



MERCER CAPITAL

# Mineral Aggregator Valuation Multiples

With Market Data as of August 15, 2022



BUSINESS VALUATION &  
FINANCIAL ADVISORY SERVICES

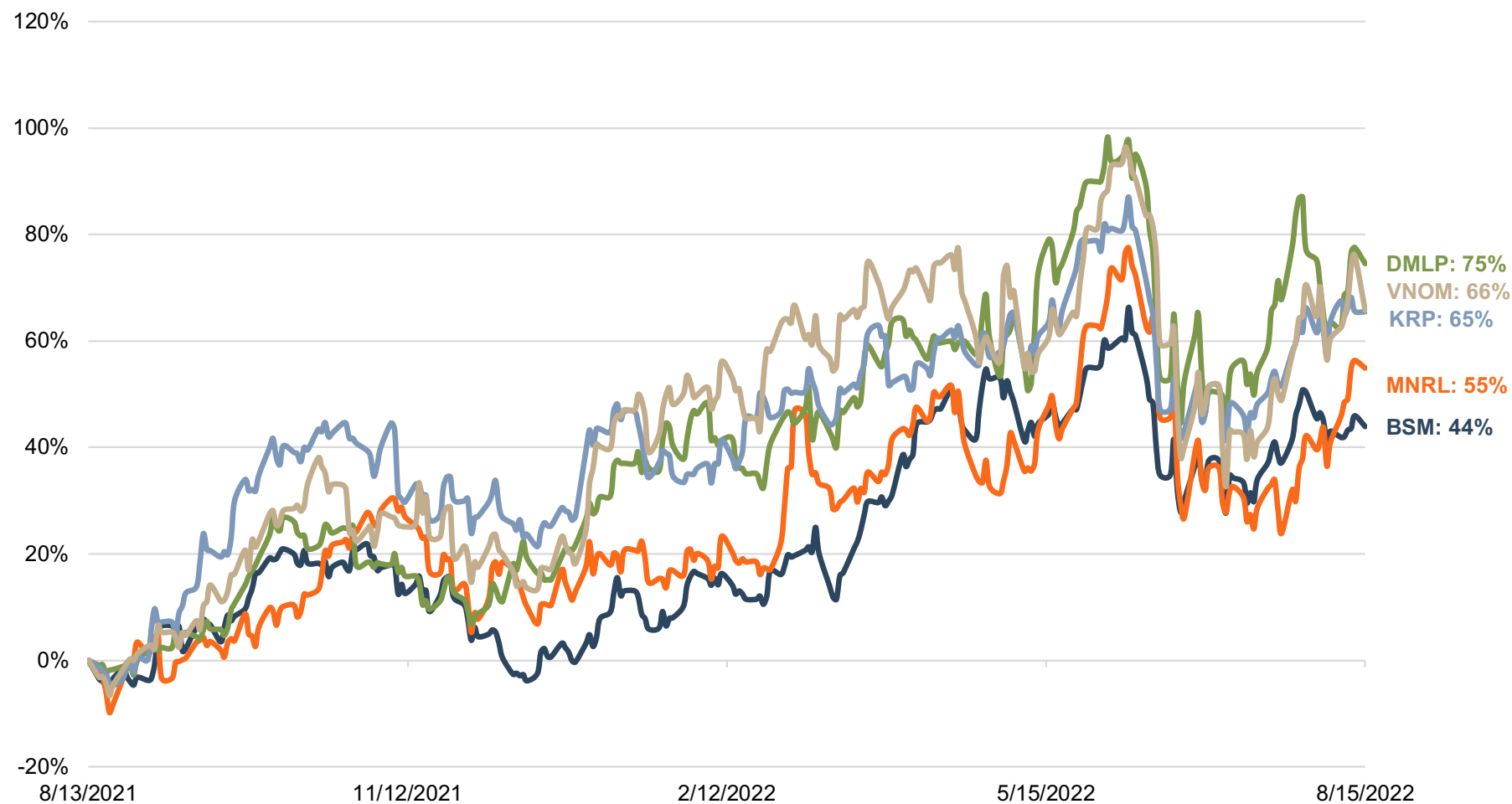
# Mineral Aggregator Overview



Ticker	BSM	MNRL	DMLP	STR*	KRP	VNOM
Equity Market Capitalization (\$mm)	\$3,122.2	\$1,748.1	\$1,065.8	\$2,341.7	\$1,162.7	\$4,956.0
Enterprise Value (\$mm)	\$3,494.4	\$1,797.0	\$1,051.1	\$2,581.1	\$1,365.5	\$5,632.0
LTM EBITDA (\$mm)	\$365.7	\$214.8	\$124.7	Non-meaningful	\$163.3	\$662.8
Current Production (mboe/d)	33.5	9.7	7.7	Non-meaningful	14.9	33.6
Proved Reserves (mmboe)	59.8	35.8	15.5	Non-meaningful	45.5	127.9

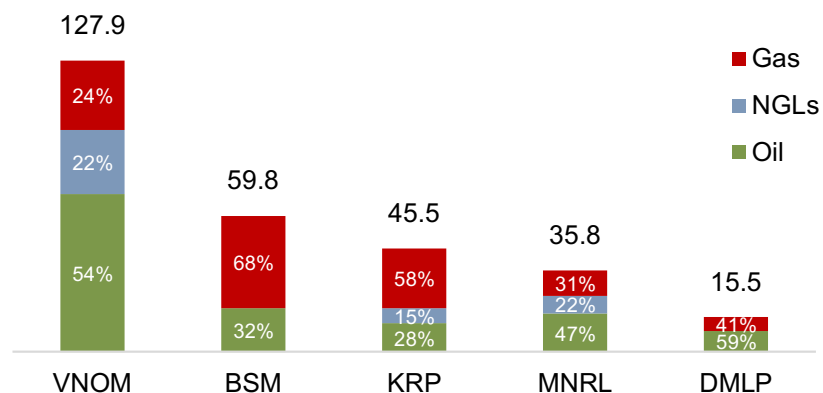
\* Falcon Minerals and Desert Peak Minerals all-stock merger closed June 6, 2022, forming Sitio Royalties Corp. (STR), with Desert Peak as the accounting acquirer. Before the merger, Desert Peak reported financial information through Kimmeridge Mineral Fund LP, Desert Peak's predecessor for financial reporting purposes. Therefore, we have opted not to consider STR for the remainder of this analysis.

# 1-Year Stock Price Performance

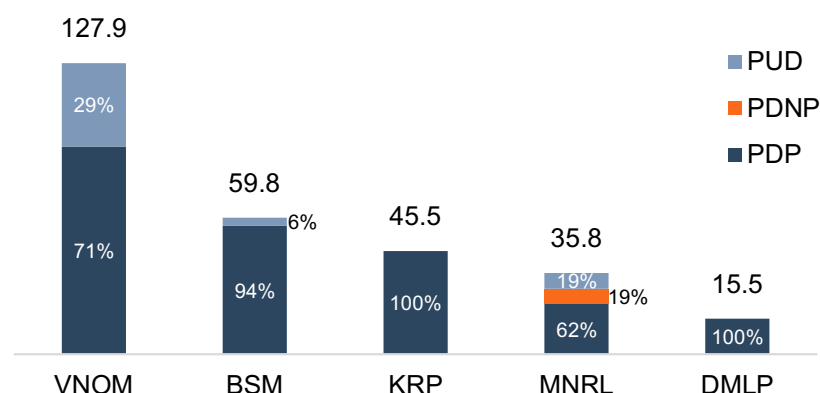


# Reserve and Production Mix

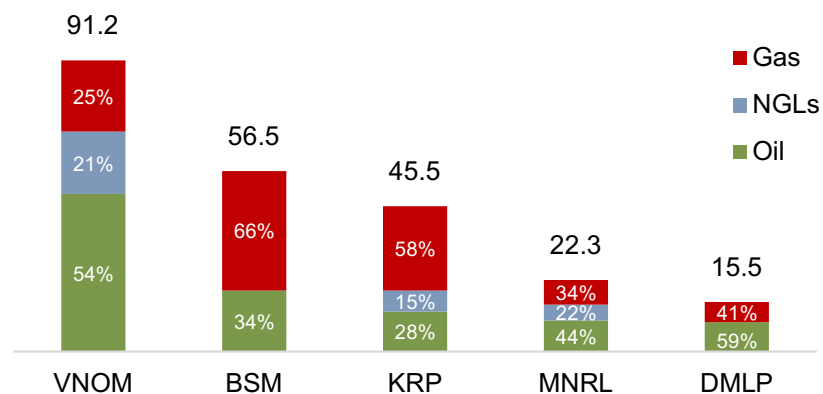
## 2021 Proved Reserves by Commodity (mmboe)



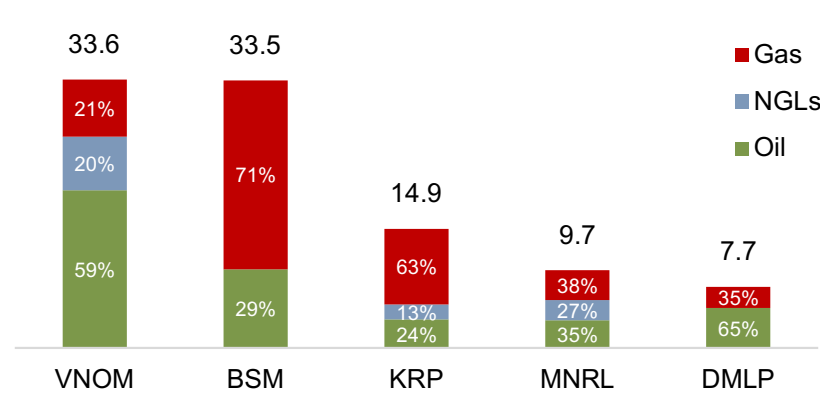
## 2021 Proved Reserves by Category (mmboe)



## 2021 PDP Reserves by Commodity (mmboe)



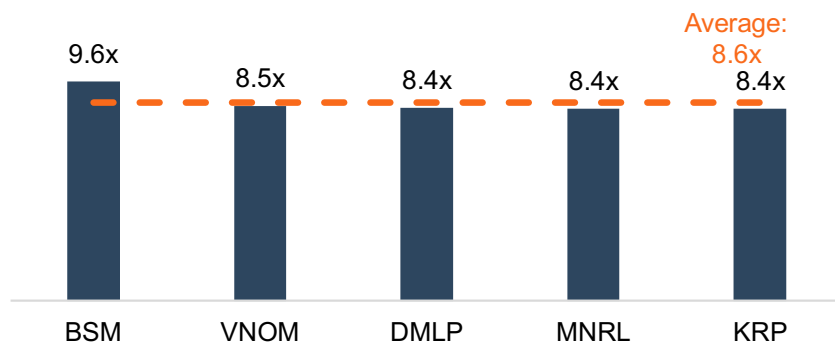
## Current Production by Commodity (mboe/d)



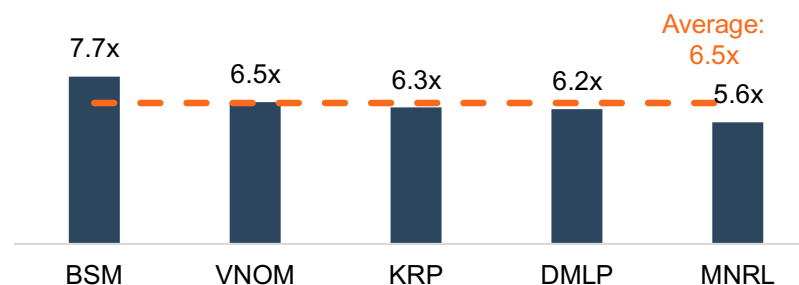
# Valuation Multiples

# EBITDA-Based Valuation Multiples

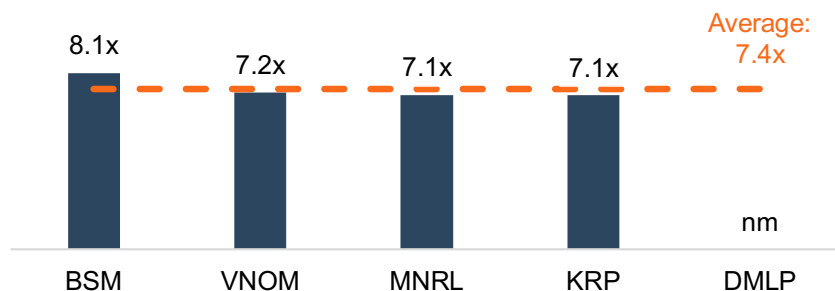
## Enterprise Value / LTM EBITDA



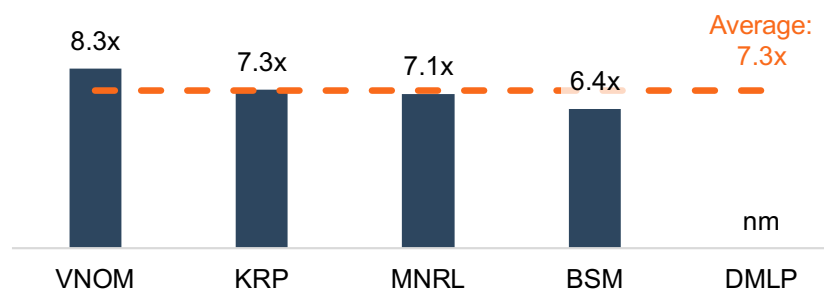
## Enterprise Value / LQA EBITDA



## Enterprise Value / 2022E EBITDA

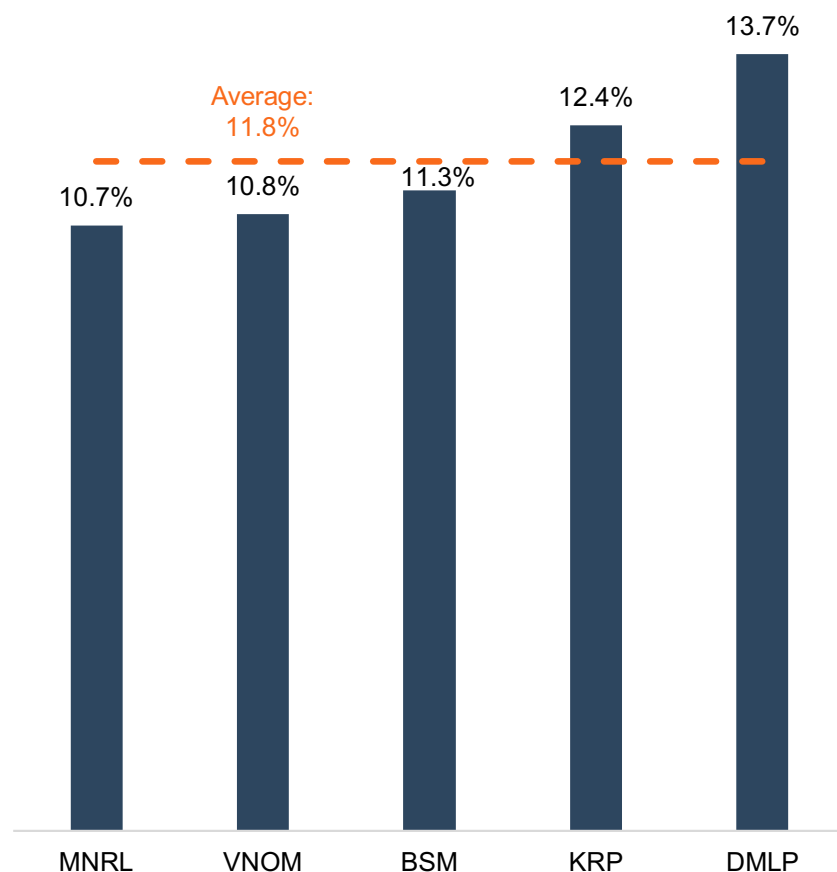


## Enterprise Value / 2023E EBITDA

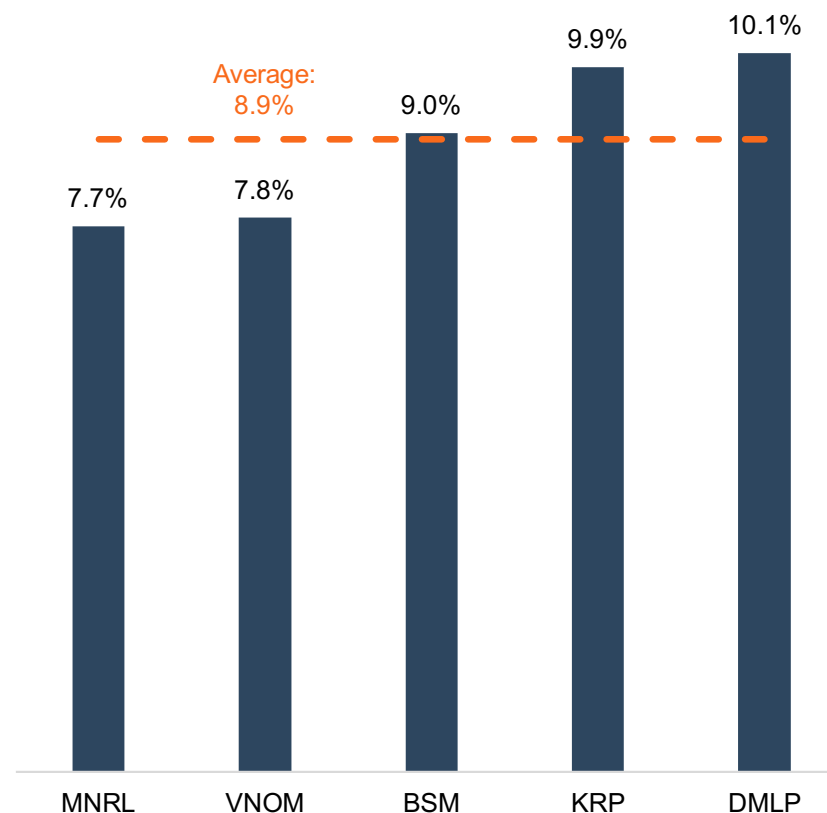


# Dividend-Based Yields

## Dividend Yield (Current Dividend)

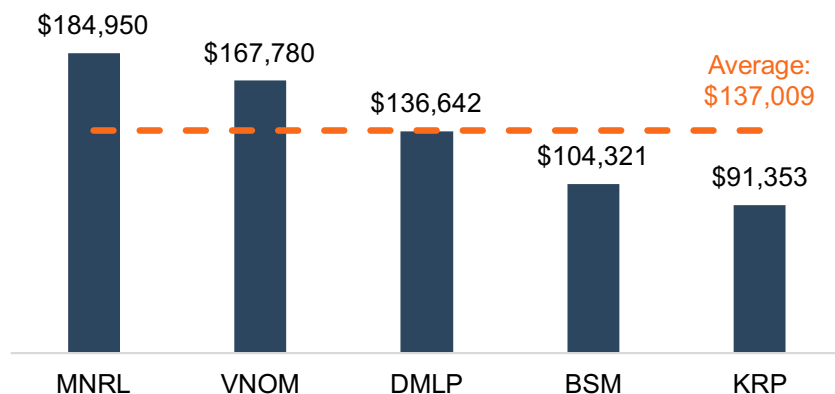


## Dividend Yield (LTM Dividends)

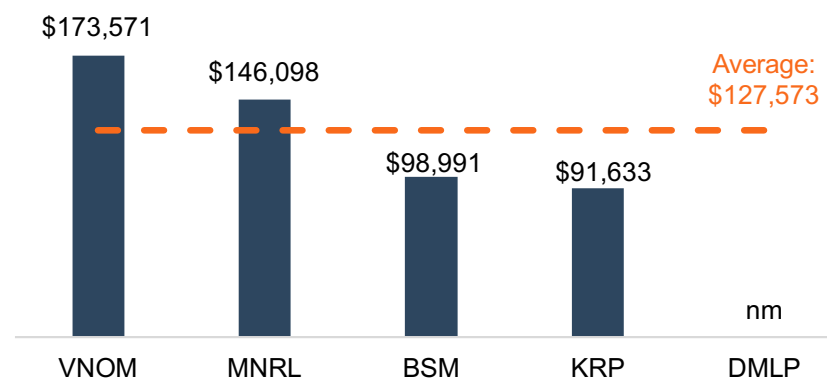


# Production-Based Valuation Multiples

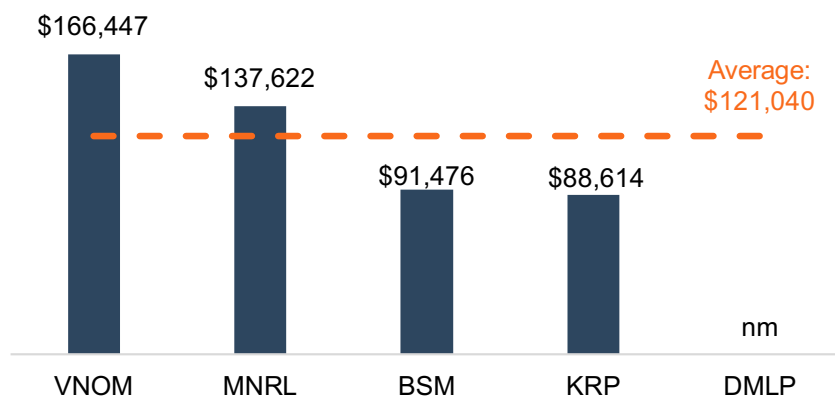
**Enterprise Value / Current Production (\$/boe/d)**



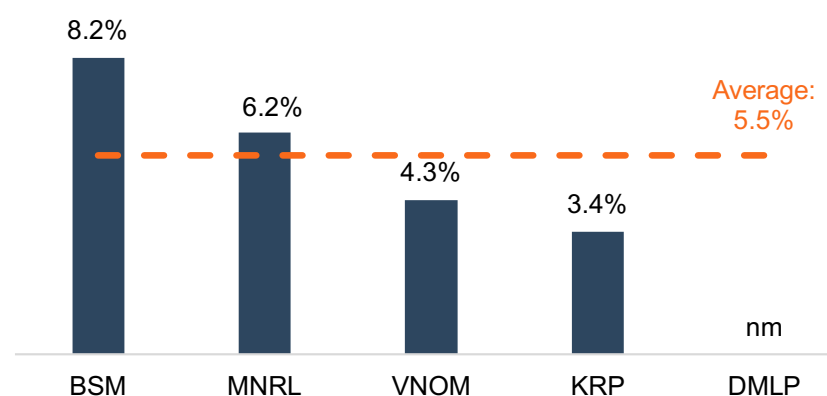
**Enterprise Value / 2022E Production (\$/boe/d)**



**Enterprise Value / 2023E Production (\$/boe/d)**



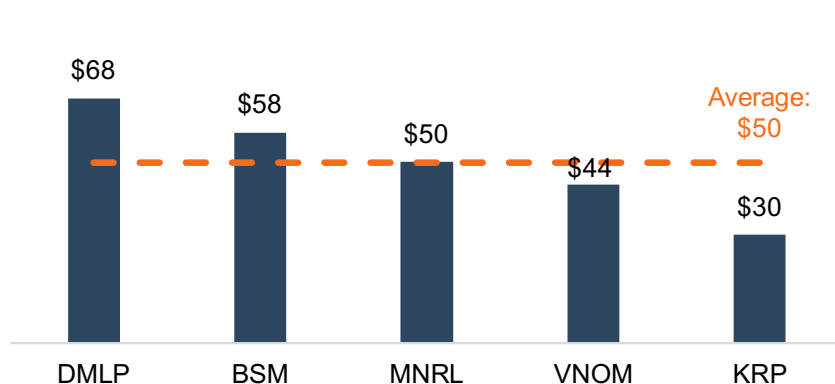
**2022E - 23E Production Growth**



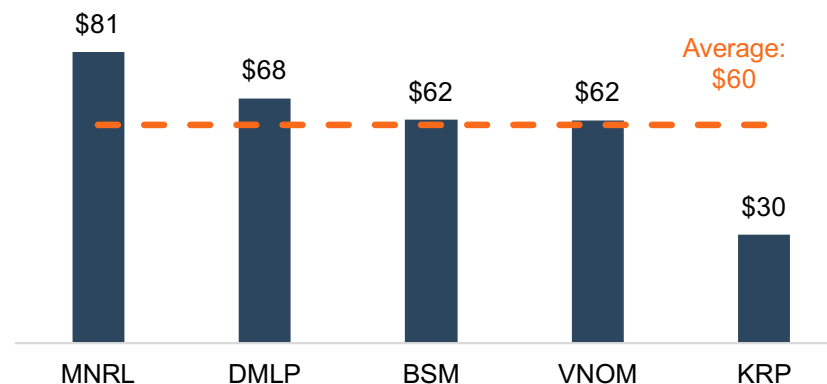


# Reserve-Based Valuation Multiples

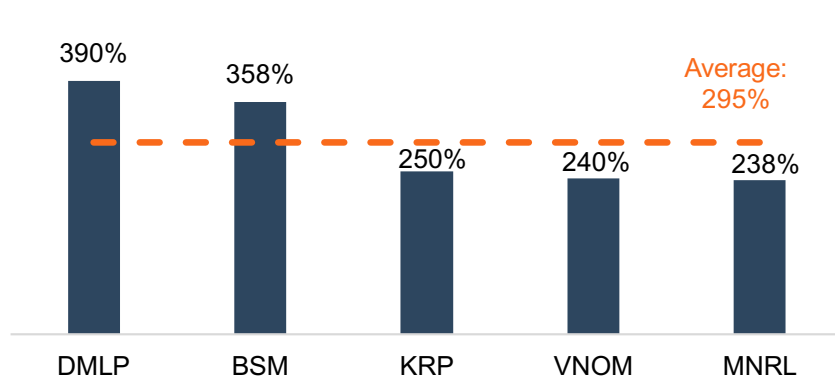
**Enterprise Value / Proved Reserves (\$/boe)**



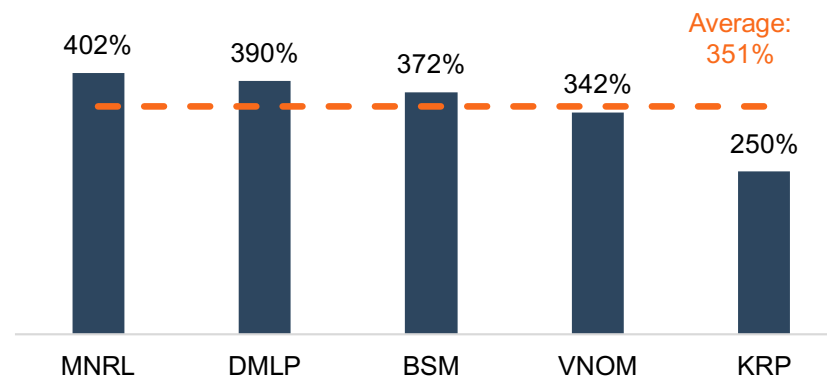
**Enterprise Value / PDP Reserves (\$/boe)**



**Enterprise Value / Proved PV-10**








**Enterprise Value / PDP PV-10**



# Appendix

# Mineral Aggregator Metrics and Multiples

\$ in mm, except per share values

Derivation of Enterprise Value	 BLACK STONE MINERALS	 BRIGHAM MINERALS	 Dorchester Minerals	 KIMBELL ROYALTY PARTNERS	 VIPER Energy Partners	Valuation Multiples				Notes			
	Average	Median											
Stock Price (8/15/2022)	\$14.91	\$28.92	\$28.38	\$17.74	\$29.87								
Shares Outstanding	209.4	60.4	37.6	65.5	165.9					(1)			
Equity Market Capitalization	3,122.2	1,748.1	1,065.8	1,162.7	4,956.0								
+ Preferred Stock	298.4	0.0	0.0	0.0	0.0					(2)			
+ Interest-Bearing Debt	86.0	73.0	0.0	216.1	680.4								
- Cash & Cash Equivalents	(12.2)	(24.1)	(43.0)	(13.3)	(4.3)								
+/- Other	0.0	0.0	28.3	0.0	0.0					(3)			
Enterprise Value	\$3,494.4	\$1,797.0	\$1,051.1	\$1,365.5	\$5,632.0								
EBITDA	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple			
Last Twelve Months (LTM) EBITDA	\$365.7	9.6x	\$214.8	8.4x	\$124.7	8.4x	\$163.3	8.4x	\$662.8	8.5x	8.6x	8.4x	(4)
Last Quarter Annualized (LQA) EBITDA	451.4	7.7	318.7	5.6	168.4	6.2	216.3	6.3	860.4	6.5	6.5	6.3	(4)
2022E EBITDA	429.0	8.1	252.0	7.1	na	nm	192.0	7.1	777.1	7.2	7.4	7.2	(5)
2023E EBITDA	542.9	6.4	252.3	7.1	na	nm	186.8	7.3	678.3	8.3	7.3	7.2	(5)
Dividend Yields													
Last Twelve Months (LTM) Dividends	\$1.34	9.0%	\$2.22	7.7%	\$2.87	10.1%	\$1.76	9.9%	\$2.33	7.8%	8.9%	9.0%	
Current Dividend (Annualized)	1.68	11.3%	3.08	10.7%	3.88	13.7%	2.20	12.4%	3.24	10.8%	11.8%	11.3%	
Production (mboe/d)													
Current Production	33.5	\$104,321	9.7	\$184,950	7.7	\$136,642	14.9	\$91,353	33.6	\$167,780	\$137,009	\$136,642	(6)
2022E Production	35.3	98,991	12.3	146,098	na	nm	14.9	91,633	32.4	173,571	127,573	122,544	(6)
2023E Production	38.2	91,476	13.1	137,622	na	nm	15.4	88,614	33.8	166,447	121,040	114,549	(6)
Reserves													
Proved Reserves (mmboe)	59.8	\$58.41	35.8	\$50.19	15.5	\$67.85	45.5	\$30.03	127.9	\$44.04	\$50.10	\$50.19	(7)
Proved Developed Producing Reserves (mmboe)	56.5	61.87	22.3	80.64	15.5	67.85	45.5	30.03	91.2	61.77	60.43	61.87	(7)
Proved PV-10	\$975.5	358%	\$754.8	238%	\$269.5	390%	\$545.6	250%	\$2,347.2	240%	295%	250%	
Proved Developed Producing PV-10	938.8	372%	446.9	402%	269.5	390%	545.6	250%	1,648.5	342%	351%	372%	

Source: Company filings, Capital IQ, and Mercer Capital analysis.

See following page for additional notes.

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# Notes

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- (1) Includes non-traded shares.
- (2) BSM preferred stock included at carrying value.
- (3) DMLP value reflects calculated value of General Partners interest, based on most recent quarterly distribution and current dividend yield. For Up-C entities, non-controlling interest is not included as the associated value is captured by the inclusion of the non-traded shares in the shares outstanding.
- (4) Based on non-GAAP adjusted EBITDA as calculated by management.
- (5) Wall Street Research consensus estimates per Capital IQ.
- (6) Multiple calculated on a dollar per flowing barrel equivalent basis (\$/boe/d).
- (7) Multiple calculated on a dollar per barrel equivalent basis (\$/boe).

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- Exploration & Production
- Oilfield Services
- Midstream
- Refining & Marketing

## Oil & Gas Team



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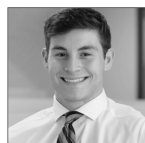
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# Mercer Capital's Oil and Gas Industry Resources

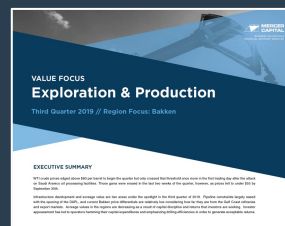
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