

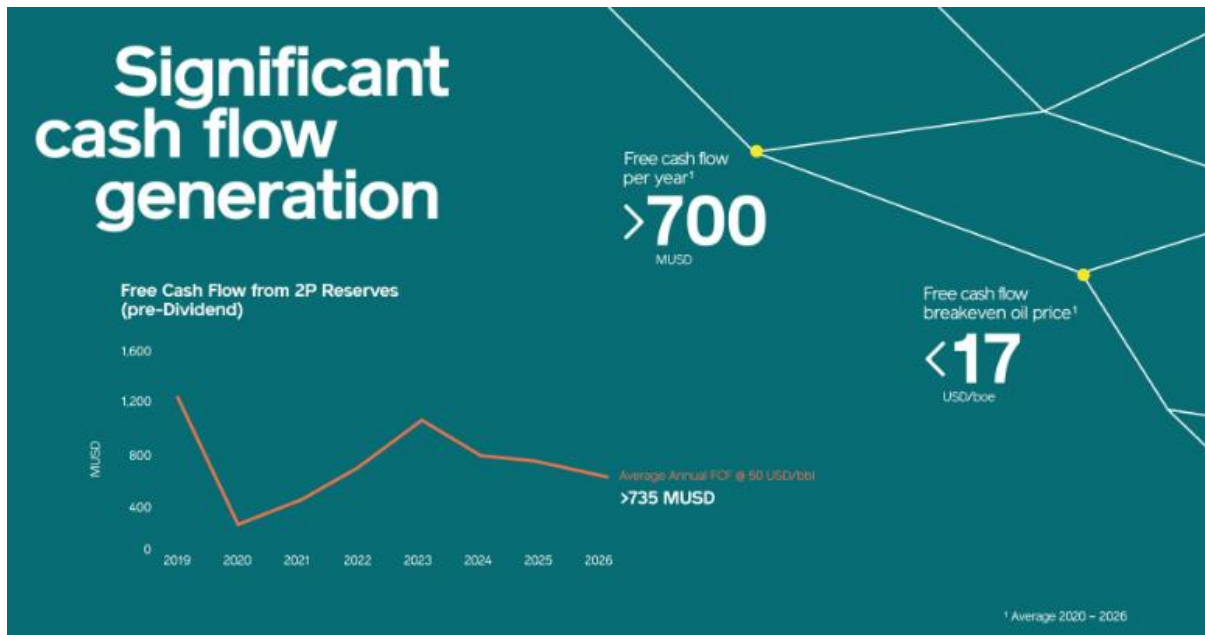
Lundin Petroleum AB



Lundin is an extremely low cost producer as many Norway businesses are and therefore the 74% profit tax there. However, we have 1 billion barrels for reserves and resources, expected production of 200mboepd targeted at a free cash flow breakeven price of \$17.



The average free cash flows at an oil price of \$50 would be \$735 million per year for the next 7 years.



It is an exploration company, like all Lundin related companies, and therefore it is likely they will produce for more years ahead.



Like they did with the Johan [Svendrup](#) area discovered by Lundin in 2011. Lundin Energy has a 20.00 percent working interest in the Johan Sverdrup field. Equinor is operator with 42.6267 percent and the remaining partners are Total with 8.44 percent, Petro with 17.36 percent and Aker BP with 11.5733 percent working interest.

Equinor will acquire a 2.6% direct ownership share in the Equinor operated Johan Sverdrup field for a cash consideration of \$910 million. – LUNDIN STAKE IS 20% - the math says value \$6.9 billion.



Lundin's market cap is \$5.2 billion. 10 SEK = 1 USD

Lundin Petroleum AB
STO: LUPE

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183,75 SEK -4,26 (2,27%) ↓

1 Apr, 17:19 CEST · Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max



Open	185,05	Div yield	7,12%
High	188,10	Prev close	188,01
Low	180,70	52-wk high	349,50
Mkt cap	52,57B	52-wk low	133,00
P/E ratio	7,05		

All sounds good above, but there is always a but 😊 DEBT

Consensus

Q4 19 Consensus of independent, sell-side equity analyst estimates of Lundin Energy's key performance indicators (KPI)

Every quarter ahead of the earnings announcement, Lundin Energy collects financial and production KPI estimates from the independent, sell-side equity analysts who actively follow the company, in order to provide shareholders with an independent market view ahead of the quarterly results.

Below is a table of the collated estimates from independent sell-side equity analysts ahead of the Fourth Quarter 2019 results – 12 Analysts provided input for Q419 and 13 for FY2020. The consensus is an average of their estimates for the quarter and full year.

Key Metrics	Q4 2019	Forecast FY 2020
Production (Mboepd)	135	159
EBITDA (MUSD)	672	3,268
Net result (MUSD)	226	588
Free Cash Flow (MUSD)	237	1,131
Net Debt (MUSD)	3,980	3,266

Disclaimer:

\$4 billion – so, you have to pay back that money, and you can do it over 20 years with a growing business, but I have no idea where will oil grow in 10 years and how much and how cheap will they find it.

So, we have 6 years of 700 million per year, that is \$4.2 billion – after that it is possible for more, but they still have to repay the debt. Too risky for me now.

However, for the Lundin's, it was more than a 20 bagger over time, well up till two months ago.

Lundin Petroleum AB

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182,15 SEK **-5,86 (3,12%)** ↓

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1 day 5 days 1 month 6 months YTD 1 year 5 years **Max**



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