

Theon International

Progressing to plan

Q3 trading update

Aerospace and defence

4 November 2025

Theon has reported a solid quarter, with management increasing revenue guidance for FY25 and providing initial revenue guidance for FY26, including 20% organic growth. This provides a strong base to be supplemented by the benefits of recent acquisitions and investments and the THEON NEXT strategy, which management will provide clearer details on at the capital markets event on 6 November.

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	31.2	1.1
12/25e	440.0	105.2	114.00	39.90	26.8	1.3
12/26e	580.2	130.5	141.00	49.35	21.7	1.6

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

Q3: Strong financial progress

Theon reported revenue for the first nine months (9M25) of €279.3m, +25.5%, adjusted EBIT of €69.4m, +32.8%, with a margin of 24.8%, up 130bp, and EPS of €0.70, up 25.0%. We calculate Q3 revenue of €95.6m (H1: €183.7m), EBIT of €22.0m (H1: €47.4m) and an operating margin of 23.0% (H1: 26.0%) with the reduction in margin ascribed to the growth in the lower-margin Harder Digital (acquired in Q424). Net cash was €0.5m, down from €38.1m at the end of June, primarily reflecting c€37m spent on external investments and working capital increasing from €165.4m to €177.6m. Strong order intake continued, with new orders reaching €232.7m in 9M25, +92% (Q1: €117.9m, Q2: €50.0m, Q3: €64.8m). The soft backlog reached €591.7m, up from €400m at Q324 but below the peak of €669m at the end of Q125. However, management expects to accelerate order intake by year-end based on the historical trend of new orders in Q4.

Increased FY25 revenue guidance and further growth expected in FY26

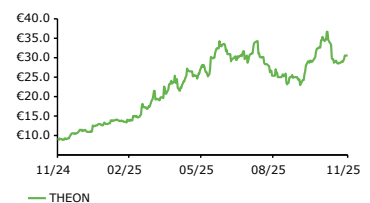
Management has increased sales guidance for FY25 from 'top of the range of €300–330m' to €435–445m, which includes benefits from the recent acquisitions (note this requires Q4 to account for 36.8% of annual sales, a similar level to that achieved in FY24). FY26 management revenue guidance is €570–590m, including organic growth of at least 20% plus the full year contribution from Kappa Optronics. Management also commented 'until the further integration of Harder Digital we do not restate our 2025 profit and margin guidance, but confirm that our ambitions remain unchanged in respect to a target of mid-twenties EBIT margin in the mid-term.'

Edison sales forecasts increased, but profit unchanged

We have increased our revenue forecasts in line with guidance and including benefits from acquisitions: FY25 to €440m (from €430m) and FY26 to €580m (from €523m). Reflecting management's comments on margins, including the dilutive impact from the Harder Digital and Kappa Optronics acquisitions, we leave our profit expectations unchanged.

Price	€30.55
Market cap	€2,139m
Net cash at 30 September	€0.5m
Shares in issue	70.0m
Free float	22.0%
Code	THEON
Primary exchange	AEX
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(6.0)	14.6	251.5
52-week high/low		€37.0	€8.5

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

Capital markets day 6 November

Analyst

David Larkam +44 (0)20 3077 5700

industrials@edisongroup.com

[Edison profile page](#)

Theon International is a research client of Edison Investment Research Limited

Exhibit 1: Financial summary

€m	2022	2023	2024	2025e	2026e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Revenue	142.9	218.7	352.4	440.0	580.2
Cost of Sales	(92.7)	(148.5)	(243.2)	(297.9)	(396.3)
Gross Profit	50.2	70.2	109.2	142.1	183.9
EBITDA	41.7	57.2	89.4	115.8	145.5
Normalised operating profit	40.2	55.7	86.9	105.2	132.4
Reported operating profit	40.2	55.7	86.9	105.2	132.4
Joint ventures & associates (post tax)	0.0	0.6	2.4	0.0	0.0
Net Interest	(2.5)	(6.5)	(2.6)	0.0	(1.9)
Profit Before Tax (norm)	37.8	49.9	86.7	105.2	130.5
Profit Before Tax (reported)	37.8	49.9	86.7	105.2	130.5
Reported tax	(7.8)	(13.8)	(19.3)	(24.2)	(30.0)
Profit After Tax (norm)	30.0	36.1	67.3	81.0	100.5
Profit After Tax (reported)	30.0	36.1	67.4	81.0	100.5
Minority interests	0.0	0.0	0.0	(1.5)	(2.0)
Net income (normalised)	30.0	36.1	67.3	79.5	98.5
Net income (reported)	30.0	36.1	67.4	79.5	98.5
Basic average number of shares outstanding (m)	20	60	67	70	70
EPS - basic normalised (c)			98	114	141
EPS - basic reported (c)			100	114	141
Dividend (c)	0.00	0.00	34.00	39.90	49.35
Revenue growth (%)	77.4	53.1	61.1	24.9	31.9
Gross Margin (%)	35.1	32.1	31.0	32.3	31.7
EBITDA Margin (%)	29.2	26.1	25.4	26.3	25.1
Normalised Operating Margin (%)	28.2	25.5	25.0	23.9	22.8
BALANCE SHEET					
Fixed Assets	22.0	21.7	60.9	80.7	98.8
Intangible Assets	0.8	1.5	22.1	24.4	26.7
Tangible Assets	10.6	17.4	32.4	49.1	64.2
Investments & other	10.6	2.9	6.4	7.1	7.8
Current Assets	135.4	188.8	331.5	332.2	464.6
Stocks	34.0	63.6	75.9	94.8	125.0
Debtors	68.0	46.1	133.6	166.8	219.9
Cash & cash equivalents	24.0	65.6	117.8	66.4	115.5
Other	9.3	13.4	4.2	4.2	4.2
Current Liabilities	(89.1)	(100.1)	(107.6)	(104.9)	(125.7)
Creditors	(24.0)	(41.8)	(36.4)	(45.4)	(59.9)
Tax and social security	(6.1)	(8.0)	(14.8)	(17.2)	(20.2)
Short-term borrowings	(31.0)	(32.4)	(34.9)	(28.3)	(28.3)
Other	(28.1)	(17.9)	(21.4)	(14.0)	(17.3)
Long-Term Liabilities	(4.0)	(33.0)	(48.7)	(26.9)	(92.7)
Long-term borrowings	(3.1)	(32.1)	(46.8)	(46.8)	(46.8)
Other long-term liabilities	(0.9)	(0.9)	(1.9)	19.8	(45.9)
Net Assets	64.3	77.5	236.2	281.1	345.0
Minority interests	0.0	0.0	(11.8)	(11.8)	(11.8)
Shareholders' equity	64.3	77.5	224.4	269.2	333.2
CASH FLOW					
Op Cash Flow before WC and tax	41.7	57.2	89.4	115.8	145.5
Working capital	(44.1)	(8.6)	(101.4)	(16.8)	(24.5)
Exceptional & other	0.0	0.4	2.9	(2.0)	(3.0)
Tax	(3.7)	(11.3)	(13.5)	(21.8)	(27.0)
Net operating cash flow	(6.1)	37.7	(22.7)	75.2	90.9
Capex (net)	(3.7)	(7.6)	(8.7)	(20.0)	(20.0)
Acquisitions/disposals	(0.3)	(0.5)	0.0	(75.0)	0.0
Net interest	(0.2)	(2.0)	(0.6)	0.0	(1.9)
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	(50.3)	41.1
Opening net debt/(cash)	(9.0)	10.0	(0.8)	(41.7)	8.6
FX	0.0	(0.4)	0.0	0.0	0.0
Other non-cash movements	(8.7)	(6.4)	(5.0)	0.0	8.0
Closing net debt/(cash)	10.0	(0.8)	(41.7)	8.6	(40.5)

Source: Theon accounts, Edison Distributed Research by London South East

General disclaimer and copyright

This report has been commissioned by Theon International and prepared and issued by Edison, in consideration of a fee payable by Theon International. 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 2025 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.
