UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-38083

Magnolia Oil & Gas Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware	**81-5365682**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Nine Greenway Plaza, Suite 1300	
Houston, Texas	**77046**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (713) 842-9050

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001	MGY	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 27, 2025, there were 183,152,540 shares of Class A Common Stock, $0.0001 par value per share, and 5,523,479 shares of Class B Common Stock, $0.0001 par value per share, outstanding.

GLOSSARY OF CERTAIN TERMS AND CONVENTIONS USED HEREIN

The following are definitions of certain other terms and conventions that are used in this Quarterly Report on Form 10-Q:

The "Company" or "Magnolia." Magnolia Oil & Gas Corporation (either individually or together with its consolidated subsidiaries, as the context requires, including Magnolia Oil & Gas Holdings LLC, Magnolia LLC, Magnolia Intermediate, Magnolia Operating, and Magnolia Oil & Gas Finance Corp.).

"Magnolia Intermediate." Magnolia Oil & Gas Intermediate LLC.

"Magnolia LLC." Magnolia Oil & Gas Parent LLC.

"Magnolia LLC Units." Units representing limited liability company interests in Magnolia LLC.

"Magnolia Operating." Magnolia Oil & Gas Operating LLC.

"EnerVest." EnerVest, Ltd.

"Karnes County Assets." Certain right, title, and interest in certain oil and natural gas assets located primarily in the Karnes County portion of the Eagle Ford Shale formation in South Texas.

"Class A Common Stock." Magnolia's Class A Common Stock, par value $0.0001 per share.

"Class B Common Stock." Magnolia's Class B Common Stock, par value $0.0001 per share.

"Issuers." Magnolia Operating and Magnolia Oil & Gas Finance Corp., a wholly owned subsidiary of Magnolia Operating, as it relates to the 2026 Senior Notes and the 2032 Senior Notes.

"Magnolia LLC Unit Holders." EnerVest Energy Institutional Fund XIV-A, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-WIC, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-2A, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-3A, L.P., a Delaware limited partnership, and EnerVest Energy Institutional Fund XIV-C-AIV, L.P., a Delaware limited partnership.

"RBL Facility." Senior secured reserve-based revolving credit facility, as amended November 13, 2024.

"2026 Senior Notes." 6.0% Senior Notes due 2026.

"2032 Senior Notes." 6.875% Senior Notes due 2032.

"OPEC." The Organization of the Petroleum Exporting Countries.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Magnolia Oil & Gas Corporation
Consolidated Balance Sheets
(In thousands)

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 280,485	$ 260,049
Accounts receivable	187,472	147,901
Drilling advances	14	2,275
Other current assets	1,518	599
Total current assets	469,489	410,824
PROPERTY, PLANT AND EQUIPMENT		
Oil and natural gas properties	4,833,995	4,403,210
Other	20,488	18,716
Accumulated depreciation, depletion and amortization	(2,439,519)	(2,115,892)
Total property, plant and equipment, net	2,414,964	2,306,034
OTHER ASSETS		
Deferred financing costs, net	5,939	7,022
Deferred tax assets	3,170	77,637
Other long-term assets	30,022	19,318
Total other assets	39,131	103,977
TOTAL ASSETS	$ 2,923,584	$ 2,820,835
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 181,200	$ 181,073
Other current liabilities (Note 6)	137,729	109,188
Total current liabilities	318,929	290,261
LONG-TERM LIABILITIES		
Long-term debt, net	393,064	392,513
Asset retirement obligations, net of current	184,349	161,295
Other long-term liabilities	20,827	9,440
Total long-term liabilities	598,240	563,248
COMMITMENTS AND CONTINGENCIES (Note 8)		
EQUITY		
Class A Common Stock, $0.0001 par value, 1,300,000 shares authorized, 228,894 shares issued and 183,576 shares outstanding in 2025 and 228,164 shares issued and 189,356 shares outstanding in 2024	23	23
Class B Common Stock, $0.0001 par value, 225,000 shares authorized, 5,523 shares issued and outstanding in 2025 and 2024	1	1
Additional paid-in capital	1,897,184	1,880,243
Treasury Stock, at cost, 45,318 shares and 38,808 shares in 2025 and 2024, respectively	(874,713)	(721,279)
Retained earnings	925,749	754,591
Noncontrolling interest	58,171	53,747
Total equity	2,006,415	1,967,326
TOTAL LIABILITIES AND EQUITY	$ 2,923,584	$ 2,820,835

The accompanying notes are an integral part of these consolidated financial statements.

Magnolia Oil & Gas Corporation
Consolidated Statements of Operations (Unaudited)
(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
REVENUES				
Oil revenues	$ 230,530	$ 265,682	$ 702,409	$ 800,195
Natural gas revenues	43,169	22,207	137,386	61,871
Natural gas liquids revenues	51,236	45,246	154,422	127,211
Total revenues	324,935	333,135	994,217	989,277
OPERATING EXPENSES				
Lease operating expenses	48,553	44,444	139,218	134,945
Gathering, transportation and processing	17,744	10,676	49,186	27,668
Taxes other than income	20,383	18,269	59,291	56,011
Exploration expenses	131	491	841	918
Asset retirement obligations accretion	1,838	1,749	4,957	5,112
Depreciation, depletion and amortization	110,618	107,336	323,552	309,155
General and administrative expenses	24,204	21,158	72,072	67,547
Total operating expenses	223,471	204,123	649,117	601,356
OPERATING INCOME	101,464	129,012	345,100	387,921
OTHER EXPENSE				
Interest expense, net	(5,362)	(3,856)	(16,218)	(9,683)
Other income (expense), net	(661)	7,286	309	4,018
Total other income (expense), net	(6,023)	3,430	(15,909)	(5,665)
INCOME BEFORE INCOME TAXES	95,441	132,442	329,191	382,256
Income tax expense	17,208	26,530	63,283	73,634
NET INCOME	78,233	105,912	265,908	308,622
LESS: Net income attributable to noncontrolling interest	2,777	6,128	9,409	28,193
NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK	$ 75,456	$ 99,784	$ 256,499	$ 280,429
NET INCOME PER SHARE OF CLASS A COMMON STOCK				
Basic	$ 0.40	$ 0.52	$ 1.36	$ 1.50
Diluted	$ 0.40	$ 0.52	$ 1.36	$ 1.50
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	184,737	187,859	186,621	185,065
Diluted	184,749	187,871	186,633	185,096

The accompanying notes are an integral part of these consolidated financial statements.

Magnolia Oil & Gas Corporation
Consolidated Statements of Changes in Equity (Unaudited)

(In thousands)	Class A Common Stock		Class B Common Stock		Additional Paid In Capital	Treasury Stock		Retained Earnings	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
For the Three Months Ended September 30, 2024	**Shares**	**Value**	**Shares**	**Value**		**Shares**	**Value**				
Balance, June 30, 2024	223,167	$ 23	10,958	$ 1	$ 1,815,798	34,683	$ (616,747)	$ 619,000	$ 1,818,075	$ 100,281	$1,918,356
Stock based compensation expense, net of forfeitures	—	—	—	—	4,487	—	—	—	4,487	220	4,707
Common stock issued related to stock based compensation and other, net	15	—	—	—	(140)	—	—	—	(140)	(7)	(147)
Changes in ownership interest adjustment	—	—	—	—	39,667	—	—	—	39,667	(39,667)	—
Class A Common Stock repurchases	—	—	—	—	—	1,950	(48,725)	—	(48,725)	—	(48,725)
Class B Common Stock purchases and cancellations	—	—	(500)	—	—	—	—	—	—	(12,930)	(12,930)
Conversion of Class B Common Stock to Class A Common Stock	4,935	—	(4,935)	—	—	—	—	—	—	—	—
Dividends declared ($0.13 per share)	—	—	—	—	—	—	—	(24,694)	(24,694)	—	(24,694)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(1,542)	(1,542)
Adjustment to deferred taxes	—	—	—	—	(7,918)	—	—	—	(7,918)	—	(7,918)
Tax impact of equity transactions	—	—	—	—	27,553	—	—	—	27,553	—	27,553
Net income	—	—	—	—	—	—	—	99,784	99,784	6,128	105,912
Balance, September 30, 2024	228,117	$ 23	5,523	$ 1	$ 1,879,447	36,633	$ (665,472)	$ 694,090	$ 1,908,089	$ 52,483	$1,960,572
For the Three Months Ended September 30, 2025											
Balance, June 30, 2025	228,673	$ 23	5,523	$ 1	$ 1,885,948	43,168	$ (822,833)	$ 878,374	$ 1,941,513	$ 56,833	$1,998,346
Stock based compensation expense, net of forfeitures	—	—	—	—	5,762	—	—	—	5,762	173	5,935
Common stock issued related to stock based compensation and other, net	221	—	—	—	4,858	—	—	—	4,858	(3)	4,855
Changes in ownership interest adjustment	—	—	—	—	780	—	—	—	780	(780)	—
Class A Common Stock repurchases	—	—	—	—	—	2,150	(51,419)	—	(51,419)	—	(51,419)
Dividends declared ($0.15 per share)	—	—	—	—	—	—	—	(28,081)	(28,081)	—	(28,081)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(829)	(829)
Adjustment to deferred taxes	—	—	—	—	(164)	—	—	—	(164)	—	(164)
Tax impact of equity transactions	—	—	—	—	—	—	(461)	—	(461)	—	(461)
Net income	—	—	—	—	—	—	—	75,456	75,456	2,777	78,233
Balance, September 30, 2025	228,894	$ 23	5,523	$ 1	$ 1,897,184	45,318	$ (874,713)	$ 925,749	$ 1,948,244	$ 58,171	$2,006,415

The accompanying notes are an integral part of these consolidated financial statements.

Magnolia Oil & Gas Corporation
Consolidated Statements of Changes in Equity (Unaudited)

(In thousands)	Class A Common Stock		Class B Common Stock		Additional Paid In Capital	Treasury Stock		Retained Earnings	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
For the Nine Months Ended September 30, 2024	Shares	Value	Shares	Value		Shares	Value				
Balance, December 31, 2023	214,497	$ 21	21,827	$ 2	$ 1,743,930	31,333	$ (538,445)	$ 486,162	$ 1,691,670	$ 190,998	$1,882,668
Stock based compensation expense, net of forfeitures	—	—	—	—	13,095	—	—	—	13,095	1,066	14,161
Common stock issued related to stock based compensation and other, net	816	1	—	—	(6,861)	—	—	—	(6,860)	(813)	(7,673)
Changes in ownership interest adjustment	—	—	—	—	69,101	—	—	—	69,101	(69,101)	—
Class A Common Stock repurchases	—	—	—	—	—	5,300	(127,027)	—	(127,027)	—	(127,027)
Class B Common Stock purchases and cancellations	—	—	(3,500)	—	—	—	—	—	—	(89,670)	(89,670)
Conversion of Class B Common Stock to Class A Common Stock	12,804	1	(12,804)	(1)	—	—	—	—	—	—	—
Dividends declared ($0.39 per share)	—	—	—	—	—	—	—	(72,501)	(72,501)	—	(72,501)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(8,190)	(8,190)
Adjustment to deferred taxes	—	—	—	—	(10,834)	—	—	—	(10,834)	—	(10,834)
Tax impact of equity transactions	—	—	—	—	71,016	—	—	—	71,016	—	71,016
Net income	—	—	—	—	—	—	—	280,429	280,429	28,193	308,622
Balance, September 30, 2024	228,117	$ 23	5,523	$ 1	$ 1,879,447	36,633	$ (665,472)	$ 694,090	$ 1,908,089	$ 52,483	$1,960,572
For the Nine Months Ended September 30, 2025											
Balance, December 31, 2024	228,164	$ 23	5,523	$ 1	$ 1,880,243	38,808	$ (721,279)	$ 754,591	$ 1,913,579	$ 53,747	$1,967,326
Stock based compensation expense, net of forfeitures	—	—	—	—	17,276	—	—	—	17,276	513	17,789
Common stock issued related to stock based compensation and other, net	730	—	—	—	48	—	—	—	48	(146)	(98)
Modification and cash-settlement of stock based compensation	—	—	—	—	(3,157)	—	—	—	(3,157)	—	(3,157)
Changes in ownership interest adjustment	—	—	—	—	2,681	—	—	—	2,681	(2,681)	—
Class A Common Stock repurchases	—	—	—	—	—	6,510	(152,080)	—	(152,080)	—	(152,080)
Dividends declared ($0.45 per share)	—	—	—	—	—	—	—	(85,341)	(85,341)	—	(85,341)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(2,671)	(2,671)
Adjustment to deferred taxes	—	—	—	—	93	—	—	—	93	—	93
Tax impact of equity transactions	—	—	—	—	—	—	(1,354)	—	(1,354)	—	(1,354)
Net income	—	—	—	—	—	—	—	256,499	256,499	9,409	265,908
Balance, September 30, 2025	228,894	$ 23	5,523	$ 1	$ 1,897,184	45,318	$ (874,713)	$ 925,749	$ 1,948,244	$ 58,171	$2,006,415

The accompanying notes are an integral part of these consolidated financial statements.

Magnolia Oil & Gas Corporation
Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Nine Months Ended	
	September 30, 2025	**September 30, 2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME	$ 265,908	$ 308,622
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	323,552	309,155
Exploration expenses, non-cash	125	1
Asset retirement obligations accretion	4,957	5,112
Amortization of deferred financing costs	1,619	3,305
Deferred income tax expense	78,650	51,958
Gain on revaluation of contingent consideration	(4,511)	(3,808)
Stock based compensation	21,167	14,161
Other	2,522	2,921
Changes in operating assets and liabilities:		
Accounts receivable	(39,576)	50,579
Accounts payable	131	(35,915)
Accrued liabilities	18,987	(485)
Drilling advances	2,261	(1,285)
Other assets and liabilities, net	(5,549)	(6,098)
Net cash provided by operating activities	670,243	698,223
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions	(64,359)	(164,995)
Additions to oil and natural gas properties	(350,503)	(351,935)
Changes in working capital associated with additions to oil and natural gas properties	8,437	455
Other investing	5,782	(539)
Net cash used in investing activities	(400,643)	(517,014)
CASH FLOW FROM FINANCING ACTIVITIES		
Class A Common Stock repurchases	(152,181)	(128,133)
Class B Common Stock purchases and cancellations	—	(89,670)
Dividends paid	(85,341)	(72,524)
Distributions to noncontrolling interest owners	(2,671)	(8,190)
Other financing activities	(8,971)	(7,674)
Net cash used in financing activities	(249,164)	(306,191)
NET CHANGE IN CASH AND CASH EQUIVALENTS	20,436	(124,982)
Cash and cash equivalents – Beginning of period	260,049	401,121
Cash and cash equivalents – End of period	$ 280,485	$ 276,139

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Business and Basis of Presentation

Organization and Nature of Operations

Magnolia Oil & Gas Corporation (either individually or together with its consolidated subsidiaries, as the context requires, the "Company" or "Magnolia") is an independent oil and natural gas company engaged in the acquisition, development, exploration, and production of oil, natural gas, and natural gas liquid ("NGL") reserves. The Company's oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas where the Company primarily targets the Eagle Ford Shale and Austin Chalk formations. Magnolia's objective is to generate stock market value over the long term through steady organic production growth, high full cycle operating margins, an efficient capital program with short economic paybacks, significant free cash flow after capital expenditures, and effective reinvestment of free cash flow.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial reporting. Accordingly, certain disclosures normally included in an Annual Report on Form 10-K have been omitted. The consolidated financial statements and related notes included in this Quarterly Report should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the period ended December 31, 2024 (the "2024 Form 10-K"). Except as disclosed herein, there have been no material changes to the information disclosed in the notes to the consolidated financial statements included in the Company's 2024 Form 10-K.

In the opinion of management, all normal, recurring adjustments and accruals considered necessary to present fairly, in all material respects, the Company's interim financial results have been included. Operating results for the periods presented are not necessarily indicative of expected results for the full year.

The consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of intercompany transactions and balances. The Company's interests in oil and natural gas exploration and production ventures and partnerships are proportionately consolidated. The Company reflects a noncontrolling interest representing the interest owned by the Magnolia LLC Unit Holders through their ownership of Magnolia LLC Units in the consolidated financial statements. The noncontrolling interest is presented as a component of equity. See *Note 10—Stockholders' Equity* for further discussion of the noncontrolling interest.

Segment Information

The Company operates in one reportable segment engaged in the acquisition, development, exploration, and production of oil and natural gas properties ("Operating segment"). Magnolia's operations are conducted predominantly in one geographic area of the United States. The Operating segment sells oil, natural gas, and NGLs which are disaggregated on the Company's consolidated statements of operations. The profit or loss metric used to evaluate segment performance is net income reported on the Company's consolidated statements of operations. The measure of segment assets is reported on the Company's consolidated balance sheets as Total Assets. Significant segment expenses are the same as those in the consolidated statements of operations.

2. Summary of Significant Accounting Policies

As of September 30, 2025, the Company's significant accounting policies are consistent with those discussed in *Note 2—Summary of Significant Accounting Policies* of its consolidated financial statements contained in the Company's 2024 Form 10-K, with the exception of the Company's policies on stock based compensation, which are updated below.

Stock Based Compensation

Magnolia maintains the "Magnolia Oil & Gas Corporation Long Term Incentive Plan" (as amended, the "Plan"), pursuant to which eligible employees and directors may be granted awards in the form of restricted stock units ("RSUs"), performance restricted stock units ("PRSUs") and performance stock units ("PSUs"). RSUs granted are valued on the date of the grant using the quoted market price of Magnolia's Class A Common Stock. Liability-classified and equity-classified PSUs and PRSUs granted are valued based on the grant date fair value determined using Monte Carlo simulations, which use a probabilistic approach for estimating the fair value of the awards. Liability-classified PSUs are remeasured at fair value using Monte Carlo simulations until settlement. RSUs, PSUs, and PRSUs are expensed on a straight-line basis over the requisite service period. The requisite service period may be subject to

acceleration upon employee retirement under certain conditions. The Company records expense associated with the fair value of stock based compensation under the fair value recognition provisions of ASC Topic 718, "Compensation-Stock Compensation" and that expense is included within "General and administrative expenses" and "Lease operating expenses" in the accompanying consolidated statements of operations. The Company accounts for forfeitures as they occur. These plans and related accounting policies are defined and described more fully in *Note 11—Stock Based Compensation*.

Recent Accounting Pronouncements

In December 2023, the Financial Standards Accounting Board ("FASB") issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning January 1, 2025, with early adoption permitted. The adoption of this standard will not have a material impact on the Company's financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03 "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" requiring disclosure of specified information about certain costs and expenses. ASU 2024-03 is effective for annual periods beginning January 1, 2027, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

3. Revenue Recognition

Magnolia's revenues include the sale of crude oil, natural gas, and NGLs. The Company has concluded that disaggregating revenue by product type appropriately depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors and has reflected this disaggregation of revenue on the Company's consolidated statements of operations for all periods presented. The Company's receivables consist mainly of trade receivables from commodity sales and joint interest billings due from owners on properties the Company operates. Receivables from contracts with customers totaled $119.6 million as of September 30, 2025 and $123.8 million as of December 31, 2024. For further detail regarding the Company's revenue recognition policies, please refer to *Note 2—Summary of Significant Accounting Policies* of the consolidated financial statements contained in the Company's 2024 Form 10-K.

4. Acquisitions

2025 Acquisitions

During the nine months ended September 30, 2025, the Company completed various bolt-on property acquisitions of certain oil and natural gas assets totaling $64.4 million in cash.

2024 Acquisitions

In April 2024, the Company completed the acquisition of certain oil and natural gas producing properties, including leasehold and mineral interests, in the Giddings area for $120.4 million in cash.

Additionally, during the nine months ended September 30, 2024, the Company completed various bolt-on property acquisitions of certain oil and natural gas assets totaling $44.6 million in cash.

The Company accounted for the 2025 and 2024 acquisitions as asset acquisitions.

5. Fair Value Measurements

Certain of the Company's assets and liabilities are carried at fair value and measured either on a recurring or nonrecurring basis. The Company's fair value measurements are based either on actual market data or assumptions that other market participants would use in pricing an asset or liability in an orderly transaction, using the valuation hierarchy prescribed by GAAP under Accounting Standards Codification ("ASC") 820.

The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical investments at the measurement date are used.

Level 2 - Pricing inputs are other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. Level 2 pricing inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, inputs other than quoted prices that are observable for the investment, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs used in determination of fair value require significant judgment and estimation.

The Company has other financial instruments consisting primarily of receivables, payables, and other current assets and liabilities that approximate fair value due to the nature of the instruments and their relatively short maturities. Non-financial assets and liabilities initially measured at fair value include assets acquired and liabilities assumed in business combinations and asset retirement obligations.

Recurring Fair Value Measurements

	Fair value at September 30, 2025			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities				
Long-term debt (see *Note 7*)	$ 412,072	$ —	$ —	$ 412,072
Contingent consideration (see *Note 8*)	—	—	—	—
Liability-classified stock based compensation (see *Note 11*)	—	5,410	—	5,410

	Fair value at December 31, 2024			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities				
Long-term debt (see *Note 7*)	$ 396,808	$ —	$ —	$ 396,808
Contingent consideration (see *Note 8*)	—	7,269	—	7,269
Liability-classified stock based compensation (see *Note 11*)	—	—	—	—

Long-Term Debt

The fair value of the 2032 Senior Notes at September 30, 2025 and December 31, 2024 is based on unadjusted quoted prices in an active market. The carrying value of the 2032 Senior Notes, net of unamortized deferred financing costs, was $393.1 million and $392.5 million as of September 30, 2025 and December 31, 2024, respectively, and is included in "Long-term debt, net" on the Company's consolidated balance sheets.

Contingent Consideration

The fair value of the contingent consideration is estimated using observable market data (NYMEX WTI forward price curve) and Monte Carlo simulation models. The fair value of the contingent consideration is included in "Other current liabilities" on the Company's consolidated balance sheets.

Liability-Classified Stock Based Compensation

The fair value of the liability for future cash-settled stock based compensation is estimated using observable market data (the total shareholder return ("TSR") of the Class A Common Stock relative to the TSR achieved by a specific industry peer group) and Monte Carlo simulation models. The fair value of the liability for future cash-settled stock based compensation is included in "Other current liabilities" and "Other long-term liabilities" on the Company's consolidated balance sheets.

Nonrecurring Fair Value Measurements

Certain of the Company's assets and liabilities are measured at fair value on a nonrecurring basis. Specifically, equity-classified stock based compensation is not measured at fair value on an ongoing basis but is subject to fair value calculations in certain circumstances. For further detail, see *Note 11—Stock Based Compensation* in the notes to the consolidated financial statements. There were no other material nonrecurring fair value measurements as of September 30, 2025 or December 31, 2024.

6. Other Current Liabilities

The Company's other current liabilities are comprised of the following:

(In thousands)	September 30, 2025	December 31, 2024
Accrued capital expenditures	$ 40,183	$ 31,745
Current operating lease liabilities	18,472	12,210
Accrued ad valorem taxes	17,965	4,822
Other	61,109	60,411
Total other current liabilities	$ 137,729	$ 109,188

7. Long-term Debt

The Company's long-term debt is comprised of the following:

(In thousands)	September 30, 2025	December 31, 2024
Revolving credit facility	$ —	$ —
Senior Notes due 2032	400,000	400,000
Total long-term debt	400,000	400,000
Less: Unamortized deferred financing cost	(6,936)	(7,487)
Long-term debt, net	$ 393,064	$ 392,513

Credit Facility

The original RBL Facility was entered into by and among Magnolia Operating, as borrower, Magnolia Intermediate, as its holding company, the banks, financial institutions, and other lending institutions from time to time party thereto, as lenders, the other parties from time to time party thereto and Citibank, N.A., as administrative agent, collateral agent, issuing bank, and swingline lender. On February 16, 2022, Magnolia Operating, as borrower, amended and restated the original RBL Facility in its entirety (the "2022 RBL Facility"). On November 13, 2024, Magnolia Operating, as borrower, amended and restated the 2022 RBL Facility in its

entirety, providing for maximum commitments in an aggregate principal amount of $1.5 billion with a letter of credit facility with a $50.0 million sublimit, with an initial borrowing base of $800.0 million and borrowing capacity of $450.0 million. The RBL Facility is guaranteed by certain parent companies and subsidiaries of Magnolia LLC and is collateralized by certain of Magnolia Operating's oil and natural gas properties. The RBL Facility matures on November 13, 2029, subject to certain conditions.

Borrowings under the RBL Facility bear interest, at Magnolia Operating's option, at a rate per annum equal to either the term SOFR rate or the alternative base rate plus the applicable margin. Additionally, Magnolia Operating is required to pay a commitment fee quarterly in arrears in respect of unused commitments under the RBL Facility. The applicable margin and the commitment fee rate are calculated based upon the utilization levels of the RBL Facility as a percentage of unused lender commitments then in effect. The RBL Facility contains certain affirmative and negative covenants customary for financings of this type, including compliance with a leverage ratio of less than 3.50 to 1.00 and a current ratio of greater than 1.00 to 1.00. As of September 30, 2025, the Company was in compliance with all covenants under the RBL Facility.

During the year ended December 31, 2024, the Company incurred approximately $5.2 million of lender and transaction fees related to the modification, which were recorded as deferred financing costs and will be amortized prospectively over the remaining term of the RBL Facility.

Deferred financing costs in connection with the RBL Facility are amortized on a straight-line basis over a period of five years from November 2024 to November 2029 and included in "Interest expense, net" in the Company's consolidated statements of operations. The Company recognized interest expense related to the RBL Facility, including its previous amendments, of $0.8 million and $1.1 million for the three months ended September 30, 2025 and 2024, respectively, and $2.4 million and $3.1 million for the nine months ended September 30, 2025 and 2024, respectively. The unamortized portion of the deferred financing costs is included in "Deferred financing costs, net" on the Company's consolidated balance sheets as of September 30, 2025 and December 31, 2024.

The Company did not have any outstanding borrowings under the RBL Facility as of September 30, 2025.

Senior Notes

On November 26, 2024, the Issuers issued and sold $400.0 million aggregate principal amount of 2032 Senior Notes in a private placement under Rule 144A and Regulation S under the Securities Act of 1933, as amended. The 2032 Senior Notes were issued under the Indenture, dated as of November 26, 2024 (the "Indenture"), by and among the Issuers, the Company, the guarantors named therein, and Regions Bank, as trustee. The 2032 Senior Notes are guaranteed on a senior unsecured basis by the Company, Magnolia LLC, Magnolia Oil & Gas Holdings LLC, and Magnolia Intermediate and may be guaranteed by certain future subsidiaries of the Company. The 2032 Senior Notes will mature on December 1, 2032 and bear interest at the rate of 6.875% per annum.

During the year ended December 31, 2024, the Company paid $7.6 million in fees to third parties which were recorded as deferred financing costs. Deferred financing costs are amortized using the effective interest method over the term of the 2032 Senior Notes and are included in "Interest expense, net" in the Company's consolidated statements of operations. The unamortized portion of the deferred financing costs is included as a reduction to the carrying value of the 2032 Senior Notes, which has been recorded as "Long-term debt, net" on the Company's consolidated balance sheets as of September 30, 2025 and December 31, 2024.

The Company recognized interest expense related to the 2032 Senior Notes and 2026 Senior Notes, collectively, of $7.1 million and $6.7 million for the three months ended September 30, 2025 and 2024, respectively, and $21.2 million and $20.0 million for the nine months ended September 30, 2025 and 2024, respectively.

At any time prior to December 1, 2027, the Issuers may, on any one or more occasions, redeem all or a part of the 2032 Senior Notes at a redemption price equal to 100% of the principal amount of the 2032 Senior Notes redeemed, plus a "make whole" premium on accrued and unpaid interest, if any, to, but excluding, the date of redemption. After December 1, 2027, the Issuers may redeem all or a part of the 2032 Senior Notes based on principal plus a set premium, as set forth in the Indenture, including any accrued and unpaid interest.

8. Commitments and Contingencies

Legal Matters

From time to time, the Company is or may become involved in litigation in the ordinary course of business.

Certain of the Magnolia LLC Unit Holders and EnerVest Energy Institutional Fund XIV-C, L.P. (collectively the "Co-Defendants") and the Company have been named as defendants in a lawsuit where the plaintiffs claim to be entitled to a minority working interest in certain Karnes County Assets. The litigation is in the pre-trial stage. The exposure related to this litigation is currently not reasonably estimable. The Co-Defendants retain all such liability.

Matters that are probable of unfavorable outcome to Magnolia and which can be reasonably estimated are accrued. Such accruals are based on information known about the matters, Magnolia's estimates of the outcomes of such matters and its experience in contesting, litigating and settling similar matters. The Company does not believe the outcome of any such disputes or legal actions will have a material effect on its consolidated statements of operations, balance sheet, or cash flows after consideration of recorded accruals. Actual amounts could differ materially from management's estimates.

Environmental Matters

The Company, as an owner or lessee and operator of oil and natural gas properties, is subject to various federal, state, and local laws and regulations, and in certain cases permits, relating to discharge of materials into, and the protection of, the environment. These laws, regulations, and permits may, among other things, impose liability on a lessee under an oil and natural gas lease for the cost of pollution clean-up resulting from operations and subject the lessee to liability for pollution damages. In some instances, the Company may be directed to suspend or cease operations in an affected area. The Company maintains insurance coverage, which it believes is customary in the industry, although the Company is not fully insured against all environmental risks.

Contingencies

In November 2023, the Company completed the acquisition of certain oil and natural gas producing properties and mineral interests located in the Giddings area. The seller may receive up to a maximum of $40.0 million in additional contingent cash consideration based on future commodity prices. The contingent consideration is payable in three tranches based on average NYMEX WTI prices for (i) the period beginning July 1, 2023 through December 31, 2023, (ii) the year ending December 31, 2024, and (iii) the year ending December 31, 2025. The first tranche was settled for $2.7 million in January 2024 and the second tranche was settled for $2.8 million in January 2025. As of September 30, 2025, the remaining tranche is not expected to result in a payment.

The Company recognized a gain of $0.5 million and $7.0 million on the revaluation of the remaining tranches for the three months ended September 30, 2025 and 2024, respectively. The Company recognized a gain of $4.5 million and $3.8 million on the revaluation of the remaining tranches for the nine months ended September 30, 2025 and 2024, respectively. Gains and losses on revaluation are included in "Other income (expense), net" on the Company's consolidated statements of operations. Refer to *Note 5—Fair Value Measurements* for additional information.

9. Income Taxes

The Company's income tax provision consists of the following components:

	Three Months Ended		Nine Months Ended	
(In thousands)	**September 30, 2025**	**September 30, 2024**	**September 30, 2025**	**September 30, 2024**
Current:				
Federal	$ (31,997)	$ (910)	$ (15,998)	$ 19,948
State	(291)	430	631	1,728
Total current	(32,288)	(480)	(15,367)	21,676
Deferred:				
Federal	49,253	26,180	77,172	50,125
State	243	830	1,478	1,833
Total deferred	49,496	27,010	78,650	51,958
Income tax expense	$ 17,208	$ 26,530	$ 63,283	$ 73,634

The Company is subject to U.S. federal income tax and margin tax in the state of Texas. The Company estimates its annual effective tax rate in recording its quarterly provision for income taxes in the various jurisdictions in which it operates. The Company's effective tax rates for the three months ended September 30, 2025 and 2024 were 18.0% and 20.0%, respectively, and 19.2% and 19.3% for the nine months ended September 30, 2025 and 2024, respectively. The primary differences between the annual effective tax rate and the statutory rate of 21.0% are income attributable to noncontrolling interest, state taxes, and tax credits.

On July 4, 2025, the U.S. enacted legislation referred to as the One Big Beautiful Bill Act, which contains certain significant changes to U.S. corporate income tax laws and is generally effective for tax years beginning after December 31, 2024. These changes include, among others, the immediate deduction of domestic research and development ("R&D") expenses, the option to retroactively deduct previously capitalized R&D expenses, and 100% bonus depreciation for property acquired after January 19, 2025. The impacts are reflected in the Company's income tax provision for the quarter ended September 30, 2025, which resulted in a decrease in current tax expense offset by an increase in deferred tax expense.

10. Stockholders' Equity

Class A Common Stock

At September 30, 2025, there were 228.9 million shares of Class A Common Stock issued and 183.6 million shares of Class A Common Stock outstanding. The holders of Class A Common Stock and Class B Common Stock vote together as a single class on all matters and are entitled one vote for each share held. There is no cumulative voting with respect to the election of directors, which results in the holders of more than 50% of the Company's outstanding common shares being able to elect all of the directors. In the event of a liquidation, dissolution, or winding up of the Company, the holders of the Class A Common Stock are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of stock, if any, having preference over the common stock. The holders of the Class A Common Stock have no preemptive or other subscription rights, and there are no sinking fund provisions applicable to such shares.

Class B Common Stock

At September 30, 2025, there were 5.5 million shares of Class B Common Stock issued and outstanding. Holders of Class B Common Stock vote together as a single class with holders of Class A Common Stock on all matters properly submitted to a vote of the stockholders. The holders of Class B Common Stock generally have the right to exchange all or a portion of their shares of Class B Common Stock, together with an equal number of Magnolia LLC Units, for the same number of shares of Class A Common Stock or, at Magnolia LLC's option, an equivalent amount of cash. Upon the future redemption or exchange of Magnolia LLC Units held by any holder of Class B Common Stock, a corresponding number of shares of Class B Common Stock held by such holder of Class B Common Stock will be canceled. In the event of a liquidation, dissolution, or winding up of Magnolia LLC, the holders of the Class B Common Stock, through their ownership of Magnolia LLC Units, are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of units of Magnolia LLC, if any, having preference over the common units. The holders of the Class B Common Stock have no preemptive or other subscription rights, and there are no sinking fund provisions applicable to such shares.

Share Repurchases

As of September 30, 2025, the Company's board of directors had authorized a share repurchase program of up to 50.0 million shares of Class A Common Stock. In addition, the Company may repurchase shares pursuant to a trading plan meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, which would permit the Company to repurchase shares at times that may otherwise be prohibited under the Company's insider trading policy. The share repurchase program does not require purchases to be made within a particular time frame. The Company had repurchased 44.8 million shares under the program at a cost of $859.9 million and had 5.2 million shares of Class A Common Stock remaining under its share repurchase authorization as of September 30, 2025.

During the nine months ended September 30, 2024, Magnolia LLC repurchased and subsequently canceled 3.5 million Magnolia LLC Units with an equal number of shares of corresponding Class B Common Stock for $89.7 million of cash consideration (the "Class B Common Stock Repurchase"). Magnolia funded the Class B Common Stock Repurchase with cash on hand. During the same period, the Magnolia LLC Unit Holders redeemed 12.8 million Magnolia LLC Units (and a corresponding number of shares of Class B Common Stock) for an equivalent number of shares of Class A Common Stock and subsequently sold these shares to the public. Magnolia did not receive any proceeds from the sale of shares of Class A Common Stock by the Magnolia LLC Unit Holders.

Dividends and Distributions

The Company's board of directors periodically declares dividends payable on issued and outstanding shares of Class A Common Stock, and a corresponding distribution from Magnolia LLC to Magnolia LLC Unit Holders. Dividends in excess of retained earnings are recorded as a reduction of additional paid-in capital and distributions to the Magnolia LLC Unit Holders are recorded as a reduction of noncontrolling interest.

The following table sets forth information with respect to cash dividends and distributions declared by the Company's board of directors during the nine months ended September 30, 2025 and the year ended December 31, 2024, on its own behalf and in its capacity as the managing member of Magnolia LLC, on issued and outstanding shares of Class A Common Stock and Magnolia LLC Units:

Record Date	Payment Date	Dividend/ Distribution Amount per share [1]	Distributions by Magnolia LLC [2]	Dividends Declared by the Company	Distributions to Magnolia LLC Unit Holders
(In thousands, except per share amounts)					
August 11, 2025	September 2, 2025	$ 0.15	$ 28,910	$ 28,081	$ 829
May 12, 2025	June 2, 2025	$ 0.15	$ 29,179	$ 28,350	$ 829
February 14, 2025	March 3, 2025	$ 0.15	$ 29,740	$ 28,911	$ 829
November 8, 2024	December 2, 2024	$ 0.13	$ 25,814	$ 25,096	$ 718
August 9, 2024	September 3, 2024	$ 0.13	$ 26,119	$ 24,694	$ 1,425
May 13, 2024	June 3, 2024	$ 0.13	$ 26,657	$ 23,820	$ 2,837
February 16, 2024	March 1, 2024	$ 0.13	$ 26,824	$ 23,987	$ 2,837

(1) Per share of Class A Common Stock and per Magnolia LLC Unit.

(2) Reflects total cash dividend and distribution payments made, or to be made, to holders of Class A Common Stock and Magnolia LLC Unit Holders (other than the Company) as of the applicable record date.

Noncontrolling Interest

Noncontrolling interest in Magnolia's consolidated subsidiaries includes amounts attributable to Magnolia LLC Units that were issued to the Magnolia LLC Unit Holders. The noncontrolling interest percentage is affected by various equity transactions such as issuances and repurchases of Class A Common Stock, the exchange of Class B Common Stock (and corresponding Magnolia LLC Units) for Class A Common Stock, or the cancellation of Class B Common Stock (and corresponding Magnolia LLC Units). As of September 30, 2025, Magnolia owned approximately 97.1% of the interest in Magnolia LLC and the noncontrolling interest was approximately 2.9%.

11. Stock Based Compensation

The Company's board of directors adopted the Plan, effective as of July 17, 2018. A total of 16.8 million shares of Class A Common Stock have been authorized for issuance under the Plan as of September 30, 2025. The Company grants stock based compensation awards in the form of RSUs, PRSUs, and PSUs to eligible employees and directors to enhance the Company's ability to attract, retain, and motivate persons who make important contributions to the Company by providing these individuals with equity ownership opportunities. Shares issued as a result of awards granted under the Plan are generally new shares of Class A Common Stock. The Company's awards provide for accelerated vesting upon retirement under specific conditions.

Stock based compensation expense is recognized net of forfeitures within "General and administrative expenses" and "Lease operating expenses" on the consolidated statements of operations and was $7.3 million and $4.7 million for the three months ended September 30, 2025 and 2024, respectively, and $21.2 million and $14.2 million for the nine months ended September 30, 2025 and 2024, respectively. The Company has elected to account for forfeitures of awards granted under the Plan as they occur in determining compensation expense. The total income tax benefit recognized for stock that vested during the nine months ended September 30, 2025 and 2024 was $3.7 million and $5.6 million, respectively.

On February 12, 2025, certain PSUs were modified to be 50% settled in cash. In accordance with ASC 718, the Company reclassified 50% of the impacted PSUs from equity-classified awards to liability-classified awards, resulting in a reclassification of $2.0 million from equity to liability. The modification resulted in additional compensation expense of $0.4 million recognized within "General and administrative expenses" on the consolidated statements of operations. The modification affected three grantees.

Equity-Classified Stock Based Compensation

The following table presents a summary of Magnolia's equity-classified unvested RSU, PRSU, and PSU activity for the nine months ended September 30, 2025.

	Restricted Stock Units		Performance Restricted Stock Units		Performance Stock Units	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2024	1,408,980	$ 21.44	245,527	$ 19.25	528,281	$ 22.45
Granted	798,495	22.83	—	—	179,802	19.87
Modified	—	—	—	—	(193,871)	22.36
Vested [(1)]	(551,897)	21.71	(241,560)	19.21	—	—
Forfeited	(42,425)	22.54	(362)	19.19	—	—
Unvested at September 30, 2025	1,613,153	$ 22.00	3,605	$ 22.02	514,212	$ 21.58

(1) 47,628 PRSUs were settled in cash for $1.1 million during the nine months ended September 30, 2025.

The weighted average grant date fair values of the RSUs and PSUs granted during the nine months ended September 30, 2024 were $20.79 and $21.12 per share, respectively.

Restricted Stock Units

The Company grants service-based RSU awards to employees, which generally vest and settle ratably over a three-year or four-year service period, and to non-employee directors, which vest in full after one year. Non-employee directors may elect to defer the RSU settlement date. RSUs represent the right to receive shares of Class A Common Stock at the end of the vesting period equal to the number of RSUs that vest. RSUs are subject to restrictions on transfer and are generally subject to a risk of forfeiture if the award recipient ceases to be an employee or director of the Company prior to vesting of the award. Compensation expense for the service-based RSU awards is based upon the grant date market value of the award and such costs are recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if the award was, in-substance, multiple awards. The aggregate fair value of RSUs that vested during the nine months ended September 30, 2025 and 2024 were $12.3 million and $11.5 million, respectively. Unrecognized compensation expense related to unvested RSUs as of September 30, 2025 was $23.2 million, which the Company expects to recognize over a weighted average period of 1.8 years.

Performance Restricted Stock Units and Performance Stock Units

The Company previously granted PRSUs to certain employees. Each PRSU represents the contingent right to receive one share of Class A Common Stock once the PRSU is both vested and earned. PRSUs generally vest and settle either ratably over a three-year service period or at the end of a three-year service period, in each case, subject to the recipient's continued employment or service through each applicable vesting date. Each PRSU is earned based on whether Magnolia's stock price achieves a target average stock price for any 20 consecutive trading days during the five-year performance period ("Performance Condition"). If PRSUs are not earned by the end of the five-year performance period, the PRSUs will be forfeited and no shares of Class A Common Stock will be issued, even if the vesting conditions have been met. Compensation expense for the PRSU awards is based upon grant date fair market value of the award, calculated using a Monte Carlo simulation, and such costs are recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if the award was, in-substance, multiple awards, as applicable. The aggregate fair value of PRSUs that vested during the nine months ended September 30, 2025 and 2024 were $5.5 million and $15.1 million, respectively. Unrecognized compensation expense related to unvested PRSUs as of September 30, 2025 was insignificant.

The Company grants equity-classified PSUs to certain employees. Each equity-classified PSU, to the extent earned, represents the contingent right to receive one share of Class A Common Stock and the awardee may earn between zero and 150% of the target number of the equity-classified PSUs granted based on the total shareholder return ("TSR") of the Class A Common Stock relative to the TSR achieved by a specific industry peer group over a three-year performance period. In addition to the TSR conditions, vesting of the equity-classified PSUs is subject to the awardee's continued employment through the date of settlement of the equity-classified PSUs (unless an employee elects to retire under certain qualifying conditions), which will occur within 60 days following the end of the performance period. No equity-classified PSUs vested during the nine months ended September 30, 2025. The aggregate fair value of equity-classified PSUs that vested during the nine months ended September 30, 2024 was $0.1 million. Unrecognized compensation expense related to unvested equity-classified PSUs as of September 30, 2025 was $4.3 million, which the Company expects to recognize over a weighted average period of 1.6 years.

The following table summarizes the Monte Carlo simulation assumptions used to calculate the grant date fair value of the equity-classified PSUs.

	Nine Months Ended	
Equity-classified PSU Grant Date Fair Value Assumptions	**September 30, 2025**	**September 30, 2024**
Expected term (in years)	2.88	2.88
Expected volatility	38.62%	45.09%
Risk-free interest rate	4.28%	4.35%
Dividend yield	2.37%	2.48%

Liability-Classified Stock Based Compensation

The following table presents a summary of Magnolia's unvested liability-classified PSU activity for the nine months ended September 30, 2025.

	Performance Stock Units
Unvested at December 31, 2024	—
Granted	86,588
Modified	193,871
Vested	—
Forfeited	—
Unvested at September 30, 2025	280,459

Performance Stock Units

The Company grants liability-classified PSUs to certain employees. Each liability-classified PSU, to the extent earned, represents the contingent right to receive cash in lieu of each share of Class A Common Stock and the awardee may earn between zero and 150% of the target number of liability-classified PSUs granted based on the TSR of the Class A Common Stock relative to the TSR achieved by a specific industry peer group over a three-year performance period. In addition to the TSR conditions, vesting of the liability-classified PSUs is subject to the awardee's continued employment through the date of settlement of the liability-classified PSUs (unless an employee elects to retire under certain qualifying conditions), which will occur within 60 days following the end of the performance period. No liability-classified PSUs vested during the nine months ended September 30, 2025 and 2024. Unrecognized compensation expense related to unvested liability-classified PSUs as of September 30, 2025 was $5.2 million, which the Company expects to recognize over a weighted average period of 1.0 years.

The following table summarizes the Monte Carlo simulation assumptions used to remeasure the fair value of the liability-classified PSUs as of September 30, 2025.

Liability-classified PSU Remeasurement Fair Value Assumptions	**September 30, 2025**
Expected term (in years)	0.25 - 2.25
Expected volatility	32.16% - 37.26%
Risk-free interest rate	3.54% - 3.94%
Dividend yield	2.51%

12. Earnings Per Share

The Company's unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are deemed participating securities, and therefore dividends and net income allocated to such awards have been deducted from earnings in computing basic and diluted net income per share under the two-class method. Diluted net income per share attributable to Class A Common Stock is calculated under both the two-class method and the treasury stock method and the more dilutive of the two calculations is presented.

The components of basic and diluted net income per share attributable to Class A Common Stock are as follows:

	Three Months Ended		Nine Months Ended	
(In thousands, except per share data)	**September 30, 2025**	**September 30, 2024**	**September 30, 2025**	**September 30, 2024**
Basic:				
Net income attributable to Class A Common Stock	$ 75,456	$ 99,784	$ 256,499	$ 280,429
Less: Dividends and net income allocated to participating securities	969	1,219	3,567	3,533
Net income, net of participating securities	$ 74,487	$ 98,565	$ 252,932	$ 276,896
Weighted average number of common shares outstanding during the period - basic	184,737	187,859	186,621	185,065
Net income per share of Class A Common Stock - basic	$ 0.40	$ 0.52	$ 1.36	$ 1.50
Diluted:				
Net income attributable to Class A Common Stock	$ 75,456	$ 99,784	$ 256,499	$ 280,429
Less: Dividends and net income allocated to participating securities	969	1,219	3,567	3,532
Net income, net of participating securities	$ 74,487	$ 98,565	$ 252,932	$ 276,897
Weighted average number of common shares outstanding during the period - basic	184,737	187,859	186,621	185,065
Add: Dilutive effect of stock based compensation and other	12	12	12	31
Weighted average number of common shares outstanding during the period - diluted	184,749	187,871	186,633	185,096
Net income per share of Class A Common Stock - diluted	$ 0.40	$ 0.52	$ 1.36	$ 1.50

For the three months ended September 30, 2025 and 2024, the Company excluded 5.5 million and 10.5 million, respectively, of weighted average shares of Class A Common Stock issuable upon the exchange of Class B Common Stock (and corresponding Magnolia LLC Units) as the effect was anti-dilutive. For the nine months ended September 30, 2025 and 2024, the Company excluded 5.5 million and 16.2 million, respectively, of weighted average shares of Class A Common Stock issuable upon the exchange of Class B Common Stock (and corresponding Magnolia LLC Units) as the effect was anti-dilutive.

13. Related Party Transactions

For the nine months ended September 30, 2025 and 2024, there were no material related party transactions with an entity that held more than 10% of the Company's common stock or qualified as a principal owner of the Company, as defined in ASC 850, "Related Party Disclosures."

14. Supplemental Cash Flow

Supplemental cash flow disclosures are presented below:

	Nine Months Ended	
(In thousands)	**September 30, 2025**	**September 30, 2024**
Supplemental cash items:		
Cash paid for income taxes	$ 8,400	$ 17,202
Cash paid for interest	15,449	25,781
Supplemental non-cash investing and financing activity:		
Accrued capital expenditures	40,183	34,585
Net liabilities assumed in connection with acquisitions	—	6,997
Supplemental non-cash lease operating activity:		
Right-of-use assets obtained in exchange for operating lease obligations	24,166	10,008

15. Subsequent Events

On October 28, 2025, the Company's board of directors declared a quarterly cash dividend of $0.15 per share of Class A Common Stock, and Magnolia LLC declared a cash distribution of $0.15 per Magnolia LLC Unit to each holder of Magnolia LLC Units, each payable on December 1, 2025 to shareholders or members of record, as applicable, as of November 10, 2025.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included or incorporated by reference in this report, including, without limitation, statements regarding the Company's future financial position, business strategy, budgets, projected revenues, projected costs, and plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, the Company's management. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "could," "expect," "intend," "project," "estimate," "anticipate," "plan," "believe," or "continue" or similar terminology. Although Magnolia believes that the expectations reflected in such forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, Magnolia's assumptions about:

- legislative, regulatory, or policy changes, including those following the change in presidential administrations;
- the market prices of oil, natural gas, natural gas liquids ("NGLs"), and other products or services;
- the supply and demand for oil, natural gas, NGLs, and other products or services, including impacts of actions taken by OPEC and other state-controlled oil companies;
- production and reserve levels;
- the timing and extent of the Company's success in discovering, developing, producing and estimating reserves;
- geopolitical and business conditions in key regions of the world;
- drilling risks;
- economic and competitive conditions;
- the availability of capital resources;

- capital expenditures and other contractual obligations;
- weather conditions;
- inflation rates;
- the availability of goods and services;
- cyber attacks;
- the occurrence of property acquisitions or divestitures;
- the integration of acquisitions; and
- the securities or capital markets and related risks such as general credit, liquidity, market, and interest-rate risks.

All of Magnolia's forward-looking information is subject to risks and uncertainties that could cause actual results to differ materially from the results expected. Although it is not possible to identify all factors, these risks and uncertainties include the risk factors and the timing of any of those risk factors identified in the reports that the Company has filed and may file with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the period ended December 31, 2024 (the "2024 Form 10-K").

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Company's unaudited consolidated financial statements and the related notes thereto.

Overview

Magnolia Oil & Gas Corporation (the "Company" or "Magnolia") is an independent oil and natural gas company engaged in the acquisition, development, exploration, and production of oil, natural gas, and NGL reserves that operates in one reportable segment located in the United States. The Company's oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas, where the Company primarily targets the Eagle Ford Shale and the Austin Chalk formations. Magnolia's objective is to generate stock market value over the long term through steady organic production growth, high full cycle operating margins, an efficient capital program with short economic paybacks, significant free cash flow after capital expenditures, and effective reinvestment of free cash flow. The Company's allocation of capital prioritizes reinvesting in its business to achieve moderate and predictable annual volume growth balanced with returning capital to its shareholders through dividends and share repurchases.

Magnolia's business model prioritizes prudent and disciplined capital allocation, free cash flow, and financial stability. The Company's ongoing plan is to spend within cash flow on drilling and completing wells while maintaining low financial leverage. The Company's gradual and measured approach toward the development of the Giddings area has created operating efficiencies leading to higher production.

Market Conditions Update

Commodity prices experienced significant volatility in recent years, impacted by the Russia-Ukraine war, actions taken by OPEC, and the continued instability and conflict in the Middle East. In 2024, despite the price volatility, lower well costs combined with improved operating efficiencies allowed for more wells to be drilled, completed, and turned in line helping to support Magnolia's overall high-margin growth from a disciplined capital program. In 2025, the macroeconomic and geopolitical outlook remains complex and continues to evolve amid persistent inflationary pressures, high interest rates, and escalating trade tensions, including recently imposed tariffs. Magnolia will continue to monitor changes in international trade relations and trade policy, including those related to tariffs, which could adversely impact results.

Business Overview

As of September 30, 2025, Magnolia's assets in South Texas included 79,363 gross (55,381 net) acres in the Karnes area, and 752,536 gross (569,217 net) acres in the Giddings area. As of September 30, 2025, Magnolia held an interest in approximately 2,852 gross (1,934 net) wells, with total production of 100.5 thousand and 98.4 thousand barrels of oil equivalent per day for the three and nine months ended September 30, 2025, respectively.

Magnolia recognized net income attributable to Class A Common Stock of $75.5 million and $256.5 million, or $0.40 and $1.36 per diluted common share, for the three and nine months ended September 30, 2025, respectively. Magnolia recognized net

income of $78.2 million and $265.9 million, which includes noncontrolling interest of $2.8 million and $9.4 million related to the Magnolia LLC Units (and corresponding shares of Class B Common Stock) held by certain affiliates of EnerVest, for the three and nine months ended September 30, 2025, respectively.

During the nine months ended September 30, 2025, the Company declared cash dividends to holders of its Class A Common Stock totaling $85.3 million.

As of September 30, 2025, the Company's board of directors had authorized a share repurchase program of up to 50.0 million shares of Class A Common Stock. The program does not require purchases to be made within a particular time frame. The Company had repurchased 44.8 million shares under the program at a cost of $859.9 million and had 5.2 million shares of Class A Common Stock remaining under its share repurchase authorization as of September 30, 2025.

As of September 30, 2025, Magnolia owned approximately 97.1% of the interest in Magnolia LLC and the noncontrolling interest was approximately 2.9%.

Results of Operations

Factors Affecting the Comparability of the Historical Financial Results

Magnolia's historical financial condition and results of operations for the periods presented may not be comparable, either from period to period or going forward, as a result of the Company's redemption of its 2026 Senior Notes that bore interest at 6.0% per annum and its issuance of the 2032 Senior Notes that bear interest at 6.875% per annum, both of which occurred in November 2024.

Three and Nine Months Ended September 30, 2025 Compared to the Three and Nine Months Ended September 30, 2024

Oil, Natural Gas and NGL Sales Revenues

The following table provides the components of Magnolia's revenues for the periods indicated, as well as each period's respective average prices and production volumes. This table shows production on a boe basis in which natural gas is converted to an equivalent barrel of oil based on a ratio of six Mcf to one barrel. This ratio may not be reflective of the current price ratio between the two products.

	Three Months Ended		Nine Months Ended	
(In thousands, except per unit data)	**September 30, 2025**	**September 30, 2024**	**September 30, 2025**	**September 30, 2024**
Production:				
Oil (MBbls)	3,628	3,579	10,784	10,447
Natural gas (MMcf)	17,515	14,644	50,828	43,375
NGLs (MBbls)	2,700	2,325	7,620	6,592
Total (Mboe)	9,247	8,345	26,875	24,269
Average daily production:				
Oil (Bbls/d)	39,430	38,902	39,500	38,128
Natural gas (Mcf/d)	190,384	159,170	186,183	158,302
NGLs (Bbls/d)	29,347	25,271	27,912	24,060
Total (boe/d)	100,507	90,702	98,443	88,572
Production (% of total):				
Oil	39 %	43 %	40 %	43 %
Natural gas	32 %	29 %	32 %	30 %
NGLs	29 %	28 %	28 %	27 %
Revenues:				
Oil revenues	$ 230,530	$ 265,682	$ 702,409	$ 800,195
Natural gas revenues	43,169	22,207	137,386	61,871
Natural gas liquids revenues	51,236	45,246	154,422	127,211
Total revenues	$ 324,935	$ 333,135	$ 994,217	$ 989,277
Revenues (% of total):				
Oil	71 %	80 %	70 %	81 %
Natural gas	13 %	7 %	14 %	6 %
NGLs	16 %	13 %	16 %	13 %
Average Price:				
Oil (per barrel)	$ 63.55	$ 74.23	$ 65.14	$ 76.59
Natural gas (per Mcf)	2.46	1.52	2.70	1.43
NGLs (per barrel)	18.98	19.46	20.27	19.30

Oil revenues for the three months ended September 30, 2025 were $35.2 million lower than the three months ended September 30, 2024. A 14% decrease in average prices decreased third quarter 2025 revenues by $38.3 million compared to the same period in the prior year, partially offset by a 1% increase in oil production that increased revenues by $3.1 million. Oil revenues for the nine months ended September 30, 2025 were $97.8 million lower than for the nine months ended September 30, 2024. A 15% decrease in average prices decreased revenues for the nine months ended September 30, 2025 by $119.7 million compared to the same period in the prior year, partially offset by a 3% increase in oil production that increased revenues by $21.9 million.

Natural gas revenues for the three months ended September 30, 2025 were $21.0 million higher than the three months ended September 30, 2024. A 63% increase in average prices increased third quarter 2025 revenues by $13.9 million compared to the same period in the prior year, and a 20% increase in natural gas production increased revenues by $7.1 million. Natural gas revenues for the nine months ended September 30, 2025 were $75.5 million higher than the nine months ended September 30, 2024. An 89% increase in average prices increased revenues for the nine months ended September 30, 2025 by $55.4 million compared to the same period in the prior year, and a 17% increase in natural gas production increased revenues by $20.1 million.

NGL revenues for the three months ended September 30, 2025 were $6.0 million higher than the three months ended September 30, 2024. A 16% increase in NGL production increased third quarter 2025 revenues by $7.1 million compared to the same period in the prior year, partially offset by a 2% decrease in average prices that decreased revenues by $1.1 million. NGL revenues for the nine months ended September 30, 2025 were $27.2 million higher than the nine months ended September 30, 2024. A 16% increase in NGL production increased revenues for the nine months ended September 30, 2025 by $20.8 million compared to the same period in the prior year, and a 5% increase in average prices increased revenues by $6.4 million.

Operating Expenses and Other Expense

The following table summarizes the Company's operating expenses and other expense for the periods indicated.

	Three Months Ended		Nine Months Ended	
(In thousands, except per unit data)	**September 30, 2025**	**September 30, 2024**	**September 30, 2025**	**September 30, 2024**
Operating Expenses:				
Lease operating expenses	$ 48,553	$ 44,444	$ 139,218	$ 134,945
Gathering, transportation and processing	17,744	10,676	49,186	27,668
Taxes other than income	20,383	18,269	59,291	56,011
Exploration expenses	131	491	841	918
Asset retirement obligations accretion	1,838	1,749	4,957	5,112
Depreciation, depletion and amortization	110,618	107,336	323,552	309,155
General and administrative expenses	24,204	21,158	72,072	67,547
Total operating expenses	$ 223,471	$ 204,123	$ 649,117	$ 601,356
Other Expense:				
Interest expense, net	$ (5,362)	$ (3,856)	$ (16,218)	$ (9,683)
Other income (expense), net	(661)	7,286	309	4,018
Total other income (expense), net	$ (6,023)	$ 3,430	$ (15,909)	$ (5,665)
Average Operating Costs per boe:				
Lease operating expenses	$ 5.25	$ 5.33	$ 5.18	$ 5.56
Gathering, transportation and processing	1.92	1.28	1.83	1.14
Taxes other than income	2.20	2.19	2.21	2.31
Exploration expenses	0.01	0.06	0.03	0.04
Asset retirement obligations accretion	0.20	0.21	0.18	0.21
Depreciation, depletion and amortization	11.96	12.86	12.04	12.74
General and administrative expenses	2.62	2.54	2.68	2.78

Lease operating expenses are costs incurred in the operation of producing properties, including expenses for utilities, direct labor, water disposal, workover rigs, workover expenses, materials, and supplies. Lease operating expenses for the three months ended September 30, 2025 were $4.1 million higher, and $0.08 per boe lower, than the three months ended September 30, 2024. Lease operating expenses for the nine months ended September 30, 2025 were $4.3 million higher, and $0.38 per boe lower, than the nine months ended September 30, 2024. The increases in both periods were due to higher workover activity and an increase in surface repair and maintenance, contract labor, and equipment rentals associated with higher well count, offset by broad cost reduction initiatives. The decrease in lease operating expenses per boe was due to higher production.

Gathering, transportation and processing ("GTP") costs are costs incurred to deliver oil, natural gas, and NGLs to the market. These expenses can vary based on the volume of oil, natural gas, and NGLs produced as well as the cost of commodity processing.

The GTP costs for the three months ended September 30, 2025 were $7.1 million, or $0.64 per boe, higher, than the three months ended September 30, 2024. The GTP costs for the nine months ended September 30, 2025 were $21.5 million, or $0.69 per boe, higher, than the nine months ended September 30, 2024. The increase in GTP costs in both periods was driven by changes to certain gathering and processing contracts, which resulted in a higher portion of Magnolia's GTP costs to be recognized as expense versus a reduction to Magnolia's natural gas revenues, as well as higher production and natural gas prices.

Taxes other than income include production, ad valorem, and franchise taxes. These taxes are based on rates primarily established by state and local taxing authorities. Production taxes are based on the market value of production. Ad valorem taxes are based on the fair market value of the mineral interests or business assets. Taxes other than income for the three months ended September 30, 2025 were $2.1 million higher than the three months ended September 30, 2024. Taxes other than income for the nine months ended September 30, 2025 were $3.3 million higher than the nine months ended September 30, 2024. The increase in taxes other than income in both periods was primarily due to an increase in ad valorem taxes as a result of higher market value of new wells brought online.

Depreciation, depletion and amortization ("DD&A") during the three months ended September 30, 2025 was $3.3 million higher, and $0.90 per boe lower, than the three months ended September 30, 2024. DD&A for the nine months ended September 30, 2025 was $14.4 million higher, and $0.70 per boe lower, than the nine months ended September 30, 2024. In both periods, higher production increased overall DD&A, and an increase in oil and natural gas reserves decreased DD&A per boe.

General and administrative expenses ("G&A") during the three months ended September 30, 2025 were $3.0 million, and $0.08 per boe, higher, than the three months ended September 30, 2024. G&A expenses during the nine months ended September 30, 2025 were $4.5 million higher, and $0.10 per boe lower, than the nine months ended September 30, 2024. G&A increased in both periods due to an increase in overall labor costs, including changes from the modification of stock based compensation awards in 2025 and higher subscription and license fees, partially offset by certain one-time costs incurred in 2024.

Interest expense, net, during the three months ended September 30, 2025 was $1.5 million higher than the three months ended September 30, 2024. Interest expense, net, during the nine months ended September 30, 2025 was $6.5 million higher than the nine months ended September 30, 2024. The increase in both periods was primarily driven by lower interest income realized during 2025 as a result of lower interest rates and cash balances.

Other income (expense), net, during the three months ended September 30, 2025 was $(0.7) million compared to $7.3 million during the three months ended September 30, 2024. The decrease in other income (expense) for the three months ended September 30, 2025 as compared to the same period in the prior year was primarily due to the revaluation of the contingent consideration and loss on asset retirement obligation settlements. Other income (expense), net, during the nine months ended September 30, 2025 was $0.3 million compared to $4.0 million during the nine months ended September 30, 2024. The decrease in other income (expense) for the nine months ended September 30, 2025 as compared to the same period in the prior year was primarily comprised of the loss on sale of other assets in 2025 and loss on asset retirement obligation settlements, partially offset by the revaluation of the contingent consideration.

Income Tax Expense

The following table summarizes the Company's income tax expense for the periods indicated.

	Three Months Ended		Nine Months Ended	
(In thousands)	**September 30, 2025**	**September 30, 2024**	**September 30, 2025**	**September 30, 2024**
Current income tax expense (benefit)	$ (32,288)	$ (480)	$ (15,367)	$ 21,676
Deferred income tax expense	49,496	27,010	78,650	51,958
Income tax expense	$ 17,208	$ 26,530	$ 63,283	$ 73,634

For the three months ended September 30, 2025, income tax expense was $9.3 million lower than the three months ended September 30, 2024 driven by a $31.8 million decrease in current income tax expense and offset by a $22.5 million increase in deferred income tax expense. Income tax expense during the nine months ended September 30, 2025 was $10.4 million lower compared to the nine months ended September 30, 2024, driven by a $37.0 million decrease in current income tax expense and offset by a $26.7 million increase in deferred income tax expense. The decrease in tax expense was primarily due to a decrease in income before income taxes and additional tax credits, partially offset by an increased controlling interest. The decrease in current tax expense and increase in deferred tax expense were primarily due to the acceleration of tax deductions from the passage of the One Big Beautiful Bill Act. See *Note 9— Income Taxes* in the notes to the Company's consolidated financial statements included in this Quarterly Report on Form 10-Q for further detail.

Liquidity and Capital Resources

Magnolia's primary source of liquidity and capital has been its cash flows from operations. The Company's primary uses of cash have been for development of the Company's oil and natural gas properties, returning capital to shareholders, bolt-on acquisitions of oil and natural gas properties, and general working capital needs.

The Company may also utilize borrowings under other various financing sources available to Magnolia, including the RBL Facility and the issuance of equity or debt securities through public offerings or private placements, to fund Magnolia's acquisitions and long-term liquidity needs. Magnolia's ability to complete future offerings of equity and debt securities and the timing of these offerings will depend upon various factors, including prevailing market conditions and the Company's financial condition. The Company anticipates its current cash balance, cash flows from operations, and its available sources of liquidity to be sufficient to meet the Company's cash requirements.

As of September 30, 2025, the Company had $400.0 million of principal debt related to the 2032 Senior Notes outstanding and no outstanding borrowings related to the RBL Facility. As of September 30, 2025, the Company had $730.5 million of liquidity comprised of the $450.0 million of borrowing capacity under the RBL Facility, and $280.5 million of cash and cash equivalents.

Cash and Cash Equivalents

At September 30, 2025, Magnolia had $280.5 million of cash and cash equivalents. The Company's cash and cash equivalents are maintained with various financial institutions in the United States. Deposits with these institutions may exceed the amount of insurance provided on such deposits. However, the Company regularly monitors the financial stability of its financial institutions and believes that the Company is not exposed to any significant default risk.

Sources and Uses of Cash and Cash Equivalents

The following table presents the sources and uses of the Company's cash and cash equivalents for the periods presented:

	Nine Months Ended	
(In thousands)	**September 30, 2025**	**September 30, 2024**
SOURCES OF CASH AND CASH EQUIVALENTS		
Net cash provided by operating activities	$ 670,243	$ 698,223
USES OF CASH AND CASH EQUIVALENTS		
Acquisitions	$ (64,359)	$ (164,995)
Additions to oil and natural gas properties	(350,503)	(351,935)
Changes in working capital associated with additions to oil and natural gas properties	8,437	455
Class A Common Stock repurchases	(152,181)	(128,133)
Class B Common Stock purchases and cancellations	—	(89,670)
Dividends paid	(85,341)	(72,524)
Distributions to noncontrolling interest owners	(2,671)	(8,190)
Other	(3,189)	(8,213)
Net uses of cash and cash equivalents	(649,807)	(823,205)
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ 20,436	$ (124,982)

Sources of Cash and Cash Equivalents

Net Cash Provided by Operating Activities

Operating cash flows are the Company's primary source of liquidity and are impacted, in the short-term and long-term, by oil and natural gas prices. The factors that determine operating cash flows are largely the same as those that affect net earnings, with the exception of certain non-cash expenses such as DD&A, stock based compensation, amortization of deferred financing costs, revaluation of contingent consideration, impairment of oil and natural gas properties, asset retirement obligations accretion, and deferred taxes.

Net cash provided by operating activities totaled $670.2 million and $698.2 million for the nine months ended September 30, 2025 and 2024, respectively. During the nine months ended September 30, 2025, cash provided by operating activities was negatively impacted by the timing of receipts and a decrease in realized oil prices, partially offset by the timing of payments, increased production, and an increase in realized natural gas prices.

Uses of Cash and Cash Equivalents

Acquisitions

The Company made individually insignificant bolt-on acquisitions during each of the nine months ended September 30, 2025 and 2024.

Additions to Oil and Natural Gas Properties

The following table sets forth the Company's capital expenditures for the periods presented:

	Three Months Ended		Nine Months Ended	
(In thousands)	**September 30, 2025**	**September 30, 2024**	**September 30, 2025**	**September 30, 2024**
Drilling and completion	$ 118,441	$ 103,057	$ 344,128	$ 345,406
Leasehold acquisition costs	607	1,815	6,375	6,529
Total capital expenditures	$ 119,048	$ 104,872	$ 350,503	$ 351,935

During the third quarter of 2025, Magnolia operated two rigs. The activity during the third quarter of 2025 was largely driven by the number of operated and non-operated drilling rigs. The number of operated drilling rigs is largely dependent on commodity prices and the Company's strategy of maintaining spending to accommodate the Company's business model. The Company's ongoing plan is to continue to spend within cash flow on drilling and completing wells while maintaining low financial leverage.

Capital Requirements

As of September 30, 2025, the Company's board of directors had authorized a share repurchase program of up to 50.0 million shares of Class A Common Stock. The program does not require purchases to be made within a particular time frame and whether the Company undertakes these additional repurchases is ultimately subject to numerous considerations, market conditions, and other factors. During each of the nine months ended September 30, 2025 and 2024, the Company repurchased 6.5 million and 5.3 million shares for a total cost of approximately $152.1 million and $127.0 million, respectively.

During the nine months ended September 30, 2024, Magnolia LLC repurchased and subsequently canceled 3.5 million Magnolia LLC Units with an equal number of shares of corresponding Class B Common Stock for $89.7 million of cash consideration. As of September 30, 2025, Magnolia owned approximately 97.1% of the interest in Magnolia LLC and the noncontrolling interest was approximately 2.9%.

During the nine months ended September 30, 2025, the Company declared and paid cash dividends to holders of its Class A Common Stock totaling $85.3 million. Additionally, $2.5 million was distributed to the Magnolia LLC Unit Holders. During the nine months ended September 30, 2024, the Company declared and paid cash dividends to holders of its Class A Common Stock totaling $72.5 million. Additionally, $7.1 million was distributed to the Magnolia LLC Unit Holders. The amount and frequency of future dividends is subject to the discretion of the Company's board of directors and primarily depends on earnings, capital expenditures, debt covenants, and various other factors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

For variable rate debt, interest rate changes generally do not affect the fair market value of such debt, but do impact future earnings and cash flows, assuming other factors are held constant. The Company is subject to market risk exposure related to changes in interest rates on borrowings under the RBL Facility. Interest on borrowings under the RBL Facility is based on the SOFR rate or alternative base rate plus an applicable margin. At September 30, 2025, the Company had no borrowings outstanding under the RBL Facility.

Commodity Price Risk

Magnolia's primary market risk exposure is to the prices it receives for its oil, natural gas, and NGL production. The prices the Company ultimately realizes for its oil, natural gas, and NGLs are based on a number of variables, including prevailing index prices attributable to the Company's production and certain differentials to those index prices. Pricing for oil, natural gas, and NGLs has historically been volatile and unpredictable, and this volatility is expected to continue in the future. The prices the Company receives for production depend on factors outside of its control, including physical markets, supply and demand, financial markets, and national and international policies. A $1.00 per barrel increase (decrease) in the weighted average oil price for the nine months ended September 30, 2025 would have increased (decreased) the Company's revenues by approximately $14.4 million on an annualized basis and a $0.10 per Mcf increase (decrease) in the weighted average natural gas price for the nine months ended September 30, 2025 would have increased (decreased) the Company's revenues by approximately $6.8 million on an annualized basis.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, Magnolia has evaluated, under the supervision and with the participation of its management, including Magnolia's principal executive officer and principal financial officer, the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2025. Based on such evaluation, Magnolia's principal executive officer and principal financial officer have concluded that as of such date, the Company's disclosure controls and procedures were effective. The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by it in reports that it files under the Exchange Act is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure and is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC.

Changes in Internal Control over Financial Reporting

There were no changes in the system of internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See *Part I, Item 1, Note 8—Commitments and Contingencies* to the consolidated financial statements, which is incorporated herein by reference.

From time to time, the Company is party to certain legal actions and claims arising in the ordinary course of business. While the outcome of these events cannot be predicted with certainty, management does not currently expect these matters to have a materially adverse effect on the financial position or results of operations of the Company.

Item 1A. Risk Factors

Please refer to *Part I, Item 1A—Risk Factors* of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 ("2024 Form 10-K"), and *Part I, Item 3—Quantitative and Qualitative Disclosures About Market Risk* of this Quarterly Report on Form 10-Q. Any of these factors could result in a significant or material adverse effect on Magnolia's business, results of operations, or financial condition. There have been no material changes to the Company's risk factors since its 2024 Form 10-K. Additional risk factors not presently known to the Company or that the Company currently deems immaterial may also impair its business, results of operations, or financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth the Company's share repurchase activities for each period presented:

Period	Number of Shares of Class A Common Stock Purchased	Average Price Paid per Share	Total Number of Shares of Class A Common Stock Purchased as Part of Publicly Announced Program	Maximum Number of Shares of Class A Common Stock that May Yet Be Purchased Under the Program [1]
January 1, 2025 - March 31, 2025	2,150,000	$ 24.18	2,150,000	9,593,105
April 1, 2025 - June 30, 2025	2,210,000	22.03	2,210,000	7,383,105
July 1, 2025 - July 31, 2025	550,000	23.48	550,000	6,833,105
August 1, 2025 - August 31, 2025	794,974	23.85	794,974	6,038,131
September 1, 2025 - September 30, 2025	805,000	24.28	805,000	5,233,131
Total	6,509,974	23.36	6,509,974	5,233,131

(1) The Company's board of directors has authorized a share repurchase program of up to 50.0 million shares of Class A Common Stock. The program does not require purchases to be made within a particular time frame.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Trading Arrangements

During the three months ended September 30, 2025, no director or officer of Magnolia adopted, modified, or terminated any Rule 10b5–1 trading arrangement or any non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) and (c) of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q:

Exhibit Number	Description
3.1*	Second Amended and Restated Certificate of Incorporation of the Company, dated as of July 31, 2018 (incorporated herein by reference to Exhibit 3.1 filed with the Current Report on Form 8-K filed on August 6, 2018 (File No. 001-38083)).
3.2*	Bylaws of the Company (incorporated herein by reference to Exhibit 3.3 filed with the Registration Statement on Form S-1 filed on April 17, 2017 (File No. 333-217338)).
31.1**	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1***	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.
104**	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101).

* Incorporated herein by reference as indicated.
** Filed herewith.
*** Furnished herewith.

SIGNATURES

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.

MAGNOLIA OIL & GAS CORPORATION

Date: October 30, 2025

By: /s/ Christopher Stavros

Christopher Stavros

Chief Executive Officer (Principal Executive Officer)

Date: October 30, 2025

By: /s/ Brian Corales

Brian Corales

Chief Financial Officer (Principal Financial Officer)