

6 November 2024

Current Price (A\$)	0.02
Shares in issue (m)	633
Mkt Cap (A\$m)	13
Net debt (A\$m)	-5
EV (A\$m)	8
BVPS (c)	32.2

Share price performance

1m	-13.0%
3m	0.0%
12m	-64.3%
12 m high/low	0.1/0
Ave daily vol (30D)	1,324,167
	-13.0%

Shareholders

Copia Investment	4.1%
Brand Fletcher	3.8%
Spo Equities	2.7%
Carolyn Martin	2.6%
Davies Robert Franci	2.5%
Triglavcanin Garry	2.3%
Garner Paul Charles	1.6%
Copulos Group	0.9%
Northgold Pty Ltd	0.9%
John Todd Morris	0.8%
Total for top 10	22.2%
Free float	80.4%
Source: Bloomberg	01 Oct 24

Next news Q1 Update

Business description

Hydrogen shipping and project developer



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RAISE PROVIDES SUPPORT

Today's announced A\$1.5m raise appears well supported and along with the A\$2.5m still undrawn from the convertible bond facility gives the company funds to progress both the development of hydrogen and CO2 supply chains in Europe and fund preparations for the restart of the prototype tank programme.

A\$1.5m Equity Raise at A\$0.2 per Share

Provaris has completed a A\$1.5m equity raise at A\$0.2 per share. The raise has been supported by both existing and new institutional and corporate investors with directors also subscribing for A\$125,000. The raise will support continued development of the Provaris compressed hydrogen and CO2 transport solution in Europe and also fund preparations for the restart of the prototype tank programme.

Provides Support Alongside Convertible

The recent quarterly report showed the company with A\$714,000 in cash at the end of September so the raise is helpful although the company also has A\$2.5m of the A\$3m convertible bond facility undrawn so there is more than sufficient cash for the time being. We have already assumed an element of new equity raise in our forecasts so these remain unchanged.

A\$,000 June	2022a	2023a	2024a	2025e	2026e	2027e
Sales	367	586	255	0	0	0
EBITDA	-6,342	-12,200	-6,222	-6,723	-6,891	-2,000
PBT	-6,758	-12,407	-6,135	-6,723	-13,685	-25,843
EPS	-13.2	-24.2	-1.1	-0.7	-0.6	-0.5
CFPS	-9.4	-12.8	-1.1	-0.7	-17.6	-16.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	-11,617	-5,070	-457	-249	219,087	562,093
(Cash)						
Debt/EBITDA	2	0	0	0	-32	-281
P/E	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	1.8	0.4	0.1	0.0	-31.8	-281.1
EV/sales	na	na	na	na	na	na
FCF yield	-468.6%	-640.0%	-55.1%	-33.8%	-878.6%	-810.1%
Div yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

FINANCIAL MODEL

Profit and Loss Account

AU\$,000, Dec	2022a	2023e	2024a	2025e	2026e	2027e
Turnover						
Project income	367	586	255	0	0	0
Central costs and fees	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	367	586	255	0	0	0
Operating profit						
Project income	367	586	-2,314	0	0	0
Central costs and fees	-7,125	-12,993	-3,908	-6,723	-6,891	-2,000
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Operating profit	-6,758	-12,407	-6,222	-6,723	-6,891	27,950
P&L Account	2022a	2023a	2024a	2025e	2026e	2027e
Turnover	367	586	255	0	0	0
Operating Profit	-6,758	-12,407	-6,222	-6,723	-6,891	-2,000
Investment income	0	0	0	0	0	0
Net Interest	0	0	87	0	-6,795	-23,843
Pre Tax Profit (UKSIP)	-6,758	-12,407	-6,135	-6,723	-13,685	-25,843
Goodwill amortisation	0	0	0	0	0	0
Exceptional Items	0	0	0	0	0	0
Pre Tax Profit (IFRS)	-6,758	-12,407	-6,135	-6,723	-13,685	-25,843
Tax	0	0	0	0	0	0
Post tax exceptionals	0	0	0	0	0	0
Minorities	0	0	0	0	3,397	11,921
Net Profit	-6,758	-12,407	-6,135	-6,723	-10,288	-13,921
Dividend	0	0	0	0	0	0
Retained	-6,758	-12,407	-6,135	-6,723	-10,288	-13,921
EBITDA	-6,342	-12,200	-6,222	-6,723	-6,891	-2,000
EPS (p) (UKSIP)	-13	-24	-1	-1	-1	0
EPS (p) (IFRS)	-13	-24	-1	-1	-1	0
FCFPS (p)	-9	-13	-1	-1	-18	-16
Dividend (p)	0	0	0	0	0	0

Source: Company data, Longspur Research estimates

KEY POINTS

- No modelled grant income from 2024 and then first revenues from the first Norwegian project in 2028
- This then builds beyond the forecast period presented above

Balance Sheet

AU\$,000, Dec	2022a	2023a	2024a	2025e	2026e	2027e
Fixed Asset Cost	1	0	0	0	298,660	768,781
Fixed Asset Depreciation	0	0	0	0	0	0
Net Fixed Assets	1	0	0	0	298,660	768,781
Goodwill	0	0	0	0	0	0
Other intangibles	5,386	0	0	0	0	0
Investments	0	0	0	0	0	0
Stock	0	0	0	0	0	0
Trade Debtors	0	0	0	0	0	0
Other Debtors	343	159	483	483	483	483
Trade Creditors	-771	-782	-571	-585	-600	-600
Other Creditors <1yr	0	0	-12	-12	-12	-12
Creditors >1yr	0	0	0	0	0	0
Provisions	-62	-115	-129	-129	-129	-129
Pension	0	0	0	0	0	0
Capital Employed	4,897	-738	-229	-243	298,403	768,524
Cash etc	11,617	5,070	744	249	-10,024	-37,535
Borrowing <1yr	0	0	0	0	0	0
Borrowing >1yr	0	0	287	0	209,062	524,558
Net Borrowing	-11,617	-5,070	-457	-249	219,087	562,093
Share Capital	85,812	85,901	21,078	316,532	2,352,852	5,558,222
Share Premium	0	0	0	-288,955	2,280,475	5,415,326
Retained Earnings	-73,019	-85,426	-24,812	-31,535	-38,426	-40,426
Other	3,721	3,856	3,963	3,963	3,963	3,963
Minority interest	0	0	0	0	41,402	99,999
Capital Employed	4,897	-738	-229	-243	298,403	768,524
Net Assets	16,514	4,332	229	6	79,316	206,431
Total Equity	16,514	4,332	229	6	79,316	206,431

Source: Company data, Longspur Research estimates

KEY POINTS

- We have assumed capex commences in FY26 with spend on electrolyzers and part payments on vessels however this can be brought leftwards into 2025 to arrange long lead items
- This has a corresponding rise in net debt and equity with the associated funding required for the capex

Cashflow

AU\$,000, Dec	2022a	2023a	2024a	2025e	2026e	2027e
Operating profit	-6,758	-12,407	-6,222	-6,723	-6,891	-2,000
Depreciation	416	207	0	0	0	0
Provisions	0	0	0	0	0	0
Other	1,159	5,388	255	0	0	0
Working capital	376	248	-380	14	15	0
Operating cash flow	-4,807	-6,565	-6,348	-6,708	-6,876	-2,000
Tax paid	0	0	0	0	0	0
Capex (less disposals)	0	0	0	0	-298,660	-470,121
Investments	0	0	0	0	0	0
Net interest	0	0	-4	0	-3,397	-11,921
Net dividends	0	0	0	0	0	0
Residual cash flow	-4,807	-6,565	-6,352	-6,708	-308,933	-484,042
Equity issued	9,823	0	1,775	6,500	44,799	70,518
Change in net borrowing	0	6,547	4,613	208	219,335	343,006
Adjustments	38	0	-36	0	0	0
Total financing	9,861	6,547	6,352	6,708	264,134	413,524

Source: Company data, Longspur Research estimates

KEY POINTS

- Cash outflows for project and administration costs until FY26 when capex commences
- Assumed raises in FY25, FY26 and FY27 assuming there is no farmout of projects and a portion of these are equity funded.

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