# March 2025 Investor Presentation

# Disclaimer

**FORWARD LOOKING STATEMENTS**

The information in this press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of present or historical fact included in this press release, regarding Magnolia's strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward looking statements. When used in this press release, the words could, should, will, may, believe, anticipate, intend, estimate, expect, project, the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current expectations and assumptions about future events. Except as otherwise required by applicable law, Magnolia disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this press release. Magnolia cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Magnolia, incident to the development, production, gathering and sale of oil, natural gas and natural gas liquids. In addition, Magnolia cautions you that the forward looking statements contained in this press release are subject to the following factors: (i) the supply and demand for oil, natural gas, NGLs, and other products or services, including impacts of actions taken by OPEC and other state-controlled oil companies; (ii) the outcome of any legal proceedings that may be instituted against Magnolia; (iii) Magnolia's ability to realize the anticipated benefits of its acquisitions, which may be affected by, among other things, competition and the ability of Magnolia to grow and manage growth profitably; (iv) changes in applicable laws or regulations; (v) geopolitical and business conditions in key regions of the world; and (vi) the possibility that Magnolia may be adversely affected by other economic, business, and/or competitive factors, including inflation. Should one or more of the risks or uncertainties described in this press release occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. Additional information concerning these and other factors that may impact the operations and projections discussed herein can be found in Magnolia's filings with the SEC, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2024, which is expected to be filed with the SEC on February 19, 2025. Magnolia's SEC filings are available publicly on the SEC's website at www.sec.gov.

**NON-GAAP FINANCIAL MEASURES**

This presentation includes non-GAAP financial measures, including adjusted net income, free cash flow, adjusted EBITDAX, adjusted cash operating costs, adjusted cash operating margin and return on capital employed. Magnolia believes these metrics are useful because they allow Magnolia to more effectively evaluate its operating performance and compare the results of its operations from period to period and against its peers without regard to accounting methods or capital structure. Magnolia does not consider these non-GAAP measures in isolation or as an alternative to similar financial measures determined in accordance with GAAP. The computations of these non-GAAP measures may not be comparable to other similarly titled measures of other companies.

Adjusted net income and adjusted EBITDAX should not be considered an alternative to, or more meaningful than, net income as determined in accordance with GAAP. Certain items excluded from free cash flow, adjusted net income, adjusted EBITDAX, adjusted cash operating costs, adjusted cash operating margin, adjusted operating margin and return on capital employed are significant components in understanding and assessing a company's financial performance and should not be construed as an inference that its results will be unaffected by unusual or non-recurring terms.

As performance measures, adjusted net income, adjusted EBITDAX, adjusted cash operating costs, adjusted cash operating margin and return on capital employed may be useful to investors in facilitating comparisons to others in the Company's industry because certain items can vary substantially in the oil and gas industry from company to company depending upon accounting methods, book value of assets, and capital structure, among other factors. Management believes excluding these items facilitates investors and analysts in evaluating and comparing the underlying operating and financial performance of our business from period to period by eliminating differences caused by the existence and timing of certain expense and income items that would not otherwise be apparent on a GAAP basis. As a liquidity measure, management believes free cash flow is useful for investors and widely accepted by those following the oil and gas industry as financial indicators of a company's ability to generate cash to internally fund drilling and completion activities, fund acquisitions, and service debt. Our presentation of adjusted net income, adjusted EBITDAX, free cash flow, adjusted cash operating costs, adjusted cash operating margin and return on capital employed may not be comparable to similar measures of other companies in our industry. A free cash flow reconciliation is shown on page 26, adjusted EBITDAX reconciliation is shown on page 27 of the presentation, adjusted net income is shown on page 28, adjusted cash operating costs and adjusted cash operating margin reconciliations are shown on page 25 and ROCE is shown on page 29.

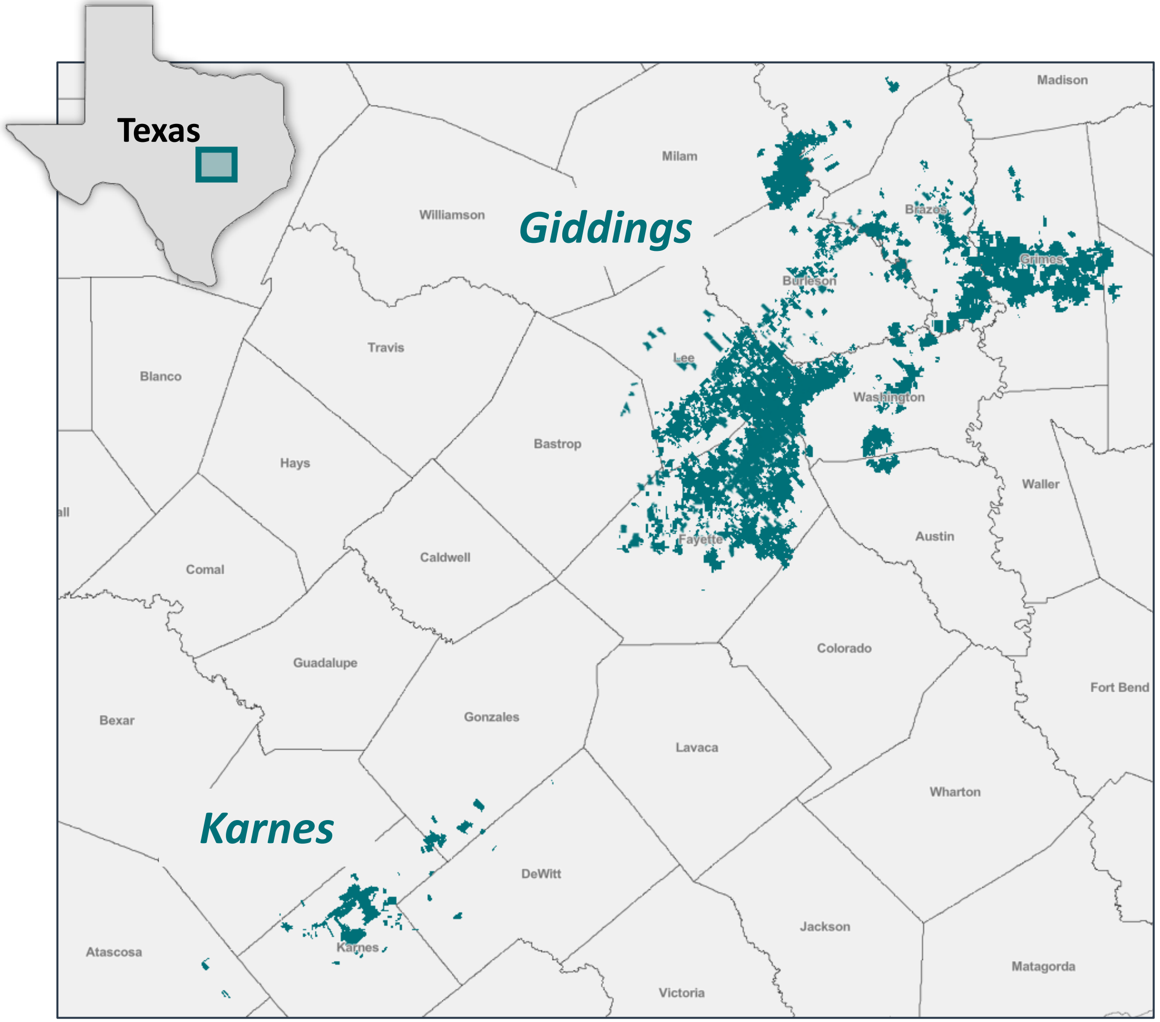
**INDUSTRY AND MARKET DATA**

This presentation has been prepared by Magnolia and includes market data and other statistical information from sources believed by Magnolia to be reliable, including independent industry publications, governmental publications or other published independent sources. Some data is also based on the good faith estimates of Magnolia, which are derived from its review of internal sources as well as the independent sources described above. Although Magnolia believes these sources are reliable, it has not independently verified the information and cannot guarantee its accuracy and completeness.

# Magnolia Oil & Gas Overview

- High-quality, low-risk pure-play South Texas operator with core Eagle Ford and Austin Chalk positions acquired at attractive entry costs
- Significant scale and PDP base generates material free cash flow, reduces development risk, and increases optionality

| Market Statistics | |
|---|---|
| Trading Symbol (NYSE) | MGY |
| Share Price as of 2/26/2025 | $23.43 |
| Common Shares Outstanding [(1)] | 196.2 million |
| Market Capitalization | $4.6 billion |
| Long-term Debt – Principal | $400 million |
| Cash as of 12/31/2024 | $260 million |
| Total Enterprise Value | $4.7 billion |
| **Operating Statistics** | |
| Net Acreage as of 12/31/2024 | 604,057 |
| Q4 2024 Net Production (Mboe/d) | 93.1 |




(1) Diluted weighted average shares outstanding during Q4 2024; common stock outstanding includes Class A and Class B.

# Magnolia’s Consistent Business Model


**High Quality Assets Drive Low Capital Reinvestment Rate that Grows the Business**

**Limit Capital Spending to 55% of Annual Adjusted EBITDAX**

**Deliver Mid-Single Digit Long-Term Production Growth with Significant Free Cash Flow**

**2025 BOE Growth of 5%-7%**

**Return Substantial Portion of Our Free Cash Flow to Shareholders and Allocate Some Excess Cash Toward Small, Bolt-on Acquisitions that Improve the Business**

**Long-term dividend per share compound annual growth rate of ~10% and share repurchases of at least 1% per quarter**

**Maintain Conservative Financial Leverage to Provide Financial Flexibility Through Cycle**

**Strong balance sheet, with minimal net debt, provides ability for counter cyclical investing to increase per share value**

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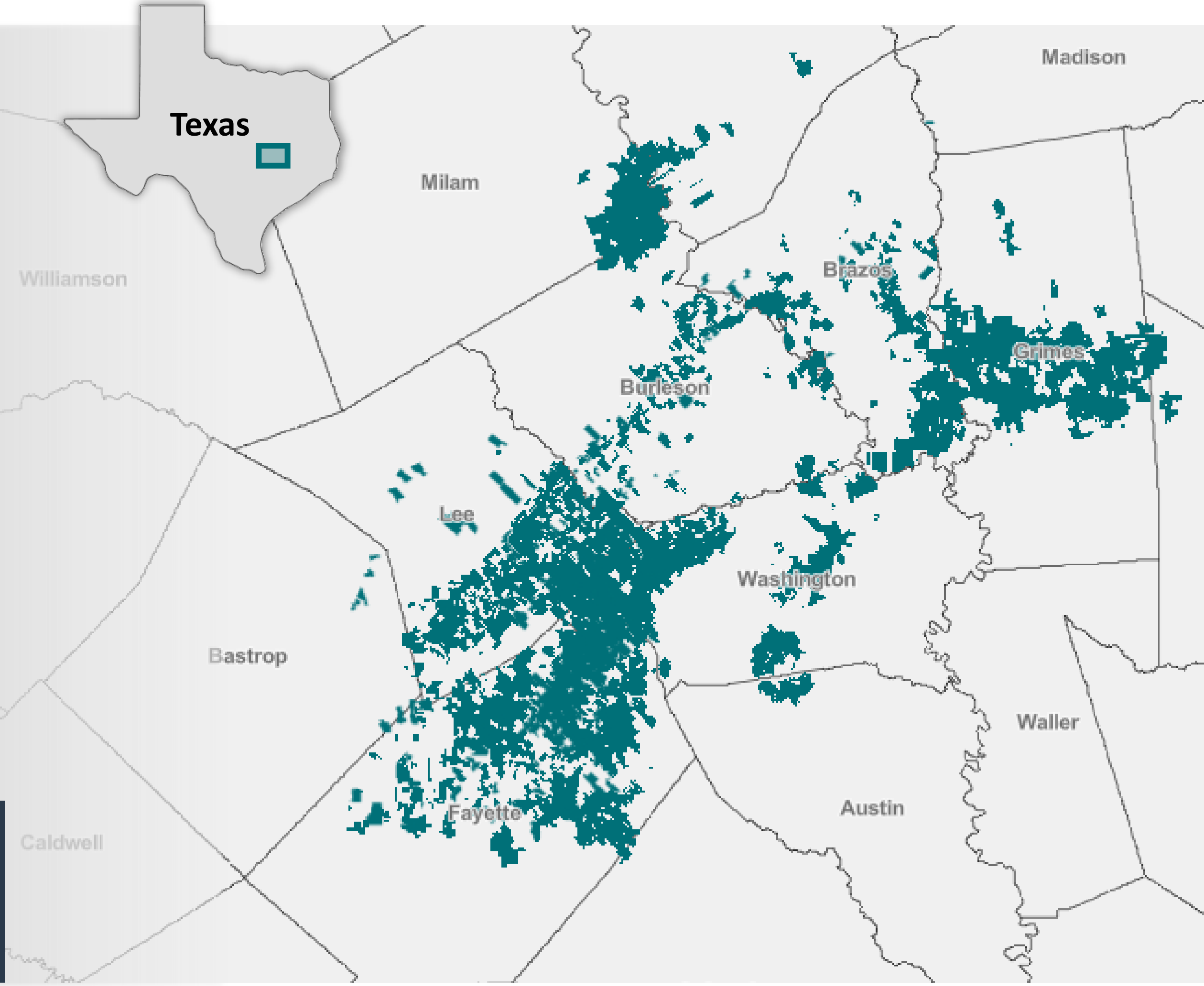
# Asset Overview

# Giddings Area Assets

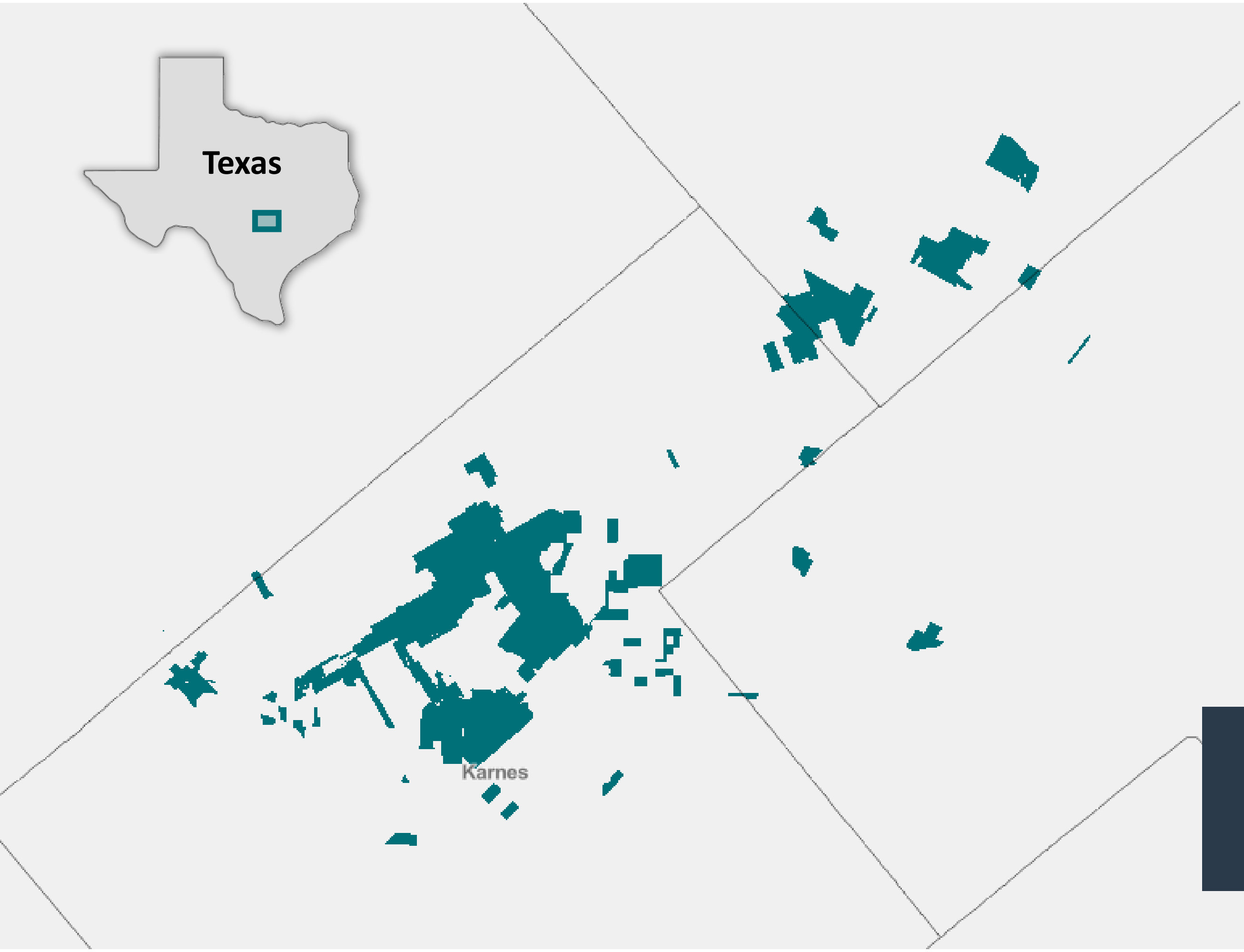
### Asset Overview

- ~739,000 gross acres (~549,000 net acres) with high working interest (~98% operated)
- >200,000 net acres in development
  - Appraisal program outside of development area
- 2024 production averaged 67.9 Mboe/d (37% oil, 67% liquids), or ~76% of total Company production
  - Q4 2024 production averaged 71.8 Mboe/d (36% oil, 67% liquids), or ~77% of total Company production
- Shallower production decline allows for a low reinvestment rate, and more stable cash flows that is beneficial even at lower product prices.

**Through significant scale and nearly all acreage held by production, Giddings offers a unique opportunity to develop and grow a top-tier asset while still generating free cash flow.**



# Core Karnes Assets




## Asset Overview

- Mature asset offers significant free cash flow and a low base production decline
- Acreage located in the core of the Eagle Ford offering very strong economic returns in Karnes, Gonzales and Dewitt counties
  - ~22,000 net acres producing ~21 Mboe/d (59% oil, 79% liquids)[1] in Q4 2024

**Significant free cash flow generation supports low reinvestment rate and strong return of capital**

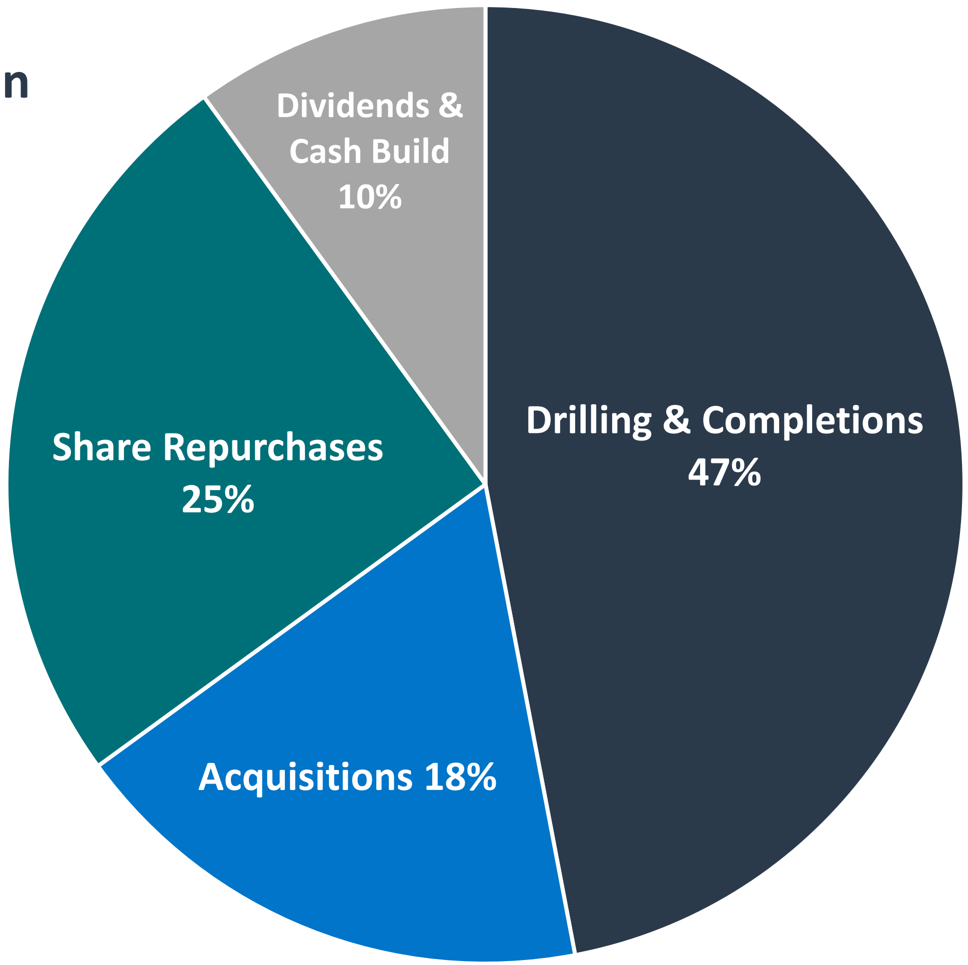
(1) Includes acreage in Karnes, Gonzales and Dewitt counties.

# Financial, Capital Allocation & Risk Management Overview

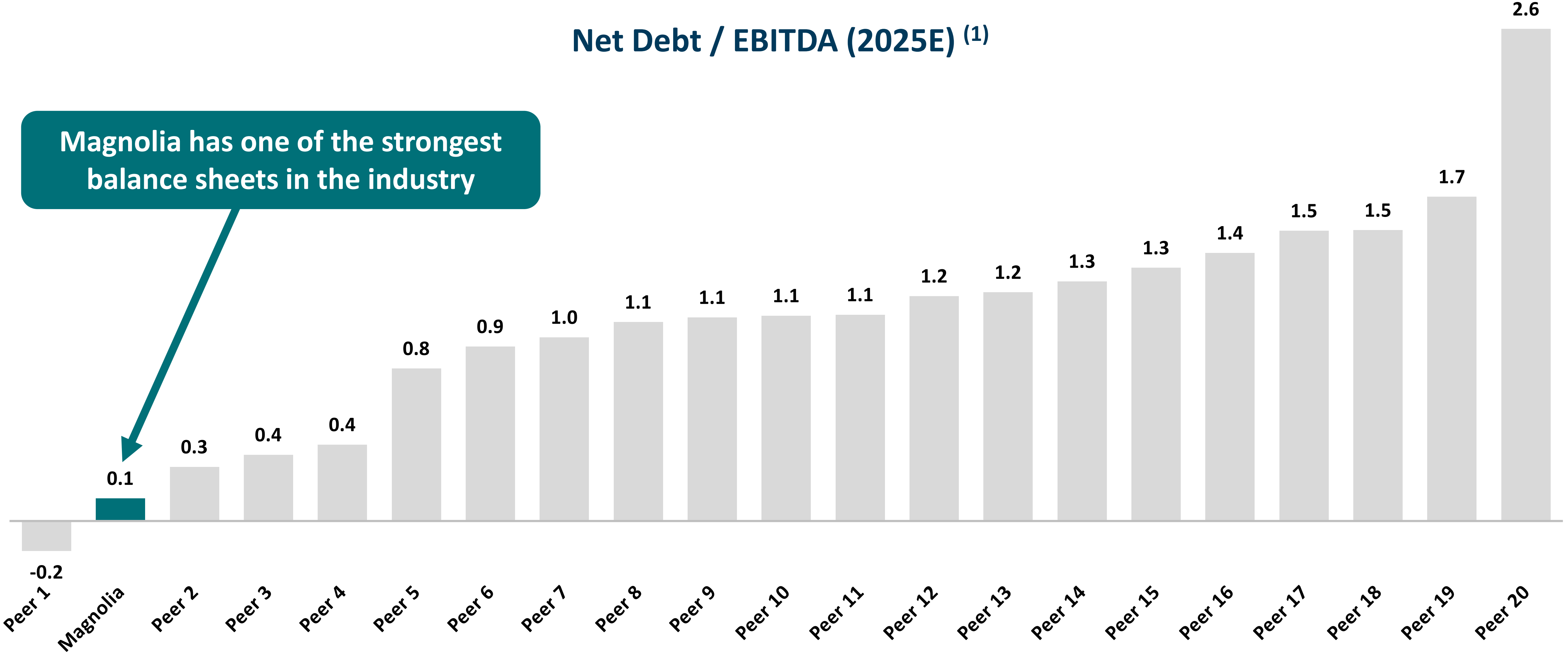
# Cash Flow Allocation Matches Magnolia's Business Model

**Allocation of Operating Cash Flow – Since Inception**
*(7/31/2018 – 12/31/2024)*

***Magnolia's "recipe" is a disciplined allocation of capital, low reinvestment rate, a balanced return of capital to shareholders (dividends and share repurchases) and a strong balance sheet providing flexibility for bolt-on acquisitions***



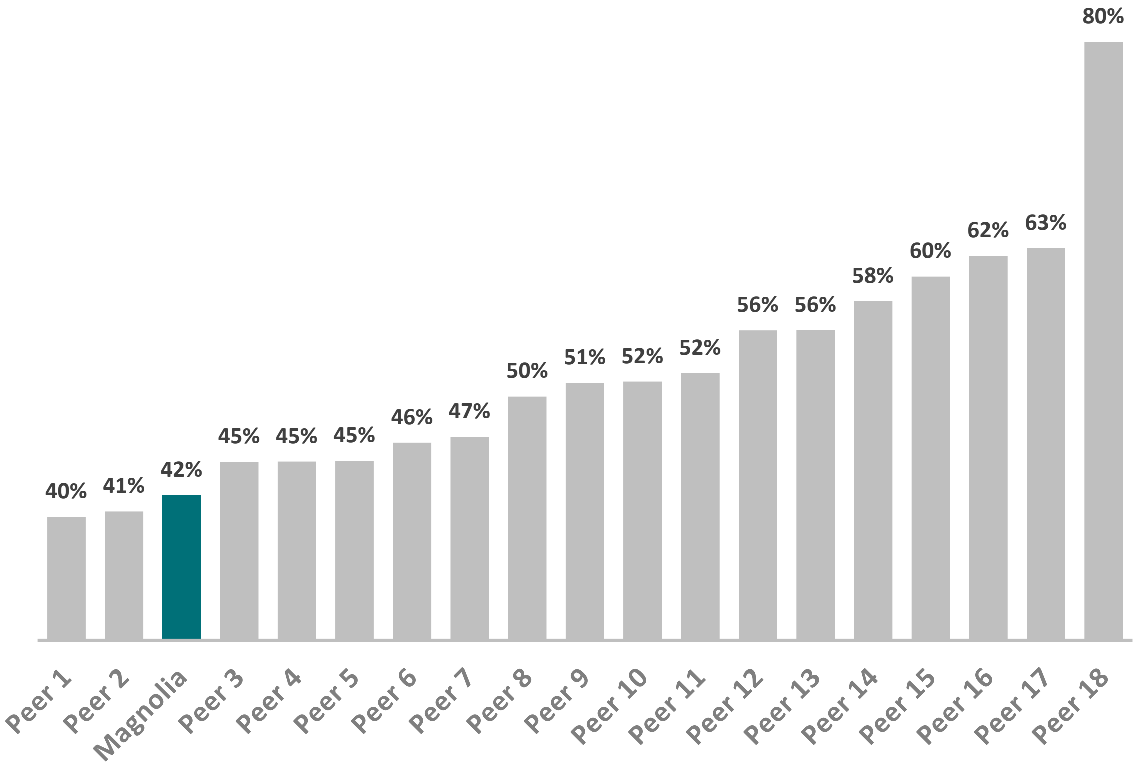
# Low Leverage Drives Financial Flexibility



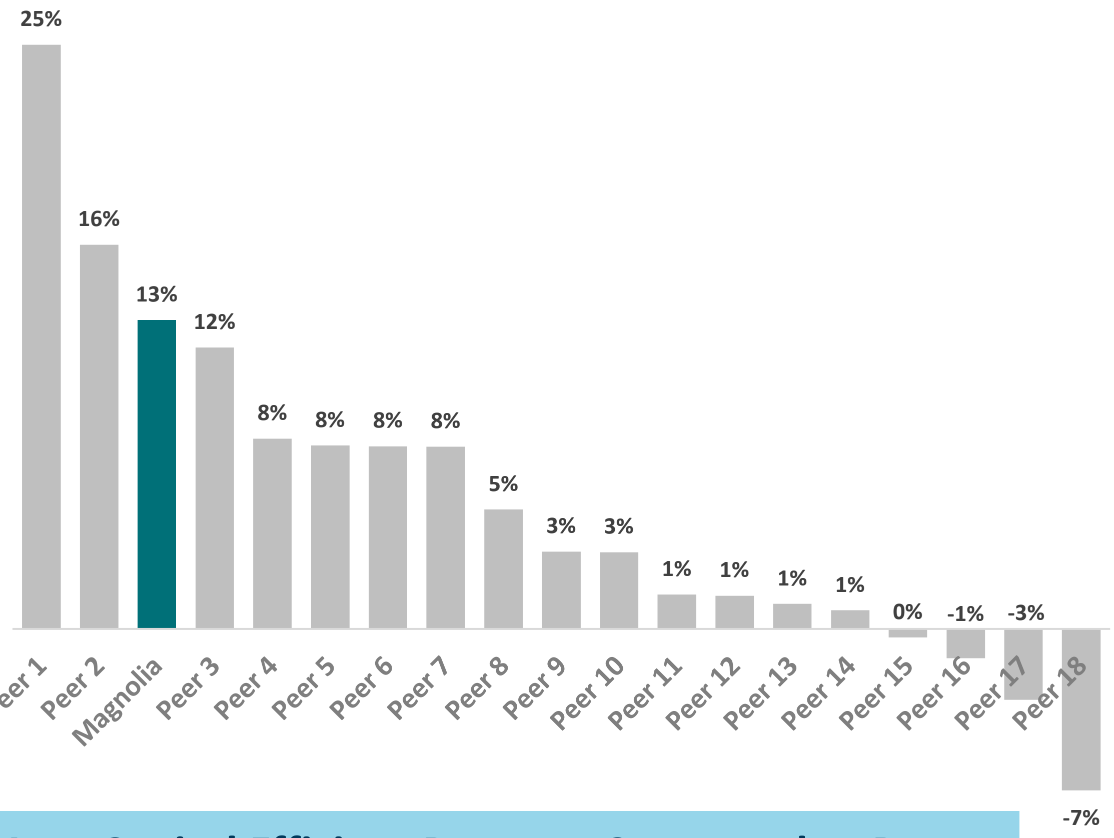

(1) Source: FactSet (2025E) as of 2/6/2025. Net debt is calculated as the difference between cash and total principal long-term debt. Peers include: APA, AR, CHRD, CIVI, COP, CRGY, CTRA, DVN, EOG, EQT, EXE, FANG, HES, MTDR, MUR, OVV, OXY, PR, RRC, and SM.

# Low Reinvestment Rate with Strong Production Growth

## 4-Year Average Reinvestment Rate[1]




## Production Growth Per Share[1] (4-Year CAGR)

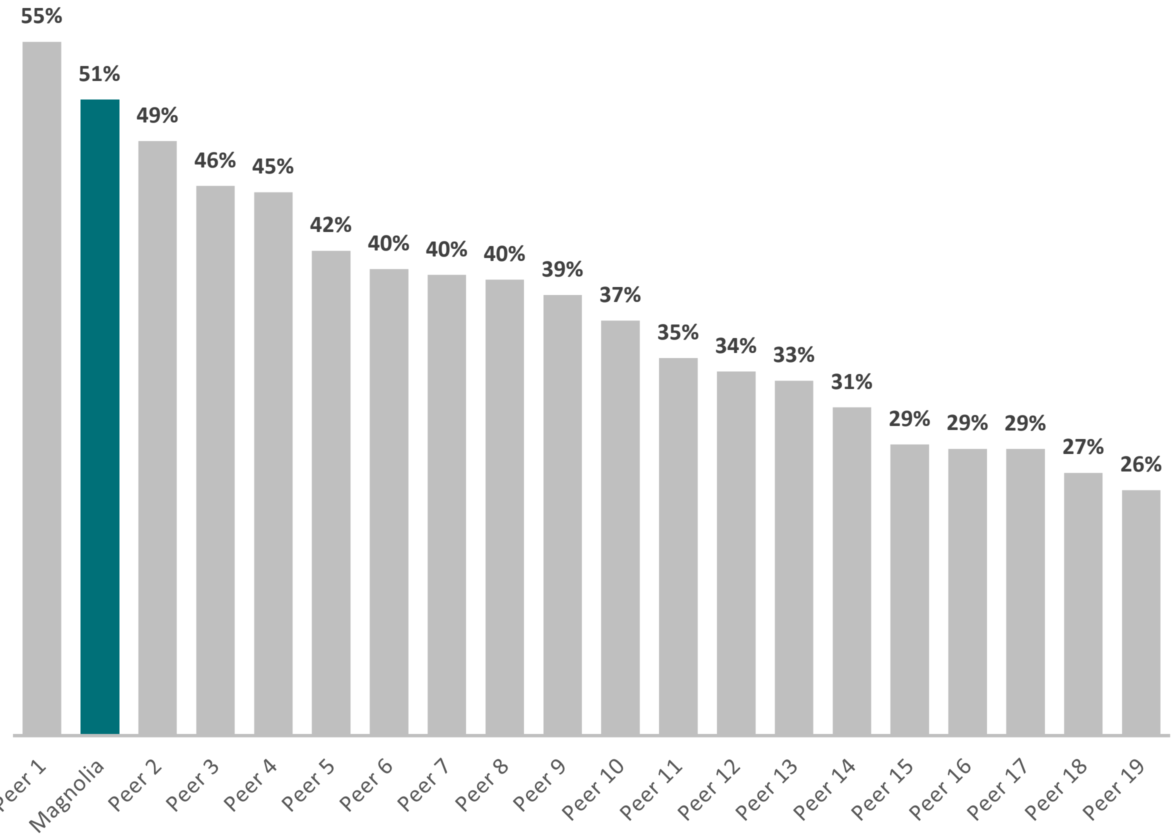



**Magnolia's Giddings Focused Development has Provided a More Capital Efficient Program Compared to Peers**

(1) Source: FactSet (2021 – 2024E) as of 2/6/2025. Reinvestment Rate is exploration and development capital divided by operating cash flow. Production growth per share is calculated as the 4-year growth rate of annual production divided by weighted average diluted shares outstanding in each respective year. Peers include: APA, AR, CHRD, CIVI, COP, CTRA, DVN, EOG, EQT, FANG, HES, MTDR, MUR, OVV, OXY, PR, RRC, and SM.

# High Pre-tax Operating Margins

**Operating Margin (1) (4-Year Average)**




- Magnolia has consistently delivered one of the highest operating margins relative to peers
- High-quality asset base and focus on maintaining low costs support top-tier operating margins
- High-margin production supports free cash flow generation and strong return of capital to shareholders

(1) Source: FactSet (2021 – 2024E) as of 2/6/2025. Operating margin is EBIT divided by revenue by year. Peers include: APA, AR, CHRD, CIVI, COP, CTRA, DVN, EOG, EQT, EXE, FANG, HES, MTDR, MUR, OVV, OXY, PR, RRC, and SM.

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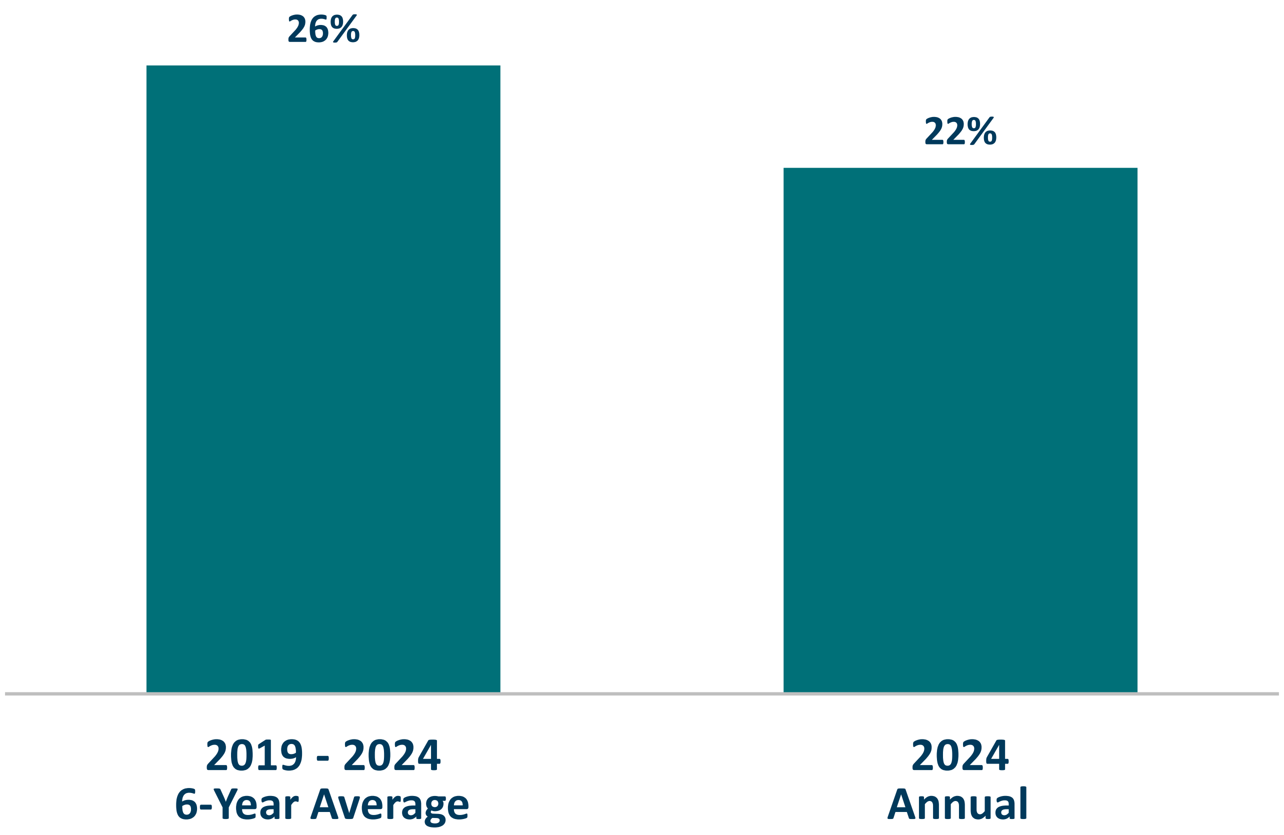
# History of Top-Tier Return on Capital Employed

**Historical ROCE**




- Low reinvestment rate and continued business model execution - low leverage, disciplined capital spending and high pre-tax margins are critical to sustaining high returns

- Focus on cost reductions and ongoing share repurchases has had a tangible beneficial impact on Magnolia's corporate returns

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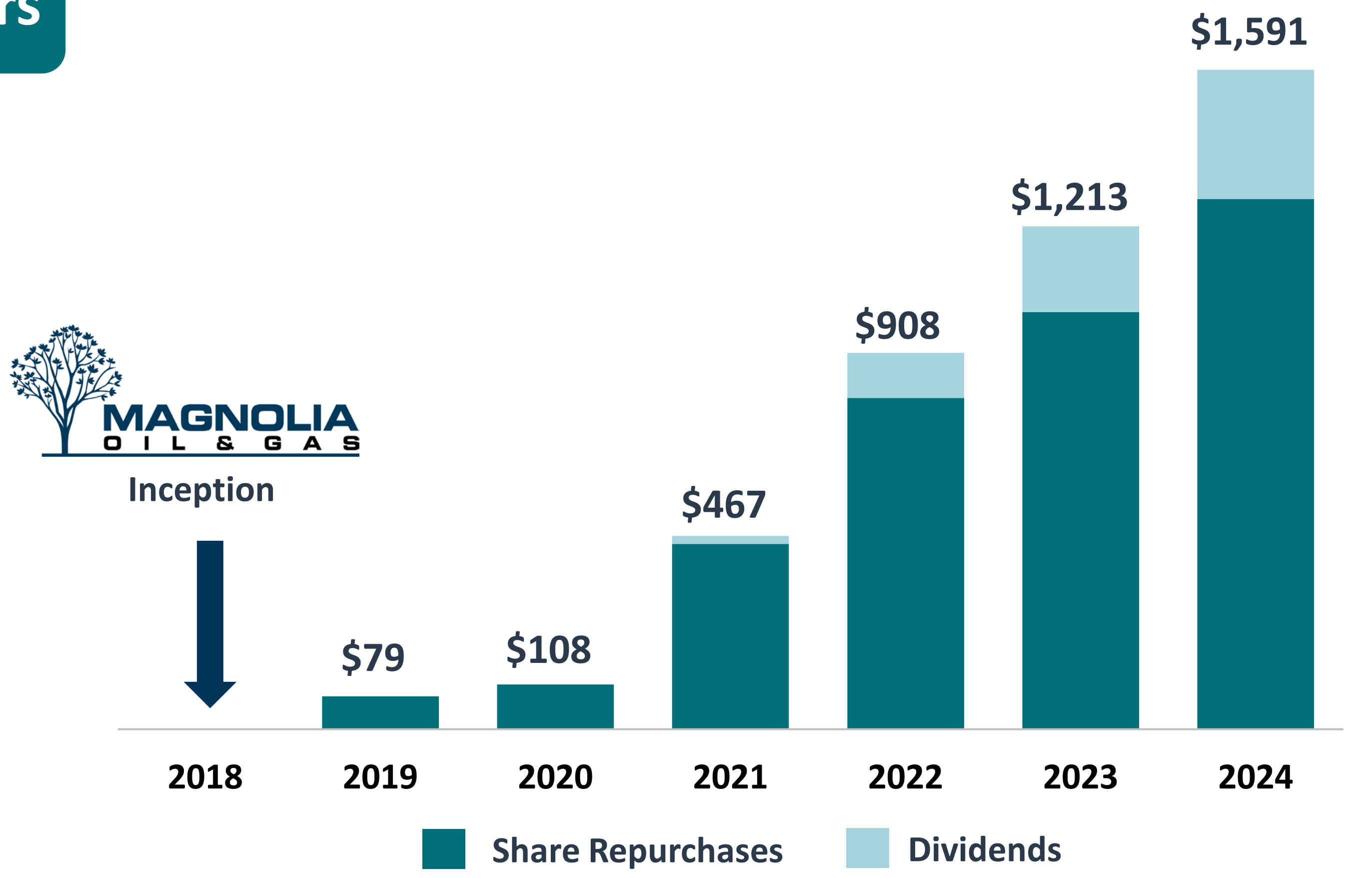
# Consistent & Sizable Cash Return to Shareholders

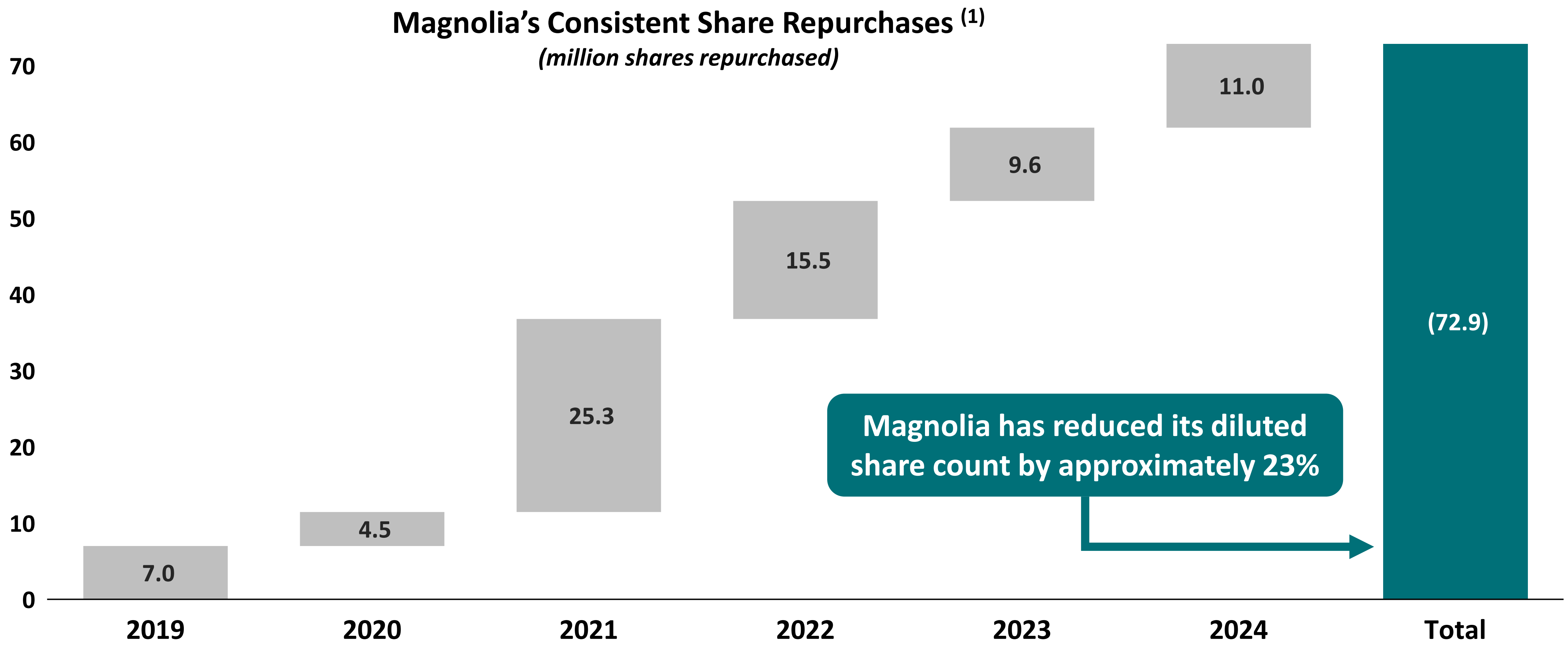
**~$1.6 Billion Returned to Shareholders**

- Magnolia has a strong track record of returning capital to shareholders
- Returned ~35% of current market cap over prior six years
- Focus on compounding per share value through share count reduction and safe, sustainable dividend growth

**Cumulative Return of Capital ($MM)**

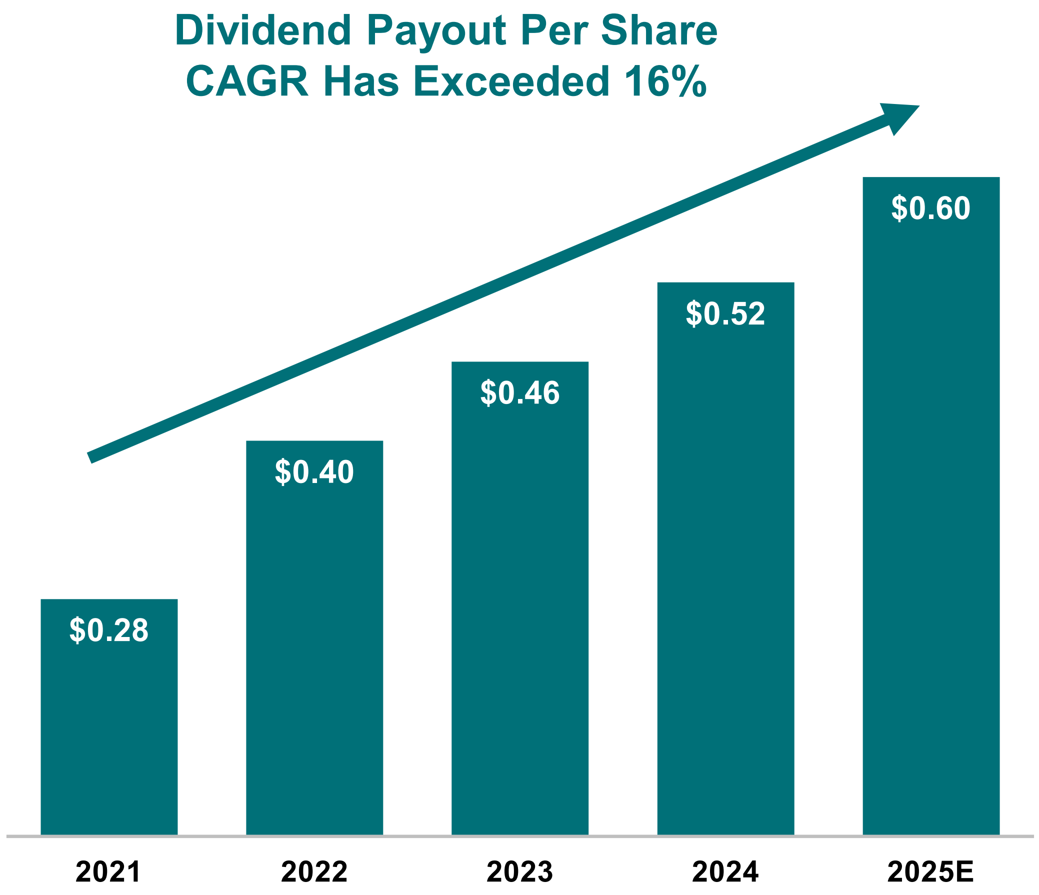


# History of Significant & Consistent Share Repurchases




(1) Class A share reduction includes 3.6 million non-compete shares that were paid in lieu of stock in 2021. Includes both Class A and Class B share repurchases.

# Track Record of a Safe, Sustainable and Growing Dividend




- Magnolia's dividend has grown at a double-digit rate over the past 4 years
- Sustainable dividend growth supported even at lower product prices
- Dividend per share payout capacity is enhanced by moderate production growth and ongoing share repurchases, leading to higher than peer average dividend growth
- Target long-term average annual dividend growth of ~10% through commodity cycles

# Business Risks Adequately Managed

*Level of Risk Acceptable to Magnolia*

| *Risk Factor* | Low Risk | Moderate Risk | Fully Exposed |
|---|---|---|---|
| **Geologic/Exploratory** | ✓ | | |
| **Political** | ✓ | | |
| **Cost Risk** | | ✓ | |
| **Reinvestment** | | ✓ | |
| **Commodity** | | | ✓ |
| **Financial** | ✓ | | |

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# Summary Investment Highlights

## High Quality Assets Positioned for Success

- Leading position in the Giddings area with low breakevens and substantial running room
- Coveted position in the Karnes area in the core of the Eagle Ford

## Positive Free Cash Flow and Industry Leading Margins

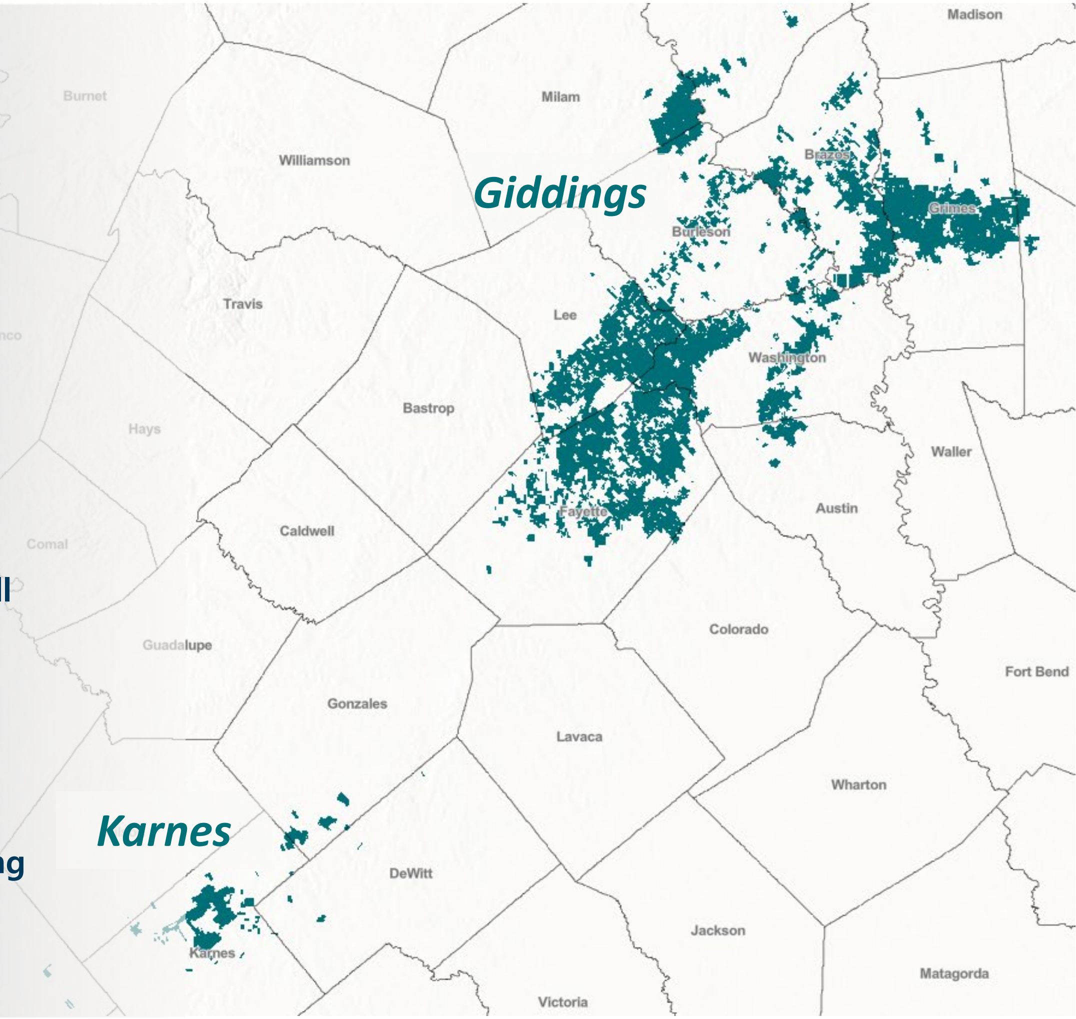
- Generated substantial annual free cash flow since inception of Magnolia
- Strong margins through the commodity cycle

## Multiple Levers of Growth

- Steady organic growth through proven drilling program while remaining well within cash flow
- Clean balance sheet and strong free cash flow enables Magnolia to pursue accretive bolt-on acquisitions

## Strong Balance Sheet & Conservative Financial Policy

- Conservative leverage profile with only $400 million of total debt outstanding and $140 million of net debt
- Substantial liquidity of $710 million[1]




(1) Liquidity defined as cash plus availability under revolving credit facility as of 12/31/2024.

# 2025 Operating Plan & Guidance

## 2025E Production & Capital

**Production Growth**

*5%-7% YoY Total Growth;*

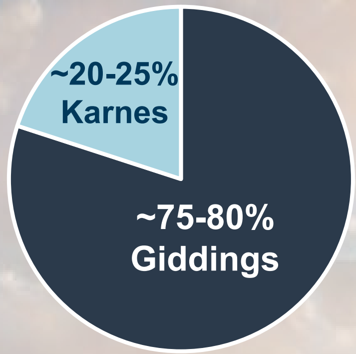
**Capital Budget**

*Budget: $460 - $490 Million*

**2025 Operating Plan**

*~2 Rigs / ~1 Completion Crew*

## 2025E Capital




## First Quarter 2025 Guidance

**Production**

*~94 Mboe/d*

**D&C Capital Spending**

*~$135 Million*

**Oil Differential (To Magellan East Houston)**

*($3) Bbl*

**Fully Diluted Share Count**

*~195 million*

# Magnolia's Commitment to Sustainability

## Safeguarding the Environment

**86%** REDUCTION
Flaring Intensity Rate
2019 to 2023

**12%** REDUCTION
GHG Intensity Rate
2019 to 2023

**35%** REDUCTION
Hydrocarbon Spill Volume
2019 to 2023

## Supporting Employees and Communities

**29%** DIVERSITY
Minority representation among all employees

**1,000** SHARES
Minimum received by all employees

**2024** TOP WORKPLACES
Placed tenth among mid-sized companies

## Governing with Integrity

**88%** INDEPENDENT
7 of 8 Board members are independent

**25%** FEMALE
2 of 8 Board members are women

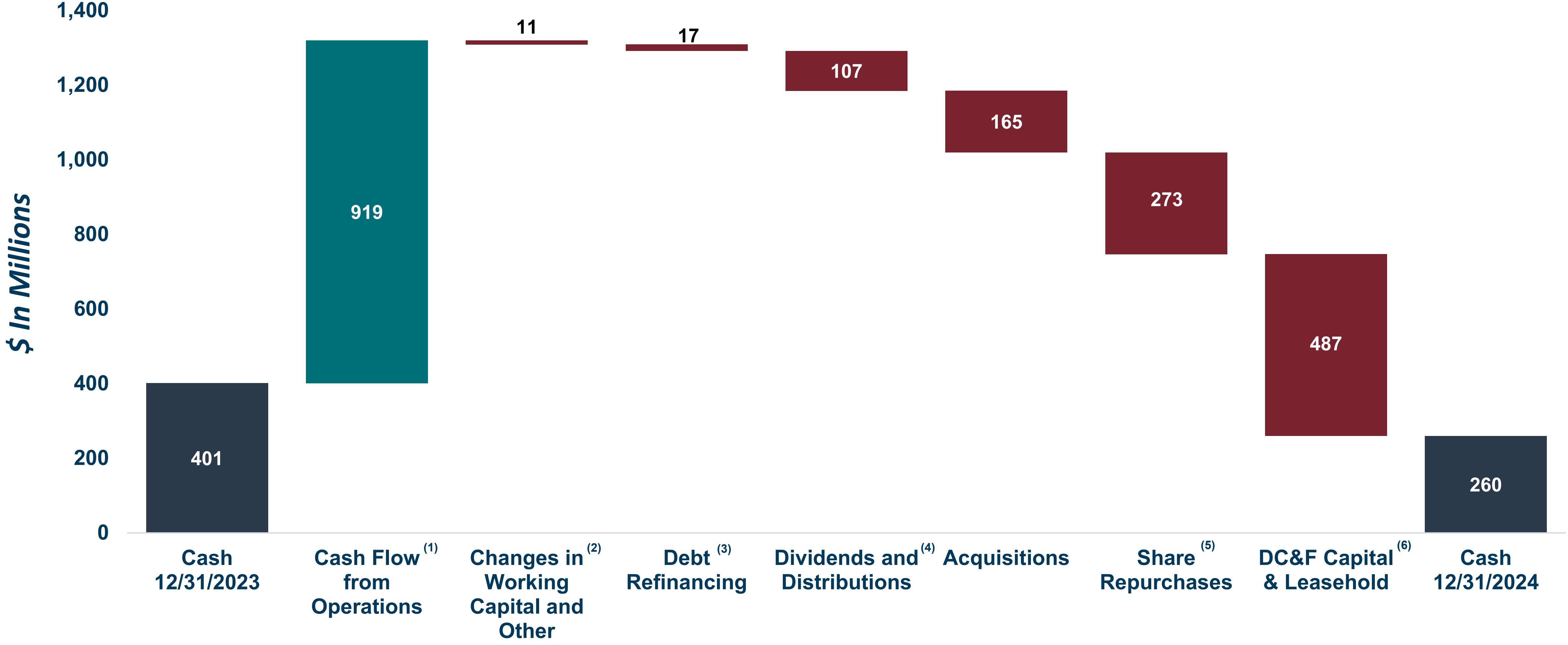
**25%** DIVERSITY
2 of 8 Board members identify as minorities

**50%** REFRESHMENT
4 of 8 Board members have 5 or less years of tenure

Review our 2024 Sustainability Report at https://www.magnoliaoilgas.com/sustainability.

# Appendix

# 2024 Cash Flow Reconciliation




(1) Cash flow from operations before changes in working capital.
(2) Comprised of other investing and financing activities.
(3) Includes $400 million related to issuance of new debt, offset by $404 million paid in redemption of the old debt and $13 million in debt issuance costs.
(4) Includes $98 million of dividends paid to Class A shareholders and $9 million of distributions to noncontrolling interest holders.
(5) Comprised of $183 million Class A Common Stock Repurchases and $90 million of Class B Common Stock Repurchase and cancellation.
(6) Incurred D&C and Leasehold Capital of $487 million.

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# Summary Balance Sheet

| *(in thousands)* | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Cash and cash equivalents | $260,049 | $401,121 |
| Other current assets | 150,775 | 190,152 |
| Property, plant and equipment, net | 2,306,034 | 2,052,021 |
| Other assets | 103,977 | 112,922 |
| Total assets | $2,820,835 | $2,756,216 |
| | | |
| Current liabilities | $290,261 | $314,887 |
| Long-term debt, net | 392,513 | 392,839 |
| Other long-term liabilities | 170,735 | 165,822 |
| Total equity | 1,967,326 | 1,882,668 |
| Total liabilities and equity | $2,820,835 | $2,756,216 |

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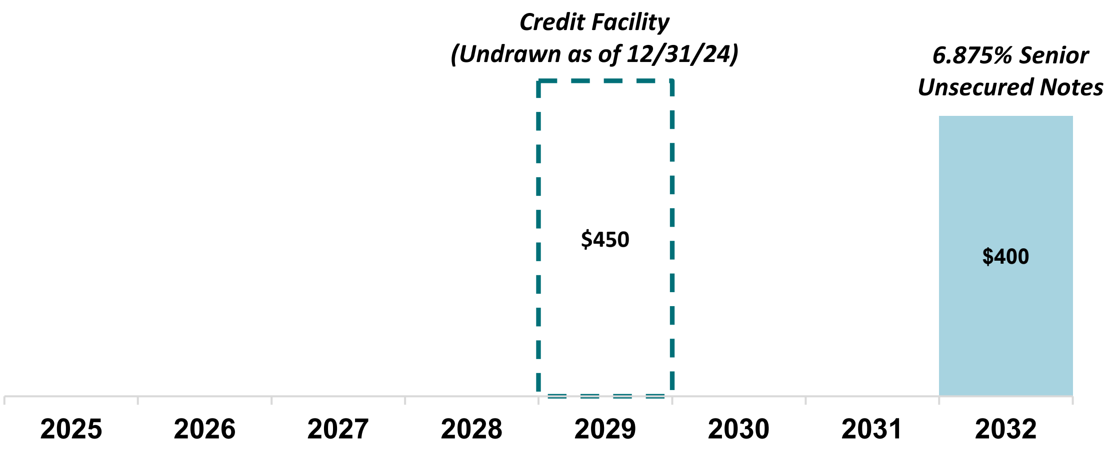
# Fourth Quarter 2024 Capital Structure & Liquidity Overview

## Capital Structure Overview

- **Maintaining low financial leverage profile**
  - **Currently have a net debt[1] position of $140 MM**
  - **Net debt[1] / Q4 annualized adjusted EBITDAX of 0.1x**
- **Current Liquidity of $710 million, including fully undrawn credit facility [2]**
- **No debt maturities until senior unsecured notes mature in 2032**

## Debt Maturity Schedule ($MM)




## Capitalization & Liquidity ($MM)

| *Capitalization Summary* | As of 12/31/2024 |
|---|---|
| Cash and Cash Equivalents | $260 |
| Revolving Credit Facility | $0 |
| 6.875% Senior Notes Due 2032 | $400 |
| Total Principal Debt Outstanding | $400 |
| Total Equity [3] | $1,967 |
| Net Debt / Q4 Annualized Adjusted EBITDAX | 0.1x |
| Net Debt / Total Book Capitalization | 6% |

| *Liquidity Summary* | As of 12/31/2024 |
|---|---|
| Cash and Cash Equivalents | $260 |
| Credit Facility Availability | $450 |
| Liquidity [2] | $710 |

(1) Net debt is calculated as the difference between cash and total long-term debt, excluding unamortized deferred financing cost.
(2) Liquidity defined as cash plus availability under revolving credit facility.
(3) Total Equity includes noncontrolling interest.

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# Margins and Cost Structure

| $ / Boe, unless otherwise noted | *For the Quarters Ended* | | *For the Years Ended* | |
|---|---|---|---|---|
| | *December 31, 2024* | *December 31, 2023* | *December 31, 2024* | *December 31, 2023* |
| **Revenue** | **$38.13** | **$41.06** | **$40.08** | **$40.83** |
| **Total Cash Operating Costs:** | | | | |
| **Lease Operating Expenses** [(1)] | **(5.30)** | **(5.09)** | **(5.44)** | **(5.11)** |
| **Gathering, Transportation & Processing** | **(1.42)** | **(1.39)** | **(1.21)** | **(1.47)** |
| **Taxes Other Than Income** | **(1.85)** | **(2.07)** | **(2.19)** | **(2.18)** |
| **Exploration Expenses** [(2)] | **(0.05)** | **(0.01)** | **(0.04)** | **(0.17)** |
| **General & Administrative Expenses** [(3)] | **(2.00)** | **(1.99)** | **(2.20)** | **(2.09)** |
| **Total Adjusted Cash Operating Costs** | **(10.62)** | **(10.55)** | **(11.08)** | **(11.02)** |
| **Adjusted Cash Operating Margin** | **$27.51** | **$30.51** | **$29.00** | **$29.81** |
| ***Margin %*** | ***72%*** | ***74%*** | ***72%*** | ***73%*** |
| | | | | |
| **Non-Cash Costs:** | | | | |
| **Depreciation, Depletion, and Amortization** | **(12.30)** | **(12.21)** | **(12.62)** | **(10.81)** |
| **Impairment of Oil and Natural Gas Properties** | **-** | **-** | **-** | **(0.52)** |
| **Asset Retirement Obligations Accretion** | **(0.19)** | **(0.19)** | **(0.20)** | **(0.13)** |
| **Non-cash Stock Based Compensation** | **(0.54)** | **(0.52)** | **(0.57)** | **(0.54)** |
| **Exploration Expenses, non-cash** | **-** | **(0.03)** | **-** | **(0.01)** |
| **Total non-cash costs** | **(13.03)** | **(12.95)** | **(13.39)** | **(12.01)** |
| **Operating Income Margin** | **$14.48** | **$17.56** | **$15.61** | **$17.80** |
| **Add back: Impairment of oil and natural gas properties** | **-** | **-** | **-** | **$0.52** |
| **Adjusted operating income margin** | **$14.48** | **$17.56** | **$15.61** | **$18.32** |
| ***Margin %*** | ***38%*** | ***43%*** | ***39%*** | ***45%*** |

(1) Lease operating expenses exclude non-cash stock based compensation of $0.5 million, or $0.06 per boe, and $0.5 million, or $0.06 per boe, for the quarters ended December 31, 2024 and 2023, respectively, and $2.3 million, or $0.07 per boe, and $1.9 million, or $0.06 per boe for the years ended December 31, 2024 and 2023, respectively.

(2) Exploration expenses exclude non-cash exploration activity of $0.3 million, or $0.03 per boe, for the quarter ended December 31, 2023, and $0.3 million, or $0.01 per boe, for the year ended December 31, 2023.

(3) General and administrative expenses exclude non-cash stock based compensation of $4.0 million, or $0.47 per boe, and $3.6 million, or $0.46 per boe, for the quarters ended December 31, 2024 and 2023, respectively, and $16.4 million, or $0.50 per boe, and $14.3 million, or $0.48 per boe, for the years ended December 31, 2024 and 2023, respectively.

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# Free Cash Flow Reconciliations

| *(in thousands)* | For the Quarters Ended | | For the Years Ended | |
|---|---|---|---|---|
| | **December 31, 2024** | **December 31, 2023** | **December 31, 2024** | **December 31, 2023** |
| Net cash provided by operating activities | $222,627 | $246,882 | $920,850 | $855,789 |
| Add back: net change in operating assets and liabilities | 5,293 | (10,651) | (1,504) | 15,842 |
| **Cash flows from operations before net change in operating assets and liabilities** | **$227,920** | **$236,231** | **$919,346** | **$871,631** |
| Additions to oil and natural gas properties | (134,794) | (92,835) | (486,729) | (424,890) |
| Changes in working capital associated with additions to oil and natural gas properties | (2,840) | (12,105) | (2,385) | (33,793) |
| **Free cash flow** | **$90,286** | **$131,291** | **$430,232** | **$412,948** |

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# Adjusted EBITDAX Reconciliations

| *(in thousands)* | For the Quarters Ended December 31, 2024 | For the Quarters Ended December 31, 2023 | For the Years Ended December 31, 2024 | For the Years Ended December 31, 2023 |
|---|---|---|---|---|
| Net income | $88,708 | $113,856 | $397,330 | $442,604 |
| Interest expense, net | 4,688 | 405 | 14,371 | 33 |
| Income tax expense | 22,179 | 31,544 | 95,813 | 107,208 |
| **EBIT** | **$115,575** | **$145,805** | **$507,514** | **$549,845** |
| Depreciation, depletion and amortization | 105,332 | 95,922 | 414,487 | 324,790 |
| Asset retirement obligations accretion | 1,618 | 1,500 | 6,729 | 4,039 |
| **EBITDA** | **$222,525** | **$243,227** | **$928,730** | **$878,674** |
| Exploration expenses | 456 | 306 | 1,374 | 5,445 |
| **EBITDAX** | **$222,981** | **$243,533** | **$930,104** | **$884,119** |
| Impairment of oil and natural gas properties | - | - | - | 15,735 |
| Gain on revaluation of contingent consideration | (504) | (7,643) | (4,312) | (7,643) |
| Loss on extinguishment of debt | 8,796 | - | 8,796 | - |
| Other income adjustment (1) | - | - | - | (9,193) |
| Non-cash stock based compensation expense | 4,502 | 4,106 | 18,663 | 16,166 |
| **Adjusted EBITDAX** | **$235,775** | **$239,996** | **$953,251** | **$899,184** |

(1) The other income adjustment for the year ended December 31, 2023, includes $5.3 million related to an earnout payment associated with the sale of the Company's 35% membership interest in Ironwood Eagle Ford Midstream, LLC in 2020 and $3.9 million related to the gain on the sale of the Company's 84.7% interest in Highlander Oil & Gas Holdings LLC in 2023.

MAGNOLIA OIL & GAS

# Adjusted Net Income Reconciliation

| *(in thousands)* | For the Quarters Ended | | For the Years Ended | |
|---|---|---|---|---|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| Net income | $88,708 | $113,856 | $397,330 | $442,604 |
| Adjustments: | | | | |
| Impairment of oil and natural gas properties | - | - | - | 15,735 |
| Gain on revaluation of contingent consideration | (504) | (7,643) | (4,312) | (7,643) |
| Loss on extinguishment of debt | 8,796 | - | 8,796 | - |
| Other income adjustment (1) | - | - | - | (9,193) |
| Change in estimated income tax (2) | (1,609) | 1,490 | (870) | 215 |
| **Adjusted Net Income** | **$95,391** | **$107,703** | **$400,944** | **$441,718** |

| *(in thousands)* | For the Quarters Ended | | For the Years Ended | |
|---|---|---|---|---|
| **Total Share Count** | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| Diluted weighted average shares of Class A Common Stock outstanding during the period | 190,647 | 184,625 | 186,492 | 188,355 |
| Weighted average shares of Class B Common Stock outstanding during the period (3) | 5,523 | 21,827 | 13,497 | 21,827 |
| **Total weighted average shares of Class A and B Common Stock, including dilutive impact of other securities (3)** | **196,170** | **206,452** | **199,989** | **210,182** |

(1) The other income adjustment for the year ended December 31, 2023, includes $5.3 million related to an earnout payment associated with the sale of the Company's 35% membership interest in Ironwood Eagle Ford Midstream, LLC in 2020 and $3.9 million related to the gain on the sale of the Company's 84.7% interest in Highlander Oil & Gas Holdings LLC in 2023.

(2) Represents corporate income taxes at an assumed annual effective tax rate of 19.4% and 19.5% for the quarters and years ended December 31, 2024 and 2023, respectively.

(3) Shares of Class B Common Stock, and corresponding Magnolia LLC Units, are anti-dilutive in the calculation of weighted average number of common shares outstanding.

# Return on Capital Employed

| *(in thousands)* | ***For the Quarter Ended*** | ***For the Years Ended*** | | | | | |
|---|---|---|---|---|---|---|---|
| | ***December 31, 2024*** | ***December 31, 2024*** | ***December 31, 2023*** | ***December 31, 2022*** | ***December 31, 2021*** | ***December 31, 2020*** | ***December 31, 2019*** |
| Operating income (loss) | $124,067 | $511,988 | $534,485 | $1,073,786 | $602,594 | ($1,925,666) | $127,502 |
| Less: | | | | | | | |
| Impairment of oil and natural gas properties | - | - | 15,735 | - | - | 1,945,257 | - |
| Service agreement transition costs (1) | - | - | - | - | 11,189 | - | - |
| Transaction costs | - | - | - | - | - | - | 438 |
| ***Adjusted operating income (A)*** | **$124,067** | **$511,988** | **$550,220** | **$1,073,786** | **$613,783** | **$19,591** | **$127,940** |
| | | | | | | | |
| Debt - beginning of period | 394,793 | 392,839 | 390,383 | 388,087 | 391,115 | 389,835 | 388,635 |
| Stockholders' equity - beginning of period | 1,960,572 | 1,882,668 | 1,740,191 | 1,045,249 | 839,422 | 2,728,529 | 2,707,955 |
| Capital employed - beginning of period | 2,355,365 | 2,275,507 | 2,130,574 | 1,433,336 | 1,230,537 | 3,118,364 | 3,096,590 |
| | | | | | | | |
| Debt - end of period | 392,513 | 392,513 | 392,839 | 390,383 | 388,087 | 391,115 | 389,835 |
| Stockholders' equity - end of period | 1,967,326 | 1,967,326 | 1,882,668 | 1,740,191 | 1,045,249 | 839,422 | 2,728,529 |
| Capital employed - end of period | 2,359,839 | 2,359,839 | 2,275,507 | 2,130,574 | 1,433,336 | 1,230,537 | 3,118,364 |
| | | | | | | | |
| ***Average capital employed (B)*** | **$2,357,602** | **$2,317,673** | **$2,203,041** | **$1,781,955** | **$1,331,937** | **$2,174,451** | **$3,107,477** |
| | | | | | | | |
| ***Return on average capital employed (A/B)*** | ***5.3%*** | ***22.1%*** | ***25.0%*** | ***60.3%*** | ***46.1%*** | ***0.9%*** | ***4.1%*** |

(1) Costs incurred during the transition period related to the termination of the Services Agreement with EnerVest Operating L.L.C. included within "General and administrative expenses" on the Company's consolidated statements of operations.

MAGNOLIA OIL & GAS