

NuVista Energy Ltd. Announces Record Financial and Operating Results, Increases 2022 Production Guidance

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Provides 2023 Guidance, and Increases Return of Capital to Shareholders

CALGARY, Nov. 09, 2022 - [NuVista Energy Ltd.](#) ("NuVista" or the "Company") (TSX:NVA) is pleased to announce record-setting financial and operating results for the three and nine months ended September 30, 2022, and to provide a number of updates which demonstrate continued material advancement of our Pipestone and Wapiti Montney development areas. Commodity prices in 2022 have remained volatile but strong. Adjusted funds flow and production growth continues to set new records, well investment returns are very high, rapid debt reduction continues, and the repurchase of Company shares is well underway as part of the Normal Course Issuer Bid ("NCIB"). NuVista is progressing through 2022 and into 2023 with strength and increasing momentum.

During the quarter ended September 30, 2022, NuVista:

- Produced 68,792 Boe/d, at the top of the guidance range of 67,000 - 69,000 Boe/d, which was 6% higher than the prior quarter, and 35% higher than the third quarter of 2021;
- Achieved a record \$246 million of adjusted funds flow⁽¹⁾ (\$1.04/share, diluted⁽⁴⁾), including \$133 million of free adjusted funds flow⁽²⁾. This represents a free adjusted funds flow increase of 59% over the prior quarter;
- Achieved net earnings of \$223 million (\$0.95/share, diluted) compared to \$178 million (\$0.74/share, diluted) in the prior quarter;
- Delivered a corporate netback⁽³⁾ of \$38.89/Boe, an improvement of 15% and 126% compared to the prior quarter and the third quarter of 2021, respectively;
- Achieved an average natural gas realized price of \$8.32/Mcf due to our significantly diversified natural gas sales strategy, an improvement of 43% compared to the AECO monthly 7A index price for the period;
- Closed the quarter with only \$9 million drawn on our long term credit facility which has capacity of \$440 million and a favorable net debt⁽¹⁾ to annualized third quarter adjusted funds flow⁽¹⁾ ratio of 0.3x;
- Repurchased and cancelled 4.28 million shares for an aggregate cost of \$44.2 million or \$10.32/share, under the terms of our NCIB. Including the shares subsequently repurchased in October, NuVista has now cancelled 8.6 million shares during 2022 for the aggregate cost of \$93.0 million or \$10.84/share. This represents a total of 3.9% of all shares outstanding, and achievement of 47% of the NCIB;
- Executed a successful capital expenditure⁽²⁾ program of \$112 million with favorable weather allowing rapid progress, including the drilling of 14 (13.8 net) wells and the completion of 13 (12.4 net) wells in our condensate rich Wapiti Montney play;
- Continued to significantly advance our progress in the areas of environmental, social and governance ("ESG"), including the release of our 2021 ESG report, which is available on our Company website. Importantly, the report contains continued evidence of our significant reductions in greenhouse gas emissions, a journey that we have committed to continuing; and
- Achieved approval by NuVista and all working interest owners for a cogeneration project at the NuVista Wembley Gas Plant for startup by early 2024, which will significantly reduce operating costs, fuel consumption, and greenhouse gas emissions.

Notes:

(1) Each of "adjusted funds flow", "net debt" and "net debt to annualized third quarter adjusted funds flow" are capital management measures. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures" in this press release for further information.

(2) Each of "free adjusted funds flow" and "capital expenditures" are non-GAAP financial measures that do not have any standardized meanings under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures" in this press release for further information.

(3) "Corporate netback" is a non-GAAP financial ratio that does not have any standardized meanings under IFRS and therefore may not be comparable to similar measures presented by other companies where similar

terminology is used. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures" in this press release for further information.

(4) "Adjusted funds flow per share" is a supplementary financial measure. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures" in this press release for further information.

Operations Update

During and subsequent to the end of the third quarter, NuVista reached a number of new milestones that reflect the repeatable and profitable nature of our business plan. Production for the quarter reached record levels at 68,792 Boe/d and importantly has peaked above 75,000 Boe/d on a weekly basis in October as we test the productive capacity of a number of our processing facilities. Production growth will continue in 2023 as our winter program comes online. Throughout 2022, we have been reiterating the efficiency and importance of a continuous three drilling rig operation due to the ability of our long-standing relationships with key services providers to assist with supply chain and cost challenges. Our staff and contractors in the field have once again allowed us to deliver excellent cost and operational results. In 2022 our average cost to drill, complete, equip, and tie-in ("DCET") a typical 3000-meter well is expected to average \$7.8 million, which is a 16% improvement over pre-pandemic levels in 2019. Our continued consistent emphasis on performance in the field has helped offset the industry inflation we have seen in services and materials, limiting the net 2022 increase of DCET costs to 10% as compared to 2021.

Payout Multiples and Milestones

We have updated the payout multiples⁽⁵⁾⁽⁶⁾ shown in our Corporate Presentation to include three new pads that were brought online during the quarter, bringing the total number of pads to come onstream over the 2021-2022 timeframe to 14. It is important to note that DCET capital represents approximately 85% of the capital expenditures that NuVista will have invested over the two year period. Based on an assumed price forecast of US\$85/Bbl WTI and US\$4.00/MMBtu NYMEX we anticipate these latest investments will on average achieve a payout multiple⁽⁵⁾⁽⁶⁾ of approximately 1.8x in the first year of production. In addition, two Pipestone North pads, have reached significant milestones. IP365 production from these pads averaged 1,100 Boe/d⁽⁸⁾, including 45% condensate. The first year capital efficiency⁽⁷⁾ averaged less than \$6,000 per Boe/d and the payout multiples⁽⁵⁾⁽⁶⁾ were realized at over 3.0x.

Pipestone Activity

Pipestone remained the Company's most active development area again this quarter. Two more pads have recently been brought online, while another is pending completion and will be brought on production toward the end of the first quarter of 2023. The final DCET cost for the two completed pads was \$7.8 million per well or an average of \$2,300 per horizontal meter, which is in line with budget expectations. IP30 production milestones for these two new pads averaged 1,575 Boe/d (45% condensate)⁽⁸⁾ for a 5-well pad in Pipestone South and 2,200 Boe/d⁽⁸⁾ (60% condensate) for an 8-well pad in Pipestone North.

Wapiti Activity

Activity levels in the Greater Wapiti area are ramping up as we head into a major growth phase for this asset. Production for the area averaged 27,500 Boe/d in the quarter and is expected to grow by more than 35% in 2023. A new Bilbo pad has been brought online and has achieved an IP30 production milestone of 2,050 Boe/d⁽⁸⁾ (55% condensate). We are currently drilling with two rigs on a 6-well pad in the Elmworth area and have just completed the drilling of another 3-well pad at Bilbo and a 5-well pad at Gold Creek. The Bilbo and Gold Creek pads will be completed and brought on production before the end of the first quarter of 2023.

Notes:

(5) "Payout multiple" is a non-GAAP financial ratio that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures" in this press release for further information.

(6) "Payout multiple" is calculated as: (i) the product of operating netbacks (excluding realized gains (losses) on financial derivatives) multiplied by production; divided by (ii) DCET capital invested.

(7) Capital efficiency is a measure calculated as capital expenditures divided by production additions in the first year.

(8) See "Advisories Regarding Oil and Gas Information" in this press release.

2022 Guidance Update

As discussed above, NuVista is pleased to note that operations and performance have been strong while both condensate and natural gas prices have continued at highly profitable levels. This results in a material increase to projected adjusted funds flow, tremendous progress in reducing our net debt, and high velocity of capital investment returns. Favorable weather and execution performance have allowed our three drilling rigs and associated completion and pipeline crews to move ahead of schedule, which provides the opportunity to fill in extra capital activity to maintain steady execution.

NuVista's capital expenditure guidance for 2022 is increased to the range of \$410 - \$420 million from the previous estimate of approximately \$375 million. The increase is attributed to the acceleration of planned first quarter 2023 activity into the fourth quarter of 2022 (\$25 million), a small amount of inflation and maintenance capital activity (\$10 - 15 million), and tuck-in land purchases.

NuVista's recent well performance has been strong, and all planned outages for the year have been concluded. We have set our fourth quarter production guidance range at 72,000 - 74,000 Boe/d. Full year 2022 guidance is increased to 68,000 - 69,000 Boe/d from the prior range of 67,000 - 69,000 Boe/d.

2023 Guidance

For 2023 we have firmed up our plans and although we intend to continue with the steady three drilling rig program, we have adjusted our estimates to include minor changes to maximize value in this volatile but higher commodity price environment. Capital budget inflation through 2023 is estimated at approximately 5-10% assuming strip commodity prices (approximately 5% after efficiency gains), but obviously could be higher or lower depending on the economic and commodity price environment as it unfolds. We have also included additional tuck-in land and maintenance capital in the amount of approximately \$15 million. As a result, the capital expenditure guidance for 2023 is set at a range of \$425 - \$450 million. Approximately 80% of our overall capital forecast will continue to be directed towards well capital (DCET), a high percentage which leads to high full cycle returns.

Production guidance for 2023 is premised on the continued filling of existing facilities with pads across all operating areas with the activity level as described above. Annual production guidance for 2023 is set at a range of 79,000 - 83,000 Boe/d. NuVista is delivering the short term production increases the world needs, while delivering exceptional value to shareholders and conducting early planning of the long term carbon reduction projects which the world seeks. Based on current strip prices, free adjusted funds flow for 2023 is expected to be approximately \$440 million.

Free Adjusted Funds Flow Allocation Framework

Our Board has approved a long term sustainable target net debt to adjusted funds flow of less than 1.0 times in the stress test price environment of US\$45/Bbl WTI and US\$2.00/MMBtu NYMEX natural gas. In the context of our plans, this represents the target base net debt level of \$200 million or less, which we expect to achieve prior to year end 2022. We will likely reduce debt below this level, however, the pace of debt reduction can be slowed and the rate of return of capital to shareholders can be increased.

Upon achievement of the net debt target above, our Board has approved an increase of the return of capital to shareholders to approximately 75% of free adjusted funds flow, with the remainder continuing to be allocated to the reduction of net debt. This is a significant increase in the return of capital as compared to the prior ratios of 25 - 50% allocated to the return of capital and 50 - 75% directed to the reduction of net debt. As our level of debt continues to decline in the future, we will consider further increases to the return of capital framework.

We believe that the best method for return of capital to shareholders is initially to repurchase shares, however we will continue to re-evaluate the uses of free adjusted funds flow through 2023 as our growth plan proceeds. This evaluation will take into account commodity pricing, the economic and tax environment, and will include all options including continued disciplined growth beyond existing facility capacity of 90,000

Boe/d, share repurchases, prudent targeted acquisitions, and dividend payments.

At current strip prices, NuVista expects to achieve approximately 75% of the total share repurchases allowed under our NCIB by year end 2022, with the remainder completed in the first half of 2023. Combined with the significant production growth, free adjusted funds flow growth, and debt reduction in our high-return 5-year plan, we are confident the share repurchases will bring significant additional value per share while returning capital to shareholders.

NuVista has top quality assets and a management team focused on relentless improvement. We have the necessary foundation and liquidity to continue adding significant value for our shareholders. We will continue to adjust to this changing environment in order to maximize the value of our asset base and ensure the long-term sustainability of our business. We would like to thank our staff, contractors, and suppliers for their continued dedication and delivery, and we thank our Board of Directors and our shareholders for their continued guidance and support.

Please note that our Corporate Presentation is being updated and will be available at www.nuvistaenergy.com on November 9, 2022.

NuVista's Management Discussion and Analysis, condensed consolidated interim financial statements (the "financial statements") and notes thereto for the three and nine months ended September 30, 2022, will be filed on SEDAR (www.sedar.com) under [NuVista Energy Ltd.](#) on November 9, 2022 and can also be accessed on NuVista's website.

Financial and Operating Highlights

	Three months ended September 30			Nine months ended September 30		
(\$ thousands, except otherwise stated)	2022	2021	% Change	2022	2021	% Change
FINANCIAL						
Petroleum and natural gas revenues	445,007	222,601	100	1,290,107	561,935	130
Cash provided by operating activities	228,018	124,007	84	618,128	228,515	170
Adjusted funds flow ⁽¹⁾ ⁽⁴⁾	246,115	80,602	205	635,818	169,311	276
Per share, basic	1.09	0.36	203	2.79	0.75	272
Per share, diluted	1.04	0.35	197	2.67	0.73	266
Net earnings	223,463	147,065	52	471,673	151,512	211
Per share, basic	0.99	0.65	52	2.07	0.67	209
Per share, diluted	0.95	0.63	51	1.98	0.65	205
Capital expenditures ⁽²⁾	111,746	77,152	45	346,733	202,444	71
Net proceeds on property dispositions	-	-	-	-	93,578	(100)
Net debt ⁽¹⁾ ⁽⁴⁾				261,409	545,410	(52)
OPERATING						
Daily Production						
Natural gas (MMcf/d)	244.7	184.1	33	233.0	177.0	32
Condensate (Bbls/d)	22,478	15,779	42	21,742	14,912	46
NGLs (Bbls/d)	5,529	4,534	22	6,245	5,052	24
Total (Boe/d)	68,792	51,005	35	66,816	49,467	35
Condensate & NGLs weighting	41	% 40	%	42	% 40	%
Condensate weighting	33	% 31	%	33	% 30	%
Average realized selling prices ⁽⁶⁾						
Natural gas (\$/Mcf)	8.32	4.88	70	7.33	4.07	80
Condensate (\$/Bbl)	111.14	84.59	31	121.71	78.72	55
NGLs (\$/Bbl) ⁽⁵⁾	55.14	41.36	33	59.25	32.57	82
Netbacks (\$/Boe)						
Petroleum and natural gas revenues	70.32	47.44	48	70.73	41.61	70
Realized loss on financial derivatives	(5.63)	(6.04)	(7)	(8.57)	(5.78)	48
Royalties	(6.23)	(3.51)	77	(7.92)	(2.79)	184

Transportation expenses	(5.12)	) (5.38)	) (5)	) (5.09)	) (5.31)	) (4)	)
Operating expenses	(12.23)	) (10.49)	) 17	) (11.57)	) (10.70)	) 8	)
Operating netback ⁽³⁾	41.11	22.02	87	37.58	17.03	121	
Corporate netback ⁽³⁾	38.89	17.18	126	34.87	12.54	178	
SHARE TRADING STATISTICS							
High (\$/share)	11.88	5.35	122	14.29	5.35	167	
Low (\$/share)	8.11	2.90	180	6.94	0.89	680	
Close (\$/share)	9.81	5.14	91	9.81	5.14	91	
Average daily volume ('000s)	826	781	6	1,205	1,201	-	
Common shares outstanding ('000s)				224,297	226,420	(1)	)

(1) Refer to Note 15 "Capital management" in NuVista's financial statements and to the sections entitled "Adjusted funds flow" and "Liquidity and capital resources" contained in this MD&A.

(2) Non-GAAP financial measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures".

(3) Non-GAAP ratio that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures".

(4) Capital management measure. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures".

(5) Natural gas liquids ("NGLs") include butane, propane and ethane revenue and sales volumes, and sulphur revenue.

(6) Product prices exclude realized gains/losses on financial derivatives.

Advisories Regarding Oil and Gas Information

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This press release contains a number of oil and gas metrics prepared by management, including DCET costs, payout and payout multipliers which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies. Such metrics have been included herein to provide readers with additional measures to evaluate NuVista's performance on a comparable basis with prior periods; however, such measures are not reliable indicators of the future performance of NuVista and future performance may not compare to the performance in previous periods. DCET includes all capital spent to drill, complete equip and tie-in a well. Payout means the anticipated years of production from a well required to fully pay for the DCET of such well. Payout multiple means the anticipated number of times the production from a well fully paid for the DCET of such well.

Any references in this press release to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for NuVista.

Reference to current strip prices for 2022 in this press release reflect November 4, 2022 pricing: WTI US\$95.65/Bbl, NYMEX US\$6.65/MMBtu, AECO \$5.25/GJ, 1.30 CAD:USD FX; 2023 pricing: WTI US\$84.25/Bbl, NYMEX US\$5.50/MMBtu, AECO \$4.50/GJ, 1.35 CAD:USD FX.

Basis of presentation

Unless otherwise noted, the financial data presented in this press release has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") also known as International Financial

Reporting Standards ("IFRS"). The reporting and measurement currency is the Canadian dollar. National Instrument 51-101 - "Standards of Disclosure for Oil and Gas Activities" includes condensate within the product type of natural gas liquids. NuVista has disclosed condensate values separate from natural gas liquids herein as NuVista believes it provides a more accurate description of NuVista's operations and results therefrom.

Production split for Boe/d amounts referenced in the press release are as follows:

Reference	Total Boe/d	% Natural Gas	% Condensate	% NGLs
Q3 2022 production - actual	68,792	59 %	33 %	8 %
Q3 2022 production guidance	67,000 - 69,000	62 %	30 %	8 %
Q4 2022 production guidance	72,000 - 74,000	62 %	30 %	8 %
2022 revised annual production guidance	68,000 - 69,000	59 %	32 %	9 %
2022 original annual production guidance	65,000 - 68,000	62 %	30 %	8 %
2023 annual production guidance	79,000 - 83,000	62 %	29 %	9 %
2024+ production range	~90,000+	62 %	29 %	9 %

Advisory regarding forward-looking information and statements

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements, including management's assessment of: NuVista's future focus, strategy, plans, opportunities and operations; projected adjusted funds flows at current strip prices; our plans to continue to balance debt repayment, increasing adjusted funds flow through disciplined production and growth; guidance with respect to 2022 and 2023 capital expenditure amounts, spending timing and allocation; guidance with respect to 2022 and 2023 production; expectations with respect to future net debt to adjusted funds flow ratio; expectations with respect to achieving our sustainable net debt target of less than 1.0 times adjusted funds flow in the stress test price environment of US\$45/Bbl WTI and US\$2.00/MMBtu NYMEX natural gas by year end 2022; plans to direct additional available adjusted funds flow towards a disciplined balance of debt reduction; our ESG plans and commitment, targets and expected results from our ESG initiatives; the benefits of a partner approved cogeneration project; future commodity prices; anticipated increases in well costs; anticipated timing and completion of a new pad in the Pipestone area and the anticipated benefits thereof; the anticipated timing and completion of the Bilbo and Gold Creek pads; anticipated production growth in the Greater Wapiti area and the anticipated benefits thereof; expectations regarding 2023 free adjusted funds flow; plans to maximize free adjusted funds flow and the return of capital to shareholders; the ability to re-evaluate the uses of free adjusted funds flow and anticipating outcomes thereof; the future capacity of our facilities; the anticipated benefit that we will generate free adjusted funds flow while reducing net debt; NuVista's future realized gas prices; the effect of our financial, commodity, and natural gas risk management strategy and market diversification; the satisfaction of the NCIB and the effects of repurchases of common shares thereunder; the anticipated timing of completion of the NCIB; 2022 drilling and completion plans, timing and expected results; the anticipated first year payout multiple of 1.8x for the new pads; anticipated average DCET costs; our ability to direct 80% of our 2023 capital forecast to well capital and the ability to continue adding significant value and improvement. Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond NuVista's control, including the impact of general economic conditions, industry conditions, current and future commodity prices and inflation rates; the impact of ongoing global events, including European tensions and COVID-19, with respect to commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and adjusted funds flow, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, access to infrastructure and markets, competition from other industry participants, availability of qualified personnel or services and drilling and related equipment, stock market volatility, effects of regulation by governmental agencies including changes in environmental regulations, tax laws and royalties, the ability

to access sufficient capital from internal sources and bank and equity markets, that we will be able to execute our 2022 drilling plans as expected; our ability to carry-out our 2023 production and capital guidance as expected and including, without limitation, those risks considered under "Risk Factors" in our Annual Information Form. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. NuVista's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the forward-looking statements in this press release in order to provide readers with a more complete perspective on NuVista's future operations and such information may not be appropriate for other purposes. NuVista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This press release also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about NuVista's prospective results of operations including, without limitation, its ability to repay debt, expectations with respect to future net debt to adjusted funds flow ratios, projected adjusted funds flows at current strip prices, capital expenditures and corporate netbacks, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. NuVista's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the FOFI in order to provide readers with a more complete perspective on NuVista's future operations and such information may not be appropriate for other purposes.

These forward-looking statements and FOFI are made as of the date of this press release and NuVista disclaims any intent or obligation to update any forward-looking statements and FOFI, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities law.

Non-GAAP and other financial measures

This press release uses various specified financial measures (as such terms are defined in National Instrument 52-112 - Non-GAAP Disclosure and Other Financial Measures Disclosure ("NI 52-112")) including "non-GAAP financial measures", "non-GAAP ratios", "capital management measures" and "supplementary financial measures" (as such terms are defined in NI 52-112), which are described in further detail below. Management believes that the presentation of these non-GAAP measures provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

Non-GAAP financial measures

NI 52-112 defines a non-GAAP financial measure as a financial measure that: (i) depicts the historical or expected future financial performance, financial position or cash flow of an entity; (ii) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity; (iii) is not disclosed in the financial statements of the entity; and (iv) is not a ratio, fraction, percentage or similar representation.

These non-GAAP financial measures are not standardized financial measures under IFRS and might not be comparable to similar measures presented by other companies where similar terminology is used. Investors are cautioned that these measures should not be construed as alternatives to or more meaningful than the most directly comparable IFRS measures as indicators of NuVista's performance. Set forth below are descriptions of the non-GAAP financial measures used in this press release.

(1) Free adjusted funds flow

Free adjusted funds flow is adjusted funds flow less capital and asset retirement expenditures. Refer to Note 15, "Capital Management" in NuVista's financial statements for a description of "Adjusted funds flow" and NuVista's MD&A for a description of "Capital expenditures" which are the components of free adjusted funds

flow, and are a capital management measure and a non-GAAP financial measure, respectively. Management uses free adjusted funds flow as a measure of the efficiency and liquidity of its business, measuring its funds available for capital investment to manage debt levels, pay dividends, and return capital to shareholders. By removing the impact of current period capital and asset retirement expenditures, management believes this measure provides an indication of the funds the Company has available for future capital allocation decisions.

The following tables set out our free adjusted funds flows compared to the most directly comparable GAAP measure of cash provided by operating activities less cash used in investing activities for the period:

	Three months ended September 30	
(\$ thousands)	2022	2021
Cash provided by operating activities	228,018	124,007
Cash used in investing activities	(128,727)	(107,155)
Excess cash provided by operating activities over cash used in investing activities	99,291	16,852
Adjusted funds flow	246,115	80,602
Capital expenditures	(111,746)	(77,152)
Asset retirement expenditures	(1,327)	(571)
Free adjusted funds flow	133,042	2,879

(2) Capital expenditures

Capital expenditures are equal to cash used in investing activities, excluding changes in non-cash working capital, other receivable and property dispositions. Any expenditures on the other receivable are being refunded to NuVista and are therefore included under current assets. NuVista considers capital expenditures to be a useful measure of cash flow used for capital reinvestment.

The following table provides a reconciliation between the non-GAAP measure of capital expenditures to the most directly comparable GAAP measure of cash used in investing activities for the period:

	Three months ended September 30		Nine months ended September 30	
(\$ thousands)	2022	2021	2022	2021
Cash used in investing activities	(128,727)	(107,155)	(362,781)	(133,638)
Changes in non-cash working capital	16,981	31,160	16,048	29,005
Other receivable	-	(1,157)	-	(4,233)
Property dispositions	-	-	-	(93,578)
Capital expenditures	(111,746)	(77,152)	(346,733)	(202,444)

Non-GAAP ratios

NI 52-112 defines a non-GAAP ratio as a financial measure that: (i) is in the form of a ratio, fraction, percentage or similar representation; (ii) has a non-GAAP financial measure as one or more of its components; and (iii) is not disclosed in the financial statements of the entity. Set forth below is a description of the non-GAAP ratios used in this press release.

These non-GAAP ratios are not standardized financial measures under IFRS and might not be comparable to similar measures presented by other companies where similar terminology is used. Investors are cautioned that these ratios should not be construed as alternatives to or more meaningful than the most directly comparable IFRS measures as indicators of NuVista's performance.

Non-GAAP ratios presented on a "per Boe" basis may also be considered to be supplementary financial measures (as such term is defined in NI 51-112).

(1) Operating netback and corporate netback ("netbacks"), per Boe

NuVista calculated netbacks per Boe by dividing the netbacks by total production volumes sold in the period.

Each of operating netback and corporate netback are non-GAAP financial measures. Operating netback is calculated as petroleum and natural gas revenues including realized financial derivative gains/losses, less royalties, transportation and operating expenses. Corporate netback is operating netback less general and administrative, deferred share units, interest and lease finance expense.

Management feels both operating and corporate netbacks are key industry benchmarks and measures of operating performance for NuVista that assists management and investors in assessing NuVista's profitability, and are commonly used by other petroleum and natural gas producers. The measurement on a Boe basis assists management and investors with evaluating NuVista's operating performance on a comparable basis.

(2) Payout Multiple

NuVista calculated payout multiple as: (i) the product of operating netbacks (excluding realized gains (losses) on financial derivatives) multiplied by production; divided by (ii) DCET capital invested. Operating netbacks are a non-GAAP ratio calculated as the sum of petroleum and natural gas revenues less royalties, transportation expenses and operating expenses. See "Operating netback and corporate netback ("netbacks"), per Boe" above for further information.

Management feels that payout multiple is a useful indicator of NuVista's operating performance and cost management and assists management and investors in assessing NuVista's return on capital invested.

Capital management measures

NI 52-112 defines a capital management measure as a financial measure that: (i) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital; (ii) is not a component of a line item disclosed in the primary financial statements of the entity; (iii) is disclosed in the notes to the financial statements of the entity; and (iv) is not disclosed in the primary financial statements of the entity.

Please refer to Note 15 "Capital Management" in NuVista's financial statements a for additional disclosure net debt, adjusted funds flow and net debt to annualized third quarter adjusted funds flow ratio, each of which are capital management measures used by the Company in this press release.

NuVista calculates annualized third quarter adjusted funds flow ratio by dividing net debt by the annualized adjusted funds flow for the third quarter.

Supplementary financial measures

This press release may contain certain supplementary financial measures. NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is intended to be disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio.

NuVista calculates: (i) "adjusted funds flow per share" by dividing adjusted funds flow for a period by the number of weighted average common shares of NuVista for the specified period; and (ii) "net debt to adjusted funds flow" by dividing the net debt at the end of a period by the adjusted funds flow for such period.

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