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**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): August 4, 2025**

**DIAMONDBACK ENERGY, INC.**  
(Exact Name of Registrant as Specified in Charter)

<b>DE</b> (State or other jurisdiction of incorporation)	<b>001-35700</b> (Commission File Number)	<b>45-4502447</b> (I.R.S. Employer Identification Number)
<b>500 West Texas Ave., Suite 100 Midland, TX</b> (Address of principal executive offices)		<b>79701</b> (Zip code)

**(432) 221-7400**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- 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 Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	FANG	The Nasdaq Stock Market LLC (NASDAQ Global Select Market)

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.**

On August 4, 2025, Diamondback Energy, Inc. (the “Company”) issued a press release announcing financial and operating results for the second quarter ended June 30, 2025, including the second quarter 2025 base cash dividend (the “earnings release”). A copy of the earnings release is furnished to the Securities and Exchange Commission (the “SEC”) as Exhibit 99.1 to this Current Report on Form 8-K. The Company also issued a letter to its stockholders as a supplement to the earnings release, which is furnished to the SEC as Exhibit 99.2 to this Current Report on Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

*(d) Exhibits*

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Press release, dated August 4, 2025, entitled “Diamondback Energy, Inc. Announces Second Quarter 2025 Financial and Operating Results.”</a>
99.2	<a href="#">Letter to Stockholders, dated August 4, 2025, issued by the Company.</a>
104	Cover Page Interactive Data File (formatted as Inline XBRL).

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DIAMONDBACK ENERGY, INC.

Date: August 4, 2025

By: /s/ Teresa L. Dick  
Name: Teresa L. Dick  
Title: Executive Vice President, Chief Accounting Officer and  
Assistant Secretary



## DIAMONDBACK ENERGY, INC. ANNOUNCES SECOND QUARTER 2025 FINANCIAL AND OPERATING RESULTS

Midland, TX (August 4, 2025) - Diamondback Energy, Inc. (NASDAQ: FANG) (“Diamondback” or the “Company”) today announced financial and operating results for the second quarter ended June 30, 2025.

### SECOND QUARTER 2025 AND RECENT HIGHLIGHTS

- Average oil production of 495.7 MBO/d (919.9 MBOE/d)
- Net cash provided by operating activities of \$1.7 billion; Operating Cash Flow Before Working Capital Changes (as defined and reconciled below) of \$2.1 billion
- Cash capital expenditures of \$864 million
- Free Cash Flow (as defined and reconciled below) of \$1.2 billion; Adjusted Free Cash Flow (as defined and reconciled below) of \$1.3 billion
- Declared Q2 2025 base cash dividend of \$1.00 per share payable on August 21, 2025; implies a 2.7% annualized yield based on August 1, 2025 closing share price of \$146.14
- Repurchased 2,991,653 shares of common stock in Q2 2025 for \$398 million excluding excise tax (at a weighted average price of \$133.15 per share); repurchased 1,669,115 shares of common stock to date in Q3 2025 for \$238 million excluding excise tax (at a weighted average price of \$142.45 per share)
- Total Q2 2025 return of capital of \$691 million; represents ~52% of Adjusted Free Cash Flow (as defined and reconciled below) from stock repurchases and the declared Q2 2025 base dividend
- Repurchased \$252 million in aggregate principal amount across Diamondback's Senior notes due 2031, 2051, 2052 and 2054 at a weighted average price of 76.8% of par (~\$196 million)
- On July 31st, the Company's Board of Directors approved a \$2.0 billion increase to the share repurchase authorization to \$8.0 billion from \$6.0 billion previously, leaving approximately \$3.5 billion of current availability for future repurchases

### UPDATED 2025 GUIDANCE HIGHLIGHTS

- Narrowing full year oil production guidance to 485 - 492 MBO/d and increasing annual BOE guidance by 2% to 890 - 910 MBOE/d
- Lowering full year cash capital expenditures to \$3.4 - \$3.6 billion; \$100 million (3%) below prior midpoint and down \$500 million (13%) from original full year 2025 guidance midpoint
- Implies full year 2025 oil production per million dollars of cash capital expenditures ("MBO per \$MM of CAPEX") of 50.9, ~14% better than original guidance
- The Company expects to drill 425 - 450 gross (395 - 418 net) wells and complete between 490 - 515 gross (458 - 482 net) wells with an average lateral length of approximately 11,500 feet in 2025
- Q3 2025 oil production guidance of 485 - 495 MBO/d (890 - 920 MBOE/d)
- Q3 2025 cash capital expenditures guidance of \$750 - \$850 million

## OPERATIONS UPDATE

The tables below provide a summary of operating activity for the three and six months ended June 30, 2025:

Area:	Three Months Ended June 30, 2025				Six Months Ended June 30, 2025			
	Drilled		Completed		Drilled		Completed	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Midland Basin	121	113	108	103	245	229	224	215
Delaware Basin	1	1	8	6	3	3	15	13
Total	122	114	116	109	248	232	239	228

### Total Activity (Gross Operated):

	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
	Number of Wells Drilled	Number of Wells Completed	Number of Wells Drilled	Number of Wells Completed
<b>Midland Basin:</b>				
Upper Spraberry	1	8	5	10
Middle Spraberry	9	13	17	21
Jo Mill	26	11	44	28
Lower Spraberry	27	21	54	49
Dean	5	8	12	12
Wolfcamp A	24	11	45	39
Wolfcamp B	26	31	58	53
Wolfcamp D	1	3	5	6
Barnett	2	2	5	6
Midland Basin Total	121	108	245	224
<b>Delaware Basin:</b>				
2nd Bone Spring	—	—	—	2
3rd Bone Spring	1	5	2	8
Wolfcamp A	—	3	1	5
Delaware Basin Total	1	8	3	15
Total Company Operated	122	116	248	239

During the second quarter of 2025, the Company turned 108 operated wells to production in the Midland Basin and eight gross wells in the Delaware Basin, with an average lateral length of 13,402 feet. For the six months ended June 30, 2025, the Company turned 224 operated wells to production in the Midland Basin and 15 operated wells to production in the Delaware Basin. The average lateral length for wells completed during the six months ended June 30, 2025 was 12,656 feet.

## FINANCIAL UPDATE

Diamondback's second quarter 2025 net income was \$699 million, or \$2.38 per diluted share. Adjusted net income (as defined and reconciled below) for the second quarter was \$785 million, or \$2.67 per diluted share.

Second quarter 2025 net cash provided by operating activities was \$1.7 billion.

During the second quarter of 2025, Diamondback spent \$707 million on operated drilling and completions, \$90 million on capital workovers, non-operated drilling and completions and science and \$67 million on infrastructure, environmental and midstream, for total cash capital expenditures of \$864 million. For the first half of 2025, Diamondback spent \$1.6 billion on operated drilling and completions, \$111 million on capital workovers, non-operated drilling and completions and science and \$124 million on infrastructure, environmental and midstream, for total cash capital expenditures of \$1.8 billion.

Second quarter 2025 Consolidated Adjusted EBITDA (as defined and reconciled below) was \$2.4 billion. Adjusted EBITDA net of non-controlling interest (as defined and reconciled below) for the second quarter was \$2.3 billion. For the first half of 2025, Consolidated Adjusted EBITDA was \$5.4 billion. Adjusted EBITDA net of non-controlling interest for the first half of 2025 was \$5.1 billion.

Diamondback's second quarter 2025 Free Cash Flow (as defined and reconciled below) was \$1.2 billion. Adjusted Free Cash Flow (as reconciled and defined below) for the second quarter was \$1.3 billion. For the first half of 2025, Diamondback's Free Cash Flow was \$2.8 billion, with \$2.9 billion of Adjusted Free Cash Flow over the same period.

Second quarter 2025 average unhedged realized prices were \$63.23 per barrel of oil, \$0.88 per Mcf of natural gas and \$18.13 per barrel of natural gas liquids ("NGLs"), resulting in a total equivalent unhedged realized price of \$39.61 per BOE.

Diamondback's cash operating costs for the second quarter of 2025 were \$10.10 per BOE, including lease operating expenses ("LOE") of \$5.26 per BOE, cash general and administrative ("G&A") expenses of \$0.55 per BOE, production and ad valorem taxes of \$2.56 per BOE and gathering, processing and transportation expenses of \$1.73 per BOE.

As of June 30, 2025, Diamondback had \$191 million in standalone cash and \$595 million of borrowings outstanding under its revolving credit facility, with approximately \$1.9 billion available for future borrowings under the facility and approximately \$2.1 billion of total liquidity. As of June 30, 2025, the Company had consolidated total debt of \$15.3 billion and consolidated net debt (as defined and reconciled below) of \$15.1 billion.

## **DIVIDEND DECLARATIONS**

Diamondback announced today that the Company's Board of Directors declared a base cash dividend of \$1.00 per common share for the second quarter of 2025 payable on August 21, 2025 to stockholders of record at the close of business on August 14, 2025.

Future base and variable dividends remain subject to review and approval at the discretion of the Company's Board of Directors.

## **COMMON STOCK REPURCHASE PROGRAM**

During the second quarter of 2025, Diamondback repurchased ~3.0 million shares of common stock at an average share price of \$133.15 for a total cost of approximately \$398 million, excluding excise tax. We have repurchased ~1.7 million shares of common stock to date in Q3 2025 for \$238 million excluding excise tax (at a weighted average price of \$142.45 per share). To date, Diamondback has repurchased ~32.9 million shares of common stock at an average share price of \$137.86 for a total cost of approximately \$4.5 billion. On July 31, 2025 the Company's Board of Directors approved an incremental \$2.0 billion increase to the Company's share repurchase authorization program, lifting total buyback capacity to \$8.0 billion (excluding excise tax), of which approximately \$3.5 billion (excluding excise tax) remains available for future repurchases as of the date of this release. Subject to factors discussed below, Diamondback intends to continue to purchase common stock under the common stock repurchase program opportunistically with cash on hand, free cash flow from operations and proceeds from potential liquidity events such as the sale of assets. This repurchase program has no time limit and may be suspended from time to time, modified, extended or discontinued by the Board at any time. Purchases under the repurchase program may be made from time to time in privately negotiated transactions, or in open market transactions in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, and will be subject to market conditions, applicable regulatory and legal requirements and other factors. Any common stock purchased as part of this program will be retired.

## FULL YEAR 2025 GUIDANCE

Below is Diamondback's updated guidance for the full year 2025, which includes third quarter production, cash tax and capital guidance. This guidance does not give effect to the pending acquisition by the Company's publicly traded subsidiary Viper Energy, Inc. ("Viper") of Sitio Royalties Corp. (the "Sitio Acquisition"), which is expected to close in the third quarter of 2025 pending stockholder approval and the satisfaction or waiver of other customary closing conditions.

	<b>2025 Guidance Diamondback Energy, Inc.</b>	<b>2025 Guidance Viper Energy, Inc.</b>
2025 Net production - MBOE/d	890 - 910 <i>(from 857 - 900)</i>	76.5 - 81.5
2025 Oil production - MBO/d	485 - 492 <i>(from 480 - 495)</i>	41.0 - 43.5
Q3 2025 Oil production - MBO/d (total - MBOE/d)	485 - 495 (890 - 920)	46.0 - 49.0 (86.0 - 92.0)
<b><u>Unit costs (\$/BOE)</u></b>		
Lease operating expenses, including workovers	\$5.30 - \$5.70 <i>(from \$5.65 - \$6.05)</i>	
<b>G&amp;A</b>		
Cash G&A	\$0.60 - \$0.75	\$0.80 - \$1.00
Non-cash equity-based compensation	\$0.25 - \$0.35	\$0.10 - \$0.20
DD&A	\$14.50 - \$15.50 <i>(from \$14.00 - \$15.00)</i>	\$16.50 - \$17.50
Interest expense (net of interest income)	\$0.60 - \$0.80 <i>(from \$0.40 - \$0.65)</i>	\$2.00 - \$2.50
Gathering, processing and transportation	\$1.60 - \$1.75 <i>(from \$1.40 - \$1.60)</i>	
Production and ad valorem taxes (% of revenue)	~7%	~7%
Corporate tax rate (% of pre-tax income)	23%	
Cash tax rate (% of pre-tax income)	15% - 18% <i>(from 19% - 22%)</i>	21% - 23%
Q3 2025 Cash taxes (\$ - million) <sup>(1) (2)</sup>	\$50 - \$110	\$13 - \$18
<b><u>Capital Budget (\$ - million)</u></b>		
Operated drilling and completion	\$2,850 - \$2,950 <i>(from \$2,780 - \$3,090)</i>	
Capital workovers, non-operated properties and science	\$250 - \$300 <i>(from \$280 - \$320)</i>	
Infrastructure, environmental and midstream <sup>(3)</sup>	\$300 - \$350 <i>(from \$340 - \$390)</i>	
2025 Total capital expenditures	\$3,400 - \$3,600 <i>(from \$3,400 - \$3,800)</i>	
Q3 2025 Capital expenditures	\$750 - \$850	
Gross horizontal wells drilled (net)	425 - 450 (395 - 418) <i>(from 385 - 435 (349 - 395))</i>	
Gross horizontal wells completed (net)	490 - 515 (458 - 482) <i>(from 475 - 550 (444 - 514))</i>	
Average lateral length (Ft.)	~11,500'	
FY 2025 Midland Basin well costs per lateral foot	\$550 - \$580 <i>(from \$550 - \$590)</i>	
FY 2025 Delaware Basin well costs per lateral foot	\$860 - \$910	
Midland Basin completed net lateral feet (%)	~95%	
Delaware Basin completed net lateral feet (%)	~5%	

<sup>(1)</sup> Includes approximately \$20-25 million from gains on sales of assets expected to close in the third quarter.

<sup>(2)</sup> Includes estimated favorable impact on the year-to-date period of tax legislation enacted in the third quarter.

<sup>(3)</sup> Includes approximately \$60 million in estimated midstream capital expenditures for the full year 2025.

## **CONFERENCE CALL**

Diamondback will host a conference call and webcast for investors and analysts to discuss its results for the second quarter of 2025 on Tuesday, August 5, 2025 at 8:00 a.m. CT. Access to the webcast, and replay which will be available following the call, may be found here. The live webcast of the earnings conference call will also be available via Diamondback's website at [www.diamondbackenergy.com](http://www.diamondbackenergy.com) under the "Investor Relations" section of the site.

About Diamondback Energy, Inc.

Diamondback is an independent oil and natural gas company headquartered in Midland, Texas focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves primarily in the Permian Basin in West Texas. For more information, please visit [www.diamondbackenergy.com](http://www.diamondbackenergy.com).

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which involve risks, uncertainties, and assumptions. All statements, other than statements of historical fact, including statements regarding Diamondback's: future performance; business strategy; future operations (including drilling plans and capital plans); estimates and projections of revenues, losses, costs, expenses, returns, cash flow, and financial position; reserve estimates and its ability to replace or increase reserves; anticipated benefits or other effects of strategic transactions including the recently completed Endeavor merger, the recently completed Double Eagle acquisition and other acquisitions or divestitures including Viper's pending Sitio Acquisition; and plans and objectives of management (including plans for future cash flow from operations and for executing environmental strategies) are forward-looking statements. When used in this news release, the words "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "future," "guidance," "intend," "may," "model," "outlook," "plan," "positioned," "potential," "predict," "project," "seek," "should," "target," "will," "would," and similar expressions (including the negative of such terms) as they relate to Diamondback are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Although Diamondback believes that the expectations and assumptions reflected in its forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond Diamondback's control. Accordingly, forward-looking statements are not guarantees of future performance and Diamondback's actual outcomes could differ materially from what Diamondback has expressed in its forward-looking statements.

Factors that could cause the outcomes to differ materially include (but are not limited to) the following: changes in supply and demand levels for oil, natural gas, and natural gas liquids, and the resulting impact on the price for those commodities; the impact of public health crises, including epidemic or pandemic diseases and any related company or government policies or actions; changes in U.S. energy, environmental, monetary and trade policies, including with respect to tariffs or other trade barriers, and any resulting trade tensions; actions taken by the members of OPEC and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments, including any impact of the conflicts in the Middle East and other regions on the global energy markets and geopolitical stability; instability in the financial markets; inflationary pressures on the cost of products or services used in our operations due to the imposition of tariffs or otherwise; higher interest rates and their impact on the cost of capital; regional supply and demand factors, including delays, curtailment delays or interruptions of production, or governmental orders, rules or regulations that impose production limits; federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the

effect of existing and future laws and governmental regulations; physical and transition risks relating to climate change; those risks described in Item 1A of Diamondback's Annual Report on Form 10-K, filed with the SEC on February 26, 2025, and those risks disclosed in its subsequent filings on Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the SEC's website at <http://www.sec.gov> and Diamondback's website at [www.diamondbackenergy.com/investors](http://www.diamondbackenergy.com/investors).

In light of these factors, the events anticipated by Diamondback's forward-looking statements may not occur at the time anticipated or at all. Moreover, Diamondback operates in a very competitive and rapidly changing environment and new risks emerge from time to time. Diamondback cannot predict all risks, nor can it assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those anticipated by any forward-looking statements it may make. Accordingly, you should not place undue reliance on any forward-looking statements. All forward-looking statements speak only as of the date of this letter or, if earlier, as of the date they were made. Diamondback does not intend to, and disclaims any obligation to, update or revise any forward-looking statements unless required by applicable law.

**Diamondback Energy, Inc.**  
**Condensed Consolidated Balance Sheets**  
(unaudited, in millions, except share amounts)

	June 30, 2025	December 31, 2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (\$28 million and \$27 million related to Viper)	\$ 219	\$ 161
Restricted cash	2	3
Accounts receivable:		
Joint interest and other, net	256	198
Oil and natural gas sales, net (\$203 million and \$149 million related to Viper)	1,278	1,387
Inventories	115	116
Derivative instruments	117	168
Prepaid expenses and other current assets	79	77
Total current assets	<u>2,066</u>	<u>2,110</u>
Property and equipment:		
Oil and natural gas properties, full cost method of accounting (\$24,206 million and \$22,666 million excluded from amortization at June 30, 2025 and December 31, 2024, respectively) (\$10,560 million and \$5,713 million related to Viper and \$3,873 million and \$2,180 million excluded from amortization related to Viper)	89,302	82,240
Other property, equipment and land	1,456	1,440
Accumulated depletion, depreciation, amortization and impairment (\$1,272 million and \$1,081 million related to Viper)	<u>(21,529)</u>	<u>(19,208)</u>
Property and equipment, net	69,229	64,472
Funds held in escrow	1	1
Equity method investments	388	375
Derivative instruments	—	2
Deferred income taxes, net (\$42 million and \$185 million related to Viper)	42	173
Other assets	215	159
Total assets	<u>\$ 71,941</u>	<u>\$ 67,292</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable - trade	\$ 210	\$ 253
Accrued capital expenditures	793	690
Current maturities of debt	14	900
Other accrued liabilities	881	1,020
Revenues and royalties payable	1,563	1,491
Derivative instruments	21	43
Income taxes payable	277	414
Total current liabilities	<u>3,759</u>	<u>4,811</u>
Long-term debt (\$1,098 million and \$1,083 million related to Viper)	15,119	12,075
Derivative instruments	93	106
Asset retirement obligations	616	573
Deferred income taxes	9,516	9,826
Other long-term liabilities	19	39
Total liabilities	<u>29,122</u>	<u>27,430</u>
Stockholders' equity:		
Common stock, \$0.01 par value; 800,000,000 shares authorized; 291,155,296 and 290,984,373 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	3	3
Additional paid-in capital	33,127	33,501
Retained earnings (accumulated deficit)	5,758	4,238
Accumulated other comprehensive income (loss)	<u>(7)</u>	<u>(6)</u>
Total Diamondback Energy, Inc. stockholders' equity	38,881	37,736
Non-controlling interest	3,938	2,126
Total equity	<u>42,819</u>	<u>39,862</u>
Total liabilities and stockholders' equity	<u>\$ 71,941</u>	<u>\$ 67,292</u>

**Diamondback Energy, Inc.**  
**Condensed Consolidated Statements of Operations**  
(unaudited, \$ in millions except per share data, shares in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenues:</b>				
Oil, natural gas and natural gas liquid sales	\$ 3,316	\$ 2,174	\$ 6,973	\$ 4,275
Sales of purchased oil	335	300	709	416
Other operating income	27	9	44	19
Total revenues	<u>3,678</u>	<u>2,483</u>	<u>7,726</u>	<u>4,710</u>
<b>Costs and expenses:</b>				
Lease operating expenses	440	254	848	509
Production and ad valorem taxes	214	141	442	260
Gathering, processing and transportation	145	82	256	159
Purchased oil expense	331	299	713	416
Depreciation, depletion, amortization and accretion	1,266	483	2,363	952
General and administrative expenses	67	46	140	92
Merger and transaction expenses	40	3	77	15
Other operating expenses	36	19	75	33
Total costs and expenses	<u>2,539</u>	<u>1,327</u>	<u>4,914</u>	<u>2,436</u>
<b>Income (loss) from operations</b>	1,139	1,156	2,812	2,274
<b>Other income (expense):</b>				
Interest expense, net	(56)	(44)	(96)	(83)
Other income (expense), net	(2)	1	25	(2)
Gain (loss) on derivative instruments, net	(197)	18	29	(30)
Gain (loss) on extinguishment of debt	55	—	55	2
Income (loss) from equity investments, net	4	15	12	17
Total other income (expense), net	<u>(196)</u>	<u>(10)</u>	<u>25</u>	<u>(96)</u>
<b>Income (loss) before income taxes</b>	943	1,146	2,837	2,178
Provision for (benefit from) income taxes	204	252	607	475
<b>Net income (loss)</b>	739	894	2,230	1,703
Net income (loss) attributable to non-controlling interest	40	57	126	98
<b>Net income (loss) attributable to Diamondback Energy, Inc.</b>	<u>\$ 699</u>	<u>\$ 837</u>	<u>\$ 2,104</u>	<u>\$ 1,605</u>
<b>Earnings (loss) per common share:</b>				
Basic	\$ 2.38	\$ 4.66	\$ 7.20	\$ 8.93
Diluted	\$ 2.38	\$ 4.66	\$ 7.20	\$ 8.93
<b>Weighted average common shares outstanding:</b>				
Basic	292,135	178,360	290,880	178,418
Diluted	292,135	178,360	290,880	178,418

**Diamondback Energy, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(unaudited, in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Cash flows from operating activities:</b>				
Net income (loss)	\$ 739	\$ 894	\$ 2,230	\$ 1,703
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Provision for (benefit from) deferred income taxes	(24)	77	(18)	129
Depreciation, depletion, amortization and accretion	1,266	483	2,363	952
(Gain) loss on extinguishment of debt	(55)	—	(55)	(2)
(Gain) loss on derivative instruments, net	197	(18)	(29)	30
Cash received (paid) on settlement of derivative instruments	(37)	(28)	48	(32)
(Income) loss from equity investment, net	(4)	(15)	(12)	(17)
Equity-based compensation expense	21	19	39	33
Other	3	41	27	57
Changes in operating assets and liabilities:				
Accounts receivable	166	50	160	(45)
Income tax receivable	—	—	3	12
Prepaid expenses and other current assets	(22)	—	(16)	89
Accounts payable and accrued liabilities	(9)	15	(383)	(95)
Income taxes payable	(444)	(85)	(309)	(15)
Revenues and royalties payable	(114)	49	(30)	14
Other	(6)	47	14	50
Net cash provided by (used in) operating activities	1,677	1,529	4,032	2,863
<b>Cash flows from investing activities:</b>				
Additions to oil and natural gas properties	(864)	(637)	(1,806)	(1,246)
Property acquisitions	(3,125)	(50)	(3,875)	(203)
Proceeds from sale of assets	16	240	57	252
Other	(6)	(2)	(8)	(3)
Net cash provided by (used in) investing activities	(3,979)	(449)	(5,632)	(1,200)
<b>Cash flows from financing activities:</b>				
Proceeds under term loan agreements	1,500	—	1,500	—
Repayments under term loan agreements	(900)	—	(900)	—
Proceeds from borrowings under credit facilities	3,645	84	5,922	174
Repayments under credit facilities	(2,725)	(180)	(5,263)	(260)
Proceeds from senior notes	—	5,500	1,200	5,500
Repayment of senior notes	(244)	—	(244)	(25)
Repurchased shares under buyback program	(398)	—	(973)	(42)
Proceeds from partial sale of investment in Viper Energy, Inc.	—	—	—	451
Net proceeds from Viper's issuance of common stock	—	—	1,232	—
Dividends paid to stockholders	(291)	(352)	(581)	(900)
Dividends to non-controlling interest	(82)	(54)	(177)	(98)
Other	(23)	(66)	(59)	(137)
Net cash provided by (used in) financing activities	482	4,932	1,657	4,663
Net increase (decrease) in cash and cash equivalents	(1,820)	6,012	57	6,326
Cash, cash equivalents and restricted cash at beginning of period	2,041	899	164	585
Cash, cash equivalents and restricted cash at end of period	\$ 221	\$ 6,911	\$ 221	\$ 6,911

**Diamondback Energy, Inc.**  
**Selected Operating Data**  
(unaudited)

	Three Months Ended		
	June 30, 2025	March 31, 2025	June 30, 2024
<b>Production Data:</b>			
Oil (MBbls)	45,108	42,835	25,129
Natural gas (MMcf)	110,119	100,578	51,310
Natural gas liquids (MBbls)	20,248	16,961	9,514
Combined volumes (MBOE) <sup>(1)</sup>	83,709	76,559	43,195
Daily oil volumes (BO/d)	495,692	475,944	276,143
Daily combined volumes (BOE/d)	919,879	850,656	474,670
<b>Average Prices:</b>			
Oil (\$ per Bbl)	\$ 63.23	\$ 70.95	\$ 79.51
Natural gas (\$ per Mcf)	\$ 0.88	\$ 2.11	\$ 0.10
Natural gas liquids (\$ per Bbl)	\$ 18.13	\$ 23.94	\$ 17.97
Combined (\$ per BOE)	\$ 39.61	\$ 47.77	\$ 50.33
Oil, hedged (\$ per Bbl) <sup>(2)</sup>	\$ 62.34	\$ 70.06	\$ 78.55
Natural gas, hedged (\$ per Mcf) <sup>(2)</sup>	\$ 1.45	\$ 3.34	\$ 1.03
Natural gas liquids, hedged (\$ per Bbl) <sup>(2)</sup>	\$ 18.13	\$ 23.94	\$ 17.97
Average price, hedged (\$ per BOE) <sup>(2)</sup>	\$ 39.89	\$ 48.89	\$ 50.89
<b>Average Costs per BOE:</b>			
Lease operating expenses	\$ 5.26	\$ 5.33	\$ 5.88
Production and ad valorem taxes	2.56	2.98	3.26
Gathering, processing and transportation expense	1.73	1.45	1.90
General and administrative - cash component	0.55	0.72	0.63
Total operating expense - cash	\$ 10.10	\$ 10.48	\$ 11.67
General and administrative - non-cash component	\$ 0.25	\$ 0.24	\$ 0.44
Depreciation, depletion, amortization and accretion	\$ 15.12	\$ 14.33	\$ 11.18
Interest expense, net	\$ 0.67	\$ 0.52	\$ 1.02

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.

(2) Hedged prices reflect the effect of our commodity derivative transactions on our average sales prices and include gains and losses on cash settlements for matured commodity derivatives, which we do not designate for hedge accounting. Hedged prices exclude gains or losses resulting from the early settlement of commodity derivative contracts.

## **NON-GAAP FINANCIAL MEASURES**

### **ADJUSTED EBITDA**

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Adjusted EBITDA as net income (loss) attributable to Diamondback Energy, Inc., plus net income (loss) attributable to non-controlling interest ("net income (loss)") before non-cash (gain) loss on derivative instruments, net, interest expense, net, depreciation, depletion, amortization and accretion, depreciation and interest expense related to equity method investments, (gain) loss on extinguishment of debt, non-cash equity-based compensation expense, capitalized equity-based compensation expense, merger and transaction expenses, other non-cash transactions and provision for (benefit from) income taxes. Adjusted EBITDA is not a measure of net income as determined by United States generally accepted accounting principles ("GAAP"). Management believes Adjusted EBITDA is useful because the measure allows it to more effectively evaluate the Company's operating performance and compare the results of its operations from period to period without regard to its financing methods or capital structure. The Company adds the items listed above to net income (loss) to determine Adjusted EBITDA because these amounts can vary substantially from company to company within its industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Further, the Company excludes the effects of significant transactions that may affect earnings but are unpredictable in nature, timing and amount, although they may recur in different reporting periods. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income 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 in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets. The Company's computation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies or to such measure in our credit facility or any of our other contracts.

The following tables present a reconciliation of the GAAP financial measure of net income (loss) attributable to Diamondback Energy, Inc. to the non-GAAP financial measure of Adjusted EBITDA:

**Diamondback Energy, Inc.**  
**Reconciliation of Net Income (Loss) to Adjusted EBITDA**  
(unaudited, in millions)

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
<b>Net income (loss) attributable to Diamondback Energy, Inc.</b>	\$ 699	\$ 2,104
Net income (loss) attributable to non-controlling interest	40	126
<b>Net income (loss)</b>	<b>739</b>	<b>2,230</b>
Non-cash (gain) loss on derivative instruments, net	160	19
Interest expense, net	56	96
Depreciation, depletion, amortization and accretion	1,266	2,363
Depreciation and interest expense related to equity method investments	24	45
(Gain) loss on extinguishment of debt	(55)	(55)
Non-cash equity-based compensation expense	31	54
Capitalized equity-based compensation expense	(10)	(15)
Merger and transaction expenses	40	77
Other non-cash transactions	(13)	(32)
Provision for (benefit from) income taxes	204	607
<b>Consolidated Adjusted EBITDA</b>	<b>2,442</b>	<b>5,389</b>
Less: Adjustment for non-controlling interest	131	277
<b>Adjusted EBITDA attributable to Diamondback Energy, Inc.</b>	<b>\$ 2,311</b>	<b>\$ 5,112</b>

## **ADJUSTED NET INCOME**

Adjusted net income is a non-GAAP financial measure equal to net income (loss) attributable to Diamondback Energy, Inc. plus net income (loss) attributable to non-controlling interest ("net income (loss)") adjusted for non-cash (gain) loss on derivative instruments, net, (gain) loss on extinguishment of debt, merger and transaction expenses, other non-cash transactions and related income tax adjustments. The Company's computation of adjusted net income may not be comparable to other similarly titled measures of other companies or to such measure in our credit facility or any of our other contracts. Management believes adjusted net income helps investors in the oil and natural gas industry to measure and compare the Company's performance to other oil and natural gas companies by excluding from the calculation items that can vary significantly from company to company depending upon accounting methods, the book value of assets and other non-operational factors. Further, in order to allow investors to compare the Company's performance across periods, the Company excludes the effects of significant transactions that may affect earnings but are unpredictable in nature, timing and amount, although they may recur in different reporting periods.

The following table presents a reconciliation of the GAAP financial measure of net income (loss) attributable to Diamondback Energy, Inc. to the non-GAAP measure of adjusted net income:

**Diamondback Energy, Inc.**  
**Adjusted Net Income**  
(unaudited, \$ in millions except per share data, shares in thousands)

	<b>Three Months Ended June 30, 2025</b>	
	<b>Amounts</b>	<b>Amounts Per Diluted Share</b>
<b>Net income (loss) attributable to Diamondback Energy, Inc.<sup>(1)</sup></b>	\$ 699	\$ 2.38
Net income (loss) attributable to non-controlling interest	40	0.14
<b>Net income (loss)<sup>(1)</sup></b>	<b>739</b>	<b>2.52</b>
Non-cash (gain) loss on derivative instruments, net	160	0.55
(Gain) loss on extinguishment of debt	(55)	(0.19)
Merger and transaction expenses	40	0.14
Other non-cash transactions	(13)	(0.04)
Adjusted net income excluding above items <sup>(1)</sup>	871	2.97
Income tax adjustment for above items	(29)	(0.10)
<b>Adjusted net income<sup>(1)</sup></b>	<b>842</b>	<b>2.87</b>
Less: Adjusted net income attributable to non-controlling interest	57	0.20
<b>Adjusted net income attributable to Diamondback Energy, Inc.<sup>(1)</sup></b>	<b>\$ 785</b>	<b>\$ 2.67</b>
<b>Weighted average common shares outstanding:</b>		
Basic		292,135
Diluted		292,135

(1) The Company's earnings (loss) per diluted share amount has been computed using the two-class method in accordance with GAAP. The two-class method is an earnings allocation which reflects the respective ownership among holders of common stock and participating securities. Diluted earnings per share using the two-class method is calculated as (i) net income attributable to Diamondback Energy, Inc, (ii) less the reallocation of \$4 million in earnings attributable to participating securities, (iii) divided by diluted weighted average common shares outstanding for the respective periods.

## **OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES AND FREE CASH FLOW**

Operating cash flow before working capital changes, which is a non-GAAP financial measure, represents net cash provided by operating activities as determined under GAAP without regard to changes in operating assets and liabilities. The Company believes operating cash flow before working capital changes is a useful measure of an oil and natural gas company's ability to generate cash used to fund exploration, development and acquisition activities and service debt or pay dividends. The Company also uses this measure because changes in operating assets and liabilities relate to the timing of cash receipts and disbursements that the Company may not control and may not relate to the period in which the operating activities occurred. This allows the Company to compare its operating performance with that of other companies without regard to financing methods and capital structure.

The Company defines Free Cash Flow, which is a non-GAAP financial measure, as cash flow from operating activities before changes in working capital in excess of cash capital expenditures. The Company defines Adjusted Free Cash Flow, which is a non-GAAP financial measure, as Free Cash Flow before merger and transaction expenses, costs of early termination of derivatives and settlements of any treasury locks. The Company believes that Free Cash Flow and Adjusted Free Cash Flow are useful to investors as it provides measures to compare both cash flow from operating activities and additions to oil and natural gas properties across periods on a consistent basis, adjusted, as applicable, for non-recurring impacts from divestitures, merger and transaction expenses, the early termination of derivative contracts and settlements of treasury locks. These measures should not be considered as an alternative to, or more meaningful than, net cash provided by operating activities as an indicator of operating performance. The Company's computation of Free Cash Flow may not be comparable to other similarly titled measures of other companies. The Company uses Free Cash Flow to reduce debt, as well as return capital to stockholders as determined by the Board of Directors.

The following tables present a reconciliation of the GAAP financial measure of net cash provided by operating activities to the non-GAAP measure of operating cash flow before working capital changes and to the non-GAAP measures of Free Cash Flow and Adjusted Free Cash Flow:

**Diamondback Energy, Inc.**  
**Operating Cash Flow Before Working Capital Changes and Free Cash Flow**  
(unaudited, in millions)

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
<b>Net cash provided by operating activities</b>	\$ 1,677	\$ 4,032
Less: Changes in cash due to changes in operating assets and liabilities:		
Accounts receivable	166	160
Income tax receivable	—	3
Prepaid expenses and other current assets	(22)	(16)
Accounts payable and accrued liabilities	(9)	(383)
Income taxes payable	(444)	(309)
Revenues and royalties payable	(114)	(30)
Other	(6)	14
<b>Total working capital changes</b>	(429)	(561)
<b>Operating cash flow before working capital changes</b>	2,106	4,593
Additions to oil and natural gas properties	(864)	(1,806)
<b>Total Cash CAPEX</b>	(864)	(1,806)
<b>Free Cash Flow</b>	1,242	2,787
Merger and transaction expenses	40	77
Early termination of derivatives	52	52
Treasury locks	—	1
<b>Adjusted Free Cash Flow</b>	\$ 1,334	\$ 2,917

## NET DEBT

The Company defines the non-GAAP measure of net debt as total debt (excluding debt issuance costs, discounts, premiums and unamortized basis adjustments) less cash and cash equivalents. Net debt should not be considered an alternative to, or more meaningful than, total debt, the most directly comparable GAAP measure. Management uses net debt to determine the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand. The Company believes this metric is useful to analysts and investors in determining the Company's leverage position because the Company has the ability to, and may decide to, use a portion of its cash and cash equivalents to reduce debt.

**Diamondback Energy, Inc.**  
**Net Debt**  
**(unaudited, in millions)**

	June 30, 2025	Net Q2 Principal Borrowings/(Repayments)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
	(in millions)					
Diamondback Energy, Inc. <sup>(1)</sup>	\$ 14,212	\$ 943	\$ 13,269	\$ 12,069	\$ 12,284	\$ 11,169
Viper Energy, Inc. <sup>(1)</sup>	1,105	275	830	1,091	830	1,007
<b>Total debt</b>	<b>15,317</b>	<b>\$ 1,218</b>	<b>14,099</b>	<b>13,160</b>	<b>13,114</b>	<b>12,176</b>
Cash and cash equivalents	(219)		(1,816)	(161)	(370)	(6,908)
<b>Net debt</b>	<b>\$ 15,098</b>		<b>\$ 12,283</b>	<b>\$ 12,999</b>	<b>\$ 12,744</b>	<b>\$ 5,268</b>

(1) Excludes debt issuance costs, discounts, premiums and unamortized basis adjustments.

## **DERIVATIVES**

As of August 1, 2025, the Company had the following outstanding consolidated derivative contracts, including derivative contracts at Viper. The Company's derivative contracts are based upon reported settlement prices on commodity exchanges, with crude oil derivative settlements based on New York Mercantile Exchange West Texas Intermediate pricing and Crude Oil Brent pricing and with natural gas derivative settlements based on the New York Mercantile Exchange Henry Hub pricing. When aggregating multiple contracts, the weighted average contract price is disclosed.

	<b>Crude Oil (Bbls/day, \$/Bbl)</b>			
	<b>Q3 2025</b>	<b>Q4 2025</b>	<b>Q1 2026</b>	<b>Q2 2026</b>
<b>Long Puts - Crude Brent Oil</b>	41,000	46,000	29,000	10,000
Long Put Price (\$/Bbl)	\$55.61	\$53.91	\$53.28	\$52.50
Deferred Premium (\$/Bbl)	\$-1.53	\$-1.64	\$-1.74	\$-1.80
<b>Long Puts - WTI (Magellan East Houston)</b>	107,000	100,000	55,000	15,000
Long Put Price (\$/Bbl)	\$54.53	\$53.00	\$51.95	\$50.00
Deferred Premium (\$/Bbl)	\$-1.63	\$-1.68	\$-1.70	\$-1.75
<b>Long Puts - WTI (Cushing)</b>	158,000	171,000	98,000	15,000
Long Put Price (\$/Bbl)	\$54.29	\$53.90	\$53.47	\$50.00
Deferred Premium (\$/Bbl)	\$-1.56	\$-1.64	\$-1.63	\$-1.82
<b>Basis Swaps - WTI (Midland)</b>	76,000	76,000	5,000	5,000
	\$1.05	\$1.05	\$1.00	\$1.00
<b>Roll Swaps - WTI</b>	51,576	60,000	—	—
	\$1.08	\$1.07	—	—

	<b>Natural Gas (Mmbtu/day, \$/Mmbtu)</b>			
	<b>Q3 2025</b>	<b>Q4 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Costless Collars - Henry Hub</b>	690,000	690,000	800,000	320,000
Floor Price (\$/Mmbtu)	\$2.49	\$2.49	\$2.88	\$3.03
Ceiling Price (\$/Mmbtu)	\$5.28	\$5.28	\$6.34	\$6.41
<b>Natural Gas Basis Swaps - Waha Hub</b>	610,000	610,000	570,000	240,000
	\$-0.98	\$-0.98	\$-1.66	\$-1.48
<b>Natural Gas Basis Swaps - Houston Ship Channel</b>	20,000	20,000	80,000	20,000
	\$-0.49	\$-0.49	\$-0.36	\$-0.26

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## LETTER TO STOCKHOLDERS ISSUED BY DIAMONDBACK ENERGY, INC.

Midland, TX (August 4, 2025)

Diamondback Stockholders,

This letter is meant to be a supplement to our earnings release and is being furnished to the Securities and Exchange Commission (SEC) and released to our stockholders simultaneously with our earnings release. Please see the information regarding forward-looking statements and non-GAAP financial information included at the end of this letter.

Before we begin, we are deeply saddened by the tragic Texas flooding last month and grieve with the impacted families and communities. While there are many global tragedies we have chosen not to speak about as a company, this unimaginable event hit close to home as many friends and colleagues in the oil and gas business and our communities in Texas have been directly impacted. We know the strength and resilience of Americans, especially Texans, will bring healing to the unimaginable burdens brought on by this tragedy. We offer our unwavering support and extend our heartfelt condolences and ongoing prayers for recovery and healing to all those affected.

### Macro Update

Last quarter we wrote a detailed letter that highlighted the macroeconomic environment and our opinion of the evolution of the shale revolution in the United States. The comments received significant attention, a lot of industry and investor support, as well as a healthy amount of pushback.

Since the publishing of that letter, most of the macro uncertainty we discussed remains. We continue to believe that, at current oil prices, U.S. shale oil production has likely peaked and activity levels in the Lower 48 will remain depressed. The U.S. oil-directed rig count has declined by approximately 60 rigs this year (59 rigs in the second quarter alone) and the Permian Basin active completion crew count has declined to around 70 active crews, down over 25% from 2024.

Fortunately, the likelihood of a massive oil supply glut combined with an oil demand shock seems to have dissipated (on the demand side), but the projected increase in global oil supply in the second half of this year is hard to ignore. Although projections are often incorrect in this sector, particularly when consensus is uniformly bullish or bearish (in this case bearish), we still believe we are approaching a yellow light to pull from last quarter's "stop light" analogy.

Therefore, we have set up our business for the rest of 2025 to hold oil volumes flat while cutting CAPEX, maintain one of the highest Drilled but Uncompleted wells ("DUC") balances in the industry and use Free Cash Flow to pay down debt and continue repurchasing shares. This will allow us to maintain flexibility

for a green or a red light in the short term. But, a green light is eventually inevitable given we believe current oil prices are unsustainable over the long term.

### **2025 Guidance Update**

Last quarter, we cut our full year 2025 capital budget by 10% to \$3.4 - \$3.8 billion (from \$3.8 - \$4.2 billion) due to our concerns around macroeconomic uncertainty and our preference for Free Cash Flow generation over volume growth in an oversupplied market. With volatility and uncertainty persisting, we see no compelling reason to increase activity this year. Therefore, due to the combination of continued efficiency gains, synergies from our Endeavor merger and lower service costs, we are reducing our 2025 capital budget by another \$100 million from the prior midpoint (~3%), to \$3.4 - \$3.6 billion.

We dropped four rigs in the second quarter, reducing our activity from 17 rigs to 13 rigs. We currently expect to run 13 to 14 rigs and five completion crews the rest of this year to execute on our capital and operating plan. Notably, due to capital efficiency improvements on the drilling side and better than expected volume performance, we expect to drill ~30 more gross wells and complete ~10 fewer wells than our last update, all while reducing capex. This results in a smaller than expected DUC drawdown and allows us to keep a DUC balance that provides for operational flexibility and the ability to increase production quickly when the oil market inevitably calls for growth barrels.

On the volume side, we are narrowing our annual oil production guidance to 485 - 492 MBO/d (moving midpoint up by 1 MBO/d) and increasing our annual BOE guidance by 2% to 890 - 910 MBOE/d. We have seen overall better gas capture beginning in the second quarter. In particular, we have seen improved capture and liquids yields in Martin County since Energy Transfer took over operations after acquiring West Texas Gas last year. They continue to invest in expanded gas processing capacity in one of our busiest areas of operation and long-haul egress out of the basin, something we support 100%.

### **Second Quarter Operational Performance**

Oil production for the second quarter averaged 496 MBO/d (920 MBOE/d), near the top end of our 485 - 500 MBO/d (866 - 900 MBOE/d) guidance range. Capital expenditures were \$864 million, near the midpoint of our \$800 - \$900 million guidance range.

Our operations team continues to exceed expectations and push the limits of efficiency, posting record-low drilling and completion cycle times while delivering some of the longest wells in Company (and Texas) history. Our drilling team drilled the longest well in Diamondback history, and the fifth longest well in Texas history, reaching a total depth of 31,035 feet. A couple weeks ago, they drilled a 10,000 foot lateral, spud to total depth, in 4 days flat.

Our completions organization is also setting new efficiency benchmarks. In the second quarter, our completions crews averaged over 3,900 completed lateral feet per day, a Company quarterly record. We continue to test ways to maximize efficiency and reduce costs in all facets of the organization, fighting the headwinds of lower commodity prices and increased steel prices due to tariffs directly increasing our casing costs. We expect casing costs to increase almost 25% through the course of 2025, raising the breakeven cost of nearly every well drilled in the United States this year.

Thanks to our team's relentless focus on cost discipline, cash operating costs fell to \$10.10/BOE this quarter with Lease Operating Expense ("LOE") of just \$5.26/BOE. We expect LOE to increase slightly in the second half of the year but have been pleased to see additional operational synergies in the field compared to our initial cost expectations post closing the Endeavor merger. There is a significant

opportunity to increase production, manage downtime and lower costs on the production side of the business. As more wells are drilled, we see a focus on the production tail becoming a significant priority.

### **Second Quarter Financial Performance and Return of Capital**

We generated \$1.7 billion of net cash provided by operating activities in the second quarter, translating to \$1.2 billion of Free Cash Flow and \$1.3 billion of Adjusted Free Cash Flow. We remain committed to our stockholder return program by returning approximately \$691 million to stockholders in the second quarter through our base dividend and stock repurchases, equating to ~52% of Adjusted Free Cash Flow. In the second quarter, we repurchased approximately 3.0 million shares for ~\$398 million, equating to a weighted average price of \$133.15 per share. Through the first half of 2025, we have repurchased a total of 6.6 million shares for \$973 million, an aggressive pace compared to prior years as the Company has grown and leaned into buybacks over other forms of return of capital. This underscores our conviction that our share price is still meaningfully below its intrinsic value, presenting an attractive, accretive opportunity to deploy capital. Notably, our repurchase strategy has brought our current outstanding share count back to the level we held prior to announcing the Double Eagle acquisition earlier this year.

To date in the third quarter, we have repurchased 1,669,115 shares for approximately \$238 million at a weighted average price of \$142.45. Importantly, on July 31st our Board approved an incremental \$2.0 billion increase to our share repurchase authorization program, lifting our total buyback approval to \$8.0 billion (\$4.5 billion executed to date).

### **Balance Sheet**

Consolidated net debt rose by roughly \$2.8 billion in conjunction with the close of the Double Eagle acquisition on April 1st. In May, after closing the Viper Drop-Down, we retired our \$900 million term loan maturing this September. We exited the quarter with approximately \$15.3 billion of consolidated gross debt and \$15.1 billion of consolidated net debt. Looking ahead, we expect to continue reducing net debt through Free Cash Flow generation and proceeds from non-core asset sales.

Additionally, we repurchased \$252 million in aggregate principal amount of our longer dated bonds at a weighted average price of 76.8% of par (~\$196 million) in the second quarter due to the increase in long dated treasury rates. This approach to debt repurchases mirrors our approach on the equity side, opportunistically repurchasing at a value discount.

### **Non-Core Asset Sales**

In July, we realized net proceeds of approximately \$130 million from the previously announced sale of our 10% interest in the BANGL pipeline. Shortly thereafter, we executed a definitive agreement with an affiliate of Riverbend Energy Group to divest certain non-operated properties in the Delaware Basin for approximately \$138 million. This deal is expected to close in the third quarter, subject to customary closing conditions.

Additionally, we have made considerable progress on hitting our \$1.5 billion non-core asset sale target and look forward to providing the market a comprehensive update soon.

## **Closing**

In closing, this is my first quarterly letter after formally moving into the CEO role at our annual meeting in May. It has been an eventful first quarter with the business evolving at a rapid pace, but that should be expected at Diamondback Energy and is not a departure from my last nine years at the Company. While the shoes I have stepped into are big, I have an incredible support system with Travis as Exec Chair, a cohesive management team, a strong Board and the best employees in the business. As stockholders, you should continue to expect to see three things out of Diamondback: best in class execution, low-cost operations and transparency.

Thank you for your interest in Diamondback Energy.

Sincerely,



Kaes Van't Hof  
Chief Executive Officer and Director

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#### Forward-Looking Statements:

This letter contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, which involve risks, uncertainties, and assumptions. All statements, other than statements of historical fact, including statements regarding future performance; business strategy; future operations (including drilling plans and capital plans); estimates and projections of revenues, losses, costs, expenses, returns, cash flow, and financial position; reserve estimates and its ability to replace or increase reserves; anticipated benefits or other effects of strategic transactions (including the Endeavor merger, the recently completed Double Eagle acquisition, Viper Drop-Down and other acquisitions or divestitures); the expected amount and timing of synergies from the Endeavor merger; and plans and objectives of management (including plans for future cash flow from operations and for executing environmental strategies) are forward-looking statements. When used in this letter, the words “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “model,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” and similar expressions (including the negative of such terms) are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Although Diamondback believes that the expectations and assumptions reflected in its forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond Diamondback’s control. Accordingly, forward-looking statements are not guarantees of future performance and actual outcomes could differ materially from what Diamondback has expressed in its forward-looking statements.

Factors that could cause the outcomes to differ materially include (but are not limited to) the following: changes in supply and demand levels for oil, natural gas, and natural gas liquids, and the resulting impact on the price for those commodities; the impact of public health crises, including epidemic or pandemic diseases and any related company or government policies or actions; changes in U.S. energy, environmental, monetary and trade policies, including with respect to tariffs or other trade barriers, and any resulting trade tensions; actions taken by the members of OPEC and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments, including any impact of conflicts in the Middle East and other regions on the global energy markets and geopolitical stability; instability in the financial markets; concerns over a potential economic slowdown or recession; inflationary pressures on the costs of products or services used in our operations due to the imposition of tariffs or otherwise; higher interest rates and their impact on the cost of capital; regional supply and demand factors, including delays, curtailment delays or interruptions of production, or governmental orders, rules or regulations that impose production limits; federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the effect of existing and future laws and governmental regulations; physical and transition risks relating to climate change; those risks described in Item 1A of Diamondback’s Annual Report on Form 10-K, filed with the SEC on February 26, 2025, and those risks disclosed in its subsequent filings on Forms 10-Q and 8-K, which can be obtained free of charge on the SEC’s website at <http://www.sec.gov> and Diamondback’s website at [www.diamondbackenergy.com/investors](http://www.diamondbackenergy.com/investors).

In light of these factors, the events anticipated by Diamondback's forward-looking statements may not occur at the time anticipated or at all. Moreover, Diamondback operates in a very competitive and rapidly changing environment and new risks emerge from time to time. Diamondback cannot predict all risks, nor can it assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those anticipated by any forward-looking statements it may make. Accordingly, you should not place undue reliance on any forward-looking statements. All forward-looking statements speak only as of the date of this letter or, if earlier, as of the date they were made. Diamondback does not intend to, and disclaims any obligation to, update or revise any forward-looking statements unless required by applicable law.

#### Non-GAAP Financial Measures

This letter includes financial information not prepared in conformity with generally accepted accounting principles (GAAP), such as Free Cash Flow and Adjusted Free Cash Flow. The non-GAAP information should be considered by the reader in addition to, but not instead of, financial information prepared in accordance with GAAP. A reconciliation of the differences between these non-GAAP financial measures and the most directly comparable GAAP financial measures can be found in Diamondback's quarterly results posted on Diamondback's website at [www.diamondbackenergy.com/investors/](http://www.diamondbackenergy.com/investors/). Furthermore, this letter includes or references certain forward-looking, non-GAAP financial measures. Because Diamondback provides these measures on a forward-looking basis, it cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP financial measures, such as future impairments and future changes in working capital. Accordingly, Diamondback is unable to present a quantitative reconciliation of such forward-looking, non-GAAP financial measures to the respective most directly comparable forward-looking GAAP financial measures. Diamondback believes that these forward-looking, non-GAAP measures may be a useful tool for the investment community in comparing Diamondback's forecasted financial performance to the forecasted financial performance of other companies in the industry.