

|   |  |  |  |
|---|--|--|--|
| <b>Buy</b><br><b>EUR 39.00</b><br><br>Price EUR 22.70<br><b>Upside 71.8 %</b> | <b>Value Indicators:</b> EUR<br>DCF: 39.48<br>Peer group 2025e: 39.53  | <b>Warburg ESG Risk Score: 3.2</b><br>ESG Score (MSCI based): 3.0<br>Balance Sheet Score: 5.0<br>Market Liquidity Score: 1.5 | <b>Description:</b><br>Leading international manufacturer of combined heat and power plants and large heat pumps |
|   | <b>Market Snapshot:</b> EUR m<br>Market cap: 407.2<br>No. of shares (m): 17.9<br>EV: 398.2<br>Freefloat MC: 223.6<br>Ø Trad. Vol. (30d): 316.47 th | <b>Shareholders:</b><br>Freefloat 54.91 %<br>Christian Grotholt, CEO 29.64 %<br>Ludger Gausling 15.45 %                      | <b>Key Figures (WRe):</b> 2024e<br>Beta: 1.2<br>Price / Book: 2.8 x<br>Equity Ratio: 56 %                        |

## Upbeat order intake underpins growth ambitions

2G Energy announced a sound order intake for Q2/24 (+13.9%), mainly driven by a very dynamic US market (+358%) and solid demand from Germany (+10.4%). The successful implementation of the IRA requirements in the US triggered strong demand for 2G Energy's CHPs with orders in H1/24 totalling EUR 22m (vs. EUR 5.2m in H1/23). Even though the steep order growth includes catch-up effects from 2023, we expect the dynamic order momentum in the US to continue and total US order intake to surpass EUR 30m in FY 2024.

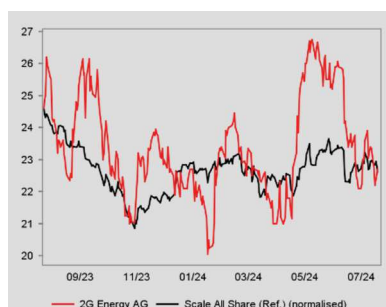
The German market benefited from extensive sales activities despite economic and regulatory uncertainties. The unresolved power plant strategy and the upcoming amendment of the CHP Act continue to weigh on investment decisions, although the narrowing time window for the establishment of low-carbon energy production should play into 2G Energy's hands. CHPs and large heat pumps offer a quick, easy-to-install and profitable solution for district heating, on-site energy production and production processes. We therefore expect order intake in Germany to remain robust and see the potential for landslide order volumes in the coming years.

**New corporate structure:** In order to reflect the growing international footprint and to adopt processes and structures to the increasing volumes, 2G Energy has started the transformation to an operational holding structure. We welcome management's decision, as we see a solid corporate structure and optimised processes as key to future growth. We include additional costs of EUR 0.3m for the set-up of the holding structure in our 2024 estimates.

**Execution will be key in Q4:** As highlighted in previous comments, we expect revenues from CHP sales to be heavily skewed towards H2/24. As a result, we expect muted H1/24 top-line growth (WRe: +1.5%) but very high billings in Q4. The only obstacle is limited grid capacity, which is likely to push CHP installation and subsequent billings into 2025. For the time being, we see no downside revision potential, although execution will be key to achieving our estimates.

Along with the publication of order intake, management confirmed its top-line growth target of 10% plus inflation for the coming years, which we do not fully reflect in our estimates. If revenues from large heat pumps exceed our expectations and the US market remains strong, we see potential for an upward revision of our 2025/26 sales estimates, which would also benefit our price target.

| Changes in Estimates:   |             |        |             | Comment on Changes: |             |       |  |
|-------------------------|-------------|--------|-------------|---------------------|-------------|-------|--|
| FY End: 31.12. in EUR m | 2024e (old) | + / -  | 2025e (old) | + / -               | 2026e (old) | + / - |  |
| Sales                   | 404.1       | 0.0 %  | 446.5       | 0.0 %               | 473.9       | 0.0 % | ■ We have applied EUR 0.3m of additional costs to our 2024 estimates due to the new company set-up (legal and consulting costs). |
| EBITDA                  | 43.4        | -0.7 % | 54.4        | 0.0 %               | 61.0        | 0.0 % |  |
| EBIT                    | 37.3        | -0.8 % | 47.9        | 0.0 %               | 54.1        | 0.0 % |  |

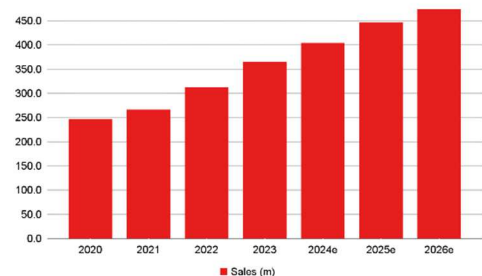


| Rel. Performance vs Scale All Share |        |
|-------------------------------------|--------|
| 1 month:                            | -3.0 % |
| 6 months:                           | 12.4 % |
| Year to date:                       | n/a    |
| Trailing 12 months:                 | 0.5 %  |

| Company events: |    |
|-----------------|----|
| 05.09.24        | Q2 |
| 25.11.24        | Q3 |

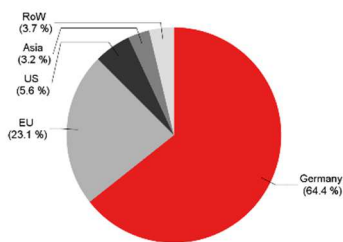
| FY End: 31.12. in EUR m | CAGR (23-26e) | 2020  | 2021   | 2022   | 2023   | 2024e  | 2025e  | 2026e  |
|-------------------------|---------------|---|--------|--------|--------|--------|--------|--------|
| Sales                   | 9.1 %         | 246.7   | 266.3  | 312.6  | 365.1  | 404.1  | 446.5  | 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   | 43.1   | 54.4   | 61.0   |
| Margin                  |               | 8.2 %   | 8.3 %  | 9.2 %  | 9.5 %  | 10.7 % | 12.2 % | 12.9 % |
| EBIT                    | 24.6 %        | 16.6  | 18.0   | 24.0   | 27.9   | 37.0   | 47.9   | 54.1   |
| Margin                  |               | 6.7 %   | 6.8 %  | 7.7 %  | 7.7 %  | 9.2 %  | 10.7 % | 11.4 % |
| Net income              | 27.6 %        | 12.0  | 12.6   | 16.4   | 18.0   | 25.4   | 33.0   | 37.4   |
| EPS                     | 27.9 %        | 0.67  | 0.70   | 0.91   | 1.00   | 1.42   | 1.84   | 2.09   |
| EPS adj.                | 27.9 %        | 0.67  | 0.70   | 0.91   | 1.00   | 1.42   | 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 %  | 0.9 %  | 1.1 %  | 1.3 %  |
| FCFPS                   |               | 0.39  | 0.22   | -0.25  | 0.20   | 0.43   | 0.99   | 1.50   |
| FCF / Market cap        |               | 2.5 %   | 0.9 %  | -1.0 % | 0.8 %  | 1.9 %  | 4.4 %  | 6.6 %  |
| 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 | 9.2 x  | 7.1 x  | 5.9 x  |
| EV / EBIT               |               | 16.1 x  | 22.9 x | 18.4 x | 15.3 x | 10.8 x | 8.0 x  | 6.7 x  |
| P / E                   |               | 22.8 x  | 34.1 x | 27.5 x | 24.1 x | 16.0 x | 12.3 x | 10.9 x |
| P / E adj.              |               | 22.8 x  | 34.1 x | 27.5 x | 24.1 x | 16.0 x | 12.3 x | 10.9 x |
| FCF Potential Yield     |               | 5.9 %   | 4.1 %  | 4.9 %  | 5.9 %  | 8.1 %  | 10.5 % | 12.4 % |
| Net Debt                |               | -5.6  | -14.6  | -7.1   | -4.3   | -9.0   | -23.2  | -45.5  |
| ROCE (NOPAT)            |               | 17.1 %  | 16.7 % | 18.4 % | 16.7 % | 20.1 % | 23.1 % | 24.0 % |
| Guidance:               |               | 2024: Sales: EUR 360-390m; EBIT-margin: 8.5-10% |        |        |        |        |        |        |

Sales development in EUR m



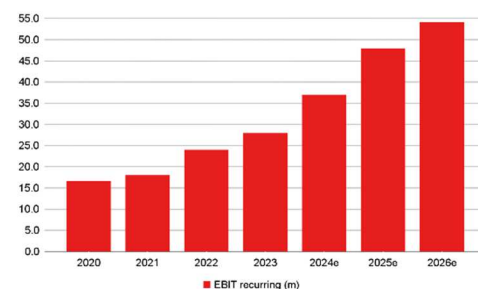
Source: Warburg Research

Sales by regions 2023



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

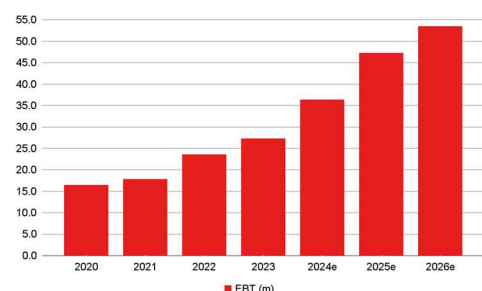
## Company Background

- 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

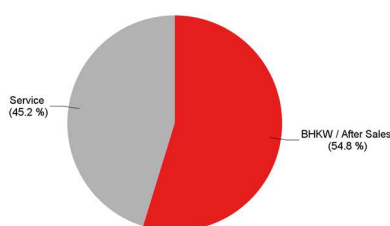
- Founded in 1995, 2G Energy quickly positioned as technology leader for biogas CHPs in Europe. Innovative designs, best-in-class performance and quality standards improved 2G’s positioning.
- Offering a fitting solution for different client groups, 2G Energy stands out from its peer-group with its extensive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



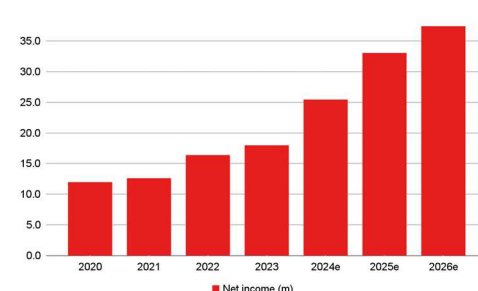
Source: Warburg Research

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 | 3.0 %       |
| 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 %   |             |
| EBIT                        | 37.0                     | 47.9   | 54.1   | 62.6                | 73.0   | 86.5   | 94.9   | 100.2  | 109.2  | 108.1  | 114.6   | 119.2   | 122.7   | 3.0 %       |
| EBIT-margin                 | 9.2 %                    | 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 %  | 3.0 %       |
| NOPAT                       | 25.9                     | 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    | 3.0 %       |
| 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     | 3.0 %       |
| 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    | 3.0 %       |
| - 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 %   | 3.0 %       |
| - 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) | 8.2                      | 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 share of PVs      | 7.9                      | 16.1   | 22.2   | 20.7                | 21.1   | 16.7   | 24.1   | 27.9   | 25.0   | 22.9   | 24.6    | 25.7    | 25.4    | 424         |
|                             | 6.56 %                   |        |        | 33.25 %             |        |        |        |        |        |        |         |         |         | 60.19 %     |

| Model parameter          |               |                     |             | Valuation (m)              |            |                              |              |
|--------------------------|---------------|---------------------|-------------|----------------------------|------------|------------------------------|--------------|
| Derivation of WACC:      |               | Derivation of Beta: |             | Present values 2036e       | 280        |                              |              |
| Debt ratio               | 10.00 %       | Financial Strength  | 1.20        | Terminal Value             | 424        |                              |              |
| 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         |
| <b>WACC</b>              | <b>9.17 %</b> | <b>Beta</b>         | <b>1.24</b> | <b>Equity Value</b>        | <b>708</b> | <b>Value per share (EUR)</b> | <b>39.48</b> |

| 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 % | 31.32           | 31.86  | 32.43  | 33.04  | 33.70  | 34.40  | 35.16  | 1.44              | 10.2 % | 27.31   | 29.22   | 31.13   | 33.04   | 34.95   | 36.86   | 38.77   |
| 1.34                              | 9.7 %  | 33.92           | 34.57  | 35.26  | 36.01  | 36.81  | 37.68  | 38.62  | 1.34              | 9.7 %  | 29.80   | 31.87   | 33.94   | 36.01   | 38.08   | 40.15   | 42.21   |
| 1.29                              | 9.4 %  | 35.37           | 36.08  | 36.85  | 37.67  | 38.57  | 39.54  | 40.59  | 1.29              | 9.4 %  | 31.20   | 33.36   | 35.52   | 37.67   | 39.83   | 41.99   | 44.14   |
| 1.24                              | 9.2 %  | 36.92           | 37.71  | 38.56  | 39.48  | 40.48  | 41.56  | 42.75  | 1.24              | 9.2 %  | 32.72   | 34.97   | 37.23   | 39.48   | 41.73   | 43.98   | 46.24   |
| 1.19                              | 8.9 %  | 38.60           | 39.47  | 40.42  | 41.44  | 42.56  | 43.78  | 45.12  | 1.19              | 8.9 %  | 34.37   | 36.73   | 39.09   | 41.44   | 43.80   | 46.16   | 48.51   |
| 1.14                              | 8.7 %  | 40.41           | 41.38  | 42.44  | 43.59  | 44.84  | 46.22  | 47.73  | 1.14              | 8.7 %  | 36.18   | 38.65   | 41.12   | 43.59   | 46.06   | 48.53   | 51.00   |
| 1.04                              | 8.2 %  | 44.52           | 45.73  | 47.06  | 48.52  | 50.12  | 51.90  | 53.88  | 1.04              | 8.2 %  | 40.33   | 43.06   | 45.79   | 48.52   | 51.25   | 53.98   | 56.71   |

- 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   | 2.8 x  | 2.3 x  | 2.0 x  |
| Book value per share ex intangibles | 4.20   | 5.02    | 5.78   | 6.33    | 7.65   | 9.37   | 11.26  |
| 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  | 9.2 x  | 7.1 x  | 5.9 x  |
| EV / EBIT                           | 16.1 x | 22.9 x  | 18.4 x | 15.3 x  | 10.8 x | 8.0 x  | 6.7 x  |
| EV / EBIT adj.*                     | 16.1 x | 22.9 x  | 20.2 x | 15.3 x  | 10.8 x | 8.0 x  | 6.7 x  |
| P / FCF                             | 39.4 x | 106.9 x | n.a.   | 119.9 x | 52.3 x | 22.9 x | 15.1 x |
| P / E                               | 22.8 x | 34.1 x  | 27.5 x | 24.1 x  | 16.0 x | 12.3 x | 10.9 x |
| P / E adj.*                         | 22.8 x | 34.1 x  | 27.5 x | 24.1 x  | 16.0 x | 12.3 x | 10.9 x |
| Dividend Yield                      | 2.9 %  | 2.1 %   | 0.6 %  | 0.7 %   | 0.9 %  | 1.1 %  | 1.3 %  |
| FCF Potential Yield (on market EV)  | 5.9 %  | 4.1 %   | 4.9 %  | 5.9 %   | 8.1 %  | 10.5 % | 12.4 % |

\*Adjustments made for: -

**Consolidated profit & loss**

| In EUR m   | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e         |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Sales</b>                                     | <b>246.7</b>  | <b>266.3</b>  | <b>312.6</b>  | <b>365.1</b>  | <b>404.1</b>  | <b>446.5</b>  | <b>473.9</b>  |
| 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           |
| <b>Total Sales</b>                               | <b>254.2</b>  | <b>268.9</b>  | <b>338.8</b>  | <b>371.1</b>  | <b>414.6</b>  | <b>453.1</b>  | <b>480.8</b>  |
| Material expenses                                | 167.3         | 171.3         | 224.1         | 238.3         | 257.1         | 270.4         | 283.3         |
| <b>Gross profit</b>                              | <b>87.0</b>   | <b>97.7</b>   | <b>114.7</b>  | <b>132.8</b>  | <b>157.5</b>  | <b>182.7</b>  | <b>197.6</b>  |
| <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           | 1.5           | 0.5           | 0.0           |
| Other operating expenses                         | 24.6          | 29.7          | 35.3          | 36.9          | 45.2          | 50.5          | 54.5          |
| Unfrequent items                                 | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>EBITDA</b>                                    | <b>20.3</b>   | <b>22.0</b>   | <b>28.7</b>   | <b>34.6</b>   | <b>43.1</b>   | <b>54.4</b>   | <b>61.0</b>   |
| <i>Margin</i>                                    | <i>8.2 %</i>  | <i>8.3 %</i>  | <i>9.2 %</i>  | <i>9.5 %</i>  | <i>10.7 %</i> | <i>12.2 %</i> | <i>12.9 %</i> |
| Depreciation of fixed assets                     | 3.0           | 3.2           | 3.7           | 5.0           | 4.4           | 4.7           | 5.1           |
| <b>EBITA</b>                                     | <b>17.3</b>   | <b>18.8</b>   | <b>24.9</b>   | <b>29.6</b>   | <b>38.7</b>   | <b>49.7</b>   | <b>55.9</b>   |
| Amortisation of intangible assets                | 0.7           | 0.7           | 0.9           | 1.7           | 1.7           | 1.8           | 1.8           |
| Goodwill amortisation                            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>EBIT</b>                                      | <b>16.6</b>   | <b>18.0</b>   | <b>24.0</b>   | <b>27.9</b>   | <b>37.0</b>   | <b>47.9</b>   | <b>54.1</b>   |
| <i>Margin</i>                                    | <i>6.7 %</i>  | <i>6.8 %</i>  | <i>7.7 %</i>  | <i>7.7 %</i>  | <i>9.2 %</i>  | <i>10.7 %</i> | <i>11.4 %</i> |
| <b>EBIT adj.</b>                                 | <b>16.6</b>   | <b>18.0</b>   | <b>21.9</b>   | <b>27.9</b>   | <b>37.0</b>   | <b>47.9</b>   | <b>54.1</b>   |
| Interest income                                  | 0.2           | 0.1           | 0.1           | 0.1           | 0.0           | 0.0           | 0.0           |
| Interest expenses                                | 0.4           | 0.3           | 0.4           | 0.6           | 0.6           | 0.6           | 0.6           |
| Other financial income (loss)                    | 0.0           | 0.0           | -0.1          | -0.1          | 0.0           | 0.0           | 0.0           |
| <b>EBT</b>                                       | <b>16.5</b>   | <b>17.8</b>   | <b>23.6</b>   | <b>27.3</b>   | <b>36.4</b>   | <b>47.3</b>   | <b>53.5</b>   |
| <i>Margin</i>                                    | <i>6.7 %</i>  | <i>6.7 %</i>  | <i>7.5 %</i>  | <i>7.5 %</i>  | <i>9.0 %</i>  | <i>10.6 %</i> | <i>11.3 %</i> |
| Total taxes                                      | 4.5           | 5.2           | 7.2           | 9.3           | 10.9          | 14.2          | 16.1          |
| <b>Net income from continuing operations</b>     | <b>12.0</b>   | <b>12.6</b>   | <b>16.4</b>   | <b>18.0</b>   | <b>25.4</b>   | <b>33.0</b>   | <b>37.4</b>   |
| Income from discontinued operations (net of tax) | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Net income before minorities</b>              | <b>12.0</b>   | <b>12.6</b>   | <b>16.4</b>   | <b>18.0</b>   | <b>25.4</b>   | <b>33.0</b>   | <b>37.4</b>   |
| Minority interest                                | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Net income</b>                                | <b>12.0</b>   | <b>12.6</b>   | <b>16.4</b>   | <b>18.0</b>   | <b>25.4</b>   | <b>33.0</b>   | <b>37.4</b>   |
| <i>Margin</i>                                    | <i>4.9 %</i>  | <i>4.7 %</i>  | <i>5.2 %</i>  | <i>4.9 %</i>  | <i>6.3 %</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          |
| <b>EPS</b>                                       | <b>0.67</b>   | <b>0.70</b>   | <b>0.91</b>   | <b>1.00</b>   | <b>1.42</b>   | <b>1.84</b>   | <b>2.09</b>   |
| EPS adj.   | 0.67          | 0.70          | 0.91          | 1.00          | 1.42          | 1.84          | 2.09          |

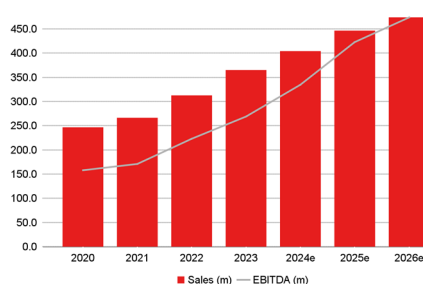
\*Adjustments made for:

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

**Financial Ratios**

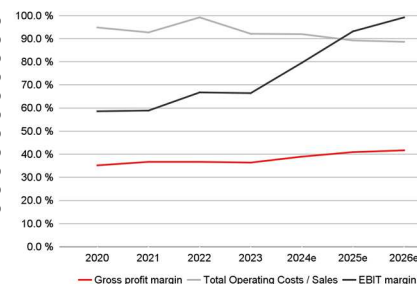
|                               | 2020    | 2021    | 2022    | 2023    | 2024e  | 2025e  | 2026e  |
|-------------------------------|---------|---------|---------|---------|--------|--------|--------|
| Total Operating Costs / Sales | 94.8 %  | 92.7 %  | 99.2 %  | 92.2 %  | 91.9 % | 89.3 % | 88.6 % |
| Operating Leverage            | 1.5 x   | 1.1 x   | 1.9 x   | 1.0 x   | 3.0 x  | 2.8 x  | 2.1 x  |
| EBITDA / Interest expenses    | 51.0 x  | 71.7 x  | 74.7 x  | 55.8 x  | 69.2 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 %  | 14.1 % | 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



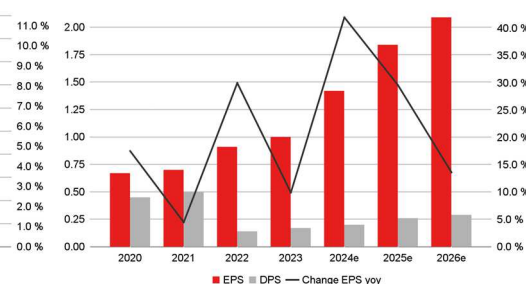
Source: Warburg Research

**Operating Performance**  
in %



Source: Warburg Research

**Performance per Share**



Source: Warburg Research

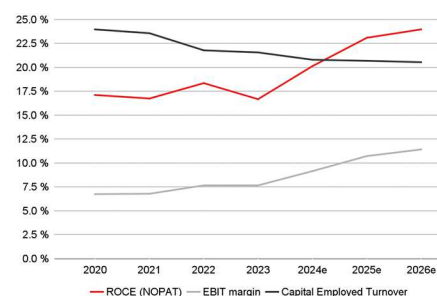
**Consolidated balance sheet**

| In EUR m  | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Assets</b>   |              |              |              |              |              |              |              |
| Goodwill and other intangible assets                    | 3.0          | 4.5          | 5.0          | 10.3         | 9.0          | 7.8          | 6.4          |
| thereof other intangible assets                         | 0.5          | 1.0          | 1.1          | 1.0          | -0.2         | -1.5         | -2.8         |
| thereof Goodwill  | 2.3          | 3.3          | 3.0          | 6.9          | 6.9          | 6.9          | 6.9          |
| Property, plant and equipment                           | 22.9         | 22.6         | 26.8         | 28.4         | 30.2         | 30.8         | 31.3         |
| Financial assets  | 0.9          | 0.0          | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          |
| Other long-term assets                                  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Fixed assets</b>                                     | <b>26.8</b>  | <b>27.1</b>  | <b>31.9</b>  | <b>38.7</b>  | <b>39.3</b>  | <b>38.7</b>  | <b>37.8</b>  |
| Inventories   | 60.8         | 72.2         | 102.6        | 109.8        | 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         | 17.3         | 31.5         | 53.8         |
| Other short-term assets                                 | 5.9          | 7.1          | 6.5          | 7.8          | 7.8          | 7.8          | 7.8          |
| <b>Current assets</b>                                   | <b>119.8</b> | <b>142.6</b> | <b>179.7</b> | <b>188.7</b> | <b>220.0</b> | <b>252.9</b> | <b>288.3</b> |
| <b>Total Assets</b>                                     | <b>146.6</b> | <b>169.7</b> | <b>211.6</b> | <b>227.4</b> | <b>259.3</b> | <b>291.6</b> | <b>326.1</b> |
| <b>Liabilities and shareholders' equity</b>             |              |              |              |              |              |              |              |
| Subscribed capital                                      | 4.4          | 4.5          | 17.9         | 17.9         | 17.9         | 17.9         | 17.9         |
| Capital reserve   | 11.2         | 16.4         | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          |
| Retained earnings                                       | 63.7         | 74.3         | 88.5         | 103.9        | 126.3        | 155.8        | 188.5        |
| Other equity components                                 | -1.0         | -0.7         | -0.7         | -0.9         | -0.9         | -0.8         | -0.9         |
| Shareholders' equity                                    | 78.4         | 94.6         | 108.7        | 123.9        | 146.3        | 175.8        | 208.5        |
| Minority interest                                       | -0.1         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total equity</b>                                     | <b>78.3</b>  | <b>94.5</b>  | <b>108.6</b> | <b>123.9</b> | <b>146.3</b> | <b>175.8</b> | <b>208.5</b> |
| Provisions  | 13.4         | 17.7         | 21.4         | 24.4         | 24.4         | 24.4         | 24.4         |
| thereof provisions for pensions and similar obligations | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Financial liabilities (total)                           | 5.5          | 5.3          | 6.3          | 8.3          | 8.3          | 8.3          | 8.3          |
| Short-term financial liabilities                        | 1.3          | 1.9          | 2.5          | 2.7          | 2.7          | 2.7          | 2.7          |
| Accounts payable  | 10.0         | 11.5         | 20.5         | 17.1         | 26.6         | 29.4         | 31.2         |
| Other liabilities                                       | 39.4         | 40.7         | 54.7         | 53.7         | 53.7         | 53.7         | 53.7         |
| <b>Liabilities</b>                                      | <b>68.2</b>  | <b>75.2</b>  | <b>103.0</b> | <b>103.5</b> | <b>113.0</b> | <b>115.8</b> | <b>117.6</b> |
| <b>Total liabilities and shareholders' equity</b>       | <b>146.6</b> | <b>169.7</b> | <b>211.6</b> | <b>227.4</b> | <b>259.3</b> | <b>291.6</b> | <b>326.1</b> |

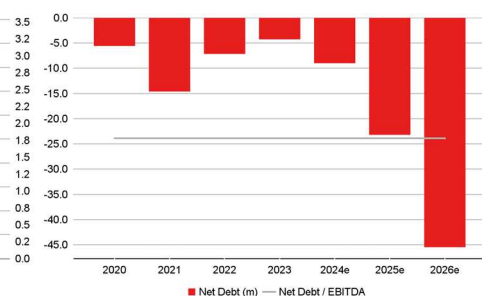
**Financial Ratios**

|   | 2020   | 2021    | 2022   | 2023   | 2024e  | 2025e   | 2026e   |
|---|--------|---------|--------|--------|--------|---------|---------|
| <b>Efficiency of Capital Employment</b> |        |         |        |        |        |         |         |
| Operating Assets Turnover               | 2.9 x  | 2.8 x   | 2.6 x  | 2.6 x  | 2.6 x  | 2.6 x   | 2.5 x   |
| Capital Employed Turnover               | 3.4 x  | 3.3 x   | 3.1 x  | 3.1 x  | 2.9 x  | 2.9 x   | 2.9 x   |
| ROA                                     | 44.7 % | 46.5 %  | 51.4 % | 46.4 % | 64.7 % | 85.4 %  | 98.8 %  |
| <b>Return on Capital</b>                |        |         |        |        |        |         |         |
| ROCE (NOPAT)                            | 17.1 % | 16.7 %  | 18.4 % | 16.7 % | 20.1 % | 23.1 %  | 24.0 %  |
| ROE                                     | 16.3 % | 14.6 %  | 16.1 % | 15.5 % | 18.8 % | 20.5 %  | 19.5 %  |
| Adj. ROE                                | 16.3 % | 14.6 %  | 16.1 % | 15.5 % | 18.8 % | 20.5 %  | 19.5 %  |
| <b>Balance sheet quality</b>            |        |         |        |        |        |         |         |
| Net Debt                                | -5.6   | -14.6   | -7.1   | -4.3   | -9.0   | -23.2   | -45.5   |
| Net Financial Debt                      | -5.6   | -14.6   | -7.1   | -4.3   | -9.0   | -23.2   | -45.5   |
| Net Gearing                             | -7.1 % | -15.5 % | -6.6 % | -3.4 % | -6.2 % | -13.2 % | -21.8 % |
| Net Fin. Debt / EBITDA                  | n.a.   | n.a.    | n.a.   | n.a.   | n.a.   | n.a.    | n.a.    |
| Book Value / Share                      | 4.4    | 5.3     | 6.1    | 6.9    | 8.2    | 9.8     | 11.6    |
| Book value per share ex intangibles     | 4.2    | 5.0     | 5.8    | 6.3    | 7.7    | 9.4     | 11.3    |

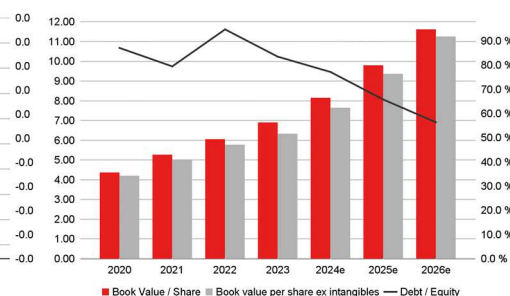
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

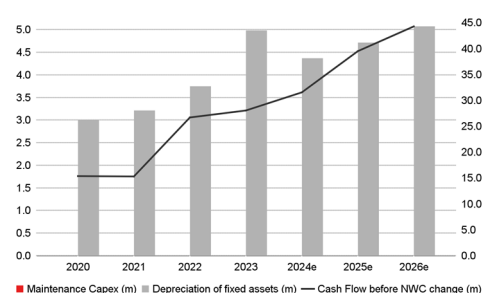
| In EUR m   | 2020        | 2021        | 2022        | 2023         | 2024e       | 2025e       | 2026e       |
|--|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
| Net income   | 12.0        | 12.6        | 16.4        | 18.0         | 25.4        | 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         |
| <b>Cash Flow before NWC change</b>                     | <b>15.3</b> | <b>15.3</b> | <b>26.7</b> | <b>28.0</b>  | <b>31.5</b> | <b>39.5</b> | <b>44.3</b> |
| 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       |
| <b>Net cash provided by operating activities [1]</b>   | <b>9.7</b>  | <b>8.9</b>  | <b>4.9</b>  | <b>11.8</b>  | <b>14.5</b> | <b>23.6</b> | <b>33.0</b> |
| Investments in intangible assets                       | -0.4        | -0.8        | -1.2        | -1.4         | -0.5        | -0.5        | -0.5        |
| Investments in property, plant and equipment           | -2.4        | -4.0        | -8.2        | -6.7         | -6.2        | -5.4        | -5.6        |
| Payments for acquisitions                              | 0.0         | -1.2        | -0.8        | -3.5         | 0.0         | 0.0         | 0.0         |
| Financial investments                                  | 0.0         | 0.0         | 0.0         | -0.1         | 0.0         | 0.0         | 0.0         |
| Income from asset disposals                            | 0.4         | 3.3         | 0.5         | 0.2          | 0.0         | 0.0         | 0.0         |
| <b>Net cash provided by investing activities [2]</b>   | <b>-2.1</b> | <b>-1.9</b> | <b>-9.8</b> | <b>-11.4</b> | <b>-6.7</b> | <b>-5.9</b> | <b>-6.1</b> |
| Change in financial liabilities                        | -5.0        | -1.3        | 1.0         | 1.9          | 0.0         | 0.0         | 0.0         |
| Dividends paid   | -2.0        | -2.0        | -2.2        | -2.5         | -3.0        | -3.6        | -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         |
| <b>Net cash provided by financing activities [3]</b>   | <b>-7.4</b> | <b>1.6</b>  | <b>-1.6</b> | <b>-1.2</b>  | <b>-3.0</b> | <b>-3.6</b> | <b>-4.7</b> |
| <b>Change in liquid funds [1]+[2]+[3]</b>              | <b>0.2</b>  | <b>8.6</b>  | <b>-6.4</b> | <b>-0.9</b>  | <b>4.7</b>  | <b>14.2</b> | <b>22.3</b> |
| Effects of exchange-rate changes on cash               | 0.1         | 0.1         | -0.1        | -0.1         | 0.0         | 0.0         | 0.0         |
| Cash and cash equivalent at end of period              | 10.9        | 19.7        | 13.1        | 12.3         | 17.3        | 31.5        | 53.8        |

## Financial Ratios

|                                      | 2020    | 2021    | 2022    | 2023    | 2024e   | 2025e   | 2026e   |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| <b>Cash Flow</b>                     |         |         |         |         |         |         |         |
| FCF                                  | 7.0     | 4.0     | -4.4    | 3.6     | 7.8     | 17.8    | 27.0    |
| Free Cash Flow / Sales               | 2.8 %   | 1.5 %   | -1.4 %  | 1.0 %   | 1.9 %   | 4.0 %   | 5.7 %   |
| Free Cash Flow Potential             | 15.8    | 16.8    | 21.4    | 25.3    | 32.2    | 40.2    | 44.9    |
| Free Cash Flow / Net Profit          | 58.1 %  | 31.8 %  | -27.0 % | 20.0 %  | 30.6 %  | 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 %   |
| <b>Management of Funds</b>           |         |         |         |         |         |         |         |
| Investment ratio                     | 1.1 %   | 1.8 %   | 3.0 %   | 2.2 %   | 1.7 %   | 1.3 %   | 1.3 %   |
| Maint. Capex / Sales                 | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   |
| Capex / Dep                          | 74.5 %  | 123.1 % | 200.6 % | 122.5 % | 110.0 % | 90.2 %  | 87.7 %  |
| Avg. Working Capital / Sales         | 24.4 %  | 25.4 %  | 26.7 %  | 28.1 %  | 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     |

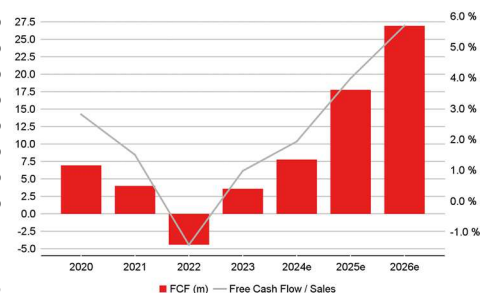
## CAPEX and Cash Flow

in EUR m



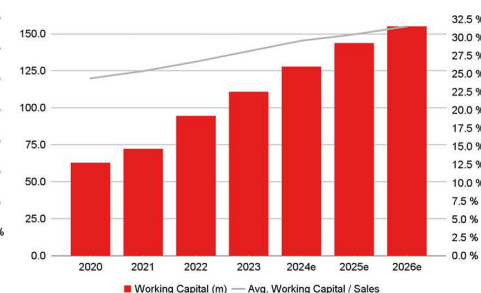
Source: Warburg Research

## Free Cash Flow Generation



Source: Warburg Research

## Working Capital



Source: Warburg Research



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| Company   | Disclosure | Link to the historical price targets and rating changes (last 12 months)  |
|-----------|------------|---|
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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- | <b>Buy:</b>              | The price of the analysed financial instrument is expected to rise over the next 12 months.               |
| -H- | <b>Hold:</b>             | The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months. |
| -S- | <b>Sell:</b>             | The price of the analysed financial instrument is expected to fall over the next 12 months.               |
| “-“ | <b>Rating suspended:</b> | The available information currently does not permit an evaluation of the company.                         |

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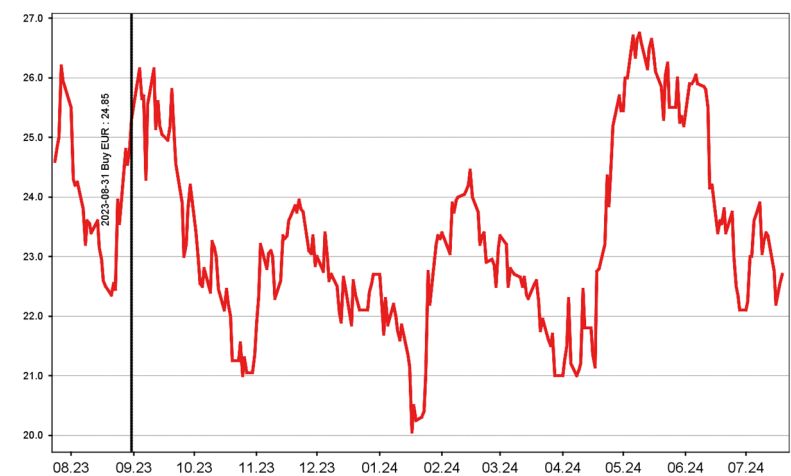
| Rating           | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy              | 141              | 71            |
| Hold             | 44               | 22            |
| Sell             | 9                | 5             |
| Rating suspended | 6                | 3             |
| <b>Total</b>     | <b>200</b>       | <b>100</b>    |

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

... taking into account only those companies which were provided with major investment services in the last twelve months.

| Rating           | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy              | 42               | 76            |
| Hold             | 10               | 18            |
| Sell             | 1                | 2             |
| Rating suspended | 2                | 4             |
| <b>Total</b>     | <b>55</b>        | <b>100</b>    |

**PRICE AND RATING HISTORY 2G ENERGY AS OF 22.07.2024**



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

## EQUITIES

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

## RESEARCH

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## INSTITUTIONAL EQUITY SALES

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

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

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

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

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

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

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

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

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

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

## SALES TRADING

**Oliver 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:

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## 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