

SM | ENERGY

JPM Global Leverage Finance Conference

February 25, 2025

NYSE: SM

WEB: sm-energy.com

Disclaimers

Forward-looking Statements

This presentation contains forward-looking statements within the meaning of securities laws. The words “believes,” “demonstrate,” “estimate,” “expect,” “intends,” “plan,” “preliminary,” “target,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this presentation include, among other things: certain projections for the full year and first quarter 2025 regarding the Company’s 2025 strategic objectives including operational execution, delivering low break-even high return wells, returning capital to stockholders and reducing debt, maintaining and expanding portfolio quality and depth and plans to optimize costs and grow free cash flow; prospective Uinta Basin and Woodford-Barnett development potential; inventory projections, including duration, quality returns and upside; full year and first quarter 2025 guidance for capital expenditures, net production, oil percentage, operating costs, exploration, G&A, DD&A and cash taxes; the number of wells we plan to drill and complete and the associated activity and costs in each of our operating areas during the full year; average number of drilling rigs and completion crews to be deployed in total and in each of our operating areas through 2025; number of Austin Chalk locations; expected drill, complete and equip costs (“DC&E”) and facilities costs; average lateral length and PDP decline rates for wells in each of our operating areas; expected average well cost per lateral foot; total expected inventory, inventory estimates by operating area, and inventory quality and total inventory expected average rate of return; percentage of expected future net production that is hedged; and plan to process or reject ethane for 2025. These statements involve known and unknown risks, which may cause SM Energy's actual results to differ materially from results expressed or implied by the forward-looking statements. Future results may be impacted by the risks discussed in the Risk Factors section of SM Energy's most recent Annual Report on Form 10-K, and such risk factors may be updated from time to time in the Company's other periodic reports filed with the Securities and Exchange Commission. The forward-looking statements contained herein speak as of the date of this release. Although SM Energy may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so, except as required by securities laws.

Non-GAAP Financial Measures and Metrics

This presentation references non-GAAP financial measures and metrics. Please see the “Non-GAAP Reconciliations and Disclosures” section of the Appendix, which includes definitions of non-GAAP measures and metrics used in this presentation and reconciliations of non-GAAP measures to the most directly comparable GAAP measure.

Reserves Disclosure

The SEC requires oil and natural gas companies, in their filings with the SEC, to disclose estimated net proved reserves, which are those quantities of oil, natural gas and NGLs, that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs and under existing economic conditions (using the trailing 12-month average first-day-of-the-month prices), operating methods and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The SEC also permits the disclosure of separate estimates of probable or possible reserves that meet SEC definitions for such reserves; however, the Company currently does not disclose probable or possible reserves in its SEC filings.

Estimated net proved reserves attributable to the Company at December 31, 2024, are estimated utilizing SEC reserve recognition standards and pricing assumptions based on the trailing 12-month average first-day-of-the-month prices of \$75.48 per Bbl of oil, \$2.13 per MMBtu of natural gas, and \$28.29 per Bbl of NGLs. At least 80% of the PV-10 of the Company’s estimate of its total estimated net proved reserves as of December 31, 2024, was audited by Ryder Scott Company, L.P.

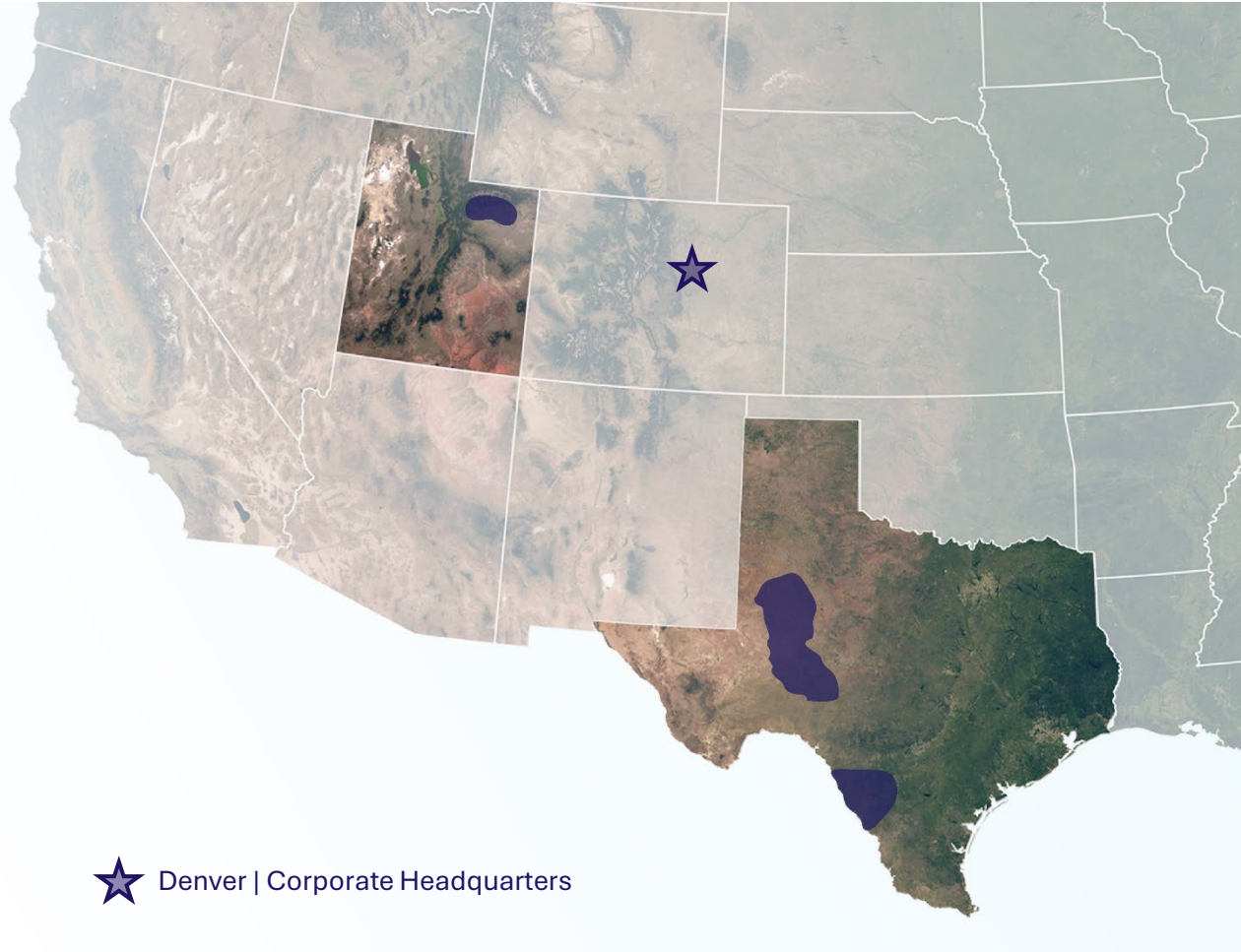
Why Invest in the Energy Sector?

» Vs. Other Sectors: High Yield | Low Multiples | Low Leverage | High Growth

1. Sizeable projected growth in energy and power needs
2. North American resources developed responsibly
3. Supports global socioeconomic strength and progress
4. Key principle of national security
5. Drives technological innovation at home and abroad

SM Energy Is...

» A Premier Operator of Top-Tier Assets



★ Denver | Corporate Headquarters

A Premier Operator

Capital Efficiency

Owner of Top-Tier Assets

High-Quality Inventory with Long Runway

A Leader

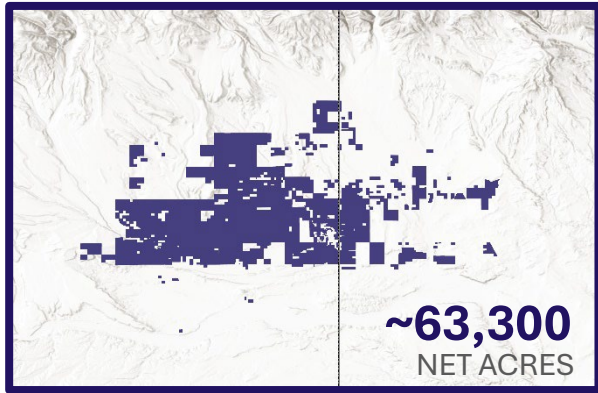
Sustainability and Stewardship



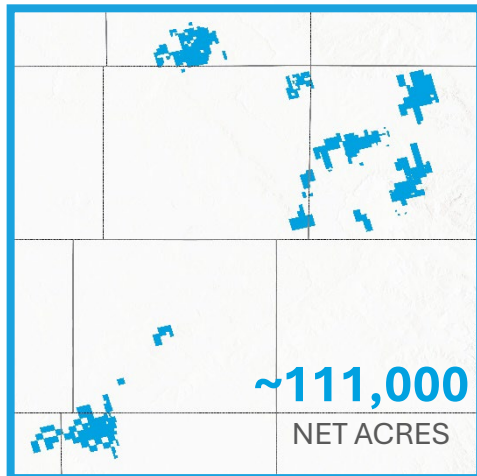
Top-Tier Assets

» Midland Basin | South Texas | Uinta Basin

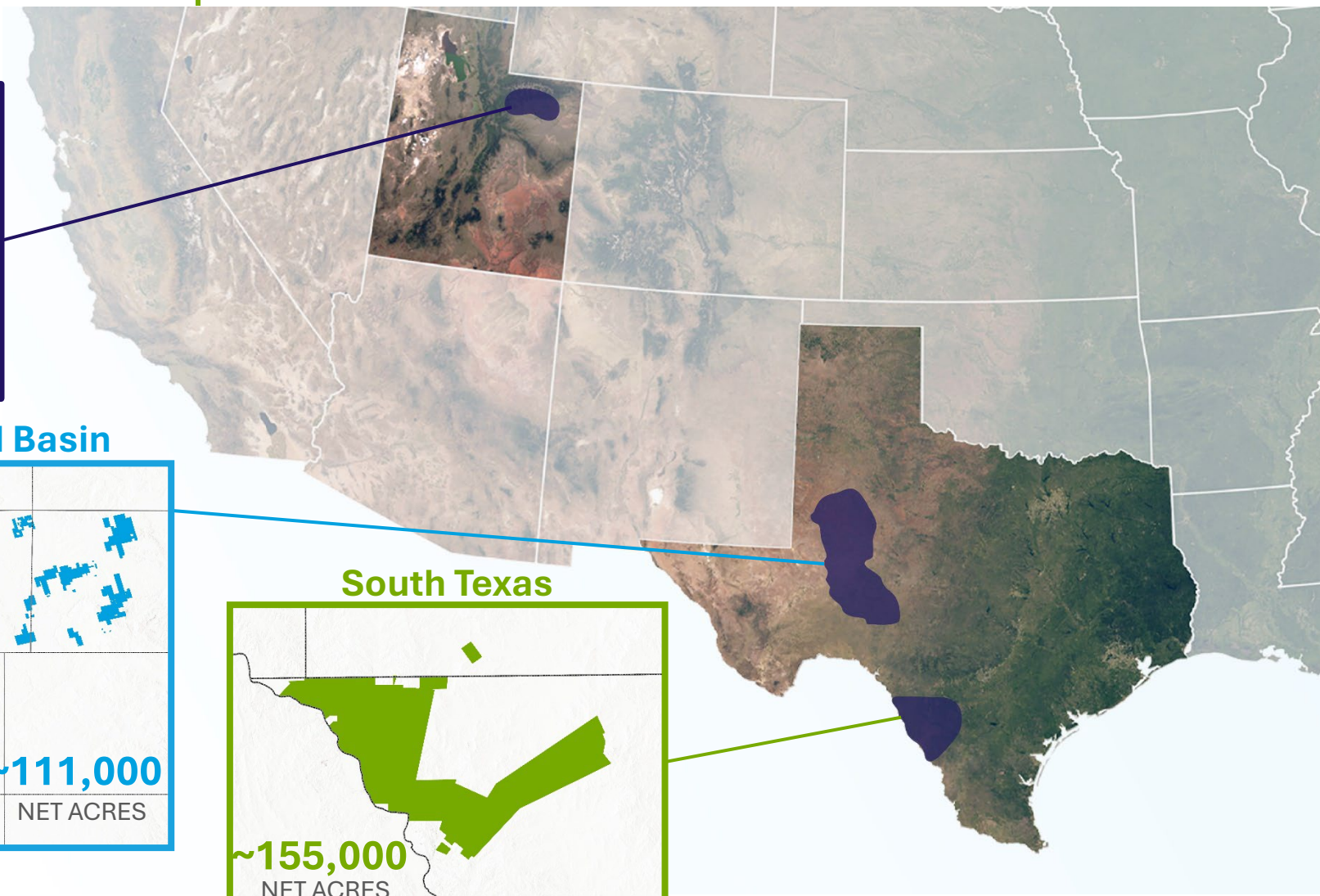
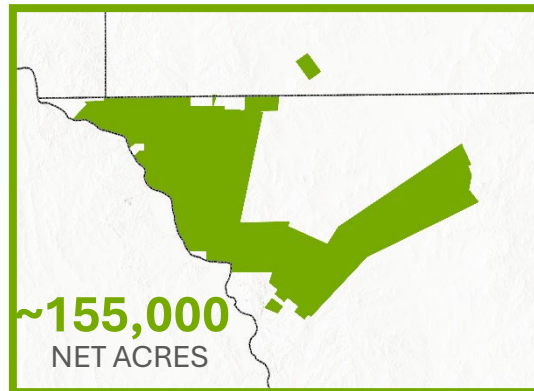
Uinta Basin



Midland Basin



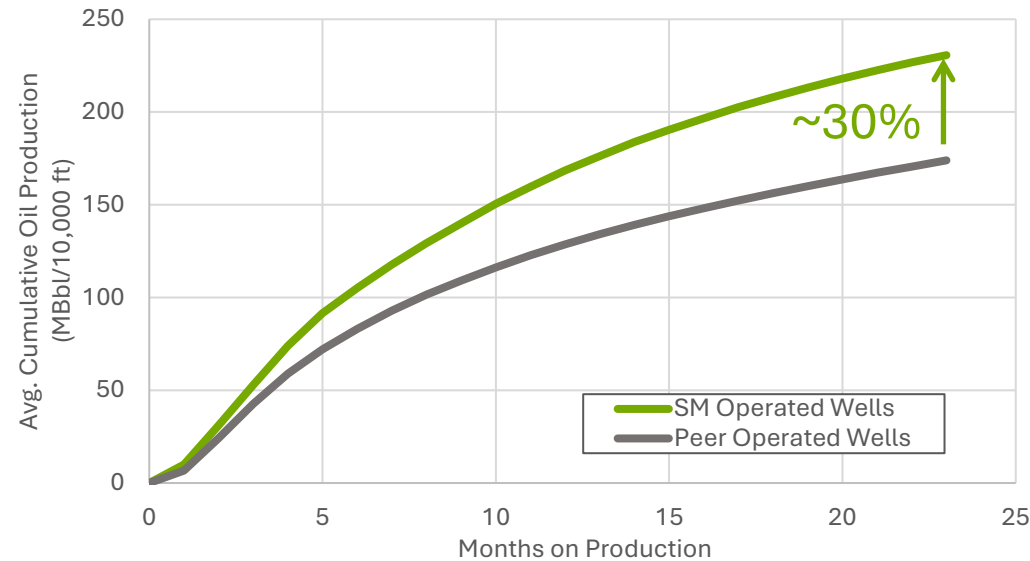
South Texas



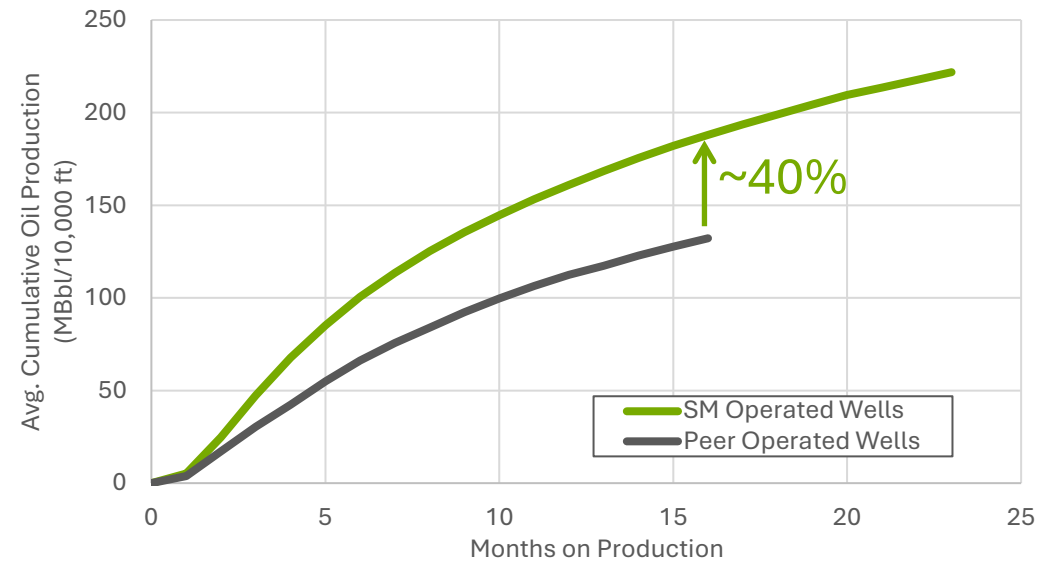
Operational Excellence: Texas

» Significant Oil Production Outperformance Compared to Regional Peers

SM Energy Wells v. Howard County Peers⁽¹⁾



SM Energy Wells v. Austin Chalk Peers⁽²⁾



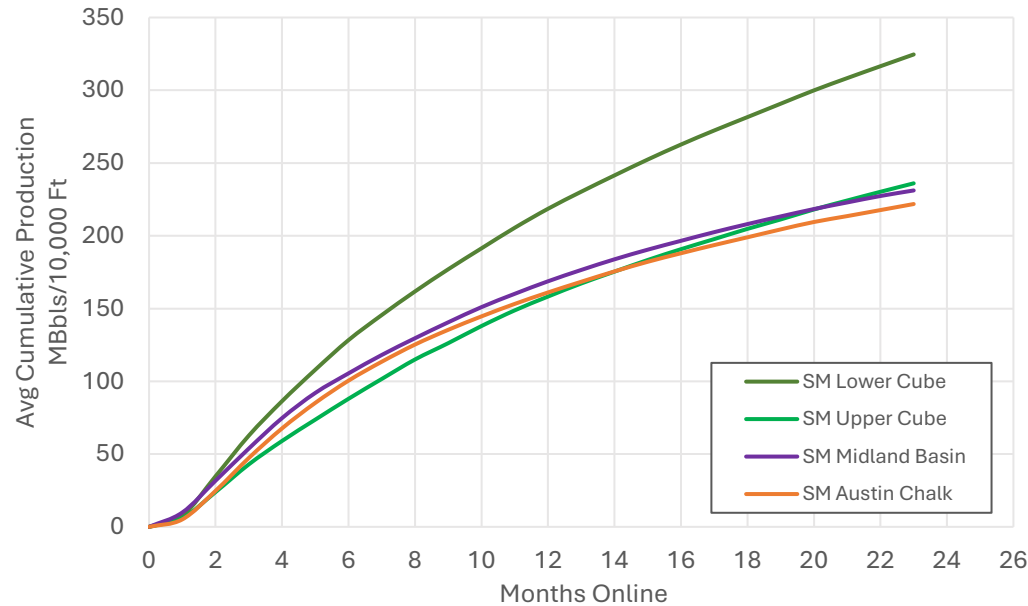
(1) Enverus data as of January 23, 2025. | Horizontal wells completed in Howard County, January 1, 2021 through December 2024. | Peers include APA, Bayswater, Birch Operations, CVX, FANG, HighPeak Energy, HOG Resources, Langford & Brigham Operating, OVV, OXY, Paladin Petroleum, SGY, Spirit O&G Operating, SOGC, VTLE and XOM.

(2) Enverus data as of January 27, 2025. | Oil production in the West Condensate area of the Austin Chalk. | Horizontal wells completed January 2018 through November 2024. | Peers include CRGY, CVX, Endeavor Natural Gas, and Grit Oil & Gas.

Expanded Top-Tier Portfolio

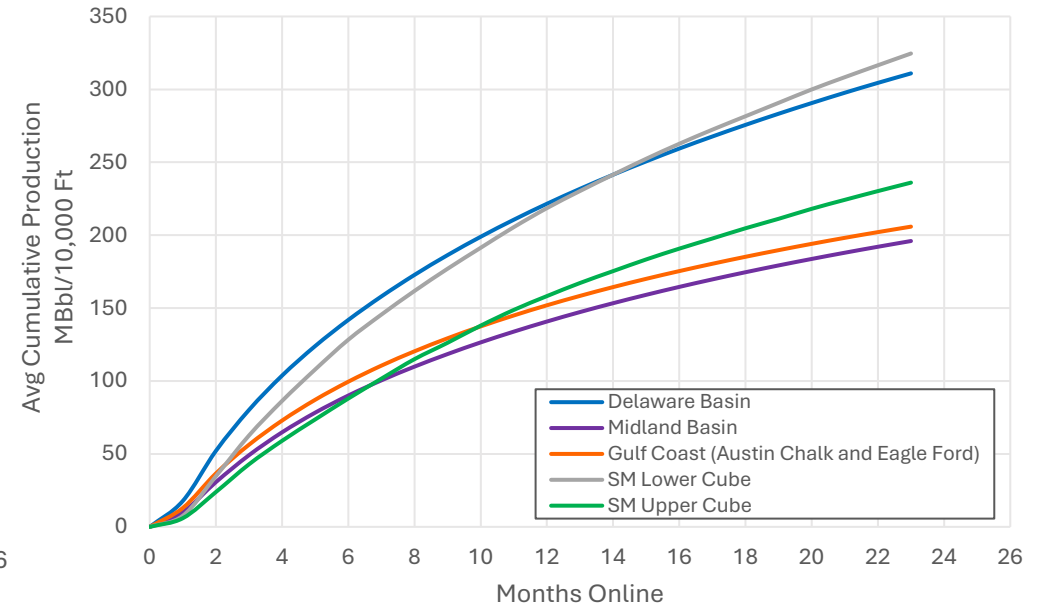
» Uinta Basin Returns | Competitive with the Best

Utah Compared to Texas⁽¹⁾



SM Energy's Uinta Upper & Lower Cubes oil production competitive with SM Energy's Midland & Austin Chalk

Compared to Industry in Other Basins⁽²⁾



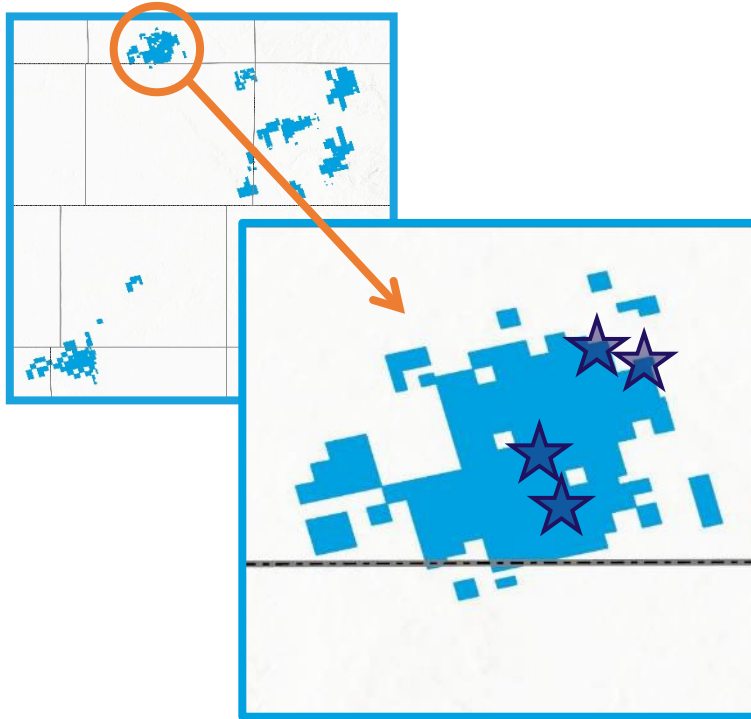
Uinta Upper & Lower Cubes oil production competitive with Midland, Delaware & Austin Chalk/Eagle Ford industry averages.

(1) Enverus data as of January 16, 2025: SM Lower Cube and SM Upper Cube curves: Wells post 2019. | Enverus data as of January 23, 2025. | Horizontal wells completed in Howard County, January 1, 2021 through December 2024. | SM Austin Chalk curve: Enverus data as of January 27, 2025. | Oil production in the West Condensate area of the Austin Chalk. | Horizontal wells completed January 2018 through November 2024.
 (2) Enverus data as of January 16, 2025. | Horizontal wells completed post 2010 for SM Lower Cube and SM Upper Cube wells, and for the Midland, Delaware and Western Gulf of Mexico Basins.

Operational Excellence: Midland Basin

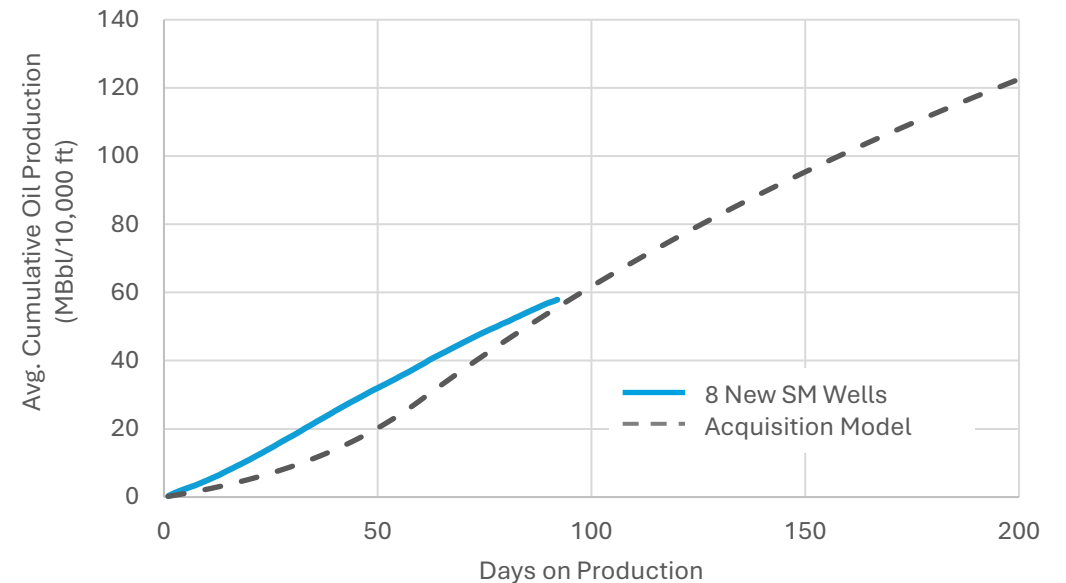
» Klondike Wells Reached Peak IP30 | Outperforming the Acquisition Model

New Wells that Reached IP30



- Six Dean wells
- 829 avg. Boe/d per well
- 95% Oil
- 12,904' avg. lateral length

New Wells Outperform Acquisition Model



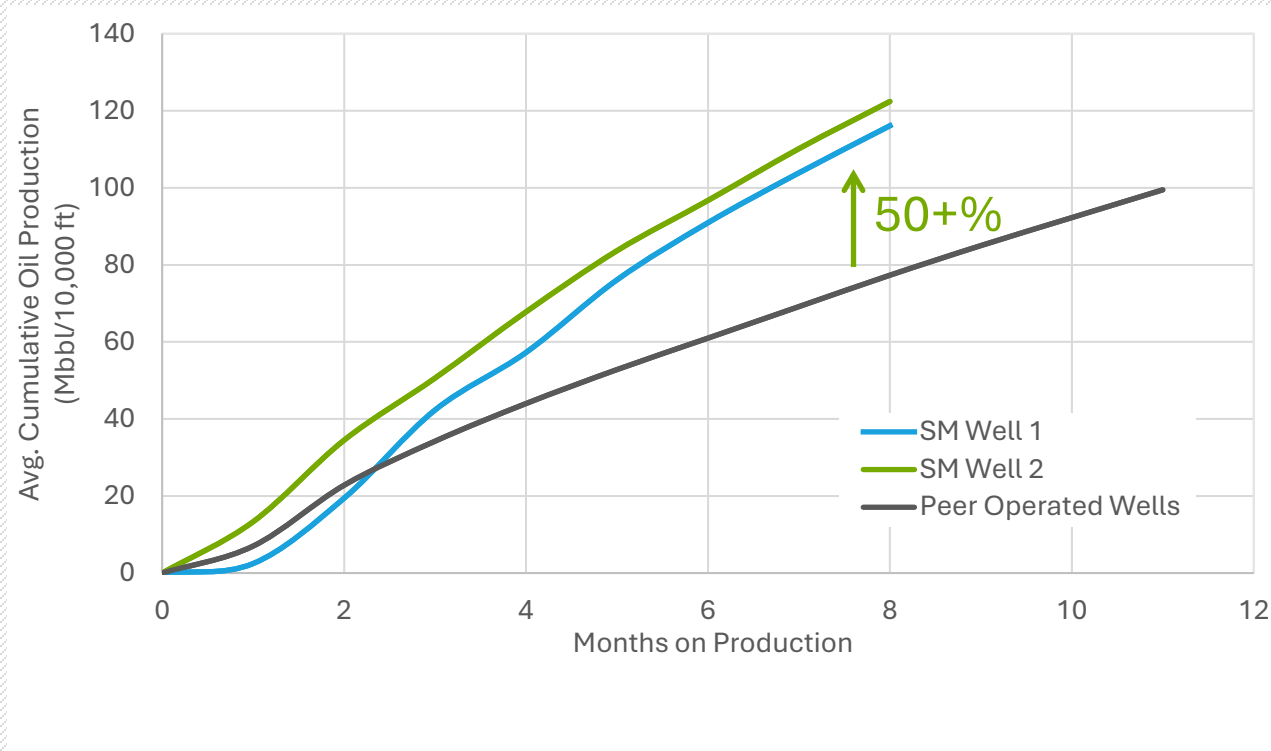
2025 net wells planned⁽¹⁾
~5 completions

(1) Operated wells included in the 2025 plan.

Operational Excellence: Midland Basin

» **Outperformance Drives Value Creation**

SM Energy Woodford-Barnett Wells v. Peers⁽¹⁾



20,000+ net acres
at Sweetie Peck prospective for
Woodford-Barnett development

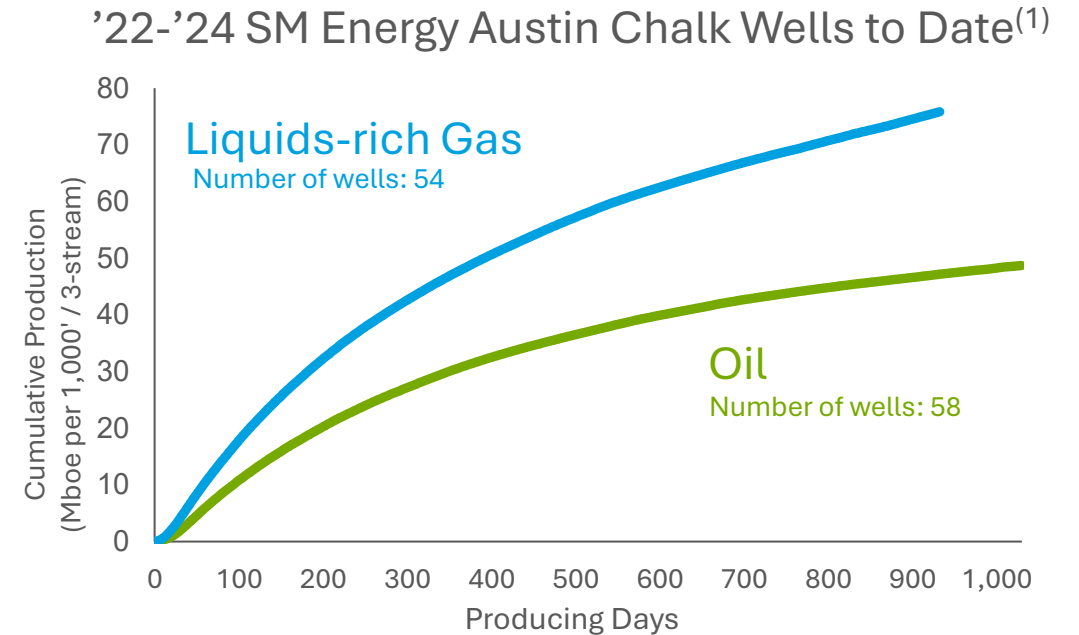
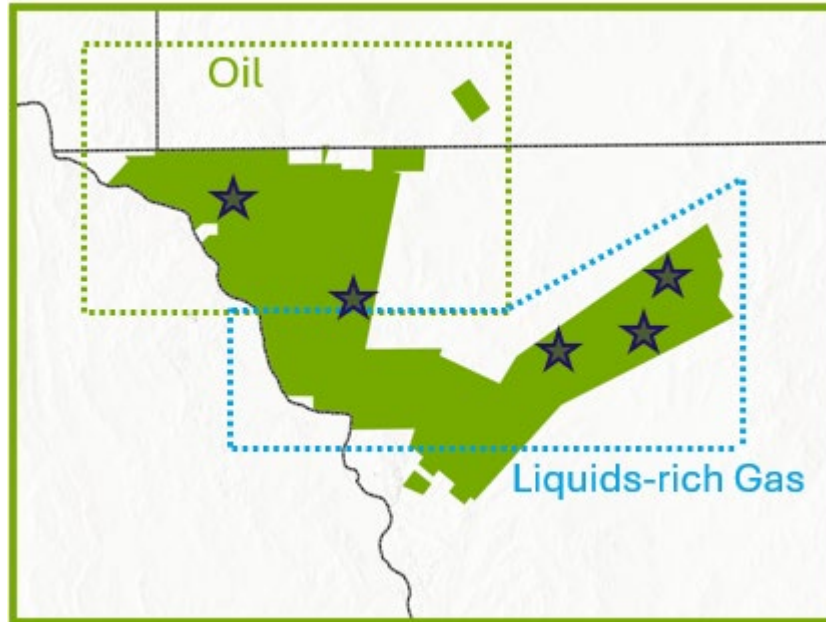
2025 net wells planned⁽²⁾
~4 drills and ~2 completions



(1) Enverus data as of January 23, 2025. | Horizontal Woodford and Barnett wells completed in Crane, Ector, Upton and Midland counties, January 1, 2015, through September 1, 2024. | Average of eight wells from two large-cap peers.
(2) Operated wells included in the 2025 plan.

Operational Excellence: Austin Chalk

» Prolific New Wells Reach Peak IP30



New Wells that Reached Peak

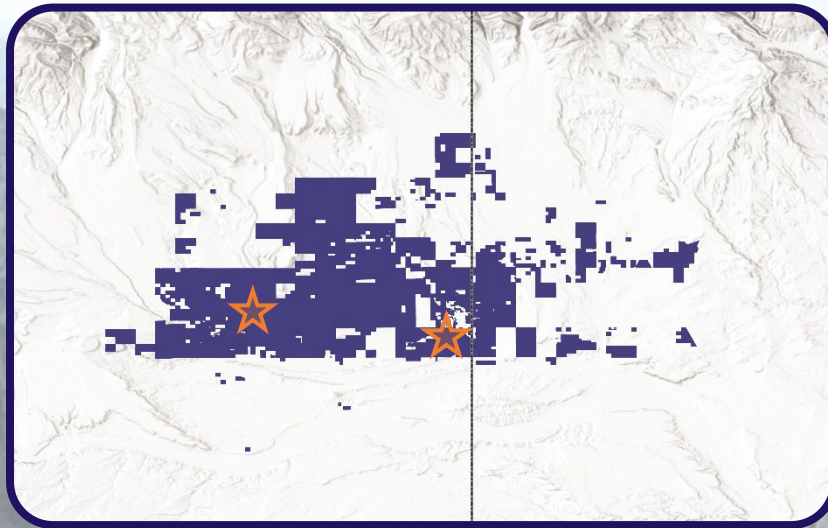
- | Oil | IP30 | Liquids-rich Gas |
|---|--|--|
| <ul style="list-style-type: none"> 6 Austin Chalk wells 1,056 avg. Boe/d per well 49% Oil 75% Liquids 10,982' avg. lateral length | <ul style="list-style-type: none"> 15 Austin Chalk wells 2,352 avg. Boe/d per well 26% Oil 61% Liquids 11,183' avg. lateral length | <ul style="list-style-type: none"> 15 Austin Chalk wells 2,352 avg. Boe/d per well 26% Oil 61% Liquids 11,183' avg. lateral length |

Note | SM Energy has completed 147 Austin Chalk wells that have reached IP30 as of January 21, 2025, 112 wells of which were after January 1, 2022.

(1) All SM Energy operated wells that came online from January 1, 2022, to December 31, 2024, that have reached peak IP30 rates as of January 21, 2025.

Operational Excellence: Uinta Basin

» 18 Wells Reached Peak IP30 | 93% Oil!



“ SM has a long track record of operational excellence and this should lead to further enhancements moving forward. Given the depth of the inventory and contiguous acreage, we expect longer lateral and wider spacing to continue to improve well results.⁽¹⁾

RBC

New Upper and Lower Cube Wells that Reached Peak IP30

Upper Cube

- 4 wells
- 685 Avg. Boe/d per well
- 95% Oil
- ~9,867 Avg. Laterals

Lower Cube

- 14 wells
- 1,366 Avg. Boe/d per well
- 92% Oil
- ~10,186 Avg. Laterals

Operational Excellence

» SM Energy | A Leader in Stewardship

2025 EHS Safety Calendar Winner
Eisley Swarts | Daughter of Geologist



Building Competencies and Skills



Overall Excellence in Leadership Development



Full Year 2024 Performance Highlights

» Increasing Scale | Increasing Cash Flow



2024 NET
PRODUCTION

170.5 MBoe/d

↑ 12%



2024 ADJ. EBITDAX⁽¹⁾

\$2.0 billion

↑ 16%



2024 ADJ. EPS⁽¹⁾

\$6.80

5.7 ADJ. EPS MULTIPLE⁽²⁾



2024 ADJ.
FREE CASH FLOW⁽¹⁾

\$485.0 million

11% FREE CASH
FLOW YIELD⁽¹⁾⁽³⁾



2025 Plan – Capital Program

» Delineate New Assets | Optimize Costs | Grow Free Cash Flow

Uinta Basin Plan Details⁽¹⁾

- 2025 Net wells planned: ~35 drills and ~50 completes
- ~11,200' expected average lateral length per well
- ~50% Boe PDP decline expected (YE25/YE24)

Operating Details⁽²⁾

3 RIGS RUNNING 
1 COMPLETION CREW 



Midland Basin Plan Details⁽¹⁾

- 2025 Net wells planned: ~40 drills and ~60 completes
- ~12,300' expected average lateral length per well
- ~36% Boe PDP decline expected (YE25/YE24)

Operating Details⁽²⁾



4 RIGS RUNNING 
1 COMPLETION CREW 



South Texas Plan Details⁽¹⁾

- 2025 Net wells planned: ~30 drills and ~40 completes
- ~11,000' expected average lateral length per well
- ~37% Boe PDP decline expected (YE25/YE24)

Operating Details⁽²⁾

1.5 RIGS RUNNING 
1 COMPLETION CREW 



(1) Based on operated wells expected to be completed in 2025.

(2) Average rigs and completion crews activity planned for 1Q25. Midland Basin program assumes running 4 rigs into the summer and ending the year with 2 rigs. South Texas program assumes running 1-2 rigs throughout the year. Uinta Basin program assumes running 3 rigs into the fall and ending the year with 2 rigs.

Sustainable Return of Capital Program

» Sustainable Fixed Dividend | 10.1 Million Shares Repurchased⁽¹⁾



Annual **Dividend Increased** from
\$0.02 to **\$0.80**
per share⁽²⁾



Cumulative **Capital Returned** to Stockholders⁽¹⁾
\$544.2 million



Stock **Repurchase Authorization**⁽²⁾
\$500 million
through 2027



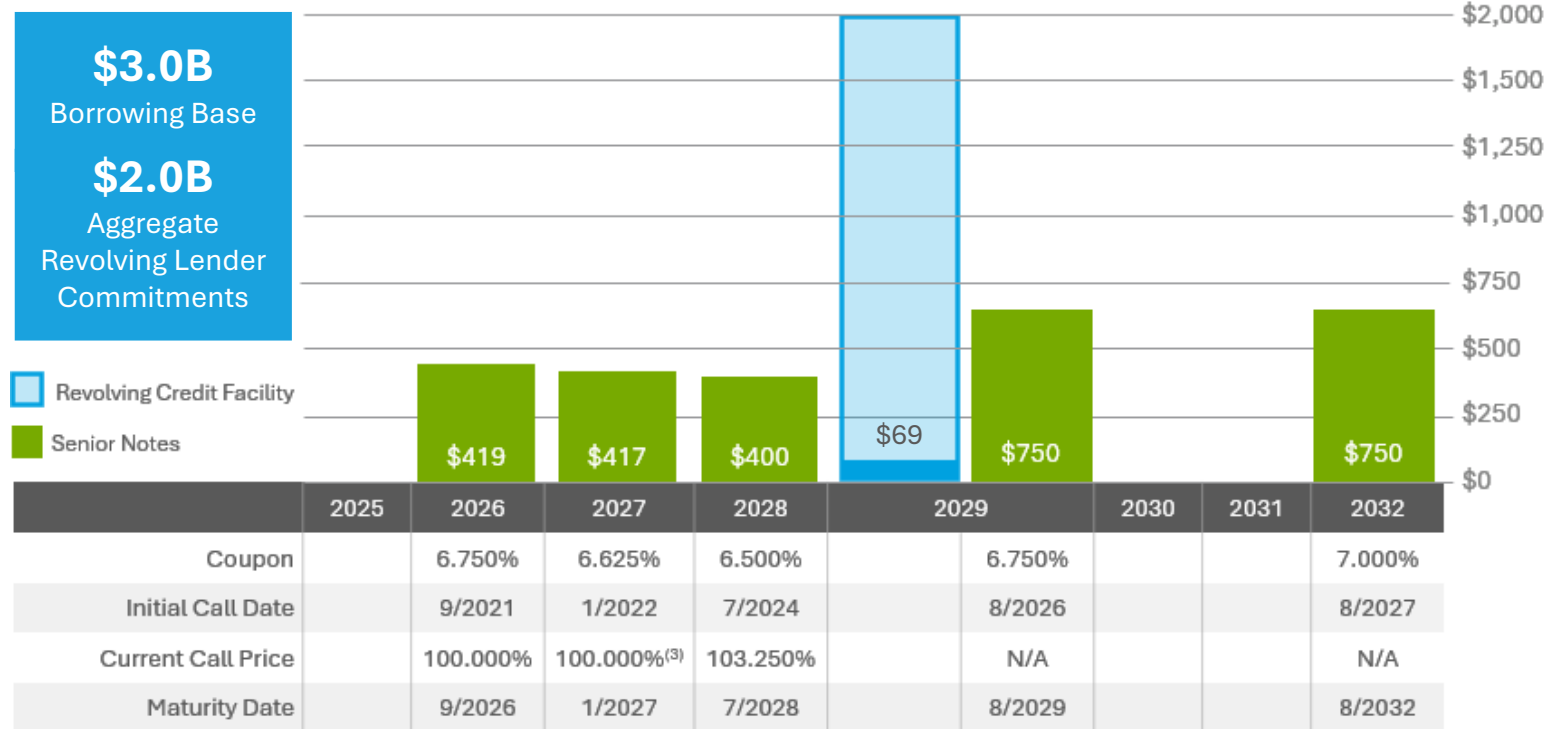
% **FCF**⁽³⁾ **Returned** to
Stockholders⁽¹⁾
40+%

- (1) Cumulative program-to-date as of December 31, 2024. The return of capital program was announced on September 7, 2022, and all repurchased shares of common stock were retired. Total capital returned to stockholders includes \$369.1 million of shares repurchased and \$175.1 million in dividends paid. Amounts spent to repurchase shares of stock exclude excise taxes, commissions, and fees.
- (2) At the time of the return of capital program announcement on September 7, 2022, the fixed semi-annual dividend of \$0.01 was changed to a quarterly dividend of \$0.15 per share and was subsequently increased to \$0.18 per share in 2023. In June 2024, the Board approved an increase in SM Energy's fixed quarterly dividend policy to \$0.20 per share, which commenced in the 4th quarter of 2024, reloaded the existing stock repurchase program in the amount of \$500 million, and extended the program through December 31, 2027.
- (3) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.

Empowered by a Strong Balance Sheet

» Low Leverage and Balance Sheet Flexibility

Debt Maturities (millions):



Note: Data as of December 31, 2024.

(1) Indicates a non-GAAP measure or metric. Please refer to the “Non-GAAP Reconciliations and Disclosures” section in the Appendix.

(2) Net debt is after return of capital paid to stockholders and cash paid for acquisitions.

(3) As of January 15, 2025.

1.4x NET DEBT-TO-ADJUSTED EBITDAX⁽¹⁾

LIQUIDITY » **\$1.9 billion**
NET DEBT⁽¹⁾⁽²⁾ » **\$2.8 billion**

Credit rating agency senior unsecured debt ratings

S&P: **BB-** Outlook: Stable

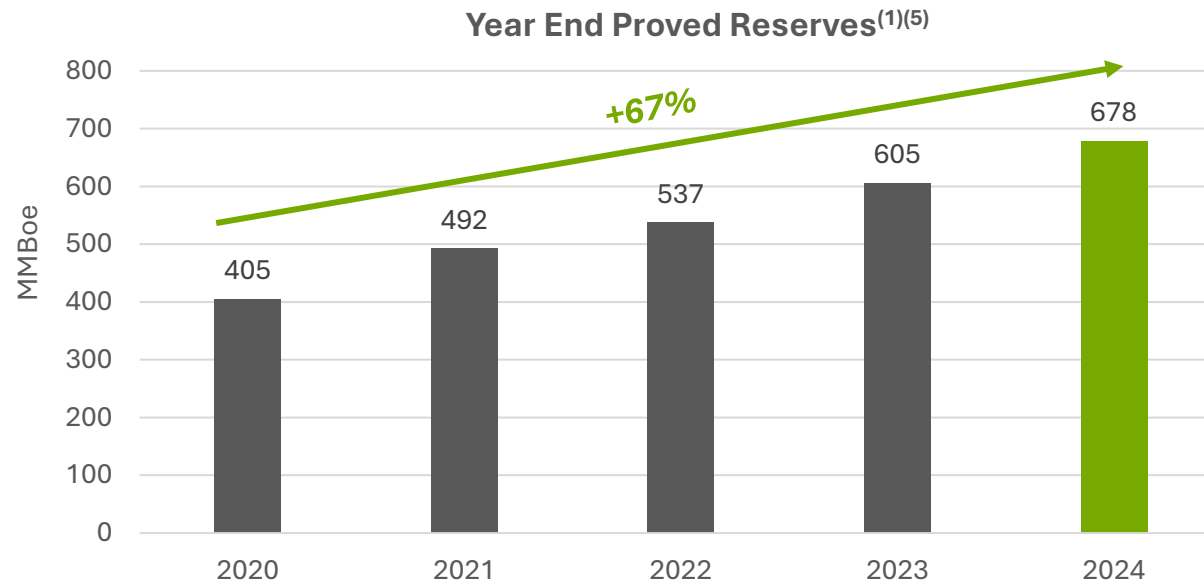
Fitch: **BB** Outlook: Stable

Moody's: **B1** Outlook: Stable

Record Proved Reserves⁽¹⁾ YE 2024

» Oil Reserves ↑29% YE2024 over YE2023

Proven Track Record of Production Replacement and Reserve Growth!



- Proved Reserves⁽¹⁾⁽⁵⁾ 678 MMBoe
- Pre-tax PV-10⁽²⁾ \$8.4B
- Reserves Life Index⁽³⁾ 10.9 years
- Net Production Replacement⁽⁴⁾ >2.2x
- Proved Reserves⁽¹⁾ By Commodity:
Oil 44% | Gas 38% | NGLs 18%
- Proved Reserves⁽¹⁾ By Asset:
UB15% | MB 34% | STx 51%
- Proved Reserves⁽¹⁾ ↑273 MMBoe after cumulative total production of 222 MMBoe (2021-2024)

(1) "Proved Reserves" is estimated net proved reserves December 31, 2024.
 (2) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.
 (3) Calculated as estimated net proved reserves as of December 31, 2024, divided by 2024 net production.
 (4) Calculated as estimated net change in reserves before production divided by 2024 net production.

(5) SEC Pricing	2020	2021	2022	2023	2024
Oil (\$/Bbl)	\$39.57	\$66.56	\$93.67	\$78.22	\$75.48
Gas (\$/MMBtu)	\$1.99	\$3.60	\$6.36	\$2.64	\$2.13
NGLs (\$/Bbl)	\$17.64	\$36.60	\$42.52	\$27.72	\$28.29

High-Quality, Long-Duration Inventory

» High Average Expected Return | Low Expected Breakeven Cost | Nearly 90% 3P

~10+ YEARS

TOTAL COMPANY⁽¹⁾

NEARLY

90% 3P

HIGH QUALITY INVENTORY⁽¹⁾

>65% RETURN

TOTAL COMPANY⁽¹⁾

Inventory Upside⁽²⁾

- Uinta Basin Deep Cube
- Uinta Basin Downspacing
- Dry Gas Wells (at higher prices)
- Sweetie Peck Extension
- Klondike

(1) 2024 YE Inventory assessment as of January 1, 2025 | Based on flat long-term pricing of \$70/Bbl oil, \$3.50/MMBtu gas, and \$26.60/Bbl NGL's and long-term average cost assumptions | Inventory life assumes 120-130 gross wells per year. | Expected average return based on average well spacing of ~1,400' per zone for Midland Basin and South Texas. Utah inventory is normalized to 10k foot laterals as the Company evaluates long-term development plan options.

(2) Inventory upside not yet included in total company inventory.

2025 Core Strategic Objectives

» Core Objectives Support Long-Term Profitability and Value Creation

1 FOCUS ON OPERATIONAL EXECUTION

to realize a **step change in scale** through the successful integration of our Uinta Basin assets; **delivering low breakeven, high return wells** across the portfolio by optimizing capital efficiency, demonstrating innovation and remaining a **leader in stewardship**.

2 RETURN CAPITAL TO STOCKHOLDERS

by generating free cash flow to support our increased **\$0.80 per share annual fixed dividend**, transferring enterprise value to equity holders by **pursuing reduced debt to a target of 1 times** leverage and resuming our **share buyback program**.

3 EXPAND OUR PORTFOLIO OF TOP-TIER ECONOMIC DRILLING INVENTORY

through **acquisition and exploration**, and the **application of advanced analytics**, new technologies and development optimization.

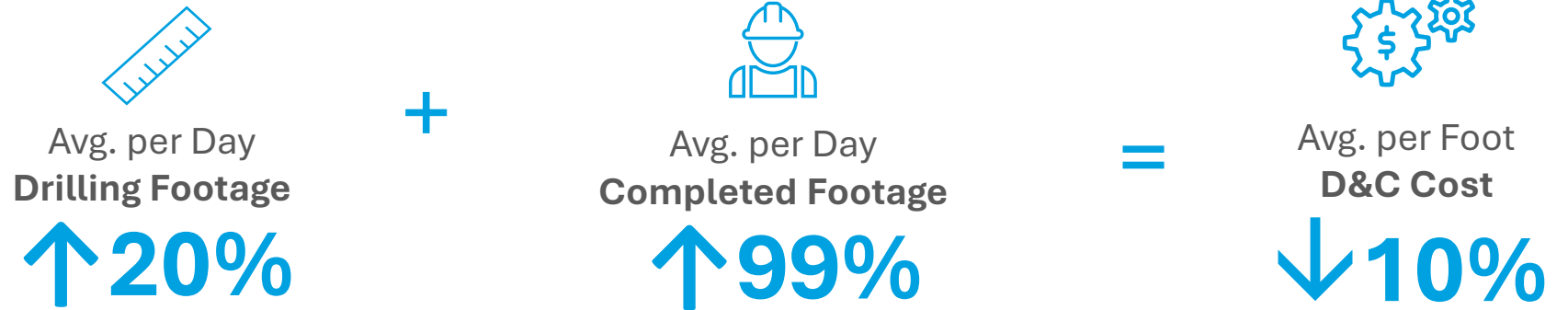
Appendix



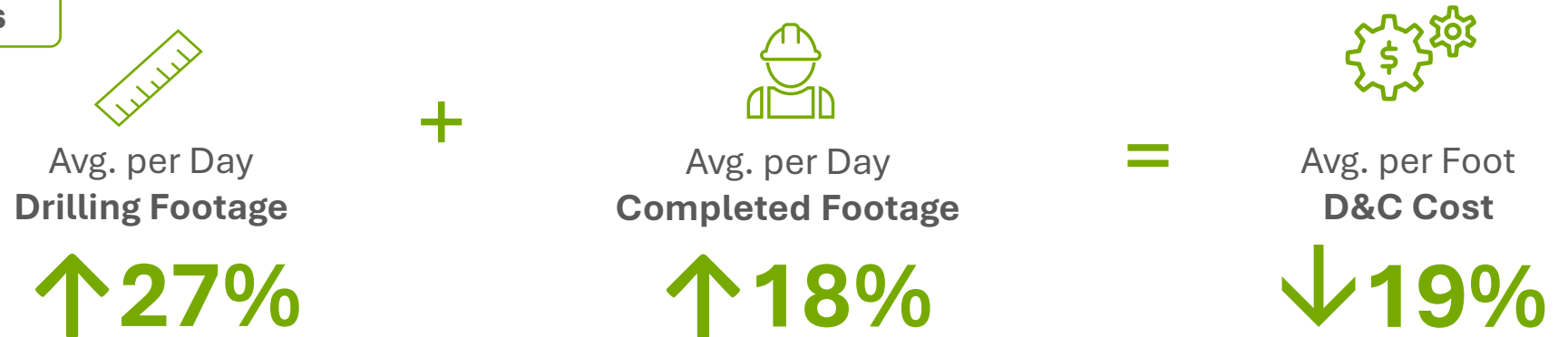
Operational Excellence: Capital Efficiency

» **Faster Drilling + Faster Completions = Lower Costs | Improvements 2022 to 2024**

Midland Basin



South Texas

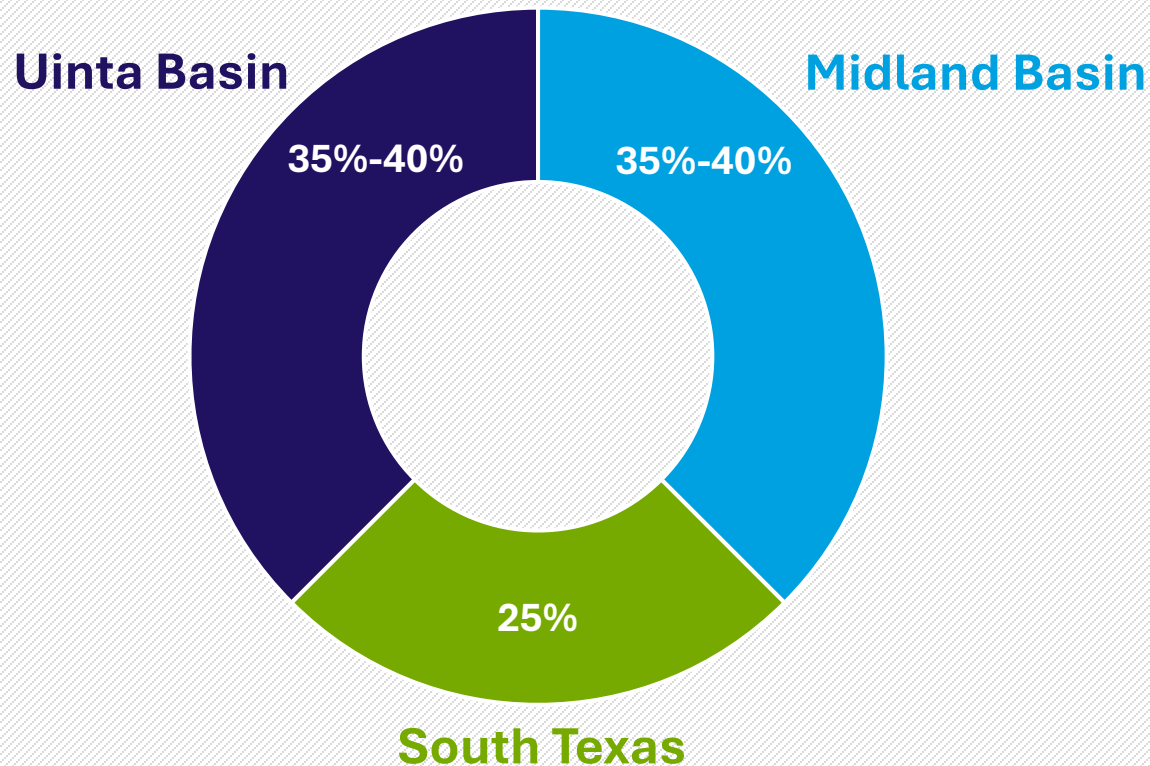


Note: Calculations are based on changes from FY 2022 to FY 2024.

2025 Plan - Capital Program

» Flat Capital Expenditures Delivers Expected $\uparrow 20+\%$ Production and $\uparrow 10+\%$ Completions

Capital Allocation by Region



- Capital Expenditures⁽¹⁾⁽²⁾ ~1.3B
- DC&E | Facilities Split 90% | 10%
- Drilling & Completion Activity
 - ~105 | ~150 operated net wells
 - \$725+/- per lateral foot avg. well costs⁽³⁾

Note | Key Assumption \$70 oil | \$3.25 gas | \$27 NGL's

(1) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.

(2) Capital expenditures before change in capital expenditure accruals; excludes acquisitions and certain non-operated activity to be confirmed later in the year.

(3) SM Energy average expected well cost includes equipment costs and higher intensity completions that add approximately \$100/ft to Midland Basin wells compared with certain regional peer wells.

2025 Plan Guidance

» Optimizing Free Cash Flow Over a Multi-Year Plan

Key Metrics	Guidance FY 2025	Guidance 1Q25
Capital Expenditures ⁽¹⁾⁽²⁾	~\$1.3 billion	\$425–\$435 million
Total Net Production (MBoe/d)	200–215	191–198
Total Net Oil Production (MBbls/d)	102–112	
Oil percentage	51%-52%	52%-53%
LOE (per Boe)	\$5.30–\$5.50	\$5.45–\$5.55
Transportation (per Boe)	\$4.10–\$4.40	
Production & Ad Valorem taxes ⁽³⁾ (per Boe)	\$2.50–\$2.70	
Exploration Expense (\$MM)	~\$75	
G&A ⁽⁴⁾ (\$MM)	\$160	\$40–\$42
DD&A (per Boe)	\$15	
Cash Taxes (\$MM)	\$75–\$95	
Drills (net wells)	~105	~40
Completions (net wells)	~150	~45

Key Assumptions

- Benchmark Pricing Assumptions: **\$70** oil | **\$3.25** gas | **\$27** NGL's
- Hedges currently in place.
- Processing ethane in the second and third quarters, rejecting ethane in the first and fourth quarters.

(1) Indicates a non-GAAP measure or metric. Please refer to the “Non-GAAP Reconciliations and Disclosures” section in the Appendix.

(2) Capital expenditures before change in capital expenditure accruals; excludes acquisitions and certain non-operated activity to be confirmed later in the year.

(3) Production taxes estimated at ~4.4% of pre-hedge revenue and Ad Valorem taxes estimated at ~\$0.52/Boe for FY 2025.

(4) Full year G&A guidance includes ~\$25 million non-cash costs. Included in 2025 G&A are one-time expenses associated with the Uinta Basin integration of \$3-\$4 million and \$7 million for 1Q25 and FY25, respectively.

4Q and Full Year 2024 Performance

» Outstanding 2024 Results

Key Metrics 4Q24 2024

Net Production and Pricing		
Total net production (MMBoe)	19.1	62.4
Total net production (MBoe/d)	208.0	170.5
Oil / Liquids percentage	51% / 66%	47% / 63%
Pre-hedge realized price (\$/Boe)	\$43.68	\$42.81
Post-hedge realized price ⁽¹⁾ (\$/Boe)	\$44.85	\$43.91
Costs (per Boe)		
Lease operating expense	\$5.35	\$5.11
Transportation costs	\$4.10	\$2.68
Production taxes and ad valorem tax expense	\$1.76	\$2.42
Total production expense	\$11.21	\$10.21
Cash production margin (pre-hedge)⁽¹⁾	\$32.47	\$32.60
General and administrative (cash)	\$1.87	\$1.90
General and administrative (non-cash)	\$0.32	\$0.32
Depletion, depreciation, and amortization	\$13.61	\$12.97

Key Metrics 4Q24 2024

Earnings		
GAAP earnings (per diluted share)	\$1.64	\$6.67
Adjusted net income ⁽¹⁾ (per diluted share)	\$1.91	\$6.80
Adjusted EBITDAX ⁽¹⁾ (\$MM)	\$610.8	\$1,987.3
Adjusted Free Cash Flow ⁽¹⁾ (\$MM)		
Net cash provided by operating activities (GAAP)	\$577.9	\$1,782.5
Net change in working capital	\$(26.6)	\$(11.2)
Cash flow from operations before net change in working capital ⁽¹⁾	\$551.2	\$1,771.3
Capital expenditures (GAAP)	\$353.5	\$1,310.6
Changes in capital expenditure accruals	\$8.8	\$(24.3)
Capital expenditures before changes in accruals ⁽¹⁾	\$362.3	\$1,286.3
Adjusted free cash flow⁽¹⁾	\$188.9	\$485.0
Return of Capital (\$MM)		
Share repurchase	\$—	\$84.0
Dividends paid	\$22.9	\$85.0
Return of capital (\$MM)	\$22.9	\$169.0

Note: Amounts may not calculate due to rounding.

(1) Indicates a non-GAAP measure or metric. Please refer to the “Non-GAAP Reconciliations and Disclosures” section in the Appendix.

4Q 2024 Realizations by Region

» Three Top-Tier Areas of Operation

Net Production Volumes

	Uinta Basin	Midland Basin	South Texas	Total
Oil (MBbls)	2,870	4,957	2,011	9,838
Gas (MMcf)	2,703	16,028	20,352	39,084
NGL (MBbls)	—	9	2,775	2,784
Total (MBoe)	3,321	7,637	8,178	19,136
% Oil	86%	65%	25%	51%

Revenue (in thousands)

Oil	\$197,098	\$349,743	\$135,365	\$682,206
Gas	\$6,932	\$35,819	\$42,737	\$85,488
NGL	—	\$240	\$67,924	\$68,164
Total	\$204,030	\$385,802	\$246,026	\$835,858

Expenses (in thousands)

Lease operating expense	\$23,751	\$58,820	\$19,855	\$102,426
Ad valorem tax expense	\$502	\$683	\$(1,784)	\$(599)
Transportation costs	\$44,512	\$167	\$33,790	\$78,469
Production taxes	\$5,936	\$19,192	\$9,170	\$34,298

Per Unit Metrics

Realized sales price Oil Per Bbl	\$68.66	\$70.56	\$67.31	\$69.34
% of benchmark – WTI	98%	100%	96%	99%
Realized sales price Gas per Mcf	\$2.56	\$2.23	\$2.10	\$2.19
% of benchmark - NYMEX Henry Hub	92%	80%	75%	78%
Realized sales price NGL per Bbl	Nm	Nm	\$24.48	\$24.49
% of benchmark – OPIS	Nm	Nm	84%	84%
Realized price per Boe	\$61.44	\$50.52	\$30.08	\$43.68
Lease operating expense per Boe	\$7.15	\$7.70	\$2.43	\$5.35
Ad Valorem tax expense per Boe	\$0.15	\$0.09	\$(0.22)	\$(0.03)
Transportation cost per Boe	\$13.40	\$0.02	\$4.13	\$4.10
Production tax per Boe	\$1.79	\$2.51	\$1.12	\$1.79
Production tax as % of pre-hedge revenue	2.9%	5.0%	3.7%	4.1%
Cash production margin per Boe ⁽¹⁾	\$38.95	\$40.20	\$22.62	\$32.47

Benchmark Pricing

NYMEX WTI Oil (\$/Bbl)	\$ 70.27
NYMEX Henry Hub Gas (\$/MMBtu)	\$ 2.79
OPIS Composite NGL (\$/Bbl)	\$ 29.29



2024 Company Record Proved Reserves!⁽¹⁾

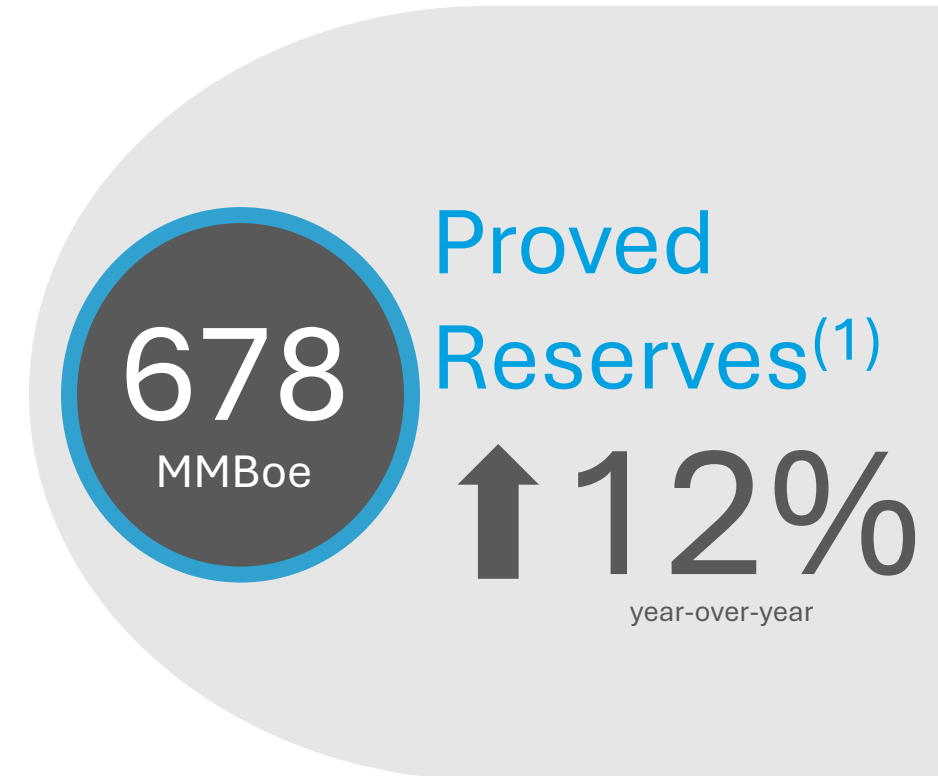
» Proved Reserves ↑12% Year Over Year

Proved Reserves⁽¹⁾ by Region

YE 2024	Uinta Basin	Midland Basin	South Texas	Total
Oil (MMBbl)	82.5	134.3	79.2	296.0
Gas (Bcf)	104.6	576.4	868.1	1,549.1
NGL (MMBbl)	—	0.1	124.0	124.1
Total (MMBoe)	99.9	230.5	347.9	678.3
% Proved Developed	38%	75%	56%	60%

SEC Pricing

	2024	2023	% change
Oil (\$/Bbl)	\$75.48	\$78.22	-4%
Gas (\$/MMBtu)	\$2.13	\$2.64	-19%
NGLs (\$/Bbl)	\$28.29	\$27.72	2%



(1) "Proved Reserves" is estimated net proved reserves at December 31, 2024.



Activity by Region

» Wells Drilled, Flowing Completions & DUC Count

	Wells Drilled				Flowing Completions				DUC Count	
	4Q24		2024 YTD		4Q24		2024 YTD		As of December 31, 2024	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Uinta Basin										
Uinta Basin total	19	15	19	15	12	8	12	8	48	38
Midland Basin										
RockStar	10	8	56	46	18	17	62	52	19	13
Sweetie Peck	9	8	38	29	5	4	26	21	26	18
Midland Basin total	19	16	94	75	23	21	88	73	45	31
South Texas⁽¹⁾										
Austin Chalk	12	12	47	47	8	8	51	51	23	23
Eagle Ford & Other	2	2	5	5	—	—	3	3	12	12
South Texas total	14	14	52	52	8	8	54	54	35	35
Total	52	45	165	142	43	37	154	135	128	104

(1) The drilled but not completed well count includes 9 gross (9 net) wells that were not included in the Company's five-year development plan as of December 31, 2024, 8 of which were in the Eagle Ford shale.

Hedging Summary

» Hedge Volumes Aligned with Leverage

2025 Hedge Program Targets

30%-35% OF 2025 ESTIMATED
NET OIL AND GAS VOLUMES

2025 Hedge Program

SWAPS AND COLLARS:

- **Oil:** ~12,600 MBbls,⁽¹⁾ or slightly more than 30%, of expected 2025 net oil production⁽²⁾ is hedged to benchmark prices at a weighted-average price of \$69.02/Bbl (collar floors and swaps) to \$74.89/Bbl (collar ceilings and swaps), excluding basis swaps.
- **Natural Gas:** ~43,200 BBtu⁽³⁾, or slightly less than 30%, of expected 2025 net natural gas production⁽²⁾ is hedged to benchmark prices at weighted-average price of \$3.43/MMBtu (collar floors and swaps) to \$4.44/MMBtu (collar ceilings and swaps), excluding basis swaps.

BASIS SWAPS:

- **Oil**, Midland Basin differential: ~4,600 MBbls of expected 2025 net Midland Basin oil production are hedged to the local price point at a positive weighted-average price of \$1.18/Bbl.
- **Oil**, MEH differential: ~2,100 MBbls of expected 2025 net South Texas oil production are hedged to the local price point at a positive weighted-average price of \$1.86/Bbl
- **Gas**, WAHA differential: ~20,500 BBtu of expected 2025 net Midland Basin natural gas production are hedged to WAHA at a weighted-average price of \$(0.66)/MMBtu.
- **Gas**, HSC differential: ~900 BBtu of expected 2025 net South Texas natural gas production are hedged to HSC at a weighted-average price of \$0.0025/MMBtu.

Note: Includes derivative contracts for settlement at any time during the first quarter of 2025, entered into through February 19, 2025.

(1) Hedges include oil swaps and collars to WTI; excludes basis swaps.

(2) Percent of net production hedged based on 2025 net production and oil percentage guidance.

(3) Hedges include natural gas swaps and collars to Henry Hub; excludes basis swaps. Percent hedged based on dry gas volumes.

Oil Derivative Positions⁽¹⁾

» By Quarter

Oil	NYMEX WTI Oil Swaps		NYMEX WTI Oil Collars			Midland - Cushing Oil Basis Swaps		MEH - WTI Oil Basis Swaps		Oil Roll Swaps		Weighted-Average Price of Swaps and Collars	
	Volume (MBbls)	\$/Bbl ⁽²⁾	Volume (MBbls)	Ceiling \$/Bbl ⁽²⁾	Floor \$/Bbl ⁽²⁾	Volume (MBbls)	Price Differential \$/Bbl ⁽²⁾	Volume (MBbls)	Price Differential \$/Bbl ⁽²⁾	Volume (MBbls)	Price Differential \$/Bbl ⁽²⁾	Ceiling \$/Bbl ⁽³⁾	Floor \$/Bbl ⁽³⁾
Q1 2025	1,838	\$72.49	1,936	\$82.57	\$67.17	1,156	\$1.18	516	\$1.85	552	\$0.45	\$77.66	\$69.76
Q2 2025	2,479	\$70.55	1,178	\$81.70	\$66.25	1,118	\$1.18	544	\$1.86	1,729	\$0.45	\$74.14	\$69.17
Q3 2025	2,166	\$71.09	741	\$80.98	\$63.76	1,104	\$1.18	544	\$1.86	1,728	\$0.45	\$73.61	\$69.22
Q4 2025	1,012	\$69.99	1,212	\$75.67	\$65.00	1,178	\$1.18	526	\$1.86	1,734	\$0.45	\$73.08	\$67.27
Q1 2026	-	-	-	-	-	837	\$0.99	391	\$2.02	-	-	-	-
Q2 2026	-	-	-	-	-	822	\$0.99	400	\$2.02	-	-	-	-
Q3 2026	-	-	-	-	-	776	\$0.99	377	\$2.01	-	-	-	-
Q4 2026	-	-	-	-	-	758	\$0.99	378	\$2.01	-	-	-	-

(1) Includes derivative contracts for settlement at any time during the first quarter of 2025 and later periods, entered into through February 19, 2025.

(2) Weighted-average contract price.

(3) Volume weighted-average contract price for NYMEX WTI swaps and collars.

Gas and NGL Derivative Positions⁽¹⁾

» By Quarter

Gas	NYMEX Henry Hub Gas Swaps		IF WAHA Gas Swaps		IF WAHA Gas Basis Swaps		IF HSC Gas Basis Swaps		NYMEX Henry Hub Gas Collars			IF HSC Swap		Weighted-Average Price of Swaps and Collars	
	Volume (BBtu)	\$/MMBtu ⁽²⁾	Volume (BBtu)	\$/MMBtu ⁽²⁾	Volume (BBtu)	\$/MMBtu ⁽²⁾	Volume (BBtu)	\$/MMBtu ⁽²⁾	Volume (BBtu)	Ceiling \$/MMBtu ⁽²⁾	Floor \$/MMBtu ⁽²⁾	Volume (BBtu)	\$/MMBtu ⁽²⁾	Ceiling \$/MMBtu ⁽³⁾	Floor \$/MMBtu ⁽³⁾
Q1 2025	1,382	\$4.41	-	-	5,102	\$(0.46)	946	\$0.0025	8,548	\$5.42	\$3.20	-	-	\$5.28	\$3.37
Q2 2025	3,754	\$3.53	-	-	5,236	\$(0.78)	-	-	5,893	\$3.58	\$3.25	-	-	\$3.56	\$3.36
Q3 2025	3,819	\$3.76	-	-	5,117	\$(0.72)	-	-	7,497	\$4.12	\$3.24	-	-	\$4.00	\$3.42
Q4 2025	4,335	\$4.06	-	-	5,046	\$(0.66)	-	-	7,982	\$5.31	\$3.25	-	-	\$4.87	\$3.53
Q1 2026	3,924	\$4.13	2,314	\$3.16	-	-	-	-	3,143	\$6.55	\$3.25	957	\$4.07	\$4.64	\$3.64
Q2 2026	6,988	\$3.41	-	-	-	-	-	-	3,398	\$3.55	\$3.25	-	-	\$3.45	\$3.36
Q3 2026	6,021	\$3.67	520	\$2.86	-	-	-	-	3,505	\$4.21	\$3.25	-	-	\$3.82	\$3.48
Q4 2026	2,673	\$3.97	514	\$3.22	-	-	-	-	7,112	\$5.43	\$3.45	-	-	\$4.94	\$3.57
Q1 2027	3,392	\$4.18	4,094	\$3.63	-	-	-	-	-	-	-	-	-	\$3.88	\$3.88

NGLs

Period	Propane Swaps		Isobutane Swaps		Normal Butane Swaps		Purity Ethane Swaps	
	Volume (MBbls)	\$/Bbl ⁽²⁾	Volume (MBbls)	\$/Bbl ⁽²⁾	Volume (MBbls)	\$/Bbl ⁽²⁾	Volume (MBbls)	\$/Bbl ⁽²⁾
Q1 2025	446	\$33.18	25	\$41.58	45	\$39.48	-	-
Q2 2025	151	\$32.81	-	-	-	-	-	-
Q3 2025	-	-	-	-	-	-	-	-
Q4 2025	-	-	-	-	-	-	-	-
Q1 2026	-	-	-	-	-	-	130	\$11.71
Q2 2026	-	-	-	-	-	-	137	\$11.71
Q3 2026	-	-	-	-	-	-	137	\$11.71
Q4 2026	-	-	-	-	-	-	141	\$11.71

(1) Includes derivative contracts for settlement at any time during the first quarter of 2025 and later periods, entered into through February 19, 2025.

(2) Weighted-average contract price.

(3) Volume weighted-average contract price for natural gas swaps and collars to Henry Hub, IF WAHA swaps, and IF HSC Swaps.

Leasehold Summary

» Growing Core Acreage Position with Uinta Basin Acquisitions

Net Acres ⁽¹⁾	At December 31, 2024
Midland Basin	
RockStar	83,500
Sweetie Peck ⁽²⁾	27,500
Midland Basin total	111,000
South Texas	154,800
Uinta Basin	63,300
Rocky Mountain Other	47,400
Other Areas / Exploration	25,000
Total	401,500

~111,000
MIDLAND BASIN NET ACRES

~155,000
SOUTH TEXAS NET ACRES

~63,300
UINTA BASIN NET ACRES

(1) Includes developed and undeveloped oil and natural gas leasehold, fee properties, and mineral servitudes held as of December 31, 2024.

(2) Sweetie Peck acreage includes ~1,050 net drill-to-earn acreage.

NGL Realizations

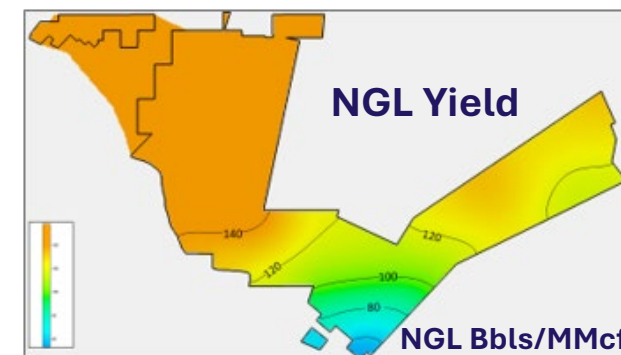
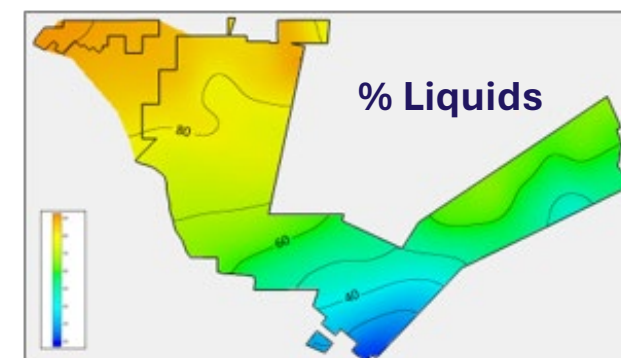
» 2025 Plan Assumes Ethane Processing in 2Q and 3Q; Rejecting Ethane in 1Q and 4Q

Realizations by Quarter	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023
OPIS Benchmark ⁽¹⁾ Price (\$/Bbl)	\$29.29	\$26.68	\$27.96	\$29.28	\$26.89
SM Energy NGL Realization (\$/Bbl)	\$24.49	\$21.70	\$22.86	\$22.94	\$21.92
% Differential to OPIS Benchmark ⁽¹⁾	84%	81%	82%	78%	82%

NGL price realizations tied to OPIS, fixed fee-based contracts

- Differential reflects NGL composite barrel product mix as well as transportation and fractionation fees
- 4Q23 to 3Q24 realizations reflect the processing of ethane; 4Q24 realizations reflect the decision to reject ethane at certain gas processing plants due to better economics with strong natural gas prices.

Austin Chalk – High Liquids Content



(1) The benchmark is the OPIS NGL composite (both Mont Belvieu Purity Ethane and Non-TET).

Helpful Hints for Modeling NGLs:

Note 1: SM Energy recovered NGL Composition: 49% Ethane, 24% Propane, 11% Natural Gasoline, 9% Normal Butane, and 7% Isobutane.

Note 2: SM Energy has completed 147 Austin Chalk wells that have reached IP30 as of January 21, 2025. Based on wells to date, average gas shrink by area is: Northern oily area ~22%, South/Eastern liquids-rich gas: ~19%.

Uinta Basin: Marketing

» High-Value Products | Optionality to Deliver Product to Multiple End-Points

CRUDE OIL

- Uinta waxy crude is attractive to refiners due to low levels of impurities (sulfur, acid, nitrogen and metals) making it an ideal blending component: it is one of the highest quality and cleanest feedstocks in the world!
- The waxy crude oil market has potential for significant growth as more refiners test and run the barrel.
- Waxy crude oil is either transported to SLC refineries or moved by rail to multiple end-points (Gulf Coast, Cushing and Rockies).

NATURAL GAS

- Associated gas is processed at local processing facilities for NGL extraction adding additional value.
- Residue gas occasionally receives seasonal premiums to Henry Hub.
- In basin expansions are underway and expected to be completed mid-2025 giving access to additional processing capacity and ensuring more reliable takeaway.

Price River Terminal



Fourth Quarter 2024 Non-GAAP Reconciliations and Disclosures



Definitions of Non-GAAP Measures and Metrics as Calculated by the Company

To supplement the presentation of its financial results prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company provides certain non-GAAP measures and metrics, which are used by management and the investment community to assess the Company's financial condition, results of operations, and cash flows, as well as compare performance from period to period and across the Company's peer group. The Company believes these measures and metrics are widely used by the investment community, including investors, research analysts and others, to evaluate and compare recurring financial results among upstream oil and gas companies in making investment decisions or recommendations. These measures and metrics, as presented, may have differing calculations among companies and investment professionals and may not be directly comparable to the same measures and metrics provided by others. A non-GAAP measure should not be considered in isolation or as a substitute for the most directly comparable GAAP measure or any other measure of a company's financial or operating performance presented in accordance with GAAP. Reconciliations of the Company's non-GAAP measures to the most directly comparable GAAP measure is presented below. These measures may not be comparable to similarly titled measures of other companies.

Adjusted EBITDAX: Adjusted EBITDAX is calculated as net income before interest expense, interest income, income taxes, depletion, depreciation, and amortization, exploration expense, property abandonment and impairment expense, non-cash stock-based compensation expense, derivative gains and losses net of settlements, gains and losses on divestitures, gains and losses on extinguishment of debt, and certain other items. Adjusted EBITDAX excludes certain items that the Company believes affect the comparability of operating results and can exclude items that are generally non-recurring in nature or whose timing and/or amount cannot be reasonably estimated. Adjusted EBITDAX is a non-GAAP measure that the Company believes provides useful additional information to investors and analysts, as a performance measure, for analysis of the Company's ability to internally generate funds for exploration, development, acquisitions, and to service debt. The Company is also subject to financial covenants under the Company's Credit Agreement, a material source of liquidity for the Company, based on Adjusted EBITDAX ratios. Please reference the Company's 2024 Form 10-K for discussion of the Credit Agreement and its covenants.

Adjusted free cash flow or FCF: Adjusted free cash flow is calculated as net cash provided by operating activities before net change in working capital less capital expenditures before changes in accruals. The Company uses this measure as representative of the cash from operations, in excess of capital expenditures that provides liquidity to fund discretionary obligations such as debt reduction, returning cash to stockholders or expanding the business.

Adjusted free cash flow yield to market capitalization: Adjusted free cash flow yield to market capitalization is calculated as Adjusted free cash flow (defined above) divided by market capitalization (share close price multiplied by outstanding common stock at a period in time). The Company believes this metric provides useful information to management and investors as a measure of the Company's ability to internally fund its capital expenditures, to service or incur additional debt, and to measure management's success in creating stockholder value.

Adjusted net income and Adjusted net income per diluted common share or Adjusted EPS: Adjusted net income and Adjusted net income per diluted common share excludes certain items that the Company believes affect the comparability of operating results, including items that are generally non-recurring in nature or whose timing and/or amount cannot be reasonably estimated. These items include non-cash and other adjustments, such as derivative gains and losses net of settlements, impairments, net (gain) loss on divestiture activity, gains and losses on extinguishment of debt, and accruals for non-recurring matters. The Company uses these measures to evaluate the comparability of the Company's ongoing operational results and trends and believes these measures provide useful information to investors for analysis of the Company's fundamental business on a recurring basis.

Cash production margin: Cash production margin is calculated as oil, gas, and NGL revenues (before the effects of commodity derivative settlements), less operating expenses (specifically, LOE, transportation, production taxes, and ad valorem taxes). This calculation excludes derivative settlements, G&A, exploration expense, and DD&A and is reflected on a per BOE basis using net equivalent production for the period presented. The Company believes this metric provides management and the investment community with an understanding of the Company's recurring operating margin before G&A, exploration expense, and DD&A, which is helpful to compare period-to-period and across peers.

Net debt: Net debt is calculated as the total principal amount of outstanding senior notes plus amounts drawn on the revolving credit facility less cash and cash equivalents (also referred to as total funded debt). The Company uses net debt as a measure of financial position and believes this measure provides useful additional information to investors to evaluate the Company's capital structure and financial leverage.

Net debt-to-Adjusted EBITDAX: Net debt-to-Adjusted EBITDAX is calculated as Net Debt (defined above) divided by Adjusted EBITDAX (defined above) for the trailing twelve-month period (also referred to as leverage ratio). A variation of this calculation is a financial covenant under the Company's Credit Agreement. The Company and the investment community may use this metric in understanding the Company's ability to service its debt and identify trends in its leverage position. The Company reconciles the two non-GAAP measure components of this calculation.

Post-hedge: Post-hedge is calculated as the average realized price after the effects of commodity net derivative settlements. The Company believes this metric is useful to management and the investment community to understand the effects of commodity net derivative settlements on average realized price.

Pre-Tax PV-10: Pre-Tax PV-10 is the present value of estimated future revenue to be generated from the production of estimated net proved reserves, net of estimated production and future development costs, based on prices used in estimating the proved reserves and costs in effect as of the date indicated (unless such costs are subject to change pursuant to contractual provisions), without giving effect to non-property related expenses such as general and administrative expenses, debt service, future income tax expenses, or depreciation, depletion, and amortization, discounted using an annual discount rate of 10 percent. While this measure does not include the effect of income taxes as it would in the use of the standardized measure of discounted future net cash flows calculation, it does provide an indicative representation of the relative value of the Company on a comparative basis to other companies and from period to period. This measure is presented because management believes it provides useful information to investors for analysis of the Company's fundamental business on a recurring basis.

Non-GAAP Reconciliations

Adjusted EBITDAX⁽¹⁾

(in thousands)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net income (GAAP)	\$ 188,278	\$ 770,293
Interest expense	46,297	140,659
Interest income	(783)	(31,903)
Income tax expense	53,144	195,930
Depletion, depreciation and amortization	260,524	809,305
Exploration ⁽²⁾	14,885	59,006
Stock-based compensation expense	7,628	25,021
Net derivative (gain) loss	20,298	(49,958)
Net derivative settlement gain	22,428	68,716
Loss on extinguishment of debt	—	483
Other, net	(1,944)	(301)
Adjusted EBITDAX (non-GAAP)	\$ 610,755	\$ 1,987,251
Interest expense	(46,297)	(140,659)
Interest income	783	31,903
Income tax expense	(53,144)	(195,930)
Exploration ⁽²⁾⁽³⁾	(14,997)	(49,889)
Amortization of deferred financing costs	2,531	7,456
Deferred income taxes	58,464	174,986
Other, net	(6,867)	(43,812)
Net change in working capital	26,641	11,208
Net cash provided by operating activities (GAAP)	\$ 577,869	\$ 1,782,514

Adjusted Net Income⁽¹⁾

(in thousands, except per share data)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net income (GAAP)	\$ 188,278	\$ 770,293
Net derivative gain (loss)	20,298	(49,958)
Net derivative settlement gain	22,428	68,716
Loss on extinguishment of debt	—	483
Other, net	(1,944)	(301)
Tax effect of adjustments ⁽⁴⁾	(8,889)	(4,148)
Adjusted net income (non-GAAP)	\$ 220,171	\$ 785,085
Diluted net income per common share (GAAP)	\$ 1.64	\$ 6.67
Net derivative gain (loss)	0.18	(0.43)
Net derivative settlement gain	0.19	0.59
Loss on extinguishment of debt	—	—
Other, net	(0.02)	—
Tax effect of adjustments ⁽⁴⁾	(0.08)	(0.04)
Adjusted net income per diluted common share (non-GAAP)	\$ 1.91	\$ 6.80
Basic weighted-average common shares outstanding	114,421	114,757
Diluted weighted-average common shares outstanding	115,038	115,533

(1) Indicates a non-GAAP measure. See above “Definitions of non-GAAP measures and metrics as Calculated by the Company.”

(2) Stock-based compensation expense is a component of the exploration expense and general and administrative expense line items on the unaudited condensed consolidated statements of operations. Therefore, the exploration line items shown in the reconciliation above will vary from the amount shown on the unaudited condensed consolidated statements of operations for the component of stock-based compensation expense recorded to exploration expense.

(3) For the periods presented, amounts exclude certain capital expenditures related to unsuccessful exploration activities.

(4) The tax effect of adjustments for the three months and twelve months ended December 31, 2024, was calculated using a tax rate of 21.8% and 21.9%, respectively. This rate approximates the Company’s statutory tax rate adjusted for the period, as adjusted for ordinary permanent differences.

Non-GAAP Reconciliations, *continued*

Adjusted Free Cash Flow⁽¹⁾

(in thousands)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net cash provided by operating activities (GAAP)	\$ 577,869	\$ 1,782,514
Net change in working capital	(26,641)	(11,208)
Cash flow from operations before net change in working capital (non-GAAP)	\$ 551,228	\$ 1,771,306
Capital expenditures (GAAP)	\$ 353,474	\$ 1,310,630
Changes in capital expenditure accruals	8,845	(24,342)
Capital expenditures before changes in accruals (non-GAAP)	\$ 362,319	\$ 1,286,288
Adjusted free cash flow (non-GAAP)	\$ 188,909	\$ 485,018

Net Debt⁽¹⁾

(in thousands)

	As of December 31, 2024
Principal amount of Senior Notes ⁽²⁾	\$ 2,736,026
Revolving credit facility ⁽²⁾	68,500
Total principal amount of debt (GAAP)	\$ 2,804,526
Less: Cash and cash equivalents	—
Net Debt (non-GAAP)	\$ 2,804,526

Pre-tax PV-10⁽¹⁾

(in millions)

	As of December 31, 2024
Standardized measure of discounted future net cash flows (GAAP)	\$ 7,267.9
Add: 10 percent annual discount, net of income taxes	5,018.5
Add: future undiscounted income taxes	1,796.3
Pre-tax undiscounted future net cash flows	\$ 14,082.7
Less: 10 percent annual discount without tax effect	(5,727.0)
Pre-tax PV-10 (non-GAAP)	\$ 8,355.7

(1) Indicates a non-GAAP measure. See above “Definitions of non-GAAP measures and metrics as Calculated by the Company.”

(2) Amounts as of December 31, 2024, are from Note 5 – Long-Term Debt in Part II, Item 8 of the Company’s 2024 Form 10-K.

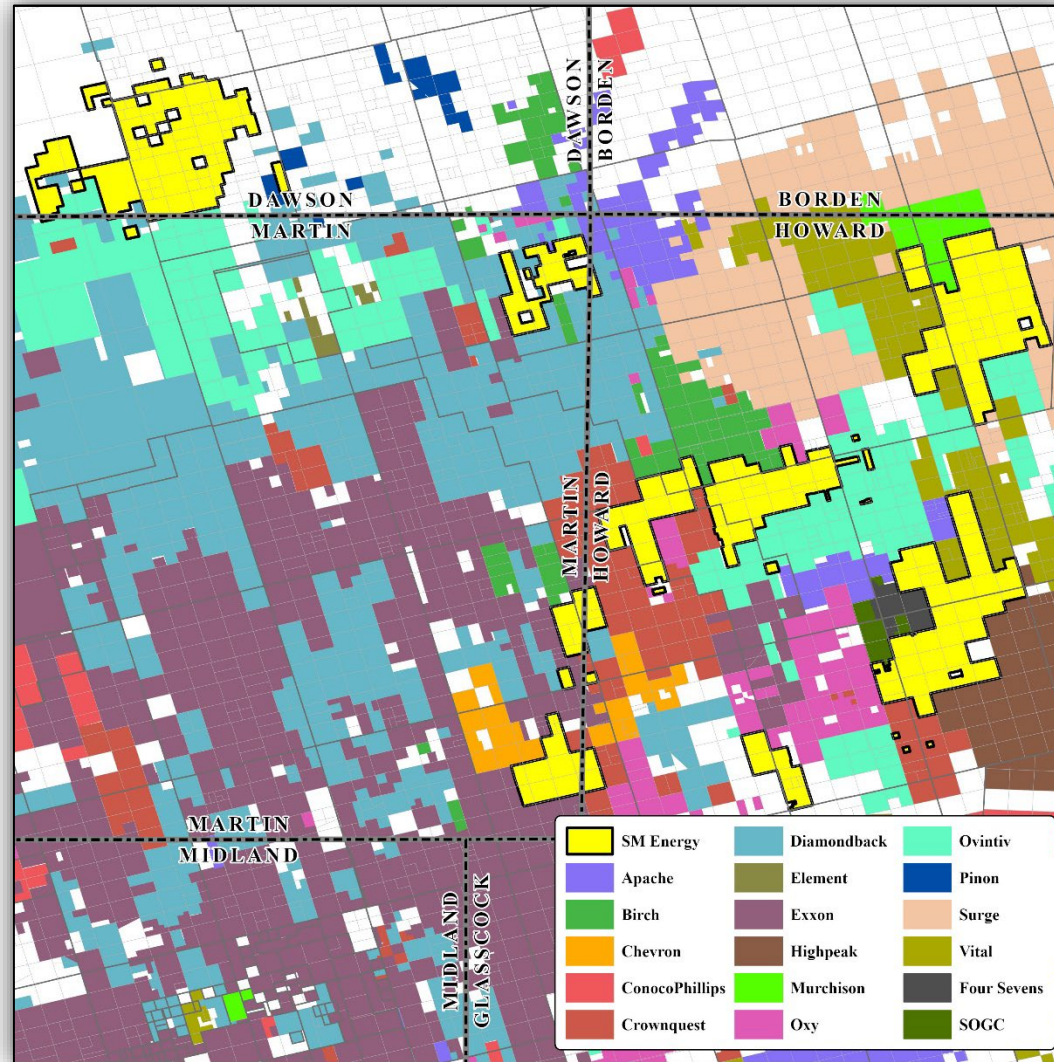
Regional Maps



Midland Basin Operators



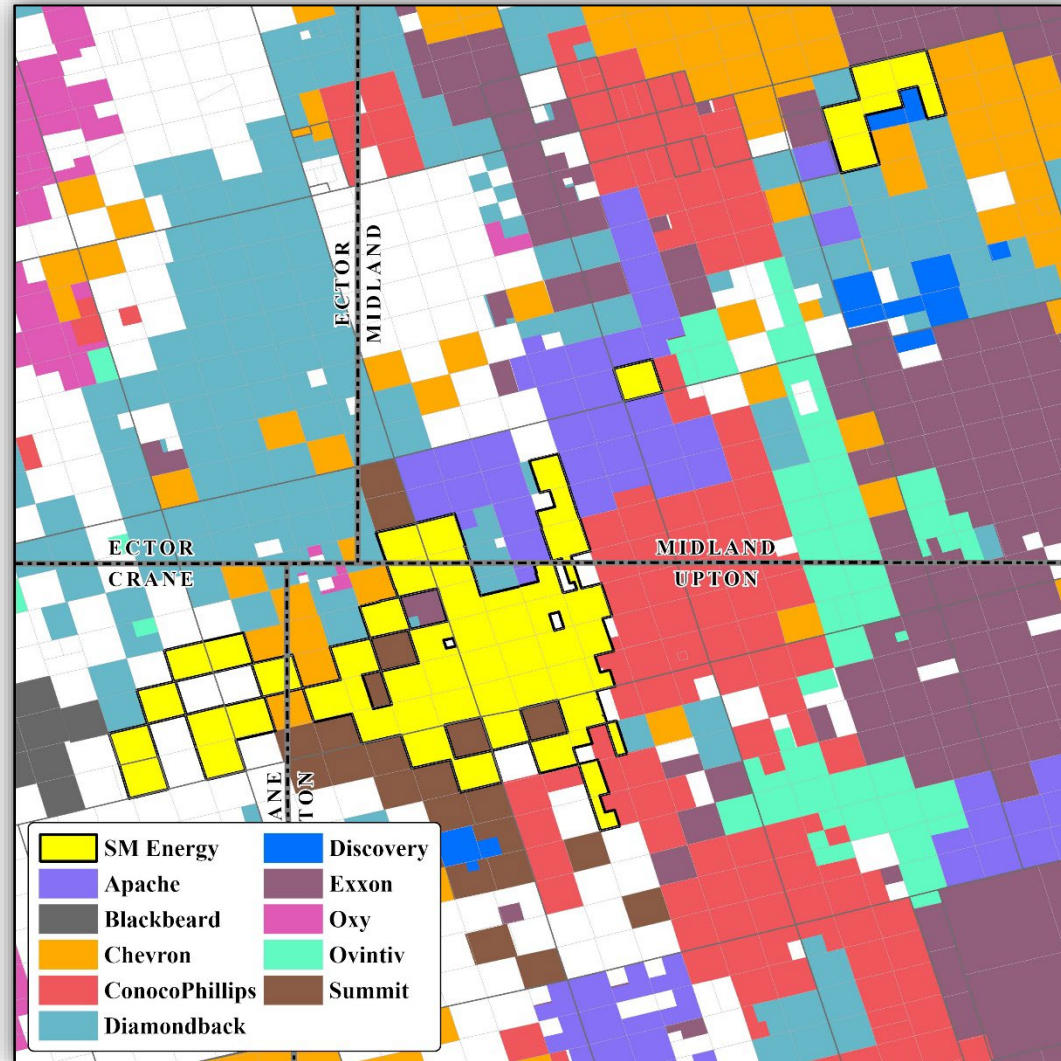
SM
ENERGY



Sweetie Peck Operators



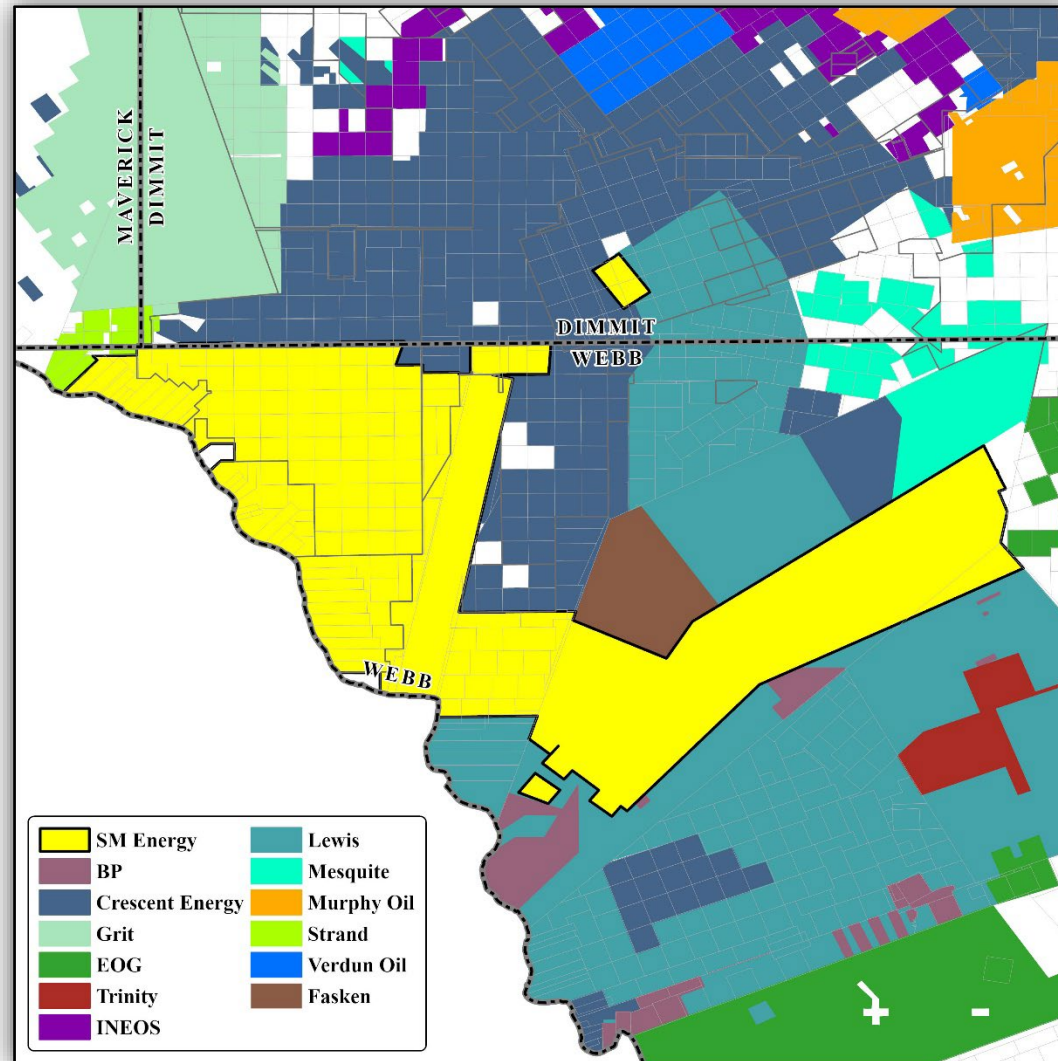
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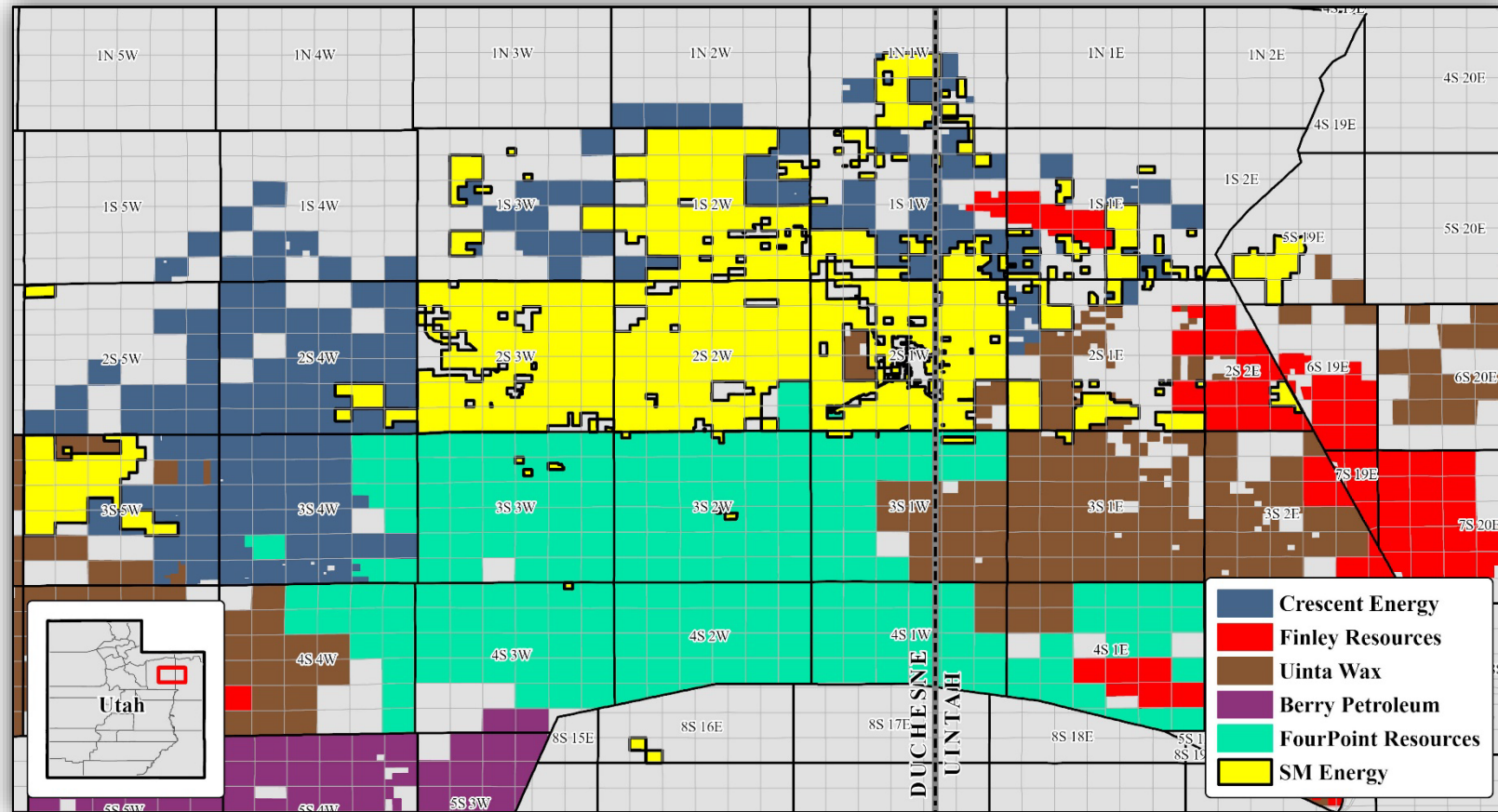
South Texas Operators



SM
ENERGY



Uinta Basin Operators



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