

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)  
**September 7, 2022**

**SM Energy Company**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**001-31539**  
(Commission File Number)

**41-0518430**  
(I.R.S. Employer Identification No.)

**1700 Lincoln Street, Suite 3200**  
**Denver, Colorado**  
(Address of principal executive offices)

**80203**  
(Zip Code)

Registrant's telephone number, including area code: **(303) 861-8140**

Not applicable  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
<b>Common stock, \$0.01 par value</b>	<b>SM</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

#### Item 7.01 Regulation FD.

In accordance with General Instruction B.2. of Form 8-K, the following information shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("**Exchange Act**"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On September 7, 2022, SM Energy Company ("**Company**") issued a press release announcing that its Board of Directors has approved a program to return capital to stockholders. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated by reference herein.

#### Item 8.01 Other Events.

On September 7, 2022, the Company announced that its Board of Directors has authorized the repurchase of up to \$500 million in aggregate value of its common stock through December 31, 2024, and has increased its fixed dividend to \$0.60 per share annually, to be paid in quarterly increments of \$0.15 per share.

The repurchase authorization permits the Company to repurchase shares from time to time in open market transactions, through privately negotiated transactions or by other means in accordance with federal securities laws. The Company intends to fund repurchases from available working capital and cash provided by operating activities. The timing, as well as the number and value of shares repurchased under the program, will be determined by certain authorized officers of the Company at their discretion and will depend on a variety of factors, including the market price of the Company's common stock, general market and economic conditions and applicable legal requirements. The value of shares authorized for repurchase by the Company's Board of Directors does not require the Company to repurchase such shares or guarantee that such shares will be repurchased, and the program may be suspended, modified, or discontinued at any time without prior notice. No assurance can be given that any particular amount of common stock will be repurchased.

In connection with the increased fixed dividend, the Board of Directors approved a dividend of \$0.15 per share of common stock outstanding that will be paid on November 7, 2022, to stockholders of record at the close of business on October 25, 2022.

#### Item 9.01 Financial Statements and Exhibits.

##### (d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Press release of SM Energy Company dated September 7, 2022, entitled "SM Energy Announces Program to Return Capital to Stockholders"</a>
104	Cover Page Interactive Data File (formatted as Inline XBRL and included as Exhibit 101)

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**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SM ENERGY COMPANY

Date: September 7, 2022

By: /s/ PATRICK A. LYTLE

Patrick A. Lytle

Vice President - Chief Accounting Officer and Controller

(Principal Accounting Officer)

## SM ENERGY ANNOUNCES PROGRAM TO RETURN CAPITAL TO STOCKHOLDERS

**DENVER, CO September 7, 2022** - SM Energy Company (the "Company") (NYSE: SM) today announced that its Board of Directors has approved a return of capital strategy that includes:

- Share repurchase authorization of up to \$500 million through year-end 2024
- Fixed dividend increased to \$0.60 per share annually

President and CEO Herb Vogel comments: "Together with our Board of Directors, I am delighted to announce that we are initiating our program to return capital to stockholders. We have clear visibility to achieving our leverage objectives, positioning the Company to commence the next phase of stockholder value enhancement. Our strategy is to implement a capital return framework that supports long-term, sustainable capital investment and balance sheet strength with upside. We plan to initiate the return of capital program at a level that we believe is sustainable at commodity prices well below the current strip. Our base case for this program assumes commodity prices of \$60 per barrel oil and \$3 per Mcf natural gas. We seek to offer a predictable yield to investors, augmented by the potential for share price appreciation realized through stock repurchases. Today's announced capital return program is a testament to our confidence in the high-quality and longevity of our asset base and balance sheet strength. It is designed with the potential to grow in a stable, improving future macro environment."

### SHARE REPURCHASE

The Company is authorized to repurchase up to \$500 million of its common stock through December 31, 2024, which currently equates to approximately 10% of our current market capitalization. Share repurchases are expected to be made opportunistically and through various points in the cycle as the Company's high-quality, low breakeven-cost asset base generates sufficient cash flows in excess of capital requirements at the program's base case commodity price assumptions.

The shares may be repurchased from time to time in open market transactions, through privately negotiated transactions or by other means in accordance with federal securities laws. The Company intends to fund repurchases from available working capital and cash provided by operating activities. The timing, as well as the number and value of shares repurchased under the program, will be determined by certain authorized officers of the Company at their discretion and will depend on a variety of factors, including the market price of the Company's common stock, general market and economic conditions and applicable legal requirements. The value of shares authorized for repurchase by the Company's Board of Directors does not require the Company to repurchase such shares or guarantee that such shares will be repurchased, and the program may be suspended, modified, or discontinued at any time without prior notice.

### FIXED DIVIDEND INCREASE

The Company's fixed dividend has been increased to \$0.60 per share annually, to be paid in quarterly increments of \$0.15 per share. This initial fixed dividend provides an approximate 1.4% yield to current market capitalization. The increased fixed dividend is intended to be sustainable through industry cycles and considers the maintenance capital and replacement capital required for long-term, profitable sustainability.

In connection with this component of the Company's capital return program, the Board of Directors has approved a dividend of \$0.15 per share of common stock outstanding that will be paid on November 7, 2022 to the owners of record at the close of business on October 25, 2022. The Company currently has approximately 123 million shares of common stock outstanding.

#### **FORWARD-LOOKING STATEMENT**

This release contains forward-looking statements within the meaning of securities laws. The words "expect," "intend," "plan," "potential," "seek," "should," and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this release include, among other things, plans to repurchase shares of the Company's common stock, including the number and value of such shares, and the timing, manner and sources of funds for such repurchases; the potential for share price appreciation; the timing and amount of future dividend payments; and the sustainability of the Company's return of capital program over time and at variable commodity prices. These statements involve known and unknown risks, which may cause SM Energy's actual results to differ materially from results expressed or implied by the forward-looking statements. Future results may be impacted by the risks discussed in the Risk Factors section of SM Energy's most recent Annual Report on Form 10-K, as such risk factors may be updated from time to time in the Company's other periodic reports filed with the Securities and Exchange Commission, specifically the second quarter 2022 Form 10-Q and the 2021 Form 10-K. The forward-looking statements contained herein speak as of the date of this release. Although SM Energy may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so, except as required by securities laws.

#### **ABOUT THE COMPANY**

SM Energy Company is an independent energy company engaged in the acquisition, exploration, development, and production of crude oil, natural gas, and NGLs in the state of Texas. SM Energy routinely posts important information about the Company on its website. For more information about SM Energy, please visit its website at [www.sm-energy.com](http://www.sm-energy.com).

#### **SM ENERGY INVESTOR CONTACTS**

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