Nordea

Commissioned Equity Research

Flash comment

25 April 2023

Commissioned research: Agilyx – Top-line revenues & Cyclyx volumes tripled y/y – signifies strong demand for Agilyx product

Marketing material commissioned by Agilyx

Agilyx published their FY 2022 report this morning, with USD 16.5m (above NDA expected USD 16m) representing a 237% growth rate y/y, driven by tripling Cyclyx volumes and conversion construction tickets. Down the P&L, an implied 15% gross margin in H2 turned margins positive for the year (3% vs. 2% NDA estimates), while EBITDA remained negative as the company expands its footprint (USD -21.1 vs USD -20.4m NDA estimates). The company also released financial and non-financial KPIs for the first time (see below), with Agilyx conversion revenues 42% higher than we expected (Cyclyx revenues 5% below). The company's non-financial KPIs show Cyclyx volumes were 3x higher than 2021 levels, with Cyclyx now having 37 members. Cash came in at USD 14m, lower than expected, however this was impacted by timing of receipts – the company provided Q1 cash of around USD 12m, highlighting lower cash burn going forward. Other datapoints included the development of the Cyclyx Circularity Centre, whereby the company expects construction to begin in the second half of the year. Going forward, the company re-iterates their targets (USD 200-300m in FY 2026), with the TruStyrenyx partnership yielding tangible results (INEOS Styrolution progressing development of first large scale plant, Shell European project development) as well as other developments (recent BioBTX agreement).

On a first take, we see a strong fundamental report with strong top-line development, gross margins turned vs. H1 levels, Cyclyx demand progressing and more transparency through KPIs. Despite the CCC timing, we argue any negative reaction has been priced in to recent share price performance (down 8% this week, down 11% for the month) – given this we expect a muted to positive share price performance today. The company presents its reports at 09:00 CET – click here to tune in.

Agilyx FY 22: key numbers and items

Agilyx key highlights - USDm	FY 2022	FY 2022E	% change	FY 2021	% change	H2 2022	H2 2022E	% change	H2 2021	% change
Total Revenues	16.5	16.0	3 %	4.9	237 %	8.6	8.1	6 %	4.1	111 %
Gross profit	0.6	0.3	87 %	0.1	804 %	1.3	1.1	25 %	0.5	184 %
Gross margin %	3 %	2 %	1.6pp	1 %	2.2pp	15 %	13 %	2.4pp	11 %	4.0pp
Other costs	-21.6	-20.0	-8 %	-15.5	-40 %	-11.7	-9.1	-28 %	-7.5	-55 %
EBITDA	-21.1	-19.7	-7 %	-15.4	-37 %	-10.4	-9.0	-15 %	-7.4	-40 %
EBITDA margin %	-128 %	-123 %	-4.7pp	-316 %	187.5pp	-1.2	-110 %	-9.8pp	-181 %	61.0pp
Adj. EBIT	-21.9	-20.4	-7 %	-15.7	-39 %	-10.8	-9.4	-15 %	-7.5	-45 %
EBIT margin %	-133 %	-128 %	-5.0pp	-321 %	188.1pp	-1.3	-115 %	-10.3pp	-182 %	56.6pp
Pre-tax profit	-23.4	-19.7	-18 %	-17.2	-36 %	-13.8	-10.2	-36 %	-11.4	-21 %
Net income	-23.4	-19.7	-18 %	-17.2	-36 %	-13.8	-10.2	-36 %	-11.4	-21 %

Financial KPIs	FY 2022	FY 2022E	% change	FY 2021	% change
Agilyx revenues	7.2	5.1	42 %	2.9	42 %
Cyclyx revenues	9.2	9.7	-5 %	1.9	-5 %

Non-financial KPIs	FY 2022	FY 2022E	% change	FY 2021	% change
Agilyx construction capacity	3.3	3.3	0 %	0.0	-
Cyclyx volumes processed	7.6	-	-	2.4	217 %

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

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