

Theon International

Positive results and forward momentum

Theon has reported strong FY25 growth and a continuation of mid-twenties margins, highlighting the strength of the company's night vision product offering and market position. FY26 is set for further strong progress, supported by the order backlog (inc options) of c €2.4bn and recent digital product launches as well as bolt-on acquisitions. Adding in the benefit from increasing defence budgets, especially in Theon's key European market, the group appears well positioned to generate further future value.

Year end	Revenue (€m)	PBT (€m)	EPS (EUc)	DPS (EUc)	P/E (x)	Yield (%)
12/23	218.7	49.9	-	0.00		N/A
12/24	352.4	86.7	98.00	34.00	31.0	1.1
12/25e	443.5	105.2	114.00	28.50	26.6	0.9
12/26e	590.8	152.3	149.00	37.25	20.4	1.2

Note: PBT and EPS are normalised, excluding exceptional items and share-based payments.

Theon reported strong preliminary FY25 results ahead of our forecasts: sales of €443.5m, ahead of our €440m forecast; and EBIT of €116.1m, ahead of our forecast of €106m and up from €90.8m in FY24 (+27.9%). The operating margin of 26.2% (25.8% in FY24) was assisted by a strong final quarter margin of 28.4%. Adjusted EBITDA was €120.1m, up from €90.3m (+28.7%). Cash conversion was 84.5%. Net cash at the year end stood at €126.9m including €147.7m from the rights issue and before the acquisitions of Kappa Optronics (€69.9m) and a 9.8% stake in Exosens (€268.7m). On a pro forma basis, net debt would have been €211.7m with leverage of 1.8x EBITDA. Order intake for the year was €1,313.9m, up from €466.0m, with a total backlog (including options) of c €2.4bn (as announced on 22 December 2025) providing strong coverage going forward. Note these are preliminary results containing limited financial disclosure, with PBT and EPS figures not included.

The outlook and guidance for FY26 are unchanged (revenue €570–600m, mid-20s operating margins). This includes strong organic growth and new digital products to account for 20–25% of revenues. Management also stated that it expects to report a book-to-bill above 1.0x to support future years' visibility and to deliver further small bolt-ons, which it is capable of funding from the current capital structure of the group.

Our forecasts for FY26 are unchanged, awaiting full detailed results, and are in line with unchanged guidance. We expect our FY25 PBT and EPS forecasts to be exceeded when the full financial results are released in April.

Preliminary results

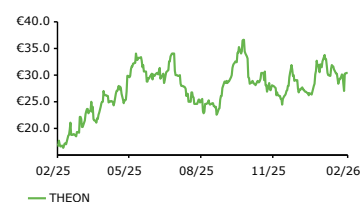
Aerospace and defence

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Price €30.35
Market cap €2,143m

Net cash at 31 December 2025 €126.9m
 Shares in issue 78.6m
 Free float 30.0%
 Code THEON
 Primary exchange AEX
 Secondary exchange N/A

Share price performance



Business description

Theon International develops and manufactures customisable night vision and thermal imaging systems, primarily for military and security applications. These optoelectronic devices are developed for both man-portable and platform applications.

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