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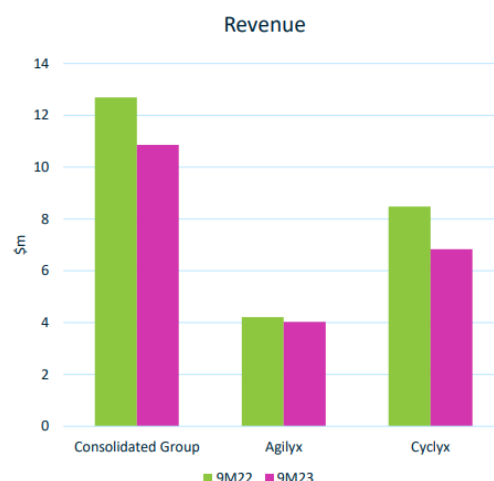
**Commissioned research: Agilyx – L9M revenue down y/y, but continued improvement in gross profit contribution and business model repositioning in place***Marketing material commissioned by Agilyx*

Agilyx released a Q3 update this morning, with the focus being on the company's recent repositioning of its business model. Revenues for the first 9 months came in at USD 10.9m, 14% down y/y, driven by customer facility maintenance affecting the Cyclyx side of the business in 2023. Down the P&L, the company noted continued improvement to gross margin contribution, while a reduction in headcount has resulted in a lower opex base (currently running at around USD 0.6m per month vs. USD 1.8m in H1 2023) which combined with the recent capital raise results in a fully funded business through 2024 (net cash of USD 8.2m in September, which was followed by a USD 20m capital raise in October). Away from the numbers, the company highlighted the recent changes to its business model; on the Agilyx side, the company will focus on waste-to-product applications whereby they are unique (asset-light model set to continue), while on the Cyclyx side the new business model will target construction of sequential cyclyx circularity centres (CCCs) with the first operational next year. Elsewhere, the company confirmed that the first customer plant, Toyo Styrene, remains on track for commissioning in Q1 2024, while the company has repaid their USD 5m bond thus leaving them debt-free.

On a first take, we expect the weaker top-line financials y/y may result in consensus estimate decreases for 2023 as well as share price weakness today (we also note that a deconsolidation of Cyclyx financials out of group financials is expected). However, we highlight several positives that leave our longer-term view on the company's equity story unchanged. On the Cyclyx side, the company's recently secured investment (and new equity partner in LyondellBasell) enables a de-risked rollout, while on the Agilyx side the near-term trigger of Toyo Styrene completion is a point of validation for Agilyx technology. The company will present the Q3 trading update at 08:00 CET – [click here to tune in](#).

## Agilyx: L9M revenues down y/y but continued improvement in gross profit contribution

- Unaudited revenue of \$10.9m down from \$12.7m last year
  - Agilyx revenue driven by Toyo Styrene
  - Cyclyx revenue is lower than PY due to customer facility maintenance in 1H, but volumes ahead of PY in Q3
- Continued improvement in gross profit contribution
- Operating costs forecasted to reduce following cost saving initiatives
  - Net cash of \$8.2m at 30 September (vs \$17.8m PY)
  - Substantially increased following \$20m capital raise in October
  - Opex currently running at c.\$0.6m per month
- Cyclyx will be deconsolidated from November 2023
  - Pro forma P&L is provided as an appendix to the statement



Source: company

### SUMMARY TABLE - KEY FIGURES

USDm	2020	2021	2022	2023E	2024E	2025E
Total revenue	4	5	16	21	57	111
EBITDA (adj)	-6	-15	-21	-18	-10	-4
EBIT (adj)	-7	-16	-22	-19	-12	-5
EBIT (adj) margin	-154.3%	-321.1%	-133.0%	-89.6%	-20.3%	-4.7%
EPS (adj, USD)	-0.14	-0.22	-0.27	-0.25	-0.16	-0.08
EPS (adj) growth	n.a.	-59.6%	-26.1%	9.3%	36.9%	46.6%
DPS (ord, USD)	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	76.6	61.1	17.3	8.1	3.1	1.6
EV/EBIT (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/E (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/BV	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease adj	-2.9%	-5.9%	-6.3%	-15.1%	-9.1%	-4.4%
Net debt	-36	-18	-13	-2	0	-6
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.	-73.0%

Source: Company data and Nordea estimates

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