

Northern Data Group

H125 results

Strategic interest confirmed with H125 figures

Along with the release of H125 figures, Northern Data Group has provided an update on its strategic evolution, with news of third-party interest in acquiring the group, as well as an update on the sale of Peak Mining.

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)	21.4	N/A
12/25e	275.0	101.3	(158.8)	(2.47)	20.1	N/A
12/26e	495.0	239.0	(50.5)	(0.79)	8.5	N/A

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

Operating performance over H125

The 30 April trading update highlighted infrastructure upgrades and associated operational effects that resulted in substantial forecast revisions. Disruption, driven by these changes, is highlighted by considerably contrasting performance metrics in Q125 and Q125. For the first half overall, revenues were up 72% y-o-y to €94.3m. Growth in Q1 was up 170% y-o-y, with revenues of €68.6m, while Q2 revenues were down 13% y-o-y to €25.7m.

Strategic interest from Rumble

On 28 May, Northern Data stated that it had expressions of interest 'from US-listed companies'. Therefore, the confirmed interest from Rumble on 10 August in pursuing a potential exchange of shares (exchange offer) to merge with Northern Data is no surprise. The two companies share a common strategic investor in the form of Tether, which owns 53% of Northern Data's shares and 34% of Rumble's shares (after its \$775m investment in Rumble in December 2024). However, Tether does not have board representation at either company.

Presently, there is no formal offer, only an expression of interest. Therefore, while Tether has stated its own support for the transaction, progression to a formal deal is not certain. The original press release from Northern Data at the end of May seemingly indicated interest from more than one party, meaning news of the interest from Rumble could, potentially, drive others to declare interest publicly.

Valuation: Cash flow forecasts updated

The guidance from April has been retained, which implies that Taiga Cloud's performance should dramatically improve over H225. Northern Data's press release states that the improved customer traction in the Cloud business has already been seen in Q3. As evidence of progress in this regard, the company has also announced a new partnership with Core42, a provider of AI sovereign cloud-managed services. Through the partnership, Core42 will be using Northern Data's Taiga Cloud infrastructure for its AI-managed cloud services. We make no changes to revenue and adjusted EBITDA forecasts but, in light of reduced capex spending, we have updated our cash flow and balance sheet forecasts.

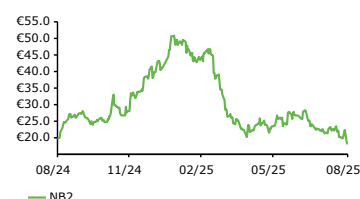
Tech hardware and equipment

12 August 2025

Price €19.05
Market cap €1,491m

Net cash/(debt) 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	1.3	(3.0)	20.6
52-week high/low		€50.8	€19.2

Business description

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

Next events

Q325 results October 2025

Analysts

Dan Ridsdale +44 (0)20 3077 5700
Neil Steer +44 (0)20 3077 5700

tmt@edisongroup.com
[Edison profile page](#)

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H125 results

Peak Mining showed Q1 year-on-year revenue growth of 30% to €28.4m, and Q2 growth of 78% y-o-y to €25.1m. Peak Mining's overall H125 growth was, therefore, impressive at 49%.

Taiga Cloud achieved Q125 revenues of €40.0m, being a fivefold increase year-on-year. This was, however, below the run-rate seen over the Q324 and Q424 of €47m and €55m, respectively. To improve the long-term revenue generating capacity of the Taiga Cloud GPU estate, a plan to upgrade the infrastructure (to a software defined, on-demand model) began in Q225. Disruption, as capacity was taken offline, was substantial with Taiga Cloud's revenues falling to just €0.5m in Q2. We understand that management had expected Q2 utilisation of just 5% but, in reality, utilisation appears to have been well below that level.

H125 adjusted EBITDA of €21.3m is an increase of 101% from the H124 figure of €10.6m. Adjusted EBIT losses were €115.1m, compared to losses in H124 of €18.6m. This was due mainly to the rise in depreciation and amortisation charges after the substantial capex and investments last year.

Interest from Rumble comes at a discount

Based on the closing share prices of the two companies last Friday, the indicated terms of the merger (2.319 Rumble shares in exchange for each Northern Data share) valued the Northern Data shares at a 32% discount to their previous close price. Based upon our current forecasts for FY25, the offer would represent an acquisition (merger) valuation of EV/sales of 7.4x and an EV/adjusted EBITDA of 20.0x.

This is, however, before any adjustments are made for the potential disposal of Peak Mining. We estimate that the exchange offer ratio (2.319:1) would likely be modified to reflect the proceeds from Peak Mining's sale and the discount could reduce to c 20% from 32%.

Potential sale of Peak Mining

Northern Data has announced the execution of a non-binding, non-exclusive term sheet for the disposal of Peak Mining to Elektron Energy, a privately owned bitcoin mining business. Should the transaction go ahead, there could be proceeds of up to €235m in cash, consisting of an initial payment of €175m (expected H225) and a final payment upon completion. The final payment will be contingent on performance metrics and the successful transfer of certain operational assets.

While this is clearly good news and a deal has been agreed in principle, the price is very much lower than our expectations. At the end of 2024, Northern Data's bitcoin capacity was at c eight exa hashes per second and commentary from management, at the time of the FY24 figures, suggested that market valuations were \$30–90m per exa hash. Based on this data, we put expected proceeds at €400–500m.

Cash flow and balance sheet changes

Should the sale of Peak Mining go ahead, the proceeds will markedly reduce net debt, which stood at €546m (excluding finance leases) at the end of June. This was an increase from the 2024 year-end net debt of €476m (excluding finance leases) but a smaller increase than we had forecast, due to a much-reduced level of capex. Accordingly, and in the expectation that a more prudent capital investment regime will continue for the remainder of the year, we have made small revisions to our cash flow and balance sheet forecasts.

Exhibit 1: 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	275	495	595
Other income	56	33	67	0	0	0
Total output	249	111	267	275	495	595
Cost of Sales	(99)	(41)	(45)	(63)	(114)	(137)
Gross Profit	94	36	155	212	381	458
EBITDA	(41)	(12)	95	101	239	302
Reported EBITDA	(58)	(28)	71	76	209	267
Operating profit (before amort. and excepts.)	(249)	(137)	(61)	(119)	(11)	17
Share-based payments	(17)	(16)	(24)	(25)	(30)	(35)
Reported operating profit	(265)	(153)	(84)	(144)	(41)	(18)
Net Interest	(3)	(0)	(25)	(40)	(40)	(42)
Profit Before Tax (norm)	(252)	(138)	(86)	(159)	(51)	(25)
Profit Before Tax (reported)	(268)	(154)	(109)	(184)	(81)	(60)
Reported tax	3	2	(18)	59	26	19
Profit After Tax (norm)	(252)	(138)	(86)	(159)	(51)	(25)
Profit After Tax (reported)	(266)	(151)	(127)	(125)	(55)	(41)
Net income (normalised)	(252)	(138)	(86)	(159)	(51)	(25)
Net income (reported)	(266)	(151)	(127)	(125)	(55)	(41)
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)	(2.47)	(0.79)	(0.39)
EPS - normalised fully diluted (€)	(10.56)	(4.75)	(1.49)	(2.47)	(0.79)	(0.39)
EPS - basic reported (€)	(11.16)	(5.22)	(2.21)	(1.95)	(0.85)	(0.64)
Dividend (€)	0	0	0	0	0	0
BALANCE SHEET						
Fixed Assets	324	365	1,371	1,266	1,383	1,465
Intangible Assets	15	17	37	26	35	45
Tangible Assets	293	333	1,302	1,207	1,316	1,387
Investments & other	15	15	32	32	32	32
Current Assets	127	651	288	382	483	569
Stocks	7	57	0	20	22	24
Debtors	3	9	56	70	126	151
Cash & cash equivalents	40	243	120	60	70	80
Other	77	343	111	232	265	313
Current Liabilities	81	123	107	72	107	125
Creditors	36	63	39	40	72	87
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	1,105	1,295
Long-term borrowings	0	172	597	759	997	1,185
Lease liabilities	8	5	94	94	94	94
Other long-term liabilities	2	1	21	14	15	17
Net Assets	359	716	839	709	654	613
Minority interests	0	0	0	0	0	0
Shareholders' equity	359	716	839	709	654	613
CASH FLOW						
Operating Cash Flow	(59)	(26)	28	95	195	244
Working capital	27	(19)	(62)	(50)	(60)	(70)
Exceptional & other	42	34	(25)	65	70	77
Tax	(10)	(7)	1	(59)	(26)	(19)
Net operating cash flow	1	(18)	(58)	51	179	232
Capex	(94)	(85)	(981)	(230)	(358)	(355)
Acquisitions/disposals	0	0	0	0	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	(4)	(9)	(13)
Net Cash Flow	(177)	203	(123)	(222)	(228)	(178)
Opening net debt/(cash)	(145)	(40)	(71)	477	699	927
FX	(5)	0	0	0	0	0
Other non-cash movements	77	(172)	(425)	0	0	0
Closing net debt/(cash)	(40)	(71)	477	699	927	1,105

Source: Company data, Edison Investment Research

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