

MERCER CAPITAL

# Mineral Aggregator Valuation Multiples

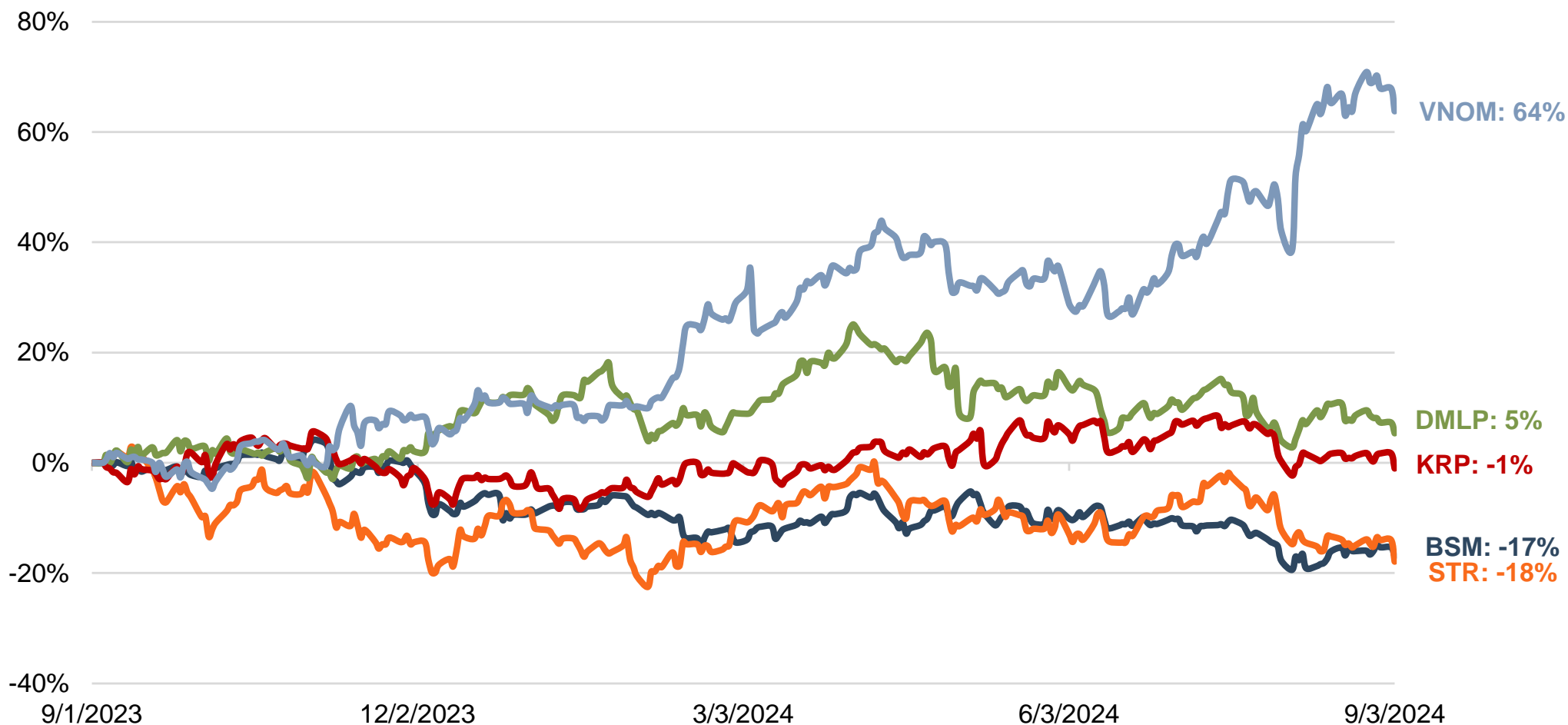
With Market Data as of September 3, 2024

# Mineral Aggregator Overview



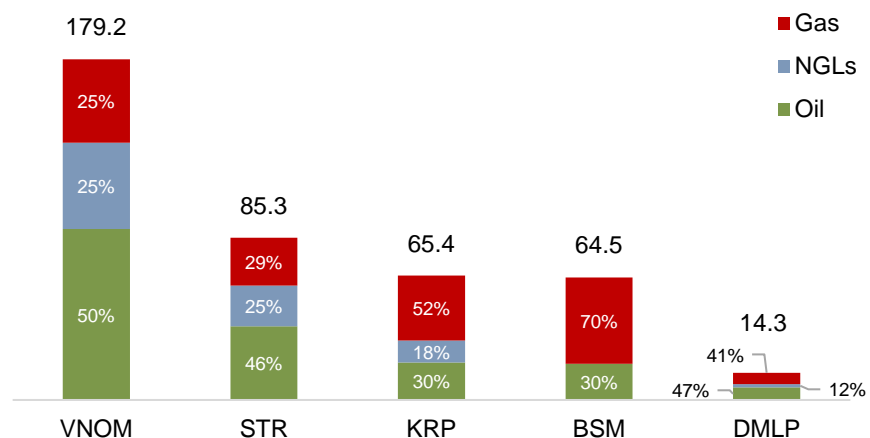
Ticker	BSM	STR	DMLP	KRP	VNOM
<b>Equity Market Capitalization (\$mm)</b>	\$3,082.4	\$3,273.3	\$1,196.6	\$1,484.9	\$8,212.5
<b>Enterprise Value (\$mm)</b>	\$3,356.2	\$4,306.3	\$1,207.9	\$2,035.0	\$9,175.3
<b>LTM EBITDA (\$mm)</b>	\$459.9	\$564.0	\$137.0	\$264.7	\$846.8
<b>Current Production (mboe/d)</b>	40.4	39.2	9.3	24.1	47.5
<b>Proved Reserves (mmboe)</b>	64.5	85.3	14.3	65.4	179.2

# 1-Year Stock Price Performance

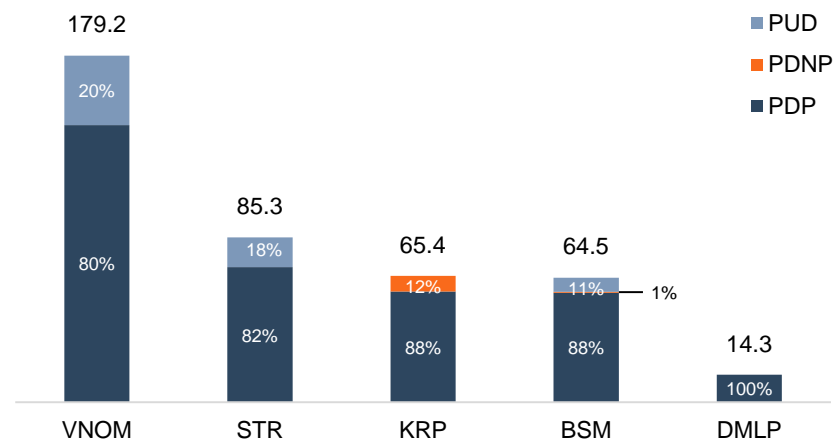


# Reserve and Production Mix

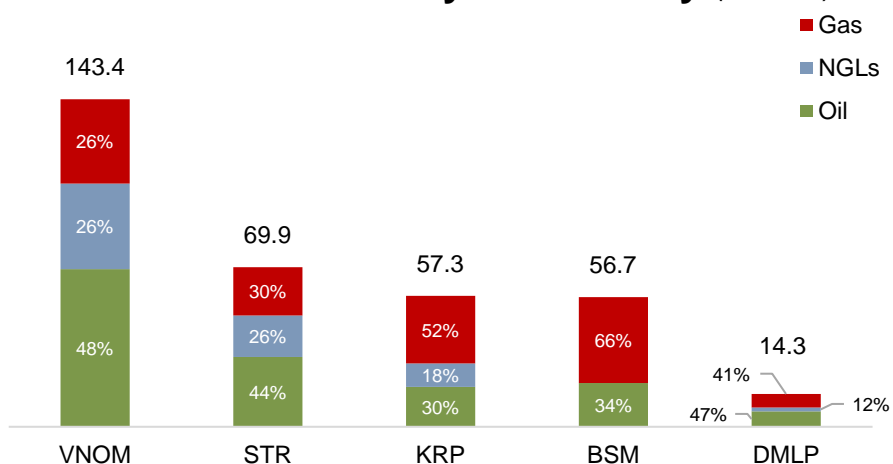
### 2023 Proved Reserves by Commodity (mmboe)



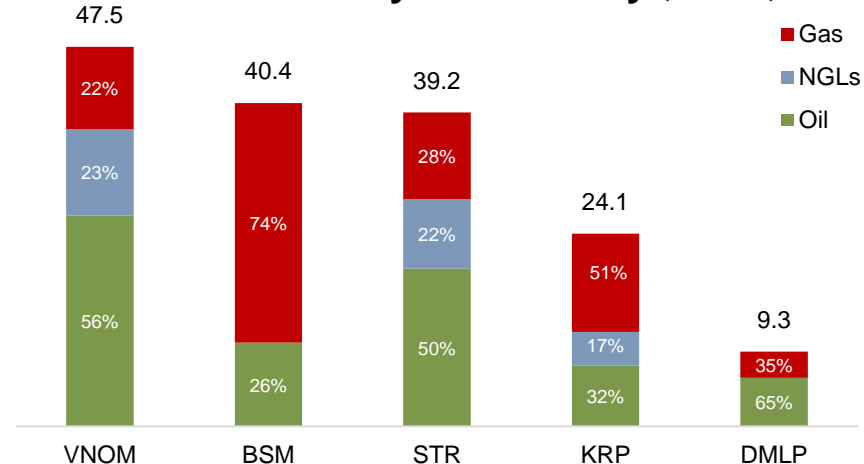
### 2023 Proved Reserves by Category (mmboe)



### 2023 PDP Reserves by Commodity (mmboe)



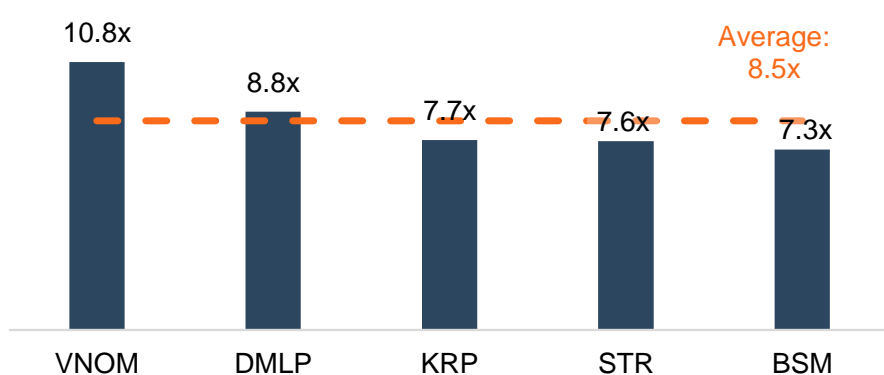
### Current Production by Commodity (mboe/d)



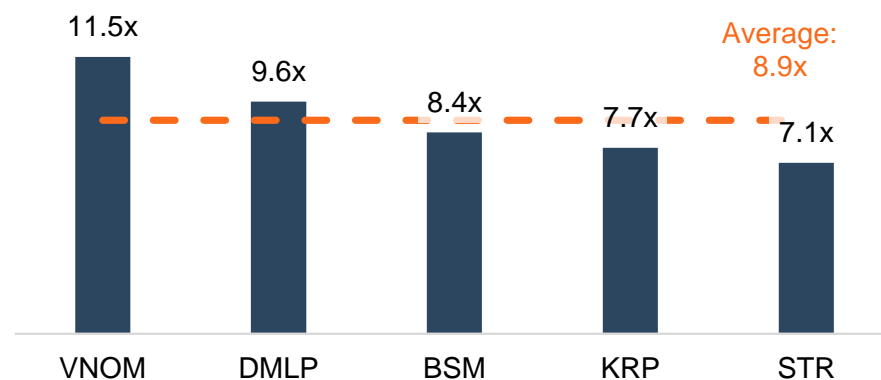
# Valuation Multiples

# EBITDA-Based Valuation Multiples

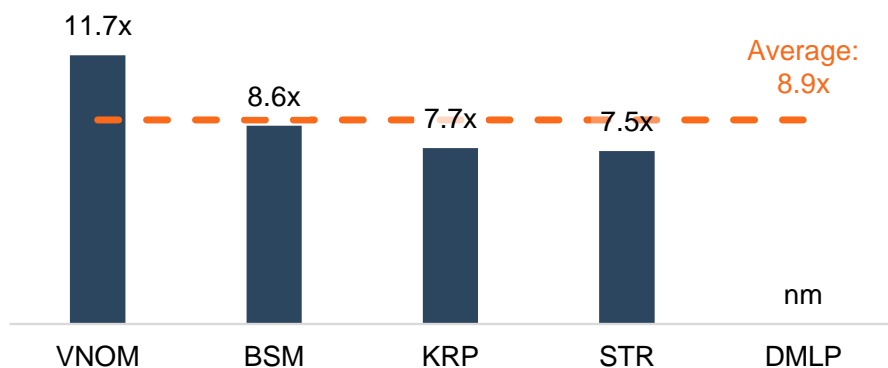
## Enterprise Value / LTM EBITDA



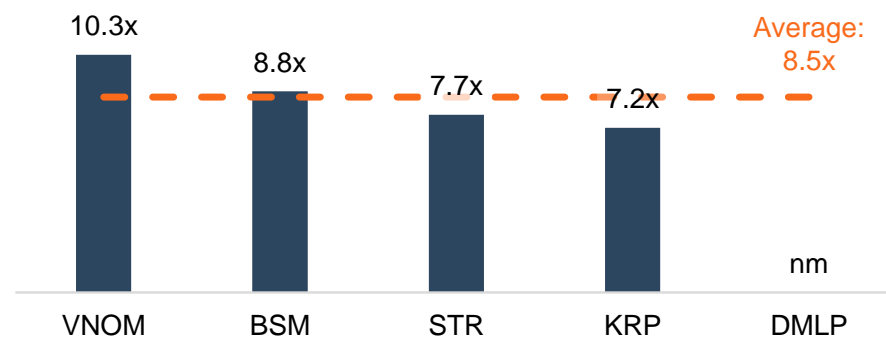
## Enterprise Value / LQA EBITDA



## Enterprise Value / 2024E EBITDA

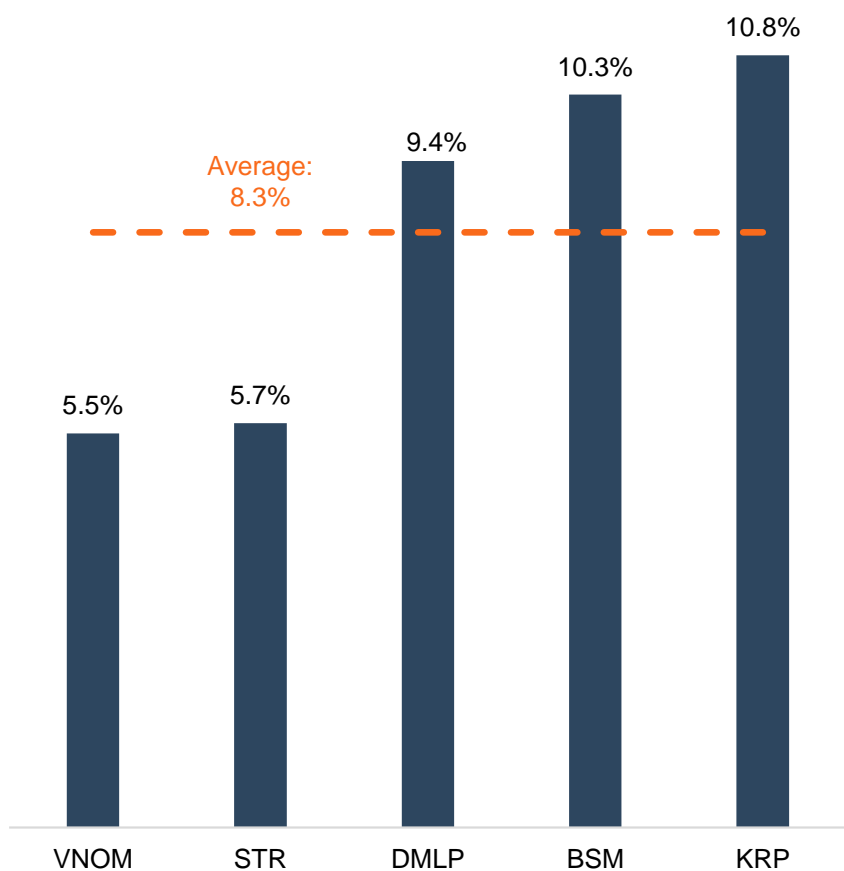


## Enterprise Value / 2025E EBITDA

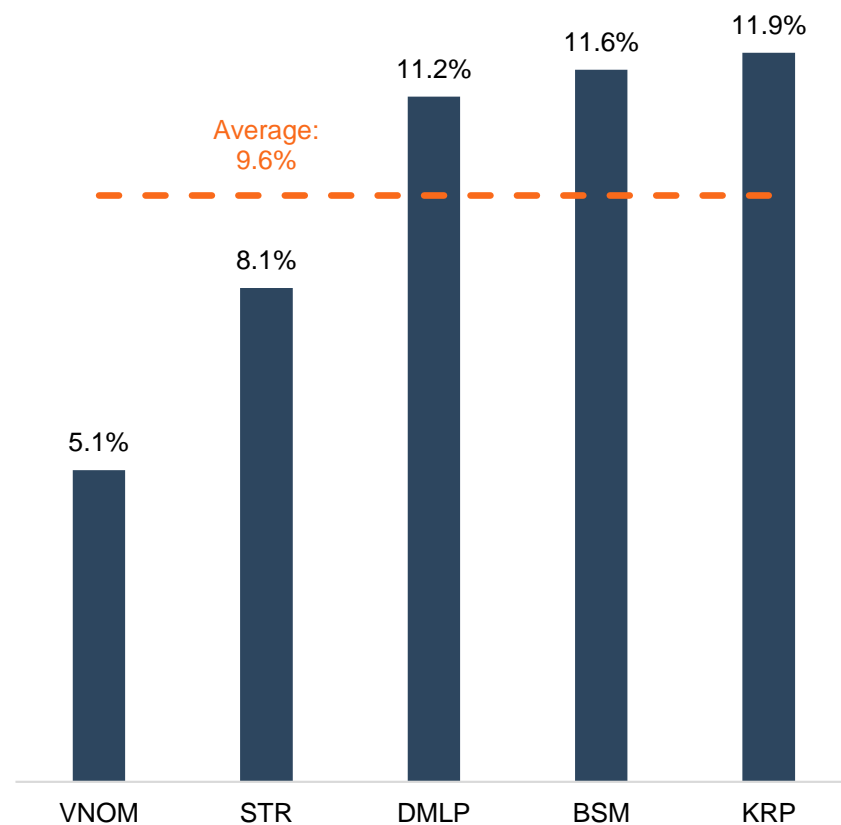


# Dividend-Based Yields

## Dividend Yield (Current Dividend)

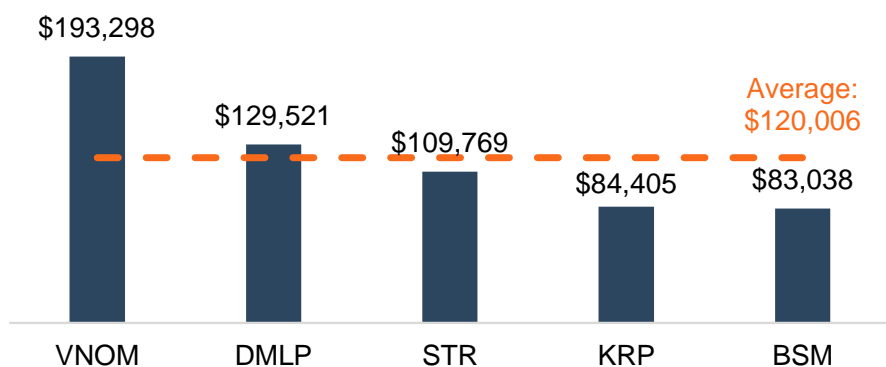


## Dividend Yield (LTM Dividends)

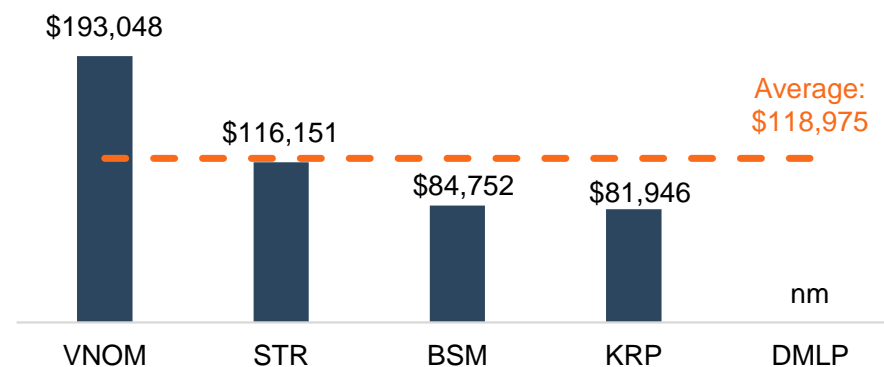


# Production-Based Valuation Multiples

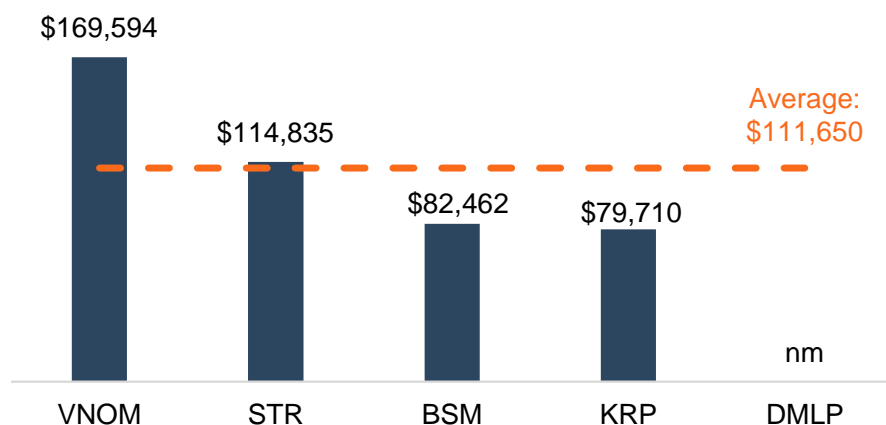
**Enterprise Value / Current Production** (\$/boe/d)



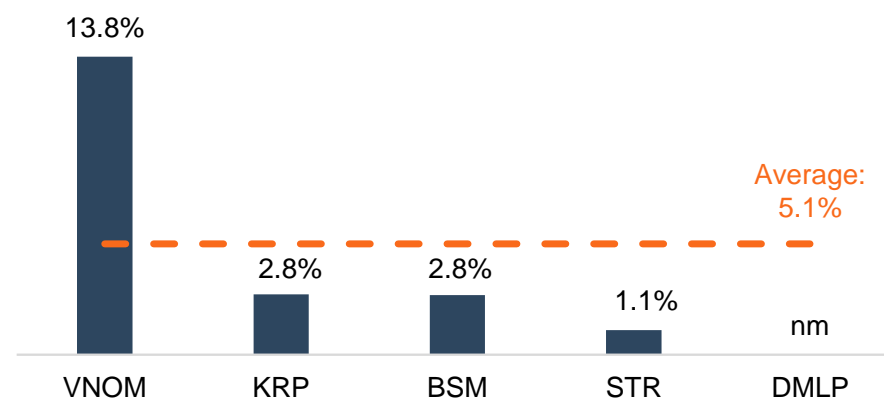
**Enterprise Value / 2024E Production** (\$/boe/d)



**Enterprise Value / 2025E Production** (\$/boe/d)



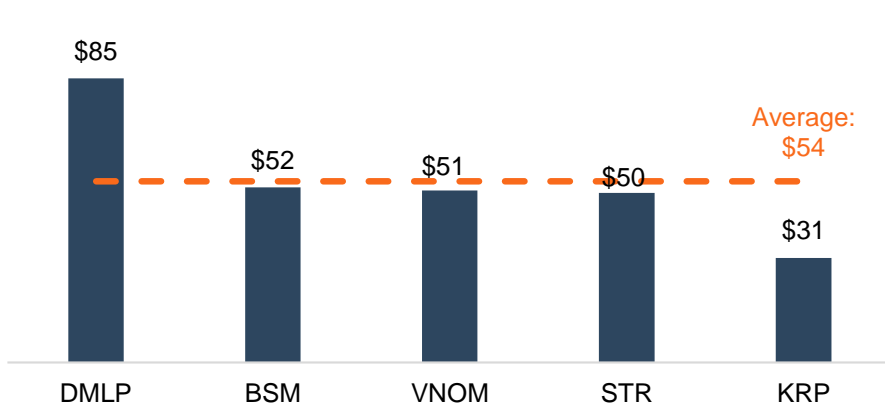
**2024E - 25E Production Growth**



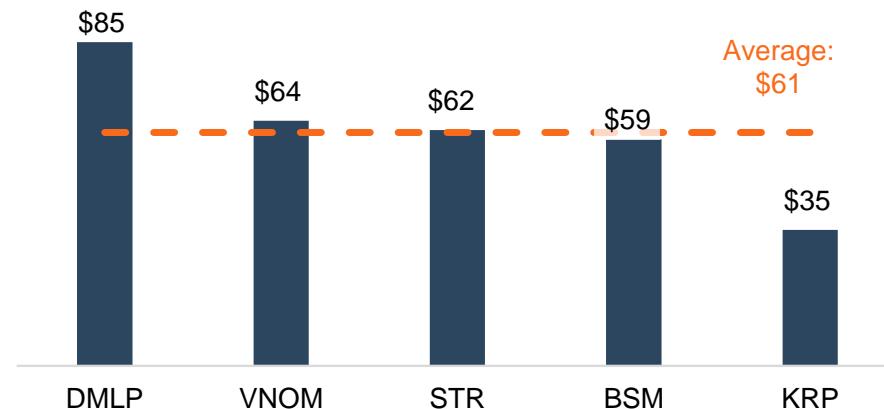


# Reserve-Based Valuation Multiples

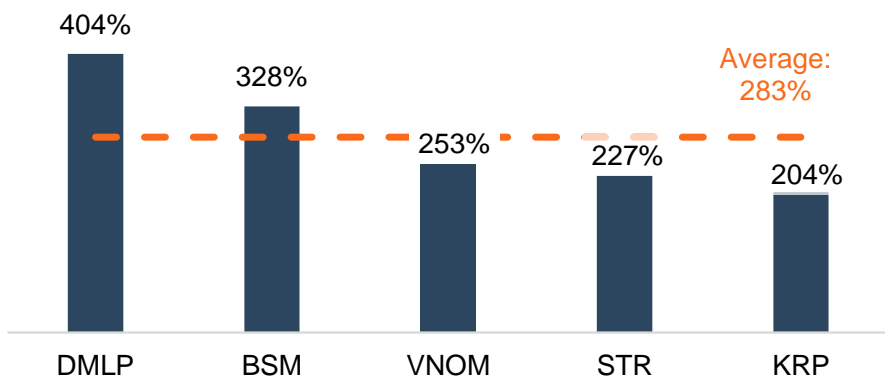
**Enterprise Value / Proved Reserves (\$/boe)**



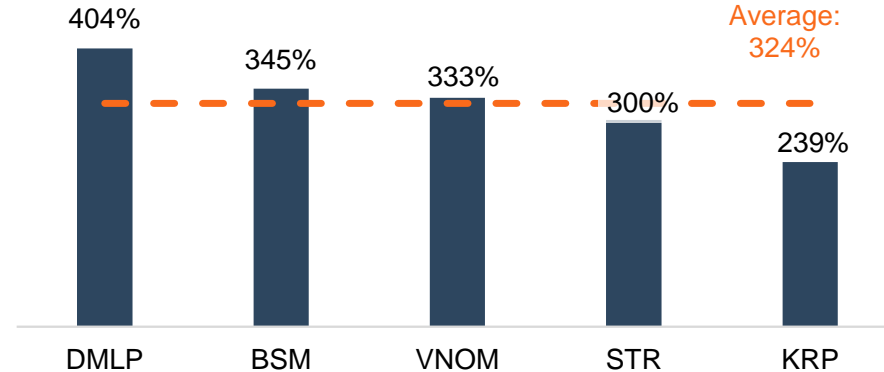
**Enterprise Value / PDP Reserves (\$/boe)**



**Enterprise Value / Proved PV-10**



**Enterprise Value / PDP PV-10**



# Appendix

# Mineral Aggregator Metrics and Multiples

\$ in mm, except per share values



**BSM**



**STR**



**DMLP**



**KRP**



**VNOM**

## Derivation of Enterprise Value

						Valuation Multiples			Notes
	Average	Median							
Stock Price (9/3/2024)	\$14.63	\$21.22	\$29.85	\$15.55	\$46.43				
Shares Outstanding	210.7	154.3	40.1	95.5	176.9				(1)
Equity Market Capitalization	3,082.4	3,273.3	1,196.6	1,484.9	8,212.5				
+ Preferred Stock	300.5	0.0	0.0	315.2	0.0				(2)
+ Interest-Bearing Debt	0.0	1,049.3	0.0	265.8	998.0				
- Cash & Cash Equivalents	(26.7)	(16.3)	(35.2)	(30.9)	(35.2)				
+/- Other	0.0	0.0	46.4	0.0	0.0				(3)
<b>Enterprise Value</b>	<b>\$3,356.2</b>	<b>\$4,306.3</b>	<b>\$1,207.9</b>	<b>\$2,035.0</b>	<b>\$9,175.3</b>				

## EBITDA

	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Average	Median	Notes
Last Twelve Months (LTM) EBITDA	\$459.9	7.3x	\$564.0	7.6x	\$137.0	8.8x	\$264.7	7.7x	\$846.8	10.8x	8.5x	7.7x	(4)
Last Quarter Annualized (LQA) EBITDA	401.0	8.4	606.4	7.1	125.2	9.6	263.3	7.7	797.6	11.5	8.9	8.4	(4)
2024E EBITDA	389.7	8.6	573.5	7.5	na	nm	266.0	7.7	784.9	11.7	8.9	8.1	(5)
2025E EBITDA	383.3	8.8	556.0	7.7	na	nm	283.8	7.2	887.1	10.3	8.5	8.3	(5)

## Dividend Yields

Last Twelve Months (LTM) Dividends	\$1.70	11.6%	\$1.71	8.1%	\$3.34	11.2%	\$1.85	11.9%	\$2.36	5.1%	9.6%	11.2%	
Current Dividend (Annualized)	1.50	10.3%	1.20	5.7%	2.81	9.4%	1.68	10.8%	2.56	5.5%	8.3%	9.4%	

## Production (mboe/d)

Current Production	40.4	\$83,038	39.2	\$109,769	9.3	\$129,521	24.1	\$84,405	47.5	\$193,298	\$120,006	\$109,769	(6)
2024E Production	39.6	84,752	37.1	116,151	na	nm	24.8	81,946	47.5	193,048	118,975	100,452	(6)
2025E Production	40.7	82,462	37.5	114,835	na	nm	25.5	79,710	54.1	169,594	111,650	98,648	(6)

## Reserves

Proved Reserves (mmboe)	64.5	\$52.06	85.3	\$50.49	14.3	\$84.52	65.4	\$31.11	179.2	\$51.19	\$53.87	\$51.19	(7)
Proved Developed Producing Reserves (mmboe)	56.7	59.17	69.9	61.61	14.3	84.52	57.3	35.49	143.4	64.00	60.96	61.61	(7)
Proved PV-10	\$1,022.9	328%	\$1,895.5	227%	\$299.0	404%	\$998.9	204%	\$3,622.2	253%	283%	253%	
Proved Developed Producing PV-10	972.2	345%	1,435.2	300%	299.0	404%	852.0	239%	2,754.5	333%	324%	333%	

# Notes

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- (1) Includes non-traded shares.
- (2) BSM and KRP 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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- Valuation of oil & gas companies
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- Litigation support for economic damages and shareholder disputes

## Industry Segments

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

# Mercer Capital Oil & Gas Industry Team

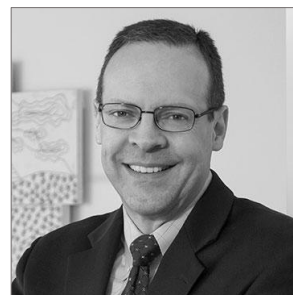
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# Oil and Gas Industry Resources

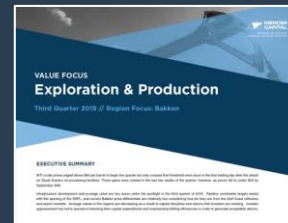
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