

Expand Energy: Integrating a Gas-Marketing Platform

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Company: Expand Energy Corporation (NASDAQ: EXE)

Decision setting and information cutoff: September 16, 2026, 11:59 p.m. ET; written sources only

Decision scope: First-year operating integration after the Twin Eagle acquisition

Case version: Final v1, 3 October 2026

The assignment

Expand Energy completed its acquisition of Twin Eagle Holdings, N.A., LLC on September 16, 2026. The close release also said Dan Turco would serve as EVP of Commercial Activities, focus on LNG, and assist with gas-marketing integration. [P3, Items 5.02 and 8.01, lines 48-52]

For this classroom exercise, assume Expand's senior leadership asks you to recommend a first-year operating policy for combining Twin Eagle's asset-backed natural-gas marketing and optimization capabilities with Expand's production flows. The question is how to coordinate the businesses after closing, not whether to acquire Twin Eagle. The company did not disclose the alternatives below, a Board vote, an integration budget, or a current resource conflict.

Choose one policy to emphasize:

1. **Preserve operating autonomy:** Keep Twin Eagle's commercial processes and customer relationships distinct while setting shared reporting and escalation standards.
2. **Integrate selected interfaces first:** Coordinate production forecasts, transport and storage planning, risk reporting, and customer coverage where the businesses depend on each other; retain separate commercial decision rights while testing those interfaces.
3. **Accelerate broad integration:** Move toward common commercial workflows, risk controls and customer coverage across the combined gas value chain, subject to legal, credit and service safeguards.

These are classroom constructs, not publicly disclosed management plans. The acquisition is closed, but the written record does not specify a post-close operating design. No option should assume that all customer, contract, system or risk interfaces can be combined immediately.

Submit a two-page recommendation that identifies the operating boundary you would set, the evidence gates and accountable owners you would require, the strongest objection to your choice, and what would cause you to change course. Do not calculate an integration return or assume a specific staffing or technology budget.

From producer to producer-marketer

Before Twin Eagle closed, Expand already had marketing activity: for the six months ended June 30, 2026, it reported \$1.893 billion in natural-gas marketing revenue and \$1.770 billion in marketing expense, or \$123 million net. The second-quarter figures were \$681 million, \$649 million and \$32 million, respectively. These are pre-acquisition reported values; the net amount is not EBITDA or a measure of Twin Eagle economics. [P1, lines 1332-1341]

Twin Eagle was described in the acquisition announcement as a private, asset-backed natural-gas marketing and optimization business. Expand said it marketed more than 5 Bcf per day, managed roughly 44 Bcf of storage and about 2 Bcf per day of firm transportation, and served more than 1,000 customers across the United States and Canada. Expand gave pro forma figures of about 14 Bcf per day marketed, 9 Bcf per day of firm transportation and 49 Bcf of storage for the combined portfolio. These are company-reported portfolio measures; they do not show customer overlap, utilization, contract economics or incremental value. [P2, lines 35-36]

Expand's July 27 announcement said the acquisition would connect its natural-gas supply with Twin Eagle's physical marketing platform and extend access to demand markets. The CEO described the transaction as accelerating Expand's marketing and commercial strategy and said the combined business would capture more margin across the value chain. These are management's strategic rationale, not measured results. [P2, lines 14-15, 18-25, 35-42]

The announcement projected more than \$200 million of annual EBITDA contribution and \$150 million in annual synergies by year-end 2028. It also raised Expand's target for incremental free cash flow from its marketing and commercial strategy to \$750 million per year, attributing the change to the integrated platform and Twin Eagle's expected repeatable earnings. The release labels these as projections and forward-looking statements. They are targets to monitor, not realized results, audited Twin Eagle stand-alone results or a basis for estimating an integration return. [P2, lines 11-15, 35-42, 70-78, 88-94]

A newly closed deal and the pre-close baseline

Expand announced a definitive agreement on July 27 to acquire Twin Eagle from Five Point Infrastructure for approximately \$1.25 billion, subject to purchase-price adjustments and closing conditions. The company expected to fund the purchase with a combination of cash and revolver borrowings. The deal announcement described a Q3 expected close; the September 16 Form 8-K later confirmed completion. The announcement's funding description is not a report of final cash paid or borrowing drawn. [P2, lines 14-15; P1, lines 1042-1044; P3, Item 8.01, lines 51-52]

The June 30 Form 10-Q provides a pre-close snapshot. Expand reported \$663 million in cash and cash equivalents and separately reported \$101 million in restricted cash. It said about \$3.5 billion was available under its credit facility at that date. Its 2026 outlook called for \$2.75-\$2.95 billion in capital expenditures and 205-235 gross wells, funded by cash, expected operating cash flow and credit-facility borrowing; management said it could alter the plan. These dated figures are not post-close balances, an integration budget or proof of a funding constraint. [P1, lines 204-209, 1105-1110]

Expand also reported a total \$2 billion share-repurchase authorization after a July 24 expansion. It repurchased 6.4 million shares for an aggregate \$601 million during the first half and another 2.8 million shares for \$254 million through July 24. The authorization is discretionary; the cited disclosure does not establish an unused balance on September 16. [P1, lines 766-769, 1558-1568]

On September 15, Expand priced \$500 million of 5.650% senior notes due 2031 at 99.889% of face. The offering was expected to settle September 17, after this case's cutoff. The company stated that net proceeds were intended for general corporate purposes; the underwriting agreement said the notes were issued in connection with the Twin Eagle merger transactions and also said that completing the offering was not a condition to the merger close. At the cutoff, these proceeds were not settled cash, and the public documents do not identify a specific use. [P5, 8-K Items 1.01 and 7.01, lines 78-96; Ex. 1.1, lines 55-61; Ex. 99.1, lines 10-13]

The 2026 Q2 results are also pre-close. Expand reported \$1.096 billion in Q2 cash provided by operations, \$522 million in GAAP net income and \$1.183 billion in adjusted EBITDAX. Its release gave net debt of \$3.1 billion and a company-defined leverage ratio of about 0.5x. These measures have different definitions and do not describe the combined company after closing. [P4, lines 6-25]

The implementation question

The company's public record identifies one post-close integration remit: Turco would assist with gas-marketing integration. It does not disclose full integration governance, decision rights, customer-retention baselines, product-level contribution, direct integration costs, or the plan for commercial systems and risk controls. [P3, lines 48-52; P1-P3]

All three policies must protect existing customer and counterparty commitments, regulatory and credit controls, and the ability to monitor the acquired business. The evidence does not establish which interfaces are most interdependent or whether Twin Eagle and Expand share customers, systems, counterparties or risk limits. Do not infer the answer from the scale figures alone.

Classroom policy	What it emphasizes	Main trade-off	Evidence needed before expanding
Preserve operating autonomy	Twin Eagle retains distinct commercial processes and customer-facing routines; Expand establishes common reporting and escalation.	May protect continuity and specialized execution, but could leave coordination opportunities untested.	Customer and counterparty retention, position/flow reconciliation, service performance, control exceptions and a clear baseline for direct contribution.
Integrate selected interfaces first	Sequence shared forecasting, transport/storage planning, risk visibility and selected customer coordination; preserve separate commercial decisions initially.	Can direct coordination to operational dependencies, but requires clear ownership and may leave other opportunities for later.	Data compatibility, verified customer/contract overlap, utilization, imbalance/service metrics, risk-limit compliance and contribution after defined direct costs.
Accelerate broad integration	Establish common workflows, controls and customer coverage across production and marketing.	Could help test the company's integrated-platform thesis sooner, but risks disruption and makes attribution harder if roles and baselines are unclear.	Tested governance and credit controls, customer continuity, reconciled positions, integration cost tracking and a synergy ledger against a documented baseline.

The evidence gates in the table are proposed for this assignment. Expand did not disclose these measures, thresholds or review intervals.

Questions for your recommendation

1. Which operating policy should Expand emphasize in the first year after closing, and what should remain distinct?
2. Which production, transport, storage, risk or customer interfaces deserve coordination first? What evidence supports that sequence?
3. How should leadership protect customer continuity and commercial risk controls while testing coordination?
4. Which public numbers are pre-close, management targets or restricted/unsettled amounts? What additional internal data would be needed to assess value?
5. What is the strongest case against your recommendation, and what observable evidence would change it?

Sources

- **[P1]** Expand Energy Corporation, Form 10-Q for quarter ended June 30, 2026, filed July 28, accession 0000895126-26-000047. [SEC filing](#); [SEC index](#). Relevant locators: lines 204-209, 766-769, 1024-26, 1042-44, 1105-10, 1310-17 and 1332-41.
- **[P2]** Expand Energy Corporation, “Expand Energy Corporation to Acquire Twin Eagle, Creating North America’s Leading Integrated Natural Gas Company,” Exhibit 99.1 to Form 8-K, July 27, 2026, accession 0000895126-26-000039. [SEC exhibit](#); [SEC index](#). Relevant locators: lines 11-15, 18-25, 35-42, 70-78 and 88-94. Company projections and forward-looking statements are attributed as such.
- **[P3]** Expand Energy Corporation, Form 8-K, September 16, 2026, accession 0000895126-26-000053. [SEC filing](#); [SEC index](#). Relevant locators: Item 5.02, lines 48-50; Item 8.01, lines 51-52. SEC index acceptance: September 16, 16:01:16 ET.
- **[P4]** Expand Energy Corporation, “Expand Energy Corporation Reports Second Quarter 2026 Results,” Exhibit 99.1 to Form 8-K, July 28, 2026, accession 0000895126-26-000046. [SEC exhibit](#); [SEC index](#). Relevant locators: lines 6-25. Q2 data predates the Twin Eagle close; earnings-call remarks are excluded.
- **[P5]** Expand Energy Corporation, Form 8-K and exhibits, dated September 15, 2026, accession 0001104659-26-108003, filed September 16 and accepted September 15 at 19:04:09 ET. [SEC filing](#); [SEC index](#). Relevant locators: Items 1.01/7.01, lines 78-96; Exhibit 1.1, lines 55-61; Exhibit 99.1, lines 10-13. The notes had not settled at the cutoff.

Information boundary: Only cited written material public by September 16, 2026, 11:59 p.m. ET is included. The June 30 balances and Q2 operating results precede the close. The September 15 offering was priced but expected to settle after the cutoff. No call remarks, September 17 financing settlement/prospectus, later results, or post-close integration outcomes are part of the student information set.