



# Third Quarter 2023 Earnings Presentation

October 26, 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.

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, 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, 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.

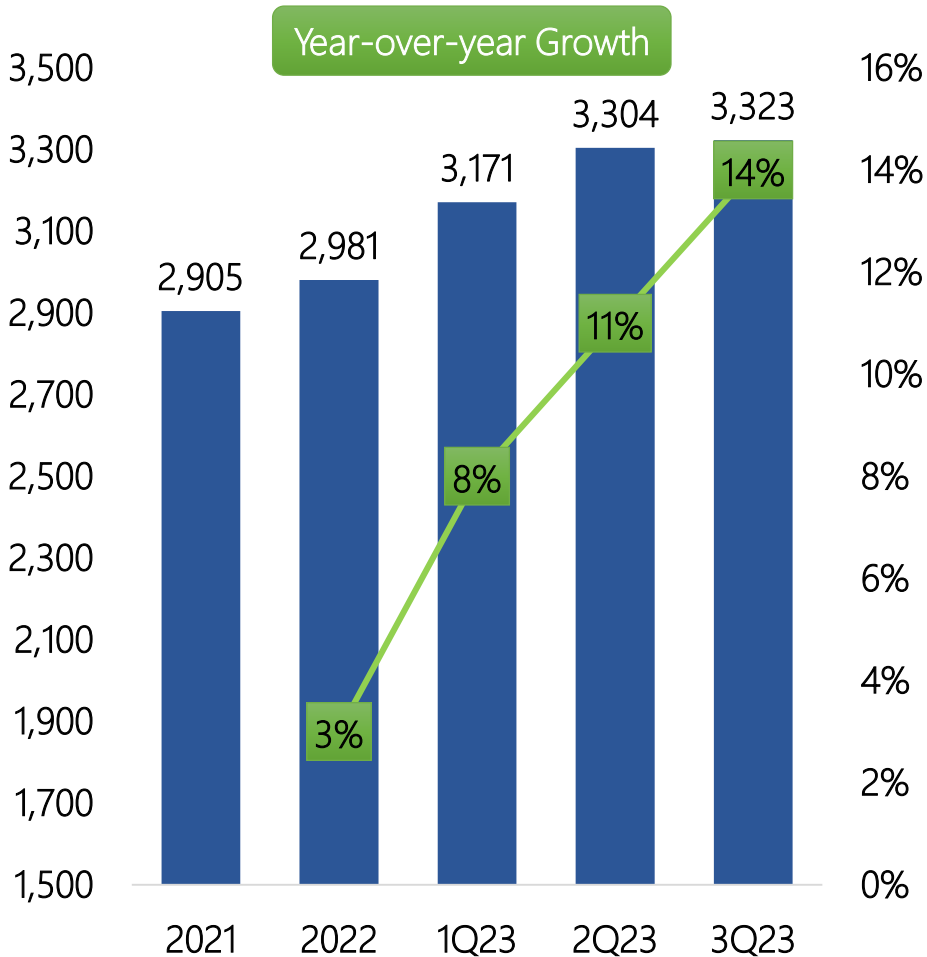
Antero Midstream's ability to make future dividends is substantially dependent upon the development and drilling plan of Antero Resources, which itself is substantially dependent upon the review and approval by the Board of Directors of Antero Resources of its capital budget on an annual basis. The Board 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. 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.

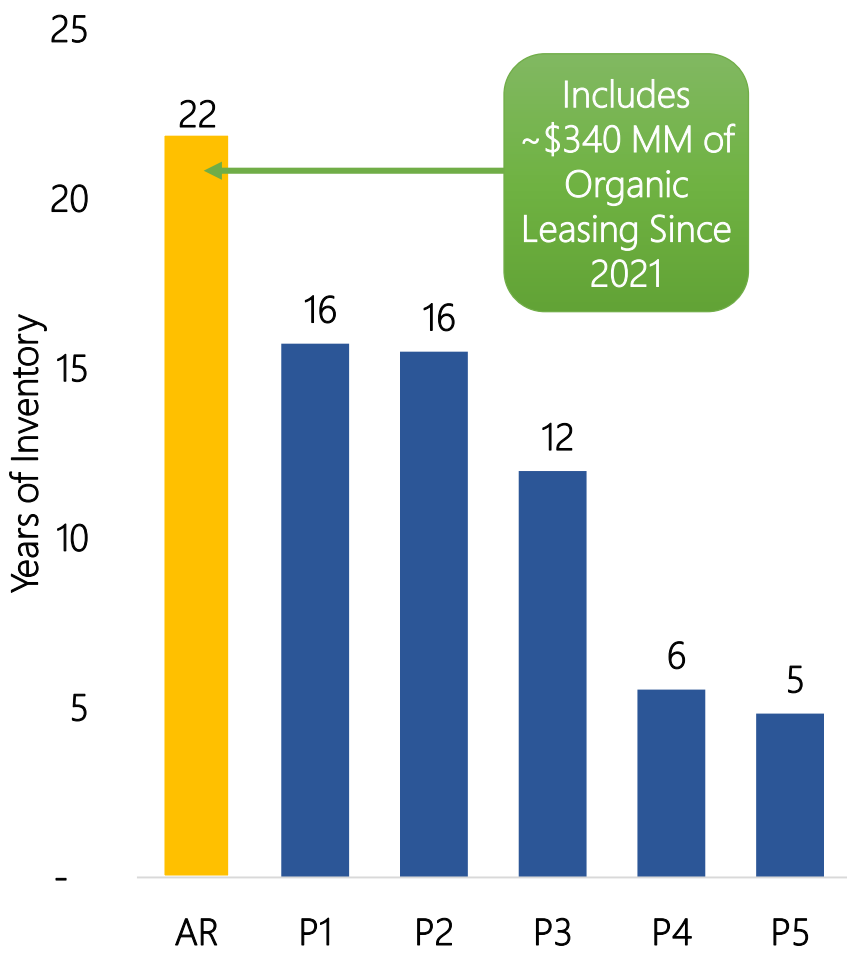


# Consistent Growth and Large Low-Cost Inventory Dedicated to AM

### AM Low Pressure Gathering Volumes (MMcf/d)

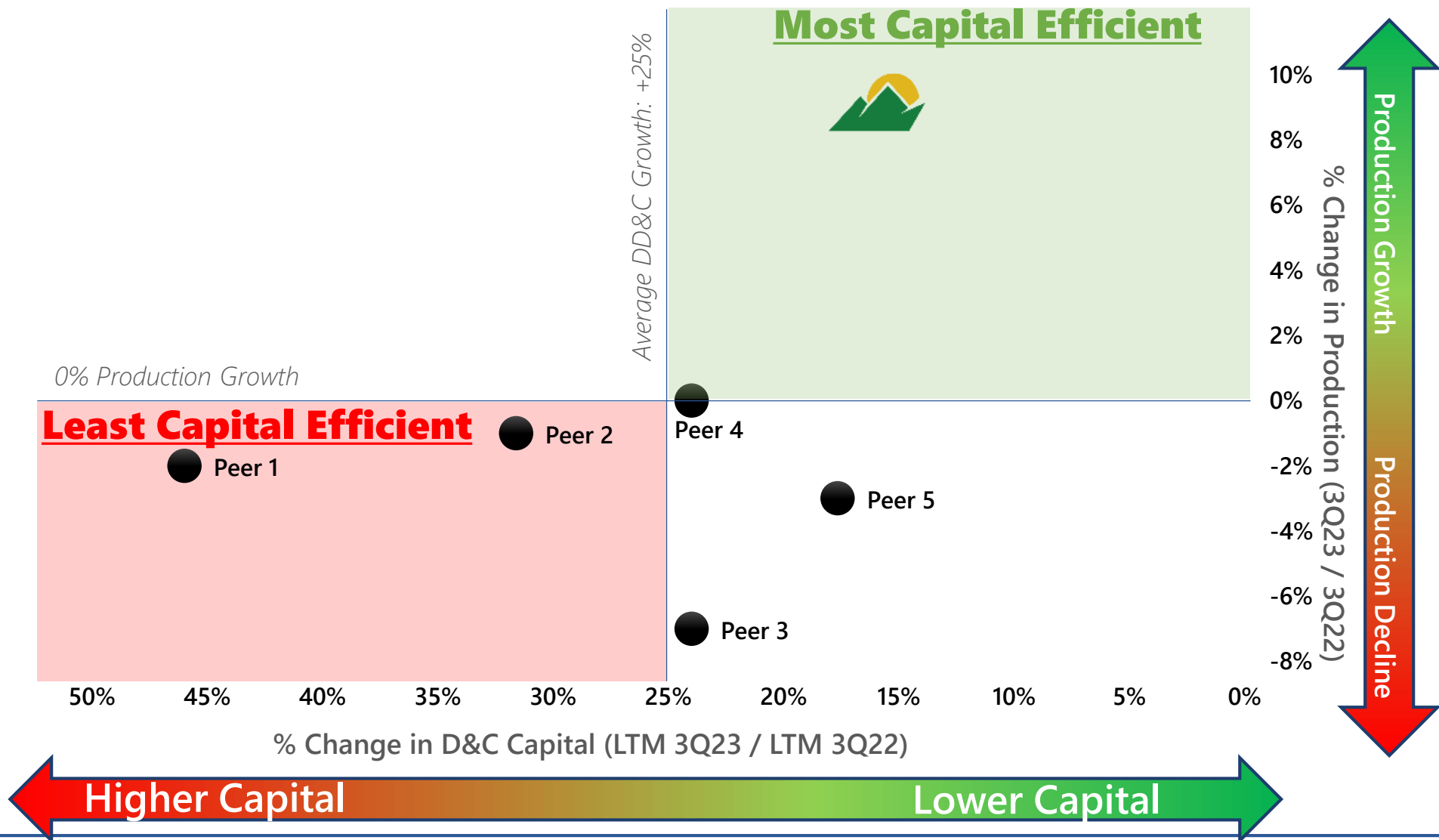


### Appalachia Sub-\$2.75/Mcf Inventory (Years - Locations Based on 3rd Party Data)



# Most Capital Efficient Customer in Appalachia

## Drilling and Completion Capital vs. Production Growth



Antero Midstream (NYSE: AM) | Note: Peers include CHK, CNX, EQT, RRC and SWN. AR, CNX, EQT and RRC represent actual production volumes and capital through 3Q23. The remaining peers represent consensus as of 10/25/2023. CHK adjusted for Eagle Ford shale divestiture. EQT adjusted for Tug Hill acquisition.

# Operational Success Drives Earnings Growth

## 3Q23 Financial Achievements

**+12% Increase**

In Adjusted EBITDA Y-o-Y  
+\$28 MM Y-o-Y

**+\$138 MM / +\$30 MM**

Free Cash Flow  
Before / After Dividends

**3.4x Leverage**

Net Debt/EBITDA

## 3Q23 Operational Achievements

**+ 13% / +17% Increase**

In Gathering / Compression  
Volumes Y-o-Y

**100% Utilized**

Joint Venture Processing and  
Fractionation Capacity

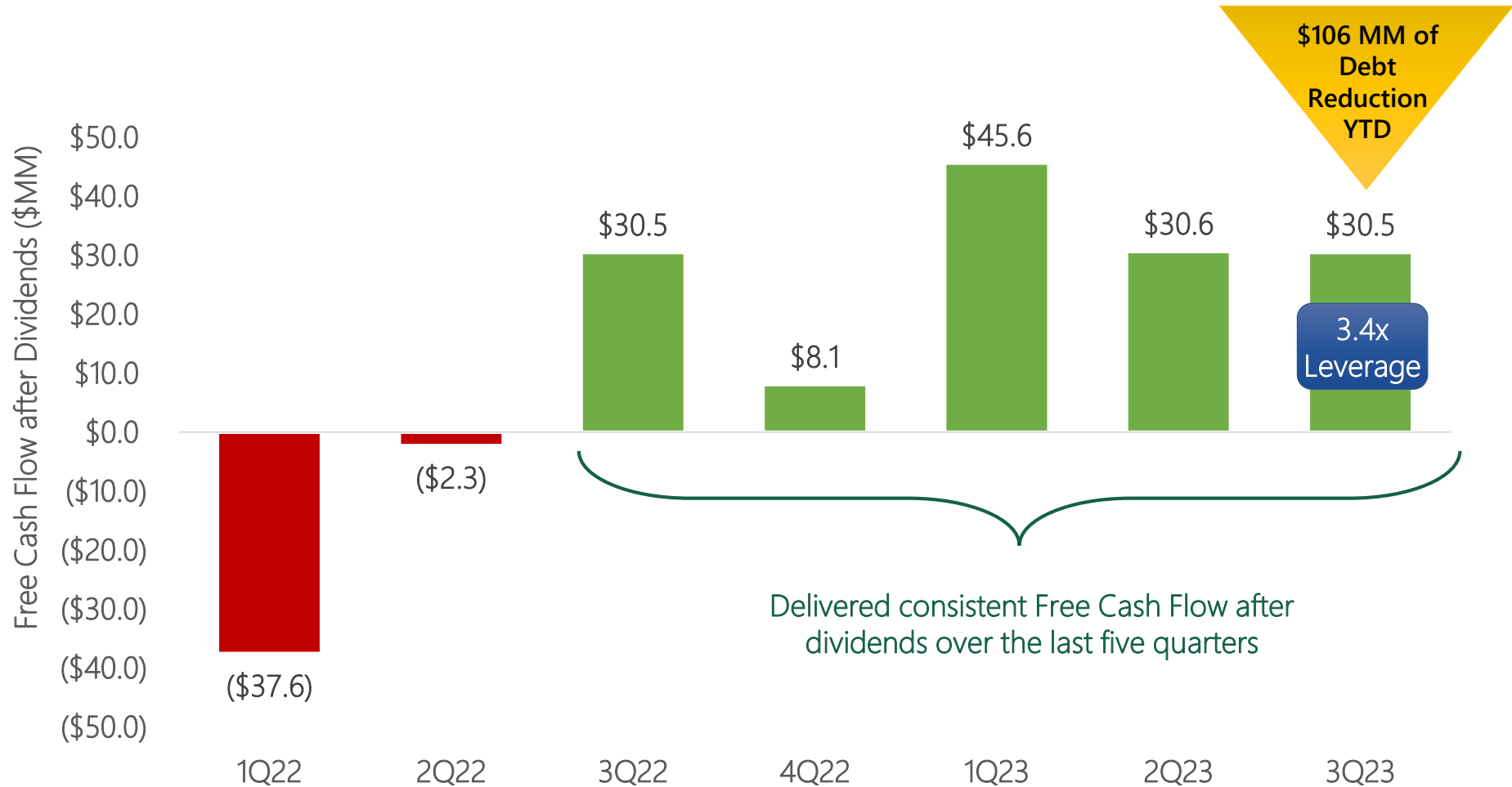
**>99% Asset Uptime  
Availability**

Delivered by AM



# Transition to Repeatable Free Cash Flow after Dividends

## Free Cash Flow after Dividends (\$MM)



# Antero Midstream 2022 ESG Highlights



**0.031%**

Methane leak loss rate, one of the lowest in the industry



**8 years**

Without an employee lost time incident



**86%**

Of wastewater received was reused or recycled



**(59)%**

Reduction In workforce Total Recordable Incident Rate ("TRIR") Y-o-Y



**12,000,000**

miles of truck traffic eliminated using fresh water delivery system



**15%**

Of executive compensation tied to ESG performance



# Antero Midstream: Checking all the Boxes



**Expand asset base to drive EBITDA growth**



**Execute flexible just-in-time investment**



**Deliver peer-leading ROIC of 17% to 20%**



**Generate repeatable Free Cash Flow after dividends**



**Reduce absolute debt and leverage to  $\leq 3.0x$  in 2024**



**Well positioned for increased return of capital**





# Appendix

*Cheat Canyon Preservation, WV – Conservation efforts supported by Antero*

# 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, impairment of property and equipment, loss on settlement of asset retirement obligations, and loss (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, depreciation expense, impairment, amortization of customer relationships, loss on settlement of asset retirement obligations, loss (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 defines ROIC as earnings before interest and income taxes excluding amortization of customer relationships, impairment expense, (gain) on asset sale, loss on settlement of asset retirement obligations, and the tax-effects of such amounts, divided by average total liabilities and stockholders' equity, excluding current liabilities, intangible assets and impairment of property and equipment in order to derive an operating asset driven Return on Invested Capital calculation. Antero Midstream has not included a reconciliation of ROIC to the nearest GAAP financial measure for 2023 through 2027 because it cannot do so without unreasonable effort and any attempt to do so would be inherently imprecise.



# 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						
	<u>3/31/2022</u>	<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>
<b>Net income</b>	<b>\$ 80,040</b>	<b>79,395</b>	<b>84,014</b>	<b>82,793</b>	<b>86,507</b>	<b>87,012</b>	<b>97,820</b>
Interest expense, net	44,279	45,426	47,835	52,408	54,624	55,388	55,233
Income tax expense	28,067	26,399	30,332	32,696	31,670	29,095	36,657
Depreciation expense	28,300	35,675	34,206	33,581	35,196	35,233	30,745
Amortization of customer relationships	17,668	17,668	17,668	17,668	17,668	17,668	17,668
Impairment expense	—	3,702	—	—	—	—	—
Loss (gain) on asset sale	(118)	(32)	(2,092)	(9)	(245)	5,814	467
Accretion of asset retirement obligations	64	64	50	44	44	44	45
Loss on settlement of asset retirement obligation	—	539	—	—	341	279	—
Equity-based compensation	2,832	5,641	5,553	5,628	6,327	8,499	8,349
Equity in earnings of unconsolidated affiliates	(23,232)	(22,824)	(24,411)	(23,751)	(24,456)	(25,972)	(27,397)
Distributions from unconsolidated affiliates	31,130	29,375	29,965	29,990	34,105	29,465	31,330
<b>Adjusted EBITDA</b>	<b>209,030</b>	<b>221,028</b>	<b>223,120</b>	<b>231,048</b>	<b>241,781</b>	<b>242,525</b>	<b>250,917</b>
Interest Expense	(44,279)	(45,426)	(47,835)	(52,408)	(54,624)	(55,388)	(55,233)
Capital Expenditures (accrual-based)	(94,655)	(70,201)	(37,168)	(62,896)	(33,603)	(48,584)	(57,271)
<b>Free Cash Flow Before Dividends</b>	<b>70,096</b>	<b>105,401</b>	<b>138,117</b>	<b>115,744</b>	<b>153,554</b>	<b>138,553</b>	<b>138,413</b>
Dividends Declared	(107,648)	(107,654)	(107,659)	(107,688)	(107,923)	(107,927)	(107,936)
<b>Free Cash Flow After Dividends</b>	<b>(37,552)</b>	<b>(2,253)</b>	<b>30,458</b>	<b>8,056</b>	<b>45,631</b>	<b>30,626</b>	<b>30,477</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>September 30, 2023</u>
<b>Bank credit facility</b>	\$	676,400
7.875% senior notes due 2026		550,000
5.75% senior notes due 2027		650,000
5.75% senior notes due 2028		650,000
5.375% senior notes due 2029		750,000
<b>Consolidated total debt</b>	\$	<u>3,276,400</u>
Cash and cash equivalents		<u>—</u>
<b>Consolidated net debt</b>	\$	<u>3,276,400</u>

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, 2023</u>
<b>Net Income</b>	\$	354,132
Interest expense, net		217,653
Income tax expense		130,118
Depreciation expense		134,755
Amortization of customer relationships		70,672
Accretion of asset retirement obligation		177
Equity-based compensation		28,803
Equity in earnings of unconsolidated affiliates		(101,576)
Distributions from unconsolidated affiliates		124,890
Loss on settlement of asset retirement obligation		620
Loss on asset sale		6,027
<b>Adjusted EBITDA</b>	\$	<u>966,271</u>

