



RESULTS PREVIEW

21 January 2025
Norway
Capital Goods

Research analysts:

Örjan Rödén

Norsk Titanium

Share price: NOK2.33

Fair value range: NOK3.1–5.2

Closing the first year with meaningful revenue – H2(24) preview

We expect USD5m in revenue for H2(24)

Norsk Titanium's FY 2024 results report is due on 4 February 2025. The report covers H2(24); from 2025 the company will report on a quarterly basis. We expect sales of USD5m, clearly higher than the USD1m reported in both H2(23) and H1(24). We estimate an EBIT loss of USD15m for H2(24), compared with an EBIT loss of USD12m in H2(23).

At the crossroads of strong end-markets and proving its disruptive model

During H2(24) Norsk Titanium's key end-markets, such as commercial aerospace, defence and semiconductors, have shown strength, in our view. For example, Airbus delivered 766 aircraft, +4% Y/Y and above market expectations, according to Reuters. Boeing struggled, on the other hand, although we believe the Airbus exposure is more important currently. TSMC, a good indicator of general demand in the semiconductor industry and demand for production equipment, a segment relevant for NTI, reported Y/Y sales growth of 58% for December 2024. The challenge lies in Norsk Titanium's ability to gain market share for its disruptive offering relative to the incumbents' more expensive and less environmentally friendly products. We believe the H2(24) report will be an important step in gaining confidence to reach the challenging 2026 target of USD150m in revenue with a 30% EBITDA margin.

Upcoming events

- Q4 Report: 04 Feb 2025
- AGM 2024: 06 May 2025
- Q1 Report: 08 May 2025

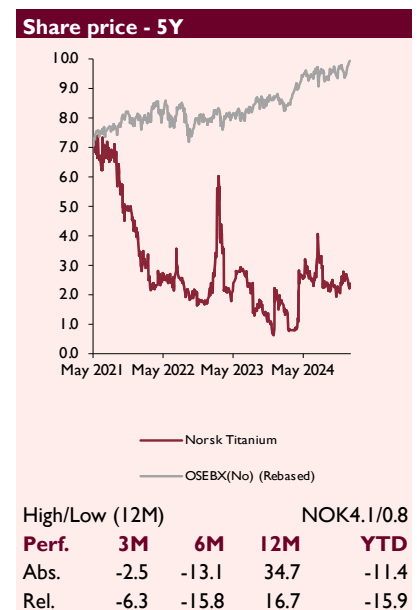
Raised fair value range on the back of significant sector rerating

We raise our fair value range to NOK3.1–5.2 (3.0–4.2) on unchanged estimates in USD terms with small EPS changes from FX and a different share count. The sector has performed well recently mainly due to the tilt towards US stocks. Our fair value range is based on relative valuation of the aerospace and defence manufacturing sub-suppliers peer set. Norsk Titanium is moving into serial production with meaningful revenue in 2025e, and we therefore apply sector EV/EBITDA multiples for 2026e on our 2026 estimates. The key risk in our view is Norsk Titanium's ability to bring in orders to ramp up production in line with our estimates. Positive or negative signals about the near-term projection could have a significant impact on the shares.

Changes in this report			
	From	To	Chg
EPS adj. 2024e	-0.05	-0.05	0%
EPS adj. 2025e	-0.01	-0.01	+1%
EPS adj. 2026e	0.04	0.04	-2%

Key facts	
No. shares (m)	802.1
Market cap. (USDm)	165
Market cap. (NOKm)	1,869
Net IB Debt. (NOKm)	-137
Adjustments (NOKm)	0
EV (2024e) (NOKm)	1,732
Free float	38.0%
Avg. daily vol. ('000)	1819
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	20 Jan 2025 16:25

Key figures (USD)	2023	2024e	2025e	2026e
Sales (m)	3	6	51	151
EBITDA (m)	-23	-26	-8	44
EBIT (m)	-25	-28	-10	42
EPS	-0.10	-0.05	-0.01	0.04
EPS adj.	-0.10	-0.05	-0.01	0.04
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	-23%	152%	703%	198%
EPS adj. growth Y/Y	-chg	+chg	+chg	+chg
EBIT margin	n.m.	-443.1%	-19.1%	27.5%
P/E adj.	n.m.	n.m.	n.m.	5.2
EV/EBIT	neg.	neg.	neg.	3.9
EV/EBITA	neg.	neg.	neg.	3.9
EV/EBITDA	neg.	neg.	neg.	3.8
P/BV	neg.	15.8	>50	5.0
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	-14.5%	-25.8%	-7.4%	2.3%
Equity/Total Assets	-6.1%	29.8%	2.4%	39.6%
ROCE	-186.0%	n.m.	-173.2%	n.m.
ROE adj.	-325.9%	-593.6%	-173.2%	191.0%
Net IB debt/EBITDA	-0.2	0.5	0.0	-0.1



Source: Carnegie Research, FactSet, Millstream & company data

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Equity story

**Near term:
6–12m**

We believe Norsk Titanium (NTI) is at the inflection point of going from a pure R&D phase to reaching substantial revenue generation from serial production to well-established customers in the aerospace & defence (A&D) and industrials segments. Key customers such as Airbus and Boeing are gradually ramping up aircraft production to execute on the substantial order backlog they have built recently. In the industrials segment, particularly the semiconductor end-market, we expect growth to resume from companies such as ASML after a slower 2024, driving up demand for carrier trays. NTI's business model is highly scalable, and we foresee high operational leverage reducing operating losses.

**Long term:
5Y+**

The high titanium prices recently due to geopolitical turbulence, workforce shortages and strong structural demand trends for aircraft and defence spending are forcing the aerospace & defence industries to shift to new production processes. There is a strong need for more efficiency in terms of materials, energy and labour, areas where Norsk Titanium offers a superior solution to the incumbents. We see a clear trend towards structural growth in titanium products relative to other materials used in aerospace. More complex materials such as composites create corrosion with the traditional metal used, aluminium. Titanium has several competitive advantages such as high strength and low weight.

Key risks:

- The business model is still unprofitable implying a cash burn
- The aerospace & defence industries are in general conservative when changing suppliers
- Competing AM technologies such as laser powder bed could improve cost efficiency to compete with Norsk Titanium's technology

Company description

Norsk Titanium has developed a disruptive proprietary technology in additive manufacturing (AM) – metal 3D printing in layman's terms – by creating a method for producing critical titanium components at significantly lower cost than the incumbents. The production process is faster, uses up to 75% less raw materials, up to 90% less machining time and 75% less energy, and is environmentally superior to the incumbents. After several years in development phase, Norsk Titanium is the only AM company producing for both Boeing and Airbus, and we think it is on the cusp of a substantial increase in serial production. The business model is highly scalable with low investment needs. We estimate that current production capacity could support revenue up to USD300m.

Key industry drivers

- Large order backlogs in commercial aerospace
- Titanium replacing other materials in A&D industry
- Increasing defence spending

Industry outlook

- We expect strong growth in AM to manage geopolitical and supply chain risks. Industry sources forecast growth of 20-30% over the next 5-10 years.

Largest shareholders

White Crystals LTD	25.2%
Scatec Innovation AS	16.6%
Indumenta Pueri S.L.	7.9%

Cyclicality

Cyclicality: N/A

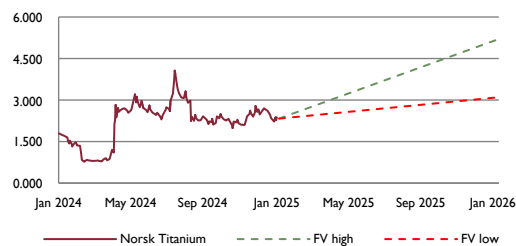
Key peers

Howmet Aerospace, Allegheny Technologies

Valuation and methodology

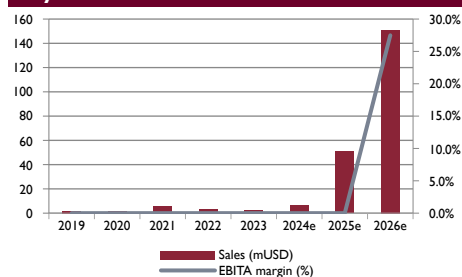
Our fair value range is based on relative valuation of the aerospace and defence manufacturing sub-suppliers per set. Norsk Titanium is moving into serial production with meaningful revenues in 2025e, and we therefore apply sector EV/EBITDA multiples for 2026e, which is the focus year for Norsk Titanium's medium-term guidance, on our 2026 estimates. We apply the average sector EV/EBITDA multiple to our current EBITDA forecast for 2026 for the high end of our fair value range. To reach the low end of our fair value range, we use our slower ramp-up scenario for revenue of USD87m and apply an EBITDA margin of 30%. We apply a discount of 33% to the sector multiple in both scenarios. Norsk Titanium is still in the ramp-up phase and lacks the track record and stability of the peer group.

Fair value range 12m

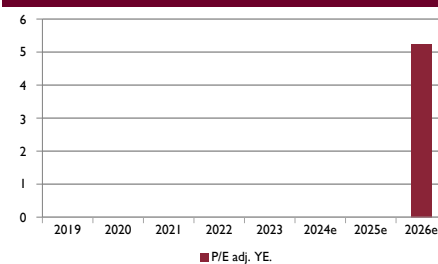


The high end of our fair value range is based on our current estimates. The low end is based on a slower ramp-up scenario. To reach our estimates, we believe Norsk Titanium's key customers need to increase production to manage the substantial order backlog accumulated in 2023 and 2024. Norsk Titanium's products also need to gain market share from the incumbents' products, which are mainly made from traditional forging and machining.

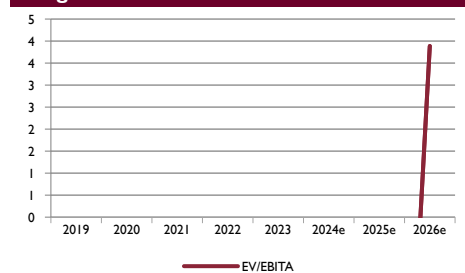
Key metrics



PE 12m forward



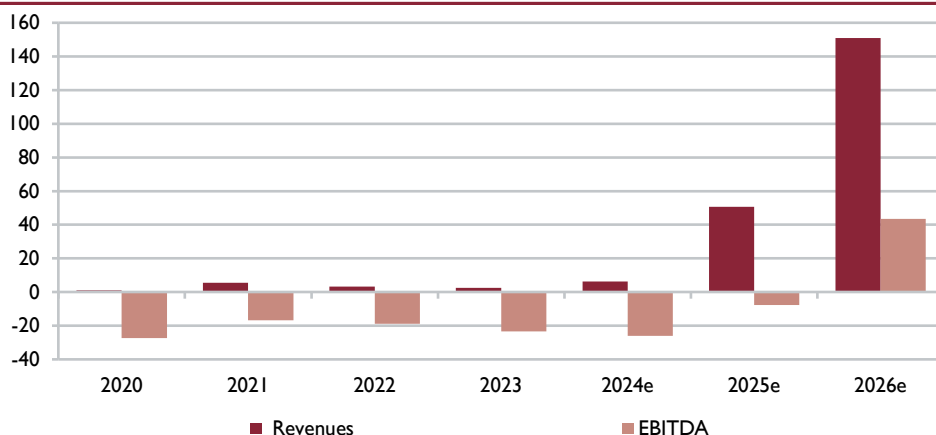
Long term valuation trend



Source: Carnegie Research & company data

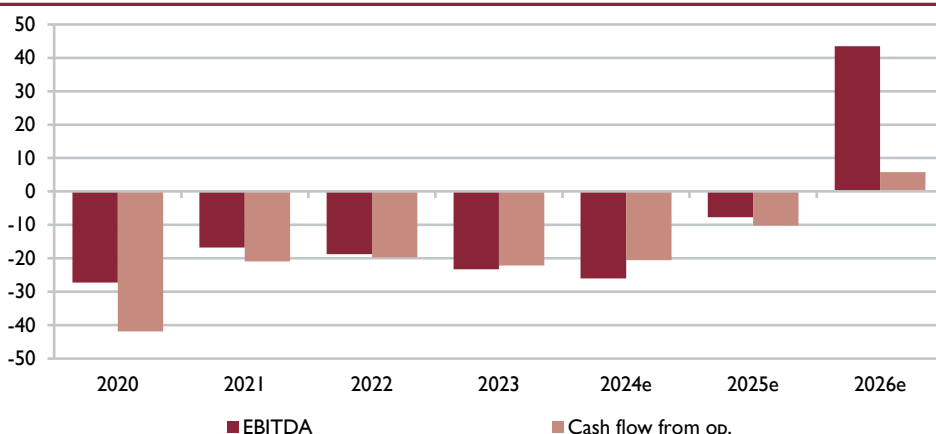
Norsk Titanium in key charts

Revenues and EBITDA (USDm)



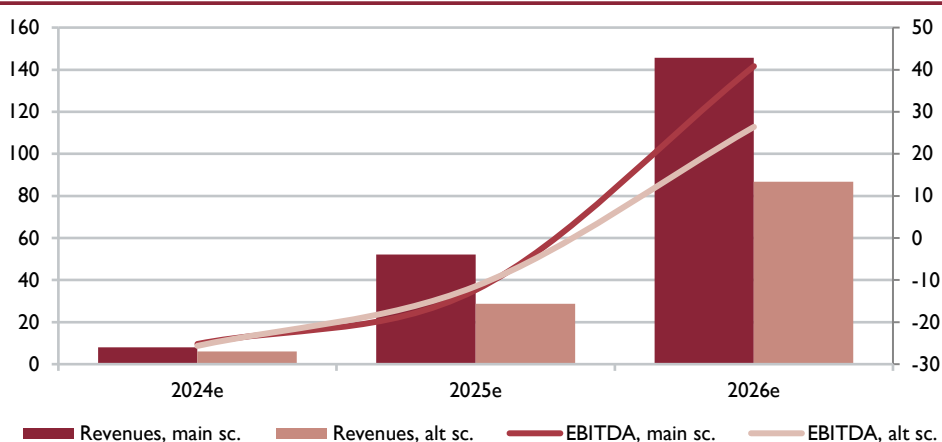
Source: Company data, Carnegie Research

EBITDA & cash flow from operations (USDm)



Source: Company data, Carnegie Research

Revenue and EBITDA in our different scenarios (USDm)



Source: Carnegie Research

Valuation

Our fair value range is based on relative valuation of the aerospace and defence manufacturing sub-suppliers. Norsk Titanium is moving into serial production with meaningful revenue in 2025e, and we therefore apply sector EV/EBITDA multiples for 2026e, which is the focus year for Norsk Titanium's medium-term guidance, on our 2026 estimates. We apply the average sector EV/EBITDA multiple to our current EBITDA forecast for 2026, USD151m in revenue and an EBITDA margin of 29% for the high end of our fair value range. To reach the low end of our fair value range, we use our slower ramp-up scenario for revenue, USD87m, and apply an EBITDA margin of 30%. We believe Norsk Titanium's scalable model with a substantial overcapacity – we forecast production capacity to be 700mt and operating rate of 12% in 2025 – offer good prospects to reach higher margins than the sector average of 17.5% in 2026 in both scenarios. We apply a discount of 33% to the sector multiple in both scenarios. Norsk Titanium is still in the ramp-up phase and lacks the track record and stability of the peer group.

Peer valuation table	Share price	EV		EV/S			EV/GP			EV/EBITDA			EV/(EBITDA - Capex)			EV/EBIT		
		Local	Current															
			USD	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Aerospace and Defense Manufacturing																		
Spirit Aerosystems	33.9	8,691	1.3	1.0	0.9	-7.6	16.1	10.0	-8.7	15.1	8.5	-7.4	22.6	10.3	-7.0	22.2	13.1	
Hexcel	66.6	6,098	3.2	3.0	2.7	13.0	12.2	10.3	16.2	14.8	12.6	21.5	19.2	15.8	25.4	22.5	18.0	
Triumph Group	18.7	2,307	1.8	1.6	1.5	6.0	5.1	4.6	12.2	9.8	8.3	14.1	11.0	9.4	16.8	12.1	10.0	
TransDigm Group	1300.7	91,829	11.3	10.3	9.6	18.9	17.1	15.7	21.4	19.4	17.9	22.4	20.5	18.8	25.1	22.1	20.0	
AVIC Xi'an Aircraft Indus	27.1	10,385	1.7	1.4	1.2	25.5	20.0	16.5	31.3	27.5	24.7	47.5	40.1	35.4	59.0	47.2	39.1	
Avicopter	37.9	4,077	1.0	0.8	0.7	n.a.	n.a.	n.a.	26.8	23.9	20.5	55.1	37.7	30.4	38.1	31.2	26.7	
Magellan Aerospace	10.1	450	0.7	0.6	0.6	6.1	4.3	3.6	7.1	5.5	4.2	n.a.	n.a.	n.a.	15.1	10.9	5.9	
Senior	1.6	1,103	0.9	0.8	0.8	n.a.	n.a.	n.a.	9.3	7.5	6.2	18.3	13.8	10.3	19.8	13.7	10.4	
Safran S.A.	222.5	95,346	3.4	3.0	2.7	14.0	12.3	10.6	17.6	15.0	13.0	23.8	20.8	17.4	22.5	19.0	16.2	
AAR	69.5	3,477	1.3	1.1	1.1	7.0	5.9	5.5	11.9	9.8	8.9	13.4	10.8	9.9	14.7	11.8	10.6	
HEICO	229.5	34,488	7.6	6.8	6.4	19.5	17.3	n.a.	29.1	25.9	24.0	30.9	27.4	25.4	35.3	30.8	28.3	
MTU Aero Engines	324.2	18,820	2.5	2.2	2.0	13.4	11.8	10.7	13.7	12.2	10.9	19.8	17.4	15.2	17.7	15.4	13.6	
Rolls-Royce	5.7	59,843	2.8	2.5	2.2	12.9	11.6	10.4	15.8	13.8	12.0	21.6	18.7	16.1	21.2	18.1	15.4	
CAE	33.8	9,840	3.0	2.9	2.7	11.2	10.3	9.5	13.1	11.6	10.5	19.6	17.3	15.3	21.0	17.8	15.8	
Thales	145.3	35,105	1.7	1.5	1.4	6.1	5.4	4.9	10.7	9.4	8.4	14.1	12.1	10.8	14.3	12.3	10.8	
Saab AB	231.9	11,225	2.0	1.7	1.5	9.2	7.8	6.5	15.3	12.5	10.5	29.0	21.1	16.3	22.2	17.7	14.3	
Leonardo	27.9	21,220	1.1	1.0	0.9	9.3	8.4	7.3	9.1	8.0	7.0	15.3	12.9	11.0	13.7	11.4	9.7	
Howmet Aerospace	119.2	51,555	6.9	6.4	5.7	23.0	21.0	19.2	26.9	24.0	20.8	32.2	28.4	24.0	31.5	27.8	23.8	
Allegheny Technologies	56.5	9,655	2.2	2.0	1.9	9.4	8.1	7.3	13.0	11.1	10.0	17.7	14.6	13.0	16.5	13.8	12.0	
Median			2.0	1.7	1.5	11.2	11.6	9.7	13.7	12.5	10.5	20.6	18.9	15.5	21.0	17.8	14.3	
Max			11.3	10.3	9.6	25.5	21.0	19.2	31.3	27.5	24.7	55.1	40.1	35.4	59.0	47.2	39.1	
Min			0.7	0.6	0.6	-7.6	4.3	3.6	-8.7	5.5	4.2	-7.4	10.8	9.4	-7.0	10.9	5.9	
Mean			3.0	2.7	2.4	11.6	11.5	9.5	15.4	14.6	12.6	22.7	20.4	16.9	22.3	19.9	16.5	

Price date: 2025-01-20

Source: Carnegie Research

Admittedly, if Norsk Titanium meets our forecast for 2026, the company will post an impressive combination of growth and margins, i.e. value creation according to the rule of 40. Value creation has a strong correlation with sector multiples in the aerospace and defence sub-supplier peer group. A premium valuation relative to the peer group could therefore be justified at some point between now and 2026; e.g. key peer Howmet is valued at a clear premium to the sector average in the table above. However, at this juncture, we believe a discount is warranted given the spectacular performance our forecasts imply and the elevated uncertainty inherent in reaching this performance. Fair values at different discount and premiums:

	Premium/Discount					
	75%	50%	33%	0%	-33%	-50%
FV High	13.5	11.6	10.3	7.7	5.2	3.9
FV low	8.1	6.9	6.2	4.6	3.1	2.3

Source: Carnegie Research

Risks

In our view, the biggest challenge for Norsk Titanium is to scale up production fast enough to reach cash flow breakeven. Its prospects are bright, given the impressive client list of Tier 1 supply agreements with commercial aircraft majors signed recently, as well as its technology's strong entry barriers. Nevertheless, Norsk Titanium's target is to increase revenues by a factor of ~25x in just 24 months, based on guidance for 2024 of USD6m in revenues and USD150m in 2026e, and with a 30% EBITDA(26e) margin. Such a ramp-up would be a major task for any company, and with around 100 employees, the challenge is striking for Norsk Titanium.

Regulatory risk is low as Norsk Titanium is already at the approved supplier stage with both Boeing and Airbus, and has existing serial production with these two companies. However, the company is likely to need additional approval for every new 'component family' it produces for the aviation and defence industries. This could lead to uncertainty for future production goals and estimates, and consequently for valuation.

In addition, if competing AM (additive manufacturing) producers and technologies can produce at the same forging grade quality as Norsk Titanium – thus being able to obtain related qualifications – this could translate to price and competition pressures, leading to significant downward pressure on margins.

Due to Norsk Titanium's operational leverage, where we expect COGS at around 50%, EBITDA margins could also be negatively affected by lower sales volumes.

Any weak performance in securing orders or longer qualification periods could increase future funding needs.

Although less so than many incumbents, Norsk Titanium is still dependent on raw material supply and prices, especially titanium wire. Given the current distribution of production, with more than 50% of global supply in Russia and China, sudden price changes and/or administrative trade barriers regarding supply could have a major impact on costs. This would hit all industry players but poses a particular risk to Norsk Titanium given its tight cash situation.

Lastly, there is limited visibility on revenue forecasts as we do not know the exact date for full commercialisation and related contracts for Norsk Titanium.

Interim figures

Norsk Titanium - USDm	H1(21)	H2(21)	H1(22)	H2(22)	H1(23)	H2(23)	H1(24)	H2(24e)	Q1(25)e	Q2(25)e	Q3(25)e	Q4(25)e
Revenues	3	2	1	2	1	1	1	5	5	6	10	30
COGS	-1	-2	-2	-2	-2	-3	-3	-3	-5	-5	-5	-15
Gross profit	1	0	-1	1	-1	-1	-2	2	0	1	5	15
Operating costs	-10	-9	-9	-9	-11	-10	-10	-16	-7	-7	-6	-8
EBITDA	-8	-9	-10	-9	-12	-11	-12	-14	-7	-6	-1	7
Depr./impairm.	-1	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
EBIT	-10	-10	-11	-10	-13	-12	-13	-15	-8	-7	-2	7
Net finance	1	3	13	-1	8	-9	-14	0	0	0	0	0
Pre-tax profit	-9	-7	2	-11	-5	-21	-27	-15	-8	-7	-2	7
Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Net profit	-9	-7	2	-11	-5	-21	-27	-15	-8	-7	-2	7

Source: Norsk Titanium, Carnegie Research

Carnegie’s Sustainability Scorecard

Carnegie total ESG peer rating: 56%

Taxonomy eligible: No

Sustainability as a business driver

Norsk Titanium produces titanium parts with a disruptive technology. Compared to the incumbents, where waste can exceed more than 90% of the final product, waste from NTT’s Additive Manufacturing process is far less. NTT’s production process uses 75% less raw material than the incumbents. Energy savings versus the incumbents are also significant. Furthermore, 1 machine (Norsk Titanium has 35) can reduce CO2 emissions by around 1.1 tonnes compared to the traditional producers.

Sustainability targets and achievements

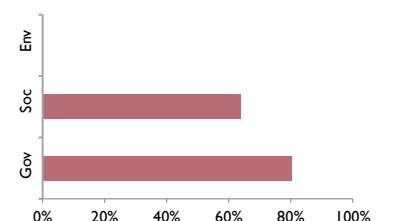
Norsk Titanium has a Code of Ethics and Business Conduct that is comparable to the UN Global Compact and the OECD’s guidelines for Multinational Enterprises. The code covers human rights, workers’ rights in accordance with ILO conventions, personnel policy and the working environment, health & safety, environment & climate, competitive behaviour and company interactions with customers, third parties and society at large.

Norsk Titanium’s anti-corruption and bribery policy states that the company will not engage in, or otherwise tolerate, any form of bribery or corruption in the business dealings of any member of the group. Norsk Titanium’s anti-corruption and anti-bribery policies are developed in compliance with the US Foreign Corrupt Practices Act, the UK Bribery Act and other applicable anti-corruption laws.

Sustainability related risks and past incidents

It is difficult to pinpoint any sustainability risks linked to NTT’s disruptive production process. The company has very limited revenue and with extensive qualification programmes, which are very difficult to falsify or avoid, it is hard to see relevant sustainability-related risks at this time. The risk probably comes from the other direction: if government bodies, aviation companies or other players are lax about reducing waste in the production of titanium parts for the aviation industry, demand for NTT and its disruptive production process would likely fall.

ESG rating – share of best peer score



Potential and incidents

Sust. driven growth	Good
Past incidents	Insignificant

Exposure to negative impact industries

Fossil fuels	0%
Weapons	0%
Tobacco	0%
Pornography	0%
Alcohol	0%
Gambling	0%

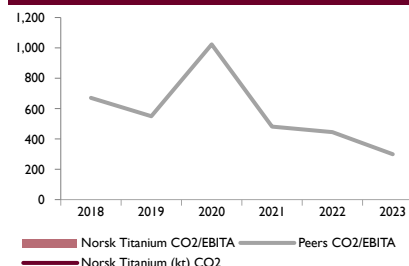
Source tables and graph above: Carnegie Research

ESG Key Facts

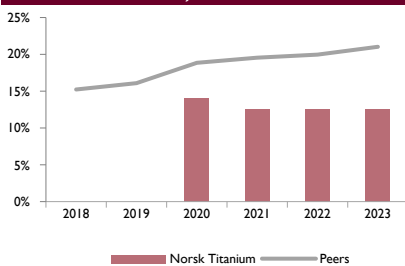
Science-based CO2 reduction targets	na
Science-based CO2 neutrality target yr	na
Non-renewable energy cons. (%)	na
% women (board/senior exec/total)	25/13/24
Employee turnover rate (%)	na
Absenteeism rate (%)	na
Accident frequency (per mill. hours)	na
Board meetings (number/attendance)	37/92%
Sustainability committee	No
Sust. performance in incentive prog.	No
Existence of a whistleblowing system	Yes
Taxonomy eligible revenue	na

Source: Carnegie Research & company data

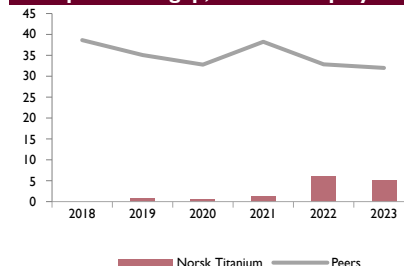
Carbon emissions



Senior executives, % women



Compensation gap, CEO vs employees



Source: Carnegie Research & company data

Financial statements

Profit & loss (USDm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	0	8	0	1	6	3	3	6	51	151
COGS	0	-6	-3	-4	-4	-4	-5	-6	-30	-76
Gross profit	0	2	-3	-3	2	0	-3	0	20	76
Other income & costs	0	3	-28	-24	-18	-18	-21	-26	-28	-32
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	0	5	-31	-27	-17	-19	-23	-26	-8	44
Depreciation PPE	0	-3	-4	-3	-3	-2	-2	-2	-2	-2
Depreciation lease assets	0	0	0	0	0	0	0	0	0	0
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	0	0	0	0	0	0	0	0	0	0
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	0	2	-35	-30	-20	-21	-25	-28	-10	42
Amortization acquisition related	0	0	0	0	0	0	0	0	0	0
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	0	2	-35	-30	-20	-21	-25	-28	-10	42
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	0	0	0	-1	12	-1	0	0	0
of which interest income/expenses	0	0	0	0	-1	0	0	0	0	0
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	na	na	na	na	na	na	na	na	na
Pre-tax profit	0	2	-35	-30	-21	-9	-27	-28	-10	42
Taxes	0	0	0	0	0	0	0	0	0	-10
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	0	2	-35	-30	-21	-9	-27	-28	-10	32
Adjusted EBITDA	0	5	-31	-27	-17	-19	-23	-26	-8	44
Adjusted EBITA	0	2	-35	-30	-20	-21	-25	-28	-10	42
Adjusted EBIT	0	2	-35	-30	-20	-21	-25	-28	-10	42
Adjusted net profit	0	2	-35	-30	-21	-9	-27	-28	-10	32
Sales growth Y/Y	na	+chg	-95.0%	151.3%	463.8%	-41.5%	-22.5%	152.4%	702.9%	197.6%
EBITDA growth Y/Y	na	+chg	-chg	+chg	+chg	-chg	-chg	-chg	+chg	+chg
EBITA growth Y/Y	na	+chg	-chg	+chg	+chg	-chg	-chg	-chg	+chg	+chg
EBIT growth Y/Y	na	+chg	-chg	+chg	+chg	-chg	-chg	-chg	+chg	+chg
EBITDA margin	nm	61.5%	na	na	-303.3%	-582.4%	na	-411.5%	-15.2%	28.8%
EBITA margin	nm	29.5%	nm	nm	nm	nm	nm	nm	nm	27.5%
EBIT margin	nm	29.5%	na	na	-364.3%	-653.7%	na	-443.1%	-19.1%	27.5%
Tax rate	na	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%
Cash flow (USDm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	0	5	-31	-27	-17	-19	-23	-26	-8	44
Paid taxes	0	0	0	0	0	0	0	-14	-1	-2
Change in NWC	0	3	3	0	-4	-1	1	-1	-2	-36
Non cash adjustments	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	0	7	-27	-27	-21	-20	-22	-42	-10	6
Capex tangible assets	0	0	0	-1	0	-1	0	-1	-2	-2
Capitalised development costs	0	0	0	0	0	0	0	0	0	0
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisitions/divestments	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
Total investing activities	0	0	0	-1	0	-1	0	-1	-2	-2
Net financial items	0	0	0	0	-1	12	-1	0	0	0
Lease payments	0	na	na	na	na	na	na	na	na	na
Dividend paid and received	0	na	na	na	na	na	na	na	na	na
Share issues & buybacks	0	5	0	0	39	7	8	54	0	0
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	0	na	na	na	na	na	na	na	na	na
Total financing activities	0	36	10	28	42	19	15	47	0	0
Operating cash flow	0	7	-27	-27	-21	-20	-22	-42	-10	6
Free cash flow	0	8	-27	-28	-22	-8	-24	-43	-12	4
Net cash flow	0	44	-17	0	20	-2	-8	4	-12	4
Change in net IB debt	0	12	-28	-28	16	-3	-16	11	-12	4
Capex / Sales	nm	-5.3%	35.9%	73.5%	6.4%	17.0%	12.0%	15.8%	3.9%	1.3%
NWC / Sales	nm	0.0%	-2037.2%	-1295.9%	-70.7%	69.7%	27.2%	-79.7%	-14.6%	5.3%

Source: Carnegie Research & company data

Financial statements, cont.

Balance sheet (USDm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Acquired intangible assets	0	0	0	0	0	0	0	0	0	0
Other fixed intangible assets	0	0	9	8	6	4	3	3	3	3
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	na	7	6	5	6	5	4	4	4
Lease assets	0	0	0	0	0	0	0	0	0	0
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	0	0	0	0	0	0	0	0	0
Fixed assets	0	0	17	14	11	10	8	7	7	7
Inventories (2)	0	0	4	5	5	5	6	8	13	40
Receivables (2)	0	0	1	1	0	1	1	4	6	20
Prepaid exp. & other NWC items (2)	0	0	2	1	3	3	1	4	6	12
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	0	0	2	2	23	8	1	12	0	4
Current assets	0	0	9	9	31	17	9	28	25	76
Total assets	0	0	26	23	42	27	17	35	32	83
Shareholders' equity	0	0	-37	-81	34	17	-1	10	1	33
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	0	0	-37	-81	34	17	-1	10	1	33
Deferred tax	0	0	0	0	0	0	0	0	0	0
LT IB debt (1)	0	0	42	89	0	2	0	0	0	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0	0	0
Other non-IB liabilities	0	0	0	0	1	1	2	0	0	0
LT liabilities	0	0	42	89	1	3	2	0	0	0
ST IB debt (1)	0	0	0	0	0	1	6	0	0	0
Payables (2)	0	0	2	2	1	1	2	6	11	16
Accrued exp. & other NWC items (2)	0	0	20	14	5	5	7	19	20	34
Other ST non-IB liabilities	0	0	0	0	0	0	0	0	0	0
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	0	0	23	16	7	7	16	25	31	50
Total equity and liabilities	0	0	28	25	42	27	17	35	32	83
Net IB debt (=1)	0	0	40	87	-22	-6	5	-12	0	-4
Net working capital (NWC) (=2)	0	0	-16	-10	2	3	-1	-9	-6	22
Capital employed (CE)	0	0	5	9	36	20	8	10	1	33
Capital invested (CI)	0	na	1	5	13	13	7	-2	1	29
Equity / Total assets	nm	nm	-145%	-350%	81%	65%	-6%	30%	2%	40%
Net IB debt / EBITDA	nm	0.0	-1.3	-3.2	1.3	0.3	-0.2	0.5	0.0	-0.1
Per share data (USD)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Adj. no. of shares in issue YE (m)	0.00	0.00	0.00	0.00	211.9	239.7	270.0	802.1	802.9	802.9
Diluted no. of Shares YE (m)	0.00	0.00	0.00	0.00	211.9	239.7	270.0	802.1	814.7	814.7
EPS	na	na	na	na	-0.20	-0.04	-0.10	-0.05	-0.01	0.04
EPS adj.	na	na	na	na	-0.20	-0.04	-0.10	-0.05	-0.01	0.04
CEPS	na	na	na	na	-0.17	-0.03	-0.10	-0.05	-0.01	0.04
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	na	na	na	na	0.16	0.07	-0.00	0.01	0.00	0.04
Performance measures	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
ROE	nm	nm	186.6%	51.6%	90.6%	-35.2%	-325.9%	-593.6%	-173.2%	191.0%
Adj. ROCE pre-tax	na	na	na	-442.3%	-91.3%	-31.2%	-186.0%	-307.4%	-173.2%	248.1%
Adj. ROIC after-tax	na	na	na	-1161.7%	-242.7%	-175.3%	-276.0%	-1197.9%	2644.7%	292.7%
Valuation	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
FCF yield	0.0%	4.7%	-16.6%	-17.0%	-13.5%	-5.0%	-14.5%	-25.8%	-7.4%	2.3%
Dividend yield YE	na	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	na	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	na	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	na	na	na	na	13.27	11.37	25.05	27.43	3.31	1.09
EV/EBITDA YE	na	na	na	na	neg.	neg.	neg.	neg.	neg.	3.8
EV/EBITA YE	na	na	na	na	neg.	neg.	neg.	neg.	neg.	3.9
EV/EBITA adj. YE	na	na	na	na	neg.	neg.	neg.	neg.	neg.	3.9
EV/EBIT YE	na	na	na	na	neg.	neg.	neg.	neg.	neg.	3.9
P/E YE	na	na	na	na	nm	nm	nm	nm	nm	5.2
P/E adj. YE	na	na	na	na	nm	nm	nm	nm	nm	5.2
P/BV YE	na	na	na	na	2.80	2.43	neg.	17.73	>50	5.05
Share price YE (USD)					0.45	0.18	0.21	0.23	0.21	

Source: Carnegie Research & company data

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