

# Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 170.1m

13 March 2024

UPDATE

Preliminary FY23 in line, a good start to FY24, confirm BUY

**BUY** (BUY)

<b>Target price</b>	<b>EUR 52.00</b> (52.00)
Current price	EUR 34.00
Up/downside	52.9%

 ResearchHub 



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## What's it all about?

Deutsche Rohstoff's preliminary Q4 and FY23 figures surpassed expectations, with Q4 revenues reaching EUR 64.0m, beating estimates by nearly EUR 10m, driven by robust production of 15,300 BOEPD, up 5% qoq and 47% yoy. EBITDA also exceeded forecasts by around EUR 6.3m, boasting a healthy margin of 88.3%. Despite higher depreciation due to increased capital expenditure, net profit aligned with expectations. Operating momentum continued into 2024, with production exceeding plans by approximately 20% in the first two months. While this could lead to revenues surpassing EUR 200m for the year, caution is advised until further evidence of sustainability emerges. Nevertheless, Deutsche Rohstoff's favorable position in the oil market and significant discount to peers support our BUY rating with an unchanged price target of EUR 52.00.

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

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# Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 170.1m | EV EUR 226.8m

**BUY** (BUY)

**Target price** EUR 52.00 (52.00)  
**Current price** EUR 34.00  
**Up/downside** 52.9%

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## Preliminary FY23 in line, a good start to FY24, confirm BUY

**Preliminary sales and EBITDA surprise positively.** Deutsche Rohstoff has released preliminary figures for Q4 and FY23. Q4 revenues of EUR 64.0m beat our estimates by almost EUR 10m, driven by strong production of 15,300 BOEPD, up 5% qoq and as much as 47% yoy. As a result, EBITDA also exceeded expectations by around EUR 6.3m, with a healthy margin of 88.3% (up 650bp yoy). These figures once again underline the high productivity of the new wells brought on stream in Wyoming.

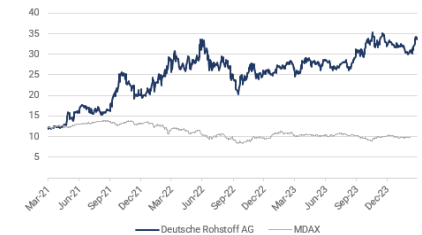
**Higher D&A lead to net profit in line.** The high number of wells brought into production and more capital-intensive drilling in Wyoming resulted in higher than expected capital expenditure of EUR 200m in FY23 and a negative free cash flow of approximately EUR 10m. As a result, depreciation was also higher than expected at almost EUR 22m in Q4 and EUR 65m in FY23, an increase of 36%. As a result, and despite the EBITDA beat, net profit was almost exactly in line with our expectations.

**Operating momentum continues in 2024.** In a separate press release, Deutsche Rohstoff had already commented on production figures for the first two months of 2024. According to the company, production of 15,500 BOEPD was approximately 20% above plan. Extrapolating this run rate to the full year 2024 would result in revenues in excess of EUR 200m at current prices, well above the guidance range in the USD 75 WTI scenario. However, we believe it is too early to upgrade estimates based on these data points and prefer to see more evidence on the sustainability of these production rates. In any case, Deutsche Rohstoff is taking advantage of the current recovery in oil prices to further expand its hedging position.

**Confirm BUY, PT EUR 52.00.** Overall, Deutsche Rohstoff has reported a solid end to 2023 and a promising start to 2024. The recently published reserve report had already highlighted the value potential of Deutsche Rohstoff shares. This is supported by a significant discount to peers of more than 50% on EV/EBITDA and P/E. We reiterate our BUY rating with an unchanged price target of EUR 52.00.

Deutsche Rohstoff AG	2020	2021	2022	2023P	2024E	2025E
Sales	38.7	73.3	165.4	196.6	183.0	158.1
<i>Growth yoy</i>	-6.1%	89.5%	125.6%	18.8%	-6.9%	-13.6%
EBITDA	23.9	66.1	139.1	158.2	139.3	120.8
EBIT	-16.1	32.6	91.4	93.1	89.1	77.6
Net profit	-15.5	24.8	60.8	65.1	57.7	48.8
Net debt (net cash)	105.6	93.9	55.7	79.3	96.5	91.0
Net debt/EBITDA	4.4x	1.4x	0.4x	0.5x	0.7x	0.8x
EPS reported	-3.13	5.01	12.15	13.01	11.53	9.74
DPS	0.00	0.60	1.30	1.61	1.22	1.25
<i>Dividend yield</i>	0.0%	1.8%	3.8%	4.7%	3.6%	3.7%
Gross profit margin	70.0%	75.3%	81.6%	82.5%	84.6%	85.4%
EBITDA margin	61.9%	90.1%	84.1%	80.5%	76.1%	76.4%
EBIT margin	-41.7%	44.4%	55.3%	47.3%	48.7%	49.1%
ROCE	-8.2%	13.9%	33.3%	22.9%	20.4%	16.1%
EV/Sales	7.1x	3.6x	1.4x	1.3x	1.5x	1.7x
EV/EBITDA	11.5x	4.0x	1.6x	1.6x	1.9x	2.2x
EV/EBIT	-17.1x	8.1x	2.5x	2.7x	3.0x	3.4x
PER	-10.9x	6.8x	2.8x	2.6x	2.9x	3.5x

Source: Company data, mwb research



Source: Company data, mwb research

**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
2023P	old	187.1	98.0	13.05
	Δ	5.1%	-5.0%	-0.3%
2024E	old	183.0	89.2	11.51
	Δ	0.0%	-0.0%	0.2%
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 vol.: (12 months) 7,367

### 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.

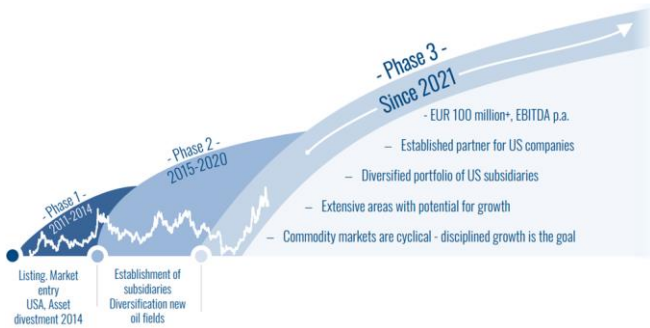
The following table displays the quarterly performance of **Deutsche Rohstoff AG**:

P&L data	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Sales	28.1	44.2	46.0	47.2	42.7	32.5	57.5	64.0
yoy growth in %	56.7%	111.4%	219.7%	134.7%	52.0%	-26.4%	25.0%	35.4%
Gross profit	23.4	36.7	38.2	36.7	34.3	26.2	47.4	54.3
Gross margin in %	83.3%	83.2%	83.1%	77.7%	80.4%	80.7%	82.4%	84.8%
EBITDA	25.2	38.8	38.3	36.8	32.3	23.7	45.6	56.5
EBITDA margin in %	89.8%	87.8%	83.4%	77.8%	75.7%	73.0%	79.4%	88.3%
EBIT	17.0	26.0	26.3	22.1	20.6	12.0	25.7	34.8
EBIT margin in %	60.6%	58.9%	57.2%	46.9%	48.3%	36.8%	44.7%	54.4%
EBT	15.1	25.0	24.9	20.9	19.2	10.8	23.5	30.0
taxes paid	2.8	4.8	4.8	7.3	4.6	3.2	2.4	8.2
tax rate in %	18.3%	19.3%	19.3%	35.1%	23.8%	29.6%	10.0%	27.3%
net profit	11.9	17.8	17.9	13.2	14.3	7.6	21.4	21.8
yoy growth in %	7.8%	222.7%	367.0%	197.8%	20.4%	-57.1%	19.5%	64.9%
<b>EPS</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>	<b>4.35</b>

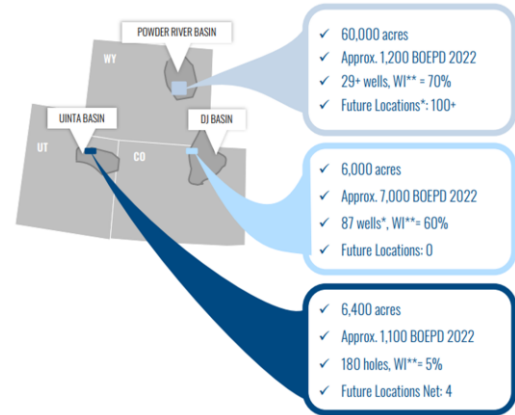
Source: Company data; mwb research

# 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)<sup>1</sup>

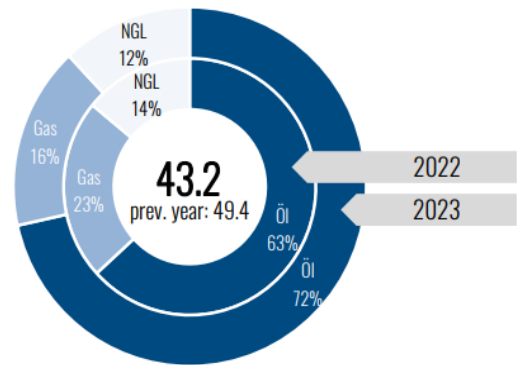
**Cash Flow:** 467.5 Mio. USD  
**Discounted Cash Flow:** 313.4 Mio. USD

### Proved Reserves

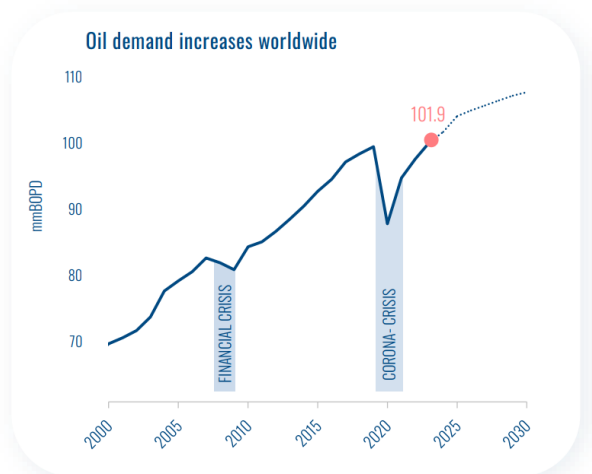
**Cash Flow:** 686.6 Mio. USD  
**Discounted Cash Flow:** 385.9 Mio. USD

## Reserve values by Category

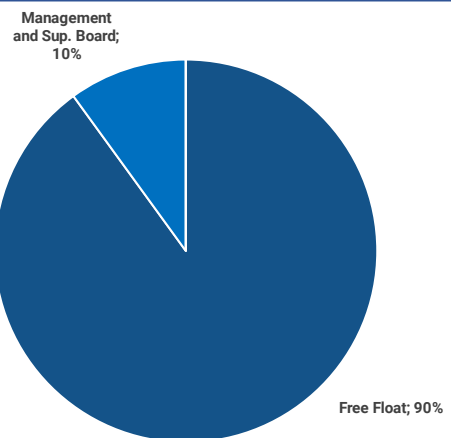
### Reserves by product in million BOE<sup>4</sup>



## Rising demand, unlikely to peak before 2030



## Major Shareholders



Source: Deutsche Rohstoff, mwb research

# 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
- 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
- Oil exploration and production, transport accidents
- Cost inflation (materials, personnel, financing)
- Volatile EUR/USD exchange rate
- Risks in junior mining investments where metals can't be economically extracted



## FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

**The adjusted Free Cash Flow Yield results in a fair value between EUR 144.85 per share based on 2023P and EUR 143.68 per share on 2027E estimates.**

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2023P	2024E	2025E	2026E	2027E
<b>EBITDA</b>	<b>158.2</b>	<b>139.3</b>	<b>120.8</b>	<b>125.9</b>	<b>130.6</b>
- Maintenance capex	63.5	48.4	41.2	42.0	43.0
- Minorities	0.0	0.6	0.5	0.5	0.6
- tax expenses	18.3	16.3	13.8	14.7	15.5
<b>= Adjusted FCF</b>	<b>76.5</b>	<b>74.0</b>	<b>65.3</b>	<b>68.6</b>	<b>71.5</b>
<b>Actual Market Cap</b>	<b>170.1</b>	<b>170.1</b>	<b>170.1</b>	<b>170.1</b>	<b>170.1</b>
+ Net debt (cash)	79.3	96.5	91.0	81.3	63.1
+ Pension provisions	1.2	1.1	1.0	1.0	1.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	34.2	34.2	34.2	34.2	34.2
- Acc. dividend payments	6.5	14.6	20.7	26.9	33.4
<i>EV Reconciliations</i>	39.8	48.9	37.0	21.2	-3.6
<b>= Actual EV'</b>	<b>209.9</b>	<b>219.0</b>	<b>207.2</b>	<b>191.3</b>	<b>166.6</b>
<b>Adjusted FCF yield</b>	<b>36.4%</b>	<b>33.8%</b>	<b>31.5%</b>	<b>35.9%</b>	<b>42.9%</b>
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	-4.0%	-4.0%	-4.0%	-4.0%	-4.0%
adjusted hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%
<b>Fair EV</b>	<b>764.5</b>	<b>740.5</b>	<b>652.8</b>	<b>686.0</b>	<b>715.3</b>
- <i>EV Reconciliations</i>	39.8	48.9	37.0	21.2	-3.6
<b>Fair Market Cap</b>	<b>724.7</b>	<b>691.6</b>	<b>615.7</b>	<b>664.8</b>	<b>718.9</b>
No. of shares (million)	5.0	5.0	5.0	5.0	5.0
<b>Fair value per share in EUR</b>	<b>144.85</b>	<b>138.22</b>	<b>123.07</b>	<b>132.88</b>	<b>143.68</b>
<b>Premium (-) / discount (+)</b>	<b>326.0%</b>	<b>306.5%</b>	<b>262.0%</b>	<b>290.8%</b>	<b>322.6%</b>

Sensitivity analysis FV						
<b>Adjusted hurdle rate</b>	8.0%	183.0	175.2	155.7	167.2	179.4
	9.0%	161.8	154.7	137.6	148.1	159.6
	<b>10.0%</b>	<b>144.8</b>	<b>138.2</b>	<b>123.1</b>	<b>132.9</b>	<b>143.7</b>
	11.0%	131.0	124.8	111.2	120.4	130.7
	12.0%	119.4	113.6	101.3	110.0	119.8

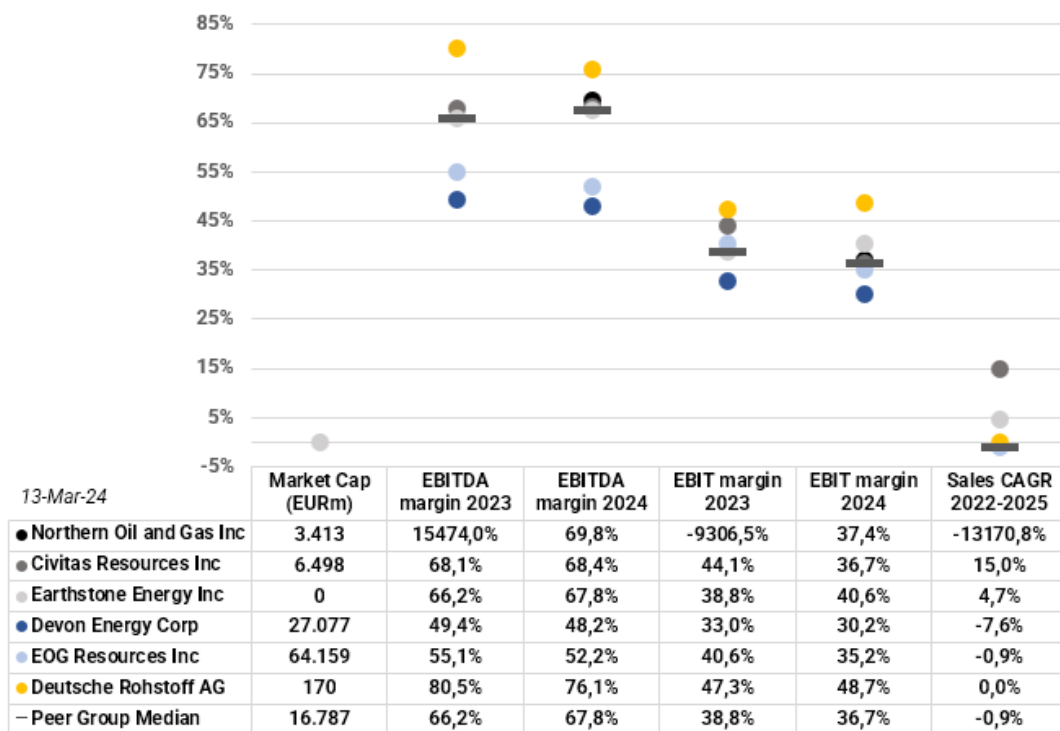
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

## 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 13 March 2024 the median market cap of the peer group was EUR 16,787.4m, compared to EUR 170.1m 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 lower for the peer group than for Deutsche Rohstoff AG.

### Peer Group – Key data



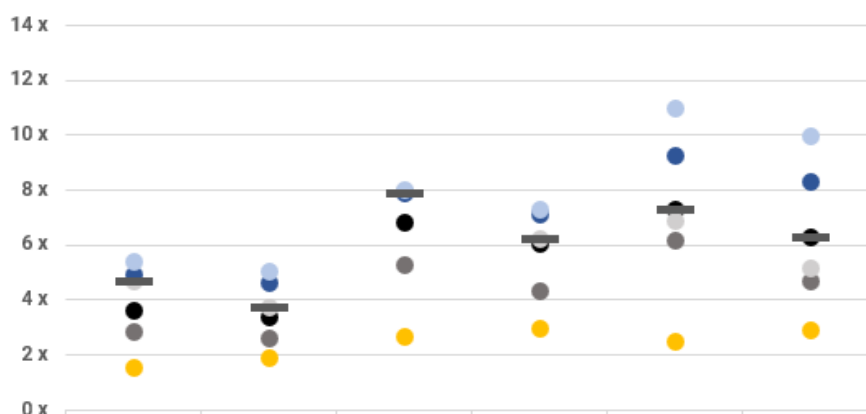
Source: AlphaSense, mwb research



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 72.80 to EUR 131.94.**

**Peer Group – Multiples and valuation**



13-Mar-24

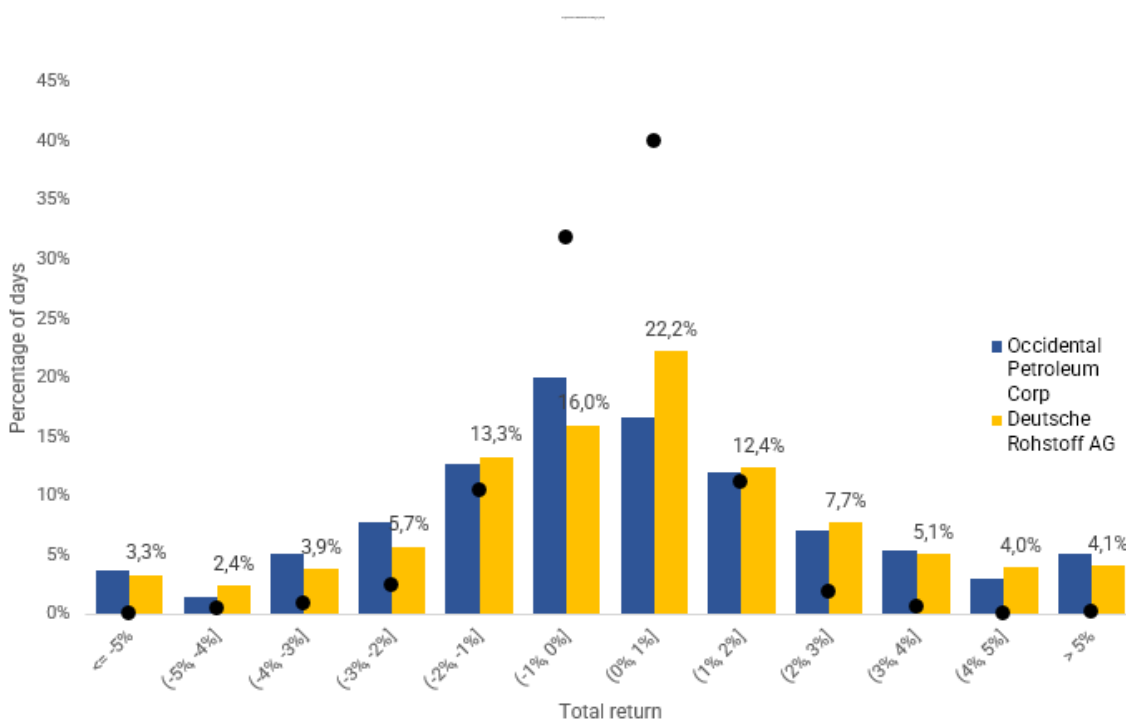
	EV/EBITDA 2023	EV/EBITDA 2024	EV/EBIT 2023	EV/EBIT 2024	P/E 2023	P/E 2024
● Northern Oil and Gas Inc	3,7x	3,4x	6,8x	6,1x	7,3x	6,3x
● Civitas Resources Inc	2,9x	2,6x	5,3x	4,3x	6,2x	4,7x
● Earthstone Energy Inc	4,7x	3,7x	8,0x	6,2x	6,9x	5,2x
● Devon Energy Corp	4,9x	4,7x	7,9x	7,2x	9,3x	8,3x
● EOG Resources Inc	5,4x	5,1x	8,0x	7,3x	11,0x	10,0x
● Deutsche Rohstoff AG	1,6x	1,9x	2,7x	3,0x	2,5x	2,9x
– Peer Group Median	4,7x	3,7x	7,9x	6,2x	7,3x	6,3x
Fair Value (EUR)	131,94	88,00	130,69	95,06	94,94	72,80

Source: AlphaSense, mwb research

# 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%.

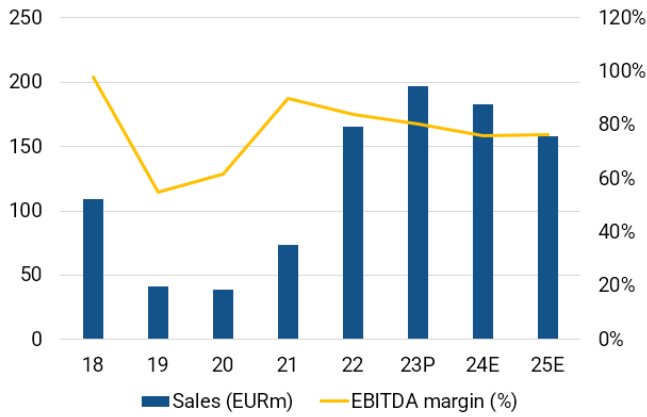
**Risk – Daily Returns Distribution (trailing 3 years)**



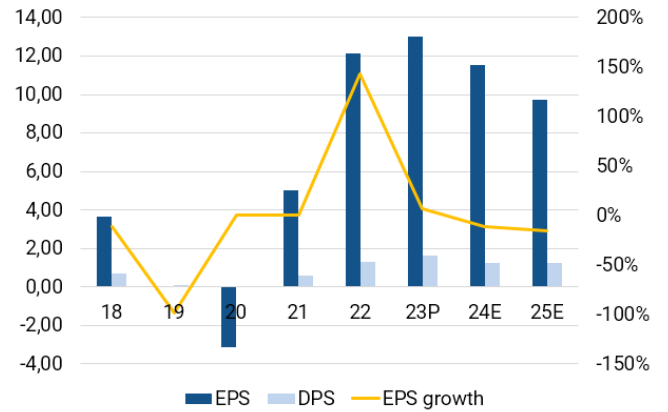
Source: AlphaSense, mwb research

# Financials in six charts

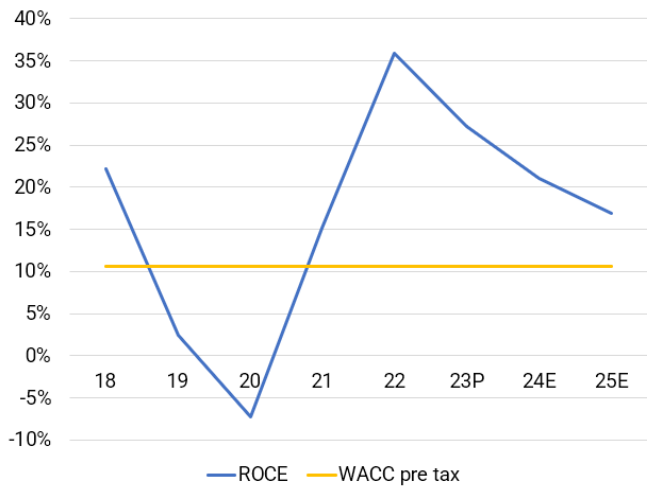
**Sales vs. EBITDA margin development**



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



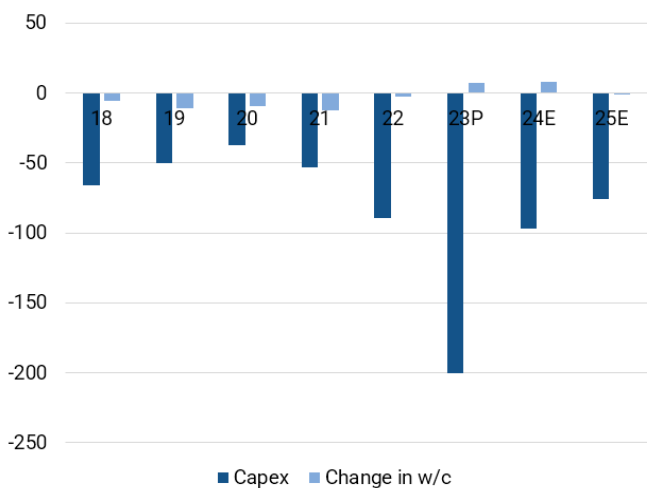
**ROCE vs. WACC (pre tax)**



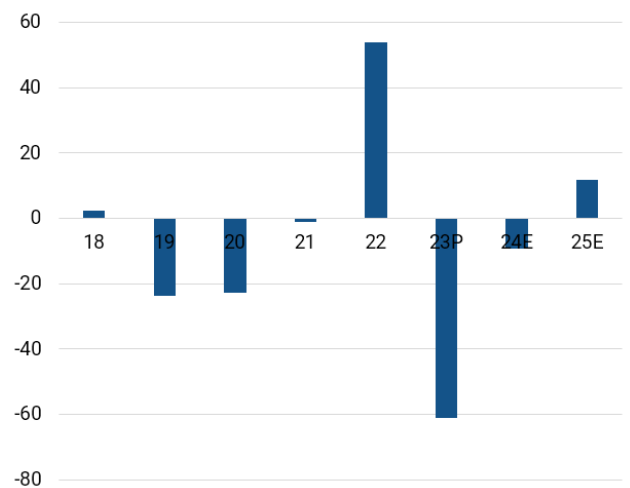
**Net debt and net debt/EBITDA**



**Capex & chgn in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; mwb research

# Financials

Profit and loss (EURm)	2020	2021	2022	2023P	2024E	2025E
<b>Net sales</b>	<b>38.7</b>	<b>73.3</b>	<b>165.4</b>	<b>196.6</b>	<b>183.0</b>	<b>158.1</b>
Sales growth	-6.1%	89.5%	125.6%	18.8%	-6.9%	-13.6%
Change in finished goods and work-in-process	0.0	-0.0	-0.0	-0.1	-0.0	-0.0
<b>Total sales</b>	<b>38.7</b>	<b>73.3</b>	<b>165.4</b>	<b>196.5</b>	<b>183.0</b>	<b>158.0</b>
Material expenses	11.6	18.1	30.4	34.3	28.1	23.0
<b>Gross profit</b>	<b>27.1</b>	<b>55.2</b>	<b>135.0</b>	<b>162.2</b>	<b>154.9</b>	<b>135.0</b>
Other operating income	7.7	23.0	25.9	20.7	0.0	0.0
Personnel expenses	3.6	5.1	6.5	7.9	8.2	7.9
Other operating expenses	7.2	7.0	15.3	16.9	7.3	6.3
<b>EBITDA</b>	<b>23.9</b>	<b>66.1</b>	<b>139.1</b>	<b>158.2</b>	<b>139.3</b>	<b>120.8</b>
Depreciation	31.5	30.3	42.2	63.5	48.4	41.2
EBITA	-7.5	35.7	96.9	94.7	91.0	79.6
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>93.1</b>	<b>89.1</b>	<b>77.6</b>
Financial result	-6.4	-5.5	-5.5	-9.7	-14.5	-14.5
Recurring pretax income from continuing operations	-22.5	27.1	85.9	83.4	74.6	63.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-22.5	27.1	85.9	83.4	74.6	63.1
Taxes	-6.4	0.7	19.8	18.3	16.3	13.8
Net income from continuing operations	-16.1	26.4	66.2	65.1	58.3	49.3
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>65.1</b>	<b>58.3</b>	<b>49.3</b>
Minority interest	0.6	1.6	5.4	0.0	-0.6	-0.5
Net profit (reported)	-15.5	24.8	60.8	65.1	57.7	48.8
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>13.01</b>	<b>11.53</b>	<b>9.74</b>

Profit and loss (common size)	2020	2021	2022	2023P	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%	15%	15%
<b>Gross profit</b>	<b>70%</b>	<b>75%</b>	<b>82%</b>	<b>83%</b>	<b>85%</b>	<b>85%</b>
Other operating income	20%	31%	16%	11%	0%	0%
Personnel expenses	9%	7%	4%	4%	4%	5%
Other operating expenses	19%	10%	9%	9%	4%	4%
<b>EBITDA</b>	<b>62%</b>	<b>90%</b>	<b>84%</b>	<b>80%</b>	<b>76%</b>	<b>76%</b>
Depreciation	81%	41%	25%	32%	26%	26%
EBITA	-19%	49%	59%	48%	50%	50%
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>49%</b>	<b>49%</b>
Financial result	-17%	-8%	-3%	-5%	-8%	-9%
Recurring pretax income from continuing operations	-58%	37%	52%	42%	41%	40%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-58%	37%	52%	42%	41%	40%
Taxes	-17%	1%	12%	9%	9%	9%
Net income from continuing operations	-42%	36%	40%	33%	32%	31%
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>33%</b>	<b>32%</b>	<b>31%</b>
Minority interest	2%	2%	3%	0%	-0%	-0%
<b>Net profit (reported)</b>	<b>-40%</b>	<b>34%</b>	<b>37%</b>	<b>33%</b>	<b>32%</b>	<b>31%</b>

Source: Company data; mwb research

Balance sheet (EURm)	2020	2021	2022	2023P	2024E	2025E
<b>Intangible assets (excl. Goodwill)</b>	<b>20.6</b>	<b>28.6</b>	<b>32.5</b>	<b>36.8</b>	<b>40.4</b>	<b>43.1</b>
Goodwill	1.3	1.3	1.2	1.2	1.2	1.2
Property, plant and equipment	112.8	149.1	192.6	279.2	322.5	352.5
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>351.3</b>	<b>398.3</b>	<b>431.1</b>
Inventories	0.2	0.2	0.1	0.2	0.1	0.1
Accounts receivable	3.5	16.8	28.6	32.3	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	88.7	63.5	74.0
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	0.9	0.8
<b>CURRENT ASSETS</b>	<b>34.9</b>	<b>51.0</b>	<b>89.8</b>	<b>128.1</b>	<b>100.6</b>	<b>106.9</b>
<b>TOTAL ASSETS</b>	<b>206.7</b>	<b>265.0</b>	<b>350.3</b>	<b>479.5</b>	<b>498.8</b>	<b>537.9</b>
<b>SHAREHOLDERS EQUITY</b>	<b>39.4</b>	<b>72.7</b>	<b>129.0</b>	<b>187.6</b>	<b>237.8</b>	<b>280.9</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	130.0	135.0
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	47.2	35.0	30.2
<b>Non-current liabilities</b>	<b>136.9</b>	<b>134.6</b>	<b>142.5</b>	<b>168.4</b>	<b>166.1</b>	<b>166.2</b>
short-term liabilities to banks	14.0	19.6	0.1	48.0	30.0	30.0
Accounts payable	2.9	20.8	11.4	14.1	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	22.6	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
<b>Current liabilities</b>	<b>24.2</b>	<b>50.3</b>	<b>75.5</b>	<b>120.1</b>	<b>91.6</b>	<b>87.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>206.7</b>	<b>265.0</b>	<b>350.3</b>	<b>479.5</b>	<b>498.8</b>	<b>537.9</b>

Balance sheet (common size)	2020	2021	2022	2023P	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%	58%	65%	66%
Financial assets	18%	13%	10%	7%	7%	6%
<b>FIXED ASSETS</b>	<b>83%</b>	<b>81%</b>	<b>74%</b>	<b>73%</b>	<b>80%</b>	<b>80%</b>
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%	19%	13%	14%
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>27%</b>	<b>20%</b>	<b>20%</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>39%</b>	<b>48%</b>	<b>52%</b>
MINORITY INTEREST	3%	3%	1%	1%	1%	1%
Long-term debt	55%	37%	31%	25%	26%	25%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	11%	14%	9%	10%	7%	6%
<b>Non-current liabilities</b>	<b>66%</b>	<b>51%</b>	<b>41%</b>	<b>35%</b>	<b>33%</b>	<b>31%</b>
short-term liabilities to banks	7%	7%	0%	10%	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%	5%	3%	2%
Deferred taxes	7%	7%	10%	7%	7%	7%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>12%</b>	<b>19%</b>	<b>22%</b>	<b>25%</b>	<b>18%</b>	<b>16%</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; mwb research

Cash flow statement (EURm)	2020	2021	2022	2023P	2024E	2025E
Net profit/loss	-16.1	26.4	66.2	65.1	58.3	49.3
Depreciation of fixed assets (incl. leases)	37.7	32.8	39.8	63.5	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	15.7	-12.3	-4.9
Cash flow from operations before changes in w/c	4.9	39.4	140.2	145.9	96.2	87.6
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	-3.7	2.2	4.1
Increase/decrease in accounts payable	-2.2	19.4	9.2	2.7	-2.5	-2.1
Increase/decrease in other w/c positions	11.3	-7.0	0.0	-6.2	-7.9	-1.9
Increase/decrease in working capital	9.1	12.4	2.5	-7.1	-8.2	0.1
<b>Cash flow from operating activities</b>	<b>14.0</b>	<b>51.8</b>	<b>142.7</b>	<b>138.8</b>	<b>88.0</b>	<b>87.7</b>
CAPEX	-36.8	-52.8	-88.9	-199.9	-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
<b>Cash flow from investing activities</b>	<b>-48.7</b>	<b>-29.3</b>	<b>-72.2</b>	<b>-155.9</b>	<b>-97.2</b>	<b>-76.0</b>
Cash flow before financing	-34.7	22.5	70.6	-17.1	-9.2	11.7
Increase/decrease in debt position	-9.3	-12.7	-8.1	58.1	-8.0	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
<b>Cash flow from financing activities</b>	<b>-17.7</b>	<b>-19.7</b>	<b>-34.7</b>	<b>51.6</b>	<b>-16.1</b>	<b>-1.1</b>
Increase/decrease in liquid assets	-52.4	2.8	35.8	34.5	-25.2	10.6
<b>Liquid assets at end of period</b>	<b>8.2</b>	<b>11.6</b>	<b>47.4</b>	<b>81.9</b>	<b>56.7</b>	<b>67.2</b>

Source: Company data; mwb research

Regional sales split (EURm)	2020	2021	2022	2023P	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	196.6	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
<b>Total sales</b>	<b>38.7</b>	<b>73.3</b>	<b>165.4</b>	<b>196.6</b>	<b>183.0</b>	<b>158.1</b>

Regional sales split (common size)	2020	2021	2022	2023P	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; mwb research

Ratios	2020	2021	2022	2023P	2024E	2025E
<b>Per share data</b>						
Earnings per share reported	-3.13	5.01	12.15	13.01	11.53	9.74
Cash flow per share	2.82	10.46	28.53	15.05	7.92	9.29
Book value per share	7.96	14.68	25.78	37.49	47.52	56.14
Dividend per share	0.00	0.60	1.30	1.61	1.22	1.25
<b>Valuation</b>						
P/E	-10.9x	6.8x	2.8x	2.6x	2.9x	3.5x
P/CF	12.0x	3.3x	1.2x	2.3x	4.3x	3.7x
P/BV	4.3x	2.3x	1.3x	0.9x	0.7x	0.6x
Dividend yield (%)	0.0%	1.8%	3.8%	4.7%	3.6%	3.7%
FCF yield (%)	8.3%	30.8%	83.9%	44.3%	23.3%	27.3%
EV/Sales	7.1x	3.6x	1.4x	1.3x	1.5x	1.7x
EV/EBITDA	11.5x	4.0x	1.6x	1.6x	1.9x	2.2x
EV/EBIT	-17.1x	8.1x	2.5x	2.7x	3.0x	3.4x
<b>Income statement (EURm)</b>						
Sales	38.7	73.3	165.4	196.6	183.0	158.1
yoy chg in %	-6.1%	89.5%	125.6%	18.8%	-6.9%	-13.6%
Gross profit	27.1	55.2	135.0	162.2	154.9	135.0
Gross margin in %	70.0%	75.3%	81.6%	82.5%	84.6%	85.4%
EBITDA	23.9	66.1	139.1	158.2	139.3	120.8
EBITDA margin in %	61.9%	90.1%	84.1%	80.5%	76.1%	76.4%
EBIT	-16.1	32.6	91.4	93.1	89.1	77.6
EBIT margin in %	-41.7%	44.4%	55.3%	47.3%	48.7%	49.1%
Net profit	-15.5	24.8	60.8	65.1	57.7	48.8
<b>Cash flow statement (EURm)</b>						
CF from operations	14.0	51.8	142.7	138.8	88.0	87.7
Capex	-36.8	-52.8	-88.9	-199.9	-97.2	-76.0
Maintenance Capex	0.0	0.0	0.0	63.5	48.4	41.2
Free cash flow	-22.9	-1.0	53.8	-61.1	-9.2	11.7
<b>Balance sheet (EURm)</b>						
Intangible assets	21.9	29.8	33.7	37.9	41.6	44.3
Tangible assets	112.8	149.1	192.6	279.2	322.5	352.5
Shareholders' equity	39.4	72.7	129.0	187.6	237.8	280.9
Pension provisions	0.0	0.0	1.0	1.2	1.1	1.0
Liabilities and provisions	150.9	154.2	142.5	216.4	196.1	196.2
Net financial debt	105.6	93.9	55.7	79.3	96.5	91.0
w/c requirements	0.8	-3.8	17.4	18.4	18.7	16.6
<b>Ratios</b>						
ROE	-40.8%	36.2%	51.3%	34.7%	24.5%	17.5%
ROCE	-8.2%	13.9%	33.3%	22.9%	20.4%	16.1%
Net gearing	267.8%	129.1%	43.2%	42.3%	40.6%	32.4%
Net debt / EBITDA	4.4x	1.4x	0.4x	0.5x	0.7x	0.8x

Source: Company data; mwb research

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