

# Enapter AG

Germany | Industrial Goods & Services | MCap EUR 120.7m

6 September 2024

UPDATE



Strong order flow; Largest single contract; reiterate BUY

## What's it all about?

Enapter has received major orders from Italy, including four AEM multicore electrolyzers for Opificio Idrogeno Marche and one megawatt electrolyser for FMC s.r.l., totaling in the high seven-digit EUR range. These orders, scheduled for delivery in 2025, are part of Enapter's growing order book. Italy is advancing as a hydrogen hub through the European Hydrogen Backbone Initiative and national projects. Following a strong order intake of EUR 23.4m in the first half of the year, Enapter's order backlog has increased to c. EUR 41m. This includes EUR 13m secured for the second half of 2024 and EUR 28m for 2025, with the additional large orders of around EUR 7m (mwb est.) bringing the total to EUR 35m and covering 44% of expected revenues. Enapter's increasing order flow supports the delivery of its targets and is in line with our expectations. We maintain our BUY rating with a PT of EUR 15.00, supported by the robust order intake.

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

BUY (BUY)

|               |                   |
|---------------|-------------------|
| Target price  | EUR 15.00 (15.00) |
| Current price | EUR 4.44          |
| Up/downside   | 237.8%            |

 ResearchHub 



MAIN AUTHOR

Leon Mühlenbruch

l.muehlenbruch@mwb-research.com  
+49 40 309 293-58

[mwb-research.com](https://mwb-research.com)

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# Enapter AG

Germany | Industrial Goods & Services | MCap EUR 120.7m | EV EUR 146.8m

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## Strong order flow; Largest single contract; reiterate BUY

**More and more big orders.** Enapter has secured its largest European contract to date with Opificio Idrogeno Marche (OIM), a joint venture between Renco and the Pollarini Group. OIM has ordered four AEM Multicore electrolyzers with a total capacity of 4 MW for the Marche region of Italy, where a government-sponsored "hydrogen valley" is being developed. The project will include a renewable hydrogen plant and fueling station, with Enapter's green hydrogen to be used primarily as a vehicle fuel. In addition, Enapter will supply a megawatt electrolyzer to FMC s.r.l., an Italian company in Montefusco. FMC will use the AEM Nexus to create a solar-powered hydrogen plant in Avellino's Pianodardine industrial park, with plans for an associated hydrogen fueling station in the next phase. The two contracts have a total value in the upper seven-digit EUR range. The equipment will be delivered in 2025 and should help to achieve the ambitious targets.

**Government-Sponsored hydrogen initiative in Italy.** Italy is working to establish itself as a hydrogen hub for Europe by advancing projects to produce hydrogen in southern Europe and transport it north through pipelines as part of the European Hydrogen Backbone Initiative (EHB). At the same time, the country is developing "hydrogen valleys" where hydrogen will be used for various utilities. As part of the Italian government's Hydrogen Valleys Initiative to promote regional hydrogen clusters, Enapter has secured binding contracts for a total of 11.5 MW, valued at approximately EUR 20m. The company anticipates additional orders as this national development plan progresses.

**Order flow steadily increasing.** Following a strong order intake of EUR 23.4m in the first half of the year, which matched our expectations and resulted in a book-to-bill ratio of 2.8x, the order backlog has increased to approximately EUR 41m. Of this backlog, c. EUR 13m is secured for the second half of 2024. In addition, EUR 28m has already been secured for 2025, with a further c. EUR 7m (mwb est.) coming from the announced new major orders, bringing the total to EUR 35m and covering 44% of expected revenues (mwb est.). The company is well positioned for growth, supported by a steady stream of orders.



Source: Company data, mwb research

**High/low 52 weeks** 12.90 / 3.60  
**Price/Book Ratio** 1.5x

### Ticker / Symbols

**ISIN** DE000A255G02  
**WKN** A255G0  
**Bloomberg** H2O:GR

### Changes in estimates

|       |     | Sales | EBIT  | EPS   |
|-------|-----|-------|-------|-------|
| 2024E | old | 38.2  | -12.5 | -0.65 |
|       | Δ   | 0.0%  | na%   | na%   |
| 2025E | old | 80.5  | -17.8 | -0.95 |
|       | Δ   | 0.0%  | na%   | na%   |
| 2026E | old | 177.0 | 17.8  | 0.47  |
|       | Δ   | 0.0%  | 0.0%  | 0.0%  |

### Key share data

**Number of shares: (in m pcs)** 27.20  
**Book value per share: (in EUR)** 2.95  
**Ø trading vol.: (12 months)** 21,268

### Major shareholders

**BluGreen (Sebastian Schmidt)** 56.7%  
**Svelland Global** 9.2%  
**Morgan Stanley** 5.0%  
**Sergei Storozhenko** 4.7%  
**Free Float** 20.5%

### Company description

Enapter produces unified electrolysis systems that can be combined into larger modules using a modular approach. The innovative Anion Exchange Membrane (AEM) electrolysis used is an evolution of PEM technologies. This development is aimed at reducing material costs. Enapter has patented its AEM electrolyser, which uses an even more cost-effective process than normal AEM, is very flexible due to its uniform shape and can be produced in series.

-continued-

| Enapter AG            | 2021    | 2022   | 2023   | 2024E  | 2025E  | 2026E  |
|-----------------------|---------|--------|--------|--------|--------|--------|
| Sales                 | 8.4     | 14.7   | 31.6   | 38.2   | 80.5   | 177.0  |
| <i>Growth yoy</i>     | 307.8%  | 73.8%  | 115.4% | 21.0%  | 110.5% | 120.0% |
| EBITDA                | -7.6    | -10.6  | 1.5    | -8.0   | -12.9  | 23.0   |
| EBIT                  | -8.6    | -12.9  | -2.7   | -12.5  | -17.8  | 17.8   |
| Net profit            | -8.7    | -13.0  | -7.2   | -17.7  | -25.9  | 12.7   |
| Net debt (net cash)   | -15.0   | -1.2   | 25.2   | 38.6   | 75.1   | 95.8   |
| Net debt/EBITDA       | 2.0x    | 0.1x   | 17.0x  | -4.8x  | -5.8x  | 4.2x   |
| EPS reported          | -0.38   | -0.51  | -0.26  | -0.65  | -0.95  | 0.47   |
| DPS                   | 0.00    | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| <i>Dividend yield</i> | 0.0%    | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   |
| Gross profit margin   | 13.1%   | 21.7%  | 65.6%  | 52.0%  | 36.0%  | 38.0%  |
| EBITDA margin         | -90.2%  | -72.1% | 4.7%   | -21.0% | -16.0% | 13.0%  |
| EBIT margin           | -102.1% | -87.6% | -8.5%  | -32.6% | -22.1% | 10.0%  |
| ROCE                  | -16.2%  | -13.9% | -2.2%  | -9.9%  | -13.1% | 10.3%  |
| EV/Sales              | 12.5x   | 8.1x   | 4.6x   | 4.2x   | 2.4x   | 1.2x   |
| EV/EBITDA             | -13.9x  | -11.3x | 98.8x  | -19.8x | -15.2x | 9.4x   |
| EV/EBIT               | -12.3x  | -9.3x  | -54.7x | -12.8x | -11.0x | 12.2x  |
| PER                   | -11.8x  | -8.7x  | -16.9x | -6.8x  | -4.7x  | 9.5x   |

Source: Company data, mwb research

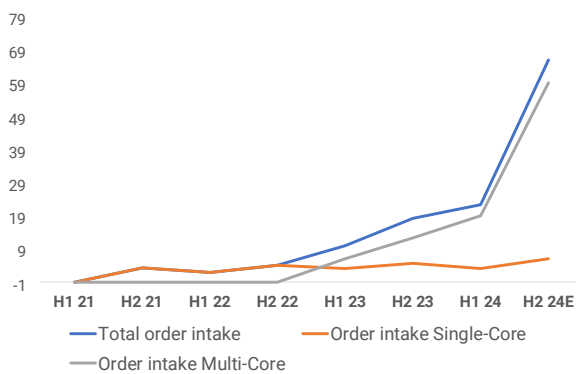
**Expectations seem to be fulfilled.** Despite a sluggish hydrogen market, Enapter's growing backlog signals promising future growth and market strength. The location of the plant in Italy positions the company well to take advantage of Italian government initiatives. The significant orders once again demonstrate that the order flow is steadily increasing, putting Enapter's ambitious targets of doubling revenues each year within reach and in line with our expectations. We maintain our BUY rating with a price target of EUR 15.00, supported by the robust order intake.

The following table displays the six-monthly performance of **Enapter AG**:

| P&L data           | H2 2020      | H1 2021      | H2 2021      | H1 2022      | H2 2022      | H1 2023      | H2 2023     | H1 2024      |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Sales              | 2.1          | 2.0          | 6.4          | 3.3          | 11.4         | 4.8          | 26.8        | 8.3          |
| yoy growth in %    | na%          | 218.0%       | 210.5%       | 64.5%        | 76.7%        | 43.8%        | 136.3%      | 73.5%        |
| Gross profit       | -7.6         | 0.5          | 0.6          | 0.0          | 3.1          | 0.6          | na          | 2.6          |
| Gross margin in %  | -367.4%      | 26.1%        | 9.1%         | 1.4%         | 27.6%        | 12.5%        | na%         | 31.7%        |
| EBITDA             | -3.4         | -3.6         | -3.8         | -6.8         | -2.5         | -7.0         | 8.5         | -3.0         |
| EBITDA margin in % | -166.3%      | -176.3%      | -59.0%       | -204.4%      | -22.3%       | -147.2%      | 31.7%       | -36.0%       |
| EBIT               | -3.4         | -3.9         | -4.7         | -7.6         | -5.2         | -8.6         | 5.9         | -5.2         |
| EBIT margin in %   | -166.3%      | -195.8%      | -72.7%       | -229.7%      | -46.2%       | -180.3%      | 22.0%       | -63.2%       |
| EBT                | -3.5         | -4.0         | -4.7         | -7.7         | -5.3         | -9.9         | 3.6         | -7.9         |
| taxes paid         | 0.0          | 0.0          | -0.0         | 0.0          | 0.0          | 0.0          | 0.9         | 0.7          |
| tax rate in %      | -0.1%        | -0.1%        | 0.3%         | -0.1%        | -0.3%        | -0.0%        | 23.7%       | -8.6%        |
| net profit         | -3.5         | -4.0         | -4.7         | -7.7         | -5.3         | -9.9         | 2.8         | -7.9         |
| yoy growth in %    | na%          | na%          | na%          | na%          | na%          | na%          | na%         | na%          |
| <b>EPS</b>         | <b>-0.92</b> | <b>-0.17</b> | <b>-0.20</b> | <b>-0.31</b> | <b>-0.20</b> | <b>-0.37</b> | <b>0.10</b> | <b>-0.29</b> |

Source: Company data; mwb research

**Order Intake and Expectation, mwb est. (in EURm)**



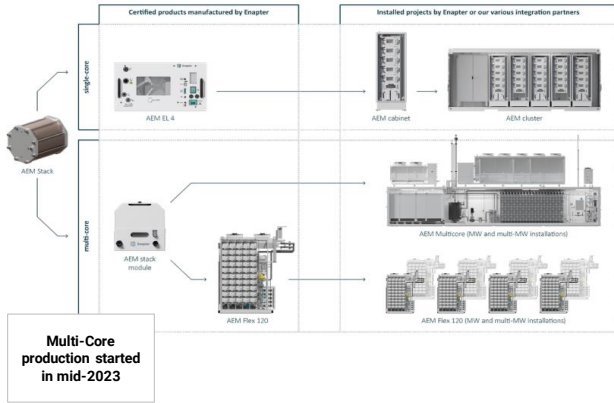
Source: Company data; mwb research

**Order Backlog and Expectation, mwb est. (in EURm)**

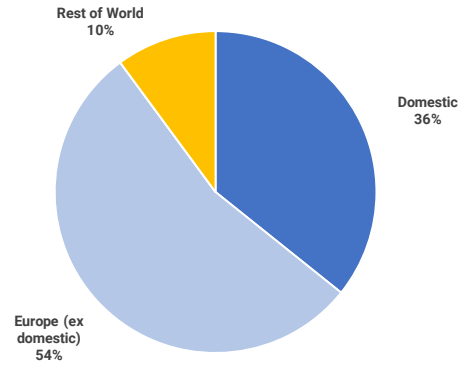


# Investment case in six charts

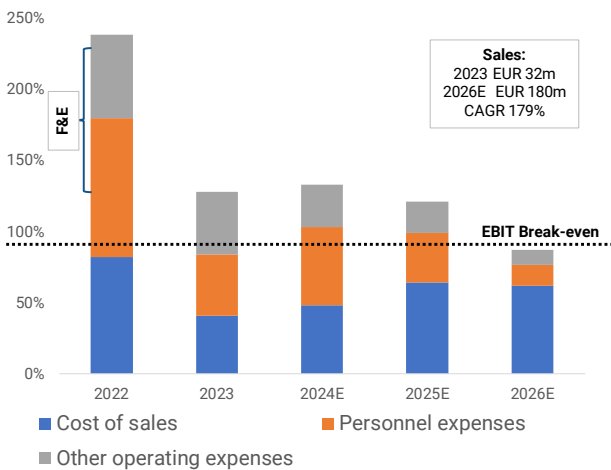
## AEM's patented electrolysis systems



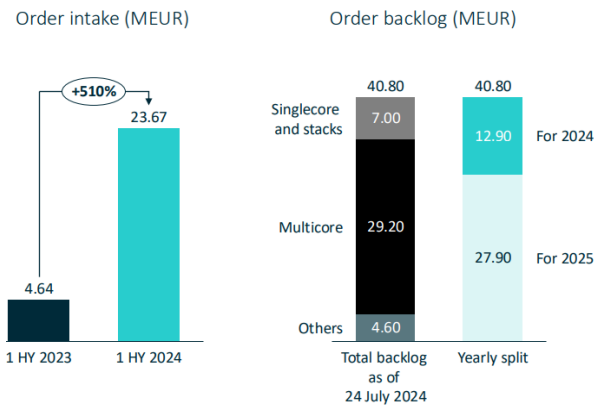
## Regional sales split 2023 in %



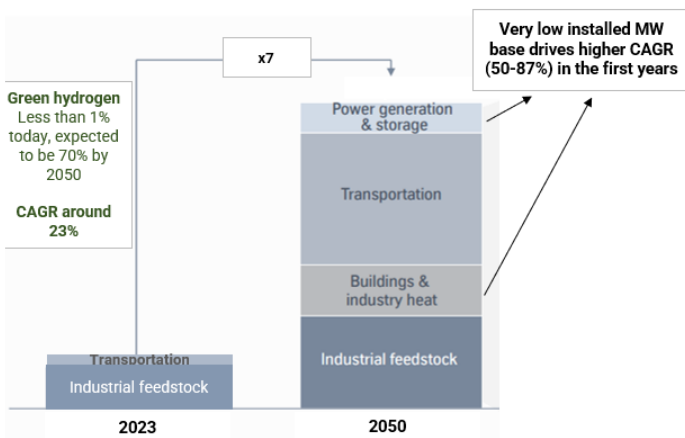
## Cost outlook mwb est. (as % of total sales)



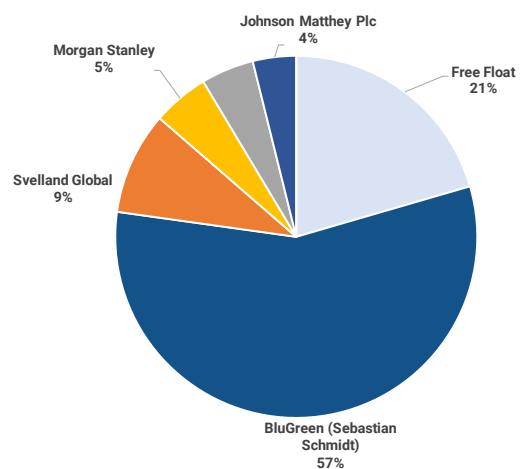
## Electrolyser Orders



## Hydrogen area outlook



## Major Shareholders



Source: Company data; mwb research

# SWOT analysis

## Strengths

- Lower cost technology than PEM (lower material costs)
- No dependence on rare metals such as titanium and iridium
- Flexible units for different plant sizes
- Broad customer network
- Focus on electricity storage with hydrogen
- Patented core IP
- Software expertise in stack interconnection
- Full vertical integration and self-sufficiency

## Weaknesses

- Only single-digit MW installed to date
- Limited track record of technology
- Growth (R&D and capex) will require outside funding
- Order volumes still too low to reach break-even point

## Opportunities

- Standardized modules enable mass production and economies of scale
- Improving the power of a stacked module to MW
- Profitable service contracts
- Rapidly expanding hydrogen energy storage market from a low base (especially in Europe)

## Threats

- Mass production not taking off as expected
- Market is still in its infancy, threat of new technologies
- Market transition from a subsidy-driven, supplier-centric market to a low-margin, demand-driven market, similar to the wind and solar industries
- High cost of electricity making electrolysis less profitable for customers

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 14.42 per share**:

**Top-line growth:** We expect Enapter AG to grow revenues at a CAGR of 54.8% between 2024E and 2031E. The long-term growth rate is set at 2.0%.

**ROCE.** Returns on capital are developing from -9.9% in 2024E to 13.1% in 2031E.

**WACC.** Starting point is a historical equity beta of 1.53. Unlevering and correcting for mean reversion yields an asset beta of 1.08. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 13.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 1.0 this results in a long-term WACC of 8.5%.

| DCF (EURm)<br>(except per share data and beta) | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | Terminal value |
|--|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| NOPAT  | -13.7 | -19.6 | 21.3  | 30.7  | 42.3  | 75.2  | 62.5  | 36.9  |                |
| Depreciation & amortization                    | 4.4   | 4.9   | 5.2   | 11.7  | 33.2  | 36.8  | 56.3  | 69.0  |                |
| Change in working capital                      | 10.4  | 4.3   | 6.1   | 4.6   | 4.2   | 4.0   | 1.2   | 1.4   |                |
| Chg. in long-term provisions                   | 1.0   | 0.2   | -0.5  | 2.5   | 4.2   | 5.4   | 0.3   | 0.3   |                |
| Capex  | -11.5 | -20.1 | -44.3 | -75.2 | -76.7 | -93.9 | -55.9 | -63.5 |                |
| Cash flow                                      | -9.4  | -30.2 | -12.1 | -25.7 | 7.1   | 27.4  | 64.5  | 44.0  | 687.8          |
| Present value                                  | -9.1  | -26.6 | -9.5  | -19.6 | 5.0   | 17.8  | 38.5  | 24.2  | 378.0          |
| WACC   | 9.8%  | 10.3% | 11.1% | 8.5%  | 8.5%  | 8.5%  | 8.5%  | 8.5%  | 8.5%           |

| DCF per share derived from        |       | DCF avg. growth and earnings assumptions           |       |
|-----------------------------------|-------|--|-------|
| Total present value               | 398.6 | Planning horizon avg. revenue growth (2024E-2031E) | 54.8% |
| Mid-year adj. total present value | 416.5 | Terminal value growth (2031E - infinity)           | 2.0%  |
| Net debt / cash at start of year  | 25.2  | Terminal year ROCE                                 | 13.1% |
| Financial assets                  | 1.8   | Terminal year WACC                                 | 8.5%  |
| Provisions and off b/s debt       | 0.8   |  |       |
| Equity value                      | 392.2 | Terminal WACC derived from                         |       |
| No. of shares outstanding         | 27.2  | Cost of borrowing (before taxes)                   | 5.0%  |
|                                   |       | Long-term tax rate                                 | 25.0% |
|                                   |       | Equity beta  | 1.53  |
|                                   |       | Unlevered beta (industry or company)               | 1.08  |
|                                   |       | Target debt / equity                               | 1.0   |
|                                   |       | Relevered beta                                     | 1.88  |
|                                   |       | Risk-free rate                                     | 2.0%  |
|                                   |       | Equity risk premium                                | 6.0%  |
|                                   |       | Cost of equity                                     | 13.3% |

|                              |        |
|------------------------------|--------|
| Discounted cash flow / share | 14.42  |
| upside/(downside)            | 224.8% |

|             |      |
|-------------|------|
| Share price | 4.44 |
|-------------|------|

| Sensitivity analysis DCF     |                  |      |      |      |      |                        |        |
|------------------------------|------------------|------|------|------|------|------------------------|--------|
| Change in WACC<br>(%-points) | Long term growth |      |      |      |      | Share of present value |        |
|                              | 1.0%             | 1.5% | 2.0% | 2.5% | 3.0% |                        |        |
| 2.0%                         | 8.3              | 8.9  | 9.4  | 10.1 | 10.9 | 2024E-2027E            | -16.2% |
| 1.0%                         | 10.1             | 10.8 | 11.6 | 12.5 | 13.5 | 2028E-2031E            | 21.4%  |
| 0.0%                         | 12.4             | 13.3 | 14.4 | 15.7 | 17.2 | terminal value         | 94.8%  |
| -1.0%                        | 15.4             | 16.7 | 18.3 | 20.2 | 22.6 |                        |        |
| -2.0%                        | 19.5             | 21.5 | 24.0 | 27.1 | 31.0 |                        |        |

Source: mwb research

## FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

**The adjusted Free Cash Flow Yield results in a fair value between EUR -8.75 per share based on 2024E and EUR 18.06 per share on 2028E estimates.**

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

| FCF yield in EURm                  | 2024E          | 2025E          | 2026E        | 2027E         | 2028E         |
|------------------------------------|----------------|----------------|--------------|---------------|---------------|
| <b>EBITDA</b>                      | <b>-8.0</b>    | <b>-12.9</b>   | <b>23.0</b>  | <b>52.7</b>   | <b>89.5</b>   |
| - Maintenance capex                | 4.4            | 4.9            | 5.2          | 11.7          | 33.2          |
| - Minorities                       | 0.0            | 0.0            | 0.0          | 0.0           | 0.0           |
| - tax expenses                     | 1.6            | 2.4            | -2.1         | 10.2          | 14.1          |
| <b>= Adjusted FCF</b>              | <b>-14.1</b>   | <b>-20.2</b>   | <b>19.9</b>  | <b>30.7</b>   | <b>42.3</b>   |
| <b>Actual Market Cap</b>           | <b>120.7</b>   | <b>120.7</b>   | <b>120.7</b> | <b>120.7</b>  | <b>120.7</b>  |
| + Net debt (cash)                  | 38.6           | 75.1           | 95.8         | 121.5         | 114.4         |
| + Pension provisions               | 0.0            | 0.0            | 0.0          | 0.0           | 0.0           |
| + Off B/S financing                | 0.0            | 0.0            | 0.0          | 0.0           | 0.0           |
| - Financial assets                 | 1.8            | 1.8            | 1.8          | 1.8           | 1.8           |
| - Acc. dividend payments           | 0.0            | 0.0            | 0.0          | 0.0           | 0.0           |
| <i>EV Reconciliations</i>          | 36.8           | 73.3           | 94.1         | 119.8         | 112.7         |
| <b>= Actual EV'</b>                | <b>157.6</b>   | <b>194.1</b>   | <b>214.8</b> | <b>240.5</b>  | <b>233.4</b>  |
| <b>Adjusted FCF yield</b>          | <b>-8.9%</b>   | <b>-10.4%</b>  | <b>9.3%</b>  | <b>12.8%</b>  | <b>18.1%</b>  |
| base hurdle rate                   | 7.0%           | 7.0%           | 7.0%         | 7.0%          | 7.0%          |
| ESG adjustment                     | 0.0%           | 0.0%           | 0.0%         | 0.0%          | 0.0%          |
| adjusted hurdle rate               | 7.0%           | 7.0%           | 7.0%         | 7.0%          | 7.0%          |
| <b>Fair EV</b>                     | <b>-201.2</b>  | <b>-288.2</b>  | <b>284.2</b> | <b>438.5</b>  | <b>603.9</b>  |
| - <i>EV Reconciliations</i>        | 36.8           | 73.3           | 94.1         | 119.8         | 112.7         |
| <b>Fair Market Cap</b>             | <b>-238.0</b>  | <b>-361.5</b>  | <b>190.2</b> | <b>318.7</b>  | <b>491.2</b>  |
| No. of shares (million)            | 27.2           | 27.2           | 27.2         | 27.2          | 27.2          |
| <b>Fair value per share in EUR</b> | <b>-8.75</b>   | <b>-13.29</b>  | <b>6.99</b>  | <b>11.72</b>  | <b>18.06</b>  |
| <b>Premium (-) / discount (+)</b>  | <b>-297.1%</b> | <b>-399.4%</b> | <b>57.5%</b> | <b>164.0%</b> | <b>306.8%</b> |

| Sensitivity analysis FV     |             |             |              |            |             |             |
|-----------------------------|-------------|-------------|--------------|------------|-------------|-------------|
| <b>Adjusted hurdle rate</b> | 5.0%        | -11.7       | -17.5        | 11.2       | 18.2        | 26.9        |
|                             | 6.0%        | -10.0       | -15.1        | 8.7        | 14.4        | 21.8        |
|                             | <b>7.0%</b> | <b>-8.8</b> | <b>-13.3</b> | <b>7.0</b> | <b>11.7</b> | <b>18.1</b> |
|                             | 8.0%        | -7.8        | -12.0        | 5.7        | 9.7         | 15.3        |
|                             | 9.0%        | -7.1        | -10.9        | 4.7        | 8.1         | 13.1        |

Source: Company data; mwb research

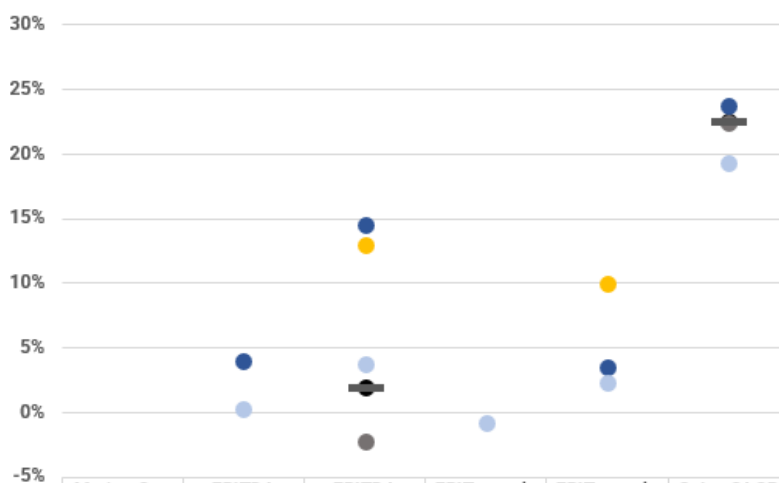
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**



## Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company’s relative value – how much it should be worth based on how it compares to other similar companies. Given that **Enapter AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Enapter AG consists of the stocks displayed in the chart below. As of 6 September 2024 the median market cap of the peer group was EUR 751.2m, compared to EUR 120.7m for Enapter AG. In the period under review, the peer group was less profitable than Enapter AG. The expectations for sales growth are lower for the peer group than for Enapter AG.

### Peer Group – Key data



6-Sep-24

|                                     | Market Cap (EURm) | EBITDA margin 2025 | EBITDA margin 2026 | EBIT margin 2025 | EBIT margin 2026 | Sales CAGR 2023-2026 |
|-------------------------------------|-------------------|--------------------|--------------------|------------------|------------------|----------------------|
| ● NEL ASA                           | 751               | -5,3%              | 2,0%               | -16,2%           | -6,2%            | 22,6%                |
| ● Plug Power Inc.                   | 1.358             | -19,7%             | -2,2%              | -34,3%           | -15,0%           | 22,4%                |
| ● ITM Power PLC                     | 367               | -39,6%             | -10,8%             | -57,3%           | -22,5%           | 84,1%                |
| ● PowerCell Sweden AB               | 123               | 4,0%               | 14,5%              | -5,3%            | 3,5%             | 23,8%                |
| ● thyssenkrupp nucera AG & Co. KGaA | 1.083             | 0,3%               | 3,8%               | -0,8%            | 2,3%             | 19,4%                |
| ● Enapter AG                        | 121               | -16,0%             | 13,0%              | -22,1%           | 10,0%            | 66,4%                |
| – Peer Group Median                 | 751               | -5,3%              | 2,0%               | -16,2%           | -6,2%            | 22,6%                |

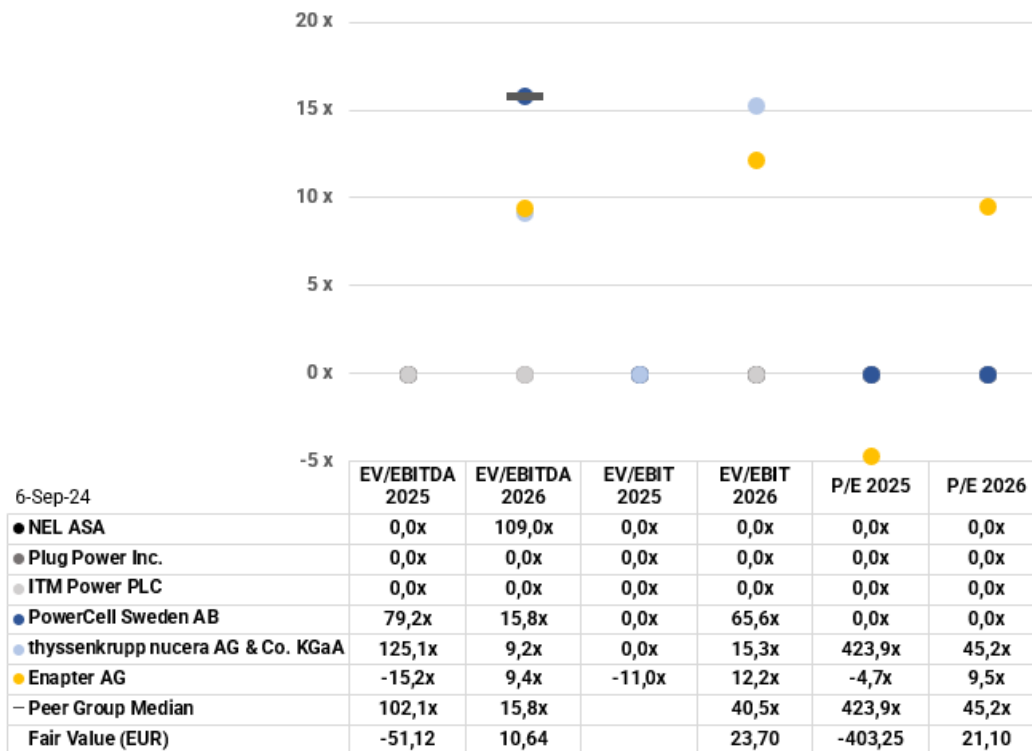
Source: FactSet, mwb research



Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBIT 2025, EV/EBIT 2026, P/E 2025 and P/E 2026.

**Applying these to Enapter AG results in a range of fair values from EUR 4.44 to EUR 23.70.**

### Peer Group – Multiples and valuation



Source: FactSet, mwb research

The following is a detailed description of the peer group (Source: Sentio):

**Nel ASA**, formerly Diagenic ASA, is a Norway-based hydrogen company that delivers solutions to produce, store and distribute hydrogen from renewable energy. The Company's hydrogen solutions cover the entire value chain from hydrogen production technologies to hydrogen fueling stations. Nel ASA's operations are divided into two operating segments, Nel Hydrogen Fueling and Nel Hydrogen Electrolyser. The Nel Hydrogen Fueling Segment is a manufacturer of hydrogen fueling stations that provide Fuel Cell Electric Vehicles (FCEVs) with the same fast fueling and long range as conventional fossil fuel vehicles, while the Nel Hydrogen Electrolyser Segment is a global supplier of hydrogen production equipment and plants based on both alkaline and Polymer Electrolyte Membrane (PEM) water electrolyser technology. The Company has several subsidiaries, including Proton Energy Systems Inc, Nel Hydrogen Electrolyser AS and Nel Korea Co Ltd.

**ITM Power plc** is an energy storage and clean fuel company. The Company manufactures integrated hydrogen energy solutions for grid balancing, energy storage and the production of renewable hydrogen for transport, renewable heat and chemicals. Its proton exchange membrane (PEM) electrolysers use renewable electricity and water to create green hydrogen through a process called electrolysis. Its electrolysers include HGAS1SP, HGAS3SP and 3MEP CUBE. HGAS1SP is a small containerized PEM electrolyser system and its Plug & Play product includes a single ITM Power PEM electrolyser stack alongside all the necessary sub-systems required to produce self-pressurized green hydrogen gas. HGAS3SP is a medium-sized containerized PEM electrolyser system, and its Plug & Play product includes three

ITM Power PEM electrolyser stacks alongside all the necessary sub-systems required to produce self-pressurized green hydrogen gas. 3MEP CUBE is a modular system for large hydrogen production.

**Plug Power Inc.** is a provider of hydrogen fuel cell turnkey solutions. The Company provide electrolyzers that allow customers, such as refineries, producers of chemicals, steel, fertilizer and commercial refueling stations, to generate hydrogen on-site. It focuses on industrial mobility applications, including electric forklifts and electric industrial vehicles, at multi-shift high volume manufacturing and high throughput distribution sites and environmental benefits; stationary power systems that supports critical operations, such as data centers, microgrids and generation facilities, in either a backup power or continuous power role and replace batteries, diesel generators or the grid for telecommunication logistics, transportation, and utility customers; and production of hydrogen. Its products include GenDrive, GenFuel, GenCare, GenSure, GenKey, ProGen, Electrolyzers, Liquefaction Systems and Cryogenic Equipment. It serves the North American and European material handling markets.

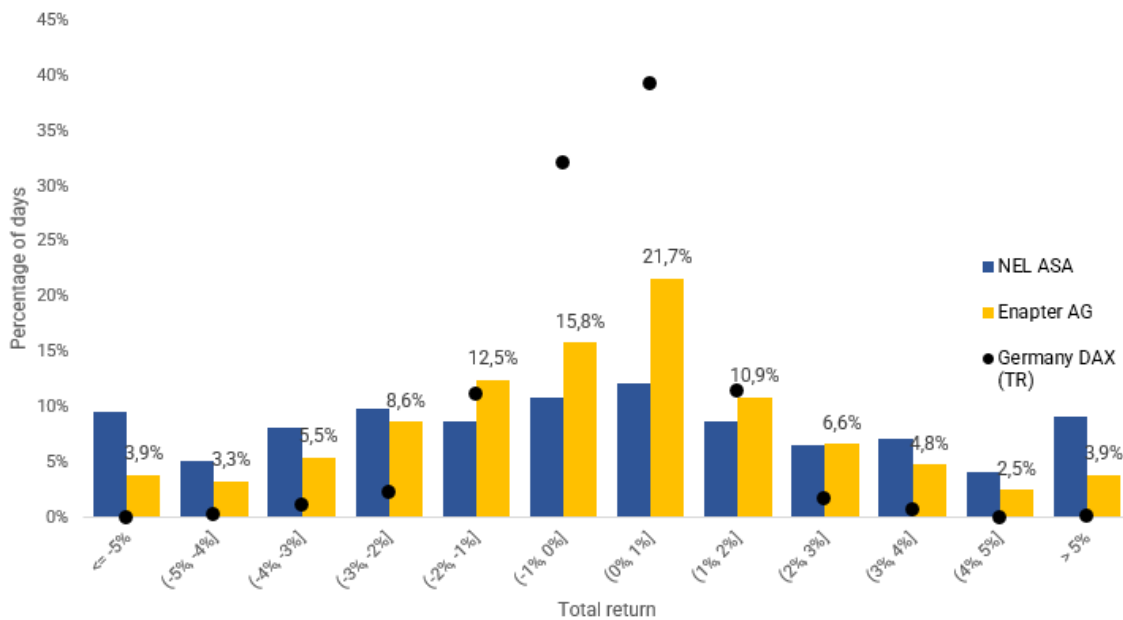
**Powercell Sweden AB** (publ) is a Sweden-based company active in the field of clean energy. It is engaged in the development, manufacture and sales of power systems with fuel cell and reformer technology. Its systems work both fossil and renewable fuels and convert them to hydrogen, which drives the power cells. The Company's product offering comprises: Fuel Cell Stack, designed to work in the auxiliary power unit (APU) environment on reformat gas or hydrogen and varying from one to six kilowatts (kW); and PowerPac, a complete electric power-generating unit operating in the range between one and three kW, which uses low sulfur road diesel. The possible applications of its products include telecommunication, transport, power supply to buildings, and military.

**Thyssenkrupp nucera** is an environmental technology company for electrolysis systems. The company focuses on the development, production, project management and maintenance of systems for the production of hydrogen by the chlor-alkali process for industrial use and by alkaline hydrogen electrolysis for the supply of green energy. (Source: mwb research)

# Risk

The chart displays the **distribution of daily returns of Enapter AG** over the last 3 years, compared to the same distribution for NEL ASA. We have also included the distribution for the index Germany DAX (TR). The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Enapter AG, the worst day during the past 3 years was 09/12/2022 with a share price decline of -20.0%. The best day was 29/12/2023 when the share price increased by 17.1%.

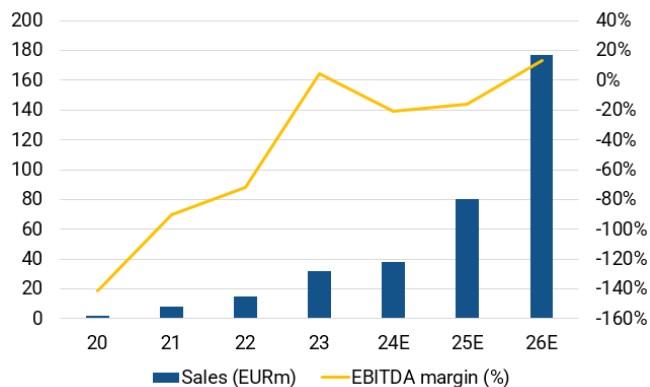
**Risk – Daily Returns Distribution (trailing 3 years)**



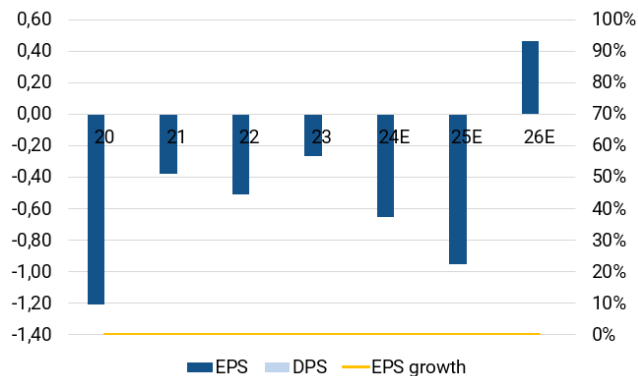
Source: FactSet, mwb research

# Financials in six charts

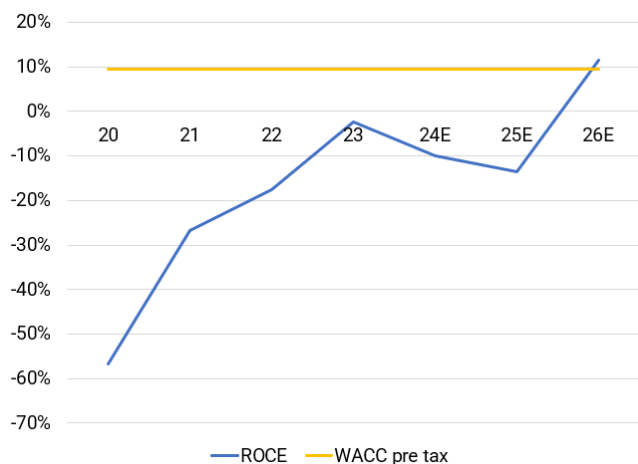
**Sales vs. EBITDA margin development**



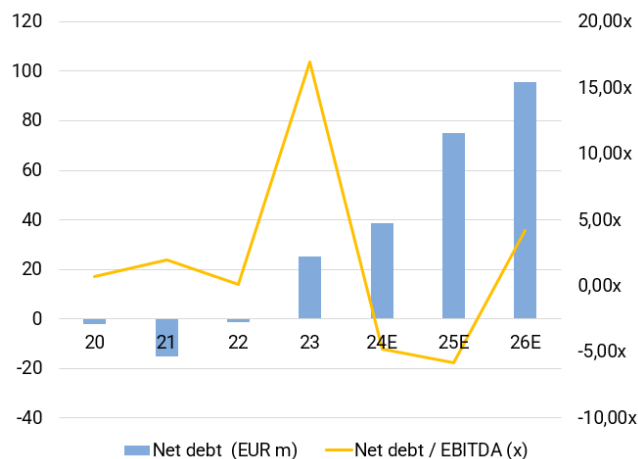
**EPS, DPS in EUR & yoy EPS growth**



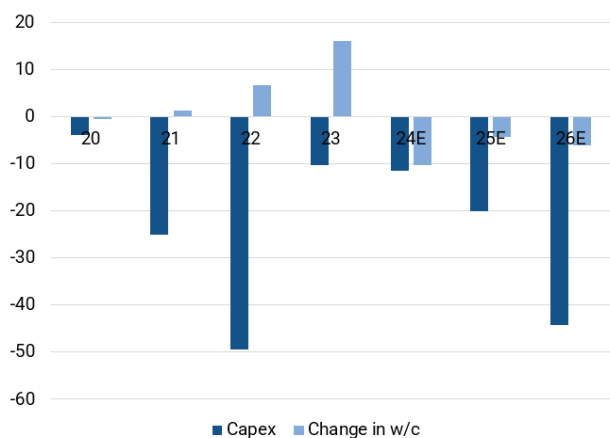
**ROCE vs. WACC (pre tax)**



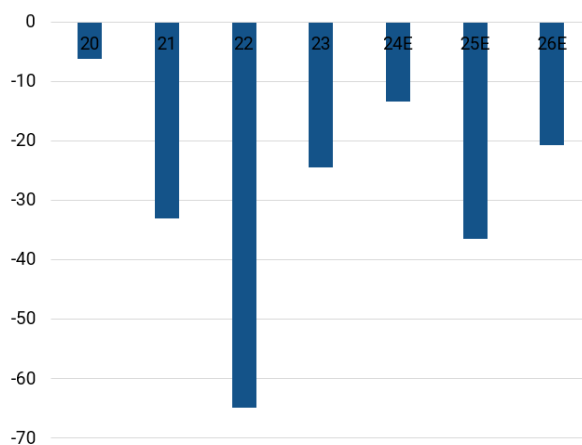
**Net debt and net debt/EBITDA**



**Capex & chgn in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data, mwb research

# Financials

| Profit and loss (EURm)                             | 2021         | 2022         | 2023         | 2024E        | 2025E        | 2026E        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net sales</b>                                   | <b>8.4</b>   | <b>14.7</b>  | <b>31.6</b>  | <b>38.2</b>  | <b>80.5</b>  | <b>177.0</b> |
| Sales growth                                       | 307.8%       | 73.8%        | 115.4%       | 21.0%        | 110.5%       | 120.0%       |
| Change in finished goods and work-in-process       | 0.5          | 0.5          | 2.1          | 0.0          | 0.0          | 0.0          |
| <b>Total sales</b>                                 | <b>9.0</b>   | <b>15.2</b>  | <b>33.7</b>  | <b>38.2</b>  | <b>80.5</b>  | <b>177.0</b> |
| Material expenses                                  | 7.9          | 12.0         | 13.0         | 18.4         | 51.5         | 109.8        |
| <b>Gross profit</b>                                | <b>1.1</b>   | <b>3.2</b>   | <b>20.7</b>  | <b>19.9</b>  | <b>29.0</b>  | <b>67.3</b>  |
| Other operating income                             | 4.7          | 9.2          | 8.2          | 4.6          | 4.0          | 0.0          |
| Personnel expenses                                 | 7.6          | 14.3         | 13.6         | 21.0         | 28.2         | 25.7         |
| Other operating expenses                           | 5.8          | 8.6          | 13.9         | 11.5         | 17.7         | 18.6         |
| <b>EBITDA</b>                                      | <b>-7.6</b>  | <b>-10.6</b> | <b>1.5</b>   | <b>-8.0</b>  | <b>-12.9</b> | <b>23.0</b>  |
| Depreciation                                       | 1.0          | 2.3          | 4.2          | 4.4          | 4.9          | 5.2          |
| EBITA  | -8.6         | -12.9        | -2.7         | -12.5        | -17.8        | 17.8         |
| Amortisation of goodwill and intangible assets     | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>EBIT</b>  | <b>-8.6</b>  | <b>-12.9</b> | <b>-2.7</b>  | <b>-12.5</b> | <b>-17.8</b> | <b>17.8</b>  |
| Financial result                                   | -0.1         | -0.1         | -3.6         | -3.6         | -5.7         | -7.2         |
| Recurring pretax income from continuing operations | -8.7         | -13.0        | -6.3         | -16.1        | -23.5        | 10.6         |
| Extraordinary income/loss                          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Earnings before taxes                              | -8.7         | -13.0        | -6.3         | -16.1        | -23.5        | 10.6         |
| Taxes  | -0.0         | 0.0          | 0.9          | 1.6          | 2.4          | -2.1         |
| Net income from continuing operations              | -8.7         | -13.0        | -7.2         | -17.7        | -25.9        | 12.7         |
| Result from discontinued operations (net of tax)   | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Net income</b>                                  | <b>-8.7</b>  | <b>-13.0</b> | <b>-7.2</b>  | <b>-17.7</b> | <b>-25.9</b> | <b>12.7</b>  |
| Minority interest                                  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Net profit (reported)                              | -8.7         | -13.0        | -7.2         | -17.7        | -25.9        | 12.7         |
| Average number of shares                           | 23.11        | 25.51        | 27.20        | 27.20        | 27.20        | 27.20        |
| <b>EPS reported</b>                                | <b>-0.38</b> | <b>-0.51</b> | <b>-0.26</b> | <b>-0.65</b> | <b>-0.95</b> | <b>0.47</b>  |

| Profit and loss (common size)                      | 2021         | 2022        | 2023        | 2024E       | 2025E       | 2026E       |
|--|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>Net sales</b>                                   | <b>100%</b>  | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |
| Change in finished goods and work-in-process       | 6%           | 4%          | 7%          | 0%          | 0%          | 0%          |
| <b>Total sales</b>                                 | <b>106%</b>  | <b>104%</b> | <b>107%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |
| Material expenses                                  | 93%          | 82%         | 41%         | 48%         | 64%         | 62%         |
| <b>Gross profit</b>                                | <b>13%</b>   | <b>22%</b>  | <b>66%</b>  | <b>52%</b>  | <b>36%</b>  | <b>38%</b>  |
| Other operating income                             | 56%          | 63%         | 26%         | 12%         | 5%          | 0%          |
| Personnel expenses                                 | 90%          | 97%         | 43%         | 55%         | 35%         | 14%         |
| Other operating expenses                           | 69%          | 59%         | 44%         | 30%         | 22%         | 11%         |
| <b>EBITDA</b>                                      | <b>-90%</b>  | <b>-72%</b> | <b>5%</b>   | <b>-21%</b> | <b>-16%</b> | <b>13%</b>  |
| Depreciation                                       | 12%          | 16%         | 13%         | 12%         | 6%          | 3%          |
| EBITA  | -102%        | -88%        | -8%         | -33%        | -22%        | 10%         |
| Amortisation of goodwill and intangible assets     | 0%           | 0%          | 0%          | 0%          | 0%          | 0%          |
| <b>EBIT</b>  | <b>-102%</b> | <b>-88%</b> | <b>-8%</b>  | <b>-33%</b> | <b>-22%</b> | <b>10%</b>  |
| Financial result                                   | -1%          | -1%         | -11%        | -9%         | -7%         | -4%         |
| Recurring pretax income from continuing operations | -103%        | -88%        | -20%        | -42%        | -29%        | 6%          |
| Extraordinary income/loss                          | 0%           | 0%          | 0%          | 0%          | 0%          | 0%          |
| Earnings before taxes                              | -103%        | -88%        | -20%        | -42%        | -29%        | 6%          |
| Taxes  | -0%          | 0%          | 3%          | 4%          | 3%          | -1%         |
| Net income from continuing operations              | -103%        | -88%        | -23%        | -46%        | -32%        | 7%          |
| Result from discontinued operations (net of tax)   | 0%           | 0%          | 0%          | 0%          | 0%          | 0%          |
| <b>Net income</b>                                  | <b>-103%</b> | <b>-88%</b> | <b>-23%</b> | <b>-46%</b> | <b>-32%</b> | <b>7%</b>   |
| Minority interest                                  | 0%           | 0%          | 0%          | 0%          | 0%          | 0%          |
| <b>Net profit (reported)</b>                       | <b>-103%</b> | <b>-88%</b> | <b>-23%</b> | <b>-46%</b> | <b>-32%</b> | <b>7%</b>   |

Source: Company data; mwb research

| Balance sheet (EURm)                                      | 2021        | 2022         | 2023         | 2024E        | 2025E        | 2026E        |
|---|-------------|--------------|--------------|--------------|--------------|--------------|
| <b>Intangible assets (exl. Goodwill)</b>                  | <b>7.1</b>  | <b>10.3</b>  | <b>12.0</b>  | <b>15.8</b>  | <b>19.8</b>  | <b>28.7</b>  |
| Goodwill  | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Property, plant and equipment                             | 25.0        | 68.8         | 72.9         | 76.1         | 87.3         | 117.4        |
| Financial assets  | 0.1         | 1.2          | 1.8          | 1.8          | 1.8          | 1.8          |
| <b>FIXED ASSETS</b>                                       | <b>32.2</b> | <b>80.2</b>  | <b>86.6</b>  | <b>93.7</b>  | <b>108.8</b> | <b>147.9</b> |
| Inventories   | 3.6         | 8.4          | 11.3         | 6.0          | 14.1         | 30.1         |
| Accounts receivable                                       | 2.8         | 9.7          | 23.3         | 18.9         | 35.3         | 70.3         |
| Other current assets                                      | 0.0         | 0.2          | 5.6          | 5.6          | 5.6          | 5.6          |
| Liquid assets   | 19.6        | 5.1          | 14.6         | 21.4         | 19.9         | 24.2         |
| Deferred taxes  | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Deferred charges and prepaid expenses                     | 3.9         | 4.2          | 0.0          | 5.7          | 12.1         | 26.6         |
| <b>CURRENT ASSETS</b>                                     | <b>29.9</b> | <b>27.6</b>  | <b>54.8</b>  | <b>57.7</b>  | <b>87.0</b>  | <b>156.8</b> |
| <b>TOTAL ASSETS</b>                                       | <b>62.1</b> | <b>107.8</b> | <b>141.4</b> | <b>151.3</b> | <b>195.8</b> | <b>304.6</b> |
| <b>SHAREHOLDERS EQUITY</b>                                | <b>46.5</b> | <b>86.5</b>  | <b>80.3</b>  | <b>62.6</b>  | <b>36.7</b>  | <b>49.4</b>  |
| MINORITY INTEREST   | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Long-term debt  | 3.3         | 2.8          | 38.7         | 55.0         | 75.0         | 100.0        |
| Provisions for pensions and similar obligations           | 0.0         | 0.0          | 0.8          | 0.0          | 0.0          | 0.0          |
| Other provisions  | 1.9         | 2.4          | 2.1          | 3.8          | 4.0          | 3.5          |
| <b>Non-current liabilities</b>                            | <b>5.2</b>  | <b>5.3</b>   | <b>41.5</b>  | <b>58.8</b>  | <b>79.0</b>  | <b>103.5</b> |
| short-term liabilities to banks                           | 1.3         | 1.0          | 1.1          | 5.0          | 20.0         | 20.0         |
| Accounts payable  | 6.4         | 11.2         | 5.5          | 12.6         | 31.0         | 51.1         |
| Advance payments received on orders                       | 0.1         | 0.3          | 0.7          | 1.9          | 8.0          | 35.4         |
| Other liabilities (incl. from lease and rental contracts) | 0.8         | 1.5          | 11.4         | 9.6          | 20.1         | 44.3         |
| Deferred taxes  | 0.0         | 0.0          | 0.9          | 0.9          | 0.9          | 0.9          |
| Deferred income   | 1.8         | 2.1          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Current liabilities</b>                                | <b>10.4</b> | <b>16.1</b>  | <b>19.6</b>  | <b>29.9</b>  | <b>80.1</b>  | <b>151.7</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>          | <b>62.1</b> | <b>107.8</b> | <b>141.4</b> | <b>151.3</b> | <b>195.8</b> | <b>304.6</b> |

| Balance sheet (common size)                               | 2021        | 2022        | 2023        | 2024E       | 2025E       | 2026E       |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Intangible assets (excl. Goodwill)</b>                 | <b>11%</b>  | <b>10%</b>  | <b>8%</b>   | <b>10%</b>  | <b>10%</b>  | <b>9%</b>   |
| Goodwill  | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          |
| Property, plant and equipment                             | 40%         | 64%         | 52%         | 50%         | 45%         | 39%         |
| Financial assets  | 0%          | 1%          | 1%          | 1%          | 1%          | 1%          |
| <b>FIXED ASSETS</b>                                       | <b>52%</b>  | <b>74%</b>  | <b>61%</b>  | <b>62%</b>  | <b>56%</b>  | <b>49%</b>  |
| Inventories   | 6%          | 8%          | 8%          | 4%          | 7%          | 10%         |
| Accounts receivable                                       | 5%          | 9%          | 16%         | 12%         | 18%         | 23%         |
| Other current assets                                      | 0%          | 0%          | 4%          | 4%          | 3%          | 2%          |
| Liquid assets   | 32%         | 5%          | 10%         | 14%         | 10%         | 8%          |
| Deferred taxes  | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          |
| Deferred charges and prepaid expenses                     | 6%          | 4%          | 0%          | 4%          | 6%          | 9%          |
| <b>CURRENT ASSETS</b>                                     | <b>48%</b>  | <b>26%</b>  | <b>39%</b>  | <b>38%</b>  | <b>44%</b>  | <b>51%</b>  |
| <b>TOTAL ASSETS</b>                                       | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |
| <b>SHAREHOLDERS EQUITY</b>                                | <b>75%</b>  | <b>80%</b>  | <b>57%</b>  | <b>41%</b>  | <b>19%</b>  | <b>16%</b>  |
| MINORITY INTEREST   | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          |
| Long-term debt  | 5%          | 3%          | 27%         | 36%         | 38%         | 33%         |
| Provisions for pensions and similar obligations           | 0%          | 0%          | 1%          | 0%          | 0%          | 0%          |
| Other provisions  | 3%          | 2%          | 1%          | 3%          | 2%          | 1%          |
| <b>Non-current liabilities</b>                            | <b>8%</b>   | <b>5%</b>   | <b>29%</b>  | <b>39%</b>  | <b>40%</b>  | <b>34%</b>  |
| short-term liabilities to banks                           | 2%          | 1%          | 1%          | 3%          | 10%         | 7%          |
| Accounts payable  | 10%         | 10%         | 4%          | 8%          | 16%         | 17%         |
| Advance payments received on orders                       | 0%          | 0%          | 1%          | 1%          | 4%          | 12%         |
| Other liabilities (incl. from lease and rental contracts) | 1%          | 1%          | 8%          | 6%          | 10%         | 15%         |
| Deferred taxes  | 0%          | 0%          | 1%          | 1%          | 0%          | 0%          |
| Deferred income   | 3%          | 2%          | 0%          | 0%          | 0%          | 0%          |
| <b>Current liabilities</b>                                | <b>17%</b>  | <b>15%</b>  | <b>14%</b>  | <b>20%</b>  | <b>41%</b>  | <b>50%</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>          | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

Source: Company data; mwb research

| Cash flow statement (EURm)                      | 2021         | 2022         | 2023         | 2024E        | 2025E        | 2026E        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Net profit/loss                                 | -8.7         | -13.0        | -7.2         | -17.7        | -25.9        | 12.7         |
| Depreciation of fixed assets (incl. leases)     | 1.0          | 2.3          | 4.2          | 4.4          | 4.9          | 5.2          |
| Amortisation of goodwill                        | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Amortisation of intangible assets               | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Others  | 0.9          | 1.8          | 5.0          | 1.0          | 0.2          | -0.5         |
| Cash flow from operations before changes in w/c | -6.8         | -8.9         | 2.0          | -12.3        | -20.7        | 17.5         |
| Increase/decrease in inventory                  | -2.3         | -4.8         | -2.9         | 5.3          | -8.1         | -16.0        |
| Increase/decrease in accounts receivable        | -5.6         | -6.1         | -14.8        | 4.4          | -16.4        | -35.1        |
| Increase/decrease in accounts payable           | 6.8          | 4.5          | 0.7          | 7.0          | 18.5         | 20.1         |
| Increase/decrease in other w/c positions        | -0.1         | -0.1         | 0.9          | -6.3         | 10.4         | 37.0         |
| Increase/decrease in working capital            | -1.2         | -6.5         | -16.0        | 10.4         | 4.3          | 6.1          |
| <b>Cash flow from operating activities</b>      | <b>-8.0</b>  | <b>-15.5</b> | <b>-14.1</b> | <b>-1.9</b>  | <b>-16.4</b> | <b>23.5</b>  |
| CAPEX   | -25.1        | -49.5        | -10.4        | -11.5        | -20.1        | -44.3        |
| Payments for acquisitions                       | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Financial investments                           | -0.0         | -0.0         | 0.0          | 0.0          | 0.0          | 0.0          |
| Income from asset disposals                     | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Cash flow from investing activities</b>      | <b>-25.1</b> | <b>-49.5</b> | <b>-10.4</b> | <b>-11.5</b> | <b>-20.1</b> | <b>-44.3</b> |
| Cash flow before financing                      | -33.1        | -65.0        | -24.5        | -13.3        | -36.5        | -20.7        |
| Increase/decrease in debt position              | 2.3          | -0.8         | 34.0         | 20.2         | 35.0         | 25.0         |
| Purchase of own shares                          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Capital measures                                | 48.3         | 53.0         | 0.0          | 0.0          | 0.0          | 0.0          |
| Dividends paid                                  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Others  | -2.2         | -1.8         | 0.0          | 0.0          | 0.0          | 0.0          |
| Effects of exchange rate changes on cash        | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Cash flow from financing activities</b>      | <b>48.4</b>  | <b>50.4</b>  | <b>34.0</b>  | <b>20.2</b>  | <b>35.0</b>  | <b>25.0</b>  |
| Increase/decrease in liquid assets              | 15.4         | -14.5        | 9.5          | 6.8          | -1.5         | 4.3          |
| <b>Liquid assets at end of period</b>           | <b>19.6</b>  | <b>5.1</b>   | <b>14.6</b>  | <b>21.4</b>  | <b>19.9</b>  | <b>24.2</b>  |

Source: Company data; mwb research

| Regional sales split (EURm) | 2021       | 2022        | 2023        | 2024E       | 2025E       | 2026E        |
|-----------------------------|------------|-------------|-------------|-------------|-------------|--------------|
| Domestic                    | 4.3        | 7.8         | 11.3        | 13.7        | 28.8        | 63.3         |
| Europe (ex domestic)        | 1.4        | 2.7         | 17.1        | 20.7        | 43.6        | 95.9         |
| The Americas                | 0.0        | 0.4         | 0.0         | 0.0         | 0.0         | 0.0          |
| Asia                        | 0.0        | 2.4         | 0.0         | 0.0         | 0.0         | 0.0          |
| Rest of World               | 2.8        | 1.4         | 3.2         | 3.9         | 8.1         | 17.9         |
| <b>Total sales</b>          | <b>8.4</b> | <b>14.7</b> | <b>31.6</b> | <b>38.2</b> | <b>80.5</b> | <b>177.0</b> |

| Regional sales split (common size) | 2021        | 2022        | 2023        | 2024E       | 2025E       | 2026E       |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Domestic                           | 51.3%       | 52.9%       | 35.7%       | 35.7%       | 35.7%       | 35.7%       |
| Europe (ex domestic)               | 16.0%       | 18.3%       | 54.2%       | 54.2%       | 54.2%       | 54.2%       |
| The Americas                       | 0.0%        | 3.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        |
| Asia                               | 0.0%        | 16.1%       | 0.0%        | 0.0%        | 0.0%        | 0.0%        |
| Rest of World                      | 32.7%       | 9.6%        | 10.1%       | 10.1%       | 10.1%       | 10.1%       |
| <b>Total sales</b>                 | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

Source: Company data; mwb research



| Ratios                            | 2021    | 2022   | 2023   | 2024E  | 2025E  | 2026E  |
|-----------------------------------|---------|--------|--------|--------|--------|--------|
| <b>Per share data</b>             |         |        |        |        |        |        |
| Earnings per share reported       | -0.38   | -0.51  | -0.26  | -0.65  | -0.95  | 0.47   |
| Cash flow per share               | -0.35   | -0.61  | -0.52  | -0.23  | -0.78  | 0.67   |
| Book value per share              | 2.01    | 3.39   | 2.95   | 2.30   | 1.35   | 1.82   |
| Dividend per share                | 0.00    | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| <b>Valuation</b>                  |         |        |        |        |        |        |
| P/E                               | -11.8x  | -8.7x  | -16.9x | -6.8x  | -4.7x  | 9.5x   |
| P/CF                              | -12.8x  | -7.3x  | -8.6x  | -19.1x | -5.7x  | 6.6x   |
| P/BV                              | 2.2x    | 1.3x   | 1.5x   | 1.9x   | 3.3x   | 2.4x   |
| Dividend yield (%)                | 0.0%    | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   |
| FCF yield (%)                     | -7.8%   | -13.7% | -11.7% | -5.2%  | -17.7% | 15.2%  |
| EV/Sales                          | 12.5x   | 8.1x   | 4.6x   | 4.2x   | 2.4x   | 1.2x   |
| EV/EBITDA                         | -13.9x  | -11.3x | 98.8x  | -19.8x | -15.2x | 9.4x   |
| EV/EBIT                           | -12.3x  | -9.3x  | -54.7x | -12.8x | -11.0x | 12.2x  |
| <b>Income statement (EURm)</b>    |         |        |        |        |        |        |
| Sales                             | 8.4     | 14.7   | 31.6   | 38.2   | 80.5   | 177.0  |
| yoy chg in %                      | 307.8%  | 73.8%  | 115.4% | 21.0%  | 110.5% | 120.0% |
| Gross profit                      | 1.1     | 3.2    | 20.7   | 19.9   | 29.0   | 67.3   |
| Gross margin in %                 | 13.1%   | 21.7%  | 65.6%  | 52.0%  | 36.0%  | 38.0%  |
| EBITDA                            | -7.6    | -10.6  | 1.5    | -8.0   | -12.9  | 23.0   |
| EBITDA margin in %                | -90.2%  | -72.1% | 4.7%   | -21.0% | -16.0% | 13.0%  |
| EBIT                              | -8.6    | -12.9  | -2.7   | -12.5  | -17.8  | 17.8   |
| EBIT margin in %                  | -102.1% | -87.6% | -8.5%  | -32.6% | -22.1% | 10.0%  |
| Net profit                        | -8.7    | -13.0  | -7.2   | -17.7  | -25.9  | 12.7   |
| <b>Cash flow statement (EURm)</b> |         |        |        |        |        |        |
| CF from operations                | -8.0    | -15.5  | -14.1  | -1.9   | -16.4  | 23.5   |
| Capex                             | -25.1   | -49.5  | -10.4  | -11.5  | -20.1  | -44.3  |
| Maintenance Capex                 | 0.0     | 0.0    | 0.0    | 4.4    | 4.9    | 5.2    |
| Free cash flow                    | -33.1   | -65.0  | -24.5  | -13.3  | -36.5  | -20.7  |
| <b>Balance sheet (EURm)</b>       |         |        |        |        |        |        |
| Intangible assets                 | 7.1     | 10.3   | 12.0   | 15.8   | 19.8   | 28.7   |
| Tangible assets                   | 25.0    | 68.8   | 72.9   | 76.1   | 87.3   | 117.4  |
| Shareholders' equity              | 46.5    | 86.5   | 80.3   | 62.6   | 36.7   | 49.4   |
| Pension provisions                | 0.0     | 0.0    | 0.8    | 0.0    | 0.0    | 0.0    |
| Liabilities and provisions        | 6.6     | 6.3    | 42.7   | 63.8   | 99.0   | 123.5  |
| Net financial debt                | -15.0   | -1.2   | 25.2   | 38.6   | 75.1   | 95.8   |
| w/c requirements                  | -0.1    | 6.6    | 28.3   | 10.4   | 10.3   | 13.9   |
| <b>Ratios</b>                     |         |        |        |        |        |        |
| ROE                               | -18.7%  | -15.0% | -8.9%  | -28.3% | -70.5% | 25.7%  |
| ROCE                              | -16.2%  | -13.9% | -2.2%  | -9.9%  | -13.1% | 10.3%  |
| Net gearing                       | -32.2%  | -1.4%  | 31.4%  | 61.6%  | 204.5% | 193.9% |
| Net debt / EBITDA                 | 2.0x    | 0.1x   | 17.0x  | -4.8x  | -5.8x  | 4.2x   |

Source: Company data; mwb research

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## Contacts

**mwb research AG**  
**Mittelweg 142**  
**20148 Hamburg**  
**Germany**

Tel.: +49 40 309 293-52  
Email.: [contact@mwb-research.com](mailto:contact@mwb-research.com)  
Website: [www.mwb-research.com](http://www.mwb-research.com)  
Research: [www.research-hub.de](http://www.research-hub.de)

### Research

**HARALD HOF**  
Senior Analyst  
Tel: +49 40 309 293-73  
E-Mail: [h.hof@mwb-research.com](mailto:h.hof@mwb-research.com)

**LEON MÜHLENBRUCH**  
Analyst  
Tel: +49 40 309 293-77  
E-Mail: [l.muehlenbruch@mwb-research.com](mailto:l.muehlenbruch@mwb-research.com)

**ABED JARAD**  
Junior Analyst  
Tel: +49 40 309 293-74  
E-Mail: [a.jarad@mwb-research.com](mailto:a.jarad@mwb-research.com)

**JENS-PETER RIECK**  
Junior Analyst  
Tel: +49 40 309 293-74  
E-Mail: [jp.riek@mwb-research.com](mailto:jp.riek@mwb-research.com)

**THOMAS WISSLER**  
Senior Analyst  
Tel: +49 40 309 293-78  
E-Mail: [t.wissler@mwb-research.com](mailto:t.wissler@mwb-research.com)

**DR. OLIVER WOJAHN, CFA**  
Senior Analyst  
Tel: +49 40 309 293-75  
E-Mail: [o.wojahn@mwb-research.com](mailto:o.wojahn@mwb-research.com)

**ALEXANDER ZIENKOWICZ**  
Senior Analyst  
Tel: +49 40 309 293-76  
E-Mail: [a.zienkowicz@mwb-research.com](mailto:a.zienkowicz@mwb-research.com)

### Sales

**HOLGER NASS**  
Head of Sales  
Tel: +49 40 309 293-52  
E-Mail: [h.nass@mwb-research.com](mailto:h.nass@mwb-research.com)

### Team Assistant

**HANNAH GABERT**  
Team Assistant  
Tel: +49 40 309 293-52  
E-Mail: [h.gabert@mwb-research.com](mailto:h.gabert@mwb-research.com)

**mwb fairtrade**  
**Wertpapierhandelsbank AG**  
**Rottenbucher Straße 28**  
**82166 Gräfelfing**

Tel: +49 89 85852-0  
Fax: +49 89 85852-505  
Website: [www.mwbfairtrade.com](http://www.mwbfairtrade.com)  
E-Mail: [info@mwbfairtrade.com](mailto:info@mwbfairtrade.com)

### Sales / Designated Sponsoring / Corporate Finance

**ALEXANDER DEUSS**  
Institutional Sales  
Tel: +49 40 36 0995-22  
E-Mail: [adeuss@mwbfairtrade.com](mailto:adeuss@mwbfairtrade.com)

**SASCHA GUENON**  
Head of Designated Sponsoring  
Tel: +49 40 360 995-23  
E-Mail: [sguenon@mwbfairtrade.com](mailto:sguenon@mwbfairtrade.com)

**JAN NEYNABER**  
Institutional Sales  
Tel: +49 69 1387-1255  
E-Mail: [jneynaber@mwbfairtrade.com](mailto:jneynaber@mwbfairtrade.com)

**DIRK WEYERHÄUSER**  
Corporate Finance  
Tel: +49 69 1387-1250  
E-Mail: [dweyerhaeuser@mwbfairtrade.com](mailto:dweyerhaeuser@mwbfairtrade.com)

### Locations

**HAMBURG (Research)**  
Mittelweg 142  
20148 Hamburg  
+49 40 309 293-52

**HAMBURG (Corporates & Markets)**  
Kleine Johannisstraße 4  
20457 Hamburg  
+49 40 360 995-0

**FRANKFURT A.M.**  
Unterlindau 29  
60323 Frankfurt am Main  
+49 40 360 995-22

**MUNICH**  
Rottenbucher Str. 28  
82166 Gräfelfing  
+49 89-85852-0

**BERLIN**  
Kurfürstendamm 151  
10709 Berlin

**HANNOVER**  
An der Börse 2  
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