

27 March 2023

<b>Price (NOK)</b>	<b>31.00</b>
Shares in issue (m)	85
Mkt Cap (NOKm)	2,640
Net debt (NOKm)	-15
EV (NOKm)	2,625
BVPS (NOK)	30.5

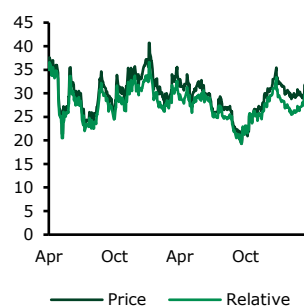
<b>Share price performance</b>	
1m	5.3%
3m	-6.3%
12m	-6.5%
12 m high/low	37.1/18.9
Ave daily vol (30D)	43,678

<b>Shareholders</b>	
Saffron Hill Venture	42.8%
Six Sis Ag	7.5%
Clearstream Bank'g	5.4%
Norris Peter Michael	4.4%
DNB ASA	3.5%
MP Pensjon Pk	1.8%
Nordea Bank Abp	1.8%
First Fondene As	1.7%
Morgan Stanley	1.7%
BNP Paribas Sa	1.5%
Total for top 10	72.1%
Free float	46.7%
Source: Bloomberg	27 Mar 23

**Next news** Ints Q3

**Business description**

Waste to energy for metals industry



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**ILLINOIS PROJECT MOVES AHEAD**

The Channahon, Illinois project for INEOS Styrolution represents a major early project for the TruStyrenyx polystyrene recycling partnership with Technip Energies. Polystyrene represents one of the three focused feedstock recycling routes for the Agilyx technology along with mixed plastic waste and acrylates. We see the decision to advance development of the project as evidence that the partnership approach can deliver the right solution for the market.

**Project being developed with INEOS Styrolution**

Agilyx has announced that its 100 tpd (c. 33ktpa) TruStyrenyx polystyrene recycling facility in Channahon, Illinois, is being advanced with partner INEOS Styrolution. INEOS will mainly develop and own the project and the project technology solution will be provided by the TruStyrenyx strategic partnership between Agilyx and Technip Energies. This would see Agilyx providing the chemical recycling technology based on its proprietary pyrolysis process and Technip providing the styrene purification technology. Agilyx will also invest some of the funds raised on listing in September to move this development forward.

**Engineering expected to complete in the current year**

Agilyx and Technip will work with INEOS Styrolution on the design and engineering of the facility. If the project completes the front end loading (FEL) 3 stage and moves to the final investment decision (FID), Agilyx and Technip should expect in time to receive development fees, equipment sales revenue, technology licence fees, royalties and service fees. Engineering is expected to be completed in 2023 and will form the basis for the final investment decision. We see this timing as ahead of expectations given the size of the project.

US\$,000 Dec	2021a	2022e	2023e	2024e	2025e	2026e
Sales	4,889	20,624	33,696	141,795	250,504	185,046
EBITDA	-14,205	-19,376	-8,923	31,109	18,973	5,942
PBT	-13,903	-19,765	-9,447	30,444	18,183	5,016
EPS	-0.2	-0.2	-0.1	0.3	0.1	0.0
CFPS	-0.2	-0.2	-0.1	0.3	0.1	0.1
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-18,298	-14,975	-6,820	-29,278	-40,220	-38,831
Debt/EBITDA	1.3	0.8	0.8	-0.9	-2.1	-6.5
P/E	-185.7	-143.4	-320.8	112.4	220.9	-952.9
EV/EBITDA	-184.6	-135.5	-295.1	83.9	137.0	437.7
EV/sales	-3.2	127.1	77.8	18.5	10.5	14.2
FCF yield	-0.6%	-0.7%	-0.4%	0.8%	0.5%	0.2%
Div yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## FINANCIAL MODEL

### Profit and Loss Account

US\$,000, Dec	2021a	2022e	2023e	2024e	2025e	2026e
<b>Turnover</b>						
Project development	2,787	14,939	2,928	57,419	170,864	5,009
Licence, membership, royalties	131	165	17,169	50,347	355	1,302
Sale of goods	1,971	5,520	13,599	34,029	79,284	178,735
Other	0	0	0	0	0	0
<b>Total</b>	<b>4,889</b>	<b>20,624</b>	<b>33,696</b>	<b>141,795</b>	<b>250,504</b>	<b>185,046</b>
<b>Operating profit</b>						
Project development	0	0	0	0	0	0
Licence, membership, royalties	0	0	0	0	0	0
Sale of goods	0	0	0	0	0	0
Other	-12,399	-17,873	-7,571	32,308	20,017	6,830
<b>Operating profit</b>	<b>-12,399</b>	<b>-17,873</b>	<b>-7,571</b>	<b>32,308</b>	<b>20,017</b>	<b>6,830</b>
<b>P&amp;L Account</b>						
Turnover	4,889	20,624	33,696	141,795	250,504	185,046
Operating Profit	-12,399	-17,873	-7,571	32,308	20,017	6,830
Investment income	-2,077	-1,904	-1,885	-1,868	-1,852	-1,838
Net Interest	574	12	9	4	18	24
Pre Tax Profit (UKSIP)	-13,903	-19,765	-9,447	30,444	18,183	5,016
Goodwill amortisation	0	0	0	0	0	0
Exceptional Items	0	0	0	0	0	0
Pre Tax Profit (IFRS)	-13,903	-19,765	-9,447	30,444	18,183	5,016
Tax	0	0	0	-7,611	-4,546	-1,254
Post tax exceptionals	0	0	0	0	0	0
Minorities	958	1,273	1,180	750	-1,631	-6,545
Net Profit	-12,944	-18,492	-8,267	23,583	12,006	-2,783
Dividend	0	0	0	0	0	0
Retained	-12,944	-18,492	-8,267	23,583	12,006	-2,783
EBITDA	-14,205	-19,376	-8,923	31,109	18,973	5,942
EPS (c) (UKSIP)	-0.17	-0.22	-0.10	0.28	0.14	-0.03
EPS (c) (IFRS)	-0.17	-0.22	-0.10	0.28	0.14	-0.03
FCFPS (c)	-0.20	-0.23	-0.11	0.25	0.15	0.06
Dividend (c)	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company data, Longspur Research estimates

### KEY POINTS

- FY 22 benefits from growing Cyclyx feedstock sales and Toyo project development
- FY 23 sees continued Cyclyx growth but lower development fees
- FY 24 and FY 25 see strong development fees but these drop again in FY 26
- Cyclyx grows across period and gross margin improves
- Company moves into profit in FY 24

## Balance Sheet

US\$,000, Dec	2021a	2022e	2023e	2024e	2025e	2026e
Fixed Asset Cost	1,381	2,037	2,710	3,399	4,106	4,830
Fixed Asset Depreciation	-484	-885	-1,418	-2,087	-2,894	-3,845
Net Fixed Assets	897	1,152	1,292	1,313	1,212	986
Goodwill	0	0	0	0	0	0
Other intangibles	4,398	4,398	4,398	4,398	4,398	4,398
Investments	1,510	1,025	595	219	-105	-376
Stock	0	1,695	2,770	11,654	20,589	15,209
Trade Debtors	1,670	5,085	8,309	34,963	61,768	45,628
Other Debtors	562	562	562	562	562	562
Trade Creditors	-1,447	-6,498	-10,617	-44,675	-78,926	-58,302
Other Creditors <1yr	-2,195	-2,195	-2,195	-2,195	-2,195	-2,195
Creditors >1yr	-37	-37	-37	-37	-37	-37
Provisions	0	0	0	0	0	0
Pension	0	0	0	0	0	0
Capital Employed	5,357	5,188	5,076	6,201	7,266	5,872
Cash etc	19,570	14,975	6,820	29,278	40,220	38,831
Borrowing <1yr	1,272	0	0	0	0	0
Borrowing >1yr	0	0	0	0	0	0
Net Borrowing	-18,298	-14,975	-6,820	-29,278	-40,220	-38,831
Share Capital	1,183	6,480	6,480	6,480	6,480	6,480
Share Premium	89,051	98,754	98,754	98,754	98,754	98,754
Retained Earnings	-67,620	-84,840	-91,927	-67,593	-57,218	-66,546
Other	0	0	0	0	0	0
Minority interest	1,042	-231	-1,411	-2,161	-531	6,015
Capital Employed	5,357	5,188	5,076	6,201	7,266	5,872
Net Assets	23,656	20,163	11,897	35,480	47,486	44,703
Total Equity	23,656	20,163	11,897	35,480	47,486	44,703

Source: Company data, Longspur Research estimates

## KEY POINTS

- Cash in FY 22 benefits from equity raise
- Working capital expands with sales growth although payment cycle relatively efficient

## Cashflow

US\$,000, Dec	2021a	2022e	2023e	2024e	2025e	2026e
Operating profit	-12,399	-17,873	-7,571	32,308	20,017	6,830
Depreciation	272	401	533	669	808	950
Provisions	0	0	0	0	0	0
Other	726	0	0	0	0	0
Working capital	-1,283	-60	-179	-9,092	1,576	4,188
Operating cash flow	-12,685	-17,532	-7,217	23,884	22,401	11,969
Tax paid	0	0	0	0	-7,611	-4,546
Capex (less disposals)	-640	-656	-673	-689	-707	-724
Investments	-1,978	-1,419	-1,455	-1,491	-1,529	-1,567
Net interest	0	1,284	1,189	754	-1,613	-6,521
Net dividends	0	0	0	0	0	0
Residual cash flow	-15,303	-18,323	-8,155	22,458	10,941	-1,389
Equity issued	725	15,000	0	0	0	0
Change in net borrowing	17,730	3,323	8,155	-22,458	-10,941	1,389
Adjustments	148	0	0	0	0	0
Total financing	18,603	18,323	8,155	-22,458	-10,941	1,389

Source: Company data, Longspur Research estimates

## KEY POINTS

- Operating cashflow becomes positive from FY 24
- Working capital moves heavily dependent on project timings
- Low capex reflects licencing business model
- Investments to support Cyclyx

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