

MERCER CAPITAL

# Mineral Aggregator Valuation Multiples

With Market Data as of March 3, 2023

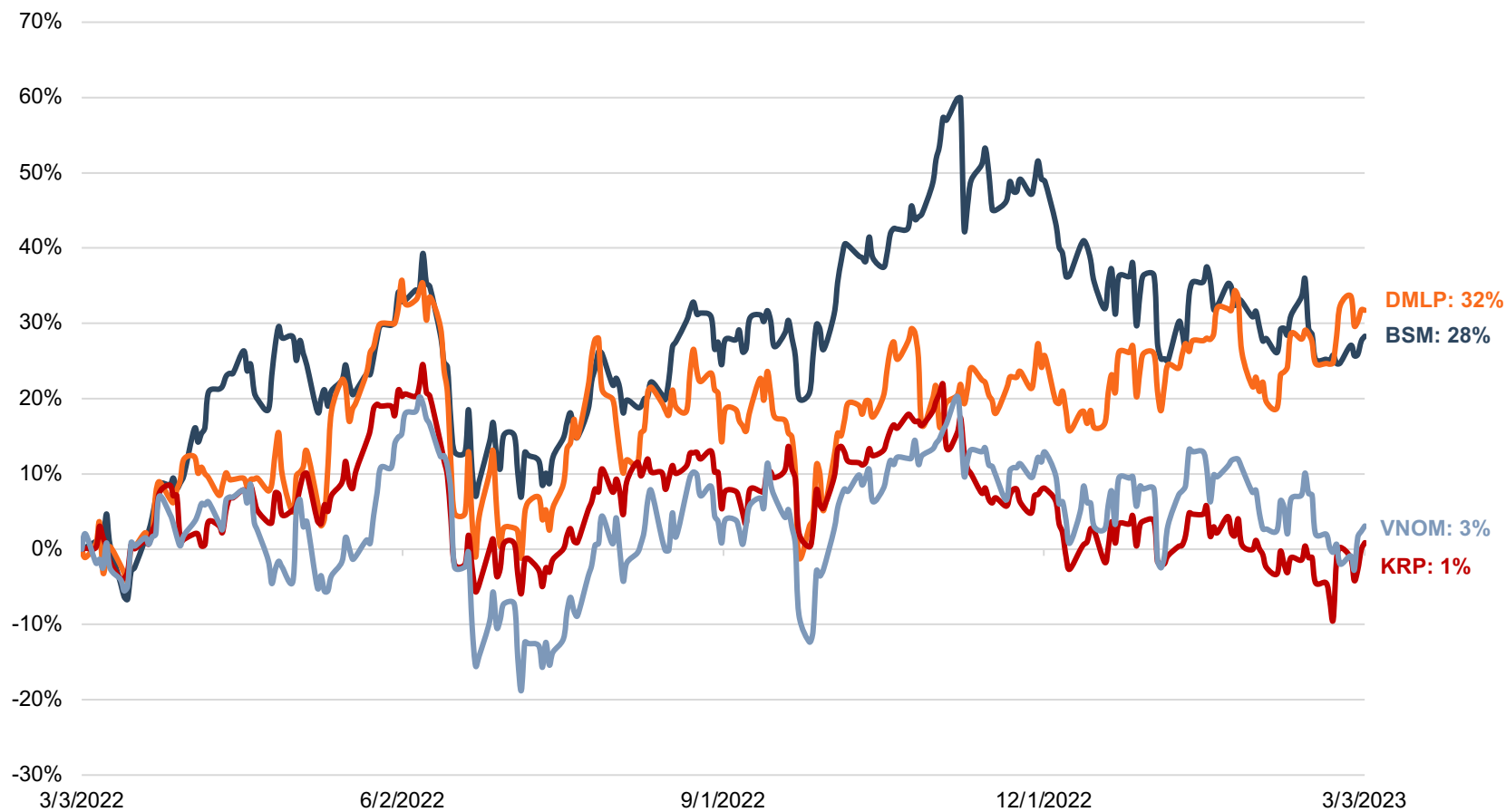
# Mineral Aggregator Overview



Ticker	BSM	STR*	DMLP	KRP	VNOM
<b>Equity Market Capitalization (\$mm)</b>	\$3,327.7	\$2,020.4	\$1,201.0	\$1,294.6	\$4,958.8
<b>Enterprise Value (\$mm)</b>	\$3,631.7	\$2,676.4	\$1,217.4	\$1,503.0	\$5,523.0
<b>LTM EBITDA (\$mm)</b>	\$466.4	Non-meaningful	\$149.7	\$191.2	\$772.0
<b>Current Production (mboe/d)</b>	42.1	Non-meaningful	8.3	15.4	34.9
<b>Proved Reserves (mmboe)</b>	63.4	Non-meaningful	15.4	46.5	148.9

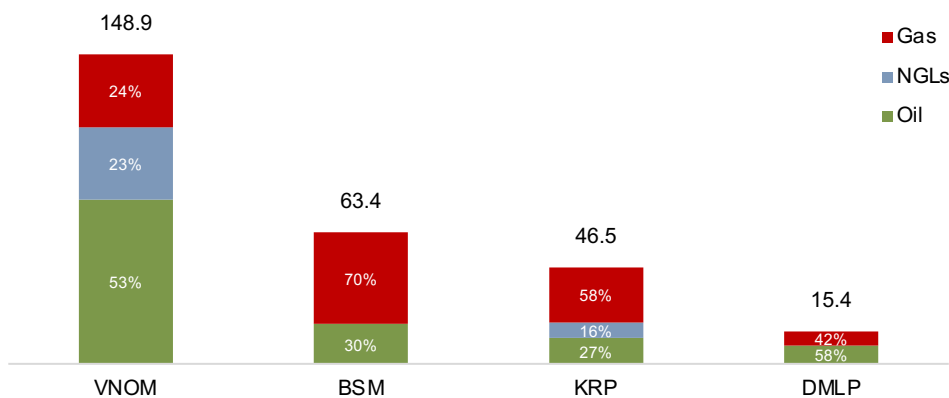
\* Falcon Minerals and Desert Peak Minerals all-stock merger closed June 6, 2022, forming Sitio Royalties Corp. (STR), with Desert Peak as the accounting acquirer. Before the merger, Desert Peak reported financial information through Kimmeridge Mineral Fund LP, Desert Peak's predecessor for financial reporting purposes. Additionally, STR merged with Brigham Minerals (MNRL) effective December 29, 2022. Due to reporting discrepancies, we have opted not to consider STR for the remainder of this analysis.

# 1-Year Stock Price Performance

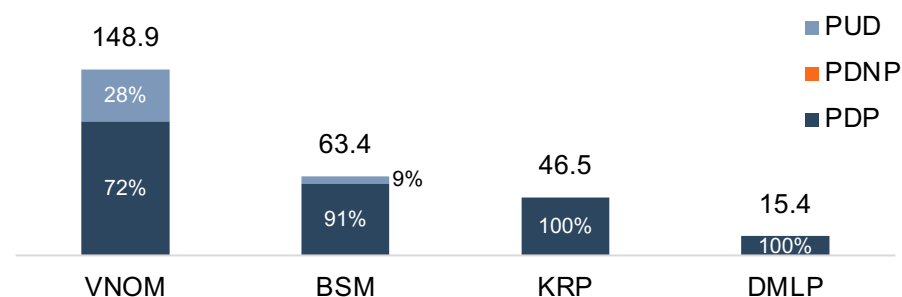


# Reserve and Production Mix

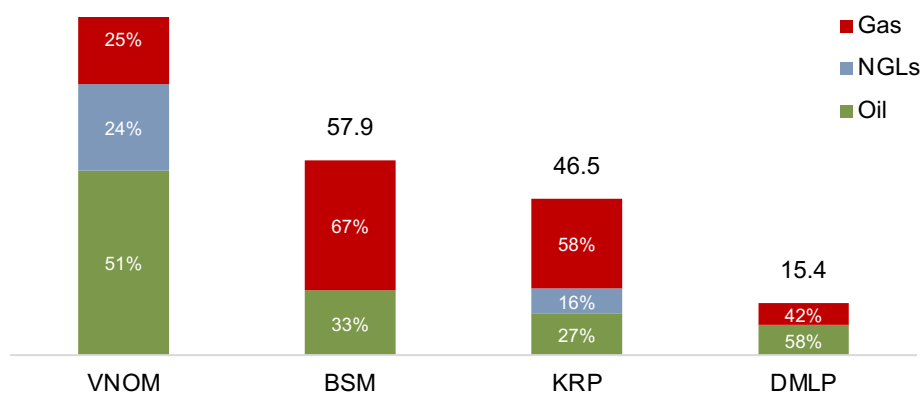
### 2022 Proved Reserves by Commodity (mmboe)



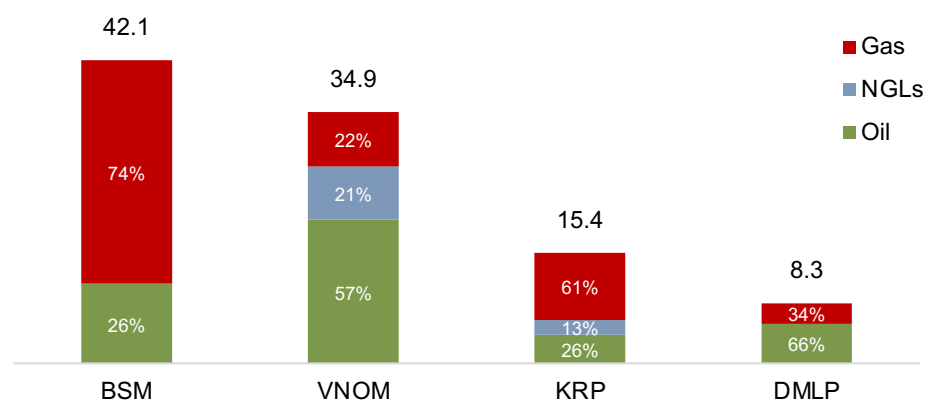
### 2022 Proved Reserves by Category (mmboe)



### 2022 PDP Reserves by Commodity (mmboe)



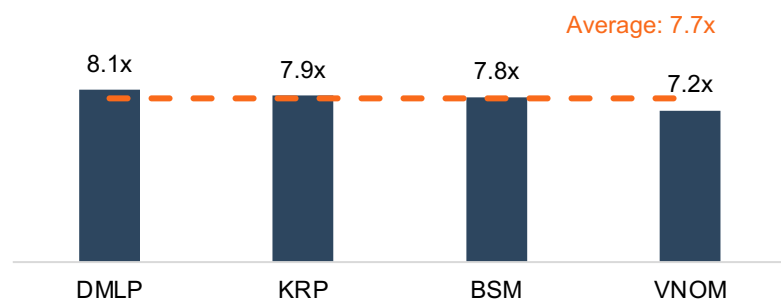
### Current Production by Commodity (mboe/d)



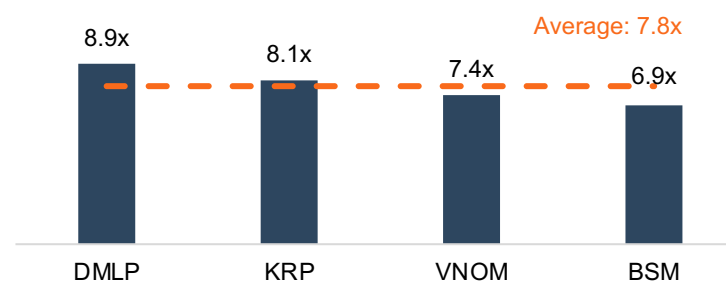
# Valuation Multiples

# EBITDA-Based Valuation Multiples

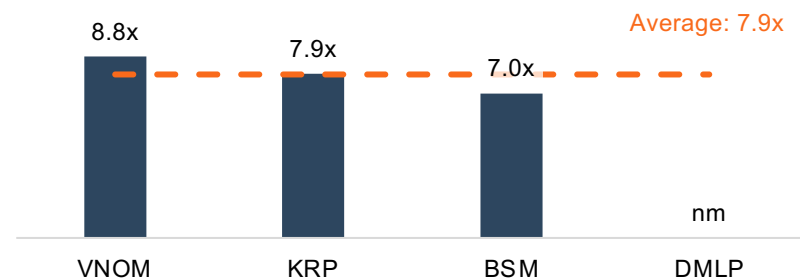
## Enterprise Value / LTM EBITDA



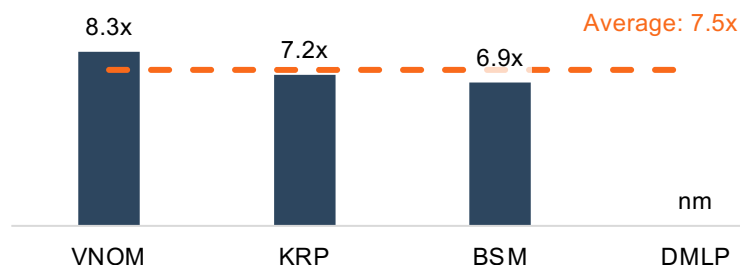
## Enterprise Value / LQA EBITDA



## Enterprise Value / 2023E EBITDA

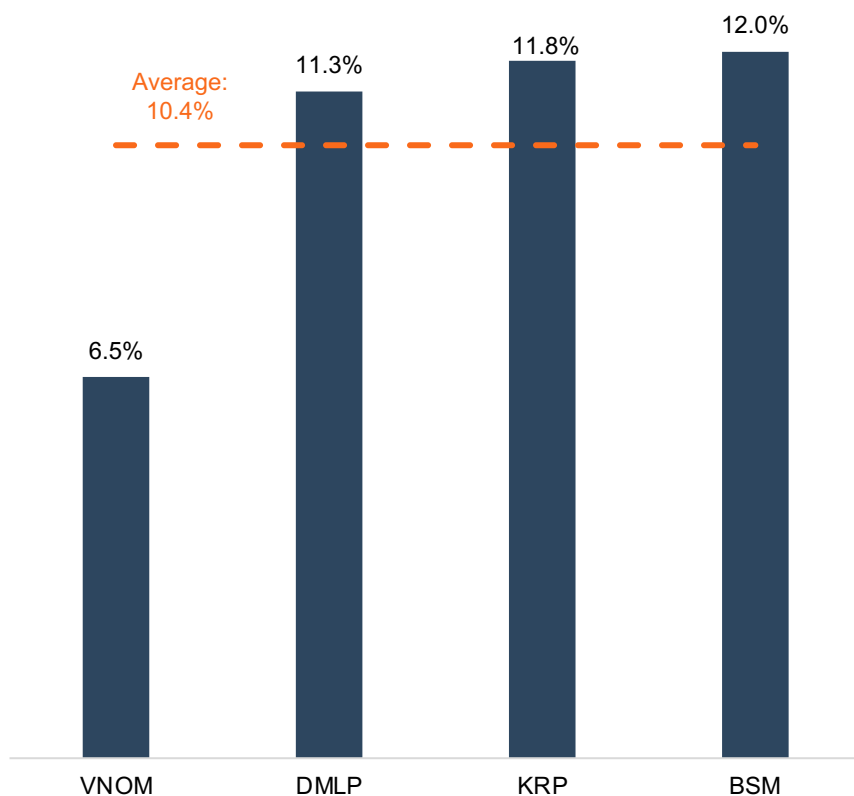


## Enterprise Value / 2024E EBITDA

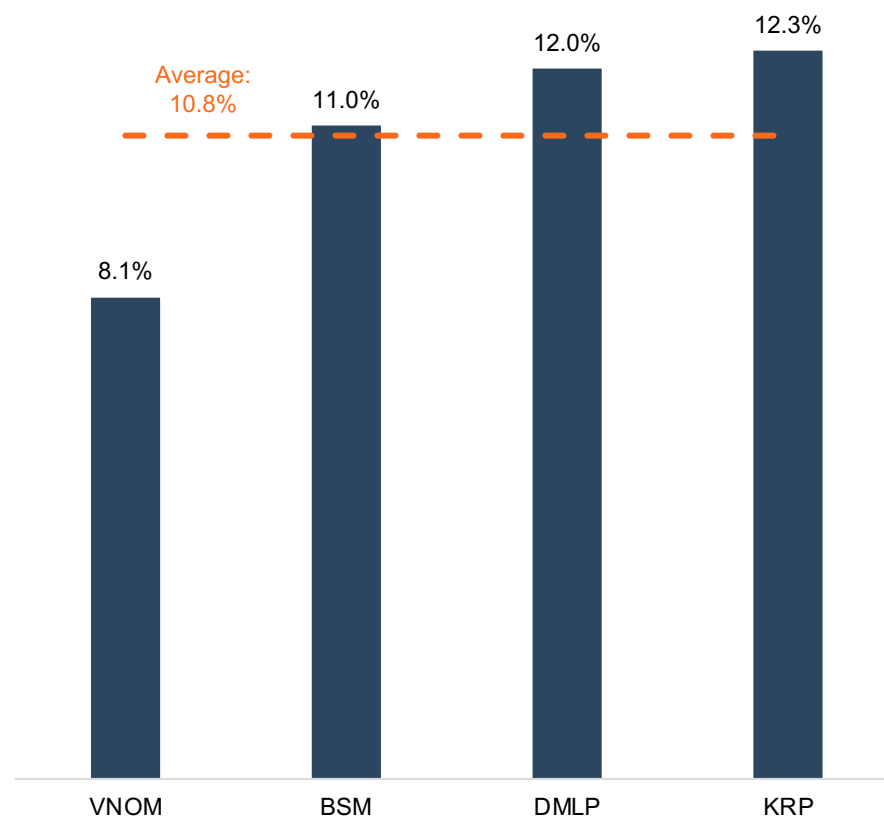


# Dividend-Based Yields

## Dividend Yield (Current Dividend)

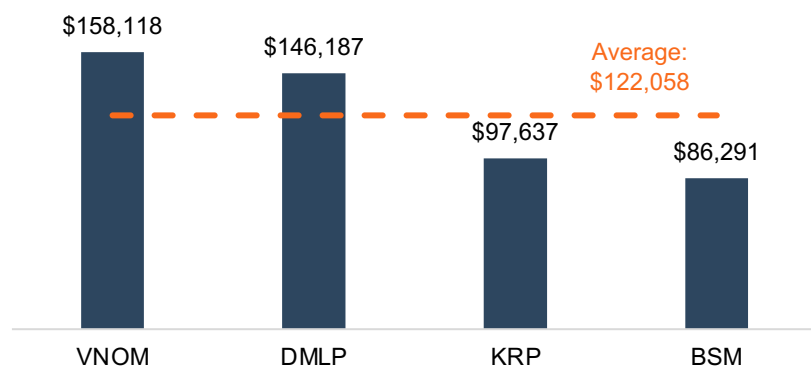


## Dividend Yield (LTM Dividends)

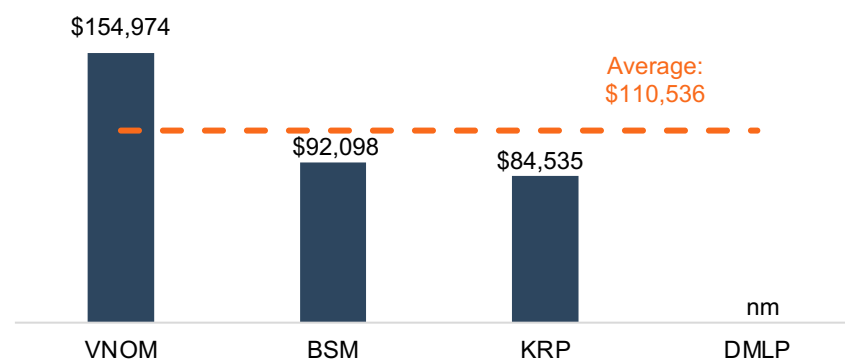


# Production-Based Valuation Multiples

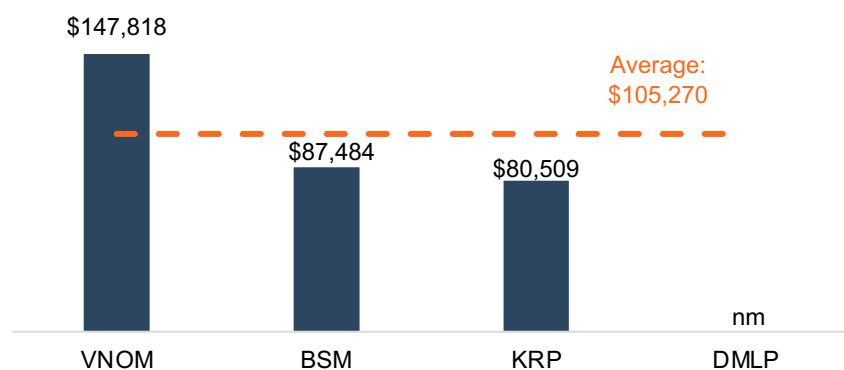
**Enterprise Value / Current Production (\$/boe/d)**



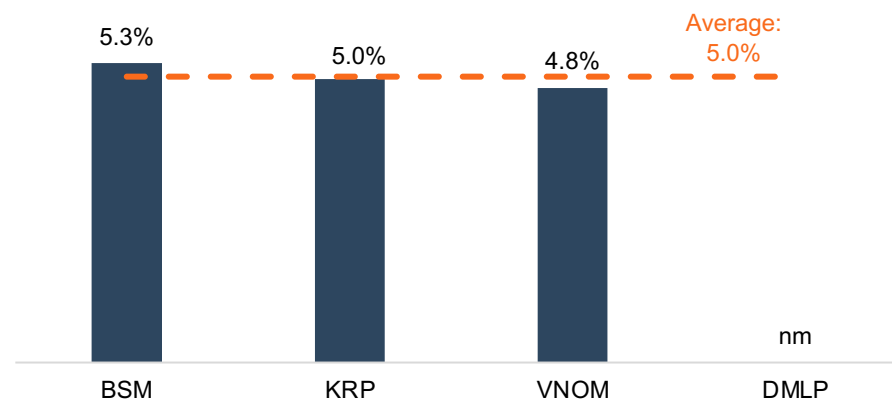
**Enterprise Value / 2023E Production (\$/boe/d)**



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



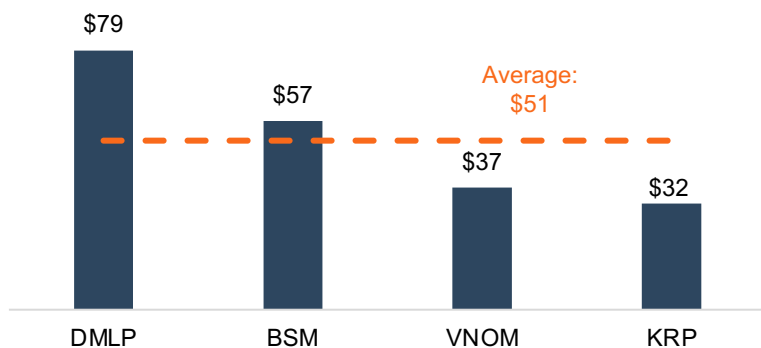
**2023E - 24E Production Growth**



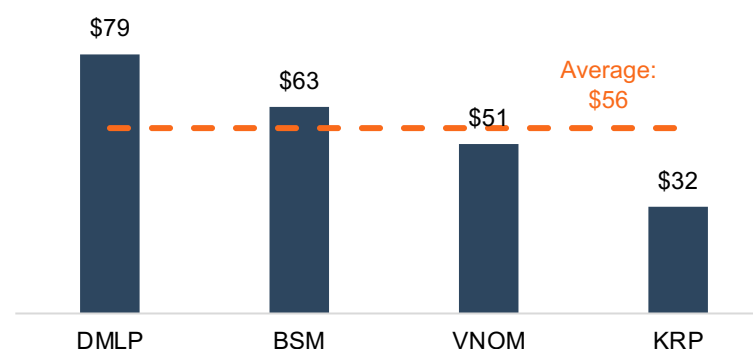


# Reserve-Based Valuation Multiples

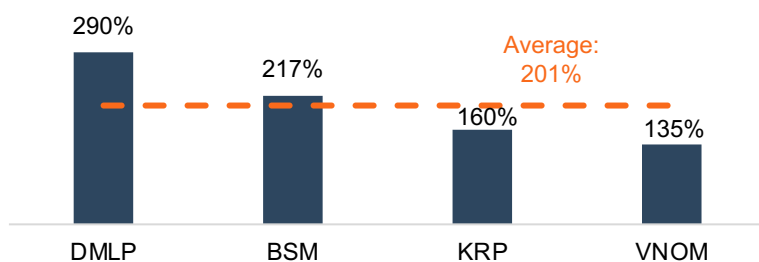
**Enterprise Value / Proved Reserves (\$/boe)**



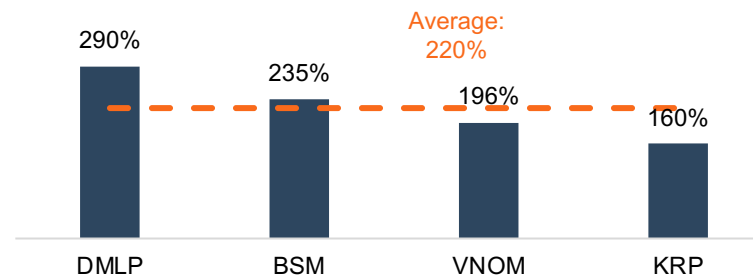
**Enterprise Value / PDP Reserves (\$/boe)**



**Enterprise Value / Proved PV-10**



**Enterprise Value / PDP PV-10**



# Appendix

# Mineral Aggregator Metrics and Multiples

\$ in mm, except per share values



BSM



DMLP



KRP



VNOM

	BSM				DMLP				KRP				VNOM				Valuation Multiples		Notes
	Metric		Multiple		Metric		Multiple		Metric		Multiple		Metric		Multiple		Average	Median	
<b>Derivation of Enterprise Value</b>																			
Stock Price (3/3/2023)	\$15.87				\$31.30				\$16.24				\$30.35						
Shares Outstanding	209.7				38.4				79.7				163.4						(1)
Equity Market Capitalization	3,327.7				1,201.0				1,294.6				4,958.8						
+ Preferred Stock	298.4				0.0				0.0				0.0						(2)
+ Interest-Bearing Debt	10.0				0.0				233.0				582.4						
- Cash & Cash Equivalents	(4.3)				(40.8)				(24.6)				(18.2)						
+/- Other	0.0				57.2				0.0				0.0						(3)
<b>Enterprise Value</b>	<b>\$3,631.7</b>				<b>\$1,217.4</b>				<b>\$1,503.0</b>				<b>\$5,523.0</b>						
<b>EBITDA</b>																			
Last Twelve Months (LTM) EBITDA	\$466.4	7.8x	\$149.7	8.1x	\$191.2	7.9x	\$772.0	7.2x									7.7x	7.8x	(4)
Last Quarter Annualized (LQA) EBITDA	526.8	6.9	136.2	8.9	184.7	8.1	747.0	7.4									7.8	7.8	(4)
2023E EBITDA	519.2	7.0	na	nm	189.1	7.9	628.7	8.8									7.9	7.9	(5)
2024E EBITDA	527.8	6.9	na	nm	207.4	7.2	661.6	8.3									7.5	7.2	(5)
<b>Dividend Yields</b>																			
Last Twelve Months (LTM) Dividends	\$1.75	11.0%	\$3.74	12.0%	\$1.99	12.3%	\$2.46	8.1%									10.8%	11.5%	
Current Dividend (Annualized)	1.90	12.0%	3.54	11.3%	1.92	11.8%	1.96	6.5%									10.4%	11.6%	
<b>Production (mboe/d)</b>																			
Current Production	42.1	\$86,291	8.3	\$146,187	15.4	\$97,637	34.9	\$158,118									\$122,058	\$121,912	(6)
2023E Production	39.4	92,098	na	nm	17.8	84,535	35.6	154,974									110,536	92,098	(6)
2024E Production	41.5	87,484	na	nm	18.7	80,509	37.4	147,818									105,270	87,484	(6)
<b>Reserves</b>																			
Proved Reserves (mmboe)	63.4	\$57.31	15.4	\$78.82	46.5	\$32.35	148.9	\$37.09									\$51.39	\$47.20	(7)
Proved Developed Producing Reserves (mmboe)	57.9	62.77	15.4	78.82	46.5	32.35	107.3	51.48									56.35	57.12	(7)
Proved PV-10	\$1,670.6	217%	\$419.2	290%	\$938.5	160%	\$4,101.9	135%									201%	189%	
Proved Developed Producing PV-10	1,546.7	235%	419.2	290%	938.5	160%	2,824.4	196%									220%	215%	

# 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).

# Mercer Capital Oil & Gas Industry Services

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

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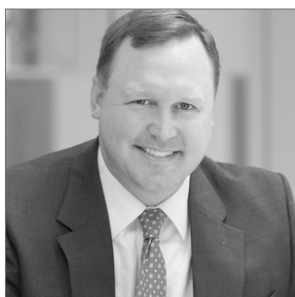
- Valuation of oil & gas companies
- Transaction advisory services for acquisitions and divestitures
- Valuations for purchase accounting and impairment testing
- Fairness and solvency opinions
- Litigation support for economic damages and shareholder disputes

## Industry Segments

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

# Mercer Capital Oil & Gas Industry Team

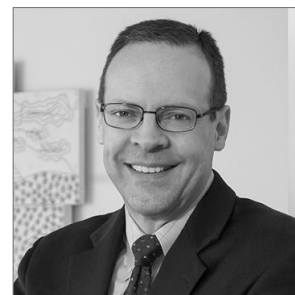
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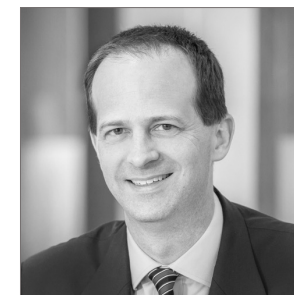
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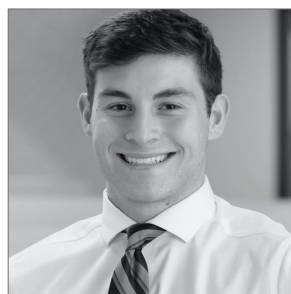
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# Mercer Capital's Oil and Gas Industry Resources

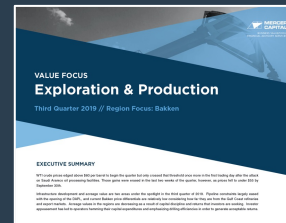
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