

MERCER CAPITAL

Mineral Aggregator Valuation Multiples

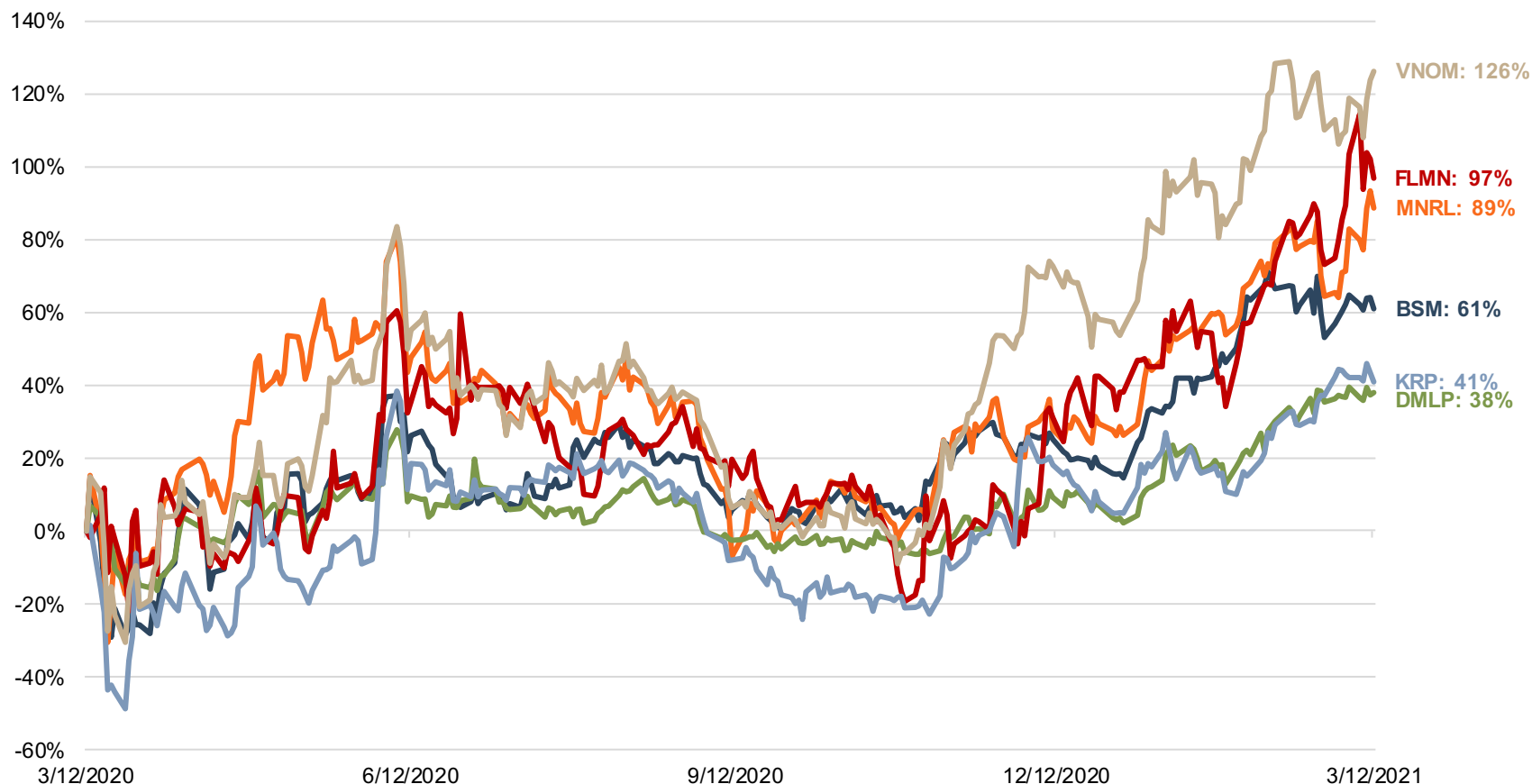
With Market Data as of March 12, 2021

Mineral Aggregator Overview



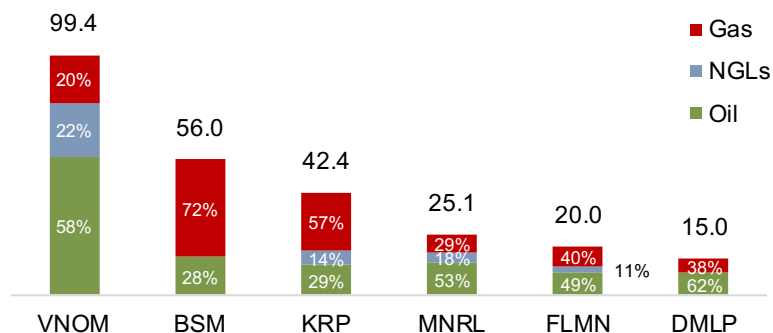
Ticker	BSM	MNRL	DMLP	FLMN	KRP	VNOM
Basin Focus	Diversified	Diversified	Diversified	Eagle Ford	Diversified	Permian
Equity Market Capitalization (\$mm)	\$1,946.2	\$931.4	\$510.8	\$386.6	\$634.6	\$2,633.3
Enterprise Value (\$mm)	\$2,363.8	\$942.3	\$515.8	\$423.7	\$851.3	\$3,178.2
LTM EBITDA (\$mm)	\$281.3	\$65.0	\$34.0	\$26.7	\$65.9	\$188.2
Current Production (mboe/d)	39.0	9.4	5.8	4.2	14.1	27.7
Proved Reserves (mmboe)	56.0	25.1	15.0	20.0	42.4	99.4

1-Year Stock Price Performance

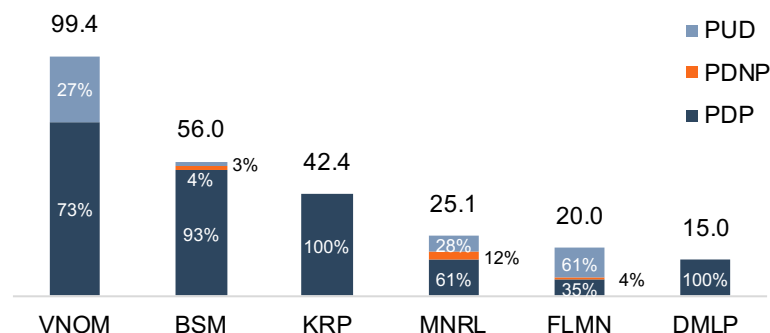


Reserve and Production Mix

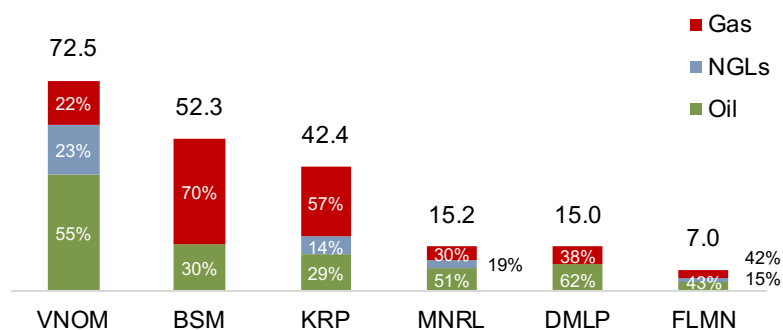
2020 Proved Reserves by Commodity (mmboe)



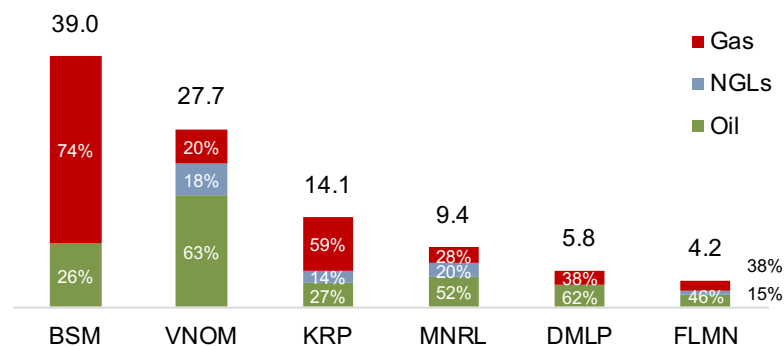
2020 Proved Reserves by Category (mmboe)



2020 PDP Reserves by Commodity (mmboe)



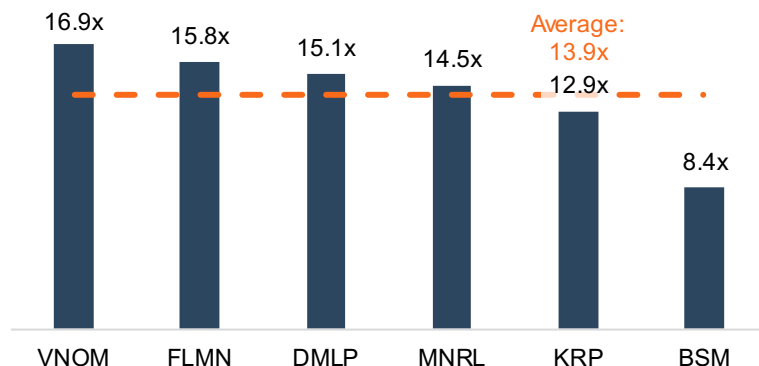
Current Production by Commodity (mboe/d)



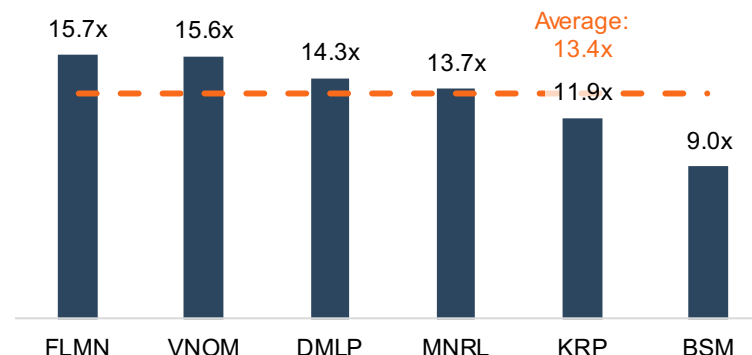
Valuation Multiples

EBITDA-Based Valuation Multiples

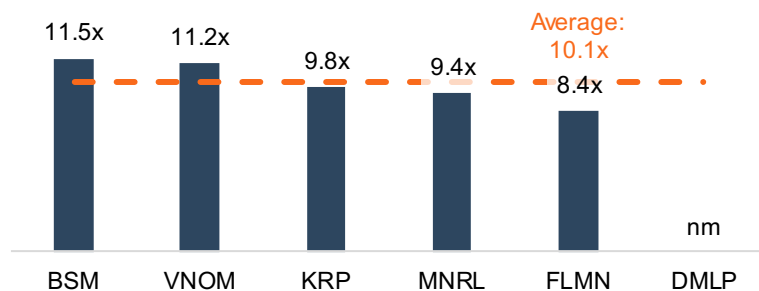
Enterprise Value / LTM EBITDA



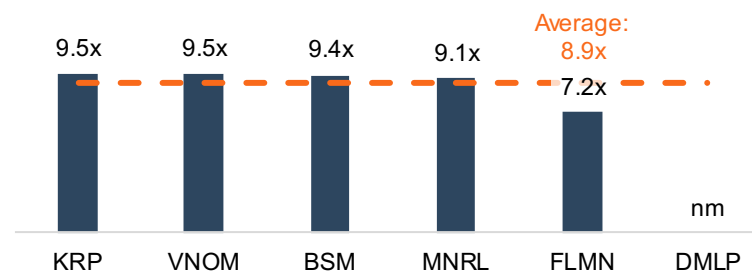
Enterprise Value / LQA EBITDA



Enterprise Value / 2021E EBITDA

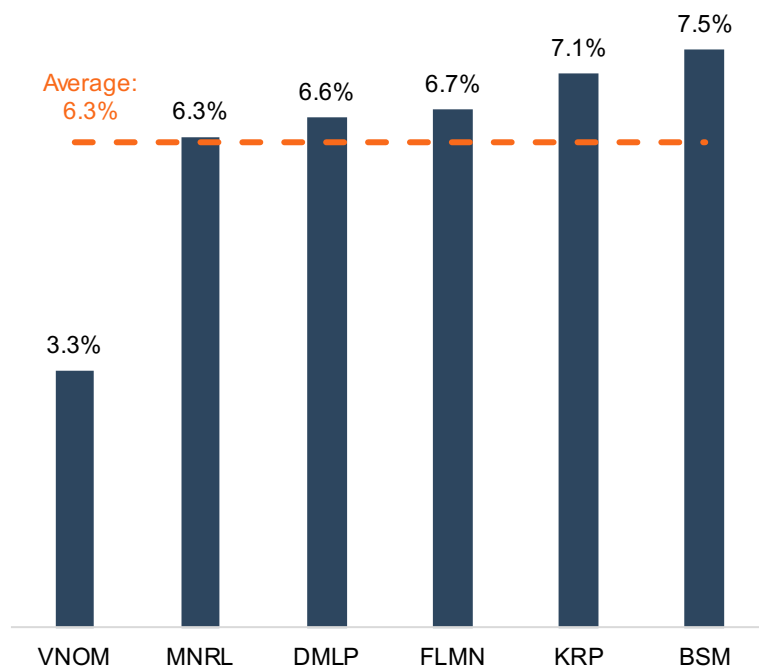


Enterprise Value / 2022E EBITDA

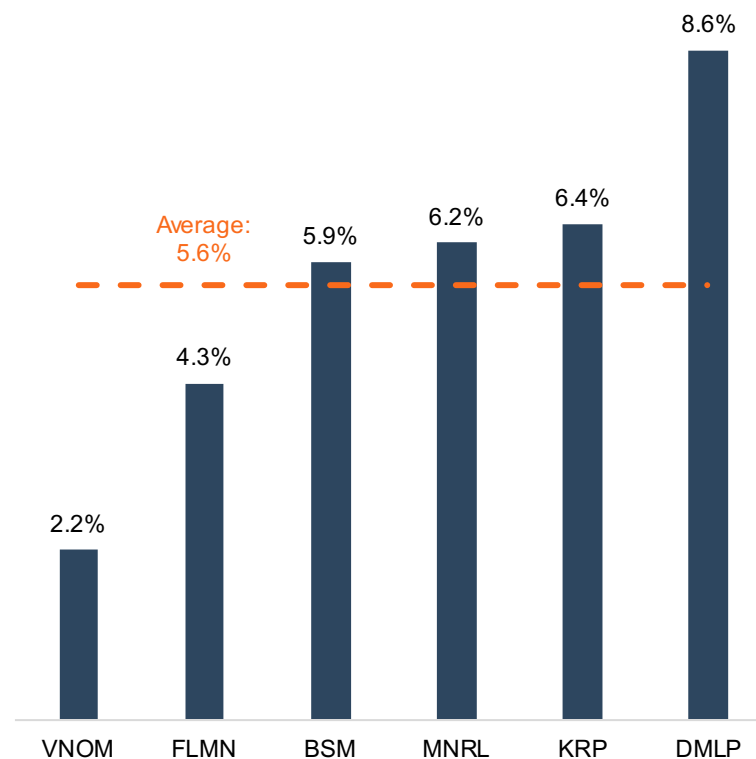


Dividend-Based Yields

Dividend Yield (Current Dividend)

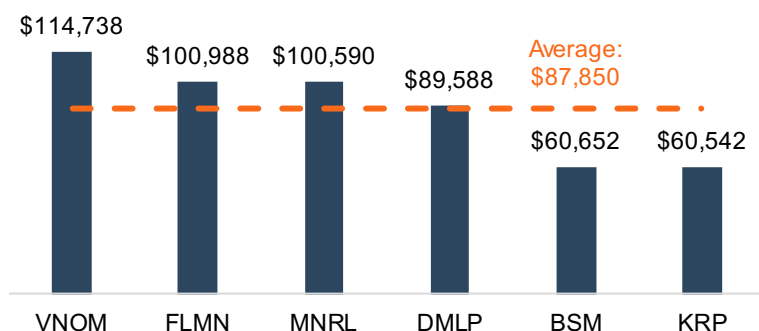


Dividend Yield (LTM Dividends)

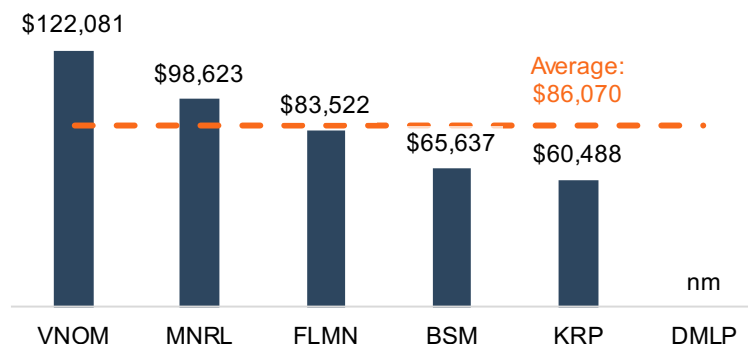


Production-Based Valuation Multiples

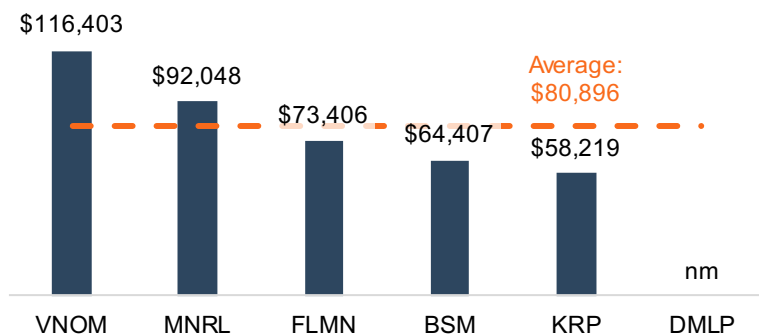
Enterprise Value / Current Production (\$/boe/d)



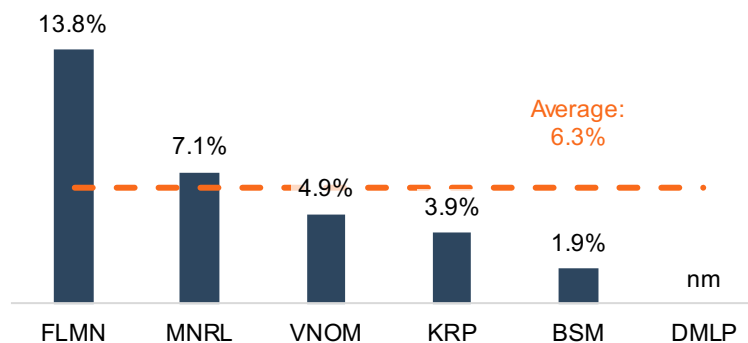
Enterprise Value / 2021E Production (\$/boe/d)



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

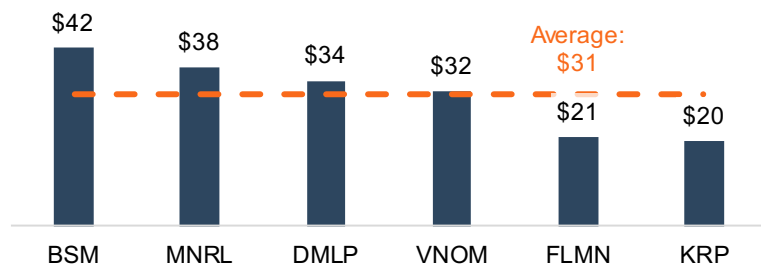


2021E - 22E Production Growth

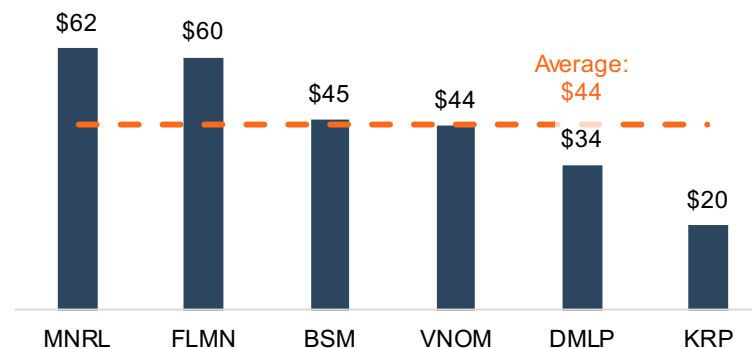


Reserve-Based Valuation Multiples

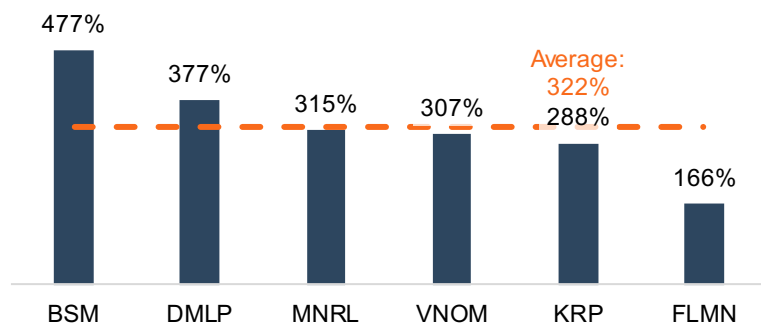
Enterprise Value / Proved Reserves (\$/boe)



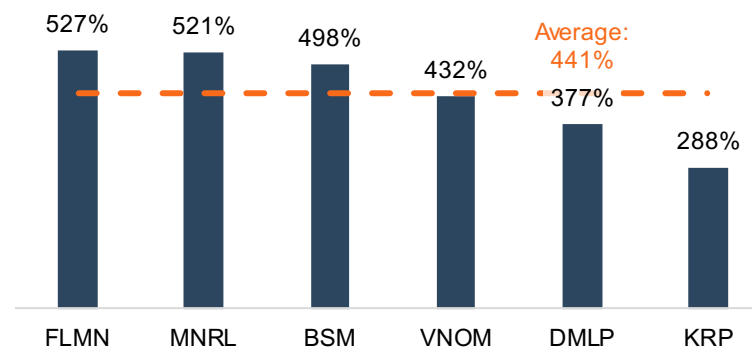
Enterprise Value / PDP Reserves (\$/boe)



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	
Derivation of Enterprise Value															
Stock Price (3/12/2021)	\$9.39		\$16.42		\$14.73		\$4.49		\$10.63		\$16.88				
Shares Outstanding	207.3		56.7		34.7		86.1		59.7		156.0				(1)
Equity Market Capitalization	1,946.2		931.4		510.8		386.6		634.6		2,633.3				
+ Preferred Stock	298.4		0.0		0.0		0.0		55.0		0.0				(2)
+ Interest-Bearing Debt	121.0		20.0		0.0		39.8		171.6		563.9				
- Cash & Cash Equivalents	(1.8)		(9.1)		(11.2)		(2.7)		(9.8)		(19.1)				
+/- Other	0.0		0.0		16.2		0.0		0.0		0.0				(3)
Enterprise Value	\$2,363.8		\$942.3		\$515.8		\$423.7		\$851.3		\$3,178.2				
EBITDA															
	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple			
Last Twelve Months (LTM) EBITDA	\$281.3	8.4x	\$65.0	14.5x	\$34.0	15.1x	\$26.7	15.8x	\$65.9	12.9x	\$188.2	16.9x	13.9x	14.8x	(4)
Last Quarter Annualized (LQA) EBITDA	262.0	9.0	68.9	13.7	36.1	14.3	27.0	15.7	71.4	11.9	204.0	15.6	13.4	14.0	(4)
2021E EBITDA	205.9	11.5	100.0	9.4	na	nm	50.7	8.4	86.8	9.8	283.4	11.2	10.1	9.8	(5)
2022E EBITDA	252.6	9.4	103.3	9.1	na	nm	59.2	7.2	90.0	9.5	336.2	9.5	8.9	9.4	(5)
Dividend Yields															
Last Twelve Months (LTM) Dividends	\$0.56	5.9%	\$1.01	6.2%	\$1.27	8.6%	\$0.20	4.3%	\$0.68	6.4%	\$0.37	2.2%	5.6%	6.0%	
Current Dividend (Annualized)	0.70	7.5%	1.04	6.3%	0.97	6.6%	0.30	6.7%	0.76	7.1%	0.56	3.3%	6.3%	6.6%	
Production (mboe/d)															
Current Production	39.0	\$60,652	9.4	\$100,590	5.8	\$89,588	4.2	\$100,988	14.1	\$60,542	27.7	\$114,738	\$87,850	\$95,089	(6)
2021E Production	36.0	65,637	9.6	98,623	na	nm	5.1	83,522	14.1	60,488	26.0	122,081	86,070	83,522	(6)
2022E Production	36.7	64,407	10.2	92,048	na	nm	5.8	73,406	14.6	58,219	27.3	116,403	80,896	73,406	(6)
Reserves															
Proved Reserves (mmboe)	56.0	\$42.22	25.1	\$37.60	15.0	\$34.45	20.0	\$21.17	42.4	\$20.07	99.4	\$31.98	\$31.25	\$33.21	(7)
Proved Developed Producing Reserves (mmboe)	52.3	45.20	15.2	62.04	15.0	34.45	7.0	60.14	42.4	20.07	72.5	43.81	44.28	44.50	(7)
Proved PV-10	\$495.3	477%	\$298.8	315%	\$136.8	377%	\$255.5	166%	\$295.3	288%	\$1,034.5	307%	322%	311%	
Proved Developed Producing PV-10	475.1	498%	180.8	521%	136.8	377%	80.4	527%	295.3	288%	735.2	432%	441%	465%	

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

See following slide for additional notes.

© 2021 Mercer Capital // www.mercercapital.com

Notes

- (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).

Mercer Capital Oil & Gas Industry Services

Mercer Capital provides business valuation and financial advisory services to companies throughout the U.S. in the oil & gas industry.

Valuation & Advisory Services Provided

- Valuation of oil & gas companies
- Transaction advisory services for acquisitions and divestitures
- Valuations for purchase accounting and impairment testing
- Fairness and solvency opinions
- Litigation support for economic damages and shareholder disputes

Industry Segments

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

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

Mercer Capital's Oil and Gas Industry Resources

Energy Valuation Insights Blog



Visit Mercer Capital's blog, *Energy Valuation Insights*, for a weekly update on issues important to the Oil & Gas Industry.

To visit the blog or to subscribe, click [HERE](#)

Quarterly E&P Newsletter



This newsletter provides an overview of the industry through supply and demand analysis, commodity pricing, and public market performance. In addition, each quarter focuses on a different region (Eagle Ford, Permian, Bakken, and Appalachia).

To view the current issue and the archives or to subscribe, click [HERE](#)



Mercer Capital

www.mercercapital.com

