

Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 151.1m

19 February 2024

UPDATE



Value of reserves increases significantly; BUY

What's it all about?

The 2024 reserve report, prepared by independent auditors, shows a very positive development of producing reserves, which increased by 28% to 18.9 million barrels of oil equivalent (BOE), with a replacement ratio of almost 200%. The discounted net cash flow of producing reserves also increased by around 27% to USD 313 million (EUR 290 million), indicating significant valuation upside despite its conservative nature. Despite a 12% reduction in proved reserves due to asset sales and production, the value of proved reserves at constant prices increased by between 25% and 46%, mainly due to a higher proportion of reserves in production. The report underlines the undervaluation of Deutsche Rohstoff's shares and supports our BUY rating with a price target of EUR 52.00 and a significant upside of more than 70%.

BUY (BUY)

Target price	EUR 52.00 (52.00)
Current price	EUR 30.20
Up/downside	72.2%



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

Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 151.1m | EV EUR 207.8m

BUY (BUY)

Target price EUR 52.00 (52.00)
Current price EUR 30.20
Up/downside 72.2%

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Value of reserves increases significantly; BUY

Reserve report 2024 published. Deutsche Rohstoff has published the results of its annual oil and gas reserve report. The report is prepared by independent reserve auditors to standards accepted by the SEC and is an essential tool for Deutsche Rohstoff and its investors, providing valuable insight into their resource base and financial future. A tabular overview is provided on the next page.

Favorable development of producing reserves. Producing reserves are those reserves for which the necessary infrastructure is in place, which are currently being extracted and for which there is a high degree of certainty that they will be technically and economically recoverable in the future. Overall, the report shows a very favorable development of producing reserves, which increased by 28% to 18.9m BOE. With production of 4.5m BOE in 2023, the replacement ratio of producing reserves is close to 200% (i.e. for every barrel produced, almost two barrels are added to reserves).

Discounted net cash flow points to significant valuation upside. The discounted net cash flow of producing reserves, calculated at forward prices less production taxes, opex and capex and discounted at 10%, increased by c. 27% to USD 313m (c. EUR 290m), roughly in line with the increase in producing reserves. Adjusting this figure for corporate taxes and net debt gives a value per share of c. EUR 49. This figure is very conservative as it excludes: a) the value of current hedges above the forward curve; b) proved reserves not in production; c) additional probable reserves; and d) capex and opex efficiencies.

Proved reserves down, value of proved reserves up. Proved reserves decreased by 12% due to the sale of the Utah assets for USD 47m in December 2023 and the production of 4.5m BOE in 2023. However, the discounted net cash flow increased at both current forward and fixed prices as a higher proportion of proved reserves are now in production without the need for further investment. The increase in the value of proved reserves at fixed prices of between 25% and 46% is particularly impressive as it shows the results of Deutsche Rohstoff's activities in isolation from price developments in the oil and gas markets (which are beyond the company's control).

- continued next page -

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%	2.0%	4.3%	5.4%	4.0%	4.1%
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	6.6x	3.3x	1.3x	1.1x	1.2x	1.3x
EV/EBITDA	10.7x	3.7x	1.5x	1.4x	1.5x	1.7x
EV/EBIT	-15.9x	7.5x	2.3x	2.2x	2.4x	2.7x
PER	-9.6x	6.0x	2.5x	2.3x	2.6x	3.1x

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 35.35 / 24.10
Price/Book Ratio 1.2x

Ticker / Symbols

ISIN DE000A0XYG76
WKN A0XYG7
Bloomberg DR0:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	187.1	98.0	13.05
	Δ	0.0%	0.0%	0.0%
2024E	old	183.0	89.2	11.51
	Δ	0.0%	0.0%	0.0%
2025E	old	158.1	77.6	9.75
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 5.00
Book value per share: (in EUR) 25.78
Ø trading volume: (12 months) 8,027

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 reserve report 2024 once again highlights the value potential in Deutsche Rohstoff shares. We reiterate to BUY with price target of EUR 52.00, offering more than 70% upside.

The following table displays key figures from the reserve report 2024:

		as of 01 January	2023	2024	yoy
Proved developed producing reserves		BOEm	14,8	18,9	27,7%
discounted net cash flow at forward prices	USDm		246	313	27,2%
Proved reserves		BOEm	35,7	31,4	-12,0%
discounted net cash flow at forward prices	USDm		352	386	9,7%
discounted net cash flow at WTI 60 USD/barrel	USDm		214	312	46,0%
discounted net cash flow at WTI 80 USD/barrel	USDm		469	586	25,0%
Proved and probable reserves					
discounted net cash flow at forward prices	USDm		372	420	12,9%
discounted net cash flow at WTI 60 USD/barrel	USDm		218	332	52,0%
discounted net cash flow at WTI 80 USD/barrel	USDm		561	707	26,0%

Sources: Deutsche Rohstoff, AlsterResearch

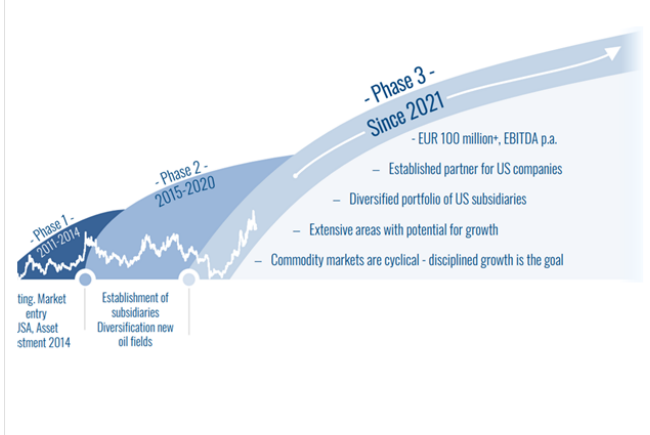
The following table displays the quarterly performance of **Deutsche Rohstoff AG**:

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

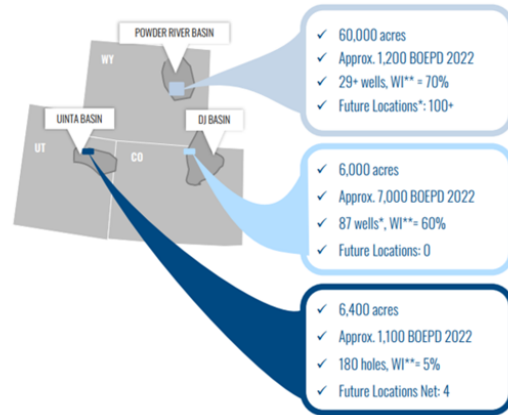
Source: Company data; AlsterResearch

Investment case in six charts

Development Phases of DRAG



Oil and gas production in the US (UT sold in 2023)



Reserves Highlights 2024



Proved developed reserves (NYMEX 31 Dec 23)¹

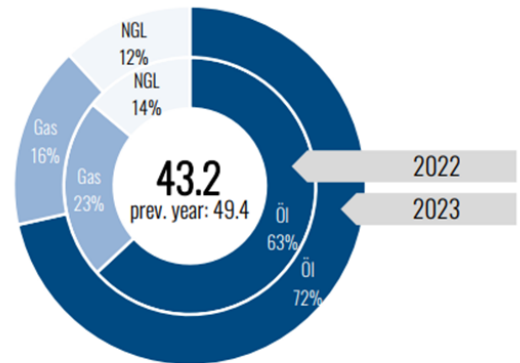
Cash Flow: 467.5 Mio. USD	Discounted Cash Flow: 313.4 Mio. USD
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Proved Reserves

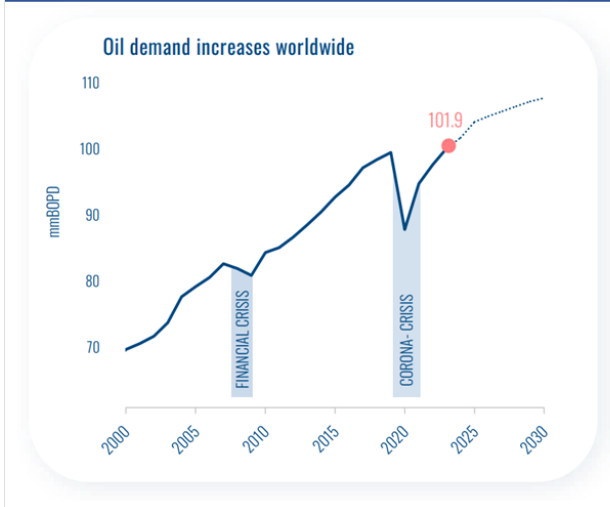
Cash Flow: 686.6 Mio. USD	Discounted Cash Flow: 385.9 Mio. USD
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Reserve values by Category

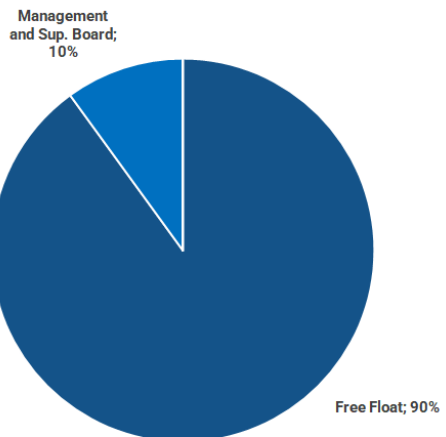
Reserves by product in million BOE⁴



Rising demand, unlikely to peak before 2030



Major Shareholders



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 52.73 per share**:

Top-line growth: We expect Deutsche Rohstoff AG to grow revenues at a CAGR of -0.8% between 2023E and 2030E. The long-term growth rate is set at -20.0%.

ROCE. Returns on capital are developing from 26.6% in 2023E to 12.7% 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 9.2%. With pre-tax cost of borrowing at 7.5%, a tax rate of 23.0% and target debt/equity of 0.1 this results in a long-term WACC of 8.8%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	74.8	68.1	59.3	62.4	65.1	67.8	70.3	69.1	
Depreciation & amortization	53.9	50.2	43.2	44.2	45.3	46.5	47.8	47.0	
Change in working capital	-12.0	-3.3	0.1	-5.7	-0.5	-0.5	-0.5	0.2	
Chg. in long-term provisions	4.3	-0.8	-4.9	1.1	1.1	1.1	1.1	-2.6	
Capex	-155.3	-97.2	-76.0	-76.2	-76.4	-76.5	-76.7	-46.6	
Cash flow	-34.3	16.9	21.7	25.8	34.6	38.4	42.0	67.0	186.0
Present value	-34.7	15.7	18.2	19.8	24.2	24.4	24.3	35.4	104.1
WACC	9.6%	9.6%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	8.8%

DCF per share derived from	
Total present value	231.5
Mid-year adj. total present value	242.3
Net debt / cash at start of year	11.7
Financial assets	34.2
Provisions and off b/s debt	1.0
Equity value	263.8
No. of shares outstanding	5.0
Discounted cash flow / share upside/(downside)	52.73 74.6%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	-0.8%
Terminal value growth (2030E - infinity)	-20.0%
Terminal year ROCE	12.7%
Terminal year WACC	8.8%

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	0.1
Relevered beta	1.21
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	9.2%

Share price	30.20
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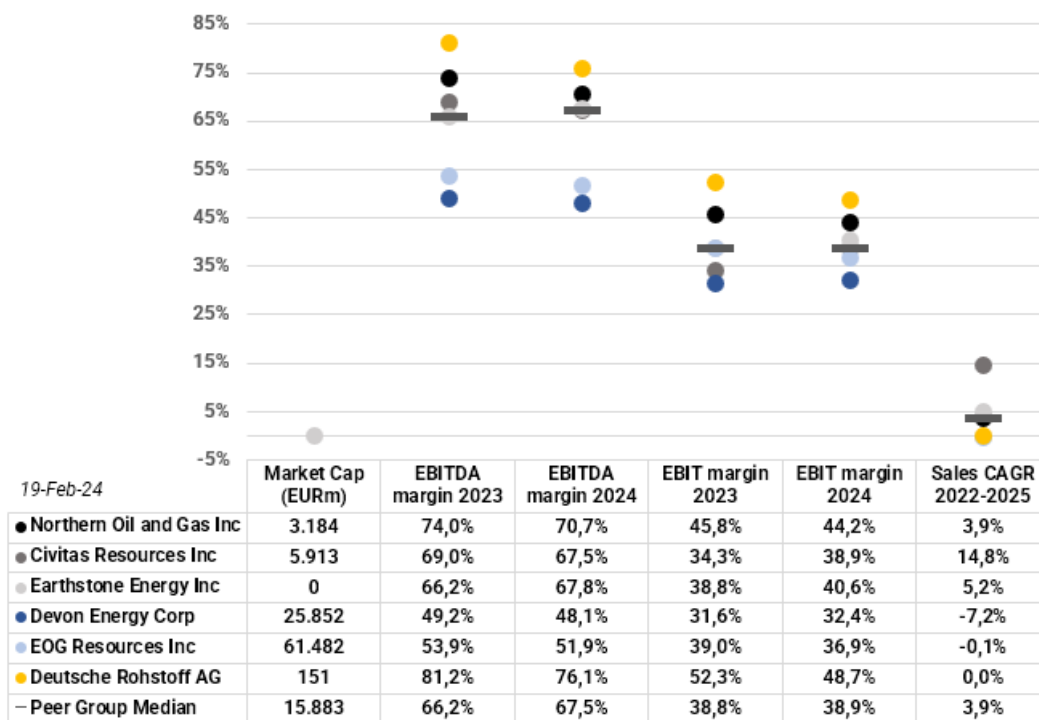
Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		-30.0%	-25.0%	-20.0%	-15.0%	-10.0%		
2.0%		40.6	43.2	46.8	51.6	58.8	2023E-2026E	8.2%
1.0%		42.8	45.7	49.6	55.1	63.4	2027E-2030E	46.8%
0.0%		45.1	48.3	52.7	58.9	68.5	terminal value	45.0%
-1.0%		47.6	51.2	56.1	63.2	74.2		
-2.0%		50.3	54.3	59.9	67.9	80.8		

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 19 February 2024 the median market cap of the peer group was EUR 15,882.5m, compared to EUR 151.1m 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

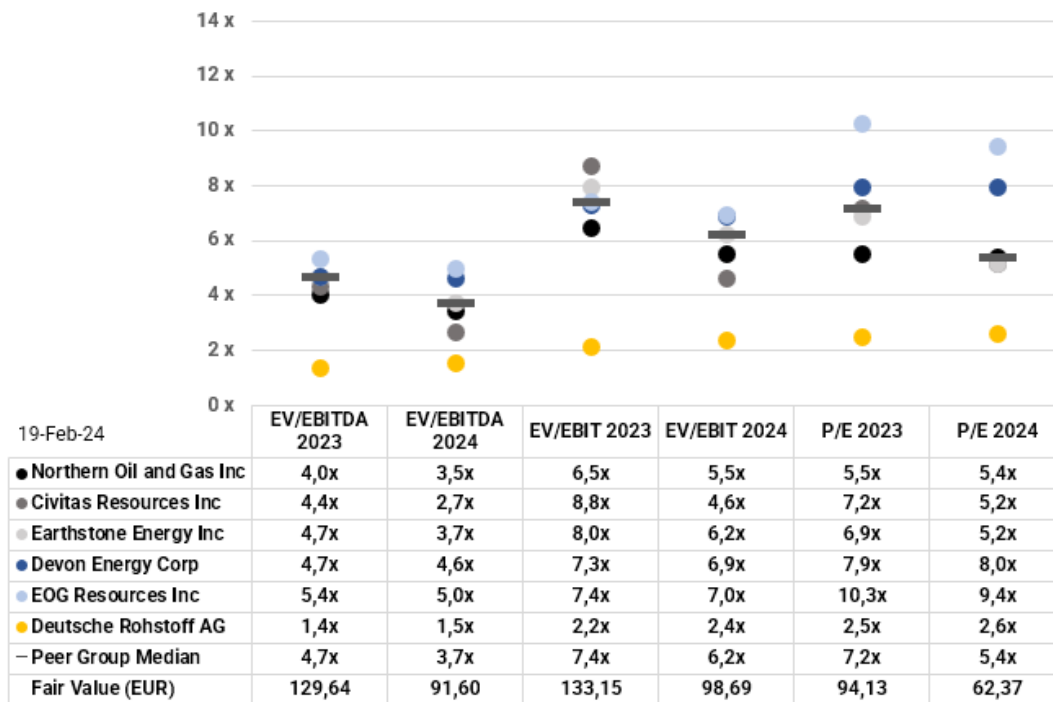


Source: Sentieo, AlsterResearch

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 62.37 to EUR 133.15.

Peer Group – Multiples and valuation

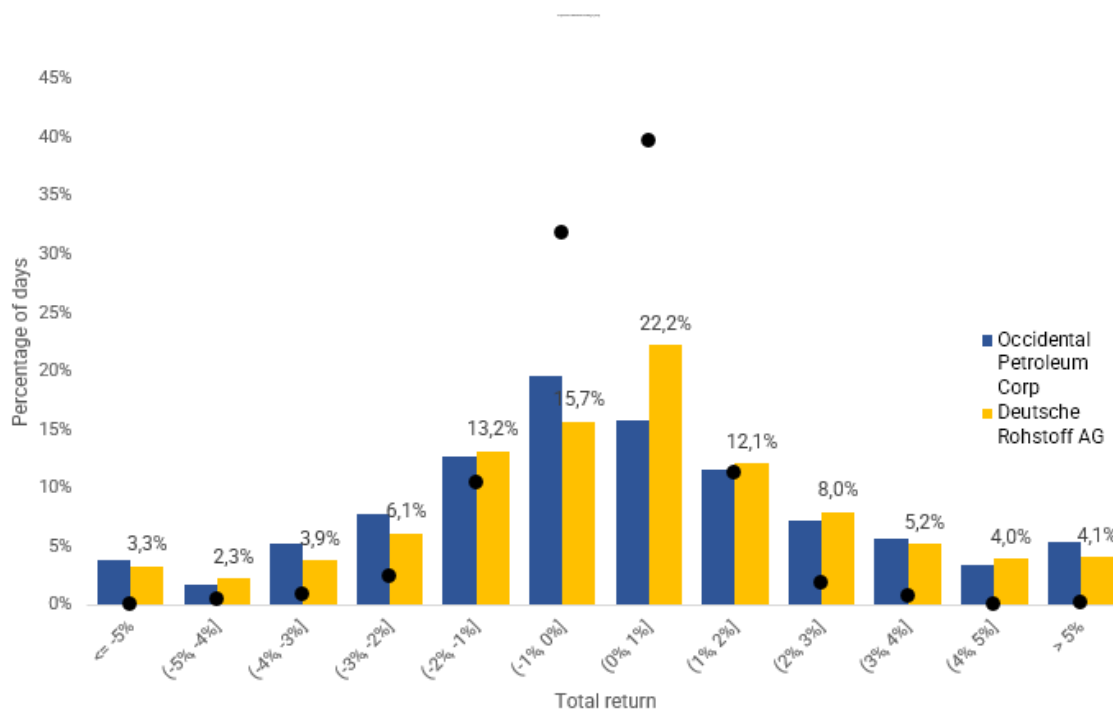


Source: Sentieo, AlsterResearch

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%.

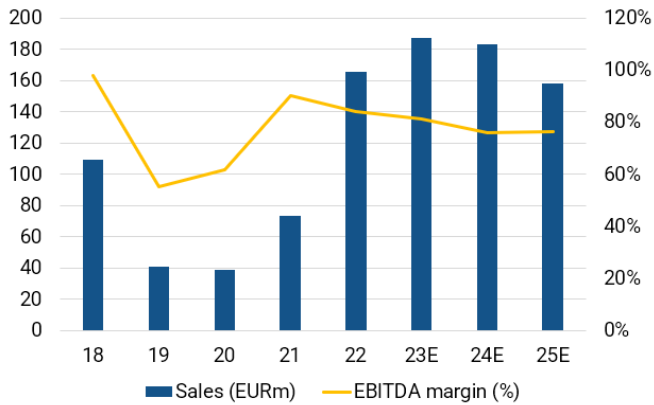
Risk – Daily Returns Distribution (trailing 3 years)



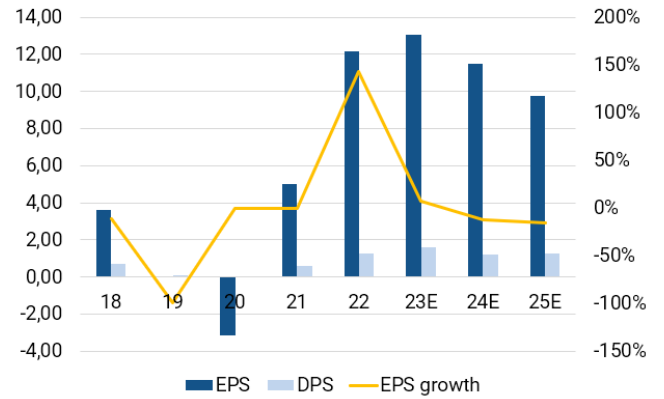
Source: Sentio, AlsterResearch

Financials in six charts

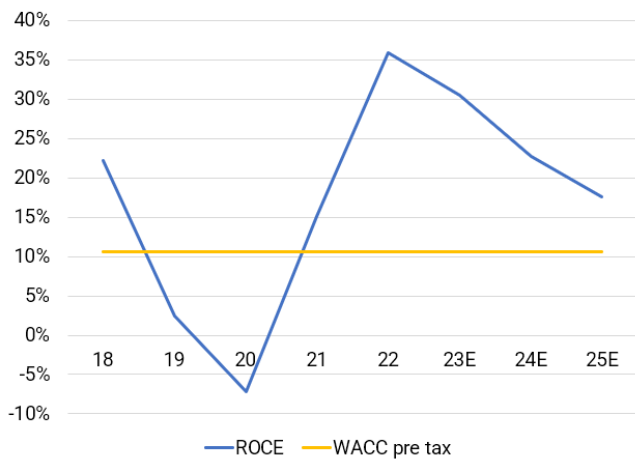
Sales vs. EBITDA margin development



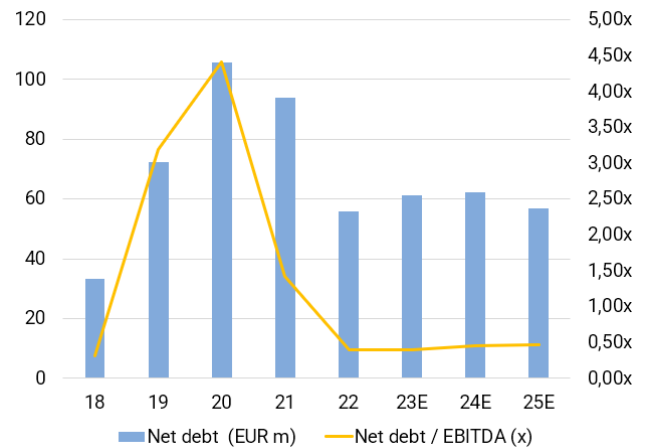
EPS, DPS in EUR & yoy EPS growth



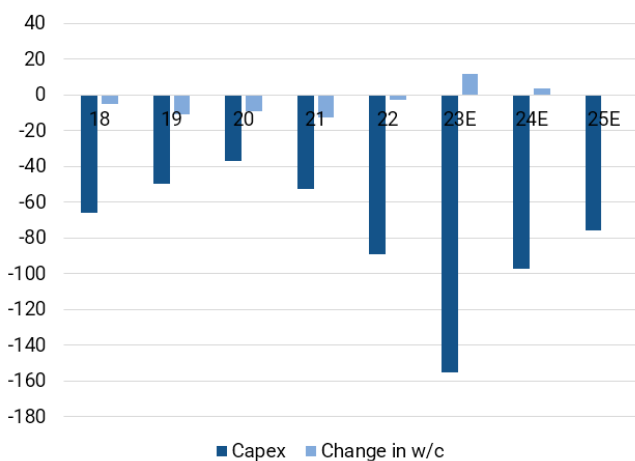
ROCE vs. WACC (pre tax)



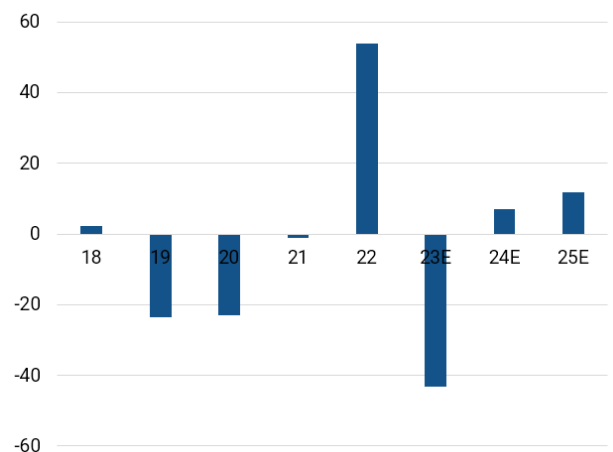
Net debt and net debt/EBITDA



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	-9.6x	6.0x	2.5x	2.3x	2.6x	3.1x
P/CF	10.7x	2.9x	1.1x	2.5x	2.7x	3.3x
P/BV	3.8x	2.1x	1.2x	0.8x	0.6x	0.5x
Dividend yield (%)	0.0%	2.0%	4.3%	5.4%	4.0%	4.1%
FCF yield (%)	9.4%	34.6%	94.5%	39.6%	37.0%	30.8%
EV/Sales	6.6x	3.3x	1.3x	1.1x	1.2x	1.3x
EV/EBITDA	10.7x	3.7x	1.5x	1.4x	1.5x	1.7x
EV/EBIT	-15.9x	7.5x	2.3x	2.2x	2.4x	2.7x
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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