

Management

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Brendan E. Krueger – CFO
Michael N. Kennedy – SVP Finance
Steven Woodward – SVP Bus.Devel.
Yvette K. Schultz – CCO, SVP Legal
Jon S. McEvers – SVP Operations
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EPG Commentary by Dan Steffens

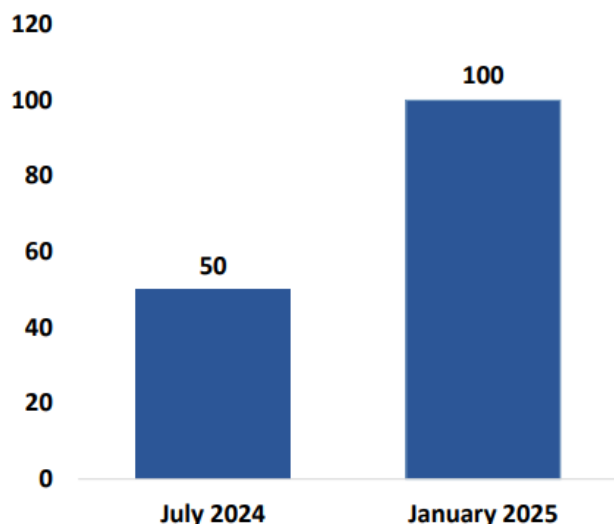
Antero Midstream Corporation (NYSE:AM) is one of the companies in our High Yield Income Portfolio. It was formed by **Antero Resources Corporation (NYSE:AR)** to service its rapidly increasing natural gas and NGL production in the Appalachian Basin. *AM's relationship with Antero Resources is key to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

AM has reached its goal of consistently generating free cash flow after dividends, so it started a Stock Buyback Program.

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 ~4.9% as of the date of this report. The Company has generated free cash flow after dividend payments for nine consecutive quarters. *AM is now aggressively buying back stock and I do expect the Company to increase dividends in 2026*

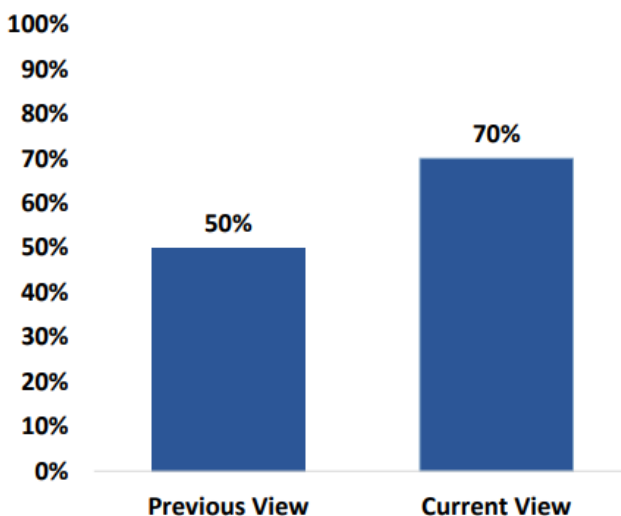
Natural Gas Demand Estimates Continue to Increase

Data Center Power Demand
(Gigawatts)



"As of July 2024, Wood Mackenzie had identified about 50 gigawatts (GW) of proposed data centers in America. This figure had doubled in a few months, and the proposed data centers were nearly 100 GW by January 1, 2025, according to WoodMac's estimates."

Data Center Demand Powered by Natural Gas
(Percent of Total by 2030)



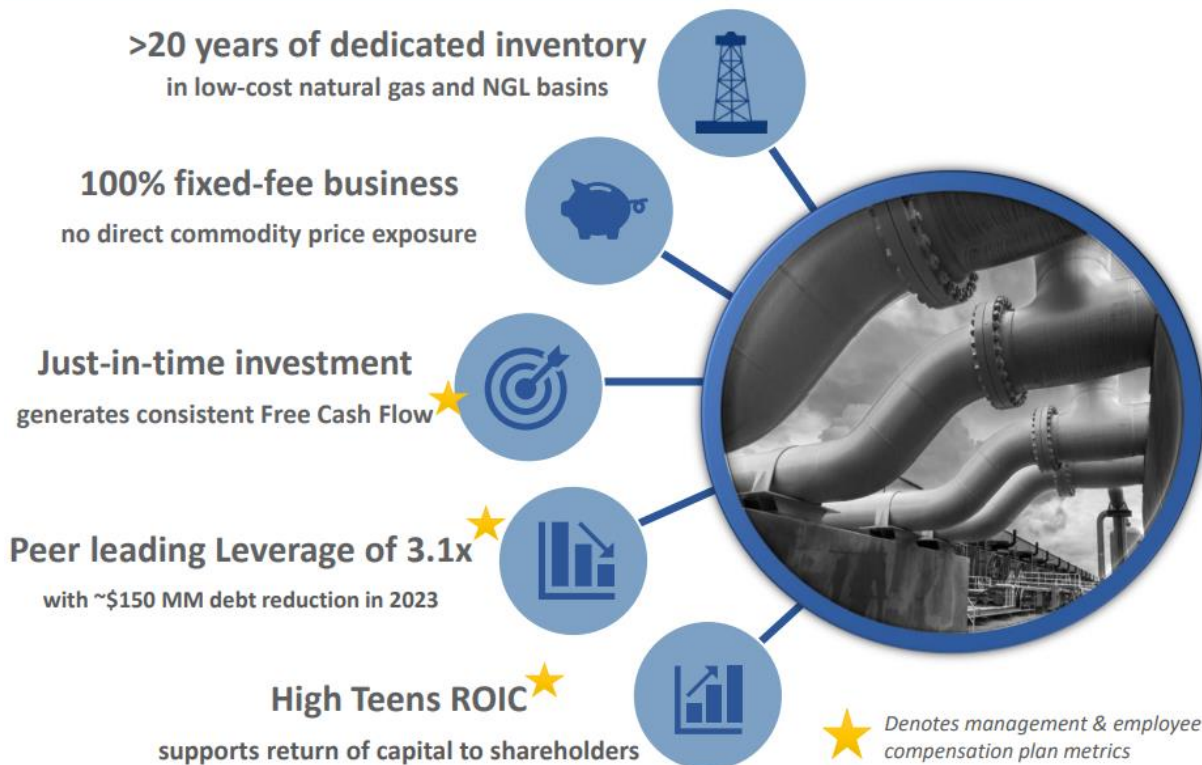
"We're raising our forecast for natural gas consumed by AI data centers to 9 Bcf/d by 2030 from 7 Bcf/d... The vast majority has been supported by gas. We now assume gas powers 70% of AI data center build-out (up from 50% previously)."



Share Repurchase Program

During the first quarter of 2025, Antero Midstream repurchased 1.7 million shares for \$29 million. Antero Midstream had approximately \$443 million of remaining capacity under its \$500 million authorized share repurchase program as of March 31, 2025. During the quarter, Antero Midstream also purchased \$18 million shares related to satisfying tax withholding obligations incurred upon the vesting of equity awards.

Antero Midstream Investment Highlights



My Fair Value Estimate for AM is \$18.00/share
Compare to TipRanks' Price Target of \$16.33/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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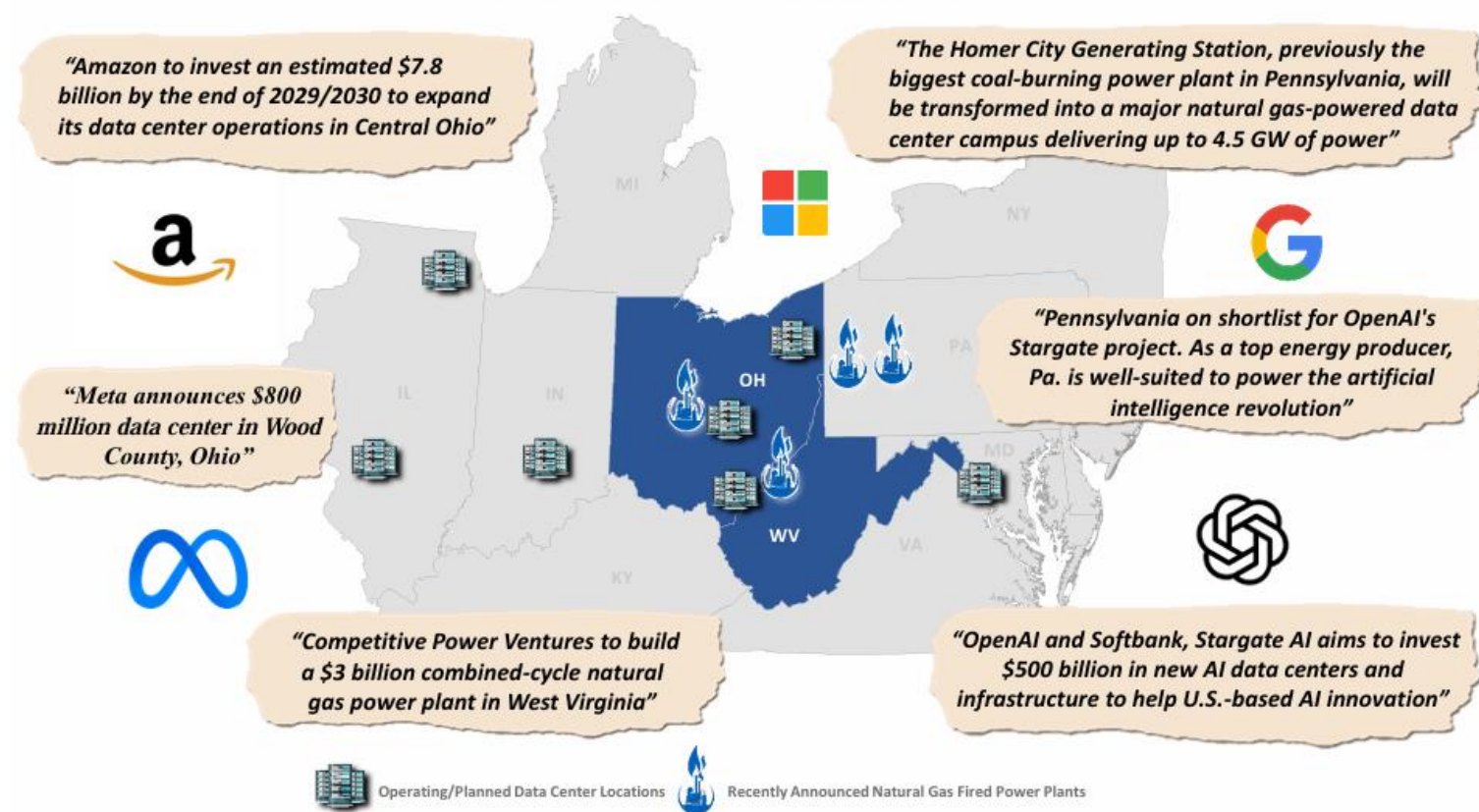
Company Profile

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 has a 50% equity interest in the joint venture to develop processing and fractionation assets with MarkWest Energy Partners, L.P., a wholly owned subsidiary of MPLX, LP. The joint venture was formed to develop processing and fractionation assets in Appalachia. MarkWest operates the joint venture assets, which consist of processing plants in West Virginia and a one-third interest in two MarkWest fractionators in Ohio.

Antero Midstream also has a 15% equity interest in a gathering system of Stonewall Gas Gathering LLC ("Stonewall"), which operates a 67-mile pipeline on which Antero Resources is an anchor shipper.

Power demand growth fueled by data center buildouts and new natural gas fired power plants

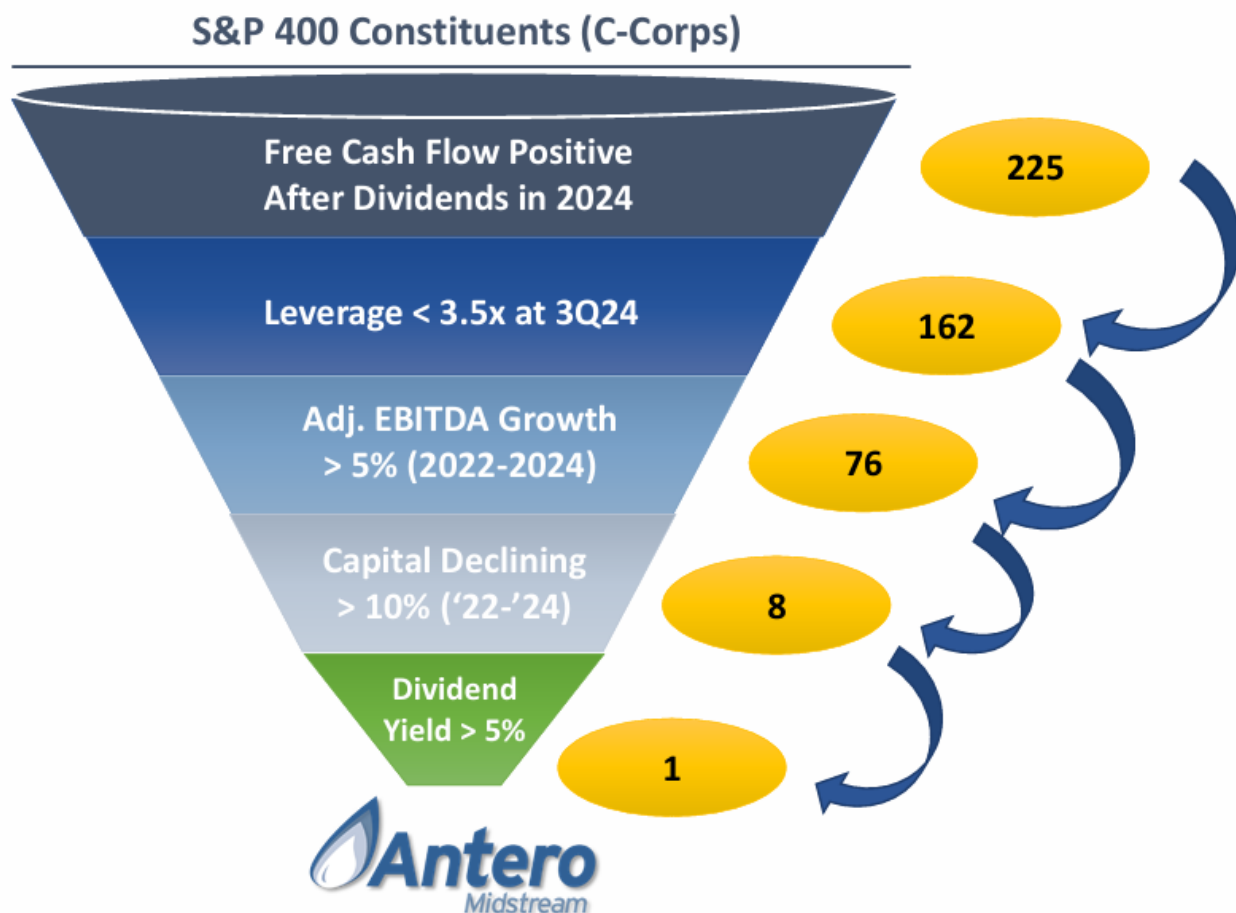


Operating Segments

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.

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.

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.



First Quarter 2025 Highlights

- Low pressure gathering and processing volumes increased by 1% and 3%, respectively, compared to the prior year quarter
- Net Income was \$121 million, or \$0.25 per diluted share, a 19% per share increase compared to the prior year quarter
- Adjusted Net Income was \$134 million, or \$0.28 per diluted share, a 17% per share increase compared to the prior year quarter (non-GAAP measure)
- Adjusted EBITDA was \$274 million, a 3% increase compared to the prior year quarter (non-GAAP measure)
- Capital expenditures were \$37 million, a 25% increase compared to the prior year quarter
- Free Cash Flow after dividends was \$79 million, a 7% increase compared to the prior year quarter (non-GAAP measure)
- Leverage was 2.95x as of March 31, 2025 (non-GAAP measure)
- Repurchased 1.7 million shares for \$29 million

1Q25 Financial Achievements

+3% Increase

In Adjusted EBITDA
Year-over-year

~2.95x Leverage

Net Debt/Adjusted EBITDA

\$29 MM

Shares repurchased

1Q25 Operational Achievements

1,650 MMcf/d

Company Record
Processing Volumes

160 MMcf/d

Compression capacity
added

>99%

Asset uptime availability

“Antero Midstream delivered another quarter of gathering volume growth and record processing volumes. In addition, we placed the Torrey’s Peak compressor station in service late in the first quarter, which was ahead of initial expectations of the second quarter in-service date. This station was the third station to relocate underutilized compressor units, resulting in over \$30 million of estimated capital savings. This additional capacity will support the further gathering volume growth anticipated throughout 2025,” – Paul Rady, Chairman and CEO

“Antero Midstream’s throughput growth, combined with lower debt and interest expense, resulted in double-digit earnings per share growth year-over-year. The first quarter also represented the eleventh consecutive quarter of generating Free Cash Flow after Dividends and the second consecutive quarter with Free Cash Flow after dividends exceeding \$75 million. This allowed us to enhance our return of capital to shareholders by reducing absolute debt, paying an attractive dividend, and repurchasing shares. Given our strong balance sheet, we will continue to be flexible in our return of capital program, particularly when we see market opportunities,” – Brendan Krueger, CFO

First Quarter 2025 Financial Results

- Low pressure gathering volumes for the first quarter of 2025 averaged 3,348 MMcf/d, a 1% increase compared to the prior year quarter. Compression volumes for the first quarter of 2025 averaged 3,330 MMcf/d, a 2% increase compared to the first quarter of 2024. High pressure gathering volumes averaged 3,106 MMcf/d, a 5% increase compared to the prior year quarter. Fresh water delivery volumes averaged 105 MBbl/d during the quarter, a 7% decrease compared to the first quarter of 2024.
- Gross processing volumes from the processing and fractionation joint venture (the “Joint Venture”) averaged 1,650 MMcf/d for the first quarter of 2025, a 3% increase compared to the prior year quarter. Joint Venture processing capacity was over 100% utilized during the quarter based on nameplate processing capacity of 1.6 Bcf/d. Gross Joint Venture fractionation volumes averaged 40 MBbl/d, in line with 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 March 31,		%
	2024	2025	Change
Average Daily Volumes:			
Low Pressure Gathering (MMcf/d)	3,301	3,348	1%
Compression (MMcf/d)	3,260	3,330	2%
High Pressure Gathering (MMcf/d)	2,966	3,106	5%
Fresh Water Delivery (MBbl/d)	113	105	(7)%
Gross Joint Venture Processing (MMcf/d)	1,602	1,650	3%
Gross Joint Venture Fractionation (MBbl/d)	40	40	*

* Not meaningful or applicable.

- For the three months ended March 31, 2025, revenues were \$291 million, comprised of \$229 million from the Gathering and Processing segment and \$62 million from the Water Handling segment, net of \$18 million of amortization of customer relationships. Water Handling revenues include \$29 million from wastewater handling and high rate water transfer services.
- Direct operating expenses for the Gathering and Processing and Water Handling segments were \$26 million and \$31 million, respectively, for a total of \$57 million. Water Handling operating expenses include \$26 million from wastewater handling and high rate water transfer services. General and administrative expenses excluding equity-based compensation were \$11 million during the first quarter of 2025. Total operating expenses during the first quarter of 2025 included \$12 million of equity-based compensation expense and \$33 million of depreciation expense.
- Net Income was \$121 million, or \$0.25 per diluted share, a 19% per share increase compared to the prior year quarter. Net Income adjusted for amortization of customer relationships, impairment of property and equipment, loss on early extinguishment of debt, and gain on asset sale, net of tax effects of reconciling items, or Adjusted Net Income, was \$134 million. Adjusted Net Income was \$0.28 per diluted share, a 17% per share increase compared to the prior year quarter.

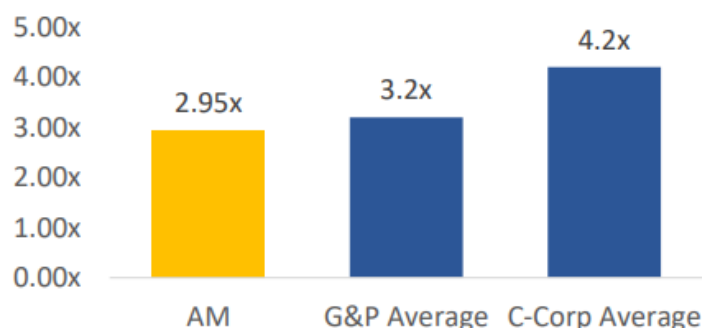
The following table reconciles Net Income to Adjusted Net Income (in thousands):

	Three Months Ended March 31,	
	2024	2025
Net Income	\$ 103,926	120,737
Amortization of customer relationships	17,668	17,668
Impairment of property and equipment	—	817
Loss on early extinguishment of debt.....	59	—
Other	—	(5)
Tax effect of reconciling items	(4,565)	(4,773)
Adjusted Net Income	\$ 117,088	134,444

Low Debt and Capital Efficient Business Model

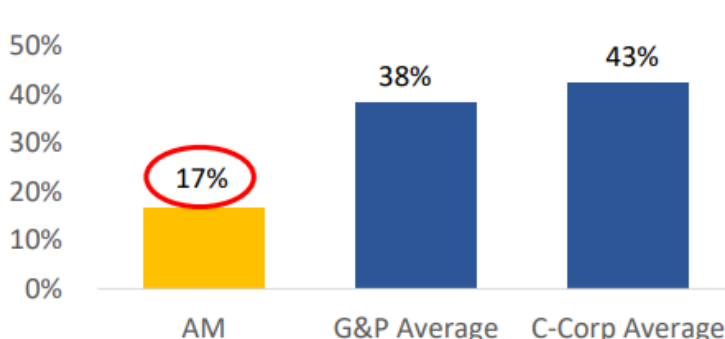
Leverage

(Net Debt / EBITDA as of 3/31/25)

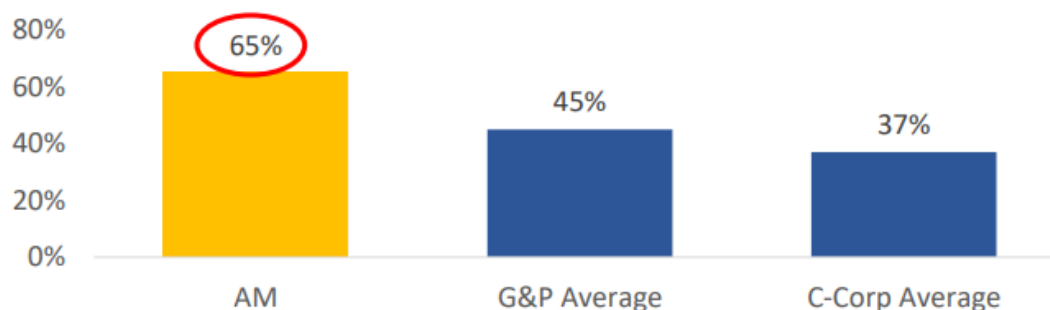


Reinvestment Rate - 2025

(Capital as a % of Consensus 2025 EBITDA)



Cash Available for Debt Reduction and Return of Capital (% of 2025 EBITDA)



- Adjusted EBITDA was \$274 million, a 3% increase compared to the prior year quarter. Interest expense was \$48 million, a 9% decrease compared to the prior year quarter, driven primarily by lower outstanding average total debt. Capital expenditures were \$37 million, a 25% increase compared to the first quarter of 2024, and current income taxes were \$2 million. Free Cash Flow before dividends was \$187 million, a 3% increase compared to the prior year quarter. Free Cash Flow after dividends was \$79 million, a 7% increase compared to the prior year quarter.

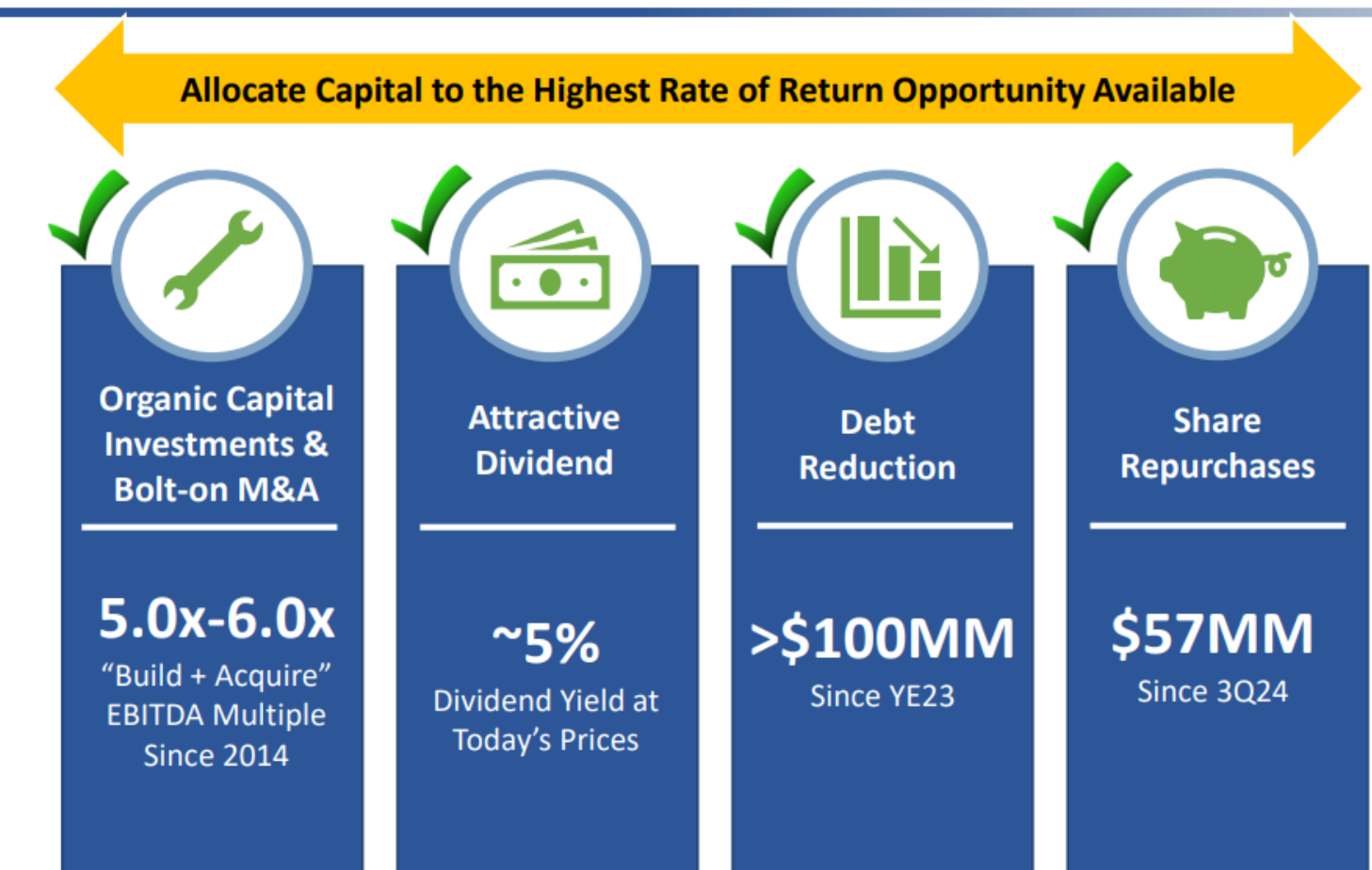
The following table reconciles Net Income to Adjusted EBITDA and Free Cash Flow before and after dividends (in thousands):

	Three Months Ended March 31,	
	2024	2025
Net Income	\$ 103,926	120,737
Interest expense, net	53,308	48,410
Income tax expense	36,488	36,096
Depreciation expense	37,095	32,748
Amortization of customer relationships	17,668	17,668
Impairment of property and equipment	—	817
Equity-based compensation	9,327	12,402
Equity in earnings of unconsolidated affiliates	(27,530)	(28,020)
Distributions from unconsolidated affiliates	34,960	33,375
Loss on early extinguishment of debt	59	—
Other operating expense, net	44	44
Adjusted EBITDA	\$ 265,345	274,277
Interest expense, net	(53,308)	(48,410)
Capital expenditures (accrual-based)	(29,772)	(37,288)
Current income tax expense	—	(1,680)
Free Cash Flow before dividends	\$ 182,265	186,899
Dividends declared (accrual-based)	(108,279)	(107,836)
Free Cash Flow after dividends	\$ 73,986	79,063

The following table reconciles net cash provided by operating activities to Free Cash Flow before and after dividends (in thousands):

	Three Months Ended March 31,	
	2024	2025
Net cash provided by operating activities	\$ 210,561	198,942
Amortization of deferred financing costs	(1,655)	(1,307)
Settlement of asset retirement obligations	164	210
Changes in working capital	2,967	26,342
Capital expenditures (accrual-based)	(29,772)	(37,288)
Free Cash Flow before dividends	\$ 182,265	186,899
Dividends declared (accrual-based)	(108,279)	(107,836)
Free Cash Flow after dividends	\$ 73,986	79,063

Well Positioned to Enhance Shareholder Returns



First Quarter 2025 Operating Update

- During the first quarter of 2025, Antero Midstream placed on line the Torrey's Peak compressor station. The compressor station has an initial compression capacity of 160 MMcf/d. The company also connected 26 wells to its gathering system and serviced 28 wells with its fresh water delivery system. The 28 wells serviced include 8 wells that commenced completion operations late during the quarter and will continue to be serviced by Antero Midstream's water system in the second quarter of 2025.

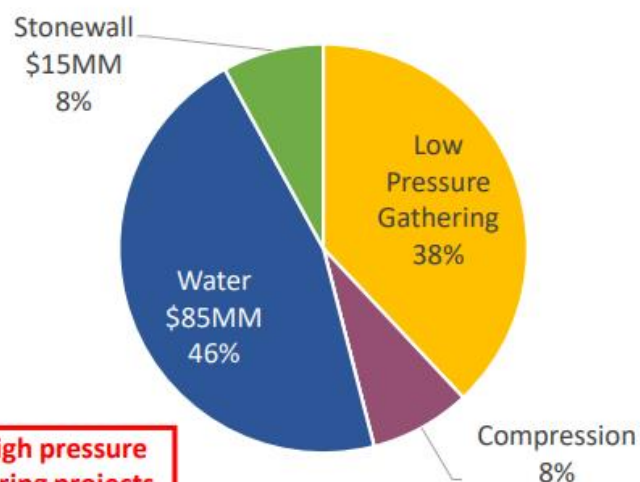
Capital Investments

- Capital expenditures were \$37 million during the first quarter of 2025. The Company invested \$23 million in gathering and compression, \$12 million in water infrastructure and \$2 million in the Stonewall Joint Venture.

2025 Guidance Highlights

2025 Capital Budget on Track

Capital Budget - \$170 to \$200 MM (\$MM)



No high pressure gathering projects in 2025

>90%

Of 2025 budget has pricing secured

Torrey's Peak Compressor Station (In Service)

Capacity: 160 MMcf/d
Compressor reuse savings: ~\$30MM



Antero Midstream Corporation

Company Profile

Net Income and Cash Flow Forecast

Antero Midstream Corp (AM)		Marcellus Bolt-On Acq s/b accretive to FCF in 2H 2024 < Closed 5/1/24													
Net Income and Cash Flow 2022 - 2026 (updated 5-12-2025)									289,930	282,180	282,450	1,150,000	1,180,000	< TipRanks' Revenue Forecasts (before the impact of row 12)	
All in \$Thousands except for per share data		Actual 2022	Actual 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual 2024	Actual Qtr1 2025	Forecast Qtr2 2025	Forecast Qtr3 2025	Forecast Qtr4 2025	Forecast 2025	Forecast 2026	
REVENUES:															
Gathering and compression		\$743,265	\$842,362	\$227,593	\$228,993	\$234,847	\$234,630	\$926,063	\$238,017	\$240,000	\$243,000	\$247,000	\$968,017	\$1,040,000	
Water hauling and treatment - Antero		244,770	268,667	68,455	58,056	52,294	70,053	248,858	70,275	70,000	75,000	80,000	295,275	300,000	
Water hauling and treatment - third party		2,622	1,414	671	414	397	462	1,944	505	500	550	600	2,155	2,500	
Amortization of customer relations		(70,672)	(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	0	
Total Revenues		919,985	1,041,771	279,051	269,795	269,870	287,477	1,106,193	291,129	292,832	300,882	309,932	1,194,775	1,271,828	
EXPENSES:															
Direct operating		180,254	213,165	53,918	56,409	51,724	55,925	217,976	56,830	57,443	58,932	60,606	233,810	248,363	< Rows 9 to 11 X 18.5%
G&A		42,471	39,462	11,894	9,620	10,927	9,313	41,754	10,622	10,500	10,500	11,000	42,622	47,000	
Equity based compensation		19,654	31,606	9,327	11,599	11,945	11,461	44,332	12,402	12,000	12,000	12,000	48,402	50,000	
Facility idling		4,166	2,459	522	412	405	382	1,721	443	350	350	350	1,493	1,200	
Impairment of property and equipment		3,702	146	0	0	332	0	332	817	0	0	0	817	0	
Depreciation		131,762	136,059	37,095	37,576	32,534	32,795	140,000	32,748	33,000	33,000	33,000	131,748	134,000	
Other operating expenses (non-cash)		222	177	44	47	49	49	189	44	50	50	50	194	200	
Loss on settlement of asset retirement obligation		539	805	0	0	0	0	0	0	0	0	0	0	0	
(Gain) Loss on sale of assets		(2,251)	6,030	0	1,379	(473)	(183)	723	0	0	0	0	0	0	
TOTAL EXPENSES		380,519	429,909	112,800	117,042	107,443	109,742	447,027	113,906	113,343	114,832	117,006	459,086	480,763	
OPERATING EARNING		539,466	611,862	166,251	152,753	162,427	177,735	659,166	177,223	179,490	186,050	192,926	735,689	791,066	
OTHER INCOME (EXPENSES)															
Equity in earnings of unconsolidated affiliate		94,218	105,456	27,530	27,597	27,668	27,778	110,573	28,020	28,000	28,000	28,000	112,020	114,000	
Interest expense - cash portion		(184,232)	(211,266)	(51,653)	(50,691)	(50,241)	(48,438)	(201,023)	(47,103)	(46,500)	(46,000)	(45,500)	(185,103)	(180,000)	< FCF will be used to pay down debt and buyback stock started in Q4 2024
Loss on early extinguishment of debt		0	0	(59)	(13,691)	(341)	0	(14,091)	0	0	0	0	0	0	
Amortization of deferred financing costs		(5,716)	(5,979)	(1,655)	(1,495)	(1,571)	(1,283)	(6,004)	(1,307)	(1,307)	(1,307)	(1,307)	(5,228)	(5,000)	
NET INCOME		443,736	500,073	140,414	114,473	137,942	155,792	548,621	156,833	159,683	166,743	174,119	657,378	720,066	
Income taxes - Current		0	(6,377)	0	0	0	0	0	1,680	1,597	1,667	1,741	6,685	7,201	< 01%
Income taxes - Deferred		117,494	134,664	36,488	28,436	38,202	44,603	147,729	34,416	35,929	37,517	39,177	147,039	162,015	< 22.5% tax rate
NET INCOME - Ltd Partners' Share		326,242	371,786	103,926	86,037	99,740	111,189	400,892	120,737	122,157	127,559	133,201	503,654	550,850	AM EBITDA Guidance for 2025 is \$1.08 to \$1.12 billion (Feb., 12)
Common Stock outstanding		478,467	479,713	479,422	479,422	479,422	479,422	479,422	479,263	479,000	478,500	478,000	478,691	477,000	< Q1 2025 is shares outstanding at 3-31-2025
Earnings per share		\$0.68	\$0.78	\$0.22	\$0.18	\$0.21	\$0.23	\$0.84	\$0.25	\$0.26	\$0.27	\$0.28	\$1.05	\$1.15	Stock buyback program started in Q4 2024
									\$0.25	\$0.25	\$0.24	\$0.25	\$0.99	\$1.03	< TipRanks' EPS estimates
Cash flow from operations (\$millions)		\$694,540	\$783,045	\$213,528	\$204,051	\$206,123	\$225,554	\$849,256	\$225,284	\$222,111	\$229,101	\$236,403	\$912,898	\$950,737	< CapEx Budget for 2025 = \$170 to \$200 MM as of 2/12/2025
Cashflow per share (before CapEx)		\$1.45	\$1.63	\$0.45	\$0.43	\$0.43	\$0.47	\$1.77	\$0.47	\$0.46	\$0.48	\$0.49	\$1.91	\$1.99	< Fair Value estimated at 9.5 X Annualized CFPS = \$18.00
Dividends>>>		\$0.900	\$0.900	\$ 0.2250	\$ 0.2250	\$ 0.2250	\$ 0.2250	\$ 0.9000	\$ 0.2250	\$ 0.2250	\$ 0.2250	\$ 0.2250	\$ 0.9000	\$ 1.00	< Estimated distributions to Unit Holders
															TipRanks' PT > \$ 16.33
															Wells Fargo 5/5/2025 \$ 17.00
															JP Morgan 3/17/2025 \$ 16.00
															Morgan Stan 3/4/2025 \$ 16.00

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