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Thanks for joining us today on the Quick Take Podcast. Hello, I'm Matt Sallee, Head of Investments with Tortoise Capital.

Let's jump right into Q3 performance. It was another strong quarter for equity markets with the S&P up 8% led by technology up double digits but energy and utilities did well too up 6% and 8% respectively. Surprisingly midstream didn't keep pace and was in the red most of the quarter before rebounding in the back half of September to post a 1% return for the quarter.

In capital markets, we continue to see a thawing of the IPO market for energy infrastructure with the September launch of Rockpoint Gas Storage. This marks the third IPO in the space this year—or the fourth, if you include Fermi Americas, which also debuted in September and is now trading. As the name suggests, Rockpoint focuses on natural gas storage, while Fermi operates in the AI infrastructure ecosystem, providing data-center shells energized with behind-the-meter power. Fermi contracts with hyperscalers on long-term fixed-price agreements, offering a differentiated model from traditional full-stack data centers.

On the corporate front, Sempra announced a set of strategic transactions on September 23, 2025, aimed at sharpening its focus on U.S. regulated utilities while advancing LNG development. The company agreed to sell a 45% stake in Sempra Infrastructure Partners to a KKR-led consortium, including CPP Investments, for $10 billion—implying a $31.7 billion valuation. Proceeds, received over several years, will fund Sempra's 2025–2029 capital plan without equity issuances, strengthen its balance sheet, and shift its earnings mix to roughly 95% from regulated utilities. Management expects the deal to be accretive to EPS beginning in 2027, while improving the company's credit profile. Separately, Sempra Infrastructure Partners reached final investment decision on Port Arthur LNG Phase 2, a $14 billion expansion supported by equity commitments from Blackstone, KKR, Apollo, and Goldman Sachs. Bechtel will serve as EPC contractor and long-term offtake agreements are already secured. Sempra reaffirmed its 2025–2026 EPS guidance and its long-term earnings growth outlook of 7–9%.

In technology infrastructure, Oracle's recent earnings highlighted the accelerating scale of AI investment. Oracle Cloud Infrastructure backlog surged 359% to $455 billion, with management expecting it to surpass $500 billion in the near term. More than $300 billion of this backlog is tied to OpenAI, underscoring the multiyear capital requirements of hyperscale AI deployments. Oracle raised its Cloud revenue outlook sharply, projecting growth from $18 billion in FY26 to $144 billion by FY30, with most revenue already secured under contract. Relatedly, Nvidia and OpenAI recently signed a letter of intent for Nvidia to invest up to $100 billion to jointly deploy 10 gigawatts of AI-dedicated data-center capacity, with the first systems targeted for the second half of 2026. To put 10 GW in context, New York City's all-time peak demand is 13 GW. These types of partnerships have raised concerns about a potential bubble in AI infrastructure, particularly around "circular financing"—where chipmakers like Nvidia fund customers that, in turn, spend heavily on their chips. While the risk is worth monitoring, we believe the industry is underpinned by structural demand for compute, the durability of physical assets such as data centers and power generation, and the strong balance sheets of hyperscalers capable of sustaining multi-trillion-dollar investment across cycles.

Adding to the momentum, Stargate Partners—OpenAI, Oracle, and SoftBank—announced five new U.S. data-center sites, bringing planned capacity to nearly 7 GW with an aggregate investment of over $400 billion. The projects are advancing faster than anticipated, keeping Stargate on track to approach its original target of 10 GW and $500 billion by decade-end. Remarkably, the first gigawatt is expected online in the second half of 2026, just 18 months after Stargate was first announced in January 2025.

All of this underscores why we remain so constructive on energy demand, particularly natural gas and electricity, as well as the physical infrastructure enabling AI and the broader economy. The combination of Oracle's 8x cloud revenue growth trajectory and Stargate's $400 billion capital plan reflects extraordinary visibility into demand that directly supports our portfolio positioning.

I'll leave it there for now. Thanks for listening.

Have topics you want covered or other feedback to share? Write us at info@tortoisecapital.com.

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The companies highlighted in this material are provided for illustrative purposes and selected based on recent trends/developments in the industry.