

# NuVista Energy LTD. Announces Positive Second Quarter 2024 Financial and Operating Results

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CALGARY, Aug. 08, 2024 - [NuVista Energy Ltd.](#) ("NuVista" or the "Company") (TSX: NVA) is pleased to announce strong financial and operating results for the three and six months ended June 30, 2024, and to provide an update on our operational performance. The quality and composition of our asset base has enabled us to consistently deliver strong returns through the natural gas commodity cycles, benefiting from the continued strength in condensate pricing. We continue to invest in new high-return wells and infrastructure projects to support our ongoing production growth. We also renewed our Normal Course Issuer Bid ("NCIB") and continued to return capital to shareholders under that program.

## Financial Highlights

During the second quarter of 2024, NuVista:

- Generated adjusted funds flow<sup>(1)</sup> of \$140.2 million (\$0.68/share, basic<sup>(4)</sup>), which includes \$18.4 million of free adjusted funds flow<sup>(2)</sup> despite a decline in natural gas commodity prices;
- Achieved net earnings of \$111.0 million (\$0.54/share, basic);
- Maintained a strong operating netback<sup>(3)</sup> at \$21.59/Boe and corporate netback<sup>(3)</sup> at \$18.52/Boe, supported by continued condensate price strength;
- Executed a successful capital expenditures<sup>(2)</sup> program, investing \$121.5 million in well and facility activities including the drilling of 11 gross (11.0 net) wells and the completion of 8 gross (8.0 net) wells in our condensate rich Wapiti Montney asset base. During the first half of the year, we also completed several infrastructure projects including the significant expansion of our Elmworth compressor station to serve growth in the Gold Creek and Elmworth areas;
- Exited the quarter with \$49.7 million drawn on our \$450 million credit facility, maintaining a favorable net debt to annualized second quarter adjusted funds flow<sup>(1)</sup> ratio of 0.5x; and
- Announced our 2024 NCIB on June 17, 2024, allowing for the repurchase of up to 14,234,451 common shares, prior to June 19, 2025. During the quarter, we repurchased and subsequently cancelled 1.1 million common shares under our 2023 NCIB at a weighted average price of \$13.52 per share for a total cost of \$15.3 million. Since the inception of our NCIB programs in 2022, we have repurchased and subsequently cancelled 32.0 million common shares for an aggregate cost of \$381.6 million or \$11.91 per share.

## Notes:

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

"Free adjusted funds flow" and "capital expenditures" are non-GAAP financial measures that do not have (2) standardized meanings under IFRS Accounting Standards 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.

Each of "operating netback" and "corporate netback" are non-GAAP financial ratios that do not have any (3) standardized meaning under IFRS Accounting Standards 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.

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

## Operational Excellence

During the second quarter of 2024, NuVista:

- Produced 83,152 Boe/d, just above the top end of our guidance range of 80,000 - 83,000 Boe/d for the quarter. This reflects a 4% increase in production from the first quarter of 2024 and a 17% increase in production from the second quarter of 2023. Production volumes in the quarter were strong despite the temporary outages caused by completion activities as well as planned third party and owned infrastructure projects. The production composition for the second quarter was 31% condensate, 9% NGLs and 60% natural gas;
- Completed a 12-well pad in Pipestone North on budget and on time, during the first half of 2024. This pad reached the IP90 milestone early in the second quarter. Production per well has averaged 1,750 Boe/d (42% condensate) which reflects an improvement of approximately 25% on a Boe/d basis compared to our historic average in Pipestone North. Importantly, the pad contains two infill wells drilled between legacy wells on the pad. The infill wells have averaged 1,125 Boe/d (20% condensate). Both wells exhibited strong deliverability on a gas basis, producing at gas rates of approximately 85% of that of the non-infill wells. Encouragingly the infill well targeted lower in the Middle Montney produced approximately 30% condensate in the first 90 days, which is an important data point for future infill development potential on our asset base;
- Completed drilling and completion operations for two additional pads at Pipestone. Drilling and completion costs came in as planned and in line with Type-Curve on a length and tonnage normalized basis at \$863 per horizontal meter and \$658 per tonne of sand, respectively. These pads are both expected to reach their IP90 milestones in the third quarter. Activity for the remainder of the year will include the drilling of a 14-well pad in Pipestone North, which is expected to be completed in the first quarter of 2025 along with the start-up of a third-party gas plant in the Pipestone area; and
- Completed the expansion of our Elmworth facility and brought two pads in Wapiti on production that include a 6-well pad in Elmworth and a 4-well pad in Gold Creek. Rates are restricted on these pads in advance of a fourth quarter increase in firm service capacity at midstream infrastructure, but initial indications are strong. Both pads are expected to reach their IP90 milestones in the fourth quarter. The 6-well pad at Elmworth contained our first Lower Montney well in that area. Despite flowing at restricted rates, over its IP30 the well averaged over 2,000 Boe/d and almost 20% condensate, a strong initial Lower Montney result in the area. Activity for the remainder of 2024 in Wapiti will include the drilling of two additional pads and completion of one pad.

#### Balance Sheet Strength and Return of Capital to Shareholders

At the end of the second quarter, our net debt<sup>(1)</sup> was \$267.9 million, resulting in a net debt to annualized second quarter adjusted funds flow ratio of 0.5x, which supports our strong financial position. The net debt level is also well below the limits set by management, to ensure that our net debt to adjusted funds flow ratio remains comfortably below 1.0x in a stress test price environment of US\$45/Bbl WTI oil and US\$2.00/MMBtu NYMEX natural gas.

We remain focused on our disciplined value-adding growth strategy, balanced with providing significant shareholder returns. We continue to believe the best way to return capital to shareholders is through the repurchase of shares, although we will continue to consider other options in tandem with our longer term, high return growth plans. This evaluation will consider commodity prices, the economic and tax environment, and will include all options including share repurchases and dividend payments.

Presently, our Board has set a target of returning approximately 75% of free adjusted funds flow to shareholders through the repurchase of the NuVista's common shares pursuant to our NCIB programs.

#### Notes:

- (1) "Net debt" is a capital management measure. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures" in this press release.

#### Environment, Social and Governance ("ESG") Update

Recent amendments to the *Competition Act* introduced in Bill C-59, which received Royal Assent in June, have created considerable uncertainty around ESG reporting. These amendments raise uncertainty about how Canadian companies can publicly communicate their environmental and climate performance and progress. As a result, we have decided to temporarily suspend our ESG reporting until further clarity is provided by the Canadian Competition Bureau regarding the application and interpretation of these new amendments. Nevertheless, we remain fully committed to ESG performance and transparency with our stakeholders and plan to publish at least a basic ESG performance table on our website in the fall of this year.

## Executive and Board Retirement Update

After 21 years of leadership at NuVista, Keith MacPhail has elected to retire this summer from our Board of Directors. Keith's retirement will be effective as of August 8<sup>th</sup>, 2024. Keith has been a prominent leader and advocate for the oil and gas industry over his four and a half-decade career, leaving a lasting impression on everyone he's worked with and mentored over the years. As a co-founder of NuVista, Keith has played a crucial role on our board, chairing various committees, including as previous Board Chair for almost two decades. He has been instrumental in transforming NuVista into the Montney player we are today, helping shape our strategy and positioning us for continued growth.

After 16 years with NuVista and 34 years in the industry, Kevin Asman has elected to retire as our Vice President of Marketing, effective December 31<sup>st</sup>, 2024. Kevin joined NuVista in 2008 to build the marketing team and to transform the Company's commodity sales business. Throughout his time with NuVista, Kevin has skillfully led our strategic marketing efforts through various commodity cycles, moving NuVista to a place of long term strength and a diversified commodity sales footprint. The backfill for Kevin's position will be the subject of a future announcement.

The NuVista Board of Directors and management team are deeply grateful for the long and impactful service of Keith and Kevin, and we wish them and their families every success and happiness in retirement.

## 2024 Guidance Update

We are extremely well-positioned with top-tier assets and highly favorable economics. Our disciplined execution has enabled us to achieve growth in production and adjusted funds flow, while also generating positive free adjusted funds flow, which has allowed us to continue to return capital to our shareholders through the repurchase of shares. Our high condensate weighting, for which pricing has remained strong, continues to drive superior economics despite the weakness in natural gas prices through the first half of 2024. We continue to execute according to our plans, with well and facility outperformance in several areas. As such, we are making no changes to our 2024 capital expenditure guidance target of approximately \$500 million, allowing us to maintain the efficiencies of a steady 2-drill-rig execution.

Weekly production has recently reached a new record of 88,000 Boe/d with strong new well performance and we continue to expect monthly volumes to reach over 90,000 Boe/d at some point in the second half of 2024. Due to the unusually long stretch of hot weather in Alberta, we have incurred cooling restrictions in July at Company and third-party facilities. These have had an impact of approximately 2,400 Boe/d on third quarter average production volumes thus far. With low natural gas prices, we have limited any costly efforts to maximize production through this hot period. We therefore provide production guidance for the third quarter of 83,000 - 86,000 Boe/d, with the lower end of that range allowing contingency in case of hot weather through August. Longer term, ongoing third-party facility expansions will provide the cushion needed for most hot weather events. Commensurate with the above, full year 2024 average production guidance is tightened to 83,500 - 86,000 Boe/d from 83,000 - 87,000 Boe/d.

We intend to continue our track record of carefully directing free adjusted funds flow towards a prudent balance of capital return to shareholders and debt reduction, while investing in high return growth projects. NuVista's top quality asset base, deep inventory, and management's relentless focus on value maximization supports our medium-term plans for value-adding growth to the plateau level of 125,000 Boe/d. We will continue to closely monitor and adjust to the 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 will be available at [www.nuvistaenergy.com](http://www.nuvistaenergy.com) on August 8, 2024. NuVista's management's discussion and analysis, condensed consolidated interim financial statements for the three and six months ended June 30, 2024 and notes thereto, will be filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) on August 8, 2024 and can also be obtained at [www.nuvistaenergy.com](http://www.nuvistaenergy.com).

## FINANCIAL AND OPERATING HIGHLIGHTS

(\$ thousands, except otherwise stated)	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% C
<b>FINANCIAL</b>						
Petroleum and natural gas revenues	323,350	282,064	15	632,374	672,227	(6
Cash provided by operating activities	166,280	134,166	24	314,173	349,387	(10
Adjusted funds flow <sup>(3)</sup>	140,246	145,482	(4	) 275,659	352,946	(22
Per share, basic <sup>(6)</sup>	0.68	0.67	1	1.33	1.61	(17
Per share, diluted <sup>(6)</sup>	0.67	0.65	3	1.31	1.56	(16
Net earnings	110,974	87,133	27	146,743	167,842	(13
Per share, basic	0.54	0.40	35	0.71	0.77	(8
Per share, diluted	0.53	0.39	36	0.70	0.74	(5
Total assets				3,302,604	2,910,388	13
Net capital expenditures <sup>(1)</sup>	121,497	125,130	(3	) 309,353	295,000	5
Net debt <sup>(3)</sup>				267,949	197,894	35
<b>OPERATING</b>						
<b>Daily Production</b>						
Natural gas (MMcf/d)	299.8	256.6	17	296.3	254.9	16
Condensate (Bbls/d)	25,761	21,990	17	24,991	22,435	11
NGLs (Bbls/d)	7,424	6,277	18	7,223	6,195	17
Total (Boe/d)	83,152	71,029	17	81,597	71,119	15
Condensate & NGLs weighting	40	% 40	%	39	% 40	%
Condensate weighting	31	% 31	%	31	% 32	%
<b>Average realized selling prices <sup>(5)</sup></b>						
Natural gas (\$/Mcf)	2.25	3.29	(32	) 2.66	5.14	(48
Condensate (\$/Bbl)	103.89	94.92	9	99.63	98.16	1
NGLs (\$/Bbl) <sup>(4)</sup>	27.44	26.51	4	27.34	32.78	(17
<b>Netbacks (\$/Boe)</b>						
Petroleum and natural gas revenues	42.73	43.64	(2	) 42.58	52.23	(18
Realized gain (loss) on financial derivatives	0.26	1.15	(77	) 0.05	(0.13	) (13
Other income	0.02	-	-	0.04	-	-
Royalties	(5.01	) (3.29	) 52	(4.75	) (5.65	) (16
Transportation expense	(4.94	) (5.52	) (11	) (4.71	) (4.83	) (2
Net operating expense <sup>(2)</sup>	(11.47	) (11.91	) (4	) (11.49	) (11.81	) (3
Operating netback <sup>(2)</sup>	21.59	24.07	(10	) 21.72	29.81	(27
Corporate netback <sup>(2)</sup>	18.52	22.51	(18	) 18.56	27.42	(32
<b>SHARE TRADING STATISTICS</b>						
High (\$/share)	14.38	12.02	20	14.38	12.67	13
Low (\$/share)	11.73	9.93	18	9.59	9.93	(3
Close (\$/share)	14.22	10.62	34	14.22	10.62	34
Common shares outstanding (thousands of shares)				206,073	216,215	(5

Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards 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".

Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards 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 measure".

<sup>(3)</sup> Capital management measure. Reference should be made to the section entitled "Non-GAAP and other financial measure".

<sup>(4)</sup> Natural gas liquids ("NGLs") include butane, propane and ethane revenue and sales volumes, and sulphur revenue.

<sup>(5)</sup> Product prices exclude realized gains/losses on financial derivatives.

<sup>(6)</sup> Supplementary financial measure. Reference should be made to the section entitled "Non-GAAP and other financial measure".

*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.*

*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 and are not indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for NuVista.*

*This press release contains certain oil and gas metrics, 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 and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate NuVista's performance; however, such measures are not reliable indicators of NuVista's future performance and future performance may not compare to NuVista's performance in previous periods and therefore such metrics should not be unduly relied upon. Management uses these oil and gas metrics for its own performance measurements and to provide security holders with measures to compare the NuVista's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this presentation, should not be relied upon for investment or other purposes.*

*NuVista has presented certain well economics based on type curves for the Pipestone development block. The type curves are based on historical production in respect of NuVista's Pipestone assets as well as drilling results from analogous development located in close proximity to such area. Such type curves and well economics are useful in understanding management's assumptions of well performance in making investment decisions in relation to development drilling in the Montney area and for determining the success of the performance of development wells; however, such type curves and well economics are not necessarily determinative of the production rates and performance of existing and future wells and such type curves do not reflect the type curves used by our independent qualified reserves evaluator in estimating our reserves volumes.*

*Basis of presentation*

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

*Natural gas liquids are defined by National Instrument 51-101 - "Standards of Disclosure for Oil and Gas Activities" to include ethane, butane, propane, pentanes plus and condensate. Unless explicitly stated in this press release, references to "NGL" refers only to ethane, butane and propane and references to "condensate" refers to only to condensate and pentanes plus. NuVista has disclosed condensate and pentanes plus values separately from ethane, butane and propane values 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 news release are as follows:*

<i>Reference</i>	<i>Total Boe/d</i>	<i>Natural Gas</i>	<i>Condensate</i>	<i>NGLs</i>
		<i>%</i>	<i>%</i>	<i>%</i>
<i>Q2 2024 production - actual</i>	<i>83,152</i>	<i>60 %</i>	<i>31 %</i>	<i>9 %</i>
<i>Q2 2024 production guidance</i>	<i>80,000 - 83,000</i>	<i>61 %</i>	<i>30 %</i>	<i>9 %</i>
<i>Q3 2024 production guidance</i>	<i>83,000 - 86,000</i>	<i>61 %</i>	<i>30 %</i>	<i>9 %</i>
<i>2024 annual production guidance (original)</i>	<i>83,000 - 87,000</i>	<i>61 %</i>	<i>30 %</i>	<i>9 %</i>
<i>2024 annual production guidance (revised)</i>	<i>83,500 - 86,000</i>	<i>61 %</i>	<i>30 %</i>	<i>9 %</i>

*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 but not limited to:*

- *our expectations with respect to our 2024 full year outlook, well economics, free adjusted funds flow and capital expenditures;*
- *our 2024 full year production and capital expenditures guidance ranges;*
- *NuVista's ability to continue directing free adjusted funds flow towards a prudent balance of return of capital to shareholders and debt reduction, while investing in high return growth projects;*
- *the anticipated allocation of free adjusted funds flow;*
- *that 75% of NuVista's free adjusted funds flow will be put towards the repurchase of the Company's common shares pursuant to the NCIB, while the balance will be allocated to debt reduction, land acquisitions, infrastructure repurchases and selective mergers and acquisitions;*
- *that production will exceed 90,000 Boe/d consistently in the second half of 2024;*
- *our assumption that current production levels have tested the design and capacity of our infrastructure in our Wapiti and Pipestone areas;*
- *the expected start-up of a third-party gas plant in the Pipestone area and the anticipated benefits thereof;*
- *the expectations that recent infill well results at Pipestone will serve as an important data point for future development plans;*
- *the anticipated timing that production will be brought online for our recently drilled pads in Pipestone and the expected timing of drilling and completion activities for our planned 14-well pad;*
- *the anticipated production from our 6-well pad at Elmworth and 4-well pad at Gold Creek and timing thereof;*
- *that our soft ceiling net debt will allow our current production levels to be sustainable and maintain an adjusted funds flow ratio below 1.0x in a stress test price environment of US\$45/Bbl WTI oil and US\$2.00/MMBtu NYMEX natural gas;*
- *our plan to continue to maintain an efficient drilling program by employing 2-drill-rig execution;*
- *guidance with respect to our updated 2024 full year production mix;*
- *guidance with respect to third quarter 2024 production and production mix;*
- *expectations regarding future staffing announcements;*
- *future commodity prices;*
- *our future focus, strategy, plans, opportunities and operations; and*
- *other such similar statements.*

*The future acquisition of our common shares pursuant to a share buyback (including through our normal course issuer bid), if any, and the level thereof is uncertain. Any decision to acquire common shares pursuant to a share buyback will be subject to the discretion of the Board of Directors and may depend on a variety of factors, including, without limitation, the Company's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on the Company under applicable corporate law. There can be no assurance of the number of common shares that the Company will acquire pursuant to a share buyback, if any, 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 Middle East and European tensions, 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 2024 drilling plans as expected; our ability to carry out our 2024 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 financial outlook and future oriented financial information (together, "FOFI") relating to NuVista including, without limitation, capital expenditures in 2024, which is based on, among other things, the various assumptions disclosed in this press release including under "Advisory regarding forward-looking information and statements" and including assumptions regarding benchmark pricing as it relates to free adjusted funds flow and the 2024 capital allocation framework. 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 provides 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.*

#### *(1) 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 Accounting Standards 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 GAAP measures as indicators of NuVista's performance. Set forth below are descriptions of the non-GAAP financial measures used in this press release.*

#### *• Free adjusted funds flow*

*Free adjusted funds flow is adjusted funds flow less net capital expenditures, power generation expenditures, and asset retirement expenditures. Each of the components of free adjusted funds flow are non-GAAP financial measures. Management uses free adjusted funds flow as a measure of the efficiency and liquidity of its business, measuring its funds available for additional capital allocation to manage debt*

levels and return capital to shareholders through its NCIB program and/or dividend payments. By removing the impact of current period net capital and asset retirement expenditures, management believes this measure provides an indication of the funds NuVista has available for future capital allocation decisions.

The following table sets out our free adjusted funds flow compared to the most directly comparable GAAP measure of cash provided by operating activities less cash used in investing activities for the applicable periods:

(\$ thousands)	Three months ended June 30	
	2024	2023
Cash provided by operating activities	166,280	134,166
Cash used in investing activities	(138,110 )	(134,454 )
Excess (deficit) cash provided by operating activities over cash used in investing activities	28,170	(288 )
Adjusted funds flow	140,246	145,482
Net capital expenditures	(121,497 )	(125,130 )
Power generation expenditures	-	-
Asset retirement expenditures	(392 )	479
Free adjusted funds flow	18,357	20,831

**&bull; Capital expenditures**

Capital expenditures are equal to cash used in investing activities, excluding changes in non-cash working capital, other asset expenditures, power generation expenditures, proceeds on property dispositions and costs of acquisitions. NuVista considers capital expenditures to represent its organic capital program and 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 applicable periods:

(\$ thousands)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Cash used in investing activities	(138,110 )	(134,454 )	(304,137 )	(278,227 )
Changes in non-cash working capital	16,613	9,324	(6,896 )	(26,273 )
Other asset expenditures	-	-	-	9,500
Power generation expenditures	-	-	1,680	-
Proceeds on property disposition	-	-	-	(26,000 )
Capital expenditures	(121,497 )	(125,130 )	(309,353 )	(321,000 )

**&bull; Net capital expenditures**

Net capital expenditures are equal to cash used in investing activities, excluding changes in non-cash working capital, other asset expenditures, and power generation expenditures. The Company includes funds used for property acquisitions or proceeds from property dispositions within net capital expenditures as these transactions are part of its development plans. NuVista considers net capital expenditures to represent its organic capital program inclusive of capital spending for acquisition and disposition proposes and a useful measure of cash flow used for capital reinvestment.

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

(\$ thousands)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Cash used in investing activities	(138,110 )	(134,454 )	(304,137 )	(278,227 )

Changes in non-cash working capital	16,613	9,324	(6,896	) (26,273	)
Other asset expenditures	-	-	-	9,500	
Power generation expenditures	-	-	1,680	-	
Net capital expenditures	(121,497	) (125,130	) (309,353	) (295,000	)

**&bull;** *Net operating expense*

*NuVista considers that any incremental gross costs incurred to process third party volumes at its facilities are offset by the applicable fees charged to such third parties. However, under IFRS Accounting Standards, NuVista is required to reflect operating costs and processing fee income separately on its statements of earnings. Management believes that net operating expense, calculated as gross operating expense less processing income and other recoveries, is a meaningful measure for investors to understand the net impact of the NuVista's operating activities.*

*The following table sets out net operating expense compared to the most directly comparable GAAP measure of operating expenses for the applicable periods:*

	Three months ended June 30		Six months ended June 30	
(\$ thousands)	2024	2023	2024	2023
Operating expense	89,009	76,979	175,808	152,020
Other income <sup>(1)</sup>	(2,234	) -	(5,203	) -
Net operating expense	86,775	76,979	170,605	152,020

(1) Excludes income generated through the third-party sale of electricity generated at NuVista's Cogeneration unit at the Wembley Gas Plant, which totaled \$0.2 million and \$0.5 million in the three and six months ended June 30, 2024 (For the three and six months ended June 30, 2023 - nil).

**(2) 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 Accounting Standards 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 GAAP measures as indicators of NuVista's performance.*

*Per Boe disclosures for petroleum and natural gas revenues, realized gains/losses on financial derivatives, royalties, transportation expense, G&A expense, financing costs, and DD&A expense are non-GAAP ratios that are calculated by dividing each of these respective GAAP measures by NuVista's total production volumes for the period.*

*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 52-112).*

**&bull;** *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 expense and net operating expense. Corporate netback is operating netback less general and administrative expense, cash share-based compensation expense, financing costs excluding accretion expense, and current income tax expense (recovery).*

Management believes 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.

**&bull;** Net operating expense, per Boe

NuVista has calculated net operating expense per Boe by dividing net operating expense by NuVista's production volumes for the period.

Management believes that net operating expense, calculated as gross operating expense less processing income and other recoveries, which are included in other income on the statement of income and comprehensive income, is a meaningful measure for investors to understand the net impact of the Company's operating activities. The measurement on a Boe basis assists management and investors with evaluating NuVista's operating performance on a comparable basis.

### (3) 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.

NuVista has defined net debt, adjusted funds flow, and net debt to annualized second quarter adjusted funds flow ratio as capital management measures used by the Company in this press release.

**&bull;** Adjusted funds flow

NuVista considers adjusted funds flow to be a key measure that provides a more complete understanding of the Company's ability to generate cash flow necessary to finance capital expenditures, expenditures on asset retirement obligations, and meet its financial obligations. NuVista has calculated adjusted funds flow based on cash flow provided by operating activities, excluding changes in non-cash working capital and asset retirement expenditures, as management believes the timing of collection, payment, and occurrence is variable and by excluding them from the calculation, management is able to provide a more meaningful performance measure of NuVista's operations on a continuing basis. More specifically, expenditures on asset retirement obligations may vary from period to period depending on the Company's capital programs and the maturity of its operating areas, while environmental remediation recovery relates to an incident that management doesn't expect to occur on a regular basis. The settlement of asset retirement obligations is managed through NuVista's capital budgeting process which considers its available adjusted funds flow.

A reconciliation of adjusted funds flow is presented in the following table:

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Cash provided by operating activities	\$ 166,280	\$ 134,166	\$ 314,173	\$ 349,387
Asset retirement expenditures	392	(479)	) 6,842	9,214
Change in non-cash working capital	(26,426)	) 11,795	(45,356)	) (5,655)
Adjusted funds flow	\$ 140,246	\$ 145,482	\$ 275,659	\$ 352,946

**&bull;** Net debt and Net debt to annualized current quarter adjusted funds flow

Net debt is used by management to provide a more complete understanding of NuVista's capital structure

and provides a key measure to assess the Company's liquidity. NuVista has calculated net debt based on accounts receivable and prepaid expenses, other receivable, accounts payable and accrued liabilities, long-term debt (credit facility) and senior unsecured notes and other liabilities. NuVista calculated annualized first quarter adjusted funds flow ratio by dividing net debt by the annualized adjusted funds flow for the first quarter.

The following is a summary of total market capitalization, net debt, annualized current quarter adjusted funds flow, and net debt to annualized current quarter adjusted funds flow:

	June 30, 2024	December 31, 2023
Basic common shares outstanding (thousands of shares)	206,073	207,584
Share price	\$ 14.22	\$ 11.04
Total market capitalization	\$ 2,930,358	\$ 2,291,727
Accounts receivable and prepaid expenses	(162,836 )	(163,987 )
Inventory	(8,683 )	(20,705 )
Accounts payable and accrued liabilities	192,204	157,711
Current portion of other liabilities	18,107	14,082
Long-term debt (credit facility)	49,726	16,897
Senior unsecured notes	162,752	162,195
Other liabilities	16,679	17,358
Net debt	\$ 267,949	\$ 183,551
Annualized current quarter adjusted funds flow	\$ 560,984	\$ 807,948
Net debt to annualized current quarter adjusted funds flow	0.5	0.2

#### (4) 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 "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.

#### FOR FURTHER INFORMATION CONTACT:

Jonathan A. Wright	Mike J. Lawford	Ivan J. Condic
CEO	President and COO	VP, Finance and CFO
(403) 538-8501	(403) 538-1936	(403) 538-1945

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