

Buy EUR 39.00 (EUR 37.00) Price EUR 23.85 Upside 63.5 %	Value Indicators: EUR DCF: 38.94 Peer group 2024e: 58.06	Warburg ESG Risk Score: 3.2 ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.5	Description: Leading international manufacturer of combined heat and power plants and large heat pumps
	Market Snapshot: EUR m Market cap: 427.9 No. of shares (m): 17.9 EV: 418.3 Freefloat MC: 234.9 Ø Trad. Vol. (30d): 723.23 th	Shareholders: Freefloat 54.91 % Christian Grotholt, CEO 29.64 % Ludger Gausling 15.45 %	Key Figures (WRE): 2024e Beta: 1.2 Price / Book: 2.9 x Equity Ratio: 57 %

Strong Q1 order intake underpins dynamic outlook; PT up

Order intake Q1/2024: in mEUR <table border="1"> <thead> <tr> <th></th> <th>Q1/24</th> <th>Q1/24e</th> <th>Q1/23</th> <th>yoy %</th> </tr> </thead> <tbody> <tr> <td>Germany</td> <td>23.5</td> <td></td> <td>21.1</td> <td>11.4%</td> </tr> <tr> <td>RoE</td> <td>14.4</td> <td></td> <td>10.0</td> <td>44.0%</td> </tr> <tr> <td>North America</td> <td>10.1</td> <td></td> <td>2.6</td> <td>288.5%</td> </tr> <tr> <td>Asia / Australia</td> <td>1.9</td> <td></td> <td>5.4</td> <td>-64.8%</td> </tr> <tr> <td>RoW</td> <td>1.8</td> <td></td> <td>1.9</td> <td>-5.3%</td> </tr> <tr> <td>Total</td> <td>51.7</td> <td>44.3</td> <td>41.0</td> <td>26.1%</td> </tr> </tbody> </table>		Q1/24	Q1/24e	Q1/23	yoy %	Germany	23.5		21.1	11.4%	RoE	14.4		10.0	44.0%	North America	10.1		2.6	288.5%	Asia / Australia	1.9		5.4	-64.8%	RoW	1.8		1.9	-5.3%	Total	51.7	44.3	41.0	26.1%	Comment on Figures: <ul style="list-style-type: none"> Order intake came in well ahead of our expectations owing to dynamic development in the US and UK. Germany remains robust, which we deem to be a result of strong demand from the public sector. The well-filled order book lays a solid foundation to achieve the guidance for top-line growth in 2024. We expect the upbeat order intake to continue in 2024 and expect additional momentum from large heat pumps and combined solutions.
	Q1/24	Q1/24e	Q1/23	yoy %																																
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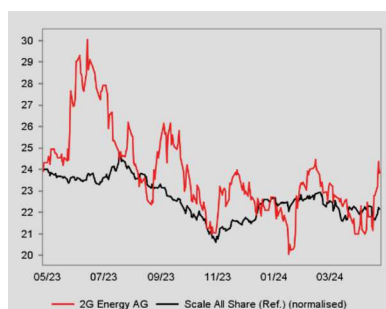
2G Energy has released its FY 2023 report and confirmed its preliminary figures. Strong demand for CHPs, growing service revenues and price increases resulted in upbeat revenue and margin growth. The guidance for 2024 hints at a further margin expansion to 8.5-10% on the back of the efficiency measures implemented and the extended product offering. In the next years, we expect the EBIT margin to remain above 10%, which should trigger a re-rating of the share, based on a higher, sustainable margin.

Order intake points to US recovery: 2G also published the order intake for Q1/24, which was ahead of our expectations. There was steep growth in US orders, owing to the successful implementation of the IRA requirements. In addition to its CHPs and large heat-pumps, 2G will introduce a demand response engine for US clients, which can be used to cover peak-demand on site and ensure grid stability and is expected to meet major demand in 2025. In addition, 2G Energy gains access to clients with its less complex engine which might also be suitable for customers of CHPs or large heat-pumps who are already accustomed to working with 2G.

There was also robust order development in Germany and Europe, which lays a solid basis for the targeted revenue growth in 2024. We expect the order momentum to be sustainable in 2024, especially as large heat-pumps and combined solutions offer an easy-to-implement and cost-efficient solution to reduce carbon emissions for heating and cooling.

New price target of EUR 39 per share: We have updated and rolled our DCF-model forward, resulting in a new price target of EUR 39 per share. The strong fundamental development and margin enhancement support our investment case and we reiterate our Buy recommendation.

Changes in Estimates: FY End: 31.12. in EUR m <table border="1"> <thead> <tr> <th></th> <th>2024e (old)</th> <th>+ / -</th> <th>2025e (old)</th> <th>+ / -</th> <th>2026e (old)</th> <th>+ / -</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>404.9</td> <td>-0.2 %</td> <td>447.0</td> <td>-0.1 %</td> <td>474.4</td> <td>-0.1 %</td> </tr> <tr> <td>EBITDA</td> <td>43.3</td> <td>1.5 %</td> <td>54.1</td> <td>0.6 %</td> <td>60.3</td> <td>1.3 %</td> </tr> <tr> <td>EBIT</td> <td>37.4</td> <td>1.2 %</td> <td>47.8</td> <td>0.3 %</td> <td>53.5</td> <td>1.1 %</td> </tr> </tbody> </table>		2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -	Sales	404.9	-0.2 %	447.0	-0.1 %	474.4	-0.1 %	EBITDA	43.3	1.5 %	54.1	0.6 %	60.3	1.3 %	EBIT	37.4	1.2 %	47.8	0.3 %	53.5	1.1 %	Comment on Changes: <ul style="list-style-type: none"> We have made minor adjustments to our outlook as we include the FY 2023 report in our model. Compared to the FY 2024 guidance, our forecast is above the upper end of the revenue guidance (EUR 360-390m) and at the midpoint of the margin guidance (8.5-10%).
	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -																							
Sales	404.9	-0.2 %	447.0	-0.1 %	474.4	-0.1 %																							
EBITDA	43.3	1.5 %	54.1	0.6 %	60.3	1.3 %																							
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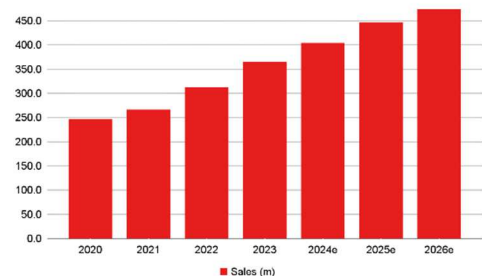


Rel. Performance vs Scale All Share	
1 month:	10.3 %
6 months:	8.6 %
Year to date:	7.2 %
Trailing 12 months:	7.9 %

Company events:	
23.05.24	Q1
04.06.24	AGM
05.09.24	Q2
25.11.24	Q3

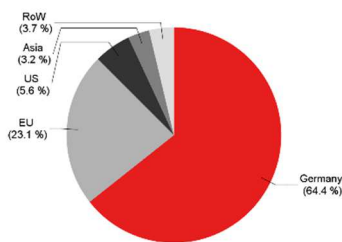
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	9.1 %	246.7	266.3	312.6	365.1	404.1	446.5	473.9
Change Sales yoy		4.4 %	8.0 %	17.4 %	16.8 %	10.7 %	10.5 %	6.1 %
Gross profit margin		35.2 %	36.7 %	36.7 %	36.4 %	39.0 %	40.9 %	41.7 %
EBITDA	20.8 %	20.3	22.0	28.7	34.6	43.9	54.4	61.0
Margin		8.2 %	8.3 %	9.2 %	9.5 %	10.9 %	12.2 %	12.9 %
EBIT	24.6 %	16.6	18.0	24.0	27.9	37.8	47.9	54.1
Margin		6.7 %	6.8 %	7.7 %	7.7 %	9.4 %	10.7 %	11.4 %
Net income	27.6 %	12.0	12.6	16.4	18.0	26.0	33.0	37.4
EPS	27.9 %	0.67	0.70	0.91	1.00	1.45	1.84	2.09
EPS adj.	27.9 %	0.67	0.70	0.91	1.00	1.45	1.84	2.09
DPS	19.5 %	0.45	0.50	0.14	0.17	0.20	0.26	0.29
Dividend Yield		2.9 %	2.1 %	0.6 %	0.7 %	0.8 %	1.1 %	1.2 %
FCFPS		0.39	0.22	-0.25	0.20	0.47	0.99	1.50
FCF / Market cap		2.5 %	0.9 %	-1.0 %	0.8 %	2.0 %	4.2 %	6.3 %
EV / Sales		1.1 x	1.6 x	1.4 x	1.2 x	1.0 x	0.9 x	0.8 x
EV / EBITDA		13.2 x	18.8 x	15.4 x	12.4 x	9.5 x	7.4 x	6.3 x
EV / EBIT		16.1 x	22.9 x	18.4 x	15.3 x	11.1 x	8.4 x	7.1 x
P / E		22.8 x	34.1 x	27.5 x	24.1 x	16.4 x	13.0 x	11.4 x
P / E adj.		22.8 x	34.1 x	27.5 x	24.1 x	16.4 x	13.0 x	11.4 x
FCF Potential Yield		5.9 %	4.1 %	4.9 %	5.9 %	7.8 %	9.9 %	11.8 %
Net Debt		-5.6	-14.6	-7.1	-4.3	-9.6	-23.8	-46.0
ROCE (NOPAT)		17.1 %	16.7 %	18.4 %	16.7 %	20.6 %	23.1 %	24.0 %
Guidance:		2024: Sales: EUR 360-390m; EBIT-margin: 8.5-10%						

Sales development in EUR m



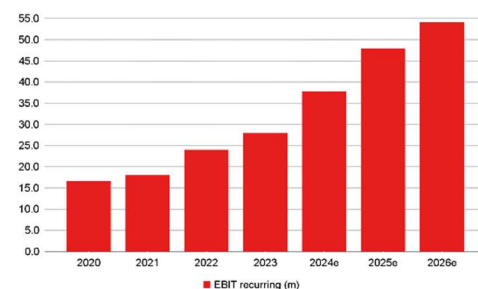
Source: Warburg Research

Sales by regions 2023



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

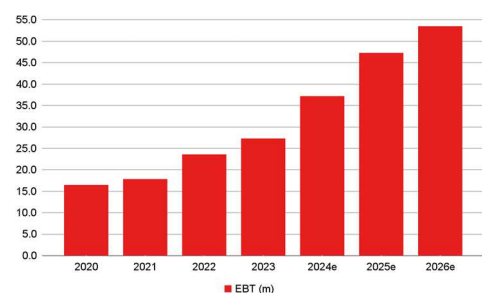
Company Background

- Established in 1995, 2G Energy released its first CHP in 1996, followed by the first biogas application in 1999
- Prior to its IPO in 2007, 2G already expanded its local footprint and entered international markets with the shipping of a CHP to Japan
- After the IPO, several international subsidiaries were formed to push the further international expansion
- In 2009, natural gas CHPs were introduced to the market, establishing a key pillar for future growth. In addition, the international expansion gained traction in the US and European countries.
- After pioneering the digitization of CHPs with its unique platform in 2016, the first hydrogen CHP was introduced in 2018. In 2023, 2G Energy added large heat-pumps to its product offering.

Competitive Quality

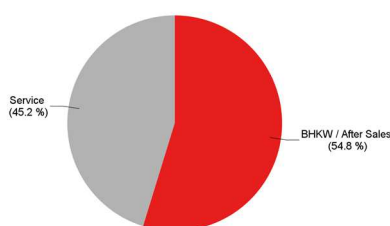
- Founded in 1995, 2G Energy quickly positioned as technology leader for biogas CHPs in Europe. Innovative designs, best-in-class performance and quality standards improved 2G’s positioning.
- Offering a fitting solution for different client groups, 2G Energy stands out from its peer-group with its extensive product portfolio.
- Combining high quality products with an extensive service offering, 2G seeks to deliver best-in-class total cost of ownership for varying use-cases.
- Further product developments and an early move into the hydrogen CHP and large heat pump market provides for an additional competitive edge.
- Covering all integral parts of the value chain, 2G Energy is perfectly equipped to defend its market position and access growth.

EBT development in EUR m



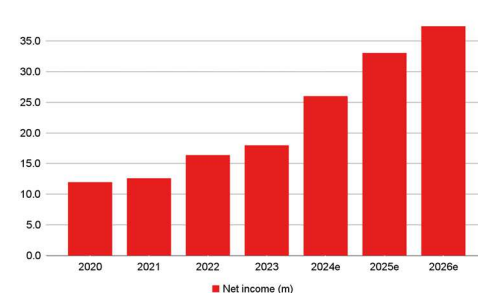
Source: Warburg Research

Sales by segments 2023



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

DCF model														Term. Value
Figures in EUR m	Detailed forecast period			Transitional period										
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	404.1	446.5	473.9	521.3	583.9	665.6	758.8	834.7	909.8	982.6	1,041.6	1,083.2	1,115.7	
Sales change	10.7 %	10.5 %	6.1 %	10.0 %	12.0 %	14.0 %	14.0 %	10.0 %	9.0 %	8.0 %	6.0 %	4.0 %	3.0 %	3.0 %
EBIT	37.8	47.9	54.1	62.6	73.0	86.5	94.9	100.2	109.2	108.1	114.6	119.2	122.7	
EBIT-margin	9.4 %	10.7 %	11.4 %	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	26.4	33.5	37.8	43.8	51.1	60.6	66.4	70.1	76.4	75.7	80.2	83.4	85.9	
Depreciation	6.1	6.5	6.9	7.8	8.8	10.0	11.4	12.5	13.6	14.7	15.6	16.2	16.7	
in % of Sales	1.5 %	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	17.0	15.9	11.3	16.9	20.6	33.6	24.1	16.7	24.0	23.3	18.9	13.3	10.4	
- Capex	6.7	5.9	6.1	6.8	8.2	10.0	11.4	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)	8.8	18.2	27.4	27.9	31.0	26.9	42.3	53.4	52.4	52.4	61.3	70.1	75.5	78
PV of FCF	8.3	15.9	21.8	20.4	20.8	16.5	23.7	27.5	24.7	22.6	24.2	25.4	25.0	418
share of PVs	6.63 %			33.23 %										60.14 %

Model parameter				Valuation (m)			
Derivation of WACC:		Derivation of Beta:		Present values 2036e	277		
Debt ratio	10.00 %	Financial Strength	1.20	Terminal Value	418		
Cost of debt (after tax)	5.6 %	Liquidity (share)	1.30	Financial liabilities	8		
Market return	8.25 %	Cyclicality	1.50	Pension liabilities	0		
Risk free rate	2.75 %	Transparency	1.20	Hybrid capital	0		
		Others	1.00	Minority interest	0		
				Market val. of investments	0		
				Liquidity	13	No. of shares (m)	17.9
WACC	9.17 %	Beta	1.24	Equity Value	699	Value per share (EUR)	38.94

Sensitivity Value per Share (EUR)																	
		Terminal Growth							Delta EBIT-margin								
Beta	WACC	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	3.50 %	3.75 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.44	10.2 %	30.85	31.38	31.94	32.54	33.19	33.88	34.63	1.44	10.2 %	26.90	28.78	30.66	32.54	34.42	36.31	38.19
1.34	9.7 %	33.44	34.07	34.76	35.49	36.28	37.14	38.07	1.34	9.7 %	29.38	31.42	33.45	35.49	37.53	39.57	41.60
1.29	9.4 %	34.87	35.58	36.33	37.15	38.03	38.98	40.02	1.29	9.4 %	30.77	32.90	35.02	37.15	39.27	41.40	43.52
1.24	9.2 %	36.42	37.19	38.03	38.94	39.92	40.99	42.16	1.24	9.2 %	32.28	34.50	36.72	38.94	41.16	43.38	45.60
1.19	8.9 %	38.08	38.95	39.88	40.89	41.99	43.19	44.51	1.19	8.9 %	33.92	36.24	38.57	40.89	43.21	45.54	47.86
1.14	8.7 %	39.89	40.85	41.89	43.02	44.26	45.61	47.11	1.14	8.7 %	35.71	38.15	40.58	43.02	45.46	47.89	50.33
1.04	8.2 %	43.97	45.17	46.48	47.92	49.50	51.26	53.21	1.04	8.2 %	39.84	42.53	45.23	47.92	50.61	53.31	56.00

- 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	2.0 x
Book value per share ex intangibles	4.20	5.02	5.78	6.33	7.69	9.40	11.30
EV / Sales	1.1 x	1.6 x	1.4 x	1.2 x	1.0 x	0.9 x	0.8 x
EV / EBITDA	13.2 x	18.8 x	15.4 x	12.4 x	9.5 x	7.4 x	6.3 x
EV / EBIT	16.1 x	22.9 x	18.4 x	15.3 x	11.1 x	8.4 x	7.1 x
EV / EBIT adj.*	16.1 x	22.9 x	20.2 x	15.3 x	11.1 x	8.4 x	7.1 x
P / FCF	39.4 x	106.9 x	n.a.	119.9 x	51.2 x	24.1 x	15.9 x
P / E	22.8 x	34.1 x	27.5 x	24.1 x	16.4 x	13.0 x	11.4 x
P / E adj.*	22.8 x	34.1 x	27.5 x	24.1 x	16.4 x	13.0 x	11.4 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 %	7.8 %	9.9 %	11.8 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	246.7	266.3	312.6	365.1	404.1	446.5	473.9
Change Sales yoy	4.4 %	8.0 %	17.4 %	16.8 %	10.7 %	10.5 %	6.1 %
Increase / decrease in inventory	7.4	2.6	26.0	5.8	10.5	6.6	6.9
Own work capitalised	0.1	0.0	0.2	0.2	0.0	0.0	0.0
Total Sales	254.2	268.9	338.8	371.1	414.6	453.1	480.8
Material expenses	167.3	171.3	224.1	238.3	257.1	270.4	283.3
Gross profit	87.0	97.7	114.7	132.8	157.5	182.7	197.6
<i>Gross profit margin</i>	<i>35.2 %</i>	<i>36.7 %</i>	<i>36.7 %</i>	<i>36.4 %</i>	<i>39.0 %</i>	<i>40.9 %</i>	<i>41.7 %</i>
Personnel expenses	44.3	49.4	57.0	64.3	70.7	78.4	82.0
Other operating income	2.3	3.4	6.2	3.1	2.0	0.5	0.0
Other operating expenses	24.6	29.7	35.3	36.9	44.9	50.5	54.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	20.3	22.0	28.7	34.6	43.9	54.4	61.0
<i>Margin</i>	<i>8.2 %</i>	<i>8.3 %</i>	<i>9.2 %</i>	<i>9.5 %</i>	<i>10.9 %</i>	<i>12.2 %</i>	<i>12.9 %</i>
Depreciation of fixed assets	3.0	3.2	3.7	5.0	4.4	4.7	5.1
EBITA	17.3	18.8	24.9	29.6	39.5	49.7	55.9
Amortisation of intangible assets	0.7	0.7	0.9	1.7	1.7	1.8	1.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	16.6	18.0	24.0	27.9	37.8	47.9	54.1
<i>Margin</i>	<i>6.7 %</i>	<i>6.8 %</i>	<i>7.7 %</i>	<i>7.7 %</i>	<i>9.4 %</i>	<i>10.7 %</i>	<i>11.4 %</i>
EBIT adj.	16.6	18.0	21.9	27.9	37.8	47.9	54.1
Interest income	0.2	0.1	0.1	0.1	0.0	0.0	0.0
Interest expenses	0.4	0.3	0.4	0.6	0.6	0.6	0.6
Other financial income (loss)	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0
EBT	16.5	17.8	23.6	27.3	37.2	47.3	53.5
<i>Margin</i>	<i>6.7 %</i>	<i>6.7 %</i>	<i>7.5 %</i>	<i>7.5 %</i>	<i>9.2 %</i>	<i>10.6 %</i>	<i>11.3 %</i>
Total taxes	4.5	5.2	7.2	9.3	11.2	14.2	16.1
Net income from continuing operations	12.0	12.6	16.4	18.0	26.0	33.0	37.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	12.0	12.6	16.4	18.0	26.0	33.0	37.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	12.0	12.6	16.4	18.0	26.0	33.0	37.4
<i>Margin</i>	<i>4.9 %</i>	<i>4.7 %</i>	<i>5.2 %</i>	<i>4.9 %</i>	<i>6.4 %</i>	<i>7.4 %</i>	<i>7.9 %</i>
Number of shares, average	17.9	17.9	17.9	17.9	17.9	17.9	17.9
EPS	0.67	0.70	0.91	1.00	1.45	1.84	2.09
EPS adj.	0.67	0.70	0.91	1.00	1.45	1.84	2.09

*Adjustments made for:

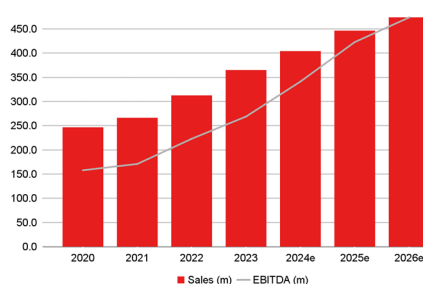
Guidance: 2024: Sales: EUR 360-390m; EBIT-margin: 8.5-10%

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	94.8 %	92.7 %	99.2 %	92.2 %	91.7 %	89.3 %	88.6 %
Operating Leverage	1.5 x	1.1 x	1.9 x	1.0 x	3.3 x	2.5 x	2.1 x
EBITDA / Interest expenses	51.0 x	71.7 x	74.7 x	55.8 x	70.5 x	87.3 x	97.9 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 %	13.8 %	14.1 %	13.9 %
Sales per Employee	341,257	349,080	371,291	386,758	n.a.	n.a.	n.a.

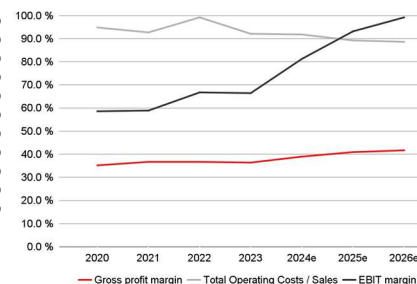
Sales, EBITDA

in EUR m

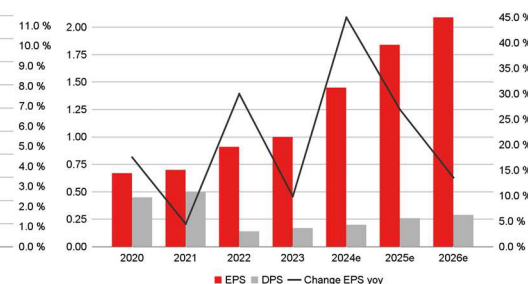


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

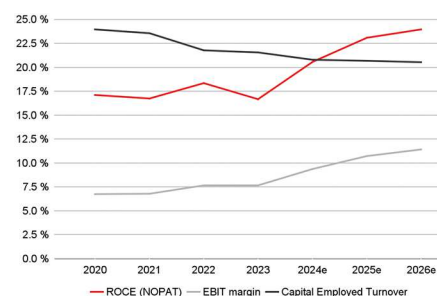
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	3.0	4.5	5.0	10.3	9.0	7.8	6.4
thereof other intangible assets	0.5	1.0	1.1	1.0	-0.2	-1.5	-2.8
thereof Goodwill	2.3	3.3	3.0	6.9	6.9	6.9	6.9
Property, plant and equipment	22.9	22.6	26.8	28.4	30.2	30.8	31.3
Financial assets	0.9	0.0	0.1	0.1	0.1	0.1	0.1
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	26.8	27.1	31.9	38.7	39.3	38.7	37.8
Inventories	60.8	72.2	102.6	109.8	126.3	135.3	143.6
Accounts receivable	42.2	43.4	57.1	58.5	68.6	78.3	83.1
Liquid assets	11.0	19.9	13.5	12.6	17.9	32.1	54.4
Other short-term assets	5.9	7.1	6.5	7.8	7.8	7.8	7.8
Current assets	119.8	142.6	179.7	188.7	220.6	253.5	288.9
Total Assets	146.6	169.7	211.6	227.4	259.9	292.2	326.7
Liabilities and shareholders' equity							
Subscribed capital	4.4	4.5	17.9	17.9	17.9	17.9	17.9
Capital reserve	11.2	16.4	3.0	3.0	3.0	3.0	3.0
Retained earnings	63.7	74.3	88.5	103.9	126.9	156.3	189.1
Other equity components	-1.0	-0.7	-0.7	-0.9	-0.8	-0.8	-0.8
Shareholders' equity	78.4	94.6	108.7	123.9	146.9	176.4	209.1
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	78.3	94.5	108.6	123.9	146.9	176.4	209.1
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	26.6	29.4	31.2
Other liabilities	39.4	40.7	54.7	53.7	53.7	53.7	53.7
Liabilities	68.2	75.2	103.0	103.5	113.0	115.8	117.6
Total liabilities and shareholders' equity	146.6	169.7	211.6	227.4	259.9	292.2	326.7

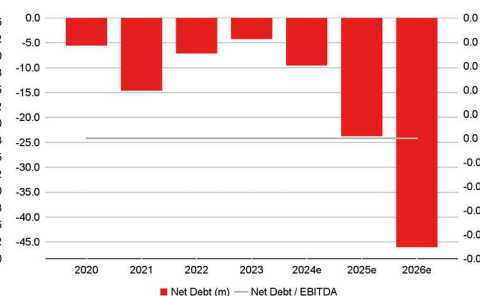
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	2.9 x	2.8 x	2.6 x	2.6 x	2.6 x	2.6 x	2.5 x
Capital Employed Turnover	3.4 x	3.3 x	3.1 x	3.1 x	2.9 x	2.9 x	2.9 x
ROA	44.7 %	46.5 %	51.4 %	46.4 %	66.1 %	85.4 %	98.8 %
Return on Capital							
ROCE (NOPAT)	17.1 %	16.7 %	18.4 %	16.7 %	20.6 %	23.1 %	24.0 %
ROE	16.3 %	14.6 %	16.1 %	15.5 %	19.2 %	20.4 %	19.4 %
Adj. ROE	16.3 %	14.6 %	16.1 %	15.5 %	19.2 %	20.4 %	19.4 %
Balance sheet quality							
Net Debt	-5.6	-14.6	-7.1	-4.3	-9.6	-23.8	-46.0
Net Financial Debt	-5.6	-14.6	-7.1	-4.3	-9.6	-23.8	-46.0
Net Gearing	-7.1 %	-15.5 %	-6.6 %	-3.4 %	-6.5 %	-13.5 %	-22.0 %
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	8.2	9.8	11.7
Book value per share ex intangibles	4.2	5.0	5.8	6.3	7.7	9.4	11.3

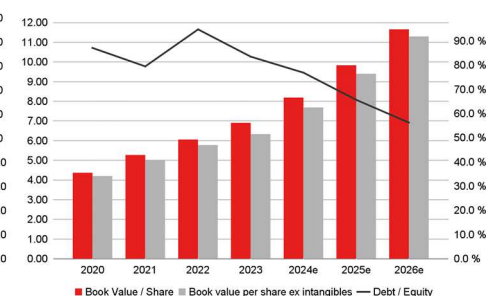
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

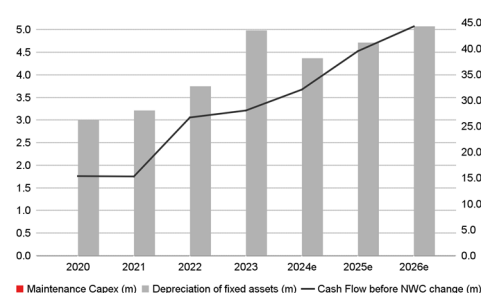
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	12.0	12.6	16.4	18.0	26.0	33.0	37.4
Depreciation of fixed assets	3.0	3.2	3.7	5.0	4.4	4.7	5.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	0.7	0.9	1.7	1.7	1.8	1.8
Increase/decrease in long-term provisions	-2.0	3.5	3.4	-1.5	0.0	0.0	0.0
Other non-cash income and expenses	1.7	-4.8	2.3	4.9	0.0	0.0	0.0
Cash Flow before NWC change	15.3	15.3	26.7	28.0	32.1	39.5	44.3
Increase / decrease in inventory	3.3	-7.0	-17.2	-11.1	-16.5	-9.0	-8.3
Increase / decrease in accounts receivable	-5.1	-0.7	-13.4	-1.2	-10.1	-9.7	-4.8
Increase / decrease in accounts payable	-3.7	1.3	8.9	-3.9	9.5	2.8	1.8
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	-17.0	-15.9	-11.3
Net cash provided by operating activities [1]	9.7	8.9	4.9	11.8	15.1	23.6	33.0
Investments in intangible assets	-0.4	-0.8	-1.2	-1.4	-0.5	-0.5	-0.5
Investments in property, plant and equipment	-2.4	-4.0	-8.2	-6.7	-6.2	-5.4	-5.6
Payments for acquisitions	0.0	-1.2	-0.8	-3.5	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Income from asset disposals	0.4	3.3	0.5	0.2	0.0	0.0	0.0
Net cash provided by investing activities [2]	-2.1	-1.9	-9.8	-11.4	-6.7	-5.9	-6.1
Change in financial liabilities	-5.0	-1.3	1.0	1.9	0.0	0.0	0.0
Dividends paid	-2.0	-2.0	-2.2	-2.5	-3.0	-3.6	-4.7
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	5.3	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-7.4	1.6	-1.6	-1.2	-3.0	-3.6	-4.7
Change in liquid funds [1]+[2]+[3]	0.2	8.6	-6.4	-0.9	5.3	14.2	22.3
Effects of exchange-rate changes on cash	0.1	0.1	-0.1	-0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	10.9	19.7	13.1	12.3	17.9	32.1	54.4

Financial Ratios

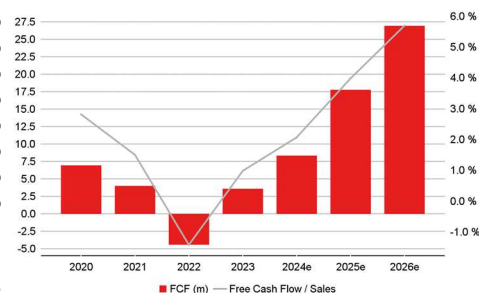
	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	7.0	4.0	-4.4	3.6	8.4	17.8	27.0
Free Cash Flow / Sales	2.8 %	1.5 %	-1.4 %	1.0 %	2.1 %	4.0 %	5.7 %
Free Cash Flow Potential	15.8	16.8	21.4	25.3	32.7	40.2	44.9
Free Cash Flow / Net Profit	58.1 %	31.8 %	-27.0 %	20.0 %	32.1 %	53.8 %	72.1 %
Interest Received / Avg. Cash	2.0 %	0.6 %	0.5 %	0.4 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	5.0 %	5.7 %	6.6 %	8.5 %	7.5 %	7.5 %	7.5 %
Management of Funds							
Investment ratio	1.1 %	1.8 %	3.0 %	2.2 %	1.7 %	1.3 %	1.3 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	74.5 %	123.1 %	200.6 %	122.5 %	110.0 %	90.2 %	87.7 %
Avg. Working Capital / Sales	24.4 %	25.4 %	26.7 %	28.1 %	29.5 %	30.4 %	31.5 %
Trade Debtors / Trade Creditors	421.2 %	378.0 %	278.8 %	342.6 %	257.9 %	266.3 %	266.3 %
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	40	40
Cash conversion cycle (Days)	108	121	128	139	146	152	157

CAPEX and Cash Flow
in EUR m



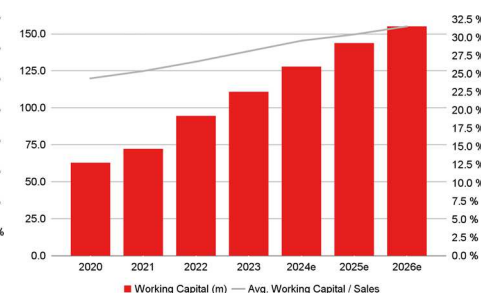
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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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

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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	147	71
Hold	46	22
Sell	8	4
Rating suspended	7	3
Total	208	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	46	81
Hold	8	14
Sell	0	0
Rating suspended	3	5
Total	57	100

PRICE AND RATING HISTORY 2G ENERGY AS OF 25.04.2024



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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