

Buy EUR 39.00 Price EUR 18.80 Upside 107.4 %	Value Indicators: EUR DCF: 39.19 Peer group 2025e: 37.37	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 plants and large heat pumps
	Market Snapshot: EUR m Market cap: 337.3 No. of shares (m): 17.9 EV: 321.2 Freefloat MC: 185.2 Ø Trad. Vol. (30d): 471.74 th	Shareholders: Freefloat 54.91 % Christian Grotholt, CEO 29.64 % Ludger Gausling 15.45 %	Key Figures (WRe): 2024e Beta: 1.2 Price / Book: 2.3 x Equity Ratio: 56 %

Upbeat margin development amid temporary revenue dip

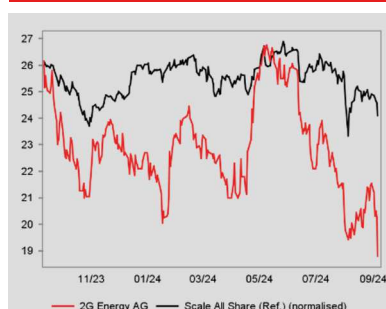
Stated Figures H1/2024:	6M/24	6M/24e	6M/23	yoy	Comment on Figures:
Sales	131.2	133.8	135.5	-3.2%	<ul style="list-style-type: none"> CHP sales came in a shade below our expectations owing to bottlenecks for exogenous parts which delayed delivery dates for CHPs. Service revenues though, came in above our estimate, bolstering margin generation on company level. Margins were ahead of our expectations as a result of (I) flexible cost management in production (II) price increases conducted in 2023 and (III) a rise in the total sales share of service revenues, which carry a higher margin than CHP sales. Depreciation costs rose to EUR 3.3m reflecting the acquisition of NRGTEQ.
Total sales	80.8	149.7	166.3	-9.6%	
Gross profit margin	57.2	55.3	53.8	6.2%	
EBITDA margin	43.6%	41.3%	39.7%		
EBIT margin	7.5	6.2	6.7	12.0%	
EBIT margin	5.7%	4.6%	4.9%		
EBIT margin	4.2	3.2	4.3	-1.0%	
EBIT margin	3.2%	2.4%	3.1%		

2G Energy published final figures for H1/24, showing strong margins amid a temporary revenue decline. CHP sales were burdened by the low availability of exogenous elements, resulting in longer project durations and affecting the desired delivery date of CHP units. However, **margin generation came in ahead of our expectations** and showed a 10bps-increase yoy on EBIT level. The main reasons for the strong margin development were (I) cost flexibility in production, which bolstered gross margin, (II) price increases conducted last year and (III) the higher share of service revenues as a percentage of total sales. Management has confirmed its 2024 outlook by assuming a steep billings recovery in Q3/Q4.

Despite economic uncertainties in some of 2G's core markets, **the order book had reached an all-time high** by the end of August, supported by very strong order intake. Hence, we are confident that 2G will show steep revenue growth and further margin improvement in 2025. Additional upside to our 2025/26 estimates could arise from the **market launch of 2G's demand response unit in the US in 2025**, which is expected to face major demand and can be used as a door-opener for further applications, such as large heat pumps or CHPs.

Growth continued in the service segment, although the extended use-cases for CHPs are **likely to mute growth rates** in the future. For CHPs with fewer operating hours per year, the maintenance cycle, and hence service revenues, are stretched over more periods, muting top-line growth in the short term. However, the declining average maintenance intensity of the serviced fleet allows 2G to service more units and achieve high utilization which should benefit margin generation.

In contrast to the upbeat margin development and strong order book momentum, **the share is trading on historically low multiples** (P/E, EV/EBIT). We deem this to be unjustified in light of 2G's growth prospects, the sustainable margin improvement in recent years, and the enhanced product portfolio. Hence, **we reiterate our Buy recommendation and target price** and see solid order execution and order intake in H2 as potential catalysts for the share price.

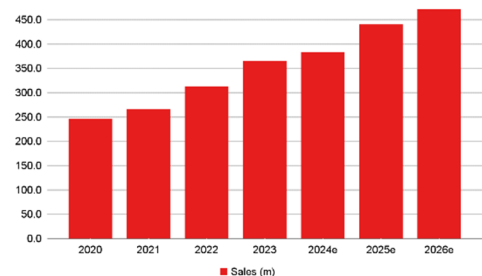


Rel. Performance vs Scale All Share	
1 month:	-4.2 %
6 months:	-11.1 %
Year to date:	-9.8 %
Trailing 12 months:	-18.5 %

Company events:
25.11.24 Q3

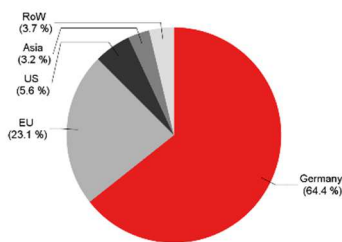
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	8.9 %	246.7	266.3	312.6	365.1	383.0	440.6	471.8
Change Sales yoy		4.4 %	8.0 %	17.4 %	16.8 %	4.9 %	15.0 %	7.1 %
Gross profit margin		35.2 %	36.7 %	36.7 %	36.4 %	38.9 %	40.7 %	41.3 %
EBITDA	19.3 %	20.3	22.0	28.7	34.6	40.9	52.9	58.8
Margin		8.2 %	8.3 %	9.2 %	9.5 %	10.7 %	12.0 %	12.5 %
EBIT	22.9 %	16.6	18.0	24.0	27.9	34.8	46.4	51.9
Margin		6.7 %	6.8 %	7.7 %	7.7 %	9.1 %	10.5 %	11.0 %
Net income	25.8 %	12.0	12.6	16.4	18.0	23.9	32.0	35.8
EPS	26.0 %	0.67	0.70	0.91	1.00	1.33	1.78	2.00
EPS adj.	26.0 %	0.67	0.70	0.91	1.00	1.33	1.78	2.00
DPS	18.1 %	0.45	0.50	0.14	0.17	0.19	0.25	0.28
Dividend Yield		2.9 %	2.1 %	0.6 %	0.7 %	1.0 %	1.3 %	1.5 %
FCFPS		0.39	0.22	-0.25	0.20	0.83	0.58	1.33
FCF / Market cap		2.5 %	0.9 %	-1.0 %	0.8 %	4.4 %	3.1 %	7.1 %
EV / Sales		1.1 x	1.6 x	1.4 x	1.2 x	0.8 x	0.7 x	0.6 x
EV / EBITDA		13.2 x	18.8 x	15.4 x	12.4 x	7.9 x	5.9 x	5.0 x
EV / EBIT		16.1 x	22.9 x	18.4 x	15.3 x	9.2 x	6.8 x	5.7 x
P / E		22.8 x	34.1 x	27.5 x	24.1 x	14.1 x	10.6 x	9.4 x
P / E adj.		22.8 x	34.1 x	27.5 x	24.1 x	14.1 x	10.6 x	9.4 x
FCF Potential Yield		5.9 %	4.1 %	4.9 %	5.9 %	9.5 %	12.5 %	14.7 %
Net Debt		-5.6	-14.6	-7.1	-4.3	-16.1	-23.2	-42.5
ROCE (NOPAT)		17.1 %	16.7 %	18.4 %	16.7 %	19.6 %	23.3 %	23.2 %
Guidance:		2024: Sales: EUR 360-390m; EBIT-margin: 8.5-10%						

Sales development
in EUR m



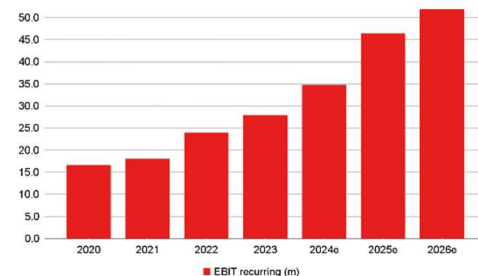
Source: Warburg Research

Sales by regions
2023



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

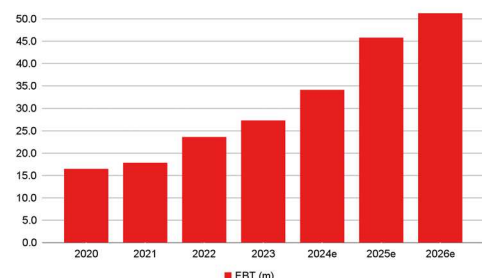
Company Background

- 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

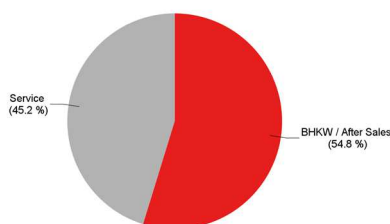
- Founded in 1995, 2G Energy quickly positioned as technology leader for biogas CHPs in Europe. Innovative designs, best-in-class performance and quality standards improved 2G’s positioning.
- Offering a fitting solution for different client groups, 2G Energy stands out from its peer-group with its extensive 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



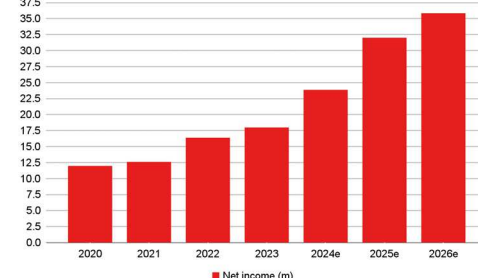
Source: Warburg Research

Sales by segments
2023



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model														Term. Value
Figures in EUR m	Detailed forecast period			Transitional period										
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	383.0	440.6	471.8	519.0	581.3	662.6	755.4	830.9	905.7	978.2	1,036.9	1,078.4	1,110.7	
Sales change	4.9 %	15.0 %	7.1 %	10.0 %	12.0 %	14.0 %	14.0 %	10.0 %	9.0 %	8.0 %	6.0 %	4.0 %	3.0 %	3.0 %
EBIT	34.8	46.4	51.9	62.3	72.7	86.1	94.4	99.7	108.7	107.6	114.1	118.6	122.2	
EBIT-margin	9.1 %	10.5 %	11.0 %	12.0 %	12.5 %	13.0 %	12.5 %	12.0 %	12.0 %	11.0 %	11.0 %	11.0 %	11.0 %	
Tax rate (EBT)	30.1 %	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	24.3	32.5	36.3	43.6	50.9	60.3	66.1	69.8	76.1	75.3	79.8	83.0	85.5	
Depreciation	6.1	6.5	6.9	7.8	8.7	9.9	11.3	12.5	13.6	14.7	15.6	16.2	16.7	
in % of Sales	1.6 %	1.5 %	1.5 %	1.5 %	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	8.3	22.2	12.9	17.0	20.6	33.5	24.0	16.6	23.9	23.2	18.8	13.3	10.4	
- Capex	6.7	5.9	6.1	6.7	8.1	9.9	11.3	12.5	13.6	14.7	15.6	16.2	16.7	
Capex in % of Sales	1.7 %	1.3 %	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)	15.3	10.9	24.2	27.7	30.9	26.8	42.1	53.2	52.1	52.1	61.1	69.8	75.2	77
PV of FCF	14.8	9.6	19.6	20.5	21.0	16.7	24.0	27.7	24.9	22.8	24.5	25.6	25.3	422
share of PVs	6.30 %			33.34 %										60.36 %

Model parameter				Valuation (m)			
Derivation of WACC:		Derivation of Beta:		Present values 2036e		277	
				Terminal Value		422	
Debt ratio	10.00 %	Financial Strength	1.20	Financial liabilities		8	
Cost of debt (after tax)	5.6 %	Liquidity (share)	1.30	Pension liabilities		0	
Market return	8.25 %	Cyclicality	1.50	Hybrid capital		0	
Risk free rate	2.75 %	Transparency	1.20	Minority interest		0	
		Others	1.00	Market val. of investments		0	
WACC	9.17 %	Beta	1.24	Liquidity		13	
				Equity Value		703	
						No. of shares (m)	17.9
						Value per share (EUR)	39.19

Sensitivity Value per Share (EUR)																	
		Terminal Growth							Delta EBIT-margin								
Beta	WACC	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	3.50 %	3.75 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.44	10.2 %	31.07	31.61	32.18	32.79	33.44	34.14	34.90	1.44	10.2 %	27.09	28.99	30.89	32.79	34.68	36.58	38.48
1.34	9.7 %	33.66	34.30	34.99	35.74	36.54	37.40	38.34	1.34	9.7 %	29.57	31.63	33.68	35.74	37.79	39.85	41.90
1.29	9.4 %	35.10	35.81	36.57	37.39	38.28	39.25	40.30	1.29	9.4 %	30.96	33.11	35.25	37.39	39.54	41.68	43.82
1.24	9.2 %	36.64	37.43	38.27	39.19	40.18	41.26	42.44	1.24	9.2 %	32.48	34.71	36.95	39.19	41.43	43.67	45.90
1.19	8.9 %	38.31	39.18	40.12	41.14	42.25	43.47	44.80	1.19	8.9 %	34.12	36.46	38.80	41.14	43.48	45.83	48.17
1.14	8.7 %	40.11	41.08	42.13	43.28	44.52	45.89	47.40	1.14	8.7 %	35.91	38.37	40.82	43.28	45.73	48.18	50.64
1.04	8.2 %	44.20	45.41	46.73	48.18	49.78	51.55	53.51	1.04	8.2 %	40.04	42.76	45.47	48.18	50.89	53.61	56.32

- 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	2023	2024e	2025e	2026e
Price / Book	3.5 x	4.5 x	4.1 x	3.5 x	2.3 x	1.9 x	1.6 x
Book value per share ex intangibles	4.20	5.02	5.78	6.33	7.57	9.23	11.05
EV / Sales	1.1 x	1.6 x	1.4 x	1.2 x	0.8 x	0.7 x	0.6 x
EV / EBITDA	13.2 x	18.8 x	15.4 x	12.4 x	7.9 x	5.9 x	5.0 x
EV / EBIT	16.1 x	22.9 x	18.4 x	15.3 x	9.2 x	6.8 x	5.7 x
EV / EBIT adj.*	16.1 x	22.9 x	20.2 x	15.3 x	9.2 x	6.8 x	5.7 x
P / FCF	39.4 x	106.9 x	n.a.	119.9 x	22.6 x	32.3 x	14.2 x
P / E	22.8 x	34.1 x	27.5 x	24.1 x	14.1 x	10.6 x	9.4 x
P / E adj.*	22.8 x	34.1 x	27.5 x	24.1 x	14.1 x	10.6 x	9.4 x
Dividend Yield	2.9 %	2.1 %	0.6 %	0.7 %	1.0 %	1.3 %	1.5 %
FCF Potential Yield (on market EV)	5.9 %	4.1 %	4.9 %	5.9 %	9.5 %	12.5 %	14.7 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	246.7	266.3	312.6	365.1	383.0	440.6	471.8
Change Sales yoy	4.4 %	8.0 %	17.4 %	16.8 %	4.9 %	15.0 %	7.1 %
Increase / decrease in inventory	7.4	2.6	26.0	5.8	10.2	6.8	7.1
Own work capitalised	0.1	0.0	0.2	0.2	0.0	0.0	0.0
Total Sales	254.2	268.9	338.8	371.1	393.3	447.4	478.9
Material expenses	167.3	171.3	224.1	238.3	244.1	268.0	284.2
Gross profit	87.0	97.7	114.7	132.8	149.1	179.4	194.6
<i>Gross profit margin</i>	<i>35.2 %</i>	<i>36.7 %</i>	<i>36.7 %</i>	<i>36.4 %</i>	<i>38.9 %</i>	<i>40.7 %</i>	<i>41.3 %</i>
Personnel expenses	44.3	49.4	57.0	64.3	66.9	77.2	81.6
Other operating income	2.3	3.4	6.2	3.1	1.5	0.5	0.0
Other operating expenses	24.6	29.7	35.3	36.9	42.8	49.8	54.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	20.3	22.0	28.7	34.6	40.9	52.9	58.8
<i>Margin</i>	<i>8.2 %</i>	<i>8.3 %</i>	<i>9.2 %</i>	<i>9.5 %</i>	<i>10.7 %</i>	<i>12.0 %</i>	<i>12.5 %</i>
Depreciation of fixed assets	3.0	3.2	3.7	5.0	4.4	4.7	5.1
EBITA	17.3	18.8	24.9	29.6	36.5	48.2	53.7
Amortisation of intangible assets	0.7	0.7	0.9	1.7	1.7	1.8	1.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	16.6	18.0	24.0	27.9	34.8	46.4	51.9
<i>Margin</i>	<i>6.7 %</i>	<i>6.8 %</i>	<i>7.7 %</i>	<i>7.7 %</i>	<i>9.1 %</i>	<i>10.5 %</i>	<i>11.0 %</i>
EBIT adj.	16.6	18.0	21.9	27.9	34.8	46.4	51.9
Interest income	0.2	0.1	0.1	0.1	0.0	0.0	0.0
Interest expenses	0.4	0.3	0.4	0.6	0.6	0.6	0.6
Other financial income (loss)	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0
EBT	16.5	17.8	23.6	27.3	34.1	45.8	51.3
<i>Margin</i>	<i>6.7 %</i>	<i>6.7 %</i>	<i>7.5 %</i>	<i>7.5 %</i>	<i>8.9 %</i>	<i>10.4 %</i>	<i>10.9 %</i>
Total taxes	4.5	5.2	7.2	9.3	10.3	13.8	15.4
Net income from continuing operations	12.0	12.6	16.4	18.0	23.9	32.0	35.8
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	18.0	23.9	32.0	35.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	12.0	12.6	16.4	18.0	23.9	32.0	35.8
<i>Margin</i>	<i>4.9 %</i>	<i>4.7 %</i>	<i>5.2 %</i>	<i>4.9 %</i>	<i>6.2 %</i>	<i>7.3 %</i>	<i>7.6 %</i>
Number of shares, average	17.9	17.9	17.9	17.9	17.9	17.9	17.9
EPS	0.67	0.70	0.91	1.00	1.33	1.78	2.00
EPS adj.	0.67	0.70	0.91	1.00	1.33	1.78	2.00

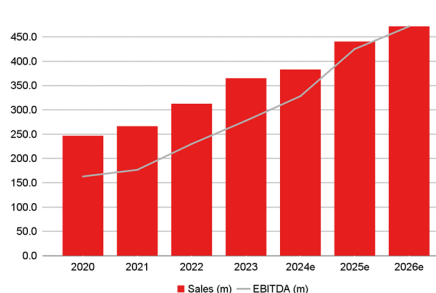
*Adjustments made for:

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

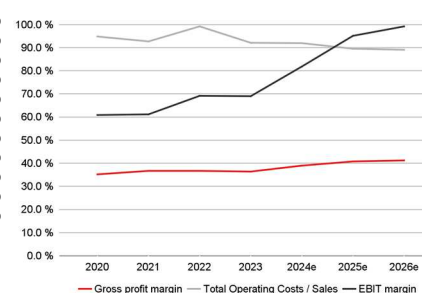
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	94.8 %	92.7 %	99.2 %	92.2 %	92.0 %	89.5 %	89.0 %
Operating Leverage	1.5 x	1.1 x	1.9 x	1.0 x	5.0 x	2.2 x	1.7 x
EBITDA / Interest expenses	51.0 x	71.7 x	74.7 x	55.8 x	65.6 x	85.0 x	94.4 x
Tax rate (EBT)	27.4 %	29.2 %	30.6 %	34.0 %	30.1 %	30.1 %	30.1 %
Dividend Payout Ratio	67.5 %	71.0 %	15.3 %	16.9 %	14.3 %	14.0 %	14.0 %
Sales per Employee	341,257	349,080	371,291	386,758	n.a.	n.a.	n.a.

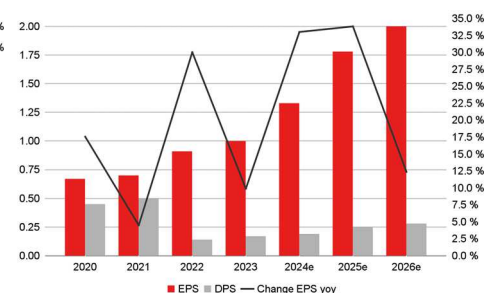
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

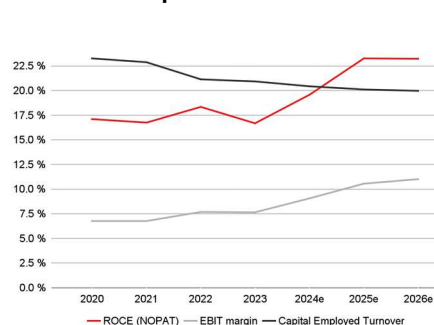
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	3.0	4.5	5.0	10.3	9.0	7.8	6.4
thereof other intangible assets	0.5	1.0	1.1	1.0	-0.2	-1.5	-2.8
thereof Goodwill	2.3	3.3	3.0	6.9	6.9	6.9	6.9
Property, plant and equipment	22.9	22.6	26.8	28.4	30.2	30.8	31.3
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	38.7	39.3	38.7	37.8
Inventories	60.8	72.2	102.6	109.8	119.7	133.5	143.0
Accounts receivable	42.2	43.4	57.1	58.5	65.1	77.3	82.7
Liquid assets	11.0	19.9	13.5	12.6	24.4	31.5	50.8
Other short-term assets	5.9	7.1	6.5	7.8	7.8	7.8	7.8
Current assets	119.8	142.6	179.7	188.7	217.0	250.1	284.3
Total Assets	146.6	169.7	211.6	227.4	256.4	288.8	322.1
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	103.9	124.7	153.3	184.7
Other equity components	-1.0	-0.7	-0.7	-0.9	-0.8	-0.8	-0.9
Shareholders' equity	78.4	94.6	108.7	123.9	144.8	173.4	204.7
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	78.3	94.5	108.6	123.9	144.8	173.4	204.7
Provisions	13.4	17.7	21.4	24.4	24.4	24.4	24.4
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	8.3	8.3	8.3	8.3
Short-term financial liabilities	1.3	1.9	2.5	2.7	2.7	2.7	2.7
Accounts payable	10.0	11.5	20.5	17.1	25.2	29.0	31.0
Other liabilities	39.4	40.7	54.7	53.7	53.7	53.7	53.7
Liabilities	68.2	75.2	103.0	103.5	111.6	115.4	117.4
Total liabilities and shareholders' equity	146.6	169.7	211.6	227.4	256.4	288.8	322.1

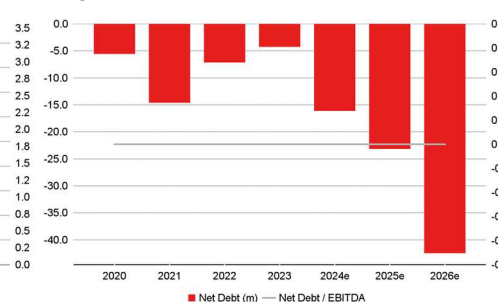
Financial Ratios

	2020	2021	2022	2023	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	2.5 x
Capital Employed Turnover	3.4 x	3.3 x	3.1 x	3.1 x	3.0 x	2.9 x	2.9 x
ROA	44.7 %	46.5 %	51.4 %	46.4 %	60.7 %	82.7 %	94.7 %
Return on Capital							
ROCE (NOPAT)	17.1 %	16.7 %	18.4 %	16.7 %	19.6 %	23.3 %	23.2 %
ROE	16.3 %	14.6 %	16.1 %	15.5 %	17.8 %	20.1 %	19.0 %
Adj. ROE	16.3 %	14.6 %	16.1 %	15.5 %	17.8 %	20.1 %	19.0 %
Balance sheet quality							
Net Debt	-5.6	-14.6	-7.1	-4.3	-16.1	-23.2	-42.5
Net Financial Debt	-5.6	-14.6	-7.1	-4.3	-16.1	-23.2	-42.5
Net Gearing	-7.1 %	-15.5 %	-6.6 %	-3.4 %	-11.1 %	-13.4 %	-20.8 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	4.4	5.3	6.1	6.9	8.1	9.7	11.4
Book value per share ex intangibles	4.2	5.0	5.8	6.3	7.6	9.2	11.1

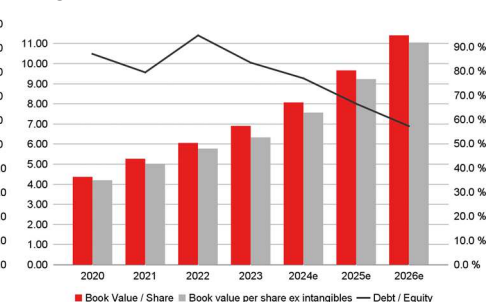
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

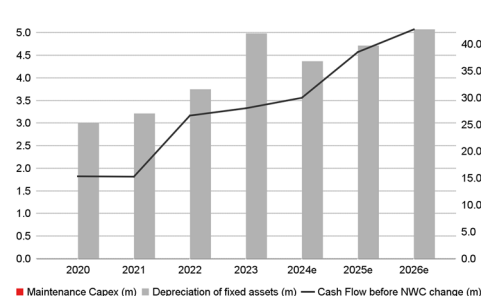
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	12.0	12.6	16.4	18.0	23.9	32.0	35.8
Depreciation of fixed assets	3.0	3.2	3.7	5.0	4.4	4.7	5.1
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	1.7	1.7	1.8	1.8
Increase/decrease in long-term provisions	-2.0	3.5	3.4	-1.5	0.0	0.0	0.0
Other non-cash income and expenses	1.7	-4.8	2.3	4.9	0.0	0.0	0.0
Cash Flow before NWC change	15.3	15.3	26.7	28.0	30.0	38.5	42.7
Increase / decrease in inventory	3.3	-7.0	-17.2	-11.1	-9.9	-13.8	-9.5
Increase / decrease in accounts receivable	-5.1	-0.7	-13.4	-1.2	-6.6	-12.2	-5.4
Increase / decrease in accounts payable	-3.7	1.3	8.9	-3.9	8.1	3.8	2.0
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	-16.3	-8.3	-22.2	-12.9
Net cash provided by operating activities [1]	9.7	8.9	4.9	11.8	21.6	16.3	29.8
Investments in intangible assets	-0.4	-0.8	-1.2	-1.4	-0.5	-0.5	-0.5
Investments in property, plant and equipment	-2.4	-4.0	-8.2	-6.7	-6.2	-5.4	-5.6
Payments for acquisitions	0.0	-1.2	-0.8	-3.5	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Income from asset disposals	0.4	3.3	0.5	0.2	0.0	0.0	0.0
Net cash provided by investing activities [2]	-2.1	-1.9	-9.8	-11.4	-6.7	-5.9	-6.1
Change in financial liabilities	-5.0	-1.3	1.0	1.9	0.0	0.0	0.0
Dividends paid	-2.0	-2.0	-2.2	-2.5	-3.0	-3.4	-4.5
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	-1.2	-3.0	-3.4	-4.5
Change in liquid funds [1]+[2]+[3]	0.2	8.6	-6.4	-0.9	11.9	7.0	19.3
Effects of exchange-rate changes on cash	0.1	0.1	-0.1	-0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	10.9	19.7	13.1	12.3	24.4	31.5	50.8

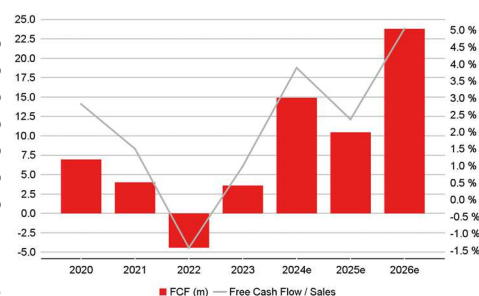
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	7.0	4.0	-4.4	3.6	14.9	10.5	23.8
Free Cash Flow / Sales	2.8 %	1.5 %	-1.4 %	1.0 %	3.9 %	2.4 %	5.0 %
Free Cash Flow Potential	15.8	16.8	21.4	25.3	30.6	39.1	43.4
Free Cash Flow / Net Profit	58.1 %	31.8 %	-27.0 %	20.0 %	62.5 %	32.7 %	66.4 %
Interest Received / Avg. Cash	2.0 %	0.6 %	0.5 %	0.4 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	5.0 %	5.7 %	6.6 %	8.5 %	7.5 %	7.5 %	7.5 %
Management of Funds							
Investment ratio	1.1 %	1.8 %	3.0 %	2.2 %	1.7 %	1.3 %	1.3 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	74.5 %	123.1 %	200.6 %	122.5 %	110.0 %	90.2 %	87.7 %
Avg. Working Capital / Sales	24.4 %	25.4 %	26.7 %	28.1 %	30.0 %	29.6 %	31.3 %
Trade Debtors / Trade Creditors	421.2 %	378.0 %	278.8 %	342.6 %	258.3 %	266.6 %	266.8 %
Inventory Turnover	2.8 x	2.4 x	2.2 x	2.2 x	2.0 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	26	38	39	40
Cash conversion cycle (Days)	108	121	128	139	143	151	156

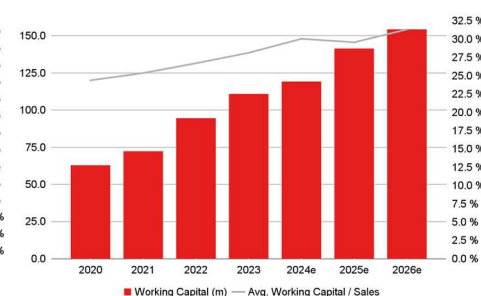
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

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

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-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
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-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	141	71
Hold	44	22
Sell	10	5
Rating suspended	5	3
Total	200	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	41	75
Hold	10	18
Sell	2	4
Rating suspended	2	4
Total	55	100

PRICE AND RATING HISTORY 2G ENERGY AS OF 09.09.2024



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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