

Buy EUR 37.00 Price EUR 22.45 Upside 64.8 %	Value Indicators: EUR DCF: 37.18 Peer group 2024e: 58.06	Warburg ESG Risk Score: 3.2 ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.5	Description: Leading international manufacturer of combined heat and power (CHP) plants
	Market Snapshot: EUR m Market cap: 402.8 No. of shares (m): 17.9 EV: 393.1 Freefloat MC: 221.2 Ø Trad. Vol. (30d): 517.24 th	Shareholders: Freefloat 54.91 % Christian Grotholt, CEO 29.64 % Ludger Gausling 15.45 %	Key Figures (WRe): 2023e Beta: 1.3 Price / Book: 3.3 x Equity Ratio: 54 % Net Fin. Debt / EBITDA: 0.0 x Net Debt / EBITDA: 0.0 x

Sustainable margin enhancement should trigger revaluation

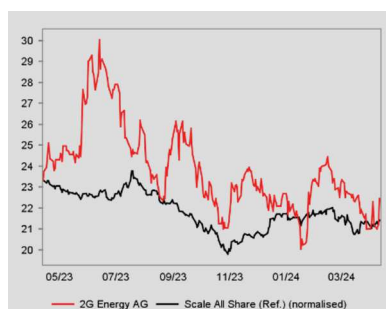
Stated Figures FY2023: in EUR m	<table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2023e</th> <th>2022</th> <th>yoy</th> </tr> </thead> <tbody> <tr> <td>CHP sales</td> <td>202.0</td> <td>202.0</td> <td>164.5</td> <td>22.8%</td> </tr> <tr> <td>Service sales</td> <td>163.0</td> <td>163.0</td> <td>148.2</td> <td>10.0%</td> </tr> <tr> <td>Sales</td> <td>365.0</td> <td>365.0</td> <td>312.6</td> <td>16.8%</td> </tr> <tr> <td>EBIT</td> <td>27.6</td> <td>28.5</td> <td>24.0</td> <td>15.0%</td> </tr> <tr> <td><i>margin</i></td> <td><i>7.6%</i></td> <td><i>7.8%</i></td> <td><i>7.7%</i></td> <td></td> </tr> </tbody> </table>		2023	2023e	2022	yoy	CHP sales	202.0	202.0	164.5	22.8%	Service sales	163.0	163.0	148.2	10.0%	Sales	365.0	365.0	312.6	16.8%	EBIT	27.6	28.5	24.0	15.0%	<i>margin</i>	<i>7.6%</i>	<i>7.8%</i>	<i>7.7%</i>		Comment on Figures: <ul style="list-style-type: none"> ▪ Preliminary sales have been confirmed and the EBIT margin met our estimate, showing a further improvement compared to previous years ▪ Adjusted for one-off items (depreciation of EUR 1m) ▪ Upbeat margin development was mainly driven by high billings in Q4, price increases, and growth in the Service segment. ▪ For 2024, the management has updated its guidance to EUR 360-390m and an EBIT margin of 8.5%-10%, hinting at a further significant margin improvement.
	2023	2023e	2022	yoy																												
CHP sales	202.0	202.0	164.5	22.8%																												
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Following the release of preliminary sales last month, 2G Energy published its margin for FY 2023, showing a further improvement in EBIT generation to EUR 27.6m (margin 7.6%) well in line with our estimate (WRe: EUR 28.5m / 7.8%). Adjusted for one-offs, the margin met our estimate exactly. For 2024, the management is guiding for a further substantial improvement in the margin to 8.5%-10%, although we deem the upper end of guidance to be ambitious. The order book remains well-filled and lays a sound basis for the sales-growth forecast. Additional tailwind is expected from dynamic market demand, especially in the US market, which should play a vital role in 2024, driven by the IRA.

Sustainable margin enhancement: The upbeat margin enhancement, shown in previous years, should be sustainable in 2024, resulting in an EBIT margin of close to 10% (WRe: 9.3%). In 2025, we expect 2G to surpass the 10%-threshold for the first time on the basis of strong demand for CHPs and large heat-pumps, which were added to the product portfolio in 2023. Further cornerstones of margin growth are (I) the implemented efficiency measures (II) the procurement strategy (III) high pricing power and (IV) higher Service revenues as a share of total sales.

Possibility of a weak Q1 should offer a good entry-point: Even though we expect 2G to show strong operating performance in 2024, the very high billings in Q4/23 could lead to a modest Q1 performance. If there is a negative share-price reaction to the Q1 figures, we see this as a good entry-point for investors as we expect margin generation in 2024 to be skewed towards H2. From a top-down perspective, the fundamental growth drivers for 2G's products remain untouched and the margin is expected to be sustainable at levels of >10%, which is not reflected in the current share price. Hence, we reiterate our price target and Buy recommendation.

Changes in Estimates: FY End: 31.12. in EUR m	<table border="1"> <thead> <tr> <th></th> <th>2023e (old)</th> <th>+ / -</th> <th>2024e (old)</th> <th>+ / -</th> <th>2025e (old)</th> <th>+ / -</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>365.0</td> <td>0.0 %</td> <td>404.9</td> <td>0.0 %</td> <td>447.0</td> <td>0.0 %</td> </tr> <tr> <td>EBITDA</td> <td>34.0</td> <td>1.0 %</td> <td>43.7</td> <td>-0.9 %</td> <td>54.1</td> <td>0.0 %</td> </tr> <tr> <td>EBIT</td> <td>28.5</td> <td>-3.2 %</td> <td>37.8</td> <td>-1.1 %</td> <td>47.8</td> <td>0.0 %</td> </tr> </tbody> </table>		2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -	Sales	365.0	0.0 %	404.9	0.0 %	447.0	0.0 %	EBITDA	34.0	1.0 %	43.7	-0.9 %	54.1	0.0 %	EBIT	28.5	-3.2 %	37.8	-1.1 %	47.8	0.0 %	Comment on Changes: <ul style="list-style-type: none"> ▪ We have made minor adjustments to our estimates and updated 2023 figures for the preliminary results
	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -																								
Sales	365.0	0.0 %	404.9	0.0 %	447.0	0.0 %																								
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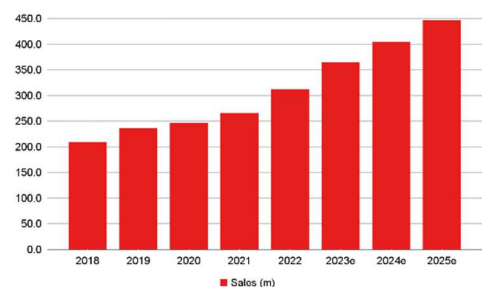


Rel. Performance vs Scale All Share	
1 month:	-1.7 %
6 months:	-3.5 %
Year to date:	0.3 %
Trailing 12 months:	2.5 %

Company events:	
18.04.24	FY 2023
23.05.24	Q1
04.06.24	AGM
05.09.24	Q2

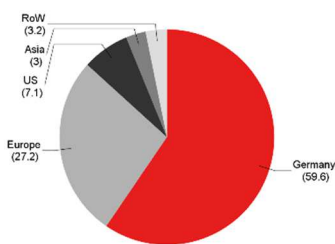
FY End: 31.12. in EUR m	CAGR (22-26e)	2020	2021	2022	2023e	2024e	2025e	2026e
Sales	11.0 %	246.7	266.3	312.6	365.0	404.9	447.0	474.4
Change Sales yoy		4.4 %	8.0 %	17.4 %	16.8 %	10.9 %	10.4 %	6.1 %
Gross profit margin		35.2 %	36.7 %	36.7 %	36.4 %	38.5 %	40.5 %	41.2 %
EBITDA	20.4 %	20.3	22.0	28.7	34.3	43.3	54.1	60.3
Margin		8.2 %	8.3 %	9.2 %	9.4 %	10.7 %	12.1 %	12.7 %
EBIT	22.2 %	16.6	18.0	24.0	27.6	37.4	47.8	53.5
Margin		6.7 %	6.8 %	7.7 %	7.6 %	9.2 %	10.7 %	11.3 %
Net income	22.7 %	12.0	12.6	16.4	15.0	25.8	33.0	37.1
EPS	22.8 %	2.70	2.85	0.91	0.84	1.44	1.84	2.07
EPS adj.	22.8 %	2.70	2.85	0.91	0.84	1.44	1.84	2.07
DPS	12.0 %	0.45	0.50	0.14	0.11	0.17	0.19	0.22
Dividend Yield		2.9 %	2.1 %	0.6 %	0.5 %	0.8 %	0.8 %	1.0 %
FCFPS		1.57	0.91	-0.25	-0.34	0.72	0.99	1.47
FCF / Market cap		10.3 %	3.8 %	-1.0 %	-1.5 %	3.2 %	4.4 %	6.5 %
EV / Sales		0.3 x	0.3 x	1.4 x	1.1 x	1.0 x	0.8 x	n.a.
EV / EBITDA		3.1 x	4.2 x	15.4 x	11.8 x	9.1 x	7.0 x	n.a.
EV / EBIT		3.7 x	5.1 x	18.4 x	14.6 x	10.5 x	7.9 x	n.a.
P / E		5.7 x	8.4 x	27.5 x	26.7 x	15.6 x	12.2 x	10.8 x
P / E adj.		5.7 x	8.4 x	27.5 x	26.7 x	15.6 x	12.2 x	10.8 x
FCF Potential Yield		25.4 %	18.4 %	4.9 %	5.5 %	8.2 %	10.5 %	n.a.
Net Debt		-5.6	-14.6	-7.1	1.4	-9.6	-24.4	-47.3
ROCE (NOPAT)		17.1 %	16.7 %	18.4 %	13.5 %	19.9 %	22.9 %	23.6 %
Guidance:		2024: Sales: EUR 360-390m; EBIT-margin: 8.5-10%						

Sales development
in EUR m



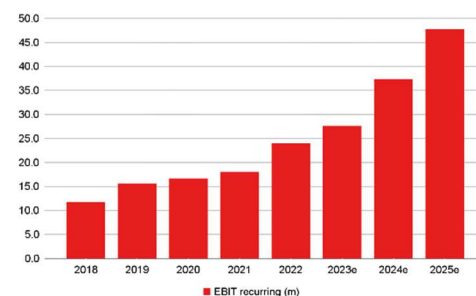
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

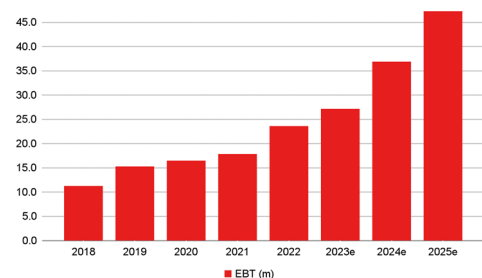
Company Background

- Established in 1995, 2G Energy released its first CHP in 1996, followed by the first biogas application in 1999
- Prior to its IPO in 2007, 2G already expanded its local footprint and entered international markets with the shipping of a CHP to Japan
- After the IPO, several international subsidiaries were formed to push the further international expansion
- In 2009, natural gas CHPs were introduced to the market, establishing a key pillar for future growth. In addition, the international expansion gained traction in the US and European countries.
- After pioneering the digitization of CHPs with its unique platform in 2016, the first hydrogen CHP was introduced in 2018. In 2023, 2G Energy added large heat-pumps to its product offering.

Competitive Quality

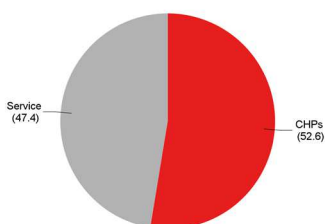
- Founded in 1995, 2G Energy quickly positioned as technology leader for biogas CHPs in Europe. Innovative designs, best-in-class performance and quality standards improved 2G’s positioning.
- Offering a fitting solution for different client groups, 2G Energy stands out from its peer-group with its extensive product portfolio.
- Combining high quality products with an extensive service offering, 2G seeks to deliver best-in-class total cost of ownership for varying use-cases.
- Further product developments and an early move into the hydrogen CHP and large heat pump market provides for an additional competitive edge.
- Covering all integral parts of the value chain, 2G Energy is perfectly equipped to defend its market position and access growth.

EBT development
in EUR m



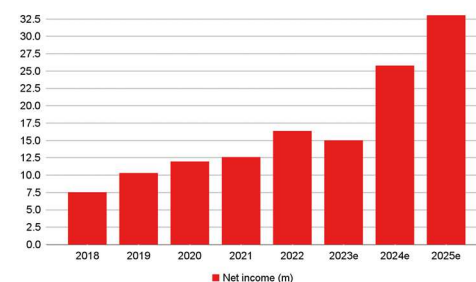
Source: Warburg Research

Sales by segments
2022; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	365.0	404.9	447.0	509.5	575.8	644.9	715.8	787.4	858.3	926.9	982.5	1,021.8	1,052.5	
Sales change	16.8 %	10.9 %	10.4 %	14.0 %	13.0 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	6.0 %	4.0 %	3.0 %	3.0 %
EBIT	27.6	37.4	47.8	61.1	72.0	83.8	89.5	94.5	103.0	102.0	108.1	112.4	115.8	
EBIT-margin	7.6 %	9.2 %	10.7 %	12.0 %	12.5 %	13.0 %	12.5 %	12.0 %	12.0 %	11.0 %	11.0 %	11.0 %	11.0 %	
Tax rate (EBT)	44.7 %	30.1 %	30.1 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	15.3	26.1	33.4	42.8	50.4	58.7	62.6	66.1	72.1	71.4	75.7	78.7	81.0	
Depreciation	6.7	5.9	6.3	7.1	8.6	9.7	10.7	11.8	12.9	13.9	14.7	15.3	15.8	
in % of Sales	1.8 %	1.5 %	1.4 %	1.4 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	17.5	12.0	15.7	23.3	27.0	29.2	17.0	15.7	22.7	22.0	17.8	12.6	9.8	
- Capex	10.3	6.7	5.9	6.6	8.1	9.7	10.7	11.8	12.9	13.9	14.7	15.3	15.8	
Capex in % of Sales	2.8 %	1.7 %	1.3 %	1.3 %	1.4 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-5.8	13.3	18.1	20.0	24.0	29.4	45.7	50.4	49.4	49.4	57.9	66.1	71.2	73
PV of FCF	-5.9	12.4	15.4	15.5	17.1	19.2	27.2	27.5	24.7	22.6	24.2	25.3	24.9	410
share of PVs	3.32 %			34.59 %										62.09 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	10.00 %	Financial Strength	1.20
Cost of debt (after tax)	5.6 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	1.60
Risk free rate	2.75 %	Transparency	1.20
		Others	1.00
WACC	9.27 %	Beta	1.26

Valuation (m)

Present values 2035e	250		
Terminal Value	410		
Financial liabilities	6		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	13	No. of shares (m)	17.9
Equity Value	667	Value per share (EUR)	37.18

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	3.50 %	3.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.46	10.3 %	29.50	30.01	30.56	31.15	31.78	32.46	33.19	1.46	10.3 %	25.55	27.42	29.28	31.15	33.02	34.89	36.75
1.36	9.8 %	31.94	32.56	33.22	33.93	34.70	35.53	36.43	1.36	9.8 %	27.89	29.91	31.92	33.93	35.95	37.96	39.98
1.31	9.5 %	33.29	33.97	34.70	35.49	36.34	37.27	38.27	1.31	9.5 %	29.20	31.30	33.39	35.49	37.59	39.69	41.78
1.26	9.3 %	34.74	35.49	36.30	37.18	38.13	39.16	40.28	1.26	9.3 %	30.62	32.81	34.99	37.18	39.36	41.55	43.74
1.21	9.0 %	36.30	37.14	38.04	39.01	40.07	41.22	42.49	1.21	9.0 %	32.16	34.44	36.73	39.01	41.29	43.58	45.86
1.16	8.8 %	37.99	38.92	39.92	41.01	42.19	43.49	44.92	1.16	8.8 %	33.84	36.23	38.62	41.01	43.39	45.78	48.17
1.06	8.3 %	41.81	42.96	44.21	45.59	47.09	48.76	50.61	1.06	8.3 %	37.70	40.33	42.96	45.59	48.21	50.84	53.47

- We have computed three different growth and valuation scenarios (base, accelerated, downward)
- As main valuation indicator, we apply our base-case DCF-valuation
- Internal efficiency measures, increasing service revenues and operating leverage boost EBIT-margin generation
- Sales is expected to experience a steep growth, reflecting the roadmap to net zero until 2030/35

Valuation	2020	2021	2022	2023e	2024e	2025e	2026e
Price / Book	0.9 x	1.1 x	4.1 x	3.3 x	2.7 x	2.3 x	1.9 x
Book value per share ex intangibles	17.02	20.09	5.78	6.38	7.76	9.49	11.42
EV / Sales	0.3 x	0.3 x	1.4 x	1.1 x	1.0 x	0.8 x	n.a.
EV / EBITDA	3.1 x	4.2 x	15.4 x	11.8 x	9.1 x	7.0 x	n.a.
EV / EBIT	3.7 x	5.1 x	18.4 x	14.6 x	10.5 x	7.9 x	n.a.
EV / EBIT adj.*	3.7 x	5.1 x	20.2 x	14.6 x	10.5 x	7.9 x	n.a.
P / FCF	9.7 x	26.4 x	n.a.	n.a.	31.0 x	22.6 x	15.3 x
P / E	5.7 x	8.4 x	27.5 x	26.7 x	15.6 x	12.2 x	10.8 x
P / E adj.*	5.7 x	8.4 x	27.5 x	26.7 x	15.6 x	12.2 x	10.8 x
Dividend Yield	2.9 %	2.1 %	0.6 %	0.5 %	0.8 %	0.8 %	1.0 %
FCF Potential Yield (on market EV)	25.4 %	18.4 %	4.9 %	5.5 %	8.2 %	10.5 %	n.a.

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2020	2021	2022	2023e	2024e	2025e	2026e
Sales	246.7	266.3	312.6	365.0	404.9	447.0	474.4
Change Sales yoy	4.4 %	8.0 %	17.4 %	16.8 %	10.9 %	10.4 %	6.1 %
Increase / decrease in inventory	7.4	2.6	26.0	6.0	10.6	6.7	7.0
Own work capitalised	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Total Sales	254.2	268.9	338.8	371.0	415.6	453.7	481.5
Material expenses	167.3	171.3	224.1	238.3	259.5	272.7	285.8
Gross profit	87.0	97.7	114.7	132.7	156.0	180.9	195.6
<i>Gross profit margin</i>	<i>35.2 %</i>	<i>36.7 %</i>	<i>36.7 %</i>	<i>36.4 %</i>	<i>38.5 %</i>	<i>40.5 %</i>	<i>41.2 %</i>
Personnel expenses	44.3	49.4	57.0	64.3	70.8	78.4	81.8
Other operating income	2.3	3.4	6.2	3.1	3.0	2.0	1.0
Other operating expenses	24.6	29.7	35.3	37.2	44.9	50.5	54.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	20.3	22.0	28.7	34.3	43.3	54.1	60.3
<i>Margin</i>	<i>8.2 %</i>	<i>8.3 %</i>	<i>9.2 %</i>	<i>9.4 %</i>	<i>10.7 %</i>	<i>12.1 %</i>	<i>12.7 %</i>
Depreciation of fixed assets	3.0	3.2	3.7	6.7	4.5	4.8	5.2
EBITA	17.3	18.8	24.9	27.6	38.8	49.2	55.0
Amortisation of intangible assets	0.7	0.7	0.9	0.0	1.4	1.4	1.5
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	16.6	18.0	24.0	27.6	37.4	47.8	53.5
<i>Margin</i>	<i>6.7 %</i>	<i>6.8 %</i>	<i>7.7 %</i>	<i>7.6 %</i>	<i>9.2 %</i>	<i>10.7 %</i>	<i>11.3 %</i>
EBIT adj.	16.6	18.0	21.9	27.6	37.4	47.8	53.5
Interest income	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Interest expenses	0.4	0.3	0.4	0.4	0.5	0.5	0.5
Other financial income (loss)	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
EBT	16.5	17.8	23.6	27.2	36.9	47.3	53.1
<i>Margin</i>	<i>6.7 %</i>	<i>6.7 %</i>	<i>7.5 %</i>	<i>7.4 %</i>	<i>9.1 %</i>	<i>10.6 %</i>	<i>11.2 %</i>
Total taxes	4.5	5.2	7.2	12.1	11.1	14.2	16.0
Net income from continuing operations	12.0	12.6	16.4	15.0	25.8	33.0	37.1
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	12.0	12.6	16.4	15.0	25.8	33.0	37.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	12.0	12.6	16.4	15.0	25.8	33.0	37.1
<i>Margin</i>	<i>4.9 %</i>	<i>4.7 %</i>	<i>5.2 %</i>	<i>4.1 %</i>	<i>6.4 %</i>	<i>7.4 %</i>	<i>7.8 %</i>
Number of shares, average	4.4	4.4	17.9	17.9	17.9	17.9	17.9
EPS	2.70	2.85	0.91	0.84	1.44	1.84	2.07
EPS adj.	2.70	2.85	0.91	0.84	1.44	1.84	2.07

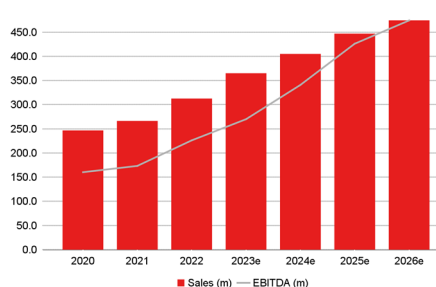
*Adjustments made for:

Guidance: 2024: Sales: EUR 360-390m; EBIT-margin: 8.5-10%

Financial Ratios

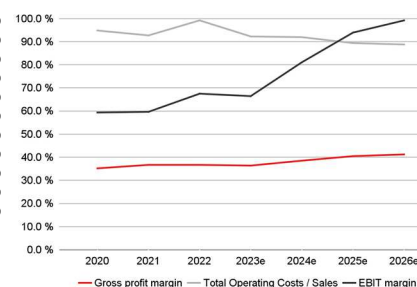
	2020	2021	2022	2023e	2024e	2025e	2026e
Total Operating Costs / Sales	94.8 %	92.7 %	99.2 %	92.2 %	91.9 %	89.4 %	88.8 %
Operating Leverage	1.5 x	1.1 x	1.9 x	0.9 x	3.2 x	2.7 x	2.0 x
EBITDA / Interest expenses	51.0 x	71.7 x	74.7 x	77.4 x	91.1 x	113.8 x	126.8 x
Tax rate (EBT)	27.4 %	29.2 %	30.6 %	44.7 %	30.1 %	30.1 %	30.1 %
Dividend Payout Ratio	16.7 %	17.5 %	15.3 %	13.1 %	11.8 %	10.3 %	10.6 %
Sales per Employee	341,257	349,080	371,291	n.a.	n.a.	n.a.	n.a.

Sales, EBITDA
in EUR m



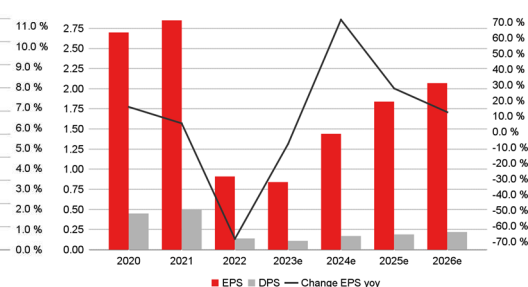
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

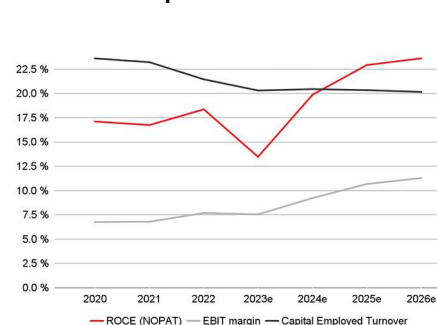
Consolidated balance sheet

In EUR m	2020	2021	2022	2023e	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	3.0	4.5	5.0	9.3	8.4	7.4	6.4
thereof other intangible assets	0.5	1.0	1.1	5.4	4.5	3.5	2.5
thereof Goodwill	2.3	3.3	3.0	3.0	3.0	3.0	3.0
Property, plant and equipment	22.9	22.6	26.8	28.7	30.4	30.9	31.2
Financial assets	0.9	0.0	0.1	0.1	0.1	0.1	0.1
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	26.8	27.1	31.9	38.0	38.8	38.4	37.7
Inventories	60.8	72.2	102.6	121.7	126.5	135.4	143.8
Accounts receivable	42.2	43.4	57.1	59.0	68.8	78.4	83.2
Liquid assets	11.0	19.9	13.5	5.0	16.0	30.7	53.7
Other short-term assets	5.9	7.1	6.5	6.5	6.5	6.5	6.5
Current assets	119.8	142.6	179.7	192.2	217.8	251.0	287.2
Total Assets	146.6	169.7	211.6	230.2	256.6	289.4	324.9
Liabilities and shareholders' equity							
Subscribed capital	4.4	4.5	17.9	17.9	17.9	17.9	17.9
Capital reserve	11.2	16.4	3.0	3.0	3.0	3.0	3.0
Retained earnings	63.7	74.3	88.5	101.0	124.8	154.8	188.5
Other equity components	-1.0	-0.7	-0.7	1.9	1.9	1.9	1.9
Shareholders' equity	78.4	94.6	108.7	123.7	147.6	177.6	211.3
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	78.3	94.5	108.6	123.7	147.5	177.5	211.2
Provisions	13.4	17.7	21.4	21.4	21.4	21.4	21.4
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	5.5	5.3	6.3	6.3	6.3	6.3	6.3
Short-term financial liabilities	1.3	1.9	2.5	2.5	2.5	2.5	2.5
Accounts payable	10.0	11.5	20.5	24.0	26.6	29.4	31.2
Other liabilities	39.4	40.7	54.7	54.7	54.7	54.7	54.7
Liabilities	68.2	75.2	103.0	106.5	109.1	111.9	113.7
Total liabilities and shareholders' equity	146.6	169.7	211.6	230.2	256.6	289.4	324.9

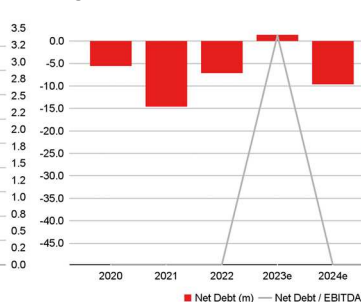
Financial Ratios

	2020	2021	2022	2023e	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	2.9 x	2.8 x	2.6 x	2.6 x	2.6 x	2.6 x	2.6 x
Capital Employed Turnover	3.4 x	3.3 x	3.1 x	2.9 x	2.9 x	2.9 x	2.9 x
ROA	44.7 %	46.5 %	51.3 %	39.5 %	66.5 %	86.1 %	98.4 %
Return on Capital							
ROCE (NOPAT)	17.1 %	16.7 %	18.4 %	13.5 %	19.9 %	22.9 %	23.6 %
ROE	16.3 %	14.6 %	16.1 %	12.9 %	19.0 %	20.3 %	19.1 %
Adj. ROE	16.3 %	14.6 %	16.1 %	12.9 %	19.0 %	20.3 %	19.1 %
Balance sheet quality							
Net Debt	-5.6	-14.6	-7.1	1.4	-9.6	-24.4	-47.3
Net Financial Debt	-5.6	-14.6	-7.1	1.4	-9.6	-24.4	-47.3
Net Gearing	-7.1 %	-15.5 %	-6.6 %	1.1 %	-6.5 %	-13.7 %	-22.4 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	4.0 %	n.a.	n.a.	n.a.
Book Value / Share	17.7	21.1	6.1	6.9	8.2	9.9	11.8
Book value per share ex intangibles	17.0	20.1	5.8	6.4	7.8	9.5	11.4

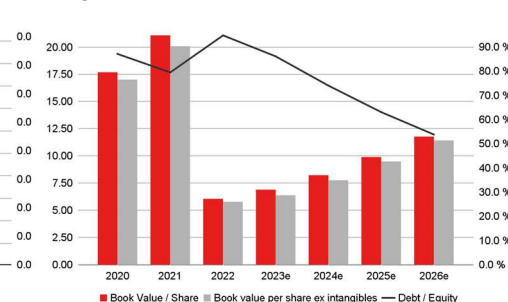
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

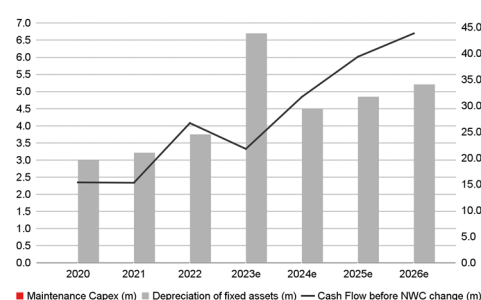
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023e	2024e	2025e	2026e
Net income	12.0	12.6	16.4	15.0	25.8	33.0	37.1
Depreciation of fixed assets	3.0	3.2	3.7	6.7	4.5	4.8	5.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	0.7	0.9	0.0	1.4	1.4	1.5
Increase/decrease in long-term provisions	-2.0	3.5	3.4	0.0	0.0	0.0	0.0
Other non-cash income and expenses	1.7	-4.8	2.3	0.0	0.0	0.0	0.0
Cash Flow before NWC change	15.3	15.3	26.7	21.7	31.7	39.3	43.8
Increase / decrease in inventory	3.3	-7.0	-17.2	-19.1	-4.8	-8.9	-8.4
Increase / decrease in accounts receivable	-5.1	-0.7	-13.4	-1.9	-9.8	-9.6	-4.8
Increase / decrease in accounts payable	-3.7	1.3	8.9	3.5	2.6	2.8	1.8
Increase / decrease in other working capital positions	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-5.7	-6.4	-21.7	-17.5	-12.0	-15.7	-11.4
Net cash provided by operating activities [1]	9.7	8.9	4.9	4.2	19.7	23.6	32.4
Investments in intangible assets	-0.4	-0.8	-1.2	-4.3	-0.5	-0.5	-0.5
Investments in property, plant and equipment	-2.4	-4.0	-8.2	-6.0	-6.2	-5.4	-5.6
Payments for acquisitions	0.0	-1.2	-0.8	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.4	3.3	0.5	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-2.1	-1.9	-9.6	-10.3	-6.7	-5.9	-6.1
Change in financial liabilities	-5.0	-1.3	1.0	0.0	0.0	0.0	0.0
Dividends paid	-2.0	-2.0	-2.2	-2.5	-2.0	-3.0	-3.4
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	5.3	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-7.4	1.6	-1.6	-2.5	-2.0	-3.0	-3.4
Change in liquid funds [1]+[2]+[3]	0.2	8.6	-6.3	-8.5	11.0	14.7	22.9
Effects of exchange-rate changes on cash	0.1	0.1	-0.1	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	10.9	19.7	13.5	5.0	16.0	30.7	53.7

Financial Ratios

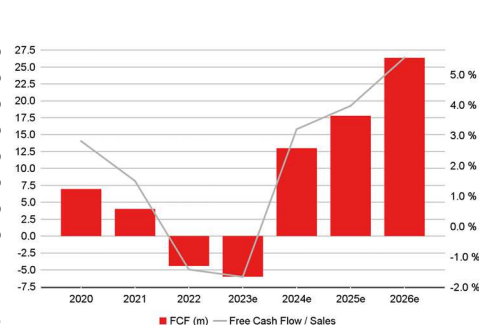
	2020	2021	2022	2023e	2024e	2025e	2026e
Cash Flow							
FCF	7.0	4.0	-4.4	-6.0	13.0	17.8	26.4
Free Cash Flow / Sales	2.8 %	1.5 %	-1.4 %	-1.6 %	3.2 %	4.0 %	5.6 %
Free Cash Flow Potential	15.8	16.8	21.4	22.2	32.2	39.8	n.a.
Free Cash Flow / Net Profit	58.1 %	31.8 %	-27.0 %	-40.1 %	50.4 %	53.8 %	71.0 %
Interest Received / Avg. Cash	2.0 %	0.6 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	5.0 %	5.7 %	6.6 %	7.0 %	7.5 %	7.5 %	7.5 %
Management of Funds							
Investment ratio	1.1 %	1.8 %	3.0 %	2.8 %	1.7 %	1.3 %	1.3 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	n.a.
Capex / Dep	74.5 %	123.1 %	200.6 %	153.0 %	113.5 %	92.9 %	90.2 %
Avg. Working Capital / Sales	24.4 %	25.4 %	26.7 %	28.3 %	29.1 %	29.5 %	30.7 %
Trade Debtors / Trade Creditors	421.2 %	378.0 %	278.8 %	245.8 %	258.6 %	266.7 %	266.7 %
Inventory Turnover	2.8 x	2.4 x	2.2 x	2.0 x	2.1 x	2.0 x	2.0 x
Receivables collection period (days)	62	59	67	59	62	64	64
Payables payment period (days)	22	24	33	37	37	39	40
Cash conversion cycle (Days)	108	121	128	140	140	146	151

CAPEX and Cash Flow
in EUR m



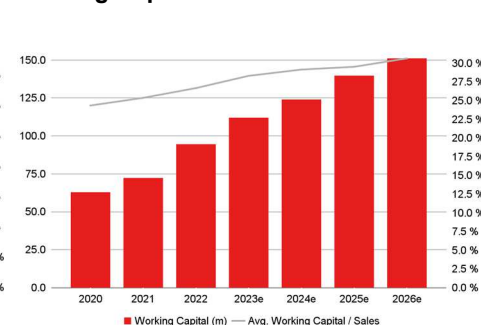
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
2G Energy	3, 5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0HL8N9.htm

INVESTMENT RECOMMENDATION

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

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

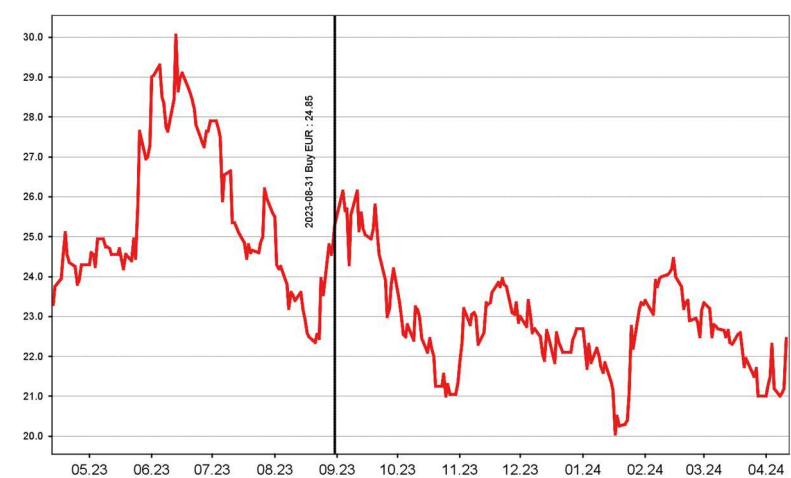
Rating	Number of stocks	% of Universe
Buy	146	70
Hold	47	23
Sell	8	4
Rating suspended	7	3
Total	208	100

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	46	82
Hold	7	13
Sell	0	0
Rating suspended	3	5
Total	56	100

PRICE AND RATING HISTORY 2G ENERGY AS OF 12.04.2024



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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