

Deutsche Rohstoff Buy

Germany | Oil & gas

Beta Profile:  QUALITY

MCap: EUR170.6m

Target Price: EUR48.00 (45.00)
Current Price: EUR34.10
Up/downside: 40.8%
Market data: 24 November 2023

Change in TP: 6.7%
Change in Sales: -0.3% 23E/-6.7% 24E
Change in Adj EBIT: 17.4% 23E/-9.8% 24E
Change in Adj. EPS: 19.5% 23E/-8.1% 24E

Bloomberg: DR0 GR Reuters: DR0G.DE
Free float 90.0%
Avg. daily volume (EURm) 0.6
YTD abs performance 31.2%
52-week high/low (EUR) 35.25/24.00

Prospects better than ever

Why this report?

This report delves into Deutsche Rohstoff's strategic progression, spotlighting the third virtual CMD, where management outlined the company's current development and future potential, particularly in Wyoming. It highlights the increased oil barrels per well projection and the promising development of three new wells, including in the Mowry formation. Based on the financial implications of these developments, we raise our TP from EUR45 to EUR48.

Key findings

- Deutsche Rohstoff hosted its third virtual capital markets day, which provided valuable insights into current developments and future prospects, especially highlighting the promising Wyoming production and untapped potential of over 100 wells.
- Deconstructing the forecasts**
- The 2024 guidance does not yet include the three newly announced wells; we would therefore not rule out estimate and consensus revisions once it becomes clear when production for these wells will begin.
- We adjust our 2023-24 sales and EBITDA estimates for the impact of the Utah sale. Our 2024 estimates are slightly below consensus and within the base-case guidance range at a WTI of USD75.
- Given the financial implications of higher-than-expected production, three new wells, and a significant gain on the sale of the Utah assets, we raise our TP from EUR45 to EUR48.

FY to 31/12 (EUR)	12/23E	12/24E	12/25E
Sales (m)	192.5	184.3	156.2
EBITDA adj (m)	159.6	137.6	110.6
EBIT adj (m)	112.8	88.2	67.0
Net profit adj (m)	74.5	58.2	44.5
Net financial debt (m)	66.3	22.0	13.0
FCF (m)	-10.8	51.5	16.1
EPS adj. and ful. dil.	14.90	11.64	8.89
Consensus EPS	13.55	13.36	27.97
Net dividend	1.46	1.39	1.16

FY to 31/12	12/23E	12/24E	12/25E
P/E adj and ful. dil.	2.3	2.9	3.8
EV/EBITDA	1.4	1.3	1.6
EV/EBIT	2.0	2.1	2.6
FCF yield	-10.2%	27.2%	7.1%
Dividend yield	4.3%	4.1%	3.4%
ND(F+IFRS16)/EBITDA	0.4	0.2	0.1
Gearing	32.0%	8.4%	4.3%
ROIC	43.1%	27.2%	19.2%
EV/IC	0.9	0.7	0.6

Sector Most Pref.	Sector Least Pref.
ENI	Galp
TotalEnergies	

Investment case

- As one of the few European companies offering direct exposure to US shale, DRAG has extensive experience as an operator in the field. There are also a large number of manufacturing companies offering optimal opportunities for non-operative activities and participations.
- Assuming a c. 30% success rate for the acquired acreage in Wyoming's Powder River Basin (+100 well locations), our play-by-play model suggests this could lead to a sustainable high production level for DRAG in the medium term.
- The minority stake in Almonty Industries, which is expected to ramp up production at one of the largest tungsten mines outside China in the coming years, should generate stable, long-term returns.

Catalysts

- Higher-than-assumed economic viability in Wyoming in terms of development area or asset sale.
- Price movements in the WTI benchmark.
- Production start at Almonty's Sangdong mine in S. Korea.

Valuation methodology

- Our valuation is based on an SOP of its oil & gas assets, Deutsche Rohstoff's minority investments in metals, and its investment portfolio.
- We value the group's core oil and gas assets by US state using a 25-year NPV model with a 10% WACC.
- Under our current long-term WTI oil price assumption of USD68/bbl, our SOP points to a fair value of EUR48.0.

Risks to our rating

- Weaker-than-expected US dollar. Each USD0.05 move in our long-term EUR/USD assumption impacts our SOP by up to EUR3 per share.
- Lower demand leading to negative price movements in the WTI benchmark. Each USD3/bbl move in our long-term WTI oil price assumptions impacts our SOP by up to EUR2 per share.

Third virtual capital markets day reiterating company's strategy

Deutsche Rohstoff hosted its third virtual capital markets day with CEO Jan-Philipp Weitz and CFO Henning Döring, during which management provided further insights into current business developments, particularly at the Wyoming site, and the future potential of Deutsche Rohstoff.

Highlights

- At last year's CMD, management projected a total of 500,000 barrels per well in Wyoming (including its own wells as well as those from the JV with Oxy). After this year's CMD, this projection has increased by 15%, i.e. 75,000 more barrels per well. We estimate that the group will have a total of 32 net wells in Wyoming under 100% ownership at the end of 2023. In the last 14 months, 28 gross wells have commenced production – 23 in the Niobrara formation and five in the Turner formation. Notably, 21 of these wells are part of the joint venture with Oxy.
- The announced drilling of three new wells, one of which is located in the Mowry formation, is expected start in December and could be finished by Q2 or Q3 2024, depending on the prices and availability of the external service companies required. Deeper drilling is required in the Mowry foundation, which is associated with higher drilling costs, but there is also higher volume potential. The group's reserves to date do not include the well in the Mowry foundation; thus, a commercial success would also increase the group's reserves.
- Production is expected to amount to c. 12,250 BOEPD in 2023, with Utah contributing c. 1,000 BOEPD. Management has not yet provided production guidance for 2024, but we do not see any reason why production should grow more slowly than the 10-15% communicated previously, excluding the production from Utah. Recent indications point more towards higher growth, in our view. For 2024, we expect production of 13,440 BOEPD, of which 70% produced in Wyoming and 30% in Colorado.
- Over EUR134m in revenues is already fully hedged, irrespective of where the crude price ends up in 2024-25, at an average hedge price of USD75.66.
- Regarding the Wyoming wells, management discussed drilling and production efficiency, noting that a new technique for cementation could provide some gains. While this is not an explicit target, CFO Döring did not rule out that a 5% efficiency gain per year could be achieved using this new technique in other formations.
- Regarding the previously announced Utah sale, management revealed that it invested a total of EUR17m over the years, with cash proceeds of EUR44m expected for the sale, indicating a very attractive return and reflecting a market which is liquid and valued at high multiples.
- The 2024 guidance does not yet include the three newly announced wells (one of which is in the Mowry foundation), as it is not fully clear when these wells will be finished.
- The company is not planning to re-purchase the outstanding bond all at once, but gradually until its maturity in December 2024. EUR20m will be repaid in Q4 2023.
- Management has invested more in new wells than was previously anticipated, which drew questions from investors at the CMD. The higher investments are a result of the positive developments, as the group was able to hedge more volume than expected and generated high positive cash flows. While management is now also considering share buybacks, we believe shareholders will benefit from the strategy of re-investing in production expansion, as we have said in previous notes; however, the pressure to provide higher shareholder returns is not decreasing, given that peers are stepping up their efforts, as we describe in the next section.

US peers increasing focus on shareholder returns

During the CMD, management refrained from commenting on this year's dividend and pointed to Q1, when the FY 2023 annual report and figures will be released. However, it does not rule out share buybacks. Despite the share price performing well, Deutsche Rohstoff's investors receive a lower dividend payment compared to US oil peers, and while we do like management's contrarian strategy of reinvesting in production expansion, we believe the pressure on management to

increase shareholder returns when prices are high will not decrease. After Q3, a handful of companies have increased shareholder returns, with EOG increasing its policy to returning 75% of FCF (from 60%) while also increasing the base dividend by 10%, and CTRA, MRO, and NOG also increased returns.

Guidance, consensus, and changes in our estimates; TP up to EUR48

We raise our 2023 estimates due to the sale of the Utah assets in Q4. For 2024, we lower our estimates due to the transaction's effects. Our 2024 estimates are slightly below consensus for both the top line and earnings.

Given the impact of the Utah sale as well as the positive developments in Wyoming and three additional new wells, we raise our SOP-based TP from our play-by-play model from EUR45 to EUR48.

Table 1: Changes in our 2023-25E estimates (EURm)

	2023			2024			2025		
	Old	New	change	Old	New	change	Old	New	change
Revenues	193	192	-0.3%	198	184	-6.7%	157	156	-0.7%
EBITDA adj.	143	160	11.7%	198	138	-30.4%	157	111	-29.7%
EBIT	96	113	17.4%	98	88	-9.8%	70	67	-4.8%
EPS adj.	12.47	14.90	19.5%	12.66	11.64	-8.1%	9.00	8.89	-1.2%

Source: Kepler Cheuvreux estimates

Table 2: Our estimates versus consensus (EURm)

	2023		2024		2025	
	KECH	Consensus	KECH	Consensus	KECH	Consensus
Sales	192	189	184	194	156	175
EBITDA	160	147	138	147	111	132
EBIT	113	93	88	92	67	82
EPS	14.90	12.69	11.64	12.26	8.89	10.41

Source: Kepler Cheuvreux estimates, company-collected consensus

Table 3: Updated guidance after sale of Utah assets

EURm	2023			2024		
	Old guidance	New guidance	Avg. change	Old guidance	New guidance*	Avg. change
Sales	188-199	188-199	0%	190-230	175-210	-8%
EBITDA	138-148	152-162	10%	135-170	130-165	-10%

*= Sales of EUR175-195m and EBITDA of EUR120-145m at WTI of USD75; Sales of EUR190-210m and EBITDA of EUR150-165m at WTI of USD85; Source: Kepler Cheuvreux, Deutsche Rohstoff

Why is Deutsche Rohstoff an attractive investment?

In a nutshell, financing is secured for the medium term, the very attractive sale of its Utah assets is further boosting liquidity, massive investments in the production expansion should provide long-term stability, and over EUR134m in revenues is already fully hedged, irrespective of where the crude price ends up in 2024-25. Management's significant investments are building up scale based on higher production volumes and leading to more stability in income coupled with less risk due to prudent hedging. The group has untapped potential of over 100 wells on its acreage in Wyoming, for which we currently (conservatively) assume a 33% success rate in our play-by-play upstream model.

Company description

Deutsche Rohstoff is a Germany-based holding company that specialises in investing in resource projects. The current portfolio is mainly focused on the oil & gas sector, but it also holds minority stakes in high-tech metals such as tungsten. Its management team has longstanding expertise in the sector, and the group focuses on well-explored areas in the US.

Management

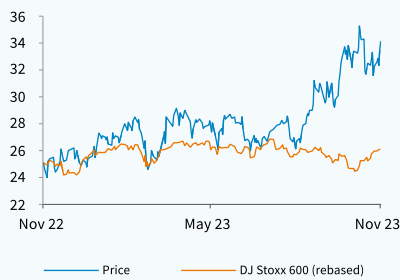
Jan-Philipp Weitz, CEO
Henning Döring, CFO

Key shareholders

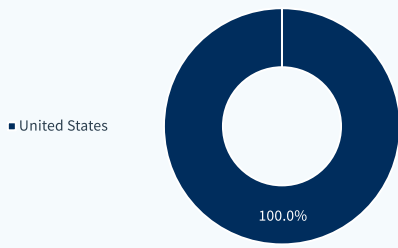
Free float	90.00%
Management and Supervisory Board	9.00%

Key data charts

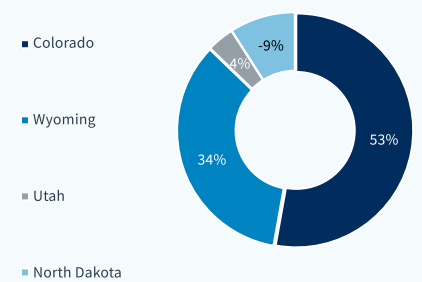
Price performance



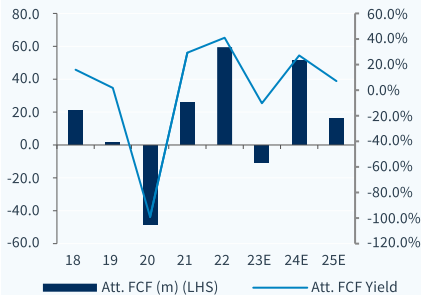
Sales split by region



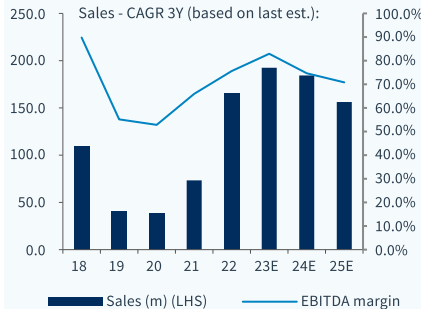
Sales split by division



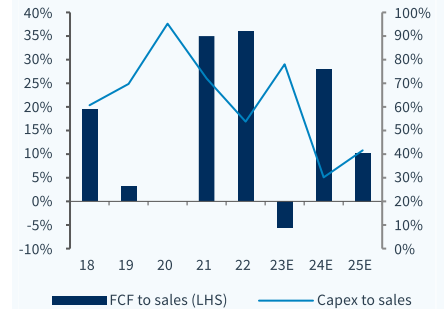
FCF



Sales and EBITDA margin



FCF and Capex to sales



SWOT analysis

Strengths

- Solid oil and gas asset portfolio with an extensive drilling pipeline.
- Diversified portfolio
- Expert management with experience in resource-based activities

Weaknesses

- No control over non-operating wells
- Lower transparency compared to US oil and gas peers.
- The majority of mining investments are not producing yet.

Opportunities

- Efficiency gains in drilling could allow additional costs savings
- New land acquisitions
- Investments in electro mobility

Threats

- Price increases from field services companies leading to higher capex
- Direct competition from extractor Oil & Gas in land purchase.
- Euro/US dollar currency fluctuations, economic deterioration.

Valuation table

Market data as of: 24 November 2023

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Per share data (EUR)										
EPS adjusted	0.02	1.10	2.74	0.06	-3.74	1.40	9.35	14.90	11.64	8.89
% Change	-91.2%	5328.9%	150.5%	-97.8%	-chg	+chg	569.6%	59.4%	-21.9%	-23.6%
EPS adjusted and fully diluted	0.02	1.10	2.74	0.06	-3.74	1.40	9.35	14.90	11.64	8.89
% Change	-91.2%	5328.9%	150.5%	-97.8%	-chg	+chg	569.6%	59.4%	-21.9%	-23.6%
EPS reported	0.02	1.10	2.74	0.06	-3.05	4.88	12.15	14.90	11.64	8.89
% Change	-91.2%	5328.9%	150.5%	-97.8%	-chg	+chg	148.9%	22.7%	-21.9%	-23.6%
EPS Consensus								13.55	13.36	27.97
Cash flow per share	6.97	9.42	17.27	5.91	-2.23	15.44	29.67	27.86	21.41	16.20
Book value per share	11.16	9.73	12.99	12.66	7.76	14.31	25.78	39.37	49.55	57.04
DPS	0.60	0.65	0.70	0.10	0.00	0.60	1.30	1.46	1.39	1.16
Number of shares, YE (m)	5.1	5.1	5.1	5.1	5.1	5.1	5.0	5.0	5.0	5.0
Nbr of shares, fully diluted, YE (m)	5.1	5.1	5.1	5.1	5.1	5.1	5.0	5.0	5.0	5.0
Share price										
Latest price / year end	26.3	19.9	14.0	15.0	8.5	20.3	26.0	34.1	34.1	34.1
52 week high	26.3	26.3	25.9	19.8	16.0	25.6	33.5	35.3		
52 week low	12.3	16.1	13.9	12.5	6.2	8.7	20.2	24.6		
Average price (Year)	17.3	20.4	21.2	15.8	9.4	16.2	26.4	34.1	34.1	34.1
Enterprise value (EURm)										
Market capitalisation	87.5	103.5	107.3	80.5	48.0	82.2	131.9	170.6	170.6	170.6
Net financial debt	50.6	78.2	47.7	77.8	120.2	104.7	62.4	66.3	22.0	13.0
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market value of minorities	9.7	7.4	8.1	7.2	6.2	7.4	3.4	10.1	15.2	19.2
MV of equity affiliates (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	-25.6	-25.6	-25.6	-25.6
Enterprise value	147.8	189.1	163.1	165.5	174.3	194.3	172.1	221.3	182.3	177.1
Valuation										
P/E adjusted	na	18.6	7.7	na	na	11.6	2.8	2.3	2.9	3.8
P/E adjusted and fully diluted	na	18.6	7.7	na	na	11.6	2.8	2.3	2.9	3.8
P/E consensus								2.5	2.6	1.2
P/BV	1.5	2.1	1.6	1.3	1.2	1.1	1.0	0.9	0.7	0.6
P/CF	2.5	2.2	1.2	2.7	na	1.0	0.9	1.2	1.6	2.1
Dividend yield (%)	3.5%	3.2%	3.3%	0.6%	0.0%	3.7%	4.9%	4.3%	4.1%	3.4%
Dividend yield preference shares (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Share buybacks over market cap (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-35.2%	-5.9%	16.0%	1.8%	-99.1%	29.3%	41.0%	-10.2%	27.2%	7.1%
ROE (%)	0.2%	10.5%	24.2%	0.5%	-36.6%	12.7%	46.4%	45.7%	26.2%	16.7%
ROIC (%)	-1.1%	4.6%	24.8%	4.2%	-13.8%	9.6%	40.7%	43.1%	27.2%	19.2%
EV/Sales	16.12	3.52	1.50	4.02	4.51	2.65	1.04	1.15	0.99	1.13
EV/EBITDA adj.	23.2	5.2	1.7	7.3	8.5	4.0	1.4	1.4	1.3	1.6
EV/EBIT adj.	na	35.6	5.0	29.4	na	13.0	2.2	2.0	2.1	2.6
EV/NOPAT	na	47.5	6.6	39.2	na	17.4	3.0	2.6	2.8	3.5
EV/IC	2.3	1.7	1.8	1.5	1.7	1.5	1.1	0.9	0.7	0.6
ROIC/WACC	na	0.5	2.5	0.4	na	1.0	4.1	4.3	2.7	1.9
EV/IC over ROIC/WACC	na	3.8	0.7	3.5	na	1.5	0.3	0.2	0.3	0.3

Income statement

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Sales	9.2	53.7	109.1	41.2	38.7	73.3	165.4	192.5	184.3	156.2
Gross profit	10.9	48.1	91.3	30.0	27.1	55.2	135.0	158.3	157.6	131.2
EBITDA reported	6.4	36.1	98.0	22.7	23.9	66.1	139.1	159.6	137.6	110.6
EBITDA adjusted	6.4	36.1	98.0	22.7	20.4	48.4	125.1	159.6	137.6	110.6
Depreciation and amortisation	-6.9	-30.8	-65.2	-17.1	-40.1	-33.5	-47.7	-46.8	-49.5	-43.7
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial result and associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT reported	-0.5	5.3	32.7	5.6	-16.1	32.6	91.4	112.8	88.2	67.0
EBIT adjusted	-0.5	5.3	32.7	5.6	-19.6	14.9	77.4	112.8	88.2	67.0
Net financial items	-1.4	-4.0	-6.2	-5.4	-6.4	-5.5	-5.5	-4.6	-3.6	-2.4
Associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before tax	-2.0	1.3	26.5	0.3	-22.5	27.1	85.9	108.2	84.6	64.6
Tax	2.0	6.4	-8.5	-0.1	6.4	-0.7	-19.8	-27.1	-21.1	-16.1
Net profit from continuing op.	0.1	7.7	18.0	0.2	-16.1	26.4	66.2	81.2	63.4	48.4
Net profit from disc. activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	0.1	7.7	18.0	0.2	-16.1	26.4	66.2	81.2	63.4	48.4
Minorities	0.0	-2.1	-4.1	0.1	0.6	-1.6	-5.4	-6.6	-5.2	-4.0
Net profit reported	0.1	5.5	13.9	0.3	-15.5	24.8	60.8	74.5	58.2	44.5
Adjustments	0.0	0.0	0.0	0.0	-3.5	-17.7	-14.0	0.0	0.0	0.0
Net profit adjusted	0.1	5.5	13.9	0.3	-19.0	7.1	46.8	74.5	58.2	44.5
Sales % Change	383.4%	486.1%	103.0%	-62.2%	-6.1%	89.5%	125.6%	16.4%	-4.2%	-15.2%
EBITDA reported % Change	29.2%	467.0%	171.1%	-76.8%	5.3%	176.0%	110.6%	14.8%	-13.8%	-19.6%
EBITDA adjusted % Change	29.2%	467.0%	171.1%	-76.8%	-10.1%	136.6%	158.7%	27.6%	-13.8%	-19.6%
EBIT reported % Change	-chg	+chg	516.6%	-82.8%	-chg	+chg	180.6%	23.4%	-21.8%	-24.0%
EBIT adjusted % Change	-chg	+chg	516.6%	-82.8%	-chg	+chg	420.0%	45.7%	-21.8%	-24.0%
Earnings before tax % Change	-chg	+chg	1946.7%	-99.0%	-chg	+chg	217.6%	25.9%	-21.9%	-23.6%
Net profit from cont. op. % Change	-86.0%	10228.0%	134.2%	-99.0%	-chg	+chg	151.1%	22.7%	-21.9%	-23.6%
Net profit reported % Change	-91.2%	5329.0%	150.5%	-97.8%	-chg	+chg	145.1%	22.7%	-21.9%	-23.6%
Net profit adjusted % Change	-91.2%	5329.0%	150.5%	-97.8%	-chg	+chg	559.2%	59.4%	-21.9%	-23.6%
Gross profit margin (%)	na	89.5%	83.7%	72.7%	70.0%	75.3%	81.6%	82.3%	85.5%	84.0%
EBITDA margin (%)	69.5%	67.2%	89.8%	55.2%	52.8%	66.0%	75.6%	82.9%	74.7%	70.8%
EBIT margin (%)	-5.9%	9.9%	30.0%	13.7%	-50.8%	20.3%	46.8%	58.6%	47.8%	42.9%
Net profit margin (%)	1.1%	10.3%	12.7%	0.7%	-49.1%	9.7%	28.3%	38.7%	31.6%	28.5%
Tax rate (%)	103.8%	-492.8%	32.2%	29.1%	28.5%	2.6%	23.0%	25.0%	25.0%	25.0%
Payout ratio (%)	2,972.4%	59.3%	25.5%	165.0%	0.0%	43.0%	13.9%	9.8%	12.0%	13.1%
EPS reported (EUR)	0.02	1.10	2.74	0.06	-3.05	4.88	12.15	14.90	11.64	8.89
EPS adjusted (EUR)	0.02	1.10	2.74	0.06	-3.74	1.40	9.35	14.90	11.64	8.89
EPS adj and fully diluted (EUR)	0.02	1.10	2.74	0.06	-3.74	1.40	9.35	14.90	11.64	8.89
DPS (EUR)	0.60	0.65	0.70	0.10	0.00	0.60	1.30	1.46	1.39	1.16
DPS, preference shares (EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS reported % Change	-91.2%	5328.9%	150.5%	-97.8%	-chg	+chg	148.9%	22.7%	-21.9%	-23.6%
EPS adjusted % Change	-91.2%	5328.9%	150.5%	-97.8%	-chg	+chg	569.6%	59.4%	-21.9%	-23.6%
EPS adj and fully diluted % Change	-91.2%	5328.9%	150.5%	-97.8%	-chg	+chg	569.6%	59.4%	-21.9%	-23.6%
DPS % Change	9.1%	8.3%	7.7%	-85.7%	-chg	+chg	116.7%	12.3%	-4.5%	-16.7%
Consensus Sales (EURm)								189.0	195.0	174.6
Consensus EBITDA (EURm)								142.6	148.0	132.5
Consensus EBIT (EURm)								90.3	92.6	81.8
Consensus EPS (EUR)								13.55	13.36	27.97

Cash flow statement

Market data as of: 24 November 2023

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Net profit before minorities	0.1	7.7	18.0	0.2	-16.1	26.4	66.2	81.2	63.4	48.4
Depreciation and amortisation	6.9	30.8	65.2	17.1	40.1	33.5	47.7	46.8	49.5	43.7
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in working capital	28.3	9.2	4.2	12.7	-35.3	18.7	34.6	11.4	-5.8	-11.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Levered post tax CF before capex	35.3	47.7	87.4	30.0	-11.3	78.5	148.4	139.4	107.1	81.1
% Change	+chg	35.2%	83.3%	-65.7%	-chg	+chg	89.1%	-6.1%	-23.2%	-24.3%
Capex	-66.1	-51.7	-66.2	-28.7	-36.8	-52.8	-88.9	-150.2	-55.6	-65.0
Free cash flow	-30.8	-4.0	21.2	1.3	-48.2	25.7	59.5	-10.8	51.5	16.1
% Change	-chg	+chg	+chg	-93.9%	-chg	+chg	131.9%	-chg	+chg	-68.8%
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.5	0.0	0.0
Divestments	0.0	0.0	0.0	0.0	0.0	0.0	6.0	0.0	0.0	0.0
Dividend paid	-2.7	-3.0	-3.2	-3.2	-0.5	0.0	-3.0	-6.5	-7.3	-7.0
Share buy back	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increases	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-7.5	-20.7	12.4	-28.2	6.3	-10.2	-20.1	0.0	0.0	0.0
Change in net financial debt	41.1	27.6	-30.5	30.1	42.3	-15.5	-42.3	3.8	-44.2	-9.1
Change in cash and cash equiv.	-23.8	3.7	17.3	15.6	-53.1	4.5	34.8	-3.8	44.2	9.1
Attributable FCF	-30.8	-6.1	17.2	1.4	-47.6	24.1	54.1	-17.5	46.3	12.1
Cash flow per share (EUR)	6.97	9.42	17.27	5.91	-2.23	15.44	29.67	27.86	21.41	16.20
% Change	+chg	35.2%	83.3%	-65.8%	-chg	+chg	92.1%	-6.1%	-23.2%	-24.3%
FCF per share (EUR)	-6.08	-1.21	3.39	0.28	-9.36	4.74	10.80	-3.49	9.26	2.42
% Change	-chg	+chg	+chg	-91.8%	-chg	+chg	127.9%	-chg	+chg	-73.9%
Capex / Sales (%)	720.8%	96.2%	60.7%	69.7%	95.2%	72.1%	53.8%	78.0%	30.2%	41.6%
Capex / D&A (%)	955.9%	167.7%	101.5%	168.0%	91.9%	157.8%	186.6%	320.8%	112.4%	148.8%
Cash flow / Sales (%)	na	88.7%	80.2%	72.9%	-29.2%	na	89.7%	72.4%	58.1%	51.9%
FCF / Sales (%)	na	-7.5%	19.5%	3.1%	na	35.0%	36.0%	-5.6%	27.9%	10.3%
FCF Yield (%)	-35.2%	-5.9%	16.0%	1.8%	-99.1%	29.3%	41.0%	-10.2%	27.2%	7.1%
Unlevered FCF Yield (%)	-20.9%	12.6%	13.3%	3.4%	-24.4%	15.5%	34.5%	-5.6%	28.1%	9.6%

Balance sheet

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Cash and cash equivalents	24.7	28.4	45.6	61.3	8.2	12.7	47.5	43.6	87.8	96.9
Inventories	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Accounts receivable	7.3	8.8	11.6	8.9	3.5	16.8	28.6	33.3	31.9	27.1
Other current assets	16.3	3.8	4.1	4.8	9.9	12.7	6.8	8.0	7.6	6.5
Current assets	48.5	41.2	61.5	75.1	21.7	42.4	83.1	85.1	127.5	130.6
Tangible assets	79.9	114.5	110.1	139.6	112.8	149.1	192.6	282.5	288.7	310.0
Goodwill	6.8	3.3	1.7	1.6	1.3	1.3	1.2	1.2	1.2	1.2
Other Intangible assets	33.9	30.6	15.2	20.6	20.6	28.6	32.8	32.8	32.8	32.8
Financial assets	24.6	24.0	36.3	42.1	50.3	43.8	40.7	40.7	40.7	40.7
Other non-current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current assets	145.1	172.4	163.3	203.8	185.0	222.6	267.2	357.1	363.3	384.6
Short term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	29.9	5.2	6.8	17.1	2.9	20.8	11.4	12.8	10.0	9.3
Other short term liabilities	16.9	16.9	31.5	26.0	22.5	27.9	63.9	74.3	71.2	60.3
Current liabilities	46.8	22.1	38.3	43.1	25.4	48.7	75.2	87.1	81.2	69.7
Long term debt	75.2	106.6	93.4	139.1	128.4	117.4	109.9	109.9	109.9	109.9
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IFRS16 Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term provisions	5.3	28.2	19.3	25.2	7.3	18.8	32.7	38.0	36.4	30.8
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2
Non-current liabilities	80.6	134.8	112.7	164.3	135.7	136.2	142.7	148.1	146.5	140.9
Shareholders' equity	56.5	49.2	65.8	64.3	39.4	72.7	129.0	197.0	247.9	285.4
Minority interests	9.7	7.4	8.1	7.2	6.2	7.4	3.4	10.1	15.2	19.2
Total equity	66.2	56.7	73.8	71.5	45.6	80.1	132.4	207.0	263.1	304.6
Balance sheet total	193.6	213.6	224.8	278.9	206.7	265.0	350.3	442.2	490.8	515.2
% Change	51.2%	10.3%	5.3%	24.1%	-25.9%	28.2%	32.2%	26.2%	11.0%	5.0%
Book value per share (EUR)	11.16	9.73	12.99	12.66	7.76	14.31	25.78	39.37	49.55	57.04
% Change	-4.7%	-12.9%	33.5%	-2.5%	-38.7%	84.5%	80.1%	52.7%	25.8%	15.1%
Net financial debt	50.6	78.2	47.7	77.8	120.2	104.7	62.4	66.3	22.0	13.0
IFRS16 Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt	50.6	78.2	47.7	77.8	120.2	104.7	62.4	66.3	22.0	13.0
Net fi. debt (+IFRS16) / EBITDA (x)	7.9	2.2	0.5	3.4	5.9	2.2	0.5	0.4	0.2	0.1
Trade working capital	-22.5	3.8	5.0	-8.1	0.8	-3.8	17.4	20.7	22.0	17.8
Net working capital	-23.0	-9.3	-22.4	-29.3	-11.9	-19.0	-39.6	-45.6	-41.5	-36.0
NWC/Sales	-251.0%	-17.4%	-20.6%	-71.0%	-30.7%	-25.9%	-24.0%	-23.7%	-22.5%	-23.1%
Inventories/sales	1.5%	0.3%	0.1%	0.4%	0.5%	0.2%	0.1%	0.1%	0.1%	0.1%
Invested capital	63.7	108.5	89.3	111.9	102.2	131.3	154.2	238.1	248.3	275.1
Net fin. debt / FCF (x)	-1.6	-19.5	2.2	60.1	-2.5	4.1	1.0	-6.1	0.4	0.8
Gearing (%)	76.4%	138.0%	64.7%	108.9%	263.6%	130.7%	47.2%	32.0%	8.4%	4.3%
Goodwill / Equity (%)	10.2%	5.8%	2.3%	2.2%	2.9%	1.6%	0.9%	0.6%	0.4%	0.4%

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Rating Breakdown	A	B
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Total	100%	100%

Source: Kepler Cheuvreux

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12 months rating history

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Company Name	Date	Business Line	Rating	Target Price	Closing Price
Deutsche Rohstoff (EUR)	09/02/2023 05:48	Equity Research	Buy	39.00	26.90
	23/06/2023 05:16	Equity Research	Buy	43.00	28.10
	02/10/2023 04:41	Equity Research	Buy	45.00	30.00

Credit research does not issue target prices. Left intentionally blank.

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Equity research

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