

November 21, 2022

Price (as of close on Nov 21, 2022)

\$1.90Rating
BuyPrice Target
\$3.50Jim Marrone, CFA
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research@singularresearch.com**Company Description**

Dynacor Group is an industrial gold ore processor with operations in Peru along with exploration assets in the region. The Company's business model is based on processing of ore purchased from the ASM (artisanal and small-scale mining) industry and selling the extracted gold and silver in the market.

Dynacor Group Inc. (DNGDF): FY:22 Guidance Reaffirmed; Maintain Buy

Q3:22 results were impacted by lower ore grade and subdued gold prices. However, management reaffirmed its FY:22 guidance. We reduce our target price to \$3.50 per share (earlier \$3.75) and reiterate our **Buy** rating.

52-Week Range	\$1.00 – \$2.80	Total Debt	\$0.0 mil
Share Outstanding	38.8 million	Debt/Equity	0.0%
Insider/Institutional	5.9% / 14.7%	ROE (LTM)	17.0%
Public Float	35.7 million	Book Value/Share	\$1.9
Market Capitalization	\$73.6 million	Daily Volume (3 mo. Avg.)	2,300

FYE DEC	FY 2021A	FY 2022E		FY 2023E	
EPS (\$)	ACTUAL	CURRENT	PREVIOUS	CURRENT	PREVIOUS
Q1 Mar	\$0.05A	\$0.13A	\$0.13A	\$0.08E	\$0.08E
Q2 Jun	\$0.05A	\$0.06A	\$0.06A	\$0.07E	\$0.09E
Q3 Sep	\$0.09A	\$0.02A	\$0.06E	\$0.08E	\$0.09E
Q4 Dec	\$0.10A	\$0.06E	\$0.07E	\$0.09E	\$0.09E
Year*	\$0.30A	\$0.28E	\$0.32E	\$0.32E	\$0.35E
P/E Ratio	6.4x	6.8x		5.9x	
Change	169.7%	-6.5%		16.2%	

FYE DEC	FY 2021A	FY 2022E		FY 2023E	
Revenue (\$ mil.)	ACTUAL	CURRENT	PREVIOUS	CURRENT	PREVIOUS
Q1 Mar	\$40.9A	\$50.0A	\$50.0A	\$52.8E	\$55.0E
Q2 Jun	\$42.7A	\$53.9A	\$53.9A	\$54.6E	\$56.2E
Q3 Sep	\$61.9A	\$46.0A	\$52.3E	\$56.4E	\$57.5E
Q4 Dec	\$50.2A	\$50.2E	\$53.6E	\$58.3E	\$58.5E
Year*	\$195.9A	\$200.3E	\$209.9E	\$222.3E	\$227.2E
Change	92.9%	2.3%		11.0%	

* Numbers may not add up due to rounding.

* All numbers are non-GAAP.

Q3:22 Highlights

- Q3:22 revenues were \$46.0 million, down 25.7% compared to Q3:21 due to lower ore grades and lower gold prices.
- Dynacor processed a volume of 37,410 tonnes of ore, up 3.1% YOY. Despite this amount, gold equivalent production declined 14.5% YOY to 27,252 AuEq ounces.
- Q3:22 gross profit was \$4.5 million, down 43% YOY. The gross margin was 9.8%, ~290 bps lower compared to the prior year's quarter.
- EBITDA at \$3.8 million, down 47.2% compared to the prior year's period. EBITDA margin was ~8.3%, down 330 bps compared to 11.6% in Q3:21.
- Net income was \$0.8 million versus net income of \$3.5 million in Q3:21. Diluted EPS was \$0.02 versus \$0.09 in Q3:21.
- Dynacor expects FY:22 sales between \$200-\$220 million and net income between \$11-\$13 million.
- We reduce our target price to \$3.50, with an implied capital appreciation potential of 84%. We reiterate our Buy rating.

PRIMARY RISKS

- The Company operates in highly cyclical industries, such as the energy or infrastructure transportation markets which could cause significant volatility in earnings.
- Difficulties with integrating acquisitions could adversely affect operating costs and expected benefits from those acquisitions.

Please refer to the end of this report to obtain important disclosure information.

INVESTMENT THESIS

Dynacor is targeting further expansion of its Veta Dorada processing plant (currently at 430 tons per day), which should result in higher gold production and strong cash flows. With this expansion and production capability, Dynacor is well-positioned for continued growth in the ASM ore-processing business through 2022 and beyond. Dynacor is a monthly dividend paying company. The dividend has been consistently growing over the last four years. The firm has increased the dividend to \$0.025 in Q3:22. The current annualized dividend yield is 3.8%. Dynacor trades at an enterprise value of \$538 per ounce, which is at a significant discount to the peer group average despite strong cash flows.

QUARTERLY SUMMARY – Q3:22

- **Revenues down 25.7% vs. prior year.** Total revenues declined by 25.7% YOY to \$46.0 million in Q3:22 compared to \$61.9 million in the prior year's quarter. The revenues were below expectations due to lower ore grades delivered to the plant and lower market gold prices. Dynacor processed a volume of 37,410 tonnes of ore, up 3.1% YOY. Despite this amount, gold equivalent production declined to 27,252 AuEq ounces, compared to 31,889 AuEq ounces in Q3:21 due to lower ore grades. The average market gold price during Q3:22 was \$1,728/oz, versus \$1,789/oz in Q3:21. Dynacor realized an average gold selling price of \$1,719/oz in Q3:22 (vs. \$1,775/oz in Q3:21), while the average cash cost of sales was \$1,522/oz in Q3:22 (vs. \$1,533/oz in Q3:21).
- **Gross profit amounted to \$4.5 million** or 9.8% of sales in Q3:22 compared to \$7.9 million (12.7% of sales) in Q3:21. The decline in gross profit was due to lower ore grades and unfavorable gold market prices. Gross profit per AuEq ounce was \$169, compared to \$225 in Q3:21.
- **EBITDA at \$3.8 million**, down 47.2% compared to \$7.2 million in the prior year's period due to lower revenue as well as lower gross margin. The EBITDA margin was ~8.3%, down 330 bps compared to 11.6% in the prior year's quarter.
- **Net income at \$0.8 million**, or \$0.02 per diluted share versus a net income of \$3.5 million or \$0.09 per diluted share in Q3:21. The net income was impacted by reduced gross margin and higher tax expense.
- **Total Q3:22 dividend at C\$0.025**, an increase of 25% compared to C\$0.020 in the prior year's period. Based on the annualized dividend of C\$0.10 per share, the implied dividend yield is 3.8% based on the current market price of C\$2.62 as of November 18, 2022.
- **FY:22 guidance.** Dynacor expects FY:22 sales to be in the range of \$200-\$220 million, implying a growth of 4%-14% over 2021. Net income is expected to be between \$11-\$13 million (\$0.28-\$0.33 per share).

VALUATION AND RECOMMENDATION

We value Dynacor using industry peer companies (EV/Production multiple) blended with our Discounted Cash Flow (DCF) valuation to derive a fair value target price for the Company.

We are valuing Dynacor using an EV/Production multiple. Dynacor trades at an enterprise value (EV) of just \$404 per annual production ounce (oz.) compared to ~\$1,673 per ounce for the peer group average. We have primarily taken gold producers in Latin America as Dynacor's peer group. We believe this discount should narrow given Dynacor's strong profitability track record (11 consecutive years of positive net income) and the ongoing expansion of its processing capacity. Dynacor now has nearly the same processing capacity as its close rival, Inca One. We value Dynacor at an EV to Production multiple of \$1,004/oz. Applying this multiple to the 2023 Production estimate of 122,593 ounces results in a price of U.S.\$3.69, which is discounted back at our cost of capital to arrive at target price of U.S.\$3.26.

Exhibit 1: Gold Sales and Gold Price – Our Estimates

	2018	2019	2020	2021	2022E	2023E
Gold Sales (oz)	82,893	73,643	57,344	109,303	111,531	122,593
Growth (%)	1%	-11%	-22%	91%	2%	10%
Gold Price (\$/oz)	\$1,262	\$1,392	\$1,771	\$1,792	\$1,796	\$1,813

Source: Dynacor Group Inc. and Singular Research

We weight the other 50% of our target using our Discounted Cash Flow target. Our DCF model uses our forecasted free cash flow to the firm over one year, and then grows EBIT at a 6% rate over years two through eight and at 3% thereafter. We apply a weighted average cost of capital of 12.9%. Our DCF produces a value of U.S.\$3.33.

The combination of U.S.\$3.26 at 50% and U.S.\$3.33 at 50% results in a weighted average price target of U.S.\$3.30, which we round up to U.S.\$3.50.

The exhibit below summarizes our peer group multiples, while the DCF is included at the end of this report.

Exhibit 2: Dynacor Group Inc. Peer Group Multiples and Price Targets

Company Name	Ticker	Last Price	Shares o/stand (MM)	Market Cap (\$MM)	Price-to-Sales TTM	Price-to-Book TTM	Trailing P/E	Forward P/E	EV/Prod (\$/oz)
Mako Mining Corp	MKO	C\$ 0.15	657.23	\$ 73.94	1.14	3.41	90.38	NM	1,883
Mineros SA	MSA	C\$ 0.75	299.74	\$ 168.60	0.25	0.31	3.68	5.38	518
GCM Mining Corp	GCM	C\$ 3.39	136.06	\$ 345.93	0.89	0.49	4.88	3.26	1,265
Fortuna Silver Mines	FVI	C\$ 4.60	290.18	\$ 1,001.12	1.39	0.72	26.17	17.01	3,025
Industry Averages (ex: negatives)				\$ 397.40	0.92	1.23	31.28	8.55	1,673
Dynacor Group Inc.	DNGDF	\$ 1.90	38.8	\$ 73.63	0.44	1.21	6.37	NM	404
DNGDF Target Multiples									1,004
FY 2023 (Gold Production in oz)									122,593
FY 2023 Target		\$ 3.69							
2023 Target Discounted		\$ 3.26							

Source: Dynacor Group Inc. and Singular Research

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Rating Definitions

BUY, 30% or greater increase in the next 12 months.

BUY- Long-Term, near-term EPS horizon is challenging, attractive long-term appreciation potential.

HOLD, perform in line with the market.

SELL, 30% or more declines in the next 12 months.

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Technical Analysis



Dynacor Group Inc.
Quarterly Results & Estimates
US\$ in Millions

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimated					2023 Estimated				
	Fiscal 2018A	Fiscal 2019A	Fiscal 2020A	Fiscal 2021A	1QA Mar-22	2QA Jun-22	3QA Sep-22	4QE Dec-22	Fiscal 2022E	1QA Mar-23	2QE Jun-23	3QE Sep-23	4QE Dec-23	Fiscal 2023E
Total Revenues	\$ 104.65	\$ 102.50	\$ 101.53	\$ 195.91	\$ 50.08	\$ 53.94	\$ 46.00	\$ 50.31	\$ 200.33	\$ 52.80	\$ 54.61	\$ 56.48	\$ 58.39	\$ 222.28
Revenue Growth	2.9%	-2.1%	-0.9%	92.9%	22.4%	26.1%	-25.7%	0.1%	2.3%	5.4%	1.2%	22.8%	16.1%	11.0%
Cost of Sales	\$ 91.48	\$ 89.53	\$ 87.93	\$ 168.85	\$ 42.56	\$ 47.66	\$ 41.49	\$ 44.53	\$ 176.23	\$ 45.93	\$ 48.25	\$ 49.70	\$ 50.51	\$ 194.39
Gross Operating Margin	\$ 13.17	\$ 12.97	\$ 13.61	\$ 27.06	\$ 7.52	\$ 6.28	\$ 4.51	\$ 5.79	\$ 24.11	\$ 6.86	\$ 6.36	\$ 6.78	\$ 7.88	\$ 27.89
Gross margin	12.6%	12.7%	13.4%	13.8%	15.0%	11.7%	9.8%	11.5%	12.0%	13.0%	11.7%	12.0%	13.5%	12.5%
G&A expenses	\$ 4.72	\$ 4.50	\$ 3.94	\$ 5.81	\$ 1.40	\$ 1.76	\$ 1.23	\$ 1.76	\$ 6.14	\$ 2.22	\$ 2.29	\$ 2.37	\$ 2.45	\$ 9.34
Other project expenses	\$ -	\$ 0.16	\$ 0.15	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.10	\$ 0.10	\$ 0.31	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating expenses	\$ 4.72	\$ 4.65	\$ 4.09	\$ 5.84	\$ 1.44	\$ 1.82	\$ 1.33	\$ 1.87	\$ 6.46	\$ 2.22	\$ 2.29	\$ 2.37	\$ 2.45	\$ 9.34
% of sales	4.5%	4.5%	4.0%	3.0%	2.9%	3.4%	2.9%	3.7%	3.2%	4.2%	4.2%	4.2%	4.2%	4.2%
EBITDA	\$ 10.54	\$ 10.73	\$ 11.65	\$ 23.51	\$ 6.77	\$ 5.19	\$ 3.85	\$ 4.53	\$ 20.34	\$ 5.42	\$ 4.87	\$ 5.23	\$ 6.28	\$ 21.79
Operating Profit	\$ 8.45	\$ 8.32	\$ 9.52	\$ 21.21	\$ 6.09	\$ 4.46	\$ 3.18	\$ 3.92	\$ 17.65	\$ 4.65	\$ 4.07	\$ 4.41	\$ 5.43	\$ 18.55
Operating Margin	8.1%	8.1%	9.4%	10.8%	12.2%	8.3%	6.9%	7.8%	8.8%	8.8%	7.5%	7.8%	9.3%	8.3%
Financial Income	\$ 0.04	\$ 0.16	\$ 0.07	\$ 0.02	\$ 0.01	\$ 0.04	\$ 0.13	\$ 0.13	\$ 0.31	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.53
Financial Expense	\$ (0.24)	\$ (0.23)	\$ (0.24)	\$ (0.25)	\$ (0.06)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.27)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.28)
Write-off of exploration and evaluation assets	\$ (0.01)	\$ (0.04)	\$ (0.27)	\$ (0.00)	\$ -	\$ (0.00)	\$ -	\$ -	\$ (0.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign Exchange Loss	\$ (0.31)	\$ (0.10)	\$ (0.11)	\$ (0.34)	\$ (0.02)	\$ (0.07)	\$ (0.13)	\$ (0.13)	\$ (0.34)	\$ -	\$ -	\$ -	\$ -	\$ -
Pretax Income	\$ 7.93	\$ 8.12	\$ 8.96	\$ 20.64	\$ 6.01	\$ 4.37	\$ 3.12	\$ 3.86	\$ 17.36	\$ 4.71	\$ 4.13	\$ 4.47	\$ 5.49	\$ 18.81
Total Income Taxes	\$ 3.11	\$ 2.93	\$ 4.62	\$ 8.86	\$ 0.89	\$ 1.79	\$ 2.32	\$ 1.27	\$ 6.27	\$ 1.41	\$ 1.24	\$ 1.34	\$ 1.65	\$ 5.64
Net Income From Continuing Operations	\$ 4.82	\$ 5.19	\$ 4.33	\$ 11.78	\$ 5.13	\$ 2.58	\$ 0.80	\$ 2.59	\$ 11.09	\$ 3.30	\$ 2.89	\$ 3.13	\$ 3.85	\$ 13.16
Shares for Basic EPS	39.641	39.090	38.843	38.867	38.636	38.738	38.791	38.791	38.791	38.791	38.791	38.791	38.791	38.791
Shares for Diluted EPS	40.144	39.570	39.348	39.652	39.641	39.738	39.561	40.783	40.783	40.783	40.783	40.783	40.783	40.783
EPS Basic	\$ 0.12	\$ 0.13	\$ 0.11	\$ 0.30	\$ 0.13	\$ 0.07	\$ 0.02	\$ 0.07	\$ 0.29	\$ 0.08	\$ 0.07	\$ 0.08	\$ 0.10	\$ 0.34
EPS Diluted	\$ 0.12	\$ 0.13	\$ 0.11	\$ 0.30	\$ 0.13	\$ 0.06	\$ 0.02	\$ 0.06	\$ 0.28	\$ 0.08	\$ 0.07	\$ 0.08	\$ 0.09	\$ 0.32

Dynacor Group Inc.
Balance Sheet
US\$ in Millions

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimated					2023 Estimated				
	Fiscal 2018A	Fiscal 2019A	Fiscal 2020A	Fiscal 2021A	1QA Mar-22	2QA Jun-22	3QA Sep-22	4QE Dec-22	Fiscal 2022E	1QA Mar-23	2QE Jun-23	3QE Sep-23	4QE Dec-23	Fiscal 2023E
	Cash & Equivalents	\$ 13.93	\$ 6.74	\$ 11.87	\$ 27.10	\$ 25.72	\$ 33.15	\$ 31.04	\$ 31.80	\$ 31.80	\$ 28.36	\$ 37.87	\$ 34.98	\$ 36.96
Accounts Receivable	\$ 4.57	\$ 4.73	\$ 8.43	\$ 8.41	\$ 12.36	\$ 8.28	\$ 9.40	\$ 10.28	\$ 10.28	\$ 13.03	\$ 8.38	\$ 11.86	\$ 12.26	\$ 12.26
Inventories	\$ 6.17	\$ 18.30	\$ 13.40	\$ 14.76	\$ 15.10	\$ 11.41	\$ 12.24	\$ 13.39	\$ 13.39	\$ 15.92	\$ 11.55	\$ 15.03	\$ 15.54	\$ 15.54
Prepaid expenses & other assets	\$ 0.12	\$ 0.18	\$ 0.13	\$ 0.14	\$ 0.58	\$ 0.49	\$ 0.32	\$ 0.35	\$ 0.35	\$ 0.62	\$ 0.50	\$ 0.39	\$ 0.40	\$ 0.40
Total Current Assets	\$ 24.80	\$ 29.95	\$ 33.83	\$ 50.41	\$ 53.77	\$ 53.34	\$ 52.99	\$ 55.81	\$ 55.81	\$ 57.93	\$ 58.30	\$ 62.26	\$ 65.16	\$ 65.16
Property & Equipment, net	\$ 22.61	\$ 20.96	\$ 19.68	\$ 20.76	\$ 20.74	\$ 21.15	\$ 21.12	\$ 21.18	\$ 21.18	\$ 21.66	\$ 22.12	\$ 22.54	\$ 22.94	\$ 22.94
Right of use assets	\$ -	\$ 1.56	\$ 0.83	\$ 0.34	\$ 0.30	\$ 0.26	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Exploration & evaluation assets	\$ -	\$ -	\$ 18.51	\$ 18.52	\$ 18.52	\$ 18.54	\$ 18.54	\$ 18.54	\$ 18.54	\$ 18.79	\$ 19.04	\$ 19.29	\$ 19.54	\$ 19.54
Other Assets	\$ 0.13	\$ 3.60	\$ 3.44	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33	\$ 1.33
TOTAL ASSETS	\$ 66.08	\$ 74.81	\$ 76.30	\$ 91.36	\$ 94.66	\$ 94.62	\$ 94.24	\$ 97.12	\$ 97.12	\$ 99.96	\$ 101.04	\$ 105.67	\$ 109.23	\$ 109.23
Trade and other payables	\$ 4.27	\$ 6.34	\$ 7.08	\$ 11.68	\$ 11.93	\$ 11.37	\$ 11.22	\$ 12.27	\$ 12.27	\$ 12.57	\$ 11.51	\$ 13.77	\$ 14.24	\$ 14.24
Bank Loan	\$ -	\$ 3.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current tax liabilities	\$ 0.39	\$ 0.42	\$ 1.12	\$ 2.22	\$ 1.99	\$ 0.33	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Current portion of lease liabilities	\$ 0.44	\$ 0.57	\$ 0.22	\$ 0.11	\$ 0.08	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	\$ 5.10	\$ 10.34	\$ 8.43	\$ 14.01	\$ 14.00	\$ 11.74	\$ 11.41	\$ 12.47	\$ 12.47	\$ 12.77	\$ 11.71	\$ 13.97	\$ 14.44	\$ 14.44
Asset retirement obligations	\$ 3.78	\$ 3.77	\$ 3.60	\$ 3.55	\$ 3.49	\$ 3.48	\$ 3.49	\$ 3.49	\$ 3.49	\$ 3.49	\$ 3.49	\$ 3.49	\$ 3.49	\$ 3.49
Lease liabilities	\$ 0.31	\$ 0.76	\$ 0.48	\$ 0.23	\$ 0.24	\$ 0.22	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Deferred tax liabilities	\$ -	\$ -	\$ 1.04	\$ 1.56	\$ 0.93	\$ 0.91	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24
TOTAL LIABILITIES	\$ 9.19	\$ 14.86	\$ 13.55	\$ 19.35	\$ 18.65	\$ 16.36	\$ 16.35	\$ 17.41	\$ 17.41	\$ 17.71	\$ 16.65	\$ 18.91	\$ 19.38	\$ 19.38
Share Capital	\$ 20.96	\$ 20.63	\$ 21.01	\$ 21.51	\$ 21.81	\$ 22.62	\$ 22.54	\$ 22.54	\$ 22.54	\$ 22.54	\$ 22.54	\$ 22.54	\$ 22.54	\$ 22.54
Contributed Surplus	\$ 3.33	\$ 3.55	\$ 3.48	\$ 3.48	\$ 3.36	\$ 3.14	\$ 3.14	\$ 3.14	\$ 3.14	\$ 3.14	\$ 3.14	\$ 3.14	\$ 3.14	\$ 3.14
Retained Earnings	\$ 4.82	\$ 35.78	\$ 38.25	\$ 47.02	\$ 50.84	\$ 52.50	\$ 52.21	\$ 54.04	\$ 54.04	\$ 56.58	\$ 58.71	\$ 61.08	\$ 64.17	\$ 64.17
TOTAL EQUITY	\$ 56.89	\$ 59.95	\$ 62.74	\$ 72.01	\$ 76.01	\$ 78.26	\$ 77.88	\$ 79.71	\$ 79.71	\$ 82.25	\$ 84.39	\$ 86.76	\$ 89.85	\$ 89.85
TOTAL LIABILITIES & EQUITY	\$ 66.08	\$ 74.81	\$ 76.30	\$ 91.36	\$ 94.66	\$ 94.62	\$ 94.24	\$ 97.12	\$ 97.12	\$ 99.96	\$ 101.04	\$ 105.67	\$ 109.23	\$ 109.23

Dynacor Group Inc.
Cash Flow Statement
US\$ in Millions

	2019 Actual	2020 Actual	2021 Actual	2022 Estimated				2023 Estimated	
	Fiscal	Fiscal	Fiscal	1QA	2QA	3QA	4QE	Fiscal	Fiscal
	2019A	2020A	2021A	Mar-22	Jun-22	Sep-22	Dec-22	2022E	2023E
Net Income	\$ 5.19	\$ 4.33	\$ 11.78	\$ 5.13	\$ 2.58	\$ 0.80	\$ 2.59	\$ 11.09	\$ 13.16
Depreciation	\$ 2.55	\$ 2.51	\$ 2.64	\$ 0.68	\$ 0.79	\$ 0.80	\$ 0.73	\$ 3.00	\$ 3.24
Other	\$ 0.50	\$ 1.64	\$ 0.48	\$ (0.65)	\$ 0.07	\$ 0.34	\$ -	\$ (0.24)	\$ -
Stock Compensation	\$ 0.14	\$ 0.07	\$ 0.17	\$ 0.03	\$ 0.02	\$ 0.01	\$ -	\$ 0.06	\$ -
Subtotal	\$ 8.38	\$ 8.56	\$ 15.07	\$ 5.18	\$ 3.45	\$ 1.96	\$ 3.32	\$ 13.91	\$ 16.41
Receivables - Decrease (Increase)	\$ (0.51)	\$ (3.78)	\$ 0.04	\$ (3.82)	\$ 3.94	\$ (1.17)	\$ (0.88)	\$ (1.94)	\$ (1.99)
Inventories - Dec (Inc)	\$ (15.58)	\$ 4.90	\$ 0.75	\$ (0.34)	\$ 3.69	\$ (0.83)	\$ (1.15)	\$ 1.38	\$ (2.15)
Prepaid Expenses - Dec (Inc)	\$ (0.06)	\$ 0.05	\$ (0.01)	\$ (0.44)	\$ 0.09	\$ 0.18	\$ (0.03)	\$ (0.21)	\$ (0.06)
Current Tax Assets & Liabilities	\$ 0.03	\$ 0.75	\$ 1.15	\$ (0.27)	\$ (1.62)	\$ (0.17)	\$ -	\$ (2.05)	\$ -
Right of use asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trade & Other Payables	\$ 1.86	\$ 0.75	\$ 4.87	\$ 0.16	\$ (0.44)	\$ (0.01)	\$ 1.05	\$ 0.76	\$ 1.97
Other Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Activities - Net Cash Flow	\$ (5.88)	\$ 11.22	\$ 21.87	\$ 0.47	\$ 9.11	\$ (0.04)	\$ 2.31	\$ 11.85	\$ 14.18
Proceeds from Disposal	\$ 0.07	\$ 0.11	\$ 0.23	\$ -	\$ 0.04	\$ 0.05	\$ -	\$ 0.09	\$ -
Purchases of property and equipment	\$ (1.29)	\$ (0.85)	\$ (3.44)	\$ (0.63)	\$ (1.15)	\$ (0.79)	\$ (0.79)	\$ (3.37)	\$ (5.00)
Other Investing Activities	\$ (0.19)	\$ (0.03)	\$ (0.01)	\$ -	\$ (0.02)	\$ -	\$ -	\$ (0.02)	\$ (1.00)
Investing Activities - Net Cash Flow	\$ (1.41)	\$ (0.77)	\$ (3.21)	\$ (0.63)	\$ (1.14)	\$ (0.74)	\$ (0.79)	\$ (3.30)	\$ (6.00)
Interest Paid on Bank Loan	\$ (0.00)	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Loan	\$ 3.00	\$ (3.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayments of borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase of Common Shares	\$ (1.12)	\$ (0.21)	\$ (0.92)	\$ (0.71)	\$ (0.21)	\$ (0.49)	\$ -	\$ (1.40)	\$ -
Dividends	\$ (1.18)	\$ (1.72)	\$ (2.54)	\$ (0.76)	\$ (0.76)	\$ (0.75)	\$ (0.76)	\$ (3.02)	\$ (3.03)
Other	\$ (0.62)	\$ (0.39)	\$ 0.04	\$ 0.21	\$ 0.45	\$ 0.00	\$ -	\$ 0.66	\$ -
Financing Activities - Net Cash Flow	\$ 0.08	\$ (5.33)	\$ (3.41)	\$ (1.26)	\$ (0.52)	\$ (1.23)	\$ (0.76)	\$ (3.77)	\$ (3.03)
Exchange Rate Effect	\$ 0.03	\$ 0.01	\$ (0.01)	\$ 0.04	\$ (0.02)	\$ (0.10)	\$ -	\$ (0.07)	\$ -
Cash and Equivalents - Change	\$ (7.19)	\$ 5.12	\$ 15.23	\$ (1.38)	\$ 7.43	\$ (2.12)	\$ 0.76	\$ 4.70	\$ 5.16
Cash Beginning	\$ 13.93	\$ 6.74	\$ 11.87	\$ 27.10	\$ 25.72	\$ 33.15	\$ 31.04	\$ 27.10	\$ 31.80
Cash End	\$ 6.74	\$ 11.87	\$ 27.10	\$ 25.72	\$ 33.15	\$ 31.04	\$ 31.80	\$ 31.80	\$ 36.96

Dynacor Group Inc.: Valuation

