

<b>Buy</b> <b>EUR 5.90</b> (EUR 5.50)  Price <b>EUR 3.41</b> <b>Upside 73.3 %</b>	<b>Value Indicators:</b> EUR DCF: 5.90	<b>Warburg Risk Score: 3.0</b> Balance Sheet Score: 2.5 Market Liquidity Score: 3.5	<b>Description:</b> Verve is an advertising software platform with strong first-party games content.
	<b>Market Snapshot:</b> EUR m Market cap: 634.5 No. of shares (m): 186.3 EV: 998.9 Freefloat MC: 482.2 Ø Trad. Vol. (30d): 488.64 th	<b>Shareholders:</b> Freefloat 76.00 % Bodhivas (Remco Westernm.) 24.30 % Oaktree Capital Management 20.30 % Nordnet Pensionsförsäkring 4.80 % Sterling Active Fund 4.40 %	<b>Key Figures (WRE):</b> 2024e Beta: 1.4 Price / Book: 1.5 x Equity Ratio: 35 % Net Fin. Debt / EBITDA: 2.7 x Net Debt / EBITDA: 2.7 x

## Looking for further double-digit growth

### Stated Figures Q3/2024:

in EUR m	Q3/24	Q3/23	yoy	Consensus	9M/24	9M/23	yoy
<b>Sales</b>	<b>113.7</b>	78.3	45.2%	109.0	<b>292.8</b>	223.2	31.2%
<b>EBITDA</b>	<b>36.2</b>	63.7	-43.2%		<b>84.4</b>	101.2	-16.6%
<b>margin</b>	<b>31.8%</b>	81.3%			<b>28.8%</b>	45.3%	
<b>EBITDA adjusted</b>	<b>33.6</b>	23.1	45.3%	34.0	<b>84.8</b>	63.5	33.6%
<b>margin</b>	<b>29.5%</b>	29.5%		31.2%	<b>29.0%</b>	28.4%	
<b>EBIT adjusted</b>	<b>25.2</b>	18.4	36.5%		<b>65.0</b>	50.2	29.4%
<b>margin</b>	<b>22.1%</b>	23.5%			<b>22.2%</b>	22.5%	
<b>Net income</b>	<b>0.04</b>	0.25	-84.0%		<b>0.08</b>	0.26	-69.2%

### Comment on Figures:

- Sales grew 31% organically in Q3, accelerating from 26% growth in Q2. The difference is the Jun group acquisition and a low single-digit negative FX impact.
- The adj. EBITDA margin remained stable at 29.5% despite the acquisition of the higher margin Jun group as margins were slightly diluted by ramp-up costs for ID-Less solutions and full-screen video ads push, which generate lower margins.
- Reported EBITDA declined yoy as, in the prior year, Verve substantially cut the earn-out assumptions for the Axes-in-Motion acquisition.
- Q3 operating cash flow doubled to EUR 54m on the back of the strong EBITDA and a EUR 34.9m working-capital reduction.
- Despite the EUR 119m cash-out for the Jun acquisition in Q3, net debt increased only EUR 77.9m sequentially to EUR 377m.

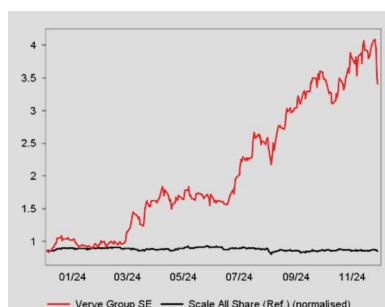
- We expect the positive news-flow to continue and now expect Verve to reach the high end of its sales and earnings guidance. While the Q4 comparison base is around 16pp tougher, we nevertheless expect a rate of organic sales growth that is at least in the low teens and, coupled with a slightly positive FX effect and the acquisition of the Jun group, should lead to 28% sales growth in Q4.
- The outlook for 2025 remains strong. Following the acquisition, Verve now generates around 80% of sales in North America and is benefitting from decent growth in this market. The synergies of the Jun integration should support organic growth and, in this context, it is encouraging that Jun's organic growth accelerated from 2% in Q2 to 7% in Q3 to 13% in the month of October. Finally, ID-less targeting solutions are expected to continue to gain in importance and Verve's moat is increased by the U.S. patent protection recently granted to its "ATOM" targeting solution.
- On the back of the strong cash-flow figures, we have lowered our NWC assumptions. Together with a slight increase in earnings estimates and a decrease of EUR 15m in earn-outs for Axes-in-Motion, our price target increases by EUR 0.4 to EUR 5.9. We confirm our Buy rating.

### Changes in Estimates:

FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -
<b>Sales</b>	410.0	2.2 %	510.0	1.0 %	560.0	1.8 %
<b>EBITDA adj.</b>	130.0	1.5 %	175.0	0.6 %	192.0	1.0 %
<b>EBIT</b>	90.0	6.1 %	126.0	0.8 %	141.0	1.4 %
<b>EPS</b>	0.15	0.0 %	0.29	0.0 %	0.37	0.0 %

### Comment on Changes:

- Strong Q3 figures
- Slightly more favourable FX assumptions due to the recent strength of the USD



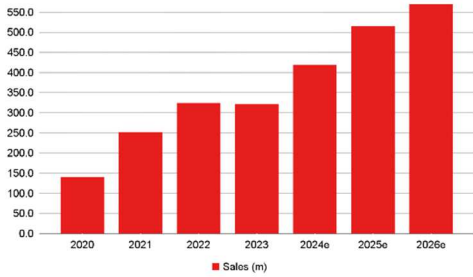
### Rel. Performance vs Scale All Share

1 month:	-9.6 %
6 months:	104.9 %
Year to date:	237.9 %
Trailing 12 months:	287.8 %

### Company events:

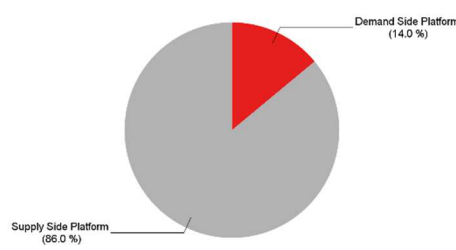
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	21.0 %	140.2	252.2	324.4	322.0	419.0	515.0	570.0
<b>Change Sales yoy</b>		67.1 %	79.8 %	28.7 %	-0.8 %	30.1 %	22.9 %	10.7 %
<b>EBITDA adj.</b>		29.1	71.1	93.2	100.2	132.0	176.0	194.0
<b>Margin</b>	3.0 %	20.8 %	28.2 %	28.7 %	31.1 %	31.5 %	34.2 %	34.0 %
<b>EBITDA</b>		26.5	65.0	84.8	128.5	131.5	172.0	190.0
<b>EBIT adj.</b>	28.7 %	17.5	54.8	76.6	76.9	110.0	148.0	164.0
<b>Margin</b>		12.5 %	21.7 %	23.6 %	23.9 %	26.3 %	28.7 %	28.8 %
<b>Net income</b>	13.7 %	3.1	16.1	-20.3	47.3	25.8	53.2	69.5
<b>EPS</b>	7.2 %	0.03	0.11	-0.13	0.30	0.15	0.29	0.37
<b>EPS adj.</b>	9.1 %	0.09	0.20	0.14	0.37	0.23	0.39	0.48
<b>DPS</b>	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Dividend Yield</b>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>FCFPS</b>		0.09	0.27	0.73	0.05	0.09	0.35	0.42
<b>FCF / Market cap</b>		6.9 %	6.0 %	27.8 %	4.5 %	2.4 %	10.2 %	12.4 %
<b>EV / Sales</b>		1.5 x	3.4 x	2.1 x	1.5 x	2.4 x	1.9 x	1.6 x
<b>EV / EBITDA</b>		7.9 x	13.1 x	8.0 x	3.8 x	7.6 x	5.6 x	4.8 x
<b>EV / EBIT</b>		18.9 x	23.1 x	25.6 x	4.9 x	10.5 x	7.6 x	6.3 x
<b>P / E</b>		43.8 x	41.6 x	n.a.	4.1 x	22.7 x	11.7 x	9.2 x
<b>P / E adj.</b>		14.6 x	22.9 x	18.7 x	3.3 x	14.8 x	8.7 x	7.1 x
<b>FCF Potential Yield</b>		10.2 %	7.3 %	10.5 %	24.9 %	11.3 %	14.8 %	16.9 %
<b>Net Debt</b>		79.8	198.6	271.3	294.9	359.3	324.9	271.3
<b>ROCE (NOPAT)</b>		3.3 %	10.4 %	8.7 %	15.1 %	8.7 %	11.0 %	12.1 %
<b>Guidance:</b>		EUR 400m to EUR 420m sales and adj. EBITDA of EUR 125m to EUR 135m						

**Sales development**  
in EUR m



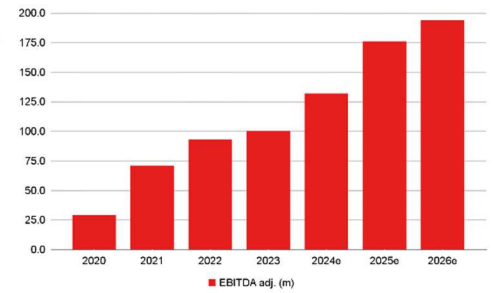
Source: Warburg Research

**Revenues by Segment**  
2023; in %



Source: Warburg Research

**Adj. EBITDA development**  
in EUR m



Source: Warburg Research

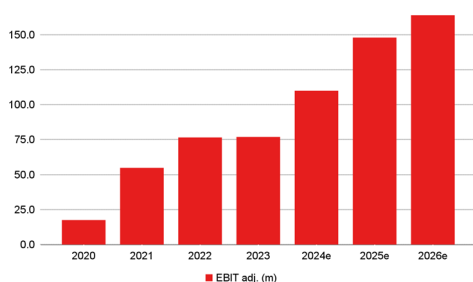
## Company Background

- Verve is an advertising software platform that automates and optimizes the buying and selling of advertising for clients across fast-growing emerging media channels such as mobile, connected TV, DOOH and digital audio.
- 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.
- Verve’s business model is based on a flywheel that is driven by the synergies of supply, data and demand. The greater the supply reach, the more data; the more first-party data Verve accesses, the better the targeting.

## Competitive Quality

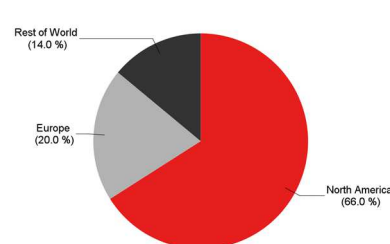
- Following the acquisition of the Jun group, Verve has now substantially strengthened its DSP position and can now leverage its SSP strength.
- The high share of first-party data reduces vulnerability from fraud. It also makes Verve’s Advertising Software Platform less reliant on third-party data, which 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



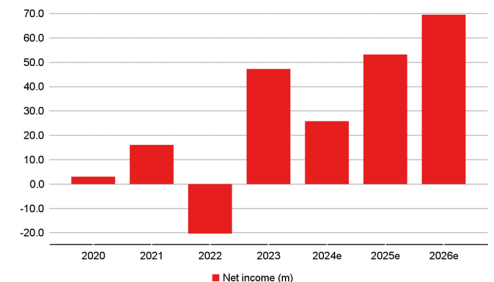
Source: Warburg Research

**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	419.0	515.0	570.0	627.0	683.4	738.1	789.8	829.3	870.7	914.3	941.7	969.9	994.2	1.5 %
Sales change	30.1 %	22.9 %	10.7 %	10.0 %	9.0 %	8.0 %	7.0 %	5.0 %	5.0 %	5.0 %	3.0 %	3.0 %	2.5 %	
EBIT	95.5	127.0	143.0	163.0	177.7	191.9	205.3	215.6	226.4	237.7	244.8	252.2	258.5	26.0 %
EBIT-margin	22.8 %	24.7 %	25.1 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	26.0 %	
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 %	28.0 %
NOPAT	62.1	86.4	97.2	117.4	127.9	138.2	147.8	155.2	163.0	171.1	176.3	181.6	186.1	
Depreciation	36.0	45.0	47.0	50.2	54.7	59.0	63.2	66.3	69.7	73.1	75.3	77.6	79.5	8.0 %
in % of Sales	8.6 %	8.7 %	8.2 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
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	0.0
Change in Liquidity from														
- Working Capital	-3.7	-5.7	-3.6	3.1	1.7	2.3	2.9	3.6	3.9	4.4	4.7	5.0	5.2	5.2
- Capex	35.0	40.0	42.0	62.7	68.3	73.8	79.0	82.9	87.1	91.4	94.2	97.0	99.4	
Capex in % of Sales	8.4 %	7.8 %	7.4 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %
- 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)	56.8	67.1	60.8	101.7	112.5	121.1	129.1	135.1	141.6	148.5	152.7	157.2	161.0	181
PV of FCF	55.3	59.7	49.5	75.6	76.4	75.1	73.2	69.9	67.0	64.2	60.3	56.7	53.1	752
share of PVs	10.36 %			42.28 %										47.36 %

## 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
<b>WACC</b>	<b>9.45 %</b>	<b>Beta</b>	<b>1.36</b>

## Valuation (m)

Present values 2036e	836		
Terminal Value	752		
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
<b>Equity Value</b>	<b>1,207</b>	<b>Value per share (EUR)</b>	<b>5.90</b>

## 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 %	4.69	4.77	4.84	4.92	5.00	5.09	5.19	1.59	10.5 %	4.48	4.63	4.77	4.92	5.07	5.22	5.36
1.48	10.0 %	5.11	5.20	5.29	5.38	5.48	5.59	5.70	1.48	10.0 %	4.91	5.07	5.22	5.38	5.54	5.69	5.85
1.42	9.7 %	5.34	5.43	5.53	5.63	5.74	5.86	5.98	1.42	9.7 %	5.14	5.31	5.47	5.63	5.79	5.96	6.12
1.36	9.5 %	5.58	5.68	5.79	5.90	6.02	6.15	6.28	1.36	9.5 %	5.40	5.56	5.73	5.90	6.07	6.24	6.40
1.30	9.2 %	5.84	5.95	6.06	6.19	6.32	6.46	6.61	1.30	9.2 %	5.67	5.84	6.01	6.19	6.36	6.53	6.71
1.25	9.0 %	6.11	6.23	6.36	6.49	6.64	6.79	6.96	1.25	9.0 %	5.95	6.13	6.31	6.49	6.67	6.85	7.03
1.13	8.5 %	6.72	6.86	7.01	7.17	7.35	7.54	7.74	1.13	8.5 %	6.59	6.79	6.98	7.17	7.37	7.56	7.76

- 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	1.5 x	1.3 x	1.2 x
Book value per share ex intangibles	-0.82	-1.99	-2.94	-2.79	-2.86	-2.53	-2.12
EV / Sales	1.5 x	3.4 x	2.1 x	1.5 x	2.4 x	1.9 x	1.6 x
EV / EBITDA	7.9 x	13.1 x	8.0 x	3.8 x	7.6 x	5.6 x	4.8 x
EV / EBIT	18.9 x	23.1 x	25.6 x	4.9 x	10.5 x	7.6 x	6.3 x
EV / EBIT adj.*	11.9 x	15.5 x	8.9 x	6.4 x	9.1 x	6.5 x	5.5 x
P / FCF	14.4 x	16.8 x	3.6 x	22.4 x	42.1 x	10.8 x	8.9 x
P / E	43.8 x	41.6 x	n.a.	4.1 x	22.7 x	11.7 x	9.2 x
P / E adj.*	14.6 x	22.9 x	18.7 x	3.3 x	14.8 x	8.7 x	7.1 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 %	11.3 %	14.8 %	16.9 %

\*Adjustments made for: mostly relate to PPA amortisation

## Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	<b>140.2</b>	<b>252.2</b>	<b>324.4</b>	<b>322.0</b>	<b>419.0</b>	<b>515.0</b>	<b>570.0</b>
Change Sales yoy	67.1 %	79.8 %	28.7 %	-0.8 %	30.1 %	22.9 %	10.7 %
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
<b>Total Sales</b>	<b>156.2</b>	<b>275.0</b>	<b>353.4</b>	<b>347.9</b>	<b>444.0</b>	<b>545.0</b>	<b>600.0</b>
Material expenses	77.6	138.0	188.6	180.5	240.0	275.0	300.0
<b>Gross profit</b>	<b>78.6</b>	<b>137.0</b>	<b>164.8</b>	<b>167.4</b>	<b>204.0</b>	<b>270.0</b>	<b>300.0</b>
<i>Gross profit margin</i>	<i>56.1 %</i>	<i>54.3 %</i>	<i>50.8 %</i>	<i>52.0 %</i>	<i>48.7 %</i>	<i>52.4 %</i>	<i>52.6 %</i>
Personnel expenses	39.6	56.0	76.2	78.0	80.0	90.0	101.0
Other operating income	6.3	8.6	23.2	71.4	40.0	23.0	23.0
Other operating expenses	18.7	24.7	27.0	32.4	32.5	31.0	32.0
<b>EBITDA adj.</b>	<b>29.1</b>	<b>71.1</b>	<b>93.2</b>	<b>100.2</b>	<b>132.0</b>	<b>176.0</b>	<b>194.0</b>
Margin	20.8 %	28.2 %	28.7 %	31.1 %	31.5 %	34.2 %	34.0 %
<b>EBITDA</b>	<b>26.5</b>	<b>65.0</b>	<b>84.8</b>	<b>128.5</b>	<b>131.5</b>	<b>172.0</b>	<b>190.0</b>
<i>Margin</i>	<i>18.9 %</i>	<i>25.8 %</i>	<i>26.1 %</i>	<i>39.9 %</i>	<i>31.4 %</i>	<i>33.4 %</i>	<i>33.3 %</i>
Depreciation of fixed assets	3.0	3.0	5.0	3.0	3.0	3.0	3.0
<b>EBITA</b>	<b>23.5</b>	<b>62.0</b>	<b>79.8</b>	<b>125.5</b>	<b>128.5</b>	<b>169.0</b>	<b>187.0</b>
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
<b>EBIT</b>	<b>11.0</b>	<b>36.8</b>	<b>26.6</b>	<b>99.0</b>	<b>95.5</b>	<b>127.0</b>	<b>143.0</b>
<i>Margin</i>	<i>7.9 %</i>	<i>14.6 %</i>	<i>8.2 %</i>	<i>30.7 %</i>	<i>22.8 %</i>	<i>24.7 %</i>	<i>25.1 %</i>
<b>EBIT adj.</b>	<b>17.5</b>	<b>54.8</b>	<b>76.6</b>	<b>76.9</b>	<b>110.0</b>	<b>148.0</b>	<b>164.0</b>
Interest income	0.4	0.9	0.3	0.0	5.0	2.0	2.0
Interest expenses	7.5	22.8	38.3	50.1	60.0	50.0	42.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>3.9</b>	<b>14.9</b>	<b>-11.3</b>	<b>48.9</b>	<b>40.5</b>	<b>79.0</b>	<b>103.0</b>
<i>Margin</i>	<i>2.8 %</i>	<i>5.9 %</i>	<i>-3.5 %</i>	<i>15.2 %</i>	<i>9.7 %</i>	<i>15.3 %</i>	<i>18.1 %</i>
Total taxes	1.2	-1.2	9.1	2.7	14.2	25.3	33.0
<b>Net income from continuing operations</b>	<b>2.7</b>	<b>16.1</b>	<b>-20.4</b>	<b>46.2</b>	<b>26.3</b>	<b>53.7</b>	<b>70.0</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.5	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>2.7</b>	<b>16.1</b>	<b>-20.4</b>	<b>46.7</b>	<b>26.3</b>	<b>53.7</b>	<b>70.0</b>
Minority interest	-0.4	0.0	-0.1	-0.5	0.5	0.5	0.5
<b>Net income</b>	<b>3.1</b>	<b>16.1</b>	<b>-20.3</b>	<b>47.3</b>	<b>25.8</b>	<b>53.2</b>	<b>69.5</b>
<i>Margin</i>	<i>2.2 %</i>	<i>6.4 %</i>	<i>-6.3 %</i>	<i>14.7 %</i>	<i>6.2 %</i>	<i>10.3 %</i>	<i>12.2 %</i>
Number of shares, average	98.5	142.5	156.2	159.2	173.6	186.3	186.3
<b>EPS</b>	<b>0.03</b>	<b>0.11</b>	<b>-0.13</b>	<b>0.30</b>	<b>0.15</b>	<b>0.29</b>	<b>0.37</b>
EPS adj.	0.09	0.20	0.14	0.37	0.23	0.39	0.48

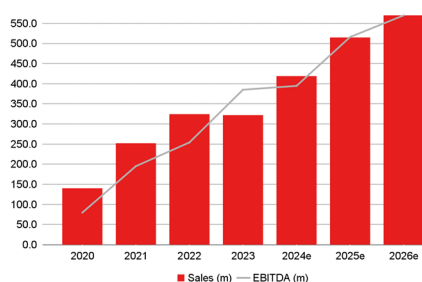
\*Adjustments made for: mostly relate to PPA amortisation

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

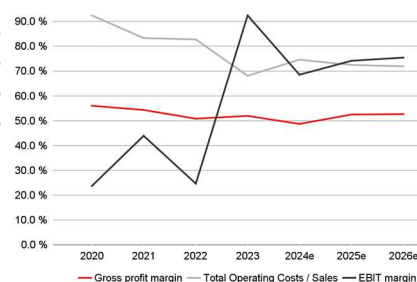
## Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	92.5 %	83.3 %	82.8 %	68.2 %	74.6 %	72.4 %	71.9 %
Operating Leverage	1.8 x	2.9 x	-1.0 x	-358.2 x	-0.1 x	1.4 x	1.2 x
EBITDA / Interest expenses	3.5 x	2.8 x	2.2 x	2.6 x	2.2 x	3.4 x	4.5 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 %

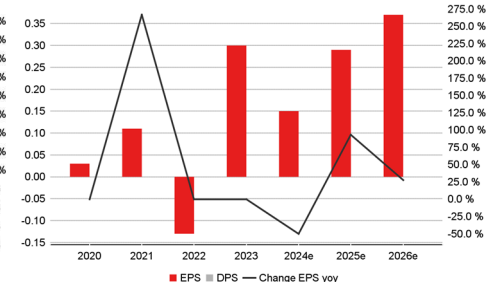
**Sales, EBITDA**  
in EUR m



**Operating Performance**  
in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

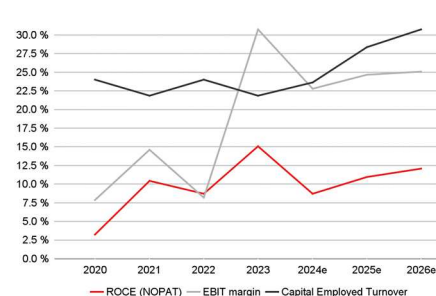
## Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
<b>Assets</b>							
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
<b>Fixed assets</b>	<b>293.5</b>	<b>650.5</b>	<b>823.6</b>	<b>813.5</b>	<b>969.5</b>	<b>964.5</b>	<b>959.5</b>
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	68.9	77.6	81.2
Liquid assets	46.3	180.2	150.0	121.7	153.1	162.5	156.2
Other short-term assets	9.1	5.9	18.8	14.5	14.5	14.5	14.5
<b>Current assets</b>	<b>92.4</b>	<b>283.6</b>	<b>221.0</b>	<b>193.5</b>	<b>236.5</b>	<b>254.6</b>	<b>251.8</b>
<b>Total Assets</b>	<b>385.8</b>	<b>934.1</b>	<b>1,044.7</b>	<b>1,007.0</b>	<b>1,205.9</b>	<b>1,219.1</b>	<b>1,211.3</b>
<b>Liabilities and shareholders' equity</b>							
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	60.2	113.4	183.0
Other equity components	-3.2	-1.6	3.7	0.0	0.4	1.0	1.4
Shareholders' equity	176.8	307.4	323.0	352.3	418.5	472.3	542.3
Minority interest	0.1	0.1	-1.2	0.2	0.2	0.2	0.2
<b>Total equity</b>	<b>176.8</b>	<b>307.5</b>	<b>321.7</b>	<b>352.5</b>	<b>418.7</b>	<b>472.5</b>	<b>542.5</b>
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	512.4	487.4	427.4
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	81.5	95.9	103.1
Other liabilities	35.7	140.1	167.7	106.5	128.0	98.0	73.0
<b>Liabilities</b>	<b>209.0</b>	<b>626.6</b>	<b>722.9</b>	<b>654.6</b>	<b>787.2</b>	<b>746.6</b>	<b>668.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>385.8</b>	<b>934.1</b>	<b>1,044.7</b>	<b>1,007.0</b>	<b>1,205.9</b>	<b>1,219.1</b>	<b>1,211.3</b>

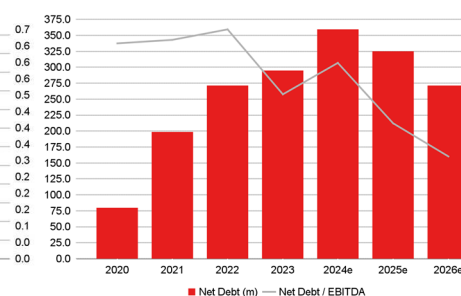
## Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	16.1 x	5.2 x	-29.6 x	-64.7 x	-62.7 x	-49.6 x	-47.6 x
Capital Employed Turnover	0.5 x	0.5 x	0.5 x	0.5 x	0.5 x	0.6 x	0.7 x
ROA	1.0 %	2.5 %	-2.5 %	5.8 %	2.7 %	5.5 %	7.2 %
<b>Return on Capital</b>							
ROCE (NOPAT)	3.3 %	10.4 %	8.7 %	15.1 %	8.7 %	11.0 %	12.1 %
ROE	2.2 %	6.6 %	-6.4 %	14.0 %	6.7 %	11.9 %	13.7 %
Adj. ROE	6.4 %	11.6 %	6.7 %	17.3 %	10.3 %	16.4 %	17.6 %
<b>Balance sheet quality</b>							
Net Debt	79.8	198.6	271.3	294.9	359.3	324.9	271.3
Net Financial Debt	79.8	198.6	271.3	294.9	359.3	324.9	271.3
Net Gearing	45.1 %	64.6 %	84.3 %	83.7 %	85.8 %	68.8 %	50.0 %
Net Fin. Debt / EBITDA	300.4 %	305.3 %	319.9 %	229.5 %	273.3 %	188.9 %	142.8 %
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

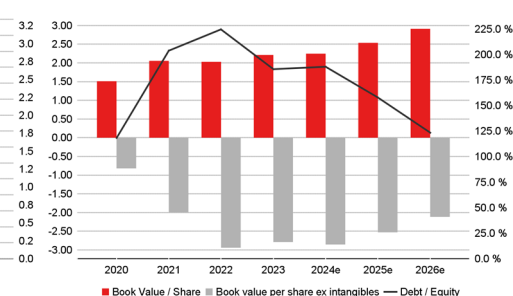
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

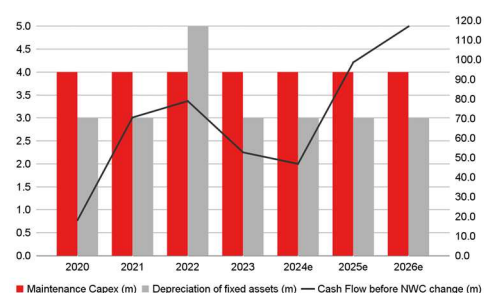
In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	2.7	16.1	-20.4	46.2	26.3	53.7	70.0
Depreciation of fixed assets	3.0	3.0	5.0	3.0	3.0	3.0	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	12.5	25.2	53.1	26.5	33.0	42.0	44.0
Increase/decrease in long-term 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	-15.5	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>18.2</b>	<b>70.5</b>	<b>79.0</b>	<b>52.7</b>	<b>46.8</b>	<b>98.7</b>	<b>117.0</b>
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	-11.6	-8.7	-3.6
Increase / decrease in accounts payable	9.8	23.7	15.0	-2.5	15.3	14.4	7.2
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	3.7	5.7	3.6
<b>Net cash provided by operating activities [1]</b>	<b>25.2</b>	<b>64.8</b>	<b>153.1</b>	<b>45.1</b>	<b>50.5</b>	<b>104.4</b>	<b>120.6</b>
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	-120.0	-30.0	-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
<b>Net cash provided by investing activities [2]</b>	<b>-37.7</b>	<b>-295.6</b>	<b>-176.7</b>	<b>-32.4</b>	<b>-155.0</b>	<b>-70.0</b>	<b>-67.0</b>
Change in financial liabilities	-2.7	245.0	-16.2	-4.7	95.8	-25.0	-60.0
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
<b>Net cash provided by financing activities [3]</b>	<b>25.8</b>	<b>364.2</b>	<b>12.3</b>	<b>-4.7</b>	<b>135.8</b>	<b>-25.0</b>	<b>-60.0</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>13.3</b>	<b>133.4</b>	<b>-11.3</b>	<b>8.0</b>	<b>31.4</b>	<b>9.4</b>	<b>-6.4</b>
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	153.1	162.5	156.2

## Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
<b>Cash Flow</b>							
FCF	9.0	38.8	113.9	8.7	15.5	64.4	78.6
Free Cash Flow / Sales	6.4 %	15.4 %	35.1 %	2.7 %	3.7 %	12.5 %	13.8 %
Free Cash Flow Potential	21.4	62.2	71.7	121.7	113.3	142.7	153.0
Free Cash Flow / Net Profit	293.5 %	241.3 %	-560.4 %	18.4 %	60.1 %	121.0 %	113.1 %
Interest Received / Avg. Cash	0.9 %	0.8 %	0.2 %	0.0 %	3.6 %	1.3 %	1.3 %
Interest Paid / Avg. Debt	7.3 %	9.0 %	9.6 %	12.0 %	12.9 %	10.0 %	9.2 %
<b>Management of Funds</b>							
Investment ratio	11.6 %	10.3 %	8.3 %	11.3 %	8.4 %	7.8 %	7.4 %
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 %	-2.6 %	-3.0 %	-3.5 %
Trade Debtors / Trade Creditors	123.2 %	181.4 %	76.0 %	86.6 %	84.5 %	80.9 %	78.8 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	96	141	59	65	60	55	52
Payables payment period (days)	141	142	133	134	124	127	125
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

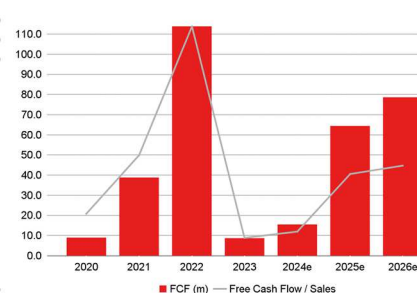
## CAPEX and Cash Flow

in EUR m



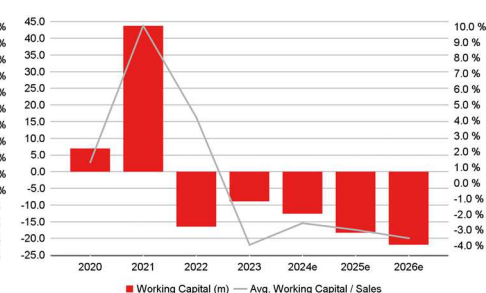
Source: Warburg Research

## 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.



### 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 and was modified thereafter.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Verve	5	<a href="https://www.mmwarburg.com/disclaimer/disclaimer_en/SE0018538068.htm">https://www.mmwarburg.com/disclaimer/disclaimer_en/SE0018538068.htm</a>

## 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-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	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	141	70
Hold	44	22
Sell	11	5
Rating suspended	6	3
<b>Total</b>	<b>202</b>	<b>100</b>

## 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	44	79
Hold	7	13
Sell	2	4
Rating suspended	3	5
<b>Total</b>	<b>56</b>	<b>100</b>

## PRICE AND RATING HISTORY VERVE AS OF 02.12.2024



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 Rüschemeyer** +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

**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

**Klaus Schilling** +49 69 5050-7400  
Head of Equity Sales, Germany kschilling@mmwarburg.com

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

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

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

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

**Roman Alexander Niklas** +49 69 5050-7412  
Switzerland, Poland, Italy rniklas@mmwarburg.com

**Sascha Propp** +49 40 3282-2656  
France spropp@mmwarburg.com

**Leyan Ilkbahar** +49 40 3282-2695  
Roadshow/Marketing liikbahar@mmwarburg.com

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

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

## SALES TRADING

**Oliver Merckel** +49 40 3282-2634  
Head of Sales Trading omerckel@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](https://research.mmwarburg.com/en/index.html)  
Bloomberg RESP MMWA GO  
FactSet [www.factset.com](https://www.factset.com)

LSEG [www.lseg.com](https://www.lseg.com)  
Capital IQ [www.capitaliq.com](https://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