First Quarter 2021 Earnings Call Presentation

APRIL 29, 2021

Legal Disclaimer

This presentation includes “forward-looking statements.” Such forward-looking statements are subject to a number of risks and uncertainties, many of which are not under AR’s control. All statements, except for statements of historical fact, made in this presentation regarding activities, events or developments AR expects, believes or anticipates will or may occur in the future, such as those regarding expected results, future commodity prices, future production targets, completion of natural gas or natural gas liquids transportation projects, future earnings, future capital spending plans, improved and/or increasing capital efficiency, continued utilization of existing infrastructure, gas marketability, estimated realized natural gas, natural gas liquids and oil prices, acreage quality, access to multiple gas markets, expected drilling and development plans (including the number, type, lateral length and location of wells to be drilled, the number and type of drilling rigs and the number of wells per pad), projected well costs and cost savings initiatives, future financial position, future technical improvements, future marketing and asset monetization opportunities, the amount and timing of any contingent payments, the participation level of our drilling partner and the financial and operational results to be achieved as a result of the drilling partnership, estimated Free Cash Flow and the key assumptions underlying its projection and AR’s environmental goals are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All forward-looking statements speak only as of the date of this presentation. Although AR believes that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that these plans, intentions or expectations will be achieved. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements. Except as required by law, AR expressly disclaims any obligation to and does not intend to publicly update or revise any forward-looking statements.

AR cautions you that these forward-looking statements are subject to all of the risks and uncertainties incident to the exploration for and the development, production, gathering and sale of natural gas, NGLs and oil, most of which are difficult to predict and many of which are beyond AR’s control. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating natural gas and oil reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, impacts of world health events, including the COVID-19 pandemic and the other risks described under the heading "Item 1A. Risk Factors" in AR’s Annual Report on Form 10-K for the year ended December 31, 2020.

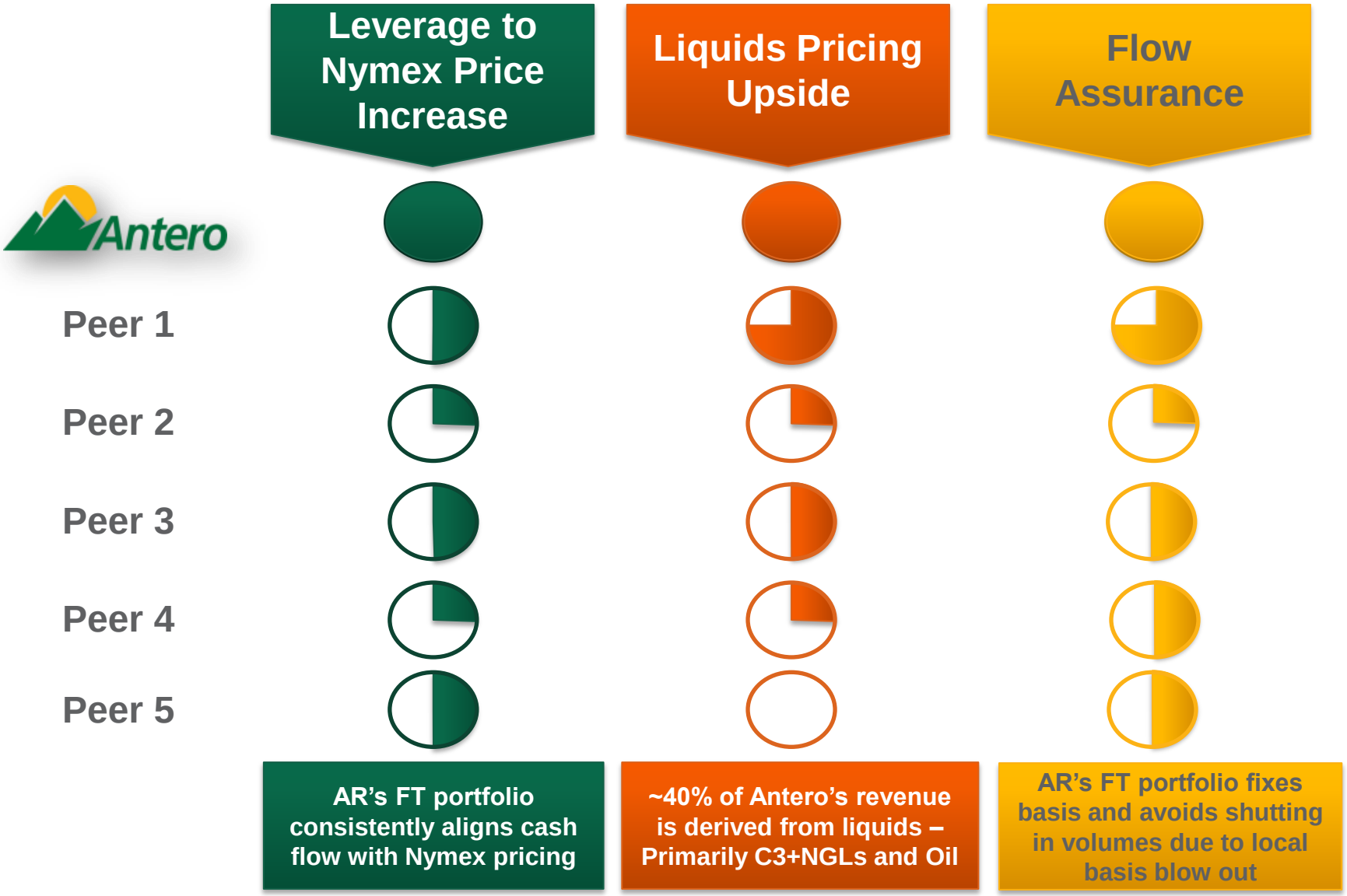
Any forward looking statement speaks only as of the date on which such statement is made and AR undertakes no obligation to correct or update any forward looking statement whether as a result of new information, future events or otherwise, except as required by applicable law.

This presentation also includes (i) Free Cash Flow, (ii) Adjusted EBITDAX, (iii) Net Debt and (iv) leverage which are a financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). Please see “Antero Non-GAAP Measures” for definitions of these measures as well as certain additional information regarding these measures.

Antero Resources Corporation is denoted as “AR” in the presentation and Antero Midstream Corporation is denoted as “AM”, which are their respective New York Stock Exchange ticker symbols.

Best Exposure to Rising Commodity Prices

Antero's differentiated business model provides the cleanest upside to increasing commodity prices

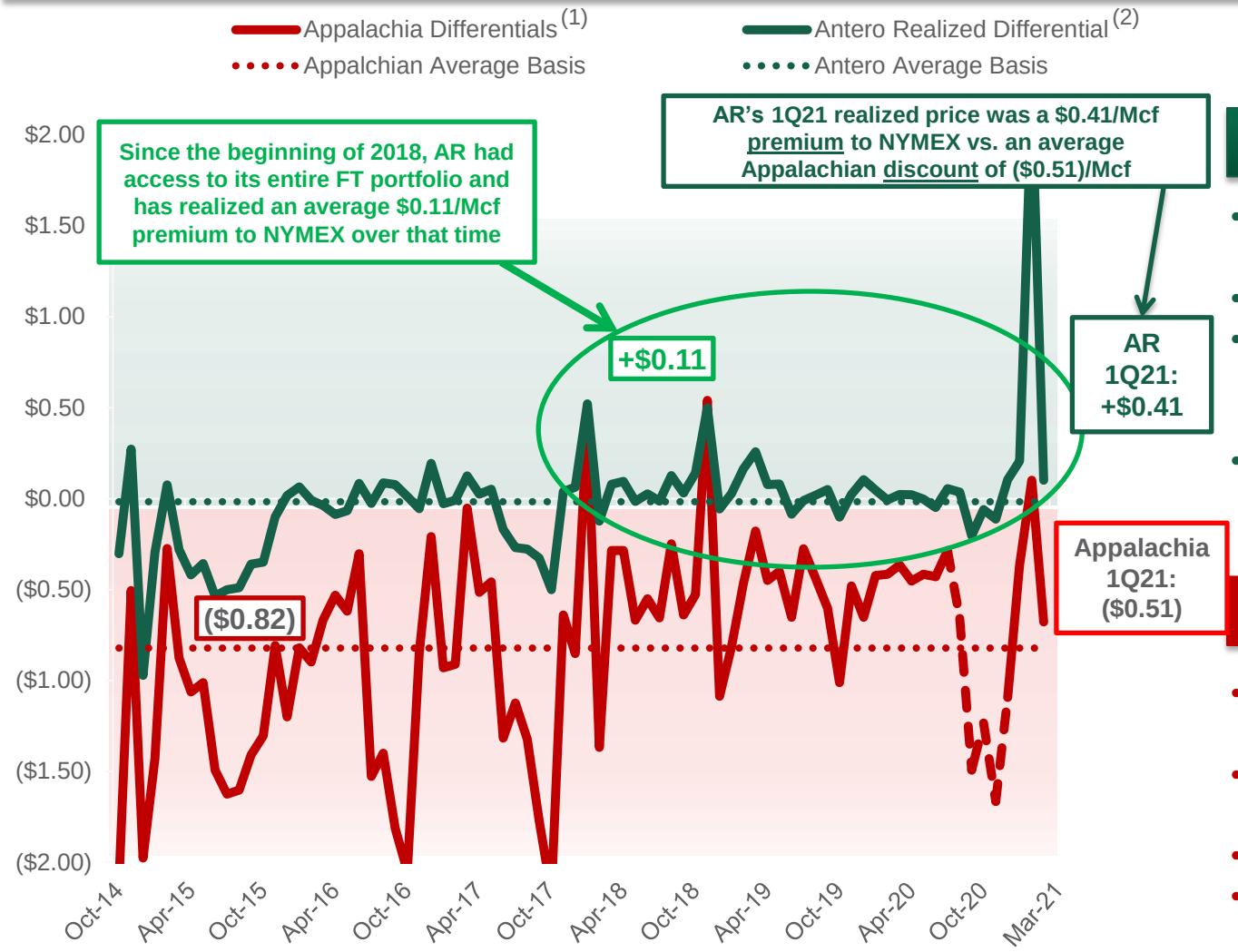


Note: Peers include CNX, COG, EQT, RRC and SWN.

FT Protects Basis and Provides Flow Assurance

AR's firm transportation portfolio provides price stability, production flow assurance, and premium pricing vs. Appalachia-dependent producers

Antero Basis vs. Appalachia Basis ($/Mcf)



Antero Basis

- Low volatility, high reliability
- Premium to NYMEX
- "Insurance policy" for consistent production flow
- Ability to hedge NYMEX Henry Hub index

Appalachia Basis

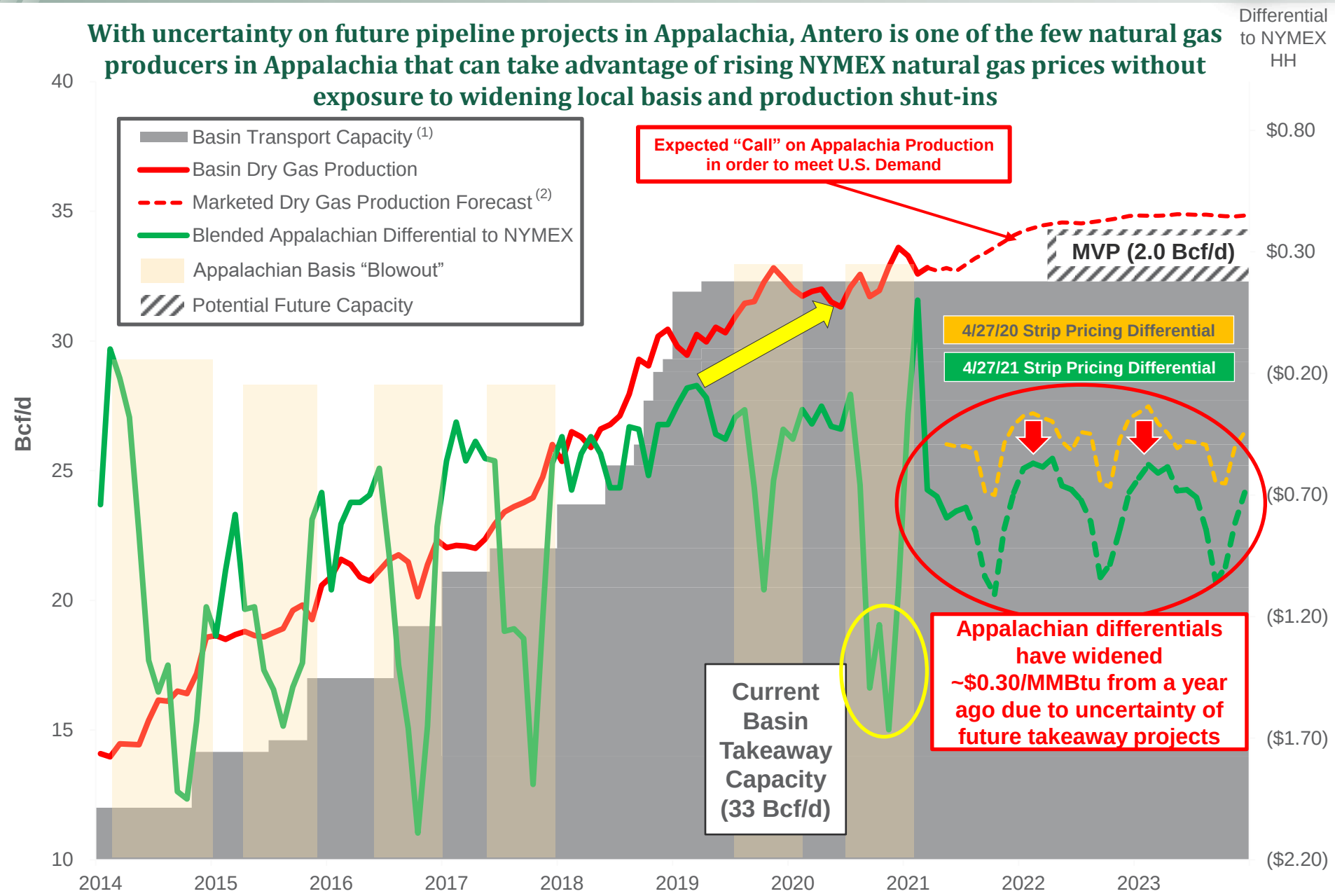
- High volatility, low reliability
- Significant discount to NYMEX
- Frequent shut-ins
- Less liquid hedge markets

Note: Pricing reflects pre-hedge pricing.

1) *Reflects discount to NYMEX for Appalachia in-basin pricing at Dominion South & TETCO M2 indices.*
2) *Represents simple average discount to NYMEX for Antero firm transportation capacity. Includes BTU adjustment for 1100 BTU gas.*

Appalachian Takeaway Capacity is a Strategic Advantage

With uncertainty on future pipeline projects in Appalachia, Antero is one of the few natural gas producers in Appalachia that can take advantage of rising NYMEX natural gas prices without exposure to widening local basis and production shut-ins

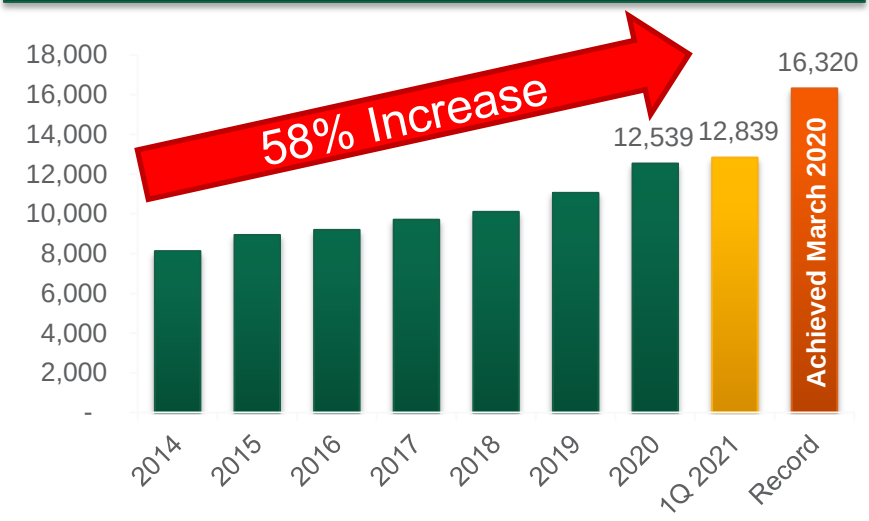


Source: S&P Global Platts. In-basin differentials represent an average of TETCO M2 and DOM S differentials to NYMEX Henry Hub. Actuals through March 2021 and 4/27/2021 strip pricing thereafter.

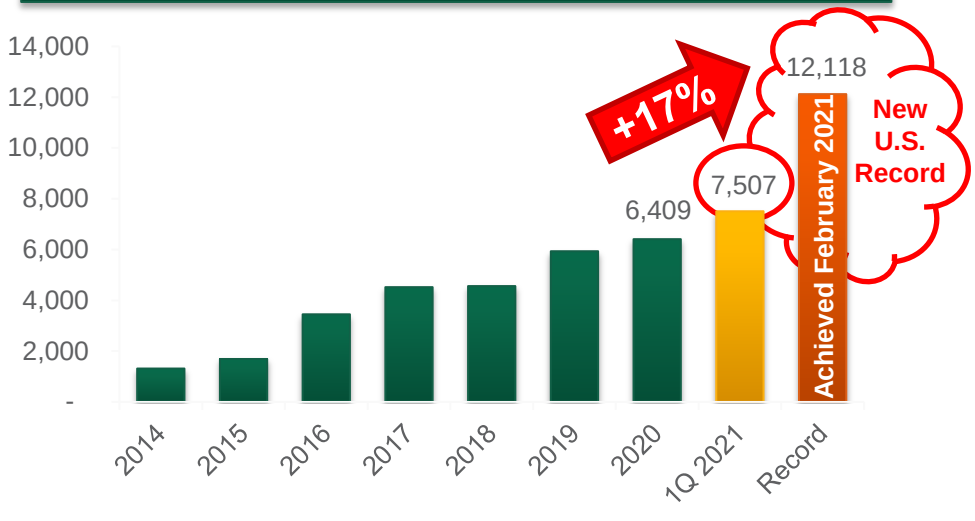
1) *Basin capacity based on pipeline flow data scrapes.*
2) *Production forecast and Mountain Valley Pipeline (MVP) In-Service date (1Q 2022) based on Platt's estimates.*

Drilling & Completion Efficiencies

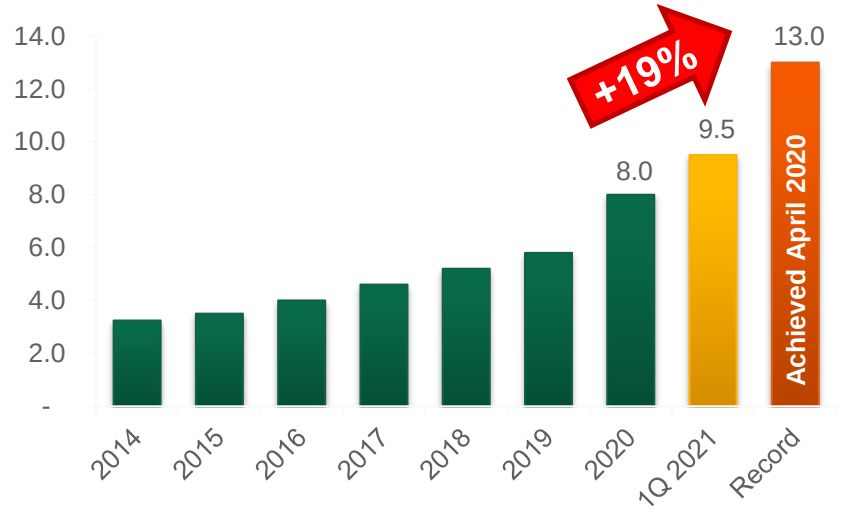
Average Lateral Length per Well



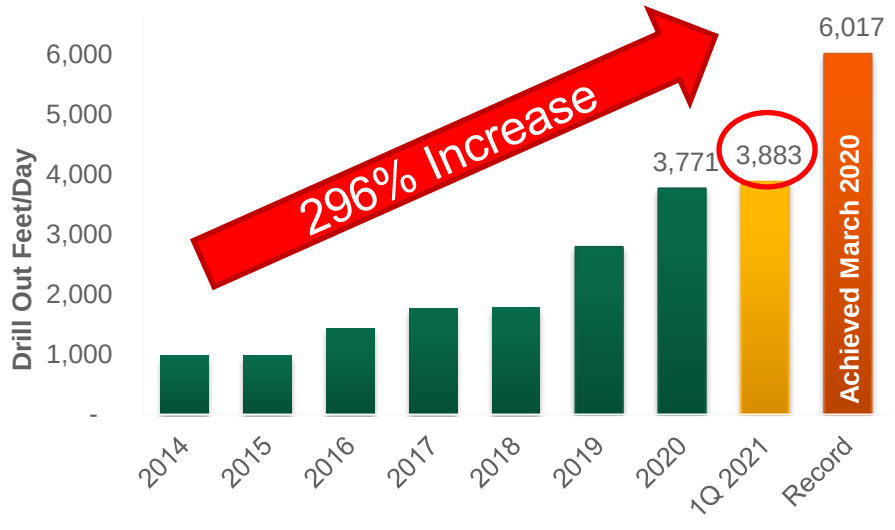
Lateral Drilling Feet per Day



Completion Stages per Day



Drill Out Feet per Day

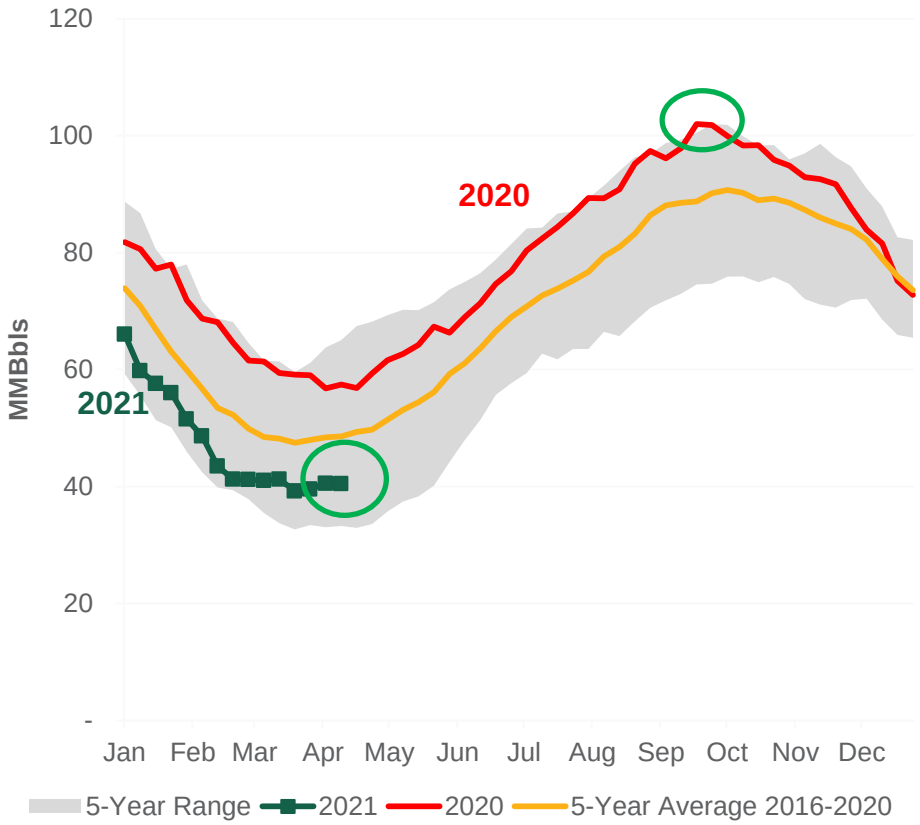


Note: Percentage increase arrows for average lateral length per well and drill out feet per day represent change in Marcellus data from 2014 through 1Q2021. Percentage increase arrows for lateral drilling feet per day and completions stages per day represent change from 2020 to 1Q2021.

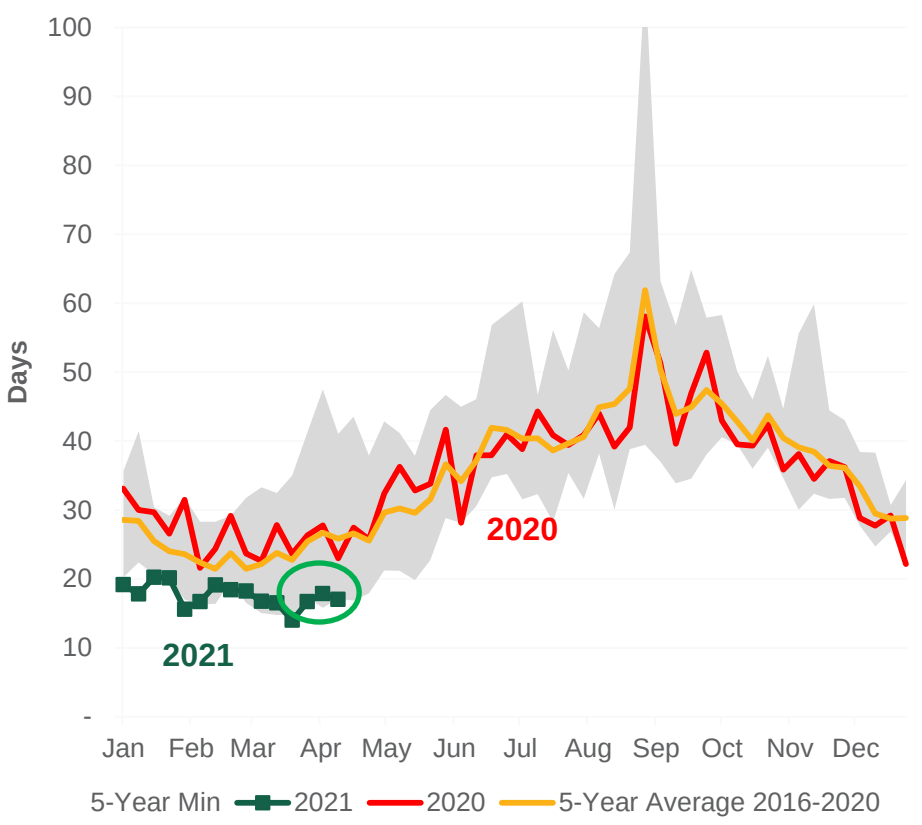
Propane Market Fundamentals

A record setting level of withdrawals via LPG exports has led to low propane inventories in the U.S. and only ~17 days of supply, 34% below the 5-year average

U.S. Propane Inventories (MMBbls)



Propane Days of Supply (Days)

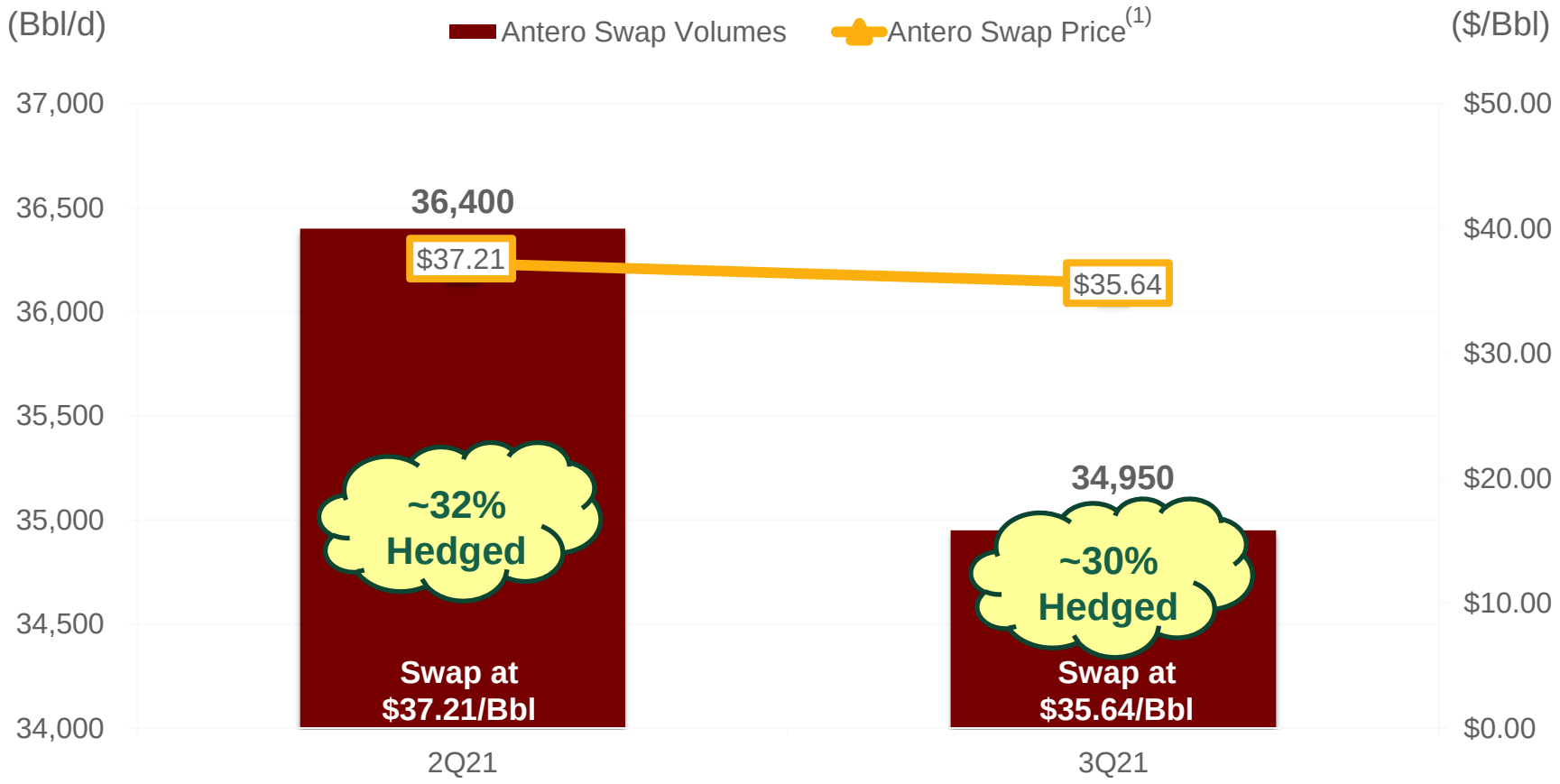


Source: EnVantage Inc. and Energy Information Administration (EIA) as of 04/21/21.

Natural Gas Liquids Hedging Update

Antero has added C3+ NGL hedges for the summer of 2021 to protect against seasonal weakness and potential near-term changes in the COVID-19 recovery

Antero C3+ NGL Hedge Profile (Excludes Oil and Ethane) (1)



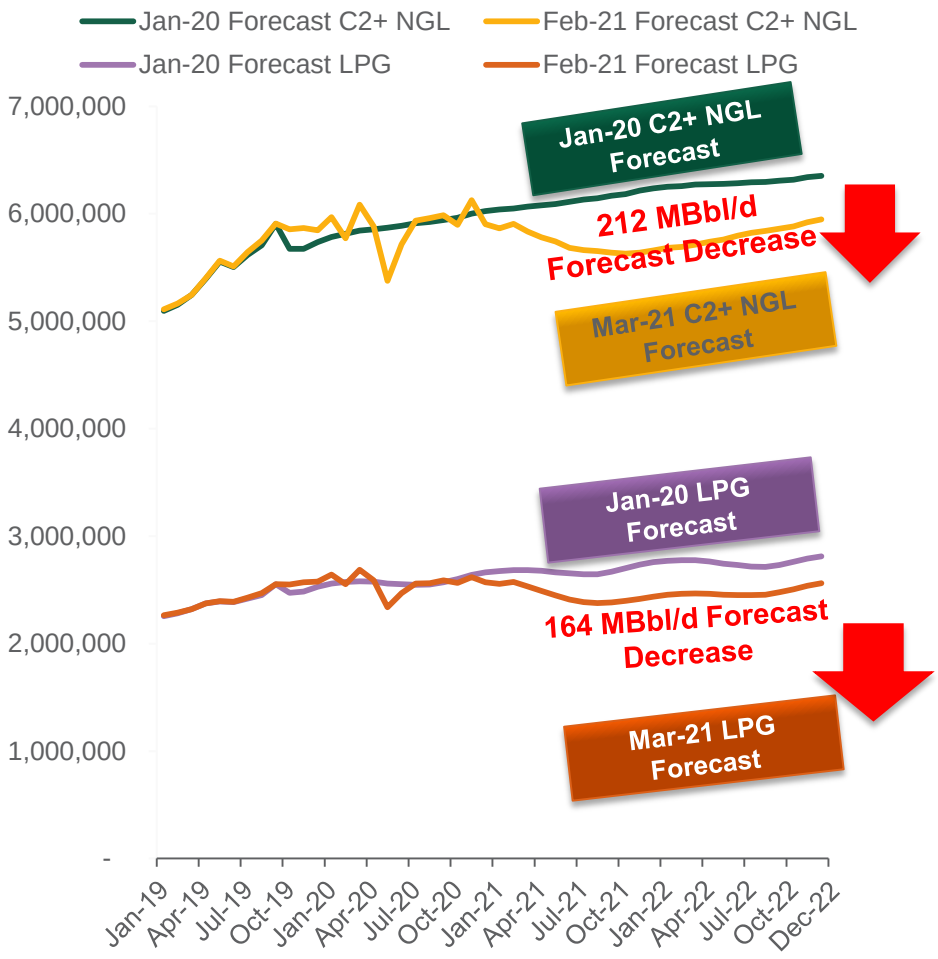
Note: Percentage hedged represents approximate C3+ NGL production based on 2021 total liquids guidance of 170 MMBbl/d and the 2020 C3+ NGL to liquids mix. This does not reflect guidance.

1) Antero swap price represents volume weighted average C3+ NGL hedge price. Excludes C5 as a percent of WTI hedges for 2021. If included hedged percent is ~45%. See hedge summary on Antero's website for more details.

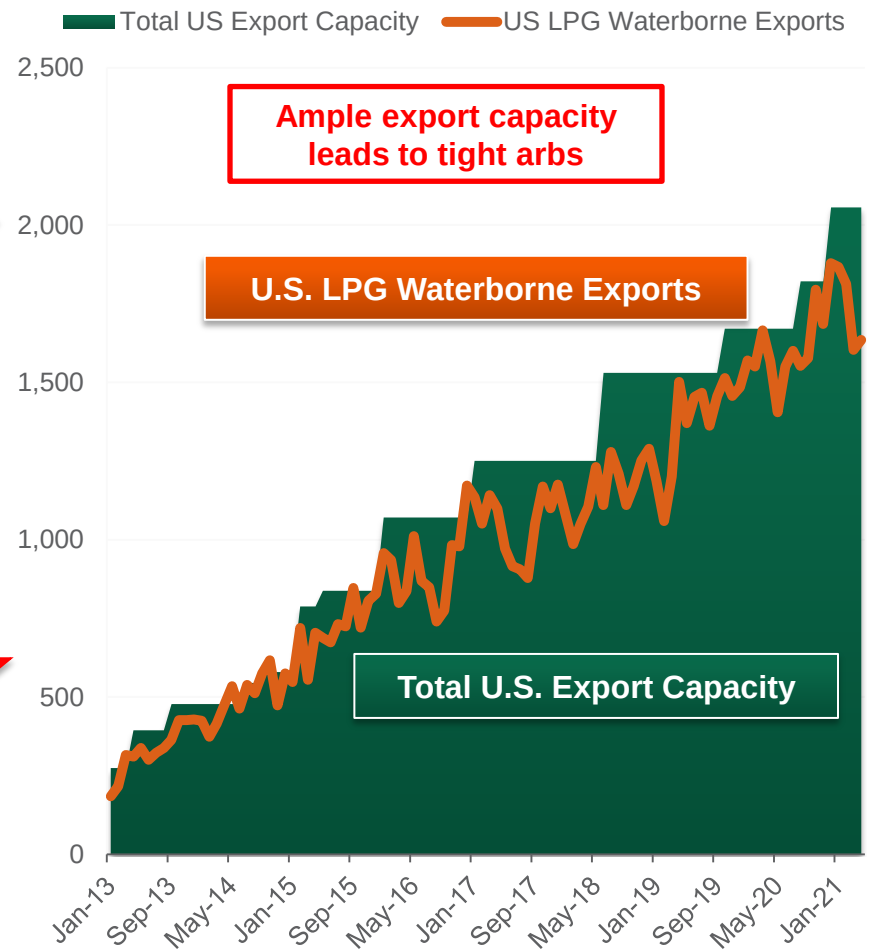
NGL Supply & Demand Fundamentals

- **Disciplined producer activity reduces NGL supply outlook**
- **Excess U.S. export capacity incentivizes selling NGL barrels into premium priced international markets, resulting in an undersupplied U.S. market**

U.S. C2+ NGL Production Forecast (MBbl/d)



U.S. LPG Exports and Export Capacity (MBbl/d)

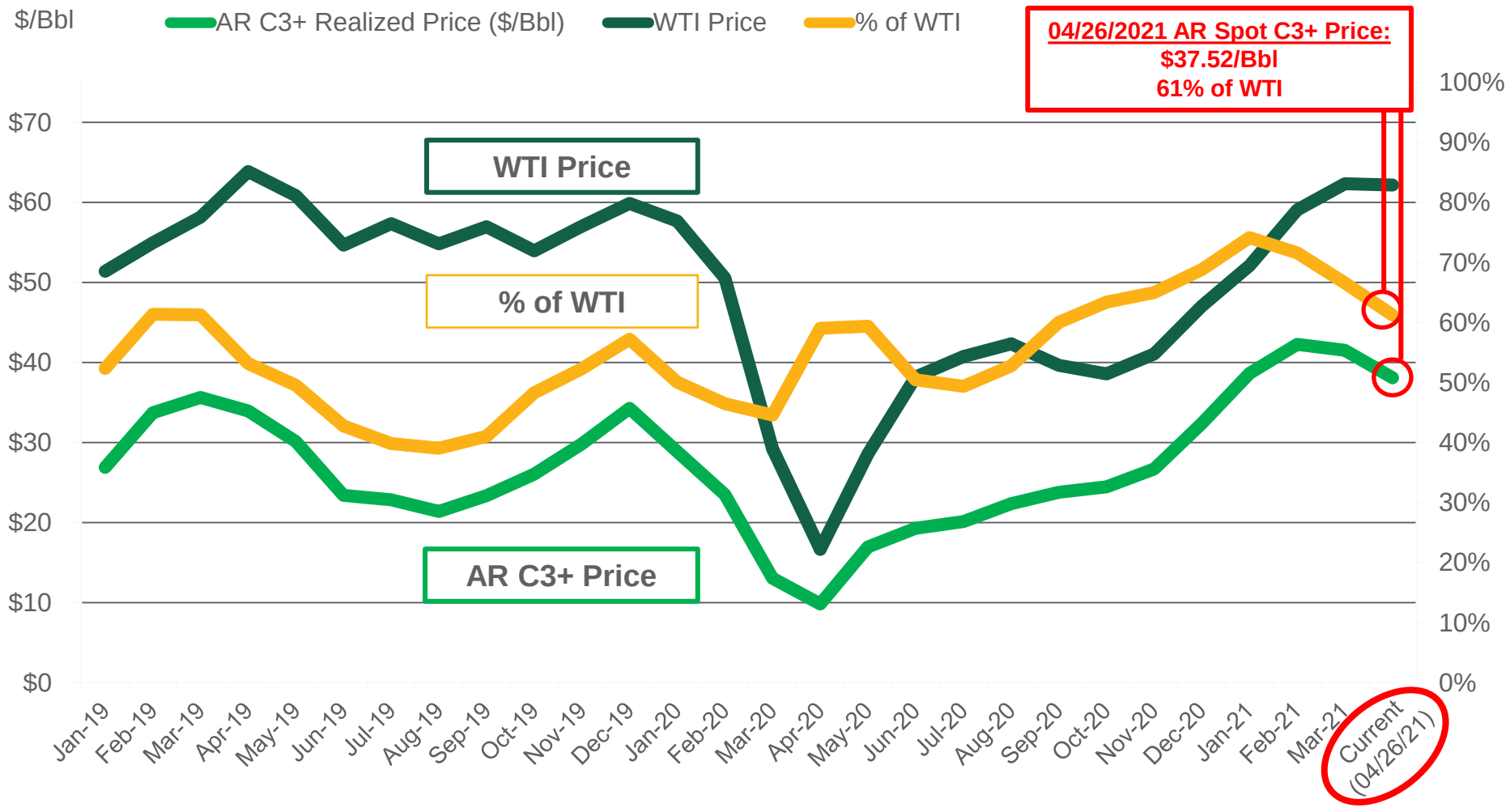


Source: Platts Analytics data as of March 30, 2021.

NGL Price Strength

NGL prices remain elevated on an absolute basis and relative to WTI due to sufficient export capacity and resilient global demand

AR Monthly Realized C3+ NGL Price

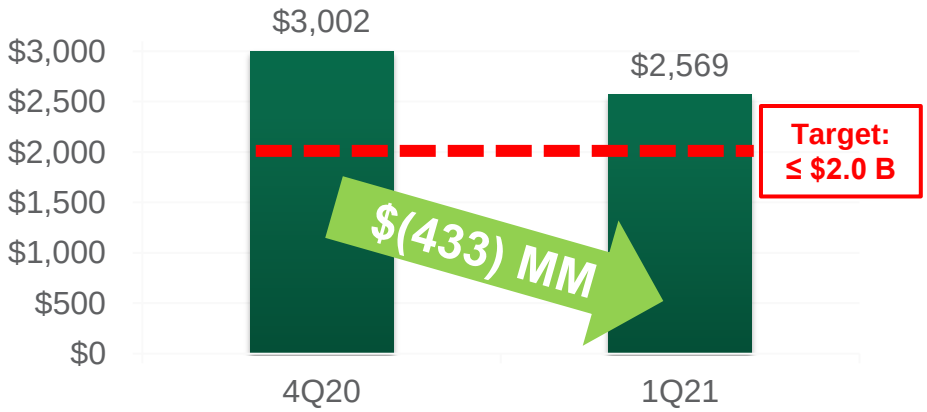


Source: Bloomberg actuals through March 2021. Forecasted C3+ pricing based ICE pricing and on Antero C3+ NGL component barrel consisting of 56% C3 (propane), 10% isobutane (Ic4), 17% normal butane (Nc4) and 17% natural gasoline (C5+). Assumes blended sales of 50% domestic and 50% international.

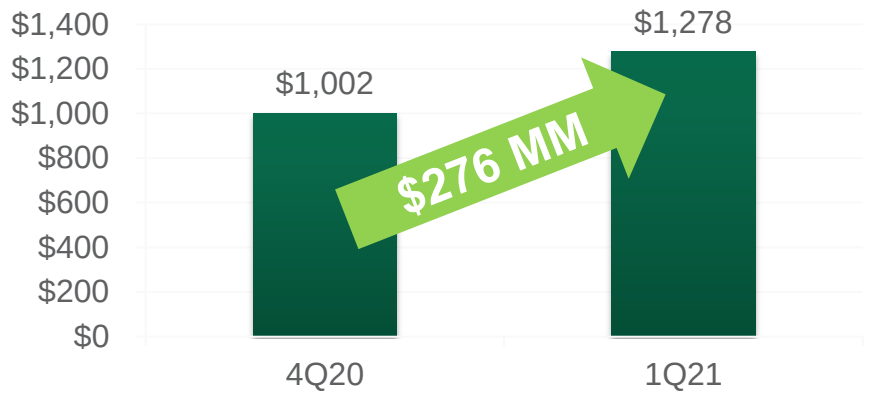
Significant Improvement in AR Financial Strength

AR's total debt decreased by over $400 MM during the first quarter of 2021, resulting in leverage declining by over a turn to 2.0x

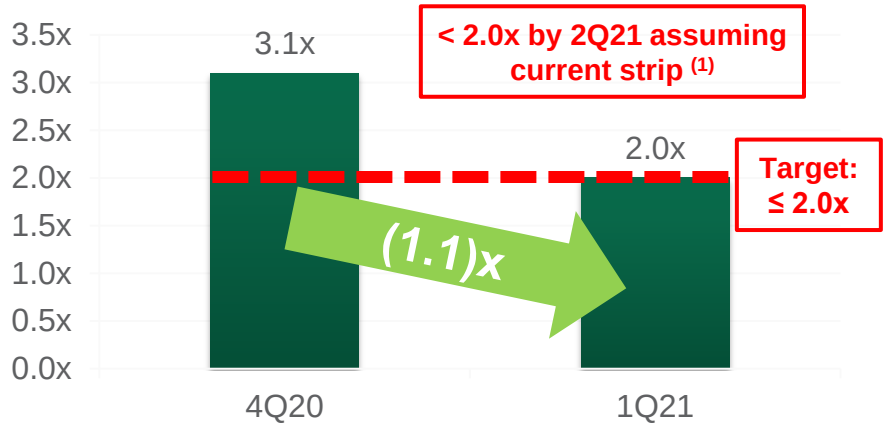
Total Debt ($MM)



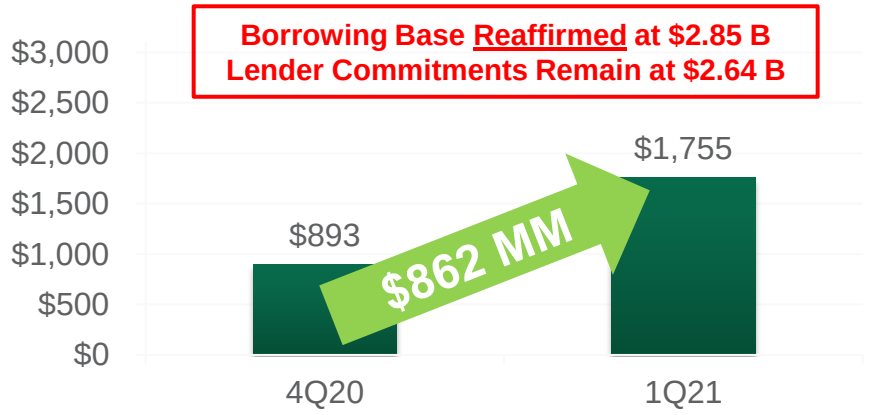
LTM EBITDAX ($MM)



Leverage (Net Debt / LTM EBITDAX)



Liquidity ($MM) (2)



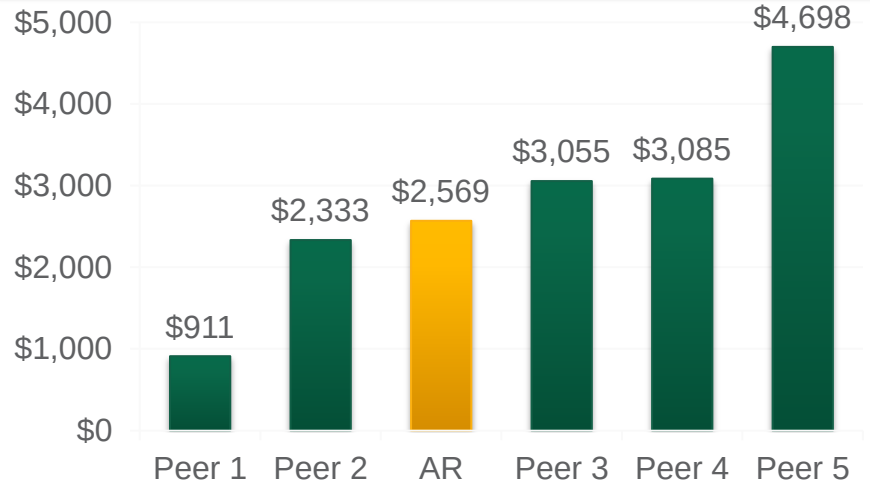
Note: EBITDAX represents Adjusted EBITDAX. Adjusted EBITDAX, Net Debt and Leverage are non-GAAP measures. See appendix for definitions and reconciliations.

1) *Assumes strip pricing as of 4/27/2021.*

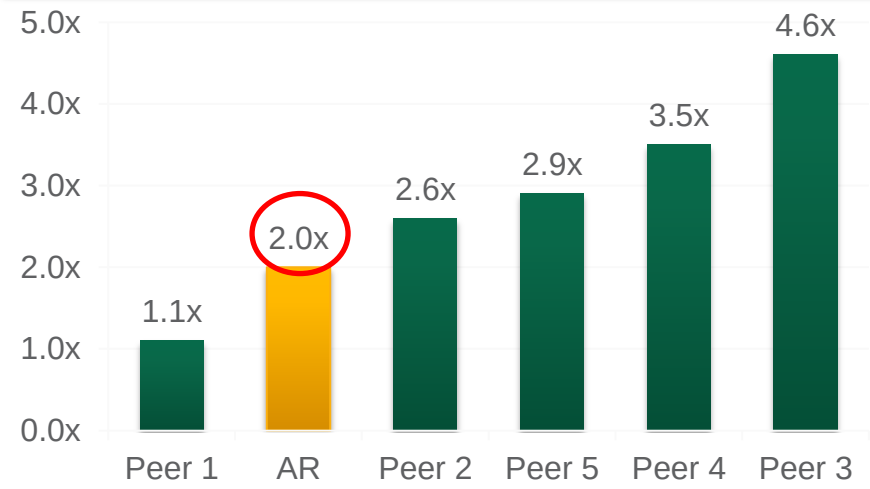
2) *Liquidity represents borrowing availability under AR's credit facility based on $2.64 B of lender commitments less letters of credit and borrowings outstanding.*

Peer Comparison

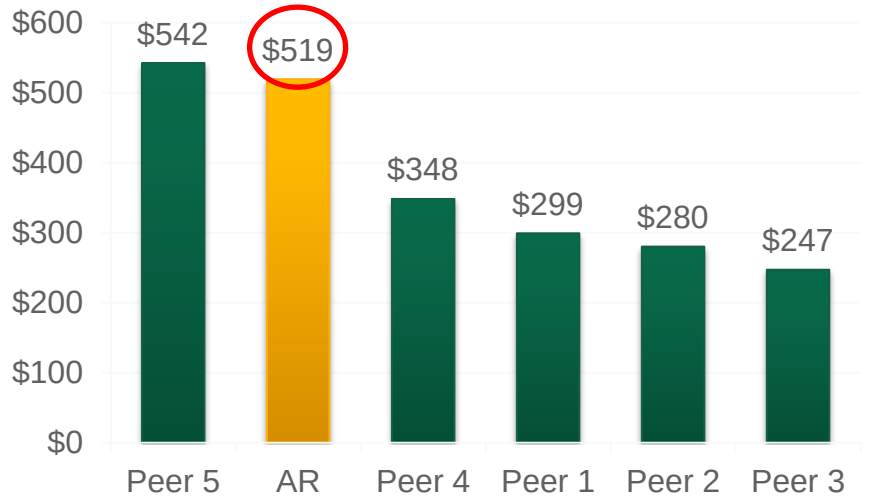
Total Net Debt ($MM)



Net Debt / LTM EBITDAX (as of 3/31/2021)



1Q 2021 EBITDAX



1Q 2021 Free Cash Flow

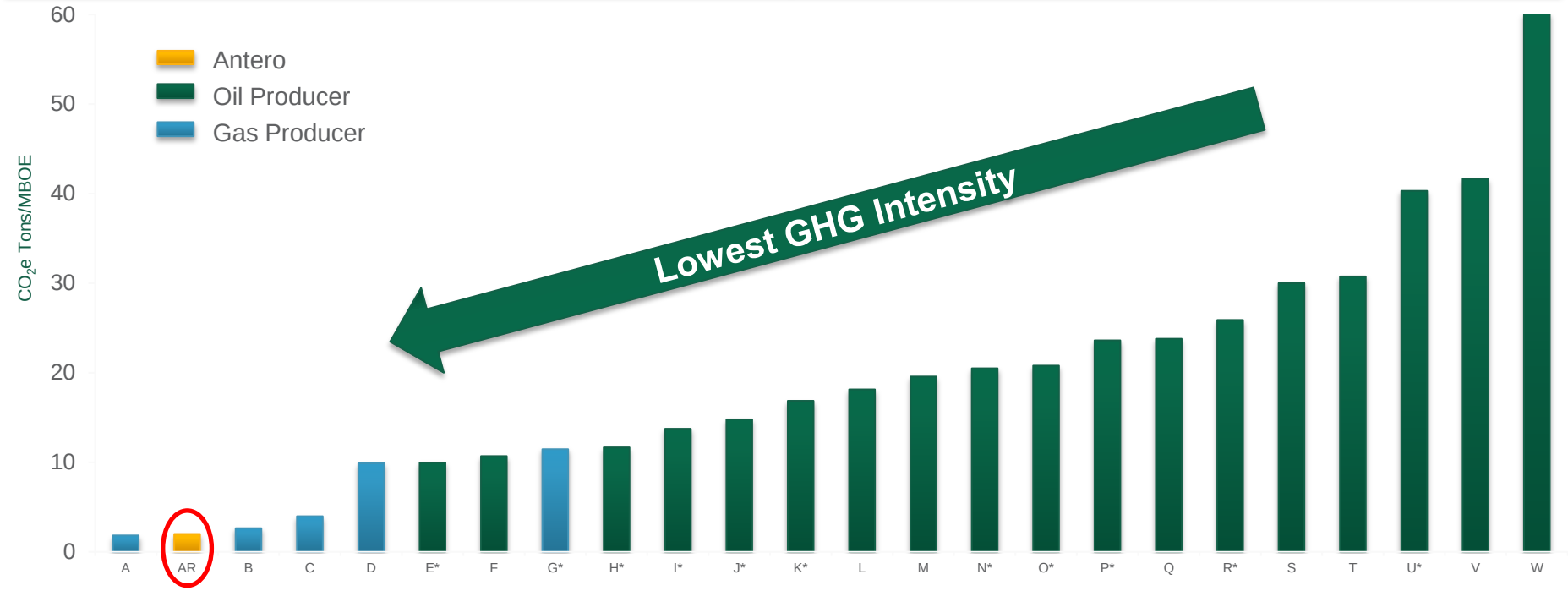


Source: Factset and company reports. Peers include CNX, COG, EQT, RRC and SWN.
Note: Balance sheet data as of 3/31/21 pro forma for any transactions that have occurred year-to-date. AR, CNX and RRC reflect actual 3/31/21 balance sheet data and 1Q 2021 Adjusted EBITDAX and Free Cash Flow. The remaining peers reflect 1Q21 consensus balance sheet data, Adjusted EBITDAX and Free Cash Flow as of 4/27/2021.

Natural Gas Producers Have the Lowest Emissions

Natural gas producers are best positioned relative to oil producers with the lowest GHG emissions

2020 Antero vs 2019 Industry GHG Emission Intensity(1)



2025 GOALS

CONTINUED ENVIRONMENTAL IMPROVEMENT

- **50% Reduction** in already low methane leak loss rate to under 0.025% by 2025
- **10% Reduction** in GHG Intensity by 2025
- Endeavor to Achieve **Net Zero Carbon Emissions** by 2025
- Align with TCFD and SASB Guidelines

WHY LOW EMISSIONS MATTER

- **Lower Cost of Capital**
  - Lenders pushing for net zero targets
- **Access to Customers & End Markets**
  - More end users valuing low emissions natural gas

1) *Data retrieved from 2018 and 2019 sustainability reports or calculated from 2019 sustainability and public disclosures. Antero Resources' intensity is based on the total GHG emissions reported to the EPA under Subpart W of the Greenhouse Gas Reporting Rule Program (GHGRP).*

**Company's GHG intensity includes their midstream and/or downstream operations. Peers include APA, BP, CNX, COP, CVX, DVN, ENI, EOG, EQNR, EQT, EQT+ ETRN, FANG, HES, MPC, MRO, NBL, OVV, RDS, REPYY, RRC, SWN and XEC.*

Key Investment Highlights

Antero is well positioned for both the commodity price outlook and energy transition as a large scale, low cost natural gas and NGL producer with strong ESG metrics

Scale / Operating Leverage	**3rd Largest natural gas producer and 2nd largest NGL producer in the U.S. with exposure to strengthening commodity prices**
Low Leverage	**Leverage expected to drop below 2.0x in 2021, with target of total debt below $2.0 B over the next couple of years (1)**
Robust Liquidity	**~$1.8 B of current liquidity (2)**
Strong Free Cash Flow	**$600 MM+ of forecast Free Cash Flow in 2021 and over $2.0 B+ forecast for 2021 to 2025 at current strip pricing (1)**
Leading ESG Performance	**Goal to reach net zero carbon emissions by 2025 Leading GHG intensity, methane intensity and leak loss rate**

1) *Assumes strip pricing as of 4/27/2021. Please see appendix for additional disclosures, definitions, and assumptions.*
2) *Liquidity represents borrowing availability under AR's credit facility based on $2.64 B of lender commitments, $742 MM of letters of credit and $143 MM of borrowings as of 3/31/2021.*


Antero
Resources
Appendix

Antero Guidance and Long-Term Target Assumptions

Long-term Outlook Assumptions (Consistent in both Base Plan and Drilling Partnership plans)	2021	2021-2025
NYMEX Henry Hub Natural Gas Price ($/MMBtu) (1)	$2.90	$2.67
NYMEX WTI Oil Price ($/Bbl) (1)	$61.16	$56.37
AR Weighted C3+ NGL Price ($/Bbl) (1)	$36.94	$33.95
Marcellus Well Costs ($MM / 1,000' assuming 12,000 ft lateral)	$660 / 1,000'	$635 / 1,000'
AR ownership in AM (shares) and annual AM dividend per share (2)	139 MM shares ($0.90/share annual dividend)	

Base Plan (Maintenance Capital) Assumptions:	2021	2021-2025
Annual Net Production (MMcfe/d)	3,300 – 3,400	
Wells Drilled	65 - 70	250
Wells Completed	60 - 65	255
Cash Production & Net Marketing Expense ($/Mcfe) (3)	$2.30 - $2.35	$2.18 - $2.23 (4)
G&A Expense (before equity-based compensation) ($/Mcfe)	$0.08 - $0.10	

Drilling Partnership Assumptions:	2021	2021-2025
Annual Production Net to AR (MMcfe/d)	3,300 – 3,400	
Wells Drilled (Gross)	80 - 85	310
Wells Completed (Gross)	65 - 70	315
Cash Production & Net Marketing Expense ($/Mcfe)(3)	$2.28 - $2.33	$2.10 – $2.15 (4)
G&A Expense (before equity-based compensation) ($/Mcfe)	$0.08 - $0.10	

1) *Represents Mont Belvieu strip pricing as of 4/27/2021 assuming C3+ NGL component barrel consists of 56% C3 (propane), 10% isobutane (Ic4), 17% normal butane (Nc4) and 17% natural gasoline (C5+).*
2) *AM dividend determined quarterly by the Board of Directors of Antero Midstream.*
3) *Includes lease operating expense, gathering, compression, processing, transportation, production & ad valorem taxes and net marketing expense. Excludes cash G&A.*
4) *Represents average cash production and net marketing expense for 2022 – 2025.*

Antero Non-GAAP Measures

Adjusted EBITDAX: Adjusted EBITDAX as defined by the Company represents income or loss, including noncontrolling interests, before interest expense, interest income, gains or losses from commodity derivatives and marketing derivatives, but including net cash receipts or payments on derivative instruments included in derivative gains or losses other than proceeds from derivative monetizations, income taxes, impairment, depletion, depreciation, amortization, and accretion, exploration expense, equity-based compensation, contract termination and rig stacking costs, simplification transaction fees, and gain or loss on sale of assets. Adjusted EBITDAX also includes distributions received with respect to limited partner interests in Antero Midstream Partners common units prior to the closing of the simplification transaction on March 12, 2019.

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 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 LTM Adjusted EBITDAX divided by net debt.

Antero Non-GAAP Measures

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 drilling and completion capital and leasehold capital plus earnout payments.

The Company has not provided projected Net Cash Provided by Operating Activities or a reconciliation of Free Cash Flow to projected Net Cash Provided by Operating Activities, the most comparable financial measure calculated in accordance with GAAP. The Company is unable to project Net Cash Provided by Operating Activities for any future period because this metric includes the impact of changes in operating assets and liabilities related to the timing of cash receipts and disbursements that may not relate to the period in which the operating activities occurred. The Company is unable to project these timing differences with any reasonable degree of accuracy without unreasonable efforts. See assumptions slide for more information regarding key assumptions.

Free Cash Flow is a useful indicator of the Company's ability to internally fund its activities and to service or incur additional debt. 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.

LTM Adjusted EBITDAX Reconciliation

	Twelve Months Ended March 31, 2021
Reconciliation of net loss to Adjusted EBITDAX:	
Net income loss and comprehensive income loss attributable to Antero Resources Corporation	$ (944,544)
Net income and comprehensive income attributable to noncontrolling interests	11,881
Unrealized commodity derivative gains	1,262,996
Proceeds from derivative monetizations	(9,007)
Amortization of deferred revenue, VPP	(25,657)
Loss on sale of assets	348
Interest expense, net	189,513
Gain on early extinguishment of debt	123,765
Loss on convertible note equitization	(136,916)
Provision for income tax benefit	(290,485)
Depletion, depreciation, amortization, and accretion	859,324
Impairment of oil and gas properties	168,612
Exploration expense	1,092
Equity-based compensation expense	25,630
Equity in (earnings) loss of unconsolidated affiliates	(84,089)
Dividends from unconsolidated affiliates	171,022
Contract termination and rig stacking	14,381
Transaction expense	9,535
	1,347,401
Martica related adjustments [(1)]	(69,717)
Adjusted EBITDAX	$ 1,277,684

Antero Resources Adjusted EBITDAX Reconciliation

	Three Months Ended,	
	12/31/2020	3/31/2021
Reconciliation of net loss to Adjusted EBITDAX:		
Net loss and comprehensive loss attributable to Antero Resources Corporation	$ 69,830	(15,499)
Net income and comprehensive income attributable to noncontrolling interests	25,483	4,395
Unrealized commodity derivative (gains) losses	(150,925)	183,078
Proceeds from derivative monetizations	9,066	—
Amortization of deferred revenue, VPP	(9,332)	(11,150)
Loss on sale of assets	348	—
Interest expense, net	46,916	42,743
Loss (gain) on early extinguishment of debt	(597)	43,204
Loss on convertible note equitization	—	39,046
Provision for income tax benefit	23,685	(2,946)
Depletion, depreciation, amortization, and accretion	209,831	194,814
Impairment of oil and gas properties	67,808	34,062
Exploration expense	188	219
Equity-based compensation expense	6,316	5,642
Equity in (earnings) loss of unconsolidated affiliate	(20,748)	(18,694)
Dividends from unconsolidated affiliates	42,755	42,756
Contract termination and rig stacking	1,973	91
Transaction expense	582	2,291
	323,179	544,052
Martica related adjustments	(23,983)	(24,562)
Adjusted EBITDAX	$ 299,196	519,490

Free Cash Flow Reconciliation

	Three Months Ended March 31, 2021
Net cash provided by operating activities	563,731
Less: Net cash used in investing activities	(122,975)
Less: Distributions to non-controlling interests in Martica	(24,699)
Free Cash Flow	**416,051**
Changes in Working Capital [1]	96,777
Free Cash Flow before Changes in Working Capital	**319,688**

1) *Working capital adjustments in 2021 include $60.5 million in changes in current assets and liabilities and $35.9 million in accounts payable and accrued liabilities for additions to property and equipment. See the cash flow statement in earnings press release for details.*

Total Debt to Net Debt Reconciliation

	December 31, 2020	March 31, 2021
AR bank credit facility	$ 1,017,000	143,200
5.125% AR senior notes due 2022	660,516	—
5.625% AR senior notes due 2023	574,182	574,182
5.000% AR senior notes due 2025	590,000	590,000
8.375% AR senior notes due 2026	—	500,000
7.625% AR senior notes due 2029	—	700,000
4.250% AR convertible senior notes due 2026	287,500	137,500
Net unamortized premium	(111,886)	(51,669)
Net unamortized debt issuance costs	(15,719)	(24,527)
Consolidated total debt	$ 3,001,593	2,568,686
Less: AR cash and cash equivalents	—	—
Net Debt	$ 3,001,593	2,568,686