

# Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 176.4m

2 November 2023

UPDATE

## Capex is bearing fruit in record Q3, guidance confirmed; BUY

### What's it all about?

Deutsche Rohstoff has reported record Q3 revenue of EUR 57.5m, a 25% increase compared to the previous year. The growth was driven by a significant expansion of production, which reached a record high and grew by 45% compared to the previous quarter and 56% compared to the previous year. Despite lower WTI oil prices and a significant drop in gas prices, profitability also reached a record level, with EBITDA of EUR 45.6m, a 19% increase compared to the previous year. The company also generated a positive free cash flow of EUR 1.7m in Q3. More transactions in the shale industry, including ExxonMobil's acquisition of Pioneer Natural Resources and Chevron's acquisition of Hess, highlight the attractiveness of shale assets. Deutsche Rohstoff has confirmed its guidance for FY23. We reiterate to BUY the stock, as it continues to trade at a significant discount compared to peers.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 52.50 (52.50)</b>
Current price	EUR 35.25
Up/downside	48.9%



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# Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 176.4m | EV EUR 233.1m

**BUY** (BUY)

**Target price** EUR 52.50 (52.50)  
**Current price** EUR 35.25  
**Up/downside** 48.9%

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## Capex is bearing fruit in record Q3, guidance confirmed; BUY

**Record Q3 revenue.** Deutsche Rohstoff has announced its Q3 results. Revenues of EUR 57.5m (+25% yoy) mark a record high for the company. The growth was driven by a significant expansion of production, which also reached a record high and grew by 45% qoq and even 56% yoy. WTI prices after hedging were about 2% lower yoy, and revenue growth would have been even higher were it not for the significant drop in gas prices of more than 40% yoy after the inflated level in 2022 for geopolitical reasons, especially the Ukraine war. The record production figures reflect the significant investments made in recent quarters, with a total investment volume of EUR 150m.

**Profitability also at record level.** Following the strong top line growth, EBITDA of EUR 45.6m (+19% yoy) was also an all-time high. The EBITDA margin of 79.4% was up 640bp sequentially, but down 400bp yoy due to the gas price decline. Costs were well managed and OPEX (USD/BOE) were roughly flat both qoq and yoy despite inflationary pressures. This also reflects the successful drilling of new wells in Wyoming, where production is very satisfactory according to Deutsche Rohstoff.

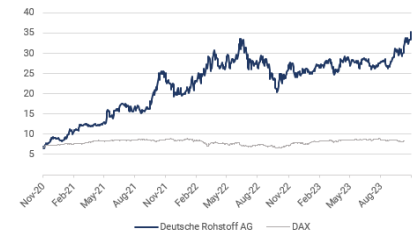
**Positive free cash flow.** In Q3 Deutsche Rohstoff generated a slightly positive free cash flow of EUR 1.7m (CFO EUR 24.9m, CFI EUR 23.3m). Following the successful placement of the EUR 100m 23/28 bond, the company has a comfortable level of cash and marketable securities (EUR 76.1m as of September 30), providing flexibility to further ramp up production in Wyoming should conditions remain favorable.

**More transactions underline attractiveness of shale.** In our mid-October update (read [here](#)), we pointed out that ExxonMobil's agreement to acquire Pioneer Natural Resources signaled the increasing attractiveness of shale assets. Since then, another mega-deal involving significant shale assets has been announced: Chevron has entered into a definitive agreement to acquire all of the outstanding shares of Hess in a transaction valued at USD 53bn. Hess has significant shale assets in the Bakken formation.

**Guidance confirmed, BUY.** Deutsche Rohstoff has confirmed its recently upgraded guidance for FY23: revenues of EUR 188m-198m and EBITDA EUR 138m-148m. We reiterate to BUY with PT of EUR 52.50. Deutsche Rohstoff continues to trade at a significant discount to peers and to recent transaction multiples.

Deutsche Rohstoff AG	2020	2021	2022	2023E	2024E	2025E
Sales	38.7	73.3	165.4	192.4	201.4	172.1
<i>Growth yoy</i>	-6.1%	89.5%	125.6%	16.3%	4.7%	-14.6%
EBITDA	23.9	66.1	139.1	144.2	155.5	133.4
EBIT	-16.1	32.6	91.4	90.2	100.5	86.6
Net profit	-15.5	24.8	60.8	65.0	72.4	60.8
Net debt (net cash)	105.6	93.9	55.7	95.3	87.1	82.0
Net debt/EBITDA	4.4x	1.4x	0.4x	0.7x	0.6x	0.6x
EPS reported	-3.13	5.01	12.15	12.98	14.48	12.16
DPS	0.00	0.60	1.30	1.61	1.53	1.56
<i>Dividend yield</i>	0.0%	1.7%	3.7%	4.6%	4.4%	4.4%
Gross profit margin	70.0%	75.3%	81.6%	82.9%	85.7%	86.5%
EBITDA margin	61.9%	90.1%	84.1%	74.9%	77.2%	77.5%
EBIT margin	-41.7%	44.4%	55.3%	46.9%	49.9%	50.3%
ROCE	-8.2%	13.9%	33.3%	24.8%	23.7%	18.3%
EV/Sales	7.3x	3.7x	1.4x	1.4x	1.3x	1.5x
EV/EBITDA	11.8x	4.1x	1.7x	1.9x	1.7x	1.9x
EV/EBIT	-17.5x	8.3x	2.5x	3.0x	2.6x	3.0x
PER	-11.3x	7.0x	2.9x	2.7x	2.4x	2.9x

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 35.35 / 23.30  
**Price/Book Ratio** 1.4x

### Ticker / Symbols

ISIN DE000A0XYG76  
WKN A0XYG7  
Bloomberg DR0:GR

### Changes in estimates

		Sales	EBIT	EPS
2023E	old	192.4	91.9	13.25
	Δ	0.0%	-1.8%	-2.0%
2024E	old	201.4	102.4	14.78
	Δ	0.0%	-1.8%	-2.1%
2025E	old	172.1	88.7	12.50
	Δ	0.0%	-2.3%	-2.7%

### Key share data

Number of shares: (in m pcs) 5.00  
Book value per share: (in EUR) 25.78  
Ø trading volume: (12 months) 7,626

### 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.

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

P&L data	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Sales	20.1	28.1	44.2	46.0	47.2	42.7	32.5	57.5
yoy growth in %	217.0%	56.7%	111.4%	219.7%	134.7%	52.0%	-26.4%	25.0%
Gross profit	14.7	23.4	36.7	38.2	36.7	34.3	26.2	47.4
Gross margin in %	73.0%	83.3%	83.2%	83.1%	77.7%	80.4%	80.7%	82.4%
EBITDA	14.0	25.2	38.8	38.3	36.8	32.3	23.7	45.6
EBITDA margin in %	69.5%	89.8%	87.8%	83.4%	77.8%	75.7%	73.0%	79.4%
EBIT	5.0	17.0	26.0	26.3	22.1	20.6	12.0	25.7
EBIT margin in %	24.7%	60.6%	58.9%	57.2%	46.9%	48.3%	36.8%	44.7%
EBT	3.3	15.1	25.0	24.9	20.9	19.2	10.8	23.5
taxes paid	-1.7	2.8	4.8	4.8	7.3	4.6	3.2	2.4
tax rate in %	-52.1%	18.3%	19.3%	19.3%	35.1%	23.8%	29.6%	10.0%
net profit	4.4	11.9	17.8	17.9	13.2	14.3	7.6	21.4
yoy growth in %	na%	7.8%	222.7%	367.0%	197.8%	20.4%	-57.1%	19.5%
<b>EPS</b>	<b>0.89</b>	<b>2.36</b>	<b>3.56</b>	<b>3.58</b>	<b>2.64</b>	<b>2.86</b>	<b>1.52</b>	<b>4.28</b>

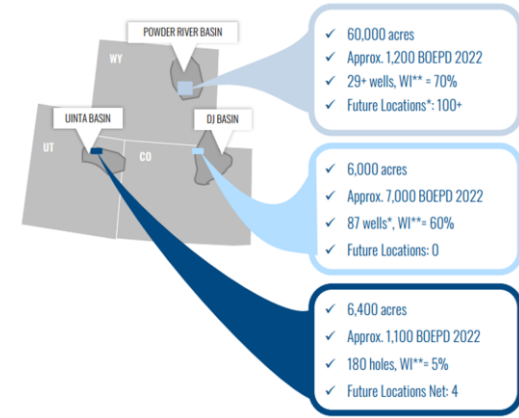
Source: Company data; AlsterResearch

# 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

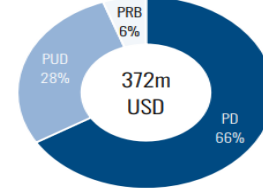
### Total reserves

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

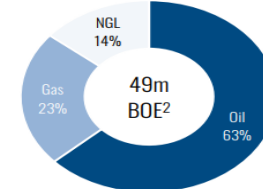
## Reserve values by Category

### Reserve values by Category<sup>1</sup>

NYMEX 31 December 2022

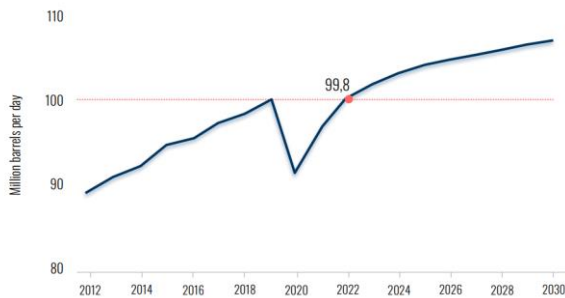


### Reserves by Commodity

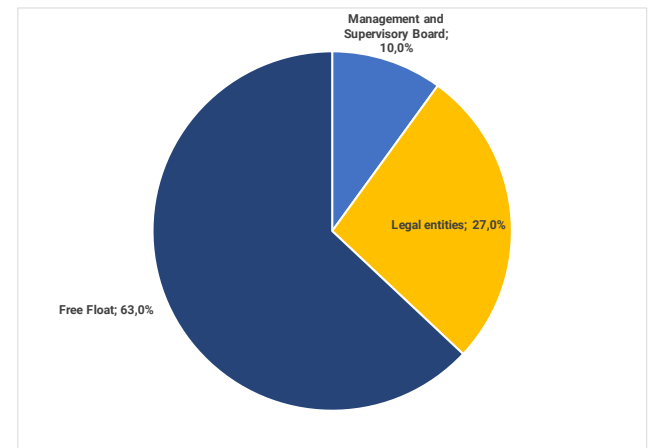


## Rising demand, unlikely to peak before 2030

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 52.74 per share**:

**Top-line growth:** We expect Deutsche Rohstoff AG to grow revenues at a CAGR of -0.5% between 2023E and 2030E. The long-term growth rate is set at -20.0%.

**ROCE.** Returns on capital are developing from 24.8% in 2023E to 13.1% in 2030E.

**WACC.** Starting point is a historical equity beta of 0.64. 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 12.6%. With pre-tax cost of borrowing at 7.5%, a tax rate of 23.0% and target debt/equity of 0.8 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	74.4	82.9	71.3	74.1	76.8	79.5	82.1	80.7	
Depreciation & amortization	53.9	54.9	46.8	47.0	47.7	48.6	49.7	48.7	
Change in working capital	3.0	-9.7	-8.0	-7.8	-0.5	-0.5	-0.5	0.2	
Chg. in long-term provisions	5.3	1.8	-5.8	0.7	0.8	1.0	1.0	-2.8	
Capex	-155.5	-97.7	-76.5	-76.6	-76.7	-76.8	-77.0	-66.7	
Cash flow	-18.7	32.3	27.8	37.5	48.1	51.7	55.3	60.1	162.6
Present value	-18.5	29.0	22.8	28.1	32.9	32.2	31.3	31.0	84.6
WACC	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.7%	9.5%

DCF per share derived from	
Total present value	273.5
Mid-year adj. total present value	286.4
Net debt / cash at start of year	55.7
Financial assets	34.2
Provisions and off b/s debt	1.0
Equity value	263.9
No. of shares outstanding	5.0
<b>Discounted cash flow / share upside/(downside)</b>	<b>52.74 / 49.6%</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	-0.5%
Terminal value growth (2030E - infinity)	-20.0%
Terminal year ROCE	13.1%
Terminal year WACC	9.5%

Terminal WACC derived from	
Cost of borrowing (before taxes)	7.5%
Long-term tax rate	23.0%
Equity beta	0.64
Unlevered beta (industry or company)	1.09
Target debt / equity	0.8
Relevered beta	1.76
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	12.6%

<b>Share price</b>	<b>35.25</b>
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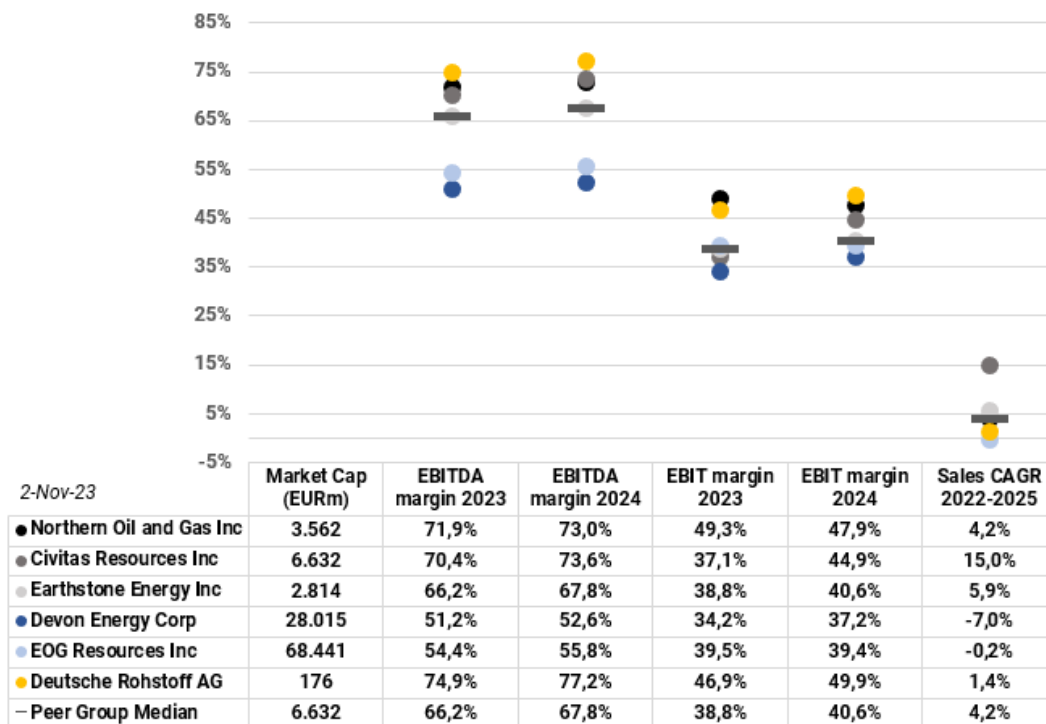
Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		-30.0%	-25.0%	-20.0%	-15.0%	-10.0%	2023E-2026E	2027E-2030E
2.0%		41.9	44.1	46.9	50.7	56.4	22.5%	46.6%
1.0%		44.2	46.5	49.7	54.0	60.5		
0.0%		46.6	49.2	<b>52.7</b>	57.7	65.1		
-1.0%		49.2	52.1	56.1	61.7	70.3	terminal value	30.9%
-2.0%		52.0	55.3	59.7	66.1	76.1		

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 2 November 2023 the median market cap of the peer group was EUR 6,631.8m, compared to EUR 176.4m 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

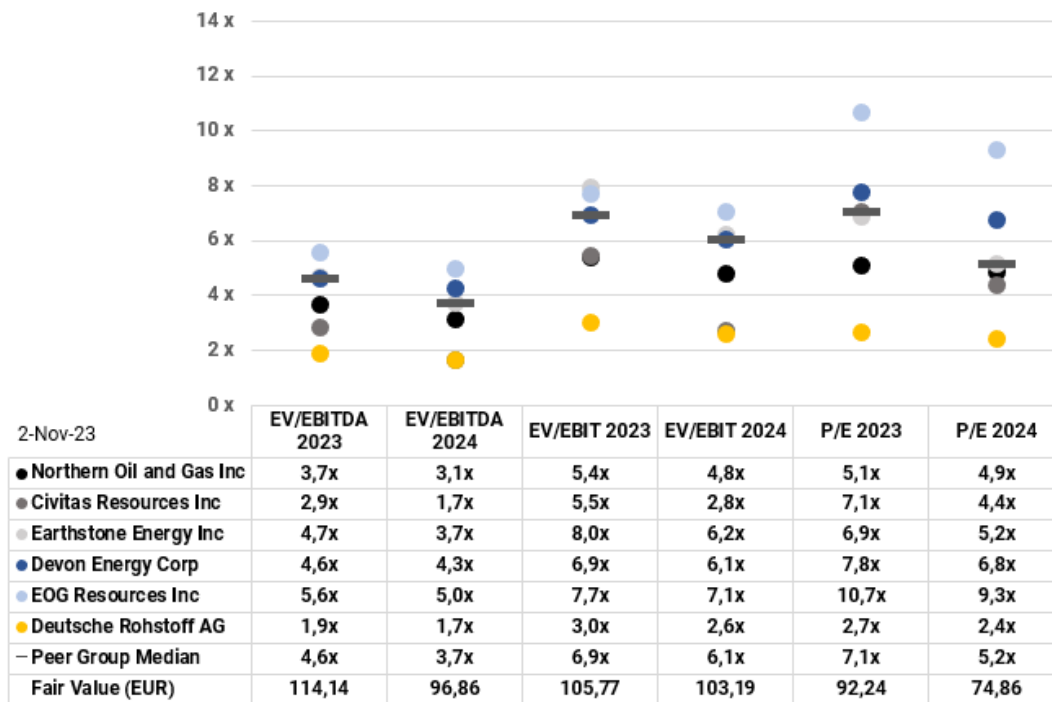


Source: Sentio, AlsterResearch

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 74.86 to EUR 114.14.**

### Peer Group – Multiples and valuation



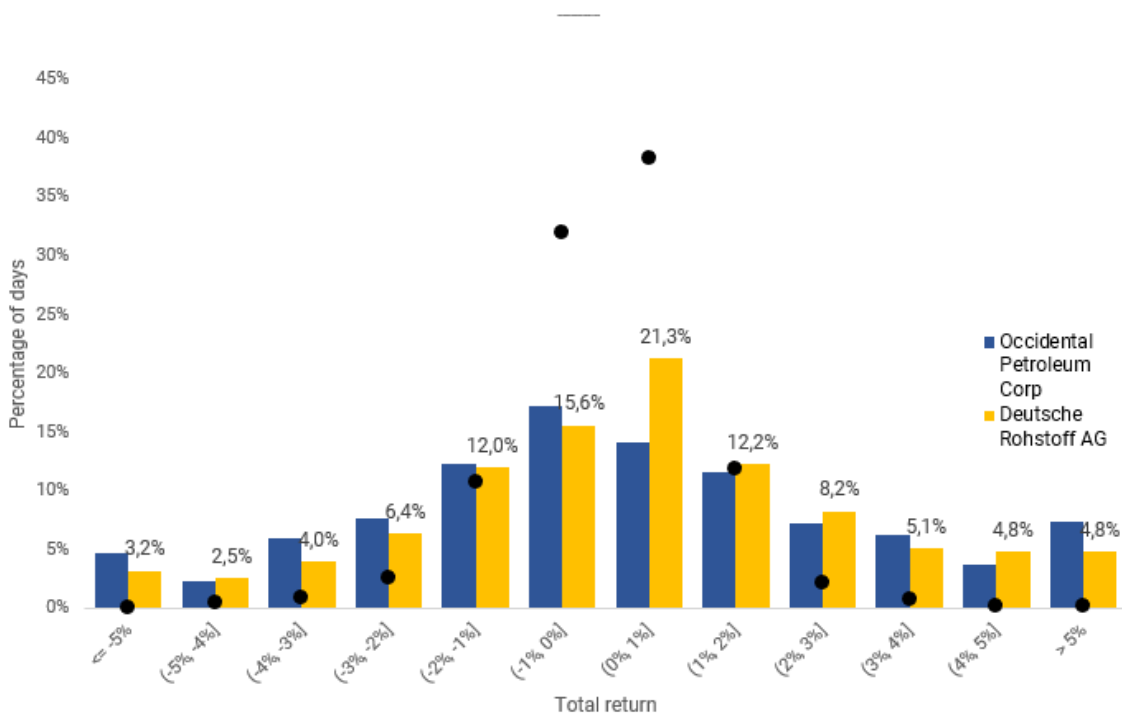
Source: Sentio, AlsterResearch



# 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%.

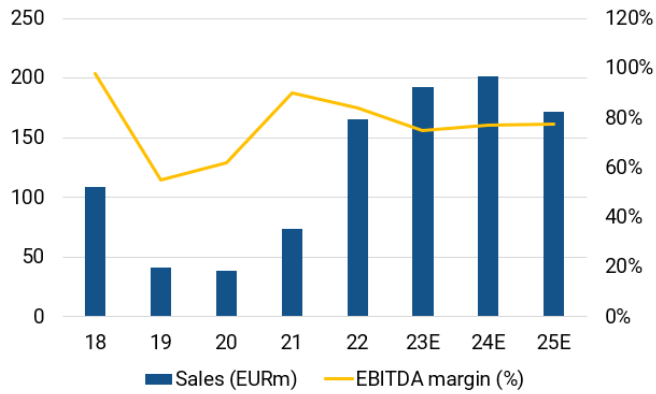
**Risk – Daily Returns Distribution (trailing 3 years)**



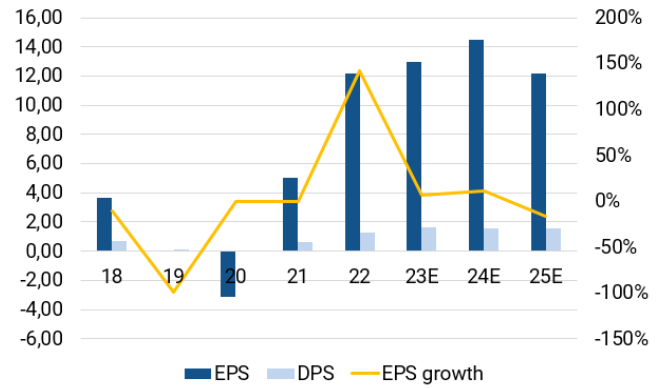
Source: Sentieo, AlsterResearch

# Financials in six charts

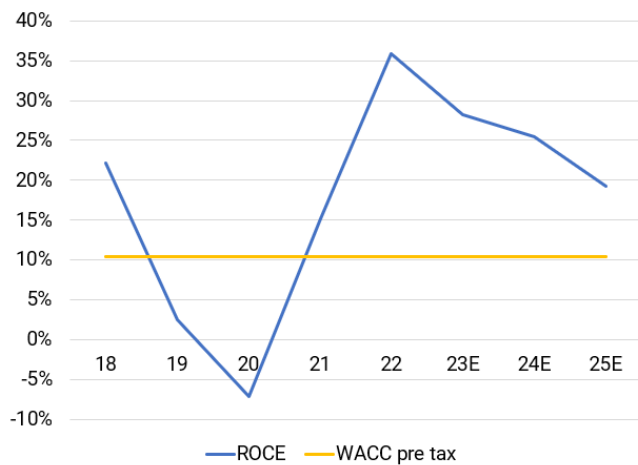
**Sales vs. EBITDA margin development**



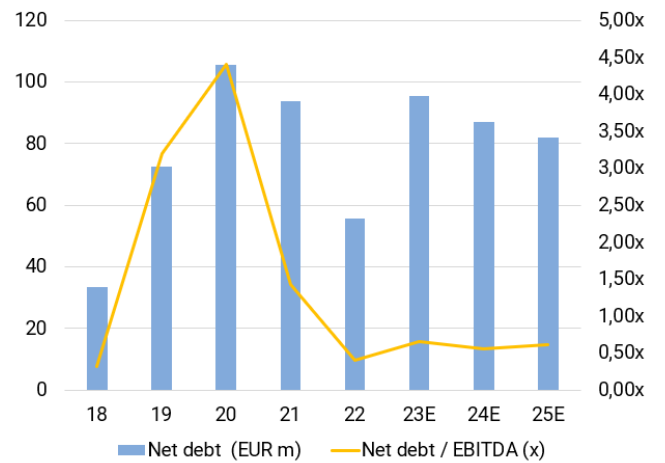
**EPS, DPS in EUR & yoy EPS growth**



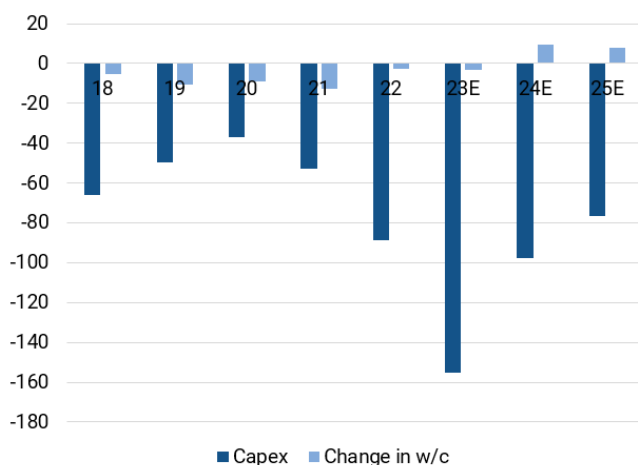
**ROCE vs. WACC (pre tax)**



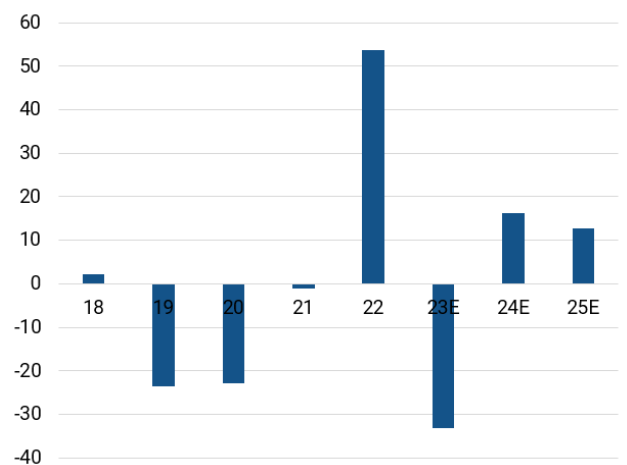
**Net debt and net debt/EBITDA**



**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
<b>Net sales</b>	<b>38.7</b>	<b>73.3</b>	<b>165.4</b>	<b>192.4</b>	<b>201.4</b>	<b>172.1</b>
Sales growth	-6.1%	89.5%	125.6%	16.3%	4.7%	-14.6%
Change in finished goods and work-in-process	0.0	-0.0	-0.0	-0.1	-0.1	-0.0
<b>Total sales</b>	<b>38.7</b>	<b>73.3</b>	<b>165.4</b>	<b>192.3</b>	<b>201.4</b>	<b>172.0</b>
Material expenses	11.6	18.1	30.4	32.8	28.8	23.1
<b>Gross profit</b>	<b>27.1</b>	<b>55.2</b>	<b>135.0</b>	<b>159.6</b>	<b>172.6</b>	<b>148.9</b>
Other operating income	7.7	23.0	25.9	0.0	0.0	0.0
Personnel expenses	3.6	5.1	6.5	7.7	9.1	8.6
Other operating expenses	7.2	7.0	15.3	7.7	8.1	6.9
<b>EBITDA</b>	<b>23.9</b>	<b>66.1</b>	<b>139.1</b>	<b>144.2</b>	<b>155.5</b>	<b>133.4</b>
Depreciation	31.5	30.3	42.2	52.3	53.1	44.7
EBITA	-7.5	35.7	96.9	91.9	102.4	88.7
Amortisation of goodwill and intangible assets	8.6	3.2	5.5	1.6	1.8	2.0
<b>EBIT</b>	<b>-16.1</b>	<b>32.6</b>	<b>91.4</b>	<b>90.2</b>	<b>100.5</b>	<b>86.6</b>
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	78.0	86.9	73.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-22.5	27.1	85.9	78.0	86.9	73.0
Taxes	-6.4	0.7	19.8	17.9	20.0	16.8
Net income from continuing operations	-16.1	26.4	66.2	60.0	67.0	56.2
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-16.1</b>	<b>26.4</b>	<b>66.2</b>	<b>60.0</b>	<b>67.0</b>	<b>56.2</b>
Minority interest	0.6	1.6	5.4	4.9	5.5	4.6
Net profit (reported)	-15.5	24.8	60.8	65.0	72.4	60.8
Average number of shares	4.95	4.95	5.00	5.00	5.00	5.00
<b>EPS reported</b>	<b>-3.13</b>	<b>5.01</b>	<b>12.15</b>	<b>12.98</b>	<b>14.48</b>	<b>12.16</b>

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	0%	-0%	-0%	-0%	-0%	-0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	30%	25%	18%	17%	14%	13%
<b>Gross profit</b>	<b>70%</b>	<b>75%</b>	<b>82%</b>	<b>83%</b>	<b>86%</b>	<b>87%</b>
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%
<b>EBITDA</b>	<b>62%</b>	<b>90%</b>	<b>84%</b>	<b>75%</b>	<b>77%</b>	<b>78%</b>
Depreciation	81%	41%	25%	27%	26%	26%
EBITA	-19%	49%	59%	48%	51%	52%
Amortisation of goodwill and intangible assets	22%	4%	3%	1%	1%	1%
<b>EBIT</b>	<b>-42%</b>	<b>44%</b>	<b>55%</b>	<b>47%</b>	<b>50%</b>	<b>50%</b>
Financial result	-17%	-8%	-3%	-6%	-7%	-8%
Recurring pretax income from continuing operations	-58%	37%	52%	41%	43%	42%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-58%	37%	52%	41%	43%	42%
Taxes	-17%	1%	12%	9%	10%	10%
Net income from continuing operations	-42%	36%	40%	31%	33%	33%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>-42%</b>	<b>36%</b>	<b>40%</b>	<b>31%</b>	<b>33%</b>	<b>33%</b>
Minority interest	2%	2%	3%	3%	3%	3%
<b>Net profit (reported)</b>	<b>-40%</b>	<b>34%</b>	<b>37%</b>	<b>34%</b>	<b>36%</b>	<b>35%</b>

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (exl. Goodwill)</b>	<b>20.6</b>	<b>28.6</b>	<b>32.5</b>	<b>36.6</b>	<b>40.8</b>	<b>44.0</b>
Goodwill	1.3	1.3	1.2	1.2	1.2	1.2
Property, plant and equipment	112.8	149.1	192.6	290.0	328.6	355.1
Financial assets	37.2	35.1	34.2	34.2	34.2	34.2
<b>FIXED ASSETS</b>	<b>171.8</b>	<b>214.0</b>	<b>260.5</b>	<b>362.0</b>	<b>404.8</b>	<b>434.5</b>
Inventories	0.2	0.2	0.1	0.2	0.1	0.1
Accounts receivable	3.5	16.8	28.6	31.6	33.1	28.3
Other current assets	0.0	1.1	5.0	5.0	5.0	5.0
Liquid assets	22.8	23.5	54.2	44.7	52.9	63.0
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	1.0	1.0	0.9
<b>CURRENT ASSETS</b>	<b>34.9</b>	<b>51.0</b>	<b>89.8</b>	<b>83.4</b>	<b>93.1</b>	<b>98.2</b>
<b>TOTAL ASSETS</b>	<b>206.7</b>	<b>265.0</b>	<b>350.3</b>	<b>445.4</b>	<b>498.0</b>	<b>532.7</b>
<b>SHAREHOLDERS EQUITY</b>	<b>39.4</b>	<b>72.7</b>	<b>129.0</b>	<b>182.5</b>	<b>241.4</b>	<b>289.9</b>
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	1.2	1.2	1.1
Other provisions	22.5	36.8	31.6	36.8	38.5	32.9
<b>Non-current liabilities</b>	<b>136.9</b>	<b>134.6</b>	<b>142.5</b>	<b>158.0</b>	<b>149.8</b>	<b>149.0</b>
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	13.5	11.8	9.5
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	32.7	26.2	15.5
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
<b>Current liabilities</b>	<b>24.2</b>	<b>50.3</b>	<b>75.5</b>	<b>101.6</b>	<b>103.4</b>	<b>90.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>206.7</b>	<b>265.0</b>	<b>350.3</b>	<b>445.4</b>	<b>498.0</b>	<b>532.7</b>

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (excl. Goodwill)</b>	<b>10%</b>	<b>11%</b>	<b>9%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>
Goodwill	1%	0%	0%	0%	0%	0%
Property, plant and equipment	55%	56%	55%	65%	66%	67%
Financial assets	18%	13%	10%	8%	7%	6%
<b>FIXED ASSETS</b>	<b>83%</b>	<b>81%</b>	<b>74%</b>	<b>81%</b>	<b>81%</b>	<b>82%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	6%	8%	7%	7%	5%
Other current assets	0%	0%	1%	1%	1%	1%
Liquid assets	11%	9%	15%	10%	11%	12%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	4%	4%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>17%</b>	<b>19%</b>	<b>26%</b>	<b>19%</b>	<b>19%</b>	<b>18%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>19%</b>	<b>27%</b>	<b>37%</b>	<b>41%</b>	<b>48%</b>	<b>54%</b>
MINORITY INTEREST	3%	3%	1%	1%	1%	1%
Long-term debt	55%	37%	31%	27%	22%	22%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	11%	14%	9%	8%	8%	6%
<b>Non-current liabilities</b>	<b>66%</b>	<b>51%</b>	<b>41%</b>	<b>35%</b>	<b>30%</b>	<b>28%</b>
short-term liabilities to banks	7%	7%	0%	4%	6%	6%
Accounts payable	1%	8%	3%	3%	2%	2%
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%	7%	7%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>12%</b>	<b>19%</b>	<b>22%</b>	<b>23%</b>	<b>21%</b>	<b>17%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	-16.1	26.4	66.2	60.0	67.0	56.2
Depreciation of fixed assets (incl. leases)	37.7	32.8	39.8	52.3	53.1	44.7
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	5.3	1.8	-5.8
Cash flow from operations before changes in w/c	4.9	39.4	140.2	119.3	123.7	97.2
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	-3.0	-1.5	4.8
Increase/decrease in accounts payable	-2.2	19.4	9.2	2.1	-1.7	-2.3
Increase/decrease in other w/c positions	11.3	-7.0	0.0	4.0	-6.6	-10.6
Increase/decrease in working capital	9.1	12.4	2.5	3.0	-9.7	-8.0
<b>Cash flow from operating activities</b>	<b>14.0</b>	<b>51.8</b>	<b>142.7</b>	<b>122.3</b>	<b>114.0</b>	<b>89.2</b>
CAPEX	-36.8	-52.8	-88.9	-155.5	-97.7	-76.5
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
<b>Cash flow from investing activities</b>	<b>-48.7</b>	<b>-29.3</b>	<b>-72.2</b>	<b>-155.5</b>	<b>-97.7</b>	<b>-76.5</b>
Cash flow before financing	-34.7	22.5	70.6	-33.1	16.3	12.7
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	-8.1	-7.7
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
<b>Cash flow from financing activities</b>	<b>-17.7</b>	<b>-19.7</b>	<b>-34.7</b>	<b>23.6</b>	<b>-8.1</b>	<b>-2.7</b>
Increase/decrease in liquid assets	-52.4	2.8	35.8	-9.5	8.2	10.0
<b>Liquid assets at end of period</b>	<b>8.2</b>	<b>11.6</b>	<b>47.4</b>	<b>37.9</b>	<b>46.1</b>	<b>56.2</b>

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	192.4	201.4	172.1
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
<b>Total sales</b>	<b>38.7</b>	<b>73.3</b>	<b>165.4</b>	<b>192.4</b>	<b>201.4</b>	<b>172.1</b>

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%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Ratios	2020	2021	2022	2023E	2024E	2025E
<b>Per share data</b>						
Earnings per share reported	-3.13	5.01	12.15	12.98	14.48	12.16
Cash flow per share	2.82	10.46	28.53	13.99	12.17	8.88
Book value per share	7.96	14.68	25.78	36.47	48.25	57.95
Dividend per share	0.00	0.60	1.30	1.61	1.53	1.56
<b>Valuation</b>						
P/E	-11.3x	7.0x	2.9x	2.7x	2.4x	2.9x
P/CF	12.5x	3.4x	1.2x	2.5x	2.9x	4.0x
P/BV	4.4x	2.4x	1.4x	1.0x	0.7x	0.6x
Dividend yield (%)	0.0%	1.7%	3.7%	4.6%	4.4%	4.4%
FCF yield (%)	8.0%	29.7%	80.9%	39.7%	34.5%	25.2%
EV/Sales	7.3x	3.7x	1.4x	1.4x	1.3x	1.5x
EV/EBITDA	11.8x	4.1x	1.7x	1.9x	1.7x	1.9x
EV/EBIT	-17.5x	8.3x	2.5x	3.0x	2.6x	3.0x
<b>Income statement (EURm)</b>						
Sales	38.7	73.3	165.4	192.4	201.4	172.1
yoy chg in %	-6.1%	89.5%	125.6%	16.3%	4.7%	-14.6%
Gross profit	27.1	55.2	135.0	159.6	172.6	148.9
Gross margin in %	70.0%	75.3%	81.6%	82.9%	85.7%	86.5%
EBITDA	23.9	66.1	139.1	144.2	155.5	133.4
EBITDA margin in %	61.9%	90.1%	84.1%	74.9%	77.2%	77.5%
EBIT	-16.1	32.6	91.4	90.2	100.5	86.6
EBIT margin in %	-41.7%	44.4%	55.3%	46.9%	49.9%	50.3%
Net profit	-15.5	24.8	60.8	65.0	72.4	60.8
<b>Cash flow statement (EURm)</b>						
CF from operations	14.0	51.8	142.7	122.3	114.0	89.2
Capex	-36.8	-52.8	-88.9	-155.5	-97.7	-76.5
Maintenance Capex	0.0	0.0	0.0	52.3	53.1	44.7
Free cash flow	-22.9	-1.0	53.8	-33.1	16.3	12.7
<b>Balance sheet (EURm)</b>						
Intangible assets	21.9	29.8	33.7	37.8	42.0	45.1
Tangible assets	112.8	149.1	192.6	290.0	328.6	355.1
Shareholders' equity	39.4	72.7	129.0	182.5	241.4	289.9
Pension provisions	0.0	0.0	1.0	1.2	1.2	1.1
Liabilities and provisions	150.9	154.2	142.5	178.0	179.8	179.0
Net financial debt	105.6	93.9	55.7	95.3	87.1	82.0
w/c requirements	0.8	-3.8	17.4	18.3	21.4	18.9
<b>Ratios</b>						
ROE	-40.8%	36.2%	51.3%	32.9%	27.7%	19.4%
ROCE	-8.2%	13.9%	33.3%	24.8%	23.7%	18.3%
Net gearing	267.8%	129.1%	43.2%	52.2%	36.1%	28.3%
Net debt / EBITDA	4.4x	1.4x	0.4x	0.7x	0.6x	0.6x

Source: Company data; AlsterResearch

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