



Penser Access by Carnegie

Oil, Gas & Consumable Fuels | Sweden | 12 April 2024

Maha Energy

Q1 production in line with last year's average

March production increases 24% from February

At 2,050 boepd of production in March (1,652 boepd in February and 2,415 boepd in January), Q1 production reached an average of 2,047 boepd. This is largely in line with the level of around 2,000 boepd we have seen over the past year. Greater operational efficiency in the active wells in Papa Terra, Maha's largest asset, was the source of the sequential increase in February. The workover campaign, which should stabilise production more, continues in line with the schedule.

Proposed roll-up of 3R offshore holding

In conjunction with the signing of the MOU with Enauta regarding a possible business combination with 3R Petroleum, it has signed an MOU with Maha to roll up its 15% holding in 3R Offshore and to provide Maha with 2.17% of the combined 3R–Enauta entity. This would leave Maha with almost 5% of the combined company should the suggested business combination materialise.

Outcome of evaluation and US decision on Venezuela are next

Enauta's proposal for a merger with 3R, issued at the beginning of April with an evaluation period of 30 days, has led to a temporary pause in the internal efforts towards a possible business combination with PetroRecôncavo. The outcome of the evaluation and the decision whether the US government's General License (GL) 44 will be extended (expiry date: 18 April 2024) are upcoming triggers for Maha. The company has paid EUR 4.6m for exclusivity to indirectly acquire up to 24% of PetroUrdaneta, which operates in Venezuela. Should GL44 be extended, we believe Maha would exercise this option, thus bolstering its P2 reserves by 759 mboe from around 26 mboe.

Change in estimates				Forecasts (USDm)				Value and risk														
	24e	25e	26e		2023	2024e	2025e	2026e	Fair value	SEK 14.0 - 16.0												
Total revenues	0.0%	0.0%	0.0%	Total revenues	5	5	4	4	Share price	SEK 9.9												
EBITDA, adj.	0.0%	0.0%	0.0%	Revenue growth	-58%	-12%	-18%	0%	Risk level	High												
EPS, adj.	0.0%	0.0%	0.0%	EBITDA, adj.	-3	15	22	27	Price Performance 12 months 													
Upcoming events				EBIT, adj.	-4	13	20	25														
Q1 - report	28 May 2024			EPS, adj.	0.0	0.1	0.1	0.1														
Q2 - report	12 August 2024			EPS growth, adj.	-	-	65%	27%														
Company facts (USDm)				BV/share	0.9	0.9	1.0	1.1														
Number of shares	178m			EBIT margin	-	282.4%	521.7%	654.2%														
Market capitalisation	164			ROE, adj.	-	6.0%	9.1%	10.5%														
Net debt	-96			ROCE, adj.	2.2%	6.6%	9.1%	9.3%														
EV	68			EV/Sales	14.3x	14.7x	17.9x	17.9x														
Free float	72%			EV/EBITDA	-25.8x	4.6x	3.1x	2.5x														
Daily trading volume, average	386k			EV/EBIT	-16.7x	5.2x	3.4x	2.7x														
Bloomberg Ticker	MAHAA SS EQUITY			P/E, adj.	-60.1x	17.3x	10.5x	8.2x	Conflicts of interest <table border="1"> <thead> <tr> <th></th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>Liquidity provider</td> <td></td> <td></td> </tr> <tr> <td>Certified adviser</td> <td></td> <td></td> </tr> <tr> <td>Transactions 12m</td> <td></td> <td></td> </tr> </tbody> </table>			Yes	No	Liquidity provider			Certified adviser			Transactions 12m		
	Yes	No																				
Liquidity provider																						
Certified adviser																						
Transactions 12m																						
Analyst				P/BV	1.1x	1.0x	0.9x	0.8x														
Markus Almerud				FCF yield	N.m.	N.m.	N.m.	N.m.														
markus.almerud@carnegie.se				Net debt / EBITDA	9.9x	-3.3x	-1.9x	0.5x														

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