

SM|ENERGY

2024 Stephens Annual
Investment Conference

November 21, 2024

NYSE: SM

WEB: sm-energy.com

Disclaimers

Forward-looking Statements

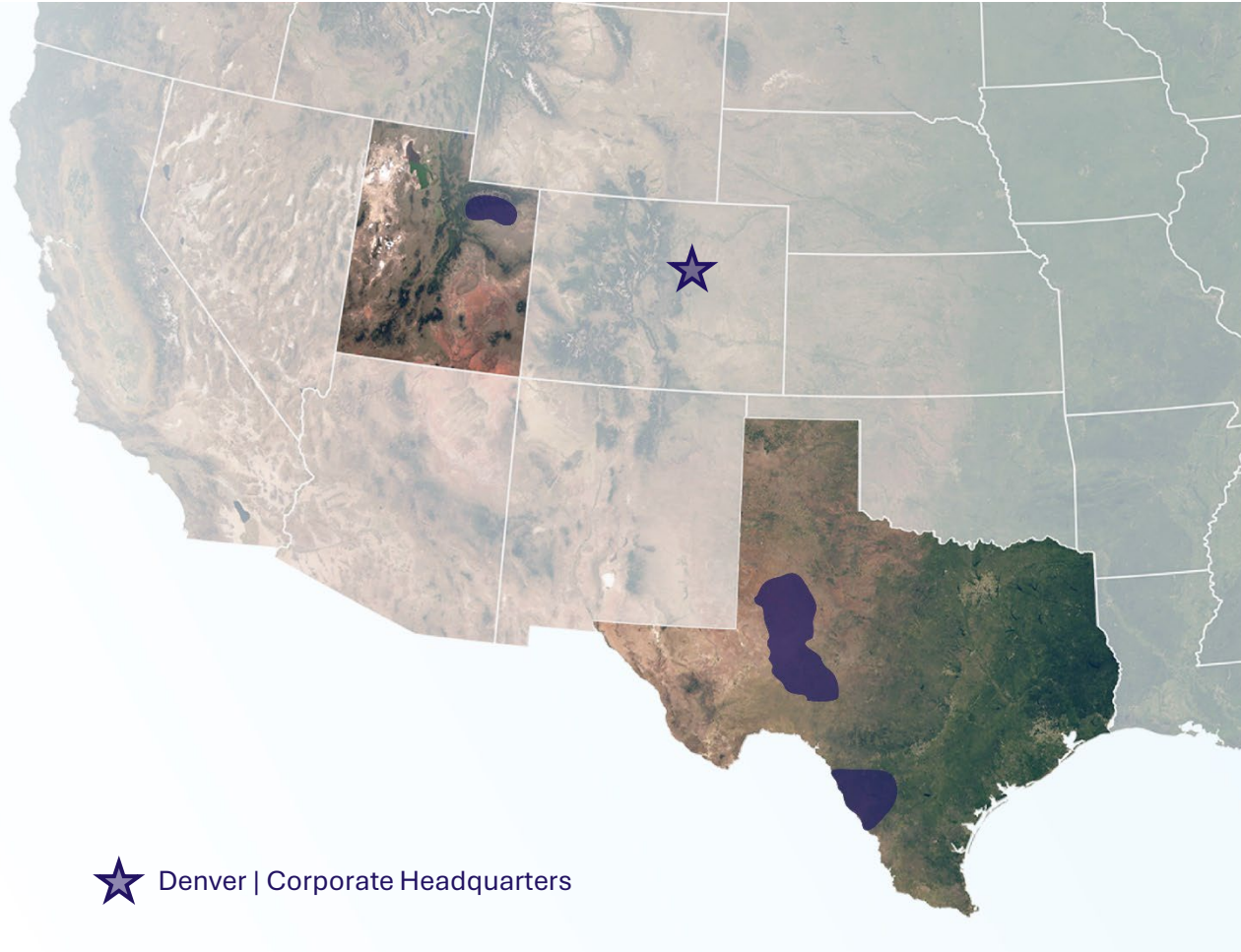
This presentation contains forward-looking statements within the meaning of securities laws. The words “believes,” “demonstrate,” “estimate,” “expect,” “intends,” “plan,” “preliminary,” “target,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this release include, among other things: certain projections for the full year and fourth quarter 2024 regarding the Company’s 2024 strategic objectives including operational execution, delivering low break-even high return wells, returning capital to stockholders and reducing debt, and maintaining and expanding portfolio quality and depth; prospective Uinta Basin and Woodford-Barnett development potential and inventory projections; full year and fourth quarter 2024 guidance for capital expenditures, net production, oil percentage, operating costs, G&A, and cash taxes; the number of wells we plan to drill and complete and the associated activity in each of our operating areas; percentage of expected future net production that is hedged; and plan to process ethane for 2024. These statements involve known and unknown risks, which may cause SM Energy's actual results to differ materially from results expressed or implied by the forward-looking statements. Future results may be impacted by the risks discussed in the Risk Factors section of SM Energy's most recent Annual Report on Form 10-K and Exhibit 99.2 to our Current Report on Form 8-K filed on July 18, 2024, and such risk factors may be updated from time to time in the Company's other periodic reports filed with the Securities and Exchange Commission. The forward-looking statements contained herein speak as of the date of this release. Although SM Energy may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so, except as required by securities laws.

Non-GAAP Financial Measures and Metrics

This presentation references non-GAAP financial measures and metrics. Please see the “Non-GAAP Reconciliations and Disclosures” section of the Appendix, which includes definitions of non-GAAP measures and metrics used in this presentation and reconciliations of non-GAAP measures to the most directly comparable GAAP measure.

SM Energy Is...

» A Premier Operator of Top-Tier Assets



★ Denver | Corporate Headquarters

A Premier Operator

Capital Efficiency

Owner of Top-Tier Assets

High-Quality Inventory with Long Runway

A Leader

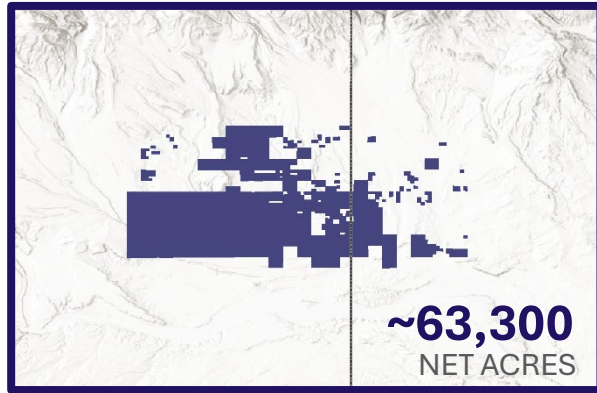
Sustainability and Stewardship



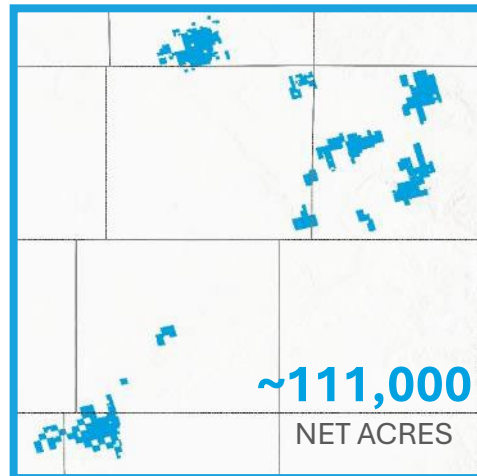
Top-Tier Assets

» Austin Chalk | Midland Basin | Uinta Basin

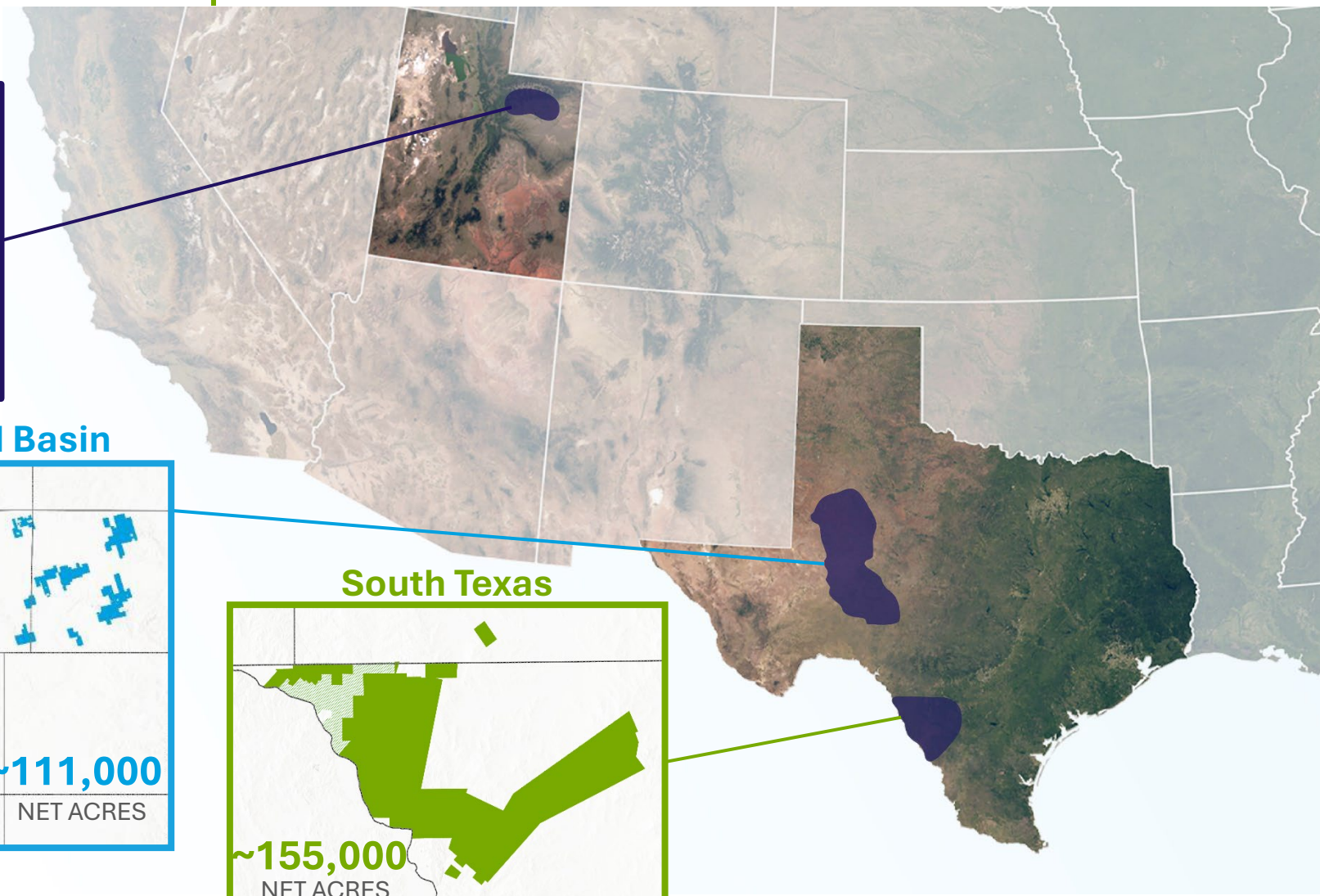
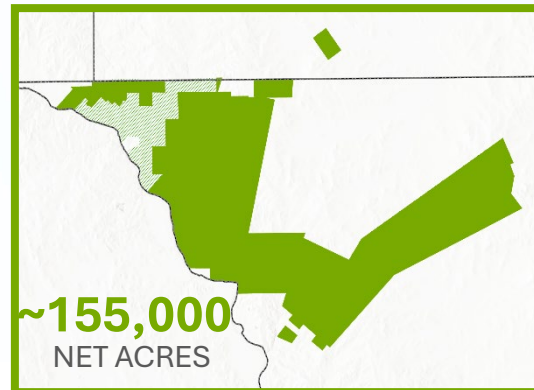
Uinta Basin



Midland Basin



South Texas



Note | Midland Basin and South Texas are as of September 30, 2024.
Uinta Basin is as of October 1, 2024, upon closing of the Uinta Basin Acquisitions.

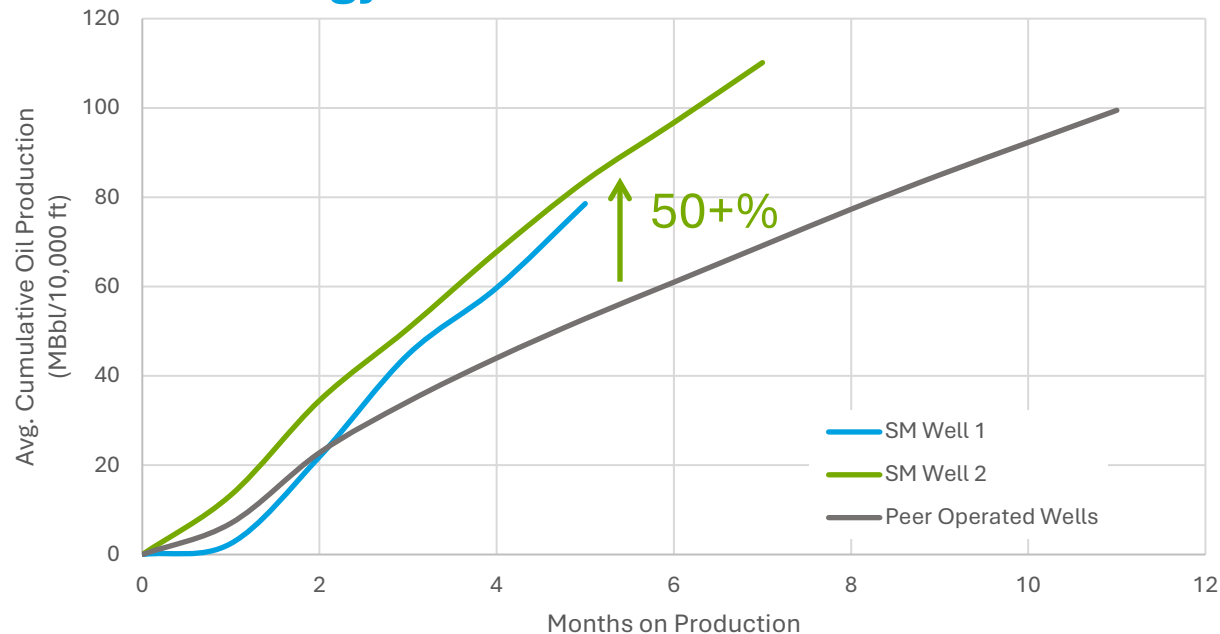
Operational Excellence: Midland Basin

» Inventory Upside in Greater Sweetie Peck

“What are the most significant asset- and basin-level trends for North American E&Ps?... (SM Energy’s) recent Woodford well within its Sweetie Peck region... could signal additional upside in the... Midland Basin....”(1)

Enverus

SM Energy Woodford-Barnett Wells v. Peers(2)



20,000+ net acres
at Sweetie Peck prospective for
Woodford-Barnett development

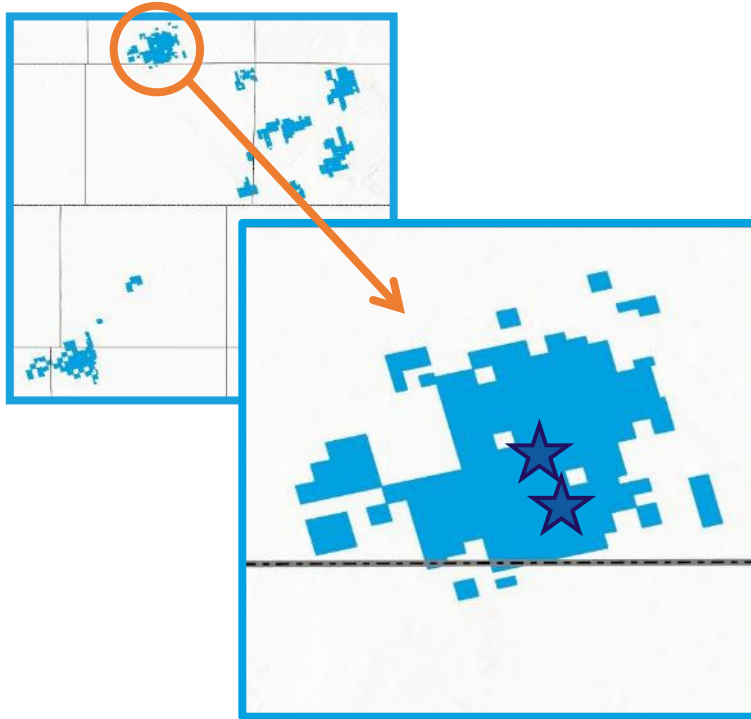
(1) Enverus Intelligence Research | SuperTracker 2Q24 | New Zones, New Assets and New Drilling Techniques | July 24, 2024.

(2) Enverus data as of October 14, 2024. | Horizontal Woodford and Barnett wells completed in Crane, Ector, Upton and Midland counties, January 1, 2015, through September 1, 2024. | Average of eight wells from two large-cap peers.

Operational Excellence: Midland Basin

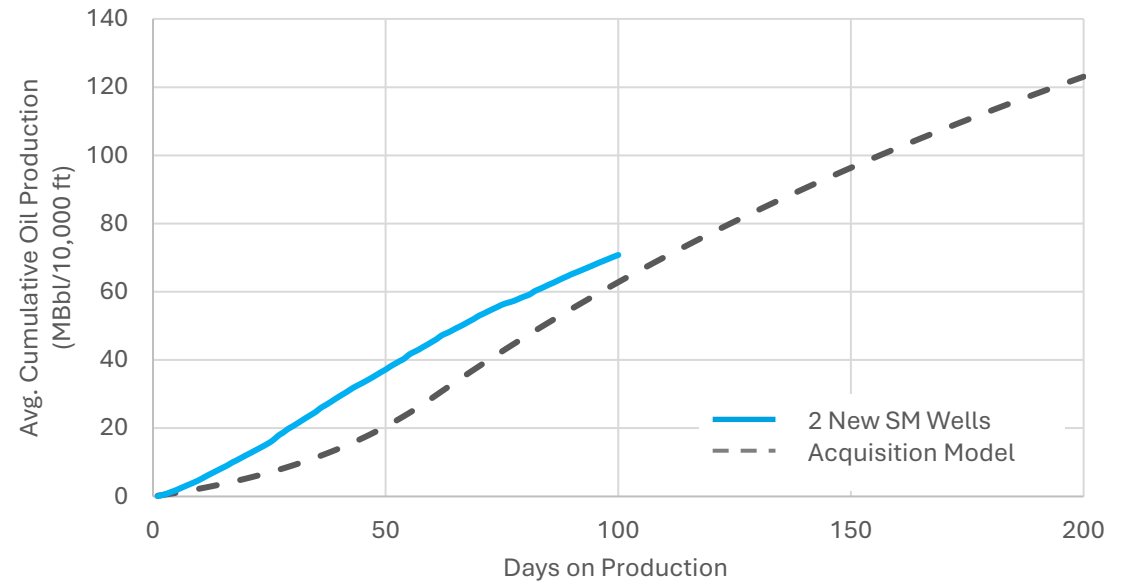
» Klondike Wells Reached IP30 | Outperforming the Acquisition Model

New Wells that Reached IP30



- Two Dean wells
- 918 Avg. Boe/d per well
- 93% Oil
- 11,510' Avg. Lateral Length

New Wells Outperform Acquisition Model

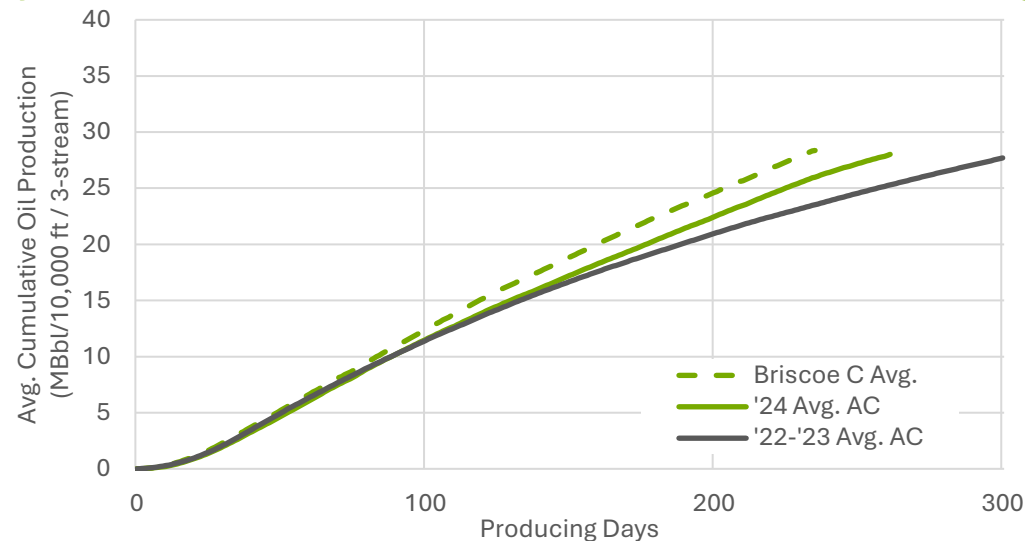


Operational Excellence: Austin Chalk

» Fully-Bounded Tests Continue to Outperform | Prolific New Wells Online in 3Q

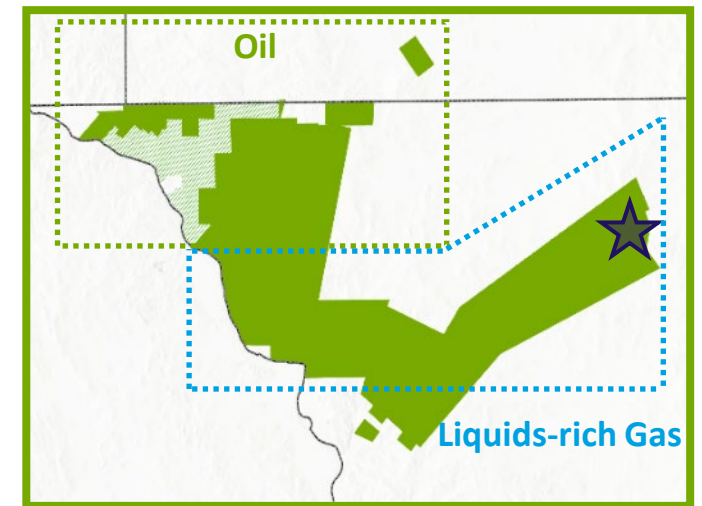
“SM’s Austin Chalk downspacing continues to exceed our expectations, providing rationale to shift our spacing assumption from six to eight wells per section... in the West Condensate subplay. This organic resource expansion increases SM's location count by 53 locations, or one year.”⁽¹⁾ [Enverus](#)

Fully-Bounded AC Tests Perform Well v. SM AC Averages



- Briscoe C⁽²⁾ | 7 fully-bounded AC wells
- Wells paid out in ~6 months
- High-intensity completion designs

New Wells that Reached IP30



- 2 Austin Chalk wells
- 2,317 Avg. Boe/d per well
- 22% Oil | 63% Liquids
- 8,142' Avg. Lateral Length

(1) Enverus Intelligence Research | West Austin Chalk – Dialing in Designs | November 7, 2024.

(2) Briscoe C wells reached peak IP30 in April 2024 and were originally reported in the Company's 1Q24 Earnings Presentation.

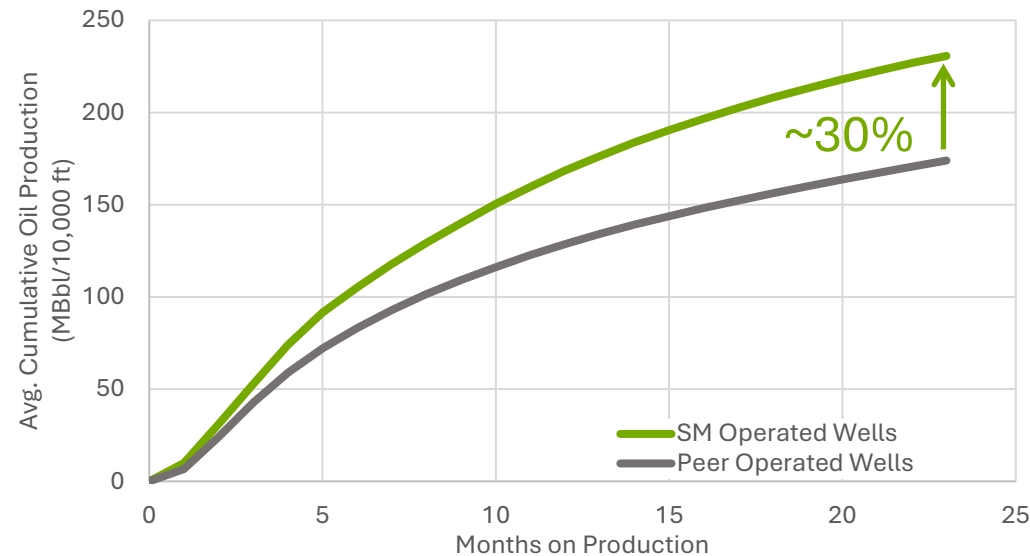
Operational Excellence

» Significant Oil Production Outperformance Compared to Regional Peers

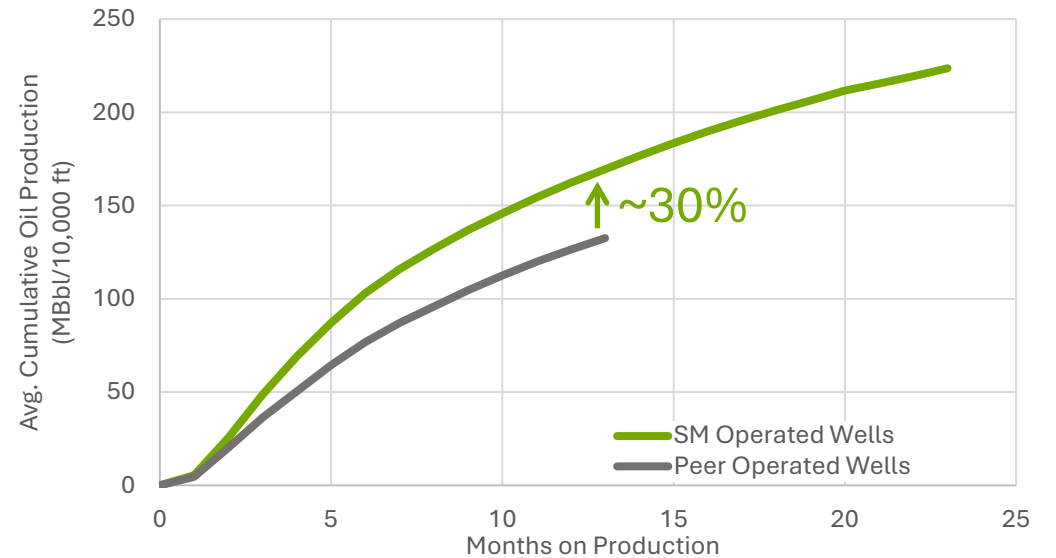
“... SM is... focused on being the most technically proficient operator. SM utilizes larger fracs and wider spacing than most peers, with a focus on optimizing the value of each completion.”⁽¹⁾

J.P.Morgan

SM Energy Wells v. Howard County Peers⁽²⁾



SM Energy Wells v. Austin Chalk Peers⁽³⁾



(1) J.P.Morgan | Zach Parham | Inside the Corner Suite: Key Takeaways from Roadshow with CEO Herb Vogel | March 26, 2024.

(2) Enverus data as of October 14, 2024. | Horizontal wells completed in Howard County, January 1, 2021 through September 1, 2024. | Peers include APA, Bayswater, Birch Operations, CVX, FANG, HighPeak Energy, HOG Resources, Murchison Oil & Gas, OVV, OXY, Paladin Petroleum, Scout Energy Partners, SGY, Spirit O&G Operating, SOGC, VTLE and XOM.

(3) Enverus data as of October 8, 2024. | Oil production in the West Condensate area of the Austin Chalk. | Horizontal wells completed January 2018 through May 2024. | Peers include CRGY, Endeavor Natural Gas, and Grit Oil & Gas.

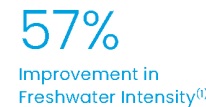
Operational Excellence

» SM Energy | A Leader in Stewardship

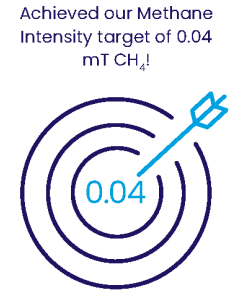
2024 Sustainability Reports and Data Published October 21, 2024

- 2024 Letter from Our CEO to Stakeholders
- 2024 Performance Highlights and Quick Reference Metrics
- 2024 Corporate Sustainability Report
- 2024 Sustainability Accounting Standards Board Report
- 2024 Task Force on Climate-Related Financial Disclosures Framework

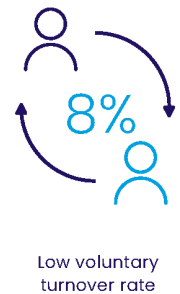
2023 Results



Well on our way to our goal of
50% → 2030
Reduction



United Way  2023 Recipient of the Mile High United Way Social Impact Award



(1) Improvement noted is 2023 compared to base-year 2019.
(2) Improvement noted is 2023 compared to 2022.

Sustainable Return of Capital Program

» Sustainable Fixed Dividend | 10.1 Million Shares Repurchased⁽¹⁾



Dividend **Increased** from \$0.01 to

\$0.20

per share⁽²⁾



Cumulative Capital
Returned to Stockholders⁽¹⁾

\$521.3 million



Stock Repurchase Authorization⁽²⁾

\$500 million

through 2027



% FCF⁽³⁾ Returned to
Stockholders⁽¹⁾

~50%

- (1) Cumulative program-to-date as of September 30, 2024. The return of capital program was announced on September 7, 2022, and all repurchased shares of common stock were retired. Total capital returned to stockholders includes \$369.1 million of shares repurchased and \$152.2 million in dividends paid. Amounts spent to repurchase shares of stock exclude excise taxes, commissions, and fees.
- (2) At the time of the return of capital program announcement on September 7, 2022, the fixed quarterly dividend was increased from \$0.01 to \$0.15 per share and was subsequently increased to \$0.18 per share in 2023. In June 2024, the Board approved an increase in SM Energy's fixed quarterly dividend policy to \$0.20 per share, which commenced in the 4th quarter of 2024, reloaded the existing stock repurchase program, and extended the program through December 31, 2027.
- (3) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.

Empowered by a Strong Balance Sheet

» Low Leverage and Balance Sheet Flexibility

Debt Maturities (millions) as of September 30, 2024:



As of September 30, 2024:

LIQUIDITY » **\$3.0 billion**
 CASH BALANCE » **\$1.7 billion**
 NET DEBT⁽¹⁾⁽²⁾ » **\$1.0 billion**

Debt Maturities (millions) as of October 1, 2024:



As of October 1, 2024:

LIQUIDITY » **\$1.8 billion**
 CASH BALANCE » **\$22 million**
 NET DEBT⁽¹⁾⁽²⁾ » **\$2.9 billion**

- (1) Indicates a non-GAAP measure or metric. Please refer to the "Non-GAAP Reconciliations and Disclosures" section in the Appendix.
- (2) Net debt is after return of capital paid to stockholders and cash paid for acquisitions.
- (3) On October 11, 2024, the semi-annual redetermination was completed and increased the borrowing base to \$3.0 billion.

Hedging Summary

» Oil Volumes Hedged Increased in Conjunction with Uinta Basin Acquisitions

2024 Hedge Program

SWAPS AND COLLARS:

- Oil: ~3,820 MBbls,⁽¹⁾ or ~40+% of expected 4Q net oil production⁽²⁾ is hedged to benchmark prices at an average price of \$72.08/Bbl (weighted-average of collar floors and swaps) to \$78.27/Bbl (weighted-average of collar ceilings and swaps), excluding basis swaps.
- Natural Gas: ~8,900 BBtu⁽³⁾, or ~20% of expected 4Q net natural gas production⁽²⁾ is hedged to benchmark prices at an average price of \$3.32/MMBtu (weighted-average of collar floors and swaps, excluding basis swaps).

BASIS SWAPS:

- Oil, Midland Basin differential: 1,230 MBbls of expected 4Q net Midland Basin oil production⁽²⁾ are hedged to the local price point at a positive weighted-average price of \$1.21/Bbl.
- Gas, WAHA differential: 5,240 BBtu of expected 4Q net Midland Basin natural gas production⁽²⁾ are hedged to WAHA at a weighted-average price of \$(0.73)/MMBtu.
- Gas, HSC differential: 5,750 BBtu of expected 4Q net South Texas natural gas production⁽²⁾ are hedged to HSC at a weighted-average price of \$(0.38)/MMBtu.

Note: Includes derivative contracts for settlement at any time during the fourth quarter of 2024, entered into through October 25, 2024.

(1) Hedges include oil swaps and collars to WTI; excludes basis swaps and roll differential hedges.

(2) Percent of net production hedged based on net production and oil percentage guidance.

(3) Hedges include natural gas swaps and collars to Henry Hub; excludes basis swaps. Percent hedged based on dry gas volumes.

(4) Includes net NGL production volumes and derivative contracts for components of the barrel hedged. See detail tables in the appendix for additional information.



Expanded Top-Tier Portfolio

» Uinta Basin

“...we believe SM stands out as retaining multiple resource catalysts – at a time when that’s largely nonexistent in E&P – that can shape a more capital efficient ’25 v what’s appreciated.”⁽¹⁾

TD Cowen



SM
ENERGY

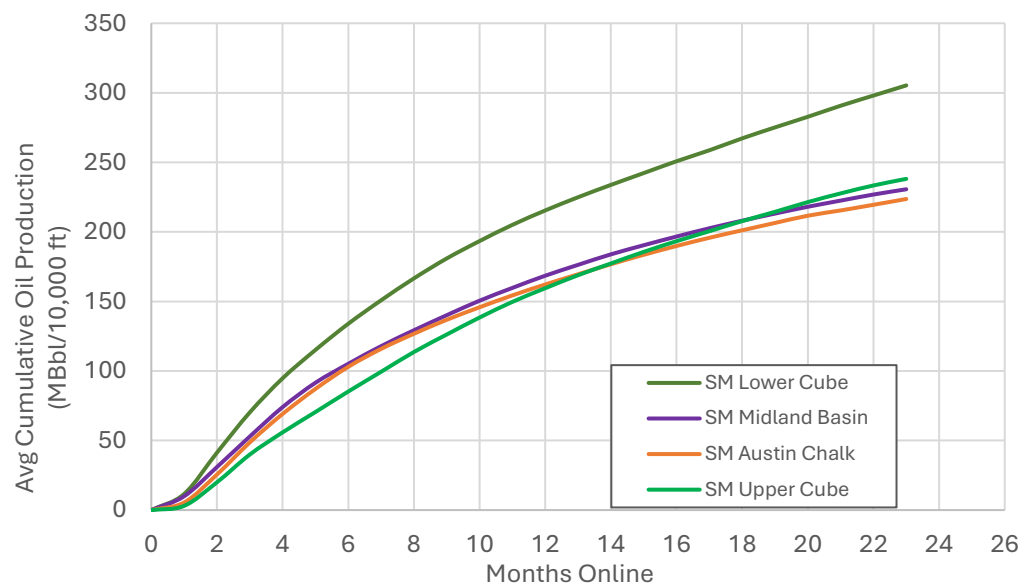
(1) TD Cowen | Gabe Daoud, Jr. | SM - Upgrading to Buy; Uinta & Klondike Can Drive Upside to 2025 | October 15, 2024.

Expanded Top-Tier Portfolio

» Uinta Basin Returns | Competitive with the Best

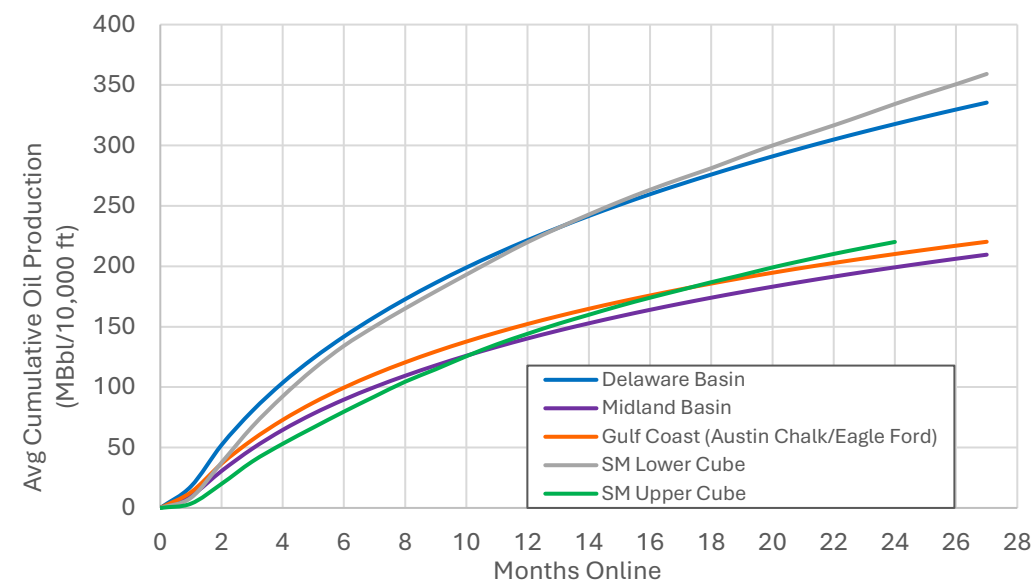
“SM has a long track record of operational excellence and this should lead to further enhancements moving forward. Given the depth of the inventory and contiguous acreage, we expect... to continue to improve well results.”⁽¹⁾ **RBC**

Compared to SM Energy⁽²⁾



Uinta Upper & Lower Cubes oil production competitive with SM Energy's Midland & Austin Chalk

Compared to Industry in Other Basins⁽³⁾



Uinta Upper & Lower Cubes oil production competitive with Midland, Delaware & Austin Chalk/Eagle Ford industry averages

(1) RBC Capital Markets | Scott Hanold | SM US - Proof Will Be in the Pudding | November 6, 2024.

(2) SM Lower Cube and SM Upper Cube curves: Enverus data as of October 23, 2024. Wells post 2019. SM Midland Basin curve: Enverus data as of October 14, 2024. | Horizontal wells completed in Howard County, January 1, 2021, through September 1, 2024. | Peers include APA, Bayswater, Birch Operations, CVX, FANG, HighPeak Energy, HOG Resources, Murchison Oil & Gas, OVV, OXY, Paladin Petroleum, Scout Energy Partners, SGY, Spirit O&G Operating, SOGC, VTLE and XOM. Enverus data as of October 8, 2024. | Oil production in the West Condensate area of the Austin Chalk. | Horizontal wells completed January 2018 through May 2024. | Peers include CRGY, Endeavor Natural Gas and Grit Oil & Gas.

(3) Enverus data as of October 23, 2024. | Horizontal wells completed post 2010 for XCL Lower Cube and XCL Upper Cube wells, and for the Midland, Delaware and Western Gulf of Mexico Basins.

Operational Excellence: Uinta Basin

» 3 Douglas Creek Wells Reached IP30 | 94% Oil!

“...we believe there are sufficient data points to acknowledge that the Uinta is a prolific, stacked-pay oil play.... We come away impressed by the overall rock quality in the Uinta....”⁽¹⁾ **KeyBanc**

New Upper Cube Wells
that Reached IP30



New Upper Cube Wells
that Reached IP30

- 3 Douglas Creek wells
- 870 Avg. Boe/d per well
- 94% Oil
- 10,316'+ Avg. Laterals

Uinta Basin Operations

» SM Energy 3 Active Rigs at Sunrise



Appendix



Empowered by a Strong Balance Sheet

» Senior Notes Detail

	Principal Amount Outstanding	Coupon	Initial Call Date	Current Call Price	Maturity Date
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	\$419	6.750%	9/2021	100.000%	9/2026
2027	\$417	6.625%	1/2022	101.656%	1/2027
2028	\$400	6.500%	7/2024	103.250%	7/2028
2029	\$750	6.750%	8/2026	N/A	8/2029
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	\$750	7.000%	8/2027	N/A	8/2032

Credit rating agency senior unsecured debt ratings

S&P: **BB-** Outlook: Stable

Fitch⁽¹⁾: **BB** Outlook: Stable

Moody's: **B1** Outlook: Stable

Note: Data as of 9/30/2024.

1) Effective October 28, 2024, the Company received an upgraded rating and outlook from Fitch Ratings.

Leasehold Summary

» Growing Core Acreage Position with Uinta Basin Acquisitions

Net Acres ⁽¹⁾	At October 1, 2024
Midland Basin	
RockStar	83,500
Sweetie Peck ⁽²⁾	27,100
Midland Basin total	110,600
South Texas	154,800
Uinta Basin	63,300
Rocky Mountain Other	10,600
Other Areas / Exploration	25,000
Total	364,300

~111,000
MIDLAND BASIN NET ACRES

~155,000
SOUTH TEXAS NET ACRES

~63,300
UINTA BASIN NET ACRES⁽¹⁾

(1) Includes developed and undeveloped oil and natural gas leasehold, fee properties, and mineral servitudes held as of October 1, 2024.

(2) Sweetie Peck acreage includes ~1,050 net drill-to-earn acreage.

Activity by Region

» Wells Drilled, Flowing Completions & DUC Count

	Wells Drilled				Flowing Completions				DUC Count	
	3Q24		2024 YTD		3Q24		2024 YTD		As of September 30, 2024	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Midland Basin										
RockStar	15	11	46	38	15	13	44	35	27	22
Sweetie Peck	17	10	29	21	2	2	21	17	22	14
Midland Basin total	32	21	75	59	17	15	65	52	49	36
South Texas⁽¹⁾										
Austin Chalk	14	14	35	35	19	19	43	43	19	19
Eagle Ford & Other	2	2	3	3	1	1	3	3	10	10
South Texas total	16	16	38	38	20	20	46	46	29	29
Total	48	37	113	97	37	35	111	98	78	65

(1) The drilled but not completed well count includes 9 gross (9 net) wells that were not included in the Company's five-year development plan as of December 31, 2023, 8 of which were in the Eagle Ford shale.

Uinta Basin: Marketing

» High-Value Products Realize Price Premiums

CRUDE OIL

- Majority of crude is transported by BNSF and Union Pacific on rail to multiple destinations (Gulf Coast, Cushing & Rockies) with some barrels trucked to Salt Lake City refineries – oil moved in insulated trucks and rail cars
- Price premium in certain markets. Waxy crude is high-quality oil with low sulphur, low metals and low nitrogen content.
- Ability to increase capacity (combination of SLC refinery and rail terminal)

NATURAL GAS

- Pipeline expansion:
 - Mountain West completed July 2024: +80 MMcf/d
 - KinderMorgan expected in service mid-2025: +150 MMcf/d
- Associated gas is rich and is processed for NGL extraction which adds value at local processing plants
- Residue gas sometimes receives a premium to Henry Hub

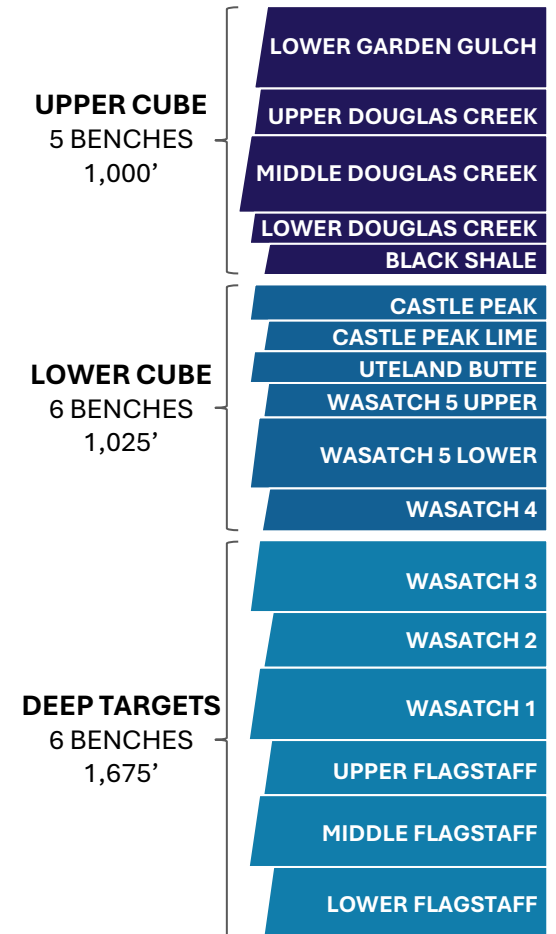
Expanded Takeaway Capacity - Supports Growth



Significant Resource Upside Driven By SM Energy Technical Expertise

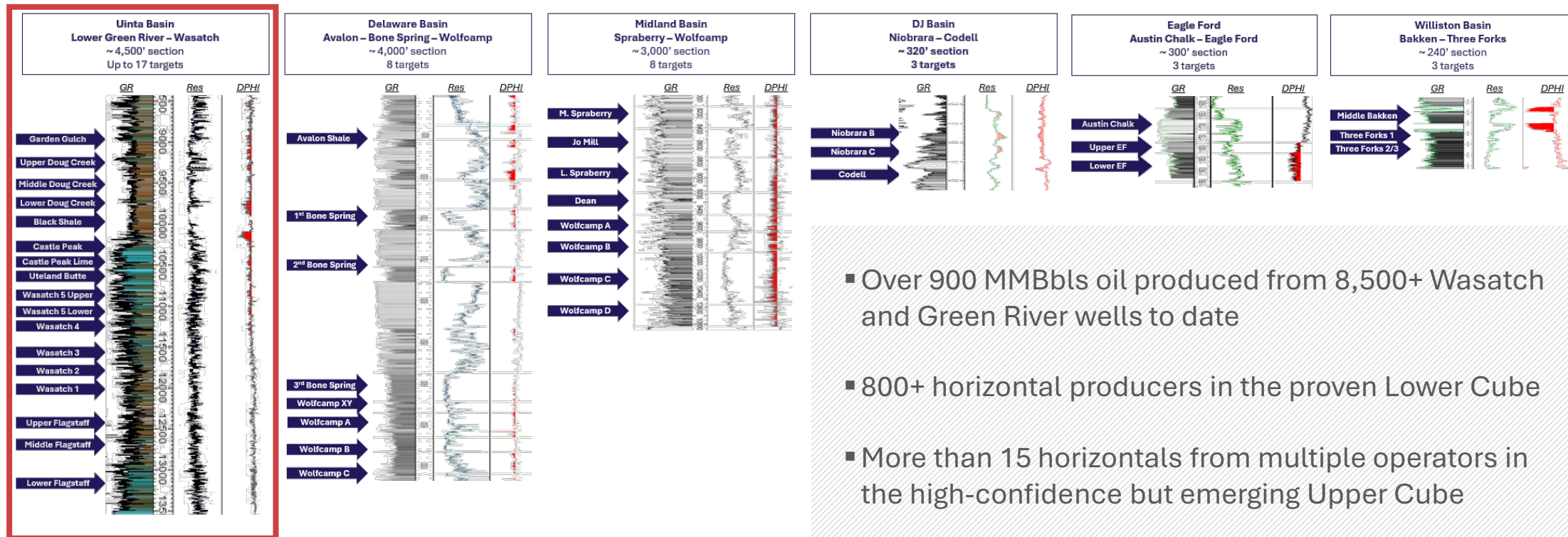
» Track Record in Full Stack Co-Development to Optimize Value

- Core-of-the-core in Uinta with **stacked pay potential with leading productivity and oil content**
- **Nearly ~4,000' of stacked pay** | over-pressured source rocks
- **SM Energy's track record** in Howard County and Maverick Basin delivers peer leading results **via optimized co-development**; we expect to repeat that **to drive differential value to XCL assets**
- As a premier operator of top-tier assets, we are **well positioned to optimize drilling, completions, and development spacing** in the proven Lower Cube
- **SM Energy applied Lower Cube learnings to see the full potential** of tremendous, delineated, oily resource-in-place in the Upper Cube
- Produced oil from Upper and Lower Cubes verify **development independence**
- **SM Energy is poised to de-risk unquantified horizontal potential** in deeper targets demonstrated by historical vertical production with test wells in progress



Significant Resource Upside Driven By SM Energy Technical Expertise

» Stacked Pay Potential Proven and Emerging across as many as 17 Benches

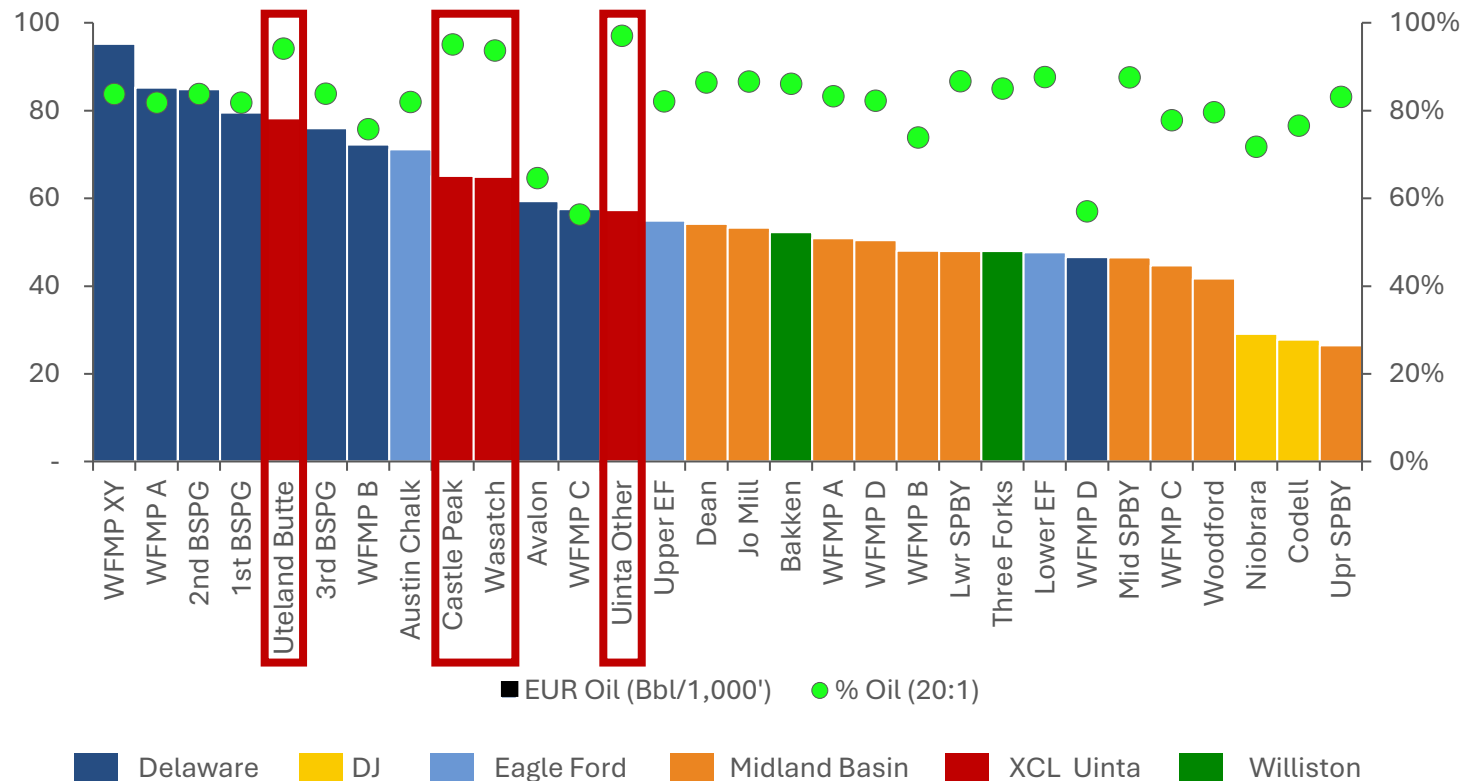


- Over 900 MMBbls oil produced from 8,500+ Wasatch and Green River wells to date
- 800+ horizontal producers in the proven Lower Cube
- More than 15 horizontals from multiple operators in the high-confidence but emerging Upper Cube
- Significant opportunity from deeper intervals proven vertically with horizontal results forthcoming

Significant Resource Upside Driven By SM Energy Technical Expertise

» Leading Productivity with Oil Content

Oil EUR per 1,000' by Play with Oil %⁽¹⁾



- Undeveloped inventory competes favorably with high profile plays like Delaware and Midland Basins
- Well productivity, oil content and capital efficiency are among the leading US shale plays
- XCL Uinta ~\$800/lateral foot DC&E capital costs similar to SM Midland and South Texas and competitive with ~\$1,000/lateral foot in Permian Delaware



(1) Based on Enverus data as of 6/20/24. Oil percentage is at wellhead and is calculated with a 20:1 conversion factor from Mcf to Boe; Enverus data for horizontal wells completed post 2016 (excludes wet and dry gas sub-plays in Eagle Ford).

Excellent Operational Execution

» Meeting or Exceeding 2024 Core Objectives

2024 Core Objectives

1

Maintain and **expand portfolio** quality and depth, applying advanced analytics and technical innovation.



- Uinta Acquisitions increased acreage ~63,300 net acres
- Company acreage ↑ ~40% over last 12 – 18 months
- Uinta Basin extends Company inventory life by ~3+ years

2

Focus on operational execution to deliver low-breakeven, high-return wells, while employing **new technologies** and maintaining **ESG leadership**.



- 170.0 MBoe/d, at 46% oil
- Production exceeds midpoint of guidance by 5 MBoe/d
- Outperformance in Midland Basin and South Texas

3

Return capital to stockholders through share repurchases, fixed dividends and transferring value to stockholders through debt reduction.



- \$21 MM dividends paid in 3Q
- Declared 4Q dividend at increased quarterly rate of \$0.20/share,⁽¹⁾ to be paid November 4, 2024
- Redeemed \$349MM of outstanding 2025 Senior Notes⁽²⁾

Note | Amounts shown for core objective 1 are as of October 1, 2024, upon closing of the Uinta Basin Acquisitions. All other amounts shown are for the three months ended September 30, 2024.

(1) In June 2024, the Board approved an increase to SM Energy's fixed quarterly dividend policy, reloaded the existing stock repurchase program to \$500 million, and extended the stock repurchase program through December 31, 2027.

(2) On August 26, 2024, SM Energy redeemed the \$349.1 million of aggregate principal amount outstanding on the 5.625% Senior Notes due June 1, 2025, at a redemption price equal to 100% of the principal amount outstanding, plus accrued and unpaid interest.

3Q 2024 Performance

Key Metrics

3Q24

Net Production and Pricing	
Total Net Production (MMBoe)	15.6
Total Net Production (MBoe/d)	170.0
Oil / Liquids percentage	46% / 63%
Pre-Hedge Realized Price (\$/Boe)	\$41.08
Post-Hedge Realized Price ⁽¹⁾ (\$/Boe)	\$42.13
Costs (per Boe)	
LOE	\$4.73
Transportation	\$2.13
Production & Ad Valorem taxes	\$2.63
Total Production Expenses	\$9.49
Cash Production Margin (pre-hedge)⁽¹⁾	\$31.59
G&A (Cash)	\$1.91
G&A (Non-Cash)	\$0.34
DD&A	\$12.98
Earnings	
GAAP Earnings (per diluted share)	\$2.09
Adjusted net income ⁽¹⁾ (per diluted share)	\$1.62
Adjusted EBITDAX ⁽¹⁾ (\$MM)	\$481.5
Adjusted free cash flow ⁽¹⁾ (\$MM)	
Net cash provided by operating activities (GAAP)	\$452.3
Net change in working capital	\$(32.0)
Net cash provided by operating activities before net change in working capital ⁽¹⁾	\$420.2
Capital Expenditures (GAAP)	\$302.1
Changes in capital expenditure accruals	\$(11.7)
Capital expenditures before change in capital expenditure accruals ⁽¹⁾	\$290.4
Adjusted free cash flow⁽¹⁾	\$129.8
Return of Capital (\$MM)	
Share repurchase	\$ -
Dividends paid	\$20.6
Return of Capital (\$MM)	\$20.6

170.0 MBoe/d
3Q24 NET PRODUCTION

\$481.5 million
3Q24 ADJUSTED EBITDAX⁽¹⁾

\$129.8 million
3Q24 ADJUSTED FREE CASH FLOW⁽¹⁾

\$1.62
3Q24 ADJUSTED EPS⁽¹⁾

Note: Amounts may not calculate due to rounding.

(1) Indicates a non-GAAP measure or metric. Please refer to the “Non-GAAP Reconciliations and Disclosures” section in the Appendix.

3Q 2024 Realizations by Region

» Two Top-Tier Areas of Operation

Net Production Volumes

	Midland Basin	South Texas	Total
Oil (MBbls)	5,099	2,019	7,118
Gas (MMcf)	16,067	18,472	34,540
NGL (MBbls)	7	2,758	2,765
Total (MBoe)	7,784	7,855	15,639
% Oil	66%	26%	46%

Revenue (in thousands)

	Midland Basin	South Texas	Total
Oil	\$386,915	\$144,912	\$531,827
Gas	\$19,265	\$31,290	\$50,555
NGL	\$176	\$59,822	\$59,998
Total	\$406,356	\$236,024	\$642,380

Expenses (in thousands)

	Midland Basin	South Texas	Total
LOE	\$53,564	\$20,354	\$73,918
Ad Valorem	\$7,253	\$4,587	\$11,840
Transportation	\$143	\$33,157	\$33,300
Production Taxes	\$19,555	\$9,767	\$29,322

Per Unit Metrics

	Midland Basin	South Texas	Total
Realized Price Oil Per Bbl	\$75.88	\$71.79	\$74.72
% of Benchmark – WTI	101%	96%	99%
Realized Price Gas per Mcf	\$1.20	\$1.69	\$1.46
% of Benchmark - NYMEX Henry Hub	56%	78%	68%
Realized Price NGL per Bbl	nm	\$21.69	\$21.70
% of Benchmark – OPIS	nm	81%	81%
Realized Price per Boe	\$52.20	\$30.05	\$41.08
LOE per Boe	\$6.88	\$2.59	\$4.73
Ad Valorem per Boe	\$0.93	\$0.58	\$0.76
Transportation per Boe	\$0.02	\$4.22	\$2.13
Production Tax per Boe	\$2.51	\$1.24	\$1.87
Production Tax as % of Pre-hedge Revenue	4.8%	4.1%	4.6%
Cash Production Margin per Boe ⁽¹⁾	\$41.86	\$21.42	\$31.59

Benchmark Pricing

NYMEX WTI Oil (\$/Bbl)	\$ 75.10
NYMEX Henry Hub Gas (\$/MMBtu)	\$ 2.16
OPIS Composite NGL (\$/Bbl)	\$ 26.68



NGL Realizations

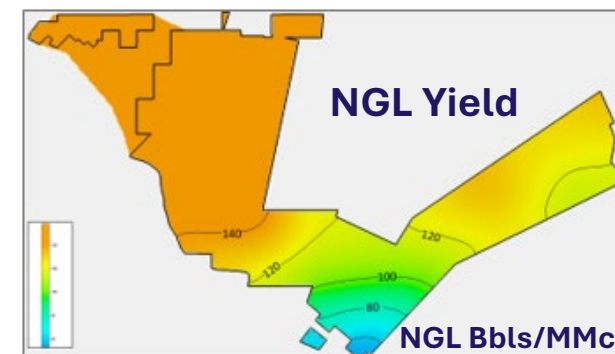
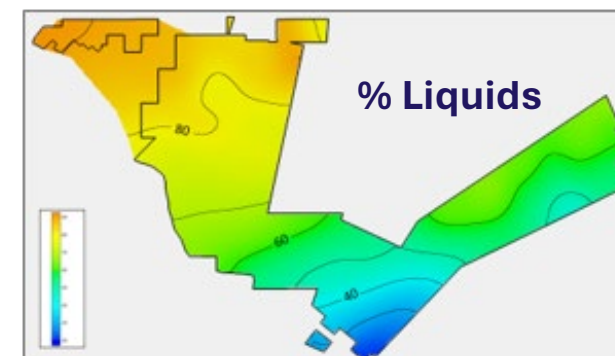
» 2024 Plan Assumes Ethane Processing All Year

Realizations by Quarter	3Q 2024	2Q 2024	1Q 2024	4Q 2023	3Q 2023
OPIS Benchmark ⁽¹⁾ Price (\$/Bbl)	\$26.68	\$27.96	\$29.28	\$26.89	\$27.81
SM Energy NGL Realization (\$/Bbl)	\$21.70	\$22.86	\$22.94	\$21.92	\$23.61
% Differential to OPIS Benchmark⁽¹⁾	81%	82%	78%	82%	85%

NGL price realizations tied to OPIS, fixed fee-based contracts

- Differential reflects NGL composite barrel product mix as well as transportation and fractionation fees
- 2023 and 2024 realizations reflect the processing of ethane for the year

Austin Chalk – High Liquids Content



(1) The benchmark is the OPIS NGL composite (both Mont Belvieu Purity Ethane and Non-TET).

Helpful Hints for Modeling NGLs:

Note 1: SM Energy recovered NGL Composition: 49% Ethane, 24% Propane, 11% Natural Gasoline, 9% Normal Butane, and 7% Isobutane.

Note 2: SM Energy has completed 126 Austin Chalk wells that have reached IP30 as of September 30, 2024. Based on wells to date, average gas shrink by area is: Northern oily area ~22%, South/Eastern liquids-rich gas: ~19%.

Oil Derivative Positions⁽¹⁾

» By Quarter

Oil	NYMEX WTI Oil Swaps		NYMEX WTI Oil Collars			Midland - Cushing Oil Basis Swaps		MEH – WTI Oil Basis Swaps		NYMEX WTI Roll Basis Swaps		Weighted-Average Price of Swaps and Collars	
	Volume (MBbls)	\$/Bbl ⁽²⁾	Volume (MBbls)	Ceiling \$/Bbl ⁽²⁾	Floor \$/Bbl ⁽²⁾	Volume (MBbls)	Price Differential \$/Bbl ⁽²⁾	Volume (MBbls)	Price Differential \$/Bbl ⁽²⁾	Volume (MBbls)	Price Differential \$/Bbl ⁽²⁾	Ceiling \$/Bbl ⁽³⁾	Floor \$/Bbl ⁽³⁾
Q4 2024	1,906	\$74.25	1,917	\$82.27	\$69.93	1,230	\$1.21	309	\$1.82	2,334	\$0.66	\$78.27	\$72.08
Q1 2025	1,838	\$72.49	1,936	\$82.57	\$67.17	1,156	\$1.18	516	\$1.85	-	-	\$77.66	\$69.76
Q2 2025	1,205	\$70.67	1,178	\$81.70	\$66.25	1,118	\$1.18	544	\$1.86	-	-	\$76.12	\$68.49
Q3 2025	786	\$73.15	741	\$80.98	\$63.76	1,104	\$1.18	544	\$1.86	-	-	\$76.95	\$68.59
Q4 2025	-	-	660	\$79.65	\$62.50	1,178	\$1.18	526	\$1.86	-	-	\$79.65	\$62.50
Q1 2026	-	-	-	-	-	-	-	391	\$2.02	-	-	-	-
Q2 2026	-	-	-	-	-	-	-	400	\$2.02	-	-	-	-
Q3 2026	-	-	-	-	-	-	-	377	\$2.01	-	-	-	-
Q4 2026	-	-	-	-	-	-	-	378	\$2.01	-	-	-	-

(1) Includes derivative contracts for settlement at any time during the fourth quarter of 2024 and later periods, entered into through October 25, 2024.

(2) Weighted-average contract price.

(3) Volume weighted-average contract price for NYMEX WTI swaps and NYMEX WTI collars.

Gas and NGL Derivative Positions⁽¹⁾

» By Quarter

Gas	NYMEX Henry Hub Gas Swaps		IF WAHA Gas Swaps		IF WAHA Gas Basis Swaps		IF HSC Gas Basis Swaps		NYMEX Henry Hub Gas Collars			Weighted-Average Price of Swaps and Collars	
	Volume (BBtu)	\$/MMBtu ⁽²⁾	Volume (BBtu)	\$/MMBtu ⁽²⁾	Volume (BBtu)	\$/MMBtu ⁽²⁾	Volume (BBtu)	\$/MMBtu ⁽²⁾	Volume (BBtu)	Ceiling \$/MMBtu ⁽²⁾	Floor \$/MMBtu ⁽²⁾	Ceiling \$/MMBtu ⁽³⁾	Floor \$/MMBtu ⁽³⁾
Q4 2024	1,569	\$3.03	-	-	5,240	\$(0.73)	5,750	\$(0.38)	7,328	\$4.97	\$3.38	\$4.63	\$3.32
Q1 2025	1,382	\$4.41	-	-	5,102	\$(0.46)	946	\$0.0025	8,548	\$5.42	\$3.20	\$5.28	\$3.37
Q2 2025	2,896	\$3.49	-	-	5,236	\$(0.78)	-	-	5,893	\$3.58	\$3.25	\$3.55	\$3.33
Q3 2025	1,468	\$4.10	-	-	5,117	\$(0.72)	-	-	7,497	\$4.12	\$3.24	\$4.11	\$3.38
Q4 2025	1,575	\$4.33	-	-	5,046	\$(0.66)	-	-	7,982	\$5.31	\$3.25	\$5.15	\$3.43
Q1 2026	1,528	\$4.19	514	\$3.71	-	-	-	-	3,143	\$6.55	\$3.25	\$5.57	\$3.57
Q2 2026	2,902	\$3.25	-	-	-	-	-	-	3,398	\$3.55	\$3.25	\$3.41	\$3.25
Q3 2026	1,645	\$3.74	520	\$2.86	-	-	-	-	3,505	\$4.21	\$3.25	\$3.95	\$3.36
Q4 2026	-	-	514	\$3.22	-	-	-	-	3,392	\$5.45	\$3.25	\$5.16	\$3.25

NGLs	Propane Swaps		Isobutane Swaps		Normal Butane Swaps	
	Volume (MBbls)	\$/Bbl ⁽²⁾	Volume (MBbls)	\$/Bbl ⁽²⁾	Volume (MBbls)	\$/Bbl ⁽²⁾
Q4 2024	434	\$31.85	28	\$41.58	97	\$39.84
Q1 2025	396	\$32.86	25	\$41.58	45	\$39.48

(1) Includes derivative contracts for settlement at any time during the fourth quarter of 2024 and later periods, entered into through October 25, 2024.

(2) Weighted-average contract price.

(3) Volume weighted-average contract price for NYMEX Henry Hub swaps and collars and IF WAHA swaps.

Third Quarter 2024 Non-GAAP Reconciliations and Disclosures



Definitions of Non-GAAP Measures and Metrics as Calculated by the Company

To supplement the presentation of its financial results prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company provides certain non-GAAP measures and metrics, which are used by management and the investment community to assess the Company's financial condition, results of operations, and cash flows, as well as compare performance from period to period and across the Company's peer group. The Company believes these measures and metrics are widely used by the investment community, including investors, research analysts and others, to evaluate and compare recurring financial results among upstream oil and gas companies in making investment decisions or recommendations. These measures and metrics, as presented, may have differing calculations among companies and investment professionals and may not be directly comparable to the same measures and metrics provided by others. A non-GAAP measure should not be considered in isolation or as a substitute for the most directly comparable GAAP measure or any other measure of a company's financial or operating performance presented in accordance with GAAP. Reconciliations of the Company's non-GAAP measures to the most directly comparable GAAP measure is presented below. These measures may not be comparable to similarly titled measures of other companies.

Adjusted EBITDAX: Adjusted EBITDAX is calculated as net income before interest expense, interest income, income taxes, depletion, depreciation, amortization and asset retirement obligation liability accretion expense, exploration expense, property abandonment and impairment expense, non-cash stock-based compensation expense, derivative gains and losses net of settlements, gains and losses on divestitures, gains and losses on extinguishment of debt, and certain other items. Adjusted EBITDAX excludes certain items that the Company believes affect the comparability of operating results and can exclude items that are generally non-recurring in nature or whose timing and/or amount cannot be reasonably estimated. Adjusted EBITDAX is a non-GAAP measure that the Company believes provides useful additional information to investors and analysts, as a performance measure, for analysis of the Company's ability to internally generate funds for exploration, development, acquisitions, and to service debt. The Company is also subject to financial covenants under the Company's Credit Agreement, a material source of liquidity for the Company, based on Adjusted EBITDAX ratios. Please reference the Company's third quarter 2024 Form 10-Q and the most recent Annual Report on Form 10-K for discussion of the Credit Agreement and its covenants.

Adjusted free cash flow or FCF: Adjusted free cash flow is calculated as net cash provided by operating activities before net change in working capital less capital expenditures before changes in accruals. The Company uses this measure as representative of the cash from operations, in excess of capital expenditures that provides liquidity to fund discretionary obligations such as debt reduction, returning cash to stockholders or expanding the business.

Adjusted net income and Adjusted net income per diluted common share or Adjusted EPS: Adjusted net income and Adjusted net income per diluted common share excludes certain items that the Company believes affect the comparability of operating results, including items that are generally non-recurring in nature or whose timing and/or amount cannot be reasonably estimated. These items include non-cash and other adjustments, such as derivative gains and losses net of settlements, impairments, net (gain) loss on divestiture activity, gains and losses on extinguishment of debt, and accruals for non-recurring matters. The Company uses these measures to evaluate the comparability of the Company's ongoing operational results and trends and believes these measures provide useful information to investors for analysis of the Company's fundamental business on a recurring basis.

Cash production margin: Cash production margin is calculated as oil, gas, and NGL revenues (before the effects of commodity derivative settlements), less operating expenses (specifically, LOE, transportation, production taxes, and ad valorem taxes). This calculation excludes derivative settlements, G&A, exploration expense, and DD&A and is reflected on a per BOE basis using net equivalent production for the period presented. The Company believes this metric provides management and the investment community with an understanding of the Company's recurring operating margin before G&A, exploration expense, and DD&A, which is helpful to compare period-to-period and across peers.

Net debt: Net debt is calculated as the total principal amount of outstanding senior notes plus amounts drawn on the revolving credit facility less cash and cash equivalents (also referred to as total funded debt). The Company uses net debt as a measure of financial position and believes this measure provides useful additional information to investors to evaluate the Company's capital structure and financial leverage.

Net debt-to-Adjusted EBITDAX: Net debt-to-Adjusted EBITDAX is calculated as Net Debt (defined above) divided by Adjusted EBITDAX (defined above) for the trailing twelve-month period (also referred to as leverage ratio). A variation of this calculation is a financial covenant under the Company's Credit Agreement. The Company and the investment community may use this metric in understanding the Company's ability to service its debt and identify trends in its leverage position. The Company reconciles the two non-GAAP measure components of this calculation.

Post-hedge: Post-hedge is calculated as the average realized price after the effects of commodity net derivative settlements. The Company believes this metric is useful to management and the investment community to understand the effects of commodity net derivative settlements on average realized price.

Non-GAAP Reconciliations

Adjusted EBITDAX⁽¹⁾

(in thousands)

	Three Months Ended September 30, 2024	Trailing Twelve Months Ended September 30, 2024
Net income (GAAP)	\$ 240,523	\$ 829,126
Interest expense	50,682	118,279
Interest income	(18,017)	(37,172)
Income tax expense	57,127	187,489
Depletion, depreciation, amortization, and asset retirement obligation liability accretion		
Exploration ⁽²⁾	10,759	58,842
Stock-based compensation expense	6,587	23,124
Net derivative gain	(86,283)	(150,762)
Net derivative settlement gain	16,491	52,811
Other, net	706	1,998
Adjusted EBITDAX (non-GAAP)	\$ 481,517	\$ 1,821,623
Interest expense	(50,682)	(118,279)
Interest income	18,017	37,172
Income tax expense	(57,127)	(187,489)
Exploration ⁽²⁾⁽³⁾	(10,456)	(49,793)
Amortization of deferred financing costs	2,182	6,297
Deferred income taxes	45,615	161,607
Other, net	(8,843)	(27,323)
Net change in working capital	32,040	37,345
Net cash provided by operating activities (GAAP)	\$ 452,263	\$ 1,681,160

Adjusted Net Income⁽¹⁾

(in thousands, except per share data)

	Three Months Ended September 30, 2024
Net income (GAAP)	\$ 240,523
Net derivative gain	(86,283)
Net derivative settlement gain	16,491
Other, net	706
Tax effect of adjustments ⁽⁴⁾	14,992
Adjusted net income (non-GAAP)	\$ 186,429
Diluted net income per common share (GAAP)	\$ 2.09
Net derivative gain	(0.75)
Net derivative settlement gain	0.14
Other, net	0.01
Tax effect of adjustments ⁽⁴⁾	0.13
Adjusted net income per diluted common share (non-GAAP)	\$ 1.62
Basic weighted-average common shares outstanding	114,405
Diluted weighted-average common shares outstanding	114,993

(1) Indicates a non-GAAP measure. See above “Definitions of non-GAAP measures and metrics as Calculated by the Company.”

(2) Stock-based compensation expense is a component of the exploration expense and general and administrative expense line items on the unaudited condensed consolidated statements of operations. Therefore, the exploration line items shown in the reconciliation above will vary from the amount shown on the unaudited condensed consolidated statements of operations for the component of stock-based compensation expense recorded to exploration expense.

(3) For the periods presented, amounts exclude certain capital expenditures related to unsuccessful exploration activities.

(4) The tax effect of adjustments was calculated using a tax rate of 21.7% for the three months ended September 30, 2024. This rate approximates the Company’s statutory tax rate adjusted for the period, as adjusted for ordinary permanent differences. **33**

Non-GAAP Reconciliations, *continued*

Adjusted Free Cash Flow⁽¹⁾

(in thousands)

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024	July 1, 2022 to September 30, 2024
Net cash provided by operating activities (GAAP)	\$ 452,263	\$ 1,204,645	\$ 3,580,784
Net change in working capital	(32,040)	15,433	(17,701)
Cash flow from operations before net change in working capital (non-GAAP)	\$ 420,223	\$ 1,220,078	\$ 3,563,083
Capital expenditures (GAAP)	\$ 302,107	\$ 957,156	\$ 2,460,756
Changes in capital expenditure accruals	(11,696)	(33,187)	39,616
Capital expenditures before changes in accruals (non-GAAP)	\$ 290,411	\$ 923,969	\$ 2,500,372
Adjusted free cash flow (non-GAAP)	\$ 129,812	\$ 296,109	\$ 1,062,711

Net Debt⁽¹⁾

(in thousands)

	As of September 30, 2024	As of October 1, 2024
Principal amount of Senior Notes ⁽²⁾	\$ 2,736,026	\$ 2,736,026
Revolving credit facility ⁽²⁾	—	190,000
Total principal amount of debt (GAAP)	\$ 2,736,026	\$ 2,926,026
Less: Cash and cash equivalents	1,735,313	21,808
Net Debt (non-GAAP)	\$ 1,000,713	\$ 2,904,218

(1) Indicates a non-GAAP measure. See above “Definitions of non-GAAP measures and metrics as Calculated by the Company.”

(2) Amounts as of September 30, 2024, are from Note 5 – Long-Term Debt in Part I, Item 1 of the Company’s Form 10-Q.

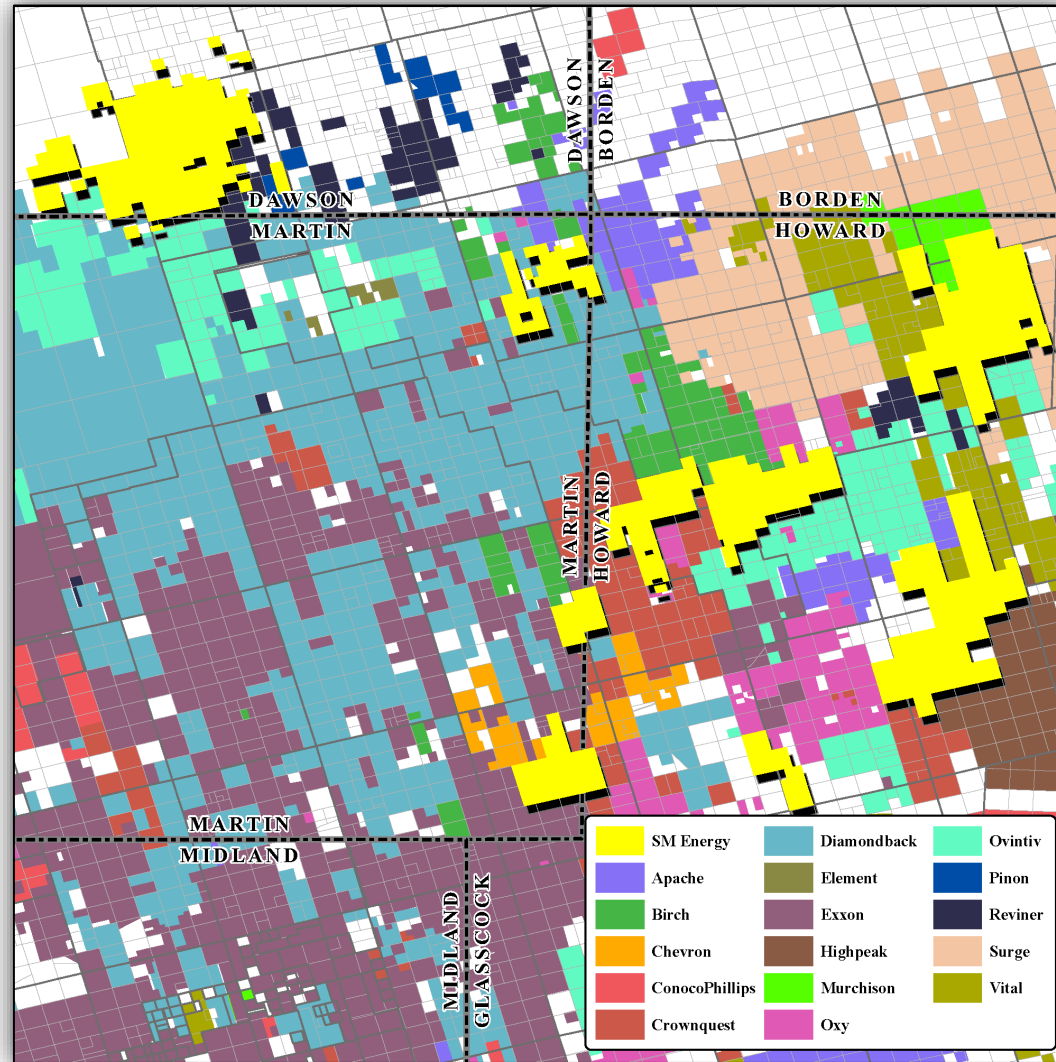
Regional Maps



Midland Basin Operators



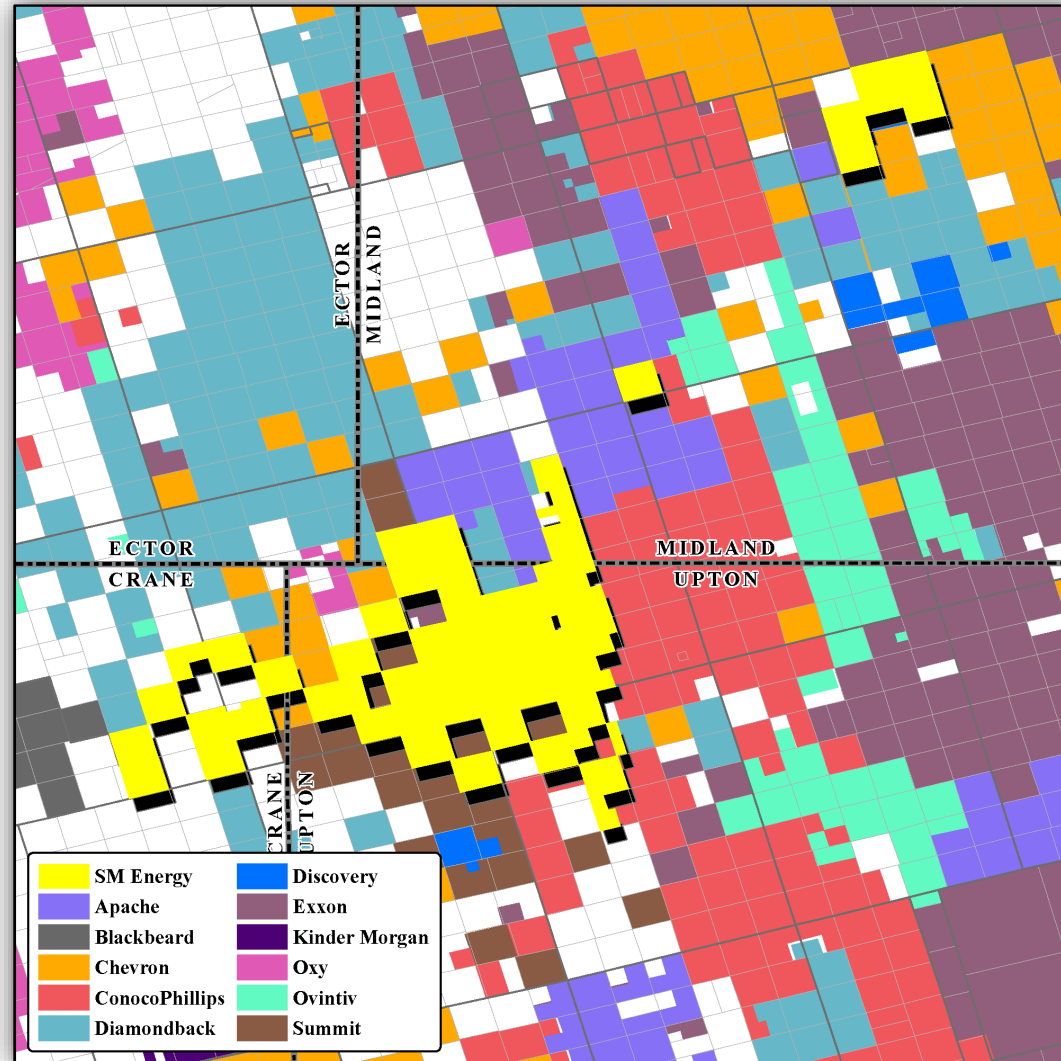
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Sweetie Peck Operators



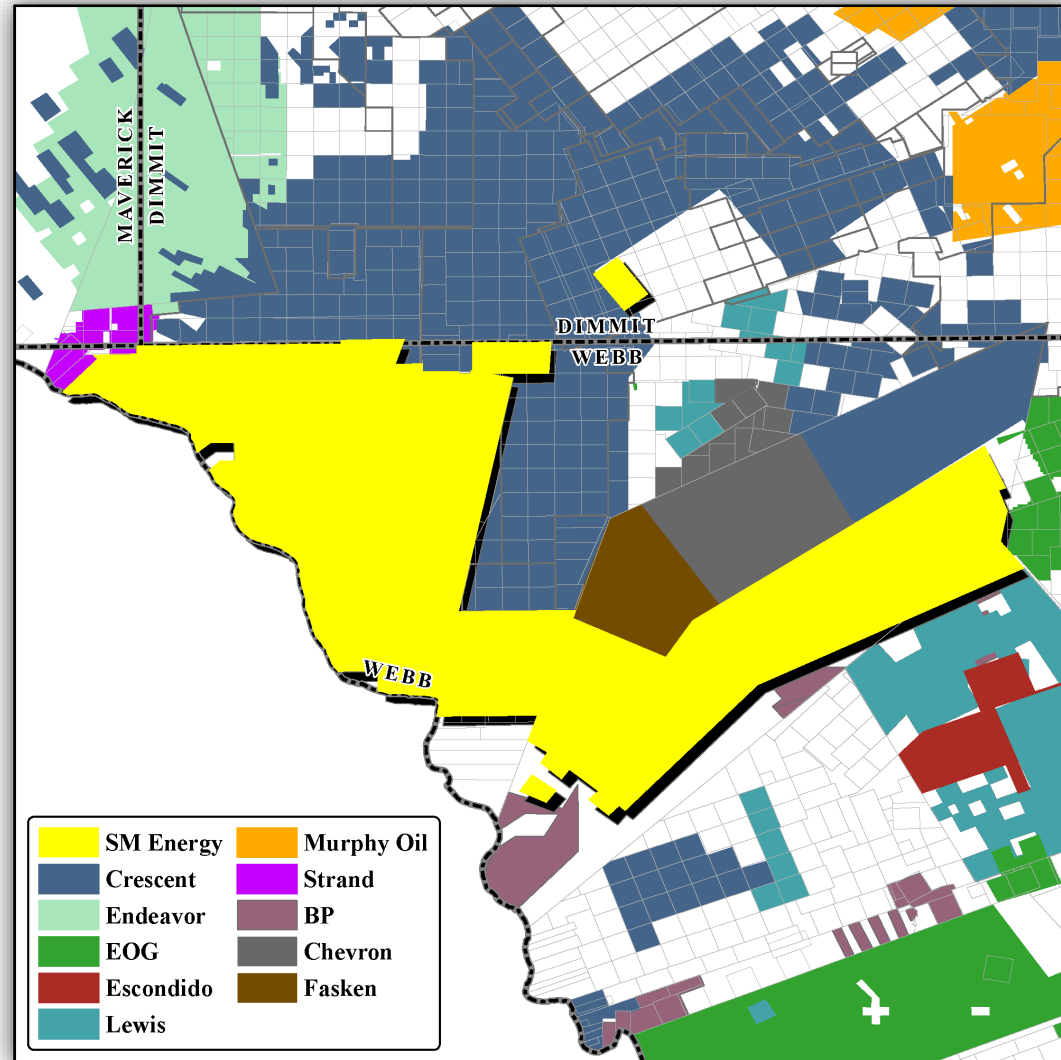
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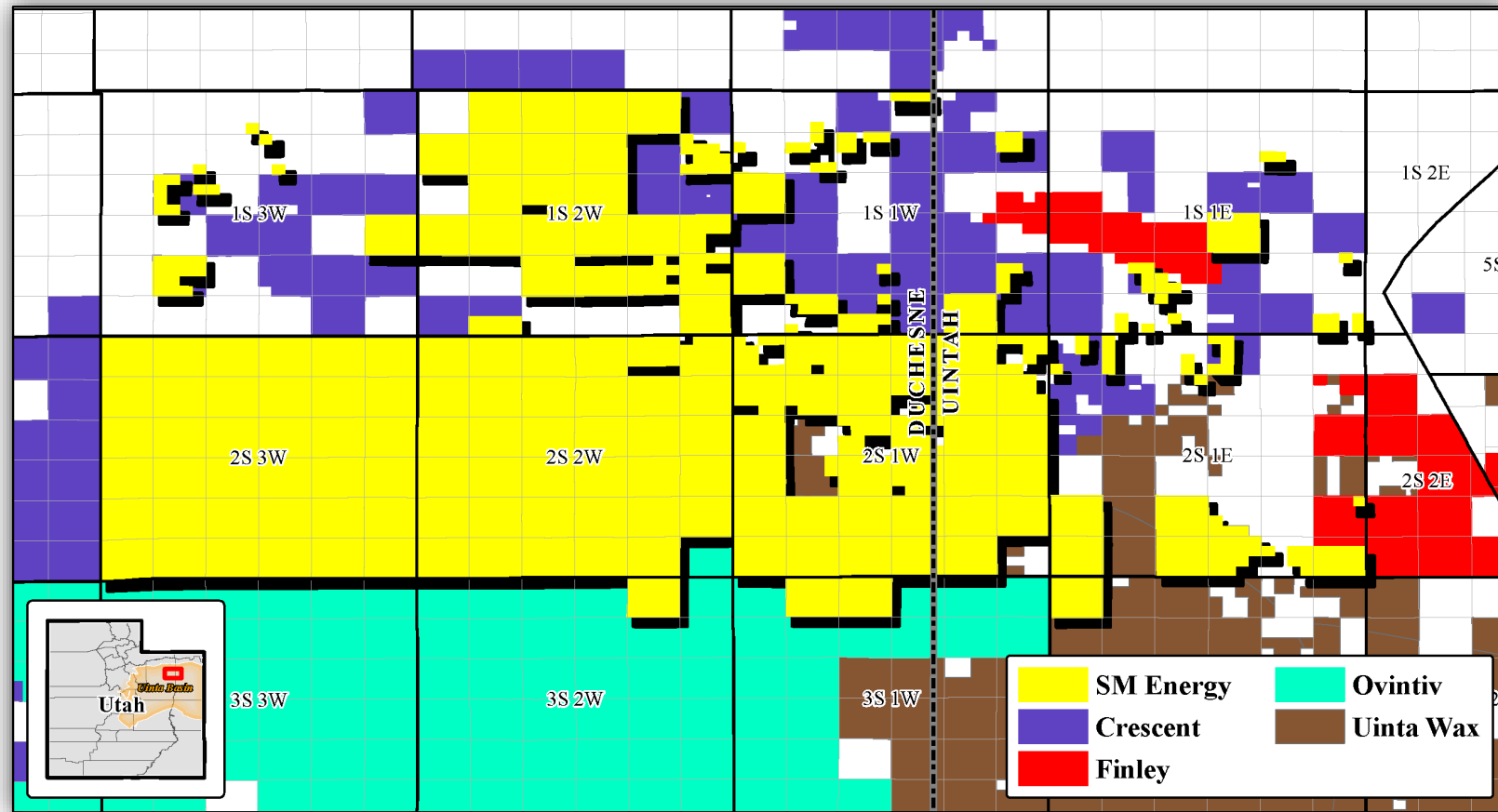
South Texas Operators



SM
ENERGY



Uinta Basin Operators



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