

<b>Rating</b>	<b>Buy</b>
<b>Price target</b>	<b>49.00 EUR</b>
<b>Potential</b>	<b>38%</b>
<b>Share data</b>	
Share price (last close price in EUR)	35,50
Number of shares (in m)	18.1
Market cap. (in EUR m)	642.7
Trading vol. (Ø 3 months; in K shares)	2.3
Enterprise Value (in EUR m)	633.3
Ticker	BUL:SLYG
<b>Guidance 2024</b>	
Sales (in EUR m)	105
EBIT (in EUR m)	26

Share price (EUR)



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

<b>Calendar</b>	
Hamburger Investorentage	February 6, 2025
Annual report 2024	February 24, 2025
-	-

<b>Changes in estimates</b>			
	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
<b>Sales (old)</b>	<b>107.1</b>	<b>148.9</b>	<b>208.5</b>
Δ	-2.1%	-4.8%	-4.8%
<b>EBIT (old)</b>	<b>28.1</b>	<b>39.5</b>	<b>54.8</b>
Δ	-	-	-
<b>EPS (old)</b>	<b>1.27</b>	<b>1.77</b>	<b>2.42</b>
Δ	-	-	-

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<b>Publication</b>	
Comment	January 10, 2025

## Outperformance of top line guidance – Growth story likely to continue in 2025

The Shelly Group today has released preliminary 2024 figures and exceeded its own guidance yet again.

### Seasonally strong Q4 with further revenue growth despite changes in accounting:

Based on preliminary calculations, the Shelly Group generated consolidated revenues of c. EUR 107m in 2024, which is an increase of 43% over the prior year and thus is also ahead of the guidance of EUR 105m in the last year. This was achieved despite a change in accounting in the fourth quarter which was due to a change in the distributors' conditions. Since then, bonuses paid as a result of target achievement are no longer booked as marketing costs but as an offsetting entry under generated revenues. This has reduced Q4 revenues by some EUR 2m in comparison to the former accounting method. Accordingly, our forecast of EUR 109.4m would have been met without this adjustment.

In the final quarter of 2024, Shelly achieved a growth rate of 37% yoy, corresponding to an increase of still above 40% when adjusted for the accounting effects explained above. As for profitability, we continue to expect EBIT of EUR 28m, which equals an EBIT margin of above 26% because of the slightly lower sales basis. This means that Shelly should also significantly exceed the EUR 26m in earnings it has guided for. The company's continuing growth momentum is extremely impressive and should continue to significantly outperform the market development.

**Forecasts adjusted for new accounting:** We have taken account of the changes in revenue recognition in our forecasts and adjust the 2025 growth rate accordingly. Consequently, we now expect revenues of EUR 148.9m next year which means that Shelly is still on track to reaching its mid-term target of EUR 200m in 2026 which has been re-confirmed by the company. This is even more impressive in view of the lower sales generation. Our bottom-line forecasts are not affected by the change.

**Change of legal form to European company:** In mid-December, Shelly completed the planned change of legal form from a Bulgarian AD to a Societas Europaea (SE). This was resolved at the extraordinary General Meeting in October and is expected to make the Shelly Group even more attractive for European investors which are more familiar with this legal form.

**Conclusion:** Shelly has continued its growth course in 2024. The company makes substantial progress both in operating terms and in the perception of investors (XETRA listing, listing in EUR, change of legal form) which is also reflected in significantly greater interest from investors at roadshows and capital market days. We therefore confirm our buy recommendation with an unchanged price target of EUR 49.00.

FYend: 31.12.	2022	2023	2024e	2025e	2026e
Sales	47.6	74.9	107.1	148.9	208.5
Growth yoy	56.6%	57.3%	43.0%	39.0%	40.0%
EBITDA	10.9	20.1	29.5	41.3	57.1
EBIT	10.4	19.1	28.1	39.5	54.8
Net income	8.9	16.8	23.0	32.0	43.9
Gross profit margin	50.3%	57.1%	55.0%	54.1%	53.1%
EBITDA margin	22.9%	26.8%	27.5%	27.7%	27.4%
EBIT margin	21.9%	25.5%	26.2%	26.6%	26.3%
Net Debt	-12.0	-13.3	-12.7	-23.1	-37.7
Net Debt/EBITDA	-1.1	-0.7	-0.4	-0.6	-0.7
ROCE	43.7%	53.7%	52.6%	54.1%	58.1%
EPS	0.50	0.94	1.27	1.77	2.42
FCF per share	-0.12	0.23	0.10	0.76	1.08
Dividend	0.12	0.13	0.19	0.27	0.48
Dividend yield	0.3%	0.4%	0.5%	0.8%	1.4%
EV/Sales	13.3	8.5	5.9	4.3	3.0
EV/EBITDA	58.1	31.5	21.5	15.4	11.1
EV/EBIT	60.8	33.1	22.6	16.0	11.5
PER	71.0	37.8	28.0	20.1	14.7
P/B	15.9	11.4	8.3	6.1	4.4

Source: Company data, Montega, Capital IQ

Figures in EUR m, EPS in EUR, Price: 35.50 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.

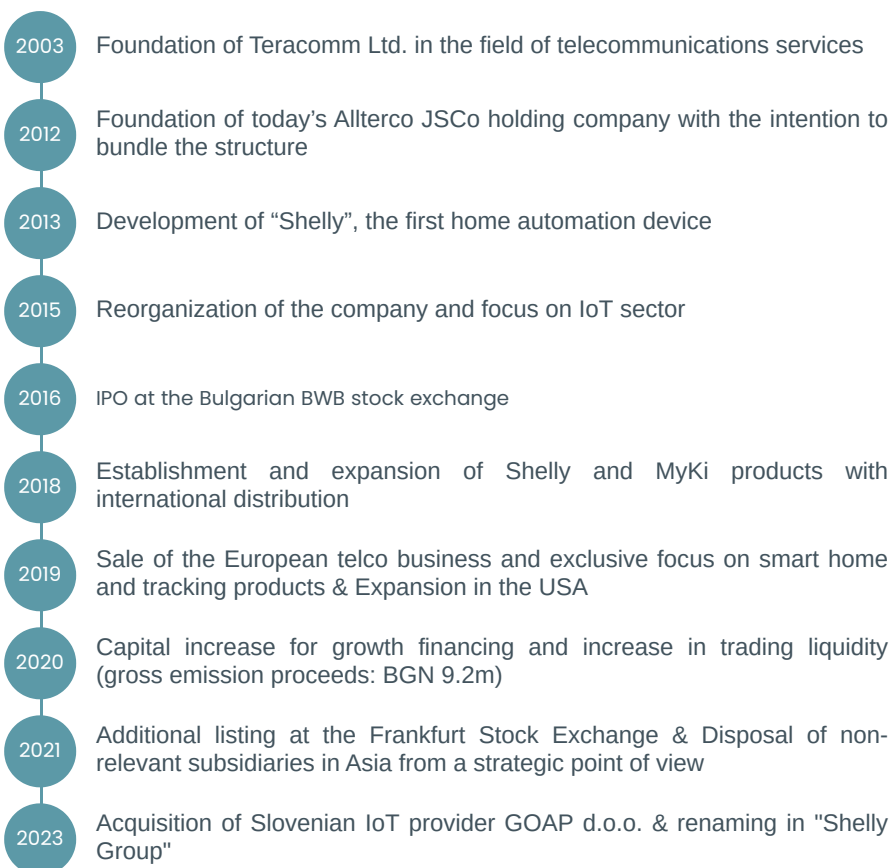
#### Corporate Structure



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



### 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).

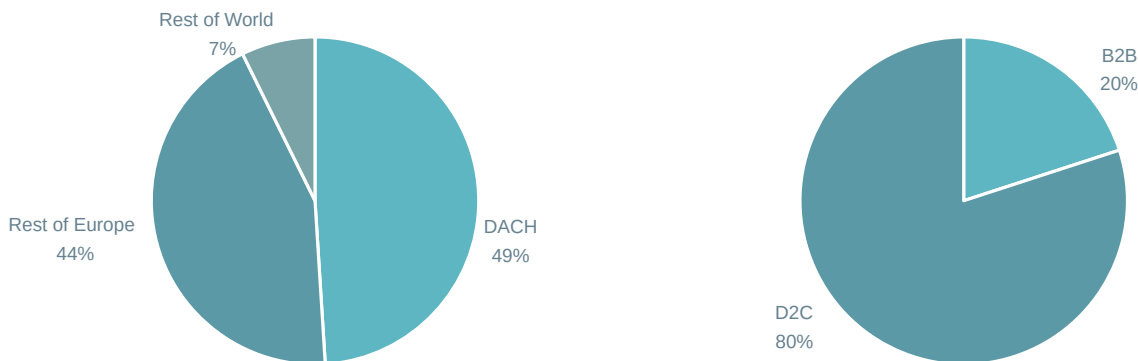
Most of Shelly Group's products are developed in Sofia. The key parts of the raw materials – most notably chips – are procured by the company itself and made available to the suppliers in Asia. Procurement is almost exclusively done in China among a couple of core suppliers (Top 5 suppliers > 90% of 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.

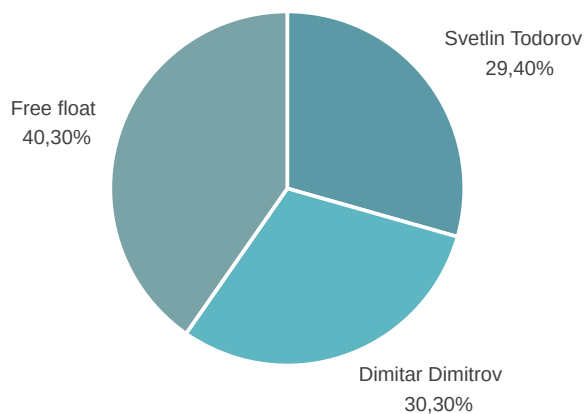


**Wolfgang Kirsch** has been the CEO of Shelly Europe since end-2021 and is primarily focused on the expansion of the European business. Prior to this, Mr. Kirsch had been active in the retail business for over 25 years. He held the position of Chief Operating Officer (COO) at the MediaMarktSaturn retail 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

	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Value
<b>Sales</b>	<b>107.1</b>	<b>148.9</b>	<b>208.5</b>	<b>271.1</b>	<b>325.3</b>	<b>374.1</b>	<b>411.5</b>	<b>421.7</b>
Change yoy	43.0%	39.0%	40.0%	30.0%	20.0%	15.0%	10.0%	2.5%
<b>EBIT</b>	<b>28.1</b>	<b>39.5</b>	<b>54.8</b>	<b>67.8</b>	<b>81.3</b>	<b>93.5</b>	<b>102.9</b>	<b>105.4</b>
EBIT margin	26.2%	26.6%	26.3%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>NOPAT</b>	<b>23.0</b>	<b>32.0</b>	<b>43.9</b>	<b>54.2</b>	<b>65.1</b>	<b>74.8</b>	<b>82.3</b>	<b>84.3</b>
<b>Depreciation</b>	<b>1.4</b>	<b>1.7</b>	<b>2.3</b>	<b>2.8</b>	<b>3.3</b>	<b>3.7</b>	<b>3.7</b>	<b>3.8</b>
in % of Sales	1.3%	1.2%	1.1%	1.1%	1.0%	1.0%	0.9%	0.9%
<b>Change in Liquidity from</b>								
- Working Capital	-21.1	-18.0	-24.3	-19.2	-9.8	-7.8	-5.2	-3.5
- Capex	-1.5	-1.9	-2.4	-3.1	-3.6	-3.7	-3.7	-3.8
Capex in % of Sales	1.4%	1.3%	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%
<b>Other</b>								
<b>Free Cash Flow (WACC model)</b>	<b>1.8</b>	<b>13.8</b>	<b>19.5</b>	<b>34.7</b>	<b>55.1</b>	<b>67.2</b>	<b>77.2</b>	<b>80.9</b>
WACC	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Present value	1.8	13.1	16.8	27.5	40.0	44.7	47.1	682.2
<b>Total present value</b>	<b>1.8</b>	<b>14.9</b>	<b>31.7</b>	<b>59.2</b>	<b>99.3</b>	<b>144.0</b>	<b>191.1</b>	<b>873.3</b>

## Valuation (in EUR m)

Total present value (Tpv)	873.3
Terminal Value	682.2
Share of TV on Tpv	78%
Liabilities	2.1
Liquidity	15.7
<b>Equity value</b>	<b>887.0</b>

Number of shares (in m)	18.1
<b>Value per share (EUR)</b>	<b>49.0</b>
<b>+Upside / -Downside</b>	<b>38%</b>
<b>Share price (EUR)</b>	<b>35.50</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	2024-2027	36.2%
Mid term sales growth	2024-2030	25.1%
Long term sales growth	from 2031	2.5%
Short term EBIT margin	2024-2027	26.0%
Mid term EBIT margin	2024-2030	25.6%
Long term EBIT margin	from 2031	25.0%

## Sensitivity Value per Share (EUR)

WACC	1.75%	2.25%	<b>2.50%</b>	2.75%	3.25%
9.63%	41.87	43.96	45.11	46.35	49.11
9.38%	43.46	45.72	46.98	48.33	51.36
<b>9.13%</b>	45.16	47.62	<b>48.99</b>	50.47	53.80
8.88%	46.98	49.66	51.16	52.79	56.47
8.63%	48.94	51.87	53.52	55.31	59.38

## Terminal Growth

## Sensitivity Value per Share (EUR)

WACC	24.50%	24.75%	<b>25.00%</b>	25.25%	25.50%
9.63%	44.40	44.76	45.11	45.46	45.82
9.38%	46.23	46.60	46.98	47.35	47.72
<b>9.13%</b>	48.20	48.60	<b>48.99</b>	49.38	49.78
8.88%	50.33	50.75	51.16	51.58	51.99
8.63%	52.64	53.08	53.52	53.96	54.40

## EBIT-margin from 2031e

Source: Montega

P&L (in EUR m) Shelly Group SE	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	<b>30.4</b>	<b>47.6</b>	<b>74.9</b>	<b>107.1</b>	<b>148.9</b>	<b>208.5</b>
Cost of sales	13.7	23.7	32.1	48.2	68.4	97.8
<b>Gross profit</b>	<b>16.8</b>	<b>24.0</b>	<b>42.8</b>	<b>58.9</b>	<b>80.6</b>	<b>110.7</b>
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	1.4	2.0	5.2	11.8	15.6	23.4
General and administration	6.2	10.4	14.0	16.8	21.0	25.6
Other operating expenses	0.4	0.6	3.3	2.7	5.1	7.7
Other operating income	0.8	0.5	0.5	0.4	0.6	0.8
<b>EBITDA</b>	<b>10.1</b>	<b>10.9</b>	<b>20.1</b>	<b>29.5</b>	<b>41.3</b>	<b>57.1</b>
Depreciation on fixed assets	0.3	0.2	0.4	0.5	0.6	0.8
<b>EBITA</b>	<b>9.8</b>	<b>10.7</b>	<b>19.7</b>	<b>28.9</b>	<b>40.7</b>	<b>56.3</b>
Amortisation of intangible assets	0.3	0.3	0.6	0.9	1.1	1.5
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>9.6</b>	<b>10.4</b>	<b>19.1</b>	<b>28.1</b>	<b>39.5</b>	<b>54.8</b>
Financial result	0.0	-0.1	0.1	0.0	0.0	0.0
<b>Result from ordinary operations</b>	<b>9.6</b>	<b>10.3</b>	<b>19.2</b>	<b>28.0</b>	<b>39.5</b>	<b>54.8</b>
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>9.6</b>	<b>10.3</b>	<b>19.2</b>	<b>28.0</b>	<b>39.5</b>	<b>54.8</b>
Taxes	1.4	1.4	2.3	5.0	7.5	11.0
<b>Net Profit of continued operations</b>	<b>8.2</b>	<b>8.9</b>	<b>16.8</b>	<b>23.0</b>	<b>32.0</b>	<b>43.9</b>
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit before minorities</b>	<b>8.2</b>	<b>8.9</b>	<b>16.8</b>	<b>23.0</b>	<b>32.0</b>	<b>43.9</b>
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>8.2</b>	<b>8.9</b>	<b>16.8</b>	<b>23.0</b>	<b>32.0</b>	<b>43.9</b>

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

P&L (in % of Sales) Shelly Group AD	2021	2022	2023	2024e	2025e	2026e
<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	44.9%	49.7%	42.9%	45.0%	45.9%	46.9%
<b>Gross profit</b>	<b>55.1%</b>	<b>50.3%</b>	<b>57.1%</b>	<b>55.0%</b>	<b>54.1%</b>	<b>53.1%</b>
Research and development	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sales and marketing	4.5%	4.3%	6.9%	11.0%	10.5%	11.2%
General and administration	20.5%	21.9%	18.7%	15.7%	14.1%	12.3%
Other operating expenses	1.2%	1.3%	4.4%	2.5%	3.4%	3.7%
Other operating income	2.5%	1.1%	0.6%	0.4%	0.4%	0.4%
<b>EBITDA</b>	<b>33.2%</b>	<b>22.9%</b>	<b>26.8%</b>	<b>27.5%</b>	<b>27.7%</b>	<b>27.4%</b>
Depreciation on fixed assets	0.9%	0.4%	0.5%	0.5%	0.4%	0.4%
<b>EBITA</b>	<b>32.3%</b>	<b>22.5%</b>	<b>26.3%</b>	<b>27.0%</b>	<b>27.3%</b>	<b>27.0%</b>
Amortisation of intangible assets	0.9%	0.7%	0.8%	0.8%	0.8%	0.7%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT</b>	<b>31.4%</b>	<b>21.9%</b>	<b>25.5%</b>	<b>26.2%</b>	<b>26.6%</b>	<b>26.3%</b>
Financial result	0.0%	-0.2%	0.1%	0.0%	0.0%	0.0%
<b>Result from ordinary operations</b>	<b>31.5%</b>	<b>21.7%</b>	<b>25.6%</b>	<b>26.2%</b>	<b>26.5%</b>	<b>26.3%</b>
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBT</b>	<b>31.5%</b>	<b>21.7%</b>	<b>25.6%</b>	<b>26.2%</b>	<b>26.5%</b>	<b>26.3%</b>
Taxes	4.6%	3.0%	3.1%	4.7%	5.0%	5.3%
<b>Net Profit of continued operations</b>	<b>26.8%</b>	<b>18.7%</b>	<b>22.5%</b>	<b>21.5%</b>	<b>21.5%</b>	<b>21.0%</b>
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit before minorities</b>	<b>26.8%</b>	<b>18.7%</b>	<b>22.5%</b>	<b>21.5%</b>	<b>21.5%</b>	<b>21.0%</b>
Minority interests	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit</b>	<b>26.8%</b>	<b>18.7%</b>	<b>22.5%</b>	<b>21.5%</b>	<b>21.5%</b>	<b>21.0%</b>

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

Balance sheet (in EUR m) Shelly Group SE	2021	2022	2023	2024e	2025e	2026e
<b>ASSETS</b>						
Intangible assets	1.7	2.4	5.9	6.2	6.6	6.9
Property, plant & equipment	2.5	2.4	2.7	2.5	2.3	2.1
Financial assets	1.4	0.6	0.2	0.2	0.2	0.2
<b>Fixed assets</b>	<b>5.6</b>	<b>5.4</b>	<b>8.8</b>	<b>8.9</b>	<b>9.1</b>	<b>9.2</b>
Inventories	3.9	11.8	9.3	16.5	19.9	24.5
Accounts receivable	9.8	11.6	26.9	41.1	57.1	78.8
Liquid assets	15.6	14.4	15.7	15.2	25.5	40.2
Other assets	2.2	2.3	4.5	4.5	4.5	4.5
<b>Current assets</b>	<b>31.5</b>	<b>40.1</b>	<b>56.5</b>	<b>77.2</b>	<b>107.0</b>	<b>148.0</b>
<b>Total assets</b>	<b>37.0</b>	<b>45.4</b>	<b>65.3</b>	<b>86.2</b>	<b>116.1</b>	<b>157.2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Shareholders' equity</b>	<b>33.5</b>	<b>40.4</b>	<b>56.4</b>	<b>77.1</b>	<b>105.7</b>	<b>144.7</b>
<b>Minority Interest</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>
Provisions	0.0	1.1	1.3	1.3	1.3	1.3
Financial liabilities	1.3	1.3	1.2	1.2	1.2	1.2
Accounts payable	0.8	1.0	2.1	2.3	3.7	5.7
Other liabilities	1.4	1.6	4.7	4.7	4.7	4.7
<b>Liabilities</b>	<b>3.5</b>	<b>5.0</b>	<b>9.2</b>	<b>9.4</b>	<b>10.8</b>	<b>12.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>37.0</b>	<b>45.4</b>	<b>65.3</b>	<b>86.2</b>	<b>116.1</b>	<b>157.2</b>

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

Balance sheet (in %) Shelly Group AD	2021	2022	2023	2024e	2025e	2026e
<b>ASSETS</b>						
Intangible assets	4.7%	5.3%	9.0%	7.2%	5.7%	4.4%
Property, plant & equipment	6.6%	5.2%	4.2%	2.9%	2.0%	1.3%
Financial assets	3.7%	1.3%	0.3%	0.2%	0.2%	0.1%
<b>Fixed assets</b>	<b>15.0%</b>	<b>11.8%</b>	<b>13.5%</b>	<b>10.4%</b>	<b>7.8%</b>	<b>5.9%</b>
Inventories	10.4%	25.9%	14.3%	19.1%	17.1%	15.6%
Accounts receivable	26.5%	25.5%	41.2%	47.7%	49.2%	50.1%
Liquid assets	42.2%	31.7%	24.1%	17.6%	22.0%	25.6%
Other assets	5.9%	5.1%	6.8%	5.2%	3.8%	2.8%
<b>Current assets</b>	<b>85.0%</b>	<b>88.2%</b>	<b>86.5%</b>	<b>89.6%</b>	<b>92.2%</b>	<b>94.1%</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>90.6%</b>	<b>89.1%</b>	<b>86.4%</b>	<b>89.5%</b>	<b>91.0%</b>	<b>92.1%</b>
<b>Minority Interest</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.6%</b>	<b>-0.5%</b>	<b>-0.3%</b>	<b>-0.3%</b>
Provisions	0.0%	2.4%	2.0%	1.5%	1.1%	0.8%
Financial liabilities	3.6%	2.8%	1.8%	1.3%	1.0%	0.7%
Accounts payable	2.1%	2.1%	3.2%	2.7%	3.2%	3.6%
Other liabilities	3.8%	3.6%	7.1%	5.4%	4.0%	3.0%
<b>Total Liabilities</b>	<b>9.4%</b>	<b>11.0%</b>	<b>14.2%</b>	<b>10.9%</b>	<b>9.3%</b>	<b>8.2%</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	2021	2022	2023	2024e	2025e	2026e
Net income	8.2	8.9	16.8	23.0	32.0	43.9
Depreciation of fixed assets	0.3	0.2	0.4	0.5	0.6	0.8
Amortisation of intangible assets	0.3	0.3	0.6	0.9	1.1	1.5
Increase/decrease in long-term provisions	0.0	0.0	0.2	0.0	0.0	0.0
Other non-cash related payments	0.0	0.0	0.9	0.0	0.0	0.0
<b>Cash flow</b>	<b>8.7</b>	<b>9.4</b>	<b>18.9</b>	<b>24.4</b>	<b>33.7</b>	<b>46.2</b>
Increase / decrease in working capital	-4.6	-9.3	-11.2	-21.1	-18.0	-24.3
<b>Cash flow from operating activities</b>	<b>4.2</b>	<b>0.1</b>	<b>7.7</b>	<b>3.2</b>	<b>15.7</b>	<b>21.9</b>
CAPEX	-0.8	-2.3	-0.5	-1.5	-1.9	-2.4
Other	1.1	1.4	-1.6	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>0.2</b>	<b>-0.9</b>	<b>-2.1</b>	<b>-1.5</b>	<b>-1.9</b>	<b>-2.4</b>
Dividends paid	-1.8	-0.9	-2.3	-2.3	-3.4	-4.8
Change in financial liabilities	-0.3	-0.3	-0.1	0.0	0.0	0.0
Other	-0.1	-0.5	0.2	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-2.1</b>	<b>-1.7</b>	<b>-2.2</b>	<b>-2.3</b>	<b>-3.4</b>	<b>-4.8</b>
Effects of exchange rate changes on cash	0.0	0.1	-0.1	0.0	0.0	0.0
<b>Change in liquid funds</b>	<b>2.3</b>	<b>-2.4</b>	<b>3.5</b>	<b>-0.6</b>	<b>10.4</b>	<b>14.7</b>
<b>Liquid assets at end of period</b>	<b>15.6</b>	<b>13.3</b>	<b>17.8</b>	<b>15.2</b>	<b>25.5</b>	<b>40.2</b>

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

Key figures Shelly Group AD	2021	2022	2023	2024e	2025e	2026e
<b>Earnings margins</b>						
Gross margin (%)	55.1%	50.3%	57.1%	55.0%	54.1%	53.1%
EBITDA margin (%)	33.2%	22.9%	26.8%	27.5%	27.7%	27.4%
EBIT margin (%)	31.4%	21.9%	25.5%	26.2%	26.6%	26.3%
EBT margin (%)	31.5%	21.7%	25.6%	26.2%	26.5%	26.3%
Net income margin (%)	26.8%	18.7%	22.5%	21.5%	21.5%	21.0%
<b>Return on capital</b>						
ROCE (%)	51.5%	43.7%	53.7%	52.6%	54.1%	58.1%
ROE (%)	28.1%	26.6%	41.6%	41.0%	41.7%	41.7%
ROA (%)	22.1%	19.6%	25.8%	26.7%	27.6%	27.9%
<b>Solvency</b>						
YE net debt (in BGN)	-14.3	-12.0	-13.3	-12.7	-23.1	-37.7
Net debt / EBITDA	-1.4	-1.1	-0.7	-0.4	-0.6	-0.7
Net gearing (Net debt/equity)	-0.4	-0.3	-0.2	-0.2	-0.2	-0.3
<b>Cash Flow</b>						
Free cash flow (BGN m)	3.3	-1.1	4.2	1.7	13.8	19.5
Capex / sales (%)	2.7%	4.8%	0.7%	1.4%	1.3%	1.2%
Working capital / sales (%)	36.4%	38.4%	38.1%	42.0%	43.4%	41.1%
<b>Valuation</b>						
EV/Sales	20.8	13.3	8.5	5.9	4.3	3.0
EV/EBITDA	62.6	58.1	31.5	21.5	15.4	11.1
EV/EBIT	66.2	60.8	33.1	22.6	16.0	11.5
EV/FCF	189.3	-	151.2	364.3	45.8	32.5
PE	78.9	71.0	37.8	28.0	20.1	14.7
KBV	19.2	15.9	11.4	8.3	6.1	4.4
Dividend yield	0.3%	0.3%	0.4%	0.5%	0.7%	1.4%

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

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Company	Disclosure (as of 10.01.2025)
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%