

13 May 2026

GESCO SE

Germany

Capital Goods

Reuters: GSC1n.DE Bloomberg: GSC1 GY

Buy

Closing price as of

12-May-26 EUR 14.45

Target price EUR 22.00

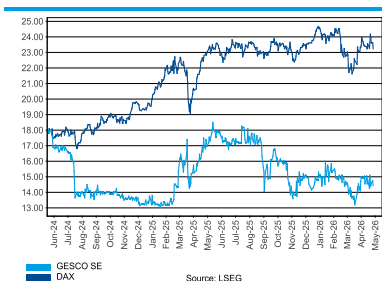
High/Low (12M) EUR 18.50/13.20

Market cap. EUR mn 157

Enterprise value EUR mn 223

Free float 81.3%

Avg. daily turnover EUR mn 0.07

Price relative to Index

Performance (%)	1M	3M	6M
Absolute	-0.7	-5.6	2.5
rel. DAX	-1.3	-1.9	4.2
rel. STOXX Europe 600	0.6	-3.6	-1.4
rel. SXXP Industrial G&S	0.3	-2.9	-0.7

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Solid start into the year – 1Q26 sales at the previous year’s level and 1Q order intake above our estimate – Outlook confirmed**Our conclusion**

- GESCO released 1Q26 sales of EUR 121mn which is slightly below our expectations of EUR 128mn (-5%) due to continued challenging market conditions and geopolitical uncertainties. Order intake increased by 4.6% yoy and the book-to-bill ratio was at 1.14x. **Net profit increased by 36.6% to EUR 2.8mn** but is below our estimate of EUR 3.6mn (-24%). Overall, we see the company on track to deliver on its FY26 targets.
- **FY26E guidance:** GESCO confirmed the expected revenue increase to EUR 515-530mn for FY26 (2025: EUR 495mn) – our expectation of EUR 519.8mn is in the mid-range. Net income after minorities is also expected to improve significantly to EUR 15-20mn, slightly above our assumption of EUR 12.7mn for FY26E. The separation of unprofitable business units has already proven to be a positive factor in the 2025 figures, and we expect a similarly positive effect for FY26E, resulting in improved profitability.
- The three operating segments of the GESCO Group showed a highly heterogeneous development in 1Q26, reflecting both the differing market dynamics in the respective target industries and the specific challenges and opportunities of the individual business models.
- Given the confirmation of the guidance, we do not anticipate any adjustment to the consensus, which currently aligns with the FY26 targets. Based on the increased net profit, we anticipate a slightly positive share price reaction today and **we therefore reiterate our Buy rating and our target price of EUR 22.**

Facts & Analysis**1Q26 results**

EUR mn	1Q25 Actual	1Q26 Actual	yoy (%)	1Q26E Baader	Dev. (%)
Order intake	132.1	138.2	5	117.0	18
Book-to-bill (x)	1.09	1.14		0.91	
Sales	121.7	121.0	-1	128.0	-5
EBITDA	8.2	9.3	14	10.4	-11
EBIT	4.1	4.6	13	6.3	-27
EBIT margin (%)	3.4	3.8	0.5pp	4.9	-1.1pp
EBT	3.2	3.9	25	5.3	-26
Net income after minorities	2.0	2.8	37	3.6	-24
EPS reported (EUR)	0.19	0.27	39	0.35	-23

Source: Company data, LSEG, Baader Helvea Equity Research

Guidance versus Baader Helvea and consensus

		2025 Rep.	2026E Guidance	2026E Baader	2026E Cons.	2027E Baader	2027E Cons.
Sales revenues	EUR mn	495.0	515-530	519.8	523.7	539.9	556.3
<i>Change yoy</i>	%	-4		5	6	4	6
EBIT	EUR mn	15.5		21.1	25.2	23.6	30.3
<i>Change yoy</i>	%	2		36	62	12	20
EBIT margin	%	3.1		4.1	4.8	4.4	5.4
Net income after min.	EUR mn	9.9	15-20	12.7	15.0	14.8	18.7
<i>Change yoy</i>	%	124		28	51	16	25
EPS reported	EUR	0.96		1.23	1.43	1.43	1.79
<i>Change yoy</i>	%	127		28	49	16	25
DPS	EUR	0.20		0.30	0.30	0.30	0.36
<i>Change yoy</i>	%	100		50	50	0	20

Source: Company data, LSEG, Baader Helvea Equity Research

Key financials

EUR mn	2025	2026E	2027E	2028E	CAGR (%)
Sales	495.0	519.8	539.9	557.1	4.0
EBIT adj.	15.5	21.1	23.6	26.0	18.8
EPS adj. (EUR)	0.96	1.23	1.43	1.61	18.9

Source: Company data, Baader Helvea Equity Research

Valuation ratios

x	2025	2026E	2027E	2028E
EV/Sales	0.5	0.4	0.4	0.4
EV/EBIT adj.	14.7	10.6	9.4	8.1
P/E adj.	16.4	11.7	10.1	9.0

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Key data

FY 31 Dec.	2023	2024	2025	2026E	2027E	2028E
Share data						
EPS rep. (EUR)	1.93	0.42	0.96	1.23	1.43	1.61
EPS adj. (EUR)	2.36	0.88	0.96	1.23	1.43	1.61
Dividend (EUR)	0.40	0.10	0.20	0.30	0.30	0.32
Book value (EUR)	25.09	25.53	25.84	26.86	28.04	29.37
Free cash flow (EUR)	0.96	4.27	-1.54	1.56	1.25	2.19
Avg. no. of shares (mn)	10.8	10.8	10.8	10.8	10.8	10.8
Market cap. (avg./current, EUR mn)	253.7	172.6	170.4	156.6	156.6	156.6
Enterprise value (EUR mn)	320.9	210.9	228.4	223.1	221.0	209.4
Valuation						
P/E adj. (x)	9.9	18.1	16.4	11.7	10.1	9.0
P/BV (x)	0.9	0.6	0.6	0.5	0.5	0.5
FCF/EV (%)	3.2	21.3	-7.0	7.3	5.9	10.8
FCF yield (%), (FCF/Mcap.)	4.1	26.0	-9.4	10.3	8.3	14.5
Dividend yield (%)	1.7	0.6	1.3	2.1	2.1	2.2
EV/Sales (x)	0.6	0.4	0.5	0.4	0.4	0.4
EV/EBITDA adj. (x)	5.4	5.8	6.8	5.5	5.1	4.5
EV/EBIT adj. (x)	7.8	10.8	14.7	10.6	9.4	8.1
EV/CE (x)	0.9	0.7	0.7	0.7	0.6	0.6
ROCE/WACC adj. (x)	1.4	0.8	0.6	0.8	0.9	0.9
Key company data						
2023	2024	2025	2026E	2027E	2028E	
Sales growth (%)	-3.7	-8.4	-3.7	5.0	3.9	3.2
EBITDA growth adj. (%)	-12.9	-37.9	-7.9	19.4	7.4	6.6
EBITDA margin adj. (%)	10.5	7.1	6.8	7.8	8.0	8.3
EBIT margin adj. (%)	7.3	3.8	3.1	4.1	4.4	4.7
Net margin adj. (%)	4.6	1.8	2.0	2.4	2.7	3.0
Free cash flow margin (%)	1.9	8.7	-3.2	3.1	2.4	4.1
Payout ratio (%)	20.7	23.7	20.9	24.5	21.0	20.0
Gearing (%), (net debt/equity)	18.9	8.9	16.5	18.9	17.4	12.8
Net debt/EBITDA (x)	0.9	0.7	1.3	1.3	1.2	0.9
Equity ratio (x), (equity/total assets)	59.2	62.3	60.9	62.6	63.2	63.9
Capital employed (EUR mn)	366.3	313.2	331.3	342.4	352.5	354.6
ROCE adj. (%)	11.2	6.2	4.7	6.2	6.7	7.3
Income statement (EUR mn)						
2023	2024	2025	2026E	2027E	2028E	
Turnover	560.7	513.8	495.0	519.8	539.9	557.1
EBITDA	59.0	36.7	33.8	40.3	43.3	46.2
EBITDA adj.	59.0	36.7	33.8	40.3	43.3	46.2
EBIT	35.9	15.2	15.5	21.1	23.6	26.0
EBIT adj.	41.0	19.5	15.5	21.1	23.6	26.0
EBT	32.4	10.0	11.4	16.2	18.8	21.2
Net profit after minorities	20.9	4.4	9.9	12.7	14.8	16.7
Net profit adj.	25.6	9.2	9.9	12.7	14.8	16.7
Balance sheet (EUR mn)						
2023	2024	2025	2026E	2027E	2028E	
Non-current assets	188	178	167	182	185	187
thereof goodwill	39	39	39	39	39	39
Current assets	281	255	280	270	283	297
Total assets	469	433	447	452	468	484
Shareholders' equity	278	270	273	283	295	309
Total equity and liabilities	469	433	447	452	468	484
Net debt	53	24	45	53	51	40
Cash flow (EUR mn)						
2023	2024	2025	2026E	2027E	2028E	
Cash flow from operations	32.2	51.2	3.0	28.9	27.3	38.0
of which change in working capital	-4.0	37.5	-20.8	-5.1	-7.9	0.4
Cash flow from investments	-21.8	-6.3	-19.0	-12.8	-14.3	-15.3
of which investment in fixed assets	-17.5	-8.3	-23.8	-20.2	-21.8	-22.8
Free cash flow	10.4	44.9	-16.0	16.2	12.9	22.7
Dividends paid	-10.8	-4.1	-1.0	-2.1	-2.5	-3.0
Cash flow from financing activities	-12.4	-55.9	16.6	-29.7	-10.9	-11.1
Change in cash position	-2.0	-9.6	-1.2	-13.5	2.1	11.6

Source: Company data, Baader Helvea Equity Research

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Company	Date	Rating	Currency	Target price	Closing price as of	Analyst
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