ABSOLUTE STRATEGY RESEARCH

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Making the case for carbon capture

Who wins as climate moon-shot turns to market opportunity?

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Carbon capture a 'low-cost' climate solution - but tech has a way to go

Carbon capture, in theory, could remove CO_2 from the atmosphere while allowing many 'dirty' industries to continue production. The technology has not yet delivered on its promise, but there are strong incentives for improvement.

Investment is ramping up and policy should boost risk-reward trade-offs

Capture capacity is set to triple by the end of the decade but is still well below where it needs to be to hit 'net zero'. Recent and future policies (e.g. the Inflation Reduction Act) could help accelerate investment.

Theme could benefit heavy industry early-movers, not just start-ups

As an investable theme, the carbon capture market is split between un-listed start-ups and established companies. Early movers from heavy industry (cement, chemicals etc.) could be winners, creating dispersion within their own sectors.

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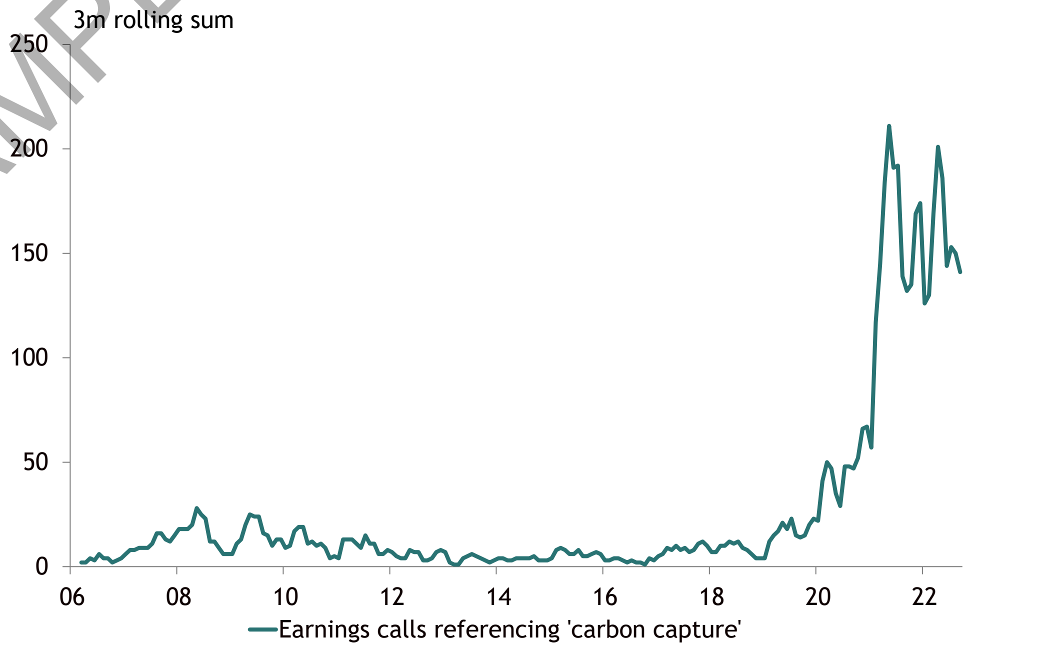
Key chart: Market interest in carbon capture has taken off recently



Source: ASR Ltd. / Refinitiv