EDISON

QuickView

Quadient

Tech hardware and equipment

1 October 2025

Stable H125 profit despite Mail weakness

Quadient's H125 performance was a tale of two cities: weakness in the US mail sector weighed on revenue and is the main factor behind lowered guidance for FY25. Conversely, both Digital and Lockers continued their strong growth trajectory and look well positioned to drive the business forward to offset the structural decline in the Mail business.

Mail decline outpaces Digital and Lockers growth

H125 (six months ended 31 July 2025) revenue of €517m was 3.0% lower year-on-year on an organic basis, as North American Mail hardware hit a renewal low after 2024's decertification boost; nevertheless, current EBIT was flat at €60m with an 11.5% margin. Digital saw 7.2% y-o-y organic revenue growth, double-digit subscription growth (now 84% of revenue) and annual recurring revenue of €241m (+10.3% y-o-y). The EBITDA margin of 15.0% was down slightly due to the dilutive effect of the Serensia acquisition. Mail organic revenue declined 8.6%; despite this the EBITDA margin was up 0.8pp to 26.6%, helped by mix and the integration of Frama. Lockers revenue grew 11.2% on an organic basis (30% reported including Package Concierge) and the EBITDA margin increased 10.3pp to 3.6%. Gearing reduced to 2.9x (1.6x excluding leases) versus 3.0x (1.7x) at end FY24.

Reduced FY25 guidance but FY30 targets remain

Despite sustained positive momentum in Digital and Lockers, the US mail sector weakness is worse than originally expected. While Quadient expects demand to improve from H2, this weakness is the driver of reduced group guidance for FY25 (low single-digit organic revenue decline, flat to low single-digit current EBIT decline, vs previous guidance for growth in both). This uncertainty has also led the company to suspend its FY23–26 revenue growth targets, but FY26 EBITDA margin targets are still in place (Digital >20%, Mail >25%, Lockers >10%), as are FY30 targets.

Valuation & forecasts: Supportive at current levels, assuming no further material downgrades

The share price is down 18% since results were announced and, while consensus forecasts have reduced (FY25 revenue -1.6%, adjusted EPS -6.8%, FY26 -3.0% and -11.7% respectively), the share price reaction is possibly overdone. The valuation is undemanding and the yield is healthy. In our view, signs of recovery in US Mail demand from H225 will be the most important trigger in the near-term, with stable Mail margins, continued margin growth in Digital and Lockers, and continued growth in the Lockers network build out and utilisation further drivers of upside in the medium term.

Consensus estimates

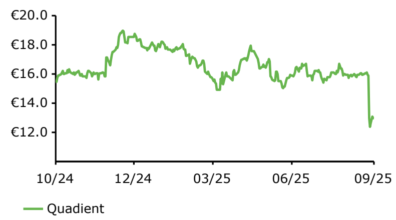
Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
1/24	1,062.0	101.0	2.01	0.65	6.5	5.0
1/25	1,093.0	84.0	1.94	0.70	6.8	5.3
1/26e	1,082.0	113.0	2.20	0.72	6.0	5.5
1/27e	1,083.0	112.5	2.18	0.74	6.0	5.6

Source: Company reports, LSEG Data & Analytics (as at 29 September)

Price €13.10

Market cap €456m

Share price performance



Share details

Code	QDT
Listing	NXT PA
Shares in issue	34.5m
Net cash/(debt) at 31 July 2025	€(712.0)m

Business description

Quadient is a French automation and software company that provides solutions for customer experience management, business process automation, mail-related services and parcel locker systems.

Bull points

- Strong position in document processing automation software, endorsed by market analysts.
- Accredited e-invoicing platform, Serensia, already contracted to process at least 215m invoices in 2026.
- Mail remains highly profitable despite weaker demand.

Bear points

- Physical mail volumes in structural decline.
- High level of gearing.
- US tariffs have created uncertainty and increased complexity in the postal industry.

Analyst

Katherine Thompson +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