

Zefiro Methane Corp. ^{*5a,11}

Strong growth expected based on an extensive pipeline

Industry: environmental services
Focus: well plugging and monitoring, carbon credits
Founded: 2018 (Caden Capital Corp.)
1970 (Plants & Goodwin)

Employees: approx. 150
Headquarters: Bradford (Pennsylvania);
Vancouver (Registered Office)
Board of Directors: C. Flax, C. Loeffler, J. Sun, D. Heald, H. Moawalla

Zefiro Methane Corp. is a publicly traded environmental services company with its operational focus in the United States. It offers integrated services for the identification, measurement, and reduction of methane emissions from abandoned, orphaned, and improperly sealed oil and gas wells. Its service portfolio includes, in particular, methane measurements, technical planning, well abandonment, cementing, wireline, and transportation services, as well as the development and marketing of carbon credits. Operational activities are primarily carried out through the subsidiaries Plants & Goodwin and Appalachian Well Surveys. While Plants & Goodwin has more than 50 years of experience in the abandonment of oil and gas wells, Appalachian Well Surveys provides complementary technical services. In addition to government-funded orphan well programs, the company serves private energy producers and infrastructure operators.

in millions of USD	FY 24/25	FY 25/26	FY 26/27e	FY 27/28e	FY 28/29e
Revenue	32.41	42.49	57.92	66.85	75.21
EBITDA	-4.75	0.60	10.02	12.22	15.04
EBIT	-8.53	-2.75	6.31	8.21	11.33
Net income	-10.76	-3.55	4.21	5.77	8.31
Earnings per share	-0.15	-0.04	0.04	0.05	0.08
Dividend per share	0.00	0.00	0.00	0.00	0.00
EV/Revenue	1.77	1.35	0.99	0.86	0.76
EV/EBITDA	neg.	94.97	5.71	4.69	3.81
EV/EBIT	neg.	neg.	9.08	6.97	5.05
P/E	neg.	neg.	10.58	7.71	5.36
KBV	56.75	6.17			

Investment Case

- **Dynamic growth market:** millions of inadequately sealed oil and gas wells create a long-term remediation need in the U.S.
- **Integrated platform:** P&G and AWS provide essential services—from wireline and cementing to decommissioning and reclamation—all under one roof.
- **Operational turnaround:** since the management change, significant improvements in revenue, EBITDA, and cost structure have been evident.
- **High revenue visibility:** multi-year government contracts and ongoing projects form a solid foundation for forecasts in the coming fiscal years.
- **Scalable capacity expansion:** the Viking equipment increases available rig capacity and supports regional expansion as well as growth with private customers.
- **High-margin additional option:** the resumption of the carbon credit business could generate additional revenue with above-average margins.
- **Valuation:** with a calculated price target of \$1.50 (CAD 2.12), there is significant upside potential and we therefore assign a BUY rating.

Rating: Buy

Price Target: 1,50 USD (2,15 CAD*)

*(1.00 CAD = 0.70 USD; 06.10.2026; 6:46 UTC)

Stock and Basic Information



Price as of 12.10.26 (3:30 pm)	0.41 USD
Ticker (Bloomberg)	ZEFIF:US
ISIN (Germany)	CA98926D1069
WKN (Germany)	A3DVHU
Number of shares (in millions)	108.51
Market cap (in millions USD)	44.49
EV (in millions of USD)	57.25

Stock exchange	Frankfurt, CBOE
End of fiscal year	June 30
Accounting standards	IFRS

Financial Calendar

latest by 14/11/26	Q1 26/27
latest by 14/02/27	Q2 26/27
latest by 15/05/27	Q3 26/27

Analysts

Cosmin Filker (filker@gbc-ag.de)
Matthias Greiffenberger (greiffenberger@gbc-ag.de)

Latest GBC Research

Date: Publication / Price Target in USD / Rating
21.07.2026 / RS / 1.50 / BUY
** The research reports listed above can be viewed at www.gbc-ag.de

Completion: 12.10.2026 (4:15 pm)
First distribution: 13.10.2026 (10:30 am)

Validity of the price target: max. until 30.06.2027

* List of potential conflicts of interest on p. 16

IMPORTANT NOTE:

Please note the disclaimer/risk warning and the disclosure of potential conflicts of interest in accordance with Section 85 of the German Securities Trading Act (WpHG) and Article 20 of the Market Abuse Regulation (MAR), starting on page 14.

Note in accordance with MiFID II regulations for research on 'minor non-monetary benefits': In GBC AG's assessment, this research meets the criteria for classification as a 'minor non-monetary benefit'. Further information on this can be found in the disclosure under 'I. Research under MiFID II'.

Note on issuer-sponsored research: This research report is issuer-sponsored research and has been prepared in accordance with the EU Code of Conduct for issuer-sponsored research.

COMPANY PROFILE

Zefiro Methane Corp. is a publicly-traded environmental services company with a primary operational focus in the United States. The company specializes in the identification, measurement, and reduction of methane emissions from decommissioned, abandoned, and orphaned oil and gas wells. The business model combines the technical decommissioning and remediation of wells with the development and marketing of emission credits. While the “Environmental Services” division forms the core revenue base, the “Environmental Markets” division—which includes the carbon credit business—opens up the opportunity to generate additional revenue from verifiably avoided methane emissions.

The company's current structure was significantly shaped by the acquisition of Plants & Goodwin Inc. (P&G) in May 2023 and Appalachian Well Surveys Inc. (AWS) in December 2023. P&G has more than 50 years of experience in the decommissioning of oil and gas wells and serves as the Group's central operational platform. The acquisition of AWS expanded the range of services, particularly in the areas of specialized wireline and wellbore services. The formerly independent operational activities of AWS have since been integrated into P&G. In May 2026, operational capacities were further expanded through the acquisition of five service rigs and additional equipment from Viking Well Service.

Environmental services as core of the business model

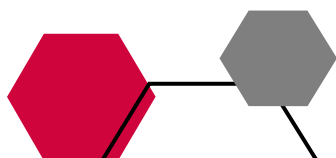
The focus of the operating business is on the professional decommissioning and remediation of oil and gas wells. The reason for this is that wells that are not properly sealed can continue to release methane and other gases even after the end of their economic life. Furthermore, there are risks to soil and groundwater, as well as potential restrictions on the future use of affected properties. This issue is particularly relevant in the Appalachian Basin, where Zefiro already has operational capacity, the necessary permits, and long-standing customer relationships.

The range of services includes, in particular, the technical preparation and execution of decommissioning projects, the deployment of service rigs, and cementing and wireline services. It also encompasses transportation and supplementary construction services. In the area of environmental monitoring, methane emissions are also identified and quantified using specialized measuring equipment. This enables the company to handle key steps of a decommissioning project within its own corporate group. This reduces dependence on external service providers and allows for the coordinated implementation of complex remediation measures.

The customer base consists primarily of government clients and private-sector companies. A significant portion of the demand stems from government-funded programs for the decommissioning of orphan wells—wells for which no responsible or solvent operator is available. In addition, Zefiro provides services to private oil and gas producers as well as to companies that must decommission or remediate existing wells as part of infrastructure and development projects. Compensation is primarily project-based or based on contractually agreed-upon services.

Environmental markets as complementary source of revenue

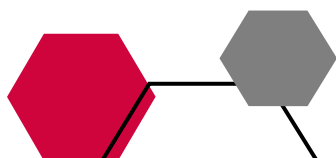
In addition to its operational services business, Zefiro develops tradable emission credits in its “Environmental Markets” business segment. To this end, methane emissions from suitable wells are first measured, and then the emissions avoided



through their decommissioning are quantified and verified using a recognized methodology. On this basis, credits can be generated and sold to companies that wish to voluntarily offset emissions.

With the sale of its first carbon credits from a project in Oklahoma, Zefiro has already demonstrated the commercial viability of this business segment. However, the carbon credit business remains at an early stage of development. The American Carbon Registry (ACR) is currently revising its methodology for quantifying methane emission reductions from the plugging of abandoned oil and gas wells. Nevertheless, eligible projects with previously approved measurement forms may still complete the verification process under version 1.0 of the methodology, while credits already issued remain unaffected. The revised methodology is expected to provide the framework for future project development and credit generation. Accordingly, the timing and extent of future revenue contributions will depend on project eligibility, verification procedures and demand in the voluntary carbon credit market.

Overall, Zefiro's business model is thus based on two interconnected business segments. On the one hand, there is the operational, predominantly project-financed business involving the decommissioning and remediation of wells, as well as the complementary monetization of verifiably avoided methane emissions. The existing technical capabilities and regional presence form the foundation for the further expansion of the operational business.



BUSINESS PERFORMANCE FY 2025/2026

P&L in USDm	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Revenue	5.98	32.75	32.41	42.49
EBITDA*	-0.53	-1.77	-4.75	0.60
EBIT	-0.98	-5.40	-8.53	-2.75
Net income	-1.81	-6.94	-10.76	-3.55

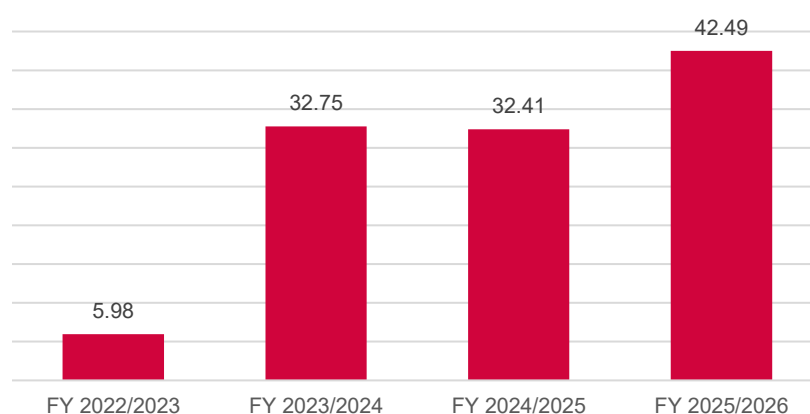
Sources: Zefiro Methane Corp.; GBC AG; *according to GBC-calculations

Revenue trends for FY 2025/26

Zefiro Methane Corp. continued its growth trajectory in fiscal year 2025/26 with a 31.1% increase in revenue to \$42.49 million (previous year: \$32.41 million), thereby confirming the operational turnaround initiated following the management change. The basis for the strong revenue growth is the realignment toward the core businesses of wellbore sealing and methane monitoring, which was driven by the new management. In contrast to previous fiscal years, revenue growth in the past fiscal year benefited only minimally from inorganic revenue effects, meaning that the growth was predominantly organic. Although the acquisition of Viking's assets in May 2026 created additional operating capacity, its contribution to revenue was limited to the last two months of the fiscal year.

Despite the strong momentum, revenue fell short of our forecast of \$45.18 million (see report dated July 21, 2026). This should be viewed particularly in light of the weaker revenue performance in the fourth quarter. Although quarterly revenue rose 16.7% year-over-year to USD 9.30 million (Q4 24/25: USD 7.97 million), the fourth quarter was the weakest of the 2025/26 fiscal year on a quarter-over-quarter basis. Management attributes this to seasonal effects as well as the absence of carbon credit sales. In addition, the newly acquired Viking capacities and the projects that commenced in the reporting quarter were still in the ramp-up phase.

Revenue Trend on a Full-Year Basis (in millions of USD)



Sources: Zefiro Methane Corp.; GBC AG

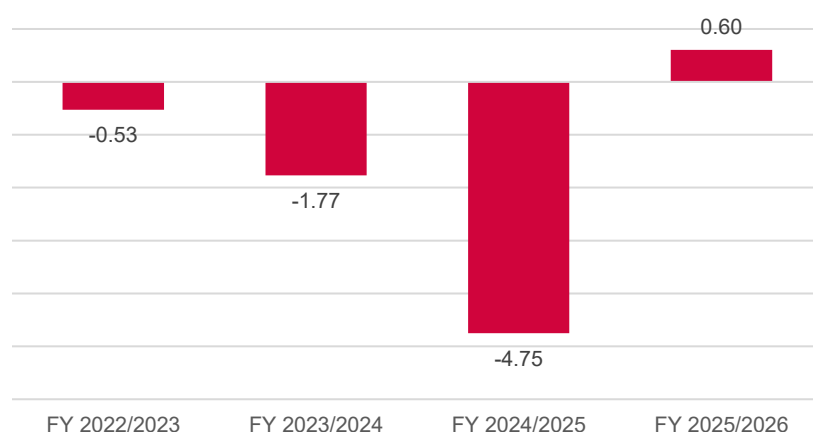
The positive revenue trend was driven in particular by the expansion of well-plugging activities. Significant contributions came from the remediation projects in the state of Ohio. These include the "Wood 12F" project, with a total volume of approximately USD 4.5 million, in which 27 of 37 wells were plugged by the end of the fiscal year. Also worth highlighting is the Louisiana project, with a volume of over

USD 5 million, which was successfully completed ahead of schedule in the third quarter of 2025/26. Further revenue growth resulted from the decommissioning of wastewater injection wells for a private operator, generating approximately USD 1.4 million in the reporting year. In addition, business was expanded with a major U.S. natural gas producer, for whom Zefiro deployed additional drilling rigs in West Virginia.

Earnings performance FY 2025/26

In line with the revenue trend, Zefiro achieved an operational turnaround with an increase in EBITDA to USD 0.60 million (previous year: -USD 4.75 million). Following the management change in June 2025, Zefiro realigned its operational management to focus more strongly on cash-flow-generating core services and stricter cost control. According to the company, initiatives that were not sufficiently aligned with the core business were scaled back, operational processes were managed more rigorously, and cost items were reduced to increase profitability. The EBITDA figures presented in this research report are calculated independently by GBC AG based on the company's published financial statements. They may therefore differ from the EBITDA and adjusted EBITDA figures reported by Zefiro Methane Corp., particularly with regard to the treatment of non-recurring expenses and other adjustments. The company's reported adjusted EBITDA amounted to USD 3.8 million in FY 2025/26 (previous year: USD -4.0 million).

EBITDA* Performance on a Full-Year Basis (in millions of USD)



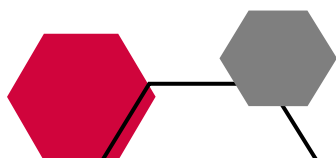
Sources: Zefiro Methane Corp.; GBC AG; *according to GBC-calculations

On the one hand, this led to a disproportionately large improvement in gross profit to USD 12.40 million (previous year: USD 7.47 million) and thus to an increase in the gross margin to 29.2% (previous year: 23.0%). The main driver of this development was the improved utilization of existing operational resources, which meant that direct personnel costs—included in cost of sales—increased only at a lower-than-proportional rate. This was offset by higher expenses for third-party services, materials, and leased equipment, particularly in connection with the projects in Louisiana and Ohio.

In addition, management reduced general administrative expenses to USD 1.95 million (prior year: USD 3.46 million) and wages included in overhead costs to USD 5.13 million (prior year: USD 5.76 million). Overall, the expenses we classify as overhead costs thus decreased to USD 11.79 million (prior year: USD 12.22 million). This amount also includes special expenses related to the Vikings acquisition, shares-for-debt settlements, and extraordinary write-downs related to the initial recognition of the Vikings' assets on the balance sheet. The reported EBITDA

jump to USD 0.60 million (prior year: -USD 4.75 million) is even more pronounced in the company's reported adjusted EBITDA metric. This figure rose to USD 3.80 million (prior year: -USD 4.00 million). The EBITDA metric used by GBC is based on its own calculation of earnings and does not take into account all adjustments made by the company.

The significant improvement in EBITDA, after deducting depreciation and amortization, led to a sharp increase in EBIT to -USD 2.75 million (previous year: -USD 8.53 million) and in net income after taxes to -USD 3.54 million (previous year: -USD 10.63 million). Although our forecasts had also anticipated a negative net income of -USD 1.17 million, revenue fell short of our expectations, causing our estimates to be slightly missed at this level as well.



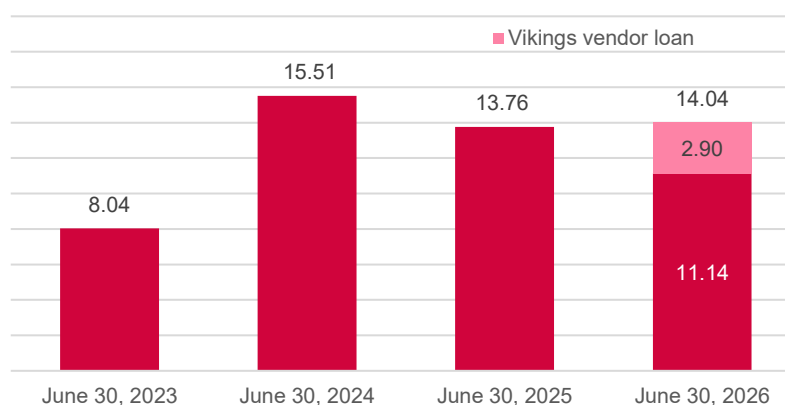
Balance Sheet and Financial Position as of 30.06.2026

in millions of USD	30.06.2023	30.06.2024	30.06.2025	30.06.2026
Equity	10.95	8.68	0.78	7.21
Equity ratio	47.2%	30.0%	3.8%	26.7%
Financial liabilities	8.04	15.51	13.76	14.04
Fixed assets	15.79	16.11	13.37	16.13
Goodwill	0.00	2.40	2.40	2.40
Working capital	5.22	7.29	1.28	3.26
Cash and cash equivalents	0.89	0.98	0.05	1.09
Cashflow (operating)	-2.75	-2.02	1.58	-0.21
Cashflow (investing)	2.88	-4.09	-1.88	-1.92
Cashflow (financing)	-0.28	6.19	-0.58	3.20

Sources: Zefiro Methane Corp.; GBC AG

The development of balance sheet ratios in fiscal year 2025/26 was influenced, among other factors, by the acquisition of Viking Well Service's operating assets in May 2026. As part of this transaction, Zefiro acquired five service rigs as well as additional machinery, vehicles, and equipment for a total purchase price of USD 4.30 million. Of this amount, USD 1.40 million was paid directly from cash and cash equivalents, while the remaining USD 2.90 million was financed through a vendor loan. Consequently, the transaction led, on the one hand, to an increase in property, plant, and equipment to USD 16.13 million (June 30, 25: USD 13.37 million) and, on the other hand, to an increase in financial liabilities to USD 14.04 million (June 30, 25: USD 13.76 million), as well as to a cash outflow. The vendor loan bears interest at 7.0% and provides for monthly principal payments as well as a final payment due on April 30, 2027.

Trend in Financial Debt (in millions of USD)



Source: Zefiro Methane Corp.; GBC AG

However, the receipt of the Viking vendor loan in the amount of USD 2.90 million did not result in a corresponding increase in total financial liabilities. This is attributable to the measures taken by the new management to repay existing loans. Excluding the Viking vendor loan, total financial liabilities would have decreased to USD 11.14 million. In particular, high-interest liabilities such as the "Secured Loan" and the "Zefiro USA Note" were significantly reduced during the reporting period. In addition to regular principal payments, existing liabilities were partially repaid through the issuance of new shares or the application of proceeds from the exercise of warrants.

Particularly notable is the sharp increase in equity to USD 7.21 million (June 30, 2025: USD 0.78 million). In fiscal year 2025/26, Zefiro significantly strengthened its equity base through several capital measures. The focus was on two private placements in April and June 2026, in which a total of 14.45 million new shares were issued, generating gross proceeds of USD 5.65 million. After deducting cash-based issuance costs of USD 0.40 million, this resulted in a net cash inflow of approximately USD 5.25 million. The capital increases were used, among other things, to finance the Viking acquisition and to strengthen the company's financial flexibility. In addition to the shares, warrants were issued as part of both placements.

In addition, a total of 12.11 million new shares were issued through the exercise of existing warrants. However, this resulted in only a partial cash inflow, as a significant portion of the proceeds from the exercise was used to offset existing loan liabilities. In addition, 5.09 million shares were issued to settle financial liabilities and other liabilities. These measures thus led to a strengthening of equity while simultaneously reducing debt, without the need to use corresponding cash reserves.

Equity Bridge (in millions of USD)



Source: Zefiro Methane Corp.; GBC AG

The capital measures described above are also reflected in the cash flow trends. Despite the significant improvement in earnings, operating cash flow for fiscal year 2025/26 was -USD 0.21 million (previous year: USD 1.58 million), below the previous year's figure. This was primarily due to the higher tie-up of funds resulting from the USD 1.99 million increase in working capital. Cash flow from investing activities amounted to -USD 1.92 million (prior year: -USD 1.88 million) and was largely driven by the cash payment of USD 1.40 million for the acquisition of the Viking assets. In contrast, financing activities—primarily due to the capital increases carried out—resulted in a positive cash flow from financing activities of USD 3.20 million (previous year: -USD 0.58 million). Overall, cash and cash equivalents thus increased to USD 1.09 million (previous year: USD 0.05 million).

FORECAST AND MODEL ASSUMPTIONS

P&L in USDm	FY 2025/26	FY 2026/27e	FY 2027/28e	FY 2028/29e
Revenue	42.49	57.92	66.85	75.21
EBITDA	0.60	10.02	12.22	15.04
EBIT	-2.75	6.31	8.21	11.33
Net income	-3.55	4.21	5.77	8.31

Source: GBC AG

Operating performance in the past fiscal year 2025/26 was characterized, particularly in the fourth quarter, by preparatory measures to manage the significantly expanded project pipeline. These included the integration of the Viking equipment acquired in May 2026, the mobilization of additional capacity for the major contract with the Ohio Department of Natural Resources (ODNR), and the expansion of personnel resources. The associated start-up and integration costs initially weighed on earnings performance, as the new capacities were not yet fully utilized. In our view, however, these measures form an important foundation for the expected increase in revenue and earnings in fiscal year 2026/27.

Our growth expectations are based on what the company describes as the largest contractually secured project pipeline in its history to date. Of particular note is the three-year ODNR contract with a total volume of USD 19.60 million, the implementation of which began in June 2026 and which encompasses approximately 200 drill holes. Additional potential stems from the partnership with the Well Done Foundation, which was agreed upon in July 2026. In addition to an order already placed for ten drill holes, a further 20 are expected to be assigned for 2027, along with a potential total of approximately 70 drill holes. In September 2026, Zefiro also received another government-funded decommissioning contract worth USD 11.50 million, scheduled for execution from November 2026 through June 2029. The significantly expanded project pipeline thus increases the visibility of future revenue growth and supports our unchanged forecasts.

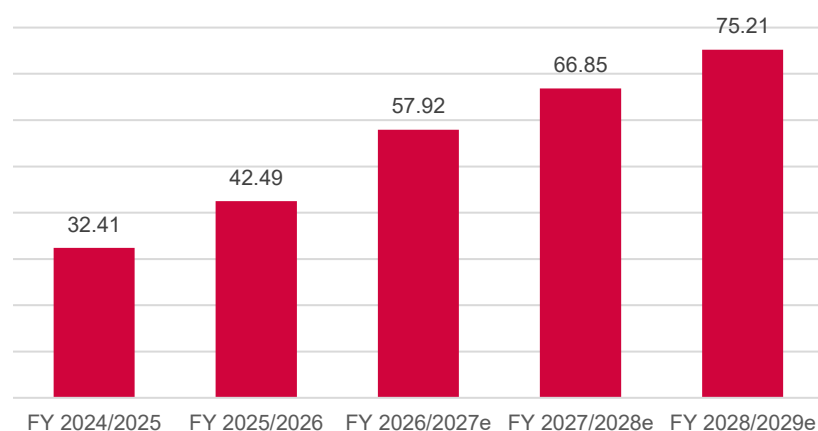
In addition to the major contracts already secured, we expect further growth momentum from the increasing utilization of the Viking capacities acquired in May 2026 and the expansion of the private-sector/commercial customer business. According to the company, the five additional service rigs will increase annual revenue capacity by approximately USD 10 million. We assume a gradual increase in capacity utilization. The acquisition of four new corporate clients in June 2026, as well as the expansion of existing client projects, are particularly strong indicators of rising capacity utilization. Furthermore, geographic expansion into five additional states opens up further opportunities to secure government and private-sector contracts. The company sees additional demand potential, in particular, in the remediation of former drill holes in connection with infrastructure and data center projects.

In the medium term, the carbon credit business will present additional growth opportunities. Following the temporary suspension of the previous ACR methodology, we do not expect any significant revenue contribution from this segment in the first half of fiscal year 2026/27. Company management anticipates the publication of the new calculation methodology for the current calendar year 2026 or early 2027.

We are maintaining our revenue estimates unchanged from our most recent research report (see report dated July 21, 2026) and are supplementing them with an estimate for fiscal year 2028/29. This means we continue to have a specific three-year forecast period. For the current fiscal year 2026/27, we assume that the dynamic revenue growth will continue due to the capacity expansion resulting from

the Vikings acquisition and expect revenue to increase by 36.3%. For the coming fiscal years, we anticipate a slowdown in revenue growth and project growth rates of 15.4% (FY 2027/28) and 12.5% (FY 2028/29), respectively.

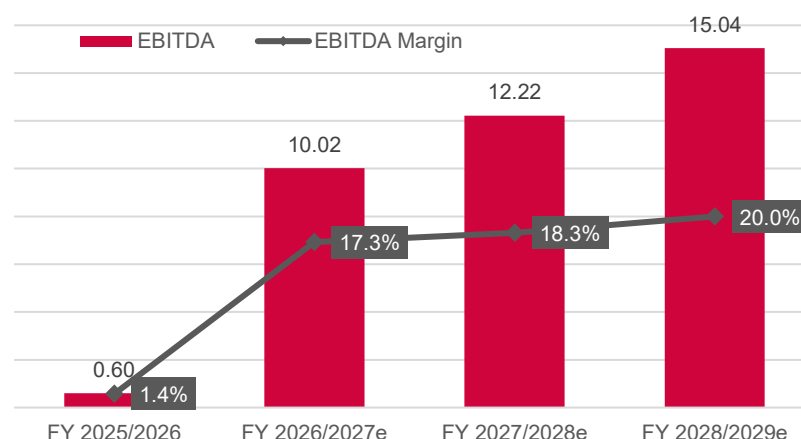
Revenue Forecasts (in millions of USD)



Source: GBC AG

The trend in cost of sales, and thus in gross profit, is a key factor in earnings performance. According to management, the cost-of-sales ratio is influenced in particular by the utilization of existing crews and facilities, seasonality, and the respective project profile. At the same time, the contract structure is becoming increasingly important. While cost overruns in fixed-price projects directly erode margins, this risk is reduced in contracts based on daily rates or "time and materials." In these cases, Zefiro is compensated for the actual workdays, employees, and services provided. Management expects that the increasing proportion of larger, multi-year day-rate projects will reduce earnings volatility and make gross margins more predictable.

EBITDA Forecast (in millions of USD) and EBITDA Margin



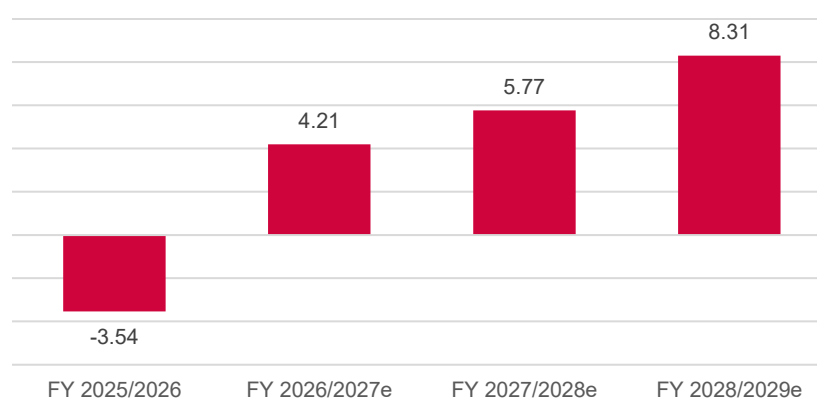
Source: GBC AG

Even with the increase in the gross margin and the resulting disproportionately strong growth in gross profit that we have assumed, the company is expected to report a rise in operating expenses (personnel expenses and administrative costs); however, overall, the noticeable increase in gross profit should translate into a significant improvement in EBITDA. For the current fiscal year, we continue to expect

a significant increase in EBITDA. By fiscal year 2028/29, our final specific forecast period, we expect the company to achieve an EBITDA margin of 20%.

In calculating the expected net income after taxes, we have taken into account the improvements in the financing structure achieved by management. These consisted primarily of the repayment of high-interest financial liabilities. First and foremost is the reduction of high-interest financial liabilities, such as the repayment of the “Zefiro USA Note” (interest rate: 15%) and the majority of the “Secured Loan” (interest rate: 18%) as part of an equity settlement. The remaining high-interest liability of approximately USD 0.70 million, as well as the remaining AWS liabilities due in November 2026, are to be repaid either from expected operating cash flows or settled again through an equity-based solution. Taking into account the Viking vendor loan of approximately USD 2.9 million (interest rate: 7.0%), we expect an improvement in financial expenses. This should be reflected in the after-tax profit, which, according to our forecasts, should significantly exceed the break-even point in the current fiscal year.

Forecast of After-Tax Earnings (in millions of USD)



Source: GBC AG

VALUATION

Model assumptions

We valued Zefiro Methane Corp. using a three-stage DCF model. Starting with specific estimates for the years 2026/27 through 2028/29 in Phase 1, the forecast through the 2033/34 fiscal year is based on value drivers. We expect revenue growth of 12.5%. During the specific estimation period, we anticipate an increase in the EBITDA margin to rise to as much as 20.0%. We assume this figure as the target EBITDA margin for the terminal value phase of the valuation model. The tax rate of 20% we assume (terminal value: 27%) initially reflects the company's remaining high tax loss carryforwards. In the third phase, following the end of the forecast horizon, a residual value is also determined using the perpetual annuity method. For the terminal value, we assume a growth rate of 3.0%.

Determination of the cost of capital

The weighted average cost of capital (WACC) for Zefiro Methane Corp. is calculated based on the cost of equity and the cost of debt. To determine the cost of equity, the fair market premium, the company-specific beta, and the risk-free interest rate must be calculated.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the IDW's Expert Committee on Business Valuation and Business Administration (FAUB). This is based on the zero-coupon bond rates published by the Deutsche Bundesbank using the Svensson method. To smooth out short-term market fluctuations, the average yields over the preceding three months are used, and the result is rounded to 25 basis points. The currently used value for the risk-free interest rate is 3.5% (previously: 3.0%).

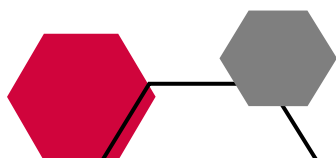
We use the historical market premium of 5.5% as a reasonable estimate of the market premium. This is supported by historical analyses of stock market returns. The market premium reflects the percentage by which the stock market is expected to outperform low-risk government bonds. **According to the GBC estimation method, the beta is currently determined to be 1.41.**

The outstanding options and warrants were valued using the Black-Scholes model. The resulting theoretical value of USD 4.7 million was deducted from the equity value rather than reflecting full dilution through an increased number of shares.

Based on the assumptions made, the cost of equity comes to 11.3% (previously: 10.8%) (beta multiplied by the risk premium plus the risk-free interest rate). Since we assume a sustained weighting of 85% for the cost of equity, the weighted average cost of capital (WACC) comes to 10.74% (previously: 10.45%).

Valuation result

As part of our DCF valuation model, we have determined an unchanged price target of \$1.50 per share. The various effects (inclusion of the new fiscal year in the specific forecast, increase in the risk-free interest rate) have offset each other.



DCF Model

Phase	Estimate		Consistency						Final
in Mio. USD	FY 26/27e	FY 27/28e	FY 28/29e	FY 29/30e	FY 30/31e	FY 31/32e	FY 32/33e	FY 33/34e	
Revenue	57.92	66.85	75.21	84.61	95.19	107.09	120.47	135.53	
Revenue growth	36.3%	15.4%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	3.0%
EBITDA	10.02	12.22	15.04	16.92	19.04	21.42	24.09	27.11	
EBITDA margin	17.3%	18.3%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	
EBIT	6.31	8.21	11.33	13.48	16.00	18.67	21.56	24.72	
EBIT margin	10.9%	12.3%	15.1%	15.9%	16.8%	17.4%	17.9%	18.2%	18.7%
NOPLAT	5.05	6.57	9.07	10.78	12.80	14.93	17.24	19.77	
Working capital (WC)	3.90	5.20	5.80	6.53	7.34	8.26	9.29	10.45	
Fixed assets (OAV)	14.68	14.01	12.30	10.86	9.82	9.07	8.53	8.14	
Invested capital	18.58	19.21	18.10	17.38	17.16	17.33	17.82	18.59	
ROI	26.0%	35.3%	47.2%	59.6%	73.6%	87.0%	99.5%	111.0%	102.5%
EBITDA	10.02	12.22	15.04	16.92	19.04	21.42	24.09	27.11	
Taxes on EBITA	-1.26	-1.64	-2.27	-2.70	-3.20	-3.73	-4.31	-4.94	
Change in OAV	-2.26	-3.34	-2.00	-2.00	-2.00	-2.00	-2.00	-2.00	
Change in WC	-0.64	-1.30	-0.60	-0.73	-0.82	-0.92	-1.03	-1.16	
Investments in goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free Cashflow	5.86	5.94	10.18	11.50	13.02	14.77	16.75	19.00	239.03

Calculation of Cost of Capital

Risk-free return	3.50%
Market risk premium	5.50%
Beta	1.41
Cost of equity	11.28%
Target weighting	85.00%
Cost of debt	9.00%
Target weighting	15.00%
Tax shield	14.66%
WACC	10.74%

Fair Value Calculation

	FY 26/27e	FY 27/28e
Value of operating business	175.09	187.95
Present value of explicit FCFs	58.04	58.34
PV of continuing value	117.05	129.62
Net debt	7.95	3.01
Equity value	167.14	184.94
Black Scholes	-4.70	-4.70
Value of share capital	162.44	180.24
Outstanding shares in millions	108.51	108.51
Fair value per share in USD	1.50	1.66

Sensitivity Analysis

		WACC				
		10.1%	10.4%	10.7%	11.0%	11.3%
ROI	102.0%	1.63	1.56	1.49	1.43	1.38
	102.2%	1.63	1.56	1.49	1.43	1.38
	102.5%	1.63	1.56	1.50	1.44	1.38
	102.7%	1.64	1.56	1.50	1.44	1.38
	103.0%	1.64	1.57	1.50	1.44	1.39

APPENDIX

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The company responsible for preparing this analysis is GBC AG, based in Augsburg.

GBC AG is represented by its Management Board members Manuel Hölzle and Jörg Grunwald.

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