EDISON

QuickView

NFON

FY25 preliminary results show stability

The theme of NFON's FY25 preliminary results announced on 26 February is stability. While market conditions remain challenging, seat numbers seem to be stabilising and management continues to invest in the AI portfolio while controlling costs. Once market conditions improve we are confident that investors will enjoy the benefits of the foundations that management is laying.

Financials

FY25 revenues rose 2.0% to €89.1m (FY24: €87.3m), helped by the recent acquisition of botario and despite a 2.7% fall in seat numbers to 647,384 (FY24: 665,449). Recurring revenues accounted for 92.1% of the total, rising 1.1% to €82.0m (FY24: €81.1m), while non-recurring revenues benefited from AI-related project work, rising 13.7% to €7.1m (FY24: €6.2m). Average revenue per user was flat at €9.91 (FY24: €9.89). EBITDA rose 5.6% to €11.4m, giving a margin of 12.8% (FY24: €10.8m, 12.4%), while adjusted EBITDA rose by 2.4% to €12.6m, giving a margin of 14.1%, which was slightly ahead of previous guidance (FY24: €12.3m, 14.1%). Net debt improved to €7.9m (FY24: €9.8m) despite a €1.9m deferred payment for botario.

For FY26, management has guided to overall revenue growth in the low to mid-single-digit percentage range and for adjusted EBITDA to exceed €12m (FY25: €12.6m). Full results are expected on 16 April.

Strategy

NFON's return to significant growth will rely on a number of key elements, evidence of which can be seen in these results. The first element is the continued integration of AI into cloud telephony. The growth of project revenues in FY25 and the traction gained by NFON's Intelligent Assistant and Customer Engagement portfolio illustrates how the group is participating in this trend. The second element is the efficiency gains targeted by the NFON Next 2027 programme, manifest in stable/slightly higher FY25 EBITDA margins despite a 3% fall in seat numbers. The third element is the supporting role of partners, an area that management has recently enhanced via its new NEXUS partner programme announced in January.

For these initiatives to come to full fruition NFON requires supportive market conditions. This is out of management's hands, but we take comfort that the Q4 decline in seat numbers was the lowest quarterly fall in FY25, suggesting a long-awaited stabilisation. More attractive market conditions will eventually appear, at which point investors will be able to enjoy the benefits of the work currently being undertaken by management and evident in the FY25 results.

Consensus estimates

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	EV/EBITDA (x)	P/E (x)
12/24	87.3	12.3	0.04	0.00	5.7	94.0
12/25e	88.3	11.6	0.12	0.00	6.0	31.3
12/26e	92.2	11.9	0.10	0.00	5.9	37.6

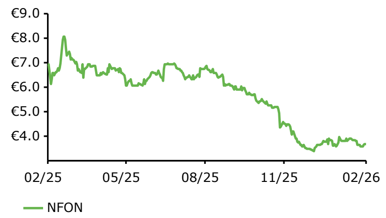
Source: NFON. Note: EBITDA and EPS stated after adjustment for amortisation of acquired goodwill and extraordinary items. FY25 mean consensus estimates are shown for comparative purposes.

Telecoms

27 February 2026

Price	**€3.76**
Market cap	**€62m**

Share price performance



Share details

Code	NFN
Listing	XETRA
Shares in issue	16.6m
Net cash/(debt) at 31 December 2025	€(7.9)m

Business description

NFON is a German company providing cloud-based voice solutions (cloud private branch exchange) to both domestic and international customers, principally in Germany, Austria and the UK.

Bull points

- Modest unified communications as a service adoption to date in the German market suggests robust future demand.
- Significant high-margin recurring revenue streams.
- Growth outlook enhanced by investments in AI capability.

Bear points

- Price pressure in cloud private branch exchange market.
- Potential competition from larger technology vendors.
- Limited seat growth in organic cloud private branch exchange.

Analysts

Dan Ridsdale	+44 (0)20 3077 5700
Ross Jobber	+44 (0)20 3077 5700

tmt@edisongroup.com

Edison profile page

EDISON QUICKVIEWS ARE NORMALLY ONE-OFF PUBLICATIONS WITH NO COMMITMENT TO WRITING ANY FOLLOW UP. QUICKVIEW NOTES USE CONSENSUS EARNINGS ESTIMATES.

General disclaimer and copyright

Australia

New Zealand

United Kingdom

United States

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom