

<b>Rating</b>	<b>Buy</b>
<b>Price target</b>	<b>49.00 EUR</b>
<b>Potential</b>	<b>31%</b>
<b>Share data</b>	
Share price (last close price in EUR)	37.40
Number of shares (in m)	18.1
Market cap. (in EUR m)	677.1
Trading vol. (Ø 3 months; in K shares)	2.2
Enterprise Value (in EUR m)	665.8
Ticker	BUL:SLYG
<b>Guidance 2025</b>	
Sales (in EUR m)	145 - 155
EBIT (in EUR m)	35 - 40

Share price (EUR)



<b>Shareholder</b>	
Free float	40.3%
Dimitar Dimitrov	30.3%
Svetlin Todorov	29.4%
-	-
-	-

<b>Calendar</b>	
Q1 report	May 14, 2025
AGM	June 2, 2025
-	-

<b>Changes in estimates</b>			
	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Sales (old)</b>	<b>148.9</b>	<b>208.5</b>	<b>271.1</b>
Δ	0.0%	0.7%	0.6%
<b>EBIT (old)</b>	<b>39.5</b>	<b>54.8</b>	<b>67.8</b>
Δ	-7.3%	-4.6%	-1.4%
<b>EPS (old)</b>	<b>1.77</b>	<b>2.42</b>	<b>2.99</b>
Δ	-7.3%	-4.5%	-1.3%

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<b>Publication</b>	
Comment	February 26, 2025

## FY 2024: Shelly continues its highly profitable growth path with sustained momentum

After Shelly announced at the beginning of the year that it had exceeded its sales guidance, further financial figures have now been released. Accordingly, the smart home provider has managed to maintain its high margin level while continuing to achieve growth rates above the 40% threshold. In addition, the company's forecast for the current year signals a continuation of this positive development.

**Growth momentum expected to increase over the year:** According to preliminary calculations, the Shelly Group achieved consolidated revenues of 106.7 million EUR in 2024, representing a growth rate of 42.4%. This means Shelly once again outperformed the high single to low double-digit growing smart home market last year, which we believe was achieved through a broad and continuously improved product portfolio, attractive pricing, and further expansion of sales activities. These are to be further strengthened in 2025 with the establishment of dedicated teams in Poland and the UK, among other places. According to the management board, the top line development is expected to gain momentum over the course of the year, while Q1 with a sales increase of approximately 25% yoy is expected to be the low point. The main reasons for this are the launch timing of product innovations focusing on Gen4 products, which should be available from Q2, as well as the addition of smart door locks (also from Q2) and cameras (in Q4). We continue to position ourselves in the middle of the forecast range in terms of sales, in order to take into account both Shelly's high forecasting ability to date and the inherent risks of a delayed product launch.

**Operating margin slightly declining due to increased marketing costs:** In the past financial year, Shelly was unable to fully achieve its own EBIT forecast and achieved a margin of 24.1% (-1.4PP yoy). Thus, below-average growing administrative costs (18.3% of sales; -6.4PP yoy) and a higher gross margin (+2.5PP yoy) were unable to compensate for the significantly increased marketing costs (17.3% of sales; +10.4PP yoy). These included, among other things, bonus payments to intermediaries to increase visibility in certain markets (see comment from January 10, 2025). Due to a changed contract structure, the marketing ratio is expected to decrease slightly again this year according to the management board. We are raising our expectations for marketing costs in the coming years, which is reflected in a slightly lower EBIT in the forecast period.

**Extension of management contracts:** Last week, Shelly announced the early contract extensions of Co-CEOs Dimitar Dimitrov and Wolfgang Kirsch until the end of 2030 and the end of 2028, respectively. We welcome this step due to the extraordinarily successful period of the management duo both operationally and in capital market development in recent years.

**Conclusion:** In 2024, Shelly continued its successful path and was able to further expand both its strong operational performance and its product offerings and corporate structures. Although the opening quarter is expected to be slightly weaker in terms of top line dynamics compared to recent quarters, we expect growth of around 40% for the full year, with an EBIT margin slightly below 25%. We confirm our buy recommendation and target price.

FYend: 31.12.	2023	2024	2025e	2026e	2027e
Sales	74.9	106.7	148.9	209.9	272.9
Growth yoy	57.3%	42.4%	39.5%	41.0%	30.0%
EBITDA	20.1	28.1	38.3	54.6	69.7
EBIT	19.1	26.2	36.6	52.3	66.9
Net income	16.8	23.6	29.6	41.8	53.5
Gross profit margin	57.1%	59.6%	57.1%	56.0%	55.0%
EBITDA margin	26.8%	26.3%	25.8%	26.0%	25.6%
EBIT margin	25.5%	24.6%	24.6%	24.9%	24.5%
Net Debt	-13.3	-11.8	-20.3	-35.8	-57.6
Net Debt/EBITDA	-0.7	-0.4	-0.5	-0.7	-0.8
ROCE	53.7%	48.9%	50.0%	56.2%	57.9%
EPS	0.94	1.30	1.64	2.31	2.95
FCF per share	0.23	-0.07	0.66	1.11	1.66
Dividend	0.13	0.20	0.25	0.46	0.59
Dividend yield	0.3%	0.5%	0.7%	1.2%	1.6%
EV/Sales	8.9	6.2	4.5	3.2	2.4
EV/EBITDA	33.1	23.7	17.4	12.2	9.6
EV/EBIT	34.8	25.4	18.2	12.7	10.0
PER	39.8	28.8	22.8	16.2	12.7
P/B	12.0	8.9	6.6	4.8	3.7

Source: Company data, Montega, Capital IQ

Figures in EUR m, EPS in EUR, Price: 37.40 EUR

## Company Background

Shelly Group is a joint stock company under Bulgarian law (AD) headquartered in Sofia, which is specialized in the development and distribution of products from the smart home sector. The company also distributes tracking products, but they rather play a minor financial role (revenue share: < 5%).

The reporting currency is lev (BGN). Bulgaria has planned to join the euro with effect of 1 January 2024. As the lev was tied to the Deutsche Mark for historical reasons (at a ratio of 1:1 since 1999), the lev to euro conversion rate corresponds to the DM at that time, namely 1 lev = 0.51129 euros and 1 euro = 1.95583 lev. This rate has been fixed by Bulgarian law and does not change.

The smart home products are sold under the „Shelly“ brand. Alongside plug-and-play solutions and sensors, the portfolio mainly includes relays which are installed hidden behind the socket or switch, and which can be directly controlled via a Wi-Fi connection or Bluetooth. The company differs essentially from many other providers (Philips Hue, Tado or Fibaro amongst others), whose product often can only be controlled via a hub/bridge within their own ecosystem. Furthermore, the products can be combined with other smart home applications and are in the entry-level price segment with a starting price of less than EUR 20. In addition to smart home products, the product portfolio also includes smartwatches specifically for children as well as tracking devices, for instance for baggage, pets, or health care data.

### Key Facts

<b>Sector</b>	Technology
<b>Code</b>	SLYG
<b>Employees</b>	160
<b>Revenue</b>	BGN 146.5 m/ EUR 74.9 m
<b>EBIT</b>	BGN 37.4 m/ EUR 19.1 m
<b>EBIT margin</b>	25.5%
<b>Core Competence</b>	Development, production as well as marketing of high-quality IoT products, especially in the field of Smart Home
<b>Locations</b>	Headquarters Sofia (Bulgaria), other locations are in Munich (Germany) and Las Vegas (USA)
<b>Regions</b>	DACH (49.0%), Rest of Europe (43.7%), RoW (7.3%)

Source: Company data

Status: 31.12.2023

### Organizational structure

Shelly Group Plc, which is based in Sofia, is the group's parent company. The holding includes five subsidiaries which are all fully consolidated and fully owned by the parent company. The companies are in Bulgaria, Germany, and the USA. Overall, the group has c. 160 employees (at the end of FY 2023), 45% of which are working in the technology area, 20% in sales & support, 15% in logistics and 20% in the remaining areas.

#### Corporate Structure



Source: Company data

### Major events in the company's history

- 2003 Foundation of Teracomm Ltd. in the field of telecommunications services
- 2012 Foundation of today's Allterco JSCo holding company with the intention to bundle the structure

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- 2012 Foundation of today's Allterco JSCo holding company with the intention to bundle the structure
- 2013 Development of "Shelly", the first home automation device
- 2015 Reorganization of the company and focus on IoT sector
- 2016 IPO at the Bulgarian BVB stock exchange
- 2018 Establishment and expansion of Shelly and MyKi products with international distribution
- 2019 Sale of the European telco business and exclusive focus on smart home and tracking products & Expansion in the USA
- 2020 Capital increase for growth financing and increase in trading liquidity (gross emission proceeds: BGN 9.2m)
- 2021 Additional listing at the Frankfurt Stock Exchange & Disposal of non-relevant subsidiaries in Asia from a strategic point of view
- 2023 Acquisition of Slovenian IoT provider GOAP d.o.o. & renaming in "Shelly Group"

### Products

The Shelly Group's product portfolio spans from various smart home products and smartwatches specifically for children to monitoring and tracking products. Smart home products account for the lion's share (> 95%) of group's revenues and thus are at the center of the company's equity story.



Source: Company data

The smart home products are sold and distributed under the **"Shelly"** brand. Relays build the basis of these products. They allow for remote control of lights, electric devices, or sensors. These relays are connected to the power supply behind a socket or a switch and can be controlled through Wi-Fi via the Shelly app or one of many different providers from the IoT sector (Amazon Alexa, Google Home, SmartThings, Home Assistant etc.) entirely without additional hub. Besides controlling the devices in case of need, Shelly also allows for establishing routines (e.g. retracting the awning in the event of storm warnings) and monitoring energy consumption. Because of the Wi-Fi standard used, the relays can be combined with other smart home devices with Wi-Fi standard without any problems.

In addition to the traditional relays, which people can easily install in their own home, the Shelly brand also offers products within their **Pro line** for an installation in the fuse box. The Pro products can be controlled both via Wi-Fi and LAN and thus are more secure and reliable. Consequently, the Shelly Pro line is often also installed in office buildings, retail stores or production sites. We believe it is also of major interest for B2B customers (such as electricians). The **Plus line** introduced a new generation of Shelly relays, which are characterized by newer technology (processor, W-Fi and Bluetooth module) and a slightly smaller design.

Alongside the relays, which are not visible after their installation, Shelly Group also offers various **plug-and-play** products. The assortment includes the Shelly Plug (WiFi socket), the Shelly Bulb (smart bulb), the Shelly Button (programmable Wi-Fi button) and the Shelly TRV (WiFi heating thermostat). Additionally, the Shelly product portfolio provides various **detectors and sensors** (motion detectors, temperature and humidity sensors, smoke detectors as well as door and window sensors).

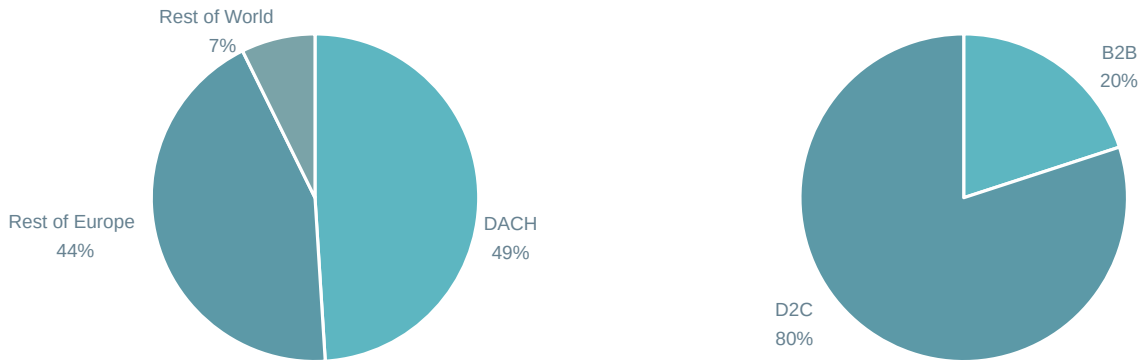
Most of Shelly Group's products are developed in Sofia. The key parts of the raw materials – most notably chips – are procured by the company itself and made available to the suppliers in Asia. Procurement is almost exclusively done in China among a couple of core suppliers (Top 5 suppliers > 90% of material expenses). The group always strives to be the largest customer of every supplier to have a good bargaining position. As the products have a very low pack size, they are shipped by air and sea freight. The share of sea freight is planned to be significantly increased to continue to lower ancillary costs of procurement.

**Markets and sales**

The company does not provide segment reporting pursuant to IFRS 8 so far. The 2023 Annual Report is based on a regional segment analysis as primary segment.

Shelly Group generates the largest portion of revenues in the DACH region (49%). In further European countries, the group most recently generated a sales share of around 43.7%. The rest of the world (RoW) accounts for further 7.3%. The company still sees significant growth potential in all the regions. Due to the success of actions made to optimize revenues in the DACH region, local sales teams are also being set up in further markets. The North American market is a key growth region in the RoW sector, which has hardly been developed so far. According to the company, in addition to the progress made recently inorganic growth may also be an option here to accelerate the development of the market.

**Sales by region (left) and by distribution channel (right)**



Source: Company data

Just under 20% of the products are currently distributed through the Shelly websites (D2C online). The company wants to significantly professionalize D2C sales over the next few quarters. As a start, the web shops will be relaunched in all relevant languages. In parallel, however, the company also pushes ahead the backend processes for faster delivery times as well as the SEO and SEA optimization.

The B2B sector includes all sales to commercial customers. Most of them resell the products via online channels such as Amazon. At present, Amazon Germany is exclusively addressed by partners. The company assumes that only some 10% of B2B revenue are currently generated with electricians. Professional providers likewise hold significant growth potential. For instance, the Shelly Group is currently negotiating with a major electrical wholesaler for a listing of the Shelly products.

**ESG positioning**

In line with the product portfolio, which includes a broad variety of products for energy metering and energy conservation, the company also pursues ambitious ESG goals. Amongst others, this includes the conversion to 100% renewable energy and the reduction of energy consumption by 70% by 2030 at the latest. Furthermore, the Shelly Group aims to establish more diversity at management level and to provide a concerted work-life balance for the employees. The table below summarizes the ESG goals.

Ecological	Social	Governance
<p><i>Developing a sustainable future</i></p>	<p><i>Connecting communities across the globe</i></p>	<p><i>Guiding the industry through early adoption</i></p>
<p><b>Enabling</b> On target to reduce company energy consumption latest by 70% by 2030</p> <p><b>Sustainability</b> On Track to shift Internal Products &amp; Services to sustainable alternatives latest by 2030</p> <p><b>100% renewables</b> In-line with company commitment to have a net zero carbon footprint latest by 2030</p>	<p><b>Communities</b> Committed to a sustainable environment for the communities we serve</p> <p><b>Employees &amp; Neighbors</b> Engaged as employees &amp; neighbors, actively working together to benefit our community</p> <p><b>Outreach</b> Actively communicating to benefit our community &amp; environment</p>	<p><b>Diverse Leadership</b> Committed to a diverse leadership &amp; supervisory board</p> <p><b>Empowering</b> Delivering results while empowering employees to make key decisions</p> <p><b>Enabling Balance</b> Flexible employee workplaces</p>

Source: Company data

**Management**

The Shelly Group has a one-tier governance model with an executive and non-executive board structure. Dimitar Dimitrov and Wolfgang Kirsch are executive board members responsible for the company’s operational management.



**Dimitar Dimitrov** is the founder, CEO of the Bulgarian holding company, and one of the biggest individual shareholders with a stake of some 30%. In addition to administrative topics at group level, Mr. Dimitrov is primarily responsible for R&D. Mr. Dimitrov had already established other IT companies before, such as a software company for 8- and 16-bit computers and a television channel (REAL TV) as well as IT magazines such as PC Review, Computers, and GSM Review.

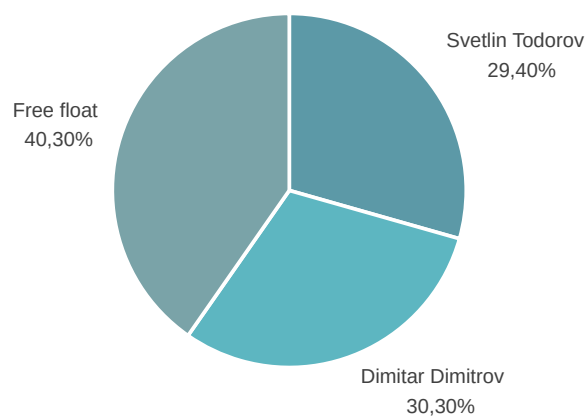


**Wolfgang Kirsch** has been the CEO of Shelly Europe since end-2021 and is primarily focused on the expansion of the European business. Prior to this, Mr. Kirsch had been active in the retail business for over 25 years. He held the position of Chief Operating Officer (COO) at the MediaMarktSaturn retail group. Following his job at MediaMarktSaturn, Mr. Kirsch worked as an external consultant of McKinsey & Company and of private equity companies and was involved in various projects related to the digital transformation of international conglomerates and midsize companies.

### Shareholder structure

The shares of the Shelly Group are traded on the regulated market of the Frankfurt Stock Exchange. The share capital is divided in 17,999,999 ordinary shares. Board member Dimitar Dimitrov and co-founder Svetlin Todorov are the largest individual shareholders with a stake of around 30.3% and 29.4%. The stakes of the other shareholders are below the 3% threshold and are therefore included in the free float (40.3%).

### Shareholder structure



Source: Company data

## DCF Model

Figures in EUR m

	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Terminal Value
<b>Sales</b>	<b>148.9</b>	<b>209.9</b>	<b>272.9</b>	<b>327.4</b>	<b>376.5</b>	<b>414.2</b>	<b>434.9</b>	<b>445.8</b>
Change yoy	39.5%	41.0%	30.0%	20.0%	15.0%	10.0%	5.0%	2.5%
<b>EBIT</b>	<b>36.6</b>	<b>52.3</b>	<b>66.9</b>	<b>81.9</b>	<b>94.1</b>	<b>103.5</b>	<b>108.7</b>	<b>111.4</b>
EBIT margin	24.6%	24.9%	24.5%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>NOPAT</b>	<b>29.7</b>	<b>41.8</b>	<b>53.5</b>	<b>65.5</b>	<b>75.3</b>	<b>82.8</b>	<b>87.0</b>	<b>89.2</b>
<b>Depreciation</b>	<b>1.7</b>	<b>2.3</b>	<b>2.9</b>	<b>3.2</b>	<b>3.8</b>	<b>4.1</b>	<b>3.9</b>	<b>4.0</b>
in % of Sales	1.2%	1.1%	1.1%	1.0%	1.0%	1.0%	0.9%	0.9%
<b>Change in Liquidity from</b>								
- Working Capital	-17.4	-21.7	-23.1	-18.7	-11.6	-2.3	1.2	-3.7
- Capex	-1.9	-2.4	-3.1	-3.9	-4.1	-4.1	-3.9	-4.0
Capex in % of Sales	1.3%	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%
<b>Other</b>								
<b>Free Cash Flow (WACC model)</b>	<b>12.0</b>	<b>20.0</b>	<b>30.1</b>	<b>46.1</b>	<b>63.5</b>	<b>80.7</b>	<b>88.3</b>	<b>85.5</b>
WACC	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Present value	11.2	17.0	23.5	33.0	41.6	48.5	48.6	651.2
<b>Total present value</b>	<b>11.2</b>	<b>28.2</b>	<b>51.7</b>	<b>84.7</b>	<b>126.3</b>	<b>174.8</b>	<b>223.5</b>	<b>874.7</b>

## Valuation (in EUR m)

Total present value (Tpv)	874.7
Terminal Value	651.2
Share of TV on Tpv	74%
Liabilities	1.9
Liquidity	14.0
<b>Equity value</b>	<b>886.7</b>

Number of shares (in m)	18.1
<b>Value per share (EUR)</b>	<b>49.0</b>
<b>+Upside / -Downside</b>	<b>31%</b>
<b>Share price (EUR)</b>	<b>37.40</b>

## Model parameter

Debt ratio	25.0%
Costs of Debt	7.0%
Market return	9.0%
Risk free rate	2.5%

Beta	1.2
WACC	9.1%
Terminal Growth	2.5%

## Growth: sales and margin

Short term sales growth	2025-2028	30.0%
Mid term sales growth	2025-2031	19.6%
Long term sales growth	from 2032	2.5%
Short term EBIT margin	2025-2028	24.8%
Mid term EBIT margin	2025-2031	24.9%
Long term EBIT margin	from 2032	25.0%

## Sensitivity Value per Share (EUR)

WACC	1.75%	2.25%	2.50%	2.75%	3.25%
9.63%	41.94	43.92	45.02	46.19	48.81
9.38%	43.57	45.73	46.92	48.21	51.09
<b>9.13%</b>	<b>45.32</b>	<b>47.67</b>	<b>48.98</b>	<b>50.39</b>	<b>53.57</b>
8.88%	47.19	49.76	51.20	52.75	56.27
8.63%	49.21	52.03	53.61	55.33	59.24

## Terminal Growth

## Sensitivity Value per Share (EUR)

WACC	24.50%	24.75%	25.00%	25.25%	25.50%
9.63%	44.34	44.68	45.02	45.35	45.69
9.38%	46.21	46.57	46.92	47.28	47.63
<b>9.13%</b>	<b>48.23</b>	<b>48.60</b>	<b>48.98</b>	<b>49.35</b>	<b>49.73</b>
8.88%	50.41	50.80	51.20	51.60	51.99
8.63%	52.77	53.19	53.61	54.03	54.45

## EBIT-margin from 2032e

Source: Montega

P&L (in EUR m) Shelly Group SE	2022	2023	2024	2025e	2026e	2027e
<b>Sales</b>	<b>47.6</b>	<b>74.9</b>	<b>106.7</b>	<b>148.9</b>	<b>209.9</b>	<b>272.9</b>
Cost of sales	23.7	32.1	43.1	63.9	92.4	122.8
<b>Gross profit</b>	<b>24.0</b>	<b>42.8</b>	<b>63.6</b>	<b>85.0</b>	<b>117.5</b>	<b>150.1</b>
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	2.0	5.2	18.4	20.1	29.0	36.8
General and administration	10.4	14.0	19.8	23.8	29.4	35.5
Other operating expenses	0.6	3.3	1.6	5.1	7.8	10.9
Other operating income	0.5	0.5	2.4	0.6	0.8	0.0
<b>EBITDA</b>	<b>10.9</b>	<b>20.1</b>	<b>28.1</b>	<b>38.3</b>	<b>54.6</b>	<b>69.7</b>
Depreciation on fixed assets	0.2	0.4	1.1	0.6	0.8	1.0
<b>EBITA</b>	<b>10.7</b>	<b>19.7</b>	<b>27.0</b>	<b>37.7</b>	<b>53.8</b>	<b>68.8</b>
Amortisation of intangible assets	0.3	0.6	0.8	1.1	1.5	1.9
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>10.4</b>	<b>19.1</b>	<b>26.2</b>	<b>36.6</b>	<b>52.3</b>	<b>66.9</b>
Financial result	-0.1	0.1	-0.1	0.0	0.0	0.0
<b>Result from ordinary operations</b>	<b>10.3</b>	<b>19.2</b>	<b>26.2</b>	<b>36.6</b>	<b>52.3</b>	<b>66.9</b>
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>10.3</b>	<b>19.2</b>	<b>26.2</b>	<b>36.6</b>	<b>52.3</b>	<b>66.9</b>
Taxes	1.4	2.3	3.2	7.0	10.5	13.4
<b>Net Profit of continued operations</b>	<b>8.9</b>	<b>16.8</b>	<b>23.0</b>	<b>29.6</b>	<b>41.8</b>	<b>53.5</b>
Net Profit of discontinued operations	0.0	0.0	0.6	0.0	0.0	0.0
<b>Net profit before minorities</b>	<b>8.9</b>	<b>16.8</b>	<b>23.6</b>	<b>29.6</b>	<b>41.8</b>	<b>53.5</b>
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>8.9</b>	<b>16.8</b>	<b>23.6</b>	<b>29.6</b>	<b>41.8</b>	<b>53.5</b>

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) Shelly Group AD	2022	2023	2024	2025e	2026e	2027e
<b>Sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of sales	49.7%	42.9%	40.4%	42.9%	44.0%	45.0%
<b>Gross profit</b>	<b>50.3%</b>	<b>57.1%</b>	<b>59.6%</b>	<b>57.1%</b>	<b>56.0%</b>	<b>55.0%</b>
Research and development	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sales and marketing	4.3%	6.9%	17.3%	13.5%	13.8%	13.5%
General and administration	21.9%	18.7%	18.6%	16.0%	14.0%	13.0%
Other operating expenses	1.3%	4.4%	1.5%	3.4%	3.7%	4.0%
Other operating income	1.1%	0.6%	2.3%	0.4%	0.4%	0.0%
<b>EBITDA</b>	<b>22.9%</b>	<b>26.8%</b>	<b>26.3%</b>	<b>25.8%</b>	<b>26.0%</b>	<b>25.6%</b>
Depreciation on fixed assets	0.4%	0.5%	1.0%	0.4%	0.4%	0.4%
<b>EBITA</b>	<b>22.5%</b>	<b>26.3%</b>	<b>25.3%</b>	<b>25.4%</b>	<b>25.6%</b>	<b>25.2%</b>
Amortisation of intangible assets	0.7%	0.8%	0.7%	0.8%	0.7%	0.7%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT</b>	<b>21.9%</b>	<b>25.5%</b>	<b>24.6%</b>	<b>24.6%</b>	<b>24.9%</b>	<b>24.5%</b>
Financial result	-0.2%	0.1%	-0.1%	0.0%	0.0%	0.0%
<b>Result from ordinary operations</b>	<b>21.7%</b>	<b>25.6%</b>	<b>24.5%</b>	<b>24.6%</b>	<b>24.9%</b>	<b>24.5%</b>
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBT</b>	<b>21.7%</b>	<b>25.6%</b>	<b>24.5%</b>	<b>24.6%</b>	<b>24.9%</b>	<b>24.5%</b>
Taxes	3.0%	3.1%	3.0%	4.7%	5.0%	4.9%
<b>Net Profit of continued operations</b>	<b>18.7%</b>	<b>22.5%</b>	<b>21.5%</b>	<b>19.9%</b>	<b>19.9%</b>	<b>19.6%</b>
Net Profit of discontinued operations	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%
<b>Net profit before minorities</b>	<b>18.7%</b>	<b>22.5%</b>	<b>22.1%</b>	<b>19.9%</b>	<b>19.9%</b>	<b>19.6%</b>
Minority interests	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit</b>	<b>18.7%</b>	<b>22.5%</b>	<b>22.1%</b>	<b>19.9%</b>	<b>19.9%</b>	<b>19.6%</b>

Source: Company (reported results), Montega (forecast)

Balance sheet (in EUR m) Shelly Group SE	2022	2023	2024	2025e	2026e	2027e
<b>ASSETS</b>						
Intangible assets	2.4	5.9	8.7	9.1	9.4	10.0
Property, plant & equipment	2.4	2.7	1.1	0.9	0.7	0.4
Financial assets	0.6	0.2	0.2	0.2	0.2	0.2
<b>Fixed assets</b>	<b>5.4</b>	<b>8.8</b>	<b>10.0</b>	<b>10.2</b>	<b>10.3</b>	<b>10.6</b>
Inventories	11.8	9.3	23.3	27.1	30.0	34.1
Accounts receivable	11.6	26.9	34.8	48.9	69.0	89.7
Liquid assets	14.4	15.7	14.0	22.5	38.0	59.8
Other assets	2.3	4.5	11.5	11.5	11.5	11.5
<b>Current assets</b>	<b>40.1</b>	<b>56.5</b>	<b>83.6</b>	<b>109.9</b>	<b>148.5</b>	<b>195.0</b>
<b>Total assets</b>	<b>45.4</b>	<b>65.3</b>	<b>93.6</b>	<b>120.1</b>	<b>158.8</b>	<b>205.6</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Shareholders' equity</b>	<b>40.4</b>	<b>56.4</b>	<b>76.5</b>	<b>102.6</b>	<b>139.9</b>	<b>185.1</b>
<b>Minority Interest</b>	<b>0.0</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.3</b>
Provisions	1.1	1.3	1.4	1.4	1.4	1.4
Financial liabilities	1.3	1.2	0.8	0.8	0.8	0.8
Accounts payable	1.0	2.1	4.1	4.5	5.8	7.5
Other liabilities	1.6	4.7	11.1	11.1	11.1	11.1
<b>Liabilities</b>	<b>5.0</b>	<b>9.2</b>	<b>17.4</b>	<b>17.8</b>	<b>19.1</b>	<b>20.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>45.4</b>	<b>65.3</b>	<b>93.6</b>	<b>120.1</b>	<b>158.8</b>	<b>205.6</b>

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) Shelly Group AD	2022	2023	2024	2025e	2026e	2027e
<b>ASSETS</b>						
Intangible assets	5.3%	9.0%	9.3%	7.5%	5.9%	4.9%
Property, plant & equipment	5.2%	4.2%	1.2%	0.8%	0.4%	0.2%
Financial assets	1.3%	0.3%	0.2%	0.2%	0.1%	0.1%
<b>Fixed assets</b>	<b>11.8%</b>	<b>13.5%</b>	<b>10.7%</b>	<b>8.5%</b>	<b>6.5%</b>	<b>5.1%</b>
Inventories	25.9%	14.3%	24.9%	22.6%	18.9%	16.6%
Accounts receivable	25.5%	41.2%	37.2%	40.7%	43.5%	43.6%
Liquid assets	31.7%	24.1%	14.9%	18.7%	23.9%	29.1%
Other assets	5.1%	6.8%	12.2%	9.5%	7.2%	5.6%
<b>Current assets</b>	<b>88.2%</b>	<b>86.5%</b>	<b>89.3%</b>	<b>91.5%</b>	<b>93.5%</b>	<b>94.9%</b>
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Shareholders' equity</b>	<b>89.1%</b>	<b>86.4%</b>	<b>81.7%</b>	<b>85.4%</b>	<b>88.1%</b>	<b>90.0%</b>
<b>Minority Interest</b>	<b>0.0%</b>	<b>-0.6%</b>	<b>-0.3%</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>-0.1%</b>
Provisions	2.4%	2.0%	1.5%	1.1%	0.9%	0.7%
Financial liabilities	2.8%	1.8%	0.9%	0.7%	0.5%	0.4%
Accounts payable	2.1%	3.2%	4.4%	3.7%	3.7%	3.6%
Other liabilities	3.6%	7.1%	11.9%	9.3%	7.0%	5.4%
<b>Total Liabilities</b>	<b>11.0%</b>	<b>14.2%</b>	<b>18.6%</b>	<b>14.8%</b>	<b>12.0%</b>	<b>10.1%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company (reported results), Montega (forecast)

Statement of cash flows (in EUR m) Shelly Group SE	2022	2023	2024	2025e	2026e	2027e
Net income	8.9	16.8	23.6	29.6	41.8	53.5
Depreciation of fixed assets	0.2	0.4	1.1	0.6	0.8	1.0
Amortisation of intangible assets	0.3	0.6	0.8	1.1	1.5	1.9
Increase/decrease in long-term provisions	0.0	0.2	0.1	0.0	0.0	0.0
Other non-cash related payments	0.0	0.9	-2.8	0.0	0.0	0.0
<b>Cash flow</b>	<b>9.4</b>	<b>18.9</b>	<b>22.7</b>	<b>31.4</b>	<b>44.1</b>	<b>56.3</b>
Increase / decrease in working capital	-9.3	-11.2	-19.9	-17.4	-21.7	-23.1
<b>Cash flow from operating activities</b>	<b>0.1</b>	<b>7.7</b>	<b>2.8</b>	<b>13.9</b>	<b>22.4</b>	<b>33.2</b>
CAPEX	-2.3	-0.5	-4.0	-1.9	-2.4	-3.1
Other	1.4	-1.6	2.1	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.9</b>	<b>-2.1</b>	<b>-1.9</b>	<b>-1.9</b>	<b>-2.4</b>	<b>-3.1</b>
Dividends paid	-0.9	-2.3	-2.3	-3.5	-4.5	-8.4
Change in financial liabilities	-0.3	-0.1	-0.4	0.0	0.0	0.0
Other	-0.5	0.2	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-1.7</b>	<b>-2.2</b>	<b>-2.7</b>	<b>-3.5</b>	<b>-4.5</b>	<b>-8.4</b>
Effects of exchange rate changes on cash	0.1	-0.1	0.1	0.0	0.0	0.0
<b>Change in liquid funds</b>	<b>-2.4</b>	<b>3.5</b>	<b>-1.8</b>	<b>8.5</b>	<b>15.6</b>	<b>21.7</b>
<b>Liquid assets at end of period</b>	<b>13.3</b>	<b>17.8</b>	<b>14.0</b>	<b>22.5</b>	<b>38.0</b>	<b>59.8</b>

Source: Company (reported results), Montega (forecast)

Key figures Shelly Group AD	2022	2023	2024	2025e	2026e	2027e
<b>Earnings margins</b>						
Gross margin (%)	50.3%	57.1%	59.6%	57.1%	56.0%	55.0%
EBITDA margin (%)	22.9%	26.8%	26.3%	25.8%	26.0%	25.6%
EBIT margin (%)	21.9%	25.5%	24.6%	24.6%	24.9%	24.5%
EBT margin (%)	21.7%	25.6%	24.5%	24.6%	24.9%	24.5%
Net income margin (%)	18.7%	22.5%	21.5%	19.9%	19.9%	19.6%
<b>Return on capital</b>						
ROCE (%)	43.7%	53.7%	48.9%	50.0%	56.2%	57.9%
ROE (%)	26.6%	41.6%	42.1%	38.9%	40.9%	38.3%
ROA (%)	19.6%	25.8%	25.2%	24.7%	26.3%	26.0%
<b>Solvency</b>						
YE net debt (in BGN)	-12.0	-13.3	-11.8	-20.3	-35.8	-57.6
Net debt / EBITDA	-1.1	-0.7	-0.4	-0.5	-0.7	-0.8
Net gearing (Net debt/equity)	-0.3	-0.2	-0.2	-0.2	-0.3	-0.3
<b>Cash Flow</b>						
Free cash flow (BGN m)	-1.1	4.2	-1.2	12.0	20.0	30.1
Capex / sales (%)	4.8%	0.7%	3.7%	1.3%	1.2%	1.2%
Working capital / sales (%)	38.4%	38.1%	41.6%	42.4%	39.4%	38.5%
<b>Valuation</b>						
EV/Sales	14.0	8.9	6.2	4.5	3.2	2.4
EV/EBITDA	61.0	33.1	23.7	17.4	12.2	9.6
EV/EBIT	63.9	34.8	25.4	18.2	12.7	10.0
EV/FCF	-	159.0	-	55.4	33.3	22.1
PE	74.8	39.8	28.8	22.8	16.2	12.7
KBV	16.7	12.0	8.9	6.6	4.8	3.7
Dividend yield	0.3%	0.3%	0.5%	0.7%	1.2%	1.6%

Source: Company (reported results), Montega (forecast)

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Company	Disclosure (as of 26.02.2025)
Shelly Group SE	1, 3, 5, 8, 9, 10

## Price history

Recommendation	Date	Price (EUR)	Price target (EUR)	Potential
Buy (Initiation)	21.07.2022	9.15	14.00	+53%
Buy	17.08.2022	9.82	14.00	+43%
Buy	10.10.2022	8.69	14.00	+61%
Buy	16.11.2022	10.53	16.00	+52%
Buy	06.12.2022	10.63	16.00	+50%
Buy	18.01.2023	11.04	19.00	+72%
Buy	02.03.2023	11.66	19.00	+63%
Buy	24.03.2023	11.35	19.00	+67%
Buy	11.04.2023	11.56	21.00	+82%
Buy	28.04.2023	11.25	21.00	+87%
Buy	17.05.2023	11.71	27.00	+131%
Buy	22.06.2023	13.80	27.00	+96%
Buy	20.07.2023	14.26	27.00	+89%
Buy	08.08.2023	17.84	27.00	+51%
Buy	18.08.2023	18.15	27.00	+49%
Buy	07.09.2023	21.68	30.00	+38%
Buy	25.09.2023	21.93	30.00	+37%
Buy	20.10.2023	21.68	30.00	+38%
Buy	14.11.2023	21.22	30.00	+41%
Buy	08.12.2023	21.88	32.00	+46%
Buy	12.01.2024	26.08	32.00	+23%
Buy	29.02.2024	30.27	39.00	+29%
Buy	12.04.2024	34.46	39.00	+13%
Buy	15.05.2024	35.28	39.00	+11%
Buy	22.05.2024	37.22	42.00	+13%
Buy	19.06.2024	34.97	42.00	+20%
Buy	01.07.2024	35.69	42.00	+18%
Buy	10.07.2024	36.10	49.00	+36%
Buy	11.07.2024	36.81	49.00	+33%
Buy	18.07.2024	38.37	49.00	+28%
Buy	14.08.2024	35.90	49.00	+36%
Buy	28.08.2024	34.10	49.00	+44%
Buy	10.09.2024	34.70	49.00	+41%
Buy	10.10.2024	35.40	49.00	+38%
Buy	07.11.2024	35.30	49.00	+39%
Buy	14.11.2024	34.90	49.00	+40%
Buy	09.12.2024	34,80	49.00	+41%
Buy	10.01.2025	35,50	49.00	+38%
Buy	20.01.2025	35,10	49.00	+40%
Buy	26.02.2025	37.40	49.00	+31%