

Buy EUR 36.00 (EUR 36.30) Price EUR 25.55 Upside 40.9 %	Value Indicators: EUR DCF: 36.15 Peer group 2024e: 41.63	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: 458.4 No. of shares (m): 17.9 EV: 449.4 Freefloat MC: 251.7 Ø Trad. Vol. (30d): 459.56 th	Shareholders: Freefloat 54.91 % Christian Grotholt, CEO 29.64 % Ludger Gausling 15.45 %	Key Figures (WRE): 2023e Beta: 1.3 Price / Book: 3.6 x Equity Ratio: 55 %

Strong H1 performance driven by international business

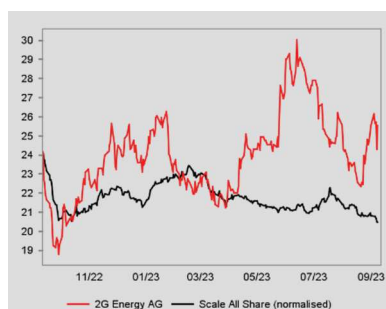
Stated Figures H1/2023:	6M/23	6M/23e	6M/22	yoy	Comment on Figures:
in EUR m					
CHP sales	58.7	54.1	46.3	26.8%	<ul style="list-style-type: none"> Despite a challenging economic environment both segments showed upbeat top-line growth, ahead of our expectations. Margin generation profited from the implemented efficiency measures ("lead-to-lean"), even though wages increased by about 6%. Input costs have normalized and 2G Energy has successfully passed the higher prices on to its clients. Unfinished goods grew by about EUR 30m and should turn into sales during H2, which should show significantly stronger margin generation than H1. Order intake reflects the current uncertainties in German and European energy policy with a decline of about 30%.
Service sales	76.9	80.4	67.7	13.6%	
Sales	135.5	134.5	114.0	18.9%	
Total sales	166.3	158.8	137.8	20.7%	
Gross profit margin	53.8	54.2	45.0	19.5%	
EBITDA margin	6.7	6.4	5.0	34.6%	
EBIT margin	4.3	3.8	2.7	58.8%	
	3.1%	2.8%	2.4%		

2G Energy has presented an upbeat set of figures in a challenging economic and regulatory environment. Both segments delivered stronger top-line growth than we were expecting and the implemented efficiency measures bolstered margin generation. Order intake in Germany and Europe suffered from a sluggish regulatory environment but the release of the final draft of the German heating law should boost order intake again. Considering management statements of a pick-up in order momentum during July & August, we deem the weak order intake to be temporary.

The acquisition of NRGTEQ B.V., a specialized large heat-pump manufacturer, marks the first step towards a broader product offering. By leveraging overlaps in production, service, project management and client access, we deem the acquisition to be an important cornerstone for 2G's growth in coming years. Furthermore, heat pumps should generate higher margins than CHPs, bolstering margin generation.

Guidance is backed by strong order book: The order book of EUR 194m lays a solid foundation for 2G Energy to achieve its sales guidance of EUR 310-350m. Regarding margin generation, we expect the lead-to-lean programme to unleash its full potential in H2, triggering significant margin growth. In addition, the normalized procurement situation and successful price increases should support margin generation, allowing 2G Energy to achieve the upper end of its guidance.

Changes in Estimates:	2023e (old)		2024e (old)		2025e (old)		Comment on Changes:
FY End: 31.12. in EUR m	+	-	+	-	+	-	
Sales	351.7	-0.4 %	397.8	-0.4 %	448.9	-0.4 %	<ul style="list-style-type: none"> We have made some minor changes to our forecast, including weaker business development in Germany in H2/23 and H1/24 but steeper growth in the US business. We maintain our positioning at the upper end of the guidance range, though project shifts in Q4 might have a smaller, adverse effect on figures.
EBITDA	35.3	-0.8 %	44.2	-0.8 %	54.4	-0.8 %	
EBIT	29.8	-1.0 %	38.3	-1.0 %	48.1	-0.9 %	

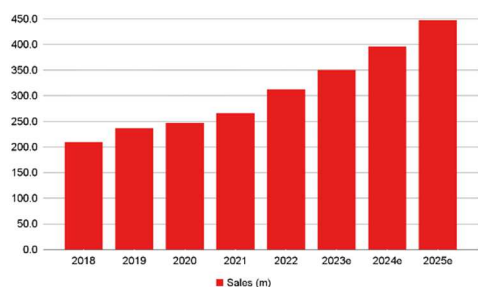


Rel. Performance vs Scale All	
1 month:	13.5 %
6 months:	22.0 %
Year to date:	13.1 %
Trailing 12 months:	20.3 %

Company events:	

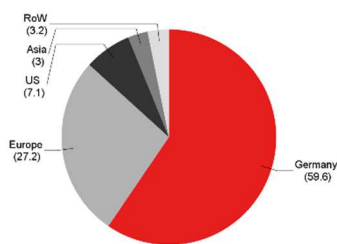
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	12.7 %	236.4	246.7	266.3	312.6	350.4	396.3	447.2
Change Sales yoy		12.7 %	4.4 %	8.0 %	17.4 %	12.1 %	13.1 %	12.9 %
Gross profit margin		33.6 %	35.2 %	36.7 %	36.7 %	37.5 %	39.4 %	40.4 %
EBITDA	23.5 %	19.4	20.3	22.0	28.7	35.0	43.8	53.9
Margin		8.2 %	8.2 %	8.3 %	9.2 %	10.0 %	11.1 %	12.1 %
EBIT	25.7 %	15.6	16.6	18.0	24.0	29.5	37.9	47.6
Margin		6.6 %	6.7 %	6.8 %	7.7 %	8.4 %	9.6 %	10.7 %
Net income	26.3 %	10.3	12.0	12.6	16.4	20.3	26.2	33.0
EPS	26.5 %	2.33	2.70	2.85	0.91	1.13	1.46	1.84
EPS adj.	26.5 %	2.33	2.70	2.85	0.91	1.13	1.46	1.84
DPS	10.7 %	0.45	0.45	0.50	0.14	0.15	0.18	0.19
Dividend Yield		5.2 %	2.9 %	2.1 %	0.6 %	0.6 %	0.7 %	0.7 %
FCFPS		-0.59	1.57	0.91	-0.25	0.24	0.60	0.78
FCF / Market cap		-6.8 %	10.3 %	3.8 %	-1.0 %	1.0 %	2.4 %	3.0 %
EV / Sales		0.2 x	0.3 x	0.3 x	1.4 x	1.3 x	1.1 x	1.0 x
EV / EBITDA		2.0 x	3.1 x	4.2 x	15.4 x	12.9 x	10.1 x	8.0 x
EV / EBIT		2.4 x	3.7 x	5.1 x	18.4 x	15.2 x	11.6 x	9.1 x
P / E		3.7 x	5.7 x	8.4 x	27.5 x	22.6 x	17.5 x	14.0 x
P / E adj.		3.7 x	5.7 x	8.4 x	27.5 x	22.6 x	17.5 x	14.0 x
FCF Potential Yield		37.6 %	25.4 %	18.4 %	4.9 %	5.8 %	7.4 %	9.2 %
Net Debt		-0.1	-5.6	-14.6	-7.1	-9.0	-17.1	-27.8
ROCE (NOPAT)		17.1 %	17.1 %	16.7 %	18.4 %	18.9 %	21.2 %	23.4 %
Guidance:		Sales: EUR 310-350m; EBIT-margin: 6.5-8.5%						

Sales development in EUR m



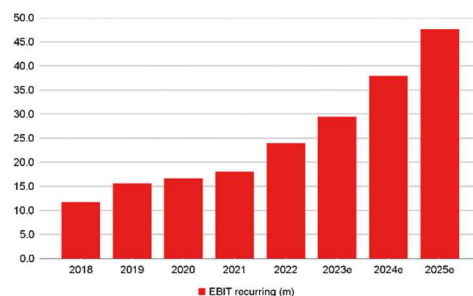
Source: Warburg Research

Sales by regions 2022; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

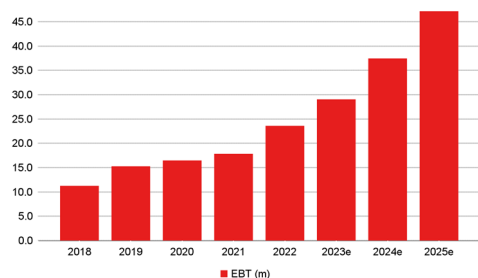
Company Background

- 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.

Competitive Quality

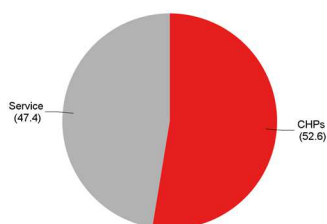
- Founded in 1995, 2G Energy quickly positioned as technology leader for biogas CHPs in Europe. Innovative designs, best-in-class performance and quality standards improved 2G's positioning.
- Offering a fitting solution for different client groups, 2G Energy stands out from its peer-group with its extensive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



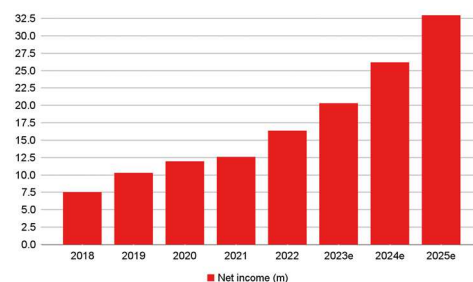
Source: Warburg Research

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	350.4	396.3	447.2	509.8	576.1	645.3	716.2	787.9	858.8	927.5	983.1	1,022.4	1,053.1	
Sales change	12.1 %	13.1 %	12.9 %	14.0 %	13.0 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	6.0 %	4.0 %	3.0 %	3.0 %
EBIT	29.5	37.9	47.6	61.2	72.0	83.9	89.5	94.5	103.1	102.0	108.1	112.5	115.8	
EBIT-margin	8.4 %	9.6 %	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)	30.0 %	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	20.6	26.5	33.3	42.8	50.4	58.7	62.7	66.2	72.1	71.4	75.7	78.7	81.1	
Depreciation	5.5	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	1.6 %	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	11.2	14.6	19.5	23.3	27.0	29.3	17.0	15.8	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	2.9 %	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)	4.7	11.1	14.2	20.0	24.0	29.5	45.7	50.4	49.4	49.4	57.9	66.1	71.3	73
PV of FCF	4.6	10.0	11.7	15.0	16.5	18.5	26.3	26.5	23.8	21.8	23.3	24.4	24.1	395
share of PVs	4.09 %			34.32 %										61.60 %

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	246		
Terminal Value	395		
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	648	Value per share (EUR)	36.15

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 %	28.64	29.13	29.66	30.23	30.83	31.48	32.18	1.46	10.3 %	24.82	26.62	28.42	30.23	32.03	33.83	35.64
1.36	9.8 %	31.04	31.63	32.27	32.96	33.70	34.50	35.36	1.36	9.8 %	27.11	29.06	31.01	32.96	34.91	36.86	38.81
1.31	9.5 %	32.37	33.02	33.73	34.49	35.31	36.20	37.17	1.31	9.5 %	28.40	30.43	32.46	34.49	36.52	38.55	40.58
1.26	9.3 %	33.80	34.52	35.30	36.15	37.06	38.06	39.14	1.26	9.3 %	29.79	31.91	34.03	36.15	38.27	40.38	42.50
1.21	9.0 %	35.34	36.14	37.01	37.95	38.97	40.08	41.30	1.21	9.0 %	31.31	33.52	35.74	37.95	40.16	42.38	44.59
1.16	8.8 %	37.00	37.89	38.86	39.91	41.06	42.31	43.69	1.16	8.8 %	32.96	35.28	37.59	39.91	42.23	44.55	46.86
1.06	8.3 %	40.77	41.88	43.09	44.42	45.88	47.49	49.28	1.06	8.3 %	36.75	39.31	41.86	44.42	46.97	49.53	52.08

- 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	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	0.6 x	0.9 x	1.1 x	4.1 x	3.6 x	3.1 x	2.6 x
Book value per share ex intangibles	14.75	17.02	20.09	5.78	6.61	7.97	9.68
EV / Sales	0.2 x	0.3 x	0.3 x	1.4 x	1.3 x	1.1 x	1.0 x
EV / EBITDA	2.0 x	3.1 x	4.2 x	15.4 x	12.9 x	10.1 x	8.0 x
EV / EBIT	2.4 x	3.7 x	5.1 x	18.4 x	15.2 x	11.6 x	9.1 x
EV / EBIT adj.*	2.4 x	3.7 x	5.1 x	18.4 x	15.2 x	11.6 x	9.1 x
P / FCF	n.a.	9.7 x	26.4 x	n.a.	105.0 x	42.5 x	33.1 x
P / E	3.7 x	5.7 x	8.4 x	27.5 x	22.6 x	17.5 x	14.0 x
P / E adj.*	3.7 x	5.7 x	8.4 x	27.5 x	22.6 x	17.5 x	14.0 x
Dividend Yield	5.2 %	2.9 %	2.1 %	0.6 %	0.6 %	0.7 %	0.7 %
FCF Potential Yield (on market EV)	37.6 %	25.4 %	18.4 %	4.9 %	5.8 %	7.4 %	9.2 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	236.4	246.7	266.3	312.6	350.4	396.3	447.2
Change Sales yoy	12.7 %	4.4 %	8.0 %	17.4 %	12.1 %	13.1 %	12.9 %
Increase / decrease in inventory	-10.3	7.4	2.6	26.0	-3.6	10.0	6.6
Own work capitalised	0.0	0.1	0.0	0.2	0.0	0.0	0.0
Total Sales	226.1	254.2	268.9	338.8	346.8	406.3	453.9
Material expenses	146.8	167.3	171.3	224.1	215.3	250.1	273.2
Gross profit	79.4	87.0	97.7	114.7	131.5	156.2	180.7
<i>Gross profit margin</i>	<i>33.6 %</i>	<i>35.2 %</i>	<i>36.7 %</i>	<i>36.7 %</i>	<i>37.5 %</i>	<i>39.4 %</i>	<i>40.4 %</i>
Personnel expenses	39.0	44.3	49.4	57.0	60.6	70.4	78.2
Other operating income	2.0	2.3	3.4	6.2	4.0	3.0	2.0
Other operating expenses	23.1	24.6	29.7	35.3	39.9	45.0	50.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	19.4	20.3	22.0	28.7	35.0	43.8	53.9
<i>Margin</i>	<i>8.2 %</i>	<i>8.2 %</i>	<i>8.3 %</i>	<i>9.2 %</i>	<i>10.0 %</i>	<i>11.1 %</i>	<i>12.1 %</i>
Depreciation of fixed assets	2.9	3.0	3.2	3.7	4.1	4.5	4.8
EBITA	16.4	17.3	18.8	24.9	30.8	39.3	49.1
Amortisation of intangible assets	0.8	0.7	0.7	0.9	1.3	1.4	1.4
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	15.6	16.6	18.0	24.0	29.5	37.9	47.6
<i>Margin</i>	<i>6.6 %</i>	<i>6.7 %</i>	<i>6.8 %</i>	<i>7.7 %</i>	<i>8.4 %</i>	<i>9.6 %</i>	<i>10.7 %</i>
EBIT adj.	15.6	16.6	18.0	24.0	29.5	37.9	47.6
Interest income	0.1	0.2	0.1	0.1	0.0	0.0	0.0
Interest expenses	0.4	0.4	0.3	0.4	0.4	0.5	0.5
Other financial income (loss)	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
EBT	15.3	16.5	17.8	23.6	29.0	37.5	47.2
<i>Margin</i>	<i>6.5 %</i>	<i>6.7 %</i>	<i>6.7 %</i>	<i>7.5 %</i>	<i>8.3 %</i>	<i>9.5 %</i>	<i>10.5 %</i>
Total taxes	5.0	4.5	5.2	7.2	8.7	11.3	14.2
Net income from continuing operations	10.3	12.0	12.6	16.4	20.3	26.2	33.0
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	10.3	12.0	12.6	16.4	20.3	26.2	33.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	10.3	12.0	12.6	16.4	20.3	26.2	33.0
<i>Margin</i>	<i>4.4 %</i>	<i>4.9 %</i>	<i>4.7 %</i>	<i>5.2 %</i>	<i>5.8 %</i>	<i>6.6 %</i>	<i>7.4 %</i>
Number of shares, average	4.4	4.4	4.4	17.9	17.9	17.9	17.9
EPS	2.33	2.70	2.85	0.91	1.13	1.46	1.84
EPS adj.	2.33	2.70	2.85	0.91	1.13	1.46	1.84

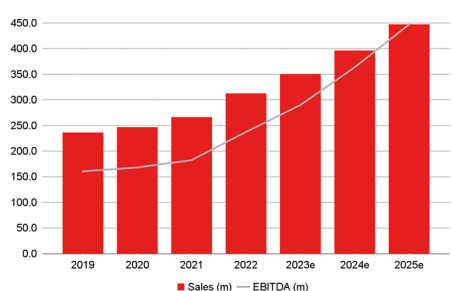
*Adjustments made for:

Guidance: Sales: EUR 310-350m; EBIT-margin: 6.5-8.5%

Financial Ratios

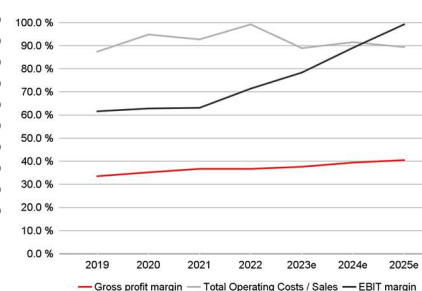
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	87.5 %	94.8 %	92.7 %	99.2 %	89.0 %	91.5 %	89.4 %
Operating Leverage	2.6 x	1.5 x	1.1 x	1.9 x	1.9 x	2.2 x	2.0 x
EBITDA / Interest expenses	47.5 x	51.0 x	71.7 x	74.7 x	78.8 x	92.3 x	113.6 x
Tax rate (EBT)	32.6 %	27.4 %	29.2 %	30.6 %	30.0 %	30.1 %	30.1 %
Dividend Payout Ratio	19.4 %	16.7 %	17.5 %	15.3 %	13.2 %	12.3 %	10.3 %
Sales per Employee	364,246	341,257	349,080	371,291	n.a.	n.a.	n.a.

Sales, EBITDA
in EUR m



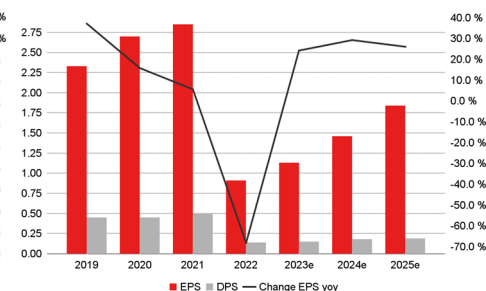
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

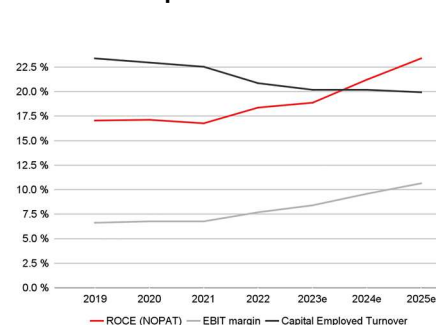
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	3.2	3.0	4.5	5.0	7.9	7.0	6.1
thereof other intangible assets	0.5	0.5	1.0	1.1	4.0	3.1	2.2
thereof Goodwill	2.7	2.3	3.3	3.0	3.0	3.0	3.0
Property, plant and equipment	24.1	22.9	22.6	26.8	28.7	30.4	30.9
Financial assets	0.9	0.9	0.0	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	28.2	26.8	27.1	31.9	36.7	37.5	37.0
Inventories	60.4	60.8	72.2	102.6	116.8	123.8	135.5
Accounts receivable	37.0	42.2	43.4	57.1	56.6	67.3	78.4
Liquid assets	10.7	11.0	19.9	13.5	15.3	23.4	34.1
Other short-term assets	4.6	5.9	7.1	6.5	6.5	6.5	6.5
Current assets	112.7	119.8	142.6	179.7	195.3	221.1	254.5
Total Assets	140.9	146.6	169.7	211.6	231.9	258.5	291.6
Liabilities and shareholders' equity							
Subscribed capital	4.4	4.4	4.5	17.9	17.9	17.9	17.9
Capital reserve	11.2	11.2	16.4	3.0	3.0	3.0	3.0
Retained earnings	53.8	63.7	74.3	88.5	106.3	129.8	159.5
Other equity components	-0.9	-1.0	-0.7	-0.7	-0.7	-0.7	-0.7
Shareholders' equity	68.6	78.4	94.6	108.7	126.5	150.0	179.7
Minority interest	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Total equity	68.5	78.3	94.5	108.6	126.4	149.9	179.7
Provisions	15.4	13.4	17.7	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)	10.6	5.5	5.3	6.3	6.3	6.3	6.3
Short-term financial liabilities	5.4	1.3	1.9	2.5	2.5	2.5	2.5
Accounts payable	13.7	10.0	11.5	20.5	23.0	26.1	29.4
Other liabilities	32.7	39.4	40.7	54.7	54.7	54.7	54.7
Liabilities	72.4	68.2	75.2	103.0	105.5	108.6	111.9
Total liabilities and shareholders' equity	140.9	146.6	169.7	211.6	231.9	258.5	291.6

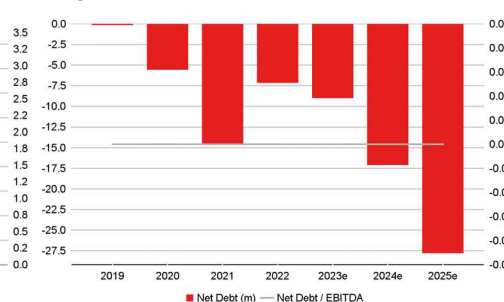
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	2.9 x	2.9 x	2.8 x	2.6 x	2.6 x	2.6 x	2.6 x
Capital Employed Turnover	3.5 x	3.4 x	3.3 x	3.1 x	3.0 x	3.0 x	2.9 x
ROA	36.6 %	44.7 %	46.5 %	51.3 %	55.4 %	69.9 %	89.1 %
Return on Capital							
ROCE (NOPAT)	17.1 %	17.1 %	16.7 %	18.4 %	18.9 %	21.2 %	23.4 %
ROE	15.9 %	16.3 %	14.6 %	16.1 %	17.3 %	19.0 %	20.0 %
Adj. ROE	15.9 %	16.3 %	14.6 %	16.1 %	17.3 %	19.0 %	20.0 %
Balance sheet quality							
Net Debt	-0.1	-5.6	-14.6	-7.1	-9.0	-17.1	-27.8
Net Financial Debt	-0.1	-5.6	-14.6	-7.1	-9.0	-17.1	-27.8
Net Gearing	-0.2 %	-7.1 %	-15.5 %	-6.6 %	-7.1 %	-11.4 %	-15.5 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	15.5	17.7	21.1	6.1	7.0	8.4	10.0
Book value per share ex intangibles	14.7	17.0	20.1	5.8	6.6	8.0	9.7

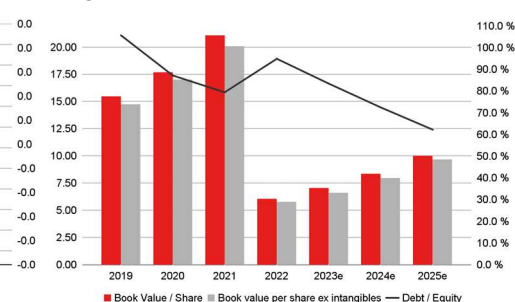
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

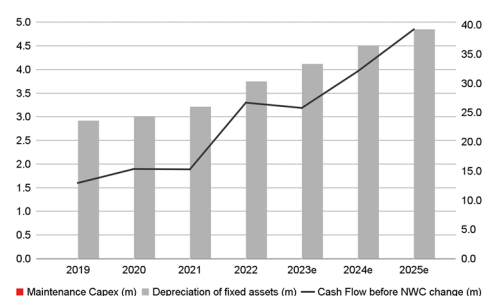
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	10.3	12.0	12.6	16.4	20.3	26.2	33.0
Depreciation of fixed assets	2.9	3.0	3.2	3.7	4.1	4.5	4.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.8	0.7	0.7	0.9	1.3	1.4	1.4
Increase/decrease in long-term provisions	-0.3	-2.0	3.5	3.4	0.0	0.0	0.0
Other non-cash income and expenses	-0.8	1.7	-4.8	2.3	0.0	0.0	0.0
Cash Flow before NWC change	12.9	15.3	15.3	26.7	25.8	32.1	39.3
Increase / decrease in inventory	-14.3	3.3	-7.0	-17.2	-14.2	-7.0	-11.7
Increase / decrease in accounts receivable	-4.4	-5.1	-0.7	-13.4	0.5	-10.7	-11.1
Increase / decrease in accounts payable	7.7	-3.7	1.3	8.9	2.5	3.1	3.3
Increase / decrease in other working capital positions	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-11.0	-5.7	-6.4	-21.7	-11.2	-14.6	-19.5
Net cash provided by operating activities [1]	1.9	9.7	8.9	4.9	14.6	17.5	19.8
Investments in intangible assets	-0.2	-0.4	-0.8	-1.2	-4.3	-0.5	-0.5
Investments in property, plant and equipment	-4.3	-2.4	-4.0	-8.2	-6.0	-6.2	-5.4
Payments for acquisitions	-1.4	0.0	-1.2	-0.8	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	0.2	0.4	3.3	0.5	0.0	0.0	0.0
Net cash provided by investing activities [2]	-5.7	-2.1	-1.9	-9.6	-10.3	-6.7	-5.9
Change in financial liabilities	3.1	-5.0	-1.3	1.0	0.0	0.0	0.0
Dividends paid	-2.0	-2.0	-2.0	-2.2	-2.5	-2.7	-3.2
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	5.3	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]	0.7	-7.4	1.6	-1.6	-2.5	-2.7	-3.2
Change in liquid funds [1]+[2]+[3]	-3.0	0.2	8.6	-6.3	1.9	8.1	10.7
Effects of exchange-rate changes on cash	0.0	0.1	0.1	-0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	10.6	10.9	19.7	13.5	15.3	23.4	34.1

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	-2.6	7.0	4.0	-4.4	4.4	10.8	13.9
Free Cash Flow / Sales	-1.1 %	2.8 %	1.5 %	-1.4 %	1.2 %	2.7 %	3.1 %
Free Cash Flow Potential	14.4	15.8	16.8	21.4	26.2	32.6	39.7
Free Cash Flow / Net Profit	-25.2 %	58.1 %	31.8 %	-27.0 %	21.5 %	41.2 %	42.2 %
Interest Received / Avg. Cash	0.5 %	2.0 %	0.6 %	0.5 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	4.6 %	5.0 %	5.7 %	6.6 %	7.0 %	7.5 %	7.5 %
Management of Funds							
Investment ratio	1.9 %	1.1 %	1.8 %	3.0 %	2.9 %	1.7 %	1.3 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	121.7 %	74.5 %	123.1 %	200.6 %	187.5 %	113.5 %	92.9 %
Avg. Working Capital / Sales	21.8 %	24.4 %	25.4 %	26.7 %	28.6 %	28.5 %	29.1 %
Trade Debtors / Trade Creditors	269.7 %	421.2 %	378.0 %	278.8 %	246.1 %	257.9 %	266.7 %
Inventory Turnover	2.4 x	2.8 x	2.4 x	2.2 x	1.8 x	2.0 x	2.0 x
Receivables collection period (days)	57	62	59	67	59	62	64
Payables payment period (days)	34	22	24	33	39	38	39
Cash conversion cycle (Days)	108	108	121	128	142	139	146

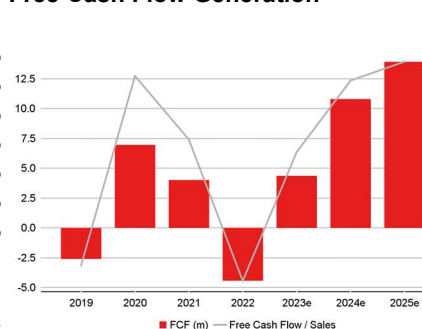
CAPEX and Cash Flow

in EUR m



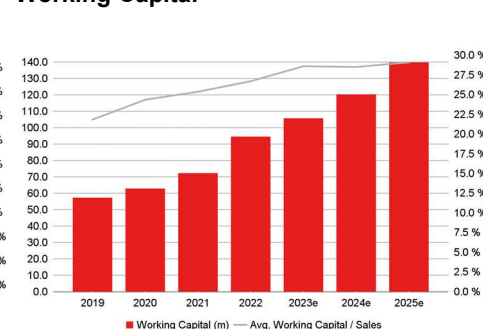
Source: Warburg Research

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

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-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.
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“-“	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	156	75
Hold	44	21
Sell	6	3
Rating suspended	3	1
Total	209	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	44	86
Hold	5	10
Sell	0	0
Rating suspended	2	4
Total	51	100

PRICE AND RATING HISTORY 2G ENERGY AS OF 11.09.2023



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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