

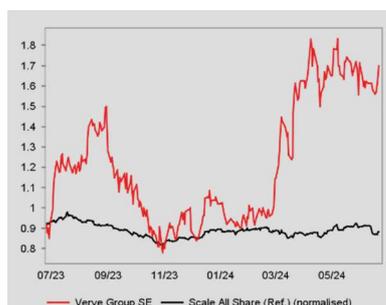
Buy EUR 5.25 (EUR 3.90)	Value Indicators: EUR	Warburg ESG Risk Score: 2.6	Description:
	DCF: 5.25	ESG Score (MSCI based): 3.0	Verve is an advertising software platform with strong first-party games content.
Price: EUR 1.70	Market Snapshot: EUR m	Balance Sheet Score: 2.3	Key Figures (WRE): 2024e
Upside: 208.8 %	Market cap: 316.8	Market Liquidity Score: 2.5	
	No. of shares (m): 186.3	Shareholders:	Beta: 1.4
	EV: 688.4	Freefloat: 73.00 %	Price / Book: 0.8 x
	Freefloat MC: 231.3	Bodhivas (Remco Western.): 27.90 %	Equity Ratio: 37 %
	Ø Trad. Vol. (30d): 57.91 th	Oaktree Capital Management: 17.70 %	Net Fin. Debt / EBITDA: 3.1 x
		Sterling Active Fund: 5.10 %	Net Debt / EBITDA: 3.1 x
		Nordnet Pensionsförsäkring: 3.00 %	

Highly accretive acquisition

Hot on the heels of the official name-change of Media and Games Invest to "Verve", the name of its major operating digital media entity, there was more major news with the acquisition of the Jun Group, a leading mobile advertising company with a special focus on the demand side.

- The strategic rationale of the transaction is to increase Verve's exposure to the demand side of advertising. Previously, Verve's DSP was only 14% of sales. With the acquisition, this will increase to 30% and Verve will gain access to a host of Fortune-500 advertisers. Coupled with Verve's strong position on the supply side with more than 500 premium publishers and in AI-based targeting, this should lead to revenue synergies. Management envisages EUR 9m short-term synergies, i.e. around 11% of Jun's expected 2024 sales of EUR 78m. In the mid-term, this could amount to as much as EUR 30m to 40m. Jun is highly profitable. It generated adj. EBITDA of EUR 36m (50% margin) in 2023 on sales of EUR 72m. Therefore, Verve expects only minor cost synergies of around EUR 2m from the combination of the sales force and the cloud. Thus, including synergies, the pro-forma adj. EBITDA margin of Jun is to increase to 52% or a pro-forma adj. EBITDA 2024 of EUR 45m, some EUR 8m above the already attractive EUR 37m standalone adj. EBITDA. Overall, this is a substantially margin-accretive transaction and an excellent strategic fit. Consequently, management increased its mid-term margin target range by 5pp to 30-35% adj. EBITDA margin.
- The purchase price of EUR 170m (enterprise value) is equivalent to 4.6x standalone adj. EBITDA or only 3.8x including synergies. This attractive value reflects a seller which was under pressure to reduce its debt (Nasdaq listed Advantage Solutions). Even before synergies this is clearly value accretive as the multiple is below Verve's own valuation (5.3x EV/adj. EBITDA on our estimates before the transaction). Verve is paying EUR 120m cash post-closing, which is estimated for September and EUR 25m each 12m and 18m after closing. The immediate cash portion is financed with EUR 80m cash on hand and a SEK 450m (EUR 40m) capital increase, which was completed on Tuesday (27.1m shares at SEK 16.6), while the deferred compensation will be paid from the FCF. As two-thirds of the cash consideration is paid from cash on hand the transaction is highly EPS accretive and our 2025 EPS therefore increases by 12 cents to EUR 0.30. The attractive purchase price improves the leverage substantially and in 2025 net debt/adj. EBITDA is to fall to around 2.0 (from 3.0 at the end of 2023).
- On the back of the highly value-accretive transaction, our DCF-based price target increases by EUR 1.35 to EUR 5.25. We strongly confirm our Buy rating as the valuation is highly attractive, particularly based on 2025 earnings multiples (broad peer group median PER 2025: 16x).

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -	
Sales	365.0	8.2 %	410.0	22.0 %	460.0	19.6 %	We assume consolidation of Jun as of September. Thus, we assume EUR 30m sales and EUR 15m adj. EBITDA (50% margin) in the last four months. Bear in mind, Q4 is seasonally the strongest period of the year.
EBITDA adj.	107.0	14.0 %	120.0	41.7 %	134.0	39.6 %	
EBIT	70.0	17.1 %	81.0	49.4 %	95.0	43.2 %	We assume EUR 90m revenues for Jun in 2025 and EUR 50m adj. EBITDA contribution, i.e. we assume the materialization of some revenue synergies in 2025.
EPS	0.09	33.3 %	0.18	50.0 %	0.27	29.6 %	

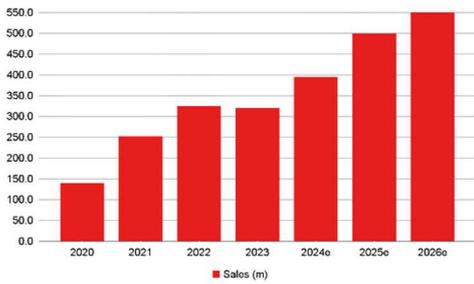


Rel. Performance vs Scale All Share	
1 month:	4.6 %
6 months:	64.8 %
Year to date:	67.5 %
Trailing 12 months:	82.3 %

Company events:	
29.08.24	Q2
28.11.24	Q3

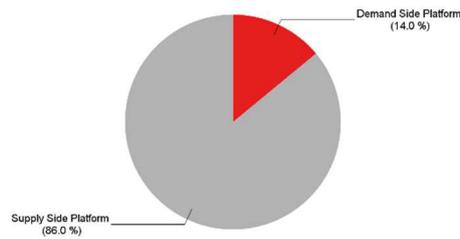
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	19.8 %	140.2	252.2	324.4	320.0	395.0	500.0	550.0
Change Sales yoy		67.1 %	79.8 %	28.7 %	-1.4 %	23.4 %	26.6 %	10.0 %
EBITDA adj.		29.1	71.1	93.2	98.2	122.0	170.0	187.0
Margin	3.5 %	20.8 %	28.2 %	28.7 %	30.7 %	30.9 %	34.0 %	34.0 %
EBITDA		26.5	65.0	84.8	126.5	118.0	166.0	183.0
EBIT adj.	28.0 %	17.5	54.8	76.6	74.9	99.0	142.0	157.0
Margin		12.5 %	21.7 %	23.6 %	23.4 %	25.1 %	28.4 %	28.5 %
Net income	13.1 %	3.1	16.1	-20.3	44.7	20.3	51.2	64.8
EPS	7.7 %	0.03	0.11	-0.13	0.28	0.12	0.27	0.35
EPS adj.	8.7 %	0.09	0.20	0.14	0.35	0.21	0.38	0.45
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	0.11	0.36	0.38
FCF / Market cap		6.9 %	6.0 %	27.8 %	4.5 %	5.8 %	21.4 %	22.2 %
EV / Sales		1.5 x	3.4 x	2.1 x	1.5 x	1.7 x	1.3 x	1.1 x
EV / EBITDA		7.9 x	13.1 x	8.0 x	3.9 x	5.8 x	4.0 x	3.4 x
EV / EBIT		18.9 x	23.1 x	25.6 x	5.0 x	8.4 x	5.5 x	4.6 x
P / E		43.8 x	41.6 x	n.a.	4.4 x	14.2 x	6.3 x	4.9 x
P / E adj.		14.6 x	22.9 x	18.7 x	3.5 x	8.1 x	4.5 x	3.8 x
FCF Potential Yield		10.2 %	7.3 %	10.5 %	24.9 %	14.9 %	20.6 %	23.8 %
Net Debt		79.8	198.6	271.3	294.9	366.6	348.9	303.4
ROCE (NOPAT)		3.3 %	10.4 %	8.7 %	14.7 %	7.5 %	10.3 %	11.2 %
Guidance:		EUR 380m to EUR 400m sales and adj. EBITDA of EUR 115m to EUR 125m						

Sales development
in EUR m



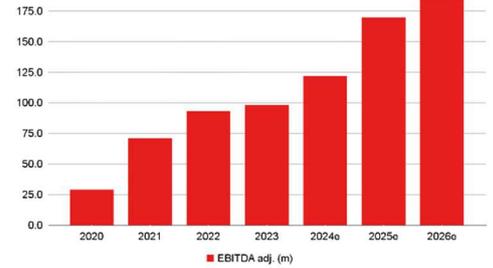
Source: Warburg Research

Revenues by Segment
2023; in %



Source: Warburg Research

Adj. EBITDA development
in EUR m



Source: Warburg Research

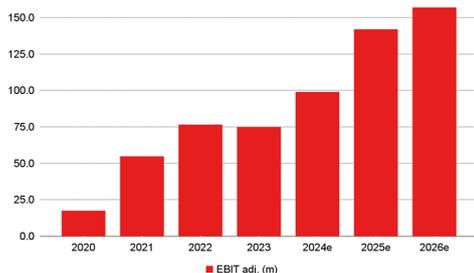
Company Background

- 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

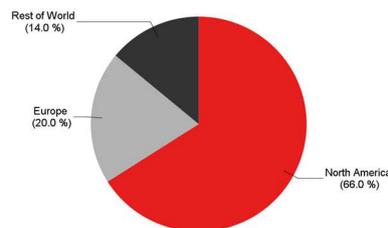
- Following the acquisition of the Jun group, Verve has now substantially strengthened its DSP position and can now leverage its SSP strength.
- The high share of first-party data reduces vulnerability from fraud. It also makes Verve's Advertising Software Platform less reliant on third-party data, which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



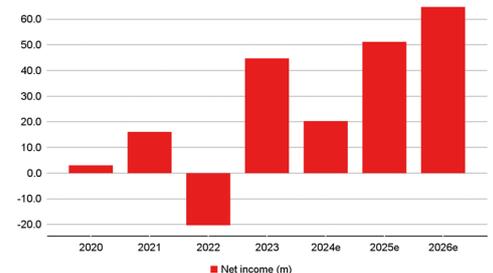
Source: Warburg Research

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	395.0	500.0	550.0	605.0	659.5	712.2	762.1	800.2	840.2	882.2	908.6	817.8	830.0	
Sales change	22.7 %	26.6 %	10.0 %	10.0 %	9.0 %	8.0 %	7.0 %	5.0 %	5.0 %	5.0 %	3.0 %	2.5 %	1.5 %	1.5 %
EBIT	82.0	121.0	136.0	157.3	171.5	185.2	198.1	208.0	218.4	229.4	236.2	147.2	149.4	
EBIT-margin	20.8 %	24.2 %	24.7 %	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 %	
NOPAT	53.3	82.3	92.5	113.3	123.4	133.3	142.7	149.8	157.3	165.1	170.1	106.0	107.6	
Depreciation	36.0	45.0	47.0	48.4	52.8	57.0	61.0	64.0	67.2	70.6	72.7	81.8	83.0	
in % of Sales	9.1 %	9.0 %	8.5 %	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	
Change in Liquidity from														
- Working Capital	3.5	-11.0	-0.2	46.9	2.7	2.6	2.5	1.9	2.0	2.1	1.3	1.0	0.6	
- Capex	35.0	40.0	42.0	60.5	65.9	71.2	76.2	80.0	84.0	88.2	90.9	81.8	83.0	
Capex in % of Sales	8.9 %	8.0 %	7.6 %	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)	40.8	68.3	52.7	54.3	107.5	116.4	124.9	131.9	138.5	145.4	150.6	105.0	107.0	175
PV of FCF	38.9	59.5	41.9	39.5	71.4	70.6	69.2	66.8	64.1	61.5	58.2	33.7	431.8	708
share of PVs	9.64 %			41.73 %										48.63 %

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	748		
Terminal Value	708		
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	1,075	Value per share (EUR)	5.25

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 %	4.11	4.17	4.25	4.32	4.40	4.48	4.57	1.59	10.5 %	3.90	4.04	4.18	4.32	4.46	4.60	4.74
1.48	10.0 %	4.51	4.59	4.67	4.76	4.85	4.95	5.06	1.48	10.0 %	4.31	4.46	4.61	4.76	4.91	5.05	5.20
1.42	9.7 %	4.72	4.81	4.90	5.00	5.10	5.21	5.33	1.42	9.7 %	4.54	4.69	4.84	5.00	5.15	5.30	5.46
1.36	9.5 %	4.96	5.05	5.15	5.25	5.37	5.49	5.61	1.36	9.5 %	4.78	4.94	5.09	5.25	5.41	5.57	5.73
1.30	9.2 %	5.20	5.30	5.41	5.53	5.65	5.78	5.92	1.30	9.2 %	5.03	5.20	5.36	5.53	5.69	5.85	6.02
1.25	9.0 %	5.46	5.57	5.69	5.82	5.95	6.10	6.26	1.25	9.0 %	5.31	5.48	5.65	5.82	5.99	6.16	6.33
1.13	8.5 %	6.04	6.17	6.32	6.47	6.64	6.81	7.01	1.13	8.5 %	5.92	6.10	6.29	6.47	6.65	6.84	7.02

- 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	0.8 x	0.7 x	0.6 x
Book value per share ex intangibles	-0.82	-1.99	-2.94	-2.79	-2.88	-2.57	-2.18
EV / Sales	1.5 x	3.4 x	2.1 x	1.5 x	1.7 x	1.3 x	1.1 x
EV / EBITDA	7.9 x	13.1 x	8.0 x	3.9 x	5.8 x	4.0 x	3.4 x
EV / EBIT	18.9 x	23.1 x	25.6 x	5.0 x	8.4 x	5.5 x	4.6 x
EV / EBIT adj.*	11.9 x	15.5 x	8.9 x	6.5 x	7.0 x	4.7 x	4.0 x
P / FCF	14.4 x	16.8 x	3.6 x	22.4 x	17.8 x	5.1 x	4.9 x
P / E	43.8 x	41.6 x	n.a.	4.4 x	14.2 x	6.3 x	4.9 x
P / E adj.*	14.6 x	22.9 x	18.7 x	3.5 x	8.1 x	4.5 x	3.8 x
Dividend Yield	n.a.						
FCF Potential Yield (on market EV)	10.2 %	7.3 %	10.5 %	24.9 %	14.9 %	20.6 %	23.8 %

*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	320.0	395.0	500.0	550.0
Change Sales yoy	67.1 %	79.8 %	28.7 %	-1.4 %	23.4 %	26.6 %	10.0 %
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	345.9	420.0	530.0	580.0
Material expenses	77.6	138.0	188.6	180.5	207.0	250.0	272.0
Gross profit	78.6	137.0	164.8	165.4	213.0	280.0	308.0
<i>Gross profit margin</i>	<i>56.1 %</i>	<i>54.3 %</i>	<i>50.8 %</i>	<i>51.7 %</i>	<i>53.9 %</i>	<i>56.0 %</i>	<i>56.0 %</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	98.2	122.0	170.0	187.0
<i>Margin</i>	<i>20.8 %</i>	<i>28.2 %</i>	<i>28.7 %</i>	<i>30.7 %</i>	<i>30.9 %</i>	<i>34.0 %</i>	<i>34.0 %</i>
EBITDA	26.5	65.0	84.8	126.5	118.0	166.0	183.0
<i>Margin</i>	<i>18.9 %</i>	<i>25.8 %</i>	<i>26.1 %</i>	<i>39.5 %</i>	<i>29.9 %</i>	<i>33.2 %</i>	<i>33.3 %</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	123.5	115.0	163.0	180.0
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	97.0	82.0	121.0	136.0
<i>Margin</i>	<i>7.9 %</i>	<i>14.6 %</i>	<i>8.2 %</i>	<i>30.3 %</i>	<i>20.8 %</i>	<i>24.2 %</i>	<i>24.7 %</i>
EBIT adj.	17.5	54.8	76.6	74.9	99.0	142.0	157.0
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	46.9	32.0	76.0	96.0
<i>Margin</i>	<i>2.8 %</i>	<i>5.9 %</i>	<i>-3.5 %</i>	<i>14.7 %</i>	<i>8.1 %</i>	<i>15.2 %</i>	<i>17.5 %</i>
Total taxes	1.2	-1.2	9.1	2.7	11.2	24.3	30.7
Net income from continuing operations	2.7	16.1	-20.4	44.2	20.8	51.7	65.3
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	2.7	16.1	-20.4	44.2	20.8	51.7	65.3
Minority interest	-0.4	0.0	-0.1	-0.5	0.5	0.5	0.5
Net income	3.1	16.1	-20.3	44.7	20.3	51.2	64.8
<i>Margin</i>	<i>2.2 %</i>	<i>6.4 %</i>	<i>-6.3 %</i>	<i>14.0 %</i>	<i>5.1 %</i>	<i>10.2 %</i>	<i>11.8 %</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	0.28	0.12	0.27	0.35
EPS adj.	0.09	0.20	0.14	0.35	0.21	0.38	0.45

*Adjustments made for: mostly relate to PPA amortisation

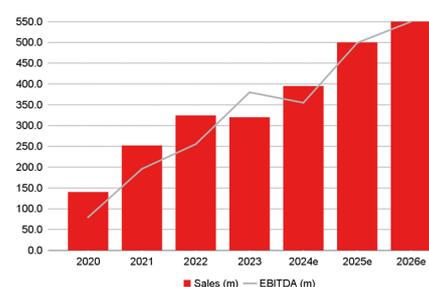
Guidance: EUR 380m to EUR 400m sales and adj. EBITDA of EUR 115m to EUR 125m

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	92.5 %	83.3 %	82.8 %	68.6 %	76.5 %	72.8 %	72.2 %
Operating Leverage	1.8 x	2.9 x	-1.0 x	-192.2 x	-0.7 x	1.8 x	1.2 x
EBITDA / Interest expenses	3.5 x	2.8 x	2.2 x	2.5 x	2.4 x	3.7 x	4.6 x
Tax rate (EBT)	30.6 %	-7.8 %	-79.9 %	5.8 %	35.0 %	32.0 %	32.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

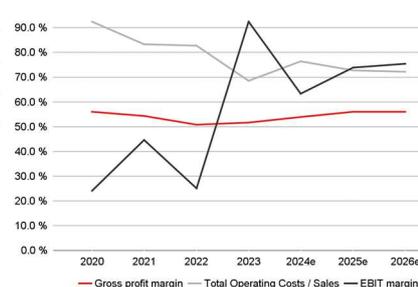
Sales, EBITDA

in EUR m

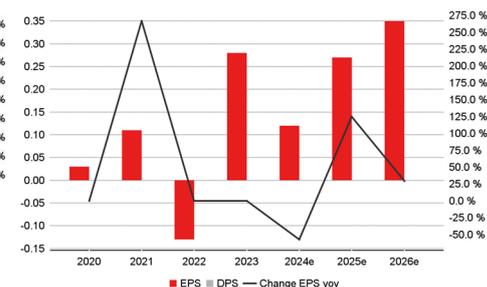


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

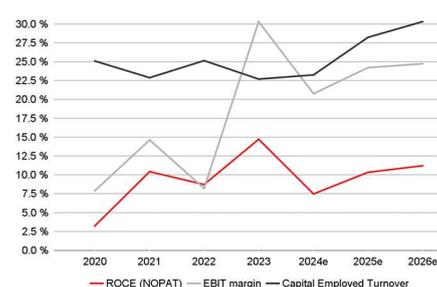
Consolidated balance sheet

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	73.6	82.2	88.9
Liquid assets	46.3	180.2	150.0	121.7	50.0	42.7	38.2
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	138.1	139.4	141.6
Total Assets	385.8	934.1	1,044.7	1,007.0	1,107.6	1,103.9	1,101.0
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	54.7	105.9	170.7
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	413.1	464.8	529.9
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	413.3	464.9	530.1
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	79.0	98.6	105.5
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	694.4	639.0	570.9
Total liabilities and shareholders' equity	385.8	934.1	1,044.7	1,007.0	1,107.6	1,103.9	1,101.0

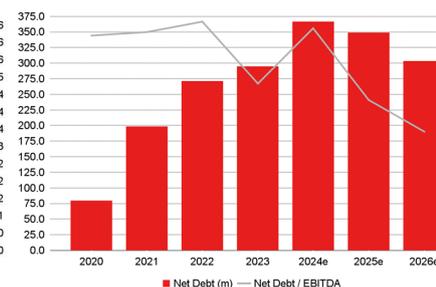
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	16.1 x	5.2 x	-29.6 x	-64.3 x	756.7 x	-59.0 x	-82.4 x
Capital Employed Turnover	0.5 x	0.6 x	0.7 x				
ROA	1.0 %	2.5 %	-2.5 %	5.5 %	2.1 %	5.3 %	6.8 %
Return on Capital							
ROCE (NOPAT)	3.3 %	10.4 %	8.7 %	14.7 %	7.5 %	10.3 %	11.2 %
ROE	2.2 %	6.6 %	-6.4 %	13.2 %	5.3 %	11.7 %	13.0 %
Adj. ROE	6.4 %	11.6 %	6.7 %	16.6 %	9.4 %	16.2 %	17.0 %
Balance sheet quality							
Net Debt	79.8	198.6	271.3	294.9	366.6	348.9	303.4
Net Financial Debt	79.8	198.6	271.3	294.9	366.6	348.9	303.4
Net Gearing	45.1 %	64.6 %	84.3 %	83.7 %	88.7 %	75.0 %	57.2 %
Net Fin. Debt / EBITDA	300.4 %	305.3 %	319.9 %	233.2 %	310.6 %	210.2 %	165.8 %
Book Value / Share	1.5	2.1	2.0	2.2	2.2	2.5	2.8
Book value per share ex intangibles	-0.8	-2.0	-2.9	-2.8	-2.9	-2.6	-2.2

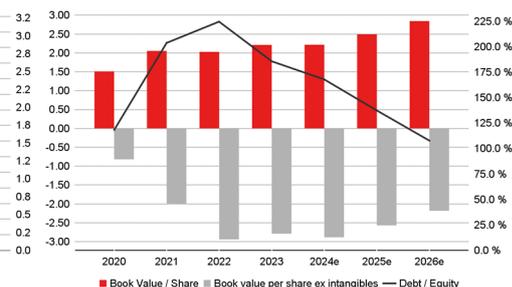
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

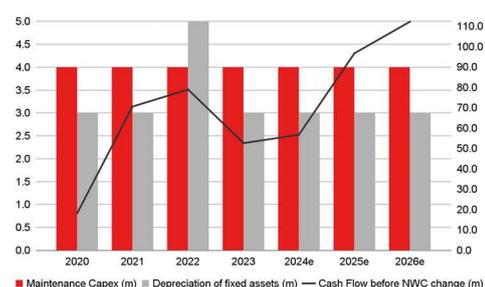
In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	2.7	16.1	-20.4	46.2	20.8	51.7	65.3
Depreciation of fixed assets	3.0	3.0	5.0	3.0	3.0	3.0	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	12.5	25.2	53.1	26.5	33.0	42.0	44.0
Increase/decrease in long-term 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	56.8	96.7	112.3
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	-16.3	-8.6	-6.7
Increase / decrease in accounts payable	9.8	23.7	15.0	-2.5	12.8	19.6	6.9
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	-3.5	11.0	0.2
Net cash provided by operating activities [1]	25.2	64.8	153.1	45.1	53.3	107.7	112.5
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	-71.7	-7.3	-4.5
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	50.0	42.7	38.2

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	9.0	38.8	113.9	8.7	18.3	67.7	70.5
Free Cash Flow / Sales	6.4 %	15.4 %	35.1 %	2.7 %	4.6 %	13.5 %	12.8 %
Free Cash Flow Potential	21.4	62.2	71.7	121.7	102.8	137.7	148.3
Free Cash Flow / Net Profit	293.5 %	241.3 %	-560.4 %	19.4 %	90.1 %	132.2 %	108.8 %
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 %	11.4 %	8.9 %	8.0 %	7.6 %
Maint. Capex / Sales	2.9 %	1.6 %	1.2 %	1.3 %	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 %	-4.0 %	-1.8 %	-2.2 %	-3.0 %
Trade Debtors / Trade Creditors	123.2 %	181.4 %	76.0 %	86.6 %	93.2 %	83.4 %	84.3 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	96	141	59	65	68	60	59
Payables payment period (days)	141	142	133	134	139	144	142
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

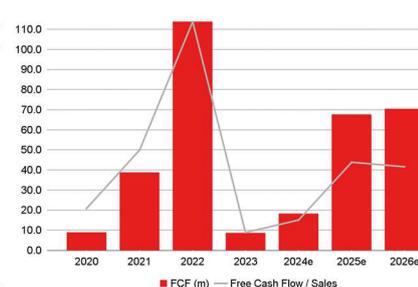
CAPEX and Cash Flow

in EUR m



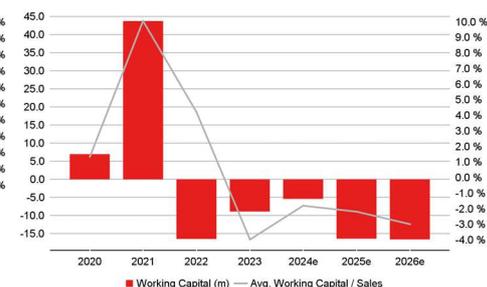
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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

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-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.
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“-“	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	141	69
Hold	45	22
Sell	10	5
Rating suspended	7	3
Total	203	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	44	77
Hold	9	16
Sell	1	2
Rating suspended	3	5
Total	57	100

PRICE AND RATING HISTORY VERVE AS OF 24.06.2024



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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