

MERCER CAPITAL

Mineral Aggregator Valuation Multiples

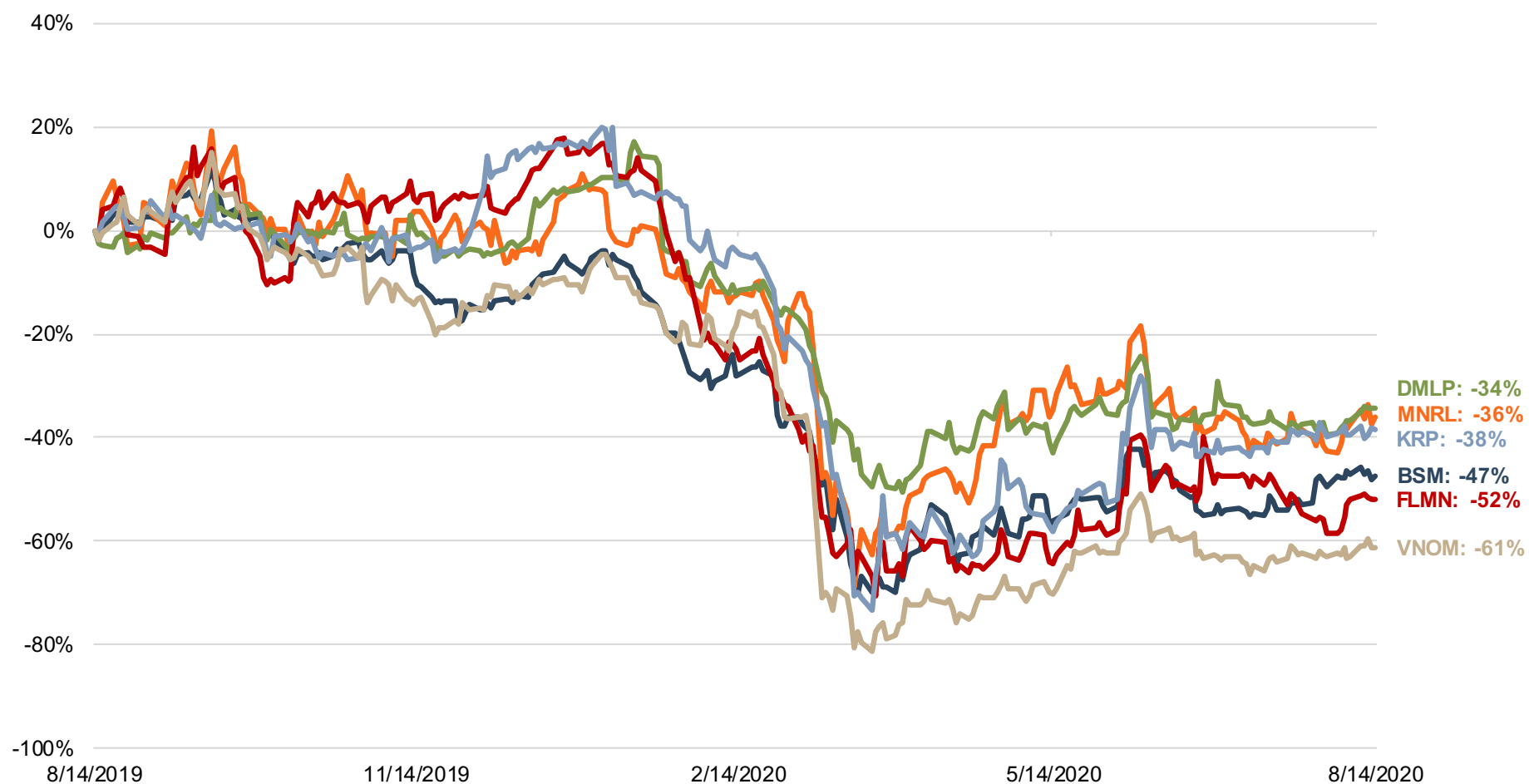
With Market Data as of August 14, 2020

Mineral Aggregator Overview



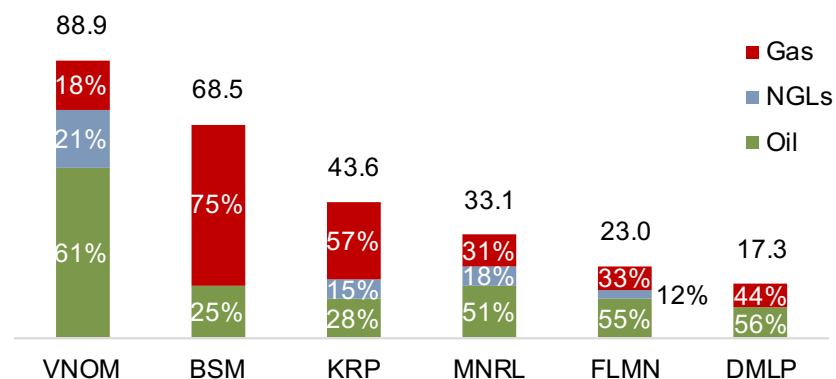
Ticker	BSM	MNRL	DMLP	FLMN	KRP	VNOM
Basin Focus	Diversified	Diversified	Diversified	Eagle Ford	Diversified	Permian
Equity Market Capitalization (\$mm)	\$1,507.1	\$704.5	\$411.0	\$249.5	\$533.4	\$1,715.6
Enterprise Value (\$mm)	\$2,126.9	\$688.1	\$423.0	\$288.2	\$748.8	\$2,345.3
LTM EBITDA (\$mm)	\$339.7	\$77.1	\$48.5	\$34.6	\$74.0	\$248.3
Current Production (mboe/d)	42.6	8.9	6.4	4.4	14.1	24.5
Proved Reserves (mmboe)	68.5	33.1	17.3	23.0	43.6	88.9

1-Year Stock Price Performance

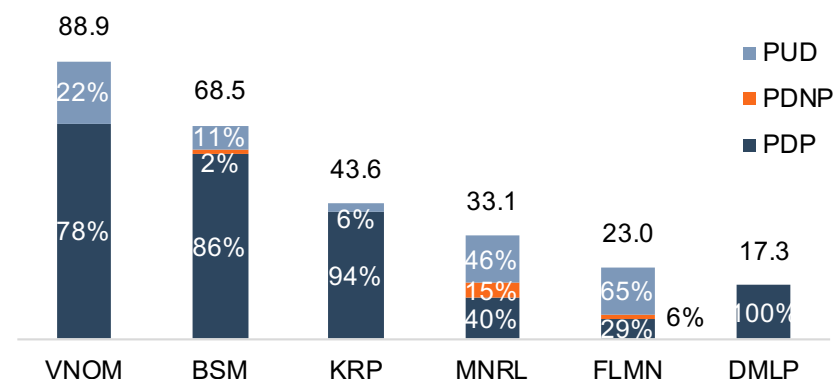


Reserve and Production Mix

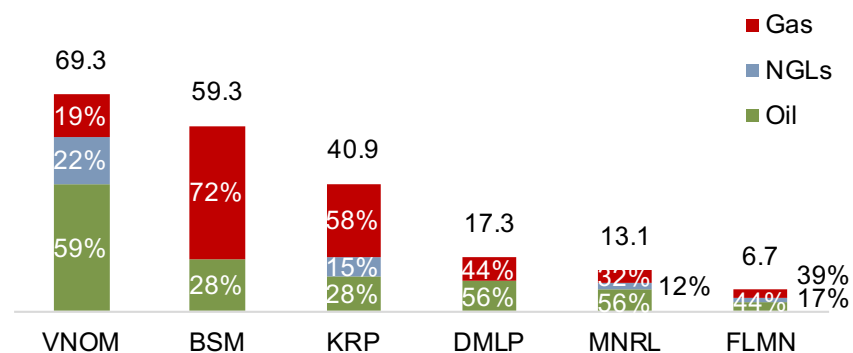
2019 Proved Reserves by Commodity (mmboe)



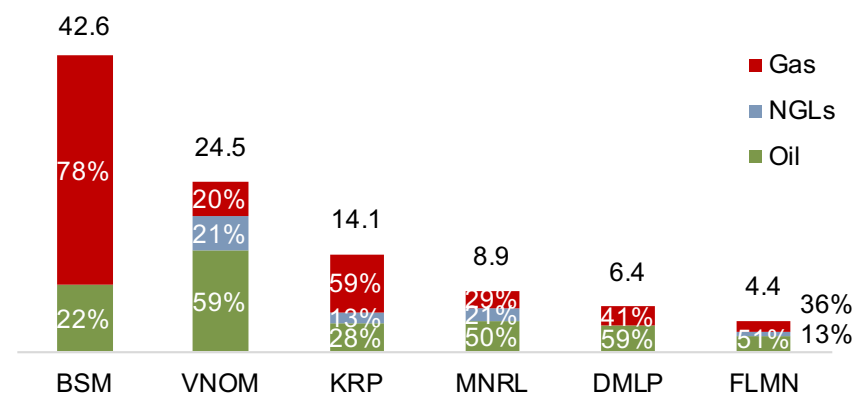
2019 Proved Reserves by Category (mmboe)



2019 PDP Reserves by Commodity (mmboe)



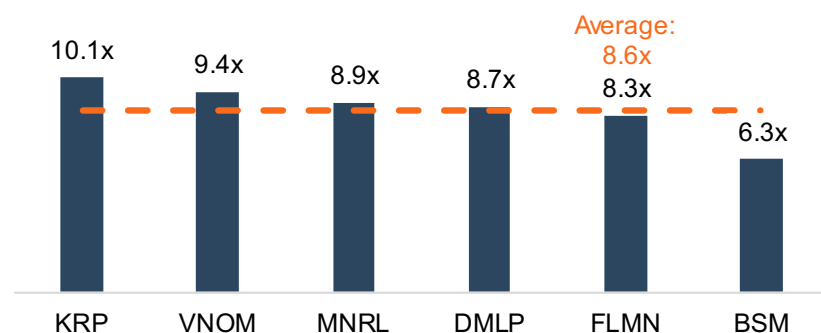
Current Production by Commodity (mboe/d)



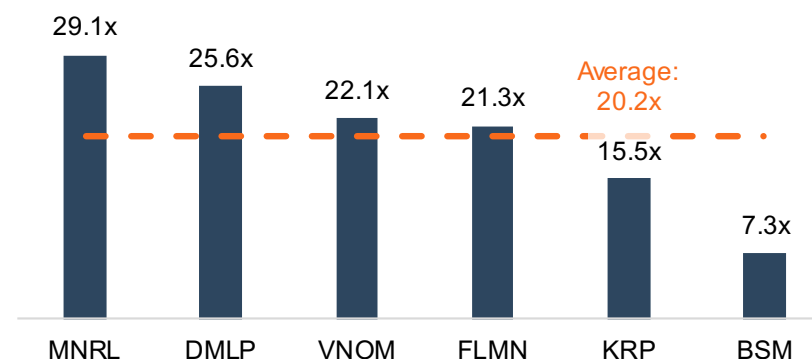
Valuation Multiples

EBITDA-Based Valuation Multiples

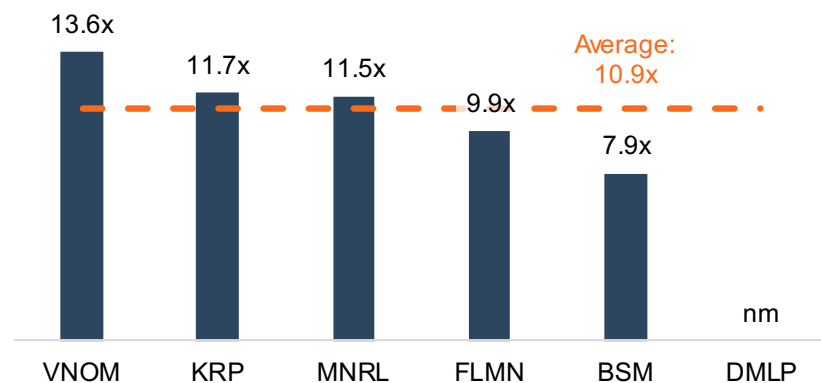
Enterprise Value / LTM EBITDA



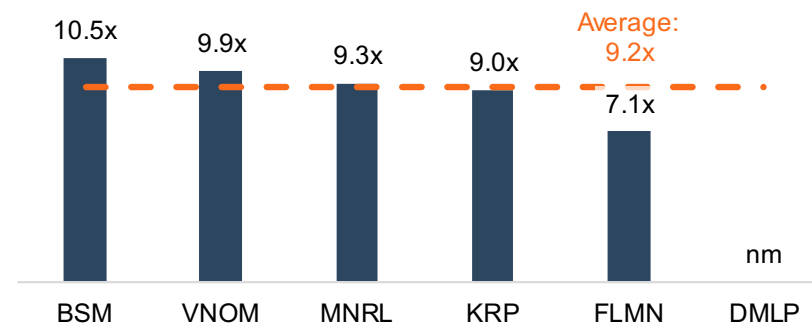
Enterprise Value / LQA EBITDA



Enterprise Value / 2020E EBITDA

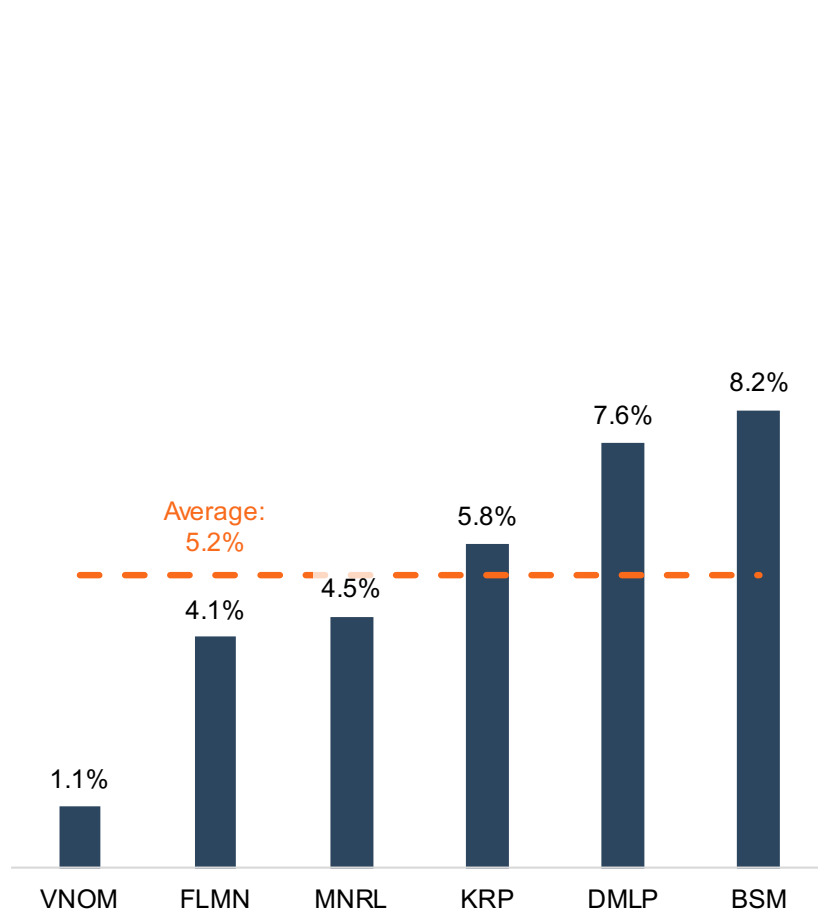


Enterprise Value / 2021E EBITDA

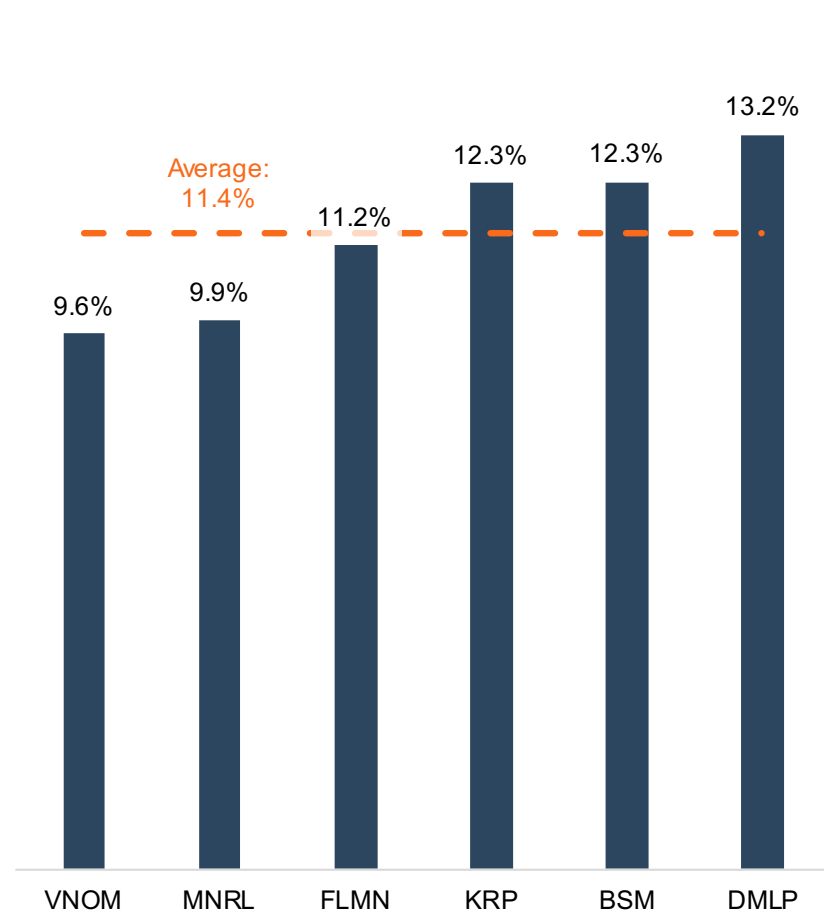


Dividend-Based Yields

Dividend Yield (Current Dividend)

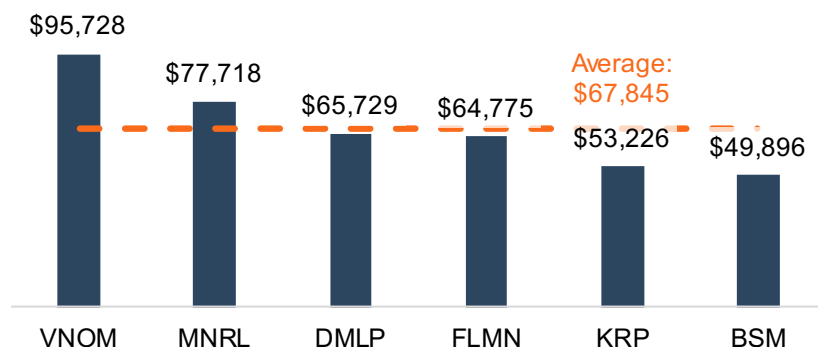


Dividend Yield (LTM Dividends)

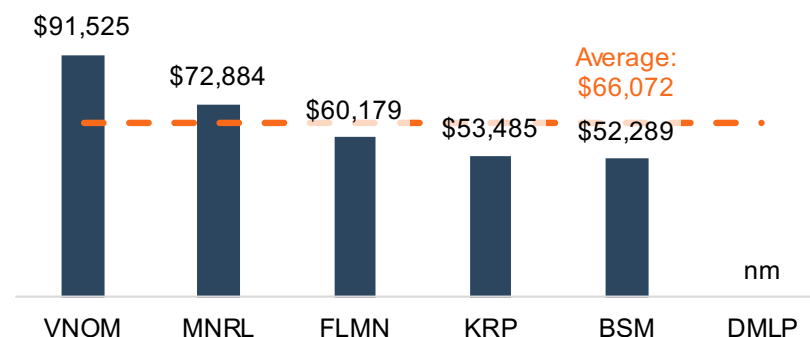


Production-Based Valuation Multiples

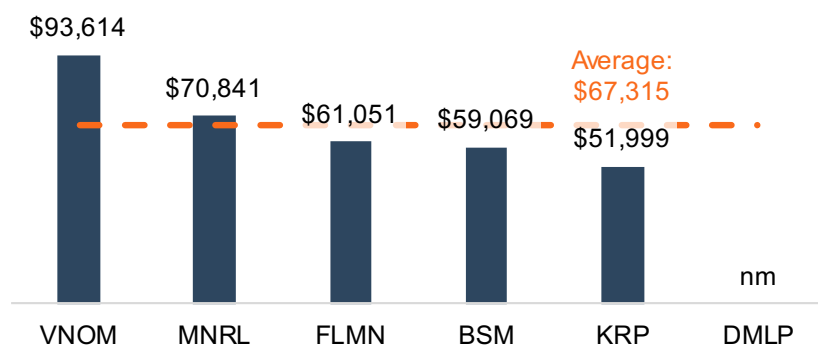
Enterprise Value / Current Production (\$/boe/d)



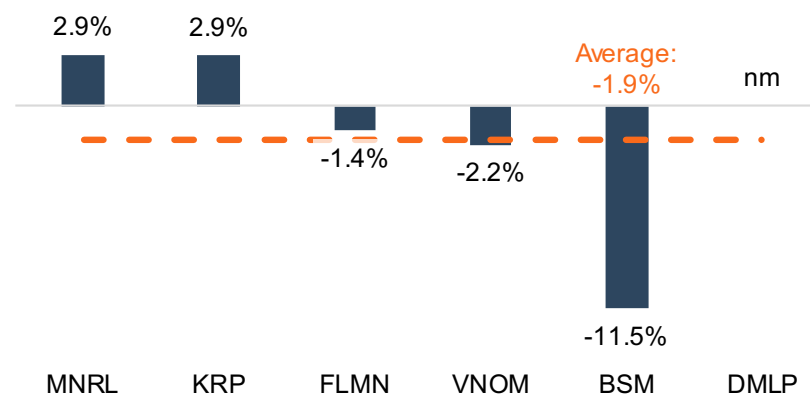
Enterprise Value / 2020E Production (\$/boe/d)



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

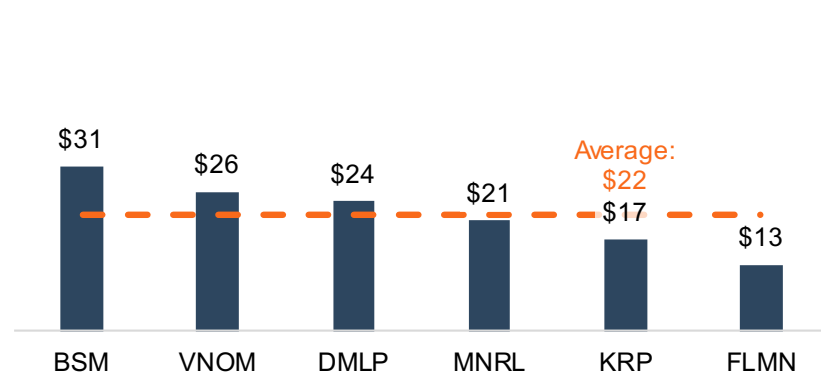


2020E - 21E Production Growth

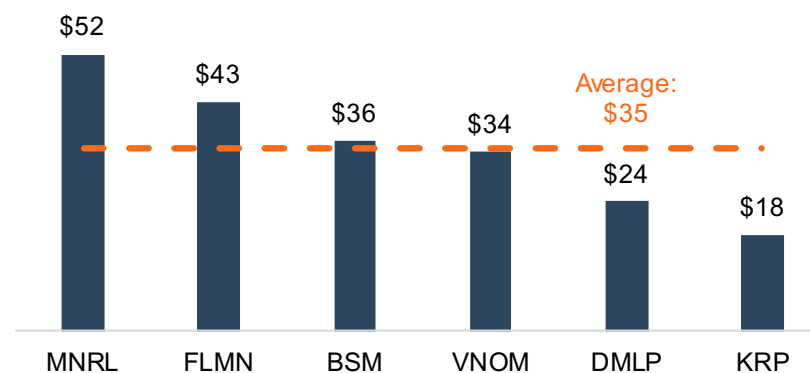


Reserve-Based Valuation Multiples

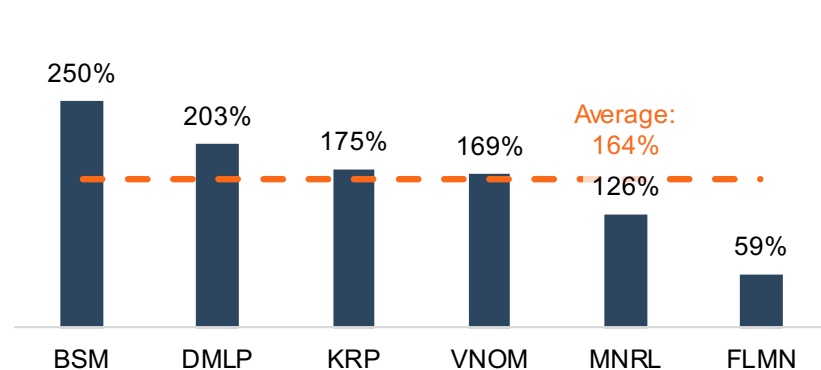
Enterprise Value / Proved Reserves (\$/boe)



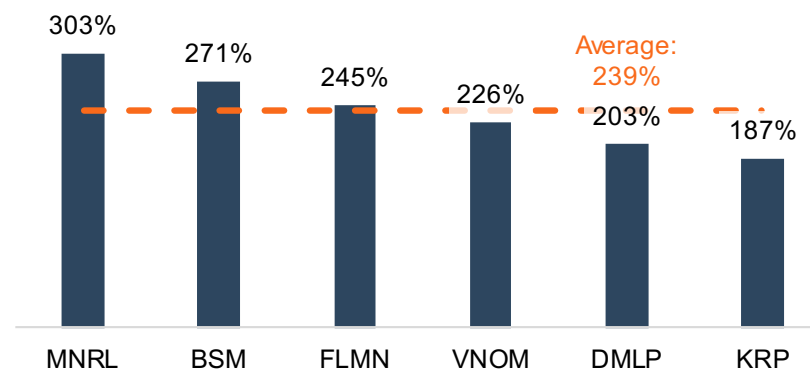
Enterprise Value / PDP Reserves (\$/boe)



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 (8/14/2020)	\$7.29		\$12.38		\$11.85		\$2.90		\$8.93		\$10.82				
Shares Outstanding	206.7		56.9		34.7		86.0		59.7		158.6				(1)
Equity Market Capitalization	1,507.1		704.5		411.0		249.5		533.4		1,715.6				
+ Preferred Stock	298.4		0.0		0.0		0.0		55.0		0.0				(2)
+ Interest-Bearing Debt	323.0		0.0		0.0		40.6		171.7		639.4				
- Cash & Cash Equivalents	(1.6)		(16.5)		(11.8)		(1.8)		(11.3)		(9.7)				
+/- Other	0.0		0.0		23.8		0.0		0.0		0.0				(3)
Enterprise Value	\$2,126.9		\$688.1		\$423.0		\$288.2		\$748.8		\$2,345.3				
EBITDA															
	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple			
Last Twelve Months (LTM) EBITDA	\$339.7	6.3x	\$77.1	8.9x	\$48.5	8.7x	\$34.6	8.3x	\$74.0	10.1x	\$248.3	9.4x	8.6x	8.8x	(4)
Last Quarter Annualized (LQA) EBITDA	289.6	7.3	23.6	29.1	16.5	25.6	13.5	21.3	48.4	15.5	106.3	22.1	20.2	21.7	(4)
2020E EBITDA	269.3	7.9	59.7	11.5	na	nm	29.1	9.9	64.1	11.7	172.4	13.6	10.9	11.5	(5)
2021E EBITDA	202.2	10.5	73.7	9.3	na	nm	40.9	7.1	83.2	9.0	236.7	9.9	9.2	9.3	(5)
Dividend Yields															
Last Twelve Months (LTM) Dividends	\$0.90	12.3%	\$1.22	9.9%	\$1.56	13.2%	\$0.33	11.2%	\$1.10	12.3%	\$1.04	9.6%	11.4%	11.8%	
Current Dividend (Annualized)	0.60	8.2%	0.56	4.5%	0.91	7.6%	0.12	4.1%	0.52	5.8%	0.12	1.1%	5.2%	5.2%	
Production (mboe/d)															
Current Production	42.6	\$49,896	8.9	\$77,718	6.4	\$65,729	4.4	\$64,775	14.1	\$53,226	24.5	\$95,728	\$67,845	\$65,252	(6)
2020E Production	40.7	52,289	9.4	72,884	na	nm	4.8	60,179	14.0	53,485	25.6	91,525	66,072	60,179	(6)
2021E Production	36.0	59,069	9.7	70,841	na	nm	4.7	61,051	14.4	51,999	25.1	93,614	67,315	61,051	(6)
Reserves															
Proved Reserves (mmboe)	68.5	\$31.03	33.1	\$20.80	17.3	\$24.48	23.0	\$12.52	43.6	\$17.19	88.9	\$26.37	\$22.06	\$22.64	(7)
Proved Developed Producing Reserves (mmboe)	59.3	35.87	13.1	52.34	17.3	24.48	6.7	43.25	40.9	18.30	69.3	33.84	34.68	34.86	(7)
Proved PV-10	\$851.1	250%	\$547.4	126%	\$208.8	203%	\$487.5	59%	\$428.1	175%	\$1,389.0	169%	164%	172%	
Proved Developed Producing PV-10	783.6	271%	227.4	303%	208.8	203%	117.4	245%	400.4	187%	1,036.0	226%	239%	236%	

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

See following slide for additional notes.

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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).

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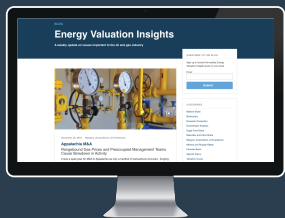
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Mercer Capital's Oil and Gas Industry Resources

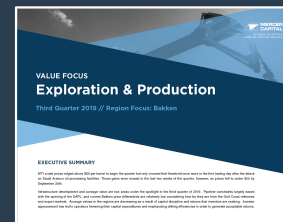
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