

Savannah Resources



Sponsored Research

United Kingdom | Basic Resources

Analysed

2 July 2025

Company Profile

Corporate Events

Buy

Recommendation unchanged

Share price: GBp 3.60

closing price as of 01/07/2025

Target price: GBp 5.70

from Target Price: GBp 7.80

Upside/Downside Potential 58.3%

Reuters/Bloomberg

SAVS.L/SAV LN

Market capitalisation (GBpm) 83

Current N° of shares (m) 2,309

Free float 52%

Daily avg. no. trad. sh. 12 mth (k) 3,271

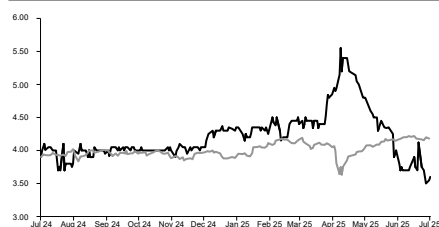
Daily avg. trad. vol. 12 mth (k) 3,649.73

Price high/low 12 months 5.55 / 3.50

Abs Perfs 1/3/12 mths (%) -10.00/-26.23/-7.69

Key financials (GBP)	12/24	12/25e	12/26e
Sales (m)	0	0	0
EBITDA (m)	(5)	(4)	(4)
EBITDA margin	nm	nm	nm
EBIT (m)	(5)	(4)	(4)
EBIT margin	nm	nm	nm
Net Profit (adj.)(m)	0	0	0
ROCE	-21.8%	-18.1%	-18.1%
Net debt/(cash) (m)	(17)	(16)	(12)
Net Debt/Equity	-0.4	-0.4	-0.3
Debt/EBITDA	3.7	3.7	2.7
Int. cover(EBITDA/Fin. int)	17.9	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	-4.3%	-7.5%	-5.1%
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 12%; Grupo Lusiaves 10%;
Mário Ferreira 10%;

Source: FactSet

SAVANNAH RESOURCES FTSE All Share (Rebased)

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Valuation update

The facts: We update the valuation of Savannah following the report of the 2024 annual statements and the recent GBP 4.8m capital increase.

Our analysis: We maintained almost all our main assumptions depicted in the last valuation update (July 2024), with the only major differences being the one-year delay in the first production year (now 2028) and the P/NPV. The sector has been hurting due to the decline of lithium prices to lows not seen since 2021, following excess of supply and high levels of inventories. The impact is felt across the industry, but more visibly in non-integrated higher cost producers (many from China), pushing down market valuations and hurting investor sentiment on the sector. Savannah's Barroso project is developing according to plan, with DFS supporting drilling reporting positive preliminary results for the expansion of the company's mineral resource estimate. Completion of DFS is expected until the end of 2025, with the project's financing closing in 2026 (along with potential additional strategic partnerships). The company expects start of construction in 2026 and the beginning of operations closer to the end of 2027, but we assume production only in 2028. The NPV does not materially change over our previous valuation, but we applied a lower P/NPV given the bearish sentiment on the sector.

Conclusion & Action: We believe that the current price level of Savannah is an attractive entry point to the Barroso project. Barroso continues to be one of the best alternatives in Europe in terms of lithium production, given the size and quality of its resource, but also the competitive level of operating costs.

