

Corporate

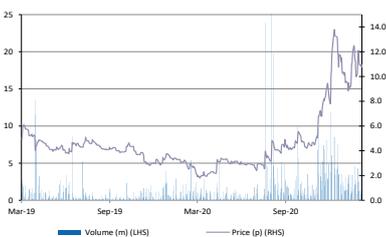
 Current price **10.65p**

 Sector **TMT**

 Code **CPX.L**

 AIM **AIM**

Share Performance



	1m	3m	12m
CPX.L	+16%	+106%	+252%

Source: Thomson Reuters, Allenby Capital

Share Data

 Market Cap (£m) **47.1**

 Shares in issue (m) **456.8**

52 weeks (p)	High	Low
	13.75	1.8

 Financial year end **30 June**

Source: Company Data, Allenby Capital

Key Shareholders

Canaccord Genuity Group	10.83%
Quilter Cheviot	10.62%
Ruffer	4.99%
D Newlands	2.97%
A Kongats	2.19%

Source: Company Data, Allenby Capital

David Johnson

0203 394 2977

d.johnson@allenbycapital.com

www.allenbycapital.com

CAP-XX Ltd (CPX.L)

Strong growth in order book and sales enquiries

Interims from CAP-XX Ltd, the leading designer and manufacturer of prismatic and cylindrical supercapacitors, were in line with the [recent trading statement](#). Group revenue increased 10% to A\$2.1m with Product sales +26% at A\$1.7m. Operating expenses fell and there was a A\$0.8m positive swing in adj. EBITDA to a profit of A\$0.3m. The Murata production lines have gone live at CAP-XX's new facility. Commercial production has started and is being ramped up. The outlook is positive with a current order book double last year's level that spans multiple markets. CAP-XX has also secured several new design wins in wearables, consumer, medical and automotive that should contribute to the order book going forward. The recently announced collaboration around energy harvesting modules with Epishine and ePeas offers an interesting showcase for the functional advantages of supercapacitors and specifically CAP-XX's prismatic products over traditional batteries. No change to forecasts.

— **Financial performance:** H1 revenue +10% to A\$2.1m with product sales +26% to A\$1.7m, in spite of the pandemic related disruption to supply and demand. Licence fees and Royalties down a third to A\$0.4m as anticipated. The change in revenue mix resulted in lower GM (46% vs 55%) but this should recover as production on the Murata lines builds. Operating costs, excluding share based payments and Murata project costs, fell 11% to A\$2.5m, reflecting lower patent infringement expenses and overseas travel, resulting in Adj. EBITDA of A\$0.3m. H1 cash of A\$0.4m benefited from January's receipt of the A\$3.1m R&D tax rebate and we expect a further rebate of c. A\$2.6m at the end of CY21.

— **Operational performance:** CAP-XX successfully commissioned the electrode, DMF and DMT lines during H1 at the new Seven Hills facility within budget in spite of the COVID-19 challenges. Current output and KPIs are on track and production is being gradually increased and incremental improvements made. Commissioning the DMH line is planned for later in 2021 with production starting in 2022. The existing Malaysian manufacturing facility was also impacted by pandemic restrictions but output has been successfully increased. Licensing remains an important revenue stream and CAP-XX will defend its IP vigorously where necessary. The Maxwell Technologies/Tesla litigation continues and CAP-XX is pursuing loxus for damages' payment. Other licensing discussions are ongoing.

— **Outlook:** The current order book is double the same point last year and spans multiple sectors. There were several new design wins in wearables, consumer, medical and automotive in H1, including a global Tier-1 automotive component supplier where CAP-XX is working on a second project as it completes the formal accreditation process. It has also been approved as a supplier with a leading global smart phone manufacturer. Many of these design wins should translate into production orders over time.

Year End: 30 June

(A\$'000)	2017A	2018A	2019A	2020A	2021E
REVENUE	4,142	4,906	3,205	3,588	4,099
EBITDA	-1,197	-1,477	-1,793	-4,447	-2,436
ADJ. EBITDA*	-1,197	-1,567	-1,609	-1,584	-896
ADJ. PBT*	-1,664	-2,533	-2,813	-2,046	-2,321
ADJ. EPS* (c)	-0.59	-0.85	-0.89	-0.54	-0.58
NET CASH	3,887	1,911	2,429	2,895	882
EV/REVENUE (x)	20.5	17.7	27.0	24.0	21.5

Allenby Capital acts as Nomad & Broker to CAP-XX Ltd (CPX.L).

* excludes net Murata project costs, patent infringement and share based expenses.

Disclaimer

Allenby Capital Limited (“Allenby”) is incorporated in England no. 6706681; is authorised and regulated by the Financial Conduct Authority (“FCA”) (FRN: 489795) and is a member of the London Stock Exchange. This communication is for information only it should not be regarded as an offer or solicitation to buy the securities or other instruments mentioned in it. It is a marketing communication and non-independent research and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The cost of Allenby research product on independent companies is paid for by research clients.

This communication is for the use of intended recipients only and only for distribution to investment professionals as that term is defined in article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Its contents are not directed at, may not be suitable for and should not be relied upon by anyone who is not an investment professional including retail clients. Any such persons should seek professional advice before investing. For the purposes of this communication Allenby is not acting for you, will not treat you as a client, will not be responsible for providing you with the protections afforded to clients, and is not advising you on the relevant transaction or stock. This communication or any part of it do not form the basis of and should not be relied upon in connection with any contract.

Allenby uses reasonable efforts to obtain information from sources which it believes to be reliable. The communication has been prepared without any substantive analysis undertaken into the companies concerned or their securities, and it has not been independently verified. No representation or warranty, express or implied is made, or responsibility of any kind accepted by Allenby its directors or employees as to the accuracy or completeness of any information in this communication. Opinions expressed are our current opinions as of the date appearing on this material only and are subject to change without notice. There is no regular update series for research issued by Allenby.

No recommendation is being made to you; the securities referred to may not be suitable for you and this communication should not be relied upon in substitution for the exercise of independent judgement. Neither past performance or forecasts are a reliable indication of future performance and investors may realise losses on any investment. Allenby shall not be liable for any direct or indirect damages including lost profits arising from the information contained in this communication.

Allenby and any company or persons connected with it, including its officers, directors and employees may have a position or holding in any investment mentioned in this document or a related investment and may from time to time dispose of any such security or instrument. Allenby may have been a manager in the underwriting or placement of securities in this communication within the last 12 months, have received compensation for investment services from such companies within the last 12 months, or expect to receive or may intend to seek compensation for investment services from such companies within the next 3 months. Accordingly, recipients should not rely on this communication as being impartial and information may be known to Allenby or persons connected with it which is not reflected in this communication. Allenby has a policy in relation to management of conflicts of interest which is available upon request.

This communication is supplied to you solely for your information and may not be reproduced or redistributed to any other person or published in whole or part for any purpose. It is not intended for distribution or use outside the European Economic Area except in circumstances mentioned below in relation to the United States. This communication is not directed to you if Allenby is prohibited or restricted by any legislation or registration in any jurisdiction from making it available to you and persons into whose possession this communication comes should inform themselves and observe any such restrictions.

Allenby may distribute research in reliance on Rule 15a-6(a)(2) of the Securities and Exchange Act 1934 to persons that are major US institutional investors, however, transactions in any securities must be effected through a US registered broker-dealer. Any failure to comply with this restriction may constitute a violation of the relevant country's laws for which Allenby does not accept liability. By accepting this communication, you agree that you have read the above disclaimer and to be bound by the foregoing limitations and restrictions.

Research Recommendation Disclosure

David Johnson is the author of this research recommendation and is employed by Allenby Capital Limited as an Equity Analyst. Unless otherwise stated, the share prices used in this publication are taken at the close of business for the day prior to the date of publication. Information on research methodologies, definitions of research recommendations, and disclosure in relation to interests or conflicts of interests can be found at www.allenbycapital.com. Allenby Capital acts as Nomad and broker to CAP-XX Ltd.

Allenby Capital, 5 St Helen's Place London EC3A 6AB, +44 (0)20 3328 5656, www.allenbycapital.com