



Second Quarter 2022 Earnings Release

July 26, 2022

**MTDR
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NYSE**

Investor Relations Contact and Disclosure Statements

Investor Relations Contact

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Cautionary Note – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. Potential resources are not proved, probable or possible reserves. The SEC’s guidelines prohibit Matador from including such information in filings with the SEC.

Definitions – Proved oil and natural gas reserves are the estimated quantities of oil and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Matador’s production and proved reserves are reported in two streams: oil and natural gas, including both dry and liquids-rich natural gas. Where Matador produces liquids-rich natural gas, the economic value of the natural gas liquids associated with the natural gas is included in the estimated wellhead natural gas price on those properties where the natural gas liquids are extracted and sold. Estimated ultimate recovery (EUR) is a measure that by its nature is more speculative than estimates of proved reserves prepared in accordance with SEC definitions and guidelines and is accordingly less certain. Type curves, if any, shown in this presentation are used to compare actual well performance to a range of potential production results calculated without regard to economic conditions; actual recoveries may vary from these type curves based on individual well performance and economic conditions.

Safe Harbor Statement – This presentation and statements made by representatives of Matador Resources Company (“Matador” or the “Company”) during the course of this presentation include “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. “Forward-looking statements” are statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “could,” “believe,” “would,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “should,” “continue,” “plan,” “predict,” “potential,” “project,” “hypothetical,” “forecasted” and similar expressions that are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Such forward-looking statements include, but are not limited to, statements about guidance, projected or forecasted financial and operating results, future liquidity, the payment of dividends, results in certain basins, objectives, project timing, expectations and intentions, regulatory and governmental actions and other statements that are not historical facts. Actual results and future events could differ materially from those anticipated in such statements, and such forward-looking statements may not prove to be accurate. These forward-looking statements involve certain risks and uncertainties, including, but not limited to, the following risks related to financial and operational performance: general economic conditions; the Company’s ability to execute its business plan, including whether Matador’s drilling program is successful; changes in oil, natural gas and natural gas liquids prices and the demand for oil, natural gas and natural gas liquids; Matador’s ability to replace reserves and efficiently develop current reserves; the operating results of the Company’s midstream’s oil, natural gas and water gathering and transportation systems, pipelines and facilities, the acquiring of third-party business and the drilling of any additional salt water disposal wells; costs of operations; delays and other difficulties related to producing oil, natural gas and natural gas liquids; delays and other difficulties related to regulatory and governmental approvals and restrictions; impact on the Company’s operations due to seismic events; availability of sufficient capital to execute Matador’s business plan, including from future cash flows, available borrowing capacity under Matador’s revolving credit facilities and otherwise; Matador’s ability to make acquisitions on economically acceptable terms; Matador’s ability to integrate acquisitions; the operating results of and any potential distributions from the Company’s joint ventures; weather and environmental conditions; the impact of the worldwide spread of the novel coronavirus (“COVID-19”), on oil and natural gas demand, oil and natural gas prices and its business; and the other factors which could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. For further discussions of risks and uncertainties, you should refer to Matador’s filings with the Securities and Exchange Commission (“SEC”), including the “Risk Factors” section of Matador’s most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. Matador undertakes no obligation to update these forward-looking statements to reflect events or circumstances occurring after the date of this presentation, except as required by law, including the securities laws of the United States and the rules and regulations of the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. All forward-looking statements are qualified in their entirety by this cautionary statement.



Chairman's Remarks

July 26, 2022

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Q2 2022 Highlights

- ***Doubled the Dividend***
 - *Now \$0.40/share per annum*
- ***Reduced Debt***
 - *No outstanding borrowings on revolving credit facility*
 - *Repurchased \$158 million in bonds⁽¹⁾*
- ***Increased Production***
 - *Record 110,750 BOE per day in Q2*
- ***Record Financial Results***
 - *Oil and natural gas revenues (\$893 million), net income (\$416 million), Adjusted EBITDA⁽²⁾ (\$664 million)*
- ***Generating Adj. Free Cash Flow⁽¹⁾***
 - *Record \$454 million in Q2 – Almost as much as all of 2021 (\$487 million)!*

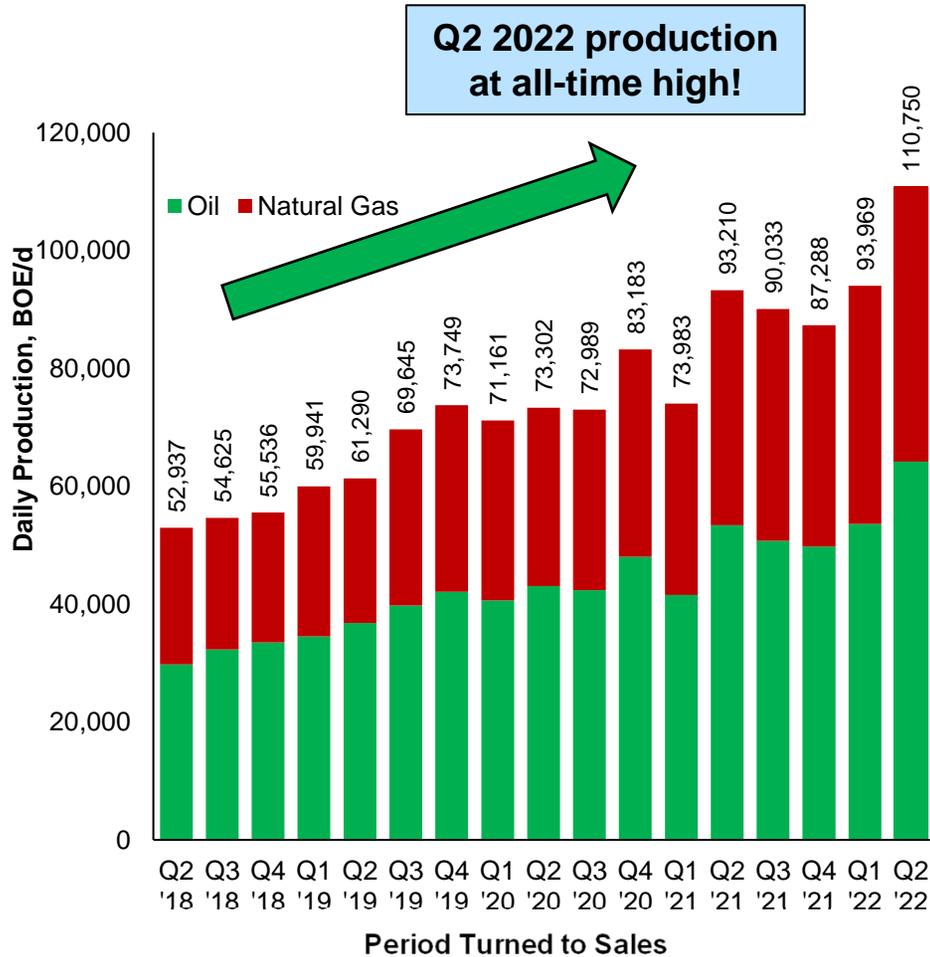
(1) Through July 25, 2022.

(2) Adjusted EBITDA and adjusted free cash flow are non-GAAP financial measures. For a definition and reconciliation to the comparable GAAP measures, see Appendix.

Growing Production while Decreasing Costs!

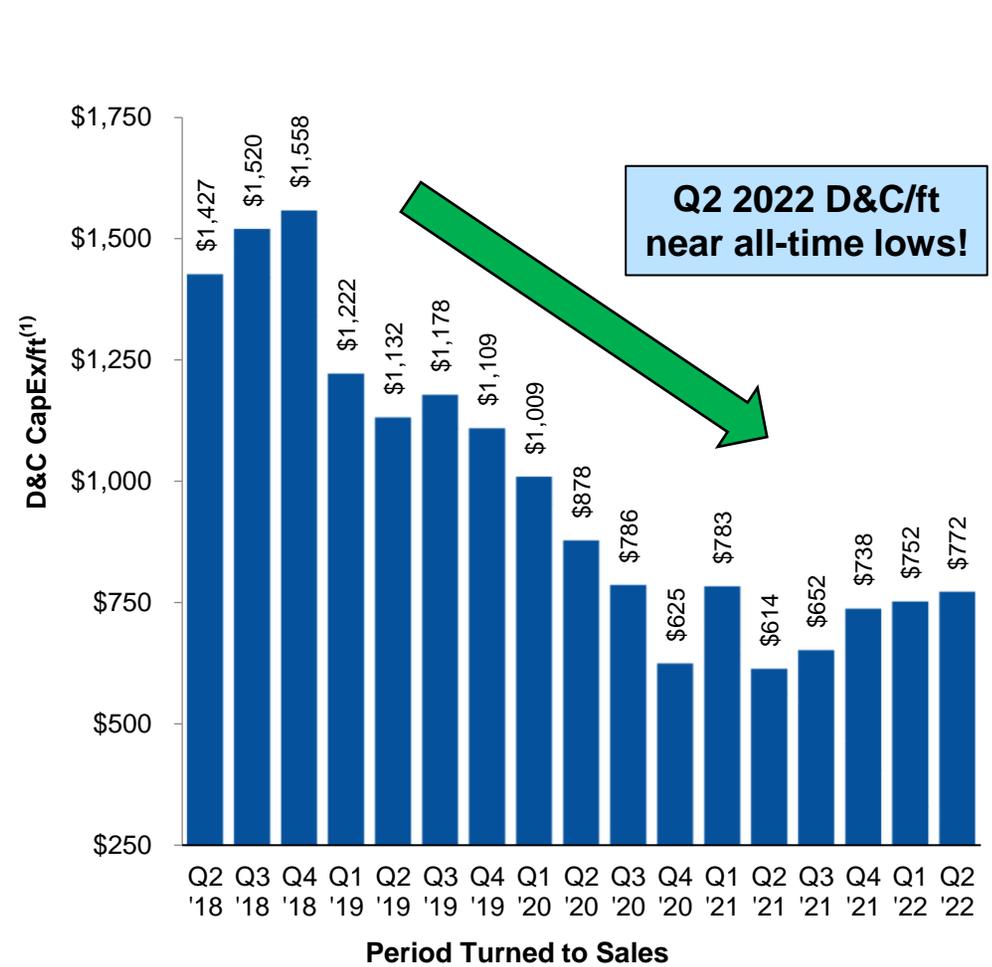
Daily Oil and Natural Gas Production

BOE/day



Drilling & Completion CapEx

\$/foot

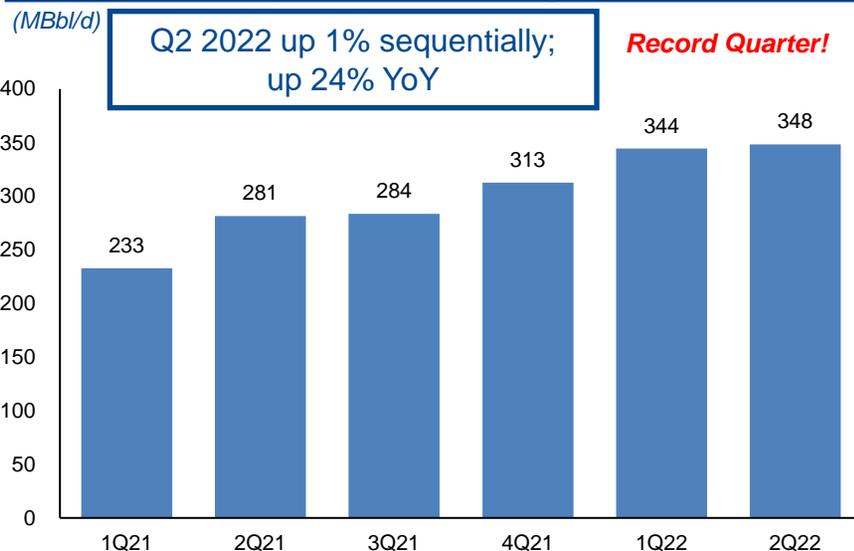


(1) Cost per completed lateral foot metric shown represents the drilling and completion ("D&C") portion of operated horizontal well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized general and administrative ("G&A") or interest expenses and certain other capital expenditures.

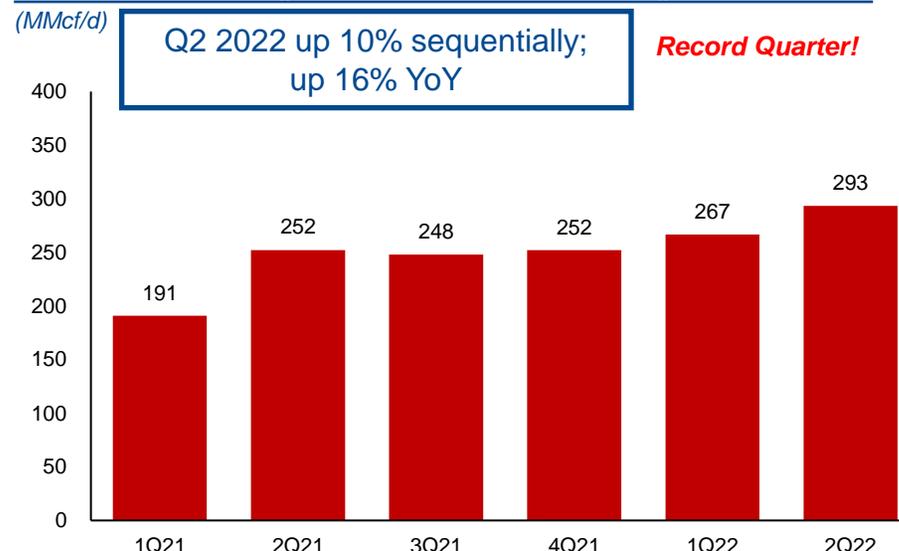
Continued Progress in All Parts of San Mateo's Midstream Business (51% Owned by Matador)



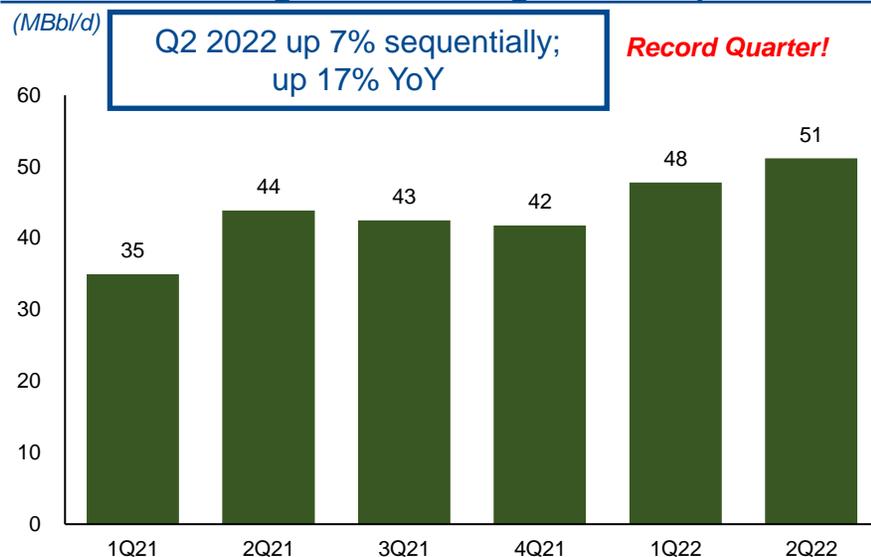
San Mateo Average Water Handling



San Mateo Average Natural Gas Gathering



San Mateo Average Oil Gathering and Transportation



San Mateo Adjusted EBITDA⁽¹⁾



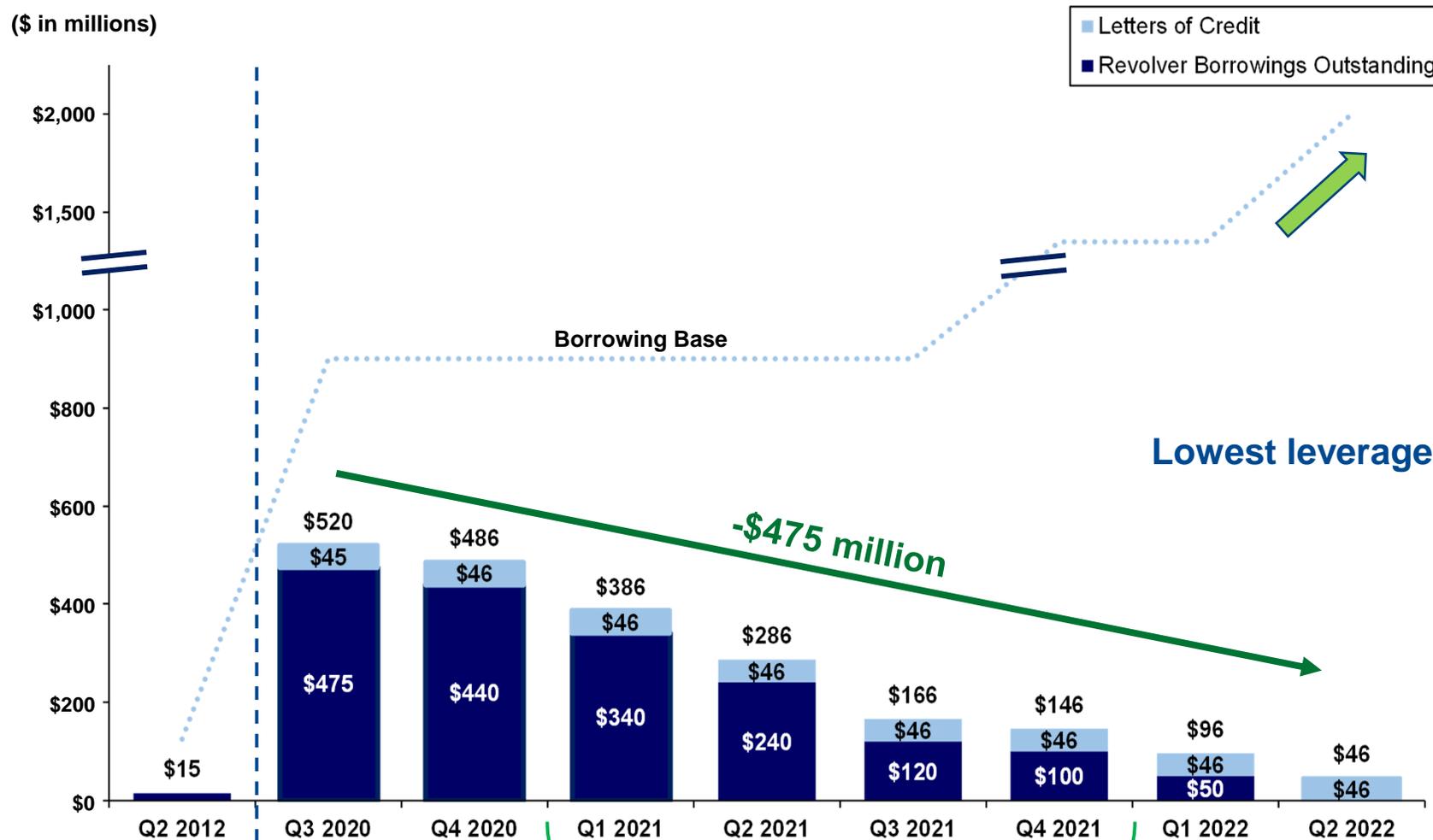
Note: YoY indicates year-over-year change. San Mateo is San Mateo Midstream, LLC.

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.



Revolver Borrowings Outstanding – Quarterly Results

No RBL Borrowings Outstanding!



Free Cash Flow⁽¹⁾:

Leverage Ratio⁽²⁾:

0.2x 2.8x 2.9x 2.5x 1.8x 1.3x 1.1x 0.8x **0.5x**

Realized Oil

Price⁽³⁾ (\$/Bbl): \$107.57 \$38.67 \$40.99 \$57.05 \$64.90 \$69.73 \$76.82 \$95.45 \$111.06

Realized Gas

Price⁽³⁾ (\$/Mcf): \$2.40 \$2.27 \$2.97 \$5.88 \$4.46 \$6.27 \$7.68 \$7.63 \$9.57

Note: Adjusted free cash flow⁽¹⁾ for the second quarter of 2022 nearly exceeds the adjusted free cash flow generated in full-year 2021.

(1) Adjusted free cash flow is a non-GAAP financial measure. For definitions and reconciliations to the comparable GAAP measures, see Appendix.

(2) Defined as Net Debt / LTM Adjusted EBITDA as calculated under the Credit Agreement. For purposes of the Credit Agreement, Net Debt at June 30, 2022 is calculated as (i) \$906 million in senior notes outstanding, plus (ii) \$46 million in outstanding letters of credit under the Credit Agreement, less (iii) \$75 million in available cash. Adjusted EBITDA is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.

(3) Without realized derivatives.



Summary and Updated 2022 Guidance (as Provided on July 26, 2022)

Guidance Metric	Actual 2021 Results	February 22, 2022 2022 Guidance Range	%YoY Change ⁽¹⁾	July 26, 2022 2022 Guidance Range	%YoY Change ⁽¹⁾
Total Oil Production	17.8 million Bbl	21.0 to 22.0 million Bbl	+ 21%	21.4 to 22.0 million Bbl	+ 22%
Total Natural Gas Production	81.7 Bcf	92.0 to 98.0 Bcf	+ 16%	93.0 to 98.0 Bcf	+ 17%
Total Oil Equivalent Production	31.5 million BOE	36.3 to 38.3 million BOE	+ 19%	36.9 to 38.3 million BOE	+ 20%
D/C/E CapEx ⁽²⁾	\$513 million	\$640 to \$710 million	+ 31%	\$765 to \$835 million	+ 56%
Midstream CapEx ⁽³⁾	\$31 million	\$50 to \$60 million	+ 79%	\$50 to \$60 million	+ 79%
Total D/C/E and Midstream CapEx	\$544 million	\$690 to \$770 million	+ 34%	\$815 to \$895 million	+ 57%

Development Pace

- 7 rigs in the Delaware Basin beginning in Q3 2022
 - New rig accelerates Rodney Robinson development in Lea County, NM
 - Remaining rigs focused on Antelope Ridge, Ranger and Rustler Breaks with activity also in Stateline, Greater Stebbins Area, and Wolf
- 80 gross (63.7 net) operated wells turned to sales in 2022E
- 106 gross (7.5 net) non-operated wells turned to sales in 2022E

Capital Efficiency

- D&C costs for operated horizontal wells expected to avg. **\$890/ft⁽⁴⁾**
 - Increase of only 5% vs original expectations of \$845/ft⁽⁴⁾
 - Increase of 20% vs Q4 2021
- **90% of operated wells** with lateral lengths **2 miles or greater**
- **98% of operated wells** with lateral lengths **greater than one mile**
- Avg. lateral length of wells turned to sales expected to be **9,900 feet**

Midstream

- Increasing estimated 2022 San Mateo⁽⁵⁾ Adjusted EBITDA by \$10 million to \$175 million⁽⁶⁾.
- Drilling an additional salt water disposal well in the Stebbins area. Expected to be online in Q4 2022.
- Integrating Pronto Midstream, which was acquired from Summit⁽⁷⁾ in Q2 2022, into Matador's operations.
 - 60 MMcf/d cryogenic natural gas processing plant in New Mexico
 - ~45 miles of additional pipeline, strategically located near San Mateo

(1) Represents percentage change from 2021 actual results to the midpoint of 2022 guidance range, as provided on February 22, 2022 and July 26, 2022, respectively.

(2) Capital expenditures associated with drilling, completing and equipping wells.

(3) Reflects Matador's proportionate share of capital expenditures for San Mateo and other wholly-owned midstream projects.

(4) Cost per completed lateral foot metric shown represents the D&C portion of well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized G&A or interest expenses and certain other capital expenditures.

(5) Matador owns 51% of San Mateo.

(6) At the midpoint of guidance as of and as provided on July 26, 2022. Adjusted EBITDA is a non-GAAP financial measure. For definitions and reconciliations to the comparable GAAP measures, see Appendix.

(7) Pronto Midstream, LLC was acquired from a subsidiary of Summit Midstream Partners, LP.





Operational and Financial Results

July 26, 2022

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Matador Resources Company Overview

Market Snapshot

NYSE Symbol

Market Capitalization⁽¹⁾

Avg. Daily Production – Q1 2022

Net Debt / LTM Adj. EBITDA⁽²⁾⁽³⁾ – Q2 2022

Adj. Free Cash Flow⁽²⁾ – Q2 2022

Proved Reserves @ December 31, 2021

2022 Annualized Dividend (current yield)⁽⁴⁾

MTDR

\$6.1 billion

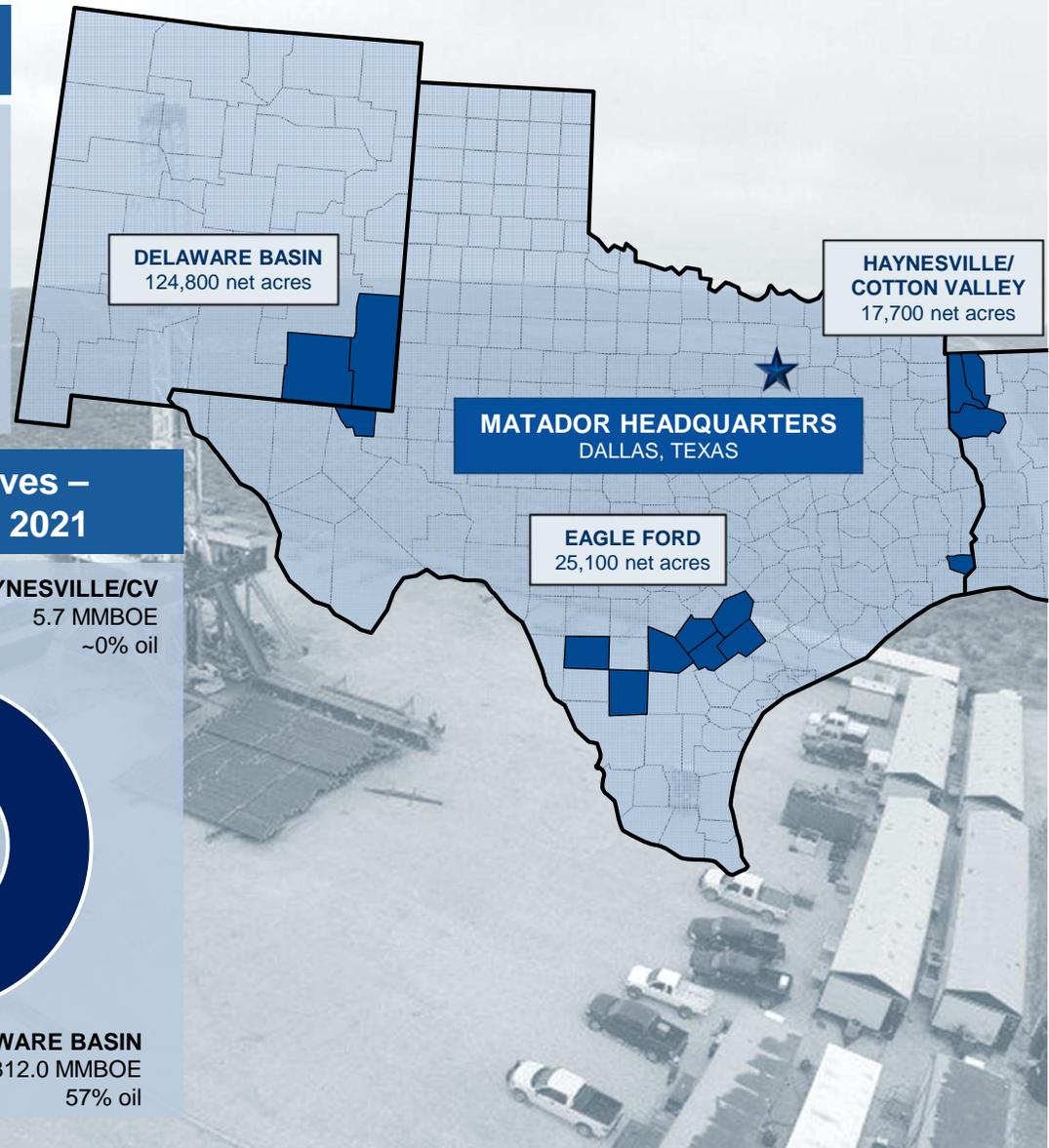
110.8 MBOE/d

~0.5x

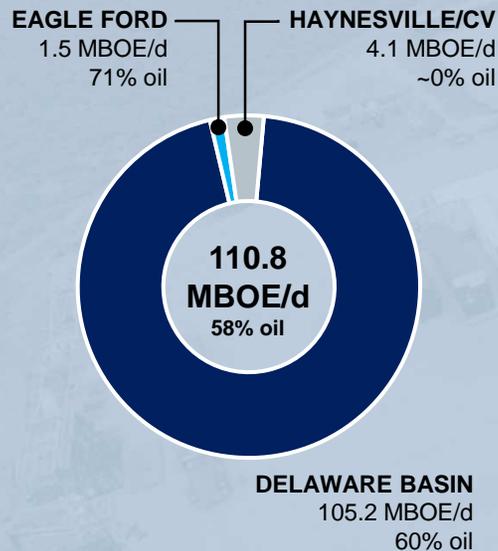
\$453.8 million

323.4 MMBOE

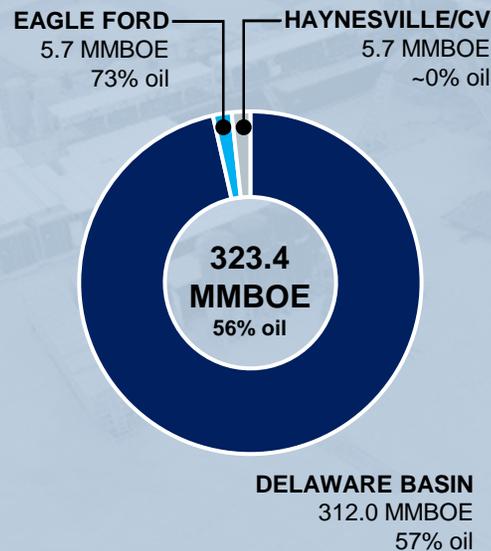
\$0.40 (0.8%)



Avg. Daily Production – Q2 2022



Proved Reserves – December 31, 2021



Note: Unless otherwise noted, figures are at or for the quarter ended June 30, 2022.

Note: All acreage as of December 31, 2021. Some tracts not shown on map.

(1) Market capitalization based on closing share price as of July 25, 2022 and shares outstanding as reported in the Company's most recent earnings release, Form 10-Q or Form 10-K, as applicable.

(2) Adjusted EBITDA and adjusted free cash flow are non-GAAP financial measures. For definitions and reconciliations to the comparable GAAP measures, see Appendix.

(3) Defined as Net Debt / LTM Adjusted EBITDA as calculated under Matador's revolving credit facility (the "Credit Agreement"). For purposes of the Credit Agreement, Net Debt at June 30, 2022 is calculated as (i) \$906 million in senior notes outstanding, plus (ii) \$46 million in outstanding letters of credit debt under the Credit Agreement, less (iii) \$75 million in available cash.

(4) On July 25, 2022, the Company announced the payment of a quarterly cash dividend of \$0.10 per share of common stock on September 1, 2022 to shareholders of record as of August 17, 2022. Yield based upon July 25, 2022 closing price.

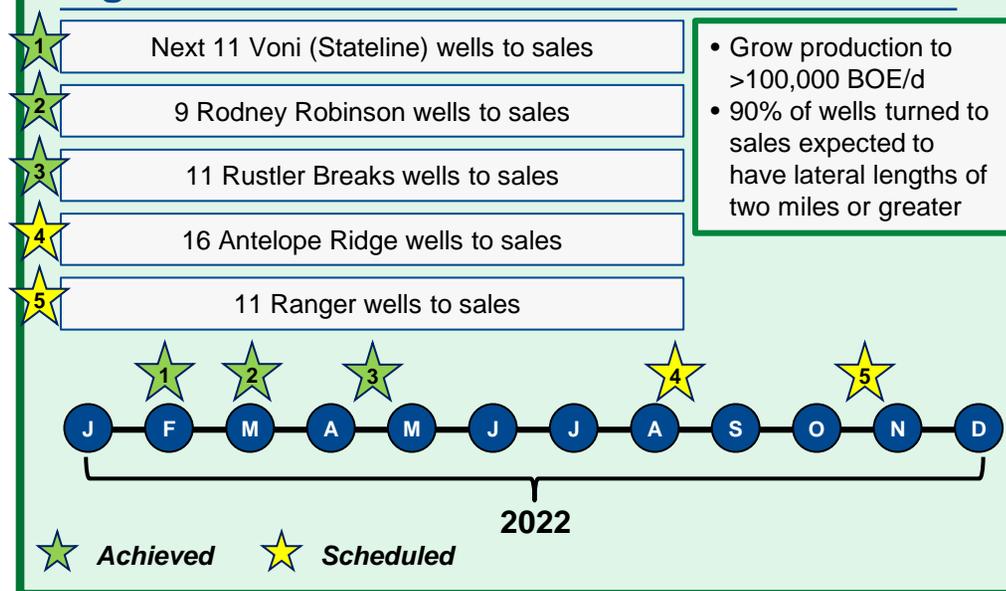


2022 Priorities and Milestones – Free Cash Flow, Operational Excellence and Shareholder Returns

2022 Priorities

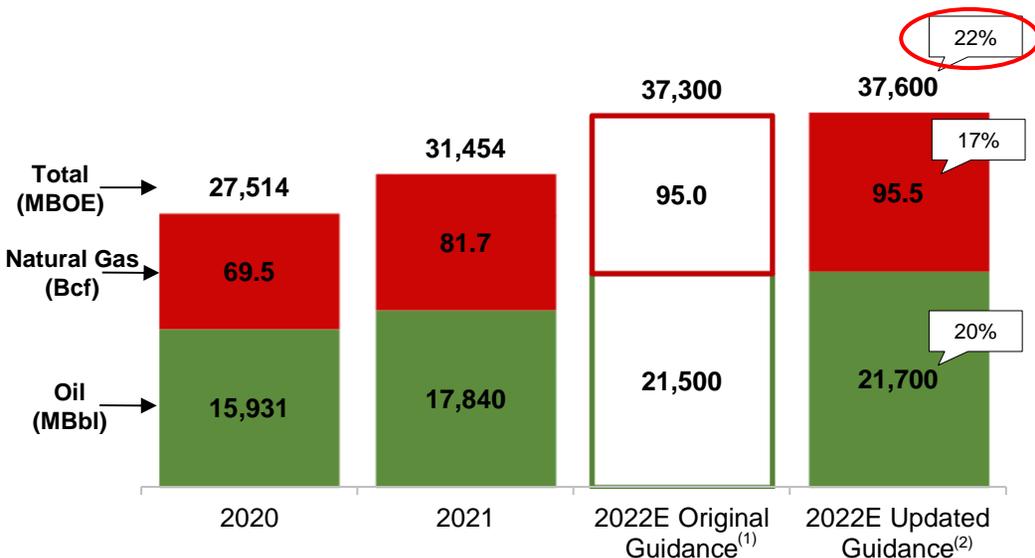
- **Deliver Free Cash Flow**
- **Pay Down Debt**
- **Maintain or Increase Dividend**
- **Offset Service Cost Increases with Increased Capital Efficiency and Improved Processes**
- **Enhance Acreage Portfolio via Accretive Acreage Leasing, Trades and Acquisition Opportunities**
- **Focus on Adding New San Mateo Customers**
- **Earn San Mateo Performance Incentives**
- **Employ Proactive Hedging Strategy**

Significant 2022 Milestones - Timeline

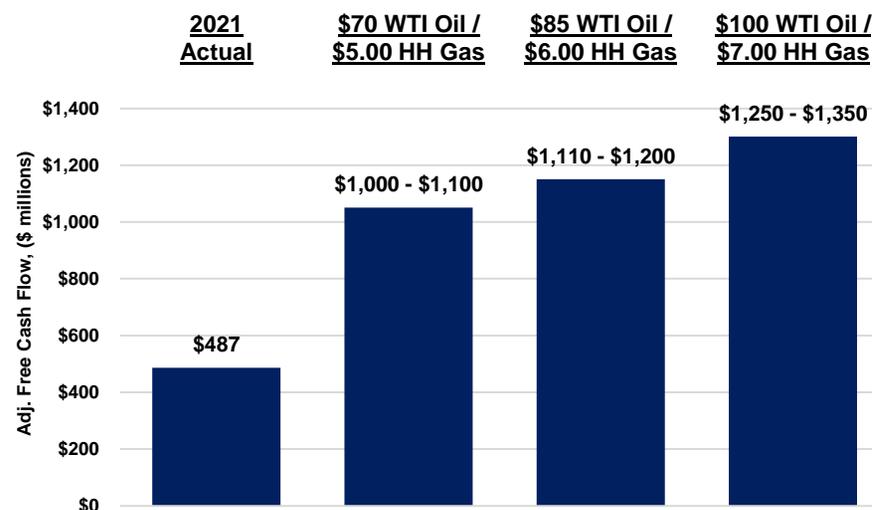


- Grow production to >100,000 BOE/d
- 90% of wells turned to sales expected to have lateral lengths of two miles or greater

Total Oil and Natural Gas Production



2022 Adjusted Free Cash Flow Sensitivities⁽²⁾⁽³⁾



(1) At midpoint of guidance as of and as provided on February 22, 2022.

(2) As of and as provided on July 26, 2022. Sensitivities assume actual West Texas Intermediate ("WTI") oil and Henry Hub ("HH") natural gas prices through late July 2022 and the respective sensitivity price thereafter.

(3) Adjusted free cash flow is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.



Strong Results for Second Quarter 2022

<h2>Record Financial Results</h2>	<ul style="list-style-type: none"> Generated adjusted free cash flow⁽¹⁾ of \$454 million in Q2 2022 – Above Company Expectations! Oil and natural gas revenues of \$893 million, Adjusted EBITDA⁽¹⁾ of \$664 million and San Mateo Adjusted EBITDA⁽¹⁾ of \$53 million – All Company Records!
<h2>Quarterly Production All-Time High</h2>	<ul style="list-style-type: none"> Oil production of ~64,300 Bbl/d, up 20% sequentially from Q1 2022 – +3.4% vs. Guidance⁽²⁾! Natural gas production of ~278.5 MMcf/d, up 15% sequentially from Q1 2022 – +3.1% vs. Guidance⁽²⁾! Total production of ~110,750 BOE/d, up 18% sequentially from Q1 2022 – +3.5% vs. Guidance⁽²⁾!
<h2>Paid Off Credit Facility and Repurchased Bonds</h2>	<ul style="list-style-type: none"> Matador repaid the remaining \$50 million in borrowings outstanding under its reserves-based revolving credit facility at June 30, 2022, a reduction of \$475 million since the end of Q3 2020 Leverage ratio⁽¹⁾⁽³⁾ of 0.5x at Q2 2022 – Lowest since IPO in early 2012! Repurchased \$158 million in Senior Notes outstanding through July 25, 2022 – balance reduced to \$892 million – \$42 million in savings through maturity!
<h2>Strong Capital Efficiency and San Mateo Results</h2>	<ul style="list-style-type: none"> D&C costs⁽⁴⁾ for 11 operated horizontal wells turned to sales in Q2 2022 of \$772 per completed lateral foot, up only 3% sequentially from \$752 per completed lateral foot during Q1 2022 San Mateo natural gas gathering of 293 MMcf/d, up 10% sequentially from Q1 2022 – All-Time High! San Mateo oil gathering/transportation of 51,200 Bbl/d, up 7% sequentially from Q1 2022 – All-Time High! San Mateo produced water handling of 348,400 Bbl/d, up 1% sequentially from Q1 2022 – All-Time High!
<h2>Exceeded Q2 2022 Guidance⁽²⁾</h2>	<ul style="list-style-type: none"> Avg. daily total production up 18% sequentially vs. an expected sequential increase of 14% Total D/C/E CapEx of \$143 million – 24% below estimate of \$187 million Midstream CapEx of \$9 million – 48% below estimate of \$17 million (primarily reflects Matador’s 51% share of San Mateo)

(1) Adjusted EBITDA and adjusted free cash flow are non-GAAP financial measures. For definitions and reconciliations to the comparable GAAP measures, see Appendix.

(2) As provided or affirmed on April 26, 2022.

(3) Defined as Net Debt / LTM Adjusted EBITDA as calculated under Matador’s revolving credit facility (the “Credit Agreement”). For purposes of the Credit Agreement, Net Debt at June 30, 2022 is calculated as (i) \$906 million in senior notes outstanding, plus (ii) \$46 million in outstanding letters of credit debt under the Credit Agreement, less (iii) \$75 million in available cash.

(4) Cost per completed lateral foot metric shown represents the D&C portion of well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized G&A or interest expenses and certain other capital expenditures.



Q2 2022 Selected Operating and Financial Results

	Three Months Ended		
	June 30, 2022	March 31, 2022	June 30, 2021
Net Production Volumes: ⁽¹⁾			
Oil (MBbl)	5,855	4,820	4,855
Natural gas (Bcf)	25.3	21.8	21.8
Total oil equivalent (MBOE)	10,078	8,457	8,482
Average Daily Production Volumes: ⁽¹⁾			
Oil (Bbl/d)	64,339	53,561	53,354
Natural gas (MMcf/d)	278.5	242.4	239.1
Total oil equivalent (BOE/d)	110,750	93,969	93,210
Average Sales Prices:			
Oil, without realized derivatives, \$/Bbl	\$ 111.06	\$ 95.45	\$ 64.90
Oil, with realized derivatives, \$/Bbl	\$ 105.21	\$ 91.68	\$ 56.13
Natural gas, without realized derivatives, \$/Mcf	\$ 9.57	\$ 7.63	\$ 4.46
Natural gas, with realized derivatives, \$/Mcf	\$ 8.51	\$ 7.43	\$ 4.46
Revenues (millions):			
Oil and natural gas revenues	\$ 892.8	\$ 626.5	\$ 412.1
Third-party midstream services revenues	\$ 21.9	\$ 17.3	\$ 19.9
Realized loss on derivatives	\$ (61.2)	\$ (22.4)	\$ (42.6)
Operating Expenses (per BOE):			
Production taxes, transportation and processing	\$ 8.50	\$ 7.07	\$ 5.17
Lease operating	\$ 3.95	\$ 4.01	\$ 3.39
Plant and other midstream services operating	\$ 2.18	\$ 2.30	\$ 1.62
Depletion, depreciation and amortization	\$ 11.91	\$ 11.33	\$ 10.78
General and administrative ⁽²⁾	\$ 2.42	\$ 3.52	\$ 2.88
Total ⁽³⁾	\$ 28.96	\$ 28.23	\$ 23.84
Other (millions):			
Net sales of purchased natural gas ⁽⁴⁾	\$ 3.6	\$ 2.3	\$ 1.3
Net income (millions) ⁽⁵⁾	\$ 415.7	\$ 207.1	\$ 105.9
Earnings per common share (diluted) ⁽⁵⁾	\$ 3.47	\$ 1.73	\$ 0.89
Adjusted net income (millions) ⁽⁵⁾⁽⁶⁾	\$ 415.6	\$ 277.5	\$ 121.7
Adjusted earnings per common share (diluted) ⁽⁵⁾⁽⁶⁾	\$ 3.47	\$ 2.32	\$ 1.02
Adjusted EBITDA (millions) ⁽⁵⁾⁽⁶⁾	\$ 663.8	\$ 461.8	\$ 261.0
Net cash provided by operating activities (millions) ⁽⁷⁾	\$ 646.3	\$ 329.0	\$ 258.2
Adjusted free cash flow (millions) ⁽⁵⁾⁽⁶⁾	\$ 453.8	\$ 245.7	\$ 156.3
San Mateo net income (millions) ⁽⁸⁾	\$ 41.8	\$ 34.8	\$ 32.6
San Mateo Adjusted EBITDA (millions) ⁽⁶⁾⁽⁸⁾	\$ 52.9	\$ 45.1	\$ 42.3
San Mateo net cash provided by operating activities (millions) ⁽⁸⁾	\$ 49.9	\$ 45.5	\$ 25.3
San Mateo adjusted free cash flow (millions) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	\$ 33.4	\$ 23.8	\$ 32.7
D/C/E capital expenditures (millions)	\$ 143.0	\$ 198.8	\$ 100.6
Midstream capital expenditures (millions) ⁽⁹⁾	\$ 8.9	\$ 9.7	\$ 4.1

(1) Production volumes reported in two streams: oil and natural gas, including both dry and liquids-rich natural gas.

(2) Includes approximately \$0.40, \$0.36 and \$0.21 per BOE of non-cash, stock-based compensation expense in Q2 2022, Q1 2022 and Q2 2021, respectively.

(3) Total does not include the impact of full-cost ceiling impairment charges, purchased natural gas or immaterial accretion expenses.

(4) Net sales of purchased natural gas refers to residue natural gas and natural gas liquids that are purchased from customers and subsequently resold.

(5) Attributable to Matador Resources Company shareholders.

(6) Adjusted net income, adjusted earnings per diluted common share, Adjusted EBITDA and adjusted free cash flow are non-GAAP financial measures. For definitions and reconciliations to the comparable GAAP measures, see Appendix.

(7) As reported for each period on a consolidated basis, including 100% of San Mateo's net cash provided by operating activities.

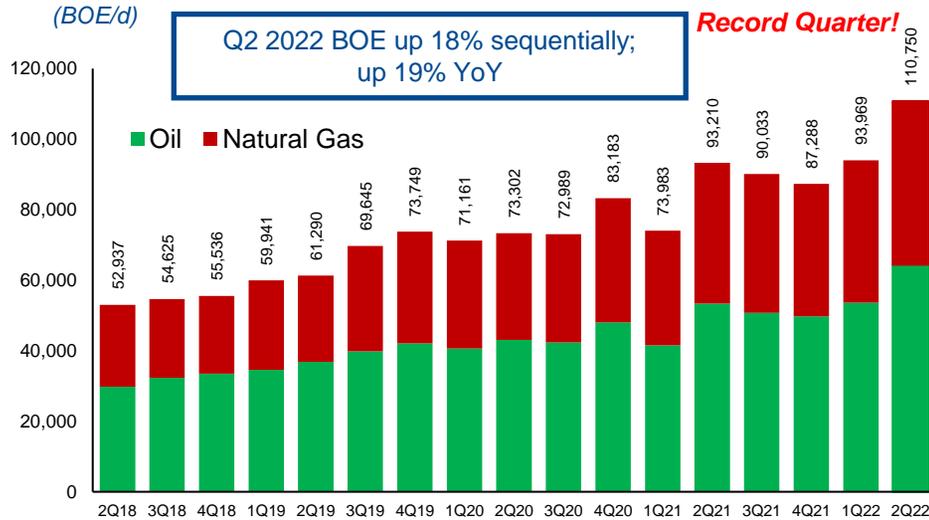
(8) Represents 100% of San Mateo's net income, adjusted EBITDA, net cash provided by operating activities or adjusted free cash flow for each period reported.

(9) Includes Matador's 51% share of San Mateo's capital expenditures plus 100% of other midstream capital expenditures not associated with San Mateo.

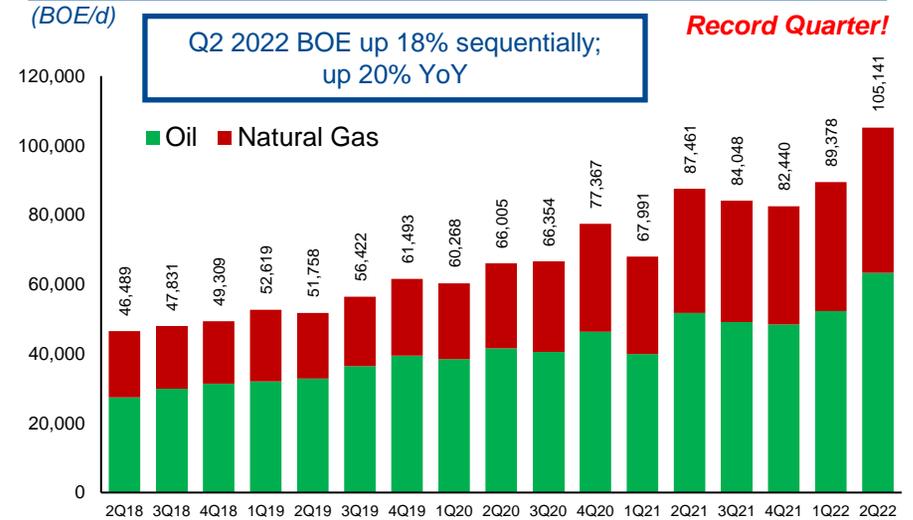


An Integrated E&P and Midstream Strategy: Progress in All Areas

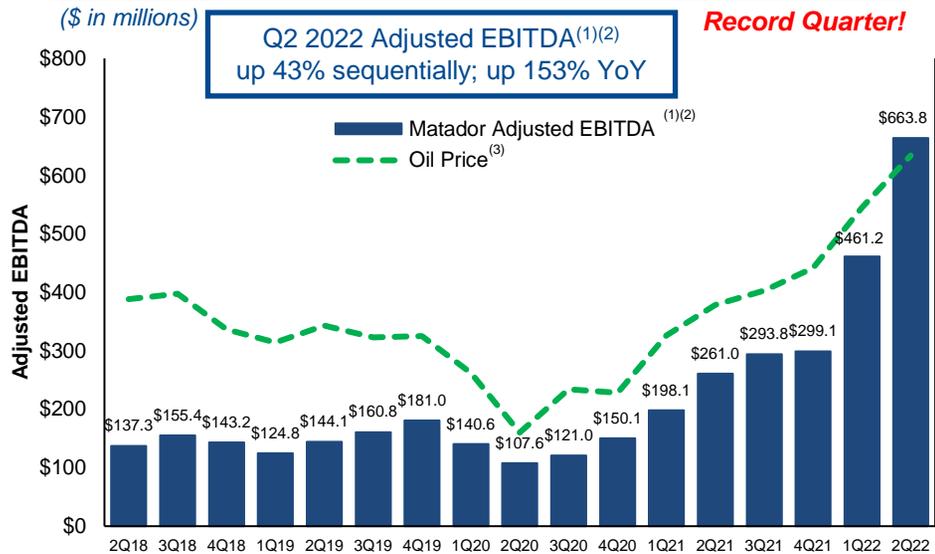
Average Daily Total Production



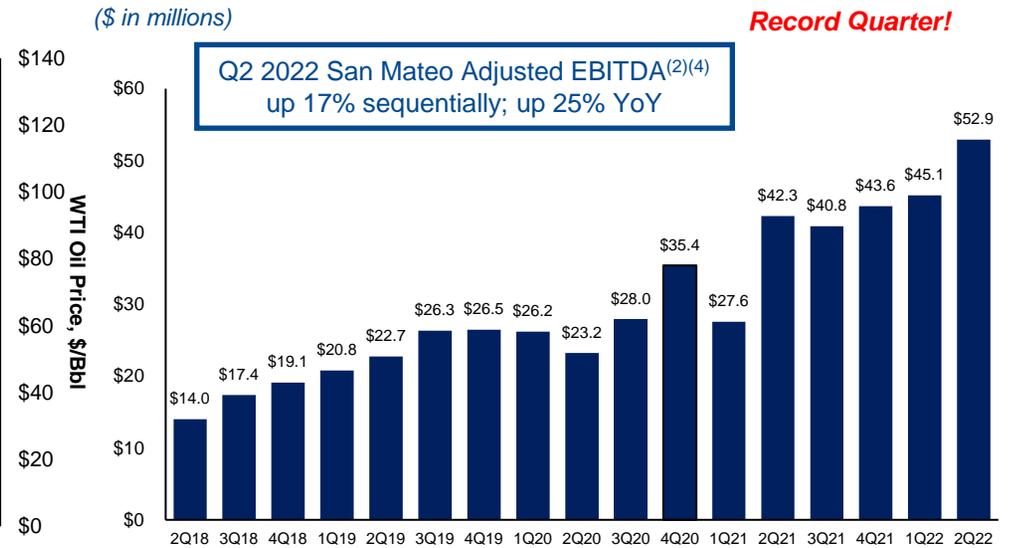
Average Daily Total Delaware Basin Production



Matador Adjusted EBITDA⁽¹⁾⁽²⁾

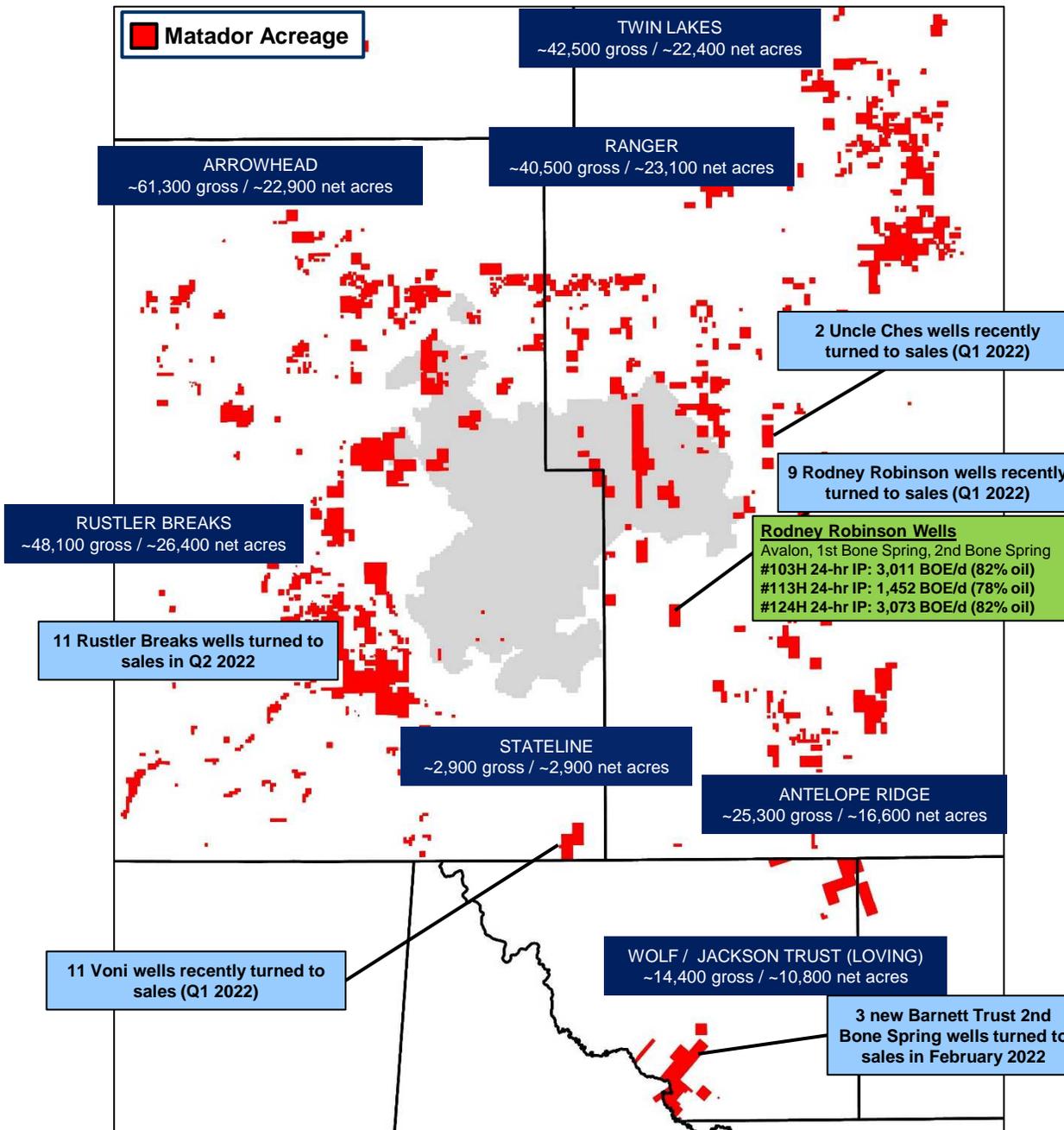


San Mateo Adjusted EBITDA⁽²⁾⁽⁴⁾



(1) Attributable to Matador Resources Company shareholders.
 (2) Adjusted EBITDA is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.
 (3) Average settlement price for WTI crude oil for the period.
 (4) Based on the combined Adjusted EBITDA of San Mateo and San Mateo Midstream II, LLC ("San Mateo II") prior to their October 2020 merger.

Delivering Strong Well Results All Around the Delaware Basin!



CURRENT DELAWARE BASIN ACTIVITY

- **Stateline:** Recently drilled four Boros wells – expected to be turned to sales in Q3 2022
- **Antelope Ridge:** Currently completing four Florence and eight Jeff Hart wells; drilling eight Rodney Robinson wells with up to three rigs (7th Rig being added in Q3)
- **Rustler Breaks:** Currently drilling two Tony La Russa wells; 11 gross wells turned to sales in Q2 2022
- **Arrowhead/Ranger/Twin Lakes:** One rig drilling SWD well in the Arrowhead asset area; recently drilled five wells on newly acquired properties in Ranger asset area – expected to be turned to sales in Q4 2022; two rigs drilling four Dee Osborne wells
- **Wolf/Jackson Trust:** Three Barnett Trust wells turned to sales in Q1 2022

9,900 ft

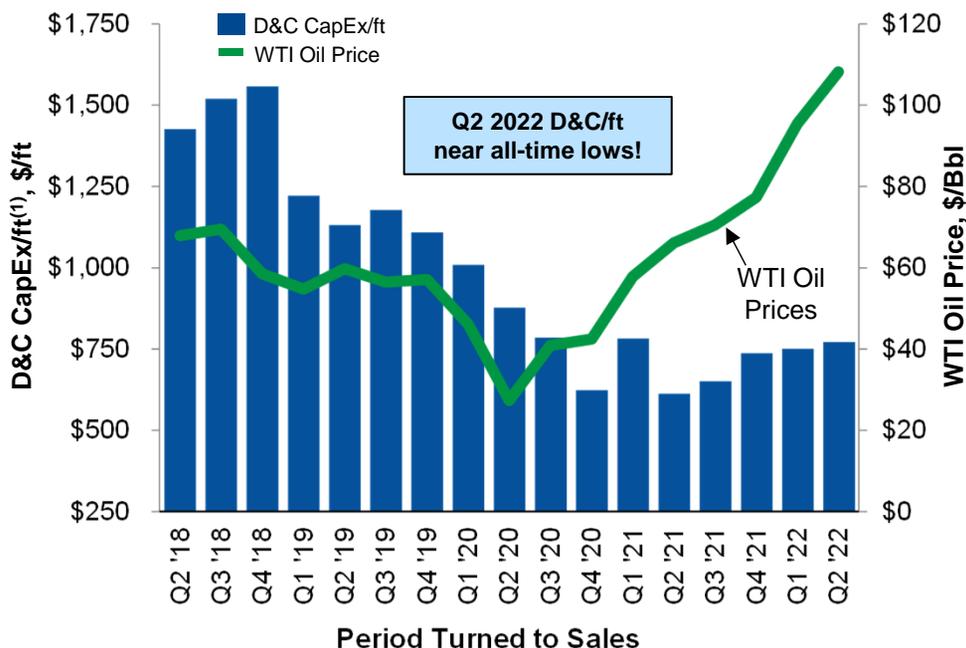
Average lateral length for all 2022 operated wells

Note: All acreage as of June 30, 2022. Some tracts not shown on map.
(1) TIL = Turned-In-Line.

Maintaining Low CapEx During High Commodity Prices

Continued Improvement in Execution and Efficiency Gains

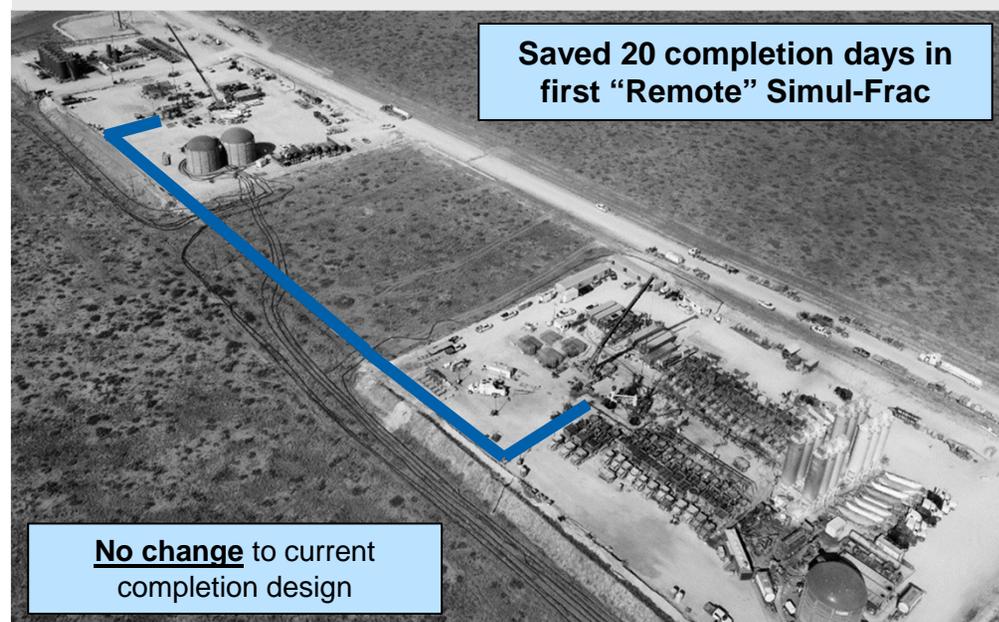
Drilling & Completion (D&C) CapEx/ft⁽¹⁾



- Matador's average D&C CapEx/ft in Q2 2022: **~\$772/ft**
 - Up ~3% as compared to Q1 2022
 - Increase due to service cost inflation and wells selected to be drilled – offset by efficiencies
- Expect to increase daily drilling and completed lateral footage through drilling assembly improvements and increased use of Simul-Frac

Operational Improvement Spotlight: “Remote” Simul-Frac

- Remote Simul-Frac is an operation to simultaneously complete stages on multiple well pads with one completion crew
 - **Allows Simul-Frac capability on non-typical Simul-Frac pad layouts**
 - Successfully tested in Q4 2021 with plans to implement further in 2022
- Implemented Simul-Frac on 23 wells in 2021; **increased average daily completed lateral footage by 50% and saved ~\$250,000/well**



Note: All footage and percentage of lateral types shown are based on gross operated horizontal wells.

(1) Cost per completed lateral foot metric shown represents the D&C portion of operated horizontal well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized G&A or interest expenses and certain other capital expenditures.

Horizontal Wells Completed and Turned to Sales – Q2 2022

- During the second quarter of 2022, Matador turned to sales a total of 29 gross (7.7 net) horizontal wells in its various Delaware Basin operating areas. This total included 11 gross (6.4 net) operated wells in the Rustler Breaks asset area having an average completed lateral length of approximately 9,700 feet. The 18 gross (1.3 net) non-operated wells turned to sales in the second quarter were all in New Mexico and had an average completed lateral length of approximately 9,300 feet.

Asset/Operating Area	Operated		Non-Operated		Total		Gross Operated and Non-Operated Well Completion Intervals
	Gross	Net	Gross	Net	Gross	Net	
Western Antelope Ridge (Rodney Robinson)	-	-	-	-	-	-	No wells turned to sales in Q2 2022
Antelope Ridge	-	-	9	0.1	9	0.1	2-2BS, 7-WC A
Arrowhead	-	-	2	0.7	2	0.7	2-3BS
Ranger	-	-	2	0.1	2	0.1	2-2BS
Rustler Breaks	11	6.4	5	0.4	16	6.8	3-1BS, 5-2BS, 2-3BS, 5-WC A, 1-WC B
Stateline	-	-	-	-	-	-	No wells turned to sales in Q2 2022
Wolf/Jackson Trust	-	-	-	-	-	-	No wells turned to sales in Q2 2022
Delaware Basin	11	6.4	18	1.3	29	7.7	
Eagle Ford Shale	-	-	-	-	-	-	No wells turned to sales in Q2 2022
Haynesville Shale	-	-	-	-	-	-	No wells turned to sales in Q2 2022
Total	11	6.4	18	1.3	29	7.7	

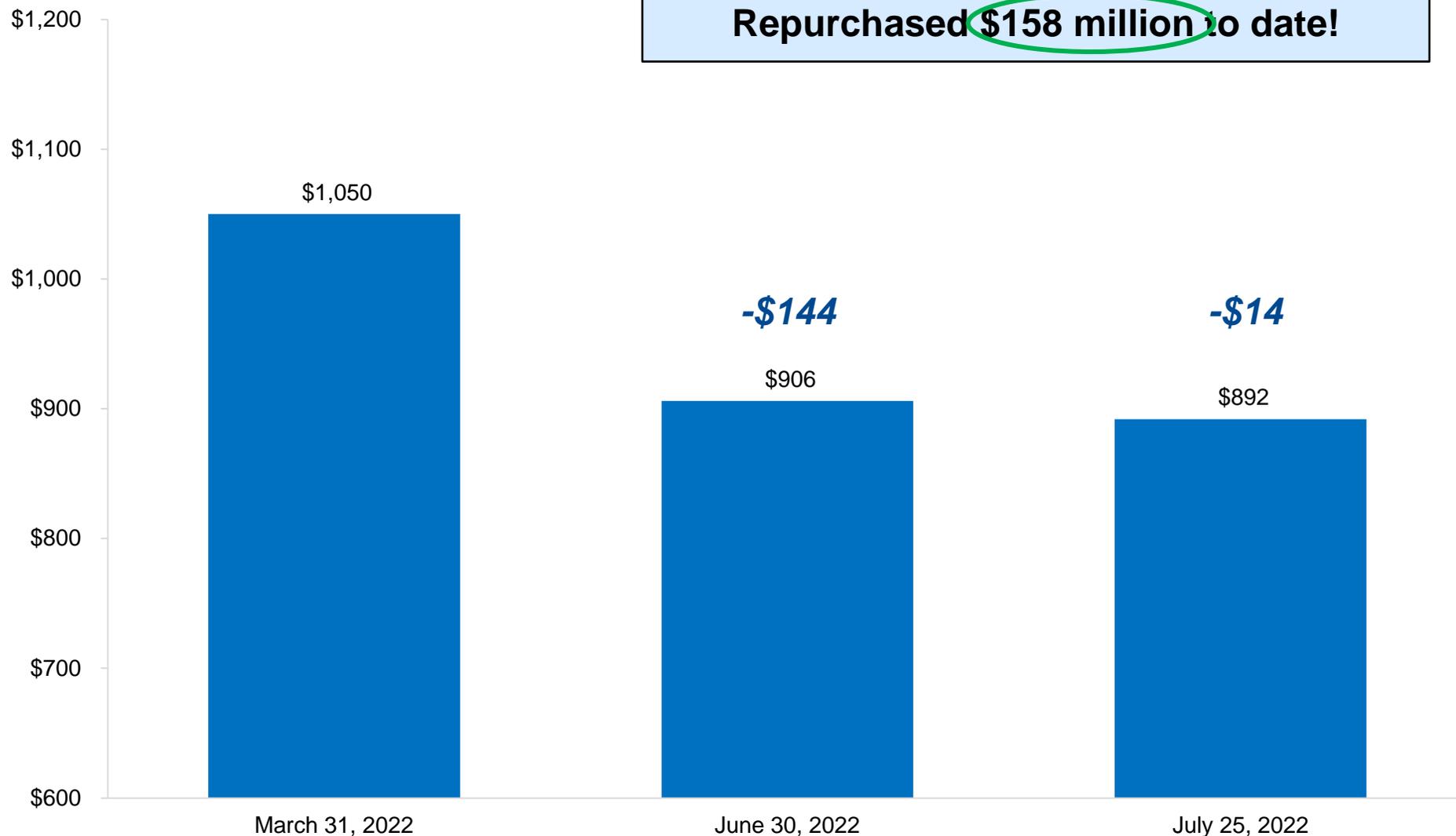
Note: WC = Wolfcamp; BS = Bone Spring. For example, 2-BS indicates two Second Bone Spring completions and 7-WC A indicates seven Wolfcamp A completions.

Further Strengthening Balance Sheet

Repurchased \$158 million in Bonds

Senior Notes Outstanding @ 5.875% Coupon

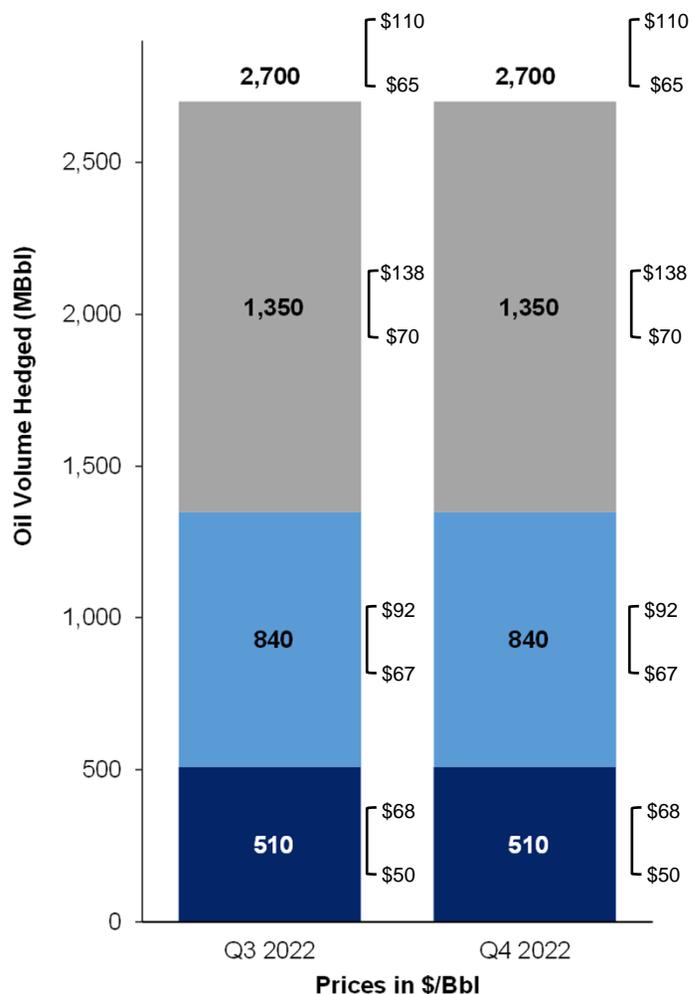
(\$ in millions) (As of July 25, 2022)



Hedging Profile – Remainder of 2022⁽¹⁾

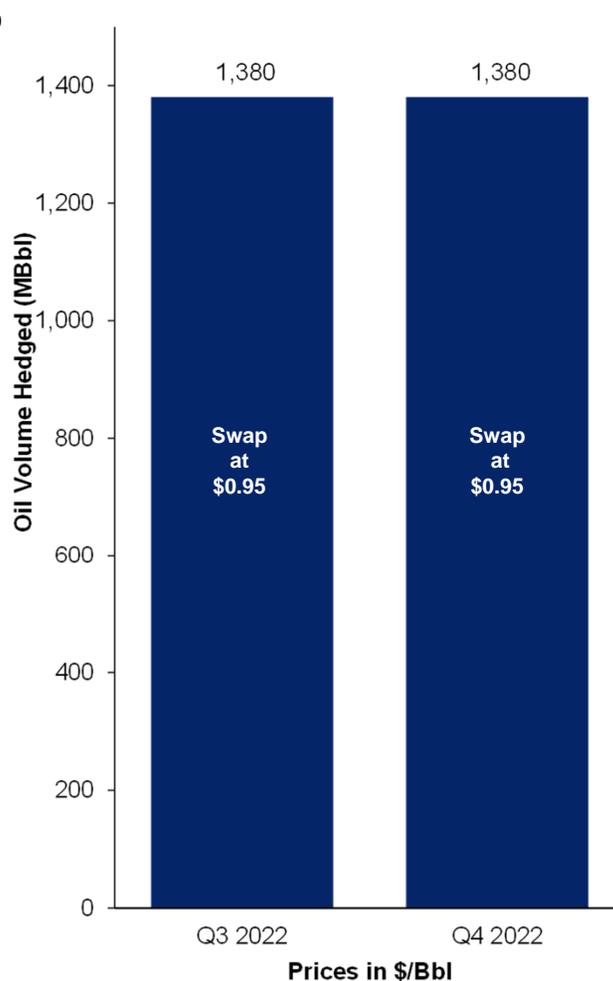
Oil Collars

✓ ~50% hedged for Q3-Q4 2022



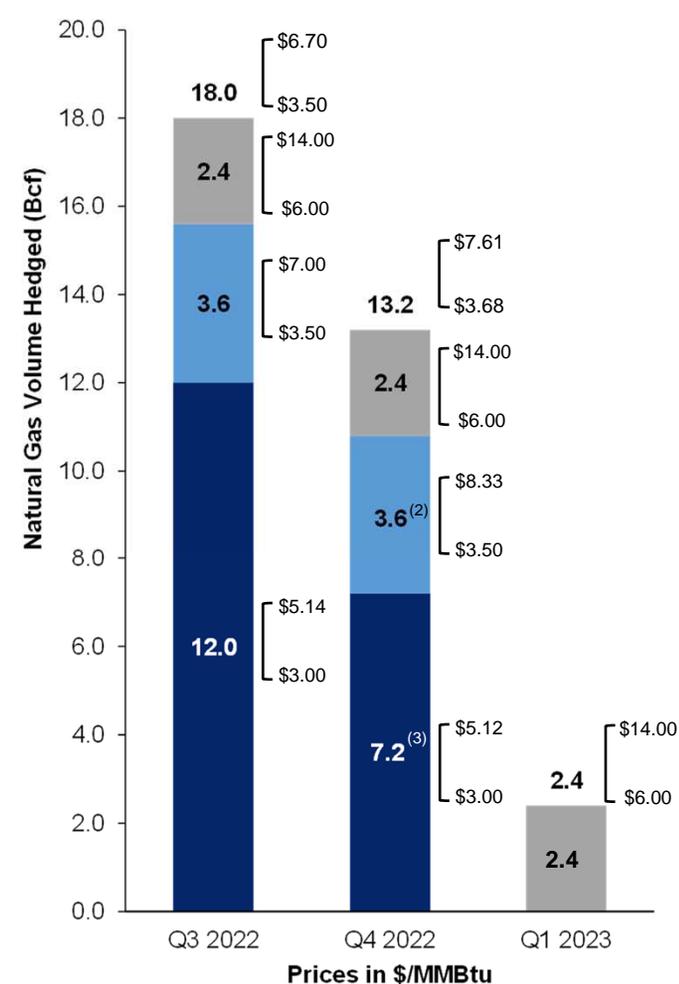
Midland-Cushing Basis Swaps

✓ ~25% hedged for Q3-Q4 2022



Natural Gas Collars

✓ ~75% hedged for Q3 2022
~50-55% hedged for Q4 2022



(1) As of June 30, 2022.

(2) Includes 1.2 Bcf hedged at \$3.50 x \$7.00 for October 2022 and 2.4 Bcf hedged at \$3.50 x \$9.00 for November and December 2022.

(3) Includes 4.0 Bcf hedged at \$3.00 x \$5.14 for October 2022 and 3.2 Bcf hedged at \$3.00 x \$5.04 for November and December 2022.

Strategic Acquisition of Summit's⁽¹⁾ Gas System (Pronto Midstream)

Deal Highlights

Purchase Price⁽²⁾	\$75 million
Natural Gas Processing Plant	60 million cubic feet per day (MMcf/d)
Natural Gas Gathering System	~45 miles of pipeline; 3 compressor stations
Takeaway Capacity to Waha	50 MMcf/d ⁽³⁾ on the Double E Pipeline ⁽⁴⁾

Pronto Midstream's Marlan (formerly Lane) Natural Gas Processing Plant



Double E Pipeline⁽⁴⁾ Route

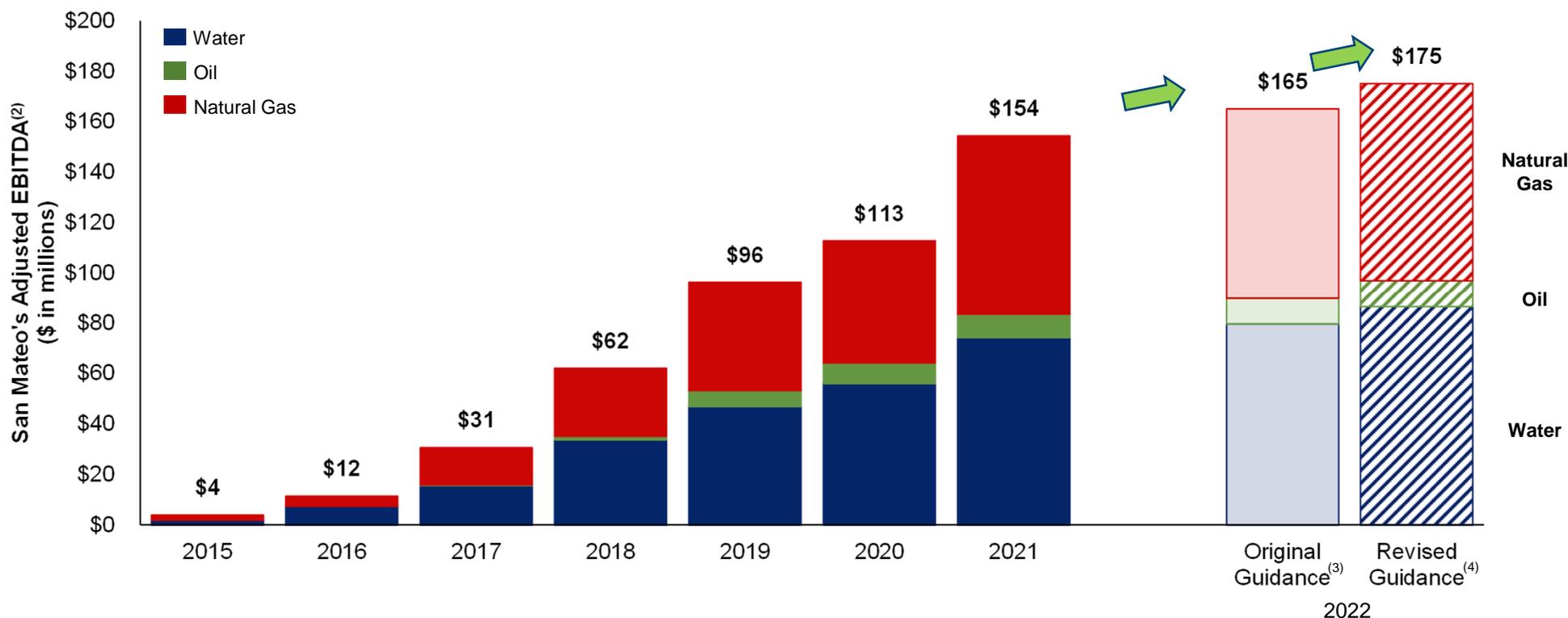


(1) Purchased from a subsidiary of Summit Midstream Partners, LP. Renamed Pronto Midstream, LLC.
 (2) Subject to customary transaction adjustments.
 (3) Increases to 65 MMcf/d in November 2024.
 (4) The Double E Pipeline is a FERC regulated natural gas pipeline operated by Summit Midstream Partners, LP.

San Mateo – Differentiated Midstream Asset Continues to Add Value to Matador⁽¹⁾



Matador owns 51% of San Mateo

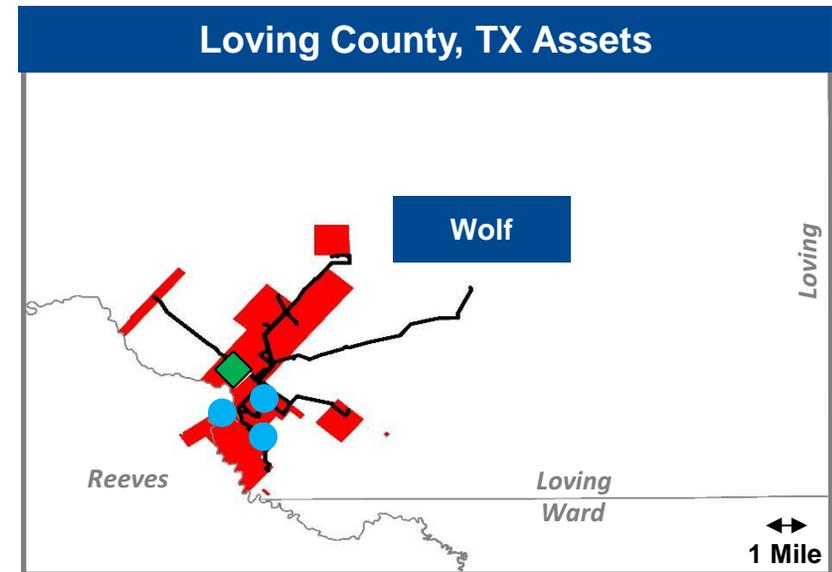
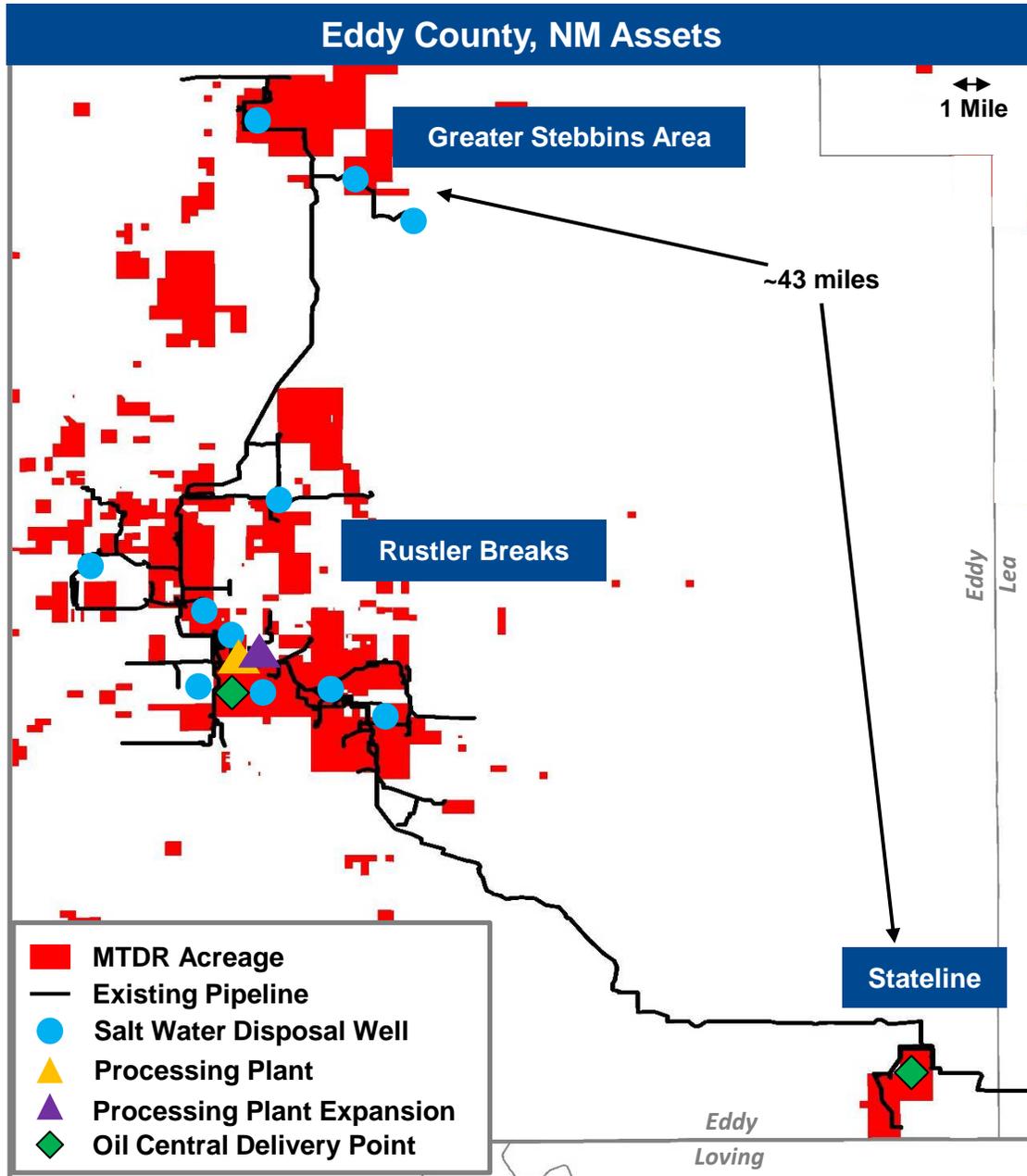


Note: Figures (i) reflect the combined Adjusted EBITDA for San Mateo and San Mateo II prior to their October 2020 merger, including allocations for G&A expenses, (ii) are pro forma for the formation of San Mateo in February 2017 and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador and (iii) exclude assets sold to EnLink in October 2015.

- (1) A subsidiary of Five Point LLC ("Five Point") is Matador's joint venture partner in San Mateo. Matador and Five Point own 51% and 49%, respectively, of San Mateo.
- (2) Adjusted EBITDA and adjusted free cash flow are non-GAAP financial measures. For definitions and reconciliations to the comparable GAAP measures, see Appendix.
- (3) Based on midpoint of range of \$155 to \$175 million as of and as provided on February 22, 2022.
- (4) Based on midpoint of range of \$165 to \$185 million as of and as provided on July 26, 2022.



San Mateo⁽¹⁾ Assets and Operations – “Three-Pipe” Offering



Natural Gas Gathering and Processing

- 460 MMcf/d of designed natural gas cryogenic processing capacity following plant expansion

Produced Water Gathering and Disposal

- 14 commercial salt water disposal wells and associated facilities with designed produced water disposal capacity of 370,000 Bbl/d

Oil Gathering

- ~400,000 acre joint development area with a subsidiary of Plains⁽²⁾ in Eddy County, NM

~370 Miles of Midstream Pipeline Systems

Note: All acreage as of December 31, 2021. Some tracts not shown on map.

(1) Matador owns 51% of San Mateo.
 (2) Plains All American Pipeline, L.P.

Committed to Environmental, Social and Governance (ESG) Stewardship

Matador is committed to creating long-term value for its stakeholders in a responsible manner by pursuing sound growth and earnings objectives and exercising prudence in the uses of its assets and resources.

In December 2021, Matador was pleased to issue its inaugural Sustainability Report to further raise the profile of Matador's ongoing ESG-related initiatives. This report highlights Matador's continued progress and improvements in its operating practices, including quantitative metrics aligned with the Sustainability Accounting Standards Board ("SASB") standards. Matador's inaugural Sustainability Report is available on the Company's website at www.matadorresources.com/sustainability.



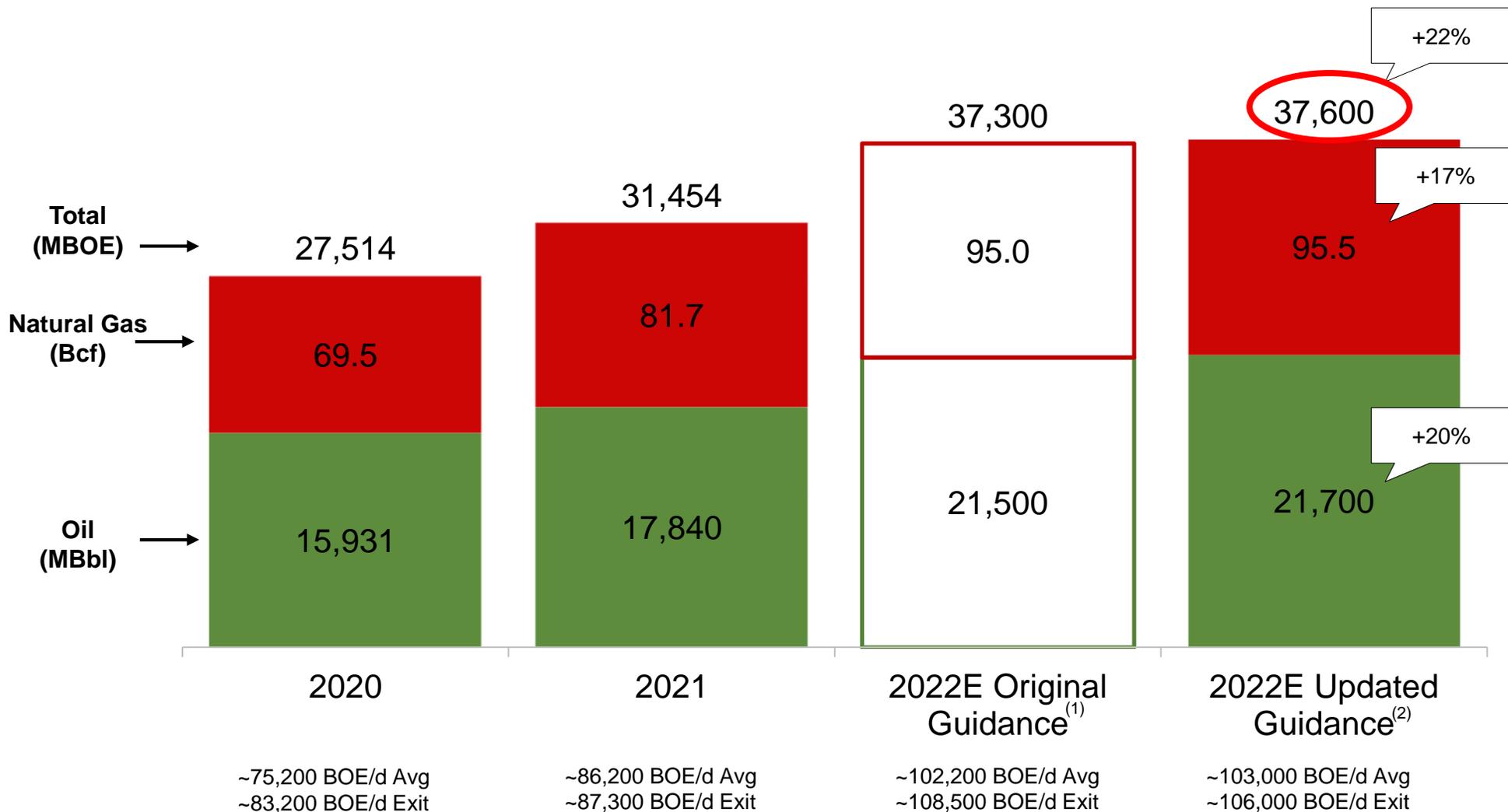


Full Year 2022 Guidance

July 26, 2022

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Updated Oil and Natural Gas Production Guidance As Provided on July 26, 2022



(1) As of and as provided on February 22, 2022.

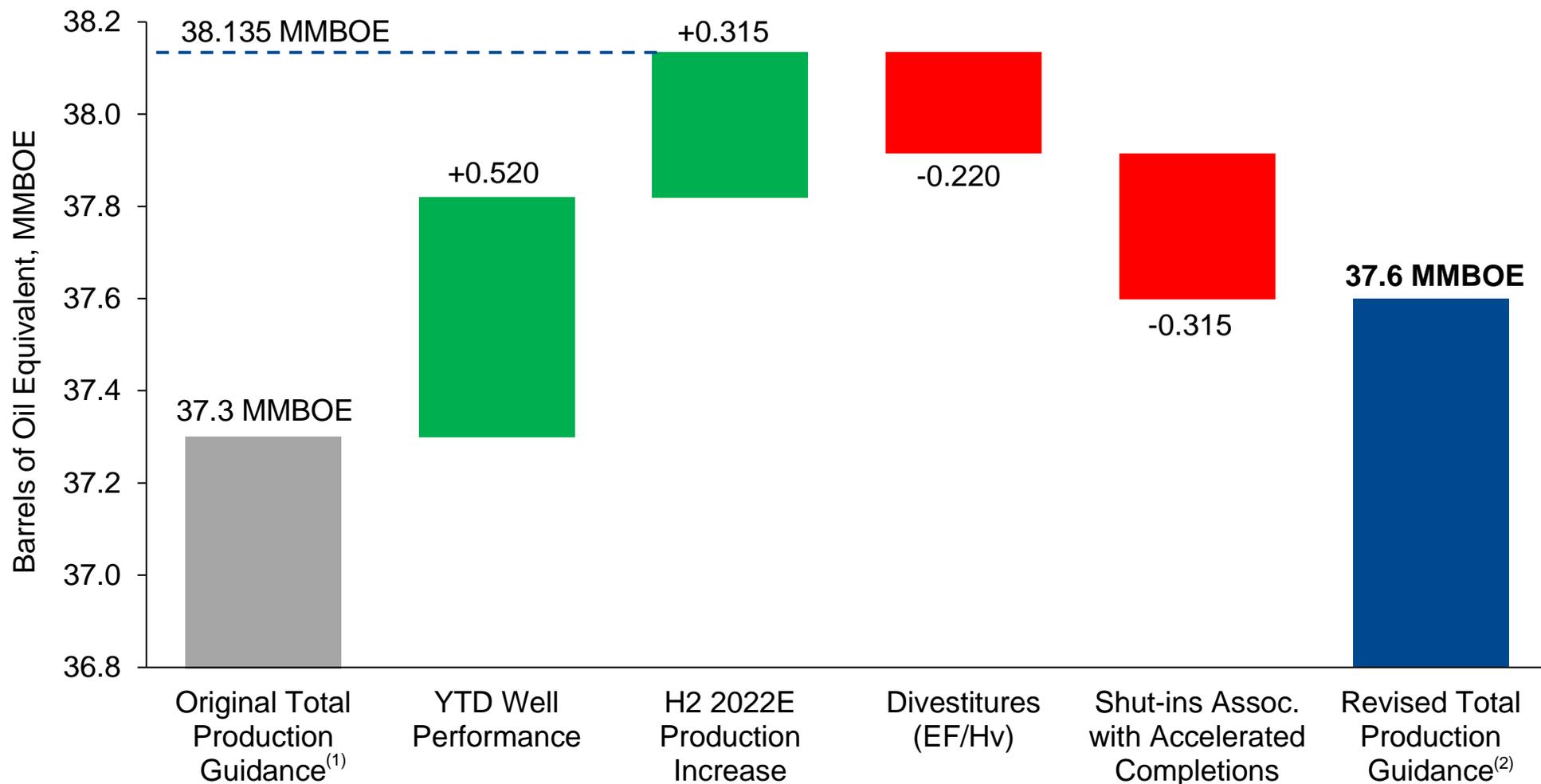
(2) As of and as provided on July 26, 2022.

2022 Production Guidance Increased As Provided on July 26, 2022

Despite divestments and production deferrals to 2023 from accelerated Rodney Robinson and offset operator completions, Matador increased its full year 2022 production guidance.

Full Year Total Production Forecast

(MMBOE)



(1) At the midpoint of guidance as of and as provided on February 22, 2022.

(2) At the midpoint of guidance as of and as provided on July 26, 2022.

2022 Capital Investment Plan Summary⁽¹⁾ (As Provided on July 26, 2022)

Full Year 2022E CapEx⁽²⁾ – \$815 to \$895 million

(Delaware: Adding 7th operated rig beginning in Q3 2022)

	February 2022 Guidance ⁽³⁾	July 2022 Guidance ⁽¹⁾
Drilling, Completing, Equipping	\$640 to \$710 million	\$765 to \$835 million ↑
Operated D/C/E	\$510 to \$550 million	\$625 to \$665 million ↑
Non-Op	\$70 to \$80 million	\$70 to \$80 million
Artificial Lift / Other	\$40 to \$50 million	\$50 to \$60 million ↑
Capitalized G&A and Interest	\$20 to \$30 million	\$20 to \$30 million
Midstream ⁽⁴⁾	\$50 to \$60 million	\$50 to \$60 million
Full Year 2022 CapEx ⁽²⁾	\$690 to \$770 million	\$815 to \$895 million ↑

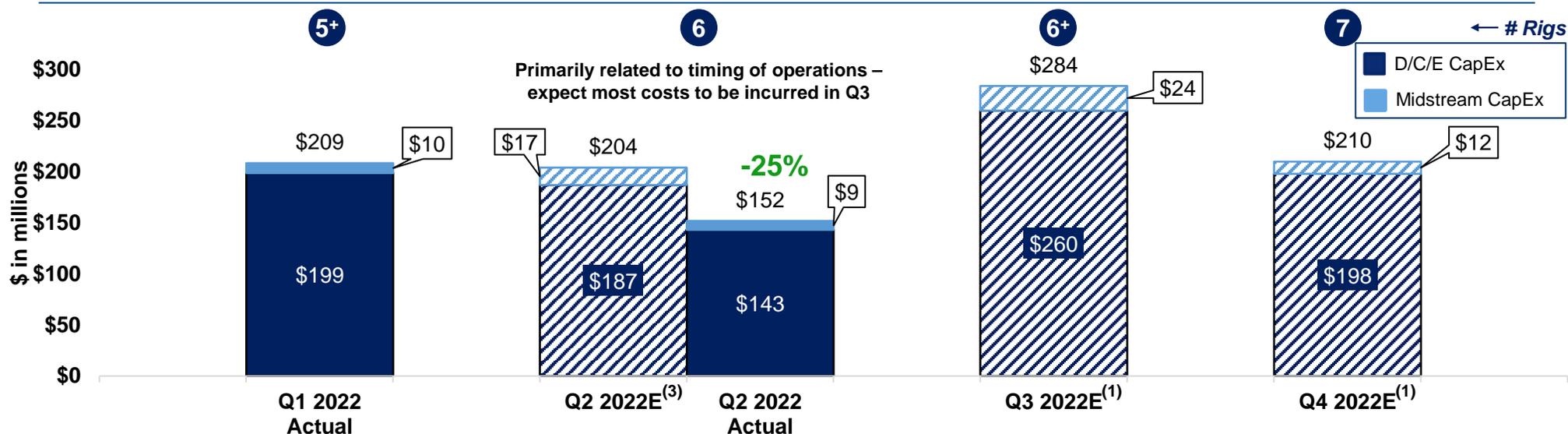
2022E Wells Turned to Sales

	Gross	Net	
Operated	80	63.7 ↑	+2.9 net
Non-Operated	106	7.5 ↓	
Total	186	71.2 ↑	

Matador expects to have **35 gross (24.7 net) ↑** operated Delaware Basin wells in progress, but not yet turned to sales, at year-end 2022 **+9.5 net**

2022E CapEx⁽²⁾⁽³⁾ by Quarter

(Delaware: Added 6th operated rig in Q1 2022; Adding a 7th operated rig beginning in Q3 2022)



(1) As of and as provided on July 26, 2022.

(2) Includes D/C/E capital expenditures and capital expenditures for various midstream projects; does not include any expenditures for land or seismic acquisitions.

(3) As of and as provided on February 22, 2022.

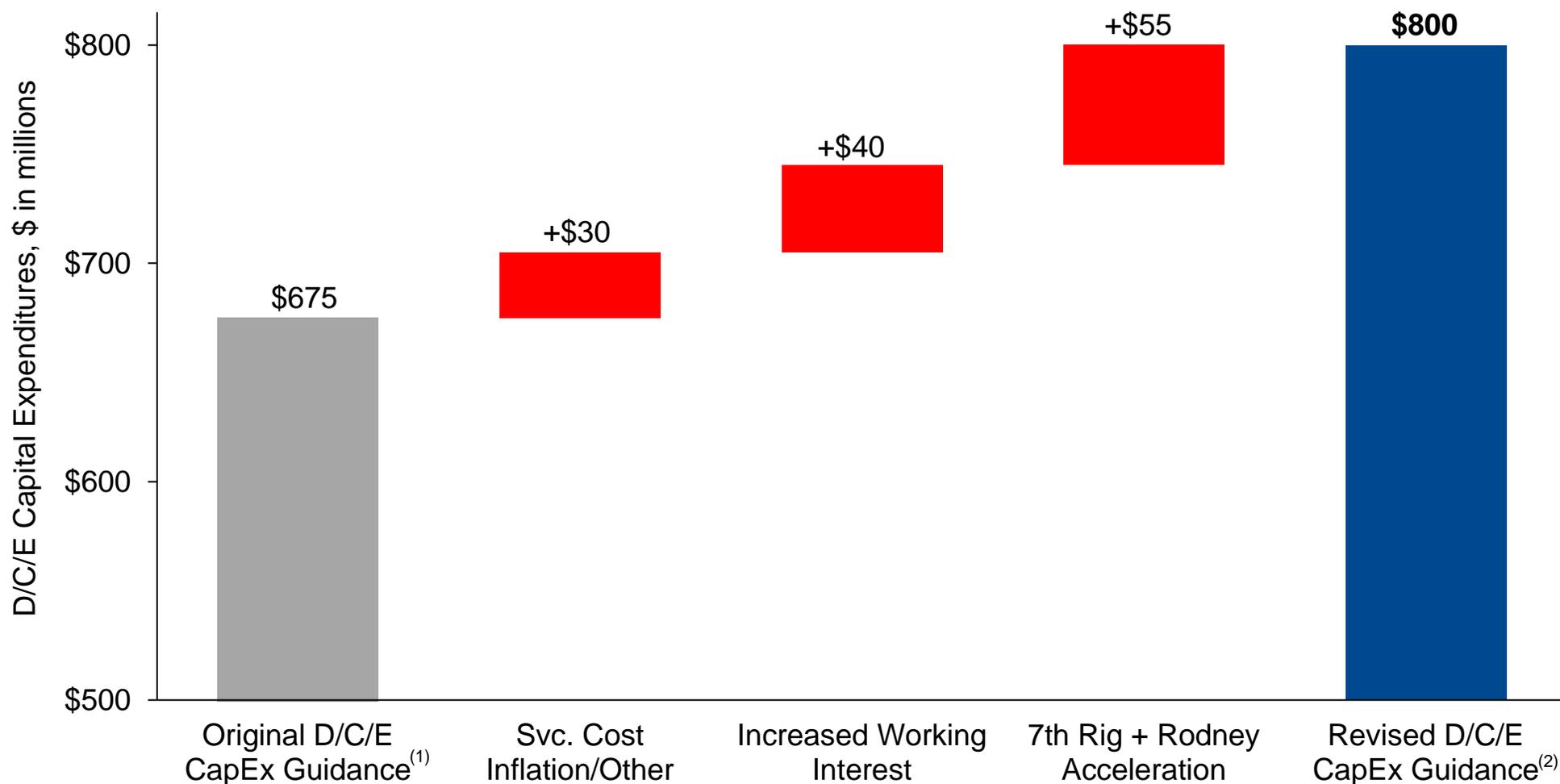
(4) Reflects Matador's 51% share of San Mateo's capital expenditures and other wholly-owned midstream projects.

2022 D/C/E Capital Expenditure Guidance Revisions As Provided on July 26, 2022

Increases to D/C/E CapEx guidance driven primarily by activity acceleration in the Rodney Robinson leasehold in western Lea County, New Mexico and strategic acreage trades. Increases associated with service cost inflation are just 5% of the original D/C/E CapEx guidance midpoint.

Full Year D/C/E CapEx⁽³⁾ Forecast

(\$ in millions)



(1) At the midpoint of guidance as of and as provided on February 22, 2022.

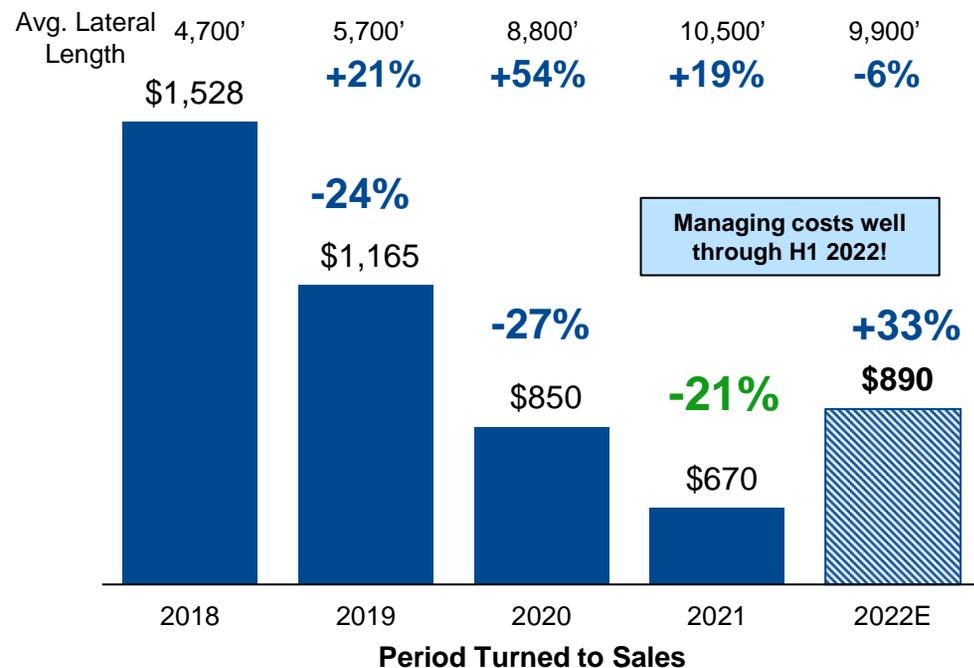
(2) At the midpoint of guidance as of and as provided on July 26, 2022.

(3) Capital expenditures associated with drilling, completing and equipping wells.

Managing Costs Well in 2022: Driven by Efficiency Gains and Execution

Drilling & Completion Improvements

Drilling & Completion (D&C) CapEx/ft⁽¹⁾⁽²⁾ (\$/ft)



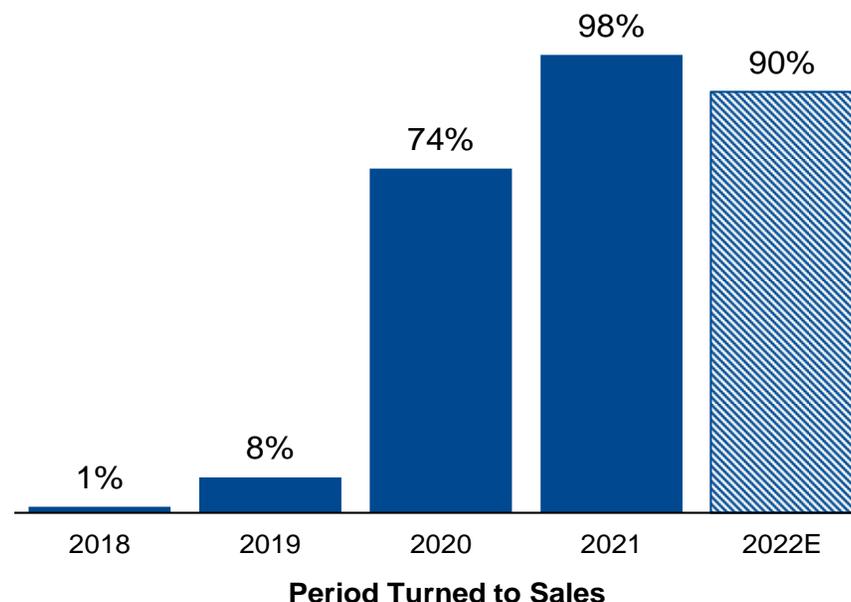
- In Q2 2022, Matador's D&C CapEx/ft averaged ~\$772/ft, an increase of 3% relative to Q1 2022 costs
- In 2022, D&C CapEx/ft⁽²⁾ is expected to increase to ~\$890/ft due to service cost inflation and well selection

↑ ~5% as compared to February 2022 Guidance

↑ ~20% as compared to average cost in Q4 2021

Capital Efficiency

Percentage of Two-Mile Laterals



- **92% of operated laterals** turned to sales in H1 2022 were two miles or greater, as compared to 98% in all of 2021
- **90% of operated laterals** in 2022 expected to be greater than one mile, as compared to 100% in 2021

Note: All footage and percentage of lateral types shown are based on gross operated horizontal wells.

(1) Cost per completed lateral foot metric shown represents the D&C portion of operated horizontal well costs only. Excludes costs to equip wells, midstream capital expenditures, capitalized G&A or interest expenses and certain other capital expenditures.

(2) As of and as provided on July 26, 2022.

2022E Operating Cost Estimates (Unit Costs per BOE)

(As of and as Provided on July 26, 2022)

- Matador provides the following updated estimates for its 2022 unit operating costs as shown below

	2021	Q1 2022	Q2 2022	2022E
① Production taxes, transportation and processing (“PTTP”)	\$5.69	\$7.07	\$8.50	\$7.75 to \$8.25
② Lease operating (“LOE”)	\$3.46	\$4.01	\$3.95	\$4.00 to \$4.50
③ Plant and other midstream services operating	\$1.95	\$2.30	\$2.18	\$2.00 to \$2.50
④ Depletion, depreciation and amortization (“DD&A”)	\$10.97	\$11.33	\$11.91	\$11.50 to \$12.50
⑤ General and administrative (“G&A”)	\$3.06	\$3.52	\$2.42	\$2.75 to \$3.25
Total operating expenses ⁽¹⁾	\$25.13	\$28.23	\$28.96	\$28.00 to \$31.00
<i>PTTP + LOE + G&A</i>	\$12.21	\$14.60	\$14.87	\$14.50 to \$16.00

- PTTP range reflects increased production volumes and increased production taxes attributable to higher anticipated commodity prices and oil and natural gas revenues in 2022, as compared to 2021 and Q1 2022; Estimates reflect late July 2022 strip pricing
- LOE range reflects anticipated increase in workover activity and service costs in 2022, as compared to 2021
 - Increased number of operated and non-operated wells and operating cost inflation in 2022, especially in H2 2022
- Reflects expected increase in electricity costs and service costs in 2022
- DD&A range reflects anticipated increase in drilling and completion costs in 2022, especially in H2 2022
- G&A range reflects anticipated increase in production and stabilization of costs following restoration of compensation to prior levels beginning in March 2021 and increase in stock-based compensation expense associated with cash-settled stock awards
 - Q1 2022 reflected a larger-than-expected increase and Q2 a larger-than-expected decrease in stock-based compensation expense associated with cash-settled stock awards due to significant increase in share price from \$36.92 at December 31, 2021 to \$53.98 at March 31, 2022 and significant decrease in share price to \$46.59 at June 30, 2022.

Note: As of and as provided on July 26, 2022.

(1) Total does not include the impact of purchased natural gas or immaterial accretion expense.





Appendix

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Increased by 48% in April 2022!

Reduced to \$0 in April 2022!

Matador Resources and San Mateo Credit Facilities



Matador Credit Agreement Summary

Bank group led by Royal Bank of Canada

Facility Size	Maturity Date	Borrowing Base	Last Reserves Review	Elected Borrowing Commitment	Borrowings Outstanding at 6/30/2022	Letters of Credit Outstanding at 6/30/2022	Financial Covenant: Maximum Net Debt to Adjusted EBITDA ⁽¹⁾⁽²⁾	Financial Covenant: Minimum Current Ratio
\$1.5 billion	October 2026	\$2.0 billion	12/31/2021	\$775 million	\$0 million	\$46 million	3.50:1.00	1.00:1.00



San Mateo Credit Facility Summary

Bank group led by Truist Bank

Facility Size	Maturity Date	Accordion Feature Expandable Up To	Borrowings Outstanding at 6/30/2022	Letters of Credit Outstanding at 6/30/2022	Financial Covenant: Maximum Net Debt to Adjusted EBITDA ⁽³⁾	Financial Covenant: Minimum Interest Coverage Ratio
\$450 million	December 2023	\$700 million	\$420 million	\$9 million	5.00:1.00	≥ 2.50x

Matador Credit Agreement Pricing Grid

TIER	Borrowing Base Utilization	SOFR Margin (+10 bps)	BASE Margin	Commitment Fee
Tier One	x < 25%	175 bps	75 bps	37.5 bps
Tier Two	25% < or = x < 50%	200 bps	100 bps	37.5 bps
Tier Three	50% < or = x < 75%	225 bps	125 bps	50 bps
Tier Four	75% < or = x < 90%	250 bps	150 bps	50 bps
Tier Five	90% < or = x < 100%	275 bps	175 bps	50 bps

San Mateo Credit Facility Pricing Grid

TIER	Leverage (Total Debt / LTM Adjusted EBITDA)	LIBOR Margin	BASE Margin	Commitment Fee
Tier One	≤ 2.75x	200 bps	100 bps	30 bps
Tier Two	> 2.75x to ≤ 3.25x	225 bps	125 bps	35 bps
Tier Three	> 3.25x to ≤ 3.75x	250 bps	150 bps	37.5 bps
Tier Four	> 3.75x to ≤ 4.25x	275 bps	175 bps	50 bps
Tier Five	> 4.25x	300 bps	200 bps	50 bps

Note: "SOFR" = Secured Overnight Financing Rate.

- (1) Adjusted EBITDA is a non-GAAP financial measure. For purposes of the Credit Agreement, Adjusted EBITDA excludes amounts attributable to San Mateo except to the extent of distributions received from San Mateo. For a definition and reconciliation to the comparable GAAP measures, see Appendix.
- (2) For purposes of the Credit Agreement, Net Debt is equal to debt outstanding less available cash not exceeding \$75 million and excluding all cash associated with San Mateo.
- (3) Based on Adjusted EBITDA for San Mateo. Adjusted EBITDA is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.



Simple Balance Sheet – No Near-Term Debt Maturities

NO REVOLVER BORROWINGS

Repaid \$475 million since Q3 2020

REPURCHASING BONDS

~\$158 million in Q2/Q3 2022

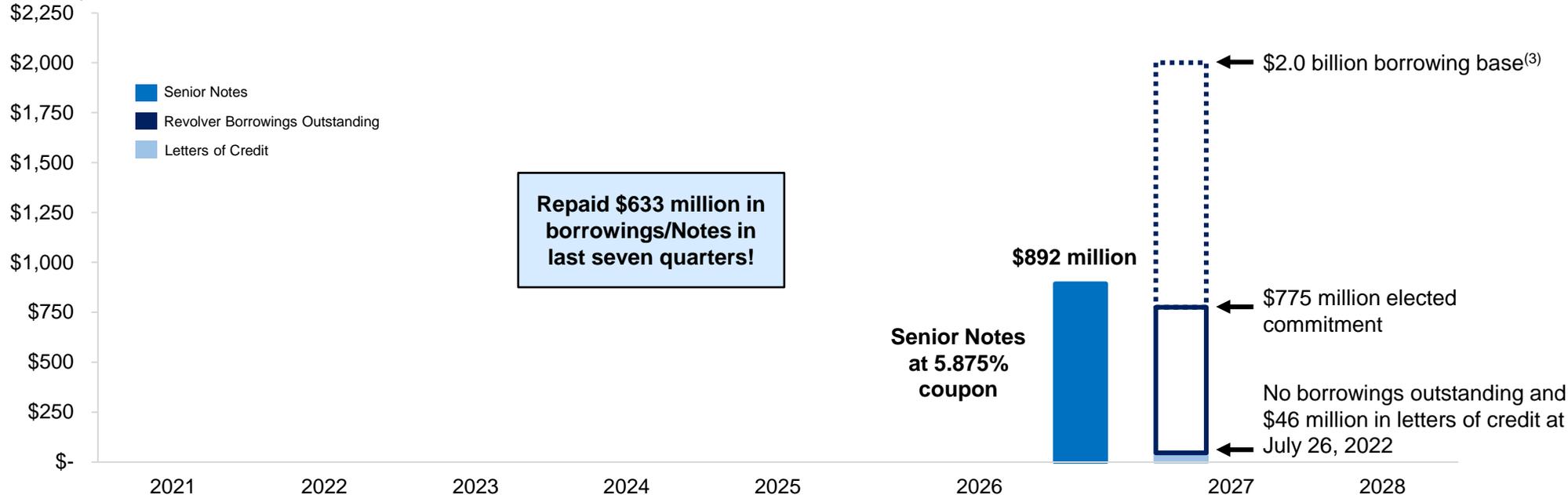
Q2 2022 LEVERAGE RATIO REDUCED TO 0.5x⁽¹⁾

Lowest since IPO (Q1 2012)

Strong, supportive bank group
led by Royal Bank of Canada

Debt Maturities (\$ in millions)

As of July 25, 2022



Note: Does not include San Mateo's credit facility, which is non-recourse to Matador.

(1) Defined as Net Debt / LTM Adjusted EBITDA as calculated under the Credit Agreement. For purposes of the Credit Agreement, Net Debt at June 30, 2022 is calculated as (i) \$906 million in senior notes outstanding, plus (ii) \$46 million in outstanding letters of credit under the Credit Agreement, less (iii) \$75 million in available cash. Adjusted EBITDA is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.

(2) Potential borrowing capacity of \$1.95 billion under the revolving Credit Agreement at July 26, 2022 assuming full availability of \$2.0 billion borrowing base and accounting for \$46 million in outstanding letters of credit under the Credit Agreement.



Adjusted EBITDA & Adjusted Free Cash Flow Reconciliations

Adjusted EBITDA Reconciliation – This presentation includes the non-GAAP financial measure of Adjusted EBITDA. Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of the Company’s consolidated financial statements, such as securities analysts, investors, lenders and rating agencies. “GAAP” means Generally Accepted Accounting Principles in the United States of America. The Company believes Adjusted EBITDA helps it evaluate its operating performance and compare its results of operations from period to period without regard to its financing methods or capital structure. The Company defines, on a consolidated basis and for San Mateo, Adjusted EBITDA as earnings before interest expense, income taxes, depletion, depreciation and amortization, accretion of asset retirement obligations, property impairments, unrealized derivative gains and losses, certain other non-cash items and non-cash stock-based compensation expense and net gain or loss on asset sales and impairment. Adjusted EBITDA for San Mateo includes the combined financial results of San Mateo Midstream, LLC and San Mateo Midstream II, LLC prior to their October 2020 merger. Adjusted EBITDA is not a measure of net income (loss) or net cash provided by operating activities as determined by GAAP. All references to Matador’s Adjusted EBITDA are those values attributable to Matador Resources Company shareholders after giving effect to Adjusted EBITDA attributable to third-party non-controlling interests, including in San Mateo. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income (loss) or net cash provided by operating activities as determined in accordance with GAAP or as an indicator of the Company’s operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components of understanding and assessing a company’s financial performance, such as a company’s cost of capital and tax structure. Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner. This Appendix presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively, that are of a historical nature. Where references are pro forma, forward-looking, preliminary or prospective in nature, and not based on historical fact, the table does not provide a reconciliation. The Company could not provide such reconciliation without undue hardship because such Adjusted EBITDA numbers are estimations, approximations and/or ranges. In addition, it would be difficult for the Company to present a detailed reconciliation on account of many unknown variables for the reconciling items, including future income taxes, full-cost ceiling impairments, unrealized gains or losses on derivatives and gains or losses on asset sales and impairment. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

Adjusted Free Cash Flow Reconciliation – This presentation includes the non-GAAP financial measure of adjusted free cash flow. This non-GAAP item is measured, on a consolidated basis for the Company and for San Mateo, as net cash provided by operating activities, adjusted for changes in working capital and cash performance incentives that are not included as operating cash flows, less cash flows used for capital expenditures, adjusted for changes in capital accruals. On a consolidated basis, these numbers are also adjusted for the cash flows related to non-controlling interest in subsidiaries that represent cash flows not attributable to Matador shareholders. Adjusted free cash flow should not be considered an alternative to, or more meaningful than, net cash provided by operating activities as determined in accordance with GAAP or as an indicator of the Company’s liquidity. Adjusted free cash flow is used by the Company, securities analysts and investors as an indicator of the Company’s ability to manage its operating cash flow, internally fund its D/C/E capital expenditures, pay dividends and service or incur additional debt, without regard to the timing of settlement of either operating assets and liabilities or accounts payable related to capital expenditures. Additionally, this non-GAAP financial measure may be different than similar measures used by other companies. The Company believes the presentation of adjusted free cash flow provides useful information to investors, as it provides them an additional relevant comparison of the Company’s performance, sources and uses of capital associated with its operations across periods and to the performance of the Company’s peers. In addition, this non-GAAP financial measure reflects adjustments for items of cash flows that are often excluded by securities analysts and other users of the Company’s financial statements in evaluating the Company’s cash spend. This Appendix reconciles adjusted free cash flow to its most directly comparable GAAP measure of net cash provided by operating activities. All references to Matador’s adjusted free cash flow are those values attributable to Matador shareholders after giving effect to adjusted free cash flow attributable to third-party non-controlling interests, including in San Mateo. Adjusted free cash flow for San Mateo includes the combined financial results of San Mateo Midstream, LLC and San Mateo Midstream II, LLC prior to their October 2020 merger. Where references are pro forma, forward-looking, preliminary or prospective in nature, and not based on historical fact, the table does not provide a reconciliation. The Company could not provide such reconciliation without undue hardship because such adjusted free cash flow numbers are estimations, approximations and/or ranges. In addition, it would be difficult for the Company to present a detailed reconciliation on account of many unknown variables for the reconciling items, including changes in working capital, future operating activities and liabilities and future capital expenditures. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

Adjusted EBITDA Reconciliation – Matador Resources Company

The following table presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

(In thousands)	3Q 2013	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019
Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):									
Net income (loss) attributable to Matador Resources Company shareholders	\$ 20,105	\$ 59,894	\$ 59,806	\$ 17,794	\$ 136,713	\$ (16,947)	\$ 36,752	\$ 43,953	\$ 24,019
Net income attributable to non-controlling interest in subsidiaries	-	5,030	5,831	7,321	7,375	7,462	8,320	9,800	9,623
Net income (loss)	20,105	64,924	65,637	25,115	144,088	(9,485)	45,072	53,753	33,642
Interest expense	2,038	8,491	8,004	10,340	14,492	17,929	18,068	18,175	19,701
Total income tax provision (benefit)	2,563	-	-	-	(7,691)	(1,013)	12,858	13,490	10,197
Depletion, depreciation and amortization	26,127	55,369	66,838	70,457	72,478	76,866	80,132	92,498	101,043
Accretion of asset retirement obligations	86	364	375	387	404	414	420	520	468
Full-cost ceiling impairment	-	-	-	-	-	-	-	-	-
Unrealized loss (gain) on derivatives	9,327	(10,416)	(1,429)	21,337	(74,577)	45,719	(6,157)	(9,847)	24,012
Non-cash stock-based compensation expense	1,239	4,179	4,766	4,842	3,413	4,587	4,490	4,664	4,765
Net loss on asset sales and impairment	-	-	-	196	-	-	368	439	160
Prepayment premium on extinguishment of debt	-	-	-	31,226	-	-	-	-	-
Expense related to contingent consideration and other	-	-	-	-	-	-	-	-	-
Consolidated Adjusted EBITDA	61,485	122,911	144,191	163,900	152,607	135,017	155,251	173,692	193,988
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	-	(5,657)	(6,853)	(8,508)	(9,368)	(10,178)	(11,147)	(12,903)	(12,964)
Adjusted EBITDA attributable to Matador Resources Company shareholders	\$ 61,485	\$ 117,254	\$ 137,338	\$ 155,392	\$ 143,239	\$ 124,839	\$ 144,104	\$ 160,789	\$ 181,024

(In thousands)	3Q 2013	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019
Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:									
Net cash provided by operating activities	\$ 43,280	\$ 136,149	\$ 118,059	\$ 165,111	\$ 189,205	\$ 58,966	\$ 135,257	\$ 158,630	\$ 198,915
Net change in operating assets and liabilities	15,265	(21,364)	18,174	(11,111)	(50,129)	58,765	2,472	(2,488)	(23,958)
Interest expense, net of non-cash portion	2,038	8,126	7,958	9,900	13,986	17,286	17,522	17,550	19,031
Current income tax provision (benefit)	902	-	-	-	(455)	-	-	-	-
Expense related to contingent consideration and other	-	-	-	-	-	-	-	-	-
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	-	(5,657)	(6,853)	(8,508)	(9,368)	(10,178)	(11,147)	(12,903)	(12,964)
Adjusted EBITDA attributable to Matador Resources Company shareholders	\$ 61,485	\$ 117,254	\$ 137,338	\$ 155,392	\$ 143,239	\$ 124,839	\$ 144,104	\$ 160,789	\$ 181,024

(In thousands)	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022
Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):										
Net income (loss) attributable to Matador Resources Company shareholders	\$ 125,729	\$ (353,416)	\$ (276,064)	\$ (89,454)	\$ 60,645	\$ 105,905	\$ 203,628	\$ 214,790	\$ 207,124	\$ 415,718
Net income attributable to non-controlling interest in subsidiaries	9,354	7,473	9,957	12,861	8,853	15,926	14,434	16,455	17,061	20,477
Net income (loss)	135,083	(345,943)	(266,107)	(76,593)	69,498	121,831	218,062	231,245	224,185	436,195
Interest expense	19,812	18,297	18,231	20,352	19,650	17,940	17,989	19,108	16,252	18,492
Total income tax provision (benefit)	39,957	(109,823)	26,497	(2,230)	2,840	5,349	(6,701)	73,222	68,528	135,960
Depletion, depreciation and amortization	90,707	93,350	88,025	89,749	74,863	91,444	89,061	89,537	95,853	120,024
Accretion of asset retirement obligations	476	495	478	499	500	511	518	539	543	517
Full-cost ceiling impairment	-	324,001	251,163	109,579	-	-	-	-	-	-
Unrealized (gain) loss on derivatives	(136,430)	132,668	13,033	22,737	43,423	42,804	(9,049)	(98,189)	75,029	(30,430)
Non-cash stock-based compensation expense	3,794	3,286	3,369	3,176	855	1,795	2,967	3,422	3,014	4,063
Net loss on asset sales and impairment	-	2,632	-	200	-	-	251	80	198	-
Prepayment premium on extinguishment of debt	-	-	-	-	-	-	-	-	-	-
Expense related to contingent consideration and other	-	-	-	-	-	-	-	1,485	356	4,889
Consolidated Adjusted EBITDA	153,399	118,963	134,689	167,469	211,629	281,674	313,098	320,449	483,958	689,710
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	(12,823)	(11,369)	(13,701)	(17,350)	(13,514)	(20,708)	(19,273)	(21,382)	(22,115)	(25,916)
Adjusted EBITDA attributable to Matador Resources Company shareholders	\$ 140,576	\$ 107,594	\$ 120,988	\$ 150,119	\$ 198,115	\$ 260,966	\$ 293,825	\$ 299,067	\$ 461,843	\$ 663,794

(In thousands)	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022
Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:										
Net cash provided by operating activities	\$ 109,372	\$ 101,013	\$ 109,574	\$ 157,623	\$ 169,395	\$ 258,200	\$ 291,231	\$ 334,529	\$ 328,954	\$ 646,302
Net change in operating assets and liabilities	24,899	368	7,599	(9,788)	23,308	6,465	4,666	(33,457)	123,930	(15,971)
Interest expense, net of non-cash portion	19,128	17,582	17,516	19,634	18,926	17,009	17,201	17,892	15,309	18,229
Current income tax provision (benefit)	-	-	-	-	-	-	-	-	15,409	36,261
Expense related to contingent consideration and other	-	-	-	-	-	-	-	1,485	356	4,889
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	(12,823)	(11,369)	(13,701)	(17,350)	(13,514)	(20,708)	(19,273)	(21,382)	(22,115)	(25,916)
Adjusted EBITDA attributable to Matador Resources Company shareholders	\$ 140,576	\$ 107,594	\$ 120,988	\$ 150,119	\$ 198,115	\$ 260,966	\$ 293,825	\$ 299,067	\$ 461,843	\$ 663,794



Adjusted EBITDA Reconciliation – San Mateo⁽¹⁾ (100%)

The following table presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income and net cash provided by (used in) operating activities, respectively, for San Mateo Midstream, LLC.

	Three Months Ended							
	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019
<i>(In thousands)</i>								
Unaudited Adjusted EBITDA reconciliation to Net Income:								
Net income	\$ 10,266	\$ 11,901	\$ 14,940	\$ 15,051	\$ 15,229	\$ 16,979	\$ 20,000	\$ 19,642
Depletion, depreciation and amortization	1,268	2,086	2,392	3,713	3,406	3,565	3,848	4,249
Interest expense	–	–	–	333	2,142	2,180	2,458	2,502
Accretion of asset retirement obligations	11	12	18	20	–	25	27	58
Net loss on asset sales and impairment	–	–	–	–	–	–	–	–
One-time plant payment	–	–	–	–	–	–	–	–
Adjusted EBITDA (Non-GAAP)	\$ 11,545	\$ 13,999	\$ 17,350	\$ 19,117	\$ 20,777	\$ 22,749	\$ 26,333	\$ 26,451

	Three Months Ended							
	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019
<i>(In thousands)</i>								
Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by (Used in) Operating Activities:								
Net cash (used in) provided by operating activities	\$ 10,385	\$ (160)	\$ 2,093	\$ 23,070	\$ 32,616	\$ 18,650	\$ 31,550	\$ 23,834
Net change in operating assets and liabilities	1,160	14,159	15,257	(4,273)	(13,899)	2,031	(7,468)	199
Interest expense, net of non-cash portion	–	–	–	320	2,060	2,068	2,251	2,418
One-time plant payment	–	–	–	–	–	–	–	–
Adjusted EBITDA (Non-GAAP)	\$ 11,545	\$ 13,999	\$ 17,350	\$ 19,117	\$ 20,777	\$ 22,749	\$ 26,333	\$ 26,451

	Three Months Ended									
	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022
<i>(In thousands)</i>										
Unaudited Adjusted EBITDA reconciliation to Net Income:										
Net income	\$ 19,088	\$ 15,252	\$ 20,323	\$ 26,247	\$ 18,068	\$ 32,562	\$ 29,454	\$ 33,583	\$ 34,819	\$ 41,789
Depletion, depreciation and amortization	4,600	4,786	5,822	7,277	7,523	7,521	7,609	7,808	7,778	8,041
Interest expense	2,437	1,854	1,766	1,827	1,928	2,118	2,208	2,180	2,269	2,990
Accretion of asset retirement obligations	45	49	50	56	60	61	61	66	68	69
Net loss on asset sales and impairment	–	1,261	–	–	–	–	–	–	198	–
One-time plant payment	–	–	–	–	–	–	1,500	–	–	–
Adjusted EBITDA (Non-GAAP)	\$ 26,170	\$ 23,202	\$ 27,961	\$ 35,407	\$ 27,579	\$ 42,262	\$ 40,832	\$ 43,637	\$ 45,132	\$ 52,889

	Three Months Ended									
	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022
<i>(In thousands)</i>										
Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:										
Net cash provided by (used in) operating activities	\$ 25,244	\$ 20,164	\$ 24,795	\$ 26,131	\$ 41,198	\$ 25,261	\$ 44,164	\$ 33,121	\$ 45,511	\$ 49,902
Net change in operating assets and liabilities	(1,341)	1,354	1,477	7,716	(15,308)	15,210	(6,798)	8,585	(2,393)	250
Interest expense, net of non-cash portion	2,267	1,684	1,689	1,560	1,689	1,791	1,966	1,931	2,014	2,737
One-time plant payment	–	–	–	–	–	–	1,500	–	–	–
Adjusted EBITDA (Non-GAAP)	\$ 26,170	\$ 23,202	\$ 27,961	\$ 35,407	\$ 27,579	\$ 42,262	\$ 40,832	\$ 43,637	\$ 45,132	\$ 52,889

(1) Pro forma for February 2017 San Mateo formation and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.

Adjusted EBITDA Reconciliation

San Mateo⁽¹⁾



The following table presents the calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income and net cash provided by (used in) operating activities, respectively, for San Mateo Midstream, LLC.

	Year Ended December 31,						
	2015	2016	2017	2018	2019	2020	2021
<i>(In thousands)</i>							
Unaudited Adjusted EBITDA reconciliation to							
Net Income (Loss):							
Net income	\$ 2,719	\$ 10,174	\$ 26,391	\$ 52,158	\$ 71,850	\$ 80,910	\$ 113,607
Total income tax provision	647	97	269	—	—	—	—
Depletion, depreciation and amortization	562	1,739	4,231	9,459	15,068	22,485	30,522
Interest expense	—	—	—	333	9,282	7,884	8,434
Accretion of asset retirement obligations	16	47	30	61	110	200	247
Net loss on impairment	—	—	—	—	—	1,261	—
One-time plant payment	—	—	—	—	—	—	1,500
Adjusted EBITDA (Non-GAAP)	\$ 3,944	\$ 12,057	\$ 30,921	\$ 62,011	\$ 96,310	\$ 112,740	\$ 154,310

	Year Ended December 31,						
	2015	2016	2017	2018	2019	2020	2021
<i>(In thousands)</i>							
Unaudited Adjusted EBITDA reconciliation to							
Net Cash Provided by (Used in) Operating Activities:							
Net cash provided by operating activities	\$ 13,916	\$ 6,694	\$ 21,308	\$ 35,702	\$ 106,650	\$ 96,334	\$ 143,744
Net change in operating assets and liabilities	(10,007)	5,266	9,344	25,989	(19,137)	9,206	1,689
Interest expense, net of non-cash portion	—	—	—	320	8,797	7,200	7,377
Current income tax provision	35	97	269	—	—	—	—
One-time plant payment	—	—	—	—	—	—	1,500
Adjusted EBITDA (Non-GAAP)	\$ 3,944	\$ 12,057	\$ 30,921	\$ 62,011	\$ 96,310	\$ 112,740	\$ 154,310

(1) Pro forma for February 2017 San Mateo formation and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.

Adjusted Net Income and Adjusted Earnings Per Diluted Common Share

This presentation includes the non-GAAP financial measures of adjusted net income and adjusted earnings per diluted common share. These non-GAAP items are measured as net income attributable to Matador Resources Company shareholders, adjusted for dollar and per share impact of certain items, including unrealized gains or losses on derivatives, the impact of full cost-ceiling impairment charges, if any, and non-recurring transaction costs for certain acquisitions or other non-recurring expense items, along with the related tax effect for all periods. This non-GAAP financial information is provided as additional information for investors and is not in accordance with, or an alternative to, GAAP financial measures. Additionally, these non-GAAP financial measures may be different than similar measures used by other companies. The Company believes the presentation of adjusted net income and adjusted earnings per diluted common share provides useful information to investors, as it provides them an additional relevant comparison of the Company's performance across periods and to the performance of the Company's peers. In addition, these non-GAAP financial measures reflect adjustments for items of income and expense that are often excluded by industry analysts and other users of the Company's financial statements in evaluating the Company's performance. The table below reconciles adjusted net income and adjusted earnings per diluted common share to their most directly comparable GAAP measure of net income attributable to Matador Resources Company shareholders.

(In thousands, except per share data)

Unaudited Adjusted Net Income and Adjusted Earnings Per Share Reconciliation to Net Income:

	Three Months Ended		
	June 30, 2022	March 31, 2022	June 30, 2021
Net income attributable to Matador Resources Company shareholders	\$ 415,718	\$ 207,124	\$ 105,905
Total income tax provision	135,960	68,528	5,349
Income attributable to Matador Resources Company shareholders before taxes	551,678	275,652	111,254
Less non-recurring and unrealized charges to income (loss) before taxes:			
Unrealized (gain) loss on derivatives	(30,430)	75,029	42,804
Net loss on asset sales and impairment	-	198	-
Expense related to contingent consideration and other	4,889	356	
Adjusted income attributable to Matador Resources Company shareholders before taxes	526,137	351,235	154,058
Income tax expense ⁽¹⁾	110,489	73,759	32,352
Adjusted net income attributable to Matador Resources Company shareholders (non-GAAP)	\$ 415,648	\$ 277,476	\$ 121,706
Weighted average shares outstanding, including participating securities - basic	118,103	117,951	116,801
Dilutive effect of options and restricted stock units	1,800	1,863	2,192
Weighted average common shares outstanding - diluted	119,903	119,814	118,993
Adjusted earnings per share attributable to Matador Resources Company shareholders (non-GAAP)			
Basic	\$ 3.52	\$ 2.35	\$ 1.04
Diluted	\$ 3.47	\$ 2.32	\$ 1.02

(1) Estimated using federal statutory tax rate in effect for the period.

Adjusted Free Cash Flow Reconciliation

Matador Resources Company

The following table presents the calculation of adjusted free cash flow and the reconciliation of adjusted free cash flow to the GAAP financial measure of net cash provided by operating activities.

(In thousands)

	Three Months Ended			Year Ended
	June 30, 2022	March 31, 2022	June 30, 2021	December 31, 2021
Net cash provided by operating activities	\$ 646,302	\$ 328,954	\$ 258,200	\$ 1,053,355
Net change in operating assets and liabilities	(15,971)	123,930	6,465	982
San Mateo discretionary cash flow attributable to non-controlling interest in subsidiaries ⁽¹⁾	(24,574)	(21,128)	(19,831)	(71,262)
Performance incentives received from Five Point	-	22,750	16,250	48,626
Total discretionary cash flow	605,757	454,506	261,084	1,031,701
Drilling, completion and equipping capital expenditures	182,064	207,829	124,739	431,136
Midstream capital expenditures	16,318	11,992	8,712	63,359
Expenditures for other property and equipment	58	225	112	376
Net change in capital accruals	(38,250)	(1,768)	(24,938)	78,515
San Mateo accrual-based capital expenditures related to non-controlling interest in subsidiaries ⁽²⁾	(8,200)	(9,446)	(3,812)	(28,614)
Total accrual-based capital expenditures⁽³⁾	151,990	208,832	104,813	544,772
Adjusted free cash flow	\$ 453,767	\$ 245,674	\$ 156,271	\$ 486,929

(1) Represents Five Point's 49% interest in San Mateo discretionary cash flow, as computed below.

(2) Represents Five Point's 49% interest in accrual-based San Mateo capital expenditures, as computed below.

(3) Represents drilling, completion and equipping costs, Matador's share of San Mateo capital expenditures plus 100% of other midstream capital expenditures not associated with San Mateo.

San Mateo (100%)

The following table presents the calculation of adjusted free cash flow and the reconciliation of adjusted free cash flow to the GAAP financial measure of net cash provided by operating activities for San Mateo Midstream, LLC.

(In thousands)

	Three Months Ended			Year Ended
	June 30, 2022	March 31, 2022	June 30, 2021	December 31, 2021
Net cash provided by San Mateo operating activities	\$ 49,902	\$ 45,511	\$ 25,261	\$ 143,744
Net change in San Mateo operating assets and liabilities	250	(2,393)	15,210	1,689
Total San Mateo discretionary cash flow	50,152	43,118	40,471	145,433
San Mateo capital expenditures	16,616	12,170	8,688	62,111
Net change in San Mateo capital accruals	119	7,107	(909)	(3,716)
San Mateo accrual-based capital expenditures	16,735	19,277	7,779	58,395
San Mateo adjusted free cash flow	\$ 33,417	\$ 23,841	\$ 32,692	\$ 87,038