

SCHMID

Positive order momentum continues

SCHMID's Q3 business updates highlight strong demand for its equipment, as PCB and advanced packaging manufacturers expand capacity to support growing demand for AI-related technology. The company has raised its expectations for FY26 order intake while maintaining FY26 revenue and EBITDA margin guidance. As orders received in H226 are expected to ship in FY27, we have raised our FY27 and FY28 revenue and profit forecasts.

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	EV/sales (x)	EV/EBITDA (x)
12/24	60.8	(2.9)	(0.34)	0.00	N/A	4.1	N/A
12/25	66.9	(4.2)	(0.27)	0.00	N/A	3.7	N/A
12/26e	100.3	8.0	(0.03)	0.00	N/A	2.5	31.0
12/27e	148.7	30.1	0.24	0.00	11.2	1.7	8.2

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

Strong order activity in H2 to date

SCHMID provided a Q326 update that confirmed that order intake increased 121% q-o-q to €67.8m; this included the **€37m order** disclosed in July. Order backlog was €96.8m at the end of Q326, up 77% q-o-q. Preliminary revenue for Q326 was €24m. The company separately announced a €25m order received from a long-standing technology partner to support the expansion of advanced high-density interconnect (HDI) manufacturing capacity in Malaysia; €7m from this order is included in Q3 order intake, with the remainder in Q4.

Higher order intake supports upgrades

The company maintained FY26 guidance for revenue (at least €100m) and adjusted EBITDA margin (6–9%) and raised guidance for orders from a range of €125–150m to more than €150m. We maintain our FY26 forecasts and raise FY27/ FY28 forecasts to reflect stronger order intake converting into revenue. We lift FY27 adjusted EBITDA by 10.4% and FY28 by 9.7%, with normalised diluted EPS upgrades of 14.8% in FY27 and 13.0% in FY28.

Valuation: Long-term growth potential

SCHMID is trading at a discount to peers (PCB and packaging equipment manufacturers) on an EV/sales, EV/EBITDA and P/E basis for FY27. A reverse discounted cash flow (DCF) analysis implies that the market is factoring in only low-single-digit revenue growth after the forecast period, with average EBITDA margins of 17.3%, well below the industry average. Triggers for upside from the current level include: evidence of large orders that support FY26 guidance and growth in FY27, profitability improving towards the peer group average and, in the longer term, adoption of SCHMID's embedded trace and glass substrate tools for high-volume manufacturing.

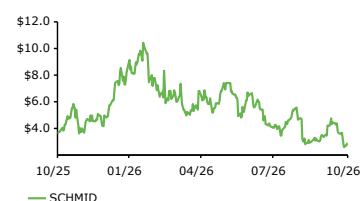
Q326 trading update

Technology

21 October 2026

Price	\$3.05
Market cap	\$188m
	\$1.12:€1
Net cash/(debt) at end H126	€(80.4)m
Shares in issue	61.6m
Free float	29.0%
Code	SHMD
Primary exchange	NASDAQ
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(13.6)	(27.2)	(25.1)
52-week high/low		\$10.6	\$2.8

Business description

SCHMID develops customised equipment and process solutions for multiple industries including high-tech electronics, photovoltaics, glass and energy systems.

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Changes to forecasts

The table below summarises the changes we have made to our forecasts. We increase our order intake assumption for FY26 by 9% to €152m. We assume any orders received in H226 will be shipped in FY27, and, therefore, we maintain our revenue and profit forecasts for FY26. We assume that the higher backlog at the end of FY26 will translate into higher shipments in FY27. We have also upgraded our order forecasts for FY27 and FY28, supporting a revenue increase in FY28. At this point, we maintain our gross margin assumptions: we assume a shift in the mix towards higher margin German manufacturing compared to the Chinese manufacturing that underpinned H126 revenue. We have conservatively assumed a small increase in opex to support the higher revenues, with an increase in adjusted operating margins from 14.9% to 15.6% in FY27 and 16.1% to 16.8% in FY28.

Exhibit 1: Changes to forecasts

€m	FY26e Old	FY26e New	Change	y-o-y	FY27e Old	FY27e New	Change	y-o-y	FY28e Old	FY28e New	Change	y-o-y
Orders	139.3	152.1	9.2%	67.1%	153.2	159.7	4.2%	5.0%	164.0	167.7	2.3%	5.0%
Revenues	100.3	100.3	0.0%	49.8%	136.8	148.7	8.8%	48.4%	152.1	164.9	8.5%	10.9%
Gross profit	26.0	26.0	0.0%	62.6%	47.9	52.1	8.8%	99.8%	53.2	57.7	8.5%	10.9%
Gross margin	26.0%	26.0%	0.0pp	2.1pp	35.0%	35.0%	0.0pp	9.0pp	35.0%	35.0%	0.0pp	0.0pp
Adjusted EBITDA	8.0	8.0	0.0%	453.3%	27.3	30.1	10.4%	277.1%	32.1	35.2	9.7%	16.8%
Adjusted EBITDA margin	8.0%	8.0%	0.0pp	5.8pp	19.9%	20.2%	0.3pp	12.3pp	21.1%	21.3%	0.2pp	1.1pp
Normalised operating profit	2.1	2.1	0.0%	-122.6%	20.4	23.2	14.0%	N/A	24.6	27.7	12.7%	19.1%
Normalised operating margin	2.1%	2.1%	0.0pp	16.3pp	14.9%	15.6%	0.7pp	13.5pp	16.1%	16.8%	0.6pp	1.2pp
Reported operating profit	(3.2)	(3.2)	0.0%	-323.2%	19.6	22.4	14.5%	N/A	23.8	26.9	13.1%	19.8%
Reported operating margin	-3.2%	-3.2%	0.0pp	-5.4pp	14.3%	15.1%	0.8pp	18.3pp	15.6%	16.3%	0.7pp	1.2pp
Normalised PBT	(1.5)	(1.5)	0.0%	-89.0%	18.8	21.6	15.2%	N/A	23.3	26.4	13.4%	22.0%
Reported PBT	(44.3)	(44.3)	0.0%	-37.7%	18.0	20.8	15.8%	N/A	22.5	25.6	13.9%	22.8%
Normalised net income	(1.5)	(1.5)	0.0%	-85.3%	14.6	16.9	15.2%	N/A	18.1	20.6	13.4%	22.0%
Reported net income	(45.9)	(45.9)	0.0%	-35.4%	14.0	16.2	15.8%	N/A	17.5	19.9	13.9%	22.8%
Normalised basic EPS (€)	(0.029)	(0.029)	-0.2%	-89.3%	0.216	0.248	14.8%	N/A	0.260	0.294	13.0%	18.4%
Normalised diluted EPS (€)	(0.029)	(0.029)	-0.2%	-89.3%	0.212	0.244	14.8%	N/A	0.255	0.288	13.0%	18.4%
Reported basic EPS (€)	(0.884)	(0.882)	-0.2%	-52.7%	0.207	0.239	15.4%	N/A	0.251	0.285	13.5%	19.2%
Net debt/(cash)	33.1	31.9	-3.9%	-77.2%	11.8	12.5	6.1%	-60.7%	(8.9)	(10.2)	15.0%	-181.3%

Source: Edison Investment Research

Exhibit 2: Financial summary

€'m	2022	2023	2024	2025	2026e	2027e	2028e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT							
Revenue	95.1	90.2	60.8	66.9	100.3	148.7	164.9
Gross profit	33.3	26.4	12.0	16.0	26.0	52.1	57.7
Adjusted EBITDA	16.7	16.5	(2.9)	(4.2)	8.0	30.1	35.2
Normalised operating profit	10.6	9.5	(10.2)	(9.5)	2.1	23.2	27.7
Exceptionals	3.1	22.7	(71.6)	10.9	(3.5)	0.0	0.0
Share-based payments	0.0	0.0	0.0	0.0	(1.8)	(0.8)	(0.8)
Reported operating profit	13.7	32.2	(81.8)	1.4	(3.2)	22.4	26.9
Net Interest	(13.7)	(6.2)	(4.9)	(3.5)	(3.6)	(1.6)	(1.3)
Joint ventures & associates (post tax)	0.0	(1.1)	0.0	(0.4)	0.0	0.0	0.0
Exceptionals	1.7	15.8	1.0	(68.7)	(37.5)	0.0	0.0
Profit Before Tax (norm)	(3.1)	2.2	(15.0)	(13.3)	(1.5)	21.6	26.4
Profit Before Tax (reported)	1.7	40.7	(85.6)	(71.1)	(44.3)	20.8	25.6
Reported tax	1.9	(2.8)	1.5	0.0	(1.6)	(4.6)	(5.6)
Profit After Tax (norm)	(2.4)	1.7	(11.7)	(10.4)	(1.5)	16.9	20.6
Profit After Tax (reported)	3.6	38.0	(84.1)	(71.1)	(45.9)	16.2	19.9
Minority interests	(2.0)	(1.1)	(0.0)	0.1	0.0	0.0	0.0
Net income (normalised)	(4.5)	0.7	(11.7)	(10.3)	(1.5)	16.9	20.6
Net income (reported)	1.6	36.9	(84.1)	(71.0)	(45.9)	16.2	19.9
Basic average number of shares outstanding (m)	29	29	35	38	52	68	70
EPS - basic normalised (€)	(0.16)	0.02	(0.34)	(0.27)	(0.03)	0.25	0.29
EPS - normalised fully diluted (€)	(0.16)	0.02	(0.34)	(0.27)	(0.03)	0.24	0.29
EPS - basic reported (€)	0.05	1.28	(2.41)	(1.87)	(0.88)	0.24	0.28
Dividend (€)	0	0	0	0	0	0	0
Revenue growth (%)		(5.1)	(32.6)	10.0	49.8	48.4	10.9
Gross margin (%)	35.1	29.3	19.8	23.9	26.0	35.0	35.0
EBITDA Margin (%)	17.5	18.2	(4.7)	(6.3)	8.0	20.2	21.3
Normalised Operating Margin (%)	11.1	10.5	(16.7)	(14.1)	2.1	15.6	16.8
BALANCE SHEET							
Fixed Assets	33.2	32.4	32.3	49.1	50.1	56.9	55.6
Intangible Assets	15.8	15.0	14.9	17.3	17.9	17.9	17.9
Tangible Assets	14.7	14.8	13.1	12.2	15.5	23.6	23.0
Investments & other	2.7	2.7	4.3	19.6	16.7	15.3	14.7
Current Assets	147.0	74.2	60.8	57.3	97.3	134.8	166.5
Inventories	25.0	16.4	15.7	18.1	21.3	27.8	30.8
Debtors	108.8	47.0	38.2	33.7	45.2	63.9	70.3
Cash & cash equivalents	8.3	5.7	3.8	1.6	26.8	39.2	61.5
Other	4.8	5.1	3.1	3.9	3.9	3.9	3.9
Current Liabilities	(195.6)	(87.3)	(100.4)	(156.6)	(79.5)	(92.6)	(101.7)
Creditors	(25.4)	(25.9)	(28.2)	(38.1)	(32.3)	(41.4)	(47.2)
Tax and social security	(1.6)	(1.9)	(1.4)	(0.5)	(0.5)	(0.5)	(0.5)
Short-term borrowings	(128.9)	(27.6)	(41.9)	(88.5)	(21.5)	(16.2)	(16.2)
Other	(39.6)	(32.0)	(29.0)	(29.5)	(25.1)	(34.4)	(37.8)
Long-Term Liabilities	(39.0)	(37.1)	(53.1)	(81.9)	(73.4)	(71.8)	(72.3)
Long-term borrowings	(35.2)	(31.6)	(45.2)	(52.6)	(37.2)	(35.5)	(35.0)
Other long-term liabilities	(3.7)	(5.5)	(7.9)	(29.3)	(36.3)	(36.3)	(37.3)
Net Assets	(54.3)	(17.8)	(60.4)	(132.2)	(5.5)	27.3	48.1
Minority interests	(6.7)	(7.4)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)
Shareholders' equity	(61.0)	(25.2)	(61.1)	(132.7)	(6.1)	26.7	47.5
CASH FLOW							
Op Cash Flow before WC and tax	9.9	44.9	(76.2)	(66.3)	(40.0)	23.1	27.4
Working capital	(17.2)	(4.9)	1.5	11.9	(23.8)	(6.8)	(0.3)
Exceptional & other	(2.5)	(23.1)	70.0	(16.9)	39.3	0.8	0.8
Tax	(1.9)	1.6	(1.8)	0.0	2.8	1.4	1.6
Net operating cash flow	(11.7)	18.4	(6.4)	(71.3)	(21.6)	18.5	29.6
Capex	(4.6)	(6.9)	(5.1)	(6.4)	(8.0)	(13.7)	(5.7)
Acquisitions/disposals	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Net interest	10.3	(10.5)	3.7	71.7	2.5	0.6	0.3
Equity financing	0.0	0.0	0.0	0.0	8.9	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	(2.4)	79.8	3.5	0.2	0.0	0.0	0.0
Net Cash Flow	(8.5)	80.9	(3.4)	(5.8)	(18.2)	5.4	24.2
Opening net debt/(cash)	147.4	155.9	53.4	83.3	139.5	31.9	12.5
FX	0.0	(0.8)	0.8	(0.2)	0.0	0.0	0.0
Other non-cash movements	0.0	22.4	(27.3)	(50.2)	125.9	13.9	(1.5)
Closing net debt/(cash)	155.9	53.4	83.3	139.5	31.9	12.5	(10.2)
Closing net debt/(cash) excluding leases	154.5	42.5	73.6	131.0	23.3	4.0	(18.7)

Source: SCHMID, Edison Investment Research

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