



# First Quarter 2023 Earnings Presentation

April 27, 2023

# 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 2023 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 realize the benefits of the Marcellus bolt-on acquisition, including the anticipated capital avoidance and synergies, AM's ability to execute its business plan and return capital to its stockholders, 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 participation level of Antero Resources' drilling partner, the impact on demand for Antero Midstream's services as a result of incremental production by Antero Resources 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.

AM cautions you that these forward-looking statements are subject to all of the risks and uncertainties incident to AM's business, most of which are difficult to predict and many of which are beyond the AM's control. These risks include, but are not limited to, AR's expected future growth, AR's ability to meet its drilling and development plan, commodity price volatility, ability to execute AM's business strategy, competition and government regulations, actions taken by third-party producers, operators, processors and transporters, inflation, supply chain disruptions, environmental risks, AR's drilling and completion and other operating risks, regulatory changes, the uncertainty inherent in projecting future rates of production, cash flows and access to capital, the timing of development expenditures, impacts of world health events, including the COVID-19 pandemic, cybersecurity risks, the state of markets for and availability of verified quality carbon offsets, and the other risks described under "Risk Factors" in AM's Annual Report on Form 10-K for the year ended December 31, 2022. 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.

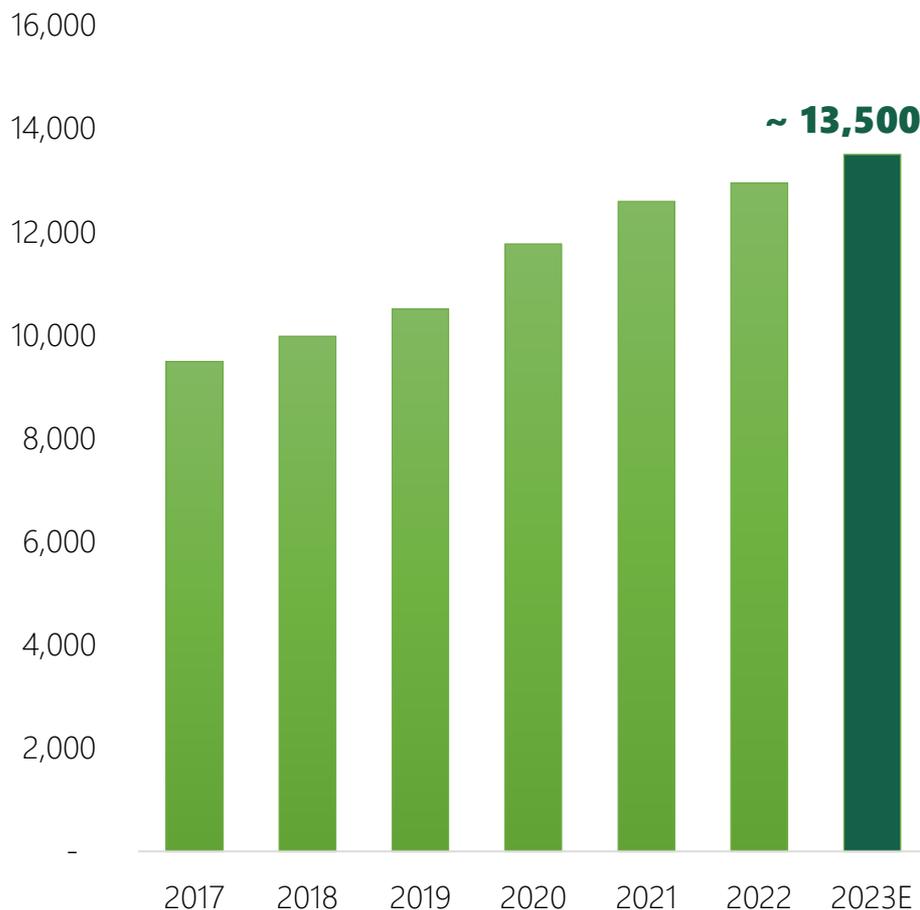
This presentation may include certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). These measures for AM include (i) Adjusted EBITDA and Pro Forma Adjusted EBITDA ("EBITDA"), (ii) Free Cash Flow before and after dividends, (iii) Return on Invested Capital ("ROIC"), (iv) Leverage, and (v) Net Debt. For AR, this includes Free Cash Flow. 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.



# Increasing Lateral Lengths Enhancing AM Economics

## AR Average Completed Lateral Length

(Feet)



## AM Economic Improvement For Each Additional 1,000 Feet of Lateral

	Fresh Water
Additional Lateral Feet	1,000
x Water Per Foot Used in Completions (Bbl)	36
Additional Barrels of Water	36,000
x Fee Per Barrel (\$/Bbl)	\$4.21
Additional Revenue Per 1,000 Ft (\$M)	\$152

	Gathering and Compression
Additional Lateral Feet	1,000
x Average Wellhead EUR <sup>(1)</sup> (Bcf/1,000 ft)	2.0
Additional Natural Gas Gathered (MMcf)	2,000
X Gathering and Compression Fees Per Mcf	\$0.77
Additional Revenue Per 1,000 Ft (\$M)	\$1,540

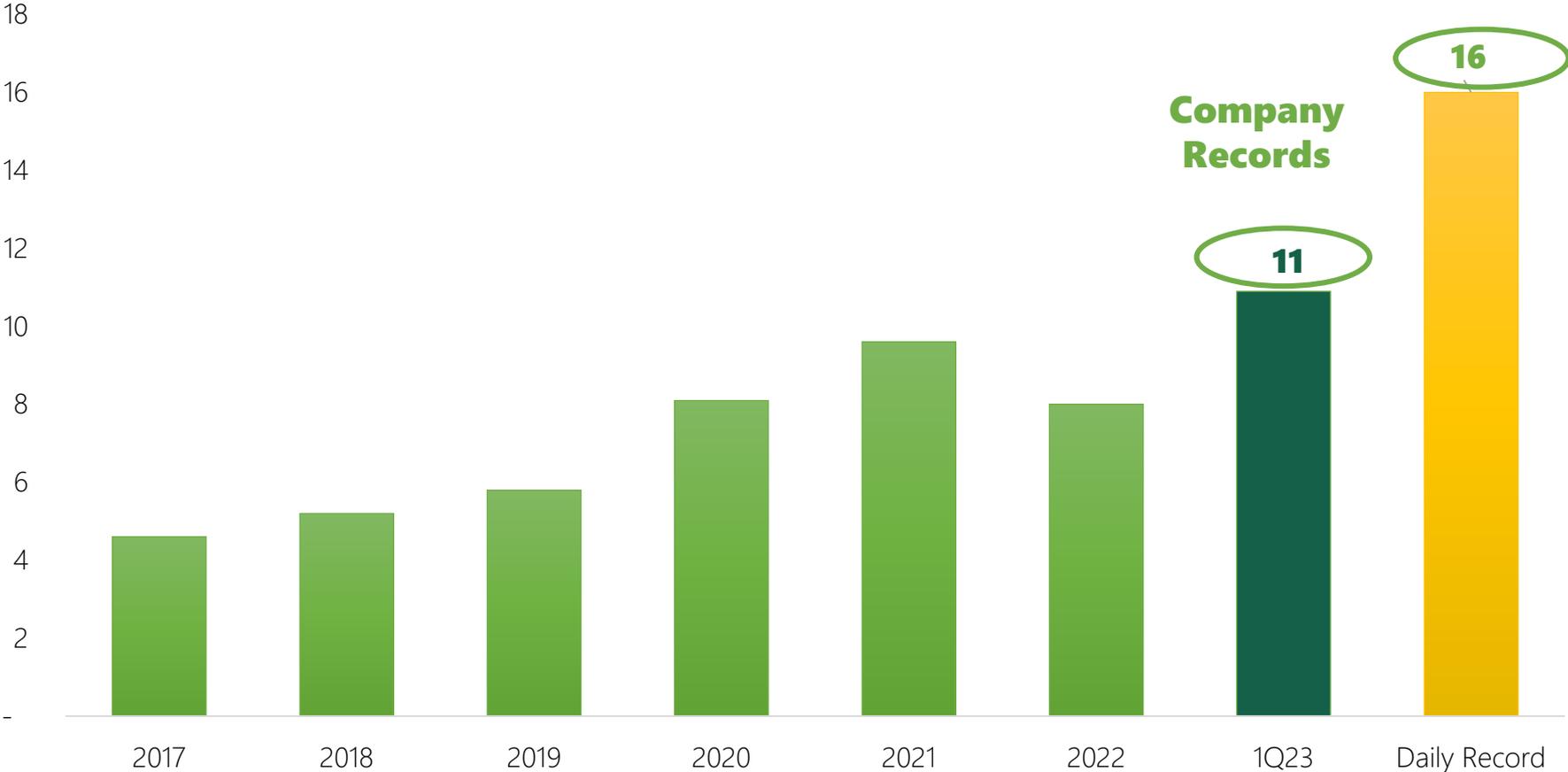
Total Incremental Revenue (\$M)	\$1,692
Total incremental Capital (\$M)	0



# Operational Performance at AR

## Completion Stages Per Day

(Average per completion crew)



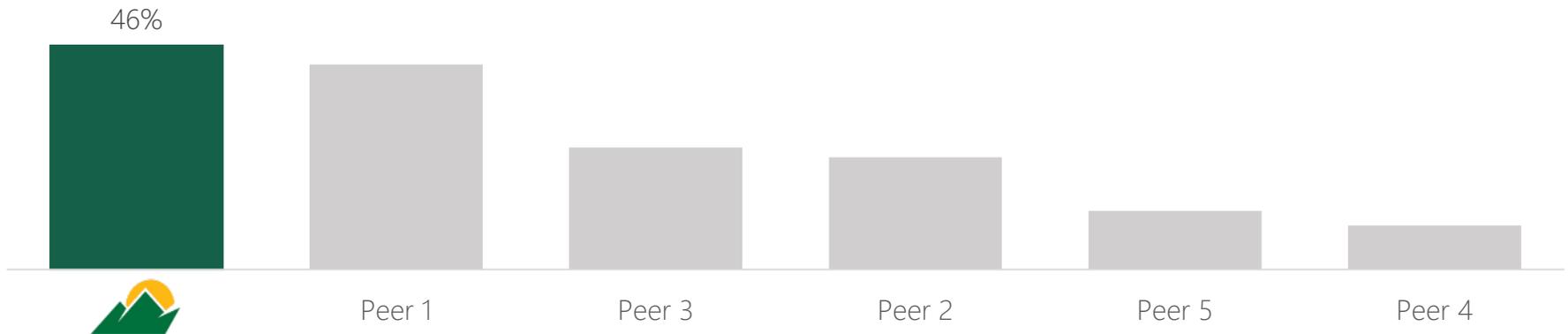
# AR's Differentiated Strategy = Lowest Development Risk



## % of Natural Gas Sold Out of Basin (2023E)



## 2023E Liquids % of Total Revenue



# Strong Start to 2023

## 1Q23 Financial Achievements

**+16% Increase**

In Adjusted EBITDA Y-o-Y  
+\$33MM Y-o-Y

**(64)% Decrease**

In Capital Expenditures Y-o-Y  
\$(61)MM Y-o-Y

**+\$46MM**

Of Free Cash Flow After Dividends vs.  
\$(38)MM deficit in 1Q22

## 1Q 23 Operational Achievements

**+ 8% / +11% Increase**

In Gathering / Compression  
Volumes Y-o-Y

**>99% Asset Uptime  
Availability**

Delivered by AM

**Successfully  
integrated**

Two bolt-on acquisitions from 2022



# Operational Performance Drives Increased Guidance for 2023

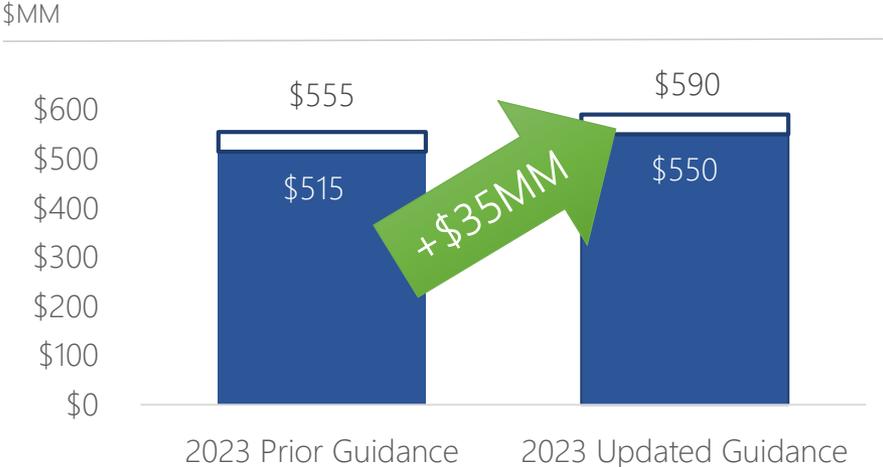
## Adjusted EBITDA



## Capital Expenditures



## Free Cash Flow Before Dividends



## Free Cash Flow After Dividends



A scenic landscape photograph showing a wide river valley. The river flows through the center of the valley, surrounded by dense, forested hills. The trees are in various shades of green and yellow, suggesting an autumn setting. The sky is a deep blue with scattered, light-colored clouds. The word "Appendix" is written in a white, serif font in the upper right corner of the image.

# Appendix

# Antero Midstream Non-GAAP 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 and loss on asset retirement obligations, excluding (gain) 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 interest expense, net, income tax expense, amortization of customer relationships, depreciation expense, loss on settlement of asset retirement obligations, gain on asset sale, accretion 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 interest expense, net 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

The following table reconciles Net Income to Adjusted EBITDA and Free Cash Flow before and after dividends (in thousands):

	Three Months Ended March 31,	
	2022	2023
<b>Net Income</b>	<b>\$ 80,040</b>	<b>86,507</b>
Interest expense, net	44,279	54,624
Income tax expense	28,067	31,670
Amortization of customer relationships	17,668	17,668
Depreciation expense	28,300	35,196
Gain on asset sale	(118)	(245)
Accretion of asset retirement obligations	64	44
Loss on settlement of asset retirement obligations	—	341
Equity-based compensation	2,832	6,327
Equity in earnings of unconsolidated affiliates	(23,232)	(24,456)
Distributions from unconsolidated affiliates	31,130	34,105
<b>Adjusted EBITDA</b>	<b>\$ 209,030</b>	<b>241,781</b>
Interest expense, net	(44,279)	(54,624)
Capital expenditures (accrual-based)	(94,655)	(33,603)
<b>Free Cash Flow before dividends</b>	<b>\$ 70,096</b>	<b>153,554</b>
Dividends declared (accrual-based)	(107,648)	(107,923)
<b>Free Cash Flow after dividends</b>	<b>\$ (37,552)</b>	<b>45,631</b>



# Antero Midstream Non-GAAP Measures

Antero Midstream has not included a reconciliation of Adjusted EBITDA and Free Cash Flow before and after dividends to the nearest GAAP financial measure for 2023 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, 2023		
	Low		High
Depreciation Expense	\$135	—	\$145
Equity-based compensation expense	20	—	30
Amortization of customer relationships	70	—	75
Distributions from unconsolidated affiliates	125	—	135
Interest Expense	205	—	215

