

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)  
February 25, 2026

**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.

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## Item 2.02 Results of Operations and Financial Condition.

In accordance with General Instruction B.2. of Form 8-K, the following information, including Exhibits 99.1 and 99.2, 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 and exhibits 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 February 25, 2026, SM Energy Company ("Company") issued a press release announcing its fourth quarter and full year 2025 financial and operating results and year-ended 2025 reserves. On the same date, the Company issued a separate press release providing its 2026 outlook and guidance, and announced its planned participation in upcoming investor conferences and the related details. Copies of the press releases are furnished as Exhibits 99.1 and 99.2 to this report and incorporated by reference herein. As indicated in the press releases, the Company scheduled a webcast and conference call for February 26, 2026, at 8:00 a.m. Mountain time/10:00 a.m. Eastern time to answer questions. The conference call is publicly accessible via webcast (available live and for replay) and telephone, and the press releases include instructions for accessing the webcast via the Company's website and dial-in information for the call. Availability of the webcast on the Company's website is at the Company's discretion and may be discontinued at any time.

## Item 8.01 Other Events.

On February 25, 2026, the Company announced that its Board of Directors approved an increase to the Company's fixed dividend policy. In connection with the increased fixed dividend policy, the Board of Directors approved a dividend of \$0.22 per share of common stock outstanding that will be paid on March 23, 2026 to stockholders of record at the close of business on March 9, 2026. The increased fixed dividend policy and recently declared dividend are discussed in the press release furnished as Exhibit 99.2 hereto.

## 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 February 25, 2026, entitled "SM Energy Reports Fourth Quarter and Full-Year 2025 Financial and Operating Results"</a>
<a href="#">99.2</a>	<a href="#">Press release of SM Energy Company dated February 25, 2026, entitled "SM Energy Provides 2026 Outlook"</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: February 25, 2026

By: /s/ ALAN D. BENNETT  
Alan D. Bennett  
Vice President - Controller  
(Principal Accounting Officer)

## SM ENERGY REPORTS FOURTH QUARTER AND FULL-YEAR 2025 FINANCIAL AND OPERATING RESULTS

*Full-year 2025 results include record production and record operating cash flow and adjusted EBITDAX<sup>(1)</sup>*

**DENVER, Feb. 25, 2026** – SM Energy Company (the “Company” or “SM Energy”) (NYSE: SM) today reported financial and operating results for the fourth quarter and full-year 2025. Accompanying slides can be found on the Company’s website at [sm-energy.com/investors/news-events/presentations](https://sm-energy.com/investors/news-events/presentations). A conference call is scheduled for 8 a.m. MT/10 a.m. ET on February 26, 2026. Participation details can be found within this release.

“SM Energy enters its next chapter as a century-strong, future-ready company,” said President and CEO Beth McDonald. “In 2025, we delivered record cash flow from operations and record net production. We’ve built great momentum for 2026 with expanded scale and a clear strategic plan to create differentiating value. We’re rapidly integrating the combined business and unlocking meaningful synergies. With our recently announced \$950 million South Texas asset divestiture at an accretive valuation, we are well on our way to achieving our \$1.0 billion divestiture target to bolster the balance sheet and enhance return of capital.”

### FULL-YEAR 2025:

- Announced merger with Civitas Resources, which closed on January 30, 2026, and delivers enhanced scale and meaningful expected synergies
- Net income of \$648 million, \$5.64 per diluted share; \$623 million adjusted net income,<sup>(1)</sup> \$5.42 per diluted share
- Record operating cash flow of \$2.01 billion; totaled \$2.02 billion before net change in working capital, including change in certain long-term prepayments<sup>(1)</sup>
- Record adjusted EBITDAX<sup>(1)</sup> of \$2.26 billion, 13% higher than 2024, driven by record production and resilient margins, offsetting a 14% decline in benchmark oil price
- Capital expenditures of \$1.44 billion, adjusted for changes in accruals,<sup>(1)</sup> totaled \$1.40 billion
- Adjusted free cash flow<sup>(1)</sup> increased 28% year-over-year to \$620 million
- Record net production of 75.5 MMBoe, or 206.8 MBoe/d; up 21% year-over-year, of which 53% was oil
- Reduced net debt<sup>(1)</sup> by \$437 million and improved leverage to 1.05x net debt-to-adjusted EBITDAX<sup>(1)</sup> at year end despite lower oil prices than planned
- Returned \$104 million to stockholders through dividend payments and share buybacks; \$648 million cumulative program return to date since 2022
- Estimated net proved reserves totaled 673.0 MMBoe at December 31, 2025; 42% oil and 61% proved developed
- Successfully integrated Uinta Basin assets, demonstrating technical ability to unlock value from stacked intervals
- Subsequent to year-end, the Company announced the signing of an agreement to sell certain South Texas assets for \$950 million, advancing deleveraging objectives and substantially achieving its \$1.0 billion divestiture target

#### **FOURTH QUARTER 2025:**

- Net income of \$109 million, \$0.95 per diluted share; \$96 million adjusted net income,<sup>(1)</sup> \$0.83 per diluted share
- Operating cash flow of \$452 million, totaled \$445 million before net change in working capital, including change in certain long-term prepayments<sup>(1)</sup>
- Adjusted EBITDAX<sup>(1)</sup> of \$509 million
- Lower cash operating costs, 13% below guidance mid-point, primarily related to lower lease operating expenses and ad valorem taxes
- Capital expenditures of \$216 million, adjusted for changes in accruals,<sup>(1)</sup> totaled \$247 million, reflecting accelerated facility investments
- Adjusted free cash flow<sup>(1)</sup> of \$198 million
- Net production of 19.0 MMBoe, or 206.9 MBoe/d (52% oil), was in-line with guidance and reflects modest weather impacts and timing of completions

*For additional operating metrics and asset-level detail, please see the Financial Highlights section below and the accompanying slides on the Company's website at [sm-energy.com/investors/news-events/presentations](https://sm-energy.com/investors/news-events/presentations).*

Refer to release titled "SM ENERGY PROVIDES 2026 OUTLOOK" for the Company's 2026 outlook, full-year 2026 and first quarter 2026 guidance, and details on strategic priorities, capital allocation, and operating plans.

#### **CONFERENCE CALL AND WEBCAST**

The Company plans to host a conference call and webcast at 8 a.m. MT/10 a.m. ET. on February 26, 2026. The call is accessible via:

- Webcast (available live and for replay) – on the Company's website at [sm-energy.com/investors](https://sm-energy.com/investors) (replay accessible approximately 1 hour after the live call); or
- Telephone - join the live conference call by registering at our conference call registration webpage. Dial-in for domestic toll free/International is 877-407-6050 / +1 201-689-8022.

#### **DISCLOSURES**

##### **FORWARD LOOKING STATEMENTS**

This release contains forward-looking statements within the meaning of securities laws. The words "anticipate," "deliver," "demonstrate," "establish," "estimate," "expects," "goal," "generate," "maintain," "objectives," "optimize," "target," and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this release include, among other things, the Company's 2026 plans and objectives; plans to enhance the Company's return of capital program; expectations regarding increased scale; synergies and other cost savings resulting from the merger with Civitas Resources, including the expected timing and magnitude; plans to achieve the Company's \$1.0 billion divestiture target in 2026; and statements regarding the announced divestiture of certain South Texas assets (the "Transaction"), including the estimated timing and final purchase price, the Company's expectation that the remaining conditions to the closing of the Transaction will be satisfied or waived, and the Company's expectations regarding the application of the proceeds from the Transaction. 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 2025 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.

#### RESERVES DISCLOSURE

The SEC requires oil and natural gas companies, in their filings with the SEC, to disclose estimated net proved reserves, which are those quantities of oil, natural gas and NGLs, that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs and under existing economic conditions (using the trailing 12-month average first-day-of-the-month prices), operating methods and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The SEC also permits the disclosure of separate estimates of probable or possible reserves that meet SEC definitions for such reserves; however, the Company currently does not disclose probable or possible reserves in its SEC filings.

Estimated net proved reserves attributable to the Company at December 31, 2025, are estimated utilizing SEC reserve recognition standards and pricing assumptions based on the trailing 12-month average first-day-of-the-month prices of \$65.34 per Bbl of oil, \$3.39 per MMBtu of natural gas, and \$27.45 per Bbl of NGLs. At least 80% of the PV-10 of the Company's estimate of its total estimated net proved reserves as of December 31, 2025, was audited by Ryder Scott Company, L.P.

**FOOTNOTE 1:** Indicates a non-GAAP measure or metric. Please refer to the "Definitions of non-GAAP Measures and Metrics as Calculated by the Company" section in Financial Highlights, and the corresponding reconciliations to the most directly-comparable GAAP financial measures for additional information.

#### 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 states of Colorado, New Mexico, Texas and Utah. 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).

#### INVESTOR CONTACTS

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Meghan Dack, [mdack@sm-energy.com](mailto:mdack@sm-energy.com), 303-837-2426

#### MEDIA CONTACT

[media@sm-energy.com](mailto:media@sm-energy.com)

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Consolidated Balance Sheets**

(in millions, except share data)

	December 31,	
	2025	2024
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 368	\$ —
Accounts receivable	331	361
Derivative assets	83	49
Prepaid expenses and other	29	25
Total current assets	811	435
<b>Property and equipment (successful efforts method):</b>		
Proved oil and gas properties	16,012	14,302
Accumulated depletion, depreciation, and amortization	(8,793)	(7,603)
Unproved oil and gas properties, net of valuation allowance of \$12 and \$33, respectively	460	765
Wells in progress	458	482
Other property and equipment, net of accumulated depreciation of \$63 and \$62, respectively	65	48
Total property and equipment, net	8,202	7,993
<b>Noncurrent assets:</b>		
Derivative assets	6	4
Other noncurrent assets	234	145
Total noncurrent assets	240	149
<b>Total assets</b>	<b>\$ 9,253</b>	<b>\$ 8,577</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 690	\$ 760
Senior Notes, net	419	—
Derivative liabilities	2	7
Other current liabilities	58	22
Total current liabilities	1,169	790
<b>Noncurrent liabilities:</b>		
Revolving credit facility	—	69
Senior Notes, net	2,296	2,708
Asset retirement obligations	150	145
Net deferred tax liabilities	724	545
Derivative liabilities	2	7
Other noncurrent liabilities	102	75
Total noncurrent liabilities	3,274	3,549
<b>Stockholders' equity:</b>		
Common stock, \$0.01 par value - authorized: 200,000,000 shares; issued and outstanding: 114,630,905 and 114,461,934 shares, respectively	1	1
Additional paid-in capital	1,517	1,502
Retained earnings	3,291	2,735
Accumulated other comprehensive income (loss)	1	(1)
Total stockholders' equity	4,810	4,237
<b>Total liabilities and stockholders' equity</b>	<b>\$ 9,253</b>	<b>\$ 8,577</b>

Note: Prior year amounts may not calculate due to rounding.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Consolidated Statements of Operations**

(in millions, except per share data)

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2025	2024	2025	2024
<b>Operating revenues and other income:</b>				
Oil, gas, and NGL production revenue	\$ 702	\$ 836	\$ 3,138	\$ 2,671
Other operating income	3	16	16	19
Total operating revenues and other income	<u>705</u>	<u>852</u>	<u>3,154</u>	<u>2,690</u>
<b>Operating expenses:</b>				
Oil, gas, and NGL production expense	207	215	885	637
Depletion, depreciation, and amortization	319	261	1,207	809
Exploration <sup>(1)</sup>	18	16	57	64
General and administrative <sup>(1)</sup>	40	42	161	138
Net derivative (gain) loss <sup>(2)</sup>	(71)	20	(178)	(50)
Other operating expense	10	12	22	16
Total operating expenses	<u>523</u>	<u>565</u>	<u>2,154</u>	<u>1,615</u>
<b>Income from operations</b>	<b>182</b>	<b>287</b>	<b>1,000</b>	<b>1,076</b>
Interest expense	(43)	(46)	(173)	(141)
Interest income	2	1	3	32
Other non-operating expense	—	—	—	(1)
<b>Income before income taxes</b>	<b>141</b>	<b>241</b>	<b>830</b>	<b>966</b>
Income tax expense	(32)	(53)	(182)	(196)
<b>Net income</b>	<b>\$ 109</b>	<b>\$ 188</b>	<b>\$ 648</b>	<b>\$ 770</b>
Basic weighted-average common shares outstanding	115	114	115	115
Diluted weighted-average common shares outstanding	115	115	115	116
Basic net income per common share	\$ 0.95	\$ 1.65	\$ 5.65	\$ 6.71
Diluted net income per common share	\$ 0.95	\$ 1.64	\$ 5.64	\$ 6.67
Net dividends declared per common share	\$ 0.20	\$ 0.20	\$ 0.80	\$ 0.76
<sup>(1)</sup> Non-cash stock-based compensation included in:				
Exploration expense	\$ 2	\$ 1	\$ 6	\$ 5
General and administrative expense	6	6	23	20
Total non-cash stock-based compensation	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 29</u>	<u>\$ 25</u>
<sup>(2)</sup> The net derivative (gain) loss line item consists of the following:				
Net derivative settlement gain	\$ (46)	\$ (22)	\$ (132)	\$ (69)
Net (gain) loss on fair value changes	(25)	43	(46)	19
Total net derivative (gain) loss	<u>(71)</u>	<u>20</u>	<u>(178)</u>	<u>(50)</u>

Note: Prior year amounts may not calculate due to rounding.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Consolidated Statements of Stockholders' Equity**

(in millions, except share data and dividends per share)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
<b>Balances, December 31, 2023</b>	<b>115,745,393</b>	<b>\$ 1</b>	<b>\$ 1,565</b>	<b>\$ 2,052</b>	<b>\$ (3)</b>	<b>\$ 3,616</b>
Net income	—	—	—	770	—	770
Other comprehensive income	—	—	—	—	1	1
Net cash dividends declared, \$0.76 per share	—	—	—	(87)	—	(87)
Issuance of common stock under Employee Stock Purchase Plan	97,500	—	3	—	—	3
Issuance of common stock upon vesting of RSUs, net of shares used for tax withholdings	350,675	—	(7)	—	—	(7)
Stock-based compensation expense	39,557	—	25	—	—	25
Purchase of shares under Stock Repurchase Program	(1,771,191)	—	(85)	—	—	(85)
<b>Balances, December 31, 2024</b>	<b>114,461,934</b>	<b>\$ 1</b>	<b>\$ 1,502</b>	<b>\$ 2,735</b>	<b>\$ (1)</b>	<b>\$ 4,237</b>
Net income	—	—	—	648	—	648
Other comprehensive income	—	—	—	—	2	2
Net cash dividends declared, \$0.80 per share	—	—	—	(92)	—	(92)
Issuance of common stock under Employee Stock Purchase Plan	167,027	—	3	—	—	3
Issuance of common stock upon vesting of RSUs, and settlement of PSUs, net of shares used for tax withholdings	364,456	—	(5)	—	—	(5)
Stock-based compensation expense	82,193	—	29	—	—	29
Purchase of shares under Stock Repurchase Program	(444,705)	—	(12)	—	—	(12)
<b>Balances, December 31, 2025</b>	<b>114,630,905</b>	<b>\$ 1</b>	<b>\$ 1,517</b>	<b>\$ 3,291</b>	<b>\$ 1</b>	<b>\$ 4,810</b>

Note: Prior year amounts may not calculate due to rounding.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Consolidated Statements of Cash Flows**

(in millions)

	For the Three Months Ended December		For the Twelve Months Ended December	
	31,	31,	31,	31,
	2025	2024	2025	2024
<b>Cash flows from operating activities:</b>				
Net income	\$ 109	\$ 188	\$ 648	\$ 770
Adjustments to reconcile net income to net cash provided by operating activities:				
Depletion, depreciation, and amortization	319	261	1,207	809
Stock-based compensation expense	8	8	29	25
Net derivative (gain) loss	(71)	20	(178)	(50)
Net derivative settlement gain	46	22	132	69
Amortization of deferred financing costs	2	3	10	7
Deferred income taxes	33	58	178	175
Other, net	(22)	(9)	(29)	(35)
Changes in working capital:				
Accounts receivable	25	(89)	30	(86)
Prepaid expenses and other	5	(15)	1	(13)
Accounts payable and accrued expenses	(2)	131	(17)	109
<b>Net cash provided by operating activities</b>	<b>452</b>	<b>578</b>	<b>2,011</b>	<b>1,783</b>
<b>Cash flows from investing activities:</b>				
Capital expenditures	(216)	(353)	(1,438)	(1,311)
Acquisition of proved and unproved oil and gas properties	(13)	(2,103)	(34)	(2,104)
Other, net	5	7	4	7
<b>Net cash used in investing activities</b>	<b>(224)</b>	<b>(2,449)</b>	<b>(1,468)</b>	<b>(3,407)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from revolving credit facility	—	1,019	1,570	1,019
Repayment of revolving credit facility	—	(950)	(1,638)	(950)
Net proceeds from Senior Notes	—	—	—	1,477
Cash paid to repurchase Senior Notes	—	—	—	(349)
Repurchase of common stock	—	(2)	(13)	(86)
Dividends paid	(23)	(23)	(92)	(85)
Net proceeds from sale of common stock	1	1	3	3
Other, net	—	(11)	(5)	(20)
<b>Net cash provided by (used in) financing activities</b>	<b>(22)</b>	<b>34</b>	<b>(175)</b>	<b>1,008</b>
Net change in cash, cash equivalents, and restricted cash	206	(1,837)	368	(616)
Cash, cash equivalents, and restricted cash at beginning of period	162	1,837	—	616
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 368</b>	<b>\$ —</b>	<b>\$ 368</b>	<b>\$ —</b>

Note: Prior year amounts may not calculate due to rounding.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Consolidated Statements of Cash Flows (Continued)**

(in millions)	For the Three Months Ended December		For the Twelve Months Ended December	
	31,		31,	
	2025	2024	2025	2024
<b>Supplemental schedule of additional cash flow information and non-cash activities:</b>				
Operating activities:				
Cash paid for interest, net of capitalized interest <sup>(1)</sup>	\$ (2)	\$ (5)	\$ (166)	\$ (88)
Investing activities:				
Changes in capital expenditure accruals	\$ 31	\$ 9	\$ (39)	\$ (24)

<sup>(1)</sup> Cash paid for interest, net of capitalized interest during the year ended December 31, 2024, does not include \$9 million in fees paid to secure firm commitments for senior unsecured bridge term loans, in connection with the Uinta Basin Acquisition.

## DEFINITIONS OF NON-GAAP MEASURES AND METRICS AS CALCULATED BY THE COMPANY

To supplement the presentation of its financial results prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company provides certain non-GAAP measures and metrics, which are used by management and the investment community to assess the Company's financial condition, results of operations, and cash flows, as well as compare performance from period to period and across the Company's peer group. The Company believes these measures and metrics are widely used by the investment community, including investors, research analysts and others, to evaluate and compare recurring financial results among upstream oil and gas companies in making investment decisions or recommendations. These measures and metrics, as presented, may have differing calculations among companies and investment professionals and may not be directly comparable to the same measures and metrics provided by others. A non-GAAP measure should not be considered in isolation or as a substitute for the most directly comparable GAAP measure or any other measure of a company's financial or operating performance presented in accordance with GAAP. Reconciliations of each of the Company's non-GAAP measures to the most directly comparable GAAP measure are presented below. These measures may not be comparable to similarly titled measures of other companies.

**Adjusted EBITDAX:** Adjusted EBITDAX is calculated as net income before interest expense, interest income, income taxes, depletion, depreciation, and amortization expense, exploration expense, property abandonment and impairment expense, non-cash stock-based compensation expense, derivative gains and losses net of settlements, gains and losses on divestitures, gains and losses on extinguishment of debt, and certain other items. Adjusted EBITDAX excludes certain items that the Company believes affect the comparability of operating results and can exclude items that are generally non-recurring in nature or whose timing and/or amount cannot be reasonably estimated. Adjusted EBITDAX is a non-GAAP measure that the Company believes provides useful additional information to investors and analysts, as a performance measure, for analysis of the Company's ability to internally generate funds for exploration, development, acquisitions, and to service debt. The Company is also subject to financial covenants under the Company's Credit Agreement, a material source of liquidity for the Company, based on Adjusted EBITDAX ratios. Please reference the Company's 2025 Form 10-K for discussion of the Credit Agreement and its covenants.

**Adjusted free cash flow:** Adjusted free cash flow is calculated as net cash provided by operating activities before net change in working capital, including change in certain long-term prepayments, less capital expenditures before changes in accruals. The Company uses this measure as representative of the cash from operations, in excess of capital expenditures that provides liquidity to fund discretionary obligations such as debt reduction, returning cash to stockholders or expanding the business.

**Adjusted net income and adjusted net income per diluted common share:** Adjusted net income and adjusted net income per diluted common share excludes certain items that the Company believes affect the comparability of operating results, including items that are generally non-recurring in nature or whose timing and/or amount cannot be reasonably estimated. These items include non-cash and other adjustments, such as derivative gains and losses net of settlements, impairments, net (gain) loss on divestiture activity, gains and losses on extinguishment of debt, and accruals for non-recurring matters. The Company uses these measures to evaluate the comparability of the Company's ongoing operational results and trends and believes these measures provide useful information to investors for analysis of the Company's fundamental business on a recurring basis.

**Net debt:** Net debt is calculated as the total principal amount of outstanding senior notes plus amounts drawn on the revolving credit facility less cash and cash equivalents (also referred to as total funded debt). The Company uses net debt as a measure of financial position and believes this measure provides useful additional information to investors to evaluate the Company's capital structure and financial leverage.

**Net debt-to-Adjusted EBITDAX:** Net debt-to-Adjusted EBITDAX is calculated as Net Debt (defined above) divided by Adjusted EBITDAX (defined above) for the trailing twelve-month period (also referred to as leverage ratio). A variation of this calculation is a financial covenant under the Company's Credit Agreement. The Company and the investment community may use this metric in understanding the Company's ability to service its debt and identify trends in its leverage position. The Company reconciles the two non-GAAP measure components of this calculation.

**Post-hedge:** Post-hedge is calculated as the average realized price after the effects of commodity net derivative settlements. The Company believes this metric is useful to management and the investment community to understand the effects of commodity net derivative settlements on average realized price.

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**Pre-Tax PV-10:** Pre-Tax PV-10 is the present value of estimated future revenue to be generated from the production of estimated net proved reserves, net of estimated production and future development costs, based on prices used in estimating the proved reserves and costs in effect as of the date indicated (unless such costs are subject to change pursuant to contractual provisions), without giving effect to non-property related expenses such as general and administrative expenses, debt service, future income tax expenses, or depreciation, depletion, and amortization, discounted using an annual discount rate of 10 percent. While this measure does not include the effect of income taxes as it would in the use of the standardized measure of discounted future net cash flows calculation, it does provide an indicative representation of the relative value of the Company on a comparative basis to other companies and from period to period. This measure is presented because management believes it provides useful information to investors for analysis of the Company's fundamental business on a recurring basis.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Production Data**

	For the Three Months Ended December 31,			For the Twelve Months Ended December 31,		
	2025	2024	Percent Change	2025	2024	Percent Change
<b>Realized sales price (before the effect of net derivative settlements):</b>						
Oil (per Bbl)	\$ 58.17	\$ 69.34	(16)%	\$ 63.52	\$ 74.49	(15)%
Gas (per Mcf)	\$ 1.81	\$ 2.19	(17)%	\$ 2.35	\$ 1.82	29 %
NGLs (per Bbl)	\$ 20.67	\$ 24.49	(16)%	\$ 22.22	\$ 23.01	(3)%
Equivalent (per Boe)	\$ 36.92	\$ 43.68	(15)%	\$ 41.58	\$ 42.81	(3)%
<b>Realized sales price (including the effect of net derivative settlements): <sup>(1)(2)</sup></b>						
Oil (per Bbl)	\$ 60.83	\$ 70.54	(14)%	\$ 65.18	\$ 74.92	(13)%
Gas (per Mcf)	\$ 2.28	\$ 2.50	(9)%	\$ 2.79	\$ 2.25	24 %
NGLs (per Bbl)	\$ 20.76	\$ 24.01	(14)%	\$ 22.01	\$ 22.76	(3)%
Equivalent (per Boe)	\$ 39.32	\$ 44.85	(12)%	\$ 43.32	\$ 43.91	(1)%
<b>Net production volumes: <sup>(2)</sup></b>						
Oil (MMBbl)	10.0	9.8	1 %	40.3	29.4	37 %
Gas (Bcf)	39.4	39.1	1 %	150.5	137.0	10 %
NGLs (MMBbl)	2.5	2.8	(10)%	10.1	10.2	(1)%
Equivalent (MMBoe)	19.0	19.1	(1)%	75.5	62.4	21 %
<b>Average net daily production: <sup>(2)</sup></b>						
Oil (MBbls per day)	108.4	106.9	1 %	110.5	80.2	38 %
Gas (MMcf per day)	428.3	424.8	1 %	412.3	374.3	10 %
NGLs (MBbls per day)	27.1	30.3	(10)%	27.6	27.9	(1)%
Equivalent (MBoe per day)	206.9	208.0	(1)%	206.8	170.5	21 %
<b>Per Boe data: <sup>(2)</sup></b>						
Lease operating expense	\$ 5.55	\$ 5.35	4 %	\$ 5.71	\$ 5.11	12 %
Transportation costs	\$ 3.67	\$ 4.10	(10)%	\$ 3.87	\$ 2.68	44 %
Production taxes	\$ 1.41	\$ 1.79	(21)%	\$ 1.69	\$ 1.86	(9)%
Ad valorem tax expense	\$ 0.23	\$ (0.03)	867 %	\$ 0.46	\$ 0.56	(18)%
General and administrative <sup>(3)</sup>	\$ 2.10	\$ 2.19	(4)%	\$ 2.13	\$ 2.22	(4)%
Net derivative settlement gain	\$ 2.39	\$ 1.17	104 %	\$ 1.75	\$ 1.10	59 %
Depletion, depreciation, and amortization	\$ 16.73	\$ 13.61	23 %	\$ 15.99	\$ 12.97	23 %

<sup>(1)</sup> Indicates a non-GAAP measure or metric. Please refer above to the section "Definitions of non-GAAP Measures and Metrics as Calculated by the Company" for additional information.

<sup>(2)</sup> Amounts and percentage changes may not calculate due to rounding.

<sup>(3)</sup> Includes non-cash stock-based compensation expense per Boe of \$0.31 and \$0.32 for the three months ended December 31, 2025, and 2024, respectively, and \$0.30 and \$0.32 for the twelve months ended December 31, 2025, and 2024, respectively.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Adjusted EBITDAX Reconciliation** <sup>(1)</sup>

(in millions)

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2025	2024	2025	2024
Reconciliations of net income (GAAP) and net cash provided by operating activities (GAAP) to Adjusted EBITDAX (non-GAAP):				
<b>Net income (GAAP)</b>	<b>\$ 109</b>	<b>\$ 188</b>	<b>\$ 648</b>	<b>\$ 770</b>
Interest expense	43	46	173	141
Interest income	(2)	(1)	(3)	(32)
Income tax expense	32	53	182	196
Depletion, depreciation, and amortization	319	261	1,207	809
Exploration <sup>(2)</sup>	17	15	51	59
Stock-based compensation expense	8	8	29	25
Net derivative (gain) loss	(71)	20	(178)	(50)
Net derivative settlement gain	46	22	132	69
Other, net	8	(2)	14	—
<b>Adjusted EBITDAX (non-GAAP)</b>	<b>\$ 509</b>	<b>\$ 611</b>	<b>\$ 2,255</b>	<b>\$ 1,987</b>
Interest expense	(43)	(46)	(173)	(141)
Interest income	2	1	3	32
Income tax expense	(32)	(53)	(182)	(196)
Exploration <sup>(2),(3)</sup>	(17)	(15)	(51)	(50)
Amortization of deferred financing costs	2	3	10	7
Deferred income taxes	33	58	178	175
Other, net	(30)	(7)	(42)	(44)
Net change in working capital	28	27	13	11
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$ 452</b>	<b>\$ 578</b>	<b>\$ 2,011</b>	<b>\$ 1,783</b>

Note: Prior year amounts may not calculate due to rounding.

<sup>(1)</sup> See "Definitions of non-GAAP Measures and Metrics as Calculated by the Company" above.

<sup>(2)</sup> Stock-based compensation expense is a component of the exploration expense and general and administrative expense line items on the accompanying consolidated statements of operations. Therefore, the exploration line items shown in the reconciliation above will vary from the amount shown on the accompanying consolidated statements of operations for the component of stock-based compensation expense recorded to exploration expense.

<sup>(3)</sup> For the three and twelve months ended December 31, 2024, amount excludes certain capital expenditures related to one well deemed non-commercial.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Reconciliation of Net Income to Adjusted Net Income** <sup>(1)</sup>

(in millions, except per share data)

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2025	2024	2025	2024
<b>Net income (GAAP)</b>	<b>\$ 109</b>	<b>\$ 188</b>	<b>\$ 648</b>	<b>\$ 770</b>
Net derivative (gain) loss	(71)	20	(178)	(50)
Net derivative settlement gain	46	22	132	69
Other, net	8	(2)	14	—
Tax effect of adjustments <sup>(2)</sup>	4	(9)	7	(4)
<b>Adjusted net income (non-GAAP)</b>	<b>\$ 96</b>	<b>\$ 220</b>	<b>\$ 623</b>	<b>\$ 785</b>
<b>Diluted net income per common share (GAAP)</b>	<b>\$ 0.95</b>	<b>\$ 1.64</b>	<b>\$ 5.64</b>	<b>\$ 6.67</b>
Net derivative (gain) loss	(0.63)	0.18	(1.55)	(0.43)
Net derivative settlement gain	0.40	0.19	1.15	0.59
Other, net	0.08	(0.02)	0.12	—
Tax effect of adjustments <sup>(2)</sup>	0.03	(0.08)	0.06	(0.04)
<b>Adjusted net income per diluted common share (non-GAAP)</b>	<b>\$ 0.83</b>	<b>\$ 1.91</b>	<b>\$ 5.42</b>	<b>\$ 6.80</b>
Basic weighted-average common shares outstanding	115	114	115	115
Diluted weighted-average common shares outstanding	115	115	115	116

Note: Totals may not calculate due to rounding.

<sup>(1)</sup> See "Definitions of non-GAAP Measures and Metrics as Calculated by the Company" above.

<sup>(2)</sup> The tax effect of adjustments for the three months ended December 31, 2025, and 2024, was calculated using a tax rate of 22.1% and 21.8%, respectively, and 22.1% and 21.9% for the twelve months ended December 31, 2025, and 2024, respectively. These rates approximate the Company's statutory tax rate for the respective periods, as adjusted for ordinary permanent differences.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Net Production by Operating Area**

	Fourth Quarter 2025			
	Midland Basin	South Texas	Uinta Basin	Total
Oil (MMBbl / MBbl/d)	4.8 / 52.6	1.8 / 19.1	3.4 / 36.6	10.0 / 108.4
Natural Gas (Bcf / MMcf/d)	17.4 / 189.2	18.6 / 202.7	3.4 / 36.5	39.4 / 428.3
NGLs (MMBbl / MBbl/d)	— / —	2.5 / 27.0	— / —	2.5 / 27.1
Total (MMBoe / MBoe/d)	7.7 / 84.2	7.4 / 79.9	3.9 / 42.7	19.0 / 206.9

Note: Totals may not calculate due to rounding.

	Full-Year 2025			
	Midland Basin	South Texas	Uinta Basin	Total
Oil (MMBbl / MBbl/d)	19.2 / 52.5	7.3 / 20.0	13.9 / 38.0	40.3 / 110.5
Natural Gas (Bcf / MMcf/d)	66.3 / 181.7	71.7 / 196.3	12.5 / 34.3	150.5 / 412.3
NGLs (MMBbl / MBbl/d)	— / —	10.1 / 27.6	— / —	10.1 / 27.6
Total (MMBoe / MBoe/d)	30.2 / 82.8	29.3 / 80.3	15.9 / 43.7	75.5 / 206.8

Note: Totals may not calculate due to rounding.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Regional Net Proved Oil and Gas Reserve Quantities**

	Midland Basin	South Texas	Uinta Basin	Total
<b>Year-end 2025 estimated net proved reserves</b>				
Oil (MMBbl)	117.0	74.3	92.6	283.9
Gas (Bcf)	583.0	906.3	109.2	1,598.5
NGL (MMBbl)	0.1	122.5	—	122.6
MMBoe	214.2	347.9	110.9	673.0
% Proved developed	80 %	55 %	44 %	61 %

Note: Totals may not calculate due to rounding.

**Pre-Tax PV-10 Reconciliation <sup>(1)</sup>**

(in millions)

	As of December 31,	
	2025	2024
Reconciliation of standardized measure of discounted future net cash flows (GAAP) to Pre-tax PV-10 (non-GAAP):		
<b>Standardized measure of discounted future net cash flows (GAAP)</b>	<b>\$ 5,956</b>	<b>\$ 7,268</b>
Add: 10 percent annual discount, net of income taxes	4,318	5,019
Add: future undiscounted income taxes	1,539	1,796
Pre-tax undiscounted future net cash flows	11,813	14,083
Less: 10 percent annual discount without tax effect	(4,966)	(5,727)
<b>Pre-tax PV-10 (non-GAAP)</b>	<b>\$ 6,847</b>	<b>\$ 8,356</b>

<sup>(1)</sup> See "Definitions of non-GAAP Measures and Metrics as Calculated by the Company" above.

**Reconciliation of Total Principal Amount of Debt to Net Debt <sup>(1)</sup>**

(in millions)

	As of December 31,	
	2025	2024
Principal amount of Senior Notes <sup>(2)</sup>	\$ 2,736	\$ 2,736
Revolving credit facility <sup>(2)</sup>	—	69
<b>Total principal amount of debt (GAAP)</b>	<b>2,736</b>	<b>2,805</b>
Less: Cash and cash equivalents	368	—
<b>Net debt (non-GAAP)</b>	<b>\$ 2,368</b>	<b>\$ 2,805</b>

<sup>(1)</sup> See "Definitions of non-GAAP Measures and Metrics as Calculated by the Company" above.

<sup>(2)</sup> Amounts are from *Note 5 - Long-Term Debt* in Part II, Item 8 of the Company's 2025 Form 10-K.

**SM ENERGY COMPANY**  
**FINANCIAL HIGHLIGHTS**  
December 31, 2025

**Adjusted Free Cash Flow**<sup>(1)</sup>  
(in millions)

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2025	2024	2025	2024
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$ 452</b>	<b>\$ 578</b>	<b>\$ 2,011</b>	<b>\$ 1,783</b>
Net change in working capital, including change in certain long-term prepayments	(7)	(27)	8	(11)
Cash flow from operations before net change in working capital, including change in certain long-term prepayments (non-GAAP)	445	551	2,019	1,771
<b>Capital expenditures (GAAP)</b>	<b>216</b>	<b>353</b>	<b>1,438</b>	<b>1,311</b>
Changes in capital expenditure accruals	31	9	(39)	(24)
Capital expenditures before changes in accruals (non-GAAP)	247	362	1,399	1,286
<b>Adjusted free cash flow (non-GAAP)</b>	<b>\$ 198</b>	<b>\$ 189</b>	<b>\$ 620</b>	<b>\$ 485</b>

Note: Prior year amounts may not calculate due to rounding.

<sup>(1)</sup> See "Definitions of non-GAAP Measures and Metrics as Calculated by the Company" above.

## SM ENERGY PROVIDES 2026 OUTLOOK

*Plan maximizes free cash flow and strengthens balance sheet*

*Accelerates return of capital, including a 10% dividend increase, under an enhanced framework*

**DENVER, Feb. 25, 2026** — SM Energy Company (the “Company” or “SM Energy”) (NYSE: SM) today issued its 2026 outlook, designed to maximize free cash flow through disciplined investments in its high-return development projects. It also provided a new stockholder return framework, which includes a 10% increase to its quarterly dividend policy. Accompanying slides can be found on the Company’s website at [sm-energy.com/investors/news-events/presentations](https://sm-energy.com/investors/news-events/presentations). A conference call is scheduled for 8 a.m. MT/10 a.m. ET on February 26, 2026. Participation details can be found within this release.

“Our 2026 plan maximizes free cash flow to further strengthen our balance sheet and accelerate returns to stockholders under our upgraded return of capital framework,” said Beth McDonald, President and CEO. “Our expanded, top-tier asset portfolio provides flexibility to allocate capital to our highest-return opportunities. As previously messaged, we’re adjusting activity levels to improve capital efficiency and generate higher free cash flow. The strength of our asset portfolio, combined with reduced rig activity, 14% lower capital spend, and our recently announced \$950 million asset sale, gives us the confidence to increase our fixed dividend by 10%, while prioritizing debt reduction and accelerating share buybacks.”

### 2026 OUTLOOK

The Company’s 2026 plan focuses on three strategic priorities:

- **Integrate and Capture Synergies** – Successfully integrate Civitas Resources, Inc. (“Civitas”) and action \$200–\$300 million of identified and expected synergies, of which approximately \$185 million has already been actioned to date.
- **Maximize Free Cash Flow** – Execute high-grade investments across an expanded asset portfolio to enhance capital efficiency and maximize inventory value, with a safety-first, efficiency-driven operational mindset.
- **Strengthen Capital Structure** – Bolster the balance sheet and accelerate returns to stockholders through an increased return of capital framework. Highlights include:
  - **\$1.0+ Billion Divestiture Target** – The Company’s recently announced agreement to sell \$950 million of certain South Texas assets (expected to close in the second quarter) largely accomplishes this objective and accelerates SM Energy’s path to lower leverage.
  - **Enhanced Liquidity** – As announced on January 30, 2026, the Company’s lenders increased the borrowing base to \$5.0 billion, increased commitments to \$2.5 billion, and extended the maturity date of the Company’s revolving credit facility to January 30, 2031. Total liquidity as of February 20, 2026, was \$2.9 billion.
  - **New Stockholder Return Framework** – Balances free cash flow allocation between debt reduction and returning capital to stockholders.
    - Annual fixed dividend policy increased 10% to \$0.88 per share paid quarterly, representing an expected yield of nearly 4% at current market prices. See below for information regarding declaration of the first quarter dividend.
    - Calculated on a quarterly basis, after dividend payments, the Company plans to allocate free cash flow as follows:

- Approximately 20% to share repurchases. Approximately \$488 million of availability remains under the Company's previously authorized \$500 million repurchase program, which extends through December 31, 2027.
- Approximately 80% to debt reduction.
- The Company expects to increase the allocation to share repurchases as leverage and absolute debt levels decline.

## 2026 GUIDANCE

The Company's merger with Civitas closed on January 30, 2026; therefore, full-year **2026 guidance reflects 11 months of Civitas contribution**. In addition, 2026 guidance reflects the conversion of certain acquired volumes to two-stream reporting and the planned divestiture of certain South Texas assets, expected to close in the second quarter of 2026, with an effective date of February 1, 2026.

### Full-Year 2026 Highlights:

- Capital expenditures, adjusted for accruals,<sup>(1)</sup> are expected to be \$2.65–\$2.85 billion, with \$2.3–\$2.5 billion allocated to drilling, completion and well connection.
- Total net production volumes are expected to be 146–153 MMBoe (approximately 54% oil).
- Activity levels include an average of 11 operated rigs and 4.5 completion crews (down from 15 and seven, respectively, entering 2026, on a pro forma basis). The Company expects to drill approximately 245 net wells and turn-in-line approximately 295 net wells.
  - **Permian** – The Company plans to allocate approximately 45% of capital running an average of six rigs and two completion crews to turn-in-line approximately 150 net wells.
  - **DJ** – The Company plans to allocate approximately 20% of capital running an average of one rig and one completion crew to turn-in-line approximately 80 net wells.
  - **South Texas** – The Company plans to allocate approximately 15% of capital running an average of 1.5 rigs and one completion crew to turn-in-line approximately 35 net wells.
  - **Uinta** – The Company plans to allocate approximately 20% of capital running an average of 2.5 rigs and one completion crew to turn-in-line approximately 30 net wells.

Guidance	1Q26	FY26
Total production (MMBoe)	30.5–32.5	146–153
Oil mix	~ 52%	~ 54%
Capital expenditures adjusted for accruals, <sup>(1)</sup> net of expected synergies	\$740 – \$780 million	\$2.65 – \$2.85 billion (net of \$50 million of expected synergies)
Drilling, completion and well connection		\$2.3 – \$2.5 billion
Facility, land and other		~ \$280 million
Non-recurring integration costs		~ \$70 million
Net wells drilled	~ 65	~ 245
Net wells completed	~ 65	~ 295

Notes: Key assumptions: \$60/Bbl WTI; \$3.50/MMBtu; \$24/Bbl NGL and hedges currently in place. Guidance reflects 11 months of Civitas' impact due to timing of the merger closing, the conversion of certain acquired volumes to two-stream reporting, and the planned divestiture of certain South Texas assets in 2Q26. Refer to slide 9 in the accompany presentation for a detailed reconciliation of these impacts.

For additional 1Q26 and FY26 guidance and detail refer to the accompanying slides on the Company's website at [sm-energy.com/investors/news-events/presentations](https://sm-energy.com/investors/news-events/presentations).

### BOARD DECLARES QUARTERLY CASH DIVIDEND

SM Energy's Board of Directors approved the quarterly cash dividend of \$0.22 per share of common stock outstanding. The dividend will be paid on March 23, 2026, to stockholders of record as of the close of business on March 9, 2026.

### CONFERENCE CALL AND WEBCAST

The Company plans to host a conference call and webcast at 8 a.m. MT/10 a.m. ET. on February 26, 2026. The call is accessible via:

- Webcast (available live and for replay) – on the Company's website at [sm-energy.com/investors](https://sm-energy.com/investors) (replay accessible approximately 1 hour after the live call); or
- Telephone - join the live conference call by registering at our conference call registration webpage. Dial-in for domestic toll free/International is 877-407-6050 / +1 201-689-8022.

### CONFERENCE PARTICIPATION

- **March 3, 2026 – J.P. Morgan 2026 Global High Yield & Leveraged Finance Conference.** President and Chief Executive Officer Beth McDonald and Executive Vice President and Chief Financial Officer Wade Pursell will present at 9 a.m. MT/11 a.m. ET and will participate in investor meetings at the event.
- **March 4, 2026 – Citadel SMID Cap Generalist Investor Conference.** President and Chief Executive Officer Beth McDonald and Executive Vice President and Chief Financial Officer Wade Pursell will participate in investor meetings at the event.
- **March 23, 2026 – 38th Annual ROTH Conference.** Executive Vice President and Chief Financial Officer Wade Pursell will participate in investor meetings at the event.

### DISCLOSURES

#### FORWARD LOOKING STATEMENTS

This release contains forward-looking statements within the meaning of securities laws. The words "action," "anticipate," "deliver," "demonstrate," "establish," "estimate," "expects," "goal," "generate," "guidance," "integrate," "maintain," "objectives," "optimize," "project," "target," and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this release include, among other things, the Company's 2026 strategic objectives, operational plan and priorities, including: plans to successfully integrate Civitas; expectations regarding increased scale; expectations to action and realize synergies, including the expected timing and magnitude; plans to maximize free cash flow and inventory value, increase liquidity, reduce debt, improve capital efficiency and strengthen the balance sheet and capital structure; plans to accelerate the Company's return of capital program through increased fixed quarterly dividends and share repurchases; the Company's expected annual dividend yield; the Company's expected allocation of free cash flow to its capital return program and future changes thereto; achievement of the Company's \$1 billion divestiture target in 2026; statements regarding the announced divestiture of certain South Texas assets (the "Transaction"), including the estimated timing and final purchase price, the Company's expectation that the remaining conditions to the closing of the Transaction will be satisfied or waived, the Company's expectations regarding the application of the proceeds from the Transaction; expected future commodity prices; assumptions and projections for the first quarter and full year 2026 regarding guidance for production and oil mix as a percentage of total production, capital expenditures, the number of net wells to be drilled and turned in line, and the allocation of activity and capital expenditures among our operating areas and activities. 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 2025 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.

**FOOTNOTE 1:** Indicates a non-GAAP measure or metric. Please refer to the "Definitions of non-GAAP Measures and Metrics as Calculated by the Company" section in accompanying presentation on the Company's website at [sm-energy.com/investors/news-events/presentations](http://sm-energy.com/investors/news-events/presentations), and the corresponding reconciliations to the most directly-comparable GAAP financial measures for additional information.

#### **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 states of Colorado, New Mexico, Texas and Utah. 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).

#### **INVESTOR CONTACTS**

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