

Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 149.1m

27 September 2023

UPDATE



Bond with a volume of EUR 100m successfully placed

What's it all about?

Deutsche Rohstoff successfully placed a new corporate bond worth EUR 100m, primarily to refinance an older bond. The company's strong balance sheet and high profitability contributed to the oversubscription of the bond. The proceeds not used for refinancing can be used for the development of the oil and gas business. Deutsche Rohstoff's positive outlook and hedging strategies support a BUY recommendation, with a target price of EUR 47.10. The deep discount to peers seems difficult to justify.

BUY (BUY)

Target price	EUR 47.10 (47.10)
Current price	EUR 29.80
Up/downside	58.1%

 **ResearchHub** 



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Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 149.1m | EV EUR 205.8m

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Bond with a volume of EUR 100m successfully placed

Announcement of successful bond placement. Deutsche Rohstoff announced the successful placement of a new corporate bond with a volume of EUR 100m, a maturity of 5 years (2023/2028) and a coupon of 7.5%. The issue was significantly oversubscribed due to strong demand. This reflects Deutsche Rohstoff's strong balance sheet with a net leverage of less than 1, high profitability with an EBITDA margin (eAR 2023E) of almost 78% and proved oil reserves of EUR 1.8bn with an expected cash flow of EUR 664m.

Use of proceeds mostly to refinance 2019/2024 bond. The proceeds of the new bond will primarily be used to refinance the outstanding 2019/2024 bond ("old bond") with a coupon of 5.25% and a volume of EUR 100m. Holders of more than 50% of the old bond have accepted the offer to exchange their EUR 1,000 nominal amount of the old bond for the same amount of the new bond plus a cash payment of EUR 10. Deutsche Rohstoff intends to exercise its call option and redeem a further 50% of the outstanding principal amount on December 6, 2023 at 101% plus accrued interest. After the redemption, the outstanding volume of the old bond will be approximately EUR 20.5 million, which is due for redemption in December 2024. The proceeds of the new bond issue that will not be used for immediate refinancing (approximately EUR 20 million) can be used for the further development of the oil and gas business, which promises a high return on investment at current oil prices.

Confirm BUY recommendation. Since the end of Q2, WTI spot and futures prices have risen significantly. Furthermore, Deutsche Rohstoff has hedged more than 50% of its oil production for H2 and more than 40% for FY24 at a price floor of around USD 75 per BBL, so visibility is good. Based on this, the company recently confirmed its FY23 guidance at the upper end of its base case. The share price has significant catch-up potential, both relative to our DCF fair value and to peers (almost 50% discount on EV/EBITDA). We reiterate to BUY with a PT of EUR 47.10.



Source: Company data, AlsterResearch

High/low 52 weeks 31.30 / 20.10
Price/Book Ratio 1.2x

Ticker / Symbols
ISIN DE000A0XYG76
WKN A0XYG7
Bloomberg DR0:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	163.1	76.4	10.68
	Δ	0.0%	0.0%	0.0%
2024E	old	175.9	87.9	12.62
	Δ	0.0%	0.0%	-2.0%
2025E	old	151.1	76.5	10.72
	Δ	0.0%	0.0%	-2.3%

Key share data

Number of shares: (in m pcs) 5.00
Book value per share: (in EUR) 25.78
Ø trading volume: (12 months) 5,400

Major shareholders

Management and Sup. Board 10.0%
Free Float 90.0%

Company description

Deutsche Rohstoff identifies, develops and sells attractive natural resource assets in North America, Australia and Europe. The focus is on the development of oil and gas reserves in the USA. Metals such as tungsten, lithium and gold complete the portfolio.

Deutsche Rohstoff AG	2020	2021	2022	2023E	2024E	2025E
Sales	38.7	73.3	165.4	163.1	175.9	151.1
<i>Growth yoy</i>	-6.1%	89.5%	125.6%	-1.4%	7.8%	-14.1%
EBITDA	23.9	66.1	139.1	127.0	139.2	120.0
EBIT	-16.1	32.6	91.4	76.4	87.9	76.5
Net profit	-15.5	24.8	60.8	53.5	61.9	52.4
Net debt (net cash)	105.6	93.9	55.7	106.9	106.2	107.7
Net debt/EBITDA	4.4x	1.4x	0.4x	0.8x	0.8x	0.9x
EPS reported	-3.13	5.01	12.15	10.68	12.37	10.47
DPS	0.00	0.60	1.30	1.32	1.31	1.34
<i>Dividend yield</i>	0.0%	2.0%	4.4%	4.4%	4.4%	4.5%
Gross profit margin	70.0%	75.3%	81.6%	85.8%	87.6%	88.4%
EBITDA margin	61.9%	90.1%	84.1%	77.8%	79.1%	79.4%
EBIT margin	-41.7%	44.4%	55.3%	46.9%	49.9%	50.6%
ROCE	-8.2%	13.9%	33.3%	22.0%	21.9%	17.3%
EV/Sales	6.6x	3.3x	1.2x	1.6x	1.5x	1.7x
EV/EBITDA	10.6x	3.7x	1.5x	2.0x	1.8x	2.1x
EV/EBIT	-15.8x	7.5x	2.3x	3.4x	2.9x	3.4x
PER	-9.5x	6.0x	2.5x	2.8x	2.4x	2.8x

Source: Company data, AlsterResearch

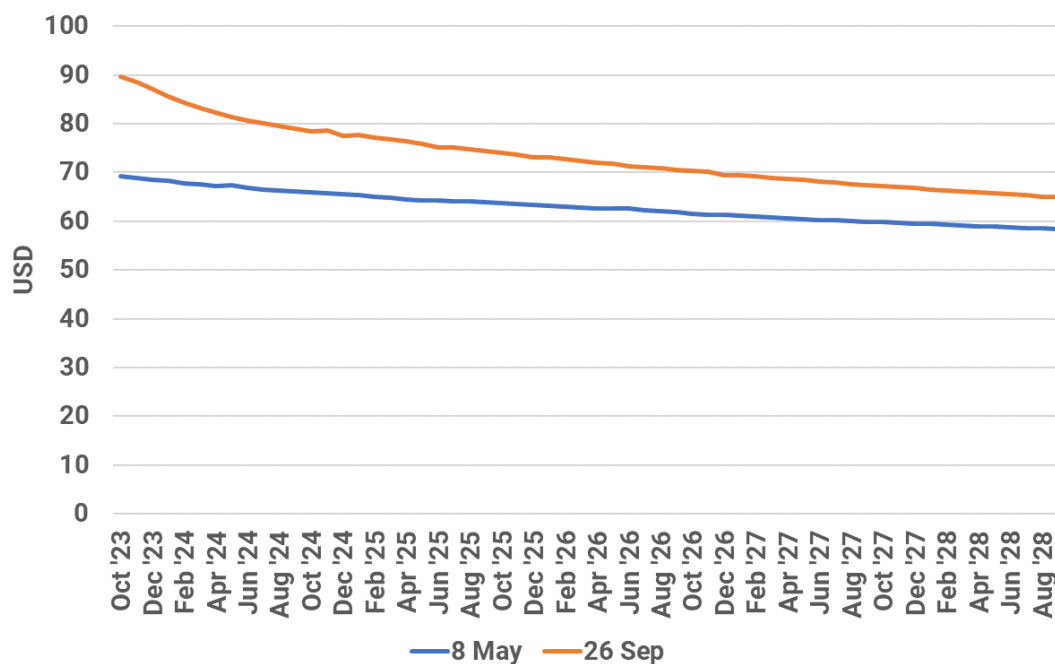
The following table displays the quarterly performance of **Deutsche Rohstoff AG**:

P&L data	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Sales	14.4	20.1	28.1	44.2	46.0	47.2	42.7	32.5
yoy growth in %	131.4%	217.0%	56.7%	111.4%	219.7%	134.7%	52.0%	-26.4%
Gross profit	10.0	14.7	23.4	36.7	38.2	36.7	34.3	26.2
Gross margin in %	69.7%	73.0%	83.3%	83.2%	83.1%	77.7%	80.4%	80.7%
EBITDA	12.2	14.0	25.2	38.8	38.3	36.8	32.3	23.7
EBITDA margin in %	84.8%	69.5%	89.8%	87.8%	83.4%	77.8%	75.7%	73.0%
EBIT	5.1	5.0	17.0	26.0	26.3	22.1	20.6	12.0
EBIT margin in %	35.3%	24.7%	60.6%	58.9%	57.2%	46.9%	48.3%	36.8%
EBT	4.0	3.3	15.1	25.0	24.9	20.9	19.2	10.8
taxes paid	0.1	-1.7	2.8	4.8	4.8	7.3	4.6	3.2
tax rate in %	2.0%	-52.1%	18.3%	19.3%	19.3%	35.1%	23.8%	29.6%
net profit	3.8	4.4	11.9	17.8	17.9	13.2	14.3	7.6
yoy growth in %	na%	na%	7.8%	222.7%	367.0%	197.8%	20.4%	-57.1%
EPS	0.77	0.89	2.36	3.56	3.58	2.64	2.86	1.52

Source: Company data; AlsterResearch

WTI Futures Prices

(26 September vs. 8 May 23, source: barchart.com)



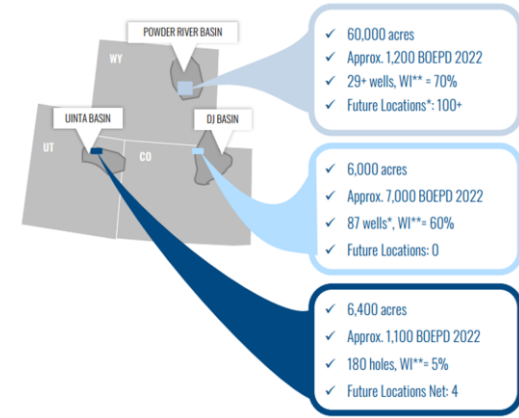
Source: AlsterResearch, barchart.com

Investment case in six charts

Development Phases of DRAG



Oil and gas production in the USA



Reserves Highlights

+3%

PDP reserve replacement despite high 2022 production

+22%

Proved reserves increase due to investments & in field development

Proved developed reserves (NYMEX 30. Dec 22)

Cash Flow: USD 351.4m **Discounted Cash Flow:** USD 246.5m

Proved reserves

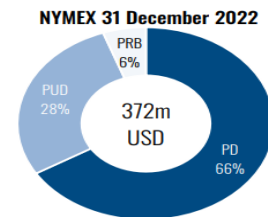
Cash Flow: USD 650.5m **Discounted Cash Flow:** USD 351.8m

Total reserves

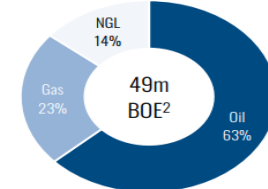
Cash Flow: USD 799.8m **Discounted Cash Flow:** USD 372.0m

Reserve values by Category

Reserve values by Category¹



Reserves by Commodity

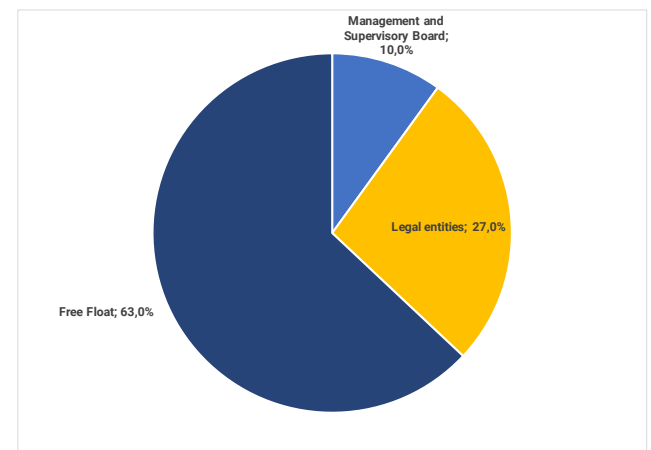


Rising demand, unlikely to peak before 2030

Oil demand to reach 107.5 mbd by 2030



Major shareholder



Source: Deutsche Rohstoff, AlsterResearch

SWOT analysis

Strengths

- Experienced and successful management
- Massive oil reserves and cash flows in Wyoming
- Strong technical expertise
- Strategic partnerships

Weaknesses

- Volatile commodity prices
- Limited financial resources and visibility in capital markets

Opportunities

- High population growth and low demand per capita for oil in developing countries
- Russian sanctions lead to more US oil and gas exports
- Pent-up demand after end of lock down in China
- Benefit from tungsten demand through investment of nearly EUR 30m in tungsten producer Almonty Industries
- Early-stage activities in battery minerals like lithium

Threats

- Volatile oil and gas prices - no new wells would be drilled if the price of WTI crude remained below USD 50/BBL for a prolonged period.
- Oil exploration and production, transport accidents
- Cost inflation (materials, personnel, financing), which could lead to delay of production growth targets
- Volatile EUR/USD exchange rate
- Risks in junior mining investments where metals can't be economically extracted

Valuation

DCF Model

The DCF model results in a **fair value of EUR 47.65 per share**:

Top-line growth: We expect Deutsche Rohstoff AG to grow revenues at a CAGR of 0.1% between 2023E and 2030E. The long-term growth rate is set at -10.0%.

ROCE. Returns on capital are developing from 22.0% in 2023E to 12.7% in 2030E.

WACC. Starting point is a historical equity beta of 0.70. Unlevering and correcting for mean reversion yields an asset beta of 1.09. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 12.1%. With pre-tax cost of borrowing at 7.5%, a tax rate of 23.0% and target debt/equity of 0.7 this results in a long-term WACC of 9.5%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	62.9	72.3	62.9	65.6	68.1	70.5	72.9	71.8	
Depreciation & amortization	50.5	51.3	43.5	43.8	44.5	45.3	46.3	45.2	
Change in working capital	-1.0	-7.6	-6.8	-6.9	-0.5	-0.4	-0.4	0.2	
Chg. in long-term provisions	-0.5	2.5	-4.9	0.7	0.8	0.9	0.9	-0.6	
Capex	-143.3	-96.1	-75.2	-75.3	-75.4	-75.5	-75.7	-65.5	
Cash flow	-31.2	22.5	19.5	28.0	37.4	40.7	43.9	51.1	235.9
Present value	-30.5	20.1	15.8	20.7	25.2	25.0	24.5	26.0	122.3
WACC	9.6%	9.6%	9.7%	9.7%	9.7%	9.7%	9.7%	9.8%	9.5%

DCF per share derived from	
Total present value	249.1
Mid-year adj. total present value	260.9
Net debt / cash at start of year	55.7
Financial assets	34.2
Provisions and off b/s debt	1.0
Equity value	238.4
No. of shares outstanding	5.0
Discounted cash flow / share upside/(downside)	47.65 / 59.9%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	0.1%
Terminal value growth (2030E - infinity)	-10.0%
Terminal year ROCE	12.7%
Terminal year WACC	9.5%

Terminal WACC derived from	
Cost of borrowing (before taxes)	7.5%
Long-term tax rate	23.0%
Equity beta	0.70
Unlevered beta (industry or company)	1.09
Target debt / equity	0.7
Relevered beta	1.68
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	12.1%

Share price	29.80
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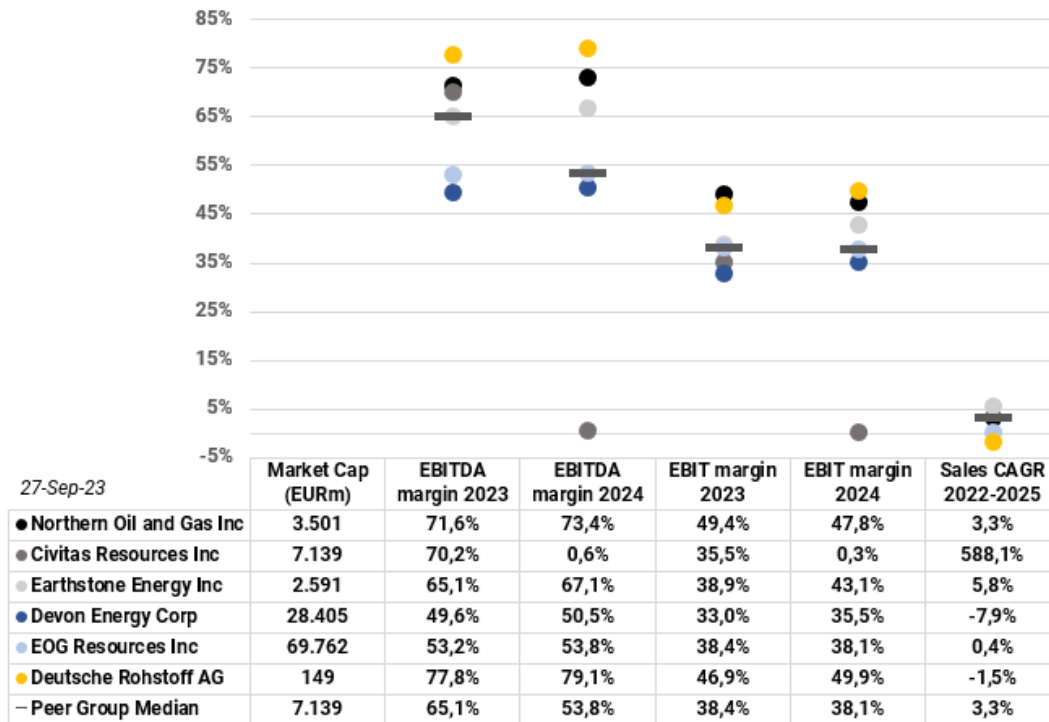
Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		-11.0%	-10.5%	-10.0%	-9.5%	-9.0%		
2.0%		39.1	39.7	40.3	40.9	41.5	2023E-2026E	10.5%
1.0%		42.5	43.1	43.8	44.5	45.2	2027E-2030E	40.4%
0.0%		46.1	46.9	47.6	48.5	49.3	terminal value	49.1%
-1.0%		50.2	51.1	52.0	53.0	54.0		
-2.0%		54.8	55.9	56.9	58.1	59.3		

Source: AlsterResearch

Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company’s relative value – how much it should be worth based on how it compares to other similar companies. Given that **Deutsche Rohstoff AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Deutsche Rohstoff AG consists of the stocks displayed in the chart below. As of 27 September 2023 the median market cap of the peer group was EUR 7,138.8m, compared to EUR 149.1m for Deutsche Rohstoff AG. In the period under review, the peer group was less profitable than Deutsche Rohstoff AG. The expectations for sales growth are higher for the peer group than for Deutsche Rohstoff AG.

Peer Group – Key data

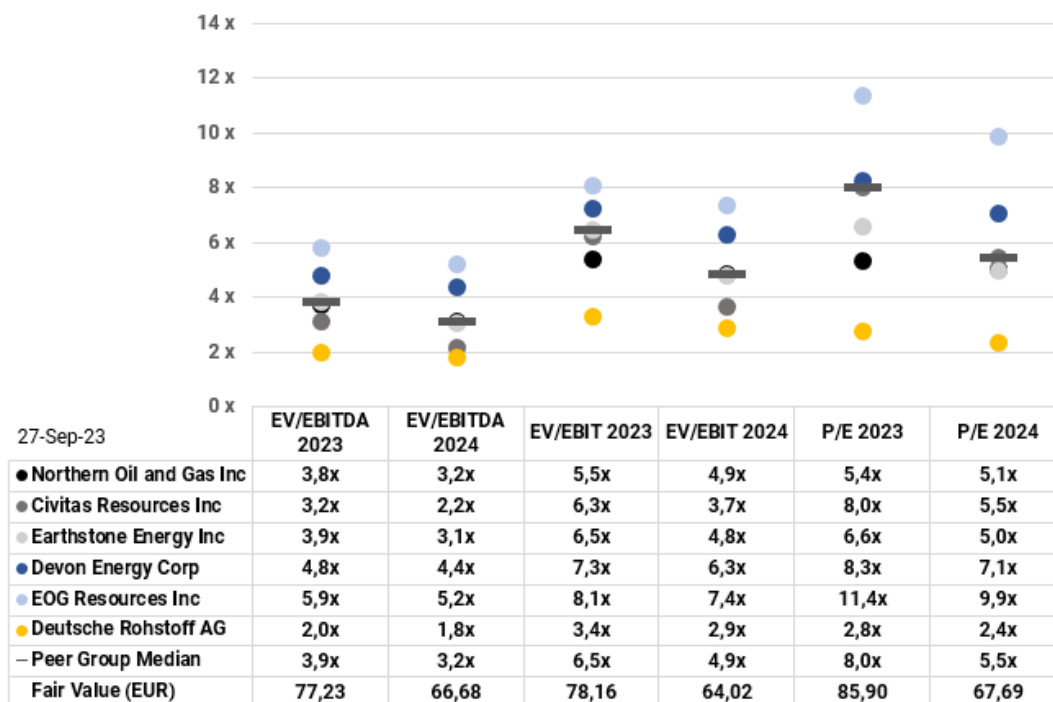


Source: Sentieo, AlsterResearch

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2023, EV/EBITDA 2024, EV/EBIT 2023, EV/EBIT 2024, P/E 2023 and P/E 2024.

Applying these to Deutsche Rohstoff AG results in a range of fair values from EUR 64.02 to EUR 85.90.

Peer Group – Multiples and valuation

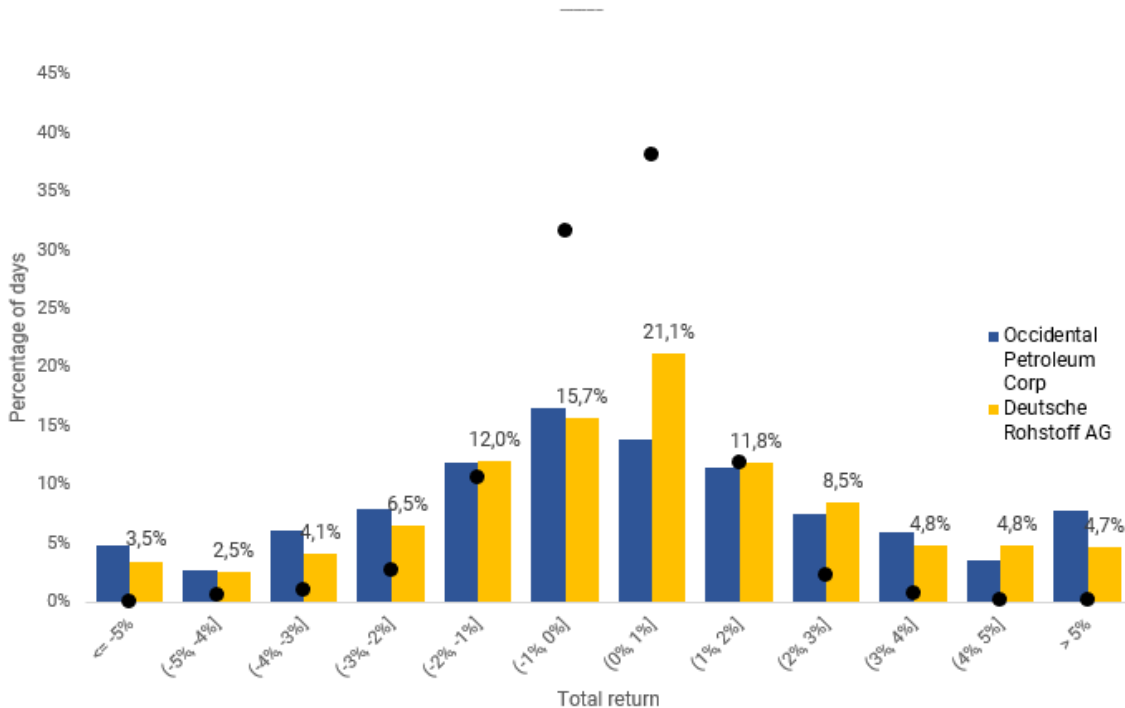


Source: Sentio, AlsterResearch

Risk

The chart displays the **distribution of daily returns of Deutsche Rohstoff AG** over the last 3 years, compared to the same distribution for Occidental Petroleum Corp. We have also included the distribution for the index DAX. The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Deutsche Rohstoff AG, the worst day during the past 3 years was 26/11/2021 with a share price decline of -14.1%. The best day was 09/11/2020 when the share price increased by 11.5%.

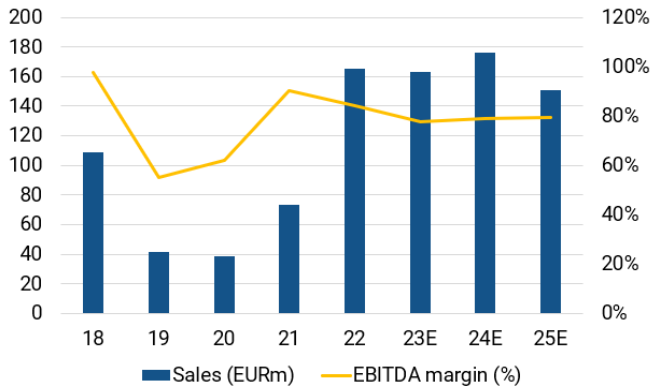
Risk – Daily Returns Distribution (trailing 3 years)



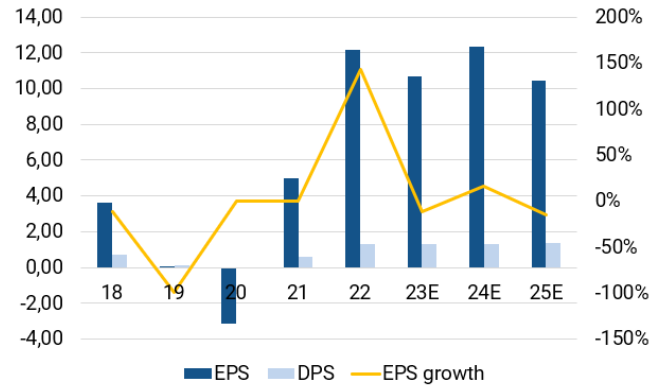
Source: Sentio, AlsterResearch

Financials in six charts

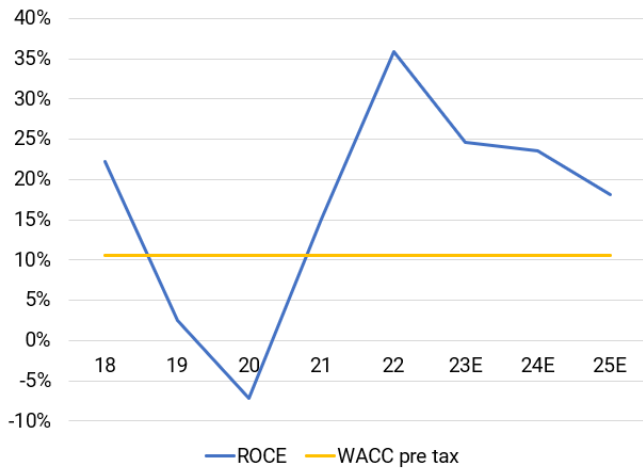
Sales vs. EBITDA margin development



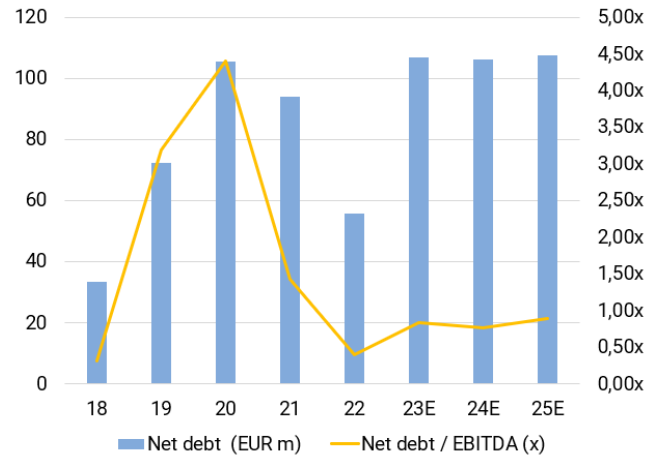
EPS, DPS in EUR & yoy EPS growth



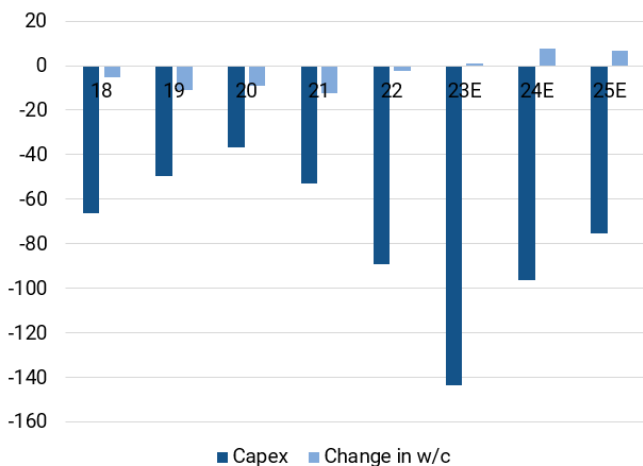
ROCE vs. WACC (pre tax)



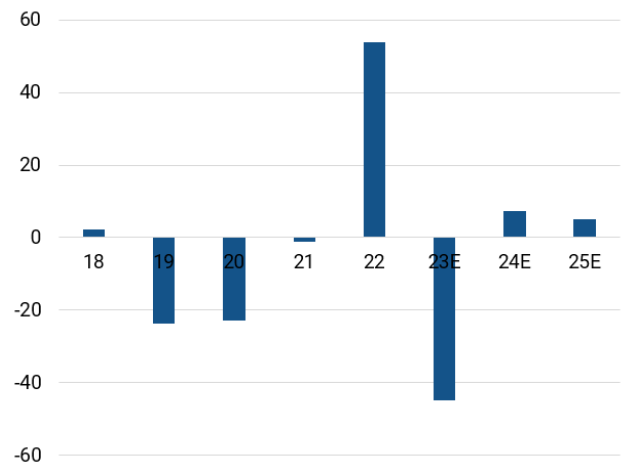
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
Net sales	38.7	73.3	165.4	163.1	175.9	151.1
Sales growth	-6.1%	89.5%	125.6%	-1.4%	7.8%	-14.1%
Change in finished goods and work-in-process	0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Total sales	38.7	73.3	165.4	163.1	175.9	151.1
Material expenses	11.6	18.1	30.4	23.0	21.7	17.5
Gross profit	27.1	55.2	135.0	140.0	154.1	133.6
Other operating income	7.7	23.0	25.9	0.0	0.0	0.0
Personnel expenses	3.6	5.1	6.5	6.5	7.9	7.6
Other operating expenses	7.2	7.0	15.3	6.5	7.0	6.0
EBITDA	23.9	66.1	139.1	127.0	139.2	120.0
Depreciation	31.5	30.3	42.2	48.9	49.5	41.5
EBITA	-7.5	35.7	96.9	78.1	89.6	78.4
Amortisation of goodwill and intangible assets	8.6	3.2	5.5	1.6	1.8	2.0
EBIT	-16.1	32.6	91.4	76.4	87.9	76.5
Financial result	-6.4	-5.5	-5.5	-12.3	-13.6	-13.6
Recurring pretax income from continuing operations	-22.5	27.1	85.9	64.2	74.3	62.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-22.5	27.1	85.9	64.2	74.3	62.9
Taxes	-6.4	0.7	19.8	14.7	17.1	14.5
Net income from continuing operations	-16.1	26.4	66.2	49.4	57.2	48.4
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-16.1	26.4	66.2	49.4	57.2	48.4
Minority interest	0.6	1.6	5.4	4.0	4.7	4.0
Net profit (reported)	-15.5	24.8	60.8	53.5	61.9	52.4
Average number of shares	4.95	4.95	5.00	5.00	5.00	5.00
EPS reported	-3.13	5.01	12.15	10.68	12.37	10.47

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	-0%	-0%	-0%	-0%	-0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	30%	25%	18%	14%	12%	12%
Gross profit	70%	75%	82%	86%	88%	88%
Other operating income	20%	31%	16%	0%	0%	0%
Personnel expenses	9%	7%	4%	4%	4%	5%
Other operating expenses	19%	10%	9%	4%	4%	4%
EBITDA	62%	90%	84%	78%	79%	79%
Depreciation	81%	41%	25%	30%	28%	27%
EBITA	-19%	49%	59%	48%	51%	52%
Amortisation of goodwill and intangible assets	22%	4%	3%	1%	1%	1%
EBIT	-42%	44%	55%	47%	50%	51%
Financial result	-17%	-8%	-3%	-8%	-8%	-9%
Recurring pretax income from continuing operations	-58%	37%	52%	39%	42%	42%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-58%	37%	52%	39%	42%	42%
Taxes	-17%	1%	12%	9%	10%	10%
Net income from continuing operations	-42%	36%	40%	30%	33%	32%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-42%	36%	40%	30%	33%	32%
Minority interest	2%	2%	3%	2%	3%	3%
Net profit (reported)	-40%	34%	37%	33%	35%	35%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (exl. Goodwill)	20.6	28.6	32.5	35.8	39.2	41.8
Goodwill	1.3	1.3	1.2	1.2	1.2	1.2
Property, plant and equipment	112.8	149.1	192.6	282.1	323.4	352.5
Financial assets	37.2	35.1	34.2	34.2	34.2	34.2
FIXED ASSETS	171.8	214.0	260.5	353.3	398.0	429.7
Inventories	0.2	0.2	0.1	0.1	0.1	0.1
Accounts receivable	3.5	16.8	28.6	26.8	28.9	24.8
Other current assets	0.0	1.1	5.0	5.0	5.0	5.0
Liquid assets	22.8	23.5	54.2	33.1	33.8	37.3
Deferred taxes	0.0	0.0	1.0	1.0	1.0	1.0
Deferred charges and prepaid expenses	8.4	9.4	0.9	0.8	0.9	0.8
CURRENT ASSETS	34.9	51.0	89.8	66.8	69.7	69.0
TOTAL ASSETS	206.7	265.0	350.3	420.0	467.7	498.7
SHAREHOLDERS EQUITY	39.4	72.7	129.0	171.9	222.4	264.3
MINORITY INTEREST	6.2	7.4	3.4	3.4	3.4	3.4
Long-term debt	114.4	97.8	109.8	120.0	110.0	115.0
Provisions for pensions and similar obligations	0.0	0.0	1.0	1.0	1.1	0.9
Other provisions	22.5	36.8	31.6	31.2	33.6	28.9
Non-current liabilities	136.9	134.6	142.5	152.2	144.7	144.8
short-term liabilities to banks	14.0	19.6	0.1	20.0	30.0	30.0
Accounts payable	2.9	20.8	11.4	9.5	8.9	7.2
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	-7.9	-8.1	28.7	27.7	22.9	13.6
Deferred taxes	15.2	18.0	35.2	35.2	35.2	35.2
Deferred income	0.0	0.0	0.2	0.2	0.2	0.2
Current liabilities	24.2	50.3	75.5	92.6	97.2	86.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	206.7	265.0	350.3	420.0	467.7	498.7

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	10%	11%	9%	9%	8%	8%
Goodwill	1%	0%	0%	0%	0%	0%
Property, plant and equipment	55%	56%	55%	67%	69%	71%
Financial assets	18%	13%	10%	8%	7%	7%
FIXED ASSETS	83%	81%	74%	84%	85%	86%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	6%	8%	6%	6%	5%
Other current assets	0%	0%	1%	1%	1%	1%
Liquid assets	11%	9%	15%	8%	7%	7%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	4%	4%	0%	0%	0%	0%
CURRENT ASSETS	17%	19%	26%	16%	15%	14%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	19%	27%	37%	41%	48%	53%
MINORITY INTEREST	3%	3%	1%	1%	1%	1%
Long-term debt	55%	37%	31%	29%	24%	23%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	11%	14%	9%	7%	7%	6%
Non-current liabilities	66%	51%	41%	36%	31%	29%
short-term liabilities to banks	7%	7%	0%	5%	6%	6%
Accounts payable	1%	8%	3%	2%	2%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	-4%	-3%	8%	7%	5%	3%
Deferred taxes	7%	7%	10%	8%	8%	7%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	12%	19%	22%	22%	21%	17%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	-16.1	26.4	66.2	49.4	57.2	48.4
Depreciation of fixed assets (incl. leases)	37.7	32.8	39.8	48.9	49.5	41.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	1.6	1.8	2.0
Others	-16.7	-19.8	34.2	-0.5	2.5	-4.9
Cash flow from operations before changes in w/c	4.9	39.4	140.2	99.5	111.0	87.0
Increase/decrease in inventory	0.0	0.0	-3.3	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	-3.3	1.8	-2.1	4.1
Increase/decrease in accounts payable	-2.2	19.4	9.2	-1.9	-0.5	-1.7
Increase/decrease in other w/c positions	11.3	-7.0	0.0	-0.9	-4.9	-9.2
Increase/decrease in working capital	9.1	12.4	2.5	-1.0	-7.6	-6.8
Cash flow from operating activities	14.0	51.8	142.7	98.5	103.5	80.2
CAPEX	-36.8	-52.8	-88.9	-143.3	-96.1	-75.2
Payments for acquisitions	0.0	0.0	-3.7	0.0	0.0	0.0
Financial investments	-12.0	21.9	14.0	0.0	0.0	0.0
Income from asset disposals	0.1	1.6	6.5	0.0	0.0	0.0
Cash flow from investing activities	-48.7	-29.3	-72.2	-143.3	-96.1	-75.2
Cash flow before financing	-34.7	22.5	70.6	-44.7	7.4	5.1
Increase/decrease in debt position	-9.3	-12.7	-8.1	30.1	0.0	5.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.9	0.0	0.0	0.0
Dividends paid	-0.5	0.0	-2.7	-6.5	-6.6	-6.6
Others	-7.2	-7.6	-23.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.6	0.6	-0.0	0.0	0.0	0.0
Cash flow from financing activities	-17.7	-19.7	-34.7	23.6	-6.6	-1.6
Increase/decrease in liquid assets	-52.4	2.8	35.8	-21.1	0.8	3.5
Liquid assets at end of period	8.2	11.6	47.4	26.3	27.0	30.5

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	38.7	73.3	165.4	163.1	175.9	151.1
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	38.7	73.3	165.4	163.1	175.9	151.1

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2020	2021	2022	2023E	2024E	2025E
Per share data						
Earnings per share reported	-3.13	5.01	12.15	10.68	12.37	10.47
Cash flow per share	2.82	10.46	28.53	9.92	10.78	7.73
Book value per share	7.96	14.68	25.78	34.35	44.45	52.82
Dividend per share	0.00	0.60	1.30	1.32	1.31	1.34
Valuation						
P/E	-9.5x	6.0x	2.5x	2.8x	2.4x	2.8x
P/CF	10.6x	2.8x	1.0x	3.0x	2.8x	3.9x
P/BV	3.7x	2.0x	1.2x	0.9x	0.7x	0.6x
Dividend yield (%)	0.0%	2.0%	4.4%	4.4%	4.4%	4.5%
FCF yield (%)	9.5%	35.1%	95.7%	33.3%	36.2%	25.9%
EV/Sales	6.6x	3.3x	1.2x	1.6x	1.5x	1.7x
EV/EBITDA	10.6x	3.7x	1.5x	2.0x	1.8x	2.1x
EV/EBIT	-15.8x	7.5x	2.3x	3.4x	2.9x	3.4x
Income statement (EURm)						
Sales	38.7	73.3	165.4	163.1	175.9	151.1
yoy chg in %	-6.1%	89.5%	125.6%	-1.4%	7.8%	-14.1%
Gross profit	27.1	55.2	135.0	140.0	154.1	133.6
Gross margin in %	70.0%	75.3%	81.6%	85.8%	87.6%	88.4%
EBITDA	23.9	66.1	139.1	127.0	139.2	120.0
EBITDA margin in %	61.9%	90.1%	84.1%	77.8%	79.1%	79.4%
EBIT	-16.1	32.6	91.4	76.4	87.9	76.5
EBIT margin in %	-41.7%	44.4%	55.3%	46.9%	49.9%	50.6%
Net profit	-15.5	24.8	60.8	53.5	61.9	52.4
Cash flow statement (EURm)						
CF from operations	14.0	51.8	142.7	98.5	103.5	80.2
Capex	-36.8	-52.8	-88.9	-143.3	-96.1	-75.2
Maintenance Capex	0.0	0.0	0.0	48.9	49.5	41.5
Free cash flow	-22.9	-1.0	53.8	-44.7	7.4	5.1
Balance sheet (EURm)						
Intangible assets	21.9	29.8	33.7	36.9	40.4	43.0
Tangible assets	112.8	149.1	192.6	282.1	323.4	352.5
Shareholders' equity	39.4	72.7	129.0	171.9	222.4	264.3
Pension provisions	0.0	0.0	1.0	1.0	1.1	0.9
Liabilities and provisions	150.9	154.2	142.5	172.2	174.7	174.8
Net financial debt	105.6	93.9	55.7	106.9	106.2	107.7
w/c requirements	0.8	-3.8	17.4	17.5	20.1	17.7
Ratios						
ROE	-40.8%	36.2%	51.3%	28.7%	25.7%	18.3%
ROCE	-8.2%	13.9%	33.3%	22.0%	21.9%	17.3%
Net gearing	267.8%	129.1%	43.2%	62.2%	47.7%	40.7%
Net debt / EBITDA	4.4x	1.4x	0.4x	0.8x	0.8x	0.9x

Source: Company data; AlsterResearch

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