

Buy EUR 24.40 (EUR 26.70) Price EUR 13.50 Upside 80.7 %	Value Indicators: EUR SotP: 24.44	Warburg ESG Risk Score: 2.5 ESG Score (MSCI based): 3.0 Balance Sheet Score: 2.5 Market Liquidity Score: 2.0	Description: Project developer and operator of renewable energy parks.
	Market Snapshot: EUR m Market cap: 1,030.1 No. of shares (m): 76.3 EV: 1,682.8 Freefloat MC: 315.3 Ø Trad. Vol. (30d): 970.29 th	Shareholders: Freefloat 30.61 % MSIP 44.20 % Active ownership fund SCS 11.99 % Goldman Sachs Group 5.12 % Enkraft 5.03 %	Key Figures (WRE): 2023e Beta: 1.4 Price / Book: 5.1 x Equity Ratio: 19 % Net Fin. Debt / EBITDA: 17.2 x Net Debt / EBITDA: 17.2 x

Higher capacity additions burden margin generation; PT down

Stated Figures 20243: in EUR m	<table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2023e</th> <th>2022</th> <th>yoy</th> <th>Consensus</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>121.5</td> <td>180.1</td> <td>126.2</td> <td>-3.7%</td> <td>172.8</td> </tr> <tr> <td>Total sales</td> <td>257.9</td> <td>216.1</td> <td>237.8</td> <td>8.4%</td> <td>0.0</td> </tr> <tr> <td>EBITDA</td> <td>39.9</td> <td>32.4</td> <td>35.4</td> <td>12.8%</td> <td>36.4</td> </tr> <tr> <td>margin</td> <td>32.8%</td> <td>18.0%</td> <td>28.1%</td> <td></td> <td>21.1%</td> </tr> <tr> <td>EBIT</td> <td>5.7</td> <td>-6.0</td> <td>6.2</td> <td>-7.1%</td> <td>-0.2</td> </tr> <tr> <td>margin</td> <td>4.7%</td> <td>-3.4%</td> <td>4.9%</td> <td></td> <td>-0.1%</td> </tr> </tbody> </table>		2023	2023e	2022	yoy	Consensus	Sales	121.5	180.1	126.2	-3.7%	172.8	Total sales	257.9	216.1	237.8	8.4%	0.0	EBITDA	39.9	32.4	35.4	12.8%	36.4	margin	32.8%	18.0%	28.1%		21.1%	EBIT	5.7	-6.0	6.2	-7.1%	-0.2	margin	4.7%	-3.4%	4.9%		-0.1%	Comment on Figures: <ul style="list-style-type: none"> EBITDA came in better than we were expecting, owing to supportive wind yields in Q4 and lower activated costs from in-house capacity additions. Project activity remains very high and several parks under construction in Germany will be transferred to the company's own portfolio. External project sales lagged behind our expectations but service revenues were surprisingly strong. The financial result was, once more, skewed by swap valuations (derivatives from project financing).
	2023	2023e	2022	yoy	Consensus																																							
Sales	121.5	180.1	126.2	-3.7%	172.8																																							
Total sales	257.9	216.1	237.8	8.4%	0.0																																							
EBITDA	39.9	32.4	35.4	12.8%	36.4																																							
margin	32.8%	18.0%	28.1%		21.1%																																							
EBIT	5.7	-6.0	6.2	-7.1%	-0.2																																							
margin	4.7%	-3.4%	4.9%		-0.1%																																							

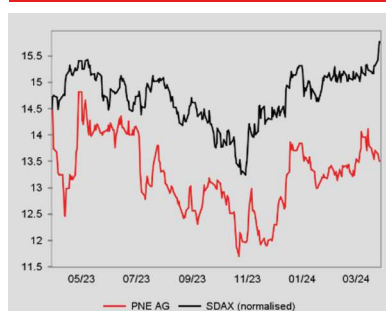
PNE reported a surprisingly strong FY 2023 EBITDA, which benefited from supportive wind yields in Q4 and lower activated costs for own developments than we were assuming. The outlook though (EUR 40-50m EBITDA) fell short of our estimate, which is mainly a result of faster capacity additions. The associated costs are recognized in the P&L and have an adverse impact on margins.

Portfolio capacity ahead of plan: By the end of 2023, the operating portfolio of PNE had reached 369.8MW and a further 281.3MW were under construction (total 651.1MW), which is well ahead of the initial 500MW target (scale-up 1.0). By 2027, the management aims to increase the portfolio size to 1.5GW, backed by a growing pipeline of onshore wind and PV projects. However, the transfer of projects will continue to burden the P&L, especially as PNE intends to hold onto the most valuable projects in Germany rather than sell them. Hidden reserves on the balance sheet now stand at EUR 208.4m (+31.4m yoy), showing the significantly better margin potential of PNE if the developer margin were unveiled.

Strong pipeline growth: Underlining its upbeat growth prospects, PNE added about 8GW of projects to its pipeline, mainly driven by PV (+6GW). In the onshore-wind segment, progress is becoming visible. Permission has been granted for several projects and some projects have passed through the tender. Hence, the pipeline remains well filled, backing the 2027 portfolio and pipeline targets.

Challenging market environment: Even though the portfolio and pipeline development lay a solid basis for growth, the challenging market environment, marked by high interest rates and low electricity prices, represents a burden when it comes to financing and returns. To reflect the adverse effects, we have increased financing costs in our model, resulting in a new PT of EUR 24.40.

Changes in Estimates: FY End: 31.12. in EUR m	<table border="1"> <thead> <tr> <th></th> <th>2024e (old)</th> <th>+ / -</th> <th>2025e (old)</th> <th>+ / -</th> <th>2026e (old)</th> <th>+ / -</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>204.0</td> <td>0.1 %</td> <td>228.4</td> <td>-1.4 %</td> <td>n.a.</td> <td>n.m.</td> </tr> <tr> <td>EBITDA</td> <td>58.2</td> <td>-13.6 %</td> <td>74.7</td> <td>-14.6 %</td> <td>n.a.</td> <td>n.m.</td> </tr> </tbody> </table>		2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -	Sales	204.0	0.1 %	228.4	-1.4 %	n.a.	n.m.	EBITDA	58.2	-13.6 %	74.7	-14.6 %	n.a.	n.m.	Comment on Changes: <ul style="list-style-type: none"> We revised our margin outlook downwards and assume a higher pace of construction activity for PNE's in-house portfolio and subsequently, higher costs recognized in the P&L.
	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -																	
Sales	204.0	0.1 %	228.4	-1.4 %	n.a.	n.m.																	
EBITDA	58.2	-13.6 %	74.7	-14.6 %	n.a.	n.m.																	



Rel. Performance vs SDAX:

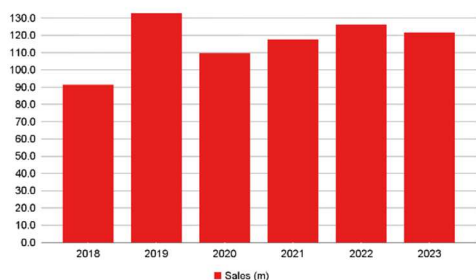
1 month:	-2.7 %
6 months:	-9.9 %
Year to date:	-5.5 %
Trailing 12 months:	-16.8 %

Company events:

09.05.24	Q1
30.05.24	AGM
08.08.24	Q2
07.11.24	Q3

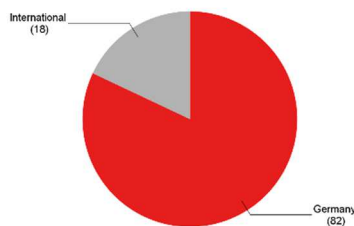
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	29.4 %	109.7	117.7	126.2	121.5	204.3	225.2	263.5
Change Sales yoy		-17.4 %	7.3 %	7.2 %	-3.7 %	68.1 %	10.2 %	17.0 %
Gross profit margin		68.5 %	73.0 %	79.7 %	96.1 %	60.0 %	62.1 %	61.6 %
EBITDA	27.5 %	26.4	32.7	35.4	39.9	50.3	63.8	82.7
Margin		24.0 %	27.8 %	28.1 %	32.8 %	24.6 %	28.3 %	31.4 %
EBIT	36.1 %	8.2	9.3	6.2	5.7	4.6	7.8	14.5
Margin		7.5 %	7.9 %	4.9 %	4.7 %	2.3 %	3.5 %	5.5 %
Net income	-	1.6	25.1	14.9	-9.6	-10.3	-8.6	-3.4
EPS	-	0.02	0.33	0.20	-0.13	-0.13	-0.11	-0.04
EPS diluted	-	0.02	0.33	0.20	-0.13	-0.13	-0.11	-0.04
DPS	0.0 %	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Dividend Yield		0.8 %	0.5 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %
FCFPS		-1.09	-1.17	-1.37	-2.51	0.46	0.62	0.85
FCF / Market cap		-20.5 %	-15.4 %	-9.5 %	-17.6 %	3.4 %	4.6 %	6.3 %
EV / Sales		6.1 x	8.1 x	12.3 x	14.6 x	8.2 x	7.3 x	6.0 x
EV / EBITDA		25.3 x	29.0 x	43.9 x	44.4 x	33.5 x	25.7 x	19.1 x
EV / EBIT		81.5 x	102.4 x	251.6 x	308.7 x	364.5 x	210.5 x	109.1 x
P / E		265.6 x	23.0 x	72.2 x	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield		3.3 %	4.9 %	1.1 %	1.8 %	2.7 %	3.6 %	4.8 %
Net Debt		260.5	368.8	451.2	685.1	652.7	608.4	546.6
ROCE (NOPAT)		n.a.	14.4 %	0.6 %	0.7 %	0.4 %	0.7 %	1.5 %
Guidance:		PNE 2023: EBITDA EUR 30-40m						

Sales development
in EUR m



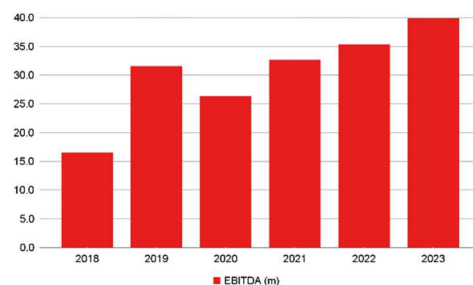
Source: Warburg Research

Project sales by regions
2023; in %



Source: Warburg Research

EBITDA development
in EUR m



Source: Warburg Research

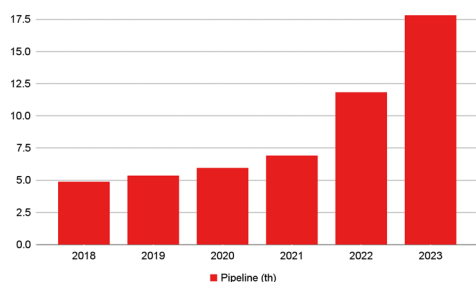
Company Background

- PNE (formerly PNE Wind) is a wind farm project developer based in Cuxhaven. It is active in both the onshore and offshore markets and as an Independent Power Producer (IPP).
- In the onshore sector PNE develops, constructs and sells wind farms to utilities and infrastructure funds. In addition, PNE remains owner of some of the projects.
- Outside of its domestic market, the PNE group is active in France, South Africa, Turkey, USA and Canada etc. In the international markets the company has over 17.6 GW in development and in Germany >2.5 GW.
- In the offshore sector, the company develops and sells the development rights prior to construction. The company has sold eight offshore projects in total – four of which are already in operation.
- PNE remains the owner of some of the wind farms. Currently, the company owns 370 MW of onshore wind capacity and aims to reach 1.5 GW by 2027.

Competitive Quality

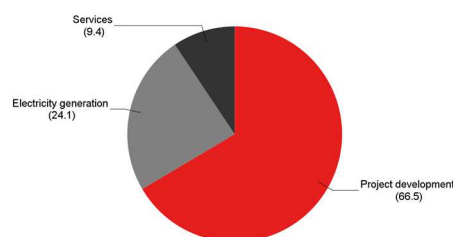
- PNE's core skills lie in the development, project management, realization and financing of wind farms and their management, or sale with subsequent service.
- PNE's strengths lie in the development and sale of wind farms even in difficult market conditions, supported by its onshore and offshore track record.
- PNE has a competitive advantage in serving every step of the value chain. It also benefits from the cooperation with strong partners such as Allianz Global Investors Orstedt (DONG Energy), Brookfield and STEAG.
- PNE is well managed by a very experienced team led by CEO Markus Lesser
- In 2020, PNE decided to extend its activities by the operation of a renewable energy portfolio. The company aims to build-up a 1.5 GW portfolio by 2027.

Pipeline
in GW



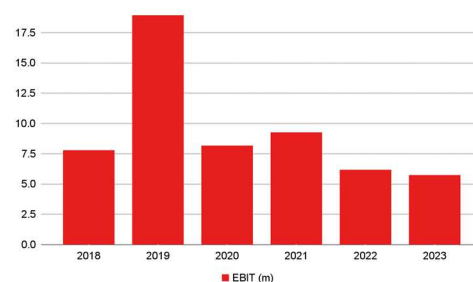
Source: Warburg Research

Sales by segments
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

Sum of the parts

Business unit	Enterprise value (mEUR)	EV / share	% of total EV	Applied WACC
Project development	1.169,85	15,32	50,38%	Multiple based
Power generation	981,52	12,86	42,27%	3,38%
Services	170,91	2,24	7,36%	5,79%
Total value	2.322,29	30,42	100,00%	
- Financial liabilities	572,81			
- Pension provisions	0,00			
- Hybrid capital	0,00			
- Minority interest	-5,59			
+ Liquid assets	121,58			
Equity value	1.865,47			
No. of shares	76,34			
Value per share	24,44			

- We value PNE based on a SotP approach
- For the project development segment we apply a multiple-based valuation approach
- The power generation and service segment are valued based on a DCF-model
- This approach reflects the diversity of PNE's business units and differences in risk profile.
- Especially the different capital costs for each segment can be differentiated adequately.

-
- We value PNE on a SotP approach. For project development, we employ a multiple-based valuation approach.
 - For power generation and services, we apply a separate DCF-model.
 - This approach reflects the diversity of PNE's business units and differences in risk profile.
 - Especially the different capital costs for each segment can be differentiated adequately.
-

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	2.0 x	2.5 x	4.6 x	5.1 x	5.2 x	5.5 x	5.7 x
Book value per share ex intangibles	1.88	2.17	2.27	1.92	1.75	1.60	1.51
EV / Sales	6.1 x	8.1 x	12.3 x	14.6 x	8.2 x	7.3 x	6.0 x
EV / EBITDA	25.3 x	29.0 x	43.9 x	44.4 x	33.5 x	25.7 x	19.1 x
EV / EBIT	81.5 x	102.4 x	251.6 x	308.7 x	364.5 x	210.5 x	109.1 x
EV / EBIT adj.*	81.5 x	102.4 x	251.6 x	308.7 x	364.5 x	210.5 x	109.1 x
P / FCF	n.a.	n.a.	n.a.	n.a.	29.1 x	21.7 x	15.9 x
P / E	265.6 x	23.0 x	72.2 x	n.a.	n.a.	n.a.	n.a.
P / E adj.*	265.6 x	23.0 x	72.2 x	n.a.	n.a.	n.a.	n.a.
Dividend Yield	0.8 %	0.5 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %
FCF Potential Yield (on market EV)	3.3 %	4.9 %	1.1 %	1.8 %	2.7 %	3.6 %	4.8 %

*Adjustments made for: -

Company Specific Items	2020	2021	2022	2023	2024e	2025e	2026e
Pipeline	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	109.7	117.7	126.2	121.5	204.3	225.2	263.5
Change Sales yoy	-17.4 %	7.3 %	7.2 %	-3.7 %	68.1 %	10.2 %	17.0 %
Increase / decrease in inventory	38.2	129.8	111.7	136.4	30.6	33.8	26.4
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	147.9	247.5	237.8	257.9	235.0	259.0	289.9
Material expenses	72.7	161.6	137.3	141.1	112.5	119.1	127.5
Gross profit	75.2	86.0	100.5	116.8	122.5	139.8	162.4
<i>Gross profit margin</i>	<i>68.5 %</i>	<i>73.0 %</i>	<i>79.7 %</i>	<i>96.1 %</i>	<i>60.0 %</i>	<i>62.1 %</i>	<i>61.6 %</i>
Personnel expenses	35.1	38.5	42.6	51.8	44.0	45.0	45.0
Other operating income	3.8	4.5	5.5	9.9	0.0	0.0	0.0
Other operating expenses	17.6	19.3	28.1	35.1	28.2	31.1	34.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	26.4	32.7	35.4	39.9	50.3	63.8	82.7
<i>Margin</i>	<i>24.0 %</i>	<i>27.8 %</i>	<i>28.1 %</i>	<i>32.8 %</i>	<i>24.6 %</i>	<i>28.3 %</i>	<i>31.4 %</i>
Depreciation of fixed assets	18.2	23.4	29.2	34.2	45.7	56.0	68.2
EBITA	8.2	9.3	6.2	5.7	4.6	7.8	14.5
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.2	9.3	6.2	5.7	4.6	7.8	14.5
<i>Margin</i>	<i>7.5 %</i>	<i>7.9 %</i>	<i>4.9 %</i>	<i>4.7 %</i>	<i>2.3 %</i>	<i>3.5 %</i>	<i>5.5 %</i>
EBIT adj.	8.2	9.3	6.2	5.7	4.6	7.8	14.5
Interest income	0.3	4.4	33.8	11.9	0.6	0.6	0.6
Interest expenses	11.2	10.8	16.2	26.3	18.5	19.5	19.5
Other financial income (loss)	0.1	0.1	0.3	0.1	0.1	0.1	0.1
EBT	-2.7	3.0	23.9	-8.6	-13.2	-11.0	-4.3
<i>Margin</i>	<i>-2.5 %</i>	<i>2.6 %</i>	<i>18.9 %</i>	<i>-7.1 %</i>	<i>-6.5 %</i>	<i>-4.9 %</i>	<i>-1.6 %</i>
Total taxes	-3.6	-21.6	9.8	-0.4	-2.9	-2.4	-1.0
Net income from continuing operations	0.9	24.7	14.1	-8.2	-10.3	-8.6	-3.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	0.9	24.7	14.1	-8.2	-10.3	-8.6	-3.4
Minority interest	-0.7	-0.5	-0.8	1.4	0.0	0.0	0.0
Net income	1.6	25.1	14.9	-9.6	-10.3	-8.6	-3.4
<i>Margin</i>	<i>1.5 %</i>	<i>21.3 %</i>	<i>11.8 %</i>	<i>-7.9 %</i>	<i>-5.0 %</i>	<i>-3.8 %</i>	<i>-1.3 %</i>
Number of shares, average	76.3	76.3	76.3	76.3	76.3	76.3	76.3
EPS	0.02	0.33	0.20	-0.13	-0.13	-0.11	-0.04
EPS adj.	0.02	0.33	0.20	-0.13	-0.13	-0.11	-0.04

*Adjustments made for:

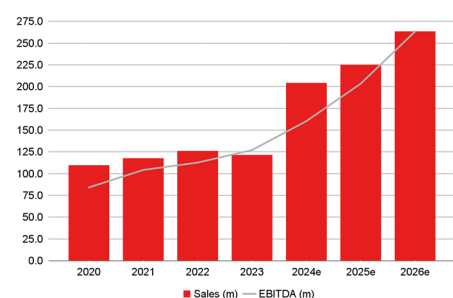
Guidance: PNE 2023: EBITDA EUR 30-40m

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	110.8 %	182.5 %	160.5 %	179.3 %	90.4 %	86.7 %	78.6 %
Operating Leverage	3.3 x	1.8 x	-4.7 x	1.9 x	-0.3 x	6.7 x	5.0 x
EBITDA / Interest expenses	2.4 x	3.0 x	2.2 x	1.5 x	2.7 x	3.3 x	4.2 x
Tax rate (EBT)	133.4 %	-714.8 %	40.9 %	4.9 %	22.0 %	22.0 %	22.0 %
Dividend Payout Ratio	337.8 %	12.4 %	21.7 %	n.m.	n.m.	n.m.	n.m.
Sales per Employee	281,254	301,867	323,515	311,626	523,881	577,443	675,752

Sales, EBITDA

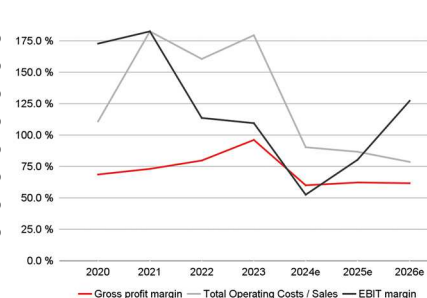
in EUR m



Source: Warburg Research

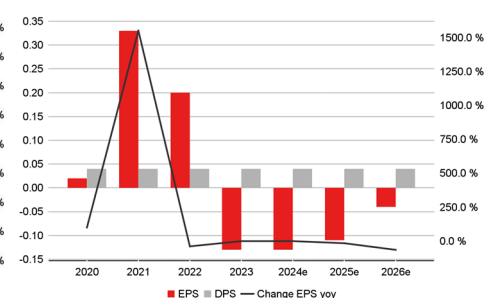
Operating Performance

in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

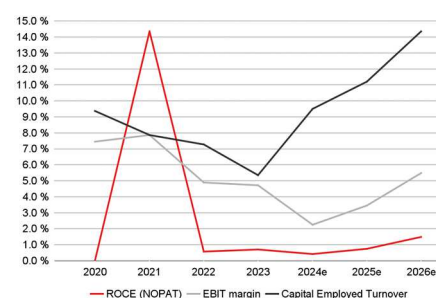
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	64.3	64.0	64.9	64.9	64.9	64.9	64.9
thereof other intangible assets	1.0	0.7	0.5	0.5	0.5	0.5	0.5
thereof Goodwill	63.3	63.3	64.4	64.4	64.4	64.4	64.4
Property, plant and equipment	176.3	273.5	353.8	398.4	352.7	296.7	228.5
Financial assets	1.9	2.6	14.2	17.5	17.5	17.5	17.5
Other long-term assets	39.1	64.7	87.3	92.8	92.8	92.8	92.8
Fixed assets	281.7	404.8	520.2	573.6	527.9	471.9	403.7
Inventories	174.0	163.7	147.4	281.3	281.3	281.3	281.3
Accounts receivable	40.2	29.5	38.2	37.8	37.8	37.8	37.8
Liquid assets	111.6	149.6	121.6	90.4	122.7	167.1	228.8
Other short-term assets	56.3	79.4	93.0	118.6	118.6	118.6	118.6
Current assets	382.1	422.2	400.1	528.1	560.4	604.8	666.5
Total Assets	663.8	827.0	920.3	1,101.7	1,088.4	1,076.7	1,070.3
Liabilities and shareholders' equity							
Subscribed capital	76.6	76.6	76.6	76.6	76.6	76.6	76.6
Capital reserve	83.0	83.0	83.0	83.0	83.0	83.0	83.0
Retained earnings	51.5	73.4	81.9	65.6	52.3	40.6	34.2
Other equity components	-3.4	-3.8	-3.8	-13.6	-13.6	-13.6	-13.6
Shareholders' equity	207.6	229.2	237.7	211.6	198.2	186.6	180.1
Minority interest	-7.1	-7.4	-5.6	-3.4	-3.4	-3.4	-3.4
Total equity	200.6	221.8	232.1	208.1	194.8	183.2	176.7
Provisions	5.3	7.5	10.4	13.5	13.5	13.5	13.5
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	372.1	518.4	572.8	775.5	775.5	775.5	775.5
Short-term financial liabilities	22.7	21.3	35.4	53.7	53.7	53.7	53.7
Accounts payable	31.4	34.4	44.6	59.7	59.7	59.7	59.7
Other liabilities	54.4	45.0	60.3	44.8	44.8	44.8	44.8
Liabilities	463.2	605.2	688.2	893.6	893.6	893.6	893.6
Total liabilities and shareholders' equity	663.8	827.0	920.3	1,101.7	1,088.4	1,076.7	1,070.3

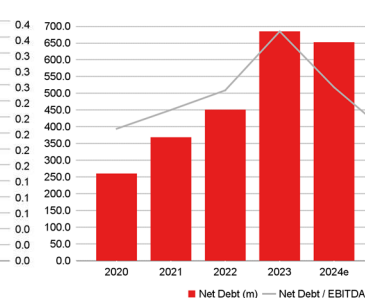
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	0.3 x	0.3 x	0.3 x	0.2 x	0.3 x	0.4 x	0.5 x
Capital Employed Turnover	0.2 x	0.2 x	0.2 x	0.1 x	0.2 x	0.3 x	0.4 x
ROA	0.6 %	6.2 %	2.9 %	-1.7 %	-1.9 %	-1.8 %	-0.8 %
Return on Capital							
ROCE (NOPAT)	n.a.	14.4 %	0.6 %	0.7 %	0.4 %	0.7 %	1.5 %
ROE	0.7 %	11.5 %	6.4 %	-4.3 %	-5.0 %	-4.5 %	-1.8 %
Adj. ROE	0.7 %	11.5 %	6.4 %	-4.3 %	-5.0 %	-4.5 %	-1.8 %
Balance sheet quality							
Net Debt	260.5	368.8	451.2	685.1	652.7	608.4	546.6
Net Financial Debt	260.5	368.8	451.2	685.1	652.7	608.4	546.6
Net Gearing	129.9 %	166.3 %	194.4 %	329.1 %	335.1 %	332.2 %	309.3 %
Net Fin. Debt / EBITDA	987.7 %	1128.5 %	1274.7 %	1716.1 %	1297.9 %	954.1 %	661.4 %
Book Value / Share	2.7	3.0	3.1	2.8	2.6	2.4	2.4
Book value per share ex intangibles	1.9	2.2	2.3	1.9	1.7	1.6	1.5

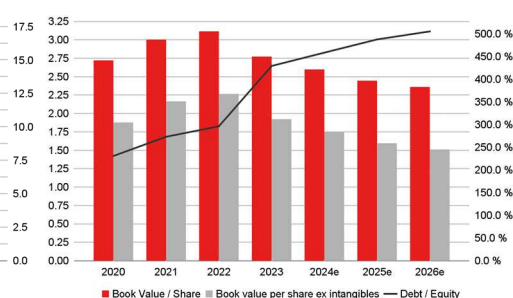
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

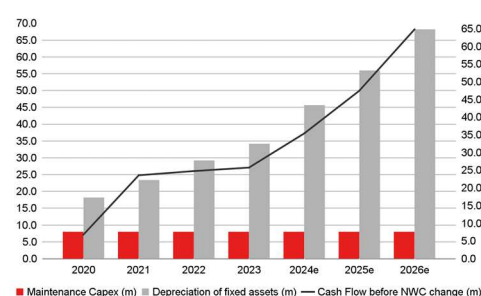
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	0.9	24.7	14.1	-8.2	-10.3	-8.6	-3.4
Depreciation of fixed assets	18.2	23.4	29.2	34.2	45.7	56.0	68.2
Amortisation of goodwill	0.0	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	0.0
Increase/decrease in long-term provisions	-3.8	2.2	3.1	3.1	0.0	0.0	0.0
Other non-cash income and expenses	-8.5	-26.7	-21.7	-3.4	0.0	0.0	0.0
Cash Flow before NWC change	6.8	23.6	24.7	25.7	35.4	47.4	64.8
Increase / decrease in inventory	-118.3	-85.4	-39.2	-232.6	0.0	0.0	0.0
Increase / decrease in accounts receivable	6.3	41.5	20.2	14.6	0.0	0.0	0.0
Increase / decrease in accounts payable	36.7	44.1	-15.0	26.1	0.0	0.0	0.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-75.3	0.2	-33.9	-191.9	0.0	0.0	0.0
Net cash provided by operating activities [1]	-68.5	23.8	-9.1	-166.2	35.4	47.4	64.8
Investments in intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in property, plant and equipment	-14.5	-112.8	-95.6	-25.5	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	-2.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.1	0.5	2.2	0.0	0.0	0.0
Income from asset disposals	0.1	31.0	0.0	7.6	0.0	0.0	0.0
Net cash provided by investing activities [2]	-14.4	-82.0	-98.1	-20.1	0.0	0.0	0.0
Change in financial liabilities	-24.5	115.0	85.3	161.2	0.0	0.0	0.0
Dividends paid	-3.1	-3.1	-6.1	-6.1	-3.1	-3.1	-3.1
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-28.1	112.0	79.2	155.1	-3.1	-3.1	-3.1
Change in liquid funds [1]+[2]+[3]	-111.1	53.8	-28.0	-31.2	32.3	44.3	61.8
Effects of exchange-rate changes on cash	-0.2	-15.8	-0.2	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	0.6	149.6	121.4	90.4	122.7	167.1	228.8

Financial Ratios

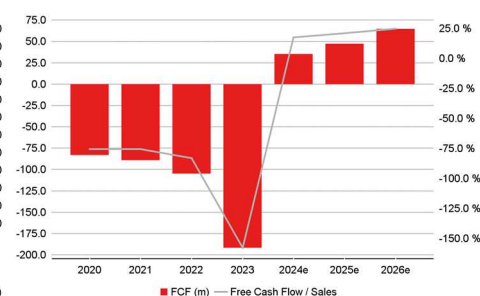
	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	-83.0	-89.1	-104.8	-191.6	35.4	47.4	64.8
Free Cash Flow / Sales	-75.7 %	-75.6 %	-83.1 %	-157.7 %	17.3 %	21.0 %	24.6 %
Free Cash Flow Potential	22.0	46.3	17.6	32.3	45.2	58.2	75.6
Free Cash Flow / Net Profit	-5122.0 %	-354.4 %	-703.1 %	2006.1 %	-344.2 %	-551.6 %	-1911.2 %
Interest Received / Avg. Cash	0.2 %	3.4 %	24.9 %	11.2 %	0.6 %	0.4 %	0.3 %
Interest Paid / Avg. Debt	3.6 %	2.4 %	3.0 %	3.9 %	2.4 %	2.5 %	2.5 %
Management of Funds							
Investment ratio	13.2 %	95.8 %	75.8 %	21.0 %	0.0 %	0.0 %	0.0 %
Maint. Capex / Sales	7.3 %	6.8 %	6.3 %	6.6 %	3.9 %	3.6 %	3.0 %
Capex / Dep	79.8 %	481.9 %	327.3 %	74.5 %	0.0 %	0.0 %	0.0 %
Avg. Working Capital / Sales	132.4 %	145.1 %	118.8 %	164.7 %	126.9 %	115.2 %	98.4 %
Trade Debtors / Trade Creditors	128.1 %	85.7 %	85.6 %	63.3 %	63.3 %	63.3 %	63.3 %
Inventory Turnover	0.4 x	1.0 x	0.9 x	0.5 x	0.4 x	0.4 x	0.5 x
Receivables collection period (days)	134	91	110	114	68	61	52
Payables payment period (days)	157	78	118	155	194	183	171
Cash conversion cycle (Days)	850	384	384	687	786	740	687

CAPEX and Cash Flow
in EUR m



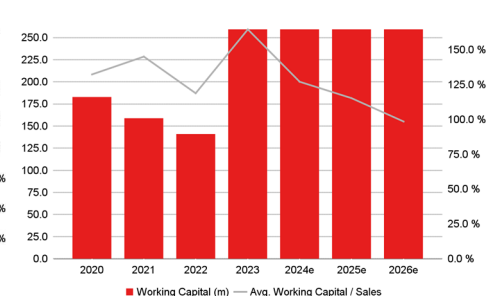
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M. Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

This report has been made accessible to the company analysed.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
PNE AG	5, 7	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0JBPG2.htm

INVESTMENT RECOMMENDATION

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

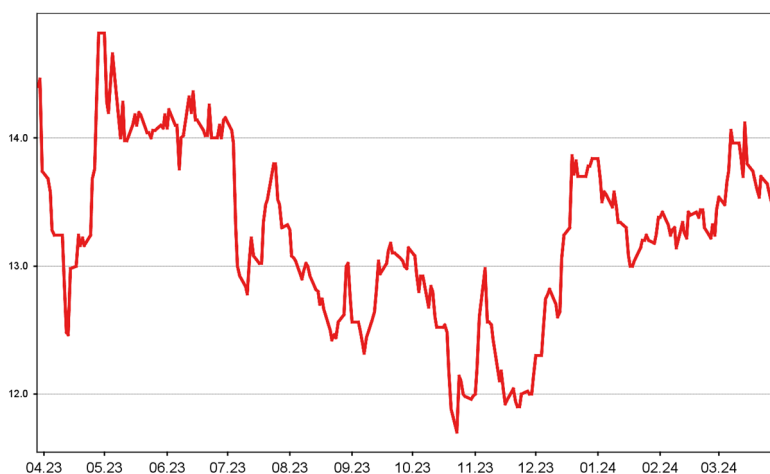
Rating	Number of stocks	% of Universe
Buy	148	70
Hold	47	22
Sell	8	4
Rating suspended	7	3
Total	210	100

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

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

Rating	Number of stocks	% of Universe
Buy	49	83
Hold	7	12
Sell	0	0
Rating suspended	3	5
Total	59	100

PRICE AND RATING HISTORY PNE AG AS OF 28.03.2024



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

EQUITIES

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

RESEARCH

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

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

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

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

Sander Brockow +49 40 309537-248
Industrials sbrockow@warburg-research.com

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

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

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

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

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

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

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

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

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

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

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

SALES TRADING

Oliver Merkel +49 40 3282-2634
Head of Sales Trading omerkel@mmwarburg.com

Rico Müller +49 40 3282-2685
Sales Trading rmueller@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

DESIGNATED SPONSORING

Marcel Magiera +49 40 3282-2662
Designated Sponsoring mmagiera@mmwarburg.com

Sebastian Schulz +49 40 3282-2631
Designated Sponsoring sschulz@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Designated Sponsoring jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg RESP MMWA GO
FactSet www.factset.com

LSEG www.lseg.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com