

Enapter AG

Germany | Renewables | MCap EUR 79.4m

4 July 2025

UPDATE



Next-Gen stack & system unveiled at Pisa site event; Reiterate Spec. BUY

Spec. BUY (Spec. BUY)

| | |
|---------------------|------------------------|
| Target price | EUR 6.40 (6.40) |
| Current price | EUR 2.60 |
| Up/downside | 146.2% |

 **ResearchHub**



What's it all about?

Enapter hosted an Information Day at its Pisa facility, highlighting its technological strengths and strategic direction. A key focus was the introduction of the new high-output AEM Stack T, designed for larger industrial applications and integrated into the Nexus 2500 system (2.5 MW). This system features 100 Stack T units instead of 420 Stack 4 units, maintaining the same container size as the Nexus 1000 (1 MW), priced at c. EUR 3m. Powered by the updated EMS Toolkit 3.0, it ensures efficient operation. A new automated production line concept will offer flexible capacity of up to 30 Stack T units daily. Both Stack T and Stack 4 can be produced on the same scalable and easily replicable line. Enapter recently raised EUR 4.3m to expand the production and to address the high EUR 46m order backlog. With strong demand, effective execution, and a clear strategic vision, we maintain our Spec. BUY rating with a PT of EUR 6.40.

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

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Enapter AG

Germany | Renewables | MCap EUR 79.4m | EV EUR 113.5m

Spec. BUY (Spec. BUY)

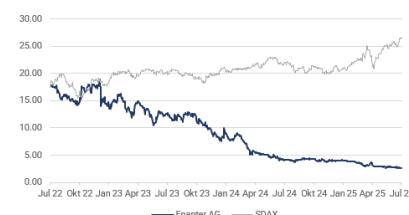
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Next-Gen stack & system unveiled at Pisa site event; Spec BUY

Pisa site visit highlights tech strength. Enapter hosted an Information Day this week for partners, investors, and analysts at its facility in Pisa, Italy. The event provided a look into the company's production capabilities, particularly its stack line, key to scaling AEM electrolyser output and the core of Enapter's products, and also showcased the strategic direction. Attendees explored the full product lineup. A key highlight was the introduction of the upcoming high-output AEM Stack T, tailored for larger industrial applications. It is used in the corresponding Nexus 2500 system (2.5 MW), which was also newly introduced. The system features 100 Stack T units instead of 420 Stack 4 units, while maintaining the same container size as the Nexus 1000 (1 MW), at a listed price of c. EUR 3m. The system is powered by the updated Energy Management System (EMS Toolkit 3.0), ensuring seamless and efficient stack operation. A newly developed, highly automated production line concept was also unveiled and will replace the previous generation setup. It offers flexible manufacturing capacity: up to 30 Stack T units per day (around 6.000 annually, supporting roughly 60 Nexus 2500 systems and an expected revenue potential of EUR 120–140m, based on mwb est.). Both products, including Stack 4, can be made on the same easily replicable production line, streamlining future scaling and expansion. The live demonstration further reinforced Enapter's position as a leader in modular green hydrogen solutions.



Source: Company data, mwb research

High/low 52 weeks 4.53 / 2.53
Price/Book Ratio 1.1x

Ticker / Symbols

ISIN DE000A255G02
WKN A255G0
Bloomberg H20:GR

Changes in estimates

| | | Sales | EBIT | EPS |
|--------------|-----|-------|------|-------|
| 2025E | old | 39.4 | -6.6 | -0.44 |
| | Δ | 0.0% | na% | na% |
| 2026E | old | 70.8 | 6.1 | -0.04 |
| | Δ | 0.0% | 0.0% | na% |
| 2027E | old | 106.2 | 10.1 | 0.25 |
| | Δ | 0.0% | 0.0% | 0.0% |

Key share data

Number of shares: (in m pcs) 30.55
Book value per share: (in EUR) 2.40
Ø trading vol.: (12 months) 20,083

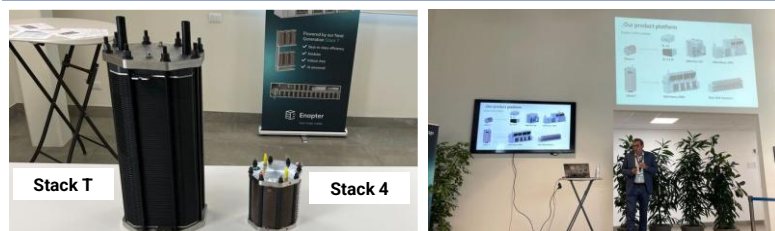
Major shareholders

BluGreen (Sebastian Schmidt) 45.3%
Svelland Global 20.1%
Morgan Stanley 4.8%
Sergei Storozhenko 4.2%
Wolong 3.8%
Johnson Matthey Plc 3.5%
Free Float 18.4%

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.

Info Day (Stacks & New product launch)



Source: mwb research

| | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|-----------------------|--------|--------|--------|--------|--------|-------|
| Enapter AG | | | | | | |
| Sales | 14.7 | 31.6 | 21.4 | 39.4 | 70.8 | 106.2 |
| <i>Growth yoy</i> | 73.8% | 115.4% | -32.2% | 83.6% | 80.0% | 50.0% |
| EBITDA | -10.6 | 1.5 | -6.9 | -2.0 | 10.6 | 18.5 |
| EBIT | -12.9 | -2.7 | -12.9 | -6.6 | 6.1 | 10.1 |
| Net profit | -13.0 | -7.2 | -20.7 | -13.6 | -1.3 | 7.5 |
| Net debt (net cash) | -1.2 | 25.2 | 33.2 | 42.9 | 50.3 | 49.9 |
| Net debt/EBITDA | 0.1x | 17.0x | -4.8x | -21.8x | 4.8x | 2.7x |
| EPS reported | -0.51 | -0.26 | -0.75 | -0.44 | -0.04 | 0.25 |
| 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 | 21.7% | 65.6% | 30.9% | 42.0% | 40.0% | 40.0% |
| EBITDA margin | -72.1% | 4.7% | -32.3% | -5.0% | 14.9% | 17.4% |
| EBIT margin | -87.6% | -8.5% | -60.4% | -16.9% | 8.6% | 9.5% |
| ROCE | -13.9% | -2.2% | -11.9% | -5.8% | 4.4% | 5.7% |
| EV/Sales | 5.3x | 3.3x | 5.3x | 3.1x | 1.8x | 1.2x |
| EV/EBITDA | -7.4x | 71.0x | -16.4x | -62.2x | 12.3x | 7.0x |
| EV/EBIT | -6.1x | -39.3x | -8.8x | -18.4x | 21.4x | 12.9x |
| PER | -5.1x | -9.9x | -3.5x | -5.9x | -58.9x | 10.5x |

Source: Company data, mwb research

Capital raise to accelerate growth. Last month, the company completed a EUR 4.3m capital raise to expand operations and address a growing order backlog of EUR 46m as of May 6, 2025 (vs. EUR 42m at end-FY24). Strong FY24 demand was already reflected in a 2.35x book-to-bill ratio and is expected to remain high in H1 25, supporting continued growth. Proceeds will fund production expansion and improve delivery capabilities. The raise has reshaped the shareholder structure, which, like we expected, aimed also to broaden the long-term investor base.

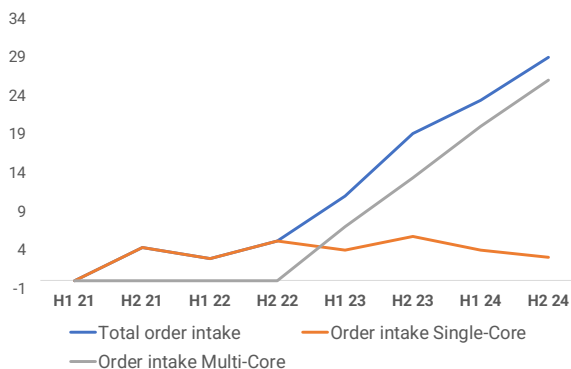
Conclusion. Enapter continues its strong growth, driven by solid operations, a healthy order backlog, and broad strategic shareholder support following the recent capital raise. The site visit once again showcased the advantages of the scalable AEM Stack technology and the promising opportunities it offers, especially with the upcoming larger Stack T and Nexus 2500, with first deliveries expected in January 2026. Given positive demand, which is expected to increase further with the new Nexus 2500 in the higher MW class, clear execution, and a strong strategic direction, we maintain our Spec. BUY rating and PT of EUR 6.40.

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

| P&L data | H1 2021 | H2 2021 | H1 2022 | H2 2022 | H1 2023 | H2 2023 | H1 2024 | H2 2024 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Sales | 2.0 | 6.4 | 3.3 | 11.4 | 4.8 | 26.8 | 8.3 | 13.2 |
| yoy growth in % | 218.0% | 210.5% | 64.5% | 76.7% | 43.8% | 136.3% | 73.5% | -50.9% |
| Gross profit | 0.5 | 0.6 | 0.0 | 3.1 | 0.6 | na | 2.6 | 16.7 |
| Gross margin in % | 26.1% | 9.1% | 1.4% | 27.6% | 12.5% | na% | 31.7% | 126.9% |
| EBITDA | -3.6 | -3.8 | -6.8 | -2.5 | -7.0 | 8.5 | -3.0 | -4.0 |
| EBITDA margin in % | -176.3% | -59.0% | -204.4% | -22.3% | -147.2% | 31.7% | -36.0% | -30.1% |
| EBIT | -3.9 | -4.7 | -7.6 | -5.2 | -8.6 | 5.9 | -5.2 | -7.7 |
| EBIT margin in % | -195.8% | -72.7% | -229.7% | -46.2% | -180.3% | 22.0% | -63.2% | -58.6% |
| EBT | -4.0 | -4.7 | -7.7 | -5.3 | -9.9 | 3.6 | -7.9 | -13.0 |
| taxes paid | 0.0 | -0.0 | 0.0 | 0.0 | 0.0 | 0.9 | 0.7 | -0.8 |
| tax rate in % | -0.1% | 0.3% | -0.1% | -0.3% | -0.0% | 23.7% | -8.6% | 6.4% |
| net profit | -4.0 | -4.7 | -7.7 | -5.3 | -9.9 | 2.8 | -7.9 | -12.8 |
| yoy growth in % | na% | na% | na% | na% | na% | na% | na% | na% |
| EPS | -0.17 | -0.20 | -0.31 | -0.20 | -0.37 | 0.10 | -0.29 | -0.46 |

Source: Company data; mwb research

Order Intake (in EURm)



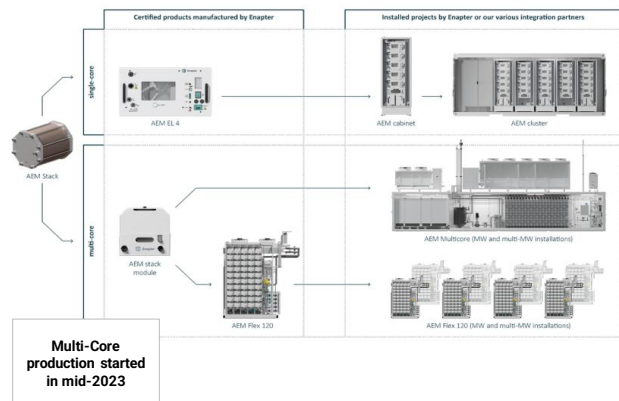
Source: Company data; mwb research

Order Backlog (in EURm)

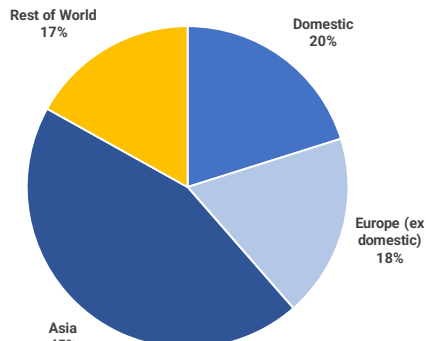


Investment case in six charts

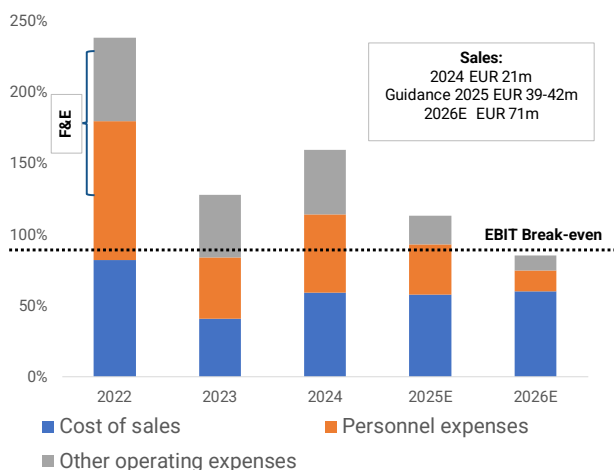
AEM's patented electrolysis systems



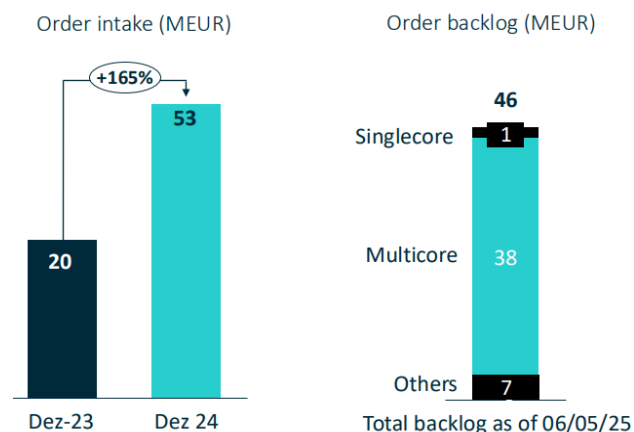
Regional sales split 2024 in %



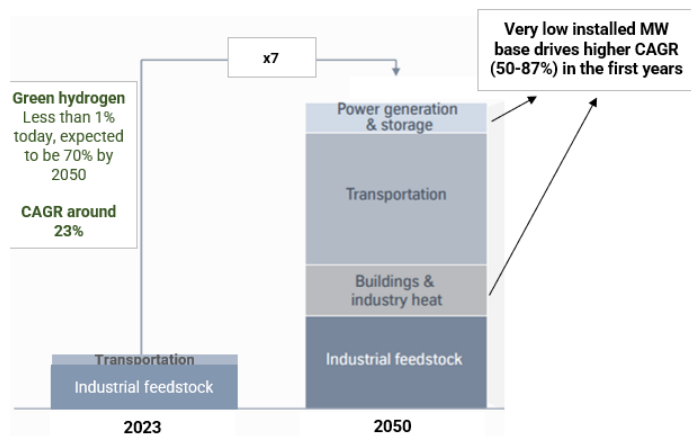
Cost outlook mwb est. (as % of total sales)



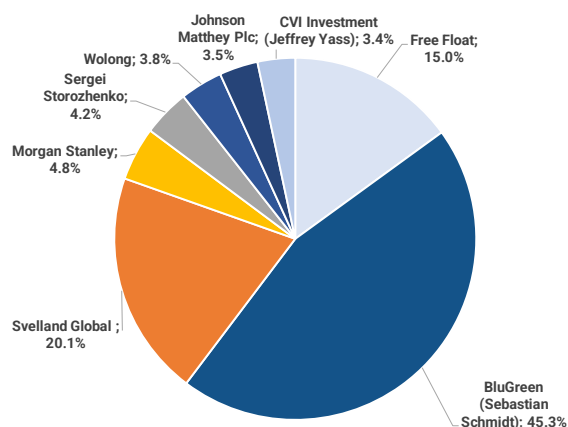
Electrolyser Orders



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 6.58 per share**:

Top-line growth: We expect Enapter AG to grow revenues at a CAGR of 28.0% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -5.8% in 2025E to 15.0% in 2032E.

WACC. Starting point is a historical equity beta of 1.53. Unlevering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 12.5%. 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 8.1%.

| DCF (EURm) (except per share data and beta) | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | Terminal value |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------------------|
| NOPAT | -7.3 | 7.3 | 7.5 | 9.1 | 16.9 | 16.2 | 18.8 | 19.5 | |
| Depreciation & amortization | 4.7 | 4.5 | 8.5 | 13.8 | 13.8 | 14.5 | 13.9 | 13.7 | |
| Change in working capital | 7.5 | 6.3 | 1.7 | 0.7 | 0.8 | 0.3 | -0.8 | 0.1 | |
| Chg. in long-term provisions | -2.8 | -0.6 | 0.7 | 0.8 | 1.2 | 0.1 | 0.1 | 0.1 | |
| Capex | -9.8 | -16.3 | -18.1 | -14.9 | -19.8 | -11.7 | -13.6 | -13.9 | |
| Cash flow | -7.7 | 1.2 | 0.4 | 9.6 | 12.8 | 19.4 | 18.4 | 19.5 | 323.5 |
| Present value | -7.4 | 1.0 | 0.3 | 7.3 | 9.0 | 12.6 | 11.1 | 10.9 | 179.9 |
| WACC | 9.7% | 10.6% | 8.2% | 8.2% | 8.2% | 8.2% | 8.1% | 8.0% | 8.1% |

| DCF per share derived from | |
|-------------------------------------|---------------|
| Total present value | 224.7 |
| Mid-year adj. total present value | 234.2 |
| Net debt / cash at start of year | 33.2 |
| Financial assets | 0.8 |
| Provisions and off b/s debt | 0.9 |
| Equity value | 200.9 |
| No. of shares outstanding | 30.6 |
| Discounted cash flow / share | 6.58 |
| upside/(downside) | 152.9% |

| | |
|--------------------|-------------|
| Share price | 2.60 |
|--------------------|-------------|

| DCF avg. growth and earnings assumptions | |
|--|-------|
| Planning horizon avg. revenue growth (2025E-2032E) | 28.0% |
| Terminal value growth (2032E - infinity) | 2.0% |
| Terminal year ROCE | 15.0% |
| Terminal year WACC | 8.1% |

| Terminal WACC derived from | |
|--------------------------------------|-------|
| Cost of borrowing (before taxes) | 5.0% |
| Long-term tax rate | 25.0% |
| Equity beta | 1.53 |
| Unlevered beta (industry or company) | 1.00 |
| Target debt / equity | 1.0 |
| Relevered beta | 1.76 |
| Risk-free rate | 2.0% |
| Equity risk premium | 6.0% |
| Cost of equity | 12.5% |

| Sensitivity analysis DCF | | | | | | | | | |
|------------------------------|------------------|------|------|------|------|------------------------|----------------|--|-------|
| Change in WACC (%-points) | Long term growth | | | | | Share of present value | | | |
| | | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% | | | |
| | 2.0% | 3.9 | 4.1 | 4.4 | 4.6 | 5.0 | 2025E-2028E | | 0.5% |
| | 1.0% | 4.7 | 5.0 | 5.3 | 5.7 | 6.2 | 2029E-2032E | | 19.4% |
| | 0.0% | 5.7 | 6.1 | 6.6 | 7.1 | 7.8 | terminal value | | 80.0% |
| | -1.0% | 7.0 | 7.6 | 8.3 | 9.2 | 10.3 | | | |
| | -2.0% | 8.9 | 9.8 | 11.0 | 12.5 | 14.4 | | | |

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 -5.05 per share based on 2025E and EUR 7.03 per share on 2029E 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 | 2025E | 2026E | 2027E | 2028E | 2029E |
|------------------------------------|----------------|---------------|---------------|--------------|---------------|
| EBITDA | -2.0 | 10.6 | 18.5 | 25.9 | 36.3 |
| - Maintenance capex | 4.7 | 4.5 | 8.5 | 13.8 | 13.8 |
| - Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - tax expenses | 1.2 | 0.2 | 2.5 | 3.0 | 5.6 |
| = Adjusted FCF | -7.9 | 5.9 | 7.5 | 9.1 | 16.9 |
| Actual Market Cap | 79.4 | 79.4 | 79.4 | 79.4 | 79.4 |
| + Net debt (cash) | 42.9 | 50.3 | 49.9 | 40.4 | 27.6 |
| + 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 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| - Acc. dividend payments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <i>EV Reconciliations</i> | 42.1 | 49.5 | 49.1 | 39.6 | 26.8 |
| = Actual EV' | 121.5 | 128.9 | 128.6 | 119.0 | 106.2 |
| Adjusted FCF yield | -6.5% | 4.5% | 5.9% | 7.6% | 15.9% |
| 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% |
| Fair EV | -112.4 | 83.6 | 107.7 | 129.7 | 241.5 |
| - <i>EV Reconciliations</i> | 42.1 | 49.5 | 49.1 | 39.6 | 26.8 |
| Fair Market Cap | -154.4 | 34.1 | 58.6 | 90.1 | 214.7 |
| No. of shares (million) | 30.6 | 30.6 | 30.6 | 30.6 | 30.6 |
| Fair value per share in EUR | -5.05 | 1.12 | 1.92 | 2.95 | 7.03 |
| Premium (-) / discount (+) | -294.4% | -57.1% | -26.3% | 13.5% | 170.3% |

| Sensitivity analysis FV | | | | | | |
|-------------------------|-------------|-------------|------------|------------|------------|------------|
| Adjusted hurdle rate | 5.0% | -6.5 | 2.2 | 3.3 | 4.6 | 10.2 |
| | 6.0% | -5.7 | 1.6 | 2.5 | 3.7 | 8.3 |
| | 7.0% | -5.1 | 1.1 | 1.9 | 2.9 | 7.0 |
| | 8.0% | -4.6 | 0.8 | 1.5 | 2.4 | 6.0 |
| | 9.0% | -4.2 | 0.5 | 1.1 | 2.0 | 5.3 |

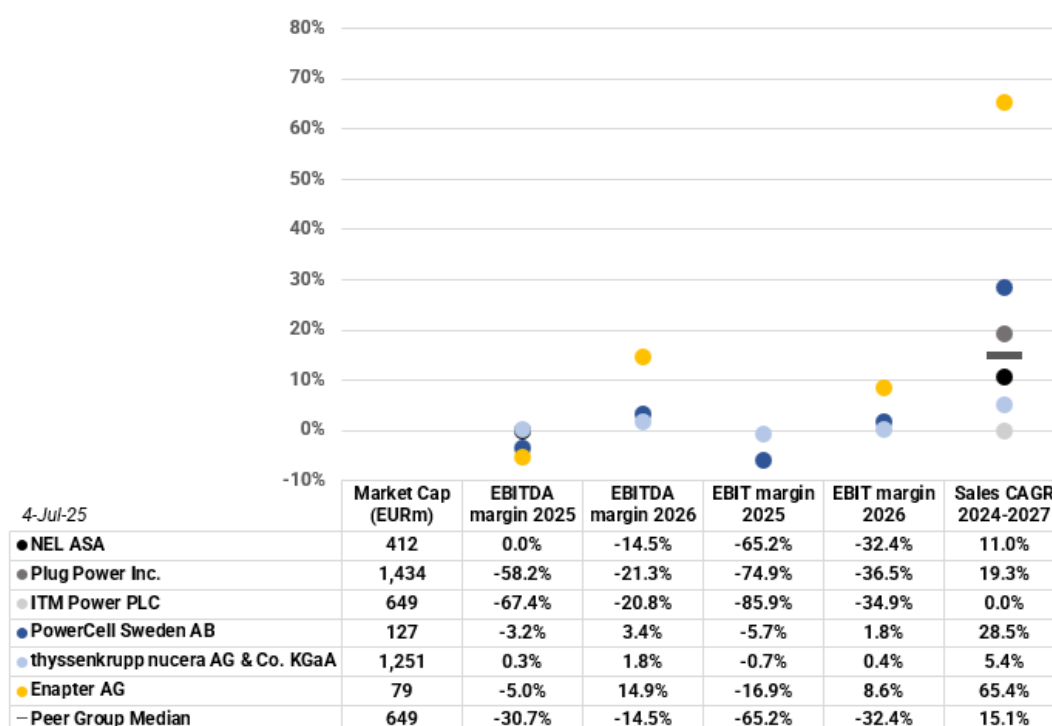
Source: Company data; mwb research

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 4 July 2025 the median market cap of the peer group was EUR 649.5m, compared to EUR 79.4m 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

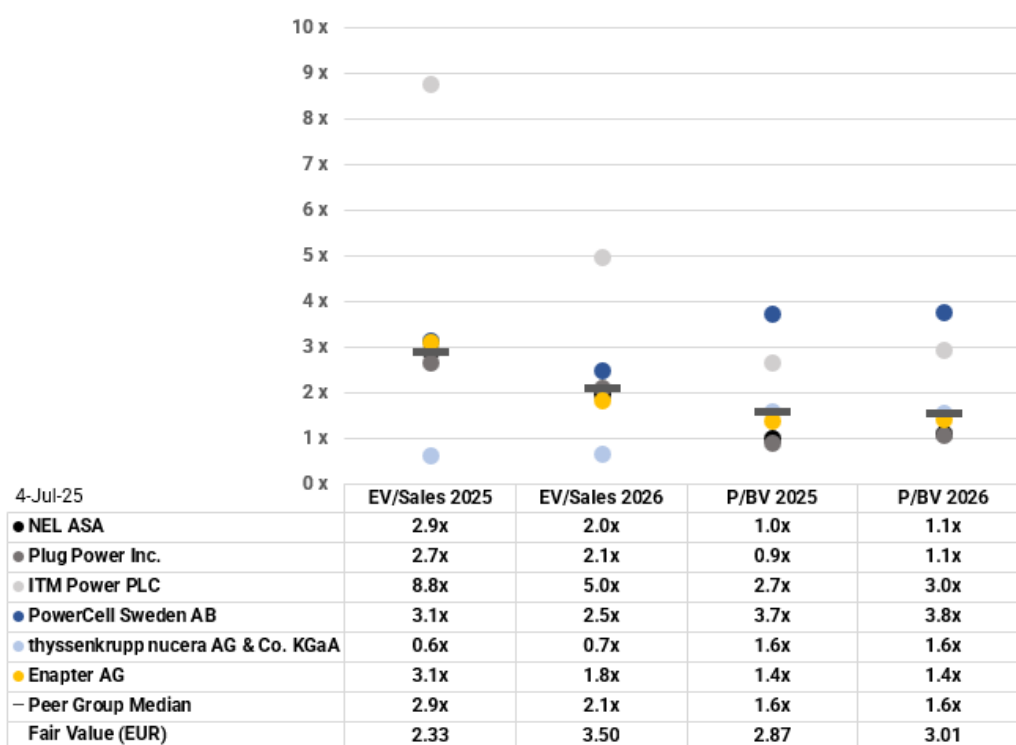


Source: FactSet, mwb research

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

Applying these to Enapter AG results in a range of fair values from EUR 2.33 to EUR 3.50.

Peer Group – Multiples and valuation



Source: FactSet, mwb research

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

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) electrolyzers use renewable electricity and water to create green hydrogen through a process called electrolysis. Its electrolyzers 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.

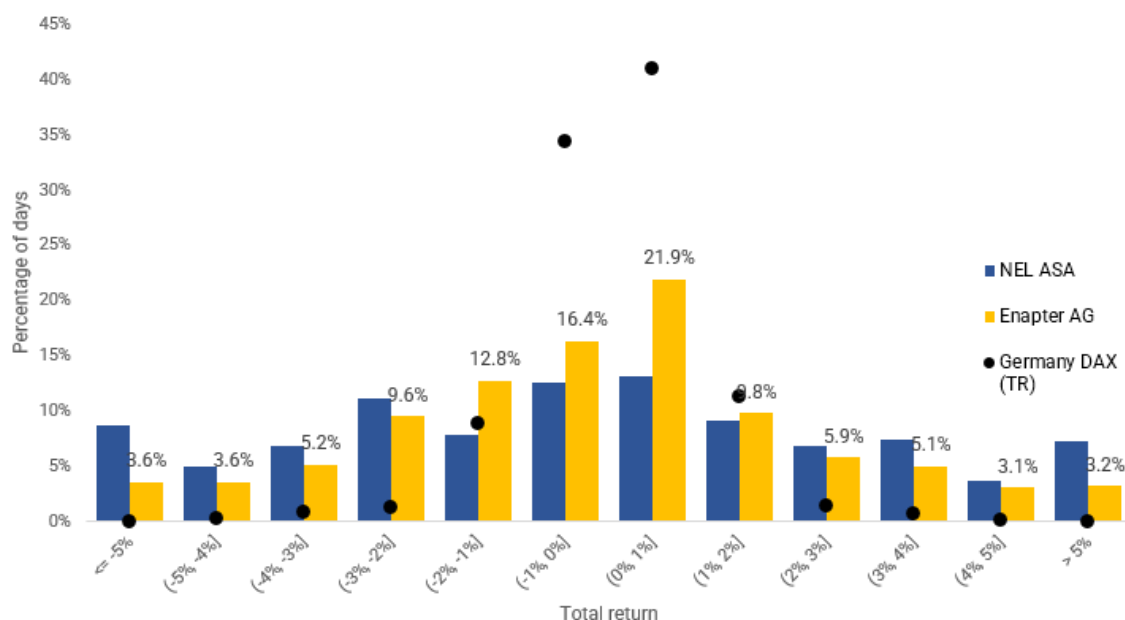
Powercell Sweden AB (publ) is a Sweden-based company active in the field of clean energy. It is engaged in the development, manufacture and sales of power systems with fuel cell and reformer technology. Its systems work both fossil and renewable fuels and convert them to hydrogen, which drives the power 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%.

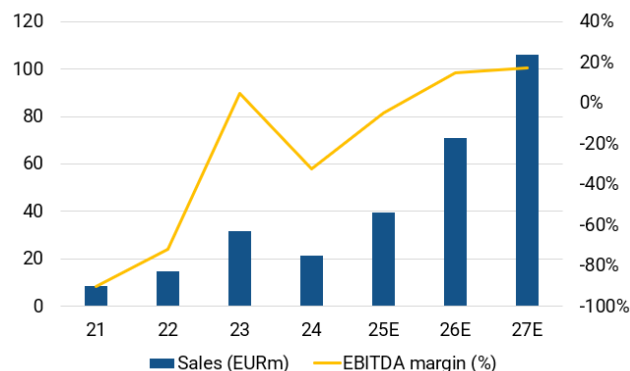
Risk – Daily Returns Distribution (trailing 3 years)



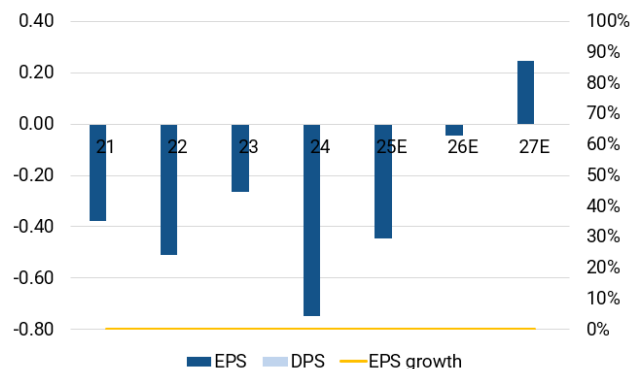
Source: FactSet, mwb research

Financials in six charts

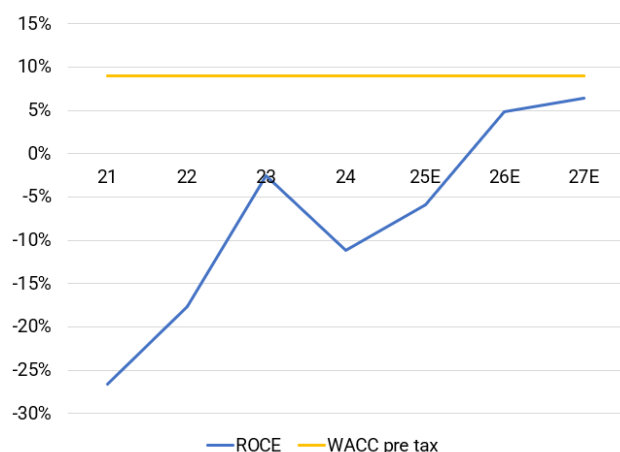
Sales vs. EBITDA margin development



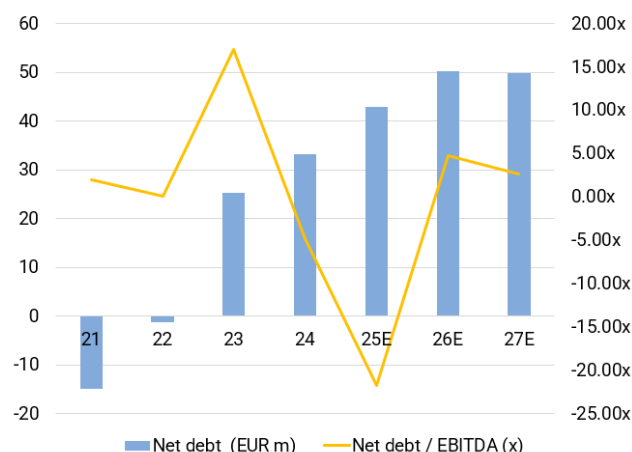
EPS, DPS in EUR & yoy EPS growth



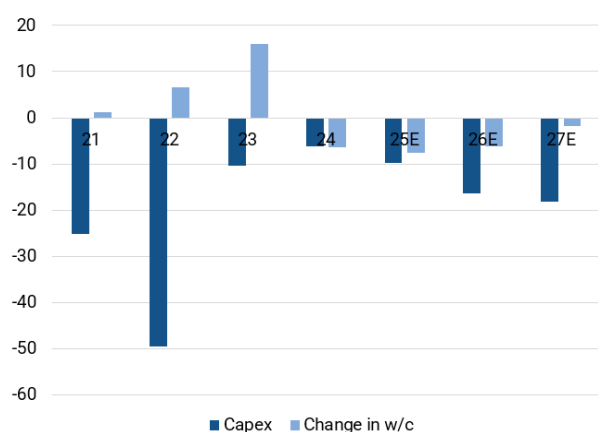
ROCE vs. WACC (pre tax)



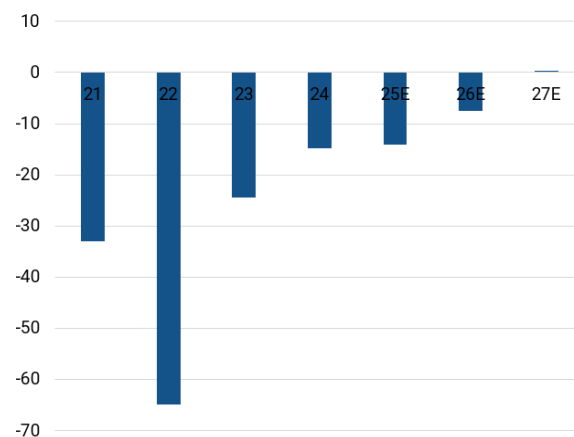
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

| Profit and loss (EURm) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 14.7 | 31.6 | 21.4 | 39.4 | 70.8 | 106.2 |
| Sales growth | 73.8% | 115.4% | -32.2% | 83.6% | 80.0% | 50.0% |
| Change in finished goods and work-in-process | 0.5 | 2.1 | -2.1 | 0.0 | 0.0 | 0.0 |
| Total sales | 15.2 | 33.7 | 19.3 | 39.4 | 70.8 | 106.2 |
| Material expenses | 12.0 | 13.0 | 12.7 | 22.8 | 42.5 | 63.7 |
| Gross profit | 3.2 | 20.7 | 6.6 | 16.5 | 28.3 | 42.5 |
| Other operating income | 9.2 | 8.2 | 7.9 | 3.1 | 0.0 | 0.0 |
| Personnel expenses | 14.3 | 13.6 | 11.7 | 13.8 | 10.3 | 12.8 |
| Other operating expenses | 8.6 | 13.9 | 9.7 | 7.9 | 7.4 | 11.2 |
| EBITDA | -10.6 | 1.5 | -6.9 | -2.0 | 10.6 | 18.5 |
| Depreciation | 2.3 | 4.2 | 6.0 | 4.7 | 4.5 | 8.5 |
| EBITA | -12.9 | -2.7 | -12.9 | -6.6 | 6.1 | 10.1 |
| Amortisation of goodwill and intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | -12.9 | -2.7 | -12.9 | -6.6 | 6.1 | 10.1 |
| Financial result | -0.1 | -3.6 | -7.9 | -5.7 | -7.2 | 0.0 |
| Recurring pretax income from continuing operations | -13.0 | -6.3 | -20.9 | -12.3 | -1.1 | 10.1 |
| Extraordinary income/loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings before taxes | -13.0 | -6.3 | -20.9 | -12.3 | -1.1 | 10.1 |
| Taxes | 0.0 | 0.9 | -0.2 | 1.2 | 0.2 | 2.5 |
| Net income from continuing operations | -13.0 | -7.2 | -20.7 | -13.6 | -1.3 | 7.5 |
| Result from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | -13.0 | -7.2 | -20.7 | -13.6 | -1.3 | 7.5 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit (reported) | -13.0 | -7.2 | -20.7 | -13.6 | -1.3 | 7.5 |
| Average number of shares | 25.51 | 27.20 | 27.64 | 30.55 | 30.55 | 30.55 |
| EPS reported | -0.51 | -0.26 | -0.75 | -0.44 | -0.04 | 0.25 |

| Profit and loss (common size) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Net sales | 100% | 100% | 100% | 100% | 100% | 100% |
| Change in finished goods and work-in-process | 4% | 7% | -10% | 0% | 0% | 0% |
| Total sales | 104% | 107% | 90% | 100% | 100% | 100% |
| Material expenses | 82% | 41% | 59% | 58% | 60% | 60% |
| Gross profit | 22% | 66% | 31% | 42% | 40% | 40% |
| Other operating income | 63% | 26% | 37% | 8% | 0% | 0% |
| Personnel expenses | 97% | 43% | 55% | 35% | 15% | 12% |
| Other operating expenses | 59% | 44% | 45% | 20% | 11% | 11% |
| EBITDA | -72% | 5% | -32% | -5% | 15% | 17% |
| Depreciation | 16% | 13% | 28% | 12% | 6% | 8% |
| EBITA | -88% | -8% | -60% | -17% | 9% | 9% |
| Amortisation of goodwill and intangible assets | 0% | 0% | 0% | 0% | 0% | 0% |
| EBIT | -88% | -8% | -60% | -17% | 9% | 9% |
| Financial result | -1% | -11% | -37% | -14% | -10% | 0% |
| Recurring pretax income from continuing operations | -88% | -20% | -97% | -31% | -2% | 9% |
| Extraordinary income/loss | 0% | 0% | 0% | 0% | 0% | 0% |
| Earnings before taxes | -88% | -20% | -97% | -31% | -2% | 9% |
| Taxes | 0% | 3% | -1% | 3% | 0% | 2% |
| Net income from continuing operations | -88% | -23% | -97% | -34% | -2% | 7% |
| Result from discontinued operations (net of tax) | 0% | 0% | 0% | 0% | 0% | 0% |
| Net income | -88% | -23% | -97% | -34% | -2% | 7% |
| Minority interest | 0% | 0% | 0% | 0% | 0% | 0% |
| Net profit (reported) | -88% | -23% | -97% | -34% | -2% | 7% |

Source: Company data; mwb research

| Balance sheet (EURm) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets (exl. Goodwill) | 10.3 | 12.0 | 14.4 | 16.3 | 18.5 | 20.6 |
| Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Property, plant and equipment | 68.8 | 72.9 | 71.8 | 75.0 | 84.6 | 92.1 |
| Financial assets | 1.2 | 1.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| FIXED ASSETS | 80.2 | 86.6 | 86.9 | 92.1 | 103.9 | 113.5 |
| Inventories | 8.4 | 11.3 | 8.8 | 9.4 | 11.6 | 17.5 |
| Accounts receivable | 9.7 | 23.3 | 37.3 | 17.2 | 28.1 | 34.9 |
| Other current assets | 0.2 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 |
| Liquid assets | 5.1 | 14.6 | 4.6 | 12.1 | 29.7 | 60.1 |
| Deferred taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred charges and prepaid expenses | 4.2 | 0.0 | 0.0 | 5.9 | 10.6 | 15.9 |
| CURRENT ASSETS | 27.6 | 54.8 | 56.3 | 50.3 | 85.7 | 134.0 |
| TOTAL ASSETS | 107.8 | 141.4 | 143.2 | 142.4 | 189.6 | 247.5 |
| SHAREHOLDERS EQUITY | 86.5 | 80.3 | 66.4 | 57.2 | 55.8 | 63.4 |
| MINORITY INTEREST | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Long-term debt | 2.8 | 38.7 | 32.9 | 45.0 | 60.0 | 80.0 |
| Provisions for pensions and similar obligations | 0.0 | 0.8 | 0.9 | 0.0 | 0.0 | 0.0 |
| Other provisions | 2.4 | 2.1 | 3.9 | 2.0 | 1.4 | 2.1 |
| Non-current liabilities | 5.3 | 41.5 | 37.6 | 47.0 | 61.4 | 82.1 |
| short-term liabilities to banks | 1.0 | 1.1 | 4.9 | 10.0 | 20.0 | 30.0 |
| Accounts payable | 11.2 | 5.5 | 7.5 | 13.8 | 19.8 | 28.8 |
| Advance payments received on orders | 0.3 | 0.7 | 0.0 | 3.9 | 14.2 | 15.9 |
| Other liabilities (incl. from lease and rental contracts) | 1.5 | 11.4 | 23.1 | 9.8 | 17.7 | 26.6 |
| Deferred taxes | 0.0 | 0.9 | 0.7 | 0.7 | 0.7 | 0.7 |
| Deferred income | 2.1 | 0.0 | 2.9 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 16.1 | 19.6 | 39.2 | 38.2 | 72.4 | 102.0 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 107.8 | 141.4 | 143.2 | 142.4 | 189.6 | 247.5 |

| Balance sheet (common size) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Intangible assets (excl. Goodwill) | 10% | 8% | 10% | 11% | 10% | 8% |
| Goodwill | 0% | 0% | 0% | 0% | 0% | 0% |
| Property, plant and equipment | 64% | 52% | 50% | 53% | 45% | 37% |
| Financial assets | 1% | 1% | 1% | 1% | 0% | 0% |
| FIXED ASSETS | 74% | 61% | 61% | 65% | 55% | 46% |
| Inventories | 8% | 8% | 6% | 7% | 6% | 7% |
| Accounts receivable | 9% | 16% | 26% | 12% | 15% | 14% |
| Other current assets | 0% | 4% | 4% | 4% | 3% | 2% |
| Liquid assets | 5% | 10% | 3% | 9% | 16% | 24% |
| Deferred taxes | 0% | 0% | 0% | 0% | 0% | 0% |
| Deferred charges and prepaid expenses | 4% | 0% | 0% | 4% | 6% | 6% |
| CURRENT ASSETS | 26% | 39% | 39% | 35% | 45% | 54% |
| TOTAL ASSETS | 100% | 100% | 100% | 100% | 100% | 100% |
| SHAREHOLDERS EQUITY | 80% | 57% | 46% | 40% | 29% | 26% |
| MINORITY INTEREST | 0% | 0% | 0% | 0% | 0% | 0% |
| Long-term debt | 3% | 27% | 23% | 32% | 32% | 32% |
| Provisions for pensions and similar obligations | 0% | 1% | 1% | 0% | 0% | 0% |
| Other provisions | 2% | 1% | 3% | 1% | 1% | 1% |
| Non-current liabilities | 5% | 29% | 26% | 33% | 32% | 33% |
| short-term liabilities to banks | 1% | 1% | 3% | 7% | 11% | 12% |
| Accounts payable | 10% | 4% | 5% | 10% | 10% | 12% |
| Advance payments received on orders | 0% | 1% | 0% | 3% | 7% | 6% |
| Other liabilities (incl. from lease and rental contracts) | 1% | 8% | 16% | 7% | 9% | 11% |
| Deferred taxes | 0% | 1% | 0% | 0% | 0% | 0% |
| Deferred income | 2% | 0% | 2% | 0% | 0% | 0% |
| Current liabilities | 15% | 14% | 27% | 27% | 38% | 41% |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 100% | 100% | 100% | 100% | 100% | 100% |

Source: Company data; mwb research

| Cash flow statement (EURm) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|--------------|--------------|-------------|-------------|--------------|--------------|
| Net profit/loss | -13.0 | -7.2 | -20.7 | -13.6 | -1.3 | 7.5 |
| Depreciation of fixed assets (incl. leases) | 2.3 | 4.2 | 6.0 | 4.7 | 4.5 | 8.5 |
| 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 | 1.8 | 5.0 | -0.2 | -2.8 | -0.6 | 0.7 |
| Cash flow from operations before changes in w/c | -8.9 | 2.0 | -14.9 | -11.7 | 2.6 | 16.7 |
| Increase/decrease in inventory | -4.8 | -2.9 | 2.5 | -0.5 | -2.3 | -5.8 |
| Increase/decrease in accounts receivable | -6.1 | -14.8 | -14.0 | 20.0 | -10.9 | -6.8 |
| Increase/decrease in accounts payable | 4.5 | 0.7 | 18.3 | 6.2 | 6.0 | 9.0 |
| Increase/decrease in other w/c positions | -0.1 | 0.9 | -0.4 | -18.2 | 13.4 | 5.3 |
| Increase/decrease in working capital | -6.5 | -16.0 | 6.4 | 7.5 | 6.3 | 1.7 |
| Cash flow from operating activities | -15.5 | -14.1 | -8.5 | -4.2 | 8.9 | 18.4 |
| CAPEX | -49.5 | -10.4 | -6.2 | -9.8 | -16.3 | -18.1 |
| 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 |
| Cash flow from investing activities | -49.5 | -10.4 | -6.2 | -9.8 | -16.3 | -18.1 |
| Cash flow before financing | -65.0 | -24.5 | -14.7 | -14.0 | -7.4 | 0.4 |
| Increase/decrease in debt position | -0.8 | 34.0 | -2.6 | 17.3 | 25.0 | 30.0 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 53.0 | 0.0 | 8.0 | 4.3 | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | -1.8 | 0.0 | -0.8 | 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 |
| Cash flow from financing activities | 50.4 | 34.0 | 4.7 | 21.6 | 25.0 | 30.0 |
| Increase/decrease in liquid assets | -14.5 | 9.5 | -10.0 | 7.6 | 17.6 | 30.4 |
| Liquid assets at end of period | 5.1 | 14.6 | 4.6 | 12.1 | 29.7 | 60.1 |

Source: Company data; mwb research

| Regional sales split (EURm) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Domestic | 7.8 | 11.3 | 4.4 | 8.0 | 14.5 | 21.7 |
| Europe (ex domestic) | 2.7 | 17.1 | 4.0 | 7.4 | 13.2 | 19.9 |
| The Americas | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Asia | 2.4 | 0.0 | 9.7 | 17.8 | 32.0 | 47.9 |
| Rest of World | 1.4 | 3.2 | 3.7 | 6.7 | 12.1 | 18.2 |
| Total sales | 14.7 | 31.6 | 21.4 | 39.4 | 70.8 | 106.2 |

| Regional sales split (common size) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Domestic | 52.9% | 35.7% | 20.4% | 20.4% | 20.4% | 20.4% |
| Europe (ex domestic) | 18.3% | 54.2% | 18.7% | 18.7% | 18.7% | 18.7% |
| The Americas | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Asia | 16.1% | 0.0% | 45.1% | 45.1% | 45.1% | 45.1% |
| Rest of World | 9.6% | 10.1% | 17.1% | 17.1% | 17.1% | 17.1% |
| Total sales | 100% | 100% | 100% | 100% | 100% | 100% |

Source: Company data; mwb research

| Ratios | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|-----------------------------------|--------|--------|--------|--------|--------|-------|
| Per share data | | | | | | |
| Earnings per share reported | -0.51 | -0.26 | -0.75 | -0.44 | -0.04 | 0.25 |
| Cash flow per share | -0.61 | -0.52 | -0.31 | -0.29 | 0.14 | 0.33 |
| Book value per share | 3.39 | 2.95 | 2.40 | 1.87 | 1.83 | 2.07 |
| Dividend per share | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Valuation | | | | | | |
| P/E | -5.1x | -9.9x | -3.5x | -5.9x | -58.9x | 10.5x |
| P/CF | -4.3x | -5.0x | -8.5x | -9.0x | 18.2x | 8.0x |
| P/BV | 0.8x | 0.9x | 1.1x | 1.4x | 1.4x | 1.3x |
| Dividend yield (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| FCF yield (%) | -23.3% | -19.9% | -11.8% | -11.1% | 5.5% | 12.6% |
| EV/Sales | 5.3x | 3.3x | 5.3x | 3.1x | 1.8x | 1.2x |
| EV/EBITDA | -7.4x | 71.0x | -16.4x | -62.2x | 12.3x | 7.0x |
| EV/EBIT | -6.1x | -39.3x | -8.8x | -18.4x | 21.4x | 12.9x |
| Income statement (EURm) | | | | | | |
| Sales | 14.7 | 31.6 | 21.4 | 39.4 | 70.8 | 106.2 |
| yoy chg in % | 73.8% | 115.4% | -32.2% | 83.6% | 80.0% | 50.0% |
| Gross profit | 3.2 | 20.7 | 6.6 | 16.5 | 28.3 | 42.5 |
| Gross margin in % | 21.7% | 65.6% | 30.9% | 42.0% | 40.0% | 40.0% |
| EBITDA | -10.6 | 1.5 | -6.9 | -2.0 | 10.6 | 18.5 |
| EBITDA margin in % | -72.1% | 4.7% | -32.3% | -5.0% | 14.9% | 17.4% |
| EBIT | -12.9 | -2.7 | -12.9 | -6.6 | 6.1 | 10.1 |
| EBIT margin in % | -87.6% | -8.5% | -60.4% | -16.9% | 8.6% | 9.5% |
| Net profit | -13.0 | -7.2 | -20.7 | -13.6 | -1.3 | 7.5 |
| Cash flow statement (EURm) | | | | | | |
| CF from operations | -15.5 | -14.1 | -8.5 | -4.2 | 8.9 | 18.4 |
| Capex | -49.5 | -10.4 | -6.2 | -9.8 | -16.3 | -18.1 |
| Maintenance Capex | 0.0 | 0.0 | 0.0 | 4.7 | 4.5 | 8.5 |
| Free cash flow | -65.0 | -24.5 | -14.7 | -14.0 | -7.4 | 0.4 |
| Balance sheet (EURm) | | | | | | |
| Intangible assets | 10.3 | 12.0 | 14.4 | 16.3 | 18.5 | 20.6 |
| Tangible assets | 68.8 | 72.9 | 71.8 | 75.0 | 84.6 | 92.1 |
| Shareholders' equity | 86.5 | 80.3 | 66.4 | 57.2 | 55.8 | 63.4 |
| Pension provisions | 0.0 | 0.8 | 0.9 | 0.0 | 0.0 | 0.0 |
| Liabilities and provisions | 6.3 | 42.7 | 42.5 | 57.0 | 81.4 | 112.1 |
| Net financial debt | -1.2 | 25.2 | 33.2 | 42.9 | 50.3 | 49.9 |
| w/c requirements | 6.6 | 28.3 | 38.6 | 8.9 | 5.8 | 7.6 |
| Ratios | | | | | | |
| ROE | -15.0% | -8.9% | -31.2% | -23.7% | -2.4% | 11.9% |
| ROCE | -13.9% | -2.2% | -11.9% | -5.8% | 4.4% | 5.7% |
| Net gearing | -1.4% | 31.4% | 49.9% | 75.0% | 90.1% | 78.8% |
| Net debt / EBITDA | 0.1x | 17.0x | -4.8x | -21.8x | 4.8x | 2.7x |

Source: Company data; mwb research

Conflicts of interest

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|------------|------------|
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