Nordea

Commissioned Equity Research

Flash comment

24 April 2023

Commissioned research: Agilyx – Collaboration announced with BioBTX for production of circular aromatic chemicals

Marketing material commissioned by Agilyx

Agilyx has announced this morning that they have entered into a strategic collaboration with BioBTX, which includes a commercial demonstration plant for the production of renewable aromatic chemicals. BioBTX is a circular chemistry technology developer that enables the replacement of fossil resources by biomass and plastic waste. The collaboration will include utilizing Agilyx's technology/equipment in the facilities which will convert difficult to recycle, post-use plastics, alongside BioBTXs catalytic technology to convert pyrolysis vapours into aromatic chemicals.

We see today's announcement as a positive for Agilyx for several reasons. First, the announcement marks another facility into development with a new partner, whereby we expect construction fees coming through in the next 12-18 months (thus de-risking our top-line estimates). Second, we note the conversion pathway being the production of renewable aromatic chemicals (benzene, toluene, xylene), which highlights the robustness/versatility of Agilyx's technology and brings with it a large addressable market (Aromatic chemicals are one of the fundamental building blocks of the chemical industry, accounting for 40% of total petrochemicals by volume and worth USD 200bn/year according to the company). Going forward, the company will deliver its FY results tomorrow (25 April) – click here to tune into the presentation.

SUMMARY TABLE - KEY FIGURES

USDm	2019	2020	2021	2022E	2023E	2024E
Total revenue	0	4	5	16	40	78
EBITDA (adj)	0	-6	-15	-20	-13	-6
EBIT (adj)	0	-7	-16	-20	-14	-7
EBIT (adj) margin	n.m.	-154.3%	-321.1%	-127.9%	-34.7%	-9.6%
EPS (adj, USD)	n.a.	-0.14	-0.22	-0.26	-0.18	-0.10
EPS (adj) growth	n.a.	n.a.	-59.6%	-21.0%	31.2%	42.5%
DPS (ord, USD)	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	76.6	61.1	13.8	5.8	3.1
EV/EBIT (adj)	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.
P/E (adj)	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.
P/BV	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.
Dividend yield (ord)	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease adj	n.a.	-2.9%	-5.9%	-6.9%	-6.9%	-4.1%
Net debt	0	-36	-18	-20	-9	-4
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
ROIC after tax	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Source: Company data and Nordea estimates

Completion date: 24/04/2023 09:24:17 CET

Nordea analyst: Elliott Jones

Elliott Geoffrey Peter Jones
Associate Director - Renewables and Cleantech

Nordea | Investment Banking & Equities | Equity Research NO
Tel: +47 48236159 | Mob: +47 48236159
E-mail: elliott.geoffrey.peter.jones@nordea.com
Web: nordeamarkets.com

Nordea Bank Abp, filial i Norge, Essendrops gate 7, PO box 1166 Sentrum, 0107 Oslo, Norway, 920058817 MVA (Norwegian Register of Business Enterprises)
Nordea Bank Abp, Helsinki, Finland, 2858394-9 (Finnish Patent and Registration Office)

Nordea Investment Banking & Equities is the name of the Investment Banking & Equities departments of Nordea Bank Abp.

The information provided herein is intended for the sole use of the intended recipient. The views and other information provided herein are the current views of Nordea Investment Banking & Equities as of the date of this document and are subject to change without notice. The views have been provided solely based on the information made available to Nordea Investment Banking & Equities and for the purposes of presenting the services made available by Nordea Investment Banking & Equities. This notice does not substitute the judgement of the recipient.

Nordea Investment Banking & Equities is not and does not purport to be an adviser as to legal, taxation, accounting or regulatory matters in any jurisdiction. Relevant professional advice should always be obtained before making any investment or credit decision. This document may not be reproduced, distributed or published for any purpose without the prior written consent from Nordea Investment Banking & Equities.

Web: For disclosures and disclaimers, please click this link

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report , is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: https://research.nordea.com/compliance

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp (“Nordea”) research is not “globally branded” research. Nordea research reports are intended for distribution in the United States solely to “major U.S. institutional investors,” as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC (“Nordea Securities”), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea

Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

Analyst Shareholding

Nordea Markets analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Agilyx.

Investment banking transactions

In view of Nordea's position in its markets readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking services to the company/companies