

Theon International

FY24 results

2024 full results published

Theon's FY24 results gave further detail on the positive progress made in the year, with FY25 guidance unchanged. The market remains positive, with defence spend rising, particularly in Theon's key market of Europe. Along with the strong order book (€654m soft backlog and €301m of options), the company remains well positioned to deliver on its growth ambitions.

Year end	Revenue (€m)	PBT (€m)	EPS (EUc)	DPS (EUc)	P/E (x)	Yield (%)
12/23	218.7	49.9	-	0.00		N/A
12/24	352.4	86.7	98.00	34.00	27.1	1.3
12/25e	420.0	105.2	114.00	39.90	23.3	1.5
12/26e	483.0	123.8	133.00	46.55	20.0	1.8

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

FY24 results in line with prelims

The detailed results were in line with the preliminary announcement on 14 February. Details are available in our [flash note](#) published on 17 February. The gross margin declined by around 1% to 31.0%, while R&D increased by 70% to €4.8m (1.4% of sales), with a 24.6% operating margin (25.1% on an adjusted basis). EPS was 98 cents, leading to a proposed dividend of 34.0 cents, in line with Theon's stated payout ratio of 30–40%. In terms of sales breakdown, Night Vision, the traditional optronics product line, grew by 54% and remains the key category accounting for more than 91% of group revenue, while Thermal, the alternative imaging technology, grew by 125% to 7.7% of group revenue. Operational cash outflow was €22.7m, with cash conversion affected by a significant increase in receivables of €74.4m to support the sales growth, in particular the strong fourth quarter. Assisted by the €100m raise on listing, the group is in a strong financial position, with €41.7m in net cash at end FY24. The balance sheet benefited from the equity raise and trading performance, and includes the Harder Digital acquisition, with group net assets increasing from €77.4m to €236.2m (including €11.8m in minorities).

2025 outlook

There is no change to the outlook or guidance from the provisional results in February. Guidance for FY25 includes revenues of €410–430m, operating margins in the mid-20s percent range and capex of €20m. There are no changes to our profit forecasts. The dividend has been increased from 38.0c to 39.9c reflecting mid-30–40% payout range.

End markets remain positive

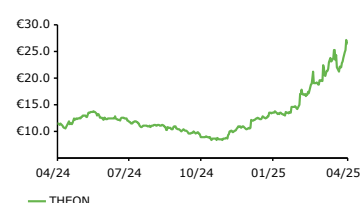
End markets are supported by a number of external dynamics. Penetration of night vision goggles per soldier has reached to 1:1 in North America, compared with 30% in Europe and lower levels elsewhere. Military spend in Europe (82% of Theon revenues) is set to rise following broad government commitments, with expectations it will be orientated to European suppliers. Asia and Middle East and North Africa defence spend is also increasing. Tariffs could affect Theon's US activities (the Americas account for 11% of revenues), although Theon assembles its night vision systems in the US with Elbit, so any impact could be mitigated and potentially offset by gains in other regions. Internally, the group has committed €10m in development spend in FY25, with further platform products expected to launch.

Aerospace and defence

22 April 2025

Price	€26.55
Market cap	€1,904m
Net cash/(debt) at end FY24	€41.7m
Shares in issue	70.0m
Code	THEON
Primary exchange	AEX
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	38.8	97.1	126.5
52-week high/low		€25.7	€8.6

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 platform applications.

Next events

Q1 results	28 April 2025
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Exhibit 1: Financial summary

€m	2022	2023	2024	2025e	2026e
Year to December	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Revenue	142.9	218.7	352.4	420.0	483.0
Cost of Sales	(92.7)	(148.5)	(243.2)	(285.6)	(326.1)
Gross Profit	50.2	70.2	109.2	134.4	157.0
EBITDA	41.7	57.2	89.4	112.2	132.8
Normalised operating profit	40.2	55.7	86.9	101.6	119.8
Reported operating profit	40.2	55.7	86.9	101.6	119.8
Joint ventures & associates (post tax)	0.0	0.6	2.4	3.6	4.0
Net Interest	(2.5)	(6.5)	(2.6)	0.0	0.0
Profit Before Tax (norm)	37.8	49.9	86.7	105.2	123.8
Profit Before Tax (reported)	37.8	49.9	86.7	105.2	123.8
Reported tax	(7.8)	(13.8)	(19.3)	(23.4)	(27.6)
Profit After Tax (norm)	30.0	36.1	67.3	81.9	96.2
Profit After Tax (reported)	30.0	36.1	67.4	81.9	96.2
Minority interests	0.0	0.0	0.0	(2.0)	(3.0)
Net income (normalised)	30.0	36.1	67.3	79.9	93.2
Net income (reported)	30.0	36.1	67.4	79.9	93.2
Basic average number of shares out	20	60	67	70	70
EPS - basic normalised (c)	150	60	98	114	133
EPS - diluted normalised (c)	150	60	98	114	133
EPS - basic reported (c)	150	60	100	114	133
Dividend (c)	0.00	0.00	34.00	39.90	46.55
Revenue growth (%)	77.4	53.1	61.1	19.2	15.0
Gross Margin (%)	35.1	32.1	31.0	32.0	32.5
EBITDA Margin (%)	29.2	26.1	25.4	26.7	27.5
Normalised Operating Margin	28.2	25.5	25.0	24.2	24.8
BALANCE SHEET					
Fixed Assets	22.0	21.7	60.9	80.4	97.9
Intangible Assets	0.8	1.5	22.1	24.2	26.1
Tangible Assets	10.6	17.4	32.4	49.1	64.2
Investments & other	10.6	2.9	6.4	7.1	7.6
Current Assets	135.4	188.8	331.5	393.9	469.5
Stocks	34.0	63.6	75.9	90.5	104.0
Debtors	68.0	46.1	133.6	159.2	183.1
Cash & cash equivalents	24.0	65.6	117.8	140.0	178.1
Other	9.3	13.4	4.2	4.2	4.2
Current Liabilities	(89.1)	(100.1)	(107.6)	(102.7)	(114.3)
Creditors	(24.0)	(41.8)	(36.4)	(43.4)	(49.9)
Tax and social security	(6.1)	(8.0)	(14.8)	(17.1)	(19.9)
Short term borrowings	(31.0)	(32.4)	(34.9)	(28.3)	(28.3)
Other	(28.1)	(17.9)	(21.4)	(14.0)	(16.3)
Long Term Liabilities	(4.0)	(33.0)	(48.7)	(90.1)	(110.9)
Long term borrowings	(3.1)	(32.1)	(46.8)	(46.8)	(46.8)
Other long term liabilities	(0.9)	(0.9)	(1.9)	(43.4)	(64.1)
Net Assets	64.3	77.5	236.2	281.5	342.1
Minority interests	0.0	0.0	(11.8)	(11.8)	(11.8)
Shareholders' equity	64.3	77.5	224.4	269.6	330.3
CASH FLOW					
Op Cash Flow before WC and tax	41.7	57.2	89.4	112.2	132.8
Working capital	(44.1)	(8.6)	(101.4)	(15.4)	(19.0)
Exceptional & other	0.0	0.4	2.9	(2.0)	(3.0)
Tax	(3.7)	(11.3)	(13.5)	(21.0)	(24.8)
Net operating cash flow	(6.1)	37.7	(22.7)	73.8	86.0
Capex (net)	(3.7)	(7.6)	(8.7)	(20.0)	(20.0)
Acquisitions/disposals	(0.3)	(0.5)	0.0	0.0	0.0
Net interest	(0.2)	(2.0)	(0.6)	0.0	0.0
Equity financing	0.0	0.0	92.2	(6.7)	0.0
Dividends	0.0	(10.0)	(14.4)	(23.8)	(27.9)
Net Cash Flow	(10.3)	17.6	45.9	23.3	38.1
Opening net debt/(cash)	(9.0)	10.0	(0.8)	(41.7)	(65.0)
FX	0.0	(0.4)	0.0	0.0	0.0
Other non-cash movements	(8.7)	(6.4)	(5.0)	0.0	0.0
Closing net debt/(cash)	10.0	(0.8)	(41.7)	(65.0)	(103.0)

Source: Company accounts, Edison Investment Research

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