
# Atlas Energy Solutions

## Investor Presentation
## May 2025

**NYSE: AESI**

# Important Disclosures

**Forward-Looking Statements**

This Presentation contains "forward-looking statements" of Atlas Energy Solutions Inc. ("Atlas," the "Company," "AESI," "we," "us" or "our") 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 (the "Exchange Act"). Statements that are predictive or prospective in nature, that depend upon or refer to future events or conditions or that include the words "may," "assume," "forecast," "position," "strategy," "potential," "continue," "could," "will," "plan," "project," "budget," "predict," "pursue," "target," "seek," "objective," "believe," "expect," "anticipate," "intend," "estimate," and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding: the anticipated financial performance of Atlas following the recent acquisition of Moser Energy Systems (the "Moser Acquisition"); expected accretion to Adjusted EBITDA; expectations regarding the leverage and dividend profile and expectations of Atlas; our plans and expectations regarding our stock repurchase program; the expected synergies and efficiencies to be achieved as a result of the Moser Acquisition; expansion and growth of Atlas's business following the Moser Acquisition; our business strategy, industry, future operations and profitability; expected capital expenditures and the impact of such expenditures on our performance; statements about our financial position, production, revenues and losses; our capital programs; expectations regarding the growth of U.S. electricity demand and the demand for distributed power generation; management changes; current and potential future long-term contracts; and our future business and financial performance.

Although forward-looking statements reflect our good faith beliefs at the time they are made, we caution you that these forward-looking statements are subject to a number of risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include but are not limited to: uncertainties as to whether the Moser Acquisition will achieve its anticipated benefits and projected synergies within the expected time period or at all; Atlas's ability to integrate Moser's operations in a successful manner and in the expected time period; unforeseen or unknown liabilities, future capital expenditures and potential litigation relating to the Moser Acquisition; unexpected future capital expenditures; our ability to successfully execute our stock repurchase program or implement future stock repurchase programs; commodity price volatility, including volatility stemming from the ongoing armed conflicts between Russia and Ukraine and Israel and Hamas; increasing hostilities and instability in the Middle East; adverse developments affecting the financial services industry; changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements, including such changes that may be implemented by U.S. and foreign governments; our ability to complete growth projects, on time and on budget; the risk that stockholder litigation in connection with our recent corporate reorganization may result in significant costs of defense, indemnification and liability; changes in general economic, business and political conditions, including changes in the financial markets; transaction costs; actions of OPEC+ to set and maintain oil production levels; the level of production of crude oil, natural gas and other hydrocarbons and the resultant market prices of crude oil; inflation; environmental risks; operating risks; regulatory changes; lack of demand; market share growth; the uncertainty inherent in projecting future rates of reserves; production; cash flow; access to capital; the timing of development expenditures; the ability of our customers to meet their obligations to us; our ability to maintain effective internal controls; and other factors discussed or referenced in our filings made from time to time with the U.S. Securities and Exchange Commission ("SEC"), including those discussed under the heading "Risk Factors" in our Annual Report on Form 10-K, filed with the SEC on February 25, 2025, and any subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this Presentation. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. All forward-looking statements, expressed or implied, are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. Except as otherwise required by applicable law, we disclaim any duty and do not intend to update any forward-looking statements to reflect events or circumstances after the date of this Presentation.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin, Adjusted Free Cash Flow Conversion and Maintenance Capital Expenditures are non-GAAP supplemental financial measures used by our management and by external users of our financial statements such as investors, research analysts and others, in the case of Adjusted EBITDA, to assess our consolidated operating performance on a consistent basis across periods by removing the effects of development activities, provide views on capital resources available to organically fund growth projects and, in the case of Adjusted Free Cash Flow, to assess the financial performance of our assets and their ability to sustain dividends over the long term without regard to financing methods, capital structure, levels of reinvestment or historical cost basis. These measures do not represent and should not be considered alternatives to, or more meaningful than, net income, income from operations, net cash provided by operating activities, or any other measure of financial performance presented in accordance with GAAP as measures of our financial performance. Adjusted EBITDA and Adjusted Free Cash Flow have important limitations as analytical tools because they exclude some but not all items that affect net income, the most directly comparable GAAP financial measure. Our computation of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin, Adjusted Free Cash Flow Conversion and Maintenance Capital Expenditures may differ from computations of similarly titled measures of other companies.

We define Adjusted EBITDA as net income before depreciation, depletion and accretion, amortization expense of acquired intangible assets, interest expense, income tax expense, stock and unit-based compensation, loss on extinguishment of debt, loss on disposal of assets, insurance recovery (gain), unrealized commodity derivative (gain) loss, other acquisition related costs, and other non-recurring costs. Certain prior period non-recurring costs of goods sold are now included as an add-back to adjusted EBITDA in order to conform to the current period presentation and to more accurately describe the Company's consolidated operating performance and results period over period. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by total sales. We define Adjusted Free Cash Flow as Adjusted EBITDA less Maintenance Capital Expenditures. We define Maintenance Capital Expenditures as capital expenditures excluding growth capital expenditures and reconstruction of previously incurred growth capital expenditures. We define Adjusted Free Cash Flow Margin as Adjusted Free Cash Flow divided by total sales. We define Adjusted Free Cash Flow Conversion as Adjusted Free Cash Flow divided by Adjusted EBITDA.

# Important Disclosures (cont'd)

**Reserves**

This Presentation includes frac sand reserve and resource estimates based on engineering, economic and geological data assembled and analyzed by our mining engineers, which are reviewed periodically by outside firms. However, frac sand reserve estimates are by nature imprecise and depend to some extent on statistical inferences drawn from available drilling data, which may prove unreliable. There are numerous uncertainties inherent in estimating quantities and qualities of frac sand reserves and non-reserve frac sand deposits and costs to mine recoverable reserves, many of which are beyond our control and any of which could cause actual results to differ materially from our expectations. These uncertainties include: geological and mining conditions that may not be fully identified by available data or that may differ from experience; assumptions regarding the effectiveness of our mining, quality control and training programs; assumptions concerning future prices of frac sand, operating costs, mining technology improvements, development costs and reclamation costs; and assumptions concerning future effects of regulation, including the issuance of required permits and taxes by governmental agencies.

**Trademarks and Trade Names**

The Company owns or has rights to various trademarks, service marks and trade names that it uses in connection with the operation of its business. This Presentation also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use or display of third parties' trademarks, service marks, trade names or products in this Presentation is not intended to, and does not imply, a relationship with the Company, or an endorsement or sponsorship by or of the Company. Solely for convenience, the trademarks, service marks and trade names referred to in this Presentation may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensor to these trademarks, service marks and trade names.

**Industry and Market Data**

This Presentation has been prepared by the Company and includes market data and certain other statistical information from third-party sources, including independent industry publications, government publications, and other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates, which are derived from our review of internal sources as well as the third-party sources described above. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in these third-party publications. Additionally, descriptions herein of market conditions and opportunities are presented for informational purposes only; there can be no assurance that such conditions will actually occur. Please also see "Forward-Looking Statements" disclaimer above.

# Atlas Energy Solutions (NYSE: AESI) at a Glance

Atlas Energy Solutions

**Market Capitalization** (1)
$1.8B

**Enterprise Value** (1)
$2.2B

**Headquarters**
Austin, Texas

**Stock Symbol**
NYSE: AESI

**May-2025 Update Video**


(1) Source: Factset. Market data as of 02-May-2025. | Video link: https://vimeo.com/1081501778/401823ce2e?share=copy

# Atlas Energy Solutions Q1 2025 Financial & Operational Updates

**$283mm returned to shareholders (1)**
*$198 million returned to shareholders since IPO (2)*

**Largest**
*Permian Basin Frac Sand Provider (3)*

**$298mm**
*Q1'25 Revenue*

**$74mm**
*Q1'25 Adj. EBITDA (4)*

**Leading Provider**
*of Oilfield Logistics & Distributed Power Solutions*

**$59mm**
*Q1'25 Adj. FCF (4)*

**$0.25 / share**
*Quarterly Dividend Payable (5)*

**$1mm**
*Q1'25 Net Income*

(1) Represents total cash distributions and dividends to investors since inception. Includes the announced May 2025 dividend payable on 22-May-2025. | (2) Represents total cash distributions and dividends to investors since IPO. Includes the announced May 2025 dividend payable on 22-May-2025. | (3) Lium. | (4) Non-GAAP financial measure. See Appendix for reconciliation of non-GAAP measures to the nearest GAAP measures. | (5) Dividend payment date of 22-May-2025 to holders of record as of 15-May-2025.

# Delivering Value Across the Lifecycle of the Well

## Atlas is a leading provider of energy solutions

### Completion Focused Offerings

#### Proppant Resources

- 5 fixed plants, located on the bookends of the Winkler Sand Trend's giant open-dunes

#### The Dune Express

- 42-mile conveyor that transports proppant to the Delaware Basin, reducing truck traffic and associated emissions

#### Logistics

- High-capacity multi-trailer configuration allows Atlas to exceed industry standard payloads by up to 3x – 4x

#### Distributed Mining

- 9 active OnCore mines across the Permian Basin, distributed network helps drive customer efficiencies

### Distributed Power & Production Focused Offerings

#### Distributed Power Solutions



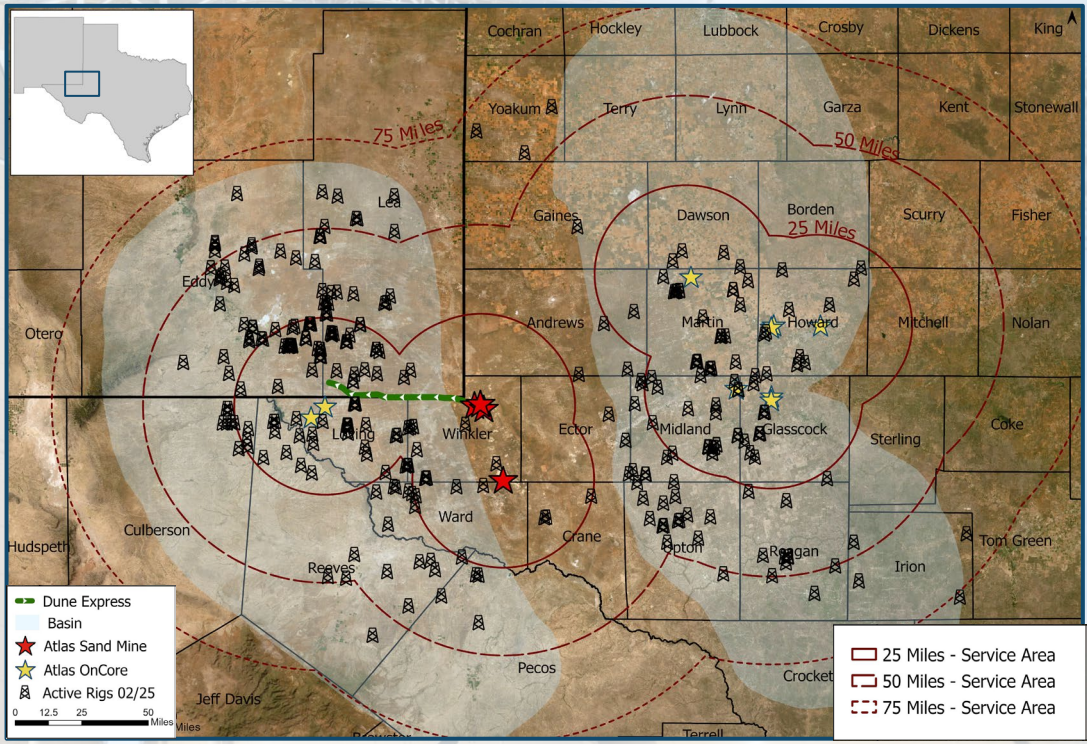
***Unit offerings range from 70kW to 350kW, with parallelling capability to provide multi-MW solutions to meet a broad range of customer needs***

- ~225MW of existing power generation capacity
- Generators are designed for heavy-duty, harsh environments for mission critical power needs, and run on a variety of fuel sources, including wellhead and pipeline natural gas, as well as propane
- Presently servicing artificial lift, wellsite electrical infrastructure, well pad facilities, enhanced oil recovery, water transportation, water transfer, etc.
- Growth opportunities available in markets where the power platform has a developing and growing presence (e.g., midstream infrastructure, commercial / residential standby power, military & data mining)

# Premier Permian Platform with Compelling Scale

## Tier One Resources uniquely positioned to service the entire Permian

- Competitively advantaged with basin-wide reach; mine locations are logistically advantaged to service the entire Permian Basin
- Five fixed plants, located on the bookends of the Winkler Sand Trend's giant open-dunes with consistent reserve mix of large, deep deposits with up to ~100 feet of consistent stacked pay
  - Pecos Valley Aquifer provides unique, costless dredging and washing advantages
- Nine OnCore deployments that serve as a distributed network providing customers with operational flexibility, critical spare inventory, and pickup optionality that drive efficiencies in their completion programs




**Kermit Mines**

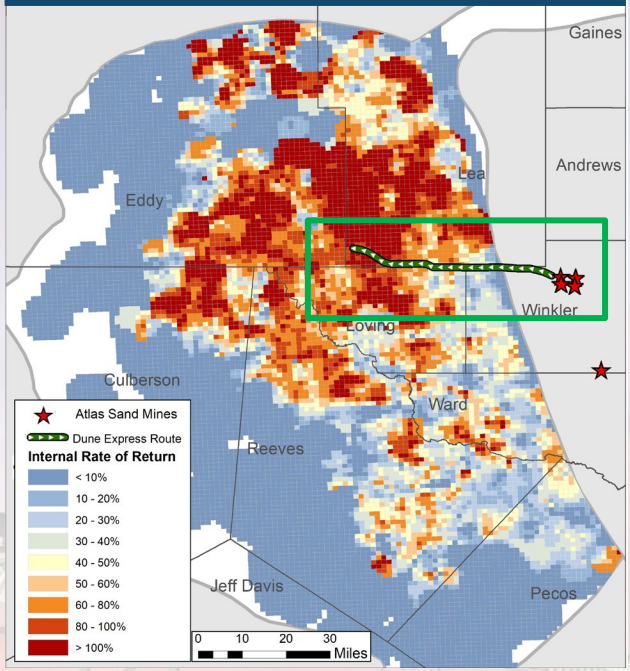

**Monahans Mine**

# The Dune Express: Proppant Midstream Infrastructure

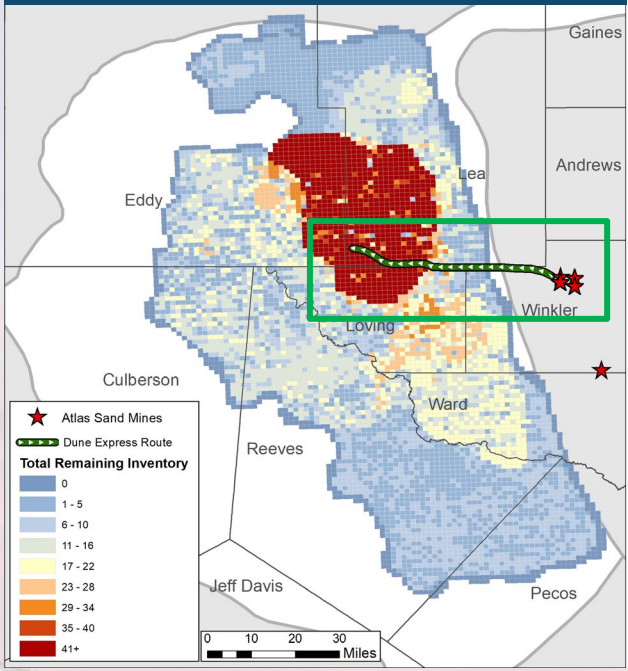
## The first long-distance conveyor to transport proppant

- The Dune Express is a fully electrified 42-mile overland conveyor system that transports proppant to the Delaware Basin from our mines in Kermit, Texas
- Designed throughput capacity of 13mmtpy with ~85,000 tons of storage tied-in to system
- Two permanent loadout facilities and a mobile offload system
- Shortens the distance that proppant travels by truck, which is expected to significantly minimize vehicles on the road, miles driven, and associated emissions all while driving efficiency gains at the wellsite

### Routed into High Return Drilling (1)




### Routed into Deepest Inventory (1)(2)(3)





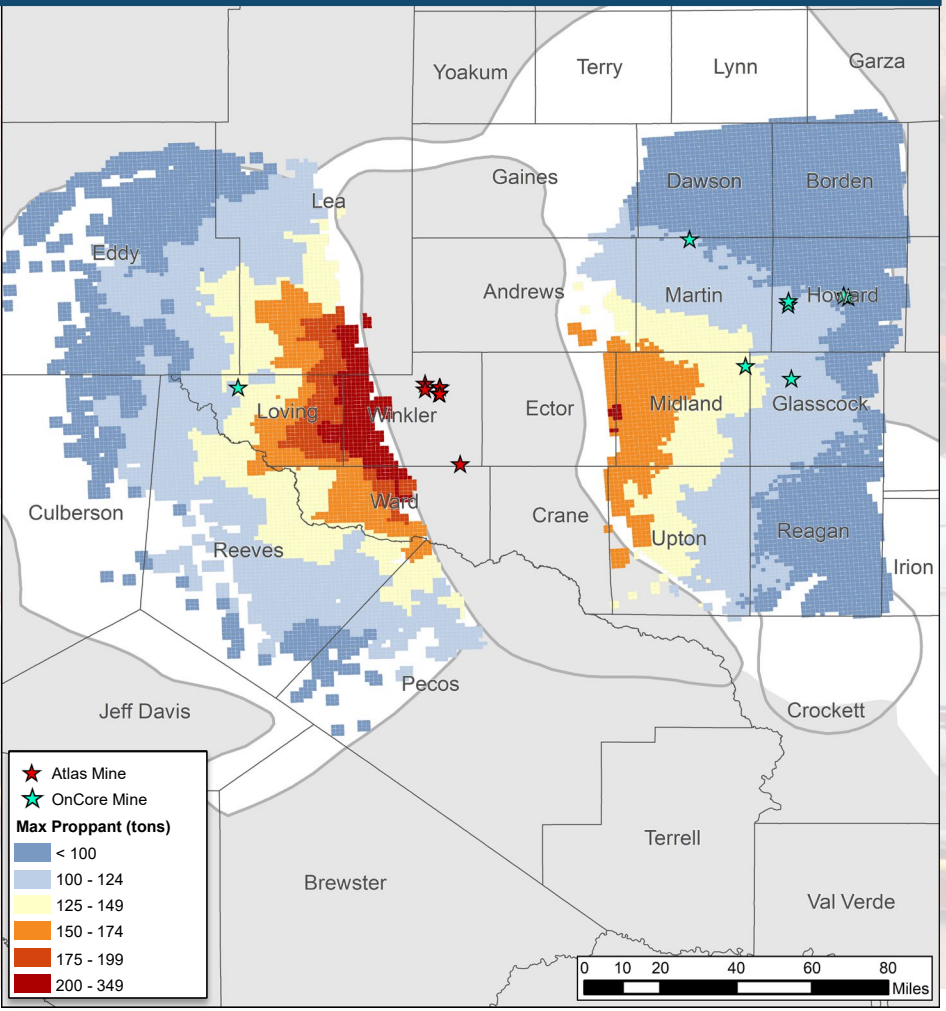



Source: Enverus | (1) Represents expected Dune Express route based on secured rights-of-way and federal permits. | (2) Based on existing well count within each section.
(3) Based on conservative estimates of wells per section per interval – 6-8 for 1st Bone Spring, 2nd Bone Spring, 8-10 for 3rd Bone Spring and Wolfcamp XY, 10-14 for Wolfcamp A, 8-12 for Wolfcamp B and 6-8 for Wolfcamp C.

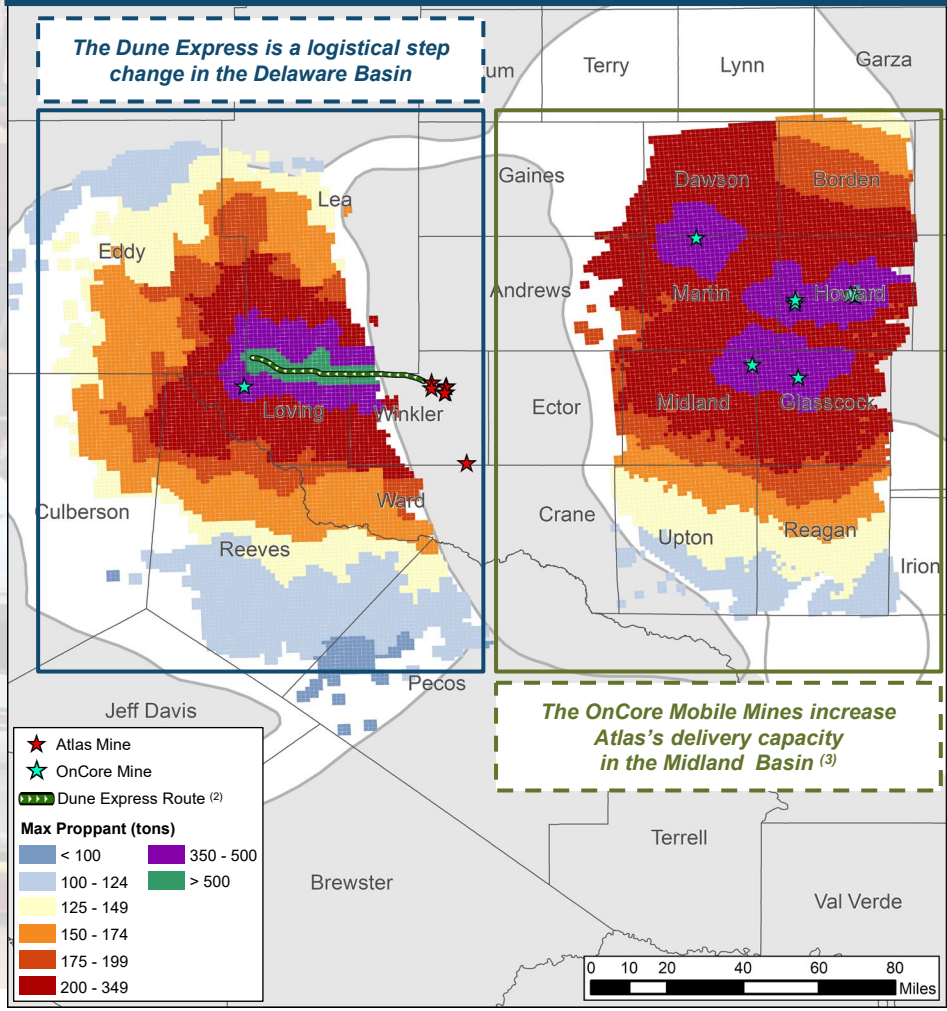
# Logistically Advantaged Assets Drive Efficiency Gains

## Atlas deliveries are expected to reduce emissions by ~60 to 70% (1) relative to Winkler Trend deliveries, through expanded payloads & Atlas's proximity to wellsites

### Proppant Delivery Capacity per Truck per Day…




### …is Increased by Dune Express, High-Capacity Trucking, and OnCore Mobile Mines



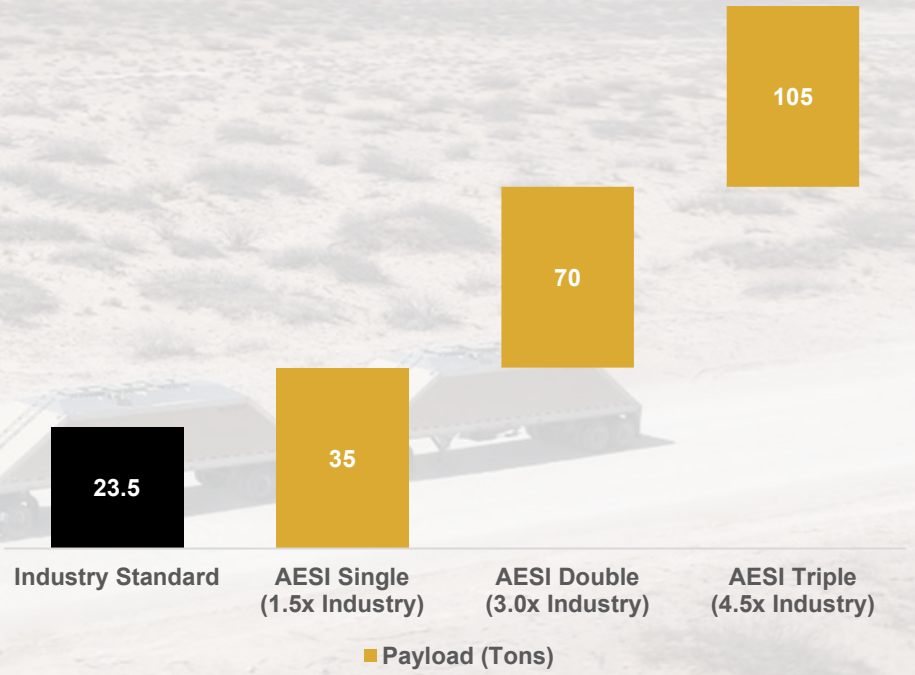

Source: Enverus, Management analysis and estimates. (1) Estimates represent anticipated reductions once Dune Express is operational; Management's analysis, based on results of study completed by TTI; Emissions includes $CO_2$, $CH_4$, $N_2O$, PM10 + PM2.5 particulates and is calculated on a $CO_2e$ basis. (2) Represents planned Dune Express route based on secured rights-of-way and federal permits. (3) Assumes single-trailer operations; would further improve to the degree Atlas is able to deploy high-capacity trailers.

# Leading Provider of Last Mile Logistics

## Redefining the oilfield supply chain to a data driven and automated solution

- Delivered >70% of total sales volumes through our last mile crews in Q1 2025
- >120-truck fleet capable of delivering 13mmtpy of proppant off Dune Express
- ~24 active crews across the Delaware Basin, Midland Basin, and Appalachia
- Atlas's efficient supply chain model enables significantly expanded payloads to run on private roads
- Last mile digital platform enables real-time monitoring of proppant inventory at our customers well sites and allows digital functionality to optimize sand delivery
- Continuing to ramp driverless deliveries of proppant to customer well sites via Atlas owned RoboTrucks

**AESI Payloads on Private Roads Far Exceed Industry Norm**




**January 3, 2023:** First Delivery with Atlas assets **~35 ton / truck payload**

**March 20, 2023:** First Double Trailer Delivery **~70 ton / truck payload**

**April 5, 2023:** First Triple Trailer Delivery **~100 ton / truck payload**

**July 23, 2024:** Atlas & Kodiak announce agreement for autonomous trucking technology

**January 24, 2025:** Atlas & Kodiak announce successful delivery of 100 autonomous loads

# The First Semi-Autonomous Proppant Supply Chain

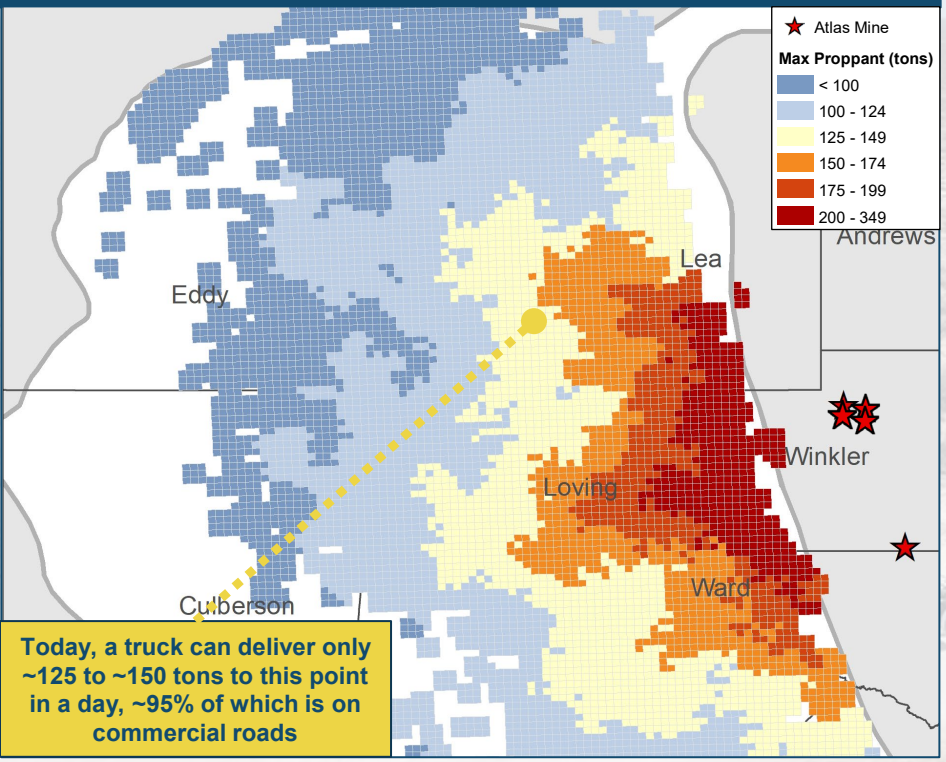
## Setting a new standard in the oilfield for safety, efficiency and proppant logistics




- By the end of May 2025, we expect the Kodiak RoboTrucks to complete more than 625 deliveries, with future integration plans into the Dune Express conveyor system, creating the first semi-autonomous oilfield logistics network
- Ability to now complete driverless deliveries in portions of West Texas and Eastern New Mexico
- Dedicated Kodiak team in West Texas to support scale and scope of deliveries
- Potential to provide 24/7 delivery capabilities

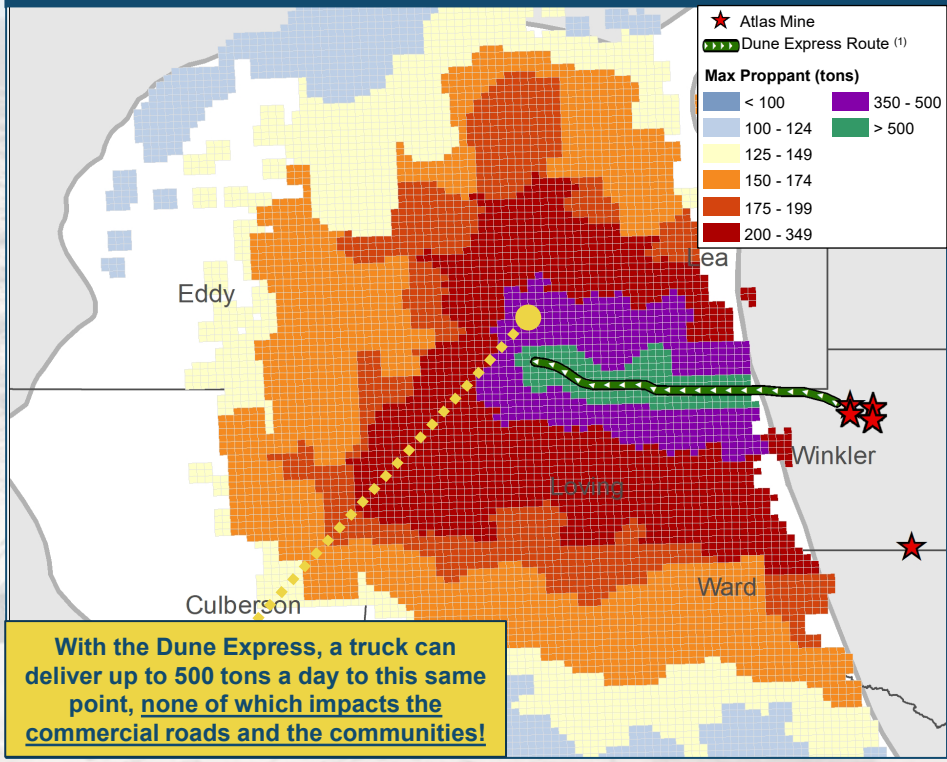
# AESI Logistics = Safer, More Reliable and Lower Emission Sand Delivery

## Daily Proppant Delivery Capacity per Truck (Current)




Today, a truck can deliver only ~125 to ~150 tons to this point in a day, ~95% of which is on commercial roads

## Daily Proppant Delivery Capacity per Truck (Dune Express)




With the Dune Express, a truck can deliver up to 500 tons a day to this same point, none of which impacts the commercial roads and the communities!

## Operational Efficiency Gains Driving Significant Potential for Safety + Emissions Benefits

~70%

- Expected Reduction in Mileage Driven (2)
- Expected Reduction in Traffic Accident & Fatality Rate (2)
- Expected Reduction in Emissions (2) (3)
- …all while driving up throughput per truck per day 3x – 10x+

Source: Enverus, Management analysis and estimates. | (1) Represents planned Dune Express route based on secured rights-of-way and federal permits. | (2) Estimates represent anticipated reductions over a 30-year period; Management's internal analysis, based on results of study completed by Texas A&M Transportation Institute ("TTI"). | (3) Emissions includes $CO_2$, $CH_4$, $N_2O$, PM10 + PM2.5 particulates and is calculated on a $CO_2e$ basis. Represents anticipated emissions reductions over a 30-year period.

# Distributed Power Solutions: A Fit-for-Purpose Power Offering

## Dynamic power portfolio supports all phases of production operations, from initial production through the terminal phase of artificial lift operations

- >900+ natural-gas powered generator fleet, with ~225MW of existing power generation supporting production / artificial lift operations while enabling Atlas to mitigate current grid constraints
  - Unit offerings range from 70kW to 350kW, with parallelling capability to provide multi-MW solutions to meet a broad range of customer needs
- Generators are designed for heavy-duty, harsh environments for mission critical power needs, and run on a variety of fuel sources, including wellhead and pipeline natural gas, as well as propane
- In-house manufacturing and remanufacturing capabilities, coupled with critical in-field service, provides quality control and standardization across the fleet ensuring market-leading uptime
  - Remanufacturing competencies enable Moser to reduce the cost relative to a new-build by ~50%+
- Potential growth opportunities available in markets where the power platform has a developing and growing presence (e.g., midstream infrastructure, commercial / residential standby power, military & data mining)

***Total Power Demand Expected to Steadily Increase Over the Next Decade Driven by Growth in the Permian Basin and Continued Electrification of Oil and Gas Operations, including Artificial Lift Systems*** (1)

### Expansive Reach Servicing all Major Resource Basins


### Summary of Power Solutions

| | Smaller Load Generators | Larger Load Generators |
|---|---|---|
| |  |  |
| Size Range Offered | 70kW, 130kW, 170kW | 250kW, 350kW |
| Primary Oilfield Use | Sites with smaller load demand profiles (artificial lift for older wells, or smaller onsite electric infrastructure) | Sites with larger load demand profiles (recently completed wells)<br>Paralleling capacity for seamless deployment in multi-MW microgrid applications (10+ MW) |

(1) Source: S&P Global: Electrifying the Permian Basin.

# Management's E&P Background and Track Record of Value Creation

## Disruptive Oil & Gas Ventures with Track Record of Success

### Pioneering Use of 3D Seismic, Disruption in Horizontal D&C Techniques within the Oil-Rich Bakken Shale

BRIGHAM Exploration Company

IPO in 1997

Sold to Statoil in 2011 for $4.7 billion

### Drilling & Completion Innovations in Delaware Basin; Early Adopter of E-Frac & Proppant Loading >5,000 lbs per foot

Brigham Resources

Sold to Diamondback Energy, Inc. in 2017 for $2.6 billion

### Technically Sophisticated Tier One Minerals Model

Brigham Minerals

IPO in 2019

Sitio Merger = $2.2 billion value to MNRL

*145% total return from IPO to sale* (1)

### Differentiated Energy Solutions Provider with Leading Logistics & Distributed Power Platforms

Atlas Energy Solutions

IPO in March 2023

Acquired Hi-Crush in March 2024

Acquired Moser in February 2025

## Management's E&P Background Drives Customer Success

What We Observed Through an E&P Operator's Lens

- The Permian is North America's premier shale resource
- Proppant is mission-critical to efficient shale development
  - Logistics challenges are a barrier to optimization
- The sector was primed for positive disruption due to inefficiencies:
  - Out-of-basin proppant not cost effective
  - Plants not designed for just-in-time demand model
  - Local roadways overwhelmed by robust activity levels
- Need for high-quality, reliable and efficient in-basin sand

Our Differentiated Approach to Transform the Market + SESP

- Focused on giant open dunes with unique geologic attributes
  - Plentiful water, quality product, high mining yields
- Plants designed with operator mindset; scaled for efficiency with multiple redundancies to minimize downtime
- Culture of technological innovation drives Atlas's growth
- We have "walked the walk" on sustainability, putting shareholders and corporate integrity first to drive **Sustainable Environmental and Social Progress ("SESP")**

Note: Past performance by members of our management team, our directors or their respective affiliates may not be indicative of future performance. | Source: Bloomberg, public disclosures. | (1) Total return calculated as cumulative dividends plus stock price appreciation (IPO date through 28-Dec-2023, includes the reinvestment of dividends and is pro forma for Sitio merger).

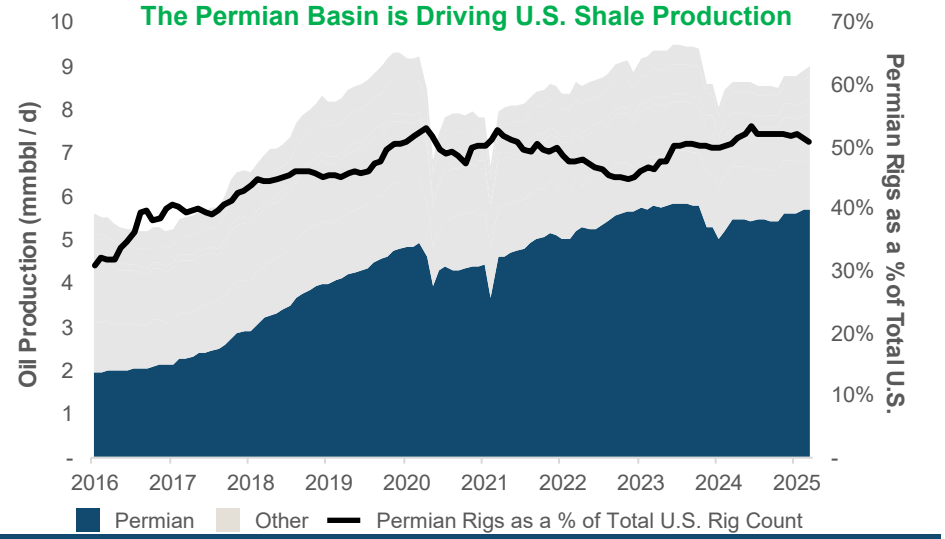
Atlas Energy Solutions

# Appendix

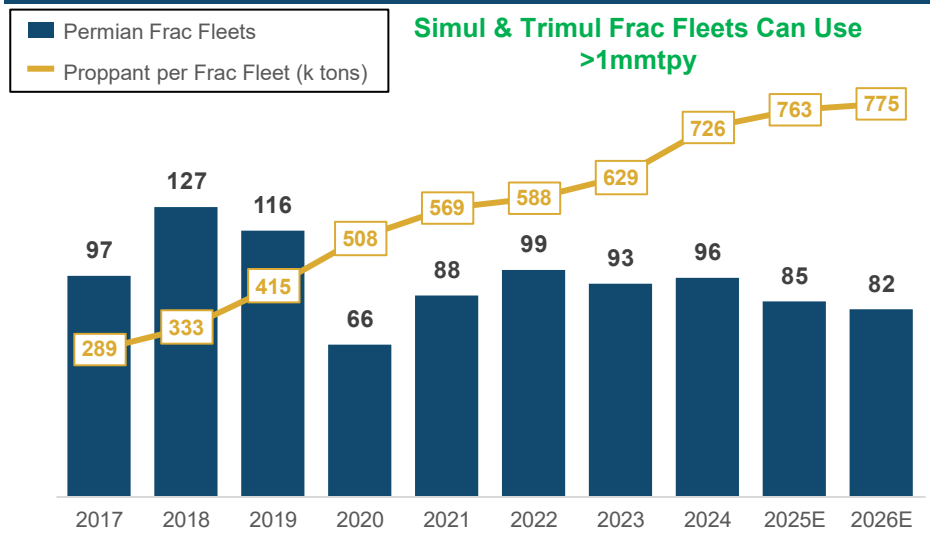

# Permian Basin Market Update – Strong Market Fundamentals

## Completions efficiencies driving proppant demand growth; the Permian is the #1 basin in U.S. shale

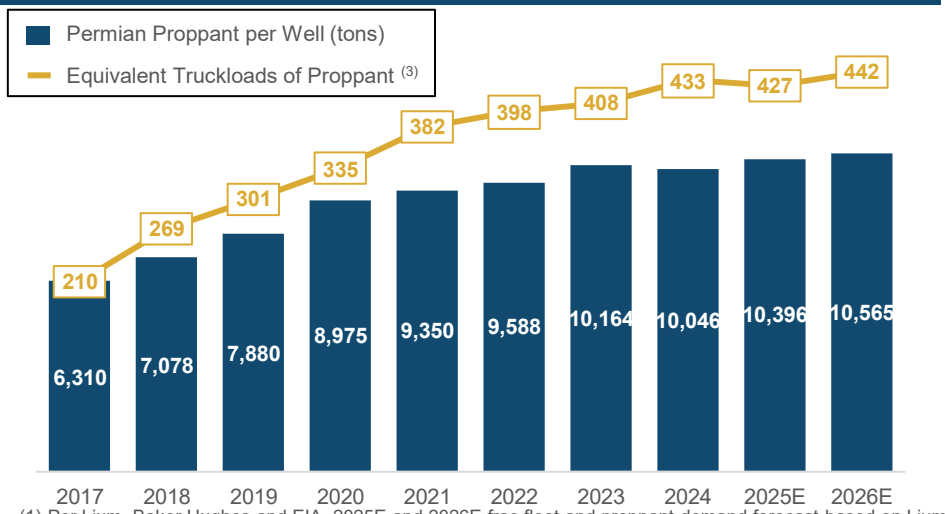
### Permian Basin Production & Rig Count (1,2)



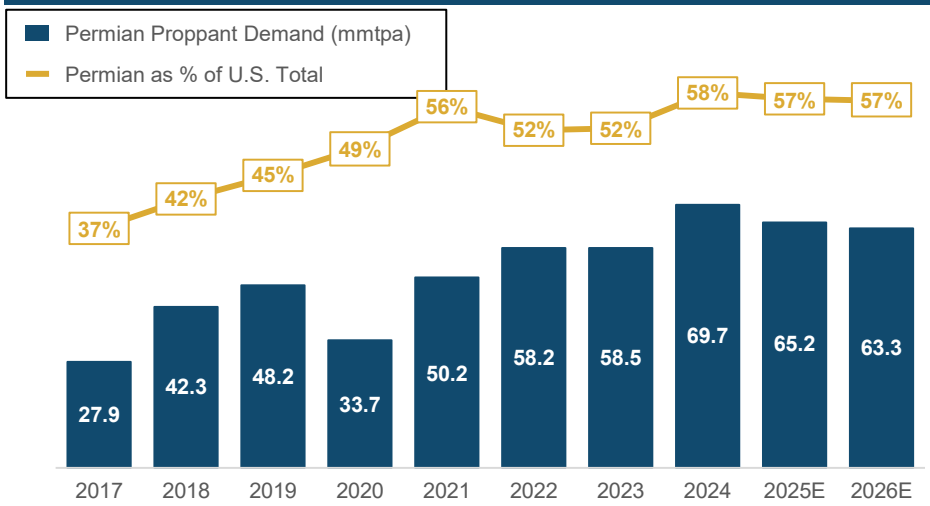

### Permian Frac Fleets & Proppant per Fleet per year (1)




### Avg. Permian Basin Proppant per Well (1)




### Permian Basin Proppant Demand (1)

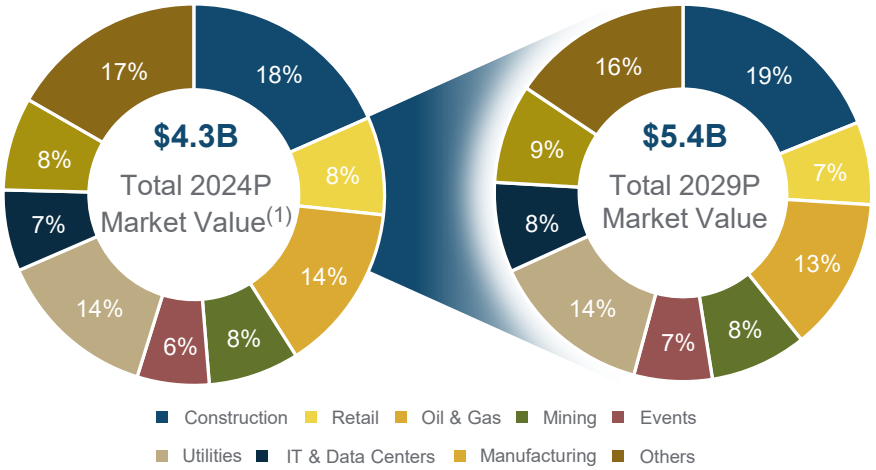



(1) Per Lium, Baker Hughes and EIA. 2025E and 2026E frac fleet and proppant demand forecast based on Lium guidance. | (2) Area chart represents production by basin and line chart represents Permian's share of the total U.S. rig count. | (3) Assumes 23.5 tons per truckload of proppant.

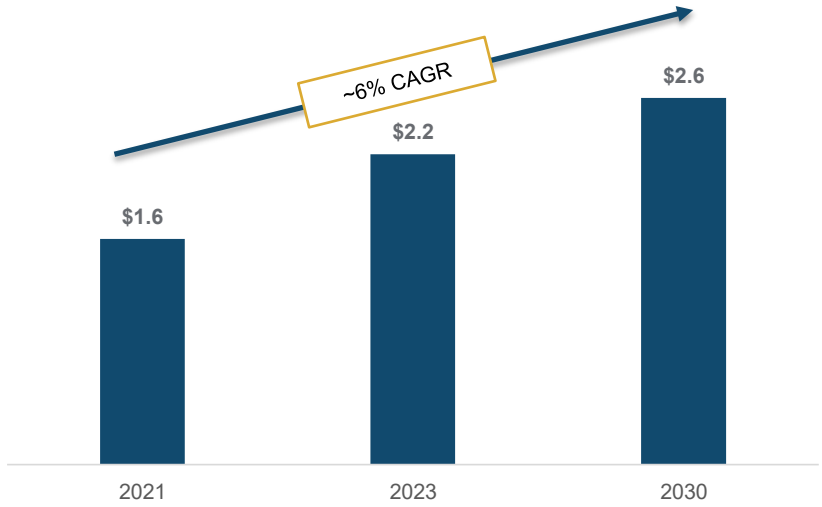
# Fast Growing Power Demand Across the US & Permian Basin

## O&G operators demand highly reliable power with growth in adjacent markets

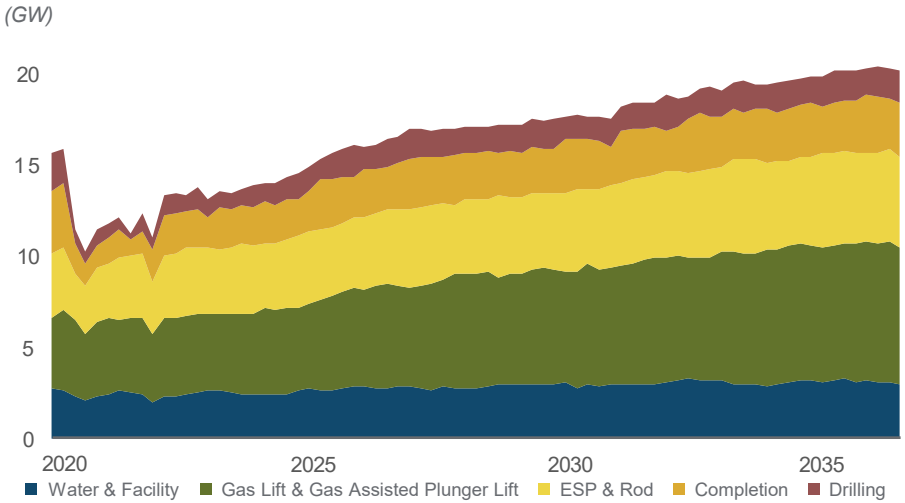
### Rental Power Demand Contribution by End-User



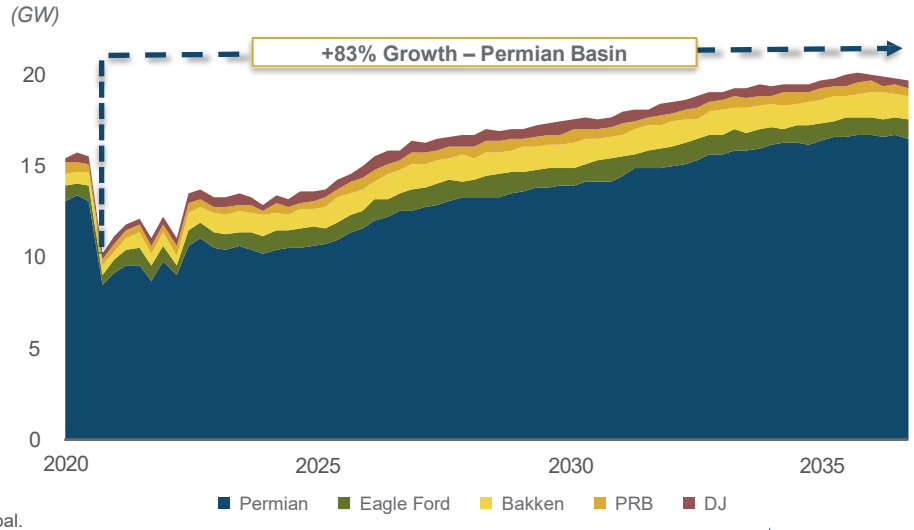

### ESP – Total Addressable Market in the U.S.(2)




### Power Demand Forecast by Operation(3)




### Power Demand Forecast by Basin(3)




(1) Arizton Advisory & Intelligence. 2022 Market Value is $4.1B. | (2) Source: Rystad Energy. | (3) Source: S&P Global.

# Reconciliation and Calculation of Non-GAAP Financial Measurements

**EBITDA and Adjusted EBITDA to Net Income**

**(unaudited, in thousands)**

| | Three Months Ended | | |
|---|---|---|---|
| | **March 31, 2025** | **March 31, 2024** | **December 31, 2024** |
| **Net income** | $ 1,219 | $ 26,787 | $ 14,402 |
| Depreciation, depletion and accretion expense | 38,264 | 18,007 | 31,342 |
| Amortization expense of acquired intangible assets | 4,785 | 1,061 | 3,743 |
| Interest expense | 13,046 | 6,976 | 12,257 |
| Income tax expense | 2,293 | 7,935 | 4,420 |
| **EBITDA** | **$ 59,607** | **$ 60,766** | **$ 66,164** |
| Stock-based compensation | 6,518 | 4,206 | 6,420 |
| Insurance recovery (gain) (1) | — | — | (10,098) |
| Other non-recurring costs (2) | 849 | 368 | — |
| Other acquisition related costs (3) | 7,317 | 10,203 | 750 |
| **Adjusted EBITDA** | **$ 74,291** | **$ 75,543** | **$ 63,236** |
| Maintenance Capital Expenditures (4) | $ 15,533 | $ 4,460 | $ 15,302 |
| **Adjusted Free Cash Flow** | **$ 58,758** | **$ 71,083** | **$ 47,934** |

**Maintenance Capital Expenditures Reconciliation**

**(unaudited, in thousands)**

| | Three Months Ended | | |
|---|---|---|---|
| | **March 31, 2025** | **March 31, 2024** | **December 31, 2024** |
| Maintenance Capital Expenditures, accrual basis reconciliation: | | | |
| **Purchases of property, plant and equipment** | **$ 52,389** | **$ 95,486** | **$ 76,431** |
| Changes in operating assets and liabilities associated with investing activities and equipment assets acquired through debt (5) | (13,526) | (2,575) | (11,118) |
| Less: Growth capital expenditures and reconstruction of previously incurred growth capital expenditures | (23,330) | (88,451) | (50,011) |
| **Maintenance Capital Expenditures, accrual basis** | **$ 15,533** | **$ 4,460** | **$ 15,302** |

(1) Represents insurance recovery (gain) deemed collectible and legally enforceable related to the fire at one of the Kermit plants. | (2) Other non-recurring costs includes costs incurred during our 2025 Term Loan Credit Facility transaction, reorganization under a new public holding company (the "Up-C Simplification"), temporary loadout, and other infrequent and unusual costs. | (3) Represents transactions costs incurred in connection with acquisitions, including fees paid to finance, legal, accounting and other advisors, employee retention and benefit costs, and other operational and corporate costs. | (4) A reconciliation of the adjustment of these items used to calculate Adjusted Free Cash Flow to the comparable GAAP measures is included below. | (5) Positive working capital changes reflect capital expenditures in the current period that will be paid in a future period. Negative working capital changes reflect capital expenditures incurred in a prior period but paid during the period presented. In addition, this amount includes equipment assets acquired through debt.

# Reconciliation and Calculation of Non-GAAP Financial Measurements

**Adjusted Free Cash Flow to Net Cash Provided by Operating Activities**

**(unaudited, in thousands, except percentages)**

| | Three Months Ended | | |
|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | December 31, 2024 |
| **Net cash provided by (used in) operating activities** | **$ (7,450)** | **$ 39,562** | **$ 70,853** |
| Current income tax expense (benefit) (1) | 914 | 414 | (149) |
| Change in operating assets and liabilities | 60,708 | 18,500 | (9,160) |
| Cash interest expense (1) | 11,831 | 6,491 | 11,102 |
| Maintenance capital expenditures (1) | (15,533) | (4,460) | (15,302) |
| Other non-recurring costs (2) | 849 | 368 | — |
| Other acquisition related costs (3) | 7,317 | 10,203 | 750 |
| Insurance recovery (gain) (4) | — | — | (10,098) |
| Other | 122 | 5 | (62) |
| **Adjusted Free Cash Flow** | **$ 58,758** | **$ 71,083** | **$ 47,934** |
| Adjusted EBITDA Margin | 25% | 39% | 23% |
| Adjusted Free Cash Flow Margin | 20% | 37% | 18% |
| Adjusted Free Cash Flow Conversion | 79% | 94% | 76% |

| | Three Months Ended | | |
|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | December 31, 2024 |
| Current tax expense reconciliation: | | | |
| **Income tax expense** | **$ 2,293** | **$ 7,935** | **$ 4,420** |
| Less: deferred tax expense | (1,379) | (7,521) | (4,569) |
| **Current income tax expense (benefit)** | **$ 914** | **$ 414** | **$ (149)** |
| Cash interest expense reconciliation: | | | |
| **Interest expense, net** | **$ 12,078** | **$ 4,978** | **$ 12,018** |
| Less: Amortization of debt discount | (1,109) | (407) | (1,038) |
| Less: Amortization of deferred financing costs | (106) | (78) | (117) |
| Less: Interest income | 968 | 1,998 | 239 |
| **Cash interest expense** | **$ 11,831** | **$ 6,491** | **$ 11,102** |

(1) A reconciliation of the adjustment of these items used to calculate Adjusted Free Cash Flow to the comparable GAAP measures is included below and on the prior slide. | (2) Other non-recurring costs includes costs incurred during our 2025 Term Loan Credit Facility transaction, reorganization under a new public holding company (the "Up-C Simplification"), temporary loadout, and other infrequent and unusual costs. | (3) Represents transactions costs incurred in connection with acquisitions, including fees paid to finance, legal, accounting and other advisors, employee retention and benefit costs, and other operational and corporate costs. | (4) Represents insurance recovery (gain) deemed collectible and legally enforceable related to the fire at one of the Kermit plants.

# Non-GAAP Financial Measure Definitions

**Non-GAAP Financial Measures**

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin, Adjusted Free Cash Flow Conversion and Maintenance Capital Expenditures are non-GAAP supplemental financial measures used by our management and by external users of our financial statements such as investors, research analysts and others, in the case of Adjusted EBITDA, to assess our consolidated operating performance on a consistent basis across periods by removing the effects of development activities, provide views on capital resources available to organically fund growth projects and, in the case of Adjusted Free Cash Flow, assess the financial performance of our assets and their ability to sustain dividends or reinvest to organically fund growth projects over the long term without regard to financing methods, capital structure, or historical cost basis.

These measures do not represent and should not be considered alternatives to, or more meaningful than, net income, income from operations, net cash provided by operating activities, or any other measure of financial performance presented in accordance with GAAP as measures of our financial performance. Adjusted EBITDA and Adjusted Free Cash Flow have important limitations as analytical tools because they exclude some but not all items that affect net income, the most directly comparable GAAP financial measure. Our computation of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin, Adjusted Free Cash Flow Conversion and Maintenance Capital Expenditures may differ from computations of similarly titled measures of other companies.

**Non-GAAP Measure Definitions:**

- We define **Adjusted EBITDA** net income before depreciation, depletion and accretion expense, amortization expense of acquired intangible assets, interest expense, income tax expense, stock and unit-based compensation, loss on extinguishment of debt, loss on disposal of assets, insurance recovery (gain), unrealized commodity derivative (gain) loss, other acquisition related costs, and other non-recurring costs. Management believes Adjusted EBITDA is useful because it allows management to more effectively evaluate the Company's consolidated operating performance and compare the results of its operations from period to period and against our peers without regard to financing method or capital structure. We exclude the items listed above from net income in arriving at Adjusted EBITDA 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. Certain prior period non-recurring costs of goods sold are now included as an add-back to adjusted EBITDA in order to conform to the current period presentation and to more accurately describe the Company's consolidated operating performance and results period-over-period.
- We define **Adjusted EBITDA Margin** as Adjusted EBITDA divided by total sales.
- We define **Adjusted Free Cash Flow** as Adjusted EBITDA less Maintenance Capital Expenditures. Management believes that Adjusted Free Cash Flow is useful to investors as it provides a measure of the ability of our business to generate cash.
- We define **Adjusted Free Cash Flow Margin** as Adjusted Free Cash Flow divided by total sales.
- We define **Adjusted Free Cash Flow Conversion** as Adjusted Free Cash Flow divided by Adjusted EBITDA.
- We define **Maintenance Capital Expenditures** as capital expenditures excluding growth capital expenditures and reconstruction of previously incurred growth capital expenditures.

# Investor Relations Contact


For more information, please visit our website at https://atlas.energy/

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