

Company Profile

Corporate Events

Buy

Recommendation unchanged

Share price: GBp 4.40

closing price as of 24/03/2025

Target price: GBp 7.80

Target Price unchanged

Upside/Downside Potential 77.3%

Reuters/Bloomberg SAVS.L|SAV LN

Market capitalisation (GBPm) 104

Current N° of shares (m) 2,353

Free float 56%

Daily avg. no. trad. sh. 12 mth (k) 3,083

Daily avg. trad. vol. 12 mth (k) 1,970.94

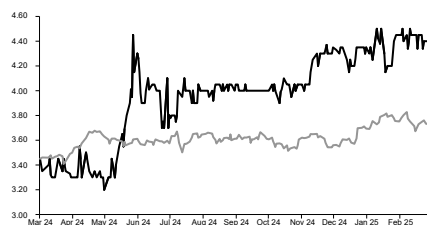
Price high/low 12 months 4.50 / 3.20

Abs Perfs 1/3/12 mths (%) -1.12/1.15/37.50

Key financials (GBP)	12/23	12/24e	12/25e
Sales (m)	0	0	0
EBITDA (m)	(4)	(3)	(3)
EBITDA margin	nm	nm	nm
EBIT (m)	(4)	(3)	(3)
EBIT margin	nm	nm	nm
Net Profit (adj.)(m)	0	0	0
ROCE	-19.3%	-12.4%	-9.6%
Net debt/(cash) (m)	(10)	(13)	(9)
Net Debt/Equity	-0.3	-0.3	-0.2
Debt/EBITDA	2.7	3.6	2.6
Int. cover(EBITDA/Fin. int)	33.0	high	high
EV/Sales	nm	nm	nm
EV/EBITDA	nm	nm	nm
EV/EBITDA (adj.)	nm	nm	nm
EV/EBIT	nm	nm	nm
P/E (adj.)	nm	nm	nm
P/BV	nm	nm	nm
OpFCF yield	-6.3%	-13.8%	-11.1%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	0.00	0.00	0.00
BVPS	0.02	0.02	0.02
DPS	0.00	0.00	0.00

Shareholders

AMG Lithium 16%; Al Marjan LTD 13%; Mário Ferreira 9%; Slipstream Resources International PTY LTD 3%; Grupo Lusiaves 3%;



Source: FactSet

— SAVANNAH RESOURCES — FTSE All Share (Rebased)

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Barroso is now a Strategic Project for the EU

The facts: The European Commission designated, for the first time, a list of 47 Strategic Projects across the Union to boost domestic strategic raw materials capacity. Savannah's Barroso Project is one of the 47 projects, highlighting the material importance of the project to the European Union in securing a higher degree of independence in the sourcing of key critical raw materials.

Our analysis: According to the Commission, the definition of these new Strategic Projects marks an important milestone in the implementation of the Critical Raw Material Act (CRMA), with the aim of reaching European extraction, processing and recycling of strategic raw materials levels of 10%, 40% and 25% of demand in the European Union, respectively. These projects are in 13 EU members, with Portugal harbouring 4 projects: (i) Barroso (Extraction, battery grade lithium), (ii) Romano (Extraction, battery grade lithium), (iii) Lift One (Processing, battery grade lithium) and (iv) Neves Corvo (Integrated, copper). In Spain, two more extraction projects that aim to produce battery grade lithium are also included. The Strategic Projects include 14 of the 17 strategic raw materials listed in the CRMA, including lithium (22 projects), nickel (12 projects), cobalt (10 projects), manganese (7 projects) and graphite (11 projects).

With the designation of Strategic Project comes important benefits, namely the coordinated support by the European Commission, Member States and financial institutions to become operational. This includes support in accessing funds and connecting with relevant off-takers. In addition, the Strategic Projects also enjoy from streamlined permitting provisions, helping to increase visibility for the promoters of the projects. In accordance with the CRMA, the permit-granting process will not exceed 27 months for extraction projects (in which the Barroso Project is included) and 15 months for other projects (a significant improvement from the current permitting processes that can last from five to ten years).

Conclusion & Action: This is a significant step for the investment case of the Barroso Project and that of Savannah. It highlights the strategic importance of the resource and the need to develop it, thus helping to secure a higher degree of European independence in terms of the supply chain of critical materials. Despite the development of new lithium extraction project around the world, the main sources of lithium exports are Australia (hard rock) and South America (brines), while several other critical materials that are used in battery cell manufacturing sourced from other regions of the world. Processing capacity is still mainly concentrated in China. The dimension of the Barroso resource is such that it should be a key part of the European strategy to enhance security of supply of lithium. Support from the Commission and Member States in accessing funds and a more streamlined permitting process, should greatly enhance the project's visibility to investors and support valuation. We reiterate our Buy recommendation.