



MERCER CAPITAL

Mineral Aggregator Valuation Multiples

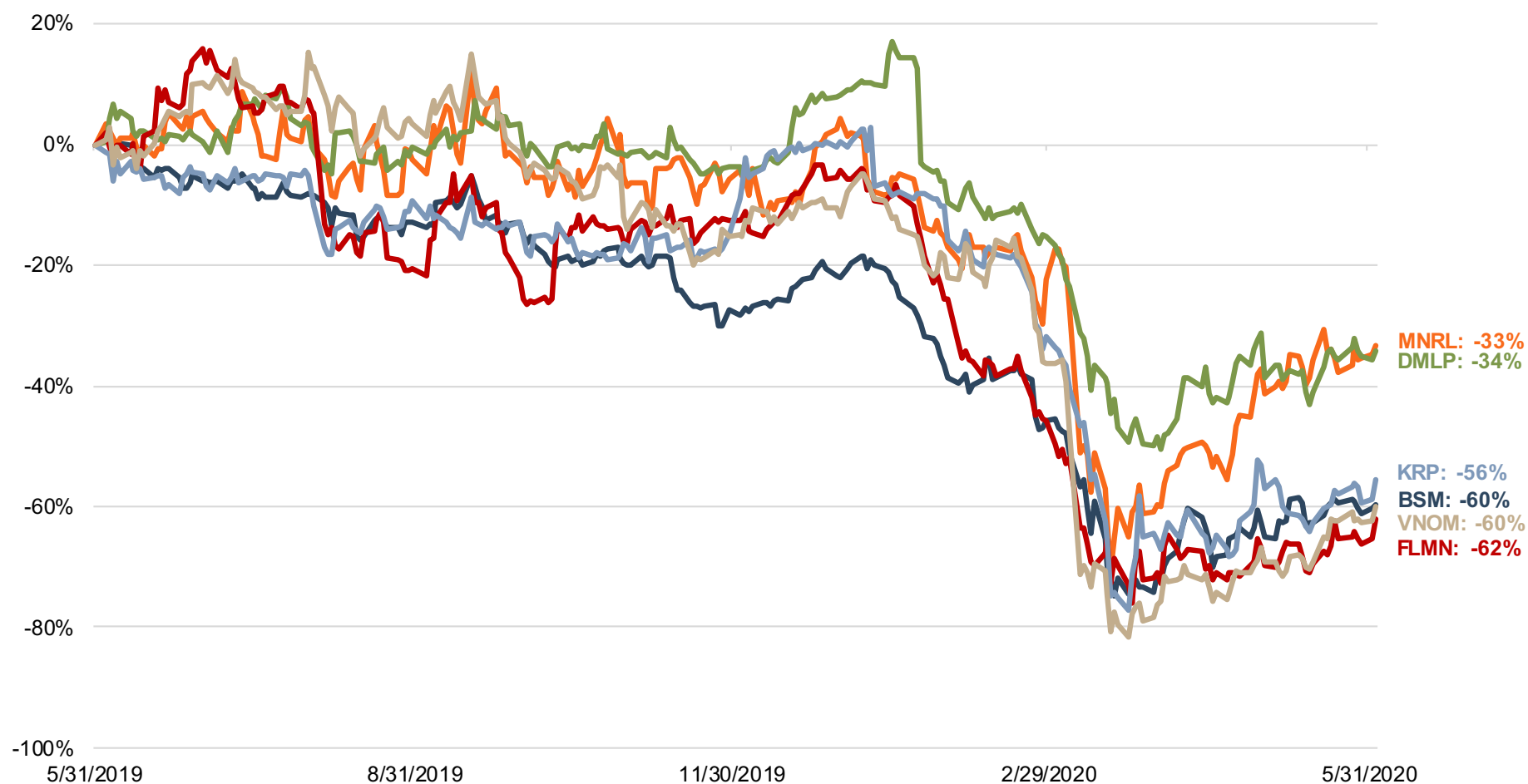
With Market Data as of June 2, 2020

Mineral Aggregator Overview



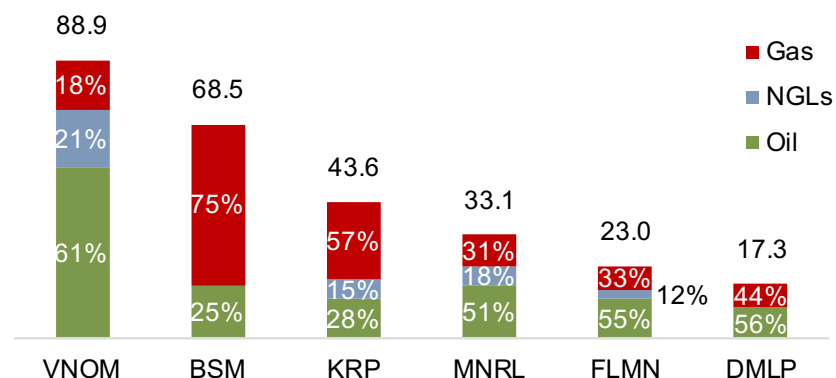
Ticker	BSM	MNRL	DMLP	FLMN	KRP	VNOM
Basin Focus	Diversified	Diversified	Diversified	Eagle Ford	Diversified	Permian
Equity Market Capitalization (\$mm)	\$1,364.3	\$778.1	\$410.3	\$239.9	\$448.1	\$1,769.3
Enterprise Value (\$mm)	\$2,047.6	\$747.0	\$400.6	\$283.0	\$589.8	\$2,393.1
LTM EBITDA (\$mm)	\$375.6	\$89.5	\$61.9	\$45.8	\$83.4	\$288.8
Current Production (mboe/d)	46.9	10.4	7.4	5.2	12.6	27.6
Proved Reserves (mmboe)	68.5	33.1	17.3	23.0	43.6	88.9

1-Year Stock Price Performance

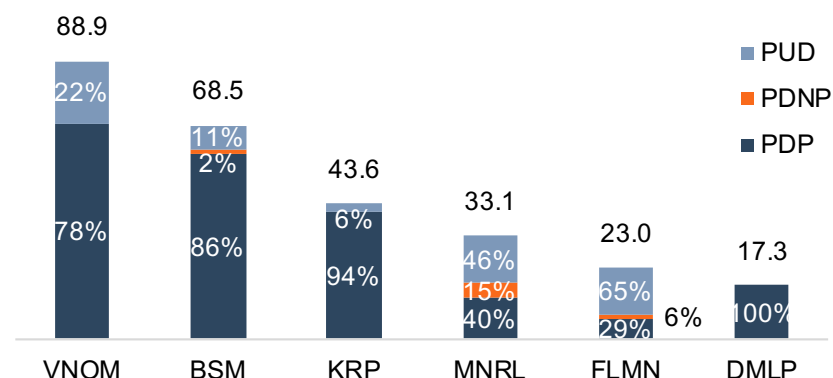


Reserve and Production Mix

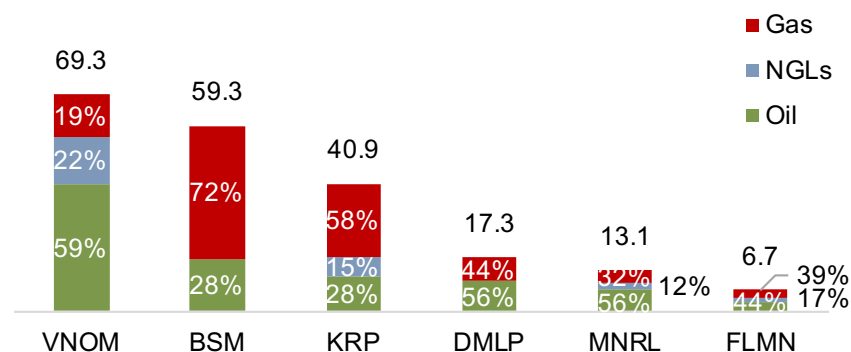
2019 Proved Reserves by Commodity (mmboe)



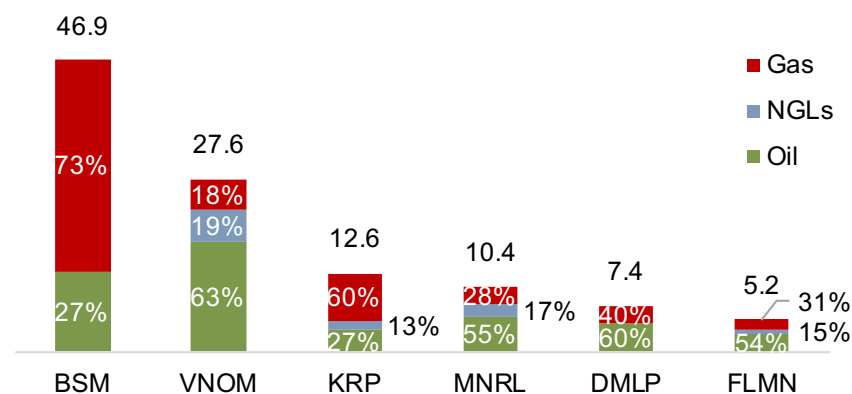
2019 Proved Reserves by Category (mmboe)



2019 PDP Reserves by Commodity (mmboe)



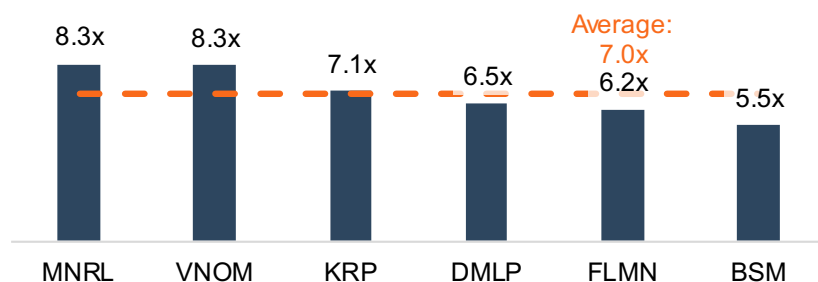
Current Production by Commodity (mboe/d)



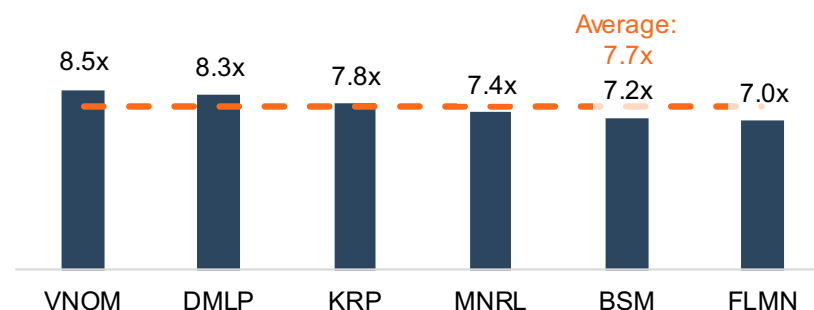
Valuation Multiples

EBITDA-Based Valuation Multiples

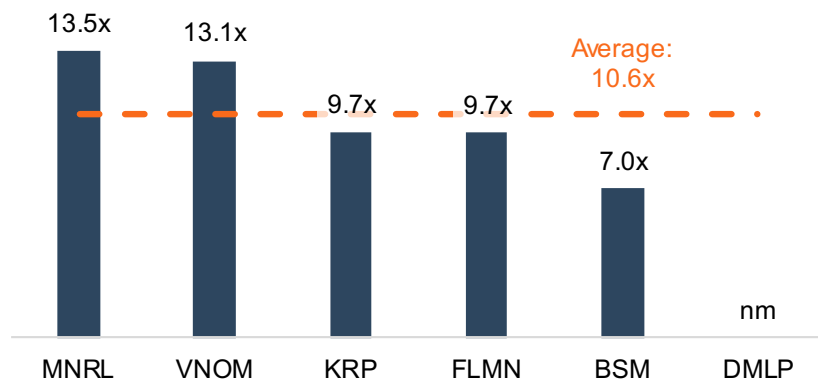
Enterprise Value / LTM EBITDA



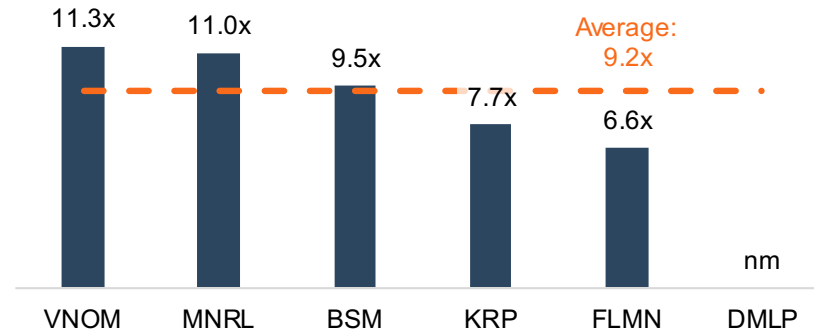
Enterprise Value / LQA EBITDA



Enterprise Value / 2020E EBITDA

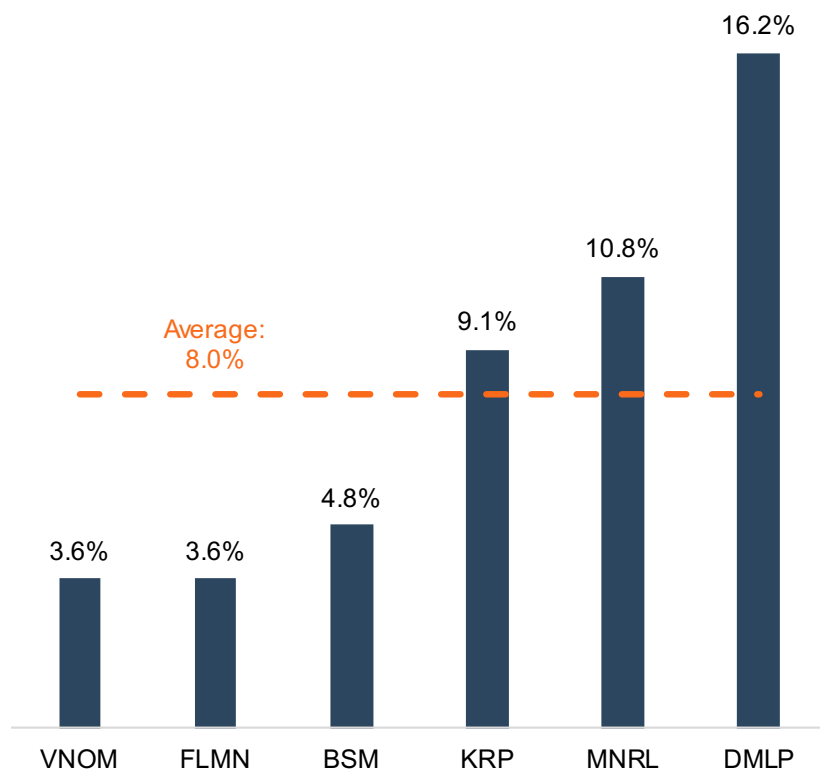


Enterprise Value / 2021E EBITDA

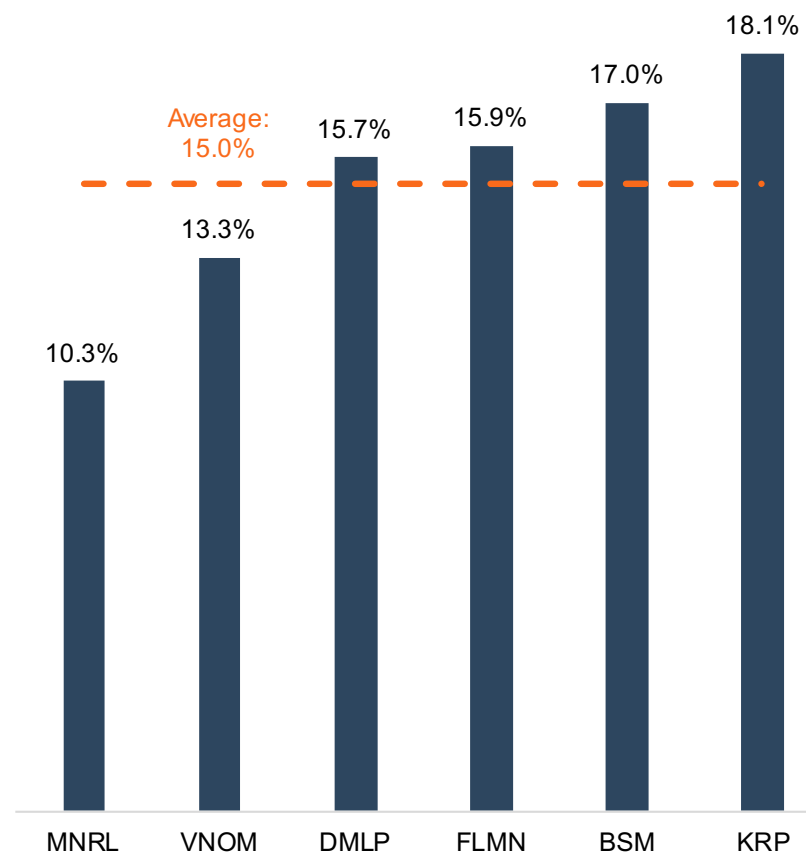


Dividend-Based Yields

Dividend Yield (Current Dividend)

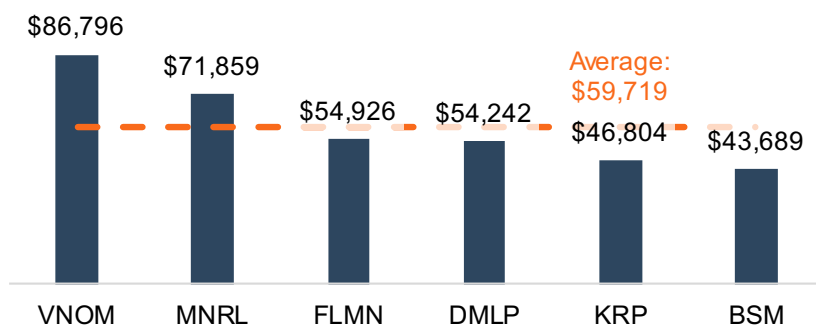


Dividend Yield (LTM Dividends)

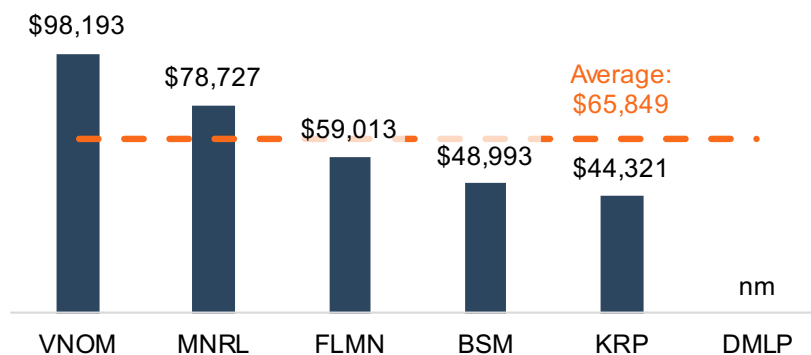


Production-Based Valuation Multiples

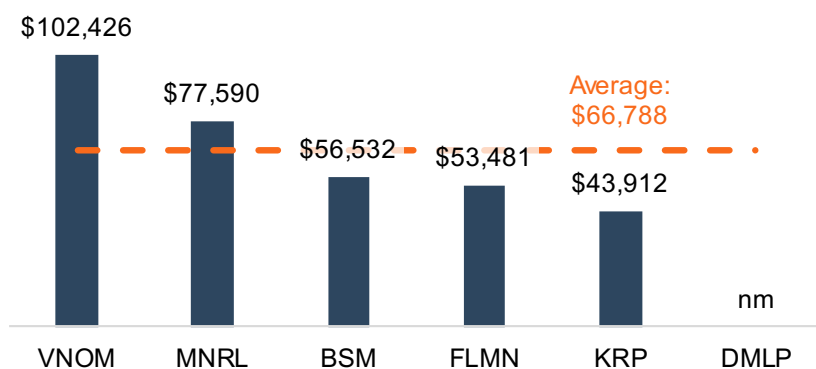
Enterprise Value / Current Production (\$/boe/d)



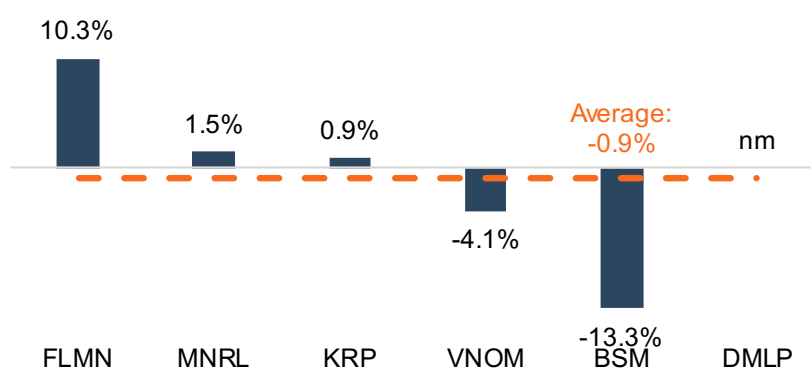
Enterprise Value / 2020E Production (\$/boe/d)



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

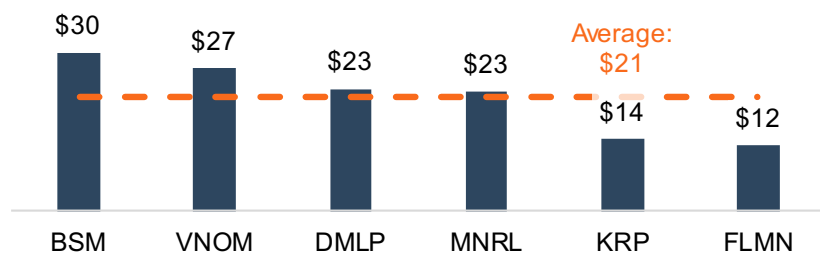


2020E - 21E Production Growth

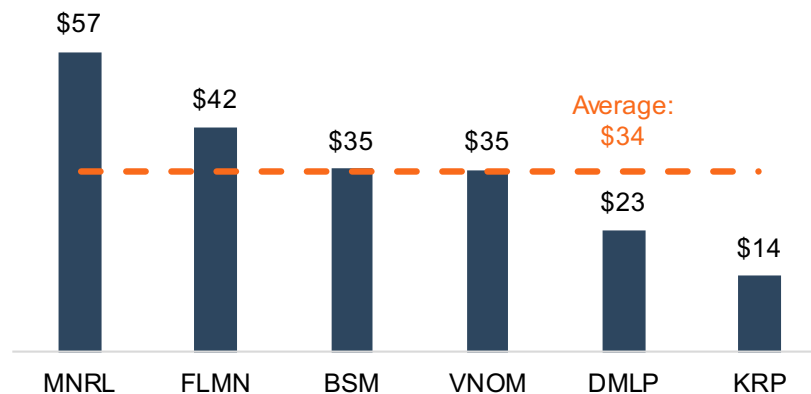


Reserve-Based Valuation Multiples

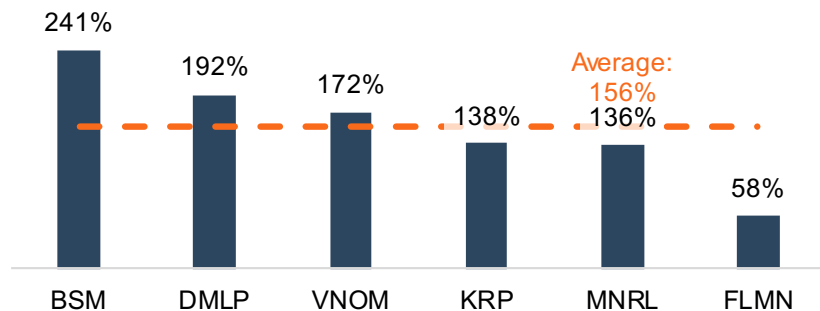
Enterprise Value / Proved Reserves (\$/boe)



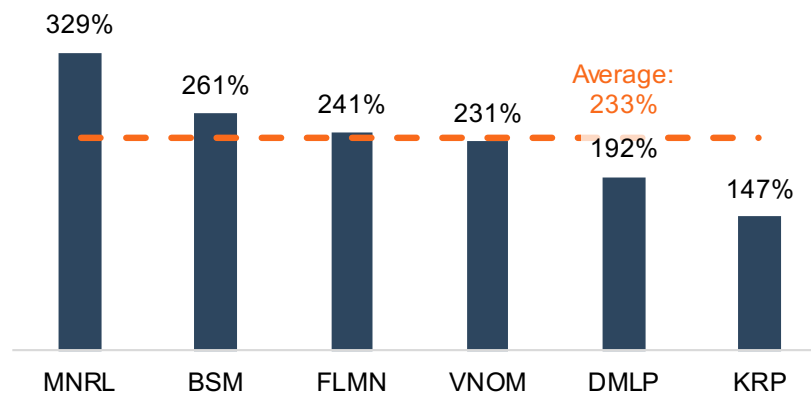
Enterprise Value / PDP Reserves (\$/boe)



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 (6/2/2020)	\$6.60		\$13.68		\$11.83		\$2.79		\$7.50		\$11.16				
Shares Outstanding	206.7		56.9		34.7		86.0		59.7		158.5				(1)
Equity Market Capitalization	1,364.3		778.1		410.3		239.9		448.1		1,769.3				
+ Preferred Stock	298.4		0.0		0.0		0.0		55.0		0.0				(2)
+ Interest-Bearing Debt	388.0		0.0		0.0		45.3		101.2		664.0				
- Cash & Cash Equivalents	(3.0)		(31.1)		(20.2)		(2.2)		(14.5)		(40.3)				
+/- Other	0.0		0.0		10.5		0.0		0.0		0.0				(3)
Enterprise Value	\$2,047.6		\$747.0		\$400.6		\$283.0		\$589.8		\$2,393.1				
EBITDA	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple	Metric	Multiple			
Last Twelve Months (LTM) EBITDA	\$375.6	5.5x	\$89.5	8.3x	\$61.9	6.5x	\$45.8	6.2x	\$83.4	7.1x	\$288.8	8.3x	7.0x	6.8x	(4)
Last Quarter Annualized (LQA) EBITDA	284.4	7.2	100.5	7.4	48.5	8.3	40.2	7.0	75.3	7.8	280.9	8.5	7.7	7.6	(4)
2020E EBITDA	291.5	7.0	55.2	13.5	na	nm	29.3	9.7	60.7	9.7	182.9	13.1	10.6	9.7	(5)
2021E EBITDA	216.1	9.5	67.7	11.0	na	nm	43.0	6.6	76.9	7.7	211.0	11.3	9.2	9.5	(5)
Dividend Yields															
Last Twelve Months (LTM) Dividends	\$1.12	17.0%	\$1.41	10.3%	\$1.85	15.7%	\$0.45	15.9%	\$1.36	18.1%	\$1.48	13.3%	15.0%	15.8%	
Current Dividend (Annualized)	0.32	4.8%	1.48	10.8%	1.91	16.2%	0.10	3.6%	0.68	9.1%	0.40	3.6%	8.0%	7.0%	
Production (mboe/d)															
Current Production	46.9	\$43,689	10.4	\$71,859	7.4	\$54,242	5.2	\$54,926	12.6	\$46,804	27.6	\$86,796	\$59,719	\$54,584	(6)
2020E Production	41.8	48,993	9.5	78,727	na	nm	4.8	59,013	13.3	44,321	24.4	98,193	65,849	59,013	(6)
2021E Production	36.2	56,532	9.6	77,590	na	nm	5.3	53,481	13.4	43,912	23.4	102,426	66,788	56,532	(6)
Reserves															
Proved Reserves (mmboe)	68.5	\$29.87	33.1	\$22.58	17.3	\$23.18	23.0	\$12.29	43.6	\$13.54	88.9	\$26.90	\$21.39	\$22.88	(7)
Proved Developed Producing Reserves (mmboe)	59.3	34.54	13.1	56.82	17.3	23.18	6.7	42.46	40.9	14.42	69.3	34.53	34.32	34.53	(7)
Proved PV-10	\$851.1	241%	\$547.4	136%	\$208.8	192%	\$487.5	58%	\$428.1	138%	\$1,389.0	172%	156%	155%	
Proved Developed Producing PV-10	783.6	261%	227.4	329%	208.8	192%	117.4	241%	400.4	147%	1,036.0	231%	233%	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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Oil & Gas Team



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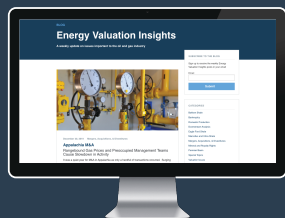
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