

Super-Spiked

with Arjun Murti

*a messy energy
transition era arrives*

presented by



Profits Over Preaching

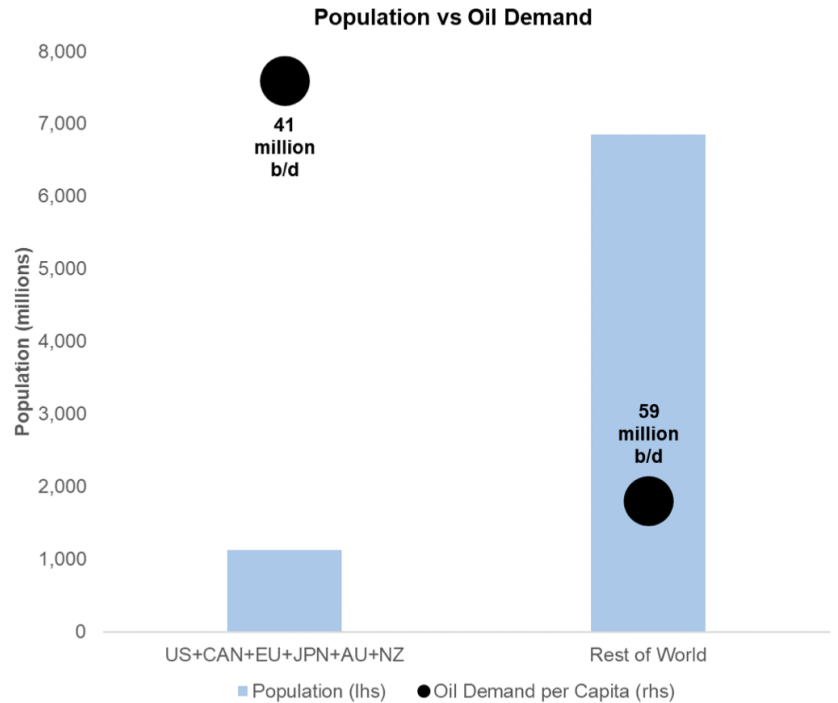
The Energy Transition Needs To Transition

Profits Over Preaching

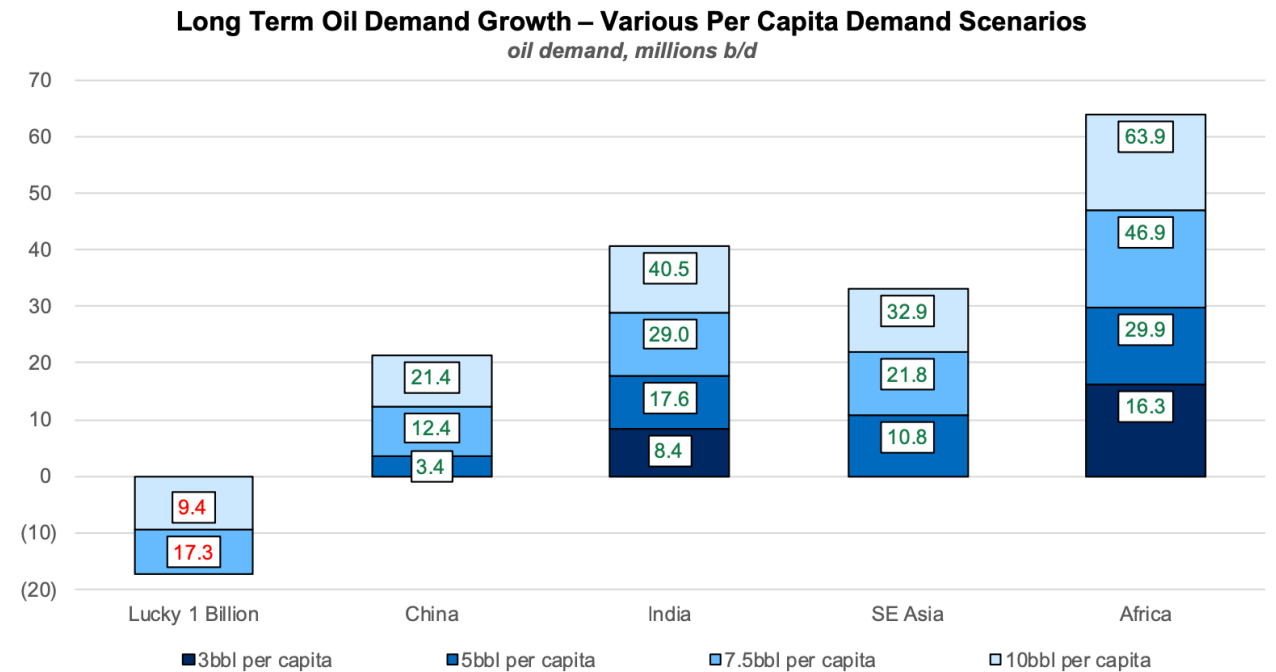
- Developing countries will demand massive amounts of all forms of energy
- Profitability potential will drive investment
- Be wary of Big Government-mandated growth
- Q1: When will “peak oil” supply fears return?
- Q2: What can we infer from XLE o/p ICLN?
- Q3: Are you being polite defending new energy?



(1) When Will "Peak Supply" Fears Return?

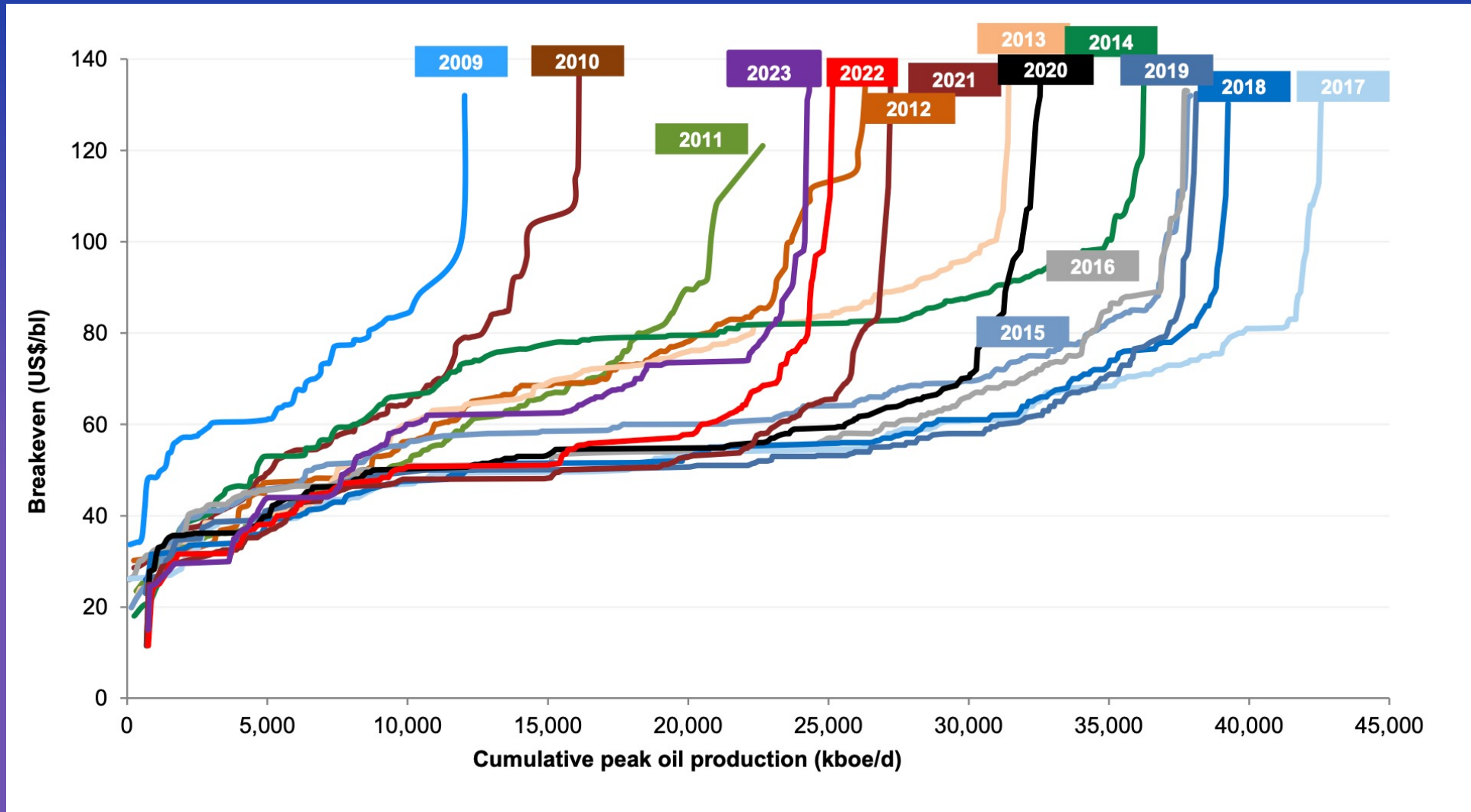


	(US, EU, CAN, JPN, AU, NZ) The Lucky 1 Billion	The 1.4 Billion People Club			
		China	India	SE Asia	Africa
Population (millions)					
2022	1,124	1,426	1,417	1,307	1,427
2050E	1,150	1,313	1,670	1,619	2,485
2022 Oil Demand (mn b/d)	40.9	14.6	5.3	11.4	4.2
2022 Oil Demand per Capita	13.3	3.7	1.4	3.2	1.1



Source: EI Statistical Review of World Energy, IEA, Our World In Data, Veriten.

Oil Cost Curve Steepening



Source: Goldman Sachs Research.

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You Will See It In Back End Oil



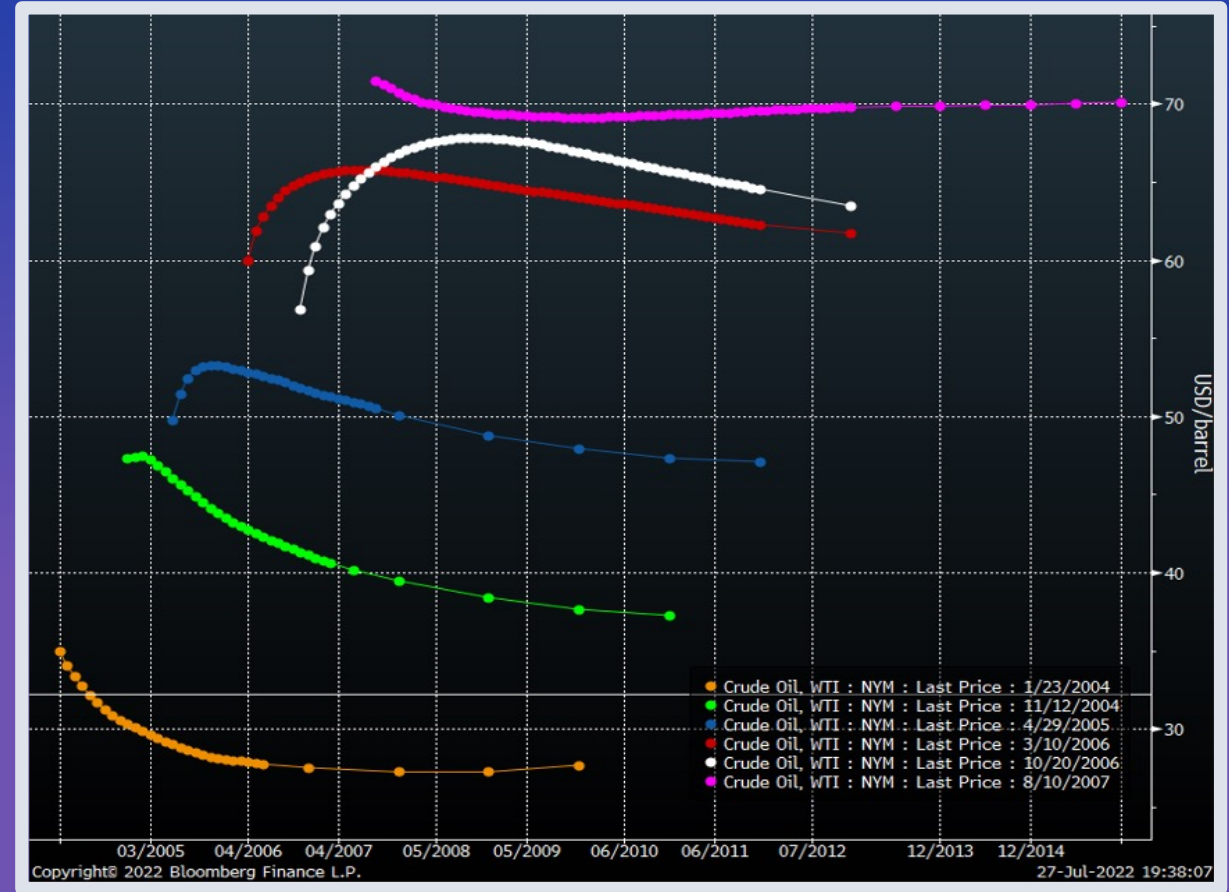
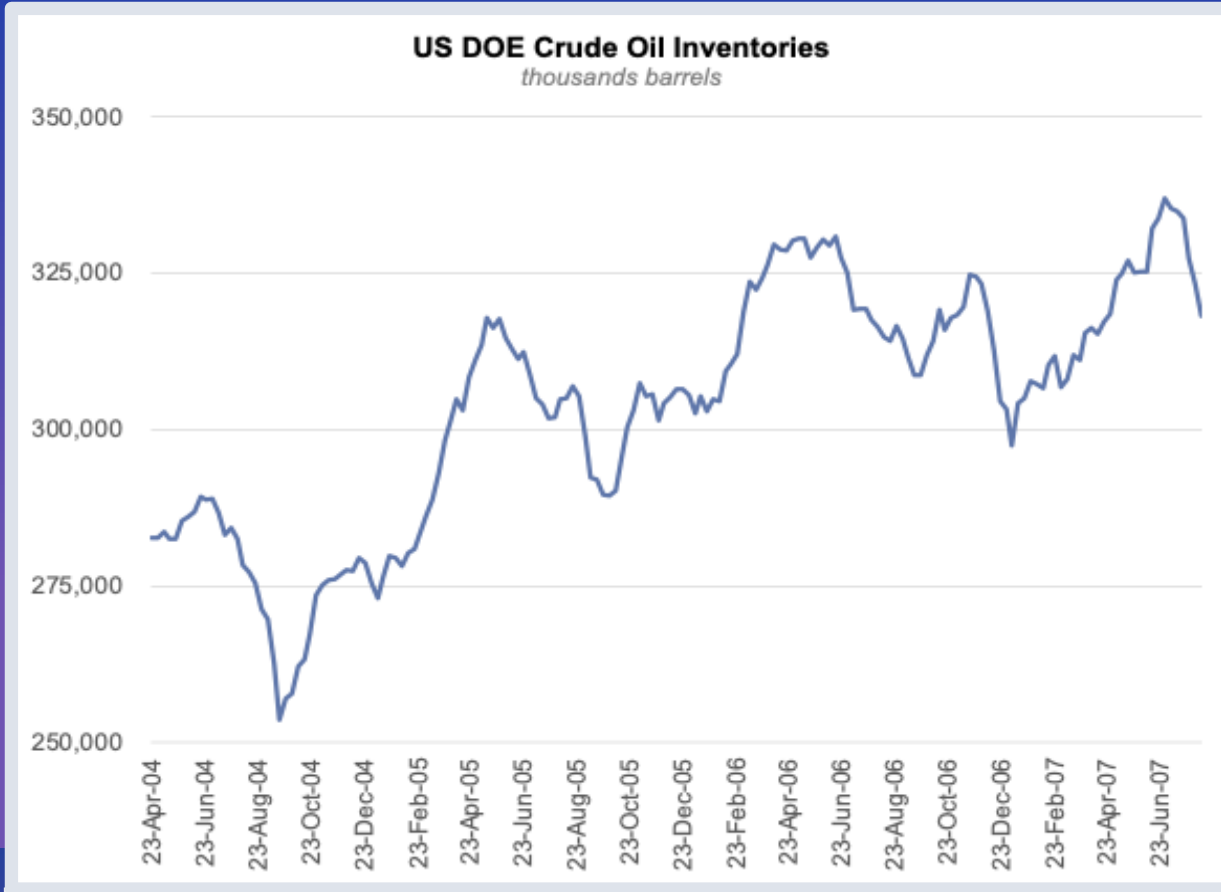
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Source: Bloomberg, Veriten.

Like We Saw In Super-Spike Era



Source: Bloomberg, DOE, Veriten.



(Q2) What Can We Learn From XLE > ICLN?



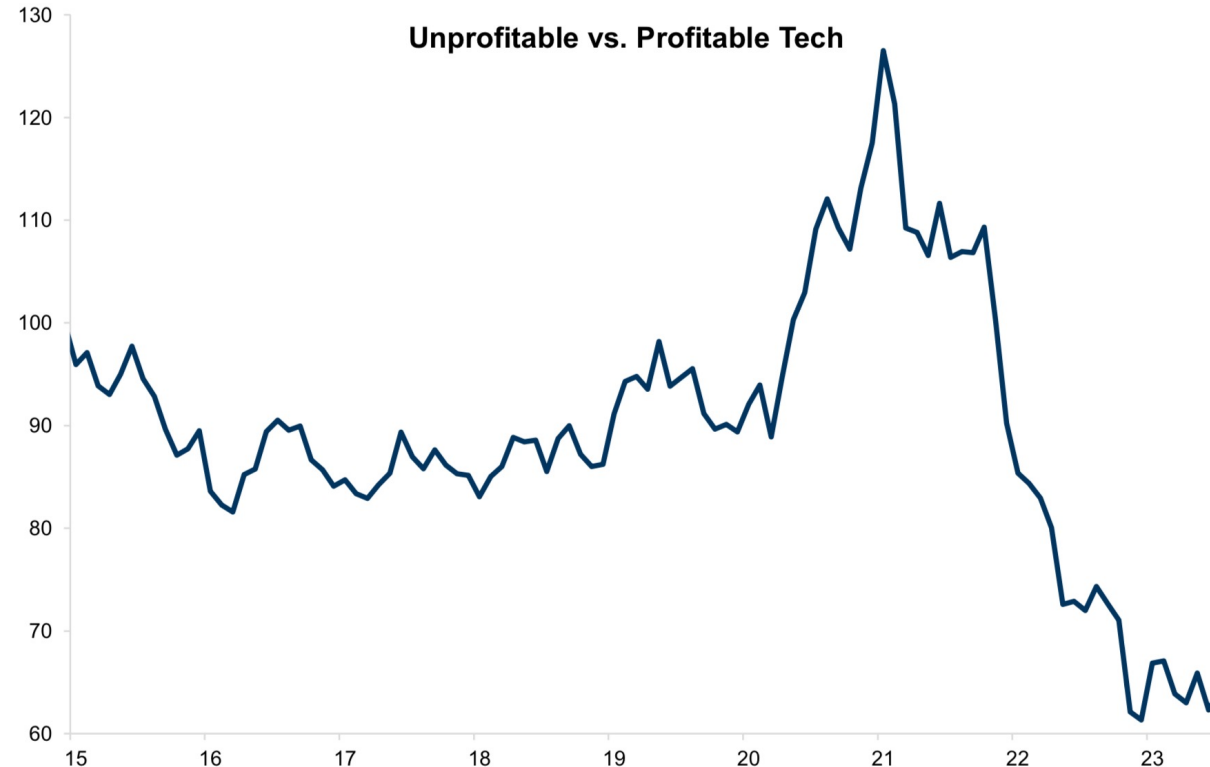
Source: Bloomberg, Veriten.

Unprofitable Tech Now Lagging Badly

Goldman Sachs

Investors have largely differentiated profitable and non-profitable companies

The higher cost of capital has aggressively undermined unprofitable tech's business models and valuations
Unprofitable vs. Profitable Tech. Indexed relative performance



Source: Goldman Sachs Research.



Unprofitable New Energies Getting Hit



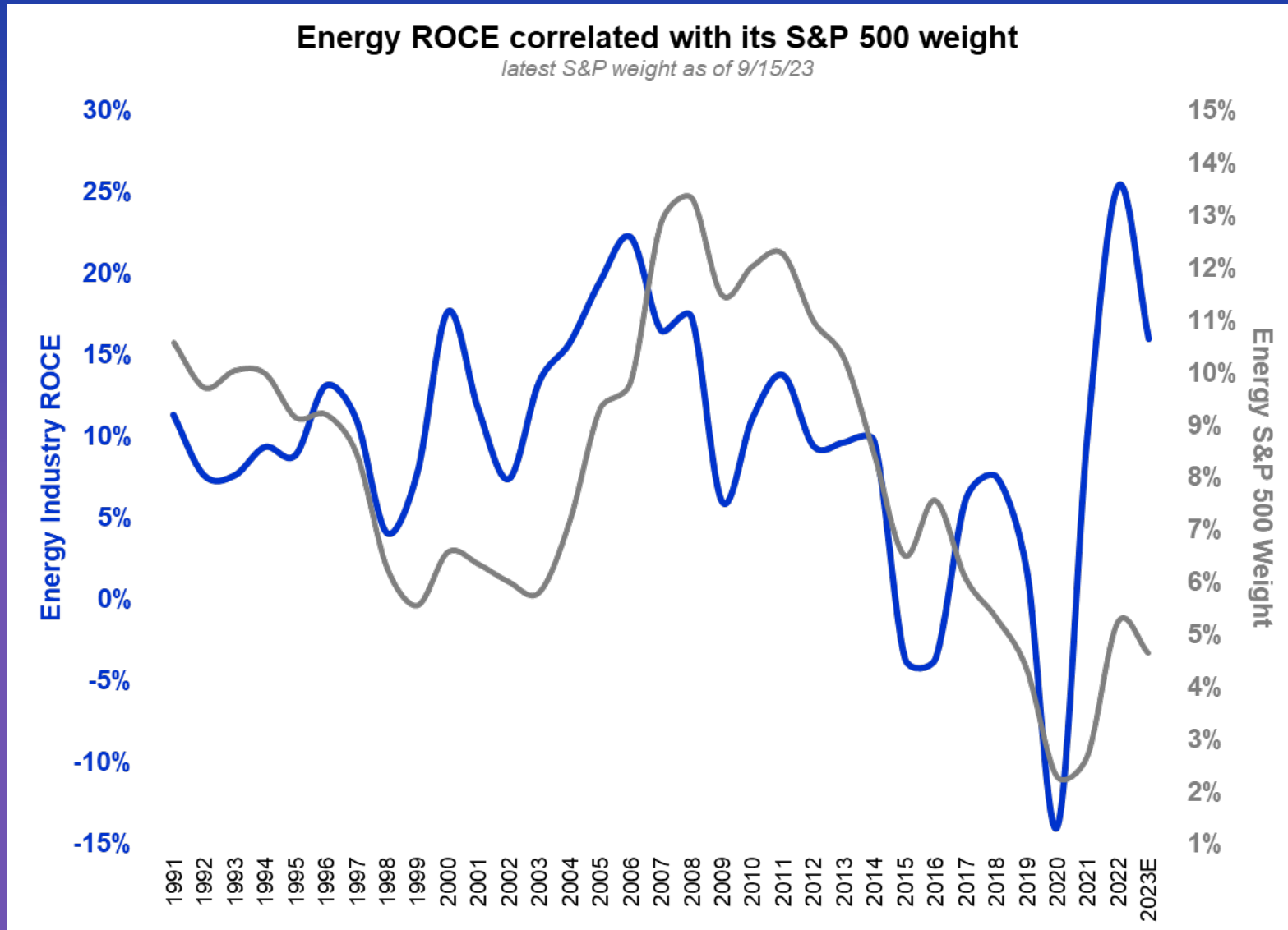
Source: Bloomberg.

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Profits > Preaching



Source: Bloomberg, S&P CapitalIQ, Veriten.

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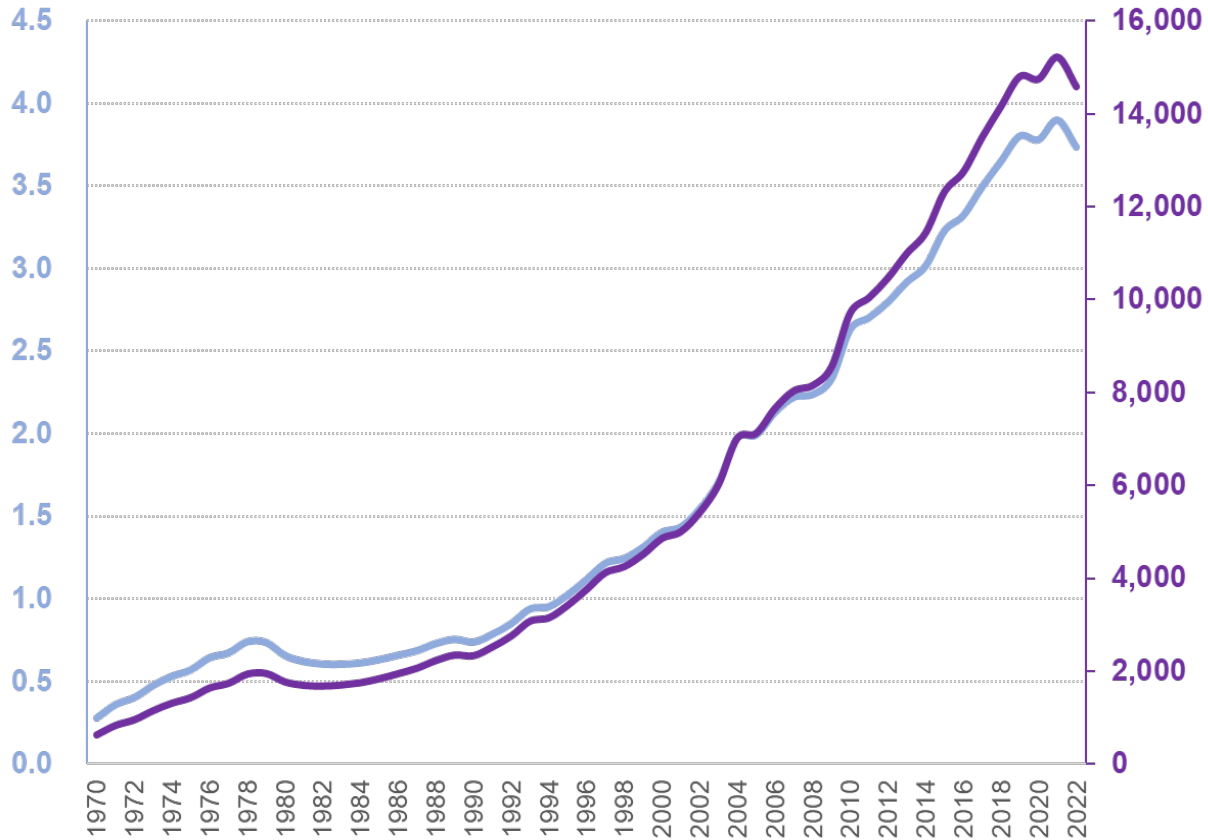
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Q3: Why Defend New Energies?

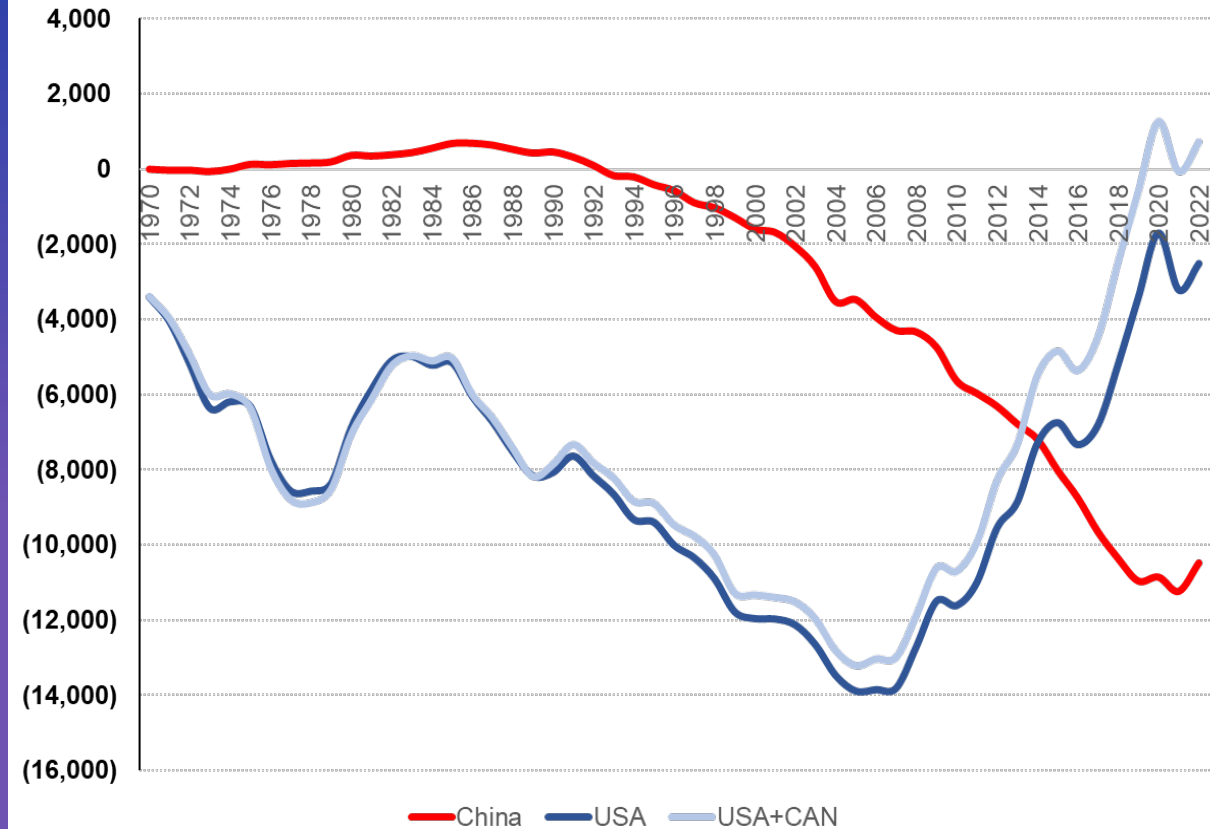
China Oil Demand: 1970-2022

per capita (lhs), absolute, thousands b/d (rhs)



Net Oil Imports, China vs USA+CAN: 1970-2022

thousands b/d



Source: EI Statistical Review of World Energy, IEA, Veriten.



Mega Success Is Possible (TSLA)



Source: Bloomberg.

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New Energies Cut A Wide Swath of Ideas

- Talking about “new energies” is similar to talking about “the internet” in 2000s.
- Wide swath of business models, exposures, capital intensity, geographies, subsidy needs, and ownership structure
- Veriten spends a lot of time evaluating all forms of new energies...pragmatism is not pessimism

We are focused on Energy!



⚡ On A Personal Note: Falling Short



Disclaimer

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