



ERIK PENSER BANK

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Maha Energy

Investigates potential divestments of assets

Investigating sale of its Brazilian and US assets

Maha's Board of Directors has announced it is in discussions with an oil & gas counterparty regarding a potential divestment of the Company's equity interest in its Brazilian assets. It is also receiving proposals for the divestment of its oil & gas assets in the US. Due diligence is currently ongoing for both the Brazilian and US assets.

If divestments are successful only Mafrag will be left

Assuming that the divestments of both the Brazilian and the US assets materialize the remaining asset will be Mafrag in Oman and the proceeds for the sold assets. Instead of being part of an expansion in Brazil the key would then be how Maha would spend the proceeds together with future potential growth in Mafrag. The characteristics of the investments would in other words change dramatically would the company choose to go through with the divestments.

We value Tie to SEK 22 per share

Assuming peak production in Tie of 5,200 BOEPD in 2024e-2025e (twice the level seen in 2021 and in line with the production schedule published in March 2021) and USD 55/BOE long-term oil price we value Tie to around USD 250m or around SEK 22/share. Were we to assume a peak of 3,800 BOEPD (27% below our main forecast but 40% higher than 2021) Tie is still worth c.USD 170m or 15 kr/share. We value Tartaruga to SEK 4/share and Illinois to SEK 1/share.

Change in estimates (US\$)					Forecast (US\$ m)					Value and risk													
	22e	Δ%	23e	Δ%		2021	2022e	2023e	2024e	Fair value	SEK 21 - 23												
Total revenue	89	0,0	124	0,0	Total revenue	68	89	124	173	Share price	SEK 10,1												
EBITDA, adj.	55	0,0	70	0,0	Revenue growth	75%	31%	40%	39%	Risk level	Hög												
EPS, adj.	0,2	0,0	0,2	0,0	EBITDA, adj.	48	55	70	97	<div style="background-color: #006633; color: white; padding: 5px; text-align: center;">Price Performance 12 months</div>													
Upcoming events					EBIT, adj.	39	41	42	52														
Q4 - report	28 February 2023				EPS, adj.	0,2	0,2	0,2	0,3														
Q1 - report	15 May 2023				EPS growth	>100%	5%	N.m.	50%														
Company facts (US\$ m)					BV/share	0,8	1,0	1,1	1,4														
Number of shares	120m				Dividend per share	0,0	0,0	0,0	0,0														
Market capitalization	119				EBIT margin	57,4%	46,2%	33,7%	29,9%														
Net debt	56				ROE, adj.	29,4%	23,2%	17,4%	21,4%														
EV	176				ROCE, adj.	31,9%	23,8%	22,0%	28,0%														
Free float	79%				EV/Sales	2,6x	2,0x	1,1x	0,6x														
Daily trading volume, average	731k				EV/EBITDA	3,8x	3,2x	2,0x	1,0x														
Bloomberg Ticker	MAHAA SS EQUITY				EV/EBIT	4,6x	4,3x	3,4x	1,9x														
Analyst					P/E, adj.	6,4x	5,0x	5,4x	3,6x	<div style="background-color: #006633; color: white; padding: 5px; text-align: center;">Conflicts of interest</div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>Liquidity provider</td> <td></td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Certified adviser</td> <td></td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Transactions 12m</td> <td></td> <td style="text-align: center;">✓</td> </tr> </tbody> </table>			Yes	No	Liquidity provider		✓	Certified adviser		✓	Transactions 12m		✓
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Transactions 12m		✓																					
Markus Almerud					P/BV	1,5x	1,0x	0,9x	0,7x														
markus.almerud@penser.se					FCF yield	-	-	30%	37%														
					Net debt / EBITDA	0,7x	1,0x	0,3x	-0,2x														

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