

PNE AG

Germany / Cleantech
 Primary exchange: Frankfurt
 Bloomberg: PNE3 GR
 ISIN: DE000A0JBPG2

2023 Annual Report

RATING

PRICE TARGET

Return Potential
 Risk Rating

BUY

€ 21.00

58.1%
 High

EBITDA AT UPPER END OF GUIDANCE

In 2023, PNE increased EBITDA 13% y/y to €39.9m and reached the upper end of guidance (€30m - €40m). EBITDA topped our forecast by 15% due mainly to a better than expected contribution from the Electricity Generation segment. PNE expanded its project pipeline by 61% y/y to 19.1 GW and added 51 MW to its onshore wind own plant portfolio, which now has a capacity of 370 MW. Wind farms with a total capacity of 281 MW currently under construction should be added over the next 24 months. The portfolio thus looks set to expand significantly to 651 MW. PNE is guiding towards 2024 EBITDA of €40m - €50m. An updated sum-of-the-parts valuation yields a €21 price target (previously: €22). The main reasons for the lower price target are lower margin assumptions in the service business and a higher net debt position in the Electricity Generation segment. Given the strong project pipeline and the rising green power portfolio capacity, we see PNE on track with its growth strategy "Scale up 2.0" and reiterate our Buy recommendation.

Strong Electricity Generation segment EBITDA results in group EBITDA at upper end of guidance Despite a small revenue decline (-4% y/y), group EBITDA rose 13% y/y to €39.9m (see figure 1 overleaf). PNE thus hit the upper end of guidance of €40m. The main reason for the higher than expected group EBITDA was strong EBITDA in the Electricity Generation segment (€60.3m versus €57.4m in 2022 and FBe of €55.0m). Higher D&A (€342m versus €29.2m in 2022) yielded EBIT of €5.7m, which roughly matches the prior year figure of €6.1m. The net loss (€-9.5m) is largely attributable to non-cash valuation effects of interest rate swaps and loan liabilities.

2024 guidance: €40m - €50m in EBITDA PNE is guiding towards EBITDA of €40m - €50m. This suggests EBITDA growth between 0% and 25%. Guidance is in line with our EBITDA forecast of €43m.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023	2024E	2025E	2026E
Revenue (€m)	117.73	126.17	121.53	146.16	177.45	244.17
Y-o-y growth	7.3%	7.2%	-3.7%	20.3%	21.4%	37.6%
EBITDA (€m)	32.65	35.39	39.92	43.05	62.86	98.28
EBITDA margin	27.7%	28.1%	32.8%	29.5%	35.4%	40.3%
Net income (€m)	25.13	14.90	-9.55	-13.90	-11.75	-10.26
EPS (diluted) (€)	0.33	0.20	-0.13	-0.18	-0.15	-0.13
DPS (€)	0.08	0.08	0.08	0.08	0.08	0.08
FCF (€m)	-89.05	-104.65	-191.64	-164.37	-327.13	-259.03
Net gearing	166.3%	194.4%	329.1%	314.0%	477.1%	620.4%
Liquid assets (€m)	149.63	121.58	90.40	66.93	61.70	72.57

RISKS

Risks to our price target include, but are not limited to: changes in legislation, project delays, project approval risks, project financing risks, tender awards, award prices, and interest rate changes.

COMPANY PROFILE

PNE AG is a clean energy solution provider active in wind & PV project development, green power production, and energy services. Currently, the company has an international wind and PV project pipeline of ca. 19.1 GW and an own wind power plant portfolio with a capacity of ca. 370 MW. PNE is based in Cuxhaven, Germany.

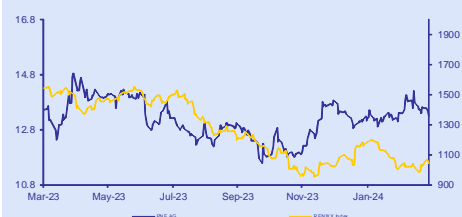
MARKET DATA

As of 28 Mar 2024

Closing Price	€ 13.28
Shares outstanding	76.34m
Market Capitalisation	€ 1013.74m
52-week Range	€ 11.56 / 14.82
Avg. Volume (12 Months)	87,577

Multiples	2023	2024E	2025E
P/E	n.a.	n.a.	n.a.
EV/Sales	12.1	10.1	8.3
EV/EBITDA	36.9	34.2	23.4
Div. Yield	0.6%	0.6%	0.6%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2023

Liquid Assets	€ 90.40m
Current Assets	€ 450.07m
Intangible Assets	€ 64.85m
Total Assets	€ 1,101.69m
Current Liabilities	€ 162.02m
Shareholders' Equity	€ 208.14m

SHAREHOLDERS

Morgan Stanley Infrastructure Partners	44.2%
Active Ownership Fund SCS	12.0%
Samson Rock	7.9%
Enkraft	5.0%
Free Float	30.9%



We expect project sales successes in Romania, the UK, and the US. PNE still plans to sell its US business. The US pipeline comprises PV projects with a total capacity of 1,372 MW and 746 MW of wind projects. According to management, a complete exit of the US business could result in a low double-digit euro million EBITDA contribution.

Figure 1: Reported group figures versus forecasts

All figures in €m	2023A	2023E	Delta	2022A	Delta
Sales	121.5	117.2	4%	126.2	-4%
EBITDA	39.9	34.8	15%	35.4	13%
margin	32.8%	29.7%		28.1%	
Net income	-9.6	-12.8	-	14.1	-
margin	-7.9%	-10.9%		11.2%	
EPS (diluted) in €	-0.13	-0.17	-	0.20	-

Source: First Berlin Equity Research, PNE AG

Segment reporting shows strong EBITDA contribution from Electricity Generation segment Thanks to very good wind conditions in Q4/23 and the expanded portfolio (+51 MW y/y), Electricity Generation segment revenue rose 1% to €73.8m despite lower power prices. Segment EBITDA edged 4% higher to €60.3m. The EBITDA margin even topped the 2022 margin (81.7% versus 79.0%).

While the Service segment showed strong top line growth (+16% y/y) to €21.4m, EBITDA grew only 7% to €6.5m. Management hinted at a further rise in IT and personnel costs, which thus look set to continue to burden margins in 2024.

Despite lower sales and EBITDA contributions from the Project Development segment, business activity was high with 288 MW under construction and a significant expansion of the project pipeline. PNE received permits for 21 wind and PV projects with an output of 1,675 MW/MWp, of which nine wind farms are located in Germany (162 MW).

Figure 2: Reported segment figures versus forecasts

Figures in €m	2023A	2023E	Delta	2022A	Delta
Project development					
External sales	26.3	24.1	9%	34.7	-24%
EBITDA	17.9	22.7	-21%	26.8	-33%
margin	68.2%	94.2%	-	77.3%	-
Services					
External sales	21.4	22.2	-4%	18.4	16%
EBITDA	6.5	7.1	-8%	6.1	7%
margin	30.4%	31.9%	-	33.1%	-
Electricity generation					
External sales	73.8	70.9	4%	73.1	1%
EBITDA	60.3	55.0	10%	57.7	4%
margin	81.7%	77.6%		79.0%	-
Consolidation					
External sales	0.0	0.0	-	0.0	-
EBITDA	-44.9	-50.0	-	-55.2	-
margin	n.m.	n.m.	-	n.m.	-
Group					
Sales	121.5	117.2	4%	126.2	-4%
EBITDA	39.9	34.8	15%	35.4	13%
margin	32.8%	29.7%		28.1%	

Source: First Berlin Equity Research, PNE AG

Higher inventories and PP&E drive balance sheet expansion The balance sheet total rose 20% to €1,102m (see figure 3). The main drivers were higher inventories (+91% to €281m) and higher PP&E (+13% to €398m). High construction activity and the expanded own power plant portfolio are the main reasons for this development.

A lower cash position and higher financial debt including leasing liabilities increased net debt by 50% to €685m. The net loss and the dividend lowered equity by 10% to €208m. The equity ratio declined from 25.2% to 18.9%. Despite this development, management sees enough options to finance further growth. The liquidity position including credit lines for interim project financing increased to €219m (2022: €169m).

Figure 3: Balance sheet, selected items

All figures in EURm	2023A	2022A	Delta
Assets			
Current assets, total	450	335	34%
Cash and cash equivalents	90	122	-26%
Receivables	38	38	-1%
Inventories	281	147	91%
Non-current assets, total	652	586	11%
Property, plant & equipment	398	354	13%
Goodwill & other intangibles	64	64	0%
Right-of-use-assets	93	87	6%
Total assets	1,102	920	20%
Shareholders' equity & debt			
Current liabilities, total	140	140	0%
Short-term financial debt	55	36	51%
Liabilities from leases (ST)	8	6	30%
Accounts payable	60	45	34%
Long-term liabilities, total	732	548	33%
Long-term financial debt	557	419	33%
Liabilities from leases (LT)	156	111	40%
Shareholders' equity	208	232	-10%
Equity ratio	18.9%	25.2%	-6.3 PP
Net debt	685	455	50%
Net gearing	329%	194%	+135 PP

Source: First Berlin Equity Research, PNE AG

Strong construction activity consumes more working capital Operating cash flow amounted to €-166m owing chiefly to higher inventories (€-232m). Investment cash flow was €-20m due mainly to CapEx of €-25m. Financing cash flow tallied €155m as PNE took new loans (€197m). Net cash outflow was €31m (see figure 4).

Figure 4: Cash flow statement

All figures in €m	2023A	2022A
Operating cash flow	-166.2	-9.0
CAPEX	-25.5	-95.6
Free cash flow	-191.7	-104.6
Cash flow from investing	-20.1	-98.1
Cash flow from financing	155.1	79.2
Net cash flow	-31.2	-27.9

Source: First Berlin Equity Research, PNE AG



Strong project pipeline growth In 2023, PNE expanded its project pipeline to 19,101 MW/MWp (previous year: 11,883 MW/MWp, +61% y/y, see figure 5). Onshore wind projects accounted for 9,177 MW (previous year: 7,587 MW), PV projects for 7,424 MWp (PY: 4,296 MWp), and offshore wind projects for 2,500 MW (PY: 0 MW). The expanded project pipeline is the basis for further growth in coming years.

Figure 5: Pipeline development

Project pipeline in MW	Q4-23	Q3-23	Delta q/q	Q4-22	Delta y/y
Onshore wind	9,177	8,820	4%	7,587	21%
Offshore wind	2,500	2,500	0%	0	-
PV	7,424	6,207	20%	4,296	73%
Total	19,101	17,527	9%	11,883	61%

Source: First Berlin Equity Research, PNE AG

Own plant portfolio expanded to 370 MW PNE expanded its wind farm portfolio from 319 MW to 370 MW (+51 MW y/y). Further wind farms (281 MW) are under construction in Germany and France and will be added to the portfolio. The portfolio could thus reach 651 MW within the next 24 months. We see PNE on track to reach its targeted portfolio expansion to 1,500 MW/MWp in operation or under construction by the end of 2027.

CEO Lesser leaves PNE Mr Lesser will resign from his position with effect from the end of July 2024 for personal reasons. During his 13 year term, he has played a key role in developing PNE from a pure wind farm developer to a clean energy solutions provider and independent power producer (IPP). We see his resignation as a loss for the company.

German Federal Grid Agency increased 2024 onshore wind tender volume to almost 15 GW With the start of the procedures for the second onshore wind tender, the German Federal Grid Agency raised the 2024 tender volume from 10 GW to almost 15 GW. The additional volume is fed by the quantities not awarded in the previous year. While the first tender had a volume of 2.5 GW, the remaining three tenders will probably have a volume of 4.1 MW each instead of 2.5 GW. This increases the probability that projects will be awarded and should lead to higher pricing. This is beneficial to companies participating in the remaining 2024 tenders.

Forecasts adjusted Based on 2023 figures and conference call takeaways, we have revised our segment forecasts. On the group level, we have raised our 2024 EBITDA forecast to €43.0m due to expected higher project development earnings. A higher cost base yields slightly lower EBITDA forecasts for 2025E & 2026E. We nevertheless expect strong EBITDA growth in both years.

Figure 6: Revisions to forecasts

All figures in €m	2024E			2025E			2026E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	140.6	146.2	4%	177.2	177.4	0%	243.9	244.2	0%
EBITDA	40.2	43.0	7%	66.4	62.9	-5%	102.5	98.3	-4%
margin	28.6%	29.5%		37.5%	35.4%		42.0%	40.3%	
Net income	-12.8	-13.9	-	-9.5	-11.8	-	-9.4	-10.3	-
margin	-9.1%	-9.5%		-5.4%	-6.6%		-3.9%	-4.2%	
EPS (diluted) in €	-0.17	-0.18	-	-0.13	-0.15	-	-0.12	-0.13	-

Source: First Berlin Equity Research, PNE AG

**Figure 7: Segment EBITDA contributions**

EBITDA	2022A	2023A	2024E	2025E	2026E
Projects incl. consolidation	-28.4	-26.9	-21.6	-11.5	-6.3
Electricity Generation	57.7	60.3	57.2	66.2	95.7
Services	6.1	6.5	7.4	8.1	8.9
Total	35.4	39.9	43.0	62.9	98.3
<i>Growth</i>	<i>n.m.</i>	13%	8%	46%	56%

Source: First Berlin Equity Research, PNE AG

Updated sum-of-the-parts valuation yields €21 price target While we have increased our Project segment valuation by 6% to reflect the expanded project pipeline, we have lowered our Electricity Generation segment valuation by 13%, due mainly to higher segment net debt (€643m versus €443m in 2022). Lower margin assumptions for the Service segment yield a 6% decline in this segment's valuation. Our updated sum-of-the-parts valuation (see figure overleaf) yields a slightly lower price target of €21 (previously: €22). We confirm our Buy recommendation.



VALUATION MODEL

SUM-OF-THE-PARTS VALUATION

We use a sum-of-the-parts (SotP) analysis to model PNE's fair value. Each of the following segments is valued individually using a discounted cash flow (DCF) model:

- Project Development;
- Electricity Generation; and
- Services.

Sum-of-the-parts valuation

SotP valuation	Fair value in €m	Fair value per share in €	FVPS in € old	Delta
Project Development	605.20	7.93	7.49	6%
Electricity Generation	838.64	10.99	12.69	-13%
Services	133.10	1.74	1.84	-5%
Sum of the parts	1,576.94	20.66	22.02	-6%
Price target		21.00	22.00	-5%

DCF model for Project Development segment

All figures in €'000 *	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Net sales	46,500	63,300	89,600	175,800	197,400	653,600	673,208	693,404
NOPLAT	-24,511	-14,182	-8,866	9,138	10,468	77,149	76,120	74,993
+ depreciation & amortisation	2,886	2,692	2,523	2,428	2,341	2,293	2,250	2,220
Net operating cash flow	-21,625	-11,490	-6,343	11,566	12,809	79,442	78,370	77,213
- total investments (CAPEX and WC)	7,624	16,377	-17,320	-8,420	-45,274	10,915	-50,466	-12,674
Capital expenditures	-1,395	-1,393	-1,792	-1,758	-1,974	-1,961	-2,020	-2,080
Working capital	9,019	17,770	-15,528	-6,662	-43,300	12,876	-48,446	-10,594
Free cash flows (FCF)	-14,001	4,887	-23,663	3,146	-32,466	90,357	27,904	64,539
PV of FCF's	-13,205	4,267	-19,130	2,354	-22,493	57,958	16,571	35,485

All figures in thousands

PV of FCFs in explicit period (2024E-2038E)	225,671
PV of FCFs in terminal period	405,926
Enterprise value (EV)	631,597
+ Net cash / - net debt	-25,592
+ Investments / minority interests	1,378
Shareholder value	605,196
Number of shares (diluted)	76,337
Fair value per share in EUR	7.93

WACC	8.0%
Cost of equity	11.7%
Pre-tax cost of debt	5.0%
Tax rate	30.0%
After-tax cost of debt	3.5%
Share of equity capital	55.0%
Share of debt capital	45.0%
Fair value per share in EUR	7.93

Terminal growth rate

	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%
5.0%	14.99	16.94	19.66	23.74	30.53	44.03	83.99
6.0%	10.95	11.95	13.23	14.94	17.33	20.91	26.87
7.0%	8.39	8.96	9.66	10.54	11.67	13.17	15.27
8.0%	6.64	7.00	7.42	7.93	8.55	9.32	10.31
9.0%	5.38	5.62	5.89	6.20	6.57	7.02	7.56
10.0%	4.43	4.59	4.77	4.98	5.22	5.50	5.82
11.0%	3.71	3.71	3.71	3.71	3.71	3.71	3.71

* for layout purposes the model shows numbers only to 2030, but runs until 2038



Wind and solar portfolio expansion path

MW	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Wind							
Capacity, 1 Jan	233	319	370	480	640	750	870
Additional capacity	86	51	110	160	110	120	160
Capacity, YE	319	370	480	640	750	870	1,030
Solar							
Capacity, 1 Jan	0	0	0	0	120	240	360
Additional capacity	0	0	0	120	120	120	140
Capacity, YE	0	0	0	120	240	360	500
Total capacity, YE	319	370	480	760	990	1,230	1,530

DCF model for Electricity Generation segment

All figures in EUR*000 *	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Net sales	74,760	86,514	124,114	153,114	183,395	223,315	225,548	227,804
NOPLAT	23,088	28,419	39,561	51,409	61,965	74,726	77,686	81,391
+ depreciation & amortisation	31,752	37,489	54,994	64,414	78,549	93,705	90,613	86,188
Net operating cash flow	54,840	65,908	94,555	115,823	140,514	168,431	168,299	167,579
- total investments (CAPEX and WC)	-192,680	-372,254	-289,711	-305,562	-390,807	-48,046	-40,818	-40,823
Capital expenditures	-192,500	-370,000	-282,500	-300,000	-385,000	-40,390	-40,390	-40,390
Working capital	-180	-2,254	-7,211	-5,562	-5,807	-7,656	-428	-433
Free cash flows (FCF)	-137,840	-306,347	-195,156	-189,739	-250,293	120,385	127,481	126,756
PV of FCF's	-133,290	-283,438	-172,762	-160,711	-202,818	93,336	94,568	89,968

All figures in thousands	
PV of FCFs in explicit period (2024E-2038E)	-153,590
PV of FCFs in terminal period	1,634,989
Enterprise value (EV)	1,481,399
+ Net cash / - net debt	-642,600
+ Investments / minority interests	0
Shareholder value	838,799
Number of shares (diluted)	76,337
Fair value per share in EUR	10.99

WACC		Terminal growth rate							
		0.4%	0.6%	0.8%	1.0%	1.2%	1.4%	1.6%	
Cost of equity	7.7%	3.8%	11.73	14.25	17.11	20.38	24.16	28.58	33.82
Pre-tax cost of debt	4.5%	4.0%	9.35	11.52	13.95	16.71	19.87	23.50	27.74
Tax rate	30.0%	4.3%	7.28	9.17	11.27	13.63	16.29	19.33	22.82
After-tax cost of debt	3.2%	4.5%	5.48	7.13	8.95	10.99	13.27	15.84	18.77
Share of equity capital	30.0%	4.8%	3.88	5.34	6.94	8.71	10.68	12.88	15.37
Share of debt capital	70.0%	5.0%	2.47	3.76	5.17	6.73	8.44	10.35	12.48
Fair value per share in EUR	10.99	5.3%	1.21	2.36	3.61	4.98	6.49	8.15	10.00

* for layout purposes the model shows numbers only to 2031, but runs until 2038



DCF model for Services segment

All figures in €'000 *	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Sales (external and inter-segment)	33,196	36,847	40,606	44,463	48,404	52,387	56,363	60,283
NOPLAT	3,110	3,544	4,167	4,868	5,720	6,584	7,454	8,325
+ depreciation & amortisation	4,019	4,212	4,354	4,432	4,583	4,766	4,977	5,210
Net operating cash flow	7,128	7,756	8,521	9,300	10,303	11,350	12,431	13,535
- total investments (CAPEX and WC)	-5,452	-5,271	-4,988	-5,120	-5,497	-5,856	-6,197	-6,517
Capital expenditures	-5,311	-5,159	-4,873	-4,891	-5,236	-5,572	-5,893	-6,193
Working capital	-141	-112	-115	-229	-261	-284	-305	-324
Free cash flows (FCF)	1,676	2,485	3,533	4,180	4,806	5,494	6,234	7,018
PV of FCF's	1,585	2,182	2,881	3,166	3,380	3,589	3,782	3,955

All figures in thousands	
PV of FCFs in explicit period (2024E-2038E)	54,695
PV of FCFs in terminal period	86,402
Enterprise value (EV)	141,098
+ Net cash / - net debt	-8,000
+ Investments / minority interests	0
Shareholder value	133,098
Number of shares (diluted)	76,337
Fair value per share in EUR	1.74

WACC		Terminal growth rate						
		1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
4.7%	Cost of equity	3.28	3.65	4.17	4.91	6.10	8.32	13.85
5.7%	Pre-tax cost of debt	2.43	2.62	2.86	3.18	3.61	4.25	5.28
6.7%	Tax rate	1.88	1.99	2.12	2.28	2.49	2.76	3.14
7.7%	After-tax cost of debt	1.51	1.57	1.65	1.74	1.86	2.00	2.18
8.7%	Share of equity capital	1.24	1.28	1.33	1.38	1.45	1.53	1.63
9.7%	Share of debt capital	1.03	1.06	1.09	1.13	1.17	1.22	1.28
10.7%	Fair value per share in EUR	0.87	0.89	0.92	0.94	0.97	1.00	1.04

* for layout purposes the model shows numbers only to 2031, but runs until 2038



INCOME STATEMENT

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
Revenues	117,728	126,171	121,534	146,157	177,450	244,169
Change in inventories	129,819	111,671	136,355	0	0	0
Own work	0	0	0	202,400	294,400	292,400
Other operating income	4,480	5,504	9,948	7,876	7,971	9,700
Total aggregate output	252,027	243,346	267,837	356,433	479,820	546,269
Cost of goods sold	-161,554	-137,315	-141,059	-212,828	-307,131	-322,197
Gross profit (total aggr. output / COGS)	90,473	106,031	126,778	143,605	172,690	224,072
Personnel costs	-38,499	-42,561	-51,778	-56,506	-60,313	-64,449
Other operating expenses	-19,320	-28,077	-35,081	-44,053	-49,514	-61,341
EBITDA	32,654	35,394	39,920	43,046	62,863	98,282
Depreciation and amortisation	-23,389	-29,221	-34,182	-38,657	-44,394	-61,871
Operating income (EBIT)	9,265	6,173	5,738	4,389	18,469	36,411
Interest Expense	-10,790	-16,169	-26,280	-22,274	-33,288	-43,242
Interest Income	4,414	33,797	11,887	0	0	0
Other financial income / expenses	138	61	56	0	0	0
Pre-tax income (EBT)	3,028	23,862	-8,599	-17,885	-14,818	-6,831
Income taxes	21,636	-9,768	424	5,365	4,446	-2,049
Minority interests	463	809	-1,378	-1,378	-1,378	-1,378
Net income / loss	25,127	14,903	-9,554	-13,898	-11,751	-10,258
Diluted EPS (in €)	0.33	0.20	-0.13	-0.18	-0.15	-0.13

Ratios

Gross margin (gross profit/total aggr. output)	35.9%	43.6%	47.3%	40.3%	36.0%	41.0%
EBITDA margin on revenues	27.7%	28.1%	32.8%	29.5%	35.4%	40.3%
EBIT margin on revenues	7.9%	4.9%	4.7%	3.0%	10.4%	14.9%
Net margin on revenues	21.3%	11.8%	-7.9%	-9.5%	-6.6%	-4.2%
Tax rate	-714.6%	40.9%	4.9%	-30.0%	-30.0%	30.0%

Expenses as % of revenues

Personnel costs	32.7%	33.7%	42.6%	38.7%	34.0%	26.4%
Depreciation and amortisation	19.9%	23.2%	28.1%	26.4%	25.0%	25.3%
Other operating expenses	16.4%	22.3%	28.9%	30.1%	27.9%	25.1%

Y-Y Growth

Revenues	7.3%	7.2%	-3.7%	20.3%	21.4%	37.6%
Operating income	13.4%	-33.4%	-7.0%	-23.5%	320.8%	97.1%
Net income/ loss	1450.5%	-40.7%	n.m.	n.m.	n.m.	n.m.



BALANCE SHEET

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
Assets						
Current assets, total	363,469	334,833	450,072	395,536	379,067	422,390
Cash and cash equivalents	149,625	121,582	90,403	66,934	61,700	72,565
Short-term investments	0	0	0	0	0	0
Receivables	29,492	38,152	37,823	44,184	55,030	75,124
Inventories	163,711	147,371	281,263	243,836	221,753	234,118
Other current assets	20,641	27,728	40,583	40,583	40,583	40,583
Non-current assets, total	463,531	585,502	651,620	812,169	1,144,327	1,371,620
Property, plant & equipment	273,523	353,798	398,370	558,920	891,077	1,118,371
Goodwill & other intangibles	63,964	64,858	64,854	64,854	64,854	64,854
Rights-of-use assets	64,732	87,333	92,842	92,842	92,842	92,842
Other assets	126,044	166,846	188,396	188,396	188,396	188,396
Total assets	827,000	920,336	1,101,692	1,207,706	1,523,394	1,794,011
Shareholders' equity & debt						
Current liabilities, total	109,302	139,850	162,016	132,657	148,824	188,428
Short-term financial debt	22,758	36,434	54,991	48,000	60,000	90,000
Liabilities from leases (ST)	6,862	5,803	7,547	7,547	7,547	7,547
Accounts payable	34,398	44,572	59,744	37,376	41,543	51,147
Current provisions	6,747	9,829	12,971	12,971	12,971	12,971
Other current liabilities	45,399	49,015	34,310	34,310	34,310	34,310
Long-term liabilities, total	495,905	548,326	731,539	822,590	1,138,590	1,384,590
Long-term financial debt	385,066	419,363	556,841	647,892	963,892	1,189,892
Liabilities from leases (LT)	103,719	111,207	156,099	156,099	156,099	156,099
Other liabilities	7,120	17,755	18,599	18,599	18,599	38,599
Minority interests	-7,382	-5,590	-3,430	-2,052	-673	705
Shareholders' equity	229,175	237,750	211,567	254,511	236,653	220,287
Share capital	76,603	76,603	76,603	76,603	76,603	76,603
Capital reserve	82,953	82,953	82,953	82,953	82,953	82,953
Other reserves	-3,109	-2,985	-12,869	-12,869	-12,869	-12,869
Treasury stock	-707	-707	-707	-707	-707	-707
Retained earnings	73,435	81,886	65,588	45,583	27,725	11,360
Total consolidated equity and debt	827,000	920,336	1,101,692	1,207,706	1,523,394	1,794,011
Ratios						
Current ratio (x)	3.33	2.39	2.78	2.98	2.55	2.24
Quick ratio (x)	1.83	1.34	1.04	1.14	1.06	1.00
Net cash	-368,779	-451,226	-685,075	-792,604	-1,125,838	-1,370,973
Net gearing	160.9%	189.8%	323.8%	311.4%	475.7%	622.4%
Book value per share (€)	2.91	3.04	2.73	3.31	3.09	2.89
Tangible book value per share (€)	2.08	2.20	1.88	2.46	2.25	2.05
Equity ratio (incl. minorities)	26.8%	25.2%	18.9%	20.9%	15.5%	12.3%
Return on equity (ROE)	11.0%	6.3%	-4.5%	-5.5%	-5.0%	-4.7%
Return on assets (ROA)	4.3%	3.4%	1.5%	0.7%	1.4%	1.8%
Return on investment (ROI)	3.0%	1.6%	-0.9%	-1.2%	-0.8%	-0.6%
Return on capital employed (ROCE)	1.7%	1.0%	0.7%	0.4%	1.5%	2.4%
Days sales outstanding (DSO)	91	110	114	110	113	112
Days inventory outstanding (DIO)	370	392	728	418	264	265
Days payables outstanding (DPO)	78	118	155	64	49	58



CASH FLOW STATEMENT

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
EBIT	9,265	6,173	5,738	4,389	18,469	36,411
Depreciation and amortisation	23,389	29,221	34,182	38,657	44,394	61,871
EBITDA	32,654	35,394	39,920	43,046	62,863	98,282
Changes in working capital	217	-33,890	-191,861	8,698	15,404	-22,855
Other adjustments	-9,093	-10,515	-14,215	-16,909	-28,842	-45,291
Operating cash flow	23,778	-9,011	-166,157	34,835	49,424	30,137
Investments in PP&E	-112,828	-95,637	-25,483	-199,206	-376,551	-289,165
Investments in intangibles	0	0	0	0	0	0
Free cash flow	-89,050	-104,648	-191,640	-164,371	-327,127	-259,028
Acquisitions & disposals, net	30,976	-440	7,563	0	0	0
Other investments	-139	-2,003	-2,214	0	0	0
Cash flow from investing	-81,991	-98,080	-20,134	-199,206	-376,551	-289,165
Debt financing, net	122,179	94,450	171,789	147,009	328,000	276,000
Equity financing, net	0	0	0	0	0	0
Dividends paid	-3,053	-6,107	-6,107	-6,107	-6,107	-6,107
Other financing	-7,152	-9,142	-10,570	0	0	0
Cash flow from financing	111,974	79,201	155,112	140,902	321,893	269,893
Forex and other changes in cash	-15,754	-153	0	0	0	0
Net cash flows	38,008	-28,043	-31,179	-23,469	-5,234	10,865
Cash, start of the year	111,617	149,625	121,582	90,403	66,934	61,700
Cash, end of the year	149,625	121,582	90,403	66,934	61,700	72,565
EBITDA/share (in €)	0.43	0.46	0.52	0.56	0.82	1.29
Operating cashflow/share (in €)	0.31	-0.12	-2.18	0.46	0.65	0.39
Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	41.9%	-39.0%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	23.9%	8.4%	12.8%	7.8%	46.0%	56.3%

Imprint / Disclaimer

First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

Anschrift:

First Berlin Equity Research GmbH
Mohrenstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: info@firstberlin.com

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

First Berlin Equity Research GmbH

Authored by: Dr. Karsten von Blumenthal, Analyst

All publications of the last 12 months were authored by Dr. Karsten von Blumenthal.

Company responsible for preparation: First Berlin Equity Research GmbH, Mohrenstraße 34, 10117 Berlin

The production of this recommendation was completed on 2 April 2024 at 14:06

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

Copyright© 2024 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

CONFLICTS OF INTEREST

In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

In addition, First Berlin shall pursuant to Article 5 of the Commission Delegated Regulation (EU) 2016/958 disclose in their recommendations all relationships and circumstances that may reasonably be expected to impair the objectivity of the financial analyses, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them under a contract, including a contract of employment, or otherwise, who was involved in producing financial analyses, concerning any financial instrument or the issuer to which the recommendation directly or indirectly relates.

With regard to the financial analyses of PNE AG the following relationships and circumstances are exist which may reasonably be expected to impair the objectivity of the financial analyses: The author, First Berlin, or a company associated with First Berlin reached an agreement with the PNE AG for preparation of a financial analysis for which remuneration is owed.

Furthermore, First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of:

- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0,5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;

- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

With regard to the financial analyses of PNE AG the following of the aforementioned potential conflicts of interests or the potential conflicts of interest mentioned in Article 6 paragraph 1 of the Commission Delegated Regulation (EU) 2016/958 exist: The author, First Berlin, or a company associated with First Berlin reached an agreement with the PNE AG for preparation of a financial analysis for which remuneration is owed.

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

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

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

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	31 March 2008	€2.38	Buy	€4.50
2...118	↓	↓	↓	↓
119	10 November 2022	€21.30	Reduce	€18.10
120	12 December 2022	€22.30	Add	€26.00
121	2 February 2023	€15.74	Buy	€26.00
122	15 February 2023	€17.34	Buy	€26.00
123	17 April 2023	€12.96	Buy	€25.00
124	11 August 2023	€12.86	Buy	€25.00
125	14 November 2023	€12.04	Buy	€22.00
126	25 January 2024	€13.08	Buy	€22.00
127	Today	€13.28	Buy	€21.00

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

EXCLUSION OF LIABILITY (DISCLAIMER)

RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

This report is not intended for distribution in the USA and/or Canada.