Antero Midstream

Second Quarter 2023 Earnings Presentation

July 27, 2023

Legal Disclaimer

Forward-Looking Statements:

This presentation includes "forward-looking statements" within the meaning of federal securities laws. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Antero Midstream Corporation's ("Antero Midstream" or "AM") control. All statements, other than historical facts included in this presentation, are forward-looking statements. All forward-looking statements speak only as of the date of this presentation and are based upon a number of assumptions. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include 2023 and long-term financial and operational outlooks for AM and objectives of management and Antero Resources Corporation ("AR" or "Antero Resources"), AM's ability to realize the benefits of the Marcellus bolt-on acquisition, including the anticipated capital avoidance and synergies, AM's ability to execute its business plan and return capital to its stockholders, information regarding AM's return of capital policy, information regarding long-term financial and operating outlooks for AM and AR, AR's expected future growth, AR's ability to meet its drilling and development plan, the participation level of Antero Resources' drilling partner, the impact on demand for Antero Midstream's services as a result of incremental production by Antero Resources and expectations regarding the amount and timing of litigation awards. Although AM believes that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that the assumptions underlying these forward-looking statements will be accurate or the plans, intentions or expectations expressed herein will be achieved. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements.

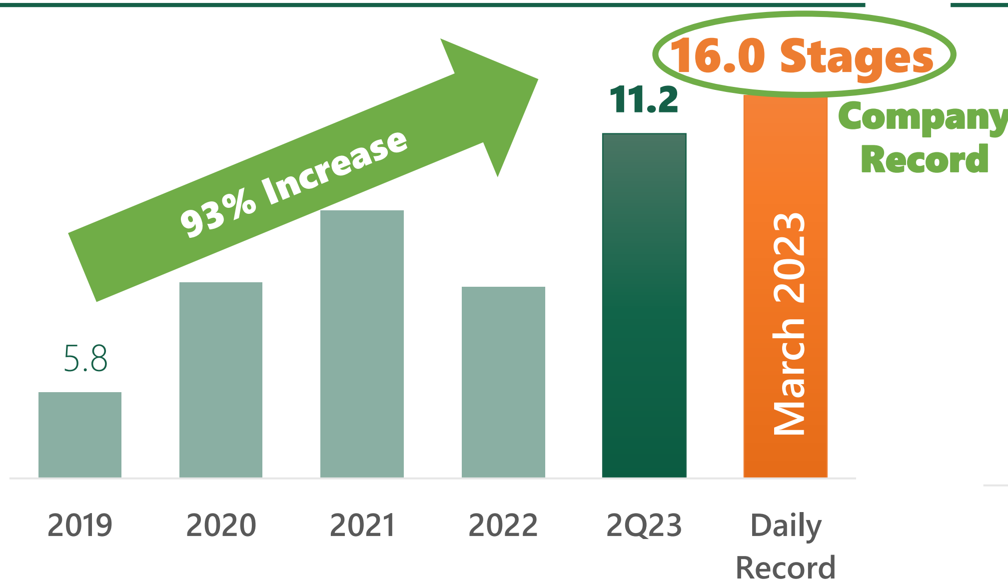
Antero Midstream cautions you that these forward-looking statements are subject to all of the risks and uncertainties incident to our business, most of which are difficult to predict and many of which are beyond Antero Midstream's control. These risks include, but are not limited to, Antero Resources' expected future growth, Antero Resources' ability to meet its drilling and development plan, commodity price volatility, ability to execute Antero Midstream's business strategy, competition and government regulation, actions taken by third party producers, operators, processors and transporters, inflation, supply chain or other disruptions, environmental risks, Antero Resources' drilling and completion and other operating risks, regulatory changes or changes in law, the uncertainty inherent in projecting Antero Resources' future rates of production, cash flows and access to capital, the timing of development expenditures, impacts of world health events, cybersecurity risks, the state of markets for and availability of verified quality carbon offsets and the other risks described under the heading "Item 1A. Risk Factors" in Antero Midstream's Annual Report on Form 10-K for the year ended December 31, 2022. Any forward-looking statement speaks only as of the date on which such statement is made, and AM does not undertake any obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Antero Midstream's ability to make future dividends is substantially dependent upon the development and drilling plan of Antero Resources, which itself is substantially dependent upon the review and approval by the Board of Directors of Antero Resources of its capital budget on an annual basis. The Board of Directors of Antero Midstream will take into consideration many factors, including the capital budget of Antero Resources adopted by its Board of Directors and the capital resources and liquidity of Antero Midstream at the time, prior to approving future dividends.

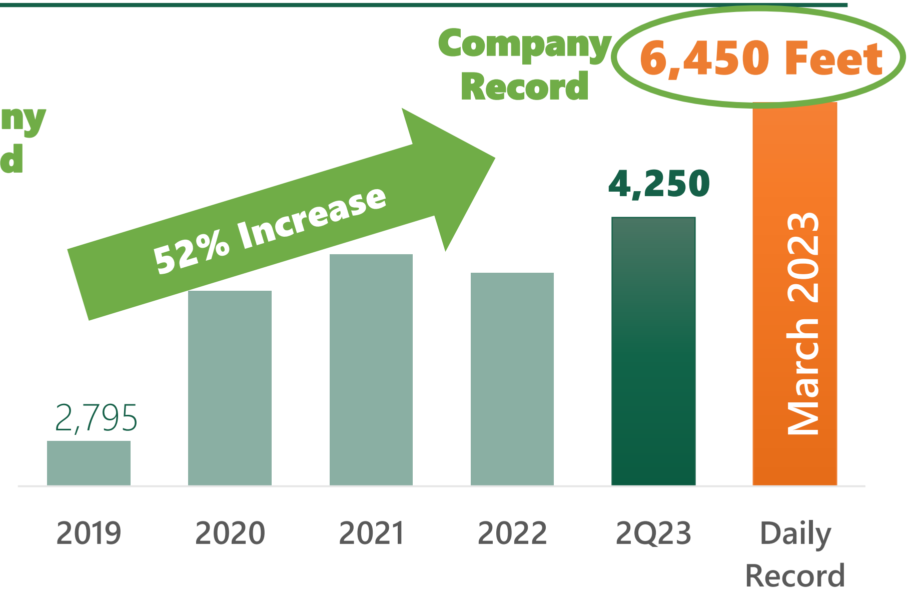
This presentation may include certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). These measures for AM include (i) Adjusted EBITDA and Pro Forma Adjusted EBITDA ("EBITDA"), (ii) Free Cash Flow before and after dividends, (iii) Return on Invested Capital ("ROIC"), (iv) Leverage, and (v) Net DebtPlease see the appendix for the definition of each of these AR and AM measures as well as certain additional information regarding these measures, including where available, the most comparable financial measures calculated in accordance with GAAP.

Drilling and Completion Efficiencies at AR

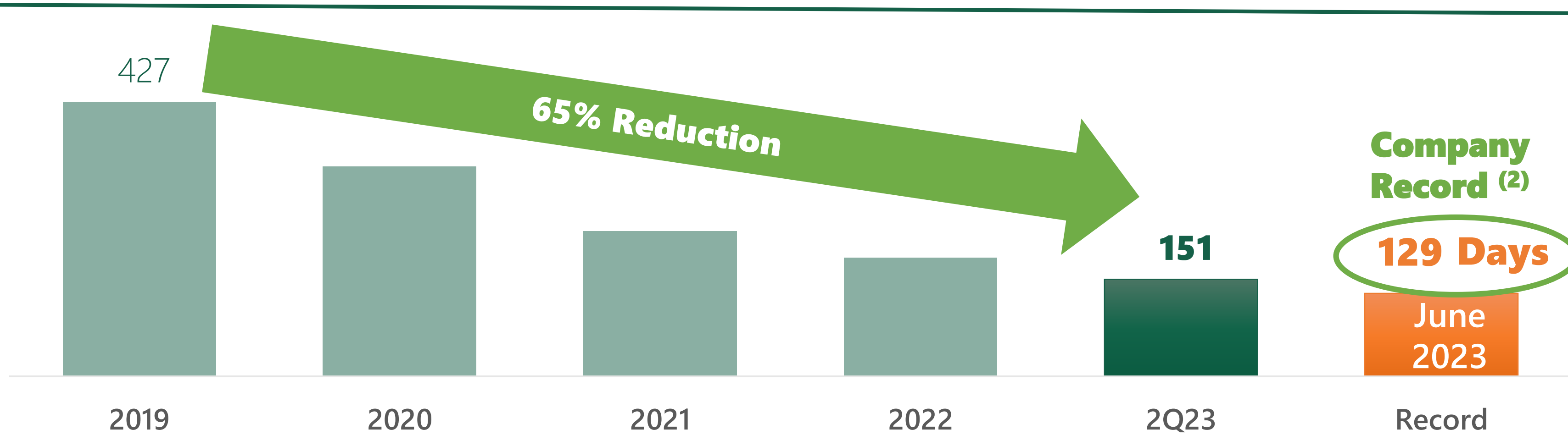
Increasing Completion Stages per Day…



And Drill Out Feet per Day…



Significantly Reduces Cycle Time per Pad (1)



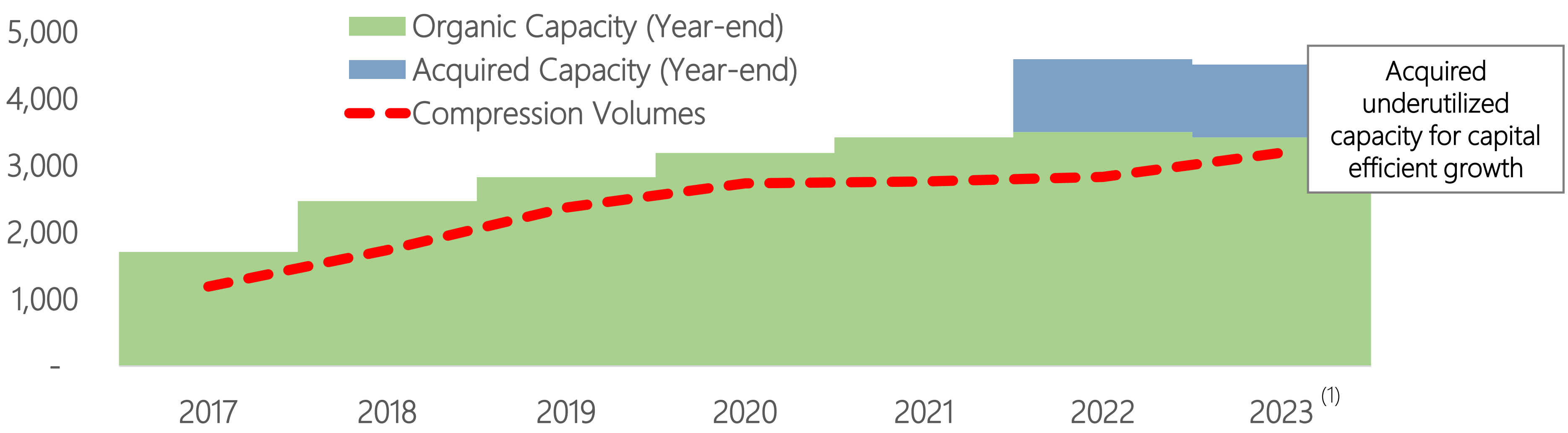
Note: Percentage increase or decrease arrows represent change from 2019 to 2Q 2023.

1) Cycle time represents days from surface spud date to first production date.

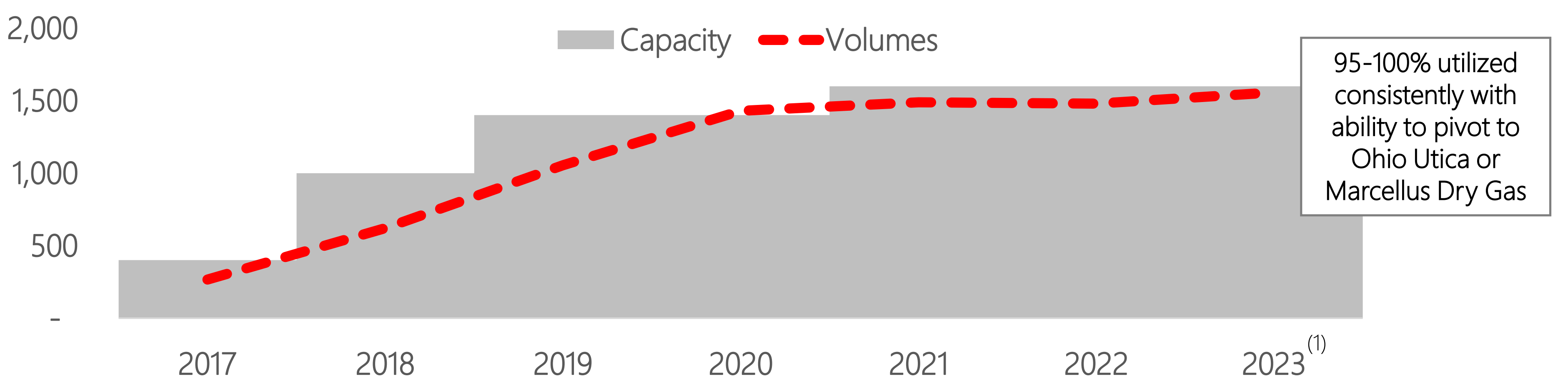
2) Cycle time record excludes single "step out" wells or wells drilled and completed on pads with 5 wells or less.

Optimizing Compression and Processing Utilization

Compression Capacity Utilization (MMcf/d)



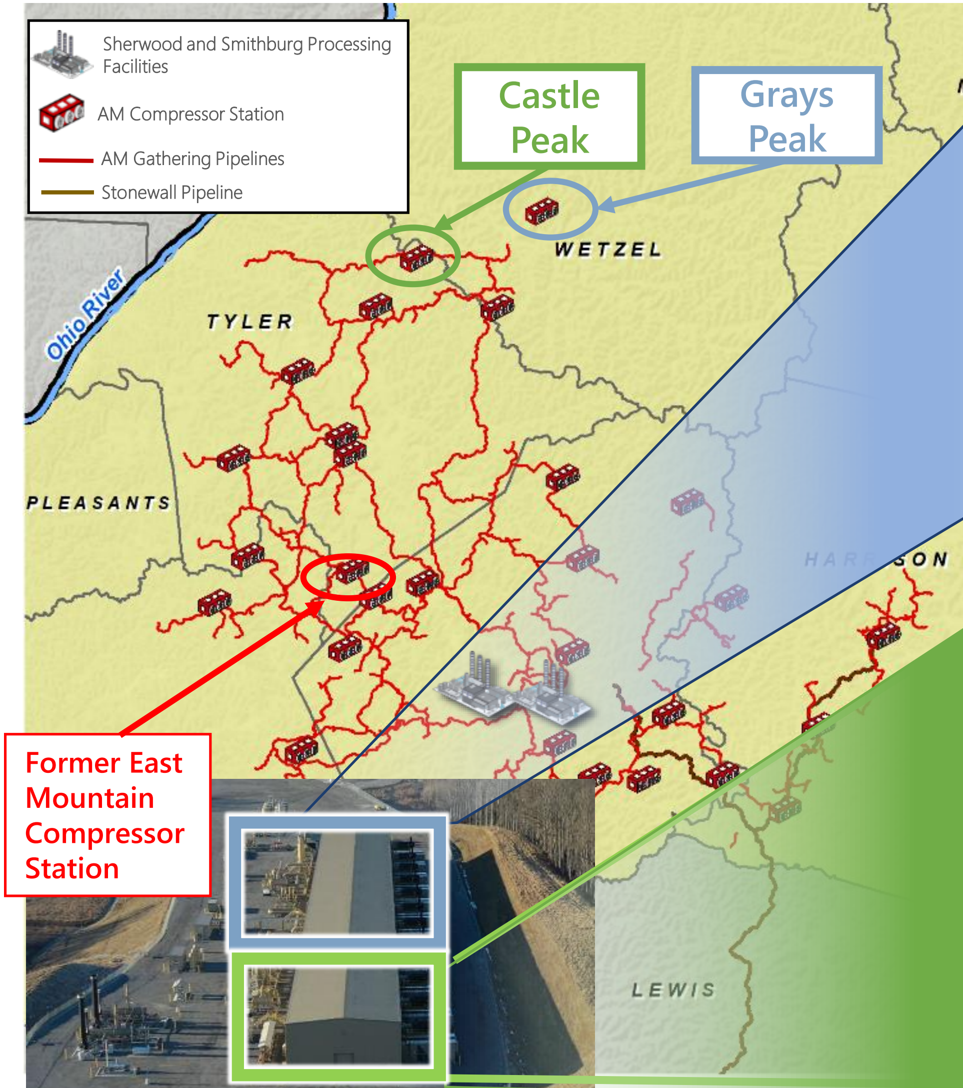
Processing Capacity Utilization (MMcf/d)



1. Reflects 2023 year-to-date through June 30, 2023.

Optimizing Compression Utilization

AM Marcellus Shale Asset Map



Grays Peak (2024 In Service)

Castle Peak (On Line)

Operational Success Drives Earnings Growth

2Q23 Financial Achievements

+10% Increase
In Adjusted EBITDA Y-o-Y
+$22MM Y-o-Y

(31)% Decrease
In Capital Expenditures Y-o-Y
$(22)MM Y-o-Y

+$139 MM / +$31MM
Free Cash Flow
Before / After Dividends

3.5x Leverage
A reduction from 3.7x
at year-end 2022

2Q23 Operational Achievements

+ 11% / +17% Increase
In Gathering / Compression
Volumes Y-o-Y

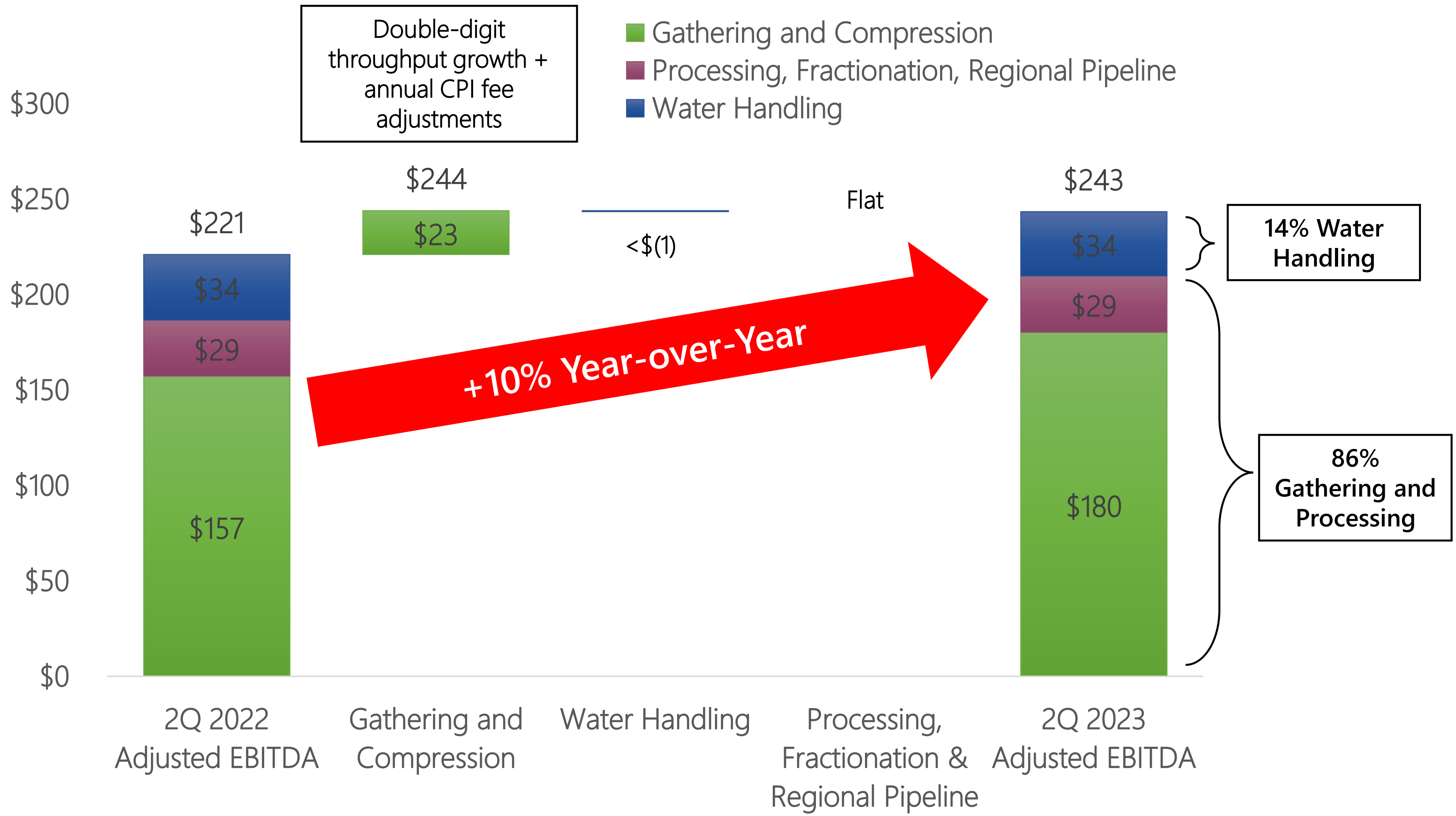
>99% Asset Uptime Availability
Delivered by AM

Realizing acquisition synergies
From two bolt-on
acquisitions in 2022

Note: Free Cash Flow before and after diividends, Adjusted EBITDA, and Leverage are Non-GAAP metrics – please see appendix for additional disclosures, definitions, and assumptions.

10% Year-over-Year EBITDA Growth

Adjusted EBITDA by Segment ($MM)



Note: Adjusted EBITDA is a Non-GAAP metric – please see appendix for additional disclosures, definitions, and assumptions.

Antero Midstream: Checking all the Boxes

- ✓ **Expand asset base to drive EBITDA growth**
- ✓ **Execute flexible just-in-time investment**
- ✓ **Deliver peer-leading ROIC of 17% to 20%**
- ✓ **Generate repeatable Free Cash Flow after dividends**
- On Track **Reduce absolute debt and leverage to ≤3.0x in 2024**

= **Well positioned for increased return of capital**

Note: Free Cash Flow, Adjusted EBITDA, ROIC and Leverage are Non-GAAP metrics – please see appendix for additional disclosures, definitions, and assumptions.

Appendix

Cheat Canyon Preservation, WV – Conservation efforts supported by Antero

Antero Midstream Non-GAAP Measures

Non-GAAP Financial Measures and Definitions

Antero Midstream uses certain non-GAAP financial measures. Antero Midstream defines Adjusted Net Income as Net Income plus amortization of customer relationships, impairment of property and equipment, loss on settlement of asset retirement obligations, and loss (gain) on asset sale, net of tax effect of reconciling items. Antero Midstream uses Adjusted Net Income to assess the operating performance of its assets. Antero Midstream defines Adjusted EBITDA as Net Income plus interest expense, net, income tax expense, depreciation expense, impairment of property and equipment, amortization of customer relationships, loss on settlement of asset retirement obligations, loss (gain) on asset sale, accretion of asset retirement obligations, and equity-based compensation expense, excluding equity in earnings of unconsolidated affiliates, plus distributions from unconsolidated affiliates.

Antero Midstream uses Adjusted EBITDA to assess:

- the financial performance of Antero Midstream's assets, without regard to financing methods, capital structure or historical cost basis;
- its operating performance and return on capital as compared to other publicly traded companies in the midstream energy sector, without regard to financing or capital structure; and
- the viability of acquisitions and other capital expenditure projects.

Antero Midstream defines Free Cash Flow before dividends as Adjusted EBITDA less interest expense, net and accrual-based capital expenditures. Capital expenditures include additions to gathering systems and facilities, additions to water handling systems, and investments in unconsolidated affiliates. Capital expenditures exclude acquisitions. Free Cash Flow after dividends is defined as Free Cash Flow before dividends less accrual-based dividends declared for the quarter. Antero Midstream uses Free Cash Flow before and after dividends as a performance metric to compare the cash generating performance of Antero Midstream from period to period.

Adjusted EBITDA, Adjusted Net Income, and Free Cash Flow before and after dividends are non-GAAP financial measures. The GAAP measure most directly comparable to these measures is Net Income. Such non-GAAP financial measures should not be considered as alternatives to the GAAP measures of Net Income and cash flows provided by (used in) operating activities. The presentations of such measures are not made in accordance with GAAP and have important limitations as analytical tools because they include some, but not all, items that affect Net Income and cash flows provided by (used in) operating activities. You should not consider any or all such measures in isolation or as a substitute for analyses of results as reported under GAAP. Antero Midstream's definitions of such measures may not be comparable to similarly titled measures of other companies.

Antero Midstream defines Net Debt as consolidated total debt, excluding unamortized debt premiums and debt issuance costs, less cash and cash equivalents. Antero Midstream views Net Debt as an important indicator in evaluating Antero Midstream's financial leverage. Antero Midstream defines Leverage as Net Debt divided by Adjusted EBITDA for the last twelve months. The GAAP measure most directly comparable to Net Debt is total debt, excluding unamortized debt premiums and debt issuance costs.

Antero Midstream Non-GAAP Measures

The following table reconciles Net Income to Adjusted EBITDA and Free Cash Flow before and after dividends (in thousands):

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2023
Net Income	$ 79,395	87,012
Interest expense, net	45,426	55,388
Income tax expense	26,399	29,095
Depreciation expense	35,675	35,233
Amortization of customer relationships	17,668	17,668
Impairment of property and equipment	3,702	—
Loss (gain) on asset sale	(32)	5,814
Accretion of asset retirement obligations	64	44
Loss on settlement of asset retirement obligations	539	279
Equity-based compensation	5,641	8,499
Equity in earnings of unconsolidated affiliates	(22,824)	(25,972)
Distributions from unconsolidated affiliates	29,375	29,465
Adjusted EBITDA	$ 221,028	242,525
Interest expense, net	(45,426)	(55,388)
Capital expenditures (accrual-based)	(70,201)	(48,584)
Free Cash Flow before dividends	$ 105,401	138,553
Dividends declared (accrual-based)	(107,654)	107,927)
Free Cash Flow after dividends	$ (2,253)	30,626

Antero Midstream Non-GAAP Measures

The following table reconciles segment Net Income to segment Adjusted EBITDA (in thousands):

Three Months Ended June 30, 2023	Gathering and Compression[1]	Water Handling	Unallocated	Processing, Fractionation, Regional Pipeline	Consolidated Total
Net Income	$ 163,234	10,192	(86,414)	—	87,012
Interest expense, net	—	—	55,388	—	55,388
Income tax expense	—	—	29,095	—	29,095
Depreciation expense	22,196	13,037	—	—	35,233
Amortization of customer relationships	9,272	8,396	—	—	17,668
Impairment of property and equipment	—	—	—	—	—
Loss (gain) on asset sale	5,814	—	—	—	5,814
Accretion of asset retirement obligations	—	44	—	—	44
Loss on settlement of asset retirement obligations	—	279	—	—	279
Equity-based compensation	6,244	2,029	226	—	8,499
Equity in earnings of unconsolidated affiliates	(25,972)	—	—	—	(25,972)
Distributions from unconsolidated affiliates	—	—	—	29,465	29,465
Adjusted EBITDA	180,788	33,977	(1,705)	29,465	242,525
Allocation of Unallocated Segment G&A[2]	-1,271	-434	1,705	—	—
Adjusted Segment EBITDA	$ 179,517	33,543	—	29,465	242,525

Three Months Ended June 30, 2022	Gathering and Compression[1]	Water Handling	Unallocated	Processing, Fractionation, Regional Pipeline	Consolidated Total
Net Income	$ 143,838	9,122	-73,565	—	79,395
Interest expense, net	—	—	45,426	—	45,426
Income tax expense	—	—	26,399	—	26,399
Depreciation expense	22,854	12,821	—	—	35,675
Amortization of customer relationships	9,272	8,396	—	—	17,668
Impairment of property and equipment	1,130	2,572	—	—	3,702
Loss (gain) on asset sale	-32	—	—	—	-32
Accretion of asset retirement obligations	—	64	—	—	64
Loss on settlement of asset retirement obligations	—	539	—	—	539
Equity-based compensation	4,222	1,191	228	—	5,641
Equity in earnings of unconsolidated affiliates	(22,824)	—	—	—	(22,824)
Distributions from unconsolidated affiliates	—	—	—	29,375	29,375
Adjusted EBITDA	158,460	34,705	-1,512	29,465	221,028
Allocation of Unallocated Segment G&A[2]	-1,084	-428	1,512	—	—
Adjusted Segment EBITDA	$ 157,376	34,277	—	29,465	221,028

1. *Gathering and Processing reported segment broken out into gathering and compression and processing, fractionation, regional pipeline.*
2. *Assumes unallocated segment G&A allocated based on proportionate Adjusted EBITDA relative to Consolidated Total.*

Antero Midstream Non-GAAP Measures

The following table reconciles consolidated total debt to consolidated net debt, excluding debt premiums and issuance costs, ("Net Debt") as used in this presentation (in thousands):

		June 30, 2023
Bank credit facility	$	725,500
7.875% senior notes due 2026		550,000
5.75% senior notes due 2027		650,000
5.75% senior notes due 2028		650,000
5.375% senior notes due 2029		750,000
Consolidated total debt	$	3,325,500
Cash and cash equivalents		—
Consolidated net debt	$	3,325,500

The following table reconciles Net Income to Adjusted EBITDA for the last twelve months as used in this presentation (in thousands):

		Twelve Months Ended June 30, 2023
Net Income	$	340,326
Interest expense, net		210,255
Income tax expense		123,793
Depreciation expense		138,216
Amortization of customer relationships		70,672
Accretion of asset retirement obligations		182
Equity-based compensation		26,007
Equity in earnings of unconsolidated affiliates		(98,590)
Distributions from unconsolidated affiliates		123,525
Loss on settlement of asset retirement obligation		620
Loss on asset sale		3,468
Adjusted EBITDA	$	938,474

Antero Midstream Non-GAAP Measures

	Twelve Months Ended December 31,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022 PF
Net income	$ 127,875	159,105	236,703	307,315	585,944	(285,076)	(122,527)	331,617	326,242	342,717
Interest expense, net	6,183	8,158	21,893	37,557	61,906	130,518	147,007	175,281	189,948	196,832
Income tax expense	—	—	—	—	—	(79,120)	(55,688)	117,123	117,494	123,193
Depreciation expense	53,029	86,670	99,861	119,562	130,013	120,363	108,790	108,790	131,762	136,032
Amortization of customer relationships	—	—	—	—	—	70,874	70,672	70,672	70,672	70,672
Impairment expense	—	—	—	23,431	5,771	768,942	673,640	5,042	3,702	3,702
Loss (gain) on asset sale			(3,859)	—	(583)	—	—	3,628	(2,251)	—
Accretion and change in fair value of contingent acquisition consideration	—	3,333	16,489	13,476	(93,019)	—	—	—	—	—
Accretion of asset retirement obligations	—	—	—	—	135	10,254	180	460	222	222
Loss on settlement of asset retirement obligation	—	—	—	—	—	—	—	—	539	—
Loss on early extinguishment of debt	—	—	—	—	—	—	—	21,757	—	—
Contract restructuring fees	—	—	—	—	—	2,278	—	—	—	—
Equity-based compensation	11,618	22,470	26,049	27,283	21,073	75,994	12,778	13,529	19,654	19,654
Equity in earnings of unconsolidated affiliates	—	—	(485)	(20,194)	(40,280)	(62,394)	(86,430)	(90,451)	(94,218)	(94,218)
Distributions from unconsolidated affiliates	—	—	7,702	20,195	46,415	76,925	98,858	118,990	120,460	120,460
Adjusted EBITDA	198,705	279,736	404,353	528,625	717,375	829,558	847,280	876,438	884,226	919,266
Interest Expense	(6,183)	(8,158)	(21,893)	(37,557)	(61,906)	(130,518)	(147,007)	(175,281)	(189,948)	
Capital Expenditures (accrual-based)	(599,909)	(396,334)	(480,728)	(792,720)	(646,329)	(646,424)	(207,518)	(261,889)	(264,920)	
Free Cash Flow Before Dividends	(407,387)	(124,756)	(98,268)	(301,652)	9,140	52,616	492,755	439,268	429,358	
Dividends Declared (accrual-based)	(25,820)	(132,250)	(206,112)	(316,852)	(463,821)	(607,544)	(586,291)	(429,696)	(430,649)	
Free Cash Flow After Dividends	(433,207)	(257,006)	(304,379)	(618,504)	(454,681)	(554,928)	(93,536)	9,573	(1,291)	
Total Debt	$115	$620	$849,914	$1,196,000	$1,691,508	$2,892,249	$3,091,626	$3,147,200	$3,382,000	$3,382,000
Leverage	0.0x	0.0x	2.1x	2.3x	2.7x	3.5x	3.6x	3.6x	3.8x	3.7x