Orell Füssli

FY25 results

2028 margin target lifted 50–150bp

Industrials

26 March 2026

Orell Füssli's FY25 results were strong and highlight the solid underlying long-term megatrends driving demand. They also prompted the company to reaffirm the medium-term revenue target and raise the medium-term margin target. With its nascent digital ID business, Procivis, winning key mandates, the opportunity to capitalise on EU and government legislative changes in digital ID and credentials could be substantial. Given the underlying momentum of the group, we have raised our valuation of Orell Füssli to CHF181.0/per share from CHF168.5/share.

Year end	Revenue (CHFm)	EBIT (CHFm)	PBT (CHFm)	EPS (CHF)	DPS (CHF)	P/E (x)	Yield (%)
12/24	252.5	22.6	21.7	7.19	4.40	18.4	3.3
12/25	272.8	29.2	29.9	9.69	5.80	13.6	4.4
12/26e	281.7	25.4	24.8	9.43	6.09	14.0	4.6
12/27e	295.9	29.3	28.7	10.90	6.39	12.1	4.8

Note: EBIT, PBT and diluted EPS are on a company reported basis.

FY25 results demonstrate very good growth

FY25 sales of CHF272.8m increased 8%, while adjusted EBIT rose 32% to CHF29.8m, driven by strong growth in Security Printing as a contract was pulled forward from FY26e into FY25. Operating cash flow was strong at CHF47.3m and return on capital employed (RoCE) increased to 16.1% from 12.5% in FY24, driven by operational efficiency. The balance sheet remains strong and the board has proposed a dividend of CHF5.80, an increase of 32% y-o-y, representing a healthy 60% payout ratio.

Core businesses set for continued long-term growth

Orell Füssli's two main divisions are underpinned by megatrends, which have driven revenue growth. Banknotes in circulation and the Swiss education market have been growing at CAGRs of c 6% and 3% per year over the last 20 and 25 years, respectively, and are expected to continue to grow. These trends underpin the long-term outlook for the two core divisions as well as the group's other operations.

Digital ID development could offer significant growth

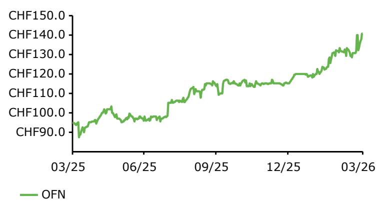
The company's Procivis operation is currently small in scale but faces a significant growth opportunity in the development of digital identification and credential software. To date, Orell Füssli has been selected for four high-profile initiatives with the WE BUILD consortium (an EU Commission pilot), the City of Zug, the US Department of Homeland Security and now one in Lithuania. If these prove successful, other government and corporate mandates could follow.

Valuation: Lifted to CHF181/share, plus 4.6% yield

Following the FY25 results, we have lowered our profit estimate due to the pull-forward of a Security Printing contract, but have raised our sum-of-the-parts-based valuation to CHF181.0/share (CHF168.5 previously), largely due to rolling over the base year. Orell Füssli enjoys an ungeared balance sheet and trades on an undemanding FY26e forward P/E of 13.8x and a yield of more than 4%.

Price	**CHF132.00**
Market cap	**CHF274m**
Net cash at 31 December 2025	CHF82.2m
Shares in issue	2.0m
Free float	41.7%
Code	OFN
Primary exchange	SWX
Secondary exchange	N/A

Share price performance



Business description

Orell Füssli was founded in Zurich in 1519 and is today an international listed company active in the fields of security printing and technology, book retailing and publishing.

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FY25 results particularly strong

FY25 results were very strong, boosted by the pull-forward of a contract originally anticipated in FY26e into Q425. This clearly distorted the profits for FY25, and will affect the profits in FY26e. However, it should be noted that the underlying business is unaffected by this and remains financially strong, benefiting from favourable, long-term trends. To this end, management reiterated the medium-term revenue target, but raised the margin target from 'above 8%' to '8.5% to 9.5%'. We have updated our forecasts and raised our valuation of the company from CHF168.5/share to CHF181.0/share.

FY25 sales increased 8% to CHF272.8m, driven primarily by a strong contribution from Security Printing. Net income after minority interests of CHF19.0m was +35% y-o-y, as was EPS. Operating cash flow was strong at CHF47.3m and FY25 RoCE increased to 16.1% from 12.5% in FY24, driven by operational efficiency. The balance sheet remains strong with net cash increasing 23.4% to CHF82.2m, but this did include c CHF20m of customer advance payments and an unusually high balance for payables due to the effects of a security printing project that started in January 2026. The board has also proposed a dividend of CHF5.80, an increase of 32% y-o-y, representing a healthy 60% payout ratio.

Book Retailing (47% of FY25 sales) saw revenues grow by +3%, while Security Printing (37% of FY25 sales) delivered more than 15% revenue growth as one contract was brought forward from FY26e into FY25, thus boosting revenue. The two smaller divisions, Industrial Systems and Publishing, saw revenue growth of -7% and +30%, respectively. Adjusted EBIT of CHF29.8m increased by over 32% y-o-y, driven by strong growth in Security Printing, where margins expanded by +330bp, benefiting from the additional revenue brought forward. We estimate that this contract added c CHF3m to FY25 EBIT, which will be absent from FY26. The strong performance was supported by favourable product mix, operational excellence, high capacity utilisation and delivery pull-in.

Global banknote demand remains high. Book Retailing operating profits and margins were in line with expectations against a backdrop of subdued consumer demand. However, the company noted a significant increase in B2B business and market share gains in both stores and online. The smaller Industrial Systems division missed our EBIT forecast, with margins declining from 15.0% to 9.6%, affected by postponed orders due to US government spending cuts and US dollar weakness. Other business areas, which include the profitable Publishing activities and Procivis, reported losses of CHF0.9m.

Exhibit 1: FY25 results summary

CHFm	FY24	FY25	% change
Revenue			
Security Printing	86.4	99.7	15.3%
Industrial Systems	24.8	23.0	-7.3%
Book Retailing	124.3	128.3	3.2%
Other business areas (Publishing and Procivis)	17.3	22.6	30.4%
Not assigned	(0.4)	(0.8)	N/A
Total revenue	**252.5**	**272.8**	**8.0%**
EBIT			
Security Printing	12.9	21.3	65.4%
Industrial Systems	3.5	2.2	-37.1%
Book Retailing	9.3	10.5	13.2%
Other business areas (Publishing and Procivis)	(0.9)	(1.4)	61.5%
Not assigned	(2.2)	(3.3)	49.6%
Total EBIT	**22.6**	**29.2**	**29.7%**
PBT	**21.7**	**29.9**	**37.7%**
EPS (CHF)	**7.2**	**9.7**	**34.8%**
DPS (CHF)	**4.4**	**5.8**	**31.8%**
Net cash	**66.6**	**82.2**	**23.4%**

Source: Orell Füssli

2026 outlook and medium-term margin target lifted

For 2026, Orell Füssli guided to revenue growth of 2–5% and an EBIT margin of around 9%. The revenue guidance is in line with expectations despite being at the lower end of the company's 4–6% medium-term corridor, while the margin guidance is slightly light, due to the contract pull-forward.

Orell Füssli now expects high capacity utilisation in Security Printing to continue until 2027, supported by the order book, but management expects slightly lower results in the division in 2026 due to the order mix and timing of the order mentioned above. The company has a history of being conservative, so there may be upside potential, especially if M&A, which is part of the company's explicit strategy, comes into scope. Seasonality remains unchanged with H126 expected to be weaker than H226. The medium-term 2028 revenue target remains CHF300m, but the EBIT margin target has been pushed up to 8.5–9.5% versus 'greater than' 8% previously.

The company continues to implement its Perform, Create, Invest strategy, which was discussed in detail at its November 2025 capital markets day (see our previous note). The Procivis digital credentials business remains prepared to benefit from the expected forthcoming inflection point driven by 2026 electronic ID regulations in Switzerland and the EU.

Updated estimates reflect contract pull-forward

We have edged up our revenue estimates for both FY26e and FY27e. However, given the pull-forward of a contract in Security Printing from FY26e into FY25, it appears that our previous FY26e EBIT estimate was too optimistic as the mix of business is likely to contain some lower margin activity. FY27e is largely unaffected as the contract is expected to be executed in line with original plans (ie the order book is unaffected). That said, we still expect dividend progression and net cash to be higher than previous expectations, which offers the company optionality with regard to M&A and/or increased shareholder returns.

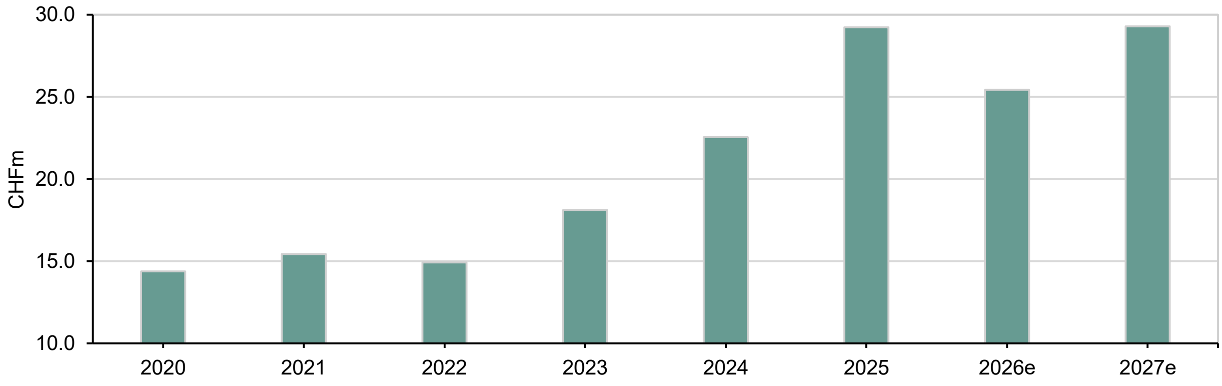
Exhibit 2: Revised estimates

	2025	2026e			2027e		
CHFm		Old	New	% chg	Old	New	% chg
Revenue	272.8	281.1	281.7	0.2%	295.1	295.9	0.2%
Y-o-y % change	8.0%	2.9%	3.3%	-	5.0%	5.0%	-
EBITDA – Company basis	41.3	41.8	37.2	-11.0%	43.0	41.0	-4.5%
Y-o-y % change	17.7%	2.4%	-10.1%	-	2.9%	10.4%	-
EBIT	29.2	28.7	25.4	-11.4%	29.6	29.3	-1.1%
Y-o-y % change	29.7%	2.6%	-13.0%	-	3.3%	15.2%	-
PBT	29.9	28.9	24.8	-14.1%	29.8	28.7	-3.8%
Y-o-y % change	37.7%	2.6%	-17.0%	-	3.2%	15.6%	-
EPS – diluted (p)	9.7	11.0	9.4	-14.1%	11.3	10.9	-3.8%
Y-o-y % change	34.8%	2.6%	-2.7%	-	3.2%	15.6%	-
DPS (p)	5.8	6.0	6.1	1.4%	6.3	6.4	1.4%
Y-o-y % change	31.8%	N/A	N/A	-	N/A	N/A	-
Net cash (pre IFRS 16)	82.2	67.1	75.2	12.0%	73.4	79.6	8.4%
Y-o-y % change	23.4%	2.6%	-8.6%	-	9.4%	5.9%	-

Source: Edison Investment Research

Exhibit 3 below highlights the impact of the Security Printing contract that was brought forward. We estimate the additional contribution in FY25 was c CHF3.0m, hence the spike in group EBIT. If the contribution had occurred in FY26e as previously expected, the profit progression from FY22 through to FY27e would have shown a smooth path over the six years. This also explains why in our valuation below we have needed to adjust FY26e EBIT to reflect this issue in order to more fairly reflect the underlying value of the group.

Exhibit 3: EBIT progression, 2020–27e



Source: Orell Füssli, Edison Investment Research

Valuation raised to CHF181/share

Following the adjustment to estimates and the roll-over of the base year from FY25 to FY26e, we have raised our valuation of Orell Füssli from CHF168.5 per share to CHF181.0 per share. It is worth noting that we have added c CHF3.0m to FY26e EBIT in Security Printing to reflect the pull-forward of the contract into FY25. We believe this gives a fairer underlying reflection of the profitability of both the division and the overall company. The valuation implies over 20% upside in the shares, even after the strong run in the share price over the last six months. Our target multiples are based on relevant global peers, which are discussed in more detail in our initiation note.

Exhibit 4: Valuation lifted to CHF181/share

	Revenue (CHFm)	Operating profit (CHFm)	Multiple	EV (CHFm)	Comments
	FY26e	FY26e	(x)		
Security Printing	91.7	18.1	13.0	235.7	(EV/operating profit), average of three peers.
Industrial Systems	23.7	2.8	8.0	22.8	(EV/operating profit), average of two peers
Book Retailing	141.1	12.3	12.7	156.8	(EV/operating profit). Only quoted book seller, WH Smiths
Other businesses	26.0	(1.6)	1.3	33.8	(EV/revenue), average of five publishers
Not assigned	(0.8)	(3.3)	10.0	(33.4)	Estimate
Group total	**281.7**	**28.4**		**415.7**	
Minorities; Book Retailing				(54.9)	Estimated to be c 35% of divisional operating profit
Net cash				82.2	
EV				**443.0**	
Conglomerate discount				(88.6)	Assumed to be 20%
Post discount EV				**354.4**	
No. of shares in issue (m)			1.96		
EV/share (CHF/share)				**180.9**	
Current share price (CHF/share)				143.0	
Discount/(premium) to fair value				**21%**	

Source: Edison Investment Research

Exhibit 5: Financial summary

	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Swiss GAAP FER; year end 31 December; CHFm									
INCOME STATEMENT									
Revenue									
Security Printing	87.3	73.8	70.4	77.2	86.4	99.7	91.7	96.3	101.1
Industrial Systems	24.8	25.3	20.9	21.6	24.8	23.0	23.7	24.9	26.2
Book Retailing	96.2	103.3	112.2	117.5	124.3	128.3	141.1	148.2	155.6
Other business areas (Publishing)	10.3	7.7	13.7	16.5	17.3	22.6	26.0	27.3	28.6
Not assigned	(0.0)	0.2	0.0	(0.5)	(0.4)	(0.8)	(0.8)	(0.8)	(0.8)
Revenue	**218.6**	**210.4**	**217.3**	**232.2**	**252.5**	**272.8**	**281.7**	**295.9**	**310.7**
Cost of Sales	-	-	-	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-	-	-	-
EBITDA	**24.1**	**25.4**	**25.9**	**29.8**	**35.1**	**41.3**	**37.2**	**41.0**	**43.2**
Depreciation and amortisation	**(9.7)**	**(10.0)**	**(10.9)**	**(11.7)**	**(12.6)**	**(12.1)**	**(11.7)**	**(11.7)**	**(11.7)**
Operating Profit									
Security Printing	5.5	6.1	9.7	10.6	12.9	21.3	15.1	16.6	17.4
Industrial Systems	5.3	5.5	0.9	3.6	3.5	2.2	2.8	3.4	4.0
Book Retailing	5.5	7.5	9.3	8.0	9.3	10.5	12.3	14.1	14.8
Other business areas (Publishing)	1.0	(0.0)	(0.9)	(0.9)	(0.9)	(1.4)	(1.6)	(1.4)	(1.4)
Not assigned	(2.9)	(3.6)	(4.1)	(3.1)	(2.2)	(3.3)	(3.3)	(3.3)	(3.3)
Reported operating profit	**14.4**	**15.4**	**14.9**	**18.1**	**22.6**	**29.2**	**25.4**	**29.3**	**31.4**
Net Interest	0.6	(1.5)	(0.7)	0.3	(0.8)	0.7	(0.6)	(0.6)	(0.6)
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (reported)	**14.9**	**13.9**	**14.3**	**18.4**	**21.7**	**29.9**	**24.8**	**28.7**	**30.8**
Reported tax	0.1	(1.8)	(2.6)	(3.8)	(4.3)	(7.0)	(5.0)	(5.7)	(6.2)
Profit After Tax (reported)	**15.0**	**12.1**	**11.7**	**14.6**	**17.5**	**23.0**	**19.9**	**23.0**	**24.7**
Minority interests	2.0	2.7	3.2	2.6	3.4	4.0	1.4	1.6	1.7
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (reported), minus minority interests	**12.9**	**9.4**	**8.5**	**12.0**	**14.1**	**19.0**	**18.5**	**21.4**	**22.9**
Basic average number of shares outstanding (m)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
EPS - Basic (CHF)	6.6	4.8	4.3	6.1	7.2	9.7	9.4	10.9	11.7
EPS - Diluted (CHF)	6.6	4.8	4.3	6.1	7.2	9.7	9.4	10.9	11.7
Dividend (CHF)	3.0	3.4	3.4	3.9	4.4	5.8	6.1	6.4	6.7
Revenue growth (%)	-	*-3.7%*	*3.3%*	*6.9%*	*8.7%*	*8.0%*	*3.3%*	*5.0%*	*5.0%*
Operating Margin (%)	*6.6%*	*7.3%*	*6.9%*	*7.8%*	*8.9%*	*10.7%*	*9.0%*	*9.9%*	*10.1%*
EBITDA Margin (%)	*11.0%*	*12.1%*	*11.9%*	*12.8%*	*13.9%*	*15.1%*	*13.2%*	*13.9%*	*13.9%*
BALANCE SHEET									
Non-current assets	**62.3**	**70.2**	**67.7**	**65.6**	**64.3**	**70.7**	**75.2**	**79.6**	**84.2**
Tangible Assets	53.5	58.3	55.6	56.5	55.2	59.4	61.9	64.4	67.0
Intangible Assets	2.1	2.3	2.6	3.0	3.7	6.1	8.1	10.1	12.1
Non-current financial assets	4.6	7.4	7.7	4.3	4.0	3.9	3.9	3.9	3.9
Deferred tax assets	2.0	2.2	1.7	1.8	1.4	1.2	1.2	1.2	1.2
Current Assets	**148.9**	**115.7**	**111.7**	**113.0**	**126.3**	**153.5**	**153.1**	**160.2**	**168.5**
Cash	77.0	75.7	62.5	61.7	66.6	82.2	75.2	79.6	85.0
Marketable securities	0.4	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Trade account receivables	18.7	16.1	11.3	13.2	17.6	18.6	31.0	32.5	34.2
Other receivables	22.2	6.0	8.9	8.8	15.0	17.7	17.7	17.7	17.7
Inventories	19.9	15.0	24.4	25.2	22.5	28.2	22.5	23.7	24.9
Accrued income and deferred expenses	10.7	2.9	4.5	4.1	4.6	6.7	6.7	6.7	6.7
Current liabilities	**(62.0)**	**(38.2)**	**(41.6)**	**(42.4)**	**(48.1)**	**(73.4)**	**(69.1)**	**(69.6)**	**(70.2)**
Trade payables	(11.4)	(5.4)	(8.0)	(5.9)	(6.1)	(15.6)	(11.3)	(11.8)	(12.4)
Other current liabilities	(27.1)	(13.6)	(14.1)	(15.6)	(19.8)	(30.1)	(30.1)	(30.1)	(30.1)
Accrued expenses	(15.4)	(14.2)	(16.8)	(20.0)	(21.5)	(26.6)	(26.6)	(26.6)	(26.6)
Current financial liabilities	(0.3)	(2.2)	(1.9)	(0.1)	(0.1)	0.0	0.0	0.0	0.0
Current provisions	(7.7)	(2.9)	(0.9)	(0.8)	(0.5)	(1.0)	(1.0)	(1.0)	(1.0)
Non-current liabilities	**(4.6)**	**(8.9)**	**(4.0)**	**(4.1)**	**(1.9)**	**(2.9)**	**(2.9)**	**(2.9)**	**(2.9)**
Other non-current liabilities	0.0	(3.5)	(1.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Non-current financial liabilities	(2.1)	(4.0)	(1.9)	(1.8)	0.0	0.0	0.0	0.0	0.0
Non-current provisions	(1.4)	(0.2)	(0.3)	(0.9)	(0.8)	(1.3)	(1.3)	(1.3)	(1.3)
Deferred tax liabilities	(1.2)	(1.1)	(0.8)	(1.3)	(0.9)	(1.5)	(1.5)	(1.5)	(1.5)
Net Assets	**144.5**	**138.8**	**133.7**	**132.1**	**140.8**	**147.9**	**156.4**	**167.4**	**179.6**
Minority interests	(9.0)	(12.8)	(11.5)	(8.3)	(9.2)	(11.7)	(11.7)	(11.7)	(11.7)
Shareholders' equity	**135.5**	**126.1**	**122.2**	**123.8**	**131.6**	**136.2**	**144.7**	**155.7**	**167.9**
CASH FLOW									
Net income for the period	15.0	12.1	11.7	14.6	17.5	23.0	19.9	23.0	24.7
Depreciation, amortisation and other	9.7	10.0	10.9	11.7	12.6	12.1	11.7	11.7	11.7
Change in working capital	(4.2)	25.4	(2.0)	(5.0)	(8.0)	(1.9)	(11.0)	(2.1)	(2.2)
Other	(8.7)	(21.1)	(1.0)	4.8	6.3	14.2	0.1	0.1	0.1
Net operating cash flow	**11.9**	**26.4**	**19.5**	**26.1**	**28.2**	**47.3**	**20.6**	**32.7**	**34.3**
Capex	(19.0)	(14.7)	(7.9)	(13.5)	(11.8)	(16.3)	(14.5)	(14.5)	(14.5)
Acquisitions/disposals	(4.2)	(10.4)	(11.4)	1.1	(0.7)	(4.3)	0.0	0.0	0.0
Net interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	(14.3)	(5.9)	(10.5)	(12.3)	(11.1)	(10.3)	(13.0)	(13.6)	(14.2)
Other	0.2	4.0	(2.3)	(1.8)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Cash Flow	(25.5)	(0.7)	(12.6)	(0.4)	4.6	16.3	(7.0)	4.4	5.4
Opening net debt/(cash)	**(102.7)**	**(77.0)**	**(75.7)**	**(62.5)**	**(61.7)**	**(66.6)**	**(82.2)**	**(75.2)**	**(79.6)**
FX	(0.2)	(0.6)	(0.6)	(0.5)	0.4	(0.7)	0.0	0.0	0.0
Other non-cash movements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing net debt/(cash)	**(77.0)**	**(75.7)**	**(62.5)**	**(61.7)**	**(66.6)**	**(82.2)**	**(75.2)**	**(79.6)**	**(85.0)**

Source: Company data and Edison Investment Research

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