

Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 196.1m

11 April 2024



UPDATE



Guidance for FY24 increased, estimates / price target up, BUY

BUY (BUY)

Target price	EUR 56.70 (52.00)
Current price	EUR 39.20
Up/downside	44.6%

 ResearchHub 



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What's it all about?

Based on the strong oil price performance and the high productivity of the Wyoming wells, Deutsche Rohstoff has expanded its drilling programme and now plans to invest between EUR 145m and EUR 165m in FY24 compared to the previous guidance of EUR 110m. Accordingly, the company has increased its FY24 revenue and EBITDA guidance by more than 20%. We upgrade our estimates and arrive at a new PT of EUR 56.70 (old: EUR 52.00), based on a DCF and supported by a discount to peers of more than 50% on EV/EBITDA and PER. We reiterate our BUY recommendation.

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

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Germany | Oil & Gas | MCap EUR 196.1m | EV EUR 252.8m

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Guidance for FY24 increased, estimates / price target up, BUY

Guidance FY24 increased. The strong demand and the current geopolitical uncertainties have pushed the WTI oil price up by more than 20% YTD to currently over USD 86. In addition, the productivity of Deutsche Rohstoff's wells in Wyoming is developing very favorably and production in the first quarter was 14% higher than planned. Based on the strong oil price development and the high productivity of the Wyoming wells, the company has expanded its drilling programme and now plans to invest between EUR 145m and EUR 165m in FY24 compared to the previous guidance of EUR 110m. Accordingly, the Company has increased its FY24 guidance. The base case revenue midpoint has been increased by c.19% and the EBITDA midpoint by c.24%, while the optimistic case has been increased by roughly similar proportions:

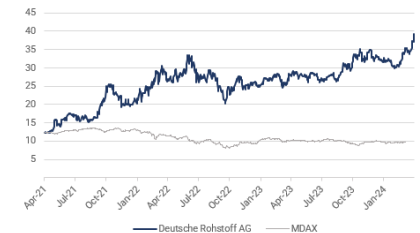
Year	Revenue	EBITDA	WTI (USD/BBL)	Gas (USD/MMBtu)	EUR/USD
2024 base old	175 - 195	130 - 145	75,00	3,00	1,12
2024 base	210 - 230	160 - 180	75,00	2,00	1,12
2024 optimist old	190 - 210	150 - 165	85,00	3,00	1,12
2024 optimist	235 - 255	180 - 200	85,00	3,00	1,12
eAR	223	172			

Hedging position managed. For 2024 and 2025, the company has now hedged 1.8m barrels of oil at around USD 75. This compares with around 2.0m reported on 5th March, so some of the hedges have matured and Deutsche Rohstoff has only selectively added new hedges. Current futures prices may not look too attractive to sellers at the moment, as the market is in a fairly steep backwardation, i.e. futures prices are well below spot prices (for example, the December 25 contract is priced at USD 73.45, compared to the spot price of USD 86.17, see chart on the next page).

Upgrading estimates, PT up, BUY. Deutsche Rohstoff is employing more capital, which is very sensible as the available returns currently are well above capital costs. We upgrade our estimates and come to a new price target of EUR 56.70 (old: EUR 52.00), based on DCF and supported by a discount to peers of more than 50% on EV/EBITDA and P/E. We reiterate our BUY rating.

Deutsche Rohstoff AG	2020	2021	2022	2023P	2024E	2025E
Sales	38.7	73.3	165.4	196.6	223.5	194.1
<i>Growth yoy</i>	-6.1%	89.5%	125.6%	18.8%	13.7%	-13.1%
EBITDA	23.9	66.1	139.1	158.2	172.1	140.0
EBIT	-16.1	32.6	91.4	93.1	113.4	89.1
Net profit	-15.5	24.8	60.8	65.1	76.5	57.7
Net debt (net cash)	105.6	93.9	55.7	79.3	125.3	102.8
Net debt/EBITDA	4.4x	1.4x	0.4x	0.5x	0.7x	0.7x
EPS reported	-3.13	5.01	12.15	13.01	15.28	11.53
DPS	0.00	0.60	1.30	1.61	1.62	1.48
<i>Dividend yield</i>	0.0%	1.5%	3.3%	4.1%	4.1%	3.8%
Gross profit margin	70.0%	75.3%	81.6%	82.5%	85.5%	81.1%
EBITDA margin	61.9%	90.1%	84.1%	80.5%	77.0%	72.1%
EBIT margin	-41.7%	44.4%	55.3%	47.3%	50.7%	45.9%
ROCE	-8.2%	13.9%	33.3%	22.9%	24.4%	17.3%
EV/Sales	7.8x	4.0x	1.5x	1.4x	1.4x	1.5x
EV/EBITDA	12.6x	4.4x	1.8x	1.7x	1.9x	2.1x
EV/EBIT	-18.7x	8.9x	2.8x	3.0x	2.8x	3.4x
PER	-12.5x	7.8x	3.2x	3.0x	2.6x	3.4x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 39.80 / 25.70
Price/Book Ratio 1.5x

Ticker / Symbols

ISIN DE000A0XYG76
WKN A0XYG7
Bloomberg DR0:GR

Changes in estimates

		Sales	EBIT	EPS
2023P	old	196.6	93.1	13.01
	Δ	0.0%	0.0%	0.0%
2024E	old	183.0	89.1	11.53
	Δ	22.1%	27.2%	32.5%
2025E	old	158.1	77.6	9.74
	Δ	22.8%	14.9%	18.3%

Key share data

Number of shares: (in m pcs) 5.00
Book value per share: (in EUR) 25.78
Ø trading vol.: (12 months) 7,309

Major shareholders

Management and Sup. Board 10.0%
Free Float 90.0%

Company description

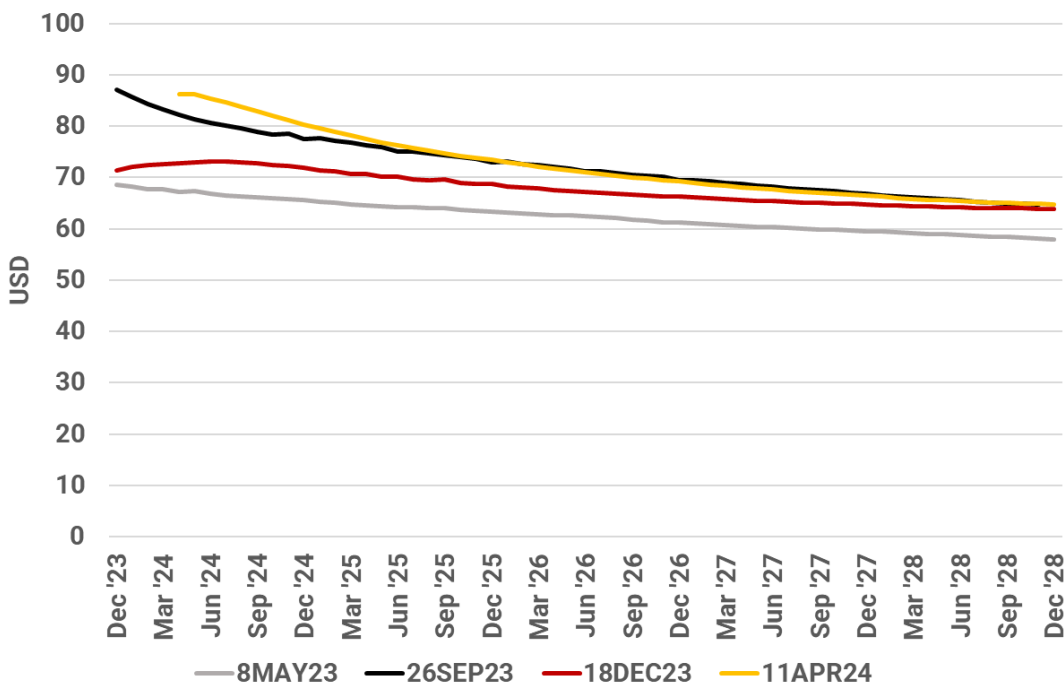
Deutsche Rohstoff identifies, develops and sells attractive natural resource assets in North America, Australia and Europe. The focus is on the development of oil and gas reserves in the USA. Metals such as tungsten, lithium and gold complete the portfolio.

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%
EPS	2.36	3.56	3.58	2.64	2.86	1.52	4.28	4.35

Source: Company data; mwb research

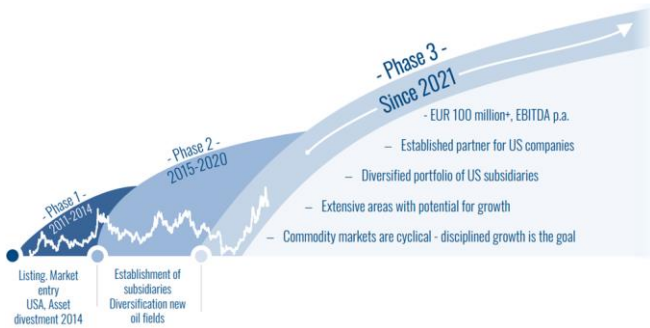
WTI Futures Prices



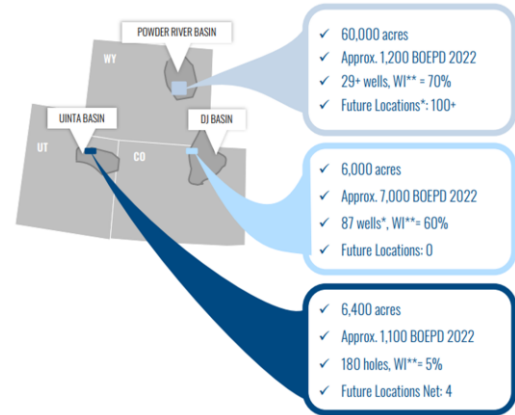
Source: mwb research, barchart.com

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

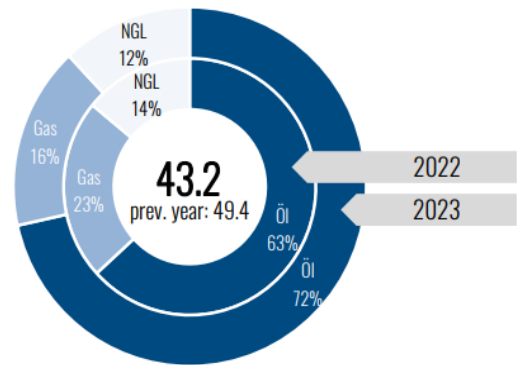
Cash Flow: 467.5 Mio. USD
Discounted Cash Flow: 313.4 Mio. USD

Proved Reserves

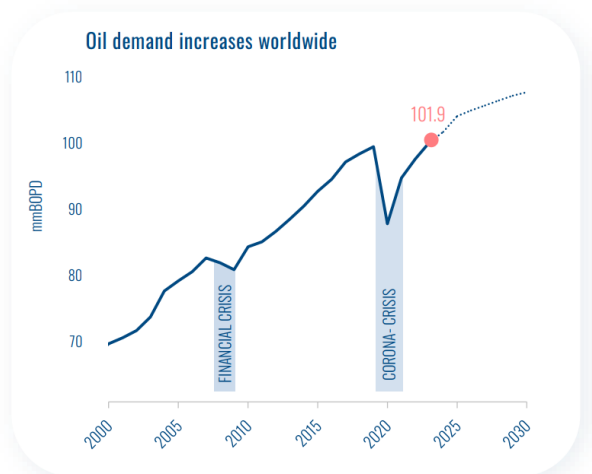
Cash Flow: 686.6 Mio. USD
Discounted Cash Flow: 385.9 Mio. USD

Reserve values by Category

Reserves by product in million BOE⁴

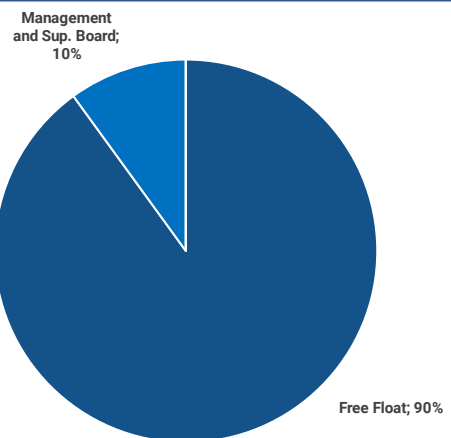


Rising demand, unlikely to peak before 2030



Source: Deutsche Rohstoff, mwb research

Major Shareholders



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

Valuation

DCF Model

The DCF model results in a **fair value of EUR 56.71 per share**:

Top-line growth: We expect Deutsche Rohstoff AG to grow revenues at a CAGR of -0.5% between 2023P and 2030E. The long-term growth rate is set at -15.0%.

ROCE. Returns on capital are developing from 22.9% in 2023P to 12.5% in 2030E.

WACC. Starting point is a historical equity beta of 0.54. Unlevering and correcting for mean reversion yields an asset beta of 1.09. Combined with a risk-free rate of 3.0% and an equity risk premium of 6.0% this yields cost of equity of 12.0%. With pre-tax cost of borrowing at 7.5%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 9.9%.

DCF (EURm) (except per share data and beta)	2023P	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	72.7	87.8	69.0	74.9	75.5	77.0	78.8	76.9	
Depreciation & amortization	65.1	58.7	50.9	49.1	48.9	49.4	50.3	49.2	
Change in working capital	-7.1	-10.1	4.3	-10.1	-0.2	-0.3	-0.3	0.3	
Chg. in long-term provisions	15.7	-4.3	-5.8	-1.2	0.0	0.6	0.7	-3.0	
Capex	-199.9	-159.5	-77.1	-76.9	-76.9	-77.0	-77.1	-49.0	
Cash flow	-53.5	-27.4	41.3	35.8	47.3	49.6	52.3	74.4	254.2
Present value	-55.0	-25.5	35.0	27.5	32.9	31.3	30.0	38.6	135.0
WACC	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	9.9%

DCF per share derived from	
Total present value	249.8
Mid-year adj. total present value	262.2
Net debt / cash at start of year	11.7
Financial assets	34.2
Provisions and off b/s debt	1.0
Equity value	283.7
No. of shares outstanding	5.0
Discounted cash flow / share	56.71
upside/(downside)	44.7%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023P-2030E)	-0.5%
Terminal value growth (2030E - infinity)	-15.0%
Terminal year ROCE	12.5%
Terminal year WACC	9.9%

Terminal WACC derived from	
Cost of borrowing (before taxes)	7.5%
Long-term tax rate	25.0%
Equity beta	0.54
Unlevered beta (industry or company)	1.09
Target debt / equity	0.5
Relevered beta	1.50
Risk-free rate	3.0%
Equity risk premium	6.0%
Cost of equity	12.0%

Share price	39.20
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Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		-25.0%	-20.0%	-15.0%	-10.0%	-5.0%		
2.0%		40.6	44.2	49.0	56.1	67.3	2023P-2026E	-7.2%
1.0%		43.3	47.2	52.7	60.7	73.8	2027E-2030E	53.2%
0.0%		46.2	50.6	56.7	65.9	81.3	terminal value	54.1%
-1.0%		49.3	54.2	61.1	71.7	90.0		
-2.0%		52.7	58.2	66.0	78.3	100.1		

Source: mwb research

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 164.98 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
EBITDA	158.2	172.1	140.0	145.9	146.3
- Maintenance capex	63.5	56.9	48.8	46.8	46.4
- Minorities	0.0	0.8	0.6	0.6	0.6
- tax expenses	18.3	21.7	16.3	18.0	18.2
= Adjusted FCF	76.5	92.8	74.3	80.4	81.1
Actual Market Cap	196.1	196.1	196.1	196.1	196.1
+ Net debt (cash)	79.3	125.3	102.8	85.1	56.4
+ Pension provisions	1.2	1.4	1.2	1.2	1.2
+ 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	22.7	30.1	38.0
<i>EV Reconciliations</i>	39.8	77.9	47.1	21.9	-14.7
= Actual EV'	235.9	274.0	243.3	218.1	181.5
Adjusted FCF yield	32.4%	33.9%	30.5%	36.9%	44.7%
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%
Fair EV	764.5	928.1	742.5	803.9	810.8
- <i>EV Reconciliations</i>	39.8	77.9	47.1	21.9	-14.7
Fair Market Cap	724.7	850.2	695.4	781.9	825.5
No. of shares (million)	5.0	5.0	5.0	5.0	5.0
Fair value per share in EUR	144.85	169.92	138.99	156.27	164.98
Premium (-) / discount (+)	269.5%	333.5%	254.6%	298.7%	320.9%

Sensitivity analysis FV						
Adjusted hurdle rate	8.0%	183.0	216.3	176.1	196.4	205.5
	9.0%	161.8	190.5	155.5	174.1	183.0
	10.0%	144.8	169.9	139.0	156.3	165.0
	11.0%	131.0	153.1	125.5	141.7	150.2
	12.0%	119.4	139.0	114.3	129.5	138.0

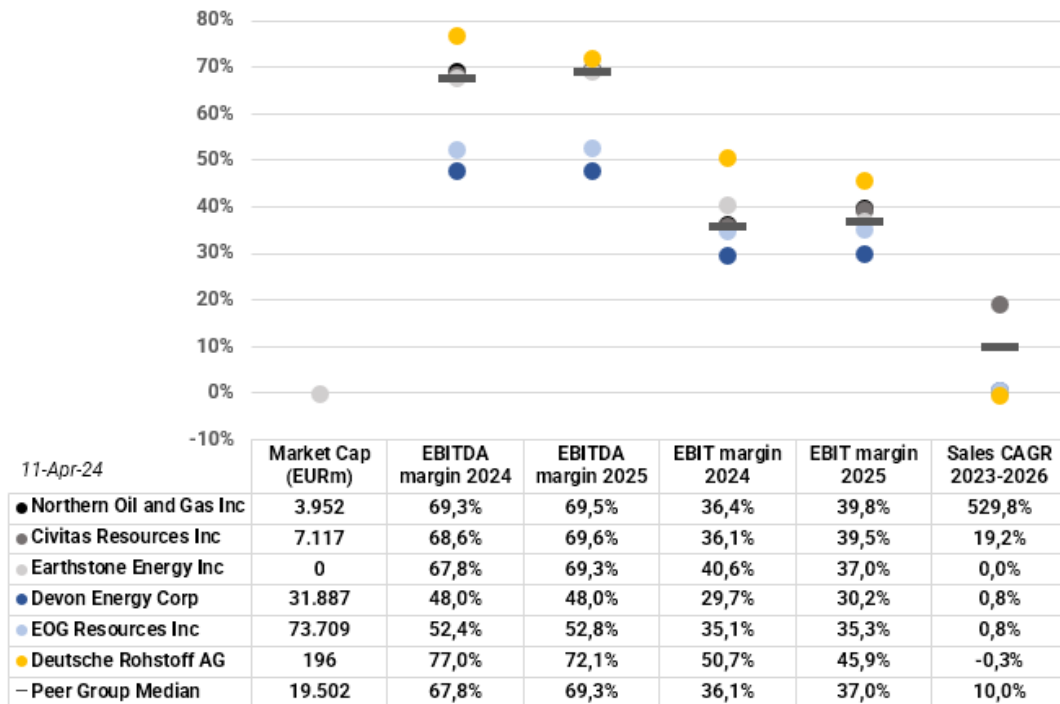
Source: Company data; mwb research

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 11 April 2024 the median market cap of the peer group was EUR 19,501.9m, compared to EUR 196.1m 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

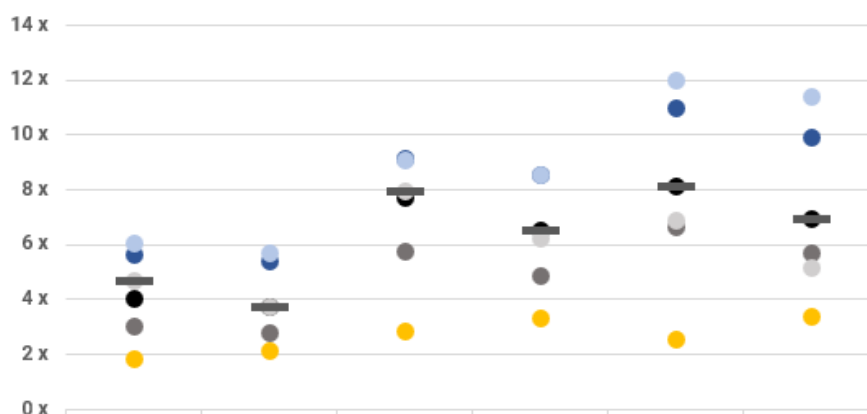


Source: AlphaSense, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/EBIT 2024, EV/EBIT 2025, P/E 2024 and P/E 2025.

Applying these to Deutsche Rohstoff AG results in a range of fair values from EUR 80.10 to EUR 155.80.

Peer Group – Multiples and valuation



11-Apr-24

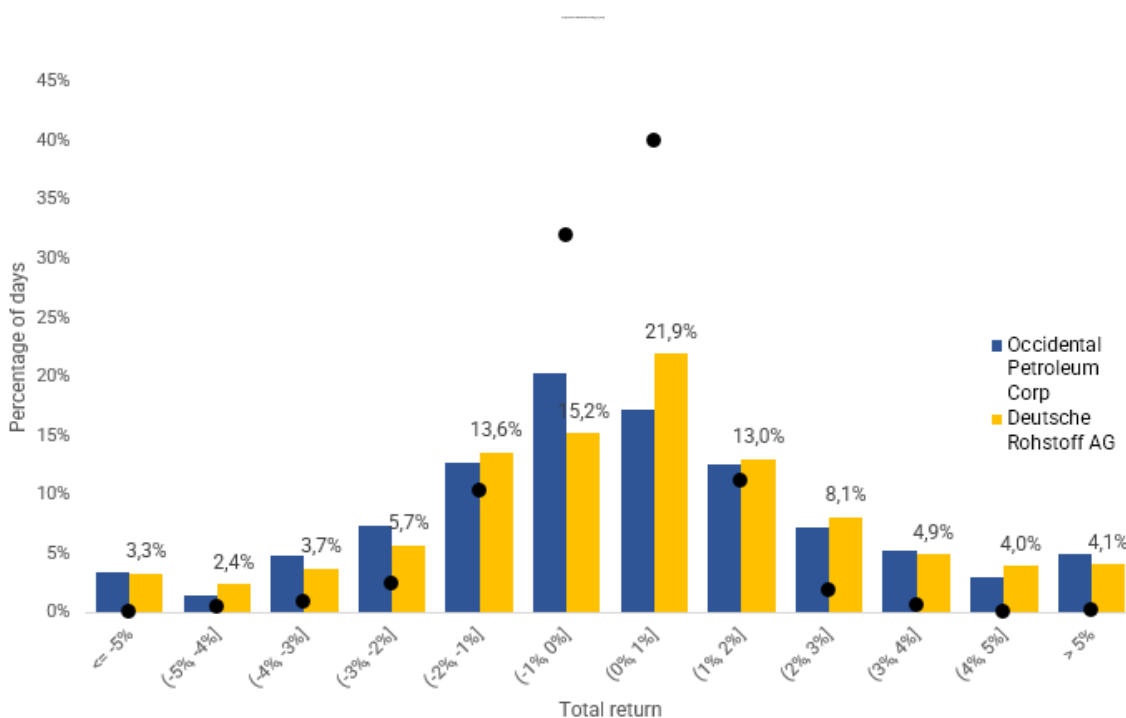
	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2024	EV/EBIT 2025	P/E 2024	P/E 2025
● Northern Oil and Gas Inc	4,1x	3,8x	7,7x	6,6x	8,2x	6,9x
● Civitas Resources Inc	3,0x	2,8x	5,8x	4,9x	6,7x	5,7x
● Earthstone Energy Inc	4,7x	3,7x	8,0x	6,2x	6,9x	5,2x
● Devon Energy Corp	5,7x	5,4x	9,2x	8,6x	11,0x	9,9x
● EOG Resources Inc	6,1x	5,7x	9,1x	8,6x	12,0x	11,4x
● Deutsche Rohstoff AG	1,9x	2,1x	2,8x	3,4x	2,6x	3,4x
– Peer Group Median	4,7x	3,8x	8,0x	6,6x	8,2x	6,9x
Fair Value (EUR)	135,73	80,16	155,80	91,78	124,86	80,10

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%.

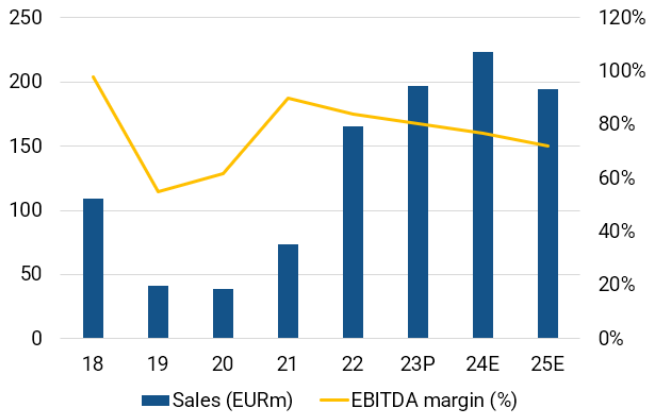
Risk – Daily Returns Distribution (trailing 3 years)



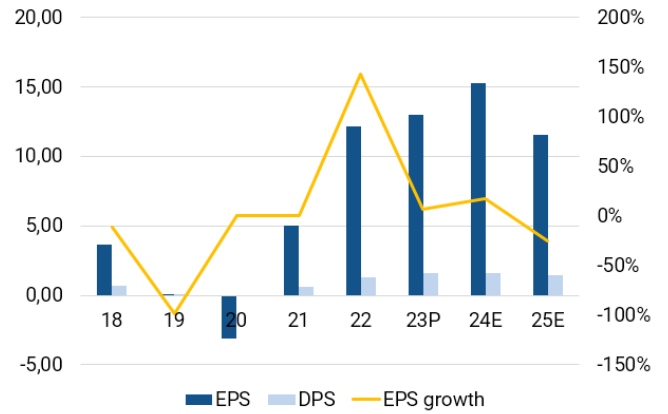
Source: AlphaSense, mwb research

Financials in six charts

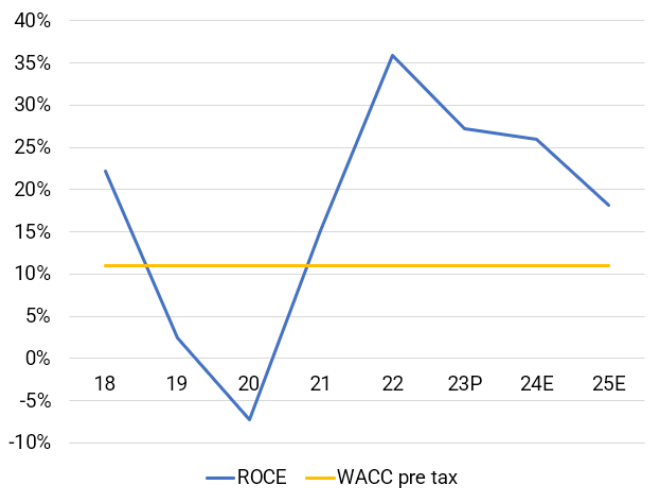
Sales vs. EBITDA margin development



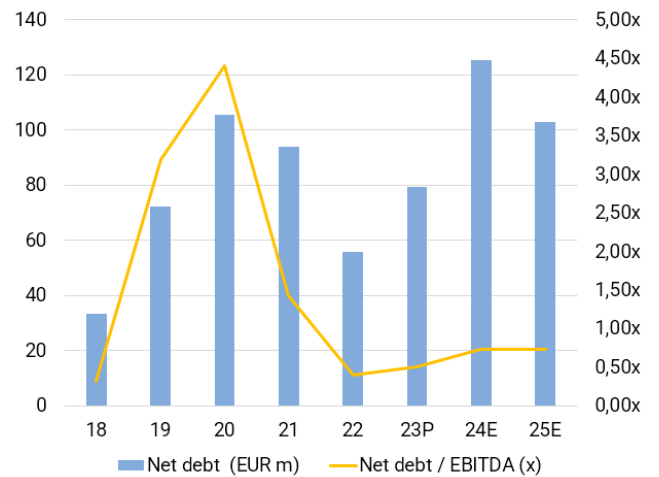
EPS, DPS in EUR & yoy EPS growth



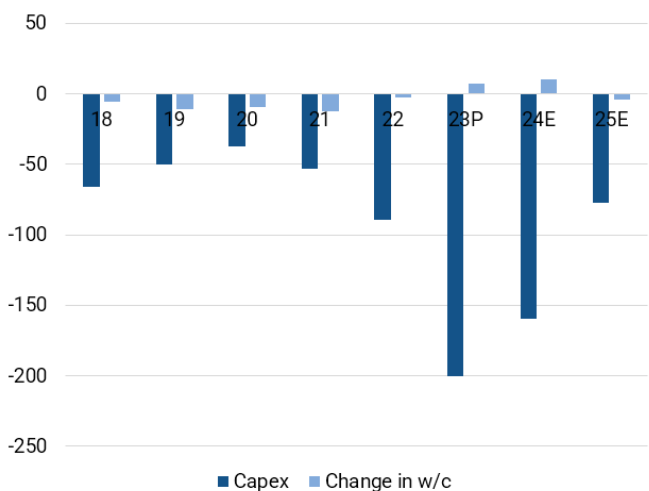
ROCE vs. WACC (pre tax)



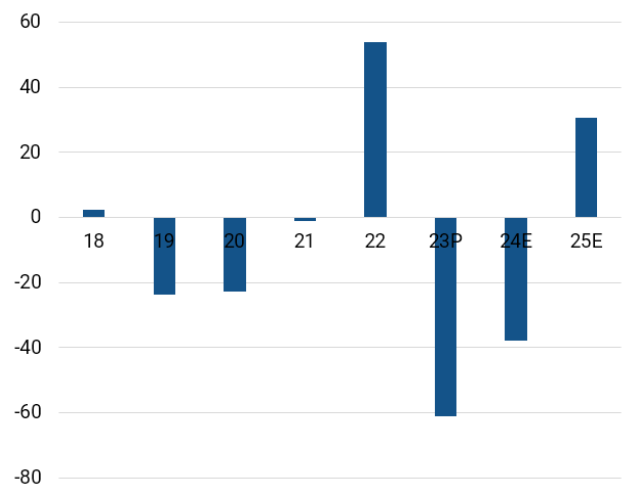
Net debt and net debt/EBITDA



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
Net sales	38.7	73.3	165.4	196.6	223.5	194.1
Sales growth	-6.1%	89.5%	125.6%	18.8%	13.7%	-13.1%
Change in finished goods and work-in-process	0.0	-0.0	-0.0	-0.1	-0.1	-0.1
Total sales	38.7	73.3	165.4	196.5	223.4	194.1
Material expenses	11.6	18.1	30.4	34.3	32.3	36.6
Gross profit	27.1	55.2	135.0	162.2	191.1	157.5
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	10.1	9.7
Other operating expenses	7.2	7.0	15.3	16.9	8.9	7.8
EBITDA	23.9	66.1	139.1	158.2	172.1	140.0
Depreciation	31.5	30.3	42.2	63.5	56.9	48.8
EBITA	-7.5	35.7	96.9	94.7	115.2	91.2
Amortisation of goodwill and intangible assets	8.6	3.2	5.5	1.6	1.8	2.1
EBIT	-16.1	32.6	91.4	93.1	113.4	89.1
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	98.9	74.6
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	98.9	74.6
Taxes	-6.4	0.7	19.8	18.3	21.7	16.3
Net income from continuing operations	-16.1	26.4	66.2	65.1	77.2	58.3
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	65.1	77.2	58.3
Minority interest	0.6	1.6	5.4	0.0	-0.8	-0.6
Net profit (reported)	-15.5	24.8	60.8	65.1	76.5	57.7
Average number of shares	4.95	4.95	5.00	5.00	5.00	5.00
EPS reported	-3.13	5.01	12.15	13.01	15.28	11.53

Profit and loss (common size)	2020	2021	2022	2023P	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%	17%	14%	19%
Gross profit	70%	75%	82%	83%	86%	81%
Other operating income	20%	31%	16%	11%	0%	0%
Personnel expenses	9%	7%	4%	4%	5%	5%
Other operating expenses	19%	10%	9%	9%	4%	4%
EBITDA	62%	90%	84%	80%	77%	72%
Depreciation	81%	41%	25%	32%	25%	25%
EBITA	-19%	49%	59%	48%	52%	47%
Amortisation of goodwill and intangible assets	22%	4%	3%	1%	1%	1%
EBIT	-42%	44%	55%	47%	51%	46%
Financial result	-17%	-8%	-3%	-5%	-6%	-7%
Recurring pretax income from continuing operations	-58%	37%	52%	42%	44%	38%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-58%	37%	52%	42%	44%	38%
Taxes	-17%	1%	12%	9%	10%	8%
Net income from continuing operations	-42%	36%	40%	33%	35%	30%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-42%	36%	40%	33%	35%	30%
Minority interest	2%	2%	3%	0%	-0%	-0%
Net profit (reported)	-40%	34%	37%	33%	34%	30%

Source: Company data; mwb research

Balance sheet (EURm)	2020	2021	2022	2023P	2024E	2025E
Intangible assets (excl. Goodwill)	20.6	28.6	32.5	36.8	41.6	45.4
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	375.1	397.6
Financial assets	37.2	35.1	34.2	34.2	34.2	34.2
FIXED ASSETS	171.8	214.0	260.5	351.3	452.1	478.3
Inventories	0.2	0.2	0.1	0.2	0.2	0.2
Accounts receivable	3.5	16.8	28.6	32.3	36.7	31.9
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	34.7	62.2
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	1.0	1.1	1.0
CURRENT ASSETS	34.9	51.0	89.8	128.1	78.7	101.2
TOTAL ASSETS	206.7	265.0	350.3	479.5	530.8	579.5
SHAREHOLDERS EQUITY	39.4	72.7	129.0	187.6	256.7	306.9
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	1.4	1.2
Other provisions	22.5	36.8	31.6	47.2	42.7	37.1
Non-current liabilities	136.9	134.6	142.5	168.4	174.1	173.3
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	13.3	15.0
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	17.9	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
Current liabilities	24.2	50.3	75.5	120.1	96.6	96.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	206.7	265.0	350.3	479.5	530.8	579.5

Balance sheet (common size)	2020	2021	2022	2023P	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%	58%	71%	69%
Financial assets	18%	13%	10%	7%	6%	6%
FIXED ASSETS	83%	81%	74%	73%	85%	83%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	6%	8%	7%	7%	6%
Other current assets	0%	0%	1%	1%	1%	1%
Liquid assets	11%	9%	15%	19%	7%	11%
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%	15%	17%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	19%	27%	37%	39%	48%	53%
MINORITY INTEREST	3%	3%	1%	1%	1%	1%
Long-term debt	55%	37%	31%	25%	24%	23%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	11%	14%	9%	10%	8%	6%
Non-current liabilities	66%	51%	41%	35%	33%	30%
short-term liabilities to banks	7%	7%	0%	10%	6%	5%
Accounts payable	1%	8%	3%	3%	3%	3%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	-4%	-3%	8%	5%	3%	3%
Deferred taxes	7%	7%	10%	7%	7%	6%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	12%	19%	22%	25%	18%	17%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

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	77.2	58.3
Depreciation of fixed assets (incl. leases)	37.7	32.8	39.8	63.5	56.9	48.8
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	2.1
Others	-16.7	-19.8	34.2	15.7	-4.3	-5.8
Cash flow from operations before changes in w/c	4.9	39.4	140.2	145.9	131.6	103.4
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	-4.4	4.8
Increase/decrease in accounts payable	-2.2	19.4	9.2	2.7	-0.8	1.8
Increase/decrease in other w/c positions	11.3	-7.0	0.0	-6.2	-4.8	-2.2
Increase/decrease in working capital	9.1	12.4	2.5	-7.1	-10.1	4.3
Cash flow from operating activities	14.0	51.8	142.7	138.8	121.5	107.7
CAPEX	-36.8	-52.8	-88.9	-199.9	-159.5	-77.1
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	-155.9	-159.5	-77.1
Cash flow before financing	-34.7	22.5	70.6	-17.1	-37.9	30.6
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	-8.1
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	51.6	-16.1	-3.1
Increase/decrease in liquid assets	-52.4	2.8	35.8	34.5	-54.0	27.5
Liquid assets at end of period	8.2	11.6	47.4	81.9	27.9	55.4

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	223.5	194.1
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	196.6	223.5	194.1

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%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Ratios	2020	2021	2022	2023P	2024E	2025E
Per share data						
Earnings per share reported	-3.13	5.01	12.15	13.01	15.28	11.53
Cash flow per share	2.82	10.46	28.53	15.05	12.93	11.77
Book value per share	7.96	14.68	25.78	37.49	51.31	61.33
Dividend per share	0.00	0.60	1.30	1.61	1.62	1.48
Valuation						
P/E	-12.5x	7.8x	3.2x	3.0x	2.6x	3.4x
P/CF	13.9x	3.7x	1.4x	2.6x	3.0x	3.3x
P/BV	4.9x	2.7x	1.5x	1.0x	0.8x	0.6x
Dividend yield (%)	0.0%	1.5%	3.3%	4.1%	4.1%	3.8%
FCF yield (%)	7.2%	26.7%	72.8%	38.4%	33.0%	30.0%
EV/Sales	7.8x	4.0x	1.5x	1.4x	1.4x	1.5x
EV/EBITDA	12.6x	4.4x	1.8x	1.7x	1.9x	2.1x
EV/EBIT	-18.7x	8.9x	2.8x	3.0x	2.8x	3.4x
Income statement (EURm)						
Sales	38.7	73.3	165.4	196.6	223.5	194.1
yoy chg in %	-6.1%	89.5%	125.6%	18.8%	13.7%	-13.1%
Gross profit	27.1	55.2	135.0	162.2	191.1	157.5
Gross margin in %	70.0%	75.3%	81.6%	82.5%	85.5%	81.1%
EBITDA	23.9	66.1	139.1	158.2	172.1	140.0
EBITDA margin in %	61.9%	90.1%	84.1%	80.5%	77.0%	72.1%
EBIT	-16.1	32.6	91.4	93.1	113.4	89.1
EBIT margin in %	-41.7%	44.4%	55.3%	47.3%	50.7%	45.9%
Net profit	-15.5	24.8	60.8	65.1	76.5	57.7
Cash flow statement (EURm)						
CF from operations	14.0	51.8	142.7	138.8	121.5	107.7
Capex	-36.8	-52.8	-88.9	-199.9	-159.5	-77.1
Maintenance Capex	0.0	0.0	0.0	63.5	56.9	48.8
Free cash flow	-22.9	-1.0	53.8	-61.1	-37.9	30.6
Balance sheet (EURm)						
Intangible assets	21.9	29.8	33.7	37.9	42.8	46.5
Tangible assets	112.8	149.1	192.6	279.2	375.1	397.6
Shareholders' equity	39.4	72.7	129.0	187.6	256.7	306.9
Pension provisions	0.0	0.0	1.0	1.2	1.4	1.2
Liabilities and provisions	150.9	154.2	142.5	216.4	204.1	203.3
Net financial debt	105.6	93.9	55.7	79.3	125.3	102.8
w/c requirements	0.8	-3.8	17.4	18.4	23.6	17.0
Ratios						
ROE	-40.8%	36.2%	51.3%	34.7%	30.1%	19.0%
ROCE	-8.2%	13.9%	33.3%	22.9%	24.4%	17.3%
Net gearing	267.8%	129.1%	43.2%	42.3%	48.8%	33.5%
Net debt / EBITDA	4.4x	1.4x	0.4x	0.5x	0.7x	0.7x

Source: Company data; mwb research

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