



ERIK PENSER BANK

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Maha Energy

Further production increases in July

5% sequential increase of production in July

Given a 5% m/m increase from Papa Terra, Maha's largest asset in Brazil, the company increased its production by 5% m/m in July to 2,175 boepd. This can be compared with 1,988 boepd in Q2 and 1,606 in Q1. The increase from Papa Terra stemmed from the asset's better operational efficiency as it continues to recover from the drop we saw in April. Peroá, Maha's second-largest asset, increased production by 12.5% m/m owing to greater gas demand.

Focus with Q2 report (11 August) will be on the cost structure of the new assets...

Q2 will be the first quarter in which the new Brazilian assets – from the merger with DBO 2.0 (Papa Terra and Peroá) – will be reported in Maha's consolidated numbers. Given the already published production numbers, costs will be in focus in the report. We hope to get a better sense of both lifting and other operational costs, as well as some idea of the estimated long-term costs so as to increase visibility of the assets' potential value.

...as well as more flavour on Oman

As the request for an extension of the initial phase of drilling at Block 70 in Oman is still pending, we will scan the report for more details on the risks related to the extension. We are uncertain, for example, what would happen if an extension were not granted. The reason for the extension request is to gain more certainty as to whether it is worthwhile to sign a declaration of commerciality – the next step for the asset – which would lead to an increase in capex. Nevertheless, we have been surprised by the market's lack of response to the inclusion of the new assets and the significant improvement of the balance sheet; we believe any positive news could serve as a share price trigger.

Change in estimates				Forecast (USD m)					Valuation and risk																																											
	23e	24e	25e		2022	2023e	2024e	2025e	Fair value	SEK 13,0 – 20,0																																										
Total revenues	0,0%	0,0%	0,0%	Total revenue	12	16	60	46	Share price	SEK 8,4																																										
EBITDA, adj.	0,0%	0,0%	0,0%	Revenue growth	-82%	29%	>100%	-23%	Risk level	High																																										
EPS, adj.	0,0%	0,0%	0,0%	EBITDA, adj.	0	6	26	20	<div>Price performance 12 months</div> <table><thead><tr><th>Month</th><th>MAHAA SS EQUITY</th><th>OMX INDEX</th></tr></thead><tbody><tr><td>Aug</td><td>14.5</td><td>14.5</td></tr><tr><td>Sep</td><td>13.5</td><td>14.0</td></tr><tr><td>Oct</td><td>10.5</td><td>13.5</td></tr><tr><td>Nov</td><td>13.5</td><td>15.5</td></tr><tr><td>Dec</td><td>11.5</td><td>15.0</td></tr><tr><td>Jan</td><td>7.5</td><td>15.5</td></tr><tr><td>Feb</td><td>9.5</td><td>15.0</td></tr><tr><td>Mar</td><td>10.5</td><td>15.5</td></tr><tr><td>Apr</td><td>9.5</td><td>15.0</td></tr><tr><td>May</td><td>8.5</td><td>15.5</td></tr><tr><td>Jun</td><td>8.0</td><td>15.5</td></tr><tr><td>Jul</td><td>7.5</td><td>15.5</td></tr><tr><td>Aug</td><td>8.5</td><td>15.5</td></tr></tbody></table>		Month	MAHAA SS EQUITY	OMX INDEX	Aug	14.5	14.5	Sep	13.5	14.0	Oct	10.5	13.5	Nov	13.5	15.5	Dec	11.5	15.0	Jan	7.5	15.5	Feb	9.5	15.0	Mar	10.5	15.5	Apr	9.5	15.0	May	8.5	15.5	Jun	8.0	15.5	Jul	7.5	15.5	Aug	8.5	15.5
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Upcoming events				EBIT, adj.	-3	3	19	15																																												
Q2 - report	11 August 2023			EPS, adj.	-0,1	0,0	0,1	0,1																																												
Q3 - report	14 November 2023			EPS growth, adj.	N.m.	N.m.	N.m.	-32%																																												
<div>Company facts (USD m)</div> <table><tr><td>Number of shares</td><td>144m</td></tr><tr><td>Market capitalization</td><td>112</td></tr><tr><td>Net debt</td><td>-21</td></tr><tr><td>EV</td><td>112</td></tr><tr><td>Free float</td><td>72%</td></tr><tr><td>Daily trading volume, average</td><td>251k</td></tr><tr><td>Bloomberg Ticker</td><td>MAHAA SS EQUITY</td></tr></table>				Number of shares	144m	Market capitalization	112	Net debt	-21	EV	112	Free float	72%	Daily trading volume, average	251k	Bloomberg Ticker	MAHAA SS EQUITY	BV/share	1,2	1,0	1,0	1,1																														
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				EBIT margin	Neg.	16,2%	32,2%	32,2%																																												
				ROE, adj.	Neg.	Neg.	8,9%	5,6%																																												
ROCE, adj.	Neg.	1,5%	11,4%	7,4%																																																
EV/Sales	11,7x	7,0x	1,9x	2,4x																																																
EV/EBITDA	-	19,1x	4,2x	5,5x																																																
EV/EBIT	-	43,5x	5,8x	7,6x																																																
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Net debt / EBITDA	-63,6x	-16,2x	-3,1x	-2,6x																																																
<div>Analyst</div> <div>Markus Almerud</div> <div>markus.almerud@penser.se</div>				<div>Conflicts of interest</div> <table><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		✓																																
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