

9 March 2026

GESCO SE

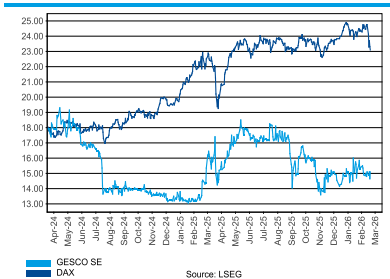
Germany

Capital Goods

Reuters: GSC1n.DE Bloomberg: GSC1 GY

Buy

Closing price as of	
06-Mar-26	EUR 15.10
Target price	EUR 22.00
High/Low (12M)	EUR 18.50/13.60
Market cap.	EUR mn 164
Enterprise value	EUR mn 212
Free float	81.3%
Avg. daily turnover	EUR mn 0.06

Price relative to Index

Performance (%)	1M	3M	6M
Absolute	-1.0	1.3	-12.5
rel. DAX	3.6	3.2	-12.4
rel. STOXX Europe 600	2.0	-2.1	-21.5
rel. SXXP Industrial G&S	1.5	-4.6	-20.4

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Preliminary key results at the upper end of the guidance – Dividend proposal of EUR 0.20 per share after doubling the EPS to EUR 0.96**Our conclusion**

- GESCO released an ad hoc with some preliminary key results and a dividend proposal for FY25 of EUR 0.20 per share after reaching the upper end of sales guidance.
- **FY25 sales declined by 4% yoy** to EUR 495.0mn, in-line with the guidance of EUR 480-500mn and slightly below consensus of EUR 497mn, but better than our revenue assumption of EUR 481mn. **Net profit increased from 4.4m to EUR 9.9mn (+123% yoy)**, in-line with the guidance of EUR 7-10mn. Consolidated earnings include special items totaling EUR -2.6mn. These special items include, among other things, the write-down of loans and receivables as well as provisions for anticipated losses that had to be made due to the insolvency of Bergische Edelmetalle Werke GmbH and offsetting deferred tax assets.
- GESCO is sticking to its long-term profit appropriation strategy of combining the organic development of the Group with targeted, value-enhancing acquisitions. In 2025, GESCO was able to grow inorganically in the Industrial Assets & Infrastructure segment through the acquisition of Eckart GmbH.
- Based on an **EPS of EUR 0.96** (2024: EUR 0.42) for FY25, a **DPS of EUR 0.20 will be proposed** (2024: EUR 0.10), which reflects the dividend policy with a payout range of 20-40%.
- **We confirm our Buy rating and our target price of EUR 22 following the preliminary figures for FY25**, despite the continuing challenging environment.

Facts & Analysis

- Final and full FY25 results (including the FY26 guidance) are scheduled for **15 April 2026** with a conference call at 3:00 pm CET. The AGM will take place on 24 June.

FY25: Prel. results vs. Baader Helvea vs. consensus

	2024 Rep.	2025E		2026E				
		Guidance	Prel. rep.	Baader	Cons.	Baader	Cons.	
Sales revenues	EUR mn	513.8	480-500	495.0	481.0	497.0	501.1	533.2
Change yoy	%	-8			-6	-3	4	7
EBIT	EUR mn	15.2			17.4	22.2	18.8	28.2
Change yoy	%	-58			15	46	8	27
EBIT margin	%	3.0			3.6	4.5	3.7	5.3
Net income after min.	EUR mn	4.4	7-10	9.9	9.2	12.6	10.6	16.7
Change yoy	%	-79			108	183	14	33
EPS reported	EUR	0.42		0.96	0.89	1.20	1.02	1.60
Change yoy	%	-78			111	184	14	33
DPS	EUR	0.10		0.20	0.18	0.26	0.20	0.34
Change yoy	%	-75			79	157	14	31

Source: Company data, LSEG, Baader Helvea Equity Research

Key financials

EUR mn	2024	2025E	2026E	2027E	CAGR (%)
Sales	513.8	481.0	501.1	520.7	0.4
EBIT adj.	19.5	17.4	18.8	22.3	4.7
EPS adj. (EUR)	0.88	0.89	1.02	1.26	12.8

Source: Company data, Baader Helvea Equity Research

Valuation ratios

x	2024	2025E	2026E	2027E
EV/Sales	0.4	0.4	0.4	0.4
EV/EBIT adj.	10.8	11.2	11.3	9.6
P/E adj.	18.1	16.4	14.8	12.0

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Key data

FY 31 Dec.	2022	2023	2024	2025E	2026E	2027E
Share data						
EPS rep. (EUR)	3.12	1.93	0.42	0.89	1.02	1.26
EPS adj. (EUR)	3.12	2.36	0.88	0.89	1.02	1.26
Dividend (EUR)	1.00	0.40	0.10	0.18	0.20	0.25
Book value (EUR)	24.41	25.09	25.53	26.34	27.18	28.24
Free cash flow (EUR)	0.03	0.96	4.27	-0.18	-1.02	-0.30
Avg. no. of shares (mn)	10.8	10.8	10.8	10.8	10.8	10.8
Market cap. (avg./current, EUR mn)	264.2	253.7	172.6	158.3	163.7	163.7
Enterprise value (EUR mn)	324.6	320.9	210.9	195.8	212.1	215.2
Valuation						
P/E adj. (x)	7.8	9.9	18.1	16.4	14.8	12.0
P/BV (x)	1.0	0.9	0.6	0.6	0.6	0.5
FCF/EV (%)	0.1	3.2	21.3	-0.9	-5.0	-1.4
FCF yield (%), (FCF/Mcap.)	0.1	4.1	26.0	-1.2	-6.5	-1.9
Dividend yield (%)	4.1	1.7	0.6	1.2	1.3	1.7
EV/Sales (x)	0.6	0.6	0.4	0.4	0.4	0.4
EV/EBITDA adj. (x)	4.8	5.4	5.8	5.8	5.9	5.4
EV/EBIT adj. (x)	6.6	7.8	10.8	11.2	11.3	9.6
EV/CE (x)	0.9	0.9	0.7	0.6	0.6	0.6
ROCE/WACC adj. (x)	1.7	1.4	0.7	0.6	0.6	0.7
Key company data						
Sales growth (%)	19.3	-3.7	-8.4	-6.4	4.2	3.9
EBITDA growth adj. (%)	8.9	-12.9	-37.9	-7.5	6.0	11.1
EBITDA margin adj. (%)	11.6	10.5	7.1	7.1	7.2	7.7
EBIT margin adj. (%)	8.5	7.3	3.8	3.6	3.7	4.3
Net margin adj. (%)	5.8	4.6	1.8	1.9	2.1	2.5
Free cash flow margin (%)	0.0	1.9	8.7	-0.4	-2.1	-0.6
Payout ratio (%)	32.0	20.7	23.7	20.0	20.0	20.0
Gearing (%), (net debt/equity)	14.6	18.9	8.9	8.4	11.9	12.5
Net debt/EBITDA (x)	0.6	0.9	0.7	0.7	1.0	0.9
Equity ratio (x), (equity/total assets)	58.0	59.2	62.3	62.5	62.6	63.1
Capital employed (EUR mn)	378.5	366.3	313.2	330.0	347.0	361.1
ROCE adj. (%)	13.1	11.2	6.2	5.3	5.4	6.2
Income statement (EUR mn)						
Turnover	582.3	560.7	513.8	481.0	501.1	520.7
EBITDA	67.7	59.0	36.7	33.9	36.0	39.9
EBITDA adj.	67.7	59.0	36.7	33.9	36.0	39.9
EBIT	49.4	35.9	15.2	17.4	18.8	22.3
EBIT adj.	49.4	41.0	19.5	17.4	18.8	22.3
EBT	49.5	32.4	10.0	13.9	15.4	18.8
Net profit after minorities	33.8	20.9	4.4	9.2	10.6	13.1
Net profit adj.	33.8	25.6	9.2	9.2	10.6	13.1
Balance sheet (EUR mn)						
Non-current assets	186	188	178	184	188	194
thereof goodwill	39	39	39	39	39	39
Current assets	288	281	255	262	271	279
Total assets	474	469	433	445	459	472
Shareholders' equity	275	278	270	278	287	298
Total equity and liabilities	474	469	433	445	459	472
Net debt	40	53	24	23	34	37
Cash flow (EUR mn)						
Cash flow from operations	10.7	32.2	51.2	19.9	10.7	20.6
of which change in working capital	-46.3	-4.0	37.5	-11.6	-13.0	-7.9
Cash flow from investments	-10.4	-21.8	-6.3	-21.7	-21.3	-23.7
of which investment in fixed assets	-12.5	-17.5	-8.3	-21.7	-21.3	-23.7
Free cash flow	0.3	10.4	44.9	-1.8	-10.6	-3.1
Dividends paid	-10.6	-10.8	-4.1	-1.0	-1.8	-2.1
Cash flow from financing activities	-21.9	-12.4	-55.9	3.3	2.8	0.0
Change in cash position	-21.5	-2.0	-9.6	0.4	-7.9	-3.1

Source: Company data, Baader Helvea Equity Research

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This Research Document was completed at 02:46 PM (CET) on 09-03-2026.

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Company	Date	Rating	Currency	Target price	Closing price as of	Analyst
GESCO SE	04-Apr-25	Buy	EUR	22.00	15.70 03-Apr-25	Andre Remke, CFA

GESCO SE

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