

# Vulcan Energy Resources Ltd

Australia | Basic Resources | MCap EUR 283.8m

4 October 2023

UPDATE



## Roadshow confirms investment case; BUY

### What's it all about?

Last week, we accompanied Dr. Francis Wedin, Vulcan's former CEO and now Executive Chair of the Board, on a roadshow in Frankfurt. The discussions centered on topics such as the project financing, which is strongly linked to the upcoming completion of Vulcan's bridging study, scheduled for November. The study itself focuses on Vulcan's Lionheart area and is expected to provide more favorable project economics while also further de-risking potential. On a side note, the company announced a mineral resource update, reflecting an increase in size for Vulcan's lithium resource. Overall, the roadshow underscored the investment case. We reiterate our BUY rating with unchanged DCF-backed PT of EUR 12.00.

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

**BUY** (BUY)

<b>Target price</b>	<b>EUR 12.00 (12.00)</b>
Current price	EUR 1.73
Up/downside	595.7%

 **ResearchHub** 

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## Roadshow confirms investment case; BUY

**Roadshow in Frankfurt.** Last week, we accompanied Dr. Francis Wedin, Vulcan's former CEO and now Executive Chair of the Board, on a roadshow in Frankfurt. The discussions centered on topics such as the project financing, which is strongly linked to the upcoming completion of Vulcan's bridging study, scheduled for November.

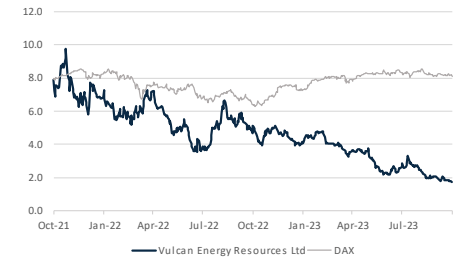
**Revised field development plan:** Last week, Vulcan also provided a mineral resource update, which is part of its revised field development plan. Overall, Vulcan's lithium resource in the Upper Rhine Valley Brine Field has increased to 27.7 Mt of contained Lithium Carbonate Equivalent (LCE) at a concentration of 175 mg/l, up from 26.6Mt LCE @ 174mg/l. The measured and indicated resource comprises of 11.2 Mt LCE @ 179mg/l Li, of which 4.16 Mt LCE @ 181mg/l Li is in the Lionheart area, and 2.11 Mt LCE is now in the measured category. The Lionheart area is Vulcan's center for phase 1 of its lithium project.

**Bridging study will kick off financing:** Vulcan is currently preparing the completion of its bridging engineering study, which focuses on Vulcan's Lionheart area. The company expects more favorable project economics while also further de-risking potential. Completing the bridging study will mark the kick-off for financing of phase 1. Overall, Vulcan is targeting a debt-to-equity ratio of 65:35 for the overall funding of Phase 1. The closing of all debt and equity financing workstreams is targeted for Q1/Q2 2024. The company intends to raise the needed funds via debt and equity financing, while also applying for public funding. The equity investments are planned on asset level through Special Purpose Vehicles (SPV). By doing that, Vulcan sees opportunities to bring investors aboard while minimizing dilution. On the other side, this would result in minority interests.

**Conclusion:** Last week, Dr. Francis Wedin gave encouraging insights into the current state of development of Vulcan's lithium project, providing an overview over the upcoming milestones. Also, the Chairman was able to present a solid funding plan, which is waiting for execution. Overall, the roadshow underscored the investment case. We reiterate our BUY rating with unchanged DCF-backed PT of EUR 12.00.

in EURm	2022	2022S	2023E	2024E	2025E	2026E
Sales	3.8	3.6	7.3	7.3	9.0	409.5
<i>Growth yoy</i>	na	-4.7%	102.8%	0.0%	22.5%	4,450.0%
EBITDA	-14.9	-11.0	-38.4	-35.1	-10.4	356.9
EBIT	-17.5	-13.9	-43.0	-56.0	-51.5	188.3
Net profit	-18.7	-13.4	-39.0	-64.5	-74.6	105.2
Net debt (net cash)	-172.4	-130.8	96.5	399.1	691.2	596.8
Net debt/EBITDA	11.6x	11.9x	-2.5x	-11.4x	-66.6x	1.7x
EPS reported	-0.15	-0.09	-0.24	-0.29	-0.26	0.37
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	na	110.2%	18.3%	18.3%	33.3%	62.0%
EBITDA margin	na	-304.3%	-522.6%	-478.1%	-115.3%	87.1%
EBIT margin	na	-383.4%	-585.7%	-762.3%	-572.2%	46.0%
ROCE	-7.0%	-5.8%	-10.5%	-4.9%	-2.8%	9.8%
EV/EBITDA	-7.5x	-13.9x	-9.9x	-19.4x	-94.0x	2.5x
EV/EBIT	-6.4x	-11.0x	-8.8x	-12.2x	-18.9x	4.7x
PER	-11.5x	-18.4x	-7.3x	-6.0x	-6.6x	4.7x
FCF yield	-5.3%	-3.0%	-16.8%	-18.9%	-16.9%	26.5%

Source: Company data, AlsterResearch; 2022S short fiscal year – year end: 31.12.



Source: Company data, AlsterResearch

**High/low 52 weeks** 5.21 / 1.73  
**Price/Book Ratio** 1.1x

### Ticker / Symbols

ISIN AU0000066086  
WKN A2PV3A  
Bloomberg VUL:GR

### Changes in estimates

		Sales	EBIT	EPS
2023E	old	7.3	-43.0	-0.24
	Δ	0.0%	na%	na%
2024E	old	7.3	-56.0	-0.29
	Δ	0.0%	na%	na%
2025E	old	9.0	-51.5	-0.26
	Δ	0.0%	na%	na%

### Key share data

Number of shares: (in m pcs) 164.52  
Book value per share: (in EUR) 1.58  
Ø trading volume: (12 months) 16,160

### Major shareholders

F. Wedin 9.8%  
Stellantis Group 6.8%  
Hancock Prospecting 5.6%  
Free Float 72.5%

### Company description

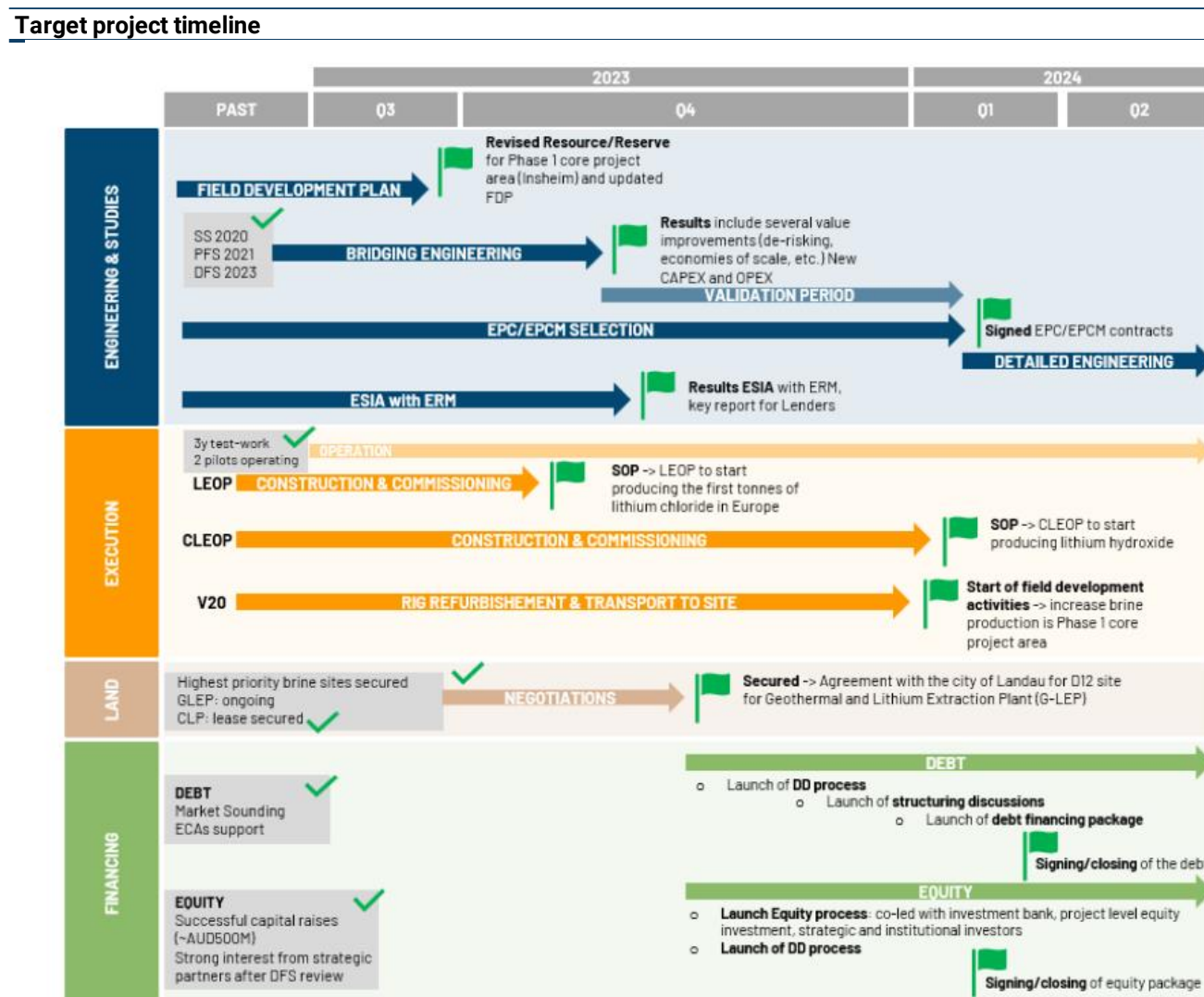
The Australian lithium chemicals & renewable energy company Vulcan Energy Resources Ltd. has been developing a project in the Upper Rhine Valley in Germany that combines the use of thermal water as an energy source (hydrogeothermal energy) with the extraction of the lithium contained in the geothermal brine without polluting the environment with emissions, waste material or toxic substances. With a CO2 footprint of "zero", the project is predestined to mark the beginning of the decarbonization of the battery industry.

The following table shows the comparison of PFS and DFS economics for Phase 1:

Project economics Phase 1 PFS vs. DFS										
Further project economics improvement compared to the PFS Phase One cases										
	PFS			DFS			PFS vs DFS (%) <sup>2</sup>			
	SPV Geothermal	SPV Lithium	Integrated Phase 1	SPV Geothermal	SPV Lithium	Integrated Phase 1	SPV Geothermal	SPV Lithium	Integrated Phase 1	Impact
LHM capacity (tpy)		15,000	15,000		24,000	24,000		60%	60%	+
Power capacity (MW)	21		21	37		37	76%		76%	+
Revenues €/t or €/MWh	252	12,467	15,467	567	25,667	29,333	125%	106%	90%	+
Net Operating Cash Flow €/t or €/MWh	178	9,333	11,400	363	13,654	18,208	104%	46%	60%	+
NPV pre-tax €/t or €/MWh <sup>1</sup>	889	64,733	74,267	2,358	133,000	163,208	165%	105%	120%	+
NPV post-tax €/t or €/MWh <sup>1</sup>	588	42,933	46,867	1,416	89,542	107,667	149%	109%	130%	+
IRR before Tax <sup>1</sup>	13%	27%	23%	11%	46%	34%	-12%	70%	50%	+
IRR after Tax <sup>1</sup>	11%	22%	18%	7%	34%	26%	-34%	55%	45%	+
Payback in years <sup>1</sup>	4	4	5	6.5	2.5	3.5	58%	-38%	-34%	+
Total CAPEX €/t or €/MWh <sup>2</sup>	1,297	31,600	46,667	2,139	34,958	62,333	65%	11%	34%	-
Avg OPEX €/t LIOH	-	2,640	2,640	-	4,359	4,359	-	65%	65%	-

Source: Company data

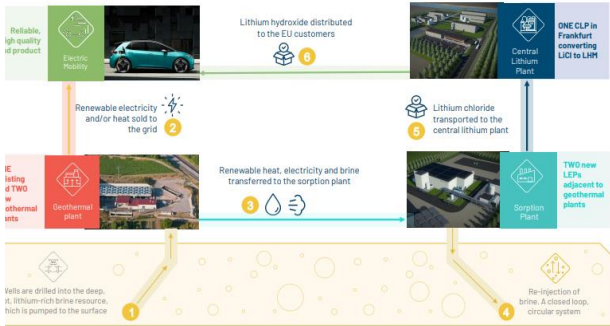
The following table shows Vulcan's Timeline until Q2 2024



Source: Company data

# Investment case in six charts

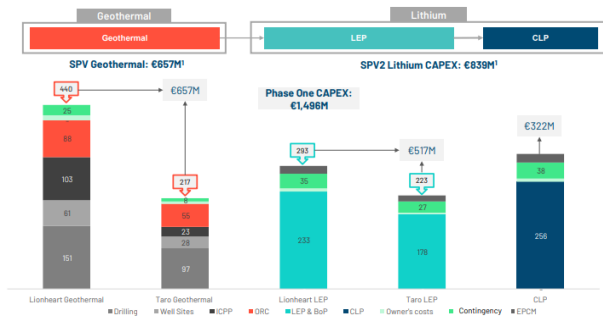
## Products & Services



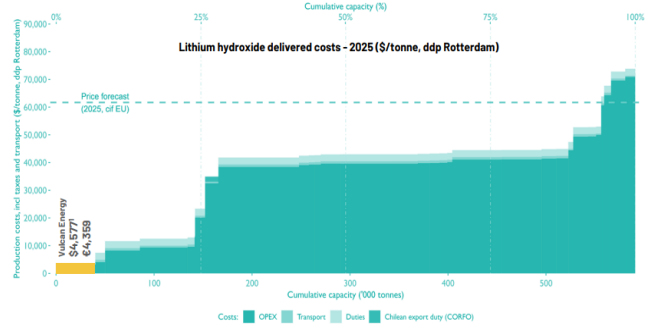
## Footprint in the Upper Rhine Valley



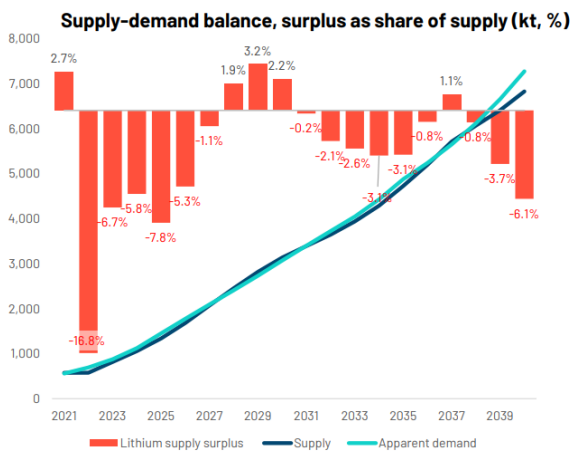
## CAPEX Breakdown Phase 1



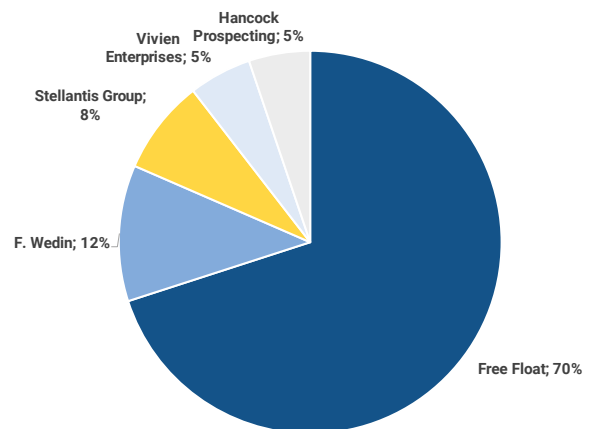
## Attractive project economics



## Supply-demand balance, surplus as share of supply (kt, %)



## Major Shareholders



Source: Company data, AlsterResearch

# Valuation

## DCF Model

By using a 25% risk weighting on Equity value, the DCF model results in a **fair value of EUR 12.94 per share**. Vulcan is retaining 25.85% of Kuniko. Since it is highly volatile, we do not explicitly include the stake in Kuniko into our valuation model.

In our base case scenario, revenues are based on an average sales price at USD 25.00 thousand/ton of lithium hydroxide.

**WACC.** The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.40. Unlevering and correcting for mean reversion yields an asset beta of 1.02. Combined with a risk-free rate of 3.0% and an equity risk premium of 6.0% this yields cost of equity of 11.5%. With pre-tax cost of borrowing at 6.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 9.1%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	-32.3	-42.0	-38.6	141.2	326.3	506.8	530.8	605.8	
Depreciation & amortization	4.6	20.9	41.1	168.5	171.9	167.5	163.7	160.4	
Change in working capital	-5.7	-8.9	-8.5	22.7	-30.3	-12.8	-14.4	-13.7	
Chg. in long-term provisions	-3.2	0.0	0.0	2.0	2.1	1.6	0.0	0.0	
Capex	-250.1	-700.1	-700.1	-204.1	-133.1	-136.4	-136.4	-135.4	
Cash flow	-286.6	-730.1	-706.1	130.4	336.7	526.7	543.8	617.1	8,822.6
Present value	-280.6	-655.1	-580.7	98.3	232.6	333.3	315.0	327.6	4,685.0
WACC	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%

DCF per share derived from	
Total present value	4,475.3
Mid-year adj. total present value	4,675.1
Net debt / cash at start of year	-172.4
Financial assets	2.9
Provisions and off b/s debt	na
Equity value	4,850.4
No. of shares outstanding	284.5
<b>Discounted cash flow / share upside/(downside)</b>	<b>12.94 650.1%</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	n.a.%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	28.8%
Terminal year WACC	9.1%

Terminal WACC derived from	
Cost of borrowing (before taxes)	6.0%
Long-term tax rate	25.0%
Equity beta	1.40
Unlevered beta (industry or company)	1.02
Target debt / equity	0.5
Relevered beta	1.41
Risk-free rate	3.0%
Equity risk premium	6.0%
Cost of equity	11.5%

<b>Share price</b>	<b>1.73</b>
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Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%		7.7	8.2	8.7	9.3	9.9	2023E-2026E	-31.7%
1.0%		9.3	9.9	10.5	11.3	12.2	2027E-2030E	27.0%
0.0%		11.2	12.0	12.9	14.0	15.2	terminal value	104.7%
-1.0%		13.8	14.9	16.1	17.6	19.4		
-2.0%		17.2	18.7	20.6	22.9	25.8		

Source: AlsterResearch

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 -3.58 per share based on 2023E and 18.67 EUR per share on 2027E estimates. It has to be kept in mind that FCF yield methodology does not factor in expansion capex.**

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	2023E	2024E	2025E	2026E	2027E
<b>EBITDA</b>	<b>-38.4</b>	<b>-35.1</b>	<b>-10.4</b>	<b>356.9</b>	<b>606.9</b>
- Maintenance capex	4.5	20.8	41.0	168.4	171.6
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-13.0	-21.5	-24.9	35.1	99.8
<b>= Adjusted FCF</b>	<b>-29.9</b>	<b>-34.4</b>	<b>-26.5</b>	<b>153.4</b>	<b>335.5</b>
<b>Actual Market Cap</b>	<b>246.8</b>	<b>246.8</b>	<b>246.8</b>	<b>246.8</b>	<b>246.8</b>
+ Net debt (cash)	96.5	399.1	691.2	596.8	287.1
+ 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	6.0	6.0	6.0	6.0	6.0
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	90.5	393.1	685.2	590.8	281.1
<b>= Actual EV'</b>	<b>337.4</b>	<b>639.9</b>	<b>932.0</b>	<b>837.7</b>	<b>527.9</b>
<b>Adjusted FCF yield</b>	<b>-8.9%</b>	<b>-5.4%</b>	<b>-2.8%</b>	<b>18.3%</b>	<b>63.6%</b>
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	1.0%	1.0%	1.0%	1.0%	1.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
<b>Fair EV</b>	<b>-498.0</b>	<b>-573.0</b>	<b>-441.8</b>	<b>2,556.0</b>	<b>5,592.1</b>
- <i>EV Reconciliations</i>	90.5	393.1	685.2	590.8	281.1
<b>Fair Market Cap</b>	<b>-588.5</b>	<b>-966.1</b>	<b>-1,127.0</b>	<b>1,965.2</b>	<b>5,311.0</b>
No. of shares (million)	164.5	224.5	284.5	284.5	284.5
<b>Fair value per share in EUR</b>	<b>-3.58</b>	<b>-4.30</b>	<b>-3.96</b>	<b>6.91</b>	<b>18.67</b>
<b>Premium (-) / discount (+)</b>	<b>-307.4%</b>	<b>-349.4%</b>	<b>-329.6%</b>	<b>300.4%</b>	<b>982.1%</b>

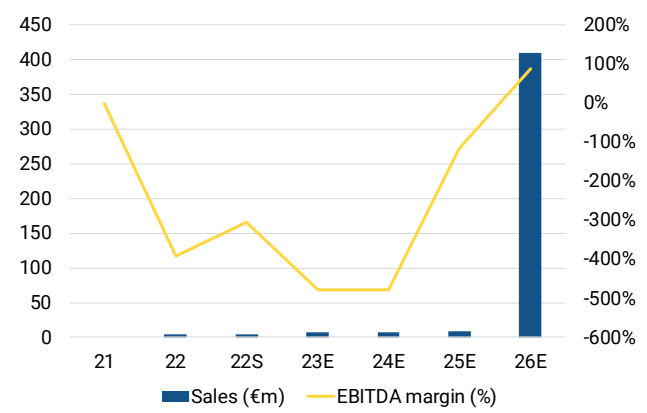
Sensitivity analysis fair value						
<b>Adjusted hurdle rate</b>	4.0%	-5.1	-5.6	-4.7	11.4	28.5
	5.0%	-4.2	-4.8	-4.3	8.7	22.6
	<b>6.0%</b>	<b>-3.6</b>	<b>-4.3</b>	<b>-4.0</b>	<b>6.9</b>	<b>18.7</b>
	7.0%	-3.1	-3.9	-3.7	5.6	15.9
	8.0%	-2.8	-3.7	-3.6	4.7	13.8

Source: Company data; AlsterResearch

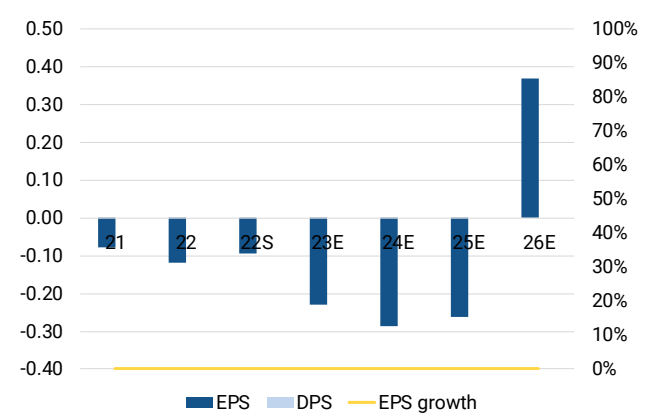
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. 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.**

# Financials in six charts

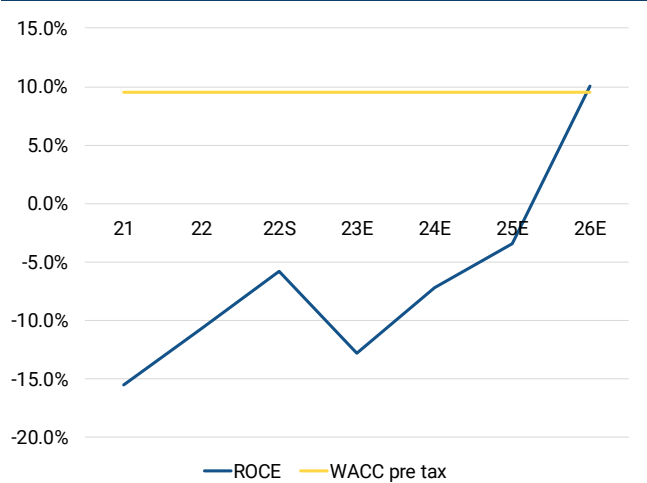
**Sales vs. EBITDA margin development**



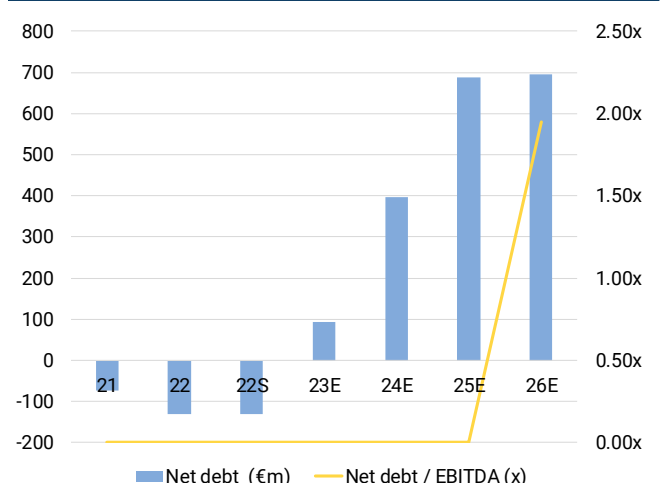
**EPS, DPS in EUR & yoy EPS growth**



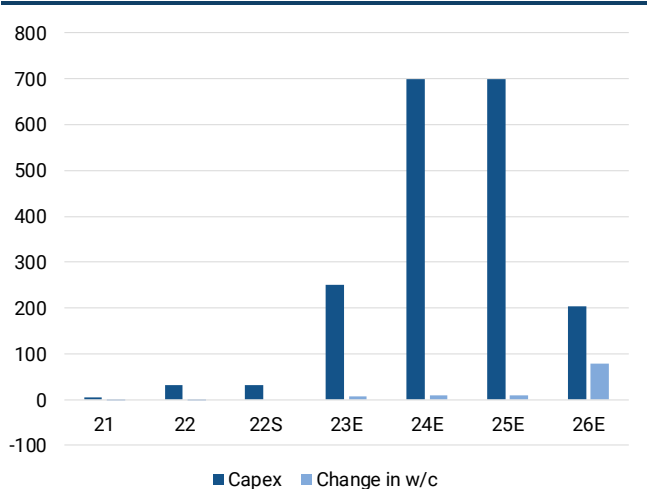
**ROCE vs. WACC (pre tax)**



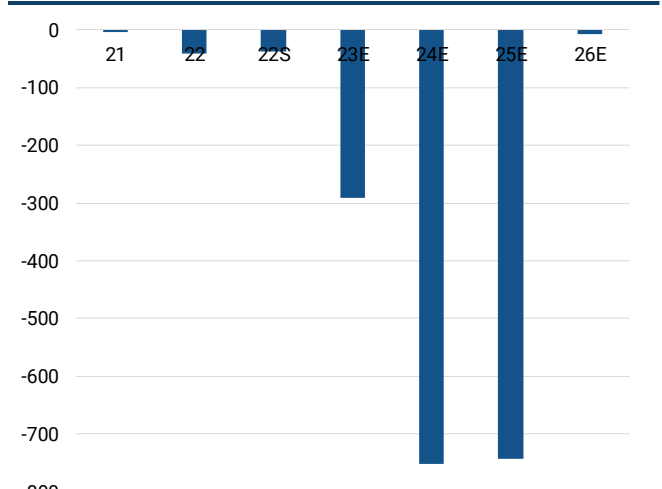
**Net debt and net debt/EBITDA**



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



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch

## Financials

Profit and loss (EURm)	2022	2022S	2023E	2024E	2025E	2026E
<b>Sales</b>	<b>3.8</b>	<b>3.6</b>	<b>7.3</b>	<b>7.3</b>	<b>9.0</b>	<b>409.5</b>
Sales growth	na	-4.7%	102.8%	0.0%	22.5%	4,450.0%
Cost of sales	-1.2	-0.4	6.0	6.0	6.0	155.7
<b>Gross profit</b>	<b>5.0</b>	<b>4.0</b>	<b>1.3</b>	<b>1.3</b>	<b>3.0</b>	<b>253.8</b>
SG&A expenses	21.2	14.1	38.5	50.0	50.0	45.0
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses (income)	-1.3	1.5	5.9	7.3	4.5	20.5
<b>EBITDA</b>	<b>-14.9</b>	<b>-11.0</b>	<b>-38.4</b>	<b>-35.1</b>	<b>-10.4</b>	<b>356.9</b>
Depreciation	2.1	2.3	4.5	20.8	41.0	168.4
EBITA	-17.1	-13.3	-42.9	-55.9	-51.4	188.4
Amortisation of goodwill and intangible assets	0.5	0.6	0.1	0.1	0.1	0.1
<b>EBIT</b>	<b>-17.5</b>	<b>-13.9</b>	<b>-43.0</b>	<b>-56.0</b>	<b>-51.5</b>	<b>188.3</b>
Financial result	-0.8	0.3	-9.0	-30.0	-48.0	-48.0
Recurring pretax income from continuing operations	-18.3	-13.6	-52.0	-86.0	-99.5	140.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-18.3	-13.6	-52.0	-86.0	-99.5	140.3
Taxes	0.4	-0.1	-13.0	-21.5	-24.9	35.1
Net income from continuing operations	-18.7	-13.4	-39.0	-64.5	-74.6	105.2
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-18.7</b>	<b>-13.4</b>	<b>-39.0</b>	<b>-64.5</b>	<b>-74.6</b>	<b>105.2</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-18.7	-13.4	-39.0	-64.5	-74.6	105.2
Average number of shares	124.67	143.33	164.52	224.52	284.52	284.52
<b>EPS reported</b>	<b>-0.15</b>	<b>-0.09</b>	<b>-0.24</b>	<b>-0.29</b>	<b>-0.26</b>	<b>0.37</b>

Profit and loss (common size)	2022	2022S	2023E	2024E	2025E	2026E
<b>Sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Cost of sales	-31%	-10%	82%	82%	67%	38%
<b>Gross profit</b>	<b>131%</b>	<b>110%</b>	<b>18%</b>	<b>18%</b>	<b>33%</b>	<b>62%</b>
SG&A expenses	558%	389%	524%	681%	556%	11%
Research and development	0%	0%	0%	0%	0%	0%
Other operating expenses (income)	-34%	41%	80%	100%	50%	5%
<b>EBITDA</b>	<b>-392%</b>	<b>-304%</b>	<b>-523%</b>	<b>-478%</b>	<b>-115%</b>	<b>87%</b>
Depreciation	57%	63%	61%	283%	456%	41%
EBITA	-449%	-368%	-584%	-761%	-571%	46%
Amortisation of goodwill and intangible assets	13%	16%	2%	2%	1%	0%
<b>EBIT</b>	<b>-461%</b>	<b>-383%</b>	<b>-586%</b>	<b>-762%</b>	<b>-572%</b>	<b>46%</b>
Financial result	-20%	9%	-123%	-408%	-533%	-12%
Recurring pretax income from continuing operations	-481%	-374%	-708%	-1,171%	-1,106%	34%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-481%	-374%	-708%	-1,171%	-1,106%	34%
Taxes	10%	-3%	-177%	-293%	-276%	9%
Net income from continuing operations	-491%	-371%	-531%	-878%	-829%	26%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>-491%</b>	<b>-371%</b>	<b>-531%</b>	<b>-878%</b>	<b>-829%</b>	<b>26%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>-491%</b>	<b>-371%</b>	<b>-531%</b>	<b>-878%</b>	<b>-829%</b>	<b>26%</b>

Source: Company data; AlsterResearch



Balance sheet (EURm)	2022	2022S	2023E	2024E	2025E	2026E
<b>Intangible assets (excl. Goodwill)</b>	<b>3.6</b>	<b>3.1</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>6.9</b>
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	74.9	100.4	345.9	1,025.2	1,684.2	1,715.7
Financial assets	2.9	6.0	6.0	6.0	6.0	6.0
<b>FIXED ASSETS</b>	<b>81.5</b>	<b>109.5</b>	<b>354.9</b>	<b>1,034.1</b>	<b>1,693.1</b>	<b>1,728.7</b>
Inventories	0.1	0.2	0.1	8.0	16.0	30.0
Accounts receivable	4.1	6.3	6.0	6.0	4.9	11.2
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	175.4	134.1	53.5	100.9	108.8	203.2
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>179.7</b>	<b>140.6</b>	<b>59.6</b>	<b>115.0</b>	<b>129.8</b>	<b>244.4</b>
<b>TOTAL ASSETS</b>	<b>261.1</b>	<b>250.1</b>	<b>414.6</b>	<b>1,149.1</b>	<b>1,822.9</b>	<b>1,973.1</b>
<b>SHAREHOLDERS EQUITY</b>	<b>247.3</b>	<b>233.2</b>	<b>260.1</b>	<b>645.6</b>	<b>1,021.0</b>	<b>1,126.3</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	2.6	2.7	150.0	500.0	800.0	800.0
Provisions for pensions and similar obligations	0.0	0.1	0.0	0.0	0.0	0.0
Other provisions	1.5	3.2	0.1	0.1	0.1	2.0
<b>Non-current liabilities</b>	<b>4.1</b>	<b>5.9</b>	<b>150.1</b>	<b>500.1</b>	<b>800.1</b>	<b>802.0</b>
short-term liabilities to banks	0.4	0.6	0.0	0.0	0.0	0.0
Accounts payable	6.2	9.4	2.8	3.3	1.6	42.7
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)	0.8	0.8	1.5	0.0	0.0	2.0
Deferred taxes	1.5	0.1	0.1	0.1	0.1	0.1
Deferred income	0.8	0.1	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>9.7</b>	<b>11.0</b>	<b>4.4</b>	<b>3.4</b>	<b>1.8</b>	<b>44.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>261.1</b>	<b>250.1</b>	<b>414.6</b>	<b>1,149.1</b>	<b>1,822.9</b>	<b>1,973.1</b>

Balance sheet (common size)	2022	2022S	2023E	2024E	2025E	2026E
<b>Intangible assets (excl. Goodwill)</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	29%	40%	83%	89%	92%	87%
Financial assets	1%	2%	1%	1%	0%	0%
<b>FIXED ASSETS</b>	<b>31%</b>	<b>44%</b>	<b>86%</b>	<b>90%</b>	<b>93%</b>	<b>88%</b>
Inventories	0%	0%	0%	1%	1%	2%
Accounts receivable	2%	3%	1%	1%	0%	1%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	67%	54%	13%	9%	6%	10%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>69%</b>	<b>56%</b>	<b>14%</b>	<b>10%</b>	<b>7%</b>	<b>12%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>95%</b>	<b>93%</b>	<b>63%</b>	<b>56%</b>	<b>56%</b>	<b>57%</b>
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	1%	1%	36%	44%	44%	41%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	1%	1%	0%	0%	0%	0%
<b>Non-current liabilities</b>	<b>2%</b>	<b>2%</b>	<b>36%</b>	<b>44%</b>	<b>44%</b>	<b>41%</b>
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	2%	4%	1%	0%	0%	2%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	0%	0%	0%	0%	0%
Deferred taxes	1%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>4%</b>	<b>4%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2022	2022S	2023E	2024E	2025E	2026E
Net profit/loss	0.0	0.0	-39.0	-64.5	-74.6	105.2
Depreciation of fixed assets (incl. leases)	0.0	0.0	4.5	20.8	41.0	168.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.1	0.1	0.1	0.1
Others	-11.3	-7.4	-3.2	0.0	0.0	2.0
Cash flow from operations before changes in w/c	-11.3	-7.4	-37.6	-43.6	-33.5	275.7
Increase/decrease in inventory	0.0	0.0	0.1	-7.9	-8.0	-14.0
Increase/decrease in accounts receivable	0.0	0.0	0.3	0.0	1.1	-6.3
Increase/decrease in accounts payable	0.0	0.0	-6.6	0.5	-1.6	41.0
Increase/decrease in other w/c positions	0.5	0.0	0.6	-1.4	0.0	2.0
Increase/decrease in working capital	0.5	0.0	-5.7	-8.9	-8.5	22.7
<b>Cash flow from operating activities</b>	<b>-11.3</b>	<b>-7.4</b>	<b>-43.3</b>	<b>-52.5</b>	<b>-42.0</b>	<b>298.5</b>
CAPEX	-32.2	-30.5	-250.1	-700.1	-700.1	-204.1
Payments for acquisitions	-32.7	0.0	0.0	0.0	0.0	0.0
Financial investments	-0.7	-1.2	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-65.6</b>	<b>-31.8</b>	<b>-250.1</b>	<b>-700.1</b>	<b>-700.1</b>	<b>-204.1</b>
Cash flow before financing	-76.9	-39.2	-293.3	-752.6	-742.1	94.4
Increase/decrease in debt position	-0.2	-0.5	146.7	350.0	300.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	176.2	0.0	66.0	450.0	450.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-4.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	6.6	-1.7	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>178.6</b>	<b>-2.1</b>	<b>212.7</b>	<b>800.0</b>	<b>750.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	101.7	-41.3	-80.7	47.4	7.9	94.4
<b>Liquid assets at end of period</b>	<b>175.4</b>	<b>134.1</b>	<b>53.5</b>	<b>100.9</b>	<b>108.8</b>	<b>203.2</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2022	2022S	2023E	2024E	2025E	2026E
Domestic	3.8	3.6	7.3	7.3	9.0	409.5
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>3.8</b>	<b>3.6</b>	<b>7.3</b>	<b>7.3</b>	<b>9.0</b>	<b>409.5</b>

Regional sales split (common size)	2022	2022S	2023E	2024E	2025E	2026E
Domestic	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Ratios	2022	2022S	2023E	2024E	2025E	2026E
<b>Per share data</b>						
Earnings per share reported	-0.15	-0.09	-0.24	-0.29	-0.26	0.37
Cash flow per share	-0.09	-0.05	-0.29	-0.33	-0.29	0.46
Book value per share	1.98	1.63	1.58	2.88	3.59	3.96
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-11.5x	-18.4x	-7.3x	-6.0x	-6.6x	4.7x
P/CF	-19.0x	-33.3x	-5.9x	-5.3x	-5.9x	3.8x
P/BV	0.9x	1.1x	1.1x	0.6x	0.5x	0.4x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-5.3%	-3.0%	-16.8%	-18.9%	-16.9%	26.5%
EV/Sales	29.3x	42.3x	51.8x	93.0x	108.3x	2.2x
EV/EBITDA	-7.5x	-13.9x	-9.9x	-19.4x	-94.0x	2.5x
EV/EBIT	-6.4x	-11.0x	-8.8x	-12.2x	-18.9x	4.7x
<b>Income statement (EURm)</b>						
Sales	3.8	3.6	7.3	7.3	9.0	409.5
yoy chg in %	na	-4.7%	102.8%	0.0%	22.5%	4,450.0%
Gross profit	5.0	4.0	1.3	1.3	3.0	253.8
Gross margin in %	131.2%	110.2%	18.3%	18.3%	33.3%	62.0%
EBITDA	-14.9	-11.0	-38.4	-35.1	-10.4	356.9
EBITDA margin in %	-392.3%	-304.3%	-522.6%	-478.1%	-115.3%	87.1%
EBIT	-17.5	-13.9	-43.0	-56.0	-51.5	188.3
EBIT margin in %	-461.5%	-383.4%	-585.7%	-762.3%	-572.2%	46.0%
Net profit	-18.7	-13.4	-39.0	-64.5	-74.6	105.2
<b>Cash flow statement (EURm)</b>						
CF from operations	-11.3	-7.4	-43.3	-52.5	-42.0	298.5
Capex	-32.2	-30.5	-250.1	-700.1	-700.1	-204.1
Maintenance Capex	0.0	0.0	4.5	20.8	41.0	168.4
Free cash flow	-43.5	-37.9	-293.3	-752.6	-742.1	94.4
<b>Balance sheet (EURm)</b>						
Intangible assets	3.6	3.1	3.0	2.9	2.9	6.9
Tangible assets	74.9	100.4	345.9	1,025.2	1,684.2	1,715.7
Shareholders' equity	247.3	233.2	260.1	645.6	1,021.0	1,126.3
Pension provisions	0.0	0.1	0.0	0.0	0.0	0.0
Liabilities and provisions	4.5	6.6	150.1	500.1	800.1	802.0
Net financial debt	-172.4	-130.8	96.5	399.1	691.2	596.8
w/c requirements	-1.9	-2.9	3.3	10.8	19.3	-1.4
<b>Ratios</b>						
ROE	-7.5%	-5.8%	-15.0%	-10.0%	-7.3%	9.3%
ROCE	-7.0%	-5.8%	-10.5%	-4.9%	-2.8%	9.8%
Net gearing	-69.7%	-56.1%	37.1%	61.8%	67.7%	53.0%
Net debt / EBITDA	11.6x	11.9x	-2.5x	-11.4x	-66.6x	1.7x

Source: Company data; AlsterResearch

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