

Second Quarter 2024 Earnings Presentation

August 1, 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 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.

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 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. 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.



Marcellus Bolt-on Acquisition Highlights

\$70 MM

Acquisition
Price

~50 miles

Of High Pressure
Pipelines

100 MMcf/d

Compression
Capacity

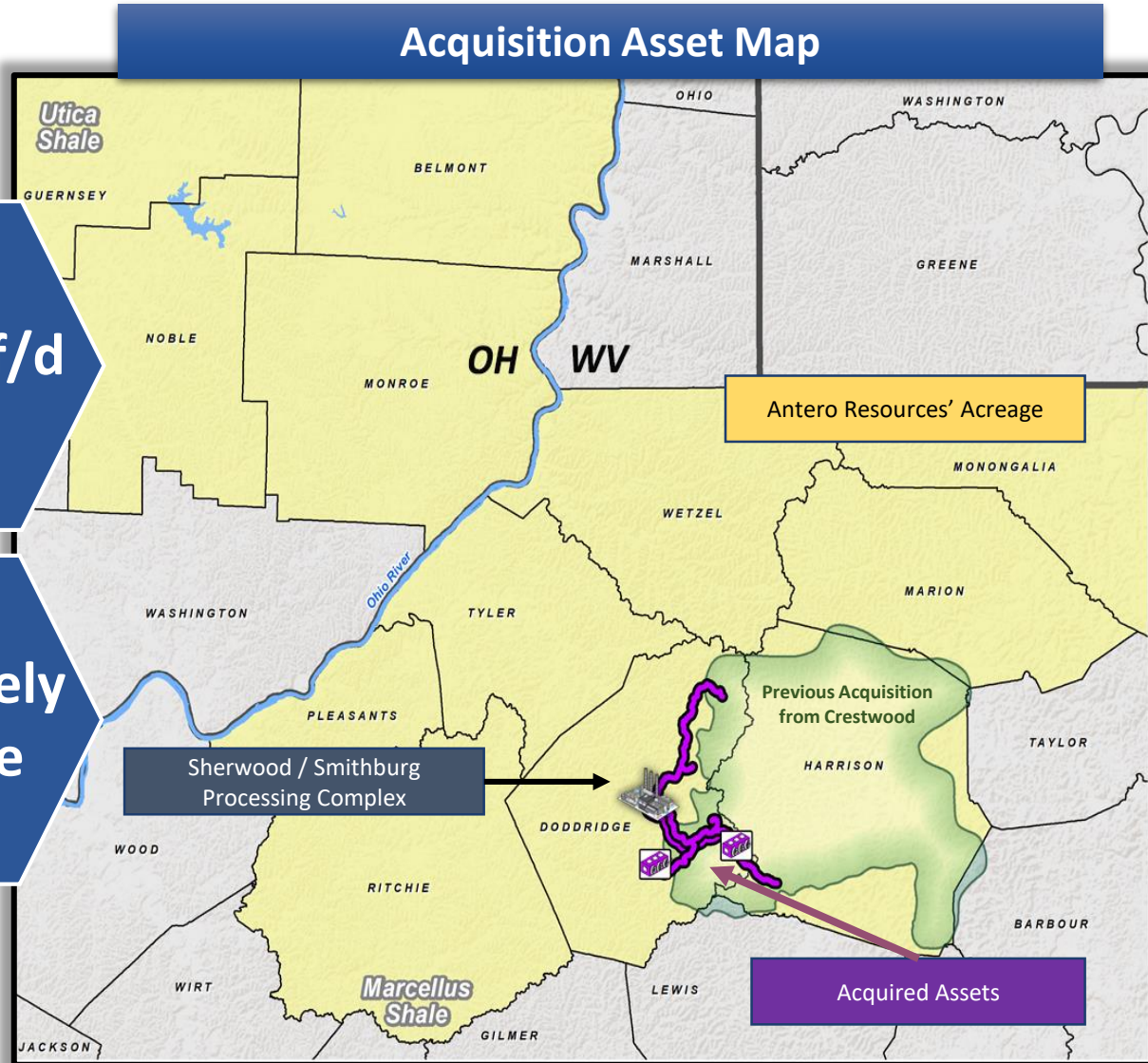
Immediately

Accretive

To Free Cash
Flow

100%

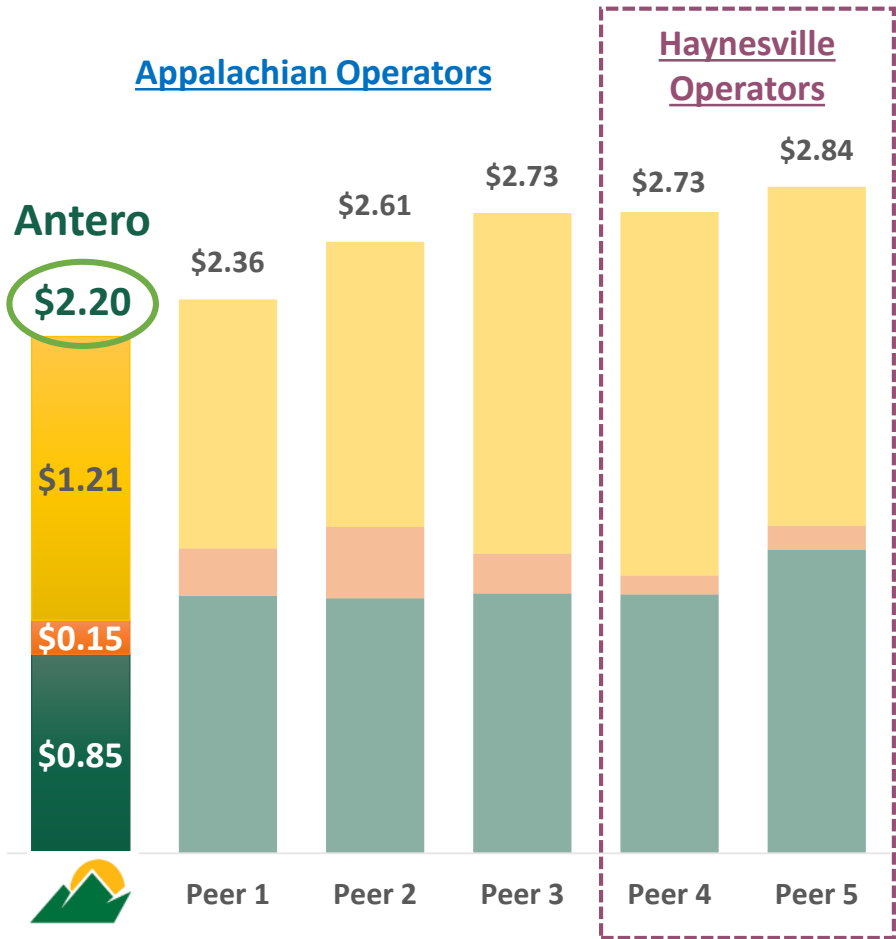
Fixed Fee
Contracts



AR Has the Lowest Free Cash Flow Breakevens

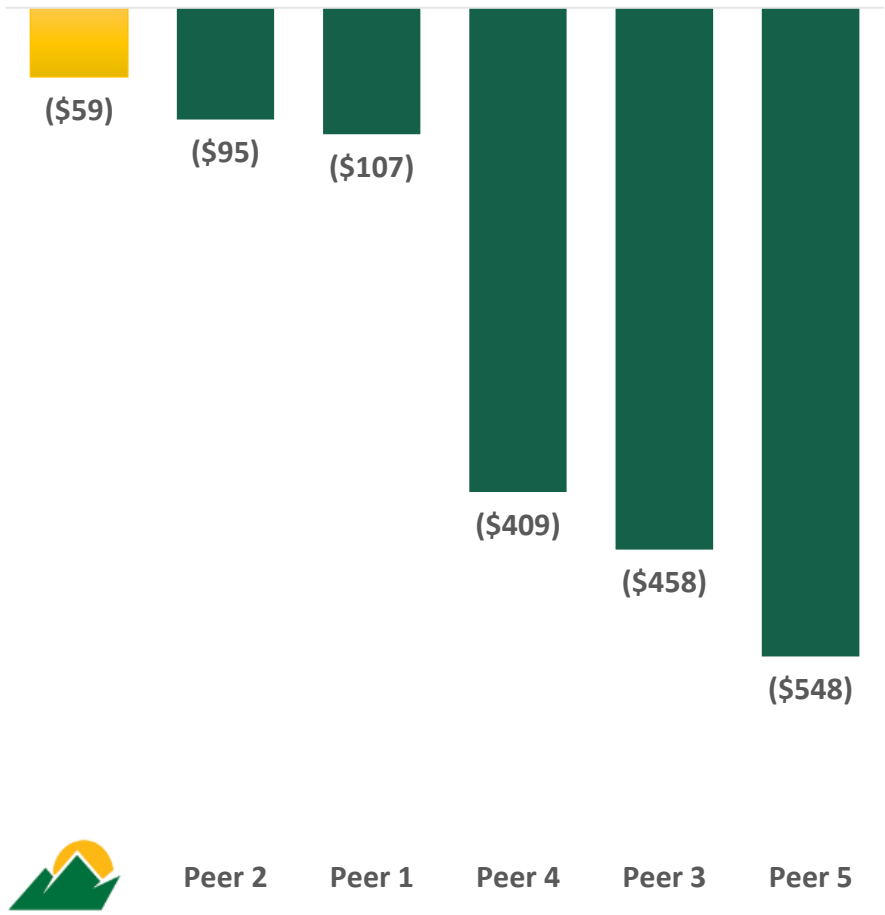
2024E Unhedged FCF Natural Gas Price Breakeven ⁽¹⁾
(\$/Mcf Henry Hub)

Maintenance Capital Interest Expense Cash Costs + Basis - Liquids Uplift



1H 2024 Unhedged Free Cash Flow / (Outspend) ⁽²⁾
(\$MM)

1H 2024 NYMEX Henry Hub: \$2.07/MMBtu



Source: Publicly disclosed guidance, company presentations, earnings call transcripts, Wall Street research. Peers include CHK, CNX, EQT, RRC and SWN.
1) 2024 NGL and oil pricing reflects strip as of 07/25/2024.
2) Represents FCF after changes in working Capital. Free Cash Flow is a Non-GAAP metric. Please see appendix for additional disclosures.

Second Quarter 2024 Highlights

2Q24 Financial Achievements

+5% Increase

In Adjusted EBITDA Year-over-year

\$152 MM / \$43 MM

Free Cash Flow
Before / After Dividends

3.1x Leverage

Net Debt/Adjusted EBITDA

2Q24 Operational Achievements

Integrated Acquisition

Of Marcellus Gathering and
Compression Assets

~99% Utilized

Joint Venture Processing and
Fractionation Capacity

Published ESG Report

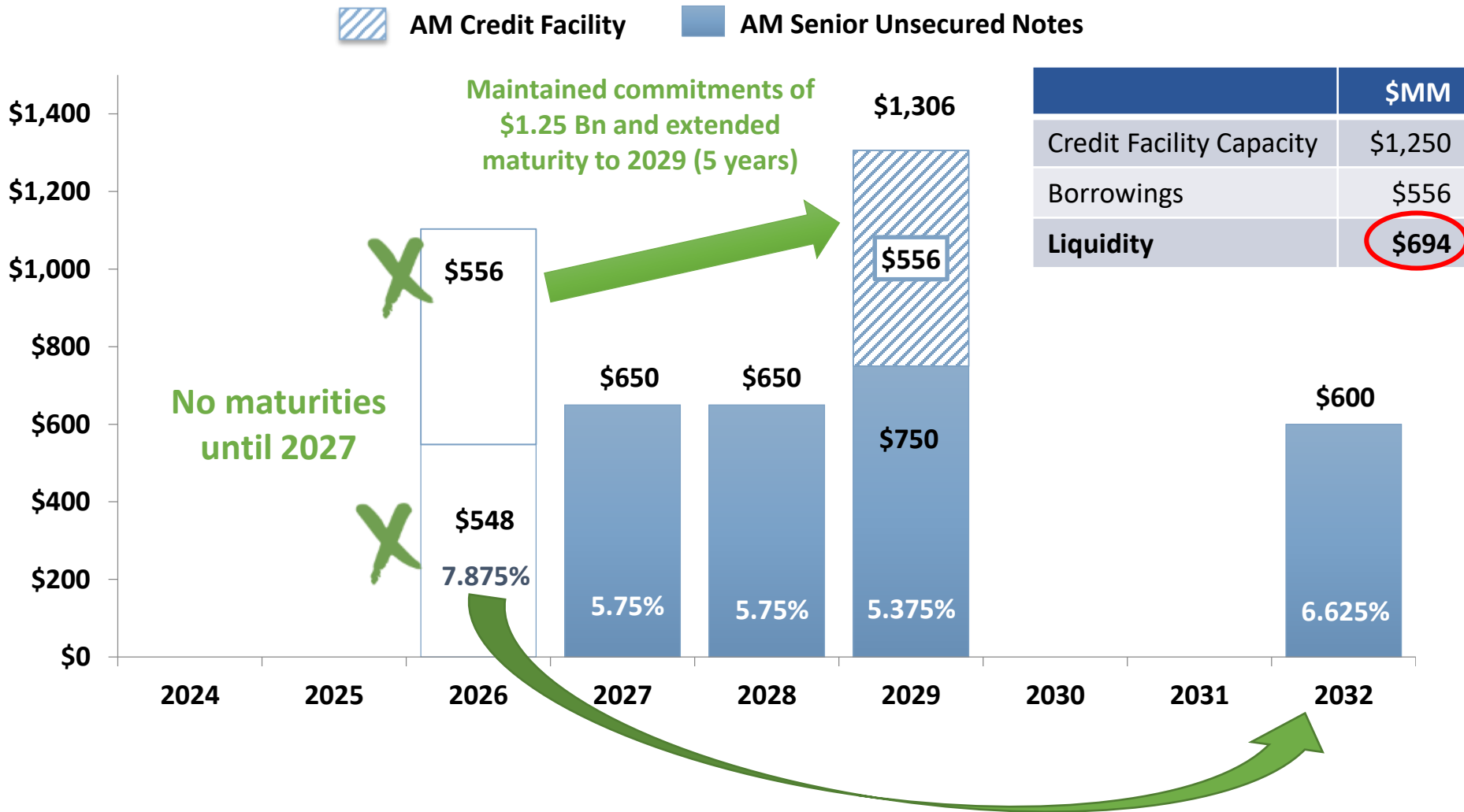
For 2023



Improved Balance Sheet Flexibility

Pro Forma Debt Maturity Schedule as of 06/30/2024⁽¹⁾

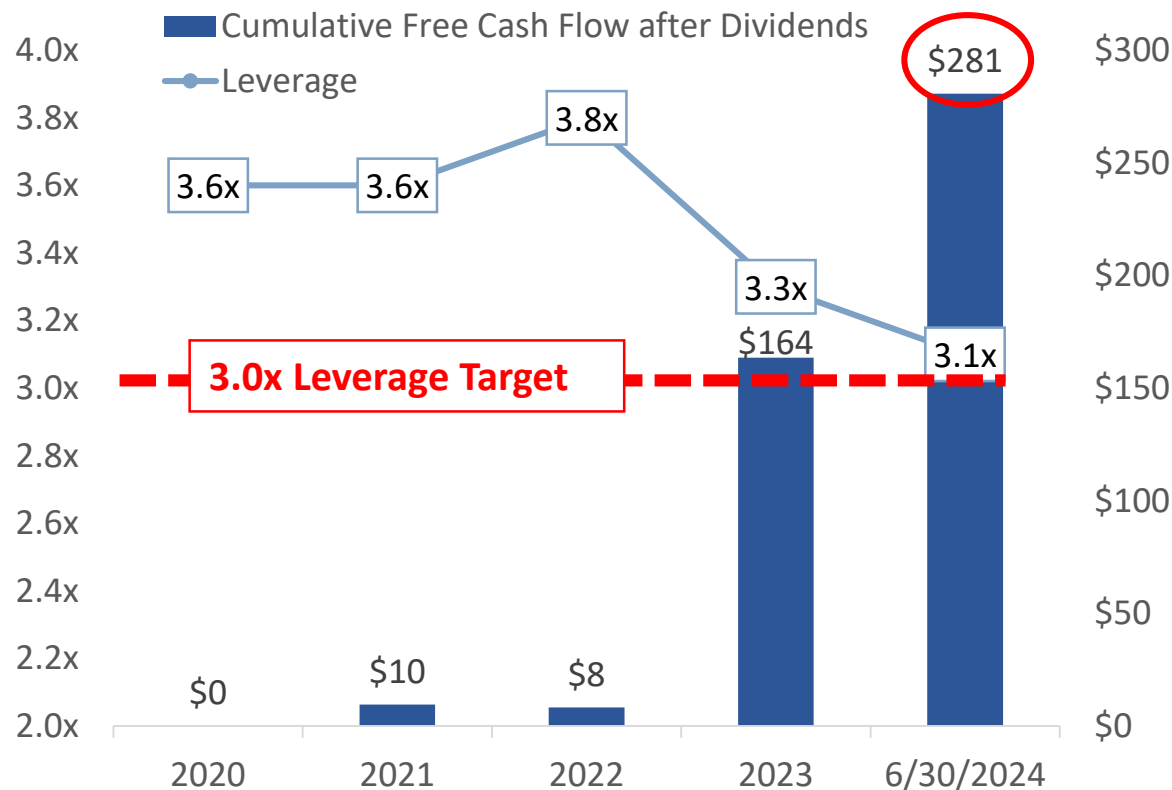
(\$MM)



Consistent Free Cash Flow & Credit Momentum

Leverage, Cumulative Free Cash Flow After Dividends & Credit Ratings

(Net Debt / LTM Adjusted EBITDA and Corporate Credit Rating)



3.0x Leverage Target

S&P
Rating

B-

BB

BB

BB

BB+

4 Upgrades

Since 2020

\$281MM

Cumulative Free Cash
Flow after Dividends
since 2021

~100%

Of Revenues from
Investment Grade
Customers





APPENDIX

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

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

	Twelve Months Ended December 31,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net income	\$ 159,105	236,703	307,315	312,894	(285,076)	(122,527)	331,617	326,242	371,786
Interest expense, net	8,158	21,893	37,557	83,794	130,518	147,007	175,281	189,948	217,245
Income tax expense	—	—	—	114,406	(79,120)	(55,688)	117,123	117,494	128,287
Depreciation expense	86,670	99,861	119,562	145,745	120,363	108,790	108,790	131,762	136,059
Amortization of customer relationships	—	—	—	71,082	70,874	70,672	70,672	70,672	70,672
Impairment expense	—	—	23,431	5,771	768,942	673,640	5,042	3,702	146
Loss (gain) on asset sale	—	(3,859)	—	(583)	—	2,929	3,628	(2,251)	6,030
Accretion and change in fair value of contingent acquisition consideration	3,333	16,489	13,476	(93,019)	—	—	—	—	—
Accretion of asset retirement obligations	—	—	—	135	10,254	180	460	222	177
Loss on settlement of asset retirement obligation	—	—	—	—	—	—	—	539	805
Loss on early extinguishment of debt	—	—	—	—	—	—	21,757	—	—
Contract restructuring fees	—	—	—	—	2,278	—	—	—	—
Equity-based compensation	22,470	26,049	27,283	56,184	75,994	12,778	13,529	19,654	31,606
Equity in earnings of unconsolidated affiliates	—	(485)	(20,194)	(34,189)	(62,394)	(86,430)	(90,451)	(94,218)	(105,456)
Distributions from unconsolidated affiliates	—	7,702	20,195	46,415	76,925	98,858	118,990	120,460	131,835
Adjusted EBITDA	279,736	404,353	528,625	708,635	829,558	850,209	876,438	884,226	989,192
Interest Expense	(8,158)	(21,893)	(37,557)	(83,794)	(130,518)	(147,007)	(175,281)	(189,948)	(217,245)
Capital Expenditures (accrual based)	(396,334)	(480,728)	(792,720)	(646,329)	(646,424)	(207,518)	(261,889)	(264,920)	(184,994)
Free Cash Flow Before Dividends	(124,756)	(98,268)	(301,652)	(21,488)	52,616	495,684	439,268	429,358	586,953
Dividends Declared	(132,250)	(206,112)	(316,852)	(463,821)	(607,544)	(586,291)	(429,696)	(430,649)	(431,727)
Free Cash Flow After Dividends	(257,006)	(304,379)	(618,504)	(485,309)	(554,928)	(90,607)	9,573	(1,291)	155,226
Net Debt	\$620	\$849,914	\$1,196,000	\$1,691,508	\$2,892,249	\$3,091,626	\$3,147,200	\$3,382,000	\$3,230,034
Leverage	0.0x	2.1x	2.3x	2.7x	3.5x	3.6x	3.6x	3.8x	3.3x



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):

		As of June 30, 2024
Bank credit facility	\$	555,700
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
Consolidated total debt	\$	3,205,700
Less: Cash and cash equivalents		—
Consolidated net debt	\$	3,205,700

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

		Twelve Months Ended June 30, 2024
Net Income	\$	388,230
Interest expense, net		212,727
Income tax expense		132,446
Depreciation expense		140,301
Amortization of customer relationships		70,672
Accretion of asset retirement obligations		180
Impairment expense		146
Equity-based compensation		37,706
Equity in earnings of unconsolidated affiliates		(110,155)
Distributions from unconsolidated affiliates		137,195
Loss on early extinguishment of debt		13,750
Loss on settlement of asset retirement obligations		185
Loss on asset sale		1,840
Adjusted EBITDA	\$	1,025,223



Antero Midstream Non-GAAP Measures

Three Months Ended

	<u>6/30/2022</u>	<u>9/30/2022</u>	<u>12/31/2022</u>	<u>3/31/2023</u>	<u>6/30/2023</u>	<u>9/30/2023</u>	<u>12/31/2023</u>	<u>3/31/2024</u>	<u>6/30/2024</u>
Net income	\$ 79,395	84,014	82,793	86,507	87,012	97,820	100,447	103,926	86,037
Interest expense, net	45,426	47,835	52,408	54,624	55,388	55,233	52,000	53,308	52,186
Income tax expense	26,399	30,332	32,696	31,670	29,095	36,657	30,865	36,488	28,436
Depreciation expense	35,675	34,206	33,581	35,196	35,233	30,745	34,885	37,095	37,576
Amortization of customer relationships	17,668	17,668	17,668	17,668	17,668	17,668	17,668	17,668	17,668
Impairment expense	3,702	—	—	—	—	—	146	—	—
Loss (gain) on asset sale	(32)	(2,092)	(9)	(245)	5,814	467	(6)	—	1,379
Accretion and change in fair value of contingent acquisition consideration	—	—	—	—	—	—	—	—	—
Accretion of asset retirement obligations	64	50	44	44	44	45	44	44	47
Loss on settlement of asset retirement obligation	539	—	—	341	279	—	185	—	—
Loss on early extinguishment of debt	—	—	—	—	—	—	—	59	13,691
Contract restructuring fees	—	—	—	—	—	—	—	—	—
Equity-based compensation	5,641	5,553	5,628	6,327	8,499	8,349	8,431	9,327	11,599
Equity in earnings of unconsolidated affiliates	(22,824)	(24,411)	(23,751)	(24,456)	(25,972)	(27,397)	(27,631)	(27,530)	(27,597)
Distributions from unconsolidated affiliates	29,375	29,965	29,990	34,105	29,465	31,330	36,935	34,960	33,970
Adjusted EBITDA	221,028	223,120	231,048	241,781	242,525	250,917	253,969	265,345	254,992
Interest Expense	(45,426)	(47,835)	(52,408)	(54,624)	(55,388)	(55,233)	(52,000)	(53,308)	(52,186)
Capital Expenditures (accrual based)	(70,201)	(37,168)	(62,896)	(33,603)	(48,584)	(57,271)	(45,536)	(29,772)	(51,276)
Free Cash Flow Before Dividends	105,401	138,117	115,744	153,554	138,553	138,413	156,433	182,265	151,530
Dividends Declared	(107,654)	(107,659)	(107,688)	(107,923)	(107,927)	(107,936)	(107,941)	(108,279)	(108,284)
Free Cash Flow After Dividends	(2,253)	30,458	8,056	45,631	30,626	30,477	48,492	73,986	43,246



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.



Antero Resources Free Cash Flow Reconciliation

	<u>Six Months Ended June 30,</u> <u>2024</u>
Net cash provided by operating activities	405,109
Less: Net cash used in investing activities	(414,125)
Less: Proceeds from sale of assets, net	(418)
Less: Distributions to non-controlling interests in Martica	(42,899)
Free Cash Flow	(52,334)
Changes in Working Capital ⁽¹⁾	(22,787)
Free Cash Flow before Changes in Working Capital	(75,120)

