

MERCER CAPITAL

# Mineral Aggregator Valuation Multiples

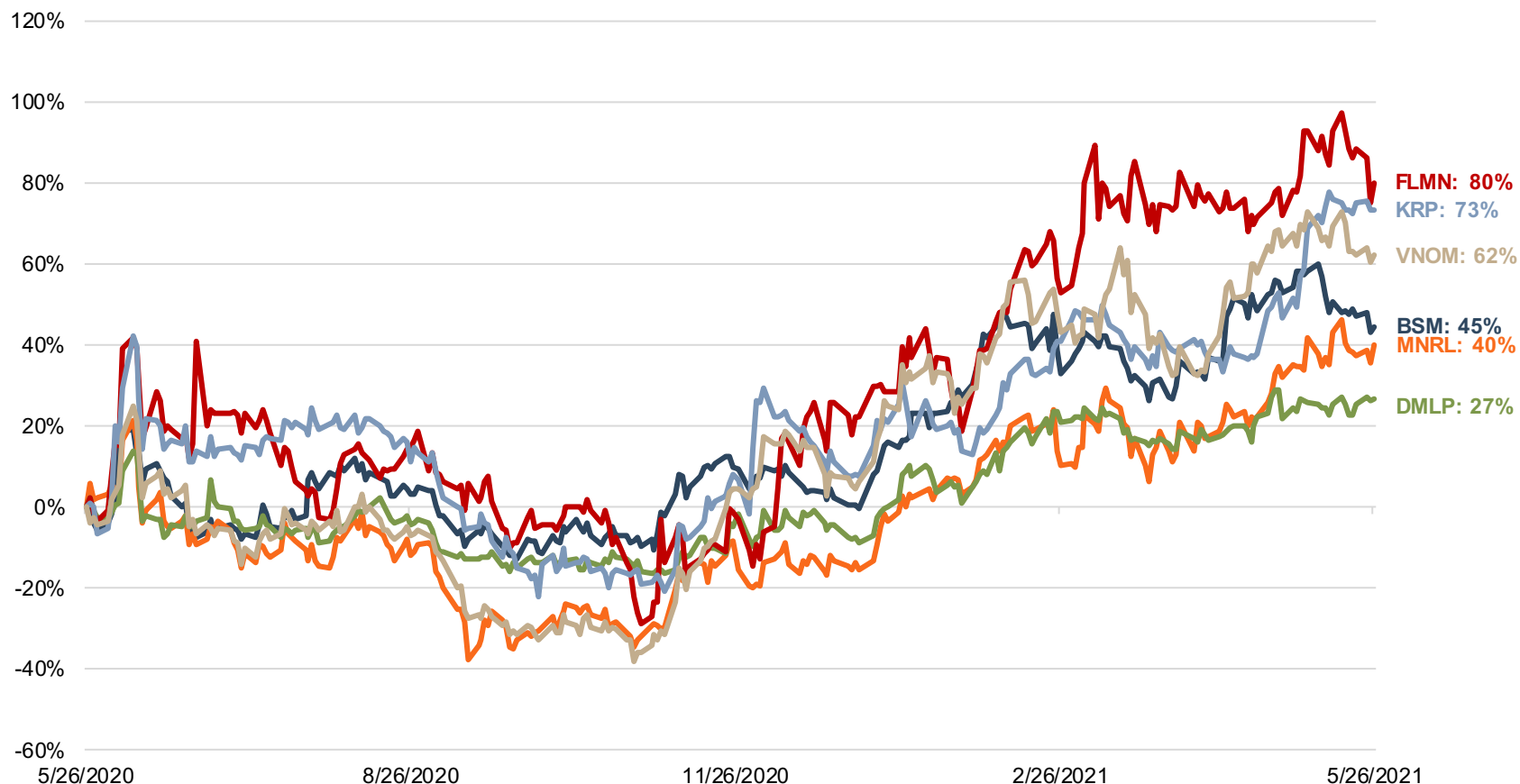
With Market Data as of May 26, 2021

# Mineral Aggregator Overview



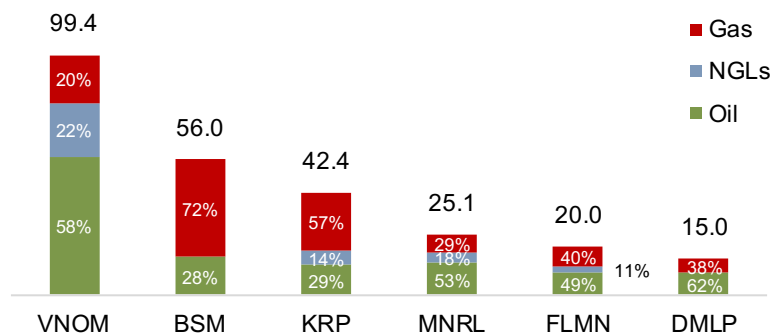
Ticker	BSM	MNRL	DMLP	FLMN	KRP	VNOM
Basin Focus	Diversified	Diversified	Diversified	Eagle Ford	Diversified	Permian
Equity Market Capitalization (\$mm)	\$2,017.4	\$1,032.3	\$525.7	\$400.9	\$769.9	\$2,760.2
Enterprise Value (\$mm)	\$2,423.0	\$1,058.8	\$526.4	\$438.4	\$985.3	\$3,285.4
LTM EBITDA (\$mm)	\$270.2	\$67.0	\$36.0	\$26.1	\$73.1	\$191.5
Current Production (mboe/d)	36.8	8.9	5.6	4.1	13.7	26.1
Proved Reserves (mmboe)	56.0	25.1	15.0	20.0	42.4	99.4

# 1-Year Stock Price Performance

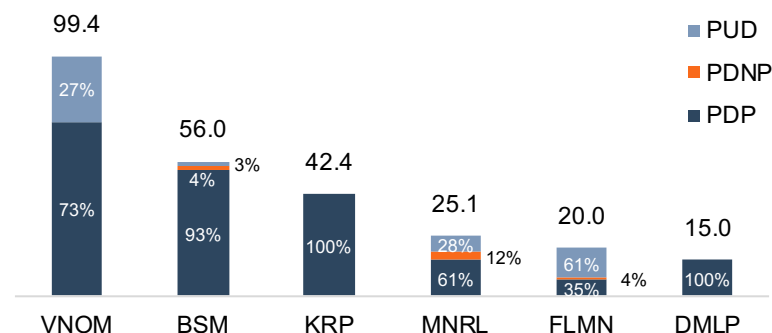


# Reserve and Production Mix

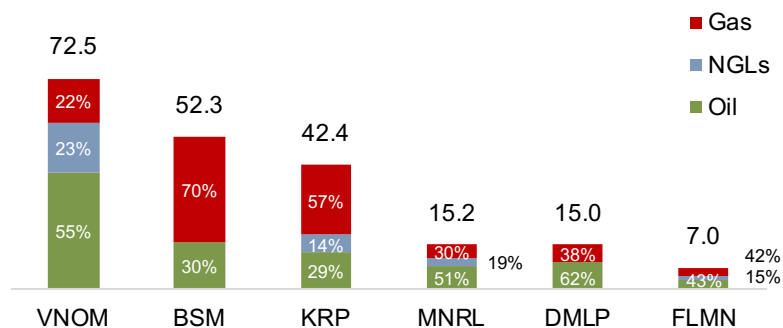
## 2020 Proved Reserves by Commodity (mmboe)



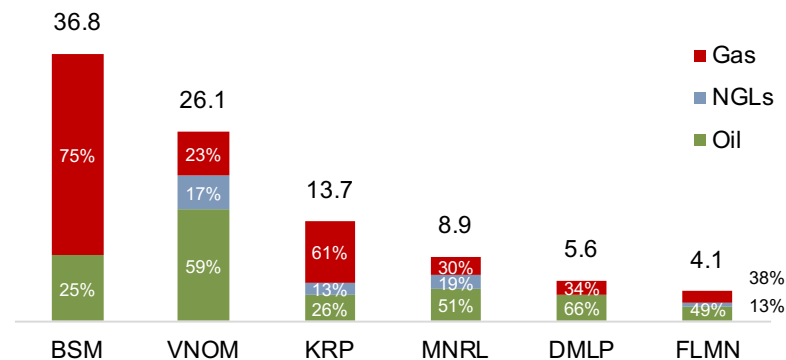
## 2020 Proved Reserves by Category (mmboe)



## 2020 PDP Reserves by Commodity (mmboe)



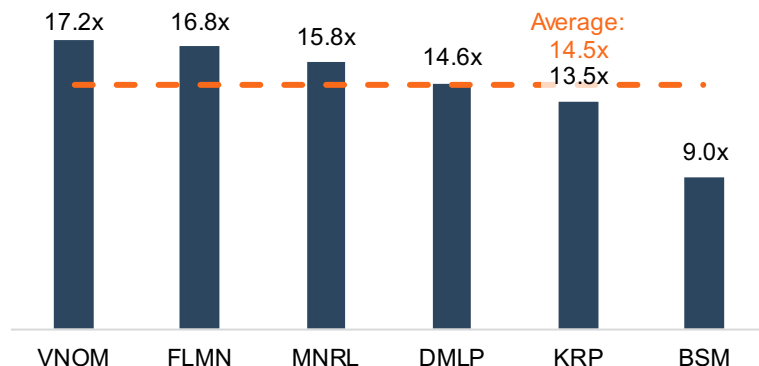
## Current Production by Commodity (mboe/d)



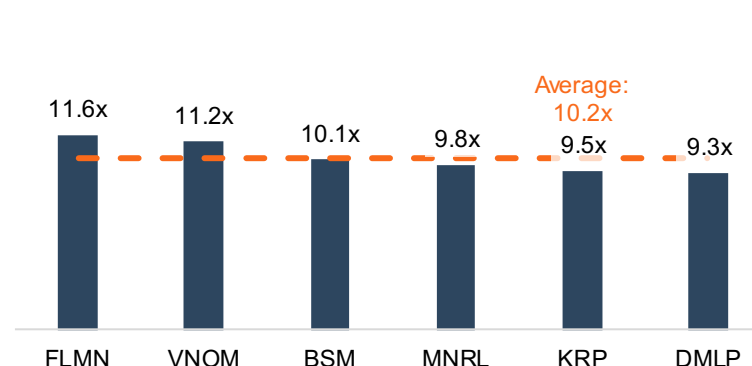
# Valuation Multiples

# EBITDA-Based Valuation Multiples

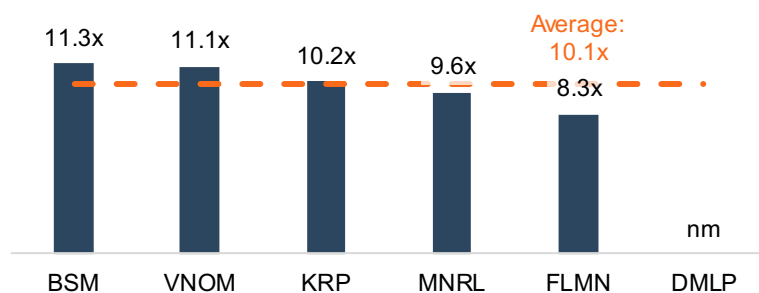
## Enterprise Value / LTM EBITDA



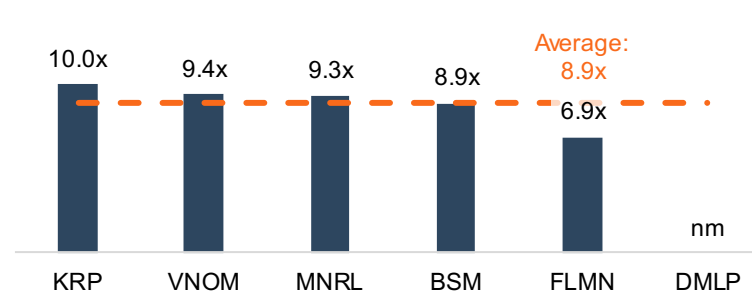
## Enterprise Value / LQA EBITDA



## Enterprise Value / 2021E EBITDA

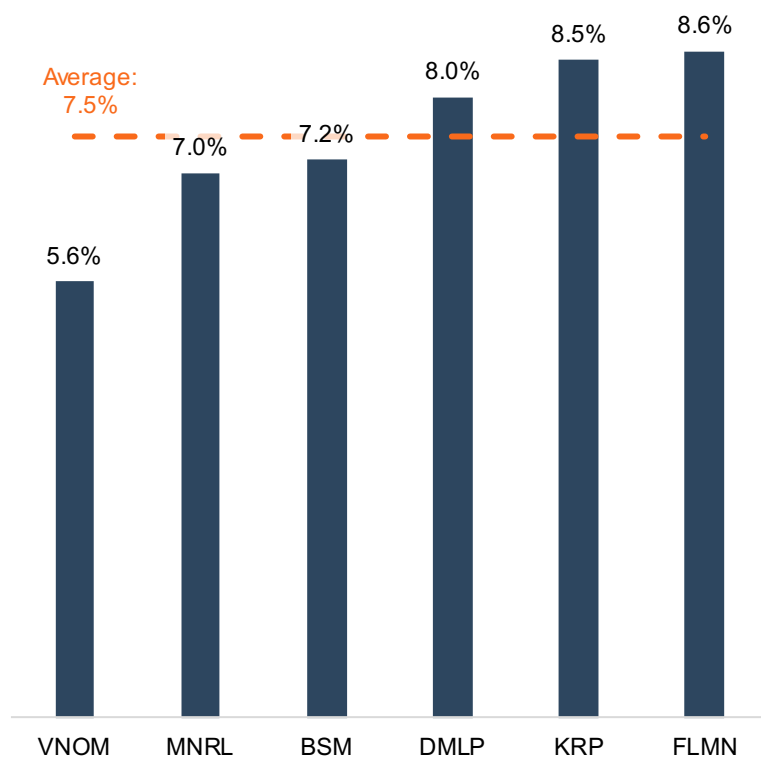


## Enterprise Value / 2022E EBITDA

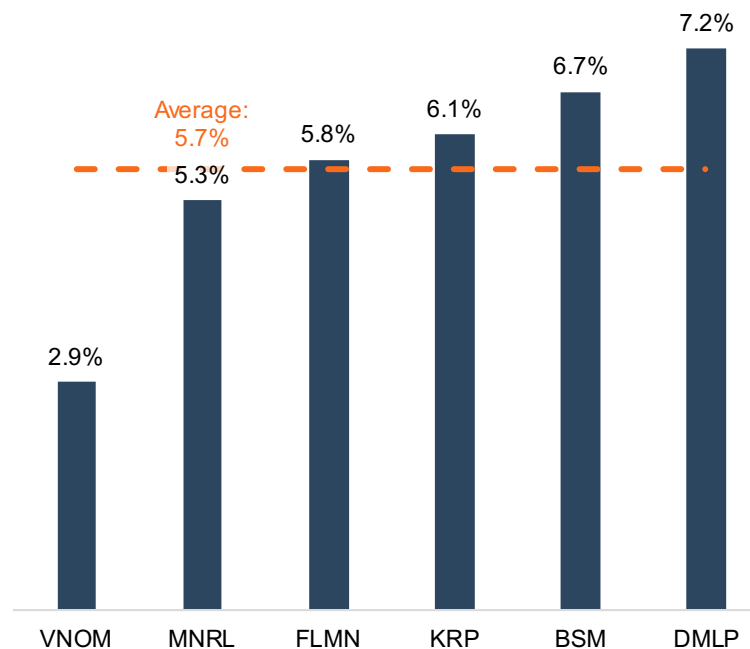


# Dividend-Based Yields

## Dividend Yield (Current Dividend)

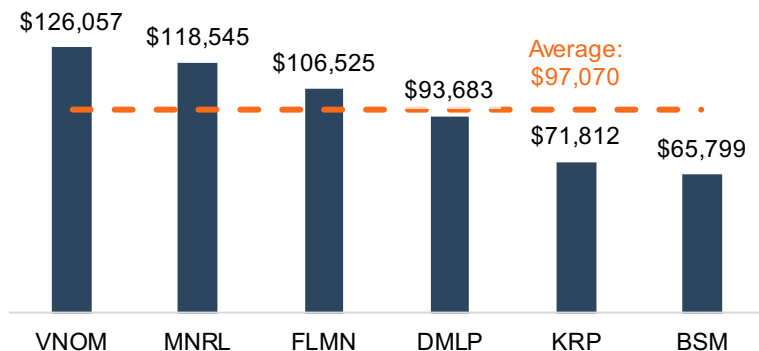


## Dividend Yield (LTM Dividends)

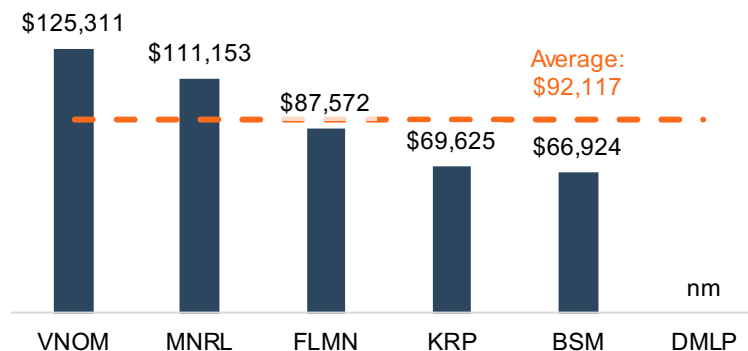


# Production-Based Valuation Multiples

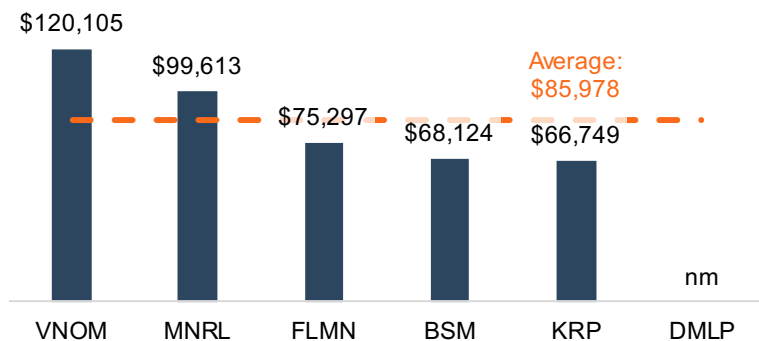
## Enterprise Value / Current Production (\$/boe/d)



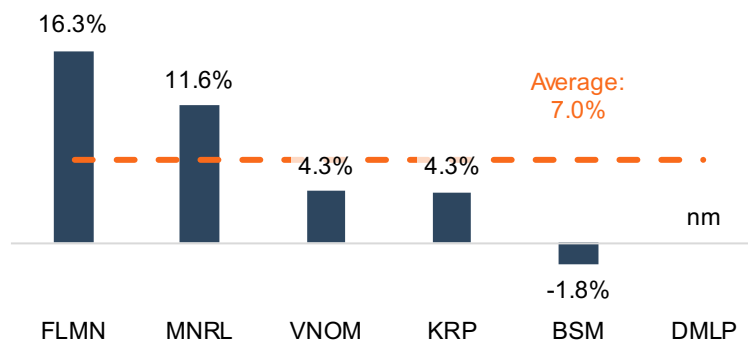
## Enterprise Value / 2021E Production (\$/boe/d)



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



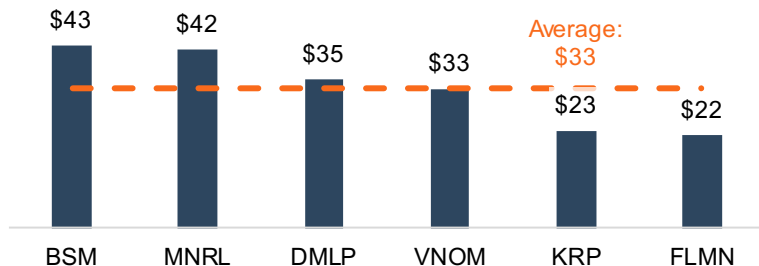
## 2021E - 22E Production Growth



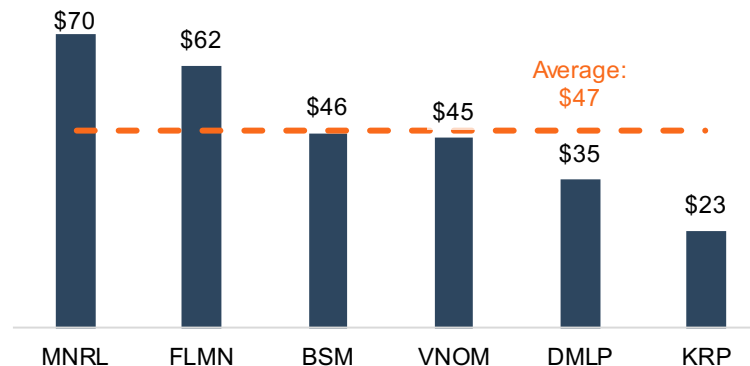


# Reserve-Based Valuation Multiples

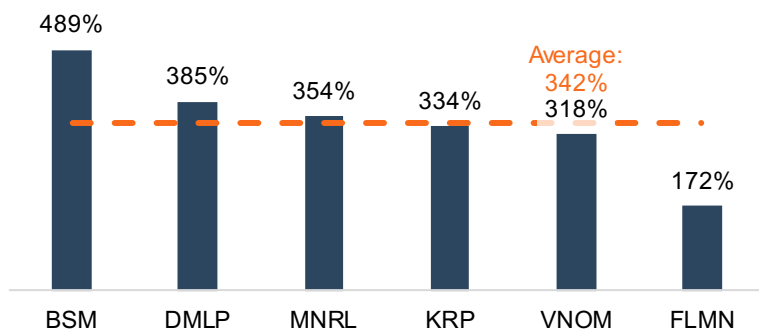
## Enterprise Value / Proved Reserves (\$/boe)



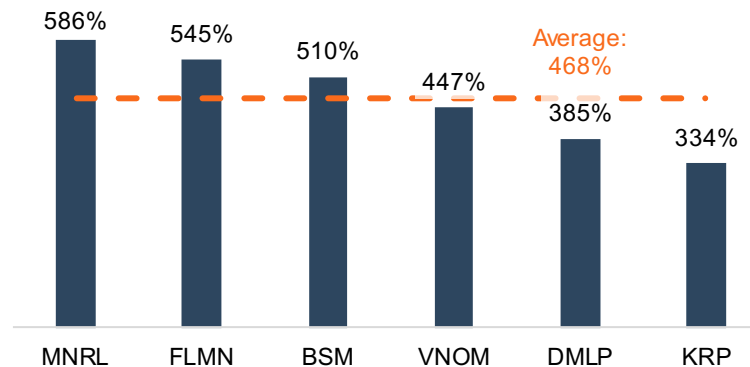
## Enterprise Value / PDP Reserves (\$/boe)



## Enterprise Value / Proved PV-10



## Enterprise Value / PDP PV-10



# Appendix

# Mineral Aggregator Metrics and Multiples

\$ in mm, except per share values

	BLACK STONE MINERALS		BRIGHAM MINERALS		Dorchester Minerals		Falcon Minerals		KIMBELL ROYALTY PARTNERS		VIPER Energy Partners		Valuation Multiples		Notes
	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median	
<b>Derivation of Enterprise Value</b>															
Stock Price (5/26/2021)	\$9.72		\$18.20		\$15.16		\$4.65		\$12.72		\$17.76				
Shares Outstanding	207.6		56.7		34.7		86.2		60.5		155.4				(1)
Equity Market Capitalization	2,017.4		1,032.3		525.7		400.9		769.9		2,760.2				
+ Preferred Stock	298.4		0.0		0.0		0.0		55.0		0.0				(2)
+ Interest-Bearing Debt	111.0		32.0		0.0		40.5		168.5		536.9				
- Cash & Cash Equivalents	(3.8)		(5.6)		(13.3)		(2.9)		(8.1)		(11.7)				
+/- Other	0.0		0.0		13.9		0.0		0.0		0.0				(3)
<b>Enterprise Value</b>	<b>\$2,423.0</b>		<b>\$1,058.8</b>		<b>\$526.4</b>		<b>\$438.4</b>		<b>\$985.3</b>		<b>\$3,285.4</b>				
<b>EBITDA</b>															
	<u>Metric</u>	<u>Multiple</u>	<u>Metric</u>	<u>Multiple</u>	<u>Metric</u>	<u>Multiple</u>	<u>Metric</u>	<u>Multiple</u>	<u>Metric</u>	<u>Multiple</u>	<u>Metric</u>	<u>Multiple</u>			
Last Twelve Months (LTM) EBITDA	\$270.2	9.0x	\$67.0	15.8x	\$36.0	14.6x	\$26.1	16.8x	\$73.1	13.5x	\$191.5	17.2x	14.5x	15.2x	(4)
Last Quarter Annualized (LQA) EBITDA	239.9	10.1	108.3	9.8	56.4	9.3	37.8	11.6	104.0	9.5	294.1	11.2	10.2	9.9	(4)
2021E EBITDA	214.9	11.3	110.4	9.6	na	nm	52.9	8.3	96.7	10.2	295.1	11.1	10.1	10.2	(5)
2022E EBITDA	272.9	8.9	113.9	9.3	na	nm	63.8	6.9	98.7	10.0	350.2	9.4	8.9	9.3	(5)
<b>Dividend Yields</b>															
Last Twelve Months (LTM) Dividends	\$0.65	6.7%	\$0.96	5.3%	\$1.10	7.2%	\$0.27	5.8%	\$0.78	6.1%	\$0.52	2.9%	5.7%	6.0%	
Current Dividend (Annualized)	0.70	7.2%	1.28	7.0%	1.21	8.0%	0.40	8.6%	1.08	8.5%	1.00	5.6%	7.5%	7.6%	
<b>Production (mboe/d)</b>															
Current Production	36.8	\$65,799	8.9	\$118,545	5.6	\$93,683	4.1	\$106,525	13.7	\$71,812	26.1	\$126,057	\$97,070	\$100,104	(6)
2021E Production	36.2	66,924	9.5	111,153	na	nm	5.0	87,572	14.2	69,625	26.2	125,311	92,117	87,572	(6)
2022E Production	35.6	68,124	10.6	99,613	na	nm	5.8	75,297	14.8	66,749	27.4	120,105	85,978	75,297	(6)
<b>Reserves</b>															
Proved Reserves (mmboe)	56.0	\$43.28	25.1	\$42.24	15.0	\$35.15	20.0	\$21.90	42.4	\$23.23	99.4	\$33.06	\$33.14	\$34.10	(7)
Proved Developed Producing Reserves (mmboe)	52.3	46.33	15.2	69.71	15.0	35.15	7.0	62.23	42.4	23.23	72.5	45.29	46.99	45.81	(7)
Proved PV-10	\$495.3	489%	\$298.8	354%	\$136.8	385%	\$255.5	172%	\$295.3	334%	\$1,034.5	318%	342%	344%	
Proved Developed Producing PV-10	475.1	510%	180.8	586%	136.8	385%	80.4	545%	295.3	334%	735.2	447%	468%	478%	

# Notes

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- (1) Includes non-traded shares.
- (2) BSM preferred stock included at carrying value. KRP preferred stock included at face 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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## Oil & Gas Team



**Bryce Erickson, ASA, MRICS**  
214.468.8400  
ericksonb@mercercapital.com



**Don Erickson, ASA**  
214.468.8400  
ericksond@mercercapital.com



**Justin J. F. Ramirez, AM**  
832.966.0307  
ramirezj@mercercapital.com



**J. David Smith, ASA, CFA**  
713.239.1005  
smithd@mercercapital.com



**Alex M. Barry, CFA**  
214.468.8400  
barrya@mercercapital.com



**Jake Stacy**  
214.468.8400  
stacyj@mercercapital.com

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