UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2022

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: 001-38075

ANTERO MIDSTREAM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**61-1748605** (IRS Employer Identification No.)
1615 Wynkoop Street **Denver, Colorado** (Address of principal executive offices)	**80202** (Zip Code)

(303) 357-7310
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	AM	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

The registrant had 478,484,564 shares of common stock outstanding as of October 21, 2022.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Quarterly Report on Form 10-Q may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact, included in this Quarterly Report on Form 10-Q, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. Words such as "may," "assume," "forecast," "position," "predict," "strategy," "expect," "intend," "plan," "estimate," "anticipate," "believe," "project," "budget," "potential," or "continue," and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. When considering these forward-looking statements, investors should keep in mind the risk factors and other cautionary statements in this Quarterly Report on Form 10-Q. These forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

- Antero Resources Corporation's ("Antero Resources") expected production and development plan;
- impacts to producer customers of insufficient storage capacity;
- our ability to execute our business strategy;
- our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;
- our ability to realize the anticipated benefits of our investments in unconsolidated affiliates;
- natural gas, natural gas liquids ("NGLs"), and oil prices;
- impacts of geopolitical events and world health events, including the coronavirus ("COVID-19") pandemic;
- our ability to complete the construction of or purchase new gathering and compression, processing, water handling or other assets on schedule, at the budgeted cost or at all, and the ability of such assets to operate as designed or at expected levels;
- our ability to execute our share repurchase program;
- competition;
- government regulations and changes in laws;
- actions taken by third-party producers, operators, processors and transporters;
- pending legal or environmental matters;
- costs of conducting our operations;
- our ability to achieve our greenhouse gas reduction targets and the costs associated therewith;
- general economic conditions;
- credit markets;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- uncertainty regarding our future operating results; and
- our other plans, objectives, expectations and intentions contained in this Quarterly Report on Form 10-Q.

We caution investors that these forward-looking statements are subject to all of the risks and uncertainties incidental to our business, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, commodity price volatility, inflation, environmental risks, Antero Resources' drilling and completion and other operating risks, regulatory changes or changes in law, the uncertainty inherent in projecting Antero Resources' future rates of production, cash flows and access to capital, the timing of development expenditures, impacts of world health events (including the COVID-19 pandemic), cybersecurity risks, the state of markets for, and availability of, verified quality carbon offsets and the other risks described or referenced under the heading "1A. Risk Factors" herein, including the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2021 (the "2021 Form 10-K"), which is on file with the Securities and Exchange Commission ("SEC").

Should one or more of the risks or uncertainties described or referenced in this Quarterly Report on Form 10-Q occur, or should underlying assumptions prove incorrect, our 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 on Form 10-Q 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.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

PART I—FINANCIAL INFORMATION

ANTERO MIDSTREAM CORPORATION

Condensed Consolidated Balance Sheets

(In thousands)

	December 31, 2021	(Unaudited) September 30, 2022
Assets		
Current assets:		
Accounts receivable–Antero Resources	$ 81,197	77,301
Accounts receivable–third party	747	1,988
Income tax receivable	940	940
Other current assets	920	556
Total current assets	83,804	80,785
Property and equipment, net	3,394,746	3,508,008
Investments in unconsolidated affiliates	696,009	659,006
Customer relationships	1,356,775	1,303,771
Other assets, net	12,667	12,251
Total assets	$ 5,544,001	5,563,821
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable–Antero Resources	$ 4,956	2,648
Accounts payable–third party	23,592	24,125
Accrued liabilities	80,838	72,952
Other current liabilities	4,623	6,657
Total current liabilities	114,009	106,382
Long-term liabilities:		
Long-term debt	3,122,910	3,143,169
Deferred income tax liability	13,721	98,519
Other	6,663	3,896
Total liabilities	3,257,303	3,351,966
Stockholders' Equity:		
Preferred stock, $0.01 par value: 100,000 authorized as of December 31, 2021 and September 30, 2022		
Series A non-voting perpetual preferred stock; 12 designated and 10 issued and outstanding as of December 31, 2021 and September 30, 2022	—	—
Common stock, $0.01 par value; 2,000,000 authorized; 477,495 and 478,462 issued and outstanding as of December 31, 2021 and September 30, 2022, respectively	4,775	4,784
Additional paid-in capital	2,414,398	2,123,057
Retained earnings (accumulated deficit)	(132,475)	84,014
Total stockholders' equity	2,286,698	2,211,855
Total liabilities and stockholders' equity	$ 5,544,001	5,563,821

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION

Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)
(In thousands, except per share amounts)

	Three Months Ended September 30, 2021	2022
Revenue:		
Gathering and compression–Antero Resources	$ 188,716	185,640
Water handling–Antero Resources	53,511	61,411
Water handling–third party	245	1,651
Amortization of customer relationships	(17,668)	(17,668)
Total revenue	224,804	231,034
Operating expenses:		
Direct operating	39,499	46,648
General and administrative (including $3,255 and $5,553 of equity-based compensation in 2021 and 2022, respectively)	14,810	13,587
Facility idling	870	865
Depreciation	27,487	34,206
Impairment of property and equipment	203	—
Accretion of asset retirement obligations	114	50
Gain on asset sale	—	(2,092)
Total operating expenses	82,983	93,264
Operating income	141,821	137,770
Other income (expense):		
Interest expense, net	(44,544)	(47,835)
Equity in earnings of unconsolidated affiliates	24,088	24,411
Total other expense	(20,456)	(23,424)
Income before income taxes	121,365	114,346
Income tax expense	(32,038)	(30,332)
Net income and comprehensive income	$ 89,327	84,014
Net income per share–basic	$ 0.19	0.18
Net income per share–diluted	$ 0.19	0.17
Weighted average common shares outstanding:		
Basic	477,442	478,460
Diluted	479,695	480,318

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION
Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)
(In thousands, except per share amounts)

	Nine Months Ended September 30,	
	2021	2022
Revenue:		
Gathering and compression–Antero Resources	$ 566,544	552,154
Water handling–Antero Resources	167,832	176,994
Water handling–third party	340	2,288
Amortization of customer relationships	(53,004)	(53,004)
Total revenue	681,712	678,432
Operating expenses:		
Direct operating	118,368	131,959
General and administrative (including $10,326 and $14,026 of equity-based compensation in 2021 and 2022, respectively)	46,991	47,597
Facility idling	3,033	3,198
Depreciation	80,956	98,181
Impairment of property and equipment	1,582	3,702
Accretion of asset retirement obligations	347	178
Loss on settlement of asset retirement obligations	—	539
Loss (gain) on asset sale	3,628	(2,242)
Total operating expenses	254,905	283,112
Operating income	426,807	395,320
Other income (expense):		
Interest expense, net	(130,915)	(137,540)
Equity in earnings of unconsolidated affiliates	66,347	70,467
Loss on early extinguishment of debt	(20,701)	—
Total other expense	(85,269)	(67,073)
Income before income taxes	341,538	328,247
Income tax expense	(88,547)	(84,798)
Net income and comprehensive income	$ 252,991	243,449
Net income per share–basic	$ 0.53	0.51
Net income per share–diluted	$ 0.53	0.51
Weighted average common shares outstanding:		
Basic	477,196	478,144
Diluted	479,501	480,342

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)
(In thousands)

	Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total Equity
Balance at December 31, 2020	$ —	476,639	$ 4,766	2,877,612	(464,092)	2,418,286
Dividends to stockholders	—	—	—	(147,332)	—	(147,332)
Equity-based compensation	—	—	—	4,012	—	4,012
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	268	3	(1,544)	—	(1,541)
Net income and comprehensive income	—	—	—	—	83,441	83,441
Balance at March 31, 2021	—	476,907	4,769	2,732,748	(380,651)	2,356,866
Dividends to stockholders	—	—	—	(108,936)	—	(108,936)
Equity-based compensation	—	—	—	3,059	—	3,059
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	451	5	(2,781)	—	(2,776)
Net income and comprehensive income	—	—	—	—	80,223	80,223
Balance at June 30, 2021	—	477,358	4,774	2,624,090	(300,428)	2,328,436
Dividends to stockholders	—	—	—	(107,857)	—	(107,857)
Equity-based compensation	—	—	—	3,255	—	3,255
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	102	1	(569)	—	(568)
Net income and comprehensive income	—	—	—	—	89,327	89,327
Balance at September 30, 2021	$ —	477,460	$ 4,775	2,518,919	(211,101)	2,312,593
Balance at December 31, 2021	$ —	477,495	$ 4,775	2,414,398	(132,475)	2,286,698
Dividends to stockholders	—	—	—	(108,287)	—	(108,287)
Equity-based compensation	—	—	—	2,832	—	2,832
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	188	2	(1,331)	—	(1,329)
Net income and comprehensive income	—	—	—	—	80,040	80,040
Balance at March 31, 2022	—	477,683	4,777	2,307,612	(52,435)	2,259,954
Dividends to stockholders	—	—	—	(109,433)	—	(109,433)
Equity-based compensation	—	—	—	5,641	—	5,641
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	754	7	(5,445)	—	(5,438)
Net income and comprehensive income	—	—	—	—	79,395	79,395
Balance at June 30, 2022	—	478,437	4,784	2,198,375	26,960	2,230,119
Dividends to stockholders	—	—	—	(80,853)	(26,960)	(107,813)
Equity-based compensation	—	—	—	5,553	—	5,553
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	25	—	(18)	—	(18)
Net income and comprehensive income	—	—	—	—	84,014	84,014
Balance at September 30, 2022	$ —	478,462	$ 4,784	2,123,057	84,014	2,211,855

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Nine Months Ended September 30, 2021	2022
Cash flows provided by (used in) operating activities:		
Net income	$ 252,991	243,449
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	80,956	98,181
Accretion of asset retirement obligations	347	178
Impairment	1,582	3,702
Deferred income tax expense	88,547	84,798
Equity-based compensation	10,326	14,026
Equity in earnings of unconsolidated affiliates	(66,347)	(70,467)
Distributions from unconsolidated affiliates	87,115	90,470
Amortization of customer relationships	53,004	53,004
Amortization of deferred financing costs	4,152	4,268
Settlement of asset retirement obligations	(814)	(1,395)
Loss on settlement of asset retirement obligations	—	539
Loss (gain) on asset sale	3,628	(2,242)
Loss on early extinguishment of debt	20,701	—
Changes in assets and liabilities:		
Accounts receivable–Antero Resources	(11,429)	5,596
Accounts receivable–third party	594	(822)
Income tax receivable	16,311	—
Other current assets	810	242
Accounts payable–Antero Resources	(705)	(2,006)
Accounts payable–third party	11,058	12,228
Accrued liabilities	(7,337)	(2,773)
Net cash provided by operating activities	545,490	530,976
Cash flows provided by (used in) investing activities:		
Additions to gathering systems and facilities	(120,727)	(190,407)
Additions to water handling systems	(36,221)	(45,747)
Investments in unconsolidated affiliates	(2,070)	—
Return of investment in unconsolidated affiliate	—	17,000
Cash received in asset sale	1,653	4,026
Change in other assets	—	(24)
Change in other liabilities	—	(804)
Net cash used in investing activities	(157,365)	(215,956)
Cash flows provided by (used in) financing activities:		
Dividends to stockholders	(363,712)	(325,120)
Dividends to preferred stockholders	(413)	(413)
Issuance of senior notes	750,000	—
Redemption of senior notes	(667,472)	—
Payments of deferred financing costs	(9,449)	(302)
Borrowings (repayments) on bank credit facilities, net	(92,800)	17,600
Employee tax withholding for settlement of equity compensation awards	(4,885)	(6,785)
Other	(34)	—
Net cash used in financing activities	(388,765)	(315,020)
Net decrease in cash and cash equivalents	(640)	—
Cash and cash equivalents, beginning of period	640	—
Cash and cash equivalents, end of period	$ —	—
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 132,360	130,236
Cash received during the period for income taxes	$ 16,913	—
Increase (decrease) in accrued capital expenditures and accounts payable for property and equipment	$ 22,675	(17,130)

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION
Notes to Unaudited Condensed Consolidated Financial Statements

(1) Organization

Antero Midstream Corporation (together with its consolidated subsidiaries, "Antero Midstream," "AM" or the "Company") is a growth-oriented midstream company formed to own, operate and develop midstream energy infrastructure primarily to service Antero Resources Corporation ("Antero Resources") and its production and completion activity in the Appalachian Basin. The Company's assets consist of gathering pipelines, compressor stations, interests in processing and fractionation plants and water handling assets. Antero Midstream provides midstream services to Antero Resources under long-term contracts. The Company's corporate headquarters is located in Denver, Colorado.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") applicable to interim financial information and should be read in the context of the Company's December 31, 2021 consolidated financial statements and notes thereto for a more complete understanding of the Company's operations, financial position, and accounting policies. The Company's December 31, 2021 consolidated financial statements were included in the Company's 2021 Annual Report on Form 10-K, which was filed with the SEC.

These unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information, and, accordingly, do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. In the opinion of management, these unaudited condensed consolidated financial statements include all adjustments (consisting of normal and recurring accruals) considered necessary to present fairly the Company's financial position as of December 31, 2021 and September 30, 2022, the results of the Company's operations for the three and nine months ended September 30, 2021 and 2022, and the Company's cash flows for the nine months ended September 30, 2021 and 2022. The Company has no items of other comprehensive income; therefore, net income is equal to comprehensive income.

Certain costs of doing business incurred and charged to the Company by Antero Resources have been reflected in the accompanying unaudited condensed consolidated financial statements. These costs include general and administrative expenses provided to the Company by Antero Resources in exchange for:

- business services, such as payroll, accounts payable and facilities management;
- corporate services, such as finance and accounting, legal, human resources, investor relations and public and regulatory policy; and
- employee compensation, including equity-based compensation.

Transactions between the Company and Antero Resources have been identified in the unaudited condensed consolidated financial statements (see Note 4—Transactions with Affiliates).

(b) Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Antero Midstream Corporation and its consolidated subsidiaries. All significant intercompany accounts and transactions have been eliminated in the Company's unaudited condensed consolidated financial statements.

(c) Dividends

Preferred and common dividends declared are recorded as a reduction of retained earnings to the extent that retained earnings were available at the close of the quarter prior to the dividend declaration date, with any excess recorded as a reduction of additional paid-in capital.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

(d) Recently Adopted Accounting Standard

In December 2019, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2019-12, *Simplifying the Accounting for Income Taxes*. This ASU removes certain exceptions to the general principles in Accounting Standard Codifications Topic 740, *Income Taxes* ("ASC 740"), and also simplifies portions of ASC 740 by clarifying and amending existing guidance. It is effective for interim and annual reporting periods after December 15, 2020. The Company adopted this ASU on January 1, 2021, and it did not have a material impact on the Company's consolidated financial statements.

(3) Intangibles

All customer relationships are subject to amortization and are amortized over a weighted average period of19 years, which reflects the remaining economic life of the relationships as of September 30, 2022. The changes in the carrying amount of customer relationships were as follows (in thousands):

Customer relationships as of December 31, 2021	$	1,356,775
Amortization of customer relationships		(53,004)
Customer relationships as of September 30, 2022	$	1,303,771

Future amortization expense is as follows (in thousands):

Remainder of year ending December 31, 2022	$	17,668
Year ending December 31, 2023		70,672
Year ending December 31, 2024		70,672
Year ending December 31, 2025		70,672
Year ending December 31, 2026		70,672
Thereafter		1,003,415
Total	$	1,303,771

(4) Transactions with Affiliates

(a) Revenues

Substantially all revenues earned in the three and nine months ended September30, 2021 and 2022 were earned from Antero Resources, under various agreements for gathering and compression and water handling services. Revenues earned from gathering and compression services consists of lease income.

(b) Accounts receivable—Antero Resources and Accounts payable—Antero Resources

Accounts receivable—Antero Resources represents amounts due from Antero Resources, primarily related to gathering and compression services and water handling services. Accounts payable—Antero Resources represents amounts due to Antero Resources for general and administrative and other costs.

(c) Allocation of Costs Charged by Antero Resources

The employees supporting the Company's operations are concurrently employed by Antero Resources and the Company. Direct operating expense includes costs charged to the Company of $2 million and $3 million during the three months ended September 30, 2021 and 2022, respectively, and $7 million and $10 million during the nine months ended September 30, 2021 and 2022, respectively. These costs were for services provided by employees associated with the operation of the Company's gathering lines, compressor stations, and water handling assets. General and administrative expense includes costs charged to the Company by Antero Resources of $8 million and $6 million during the three months ended September 30, 2021 and 2022, respectively, and $24 million and $22 million during the nine months ended September 30, 2021 and 2022, respectively. These costs relate to (i) various business services, including payroll processing, accounts payable processing and facilities management, (ii) various corporate services, including legal, accounting, treasury, information technology and human resources and (iii) compensation, including certain equity-based compensation. These expenses are charged to the Company based on the nature of the expenses and are apportioned based on a combination of the Company's proportionate share of gross property and equipment, capital expenditures and labor costs, as applicable. The Company reimburses Antero Resources directly for all general and administrative costs charged to it, except costs attributable to noncash equity-based compensation. For further information on equity-based compensation, see Note 9—Equity-Based Compensation and Cash Awards.

(5) Revenue

All of the Company's gathering and compression revenues are derived from an operating lease agreement, and all of the Company's water handling revenues are derived from service contracts with customers. The Company currently earns substantially all of its revenues from Antero Resources.

(a) Gathering and Compression

Pursuant to the gathering and compression agreement with Antero Resources, Antero Resources has dedicated substantially all of its current and future acreage in West Virginia, Ohio and Pennsylvania to the Company for gathering and compression services except for acreage subject to third-party commitments or pre-existing dedications. The Company also has an option to gather and compress natural gas produced by Antero Resources on any additional acreage it acquires during the term of the agreement outside of West Virginia, Ohio and Pennsylvania on the same terms and conditions. In December 2019, the Company and Antero Resources agreed to extend the initial term of the gathering and compression agreement to 2038 and established a growth incentive fee program whereby low pressure gathering fees will be reduced from 2020 through 2023 to the extent Antero Resources achieves certain quarterly volumetric targets during such time. Antero Resources did not earn any rebates from the Company for the three and nine months ended September 30, 2021 since Antero Resources did not achieve any volumetric targets during the first, second and third quarters of 2021. For the three and nine months ended September 30, 2022, Antero Resources earned rebates of $12 million and $36 million, respectively, from the Company by achieving the first level volumetric target during the first, second and third quarters of 2022. Upon completion of the initial contract term, the gathering and compression agreement will continue in effect from year to year until such time as the agreement is terminated, effective upon an anniversary of the effective date of the agreement, by either the Company or Antero Resources on or before the 180th day prior to the anniversary of such effective date.

Under the gathering and compression agreement, the Company receives a low pressure gathering fee, a high pressure gathering fee and a compression fee, in each case subject to annual Consumer Price Index ("CPI")-based adjustments, or a cost of service fee, at the Company's election when such assets are placed in-service. In addition, the agreement stipulates that the Company receives a reimbursement for the actual cost of (i) electricity used at its compressor stations where the compression services are provided based on a compression fee and (ii) operating expenses for all services provided for a cost of service fee.

The Company determined that the gathering and compression agreement is an operating lease as Antero Resources obtains substantially all of the economic benefit of the asset and has the right to direct the use of the asset. The gathering system is an identifiable asset within the gathering and compression agreement, and it consists of underground low pressure pipelines that generally connect and deliver gas from specific well pads to compressor stations to compress the gas before delivery to underground high pressure pipelines that transport the gas to a third-party pipeline, third-party plant or Joint Venture (as defined in Note 13— Investments in Unconsolidated Affiliates) plant. The gathering system is considered a single lease due to the interrelated network of the assets. When a modification to the gathering and compression agreement occurs, the Company reassesses the classification of this lease. The Company accounts for its lease and non-lease components as a single lease component as the lease component is the predominant component. The non-lease components consist of operating, oversight and maintenance of the gathering system, which are performed on time-elapsed measures.

The gathering and compression agreement includes certain fixed fee provisions. If and to the extent Antero Resources requests that the Company construct new low pressure lines, high pressure lines and/or compressor stations, the gathering and compression agreement contains options at the Company's election for either (i) minimum volume commitments that require Antero Resources to utilize or pay for75% of the high pressure gathering capacity and 70% of the compression capacity of such new construction for 10 years or (ii) a cost of service fee that allows the Company to earn a 13% rate of return on such new construction over seven years, which election is made individually for each piece of equipment placed in service. All lease payments under the minimum volume commitments and cost of service fees are considered to be in-substance fixed lease payments under the gathering and compression agreement.

The Company recognizes lease income from its minimum volume commitments and cost of service fees under its gathering and compression agreement on a straight-line basis. Additional variable operating lease income is earned when volumes in excess of the minimum commitments are delivered under the contract. The Company recognizes variable lease income when low pressure volumes are delivered to a compressor station, compression volumes are delivered to a high pressure line and high pressure volumes are delivered to a processing plant or transmission pipeline. Minimum volume commitments for high pressure gathering capacity and compression capacity are aggregated such that there is a single minimum volume commitment for the respective service each year. The Company invoices the customer the month after each service is performed, and payment is due in the same month. The Company is not party to any leases that have not commenced.

Minimum future lease cash flows to be received by the Company under the gathering and compression agreement as of September 30, 2022 are as follows (in thousands):

Remainder of year ending December 31, 2022	$	45,492
Year ending December 31, 2023		298,655
Year ending December 31, 2024		299,473
Year ending December 31, 2025		285,175
Year ending December 31, 2026		271,762
Thereafter		562,414
Total	$	1,762,971

(b) Water Handling

The Company is party to a water services agreement with Antero Resources, whereby the Company provides certain water handling services to Antero Resources within an area of dedication in defined service areas in West Virginia and Ohio. The initial term of the water services agreement runs to 2035. Upon completion of the initial term in 2035, the water services agreement will continue in effect from year to year until such time as the agreement is terminated, effective upon an anniversary of the effective date of the agreement, by either the Company or Antero Resources on or before the 180th day prior to the anniversary of such effective date. Under the agreement, the Company receives a fixed fee for fresh water deliveries by pipeline directly to the well site, subject to annual CPI-based adjustments. In addition, the Company also provides other fluid handling services. These operations, along with the Company's fresh water delivery systems, support well completion and production operations for Antero Resources. These services are provided by the Company directly or through third-parties with which the Company contracts. For these other fluid handling services provided by third-parties, Antero Resources reimburses the Company's third-party out-of-pocket costs plus 3%. For these other fluid handling services provided by the Company, the Company charges Antero Resources a cost of service fee.

The Company satisfies its performance obligations and recognizes revenue when (i) the fresh water volumes have been delivered to the hydration unit of a specified well pad or (ii) other fluid handling services have been completed. The Company invoices the customer the month after water services are performed, and payment is due in the same month. For services contracted through third-party providers, the Company's performance obligation is satisfied when the service to be performed by the third-party provider has been completed. The Company invoices the customer after the third-party provider billing is received, and payment is due in the same month.

Transaction Price Allocated to Remaining Performance Obligations

The Company's water service agreement with Antero Resources has a term greater than one year. The Company is not required to disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under the Company's service contracts, each unit of product delivered to the customer represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required.

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The remainder of the Company's water service contracts, which relate to contracts with third parties, are short-term in nature with a contract term of one year or less. Accordingly, the Company is exempt from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

Contract Balances

Under the Company's water service contracts, the Company invoices customers after the performance obligations have been satisfied, at which point payment is unconditional. Accordingly, the Company's water service contracts do not give rise to contract assets or liabilities.

(c) Disaggregation of Revenue

In the following table, revenue is disaggregated by type of service and type of fee and is identified by the reportable segment to which such revenues relate. For more information on reportable segments, see Note 14—Reportable Segments.

	Three Months Ended September 30,		Nine Months Ended September 30,		
(in thousands)	**2021**	**2022**	**2021**	**2022**	**Reportable Segment**
Type of service					
Gathering—low pressure	$ 87,139	92,091	265,206	273,188	Gathering and Processing (1)
Gathering—low pressure rebate	—	(12,000)	—	(36,000)	Gathering and Processing (1)
Compression	49,765	52,364	147,273	155,462	Gathering and Processing (1)
Gathering—high pressure	51,812	53,185	154,065	159,504	Gathering and Processing (1)
Fresh water delivery	33,004	38,445	108,113	111,609	Water Handling
Other fluid handling	20,752	24,617	60,059	67,673	Water Handling
Amortization of customer relationships	(9,271)	(9,271)	(27,813)	(27,814)	Gathering and Processing
Amortization of customer relationships	(8,397)	(8,397)	(25,191)	(25,190)	Water Handling
Total	$ 224,804	231,034	681,712	678,432	
Type of contract					
Per Unit Fixed Fee	$ 188,716	197,640	566,544	588,154	Gathering and Processing (1)
Gathering—low pressure rebate	—	(12,000)	—	(36,000)	Gathering and Processing (1)
Per Unit Fixed Fee	33,004	38,921	108,113	112,722	Water Handling
Cost plus 3%	16,952	19,346	48,727	51,384	Water Handling
Cost of service fee	3,800	4,795	11,332	15,176	Water Handling
Amortization of customer relationships	(9,271)	(9,271)	(27,813)	(27,814)	Gathering and Processing
Amortization of customer relationships	(8,397)	(8,397)	(25,191)	(25,190)	Water Handling
Total	$ 224,804	231,034	681,712	678,432	

(1) Revenue related to the gathering and processing segment is classified as lease income related to the gathering system.

The Company's receivables from its contracts with customers and operating leases as of December 31, 2021 and September 30, 2022, were $81 million and $79 million, respectively.

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(6) Property and Equipment

(a) Summary of Property and Equipment

Property and equipment, net consisted of the following items:

(in thousands)	Estimated Useful Lives	December 31, 2021	(Unaudited) September 30, 2022
Land	n/a	$ 23,369	26,682
Gathering systems and facilities	40-50 years [1]	2,817,918	3,052,459
Permanent buried pipelines and equipment	7-20 years	582,481	602,343
Surface pipelines and equipment	1-7 years	54,542	67,520
Heavy trucks and equipment	3-5 years	5,157	5,157
Above ground storage tanks	5-10 years	2,946	2,953
Construction-in-progress	n/a	174,271	114,582
Total property and equipment		3,660,684	3,871,696
Less accumulated depreciation		(265,938)	(363,688)
Property and equipment, net		$ 3,394,746	3,508,008

(1) Gathering systems and facilities are recognized as a single-leased asset with no residual value.

(b) Subsequent Event

On October 25, 2022, the Company acquired certain Marcellus gas gathering and compression assets from Crestwood Equity Partners LP (NYSE: CEQP) for $205 million in cash, before closing adjustments, which was funded by borrowings under the Company's Credit Facility (as defined in Note 7─Long-Term Debt). These assets include 72 miles of dry gas gathering pipelines andnine compressor stations with approximately 700 MMcf/d of compression capacity.

(7) Long-Term Debt

Long-term debt consisted of the following items:

(in thousands)	December 31, 2021	(Unaudited) September 30, 2022
Credit Facility (a)	$ 547,200	564,800
7.875% senior notes due 2026 (c)	550,000	550,000
5.75% senior notes due 2027 (d)	650,000	650,000
5.75% senior notes due 2028 (e)	650,000	650,000
5.375% senior notes due 2029 (f)	750,000	750,000
Total principal	3,147,200	3,164,800
Unamortized debt premiums	2,106	1,801
Unamortized debt issuance costs	(26,396)	(23,432)
Total long-term debt	$ 3,122,910	3,143,169

(a) Credit Facility

Antero Midstream Partners LP ("Antero Midstream Partners"), an indirect, wholly owned subsidiary of Antero Midstream Corporation, as borrower (the "Borrower"), has a senior secured revolving credit facility with a consortium of banks. On October 26, 2021, the Company entered into an amended and restated senior secured revolving credit facility (the "Credit Facility"). As of December 31, 2021 and September 30, 2022, the Credit Facility had lender commitments of $1.25 billion and matures on October 26, 2026; provided that if on November 17, 2025 any of the 2026 Notes (as defined below) are outstanding, the Credit Facility will mature on such date. As of September 30, 2022, the Credit Facility had an available borrowing capacity of $685 million.

The Credit Facility contains certain covenants including restrictions on indebtedness, and requirements with respect to leverage and interest coverage ratios. The Credit Facility permits distributions to the holders of the Borrower's equity interests in accordance with the cash distribution policy, provided that no event of default exists or would be caused thereby, and only to the extent permitted by the Borrower's organizational documents. The Borrower was in compliance with all of the financial covenants under the Credit Facility as of December 31, 2021 and September 30, 2022.

The senior secured revolving credit facility agreement in effect prior to October 26, 2021 provided for borrowing under either the Base Rate or the Eurodollar Rate (as each term is defined in the agreement), and the Credit Facility provides for borrowing under either Adjusted Term Secured Overnight Financing Rate ("SOFR") or the Base Rate (as each term is defined in the Credit Facility). Principal amounts borrowed are payable on the maturity date with such borrowings bearing interest that is payable with respect to (i) base rate loans, quarterly and (ii) SOFR Loans at the end of the applicable interest period if three months (or shorter, if applicable), or every three months if the applicable interest period is longer than three months. Interest was payable at a variable rate based on LIBOR or the base rate, determined by election at the time of borrowing, plus an applicable margin rate under the senior secured revolving credit facility agreement in effect prior to October 26, 2021. Interest is payable at a variable rate based on SOFR or the base rate, determined by election at the time of borrowing, plus an applicable margin rate under the Credit Facility. Interest at the time of borrowing is determined with reference to the Borrower's then-current leverage ratio subject to certain exceptions. Commitment fees on the unused portion of the Credit Facility are due quarterly at rates ranging from 0.25% to 0.375% subject to certain exceptions based on the leverage ratio then in effect.

As of December 31, 2021, the Borrower had outstanding borrowings under the Credit Facility of $547 million with a weighted average interest rate of 1.81%. As of September 30, 2022, the Borrower had outstanding borrowings under the Credit Facility of $565 million with a weighted average interest rate of 4.81%. No letters of credit under the Credit Facility were outstanding as of December 31, 2021 or September 30, 2022.

(b) 5.375% Senior Notes Due 2024

On September 13, 2016, Antero Midstream Partners and its wholly owned subsidiary, Antero Midstream Finance Corporation ("Finance Corp" and together with Antero Midstream Partners, the "Issuers"), issued $650 million in aggregate principal amount of 5.375% senior notes due September 15, 2024 (the "2024 Notes") at par. The 2024 Notes were recorded at their fair value of $652.6 million as of March 12, 2019, and the related premium of $2.6 million was amortized into interest expense over the life of the 2024 Notes. The Issuers redeemed all $650 million of the 2024 Notes at 102.688% of par on June 8, 2021, and recognized a loss of $21 million on the early extinguishment of debt during the second quarter of 2021, which includes the write-off of all unamortized debt premium and issuance costs. Interest on the 2024 Notes was payable on March 15 and September 15 of each year.

(c) 7.875% Senior Notes Due 2026

On November 10, 2020, the Issuers issued $550 million in aggregate principal amount of 7.875% senior notes due May 15, 2026 (the "2026 Notes") at par. The 2026 Notes are unsecured and effectively subordinated to the Credit Facility to the extent of the value of the collateral securing the Credit Facility. The 2026 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Antero Midstream Corporation, Antero Midstream Partners' wholly owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2026 Notes is payable on May 15 and November 15 of each year. Antero Midstream Partners may redeem all or part of the 2026 Notes at any time on or after May 15, 2023 at redemption prices ranging from 103.938% on or after May 15, 2023 to 100.00% on or after May 15, 2025. In addition, prior to May 15, 2023, Antero Midstream Partners may redeem up to 35% of the aggregate principal amount of the 2026 Notes with an amount of cash not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 107.875% of the principal amount of the 2026 Notes, plus accrued and unpaid interest. At any time prior to May 15, 2023, Antero Midstream Partners may also redeem the 2026 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2026 Notes plus a "make-whole" premium and accrued and unpaid interest. If Antero Midstream Partners undergoes a change of control followed by a rating decline, the holders of the 2026 Notes will have the right to require Antero Midstream Partners to repurchase all or a portion of the 2026 Notes at a price equal to 101% of the principal amount of the 2026 Notes, plus accrued and unpaid interest.

(d) 5.75% Senior Notes Due 2027

On February 25, 2019, the Issuers issued $650 million in aggregate principal amount of 5.75% senior notes due March 1, 2027 (the "2027 Notes") at par. The 2027 Notes were recorded at their fair value of $653.3 million as of March 12, 2019, and the related premium of $3.3 million will be amortized into interest expense over the life of the 2027 Notes. The 2027 Notes are unsecured and effectively subordinated to the Credit Facility to the extent of the value of the collateral securing the Credit Facility. The 2027 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Antero Midstream Corporation, Antero Midstream Partners' wholly owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2027 Notes is payable on March 1 and September 1 of each year. Antero Midstream Partners may redeem all or part of the 2027 Notes at any time on or after March 1, 2022 at redemption prices ranging from 102.875% currently to 100.00% on or after March 1, 2025. If Antero Midstream Partners undergoes a change of control followed by a rating decline, the holders of the 2027 Notes will have the right to require Antero Midstream Partners to repurchase all or a portion of the 2027 Notes at a price equal to 101% of the principal amount of the 2027 Notes, plus accrued and unpaid interest.

(e) 5.75% Senior Notes Due 2028

On June 28, 2019, the Issuers issued $650 million in aggregate principal amount of 5.75% senior notes due January 15, 2028 (the "2028 Notes") at par. The 2028 Notes are unsecured and effectively subordinated to the Credit Facility to the extent of the value of the collateral securing the Credit Facility. The 2028 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Antero Midstream Corporation, Antero Midstream Partners' wholly owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2028 Notes is payable on January 15 and July 15 of each year. Antero Midstream Partners may redeem all or part of the 2028 Notes at any time on or after January 15, 2023 at redemption prices ranging from 102.875% on or after January 15, 2023 to 100.00% on or after January 15, 2026. In addition, prior to January 15, 2023, Antero Midstream Partners may redeem up to 35% of the aggregate principal amount of the 2028 Notes with an amount of cash not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 105.75% of the principal amount of the 2028 Notes, plus accrued and unpaid interest. At any time prior to January 15, 2023, Antero Midstream Partners may also redeem the 2028 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2028 Notes plus a "make-whole" premium and accrued and unpaid interest. If Antero Midstream Partners undergoes a change of control followed by a rating decline, the holders of the 2028 Notes will have the right to require Antero Midstream Partners to repurchase all or a portion of the 2028 Notes at a price equal to 101% of the principal amount of the 2028 Notes, plus accrued and unpaid interest.

(f) 5.375% Senior Notes Due 2029

On June 8, 2021, the Issuers issued $750 million in aggregate principal amount of 5.375% senior notes due June 15, 2029 (the "2029 Notes") at par. The 2029 Notes are unsecured and effectively subordinated to the Credit Facility to the extent of the value of the collateral securing the Credit Facility. The 2029 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Antero Midstream Corporation, Antero Midstream Partners' wholly owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2029 Notes is payable on June 15 and December 15 of each year. Antero Midstream Partners may redeem all or part of the 2029 Notes at any time on or after June 15, 2024 at redemption prices ranging from 102.688% on or after June 15, 2024 to 100.00% on or after June 15, 2026. In addition, prior to June 15, 2024, Antero Midstream Partners may redeem up to 35% of the aggregate principal amount of the 2029 Notes with an amount of cash not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 105.375% of the principal amount of the 2029 Notes, plus accrued and unpaid interest. At any time prior to June 15, 2024, Antero Midstream Partners may also redeem the 2029 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2029 Notes plus a "make-whole" premium and accrued and unpaid interest. If Antero Midstream Partners undergoes a change of control followed by a rating decline, the holders of the 2029 Notes will have the right to require Antero Midstream Partners to repurchase all or a portion of the 2029 Notes at a price equal to 101% of the principal amount of the 2029 Notes, plus accrued and unpaid interest.

(g) Senior Notes Guarantors

The Company and each of the Company's wholly owned subsidiaries (except for the Issuers) has fully and unconditionally guaranteed the 2024 Notes, 2026 Notes, 2027 Notes, 2028 Notes and 2029 Notes (collectively the "Senior Notes"). In the event a guarantor is sold or disposed of (whether by merger, consolidation, the sale of a sufficient amount of its capital stock so that it no longer qualifies as a Restricted Subsidiary (as defined in the applicable indenture governing the series of Senior Notes) of the Issuer or the sale of all or substantially all of its assets) and whether or not the guarantor is the surviving entity in such transaction to a person that is not an Issuer or a Restricted Subsidiary of an Issuer, such guarantor will be released from its obligations under its guarantee if the sale or other disposition does not violate the covenants set forth in the indentures governing the applicable Senior Notes.

In addition, a guarantor will be released from its obligations under the applicable indenture and its guarantee, upon the release or discharge of the guarantee of other indebtedness under a credit facility that resulted in the creation of such guarantee, except a release or discharge by or as a result of payment under such guarantee; if the Issuers designate such subsidiary as an unrestricted subsidiary and such designation complies with the other applicable provisions of the indenture governing the applicable Senior Notes or in connection with any covenant defeasance, legal defeasance or satisfaction and discharge of the applicable Senior Notes.

During the three and nine months ended September 30, 2021 and 2022, all of the Company's assets and operations are attributable to the Issuers and its guarantors.

(8) Accrued Liabilities

Accrued liabilities consisted of the following items:

(in thousands)	December 31, 2021	(Unaudited) September 30, 2022
Capital expenditures	$ 24,900	19,465
Operating expenses	10,417	8,716
Interest expense	36,794	39,831
Ad valorem taxes	5,400	2,265
Other	3,327	2,675
Total accrued liabilities	$ 80,838	72,952

(9) Equity-Based Compensation and Cash Awards

(a) Summary of Equity-Based Compensation

The Company's equity-based compensation includes (i) costs allocated to Antero Midstream by Antero Resources for grants made prior to March 12, 2019 pursuant to the Antero Resources Corporation Long-Term Incentive Plan (the "AR LTIP") and (ii) costs related to the Antero Midstream Corporation Long-Term Incentive Plan (the "AM LTIP"). Antero Midstream's equity-based compensation expense is included in general and administrative expenses, and recorded as a credit to the applicable classes of equity.

AR LTIP

Equity-based compensation expense allocated to Antero Midstream from Antero Resources was $0.3 million and $0.1 million for the three months ended September 30, 2021 and 2022, respectively, and $1.8 million and $0.4 million for the nine months ended September 30, 2021 and 2022, respectively, which includes expense related to the Converted AM RSU Awards (as defined below). For grants made prior to March 12, 2019, Antero Resources has total unamortized expense related to its various equity-based compensation plans that can be allocated to the Company of less than $0.1 million as of September 30, 2022, which includes the Converted AM RSU Awards (as defined below). A portion of this unamortized cost will be allocated to Antero Midstream as it is amortized over the remaining service period of the related awards. The Company does not reimburse Antero Resources for noncash equity compensation allocated to it for awards issued under the AR LTIP.

AM LTIP

The Company is authorized to grant up to 15,398,901 shares of AM common stock to employees and directors under the AM LTIP. The AM LTIP provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), dividend equivalents, other stock-based awards, cash awards and substitute awards. The terms and conditions of the awards granted are established by the compensation committee of the Board of Directors (the "Board"). As of September 30, 2022, a total of 7,410,734 shares were available for future grant under the AM LTIP.

The Company's equity-based compensation expense, by type of award, is as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,	
(in thousands)		**2021**	**2022**	**2021**	**2022**
Restricted stock units [1]	$	2,905	4,525	8,608	11,438
Performance share units [1]		123	833	1,036	1,938
Equity awards issued to directors		227	195	682	650
Total expense	$	3,255	5,553	10,326	14,026

(1) Amounts include equity-based compensation expense allocated to the Company by Antero Resources.

(b) Restricted Stock Unit Awards

As of March 19, 2019, each of the unvested outstanding phantom units granted under the Antero Midstream Partners Long Term Incentive Plan was assumed by the Company and converted into 1.8926 RSUs under the AM LTIP representing a right to receive shares of the Company's common stock for each converted phantom unit (all such RSUs, the "Converted AM RSU Awards"). The Converted AM RSU Awards are accounted for as if they are distributed by Antero Midstream Partners to Antero Resources. Therefore, the expense related to the Converted AM RSU Awards is subject to allocation by Antero Resources.

A summary of the RSU awards activity, which includes the Converted AM RSU Awards, is as follows:

	Number of Units		Weighted Average Grant Date Fair Value
Total AM LTIP RSUs awarded and unvested—December 31, 2021	3,573,377	$	8.11
Granted	2,750,896		11.28
Vested	(1,243,878)		8.40
Forfeited	(159,119)		9.37
Total AM LTIP RSUs awarded and unvested—September 30, 2022	4,921,276	$	9.77

As of September 30, 2022, unamortized expense of $39.2 million related to the unvested RSUs, which includes less than $0.1 million related to the Converted AM RSU Awards, is expected to be recognized over a weighted average period of approximately 2.4 years. The Company's proportionate share of the Converted AM RSU Awards will be allocated to it as it is recognized.

(c) Performance Share Unit Awards

2019 Performance Share Unit Awards

In 2019, the Company granted performance share units ("PSUs") to certain of its employees and executive officers that vest based on the Company's actual return on invested capital ("ROIC") (as defined in the award agreement) over a three-year period as compared to a targeted ROIC ("2019 ROIC PSUs"). The number of shares of the Company's common stock that could be earned with respect to the 2019 ROIC PSUs ranged from zero to 200% of the target number of 2019 ROIC PSUs originally granted. During the second quarter of 2022, the performance condition for the 2019 ROIC PSUs was met at 200% of target and 137,712 target 2019 ROIC PSUs converted into 275,424 shares of the Company's common stock. As of September 30, 2022, there were no 2019 ROIC PSUs outstanding.

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2022 Performance Share Unit Awards

In April 2022, the Company granted PSUs to certain of its executive officers that vest based on the Company's actual ROIC (as defined in the award agreement) over a three-year period concluding on December 31, 2024 as compared to a targeted ROIC ("2022 ROIC PSUs"). The number of shares of the Company's common stock that can be earned with respect to the 2022 ROIC PSUs ranges from zero to 200% of the target number of 2022 ROIC PSUs originally granted. The grant date fair value of these awards was based on the closing price of the Company's common stock on the date of the grant, assuming target achievement of the performance condition. Expense related to the 2022 ROIC PSUs is recognized based on the number of shares of the Company's common stock that are expected to be issued at the end of the measurement period, and such expense is reversed if the likelihood of achieving the performance condition decreases. The likelihood of achieving the performance conditions related to 2022 ROIC PSU awards was probable as of September 30, 2022.

Summary Information for Performance Share Unit Awards

A summary of the PSU awards activity is as follows:

	Number of Units	Weighted Average Grant Date Fair Value
Total AM LTIP PSUs awarded and unvested—December 31, 2021	116,526	$ 6.32
Granted	461,121	11.05
Vested [1]	(137,712)	6.32
Forfeited	—	—
Total AM LTIP PSUs awarded and unvested—September 30, 2022	439,935	$ 11.28

(1) The performance condition for these vested PSUs was met at 200% of target and as such, they converted into 275,424 shares of the Company's common stock during the second quarter of 2022.

As of September 30, 2022, unamortized expense of $8.4 million related to unvested PSUs is expected to be recognized over a weighted average period of approximately 2.5 years.

(d) Cash Awards

In January 2020, the Company granted cash awards of $2.2 million to certain executives under the AM LTIP that vest ratably over a period of up to three years. In July 2020, the Company granted additional cash awards of $0.7 million to certain non-executive employees under the AM LTIP that vest ratably over a period of four years. The compensation expense for these awards is recognized ratably over the applicable vesting period. As of December 31, 2021 and September 30, 2022, the Company has recorded $1.1 million and $0.5 million, respectively, in other liabilities in the condensed consolidated balance sheets related to unvested cash awards.

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(10) Cash Dividends

The Company paid cash dividends for the quarter indicated as follows (in thousands, except per share data):

Period	Record Date	Dividend Date	Dividends	Dividends per Share
Q4 2020	February 3, 2021	February 11, 2021	$ 147,194	$ 0.3075
*	February 16, 2021	February 16, 2021	138	*
Q1 2021	April 28, 2021	May 12, 2021	108,799	0.2250
*	May 17, 2021	May 17, 2021	137	*
Q2 2021	July 28, 2021	August 11, 2021	107,719	0.2250
*	August 16, 2021	August 16, 2021	138	*
Q3 2021	October 27, 2021	November 10, 2021	107,459	0.2250
*	November 15, 2021	November 15, 2021	137	*
	Total 2021		$ 471,721	
Q4 2021	January 26, 2022	February 9, 2022	$ 108,149	$ 0.2250
*	February 14, 2022	February 14, 2022	138	*
Q1 2022	April 27, 2022	May 11, 2022	109,296	0.2250
*	May 16, 2022	May 16, 2022	137	*
Q2 2022	July 27, 2022	August 10, 2022	107,675	0.2250
*	August 15, 2022	August 15, 2022	138	*
	Total 2022		$ 325,533	

* Dividends are paid in accordance with the terms of the Series A Preferred Stock (as defined below) as discussed in Note 11—Equity and Earnings Per Common Share.

On October 12, 2022, the Board announced the declaration of a cash dividend on the shares of AM common stock of $0.2250 per share for the quarter ended September 30, 2022. The dividend will be payable on November 9, 2022 to stockholders of record as of October 26, 2022. The Company pays dividends (i) out of surplus or (ii) if there is no surplus, out of the net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year, as provided under Delaware law.

The Board also declared a cash dividend of $138 thousand on the shares of Series A Preferred Stock of Antero Midstream to be paid on November 14, 2022 in accordance with the terms of the Series A Preferred Stock, which are discussed in Note 11—Equity and Earnings Per Common Share. As of September 30, 2022, there were dividends in the amount of $69 thousand accumulated in arrears on the Company's Series A Preferred Stock.

(11) Equity and Earnings Per Common Share

(a) Preferred Stock

The Board authorized 100,000,000 shares of preferred stock on March 12, 2019, and issued 10,000 shares of preferred stock designated as "5.5% Series A Non-Voting Perpetual Preferred Stock" (the "Series A Preferred Stock"), to The Antero Foundation on that date. Dividends on the Series A Preferred Stock are cumulative from the date of original issue and payable in cash on the 45th day following the end of each fiscal quarter, or such other dates as the Board will approve, at a rate of 5.5% per annum on (i) the liquidation preference per share of Series A Preferred Stock (as described below) and (ii) the amount of accrued and unpaid dividends for any prior dividend period on such share of Series A Preferred Stock, if any. At any time following the date of issue, in the event of a change of control, or at any time on or after March 12, 2029, the Company may redeem the Series A Preferred Stock at a price equal to $1,000 per share, plus any accrued and unpaid dividends, payable in cash; provided that if any shares of the Series A Preferred Stock are held by The Antero Foundation at the time of such redemption, the price for redemption of each share of Series A Preferred Stock will be the greater of (i) $1,000 per share, plus any accrued but unpaid dividends, and (ii) the fair market value of the Series A Preferred Stock. On or after March 12, 2029, the holder of each share of Series A Preferred Stock (other than The Antero Foundation) may convert such shares, at any time and from time to time, at the option of the holder into a number of shares of AM common stock

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equal to the conversion ratio in effect on the applicable conversion date, subject to certain limitations. The Series A Preferred Stock ranks senior to the AM common stock as to dividend rights, as well as with respect to rights upon liquidation, winding-up or dissolution of the Company. Holders of the Series A Preferred Stock do not have any voting rights in the Company, except as required by law, or any preemptive rights.

(b) Weighted Average Shares Outstanding

The following is a reconciliation of the Company's basic weighted average shares outstanding to diluted weighted average shares outstanding:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2021**	**2022**	**2021**	**2022**
Basic weighted average number of shares outstanding	477,442	478,460	477,196	478,144
Add: Dilutive effect of RSUs	1,093	769	1,113	1,003
Add: Dilutive effect of PSUs	200	—	232	106
Add: Dilutive effect of Series A Preferred Stock	960	1,089	960	1,089
Diluted weighted average number of shares outstanding	479,695	480,318	479,501	480,342
Weighted average number of outstanding equity awards excluded from calculation of diluted earnings per common share [(1)]:				
RSUs	235	2,685	283	1,662
PSUs	—	880	—	545

(1) The potential dilutive effects of these awards were excluded from the computation of earnings (loss) per common shares—assuming dilution because the inclusion of these awards would have been anti-dilutive.

(c) Earnings Per Common Share

Earnings per common share—basic for each period is computed by dividing the net income or loss attributable to the Company by the basic weighted average number of shares outstanding during the period. Earnings per common share—assuming dilution for each period is computed after giving consideration to the potential dilution from outstanding equity awards, calculated using the treasury stock method. During periods in which the Company incurs a net loss, diluted weighted average shares outstanding are equal to basic weighted average shares outstanding because the effect of all equity awards is anti-dilutive.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except per share amounts)	**2021**	**2022**	**2021**	**2022**
Net income	$ 89,327	84,014	252,991	243,449
Less preferred stock dividends	(138)	(138)	(413)	(413)
Net income available to common shareholders	$ 89,189	83,876	252,578	243,036
Net income per share–basic	$ 0.19	0.18	0.53	0.51
Net income per share–diluted	$ 0.19	0.17	0.53	0.51
Weighted average common shares outstanding–basic	477,442	478,460	477,196	478,144
Weighted average common shares outstanding–diluted	479,695	480,318	479,501	480,342

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

(12) Fair Value Measurement

(a) Senior Unsecured Notes

The fair value and carrying value of the Company's Senior Notes is as follows:

	December 31, 2021		(Unaudited) September 30, 2022	
(in thousands)	**Fair Value (1)**	**Carrying Value (2)**	**Fair Value (1)**	**Carrying Value (2)**
2026 Notes	$ 604,450	544,294	551,430	545,128
2027 Notes	672,750	645,970	601,120	646,444
2028 Notes	680,225	643,902	591,500	644,554
2029 Notes	783,750	741,544	657,375	742,243
Total	$ 2,741,175	2,575,710	2,401,425	2,578,369

(1) Fair values are based on Level 2 market data inputs.
(2) Carrying values are presented net of unamortized debt issuance costs and debt premiums.

(b) Other Assets and Liabilities

The carrying values of accounts receivable and accounts payable as of December 31, 2021 and September 30, 2022 approximated fair value because of their short-term nature. The carrying value of the amounts under the Credit Facility as of December 31, 2021 and September 30, 2022 approximated fair value because the variable interest rates are reflective of current market conditions.

(13) Investments in Unconsolidated Affiliates

The Company has a 15% equity interest in a gathering system of Stonewall Gas Gathering LLC ("Stonewall"), which operates a 67-mile pipeline on which Antero Resources is an anchor shipper.

The Company has a 50% equity interest in the joint venture to develop processing and fractionation assets with MarkWest Energy Partners, L.P. ("MarkWest"), a wholly owned subsidiary of MPLX, LP (the "Joint Venture"). The Joint Venture was formed to develop processing and fractionation assets in Appalachia. MarkWest operates the Joint Venture assets, which consist of processing plants in West Virginia and a one-third interest in two MarkWest fractionators in Ohio.

The Company's net income includes its proportionate share of the net income of the Joint Venture and Stonewall. When the Company records its proportionate share of net income, it increases equity income in the unaudited condensed consolidated statements of operations and comprehensive income and the carrying value of that investment on its balance sheet. When distributions on the Company's proportionate share of net income are received, they are recorded as reductions to the carrying value of the investment on the condensed consolidated balance sheet and are classified as cash inflows from operating activities in accordance with the nature of the distribution approach under FASB ASC Topic 230, *Statement of Cash Flows*. The Company uses the equity method of accounting to account for its investments in Stonewall and the Joint Venture because it exercises significant influence, but not control, over the entities. The Company's judgment regarding the level of influence over its equity investments includes considering key factors such as its ownership interest, representation on the applicable Board of Directors and participation in policy-making decisions of Stonewall and the Joint Venture.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

The following table is a reconciliation of the Company's investments in these unconsolidated affiliates:

(in thousands)	Stonewall	MarkWest Joint Venture	Total Investment in Unconsolidated Affiliates
Balance as of December 31, 2021	$ 130,572	565,437	696,009
Equity in earnings of unconsolidated affiliates (1)	5,367	65,100	70,467
Distributions from unconsolidated affiliates	(9,000)	(81,470)	(90,470)
Return of investment in unconsolidated affiliate	—	(17,000)	(17,000)
Balance as of September 30, 2022	$ 126,939	532,067	659,006

(1) As adjusted for the amortization of the difference between the cost of the equity investments in Stonewall and the Joint Venture and the amount of the underlying equity in the net assets of Stonewall and the Joint Venture as of March 12, 2019.

(14) Reportable Segments

(a) Summary of Reportable Segments

The Company's operations, which are located in the United States, are organized intotwo reportable segments: (i) gathering and processing and (ii) water handling. These segments are monitored separately by management for performance and are consistent with internal financial reporting. These segments have been identified based on the differing products and services, regulatory environment and the expertise required for these operations. Management evaluates the performance of the Company's business segments based on operating income. Interest expense is primarily managed and evaluated on a consolidated basis.

Gathering and Processing

The gathering and processing segment includes a network of gathering pipelines and compressor stations that collect and process production from Antero Resources' wells in West Virginia and Ohio. The gathering and processing segment also includes equity in earnings from the Company's investments in the Joint Venture and Stonewall.

Water Handling

The Company's water handling segment includestwo independent systems that deliver water from sources including the Ohio River, local reservoirs and several regional waterways. Portions of these water handling systems are also utilized to transport flowback and produced water. The water handling systems consist of permanent buried pipelines, surface pipelines and water storage facilities, as well as pumping stations, blending facilities and impoundments to transport water throughout the systems used to deliver water for Antero Resources' well completions.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

(b) Reportable Segments Financial Information

The summarized operating results of the Company's reportable segments are as follows:

	Three Months Ended September 30, 2021			
(in thousands)	**Gathering and Processing**	**Water Handling**	**Unallocated (1)**	**Consolidated Total**
Revenues:				
Revenue–Antero Resources	$ 188,716	53,511	—	242,227
Revenue–third-party	—	245	—	245
Amortization of customer relationships	(9,271)	(8,397)	—	(17,668)
Total revenues	179,445	45,359	—	224,804
Operating expenses:				
Direct operating	16,161	23,338	—	39,499
General and administrative	9,076	4,554	1,180	14,810
Facility idling	—	870	—	870
Depreciation	15,151	12,336	—	27,487
Impairment of property and equipment	—	203	—	203
Accretion of asset retirement obligations	—	114	—	114
Total operating expenses	40,388	41,415	1,180	82,983
Operating income	$ 139,057	3,944	(1,180)	141,821
Equity in earnings of unconsolidated affiliates	$ 24,088	—	—	24,088
Additions to property and equipment	$ 69,069	13,514	—	82,583

(1) Certain expenses that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

	Three Months Ended September 30, 2022			
(in thousands)	**Gathering and Processing**	**Water Handling**	**Unallocated (1)**	**Consolidated Total**
Revenues:				
Revenue–Antero Resources	$ 185,640	61,411	—	247,051
Revenue–third-party	—	1,651	—	1,651
Amortization of customer relationships	(9,271)	(8,397)	—	(17,668)
Total revenues	176,369	54,665	—	231,034
Operating expenses:				
Direct operating	19,813	26,835	—	46,648
General and administrative	9,890	2,425	1,272	13,587
Facility idling	—	865	—	865
Depreciation	21,177	13,029	—	34,206
Accretion of asset retirement obligations	—	50	—	50
Gain on asset sale	(2,056)	(36)	—	(2,092)
Total operating expenses	48,824	43,168	1,272	93,264
Operating income	$ 127,545	11,497	(1,272)	137,770
Equity in earnings of unconsolidated affiliates	$ 24,411	—	—	24,411
Additions to property and equipment, net	$ 58,742	15,378	—	74,120

(1) Certain expenses that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

	Nine Months Ended September 30, 2021			
(in thousands)	**Gathering and Processing**	**Water Handling**	**Unallocated (1)**	**Consolidated Total**
Revenues:				
Revenue–Antero Resources	$ 566,544	167,832	—	734,376
Revenue–third-party	—	340	—	340
Amortization of customer relationships	(27,813)	(25,191)	—	(53,004)
Total revenues	538,731	142,981	—	681,712
Operating expenses:				
Direct operating	50,409	67,959	—	118,368
General and administrative	26,459	17,107	3,425	46,991
Facility idling	—	3,033	—	3,033
Depreciation	44,268	36,688	—	80,956
Impairment of property and equipment	1,218	364	—	1,582
Accretion of asset retirement obligations	—	347	—	347
Loss on asset sale	3,628	—	—	3,628
Total operating expenses	125,982	125,498	3,425	254,905
Operating income	$ 412,749	17,483	(3,425)	426,807
Equity in earnings of unconsolidated affiliates	$ 66,347	—	—	66,347
Additions to property and equipment	$ 120,727	36,221	—	156,948

(1) Certain expenses that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

	Nine Months Ended September 30, 2022			
(in thousands)	**Gathering and Processing**	**Water Handling**	**Unallocated (1)**	**Consolidated Total**
Revenues:				
Revenue–Antero Resources	$ 552,154	176,994	—	729,148
Revenue–third-party	—	2,288	—	2,288
Amortization of customer relationships	(27,814)	(25,190)	—	(53,004)
Total revenues	524,340	154,092	—	678,432
Operating expenses:				
Direct operating	56,338	75,621	—	131,959
General and administrative	30,081	13,015	4,501	47,597
Facility idling	—	3,198	—	3,198
Depreciation	59,838	38,343	—	98,181
Impairment of property and equipment	1,130	2,572	—	3,702
Accretion of asset retirement obligations	—	178	—	178
Loss on settlement of asset retirement obligations	—	539	—	539
Gain on asset sale	(2,119)	(123)	—	(2,242)
Total operating expenses	145,268	133,343	4,501	283,112
Operating income	$ 379,072	20,749	(4,501)	395,320
Equity in earnings of unconsolidated affiliates	$ 70,467	—	—	70,467
Additions to property and equipment, net	$ 190,407	45,747	—	236,154

(1) Certain expenses that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

The summarized total assets of the Company's reportable segments are as follows:

(in thousands)	December 31, 2021	(Unaudited) September 30, 2022
Gathering and Processing	$ 4,450,939	4,489,750
Water Handling	1,092,122	1,073,000
Unallocated [1]	940	1,071
Total assets	$ 5,544,001	5,563,821

(1) Certain assets that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis .

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this report. The information provided below supplements, but does not form part of, our unaudited condensed consolidated financial statements. This discussion contains forward-looking statements that are based on the views and beliefs of our management, as well as assumptions and estimates made by our management. Actual results could differ materially from such forward-looking statements as a result of various risk factors, including those that may not be in the control of management. For further information on items that could impact our future operating performance or financial condition, see "Item 1A. 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. In this section, references to "Antero Midstream," "AM," the "Company," "we," "us," and "our" refer to Antero Midstream Corporation and its consolidated subsidiaries, unless otherwise indicated or the context otherwise requires.

Overview

We are a growth-oriented midstream energy company formed to own, operate and develop midstream energy assets to primarily service Antero Resources' production and completion activity. We believe that our strategically located assets and our relationship with Antero Resources have allowed us to become a leading midstream energy company serving the Appalachian Basin and present opportunities to expand our midstream services to other operators in the Appalachian Basin. Our assets consist of gathering pipelines, compressor stations and interests in processing and fractionation plants that collect and process production from Antero Resources' wells in the Appalachian Basin in West Virginia and Ohio. Our assets also include two independent water handling systems that deliver water from the Ohio River and several regional waterways. These water handling systems consist of permanent buried pipelines, surface pipelines and water storage facilities, as well as pumping stations, blending facilities and impoundments. Portions of these water handling systems are also utilized to transport flowback and produced water. These services are provided by us directly or through third-parties with which we contract.

Marcellus Bolt-On Acquisition

On October 25, 2022, we acquired certain Marcellus gas gathering and compression assets from Crestwood Equity Partners LP (NYSE: CEQP) ("Crestwood") for $205 million in cash, before closing adjustments, which was funded by borrowings under our senior secured revolving credit facility ("Credit Facility"). These assets include 72 miles of dry gas gathering pipelines and nine compressor stations with approximately 700 MMcf/d of compression capacity. Current throughput of the assets is approximately 200 MMcf/d, resulting in significant available capacity for growth.

Market Conditions and Business Trends

Commodity Markets

Prices for natural gas, NGLs and oil have increased significantly during the nine months ended September 30, 2022 as compared to same period of 2021. While substantially all of our revenues are based on fixed-fee contracts that are not directly impacted by changes in commodity prices, commodity price changes do impact the revenues and cash flows of Antero Resources, and Antero Resources' drilling and development plan does have a direct impact on our gathering, compression and water handling service throughput, revenues and cash flows. In the current economic environment, we expect that commodity prices for some or all of the commodities produced by Antero Resources could remain volatile. However, to the extent Antero Resources maintains a maintenance capital program as it has done in recent years, we do not expect to experience substantial variability in our throughput volumes resulting from volatile commodity prices.

Growth Incentive Fee Program with Antero Resources

Our gathering and compression agreement with Antero Resources includes agrowth incentive fee program whereby we agreed to provide quarterly fee reductions to Antero Resources through 2023, contingent upon Antero Resources achieving volumetric growth targets on low pressure gathering. Antero Resources' throughput on the assets acquired from Crestwood will be gathered under an existing agreement that will not be considered in the low pressure gathering rebate volumes with Antero Resources. If actual low pressure volumes are below the lowest threshold for the respective period, Antero Resources will not earn a reduction in low pressure gathering fees.

The following table summarizes the remaining low pressure gathering growth incentive targets through 2023:

	Low Pressure Gathering Volume Growth Incentive Targets (MMcf/d)	Quarterly Fee Reduction (in millions)
Threshold 1	>2,900 and <3,150	$12.0
Threshold 2	>3,150 and <3,400	$15.5
Threshold 3	>3,400	$19.0

During the three months ended September 30, 2022, Antero Resources delivered low pressure gathering volumes of 2,952 MMcf/d and as a result, earned a quarterly fee reduction of $12 million during the period. During the nine months ended September 30, 2022, Antero Resources earned an aggregate of $36 million in fee reductions. Antero Resources did not earn any quarterly fee reductions during the three and nine months ended September 30, 2021.

Economic Indicators

The economy is experiencing elevated inflation levels as a result of global supply and demand imbalances, where global demand continues to outpace current supplies. For example, the BLS Consumer Price Index ("CPI") for all urban consumers increased 8% from September 2021 to September 2022 as compared to the average annual increase of 3% over the previous 10 years. Despite inflationary pressures, our 2022 capital budget remains unchanged as of September 30, 2022. See "—Capital Resources and Liquidity—2022 Capital Investment" for more information. In order to manage the inflation risk currently present in the United States' economy, the Federal Reserve has utilized monetary policy in the form of interest rate increases in an effort to bring the inflation rate in line with its stated goal of 2% on a long-term basis.

The global economy also continues to be impacted by the effects of the COVID-19 pandemic and global events, among other factors. These events have often caused global supply chain disruptions with additional pressure due to trade sanctions on Russia and other global trade restrictions, among others. However, neither our nor Antero Resources' supply chain has experienced any significant interruptions due to the COVID-19 pandemic or global supply and demand imbalances.

Inflationary pressures and supply chain disruptions could result in increases to our operating and capital costs that are not fixed or renegotiation of contracts and/or supply agreements, among others. These economic variables are beyond our control and may adversely impact our business, financial condition, results of operations and future cash flows.

COVID-19 Pandemic

We have continued to operate throughout the COVID-19 pandemic, in some cases subject to federal, state and local regulations, and we are taking steps to protect the health and safety of our workers. We have implemented protocols to reduce the risk of an outbreak within our field operations and offices, and these protocols have not impacted Antero Resources' production, our throughput or our business activities. During the third quarter of 2022, we transitioned from a hybrid working arrangement for non-field level employees, which involved a combination of in-office and remote work-from-home arrangements, to an in-office working arrangement for all non-field level employees. We have been able to maintain a consistent level of effectiveness through these arrangements, including maintaining our day-to-day operations, our financial reporting systems and our internal control over financial reporting. We continue to monitor the COVID-19 environment in order to protect the health and safety of our employees.

Results of Operations

We have two operating segments: (i) gathering and processing and (ii) water handling. The gathering and processing segment includes a network of gathering pipelines and compressor stations that collect and process production from Antero Resources' wells in the Appalachian Basin, as well as equity in earnings from our investments in the joint venture to develop processing and fractionation assets with MarkWest Energy Partners, L.P., a wholly owned subsidiary of MPLX, LP (the "Joint Venture") and Stonewall Gas Gathering LLC. The water handling segment includes (i) two independent systems that deliver water from sources including the Ohio River, local reservoirs and several regional waterways and (ii) other fluid handling services, which include high rate transfer, wastewater transportation, disposal and blending.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2022

The operating results of our reportable segments are as follows:

	Three Months Ended September 30, 2021			
(in thousands)	**Gathering and Processing**	**Water Handling**	**Unallocated (1)**	**Consolidated Total**
Revenues:				
Revenue–Antero Resources	$ 188,716	53,511	—	242,227
Revenue–third-party	—	245	—	245
Amortization of customer relationships	(9,271)	(8,397)	—	(17,668)
Total revenues	179,445	45,359	—	224,804
Operating expenses:				
Direct operating	16,161	23,338	—	39,499
General and administrative (excluding equity-based compensation)	6,533	4,069	953	11,555
Equity-based compensation	2,543	485	227	3,255
Facility idling	—	870	—	870
Depreciation	15,151	12,336	—	27,487
Impairment of property and equipment	—	203	—	203
Accretion of asset retirement obligations	—	114	—	114
Total operating expenses	40,388	41,415	1,180	82,983
Operating income	139,057	3,944	(1,180)	141,821
Other income (expense):				
Interest expense, net	—	—	(44,544)	(44,544)
Equity in earnings of unconsolidated affiliates	24,088	—	—	24,088
Total other income (expense)	24,088	—	(44,544)	(20,456)
Income before income taxes	163,145	3,944	(45,724)	121,365
Income tax expense	—	—	(32,038)	(32,038)
Net income and comprehensive income	$ 163,145	3,944	(77,762)	89,327
Adjusted EBITDA (2)				$ 219,478

(1) Corporate expenses that are not directly attributable to either the gathering and processing or water handling segments.

(2) Adjusted EBITDA is a non-GAAP financial measure. For a discussion of this measure, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

(in thousands)	Three Months Ended September 30, 2022 Gathering and Processing	Water Handling	Unallocated [1]	Consolidated Total
Revenues:				
Revenue–Antero Resources	$ 197,640	61,411	—	259,051
Revenue–third-party	—	1,651	—	1,651
Gathering—low pressure rebate	(12,000)	—	—	(12,000)
Amortization of customer relationships	(9,271)	(8,397)	—	(17,668)
Total revenues	176,369	54,665	—	231,034
Operating expenses:				
Direct operating	19,813	26,835	—	46,648
General and administrative (excluding equity-based compensation)	5,657	1,300	1,077	8,034
Equity-based compensation	4,233	1,125	195	5,553
Facility idling	—	865	—	865
Depreciation	21,177	13,029	—	34,206
Accretion of asset retirement obligations	—	50	—	50
Gain on asset sale	(2,056)	(36)	—	(2,092)
Total operating expenses	48,824	43,168	1,272	93,264
Operating income	127,545	11,497	(1,272)	137,770
Other income (expense):				
Interest expense, net	—	—	(47,835)	(47,835)
Equity in earnings of unconsolidated affiliates	24,411	—	—	24,411
Total other income (expense)	24,411	—	(47,835)	(23,424)
Income before income taxes	151,956	11,497	(49,107)	114,346
Income tax expense	—	—	(30,332)	(30,332)
Net income and comprehensive income	$ 151,956	11,497	(79,439)	84,014
Adjusted EBITDA [2]				$ 223,120

(1) Corporate expenses that are not directly attributable to either the gathering and processing or water handling segments.

(2) Adjusted EBITDA is a non-GAAP financial measure. For a discussion of this measure, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

The operating data for Antero Midstream is as follows:

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2022	Amount of Increase or Decrease	Percentage Change
Operating Data:				
Gathering—low pressure (MMcf)	264,999	271,569	6,570	2 %
Compression (MMcf)	251,555	257,025	5,470	2 %
Gathering—high pressure (MMcf)	258,585	257,757	(828)	*
Fresh water delivery (MBbl)	8,335	9,515	1,180	14 %
Other fluid handling (MBbl)	4,325	5,280	955	22 %
Wells serviced by fresh water delivery	18	18	—	*
Gathering—low pressure (MMcf/d)	2,880	2,952	72	3 %
Compression (MMcf/d)	2,734	2,794	60	2 %
Gathering—high pressure (MMcf/d)	2,811	2,802	(9)	*
Fresh water delivery (MBbl/d)	91	103	12	13 %
Other fluid handling (MBbl/d)	47	57	10	21 %
Average Realized Fees:				
Average gathering—low pressure fee ($/Mcf)	$ 0.33	0.34	0.01	3 %
Average compression fee ($/Mcf)	$ 0.20	0.21	0.01	3 %
Average gathering—high pressure fee ($/Mcf)	$ 0.20	0.21	0.01	3 %
Average fresh water delivery fee ($/Bbl)	$ 3.96	4.04	0.08	2 %
Joint Venture Operating Data:				
Processing—Joint Venture (MMcf)	141,580	135,611	(5,969)	(4) %
Fractionation—Joint Venture (MBbl)	3,408	3,287	(121)	(4) %
Processing—Joint Venture (MMcf/d)	1,539	1,474	(65)	(4) %
Fractionation—Joint Venture (MBbl/d)	37	36	(1)	(3) %

* Not meaningful or applicable.

Revenues. Total revenues increased by 3%, from $225 million, including amortization of customer relationships of $18 million, for the three months ended September 30, 2021, to $231 million, including amortization of customer relationships of $18 million, for the three months ended September 30, 2022. Gathering and processing revenues decreased by 2%, from $180 million for the three months ended September 30, 2021 to $176 million for the three months ended September 30, 2022. Water handling revenues increased by 21%, from $45 million for the three months ended September 30, 2021 to $55 million for the three months ended September 30, 2022. These fluctuations primarily resulted from the following:

Gathering and Processing

- Low pressure gathering revenue decreased $7 million period over period primarily due to $12 million in higher rebates to Antero Resources during the three months ended September 30, 2022. Low pressure gathering volumes increased between periods primarily as a result of 70 additional wells being connected to our system since September 30, 2021.

- Compression revenue increased $3 million period over period primarily due to a 3% increase in the compression rate as a result of the annual CPI-based adjustment and increased throughput volumes of 5 Bcf, or 60 MMcf/d. Compression volumes increased between periods primarily due to (i) 70 additional wells being connected to our system since September 30, 2021, (ii) one compressor that came online in the fourth quarter of 2021 and (iii) one compressor that came online during the second quarter of 2022.

- High pressure gathering revenue increased $1 million period over period primarily due to a 3% increase in the high pressure gathering rate as a result of the annual CPI-based adjustment. High pressure gathering volumes decreased slightly period over period by 1 Bcf, or 9 MMcf/d due to higher production from Antero Resources that was attributable to third-party high pressure gathering acreage dedications, offset by 70 additional wells being connected to our system since September 30, 2021.

Water Handling

- Fresh water delivery revenue increased $5 million period over period primarily due to (i) increased fresh water volumes of 1 MMBbl or 12 MBbl/d and (ii) a 3% increase to the fresh water delivery rate for our long-term contract with Antero Resources as a result of the annual CPI-based adjustment.

- Other fluid handling services revenue increased $4 million period over period primarily due to (i) increased rates on our wastewater handling, blending and high-rate transfer services during the three months ended September 30, 2022 and (ii) higher other fluid handling volumes between periods.

Direct operating expenses. Total direct operating expenses increased by 18%, from $39 million for the three months ended September 30, 2021 to $47 million for the three months ended September 30, 2022. Gathering and processing direct operating expenses increased by 23%, from $16 million for the three months ended September 30, 2021 to $20 million for the three months ended September 30, 2022 primarily due to (i) higher throughput volumes between periods, (ii) two compressors that came online between periods and (iii) higher chemical, fuel, labor and heavy maintenance expense. Water handling direct operating expenses increased by 15%, from $23 million for the three months ended September 30, 2021 to $27 million for the three months ended September 30, 2022 primarily due to the increase in cost plus 3% service costs, including higher fuel expense, and higher fresh water and blending volumes between periods.

General and administrative (excluding equity-based compensation) expenses. General and administrative expenses (excluding equity-based compensation expense) decreased by 30%, from $12 million for the three months ended September 30, 2021 to $8 million for three months ended September 30, 2022 primarily due to (i) lower costs allocated to us from Antero Resources and (ii) lower legal costs associated with the Veolia legal matter between periods. See “Item 1. Legal Proceedings” below for additional information.

Equity-based compensation expenses. Equity-based compensation expenses increased by 71%, from $3 million for the three months ended September 30, 2021 to $5 million for the three months ended September 30, 2022 primarily due to an increase in the annual equity awards granted during the second quarter of 2022 as compared to prior years.

Facility idling expenses. Facility idling expenses remained consistent at $1 million for the three months ended September 30, 2021 and 2022.

Depreciation expense. Total depreciation expense increased by 24% from $27 million for the three months ended September 30, 2021 to $34 million for the three months ended September 30, 2022. This increase is primarily a result of a phased early retirement of an underutilized compressor station beginning in the second quarter of 2022 through the first half of 2023, which allows us to relocate and reuse the compressor units and equipment to (i) expand an existing compressor station and (ii) contribute to a new compressor station. There are certain costs associated with the underutilized compressor station that cannot be relocated or reused that will be depreciated over the remaining period of use. During the three months ended September 30, 2022, we recognized depreciation expense associated with assets that are subject to early retirement in the future of $5 million.

Gain on asset sale. There were no asset sales during the three months ended September 30, 2021. Gain on asset sale of $2 million for the three months ended September 30, 2022 was primarily due to (i) the sale of four compressor engines and (ii) reimbursement of certain cancelled project costs.

Interest expense. Interest expense increased by 7%, from $45 million for the three months ended September 30, 2021 to $48 million for the three months ended September 30, 2022 primarily due to the increased interest rates on our Credit Facility as a result of higher benchmark rates during the three months ended September 30, 2022 and higher Credit Facility borrowings between periods.

Equity in earnings of unconsolidated affiliates. Equity in earnings in unconsolidated affiliates remained consistent at $24 million for the three months ended September 30, 2021 and 2022 primarily due to higher Joint Venture earnings as a result of annual CPI-based adjustments for processing and fractionation fees, partially offset by lower processed volumes at the Joint Venture between periods.

Income tax expense. Income tax expense for the three months ended September 30, 2021 and 2022 was $32 million and $30 million, respectively, which reflects effective tax rates of 26.4% and 26.5%, respectively.

Net income. Net income decreased by 6%, from $89 million for the three months ended September 30, 2021 to $84 million for the three months ended September 30, 2022. The decrease was primarily due to decreased low pressure gathering revenues, higher direct operating costs and higher depreciation expense between periods, partially offset higher compression, high pressure gathering and water handling revenues.

Adjusted EBITDA. Adjusted EBITDA increased by 2%, from $219 million for the three months ended September 30, 2021 to $223 million for the three months ended September 30, 2022. The increase was primarily due to higher compression, high pressure gathering and water handling revenues and lower general and administrative costs between periods, partially offset by decreased low pressure gathering revenues and higher direct operating costs between periods. For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, read "—Non-GAAP Financial Measures" below.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2022

The operating results of our reportable segments are as follows:

	Nine Months Ended September 30, 2021			
(in thousands)	**Gathering and Processing**	**Water Handling**	**Unallocated (1)**	**Consolidated Total**
Revenues:				
Revenue–Antero Resources	$ 566,544	167,832	—	734,376
Revenue–third-party	—	340	—	340
Amortization of customer relationships	(27,813)	(25,191)	—	(53,004)
Total revenues	538,731	142,981	—	681,712
Operating expenses:				
Direct operating	50,409	67,959	—	118,368
General and administrative (excluding equity-based compensation)	18,869	15,053	2,743	36,665
Equity-based compensation	7,590	2,054	682	10,326
Facility idling	—	3,033	—	3,033
Depreciation	44,268	36,688	—	80,956
Impairment of property and equipment	1,218	364	—	1,582
Accretion of asset retirement obligations	—	347	—	347
Loss on asset sale	3,628	—	—	3,628
Total operating expenses	125,982	125,498	3,425	254,905
Operating income	412,749	17,483	(3,425)	426,807
Other income (expense):				
Interest expense, net	—	—	(130,915)	(130,915)
Equity in earnings of unconsolidated affiliates	66,347	—	—	66,347
Loss on early extinguishment of debt	—	—	(20,701)	(20,701)
Total other income (expense)	66,347	—	(151,616)	(85,269)
Income before income taxes	479,096	17,483	(155,041)	341,538
Income tax expense	—	—	(88,547)	(88,547)
Net income and comprehensive income	$ 479,096	17,483	(243,588)	252,991
Adjusted EBITDA (2)				$ 663,765

(1) Corporate expenses that are not directly attributable to either the gathering and processing or water handling segments.
(2) Adjusted EBITDA is a non-GAAP financial measure. For a discussion of this measure, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

(in thousands)	Nine Months Ended September 30, 2022 Gathering and Processing	Water Handling	Unallocated [1]	Consolidated Total
Revenues:				
Revenue–Antero Resources	$ 588,154	176,994	—	765,148
Revenue–third-party	—	2,288	—	2,288
Gathering—low pressure rebate	(36,000)	—	—	(36,000)
Amortization of customer relationships	(27,814)	(25,190)	—	(53,004)
Total revenues	524,340	154,092	—	678,432
Operating expenses:				
Direct operating	56,338	75,621	—	131,959
General and administrative (excluding equity-based compensation)	19,490	10,230	3,851	33,571
Equity-based compensation	10,591	2,785	650	14,026
Facility idling	—	3,198	—	3,198
Depreciation	59,838	38,343	—	98,181
Impairment of property and equipment	1,130	2,572	—	3,702
Accretion of asset retirement obligations	—	178	—	178
Loss on settlement of asset retirement obligations	—	539	—	539
Gain on asset sale	(2,119)	(123)	—	(2,242)
Total operating expenses	145,268	133,343	4,501	283,112
Operating income	379,072	20,749	(4,501)	395,320
Other income (expense):				
Interest expense, net	—	—	(137,540)	(137,540)
Equity in earnings of unconsolidated affiliates	70,467	—	—	70,467
Total other income (expense)	70,467	—	(137,540)	(67,073)
Income before income taxes	449,539	20,749	(142,041)	328,247
Income tax expense	—	—	(84,798)	(84,798)
Net income and comprehensive income	$ 449,539	20,749	(226,839)	243,449
Adjusted EBITDA [2]				$ 653,178

(1) Corporate expenses that are not directly attributable to either the gathering and processing or water handling segments.

(2) Adjusted EBITDA is a non-GAAP financial measure. For a discussion of this measure, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

The operating data for Antero Midstream is as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Amount of Increase or Decrease	Percentage Change
Operating Data:				
Gathering—low pressure (MMcf)	787,993	805,598	17,605	2 %
Compression (MMcf)	744,798	763,143	18,345	2 %
Gathering—high pressure (MMcf)	768,869	773,336	4,467	1 %
Fresh water delivery (MBbl)	27,234	27,437	203	1 %
Other fluid handling (MBbl)	12,657	14,182	1,525	12 %
Wells serviced by fresh water delivery	59	54	(5)	(8) %
Gathering—low pressure (MMcf/d)	2,886	2,951	65	2 %
Compression (MMcf/d)	2,728	2,795	67	2 %
Gathering—high pressure (MMcf/d)	2,816	2,833	17	1 %
Fresh water delivery (MBbl/d)	100	101	1	1 %
Other fluid handling (MBbl/d)	46	52	6	13 %
Average Realized Fees:				
Average gathering—low pressure fee ($/Mcf)	$ 0.33	0.34	0.01	3 %
Average compression fee ($/Mcf)	$ 0.20	0.21	0.01	3 %
Average gathering—high pressure fee ($/Mcf)	$ 0.20	0.21	0.01	3 %
Average fresh water delivery fee ($/Bbl)	$ 3.97	4.07	0.10	3 %
Joint Venture Operating Data:				
Processing—Joint Venture (MMcf)	402,030	404,517	2,487	1 %
Fractionation—Joint Venture (MBbl)	10,256	9,732	(524)	(5) %
Processing—Joint Venture (MMcf/d)	1,473	1,482	9	1 %
Fractionation—Joint Venture (MBbl/d)	38	36	(2)	(5) %

* Not meaningful or applicable.

Revenues. Total revenues decreased by 1%, from $682 million, including amortization of customer relationships of $53 million, for the nine months ended September 30, 2021, to $678 million, including amortization of customer relationships of $53 million, for the nine months ended September 30, 2022. Gathering and processing revenues decreased by 3%, from $539 million for the nine months ended September 30, 2021 to $524 million for the nine months ended September 30, 2022. Water handling revenues increased by 8%, from $143 million for the nine months ended September 30, 2021 to $154 million for the nine months ended September 30, 2022. These fluctuations primarily resulted from the following:

Gathering and Processing

- Low pressure gathering revenue decreased $28 million period over period primarily due to the $36 million rebate earned by Antero Resources during the nine months ended September 30, 2022, partially offset by increased throughput volumes of 18 Bcf, or 65 MMcf/d, and a 3% increase in the low pressure gathering rate as a result of the annual CPI-based adjustment. Low pressure gathering volumes increased between periods primarily due to 70 additional wells being connected to our system since September 30, 2021.

- Compression revenue increased $8 million period over period primarily due to increased throughput volumes of 18 Bcf, or 67 MMcf/d, and a 3% increase in the compression rate as a result of the annual CPI-based adjustment. Compression volumes increased between periods primarily due to (i) 70 additional wells being connected to our system since September 30, 2021, (ii) one compressor that came online in the fourth quarter of 2021 and (iii) one compressor that came online during the second quarter of 2022.

- High pressure gathering revenue increased $5 million period over period due to increased throughput volumes of 4 Bcf, or 17MMcf/d, and a 3% increase to the high pressure gathering rate as a result of the annual CPI-based adjustment. The high pressure gathering volumes increased period over period primarily due to 70 additional wells being connected to our system since September 30, 2021.

Water Handling

- Fresh water delivery revenue increased $3 million period over period primarily due to a 3% increase to the fresh water delivery rate for our long-term contract with Antero Resources as a result of the annual CPI-based adjustment.

- Other fluid handling services revenue increased $8 million period over period primarily due to (i) increased rates on our wastewater handling, blending and high-rate transfer services during the nine months ended September 30, 2022 and (ii) higher other fluid handling volumes between periods.

Direct operating expenses. Total direct operating expenses increased by 11%, from $118 million for the nine months ended September 30, 2021 to $132 million for the nine months ended September 30, 2022. Gathering and processing direct operating expenses increased by 12%, from $50 million for the nine months ended September 30, 2021 to $56 million for the nine months ended September 30, 2022 primarily due to (i) higher throughput volumes between periods, (ii) two compressors that came online between periods and (iii) higher chemical, labor, fuel and heavy maintenance expense. Water handling direct operating expenses increased by 11%, from $68 million for the nine months ended September 30, 2021 to $76 million for the nine months ended September 30, 2022 primarily due to the higher water blending volumes between periods and higher fresh water deliveries in the Utica for Antero Resources' development program between periods.

General and administrative (excluding equity-based compensation) expenses. General and administrative expenses (excluding equity-based compensation expense) decreased by 8%, from $37 million for the nine months ended September 30, 2021 to $34 million for nine months ended September 30, 2022 primarily due to (i) lower costs allocated to us from Antero Resources and (ii) lower legal costs associated with the Veolia legal matter between periods. See "Item 1. Legal Proceedings" below for additional information.

Equity-based compensation expenses. Equity-based compensation expenses increased by 36%, from $10 million for the nine months ended September 30, 2021 to $14 million for the nine months ended September 30, 2022 primarily due to an increase in the annual equity awards granted during the second quarter of 2022 as compared to prior years.

Facility idling expenses. Facility idling expenses remained consistent at $3 million for the nine months ended September 30, 2021 and 2022.

Depreciation expense. Total depreciation expense increased by 21%, from $81 million for the nine months ended September 30, 2021 to $98 million for the nine months ended September 30, 2022. This increase is primarily a result of a phased early retirement of an underutilized compressor station beginning in the second quarter of 2022 through the first half of 2023, which allows us to relocate and reuse the compressor units and equipment to (i) expand an existing compressor station and (ii) contribute to a new compressor station. There are certain costs associated with the underutilized compressor station that cannot be relocated or reused that will be depreciated over the remaining period of use. During the nine months ended September 30, 2022, we recognized depreciation expense associated with assets that were retired early during the period and assets that are subject to early retirement in the future of $5 million and $6 million, respectively.

Impairment of property and equipment expense. Impairment of property and equipment expense of $2 million for the nine months ended September 30, 2021 was primarily a lower of cost or net realizable value adjustment for pipe inventory. Impairments of property and equipment expense of $4 million during the nine months ended September 30, 2022 was primarily due to (i) a write-down of the Clearwater Facility related to the retirement obligation for the facility and (ii) cancelled projects.

Loss (gain) on asset sale. Loss on asset sale of $4 million for the nine months ended September 30, 2021 primarily relates to the sale of excess pipe inventory during the period. Gain on asset sale for the nine months ended September 30, 2022 primarily relates to (i) the sale of four compressor engines, (ii) reimbursement of certain cancelled project costs and (iii) sale of miscellaneous equipment and excess pipe inventory.

Interest expense. Interest expense increased by 5%, from $131 million for the nine months ended September 30, 2021 to $138 million for the nine months ended September 30, 2022 primarily due to the issuance of $750 million of 2029 Notes on June 8, 2021 and increased interest rates on our Credit Facility due to higher benchmark rates during the nine months ended September 30, 2022, partially offset by the redemption of all $650 million of the 2024 Notes on June 8, 2021 and lower borrowings on our Credit Facility between periods.

Equity in earnings of unconsolidated affiliates. Equity in earnings in unconsolidated affiliates increased by 6%, from $66 million for the nine months ended September 30, 2021 to $70 million for the nine months ended September 30, 2022 primarily due to an increase in processed volumes at the Joint Venture between periods, including one new Joint Venture processing plant with nameplate capacity of 200 MMcf/d being placed in service during July 2021, as well as higher processing and fractionation fees due to annual CPI-based adjustments.

Loss on early extinguishment of debt. Loss on early extinguishment of debt for the nine months ended September30, 2021 of $21 million relates to the redemption of all $650 million principal amount of the 2024 Notes at a premium to par of $17 million as well as the write-off of $6 million of unamortized deferred financing costs, partially offset by $2 million of unamortized premium. There was no loss on early extinguishment of debt for the nine months ended September 30, 2022.

Income tax expense. Income tax expense remained relatively consistent for the nine months ended September 30, 2021 and 2022 at $89 million and $85 million, respectively, which reflects effective tax rates of 25.9% and 25.8%, respectively.

Net income. Net income decreased by 4%, from $253 million for the nine months ended September 30, 2021 to $243 million for the nine months ended September 30, 2022 primarily due to (i) a decrease in low pressure gathering revenues, (ii) higher direct operating expenses, (iii) higher depreciation expense and (iv) higher interest expense, partially offset by higher equity in earnings of unconsolidated affiliates and increased compression, high pressure gathering and water handling revenues. In addition, the nine months ended September 30, 2021 included a loss on early extinguishment of debt for the redemption of the 2024 Notes, and there was no loss on early extinguishment of debt during the nine months ended September 30, 2022.

Adjusted EBITDA. Adjusted EBITDA decreased by 2%, from $664 million for the nine months ended September 30, 2021 to $653 million for the nine months ended September 30, 2022. The decrease between periods was primarily due to a decrease in low pressure gathering revenues and higher direct operating expenses, partially offset by higher other fluid handling and fresh water delivery revenues and lower general and administrative costs, excluding equity-based compensation expense. For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures" below.

Capital Resources and Liquidity

Sources and Uses of Cash

Capital resources and liquidity are provided by operating cash flows and available borrowings under our Credit Facility and capital market transactions. See Note 7—Long-Term Debt to the unaudited condensed consolidated financial statements. We expect that the combination of these capital resources will be adequate to meet our working capital requirements, capital expenditures program, expected quarterly cash dividends and share repurchases under our share repurchases program for at least the next 12 months.

Our Board of Directors (the "Board") declared a cash dividend on the shares of our common stock of $0.2250 per share for the quarter ended September 30, 2022. The dividend will be payable on November 9, 2022 to stockholders of record as of October 26, 2022. Our Board also declared a cash dividend of $138 thousand on the shares of Series A Preferred Stock, which will be paid on November 14, 2022 in accordance with their terms, which are discussed in Note 11—Equity and Earnings Per Common Share. As of September 30, 2022, there were dividends in the amount of $69 thousand accumulated in arrears on our Series A Preferred Stock.

We expect our future cash requirements relating to working capital, capital expenditures, acquisitions and quarterly cash dividends to our stockholders will be funded from cash flows internally generated from our operations or borrowings under the Credit Facility.

On October 25, 2022, we acquired certain Marcellus gas gathering and compression assets from Crestwood for $205 million in cash, before closing adjustments, which was funded by borrowings under our Credit Facility. See "—Marcellus Bolt-On Acquisition" for more information.

As of September 30, 2022, we did not have any off-balance sheet arrangements.

Cash Flows

The following table summarizes our cash flows for the nine months ended September 30, 2021 and 2022:

(in thousands)	Nine Months Ended September 30, 2021	2022
Net cash provided by operating activities	$ 545,490	530,976
Net cash used in investing activities	(157,365)	(215,956)
Net cash used in financing activities	(388,765)	(315,020)
Net decrease in cash and cash equivalents	$ (640)	—

Operating Activities. Net cash provided by operating activities was $545 million and $531 million for the nine months ended September 30, 2021 and 2022, respectively. The decrease in cash flows provided by operations between periods was primarily the result of decreased low pressure gathering revenues and higher direct operating expenses, partially offset by changes in working capital, excluding income tax receivable, and higher other fluid handling and fresh water delivery revenues between periods. Additionally, we received income tax refunds during the nine months ended September 30, 2021 of $17 million from certain net operating loss carryback provisions included in the Coronavirus Aid, Relief, and Economic Security Act that was enacted in March 2020. We did not receive any income tax refunds during the nine months ended September 30, 2022.

Investing Activities. Net cash flows used in investing activities was $157 million and $216 million for the nine months ended September 30, 2021 and 2022, respectively. The increase in cash flows used in investing activities between periods was primarily due to a $70 million increase in capital spending for expansion of our gathering system and a $10 million increase in capital spending for expansion of our water handling system, partially offset by a $17 million return of capital distribution from the Joint Venture for a processing plant held in inventory that was sold by the Joint Venture during the third quarter of 2022 and a $2 million increase in asset sale proceeds between periods.

Financing Activities. Net cash used in financing activities was $389 million and $315 million for the nine months ended September 30, 2021 and 2022, respectively. The decrease in cash flows used in financing activities between periods was primarily due to no redemptions of our senior notes or net repayments on our Credit Facility, and reduced dividends to stockholders of $39 million. During the nine months ended September 30, 2021, we issued $750 million principal amount of 2029 Notes, redeemed $650 million principal amount of 2024 Notes at 102.688% of par and repaid $93 million on our Credit Facility. During the nine months ended September 30, 2022, we incurred net borrowings of $18 million on our Credit Facility.

2022 Capital Investment

The Board approved a 2022 capital budget with a range of $275 million to $300 million, which includes growth capital supporting the increased volumes expected from Antero Resources' drilling partnership. Our capital budgets may be adjusted as business conditions warrant. If natural gas, NGLs and oil prices decline to levels below acceptable levels or costs increase to levels above acceptable levels, Antero Resources could choose to defer a significant portion of its budgeted capital expenditures until later periods. As a result, we may also defer a significant portion of our budgeted capital expenditures to achieve the desired balance between sources and uses of liquidity and prioritize capital projects that we believe have the highest expected returns. We routinely monitor and adjust our capital expenditures in response to changes in Antero Resources' development plans, changes in prices, availability of financing, acquisition costs, industry conditions, the timing of regulatory approvals, success or lack of success in Antero Resources' drilling activities, contractual obligations, internally generated cash flows and other factors both within and outside our control. Additionally, we monitor our existing assets and look for opportunities to reuse or otherwise repurpose assets in an effort to maintain our capital efficiency.

For the three months ended September 30, 2022, our capital expenditures were $37 million, including $41 million for our gathering and compression system and $13 million for our water handling facilities, partially offset by a $17 million return of capital from the Joint Venture for a processing plant held in inventory that was sold by the Joint Venture during the third quarter of 2022. For the nine months ended September 30, 2022, our capital expenditures were $202 million, including $172 million for our gathering and compression system and $47 million for our water handling facilities, partially offset by a $17 million return of capital distribution from the Joint Venture for a processing plant held in inventory that was sold by the Joint Venture during the third quarter of 2022.

Debt Agreements

See Note 7—Long-Term Debt to the unaudited condensed consolidated financial statements and to “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our 2021 Form 10-K for information on our debt agreements.

Non-GAAP Financial Measures

We use Adjusted EBITDA as an important indicator of our performance. We define Adjusted EBITDA as net income before net interest expense, income tax expense, depreciation, impairment, accretion of asset retirement obligations, equity-based compensation, excluding equity in earnings of unconsolidated affiliates, amortization of customer relationships, loss on early extinguishment of debt, loss on settlement of asset retirement obligations, loss (gain) on asset sale and including distributions from unconsolidated affiliates.

We use Adjusted EBITDA to assess:

- the financial performance of our assets, without regard to financing methods, capital structure or historical cost basis;
- our operating performance and return on capital as compared to other publicly traded companies in the midstream energy sector, without regard to financing or capital structure; and
- the viability of acquisitions and other capital expenditure projects.

Adjusted EBITDA is a non-GAAP financial measure. The GAAP measure most directly comparable to Adjusted EBITDA is net income. The non-GAAP financial measure of Adjusted EBITDA should not be considered as an alternative to the GAAP measure of net income. Adjusted EBITDA presentations are not made in accordance with GAAP and have important limitations as an analytical tool because they include some, but not all, items that affect net income. You should not consider Adjusted EBITDA in isolation or as a substitute for analyses of results as reported under GAAP. Our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other corporations.

The following table represents a reconciliation of our Adjusted EBITDA to the most directly comparable GAAP financial measure for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2021**	**2022**	**2021**	**2022**
Net income	$ 89,327	84,014	252,991	243,449
Interest expense, net	44,544	47,835	130,915	137,540
Income tax expense	32,038	30,332	88,547	84,798
Depreciation expense	27,487	34,206	80,956	98,181
Amortization of customer relationships	17,668	17,668	53,004	53,004
Equity-based compensation	3,255	5,553	10,326	14,026
Impairment	203	—	1,582	3,702
Accretion of asset retirement obligations	114	50	347	178
Equity in earnings of unconsolidated affiliates	(24,088)	(24,411)	(66,347)	(70,467)
Distributions from unconsolidated affiliates	28,930	29,965	87,115	90,470
Loss on early extinguishment of debt	—	—	20,701	—
Loss on settlement of asset retirement obligations	—	—	—	539
Loss (gain) on asset sale	—	(2,092)	3,628	(2,242)
Adjusted EBITDA	$ 219,478	223,120	663,765	653,178

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of our unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our financial statements. We provide expanded discussion of our more significant accounting policies, estimates and judgments in the 2021 Form 10-K. We believe these accounting policies reflect our more significant estimates and assumptions used in preparation of our financial statements.

New Accounting Pronouncements

See Note 2—Summary of Significant Accounting Policies to the unaudited condensed consolidated financial statements for information on new accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risk. The term “market risk” refers to the risk of loss arising from adverse changes in commodity 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.

Commodity Price Risk

Our gathering and compression and water services agreements with Antero Resources provide for fixed-fee and cost of service fee structures, and we intend to continue to pursue additional fixed-fee or cost of service fee opportunities with Antero Resources and third parties in order to avoid direct commodity price exposure. However, to the extent that our future contractual arrangements with Antero Resources or third parties do not provide for fixed-fee or cost of service fee structures, we may become subject to commodity price risk. We are subject to commodity price risks to the extent that they impact Antero Resources’ development program and production and therefore our gathering, compression, and water handling volumes. We cannot predict to what extent our business would be impacted by lower commodity prices and any resulting impact on Antero Resources’ operations.

Interest Rate Risk

Our primary exposure to interest rate risk results from outstanding borrowings under the Credit Facility, which has a floating interest rate. We do not currently, but may in the future, hedge the interest on portions of our borrowings under the Credit Facility from time-to-time in order to manage risks associated with floating interest rates. At September 30, 2022, we had $565 million of borrowings and no letters of credit outstanding under the Credit Facility. A 1.0% increase in the Credit Facility interest rate would have resulted in an estimated $4 million increase in interest expense for the nine months ended September 30, 2022.

Credit Risk

We are dependent on Antero Resources as our primary customer, and we expect to derive substantially all of our revenues from Antero Resources for the foreseeable future. As a result, any event, whether in our area of operations or otherwise, that adversely affects Antero Resources’ production, drilling schedule, financial condition, leverage, market reputation, liquidity, results of operations or cash flows may adversely affect our revenues and operating results.

Further, we are subject to the risk of non-payment or non-performance by Antero Resources, including with respect to our gathering and compression and water handling services agreements. We cannot predict the extent to which Antero Resources’ business would be impacted if conditions in the energy industry were to deteriorate, nor can we estimate the impact such conditions would have on Antero Resources’ ability to execute its drilling and development program or to perform under our agreements. Any material non-payment or non-performance by Antero Resources could adversely affect our revenues and operating results and our ability to return capital to stockholders.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2022 at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2022 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.

Our operations are subject to a variety of risks and disputes normally incident to our business. As a result, we may, at any given time, be a defendant in various legal proceedings and litigation arising in the ordinary course of business.

We maintain insurance policies with insurers in amounts and with coverage and deductibles that we, with the advice of our insurance advisors and brokers, believe are reasonable and prudent. We cannot, however, assure you that this insurance will be adequate to protect us from all material expenses related to potential future claims for personal and property damage or that these levels of insurance will be available in the future at economical prices.

Veolia

The Company is currently involved in a consolidated lawsuit with Veolia Water Technologies, Inc. ("Veolia") relating to the Clearwater Facility.

On March 13, 2020, Antero Treatment LLC ("Antero Treatment"), a wholly owned subsidiary of the Company, filed suit against Veolia in the district court of Denver County, Colorado, asserting claims of fraud, breach of contract and other related claims. Antero Treatment alleges that Veolia failed to meet its contractual obligations to design and build a "turnkey" wastewater disposal facility under a Design/Build Agreement dated August 18, 2015 (the "DBA"), and that Veolia fraudulently concealed certain miscalculations and design flaws during contract negotiations and continued to conceal and fraudulently misrepresent the impact of certain design changes post-execution of the DBA. On March 13, 2020, Veolia filed a separate suit against the Company, Antero Resources, and certain of the Company's wholly owned subsidiaries (collectively, the "Antero Defendants") in Denver County, Colorado. In its lawsuit, Veolia asserted breach of contract and equitable claims against the Antero Defendants for alleged failures under the DBA. Veolia's suit was consolidated into the action filed by Antero Treatment.

Veolia and the Antero Defendants each filed partial motions to dismiss and motions for summary judgment directed at certain claims asserted by the opposing party. A bench trial on the remaining claims was held from January 24 through February 10, 2022 and concluded on February 24, 2022. At trial, Antero Treatment sought damages from Veolia of approximately $450 million, which represents the Company's out-of-pocket costs associated with the Clearwater Facility project. In the alternative, Antero Treatment sought damages related to multiple breaches of the DBA, totaling approximately $370 million. Also at trial, Veolia sought monetary damages of approximately $118 million, including alleged delay and extra-contractual costs and a contract balance relating to an allegation that Antero Defendants improperly terminated the DBA. The Antero Defendants vigorously deny Veolia's claims. A final judgment on the claims has not yet been rendered.

ITEM 1A. RISK FACTORS.

We are subject to certain risks and hazards due to the nature of the business activities we conduct. For a discussion of these risks, see "Item 1A. Risk Factors" in the 2021 Form 10-K. There have been no material changes to the risks described in such report. We may experience additional risks and uncertainties not currently known to us. Furthermore, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect us.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Issuer Purchases of Equity Securities

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

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans (2)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan
July 1, 2022 – July 31, 2022	1,965	$ 9.26	—	$ 149,767,409
August 1, 2022 – August 31, 2022	—	—	—	N/A
September 1, 2022 – September 30, 2022	—	—	—	N/A
Total	1,965	$ 9.26	—	$ 149,767,409

(1) The total number of shares purchased includes shares of our common stock transferred to us in order to satisfy tax withholding obligations incurred upon the vesting of restricted stock units held by our employees.

(2) In August 2019, the Board authorized a $300 million share repurchase program, which was extended through June 30, 2023 during the first quarter of 2021. During the three months ended September 30, 2022, we did not make any repurchases under this program.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Certificate of Conversion of Antero Midstream Corporation, dated March 12, 2019 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (Commission File No. 001-38075) filed on March 12, 2019).
3.2	Certificate of Incorporation of Antero Midstream Corporation, dated March 12, 2019 (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K (Commission File No. 001-38075) filed on March 12, 2019).
3.3	Bylaws of Antero Midstream Corporation, dated March 12, 2019 (incorporated by reference to Exhibit 3.4 to the Company's Current Report on Form 8-K (Commission File No. 001-38075) filed on March 12, 2019).
3.4	Certificate of Designations of Antero Midstream Corporation, dated March 12, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (Commission File No. 001-38075) filed on March 12, 2019).
31.1*	Certification of the Company's Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 7241).
31.2*	Certification of the Company's Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 7241).
32.1*	Certification of the Company's Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
32.2*	Certification of the Company's Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101*	The following financial information from this Quarterly Report on Form 10-Q of Antero Midstream Corporation for the quarter ended September 30, 2022, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income, (iii) Condensed Consolidated Statements of Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

The exhibits marked with the asterisk symbol (*) are filed or furnished with this Quarterly Report on Form 10-Q.

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.

ANTERO MIDSTREAM CORPORATION

By: /s/ Brendan E. Krueger
BRENDAN E. KRUEGER
Chief Financial Officer, Treasurer and Vice President of Finance

Date: October 26, 2022

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Paul M. Rady, President and Chief Executive Officer of Antero Midstream Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 of Antero Midstream Corporation (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; and

   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; and

   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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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: October 26, 2022

/s/ Paul M. Rady

Paul M. Rady
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Brendan E. Krueger, Chief Financial Officer, Vice President – Finance and Treasurer of Antero Midstream Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 of Antero Midstream Corporation (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; and

   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; and

   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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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: October 26, 2022

/s/ Brendan E. Krueger

Brendan E. Krueger
Chief Financial Officer, Vice President – Finance and Treasurer

Exhibit 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF ANTERO MIDSTREAM CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Quarterly Report on Form 10-Q of Antero Midstream Corporation for the quarter ended September 30, 2022, I, Paul M. Rady, President and Chief Executive Officer of Antero Midstream Corporation, 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. This Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 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 this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 fairly presents, in all material respects, the financial condition and results of operations of Antero Midstream Corporation for the periods presented therein.

Date: October 26, 2022

/s/ Paul M. Rady

Paul M. Rady
President and Chief Executive Officer

Exhibit 32.2

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF ANTERO MIDSTREAM CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this Quarterly Report on Form 10-Q of Antero Midstream Corporation for the quarter ended September 30, 2022, I, Brendan E. Krueger, Chief Financial Officer, Vice President – Finance and Treasurer of Antero Midstream Corporation, 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. This Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 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 this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 fairly presents, in all material respects, the financial condition and results of operations of Antero Midstream Corporation for the periods presented therein.

Date: October 26, 2022

/s/ Brendan E. Krueger

Brendan E. Krueger
Chief Financial Officer, Vice President – Finance and Treasurer