

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](#).

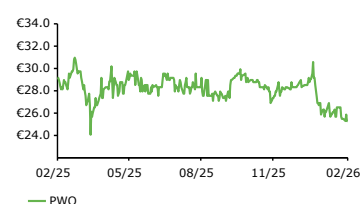
Preliminary FY25 results

Industrials

26 February 2026

Price	€25.00
Market cap	€78m
Net cash/(debt) at 30 September 2025	€(100.6m)
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
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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	IFRS	IFRS	IFRS	IFRS	IFRS	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

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