

Magnolia Oil & Gas Corporation Announces Second Quarter 2025 Results

HOUSTON, TX, July 30, 2025 - Magnolia Oil & Gas Corporation (“Magnolia,” “we,” “our,” or the “Company”) (NYSE: MGY) today announced its financial and operational results for the second quarter of 2025.

Second Quarter 2025 Highlights:

| (In millions, except per share data) | For the Quarter Ended June 30, 2025 | For the Quarter Ended June 30, 2024 | Percentage increase (decrease) |
|------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------------------|
| Net income | \$ 81.0 | \$ 105.1 | (23)% |
| Adjusted net income ⁽¹⁾ | \$ 80.9 | \$ 104.3 | (22)% |
| Earnings per share - diluted | \$ 0.41 | \$ 0.51 | (20)% |
| Adjusted EBITDAX ⁽¹⁾ | \$ 223.2 | \$ 246.1 | (9)% |
| Capital expenditures - D&C | \$ 95.2 | \$ 123.4 | (23)% |
| Average daily production (Mboe/d) | 98.2 | 90.2 | 9 % |
| Cash balance as of period end | \$ 251.8 | \$ 275.7 | (9)% |
| Diluted weighted average total shares outstanding ⁽²⁾ | 192.1 | 201.2 | (5)% |

Second Quarter 2025 Highlights:

- Magnolia reported second quarter 2025 net income attributable to Class A Common Stock of \$78.1 million, or \$0.41 per diluted share. Second quarter 2025 total net income was \$81.0 million and total adjusted net income⁽¹⁾ was \$80.9 million. Diluted weighted average total shares outstanding decreased by 5% to 192.1 million⁽²⁾ compared to second quarter 2024.
- Adjusted EBITDAX⁽¹⁾ was \$223.2 million during the second quarter of 2025. Total drilling and completions (“D&C”) capital was \$95.2 million and below our earlier guidance. The second quarter D&C capital represented approximately 43% of adjusted EBITDAX.
- Net cash provided by operating activities was \$198.7 million during the second quarter of 2025 and the Company generated free cash flow⁽¹⁾ of \$107.5 million. Magnolia generated operating income as a percentage of revenue (pre-tax margin) of 34% during the second quarter.
- Total Company production volumes in the second quarter of 2025 grew by 9% on a year-over-year basis to 98.2 thousand barrels of oil equivalent per day (“Mboe/d”) including 40.0 thousand barrels of oil per day (“Mbbls/d”) about 5% higher compared to the prior year and establishing another quarterly record for both oil and total production. Giddings total production grew 11% year-over-year to 77.4 Mboe/d with oil volumes increasing by 4%. The better-than-expected production levels were the result of continued strong well performance and productivity.
- For consecutive quarters, we are increasing our full-year 2025 production growth guidance to approximately 10%, from a range of 7 to 9% previously. We expect this growth to be delivered within the same range of D&C capital of \$430 to \$470 million, demonstrating the ongoing efficiencies of our capital program.
- In late June and early July, Magnolia closed multiple oil and gas property acquisitions from small private operators for approximately \$40 million⁽³⁾ and encompassing roughly 18,000 net acres. These assets include total production of approximately 500 Mboe/d (~35% oil), in addition to attractive leasehold and royalty acres. Second quarter 2025 volumes did not include any production benefit from the recently acquired properties.
- Magnolia continues to appraise and learn more about its vast acreage position in the Giddings area which consists of more than 750,000 gross and 550,000 net acres. As a result of our successful appraisal program, continuing evaluation of our acreage position and multiple bolt-on property acquisitions, we are increasing the current development area for our Giddings asset by 20% to approximately 240,000 net acres, or more than 40% of the Company’s total net acreage position. Approximately 75% of the increase is a result of our ongoing appraisal program with the remainder coming from the recent bolt-on transactions.

- The Company repurchased 2.2 million of its Class A Common Stock during the second quarter for \$48.7 million. Magnolia has 7.4 million Class A Common shares remaining under its current share repurchase authorization, which are specifically allocated toward open market share repurchases.
- As previously announced, the Board of Directors declared a cash dividend of \$0.15 per share of Class A common stock, and a cash distribution of \$0.15 per Class B unit, payable on September 2, 2025 to shareholders of record as of August 11, 2025.
- Magnolia returned \$77.9 million⁽⁴⁾, or 72% of the Company's free cash flow⁽¹⁾, to shareholders during the second quarter through a combination of share repurchases and dividends. Together with the significant return of cash to shareholders, Magnolia ended the first quarter with \$251.8 million of cash on the balance sheet and an undrawn \$450 million revolving credit facility.

"Magnolia delivered another strong period of quarterly results, and we continued to execute on our business model as demonstrated by our financial and operating performance," said Chairman, President, and CEO Chris Stavros. "The Company's total production and oil production set a new quarterly record supported by solid ongoing well performance notably at our Giddings asset. We now expect that our resilient well productivity to help drive our full-year 2025 production growth to approximately 10 percent. Improved well performance and capital efficiencies has provided us with ongoing operational flexibility allowing us to maintain our capital spending in the range of \$430 to \$470 million while continuing to preserve several well completions into 2026. Strong well performance continues to drive our overall production higher while supporting our disciplined rate of capital reinvestment that has been well-below our self-imposed ceiling of 55 percent of our EBITDAX. Ongoing capital efficiencies have allowed us to generate consistent free cash flow throughout periods of product price volatility. The most recent quarter was a good example as we generated \$107 million of free cash flow returning 72 percent of this free cash to our shareholders through our base dividend payment and ongoing share repurchase program.

"We were able to use some of the excess cash generated by the business to close on multiple oil and gas property acquisitions during late June and early July totaling about \$40 million. These small bolt-on transactions added approximately 18,000 net acres in Giddings including roughly 500 barrels of oil equivalent per day of production. Importantly, we have deployed this same strategy in Giddings of 'appraise, acquire, grow, and further exploit' since our inception and as we have continued to gain significant subsurface knowledge and experience in the Giddings field. The pursuit of this strategy contributed to increasing our development area in Giddings by 20 percent to 240,000 net acres.

"Strong well productivity, capital efficiencies and high operating margins are all characteristics that are prevalent in Giddings. These high-quality attributes along with our continued focus, capital discipline and the competitive advantage gained through our accumulated knowledge in the field are responsible for much of Magnolia's success. We will continue to look for opportunities over time to expand our presence and footprint within the field. Magnolia's top-tier assets and focused strategy, centered on prudent capital investment, steady production growth, robust pre-tax margins, and reliable free cash flow should continue to drive shareholder returns over the long term."

Operational Update

Total Company production volumes in the second quarter of 2025 grew by 9 percent on a year-over-year basis to 98.2 Mboe/d including 40.0 Mbbls/d, both setting new quarterly production records for the Company. Second quarter Giddings total production increased by 11 percent, compared to the prior year period with Giddings oil production growing by 4 percent compared to the second quarter of 2024. Giddings production represented 79 percent of total Company volumes during the second quarter. Magnolia's second quarter 2025 capital spending on drilling, completions, and associated facilities was \$95.2 million.

Magnolia plans to continue to operate two drilling rigs and one completion crew during 2025 and expects to maintain this level of activity through the remainder of the year. The Company's two operated rigs and one completion crew development program has been in place consistently for the last four years driving total Company production growth of more than 40 percent and more than doubling our production volumes in Giddings. Approximately 75 to 80 percent of the 2025 activity is expected to consist of multi-well development pads in the Giddings area combined with some appraisal wells intended to test some concepts and further de-risk our sizable acreage position. Our development program at Giddings consists of drilling multi-well pads throughout our core 240,000 net acre development area. This creates a balanced and efficient program that provides more consistent year-over-year results.

Additional Guidance

The continued strong well performance leads us to raise our full-year 2025 total production growth guidance to approximately 10 percent, compared to our prior growth range of 7 to 9 percent. Magnolia is maintaining its total 2025 D&C capital spending in the range of \$430 to \$470 million. This includes an estimate of non-operated capital that is similar to 2024 levels. Third quarter 2025 D&C capital spending is estimated to be approximately \$115 million with total production for the third quarter estimated to be approximately 99 Mboe/d inclusive of the small amount of volume associated with the recent bolt-on acquisitions.

Total company lease operating expenses (“LOE”) were \$4.88 per boe during the second quarter of 2025, and significantly below both first quarter 2025 and last year’s second quarter levels of approximately \$5.40 per boe. The sharp decline was driven by lower workover expense, and we expect LOE to normalize to roughly \$5.25 per boe in the third quarter or about 5 percent below LOE levels seen in 2024.

Oil price differentials are anticipated to be approximately a \$3 per barrel discount to Magellan East Houston and Magnolia remains completely unhedged for all its oil and natural gas production. The fully diluted share count for the third quarter of 2025 is expected to be approximately 191 million shares, which is 4 percent lower than third quarter 2024 levels.

Quarterly Report on Form 10-Q

Magnolia's financial statements and related footnotes will be available in its Quarterly Report on Form 10-Q for the three months ended June 30, 2025, which is expected to be filed with the U.S. Securities and Exchange Commission (“SEC”) on July 31, 2025.

Conference Call and Webcast

Magnolia will host an investor conference call on Thursday, July 31, 2025 at 10:00 a.m. Central (11:00 a.m. Eastern) to discuss these operating and financial results. Interested parties may join the webcast by visiting Magnolia's website at www.magnoliaoilgas.com/investors/events-and-presentations and clicking on the webcast link or by dialing 1-844-701-1059. A replay of the webcast will be posted on Magnolia's website following completion of the call.

About Magnolia Oil & Gas Corporation

Magnolia (MGY) is a publicly traded oil and gas exploration and production company with operations primarily in South Texas in the core of the Eagle Ford Shale and Austin Chalk formations. Magnolia focuses on generating value for shareholders by delivering steady, moderate annual production growth resulting from its disciplined and efficient philosophy toward capital spending. The Company strives to generate high pre-tax margins and consistent free cash flow allowing for strong cash returns to our shareholders. For more information, visit www.magnoliaoilgas.com.

⁽¹⁾ Adjusted net income, adjusted EBITDAX, and free cash flow are non-GAAP financial measures. For reconciliations to the most comparable GAAP measures, please see “Non-GAAP Financial Measures” at the end of this press release.

⁽²⁾ Weighted average total shares outstanding include diluted weighted average shares of Class A Common Stock outstanding during the period and shares of Class B Common Stock, which are anti-dilutive in the calculation of weighted average number of common shares outstanding.

⁽³⁾ Acquisitions that closed in July are not included in our Q2 2025 financial statements.

⁽⁴⁾ Includes \$0.9 million of share repurchases incurred during the second quarter, but settled during the third quarter of 2025, and excludes \$0.8 million of share repurchases incurred during the first quarter of 2025, but settled during the second quarter of 2025.

Cautionary Note Regarding 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 and tariffs. 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. Magnolia's SEC filings are available publicly on the SEC's website at www.sec.gov.

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Magnolia Oil & Gas Corporation
Operating Highlights

| | For the Quarters Ended | | For the Six Months Ended | |
|-------------------------------------------|------------------------|---------------|--------------------------|---------------|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| Production: | | | | |
| Oil (MBbls) | 3,639 | 3,453 | 7,156 | 6,868 |
| Natural gas (MMcf) | 16,820 | 14,982 | 33,313 | 28,731 |
| Natural gas liquids (MBbls) | 2,496 | 2,259 | 4,920 | 4,268 |
| Total (Mboe) | 8,939 | 8,209 | 17,628 | 15,924 |
| Average daily production: | | | | |
| Oil (Bbls/d) | 39,990 | 37,943 | 39,536 | 37,737 |
| Natural gas (Mcf/d) | 184,840 | 164,641 | 184,048 | 157,863 |
| Natural gas liquids (Bbls/d) | 27,432 | 24,824 | 27,182 | 23,448 |
| Total (boe/d) | 98,229 | 90,207 | 97,394 | 87,496 |
| Revenues (in thousands): | | | | |
| Oil revenues | \$ 226,345 | \$ 275,331 | \$ 471,879 | \$ 534,514 |
| Natural gas revenues | 42,850 | 18,569 | 94,218 | 39,664 |
| Natural gas liquids revenues | 49,786 | 42,825 | 103,185 | 81,964 |
| Total Revenues | \$ 318,981 | \$ 336,725 | \$ 669,282 | \$ 656,142 |
| Average sales price: | | | | |
| Oil (per Bbl) | \$ 62.20 | \$ 79.74 | \$ 65.94 | \$ 77.83 |
| Natural gas (per Mcf) | 2.55 | 1.24 | 2.83 | 1.38 |
| Natural gas liquids (per Bbl) | 19.94 | 18.96 | 20.97 | 19.21 |
| Total (per boe) | \$ 35.68 | \$ 41.02 | \$ 37.97 | \$ 41.20 |
| NYMEX WTI (per Bbl) | \$ 63.71 | \$ 80.55 | \$ 67.55 | \$ 78.76 |
| NYMEX Henry Hub (per MMBtu) | \$ 3.44 | \$ 1.89 | \$ 3.55 | \$ 2.07 |
| Realization to benchmark: | | | | |
| Oil (% of WTI) | 98 % | 99 % | 98 % | 99 % |
| Natural Gas (% of Henry Hub) | 74 % | 66 % | 80 % | 67 % |
| Operating expenses (in thousands): | | | | |
| Lease operating expenses | \$ 43,590 | \$ 44,350 | \$ 90,665 | \$ 90,500 |
| Gathering, transportation and processing | 16,489 | 8,455 | 31,442 | 16,992 |
| Taxes other than income | 18,802 | 19,844 | 38,907 | 37,742 |
| Depreciation, depletion and amortization | 107,082 | 104,743 | 212,935 | 201,819 |
| Operating costs per boe: | | | | |
| Lease operating expenses | \$ 4.88 | \$ 5.40 | \$ 5.14 | \$ 5.68 |
| Gathering, transportation and processing | 1.84 | 1.03 | 1.78 | 1.07 |
| Taxes other than income | 2.10 | 2.42 | 2.21 | 2.37 |
| Depreciation, depletion and amortization | 11.98 | 12.76 | 12.08 | 12.67 |

Magnolia Oil & Gas Corporation
Consolidated Statements of Operations
(In thousands, except per share data)

| | For the Quarters Ended | | For the Six Months Ended | |
|-----------------------------------------------------------------------------|------------------------|---------------|--------------------------|---------------|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| REVENUES | | | | |
| Oil revenues | \$ 226,345 | \$ 275,331 | \$ 471,879 | \$ 534,514 |
| Natural gas revenues | 42,850 | 18,569 | 94,218 | 39,664 |
| Natural gas liquids revenues | 49,786 | 42,825 | 103,185 | 81,964 |
| Total revenues | 318,981 | 336,725 | 669,282 | 656,142 |
| OPERATING EXPENSES | | | | |
| Lease operating expenses | 43,590 | 44,350 | 90,665 | 90,500 |
| Gathering, transportation and processing | 16,489 | 8,455 | 31,442 | 16,992 |
| Taxes other than income | 18,802 | 19,844 | 38,907 | 37,742 |
| Exploration expenses | 363 | 402 | 711 | 427 |
| Asset retirement obligations accretion | 1,563 | 1,745 | 3,119 | 3,363 |
| Depreciation, depletion and amortization | 107,082 | 104,743 | 212,935 | 201,819 |
| General and administrative expenses | 23,278 | 22,835 | 47,867 | 46,390 |
| Total operating expenses | 211,167 | 202,374 | 425,646 | 397,233 |
| OPERATING INCOME | 107,814 | 134,351 | 243,636 | 258,909 |
| OTHER EXPENSE | | | | |
| Interest expense, net | (5,604) | (3,516) | (10,856) | (5,828) |
| Other income (expense), net | (244) | 1,047 | 971 | (3,267) |
| Total other expense, net | (5,848) | (2,469) | (9,885) | (9,095) |
| INCOME BEFORE INCOME TAXES | 101,966 | 131,882 | 233,751 | 249,814 |
| Current income tax expense | 4,126 | 10,528 | 16,922 | 22,156 |
| Deferred income tax expense | 16,812 | 16,241 | 29,153 | 24,948 |
| Total income tax expense | 20,938 | 26,769 | 46,075 | 47,104 |
| NET INCOME | 81,028 | 105,113 | 187,676 | 202,710 |
| LESS: Net income attributable to noncontrolling interest | 2,911 | 9,554 | 6,632 | 22,065 |
| NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK | \$ 78,117 | \$ 95,559 | \$ 181,044 | \$ 180,645 |
| NET INCOME PER COMMON SHARE | | | | |
| Basic | \$ 0.41 | \$ 0.51 | \$ 0.95 | \$ 0.97 |
| Diluted | \$ 0.41 | \$ 0.51 | \$ 0.95 | \$ 0.97 |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | | |
| Basic | 186,518 | 184,937 | 187,579 | 183,652 |
| Diluted | 186,530 | 184,965 | 187,591 | 183,694 |
| WEIGHTED AVERAGE NUMBER OF CLASS B SHARES OUTSTANDING ⁽¹⁾ | | | | |
| | 5,523 | 16,213 | 5,523 | 19,020 |
| DILUTED WEIGHTED AVERAGE TOTAL SHARES OUTSTANDING ⁽¹⁾ | | | | |
| | 192,053 | 201,178 | 193,114 | 202,714 |

⁽¹⁾ 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.

Magnolia Oil & Gas Corporation
Summary Cash Flow Data
(In thousands)

| | For the Quarters Ended | | For the Six Months Ended | |
|----------------------------------------------------------------------------------------|------------------------|-------------------|--------------------------|-------------------|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| NET INCOME | \$ 81,028 | \$ 105,113 | \$ 187,676 | \$ 202,710 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation, depletion and amortization | 107,082 | 104,743 | 212,935 | 201,819 |
| Exploration expenses, non-cash | 2 | — | 125 | 1 |
| Asset retirement obligations accretion | 1,563 | 1,745 | 3,119 | 3,363 |
| Amortization of deferred financing costs | 540 | 1,100 | 1,072 | 2,189 |
| Deferred income tax expense | 16,812 | 16,241 | 29,153 | 24,948 |
| (Gain) loss on revaluation of contingent consideration | (2,652) | (1,005) | (4,004) | 3,200 |
| Stock based compensation | 7,302 | 4,796 | 13,852 | 9,454 |
| Other | 2,524 | — | 2,750 | 2,921 |
| Net change in operating assets and liabilities | (15,500) | 36,665 | (23,490) | 29,724 |
| Net cash provided by operating activities | 198,701 | 269,398 | 423,188 | 480,329 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Acquisitions | (15,509) | (123,663) | (39,653) | (150,172) |
| Additions to oil and natural gas properties | (100,287) | (126,077) | (231,455) | (247,063) |
| Changes in working capital associated with additions to oil and natural gas properties | (6,440) | (9,957) | 2,770 | 10,287 |
| Other investing | 5,739 | (442) | 5,771 | (498) |
| Net cash used in investing activities | (116,497) | (260,139) | (262,567) | (387,446) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Class A Common Stock repurchases | (48,539) | (28,817) | (100,932) | (80,018) |
| Class B Common Stock purchases and cancellations | — | (76,740) | — | (76,740) |
| Dividends paid | (28,350) | (23,820) | (57,261) | (47,830) |
| Distributions to noncontrolling interest owners | (1,014) | (3,368) | (1,842) | (6,206) |
| Other financing activities | (98) | (148) | (8,874) | (7,527) |
| Net cash used in financing activities | (78,001) | (132,893) | (168,909) | (218,321) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | | | |
| | 4,203 | (123,634) | (8,288) | (125,438) |
| Cash and cash equivalents – Beginning of period | 247,558 | 399,317 | 260,049 | 401,121 |
| Cash and cash equivalents – End of period | <u>\$ 251,761</u> | <u>\$ 275,683</u> | <u>\$ 251,761</u> | <u>\$ 275,683</u> |

Magnolia Oil & Gas Corporation
Summary Balance Sheet Data
(In thousands)

| | <u>June 30, 2025</u> | <u>December 31, 2024</u> |
|-------------------------------------|----------------------------|----------------------------|
| Cash and cash equivalents | \$ 251,761 | \$ 260,049 |
| Other current assets | 164,976 | 150,775 |
| Property, plant and equipment, net | 2,355,555 | 2,306,034 |
| Other assets | 88,356 | 103,977 |
| Total assets | <u><u>\$ 2,860,648</u></u> | <u><u>\$ 2,820,835</u></u> |
| | | |
| Current liabilities | \$ 288,620 | \$ 290,261 |
| Long-term debt, net | 392,880 | 392,513 |
| Other long-term liabilities | 180,802 | 170,735 |
| Common stock | 24 | 24 |
| Additional paid in capital | 1,885,948 | 1,880,243 |
| Treasury stock | (822,833) | (721,279) |
| Retained earnings | 878,374 | 754,591 |
| Noncontrolling interest | 56,833 | 53,747 |
| Total liabilities and equity | <u><u>\$ 2,860,648</u></u> | <u><u>\$ 2,820,835</u></u> |

Magnolia Oil & Gas Corporation
Non-GAAP Financial Measures

Reconciliation of net income to adjusted EBITDAX

In this press release, we refer to adjusted EBITDAX, a supplemental non-GAAP financial measure that is used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders, and rating agencies. We define adjusted EBITDAX as net income before interest expense, income taxes, depreciation, depletion and amortization, exploration expenses, and accretion of asset retirement obligations, adjusted to exclude the effect of certain items included in net income. Adjusted EBITDAX is not a measure of net income in accordance with GAAP.

Our management believes that adjusted EBITDAX is useful because it allows them to more effectively evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to our financing methods or capital structure. We also believe that securities analysts, investors, and other interested parties may use adjusted EBITDAX in the evaluation of our Company. We exclude the items listed above from net income in arriving at adjusted EBITDAX because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDAX should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from adjusted EBITDAX are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of adjusted EBITDAX. Our presentation of adjusted EBITDAX should not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of adjusted EBITDAX may not be comparable to other similarly titled measures of other companies.

The following table presents a reconciliation of net income to adjusted EBITDAX, our most directly comparable financial measure, calculated and presented in accordance with GAAP:

| (In thousands) | For the Quarters Ended | |
|-------------------------------------------|------------------------|-------------------|
| | June 30, 2025 | June 30, 2024 |
| NET INCOME | \$ 81,028 | \$ 105,113 |
| Interest expense, net | 5,604 | 3,516 |
| Income tax expense | 20,938 | 26,769 |
| EBIT | 107,570 | 135,398 |
| Depreciation, depletion and amortization | 107,082 | 104,743 |
| Asset retirement obligations accretion | 1,563 | 1,745 |
| EBITDA | 216,215 | 241,886 |
| Exploration expenses | 363 | 402 |
| EBITDAX | 216,578 | 242,288 |
| Non-cash stock based compensation expense | 6,781 | 4,796 |
| Other income adjustment ⁽¹⁾ | (130) | (1,005) |
| Adjusted EBITDAX | \$ 223,229 | \$ 246,079 |

⁽¹⁾ The quarter ended June 30, 2025 includes a negative adjustment of \$2.7 million related to a gain on revaluation of contingent consideration and a positive adjustment of \$2.5 million related to a loss on sale of other assets. The quarter ended June 30, 2024 includes a negative adjustment of \$1.0 million related to a gain on revaluation of contingent consideration.

Magnolia Oil & Gas Corporation
Non-GAAP Financial Measures

Reconciliation of net income to adjusted net income

Our presentation of adjusted net income is a non-GAAP measures because it excludes the effect of certain items included in net income. Management uses adjusted net income to evaluate our operating and financial performance because it eliminates the impact of certain items that management does not consider to be representative of the Company's on-going business operations. As a performance measure, 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 adjusting 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. However, our presentation of adjusted net income may not be comparable to similar measures of other companies in our industry.

| (In thousands) | For the Quarters Ended | |
|---------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------|
| | June 30, 2025 | June 30, 2024 |
| NET INCOME | \$ 81,028 | \$ 105,113 |
| Adjustments: | | |
| Other income adjustment ⁽¹⁾ | (130) | (1,005) |
| Change in estimated income tax ⁽²⁾ | 26 | 205 |
| ADJUSTED NET INCOME | <u>\$ 80,924</u> | <u>\$ 104,313</u> |
| Diluted weighted average shares of Class A Common Stock outstanding during the period | 186,530 | 184,965 |
| Weighted average shares of Class B Common Stock outstanding during the period ⁽³⁾ | <u>5,523</u> | <u>16,213</u> |
| Total weighted average shares of Class A and B Common Stock, including dilutive impact of other securities ⁽³⁾ | <u>192,053</u> | <u>201,178</u> |

⁽¹⁾ The quarter ended June 30, 2025 includes a negative adjustment of \$2.7 million related to a gain on revaluation of contingent consideration and a positive adjustment of \$2.5 million related to a loss on sale of other assets. The quarter ended June 30, 2024 includes a negative adjustment of \$1.0 million related to a gain on revaluation of contingent consideration.

⁽²⁾ Represents corporate income taxes at an assumed annual effective tax rate of 19.9% and 20.4% for the quarters ended June 30, 2025 and 2024, 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.

Magnolia Oil & Gas Corporation
Non-GAAP Financial Measures

Reconciliation of revenue to adjusted cash operating margin and operating income margin

Our presentation of adjusted cash operating margin and total adjusted cash operating costs are supplemental non-GAAP financial measures that are used by management. Total adjusted cash operating costs exclude the impact of non-cash activity. We define adjusted cash operating margin per boe as total revenues per boe less cash operating costs per boe. Management believes that total adjusted cash operating costs per boe and adjusted cash operating margin per boe provide relevant and useful information, which is used by our management in assessing the Company's profitability and comparability of results to our peers.

As a performance measure, total adjusted cash operating costs and adjusted cash operating margin 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. However, our presentation of adjusted cash operating margin may not be comparable to similar measures of other companies in our industry.

| (in \$/boe) | For the Quarters Ended | |
|----------------------------------------------------|------------------------|-----------------|
| | June 30, 2025 | June 30, 2024 |
| Revenue | \$ 35.68 | \$ 41.02 |
| Total cash operating costs: | | |
| Lease operating expenses ⁽¹⁾ | (4.78) | (5.33) |
| Gathering, transportation and processing | (1.84) | (1.03) |
| Taxes other than income | (2.10) | (2.42) |
| Exploration expenses | (0.04) | (0.05) |
| General and administrative expenses ⁽²⁾ | (1.94) | (2.27) |
| Total adjusted cash operating costs | (10.70) | (11.10) |
| Adjusted cash operating margin | \$ 24.98 | \$ 29.92 |
| Margin (%) | 70 % | 73 % |
| Non-cash costs: | | |
| Depreciation, depletion and amortization | \$ (11.98) | \$ (12.76) |
| Asset retirement obligations accretion | (0.17) | (0.21) |
| Non-cash stock based compensation | (0.76) | (0.58) |
| Total non-cash costs | (12.91) | (13.55) |
| Operating income margin | \$ 12.07 | \$ 16.37 |
| Margin (%) | 34 % | 40 % |

⁽¹⁾ Lease operating expenses exclude non-cash stock based compensation of \$0.9 million, or \$0.10 per boe, and \$0.6 million, or \$0.07 per boe, for the quarters ended June 30, 2025 and 2024, respectively.

⁽²⁾ General and administrative expenses exclude non-cash stock based compensation of \$5.9 million, or \$0.66 per boe, and \$4.2 million, or \$0.51 per boe, for the quarters ended June 30, 2025 and 2024, respectively.

Magnolia Oil & Gas Corporation
Non-GAAP Financial Measures

Reconciliation of net cash provided by operating activities to free cash flow

Free cash flow is a non-GAAP financial measure. Free cash flow is defined as cash flows from operations before net change in operating assets and liabilities less additions to oil and natural gas properties and changes in working capital associated with additions to oil and natural gas properties. 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. It is also used by research analysts to value and compare oil and gas exploration and production companies and are frequently included in published research when providing investment recommendations. Free cash flow is used by management as an additional measure of liquidity. Free cash flow is not a measure of financial performance under GAAP and should not be considered an alternative to cash flows from operating, investing, or financing activities.

| (In thousands) | For the Quarters Ended | |
|----------------------------------------------------------------------------------------|-------------------------------|----------------------|
| | June 30, 2025 | June 30, 2024 |
| Net cash provided by operating activities | \$ 198,701 | \$ 269,398 |
| Add back: net change in operating assets and liabilities | 15,500 | (36,665) |
| Cash flows from operations before net change in operating assets and liabilities | 214,201 | 232,733 |
| Additions to oil and natural gas properties | (100,287) | (126,077) |
| Changes in working capital associated with additions to oil and natural gas properties | (6,440) | (9,957) |
| Free cash flow | <u>\$ 107,474</u> | <u>\$ 96,699</u> |