

Buy EUR 5.50 (EUR 5.25)	Value Indicators: EUR	Warburg ESG Risk Score: 2.6	Description: Verve is an advertising software platform with strong first-party games content.
	DCF: 5.50	ESG Score (MSCI based): 3.0	
Price: EUR 2.77	Market Snapshot: EUR m	Shareholders:	Key Figures (WRE): 2024e
Upside 98.6 %	Market cap: 516.2	Freefloat: 73.00 %	Beta: 1.4
	No. of shares (m): 186.3	Bodhivas (Remco Western.): 27.90 %	Price / Book: 1.2 x
	EV: 887.9	Oaktree Capital Management: 17.70 %	Equity Ratio: 38 %
	Freefloat MC: 376.8	Sterling Active Fund: 5.10 %	Net Fin. Debt / EBITDA: 2.9 x
	Ø Trad. Vol. (30d): 297.73 th	Nordnet Pensionsförsäkring: 3.00 %	Net Debt / EBITDA: 2.9 x

Excellent Q2 results; Guidance raised again

Stated Figures Q2/2024:

in EUR m	Q2/24	Q2/24e	Q2/23	yoy
Sales	96.6	90.5	76.2	26.7%
EBITDA	28.1	23.4	20.0	40.5%
<i>margin</i>	<i>29.1%</i>	<i>25.9%</i>	<i>26.2%</i>	
EBITDA adjusted	29.1	25.0	21.3	36.6%
<i>margin</i>	<i>30.1%</i>	<i>27.6%</i>	<i>27.9%</i>	
EBIT adjusted	23.2	15.3	16.6	39.4%
<i>margin</i>	<i>24.0%</i>	<i>17.0%</i>	<i>21.8%</i>	
Net income	6.30	0.80	1.50	320.0%

Comment on Figures:

- Strong sales growth as Verve's customer acquisition efforts pay off. Large software customers increased by 33% yoy, as the combination of new customer acquisitions and higher sales with the existing customer base boosted this metric.
- The combination of operating and financial leverage led to more than 300% growth in net income and 120% growth in adj. net income to EUR 8.8m. This translates into EPS of EUR 0.039 and adj. EPS of EUR 0.055 for the quarter.

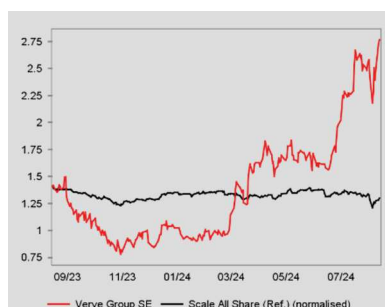
- Verve released excellent Q2 figures. Not only did organic sales growth accelerate 5pp sequentially to 26% yoy, but margins were also strong, with both the adj. EBITDA and adj. EBIT margins up 2pp yoy. Thus, Verve clearly outperformed peers such as PubMatic or Magnite, which grew at only a mid to high single-digit rate in the quarter, and was on a par with The Trade Desk, the most highly valued company in the sector (19x EV/sales, 47x EV/EBITDA).
- We increase our estimates and raise our price target to EUR 5.5. We confirm our Buy rating in light of accelerating growth and market-share gains. On 29 August, Verve will host a capital markets day, which should provide the market with a better understanding of the company's growth prospects and potential to gain market share.

Changes in Estimates:

FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -
Sales	395.0	3.8 %	500.0	2.0 %	550.0	1.8 %
EBITDA adj.	122.0	6.6 %	170.0	2.9 %	187.0	2.7 %
EBIT	82.0	9.8 %	121.0	4.1 %	136.0	3.7 %
EPS	0.12	25.0 %	0.27	7.4 %	0.35	5.7 %

Comment on Changes:

- We raise our 2024 estimates on the back of the strong organic sales growth and the increase in the full-year guidance
- Our 2025 sales growth estimates assume 12% organic growth and the impact of seven additional months of consolidation of the Jun Group.



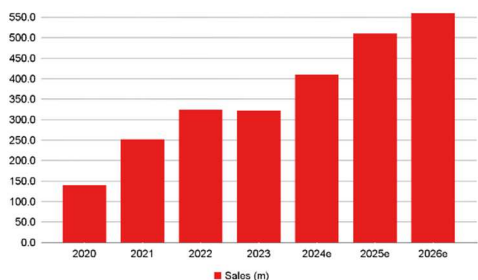
Rel. Performance vs Scale All Share	
1 month:	26.4 %
6 months:	187.3 %
Year to date:	174.8 %
Trailing 12 months:	101.5 %

Company events:

29.08.24	Q2
28.11.24	Q3

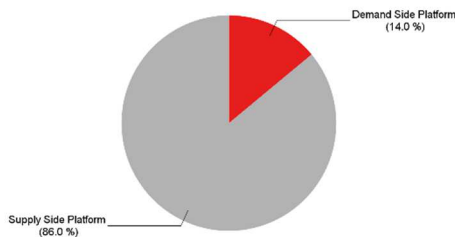
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	20.3 %	140.2	252.2	324.4	322.0	410.0	510.0	560.0
Change Sales yoy		67.1 %	79.8 %	28.7 %	-0.8 %	27.3 %	24.4 %	9.8 %
EBITDA adj.		29.1	71.1	93.2	100.2	130.0	175.0	192.0
Margin	3.3 %	20.8 %	28.2 %	28.7 %	31.1 %	31.7 %	34.3 %	34.3 %
EBITDA		26.5	65.0	84.8	128.5	126.0	171.0	188.0
EBIT adj.	28.2 %	17.5	54.8	76.6	76.9	107.0	147.0	162.0
Margin		12.5 %	21.7 %	23.6 %	23.9 %	26.1 %	28.8 %	28.9 %
Net income	13.0 %	3.1	16.1	-20.3	47.3	25.5	54.6	68.2
EPS	7.2 %	0.03	0.11	-0.13	0.30	0.15	0.29	0.37
EPS adj.	8.3 %	0.09	0.20	0.14	0.37	0.24	0.40	0.47
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		0.09	0.27	0.73	0.05	0.10	0.27	0.34
FCF / Market cap		6.9 %	6.0 %	27.8 %	4.5 %	3.5 %	9.7 %	12.3 %
EV / Sales		1.5 x	3.4 x	2.1 x	1.5 x	2.2 x	1.7 x	1.5 x
EV / EBITDA		7.9 x	13.1 x	8.0 x	3.8 x	7.0 x	5.2 x	4.5 x
EV / EBIT		18.9 x	23.1 x	25.6 x	4.9 x	9.9 x	7.0 x	6.0 x
P / E		43.8 x	41.6 x	n.a.	4.1 x	18.5 x	9.6 x	7.5 x
P / E adj.		14.6 x	22.9 x	18.7 x	3.3 x	11.5 x	6.9 x	5.9 x
FCF Potential Yield		10.2 %	7.3 %	10.5 %	24.9 %	12.2 %	15.9 %	17.9 %
Net Debt		79.8	198.6	271.3	294.9	366.8	366.5	327.9
ROCE (NOPAT)		3.3 %	10.4 %	8.7 %	15.1 %	8.2 %	10.5 %	11.2 %
Guidance:		EUR 400m to EUR 420m sales and adj. EBITDA of EUR 125m to EUR 135m						

Sales development
in EUR m



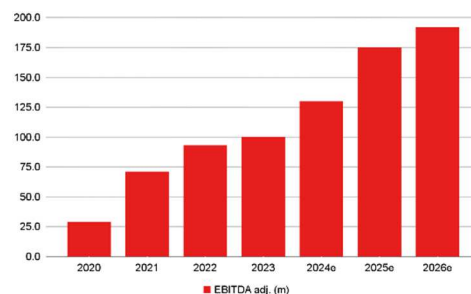
Source: Warburg Research

Revenues by Segment
2023; in %



Source: Warburg Research

Adj. EBITDA development
in EUR m



Source: Warburg Research

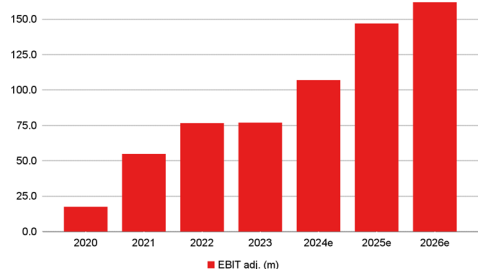
Company Background

- Verve is an advertising software platform that helps advertisers efficiently target customers via smartphones, computers, connected TV or DOOH, and helps publishers optimally monetize advertising space
- Verve has its own games portfolio with >5,000 casual & mobile games and >5 premium games with a total of >1bn registered players. In addition, Verve’s SDK’s are integrated into >20,000 apps.
- Verve is one of the largest proprietary first-party data platforms. First-party data enables better targeting as well as greater transparency in reporting and monitoring advertising campaigns.
- Verve is one of a few providers in the Open Internet covering the entire value chain. The advantage of a full-stack approach is that all processes between the advertiser and the publisher are integrated in one platform.
- The Verve business model is based on a flywheel that is driven by the software platform synergies between advertising technology and games. This relationship can be further accelerated by both M&A and innovation.

Competitive Quality

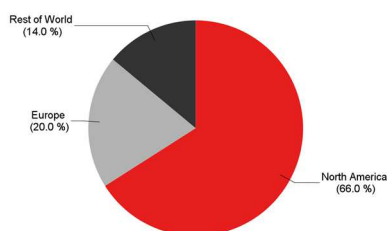
- Following the acquisition of the Jun group, Verve has now substantially strengthened its DSP position and can now leverage its SSP strength.
- The high share of first-party data reduces vulnerability from fraud. It also makes Verve's Advertising Software Platform less reliant on third-party data, which is increasingly regulated.
- Verve's stack approach leads to improved measurability of campaign success and more targeted identification of appropriate user profiles, i.e. higher ROI for advertisers & better monetization for publishers.
- With its strong proprietary games-portfolio (more first-party data) more advertisers will turn to Verve for user-acquisition to take a more targeted approach to reaching a broader audience (higher ROI).
- This in turn attracts more publishers aiming to monetize ad inventory via Verve's Ad Software Platform, where demand is higher and ad inventory at a higher price.

adj. EBIT development
in EUR m



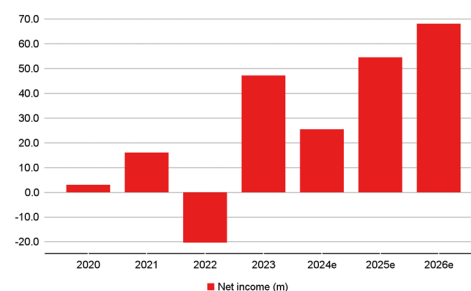
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	410.0	510.0	560.0	616.0	671.4	725.2	775.9	814.7	855.4	898.2	925.2	817.8	830.0	1.5 %
Sales change	27.3 %	24.4 %	9.8 %	10.0 %	9.0 %	8.0 %	7.0 %	5.0 %	5.0 %	5.0 %	3.0 %	2.5 %	1.5 %	
EBIT	90.0	126.0	141.0	160.2	174.6	188.5	201.7	211.8	222.4	233.5	240.5	147.2	149.4	18.0 %
EBIT-margin	22.0 %	24.7 %	25.2 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	18.0 %	18.0 %	
Tax rate (EBT)	35.0 %	32.0 %	32.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	107.6
NOPAT	58.5	85.7	95.9	115.3	125.7	135.7	145.3	152.5	160.1	168.1	173.2	106.0	107.6	
Depreciation	36.0	45.0	47.0	49.3	53.7	58.0	62.1	65.2	68.4	71.9	74.0	81.8	83.0	10.0 %
in % of Sales	8.8 %	8.8 %	8.4 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	10.0 %	10.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
Change in Liquidity from														
- Working Capital	8.9	9.8	10.1	4.7	2.2	2.1	2.0	1.6	1.6	1.7	1.1	1.0	0.6	83.0
- Capex	35.0	40.0	42.0	61.6	67.1	72.5	77.6	81.5	85.5	89.8	92.5	81.8	83.0	
Capex in % of Sales	8.5 %	7.8 %	7.5 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	0.0
- Other	10.0	30.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	40.6	50.9	45.8	98.3	110.0	119.1	127.7	134.7	141.4	148.5	153.6	105.0	107.0	178
PV of FCF	39.0	44.7	36.7	72.1	73.7	72.9	71.4	68.8	66.0	63.3	59.9	33.7	431.8	728
share of PVs	8.00 %			43.66 %										48.34 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	2.30
Cost of debt (after tax)	6.3 %	Liquidity (share)	1.00
Market return	8.25 %	Cyclicality	1.25
Risk free rate	2.75 %	Transparency	1.25
		Others	1.00
WACC	9.45 %	Beta	1.36

Valuation (m)

Present values 2036e	778		
Terminal Value	728		
Financial liabilities	417		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	5		
Market val. of investments	0		
Liquidity	41	No. of shares (m)	204.5
Equity Value	1,125	Value per share (EUR)	5.50

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.59	10.5 %	4.32	4.39	4.46	4.54	4.62	4.71	4.80	1.59	10.5 %	4.11	4.26	4.40	4.54	4.68	4.83	4.97
1.48	10.0 %	4.73	4.81	4.90	4.99	5.09	5.19	5.30	1.48	10.0 %	4.53	4.69	4.84	4.99	5.14	5.30	5.45
1.42	9.7 %	4.96	5.04	5.14	5.24	5.34	5.45	5.57	1.42	9.7 %	4.76	4.92	5.08	5.24	5.39	5.55	5.71
1.36	9.5 %	5.19	5.29	5.39	5.50	5.61	5.74	5.87	1.36	9.5 %	5.01	5.17	5.34	5.50	5.66	5.82	5.99
1.30	9.2 %	5.44	5.55	5.66	5.78	5.91	6.04	6.19	1.30	9.2 %	5.27	5.44	5.61	5.78	5.95	6.12	6.29
1.25	9.0 %	5.71	5.83	5.95	6.08	6.22	6.37	6.53	1.25	9.0 %	5.55	5.73	5.90	6.08	6.25	6.43	6.60
1.13	8.5 %	6.30	6.44	6.59	6.75	6.92	7.10	7.30	1.13	8.5 %	6.18	6.37	6.56	6.75	6.93	7.12	7.31

- Our DCF approach is based on a detailed planning phase, a transitional phase, and a perpetuity term
- Long-term tax rate is assumed to be at 28%

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	0.7 x	2.1 x	1.3 x	0.6 x	1.2 x	1.1 x	1.0 x
Book value per share ex intangibles	-0.82	-1.99	-2.94	-2.79	-2.86	-2.52	-2.12
EV / Sales	1.5 x	3.4 x	2.1 x	1.5 x	2.2 x	1.7 x	1.5 x
EV / EBITDA	7.9 x	13.1 x	8.0 x	3.8 x	7.0 x	5.2 x	4.5 x
EV / EBIT	18.9 x	23.1 x	25.6 x	4.9 x	9.9 x	7.0 x	6.0 x
EV / EBIT adj.*	11.9 x	15.5 x	8.9 x	6.4 x	8.3 x	6.0 x	5.2 x
P / FCF	14.4 x	16.8 x	3.6 x	22.4 x	29.4 x	11.3 x	8.9 x
P / E	43.8 x	41.6 x	n.a.	4.1 x	18.5 x	9.6 x	7.5 x
P / E adj.*	14.6 x	22.9 x	18.7 x	3.3 x	11.5 x	6.9 x	5.9 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	10.2 %	7.3 %	10.5 %	24.9 %	12.2 %	15.9 %	17.9 %

*Adjustments made for: mostly relate to PPA amortisation

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	140.2	252.2	324.4	322.0	410.0	510.0	560.0
Change Sales yoy	67.1 %	79.8 %	28.7 %	-0.8 %	27.3 %	24.4 %	9.8 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	16.0	22.9	28.9	26.0	25.0	30.0	30.0
Total Sales	156.2	275.0	353.4	347.9	435.0	540.0	590.0
Material expenses	77.6	138.0	188.6	180.5	214.0	255.0	277.0
Gross profit	78.6	137.0	164.8	167.4	221.0	285.0	313.0
<i>Gross profit margin</i>	<i>56.1 %</i>	<i>54.3 %</i>	<i>50.8 %</i>	<i>52.0 %</i>	<i>53.9 %</i>	<i>55.9 %</i>	<i>55.9 %</i>
Personnel expenses	39.6	56.0	76.2	78.0	85.0	103.0	113.0
Other operating income	6.3	8.6	23.2	71.4	20.0	22.0	23.0
Other operating expenses	18.7	24.7	27.0	32.4	30.0	33.0	35.0
EBITDA adj.	29.1	71.1	93.2	100.2	130.0	175.0	192.0
<i>Margin</i>	<i>20.8 %</i>	<i>28.2 %</i>	<i>28.7 %</i>	<i>31.1 %</i>	<i>31.7 %</i>	<i>34.3 %</i>	<i>34.3 %</i>
EBITDA	26.5	65.0	84.8	128.5	126.0	171.0	188.0
<i>Margin</i>	<i>18.9 %</i>	<i>25.8 %</i>	<i>26.1 %</i>	<i>39.9 %</i>	<i>30.7 %</i>	<i>33.5 %</i>	<i>33.6 %</i>
Depreciation of fixed assets	3.0	3.0	5.0	3.0	3.0	3.0	3.0
EBITA	23.5	62.0	79.8	125.5	123.0	168.0	185.0
Amortisation of intangible assets	12.5	25.2	53.1	26.5	33.0	42.0	44.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	11.0	36.8	26.6	99.0	90.0	126.0	141.0
<i>Margin</i>	<i>7.9 %</i>	<i>14.6 %</i>	<i>8.2 %</i>	<i>30.7 %</i>	<i>22.0 %</i>	<i>24.7 %</i>	<i>25.2 %</i>
EBIT adj.	17.5	54.8	76.6	76.9	107.0	147.0	162.0
Interest income	0.4	0.9	0.3	0.0	0.0	0.0	0.0
Interest expenses	7.5	22.8	38.3	50.1	50.0	45.0	40.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	3.9	14.9	-11.3	48.9	40.0	81.0	101.0
<i>Margin</i>	<i>2.8 %</i>	<i>5.9 %</i>	<i>-3.5 %</i>	<i>15.2 %</i>	<i>9.8 %</i>	<i>15.9 %</i>	<i>18.0 %</i>
Total taxes	1.2	-1.2	9.1	2.7	14.0	25.9	32.3
Net income from continuing operations	2.7	16.1	-20.4	46.2	26.0	55.1	68.7
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.5	0.0	0.0	0.0
Net income before minorities	2.7	16.1	-20.4	46.7	26.0	55.1	68.7
Minority interest	-0.4	0.0	-0.1	-0.5	0.5	0.5	0.5
Net income	3.1	16.1	-20.3	47.3	25.5	54.6	68.2
<i>Margin</i>	<i>2.2 %</i>	<i>6.4 %</i>	<i>-6.3 %</i>	<i>14.7 %</i>	<i>6.2 %</i>	<i>10.7 %</i>	<i>12.2 %</i>
Number of shares, average	98.5	142.5	156.2	159.2	159.2	159.2	159.2
EPS	0.03	0.11	-0.13	0.30	0.15	0.29	0.37
EPS adj.	0.09	0.20	0.14	0.37	0.24	0.40	0.47

*Adjustments made for: mostly relate to PPA amortisation

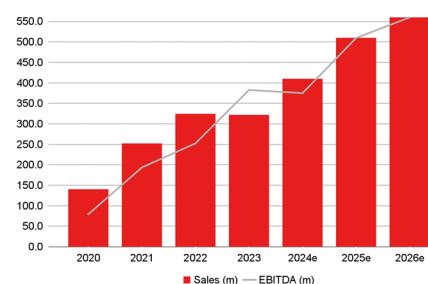
Guidance: EUR 400m to EUR 420m sales and adj. EBITDA of EUR 125m to EUR 135m

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	92.5 %	83.3 %	82.8 %	68.2 %	75.4 %	72.4 %	71.8 %
Operating Leverage	1.8 x	2.9 x	-1.0 x	-358.2 x	-0.3 x	1.6 x	1.2 x
EBITDA / Interest expenses	3.5 x	2.8 x	2.2 x	2.6 x	2.5 x	3.8 x	4.7 x
Tax rate (EBT)	30.6 %	-7.8 %	-79.9 %	5.6 %	35.0 %	32.0 %	32.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

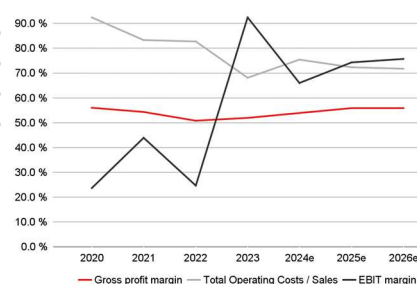
Sales, EBITDA

in EUR m

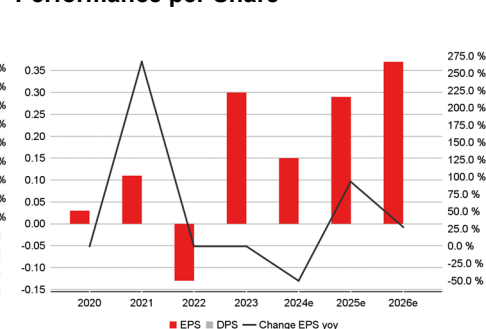


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

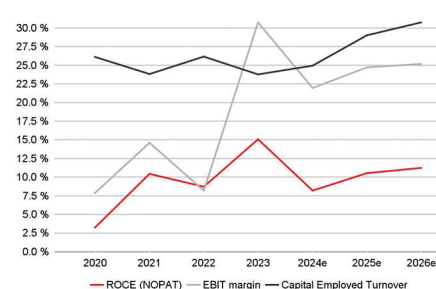
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	272.8	605.7	791.3	796.6	950.6	943.6	936.6
thereof other intangible assets	85.4	149.4	130.6	139.2	136.2	129.2	122.2
thereof Goodwill	164.0	412.0	587.7	587.7	744.7	744.7	744.7
Property, plant and equipment	1.7	4.7	5.5	3.9	5.9	7.9	9.9
Financial assets	18.9	40.1	20.2	12.9	12.9	12.9	12.9
Other long-term assets	0.0	0.0	6.7	0.1	0.1	0.1	0.1
Fixed assets	293.5	650.5	823.6	813.5	969.5	964.5	959.5
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	37.0	97.5	52.2	57.3	78.6	90.8	112.0
Liquid assets	46.3	180.2	150.0	121.7	49.8	25.1	13.7
Other short-term assets	9.1	5.9	18.8	14.5	14.5	14.5	14.5
Current assets	92.4	283.6	221.0	193.5	142.9	130.4	140.2
Total Assets	385.8	934.1	1,044.7	1,007.0	1,112.4	1,094.9	1,099.6
Liabilities and shareholders' equity							
Subscribed capital	117.1	149.7	159.2	159.2	186.3	186.3	186.3
Capital reserve	57.3	137.7	158.6	158.6	171.5	171.5	171.5
Retained earnings	5.6	21.7	1.4	34.4	59.9	114.5	182.7
Other equity components	-3.2	-1.6	3.7	0.0	0.5	1.0	1.4
Shareholders' equity	176.8	307.4	323.0	352.3	418.3	473.4	541.9
Minority interest	0.1	0.1	-1.2	0.2	0.2	0.2	0.2
Total equity	176.8	307.5	321.7	352.5	418.5	473.5	542.1
Provisions	17.3	54.0	65.2	65.2	65.2	65.2	65.2
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	126.0	378.7	421.3	416.6	416.6	391.6	341.6
Short-term financial liabilities	6.1	32.0	31.9	34.5	34.5	34.5	34.5
Accounts payable	30.0	53.8	68.7	66.2	78.6	81.0	92.1
Other liabilities	35.7	140.1	167.7	106.5	133.5	83.5	58.5
Liabilities	209.0	626.6	722.9	654.6	694.0	621.4	557.5
Total liabilities and shareholders' equity	385.8	934.1	1,044.7	1,007.0	1,112.4	1,094.9	1,099.6

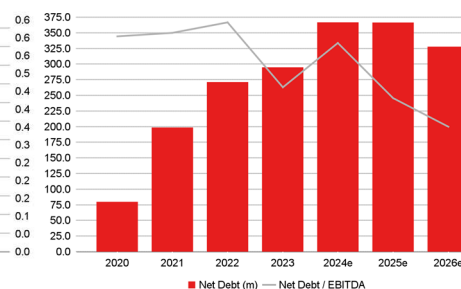
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	16.1 x	5.2 x	-29.6 x	-64.7 x	69.2 x	28.8 x	18.8 x
Capital Employed Turnover	0.5 x	0.5 x	0.5 x	0.5 x	0.5 x	0.6 x	0.6 x
ROA	1.0 %	2.5 %	-2.5 %	5.8 %	2.6 %	5.7 %	7.1 %
Return on Capital							
ROCE (NOPAT)	3.3 %	10.4 %	8.7 %	15.1 %	8.2 %	10.5 %	11.2 %
ROE	2.2 %	6.6 %	-6.4 %	14.0 %	6.6 %	12.2 %	13.4 %
Adj. ROE	6.4 %	11.6 %	6.7 %	17.3 %	10.7 %	16.7 %	17.3 %
Balance sheet quality							
Net Debt	79.8	198.6	271.3	294.9	366.8	366.5	327.9
Net Financial Debt	79.8	198.6	271.3	294.9	366.8	366.5	327.9
Net Gearing	45.1 %	64.6 %	84.3 %	83.7 %	87.6 %	77.4 %	60.5 %
Net Fin. Debt / EBITDA	300.4 %	305.3 %	319.9 %	229.5 %	291.1 %	214.3 %	174.4 %
Book Value / Share	1.5	2.1	2.0	2.2	2.2	2.5	2.9
Book value per share ex intangibles	-0.8	-2.0	-2.9	-2.8	-2.9	-2.5	-2.1

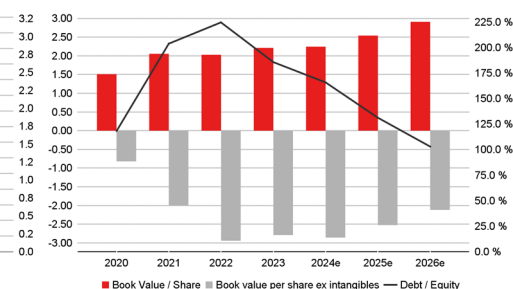
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

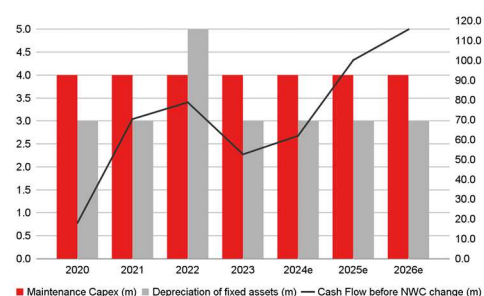
In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	2.7	16.1	-20.4	46.2	26.0	55.1	68.7
Depreciation of fixed assets	3.0	3.0	5.0	3.0	3.0	3.0	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	12.5	25.2	53.1	26.5	33.0	42.0	44.0
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	26.2	41.2	-23.0	0.0	0.0	0.0
Cash Flow before NWC change	18.2	70.5	79.0	52.7	62.0	100.1	115.7
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	-2.8	-60.5	45.3	-5.1	-21.3	-12.2	-21.2
Increase / decrease in accounts payable	9.8	23.7	15.0	-2.5	12.4	2.4	11.1
Increase / decrease in other working capital positions	0.0	31.1	13.9	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	7.0	-5.7	74.1	-7.6	-8.9	-9.8	-10.1
Net cash provided by operating activities [1]	25.2	64.8	153.1	45.1	53.1	90.3	105.6
Investments in intangible assets	-15.0	-20.0	-23.0	-35.0	-30.0	-35.0	-37.0
Investments in property, plant and equipment	-1.2	-6.0	-4.0	-1.4	-5.0	-5.0	-5.0
Payments for acquisitions	-21.5	-269.6	-137.5	-13.0	-130.0	-50.0	-25.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	17.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-37.7	-295.6	-176.7	-32.4	-165.0	-90.0	-67.0
Change in financial liabilities	-2.7	245.0	-16.2	-4.7	0.0	-25.0	-50.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	28.5	113.2	28.5	0.0	40.0	0.0	0.0
Other	0.0	6.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	25.8	364.2	12.3	-4.7	40.0	-25.0	-50.0
Change in liquid funds [1]+[2]+[3]	13.3	133.4	-11.3	8.0	-71.9	-24.7	-11.4
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	46.3	179.7	168.9	158.0	49.8	25.1	13.7

Financial Ratios

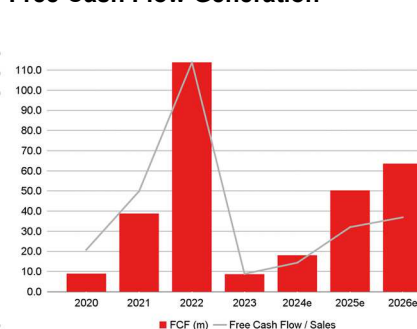
	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	9.0	38.8	113.9	8.7	18.1	50.3	63.6
Free Cash Flow / Sales	6.4 %	15.4 %	35.1 %	2.7 %	4.4 %	9.9 %	11.4 %
Free Cash Flow Potential	21.4	62.2	71.7	121.7	108.0	141.1	151.7
Free Cash Flow / Net Profit	293.5 %	241.3 %	-560.4 %	18.4 %	71.0 %	92.1 %	93.3 %
Interest Received / Avg. Cash	0.9 %	0.8 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	7.3 %	9.0 %	9.6 %	12.0 %	12.0 %	11.1 %	10.9 %
Management of Funds							
Investment ratio	11.6 %	10.3 %	8.3 %	11.3 %	8.5 %	7.8 %	7.5 %
Maint. Capex / Sales	2.9 %	1.6 %	1.2 %	1.2 %	1.0 %	0.8 %	0.7 %
Capex / Dep	104.5 %	92.2 %	46.4 %	123.6 %	97.2 %	88.9 %	89.4 %
Avg. Working Capital / Sales	1.3 %	10.1 %	4.2 %	-3.9 %	-1.1 %	1.0 %	2.7 %
Trade Debtors / Trade Creditors	123.2 %	181.4 %	76.0 %	86.6 %	100.0 %	112.1 %	121.6 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	96	141	59	65	70	65	73
Payables payment period (days)	141	142	133	134	134	116	121
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

CAPEX and Cash Flow

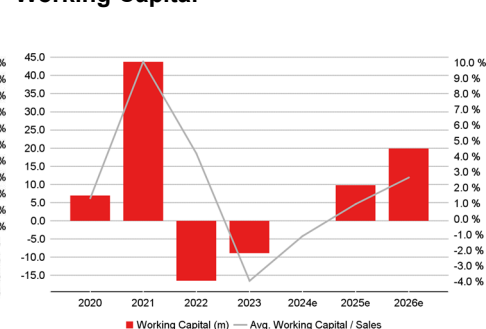
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
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“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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Rating	Number of stocks	% of Universe
Buy	141	70
Hold	43	21
Sell	11	5
Rating suspended	6	3
Total	201	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	41	75
Hold	10	18
Sell	2	4
Rating suspended	2	4
Total	55	100

PRICE AND RATING HISTORY VERVE AS OF 14.08.2024



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.

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