



# The Opportunity Is Now

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October 5, 2020

# CAUTIONARY LANGUAGE

For purposes of this presentation: (i) "CNX", "CNX Resources", "Company", "we" and "our" refer to CNX Resources Corporation; and (ii) "CNXM" refers to CNX Midstream Partners LP.

**Risk Factors.** This presentation, including the oral statements made in connection herewith, contains forward-looking statements estimates and projections within the meaning of the federal securities laws. Statements that are not historical are forward-looking and may include our operational and strategic plans; estimates of gas reserves and resources; projected timing and rates of return of future investments; and projections and estimates of future production revenues, income and capital spending. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those statements estimates and projections. Investors should not place undue reliance on forward-looking statements as a prediction of future actual results. The forward-looking statements in this presentation speak only as of the date of this presentation; we disclaim any obligation to update the statements, and we caution you not to rely on them unduly.

Specific factors that could cause future actual results to differ materially from the forward-looking statements are described in detail under the captions "Forward-Looking Statements" and "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission (the "SEC"), as supplemented by our quarterly reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020, and any subsequent reports filed with the SEC. Those risk factors discuss, among other matters, pricing volatility or pricing decline for natural gas and NGLs; the impact that the current COVID-19 pandemic may have on us, our vendors and customers, including the failure to realize the anticipated costs savings, synergies and other benefits of CNX's purchase of the outstanding interests in CNXM not already owned by CNX; local, regional and national economic conditions and the impact they may have on CNX, CNXM and their customers; the impact of outbreaks of communicable diseases such as the novel highly transmissible and pathogenic coronavirus (COVID-19) on business activity, CNX's and CNXM's operations and national and global economic conditions, generally; changes in tax laws that impact master limited partnerships; conditions in the oil and gas industry, including a sustained decrease in the level of supply or demand for oil or natural gas or a sustained decrease in the price of oil or natural gas; the financial condition of CNX's or CNXM's customers; any non-performance by customers of their contractual obligations; changes in customer, employee or supplier relationships resulting from the proposed transaction; changes in safety, health, environmental and other regulations; the results of any reviews, investigations or other proceedings by government authorities; and the performance of CNXM .

**Reserves.** Currently, the SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible oil and gas reserves that a company anticipates as of a given date to be economically and legally producible and deliverable by application of development projects to known accumulations. We may use certain terms in this presentation, such as EUR (estimated ultimate recovery), unproved reserves and total resource potential, that the SEC's rules strictly prohibit us from including in filings with the SEC. We caution you that the SEC views such estimates as inherently unreliable and these estimates may be misleading to investors unless the investor is an expert in the natural gas industry. These measures are by their nature more speculative than estimates of reserves prepared in accordance with SEC definitions and guidelines and accordingly are less certain. We also note that the SEC strictly prohibits us from aggregating proved, probable and possible reserves in filings with the SEC due to the different levels of certainty associated with each reserve category.

**Title.** Except for proved reserve data, the information included in this presentation is based on a summary review of the title to the gas rights we hold. As is customary in the gas industry, prior to the commencement of natural gas drilling operations on our properties, we conduct a thorough title examination and perform curative work with respect to significant defects. We are typically responsible for curing any title defects at our expense. As a result of our title review or otherwise, we may be required to acquire property rights from third parties at our expense in order to effectively drill and produce the gas rights we control and third parties may participate in the wells we drill, thereby reducing our working interest in those wells.

**Non-GAAP Measures.** EBIT is defined as earnings before deducting net interest expense (interest expense less interest income) and income taxes. EBITDA is defined as earnings before deducting net interest expense (interest expense less interest income), income taxes, and depreciation, depletion and amortization. Although EBIT and EBITDA, are not measures of performance calculated in accordance with generally accepted accounting principles, management believes that they are useful to an investor in evaluating CNX Resources because they are widely used to evaluate a company's operating performance. Investors should not view these metrics as a substitute for measures of performance that are calculated in accordance with generally accepted accounting principles. In addition, because all companies do not calculate EBIT or EBITDA, identically, the presentation here may not be comparable to similarly titled measures of other companies. Free cash flow (FCF) is defined as operating cash flow minus capex plus proceeds from asset sales. Free cash flow per share is defined as free cash flow divided by shares outstanding. Free cash flow yield is defined as free cash flow per share divided by current market value. Operating margin is defined as EBIT divided by Total Revenue. Cash Operating Margin is defined as EBITDA divided by Total Revenue. Management believes that these financial measures are useful to an investor in evaluating CNX Resources because (i) analysts utilize these metrics when evaluating company performance and, (ii) given that we have an active share repurchase program, analysts have requested this information as of a recent practicable date, and we want to provide updated information to investors. CNX is unable to provide a reconciliation of projected financial results contained in this presentation, including FCF, FCF per share, FCF yield, EBIT, EBITDA, operating margin and cash operating margin and other metrics to their respective comparable financial measure calculated in accordance with GAAP. This is due to our inability to calculate the comparable GAAP projected metrics, including operating income and total production costs, given the unknown effect, timing, and potential significance of certain income statement items.

**Data.** This presentation has been prepared by CNX and includes market data and other statistical information from sources believed by CNX to be reliable, including independent industry publications, government publications and other published independent sources. Some data are also based on CNX's good faith estimates, which are derived from its review of internal sources as well as the independent sources described above. Although CNX believes these sources are reliable, it has not independently verified the information and cannot guarantee its accuracy or completeness.

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**Not an Offer.** This presentation does not constitute an offer to sell or a solicitation of offers to buy securities of CNX Resources Corporation.



# WHO WE ARE

Lowest cost manufacturer of natural gas, crucial for today's and tomorrow's economy

Consistently generate substantial FCF/share; rational capital allocators focused on growing long-term intrinsic value/share

Core values of Responsibility, Ownership, and Excellence drive company culture

## HIGH CALIBER ORGANIZATION

- ✓ Management team and employees focused on creating intrinsic per share value
- ✓ Board led by independent Chair -- with significant value investing and capital allocation expertise<sup>(1)</sup>
- ✓ Continual self-assessments to ensure that the board of directors and management team have the relevant skills to execute the strategy



Note: Financial metrics based on company estimates. Share price as of 10/1/2020. See "Cautionary Language" slide for definition of Non-GAAP measures.

(1) Chairman authored the book "The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success."

## COMPANY SNAPSHOT (NYSE: CNX)

**\$2.1 billion**

Market Capitalization

**\$9.32**

per share

**\$425 million**

2021E Free Cash Flow

**\$1.89**

per share

**\$3.4 billion**

2020-2026E Free Cash Flow

**\$15.15**

per share

**27%**

Operating Margin

**60%**

Cash Operating Margin

**20%**

2021E Free Cash Flow Yield

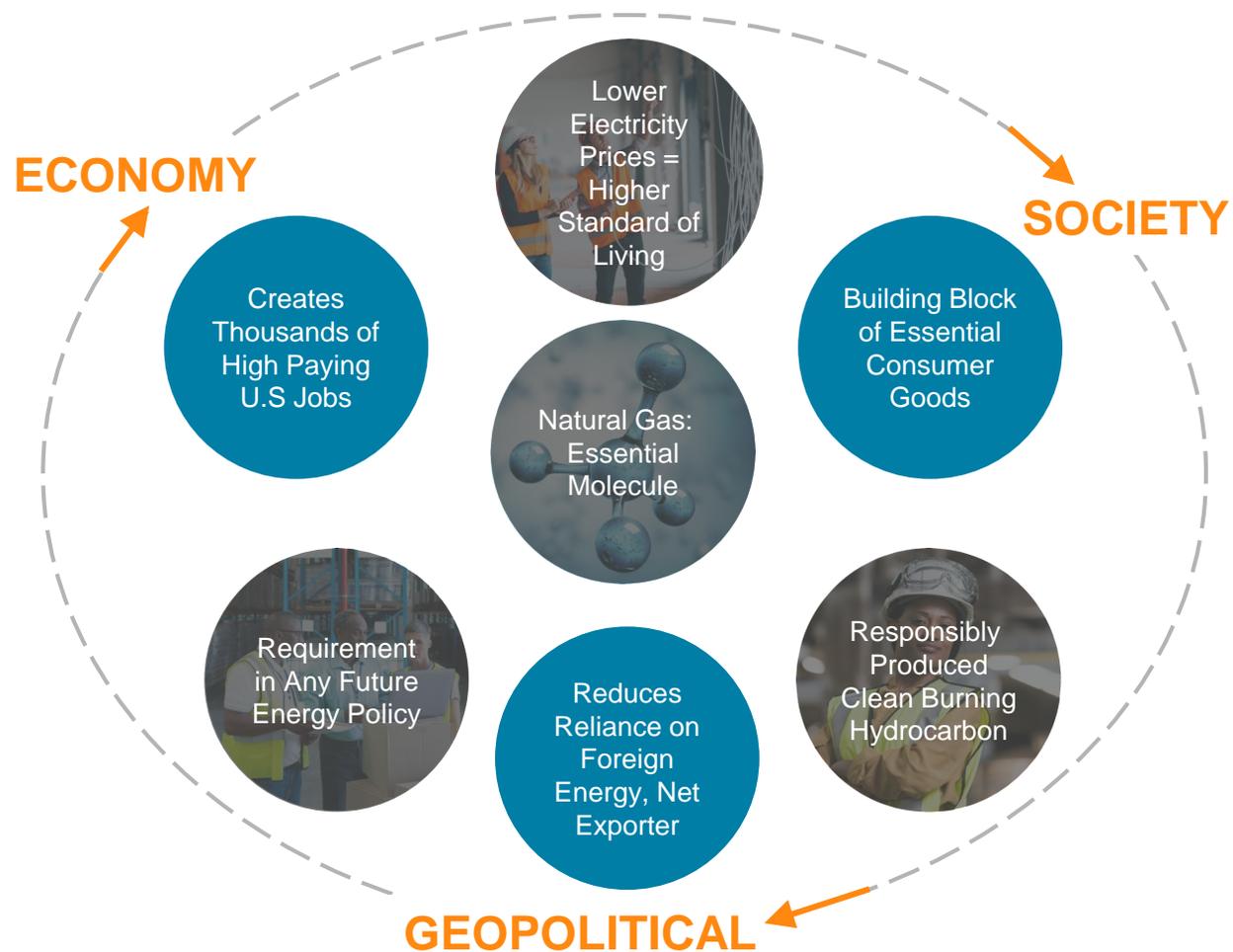
**2.1x**

2021E Leverage Ratio

**Pittsburgh, PA**

Corporate Office

# MEETING THE WORLD'S GROWING NATURAL GAS DEMAND



## NATURAL GAS TOUCHES ALL PARTS OF OUR LIVES



Electricity Generation



Res/Comm Heating



Industrial



Chemical



LNG/LPG



Agricultural

# KEY FINANCIAL METRICS LEAD ACROSS MAJOR INDICES



20%

FCF Yield

27%

Operating Margin

2.1x

Leverage Ratio

S&P 1500 Index

90<sup>th</sup>

85<sup>th</sup>

42<sup>nd</sup>

percentile

S&P 1500 Industrials

93<sup>rd</sup>

96<sup>th</sup>

28<sup>th</sup>

percentile

S&P 400 Mid Cap

93<sup>rd</sup>

86<sup>th</sup>

45<sup>th</sup>

percentile

S&P 600 Small Cap

81<sup>st</sup>

93<sup>rd</sup>

43<sup>rd</sup>

percentile



Note: Financial metrics based on FactSet consensus estimates for 2021. CNX financial metrics based on company estimates. Operating margin calculated as EBIT divided by total Revenue. CNX leverage ratio assumes 2021 free cash flow allocated to debt reduction. Indices exclude Financial sector companies. See "Cautionary Language" slide for definition of Non-GAAP measures.

# COMPETITIVE ADVANTAGES CREATE A MOAT AND DELIVER PREDICTABLE LOW COSTS AND HIGH MARGINS



Technology & Innovation to Drive Margin Expansion



Vertical Integration Reduces Distribution Costs



Quality Inventory Yields Low Cost, Long-Term Production



Major Efficiency Improvement CAPEX Projects Complete



Programmatic Hedging Secures Near-Term Revenue



Predominantly Variable Production Cost Structure Creates Flexibility

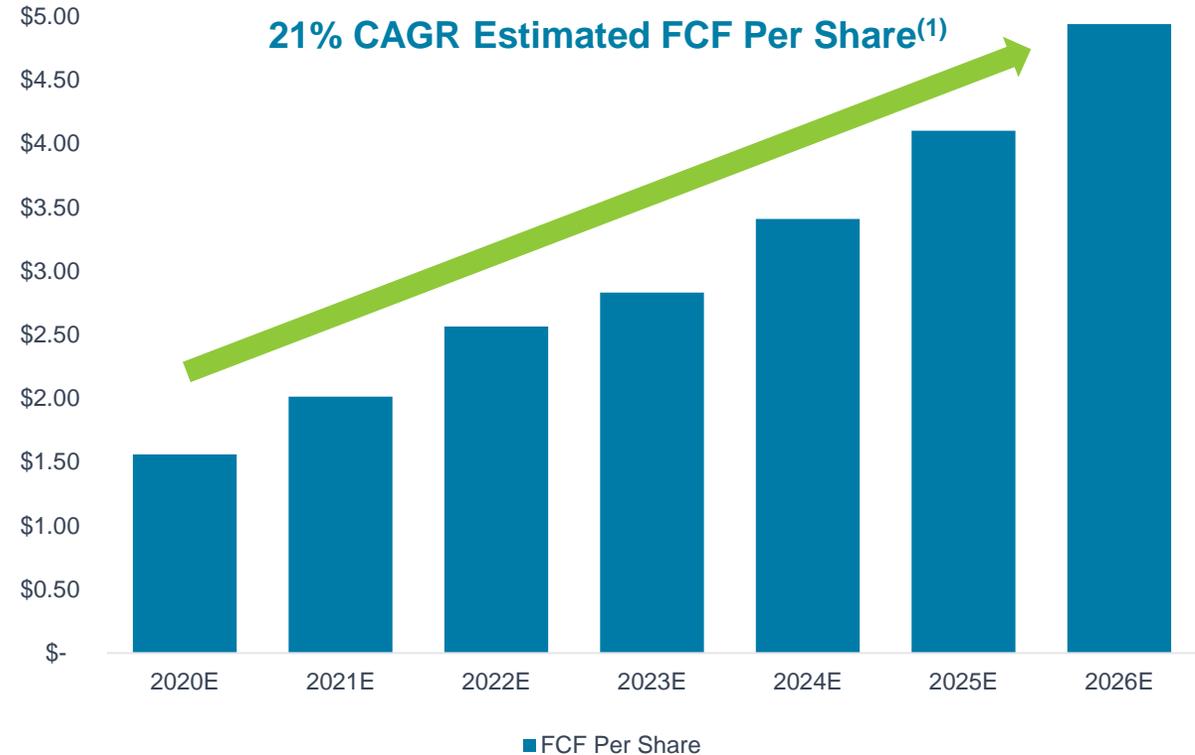
FCF Per Share Growth

# PREDICTABLE FREE CASH FLOW PER SHARE GENERATING MACHINE

Two-thirds of estimated revenue hedged '21 - '23

Competitive moat supports sustainable free cash flow generation

\$3.4 billion of 2020E-2026E free cash flow allocation opportunities underpin FCF per share growth



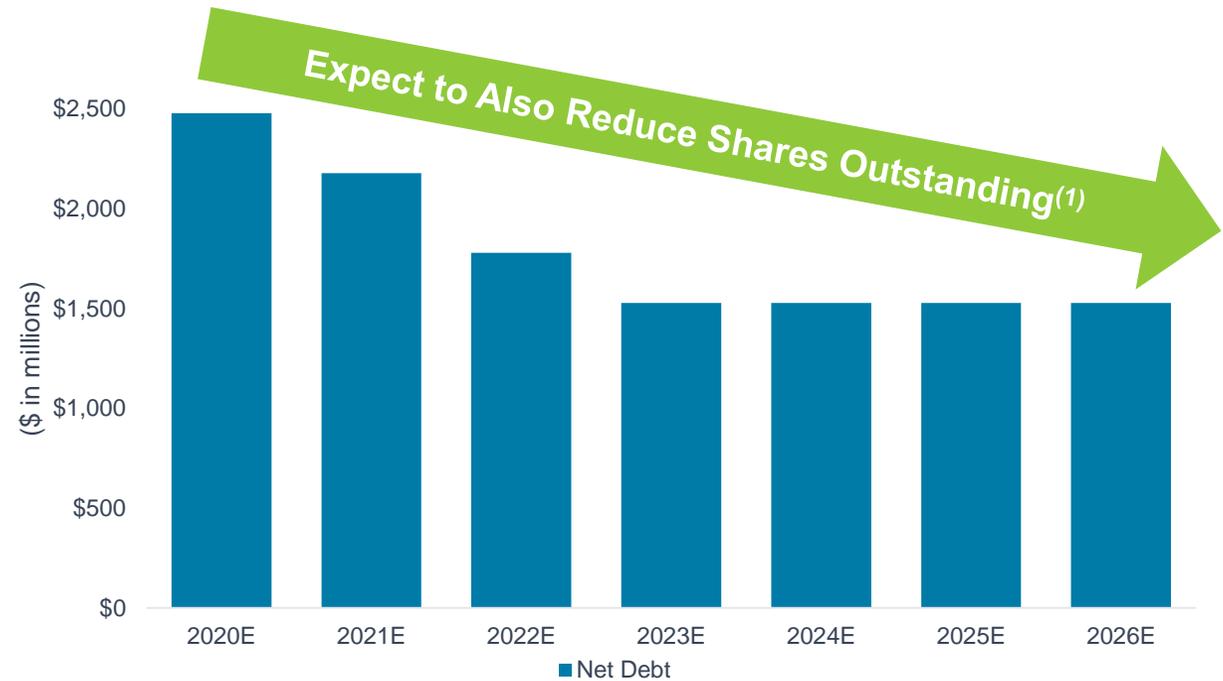
Note: See "Cautionary Language" slide for definition of Non-GAAP measures.

(1) Assumes \$3.4 billion of free cash flow is allocated between approximately \$1 billion debt repayment and the remainder to share repurchases assuming constant enterprise value.

# SUBSTANTIAL DEBT AND EQUITY APPRECIATION POTENTIAL

## Example Scenario:

~\$1 billion of debt repayment in 2020-2023 and repurchasing shares through 2026 while holding enterprise value flat results in reducing shares outstanding by ~50%



Alternatively, a more conservative scenario of using \$3.4 billion of FCF to pay off ~\$2.6 billion of debt and returning the balance of \$800 million to shareholders creates \$15 per share in incremental value, or a \$24 share price



Note: See "Cautionary Language" slide for definition of Non-GAAP measures.

(1) Initial market capitalization based on share price as of 10/1/2020 and assumes \$3.4 billion of free cash flow is allocated between approximately \$1 billion debt repayment and share repurchases while holding enterprise value flat.

# CNX IS AN OUTSTANDING INVESTMENT OPPORTUNITY



—  
Lowest cost manufacturer of natural gas, crucial for today's and tomorrow's economy



—  
Consistently generate substantial FCF/share; rational capital allocators focused on growing long-term intrinsic value/share



—  
Our Corporate Culture and focus on capital allocation creates substantial equity and credit upside, with numerous high return investment options

## FOR ADDITIONAL INFORMATION

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Click [here](#) for management presentation

### **Investor Relations:**

Tyler Lewis, Vice President

Phone: 724-485-3157

Email: TylerLewis@cnx.com