

Northern Data Group

Q325 update and progress on strategic disposals

While Northern Data Group's Q325 trading update shows a steady improvement in operational metrics, they are not sufficient to support FY25 guidance and therefore the company has withdrawn them. Although we have had to reduce our forecasts again, the sequential improvements in Taiga Cloud offer comfort that, henceforth, forecasts should prove more robust. The company is now making significant progress in the sale of the Peak Mining assets.

| Year end | Revenue (€m) | EBITDA (€m) | PBT (€m) | EPS (€) | EV/EBITDA (x) | P/E (x) |
|----------|--------------|-------------|----------|---------|---------------|---------|
| 12/23 | 77.5 | (12.3) | (137.6) | (4.75) | N/A | N/A |
| 12/24 | 200.3 | 95.1 | (85.7) | (1.49) | 15.6 | N/A |
| 12/25e | 189.5 | 61.5 | (198.5) | (3.09) | 24.1 | N/A |
| 12/26e | 340.0 | 158.2 | (131.3) | (2.05) | 9.4 | N/A |

Note: EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Operating performance over Q325

Performance over Q3 has been below expectations due to a slower ramping up of revenues at Taiga Cloud. Overall, Q325 group revenues of €33.2m were a decrease of 43% y-o-y, though an increase of 29% on Q225 sales, which were affected by the technical upgrade programme to the operating infrastructure of Taiga Cloud.

In Q325, Taiga Cloud achieved revenues of €7.7m. This was well below the previous FY25 guidance of €50–55m and represented a decline of 83% versus revenues in Q324. However, given that Taiga Cloud achieved minimal revenues in Q225, the modest recovery in Q325 revenues does at least provide comfort that many of the existing customer relationships have been retained and management have noted recent customer additions. By the end of October, a monthly revenue run rate of €10–15m is anticipated with further improvements thereafter. Peak Mining revenues in Q325 of €25.4m were in line with the recent quarterly run rate and ahead 116% y-o-y.

Update on strategic initiatives

The sale of Peak Mining is now moving ahead and is likely to take place in two phased transactions. The first of these will see initial proceeds (\$50m) received by the end of the month as a Tether Holdings-backed special purpose investment vehicle purchases several of the smaller Peak Mining locations. In due course, far more substantial disposal proceeds should be achieved as the core Peak Mining sites in Corpus Christi, Texas are sold to a global infrastructure investment fund, presently undertaking its due diligence.

Valuation: Forecasts revised as guidance withdrawn

Given the Q325 update and the withdrawal of management's FY25 guidance, we have revised our forecasts. While disappointing to make further downgrades as the business enters the final stages of a challenging year, the operating metrics and improved performance in Q325 indicate a revenue profile emerging that has a much-reduced risk profile. We also note that the proposed terms of the Rumble offer (10 August 2025) now imply a small premium (4%) to the current Northern Data share price.

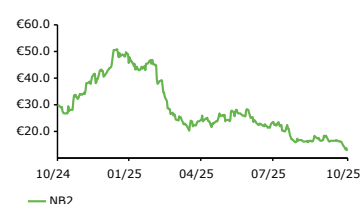
Quarterly results

Tech hardware and equipment

23 October 2025

| | |
|---------------------------------|---------------|
| Price | €13.81 |
| Market cap | €938m |
| | €0.86/\$ |
| Net cash/(debt) as at June 2025 | €(546.0)m |
| Shares in issue | 64.2m |
| Free float | 48.9% |
| Code | NB2 |
| Primary exchange | FSE |
| Secondary exchange | N/A |

Share price performance



| | | | |
|------------------|--------|--------|--------|
| % | 1m | 3m | 12m |
| Abs | (17.0) | (39.2) | (55.3) |
| 52-week high/low | | €50.8 | €14.0 |

Business description

Northern Data Group is a German-listed company, operating highly energy-efficient data centres across Europe and the US.

Next events

Q425 results February 2026

Analysts

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Update on operational progress through 2025

At the end of Q125 the Taiga Cloud business started a major upgrade of its infrastructure to enable software-defined, on-demand access to its GPU estate. The upgrade, together with additional technology partnerships, have improved Northern Data Group's ability to serve existing customers as well as attracting new customers.

As of end-Q325, 15,000 GPUs of the overall 22,000 NVIDIA H100 and H200 estate have been allocated to customers committing to spot, on-demand and reserved contracts. These customer commitments have expanded from 11% estate utilisation in August to more than 60% expected in October. This dramatic ramp-up of utilisation has been achieved by customers moving to a healthy mixture of both on-demand and fully reserved contracts. This move towards reserved and on-demand customer engagements is expected to continue and should steadily result in a more predictable and higher utilisation rate, driving up per GPU hour pricing with an obvious favourable impact on revenues. Customers using the Northern Data capacity include leading AI labs, US and European AI native start-ups, and global providers of sovereign and enterprise cloud solutions.

Peak Mining sale progresses in two phases

Since management's last update at the time of the H125 figures, significant progress appears to have been made, although the proposed disposal looks set to be executed in two stages. There is interest from a third-party global infrastructure asset management firm to acquire the two sites Texas sites at Corpus Christi. Each of these sites has potential capacity of up to 300MW, though one site is essentially only enabled with basic power infrastructure and little else in terms of currently running GPU usage. The other site is in operation and has 100MW of capacity devoted to Peak Mining. It accounts for the largest portion of Peak Mining's 7.9 EH/s mining capacity at the end of last year. At this stage, the third-party infrastructure asset management fund is undertaking due diligence under an exclusivity agreement and is exploring suitability of the sites for traditional high-performance computing usage.

The other Peak Mining locations (North Dakota and Maysville, Georgia) are to be divested to a special purpose vehicle that is backed by Northern Data's largest shareholder (Tether Holdings) for a consideration of \$50m. The closing of this transaction and proceeds are expected in the current month. Based on prior disclosures, we believe the mining capacity of these sites is around 2.0–2.2 EH/s and so it would appear they are being sold a rough valuation of \$25m per EH/s. This figure is low (roughly 50%) compared to those seen in previous transactions during 2024, reflecting the sizeable shift in valuations in recent months.

In total, we estimate that the cumulative capital investment in the current Peak Mining operations is \$250–300m.

Ongoing interest from Rumble

In Rumble's press release of 10 August, Rumble stated its proposed transaction to acquire Northern Data was based on the assumption that the Peak Mining businesses would be sold prior to completion. In light of the progress on Peak Mining's asset sales, we understand that interest from Rumble remains.

When interest from Rumble was first publicly declared, the proposed terms of the offer (2.319 newly issued Rumble shares per Northern Data share) valued Northern Data's shares at a 33% discount to their price at the time. Were a similar exchange ratio to be used now, the offer would value Northern Data's shares at a small (4%) premium.

Forecast changes

We have revised our forecasts, principally to remodel the revenue trajectory at Taiga Cloud. After the technical upgrade that caused disruption during 2025, we expect a more reliable sequential quarterly improvement in revenues. Our revenue forecasts for Peak Mining have not been materially altered and the business appears to be running with a relatively stable revenue run rate of €25–30m per quarter.

We have also incorporated the annualised cost savings that have been achieved through Northern Data's active cost-cutting programme. These will yield annualised cost savings of €15–20m. We have also updated our cash flow forecasts to incorporate the €50m proceeds expected from the Peak Mining asset sale (due to be completed before the end of

October). These proceeds more or less offset the reduced operating cash flow resulting from revised forecasts and leave our FY25 net debt expectations broadly unaltered at €687m.

Northern Data has suggested that certain other non-core assets and a historic equity investment have been highlighted for sale to contribute to the group's overall liquidity but, until these are confirmed, they are not incorporated into our forecasts. Management has suggested that the business should be able to generate positive operating cash flows by year-end 2025. Our forecasts model positive operating cash flow for FY26.

Exhibit 1: Summary of forecast revisions

| €m | FY25 Old | FY25 New | FY26 Old | FY26 New |
|-----------------|----------|----------|----------|----------|
| Revenues | 275.0 | 189.5 | 495.0 | 340.0 |
| Adjusted EBITDA | 101.3 | 61.5 | 239.0 | 158.2 |
| Normalised PBT | (158.8) | (198.5) | (50.5) | (131.3) |
| Year-end debt | 699.0 | 687.0 | 926.7 | 954.4 |

Source: Edison Investment Research

Exhibit 2: Financial summary

| €m | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---------|--------|--------|--------|--------|--------|
| Year end 31 December | IFRS | IFRS | IFRS | IFRS | IFRS | IFRS |
| INCOME STATEMENT | | | | | | |
| Revenue | 193 | 78 | 200 | 190 | 340 | 525 |
| Other income | 56 | 33 | 67 | 0 | 0 | 0 |
| Total output | 249 | 111 | 267 | 190 | 340 | 525 |
| Cost of Sales | (99) | (41) | (45) | (40) | (71) | (110) |
| Gross Profit | 94 | 36 | 155 | 150 | 269 | 415 |
| EBITDA | (41) | (12) | 95 | 61 | 158 | 278 |
| Reported EBITDA | (58) | (28) | 71 | 41 | 133 | 248 |
| Operating profit (before amort. and excepts.) | (249) | (137) | (61) | (159) | (92) | (7) |
| Share-based payments | (17) | (16) | (24) | (20) | (25) | (30) |
| Reported operating profit | (265) | (153) | (84) | (179) | (117) | (37) |
| Net Interest | (3) | (0) | (25) | (40) | (40) | (42) |
| Profit Before Tax (norm) | (252) | (138) | (86) | (199) | (131) | (49) |
| Profit Before Tax (reported) | (268) | (154) | (109) | (219) | (156) | (79) |
| Reported tax | 3 | 2 | (18) | 70 | 50 | 25 |
| Profit After Tax (norm) | (252) | (138) | (86) | (199) | (131) | (49) |
| Profit After Tax (reported) | (266) | (151) | (127) | (149) | (106) | (54) |
| Net income (normalised) | (252) | (138) | (86) | (199) | (131) | (49) |
| Net income (reported) | (266) | (151) | (127) | (149) | (106) | (54) |
| Average Number of Shares Outstanding (m) | 23.8 | 28.9 | 57.7 | 64.2 | 64.2 | 64.2 |
| EPS - basic normalised (€) | (10.56) | (4.75) | (1.49) | (3.09) | (2.05) | (0.76) |
| EPS - normalised fully diluted (€) | (10.56) | (4.75) | (1.49) | (3.09) | (2.05) | (0.76) |
| EPS - basic reported (€) | (11.16) | (5.22) | (2.21) | (2.32) | (1.66) | (0.84) |
| Dividend (€) | 0 | 0 | 0 | 0 | 0 | 0 |
| BALANCE SHEET | | | | | | |
| Fixed Assets | 324 | 365 | 1,371 | 1,264 | 1,340 | 1,406 |
| Intangible Assets | 15 | 17 | 37 | 25 | 30 | 39 |
| Tangible Assets | 293 | 333 | 1,302 | 1,207 | 1,278 | 1,334 |
| Investments & other | 15 | 15 | 32 | 32 | 32 | 32 |
| Current Assets | 127 | 651 | 288 | 360 | 478 | 599 |
| Stocks | 7 | 57 | 0 | 20 | 22 | 24 |
| Debtors | 3 | 9 | 56 | 60 | 108 | 166 |
| Cash & cash equivalents | 40 | 243 | 120 | 72 | 70 | 80 |
| Other | 77 | 343 | 111 | 208 | 278 | 329 |
| Current Liabilities | 81 | 123 | 107 | 72 | 106 | 150 |
| Creditors | 36 | 63 | 39 | 40 | 72 | 111 |
| Tax and social security | 28 | 20 | 15 | 10 | 12 | 15 |
| Short-term borrowings | 0 | 0 | 0 | 0 | 0 | 0 |
| Lease liabilities | 3 | 2 | 23 | 9 | 10 | 11 |
| Other | 14 | 38 | 31 | 12 | 12 | 12 |
| Long-term liabilities | 10 | 178 | 712 | 867 | 1,133 | 1,331 |
| Long-term borrowings | 0 | 172 | 597 | 759 | 1,024 | 1,220 |
| Lease liabilities | 8 | 5 | 94 | 94 | 94 | 94 |
| Other long-term liabilities | 2 | 1 | 21 | 14 | 15 | 17 |
| Net Assets | 359 | 716 | 839 | 685 | 578 | 525 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholders' equity | 359 | 716 | 839 | 685 | 578 | 525 |
| CASH FLOW | | | | | | |
| Operating Cash Flow | (59) | (26) | 28 | 71 | 144 | 231 |
| Working capital | 27 | (19) | (62) | (50) | (60) | (70) |
| Exceptional & other | 42 | 34 | (25) | 65 | 70 | 77 |
| Tax | (10) | (7) | 1 | (70) | (50) | (25) |
| Net operating cash flow | 1 | (18) | (58) | 16 | 103 | 213 |
| Capex | (94) | (85) | (981) | (230) | (320) | (340) |
| Acquisitions/disposals | 0 | 0 | 0 | 43 | 0 | 0 |
| Net interest | (3) | (0) | 0 | (40) | (40) | (42) |
| Equity financing | 0 | 133 | 497 | 0 | 0 | 0 |
| Borrowings | 0 | 175 | 400 | 0 | 0 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | (81) | (2) | 20 | 0 | (11) | (16) |
| Net Cash Flow | (177) | 203 | (123) | (211) | (267) | (185) |
| Opening net debt/(cash) | (145) | (40) | (71) | 477 | 687 | 955 |
| FX | (5) | 0 | 0 | 0 | 0 | 0 |
| Other non-cash movements | 77 | (172) | (425) | 0 | 0 | 0 |
| Closing net debt/(cash) | (40) | (71) | 477 | 687 | 955 | 1,140 |

Source: Company data, Edison Investment Research

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