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Wolftank Group: Remediation, Above and Below the Line

The 2026 turnaround narrative rests on a 2025 base year whose reported profit was produced by an internal revaluation; the operating business lost roughly €3m, minority shareholders own the profitable half of the group, and €27.7m of bank debt matures within twelve months. Against that: a genuinely strong Q1 and an order backlog whose arithmetic raises a €40m question.

3 JULY 2026 · 11 MIN READ · AT · MARKET CAP €24M

Larix Research · No rating. This note carries no recommendation or price target. It is an examination of the audited accounts and public disclosures of Wolftank Group AG. Full disclosures at the end.

Why this company, and why now

Wolftank Group AG is an Innsbruck-based environmental-technology group — soil and groundwater remediation, tank refurbishment, waste recycling, and hydrogen refuelling infrastructure — listed on the direct market plus segment of the Vienna Stock Exchange and Munich's m:access. Market capitalisation is roughly €22–25m on 5,281,654 shares, with free float around 52%. The share price has round-tripped violently inside twelve months: from a 52-week high of €8.25 in August 2025 to €2.00 on 19 May 2026, then up more than 120% after the 18 June Q1 report to the mid-€4s.

We have worked through the audited 2025 consolidated accounts. They were signed off by Crowe LHP on 22 May 2026 with an unqualified opinion, and everything below is disclosed in them. Disclosed, however, is not the same as assembled.

Three findings organise this note:

1. **The 2025 result was produced by a revaluation, not by operations.** Reported EBIT of €1.09m and a near-breakeven pre-tax result conceal an underlying operating loss of roughly €3m and an underlying pre-tax loss of roughly €5m.
2. **Parent shareholders and minority shareholders own different companies.** The group's profitable Italian subsidiaries are half-owned; the wholly-owned units lose money. In 2025, non-controlling interests earned +€1.45m and received a €0.7m cash distribution, while the parent's shareholders absorbed a −€2.77m loss and received nothing.
3. **€27.7m of bank debt matures within twelve months** — up from €13.4m a year earlier — against €15.3m of cash, in a business whose own management report warns that the order backlog carries high pre-financing needs.

Against these stand a genuinely strong first quarter and a defence-market pivot that is more than a press release. We take each side seriously.

The 2025 earnings bridge

Wolftank reports under Austrian UGB, not IFRS — relevant because goodwill amortises through EBIT (€1.39m in 2025) and because the company's stated EBIT definition is simply pre-tax profit plus interest expense, which means it *includes* financial-asset revaluation effects.

The decisive items sit in the notes (Anhang, sections 2, 6.4, 6.5 and the disposal disclosures):

- Petroltecnica contributed its GELA business unit into **Sirigenera Srl**, a subsidiary that is *not consolidated* because its shares are held exclusively for resale (§249(1) Z2 UGB); sale negotiations with potential buyers were ongoing through 2025. The contribution was booked at a written-up value, producing a **€7.08m gain** through the P&L. A year-end impairment test then reversed **€3.44m** of it, leaving a carrying value of €6.07m.
- The sale of 84% of **Wolftank Latinoamerica** for €40,000 in cash — the buyer assuming €1.83m of liabilities — produced a **€0.86m deconsolidation gain**. A residual loan to the divested entity,

repayable in instalments between April 2028 and April 2039, was written down by **€0.53m** via discounting at 6%.

2025 PRE-TAX BRIDGE (€M)

Reported result before tax	−0.9
less: Sirigenera revaluation gain	−7.1
add back: Sirigenera impairment and loan discount	+4.0
less: deconsolidation gains (Latinoamerica, Bozen Biogas)	−0.9
Underlying result before tax (approx.)	**≈ −5.0**

On the same basis, underlying EBIT was approximately −€3m against the reported +€1.09m. None of this is concealed; each element is individually disclosed. But the sum has not previously been published, and it matters for one reason above all: **the 2026 turnaround is measured against a 2025 base whose profitability was an accounting event.** Management's own adjusted-EBITDA guidance for 2025 (€1.5–3.0m) already told this story quietly; the reported €6.2m EBITDA did not.

One narrative tension deserves the reader's attention. The management report describes the Gela and Ostellato recycling plants as an essential component of the group's integrated environmental-services offering, with combined capacity above 500,000 tonnes per year. The accounts classify both entities as held exclusively for resale. A core asset and a disposal candidate cannot be the same thing indefinitely; which one Sirigenera turns out to be will move both the P&L and the strategy.

Two classes of shareholder in one group

The consolidation table shows the pattern: the profitable Italian operating companies — Petroltecnica SPA (50% plus one share) and Mares S.r.l. (50%) — are half-owned, while the wholly-owned Austrian and German units carry losses. The 2025 split is stark:

2025 (€M)	
Group result after tax	−1.32
attributable to non-controlling interests	**+1.45**
attributable to parent shareholders	**−2.77**
Cash distribution to minority shareholders	0.70
Dividend to parent shareholders	nil

Of the group's €22.9m equity, €8.7m belongs to minorities; parent shareholders' equity is roughly €14.2m. Any per-share arithmetic — and any enthusiasm about consolidated EBITDA multiples — must run on parent economics. The group's headline numbers describe a business its listed shareholders only partly own.

The balance-sheet wall

Net debt fell to €18.9m from €24.1m, and the company presents this as a strengthened balance sheet. The composition is less comfortable than the headline:

- **Bank debt rose** to €35.4m from €27.0m, and its maturity profile inverted: **€27.7m is now due within one year**, versus €13.4m a year earlier. Cash of €15.3m covers a little over half of that.
- Trade receivables reached €56.5m on €122.8m of revenue — roughly **168 days of sales outstanding**. Unbilled contract work (noch nicht abrechenbare Leistungen) jumped to €19.1m gross from €5.4m.
- The equity ratio fell to 18.8% from 22.9%; gearing stands at 82%.
- The management report itself notes that the substantial order backlog carries high pre-financing requirements that can lead to liquidity squeezes, and that the group has taken corresponding precautions in its financial planning.

Operating cash flow improved to €3.8m and the improvement is real. But the refinancing of the short-term bank tranche during 2026 is, in our view, the single most consequential event of the year for

equity holders — more than any order announcement — and it is mentioned nowhere in the market commentary we have seen. Authorised capital exists to issue up to 2,640,827 new shares (50% of the current count) until June 2029; at a €22–25m market capitalisation, the dilution mathematics of any equity-side solution are not trivial.

The litigation is, by contrast, better contained than the headlines suggested. The Bologna court awarded the plaintiff approximately €4.5m in a dispute arising from a 2020 subcontracting project; the €2.0m provision reflects advanced settlement negotiations under which the company would pay €2.0m in instalments over three years, with partial insurance coverage and an appeal filed in parallel. The tail risk is the ~€2.5m gap between award and provision if the settlement collapses.

Q1 2026: the improvement is real — here is what survives scrutiny

The first quarter was strong on any reading: sales +46% to €37.6m, EBITDA +70% to €3.5m at a 9.3% margin, EBIT of €2.2m, and profit after tax of €1.0m against €0.1m a year earlier. Two discounts apply before extrapolating:

- **Base effect.** Q1 2025 was depressed by the shutdown of a recycling plant (offline until August 2025) and delayed customer call-offs. Part of the 46% is the comparison period, not the run-rate.
- **Composition.** Hydrogen revenue rose from €3.1m to €8.4m as PNRR-funded projects reached completion milestones — revenue recognition on finishing projects, which is precisely what drains a backlog.

Even after both discounts, the quarter shows genuine operating leverage, and management held full-year guidance of ~€135m revenue at a 6–7% EBITDA margin (€8.1–9.5m), with 2027/28 targets of €150–175m at ≥10% and a GreenLead 2030 ambition of €250m at ~12%. Note the annualisation tension: Q1 revenue annualises above guidance, meaning management itself expects deceleration through the year. The backlog explains why.

The €40m backlog question

The Q1 release discloses order intake of €26.8m and a backlog of €124.5m at 31 March, down from €175m at year-end. The company attributes the decline primarily to the scheduled completion of major

projects. The arithmetic does not close:

BACKLOG RECONCILIATION (€M)

Backlog, 31.12.2025	175.0
plus: Q1 order intake	+26.8
less: Q1 revenue	−37.6
Expected backlog, 31.03.2026	**164.2**
Reported backlog, 31.03.2026	**124.5**
Unexplained reduction	**≈ 39.7**

Completed projects flow through the revenue line, which is already in the equation. A reduction of roughly €40m — 23% of the year-end backlog — beyond revenue conversion must therefore reflect cancellations, scope reductions, a re-definition of what the company counts as backlog, deconsolidation effects, or some combination. Each has different implications for the 2027 revenue bridge. Book-to-bill of 0.71 before the unexplained portion already signals that replenishment lags consumption.

Three questions the published disclosures leave open:

1. Please reconcile the movement from €175m (31.12.2025) to €124.5m (31.03.2026), separating revenue conversion, cancellations or scope changes, definitional changes, and other effects.
2. Does the "EBIT" figure in the Q1 2026 release follow the annual report's definition (pre-tax result plus interest expense), and does Q1 2026 contain any valuation or disposal effects analogous to those in FY2025?
3. What proportion of the current backlog is funded by Italy's PNRR programme, and what is the order pipeline for hydrogen infrastructure beyond the PNRR completion deadlines?

After PNRR: the defence pivot as answer to a funding cliff

The hydrogen order book has been substantially built on public money. The annual report and Q1 release identify PNRR financing for the Meran refuelling station (completion mid-2026) and describe the 2026 hydrogen agenda as the completion and handover of PNRR-funded projects. Italy's recovery-fund deadlines fall in 2026. What replaces that demand in 2027 is the strategic question, and management is not naïve about it: the geographic revenue split is withheld under the §240 UGB competitive-harm exemption — which also, conveniently, prevents outsiders from quantifying the Italy concentration. We note it.

Seen through this lens, the May 2026 cooperation with US-based High Impact Technology — protection and coating solutions for critical infrastructure and defence applications, structured as a twelve-month pilot — reads less like opportunism and more like management's answer to a funding cliff it can see coming. It is not yet a revenue line. But it is not only a press release either: the R&D section of the management report separately confirms development of self-sealing coating systems for defence applications, meaning the pivot has an engineering thread predating the announcement. Whether a €25m-cap group can convert coating IP into defence-qualified revenue before the PNRR tide goes out is the growth question of the next eighteen months.

Governance signals

Three items from the June 2026 AGM and the accounts, without embroidery:

- A larger shareholder took a **supervisory-board seat** at the June AGM, which enlarged the board from five to six members to accommodate it.
- A **buyback authorisation** of up to 10% of share capital runs to December 2028. At ~52% free float, execution would meaningfully tighten an already thin market in the shares.
- The goodwill impairment tests (the auditor's Key Audit Matter) discount Italian micro-cap service subsidiaries at **7.5–7.92%**, on business plans extending to 2028 that assume, among other things, margin stabilisation of 29–44% at the trading level and volume growth of 10–18%. We regard those discount rates as low for the asset class; the €1.58m deferred tax asset on loss carryforwards leans on the same plans. Neither figure is large enough to change the investment case alone; both indicate where the accounting gives management's optimism the benefit of the doubt.

Valuation: two honest lenses

We publish no target. We show the arithmetic on both lenses and identify what resolves the gap.

Group lens. EV of roughly €41–44m (market capitalisation €22–25m plus net debt €18.9m) against guided 2026 EBITDA of €8.1–9.5m is **~4.5–5.5x EV/EBITDA** — inexpensive for an environmental-services group with regulatory tailwinds (PFAS, EU soil-monitoring rules) and a hydrogen franchise.

Parent lens. The listed shareholder owns the loss-making whole and half of the profitable parts. Parent equity is ~€14m; the parent's 2025 result was −€2.77m; minorities have first claim on the cash generation of the Italian engines, as the 2025 distribution pattern demonstrated. On parent economics, the same market price discounts a much less generous business — and the twelve-month refinancing wall is borne entirely by that shareholder.

What closes the gap between the lenses, in order of importance: a clean refinancing of the €27.7m short-term tranche; a Q2/H1 print showing the 6–7% margin holding without valuation effects and with backlog replenishment; clarity on the €40m reconciliation; a Sirigenera/Ostellato disposal at or near carrying value, which would simultaneously validate the 2025 revaluation and bring cash in; and any structural simplification of the minority positions. Each is observable within twelve months. That is why we frame this note around questions rather than a rating: the value of this equity will be decided by five verifiable events, not by a spreadsheet's terminal assumption.

Risks to both views

To the sceptical reading: the Q1 operating improvement continues and compounds; the settlement closes at €2.0m with insurance recovery; the backlog reduction proves definitional; PNRR successor programmes or the EU's broader decarbonisation and defence-readiness budgets refill the pipeline; refinancing completes on ordinary terms, and the parent-lens discount closes rapidly from a €22–25m base.

To the constructive reading: the refinancing prices punitively or requires equity at these levels against 50% authorised capital; H1's seasonal loss meets a stretched working-capital position; the backlog gap reflects cancellations; the defence pilot lapses after twelve months; Sirigenera sells below carrying value, converting the 2025 paper profit into a realised disappointment; liquidity in the shares (four-figure daily volumes) turns any holder's exit into the price.

Sources and method

This note is based on the audited consolidated financial statements of Wolftank Group AG as at 31 December 2025 (Konzernabschluss, Konzernanhang and Konzernlagebericht, audit opinion Crowe LHP, 22 May 2026), the company's press releases of 22 May, 19 May, 10 June and the June 2026 AGM communication, the Q1 2026 interim release of 18 June 2026, and market data from the Vienna Stock Exchange. All figures are as reported in those documents or derived arithmetically from them; derivations are shown. Original documents are in German; translations are our own. We have had no contact with the company prior to publication.

Important Disclosures

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