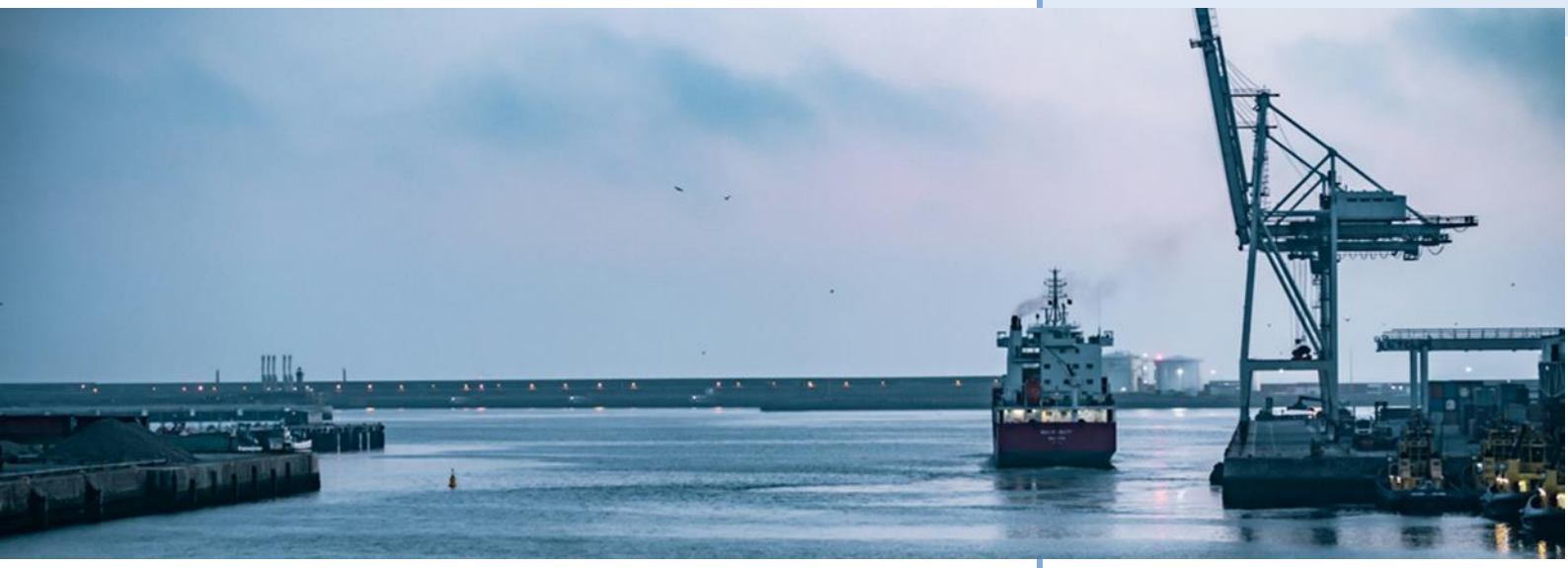
HMS Bergbau AG

Germany | Basic Resources | MCap EUR 134.0m

3 December 2024

UPDATE



Potential vanadium move under consideration; BUY

What's it all about?

HMS Bergbau (HMS) is signaling its future direction by exploring opportunities beyond coal, including green tech-critical materials. The company's expressed interest in Surefire Resources' Victory Bore Vanadium Project aligns with its long-term diversification strategy, though the agreement remains non-binding and subject to further evaluation. While the potential offtake is far from certain, it illustrates HMS's intent to adapt its portfolio to support the energy transition. In the meantime, HMS's core coal trading business continues to thrive, particularly in high-demand Asian markets, underpinning its strong financial outlook. We reiterate our DCF-based PT of EUR 36.00 per share. BUY.

BUY (BUY)

Target price	**EUR 36.00** (36.00)
Current price	EUR 29.20
Up/downside	23.3%

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SCAN ME

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

mwb-research.com

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HMS Bergbau AG

Germany | Basic Resources | MCap EUR 134.0m | EV EUR 123.9m

BUY (BUY)

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Potential vanadium move under consideration; BUY

Expressed interest in vanadium project. In late November, Australian exploration company Surefire Resources reported that HMS Bergbau (HMS) had expressed interest in a potential offtake agreement for its Victory Bore Vanadium Project in Western Australia. This aligns with HMS's long-term transition from a coal-focused trader to a diversified commodity player. While coal trading remains the company's core business, primarily in emerging markets, HMS is exploring opportunities to expand into key raw materials essential for the green energy transition, such as lithium, cobalt, and nickel.

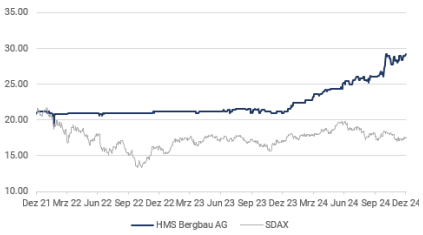
What is Vanadium? Vanadium is a versatile metal known for making steel alloys stronger and more durable. It's a rising star in greentech, especially for its role in vanadium redox flow batteries (VRFBs) that store renewable energy, for example from solar and wind. The top producers are China, Russia, and South Africa. Whether it's for bridges, batteries, or jet engines, vanadium is all about strength and sustainability.

What does Surefire offer? Surefire's Victory Bore Project is a significant vanadium and critical minerals venture located approximately 450 kilometers north of Perth in Western Australia. The project is currently in the development phase, with significant progress made in feasibility studies and strategic partnerships, including a potential downstream processing in Saudi Arabia. Surefire has already published a Pre-Feasibility-Study, featuring an estimated production of 1.25 Mtpa of vanadium-titanium magnetite concentrate. The capital expenditure is estimated at USD 498m to establish production, while boasting an attractive opex profile. On the basis of typical development timelines, production could commence within 5-7 years, contingent on financing, approvals, and construction milestones.

Conclusion: Although Surefire received "only" a formal Expression of Interest, non-binding and subject to further negotiation and due diligence, it showcases how HMS' future business might look like. HMS is exploring LT opportunities to diversify its business activities. For the short- to medium term, HMS Bergbau will stick to its coal trading business, which is driven by robust demand in its relevant markets, particularly in Asia. We reiterate our DCF-based PT of EUR 36.00 per share. BUY.

HMS Bergbau AG	2021	2022	2023	2024E	2025E	2026E
Sales	427.7	971.9	1,296.2	1,335.1	1,375.1	1,402.6
Growth yoy	60.2%	127.2%	33.4%	3.0%	3.0%	2.0%
EBITDA	5.6	15.4	15.7	18.4	21.3	22.0
EBIT	5.2	14.7	15.1	17.2	19.5	20.0
Net profit	3.1	10.3	12.5	13.4	15.2	15.6
Net debt (net cash)	-14.4	-14.8	-19.4	-22.2	-29.5	-38.3
Net debt/EBITDA	-2.6x	-1.0x	-1.2x	-1.2x	-1.4x	-1.7x
EPS reported	0.68	2.23	2.72	2.91	3.32	3.39
DPS	0.04	0.77	0.92	0.95	1.08	1.10
Dividend yield	0.1%	2.6%	3.2%	3.3%	3.7%	3.8%
Gross profit margin	3.4%	2.9%	2.8%	2.8%	3.0%	3.0%
EBITDA margin	1.3%	1.6%	1.2%	1.4%	1.6%	1.6%
EBIT margin	1.2%	1.5%	1.2%	1.3%	1.4%	1.4%
ROCE	11.9%	23.4%	21.3%	21.0%	21.0%	19.2%
EV/Sales	0.3x	0.1x	0.1x	0.1x	0.1x	0.1x
EV/EBITDA	23.0x	8.3x	7.9x	6.6x	5.4x	4.8x
EV/EBIT	24.8x	8.7x	8.2x	7.1x	5.9x	5.3x
PER	42.6x	13.1x	10.7x	10.0x	8.8x	8.6x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks	30.00 / 21.00
Price/Book Ratio	3.5x

Ticker / Symbols

ISIN	DE0006061104
WKN	606110
Bloomberg	HMU:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	1,335.1	17.2	2.91
	Δ	0.0%	0.0%	0.0%
2025E	old	1,375.1	19.5	3.32
	Δ	0.0%	0.0%	0.0%
2026E	old	1,402.6	20.0	3.39
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs)	4.59
Book value per share: (in EUR)	8.30
Ø trading vol.: (12 months)	147

Major shareholders

ERAG Energie und Rohstoff AG	37.0%
LaVo Verwaltung	34.3%
Family Schernikau	4.4%
Free Float	23.3%

Company description

HMS Bergbau AG (HMS) is a Berlin-based, but globally active trading and distribution company of raw materials, mainly for clients from energy-intensive industries. The company focuses on the trade with coal and coke products, as well as petcoke, ores, cement, and fertilizers. In the long-term, the company is expanding its portfolio to include critical metals, which are essential for cleantech and electrification.

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The following table displays the half-yearly performance of HMS Bergbau AG:

P&L data	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024
Sales	137.6	164.9	262.8	404.7	567.2	656.7	639.5	731.4
yoy growth in %	40.0%	27.3%	91.1%	145.4%	115.8%	62.3%	12.7%	11.4%
Gross profit	5.7	2.9	8.3	8.8	12.0	10.5	14.7	14.2
Gross margin in %	4.2%	1.8%	3.2%	2.2%	2.1%	1.6%	2.3%	1.9%
EBITDA	4.9	0.9	4.6	5.4	9.9	6.3	9.3	7.9
EBITDA margin in %	3.6%	0.6%	1.8%	1.3%	1.8%	1.0%	1.5%	1.1%
EBIT	4.9	0.8	4.4	5.2	9.4	6.1	9.0	7.6
EBIT margin in %	3.6%	0.5%	1.7%	1.3%	1.7%	0.9%	1.4%	1.0%
EBT	3.5	0.4	4.1	4.6	9.2	5.7	8.8	7.1
taxes paid	0.8	0.1	1.3	1.6	1.9	0.6	1.5	1.6
tax rate in %	22.8%	14.6%	30.9%	34.1%	20.3%	11.1%	16.8%	22.4%
net profit	2.7	0.4	2.8	3.0	7.4	5.1	7.4	5.5
yoy growth in %	1,280.2%	215.8%	4.8%	695.7%	160.9%	67.3%	0.0%	9.0%
EPS	**0.59**	**0.08**	**0.62**	**0.67**	**1.62**	**1.12**	**1.62**	**1.22**

Source: Company data

Investment case in six charts

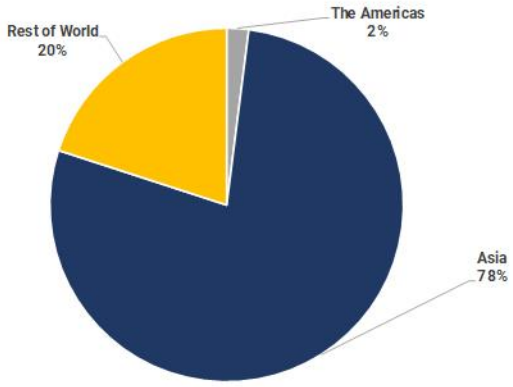
Footprint



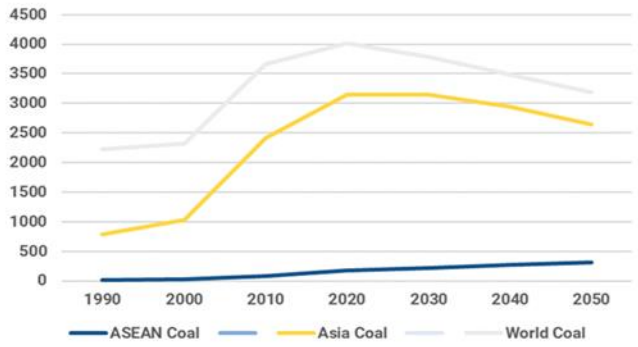
Products & Services



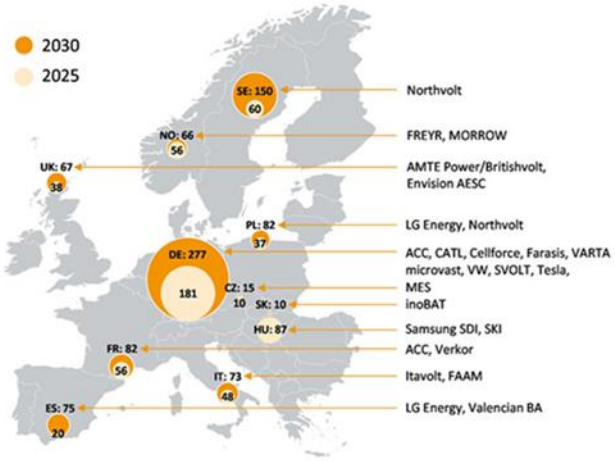
Regional sales split in %



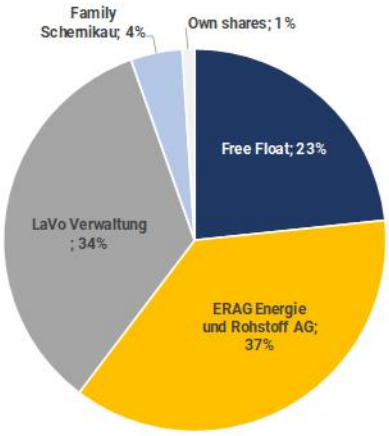
Primary energy consumption by 2050 (Mtoe)



Good prospects for potential lithium business*



Major Shareholders



Source: Company data, mwb research, Fraunhofer, IEEJ

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SWOT analysis

Strengths

- Excellent track record in the field of commodity/coal trading
- International presence in significant, still growing markets
- Long-lasting customer relationships and far-reaching network
- Strategic partnerships for supply in key markets
- Asset-light business model supports de-risking

Weaknesses

- Negative image of fossil fuels in the context of climate change
- High country-specific risks
- High dependence on single commodity
- Limited liquidity in the stock

Opportunities

- Diversification into alternative commodities and rare metals
- Market share gains from bigger players phasing out their respective coal trading business (ESG pressure)
- Vertical integration to cover more aspects of the value chain
- Expansion of financial scope
- Profit margin improvements through further supply and processing agreements
- Future dividend income equity investments in mining projects

Threats

- Regulatory shifts
- Geopolitical impacts
- Energy transition
- Price volatility
- Economic downturn can impact demand
- Mining investments might not pay off

Valuation

DCF Model

The DCF model results in a **fair value of EUR 36.84 per share**:

Top-line growth: We expect HMS Bergbau AG to grow revenues at a CAGR of 1.4% between 2024E and 2031E. The long-term growth rate is set at 0.0%.

ROCE. Returns on capital are developing from 21.0% in 2024E to 13.9% in 2031E.

WACC. Starting point is a industry equity beta of 1.50. Unleverering and correcting for mean reversion yields an asset beta of 1.26. Combined with a risk-free rate of 3.0% and an equity risk premium of 6.0% this yields cost of equity of 13.4%. With pre-tax cost of borrowing at 7.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 10.7%.

DCF (EURm) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	13.8	15.6	16.0	16.3	16.7	16.9	17.0	17.2	
Depreciation & amortization	1.2	1.8	2.0	2.0	2.0	2.0	2.1	2.1	
Change in working capital	-0.5	-0.4	-0.0	-0.0	0.1	0.0	0.0	0.0	
Chg. in long-term provisions	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.2	
Capex	-7.5	-5.3	-4.1	-4.1	-4.1	-4.2	-4.2	-4.3	
Cash flow	7.4	12.1	14.2	14.3	14.8	14.9	15.0	15.2	142.2
Present value	7.3	10.8	11.5	10.5	9.8	8.9	8.1	7.4	69.3
WACC	10.7%	10.7%	10.7%	10.8%	10.8%	10.8%	10.8%	10.8%	10.7%

DCF per share derived from	
Total present value	143.6
Mid-year adj. total present value	151.1
Net debt / cash at start of year	-19.4
Financial assets	7.9
Provisions and off b/s debt	9.3
Equity value	169.1
No. of shares outstanding	4.6
Discounted cash flow / share	**36.84**
upside/(downside)	**26.2%**
Share price	**29.20**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024E-2031E)	1.4%
Terminal value growth (2031E - infinity)	0.0%
Terminal year ROCE	13.9%
Terminal year WACC	10.7%

Terminal WACC derived from	
Cost of borrowing (before taxes)	7.0%
Long-term tax rate	25.0%
Equity beta	1.50
Unlevered beta (industry or company)	1.26
Target debt / equity	0.5
Relevered beta	1.73
Risk-free rate	3.0%
Equity risk premium	6.0%
Cost of equity	13.4%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth -2.0%	-1.0%	0.0%	1.0%	2.0%
2.0%	30.2	31.0	32.0	33.1	34.5
1.0%	32.0	33.0	34.2	35.6	37.4
0.0%	34.1	35.3	36.8	38.7	40.9
-1.0%	36.5	38.1	40.0	42.4	45.3
-2.0%	39.5	41.5	43.9	47.1	51.1

Share of present value	
2024E-2027E	27.9%
2028E-2031E	23.8%
terminal value	48.3%

Source: mwb research

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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 48.50 per share based on 2024E and EUR 69.23 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	2024E	2025E	2026E	2027E	2028E
EBITDA	**18.4**	**21.3**	**22.0**	**22.4**	**22.9**
- Maintenance capex	1.2	1.8	2.0	2.0	2.0
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	3.3	3.8	3.9	4.0	4.1
= Adjusted FCF	**13.9**	**15.7**	**16.1**	**16.4**	**16.8**
Actual Market Cap	**134.0**	**134.0**	**134.0**	**134.0**	**134.0**
+ Net debt (cash)	-22.2	-29.5	-38.3	-47.2	-56.5
+ Pension provisions	9.6	9.9	10.1	10.2	10.3
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	7.9	7.9	7.9	7.9	7.9
- Acc. dividend payments	4.2	8.6	13.5	18.6	23.8
EV Reconciliations	-24.8	-36.1	-49.7	-63.6	-77.9
= Actual EV'	**109.3**	**97.9**	**84.3**	**70.5**	**56.2**
Adjusted FCF yield	**12.7%**	**16.1%**	**19.1%**	**23.3%**	**29.9%**
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	**197.9**	**224.7**	**229.5**	**234.3**	**239.9**
- EV Reconciliations	-24.8	-36.1	-49.7	-63.6	-77.9
Fair Market Cap	**222.6**	**260.8**	**279.2**	**297.8**	**317.8**
No. of shares (million)	4.6	4.6	4.6	4.6	4.6
Fair value per share in EUR	**48.50**	**56.81**	**60.82**	**64.88**	**69.23**
Premium (-) / discount (+)	**66.1%**	**94.6%**	**108.3%**	**122.2%**	**137.1%**

Sensitivity analysis FV						
Adjusted hurdle rate	5.0%	65.7	76.4	80.8	85.3	90.1
	6.0%	55.7	65.0	69.2	73.4	77.9
	7.0%	**48.5**	**56.8**	**60.8**	**64.9**	**69.2**
	8.0%	43.1	50.7	54.6	58.5	62.7
	9.0%	38.9	45.9	49.7	53.5	57.6

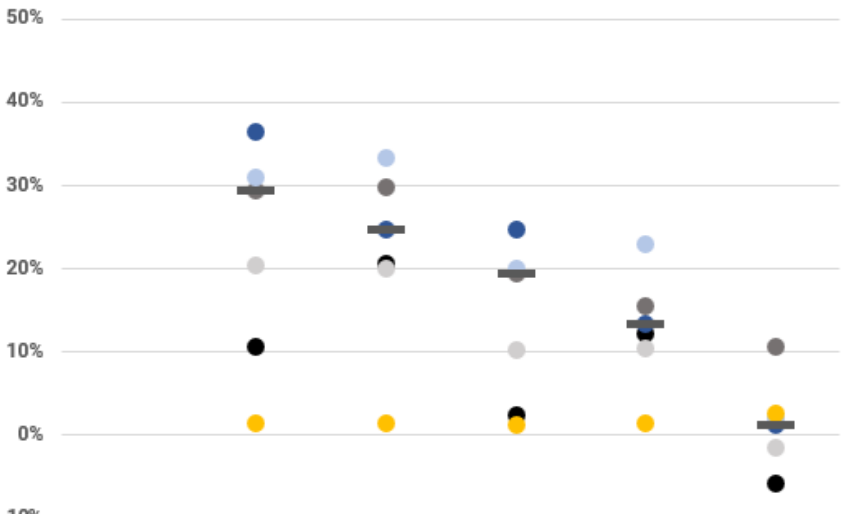
Source: Company data; mwb research

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 HMS Bergbau 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. In absence of another stock-listed pure play commodity trader, the selected peers include only integrated mining companies with relevant exposure to coal. The peer group of HMS Bergbau AG consists of the stocks displayed in the chart below. As of 3 December 2024 the median market cap of the peer group was EUR 3,338.6m, compared to EUR 134.0m for HMS Bergbau AG. In the period under review, the peer group was more profitable than HMS Bergbau AG. The expectations for sales growth are lower for the peer group than for HMS Bergbau AG.

Peer Group – Key data



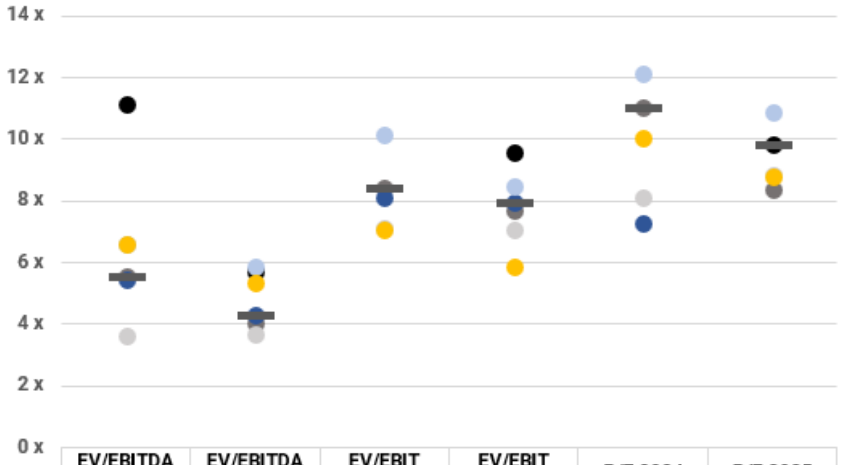
3-Dec-24	Market Cap (EURm)	EBITDA margin 2024	EBITDA margin 2025	EBIT margin 2024	EBIT margin 2025	Sales CAGR 2023-2026
Arch Resources, Inc. Class A	2,920	10.6%	20.6%	2.5%	12.3%	-5.8%
CONSOL Energy Inc	3,589	29.6%	29.8%	19.4%	15.6%	10.8%
Peabody Energy Corporation	2,739	20.5%	20.1%	10.4%	10.5%	-1.5%
Whitehaven Coal Limited	3,339	36.6%	24.8%	24.7%	13.5%	1.3%
Warrior Met Coal, Inc.	3,462	31.0%	33.4%	20.1%	23.0%	2.1%
HMS Bergbau AG	134	1.4%	1.6%	1.3%	1.4%	2.7%
Peer Group Median	3,339	29.6%	24.8%	19.4%	13.5%	1.3%

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 HMS Bergbau AG results in a range of fair values from EUR 22.76 to EUR 36.60.

Peer Group – Multiples and valuation



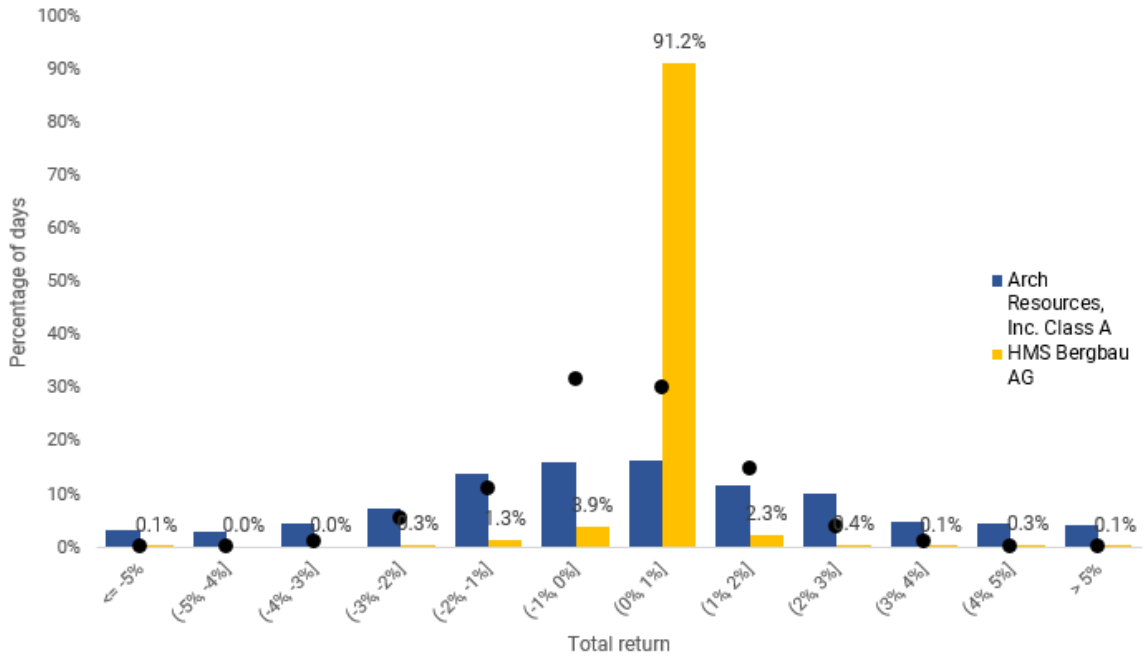
3-Dec-24	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2024	EV/EBIT 2025	P/E 2024	P/E 2025
Arch Resources, Inc. Class A	11.1x	5.7x	47.4x	9.6x	38.5x	9.9x
CONSOL Energy Inc	5.5x	4.0x	8.4x	7.7x	11.0x	8.4x
Peabody Energy Corporation	3.6x	3.7x	7.1x	7.0x	8.1x	8.8x
Whitehaven Coal Limited	5.5x	4.3x	8.1x	8.0x	7.3x	16.4x
Warrior Met Coal, Inc.	6.6x	5.8x	10.2x	8.5x	12.2x	10.9x
HMS Bergbau AG	6.6x	5.4x	7.1x	5.9x	10.0x	8.8x
Peer Group Median	5.5x	4.3x	8.4x	8.0x	11.0x	9.9x
Fair Value (EUR)	24.93	22.76	34.30	36.60	32.12	32.70

Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of HMS Bergbau AG** over the last 3 years, compared to the same distribution for Arch Resources, Inc. Class A. 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 HMS Bergbau AG, the worst day during the past 3 years was 24/01/2022 with a share price decline of -8.2%. The best day was 25/01/2022 when the share price increased by 8.9%.

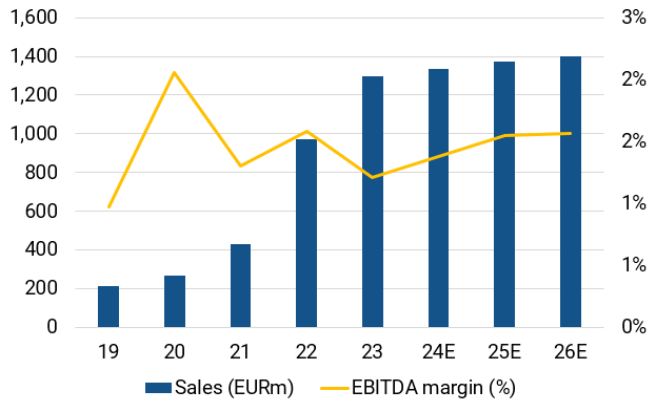
Risk – Daily Returns Distribution (trailing 3 years)



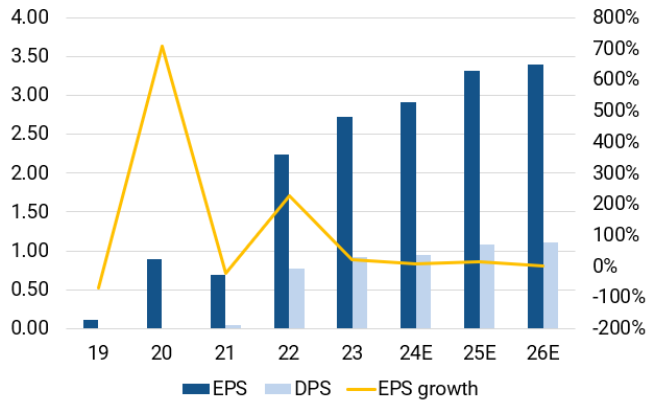
Source: FactSet, mwb research

Financials in six charts

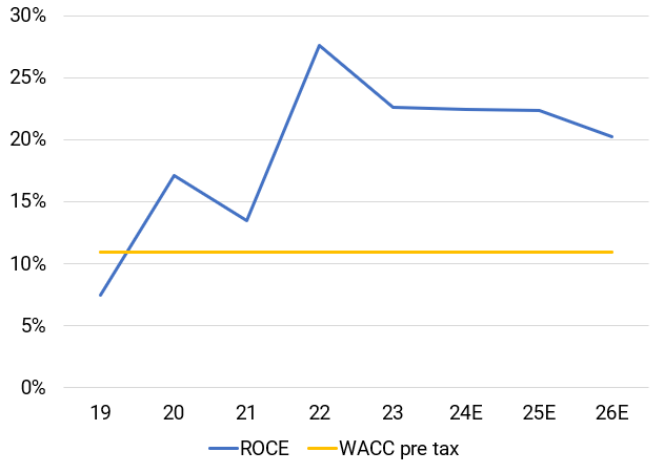
Sales vs. EBITDA margin development



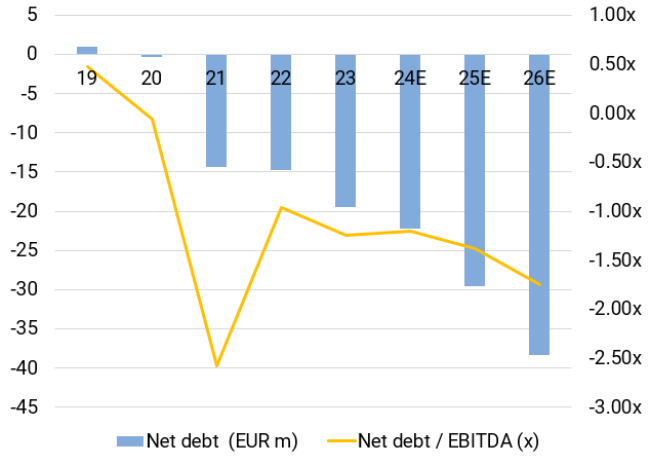
EPS, DPS in EUR & yoy EPS growth



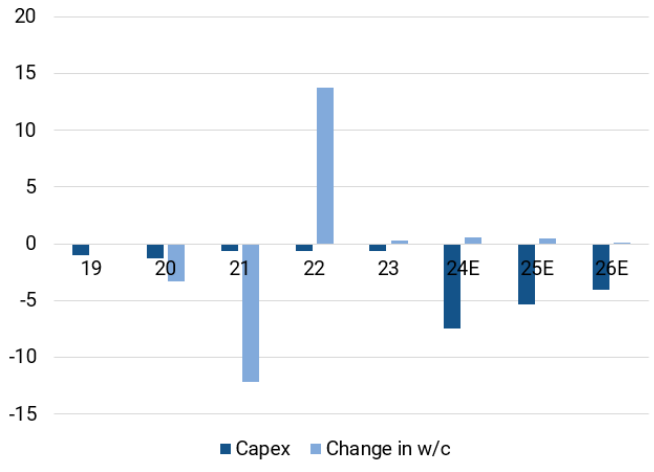
ROCE vs. WACC (pre tax)



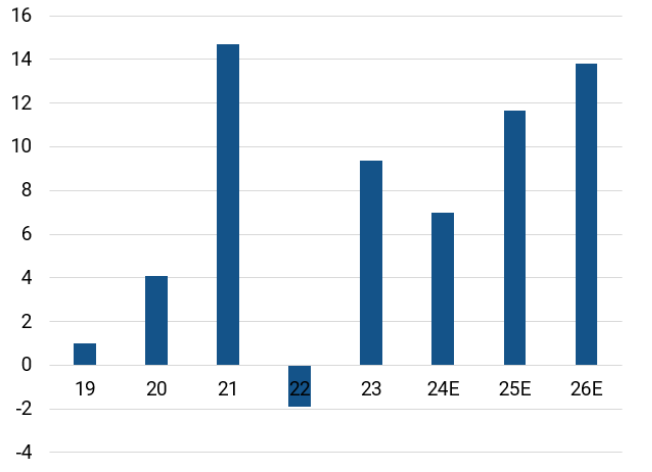
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

ResearchHub

Financials

Profit and loss (EURm)	2021	2022	2023	2024E	2025E	2026E
Net sales	**427.7**	**971.9**	**1,296.2**	**1,335.1**	**1,375.1**	**1,402.6**
Sales growth	60.2%	127.2%	33.4%	3.0%	3.0%	2.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**427.7**	**971.9**	**1,296.2**	**1,335.1**	**1,375.1**	**1,402.6**
Material expenses	413.2	943.8	1,260.4	1,298.0	1,333.9	1,360.4
Gross profit	**14.5**	**28.1**	**35.8**	**37.1**	**41.3**	**42.3**
Other operating income	0.4	0.9	1.6	1.3	1.4	1.4
Personnel expenses	2.9	6.6	10.1	10.0	10.3	10.5
Other operating expenses	6.4	7.0	11.7	10.0	11.0	11.2
EBITDA	**5.6**	**15.4**	**15.7**	**18.4**	**21.3**	**22.0**
Depreciation	0.4	0.7	0.5	1.2	1.8	2.0
EBITA	5.2	14.7	15.1	17.2	19.5	20.0
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**5.2**	**14.7**	**15.1**	**17.2**	**19.5**	**20.0**
Financial result	-0.7	-0.8	-0.6	-0.5	-0.5	-0.5
Recurring pretax income from continuing operations	4.5	13.8	14.6	16.7	19.0	19.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	4.5	13.8	14.6	16.7	19.0	19.5
Taxes	1.3	3.4	2.1	3.3	3.8	3.9
Net income from continuing operations	3.2	10.4	12.4	13.4	15.2	15.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**3.2**	**10.4**	**12.4**	**13.4**	**15.2**	**15.6**
Minority interest	-0.1	-0.1	0.1	0.0	0.0	0.0
Net profit (reported)	3.1	10.3	12.5	13.4	15.2	15.6
Average number of shares	4.59	4.59	4.59	4.59	4.59	4.59
EPS reported	**0.68**	**2.23**	**2.72**	**2.91**	**3.32**	**3.39**

Profit and loss (common size)	2021	2022	2023	2024E	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	97%	97%	97%	97%	97%	97%
Gross profit	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**
Other operating income	0%	0%	0%	0%	0%	0%
Personnel expenses	1%	1%	1%	1%	1%	1%
Other operating expenses	2%	1%	1%	1%	1%	1%
EBITDA	**1%**	**2%**	**1%**	**1%**	**2%**	**2%**
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	1%	2%	1%	1%	1%	1%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	**1%**	**2%**	**1%**	**1%**	**1%**	**1%**
Financial result	-0%	-0%	-0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	1%	1%	1%	1%	1%	1%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	1%	1%	1%	1%	1%	1%
Taxes	0%	0%	0%	0%	0%	0%
Net income from continuing operations	1%	1%	1%	1%	1%	1%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**
Minority interest	-0%	-0%	0%	0%	0%	0%
Net profit (reported)	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (exl. Goodwill)	**0.0**	**0.0**	**0.1**	**1.9**	**3.8**	**5.8**
Goodwill	2.7	2.4	3.8	3.8	3.8	3.8
Property, plant and equipment	8.8	8.7	9.3	13.7	15.4	15.5
Financial assets	11.4	8.6	7.9	7.9	7.9	7.9
FIXED ASSETS	**22.9**	**19.7**	**21.1**	**27.4**	**30.9**	**33.0**
Inventories	1.3	10.6	9.5	10.4	10.7	10.9
Accounts receivable	44.7	62.9	198.1	204.1	210.2	214.4
Other current assets	2.0	4.0	14.1	14.1	14.1	14.1
Liquid assets	26.0	31.0	36.0	39.7	47.0	55.8
Deferred taxes	1.7	1.8	2.0	2.0	2.0	2.0
Deferred charges and prepaid expenses	0.2	0.4	0.7	0.7	0.7	0.8
CURRENT ASSETS	**75.9**	**110.7**	**260.5**	**271.0**	**284.7**	**298.0**
TOTAL ASSETS	**98.8**	**130.5**	**281.6**	**298.4**	**315.7**	**331.0**
SHAREHOLDERS EQUITY	**18.5**	**29.6**	**38.1**	**47.2**	**58.1**	**68.7**
MINORITY INTEREST	2.7	2.5	2.6	2.6	2.6	2.6
Long-term debt	11.6	16.3	16.5	17.5	17.5	17.5
Provisions for pensions and similar obligations	8.8	8.8	9.3	9.6	9.9	10.1
Other provisions	2.1	5.5	4.7	4.8	5.0	5.1
Non-current liabilities	**22.6**	**30.5**	**30.5**	**31.9**	**32.3**	**32.6**
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	53.7	63.2	207.1	213.3	219.2	223.5
Advance payments received on orders	0.2	3.9	3.0	3.1	3.2	3.2
Other liabilities (incl. from lease and rental contracts)	1.3	0.7	0.3	0.3	0.3	0.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**55.1**	**67.8**	**210.3**	**216.6**	**222.6**	**227.0**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**98.8**	**130.5**	**281.6**	**298.4**	**315.7**	**331.0**

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	**0%**	**0%**	**0%**	**1%**	**1%**	**2%**
Goodwill	3%	2%	1%	1%	1%	1%
Property, plant and equipment	9%	7%	3%	5%	5%	5%
Financial assets	12%	7%	3%	3%	3%	2%
FIXED ASSETS	**23%**	**15%**	**7%**	**9%**	**10%**	**10%**
Inventories	1%	8%	3%	3%	3%	3%
Accounts receivable	45%	48%	70%	68%	67%	65%
Other current assets	2%	3%	5%	5%	4%	4%
Liquid assets	26%	24%	13%	13%	15%	17%
Deferred taxes	2%	1%	1%	1%	1%	1%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	**77%**	**85%**	**93%**	**91%**	**90%**	**90%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**19%**	**23%**	**14%**	**16%**	**18%**	**21%**
MINORITY INTEREST	3%	2%	1%	1%	1%	1%
Long-term debt	12%	12%	6%	6%	6%	5%
Provisions for pensions and similar obligations	9%	7%	3%	3%	3%	3%
Other provisions	2%	4%	2%	2%	2%	2%
Non-current liabilities	**23%**	**23%**	**11%**	**11%**	**10%**	**10%**
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	54%	48%	74%	71%	69%	68%
Advance payments received on orders	0%	3%	1%	1%	1%	1%
Other liabilities (incl. from lease and rental contracts)	1%	1%	0%	0%	0%	0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**56%**	**52%**	**75%**	**73%**	**71%**	**69%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	3.2	10.4	12.4	13.4	15.2	15.6
Depreciation of fixed assets (incl. leases)	0.4	0.7	0.5	1.2	1.8	2.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.4	1.4	-2.7	0.4	0.4	0.3
Cash flow from operations before changes in w/c	3.1	12.5	10.2	15.0	17.4	17.9
Increase/decrease in inventory	0.0	0.0	0.0	-0.8	-0.3	-0.2
Increase/decrease in accounts receivable	0.0	0.0	0.0	-5.9	-6.1	-4.2
Increase/decrease in accounts payable	0.0	0.0	0.0	6.2	5.9	4.3
Increase/decrease in other w/c positions	12.2	-13.7	-0.3	0.1	0.1	0.1
Increase/decrease in working capital	12.2	-13.7	-0.3	-0.5	-0.4	-0.0
Cash flow from operating activities	**15.3**	**-1.2**	**10.0**	**14.5**	**17.0**	**17.8**
CAPEX	-0.6	-0.7	-0.6	-7.5	-5.3	-4.1
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-0.2	2.9	-0.7	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	**-0.9**	**2.3**	**-1.3**	**-7.5**	**-5.3**	**-4.1**
Cash flow before financing	14.5	1.0	8.7	7.0	11.7	13.8
Increase/decrease in debt position	7.8	-0.3	-0.2	1.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	-0.2	-3.5	-4.2	-4.4	-4.9
Others	-0.3	0.1	-0.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**7.5**	**-0.4**	**-4.0**	**-3.3**	**-4.4**	**-4.9**
Increase/decrease in liquid assets	22.0	0.7	4.7	3.7	7.3	8.8
Liquid assets at end of period	**26.0**	**31.0**	**36.0**	**39.7**	**47.0**	**55.8**

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	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	4.3	19.4	25.9	26.7	28.9	30.9
Asia	359.3	758.1	1,011.0	1,042.7	1,075.4	1,098.3
Rest of World	64.2	194.4	259.2	264.3	269.5	272.1
Total sales	**427.7**	**971.9**	**1,296.2**	**1,335.1**	**1,375.1**	**1,402.6**

Regional sales split (common size)	2021	2022	2023	2024E	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	1.0%	2.0%	2.0%	2.0%	2.1%	2.2%
Asia	84.0%	78.0%	78.0%	78.1%	78.2%	78.3%
Rest of World	15.0%	20.0%	20.0%	19.8%	19.6%	19.4%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

ResearchHub

Ratios	2021	2022	2023	2024E	2025E	2026E
Per share data						
Earnings per share reported	0.68	2.23	2.72	2.91	3.32	3.39
Cash flow per share	3.34	-0.27	2.17	2.89	3.32	3.45
Book value per share	4.02	6.45	8.30	10.29	12.65	14.97
Dividend per share	0.04	0.77	0.92	0.95	1.08	1.10
Valuation						
P/E	42.6x	13.1x	10.7x	10.0x	8.8x	8.6x
P/CF	8.7x	-109.2x	13.4x	10.1x	8.8x	8.5x
P/BV	7.3x	4.5x	3.5x	2.8x	2.3x	2.0x
Dividend yield (%)	0.1%	2.6%	3.2%	3.3%	3.7%	3.8%
FCF yield (%)	11.4%	-0.9%	7.4%	9.9%	11.4%	11.8%
EV/Sales	0.3x	0.1x	0.1x	0.1x	0.1x	0.1x
EV/EBITDA	23.0x	8.3x	7.9x	6.6x	5.4x	4.8x
EV/EBIT	24.8x	8.7x	8.2x	7.1x	5.9x	5.3x
Income statement (EURm)						
Sales	427.7	971.9	1,296.2	1,335.1	1,375.1	1,402.6
yoy chg in %	60.2%	127.2%	33.4%	3.0%	3.0%	2.0%
Gross profit	14.5	28.1	35.8	37.1	41.3	42.3
Gross margin in %	3.4%	2.9%	2.8%	2.8%	3.0%	3.0%
EBITDA	5.6	15.4	15.7	18.4	21.3	22.0
EBITDA margin in %	1.3%	1.6%	1.2%	1.4%	1.6%	1.6%
EBIT	5.2	14.7	15.1	17.2	19.5	20.0
EBIT margin in %	1.2%	1.5%	1.2%	1.3%	1.4%	1.4%
Net profit	3.1	10.3	12.5	13.4	15.2	15.6
Cash flow statement (EURm)						
CF from operations	15.3	-1.2	10.0	14.5	17.0	17.8
Capex	-0.6	-0.7	-0.6	-7.5	-5.3	-4.1
Maintenance Capex	0.0	0.0	0.0	1.2	1.8	2.0
Free cash flow	14.7	-1.9	9.4	7.0	11.7	13.8
Balance sheet (EURm)						
Intangible assets	2.7	2.4	3.9	5.8	7.7	9.6
Tangible assets	8.8	8.7	9.3	13.7	15.4	15.5
Shareholders' equity	18.5	29.6	38.1	47.2	58.1	68.7
Pension provisions	8.8	8.8	9.3	9.6	9.9	10.1
Liabilities and provisions	22.6	30.5	30.5	31.9	32.3	32.6
Net financial debt	-14.4	-14.8	-19.4	-22.2	-29.5	-38.3
w/c requirements	-7.8	6.4	-2.4	-1.9	-1.5	-1.5
Ratios						
ROE	17.3%	35.1%	32.6%	28.3%	26.2%	22.7%
ROCE	11.9%	23.4%	21.3%	21.0%	21.0%	19.2%
Net gearing	-78.0%	-49.9%	-51.0%	-47.0%	-50.8%	-55.8%
Net debt / EBITDA	-2.6x	-1.0x	-1.2x	-1.2x	-1.4x	-1.7x

Source: Company data; mwb research

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Company	Disclosure
HMS Bergbau AG	2,8

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