



## Penser Access by Carnegie

Oil, Gas &amp; Consumable Fuels | Sweden | 30 August 2024

# Maha Energy

## Highlights from Carnegie's Micro & Small Cap Day 2024

### Waiting for the decision on Venezuela

Maha has exclusivity to acquire 24–40% of PetroUrduaneta, a company holding assets in Venezuela. Although Venezuela is under sanctions from the US government, Maha has filed an application to the Office of Foreign Assets Control (OFAC) for a specific licence exempted from these sanctions. Maha's management remains optimistic about the prospects of this being approved. Given limited capital expense, Maha sees potential to increase PetroUrduaneta's production from around 1,000 boepd to more than 20,000 boepd.

### Production upside and potential synergies from integrated 3R and Enauta

3R and Enauta, two Brazilian E&P companies of which Maha owns 4.76% (including the roll-up of the 15% stake in 3R Offshore), finalised their merger in the end of July. Through this merger, which was largely driven by Maha's management and board, Maha has realised considerable value for its shareholders. It exited DBO 2.0 (acquired in 2023 for almost USD 30m) through the roll-up at USD 48m. The potential value creation from the merger is also significant. The potential cost synergies from the merger are USD 1.2bn, and the new company plans to increase production from 60 kboepd to almost 112 kboepd by 2025, with further growth beyond that. Maha's management does not believe this is reflected in the new company's share price and thus expects a revaluation of its holding.

### Share trades in line with value of cash and short-term investments

Maha's share price basically corresponds to the value of its 4.76% holding in 3R and its net cash position, thus failing to reflect the NAV of its assets in the US, the potential from any appreciation in 3R, and the optionality in Venezuela. There is further potential through an active buy-back programme giving the company the right to buy back up to 10% of the shares.

Link to presentation: [MaHa Energy - presentation - Carnegie småbolagsdag](#)

Change in estimates				Forecasts (USDm)				Value and risk		
	24e	25e	26e		2023	2024e	2025e	2026e	Fair value	SEK 11.0 - 14.0
Total Revenues	0.0%	0.0%	0.0%	Total Revenues	5	9	8	8	Share price	SEK 8.0
EBITDA, adj.	0.0%	0.0%	0.0%	Revenue growth	-58%	65%	-12%	0%	Risk level	High
EPS, adj.	0.0%	0.0%	0.0%	EBITDA, adj.	-3	-1	-1	-1	<b>Price Performance 12 months</b>	
<b>Upcoming events</b>				EBIT, adj.	-4	-5	-4	-4		
Q3 - report	18 November 2024			EPS, adj.	0.0	-0.1	0.0	0.0		
<b>Company facts (USDm)</b>				BV/share	0.9	0.8	0.8	0.7		
Number of shares	169m			ROCE, adj.	2.2%	Neg.	Neg.	Neg.		
Market capitalisation	133			EV/Sales	22.5x	14.0x	16.0x	16.0x		
Net debt	-12			P/E, adj.	Neg.	Neg.	Neg.	Neg.		
EV	120			P/BV	1.1x	1.0x	1.0x	1.1x		
Free float	72%			FCF yield	Neg.	Neg.	Neg.	Neg.		
Daily trading volume, average	478k			Net debt / EBITDA	N.m.	N.m.	N.m.	N.m.		
Bloomberg Ticker	MAHAA SS EQUITY									
<b>Analyst</b>				<b>Conflicts of interest</b>						
Markus Almerud										
markus.almerud@carnegie.se										
							Yes		No	
							Liquidity provider		✓	
							Certified adviser		✓	
							Transactions 12m		✓	

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Carnegie Investment Bank AB  
Regeringsgatan 56  
SE-103 38 Stockholm  
Tel: +46 8 676 88 00 Fax +46 8 676 88 95