

# Q4 2024 Earnings Presentation

February 18, 2025



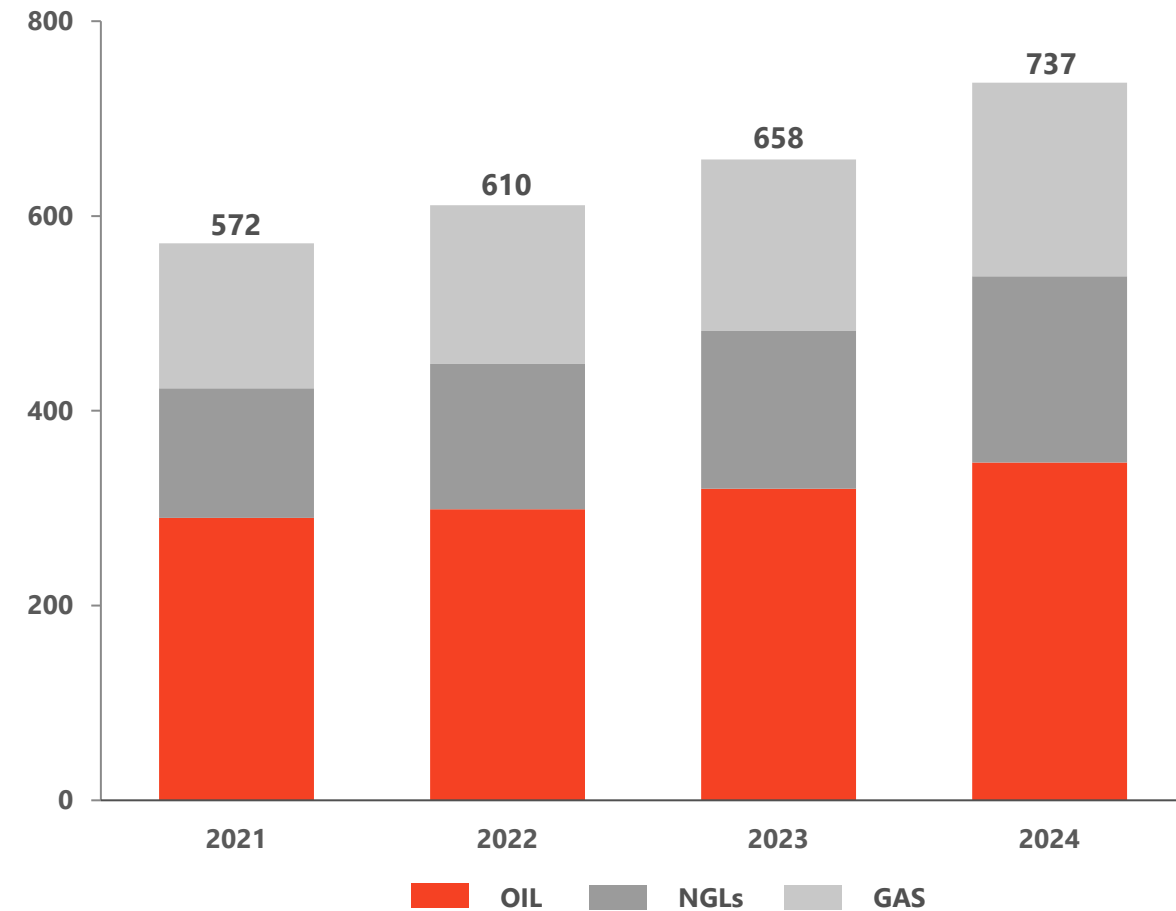
NYSE: DVN  
[devonenergy.com](https://devonenergy.com)

  
**devon**

# 2024 – A Year of Outstanding Achievement

- Produced **RECORD OIL & TOTAL VOLUMES**
- Generated **\$3.0 BILLION** OF free cash flow
- Completed strategic **WILLISTON BASIN** acquisition
- Returned **\$2.0 BILLION OF CASH** to shareholders
- Maintained **LOW LEVERAGE** and ample liquidity

**CONSISTENT PRODUCTION GROWTH**  
TOTAL PRODUCTION BY PRODUCT (MBOED)



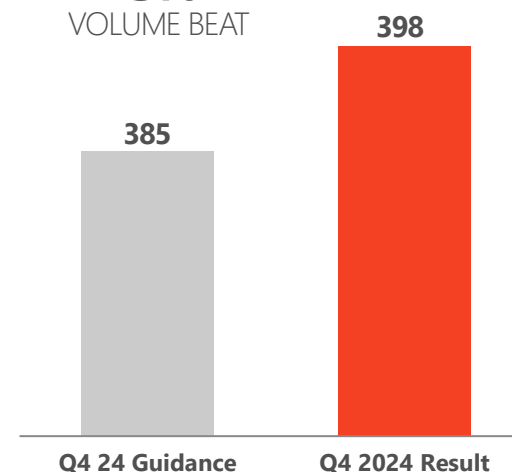
# Q4 2024 – Executing on Our Operating Plan

- Delivered **excellent** operating performance in Q4
- Oil production reached **record** 398,000 barrels per day
- **Grayson Mill** integration exceeding expectations
- Generated \$738 million of **free cash flow**
- Returned **\$444 million** of cash to shareholders

## Expanding oil production

Oil production (MBOD)

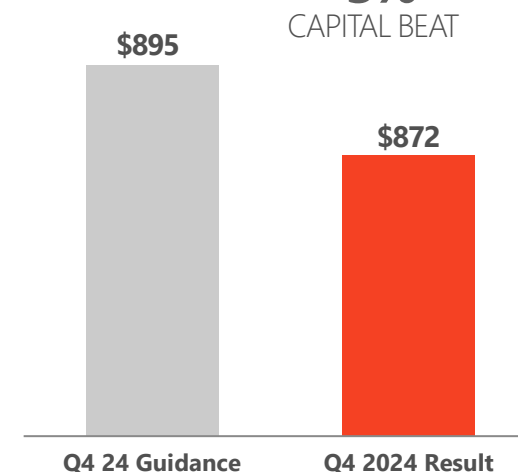
**3%**  
VOLUME BEAT



## Efficient capital spending

Upstream capital (\$ in millions)

**3%**  
CAPITAL BEAT



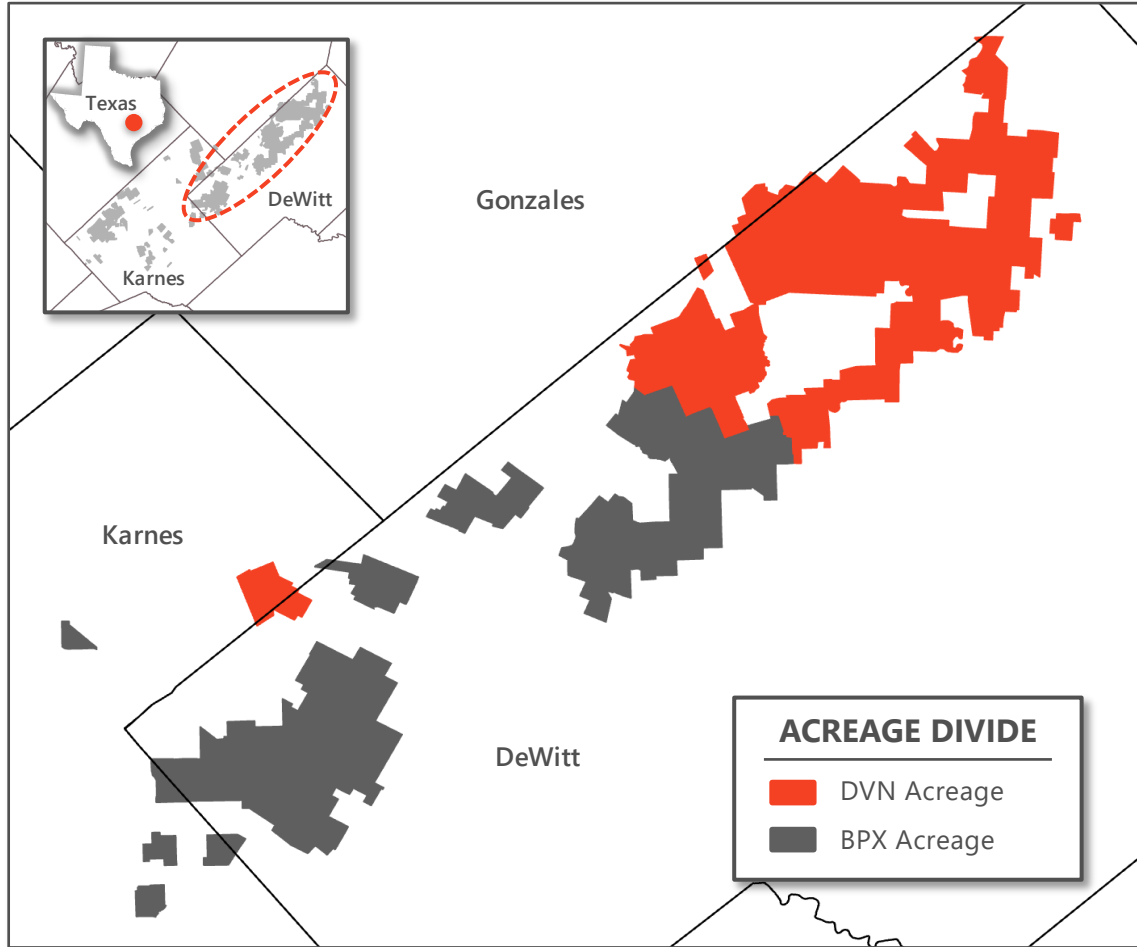
## ACTIVITY SUMMARY

**24** AVERAGE  
RIGS

**6** AVERAGE  
FRAC CREWS

**128** GROSS  
WELLS ONLINE

# Eagle Ford – Blackhawk Field Partnership Update



- Devon and BPX agreed to **dissolve** partnership<sup>(1)</sup>
- Devon will have ~**46K net acres** with a >95% WI<sup>(2)</sup>
- Operatorship provides development **flexibility**
- Expect material **D&C savings** on a per well basis
- Results in significant **uplift** in NPV and returns

(1) Expected close of 4/1/2025.

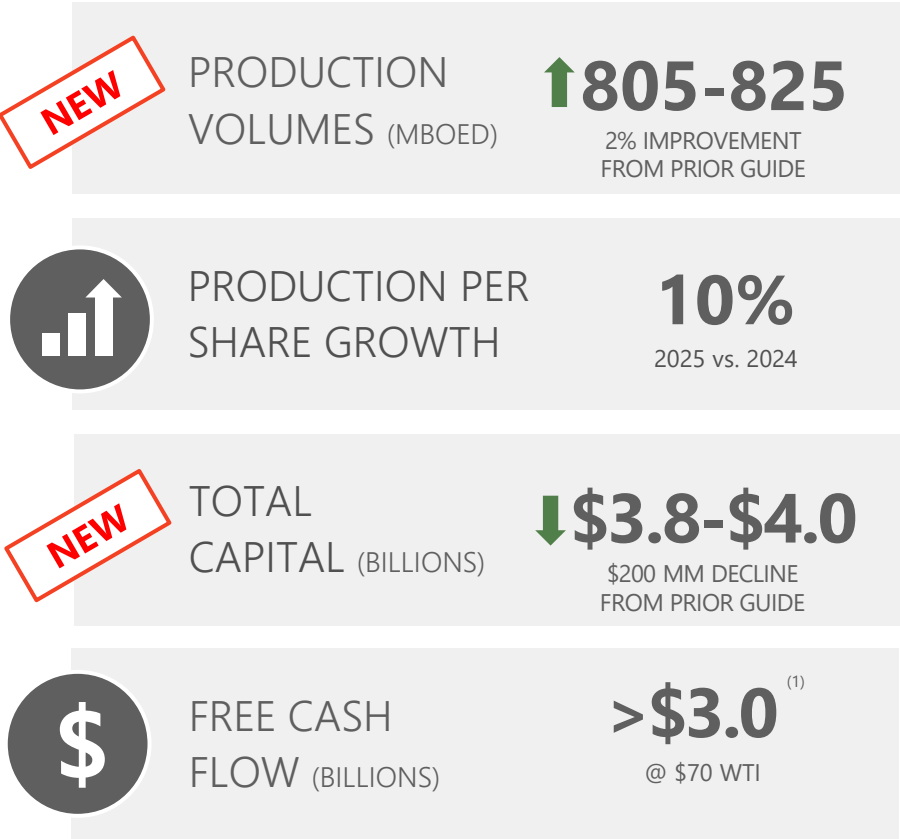
(2) Acreage in Blackhawk field only.



# Improved 2025 Outlook

## Financial & operating outlook for 2025

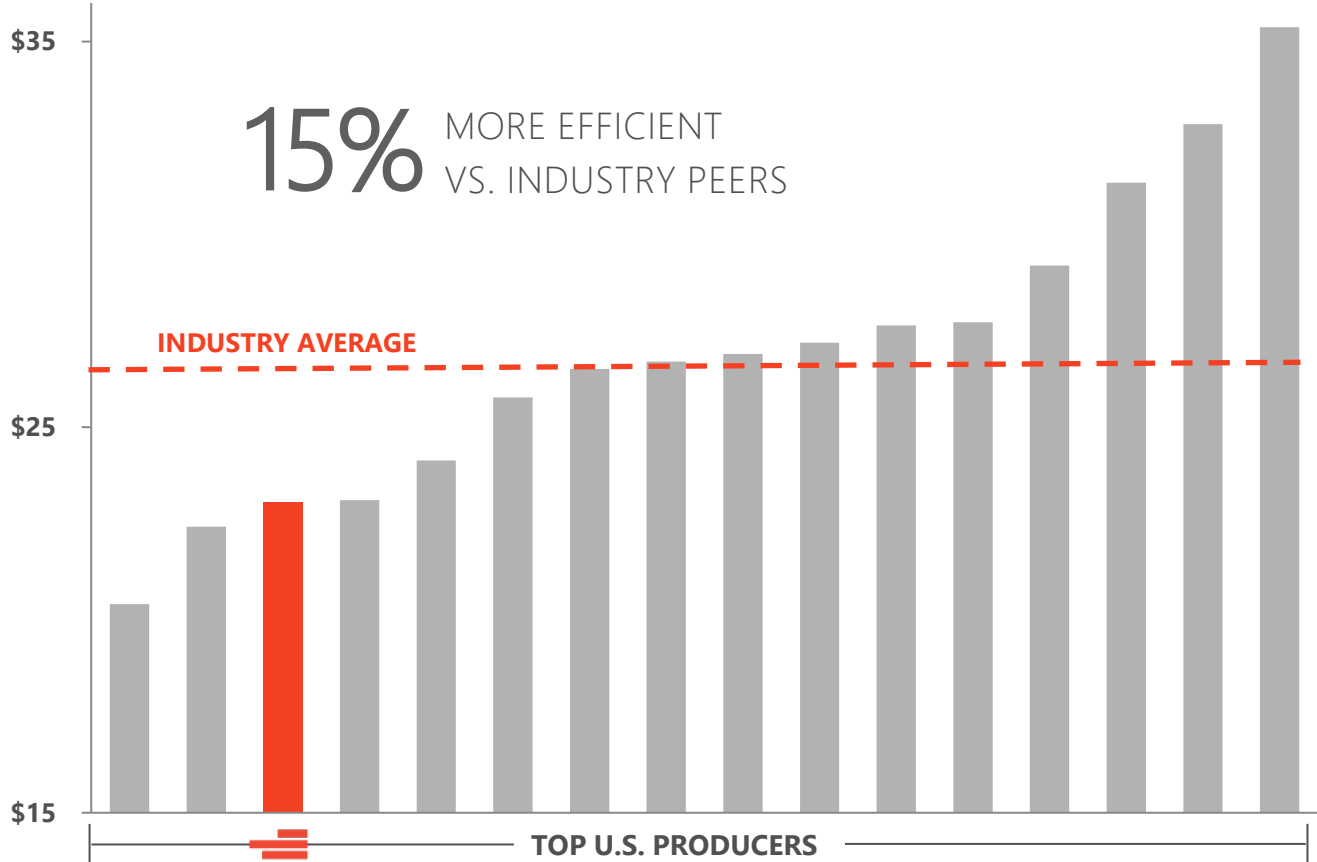
2025e outlook



(1) Assumes Henry Hub strip pricing & NGL realizations at 30% of WTI. Assumes midpoint of 2025 guidance.

## 2025 outlook represents top-tier capital efficiency

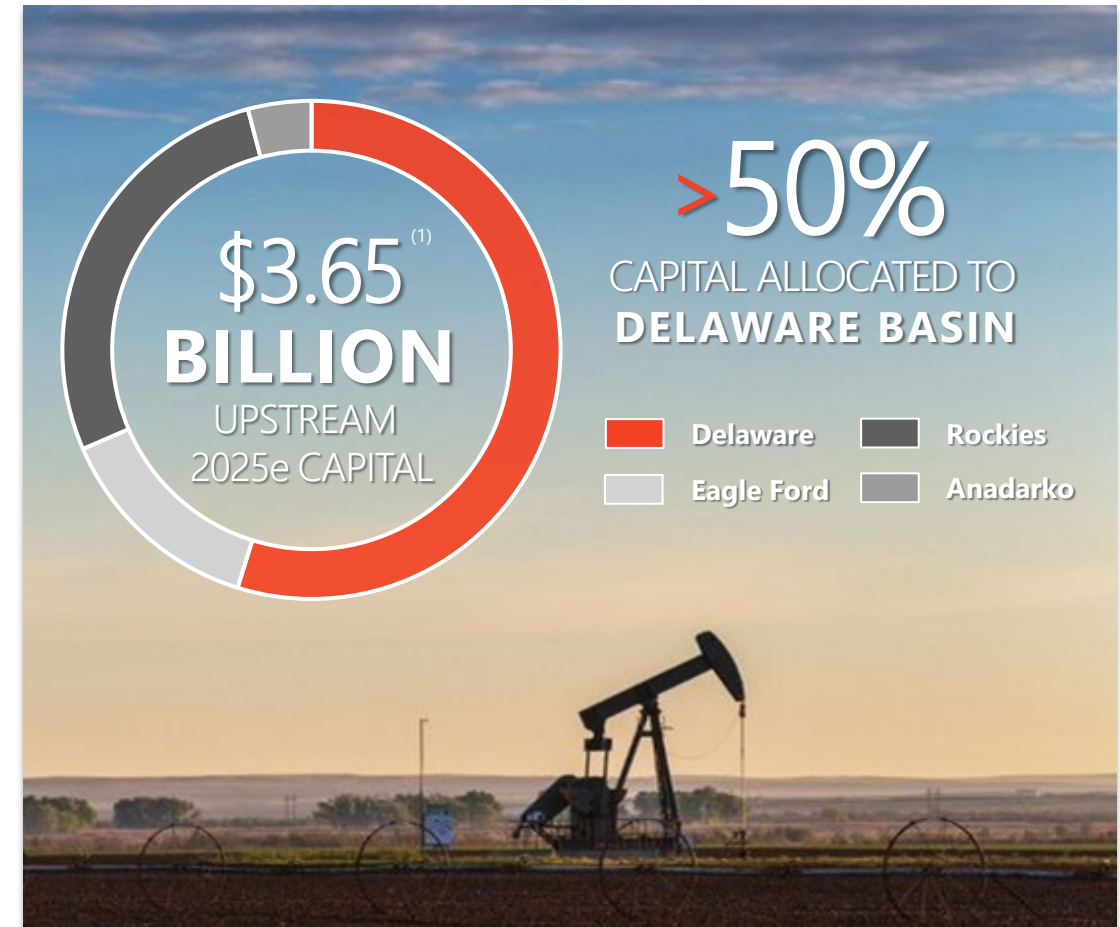
2025e capital spend per BOE (20:1 gas ratio & 3:1 NGL ratio)



Note: 2025e peer data sourced from FactSet.

# 2025 Outlook – Key Asset Highlights

- ✓ **DELAWARE** INVESTMENT UNDERPINS OUTLOOK
  - Development strategy balances IRR, NPV and inventory
  - Program to benefit from accelerating D&C efficiencies
- ✓ **ROCKIES** ACTIVITY FOCUSED ON GRAYSON MILL
  - Integration proceeding well with synergies being realized
- ✓ **EAGLE FORD** OPERATORSHIP TO BOOST RETURNS
  - Expect to materially reduce well costs in DeWitt County
- ✓ **ANADARKO** RETURNS ENHANCED WITH DOW JV
  - Signed 49 well extension with Dow (first spud in Q2 2025)



(1) Midpoint of 2025 upstream capital guidance.

# Devon Going Forward

## Continuity

- Devon's **Values** – Integrity, Relationships, Courage & Results
- **Operating excellence** and a culture to succeed
- Committed to **shareholder returns** & **financial strength**

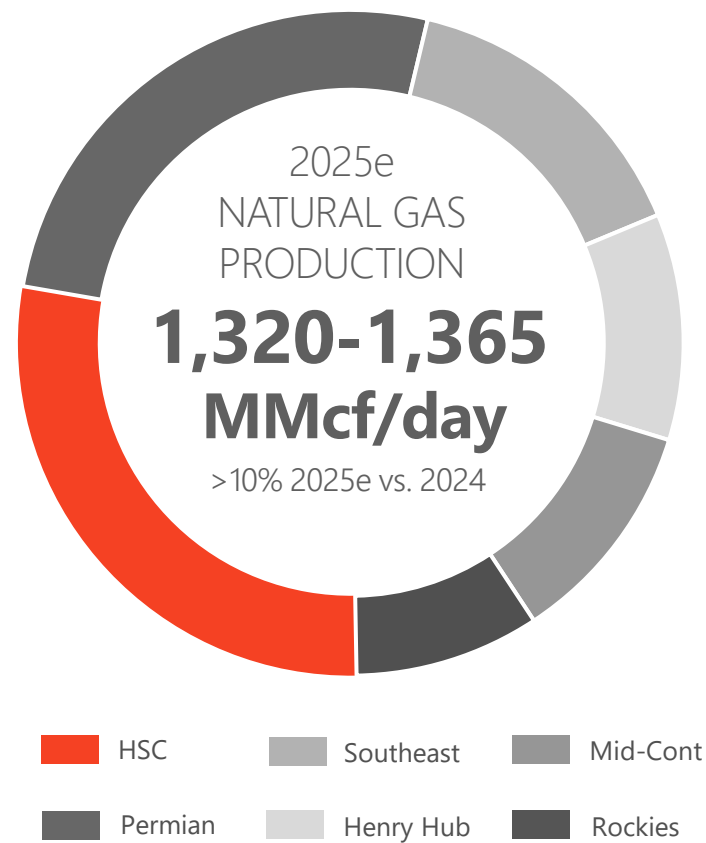


## Opportunity

- **Focus inward** to improve capital efficiency, lower costs, raise margins
- Organically **expand inventory** & **grow returns**
- Leverage **technology** to drive additional value

# Gas Portfolio – Significant Upside

## DIVERSIFIED NATURAL GAS OUTLETS (2025e pricing exposure)



- Diversified gas outlets provide significant **upside potential**
- Majority of Delaware gas has access to **gulf coast** markets
- Regional gas basis swaps further **limit** Waha exposure
- Anadarko accesses **premium** Southeast gas markets
- LNG, power producer and data centers partnerships provide margin **enhancement** opportunities
- **>\$1 billion** of gas revenue at a \$4 HH with additional upside<sup>(1)</sup>

Note: Pricing exposure is based on gross volumes.

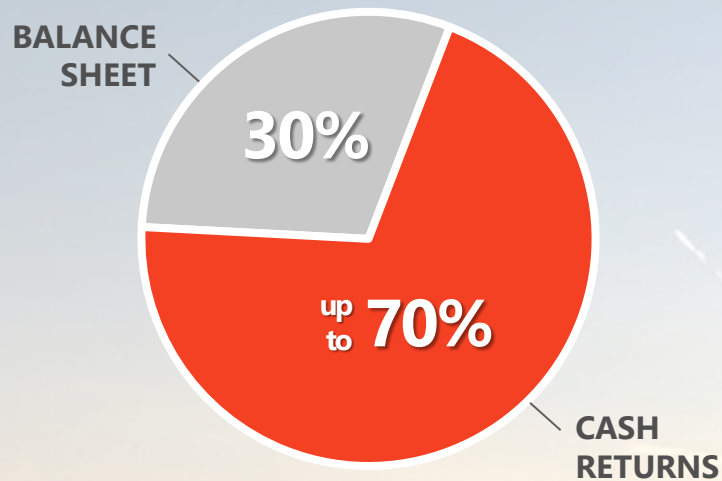
(1) Assumes a gas realization of 50%-60% of Henry Hub.



# Disciplined Return of Capital to Shareholders

## TARGET PAYOUT IN 2025

(% OF FREE CASH FLOW)

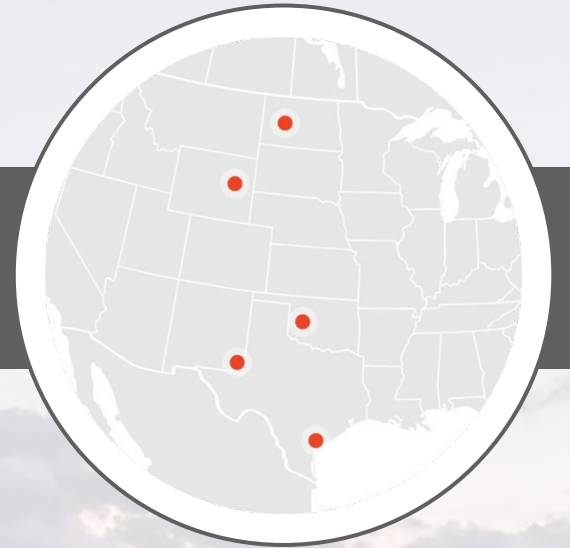


**Balance sheet improvement** focused on retiring debt & increasing cash balances

- Targeting up to **70% CASH-RETURN** in 2025
- **RAISING** fixed dividend by 9% to \$0.24/share
- Prioritizing **SHARE BUYBACK** program
- **\$200-\$300 MM** of quarterly share buybacks



# | Appendix



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



# Strategic Priorities

---

## **OPERATING** EXCELLENCE

---

- Operating safely, reliably and in an environmentally responsible manner
- Embrace innovative thinking and technology to improve business performance

## **ADVANTAGED** ASSET PORTFOLIO

---

- Diversified multi-basin portfolio in top U.S. resource plays
- High-quality inventory depth underpins long-term sustainability

## **MAINTAINING** FINANCIAL STRENGTH

---

- Disciplined reinvestment to maximize free cash flow
- Committed to maintaining low leverage (<1.0x debt-to-EBITDAX ratio)

## **DELIVERING** VALUE TO SHAREHOLDERS

---

- Dedicated to sustainable, annual growth in fixed dividend
- Enhancing return of capital with a share buyback program

## **CULTIVATING** A CULTURE TO SUCCEED

- Valuing and investing in our employees
- Being a good steward to the communities we operate in



# Q4 2024 – Impressive Financial Performance

## Key financial metrics

Q4 2024

Realized price, with hedges (\$/BOE)	\$40.32
Core earnings (per share)	\$1.16
EBITDAX (\$MM)	\$2,131
Operating cash flow (\$MM)	\$1,664
Free cash flow (\$MM)	\$738

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

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

Share  
Buybacks  
\$301 MM



Fixed  
Dividend  
\$143 MM



**EXECUTING** ON OUR  
FINANCIAL STRATEGY





# Significant Financial Strength & Liquidity



**TOTAL LIQUIDITY**

**\$3.8 B**

CASH & UNDRAWN  
CREDIT FACILITY

**CASH BALANCE**

**\$0.8 B**

CASH POSITION  
AS OF 12/31/2024

**LOW LEVERAGE**

**1.0x**

NET DEBT-TO-EBITDAX  
AS OF 12/31/2024

**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

**UPCOMING MATURITIES**

**~70%**

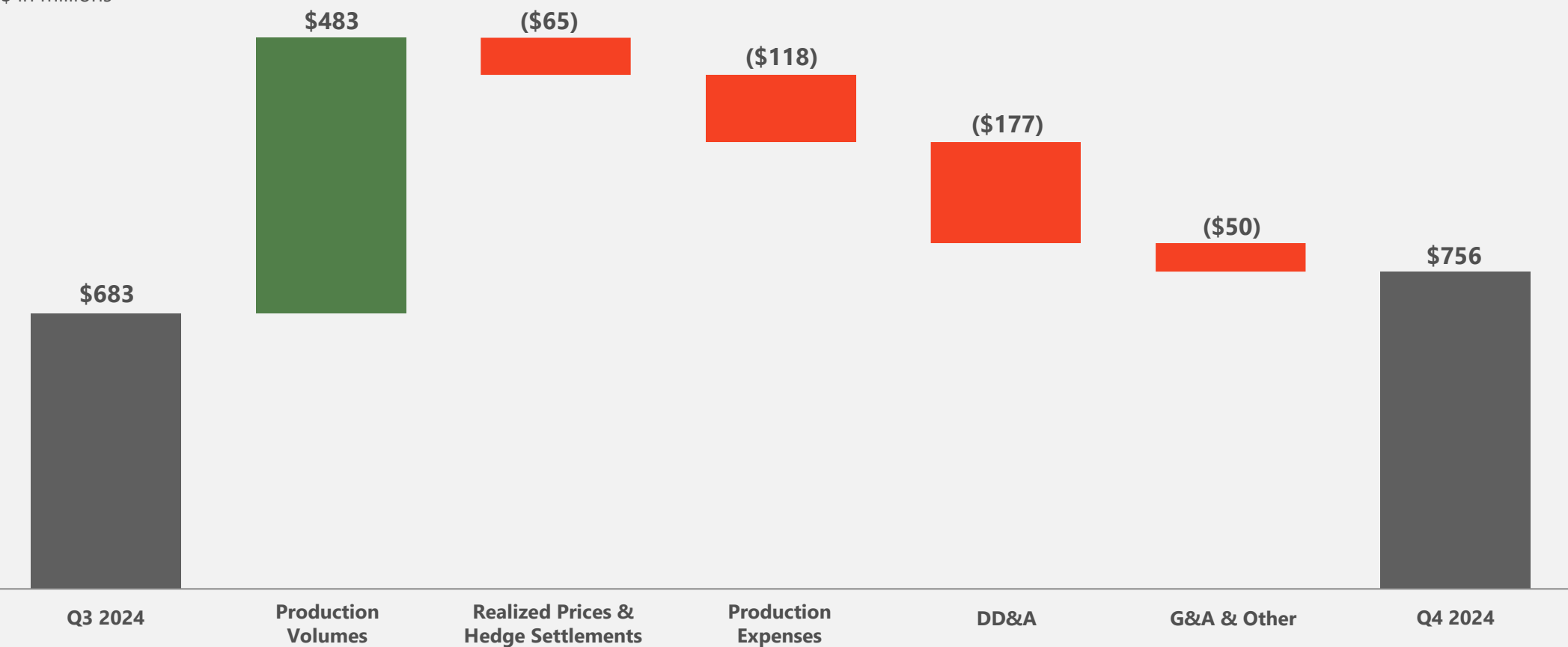
OF DEBT OBLIGATIONS  
MATURE AFTER 2030

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

# Q4 2024 – Earnings Summary

## Net core earnings change quarter over quarter

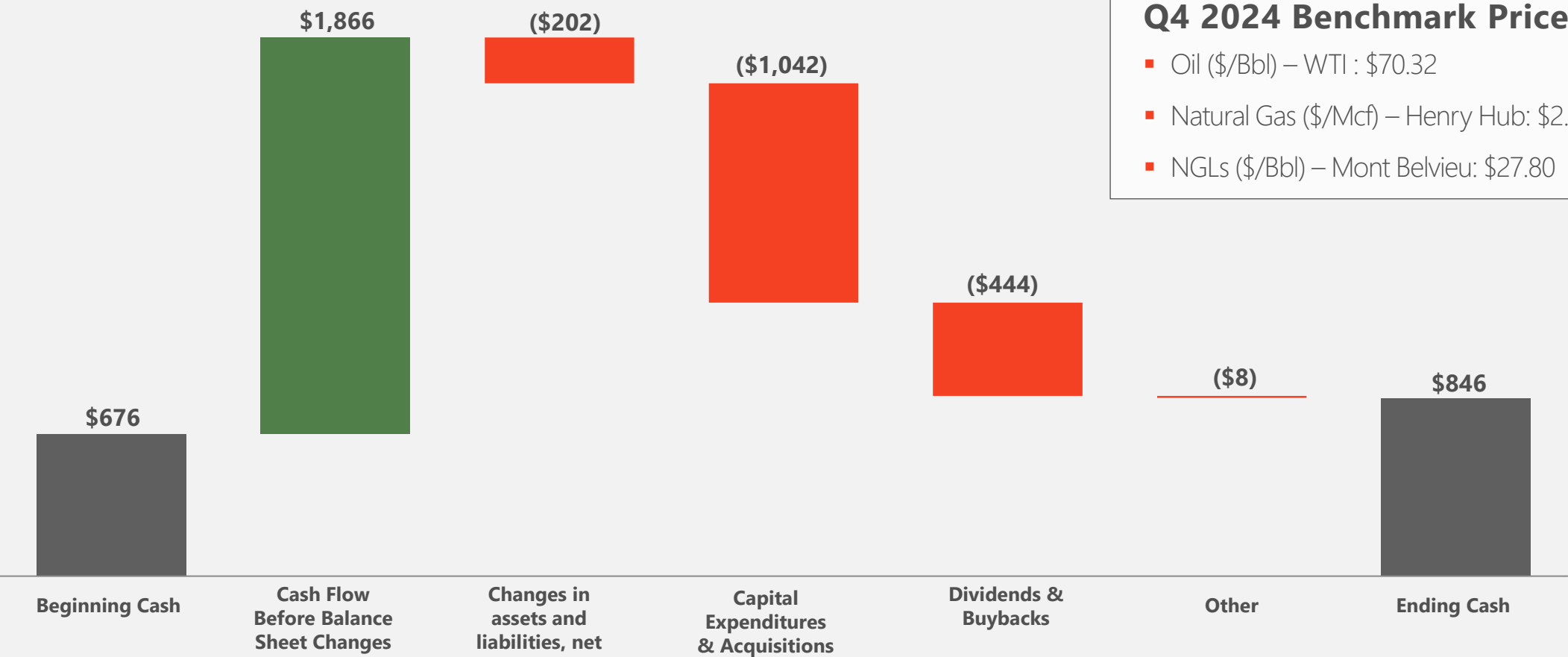
\$ in millions



# Q4 2024 – Cash Flow Summary

## Exiting the quarter with strong liquidity

\$ in millions



### Q4 2024 Benchmark Prices

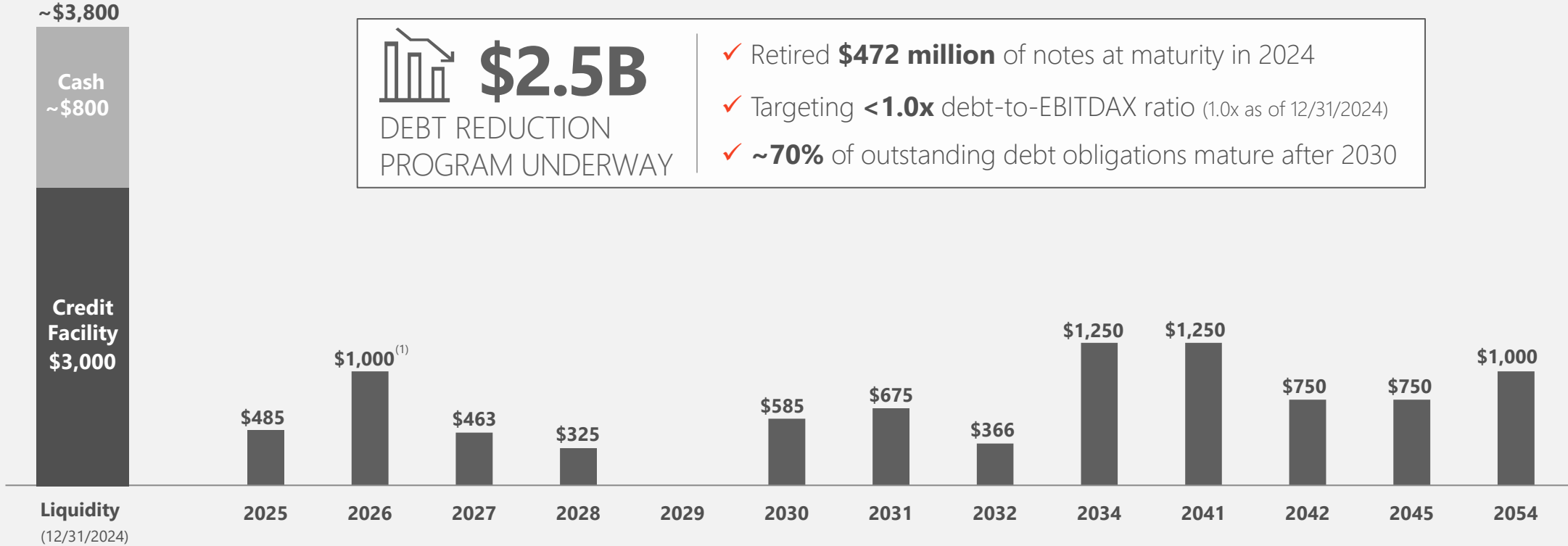
- Oil (\$/Bbl) – WTI : \$70.32
- Natural Gas (\$/Mcf) – Henry Hub: \$2.79
- NGLs (\$/Bbl) – Mont Belvieu: \$27.80



# Our Investment-Grade Financial Strength

## Outstanding debt maturities

(\$ in millions)



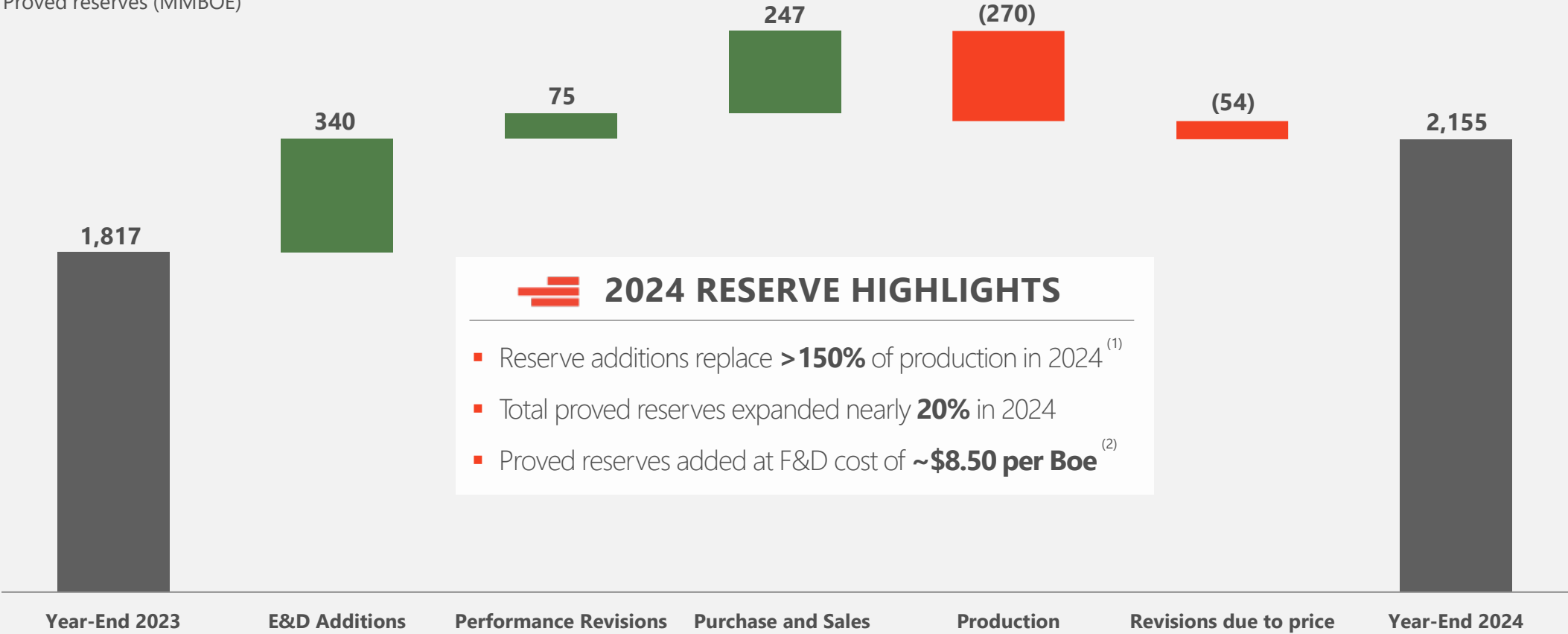
(1) Represents 2-year term loan.



# Efficiently Adding Proved Reserves

## Strong proved reserve performance in 2024

Proved reserves (MMBOE)



(1) Represents additions from extensions & discoveries and revisions other than price.

(2) Represents costs incurred (excluding property acquisition costs) for additions from extensions & discoveries and revisions other than price.

# 2025 – Detailed Activity by Asset



	Capital Investment (\$ in Billions)	Operated Rigs (Average)	Wells Online (Gross Operated)
<b>DELAWARE</b> BASIN	\$2.0	14	250-270
<b>ROCKIES</b>	\$1.0	4	80-90
<b>EAGLE</b> FORD	\$0.5	2	75-85 <sup>(1)</sup>
<b>ANADARKO</b> BASIN	\$0.15	2	25-35

(1) Includes Q1 wells prior to the Devon and BPX acreage split.

# Investor Contacts & Notices

## Investor Relations Contacts

### Rosy Zuklic

VP, Investor Relations  
405-552-7802

Email: [investor.relations@dvn.com](mailto:investor.relations@dvn.com)

### Chris Carr

Sr. Manager, Investor Relations  
405-228-2496

## 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 water disposal; climate change and risks related to regulatory, social and market efforts to address climate change; risks relating to our ESG initiatives; claims, audits and other proceedings impacting our business, including with respect to historic and legacy operations; governmental interventions in energy markets; counterparty credit risks; risks relating to our indebtedness; cybersecurity risks; 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 2024 Annual Report on Form 10-K (the “2024 Form 10-K”) or other filings with the Securities and Exchange Commission (the “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 2024 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 2024 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.

### Use of Non-GAAP Information

This presentation includes non-GAAP (generally accepted accounting principles) financial measures. Such non-GAAP measures are not alternatives to GAAP measures, and you should not consider these non-GAAP measures in isolation or as a substitute for analysis of our results as reported under GAAP. For additional disclosure regarding such non-GAAP measures, including reconciliations to their most directly comparable GAAP measure, please refer to Devon’s 2024 earnings materials and related Form 10-K filed with the SEC.

### Cautionary Note on Reserves and Resource Estimates

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include estimated reserves or locations not necessarily calculated in accordance with, or contemplated by, the SEC’s latest reserve reporting guidelines. You are urged to consider closely the oil and gas disclosures in the 2024 Form 10-K and our other reports and filings with the SEC.