

Mikron Holding

Strong profit growth in FY25

Mikron's preliminary results for FY25 confirmed strong financial performance. Revenue was slightly ahead of our forecast and operating profit was c 3% ahead, with the operating margin expanding 1.9pp y-o-y to 10.4%. Order intake declined 14% y-o-y with book-to-bill below 1x for both divisions, as the uncertain European economic environment delayed customer investment decisions. We maintain our forecasts pending full FY25 results on 6 March, when we expect management to provide guidance for FY26.

Year end	Revenue (CHFm)	PBT (CHFm)	EPS (CHF)	DPS (CHF)	P/E (x)	Yield (%)
12/23	370.2	32.1	1.64	0.50	10.6	2.9
12/24	374.1	31.7	1.72	0.50	10.1	2.9
12/25e	380.5	38.6	1.97	0.65	8.8	3.8
12/26e	373.6	28.3	1.44	0.48	12.0	2.8

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

FY25 revenue +2.1%, operating margin 10.4%

Mikron reported group revenue of CHF381.9m, up 2.1% y-o-y or 4.1% on a constant currency (cc) basis. Automation revenue was up 7.2% (our forecast 7.0%), with strong growth in Europe partially offset by a further decline in North America. Machining Solutions declined 6.2% (our forecast -7.0%), conversely seeing solid growth from North America and weaker demand from Europe. The company expects to report an operating margin of 10.4% for FY25, which implies operating profit 3.5% ahead of our forecast.

Weaker order intake

Order intake totalled CHF332.7m, down 14.4% y-o-y. Automation orders declined 12.4% and Machining Solutions orders declined 18.6%. This implies H225 year-on-year order declines of 41% and 19%, respectively. Book-to-bill for the year was 0.87x (Automation 0.93x, Machining Solutions 0.76x). Order backlog declined 14.8% y-o-y to CHF276.1m (Automation -8.6%, Machining Solutions -30.6%).

Valuation: Modest growth presents upside

The stock has declined 12% since the trading update, we believe in reaction to the lower order intake. On a P/E basis, the stock trades at a significant discount to Swiss industrial machinery companies and its main US peer, partly due to lower than average revenue growth and margins. Our discounted cash flow analysis (WACC 7.5%, long-term growth 2%, from FY27–34 revenue growth of 3% per year and average operating margins of 8.1%) calculates a value of CHF25.2/share, 45% above the current share price. If we factor in the target growth rate of 5% per year and average margins of 8.5%, the valuation increases to CHF29.2/share.

FY25 trading update

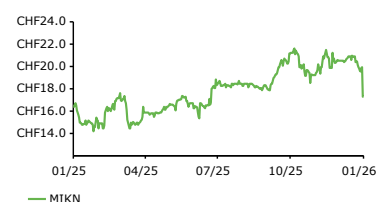
General industrials

26 January 2026

Price CHF17.36
Market cap CHF333m

Net cash/(debt) at end H125 CHF103.0m
 Shares in issue 16.7m
 Free float 45.0%
 Code MIKN
 Primary exchange SWX
 Secondary exchange N/A

Share price performance



Business description

Mikron Holding (Mikron) develops, produces and markets highly precise, productive and adaptable automation solutions and machining solutions.

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FY25 trading update

The table below summarises Mikron's divisional performance in FY25.

Exhibit 1: FY25 preliminary results

CHFm	FY25	FY24	y-o-y
<u>Order intake</u>			
Automation	232.2	265.0	-12.4%
Machining Solutions	100.7	123.7	-18.6%
Total	332.7	388.6	-14.4%
<u>Order backlog</u>			
Automation	212.8	232.9	-8.6%
Machining Solutions	63.3	91.2	-30.6%
Total	276.1	324.1	-14.8%
<u>Net sales</u>			
Automation	250.1	233.3	7.2%
Machining Solutions	132.0	140.8	-6.3%
Total	381.9	374.1	2.1%
<u>Book-to-bill (x)</u>			
Automation	0.93	1.14	
Machining Solutions	0.76	0.88	
Total	0.87	1.04	
Operating margin	10.4%	8.5%	1.9pp

Source: Mikron

Exhibit 2: Financial summary

CHF'm	2020	2021	2022	2023	2024	2025e	2026e	2027e
Year end 30 June	Swiss GAAP	Swiss GAAP	Swiss GAAP	Swiss GAAP	Swiss GAAP	Swiss GAAP	Swiss GAAP	Swiss GAAP
INCOME STATEMENT								
Revenue	257.8	289.5	309.4	370.2	374.1	380.5	373.6	382.6
EBITDA	(8.7)	27.1	34.4	42.4	41.3	48.3	38.7	40.8
Normalised operating profit	(20.1)	18.0	25.8	33.4	31.9	38.4	28.6	30.4
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	(0.7)	(0.4)	0.7	1.8	(0.8)	(0.3)	0.0	0.0
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported operating profit	(20.8)	17.6	26.4	35.3	31.2	38.1	28.6	30.4
Net Interest	(2.3)	(0.9)	(0.8)	(1.3)	(0.2)	0.2	(0.3)	(0.2)
Joint ventures & associates (post tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)	(22.4)	17.2	24.9	32.1	31.7	38.6	28.3	30.2
Profit Before Tax (reported)	(23.1)	16.7	25.6	34.0	31.0	38.3	28.3	30.2
Reported tax	1.0	0.3	(1.4)	(5.2)	(3.1)	(5.8)	(4.2)	(4.5)
Profit After Tax (norm)	(21.4)	17.5	23.6	27.2	28.6	32.8	24.0	25.7
Profit After Tax (reported)	(22.1)	17.0	24.2	28.8	27.9	32.6	24.0	25.7
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)	(21.4)	17.5	23.6	27.2	28.6	32.8	24.0	25.7
Net income (reported)	(22.1)	17.0	24.2	28.8	27.9	32.6	24.0	25.7
Basic average number of shares outstanding (m)	16	16	17	17	17	17	17	17
EPS - basic normalised (CHF)	(1.31)	1.06	1.43	1.64	1.72	1.97	1.44	1.54
EPS - normalised fully diluted (CHF)	(1.31)	1.06	1.43	1.64	1.72	1.97	1.44	1.54
EPS - basic reported (CHF)	(1.35)	1.04	1.47	1.73	1.68	1.96	1.44	1.54
Dividend (CHF)	0.00	0.24	0.40	0.50	0.50	0.65	0.48	0.51
Revenue growth (%)		12.3	6.9	19.6	1.0	1.7	(1.8)	2.4
EBITDA Margin (%)	(3.4)	9.4	11.1	11.5	11.1	12.7	10.4	10.7
Normalised Operating Margin (%)	(7.8)	6.2	8.3	9.0	8.5	10.1	7.6	8.0
BALANCE SHEET								
Fixed Assets	112.4	135.4	133.7	102.8	115.5	132.4	149.1	155.5
Intangible Assets	3.8	3.6	2.9	2.5	3.5	4.4	5.3	6.2
Tangible Assets	75.6	87.7	88.2	87.4	100.0	116.0	131.7	137.2
Investments & other	33.0	44.1	42.6	12.8	12.1	12.1	12.1	12.1
Current Assets	164.7	164.6	212.2	271.5	283.6	271.2	267.1	278.0
Stocks	56.1	53.4	64.0	81.5	73.5	74.7	73.4	75.1
Debtors	68.2	56.7	83.8	105.9	86.9	87.4	86.8	87.5
Cash & cash equivalents	38.4	54.1	29.2	34.0	113.3	44.1	41.9	50.3
Other	2.0	0.4	35.2	50.1	10.0	65.0	65.0	65.0
Current Liabilities	(115.6)	(114.2)	(143.3)	(157.0)	(161.4)	(142.9)	(143.2)	(143.7)
Creditors	(43.3)	(41.9)	(48.5)	(51.2)	(55.8)	(55.7)	(56.0)	(56.5)
Tax and social security	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term borrowings	(14.2)	(2.1)	(1.8)	(1.2)	(1.0)	(1.0)	(1.0)	(1.0)
Other	(58.1)	(70.2)	(92.9)	(104.6)	(104.6)	(86.2)	(86.2)	(86.2)
Long-Term Liabilities	(16.0)	(20.7)	(16.6)	(13.4)	(11.5)	(10.7)	(9.8)	(9.0)
Long-term borrowings	(10.1)	(5.6)	(3.8)	(2.6)	(2.1)	(1.2)	(0.4)	0.5
Other long-term liabilities	(5.9)	(15.1)	(12.8)	(10.8)	(9.5)	(9.5)	(9.5)	(9.5)
Net Assets	145.5	165.1	186.0	203.8	226.2	250.0	263.1	280.8
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	145.5	165.1	186.0	203.8	226.2	250.0	263.1	280.8
CASH FLOW								
Op Cash Flow before WC and tax	(8.7)	27.1	34.4	42.4	41.3	48.3	38.7	40.8
Working capital	21.2	24.5	(6.3)	(29.8)	32.7	(20.2)	2.1	(1.9)
Exceptional & other	0.4	1.7	3.2	3.1	0.0	(0.3)	0.0	0.0
Tax	(1.5)	(1.7)	(2.8)	(3.9)	(4.4)	(5.8)	(4.2)	(4.5)
Net operating cash flow	11.5	51.6	28.5	11.8	69.6	22.0	36.6	34.4
Capex	(15.3)	(20.4)	(11.3)	(9.4)	(21.3)	(26.8)	(26.8)	(16.8)
Acquisitions/disposals	4.3	0.7	0.3	28.5	(0.0)	0.0	0.0	0.0
Net interest	(2.7)	(1.2)	(0.9)	(0.4)	0.6	1.3	0.2	0.3
Equity financing	0.0	0.0	0.0	(1.5)	(0.7)	(0.4)	0.0	0.0
Dividends	0.0	0.0	(3.9)	(6.6)	(8.3)	(8.4)	(10.9)	(8.0)
Other	0.0	0.0	0.0	0.4	0.6	0.0	0.0	0.0
Net Cash Flow	(2.2)	30.7	12.6	22.7	40.6	(12.3)	(0.9)	9.9
Opening net debt/(cash)	(16.4)	(16.1)	(46.8)	(58.8)	(80.3)	(120.2)	(106.9)	(105.5)
FX	(0.4)	0.1	(0.5)	(1.3)	0.5	0.0	0.0	0.0
Other non-cash movements	0.3	(0.5)	(0.2)	0.0	(1.2)	(1.1)	(0.5)	(0.6)
Closing net debt/(cash)	(16.1)	(46.8)	(58.8)	(80.3)	(120.2)	(106.9)	(105.5)	(114.8)

Source: Mikron, Edison Investment Research

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