

## Management

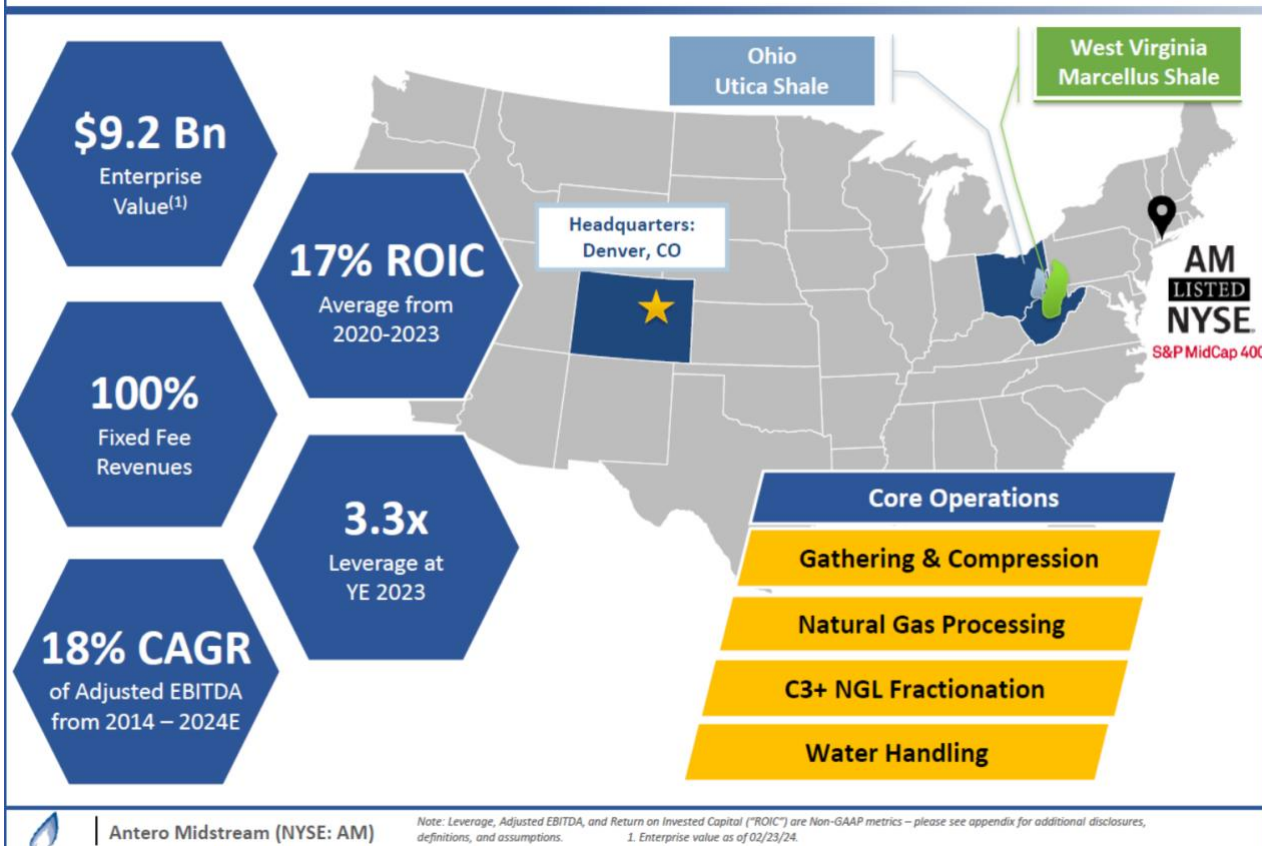
Paul M. Rady – Chairman & CEO  
 Brendan E. Krueger – CFO  
 W. Patrick Ash – SVP Midstream  
 Yvette K. Schultz – SVP Legal  
 Michael N. Kennedy – SVP Finance  
 Jon S. McEvers – SVP Operations  
 www.anteromidstream.com

## EPG Commentary by Dan Steffens

**Antero Midstream Corporation (NYSE:AM)** is one of the companies in our High Yield Income Portfolio. It was formed by **Antero Resources Corporation (NYSE:AR)** to service its rapidly increasing natural gas and NGL production in the Appalachian Basin. **AM's relationship with AR is key to this stock's growth.**

**AM is a C-Corp, so it is suitable for an IRA account.** The Company's most recent quarterly dividend was \$0.225 for annualized yield of ~6.3% as of the date of this report. The Company has now generated free cash flow after dividend payments for six consecutive quarters. **I expect free cash flow after dividends to reduce debt and fund their stock buyback program.**

## Antero Midstream At A Glance



**My Fair Value Estimate for AM is \$14.00/share**

Compare to TipRanks' Price Target of \$13.25/share

**Disclosure:** I do not have a position in AM, and I do not intend on buying or selling it in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.






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## Macro Outlook: Significant Demand Increase for U.S. Natural Gas and NGLs coming after Mid-2024

### U.S. Natural Gas Outlook

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#### 2024+






- 
**U.S. Natural Gas Producers Announce Significant Production Cuts for 2024**
  - Public company guidance updates for 2024 imply more than 3 Bcf/d of production cuts this year
- 
**Significant Export Growth**
  - 6 Bcf/d of LNG export capacity growth plus nearly 1.5 Bcf/d of incremental Mexican exports are expected by year end 2025
- 
**Record Power Burns**
  - 2023 was the 9<sup>th</sup> consecutive year of increasing power burns as the natural gas % of generation stack rises
  - Year to date 2024 has been the highest winter power burn ever.
- 
**Lowest cost basin (Appalachia) is capacity constrained**
  - Produces ~1/3 of U.S. supply; high-cost basins are now the “marginal supplier”
- 
**Renewables underperformance**
  - Low capacity factors = projected to only displace coal retirements, not increase in the % of generation stack


 Antero Resources (NYSE: AR) Sources: Antero Fundamentals, EIA and S&P Global Platts.

### U.S. NGL Outlook

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#### 2024+

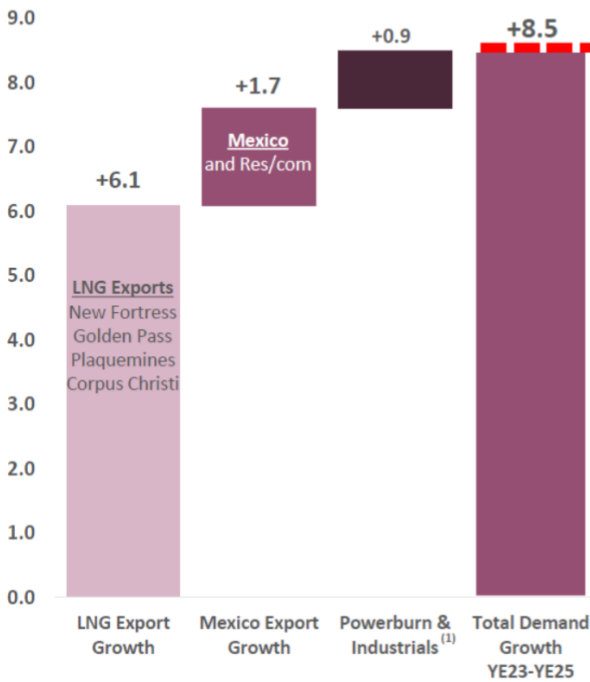
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**Propane Inventory Levels**
  - Storage inventories decline sharply from a peak of 102 MMBbl in October 2023 to 54.6 MMBbl today, in-line with the 5-year average
- 
**Shipping Rates Normalize**
  - LPG shipping rates return to historical levels as Panama Canal delays are alleviated and new VLGC ships are delivered
- 
**LPG Exports at Record Highs**
  - U.S. exports grew 22% in 2023 and are up more than 200,000 Bbl/d year-to-date 2024 compared to the same period last year
- 
**China PDH Buildout Continues**
  - China Driving Global Capacity Additions of 322 MBbl/d in 2024 and 328 MBbl/d in 2025 with 122 MBbl/d of Expected China PDH Capacity Added in Q1 2024 Alone
- 
**U.S. Supply Increasing to Meet Asian Demand**
  - The U.S. is the incremental global supplier of NGLs to meet increasing international demand

 Antero Resources (NYSE: AR) Sources: Argus, CME, EIA, Platts and S&P Global Platts.

## U.S. Demand Outpaces Supply Through YE 2025

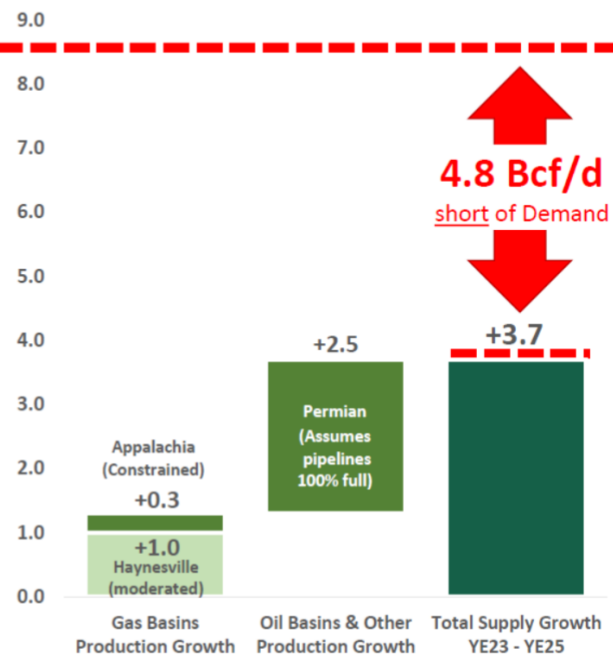
### U.S. Natural Gas Demand Growth

(Bcf/d from YE23 to YE25)



### U.S. Natural Gas Supply Growth

(Bcf/d from YE23 to YE25)



Antero Resources (NYSE: AR)

Source: Platts Analytics.  
1) Assumes Powerburn is flat.



## Company Profile

**Antero Midstream Corp. (NYSE:AM)** headquartered in Denver, Colorado, is a growth-oriented midstream energy company formed to own, operate and develop midstream energy assets that primarily service Antero Resources' production and completion activity in the Appalachian Basin located in West Virginia and Ohio. Antero Midstream assets consist of gathering systems and compression facilities, water handling and blending facilities and interests in processing and fractionation plants. Antero Midstream conducts its operations and owns its operating assets and ownership interests in the Joint Venture and Stonewall through Antero Midstream Partners and its subsidiaries, all of which are wholly owned. Additionally, **Antero Resources has a 29.0% ownership interest in Antero Midstream as of December 31, 2023.**

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## Operating Segments

The Company's operations, which are located in the United States, are organized into two reportable segments: (i) gathering and processing and (ii) water handling. These segments are monitored separately by management for performance and are consistent with internal financial reporting.

These segments have been identified based on the differing products and services, regulatory environment and the expertise required for these operations. Management evaluates the performance of the Company's business segments based on operating income. Interest expense is primarily managed and evaluated on a consolidated basis.

### Gathering and Processing

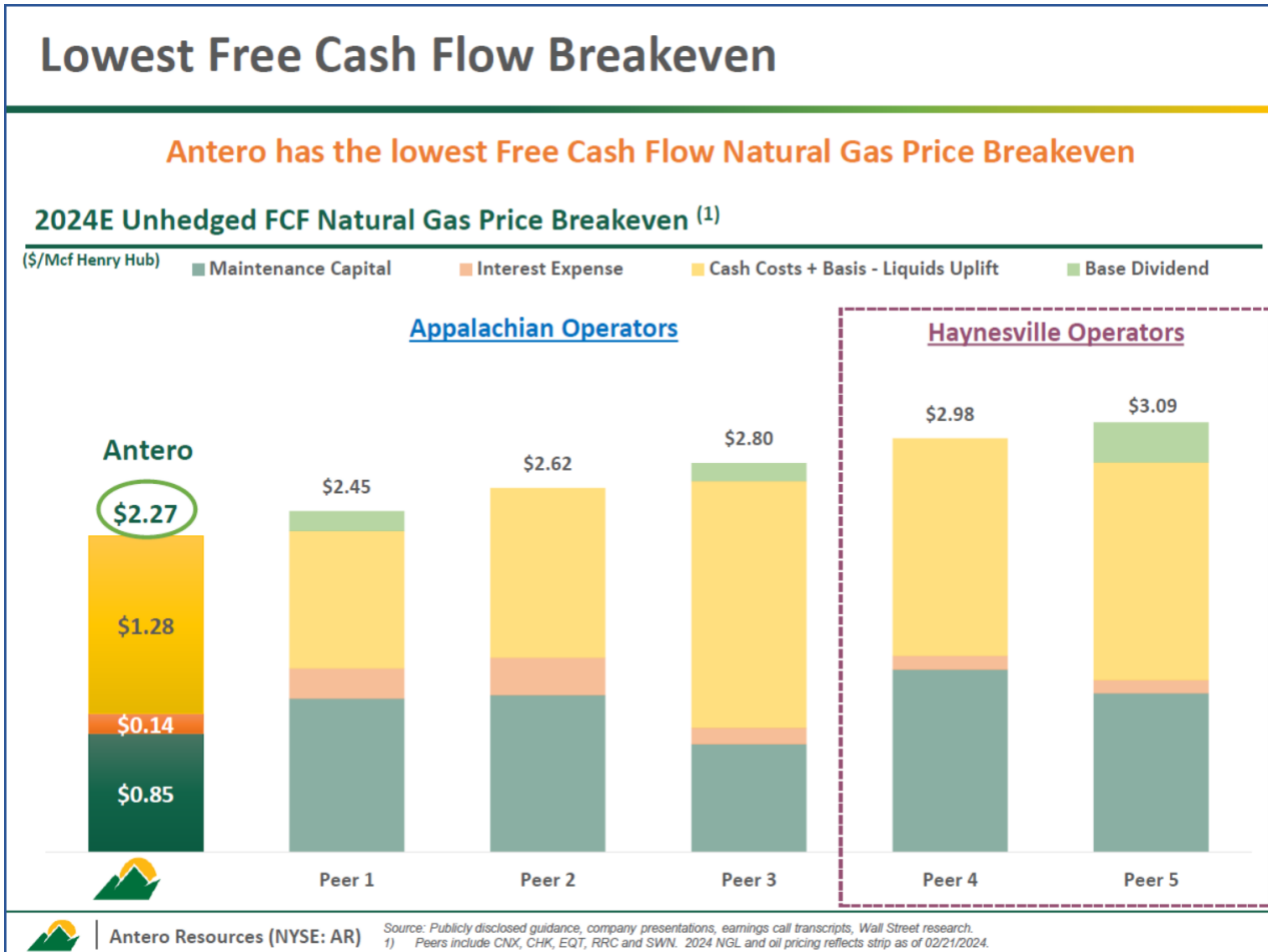
The gathering and processing segment includes a network of gathering pipelines and compressor stations that collect and process production from Antero Resources' wells in West Virginia and Ohio. The gathering and processing segment also includes equity in earnings from the Company's investments in the Joint Venture and Stonewall.

During the fourth quarter of 2023, Antero Midstream connected 21 wells to its gathering system.

### Water Handling

The Company's water handling segment includes two independent systems that deliver water from sources including the Ohio River, local reservoirs and several regional waterways. Portions of these water handling systems are also utilized to transport flowback and produced water. The water handling systems consist of permanent buried pipelines, surface pipelines and water storage facilities, as well as pumping stations, blending facilities and impoundments to transport water throughout the systems used to deliver water for well completions.

Antero Midstream's water delivery systems serviced 15 well completions during the fourth quarter of 2023. For the full year, the Company's water delivery systems serviced 76 well completions.

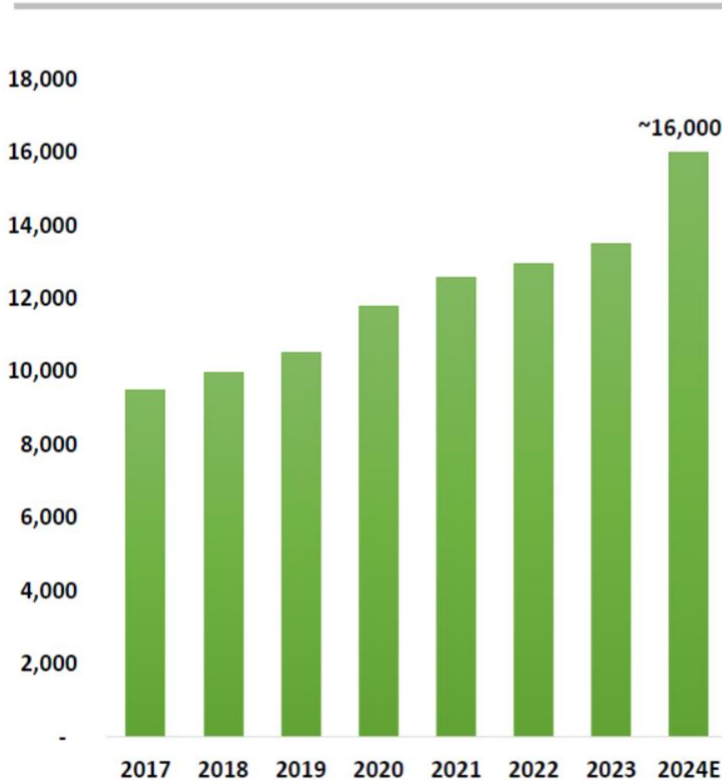


*“Antero Midstream delivered another exceptional quarter with double-digit year-over-year throughput and Adjusted EBITDA growth. Our just-in-time capital investment philosophy generated an 18% Return on Invested Capital in 2023. These results highlight our commitment to high-return, high-visibility capital projects that are the foundation of Antero Midstream's capital allocation strategy.” – Paul Rady, Chairman and CEO*

*"Antero Midstream's Free Cash Flow after dividends resulted in over \$150 million of total debt reduction in 2023, with leverage declining to 3.3x at year-end. Looking ahead to 2024, we expect our Free Cash Flow after dividends to expand significantly, providing additional capacity for debt reduction as we remain committed to achieving our 3.0x Leverage target. In addition to our focus on debt reduction, Antero Midstream's new \$500 million share repurchase program provides an avenue for shareholder returns that is complementary to our stable dividend. Once our leverage target is achieved, this share repurchase program provides Antero Midstream with the flexibility to allocate capital to the highest return opportunities that maximize shareholder value." – Brendan Krueger, CFO*

## Increasing Lateral Lengths Enhancing AM Economics

### AR Average Completed Lateral Length (Feet)



### AM Economic Improvement For Each Additional 1,000 Feet of Lateral

	Fresh Water
Additional Lateral Feet	1,000
x Water Per Foot Used in Completions (Bbl)	36
Additional Barrels of Water	36,000
x Fee Per Barrel (\$/Bbl)	\$4.28
<b>Additional Revenue Per 1,000 Ft (\$M)</b>	<b>\$154</b>

	Gathering and Compression
Additional Lateral Feet	1,000
x Average Wellhead EUR <sup>(1)</sup> (Bcf/1,000 ft)	2.0
Additional Natural Gas Gathered (MMcf)	2,000
X Gathering and Compression Fees Per Mcf	\$0.78
<b>Additional Revenue Per 1,000 Ft (\$M)</b>	<b>\$1,560</b>

<b>Total Incremental Revenue (\$M)</b>	<b>\$1,714</b>
<b>Total incremental Capital (\$M)</b>	<b>0</b>



Antero Midstream (NYSE: AM) 1. Based on trailing three years of wells turned to sales.

### Fourth Quarter 2023 Earnings Highlights:

- Net Income was \$100 million, or \$0.21 per diluted share, a 24% per share increase compared to the prior year quarter
- Adjusted Net Income was \$114 million, or \$0.24 per diluted share, a 20% per share increase compared to the prior year quarter
- Low pressure gathering and processing volumes increased by 10% and 12%, respectively, compared to the prior year quarter
- Adjusted EBITDA was \$254 million, a 10% increase compared to the prior year quarter
- Capital expenditures were \$46 million, a 27% decrease compared to the prior year quarter
- Free Cash Flow after dividends was \$48 million compared to \$8 million in the prior year quarter

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## Full Year 2023 Earnings Highlights:

- Net Income was \$372 million, or \$0.77 per diluted share
- Adjusted EBITDA was \$989 million, at the high end of the guidance range of \$970 to \$990 million
- Capital expenditures were \$185 million, at the lower end of the guidance range of \$180 to \$200 million
- Free Cash Flow after dividends was \$155 million compared to a \$1 million deficit in 2022
- Leverage declined to 3.3x as of December 31, 2023
- Return on Invested Capital increased to 18%, compared to 17% in 2022

## 2023 Highlights

### 4Q23 Achievements

**+10% Increase**

In Adjusted EBITDA Y-o-Y  
(+\$23 MM Y-o-Y)

**+ 10% / +14% Increase**

In Gathering / Compression  
Volumes Y-o-Y

**3.3x Leverage**

Net Debt/LTM  
Adjusted EBITDA

### Full Year 2023 Achievements

**18%**

Return on Invested Capital

**+\$587 MM / +\$155 MM**

Free Cash Flow  
Before / After Dividends

**~(\$150) MM**

Total Debt Reduction



Antero Midstream (NYSE: AM) *Note: Adjusted EBITDA, Leverage, Free Cash Flow Before and After Dividends and ROIC are Non-GAAP metrics – please see appendix.*

## Fourth Quarter 2023 Financial Results

Low pressure gathering volumes for the fourth quarter of 2023 averaged 3,377 MMcf/d, a 10% increase as compared to the prior year quarter. Low pressure gathering volumes subject to the growth incentive fee were in excess of the second threshold of 3,150 MMcf/d, resulting in a \$16 million rebate to Antero Resources. Compression volumes for the fourth quarter of 2023 averaged 3,343 MMcf/d, a 14% increase compared to the prior year quarter. High pressure gathering volumes averaged 3,047 MMcf/d, a 10% increase compared to the prior year quarter. Fresh water delivery volumes averaged 94 MBbl/d during the quarter, a 15% decrease compared to the fourth quarter of 2022.

Gross processing volumes from the Joint Venture averaged 1,649 MMcf/d for the fourth quarter of 2023, a 12% increase compared to the prior year quarter. Joint Venture processing capacity was approximately 100% utilized during the quarter based on nameplate processing capacity of 1.6 Bcf/d. Gross Joint Venture fractionation volumes averaged 40 MBbl/d, an 11% increase compared to the prior year quarter. Joint Venture fractionation capacity was 100% utilized during the quarter based on nameplate fractionation capacity of 40 MBbl/d.

	Three Months Ended		
	December 31,		
Average Daily Volumes:	2022	2023	% Change
Low Pressure Gathering (MMcf/d)	3,070	3,377	10 %
Compression (MMcf/d)	2,945	3,343	14 %
High Pressure Gathering (MMcf/d)	2,762	3,047	10 %
Fresh Water Delivery (MBbl/d)	111	94	(15) %
Gross Joint Venture Processing (MMcf/d)	1,473	1,649	12 %
Gross Joint Venture Fractionation (MBbl/d)	36	40	11 %

For the three months ended December 31, 2023, revenues were \$260 million, comprised of \$207 million from the Gathering and Processing segment and \$53 million from the Water Handling segment, net of \$18 million of amortization of customer relationships. Water Handling revenues include \$25 million from wastewater handling and high rate water transfer services.

Direct operating expenses for the Gathering and Processing and Water Handling segments were \$23 million and \$28 million, respectively, for a total of \$51 million. Water Handling operating expenses include \$22 million from wastewater handling and high rate water transfer services. General and administrative expenses excluding equity-based compensation were \$9 million during the fourth quarter of 2023. Total operating expenses during the fourth quarter of 2023 included \$8 million of equity-based compensation expense and \$35 million of depreciation.

Net Income was \$100 million, or \$0.21 per diluted share, a 24% per share increase compared to the prior year quarter. Net Income adjusted for amortization of customer relationships, impairment of property and equipment, loss on settlement of asset retirement obligation and gain on asset sale, net of tax effects of reconciling items, or Adjusted



Net Income, was \$114 million. Adjusted Net Income was \$0.24 per share, a 20% per share increase compared to the prior year quarter.

## Antero Midstream Non-GAAP Financial Measures

The following table reconciles Net Income to Return on Invested Capital:

	Twelve Months Ended December 31,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net income</b>	\$159,105	\$236,703	\$307,315	\$312,894	(\$285,076)	(\$122,527)	\$331,617	\$326,242	\$371,786
Amortization of customer relationships	—	—	—	\$71,082	\$70,874	\$70,672	\$70,672	\$70,672	\$70,672
Impairment expense	—	—	\$23,431	\$5,771	\$768,942	\$673,640	\$5,042	\$3,702	\$146
Loss on extinguishment of debt	—	—	—	—	—	—	\$21,757	—	—
Loss on settlement of asset retirement obligations	—	—	—	—	—	—	—	\$539	\$805
Loss (gain) on asset sale	—	(\$3,859)	—	(\$583)	—	\$2,929	\$3,628	(\$2,251)	\$6,030
Tax-effect of reconciling items	—	—	—	—	—	(\$196,038)	(\$26,043)	(\$18,681)	(\$19,996)
<b>Adjusted Net Income</b>	<b>\$159,105</b>	<b>\$232,844</b>	<b>\$330,746</b>	<b>\$389,164</b>	<b>\$554,740</b>	<b>\$428,676</b>	<b>\$406,673</b>	<b>\$380,223</b>	<b>\$429,443</b>
<b>Capitalization</b>									
Stockholders' equity	\$1,082,745	\$1,222,810	\$1,516,469	\$4,106,286	\$3,143,414	\$2,418,286	\$2,286,698	\$2,192,318	\$2,151,731
Total liabilities	\$897,287	\$1,127,085	\$1,525,740	\$2,476,304	\$3,139,464	\$3,192,626	\$3,257,303	\$3,599,002	\$3,585,887
Total current liabilities	(\$98,614)	(\$82,013)	(\$121,316)	(\$116,530)	(\$242,084)	(\$94,005)	(\$114,009)	(\$102,077)	(\$96,417)
Goodwill	—	—	—	(\$1,174,387)	(\$575,461)	\$0	\$0	\$0	\$0
Customer relationships	—	—	—	(\$558,000)	(\$1,498,119)	(\$1,427,447)	(\$1,356,775)	(\$1,286,103)	(\$1,215,431)
Impairment expense of plant, property, and equipment	—	—	—	\$0	\$409,739	\$98,179	\$5,042	\$3,702	\$146
<b>Total Invested Capital</b>	<b>\$1,881,418</b>	<b>\$2,267,882</b>	<b>\$2,747,000</b>	<b>\$4,733,673</b>	<b>\$4,376,953</b>	<b>\$4,187,639</b>	<b>\$4,078,259</b>	<b>\$4,406,842</b>	<b>\$4,425,916</b>
<b>Adjusted Net Income</b>	<b>\$159,105</b>	<b>\$232,844</b>	<b>\$330,746</b>	<b>\$389,164</b>	<b>\$554,740</b>	<b>\$428,676</b>	<b>\$406,673</b>	<b>\$380,223</b>	<b>\$429,443</b>
Interest expense	\$8,158	\$21,893	\$37,557	\$83,794	\$130,518	\$147,007	\$175,281	\$189,948	\$217,245
Income tax expense	—	—	—	\$114,406	(\$79,060)	(\$55,688)	\$117,123	\$117,494	\$128,287
Tax-effect of reconciling items	—	—	—	—	—	\$196,038	\$26,043	\$18,681	\$19,996
<b>Adjusted Earnings Before Interest and Taxes</b>	<b>\$167,263</b>	<b>\$254,737</b>	<b>\$368,303</b>	<b>\$587,364</b>	<b>\$606,198</b>	<b>\$716,033</b>	<b>\$725,120</b>	<b>\$706,346</b>	<b>\$794,971</b>
<b>Adjusted Earnings Before Interest and Taxes</b>	<b>\$167,263</b>	<b>\$254,737</b>	<b>\$351,600</b>	<b>\$587,947</b>	<b>\$606,121</b>	<b>\$715,793</b>	<b>\$725,120</b>	<b>\$706,346</b>	<b>\$794,971</b>
/ Average Invested Capital	\$1,809,209	\$2,074,650	\$2,507,441	\$3,740,337	\$4,555,313	\$4,282,296	\$4,132,949	\$4,242,551	\$4,410,681
= Return on Invested Capital	9%	12%	14%	16%	13%	17%	18%	17%	18%



Antero Midstream (NYSE: AM)

Adjusted EBITDA was \$254 million, a 10% increase compared to the prior year quarter, driven primarily by double-digit year-over-year throughput growth. Interest expense was \$52 million, a 1% decrease compared to the prior year quarter driven by lower average total debt, partially offset by higher interest rates on our revolving credit facility borrowings. Capital expenditures were \$46 million, a 27% decrease compared to the prior year quarter. Free Cash Flow before dividends was \$156 million, a 34% increase compared to the prior year quarter. Free Cash Flow after dividends was \$48 million, a 500% increase compared to the prior year quarter.

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

## Antero Midstream Non-GAAP Financial Measures

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

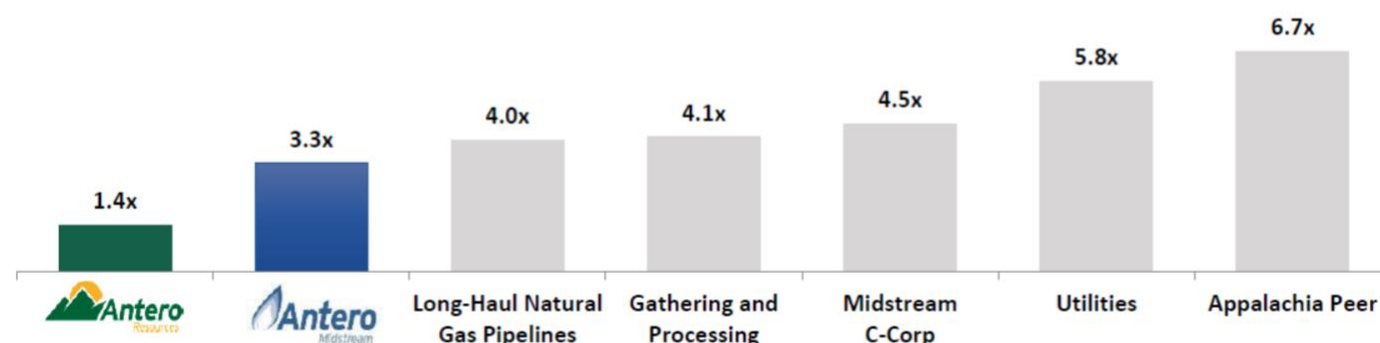
	Twelve Months Ended December 31,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net income</b>	\$ 127,875	159,105	236,703	307,315	312,894	(285,076)	(122,527)	331,617	326,242	371,786
Interest expense, net	6,183	8,158	21,893	37,557	83,794	130,518	147,007	175,281	189,948	217,245
Income tax expense	—	—	—	—	114,406	(79,120)	(55,688)	117,123	117,494	128,287
Depreciation expense	53,029	86,670	99,861	119,562	145,745	120,363	108,790	108,790	131,762	136,059
Amortization of customer relationships	—	—	—	—	71,082	70,874	70,672	70,672	70,672	70,672
Impairment expense	—	—	—	23,431	5,771	768,942	673,640	5,042	3,702	146
Loss (gain) on asset sale	—	—	(3,859)	—	(583)	—	2,929	3,628	(2,251)	6,030
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	177
Loss on settlement of asset retirement obligation	—	—	—	—	—	—	—	—	539	805
Loss on early extinguishment of debt	—	—	—	—	—	—	—	21,757	—	—
Contract restructuring fees	—	—	—	—	—	2,278	—	—	—	—
Equity-based compensation	11,618	22,470	26,049	27,283	56,184	75,994	12,778	13,529	19,654	31,606
Equity in earnings of unconsolidated affiliates	—	—	(485)	(20,194)	(34,189)	(62,394)	(86,430)	(90,451)	(94,218)	(105,456)
Distributions from unconsolidated affiliates	—	—	7,702	20,195	46,415	76,925	98,858	118,990	120,460	131,835
<b>Adjusted EBITDA</b>	<b>198,705</b>	<b>279,736</b>	<b>404,353</b>	<b>528,625</b>	<b>708,635</b>	<b>829,558</b>	<b>850,209</b>	<b>876,438</b>	<b>884,226</b>	<b>989,192</b>
Interest Expense	(6,183)	(8,158)	(21,893)	(37,557)	(83,794)	(130,518)	(147,007)	(175,281)	(189,948)	(217,245)
Capital Expenditures (accrual based)	(599,909)	(396,334)	(480,728)	(792,720)	(646,329)	(646,424)	(207,518)	(261,889)	(264,920)	(184,994)
<b>Free Cash Flow Before Dividends</b>	<b>(407,387)</b>	<b>(124,756)</b>	<b>(98,268)</b>	<b>(301,652)</b>	<b>(21,488)</b>	<b>52,616</b>	<b>495,684</b>	<b>439,268</b>	<b>429,358</b>	<b>586,953</b>
Dividends Declared	(25,820)	(132,250)	(206,112)	(316,852)	(463,821)	(607,544)	(586,291)	(429,696)	(430,649)	(431,727)
<b>Free Cash Flow After Dividends</b>	<b>(433,207)</b>	<b>(257,006)</b>	<b>(304,379)</b>	<b>(618,504)</b>	<b>(485,309)</b>	<b>(554,928)</b>	<b>(90,607)</b>	<b>9,573</b>	<b>(1,291)</b>	<b>155,226</b>
<b>Net Debt</b>	<b>\$115</b>	<b>\$620</b>	<b>\$849,914</b>	<b>\$1,196,000</b>	<b>\$1,691,508</b>	<b>\$2,892,249</b>	<b>\$3,091,626</b>	<b>\$3,147,200</b>	<b>\$3,382,000</b>	<b>\$3,230,034</b>
<b>Leverage</b>	<b>0.0x</b>	<b>0.0x</b>	<b>2.1x</b>	<b>2.3x</b>	<b>2.7x</b>	<b>3.5x</b>	<b>3.6x</b>	<b>3.6x</b>	<b>3.8x</b>	<b>3.3x</b>



## Debt Reduction and Leverage vs. Peers

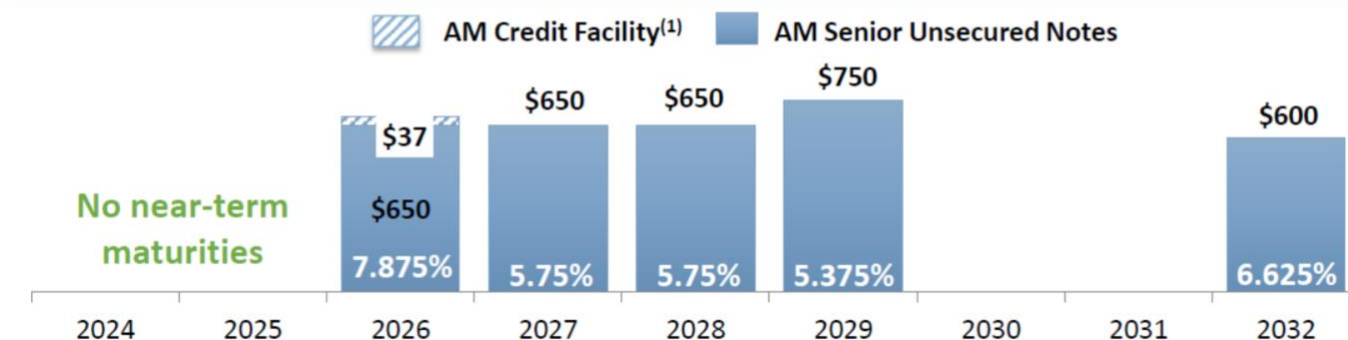
### Leverage at YE 2023

(Net Debt / LTM Adjusted EBITDA)



### Debt Maturity Schedule as of 12/31/2023

(\$MM)



Antero Midstream (NYSE: AM) Note: Leverage is a Non-GAAP metric. Please see appendix for additional disclosures, definitions and assumptions.

1. Pro forma for \$600 million senior note issuance in January 2024.

## Capital Investments

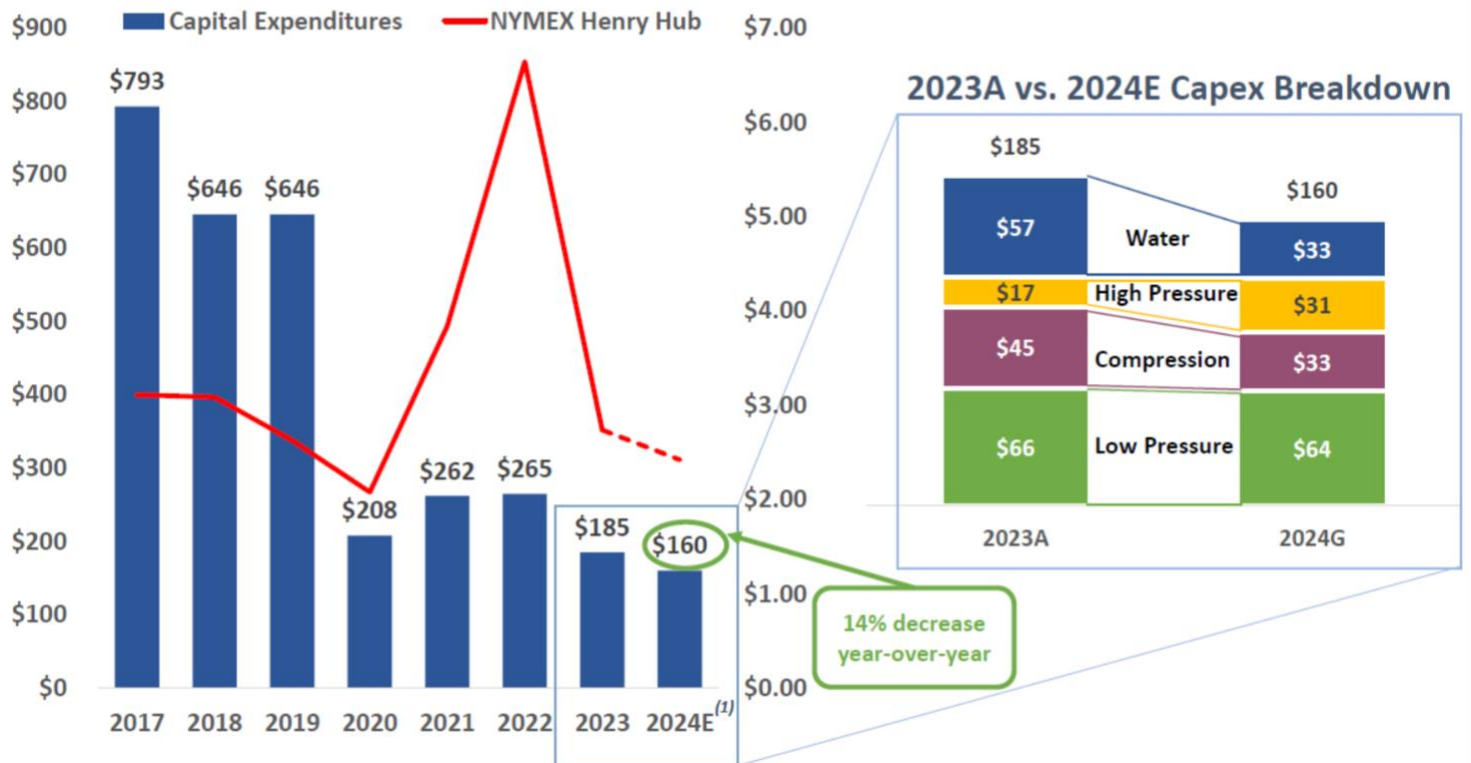
Capital expenditures were \$46 million during the fourth quarter of 2023. The company invested \$34 million in gathering and compression and \$12 million in water infrastructure primarily in the liquids-rich midstream corridor of the Marcellus Shale.

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## Unparalleled Capital Flexibility

### Capital Expenditures vs. NYMEX Gas Price

(\$MM on Left Axis and \$/MMBtu on Right Axis)



Antero Midstream (NYSE: AM) <sup>1.</sup> Reflects midpoint of 2024 guidance. 2024E natural gas price represents strip pricing as of 02/14/2024.

### Share Repurchase Program

On February 14, 2024, Antero Midstream's Board of Directors authorized a share repurchase program that allows the Company to repurchase up to \$500 million of outstanding common stock. This represents approximately 9% of Antero Midstream's market capitalization based on the current share price.

The shares may be repurchased from time to time in open market transactions, through privately negotiated transactions or by other means in accordance with federal securities laws. The timing, as well as the number and value of shares repurchased under the program, will be determined by the Company at its discretion and will depend on a variety of factors, including the market price of the Company's common stock, general market and economic

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conditions and applicable legal requirements. The exact number of shares to be repurchased by the Company is not guaranteed and the program may be suspended, modified, or discontinued at any time without prior notice.

## 2024 Guidance Highlights:

- Net Income of \$405 to \$445 million, representing GAAP earnings of \$0.84 to \$0.93 per share
- Adjusted EBITDA of \$1,020 to \$1,060 million, a 5% increase compared to 2023 at the midpoint
- Capital budget of \$150 to \$170 million, a 14% decrease compared to 2023 at the midpoint
- Free Cash Flow after dividends of \$235 to \$275 million assuming an annualized dividend of \$0.90 per share, a 65% increase compared to 2023 at the midpoint
- Authorized a \$500 million share repurchase program

Antero Midstream is forecasting Net Income of \$405 to \$445 million and Adjusted Net Income (adjusted for amortization of customer relationships and effective tax rate impact) of \$460 to \$500 million.

**The Company is forecasting Adjusted EBITDA of \$1,020 to \$1,060 million, which represents a 5% increase compared to 2023 at the midpoint.** This Adjusted EBITDA growth is driven by the expiration of the low-pressure gathering fee rebate program, inflation adjustments to Antero Midstream's fixed fees and flat-to-low single digit throughput growth in 2024 compared to 2023. In addition, Antero Midstream expects to service approximately 52 to 57 wells with its freshwater delivery system with an average lateral length of approximately 16,000 feet.

Antero Midstream's 2024 guidance includes approximately \$130 to \$140 million of combined distributions from its interests in the processing and fractionation joint venture with MPLX, LP and in Stonewall Gathering LLC.

**Antero Midstream is forecasting a capital budget of \$150 to \$170 million, a 14% decrease compared to 2023 at the midpoint.**

- The midpoint of the 2024 capital budget includes approximately \$130 million of investment in gathering and compression infrastructure for low pressure gathering connections, additional compression capacity, and further expansion of its Marcellus high pressure gathering system.
- Antero Midstream has budgeted an investment of \$30 million for freshwater delivery and wastewater blending and pipeline infrastructure in 2024.
- Antero Midstream expects to invest approximately 60% to 65% of its full year capital budget in the second and third quarter during the summer months that are more favorable for infrastructure buildout.
- Substantially all of Antero Midstream's 2024 capital budget is focused in the Marcellus Shale liquids-rich midstream corridor.

Antero Midstream is forecasting Free Cash Flow before dividends of \$670 to \$710 million and Free Cash Flow after dividends of \$235 to \$275 million for 2024, assuming an annualized dividend of \$0.90 per share.

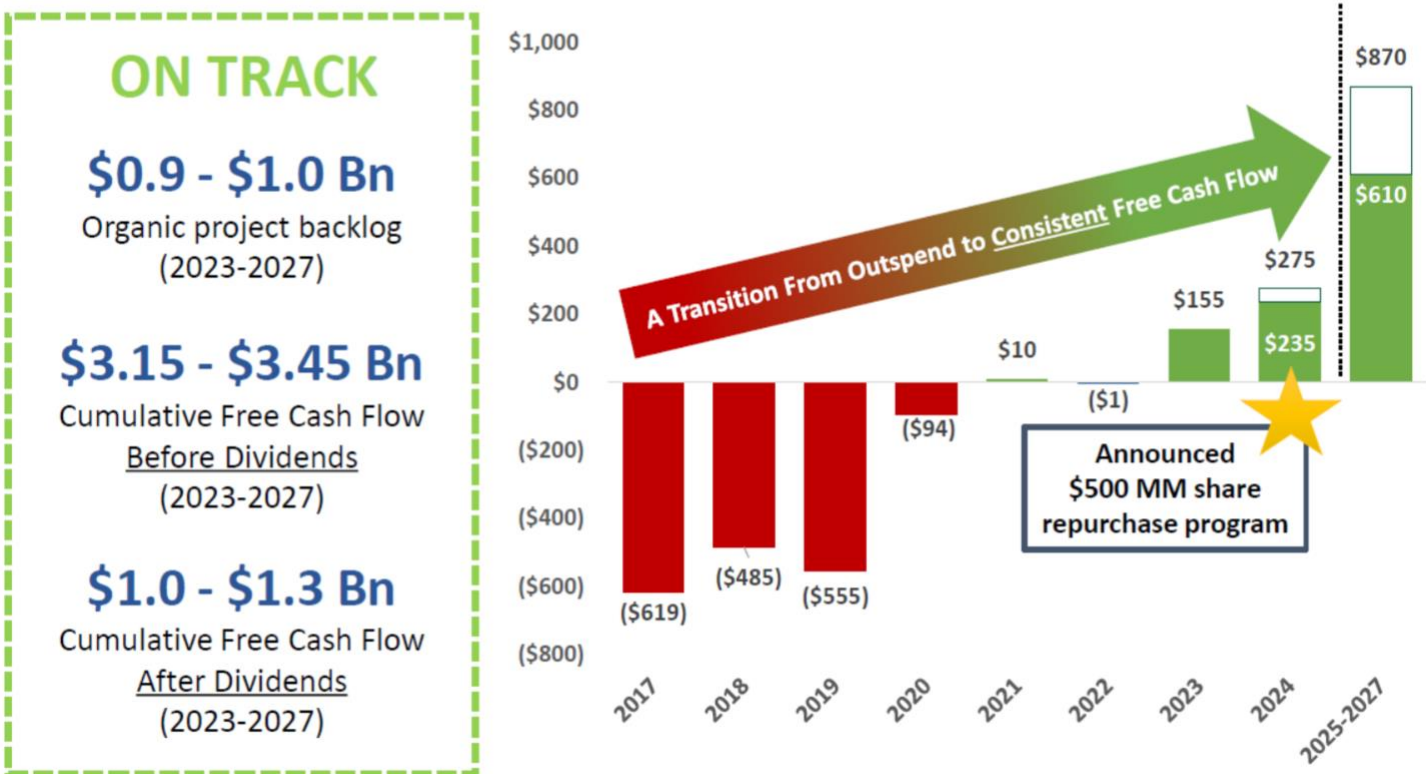
## 2024 Annual Guidance

(\$ in millions):	2024 Guidance Ranges
Net Income	\$405 – \$445
Adjusted Net Income	\$460 – \$500
Adjusted EBITDA	\$1,020 – \$1,060
Capital Expenditures	\$150 – \$170
Interest Expense	\$185 – \$195
Free Cash Flow Before Dividends	\$670 – \$710
Total Dividends	\$435 (\$0.90 per share)
Free Cash Flow After Dividends	\$235 – \$275



## Delivering on 5-Year Outlook

### Free Cash Flow After Dividends (\$MM)



# Antero Midstream Corporation

Company Profile

## Net Income and Cash Flow Forecast

Antero Midstream Corp (AM) Net Income and Cash Flow 2022 - 2025 (updated 4-8-2024)							271,000	267,000	273,000	269,000	1,080,000	1,100,000	< TipRanks' Revenue Forecasts (before the impact of row 12)
All in \$Thousands except for per share data	Actual 2022	Actual Qtr1 2023	Actual Qtr2 2023	Actual Qtr3 2023	Actual Qtr4 2023	Actual 2023	Forecast Qtr1 2024	Forecast Qtr2 2024	Forecast Qtr3 2024	Forecast Qtr4 2024	Forecast 2024	Forecast 2025	
<b>REVENUES:</b>													
Gathering and compression	\$743,265	\$199,576	\$211,068	\$214,992	\$216,726	\$842,362	\$215,000	\$210,000	\$235,000	\$245,000	\$905,000	\$940,000	
Water hauling and treatment - Antero	244,770	77,295	64,613	66,132	60,627	268,667	57,000	55,000	60,000	65,000	237,000	260,000	
Water hauling and treatment - third party	2,622	272	274	383	485	1,414	400	350	400	500	1,650	2,200	
Amortization of customer relations	(70,672)	(17,668)	(17,668)	(17,668)	(17,668)	(70,672)	(17,668)	(17,668)	(17,668)	(17,668)	(70,672)	(70,672)	
Gain on sale of assets	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Revenues</b>	<b>919,985</b>	<b>259,475</b>	<b>258,287</b>	<b>263,839</b>	<b>260,170</b>	<b>1,041,771</b>	<b>254,732</b>	<b>247,682</b>	<b>277,732</b>	<b>292,832</b>	<b>1,072,978</b>	<b>1,131,528</b>	
<b>EXPENSES:</b>													
Direct operating	180,254	57,873	52,595	51,914	50,783	213,165	50,394	49,090	54,649	57,443	211,575	216,396	< Rows 9 to 11 X 18%
G&A	42,471	11,020	9,663	9,284	9,495	39,462	9,500	9,500	10,000	10,500	39,500	42,000	
Equity based compensation	19,654	6,327	8,499	8,349	8,431	31,606	8,500	8,500	8,500	8,500	34,000	36,000	
Facility idling	4,166	574	637	722	526	2,459	500	500	500	500	2,000	2,000	
Impairment of property and equipment	3,702	0	0	0	146	146	0	0	0	0	0	0	
Depreciation	131,762	35,196	35,233	30,745	34,885	136,059	35,000	35,000	35,000	36,000	141,000	145,000	
Accretion	222	44	44	45	44	177	50	50	50	50	200	240	
Loss on settlement of asset retirement obligation	539	341	279	0	185	805	0	0	0	0	0	0	
(Gain) Loss on sale of assets	(2,251)	(245)	5,814	467	(6)	6,030	0	0	0	0	0	0	
<b>TOTAL EXPENSES</b>	<b>380,519</b>	<b>111,130</b>	<b>112,764</b>	<b>101,526</b>	<b>104,489</b>	<b>429,909</b>	<b>103,944</b>	<b>102,640</b>	<b>108,699</b>	<b>112,993</b>	<b>428,275</b>	<b>441,636</b>	
<b>OPERATING EARNING</b>	<b>539,466</b>	<b>148,345</b>	<b>145,523</b>	<b>162,313</b>	<b>155,681</b>	<b>611,862</b>	<b>150,788</b>	<b>145,042</b>	<b>169,033</b>	<b>179,840</b>	<b>644,703</b>	<b>689,892</b>	
<b>OTHER INCOME (EXPENSES)</b>													
Equity in earnings of unconsolidated affiliate	94,218	24,456	27,752	25,617	27,631	105,456	30,000	32,000	36,000	40,000	138,000	160,000	
Interest expense - cash portion	(184,232)	(53,450)	(53,605)	(53,727)	(50,484)	(211,266)	(50,000)	(49,000)	(48,000)	(47,000)	(194,000)	(184,000)	< FCF in 2024 will be used to pay down debt and buyback stock starting in 2H 2024
Loss on early extinguishment of debt	0	0	0	0	0	0	0	0	0	0	0	0	
Amortization of deferred financing costs	(5,716)	(1,474)	(1,483)	(1,506)	(1,516)	(5,979)	(1,525)	(1,525)	(1,525)	(1,525)	(6,100)	(6,100)	
<b>NET INCOME</b>	<b>443,736</b>	<b>117,877</b>	<b>118,187</b>	<b>132,697</b>	<b>131,312</b>	<b>500,073</b>	<b>129,263</b>	<b>126,517</b>	<b>155,508</b>	<b>171,315</b>	<b>582,603</b>	<b>659,792</b>	
Income taxes - Current	0	0	0	0	(6,377)	(6,377)	646	633	778	857	2,913	3,299	< 0.5%
Income taxes - Deferred	117,494	31,670	29,095	36,657	37,242	134,664	31,669	30,997	38,099	41,972	142,738	161,649	< 24.5% tax rate
<b>NET INCOME - Ltd Partners' Share</b>	<b>326,242</b>	<b>86,207</b>	<b>89,092</b>	<b>96,040</b>	<b>100,447</b>	<b>371,786</b>	<b>96,947</b>	<b>94,888</b>	<b>116,631</b>	<b>128,486</b>	<b>436,952</b>	<b>494,844</b>	<b>AM EBITDA Guidance for 2024 is \$1,020 to \$1,060 million (2/15)</b> <b>per model</b> <b>2024 EBITDA</b> <b>\$ 1,030,575</b>
Common Stock outstanding	478,467	479,713	479,713	479,713	479,713	479,713	475,000	475,000	475,000	475,000	475,000	465,000	< 2023 is shares outstanding at 12-31-2023
Earnings per share	\$0.68	\$0.18	\$0.19	\$0.20	\$0.21	\$0.78	\$0.20	\$0.20	\$0.25	\$0.27	\$0.92	\$1.06	Stock repurchase program starts in Q1 2024
							\$0.23	\$0.23	\$0.24	\$0.24	\$0.94	\$1.01	< First Call's EPS estimates
Cash flow from operations (\$millions)	\$694,540	\$188,473	\$193,646	\$195,236	\$205,690	\$783,045	\$191,360	\$187,628	\$216,473	\$233,201	\$828,662	\$874,505	< CapEx Budget for 2024 = \$150 to \$170 MM as of 2/15/2024
Cashflow per share (before CapEx)	\$1.45	\$0.39	\$0.40	\$0.41	\$0.43	\$1.63	\$0.40	\$0.40	\$0.46	\$0.49	\$1.74	\$1.88	< Fair Value estimated at 8 X Annualized CFPS = \$14.00
Dividends>>>	\$0.900	\$ 0.2250	\$ 0.2250	\$ 0.2250	\$ 0.2250	\$ 0.9000	\$ 0.2250	\$ 0.2250	\$ 0.2250	\$ 0.2250	\$ 0.9000	\$ 0.92	< Estimated distributions to Unit Holders
													TipRanks' PT > \$ 13.25
													Goldman Sachs 02/27/2024 \$ 13.00
													Morgan Stanley 2/23/2024 \$ 13.00
													Wells Fargo 02/19.2024 \$ 14.00

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