) emissions ahead of its 2025 goals. Additionally, natural gas itself is significantly less carbon dense than other conventional fossil fuels such as coal and petroleum, which could potentially benefit from overall environmental scrutiny.

**EQT faces commodity price, infrastructure, and regulatory risks, but its low-cost structure, operational investments, and emissions reductions help mitigate volatility and support long-term resilience.**

## Valuation

### DCF MODEL AND ASSUMPTIONS

We conducted a Discounted Cash Flow (DCF) analysis to estimate an intrinsic equity value and arrive at a target price of **\$68.71** per share. Our DCF framework links EQT's cash generation to the key drivers of an Appalachian gas producer, including production growth, realized pricing and basis differentials, operating costs, and capital intensity, while also incorporating the company's increasingly important midstream economics following the upstream–midstream re-integration. Given the cyclicity of commodity prices and the limited comparability of peers with EQT's vertically integrated footprint, we view a DCF as the most direct way to capture the company's through-cycle free cash flow potential.

The main forward-looking differentiation in our model is the use of explicit project timing (“going into service”) to drive incremental growth and cash flow inflection points. For upstream, we expect no major projects to enter service in 2026E, which results in a more normalized growth profile. Beginning in 2027E, we incorporate the anticipated in-service of the Saturn Pipeline System expansion, supported by a 10-year term structure, which we expect to improve market access and support incremental volumes. In 2028E, we reflect the expected in-service of MVP Southgate. In 2029E, we incorporate MVP Boost, which adds capacity through low-risk compression. On the midstream side, we also embed the West Virginia Power Project, which carries a 10-year term, as a 2028E catalyst supporting fee-based cash flows and reinforcing the strategy of pairing demand creation with infrastructure buildout.

Overall, these assumptions produce a cash flow profile that is conservative in the near term but increasingly constructive through 2027E–2029E, slightly above management's \$250 million incremental FCF target. Planned infrastructure and demand-linked projects come online. We believe this approach appropriately balances EQT's commodity cyclicity with the company's structural advantages in scale, integration, and market access. The resulting \$68.61 target price reflects our view that EQT is positioned to compound free cash flow as incremental takeaway and contract-backed demand improve realizations, reduce basis volatility, and support capital returns over the forecast period.

### Exhibit 8: EQT Corporation Discounted Cash Flow

DCF	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E
In million USD															
<b>Operating Revenue</b>	\$2,339.76	\$1,608.35	\$3,378.02	\$4,557.87	\$4,416.48	\$3,058.84	\$3,064.66	\$7,497.69	\$6,908.92	\$5,273.31	\$8,644.21	\$9,303.40	\$13,153.63	\$21,499.12	\$32,861.55
[Upstream] Sales of natural gas, natural gas liquids, and oils	\$1,690.36	\$1,595.00	\$2,651.32	\$4,695.52	\$3,791.41	\$2,650.30	\$6,804.02	\$12,114.17	\$5,044.77	\$4,934.37	\$7,726.71	\$8,499.38	\$12,422.96	\$19,017.27	\$30,427.63
[Midstream] Pipeline, net marketing services and other	\$263.64	\$262.34	\$336.68	\$40.94	\$8.44	\$8.33	\$35.69	\$26.45	\$25.21	\$287.83	\$626.51	\$621.03	\$615.60	\$2,409.49	\$2,388.42
[Derivative] Gain (loss) on derivatives, not designated as a hedge	\$385.76	(\$248.99)	\$390.02	(\$178.59)	\$616.63	\$400.21	(\$3,775.04)	(\$4,642.93)	\$1,838.94	\$51.12	\$290.99	\$182.99	\$115.07	\$72.36	\$45.51
<i>Upstream % Growth</i>		-5.64%	66.23%	77.10%	-19.25%	-30.10%	156.73%	78.04%	-58.36%	-2.19%	56.59%	10.00%	46.16%	53.08%	60.00%
<i>Midstream % Growth</i>		-0.49%	28.33%	-87.84%	-79.39%	-1.26%	328.39%	-25.87%	-4.68%	1041.53%	117.67%	-0.87%	-0.87%	291.41%	-0.87%
<i>Derivative % Growth</i>		-164.55%	-256.64%	-145.79%	-445.28%	-35.10%	-1043.26%	22.99%	-139.61%	-97.22%	469.27%	-37.12%	-37.12%	-37.12%	-37.12%
<b>Operating Expenses</b>	\$1,776.62	\$1,894.67	\$2,445.03	\$7,340.99	\$5,568.59	\$3,936.51	\$4,425.64	\$4,779.69	\$4,594.51	\$4,588.01	\$5,394.59	\$7,890.59	\$11,208.13	\$18,404.25	\$28,260.94
% of Revenue	75.93%	117.80%	72.38%	161.06%	126.09%	128.69%	144.41%	63.75%	66.50%	87.00%	62.41%	84.81%	85.21%	85.60%	86.00%
<b>EBIT (Operating Income)</b>	\$563.14	(\$286.33)	\$932.98	(\$2,783.12)	(\$1,152.11)	(\$877.67)	(\$1,360.98)	\$2,718.00	\$2,314.41	\$685.30	\$3,249.62	\$1,412.81	\$1,945.51	\$3,094.87	\$4,600.62
<b>Taxes/Benefit</b>	(\$104.68)	\$263.46	\$1,115.62	\$696.51	\$375.78	\$298.86	\$434.18	(\$553.72)	(\$368.95)	(\$22.08)	(\$651.88)	\$258.54	\$356.02	\$566.35	\$841.89
% of EBIT	18.59%	92.02%	119.58%	25.03%	32.62%	34.05%	31.90%	20.37%	15.94%	3.22%	20.06%	18.30%	18.30%	18.30%	18.30%
<b>EBIAT</b>	\$458.46	(\$22.86)	\$2,048.60	(\$2,086.61)	(\$776.33)	(\$578.81)	(\$926.80)	\$2,164.28	\$1,945.46	\$663.22	\$2,597.74	\$1,671.35	\$2,301.53	\$3,661.22	\$5,442.51
<b>D&amp;A</b>	\$819.22	\$927.92	\$1,077.56	\$1,569.04	\$1,538.75	\$1,393.47	\$1,676.70	\$1,665.96	\$1,732.14	\$2,162.35	\$2,600.39	\$1,154.25	\$1,589.45	\$2,528.47	\$3,758.64
% of EBIT	145.47%	-324.08%	115.50%	-56.38%	-133.56%	-158.77%	-123.20%	61.29%	74.84%	315.54%	80.02%	81.70%	81.70%	81.70%	81.70%
<b>CapEx</b>	\$2,434.02	\$2,590.73	\$2,758.16	\$2,999.04	\$1,602.45	\$1,042.23	\$1,055.13	\$1,400.44	\$2,019.04	\$2,253.71	\$2,288.43	\$1,301.27	\$1,791.90	\$2,850.52	\$4,237.38
% of EBIT	432.22%	-904.82%	295.63%	-107.76%	-139.09%	-118.75%	-77.53%	51.52%	87.24%	328.87%	70.42%	92.10%	92.10%	92.10%	92.10%
<b>Change in NWC</b>		(\$431.62)	(\$1,092.76)	(\$316.16)	\$794.29	(\$955.91)	(\$2,246.45)	\$3,075.63	(\$306.09)	(\$723.01)	\$157.18	\$464.33	\$639.40	\$1,017.15	\$1,512.02
% of EBIT		150.75%	-117.13%	11.36%	-68.94%	108.92%	165.06%	113.16%	-13.23%	-105.50%	4.84%	32.87%	32.87%	32.87%	32.87%
<b>UFCF</b>		(\$1,254.05)	\$1,460.76	(\$3,200.46)	(\$1,634.33)	\$728.34	\$1,941.22	(\$645.83)	\$1,964.65	\$1,294.86	\$2,752.52	\$1,060.01	\$1,459.68	\$2,322.02	\$3,451.75
<b>PV UFCF</b>												\$985.95	\$1,262.84	\$1,868.53	\$2,583.57
<b>Sum PV UFCF</b>															\$6,700.88

Source(s): FactSet, Company Filings, VIG Research

**Exhibit 9: Gordon Growth**

Gordon Growth	
Terminal Value	\$63,880.64
PV TV	\$44,472.81
Enterprise Value	\$51,173.69
Imp. Market Cap	\$43,310.56
<b>Imp. Share Value</b>	<b>\$68.71</b>

Source(s): FactSet, VIG Research

**Exhibit 10: WACC Build Up**

WACC	
Equity Value/Market Cap	36,998.64
% Equity	81.83%
Cost of Equity	8.1%
Risk Free Rate	4.0%
Beta	0.90
Market Risk Premium	4.5%
Debt	8,217.82
% Debt	18.17%
Cost of Debt	5.5%
Tax Rate	8.5%
<b>WACC</b>	<b>7.51%</b>

Source(s): FactSet, Company Filings, VIG Research

**Exhibit 11: Sensitivity Analysis, Target Price on WACC & Terminal Growth Rate**

	WACC										
	4.50%	5.00%	5.50%	6.00%	7.51%	8.01%	8.51%	9.01%	9.51%	10.01%	
TGR	0.50%	\$109.49	\$94.74	\$82.98	\$73.38	\$52.82	\$47.87	\$43.55	\$39.75	\$36.39	\$33.39
	1.00%	\$125.89	\$107.26	\$92.80	\$81.27	\$57.31	\$51.69	\$46.83	\$42.60	\$38.87	\$35.57
	1.50%	\$147.76	\$123.35	\$105.08	\$90.91	\$62.55	\$56.10	\$50.58	\$45.82	\$41.67	\$38.01
	2.00%	\$178.37	\$144.80	\$120.87	\$102.96	\$68.74	\$61.24	\$54.91	\$49.50	\$44.83	\$40.75
	2.50%	\$224.29	\$174.84	\$141.92	\$118.45	\$76.16	\$67.32	\$59.96	\$53.75	\$48.45	\$43.86
	3.00%	\$300.83	\$219.89	\$171.39	\$139.10	\$85.23	\$74.60	\$65.93	\$58.71	\$52.62	\$47.41
	3.50%	\$453.91	\$294.98	\$215.60	\$168.02	\$96.57	\$83.51	\$73.08	\$64.57	\$57.49	\$51.51

Source(s): FactSet, VIG Research

Based on our trading comparables analysis, EQT trades at a premium to peers on EV/EBITDA, EV/CFO, and P/E multiples, which reflects EQT's scale and asset quality in the Appalachian Basin. In terms of leverage, EQT's net debt-to-EBITDA multiple is modestly elevated relative to peers, though it remains within a manageable range and supported by strong cash flow generation. Notably, both the peer and median multiples would suggest downside to the current share price. As such, we use trading comps as a benchmark reference to understand where EQT sits within the peer group, rather than as a primary driver of our target price.

**Exhibit 12: Historical Comparables**

Company	Ticker	Market Cap (mn)	EBITDA (mn)		CFO (mn)		EPS		EV/EBITDA		EV/CFO		Net Debt/EBITDA		P/E	
			2025A	2026E	2025A	2026E	2025A	2026E	2025A	2026E	2025A	2026E	2025A	2026E	2025A	2026E
Antero Resources	AR-US	\$10,563.88	\$1,694.21	\$2,432.32	\$1,630.93	\$2,333.29	\$2.03	\$3.51	6.89x	4.80x	7.16x	5.00x	0.70x	0.49x	18.13x	10.49x
CNX Resources	CNX-US	\$5,587.95	\$1,369.12	\$1,303.93	\$1,028.96	\$1,149.78	\$3.95	\$2.69	6.30x	6.62x	8.39x	7.51x	1.61x	1.69x	10.58x	15.53x
Range Resources	RRC-US	\$8,750.57	\$1,411.83	\$1,579.77	\$1,263.65	\$1,466.23	\$2.68	\$3.50	7.06x	6.31x	7.89x	6.80x	0.86x	0.77x	15.40x	11.79x
Gulfport Energy	GPOR-US	\$3,919.07	\$873.87	\$947.32	\$825.77	\$877.85	\$20.68	\$23.28	5.27x	4.86x	5.58x	5.25x	0.79x	0.73x	10.09x	8.96x
Comstock Resources	CRK-US	\$5,651.55	\$1,004.01	\$1,306.93	\$861.30	\$1,041.70	\$1.35	\$0.82	8.72x	6.70x	10.16x	8.40x	2.77x	2.13x	14.53x	23.91x
Expand Energy	EXE-US	\$24,905.32	\$5,026.42	\$6,079.57	\$4,785.49	\$5,619.61	\$7.14	\$9.05	5.72x	4.73x	6.01x	5.12x	0.83x	0.68x	15.11x	11.92x
Mean	-	-	-	-	-	-	-	-	6.66x	5.67x	7.53x	6.35x	1.26x	1.08x	13.97x	13.77x
Median	-	-	-	-	-	-	-	-	6.60x	5.59x	7.52x	6.02x	0.84x	0.75x	14.82x	11.86x
<b>EQT Corporation</b>	<b>EQT-US</b>	<b>\$38,729.64</b>	<b>\$5,578.95</b>	<b>\$6,904.54</b>	<b>\$5,125.95</b>	<b>\$6,450.53</b>	<b>\$3.31</b>	<b>\$4.83</b>	<b>8.32x</b>	<b>6.72x</b>	<b>9.05x</b>	<b>7.19x</b>	<b>1.38x</b>	<b>1.11x</b>	<b>18.56x</b>	<b>12.72x</b>

Source(s): FactSet, VIG Research

Based on our precedent transactions analysis, the implied enterprise values derived from comparable Appalachian gas asset deals suggest that EQT trades at a premium to recent transaction benchmarks on an EV per production basis. This apparent premium should be viewed with caution, as the comparable transactions involve smaller, asset-level acquisitions that lack EQT's scale, vertical integration, and midstream ownership. EQT's larger production base, integrated infrastructure, and stronger free cash flow profile justifies a higher valuation relative to standalone upstream assets, which helps explain why the company appears more expensive under this methodology.

**Exhibit 13: Precedent Transactions**

Metrics	Citadel - Paloma	Vickery - Tribune Assets	Antero - Marcellus	Mitsubishi - Aethon
<b>Purchase</b>	\$1.2 billion	\$400 million	\$2.8 billion	\$5.2 billion
<b>Production</b>	140billion cubic feet / year	200MMcfe/d	850MMcfe/d	2100MMcfe/d
<b>Production(Mmcfe/d)</b>	383.56	200	850	2100
<b>Purchase price (mill)</b>	1200	400	2800	5200
<b>Purchase price (mil) / MMCFE/D</b>	3.13	2.00	3.29	2.48
<b>Implied EV</b>	\$ 19,098.51	\$ 12,209.09	\$ 20,109.09	\$ 15,116.02
<b>EQT Energy MMCFE/D</b>	6104.55			
<b>25 percentile</b>	\$ 14,389.29			
<b>median</b>	\$ 17,107.26			
<b>75 percentile</b>	\$ 19,351.15			
<b>TEV</b>	\$ 48,253.70			
<b>discount</b>	59.90%			

Source(s): FactSet, VIG Research

## Important Disclosures

**This document was produced by Vertige Investment Group for internal use and/or direct publication; distribution to or by unauthorized parties is strictly forbidden. Prior to making any decision to invest in a public security, investors should seek their own legal advice and be aware of any legal considerations relevant to making, maintaing, or divesting such investment.**

Vertige Investment Group is a student organization based at the University of Toronto, established to provide its members with opportunities to engage in financial research and develop their understanding of the finance industry. **It is important to understand that Vertige Investment Group is not an incorporated body, partnership, or legal entity of any kind.** The organization operates purely as an educational entity, driven by students for the benefit of student learning and experience. **The research publications produced by Vertige Investment Group are created with the sole purpose of enhancing educational knowledge and should in no way be interpreted as professional investment advice.** These publications are the result of student efforts, relying on publicly available information and academic resources. Consequently, the accuracy, completeness, and reliability of the research cannot be guaranteed. **The content presented is intended to foster academic discussion and learning among students and should not be used as the basis for making real-world investment decisions. Members of Vertige Investment Group are students who do not possess any professional licenses or certifications. They engage in research activities as part of their educational development, without the oversight or endorsement of any regulatory bodies.** The insights and analyses presented in Vertige's publications reflect the students' academic understanding and interpretations, and not those of certified financial professionals. Given these circumstances, it is crucial for readers and recipients of Vertige Investment Group's research publications to exercise caution and seek advice from certified financial advisors before making any investment decisions. Vertige Investment Group disclaims any responsibility for any losses or damages incurred as a result of relying on the information contained in its publications.

This document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to law or regulation. The securities discussed in this document may not be eligible for sale in some jurisdictions. This research is not an offer to sell or a solicitation of an offer to buy any security in any jurisdiction where such an offer would be illegal. It does not constitute a personal recommendation nor does it take into account the particular investment objectives, financial situations, or needs of individual readers. Information in this report should not be construed as advice designed to meet the individual objectives of any particular investor. **Investors should not consider this report as a factor in making their investment decision.** Consultation with your investment advisor is recommended. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur.

The information provided is as of the date indicated and is subject to change. It should not be deemed a recommendation to buy or sell any security. **Certain information has been obtained from third-party sources we consider reliable, but we do not guarantee that such information is accurate or complete.** Members of the Vertige Investment Group may have information that is not available to the contributors of the information contained in this publication.

Vertige Investment Group, including affiliates and members, may execute transactions in the securities listed in this publication that may not be consistent with the ratings appearing in this publication. All expressions of opinion reflect the judgment of the Research Department of Vertige Investment Group or its affiliates as of the date of publication and are subject to change. Vertige Investment Group, including affiliates and members may perform services for, or solicit business from, any company mentioned in this document.

Research reports by Vertige Investment Group are disseminated and made available for educational purposes via electronic publication on our internal proprietary websites. Not all research reports are directly distributed to external platforms or aggregators. Certain research reports may only be disseminated on our internal proprietary websites; however, such research reports will not contain estimates or changes to earnings forecasts, target price valuations, or investment or suitability ratings. Individual Research Analysts may also opt to circulate published research to select individuals electronically. This electronic communication distribution is discretionary and is done only after the research has been publicly disseminated via our internal proprietary websites. The level and types of communications provided by Research Analysts to recipients may vary depending on various factors, including but not limited to, individual preference regarding the frequency and manner of receiving communications from Research Analysts. For research reports, models, or other data available on a particular security, please visit our proprietary websites or contact Vertige Investment Group directly.

## RATINGS AND DEFINITIONS

**Vertige Investment Group (Canada) Definitions:** Outperform (MO2): The stock is projected to appreciate and outperform the respective sector over the next 12 months. Market Perform (MP3): The stock is expected to perform roughly in line with the respective sector over the next 12 months and could potentially be used as a source of funds for higher-rated securities. Underperform (MU4): The stock is forecasted to underperform the respective sector over the next six to 12 months and should be sold. Suspended (S): The rating and price target have been temporarily suspended. This may be due to market events that have made coverage impractical, or to comply with regulations or firm policies under certain circumstances. The previous rating and price target are no longer valid and should not be relied upon.

**Vertige Investment Group (U.S.) Definitions:** Outperform (MO2): Expected to appreciate or outperform the respective sector over the next 12-18 months. For higher-yielding and more conservative equities, such as REITs and certain MLPs, this rating is used for securities where the relative safety of the dividend is acceptable and a total return modestly exceeding the dividend yield is anticipated over the next 12-18 months. Market

Perform (MP3): Expected to perform generally in line with the respective sector over the next 12 months. Underperform (MU4): Expected to underperform the respective sector over the next six to 12 months and should be sold. Suspended (S): The rating and price target have been temporarily suspended. This may be due to market events that have made coverage impractical, or to comply with applicable regulations or firm policies in certain circumstances. The previous rating and price target are no longer effective and should not be relied upon.

### SUITABILITY RATINGS (SR)

Medium Risk/Income (M/INC): Equities with lower to average risk from companies that have sound financials, consistent earnings, and dividend yields exceeding that of the S&P 500. These securities are often designed to provide a reliable dividend or return of capital. Medium Risk/Growth (M/GRW): Equities with lower to average risk from companies boasting sound financials, consistent earnings growth, potential for long-term price appreciation, a possible dividend yield, and/or share repurchase programs. High Risk/Income (H/INC): Equities with medium to higher risk from companies that focus on delivering a significant dividend but may experience less predictable earnings (or losses), more leveraged balance sheets, volatile market conditions, financial and competitive challenges, and higher price volatility (beta), along with potential principal risk. Income streams from dividends or capital distributions in this category may be less predictable. High Risk/Growth (H/GRW): Equities with medium to higher risk from companies in fast-growing and competitive sectors, facing less predictable earnings (or losses), more leveraged balance sheets, fluctuating market dynamics, financial or legal challenges, higher price volatility (beta), and potential principal risk. High Risk/Speculation (H/SPEC): Equities with high risk from companies with short or unprofitable operating histories, limited or unpredictable revenues, very high success risks, significant financial or legal issues, or substantial risk of principal loss.

### ANALYST INFORMATION

At Vertige Investment Group (VIG), all roles, including those of Equity Research analysts, associates, vice presidents, and managing directors are held by students on a voluntary basis. As a student organization at the University of Toronto, VIG does not offer financial compensation for any position. Instead, members gain valuable experience, skills, and educational growth through their participation in research activities and other club initiatives. Factors contributing to the evaluation of an analyst's performance at VIG include: (i) Quality and overall productivity of research, including the accuracy and depth of analysis; (ii) Recognition and feedback from peers and academic mentors; (iii) Effectiveness in supporting and collaborating with other club members; (iv) Contributions to club initiatives and research publications; and (v) Engagement and active participation in VIG events and meetings.

**The analyst responsible for the preparation of this research report attests to the following: (1) that the views and opinions rendered in this research report reflect their personal views about the subject companies or issuers, and (2) that no part of the research analyst's work was, is, or will be directly or indirectly related to specific recommendations or views in this research report. Additionally, said analyst(s) has not received any form of compensation from any subject company. All research conducted and published by VIG is for educational purposes only and does not constitute professional investment advice.**

### VERTIGE INVESTMENT GROUP RELATIONSHIP DISCLOSURES

The person(s) responsible for the production of this communication declare(s) that, to the best of their knowledge, there are no relationships or circumstances (including conflicts of interest) that may in any way impair the objectivity of this research. This applies equally to any individuals closely associated with them. It is possible, however, that the individuals involved in this communication may have holdings in the financial instruments discussed, and any such holdings will be disclosed. Vertige Investment Group has protocols in place to manage and mitigate such risks to ensure the integrity and objectivity of our research.

### RISK FACTORS

**General Risk Factors:** The following are some general risk factors that pertain to the businesses of the subject companies and the projected target prices and recommendations included in Vertige Investment Group's research: (1) Industry fundamentals, such as customer demand or product/service pricing, could change and adversely impact expected revenues and earnings; (2) Issues relating to major competitors, market shares, or new product expectations could change investor attitudes toward the sector or the stock in question; and (3) Unforeseen developments related to the management, financial condition, or accounting policies or practices could alter the prospective valuation.

#### Company-Specific Risk Factors

**EQT Corporation:** We view that EQT faces several company-specific risks: (1) primarily basis exposure, (2) infrastructure dependence, and (3) capital intensity. First, EQT's concentration in the Appalachian Basin exposes it to regional price differentials (basis risk), where oversupply or takeaway constraints can cause realized prices to trade materially below Henry Hub. Second, the company's reliance on pipeline and gathering infrastructure, both owned and third-party, creates exposure to permitting delays, capacity bottlenecks, or operational disruptions that could limit market access and reduce volumes sold. Third, EQT's shale development model is capital intensive, requiring continuous drilling to offset natural decline rates; sustained low commodity prices or restricted access to capital markets could pressure free cash flow and slow production growth.