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 March 31, 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: 001-41585

Sitio Royalties Corp.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**88-4140242**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1401 Lawrence Street, Suite 1750	
Denver, CO	**80202**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (720) 640-7620

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 per share	STR	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 May 2, 2025, there were 77,517,671 shares of the registrant's Class A Common Stock, par value $0.0001 per share, outstanding and there were 73,391,244 shares of the registrant's Class C Common Stock, par value $0.0001 per share, outstanding.

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GLOSSARY

The following are abbreviations and definitions of certain terms used in this document, which are commonly used in the oil and natural gas industry:

Barrel or Bbl. Stock tank barrel, or 42 U.S. gallons liquid volume, used in this quarterly report in reference to crude oil or other liquid hydrocarbons.

Basin. A large natural depression on the earth's surface in which sediments generally brought by water accumulate.

BOE. One barrel of oil equivalent, calculated by converting natural gas to oil equivalent barrels at a ratio of six Mcf of natural gas to one Bbl of crude oil. This is an energy content correlation and does not reflect a value or price relationship between the commodities.

BOE/d. BOE per day.

British thermal unit or Btu. The quantity of heat required to raise the temperature of one pound of water by one degree Fahrenheit.

Completion. The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency.

Crude oil. Liquid hydrocarbons retrieved from geological structures underground to be refined into fuel sources.

Development costs. Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing crude oil, natural gas and NGLs. For a complete definition of development costs, refer to the SEC's Regulation S-X, Rule 4-10(a)(7).

Development project. The means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

Dry hole. A well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes.

E&P. Exploration and production.

Economically producible. The term economically producible, as it relates to a resource, means a resource that generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. For a complete definition of economically producible, refer to the SEC's Regulation S-X, Rule 4-10(a)(10).

Field. An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formations. For a complete definition of field, refer to the SEC's Regulation S-X, Rule 4-10(a)(15).

Formation. A layer of rock that has distinct characteristics that differs from nearby rock.

GAAP. Generally accepted accounting principles in the United States.

Horizontal drilling. A drilling technique used in certain formations where a well is drilled vertically to a certain depth and then drilled at a right angle within a specified interval.

Horizontal wells. The number of horizontal wells, normalized to a 5,000 foot lateral length basis, where we have ownership in a mineral or royalty interest.

MBbl. Thousand barrels of crude oil or other liquid hydrocarbons.

MBOE. One thousand BOE.

Mcf. One thousand cubic feet of natural gas.

Mcf/d. Mcf per day.

MMBtu. One million British thermal units.

MMcf. One million cubic feet of natural gas.

Natural gas liquids or NGLs. Hydrocarbons found in natural gas that may be extracted as liquefied petroleum gas and natural gasoline.

Net royalty acres or NRAs. Mineral ownership standardized to a 12.5%, or 1/8th, royalty interest.

Operator. The individual or company responsible for the development and/or production of a crude oil or natural gas well or lease.

Proved reserves. Those quantities of crude oil, natural gas and NGLs that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the E&P operator must be reasonably certain that it will commence the project within a reasonable time. For a complete definition of proved crude oil and natural gas reserves, refer to the SEC's Regulation S-X, Rule 4-10(a)(22).

Realized price. The cash market price less all expected quality, transportation and demand adjustments.

Reasonable certainty. A high degree of confidence that quantities will be recovered. For a complete definition of reasonable certainty, refer to the SEC's Regulation S-X, Rule 4-10(a)(24).

Reserves. Estimated remaining quantities of crude oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering crude oil and natural gas or related substances to market and all permits and financing required to implement the project. Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Reservoir. A porous and permeable underground formation containing a natural accumulation of producible crude oil and/or natural gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

Resources. Quantities of crude oil, natural gas and NGLs estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

Royalty. An interest in a crude oil and natural gas lease that gives the owner the right to receive a portion of the production from the leased acreage (or of the proceeds from the sale thereof), but does not require the owner to pay any portion of the production or development costs on the leased acreage. Royalties may be either landowner's royalties, which are reserved by the owner of the leased acreage at the time the lease is granted, or overriding royalties, which are usually reserved by an owner of the leasehold in connection with a transfer to a subsequent owner.

SEC. U.S. Securities and Exchange Commission.

SOFR or Term SOFR rate. A borrowing rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York.

Spot market price. The cash market price without reduction for expected quality, transportation and demand adjustments.

Working interest. The right granted to the lessee of a property to develop, produce and own crude oil, natural gas, NGLs or other minerals. The working interest owners bear the exploration, development and operating expenses on either a cash, penalty or carried basis.

WTI. West Texas Intermediate, a grade of crude oil used as a benchmark in oil pricing.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Sitio Royalties Corp.
Condensed Consolidated Balance Sheets
(In thousands, except par and share amounts)

	March 31, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,741	$ 3,290
Accrued revenue and accounts receivable	126,426	123,361
Prepaid assets	6,576	6,760
Derivative asset	472	1,811
Total current assets	135,215	135,222
Property and equipment		
Oil and natural gas properties, successful efforts method:		
Unproved properties	2,419,385	2,464,836
Proved properties	3,003,337	2,941,347
Other property and equipment	3,720	3,737
Accumulated depreciation, depletion, amortization, and impairment	(896,112)	(818,633)
Total property and equipment, net	4,530,330	4,591,287
Long-term assets		
Deferred financing costs	7,724	8,525
Operating lease right-of-use asset	5,604	5,940
Other long-term assets	2,713	2,746
Total long-term assets	16,041	17,211
TOTAL ASSETS	$ 4,681,586	$ 4,743,720
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 55,868	$ 46,385
Operating lease liability	1,719	1,646
Total current liabilities	57,587	48,031
Long-term liabilities		
Long-term debt	1,077,119	1,078,181
Deferred tax liability	236,529	253,778
Non-current operating lease liability	5,111	5,462
Other long-term liabilities	1,150	1,150
Total long-term liabilities	1,319,909	1,338,571
Total liabilities	1,377,496	1,386,602
Commitments and contingencies (see Note 13)		
Equity		
Class A Common Stock, par value $0.0001 per share; 240,000,000 shares authorized; 83,321,153 and 83,205,330 shares issued and 77,993,512 and 78,980,516 outstanding at March 31, 2025 and December 31, 2024, respectively	8	8
Class C Common Stock, par value $0.0001 per share; 120,000,000 shares authorized; 73,443,992 and 73,443,992 shares issued and 73,391,244 and 73,391,244 outstanding at March 31, 2025 and December 31, 2024, respectively	8	8
Additional paid-in capital	1,683,097	1,710,372
Accumulated deficit	(136,509)	(146,792)
Class A Treasury Shares, 5,327,641 and 4,224,814 shares at March 31, 2025 and December 31, 2024, respectively	(119,376)	(96,910)
Class C Treasury Shares, 52,748 and 52,748 shares at March 31, 2025 and December 31, 2024, respectively	(1,265)	(1,265)
Noncontrolling interest	1,878,127	1,891,697
Total equity	3,304,090	3,357,118
TOTAL LIABILITIES AND EQUITY	$ 4,681,586	$ 4,743,720

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

Sitio Royalties Corp.
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Revenues:		
Oil, natural gas and natural gas liquids revenues	$ 158,314	$ 147,971
Lease bonus and other income	5,201	3,420
Total revenues	163,515	151,391
Operating expenses:		
Depreciation, depletion and amortization	77,479	76,318
General and administrative	15,762	13,011
Production taxes and other	12,982	12,026
Total operating expenses	106,223	101,355
Income from operations	57,292	50,036
Other income (expense):		
Interest expense, net	(23,268)	(18,510)
Commodity derivatives losses	(908)	(10,050)
Income before taxes	33,116	21,476
Income tax expense	(6,831)	(2,784)
Net income	26,285	18,692
Net income attributable to noncontrolling interest	(16,018)	(10,224)
Net income attributable to Class A stockholders	$ 10,267	$ 8,468
Net income per share of Class A Common Stock		
Basic	$ 0.13	$ 0.10
Diluted	$ 0.13	$ 0.10
Weighted average Class A Common Stock outstanding		
Basic	78,351	82,404
Diluted	78,544	82,404

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

Sitio Royalties Corp.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	$ 26,285	$ 18,692
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	77,479	76,318
Amortization of deferred financing costs and long-term debt discount	1,395	1,294
Share-based compensation	6,974	5,104
Commodity derivatives losses	908	10,050
Net cash received for commodity derivatives settlements	431	3,593
Deferred tax benefit	(17,250)	(4,238)
Change in operating assets and liabilities:		
Accrued revenue and accounts receivable	(3,065)	(6,228)
Prepaid assets	120	6,813
Other long-term assets	345	343
Accounts payable and accrued expenses	10,113	9,295
Operating lease liabilities and other long-term liabilities	(254)	(296)
Net cash provided by operating activities	103,481	120,740
Cash flows from investing activities:		
Purchases of oil and gas properties, net of post-close adjustments	(16,858)	1,909
Deposits for property acquisitions	—	(15,000)
Other, net	(33)	(167)
Net cash used in investing activities	(16,891)	(13,258)
Cash flows from financing activities:		
Borrowings on credit facilities	80,500	59,000
Repayments on credit facilities	(82,100)	(76,000)
Debt issuance costs	(53)	(48)
Distributions to noncontrolling interest	(30,143)	(38,157)
Dividends paid to Class A stockholders	(31,977)	(41,950)
Dividend equivalent rights paid	(403)	(362)
Repurchases of Class A Common Stock	(22,987)	(12,668)
Cash paid for taxes related to net settlement of share-based compensation awards	(976)	(746)
Net cash used in financing activities	(88,139)	(110,931)
Net change in cash and cash equivalents	(1,549)	(3,449)
Cash and cash equivalents, beginning of period	3,290	15,195
Cash and cash equivalents, end of period	$ 1,741	$ 11,746
Supplemental disclosure of non-cash transactions:		
Decrease in current liabilities for additions to property and equipment:	$ (369)	$ (87)
Supplemental disclosure of cash flow information:		
Cash paid for income taxes:	$ 18,000	$ 11
Cash paid for interest expense:	9,821	5,180

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

Sitio Royalties Corp.
Condensed Consolidated Statements of Equity
(In thousands, except per share amounts)
(Unaudited)

	Class A Common Stock		Class C Common Stock		Additional Paid-in Capital	Accumulated Deficit	Class A Treasury Shares		Class C Treasury Shares		Noncontrolling Interest	Total Equity
	Shares	Amount	Shares	Amount			Shares	Amount	Shares	Amount		
Balance at January 1, 2024	82,451	$ 8	74,965	$ 8	$ 1,796,147	$ (187,738)	—	$ —	(26)	$ (677)	$ 1,987,526	$ 3,595,274
Net income	—	—	—	—	—	8,468	—	—	—	—	10,224	18,692
Share-based compensation	—	—	—	—	4,543	—	—	—	—	—	561	5,104
Conversion of Class C Common Stock to Class A Common Stock	135	—	(135)	—	3,265	—	—	—	—	—	(3,265)	—
Issuance of Class A Common Stock upon vesting of share-based awards, net of shares withheld for income taxes	50	—	—	—	(607)	—	—	—	—	—	—	(607)
Change in deferred taxes from conversion of Class C Common Stock to Class A Common Stock	—	—	—	—	(73)	—	—	—	—	—	—	(73)
Dividends to Class A stockholders	—	—	—	—	(41,950)	—	—	—	—	—	—	(41,950)
Dividend equivalent rights	—	—	—	—	(376)	—	—	—	—	—	—	(376)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	(38,157)	(38,157)
Repurchases of Class A Common Stock	—	—	—	—	—	—	(546)	(13,057)	—	—	—	(13,057)
Balance at March 31, 2024	82,636	$ 8	74,830	$ 8	$ 1,760,949	$ (179,270)	(546)	$ (13,057)	(26)	$ (677)	$ 1,956,889	$ 3,524,850

	Class A Common Stock		Class C Common Stock		Additional Paid-in Capital	Accumulated Deficit	Class A Treasury Shares		Class C Treasury Shares		Noncontrolling Interest	Total Equity
	Shares	Amount	Shares	Amount			Shares	Amount	Shares	Amount		
Balance at January 1, 2025	83,205	$ 8	73,444	$ 8	$ 1,710,372	$ (146,792)	(4,225)	$ (96,910)	(53)	$ (1,265)	$ 1,891,697	$ 3,357,118
Net income	—	—	—	—	—	10,267	—	—	—	—	16,018	26,285
Share-based compensation	—	—	—	—	6,419	—	—	—	—	—	555	6,974
Issuance of Class A Common Stock upon vesting of share-based awards, net of shares withheld for income taxes	116	—	—	—	(1,314)	—	—	—	—	—	—	(1,314)
Dividends to Class A stockholders	—	—	—	—	(31,977)	—	—	—	—	—	—	(31,977)
Dividend equivalent rights	—	—	—	—	(403)	16	—	—	—	—	—	(387)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	(30,143)	(30,143)
Repurchases of Class A Common Stock	—	—	—	—	—	—	(1,103)	(22,466)	—	—	—	(22,466)
Balance at March 31, 2025	83,321	$ 8	73,444	$ 8	$ 1,683,097	$ (136,509)	(5,328)	$ (119,376)	(53)	$ (1,265)	$ 1,878,127	$ 3,304,090

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

Sitio Royalties Corp.
Notes to Unaudited Condensed Consolidated Financial Statements

Note 1. Basis of Presentation

The unaudited condensed consolidated financial statements of Sitio Royalties Corp., together with its wholly-owned subsidiaries and any entities in which the company owns a controlling interest (collectively, "Sitio" or the "Company"), including Sitio Royalties Operating Partnership, LP ("Sitio OpCo"), have been prepared pursuant to the rules and regulations of the SEC applicable to interim financial information. Accordingly, such consolidated financial statements reflect all adjustments (consisting of normal and recurring accruals) which are, in the opinion of management, necessary for a fair presentation of the financial results for the interim periods presented. Certain information and notes normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. However, management believes that the disclosures included either on the face of the financial statements or in these notes are sufficient to make the interim information presented not misleading. The accompanying unaudited condensed consolidated financial statements and notes thereto should be read in conjunction with the financial statements and notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 26, 2025 (the "Annual Report").

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the entire fiscal year ending December 31, 2025.

Except as otherwise indicated or required by the context, all references in this quarterly report to the "Company," "Sitio," "we," "us," "our" or similar terms refer to Sitio Royalties Corp. and its subsidiaries.

Note 2. Summary of Significant Accounting Policies

Significant accounting policies are disclosed in the Company's consolidated financial statements and notes thereto for the year ended December 31, 2024, presented in the Annual Report. There have been no material changes in such policies or the application of such policies during the three months ended March 31, 2025.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disaggregated information related to the effective tax rate reconciliation as well as information on income taxes paid. This ASU is effective for annual periods beginning after December 15, 2024, and requires prospective application with the option to apply the standard retrospectively. We are currently evaluating the impact of the ASU on our consolidated financial statements. This standard only modifies disclosure requirements; as such, there will be no impact on our consolidated results of operations, financial position or cash flows.

In November 2024, the FASB issued ASU 2024-03, *Income Statement (Subtopic 220-40): Reporting Comprehensive Income - Expense Disaggregation Disclosures*, which requires disclosure of additional information about specific expense categories underlying certain income statement expense line items. This ASU is effective for annual periods beginning after December 15, 2026, and requires either prospective or retrospective application. We are currently evaluating the impact of the ASU on our consolidated financial statements.

Accounts payable and accrued expenses

The Company's accounts payable and accrued expenses consisted of the following as of the dates indicated (in thousands):

	March 31, 2025	December 31, 2024
Accrued interest expense	$ 21,115	$ 9,064
Ad valorem taxes payable	3,181	12,281
Payable to seller for pre-effective monies	3,927	3,393
Accrued general and administrative	3,177	2,006
Income taxes payable	22,998	16,918
Other taxes payable	1,316	1,117
Other	154	1,606
Total accounts payable and accrued expenses	$ 55,868	$ 46,385

Note 3. Revenue from Contracts with Customers

Oil, natural gas and natural gas liquids revenues

During the three months ended March 31, 2025 and 2024, the disaggregated revenues from sales of oil, natural gas and NGLs were as follows (in thousands):

	For the Three Months Ended March 31,	
	2025	2024
Crude oil sales	$ 119,536	$ 127,293
Natural gas sales	16,319	5,787
NGLs sales	22,459	14,891
Total royalty revenues	$ 158,314	$ 147,971

Note 4. Oil and Natural Gas Properties

The following is a summary of oil and natural gas properties as of March 31, 2025 and December 31, 2024 (in thousands):

Oil and natural gas properties:	March 31, 2025	December 31, 2024
Unproved properties	$ 2,419,385	$ 2,464,836
Proved properties	3,003,337	2,941,347
Oil and natural gas properties, gross	5,422,722	5,406,183
Accumulated depletion and impairment	(894,011)	(816,664)
Oil and natural gas properties, net	$ 4,528,711	$ 4,589,519

As presented in the unaudited condensed consolidated statements of cash flows for the three months ended March 31, 2025, the Company paid $16.9 million for purchases of oil and gas properties, net of post-close adjustments. For the three months ended March 31, 2024, the Company received proceeds of $1.9 million related to purchase price adjustments from prior acquisitions, net of acquisition costs.

Depletion expense was $77.3 million and $76.2 million for the three months ended March 31, 2025 and 2024, respectively.

Note 5. Acquisitions and Divestitures

For the three months ended March 31, 2025, the Company closed on acquisitions of oil and gas properties for an aggregate purchase price of $20.6 million, prior to the impact of purchase price adjustments, the significant majority of which was allocated to proved properties.

Note 6. Debt

The following is a summary of long-term debt as of March 31, 2025 and December 31, 2024 (in thousands):

	As of March 31, 2025	As of December 31, 2024
Sitio Revolving Credit Facility	$ 486,200	$ 487,800
2028 Senior Notes	600,000	600,000
Less: 2028 Senior Notes unamortized issuance costs	(9,081)	(9,619)
Total long-term debt	$ 1,077,119	$ 1,078,181

Sitio Revolving Credit Facility

Sitio OpCo maintains a revolving credit facility (the "Sitio Revolving Credit Facility") with a syndicate of financial institutions. As of March 31, 2025 and December 31, 2024, the borrowing base under the Sitio Revolving Credit Facility as determined by the lenders was $925.0 million and the outstanding balance under the Sitio Revolving Credit Facility was $486.2 million and $487.8 million, respectively.

As of March 31, 2025 and December 31, 2024, the weighted average interest rate related to our outstanding borrowings under the Sitio Revolving Credit Facility was 7.46% and 7.50%, respectively. As of March 31, 2025 and December 31, 2024, the Company had unamortized debt issuance costs of $7.7 million and $8.5 million, respectively, in connection with its entry into the Sitio Revolving Credit Facility and subsequent amendments. Such costs are capitalized as deferred financing costs within long-term assets and are amortized over the life of the facility. For the three months ended March 31, 2025 and 2024, the Company recognized $0.9 million and $0.8 million, respectively, in interest expense related to the amortization of deferred financing costs under the Sitio Revolving Credit Facility.

The Sitio Revolving Credit Facility is subject to a borrowing base established by the lenders to reflect the loan value of our oil and gas mineral interests. The borrowing base under the Sitio Revolving Credit Facility is redetermined by the lenders on an at least semi-annual basis. Additionally, lenders holding two-thirds of the aggregate commitments are able to request one additional redetermination between regularly scheduled redeterminations. Sitio OpCo could also request one additional redetermination between regularly scheduled redeterminations, and such other redeterminations as appropriate when significant acquisition opportunities arise. The borrowing base is subject to adjustments for asset dispositions, material title deficiencies, certain terminations of hedge agreements and issuances of certain additional indebtedness. Increases to the borrowing base require unanimous approval of the lenders, while maintenance of the same borrowing base or decreases in the borrowing base only require approval of lenders holding two-thirds of the aggregate commitments at such time. The determination of the borrowing base takes into consideration the estimated value of the Company's oil and gas mineral interests in accordance with the lenders' customary practices for oil and gas loans. The Sitio Revolving Credit Facility is collateralized by substantially all of the assets of Sitio OpCo and its restricted subsidiaries.

The Sitio Revolving Credit Facility includes a financial covenant limiting, as of the last day of each fiscal quarter, the ratio of (a) (i) Total Net Debt (as defined in the Sitio Revolving Credit Facility) as of such date to (ii) EBITDA (as defined in the Sitio Revolving Credit Facility) for the period of four fiscal quarters ending on such day, to not more than 3.50 to 1.00, and (b) (i) consolidated current assets (including the available commitments under the Sitio Revolving Credit Facility) to (ii) consolidated current liabilities (excluding current maturities under the Sitio Revolving Credit Facility), to not less than 1.00 to 1.00, in each case, with certain rights to cure. The Company was in compliance with the terms and covenants of the Sitio Revolving Credit Facility at March 31, 2025 and December 31, 2024.

2028 Senior Notes

As of March 31, 2025 and December 31, 2024, Sitio OpCo had $600.0 million aggregate principal amount of 7.875% Senior Notes due 2028 (the "2028 Senior Notes"). As of March 31, 2025 and December 31, 2024, the Company had unamortized debt issuance costs of $9.1 million and $9.6 million, respectively, in connection with the issuance of the 2028 Senior Notes. Debt issuance costs are reported as a reduction to long-term debt on our consolidated balance sheets and are amortized over the life of the 2028 Senior Notes. For the three months ended March 31, 2025 and 2024, the Company recognized $0.5 million of interest expense attributable to the amortization of debt issuance costs related to the 2028 Senior Notes.

The 2028 Senior Notes contain covenants that limit Sitio OpCo's ability and the ability of Sitio OpCo's restricted subsidiaries to engage in certain transactions and activities. The Company was in compliance with the terms and covenants of the 2028 Senior Notes as of March 31, 2025 and December 31, 2024.

Note 7. Equity

Class A Common Stock

The Company had 77,993,512 shares of its Class A Common Stock outstanding as of March 31, 2025. Holders of Class A Common Stock, par value $0.0001 per share (“Class A Common Stock”), are entitled to one vote per share on all matters to be voted upon by the stockholders and are entitled to ratably receive dividends when and if declared by the Company’s board of directors (the “Board”).

Class C Common Stock

The Company had 73,391,244 shares of its Class C Common Stock outstanding as of March 31, 2025. Shares of Class C Common Stock, par value $0.0001 per share (“Class C Common Stock” and, together with Class A Common Stock, the “Common Stock”), are non-economic but entitle the holder to one vote per share. Current holders of Class C Common Stock also hold an equivalent number of common units representing limited partner interests in Sitio OpCo (the “Sitio OpCo Partnership Units”) which receive pro rata distributions. Sitio OpCo Partnership Units are redeemable, at the option of the holder, on a one-for-one basis for shares of Class A Common Stock or, at our election, an equivalent amount of cash on terms and conditions set forth in the Second Amended and Restated Limited Partnership Agreement of Sitio OpCo, as amended. Upon the redemption by any holder of Sitio OpCo Partnership Units for shares of Class A Common Stock, a corresponding number of shares of Class C Common Stock held by such holder will be canceled. During the three months ended March 31, 2025, no Sitio OpCo Partnership Units were redeemed for shares of Class A Common Stock, and no shares of Class C Common Stock were canceled. During the three months ended March 31, 2024, 135,395 Sitio OpCo Partnership Units were redeemed for shares of Class A Common Stock, and an equivalent number of shares of Class C Common Stock were canceled.

Share Repurchase Program

On February 28, 2024, the Board authorized a share repurchase program that allows us to repurchase up to $200.0 million of our Class A Common Stock and Sitio OpCo Partnership Units (the "Share Repurchase Program"). The shares may be repurchased from time to time through various methods including, but not limited to, in open market transactions, through privately negotiated transactions or by other means in accordance with applicable securities laws, certain of which may be made pursuant to trading plans meeting the requirements of Rule 10b5-1 and 10b-18 under the Securities Exchange Act of 1934 (the "Exchange Act"). The 1% U.S. federal excise tax on certain repurchases of stock by publicly traded U.S. corporations enacted as part of the Inflation Reduction Act of 2022 (the "IRA 2022") applies to repurchases of our Class A Common Stock an Sitio OpCo Partnership Units pursuant to our Share Repurchase Program. The excise tax is reflected as a component of the repurchased amounts within our Condensed Consolidated Statements of Equity. The timing of repurchases under the program, as well as the number and value of shares repurchased under the program, will be determined by the Company at its discretion and will depend on a variety of factors, including the market price of our common stock, oil and gas commodity prices, general market and economic conditions, available liquidity, compliance with the Company's debt and other agreements, applicable legal requirements and other considerations. The exact number of shares to be repurchased by us is not guaranteed, and the program may be modified, suspended or discontinued at any time without prior notice. The Company is not obligated to repurchase any dollar amount or number of shares under the program.

For the three months ended March 31, 2025 and 2024, the Company repurchased 1,102,827 and 545,527 shares of its Class A Common Stock, respectively. The shares were recorded at a weighted average price of $20.19 and $23.77, respectively, upon repurchase by the Company, inclusive of third-party commissions. On May 7, 2025, Sitio's Board of Directors extended the Share Repurchase Program with an additional authorization of $300.0 million of our Class A Common Stock and Sitio OpCo Partnership Units, resulting in $500.0 million total authorization.

Class A Treasury Shares

As of March 31, 2025, 5,327,641 shares of Class A Common Stock were held in treasury at a weighted average price of $22.20.

Class C Treasury Shares

As of March 31, 2025, 52,748 shares of Class C Common Stock were held in treasury at a weighted average price of $24.19.

Cash Dividends

The following table summarizes the quarterly dividends related to the Company's quarterly financial results (in thousands, except per share data):

Quarter Ended	Quarterly Dividend per Class A Common Share		Class A Cash Dividends Paid		Payment Date	Stockholder Record Date
December 31, 2024	$	0.41	$	31,977	March 28, 2025	March 14, 2025
September 30, 2024	$	0.28	$	22,185	November 27, 2024	November 19, 2024
June 30, 2024	$	0.30	$	24,071	August 30, 2024	August 19, 2024
March 31, 2024	$	0.41	$	33,066	May 31, 2024	May 21, 2024

See "Note 15 – Subsequent Events" for additional information regarding cash dividends.

Earnings per Share

The following table sets forth the calculation of basic and diluted earnings per share for the periods indicated (in thousands, except per share data):

	For the Three Months Ended March 31,			
	2025		2024	
Numerator:				
Net income attributable to Class A stockholders	$	10,267	$	8,468
Less: Earnings allocated to participating securities		(403)		(376)
Net income attributable to Class A stockholders - basic and diluted	$	9,864	$	8,092
Denominator:				
Weighted average shares outstanding - basic		78,351		82,404
Effect of dilutive securities		193		—
Weighted average shares outstanding - diluted		78,544		82,404
Net income per common share - basic	$	0.13	$	0.10
Net income per common share - diluted	$	0.13	$	0.10

The Company had the following shares that were excluded from the computation of diluted earnings per share because their inclusion would have been anti-dilutive for the periods presented but could potentially dilute basic earnings per share in future periods (in thousands):

	Three Months Ended March 31,	
	2025	2024
Unvested share-based compensation awards	490	1,656
Shares of Class C Common Stock if converted	73,391	74,878
Total	73,881	76,534

Diluted net income per share also excludes the effects of Sitio OpCo Partnership Units (and related Class C Common Stock) associated with the earn-out, which are convertible into Class A Common Stock, because they are considered contingently issuable shares and the conditions for issuance were not satisfied as of March 31, 2025.

Note 8. Noncontrolling Interest

Noncontrolling interest represents the 48.5% economic interest of Sitio OpCo Partnership Units not owned by Sitio in the consolidated balance sheets as of March 31, 2025. These interests are held in the form of Class C Common Stock and Sitio OpCo Partnership Units.

Note 9. Share-Based Compensation

The Sitio Royalties Corp. Long Term Incentive Plan (the "Plan") is administered by the Compensation Committee of the Board (the “Compensation Committee”). As of March 31, 2025, a total of 4,982,342 shares of Class A Common Stock remain available for future grant under the Plan.

Share-based compensation expense is included in general and administrative expense in the accompanying unaudited condensed consolidated statements of operations. The following table summarizes the share-based compensation expense recorded for each type of award for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
RSUs	$ 2,122	$ 1,328
PSUs	3,619	2,537
DSUs	603	591
Sitio OpCo Restricted Stock Awards	555	561
RSUs Converted in the Brigham Merger	53	61
PSUs Converted in the Brigham Merger	22	26
Total	$ 6,974	$ 5,104

Restricted Stock Units

The following table summarizes activity related to unvested restricted stock units ("RSUs") for the three months ended March 31, 2025.

	Restricted Stock Units	
	Number of Shares	Grant Date Fair Value
Unvested at January 1, 2025	653,542	$ 22.34
Granted	218,918	20.00
Forfeited	—	—
Vested	(168,463)	22.73
Unvested at March 31, 2025	703,997	$ 21.47

As of March 31, 2025, there was approximately $13.3 million of unamortized equity-based compensation expense related to unvested RSUs, which is expected to be recognized over a weighted average period of approximately 1.6 years.

Deferred Share Units

The following table summarizes activity related to unvested deferred share units ("DSUs") for the three months ended March 31, 2025.

	Deferred Share Units	
	Number of Shares	Grant Date Fair Value
Unvested at January 1, 2025	50,720	$ 24.12
Granted	—	—
Forfeited	—	—
Vested	(25,360)	24.12
Unvested at March 31, 2025	25,360	$ 24.12

As of March 31, 2025, there was approximately $0.3 million of unamortized equity-based compensation expense related to unvested DSUs, which is expected to be recognized over a weighted average period of 0.1 years.

Performance Stock Units

The following table summarizes the assumptions used to determine the fair values of the performance stock units ("PSUs"):

Grant Year	Average Expected Volatility	Risk-Free Interest Rate	Expected Dividend Yield
2024	38.38% - 41.09%	4.23% - 4.48%	0.00%
2025	37.10%	3.95%	0.00%

The following table summarizes activity related to unvested PSUs for the three months ended March 31, 2025.

	Performance Stock Units	
	Number of Shares	Grant Date Fair Value
Unvested at January 1, 2025	1,405,463	$ 28.20
Granted	632,691	21.18
Forfeited	(16,647)	25.13
Vested	—	—
Unvested at March 31, 2025	2,021,507	$ 26.03

As of March 31, 2025, there was approximately $26.9 million of unamortized equity-based compensation expense related to unvested PSUs, which is expected to be recognized over a weighted average period of 2.2 years.

Sitio OpCo Restricted Stock Awards

The following table summarizes activity related to unvested Sitio OpCo restricted stock awards ("RSAs") for the three months ended March 31, 2025.

	Sitio OpCo Restricted Stock Awards	
	Number of Shares	Grant Date Fair Value
Unvested at January 1, 2025	154,763	$ 29.12
Granted	—	—
Forfeited	—	—
Vested	—	—
Unvested at March 31, 2025	154,763	$ 29.12

As of March 31, 2025, there was approximately $2.7 million of unamortized equity-based compensation expense related to the unvested Sitio OpCo RSAs, which is expected to be recognized over a weighted average period of approximately 1.2 years.

Note 10. Derivative Instruments

Commodity Derivatives

The Company's oil and gas swap contracts as of March 31, 2025 are summarized below:

	Oil (NYMEX WTI)	
Remaining Term	**Bbl per Day**	**Weighted Average Price per Bbl**
April 2025 - June 2025	1,100	$ 74.65

The Company's oil and gas two-way commodity collar contracts as of March 31, 2025 are summarized below:

	Oil (NYMEX WTI)		
Remaining Term	**Bbl per Day**	**Weighted Average Floor Price per Bbl**	**Weighted Average Ceiling Price per Bbl**
April 2025 - June 2025	2,000	$ 60.00	$ 93.20

	Gas (NYMEX Henry Hub)		
Remaining Term	**MMBtu per Day**	**Weighted Average Floor Price per MMBtu**	**Weighted Average Ceiling Price per MMBtu**
April 2025 - June 2025	11,600	$ 3.31	$ 10.34

Financial Summary

The following table presents a summary of the Company's derivative instruments and where such values are recorded on the unaudited condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024 (in thousands):

		March 31, 2025	December 31, 2024
	Balance sheet location	**Fair value**	**Fair value**
Asset derivatives not designated as hedges for accounting purposes:			
Commodity contracts	Current assets	$ 472	$ 1,811
Commodity contracts	Long-term assets	—	—
Total asset derivatives		$ 472	$ 1,811
Liability derivatives not designated as hedges for accounting purposes:			
Commodity contracts	Current liabilities	$ —	$ —
Commodity contracts	Long-term liabilities	—	—
Total liability derivatives		$ —	$ —
Net derivatives		$ 472	$ 1,811

The following table presents the gross fair values of recognized derivative assets and liabilities, the amounts offset under master netting arrangements with counterparties, and the resulting net amounts presented on the unaudited condensed consolidated balance sheets (in thousands):

	March 31, 2025			December 31, 2024		
	Gross Fair Value	**Gross Amounts Offset**	**Net Fair Value**	**Gross Fair Value**	**Gross Amounts Offset**	**Net Fair Value**
Commodity derivative assets	$ 490	$ (18)	$ 472	$ 1,916	$ (105)	$ 1,811
Commodity derivative liabilities	(18)	18	—	(105)	105	—

The following table is a summary of derivative gains and losses, and where such values are recorded in the unaudited condensed consolidated statements of operations for the three months ended March 31, 2025 and 2024 (in thousands):

		Three Months Ended	
	Statement of income location	**March 31, 2025**	**March 31, 2024**
Commodity derivatives losses	Other income (expense)	$ (908)	$ (10,050)

The fair values of commodity derivative instruments were determined using Level 2 inputs.

Note 11. Fair Value Measurement

The Company's proved oil and gas properties are assessed for impairment on a periodic basis. If the Company's proved properties are determined to be impaired, the carrying basis of the properties is adjusted down to fair value. This represents a fair value measurement that would qualify as a non-recurring Level 3 fair value measurement. No impairment of proved properties was recorded for the three months ended March 31, 2025 and 2024. If pricing conditions decline or are depressed, or if there is a decrease in estimated future production volumes, we may incur proved property impairments in future periods.

The fair value of the Company's commodity derivative instruments (Level 2) was estimated using quoted forward prices for commodities, volatility factors, discounted cash flows and credit risk adjustments. See "Note 10 – Derivative Instruments" for further information on the fair value of the Company's derivative instruments.

The fair value of debt outstanding pursuant to our 2028 Senior Notes was $618.7 million as of March 31, 2025 and December 31, 2024 based on quoted prices for markets that are not active (Level 2). The fair value of debt outstanding pursuant to our Sitio Revolving Credit Facility was $486.2 million as of March 31, 2025 and $487.8 million as of December 31, 2024. The carrying amount of debt outstanding pursuant to the Sitio Revolving Credit Facility approximates fair value as the borrowings bear interest at variable rates and are reflective of market rates (Level 2).

Mineral assets not acquired through a business combination are measured at fair value on a nonrecurring basis on the acquisition date. The original purchase price of mineral assets is allocated between proved and unproved properties based on the estimated relative fair values. Inputs used to determine such fair values are primarily based upon internally-developed engineering and geology models, publicly-available drilling disclosures, a risk-adjusted discount rate, and publicly-available data regarding mineral transactions consummated by other buyers and sellers (Level 3).

PSU awards are valued utilizing the Monte Carlo simulation pricing model, which calculates multiple potential outcomes for an award and establishes a grant date fair value based on the most likely outcome. The inputs for the Monte Carlo model are designated as Level 2 within the valuation hierarchy. See "Note 9 – Share-Based Compensation" for further information on the fair value of the Company's PSU awards.

Note 12. Income Taxes

The Company recorded income tax expense of $6.8 million and $2.8 million for the three months ended March 31, 2025 and 2024, respectively. Our provisions for income taxes differ from amounts that would be provided by applying the U.S. federal statutory tax rate of 21% to pre-tax book income primarily due to (i) the portion of pre-tax income that is attributable to our non-controlling interest holders which is not taxable to the Company; (ii) share-based compensation expense: (iii) other permanent differences; and (iv) state income taxes.

Note 13. Commitments and Contingencies

From time to time, the Company may be involved in various legal proceedings, lawsuits, and other claims in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Management does not believe that the resolution of these matters will have a material adverse impact on the Company's financial condition, results of operations, or cash flows.

Note 14. Segments

Sitio's chief operating decision maker ("CODM") is the executive leadership team that includes the chief executive officer, chief financial officer, and each of our executive vice presidents. The executive leadership team manages the business as a whole and assesses financial performance as a single enterprise and not on an area-by-area basis. Therefore, the Company identified one reportable segment: oil and natural gas minerals. The CODM assesses performance of the oil and natural gas minerals segment and decides how to allocate resources based on net income and income from operations that is reported on the condensed consolidated statements of operations. The measure of segment assets is reported on the consolidated balance sheets as total assets. The CODM evaluates significant expenses and assets based off the consolidated financial statements and does not further disaggregate expenses or assets in deciding how to allocate resources and assess performance.

Note 15. Subsequent Events

Management has evaluated all subsequent events from the balance sheet date through the date these financial statements were available to be issued for disclosure or recognition within these financial statements and no items requiring disclosure were identified except for the events identified below.

Cash Dividends

On May 7, 2025, Sitio's Board of Directors declared a cash dividend of $0.35 per share of Class A Common Stock with respect to the first quarter of 2025. The dividend is payable on May 30, 2025 to the stockholders of record at the close of business on May 20, 2025.

Share Repurchase Program

From April 1, 2025 through May 2, 2025, the Company repurchased 486,680 shares of its Class A Common Stock. The shares were repurchased at a weighted average price of $16.17 per share, inclusive of third-party commissions. On May 7, 2025, Sitio’s Board of Directors extended the Share Repurchase Program with an additional authorization of $300.0 million, resulting in $500.0 million total authorization.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and information in this Quarterly Report on Form 10-Q may constitute “forward-looking statements” for purposes of the federal securities laws. All statements, other than statements of present or historical fact, included in this quarterly report concerning, among other things, strategy, future operations, financial condition, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. Words such as “could,” “should,” “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” the negative of such terms and other similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Such forward-looking statements, can be affected by assumptions used or by known or unknown risks or uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the development, production, gathering and sale of oil, natural gas and NGLs. Consequently, no forward-looking statements can be guaranteed.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. Factors that could cause actual results to differ materially from the results contemplated by such forward-looking statements include, but are not limited to, the following risks and uncertainties:

- our ability to identify, complete and integrate operations or realize any anticipated benefits, synergies, savings or growth of acquisitions of properties, businesses or technologies;
- our ability to retain and hire key personnel;
- our ability to finance our obligations;
- our ability to execute our business strategy;
- changes in general economic, business or industry conditions, and market volatility, including as a result of slowing growth, the inflation rate, changes in U.S. trade policy, including the imposition of tariffs, central bank policy, and associated liquidity risks and/or as a result of the armed conflict in Ukraine and associated economic sanctions on Russia and the conflict in the Israel-Gaza region and continued hostilities in the Middle East, including heightened tensions with Iran, Lebanon and Yemen;
- the actions of the Organization of Petroleum Exporting Countries (“OPEC”) and other significant producers and governments, including as a result of any removal of oil production curtailments or the duration thereof, and the armed conflict in Ukraine and Israel, including heightened tensions with Iran, Lebanon and Yemen, and the effect such conflicts have had, and may continue to have, on the global oil and natural gas markets, and the ability of such producers to agree to and maintain oil price and production controls;
- commodity price volatility of realized oil and natural gas prices;
- the level of production on our properties;
- overall and regional supply and demand factors, delays, or interruptions of production, including any decreases in demand caused by economic slowdowns or recessions;
- our ability to replace our oil and natural gas reserves;
- competition in the oil and natural gas industry;
- conditions in the capital markets and our ability, and the ability of our operators, to obtain capital or financing on favorable terms or at all;
- title defects in the properties in which we invest;
- risks associated with the drilling and operation of crude oil and natural gas wells, including uncertainties with respect to identified drilling locations and estimates of reserves;
- the availability or cost of rigs, equipment, raw materials, supplies, oilfield services or personnel;
- restrictions on the use of water;

- the availability of pipeline capacity and transportation facilities;
- the ability of our operators to comply with applicable governmental laws and regulations and to obtain permits and governmental approvals, particularly in Colorado where recently adopted regulations may result in delays in receiving, or in the ability to receive, oil and gas permits by our operators and recently introduced legislation may limit our operators' ability to produce oil and gas during certain times of year or at all;
- the impact of environmental, health and safety and other governmental regulations, including those that may result from the U.S. Supreme Court's decision overturning the Chevron deference doctrine, and of current or pending legislation, including federal and state legislative and regulatory initiatives relating to hydraulic fracturing and the impact of the IRA 2022 and any related legislation, regulations or changes in policy;
- future operating results;
- risk related to our hedging activities;
- our ability to successfully implement our Share Repurchase Program;
- exploration and development drilling prospects, inventories, projects, and programs of our operators;
- the impact of reduced drilling activity in our focus areas and uncertainty in whether development projects will be pursued;
- operating hazards faced by our operators;
- evolving cybersecurity risks such as those involving unauthorized access, denial-of-service attacks, third-party service provider failures, malicious software, data privacy breaches by employees, insiders or other with authorized access, cyber or phishing-attacks, ransomware, social engineering, physical breaches or other actions;
- technological advancements;
- weather conditions, natural disasters and other matters beyond our control; and
- certain risk factors discussed elsewhere in this quarterly report.

Should one or more of the risks or uncertainties described in this quarterly report, our Annual Report or any of our other SEC filings, occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. We caution that the foregoing list of factors is not exclusive. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time, and we may be subject to currently unforeseen risks that may have a materially adverse effect on our Company. All subsequent written and oral forward-looking statements concerning our Company, or any person acting on our behalf, are expressly qualified in their entirety by the cautionary statements above. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this quarterly report are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved or occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Reserve engineering is a process of estimating underground accumulations of oil, natural gas and NGLs that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions could impact our strategy. Accordingly, reserve estimates may differ significantly from the quantities of oil, natural gas and NGLs that we expect our operators to ultimately recover. Should one or more of the risks or uncertainties described under "Risk Factors" in this quarterly report occur, Sitio's actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this quarterly report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. The forward-looking statements speak only as of the date made and, other than as required by law, we do not undertake any obligation to update publicly or revise any of these forward-looking statements.

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

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2024, 2023, and 2022 in the Annual Report and interim unaudited condensed consolidated financial statements of Sitio Royalties Corp. and notes thereto included elsewhere in this Quarterly Report on Form 10-Q. Except as otherwise indicated or required by context, references to the "Company," "Sitio," "we," "us," "our" or similar terms refer to Sitio Royalties Corp. and its subsidiaries.

The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs, and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to several factors which include, but are not limited to market prices for oil, natural gas and NGLs, production volumes, estimates of proved reserves, capital for mineral acquisitions, economic and competitive conditions, regulatory changes and other uncertainties, as well as those factors discussed below and those discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements." We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law.

Overview

As of March 31, 2025, we owned mineral and royalty interests representing over 274,600 NRAs when adjusted to a 1/8th royalty. For the three months ended March 31, 2025, the average net daily production associated with our mineral and royalty interests was 42,136 BOE/d, consisting of 18,868 Bbls/d of oil, 78,684 Mcf/d of natural gas and 10,155 Bbls/d of NGLs. Since our predecessor's formation in November 2016, we have accumulated our acreage position by making 212 acquisitions through March 31, 2025. We expect to continue to grow our acreage position by making acquisitions that meet our investment criteria for geologic quality, operator capability, remaining growth potential, cash flow generation and, most importantly, rate of return.

Our mineral and royalty interests entitle us to receive a fixed percentage of the revenue from crude oil, natural gas and NGLs produced from the acreage underlying our interests. We are not obligated to fund drilling and completion costs, plugging and abandonment costs or lease operating expenses associated with oil and gas production and we incur only our proportionate share of production and other taxes and, in some cases, gathering, processing and transportation costs which reduce the amount of revenue we recognize. For the three months ended March 31, 2025, our production and other taxes were approximately $3.42 per BOE, relative to an average realized price of $41.75 per BOE. We do not anticipate engaging in any upstream activities such as drilling and completing oil and natural gas wells that would incur capital costs, lease operating expenses, and plugging and abandonment costs. We believe our cost structure and business model will allow us to return a significant amount of our cash flows to stockholders.

Recent Developments

Share Repurchase Program

During the three months ended March 31, 2025 and 2024, the Company repurchased 1,102,827 and 545,527 shares of its Class A Common Stock in connection with its Share Repurchase Program, respectively. The shares were repurchased at a weighted average price of $20.19 and $23.77, respectively, inclusive of third-party commissions. As of March 31, 2025, the Company's remaining share repurchase authorization was $59.6 million. From April 1, 2025 through May 2, 2025, the Company repurchased 486,680 shares of its Class A Common Stock. The shares were repurchased at a weighted average price of $16.17 per share, inclusive of third-party commissions. On May 7, 2025, Sitio's Board of Directors extended the Share Repurchase Program with an additional authorization of $300.0 million, resulting in $500.0 million total authorization.

Acquisitions

Through March 31, 2025, we have evaluated over 1,000 potential mineral and royalty interest acquisitions and completed 212 acquisitions from landowners and other mineral interest owners. We intend to capitalize on our management team's expertise and relationships to continue to make value-enhancing mineral and royalty interest acquisitions in premier basins designed to increase our cash flow per share.

Production and Operations

Our average daily production during the three months ended March 31, 2025 and 2024 was 42,136 BOE/d (45% crude oil) and 35,349 BOE/d (52% crude oil), respectively. For the three months ended March 31, 2025, we received an average of $70.39 per Bbl of crude oil, $2.30 per Mcf of natural gas and $24.57 per Bbl of NGLs, for an average realized price of

$41.75 per BOE. For the three months ended March 31, 2024, we received an average of $76.60 per Bbl of crude oil, $1.15 per Mcf of natural gas and $20.71 per Bbl of NGLs, for an average realized price of $46.00 per BOE. We anticipate that our price realizations for crude oil may continue to be lower than comparative periods in 2024. This is primarily driven by OPEC's recent decision to accelerate the removal of oil production curtailments combined with concerns over global oil demand impacts from escalating trade war tensions.

As of March 31, 2025, we had 49,003 gross (369.6 net) producing horizontal wells on our acreage. Additionally, as of March 31, 2025, there were 4,944 gross (28.9 net) horizontal wells in various stages of drilling or completion and 3,841 gross (19.7 net) active horizontal drilling permits on our acreage.

Economic Indicators

The economy has experienced elevated inflation levels in recent years. In order to manage the inflation risk in the United States' economy, the Federal Reserve has utilized monetary policy in the form of elevated interest rates in an effort to decrease inflation on a long-term basis. Our exposure to the impact of interest rates is attributable to balances outstanding on the Sitio Revolving Credit Facility. Our 2028 Senior Notes are not exposed to interest rate movements as the coupon rate on our 2028 Senior Notes is fixed.

Inflationary pressures could result in increases to our operating expenses that are not fixed such as personnel retention, among other things. Increases in interest rates as a result of inflation, changes in international trade policies, including the imposition of tariffs, or a potentially recessionary economic environment in the United States could also have a negative effect on the demand for oil and natural gas, as well as our borrowing costs. While inflationary pressures in the United States' economy have begun to subside and the Federal Reserve has recently lowered the federal funds rate, we continue to be impacted by the elevated level of interest rates as compared to recent years. Although the Federal Reserve made cuts to benchmark interest rates in 2024 and there is the possibility of additional cuts, there is no guarantee that such additional cuts will occur. Any subsequent increases in benchmark interest rates could have the effect of further raising our borrowing costs.

There is currently significant uncertainty about the future relationship between the United States and various other countries, including changes arising as a result of recent tariff activity by the United States and foreign governments and other actions by the presidential administration, with respect to trade policies, treaties, tariffs, taxes, and other limitations on cross-border operations. Changes in tariffs, including new, increased or retaliatory tariffs, trade barriers, price and exchange controls and other regulatory requirements could have an adverse effect on our business, prospects, financial condition and operation results, or global oil demand, the extent of which cannot be predicted with certainty at this time.

The global economy also continues to be impacted by geopolitical events such as the February 2022 launch of a large-scale invasion of Ukraine by Russia, the conflict in the Israel-Gaza region and increases in hostilities elsewhere in the Middle East, including tensions with Iran, Lebanon and Yemen. It has also been impacted by, among other events, the uncertainty regarding global central bank monetary policy. The geopolitical and macroeconomic consequences of the Russian invasion of Ukraine and associated sanctions, the conflict in the Israel-Gaza region and elsewhere in the Middle East, and the uncertainty regarding central bank monetary policy cannot be predicted, and such events, or any further escalation of hostilities in Ukraine or the Middle East, or further hostilities elsewhere, could severely impact the world economy and may adversely affect our financial condition. The oil and natural gas industry has also been impacted by announcements of voluntary production cuts or increases by OPEC and others, including the April 2025 and May 2025 announcements by OPEC+ that some countries will start production increases earlier than originally anticipated. These events and their impacts on the global economy continue to evolve, and the extent to which these events may impact our business, financial condition, liquidity, results of operations, and prospects will depend highly on future developments, which are very uncertain and cannot be predicted with confidence.

In the United States, the energy industry continues to experience regulatory change. Since being sworn into office, President Trump has issued numerous Executive Orders aimed to increase oil production and decrease commodity prices for consumers. For example, President Trump declared a "national energy emergency" in early January 2025, and gave the executive branch more power to expedite approvals for energy resource infrastructure (including oil and gas). Additionally, President Trump's "Unleashing American Energy" Executive Order incorporated numerous provisions aimed at unburdening and removing impediments to the development of various domestic energy resources, such as oil and gas. More recently, in March 2025, President Trump signed an Executive Order that, among other matters, directed the U.S. Attorney General to investigate certain state laws that may adversely impact the development of energy resources, including state laws relating to climate change, environmental, social and governance initiatives, and funds collecting carbon penalties and/or taxes. In Colorado, recently passed state rules relating to greenhouse gas emissions from oil and gas development have been subject to litigation. We cannot predict what impact this Executive Order or others, nor actions on the state level or pending litigation, may have on state laws and regulations relating to oil and gas and climate change and ultimately, our operators, business, financial condition, liquidity, results of operations and prospects.

Results of Operations

Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024

Consolidated Results

The following table summarizes our consolidated revenue and expenses and production data for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Variance	
Statement of Operations Data:				
Revenue:				
Crude oil	$ 119,536	$ 127,293	(7,757)	(6)%
Natural gas	16,319	5,787	10,532	182%
NGLs	22,459	14,891	7,568	51%
Lease bonus and other income	5,201	3,420	1,781	52%
Total revenues	163,515	151,391	12,124	8%
Operating expenses:				
Depreciation, depletion and amortization	77,479	76,318	1,161	2%
General and administrative	15,762	13,011	2,751	21%
Production taxes and other	12,982	12,026	956	8%
Total operating expenses	106,223	101,355	4,868	5%
Income from operations	57,292	50,036	7,256	15%
Other income (expense):				
Interest expense, net(1)	(23,268)	(18,510)	(4,758)	26%
Commodity derivatives losses	(908)	(10,050)	9,142	(91)%
Income before taxes	33,116	21,476	11,640	54%
Income tax expense	(6,831)	(2,784)	(4,047)	145%
Net income	26,285	18,692	7,593	41%
Net income attributable to noncontrolling interest	(16,018)	(10,224)	(5,794)	57%
Net income attributable to Class A stockholders	$ 10,267	$ 8,468	1,799	21%

(1) Interest expense is presented net of interest income.
* Not applicable or meaningful

	Three Months Ended March 31,			
	2025	2024	Variance	
Production Data:				
Crude oil (MBbls)	1,698	1,662	36	2%
Natural gas (MMcf)	7,082	5,016	2,066	41%
NGLs (MBbls)	914	719	195	27%
Total (MBOE)(6:1)	3,792	3,217	575	18%
Average daily production (BOE/d)(6:1)	42,136	35,349	6,787	19%
Average Realized Prices:				
Crude oil (per Bbl)	$ 70.39	$ 76.60	(6.21)	(8)%
Natural gas (per Mcf)	2.30	1.15	1.15	100%
NGLs (per Bbl)	24.57	20.71	3.86	19%
Combined (per BOE)	41.75	46.00	(4.25)	(9)%
Average Realized Prices After Effects of Derivative Settlements:				
Crude oil (per Bbl)	$ 70.52	$ 77.62	(7.10)	(9)%
Natural gas (per Mcf)	2.34	1.53	0.81	53%
NGLs (per Bbl)	24.57	20.71	3.86	19%
Combined (per BOE)	41.86	47.12	(5.26)	(11)%

Revenue

Our consolidated revenues for the three months ended March 31, 2025 increased by $12.1 million, or 8% as compared to the three months ended March 31, 2024. The increase in revenues was due to an increase in mineral and royalty revenue as well as lease bonus and other income. The increase in mineral and royalty revenue was primarily due to an 18% increase in our production volumes from our acquisitions of additional mineral and royalty interests in 2024 and production volumes from existing interests. This was partially offset by a decrease of 9% in our average realized price.

Oil revenue for the three months ended March 31, 2025 decreased by $7.8 million, or 6% as compared to the three months ended March 31, 2024. We realized a $10.5 million decrease in year-over-year oil revenue due to a 8% decrease in our average realized price. This was partially offset by a $2.7 million increase in in year-over-year oil revenue due to a 2% increase in oil production volumes.

Natural gas revenue for the three months ended March 31, 2025 increased by $10.5 million, or 182% as compared to the three months ended March 31, 2024. We realized a $8.1 million increase in year-over-year natural gas revenue due to a 100% increase in our average realized price. In addition, we realized a $2.4 million increase in year-over-year natural gas revenue due to a 41% increase in production volumes. The significant increase in our realized price for natural gas was primarily due to downward price pressure in the Permian Basin due to pipeline capacity constraints in early 2024 which were alleviated later in the year, in addition to increases in the Henry Hub benchmark price over this period.

NGLs revenue for the three months ended March 31, 2025 increased by $7.6 million, or 51% as compared to the three months ended March 31, 2024. We realized a $4.1 million increase in year-over NGLs revenue due to a 27% increase in production volumes. In addition, we realized a $3.5 million increase in year-over-year NGLs revenue due to a 19% increase in our average realized price.

Lease bonus and other income for the three months ended March 31, 2025 increased by $1.8 million, or 52% as compared to the three months ended March 31, 2024. When we lease our acreage to an E&P operator, we generally receive a lease bonus payment at the time a lease is executed. These bonus payments are subject to significant variability from period to period based on the particular tracts of land that become available for re-leasing. Other revenues include payments for right-of-way and surface damages, which are also subject to significant variability.

Operating Expenses

Depreciation, depletion and amortization expense for the three months ended March 31, 2025 increased by $1.2 million, or 2%, as compared to the three months ended March 31, 2024. The increase was primarily due to an 18% increase in production year-over-year, partially offset by a decrease in the depletion rate of $3.28 per BOE, or 14%. The decrease in the depletion rate was driven by reserve additions outpacing cost transfers from unproved property, as well as several acquisitions completed in 2024 at a lower cost per BOE than our historical averages.

General and administrative expense for the three months ended March 31, 2025 increased by $2.8 million, or 21%, as compared to the three months ended March 31, 2024. The increase was primarily due to a $1.0 million increase in additional employee compensation and benefits related to increased headcount as well as a $1.9 million increase in share-based compensation. These increases were partially offset by decreases in other general and administrative costs of $0.1 million.

Production taxes and other for the three months ended March 31, 2025 increased by $1.0 million, or 8%, as compared to the three months ended March 31, 2024. The increase was primarily due to a 6% increase in our mineral and royalty revenues.

Other Income and Expenses

Interest expense relates to interest incurred on borrowings under the Sitio Revolving Credit Facility and the 2028 Senior Notes. Interest expense for the three months ended March 31, 2025 increased by $4.8 million, or 26%, as compared to the three months ended March 31, 2024. The increase was primarily due to higher average borrowings outstanding under our revolving credit facility during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, related to funding the acquisition of additional mineral and royalty interests in 2024.

Commodity derivatives losses totaled $0.9 million for the three months ended March 31, 2025 as compared to $10.1 million for the three months ended March 31, 2024. The losses were due to commodity price increases during the three months ended March 31, 2025 and 2024, which decreased the overall values of our commodity derivatives.

Income tax expense was $6.8 million for the three months ended March 31, 2025, as compared to $2.8 million in the corresponding period in 2024 due to an increase in income before income tax expense as compared to the corresponding period in 2024.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity have historically been cash flows from operations, borrowings under the Sitio Revolving Credit Facility, and the issuance of our 2028 Senior Notes. Future sources of liquidity may also include other credit facilities we may enter into and additional issuances of debt or equity securities. Our primary uses of cash have been, and are expected to continue to be, the acquisition of mineral and royalty interests, the reduction of outstanding debt balances, repurchases pursuant to our Share Repurchase Program, and the payment of dividends and distributions. Our ability to generate cash is subject to several factors, some of which are beyond our control, including commodity prices, operator capital expenditure levels and general economic, financial, legislative, regulatory and other factors.

We believe internally generated cash flows from operations, available borrowing capacity under the Sitio Revolving Credit Facility, and access to capital markets will provide us with sufficient liquidity and financial flexibility to meet our cash requirements, including normal operating needs, debt service obligations, our return of capital program, and capital expenditures, for at least the next 12 months and allow us to continue to execute our strategy of acquiring attractive mineral and royalty interests that will position us to grow our cash flows and return capital to our stockholders. As an owner of mineral and royalty interests, we incur the initial cost to acquire our interests but thereafter generally do not incur any development or maintenance capital expenditures, which are borne by the E&P operator and other working interest owners. As a result, our capital expenditures are related to our acquisition of additional mineral and royalty interests, and we generally have no subsequent capital expenditure requirements related to acquired properties. The amount and allocation of future acquisition-related capital expenditures will depend upon a number of factors, including the number and size of acquisition opportunities, our cash flows from operating, investing and financing activities and our ability to integrate acquisitions. We periodically assess changes in current and projected cash flows, acquisition and divestiture activities, and other factors to determine the effects on our liquidity. Our ability to generate cash is subject to a number of factors, many of which are beyond our control, including commodity prices, operator capital expenditure levels, weather, general economic, financial and competitive, legislative, regulatory and other factors. If we require additional capital for acquisitions or other reasons, we may raise such capital through additional borrowings, asset sales, offerings of equity and debt securities or other means. If we are unable to obtain funds needed or on acceptable terms, we may not be able to complete acquisitions that are favorable to us.

As of March 31, 2025, our liquidity was $440.5 million, comprised of $1.7 million of cash and cash equivalents and $438.8 million of availability under the Sitio Revolving Credit Facility.

Cash Flows for the Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024 (in thousands):

	Three Months Ended March 31,			
Statement of Cash Flows Data:	**2025**	**2024**	**Variance**	
Net cash provided by (used in):				
Operating activities	$ 103,481	$ 120,740	$ (17,259)	-14 %
Investing activities	(16,891)	(13,258)	(3,633)	27 %
Financing activities	(88,139)	(110,931)	22,792	-21 %
Net increase (decrease) in cash and cash equivalents	$ (1,549)	$ (3,449)	$ 1,900	-55 %

Operating Activities

Our operating cash flows are impacted by the variability in our revenues and operating expenses, as well as the timing of the related cash receipts and disbursements. Royalty payments may vary significantly from period to period as a result of changes in commodity prices, production mix and volumes of production sold by our E&P operators, as well as the timeliness and accuracy of payments from our E&P operators. These factors are beyond our control and are difficult to predict. Cash flows provided by operating activities for the three months ended March 31, 2025 were $103.5 million as compared to $120.7 million for the three months ended March 31, 2024. The decrease was primarily a result of variability in timing of cash receipts for our royalty revenues, in addition to an $18.0 million income tax payment made in the three months ended March 31, 2025, increases in interest expense and a decrease in cash received upon the settlement of commodity derivatives.

Investing Activities

Cash flows used in investing activities totaled $16.9 million for the three months ended March 31, 2025 as compared to $13.3 million for the three months ended March 31, 2024. This was due to an increase in amounts spent on acquisitions of oil and gas properties during the three months ended March 31, 2025.

Financing Activities

Cash flows used in financing activities for the three months ended March 31, 2025 totaled $88.1 million as compared to $110.9 million for the three months ended March 31, 2024. For the three months ended March 31, 2025, net repayments under the Sitio Revolving Credit Facility were $15.4 million lower than the corresponding period in 2024. Dividends and distributions paid to holders of Class A Common Stock and noncontrolling interests decreased by $18.0 million in total during the three months ended March 31, 2025 as compared to the corresponding period in 2024. The decrease in debt repayments as well as dividends and distributions paid was primarily due to a decrease in our cash flows from operations and an increase in our share repurchases. These decreases were offset by a $10.3 million increase in repurchases of our Class A Common Stock during the three months ended March 31, 2025 as compared to the corresponding period in 2024.

Sitio Revolving Credit Facility

On February 3, 2023, Sitio OpCo entered into the Sitio Revolving Credit Facility with Sitio OpCo, as borrower, JPMorgan Chase Bank, N.A., as the administrative agent (as successor administrative agent to Bank of America, N.A.) and as issuing bank, and the lenders and other financial institutions from time to time party thereto. In connection with the amendment and restatement of the Sitio Revolving Credit Facility, the revolving credit facility obtained from Brigham in conjunction with the Brigham Merger was paid off and refinanced in full.

The Sitio Revolving Credit Facility matures on June 30, 2027. The Sitio Revolving Credit Facility has a borrowing base of $925.0 million.

The Sitio Revolving Credit Facility bears interest at a rate per annum equal to, at our option, an adjusted Term SOFR rate or a base rate, plus an applicable margin and credit spread adjustment. The applicable margin is based on utilization of the Sitio Revolving Credit Facility and ranges from (a) in the case of adjusted base rate loans, 1.500% to 2.500% and (b) in the case of Term SOFR rate loans and letters of credit, 2.500% to 3.500%. The credit spread adjustment for Term SOFR loans ranges from 0.100% to 0.250% depending on the applicable interest rate and interest rate period. Sitio OpCo may elect an interest period of one, three or six months. Interest is payable in arrears at the end of each interest period, but no less frequently than quarterly. A commitment fee is payable quarterly in arrears on the daily undrawn available commitments under the Sitio Revolving Credit Facility in an amount ranging from 0.375% to 0.500% based on utilization of the Sitio Revolving Credit Facility. The Sitio Revolving Credit Facility is subject to other customary fee, interest and expense reimbursement provisions.

The Sitio Revolving Credit Facility is subject to a borrowing base established by the lenders to reflect the loan value of our oil and gas mineral interests. The borrowing base under the Sitio Revolving Credit Facility is redetermined by the lenders on an at least semi-annual basis. Additionally, lenders holding two-thirds of the aggregate commitments are able to request one additional redetermination between regularly scheduled redeterminations. Sitio OpCo could also request one additional redetermination between regularly scheduled redeterminations, and such other redeterminations as appropriate when significant acquisition opportunities arise. The borrowing base is subject to adjustments for asset dispositions, material title deficiencies, certain terminations of hedge agreements and issuances of certain additional indebtedness. Increases to the borrowing base require unanimous approval of the lenders, while maintenance of the same borrowing base or decreases in the borrowing base only require approval of lenders holding two-thirds of the aggregate commitments at such time. The determination of the borrowing base takes into consideration the estimated value of the Company’s oil and gas mineral interests in accordance with the lenders’ customary practices for oil and gas loans. The Sitio Revolving Credit Facility is collateralized by substantially all of the assets of Sitio OpCo and its restricted subsidiaries.

The Sitio Revolving Credit Facility includes a financial covenant limiting, as of the last day of each fiscal quarter, the ratio of (a) (i) Total Net Debt (as defined in the Sitio Revolving Credit Facility) as of such date to (ii) EBITDA (as defined in the Sitio Revolving Credit Facility) for the period of four fiscal quarters ending on such day, to not more than 3.50 to 1.00, and (b) (i) consolidated current assets (including the available commitments under the Sitio Revolving Credit Facility) to (ii) consolidated current liabilities (excluding current maturities under the Sitio Revolving Credit Facility), to not less than 1.00 to 1.00, in each case, with certain rights to cure. The Company was in compliance with the terms and covenants of the Sitio Revolving Credit Facility at March 31, 2025 and December 31, 2024.

2028 Senior Notes

As of March 31, 2025 and December 31, 2024, the Company had $600.0 million aggregate principal amount of the 2028 Senior Notes. The 2028 Senior Notes bear interest at an annual rate of 7.875%, which accrued from October 3, 2023 and is payable semi-annually in arrears on May 1 and November 1 of each year, commencing on May 1, 2024.

The 2028 Senior Notes contain covenants that limit Sitio OpCo’s ability to engage in certain transactions and activities. The Company was in compliance with the terms and covenants of the 2028 Senior Notes as of March 31, 2025 and December 31, 2024.

Critical Accounting Policies and Related Estimates

There have been no material changes to our discussion of critical accounting policies and estimates from those set forth in our 2024 Annual Report on Form 10-K, for the year ended December 31, 2024. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report for information on our critical accounting estimates.

Contractual Obligations

As of March 31, 2025, we did not have any material capital lease obligations, operating lease obligations, debt, or long-term liabilities, other than borrowings under the Sitio Revolving Credit Facility, borrowings under the 2028 Senior Notes and operating lease agreements for office space. Please see “—Sitio Revolving Credit Facility” for a description of the Sitio Revolving Credit Facility, and “—2028 Senior Notes” for a description of the 2028 Senior Notes.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk, including the effects of adverse changes in commodity prices and interest rates as described below. The primary objective of the following information is to provide quantitative and qualitative information about our potential exposure to market risks. The term “market risk” refers to the risk of loss arising from adverse changes in oil, natural gas and NGLs prices and interest rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures. All of our market risk sensitive instruments were entered into for purposes other than speculative trading.

Commodity Price Risk

Our major market risk exposure is in the pricing applicable to the oil, natural gas and NGLs production of our E&P operators, which affects the royalty payments we receive from our E&P operators. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot market prices applicable to our natural gas production. Pricing for oil, natural gas, and NGLs production has been volatile and unpredictable for several years and we expect this volatility to continue in the future. The prices that our E&P operators receive for production depend on many factors outside of our or their control.

For the three months ended March 31, 2025, a $1.00 per Bbl change in our realized oil price would have resulted in a $1.7 million change in our oil revenues. A $0.10 per Mcf change in our realized natural gas price would have resulted in a $0.7 million change in our natural gas revenues. A $1.00 per Bbl change in NGLs prices would have resulted in a $0.9 million change in our NGLs revenues. Royalties on oil, natural gas, and NGLs sales contributed 76%, 10%, and 14% of our mineral and royalty revenues, respectively, for the three months ended March 31, 2025.

We may enter into derivative instruments from time to time, such as collars, swaps and basis swaps, to partially mitigate the impact of commodity price volatility. These hedging instruments allow us to reduce, but not eliminate, the potential effects of the variability in cash flow from operations due to fluctuations in oil, natural gas and NGLs prices and provide increased certainty of cash flows for our acquisitions. However, these instruments provide only partial price protection against declines in oil, natural gas and NGLs prices and may partially limit our potential gains from future increases in prices. Refer to “Note 10 – Derivative Instruments” included in our unaudited condensed consolidated financial statements for further information.

Counterparty and Customer Credit Risk

Our derivative contracts expose us to credit risk in the event of nonperformance by counterparties. While we do not require counterparties to our derivative contracts to post collateral, we evaluate the credit standing of such counterparties as we deem appropriate. All counterparties have high credit ratings and are current lenders under the Sitio Revolving Credit Facility. For these contracts, we are not required to provide any credit support to our counterparties other than cross collateralization with the properties securing the Sitio Revolving Credit Facility. Our derivative contracts are documented with industry standard contracts known as a Schedule to the Master Agreement and ISDAs. Typical terms for the ISDAs include credit support requirements, cross default provisions, termination events, and set-off provisions. We have set-off provisions with the Sitio Revolving Credit Facility lenders that, in the event of counterparty default, allow us to set-off amounts owed under the Sitio Revolving Credit Facility or other general obligations against amounts owed to the Company for derivative contract assets.

Our principal exposures to credit risk are through receivables generated by the production activities of our E&P operators. The inability or failure of our significant E&P operators to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results.

Interest Rate Risk

Our primary exposure to interest rate risk results from outstanding borrowings under the Sitio Revolving Credit Facility which has a floating interest rate. The average annual interest rate incurred on our borrowings under the Sitio Revolving Credit Facility during the three months ended March 31, 2025 was 7.87%. We estimate that an increase of 1.0% in the average interest rate during the three months ended March 31, 2025 would have resulted in approximately $1.2 million of additional interest expense.

Item 4. Controls and Procedures.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2025. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act) were effective.

Changes in Internal Control Over Financial Reporting

During the quarter ended March 31, 2025, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Although we are, from time to time, involved in various legal claims arising out of our operations in the normal course of business, we do not believe that the resolution of these matters will have a material adverse impact on our financial condition or results of operations. Additionally, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any claim or proceeding would not have a material adverse effect on our business, financial condition, results of operations and ability to make quarterly dividends to our stockholders.

For further information regarding legal proceedings, refer to "Note 13 – Commitments and Contingencies" in the notes to our unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

Factors that could materially adversely affect our business, financial condition, results of operations or liquidity and the trading price of our Class A Common Stock are described under the caption "Item 1A. Risk Factors" in our Annual Report filed with the SEC on February 26, 2025. Other than the following risk factor, there have been no material changes in our risk factors from those previously disclosed in our Annual Report.

Tariffs and other trade measures could adversely affect our results of operations, financial position and cash flows.

In April 2025, the U.S. government announced a baseline tariff of 10% on products from all countries and proposed, but subsequently paused, additional individualized reciprocal tariffs on the countries with which the U.S. has the largest trade deficits. As a result of the new U.S. presidential administration's trade policy, tariffs have increased and may continue to increase our E&P operators' costs, which may ultimately adversely affect operator activity and production volumes.

The new baseline tariffs have reduced, and are expected to continue to reduce, oil and natural gas demand. The imposition of further tariffs by the U.S. on a broader range of imports, further retaliatory trade measures taken in response to additional tariffs, or a global recession could increase costs in the global supply chain, indirectly increase our costs or further reduce demand for oil and natural gas, any of which would adversely affect our results of operations.

The ultimate impact of these trade measures on our business operations and financial results is uncertain and may be affected by various factors, including whether and when such trade measures are implemented, the timing when such measures may become effective, and the amount, scope or nature of such trade measures, and our ability to execute strategies to mitigate the negative impacts thereof.

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

Issuer Purchases of Equity Securities

The following table sets forth our share purchase activity for each period presented:

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share[2]		Total Number of Shares Repurchased as Part of Publicly Announced Plans	Maximum Dollar Value of Shares That May Yet be Repurchased as Part of Publicly Announced Plans (in thousands)[3]	
January 1, 2025 - January 31, 2025	420,675	$	20.62	420,555	$	73,172
February 1, 2025 - February 28, 2025	632,960	$	19.90	609,608	$	61,017
March 1, 2025 - March 31, 2025	114,992	$	19.75	72,664	$	59,590
Total	1,168,627			1,102,827		

(1) The total number of shares purchased includes 65,800 shares repurchased representing shares of our Common Stock transferred to us in order to satisfy tax withholding obligations incurred upon the vesting of share-based compensation awards.

(2) Excludes excise taxes accrued related to stock repurchases.

(3) On February 28, 2024, our Board authorized a share repurchase program that allows us to repurchase up to $200.0 million of our Class A Common Stock and Sitio OpCo Partnership Units. During the three months ended March 31, 2025, we repurchased 1,102,827 shares of Class A Common Stock for approximately $22.3 million under the Share Repurchase Program.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information

During the three months ended March 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

The following documents are filed as part of this Quarterly Report on Form 10-Q or incorporated herein by reference.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company, dated as of December 28, 2022, effective as of December 29, 2022 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 29, 2022).
3.2	Amendment to the Restated Certificate of Incorporation of Sitio Royalties Corp., dated as of May 17, 2024 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 17, 2024).
3.3	Amended and Restated Bylaws of the Company, adopted on December 29, 2022 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on December 29, 2022).
10.1*	Separation Agreement and General Release of Claims, entered into by and between Dawn Smajstrla, Sitio Royalties Corp. and Sitio Royalties Management, LLC, effective as of March 18, 2025.
31.1*	Certification of Principal 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 Principal 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**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* 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.

SITIO ROYALTIES CORP.

Date: May 7, 2025	By:	*/s/ Christopher L. Conoscenti*
		Christopher L. Conoscenti
		Chief Executive Officer
		(Principal Executive Officer, Director)
Date: May 7, 2025	By:	*/s/ Carrie L. Osicka*
		Carrie L. Osicka
		Chief Financial Officer
		(Principal Financial Officer and Principal Accounting Officer)

SEPARATION AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Separation Agreement and General Release of Claims (this "***Agreement***") is entered into by and between Dawn Smajstrla ("***Employee***") and Sitio Royalties Corp., a Delaware corporation and Sitio Royalties Management, LLC, a Delaware limited liability company (together, the "***Company***"). Employee and the Company are each referred to herein as a "***Party***" and together as the "***Parties***."

WHEREAS, Employee's employment with the Company ended on February 27, 2025 (the "***Separation Date***");

WHEREAS, reference is made to: (i) the Sitio Royalties Corp Amended & Restated Severance Plan effective as of August 6, 2024, as amended (the "***Severance Plan***"); and (ii) that certain Participation Agreement entered into by and between Employee and the Company (the "***Participation Agreement***"), pursuant to which Employee was designated as eligible to participate in the Severance Plan, and Employee agreed to participate in the Severance Plan;

WHEREAS, the termination of Employee's employment is a Qualifying Termination (as defined in the Severance Plan), and this Agreement serves as the Release (as defined in the Severance Plan);

WHEREAS, the Parties wish to memorialize the severance pay and benefits that Employee is eligible to receive pursuant to the Severance Plan, which is conditioned upon Employee's timely execution of this Agreement (and non-revocation in the time provided to do so) and Employee's compliance with the terms of this Agreement; and

WHEREAS, the Parties wish to resolve any and all claims that Employee has or may have against the Company or any of the other Company Parties (as defined below), including any claims that Employee may have arising out of Employee's employment or the end of such employment.

NOW, THEREFORE, in consideration of the promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. **Separation from Employment**. As of the Separation Date, Employee ceased to have any employment relationship with the Company or any other Company Party, and Employee ceased to serve as an officer or representative of, or in any capacity on behalf of, any Company Party.

2. **Separation Benefits**. Provided that Employee (i) executes this Agreement and returns a copy of this Agreement signed by Employee to the Company, care of Brett Riesenfeld, Executive Vice President and General Counsel, at brett.riesenfeld@sitio.com so that it is received by Mr. Riesenfeld no later than March 20, 2025; (ii) does not revoke Employee's acceptance of this Agreement pursuant to Section 5(h) below; and (iii) abides by each of Employee's commitments set forth herein, then:

(a) The Company will provide Employee with a total severance payment equal to $525,000.00, less applicable taxes and withholdings (the "***Separation Payment***"), which Separation Payment will be divided into substantially equal installments paid over the 18-month period following the Separation Date; provided, however, that the first installment of the Separation Payment shall be made to Employee on the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Separation Date and such first installment shall include (without interest) the number of installments of the Separation Payment that would have been paid to Employee had Employee received such payments on the Company's regularly scheduled pay dates between the Separation Date and such first installment payment date; and

(b) Those unvested equity-based awards granted under the Sitio Royalties Corp. Long Term Incentive Plan, as amended from time to time (the "***LTIP***"), that were held by Employee as of immediately prior to the Separation Date shall immediately become fully vested as of the Separation Date; provided, however, that with respect to any equity-based award that is subject to performance-based vesting conditions, any service requirement applicable to such equity-based award shall be deemed satisfied as to a portion of such award calculated based on the number of days Employee was employed by or provided services to the Company between the applicable date of grant and the Separation Date and such pro-rata portion shall remain outstanding and, subject to the satisfaction of applicable performance metrics calculated through the end of the applicable performance period, be eligible for settlement following the end of such performance period. As a result, pursuant to this Section 2(b):

(1) The 26,750 restricted stock units ("***RSUs***") granted to Employee on June 24, 2024 and the 14,498 RSUs granted to Employee on December 31, 2024, in each case, shall immediately become fully vested as of the Separation Date; and

(2) (A) With respect to the 15,604 target performance stock units ("***PSUs***") granted to Employee on June 24, 2024, Employee shall be deemed to have satisfied the service requirement with respect to 3,534 target PSUs and such number of PSUs shall remain outstanding and, subject to the satisfaction of the applicable performance metrics calculated through the end of the applicable performance period (which is June 24, 2027), shall be eligible for settlement following the end of such performance period, and (B) with respect to the 4,833 target PSUs granted to Employee on December 31, 2024, Employee shall be deemed to have satisfied the service requirement with respect to 256 target PSUs and such number of PSUs shall remain outstanding and, subject to the satisfaction of the applicable performance metrics calculated through the end of the applicable performance period (which is the last trading day of calendar year 2027), shall be eligible for settlement following the end of such performance period.

The payment and benefits set forth in this Section 2 are referred to herein collectively as the "***Separation Benefits***." Employee acknowledges and agrees that the Separation Benefits represent the entirety of the severance pay and benefits for which Employee is eligible pursuant to the Severance Plan, and Employee has no other right to any further severance pay or benefits from the Company or any other Company Party.

3. Satisfaction of All Leaves and Payment Amounts. In entering into this Agreement, Employee expressly acknowledges and agrees that, as of the date Employee signs this Agreement, Employee has received all leaves (paid and unpaid) to which Employee has been entitled during Employee's employment with the Company or any other Company Party, and Employee has received all wages, bonuses and other compensation, been provided all benefits and been afforded all rights and been paid all sums that Employee has been owed by the Company or any other Company Party, including all payments arising out of all incentive plans and any other bonus arrangements. For the avoidance of doubt, Employee acknowledges and agrees that Employee had no right to the Separation Benefits but for Employee's entry into this Agreement and satisfaction of the terms herein.

4. **General Release of Claims**.

(a) In exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged by Employee, Employee hereby releases, discharges and forever acquits the Company, the Company's subsidiaries and other affiliates, and each of the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans), in their personal and representative capacities (each a "***Company Party***" and collectively, the "***Company Parties***"), from liability for, and Employee hereby waives, any and all claims, damages, demands, or causes of action of any kind that Employee has or could have, whether known or unknown, against any Company Party, including any and all claims, damages, demands, or causes of action relating to Employee's employment, engagement or affiliation with any Company Party, the termination of such employment, engagement or affiliation, Employee's status as a shareholder or interest holder of any Company Party, or any other acts or omissions related to any matter occurring or existing on or prior to the date that Employee executes this Agreement, including (i) any alleged violation of: (A) any federal, state or local anti-discrimination or anti-retaliation law, including the Age Discrimination in Employment Act of 1967 (including as amended by the Older Workers Benefit Protection Act), Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, Sections 1981 through 1988 of Title 42 of the United States Code, and the Americans with Disabilities Act of 1990; (B) the Employee Retirement Income Security Act of 1974 ("***ERISA***"); (C) the Immigration Reform Control Act; (D) the Family and Medical Leave Act of 1993; (E) the Securities Exchange Act of 1934; (F) the Investment Advisers Act of 1940; (G) the Investment Company Act of 1940; (H) the Private Securities Litigation Reform Act of 1995; (I) the Sarbanes-Oxley Act of 2002; (J) the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010; (K) the Texas Labor Code (including the Texas Payday Law, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, and the Texas Whistleblower Act); (L) to the extent permitted by law, any federal, state, municipal or local wage and hour law; (M) any other local, municipal, state, or federal law, regulation or ordinance; and (N) any public policy, contract, tort, or common law claim, including claims for breach of fiduciary duty, fraud, breach of implied or express contract, breach of implied covenant of good faith and fair dealing, wrongful discharge or termination, promissory estoppel, infliction of emotional distress, or tortious interference; (ii) any allegation for costs, fees, or other expenses including attorneys' fees incurred in, or with respect to, a Released Claim (as defined below); (iii) any and all rights, benefits or claims Employee may have under any employment contract, equity-based, profits-based, or incentive compensation plan (including the LTIP) or agreement, or other agreement with any Company Party; (iv) any claim, whether direct or derivative, arising from, or relating to, Employee's status as a member or holder of any interests in the Company or any other Company Party; and (v) any claim for compensation, benefits, or damages of any kind not expressly set forth in this Agreement (collectively, the "***Released Claims***"). THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

(b) In no event shall the Released Claims include (i) any claim to vested benefits under an employee benefit plan that is subject to ERISA and that cannot be released pursuant to

ERISA; (ii) any claim that may first arise after the date that Employee executes this Agreement; or (iii) any claims that cannot be waived as a matter of law, including claims for unemployment compensation benefits or workers' compensation insurance benefits.

(c) Further notwithstanding this release of liability, *nothing in this Agreement prevents Employee from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("**EEOC**"), the Securities and Exchange Commission ("**SEC**") or other governmental agency, commission or regulatory authority or from participating in any investigation or proceeding conducted by the EEOC, SEC or other federal, state or local governmental agency, commission or regulatory authority (each a "**Governmental Agency**" and collectively "**Governmental Agencies**") or cooperating with such Governmental Agency; however, Employee understands and agrees that, to the extent permitted by law, Employee is waiving any and all rights to recover from any of the Company Parties based on any of the Released Claims, including any relief that may result from any Governmental Agency proceeding or subsequent legal actions*. Nothing herein waives Employee's right to receive an award for information provided to a Governmental Agency (including, for the avoidance of doubt, any monetary award or bounty from any governmental agency or regulatory or law enforcement authority in connection with any protected "whistleblower" activity), and nothing herein or in any other agreement between Employee and any Company Party shall limit, prohibit or restrict Employee from (i) initiating communications directly with, cooperating with, providing information or making statements to, causing information to be provided to, or otherwise assisting in an investigation by, any Governmental Agency; (ii) responding to any inquiry or legal process directed to Employee from any Governmental Agency; (iii) testifying, participating or otherwise assisting in any action or proceeding by any Governmental Agency; (iv) disclosing or discussing, either orally or in writing, any alleged discriminatory or unfair employment practice; or (v) making any disclosures that are protected under the whistleblower provisions of any applicable law. Nothing in this Agreement requires Employee to obtain prior authorization before engaging in any conduct described in this Section 4(c) or to notify any Company Party that Employee has engaged in any such conduct.

5. Advice to Consult with Counsel; Employee's Acknowledgements; Revocation Right. *This is an important legal document. Employee is advised to consult with a lawyer before signing this Agreement.* By executing and delivering this Agreement, Employee expressly acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee is not otherwise entitled to the consideration set forth in this Agreement, but for Employee's entry into this Agreement;

(c) Employee has had sufficient time (and at least 21 days) to consider this Agreement before the execution and delivery to Company, and no changes to this Agreement (whether material or immaterial) since the time it was first provided to Employee will re-start the period for Employee to consider this Agreement;

(d) Employee has been advised, and hereby is advised in writing, to discuss this Agreement with an attorney prior to signing this Agreement, and Employee has had adequate opportunity to do so;

(e) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated within the four corners of this Agreement, and in entering this Agreement, Employee has not relied on any representation or statement, written, or oral of any Company Party or Company Party's agent that is not set forth in this Agreement;

(f) Employee is signing this Agreement knowingly, voluntarily and of Employee's own free will; Employee relies on Employee's own judgment in entering into this Agreement; and Employee understands and agrees to each of the terms and conditions of this Agreement;

(g) No Company Party has provided any tax or legal advice regarding this Agreement, and Employee has had an adequate opportunity to receive sufficient tax and legal advice from advisors of Employee's choosing such that Employee enters into this Agreement with full understanding of the tax and legal implications thereof; and

(h) Employee has seven (7) days after signing this Agreement to revoke it (such seven-day period is referred to as the "***Release Revocation Period***"). This Agreement will not become effective or enforceable until the Release Revocation Period has expired without Employee exercising Employee's revocation right. Any notice of revocation of the Agreement is effective only if such revocation is in writing and received by the Company care of care of Brett Riesenfeld, Executive Vice President and General Counsel, at the e-mail address referenced in Section 2 above, on or before the expiration of the Release Revocation Period. Employee understands that if Employee revokes Employee's acceptance of this Agreement pursuant to this Section 5(h), neither the Company nor any other Company Party will provide Employee with the Separation Benefits, and all other terms of this Agreement will become null and void (provided, however, that the terms of Section 1 shall remain in effect).

6. Affirmation of Restrictive Covenants. Employee acknowledges and agrees that Employee has continuing obligations to the Company Parties, including obligations with respect to confidentiality, non-competition, and non-solicitation as set forth in Section 9 of the Severance Plan (the "***Restrictive Covenants***"). In entering into this Agreement, Employee specifically acknowledges the validity, binding effect, and enforceability of the Restrictive Covenants and expressly reaffirms Employee's commitment to abide by (and agrees that Employee will abide by) the terms of the Restrictive Covenants. Employee further acknowledges that Employee is aware of the ongoing obligations that Employee may have under the Company's Insider Trading Policy, applicable securities laws and any other applicable requirements related to any trading in the Company's securities.

7. Cooperation and Non-Disparagement.

(a) Following the Separation Date, upon request from the Company, and for no additional compensation, Employee agrees to cooperate with the Company and the other Company Parties as well as their respective counsel, agents or other designees, in order to provide such information and assistance as the Company or such other Company Party may reasonably request from time to time, may include providing information and assistance with respect to the duties that Employee performed for any Company Party.

(b) In entering into this Agreement, (i) Employee agrees not to publish or otherwise make (or cause to be published or made) any statement about the Company or any of its affiliates or any of their respective officers or directors that is disparaging or that casts any of them in a false light, and (ii) the Company agrees that its Executive Leadership Team will not publish or make (or cause to be published or made) any statement about Employee that is disparaging or that casts her in a false light. Notwithstanding the foregoing, nothing in this Section 7(b) shall limit, prohibit, or restrict Employee or any other individual from publishing or otherwise making any statement (x) to any Governmental Agency, (y) required by law or legal process, or (z) otherwise permitted by Section 4(c) above.

8. **Return of Property**. Employee expressly represents and warrants that Employee has returned to the Company all property belonging to the Company and any other Company Party, including all documents, computer files and other electronically stored information, and all other materials provided to Employee by the Company or any other Company Party in the course of Employee's employment or affiliation. Employee further represents and warrants that Employee has not maintained a copy of any such materials in any form. Employee agrees that, consistent with Employee's status as a former employee, Employee will not seek to access Company systems or third-party computer networks in order to obtain Company materials.

9. **Entire Agreement; Amendment; Dispute Resolution**.

(a) This Agreement (and, as referenced herein, the Participation Agreement and Severance Plan) constitutes the entire agreement between the parties with respect to the matters herein provided; *provided, however* this Agreement shall complement and be in addition to (and not replace or supersede) any other obligation that Employee has to any Company Party with respect to non-disclosure, return of property, intellectual property, non-competition, or non-solicitation, (whether such obligation arises by contract, statute, common law or otherwise). No modifications or waiver of any provision hereof shall be effective unless in writing and signed by each Party.

(b) Employee is a resident of Texas and was a resident of Texas as of the Separation Date, and any dispute arising out of or relating to this Agreement shall be subject to the exclusive jurisdiction of the federal or state courts, as applicable, located in Harris County, Texas.

10. **Headings; Interpretation**. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Unless the context requires otherwise, all references herein to laws, regulations, contracts, agreements, instruments and other documents shall be deemed to refer to such laws, regulations, agreements, instruments and other documents as they may be amended, supplemented, modified and restated from time to time, and references to particular provisions of laws or regulations include a reference to the corresponding provisions of any succeeding law or regulation. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, including all exhibits, and not to any particular provision hereof. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the Parties.

11. **Third Party Beneficiaries**. Each Company Party that is not a signatory hereto shall be a third-party beneficiary of Employee's covenants, warranties, representations, and release of claims set forth in this Agreement and entitled to enforce such provisions as if it was a party hereto.

12. **No Waiver**. No failure by any Party at any time to give notice of any breach by the other Party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

13. **Severability and Modification**. To the extent permitted by applicable law, the Parties agree that any term or provision of this Agreement (or part thereof) that renders such term or provision (or part thereof) or any other term or provision (or part thereof) of this Agreement invalid or unenforceable in any respect shall be severable and shall be modified or severed to the extent necessary to avoid rendering such term or provision (or part thereof) invalid or unenforceable, and such severance or modification shall be accomplished in the manner that most nearly preserves the benefit of the Parties' bargain hereunder.

14. **Withholding of Taxes and Other Employee Deductions**. The Company may withhold from any payment made pursuant to this Agreement all federal, state, local, and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling.

15. **Counterparts**. This Agreement may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

16. **Section 409A**. Neither this Agreement nor the payments provided hereunder are intended to constitute "deferred compensation" subject to the requirements of Section 409A of the Internal Revenue Code of 1986 and the Treasury regulations and interpretive guidance issued thereunder (collectively, "***Section 409A***"), and this Agreement shall be construed and administered in accordance with such intent. For purposes of Section 409A, each payment provided under this Agreement shall be treated as a separate payment. Notwithstanding the foregoing, the Company makes no representations that this Agreement or the payments provided under this Agreement complies with or is exempt from the requirements of Section 409A and in no event shall the Company or any other Company Party be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

[*Signatures begin on the following page*]

IN WITNESS WHEREOF, the parties have executed this Agreement with the intent to be legally bound.

DAWN SMAJSTRLA

/s/ Dawn Smajstrla
Dawn Smajstrla

Date: 3/18/25

SITIO ROYALTIES CORP.
SITIO ROYALTIES MANAGEMENT, LLC

By: /s/ Chris Conoscenti

Name: Chris Conoscenti

Title: Chief Executive Officer

Date: 3/18/25

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO RULES 13A-14(A) OR 15D-14(A)

OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Christopher L. Conoscenti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sitio Royalties Corp. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: /s/ CHRISTOPHER L. CONOSCENTI

Christopher L. Conoscenti

Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO RULES 13A-14(A) OR 15D-14(A)

OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Carrie L. Osicka, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sitio Royalties Corp. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: /s/ CARRIE L. OSICKA

Carrie L. Osicka
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Sitio Royalties Corp. (the "Company") for the period ended March 31, 2025 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher L. Conoscenti, the Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

By: /s/ CHRISTOPHER L. CONOSCENTI

Christopher L. Conoscenti
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Sitio Royalties Corp. (the “Company”) for the period ended March 31, 2025 as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Carrie L. Osicka, the Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

By: /s/ CARRIE L. OSICKA
Carrie L. Osicka
Chief Financial Officer