

PWO Group

Preliminary FY25 results better than expected

PWO's preliminary FY25 results were better than expected, in terms of both revenues and EBIT before currency effects. The lifetime volume of new business was very strong at €760m, exceeding guidance of €550–600m. Despite this, PWO maintains its FY26 guidance of lower revenues and EBIT before currency effects, mainly due to continued weak market conditions in Germany with companies continuing to shift production to other countries. PWO still anticipates a noticeable improvement in 2027, with the benefits of efficiency measures and the high level of new business orders.

| Year end | Revenue (€m) | EBITDA (adj) (€m) | EBIT (€m) | EPS (€) | DPS (€) | EV/Adj EBITDA (x) | P/E (x) | Yield (%) |
|----------|--------------|-------------------|-----------|---------|---------|-------------------|---------|-----------|
| 12/23 | 555.8 | 54.8 | 28.2 | 5.19 | 1.75 | 3.3 | 4.8 | 7.0 |
| 12/24 | 555.1 | 53.6 | 30.0 | 4.01 | 1.75 | 3.3 | 6.2 | 7.0 |
| 12/25e | 526.0 | 49.1 | 26.1 | 3.43 | 1.25 | 3.6 | 7.3 | 5.0 |
| 12/26e | 500.4 | 44.8 | 16.3 | 1.61 | 1.00 | 4.0 | 15.6 | 4.0 |

Note: EBITDA is normalised, excluding amortisation of acquired intangibles and exceptional items (Edison definition). EBIT is as reported and before currency effects; EPS is as reported.

Very high level of lifetime volume of new business

PWO reported preliminary FY25 revenues of €526m, above company guidance of €500–510m and our estimate of €510m. This reflects a decline of 5% y-o-y, caused by the weak automotive market and the negative impact from currencies and lower material costs. Q4 ended better than expected, as the decline in call-offs from customers was lower than anticipated in PWO's cautious guidance for the full year. EBIT before currency effects came in at €26.1m, slightly above our €25.8m estimate and well within the guidance range of €23–28m. We note that the reported EBIT includes several one-offs, which we estimate at €3m (as previously communicated). Capex of €41.3m was slightly above the company's guidance of €40m and included the expansion into Serbia with a new engineering and production site. PWO remains focused on growing its business in the long term by continuing its production capacity expansion. Another positive surprise was the lifetime new business volume of €760m, which was much higher than company guidance of €550–600m, reflecting a very solid new business level of €225m in Q425.

FY26 guidance maintained

Company guidance for 2026 is unchanged, with PWO expecting significantly lower revenues at its German plant, due to companies relocating production to countries with more competitive conditions. This can only be partly compensated for by anticipated growth in its other countries. PWO's revenue guidance of around €500m reflects a decline of 5% y-o-y. Due to anticipated higher costs and the absence of the above-mentioned one-off of €3m, guidance for EBIT before currency effects is €13–17m (Edison estimate: €16.3m).

Valuation offers ample upside

We leave our 2026 and 2027 estimates unchanged as PWO has not changed its guidance for FY26. We use three valuations methods and due to a decline in peer multiples, the average of these three is now somewhat lower than in January 2026, with a potential value per share of €31.5 versus [€32.0 previously](#).

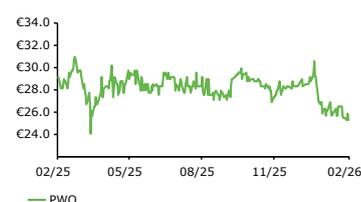
Preliminary FY25 results

Industrials

26 February 2026

| | |
|--------------------------------------|---------------|
| Price | €25.00 |
| Market cap | €78m |
| Net cash/(debt) at 30 September 2025 | €(100.6)m |
| Shares in issue | 3.1m |
| Code | PWO |
| Primary exchange | XETRA |
| Secondary exchange | N/A |

Share price performance



| | | | |
|------------------|-------|-------|-------|
| % | 1m | 3m | 12m |
| Abs | (4.4) | (8.5) | (4.8) |
| 52-week high/low | | €30.6 | €22.8 |

Business description

PWO Group develops and produces lightweight metal components and complex systems for the automotive industry. The company has extensive expertise in cold forming of metals and joining technologies.

Next events

| | |
|-------------------|---------------|
| Full year results | 20 March 2026 |
|-------------------|---------------|

Analysts

| | |
|----------------------|---------------------|
| Andrew Keen | +44 (0)20 3077 5700 |
| Johan van den Hooven | +44 (0)20 3077 5700 |

industrials@edisongroup.com

[Edison profile page](#)

Preliminary FY25 results better than expected

PWO's preliminary results were better than company guidance and also better than our estimates. Revenues declined 5% y-o-y to €526m, above guidance of €500–510m and above our estimate of €510m. The main reason for the overall decline in revenues was the weak automotive market with increased uncertainty throughout the year. The company did not notice any direct impact from the global import tariff discussion, but it has added to the overall uncertainty in the market. Other negative factors in FY25 were currency effects and lower material costs.

The better than expected Q425 revenues, versus the company's cautious guidance, were caused by the lower than anticipated decline in call-offs from customers during the last quarter. The new plant in Serbia is ramping up since its start in late 2025 and PWO also expanded into the US with a new plant, which for the time being will operationally fall under the management in Mexico. Capex came in at €41.3m, slightly above the company's guidance of €40m.

Exhibit 1: Preliminary FY25 results

| €m | FY24 | FY25 | Change |
|--------------------------------------------------------------|-------|-------|--------|
| Revenues | 555.1 | 526.0 | -5% |
| EBIT normalised, before currency effects (Edison definition) | 29.8 | 23.1 | -22% |
| EBIT margin, normalised | 5.4% | 4.4% | |
| Exceptional items (Edison definition and estimate) | 0.2 | 3.0 | |
| EBIT reported, before currency effects | 30.0 | 26.1 | -13% |

Source: PWO Group, Edison Investment Research

PWO managed well within the challenging automotive market, with cost efficiencies partly compensating for the decline in revenues. EBIT before currency effects declined to €26.1m from €30.0m in FY24, but this was slightly higher than our estimate of €25.8m and also better than the latest company guidance from 16 January 2026 stating that the upper half of the €23–28m range was very ambitious. With better than expected revenues in Q425 it is no surprise that EBIT came in better than expected. Reported EBIT includes several one-offs items, which on balance we estimate at €3m.

Another positive surprise was the level of lifetime volume of new business of €760m, which was much higher than company guidance of €550–600m, reflecting a very solid new business level of €225m in Q425 including a few large orders, according to PWO. The increase in the level of new business came from both new customers and additional volumes from existing customers. Normally, new orders contribute to revenues after a preparation time of about one to two years but it is possible that some orders will already contribute to 2026 revenues.

Estimates for 2026 and 2027 unchanged

PWO reiterated its 2026 guidance, which it first communicated on 16 January 2026. Revenues are expected to be around €500m, or a decline of around 5% y-o-y. PWO stated that there is still no sign of improvement in the German automotive market as companies continue to relocate production to countries with more competitive conditions. Call-off volumes from key local customers in Germany will have a significant negative impact on revenues in 2026, and this will only partly be compensated for by anticipated growth in other countries where PWO is active. To avoid redundancies at its German plant, PWO concluded an agreement with the works council on a temporary reduction in working hours and remuneration for 2026, by up to 7.63% depending on the workload.

PWO expects to see a noticeable improvement in 2027, as the implemented measures to improve efficiency, particularly in Germany, will only gradually take effect.

Exhibit 2: Change in estimates

| €m | 2025e | | | 2026e | | | 2027e | | |
|------------------------------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| | Old | New | Change | Old | New | Change | Old | New | Change |
| Sales | 510.0 | 526.0 | 3% | 500.4 | 500.4 | 0% | 540.4 | 540.4 | 0% |
| EBIT normalised, before currency effects | 22.8 | 23.1 | 2% | 16.3 | 16.3 | 0% | 22.3 | 22.4 | 0% |
| EBIT margin | 4.5% | 4.4% | | 3.3% | 3.3% | | 4.1% | 4.1% | |
| Exceptional items | 3.0 | 3.0 | 0% | 0.0 | 0.0 | | 0.0 | 0.0 | |
| EBIT reported, before currency effects | 25.8 | 26.1 | 1% | 16.3 | 16.3 | 0% | 22.3 | 22.4 | 0% |
| Net profit reported | 10.5 | 10.7 | 2% | 5.0 | 5.0 | 0% | 9.5 | 9.5 | 0% |
| Net profit normalised | 8.4 | 8.6 | 3% | 5.0 | 5.0 | 0% | 9.5 | 9.5 | 0% |
| EPS reported (€) | 3.35 | 3.43 | 2% | 1.61 | 1.61 | 0% | 3.05 | 3.06 | 0% |
| EPS normalised (€) | 2.68 | 2.76 | 3% | 1.61 | 1.61 | 0% | 3.05 | 3.06 | 0% |

Source: PWO Group, Edison Investment Research

We have changed our 2025 estimates in line with the preliminary headline figures, with PWO reporting the full set of results on 20 March 2026. We leave our 2026 and 2027 estimates unchanged, as PWO maintained its initial guidance for 2026. This might turn out to be conservative if some of the new business orders contribute to the 2026 results. We estimate revenue growth of 8% in 2027, mainly based on the high level of new business recorded in 2025, combined with a further ramp up of new capacity in Serbia and the US. After margin pressure in 2025 and 2026, in 2027 we expect the EBIT margin to return to 2025 levels, driven by revenue growth and further efficiency gains. We still see upside in EBIT margins towards 6–7% in the longer term.

Valuation

We value PWO with three different valuation methods, namely historical multiples, discounted cash flow (DCF) and peer multiples. On our unchanged estimates, the outcomes of both historical multiples and DCF methods are unchanged. Peer multiples are however somewhat lower than in our latest update from January 2026, hence the average of the three valuation methods comes in lower at €31.5, compared to €32.0 [previously](#).

Exhibit 3: Valuation of PWO Group

| Valuation method | Assumption | Value per share, € |
|--------------------------------|---------------------------------------------------------|--------------------|
| Historical multiples | 2026e EV/EBITDA at 15% discount to historical multiples | 31.4 |
| DCF | Terminal growth 1.5%, EBIT margin 5.5% | 33.1 |
| Peer multiples | 2026e EV/EBITDA in line with peers | 29.9 |
| Average value per share | | 31.5 |

Source: Edison Investment Research

Exhibit 4: Financial summary

| €m | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|--------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Year end 31 December | IFRS |
| INCOME STATEMENT | | | | | | | |
| Revenue | 404.3 | 530.8 | 555.8 | 555.1 | 526.0 | 500.4 | 540.4 |
| Gross Profit | 200.6 | 220.6 | 234.7 | 244.5 | 247.9 | 231.2 | 249.4 |
| EBITDA normalised (Edison definition) | 46.3 | 56.6 | 54.8 | 53.6 | 49.1 | 44.8 | 51.6 |
| Exceptionals (Edison definition) | 0.8 | (5.4) | (2.7) | 0.2 | 3.0 | 0.0 | 0.0 |
| EBITDA reported | 47.2 | 51.2 | 52.0 | 53.7 | 52.1 | 44.8 | 51.6 |
| Depreciation & Amortisation | (26.4) | (25.6) | (24.8) | (23.6) | (27.2) | (28.5) | (29.2) |
| Amortisation of acquired intangibles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Exceptionals (Edison definition) | 1.1 | 1.1 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT normalised, before currency effects (Edison definition) | 20.2 | 32.9 | 31.0 | 29.8 | 23.1 | 16.3 | 22.4 |
| EBIT reported, before currency effects | 22.1 | 27.5 | 28.2 | 30.0 | 26.1 | 16.3 | 22.4 |
| EBIT reported, including currency effects | 21.8 | 26.8 | 27.9 | 30.1 | 24.8 | 16.3 | 22.4 |
| Net Interest | (6.2) | (5.7) | (8.4) | (9.7) | (9.5) | (9.1) | (8.7) |
| Profit Before Tax | 15.7 | 21.1 | 19.5 | 20.4 | 15.3 | 7.2 | 13.6 |
| Reported tax | (0.9) | (5.9) | (3.3) | (7.9) | (4.6) | (2.2) | (4.1) |
| Profit After Tax | 14.7 | 15.2 | 16.2 | 12.5 | 10.7 | 5.0 | 9.5 |
| Net income normalised (Edison definition) | 13.1 | 17.8 | 17.5 | 14.0 | 8.6 | 5.0 | 9.5 |
| Net income reported | 14.7 | 15.2 | 16.2 | 12.5 | 10.7 | 5.0 | 9.5 |
| Average number of shares (m) | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 |
| Total number of shares (m) | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 |
| EPS normalised (€, Edison definition) | 4.19 | 5.71 | 5.61 | 4.47 | 2.76 | 1.61 | 3.06 |
| EPS reported (€) | 4.72 | 4.87 | 5.19 | 4.01 | 3.43 | 1.61 | 3.06 |
| DPS (€) | 1.50 | 1.65 | 1.75 | 1.75 | 1.25 | 1.00 | 1.10 |
| Revenue growth | 8.9% | 31.3% | 4.7% | -0.1% | -5.2% | -4.9% | 8.0% |
| Gross margin | 49.6% | 41.6% | 42.2% | 41.3% | 42.8% | 43.1% | 43.3% |
| Normalised EBITDA margin | 11.5% | 10.7% | 9.9% | 9.6% | 9.3% | 9.0% | 9.5% |
| Normalised EBIT margin, before currency effects | 5.0% | 6.2% | 5.6% | 5.4% | 4.4% | 3.3% | 4.1% |
| BALANCE SHEET | | | | | | | |
| Fixed Assets | 224.6 | 218.8 | 219.7 | 245.2 | 256.4 | 262.7 | 263.0 |
| Intangible Assets | 8.9 | 9.0 | 9.9 | 11.2 | 12.3 | 13.3 | 13.9 |
| Tangible Assets | 179.9 | 175.6 | 173.7 | 195.4 | 205.5 | 210.7 | 210.5 |
| Investments & other | 35.7 | 34.2 | 36.1 | 38.6 | 38.6 | 38.6 | 38.6 |
| Current Assets | 148.7 | 181.4 | 203.4 | 187.9 | 178.4 | 173.8 | 185.4 |
| Stocks | 32.6 | 39.6 | 38.3 | 40.6 | 41.3 | 39.3 | 42.4 |
| Debtors | 39.9 | 54.2 | 63.8 | 49.0 | 46.5 | 43.4 | 46.9 |
| Other current assets | 69.2 | 84.4 | 94.8 | 86.5 | 86.0 | 81.0 | 87.5 |
| Cash & cash equivalents | 6.9 | 3.2 | 6.4 | 11.8 | 4.6 | 10.1 | 8.6 |
| Current Liabilities | 112.7 | 155.8 | 144.1 | 151.4 | 150.9 | 146.4 | 152.0 |
| Creditors | 37.2 | 41.5 | 52.2 | 65.7 | 65.3 | 62.8 | 65.8 |
| Other current liabilities | 33.9 | 37.8 | 37.1 | 38.9 | 38.7 | 36.8 | 39.4 |
| Short-term borrowings | 41.6 | 76.5 | 54.8 | 46.8 | 46.8 | 46.8 | 46.8 |
| Long-Term Liabilities | 135.3 | 93.1 | 122.4 | 119.4 | 116.4 | 121.4 | 121.4 |
| Long-term borrowings | 68.9 | 42.0 | 58.9 | 52.1 | 52.1 | 57.1 | 57.1 |
| Other long-term liabilities | 66.4 | 51.1 | 63.5 | 67.3 | 64.3 | 64.3 | 64.3 |
| Shareholders' equity | 125.3 | 151.3 | 156.5 | 162.3 | 167.5 | 168.6 | 175.1 |
| Balance sheet total | 373.3 | 400.3 | 423.1 | 433.0 | 434.8 | 436.4 | 448.4 |
| CASH FLOW | | | | | | | |
| Op Cash Flow before WC and tax | 39.1 | 45.4 | 64.8 | 43.9 | 49.9 | 45.7 | 52.6 |
| Working capital | (17.2) | (28.3) | (20.1) | 37.4 | 1.8 | 5.6 | (7.6) |
| Tax | (0.9) | (5.5) | (7.4) | (3.3) | (4.6) | (2.2) | (4.1) |
| Net interest | (6.2) | (3.0) | (6.9) | (7.8) | (9.5) | (9.1) | (8.7) |
| Net operating cash flow | 14.8 | 8.6 | 30.5 | 70.2 | 37.6 | 40.1 | 32.2 |
| Capex | (10.1) | (14.5) | (24.2) | (38.5) | (39.3) | (35.7) | (30.5) |
| Acquisitions/disposals | 0.1 | 0.2 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 |
| Equity financing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividends | 0.0 | (4.7) | (5.2) | (5.5) | (5.5) | (3.9) | (3.1) |
| Other | (6.0) | (1.4) | 6.9 | (6.3) | 0.0 | 0.0 | 0.0 |
| Net Cash Flow | (1.1) | (11.8) | 8.1 | 20.2 | (7.2) | 0.5 | (1.4) |
| Opening net debt/(cash) | 102.5 | 103.6 | 115.4 | 107.3 | 87.1 | 94.3 | 93.8 |
| Closing net debt/(cash) | 103.6 | 115.4 | 107.3 | 87.1 | 94.3 | 93.8 | 95.3 |

Source: PWO Group, Edison Investment Research

General disclaimer and copyright

This report has been commissioned by PWO Group and prepared and issued by Edison, in consideration of a fee payable by PWO Group. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.