

Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 166.9m

22 December 2023

UPDATE

A closer look at the Lithium activities; BUY

What's it all about?

Deutsche Rohstoff has interests in two lithium ventures to position itself in the battery value chain. In Australia, it established a lithium joint venture with SensOre, holding a 70% stake, which will be contributed to Premier1 Lithium in exchange for 19.9% of listed Premier1 Lithium and options to increase the stake. The JV has secured seven lithium exploration projects. In Germany, Deutsche Rohstoff holds an 88% share in Prime Lithium AG, focusing on developing chemical processes for lithium hydroxide production. Despite the early stage of these lithium projects and no meaningful impact on financials for the next 2 to 3 years, Deutsche Rohstoff's approach to acquiring real options in the lithium field with limited upfront costs and capex seems a reasonable way to secure long-term opportunities. In unrelated news, Deutsche Rohstoff also reported the closing of the sale of the Utah assets, highlighting the attractiveness of its shale assets. Updating our model following the recent decline in oil prices leads to a new price target of EUR 52.00 (previously EUR 55.50). We reiterate to BUY.

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

BUY (BUY)

Target price	EUR 52.00 (55.50)
Current price	EUR 33.35
Up/downside	55.9%

 **ResearchHub** 



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Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 166.9m | EV EUR 223.6m

BUY (BUY)

Target price EUR 52.00 (55.50)
Current price EUR 33.35
Up/downside 55.9%

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A closer look at the Lithium activities; BUY

The Lithium long game. As part of its long-term goal of reducing the dependence on fossil fuels and position itself in the battery value chain, Deutsche Rohstoff has taken interests in two Lithium ventures. Given recent newsflow from these ventures, we take the opportunity to take a closer look.

Activities in Australia. Deutsche Rohstoff in 2023 established a Lithium JV with SensOre, holding a stake of 70%. Pending regulatory and SensOre shareholder approvals, this 70% share will be contributed to the listed Premier1 Lithium in exchange for 19.9% of Premier1 Lithium, plus options to increase the stake to up to 29%. Considering that 34% of Premier1 Lithium was placed for AUD 3m, this translates into a projected value of Deutsche Rohstoff's stake of between AUD 1.8m and AUD 2.5m, depending on the strike price of the options.

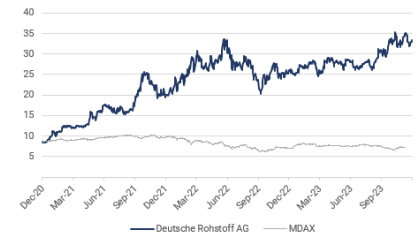
The JV has secured seven lithium exploration projects in Australia, with promising initial field work. The next step would be detailed drilling and sampling to characterize the size, grade, and mineralization of the deposit. This phase typically takes 1-2 years, and is followed by a pre-feasibility study, examining the economics and assessing the environmental impact. This phase can take another 1-2 years, followed by a more detailed evaluation and the obtaining of necessary permits in the feasibility study (another 2-3 years). The construction of a mine and the processing infrastructure would then take 2-5 years, so from the start of exploration to start of production can take anywhere between 6 years and 15 years and at any stage there might be a decision to abandon or sell the project. Following the transaction with Premier1 Lithium, the plan is to finance further exploration via the capital market.

Activities in Germany: Deutsche Rohstoff holds an 88% share in Prime Lithium AG, founded in 2021. The remaining shares are held by the CEO Dr. Axel Heitmann, the former CEO of Lanxess. Main target is the development of chemical processes to convert lithium-containing raw materials into Lithium hydroxide and to examine manufacturing options in Germany. Prime Lithium has signed a reservation agreement for a site located in Stade Chemical Park (Lower Saxony) operated by Dow Chemical. This site benefits from major advantages of the chemical Verbund structure such as direct raw material supplies to operate a lithium production.

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Deutsche Rohstoff AG	2020	2021	2022	2023E	2024E	2025E
Sales	38.7	73.3	165.4	187.1	183.0	158.1
<i>Growth yoy</i>	-6.1%	89.5%	125.6%	13.1%	-2.2%	-13.6%
EBITDA	23.9	66.1	139.1	151.9	139.3	120.8
EBIT	-16.1	32.6	91.4	98.0	89.2	77.6
Net profit	-15.5	24.8	60.8	65.3	57.6	48.8
Net debt (net cash)	105.6	93.9	55.7	61.3	62.4	56.8
Net debt/EBITDA	4.4x	1.4x	0.4x	0.4x	0.4x	0.5x
EPS reported	-3.13	5.01	12.15	13.05	11.51	9.75
DPS	0.00	0.60	1.30	1.62	1.22	1.25
<i>Dividend yield</i>	0.0%	1.8%	3.9%	4.9%	3.7%	3.7%
Gross profit margin	70.0%	75.3%	81.6%	80.1%	84.6%	85.4%
EBITDA margin	61.9%	90.1%	84.1%	81.2%	76.1%	76.4%
EBIT margin	-41.7%	44.4%	55.3%	52.3%	48.7%	49.1%
ROCE	-8.2%	13.9%	33.3%	26.6%	21.3%	16.8%
EV/Sales	7.0x	3.6x	1.4x	1.2x	1.3x	1.4x
EV/EBITDA	11.4x	3.9x	1.6x	1.5x	1.7x	1.9x
EV/EBIT	-16.9x	8.0x	2.4x	2.3x	2.6x	2.9x
PER	-10.7x	6.7x	2.7x	2.6x	2.9x	3.4x

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 35.35 / 24.10
Price/Book Ratio 1.3x

Ticker / Symbols

ISIN DE000A0XYG76
WKN A0XYG7
Bloomberg DR0:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	190.4	101.2	13.55
	Δ	-1.7%	-3.2%	-3.6%
2024E	old	186.5	92.6	12.04
	Δ	-1.9%	-3.8%	-4.4%
2025E	old	161.1	80.6	10.21
	Δ	-1.9%	-3.8%	-4.5%

Key share data

Number of shares: (in m pcs) 5.00
Book value per share: (in EUR) 25.78
Ø trading volume: (12 months) 9,396

Major shareholders

Management and Sup. Board 10.0%
Free Float 90.0%

Company description

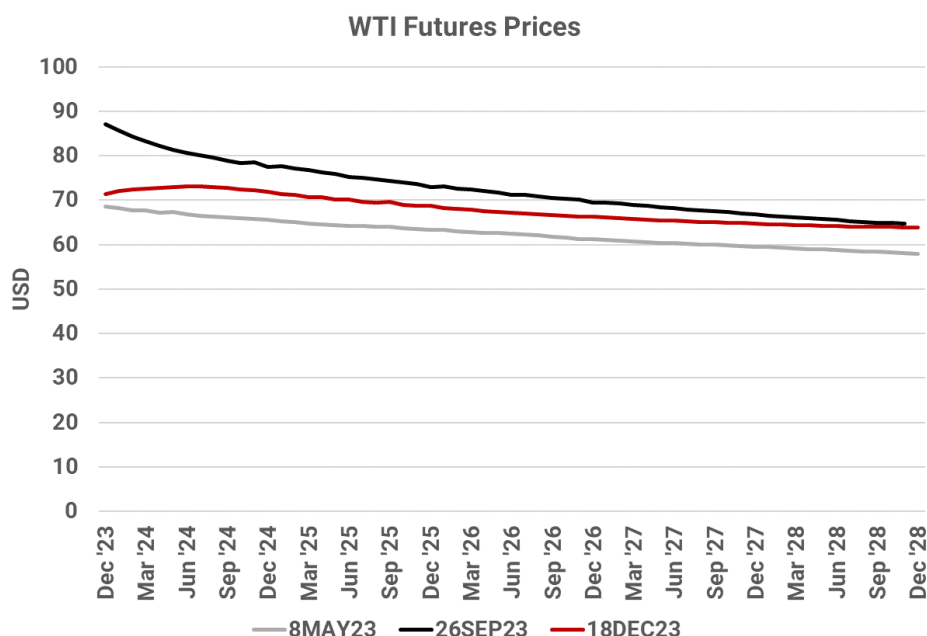
Deutsche Rohstoff identifies, develops and sells attractive natural resource assets in North America, Australia and Europe. The focus is on the development of oil and gas reserves in the USA. Metals such as tungsten, lithium and gold complete the portfolio.

Reiterate BUY. The Lithium projects of Deutsche Rohstoff are still very early stage and we do not expect any meaningful contributions to top or bottom line for the next 2 to 3 years. Still, Deutsche Rohstoff has found a way to acquire real options in the promising Lithium field with limited upfront costs or capex, which seems a reasonable way to secure long-term opportunities. In unrelated news, Deutsche Rohstoff also reported the closing of the sale of the Utah assets, highlighting the attractiveness of its shale assets (read our update [here](#)). Following the recent decline in spot and future WTI prices (see chart below), we update our model and come to a new price target of EUR 52.00 (old: EUR 55.50). We reiterate to BUY.

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%
EPS	0.89	2.36	3.56	3.58	2.64	2.86	1.52	4.28

Source: Company data; AlsterResearch



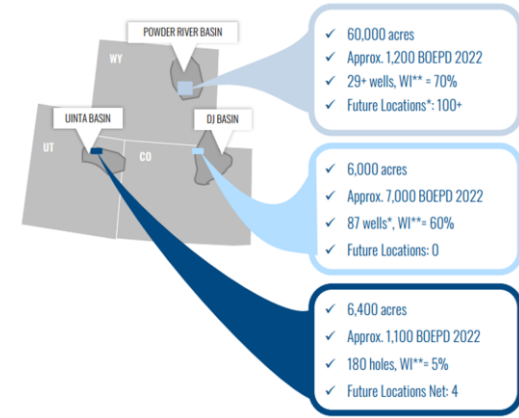
Sources: barchart, AlsterResearch

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

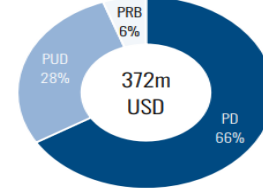
Total reserves

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

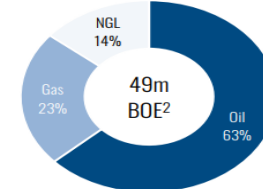
Reserve values by Category

Reserve values by Category¹

NYMEX 31 December 2022



Reserves by Commodity

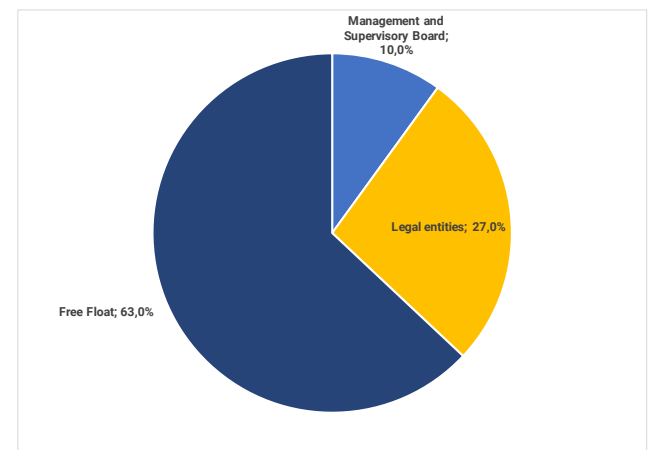


Rising demand, unlikely to peak before 2030

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

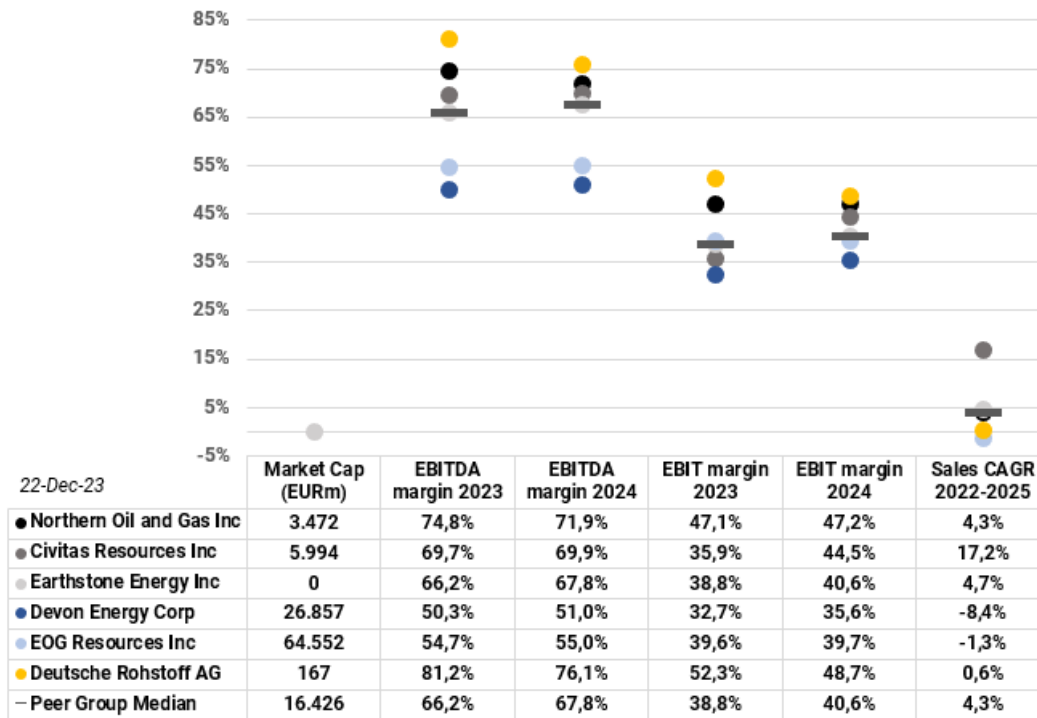
Threats

- 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

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 22 December 2023 the median market cap of the peer group was EUR 16,425.6m, compared to EUR 166.9m 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

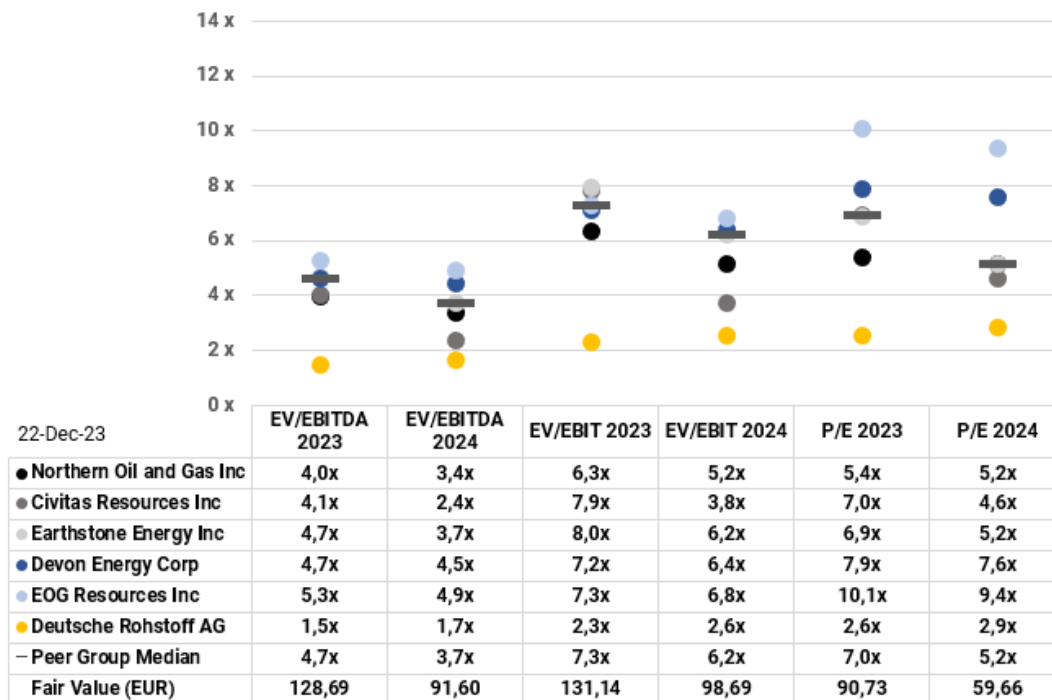


Source: Sentieo, AlsterResearch

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 59.66 to EUR 131.14.

Peer Group – Multiples and valuation

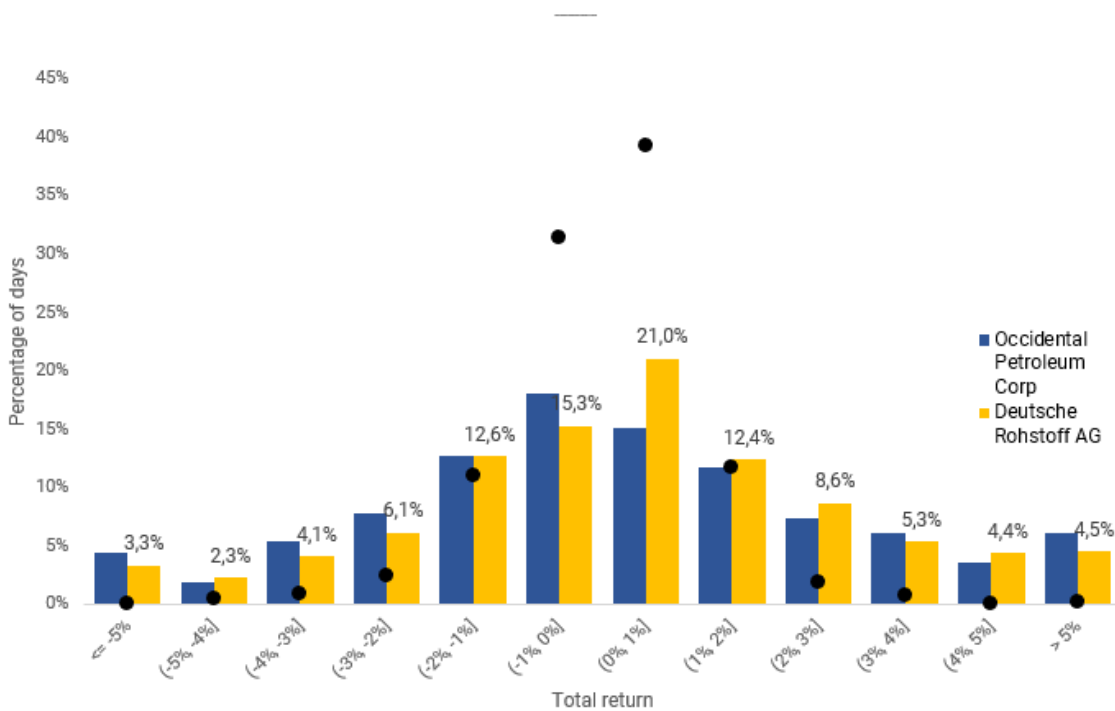


Source: Sentio, AlsterResearch

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 16/09/2021 when the share price increased by 10.5%.

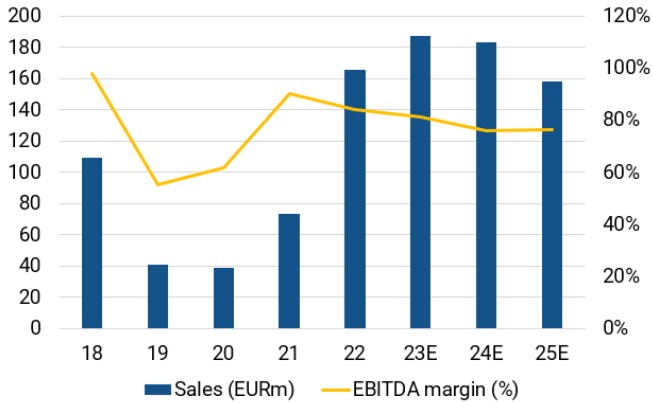
Risk – Daily Returns Distribution (trailing 3 years)



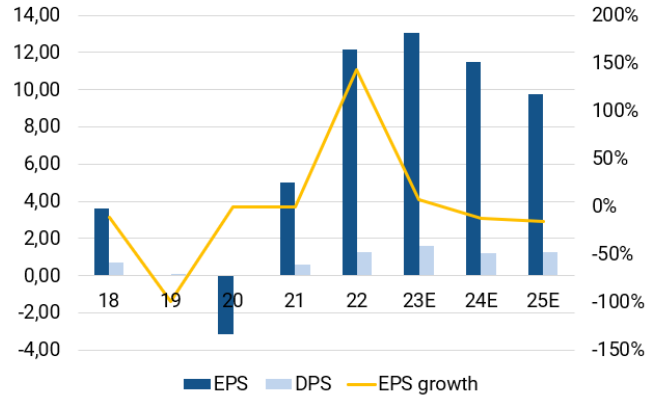
Source: Sentio, AlsterResearch

Financials in six charts

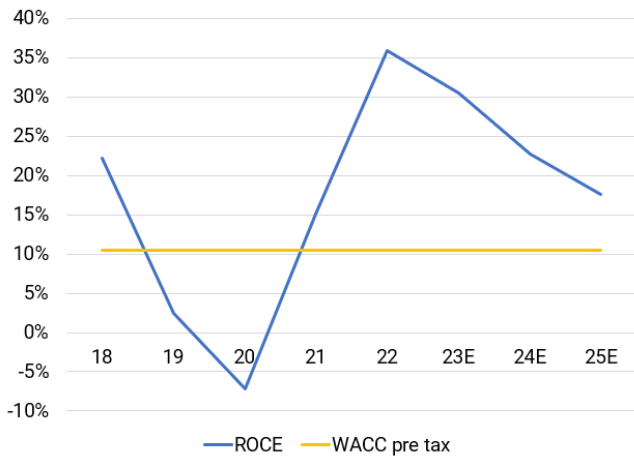
Sales vs. EBITDA margin development



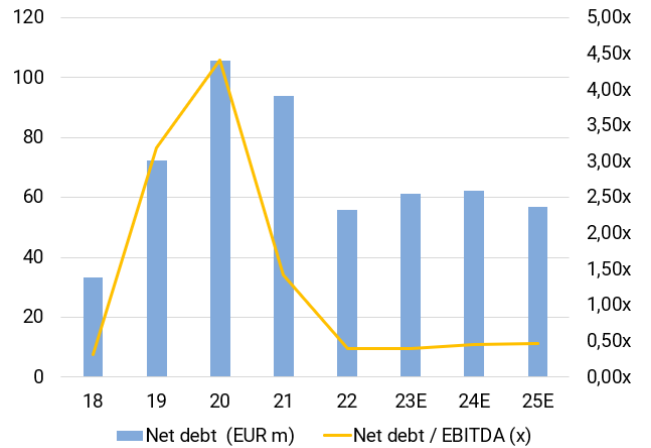
EPS, DPS in EUR & yoy EPS growth



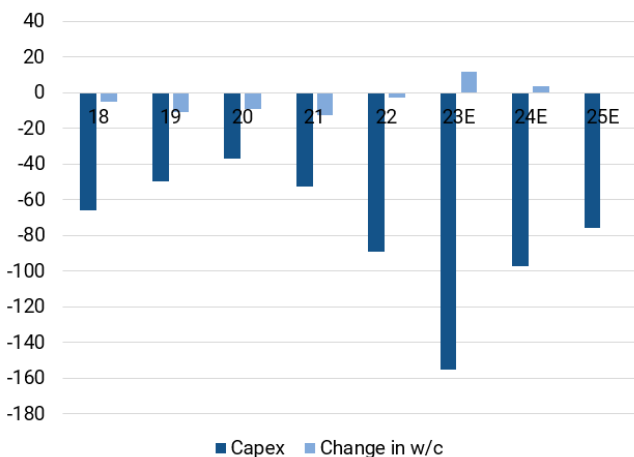
ROCE vs. WACC (pre tax)



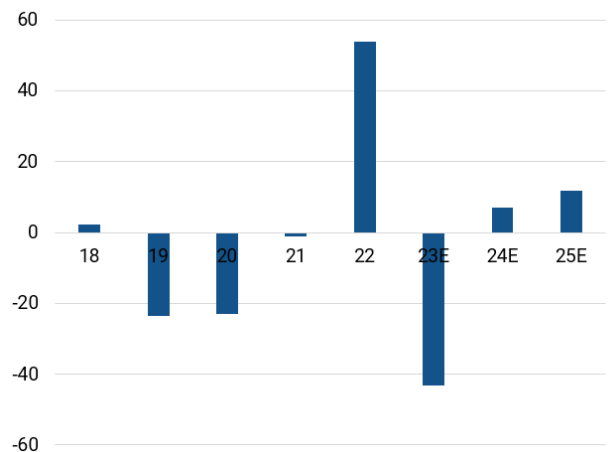
Net debt and net debt/EBITDA



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	187.1	183.0	158.1
Sales growth	-6.1%	89.5%	125.6%	13.1%	-2.2%	-13.6%
Change in finished goods and work-in-process	0.0	-0.0	-0.0	-0.1	-0.0	-0.0
Total sales	38.7	73.3	165.4	187.1	183.0	158.0
Material expenses	11.6	18.1	30.4	37.2	28.1	23.0
Gross profit	27.1	55.2	135.0	149.8	154.9	135.0
Other operating income	7.7	23.0	25.9	17.0	0.0	0.0
Personnel expenses	3.6	5.1	6.5	7.5	8.2	7.9
Other operating expenses	7.2	7.0	15.3	7.5	7.3	6.3
EBITDA	23.9	66.1	139.1	151.9	139.3	120.8
Depreciation	31.5	30.3	42.2	52.3	48.4	41.2
EBITA	-7.5	35.7	96.9	99.6	91.0	79.6
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	98.0	89.2	77.6
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	85.7	75.5	64.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-22.5	27.1	85.9	85.7	75.5	64.0
Taxes	-6.4	0.7	19.8	19.7	17.4	14.7
Net income from continuing operations	-16.1	26.4	66.2	66.0	58.2	49.3
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	66.0	58.2	49.3
Minority interest	0.6	1.6	5.4	-0.7	-0.6	-0.5
Net profit (reported)	-15.5	24.8	60.8	65.3	57.6	48.8
Average number of shares	4.95	4.95	5.00	5.00	5.00	5.00
EPS reported	-3.13	5.01	12.15	13.05	11.51	9.75

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%	20%	15%	15%
Gross profit	70%	75%	82%	80%	85%	85%
Other operating income	20%	31%	16%	9%	0%	0%
Personnel expenses	9%	7%	4%	4%	4%	5%
Other operating expenses	19%	10%	9%	4%	4%	4%
EBITDA	62%	90%	84%	81%	76%	76%
Depreciation	81%	41%	25%	28%	26%	26%
EBITA	-19%	49%	59%	53%	50%	50%
Amortisation of goodwill and intangible assets	22%	4%	3%	1%	1%	1%
EBIT	-42%	44%	55%	52%	49%	49%
Financial result	-17%	-8%	-3%	-7%	-7%	-9%
Recurring pretax income from continuing operations	-58%	37%	52%	46%	41%	40%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-58%	37%	52%	46%	41%	40%
Taxes	-17%	1%	12%	11%	9%	9%
Net income from continuing operations	-42%	36%	40%	35%	32%	31%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-42%	36%	40%	35%	32%	31%
Minority interest	2%	2%	3%	-0%	-0%	-0%
Net profit (reported)	-40%	34%	37%	35%	31%	31%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (exl. Goodwill)	20.6	28.6	32.5	36.5	40.1	42.9
Goodwill	1.3	1.3	1.2	1.2	1.2	1.2
Property, plant and equipment	112.8	149.1	192.6	246.0	289.3	319.4
Financial assets	37.2	35.1	34.2	34.2	34.2	34.2
FIXED ASSETS	171.8	214.0	260.5	317.9	364.9	397.7
Inventories	0.2	0.2	0.1	0.2	0.1	0.1
Accounts receivable	3.5	16.8	28.6	30.8	30.1	26.0
Other current assets	0.0	1.1	5.0	5.0	5.0	5.0
Liquid assets	22.8	23.5	54.2	78.7	77.6	88.2
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	0.9	0.9	0.8
CURRENT ASSETS	34.9	51.0	89.8	116.5	114.8	121.1
TOTAL ASSETS	206.7	265.0	350.3	434.4	479.6	518.7
SHAREHOLDERS EQUITY	39.4	72.7	129.0	188.4	238.5	281.7
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	1.1	1.0
Other provisions	22.5	36.8	31.6	35.8	35.0	30.2
Non-current liabilities	136.9	134.6	142.5	156.9	146.1	146.2
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	15.3	11.5	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	15.0	14.6	12.6
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	85.7	91.6	87.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	206.7	265.0	350.3	434.4	479.6	518.7

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	10%	11%	9%	8%	8%	8%
Goodwill	1%	0%	0%	0%	0%	0%
Property, plant and equipment	55%	56%	55%	57%	60%	62%
Financial assets	18%	13%	10%	8%	7%	7%
FIXED ASSETS	83%	81%	74%	73%	76%	77%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	6%	8%	7%	6%	5%
Other current assets	0%	0%	1%	1%	1%	1%
Liquid assets	11%	9%	15%	18%	16%	17%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	4%	4%	0%	0%	0%	0%
CURRENT ASSETS	17%	19%	26%	27%	24%	23%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	19%	27%	37%	43%	50%	54%
MINORITY INTEREST	3%	3%	1%	1%	1%	1%
Long-term debt	55%	37%	31%	28%	23%	22%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	11%	14%	9%	8%	7%	6%
Non-current liabilities	66%	51%	41%	36%	30%	28%
short-term liabilities to banks	7%	7%	0%	5%	6%	6%
Accounts payable	1%	8%	3%	4%	2%	2%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	-4%	-3%	8%	3%	3%	2%
Deferred taxes	7%	7%	10%	8%	7%	7%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	12%	19%	22%	20%	19%	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	66.0	58.2	49.3
Depreciation of fixed assets (incl. leases)	37.7	32.8	39.8	52.3	48.4	41.2
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	4.3	-0.8	-4.9
Cash flow from operations before changes in w/c	4.9	39.4	140.2	124.2	107.6	87.6
Increase/decrease in inventory	0.0	0.0	-3.3	-0.1	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	-3.3	-2.1	0.7	4.1
Increase/decrease in accounts payable	-2.2	19.4	9.2	3.9	-3.8	-2.1
Increase/decrease in other w/c positions	11.3	-7.0	0.0	-13.8	-0.3	-1.9
Increase/decrease in working capital	9.1	12.4	2.5	-12.0	-3.3	0.1
Cash flow from operating activities	14.0	51.8	142.7	112.2	104.2	87.7
CAPEX	-36.8	-52.8	-88.9	-155.3	-97.2	-76.0
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	44.0	0.0	0.0
Cash flow from investing activities	-48.7	-29.3	-72.2	-111.3	-97.2	-76.0
Cash flow before financing	-34.7	22.5	70.6	0.9	7.1	11.7
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	-6.1
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	-8.1	-1.1
Increase/decrease in liquid assets	-52.4	2.8	35.8	24.5	-1.0	10.6
Liquid assets at end of period	8.2	11.6	47.4	71.9	70.8	81.4

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	187.1	183.0	158.1
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	187.1	183.0	158.1

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	13.05	11.51	9.75
Cash flow per share	2.82	10.46	28.53	11.97	11.16	9.29
Book value per share	7.96	14.68	25.78	37.66	47.67	56.30
Dividend per share	0.00	0.60	1.30	1.62	1.22	1.25
Valuation						
P/E	-10.7x	6.7x	2.7x	2.6x	2.9x	3.4x
P/CF	11.8x	3.2x	1.2x	2.8x	3.0x	3.6x
P/BV	4.2x	2.3x	1.3x	0.9x	0.7x	0.6x
Dividend yield (%)	0.0%	1.8%	3.9%	4.9%	3.7%	3.7%
FCF yield (%)	8.5%	31.4%	85.5%	35.9%	33.5%	27.9%
EV/Sales	7.0x	3.6x	1.4x	1.2x	1.3x	1.4x
EV/EBITDA	11.4x	3.9x	1.6x	1.5x	1.7x	1.9x
EV/EBIT	-16.9x	8.0x	2.4x	2.3x	2.6x	2.9x
Income statement (EURm)						
Sales	38.7	73.3	165.4	187.1	183.0	158.1
yoy chg in %	-6.1%	89.5%	125.6%	13.1%	-2.2%	-13.6%
Gross profit	27.1	55.2	135.0	149.8	154.9	135.0
Gross margin in %	70.0%	75.3%	81.6%	80.1%	84.6%	85.4%
EBITDA	23.9	66.1	139.1	151.9	139.3	120.8
EBITDA margin in %	61.9%	90.1%	84.1%	81.2%	76.1%	76.4%
EBIT	-16.1	32.6	91.4	98.0	89.2	77.6
EBIT margin in %	-41.7%	44.4%	55.3%	52.3%	48.7%	49.1%
Net profit	-15.5	24.8	60.8	65.3	57.6	48.8
Cash flow statement (EURm)						
CF from operations	14.0	51.8	142.7	112.2	104.2	87.7
Capex	-36.8	-52.8	-88.9	-155.3	-97.2	-76.0
Maintenance Capex	0.0	0.0	0.0	52.3	48.4	41.2
Free cash flow	-22.9	-1.0	53.8	-43.1	7.1	11.7
Balance sheet (EURm)						
Intangible assets	21.9	29.8	33.7	37.6	41.3	44.0
Tangible assets	112.8	149.1	192.6	246.0	289.3	319.4
Shareholders' equity	39.4	72.7	129.0	188.4	238.5	281.7
Pension provisions	0.0	0.0	1.0	1.2	1.1	1.0
Liabilities and provisions	150.9	154.2	142.5	176.9	176.1	176.2
Net financial debt	105.6	93.9	55.7	61.3	62.4	56.8
w/c requirements	0.8	-3.8	17.4	15.6	18.7	16.6
Ratios						
ROE	-40.8%	36.2%	51.3%	35.0%	24.4%	17.5%
ROCE	-8.2%	13.9%	33.3%	26.6%	21.3%	16.8%
Net gearing	267.8%	129.1%	43.2%	32.5%	26.1%	20.2%
Net debt / EBITDA	4.4x	1.4x	0.4x	0.4x	0.4x	0.5x

Source: Company data; AlsterResearch

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