

Excelerate Energy: Payout While Building

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Company: Excelerate Energy, Inc. (NYSE: EE)

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The decision

On August 5, Excelerate Energy raised its full-year 2026 outlook for committed growth capital to \$380-400 million. It separately forecast \$85-95 million of maintenance capital expenditure. The next day, the company's quarterly filing showed \$342.4 million in unrestricted cash at June 30 and reported that management expected sufficient liquidity for the next 12 months, including planned capex and expected distributions. It also showed \$46.497 million remaining under the company's share-repurchase authorization at June 30. [P1], MD&A, "Liquidity and Capital Resources," lines 1725-29 and Part II, Item 2, lines 1894-1903; [P2], "Revised 2026 Financial Outlook," lines 64-67.

The figures could be read in different ways. A large cash balance and available borrowing capacity might support continuing shareholder returns while projects proceed. The higher growth-capital outlook and near-term vessel payment could also make preserving flexibility prudent. The public disclosures do not show that the company faced a funding shortfall or that directors debated a conflict between these uses.

Assignment: Assume you are advising Excelerate's Board immediately after the cited written disclosures became available. Recommend a policy for pacing discretionary share repurchases through the rest of 2026. Should the company continue selective execution under its existing discretionary program, pause until a scheduled Board review, or require affirmative Board gates before each tranche? Explain how the policy would treat committed project spending, the dividend and liquidity protection. If your recommendation depends on valuation, design the evidence and test the Board should require; you are not asked to estimate Excelerate's current fair value. Identify what should trigger a change in pace.

The available authorization is a June 30 balance, not a confirmed August 6 balance. Do not recommend cancelling a signed project agreement or assume that the full authorization must be used.

Company and investment context

Excelerate describes its business as spanning the LNG-to-power value chain, including floating regasification terminals, downstream infrastructure, LNG supply and power generation. [P2], "About Excelerate Energy," lines 72-73. A July agreement to acquire a dedicated LNG carrier, with payment installments due before expected commercial deployment, illustrates the asset scale and timing commitments in one project; the cited filing does not disclose its price or total project cost. [P1], Note 24, lines 1456-58.

The revised growth-capital outlook reflected higher 2026 spending on the company's first floating storage and regasification unit (FSRU) conversion and certain Iraq-related project costs that had been expected in 2027. Management forecast Adjusted EBITDA of \$490-515 million for 2026. These figures are issuer guidance, not realized performance or cash available for distribution. [P2], lines 64-67.

Separately, Excelerate said it had executed an agreement in July to acquire the LNG carrier *Methane Patricia Camila* for the first FSRU conversion project. The filing said 10% of the purchase price would be paid in the third quarter of 2026 and the balance in the first quarter of 2027, concurrent with delivery; commercial deployment was expected in 2028. The filing did not state the purchase price, conversion cost, project return or cancellation terms. The agreement was already signed. [P1], Note 24, lines 1456-58; MD&A, lines 1491-92.

Payout and liquidity

In December 2025, Excelerate's Board authorized up to \$75 million of Class A share purchases. The program has no expiration, does not require the company to buy a specific number of shares, and may be suspended, modified or discontinued at the Board's discretion. During the first six months of 2026, Excelerate repurchased 840,876 shares for approximately \$28.8 million net of commissions and taxes. The quarterly table reported \$46.497 million remaining at June 30. [P1], lines 1732-34 and 1894-1903.

At June 30, the company reported \$342.449 million in cash and cash equivalents. It separately reported \$3.232 million of current restricted cash and \$15.509 million of noncurrent restricted cash. The combined cash-flow reconciliation total was \$361.190 million; restricted cash should not be treated as unrestricted funds. The company also reported that all \$500 million of its revolving credit capacity was available to borrow at June 30. Management said it expected sufficient liquidity for the next 12 months, including operations, planned capex, investments, debt service, tax distributions and expected dividends. [P1], lines 1396-1402, 1725-29 and 1803-05; [P2], lines 57-60.

Excelerate's Board had declared a \$0.09-per-share quarterly cash dividend on July 30, approximately 13% above the prior quarter. Management said the increase was consistent with a previously announced target for low-double-digit annual dividend growth from 2026 through 2028. That stated dividend policy is distinct from the discretionary repurchase program. [P1], Note 24, lines 1453-55; [P2], lines 61-63.

What has changed in the outlook?

The June 2026 investor presentation showed prior full-year guidance of \$270-300 million in committed growth capital and \$100-110 million in maintenance capex. On August 5, the company revised those ranges to \$380-400 million and \$85-95 million, respectively. The growth-capital range midpoint increased by \$105 million, a calculation from the two guidance midpoints. The company attributed the change to conversion-project spending and Iraq costs shifting into 2026. This compares management forecasts; it is not a project valuation or a measure of incremental cash need. [P2], lines 64-67; [P3], slide 13.

The release and 10-Q were issued against a backdrop of regional volatility, and the filing described ongoing safety and security considerations in Iraq. The materials state that the company continued to advance the Iraq project while adapting execution plans. This context may affect timing and forecast uncertainty, but the disclosures do not quantify a scenario loss or show that buybacks would impair project execution. [P2], lines 55-56.

Options to debate

1. **Continue selective execution between reviews.** Keep making discretionary purchases under the existing program when management's ordinary controls support doing so, while monitoring cash and project conditions. Formal Board reviews can assess the overall pace without making every tranche wait for a new affirmative vote. This returns capital sooner but risks using flexibility before project and valuation evidence is refreshed.
2. **Pause until a scheduled review.** Make no further purchases until the next defined Board review, when updated liquidity, project-payment schedules and milestone information are available. This preserves optionality during the higher guidance period but delays capital return even though management reports sufficient liquidity.
3. **Require affirmative release gates.** Hold the authorization unused unless and until the Board approves a tranche at a scheduled gate after specified liquidity and project conditions are met. If valuation is a condition, the Board must choose the data and test (for example, a documented intrinsic-value process); students should not infer a fair value from this packet. This offers the strongest control but may add delay and process rigidity.

The alternatives are classroom proposals, not disclosed company plans. Public sources do not provide the information needed to calculate an optimal repurchase pace. A recommendation should therefore state what evidence the Board needs, explain how it protects commitments and identify when it would change course.

Discussion questions

1. What does the June 30 liquidity snapshot establish, and what does it not establish about funds available for repurchases?
2. Should the Board treat the raised growth-capital guidance as a reason to slow buybacks? Why or why not, given management's liquidity statement?
3. What policy best preserves value: ongoing selective execution, a pause until a scheduled review, or affirmative release gates? What is the strongest objection to your choice?
4. Which internal data should the Board request before deciding on pace: project cash schedules, hurdle rates, a valuation method, downside forecasts, or a minimum liquidity buffer?
5. What observable milestones or conditions should trigger a pause, restart or change in policy?

Exhibits

Exhibit 1. Selected capital and liquidity disclosures

Item	Amount / timing	Basis and date
Cash and cash equivalents	\$342.449m	Reported at 30 June 2026
Current and noncurrent restricted cash	\$3.232m + \$15.509m	Separately reported at 30 June 2026
Revolver capacity available to borrow	\$500m	Reported at 30 June 2026
Management liquidity view	Sufficient for next 12 months	Management assessment in Q2 10-Q
FY2026 committed growth capital	\$380-400m	Management outlook, 5 August 2026
FY2026 maintenance capex	\$85-95m	Management outlook, separate from growth capital
Carrier down payment	10% in Q3 2026	Payment timing in signed July purchase agreement
Carrier balance	Due Q1 2027 at delivery	Purchase price not disclosed
Expected converted-FSRU deployment	2028	Management expectation

Sources: [P1], lines 1396-1402, 1456-58 and 1725-29; [P2], lines 57-67.

Exhibit 2. Repurchase authorization and execution

Item	Amount / term	Date / basis
Maximum authorization	Up to \$75m	Board authorization, December 2025
Purchases in first half 2026	Approx. \$28.8m net cost	840,876 shares; six months ended 30 June
Remaining authorization	\$46.497m	As of 30 June 2026
Purchase obligation	None	No required share count; no expiration
Board discretion	May suspend, extend, modify or discontinue	Program terms

Source: [P1], lines 1732-34 and 1894-1903. The remaining balance is not updated to August 6.

Exhibit 3. Prior and revised FY2026 outlook

Measure	June presentation	August 5 release	Change in midpoint
Committed growth capital	\$270-300m	\$380-400m	+\$105m
Maintenance capex	\$100-110m	\$85-95m	–\$15m
Adjusted EBITDA	\$480-510m	\$490-515m	+\$7.5m

Sources: [P3], slide 13; [P2], lines 64-67. Midpoint differences are arithmetic comparisons of issuer forecasts, not actual spending, incremental returns or an NPV calculation. Adjusted EBITDA is a non-GAAP measure.

Source notes

- **[P1]** Excelerate Energy, Inc., Q2 2026 Form 10-Q, filed August 6, 2026, SEC accession 0001193125-26-338466. [SEC filing](#).
- **[P2]** Excelerate Energy, “Excelerate Energy Reports Strong Second Quarter 2026 Results,” August 5, 2026. [Issuer release](#).
- **[P3]** Excelerate Energy, “May 2026 Investor Presentation,” dated June 3, 2026, slide 13. [Issuer presentation](#).

The case uses written sources available by the stated cutoff; the August 6 oral call and later company disclosures are excluded. Company guidance and management assessments are attributed as such. The case does not claim an actual internal Board debate or financing conflict.