

Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 193.7m

15 July 2024

UPDATE



Natural gas could be the next catalyst, BUY

What's it all about?

US natural gas prices, which peaked above USD 9/MMBtu in 2022 following Russia's invasion of Ukraine, have declined but are now poised for a recovery due to production cuts by major producers. The EIA forecasts a 38% price increase to USD 2.90/MMBtu in H2 2024, with further increases to USD 3.30/MMBtu by 2025, driven by new liquefied natural gas export demand. Deutsche Rohstoff's revenues from natural gas, which accounted for around 9% of total revenues in FY23, could benefit significantly from these higher prices, adding around EUR 5-6m revenues for every USD 1 increase in gas prices. Given the current WTI price action and the bullish gas price outlook, the dip in Deutsche Rohstoff's share price can be seen as an opportunity to BUY. Our price target of USD 56.70 implies an upside of almost 50%.

BUY (BUY)

Target price	EUR 56.70 (56.70)
Current price	EUR 38.70
Up/downside	46.5%

 ResearchHub 



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Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 193.7m | EV EUR 272.8m

BUY (BUY)

Target price EUR 56.70 (56.70)
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Up/downside 46.5%

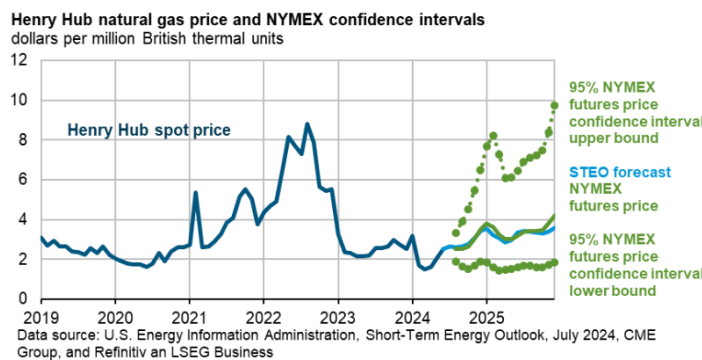
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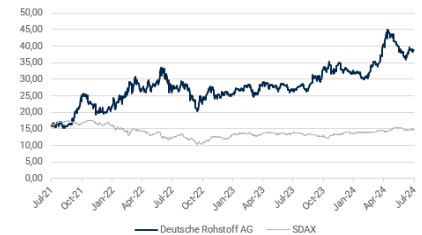
Natural gas could be the next catalyst, BUY

US natural gas has struggled since 2022. The WTI oil price is understandably at the center of investors' attention when they think of Deutsche Rohstoff. However, a sometimes neglected swing factor is natural gas. US natural gas prices spiked to over USD 9 per million British thermal units (MMBtu) in 2022, a 14-year high, after Russia invaded Ukraine. They have been on a downward trend ever since. In FY23, revenues from natural gas contributed c. 9% of Deutsche Rohstoff's total revenues, dropping to c. 6% in FY24 as Wyoming wells are "more oily".

Bullish mood for US natural gas. Recently, several major gas producers have cut production, setting the stage for a price recovery. After averaging USD 2.10/MMBtu in H1 24, the US Energy Information Administration (EIA) now forecasts an average price of USD 2.90 in H2, an increase of 38%. In late 2024 and mid-2025, new demand from liquefied natural gas export projects will come online, leading to an expected further price increase to USD 3.30/MMBtu in 2025. The EIA adds that prices could be even higher "if production or storage injections are lower than we forecast and/or natural gas consumption in the electric power sector is higher than we expect". Indeed, the upper bound of the 95% confidence interval for NYMEX futures prices in December 2025 is almost USD 10.00 - which would bring US prices close to current European prices:



- continued next page -



Source: Company data, mwb research

High/low 52 weeks 45.10 / 26.00
Price/Book Ratio 1.1x

Ticker / Symbols

ISIN DE000A0XYG76
WKN A0XYG7
Bloomberg DR0:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	221.0	99.8	13.41
	Δ	0.0%	0.1%	-0.8%
2025E	old	192.1	85.7	11.32
	Δ	0.0%	0.1%	-0.9%
2026E	old	186.3	83.4	10.98
	Δ	0.0%	0.1%	1.1%

Key share data

Number of shares: (in m pcs) 5.01
Book value per share: (in EUR) 36.03
Ø trading vol.: (12 months) 9,131

Major shareholders

Deutsche Rohstoff AG 2.6%
Management and Sup. Board 10.0%
Free Float 87.4%

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.

Deutsche Rohstoff AG	2021	2022	2023	2024E	2025E	2026E
Sales	73.3	165.4	196.7	221.0	192.1	186.3
Growth yoy	89.5%	125.6%	18.9%	12.4%	-13.1%	-3.0%
EBITDA	66.1	139.1	158.3	178.0	154.4	149.9
EBIT	32.6	91.4	94.6	99.8	85.7	83.5
Net profit	24.8	60.8	65.2	66.6	56.1	55.6
Net debt (net cash)	93.9	55.7	79.1	122.0	117.0	86.5
Net debt/EBITDA	1.4x	0.4x	0.5x	0.7x	0.8x	0.6x
EPS reported	5.01	12.15	13.02	13.31	11.21	11.10
DPS	0.60	1.30	1.75	1.90	1.90	1.90
Dividend yield	1.6%	3.4%	4.5%	4.9%	4.9%	4.9%
Gross profit margin	75.3%	81.6%	82.6%	89.0%	89.4%	90.0%
EBITDA margin	90.1%	84.1%	80.5%	80.5%	80.4%	80.5%
EBIT margin	44.4%	55.3%	48.1%	45.2%	44.6%	44.8%
ROCE	13.9%	33.3%	23.8%	22.7%	17.7%	16.4%
EV/Sales	3.9x	1.5x	1.4x	1.4x	1.6x	1.5x
EV/EBITDA	4.4x	1.8x	1.7x	1.8x	2.0x	1.9x
EV/EBIT	8.8x	2.7x	2.9x	3.2x	3.6x	3.4x
PER	7.7x	3.2x	3.0x	2.9x	3.5x	3.5x

Source: Company data, mwb research

Prices above guidance possible; BUY. Deutsche Rohstoff's base case assumes a natural gas price of USD 2.00/MMBtu, while the optimist case assumes a price of USD 3.00/MMBtu. The above discussion shows that even the optimist case could be conservative when it comes to natural gas prices. We estimate that, without hedging, every USD 1 increase in the gas price will add around EUR 5m to 6m to Deutsche Rohstoff's revenues in FY25. However, we think it is too early to adjust estimates - the positive price forecasts seem more likely if the US has a cold winter. In any case, there currently seems to be more upside than downside to the estimates, not only because of the bullish gas price outlook, but also because the WTI price has been fluctuating between the base case of USD 75 and the optimistic case of USD 85 since the beginning of the year. The recent setback in the share price therefore looks like a good opportunity to enter the market. We reiterate our BUY recommendation with a price target of USD 56.70, representing an upside of almost 50%.

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

P&L data	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Sales	44.2	46.0	47.2	42.7	32.5	57.5	64.0	55.6
yoy growth in %	111.4%	219.7%	134.7%	52.0%	-26.4%	25.0%	35.4%	30.3%
Gross profit	36.7	38.2	36.7	34.3	26.2	47.4	54.3	45.0
Gross margin in %	83.2%	83.1%	77.7%	80.4%	80.7%	82.4%	84.8%	81.0%
EBITDA	38.8	38.3	36.8	32.3	23.7	45.6	56.5	41.7
EBITDA margin in %	87.8%	83.4%	77.8%	75.7%	73.0%	79.4%	88.3%	74.9%
EBIT	26.0	26.3	22.1	20.6	12.0	25.7	34.8	22.4
EBIT margin in %	58.9%	57.2%	46.9%	48.3%	36.8%	44.7%	54.4%	40.2%
EBT	25.0	24.9	20.9	19.2	10.8	23.5	30.0	19.6
taxes paid	4.8	4.8	7.3	4.6	3.2	2.4	8.2	3.9
tax rate in %	19.3%	19.3%	35.1%	23.8%	29.6%	10.0%	27.3%	19.9%
net profit	17.8	17.9	13.2	14.3	7.6	21.4	21.8	15.7
yoy growth in %	222.7%	367.0%	197.8%	20.4%	-57.1%	19.5%	64.9%	9.6%
EPS	3.56	3.58	2.64	2.86	1.52	4.28	4.35	3.14

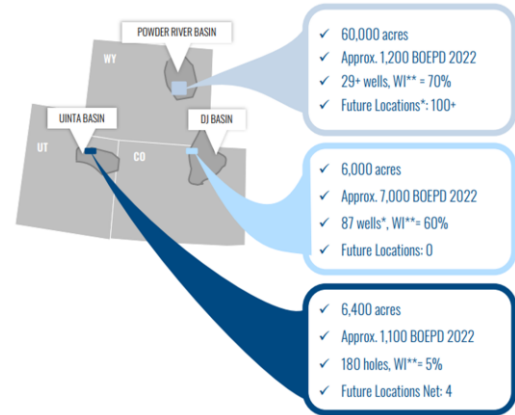
Source: Company data; mwb research

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)¹

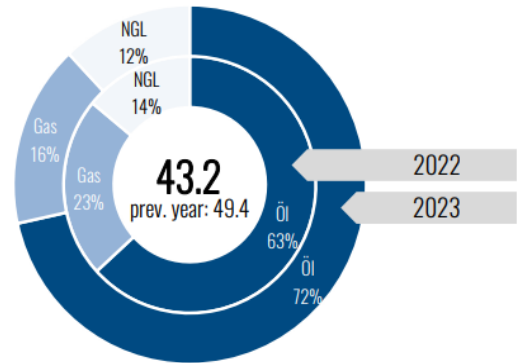
Cash Flow: 467.5 Mio. USD
Discounted Cash Flow: 313.4 Mio. USD

Proved Reserves

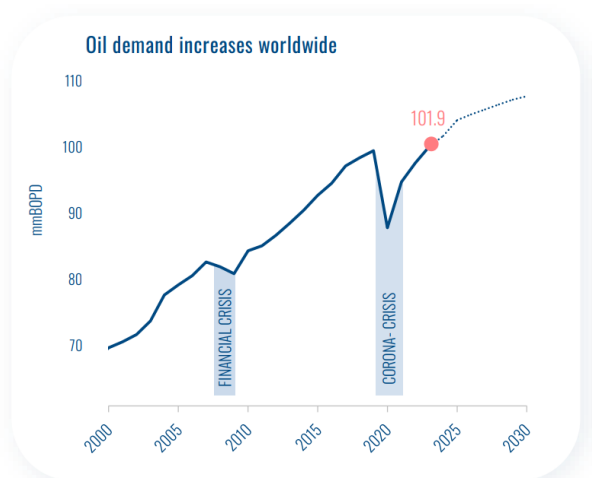
Cash Flow: 686.6 Mio. USD
Discounted Cash Flow: 385.9 Mio. USD

Reserve values by Category

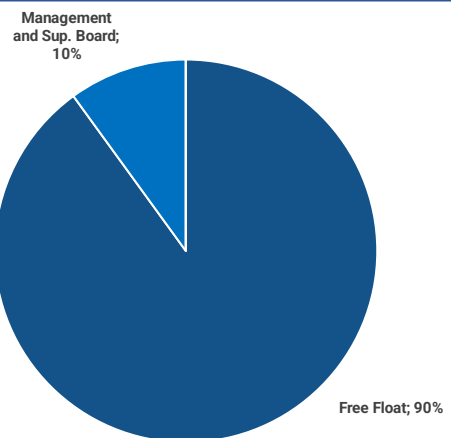
Reserves by product in million BOE⁴



Rising demand, unlikely to peak before 2030



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 139.29 per share based on 2024E and EUR 149.70 per share on 2028E 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	2024E	2025E	2026E	2027E	2028E
EBITDA	178.0	154.4	149.9	150.4	153.0
- Maintenance capex	77.1	67.3	64.8	64.4	64.9
- Minorities	2.4	2.0	2.0	2.0	2.1
- tax expenses	20.6	17.4	17.2	17.9	18.3
= Adjusted FCF	78.0	67.8	65.9	66.1	67.7
Actual Market Cap	193.4	193.4	193.4	193.4	193.4
+ Net debt (cash)	122.0	117.0	86.5	47.0	4.2
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	30.6	30.6	30.6	30.6	30.6
- Acc. dividend payments	8.8	18.3	27.8	37.3	46.0
<i>EV Reconciliations</i>	82.7	68.1	28.2	-20.9	-72.3
= Actual EV'	276.1	261.5	221.6	172.5	121.1
Adjusted FCF yield	28.2%	25.9%	29.8%	38.3%	55.9%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
adjusted hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%
Fair EV	779.9	677.8	659.4	660.8	677.0
- <i>EV Reconciliations</i>	82.7	68.1	28.2	-20.9	-72.3
Fair Market Cap	697.2	609.6	631.3	681.7	749.3
No. of shares (million)	5.0	5.0	5.0	5.0	5.0
Fair value per share in EUR	139.29	121.80	126.12	136.20	149.70
Premium (-) / discount (+)	259.9%	214.7%	225.9%	251.9%	286.8%

Sensitivity analysis FV						
Adjusted hurdle rate	8.0%	178.2	155.6	159.1	169.2	183.5
	9.0%	156.6	136.8	140.8	150.9	164.7
	10.0%	139.3	121.8	126.1	136.2	149.7
	11.0%	125.1	109.5	114.1	124.2	137.4
	12.0%	113.3	99.2	104.2	114.2	127.2

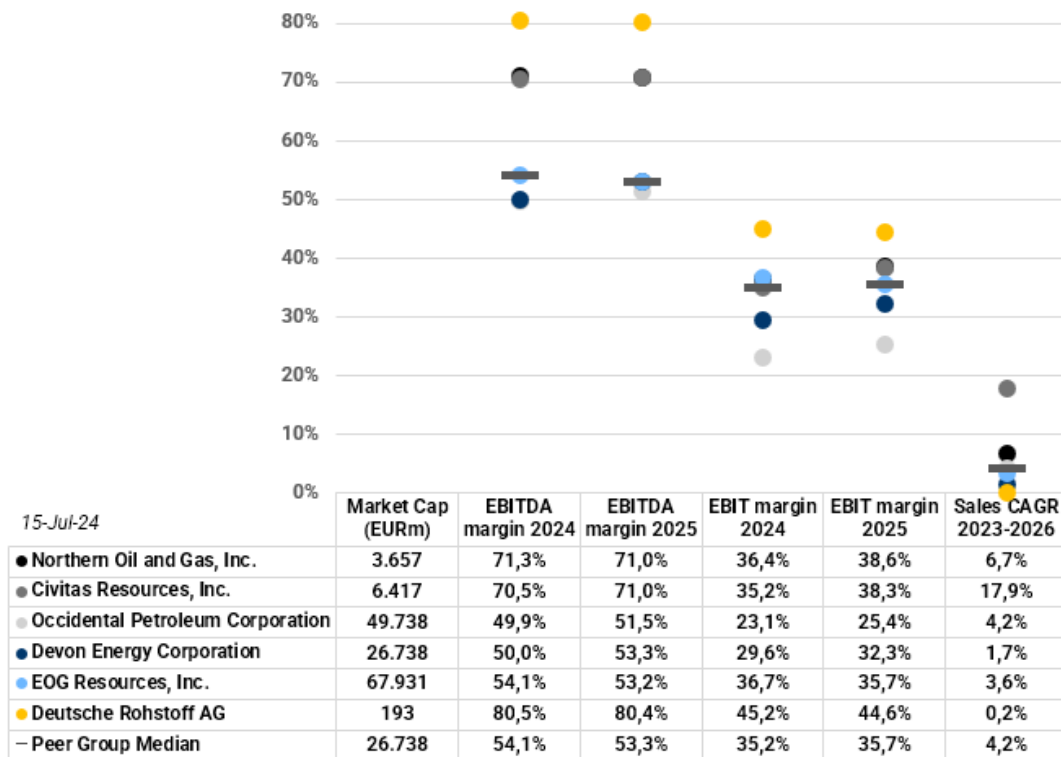
Source: Company data; mwb research

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 7.0%. 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 15 July 2024 the median market cap of the peer group was EUR 26,737.7m, compared to EUR 193.7m 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

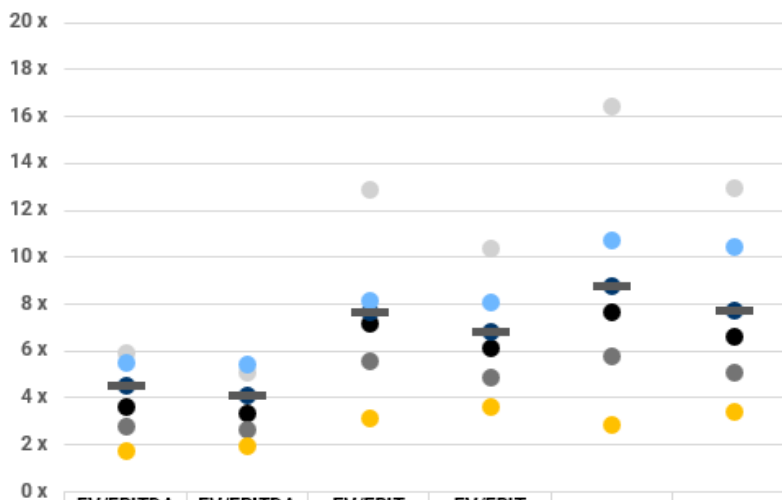


Source: AlphaSense, mwb research

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 87.31 to EUR 138.17.

Peer Group – Multiples and valuation



15-Jul-24

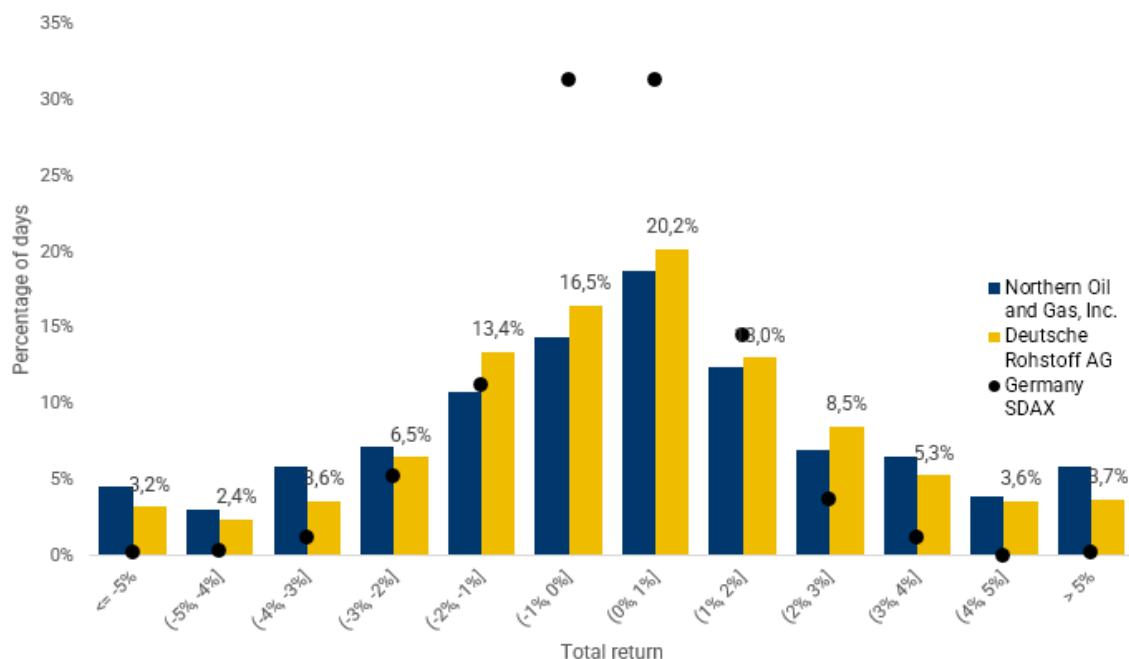
	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2024	EV/EBIT 2025	P/E 2024	P/E 2025
● Northern Oil and Gas, Inc.	3,7x	3,4x	7,2x	6,2x	7,7x	6,7x
● Civitas Resources, Inc.	2,8x	2,6x	5,6x	4,9x	5,8x	5,1x
● Occidental Petroleum Corporation	5,9x	5,1x	12,9x	10,4x	16,4x	13,0x
● Devon Energy Corporation	4,6x	4,2x	7,7x	6,8x	8,8x	7,8x
● EOG Resources, Inc.	5,5x	5,4x	8,2x	8,1x	10,7x	10,5x
● Deutsche Rohstoff AG	1,8x	2,0x	3,2x	3,6x	2,9x	3,5x
– Peer Group Median	4,6x	4,2x	7,7x	6,8x	8,8x	7,8x
Fair Value (EUR)	138,17	103,85	129,46	92,91	117,17	87,31

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 Northern Oil and Gas, Inc.. We have also included the distribution for the index Germany SDAX. 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%.

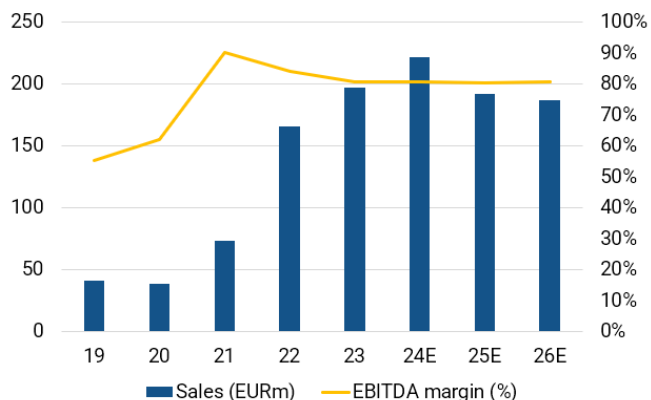
Risk – Daily Returns Distribution (trailing 3 years)



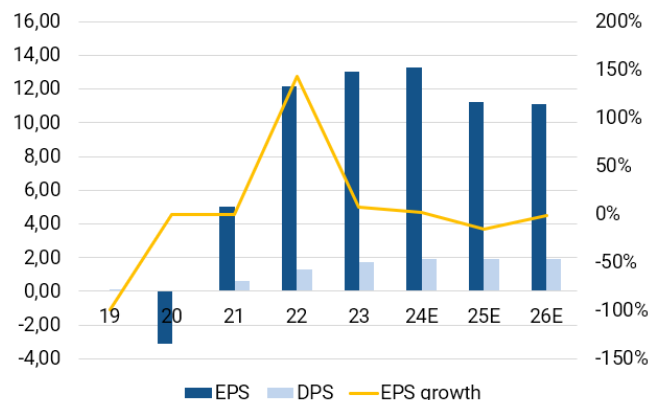
Source: AlphaSense, mwb research

Financials in six charts

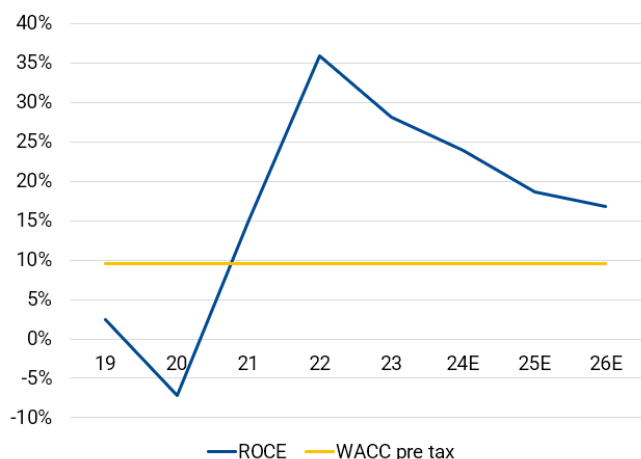
Sales vs. EBITDA margin development



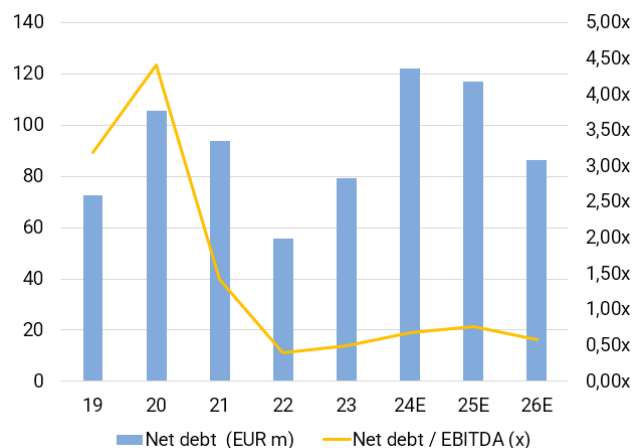
EPS, DPS in EUR & yoy EPS growth



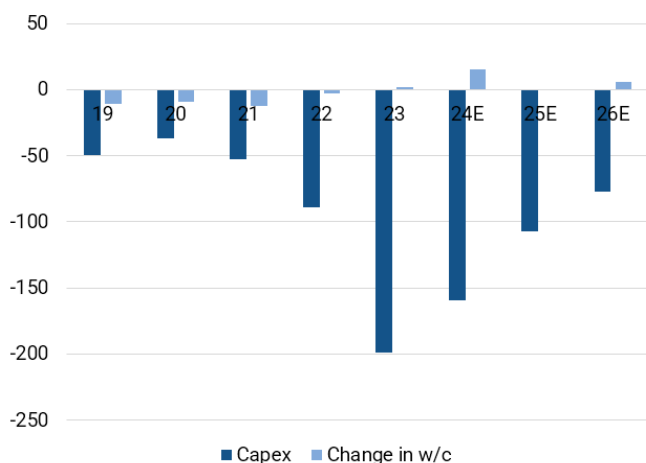
ROCE vs. WACC (pre tax)



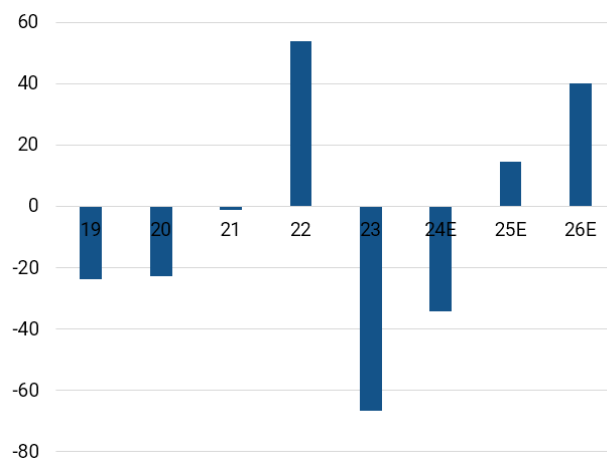
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2021	2022	2023	2024E	2025E	2026E
Net sales	73.3	165.4	196.7	221.0	192.1	186.3
Sales growth	89.5%	125.6%	18.9%	12.4%	-13.1%	-3.0%
Change in finished goods and work-in-process	-0.0	-0.0	0.0	0.0	0.0	0.0
Total sales	73.3	165.4	196.7	221.0	192.1	186.3
Material expenses	18.1	30.4	34.3	24.2	20.4	18.6
Gross profit	55.2	135.0	162.4	196.8	171.7	167.6
Other operating income	23.0	25.9	20.6	0.0	0.0	0.0
Personnel expenses	5.1	6.5	10.3	9.9	9.6	10.2
Other operating expenses	7.0	15.3	14.4	8.8	7.7	7.5
EBITDA	66.1	139.1	158.3	178.0	154.4	149.9
Depreciation	30.3	42.2	61.1	77.1	67.3	64.8
EBITA	35.7	96.9	97.1	100.9	87.1	85.1
Amortisation of goodwill and intangible assets	3.2	5.5	2.5	1.1	1.4	1.6
EBIT	32.6	91.4	94.6	99.8	85.7	83.5
Financial result	-5.5	-5.5	-8.9	-10.3	-10.3	-8.8
Recurring pretax income from continuing operations	27.1	85.9	85.7	89.6	75.5	74.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	27.1	85.9	85.7	89.6	75.5	74.7
Taxes	0.7	19.8	18.3	20.6	17.4	17.2
Net income from continuing operations	26.4	66.2	67.5	69.0	58.1	57.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	26.4	66.2	67.5	69.0	58.1	57.5
Minority interest	1.6	5.4	-2.3	-2.4	-2.0	-2.0
Net profit (reported)	24.8	60.8	65.2	66.6	56.1	55.6
Average number of shares	4.95	5.00	5.01	5.01	5.01	5.01
EPS reported	5.01	12.15	13.02	13.31	11.21	11.10

Profit and loss (common size)	2021	2022	2023	2024E	2025E	2026E
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	25%	18%	17%	11%	11%	10%
Gross profit	75%	82%	83%	89%	89%	90%
Other operating income	31%	16%	10%	0%	0%	0%
Personnel expenses	7%	4%	5%	5%	5%	5%
Other operating expenses	10%	9%	7%	4%	4%	4%
EBITDA	90%	84%	80%	81%	80%	81%
Depreciation	41%	25%	31%	35%	35%	35%
EBITA	49%	59%	49%	46%	45%	46%
Amortisation of goodwill and intangible assets	4%	3%	1%	1%	1%	1%
EBIT	44%	55%	48%	45%	45%	45%
Financial result	-8%	-3%	-5%	-5%	-5%	-5%
Recurring pretax income from continuing operations	37%	52%	44%	41%	39%	40%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	37%	52%	44%	41%	39%	40%
Taxes	1%	12%	9%	9%	9%	9%
Net income from continuing operations	36%	40%	34%	31%	30%	31%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	36%	40%	34%	31%	30%	31%
Minority interest	2%	3%	-1%	-1%	-1%	-1%
Net profit (reported)	34%	37%	33%	30%	29%	30%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	28.6	32.5	22.6	28.1	32.4	36.4
Goodwill	1.3	1.2	1.0	1.0	1.0	1.0
Property, plant and equipment	149.1	192.6	317.6	393.3	427.3	433.8
Financial assets	35.1	34.2	30.6	30.6	30.6	30.6
FIXED ASSETS	214.0	260.5	371.7	453.0	491.3	501.7
Inventories	0.2	0.1	1.5	0.6	0.5	0.4
Accounts receivable	16.8	28.6	29.6	33.3	28.9	28.0
Other current assets	1.1	5.0	5.4	5.4	5.4	5.4
Liquid assets	23.5	54.2	82.2	28.0	33.0	43.5
Deferred taxes	0.0	1.0	1.2	1.2	1.2	1.2
Deferred charges and prepaid expenses	9.4	0.9	2.1	2.3	2.0	2.0
CURRENT ASSETS	51.0	89.8	122.0	70.8	71.1	80.6
TOTAL ASSETS	265.0	350.3	493.8	523.8	562.4	582.3
SHAREHOLDERS EQUITY	72.7	129.0	180.4	240.6	289.2	337.2
MINORITY INTEREST	7.4	3.4	7.1	7.1	7.1	7.1
Long-term debt	97.8	100.0	120.5	100.0	100.0	100.0
Provisions for pensions and similar obligations	0.0	1.0	0.0	0.0	0.0	0.0
Other provisions	36.8	31.6	48.5	42.2	36.7	35.6
Non-current liabilities	134.6	132.7	169.0	142.2	136.7	135.6
short-term liabilities to banks	19.6	9.9	40.8	50.0	50.0	30.0
Accounts payable	20.8	11.4	26.6	13.3	11.2	10.2
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)	-8.1	28.7	17.0	17.7	15.4	9.3
Deferred taxes	18.0	35.2	52.8	52.8	52.8	52.8
Deferred income	0.0	0.2	0.1	0.1	0.1	0.1
Current liabilities	50.3	85.3	137.3	133.9	129.4	102.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	265.0	350.3	493.8	523.8	562.4	582.3

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	11%	9%	5%	5%	6%	6%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	56%	55%	64%	75%	76%	74%
Financial assets	13%	10%	6%	6%	5%	5%
FIXED ASSETS	81%	74%	75%	86%	87%	86%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	6%	8%	6%	6%	5%	5%
Other current assets	0%	1%	1%	1%	1%	1%
Liquid assets	9%	15%	17%	5%	6%	7%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	4%	0%	0%	0%	0%	0%
CURRENT ASSETS	19%	26%	25%	14%	13%	14%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	27%	37%	37%	46%	51%	58%
MINORITY INTEREST	3%	1%	1%	1%	1%	1%
Long-term debt	37%	29%	24%	19%	18%	17%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	14%	9%	10%	8%	7%	6%
Non-current liabilities	51%	38%	34%	27%	24%	23%
short-term liabilities to banks	7%	3%	8%	10%	9%	5%
Accounts payable	8%	3%	5%	3%	2%	2%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	-3%	8%	3%	3%	3%	2%
Deferred taxes	7%	10%	11%	10%	9%	9%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	19%	24%	28%	26%	23%	18%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	26.4	66.2	67.5	69.0	58.1	57.5
Depreciation of fixed assets (incl. leases)	32.8	39.8	60.9	77.1	67.3	64.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	2.5	1.1	1.4	1.6
Others	-19.8	34.2	3.2	-6.3	-5.5	-1.1
Cash flow from operations before changes in w/c	39.4	140.2	134.1	140.9	121.3	122.9
Increase/decrease in inventory	0.0	-3.3	0.0	0.9	0.1	0.0
Increase/decrease in accounts receivable	0.0	-3.3	0.0	-3.7	4.4	0.9
Increase/decrease in accounts payable	19.4	9.2	0.0	-13.3	-2.1	-1.0
Increase/decrease in other w/c positions	-7.0	0.0	-2.0	0.5	-2.0	-6.0
Increase/decrease in working capital	12.4	2.5	-2.0	-15.5	0.3	-6.0
Cash flow from operating activities	51.8	142.7	132.1	125.3	121.6	116.9
CAPEX	-52.8	-88.9	-198.7	-159.4	-107.1	-76.9
Payments for acquisitions	0.0	-3.7	0.0	0.0	0.0	0.0
Financial investments	21.9	14.0	48.6	0.0	0.0	0.0
Income from asset disposals	1.6	6.5	0.0	0.0	0.0	0.0
Cash flow from investing activities	-29.3	-72.2	-150.1	-159.4	-107.1	-76.9
Cash flow before financing	22.5	70.6	-18.0	-34.1	14.5	40.0
Increase/decrease in debt position	-12.7	-8.1	52.2	-11.3	0.0	-20.0
Purchase of own shares	0.0	0.0	-0.2	0.0	0.0	0.0
Capital measures	0.0	0.9	2.1	0.0	0.0	0.0
Dividends paid	0.0	-2.7	-6.5	-8.8	-9.5	-9.5
Others	-7.6	-23.2	-0.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.6	-0.0	-1.2	0.0	0.0	0.0
Cash flow from financing activities	-19.7	-34.7	46.3	-20.1	-9.5	-29.5
Increase/decrease in liquid assets	2.8	35.8	28.2	-54.2	5.0	10.5
Liquid assets at end of period	11.6	47.4	75.8	21.6	26.7	37.1

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
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	73.3	165.4	196.7	221.0	192.1	186.3
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	73.3	165.4	196.7	221.0	192.1	186.3

Regional sales split (common size)	2021	2022	2023	2024E	2025E	2026E
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	2021	2022	2023	2024E	2025E	2026E
Per share data						
Earnings per share reported	5.01	12.15	13.02	13.31	11.21	11.10
Cash flow per share	10.46	28.53	26.39	9.64	10.85	10.39
Book value per share	14.68	25.78	36.03	48.06	57.77	67.37
Dividend per share	0.60	1.30	1.75	1.90	1.90	1.90
Valuation						
P/E	7.7x	3.2x	3.0x	2.9x	3.5x	3.5x
P/CF	3.7x	1.4x	1.5x	4.0x	3.6x	3.7x
P/BV	2.6x	1.5x	1.1x	0.8x	0.7x	0.6x
Dividend yield (%)	1.6%	3.4%	4.5%	4.9%	4.9%	4.9%
FCF yield (%)	27.0%	73.7%	68.2%	24.9%	28.0%	26.8%
EV/Sales	3.9x	1.5x	1.4x	1.4x	1.6x	1.5x
EV/EBITDA	4.4x	1.8x	1.7x	1.8x	2.0x	1.9x
EV/EBIT	8.8x	2.7x	2.9x	3.2x	3.6x	3.4x
Income statement (EURm)						
Sales	73.3	165.4	196.7	221.0	192.1	186.3
yoy chg in %	89.5%	125.6%	18.9%	12.4%	-13.1%	-3.0%
Gross profit	55.2	135.0	162.4	196.8	171.7	167.6
Gross margin in %	75.3%	81.6%	82.6%	89.0%	89.4%	90.0%
EBITDA	66.1	139.1	158.3	178.0	154.4	149.9
EBITDA margin in %	90.1%	84.1%	80.5%	80.5%	80.4%	80.5%
EBIT	32.6	91.4	94.6	99.8	85.7	83.5
EBIT margin in %	44.4%	55.3%	48.1%	45.2%	44.6%	44.8%
Net profit	24.8	60.8	65.2	66.6	56.1	55.6
Cash flow statement (EURm)						
CF from operations	51.8	142.7	132.1	125.3	121.6	116.9
Capex	-52.8	-88.9	-198.7	-159.4	-107.1	-76.9
Maintenance Capex	0.0	0.0	0.0	77.1	67.3	64.8
Free cash flow	-1.0	53.8	-66.7	-34.1	14.5	40.0
Balance sheet (EURm)						
Intangible assets	29.8	33.7	23.5	29.0	33.4	37.4
Tangible assets	149.1	192.6	317.6	393.3	427.3	433.8
Shareholders' equity	72.7	129.0	180.4	240.6	289.2	337.2
Pension provisions	0.0	1.0	0.0	0.0	0.0	0.0
Liabilities and provisions	154.2	142.5	209.8	192.2	186.7	165.6
Net financial debt	93.9	55.7	79.1	122.0	117.0	86.5
w/c requirements	-3.8	17.4	4.6	20.6	18.2	18.3
Ratios						
ROE	36.2%	51.3%	37.4%	28.7%	20.1%	17.1%
ROCE	13.9%	33.3%	23.8%	22.7%	17.7%	16.4%
Net gearing	129.1%	43.2%	43.9%	50.7%	40.4%	25.7%
Net debt / EBITDA	1.4x	0.4x	0.5x	0.7x	0.8x	0.6x

Source: Company data; mwb research

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