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Fixed Income Analysis

NEW FORTRESS ENERGY INC.

Barita Investments Limited
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Industry:	Energy	Energy
Bond Name	NFE 6.750% 2025	NFE 6.50% 2026
Credit Rating (Fitch)/Outlook	BB-/Stable	BB-/Stable
Maturity	September 15th, 2025	September 30th, 2026
Issue Size	US$1.25 Bn	US$1.50 Bn
Rank	Secured	1st Lien
Current Price (July 25, 2022) Source: Bloomberg	US$95.01	US$97.37
Yield to Maturity (Bid/Ask)	8.02%/7.83%	7.79%/7.62%
Yield to Worst (@maturity)	7.83%	7.62%
Recommendation	**MARKETWEIGHT**	**MARKETWEIGHT**

Company Overview

New Fortress Energy Inc. (NFE) is a fully integrated gas-to-power company headquartered in New York City. The company purchases LNG mostly at fixed, long-term prices (with some portion of spot market exposure), liquefies the gas at the source and then delivers the LNG to its terminals via truck and ship, where it is sold to customers both on a merchant basis and via long-term contracts. The company also has power plants in Mexico and Nicaragua, and is currently pursuing growth initiatives aggressively, with recent acquisitions in Brazil and the procurement of 13 LNG charter vessels from GMLP. The company's footprint includes LNG terminals and/or power plants in Miami, Puerto Rico, Mexico, Jamaica, Nicaragua, and Brazil, as well as the acquisition in 2021 of GMLP (Golar LNG).

Executive Summary

The NFE 6.75% 2025 and 6.50% 2026 notes expose investors to the outperforming energy sector through liquefied natural gas. The company's aggressive growth strategy, funded by debt, has begun to generate profits and positive cash flows supported by the strong LNG market in 2022. Credit metrics have improved, and more than half of the company's revenue generating projects are yet to come online including operations in Ireland, Brazil, South Africa and Sri Lanka. These future tailwinds are expected to further improve the solvency profile of the Company.

Despite the turnaround in performance, the company does face risks that may lead to material changes in the business model, and ability to repay debt. The operating history of the company is limited, it is a price taker in a very volatile commodity market and the company requires successfully completed mergers, and political approvals to realize its expansion plans. Notwithstanding, the company has well maneuvered these risks, resulting in the profitability achieved thus far. **This bond is best suited for investors seeking consistent interest payments with a short to medium-term investment horizon, with an aggressive risk profile.**

Financial Summary (US$)					
	2019	2020	2021	Q1 2021	Q1 2022
Revenue	189.1Mn	451.7Mn	1.32Bn	145.7Mn	505.1Mn
EBITDA	-178.6Bn	-82.2Mn	379.5Mn	-0.4Mn	219.8Mn
Total Assets	1.12Bn	1.91Bn	6.88Bn	1.83Bn	7.37Bn
Total Equity	387.3Mn	375.1Mn	1.99Bn	291.2Mn	2.32Bn
Financial Ratios					
EBITDA Margin (%)	-94.45%	-18.20%	28.69%	-0.28%	43.52%
Debt/EBITDA	-	-	16.14 x	-	6.42 x
Net Debt/EBITDA	-	-	10.41 x	-	6.19 x

Investment Rationale

- **Industry:** The utilities sector is considered to generally be non-cyclical. Invariably, the segment of the natural gas industry, in which NFE is a player in, that is exposed to the utilities sector will see some indirect benefits. During economic downturns, people and companies still require electricity for consumption which usually sustains demand. Essentially, the demand for heating, transportation and industry is inelastic and as a result, the industry provides some insulation from macro-economic shocks.
- **Geographic Diversification:** The operations of New Fortress Energy are carried out across a range of jurisdictions which offers geographic diversification and as such reduces the risk to the business from challenges in any individual country of operation.
- **Strong Management Profile:** New Fortress Energy has the benefit of being led by a strong and reputable management team that has substantial experience in the energy industry.

NFE Credit Rating

Rating Summary: On November 23rd, 2021, Fitch affirmed a **'BB-'** rating for New Fortress Energy, establishing their outlook for the rating as stable. The rating given by Fitch reflects NFE's increase in scale following the aggressive growth execution supported by the 2021 $5.1Bn acquisitions of Hygo Energy Transition Ltd., Golar LNG Partners LP and power purchase agreements in Brazil. The acquisitions have benefited NFE by both increasing counterparty diversification and by adding new assets that boost the cash flow under long-term contracts. The rating reflects NFE's aggressive growth strategy and execution risk, counterparty risk, and business risk associated with supply chain and logistics and commodities price exposure.

Definitions:
Sell = REDUCE EXPOSURE IN YOUR PORTFOLIO TO ZERO
UNDERWEIGHT = REDUCE EXPOSURE IN YOUR PORTFOLIO TO LESS THAN 5% FOR THIS PARTICULAR ASSET
MARKETWEIGHT/HOLD = EXPOSURE TO THE ASSET SHOULD BE EQUAL TO 5% OF YOUR TOTAL PORTFOLIO
OVERWEIGHT/BUY = EXPOSURE TO THIS ASSET SHOULD BE BETWEEN 5% AND 10% OF YOUR TOTAL PORTFOLIO

Key Rating Drivers:

Improving Credit Quality of Counterparties

NFE's rating is limited by the credit quality of the main off-takers under its take or pay long term contracts. NFE primarily generates cash from selling liquified natural gas (LNG) to users in the power and industrial sectors, while additional cash flow comes from power sales from NFE owned power plants and the LNG supplied to the plants. Against this backdrop, the cash flow generation capacity of NFE is underpinned by the credit quality of the off-takers of LNG from NFE as well as the broader environment in which it operates. Fitch estimates that by 2022, around 55% of NFE cash flow will originate from about 45 customers with operations in Brazil (26%; BB-/Negative), Jamaica (15%; B+/Stable), Nicaragua (13%; B-/Stable), Mexico (9%; BBB-/Stable), and Puerto Rico (6%).

Growth Faces Execution Risk

Fitch believes the constrained energy infrastructure in developing regions presents growth opportunities for NFE as the company is aggressively moving to diversify its business. However, NFE may face regulatory and political issues as it enters developing markets. Additionally, alternative energy sources such as renewables will remain an emerging threat under the expectation of improved technology. Notwithstanding, the pace of project diversification and deleveraging are two key factors in lowering NFE's business risk.

Increasing Geographic Diversification

Another driver of Fitch's rating is the geographic diversification of NFE's operations. The recent acquisition of Hygro Transition Limited strengthens NFE's position in Brazil, serves as a catalyst for further growth and adds an element of further diversification when combined with its presence in North America. Within these markets, there has been a growing demand for power and an interest in cleaner gas-fired power generation.

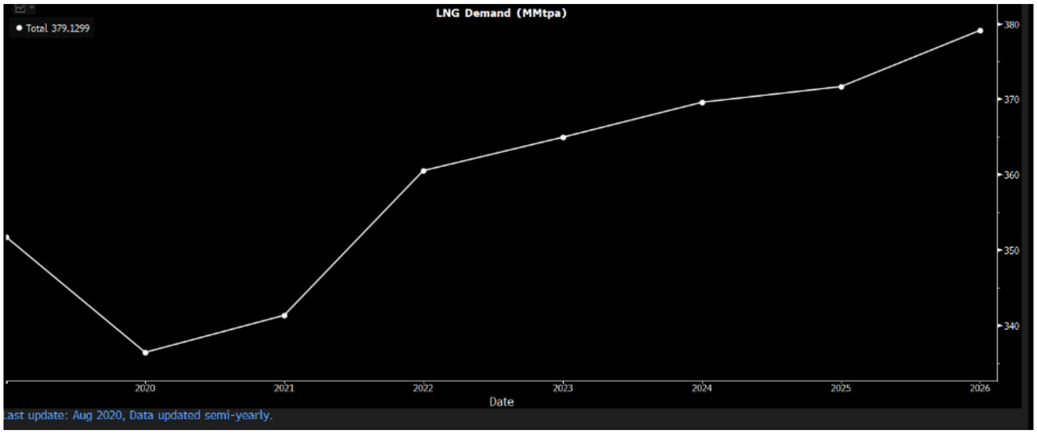
Path to Deleveraging:

Leverage (consolidated total debt with equity credit to operating EBITDA) under Fitch's base case, will be about 6.0x in 2022, slightly higher than expected in March 2021. Key drivers in 2022 are a cash flow from the Mexico and Nicaragua facilities, completion of the Brazilian terminals and one new project beginning commercial operations. NFE's Brazil LNG volumes bump up mid-year 2022 from LNG supply contracts to new power plants awarded during Brazil's 2021 emergency power auction. Deleveraging through 2024 is dependent on successful completion of the Brazilian terminals and infrastructure, organic growth, and new sale contracts for existing facilities. Additional deleveraging is also tied to LNG sales growth from NFE's counterparties, purchasing volumes in excess of the minimum take-or-pay requirements.

Despite the positive attributes listed above, in their credit assessment, Fitch had raised concerns about some aspects of NFE's business operations. One of the key areas of concern is NFE's exposure to commodity price fluctuations. NFE's contracts are predominantly indexed to the Henry Hub price plus a contractual spread. Therefore, an unfavourable movement in the Henry Hub price or the contractual spread with customers could result in NFE being in a detrimental position. This would affect their cash flow generating capabilities. The second risk component that was an area of concern is the supply chain and logistics risk exposure that NFE is exposed to given their delivery of products to customers. Unfavorable price movements in the tanker and charter markets could adversely affect the operating margins of NFE. However, despite the existence of a few risk concerns, the positives outweigh the negatives.

Industry Analysis/Country Analysis

Industry Analysis – Global Liquefied Natural Gas (Source: Bloomberg Intelligence)



Liquefied natural gas (LNG) prices and demand will likely remain elevated going into 2023, increasing the effective price earned by a producer of LNG as market rates rise. Russia's invasion of Ukraine and resulting piped gas supply cuts to Europe have driven the region's need for LNG as an alternative to the piped gas to replenish natural gas inventories ahead of winter. Global trade could still rise 5.5% this year amid a 40% to 50% rise in LNG imports in Europe. High prices have stifled some Asia-Pacific LNG demand, though demand in the region is expected to improve in the second half of 2022. The global gas crunch restored long-term contract discussions and additional new-project investments are expected in the next 12 months.

Elevated commodity prices and robust free-cash-flow generation may sustain the energy sector's outperformance in 2022. Oil, gas and LNG prices are expected to stay high, bolstering sale prices for suppliers. Supply growth may be limited to about 4% in 2023 if anticipated new supply, such as the LNG that would be provided by Novatek's Project Arctic 2 train in Russia, is delayed amid sanctions. New Fortress aims for at least two FAST LNG units (the company's proprietary modular LNG liquefaction design that offers a cost and speed advantage to the rest of the industry) in 2023 but has no firm deals. Constrained global LNG supply growth would keep the market tight as demand rises in 2023.

Country Analysis

The Company has terminals that operate in multiple jurisdictions, which impacts their revenue and underlying credit risk. As such, it is important to assess the underlying credit risk in the countries of operation. These countries include the USA, Puerto Rico, Mexico, Jamaica, Nicaragua, Ireland, Sri Lanka and Brazil. The company foresees most of the operational volume (78%) being produced in Brazil and Ireland, catering to a variety of private and state clients in the countries where it operates, hence we highlighted the credit assessment of these two countries. The company is developing an onshore LNG facility in Shannon, Ireland that includes a deepwater jetty and storage tanks to supply power and industrial users. The Shannon, Ireland facility will contribute an estimated 5 million gallons per day out of total pipeline volume of 19.3 million gallons per day from 2023 onwards. Brazil will contribute a total of 9.8 million gpd. The Shannon Ireland terminal will be the single largest volume terminal.

Brazil: On July 14th, 2022, Fitch affirmed Brazil's Issuer Default Rating at **'BB-'** and revised the rating outlook to stable from negative. The revision of Brazil's rating Outlook to Stable from Negative reflects the better-than-expected evolution of public finances amid successive shocks in recent years since we assigned the Negative Outlook in May 2020. Last year, On July 14th, 2022, Fitch affirmed Brazil recorded its first primary fiscal surplus since 2013, highlighting revenue outperformance and the authorities' commitment to withdraw stimulus implemented during the pandemic.

A sharp reduction in the public debt ratio in 2021 is projected to be followed by another mild fall in 2022, considerably improving the starting point before a gradual projected rise in 2023 and beyond. Near-term growth dynamics have outperformed Fitch's prior expectations, and incremental progress on reforms could benefit medium-term investment prospects. The central bank's decisive monetary policy tightening, supported by its new formal autonomy, highlights its commitment to addressing inflation.

Fiscal and growth challenges persist, and October 2022 elections pose uncertainty around how these will be addressed. Nevertheless, these challenges are already captured in Brazil's 'BB-' ratings, and Fitch expects broad macroeconomic policy continuity after the election.

Ireland: On January 28th, 2022, Fitch upgraded Ireland's Long-Term Issuer Default Rating to **'AA-'** from **'A+'** with a stable outlook. Fitch expects a continued improvement in Ireland's fiscal metrics, supported by strong revenue performance. These strong growth rates mostly reflect the performance of Ireland's multinational enterprises (MNE), especially in the pharmaceutical and IT sectors, and the strong economic recovery from the pandemic. Most of the revenue increase was driven by the expansion of the tax base, leading to a strong upward revision of the revenue forecast.

As a result of updated projections, debt/GDP is expected to enter a firm downward trajectory, compared with the previous projection of a roughly stable path. Forecasts for debt/GDP now falls below the 'AA' category median of 50.2% at the end-2023. Ireland's debt burden relative to its national income is still far higher than the 'AA' category median, at 104.7% in 2020, but it is expected to decline materially in the forecast horizon, reaching 86.1% in 2023.

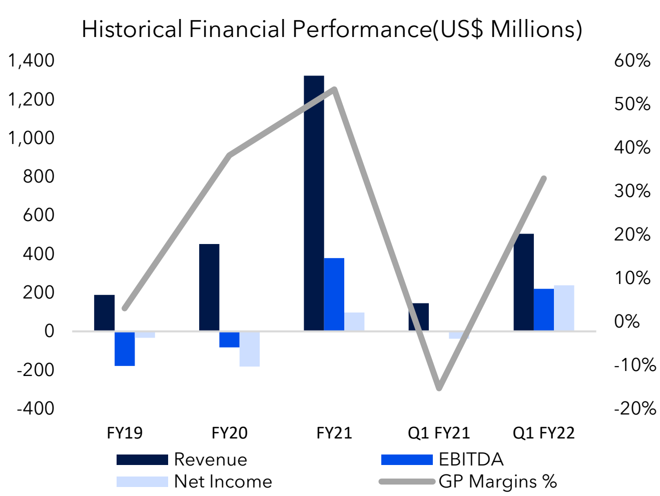
The outlook for a firm downward debt trajectory is also reinforced by the government's new medium-term fiscal framework. According to a new fiscal rule introduced last September, the permanent increase in Exchequer current spending should be limited to 5% annually, which corresponds to the economy's growth potential in nominal terms.

Financial Performance

Financial year ended December 31, 2021

For the financial year ended December 2021, the company reported revenues of $1.32 billion, representing a 192.9% increase over the 2020 performance. This increase was primarily driven by growth in downstream terminals and power assets from 5 to 11 terminals around the world resulting in a larger gas portfolio of 2.9 metric tonnes per annum (MTPA) from 1.3 MTPA in the previous year. Shipping revenues also added to revenue growth consistent with the expansion from 5 to 20 ships as well.

Cost of sales includes the procurement of feedgas or LNG, as well as shipping and logistics costs to deliver LNG or natural gas to their facilities, power generation facilities or to their customers. Costs to convert natural gas to LNG, including labor, depreciation and other direct costs to operate the Miami facility are also included in cost of sales. Cost of sales increased by 120.98% to $616.06 million for the year ended December 31, 2021, as compared to the year ended December 31, 2020, due to an increase in the cost of LNG purchased from third parties for sale to customers, a share of cost of sales from the investment in CELSEPAR and increased



charter costs. Given the faster pace of growth in revenue relative to the cost of sales, the cost of sales margin fell to 46.57% from 61.72% in the 2020 fiscal year, implying a greater retention of income after expenditures directly related to sales.

Operations and maintenance expenses include costs of operating NFE's facilities, exclusive of costs to convert that are reflected in cost of sales. Operations and maintenance for the year ended was $73.3 million, a 54.09% increase year over year. Operations and maintenance expenses increased by the costs of operating the San Juan Facility and CHP Plant, and an increase in payroll costs, maintenance costs, insurance costs and port fees. Selling, general and administrative expenses includes compensation expenses of corporate employees, employee travel costs, insurance, professional fees for their advisors and costs associated with development activities for projects that are in initial stages and development is not yet probable. Selling, general and administrative amounted to $199.88 million, an increase of 66.37% over the 2020 financial year. The increase was primarily attributable to $33.06 million of higher payroll costs associated with increased headcount for the year ended December 31, 2021.

NFE is realizing the benefits of economies of scale as well as the favorable price environment with annual adjusted earnings before interest taxes depreciation and amortization (EBITDA) of $605 million for FY 2021 relative to $33 million in FY 2020 was recorded. Similarly, the company experienced a shift to an operating profit for FY 2021 of $238.88 million compared to a loss of $155.36 million in FY 2020, representing operating profit margins of 18.06% and -34.40% in FY 2021 and FY 2020 respectively.

Interest expense saw an increase to $154.3 million, a 134.8% increase over the previous year. This increase was a result of the additional debt balances outstanding during 2021 following the issue of the 6.75% 2025 notes in the last quarter of FY2020 and the issuance of the 6.5% 2026 notes in Q2 2021. Consequently, with the shift to profitability, the credit profile of the company is much healthier, with the interest coverage ratio coming in at 1.55x at the end of FY 2021, compared to -1.00x in FY 2020.

Cash Flows

Cash flow provided by operating activities was $84.77 million for the year ended December 31, 2021, which increased by $210.34 million from an outflow of $125.57 million for the year ended December 31, 2020. This was primarily due to the surge in net income, representing a net increase of $356.68 million YoY and was achieved despite a 361.22% increase in the outflow related to the increase in receivables resulting from the substantial increase in business activity during the year.

Cash used in investing activities

Cash flow used in investing activities was $2.27 billion for the year ended December 31, 2021, which increased by $2.12 billion from $157.63 million for the year ended December 31, 2020. Cash used for the Mergers net of cash acquired was $1.59 billion, representing the main driver of the increased outlay in the 2021 financial year. There was also a notable increase in capital expenditure to $669.35 million, from $157.00 million for the 2020 financial year, amidst the continued development of the new terminal facilities. During the year ended December 31, 2020, NFE completed the CHP Plant and were in the final stages of development of the San Juan Facility and incurred lower cash outflows.

Cash provided by financing activities

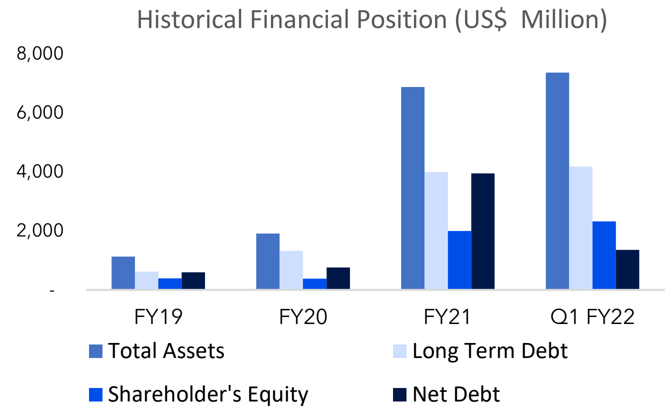
Cash flow provided by financing activities was $1.82 billion for the year ended December 31, 2021, increasing by $997.45 million from cash provided by financing activities of $819.5 million for the 2020 financial year. Due to the magnitude of the acquisitions executed as well as the capital expenditure on development projects, the company sought external financing in the form of additional debt, with the company raising $2.43 billion in notes and other credit facilities during the 2021 financial year. Furthermore, with debt repayments at $461.02 million in 2021, declining from $1.49 billion in 2020, the fiscal space was created to direct a greater percentage of capital raised to the aforementioned growth initiatives.

1st Quarter ended March 31, 2022

For the three months ended March 31, 2022, Revenues grew 246.7% to $505.1 million compared to Q1 FY 2021, while operating expenses grew by 101.59% to $338.7 million, with the largest growth in expenses being attributed to cost of goods sold which grew by 115.4% to $208.3 million. As a result, operating income moved to $166.5 million from a loss of $22.3 million for Q1 in the year 2021. Interest expense grew to$44.9 million from $0 in the corresponding period of 2021, resulting in a net income of $238.3 million compared to a loss of $37.9 million in the prior year.

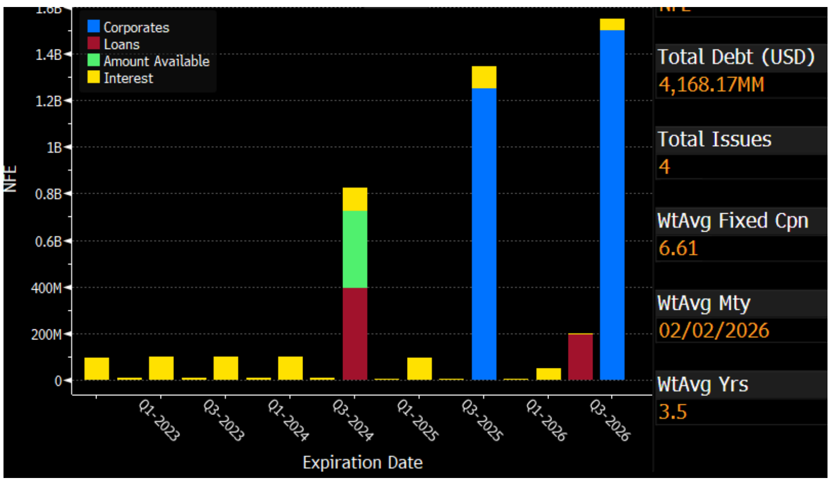
In addition to revenues and overall profit being up year-over-year, efficiency also increased as evidenced by improvements in profitability margins. The gross profit margin increased from 33.64% for the comparable quarter last year to 58.76% due to the slower growth in cost of sales relative to the revenues. similarly, the operating profit margin was 32.95% for the quarter ended March 31, 2022, compared to -15.31% in the comparable period last year due to the large growth in gross profits with fairly constant operating expenses year-over-year. Net income margin was 47.17% relative to -25.02% year over year.

Liquidity and Solvency



At the end of March 2022, the Company had total assets that amounted to $7.37 billion, funded by total liabilities of US$5.05 billion and shareholder's equity of US$2.32 billion. NFE has expanded their balance sheet by using debt to fund M&As, while also increasing earnings and improving credit metrics. The company has grown total assets by 7.12% to $7.37 billion compared to $6.88 billion as of December 31, 2021, resulting from investments in property, plant and equipment as well as an increase in construction work-in-progress.

Liquidity as measured by the current ratio has improved slightly in Q1 2022 with an outturn of 1.05x, compared to the 2021 year-end outturn of 1.04x. However, the increase in the pace of the company's cash conversion cycle is more encouraging. NFE's days sales outstanding stood at 36.27 as at March 31, 2022 compared to 49.47 as at the end of Q1 2021, implying a faster conversion of credit sales to cash. The days of outstanding inventory fell to 20.64 days from 33.64 days for the comparable quarter in the last financial year, signifying an improvement in the pace of conversion of inventory to cash. Additionally, the days of accounts payable outstanding moved to 26.41 days from 29.30 days, illustrating payables are being settled in a shorter timeframe on average. Overall, the cash conversion cycle improved to 30.50 days from 53.81 days in Q1 2021 indicating more efficient turnover of cash within the business.



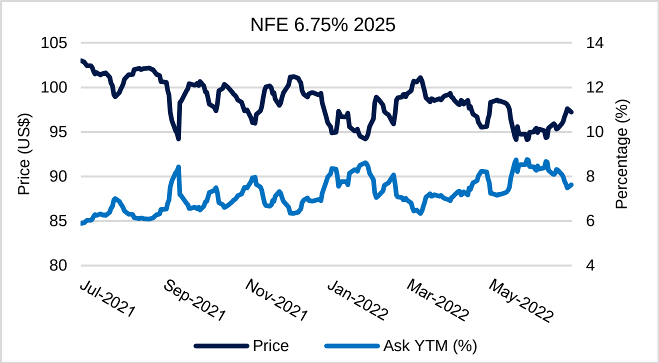
As shown by the company's debt distribution schedule and interest coverage ratio of 4.89x, interest payments are manageable, however fairly large principal payments are due in 2025 and 2026. Notwithstanding, the company has been able to access borrowing through the issuance of debt and has seen credit ratings signifcantly improve, therefore, given continued improvement from the company, it should be able to refinance this debt.

The Company has never defaulted on their debt payments and has steadily met all their debt obligations. The issued notes went into acquiring additional terminals that have begun returning significant profits, and by the estimates of the credit rating agencies will further bolster their credit metrics in the next 2 years and barring any delays in development will aid in deleveraging the company.

NFE CREDIT METRICS							
Credit Metrics	**Q3 2020**	**Q4 2020**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**Q4 2021**	**Q1 2022**
US$' Millions	**09/30/2020**	**12/31/2020**	**03/31/2021**	**06/30/2021**	**09/30/2021**	**12/31/2021**	**03/31/2022**
Total Debt	1,100.40	1,359.40	1,349.00	3,650.60	3,972.70	4,136.30	4,338.20
Short-Term Debt	36.4	35.5	34.9	234.6	281.8	144.4	165.2
Long Term Debt	1,064.00	1,323.90	1,314.20	3,416.00	3,691.00	3,991.90	4,173.00
Total Debt/Equity (%)	1,114.48	362.41	463.29	182.36	210.85	207.43	187.16
Total Debt/Capital (%)	91.77	78.37	82.25	64.58	67.83	67.47	65.18
Total Debt/Total Assets (%)	78.61	71.24	73.63	57.11	59.61	60.15	58.9
Interest Expense	19.81	14.82	18.68	31.48	57.60	46.57	44.92
Interest Coverage (x)	1.61	2.71	-0.02	0.77	2.30	6.44	4.89

Relative Valuation and Spread Analysis

NFE 6.75% 2025: This bond is currently trading at a G-Spread, I-Spread and Z-spread of 475bps, 499bps and 495bps respectively. These measures are all lower than their 6-months average which implies that there has been a contraction of the credit spreads suggesting the bond has become more favorable in the open market and that investors have been pricing in less credit risk consistent with the good performance of the company in 2021 and 2022. This bond has a liquidity score of 77 (100 being most liquid) relative to its sector which has a median liquidity score of 51. This bond has a duration of 2.70 years which we believe is short enough to lessen negative consequences of interest rate risk over the short to medium term.



97.091/97.541 7.810/7.643 BMRK@ 15:21 95) Buy 96) Sell

BVAL as of 07/25/2022 - LO 4:15PM 25-Jan-2022 - 25-Jul-2022 6 Months

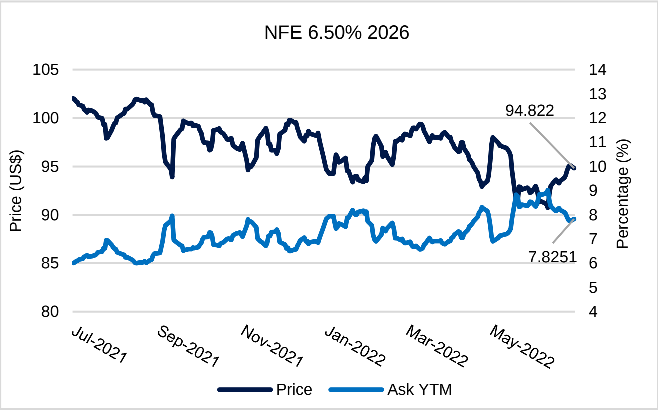
	Spread	Low	Range	High	Avg	+/- bps	StdDev	#SDs
1) Spreads to Curves (RV)			◆ Avg ● Now					
2) Spread-Bench	475	380		710	529	-54	84	-0.6
3) G-Spread	475	372		702	526	-51	83	-0.6
4) I-Spread	499	382		711	541	-42	82	-0.5
5) Z-Spread	495	379		711	539	-44	83	-0.5
6) Credit Rel Value (CRVD)								
7) CDS Basis								

8) Bond vs Comparables (COMB) Z-Spd Difference in comparable Z-Spreads over 6 Months

	Price	Yield	Spread	Diff	Lo	Range	Hi	Avg	+/- bps	#SDs
NFE 6 ¾ 09/25	97.3	7.72	495							
9) MMLP 10 02/24	100.1	9.87	674	-179	-543		214	-158	-21	-0.1
10) BPL 4.15 07/23	98.6	5.66	254	241	149		475	293	-52	-0.6
11) ENLK 4.4 04/24	99.4	4.78	175	320	173		462	304	16	0.3
12) EQM 4 ¾ 07/23	100.2	4.57	145	350	108		571	299	51	0.4
13) NGL 7 ½ 11/23	92.7	13.96	1085	-590	-775		-81	-448	-142	-0.8
Avg of Comparables		7.77	467	28	-79		304	58	-30	-0.3
15) BVAL Price	97.3	7.72								

NFE 6.750% 2026: This bond is currently trading at a G-Spread, I-Spread and Z-spread of 496bps, 525bps and 521bps respectively. The 2026 notes are relatively new to the market and is trading at a slightly lower spread than it did 6 months ago. The 2026 notes are very liquid with a liquidity score of 89 relative to the average of 51. This bond also has a relatively short duration of 3.49 years.

An important consideration in the economics of the security is its liquidity. Based on the data, the securities are liquid, with trading volumes above the volumes that Barita or any of its clients would typically hold/trade.



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94.670/95.336 8.023/7.827 BMRK@ 15:22 95) Buy 96) Sell

BVAL as of 07/25/2022 - LO 4:15PM 25-Jan-2022 - 25-Jul-2022 6 Months

	Spread	Low	Range	High	Avg	+/- bps	StdDev	#SDs
1) Spreads to Curves (RV)			◆ Avg ● Now					
2) Spread-Bench	499	387		671	516	-17	73	-0.2
3) G-Spread	496	389		656	517	-21	72	-0.3
4) I-Spread	525	409		670	537	-12	72	-0.2
5) Z-Spread	521	407		671	535	-14	72	-0.2
6) Credit Rel Value (CRVD)								
7) CDS Basis								

8) Bond vs Comparables (COMB) Z-Spd Difference in comparable Z-Spreads over 6 Months

	Price	Yield	Spread	Diff	Lo	Range	Hi	Avg	+/- bps	#SDs
NFE 6 ½ 09/26	95.1	7.88	521							
9) GEL 5 ⅝ 06/24	95.4	8.32	533	-12	-45		217	79	-91	-1.6
10) CMLP 5 ¾ 04/25	97.3	6.85	401	120	46		297	153	-33	-0.6
11) EQM 4 08/24	95.0	6.70	373	148	69		435	242	-94	-1.2
12) BPL 4.35 10/24	95.8	6.43	351	170	150		471	269	-99	-1.4
13) HESM 5 ⅝ 02/26	99.0	5.94	322	199	139		339	234	-35	-0.7
Avg of Comparables		6.85	396	125	98		334	195	-70	-1.3
15) BVAL Price	95.1	7.88								

Recommendation

New Fortress Energy has successfully executed on its expansion so far, in line with analyst and rating agency expectations. The company's notes have performed well as credit ratings, and metrics have improved given management's successful execution as well as favourable energy market conditions for the company. Despite the good news, however, the company and industry has inherent risks such as environmental, political and commodity price risks which could change the company's outlook materially very quickly. As a result, we rate the **NFE 6.75% 2025 and 6.50% 2026** bonds as **MARKETWEIGHT** to balance the good yield, liquidity and short-term expectations with the risks involved with the business.