

2G Energy AG

Germany / Cleantech
 Primary exchange: Frankfurt
 Bloomberg: 2GB GR
 ISIN: DE000A0HL8N9

Update

RATING
BUY

PRICE TARGET
€ 34.00

Return Potential 35.5%
 Risk Rating Medium

FROM CHP PRODUCT TO ENERGY SYSTEM SOLUTION PROVIDER

Since it was founded in 1995, 2G Energy has developed into a leading supplier of combined heat & power (CHP) systems in Germany and has built up a global sales network. It started as a two-man company (Christian Grotholt and Ludger Gausling – 2G) to manufacture cogeneration plants (two types of energy generation, electricity & heat – 2G), and has developed into a very solid, fast-growing, and profitable medium-sized company with over 900 employees. Turnover was still below €30m at the time of the IPO in 2007, but it increased more than twelvefold to €365m by 2023. 2G's entry into the large heat pump business last year marks another major step in its development from CHP product supplier to energy system solutions provider. The combination of CHP systems and heat pumps (HP) gives further meaning to the term 2G. We believe that now is the ideal time to expand the business model. The company wants to move early to thoroughly prepare for the forthcoming structural growth in the large heat pump sector. This market is primed for rapid expansion, and 2G wants to capitalise on opportunities with a sufficiently broad product range. 2G is also aiming to quickly establish a competitive edge in the market for energy system solutions that combine CHP and HP. The heating market urgently needs to be decarbonised (currently still 80% fossil). 2G's energy system solutions intelligently combine electricity and heat production and can supply both green electricity and green heat, even during periods when wind and sun are not available as power sources. 2G's energy system solutions form a distributed backbone technology for the energy transition, which, as we know, must not only be an electricity transition, but also a heat transition and a transport transition in order to achieve the net-zero target set by the German government for 2045. We confirm our Buy recommendation for the 2G share with an unchanged price target of €34.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023	2024E	2025E	2026E
Revenue (€m)	266.35	312.63	365.06	397.64	443.49	510.01
Y-o-y growth	8.0%	17.4%	16.8%	8.9%	11.5%	15.0%
EBIT (€m)	17.93	21.95	27.64	34.95	43.43	51.09
EBIT margin	6.7%	7.0%	7.6%	8.8%	9.8%	10.0%
Net income (€m)	12.61	16.39	17.95	23.61	29.46	34.77
EPS (diluted) (€)	0.77	0.91	1.00	1.32	1.64	1.94
DPS (€)	0.13	0.14	0.17	0.22	0.26	0.31
FCF (€m)	4.01	-4.39	3.56	9.35	16.34	11.28
Net gearing	-15.5%	-6.6%	-3.4%	-7.3%	-13.5%	-14.8%
Liquid assets (€m)	19.93	13.48	12.57	18.86	31.26	37.87

RISKS

The main risks include regulatory changes, internationalisation, high natural gas prices in combination with low electricity prices.

COMPANY PROFILE

2G Energy AG is a leading producer of combined heat and power (CHP) plants and produces large heat pumps. The company offers a wide product range of CHP and HP plants (CHP: 20 kW to 4.5 MW, HP: 100 kW - 2.6 MW). 2G has a global distribution network and is headquartered in Heek, Germany.

MARKET DATA

As of 26 Apr 2024

Closing Price	€ 25.10
Shares outstanding	17.94m
Market Capitalisation	€ 450.29m
52-week Range	€ 20.05 / 29.65
Avg. Volume (12 Months)	22,581

Multiples	2023	2024E	2025E
P/E	25.1	19.1	15.3
EV/Sales	1.2	1.1	1.0
EV/EBIT	16.2	12.8	10.3
Div. Yield	0.7%	0.9%	1.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2023

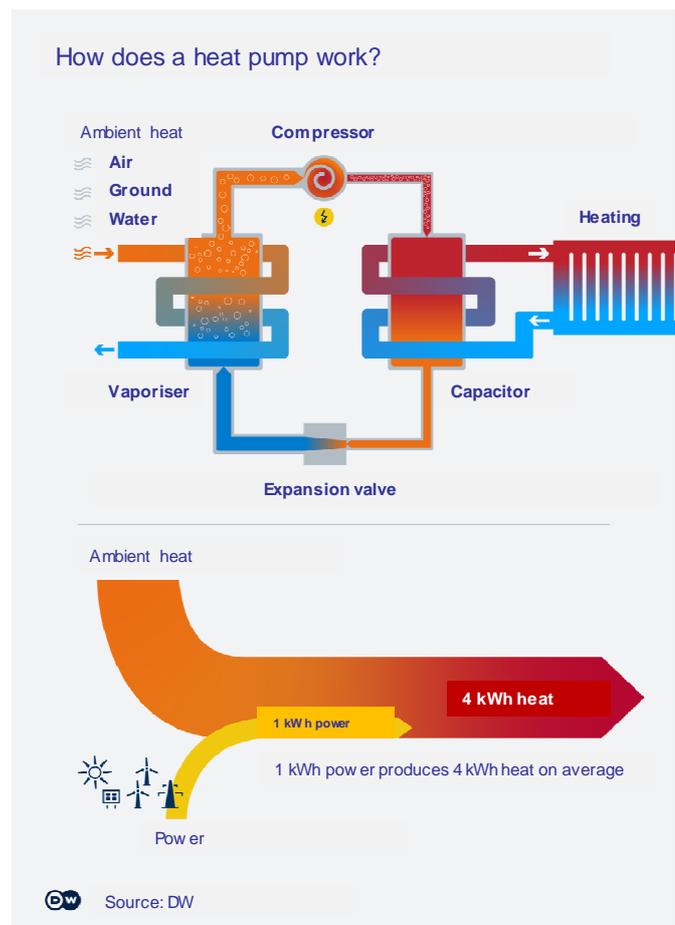
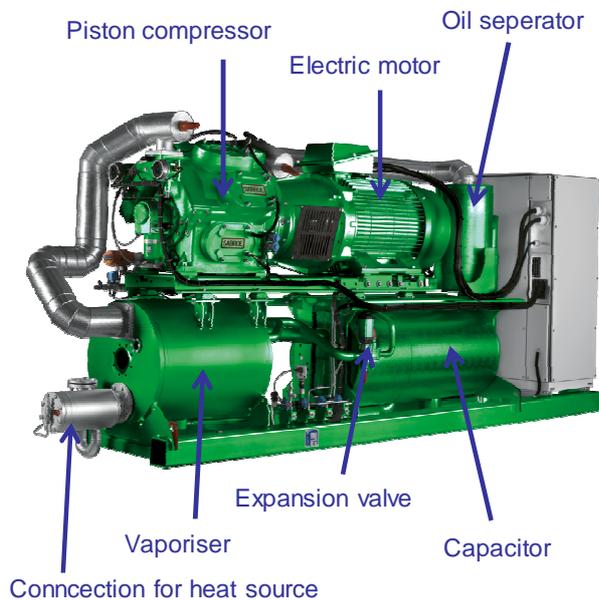
Liquid Assets	€ 12.57m
Current Assets	€ 188.71m
Intangible Assets	€ 10.26m
Total Assets	€ 227.45m
Current Liabilities	€ 73.45m
Shareholders' Equity	€ 123.99m

SHAREHOLDERS

Christian Grotholt	29.6%
Ludger Gausling	15.5%
Free Float	54.9%

How do heat pumps work? As many institutional investors are probably less familiar with the heat pump business than the CHP business, we would like to take this opportunity to provide an insight into the technology and the heat pump market. Heat pumps extract heat from sources such as air, the ground, water, or waste heat and feed it into the heat pump circuit using a refrigerant. Compressing the refrigerant increases the pressure and temperature. When the heat is finally transferred to the heat sink, the temperature of the refrigerant also decreases, causing it to become liquid again. In the expansion valve, the coolant reaches its initial temperature again by reducing the pressure - and the cycle can begin again (see figure 1). The compression to raise the heat to a higher temperature level is driven by an electric motor and amounts to a fraction of the heat generated. 2G's large heat pumps have a coefficient of performance (COP) of between 3 and 5, i.e. they produce 3 - 5 kWh of heat from 1 kWh of electricity. This puts the efficiency of heat pumps at 300% - 500%. The smaller the required temperature range is, the greater the efficiency advantage. The temperature range is the difference between the temperature of the heat source (input temperature) used and the output temperature generated in the heat pump, which may be fed into a heating network or an industrial process, for example. The compressor is the most expensive single component of the heat pump. It determines the temperature and output range as well as the efficiency. In the compressor, increasing the temperature is achieved by increasing the pressure.

Figure 1: 2G large heat pump and schematic representation of a heat pump



Source: First Berlin Equity Research, 2G Energy, DW

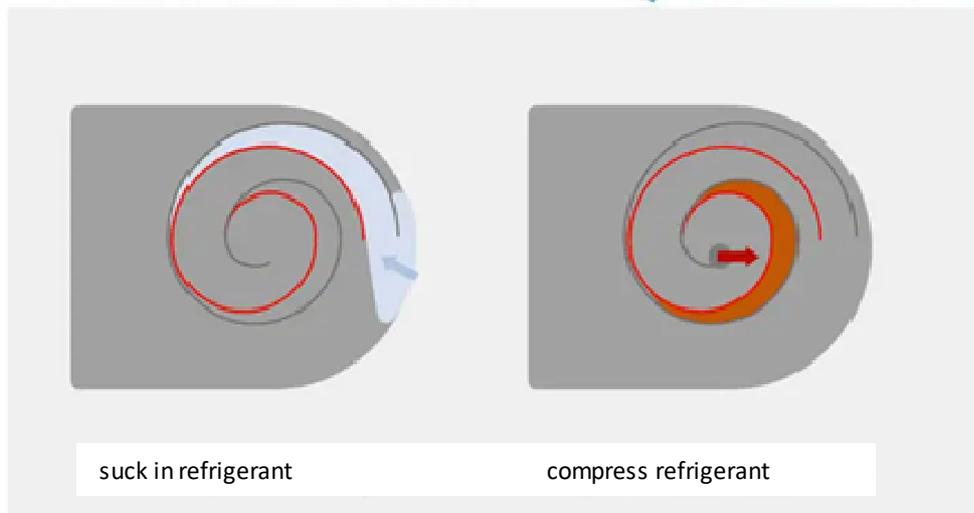
2G uses two different compressor technologies:

- Scroll compressor
- Piston compressor

The scroll compressor was invented in 1905 and consists of two interlocking scrolls, one fixed and one moving. The continuous rotation of the moving scroll causes the chambers to continuously reduce in size and compress the gas (see figure 2). The scroll compressor runs relatively quietly, has few moving parts, and is largely maintenance-free.

Figure 2: Operating principle of a scroll compressor

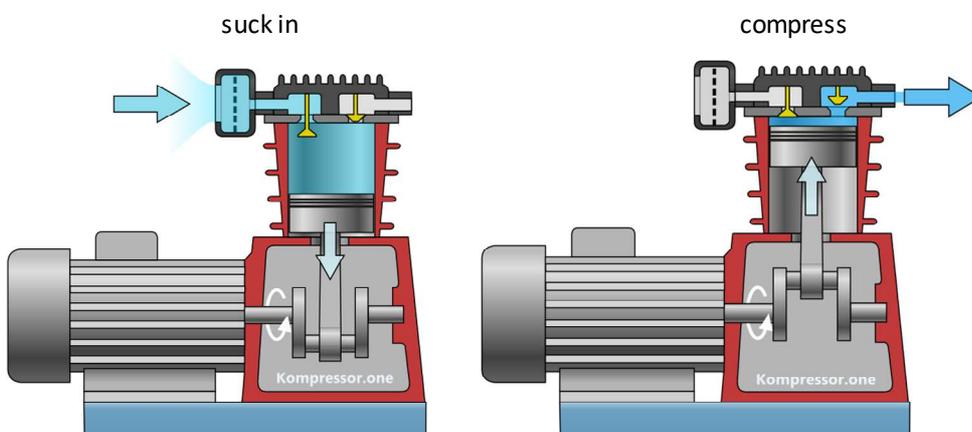
Scroll compressor



Source: First Berlin Equity Research, Deutsche Thermo, https://www.deutsche-thermo.de/wp-content/uploads/2022/03/funktionsweise_scrollverdichter-768x449.jpg.webp

The piston compressor draws in the gaseous refrigerant through a suction valve when the piston moves downwards. When it moves upwards, the gas is drawn in, compressed and discharged via a discharge valve (see figure 3). Piston compressors are robust and can withstand high temperatures and pressures.

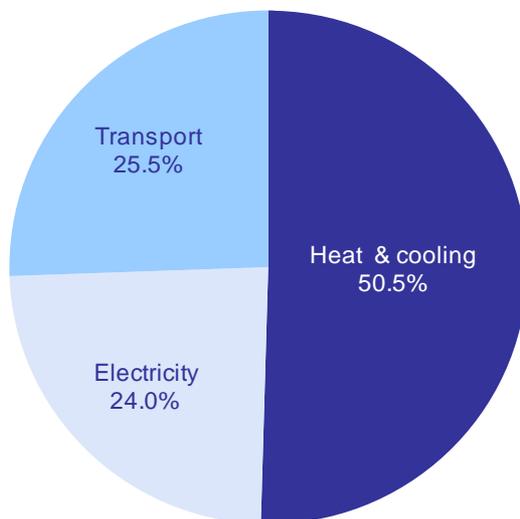
Figure 3: Operating principle of a piston compressor



Source: First Berlin Equity Research Kompressor.one (<https://www.kompressor.one/07-seiten/5140-kolbenkompressor.php>)

Why are large heat pumps so important for the energy transition? If heat pumps are powered by green electricity, they produce CO₂-free heat and, as just described, do so very efficiently. Plus, a CHP plant powered by green hydrogen can supply CO₂-free electricity for heat production, when the volatile solar and wind power sources are not available. The possibility of CO₂-free heat production makes large heat pumps a key technology for the climate-neutral operation of heating networks and the provision of industrial process heat of up to 200 °C. According to the study 'Roll-out of large heat pumps' published by Agora Energiewende in June 2023, large heat pumps in Germany could ensure around 70% of the district heating supply by 2045 and thus replace a large proportion of natural gas. To date, only 18% of heat production in Germany is based on renewable energy. The remaining 82%, which is still based on fossil fuels, is also to be decarbonised by 2045. The scale of this task becomes clear when one considers that the heating sector (heating and cooling excluding electricity) is responsible for 51% of Germany's final energy consumption, while the electricity sector only accounts for 24% (see figure 4).

Figure 4: Final energy consumption for heat & cooling, electricity, and transport



Source: First Berlin Equity Research, Umweltbundesamt, AG Energiebilanzen, April 2023

In 2022, final energy consumption in the heating sector in Germany totalled 1,162 TWh, of which 212 TWh was of renewable origin. This leaves a shortfall of 950 TWh. In the electricity sector, final energy consumption was 550 TWh and the share of renewable energies was 254 TWh, or 46%. This means that - from a purely static perspective - 296 TWh still need to be decarbonised. The amount of energy still to be decarbonised in the heating sector is therefore more than three times as large as in the electricity sector.

2G taps into new growth area with large heat pumps With the acquisition of the Dutch heat pump manufacturer NRGTEQ B.V. (approx. 10 employees, sales approx. €1.5 - €3.0m) in 2023, 2G has accelerated its entry into the large heat pump business. NRGTEQ has so far sold over 200 large heat pumps, mainly in the Benelux region. For 2024, we expect a heat pump sales contribution in the low single-digit million-euro range. 2G expects incoming orders for heat pumps of up to €10m in the current year, after €1.9m in the first quarter. In the medium term, 2G aims to achieve similarly high revenue and margins in its core markets, Germany and the UK, with the sale of large heat pumps as with CHP systems.

2G's large heat pump product range is ready Less than a year has passed since the takeover of the Dutch heat pump manufacturer and 2G's new heat pump product range has already been finalised (see figure 5 overleaf). 2G afilia large heat pumps are available as air-to-water and water-to-water units. This means that different types of existing heat sources can be utilised. In the single-stroke version, the water-to-water heat pumps can realise temperature strokes of up to 70 Kelvin and achieve flow temperatures of up to 90 °C. For applications with higher temperature strokes, two-stage concepts are possible - up to project-specific special solutions with flow temperatures of 90 °C to 130 °C. The output of 2G heat pumps ranges from 100 kW to 2,600 kW.

Figure 5: Large heat pump product groups

Product group	Heating output (kW)	Hot water	Heating operation at ambient temperature up to	Compressor
afilia air series R454B	22 - 464	up to 60°C	-20°C	Scroll compressor
afilia air series compact R290	103 - 333	up to 55°C	-15°C	Piston compressor
afilia air series modular R290	88 - 890	up to 70°C	-20°C to +40°C	Scroll compressor
afilia water series R513A-VSD	121 - 261	up to 90°C	-	Piston compressor
afilia water series R717-VSD	600 - 2.600	up to 90°C	-	Single-stage high pressure ammonium heat pump with reciprocating piston

Source: First Berlin Equity Research, 2G Energy AG

2G has already presented a prototype with a thermal output of 200 kW and a flow temperature of up to 90 °C and is working on the construction of a heat pump prototype with a thermal output of 1 MW and a flow temperature of up to 90 °C as well.

Green Cube: the combined CHP and heat pump solution 2G not only wants to sell large heat pumps but also has high hopes for energy system solutions that combine CHP systems with heat pumps. The Green Cube is a complete turnkey solution comprising a CHP system, large heat pump and system-orientated control unit which handles communication between the CHP system and the heat pump using 2G software. The modularly configurable standard product can be customised to meet the individual needs of local municipalities and integrate existing heat sources, wind and solar farms, bioenergy, hydrogen, and storage systems. The output ranges from 100 kW thermal/electrical to 2,600 kW thermal/electrical and can be cascaded. The standardised container solution functions as a complete energy centre that combines economical electricity and heat production with decarbonisation and a high level of supply security. With the Green Cube, 2G is taking the step from product supplier to provider of energy system solutions for a combined electricity and heat supply. 2G is thus realising the sector coupling that has been much talked about for years in one system – the Green Cube. For example, with its g-box 50 and a 200 kW heat pump, 2G can economically supply a residential neighbourhood with 50 units.

Very large market potential in Germany In 2023, large heat pumps with a total output of 60 MW were installed. The German market is therefore still at the beginning of its development. To achieve the climate targets by 2045, the energy transition think tank Agora Energiewende considers an average annual increase of at least 4,000 MW to be necessary. In this context, Agora defines heat pumps with an output of 500 kW or greater as large heat pumps, while 2G speaks of large heat pumps starting at 100 kW.

Favourable entry point for 2G The timing for 2G to enter the heat pump market is favourable, as the company has sufficient time to integrate the large heat pumps manufactured by NRGTEQ into its Heek production facility and establish an industrialised production process there—a similar path achieved with CHP systems in recent years. We anticipate a significant increase in demand for large heat pumps from 2026, as local municipalities are obliged to draw up heat plans under the German Heat Planning Act. Large



municipalities must do this by mid-2026, the others by mid-2028. We assume that many municipal utilities are likely to start with smaller isolated solutions (e.g. supplying heat to a school centre, using local waste heat from industry or sewage treatment plants). Furthermore, we believe that many industrial companies will start implementing the heating transition earlier in order to be ahead of the big wave of municipal orders. Here we see good opportunities for 2G to market its large heat pumps.

Strong sales team also in the heat pump sector 2G has recruited Ulrich Brinkmann, a highly experienced sales manager for large heat pump sales. He previously worked for Johnson Controls for 17 years, where he recently headed the German sales team. We believe that 2G's fully containerised plug & play solutions will streamline sales, as simplicity and speed of installation will be important selection criteria for local municipalities. 2G's extensive project experience in the CHP sector should also help it to implement customised large heat pump solutions on site to the customer's satisfaction. Furthermore, 2G should be able to capitalise on its excellent reputation in the CHP sector.

High synergies between CHP system and heat pump In terms of research & development and product design, there are extensive synergies between the two technologies, which essentially only differ in terms of the motor (CHP) and compressor (heat pump). In terms of procurement, 2G can largely rely on the same suppliers as before. The customer base is also largely the same for both products. Project planning, installation, commissioning, and digital control & monitoring are also identical in principle. This makes the heat pump a sensible addition to the 2G product portfolio, especially as 2G has already installed heat pumps in the past at the customer's request.

STRONG BALANCE SHEET

In our last publication of 12 April, we already analysed the income statement and cash flow statement. The published annual report showed net profit totalling €18.0m, an increase of 10% on the prior year figure. Earnings per share amounted to €1.00 (previous year: €0.91). The proposed dividend amounts to €0.17 per share (+21% y/y), which corresponds to a payout ratio of 17%.

The annual report provides deep insight into the balance sheet, which looks impressive in every respect. 2G has a solid cash position of €12.6m (previous year: €13.5m). The company still has a net cash position (cash position less financial and lease liabilities) of €2.4m versus €6.1m in the previous year. Equity increased to €124m (+14% y/y) as a result of the net profit. The equity ratio continued its ascent, rising from 51.3% to 54.5% (see figure 6).

Figure 6: Balance sheet, selected items

All figures in €m	2023A	2022A	Delta
Cash and cash equivalents	12.6	13.5	-7%
Interest bearing debt	8.3	6.3	31%
Leasing liabilities	1.9	1.0	80%
Net cash position	2.4	6.1	-61%
Equity	124.0	108.6	14%
Equity share (%)	54.5%	51.3%	+3.2 PP
Balance sheet total	227.5	211.6	7%

Source: First Berlin Equity Research, 2G Energy AG



Stable working capital ratio Working capital increased by 17% y/y to €111m (see figure 7). This largely corresponded to the increase in sales; accordingly, the working capital ratio remained largely stable (30.4% compared to 30.2% in the previous year).

Figure 7: Working capital development

All figures in €m	2023A	2022A	Delta
Inventories	109.8	102.6	7%
+ Receivables	58.6	57.1	3%
- Payables	17.1	20.5	-17%
- Prepayments received	40.4	44.7	-10%
Working capital	110.9	94.6	17%
Revenues	365.1	312.6	17%
Working capital / revenues (%)	30.4%	30.2%	+0.2 PP

Source: First Berlin Equity Research, 2G Energy AG

PROFITABLE GROWTH AHEAD

We are convinced that 2G Energy will continue to grow and gradually expand its EBIT margin towards 10%. The margin increase should be achieved through efficiency gains and cost digression. The cost of materials ratio looks set to fall due to a normalisation of the ratio between input and sales prices because of lower inflation. 2G's guidance, which is traditionally conservative in terms of sales, envisages sales of up to €390m for the current year with an EBIT margin of 8.5% to 10.0% (see figure 8). We assume an increase in the EBIT margin from 7.6% to 8.8%.

Figure 8: Guidance for 2024 und 2025

Figures in €m	2024E	FBe	2025E	FBe
Revenue	360 - 390	397.6	up to 450	443.5
EBIT margin	8.5% - 10.0%	8.8%	n.a.	9.8%

Source: First Berlin Equity Research, 2G Energy AG

We expect the topline to slightly exceed sales guidance and assume revenue of €398m. Our forecast is underpinned by an order backlog of €156m at the beginning of the year and a strong order intake of €51.7m in the first quarter (+26% y/y). Following the very strong 2023 (+22% y/y to €200m), we therefore believe that an increase of 5% to €211m is achievable in the new plants business. The strong new plants business in the previous year should give the service business a boost, as new plants are usually sold with a service contract. We are therefore forecasting an increase of 13% to €187m for the current year (see figure 9).

Figure 9: FB revenue forecast for 2024E

All figures in €m	2024E	2023A	Delta
New Plants	210.7	200.0	5%
Service	186.9	165.1	13%
Total	397.6	365.1	9%

Source: First Berlin Equity Research, 2G Energy AG

2G share remains a clear Buy An updated DCF model yields an unchanged €34 price target. We confirm our Buy recommendation. In view of the good short and medium-term growth prospects, we consider the share to be attractively valued with a 2025E P/E ratio of 15.



VALUATION MODEL

Figures in €m	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Net sales	397.64	443.49	510.01	566.11	622.72	684.99	746.64	806.38
Growth y/y	9%	12%	15%	11%	10%	10%	9%	8%
EBIT	34.95	43.43	51.09	56.61	62.27	68.50	74.66	80.64
EBIT margin	8.8%	9.8%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
NOPLAT	24.12	29.97	35.25	39.63	43.59	47.95	52.27	56.45
+ depreciation & amortis. (excl. GW)	5.57	5.88	6.61	7.36	8.72	10.27	11.20	12.10
= net operating cash flow	29.69	35.85	41.86	46.99	52.31	58.22	63.46	68.54
- total investments (Capex and WC)	-19.84	-19.00	-30.10	-26.09	-27.26	-29.30	-29.69	-30.02
<i>capital expenditure</i>	-8.40	-8.90	-9.40	-10.19	-10.27	-10.62	-11.20	-12.10
<i>working capital</i>	-11.44	-10.10	-20.70	-15.90	-16.98	-18.68	-18.49	-17.92
+/- others (incl. adj. on net int., provisions, etc)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
= Free cash flow (FCF)	9.85	16.85	11.76	20.90	25.05	28.93	33.77	38.53
PV of FCFs	10.15	15.87	10.13	16.45	18.03	19.03	20.31	21.18

€m	
PVs of FCFs explicit period (2024E-37E)	263.12
PVs of FCFs in terminal period	335.89
Enterprise Value (EV)	599.01
Net cash / (Net debt)	2.39
Minorities	0.02
Shareholder value	601.42
No. of shares outstanding (m)	17.94
Fair value per share (€)	33.52

Terminal growth	3.0%
Terminal EBIT margin	10.0%

WACC	9.4%
Cost of equity	9.7%
Pre-tax cost of debt	4.0%
Normal tax rate	30.0%
After-tax cost of debt	2.8%
Share of equity	95.0%
Share of debt	5.0%
Price Target (€)	34.00

Sensitivity analysis

WACC	Terminal EBIT margin							Fair value per share (€)
	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	
12.4%	16.72	18.20	19.67	21.15	22.62	24.09	25.57	
11.4%	19.16	20.81	22.46	24.11	25.76	27.41	29.07	
10.4%	22.29	24.17	26.04	27.92	29.80	31.68	33.55	
9.4%	26.45	28.63	30.80	33.52	35.15	37.33	39.50	
8.4%	32.23	34.81	37.40	39.98	42.57	45.15	47.74	
7.4%	40.72	43.90	47.09	50.27	53.45	56.63	59.81	
6.4%	54.35	58.48	62.62	66.75	70.89	75.02	79.16	



INCOME STATEMENT

All figures in €m	2021	2022	2023	2024E	2025E	2026E
Revenues	266.3	312.6	365.1	397.6	443.5	510.0
Change in inventories	2.6	26.0	5.8	0.0	0.0	0.0
Own work	0.0	0.2	0.2	0.2	0.2	0.2
Total output	268.9	338.8	371.0	397.8	443.7	510.2
Material costs	-171.3	-224.1	-238.3	-253.3	-283.8	-331.5
Gross profit	97.7	114.7	132.7	144.5	159.9	178.7
Personnel expenses	-49.4	-57.0	-64.3	-69.1	-73.8	-80.0
Other operating income	3.4	4.4	3.1	4.8	5.3	6.1
Other operating expenses	-29.7	-35.3	-36.9	-39.6	-42.0	-47.0
EBITDA	21.9	26.6	34.3	40.5	49.3	57.7
Depreciation and amortisation	-3.9	-4.7	-6.7	-5.6	-5.9	-6.6
Operating income (EBIT)	17.9	22.0	27.6	35.0	43.4	51.1
Net financial result	-0.2	-0.4	-0.6	-0.7	-0.7	-0.7
Income before taxes & minority interests	17.7	23.5	27.1	34.2	42.7	50.4
Other income / expenses	0.0	1.9	0.0	0.0	0.0	0.0
Income taxes	-5.1	-7.1	-9.1	-10.6	-13.2	-15.6
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Net income / loss	12.6	16.4	17.9	23.6	29.5	34.8
EPS in €	0.77	0.91	1.00	1.32	1.64	1.94
Diluted EPS (in €)	0.77	0.91	1.00	1.32	1.64	1.94
Ratios						
Gross margin (gross profit / total output)	36.3%	33.9%	35.8%	36.3%	36.0%	35.0%
EBITDA margin (EBITDA / revenue)	8.2%	8.5%	9.4%	10.2%	11.1%	11.3%
EBIT margin (EBIT / revenue)	6.7%	7.0%	7.6%	8.8%	9.8%	10.0%
Net income margin	4.7%	5.2%	4.9%	5.9%	6.6%	6.8%
Tax rate	28.7%	30.2%	33.6%	31.0%	31.0%	31.0%
Expenses as % of revenues						
Personnel expenses	18.5%	18.2%	17.6%	17.4%	16.6%	15.7%
Other operating expenses	11.2%	11.3%	10.1%	10.0%	9.5%	9.2%
Depreciation and amortisation	1.5%	1.5%	1.8%	1.4%	1.3%	1.3%
Y/Y growth						
Revenues	8.0%	17.4%	16.8%	8.9%	11.5%	15.0%
Operating income	9.1%	22.5%	25.9%	26.5%	24.3%	17.6%
Net income / loss	5.3%	30.0%	9.5%	31.6%	24.8%	18.0%



BALANCE SHEET

All figures in €m	2021	2022	2023	2024E	2025E	2026E
Assets						
Current assets, total	142.6	179.7	188.7	212.3	236.8	268.6
Cash and cash equivalents	19.9	13.5	12.6	18.9	31.3	37.9
Trade accounts and notes receivables	43.4	57.1	58.6	68.6	75.3	86.6
Inventories	72.2	102.6	109.8	117.0	123.2	137.8
Other current assets	7.1	6.5	7.8	7.8	7.0	6.3
Non-current assets, total	27.1	31.9	38.7	41.6	44.6	47.4
Property, plant and equipment	22.6	26.8	28.4	31.8	35.4	38.8
Goodwill + intangible assets	4.5	5.0	10.3	9.7	9.1	8.5
Financial assets	0.0	0.1	0.1	0.1	0.1	0.1
Total assets	169.7	211.6	227.5	253.8	281.4	316.0
Shareholders' equity & debt						
Liabilities, total	75.2	103.0	103.4	109.3	111.4	115.9
Interest bearing debt	5.3	6.3	8.3	8.3	8.3	8.3
Trade accounts payable	11.5	20.5	17.1	22.9	25.7	30.9
Provisions	17.7	21.4	24.4	24.4	24.4	24.4
Other current liabilities	40.7	54.7	53.6	53.6	52.9	52.2
Shareholders equity, total	94.5	108.6	124.0	144.6	170.1	200.1
Share capital*	4.5	17.9	17.9	17.9	17.9	17.9
Capital reserve	16.4	3.0	3.0	3.0	3.0	3.0
Losses carried forward / retained earnings	74.3	88.5	103.9	124.5	150.0	180.1
Other reserves	-0.7	-0.7	-0.8	-0.8	-0.8	-0.9
Minority interests	-0.1	0.0	0.0	0.0	0.0	0.0
Total consolidated equity and debt	169.7	211.6	227.5	253.8	281.4	316.0
*2022: share split						
Ratios						
Current ratio (x)	2.6	2.3	2.6	2.7	2.9	3.1
Equity ratio (as %)	55.7%	51.3%	54.5%	57.0%	60.4%	63.3%
Net gearing (as %)	-15.5%	-6.6%	-3.4%	-7.3%	-13.5%	-14.8%
Equity per share (in €)	21.1	6.1	6.9	8.1	9.5	11.2
Net debt	-14.6	-7.1	-4.3	-10.6	-22.9	-29.6
Interest coverage ratio (x)	87	72	49	48	59	73
Av. working capital/sales	25.4%	26.7%	28.2%	29.5%	28.9%	28.2%
Return on equity (ROE)	13.3%	15.1%	14.5%	16.3%	17.3%	17.4%
Return on capital employed (ROCE)	16.7%	17.3%	18.9%	20.9%	22.9%	23.5%
Days of inventory turnover	99	120	110	107	101	99
Days sales outstanding (DSO)	59	67	59	63	62	62
Days payables outstanding (DPO)	24	33	26	33	33	34



CASH FLOW STATEMENT

All figures in €m	2021	2022	2023	2024E	2025E	2026E
Net income	12.6	16.4	18.0	23.6	29.5	34.8
+ Depreciation and amortisation	3.9	4.7	6.7	5.6	5.9	6.6
- Investment in working capital	-6.4	-21.7	-16.3	-11.4	-10.1	-20.7
+/- Others (prov., non cash expenses, interest, etc.)	-1.3	5.7	3.4	0.0	0.0	0.0
Operating cash flow	8.9	5.0	11.7	17.7	25.2	20.7
- CAPEX	-4.9	-9.4	-8.2	-8.4	-8.9	-9.4
Free cash flow	4.0	-4.4	3.6	9.3	16.3	11.3
Acquisitions	-1.2	-0.3	-3.5	0.0	0.0	0.0
Financial investments	0.9	-0.1	0.0	0.0	0.0	0.0
Disposals	3.3	0.0	0.2	0.0	0.0	0.0
Investment cash flow	-1.8	-9.7	-11.4	-8.4	-8.9	-9.4
Change in financial liabilities	-1.3	1.0	1.9	0.0	0.0	0.0
Dividends paid	-2.0	-2.2	-2.5	-3.0	-3.9	-4.7
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	5.3	0.0	0.0	0.0	0.0	0.0
Others	-0.3	-0.4	-0.6	0.0	0.0	0.0
Financial cash flow	1.6	-1.6	-1.2	-3.0	-3.9	-4.7
Change in cash	8.6	-6.4	-0.9	6.3	12.4	6.6
Exchange rate-related changes	0.1	-0.3	-0.1	0.0	0.0	0.0
Cash, start of the year	10.5	19.7	13.3	12.5	18.9	31.3
Cash, end of the year	19.7	13.3	12.5	18.9	31.3	37.9
Free cash flow per share in €	0.89	-0.24	0.20	0.52	0.91	0.63
Y/Y growth						
Operating cash flow	-	-43.8%	135.4%	51.4%	42.2%	-18.1%
Free cash flow	-	n.a.	n.a.	162.2%	74.8%	-31.0%
Financial cash flow	-	n.a.	-24.9%	151.6%	29.4%	18.2%
Free cash flow per share	-	n.a.	n.a.	162.2%	74.8%	-31.0%

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	26 November 2010	€3.30	Buy	€4.50
2...87	↓	↓	↓	↓
88	28 April 2023	€24.70	Buy	€32.00
89	2 June 2023	€28.80	Add	€33.00
90	24 August 2023	€22.45	Buy	€33.00
91	13 September 2023	€25.00	Buy	€34.00
92	4 December 2023	€23.15	Buy	€34.00
93	26 January 2024	€22.60	Buy	€34.00
94	29 February 2024	€22.40	Buy	€34.00
95	12 April 2024	€22.50	Buy	€34.00
96	Today	€25.10	Buy	€34.00

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