

<b>Buy</b>  <b>EUR 41.00</b>  Price EUR 32.80 <b>Upside 25.0 %</b>	<b>Value Indicators:</b> EUR DCF: 41.18 Peer group 2026e: 34.38	<b>Warburg Risk Score:</b> <b>3.5</b> Balance Sheet Score: 5.0 Market Liquidity Score: 2.0	<b>Description:</b> Leading international manufacturer of combined heat and power plants and large heat pumps
	<b>Market Snapshot:</b> EUR m Market cap: 588.4 No. of shares (m): 17.9 EV: 545.8 Freefloat MC: 323.1 Ø Trad. Vol. (30d): 1.09 m	<b>Shareholders:</b> Freefloat 54.91 % Christian Grotholt 29.64 % Ludger Gausling 15.45 %	<b>Key Figures (WRe):</b> 2025e Beta: 1.2 Price / Book: 3.5 x Equity Ratio: 55 %

## EU Commission approves German "Biomass Package"

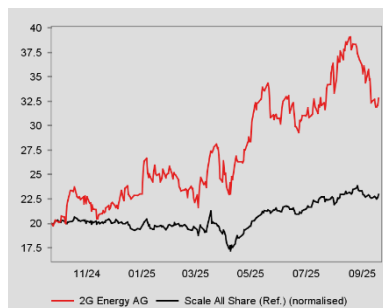
The European Commission approved the German "biomass package" at the end of last week. The delayed approval had prompted 2G in early September to narrow its FY 2025 guidance to the lower half of the initial range.

The upcoming 1 October tender will be based on the new framework (although applicants will need to withdraw and re-submit their applications) and the tender volume has increased from <400 MW to just above 800 MW.

However, it is feared that the approval has come too late to have a meaningful impact on the application volume in October. The estimates for FY 2025 therefore remain unchanged. There may be a small upside, though.

While EU approval was considered to be highly likely, the decision underpins the expected growth in FY 2026. Demand from German biogas customers is expected to increase significantly next year against the backdrop of rising tender volumes.

The approval could provide the basis for a recovery in the share price, following its sharp decline in recent weeks. We confirm our Buy rating with an unchanged PT of EUR 41.



Rel. Performance vs Scale All Share	
1 month:	-12.4 %
6 months:	3.3 %
Year to date:	24.2 %
Trailing 12 months:	48.8 %

**Company events:**  
24.11.25 Q2

FY End: 31.12. in EUR m	CAGR (24-27e)	2021	2022	2023	2024	2025e	2026e	2027e
<b>Sales</b>	12.3 %	266.3	312.6	365.1	375.6	432.6	475.4	532.6
Change Sales yoy		8.0 %	17.4 %	16.8 %	2.9 %	15.2 %	9.9 %	12.0 %
Gross profit margin		36.7 %	36.7 %	36.4 %	39.2 %	40.1 %	40.6 %	40.0 %
<b>EBITDA</b>	17.3 %	22.0	28.7	34.6	41.2	45.8	57.8	66.5
Margin		8.3 %	9.2 %	9.5 %	11.0 %	10.6 %	12.2 %	12.5 %
<b>EBIT</b>	20.1 %	18.0	24.0	27.9	33.5	37.3	48.8	58.0
Margin		6.8 %	7.7 %	7.7 %	8.9 %	8.6 %	10.3 %	10.9 %
<b>Net income</b>	19.3 %	12.6	16.4	18.0	23.7	25.5	33.7	40.2
<b>EPS</b>	19.3 %	0.70	0.91	1.00	1.32	1.42	1.88	2.24
<b>EPS adj.</b>	19.3 %	0.70	0.91	1.00	1.32	1.42	1.88	2.24
<b>DPS</b>	15.7 %	0.50	0.14	0.17	0.20	0.21	0.26	0.31
Dividend Yield		2.1 %	0.6 %	0.7 %	0.9 %	0.6 %	0.8 %	0.9 %
<b>FCFPS</b>		0.22	-0.25	0.20	2.22	0.17	1.01	1.20
<b>FCF / Market cap</b>		0.9 %	-1.0 %	0.8 %	9.9 %	0.5 %	3.1 %	3.7 %
<b>EV / Sales</b>		1.6 x	1.4 x	1.2 x	1.0 x	1.3 x	1.1 x	1.0 x
<b>EV / EBITDA</b>		18.8 x	15.4 x	12.4 x	8.7 x	11.9 x	9.2 x	7.7 x
<b>EV / EBIT</b>		22.9 x	18.4 x	15.3 x	10.7 x	14.6 x	10.9 x	8.9 x
<b>P / E</b>		34.1 x	27.5 x	24.1 x	17.0 x	23.1 x	17.4 x	14.6 x
<b>P / E adj.</b>		34.1 x	27.5 x	24.1 x	17.0 x	23.1 x	17.4 x	14.6 x
<b>FCF Potential Yield</b>		4.1 %	4.9 %	5.9 %	8.9 %	6.3 %	8.1 %	9.6 %
<b>Net Debt</b>		-14.6	-7.1	-4.3	-43.1	-42.6	-56.9	-73.9
<b>ROCE (NOPAT)</b>		16.7 %	18.4 %	16.7 %	21.6 %	22.6 %	25.6 %	27.0 %
<b>Guidance:</b>	2025: Sales: EUR 430-440m; EBIT-margin: 8.5-9.5%							

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2G Energy	3, 5	<a href="https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0HL8N9.htm">https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0HL8N9.htm</a>

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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Rating	Number of stocks	% of Universe
Buy	142	71
Hold	47	24
Sell	6	3
Rating suspended	4	2
<b>Total</b>	<b>199</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	39	76
Hold	9	18
Sell	1	2
Rating suspended	2	4
<b>Total</b>	<b>51</b>	<b>100</b>

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