

<b>Buy</b> <b>EUR 39.00</b>  Price <b>EUR 23.40</b> Upside <b>66.7 %</b>	<b>Value Indicators:</b> EUR DCF: 39.19 Peer group 2025e: 37.37	<b>Warburg ESG Risk Score: 3.2</b> ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.5	<b>Description:</b> Leading international manufacturer of combined heat and power plants and large heat pumps
	<b>Market Snapshot:</b> EUR m Market cap: 419.8 No. of shares (m): 17.9 EV: 403.7 Freefloat MC: 230.5 Ø Trad. Vol. (30d): 350.11 th	<b>Shareholders:</b> Freefloat 54.91 % Christian Grotholt, CEO 29.64 % Ludger Gausling 15.45 %	<b>Key Figures (WRe):</b> 2024e Beta: 1.2 Price / Book: 2.9 x Equity Ratio: 56 %

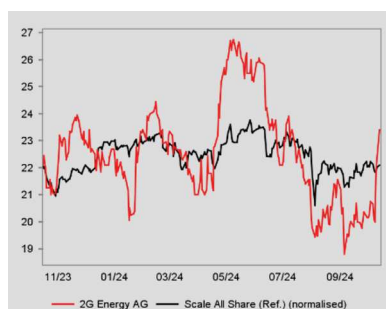
## Very strong order intake underpins attractive growth story

<b>Order intake Q3/2024:</b> in EUR m	<b>Q3/24</b> 80.4 230.0	<b>Q3/24e</b> 60.9 206.0	<b>Q3/23</b> 42.0 194.9	<b>yoy</b> 91.4% 18.0%	<b>Comment on Figures:</b> <ul style="list-style-type: none"> <li>Order intake was very strong and surpassed our estimate thanks to dynamic markets in the US and Eastern Europe.</li> <li>In the US, 2G Energy acquired a EUR 17.5m order for the supply of 32 hydrogen CHPs for nursing homes of which 60% is included in the Q3 order intake.</li> <li>The order book hit an all-time high of EUR 230m at the end of Q3, laying a solid basis for the 2025 revenue-growth guidance (EUR 410-450m).</li> </ul>
--	-------------------------------	--------------------------------	-------------------------------	------------------------------	--

2G Energy recorded a stellar order intake of EUR 80.4m (+91.4% yoy) on the back of dynamic US and Eastern European markets. In the US, the company received a large single order with a volume of EUR 17.5m for the supply of 32 hydrogen CHPs, though only 60% of the order volume is recognized in the order intake. The remaining EUR 7m will be considered in Q4 as will a EUR 5m order for sewage gas CHPs in Southern Europe. Hence, we assume the vibrant order momentum will continue and expect an **order intake of at least EUR 41m** for Q4/24.

The order backlog reached an all-time-high of EUR 230m at the end of Q3 (+18% yoy), laying a solid basis for upbeat revenue growth in FY 2025. The management is **guiding for sales of EUR 410-450m. It expects to achieve the upper half of the guidance** and full capacity utilization well into H2/25. The high utilization rate should also bolster margin generation (EBIT), which we expect to reach 10.5% in FY 2025. While strong order execution will be key to meeting our estimate, we regard 2G Energy to be well set for a good 2025 performance and expect only limited adjustment potential to our margin estimate (0.5-0.7%), arising from potential bottlenecks for exogenous parts.

The share price development, though, fails to reflect the good operating performance and **2G Energy is trading on attractive valuation multiples (P/E of 13.1x for 2025e)**. In particular, the targeted mid-term revenue growth (10% plus inflation) and sustainable margin improvement of recent years are not factored into the share price. Hence, we reiterate our target price and Buy recommendation and expect the strong order momentum to be a catalyst for the share's performance.

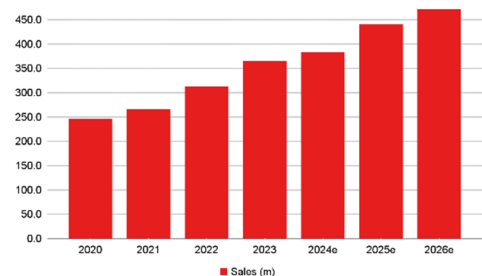


<b>Rel. Performance vs Scale All Share</b>	
1 month:	15.0 %
6 months:	9.7 %
Year to date:	7.0 %
Trailing 12 months:	4.9 %

**Company events:**  
25.11.24 Q3

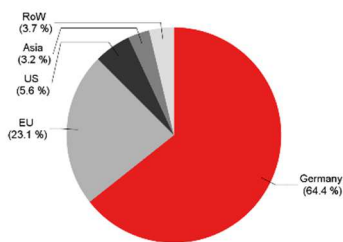
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	8.9 %	246.7	266.3	312.6	365.1	383.0	440.6	471.8
Change Sales yoy		4.4 %	8.0 %	17.4 %	16.8 %	4.9 %	15.0 %	7.1 %
Gross profit margin		35.2 %	36.7 %	36.7 %	36.4 %	38.9 %	40.7 %	41.3 %
<b>EBITDA</b>	19.3 %	20.3	22.0	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 %
<b>EBIT</b>	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 %
<b>Net income</b>	25.8 %	12.0	12.6	16.4	18.0	23.9	32.0	35.8
<b>EPS</b>	26.0 %	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
<b>DPS</b>	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 %	0.8 %	1.1 %	1.2 %
<b>FCFPS</b>		0.39	0.22	-0.25	0.20	0.83	0.58	1.33
<b>FCF / Market cap</b>		2.5 %	0.9 %	-1.0 %	0.8 %	3.6 %	2.5 %	5.7 %
<b>EV / Sales</b>		1.1 x	1.6 x	1.4 x	1.2 x	1.1 x	0.9 x	0.8 x
<b>EV / EBITDA</b>		13.2 x	18.8 x	15.4 x	12.4 x	9.9 x	7.5 x	6.4 x
<b>EV / EBIT</b>		16.1 x	22.9 x	18.4 x	15.3 x	11.6 x	8.5 x	7.3 x
<b>P / E</b>		22.8 x	34.1 x	27.5 x	24.1 x	17.6 x	13.1 x	11.7 x
<b>P / E adj.</b>		22.8 x	34.1 x	27.5 x	24.1 x	17.6 x	13.1 x	11.7 x
<b>FCF Potential Yield</b>		5.9 %	4.1 %	4.9 %	5.9 %	7.6 %	9.9 %	11.5 %
<b>Net Debt</b>		-5.6	-14.6	-7.1	-4.3	-16.1	-23.2	-42.5
<b>ROCE (NOPAT)</b>		17.1 %	16.7 %	18.4 %	16.7 %	19.6 %	23.3 %	23.2 %
<b>Guidance:</b>		2024: Sales: EUR 360-390m; EBIT-margin: 8.5-10%						

**Sales development**  
in EUR m



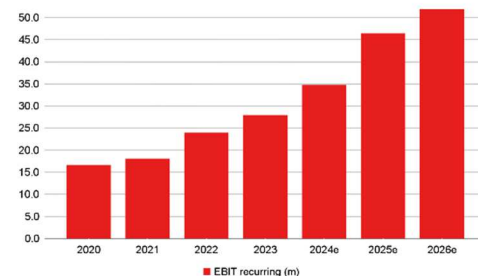
Source: Warburg Research

**Sales by regions**  
2023



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

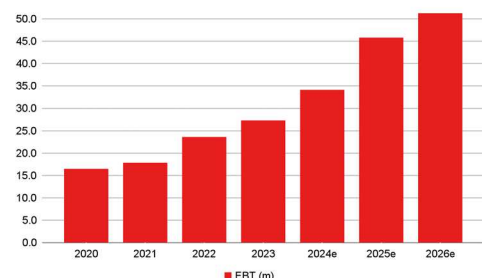
## Company Background

- 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

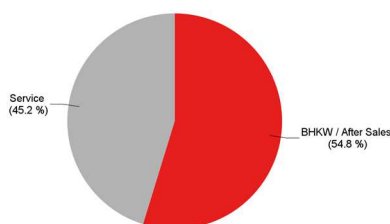
- Founded in 1995, 2G Energy quickly positioned as technology leader for biogas CHPs in Europe. Innovative designs, best-in-class performance and quality standards improved 2G's positioning.
- Offering a fitting solution for different client groups, 2G Energy stands out from its peer-group with its extensive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



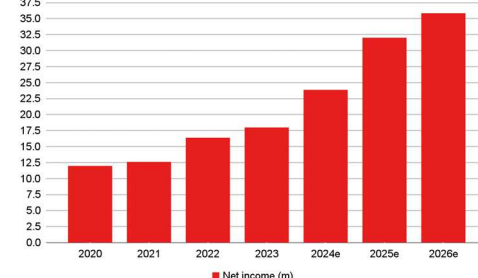
Source: Warburg Research

**Sales by segments**  
2023



Source: Warburg Research

**Net income development**  
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	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

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	1.50
Risk free rate	2.75 %	Transparency	1.20
		Others	1.00
<b>WACC</b>	<b>9.17 %</b>	<b>Beta</b>	<b>1.24</b>

Valuation (m)

Present values 2036e	277		
Terminal Value	422		
Financial liabilities	8		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	13	No. of shares (m)	17.9
<b>Equity Value</b>	<b>703</b>	<b>Value per share (EUR)</b>	<b>39.19</b>

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
1.44	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	2.9 x	2.4 x	2.1 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	1.1 x	0.9 x	0.8 x
EV / EBITDA	13.2 x	18.8 x	15.4 x	12.4 x	9.9 x	7.5 x	6.4 x
EV / EBIT	16.1 x	22.9 x	18.4 x	15.3 x	11.6 x	8.5 x	7.3 x
EV / EBIT adj.*	16.1 x	22.9 x	20.2 x	15.3 x	11.6 x	8.5 x	7.3 x
P / FCF	39.4 x	106.9 x	n.a.	119.9 x	28.2 x	40.1 x	17.6 x
P / E	22.8 x	34.1 x	27.5 x	24.1 x	17.6 x	13.1 x	11.7 x
P / E adj.*	22.8 x	34.1 x	27.5 x	24.1 x	17.6 x	13.1 x	11.7 x
Dividend Yield	2.9 %	2.1 %	0.6 %	0.7 %	0.8 %	1.1 %	1.2 %
FCF Potential Yield (on market EV)	5.9 %	4.1 %	4.9 %	5.9 %	7.6 %	9.9 %	11.5 %

\*Adjustments made for: -

**Consolidated profit & loss**

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	<b>246.7</b>	<b>266.3</b>	<b>312.6</b>	<b>365.1</b>	<b>383.0</b>	<b>440.6</b>	<b>471.8</b>
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
<b>Total Sales</b>	<b>254.2</b>	<b>268.9</b>	<b>338.8</b>	<b>371.1</b>	<b>393.3</b>	<b>447.4</b>	<b>478.9</b>
Material expenses	167.3	171.3	224.1	238.3	244.1	268.0	284.2
<b>Gross profit</b>	<b>87.0</b>	<b>97.7</b>	<b>114.7</b>	<b>132.8</b>	<b>149.1</b>	<b>179.4</b>	<b>194.6</b>
<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
<b>EBITDA</b>	<b>20.3</b>	<b>22.0</b>	<b>28.7</b>	<b>34.6</b>	<b>40.9</b>	<b>52.9</b>	<b>58.8</b>
<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
<b>EBITA</b>	<b>17.3</b>	<b>18.8</b>	<b>24.9</b>	<b>29.6</b>	<b>36.5</b>	<b>48.2</b>	<b>53.7</b>
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
<b>EBIT</b>	<b>16.6</b>	<b>18.0</b>	<b>24.0</b>	<b>27.9</b>	<b>34.8</b>	<b>46.4</b>	<b>51.9</b>
<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>
<b>EBIT adj.</b>	<b>16.6</b>	<b>18.0</b>	<b>21.9</b>	<b>27.9</b>	<b>34.8</b>	<b>46.4</b>	<b>51.9</b>
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
<b>EBT</b>	<b>16.5</b>	<b>17.8</b>	<b>23.6</b>	<b>27.3</b>	<b>34.1</b>	<b>45.8</b>	<b>51.3</b>
<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
<b>Net income from continuing operations</b>	<b>12.0</b>	<b>12.6</b>	<b>16.4</b>	<b>18.0</b>	<b>23.9</b>	<b>32.0</b>	<b>35.8</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>12.0</b>	<b>12.6</b>	<b>16.4</b>	<b>18.0</b>	<b>23.9</b>	<b>32.0</b>	<b>35.8</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>12.0</b>	<b>12.6</b>	<b>16.4</b>	<b>18.0</b>	<b>23.9</b>	<b>32.0</b>	<b>35.8</b>
<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
<b>EPS</b>	<b>0.67</b>	<b>0.70</b>	<b>0.91</b>	<b>1.00</b>	<b>1.33</b>	<b>1.78</b>	<b>2.00</b>
EPS adj.	0.67	0.70	0.91	1.00	1.33	1.78	2.00

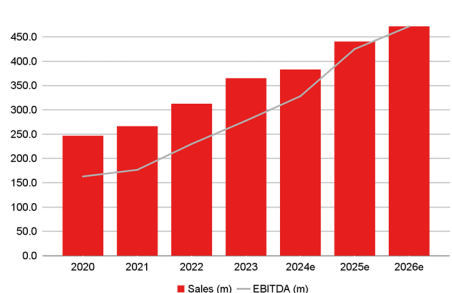
\*Adjustments made for:

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

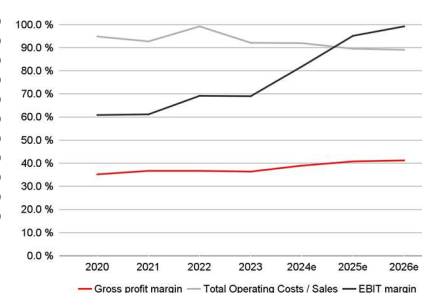
**Financial Ratios**

	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.

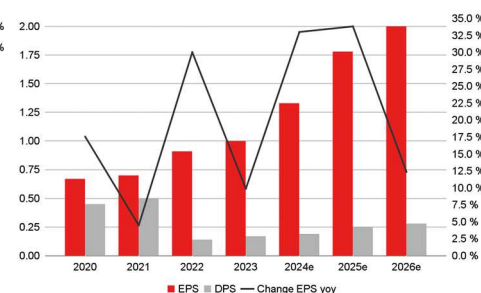
**Sales, EBITDA**  
in EUR m



**Operating Performance**  
in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

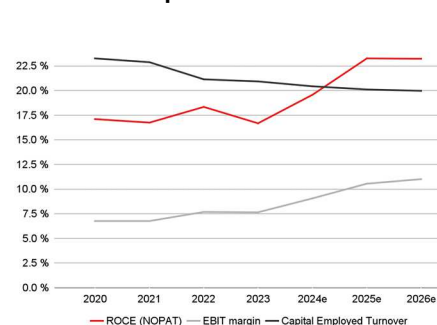
**Consolidated balance sheet**

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
<b>Assets</b>							
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
<b>Fixed assets</b>	<b>26.8</b>	<b>27.1</b>	<b>31.9</b>	<b>38.7</b>	<b>39.3</b>	<b>38.7</b>	<b>37.8</b>
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
<b>Current assets</b>	<b>119.8</b>	<b>142.6</b>	<b>179.7</b>	<b>188.7</b>	<b>217.0</b>	<b>250.1</b>	<b>284.3</b>
<b>Total Assets</b>	<b>146.6</b>	<b>169.7</b>	<b>211.6</b>	<b>227.4</b>	<b>256.4</b>	<b>288.8</b>	<b>322.1</b>
<b>Liabilities and shareholders' equity</b>							
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
<b>Total equity</b>	<b>78.3</b>	<b>94.5</b>	<b>108.6</b>	<b>123.9</b>	<b>144.8</b>	<b>173.4</b>	<b>204.7</b>
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
<b>Liabilities</b>	<b>68.2</b>	<b>75.2</b>	<b>103.0</b>	<b>103.5</b>	<b>111.6</b>	<b>115.4</b>	<b>117.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>146.6</b>	<b>169.7</b>	<b>211.6</b>	<b>227.4</b>	<b>256.4</b>	<b>288.8</b>	<b>322.1</b>

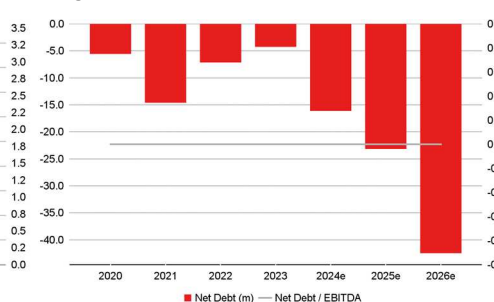
**Financial Ratios**

	2020	2021	2022	2023	2024e	2025e	2026e
<b>Efficiency of Capital Employment</b>							
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 %
<b>Return on Capital</b>							
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 %
<b>Balance sheet quality</b>							
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

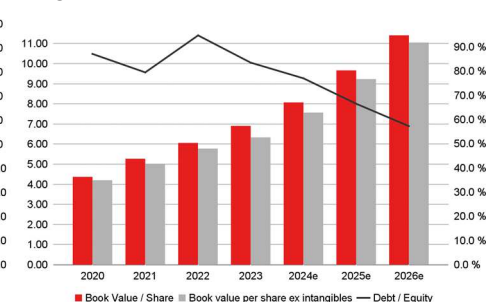
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

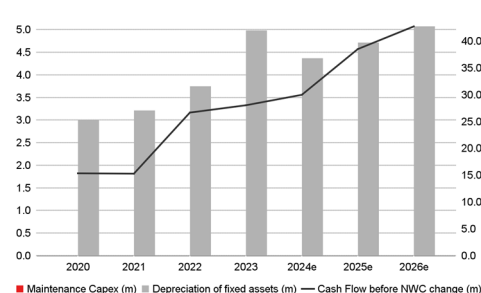
**Consolidated cash flow statement**

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
<b>Cash Flow before NWC change</b>	<b>15.3</b>	<b>15.3</b>	<b>26.7</b>	<b>28.0</b>	<b>30.0</b>	<b>38.5</b>	<b>42.7</b>
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
<b>Net cash provided by operating activities [1]</b>	<b>9.7</b>	<b>8.9</b>	<b>4.9</b>	<b>11.8</b>	<b>21.6</b>	<b>16.3</b>	<b>29.8</b>
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
<b>Net cash provided by investing activities [2]</b>	<b>-2.1</b>	<b>-1.9</b>	<b>-9.8</b>	<b>-11.4</b>	<b>-6.7</b>	<b>-5.9</b>	<b>-6.1</b>
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
<b>Net cash provided by financing activities [3]</b>	<b>-7.4</b>	<b>1.6</b>	<b>-1.6</b>	<b>-1.2</b>	<b>-3.0</b>	<b>-3.4</b>	<b>-4.5</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>0.2</b>	<b>8.6</b>	<b>-6.4</b>	<b>-0.9</b>	<b>11.9</b>	<b>7.0</b>	<b>19.3</b>
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**

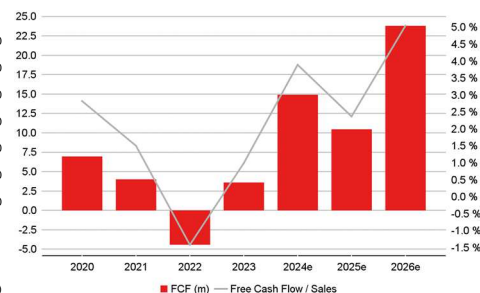
	2020	2021	2022	2023	2024e	2025e	2026e
<b>Cash Flow</b>							
FCF	7.0	4.0	-4.4	3.6	14.9	10.5	23.8
Free Cash Flow / Sales	2.8 %	1.5 %	-1.4 %	1.0 %	3.9 %	2.4 %	5.0 %
Free Cash Flow Potential	15.8	16.8	21.4	25.3	30.6	39.1	43.4
Free Cash Flow / Net Profit	58.1 %	31.8 %	-27.0 %	20.0 %	62.5 %	32.7 %	66.4 %
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 %
<b>Management of Funds</b>							
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



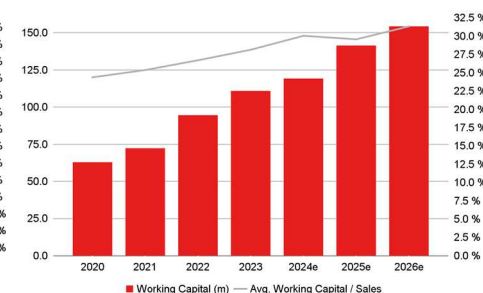
Source: Warburg Research

**Free Cash Flow Generation**



Source: Warburg Research

**Working Capital**



Source: Warburg Research

## LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. All rights reserved.

## COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

## DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

## SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.



### Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M.Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

### Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

This report has been made accessible to the company analysed.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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>

**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-	<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.

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

Rating	Number of stocks	% of Universe
Buy	142	71
Hold	42	21
Sell	10	5
Rating suspended	6	3
<b>Total</b>	<b>200</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	43	77
Hold	9	16
Sell	2	4
Rating suspended	2	4
<b>Total</b>	<b>56</b>	<b>100</b>

**PRICE AND RATING HISTORY 2G ENERGY AS OF 15.10.2024**


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.

## EQUITIES

**Matthias Rode** +49 40 3282-2678  
Head of Equities mrode@mmwarburg.com

## RESEARCH

**Michael Heider** +49 40 309537-280  
Head of Research mheider@warburg-research.com

**Henner Rüschemeyer** +49 40 309537-270  
Head of Research hrueschmeier@warburg-research.com

**Stefan Augustin** +49 40 309537-168  
Cap. Goods, Engineering saugustin@warburg-research.com

**Jan Bauer** +49 40 309537-155  
Renewables jbauer@warburg-research.com

**Christian Cohrs** +49 40 309537-175  
Industrials & Transportation ccohrs@warburg-research.com

**Dr. Christian Ehmann** +49 40 309537-167  
BioTech, Life Science cehmann@warburg-research.com

**Felix Ellmann** +49 40 309537-120  
Software, IT fellmann@warburg-research.com

**Jörg Philipp Frey** +49 40 309537-258  
Retail, Consumer Goods jfrey@warburg-research.com

**Marius Fuhrberg** +49 40 309537-185  
Financial Services mfuhrberg@warburg-research.com

**Fabio Hölscher** +49 40 309537-240  
Automobiles, Car Suppliers fhoelscher@warburg-research.com

**Philipp Kaiser** +49 40 309537-260  
Real Estate, Construction pkaiser@warburg-research.com

**Thilo Kleibauer** +49 40 309537-257  
Retail, Consumer Goods tkleibauer@warburg-research.com

**Hannes Müller** +49 40 309537-255  
Software, IT hmueller@warburg-research.com

**Andreas Pläsier** +49 40 309537-246  
Banks, Financial Services aplaesier@warburg-research.com

**Malte Schaumann** +49 40 309537-170  
Technology mschaumann@warburg-research.com

**Oliver Schwarz** +49 40 309537-250  
Chemicals, Agriculture oschwarz@warburg-research.com

**Simon Stippig** +49 40 309537-265  
Real Estate, Telco sstippig@warburg-research.com

**Marc-René Tonn** +49 40 309537-259  
Automobiles, Car Suppliers mtonn@warburg-research.com

**Robert-Jan van der Horst** +49 40 309537-290  
Technology rvanderhorst@warburg-research.com

**Andreas Wolf** +49 40 309537-140  
Software, IT awolf@warburg-research.com

## INSTITUTIONAL EQUITY SALES

**Klaus Schilling** +49 69 5050-7400  
Head of Equity Sales, Germany kschilling@mmwarburg.com

**Tim Beckmann** +49 40 3282-2665  
United Kingdom tbeckmann@mmwarburg.com

**Jens Buchmüller** +49 69 5050-7415  
Scandinavia, Austria jbuchmueller@mmwarburg.com

**Matthias Fritsch** +49 40 3282-2696  
United Kingdom, Ireland mfritsch@mmwarburg.com

**Rudolf Alexander Michaelis** +49 40 3282-2649  
Germany rmichaelis@mmwarburg.com

**Roman Alexander Niklas** +49 69 5050-7412  
Switzerland, Poland, Italy rniklas@mmwarburg.com

**Sascha Propp** +49 40 3282-2656  
France spropp@mmwarburg.com

**Antonia Möller** +49 69 5050-7417  
Roadshow/Marketing amoeller@mmwarburg.com

**Charlotte Wernicke** +49 40 3282-2669  
Roadshow/Marketing cwernicke@mmwarburg.com

**Juliane Niemann** +49 40 3282-2694  
Roadshow/Marketing jniemann@mmwarburg.com

## SALES TRADING

**Oliver Merkel** +49 40 3282-2634  
Head of Sales Trading omerkel@mmwarburg.com

**Rico Müller** +49 40 3282-2685  
Sales Trading rmueller@mmwarburg.com

**Bastian Quast** +49 40 3282-2701  
Sales Trading bquast@mmwarburg.com

## DESIGNATED SPONSORING

**Marcel Magiera** +49 40 3282-2662  
Designated Sponsoring mmagiera@mmwarburg.com

**Sebastian Schulz** +49 40 3282-2631  
Designated Sponsoring sschulz@mmwarburg.com

**Jörg Treptow** +49 40 3282-2658  
Designated Sponsoring jtreptow@mmwarburg.com

## MACRO RESEARCH

**Carsten Klude** +49 40 3282-2572  
Macro Research cklude@mmwarburg.com

**Dr. Christian Jasperneite** +49 40 3282-2439  
Investment Strategy cjasperneite@mmwarburg.com

## Our research can be found under:

Warburg Research [research.mmwarburg.com/en/index.html](https://research.mmwarburg.com/en/index.html)  
Bloomberg RESP MMWA GO  
FactSet [www.factset.com](https://www.factset.com)

LSEG [www.lseg.com](https://www.lseg.com)  
Capital IQ [www.capitaliq.com](https://www.capitaliq.com)

## For access please contact:

**Andrea Schaper** +49 40 3282-2632  
Sales Assistance aschaper@mmwarburg.com

**Kerstin Muthig** +49 40 3282-2703  
Sales Assistance kmuthig@mmwarburg.com