

CEOTRONICS AG

April 10, 2025



Information analysis

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Valuation Result

BUY

(previous: Buy)

Fair Value

€ 10,96

(previous: € 8.37)

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Sales outlook for 2024/25 raised, organic growth >85%

CEOTRONICS AG has raised its sales forecast for the current financial year by a further 10% to around € 55 million. Compared to the previous year, this represents - purely organic - growth of an impressive 85,6%. After-tax earnings are expected to increase by **at least 220%**. The current geopolitical situation and the softening of the debt brake in Germany (with a view to defence capability) create an environment in which further dynamic growth is possible for CEOTRONICS. Capital market issues such as **US tariffs** in particular and **protectionist tendencies in general** pose little threat to CEOTRONICS: Sales in the USA only totalled around € 0.3 million in the previous year; the other NATO countries in which CEOTRONICS is active are in the EU free trade zone. As a quality leader, CEOTRONICS has a high share **of value added in Germany** (23/24: 85.0%) and the EU (93.3%), meaning that correspondingly little has to be sourced outside the EU, mainly in Asia. With a dynamic P/E ratio well below 1, CEOTRONICS continues to appear favourable to us.

The equal weighting of our updated DCF and peer group analysis results in a fair value of € 10.96.

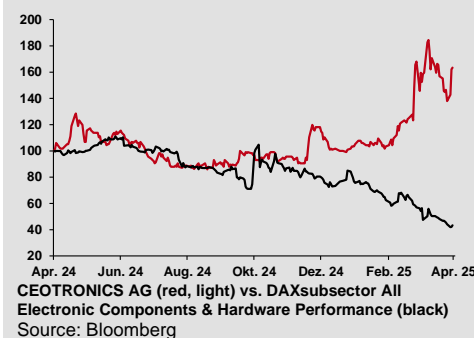
- The increase in sales and earnings expectations is also reflected positively in the peer valuation - despite the market correction triggered by the US tariffs in recent days. We have been conservative in our estimates and have left the growth rates for 2025/26ff unchanged following the forecast increase in 2024/25
- While the US tariffs are likely to have only very manageable negative effects on CEOTRONICS' operating business, the discussion about increasing defence spending (NATO targets) and the softening of the debt brake in Germany will improve the medium and long-term prospects for CEOTRONICS. The same applies to the EU Commission's 'ReArm Europe' programme proposal, which aims to provide up to € 800 billion for defence spending over the next four years.

Key operating figures (in € mln)

Year	Total income	EBITDA	EBIT	EBT	Net profit	EPS (€)	DPS (€)	EBIT margin	Net margin
2022/23a	30.1	5.4	3.9	3.6	2.5	0.38	0.15	12.9%	8.4%
2023/24a	29.6	4.2	2.5	1.9	1.3	0.17	0.15	8.5%	4.2%
2024/25e	55.0	8.7	6.8	6.2	4.4	0.55	0.18	12.3%	8.0%
2025/26e	60.5	10.0	7.8	7.2	5.1	0.64	0.20	12.9%	8.5%
2026/27e	66.6	11.2	9.0	8.4	5.9	0.74	0.21	13.5%	8.9%
2027/28e	69.9	11.5	9.8	9.2	6.5	0.82	0.22	14.1%	9.4%

Source: CEOTRONICS AG (a), BankM Research (e)

Sector	Communication
WKN	5407407
ISIN	DE0005407407
Bloomberg/Reuters	CEK GY/CEK:DE
Accounting standard	HGB
Financial year	May 31
Financial reporting FY 2024/25	September 2025
Market segment	Open Market
Transparency standard	Basic Board
	24/25e 25/26e 26/27e 27/28e
EV/Sales	1.7 1.6 1.4 1.4
EV/EBITDA	10.9 9.5 8.5 8.2
EV/EBIT	14.0 12.2 10.6 9.7
P/E	17.2 14.8 12.7 11.6
Price/Book	2.7 2.4 2.1 1.9
Price/FCF	neg. 35.3 29.0 15.2
RoE	18.4 17.2 17.6 17.1
Dividend yield (%)	1.9 2.1 2.2 2.3
Number of shares (mln)	7.98
MarketCap / EV (€ mln)	75.65 / 95.15
Ø daily trading vol. (3M, in € th)	381.04
12M High / Low (€; close)	10.70 / 4.98
Price April 9, 2025	9.48
Performance absolute (%)	1M -2.8 6M 69.3 12M 62.1
relative (%)	27.8 238.2 272.3
Benchmark index	Daxsubsec. All Electr. Comp. & Hardware



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Tables

Profit & Loss Account

Fiscal Year 31.05 (HGB) in € ths	2022/23a	2023/24a	2024/25e	2025/26e	2026/27e	2027/28e	5y - CAGR 22/23 - 27/28
Total Sales	30,081	29,632	55,000	60,500	66,550	69,878	18.4
<i>Growth rate in %</i>	3.3	-1.5	85.6	10.0	10.0	5.0	
Cost of sales	15,594	15,778	31,625	34,788	38,266	40,180	20.8
<i>in % of total sales</i>	51.8	53.2	57.5	57.5	57.5	57.5	
Gross Profit	14,487	13,854	23,375	25,713	28,284	29,698	15.4
Selling and marketing expenses	5,371	5,473	8,910	9,620	10,382	10,691	14.8
<i>in % of total sales</i>	17.9	18.5	16.2	15.9	15.6	15.3	
General and administration expenses	2,185	2,382	2,892	3,000	3,100	3,045	6.9
<i>in % of total sales</i>	7.3	8.0	5.3	5.0	4.7	4.4	
	3,821	3,642	4,986	5,485	6,033	6,335	10.6
<i>in % of total sales</i>	12.7	12.3	9.1	9.1	9.1	9.1	
Other income	824	462	500	500	500	500	
Other expenses	57	305	305	305	305	305	
EBIT	3,877	2,514	6,782	7,804	8,964	9,822	20.4
Finance Result (+inc./-exp)	-263	-584	-585	-585	-585	-585	
EBT	3,614	1,931	6,197	7,218	8,378	9,236	20.6
Taxes on Income (Exp./Inc.-)	1,085	680	1,803	2,101	2,438	2,688	
Net profit	2,529	1,250	4,393	5,118	5,940	6,548	21.0
<i>For information purposes</i>							
Depreciation and amortization	1,495	1,709	1,961	2,167	2,247	1,719	
<i>in % of total sales</i>	5.0	5.8	3.6	3.6	3.4	2.5	
EBITDA	5,372	4,223	8,743	9,970	11,210	11,541	
No. of shares (Ø outstanding)	6,600	7,259	7,980	7,980	7,980	7,980	
Net profit / share (EPS)	0.38	0.17	0.55	0.64	0.74	0.82	

Source: CEOTRONICS AG (a), BankM Research (e)

P&L Margins

in %	2022/23a	2023/24a	2024/25e	2025/26e	2026/27e	2027/28e
Gross Profit Margin	48.2	46.8	42.5	42.5	42.5	42.5
EBITDA Margin	17.9	14.3	15.9	16.5	16.8	16.5
EBIT Margin	12.9	8.5	12.3	12.9	13.5	14.1
EBT Margin	12.0	6.5	11.3	11.9	12.6	13.2
Net Profit Margin	8.4	4.2	8.0	8.5	8.9	9.4

Source: CEOTRONICS AG (a), BankM Research (e)

CEOTRONICS AG

April 10, 2025

Tables - 3/6 -

Cash Flow Statement

Fiscal Year 31.05 (HGB) in € ths	2022/23a	2023/24a	2024/25e	2025/26e	2026/27e	2027/28e
Net profit	2,529	1,250	4,393	5,118	5,940	6,548
+ Depreciation and amortization	1,390	1,377	1,961	2,167	2,247	1,719
+ Chg. in long-term provisions	-292	-630	0	0	0	0
= Cash Earnings	3,627	1,997	6,354	7,284	8,187	8,268
- Change in NWC	-1,035	14,583	7,109	3,558	3,914	2,153
+ Net financial items	263	584	585	585	585	585
+ Other non-cash items	-255	-118	0	0	0	0
= Operating Cash Flow	4,670	-12,120	-169	4,312	4,858	6,700
- Capex	1,346	1,486	1,961	2,167	2,247	1,719
- Payments for intangible assets	533	704	1,225	1,400	1,600	1,105
- Payments for tangible assets	813	782	735	766	646	614
- Others	0	-1	0	0	0	0
Cash flow from investing activities	-1,346	-1,485	-1,961	-2,167	-2,247	-1,719
= Free Cash Flow	3,324	-13,605	-2,130	2,145	2,612	4,981
+ Capital increase	0	2,359	4,687	0	0	0
+ Financial debt	655	6,847	0	0	0	0
- Redemption of financial debt	1,490	948	0	0	0	0
- Interest paid	263	585	585	585	585	585
- Dividend (previous year)	990	990	1,089	1,436	1,596	1,676
= Increase in liquid funds	1,236	-6,922	883	123	430	2,720

Source: CEOTRONICS AG (a), BankM Research (e)

Balance Sheet

Fiscal Year 31.05 (HGB) in € ths	2022/23a	2023/24a	2024/25e	2025/26e	2026/27e	2027/28e
Assets						
A. Total Fixed Assets	12,717	12,826	12,826	12,826	12,826	12,826
I. Intangible assets	5,289	5,222	5,222	5,222	5,222	5,222
II. Tangible assets	7,428	7,604	7,604	7,604	7,604	7,604
B. Total Current Assets	16,421	30,798	40,186	44,170	48,848	53,904
I. Accounts receivable	13,096	21,723	23,052	25,357	27,893	29,288
II. Accounts receivable	1,881	8,383	15,560	17,116	18,827	19,769
III. Liquid funds	1,444	692	1,575	1,698	2,128	4,848
C. Accruals	226	196	196	196	196	196
Balance Sheet Total	29,364	43,820	53,208	57,193	61,870	66,926
Shareholder's Equity / Liabilities						
A. Shareholders Equity	17,241	19,895	27,886	31,568	35,912	40,785
I. Subscribed capital	6,600	7,259	7,980	7,980	7,980	7,980
II. Share premium	2,361	4,061	8,027	8,027	8,027	8,027
III. Retained earnings/losses	16	16	16	16	16	16
IV. Difference from currency translation	-579	-544	-544	-544	-544	-544
V. Retained earnings	6,314	7,853	8,014	10,971	14,493	18,758
VI. Balance sheet profit	2,529	1,250	4,393	5,118	5,940	6,548
B. Provisions	2,275	1,658	1,658	1,658	1,658	1,658
C. Liabilities	8,890	21,325	22,722	23,025	23,358	23,542
t/o Financial liabilities	6,296	18,366	18,366	18,366	18,366	18,366
t/o pre-payments	384	116	116	116	116	116
t/o Accounts payable	1,384	1,632	3,029	3,332	3,665	3,849
t/o Others	826	1,211	1,211	1,211	1,211	1,211
D. Deferred tax liabilities	958	942	942	942	942	942
Balance Sheet Total	29,364	43,820	53,208	57,193	61,870	66,926

Source: CEOTRONICS AG (a), BankM Research (e)

Balance Sheet Ratios

In % of Balance Sheet Total	2022/23a	2023/24a	2024/25e	2025/26e	2026/27e	2027/28e
Total Fixed Assets	43.31	29.27	24.11	22.43	20.73	19.16
Total Current Assets	55.92	70.28	75.53	77.23	78.95	80.54
Others	0.77	0.45	0.37	0.34	0.32	0.29
Shareholder's Equity	58.71	45.40	52.41	55.20	58.04	60.94
Provisions	7.75	3.78	3.12	2.90	2.68	2.48
Total Liabilities	30.28	48.66	42.70	40.26	37.75	35.18

Source: CEOTRONICS AG (a), BankM Research (e)

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Responsible for the content of this document: BankM AG, Frankfurt am Main, Germany ("BankM").

Authors: Daniel Grossjohann and Dr. Roger Becker (CEFA), analysts. We appreciate the qualified support of Jan Kaden during his internship as part of his dual study program.

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Issuer of the analysed instruments is CEOTRONICS AG.

Notice regarding previous publications regarding the issuer within the last 12 months:

Analysts	Date	Valuation result	Fair value
Daniel Großjohann, Dr. Roger Becker (CEFA)	April 18, 2024	Buy	€7.65
Daniel Großjohann, Dr. Roger Becker (CEFA)	April 24, 2024	Buy	€ 8.05
Daniel Großjohann, Dr. Roger Becker (CEFA)	June 5, 2024	Buy	€ 8.16
Daniel Großjohann, Dr. Roger Becker (CEFA)	July 23, 2024	Buy	€ 8.11
Daniel Großjohann, Dr. Roger Becker (CEFA)	September 12, 2024	Buy	€ 7.88
Daniel Großjohann, Dr. Roger Becker (CEFA)	October 9, 2024	Buy	€ 7.94
Daniel Großjohann, Dr. Roger Becker (CEFA)	January 29, 2025	Buy	€ 8.37

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3. Date and time of finalisation of this document (German original):

April 10, 2025, 10:00am (CEST)

4. Date and time of prices of the instruments quoted in this document:

Closing prices of April 9, 2025, 5:30pm (CEST)

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