



# Third Quarter 2024 Earnings Call Presentation

October 31<sup>st</sup>, 2024



# 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 our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management, return of capital, expected results, future commodity prices, future production targets, realizing potential future fee rebates or reductions, including those related to certain levels of production, leverage targets and debt repayment, future earnings, future capital spending plans, improved and/or increasing capital efficiency, estimated realized natural gas, natural gas liquids and oil prices, expected drilling and development plans, projected well costs and cost savings initiatives, future financial position, future marketing opportunities, the participation level of our drilling partner and the financial and production results to be achieved as a result of the drilling partnership 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, supply chain disruption, lack of availability of drilling, completion and production equipment and services, environmental risks, drilling and completion and other operating risks, marketing and transportation risks, regulatory changes and changes in law, 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 geopolitical events and world health events, cybersecurity risks, conflicts of interest among our stockholders, the state of markets for and availability of verified carbon offsets 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, 2023. 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 AR non-GAAP measures which are 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.**

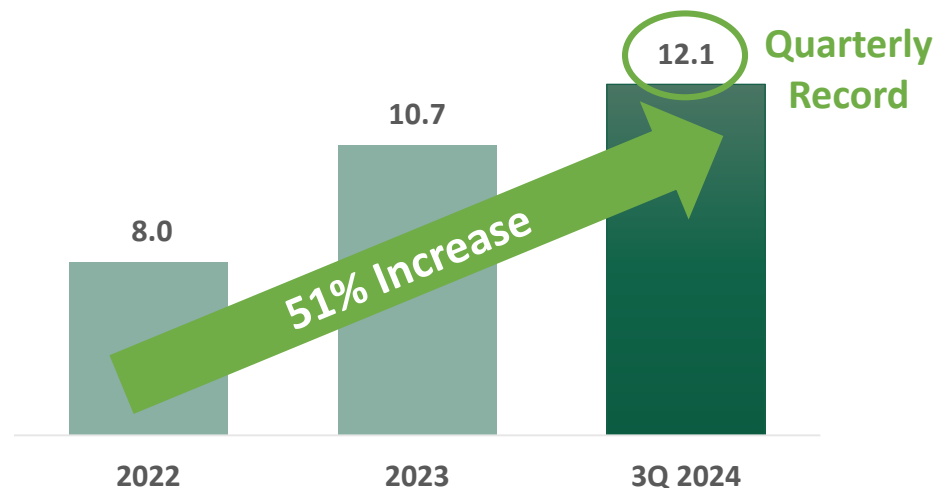


# Drilling and Completion Efficiencies

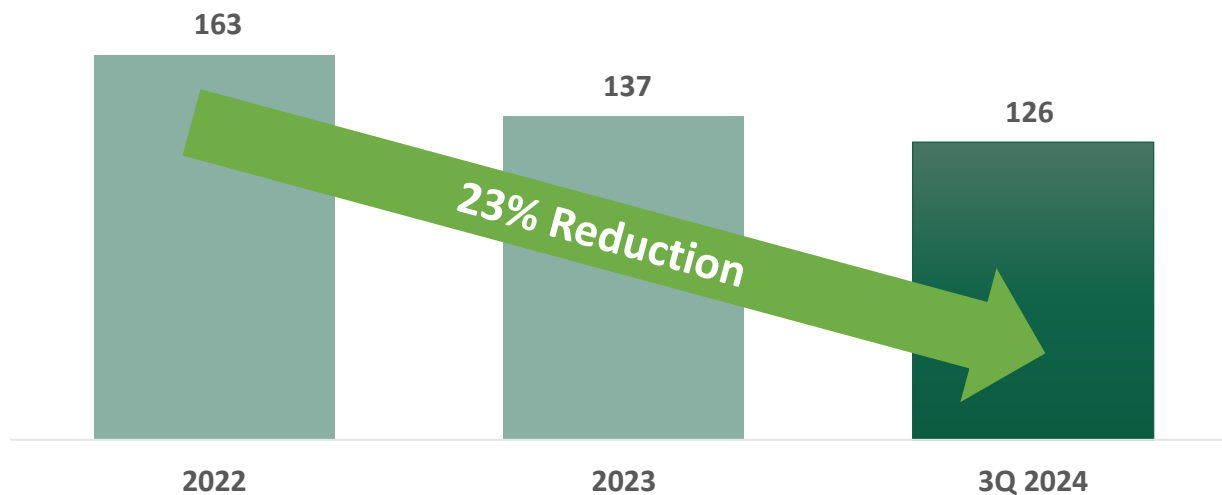
## Total Days per Well (13,000' Lateral)



## Increased Completion Stages per Day...



## Significantly Reduces Cycle Time per Pad <sup>(1)</sup>



# Reduced Capital Budget

## Operational Efficiencies via Enhanced D&C Techniques

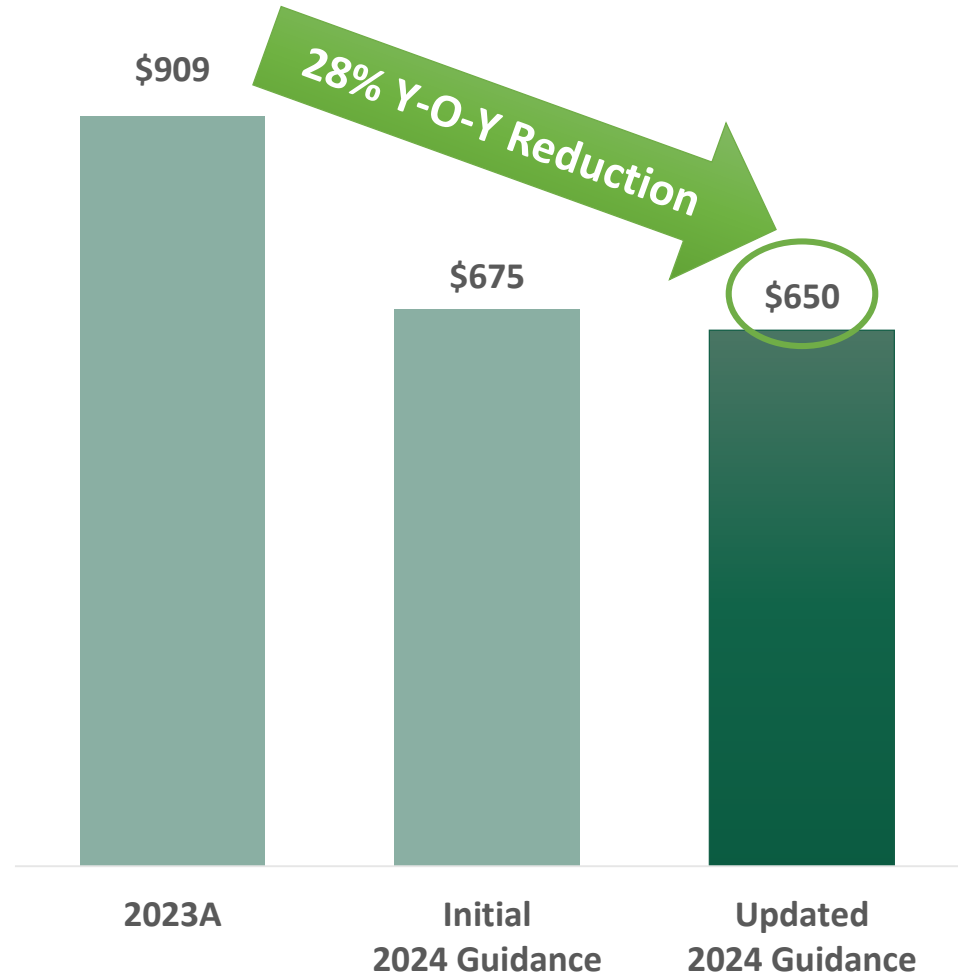
Strong Well Performance

Longer Laterals  
> 11% Y-O-Y Increase

Efficient D&C Program  
2 Rigs / 1.2 Completion Crews

~28% Y-O-Y Reduction  
in D&C Capital

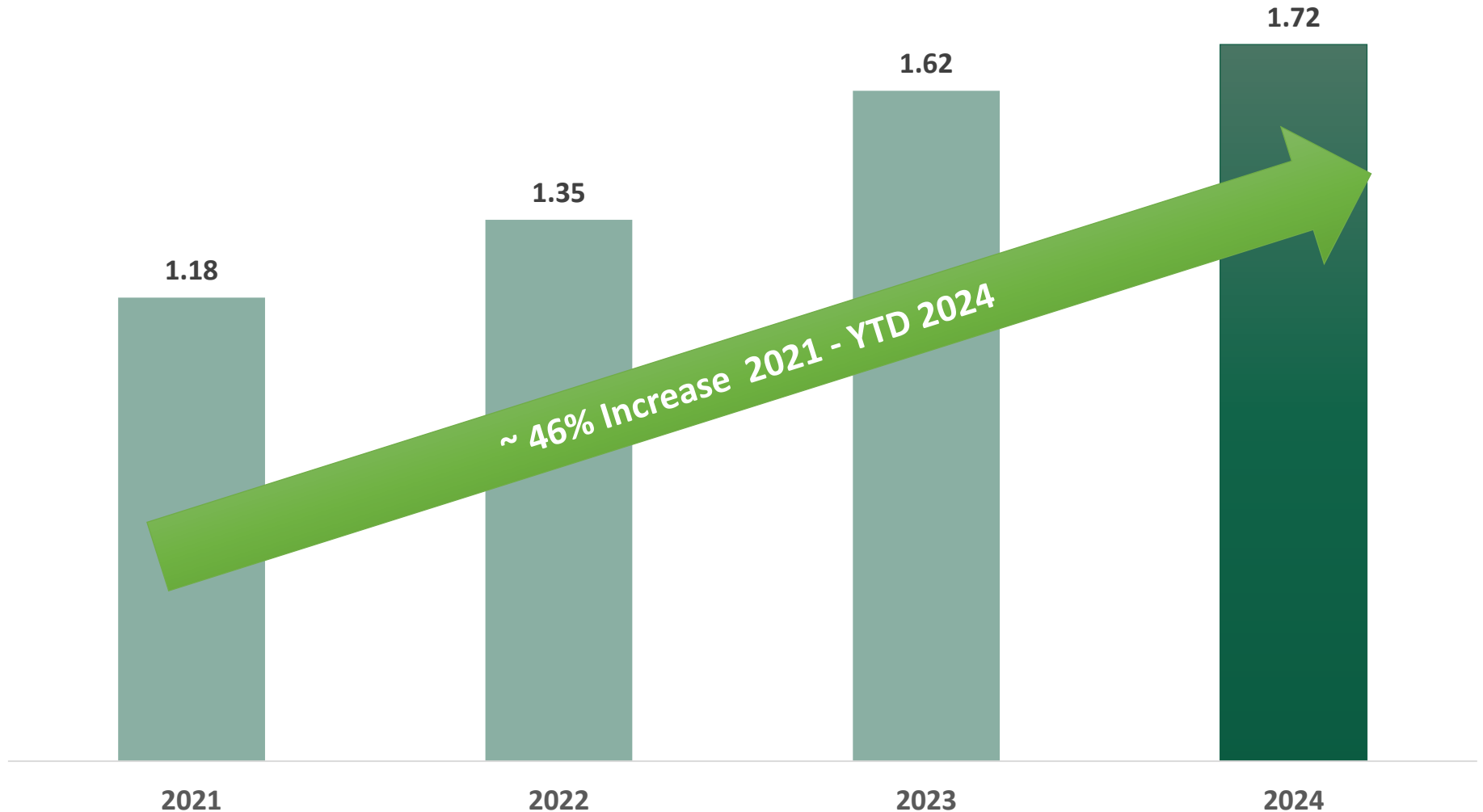
## AR D&C Capex Guidance <sup>(1)</sup> (\$MM)



# U.S. Propane Exports Remain Strong

## U.S. Exports of Propane/Propylene, Quarterly Average

(MMBbls/d)

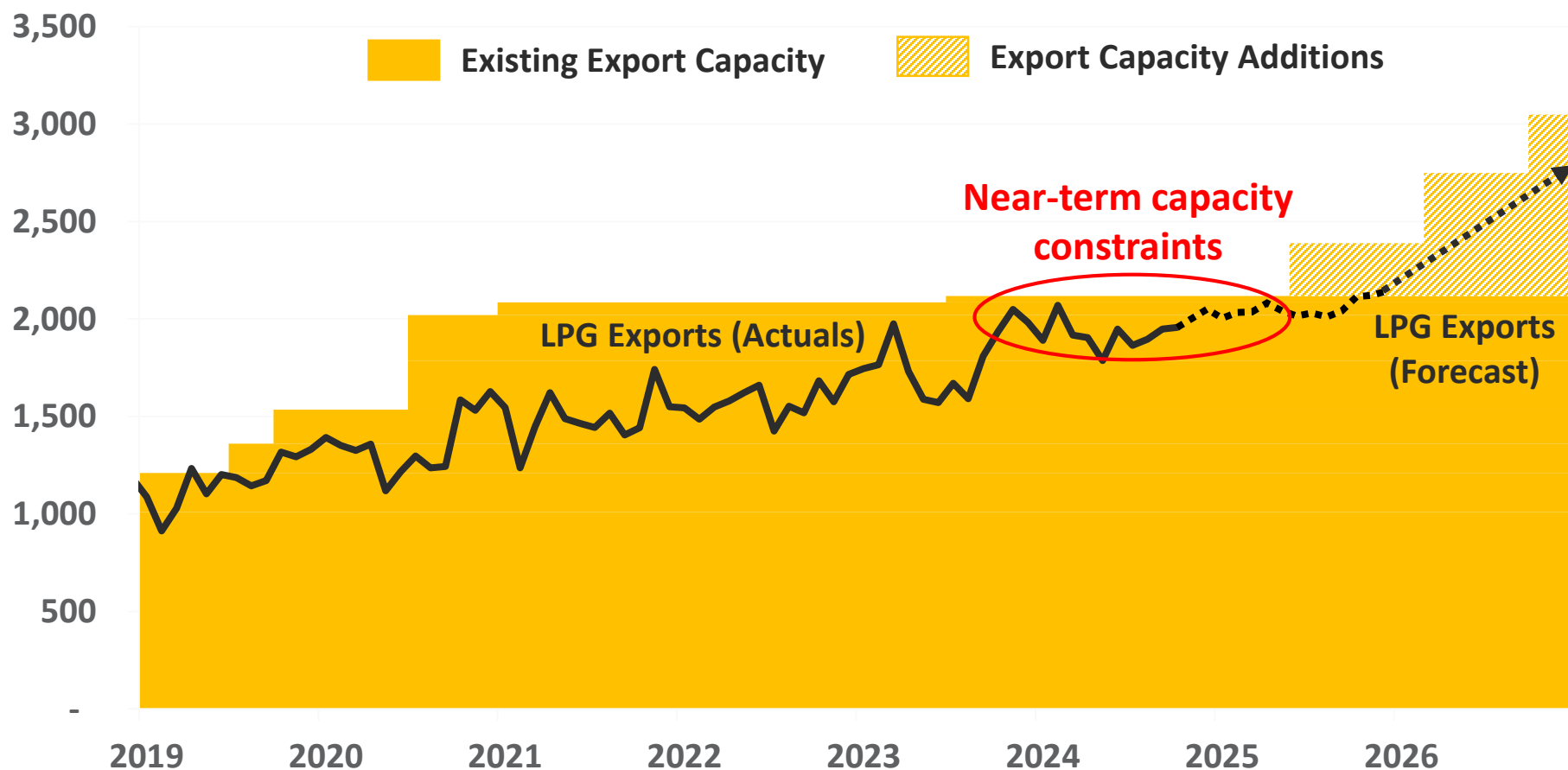


# Antero Holds Northeast LPG Export Advantage

AR's export capacity is not impacted by near-term U.S. Gulf Coast capacity constraints

## U.S. Gulf Coast LPG Export Capacity vs. LPG Exports

(MMBbls/d)



# Improving U.S. LPG Export Fundamentals

## Tight LPG Export Capacity Results in Premium Export Differentials

### Propane Export Premium vs. Mont Belvieu <sup>(1)</sup>

(\$/Gallon)

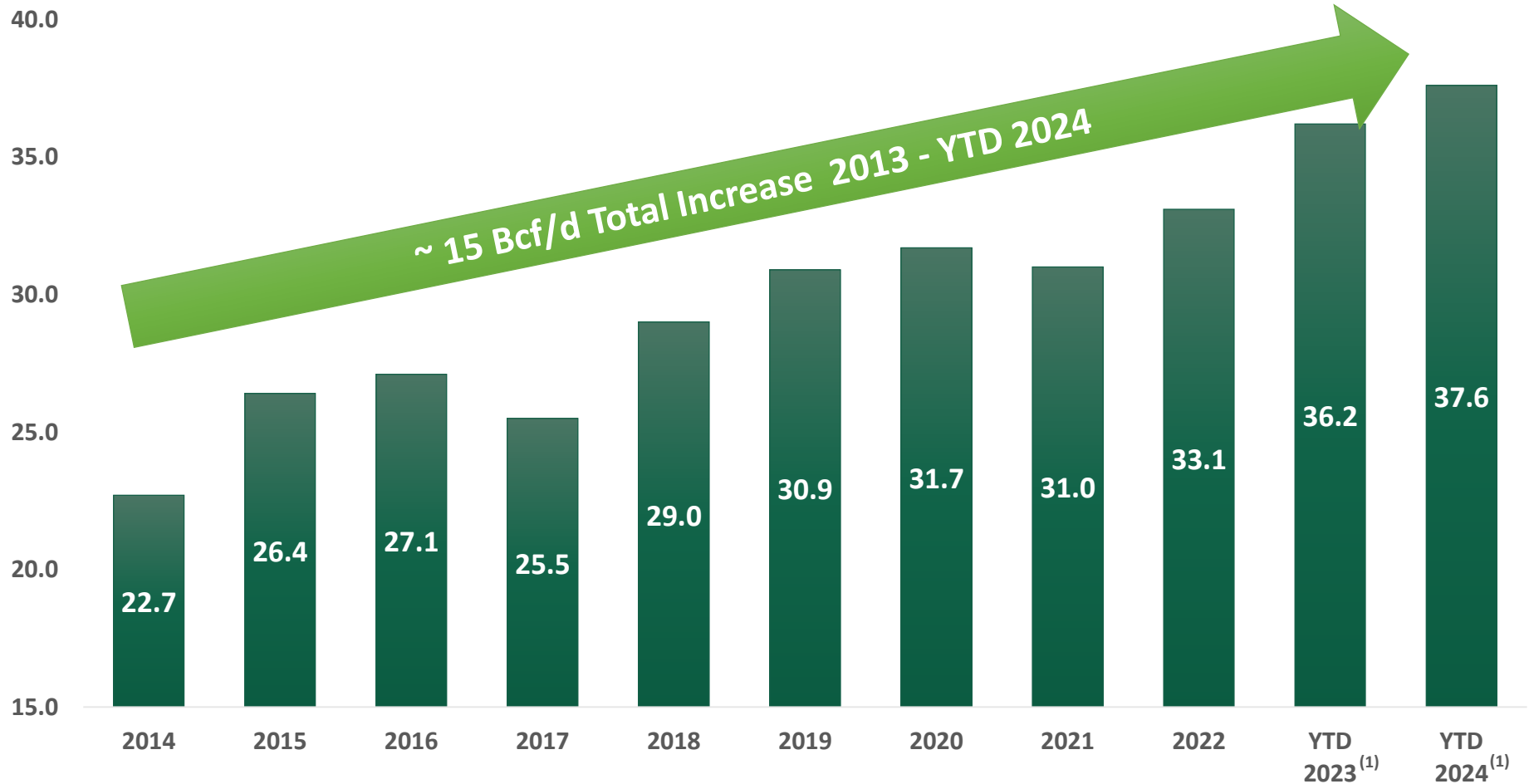


# U.S. Power Burn

YTD 2024 average power burn is 1.4 Bcf/d higher than the prior year period

## U.S. Natural Gas Demand From Power Burn (2013-YTD 2024)

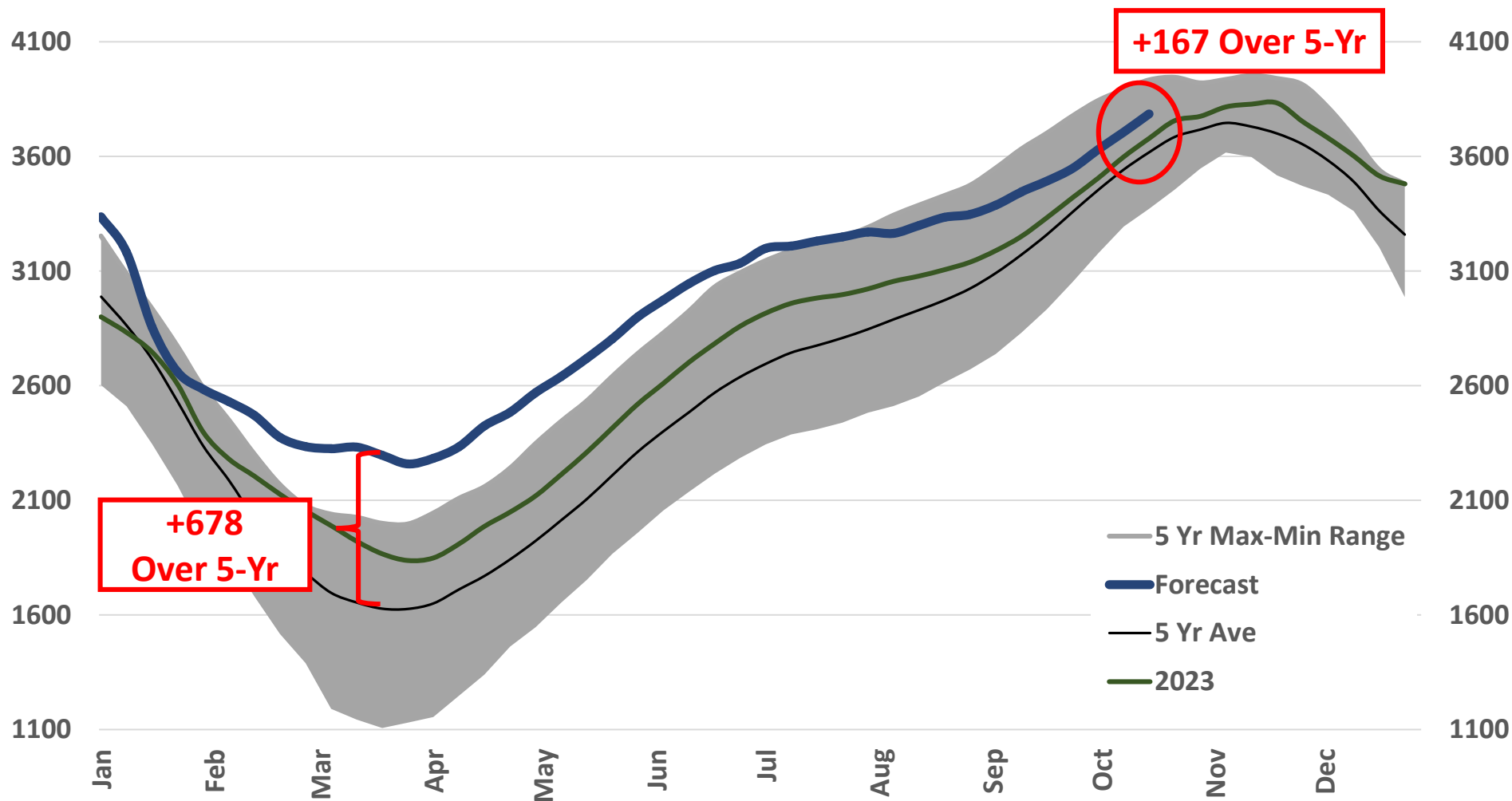
(Bcf/d)





# 2024 Natural Gas Storage vs. to 5 Year Average

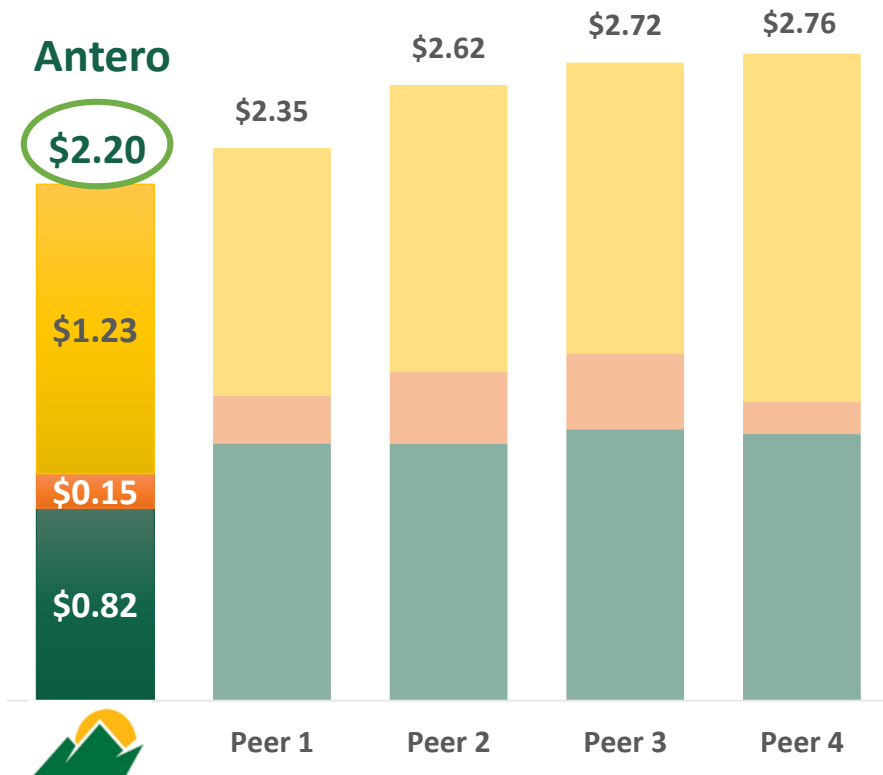
Storage Surplus Above 5 year Shrinks over 500 Bcf Since March 15



# Lowest Free Cash Flow Breakeven

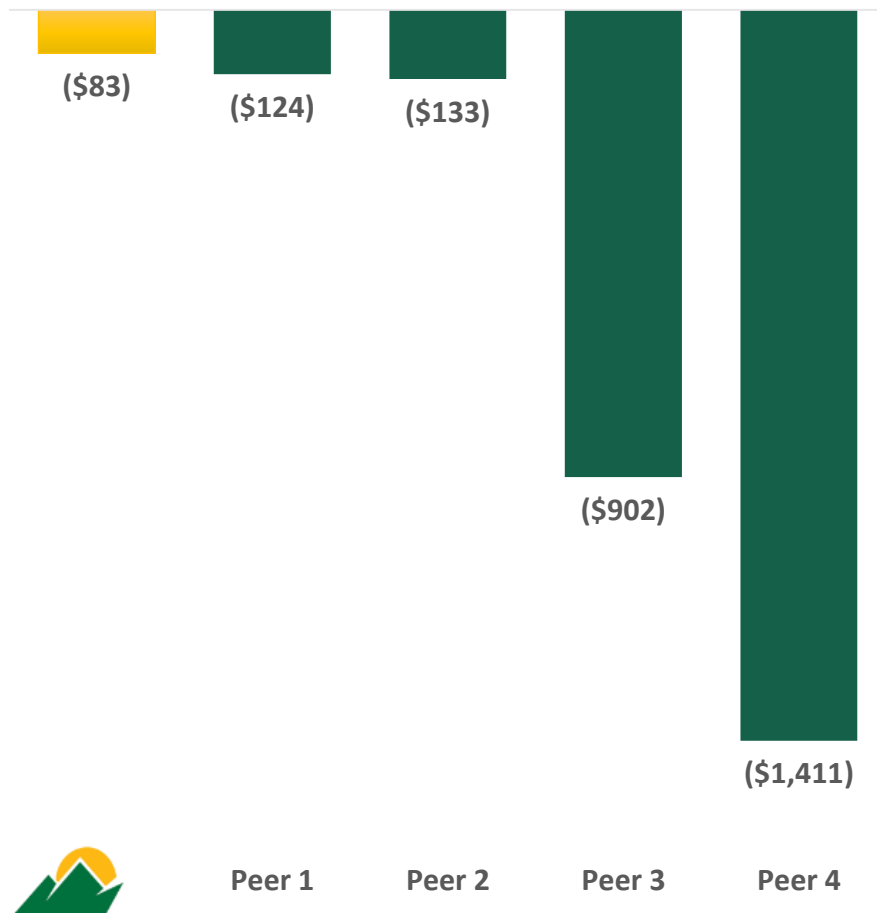
## 2024E Unhedged FCF Natural Gas Price Breakeven <sup>(1)</sup> (\$/Mcf Henry Hub)

■ Maintenance Capital ■ Interest Expense ■ Cash Costs + Basis - Liquids Uplift



## YTD 2024 Unhedged Free Cash Flow / (Outspend) <sup>(2)</sup> (\$MM)

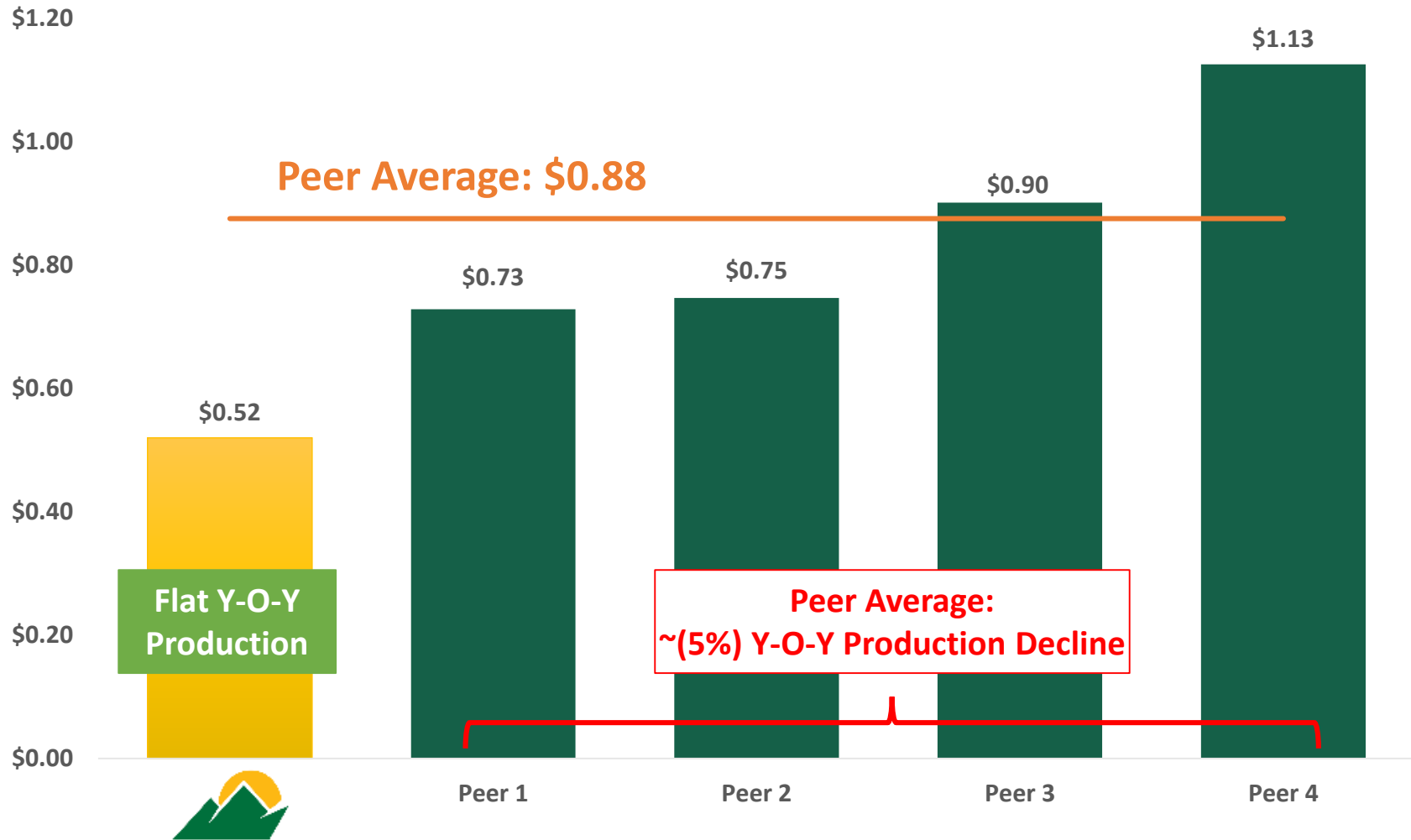
**YTD 2024 NYMEX Henry Hub: \$2.10/MMBtu**



# Peer-Leading Capital Efficiency

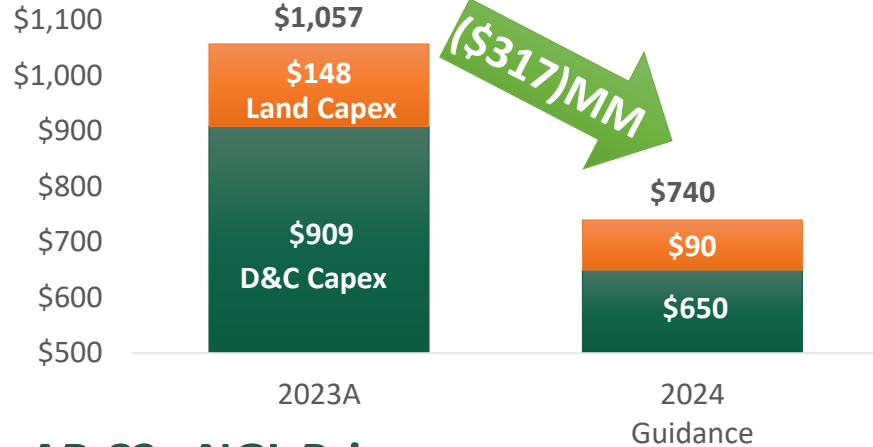
## Capital Efficiency

(2024E D&C Capital/ 2024E Production)

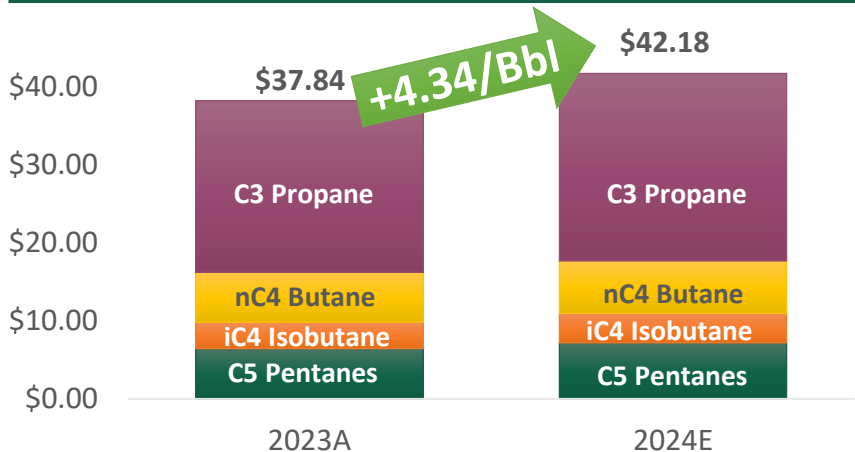


# Free Cash Flow Uplift

## AR D&C + Land Capital (\$MM)



## AR C3+ NGL Price (\$/Bbl)<sup>(1)</sup>



## AR Free Cash Flow Improvement (\$MM)

**FCF neutral in 2024 despite sub-\$2.25 natural gas prices**

**~\$490 MM**

**Capital Efficiency  
~\$317 MM**

**Liquids Price Uplift  
+\$174 MM**

**\$1/Bbl change =  
~\$40 MM of annual FCF**

2024E Impact

**2024E Cash Flow Impact**







APPENDIX



# Guidance

## 2024 Guidance Ranges

Net Production (Bcfe/d)	3.375 – 3.425
Net Natural Gas Production (Bcf/d)	2.170 – 2.180
Net Liquids Production (Bbl/d)	199,000 – 207,000
Net Daily C3+ NGL Production (Bbl/d)	113,000 – 116,000
Net Daily Ethane Production (Bbl/d)	76,000 – 80,000
Net Daily Oil Production (Bbl/d)	10,000 – 11,000
Natural Gas Realized Price <i>Expected Premium to NYMEX (\$/Mcf)</i>	\$0.00 to \$0.10
C2 Ethane Realized Price - <i>Expected (Discount) / Premium to Mont Belvieu (\$/Bbl)</i>	(\$1.00) - \$1.00
C3+ NGL Realized Price - <i>Expected Premium to Mont Belvieu (\$/Bbl)</i> <sup>(1)</sup>	\$1.00 - \$2.00
Oil Realized Price Expected Differential to WTI (\$/Bbl)	(\$10.00) – (\$14.00)
Cash Production Expense (\$/Mcfe) <sup>(2)</sup>	\$2.40 – \$2.50
Net Marketing Expense (\$/Mcfe)	\$0.04 – \$0.06
G&A Expense (\$/Mcfe) (before equity-based compensation)	\$0.12 – \$0.14
D&C Capital Expenditures (\$MM)	\$640 - \$660
Land Capital Expenditures (\$MM)	\$75 - \$100
Average Operated Rigs, Average Completion Crews	Rigs: 2.0   Completion Crews: 1.0 to 2.0 <sup>(3)</sup>
Operated Wells Completed (Net) Operated Wells Drilled (Net)	Wells Drilled: 40 – 45 Wells Completed: 45 – 50
Average Lateral Lengths, Completed Average Lateral Lengths, Drilled	Drilled: 14,700 Completed: 15,500



# 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 Adjusted EBITDAX Reconciliation

	Three Months Ended September 30,	
	2023	2024
Reconciliation of net income (loss) to Adjusted EBITDAX:		
Net income (loss) and comprehensive income (loss) attributable to Antero Resources Corporation	\$ 17,808	(20,444)
Net income and comprehensive income attributable to noncontrolling interests	14,834	10,157
Unrealized commodity derivative gains	(9,172)	(14,100)
Amortization of deferred revenue, VPP	(7,701)	(6,812)
Gain on sale of assets	(136)	(1,297)
Interest expense, net	31,634	28,278
Loss on early extinguishment of debt	—	528
Income tax expense	13,663	1,212
Depletion, depreciation, amortization and accretion	177,148	171,195
Impairment of property and equipment	13,476	13,455
Exploration expense	591	671
Equity-based compensation expense	18,458	16,065
Equity in earnings of unconsolidated affiliate	(22,207)	(25,634)
Dividends from unconsolidated affiliate	31,285	31,314
Contract termination, loss contingency, transaction expense and other	13,649	(1,511)
	293,330	203,077
Martica related adjustments <sup>(1)</sup>	(22,127)	(16,177)
Adjusted EBITDAX	\$ 271,203	186,900



# Antero Resources Free Cash Flow Reconciliation

	<b>Nine Months Ended September 30, 2024</b>
Net cash provided by operating activities	571,286
Less: Net cash used in investing activities	(588,251)
Less: Proceeds from sale of assets, net	(7,484)
Less: Distributions to non-controlling interests in Martica	(58,635)
<b>Free Cash Flow</b>	<b>(83,084)</b>
Changes in Working Capital <sup>(1)</sup>	(10,564)
<b>Free Cash Flow before Changes in Working Capital</b>	<b>(93,648)</b>



# Antero Resources Total Debt to Net Debt Reconciliation

	December 31, 2023	September 30, 2024
Credit Facility	\$ 417,200	526,700
8.375% senior notes due 2026	96,870	96,870
7.625% senior notes due 2029	407,115	407,115
5.375% senior notes due 2030	600,000	600,000
4.250% convertible senior notes due 2026	26,386	—
Unamortized debt issuance costs	(9,975)	(8,369)
Total long-term debt	\$ 1,537,596	1,622,316
Less: Cash and cash equivalents	—	—
Net Debt	<u>\$ 1,537,596</u>	<u>1,622,316</u>

