company note

METZLER
Capital Markets

2G Energy (2GB GY) | Utilities/Renewables

October 29, 2025

A bumpy end to the current year

Last night, 2G Energy lowered its forecast for revenue (EUR 380 million to 400 million; previous: EUR 430 million to 440 million) and EBIT margin (6.5% to 8%, previous: 8.5 to 9.5%) for FY 2025. The main reason appears to be a temporary decline in service volume as a result of the ERP conversion at the German locations. Material planning and resource planning have not yet been fully implemented. The company also cites the lack of short-term orders from Ukraine as a reason. Order intake for Q3 is correspondingly down. In the previous year, around EUR 34m of orders came from Ukraine. Adjusted for this, order intake developed positively, up 30% to EUR 57m; the German market in particular was strong, up 91% y-o-y. The company is leaving its forecast for FY 2026 unchanged (sales EUR 440 million to 490 million; EBIT margin 9 to 11%). Here, the company refers to the hoped-for data centre orders for which 2G Energy has participated in a large number of tenders. It also refers to the positive effect of the biomass package, which has now been approved by the EU. In our view there are good reasons to remain optimistic about a further significant increase in sales in the coming year. The 2026 biomass tender volume amounts to 1,126 MW (auctions scheduled for April and October). For comparison: in 2024, the tender volume was 474 MW. The data centres tenders are expected to involve larger lots. In addition, 2G Energy is currently launching two new promising products on the market: a large heat pump, primarily for the German market, and a demand response unit, specifically for the US market.

Fundamentals (in EUR m)[1]	2022	2023	2024	2025e	2026e	2027e
Sales	313	365	376	390	473	508
EBITDA	29	35	41	32	52	59
EBIT	24	28	33	28	48	54
EPS adj. (EUR)	0.91	1.00	1.32	1.05	1.80	2.05
DPS (EUR)	0.14	0.17	0.20	0.21	0.22	0.23
BVPS (EUR)	6.06	6.91	8.15	7.86	8.25	9.08
Net Debt incl. Provisions	-7	-4	-43	-33	-57	-84
Ratios[1]	**2022**	**2023**	**2024**	**2025e**	**2026e**	**2027e**
EV/EBITDA	14.5	11.7	9.0	16.2	9.6	8.1
EV/EBIT	17.3	14.5	11.0	18.7	10.5	8.7
P/E adj.	25.7	22.7	17.4	29.6	17.3	15.2
Dividend yield (%)	0.6	0.7	0.9	0.7	0.7	0.7
EBITDA margin (%)	9.1	9.5	11.0	8.3	11.0	11.6
EBIT margin (%)	7.6	7.6	8.9	7.2	10.1	10.7
Net debt/EBITDA	-0.2	-0.1	-1.0	-1.0	-1.1	-1.4
PBV	3.9	3.3	2.8	4.0	3.8	3.4

[1]Sources: Bloomberg, Metzler Research, [2]Sources: ISS ESG, Metzler Research

Buy unchanged

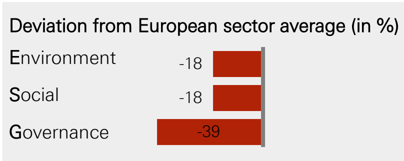
Price* EUR 31.10

Price target EUR 38.50 (39.00)

* XETRA trading price at the close of the previous day unless stated otherwise in the Disclosures

Market Cap (EUR m)[1]	558
Enterprise Value (EUR m)[1]	525
Free Float (%)[1]	54.9

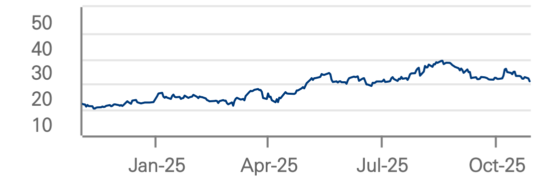
Metzler ESG analysis based on ISS ESG data[2]



Cumulative Beta Adjustment

1.11x

Price (in EUR)[1]



Performance (in %)[1]	1m	3m	12m
Share	-2.0	-12.1	41.4
Rel. to SDAX	-2.9	-8.3	14.4

Changes in estimates (in %)[1]	2025e	2026e	2027e
Sales	-10.3	0.0	0.0
EBIT	-28.4	0.0	0.0
EPS	-28.7	0.0	0.0

Sponsored Research

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Key Data

Company profile

CEO: Pablo Hofelich | CFO: Friedrich Pehle | Heek, Germany

2G Energy is one of the largest suppliers of decentralized midsized CHP plants in the world. The company was founded in 1995. In 2000, 2G began selling its plants abroad as well. Meanwhile, 2G has installed more than 6500 units in more than 50 countries.

Major shareholders

Christan Grotholt (29.6%), Ludger Gausling (15.5%)

Key figures

P&L (in EUR m)	2022	%	2023	%	2024	%	2025e	%	2026e	%	2027e	%
Sales	313	17.4	365	16.8	376	2.9	390	3.8	473	21.3	508	7.4
EBITDA	29	30.0	35	20.7	41	19.5	32	-21.5	52	60.8	59	12.8
EBITDA margin (%)	9.1	10.8	9.5	3.4	11.0	16.1	8.3	-24.4	11.0	32.6	11.6	5.0
EBIT	24	32.3	28	16.6	33	20.2	28	-16.2	48	70.1	54	13.9
EBIT margin (%)	7.6	12.8	7.6	-0.1	8.9	16.9	7.2	-19.2	10.1	40.2	10.7	6.1
Financial result	-0	-45.1	-1	-86.7	-0	15.0	-0	26.4	-0	0.0	-0	0.0
EBT	24	32.2	27	15.7	33	21.0	28	-16.0	47	71.0	54	14.0
Taxes	7	38.8	9	28.8	9	0.4	9	-4.9	15	71.0	17	14.0
Tax rate (%)	30.6	n.a.	34.1	n.a.	28.3	n.a.	32.0	n.a.	32.0	n.a.	32.0	n.a.
Net income	16	29.5	18	9.9	24	31.6	19	-20.4	32	71.0	37	14.0
Minority interests	-0	59.6	0	385.7	0	-81.3	0	-100.0	0	n.a.	0	n.a.
Net Income after minorities	16	29.9	18	9.6	24	31.8	19	-20.3	32	71.0	37	14.0
Number of shares outstanding (m)	18	300.0	18	0.0	18	0.0	18	0.0	18	0.0	18	0.0
EPS adj. (EUR)	0.91	29.9	1.00	9.6	1.32	31.8	1.05	-20.3	1.80	71.0	2.05	14.0
DPS (EUR)	0.14	-72.0	0.17	21.4	0.20	17.6	0.21	5.0	0.22	4.8	0.23	4.5
Dividend yield (%)	0.6	n.a.	0.7	n.a.	0.9	n.a.	0.7	n.a.	0.7	n.a.	0.7	n.a.

Cash Flow (in EUR m)	2022	%	2023	%	2024	%	2025e	%	2026e	%	2027e	%
Gross Cash Flow	27	45.4	28	5.6	34	20.1	23	-31.4	37	57.8	41	12.4
Increase in working capital	22	n.a.	16	n.a.	-20	n.a.	22	n.a.	3	n.a.	3	n.a.
Capital expenditures	10	415.8	11	16.3	12	0.9	7	-39.1	6	-14.3	7	16.7
D+A/Capex (%)	48.0	n.a.	58.4	n.a.	67.4	n.a.	61.4	n.a.	71.7	n.a.	61.4	n.a.
Free cash flow (Metzler definition)	-5	-170.6	0	108.1	42	n.m.	-6	-114.0	28	571.3	31	12.8
Free cash flow yield (%)	-1.2	n.a.	0.1	n.a.	10.1	n.a.	-1.0	n.a.	4.9	n.a.	5.6	n.a.
Dividend paid	2	12.5	3	12.0	3	21.4	4	17.6	4	5.0	4	4.8
Free cash flow (post dividend)	-7	-243.5	-2	70.6	39	n.m.	-9	-124.3	24	352.0	27	14.1

Balance sheet (in EUR m)	2022	%	2023	%	2024	%	2025e	%	2026e	%	2027e	%
Assets	212	24.7	227	7.5	278	22.4	234	-15.9	241	3.0	256	6.0
Goodwill	3	-8.6	7	128.8	5	-30.4	3	-37.2	3	0.0	3	0.0
Shareholders' equity	109	14.9	124	14.2	146	18.0	141	-3.6	148	5.0	163	10.1
Equity/total assets (%)	51.3	n.a.	54.5	n.a.	52.5	n.a.	60.2	n.a.	61.4	n.a.	63.7	n.a.
Net Debt incl. Provisions	-7	34.0	-4	42.9	-43	-970.3	-33	22.0	-57	-71.2	-84	-47.4
thereof pension provisions	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Gearing (%)	-6.4	n.a.	-3.2	n.a.	-29.3	n.a.	-23.7	n.a.	-38.6	n.a.	-51.7	n.a.
Net debt/EBITDA	-0.2	n.a.	-0.1	n.a.	-1.0	n.a.	-1.0	n.a.	-1.1	n.a.	-1.4	n.a.

Structure

Sales by region 2024

Sources: Bloomberg, Metzler Research

ESG discussion

When biogas is burned, discussions arise regarding the conflict of energy production and nutrition. Natural gas as an energy source is not CO2 free and is also controversial. 2G's plants can be converted to hydrogen. The company has no specific target to reduce its carbon emissions but takes measures to reduce its environmental footprint, whose efficiency is reflected in decreasing energy and greenhouse gas emission intensities. Regarding the governance of sustainability, no committee seems to be in charge of sustainability issues and ESG performance does not seem part of the executive compensation scheme. The company has a code of conduct covering relevant issues such as corruption, insider dealings and conflicts of interest.

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Recommendations for each financial instrument or issuer - mentioned in this document - published by Metzler in the past twelve months

Date of dissemination	Metzler recommendation * Previous	Current	Current price **	Price target *	Author ***
Issuer/Financial Instrument (ISIN): 2G Energy (DE000A0HL8N9)					
04.09.2025	Buy	Buy	36.10 EUR	39.00 EUR	Hoymann, Guido
22.05.2025	Buy	Buy	33.85 EUR	36.00 EUR	Hoymann, Guido
01.04.2025	Buy	Buy	24.25 EUR	31.90 EUR	Hoymann, Guido
19.11.2024	Buy	Buy	21.00 EUR	31.90 EUR	Hoymann, Guido

* Effective until the price target and/or investment recommendation is updated (FI/FX recommendations are valid solely at the time of publication)

** XETRA trading price at the close of the previous day unless stated otherwise herein: (AMS SW: SIX Swiss Exchange)

*** All authors are financial analysts

2G Energy

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Compiled: October 29, 2025 07:59 am CET
Initial release: October 29, 2025 07:59 am CET

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