

MERCER CAPITAL

Mineral Aggregator Valuation Multiples

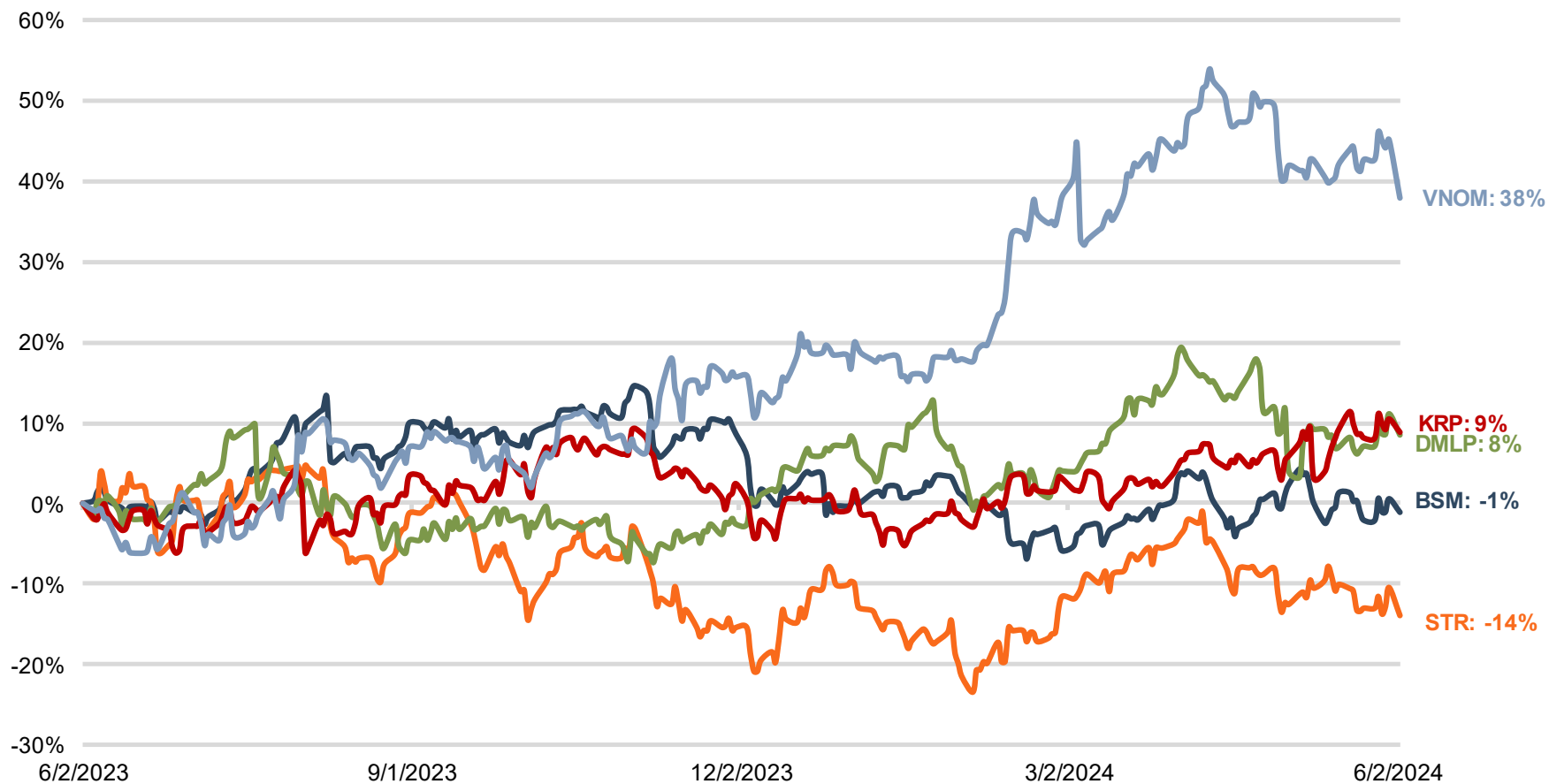
With Market Data as of June 3, 2024

Mineral Aggregator Overview



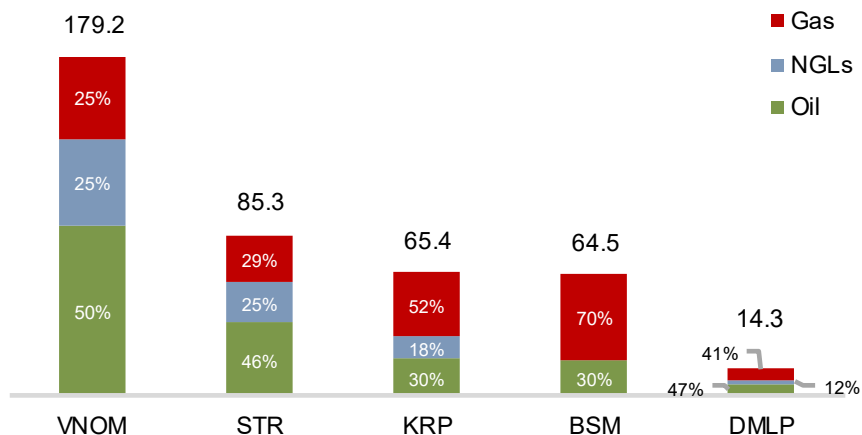
Ticker	BSM	STR	DMLP	KRP	VNOM
Equity Market Capitalization (\$mm)	\$3,337.5	\$3,479.9	\$1,291.3	\$1,578.5	\$6,464.1
Enterprise Value (\$mm)	\$3,597.5	\$4,316.9	\$1,316.0	\$2,139.0	\$7,537.6
LTM EBITDA (\$mm)	\$468.9	\$539.6	\$130.8	\$243.9	\$790.0
Current Production (mboe/d)	40.3	35.4	8.9	27.5	46.1
Proved Reserves (mmboe)	64.5	85.3	14.3	65.4	179.2

1-Year Stock Price Performance

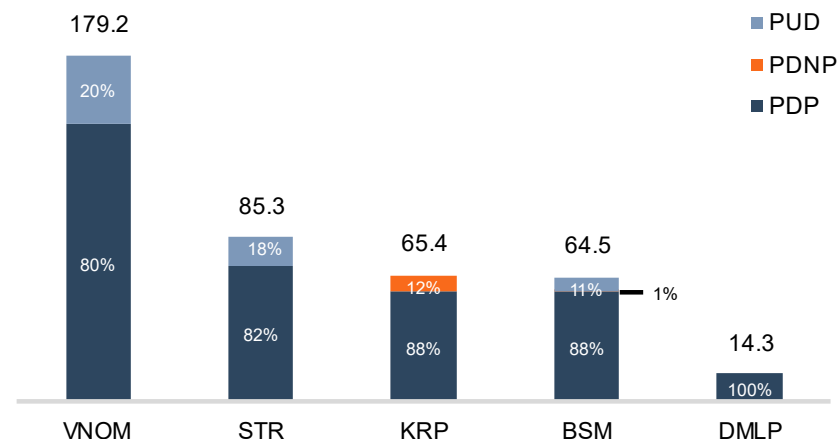


Reserve and Production Mix

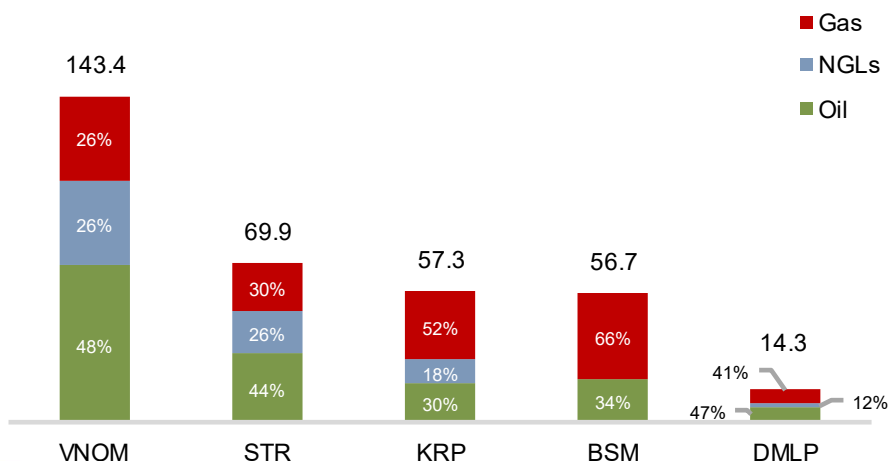
2023 Proved Reserves by Commodity (mmboe)



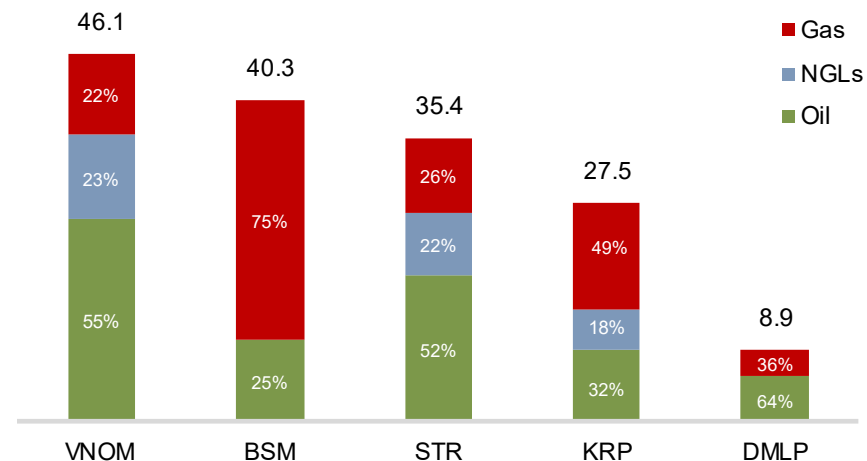
2023 Proved Reserves by Category (mmboe)



2023 PDP Reserves by Commodity (mmboe)



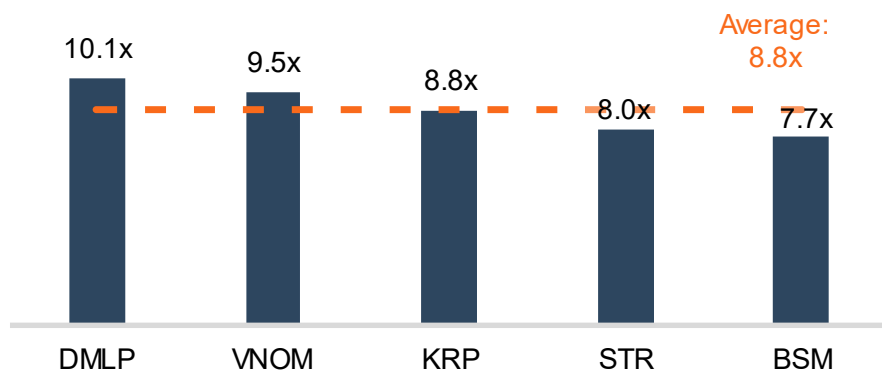
Current Production by Commodity (mboe/d)



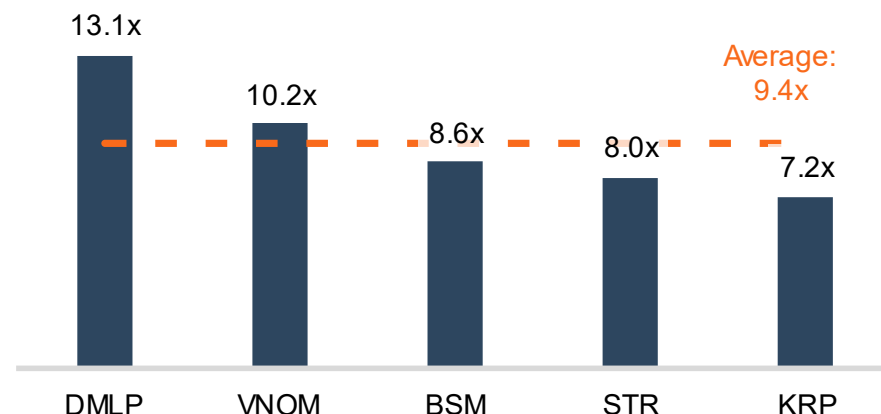
Valuation Multiples

EBITDA-Based Valuation Multiples

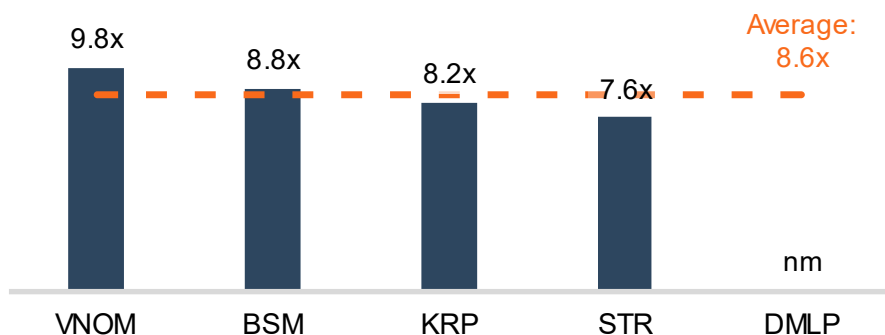
Enterprise Value / LTM EBITDA



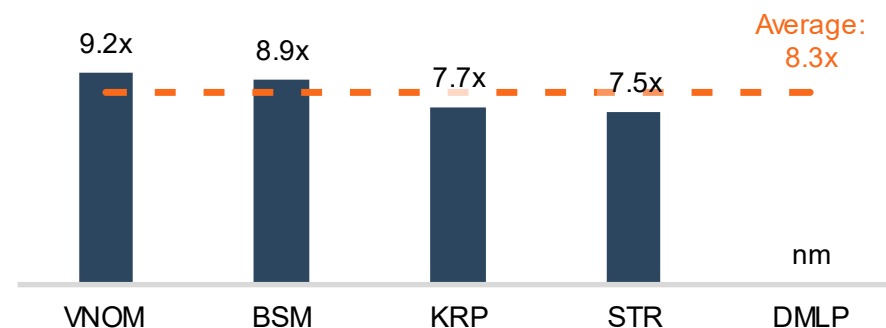
Enterprise Value / LQA EBITDA



Enterprise Value / 2024E EBITDA

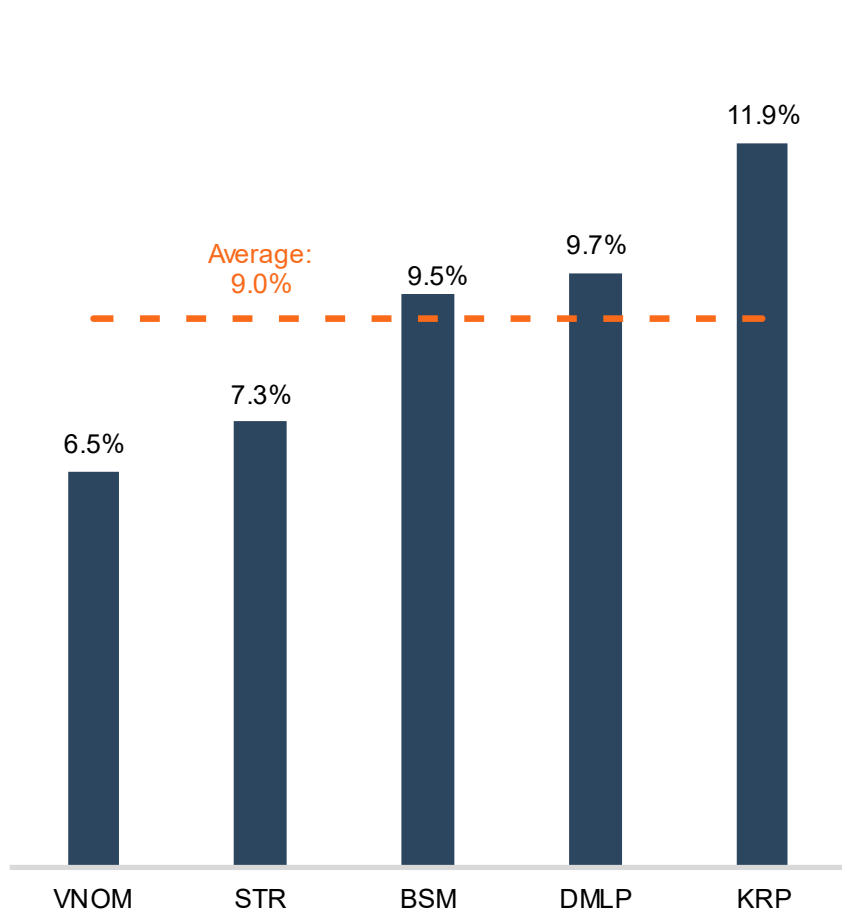


Enterprise Value / 2025E EBITDA

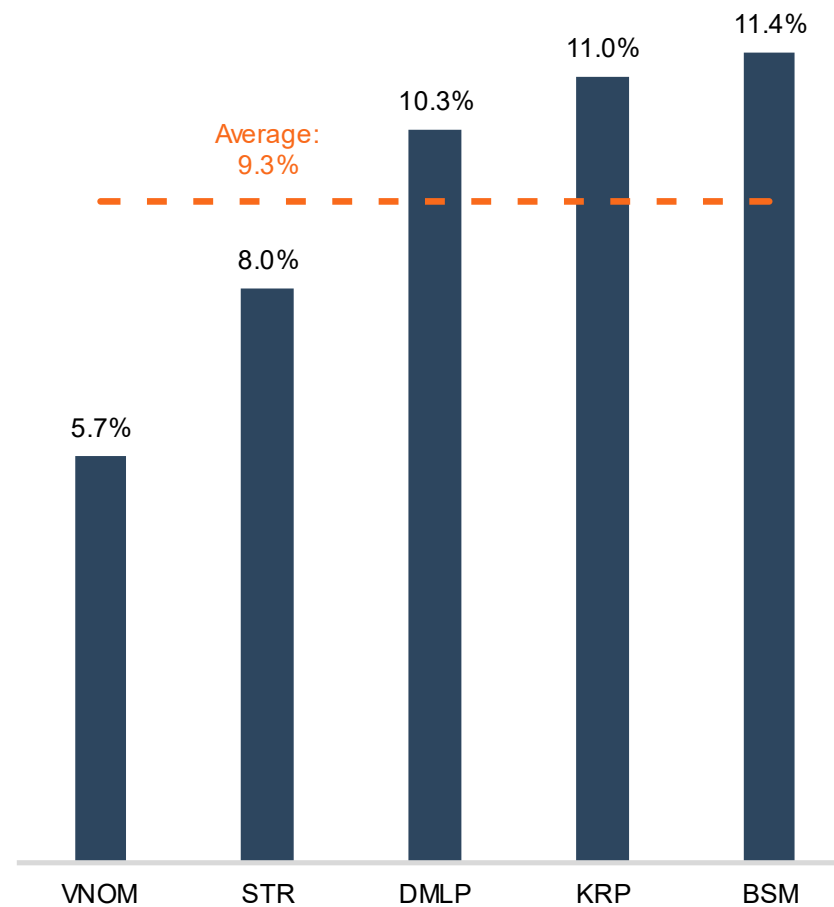


Dividend-Based Yields

Dividend Yield (Current Dividend)

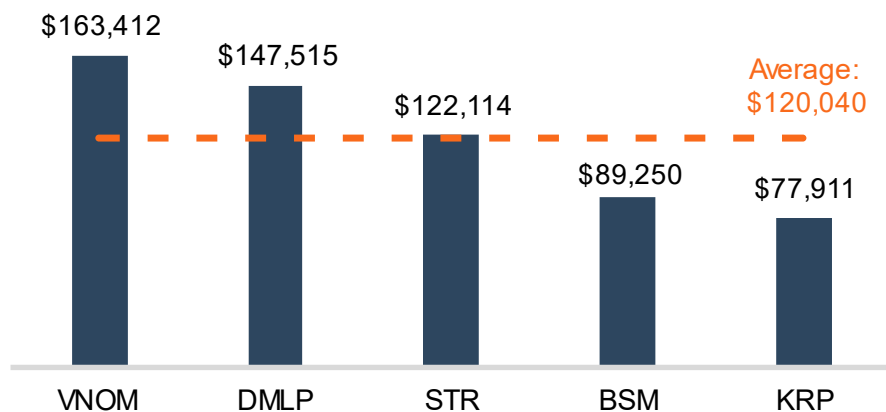


Dividend Yield (LTM Dividends)

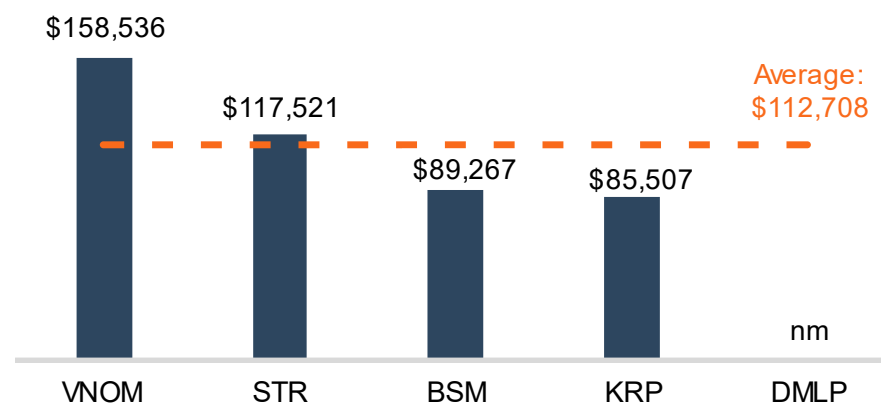


Production-Based Valuation Multiples

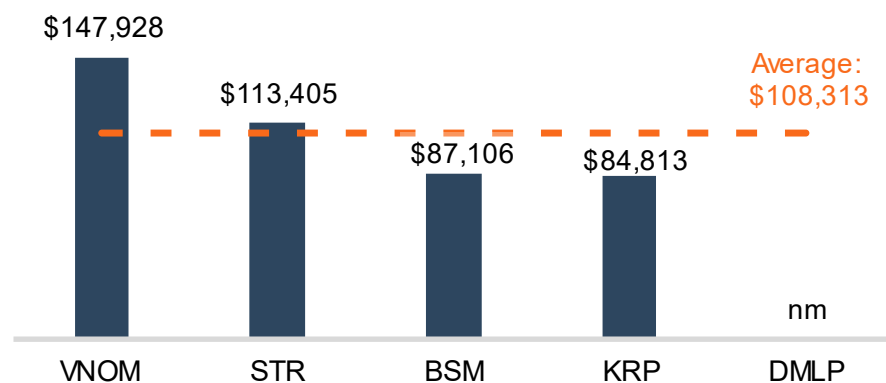
Enterprise Value / Current Production (\$/boe/d)



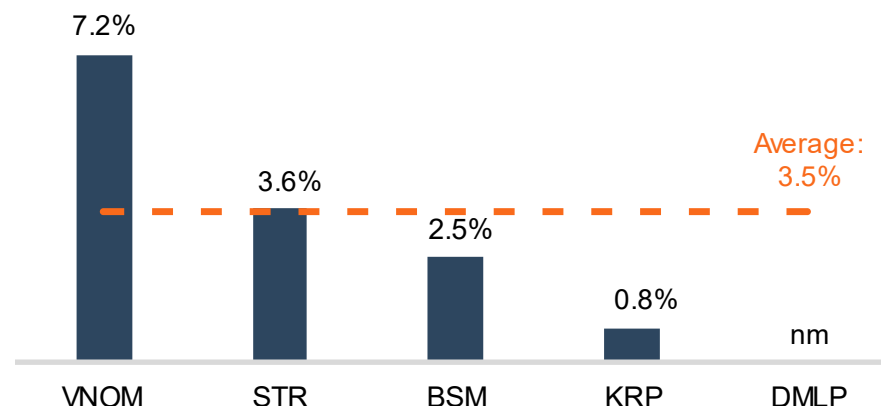
Enterprise Value / 2024E Production (\$/boe/d)



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

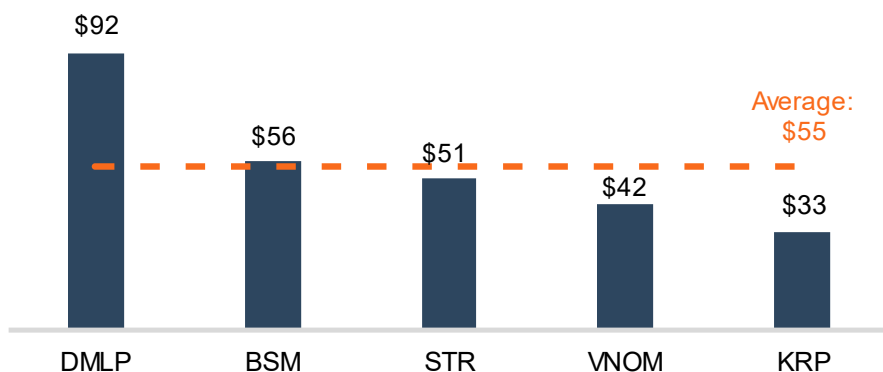


2024E - 25E Production Growth

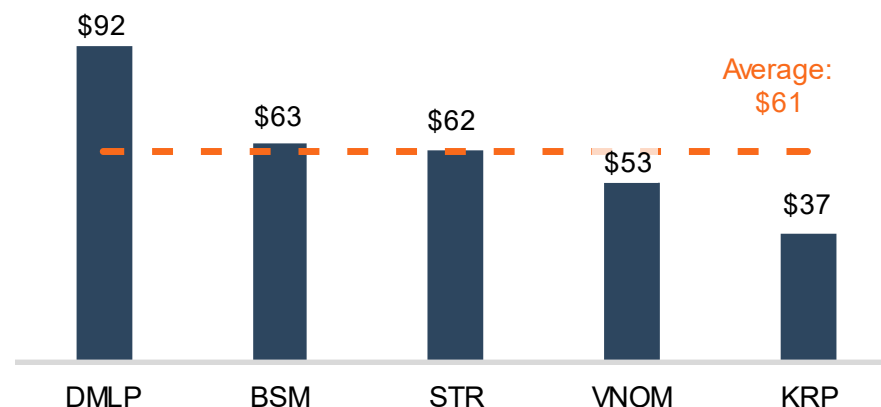


Reserve-Based Valuation Multiples

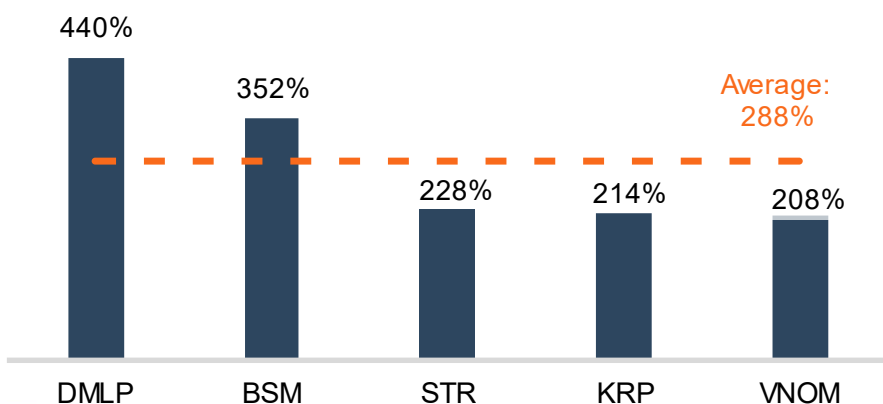
Enterprise Value / Proved Reserves (\$/boe)



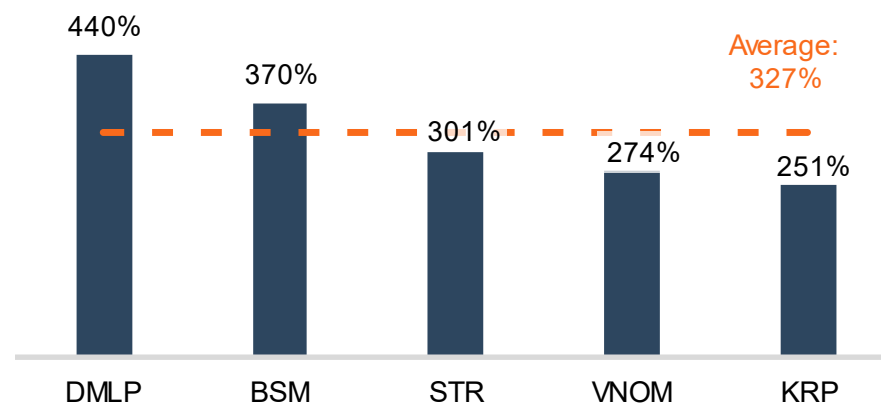
Enterprise Value / PDP Reserves (\$/boe)



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 (6/3/2024)	\$15.84	\$22.52	\$32.21	\$16.53	\$36.55				
Shares Outstanding	210.7	154.5	40.1	95.5	176.9				(1)
Equity Market Capitalization	3,337.5	3,479.9	1,291.3	1,578.5	6,464.1				
+ Preferred Stock	300.5	0.0	0.0	314.8	0.0				(2)
+ Interest-Bearing Debt	0.0	848.8	0.0	285.4	1,093.5				
- Cash & Cash Equivalents	(40.5)	(11.7)	(37.7)	(39.7)	(20.0)				
+/- Other	0.0	0.0	62.5	0.0	0.0				(3)
Enterprise Value	\$3,597.5	\$4,316.9	\$1,316.0	\$2,139.0	\$7,537.6				

EBITDA

	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Average	Median	Notes
Last Twelve Months (LTM) EBITDA	\$468.9	7.7x	\$539.6	8.0x	\$130.8	10.1x	\$243.9	8.8x	\$790.0	9.5x	8.8x	8.8x	(4)
Last Quarter Annualized (LQA) EBITDA	416.5	8.6	540.4	8.0	100.3	13.1	296.5	7.2	736.7	10.2	9.4	8.6	(4)
2024E EBITDA	407.0	8.8	571.3	7.6	na	nm	260.3	8.2	771.5	9.8	8.6	8.5	(5)
2025E EBITDA	403.3	8.9	575.0	7.5	na	nm	277.2	7.7	817.5	9.2	8.3	8.3	(5)

Dividend Yields

Last Twelve Months (LTM) Dividends	\$1.80	11.4%	\$1.81	8.0%	\$3.31	10.3%	\$1.82	11.0%	\$2.08	5.7%	9.3%	10.3%	
Current Dividend (Annualized)	1.50	9.5%	1.64	7.3%	3.13	9.7%	1.96	11.9%	2.36	6.5%	9.0%	9.5%	

Production (mboe/d)

Current Production	40.3	\$89,250	35.4	\$122,114	8.9	\$147,515	27.5	\$77,911	46.1	\$163,412	\$120,040	\$122,114	(6)
2024E Production	40.3	89,267	36.7	117,521	na	nm	25.0	85,507	47.5	158,536	112,708	103,394	(6)
2025E Production	41.3	87,106	38.1	113,405	na	nm	25.2	84,813	51.0	147,928	108,313	100,255	(6)

Reserves

Proved Reserves (mmboe)	64.5	\$55.80	85.3	\$50.61	14.3	\$92.08	65.4	\$32.70	179.2	\$42.05	\$54.65	\$50.61	(7)
Proved Developed Producing Reserves (mmboe)	56.7	63.43	69.9	61.76	14.3	92.08	57.3	37.30	143.4	52.57	61.43	61.76	(7)
Proved PV-10	\$1,022.9	352%	\$1,895.5	228%	\$299.0	440%	\$998.9	214%	\$3,622.2	208%	288%	228%	
Proved Developed Producing PV-10	972.2	370%	1,435.2	301%	299.0	440%	852.0	251%	2,754.5	274%	327%	301%	

Notes

- (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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Oil and Gas Industry Resources

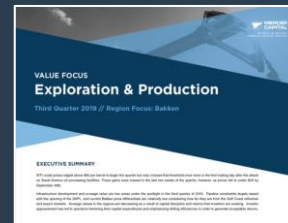
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