EDISON

Theon International

9M26 trading update

9M26 on track, mid-term growth upgraded

Aerospace and defence

10 November 2026

Theon's strong 2026 performance continued in Q3, with revenue of €134.1m up 40.4% y-o-y (€95.5m) and adjusted EBIT of €35.1m (€22.0m) up 59.5%, representing an adjusted EBIT margin of 26.2% (23.1%). Order intake in the first nine months of 2026 (9M26) was up 22.5% y-o-y to €285.2m (€232.7m), reflecting resilient demand. While the book-to-bill for the first nine months was 0.74x, Theon continues to expect order acceleration in Q4 to deliver a book-to-bill of c 1.0x for 2026. The company remains on track to achieve its recently upgraded 2026 guidance (revenue of €600m and an adjusted EBIT margin of at least 26%). Strong commercial momentum, enhanced revenue visibility and an expanded addressable market drove an upgrade of medium-term organic revenue growth guidance from >15% to >20%.

Year end	Revenue (€m)	PBT (€m)	EPS (EUc)	DPS (EUc)	P/E (x)	Yield (%)
12/24	352.4	86.7	98.00	34.00	27.3	1.3
12/25	443.4	105.5	115.00	31.00	23.3	1.2
12/26e	607.0	155.8	152.00	37.00	17.6	1.4
12/27e	757.5	171.0	164.00	42.00	16.3	1.6

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

Theon continues to see resilient industry demand across its expanded portfolio of night vision, digital man-portable and ISR products, with the broadened and enhanced strategic platform, including ISR, capturing faster growth in newer market segments. While the soft backlog of €1.38bn was c 5% lower than the June 2026 level of €1.46bn, the company continues to expect order intake to accelerate in Q426. This messaging has been consistent and therefore we believe Theon has a good line of sight on Q4 orders. According to management, demand for night vision solutions remains strong, supported by ongoing soldier modernisation programmes, as reflected in two recent contract wins worth c €45m in total.

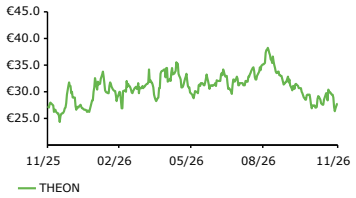
The increasingly diversified revenue base, supported by the expansion of ISR activities, delivered a non-night-vision revenue contribution of 17.6% in 9M26 (9M25: 7.1%). This revenue base continues to build, supported by organic investment and the integration of recent acquisitions such as Merio (gimbal and turret systems), while the HGH acquisition (electro-optic and infra-red solution systems) continues through the approvals process and remains on track for completion in late Q426. The company notes that the specialist vision systems company Kappa delivered a growing revenue contribution following the completion of the acquisition in January 2026 (announced in August 2025).

Theon now expects 2026 capex of €25m (c €30m previously) due to near-term phasing of investments, with the balance to be carried over into 2027. All key investment projects remain on track, including the new Athens ISR facility. Net debt at the end of Q3 was €251.1m, equating to 1.6x net debt/LTM adjusted EBITDA.

Theon's group CFO will host a live presentation on the Investor Meet Company platform at 2pm GMT (4pm EET) on Wednesday, 18 November 2026, covering the Q3 results and recent business developments. The presentation will include a live Q&A session. Investors can sign up here. We continue to believe Theon is well-placed to benefit from strong end-market growth with sector-leading margins, a view that is well underpinned by the company's upgraded medium-term guidance. Our estimates and €42.1/share 50/50 DCF/SOTP-based valuation are unchanged, with implied upside of almost 60%.

Price	**€26.74**
Market cap	**€2,102m**
Net cash/(debt) as at Q326	€(251.1)m
Shares in issue	78.6m
Free float	29.0%
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 ISR applications.

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