

Deutsche Rohstoff AG

Germany | Oil & Gas | MCap EUR 169.4m

6 March 2025

UPDATE



FY24 prelims: Revenue beats, EBITDA meets guidance; BUY

What's it all about?

Deutsche Rohstoff delivered solid preliminary FY24 results, with revenues of EUR 235.4m (+20% yoy), around 9% ahead of expectations and above guidance, driven by strong Q4 production of 14,700 BOEPD and a higher oil content in Wyoming. EBITDA of EUR 167.6m was in line with expectations, with Q4 margins stable versus 9M at 71%, though below FY23 due to lower other operating income. Net profit of EUR 50.2m came in around 7% above expectations, probably supported by a lower tax rate. Operating cash flow of EUR 150m (+8% yoy) exceeded estimates by EUR 25m, though free cash flow was negative due to high investments in wells and infrastructure. With comfortable net debt/EBITDA of 0.9x and a strong start to FY25 expected, we reiterate our BUY rating with an unchanged price target of EUR 53.00, based on DCF. This value proposition is also underpinned by a deep discount to the peer group and the reserve report published two weeks ago, which shows an upside of 40%.

BUY (BUY)

Target price	EUR 53.00 (53.00)
Current price	EUR 34.60
Up/downside	53.2%

 ResearchHub 



MAIN AUTHOR

Dr. Oliver Wojahn, CFA

o.wojahn@mwb-research.com

+49 40 309 293-58

mwb-research.com

This research is the product of mwb research, which is registered with the BaFin in Germany.

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 169.4m | EV EUR 248.5m

BUY (BUY)

Target price EUR 53.00 (53.00)
Current price EUR 34.60
Up/downside 53.2%

MAIN AUTHOR

Dr. Oliver Wojahn, CFA
o.wojahn@mwb-research.com
+49 40 309 293-58

FY24 prelims: Revenue beats, EBITDA meets guidance; BUY

FY24 prelims: strong revenue beat. Deutsche Rohstoff has reported preliminary FY24 figures. Revenues of EUR 235.4m (+20% yoy) were c. 9% ahead of our expectations and 2% above the top end of the guidance range. The outperformance is the result of a combination of factors: Q4 production of 14,700 BOEPD was at the same high level as Q3, supported by a high number of new wells coming on stream towards the end of the year. Revenues also benefited from a higher oil content in Wyoming (60% in FY24 compared to 55% in FY23). The realized oil price after hedges was USD 73.20/BBL in FY24 and we estimate that it was only slightly below this level in Q4.

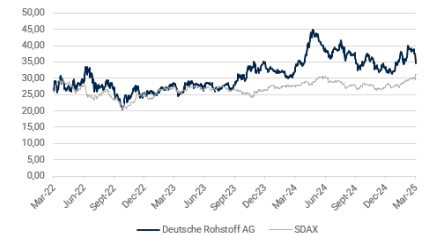
EBITDA in line. FY24 EBITDA of EUR 167.6m (+6% yoy) was almost exactly in line with our expectations. For Q4, EBITDA of EUR 45.4m represents a margin of 71.2%, in line with the first nine months. The margin decline compared to FY23 is largely explained by a EUR 13.3m decline in other operating income, which in FY23 was boosted by the sale of acreage in Utah and shares in Northern Oil & Gas. Thus, an EBITDA margin just above 70% seems to be the sustainable level going forward, assuming realized oil prices after hedges of around USD 73.00. Net profit for FY24 of EUR 50.2m was c.7% ahead of expectations, probably due to a lower-than-expected tax rate.

Good operating cash flow. FY24 operating cash flow of c. EUR 150m (Q4: c. EUR 31m) was up 8% yoy and EUR 25m ahead of our expectations. CFO would have been even higher had it not been for the early payment of invoices to realize discounts (we estimate that DPO decreased by c. 150 days). Free cash flow was negative in FY24, as expected, due to significant investments in wells and infrastructure of just over EUR 180m (vs EUR 192m mwb est.). The high number of wells coming on stream in Q4 should lead to a cash generative start to FY25. The increase in net debt in FY24 appears to be partly related to financial investments, further details will be available with the final figures to be reported on 24 April. In any case, the net debt/EBITDA ratio of 0.9x looks very comfortable.

BUY confirmed. Overall, the preliminary FY24 results were solid and we confirm our estimates going forward. We reiterate our BUY rating with a price target of EUR 53.00 based on DCF. This value proposition is also underpinned by a deep discount to the peer group and the reserve report published two weeks ago, which shows an upside of 40%.

Deutsche Rohstoff AG	2021	2022	2023	2024P	2025E	2026E
Sales	73.3	165.4	196.7	235.4	199.8	194.2
<i>Growth yoy</i>	89.5%	125.6%	18.9%	19.7%	-15.1%	-2.8%
EBITDA	66.1	139.1	158.3	167.6	142.8	138.2
EBIT	32.6	91.4	94.6	73.4	57.2	55.7
Net profit	24.8	60.8	65.2	50.2	34.9	35.0
Net debt (net cash)	93.9	55.7	79.1	153.2	156.8	122.9
Net debt/EBITDA	1.4x	0.4x	0.5x	0.9x	1.1x	0.9x
EPS reported	5.01	12.15	13.02	10.26	7.13	7.15
DPS	0.60	1.30	1.75	1.90	1.90	1.90
<i>Dividend yield</i>	1.7%	3.8%	5.1%	5.5%	5.5%	5.5%
Gross profit margin	75.3%	81.6%	82.6%	82.2%	81.0%	81.2%
EBITDA margin	90.1%	84.1%	80.5%	71.2%	71.5%	71.2%
EBIT margin	44.4%	55.3%	48.1%	31.2%	28.6%	28.7%
ROCE	13.9%	33.3%	23.8%	16.8%	12.7%	12.4%
EV/Sales	3.6x	1.4x	1.3x	1.4x	1.6x	1.5x
EV/EBITDA	4.0x	1.6x	1.6x	1.9x	2.3x	2.1x
EV/EBIT	8.1x	2.5x	2.6x	4.4x	5.7x	5.2x
PER	6.9x	2.8x	2.7x	3.4x	4.9x	4.8x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 45.10 / 30.95
Price/Book Ratio 1.0x

Ticker / Symbols

ISIN DE000A0XYG76
WKN A0XYG7
Bloomberg DR0:GR

Changes in estimates

		Sales	EBIT	EPS
2024P	old	216.4	73.2	9.56
	Δ	8.8%	0.4%	7.3%
2025E	old	199.8	57.2	7.13
	Δ	0.0%	0.0%	0.0%
2026E	old	194.2	55.7	7.13
	Δ	0.0%	0.0%	0.3%

Key share data

Number of shares: (in m pcs) 4.90
Book value per share: (in EUR) 36.03
Ø trading vol.: (12 months) 8,366

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.

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

P&L data	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Sales	42.7	32.5	57.5	64.0	55.6	56.6	59.4	63.8
yoy growth in %	52.0%	-26.4%	25.0%	35.4%	30.3%	74.1%	3.4%	-0.3%
Gross profit	34.3	26.2	47.4	54.3	45.0	47.5	45.8	na
Gross margin in %	80.4%	80.7%	82.4%	84.8%	81.0%	83.9%	77.1%	na%
EBITDA	32.3	23.7	45.6	56.5	41.7	42.1	38.4	45.4
EBITDA margin in %	75.7%	73.0%	79.4%	88.3%	74.9%	74.5%	64.7%	71.2%
EBIT	20.6	12.0	25.7	34.8	22.4	17.3	17.3	na
EBIT margin in %	48.3%	36.8%	44.7%	54.4%	40.2%	30.6%	29.2%	na%
EBT	19.2	10.8	23.5	30.0	19.6	14.1	14.2	na
taxes paid	4.6	3.2	2.4	8.2	3.9	3.8	2.4	na
tax rate in %	23.8%	29.6%	10.0%	27.3%	19.9%	27.2%	16.6%	na%
net profit	14.3	7.6	21.4	21.8	15.7	10.3	11.9	14.1
yoy growth in %	20.4%	-57.1%	19.5%	64.9%	9.6%	35.0%	-44.5%	-35.3%
EPS	2.86	1.52	4.28	4.35	3.14	1.82	2.38	2.92

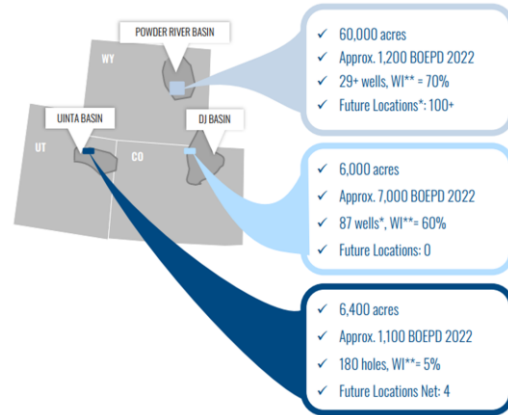
Source: Company data; mwb research

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

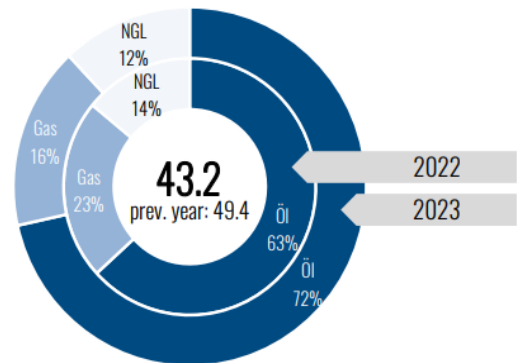
Cash Flow: 467.5 Mio. USD
Discounted Cash Flow: 313.4 Mio. USD

Proved Reserves

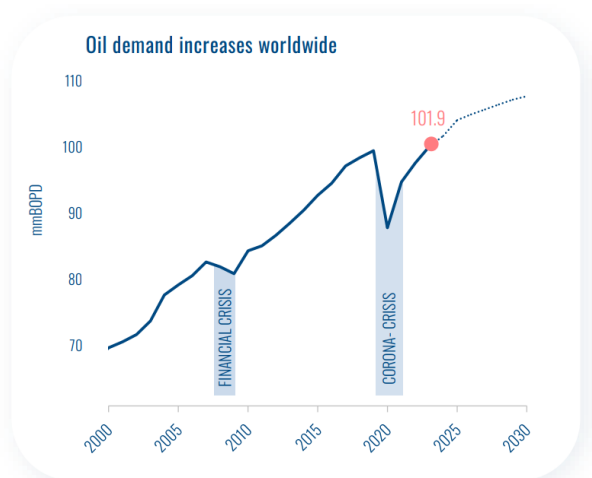
Cash Flow: 686.6 Mio. USD
Discounted Cash Flow: 385.9 Mio. USD

Reserve values by Category

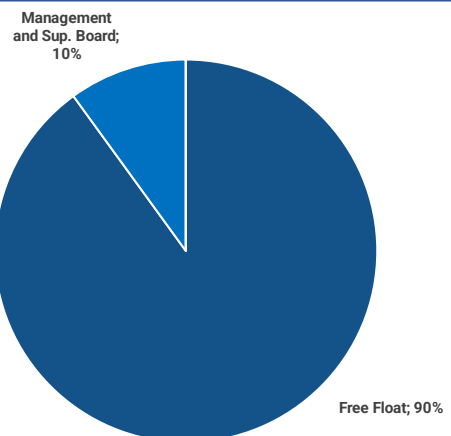
Reserves by product in million BOE⁴



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

Valuation

DCF Model

The DCF model results in a **fair value of EUR 53.13 per share**:

Top-line growth: We expect Deutsche Rohstoff AG to grow revenues at a CAGR of -2.9% between 2024P and 2031E. The long-term growth rate is set at -10.0%.

ROCE. Returns on capital are developing from 16.8% in 2024P to 10.9% in 2031E.

WACC. Starting point is an average asset beta for companies in the US oil and gas sector 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 13.5%. With pre-tax cost of borrowing at 6.0%, a tax rate of 25.0% and target debt/equity of 1.0 this results in a long-term WACC of 9.0%.

DCF (EURm) (except per share data and beta)	2024P	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	60.6	44.3	42.8	46.5	43.9	43.6	44.0	42.7	
Depreciation & amortization	94.2	85.6	82.5	87.0	82.0	81.2	81.4	80.3	
Change in working capital	2.8	5.4	-1.8	-0.3	-6.0	-5.1	-5.0	-4.9	
Chg. in long-term provisions	2.7	-4.3	-0.7	1.5	-1.4	-0.2	0.1	-0.3	
Capex	-192.3	-117.1	-73.1	-73.5	-73.2	-73.1	-73.1	-80.0	
Cash flow	-32.0	13.9	49.7	61.2	45.3	46.4	47.4	37.7	178.6
Present value	-32.5	12.9	42.4	47.9	32.5	30.6	28.8	21.2	99.3
WACC	9.5%	9.3%	9.2%	9.1%	9.1%	9.0%	8.9%	8.8%	9.0%

DCF per share derived from	
Total present value	283.1
Mid-year adj. total present value	295.7
Net debt / cash at start of year	79.1
Financial assets	43.6
Provisions and off b/s debt	1.0
Equity value	260.1
No. of shares outstanding	4.9
Discounted cash flow / share upside/(downside)	53.13 / 53.6%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024P-2031E)	-2.9%
Terminal value growth (2031E - infinity)	-10.0%
Terminal year ROCE	10.9%
Terminal year WACC	9.0%

Terminal WACC derived from	
Cost of borrowing (before taxes)	6.0%
Long-term tax rate	25.0%
Equity beta	0.42
Unlevered beta (industry)	1.09
Target debt / equity	1.0
Relevered beta	1.91
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	13.5%

Share price	34.60
--------------------	--------------

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	-11.0%	-10.5%	-10.0%	-9.5%	-9.0%		
2.0%	45.4	45.8	46.3	46.9	47.4	2024P-2027E	25.0%
1.0%	48.5	49.0	49.6	50.2	50.8	2028E-2031E	40.0%
0.0%	51.8	52.5	53.1	53.8	54.6	terminal value	35.1%
-1.0%	55.6	56.3	57.1	57.9	58.8		
-2.0%	59.8	60.6	61.5	62.5	63.5		

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 107.21 per share based on 2024P and EUR 103.02 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	2024P	2025E	2026E	2027E	2028E
EBITDA	167.6	142.8	138.2	147.6	139.2
- Maintenance capex	93.1	84.5	81.2	85.5	80.3
- Minorities	0.0	1.2	1.2	1.5	1.4
- tax expenses	10.7	9.3	9.6	11.3	10.6
= Adjusted FCF	63.9	47.7	46.2	49.4	47.0
Actual Market Cap	169.4	169.4	169.4	169.4	169.4
+ Net debt (cash)	153.2	156.8	122.9	74.6	39.3
+ 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	18.1	27.4	36.7	42.9
<i>EV Reconciliations</i>	113.9	108.1	65.0	7.4	-34.2
= Actual EV'	283.3	277.5	234.4	176.8	135.2
Adjusted FCF yield	22.5%	17.2%	19.7%	27.9%	34.8%
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	638.8	477.3	462.2	493.9	470.2
- <i>EV Reconciliations</i>	113.9	108.1	65.0	7.4	-34.2
Fair Market Cap	524.9	369.2	397.2	486.5	504.3
No. of shares (million)	4.9	4.9	4.9	4.9	4.9
Fair value per share in EUR	107.21	75.42	81.13	99.38	103.02
Premium (-) / discount (+)	209.9%	118.0%	134.5%	187.2%	197.7%

Sensitivity analysis FV						
Adjusted hurdle rate	8.0%	139.8	99.8	104.7	124.6	127.0
	9.0%	121.7	86.2	91.6	110.6	113.7
	10.0%	107.2	75.4	81.1	99.4	103.0
	11.0%	95.3	66.6	72.5	90.2	94.3
	12.0%	85.5	59.2	65.4	82.6	87.0

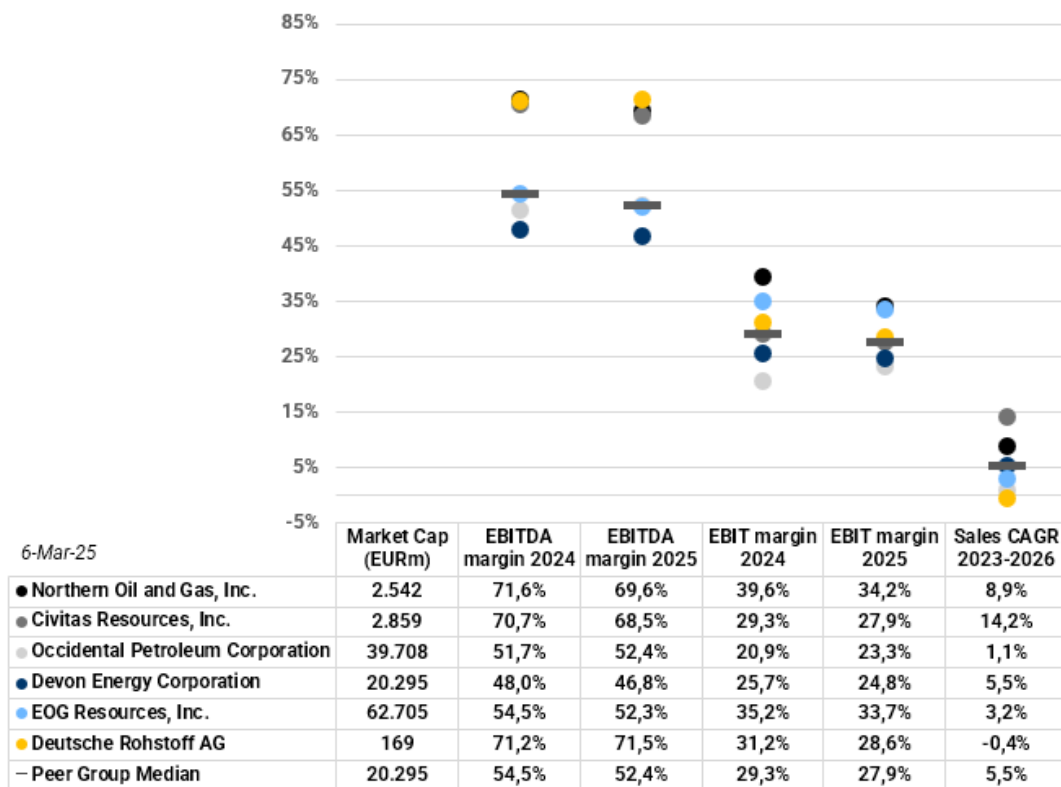
Source: Company data; mwb research

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 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 6 March 2025 the median market cap of the peer group was EUR 20,294.8m, compared to EUR 169.4m 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

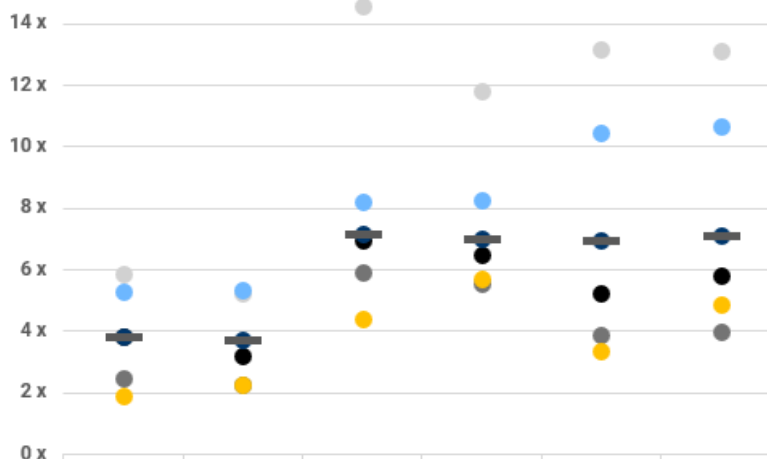


Source: FactSet, mwb research

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 50.49 to EUR 100.26.

Peer Group – Multiples and valuation



6-Mar-25

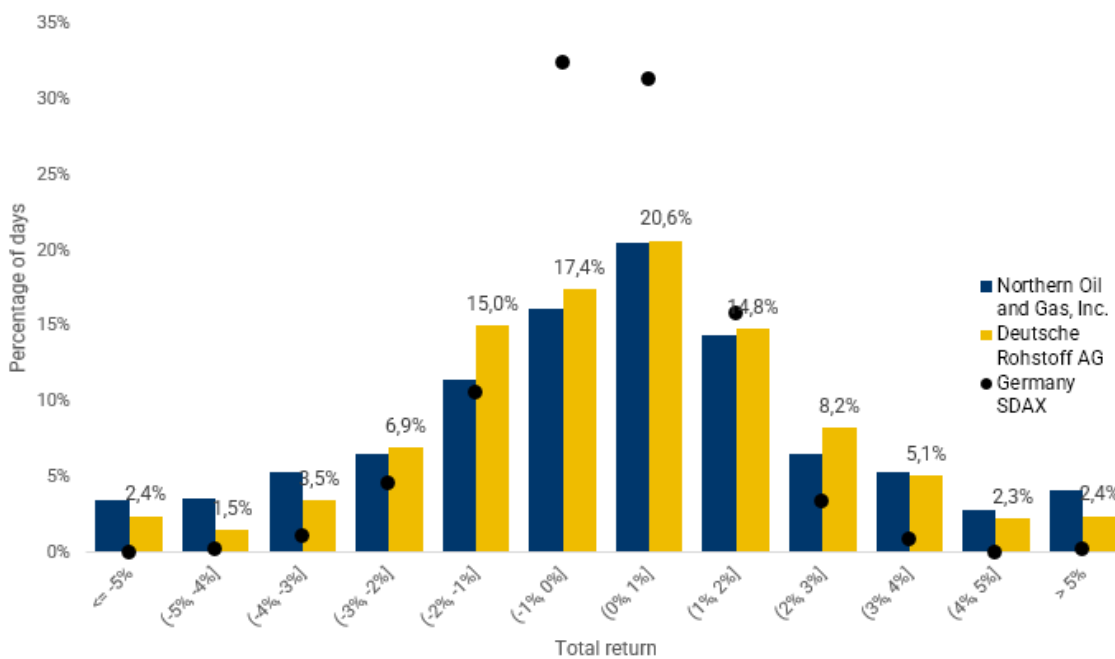
	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2024	EV/EBIT 2025	P/E 2024	P/E 2025
● Northern Oil and Gas, Inc.	3,8x	3,2x	6,9x	6,5x	5,2x	5,8x
● Civitas Resources, Inc.	2,5x	2,3x	5,9x	5,5x	3,9x	4,0x
● Occidental Petroleum Corporation	5,9x	5,3x	14,6x	11,8x	13,2x	13,1x
● Devon Energy Corporation	3,8x	3,7x	7,2x	7,0x	7,0x	7,1x
● EOG Resources, Inc.	5,3x	5,3x	8,2x	8,3x	10,5x	10,7x
● Deutsche Rohstoff AG	1,9x	2,3x	4,4x	5,7x	3,4x	4,9x
– Peer Group Median	3,8x	3,7x	7,2x	7,0x	7,0x	7,1x
Fair Value (EUR)	100,26	76,78	76,21	50,49	71,65	50,65

Source: FactSet, 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 05/07/2022 with a share price decline of -10.8%. The best day was 10/02/2025 when the share price increased by 9.6%.

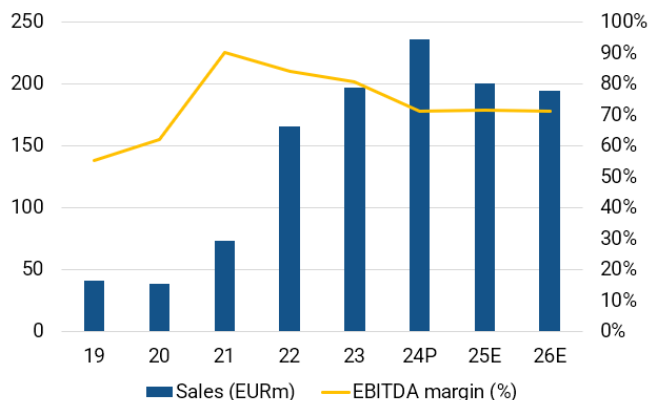
Risk – Daily Returns Distribution (trailing 3 years)



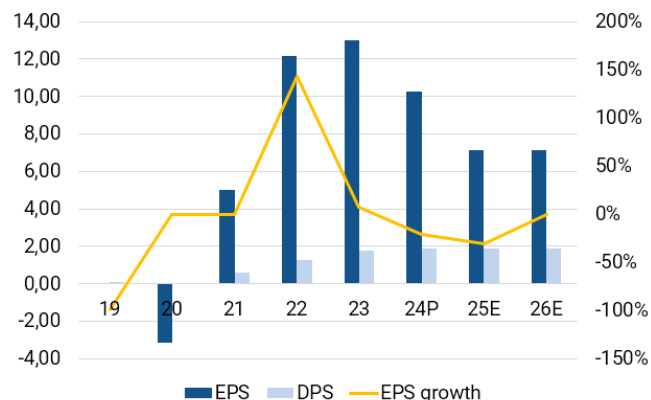
Source: FactSet, mwb research

Financials in six charts

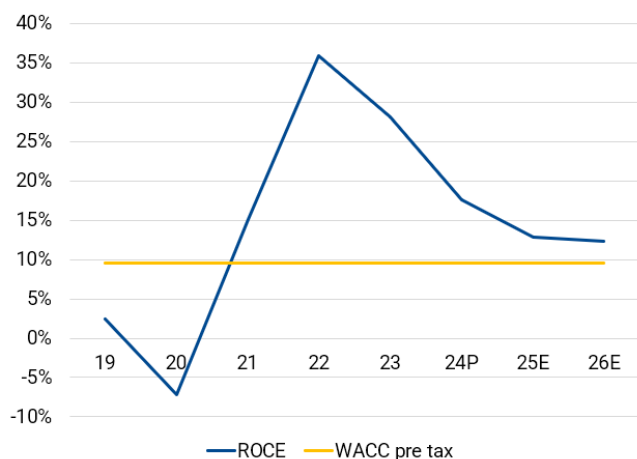
Sales vs. EBITDA margin development



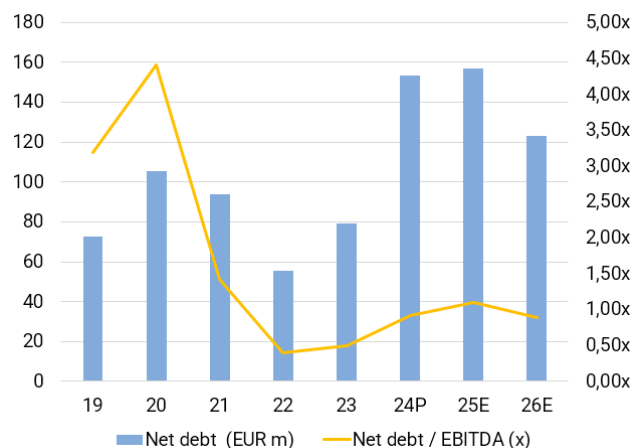
EPS, DPS in EUR & yoy EPS growth



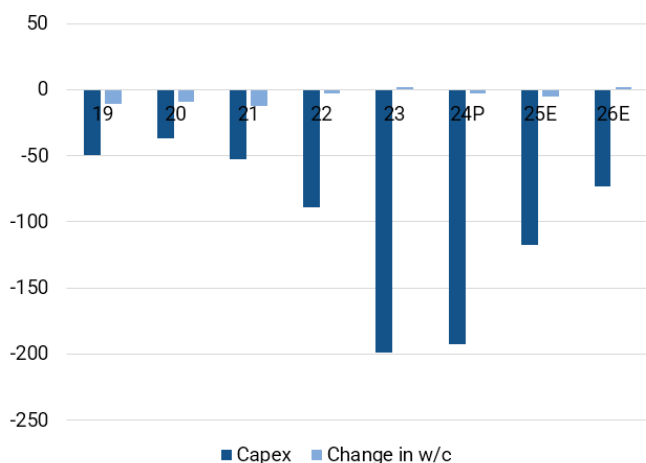
ROCE vs. WACC (pre tax)



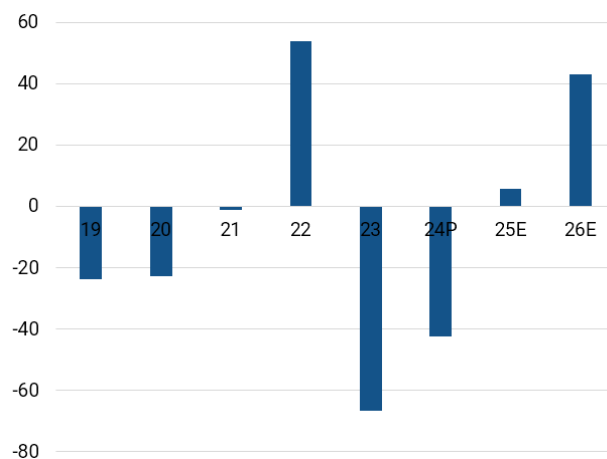
Net debt and net debt/EBITDA



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	2024P	2025E	2026E
Net sales	73.3	165.4	196.7	235.4	199.8	194.2
Sales growth	89.5%	125.6%	18.9%	19.7%	-15.1%	-2.8%
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	235.4	199.8	194.2
Material expenses	18.1	30.4	34.3	41.9	38.0	36.5
Gross profit	55.2	135.0	162.4	193.5	161.8	157.7
Other operating income	23.0	25.9	20.6	7.3	2.0	1.9
Personnel expenses	5.1	6.5	10.3	10.6	11.0	11.7
Other operating expenses	7.0	15.3	14.4	22.6	10.0	9.7
EBITDA	66.1	139.1	158.3	167.6	142.8	138.2
Depreciation	30.3	42.2	61.1	93.1	84.5	81.2
EBITA	35.7	96.9	97.1	74.6	58.3	57.0
Amortisation of goodwill and intangible assets	3.2	5.5	2.5	1.1	1.1	1.3
EBIT	32.6	91.4	94.6	73.4	57.2	55.7
Financial result	-5.5	-5.5	-8.9	-12.5	-11.8	-9.9
Recurring pretax income from continuing operations	27.1	85.9	85.7	60.9	45.5	45.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	27.1	85.9	85.7	60.9	45.5	45.8
Taxes	0.7	19.8	18.3	10.7	9.3	9.6
Net income from continuing operations	26.4	66.2	67.5	50.2	36.1	36.3
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	50.2	36.1	36.3
Minority interest	1.6	5.4	-2.3	0.0	-1.2	-1.2
Net profit (reported)	24.8	60.8	65.2	50.2	34.9	35.0
Average number of shares	4.95	5.00	5.01	4.90	4.90	4.90
EPS reported	5.01	12.15	13.02	10.26	7.13	7.15

Profit and loss (common size)	2021	2022	2023	2024P	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%	18%	19%	19%
Gross profit	75%	82%	83%	82%	81%	81%
Other operating income	31%	16%	10%	3%	1%	1%
Personnel expenses	7%	4%	5%	5%	5%	6%
Other operating expenses	10%	9%	7%	10%	5%	5%
EBITDA	90%	84%	80%	71%	71%	71%
Depreciation	41%	25%	31%	40%	42%	42%
EBITA	49%	59%	49%	32%	29%	29%
Amortisation of goodwill and intangible assets	4%	3%	1%	0%	1%	1%
EBIT	44%	55%	48%	31%	29%	29%
Financial result	-8%	-3%	-5%	-5%	-6%	-5%
Recurring pretax income from continuing operations	37%	52%	44%	26%	23%	24%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	37%	52%	44%	26%	23%	24%
Taxes	1%	12%	9%	5%	5%	5%
Net income from continuing operations	36%	40%	34%	21%	18%	19%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	36%	40%	34%	21%	18%	19%
Minority interest	2%	3%	-1%	0%	-1%	-1%
Net profit (reported)	34%	37%	33%	21%	17%	18%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024P	2025E	2026E
Intangible assets (excl. Goodwill)	28.6	32.5	22.6	21.5	26.4	30.9
Goodwill	1.3	1.2	1.0	1.0	1.0	1.0
Property, plant and equipment	149.1	192.6	317.6	416.9	443.5	429.6
Financial assets	35.1	34.2	30.6	30.6	30.6	30.6
FIXED ASSETS	214.0	260.5	371.7	469.8	501.4	492.0
Inventories	0.2	0.1	1.5	1.0	0.9	0.9
Accounts receivable	16.8	28.6	29.6	35.4	31.2	31.4
Other current assets	1.1	5.0	5.4	5.4	5.4	5.4
Liquid assets	23.5	54.2	82.2	27.0	13.2	22.1
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	2.5	2.1	2.0
CURRENT ASSETS	51.0	89.8	122.0	72.6	54.1	63.1
TOTAL ASSETS	265.0	350.3	493.8	542.4	555.5	555.1
SHAREHOLDERS EQUITY	72.7	129.0	180.4	221.8	248.7	275.6
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	28.2	24.0	23.3
Non-current liabilities	134.6	132.7	169.0	128.2	124.0	123.3
short-term liabilities to banks	19.6	9.9	40.8	80.2	70.0	45.0
Accounts payable	20.8	11.4	26.6	14.4	20.8	20.0
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)	-8.1	28.7	17.0	37.7	32.0	31.1
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	185.2	175.7	149.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	265.0	350.3	493.8	542.4	555.5	555.1

Balance sheet (common size)	2021	2022	2023	2024P	2025E	2026E
Intangible assets (excl. Goodwill)	11%	9%	5%	4%	5%	6%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	56%	55%	64%	77%	80%	77%
Financial assets	13%	10%	6%	6%	6%	6%
FIXED ASSETS	81%	74%	75%	87%	90%	89%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	6%	8%	6%	7%	6%	6%
Other current assets	0%	1%	1%	1%	1%	1%
Liquid assets	9%	15%	17%	5%	2%	4%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	4%	0%	0%	0%	0%	0%
CURRENT ASSETS	19%	26%	25%	13%	10%	11%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	27%	37%	37%	41%	45%	50%
MINORITY INTEREST	3%	1%	1%	1%	1%	1%
Long-term debt	37%	29%	24%	18%	18%	18%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	14%	9%	10%	5%	4%	4%
Non-current liabilities	51%	38%	34%	24%	22%	22%
short-term liabilities to banks	7%	3%	8%	15%	13%	8%
Accounts payable	8%	3%	5%	3%	4%	4%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	-3%	8%	3%	7%	6%	6%
Deferred taxes	7%	10%	11%	10%	10%	10%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	19%	24%	28%	34%	32%	27%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024P	2025E	2026E
Net profit/loss	26.4	66.2	67.5	50.2	36.1	36.3
Depreciation of fixed assets (incl. leases)	32.8	39.8	60.9	93.1	84.5	81.2
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	1.1	1.3
Others	-19.8	34.2	3.2	2.7	-4.3	-0.7
Cash flow from operations before changes in w/c	39.4	140.2	134.1	147.2	117.5	118.1
Increase/decrease in inventory	0.0	-3.3	0.0	0.5	0.1	0.0
Increase/decrease in accounts receivable	0.0	-3.3	0.0	-5.8	4.2	-0.2
Increase/decrease in accounts payable	19.4	9.2	0.0	-12.2	6.4	-0.8
Increase/decrease in other w/c positions	-7.0	0.0	-2.0	20.3	-5.3	-0.8
Increase/decrease in working capital	12.4	2.5	-2.0	2.8	5.4	-1.8
Cash flow from operating activities	51.8	142.7	132.1	150.0	122.9	116.3
CAPEX	-52.8	-88.9	-198.7	-192.3	-117.1	-73.1
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	-192.3	-117.1	-73.1
Cash flow before financing	22.5	70.6	-18.0	-42.3	5.8	43.2
Increase/decrease in debt position	-12.7	-8.1	52.2	18.9	-10.2	-25.0
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	-9.3	-9.3
Others	-7.6	-23.2	-0.2	-23.0	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	-12.9	-19.5	-34.3
Increase/decrease in liquid assets	2.8	35.8	28.2	-55.2	-13.7	8.9
Liquid assets at end of period	11.6	47.4	75.8	20.6	6.9	15.7

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024P	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	235.4	199.8	194.2
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	235.4	199.8	194.2

Regional sales split (common size)	2021	2022	2023	2024P	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	2024P	2025E	2026E
Per share data						
Earnings per share reported	5.01	12.15	13.02	10.26	7.13	7.15
Cash flow per share	4.34	20.10	14.18	11.63	7.84	7.17
Book value per share	14.68	25.78	36.03	45.31	50.79	56.30
Dividend per share	0.60	1.30	1.75	1.90	1.90	1.90
Valuation						
P/E	6.9x	2.8x	2.7x	3.4x	4.9x	4.8x
P/CF	8.0x	1.7x	2.4x	3.0x	4.4x	4.8x
P/BV	2.4x	1.3x	1.0x	0.8x	0.7x	0.6x
Dividend yield (%)	1.7%	3.8%	5.1%	5.5%	5.5%	5.5%
FCF yield (%)	12.5%	58.1%	41.0%	33.6%	22.7%	20.7%
EV/Sales	3.6x	1.4x	1.3x	1.4x	1.6x	1.5x
EV/EBITDA	4.0x	1.6x	1.6x	1.9x	2.3x	2.1x
EV/EBIT	8.1x	2.5x	2.6x	4.4x	5.7x	5.2x
Income statement (EURm)						
Sales	73.3	165.4	196.7	235.4	199.8	194.2
yoy chg in %	89.5%	125.6%	18.9%	19.7%	-15.1%	-2.8%
Gross profit	55.2	135.0	162.4	193.5	161.8	157.7
Gross margin in %	75.3%	81.6%	82.6%	82.2%	81.0%	81.2%
EBITDA	66.1	139.1	158.3	167.6	142.8	138.2
EBITDA margin in %	90.1%	84.1%	80.5%	71.2%	71.5%	71.2%
EBIT	32.6	91.4	94.6	73.4	57.2	55.7
EBIT margin in %	44.4%	55.3%	48.1%	31.2%	28.6%	28.7%
Net profit	24.8	60.8	65.2	50.2	34.9	35.0
Cash flow statement (EURm)						
CF from operations	51.8	142.7	132.1	150.0	122.9	116.3
Capex	-52.8	-88.9	-198.7	-192.3	-117.1	-73.1
Maintenance Capex	30.3	42.2	61.1	93.1	84.5	81.2
Free cash flow	-1.0	53.8	-66.7	-42.3	5.8	43.2
Balance sheet (EURm)						
Intangible assets	29.8	33.7	23.5	22.4	27.3	31.8
Tangible assets	149.1	192.6	317.6	416.9	443.5	429.6
Shareholders' equity	72.7	129.0	180.4	221.8	248.7	275.6
Pension provisions	0.0	1.0	0.0	0.0	0.0	0.0
Liabilities and provisions	154.2	142.5	209.8	208.4	194.0	168.3
Net financial debt	93.9	55.7	79.1	153.2	156.8	122.9
w/c requirements	-3.8	17.4	4.6	22.0	11.3	12.2
Ratios						
ROE	36.2%	51.3%	37.4%	22.6%	14.5%	13.2%
ROCE	13.9%	33.3%	23.8%	16.8%	12.7%	12.4%
Net gearing	129.1%	43.2%	43.9%	69.1%	63.0%	44.6%
Net debt / EBITDA	1.4x	0.4x	0.5x	0.9x	1.1x	0.9x

Source: Company data; mwb research

Conflicts of interest

Disclosures regarding research publications of mwb research AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under an EEA branch passport, subject to the FCA requirements on research recommendation disclosures. It is essential that any research recommendation is fairly presented and discloses interests of and indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analyzed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if mwb research AG

- (1) or its affiliate(s) (either in its own right or as part of a consortium) within the past twelve months, acquired the financial instruments of the analyzed company,
- (2) has entered into an agreement on the production of the research report with the analyzed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analyzed company or have received services or a promise of services under the terms of such an agreement,
- (4) or its affiliate(s) holds a) 5% or more of the share capital of the analyzed company, or b) the analyzed company holds 5% or more of the share capital of mwb research AG or its affiliate(s),
- (5) or its affiliate(s) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analyzed company or derivatives thereof,
- (6) or its affiliate(s) is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analyzed company such as, for example, exercising mandates in the interest of the analyzed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
Deutsche Rohstoff AG	2, 8

Important disclosures

1. General Information/Liabilities This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by mwb research AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of mwb research AG. Reproduction of this document, in whole or in part, is not permitted without prior permission mwb research AG. All rights reserved. Under no circumstances shall mwb research AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analyzed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organizational Requirements mwb research AG took internal organizational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of mwb research AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made. The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate. The operating cash flow is calculated as EBITDA less maintenance capex and taxes. Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value. Detailed information on the valuation principles and methods used and the underlying assumptions can be found at <https://www.mwb.-research.com>.

mwb research AG uses the following three-step rating system for the analyzed companies:

- **Speculative (Spec.) BUY:** Sustainable upside potential of more than 25% within 12 months, above average risk
- **BUY:** Sustainable upside potential of more than 10% within 12 months
- **SELL:** Sustainable downside potential of more than 10% within 12 months.
- **HOLD:** Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of mwb research AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analyzed in this document was solely made by mwb research AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of mwb research AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Date and time of first publication of this financial analysis
6-Mar-25 09:39:32

6. Risk information

- Stock exchange investments and investments in companies (shares) are always speculative and involve the risk of total loss.
- This is particularly true in respect of investments in companies which are not established and/or small and have no established business or corporate assets.
- Share prices may fluctuate significantly. This is particularly true for shares with low liquidity (market breadth). Even small orders can have a significant impact on the share price.
- In the case of shares in narrow markets, it may also happen that there is no or very little actual trading there and that published prices are not based on actual trading but have only been provided by a stockbroker.
- In such markets a shareholder cannot expect to find a buyer for his shares at all and/or at reasonable prices. In such narrow markets there is a very high possibility of manipulating prices and in such markets there are often considerable price fluctuations.
- An investment in shares with low liquidity and low market capitalization is therefore highly speculative and represents a very high risk.
- There is no regulated market for unlisted shares and securities and a sale is not possible or only possible on an individual basis.

7. Major Sources of Information Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. mwb research AG has checked the information for plausibility but not for accuracy or completeness.

8. Competent Supervisory Authority mwb research AG are under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M. This document is distributed in the UK under a MiFID EEA branch passport and in compliance with the applicable FCA requirements.

9. Specific Comments for Recipients Outside of Germany This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

10. Miscellaneous According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published free of charge under <https://www.mwb.-research.com>.

Contacts

mwb research AG
Mittelweg 142
20148 Hamburg
Germany

Tel.: +49 40 309 293-52
Email.: contact@mwb-research.com
Website: www.mwb-research.com
Research: www.research-hub.de

Research

HARALD HOF
Senior Analyst
Tel: +49 40 309 293-53
E-Mail: h.hof@mwb-research.com

LEON MÜHLENBRUCH
Analyst
Tel: +49 40 309 293-57
E-Mail: l.muehlenbruch@mwb-research.com

ABED JARAD
Junior Analyst
Tel: +49 40 309 293-54
E-Mail: a.jarad@mwb-research.com

JENS-PETER RIECK
Junior Analyst
Tel: +49 40 309 293-54
E-Mail: jp.riek@mwb-research.com

THOMAS WISSLER
Senior Analyst
Tel: +49 40 309 293-58
E-Mail: t.wissler@mwb-research.com

DR. OLIVER WOJAHN, CFA
Senior Analyst
Tel: +49 40 309 293-55
E-Mail: o.wojahn@mwb-research.com

ALEXANDER ZIENKOWICZ
Senior Analyst
Tel: +49 40 309 293-56
E-Mail: a.zienkowicz@mwb-research.com

Sales

HOLGER NASS
Head of Sales
Tel: +49 40 309 293-52
E-Mail: h.nass@mwb-research.com

Team Assistant

HANNAH GABERT
Team Assistant
Tel: +49 40 309 293-52
E-Mail: h.gabert@mwb-research.com

mwb fairtrade
Wertpapierhandelsbank AG
Rottenbucher Straße 28
82166 Gräfelfing

Tel: +49 89 85852-0
Fax: +49 89 85852-505
Website: www.mwbfairtrade.com
E-Mail: info@mwbfairtrade.com

Sales / Designated Sponsoring /Corporate Finance

ALEXANDER DEUSS
Institutional Sales
Tel: +49 40 36 0995-22
E-Mail: adeuss@mwbfairtrade.com

SASCHA GUENON
Head of Designated Sponsoring
Tel: +49 40 360 995-23
E-Mail: sguenon@mwbfairtrade.com

JAN NEYNABER
Institutional Sales
Tel: +49 69 1387-1255
E-Mail: jneynaber@mwbfairtrade.com

DIRK WEYERHÄUSER
Corporate Finance
Tel: +49 69 1387-1250
E-Mail: dweyerhaeuser@mwbfairtrade.com

Locations

HAMBURG (Research)
Mittelweg 142
20148 Hamburg
+49 40 309 293-52

HAMBURG (Corporates & Markets)
Kleine Johannisstraße 4
20457 Hamburg
+49 40 360 995-0

FRANKFURT A.M.
Unterlindau 29
60323 Frankfurt am Main
+49 40 360 995-22

MUNICH
Rottenbucher Str. 28
82166 Gräfelfing
+49 89-85852-0

BERLIN
Kurfürstendamm 151
10709 Berlin

HANNOVER
An der Börse 2
30159 Hannover

Our research can be found at

ResearchHub
Bloomberg
FactSet
Thomson Reuters / Refinitiv
CapitalIQ

www.research-hub.de
www.bloomberg.com
www.factset.com
www.refinitiv.com
www.capitaliq.com