

A scenic landscape photograph of a river flowing through a lush green valley. The river is in the foreground, with rocks visible in the water. The middle ground shows a grassy bank with tall reeds. The background features a dense forest of green trees on a hillside under a bright blue sky with scattered white clouds.

# Third Quarter 2024 Earnings Presentation

October 31, 2024



# Legal Disclaimer

## Forward-Looking Statements:

This presentation includes "forward-looking statements" within the meaning of federal securities laws. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Antero Midstream Corporation's ("Antero Midstream" or "AM") control. All statements, other than historical facts included in this presentation, are forward-looking statements. All forward-looking statements speak only as of the date of this presentation and are based upon a number of assumptions. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include 2024 and long-term financial and operational outlooks for AM and objectives of management and Antero Resources Corporation ("AR" or "Antero Resources"), AM's ability to execute its business plan and return capital to its stockholders, AM's ability to execute its share repurchase program, NGL and oil prices, information regarding AM's return of capital policy, information regarding long-term financial and operating outlooks for AM and AR, AR's expected future growth, AR's ability to meet its drilling and development plan, the impact on demand for Antero Midstream's services as a result of incremental production by Antero Resources, the timing of capital projects coming online and expectations regarding the amount and timing of litigation awards. Although AM believes that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that the assumptions underlying these forward-looking statements will be accurate or the plans, intentions or expectations expressed herein will be achieved. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements.

Antero Midstream cautions you that these forward-looking statements are subject to all of the risks and uncertainties incident to our business, most of which are difficult to predict and many of which are beyond Antero Midstream's control. These risks include, but are not limited to, Antero Resources' expected future growth, Antero Resources' ability to meet its drilling and development plan, commodity price volatility, ability to execute Antero Midstream's business strategy, competition and government regulation, actions taken by third party producers, operators, processors and transporters, inflation, supply chain or other disruptions, environmental risks, Antero Resources' drilling and completion and other operating risks, Antero Midstream's ability to realize the benefits of the Marcellus bolt-on acquisition, including the anticipated capital avoidance and synergies, regulatory changes or changes in law, the uncertainty inherent in projecting Antero Resources' future rates of production, cash flows and access to capital, the timing of development expenditures, impacts of world health events, cybersecurity risks, the state of markets for and availability of verified quality carbon offsets and the other risks described under the heading "Item 1A. Risk Factors" in Antero Midstream's Annual Report on Form 10-K for the year ended December 31, 2023 and subsequently filed reports on Form 10-Q. Any forward-looking statement speaks only as of the date on which such statement is made, and AM does not undertake any obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

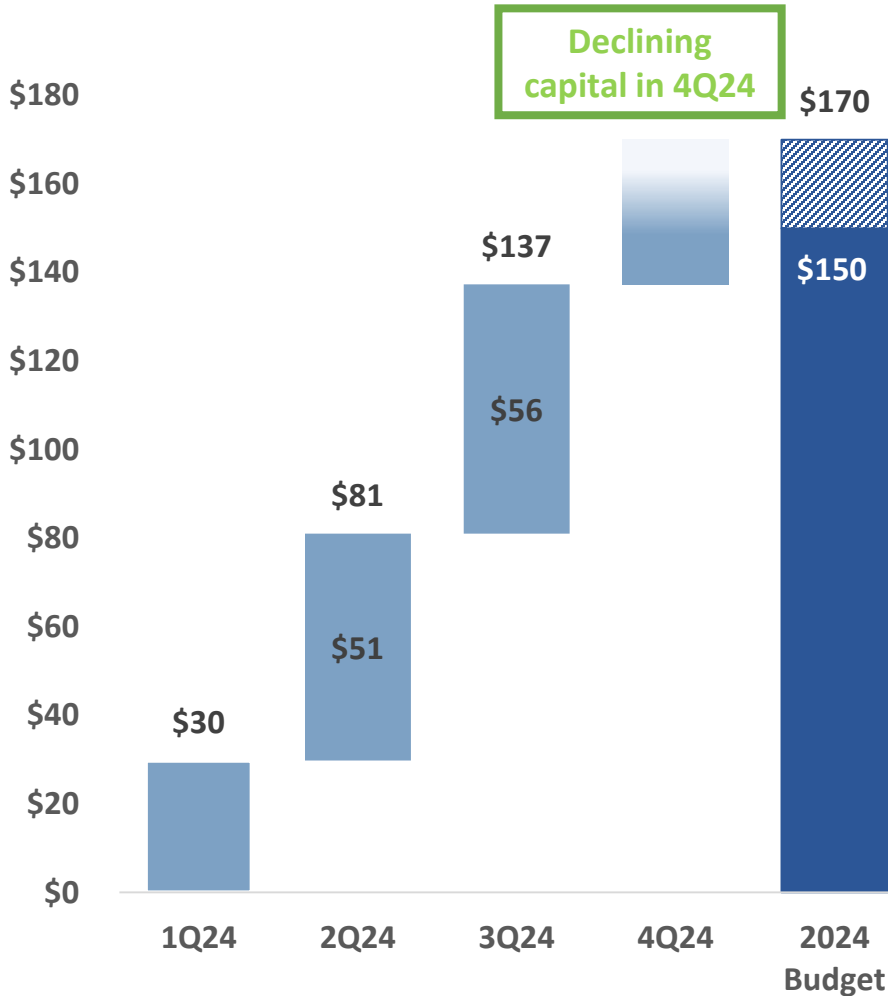
Antero Midstream's ability to make future dividends is substantially dependent upon the development and drilling plan of Antero Resources, which itself is substantially dependent upon the review and approval by the Board of Directors of Antero Resources of its capital budget on an annual basis. The Board of Directors of Antero Midstream will take into consideration many factors, including the capital budget of Antero Resources adopted by its Board of Directors and the capital resources and liquidity of Antero Midstream at the time, prior to approving future dividends.

This presentation may include certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). These measures for AM include (i) Adjusted EBITDA ("EBITDA"), (ii) Free Cash Flow before and after dividends, (iii) Return on Invested Capital ("ROIC"), (iv) Leverage, and (v) Net Debt. Please see the appendix for the definition of each of these AR and AM measures as well as certain additional information regarding these measures, including where available, the most comparable financial measures calculated in accordance with GAAP.



# Efficiently Executing On 2024 Capital Program

## 2024 Capital Expenditures (\$MM)



## Torreys Peak Compressor Station Construction

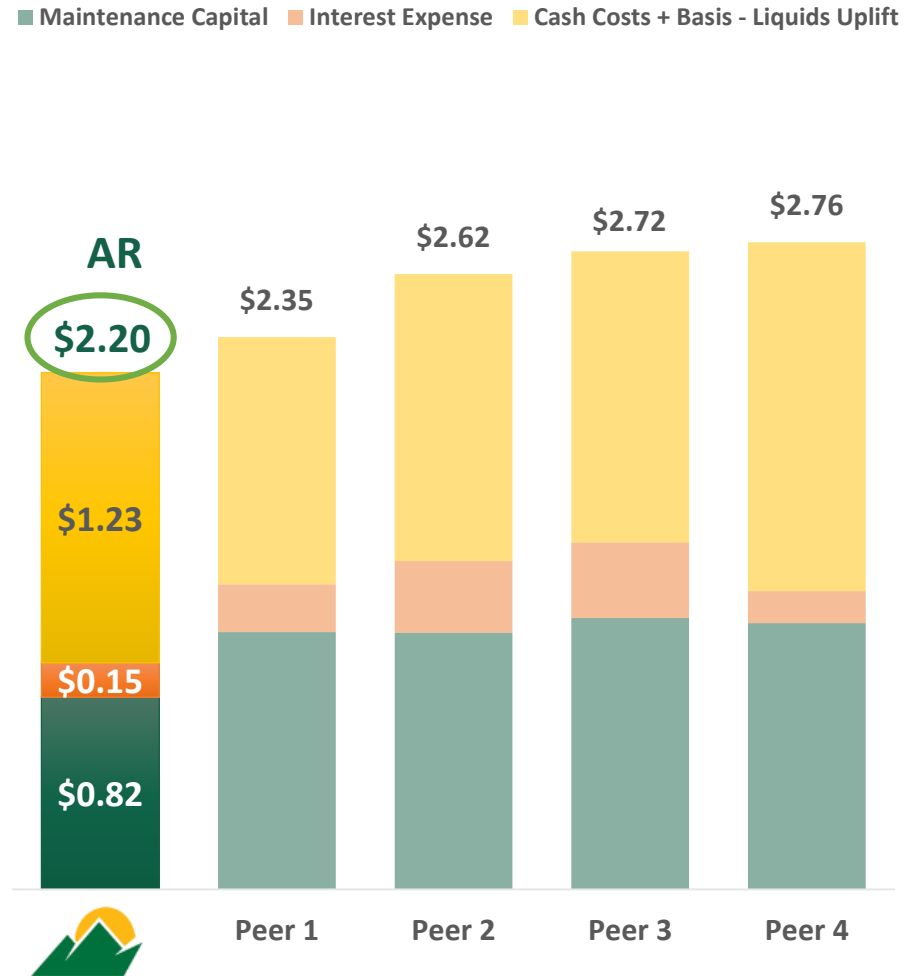


# International Premiums Support AR Free Cash Flow

Propane Export Premium vs. Mont Belvieu<sup>(1)</sup>  
(\$/Gallon)



2024E Unhedged FCF Natural Gas Price Breakeven<sup>(2)</sup>  
(\$/Mcf Henry Hub)



# Third Quarter 2024 Highlights

## 3Q24 Financial Achievements

**+2% Increase**

In Adjusted EBITDA Year-over-year

**\$148 MM / \$40 MM**

Free Cash Flow  
Before / After Dividends

**3.1x Leverage**

Net Debt/Adjusted EBITDA

## 3Q24 Operational Achievements

**Integrated Acquisition**

Of Marcellus Gathering and  
Compression Assets

**100% Utilized**

Joint Venture Processing and  
Fractionation Capacity



# Consistent Free Cash Flow Generation

## Quarterly and Cumulative Free Cash Flow After Dividends

(\$MM)



# Delivering On Our Free Cash Flow Outlook



Expand infrastructure to support throughput growth



Generate peer-leading ROIC of 17% to 20%



Generate consistent Free Cash Flow After Dividends



Reduce absolute debt



Reduce leverage to  $\leq 3.0x$



Well positioned for increased return of capital







# APPENDIX



# 2024 Annual Guidance

(\$ in millions):

## 2024 Guidance Ranges

<b>Net Income</b>	<b>\$400 – \$420</b>
<b>Adjusted Net Income</b>	<b>\$465 – \$485</b>
<b>Adjusted EBITDA</b>	<b>\$1,035 – \$1,075</b>
<b>Capital Expenditures</b>	<b>\$150 – \$170</b>
<b>Interest Expense</b>	<b>\$200 – \$210</b>
<b>Free Cash Flow Before Dividends</b>	<b>\$680 – \$720</b>
<b>Total Dividends</b>	<b>\$435 (\$0.90 per share)</b>
<b>Free Cash Flow After Dividends</b>	<b>\$245 – \$285</b>

Antero Midstream has not included a reconciliation of Adjusted Net Income, Adjusted EBITDA or Free Cash Flow before and after dividends to the nearest GAAP financial measures for 2024 because it cannot do so without unreasonable effort and any attempt to do so would be inherently imprecise. Antero Midstream is able to forecast the following reconciling items between such measures and Net Income (in millions):

	Twelve Months Ending December 31, 2024	
	Low	High
Depreciation Expense	140	150
Equity-based compensation expense	40	45
Amortization of customer relationships	70	75
Distributions from unconsolidated affiliates	130	140



# Antero Midstream Non-GAAP Financial Measures

## Non-GAAP Financial Measures and Definitions

Antero Midstream uses certain non-GAAP financial measures. Antero Midstream defines Adjusted Net Income as Net Income plus amortization of customer relationships, loss on early extinguishment of debt, loss on settlement of asset retirement obligations and loss on asset sale, net of tax effect of reconciling items. Antero Midstream uses Adjusted Net Income to assess the operating performance of its assets. Antero Midstream defines Adjusted EBITDA as Net Income plus net interest expense, income tax expense, depreciation expense, amortization of customer relationships, loss on early extinguishment of debt, loss on asset sale, accretion of asset retirement obligations, impairment of property and equipment, loss on settlement of asset retirement obligations, and equity-based compensation expense, excluding equity in earnings of unconsolidated affiliates, plus distributions from unconsolidated affiliates.

Antero Midstream uses Adjusted EBITDA to assess:

- the financial performance of Antero Midstream's assets, without regard to financing methods, capital structure or historical cost basis;
- its operating performance and return on capital as compared to other publicly traded companies in the midstream energy sector, without regard to financing or capital structure; and
- the viability of acquisitions and other capital expenditure projects.

Antero Midstream defines Free Cash Flow before dividends as Adjusted EBITDA less net interest expense and accrual-based capital expenditures. Capital expenditures include additions to gathering systems and facilities, additions to water handling systems, and investments in unconsolidated affiliates. Capital expenditures exclude acquisitions. Free Cash Flow after dividends is defined as Free Cash Flow before dividends less accrual-based dividends declared for the quarter. Antero Midstream uses Free Cash Flow before and after dividends as a performance metric to compare the cash generating performance of Antero Midstream from period to period.

Adjusted EBITDA, Adjusted Net Income, and Free Cash Flow before and after dividends are non-GAAP financial measures. The GAAP measure most directly comparable to these measures is Net Income. Such non-GAAP financial measures should not be considered as alternatives to the GAAP measures of Net Income and cash flows provided by (used in) operating activities. The presentations of such measures are not made in accordance with GAAP and have important limitations as analytical tools because they include some, but not all, items that affect Net Income and cash flows provided by (used in) operating activities. You should not consider any or all such measures in isolation or as a substitute for analyses of results as reported under GAAP. Antero Midstream's definitions of such measures may not be comparable to similarly titled measures of other companies.

Antero Midstream defines Net Debt as consolidated total debt, excluding unamortized debt premiums and debt issuance costs, less cash and cash equivalents. Antero Midstream views Net Debt as an important indicator in evaluating Antero Midstream's financial leverage. Antero Midstream defines leverage as Net Debt divided by Adjusted EBITDA for the last twelve months. The GAAP measure most directly comparable to Net Debt is total debt, excluding unamortized debt premiums and debt issuance costs.





# Antero Midstream Non-GAAP Measures

Three Months Ended

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024
<b>Net income</b>	\$ <b>84,014</b>	<b>82,793</b>	<b>86,507</b>	<b>87,012</b>	<b>97,820</b>	<b>100,447</b>	<b>103,926</b>	<b>86,037</b>	<b>99,740</b>
Interest expense, net	47,835	52,408	54,624	55,388	55,233	52,000	53,308	52,186	51,812
Income tax expense	30,332	32,696	31,670	29,095	36,657	30,865	36,488	28,436	38,202
Depreciation expense	34,206	33,581	35,196	35,233	30,745	34,885	37,095	37,576	32,534
Amortization of customer relationships	17,668	17,668	17,668	17,668	17,668	17,668	17,668	17,668	17,668
Impairment of property and equipment	—	—	—	—	—	146	—	—	332
Loss (gain) on asset sale	(2,092)	(9)	(245)	5,814	467	(6)	—	1,379	(473)
Accretion and change in fair value of contingent acquisition	—	—	—	—	—	—	—	—	—
Accretion of asset retirement obligations	50	44	44	44	45	44	44	47	49
Loss on settlement of asset retirement obligation	—	—	341	279	—	185	—	—	—
Loss on early extinguishment of debt	—	—	—	—	—	—	59	13,691	341
Equity-based compensation	5,553	5,628	6,327	8,499	8,349	8,431	9,327	11,599	11,945
Equity in earnings of unconsolidated affiliates	(24,411)	(23,751)	(24,456)	(25,972)	(27,397)	(27,631)	(27,530)	(27,597)	(27,668)
Distributions from unconsolidated affiliates	29,965	29,990	34,105	29,465	31,330	36,935	34,960	33,970	31,981
<b>Adjusted EBITDA</b>	<b>223,120</b>	<b>231,048</b>	<b>241,781</b>	<b>242,525</b>	<b>250,917</b>	<b>253,969</b>	<b>265,345</b>	<b>254,992</b>	<b>256,463</b>
Interest Expense	(47,835)	(52,408)	(54,624)	(55,388)	(55,233)	(52,000)	(53,308)	(52,186)	(51,812)
Capital Expenditures (accrual-based)	(37,168)	(62,896)	(33,603)	(48,584)	(57,271)	(45,536)	(29,772)	(51,276)	(56,265)
<b>Free Cash Flow Before Dividends</b>	<b>138,117</b>	<b>115,744</b>	<b>153,554</b>	<b>138,553</b>	<b>138,413</b>	<b>156,433</b>	<b>182,265</b>	<b>151,530</b>	<b>148,386</b>
Dividends Declared	(107,659)	(107,688)	(107,923)	(107,927)	(107,936)	(107,941)	(108,279)	(108,284)	(108,298)
<b>Free Cash Flow After Dividends</b>	<b>30,458</b>	<b>8,056</b>	<b>45,631</b>	<b>30,626</b>	<b>30,477</b>	<b>48,492</b>	<b>73,986</b>	<b>43,246</b>	<b>40,088</b>



# Antero Midstream Non-GAAP Measures

The following table reconciles consolidated total debt to consolidated net debt, excluding debt premiums and issuance costs, (“Net Debt”) as used in this presentation (in thousands):

	<u>As of September 30, 2024</u>
<b>Bank credit facility</b>	<b>\$ 539,900</b>
5.75% senior notes due 2027	650,000
5.75% senior notes due 2028	650,000
5.375% senior notes due 2029	750,000
6.625% senior notes due 2032	600,000
<b>Consolidated total debt</b>	<b>\$ <u>3,189,900</u></b>
Less: Cash and cash equivalents	—
<b>Consolidated net debt</b>	<b>\$ <u>3,189,900</u></b>

The following table reconciles Net Income to Adjusted EBITDA for the last twelve months as used in this presentation (in thousands):

	<u>Twelve Months Ended September 30, 2024</u>
<b>Net Income</b>	<b>\$ 390,150</b>
Interest expense, net	209,306
Income tax expense	133,991
Depreciation expense	142,090
Amortization of customer relationships	70,672
Accretion of asset retirement obligations	184
Impairment expense	478
Equity-based compensation	41,302
Equity in earnings of unconsolidated affiliates	(110,426)
Distributions from unconsolidated affiliates	137,846
Loss on early extinguishment of debt	14,091
Loss on settlement of asset retirement obligations	185
Loss on asset sale	900
<b>Adjusted EBITDA</b>	<b>\$ <u>1,030,769</u></b>





# Antero Resources Non-GAAP Measures

**Adjusted EBITDAX:** Adjusted EBITDAX as defined by the Company represents income or loss, including noncontrolling interests, before interest expense, interest income, unrealized gains or losses from commodity derivatives, but including net cash receipts or payments on derivative instruments included in derivative gains or losses other than proceeds from derivative monetizations, amortization of deferred revenue, VPP, income taxes, impairment of property and equipment, depletion, depreciation, amortization, and accretion, exploration expense, equity-based compensation expense, contract termination, loss contingency, transaction fees, gain or loss on sale of assets, loss on convertible note inducement, equity in earnings of and dividends from unconsolidated affiliates and Martica-related adjustments.

The GAAP financial measure nearest to Adjusted EBITDAX is net income or loss including noncontrolling interest that will be reported in Antero's condensed consolidated financial statements. While there are limitations associated with the use of Adjusted EBITDAX described below, management believes that this measure is useful to an investor in evaluating the Company's financial performance because it:

- is widely used by investors in the oil and natural gas industry to measure operating performance without regard to items excluded from the calculation of such term, which may vary substantially from company to company depending upon accounting methods and the book value of assets, capital structure, and the method by which assets were acquired, among other factors;
- helps investors to more meaningfully evaluate and compare the results of Antero's operations from period to period by removing the effect of its capital and legal structure from its consolidated operating structure; and
- is used by management for various purposes, including as a measure of Antero's operating performance, in presentations to the Company's board of directors, and as a basis for strategic planning and forecasting. Adjusted EBITDAX is also used by the board of directors as a performance measure in determining executive compensation.

There are significant limitations to using Adjusted EBITDAX as a measure of performance, including the inability to analyze the effects of certain recurring and non-recurring items that materially affect the Company's net income or loss, the lack of comparability of results of operations of different companies, and the different methods of calculating Adjusted EBITDAX reported by different companies. In addition, Adjusted EBITDAX provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, and working capital movement or tax position.

**Net Debt:** Net Debt is calculated as total long-term debt less cash and cash equivalents. Management uses Net Debt to evaluate its financial position, including its ability to service its debt obligations.

**Leverage:** Leverage is calculated as Net Debt divided by LTM Adjusted EBITDAX.

**Free Cash Flow:** Free Cash Flow is a measure of financial performance not calculated under GAAP and should not be considered in isolation or as a substitute for cash flow from operating, investing, or financing activities, as an indicator of cash flow, or as a measure of liquidity. The Company defines Free Cash Flow as Net Cash Provided by Operating Activities, less Net Cash Used in Investing Activities, which includes drilling and completion capital and leasehold capital, plus payments for derivative monetizations, less proceeds from asset sales and less distributions to non-controlling interests in Martica.

Free Cash Flow is a useful indicator of the Company's ability to internally fund its activities and to service or incur additional debt and estimate return of capital. There are significant limitations to using Free Cash Flow as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect the Company's net income, the lack of comparability of results of operations of different companies and the different methods of calculating Free Cash Flow reported by different companies. Free Cash Flow does not represent funds available for discretionary use because those funds may be required for debt service, land acquisitions and lease renewals, other capital expenditures, working capital, income taxes, exploration expenses, and other commitments and obligations.

