



Fourth Quarter 2019 Earnings Presentation

February 19, 2020

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FORWARD LOOKING STATEMENTS

The information in this presentation and the oral statements made in connection therewith include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), 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 presentation, regarding Magnolia Oil & Gas Corporation’s (“Magnolia,” “we,” “us,” “our” or the “Company”) financial and production guidance, 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 presentation, including any oral statements made in connection therewith, 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 presentation. 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. These risks include, but are not limited to, commodity price volatility, low prices for oil and/or natural gas, global economic conditions, inflation, increased operating costs, lack of availability of drilling and production equipment, supplies, services and qualified personnel, processing volumes and pipeline throughput, and certificates related to new technologies, geographical concentration of operations, environmental risks, weather risks, security risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating oil and natural gas reserves and in projecting future rates of production, reductions in cash flow, lack of access to capital, Magnolia’s ability to satisfy future cash obligations, restrictions in existing or future debt agreements, the timing of development expenditures, managing growth and integration of acquisitions, failure to realize expected value creation from property acquisitions, and the defects and limited control over non-operated properties. Should one or more of the risks or uncertainties described in this presentation and the oral statements made in connection therewith 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 Magnolia’s operations and projections can be found in its filings with the Securities and Exchange Commission (the “SEC”), its Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on February 27, 2019. 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 free cash flow, EBITDAX, adjusted EBITDAX, adjusted operating margin, adjusted net income and adjusted earnings. 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 financing 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.

Magnolia excludes certain items from net income in arriving at adjusted operating margin, adjusted net income and adjusted earnings because these amounts can vary substantially from company to company within its industry depending upon accounting methods, book values of assets and the method by which the assets were acquired. Adjusted EBITDAX, adjusted operating margin, adjusted net income and adjusted earnings should not be considered as alternatives to, or more meaningful than, net income as determined in accordance with GAAP. Certain items excluded from adjusted EBITDAX, adjusted operating margin, adjusted net income and adjusted earnings 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 operating margin, adjusted EBITDAX and adjusted net income 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 liquidity measures, management believes free cash flow and cash flows from operations before changes in operating assets and liabilities are 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 free cash flow, adjusted operating margin per boe, adjusted net income, and adjusted EBITDAX may not be comparable to similar measures of other companies in our industry. A free cash flow reconciliation is shown on page 14, an adjusted operating margin per boe reconciliation is shown on page 8 of the presentation, an adjusted EBITDAX reconciliation is shown on page 15 of the presentation, adjusted net income reconciliation is shown on page 16 and adjusted earnings reconciliation is shown on page 17.

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.

- **Total D&C capital for 2019 was 60% of our EBITDAX** and in line with our **business model prioritizing free cash flow generation**
- Generated \$647.6 million net cash flow from operating activities and **\$223 million of free cash flow** during 2019
- Exited 2019 with **total production growth of 10%** compared to prior year levels
- **Completed \$136 million of bolt-on oil and gas property acquisitions**, including 5,200 net acres (~30% increase) supplementing our existing core position in the Karnes County area
- **Repurchased 7 million MGY shares** for \$79.4 million
- **Increased our cash position to \$183 million** from \$136 million in the prior year, without incurring additional debt
- **Completed the exchange of all our outstanding public warrants**, which simplified our capital structure
- **Further de-risked the Giddings Field asset** through our appraisal and exploration program, improving our confidence and positioning us to increase activity later this year
- **Replaced 142% of our production** by adding 34.7 MMboe of total proved developed reserves, the vast majority of which were organic

Magnolia Oil & Gas – Q4 2019 Key Metrics



Net Income, Earnings and EPS (GAAP) ⁽¹⁾

\$13.6 Million

\$8.1 Million

\$0.05 Per Share

Total Production

68.3 Mboe/d (52% oil)

~10% YOY Growth

CFO and Free Cash Flow ⁽²⁾

\$159.0 Million

\$92.7 Million

Adj. Net Income, Adj. EPS and TSO ⁽²⁾⁽³⁾

\$12.5 Million

Adjusted EPS \$0.05

253.1 Million Shares

Adjusted EBITDAX ⁽²⁾

\$170.8 Million

D&C Capex

\$72.2 Million

(42% of Adjusted EBITDAX)

(1) Earnings is attributed to Class A Common Stock only.

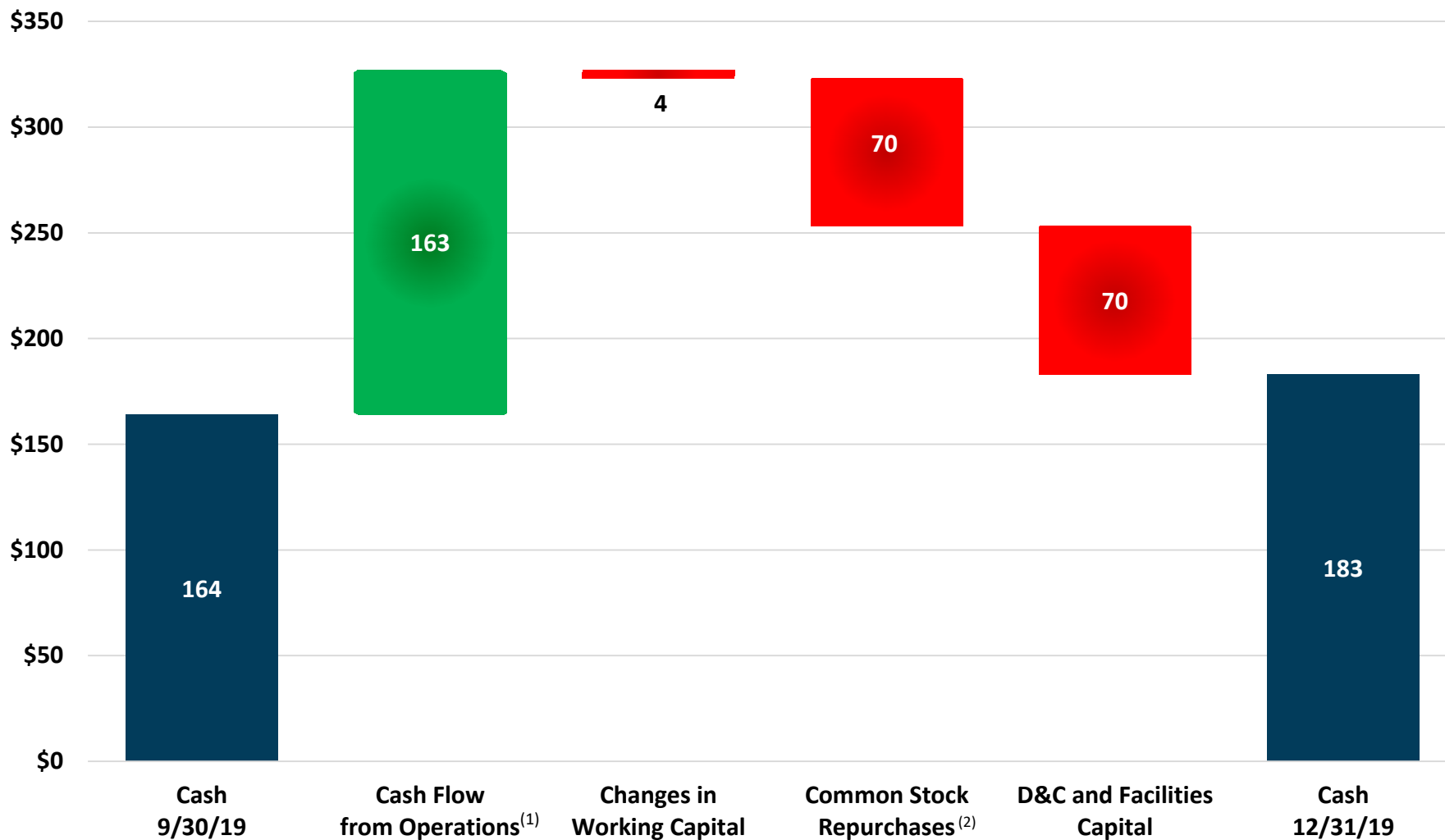
(2) Free cash flow, Adjusted EBITDAX, Adjusted net income, Adjusted EPS and are non-GAAP measures. For a reconciliation to the most directly comparable GAAP measure see pages 14, 15, 16 and 17.

(3) Total shares outstanding as of December 31, 2019.

Q4 2019 Cash Flow Summary



(\$ In Millions)



(1) Cash flow from operations before changes in working capital.

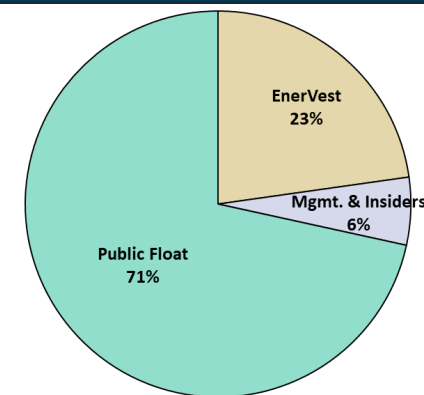
(2) Comprised of \$69 million Class B Common Stock repurchases outside of share repurchase program and approximately \$0.6 million of Class A Common Stock repurchases as part of the share repurchase program.

Magnolia Oil & Gas Share Count Summary

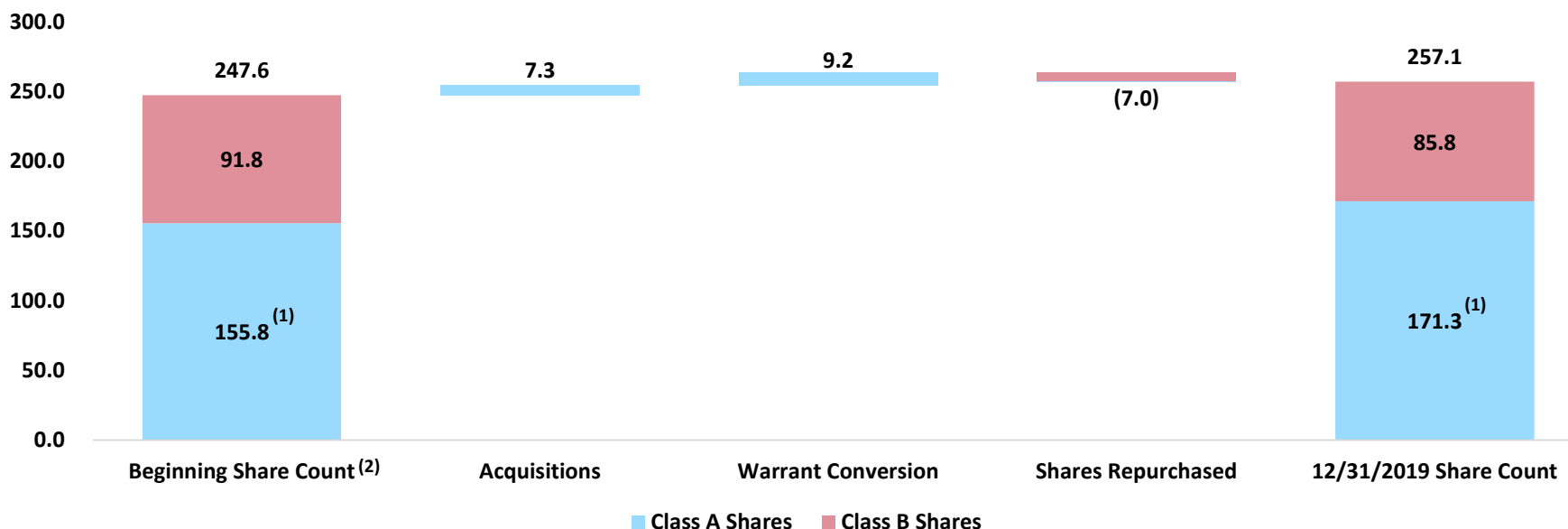


- A summary of Magnolia's overall share count is shown in the graph below:
 - Since the company's inception, we have repurchased 7 million shares, including 6 million Class B and 1 million Class A shares
 - Shares repurchased to date have roughly offset the shares issued for acquisitions
- The Class A Share breakdown is shown in the pie chart to the right:
 - 71% of the Class A shares are in the public float (~123 million shares) ⁽¹⁾
- The Class B shares (which are not publicly traded) are essentially the same to Class A shares in terms of voting rights and economic value

Class A Share Breakdown (171.3 MM Shares) ⁽¹⁾



Total Share Count Since Inception (MM Shares)



⁽¹⁾ Included in the Class A share count are 4 million contingent shares which are expected to be issued to EnerVest (2 million shares in 2021 and 2 million shares in 2022).

⁽²⁾ Share count after close and final settlement of EnerVest Business Combination and issuance of earnout shares.

Magnolia Oil & Gas – Summary Balance Sheet



<i>(in thousands)</i>		
	December 31, 2019	December 31, 2018
Cash	\$182,633	\$135,758
Current assets	110,585	156,601
Property, plant and equipment, net	3,116,757	3,073,204
Other assets	56,431	67,960
Total assets	\$3,466,406	\$3,433,523
Current liabilities	\$175,208	\$197,361
Long-term debt, net	389,835	388,635
Other long-term liabilities	172,834	139,572
Total stockholders' equity	2,728,529	2,707,955
Total liabilities and equity	\$3,466,406	\$3,433,523

Magnolia Oil & Gas – Margins



<i>\$ / Boe, unless otherwise noted</i>	<i>For the Quarter Ended December 31, 2019</i>	<i>For the Quarter Ended December 31, 2018</i>	<i>For the Year Ended December 31, 2019</i>
Revenue	\$36.54	\$44.75	\$38.38
Less: Lease Operating Expenses	(3.66)	(3.46)	(3.85)
Less: Gathering, Transportation & Processing	(1.42)	(1.60)	(1.43)
Less: Taxes Other Than Income	(2.05)	(2.42)	(2.20)
Less: Exploration Expense	(0.43)	(0.12)	(0.52)
Less: General & Administrative Expense ⁽¹⁾	(2.24)	(2.93)	(2.40)
Less: Transaction Related Expense	-	(0.39)	(0.02)
Total Cash Operating Costs ⁽²⁾	(9.80)	(10.92)	(10.42)
Cash Operating Margin	\$26.74	\$33.83	\$27.96
Margin %	73%	76%	73%
Less: Asset Retirement Obligations Accretion	(0.23)	(0.22)	(0.23)
Less: Depreciation, Depletion, and Amortization	(21.89)	(19.65)	(21.47)
Less: Amortization on Intangible Assets	(0.58)	(0.64)	(0.59)
Less: Non-cash stock based compensation	(0.43)	(0.32)	(0.45)
Total non-cash expenses	(23.13)	(20.83)	(22.74)
Operating Margin	\$3.61	\$13.00	\$5.22
Margin %	10%	29%	14%
Add: Transaction Related Expense	-	0.39	0.02
Adjusted Operating Margin ⁽²⁾	\$3.61	\$13.39	\$5.24
Margin %	10%	30%	14%

(1) General & administrative expense excludes non-cash stock based compensation of \$2.7 million, \$1.9 million, and \$11.1 million, or \$0.43 per Boe, \$0.32 per Boe, and \$0.45 per Boe, for the quarter ended December 31, 2019, the quarter ended December 31, 2018, and the year ended December 31, 2019, respectively.

(2) Adjusted Operating Margin and Total Cash Operating Costs are non-GAAP measures. For reasons management believes this is useful to investors, refer to slide 2 "Non-GAAP Financial Measures."

2019 Proved Reserves & Costs Incurred

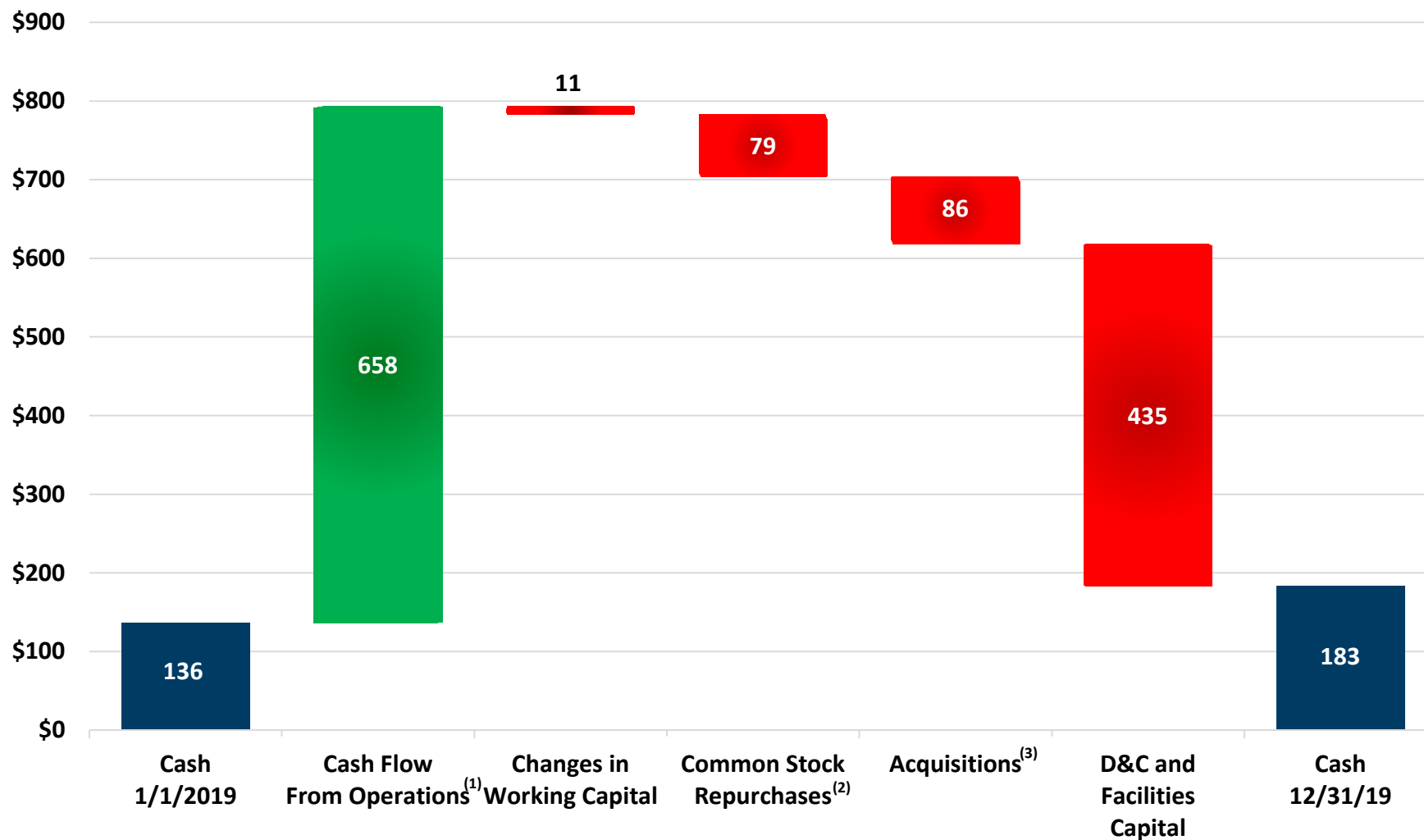


(\$ in thousands)		<i>For the Year Ended December 31, 2019</i>
Costs incurred:		
Proved property acquisition costs		\$106,489
Unproved properties acquisitions costs		29,208
Total acquisition costs		\$135,697
Exploration and development costs		441,482
Total costs incurred		\$577,179
Capital expenditures:		
Drilling and completion costs		\$416,353
Leasehold acquisition costs		10,003
Total capital spending (accrual basis)		\$426,356
<i>Proved property acquisition costs and D&C capital</i>		<i>\$522,842</i>
Proved developed reserves: (MMboe)		
December 31, 2018		76.5
December 31, 2019		86.8
Increase in proved developed reserves		10.3
Production		24.4
<i>Increase in proved developed reserves plus production</i>		<i>34.7</i>

2019 Cash Flow Summary



(\$ In Millions)



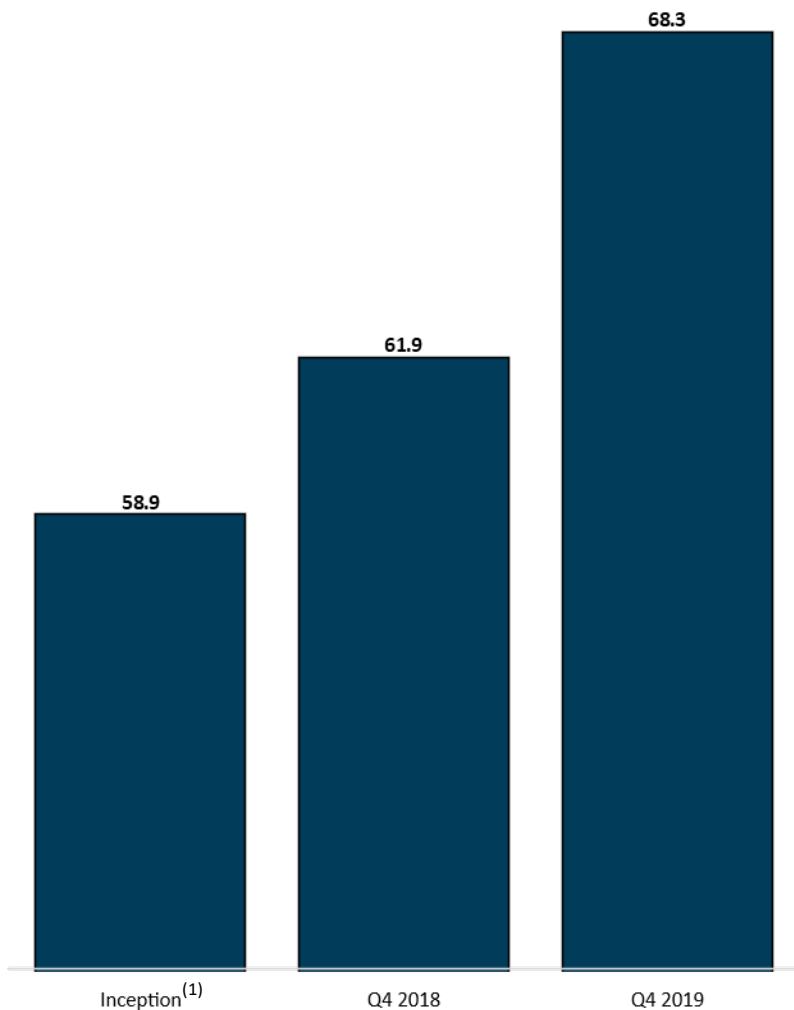
(1) Cash flow from operations before changes in working capital.

(2) Comprised of \$69 million Class B Common Stock repurchases outside of share repurchase program and \$10.3 million of Class A Common Stock repurchases as part of the share repurchase program.

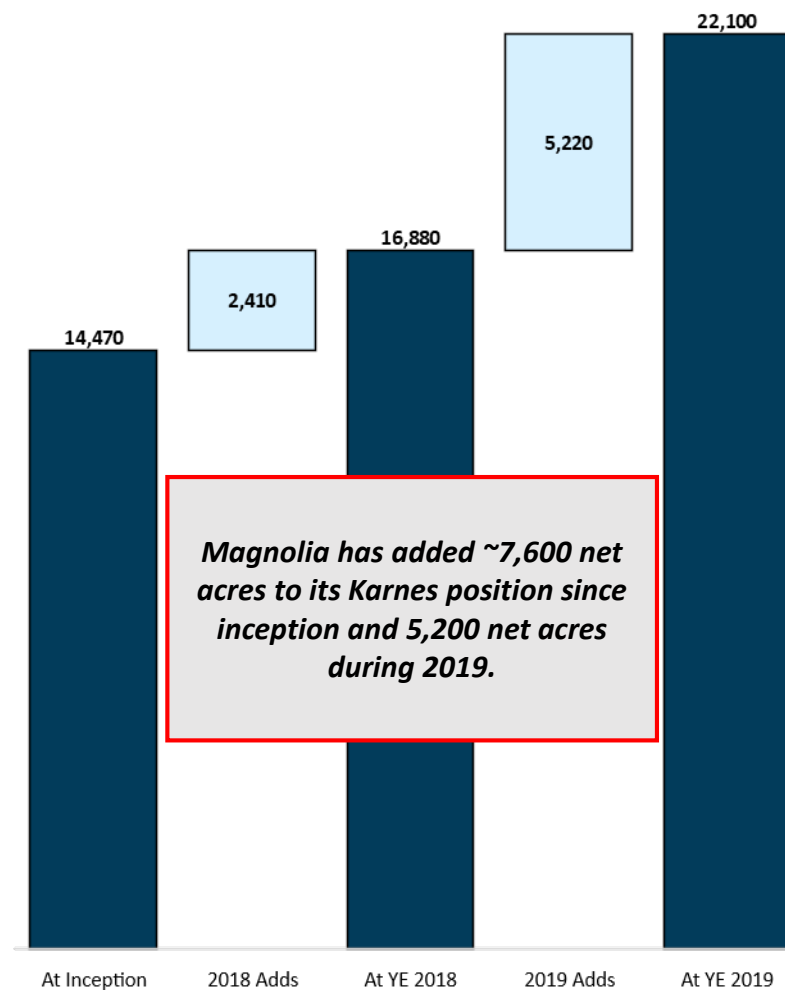
(3) Acquisitions include leasehold acquisitions and are net of partner contributions

Achieving Key Objectives Through Steady Growth

Production Growth



Karnes Net Acreage Additions Since Inception



(1) Inception production is based on Q3 2018 Successor Period which is July 31, 2018 through September 30, 2018.

Appendix

Magnolia Oil & Gas – Overview



- High-quality, low-risk pure-play South Texas operator with a core Eagle Ford and Austin Chalk position acquired at an attractive entry multiple
- Significant scale and PDP base generates material free cash flow, reduces development risk and increases optionality
- **Asset Overview:**
 - ~22,100 net acres in a well-delineated, low-risk position in the core of Karnes County, representing some of the most prolific acreage in the United States with industry leading breakevens
 - ~430,000 net acres in the Giddings Field, a re-emerging oil play with significant upside and what we believe to be substantial inventory
 - Both assets expected to remain self funding and within cash flow

Market Statistics

Trading Symbol (NYSE) MGY

Share Price as of 2/18/2019 \$9.18

Common Shares Outstanding ⁽¹⁾ 253.1 million

Market Capitalization \$2.3 billion

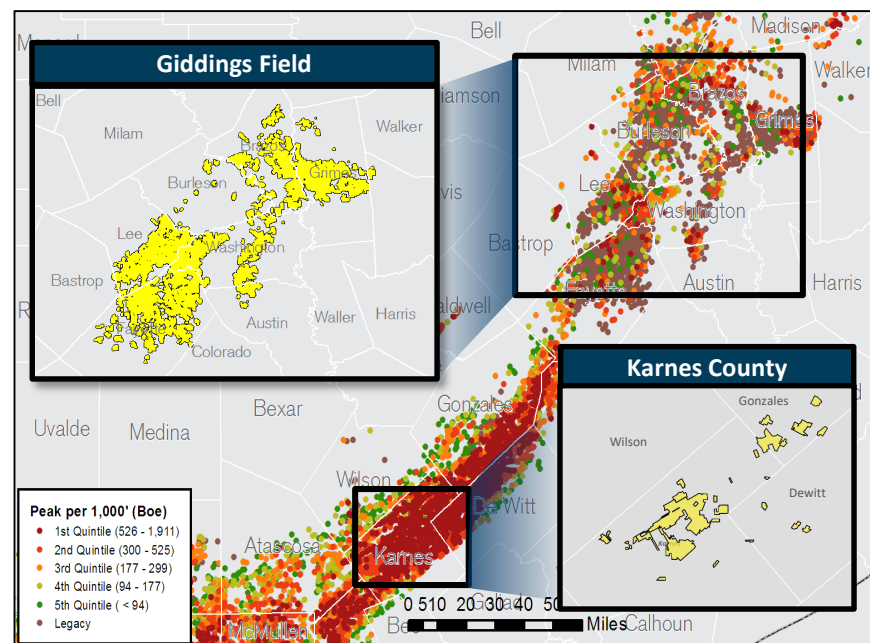
Long-term Debt - Principal \$400 million

Total Enterprise Value \$2.5 billion

Operating Statistics	Karnes	Giddings	Total
Net Acreage	22,088	428,766	450,854

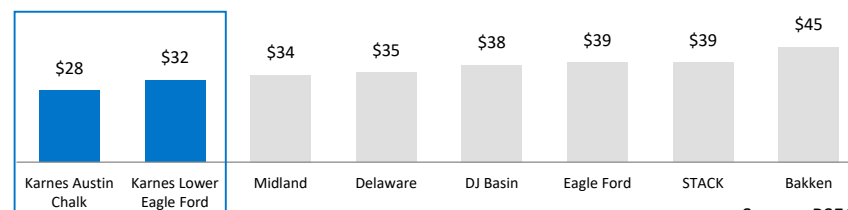
2019 Net Production (Mboe/d) ⁽²⁾ 44.6 22.2 66.8

~450,000 Net Acre Position Targeting Two of the Top Oil Plays in the U.S.



Source: IHS Performance Evaluator.

Industry Leading Breakevens (\$/Bbl WTI)



Source: RSEG.

(1) Common Stock outstanding includes Class A and Class B Stock.

(2) Giddings Includes "other" production not located in the Giddings Field.

Reconciliation of Free Cash Flow



(in thousands)

Free Cash Flow Reconciliation	For the Quarter Ended December 31, 2019	For the Quarter Ended December 31, 2018	For the Year Ended December 31, 2019
Net Cash provided by operating activities	\$159,007	\$218,168	\$647,619
Changes in operating assets and liabilities	3,870	(32,081)	10,343
Cash flows from operations before changes in operatings assets and liabilities	\$162,877	\$186,087	\$657,962
Additions to oil and natural gas properties	(70,176)	(107,895)	(435,035)
Free Cash Flow ⁽¹⁾	\$92,701	\$78,192	\$222,927

(1) Free cash flow is a non-GAAP measure. For reasons management believes these are useful to Investors, refer to slide 2 "Non-GAAP Financial Measures."

Reconciliation of Net Income to Adjusted EBITDAX



(in thousands)			
Adjusted EBITDAX reconciliation to net income:	For the Quarter Ended December 31, 2019	For the Quarter Ended December 31, 2018	For the Year Ended December 31, 2019
Net income ⁽¹⁾	\$13,631	\$57,808	\$85,005
Exploration expense	2,724	661	12,741
Asset retirement obligation accretion	1,416	1,276	5,512
Depreciation, depletion and amortization	137,629	111,989	523,572
Amortization of intangible assets	3,626	3,626	14,505
Interest expense	6,745	7,494	28,356
Income tax expense	2,311	7,918	14,760
EBITDAX ⁽³⁾	\$168,082	\$190,772	\$684,451
Non-cash stock based compensation expense	\$2,713	\$1,851	\$11,089
Transaction related costs ⁽²⁾	-	2,241	438
Adjusted EBITDAX ⁽³⁾	\$170,795	\$194,864	\$695,978

(1) Includes net income attributable to noncontrolling interest.

(2) Transaction costs incurred related to the execution of our business combination with EnerVest, Ltd. and its affiliates and the Harvest acquisition, including legal fees, advisory fees, consulting fees, accounting fees, employee placement fees, and other transaction and facilitation costs.

(3) EBITDAX and Adjusted EBITDAX are non-GAAP measures. For reasons management believes these are useful to Investors, refer to slide 2 "Non-GAAP Financial Measures."

Adjusted Net Income Reconciliation



<i>(in thousands)</i>			
Adjusted Net Income	For the Quarter Ended December 31, 2019	For the Quarter Ended December 31, 2018	For the Year Ended December 31, 2019
Net income ⁽¹⁾	\$13,631	\$57,808	\$85,005
Transaction costs	-	\$2,241	\$438
Income tax expense	\$2,311	\$7,918	\$14,760
Adjusted income before taxes	15,942	67,967	100,203
Adjusted income tax expense ⁽²⁾	(3,475)	(12,890)	(22,116)
Adjusted net income⁽³⁾	\$12,467	\$55,077	\$78,087

<i>(in thousands)</i>			
Total Share Count	For the Quarter Ended December 31, 2019	For the Quarter Ended December 31, 2018	For the Year Ended December 31, 2019
Diluted weighted average of Class A Common Stock outstanding during the period	171,647	158,998	167,047
Weighted average shares of Class B Common Stock outstanding during the period ⁽⁴⁾	90,942	93,189	91,951
Total weighted average shares of Class A and B Common Stock, including dilutive impact of other securities⁽⁴⁾	262,589	252,187	258,998

(1) Includes net income attributable to noncontrolling interest.

(2) Represents corporate income taxes at an assumed effective tax rate of 22% for the quarter ended December 31, 2019, 19% for the quarter ended for the quarter ended December 31, 2018, and 22% for the year ended December 31, 2019, applied to adjusted income before income taxes.

(3) Adjusted Net Income is a non-GAAP measure. For reasons management believes this is useful to investors, refer to slide 2 "Non-GAAP Financial Measure."

(4) 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.

Adjusted Earnings Reconciliation



(in thousands)

	For the Quarter Ended December 31, 2019	Per Share Diluted EPS	For the Quarter Ended December 31, 2018	Per Share Diluted EPS	For the Year Ended December 31, 2019	Per Share Diluted EPS
Net income attributable to Class A Common Stock	\$8,115	\$0.05	\$32,921	\$0.21	\$47,433	\$0.28
Adjustments for certain items affecting comparability ⁽¹⁾						
Non-cash deemed dividend	-	-	-	-	2,763	0.02
Transaction costs	-	-	2,241	0.01	438	-
Change in estimated income tax	-	-	(471)	-	(92)	-
Adjusted earnings	\$8,115	\$0.05	\$34,691	\$0.22	\$50,542	\$0.30

(1) Adjusted earnings is a non-GAAP measure. For reasons management believes this is useful to investors, refer to slide 2 "Non-GAAP Financial Measures."

Magnolia Oil & Gas – Operating Highlights



	For the Quarter Ended December 31, 2019	For the Quarter Ended December 31, 2018	For the Year Ended December 31, 2019
Production:			
Oil (MBbls)	3,251	3,054	12,867
Natural Gas (MMcf)	10,689	8,795	41,272
NGLs (MBbls)	1,254	1,179	4,643
Total (Mboe)	6,287	5,699	24,389
Average Daily Production:			
Oil (Bbls/d)	35,337	33,196	35,252
Natural Gas (Mcf/d)	116,185	95,598	113,074
NGLs (Bbls/d)	13,630	12,815	12,721
Total (Mboe)	68,331	61,944	66,819
Revenues (in thousands):			
Oil Sales	\$187,972	\$198,891	\$771,981
Natural Gas Sales	22,537	29,565	93,745
NGL Sales	19,200	26,599	70,416
Total Revenues	\$229,709	\$255,055	\$936,142
Average Sales Price:			
Oil (per Bbl)	\$57.82	\$65.12	\$60.00
Natural Gas (per Mcf)	2.11	3.36	2.27
NGL (per Bbl)	15.31	22.56	15.17
Total (per Boe)	\$36.54	\$44.75	\$38.38
NYMEX WTI (\$/Bbl)	\$56.96	\$59.08	\$57.04
NYMEX Henry Hub(\$/Mcf)	2.50	3.64	2.63
Realization to benchmark ⁽¹⁾:			
Oil (per Bbl)	102%	110%	105%
Natural Gas (per Mcf)	84%	92%	86%

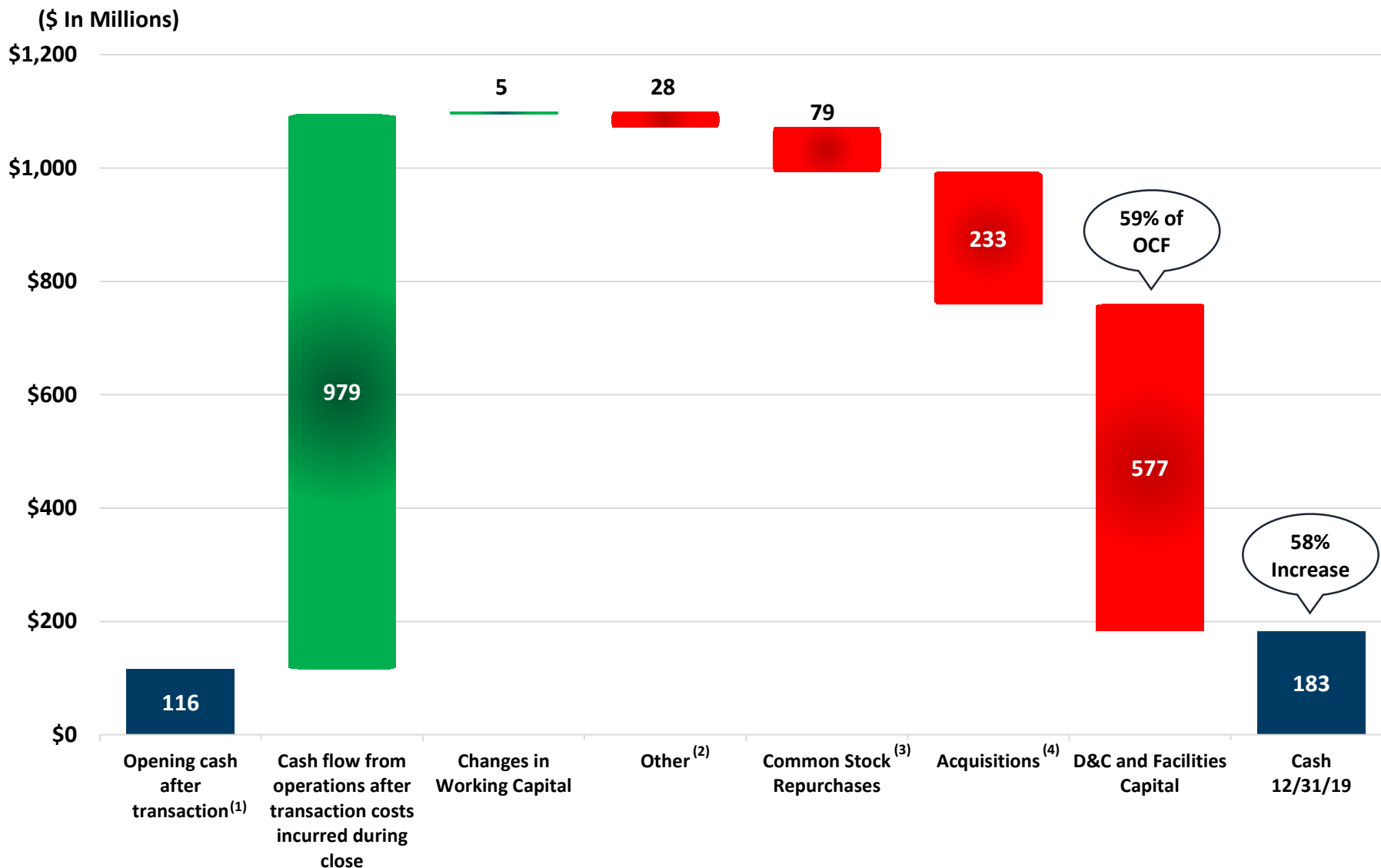
(1) Benchmarks are the NYMEX WTI and NYMEX HH average prices for oil and natural gas, respectively.

Magnolia Oil & Gas – Production Results



	Combined	Karnes	Giddings & Other	Combined	Karnes	Giddings & Other
	Three Months Ended December 31, 2019			Three Months Ended December 31, 2018		
Production:						
Oil (MBbls)	3,251	2,740	511	3,054	2,564	490
Natural Gas (MMcf)	10,690	4,207	6,483	8,795	3,788	5,007
NGLs (MBbls)	1,254	692	562	1,179	606	573
Total (Mboe)	6,287	4,133	2,154	5,699	3,801	1,898
Average Daily Production Volume:						
Oil (MBbls/d)	35.3	29.8	5.5	33.2	27.9	5.3
Natural Gas (MMcf/d)	116.2	45.7	70.5	95.6	41.2	54.4
NGLs (MBbls/d)	13.6	7.5	6.1	12.8	6.6	6.2
Total (MBoe/d)	68.3	44.9	23.4	61.9	41.3	20.6

Cash Flow Summary from Inception



(1) Represents cash remaining after cash held in Trust (\$656 MM) and proceeds from debt (\$400 MM) and equity (\$355 MM) issuances were used to pay for the EnerVest acquisition (\$1.2 Bn), deferred underwriting comp (\$23 MM), debt issuance costs (\$23 MM), repayment of the Sponsor Loan (\$1 MM), and transaction costs (\$31 MM) on 7/31.

(2) Includes payment to settle Giddings earnout (\$26MM) and other financing activities, offset by cash received in final settlement of EnerVest Acquisition.

(3) Comprised of \$69 million Class B Common Stock repurchases outside of the share repurchase program and ~\$0.6 million of Class A Common Stock repurchases as part of the repurchase program.

(4) Acquisitions include leasehold acquisitions and are net of partner contributions.