Peyto Reports Third Quarter Results and Preliminary 2026 Capital Program

13.11.2025 | GlobeNewswire

CALGARY, Nov. 13, 2025 - <u>Peyto Exploration & Development Corp.</u> ("Peyto" or the "Company") is pleased to report operating and financial results for the third quarter of 2025 and a preliminary capital budget for 2026.

Highlights:

- Peyto reported \$198.9 million in funds from operations^{1,2} ("FFO"), or \$0.98/diluted share, and generated \$69.1 million of free funds flow³ in the quarter. Strong FFO was driven by the Company's industry-leading low cash costs⁴ and realized natural gas price after hedging and diversification of \$3.57/Mcf, or 3.3 times the AECO 7A monthly benchmark.
- Earnings for the quarter totaled \$90.7 million, or \$0.45/diluted share, and Peyto returned \$66.4 million as dividends to shareholders.
- Third quarter production volumes averaged 129,762 boe/d (684.9 MMcf/d of natural gas, 15,611 bbls/d of NGLs), an 8% increase year over year (5% on a per share basis), driven by the Company's successful capital program.
- Peyto recorded \$89.2 million in realized hedging gains and exited the quarter with a hedge position protecting approximately 450 MMcf/d and 429 MMcf/d of natural gas production for Q4 2025 and 2026, respectively, at over \$4/Mcf. Peyto's natural gas and liquid hedging has secured over \$715 million of revenue for 2026.
- Cash costs totaled \$1.21/Mcfe for the quarter, including royalties of \$0.08/Mcfe, operating expense of \$0.51/Mcfe, transportation of \$0.30/Mcfe, G&A of \$0.06/Mcfe and interest expense of \$0.26/Mcfe. This represents the lowest quarterly cash costs (with or without royalties) since the acquisition of Repsol Canada Energy Partnership in Q4 2023 as the Company strives to reduce costs to pre-Repsol levels. Regardless, Peyto remains an industry leader in low cash costs amongst Canadian producers in the oil and natural gas industry.
- Total capital expenditures⁵ of \$126.3 million were recorded in the quarter. Peyto drilled 20 wells (20.0 net), completed 16 wells (16.0 net), and brought 18 wells (18.0 net) on production. The Company also commissioned a new field compressor station in the Sundance area in the quarter.
- Net debt⁶ was reduced by \$20.5 million in the quarter and by \$126.1 million from December 31, 2024 to \$1.22 billion at the end of the quarter.
- Peyto delivered a historically strong operating margin⁷ of 72% and profit margin⁸ of 29%, resulting in an 11% return on capital employed⁹ ("ROCE") and a 13% return on equity⁹ ("ROE"), on a trailing 12-month basis.
- The Company has preliminary plans to invest \$450 to \$500 million in capital for 2026 and expects to add between 43,000 to 48,000 Boe/d of new production from the development program to offset base production decline estimated between 26-28%.

Third Quarter 2025 in Review

Production averaged 129.8 Mboe/d, up 8% year over year, but 1.5% lower than Q2 2025 as Peyto navigated wet weather in July, turnarounds at two operated Peyto plants and low natural gas prices. The Company prudently shut in some dry gas production volumes at times during September when AECO/Empress natural gas prices fell below zero. Although Peyto did not have exposure to these prices, the Company elected to save reserves and fulfill downstream physical contracts with gas purchased at negative prices. The AECO 7A monthly index fell 52% from Q2 2025, averaging \$0.94/GJ for the quarter due to seasonally high storage levels and ongoing pipeline maintenance. The U.S. benchmarks continued to fare better than AECO, with the NYMEX Henry Hub (last day) index averaging US\$3.07/MMBtu in the quarter, down only 11% from Q2 2025. Peyto's diversified market exposure to Ventura, Chicago, Dawn/Parkway and the Cascade Power Plant, coupled with approximately 74% of gas volumes hedged at fixed prices for the quarter, resulted in an all-in realized natural gas price of \$3.57/Mcf (\$3.10/GJ), or 3.3 times the AECO 7A index. Peyto's disciplined risk management strategy, combined with its low-cost structure, generated FFO of \$198.9 million, which

14.11.2025 Seite 1/11

funded \$126.3 million of capital expenditures and \$66.4 million of shareholder dividends. Despite the higher capital activity levels, the Company's net debt was reduced by \$20.5 million in the quarter.

	Three Months	Ended Sep 30 2024	% Change	Nine Month
Operations				
Production				
Natural gas (Mcf/d)	684,903	638,433	7%	697,234
NGLs (bbl/d)	15,611	13,626	15%	15,579
Thousand cubic feet equivalent (Mcfe/d @ 1:6)	778,571	720,186	8%	790,707
Barrels of oil equivalent (boe/d @ 6:1)	129,762	120,031	8%	131,784
Production per million common shares (boe/d)	645	612	5%	659
Product prices				
Realized natural gas price - after hedging and diversification (\$/Mcf)	3.57	2.95	21%	3.76
Realized NGL price - after hedging (\$/bbl)	58.33	69.61	-16	59.89
Net sales price ⁽²⁾ (\$/Mcfe)	4.31	3.93	10%	4.49
Royalties (\$/Mcfe)	0.08	0.18	-56	0.15
Operating (\$/Mcfe)	0.51	0.54	-6	0.53
Transportation (\$/Mcfe)	0.30	0.31	-3	0.30
Field netback ⁽¹⁾ (\$/Mcfe)	3.45	2.96	17%	3.56
General & administrative expenses (\$/Mcfe)	0.06	0.03	100%	0.06
Interest expense (\$/Mcfe)	0.26	0.38	-32	0.27
Financial (\$000, except per share)				
Natural gas and NGL sales including realized hedging gains ⁽²⁾	308,832	260,608	19%	970,099
Funds from operations ⁽¹⁾	198,901	154,534	29%	615,517
Funds from operations per share - basic ⁽¹⁾	0.99	0.79	25%	3.15
Funds from operations per share - diluted ⁽¹⁾	0.98	0.78	26%	3.13
Total dividends	66,387	64,707	3%	198,020
Total dividends per share	0.33	0.33	0%	0.99
Earnings	90,736	51,029	78%	292,685
Earnings per share - basic	0.45	0.26	73%	1.46
Earnings per share - diluted	0.45	0.26	73%	1.45
Total capital expenditures ⁽¹⁾	126,302	125,869	0%	333,078
Decommissioning expenditures	3,450	2,013	71%	9,266
Total payout ratio ⁽¹⁾	99%	125%	-21%	88%
Weighted average common shares outstanding - basic	201,160,946	196,077,193	3%	200,023,61
Weighted average common shares outstanding - diluted	203,366,724	197,051,764	3%	202,125,71
Net debt ⁽¹⁾				1,222,449
Shareholders' equity				2,767,560
Total assets				5,430,376

⁽¹⁾ This is a Non-GAAP financial measure or ratio. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2025 MD&A

Capital Expenditures

Peyto contracted a fifth rig in September to catch up on lower-than-expected summer drilling activity. Peyto drilled 20 gross (20.0 net) horizontal wells in the third quarter including 10 Notikewin, 3 Wilrich, 3 Falher, 2 Viking, and 2 Bluesky wells in the core Sundance and Brazeau areas. The Company also completed 16 gross (16.0 net) wells and brought 18 gross (18.0 net) wells on production in the quarter, resulting in total well-related capital expenditures of \$92.6 million. The capital program focused on drilling prolific zones in the Notikewin, Falher, and Bluesky, where initial results came in better than expected, and will contribute to a new production wedge being brought on in the fourth quarter for the winter season. Additionally, Peyto

14.11.2025 Seite 2/11

⁽²⁾ Excludes marketing revenue and other income

invested \$33.3 million in gathering and processing facilities in the third quarter that included construction of a new field compressor station in Sundance, turnarounds at the Oldman plants, and pipeline de-bottlenecking in the Nosehill and Swanson areas of Sundance. The Sundance field compressor, which came in under budget, re-directs low pressure, liquids-rich gas wells to the Edson gas plant to make room in the gathering system for future drilling activity. Drilling and completion costs per meter were slightly higher in the quarter due to shorter laterals related to the composition of the well species. Peyto's historical drilling and completion costs are summarized in the following table.

	2018	2019	2020	2021	2022	2023	2024	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3 ⁽¹⁾
Gross Hz Spuds	70	61	64	95	95	72	75	18	20	21	16	19	19	20
Measured Depth (m)	4,020	3,848	4,247	4,453	4,611	4,891	5,092	5,220	5,364	4,804	4,987	4,976	5,021	4,921
Drilling (\$MM/well)	\$1.71	\$1.62	\$1.68	\$1.89	\$2.56	\$2.85	\$2.90	\$3.05	\$2.89	\$2.81	\$2.85	\$3.01	\$2.94	\$2.97
\$ per meter	\$425	\$420	\$396	\$424	\$555	\$582	\$569	\$585	\$539	\$585	\$572	\$605	\$585	\$603
Completion (\$MM/well)	\$1.13	\$1.01	\$0.94	\$1.00	\$1.35	\$1.54	\$1.70	\$1.80	\$1.75	\$1.56	\$1.66	\$1.56	\$1.71	\$1.63
Hz Length (m)	1,348	1,484	1,682	1,612	1,661	1,969	2,184	2,223	2,350	2,224	1,989	1,961	2,311	2,185
\$ per Hz Length (m)	\$751	\$679	\$560	\$620	\$813	\$781	\$776	\$809	\$744	\$703	\$834	\$793	\$740	\$747
\$ '000 per Stage	\$51	\$38	\$36	\$37	\$47	\$52	\$52	\$55	\$49	\$48	\$56	\$56	\$47	\$47

(1) Based on field estimates and may be subject to minor adjustments going forward.

Peyto also spent \$0.4 million during the quarter on acquiring mineral rights and divested a minor property for \$0.5 million.

Commodity Prices and Realizations

In the third quarter, Peyto realized a natural gas price after hedging and diversification of \$3.57/Mcf, or \$3.10/GJ, 3.3 times the average AECO 7A monthly benchmark of \$0.94/GJ, driven by realized hedging gains and the Company's market diversification to non-AECO hubs. Peyto's natural gas hedging activity resulted in a realized gain of \$1.38/Mcf (\$87.0 million) while Peyto's diversification activities, including its gas supply agreement with the Cascade Power Plant, contributed \$1.11/Mcf (net of diversification costs) in the quarter.

Condensate and pentanes averaged \$83.24/bbl for the quarter, down 18% year over year, due to falling benchmark oil prices over the same period. Other NGL volumes were sold at an average price of \$27.04/bbl, or 30% of Canadian dollar WTI. Peyto's combined realized NGL price was \$56.75/bbl before hedging, and \$58.33/bbl including a realized hedging gain of \$1.58/bbl (\$2.3 million) in the third quarter.

Netbacks

The Company's realized natural gas and NGL sales yielded a combined revenue stream of \$3.07/Mcfe before hedging gains of \$1.24/Mcfe, resulting in a quarterly net sales price of \$4.31/Mcfe, 10% higher than the \$3.93/Mcfe realized in Q3 2024. Cash costs totaled \$1.21/Mcfe in the quarter, 16% lower than \$1.44/Mcfe in Q3 2024 due to decreased royalties, operating and interest costs. Operating costs totaled \$0.51/Mcfe, down from \$0.54/Mcfe in Q3 2024. Operating costs were also down from Q2 2025 despite lower production volumes, reflecting the Company's continuous pursuit of cost efficiency. The Company's cash netback (net sales price including other income, net marketing revenue, realized gain on foreign exchange, less total cash costs) was \$3.14/Mcfe, resulting in a solid 72% operating margin. Historical cash costs and operating margins are shown in the following table:

	2022	2023	2024	1	2025
(\$/Mcfe)	Q1 Q2 Q3	Q4 Q1 Q2	2 Q3 Q4 ⁽²⁾ Q1	Q2 Q3 Q4	Q1 Q2 Q3
Revenue (1)	5.25 5.48 5.0	1 5.74 5.10 4.0	07 4.32 4.83 4.92	3.97 3.99 4.34	4.95 4.34 4.35
Royalties	0.60 0.95 0.7	0 0.72 0.53 0.1	18 0.29 0.30 0.24	0.26 0.18 0.21	0.25 0.14 0.08
Op Costs	0.41 0.39 0.3	8 0.41 0.50 0.4	47 0.44 0.55 0.55	0.52 0.54 0.50	0.53 0.54 0.51
Transportation	0.28 0.27 0.2	6 0.22 0.24 0.2	29 0.29 0.26 0.30	0.30 0.31 0.27	0.29 0.31 0.30

14.11.2025 Seite 3/11

G&A	0.03 0.02 0	02 0.02 0.03	0.05 0.04 0.06	0.06 0.06 0.03 0.05 0	0.06 0.06 0.06
Interest	0.21 0.20 0	21 0.21 0.22	0.22 0.28 0.40	0.36 0.36 0.38 0.33 0	0.29 0.26 0.26
Cash cost pre-royalty	0.93 0.88 0	87 0.86 0.99	1.03 1.05 1.27	1.27 1.24 1.26 1.15 1	.17 1.17 1.13
Total Cash Costs ¹⁰	1.53 1.83 1.	57 1.58 1.52	1.21 1.34 1.57	1.51 1.50 1.44 1.36 1	.42 1.31 1.21
Cash Netback ¹¹	3.72 3.65 3	44 4.16 3.58	2.86 2.98 3.26	3.41 2.47 2.55 2.98 3	3.53 3.03 3.14
Operating Margin	71% 67% 69	9% 72% 71%	70% 69% 67%	69% 62% 64% 69% 7	71% 70% 72%

- (1) Revenue includes other income, net marketing revenue and realized gains (losses) on foreign exchange.
- (2) First quarter of Repsol assets included in Peyto's results

Depletion, depreciation, and amortization charges of \$1.33/Mcfe, along with provisions for current tax, deferred tax, performance-based compensation and stock-based compensation resulted in earnings of \$1.27/Mcfe, for a 29% profit margin. Dividends to shareholders totaled \$0.93/Mcfe.

Hedging and Marketing

The Company has been active in hedging future production with financial and physical fixed price contracts to protect a portion of its future revenue from commodity prices and foreign exchange volatility. The following table summarizes Peyto's hedge position for the fourth quarter of 2025, calendar 2026, and calendar 2027.

	Q4 2025	2026	2027
Natural Gas			
Volume (MMcf/d)	450	429	128
Average Fixed Price(1)(\$/Mcf)	4.36	4.04	3.73
WTI Swaps			
Volume (bbls/d)	4,900	2,693	398
Average Fixed Price (\$/bbl)	90.06	85.79	83.85
WTI Collars			
Volume (bbls/d)	500	248	-
Put-Call (\$/bbl)	90.00-100.50	87.50-100.25	-
Propane			
Volume (bbls/d)	500	123	-
Average Fixed Price (US\$/bbl)	33.60	33.60	-
USD FX Contracts			
Amount sold (USD 000s)	60,025	128,840	27,895
Rate (CAD/USD)	1.354	1.361	1.365

(1) At 1.40 CAD/USD FX rate for USD contracts

The Company's fixed price contracts combined with its diversification to multiple hubs in North America allow for revenue security and support Peyto's capital expenditure program, continued shareholder returns through dividends, and debt reduction. Details of Peyto's ongoing marketing and diversification efforts are available on Peyto's website at https://www.peyto.com/Marketing.aspx.

Activity Update

Since the start of the fourth quarter, Peyto has continued with a five-rig drilling program spread across the Sundance and Brazeau core areas with 12 wells (10.8 net) drilled, 15 wells (14.5 net) completed, and 12 wells (12 net) brought on production. The recent drilling program has delivered strong initial production results in the fourth quarter as Peyto continues to focus on high-rate Notikewin and Falher targets which are expected to ramp up production into improving winter prices. Peyto has been pleased with the performance of the additional rig and intends to continue with five rigs for the remainder of the 2025 program and through Q1 2026, assuming spot natural gas prices remain supportive.

This past October marks Peyto's 27th anniversary of successful operations exclusively in Alberta's Deep

14.11.2025 Seite 4/11

Basin. After all these years, the Company continues to find new prospects, apply new technologies, and harvest opportunities in Peyto's existing core areas, achieving great results and returning profits to shareholders.

Credit Facility Amendment and Extension

On October 23, 2025, the Company entered into an agreement with its syndicate of lenders to amend and extend its credit facilities, which increased the revolving credit facility to \$1.05 billion from \$1.0 billion and extended the maturity date to October 23, 2029, from October 13, 2027. There was no change in Peyto's borrowing costs or the financial covenants in the amended agreement. Additionally, effective October 23, 2025, Peyto repaid the \$50 million outstanding balance under its term loan facility using proceeds from the increased revolving credit facility and terminated the term loan facility.

The credit facility extension, along with Peyto's long-term notes, provides the Company with a strong liquidity position to execute its business plan over the next four years.

2026 Preliminary Budget and Plans

Peyto's preliminary capital budget for 2026, set at \$450-\$500 million, includes a low-risk development program targeting multiple formations across all core areas with a larger portion expected in the Greater Sundance area, leveraging successful drilling results from 2025. The Company expects to continue with five drilling rigs at the start of the year for this capital program and will modify investments, as necessary, depending on market conditions. The program is expected to drill between 70-80 horizontal wells, with well-related costs representing approximately 80% of the 2026 budget.

Facility spending planned for 2026 includes a major pipeline looping project in the Sundance area to accommodate future well development. Other facility projects include minor turnarounds at plants in the Sundance area, multiple pipeline optimization and debottlenecking initiatives, and plant optimization projects. These projects will increase reliability and lower long-term operating costs, leveraging Peyto's operated 1.4 Bcf/d of net gas processing capacity. Additionally, the Company plans to spend approximately \$13 million on closure related activities to reduce abandonment retirement obligations.

While specific details of the budget will be finalized in early 2026, the capital program is estimated to add approximately 43,000 to 48,000 boe/d of new production by the end of the year and more than offset annual forecasted decline of between 26-28%. The program will be designed to add production throughout 2026 and will remain flexible, as always, to allow Peyto to react to changes in commodity prices, service costs and the global economic environment.

Outlook

The Company remains on track to execute the 2025 capital program within the \$450-\$500 million capital guidance and exit the year with production volumes at approximately 145,000 boe/d for December.

Peyto remains bullish on the outlook for natural gas going forward as local natural gas demand continues to grow to support increasing electrification, growing oil sands production and economic development in the province. LNG Canada continues to ramp up production at their new facility and should reach full capacity in 2026. In the US, demand for natural gas is steadily growing with increasing power demand and LNG exports. The US has added over 3 Bcf/d of LNG export capacity in 2025, recently setting new daily records over 17 Bcf/d, and is expected to add another 12 Bcf/d of capacity by the end of the decade. Peyto is well positioned to take advantage of the constructive outlook for natural gas demand while the Company's disciplined hedging program and diversification to multiple demand markets helps to protect revenues for the short term. Additionally, Peyto's resilient strategy focuses on maintaining low cash and finding costs with its long-life reserves, which supports the capital program, future dividends and continued strengthening of the balance sheet for shareholders.

Conference Call and Webcast

14.11.2025 Seite 5/11

A conference call will be held with senior management of Peyto to answer questions with respect to the Company's Q3 2025 results on Friday, November 14, 2025, at 9:00 a.m. Mountain Time (MT), or 11:00 a.m. Eastern Time (ET).

Access to the webcast can be found at: https://edge.media-server.com/mmc/p/2yaygqrc. To participate in the call, please register for the event at: Participant Call Link. Participants will be issued a dial in number and PIN to join the conference call and ask questions. Alternatively, questions can be submitted prior to the call at info@peyto.com. The conference call will be available on the Peyto Exploration & Development website at www.peyto.com.

Management's Discussion and Analysis

A copy of the third quarter report to shareholders, including the MD&A, unaudited consolidated financial statements and related notes, is available at http://www.peyto.com/Files/Financials/2025/Q32025FS.pdf and at http://www.peyto.com/Files/Financials/2025/Q32025MDA.pdf and will be filed at SEDAR+, www.sedarplus.com at a later date.

Jean-Paul Lachance President & Chief Executive Officer 403-261-6081 November 13, 2025

Cautionary Statements

Forward-Looking Statements

This news release contains certain forward-looking statements or information ("forward-looking statements") as defined by applicable securities laws that involve substantial known and unknown risks and uncertainties. many of which are beyond Peyto's control. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate", or other similar words or statements that certain events "may" or "will" occur are intended to identify forward-looking statements. The projections, estimates and beliefs contained in such forward-looking statements are based on management's estimates, opinions, and assumptions at the time the statements were made, including assumptions relating to: macro-economic conditions, including public health concerns and other geopolitical risks, the condition of the global economy and, specifically, the condition of the crude oil and natural gas industry, and the ongoing significant volatility in world markets; other industry conditions; changes in laws and regulations including, without limitation, the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; increased competition; the availability of qualified operating or management personnel; fluctuations in other commodity prices, foreign exchange or interest rates; stock market volatility and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof; results of exploration and testing activities; and the ability to obtain required approvals and extensions from regulatory authorities. Management of the Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Peyto will derive from them. As such, undue reliance should not be placed on forward-looking statements. Forward-looking statements contained herein include, but are not limited to, statements regarding: management's assessment of Peyto's future plans and operations, including the 2025 capital expenditure program; expectations that the recent drilling program will ramp up production into improving winter prices; management's intention to continue with the five rigs for the remainder of 2025 and through Q1 2026; Peyto's preliminary capital budget for 2026 set at \$450-\$500 million; Peyto's expectation to add between 43,000 to 48,000 Boe/d of new production from the 2026 development program and the volume addition will be more than sufficient to offset the annual forecast decline of 26-28%; statements that LNG Canada continues to ramp up production at their new facility and expectations that it should reach full capacity in 2026; management's expectations of increased US power demand and LNG exports with US LNG exports increasing another 12 Bcf/d of capacity by the end of the decade; the sustainability of the Company's dividend; the effectiveness of the Company's hedging program at securing revenue; and the Company's overall strategy and focus.

The forward-looking statements contained herein are subject to numerous known and unknown risks and

14.11.2025 Seite 6/11

uncertainties that may cause Peyto's actual financial results, performance or achievement in future periods to differ materially from those expressed in, or implied by, these forward-looking statements, including but not limited to, risks associated with: continued changes and volatility in general global economic conditions including, without limitations, the economic conditions in North America and public health concerns; continued fluctuations and volatility in commodity prices, foreign exchange or interest rates; continued stock market volatility; imprecision of reserves estimates; competition from other industry participants; failure to secure required equipment; increased competition; the lack of availability of qualified operating or management personnel; environmental risks; changes in laws and regulations including, without limitation, the adoption of new environmental and tax laws, tariffs, and regulations and changes in how they are interpreted and enforced; the results of exploration and development drilling and related activities; and the ability to access sufficient capital from internal and external sources. In addition, to the extent that any forward-looking statements presented herein constitutes future-oriented financial information or financial outlook, as defined by applicable securities legislation, such information has been approved by management of Peyto and has been presented to provide management's expectations used for budgeting and planning purposes and for providing clarity with respect to Peyto's strategic direction based on the assumptions presented herein and readers are cautioned that this information may not be appropriate for any other purpose. Readers are encouraged to review the material risks discussed in Peyto's latest annual information form under the heading "Risk Factors" and in Peyto's annual management's discussion and analysis under the heading "Risk Factors".

The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Peyto's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Peyto will derive there from. The forward-looking statements, including any future-oriented financial information or financial outlook, contained in this news release speak only as of the date hereof and Peyto does not assume any obligation to publicly update or revise them to reflect new information, future events or circumstances or otherwise, except as may be required pursuant to applicable securities laws.

Barrels of Oil Equivalent

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (BOE). Peyto uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 BOE ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on current prices. While the BOE ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

Thousand Cubic Feet Equivalent (Mcfe)

Natural gas volumes recorded in thousand cubic feet (mcf) are converted to barrels of oil equivalent (boe) using the ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). Natural gas liquids and oil volumes in barrel of oil (bbl) are converted to thousand cubic feet equivalent (Mcfe) using a ratio of one (1) barrel of oil to six (6) thousand cubic feet. This could be misleading, particularly if used in isolation as it is based on an energy equivalency conversion method primarily applied at the burner tip and does not represent a value equivalency at the wellhead.

Non-GAAP and Other Financial Measures

Throughout this press release, Peyto employs certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS® Accounting Standards ("IFRS") and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS,

14.11.2025 Seite 7/11

such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Peyto's performance.

Non-GAAP Financial Measures

Funds from Operations

"Funds from operations" is a non-GAAP measure which represents cash flows from operating activities before changes in non-cash operating working capital, decommissioning expenditure, provision for performance-based compensation and transaction costs. Management considers funds from operations and per share calculations of funds from operations to be key measures as they demonstrate the Company's ability to generate the cash necessary to pay dividends, repay debt and make capital investments. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds from operations provides a useful measure of Peyto's ability to generate cash that is not subject to short-term movements in operating working capital. The most directly comparable GAAP measure is cash flows from operating activities.

Three Months Ended September 30 Nine Months Ended September 30

2\$0205 0)	2024	2025	2024
225,11 38 ws from 0	p erato76 activities	618,811	486,505
(312a,1ng₁€)in non-ca	Sth, 3445rking capital	(20,060)	15,942
B,e650mmissioning	Expen ditures	9,266	6,610
മ,500 rmance-base	e 2 , 500 npensation	7,500	5,000
F98,9€0from opera	ti ctns ,534	615,517	514,057

Free Funds Flow

Peyto uses "free funds flow" as an indicator of the efficiency and liquidity of Peyto's business, measuring its funds after capital investment available to manage debt levels, pay dividends, and return capital to shareholders through activities such as share repurchases. Peyto calculates free funds flow as cash flows from operating activities before changes in non-cash operating working capital, provision for performance-based compensation, and transaction costs, less total capital expenditures, allowing Management to monitor its free funds flow to inform its capital allocation decisions. The most directly comparable GAAP measure to free funds flow is cash from operating activities. The following table details the calculation of free funds flow and the reconciliation from cash flow from operating activities to free funds flow.

Three Months Ended September 30 Nine Months Ended September 30

2\$0205 0)	2024	2025	2024
225,11 38 ws from 0	p dīā6īī6 activities	618,811	486,505
(322a,fh&j€)in non-ca	s£h,3 45 rking capital	(20,060)	15,942
മ,600 rmance-bas	e 2 d, 500 npensation	7,500	5,000
(T12161,3024)ital expe	r(d125 r, 86 9)	(333,078)	(340,082)
69 9 €419 Inds flow	26,652	273,173	167,365

Total Capital Expenditures

Peyto uses the term "total capital expenditures" as a measure of capital investment in exploration and production activity, as well as property acquisitions and divestitures, and such spending is compared to the Company's annual budgeted capital expenditures. The most directly comparable GAAP measure for total capital expenditures is cash flow used in investing activities. The following table details the calculation of cash flow used in investing activities to total capital expenditures.

Three Months Ended September 30 Nine Months En

	2025	2028
Cash flows used in investing activities	104,766	310,43 9
Change in prepaid capital	4,065	2,670
Change in non-cash working capital relating to investing activities	17,471	3,18,885
Total capital expenditures	126,302	325,869

Net Debt

"Net debt" is a non-GAAP financial measure that is the sum of long-term debt and working capital excluding

14.11.2025 Seite 8/11

the current financial derivative instruments, current portion of lease obligations and current portion of decommissioning provision. It is used by management to analyze the financial position and leverage of the Company. Net debt is reconciled to long-term debt which is the most directly comparable GAAP measure.

Sequie)mber 30, 2025 December 31, 2024 September 30, 2024

11.001823:t001n debt 1,295,238 1,235,275 **(3456655**)ssets (394,517)(423,803)**©™ŗ®™**liabilities 269,609 330,049 Finaneal derivative interpretations - current 231,266 (9777)ent portion of leas@36bligation (900) (Det50) missioning pro(8:956) - current (8,940)1,362,947 N. 2220449 1,348,574

Net marketing revenue

Peyto uses the term "net marketing revenue" to evaluate the profitability of products purchased from third parties that are resold. Net marketing revenue is calculated as marketing revenue less marketing purchases.

Three Months Ended September 30 Nine Months Ended September 30

2\$02(5 0)	2024	2025	2024
M/892eting re	venu e 8,729	18,619	42,984
(A⊋206t) ing pu	ırchas(66;925)	(16,354)	(41,016)
50% marketin	ng rev e ln, 80 4	2,265	1,968

Non-GAAP Financial Ratios

Funds from Operations per Share

Peyto presents funds from operations per share by dividing funds from operations by the Company's diluted or basic weighted average common shares outstanding. "Funds from operations" is a non-GAAP financial measure. Management believes that funds from operations per share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

Netback per MCFE and BOE

"Netback" is a non-GAAP measure that represents the profit margin associated with the production and sale of petroleum and natural gas. Peyto computes "field netback per Mcfe" as commodity sales from production, plus net marketing revenue, if any, plus other income, less royalties, operating, and transportation expenses, divided by production. "Cash netback" is calculated as "field netback" less interest, less general and administration expense and plus or minus realized gain on foreign exchange, divided by production. "After-tax cash netback" is calculated as "cash netback" less current tax, divided by production. Netbacks are per-unit-of-production measures used to assess Peyto's performance and efficiency.

	Three Months E	nded September 3	0 Nine Months En	ded September 30
(\$/Mcfe)	2025	2024	2025	2024
Gross sale price	3.07	2.77	3.60	3.07
Realized hedging gain	1.24	1.16	0.89	1.18
Net sale price	4.31	3.93	4.49	4.25
Net marketing revenue	0.01	0.03	0.01	0.01
Other income	0.02	0.03	0.04	0.03
Royalties	(0.08)	(0.18)	(0.15)	(0.23)
Operating costs	(0.51)	(0.54)	(0.53)	(0.54)
Transportation	(0.30)	(0.31)	(0.30)	(0.30)
Field netback	3. <i>4</i> 5	2.96	3.56	3.22
Net general and administrative	(0.06)	(0.03)	(0.06)	(0.05)
Interest and financing	(0.26)	(0.38)	(0.27)	(0.37)
Realized gain on foreign exchang	e 0.01	-	-	-
Cash netback (\$/Mcfe)	3.14	2.55	3.23	2.80

14.11.2025 Seite 9/11

Current tax (\$/Mcfe)	(0.36)	(0.21)	(0.38)	(0.26)
After-tax cash netback (\$/Mcfe)	2.78	2.34	2.85	2.54
After-tax cash netback (\$/boe)	16.66	13.98	17.11	15.32

Net marketing revenue per Mcfe

Total Payout Ratio

"Total payout ratio" is a non-GAAP measure which is calculated as the sum of dividends declared plus total capital expenditures plus decommissioning expenditures, divided by funds from operations. This ratio represents the percentage of the capital expenditures and dividends that is funded by cashflow. Management uses this measure, among others, to assess the sustainability of Peyto's dividend and capital program.

Tl \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Ι Ο - ·- / - · Ι ·- ΟΛ ΝΙ'·- ·		
Three Months Ended	\ \antamnar ∢i i Niina	שמחחו פחזמחו/ו נ	i Nantamnar kii
THEE WOLLING LINES	Genterriner of Mills	, MOHILIO EHUEL	1 00010111001 00

(\$000, except total payout ratio) 2025	2024	2025	2024
Total dividends declared	66,387	64,707	198,020	193,229
Total capital expenditures	126,302	125,869	333,078	340,082
Decommissioning expenditures	3,450	2,013	9,266	6,610
Total payout	196,139	192,589	540,364	539,921
Funds from operations	198,901	154,534	615,517	514,057
Total payout ratio (%)	99%	125%	88%	105%

Operating Margin

Operating Margin is a non-GAAP financial ratio defined as funds from operations, before current tax, divided by revenue before royalties but including realized hedging gains/losses other income and third-party sales net of purchases.

Profit Margin

Profit Margin is a non-GAAP financial ratio defined as net earnings divided by revenue before royalties but including realized hedging gains/losses, other income and third-party sales net of purchases.

Cash Costs

Cash costs is a non-GAAP financial ratio defined as the sum of royalties, operating expenses, transportation expenses, G&A and interest, on a per Mcfe basis. Peyto uses total cash costs to assess operating margin and profit margin.

14.11.2025 Seite 10/11

[&]quot;Net marketing revenue per Mcfe" is comprised of marketing revenue less marketing purchases, as determined in accordance with IFRS, divided by the Company's total production.

¹ This press release contains certain non-GAAP and other financial measures to analyze financial performance, financial position, and cash flow including, but not limited to "operating margin", "profit margin", "return on capital", "return on equity", "netback", "funds from operations", "free funds flow", "total cash costs", and "net debt". These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS® Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as earnings, cash flow from operating activities, and cash flow used in investing activities, as indicators of Peyto's performance. See "Non-GAAP and Other Financial Measures" included at the end of this press release and in Peyto's most recently filed MD&A for an explanation of these financial measures and reconciliation to the most directly comparable financial measure under IFRS.

² Funds from operations is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2025 MD&A.

³ Free funds flow is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2025 MD&A.

⁴ Cash costs is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news

release.

- ⁵ Total capital expenditures is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2025 MD&A.
- 6 Net debt a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2025 MD&A.
- ⁷ Operating Margin is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.
- 8 Profit Margin is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news
- 9 Return on capital employed and return on equity are non-GAAP financial ratios. See "non-GAAP and Other Financial Measures" in this news release.
- 10 Total Cash costs is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.
- 11 Cash netback is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2025 MD&A.

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

https://www.rohstoff-welt.de/news/712319--Peyto-Reports-Third-Quarter-Results-and-Preliminary-2026-Capital-Program.html

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere AGB/Disclaimer!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt! Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere AGB und Datenschutzrichtlinen.

14.11.2025 Seite 11/11