

Enapter AG

Germany / Cleantech
 Primary exchange: Frankfurt
 Bloomberg: H2O GR
 ISIN: DE000A255G02

2024 KPIs & 2025 guidance

RATING	BUY
PRICE TARGET	€ 5.00
Return Potential	51.5%
Risk Rating	High

2025 WILL BE A GROWTH YEAR

Enapter has reported preliminary 2024 KPIs and provided 2025 guidance. Revenue in 2024 amounted to €21.3m. This was below our €22.2m estimate and the guidance range which Enapter lowered to €22m to €24m in November. The same applies to EBITDA: at €-8.6m, it fell short of guidance (€-7m to €-8m) and our forecast of €-8.0m. For 2025 Enapter is guiding towards revenue of €39m to €42m, which is also below our previous forecast of €52m. At least in terms of EBITDA, our forecast of €-1.7m is in line with guidance of €-2m to €0m. In view of weaker than expected global demand for electrolyzers and green hydrogen as well as numerous project postponements and cancellations, we have lowered our forecasts for 2025 and subsequent years. Although Enapter cannot escape the industry trend, a comparison with its most important European competitors shows that the company is well positioned and should post a significant increase in sales and substantially improved earnings in 2025. An updated DCF model results in a new price target of €5 (previously: €6). We confirm our Buy recommendation.

2025 will be better After a disappointing 2024, in which Enapter lowered its sales guidance in November and still ended the year slightly below the new guidance range in terms of sales and EBITDA, we believe there is a very good chance that 2025 guidance of €39m to €42m (see figure 2 overleaf) will be achieved (FBe: €39.2m) due to the €29m order backlog, which is relevant for sales in the current year. We also anticipate a significant improvement in EBITDA and expect €-2.1m after the KPI tallied €-8.6m in 2024. Enapter is guiding towards EBITDA of €-2m to €0m.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023	2024E	2025E	2026E
Revenue (€m)	8.4	14.7	31.6	21.3	39.2	61.3
Y-o-y growth	307.8%	73.8%	115.4%	-32.6%	83.8%	56.6%
EBIT (€m)	-8.6	-12.9	-2.7	-13.2	-7.1	-2.3
EBIT margin	-102.1%	-87.6%	-8.5%	-61.8%	-18.2%	-3.8%
Net income (€m)	-8.7	-13.0	-7.2	-19.1	-12.8	-7.3
EPS (diluted) (€)	-0.38	-0.51	-0.26	-0.70	-0.44	-0.25
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-33.0	-64.9	-24.5	-12.7	-15.0	-4.7
Net gearing	-33.8%	-2.1%	30.6%	39.0%	70.1%	90.1%
Liquid assets (€m)	19.6	5.1	14.6	12.1	3.6	7.9

RISKS

The main risks are: financing risk, technological risk, production risk, product risk, increasing competition, innovations.

COMPANY PROFILE

Enapter produces standardised stacks & electrolyzers, which are scalable to larger units based on a modular approach. Enapter's patent-protected AEM technology offers high cost reduction potential. Enapter has production sites in Pisa, Italy, & Saerbeck, Germany, and ca. 200 employees.

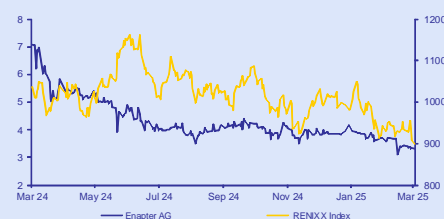
MARKET DATA

As of 03 Mar 2025

Closing Price	€ 3.30
Shares outstanding	27.20m
Market Capitalisation	€ 89.74m
52-week Range	€ 3.11 / 7.09
Avg. Volume (12 Months)	24,276

Multiples	2023	2024E	2025E
P/E	n.a.	n.a.	n.a.
EV/Sales	3.8	5.7	3.1
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2024

Liquid Assets	€ 4.08m
Current Assets	€ 44.35m
Intangible Assets	€ 13.12m
Total Assets	€ 133.53m
Current Liabilities	€ 16.13m
Shareholders' Equity	€ 72.71m

SHAREHOLDERS

BluGreen	47.6%
Svelland Global Trading Master	15.3%
Morgan Stanley	5.0%
Other Investors	14.0%
Free Float	18.1%



2024 KPIs mask positive development At first glance, 2024 figures look weak versus 2023 sales of €31.6m and EBITDA of €1.5m (see figure 1). However, we note that 2023 revenue and earnings were positively influenced by proceeds of €15m from the transfer of trademark rights and know-how for the US market to Clean H2. Conversely, this means that pure product sales amounted to €16.3m in 2023. If this is used as a comparative figure for 2024 sales, Enapter recorded growth of 31% y/y.

Figure 1: Reported figures versus forecasts

All figures in €m	2024A	2024E	Delta	2023A	Delta	Guidance
Sales	21.3	22.2	-4%	31.6	-33%	22 bis 24
EBITDA	-8.6	-7.9	-	1.5	-	-7 bis -8

Source: First Berlin Equity Research, Enapter AG

Figure 2: 2025 guidance and FBe

in €m	Guidance	FBe alt	FBe neu
Sales	39 to 42	52.3	39.2
EBITDA	-2 to 0	-1.7	-2.1

Source: First Berlin Equity Research, Enapter AG

Strong growth in order entry and backlog in 2024 Incoming orders rose by 165% y/y from €20m to €53m. The order backlog at the end of the year was €45m (end 2023: €26m). This represents an increase of €19m y/y or +73%.

After the hydrogen hype comes the valley of death Regulatory uncertainties, cost increases, financing problems as well as project delays and cancellations have led to electrolyser capacity expansion running well ahead of demand. Depending on the company, electrolyser manufacturers are struggling with falling sales, losses and declining order entry, and are responding with cost-cutting programmes and capacity adjustments. Here are five examples:

- The Norwegian manufacturer NEL was only able to increase sales by 3% to NOK 1,390m (ca. €119m) in 2024 and recorded an operating loss of NOK -389m (ca. €-33m). The order backlog fell by 23% y/y to NOK 1,614m (ca. €138m) in 2024. For 40% of this (NOK 653m / €56m), the company sees a significant risk of postponement or cancellation. NEL initiated a restructuring process in January 2025, laying off ca. 20% of its employees and temporarily halting the production of alkaline electrolysers in Herøya. Given the risks in the order backlog, a decline in sales is a likely scenario for 2025.
- Although the British company ITM Power increased its revenue by 74% y/y to €15.5m in the first half of 2025 (the financial year ends on 31 October), the adjusted EBITDA loss amounted to €-16.8m and was therefore higher than revenue. For the financial year 2025, ITM expects revenue of €18m to €22m and an adjusted EBITDA loss of €-32m to €-36m. The company is thus still a long way from profitable growth.
- The German manufacturer thyssenkrupp nucera expects group sales of €850m to €950m for the 2024/25 financial year, which ends at the end of September, compared to €862m in the previous period. In the alkaline water electrolysis segment, the company anticipates sales of €450m to €550m after €524m in 2023/24. Segment EBIT is expected to improve to a negative mid-double-digit million euro figure after €-76m in the previous year. Although this should enable



the company to further limit its operating loss, it looks more like consolidation than further segment growth.

- Quest One, a subsidiary of the German company MAN Energy Solutions, launched a programme in February to strengthen its competitiveness, focusing on savings in the low to mid double-digit million euro range and the reduction of around 120 jobs. In its own words, the company is reacting to a ramp-up in the German and international hydrogen economy that has fallen well short of expectations. Quest One is thus in the middle of restructuring.
- The French electrolyser manufacturer McPhy reported preliminary turnover of €13.1m for 2024, which was 30% below the prior year figure. Revenue was negatively impacted by a compensation payment for the termination of hydrogen refuelling station projects. The cash position fell from €63m to €39m in the course of 2024. The reduced liquidity horizon makes it necessary to raise fresh funds in the course of Q3/25.

A comparison of the situation at Enapter with the competitors listed above clearly shows that Enapter is in a relatively good position compared to the rest of the industry. In 2025, Enapter's sales are likely to increase significantly, EBITDA is close to break-even, and incoming orders and order backlog have grown significantly in 2024.

Forecasts lowered Given that the preliminary figures for 2024 and sales guidance for 2025 were below our estimates, we have adjusted our forecasts downwards. We continue to assume that Enapter will be EBITDA-positive from 2026E.

Figure 3: Revisions to forecasts

All figures in €m	2024E			2025E			2026E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	22.2	21.3	-4%	52.3	39.2	-25%	79.2	61.3	-23%
EBITDA	-8.0	-8.6	-	-1.7	-2.1	-	5.1	3.0	-41%
margin	-35.9%	-40.2%	-	-3.2%	-5.3%	-	6.4%	4.9%	-
EBIT	-12.6	-13.2	-	-6.7	-7.1	-	-0.5	-2.3	-
margin	-56.8%	-61.8%	-	-12.8%	-18.2%	-	-0.6%	-3.8%	-
Net income	-18.5	-19.1	-	-12.4	-12.8	-	-5.5	-7.3	-
margin	-83.3%	-89.5%	-	-23.7%	-32.7%	-	-6.9%	-12.0%	-
EPS (diluted, in €)	-0.68	-0.70	-	-0.43	-0.44	-	-0.19	-0.25	-

Source: First Berlin Equity Research

Buy rating confirmed, price target lowered An updated DCF model, which takes our revised forecasts into account, yields a new price target of €5 (previously: €6). We consider Enapter to be relatively well positioned compared to its competitors and confirm our Buy recommendation.



VALUATION MODEL

DCF valuation model								
All figures in EUR '000	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Net sales	21,300	39,150	61,300	87,659	122,971	168,634	225,621	294,043
NOPLAT	-13,348	-7,239	-2,393	5,127	11,464	17,162	19,693	26,096
+ depreciation & amortisation	4,601	5,041	5,304	5,320	5,433	5,690	6,086	6,606
Net operating cash flow	-8,747	-2,197	2,911	10,447	16,898	22,853	25,779	32,702
- total investments (CAPEX, WC, Other)	4,005	-4,772	-2,646	-3,336	-13,129	-16,688	-20,510	-24,299
<i>Capital expenditures</i>	-4,260	-10,571	-5,517	-5,785	-7,535	-9,535	-11,691	-13,847
<i>Working capital</i>	6,065	3,298	2,871	2,450	-5,595	-7,152	-8,818	-10,452
<i>Other</i>	2,200	2,500	0	0	0	0	0	0
Free cash flows (FCF)	-4,742	-6,969	265	7,111	3,768	6,165	5,269	8,404
PV of FCF's	-4,742	-6,215	205	4,804	2,215	3,154	2,347	3,258

All figures in thousands	
PV of FCFs in explicit period (2024E-2038E)	63,415
PV of FCFs in terminal period	107,909
Enterprise value (EV)	171,324
+ Net cash / - net debt	-25,236
+ Investments / minority interests	1
Shareholder value	146,089
Diluted number of shares	29,073
Fair value in EUR	5.02

Terminal growth	4.0%
Terminal EBIT margin	14.6%

WACC		Terminal growth rate							
		2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%	
Cost of equity	15.3%	11.9%	8.33	8.67	9.05	9.47	9.96	10.52	11.16
Pre-tax cost of debt	10.0%	12.9%	6.79	7.03	7.30	7.60	7.93	8.31	8.74
Tax rate	30.0%	13.9%	5.57	5.75	5.94	6.16	6.39	6.66	6.95
After-tax cost of debt	7.0%	14.9%	4.59	4.73	4.87	5.02	5.20	5.38	5.59
Share of equity capital	95.0%	15.9%	3.80	3.90	4.00	4.12	4.25	4.39	4.54
Share of debt capital	5.0%	16.9%	3.14	3.22	3.30	3.39	3.48	3.59	3.70
Price target	5.00	17.9%	2.60	2.66	2.72	2.79	2.86	2.94	3.02

* 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	8,442	14,671	31,605	21,300	39,150	61,300
Changes in inventories	540	525	2,078	0	0	0
Own work	3,330	6,383	4,076	2,130	1,566	1,226
Total output	12,312	21,579	37,759	23,430	40,716	62,526
Cost of goods sold	7,874	12,013	12,961	14,271	26,231	41,071
Gross profit (total output / COGS)	4,439	9,567	24,798	9,159	14,486	21,455
Personnel costs	7,596	14,300	13,561	13,500	14,207	15,100
Other operating income	1,367	2,799	4,116	4,260	4,698	4,904
Other operating expenses	5,828	8,648	13,867	8,477	7,047	8,276
EBITDA	-7,619	-10,582	1,485	-8,558	-2,071	2,984
Depreciation and amortisation	1,002	2,276	4,168	4,601	5,041	5,304
Operating income (EBIT)	-8,622	-12,858	-2,683	-13,160	-7,112	-2,321
Net financial result	-88	-97	-3,618	-5,719	-5,567	-4,951
Pre-tax income (EBT)	-8,709	-12,955	-6,301	-18,878	-12,679	-7,271
Income taxes	-8	23	864	189	127	73
Minority interests	1	1	1	0	0	0
Net income / loss	-8,701	-12,977	-7,163	-19,067	-12,806	-7,344
Diluted EPS (in €)	-0.38	-0.51	-0.26	-0.70	-0.44	-0.25
Ratios						
Gross margin on total output	36.1%	44.3%	65.7%	39.1%	35.6%	34.3%
EBITDA margin on revenues	-90.3%	-72.1%	4.7%	-40.2%	-5.3%	4.9%
EBIT margin on revenues	-102.1%	-87.6%	-8.5%	-61.8%	-18.2%	-3.8%
Net margin on revenues	-103.1%	-88.4%	-22.7%	-89.5%	-32.7%	-12.0%
Tax rate	0.1%	-0.2%	-13.7%	-1.0%	-1.0%	-1.0%
Expenses as % of revenues						
Personnel costs	90.0%	97.5%	42.9%	63.4%	36.3%	24.6%
Depreciation and amortisation	11.9%	15.5%	13.2%	21.6%	12.9%	8.7%
Other operating expenses	69.0%	58.9%	43.9%	39.8%	18.0%	13.5%
Y-Y Growth						
Revenues	307.8%	73.8%	115.4%	-32.6%	83.8%	56.6%
Operating income	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Net income/ loss	n.m.	n.m.	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	29,920	27,577	54,778	43,842	32,472	34,823
Cash and cash equivalents	19,604	5,071	14,589	12,125	3,588	7,902
Short-term investments	0	0	0	0	0	0
Receivables	2,638	8,014	23,269	17,507	16,089	13,436
Inventories	3,604	8,421	11,310	8,602	7,186	7,877
Other current assets	4,073	6,071	5,609	5,609	5,609	5,609
Non-current assets, total	32,221	80,237	86,631	86,491	92,222	92,586
Property, plant & equipment	23,985	67,900	72,902	71,550	76,518	75,909
Goodwill & other intangibles	7,110	10,272	11,973	13,186	13,948	14,921
Right-of-use assets	1,055	909	1,007	1,007	1,007	1,007
Other assets	1,156	748	748	748	748	748
Total assets	62,141	107,814	141,408	130,333	124,694	127,408
Shareholders' equity & debt						
Current liabilities, total	10,397	16,070	18,745	16,335	20,801	33,783
Short-term debt	1,186	871	1,004	1,000	5,000	17,075
Leasing liabilities	155	116	135	135	135	135
Accounts payable	6,387	11,191	5,534	3,128	3,593	4,501
Current provisions	516	1,243	4,438	4,438	4,438	4,438
Other current liabilities	2,309	2,765	7,769	7,769	7,769	7,769
Long-term liabilities, total	5,224	5,290	42,398	44,800	47,501	44,577
Long-term debt	2,708	2,371	38,108	38,108	38,108	35,032
Leasing liabilities	575	471	579	781	982	1,133
Other liabilities	512	605	1,632	3,832	6,332	6,332
Deferred revenue	1,428	1,844	2,080	2,080	2,080	2,080
Minority interests	2	1	-1	-1	-1	-1
Shareholders' equity	46,518	86,454	80,266	69,199	56,393	49,049
Share capital	24,406	27,195	27,195	29,073	29,073	29,073
Capital reserve	37,615	87,586	88,623	94,745	94,745	94,745
Other reserves	-83	69	9	9	9	9
Treasury stock	0	0	0	0	0	0
Loss carryforward / retained earnings	-15,418	-28,396	-35,560	-54,627	-67,433	-74,778
Total consolidated equity and debt	62,141	107,814	141,408	130,333	124,694	127,408
Ratios						
Current ratio (x)	2.88	1.72	2.92	2.68	1.56	1.03
Quick ratio (x)	2.53	1.19	2.32	2.16	1.22	0.80
Equity ratio	74.9%	80.2%	56.8%	53.1%	45.2%	38.5%
Net debt	-15,711	-1,830	24,522	26,983	39,519	44,206
Net gearing	-33.8%	-2.1%	30.6%	39.0%	70.1%	90.1%
Return on equity (ROE)	-18.7%	-15.0%	-8.9%	-27.6%	-22.7%	-15.0%
Days of sales outstanding (DSO)	114	199	269	300	150	80
Days inventory outstanding	167	256	319	220	100	70
Days payables outstanding (DPO)	296	340	156	80	50	40



CASH FLOW STATEMENT

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
EBIT	-8,622	-12,858	-2,683	-13,160	-7,112	-2,321
Depreciation and amortisation	1,002	2,276	4,168	4,601	5,041	5,304
EBITDA	-7,619	-10,582	1,485	-8,558	-2,071	2,984
Changes in working capital	-1,136	-6,476	-16,962	6,065	3,298	2,871
Other adjustments	758	1,594	1,410	-5,908	-5,694	-5,024
Operating cash flow	-7,997	-15,464	-14,067	-8,401	-4,466	831
Investments in PP&E	-21,570	-44,989	-5,930	-1,491	-7,830	-2,452
Investments in intangibles	-3,483	-4,436	-4,496	-2,769	-2,741	-3,065
Free cash flow	-33,050	-64,889	-24,493	-12,661	-15,037	-4,686
Acquisitions & disposals, net	0	0	0	0	0	0
Other investments	-11	-65	0	0	0	0
Investment cash flow	-25,064	-49,490	-10,426	-4,260	-10,571	-5,517
Debt financing, net	2,463	-653	34,138	-4	4,000	9,000
Equity financing, net	48,304	52,998	0	8,000	0	0
Dividends paid	0	0	0	0	0	0
Other financing	-2,350	-1,924	-127	2,200	2,500	0
Financing cash flow	48,417	50,421	34,011	10,196	6,500	9,000
FOREX & other effects	0	0	0	0	0	0
Net cash flows	15,356	-14,534	9,519	-2,464	-8,537	4,314
Cash, start of the year	4,248	19,604	5,071	14,589	12,125	3,588
Cash, end of the year	19,604	5,071	14,590	12,125	3,588	7,902

Y-Y Growth

Operating cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Financial cash flow	449.0%	4.1%	-32.5%	-70.0%	-36.3%	38.5%

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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).

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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	21 September 2020	€6.50	Buy	€8.90
2...16	↓	↓	↓	↓
17	31 January 2024	€8.10	Buy	€13.00
18	14 February 2024	€8.64	Buy	€13.00
19	1 March 2024	€7.28	Buy	€13.00
20	29 May 2024	€4.51	Buy	€11.00
21	21 June 2024	€4.28	Buy	€11.00
22	10 September 2024	€4.16	Buy	€11.00
23	16 October 2024	€3.97	Buy	€11.00
24	29 November 2024	€3.84	Buy	€6.00
25	Today	€3.30	Buy	€5.00

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.

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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

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