

Buy EUR 36.00 Price EUR 21.30 Upside 69.0 %	Value Indicators: EUR DCF: 36.15 Peer group 2024e: 35.10	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: 382.1 No. of shares (m): 17.9 EV: 373.1 Freefloat MC: 209.8 Ø Trad. Vol. (30d): 325.62 th	Shareholders: Freefloat 54.91 % Christian Grotholt, CEO 29.64 % Ludger Gausling 15.45 %	Key Figures (WRe): 2023e Beta: 1.3 Price / Book: 3.0 x Equity Ratio: 55 %

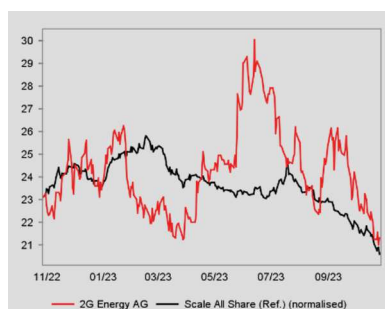
Strong order intake points to upbeat 2024 performance

Order intake Q3/2023:					Comment on Figures: <ul style="list-style-type: none"> Order intake exceeded our expectations, showing a strong momentum in a challenging market environment. New biogas CHP orders in Germany increased by 57% to EUR 19.5m, showing significant growth. The order intake does not yet include orders from the acquired large heat-pumps business, as the acquired company was busy with the merger.
in EUR m	Q3/23	Q3/23e	Q3/22	yoy	
Order intake	42,0	41,0	37,6	11,7%	
Germany	26,1		23,4	11,5%	
Europe	6,0		7,9	-24,1%	
Americas	1,4		3,5	-60,0%	
APAC	1,2		1,3	-7,7%	
RoW	7,3		1,5	386,7%	

2G Energy has announced its order intake for Q3/23, showing a strong increase of 12% yoy. Orders for biogas CHPs in Germany increased by 57%, more than compensating for a certain purchasing reluctance in the natural gas sector in other countries. However, the tense situation on the energy markets, marked by rising electricity price futures, is creating a supportive environment for CHPs, as evidenced by the high number of quotations and customer enquiries.

A larger order from Israel (EUR 6.1m) is being pursued as planned, as advance payments have been made and permits have been applied for or partially granted. Delivery and installation of the containerised solutions is planned for H1/24.

Solid basis for growth: The order book now stands at about EUR 195m, providing a solid base for further sales growth and margin generation. Management has confirmed its guidance for FY 2023 and 2024, which assumes an EBIT margin expansion to 8.5-10% in 2024. We are currently positioned at the upper end of the guidance range, assuming that the implemented internal measures ("lead to lean") will boost margin generation and that 2G Energy will benefit from continued strong demand for sustainable power and heating solutions.

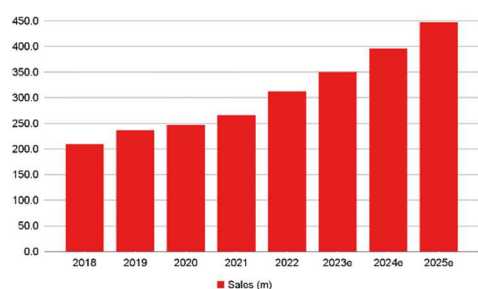


Rel. Performance vs Scale All Share	
1 month:	-3.0 %
6 months:	0.9 %
Year to date:	3.2 %
Trailing 12 months:	6.6 %

Company events:

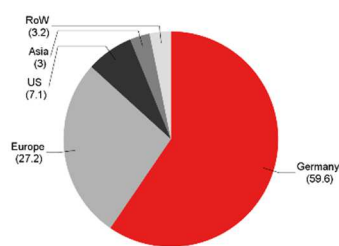
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	12.7 %	236.4	246.7	266.3	312.6	350.4	396.3	447.2
Change Sales yoy		12.7 %	4.4 %	8.0 %	17.4 %	12.1 %	13.1 %	12.9 %
Gross profit margin		33.6 %	35.2 %	36.7 %	36.7 %	37.5 %	39.4 %	40.4 %
EBITDA	23.5 %	19.4	20.3	22.0	28.7	35.0	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 %	0.7 %	0.8 %	0.9 %
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 %	1.1 %	2.8 %	3.6 %
EV / Sales		0.2 x	0.3 x	0.3 x	1.4 x	1.1 x	0.9 x	0.8 x
EV / EBITDA		2.0 x	3.1 x	4.2 x	15.4 x	10.7 x	8.3 x	6.6 x
EV / EBIT		2.4 x	3.7 x	5.1 x	18.4 x	12.7 x	9.6 x	7.4 x
P / E		3.7 x	5.7 x	8.4 x	27.5 x	18.8 x	14.6 x	11.6 x
P / E adj.		3.7 x	5.7 x	8.4 x	27.5 x	18.8 x	14.6 x	11.6 x
FCF Potential Yield		37.6 %	25.4 %	18.4 %	4.9 %	7.0 %	8.9 %	11.2 %
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



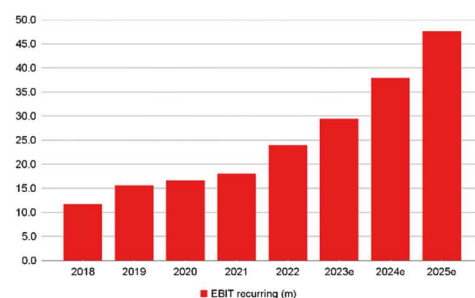
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

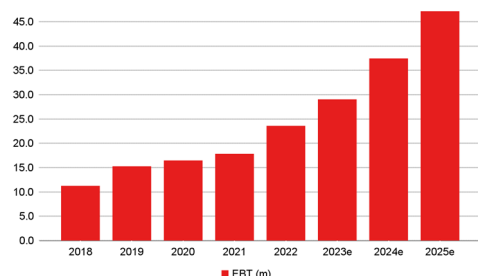
Company Background

- 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

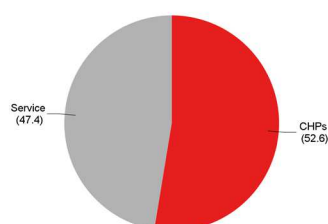
- Founded in 1995, 2G Energy quickly positioned as technology leader for biogas CHPs in Europe. Innovative designs, best-in-class performance and quality standards improved 2G's positioning.
- Offering a fitting solution for different client groups, 2G Energy stands out from its peer-group with its extensive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



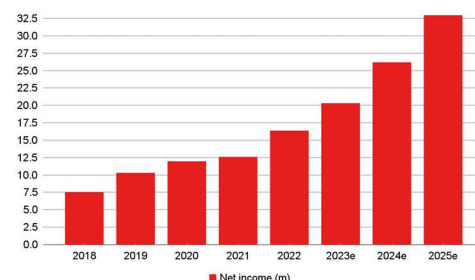
Source: Warburg Research

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	3.0 %
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 %	
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	11.0 %
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 %	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	1.5 %
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	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	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 %	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)

		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
1.46	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	3.0 x	2.5 x	2.1 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	1.1 x	0.9 x	0.8 x
EV / EBITDA	2.0 x	3.1 x	4.2 x	15.4 x	10.7 x	8.3 x	6.6 x
EV / EBIT	2.4 x	3.7 x	5.1 x	18.4 x	12.7 x	9.6 x	7.4 x
EV / EBIT adj.*	2.4 x	3.7 x	5.1 x	18.4 x	12.7 x	9.6 x	7.4 x
P / FCF	n.a.	9.7 x	26.4 x	n.a.	87.6 x	35.4 x	27.5 x
P / E	3.7 x	5.7 x	8.4 x	27.5 x	18.8 x	14.6 x	11.6 x
P / E adj.*	3.7 x	5.7 x	8.4 x	27.5 x	18.8 x	14.6 x	11.6 x
Dividend Yield	5.2 %	2.9 %	2.1 %	0.6 %	0.7 %	0.8 %	0.9 %
FCF Potential Yield (on market EV)	37.6 %	25.4 %	18.4 %	4.9 %	7.0 %	8.9 %	11.2 %
*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
Gross profit margin	33.6 %	35.2 %	36.7 %	36.7 %	37.5 %	39.4 %	40.4 %
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
Margin	8.2 %	8.2 %	8.3 %	9.2 %	10.0 %	11.1 %	12.1 %
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
Margin	6.6 %	6.7 %	6.8 %	7.7 %	8.4 %	9.6 %	10.7 %
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
Margin	6.5 %	6.7 %	6.7 %	7.5 %	8.3 %	9.5 %	10.5 %
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
Margin	4.4 %	4.9 %	4.7 %	5.2 %	5.8 %	6.6 %	7.4 %
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:

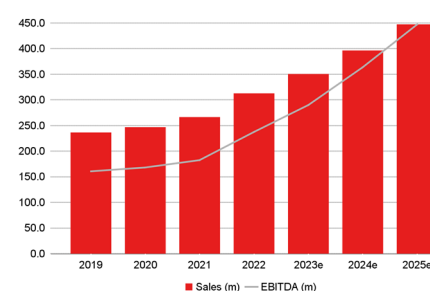
Guidance: Sales: EUR 310-350m; EBIT-margin: 6.5-8.5%

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.

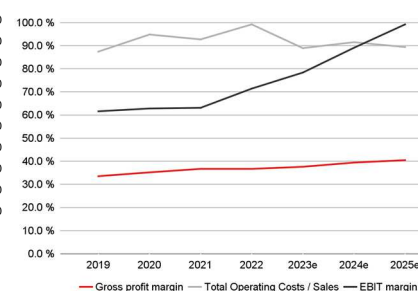
Sales, EBITDA

in EUR m

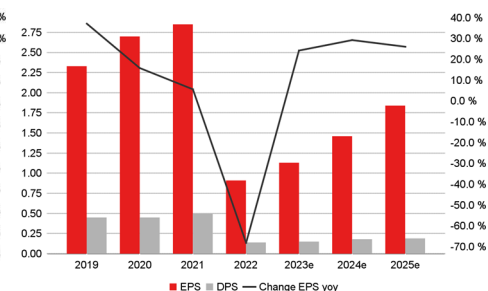


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

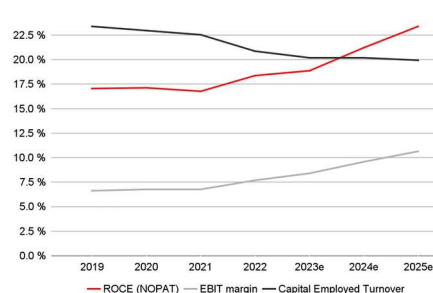
Consolidated balance sheet

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

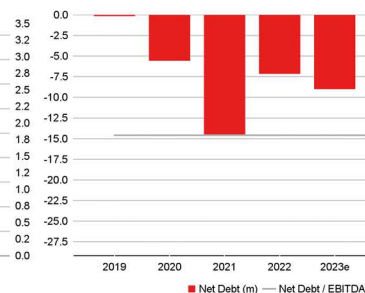
Financial Ratios

	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

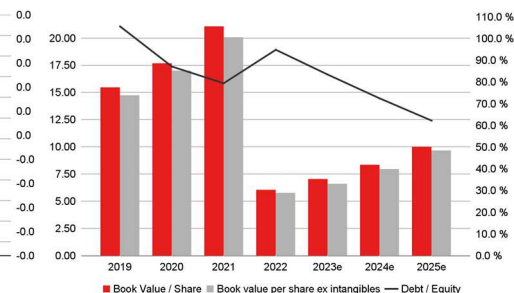
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

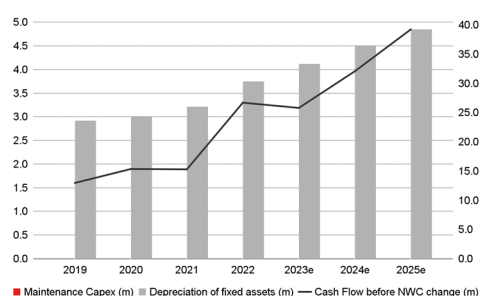
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	10.3	12.0	12.6	16.4	20.3	26.2	33.0
Depreciation of fixed assets	2.9	3.0	3.2	3.7	4.1	4.5	4.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.8	0.7	0.7	0.9	1.3	1.4	1.4
Increase/decrease in long-term provisions	-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

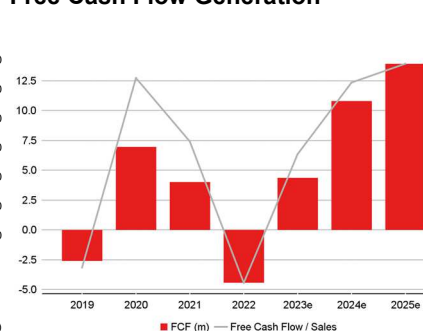
CAPEX and Cash Flow

in EUR m



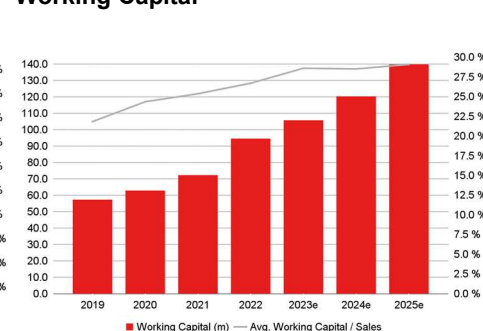
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0HL8N9.htm

INVESTMENT RECOMMENDATION

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

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

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	155	73
Hold	46	22
Sell	6	3
Rating suspended	5	2
Total	212	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	43	83
Hold	7	13
Sell	0	0
Rating suspended	2	4
Total	52	100

PRICE AND RATING HISTORY 2G ENERGY AS OF 27.10.2023



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.

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 Rueschmeier +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

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

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

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

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

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

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

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

Roman Alexander Niklas +49 69 5050-7412
Switzerland rniklas@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 Merckel +49 40 3282-2634
Head of Sales Trading omerckel@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
Bloomberg RESP MMWA GO
FactSet www.factset.com

Refinitiv www.refinitiv.com
Capital IQ 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