

# Q3 2024 Earnings Presentation

November 5, 2024

NYSE: DVN  
[devonenergy.com](https://devonenergy.com)



# Q3 2024 – Key Highlights

- ✓ DELIVERED **STRONG FINANCIAL AND OPERATING** RESULTS
- ✓ OIL PRODUCTION **REACHED** 335,000 BARRELS PER DAY
- ✓ **GENERATED** \$786 MILLION OF FREE CASH FLOW
- ✓ RETURNED \$431 MILLION OF **FREE CASH FLOW** TO SHAREHOLDERS
- ✓ CLOSED **STRATEGIC** ACQUISITION IN THE WILLISTON BASIN



# 2025 Focus

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- **OPERATING** EXCELLENCE
- **SUSTAINING** A SUPERIOR PORTFOLIO
- **MAINTAINING** FINANCIAL STRENGTH & FLEXIBILITY
- **DELIVERING** VALUE TO SHAREHOLDERS



# Q3 2024 – Executing on Our Operating Plan

## Capital efficient Q3 2024 program

Q3 2024 activity



AVERAGE  
DRILLING RIGS

**20**  
OPERATED RIGS



GROSS  
WELLS ONLINE

**108**  
OPERATED WELLS

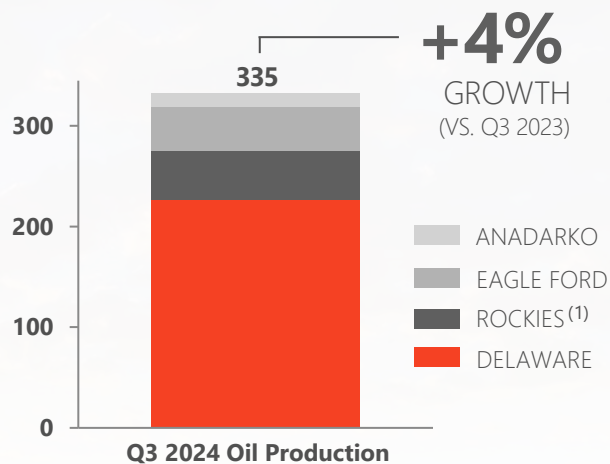


UPSTREAM  
CAPITAL

**\$817**  
MILLION

## High-margin production growth

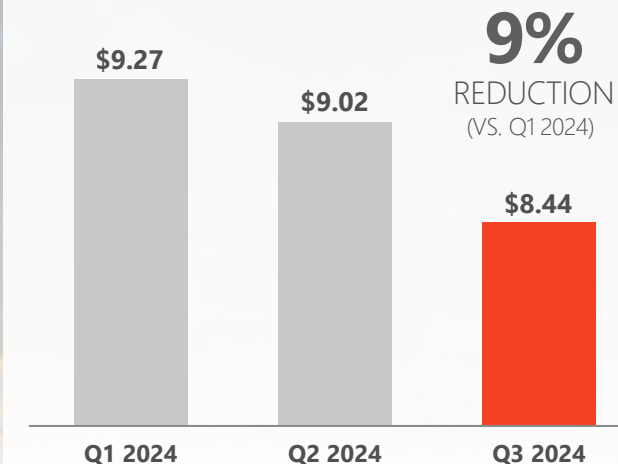
Oil production (MBOD)



(1) Includes legacy assets from the Williston & Powder River Basins, plus ~3 MBOD from acquired Grayson Mill assets which closed on Sept. 27, 2024.

## Effectively controlling cost

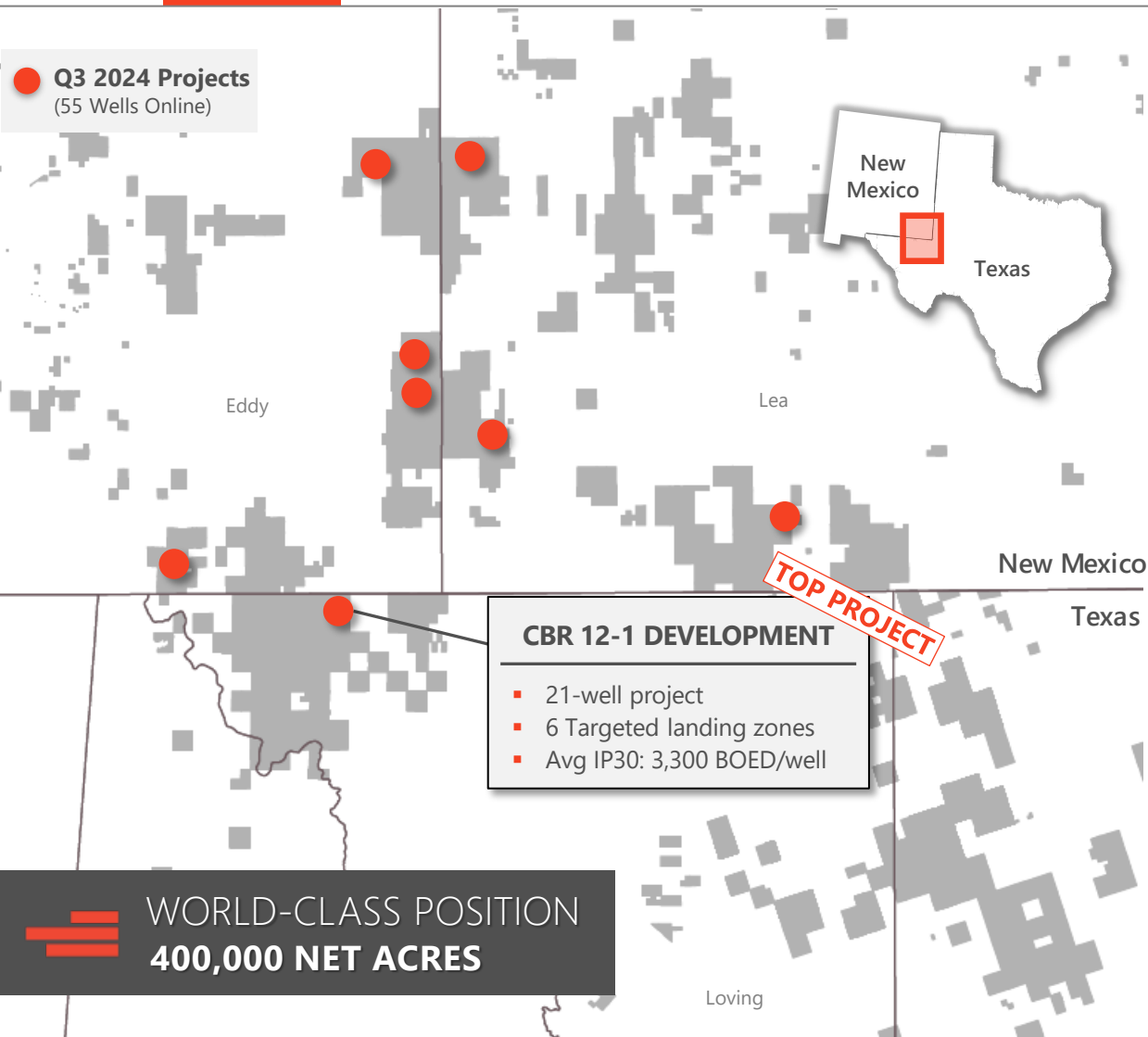
LOE & GP&T (\$/BOE)



ADVANTAGED MULTI-BASIN  
**ASSET PORTFOLIO**



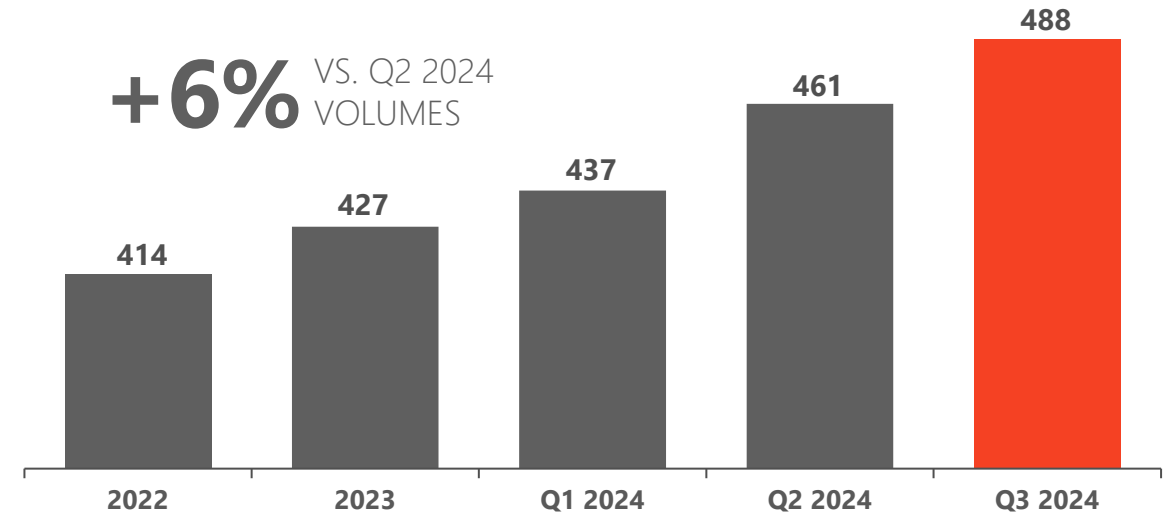
# Delaware Basin – Our Franchise Asset



## CAPITAL-EFFICIENT PRODUCTION GROWTH

TOTAL DELAWARE PRODUCTION (MBOED)

**+6%** VS. Q2 2024  
VOLUMES



## Multi-zone CBR 12-1 project headlines Q3 results

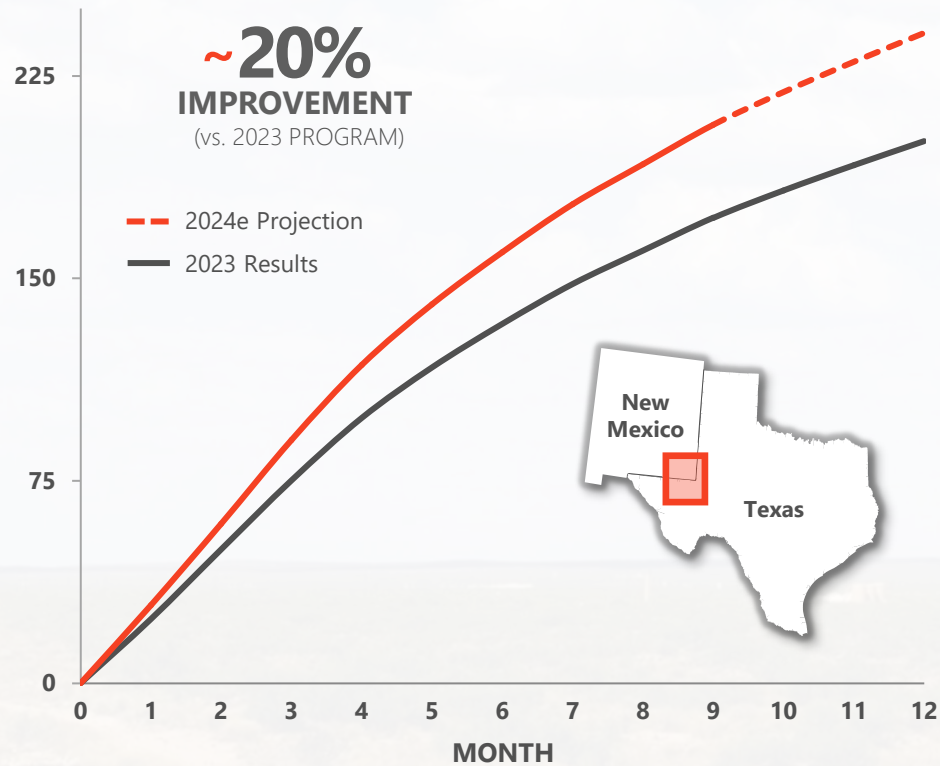
- 21-wells across 6 landing zones (Bone Spring & Wolfcamp)
- Wells brought online during Q2 & Q3
- Avg. IP30: 3,300 BOED & EURs of >2 MMBOE per well
- Multi-zone development balances IRR, NPV & inventory



# Delaware Basin – Operating Efficiencies Advance

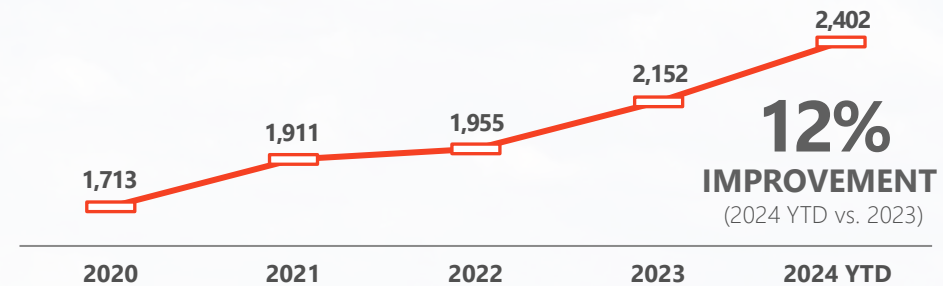
## IMPROVING WELL PERFORMANCE IN 2024

CUMULATIVE OIL VOLUMES, MBO (NORMALIZED FOR 10,000' LATERALS)



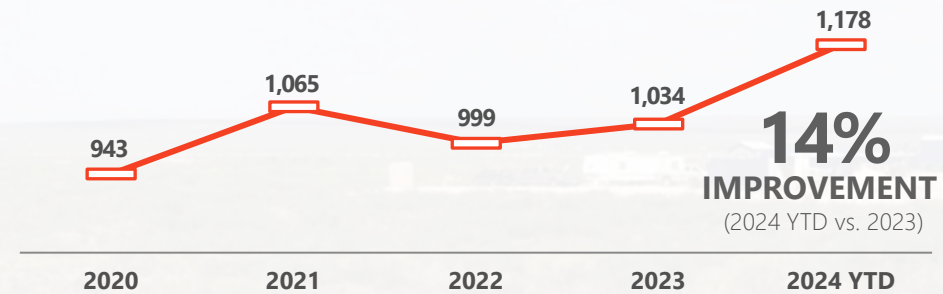
## COMPLETION EFFICIENCIES

COMPLETED FEET PER DAY (ALL FORMATIONS)




## DRILLING EFFICIENCIES

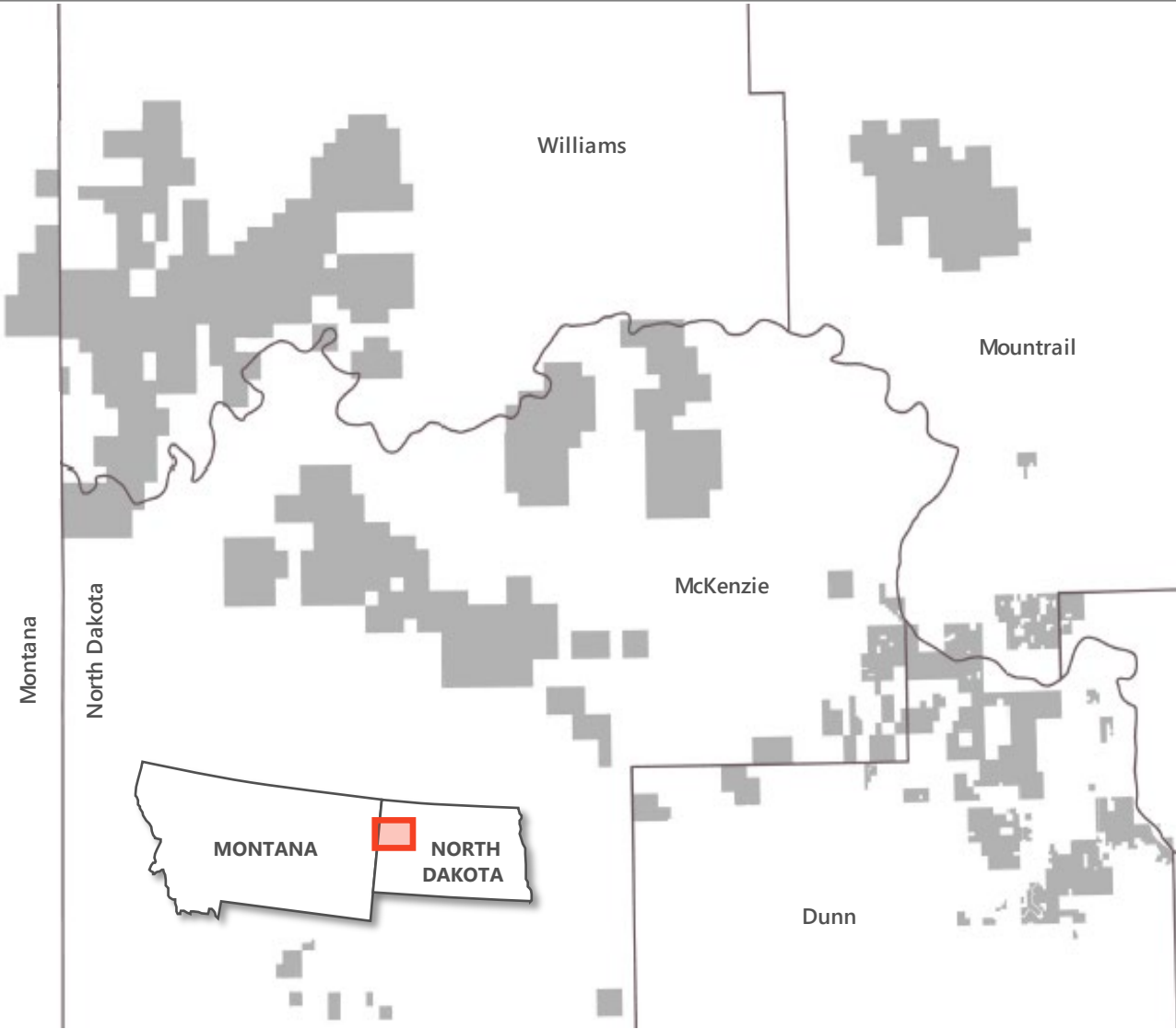
DRILLED FEET PER DAY (ALL FORMATIONS)



# Acquisition Transforms Williston Basin Business

- ✓ Creates a leading **430,000** net acre position in the Williston Basin
- ✓ Adds **oil-weighted** production with extensive midstream infrastructure
- ✓ Secures 500 undrilled gross locations and 300 high-quality refrac candidates

WILLISTON KEY METRICS	 devon	GRAYSON MILL	Pro Forma
Net Acreage	123,000	307,000	<b>430,000</b>
Q4 2024e Production (BOED)	~55,000	~110,000	<b>~165,000</b>
Q4 2024e Oil Mix (% of production)	60%	53%	<b>55%</b>



# Q3 2024 – Another Impressive Financial Performance

## Key financial metrics

## Q3 2024

Realized price (\$/BOE)	\$40.71 <sup>(1)</sup>
Core earnings (per share)	\$1.10
EBITDAX (\$MM)	\$1,853
Operating cash flow (\$MM)	\$1,663
Free cash flow (\$MM)	\$786

Note: Core earnings, EBITDAX and free cash flow are non-GAAP disclosures. See Devon's third-quarter 2024 earnings materials for more details regarding non-GAAP disclosures.

(1) Includes commodity hedges.

## RETURNING VALUE TO SHAREHOLDERS (\$ IN MILLIONS)

**Share  
Buybacks**  
\$295 MM



**Fixed  
Dividend**  
\$136 MM



**EXECUTING** ON OUR  
FINANCIAL STRATEGY





# Significant Financial Strength & Liquidity



## TOTAL LIQUIDITY

**\$3.7 B**

CASH & UNDRAWN  
CREDIT FACILITY

## CASH BALANCE

**\$0.7 B**

CASH POSITION  
AS OF 9/30/2024

## LOW LEVERAGE

**1.1x**

NET DEBT-TO-EBITDAX  
AS OF 9/30/2024

## CREDIT RATINGS

**BBB/Baa2**

INVESTMENT-GRADE AT  
S&P & MOODY'S

## DEBT REDUCTION PLAN

**\$2.5 B<sup>(1)</sup>**

ABSOLUTE DEBT EXPECTED  
TO BE RETIRED

## RETIRED DEBT

**NEW**  
**\$0.5 B**

DEBT RETIRED AT  
MATURITY IN Q3 2024

(1) \$2.5 billion debt reduction plan includes debt retired in Q3 2024.

# Preliminary 2025 Outlook

## Financial & operating outlook for 2025

2025e outlook



PRODUCTION  
VOLUMES

**~800**  
MBOED  
(Oil: ~380 MBOD)



TOTAL  
CAPITAL

**\$4.0-\$4.2**  
BILLION



REINVESTMENT  
PERCENTAGE

**<65%**<sup>(1)</sup>  
% OF CASH FLOW



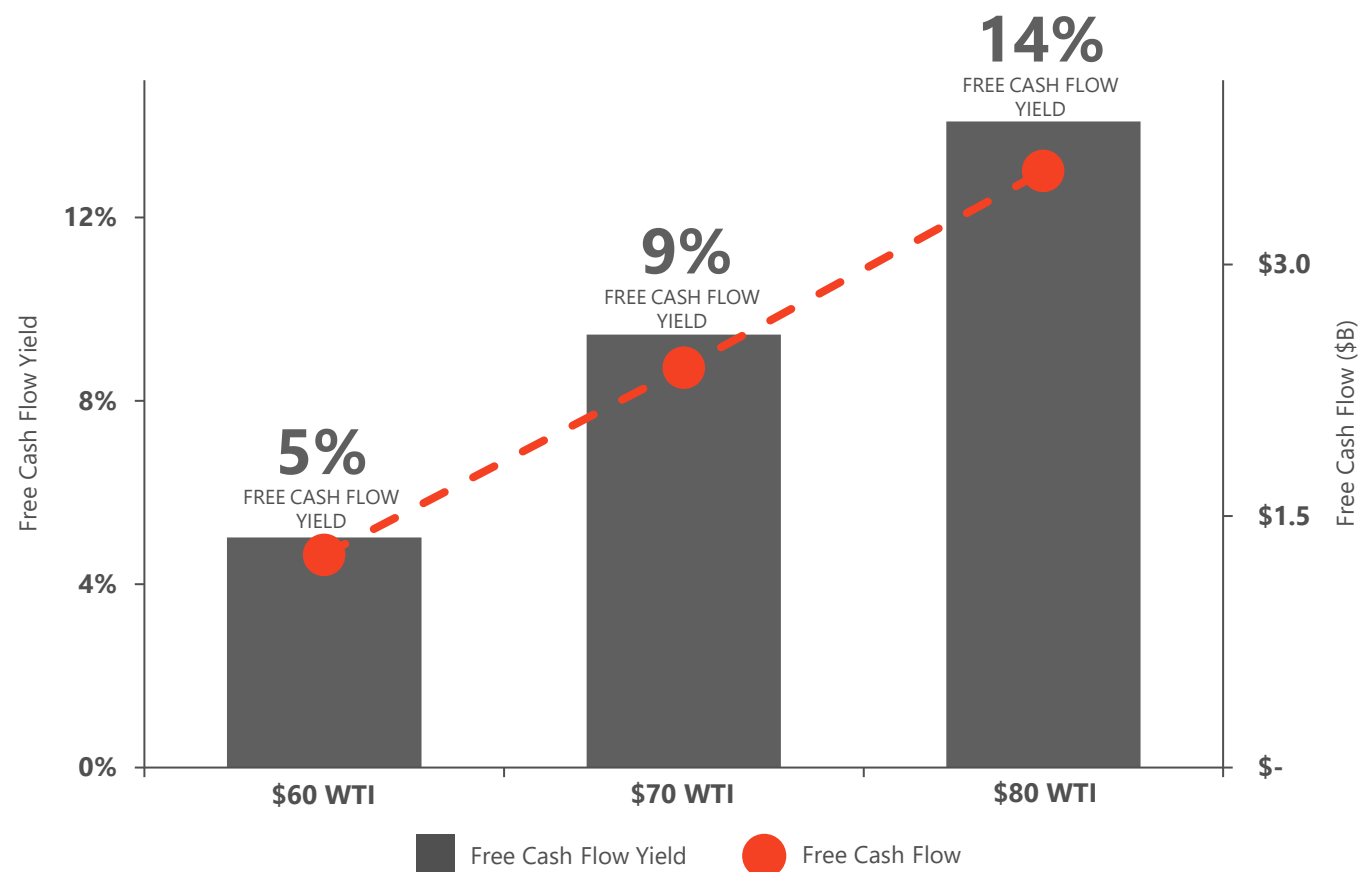
LOW  
LEVERAGE (BY YEAR END)

**<1.0x**<sup>(1)</sup>  
NET DEBT-TO-EBITDAX

(1) Assumes \$70 WTI, Henry Hub strip pricing & NGL realizations at 25% of WTI.

## Positioned for an attractive free cash flow yield in 2025

Free cash flow sensitivities based on preliminary 2025 outlook



Note: Free cash flow yield represents 2025e operating cash flow less total capital requirements divided by Devon market capitalization as of November 1, 2024. Assumes applicable WTI price for 2025, Henry Hub strip pricing & NGL realizations at 25% of WTI.

For more  
information  
visit our  
website



## Q3 Supplemental Tables

CONSOLIDATED STATEMENTS OF EARNINGS					
(in millions, except per share amounts)					
	2024			2023	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Oil, gas and NGL sales	\$ 1,465	\$ 2,795	\$ 2,629	\$ 2,733	\$ 2,382
Oil, gas and NGL derivatives (1)	227	23	(145)	324	(194)
Marketing and midstream revenues	4,132	4,009	4,111	4,004	4,148
Total revenues	4,024	3,927	3,596	4,145	3,836
Production expenses (2)	763	788	751	759	757
Exploration expenses	4	9	9	4	3
Marketing and midstream expenses	1,149	1,108	1,133	1,093	1,160
Depreciation, depletion and amortization	794	768	722	850	651
Asset dispositions	—	15	1	11	—
General and administrative expenses	117	114	114	111	99
Financing costs, net (3)	68	76	76	77	81
Restructuring and transaction costs	8	—	—	—	—
Other, net	87	5	22	10	13
Total expenses	2,960	2,877	2,828	2,715	2,764
Earnings before income taxes	1,064	1,040	768	1,430	1,072
Income tax expense (4)	239	185	219	269	252
Net earnings	825	855	609	1,161	820
Net earnings attributable to noncontrolling interests	13	11	13	9	10
Net earnings attributable to Devon	\$ 812	\$ 844	\$ 596	\$ 1,152	\$ 810
Net earnings per share:					
Basic net earnings per share	\$ 1.31	\$ 1.35	\$ 0.95	\$ 1.81	\$ 1.43
Diluted net earnings per share	\$ 1.30	\$ 1.34	\$ 0.94	\$ 1.81	\$ 1.42
Weighted average common shares outstanding:					
Basic	622	626	629	635	637
Diluted	623	628	631	638	639

+



## Q4 Guidance Tables

FOURTH-QUARTER 2024 GUIDANCE					
devon					
PRODUCTION GUIDANCE					
	Quarter 4				
Oil (MMbbl/d)	Low	382	High	388	
Natural gas liquids (MMbbl/d)		214		219	
Gas (MMbcf/d)		1,380		1,382	
Total oil equivalent (MMboe/d)		811		830	
CAPITAL EXPENDITURES GUIDANCE					
(in millions)	Quarter 4				
Upstream capital	Low	870	High	920	
Carbon capital		20		30	
Midstream and other capital		15		35	
Total capital		915		985	
PRICE REALIZATIONS GUIDANCE					
	Quarter 4				
Oil - % of WTI	Low	95%	High	100%	
NGL - % of WTI		20%		30%	
Natural gas - % of Henry Hub		20%		30%	
OTHER GUIDANCE ITEMS					
(\$ millions, except Bbl and %)	Quarter 4				
Marketing and midstream operating profit	Low	620	High	1,020	
LOE and OP&T per BBL		9.20		9.80	
Production and property taxes as % of upstream sales		7.0%		8.0%	
Exploration expenses		5		15	
Depreciation, depletion and amortization		860		1,080	
General and administrative expenses		125		135	
Financing costs, net		130		130	
Other expenses		—		5	
INCOME TAX GUIDANCE					
(% of pre-tax earnings)	Quarter 4				
Current income tax rate	Low	11%	High	13%	
Deferred income tax rate		9%		11%	
Total income tax rate		~22%			

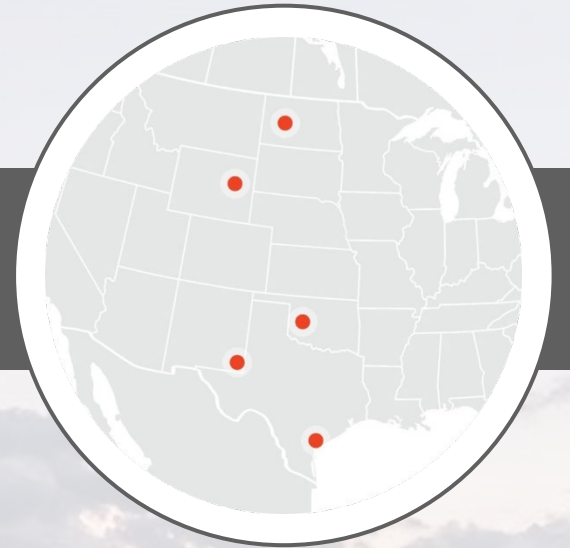


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# | Appendix



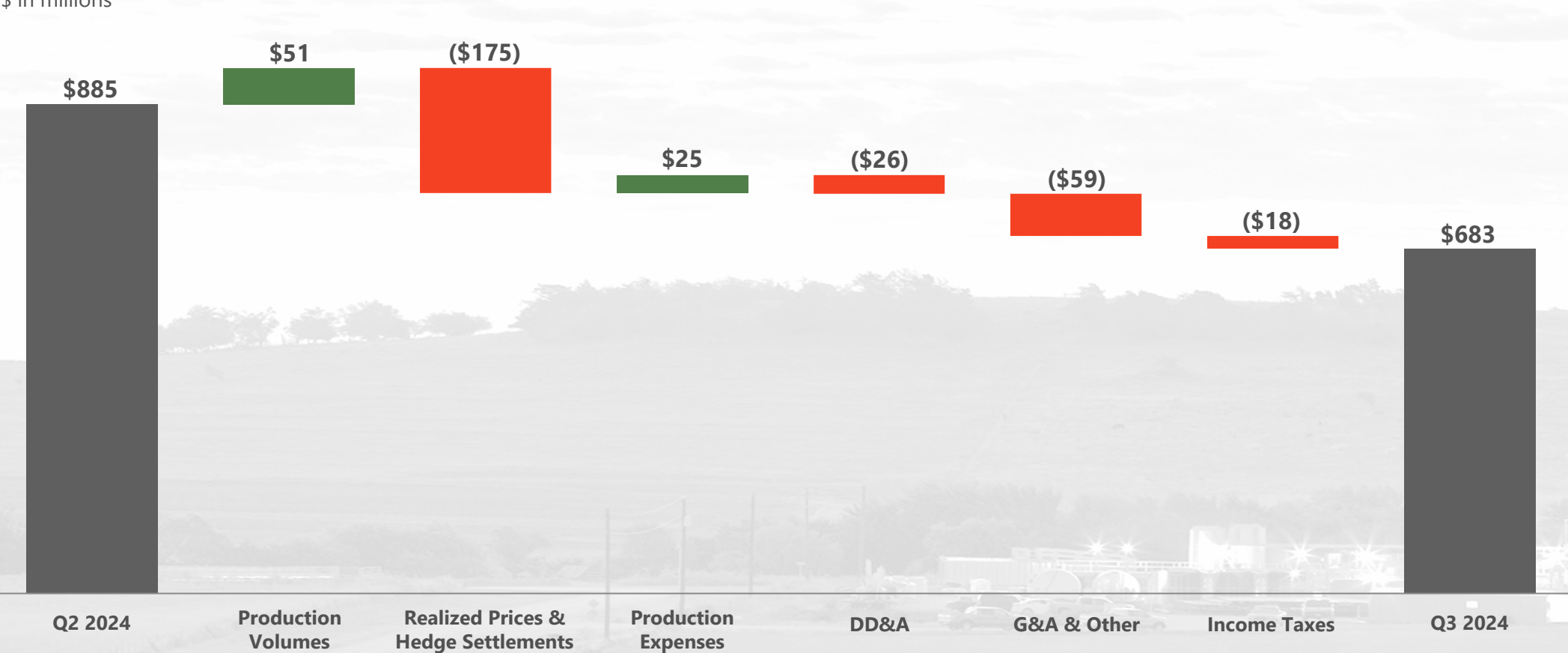
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# Q3 2024 – Earnings Summary

## Net core earnings change quarter over quarter

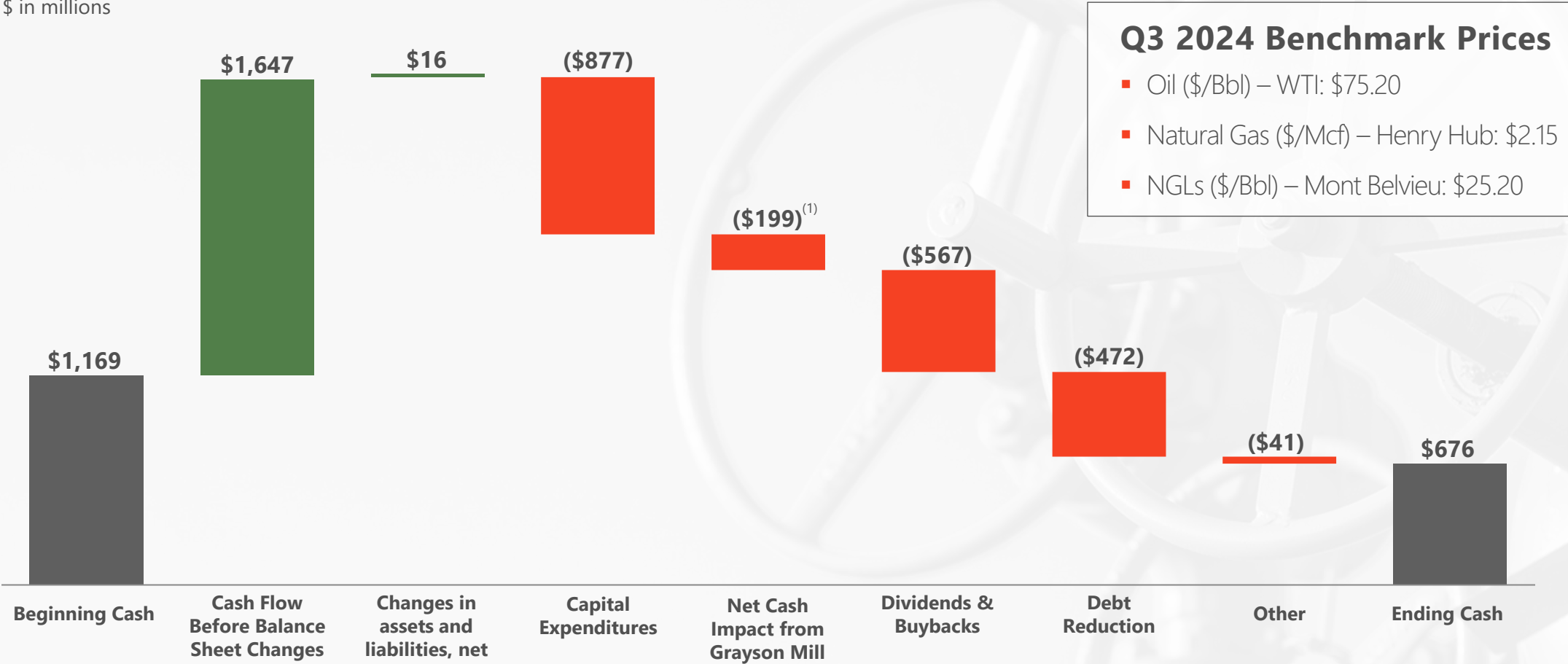
\$ in millions



# Q3 2024 – Cash Flow Summary

## Exiting the quarter with strong liquidity

\$ in millions



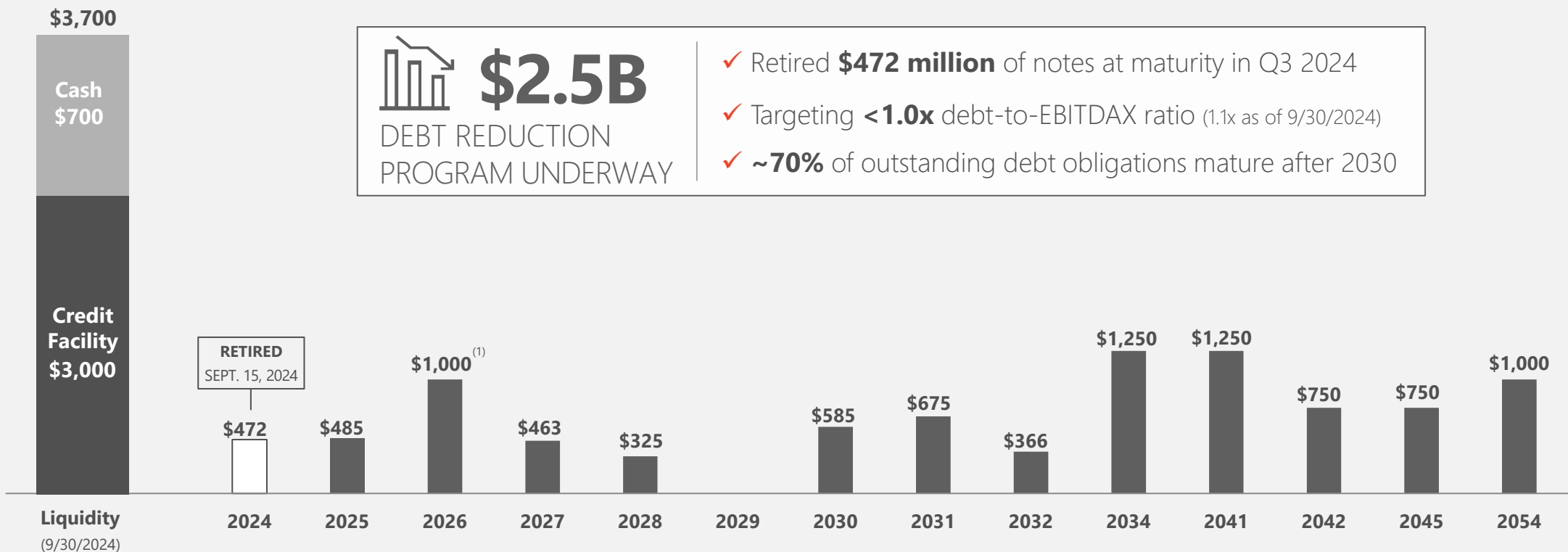
(1) Net cash from Grayson Mill includes \$3,565 million of acquisition capital offset by \$3,219 million of debt issuances and \$147 million of acquired cash.



# Our Investment-Grade Financial Strength

## Substantial debt reduction completed year to date

Outstanding debt maturities (\$MM)



(1) Represents 2-year term loan.

# Investor Contacts & Notices

## Investor Relations Contacts

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## Investor Notices

### Forward-Looking Statements

This communication includes “forward-looking statements” within the meaning of the federal securities laws. Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions, and are often identified by use of the words and phrases “expects,” “believes,” “will,” “would,” “could,” “continue,” “may,” “aims,” “likely to be,” “intends,” “forecasts,” “projections,” “estimates,” “plans,” “expectations,” “targets,” “opportunities,” “potential,” “anticipates,” “outlook” and other similar terminology. All statements, other than statements of historical facts, included in this communication that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Consequently, actual future results could differ materially and adversely from our expectations due to a number of factors, including, but not limited to: the volatility of oil, gas and NGL prices; uncertainties inherent in estimating oil, gas and NGL reserves; the extent to which we are successful in acquiring and discovering additional reserves; the uncertainties, costs and risks involved in our operations;

risks related to our hedging activities; our limited control over third parties who operate some of our oil and gas properties; midstream capacity constraints and potential interruptions in production, including from limits to the build out of midstream infrastructure; competition for assets, materials, people and capital; regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to federal lands, environmental matters and seismicity; climate change and risks related to regulatory, social and market efforts to address climate change; governmental interventions in energy markets; counterparty credit risks; risks relating to our indebtedness; cybersecurity risks; risks relating to global pandemics; the extent to which insurance covers any losses we may experience; risks related to shareholder activism; our ability to successfully complete mergers, acquisitions and divestitures; our ability to pay dividends and make share repurchases; and any of the other risks and uncertainties discussed in Devon’s 2023 Annual Report on Form 10-K (the “2023 Form 10-K”) or other filings with the Securities and Exchange Commission (“SEC”).

The forward-looking statements included in this communication speak only as of the date of this communication, represent management’s current reasonable expectations as of the date of this communication and are subject to the risks and uncertainties identified above as well as those described elsewhere in the 2023 Form 10-K and in other documents we file from time to time with the SEC. We cannot guarantee the accuracy of our forward-looking statements, and readers are urged to carefully review and consider the various disclosures made in the 2023 Form 10-K and in other documents we file from time to time with the SEC. All subsequent written and oral forward-looking statements attributable to Devon, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements above. We do not undertake, and expressly disclaim, any duty to update or revise our forward-looking statements based on new information, future events or otherwise.

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### Cautionary Note on Reserves and Resource Estimates

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