

SECO

Technology

Orders Improve, Edge AI Builds

SECO is a global tech group delivering AIoT solutions via advanced edge systems and its proprietary Clea platform. Backed by strong R&D and targeted M&A, it ranks among the top 5 in embedded edge computing worldwide.

1Q26: Order intake high, net debt up on inventory build

SECO posted a **resilient 1Q26**, with revenues of €48.5mn (+2.9% YoY) broadly in line with company guidance, and healthy gross profit of €25.4mn (52.3% margin) despite rising memory prices. Adj. EBITDA came in at €9.1mn (18.7% margin, vs. 20.0% in 1Q25), with the margin compression mainly reflecting cost headwinds mitigated by tight Opex control. On the balance sheet, Adj. Net Debt expanded to €44.1mn (vs. €35.8mn at FY25), driven by a €9.8mn strategic inventory build-up to secure component supply for the full year, partly offset by a €9.3mn increase in trade payables.

Management's **key earnings call takeaways**: 1) order intake averaged +60% YoY Jan–Apr with book-to-bill above 1x; 2) 2Q26 revenue guidance >€50mn; 3) Clea recurring revenues +20% YoY (66% of Clea sales); 4) Modular Vision building pipeline (€13.1mn, 42k units/year); 5) Germany stabilisation remains a key catalyst for a broader EMEA recovery.

Recent milestones strengthen SECO's credibility in Edge AI

YTD, SECO has delivered several strategic updates reinforcing its Edge AI positioning. In particular: **i)** Boeing stands out as the clearest proof-point of execution in a mission-critical aerospace & defense program; **ii)** Intel confirms continued alignment with next-generation embedded and AI roadmaps; **iii)** Qualcomm broadens the AI angle, supporting a more diversified Edge AI offering; and **iv)** Hitachi Energy validates Clea's scalability through a multi-year industrial IoT agreement.

Limited Estimate Fine-Tuning After 1Q26

Following 1Q26 results, we revise our forecasts to reflect a slightly softer starting point and a more prudent revenue phasing. We now cut Net Sales by ca. 3% p.a., Gross Profit by ca. 5%, and Adj. EBITDA by ca. 7%, while Adj. Net Profit is revised down by a low double-digit percentage. Adj. Net Debt is also slightly worse than previously expected, by just over €3mn, mainly due to the temporary working capital absorption linked to higher inventories. That said, the medium-term investment case remains broadly intact. By FY27E, we now forecast: i) Net Sales of €232.9mn, implying a FY25–27E CAGR of +9%; ii) Adj. EBITDA of €51.9mn, equivalent to a 22.3% margin; and iii) Adj. Net Debt declining to €27.5mn, equal to 0.53x Adj. EBITDA.

Fair Value unchanged at €3.70 p/s

We keep our Fair Value unchanged at €3.70 p/s, as resilient 1Q26 results, strong order intake, improving Edge AI positioning and peer multiple expansion offset our estimates fine-tuning.

Tommaso Martinacci

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FAIR VALUE (€) **3.70**

MARKET PRICE (€) **2.76**

MARKET CAP (€mn) **366.5**

KEY FINANCIALS	FY25	FY26E	FY27E
NET SALES	197.6	211.5	232.9
ADJ. EBITDA	40.2	44.1	51.9
ADJ. EBIT	21.4	21.9	28.6
ADJ. NET PROFIT	13.1	13.5	18.9
NET EQUITY	294.5	306.5	324.9
ADJ. NET DEBT (-) / NET CASH (+)	-37.6	-44.0	-27.5
ADJ. EPS	0.10	0.10	0.14
DPS	0.00	0.00	0.00

Source: SECO (historical figures), Value Track (estimates)

RATIOS AND MULTIPLES	FY25	FY26E	FY27E
ADJ. EBITDA MARGIN (%)	20.3	20.9	22.3
ADJ. EBIT MARGIN (%)	10.8	10.4	12.3
ADJ. NET DEBT / ADJ. EBITDA (x)	0.9	1.0	0.5
ADJ. NET DEBT / NET EQUITY (x)	0.1	0.1	0.1
ADJ. ROE (%)	3.6	3.5	4.8
EV / SALES (x)	2.2	2.1	1.8
EV / EBITDA ADJ. (x)	10.9	10.0	8.2
EV / EBIT ADJ. (x)	20.4	20.2	14.9
P / E ADJ. (x)	28.0	27.2	19.4

Source: SECO (historical figures), Value Track (estimates)

STOCK DATA	
MARKET PRICE (€)	2.76
NOSH (mn)	133.0
MARKET CAP (€mn)	366.5
ENTERPRISE VALUE (€mn)	442.7
FREE FLOAT (%)	27.9
AVG L30D VOLUME	137,592
RIC / BBG	IOT.MI / IOTIM
52 WK MAX (€)	3.61
52 WK MIN (€)	1.80

Source: Stock Market Data

Description

SECO is a global technology group specializing in integrated edge-to-cloud solutions for the AI Internet of Things (AIoT).

With over 800 professionals, 5 production sites, and 9 R&D centers, it serves 450+ clients across key verticals such as vending, industrial automation, fitness, and medical.

Its offering combines customized, value-added edge systems with Clea, a proprietary AI-powered platform that transforms field data into actionable insights and recurring revenues. Backed by robust in-house R&D and a track record of 8 M&A deals since 2018, SECO is recognized among the world's top 5 players in embedded edge computing.

Financial Highlights

KEY FINANCIALS (IAS, €mn)	FY25	FY26E	FY27E
Net Sales	197.6	211.5	232.9
YoY (%)	8%	7%	10%
Adj. EBITDA	40.2	44.1	51.9
Adj. EBITDA Margin (%)	20%	21%	22%
Adj. EBIT	21.4	21.9	28.6
Adj. EBIT Margin (%)	11%	10%	12%
Adj. Net Profit	13.1	13.5	18.9
YoY (%)	nm	3%	40%
Adj. Total Comprehensive Income	13.4	12.7	18.9
YoY (%)	-17%	-5%	48%
Adj. Net Financial Position	-37.6	-44.0	-27.5
Adj. Net. Fin. Pos. / EBITDA (x)	0.9	1.0	0.5
Capex	-18.0	-26.0	-22.0
OpFCF b.t.	22.5	6.9	26.7
OpFCF b.t. / Adj. EBITDA (%)	56%	16%	51%

Source: SECO, Value Track Analysis

Investment Case

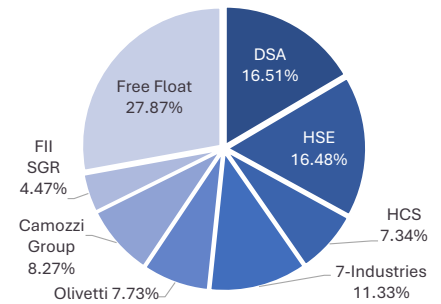
Strengths / Opportunities

- Fully integrated IoT offering, from edge computing to software stack;
- Exposure to secular growth drivers (e.g., digital transformation and AI);
- Diversified and loyal customer base with long-term relationships;
- Highly fragmented market enables selective M&A.

Weaknesses / Risks

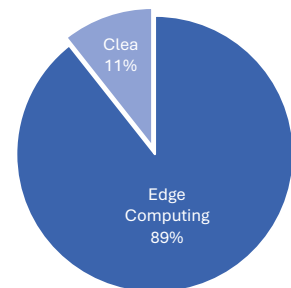
- Smaller scale vs. global competitors;
- Sensitive to macroeconomic swings and industrial capex cycles;
- Dependence on electronic components shortages and price volatility.

SHAREHOLDERS' STRUCTURE



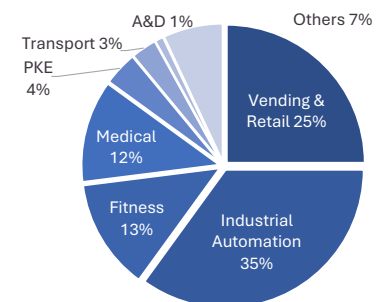
Source: SECO

NET SALES BY SOLUTION



Source: SECO, FY25

NET SALES BY VERTICAL



Source: SECO, FY25

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	2.7	2.4
EV / EBITDAADJ. (x)	12.9	10.6
EV / EBITADJ. (x)	26.0	19.3
EV / CAP. EMPLOYED	1.6	1.6
OpFCF Yield (%)	1.2	4.8
P / E ADJ. (x)	36.5	26.1
P / BV (x)	1.6	1.5
Dividend Yield (%)	0.0	0.0

Source: Value Track Analysis

1Q26 Results

Key Figures & Messages

1Q26 confirms a resilient trajectory, with the highest order intake on record in February and March, revenues growing in line with company guidance, and a healthy gross margin despite a tougher cost backdrop (higher memory purchasing prices). On the balance-sheet side, Adj. Net Debt expanded QoQ, driven by inventory build-up aimed at securing customer production requirements for the entire FY26.

SECO: Key Financials 1Q24-1Q25-1Q26

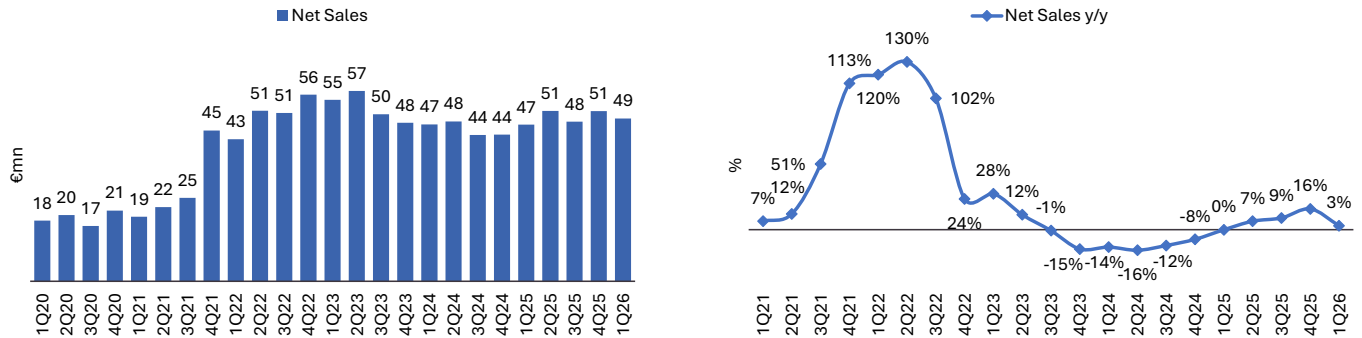
Key Financials (IAS, €mn)	1Q24	1Q25	1Q26	YoY
Net Sales	47.2	47.2	48.5	3%
Adj. Gross Profit	26.4	25.1	25.4	1%
Adj. Gross Margin (%)	56.0%	53.2%	52.4%	-85bps
Adj. EBITDA	10.4	9.4	9.1	-4%
Adj. EBITDA Margin (%)	22.0%	20.0%	18.8%	-127bps
Adj. Net Profit	2.4	2.3	2.2	-2%
Adj. Net Debt	-57.3	-50.2	-44.1	nm

Source:SECO, Value Track Analysis

In detail, 1Q26 results show:

- **Net Sales at €48.5mn**, up +2.9% YoY vs €47.2mn in 1Q25, broadly in line with company guidance, reflecting a gradual recovery of order levels from customers and a strong rebound in sales volumes across industrial verticals, with APAC and EMEA leading the trend. In particular:
 - Edge Computing at €44.5mn, up +8% YoY, confirming that the recovery remains primarily driven by the Group's core embedded hardware & system solutions activities;
 - CLEA at €4.1mn (8% of revenue in the period), down from €5.9mn in 1Q25 due to a shift of part of the non-recurrent component, as projects move into the deployment stage; importantly, recurring revenues accelerated to €2.7mn (66% of Clea sales), up +20% YoY, confirming the underlying strategic trajectory of the platform business as well as the growing adoption of the Clea software framework as a central enabler of customers' digital transformation at the edge;
- **Gross Profit at €25.4mn**, with a Gross Margin of 52.3%, up +1.2% YoY in absolute terms vs €25.1mn (53.2%) in 1Q25. The margin shows resilience despite the impact of rising memory prices, mitigated through supply chain management actions; in addition, a price increase agreed with customers aimed at covering the additional procurement costs will become effective starting from 2Q26;
- **Adj. EBITDA at €9.1mn**, corresponding to an Adj. EBITDA Margin of 18.7%, vs €9.4mn / 20.0% in 1Q25, down -3.9% YoY. The decrease is explained by the gross margin dynamics, while Opex remained under tight control. Adjustments amounted to c.€1.4mn in the period, mainly related to the non-monetary value of the stock option plans (€1.0mn) and FX losses (€0.3mn);
- **Adj. Net Profit at €2.2mn**, vs €2.3mn in 1Q25, down a marginal -2.4% YoY, in line with the operating dynamics described above. On a reported basis, Net Income turned positive at €0.5mn in 1Q26 vs a €1.3mn loss in 1Q25, also benefiting from materially lower financial charges in the period;
- **Adj. Net Debt at €44.1mn** vs €37.6mn at YE25, with the QoQ increase mainly linked to working capital dynamics. In particular, the quarter saw a €9.8mn inventory build-up – reflecting strategic purchases of memory stock to secure customer production requirements for the entire FY26 – partially offset by a €9.3mn increase in trade payables. The change also incorporates €7.3mn of extraordinary payments related to the investment in the new production plant in the Arezzo area and the setup of new production lines in Hangzhou. Gross of IFRS 16 lease liabilities and the VAT credit adjustment, the unadjusted Net Financial Position moved from €47.2mn at YE25 to €53.9mn at the end of 1Q26.

SECO: Net Sales by Quarters



Source: SECO, Value Track Analysis

SECO: Net Sales by Solution from 1Q24 to 1Q26

Net Sales (IAS, €mn)	1Q24	1Q25	2Q25	3Q25	4Q25	1Q26	YoY
Edge Computing	39.9	41.3	45.1	43.5	46.8	44.5	8%
YoY (%)	-17%	3%	6%	9%	17%	8%	//
As a % of Total	85%	87%	88%	90%	91%	92%	//
Clea	7.3	5.9	6.1	4.6	4.4	4.0	-32%
YoY (%)	14%	-19%	14%	5%	2%	-32%	//
As a % of Total	15%	13%	12%	10%	9%	8%	//
Net Sales	47.2	47.2	51.2	48.0	51.2	48.5	3%

Source:SECO, Value Track Analysis

SECO: Net Sales by Vertical and by Geography 1Q26



Source: SECO, Value Track Analysis

SECO: EBITDA Adjustments 1Q24-1Q25-1Q26

EBITDA Adjustments (IAS, €mn)	1Q24	1Q25	1Q26	YoY
EBITDA	9.5	7.2	7.7	7%
EBITDA Margin (%)	20.1%	15.3%	15.9%	57bps
Exchange Gains / Losses	-0.3	0.4	0.3	-20%
Income / Charges Non-Core Activities	1.3	1.8	1.0	-43%
Non-Recurring Income / Charges Core Act.	0.0	0.0	0.1	nm
Adj. EBITDA	10.4	9.4	9.1	-4%
Adj. EBITDA Margin (%)	22.0%	20.0%	18.8%	-127bps

Source:SECO, Value Track Analysis

Additional takeaways from the **Management Earnings Call** were:

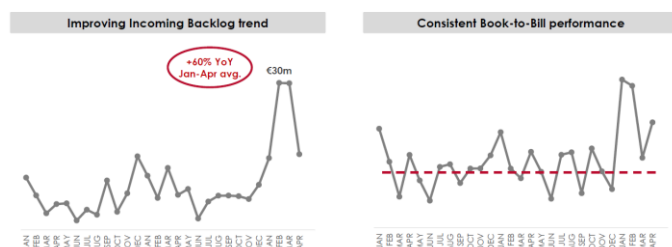
- **Order intake** remained the key positive message, with management highlighting an all-time high level and a Jan-Apr average up ca. +60% YoY. February was close to €30mn, while book-to-bill remained above 1x, supporting revenue visibility for FY26;
- **2Q26 guidance** points to sequential improvement, with management guiding for **revenues > €50mn**. However, this still does not yet indicate the double-digit YoY growth needed to trigger the first step of our previous milestone-based rerating framework;
- **Clea is increasingly shifting toward a recurring-led model**, with recurring revenues at €2.7mn, up +20% YoY and now accounting for 66% of Clea revenues. The non-recurring / NRE component continued to decline as projects move into deployment and devices are gradually connected to the platform;
- **Modular Vision showed encouraging early traction**, with more than 30 unique accounts, 13 active opportunities, a €13.1mn yearly pipeline and an estimated 42k units per year, supporting SECO's positioning in scalable Edge AI applications;
- **Geographic trends remained mixed**, with Southern Europe and APAC outperforming, while Germany continued to weigh on EMEA. Management indicated that Germany currently stands at around 30% of group revenues, broadly in line with historical levels, making any stabilization in German order intake a key leading indicator for a broader recovery;
- Overall, **management tone remained constructive**, supported by strong order intake, backlog visibility, Edge AI demand and growing adoption of the HW + Clea bundle. However, the lack of double-digit growth in 1Q26 suggests that the first rerating step should be delayed rather than front-loaded.

SECO: Order Intake / Book-to-Bill Evolution and 2Q26E Guidance

Building a strong year: continued momentum in order intake



Healthy conversion of pipeline into confirmed orders, contributing to backlog and business visibility

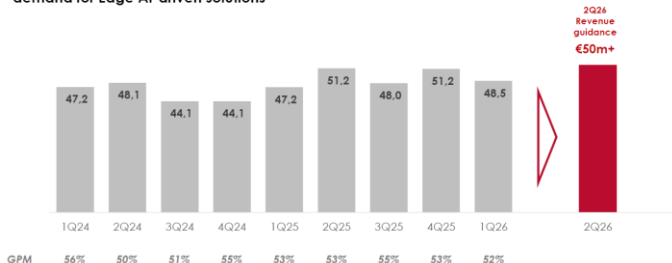


Source: SECO

2Q26 guidance



While the environment remains complex, the year is starting on a strong pace, supported by robust demand for Edge AI-driven solutions



SECO: Commercial Traction Evolution and Supply Chain Market Update

Modular Vision - Commercial traction update

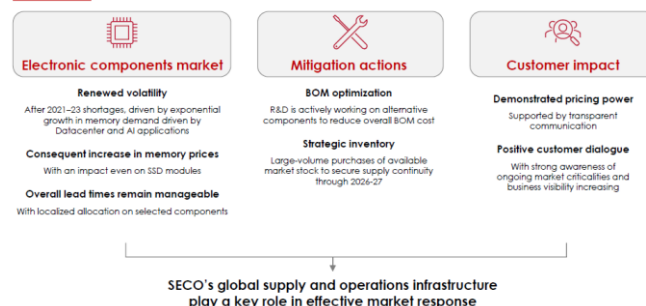


Early market adoption shows growing traction across customers, distributors and technology partners



Source: SECO

Supply chain market update: 2026 a challenging year



Financial Statements 1Q25-1Q26

SECO: Profit & Loss 1Q25-1Q26

P&L (IAS, €mn)	1Q25	1Q26	YoY
Net Sales	47.2	48.5	3%
Consumption Costs (incl. Δ Inventory)	-22.1	-23.1	5%
Adjustments	0.0	0.0	nm
Gross Profit	25.1	25.4	1%
Gross Profit Margin (%)	53.2%	52.4%	-85bps
Costs for Services	-6.3	-5.5	-13%
Personnel Costs	-10.6	-10.9	2%
Other Revenue / Costs / Adjustments	1.3	0.1	-96%
Adj. EBITDA	9.4	9.1	-4%
Adj. EBITDA Margin (%)	20.0%	18.7%	-127bps
D&A	-6.1	-5.9	-2%
Others / Adjustments	1.3	1.3	-3%
Adj. EBIT	4.7	4.5	-6%
Adj. EBIT Margin (%)	10.0%	9.2%	-86bps
Net Financial Charges (incl. FX)	-2.4	-1.4	-43%
Taxes	-0.4	-0.3	-31%
Adjustments	0.4	-0.6	-267%
Adj. Net Profit	2.3	2.2	-2%

Source: SECO, Value Track Analysis

SECO: Balance Sheet FY25-1Q26

Balance Sheet (IAS, €mn)	FY25	1Q26
Net Fixed Assets	296.8	297.9
Net Working Capital	64.7	72.9
Provisions	31.3	29.8
Total Capital Employed	330.2	341.0
Group Net Equity	294.5	296.9
Adj. Net Financial Position	-35.8	-44.1

Source: SECO, Value Track Analysis

SECO: Cash Flow Statement 1Q26

Cash Flow Statement (IAS, €mn)	1Q26
Adj. EBITDA	9.1
Δ Net Working Capital (incl. Prov.)	-9.7
Capex (excl. Fin. Investments)	-6.9
OpFCF (b.t.)	-7.5
As a % of Adj. EBITDA	<0
Cash Taxes	-0.3
Dividends Paid	0.0
Net Financial Charges	-1.4
Other	0.8
Δ Adj. Net Financial Position	-8.3

Source: SECO, Value Track Analysis

Forecasts FY26E-27E

Estimates Review

Following 1Q26 results, **we fine-tune our estimates**, starting from a slightly softer base than the one embedded in our post-FY25 update published at the end of March. Revenues came in marginally below the €49mn indication, mainly due to a short order shift, which management described as a timing issue rather than demand-related. At the same time, profitability was slightly weaker than expected, with Gross Profit margin affected by higher memory costs and Adj. EBITDA also impacted by lower other revenues linked to R&D.

That said, we do not see 1Q26 as changing the broader recovery story. Management indicated that price increases have already been agreed with customers, supporting a margin recovery from 2Q26 and a more normalized situation in the second half of the year. In addition, early signs of recovery in Germany and the strong order intake recorded in the first months of 2026 support management's expectation of a more significant growth path in 2H26E.

Against this backdrop, we slightly revise our estimates downwards. In more detail, our revised forecasts reflect:

- **Net Sales** cut by ca. 3% p.a. over our forecast horizon, reflecting the softer 1Q26 starting point and a more prudent phasing of backlog conversion, while still assuming a visible acceleration in 2H26E;
- **Gross Profit** lowered by ca. 5%, reflecting both the lower revenue base and the temporary pressure from higher memory costs, partly offset from 2Q26 onwards by already-agreed price increases;
- **Adj. EBITDA** reduced by ca. 7% in FY26E/FY27E, mainly due to the lower Gross Profit base and lower other revenues related to R&D, although we continue to expect operating leverage to improve as volumes recover;
- **Adj. Net Debt** worsened by slightly more than €3mn, mainly reflecting the temporary NWC absorption linked to strategic inventory build-up. Despite this, leverage remains under control, with Adj. Net Debt / Adj. EBITDA expected at 1.0x in FY26E and 0.5x in FY27E.

SECO: Estimates Old vs. New

Key Financials (IAS, €mn)	FY26E			FY27E		
	Old	New	Δ	Old	New	Δ
Net Sales	218.5	211.5	-3%	241.1	232.9	-3%
YoY (%)	10.6%	7.1%	-353bps	10.3%	10.1%	-25bps
Adj. EBITDA	47.7	44.1	-8%	55.2	51.9	-6%
Adj. EBITDA Margin (%)	21.8%	20.9%	-97bps	22.9%	22.3%	-60bps
Adj. EBIT	24.4	21.9	-10%	31.9	28.6	-10%
Adj. EBIT Margin (%)	11.2%	10.4%	-82bps	13.2%	12.3%	-95bps
Adj. Net Profit	16.1	13.5	-16%	21.3	18.9	-11%
Adj. Net Debt	-40.6	-44.0	-3.4	-24.5	-27.5	-3.0

Source: Value Track Analysis

Key Forecasts & Drivers

Our revised estimates incorporate 1Q26 results and a more prudent revenue phasing. Despite the downward revision, we still expect growth and margins to improve through FY27E. By FY27E, we forecast:

- **Net Sales** of **€232.9mn**, implying a FY25–27E CAGR of +9%;
- **Adj. EBITDA** of **€51.9mn**, implying a +14% CAGR and a margin of 22.2%;
- **Adj. Net Debt** of **€27.5mn**, equal to 0.53x Adj. EBITDA.

This trajectory is mainly driven by:

- 1# Backlog-driven revenue recovery**, with the strong order intake recorded in early 2026 expected to support a more visible acceleration from 2H26E;
- 2# Margin normalization**, as customer price increases gradually offset memory cost inflation and volume recovery improves cost absorption;
- 3# Controlled deleveraging**, with higher 1Q26 inventories delaying, but not preventing, the expected reduction in Adj. Net Debt / Adj. EBITDA through FY27E.

SECO: Net Sales by Solution FY25-27E

Net Sales (IAS, €mn)	FY25	FY26E	FY27E	CAGR
Edge Computing	176.6	192.7	207.5	8%
YoY	9%	9%	8%	//
As a % of Total	89%	91%	89%	//
Clea	21.0	18.8	25.4	10%
YoY	-2%	-10%	35%	//
As a % of Total	11%	9%	11%	//
Net Sales	197.6	211.5	232.9	9%
YoY	8%	7%	10%	//

Source: SECO, Value Track Analysis

SECO: EBITDA Adjustments FY25-27E

EBITDA Adjustments (IAS, €mn)	FY25	FY26E	FY27E	CAGR
EBITDA	33.0	41.1	51.4	25%
EBITDA Margin (%)	16.7%	19.4%	22.1%	535bps
Adjustments	7.2	3.1	0.5	nm
Adj. EBITDA	40.2	44.1	51.9	14%
Adj. EBITDA Margin (%)	20.3%	20.9%	22.3%	193bps
Capitalized Development Costs	-17.1	-16.0	-16.0	-3%
Cash Adjustments	0.0	0.0	0.0	nm
Adj. Cash EBITDA	23.1	28.1	35.9	25%
Adj. Cash EBITDA Margin (%)	11.7%	13.3%	15.4%	372bps

Source: SECO, Value Track Analysis

Financial Statements FY25-27E

SECO: Profit & Loss FY25-27E

P&L (IAS, €mn)	FY25	FY26E	FY27E	CAGR
Net Sales	197.6	211.5	232.9	9%
Consumption Costs (incl. Δ Inventory)	-91.7	-100.5	-108.4	9%
Adjustments	0.0	0.0	0.0	-100%
Adj. Gross Profit	105.9	111.1	124.5	8%
Adj. Gross Profit Margin (%)	53.6%	52.5%	53.4%	-15bps
Costs for Services	-24.3	-22.6	-24.5	0%
Personnel Costs	-44.1	-42.6	-42.8	-2%
Other Revenue / Costs / Adjustments	2.7	-1.7	-5.4	nm
Adj. EBITDA	40.2	44.1	51.9	14%
Adj. EBITDA Margin (%)	20.3%	20.9%	22.3%	193bps
D&A	-24.3	-23.3	-23.3	-2%
Others / Adjustments	5.5	1.1	0.0	-100%
Adj. EBIT	21.4	21.9	28.6	16%
Adj. EBIT Margin (%)	10.8%	10.4%	12.3%	145bps
Net Financial Charges (incl. FX)	-8.3	-3.8	-2.6	-44%
Taxes	-1.4	-4.0	-7.1	123%
Adjustments	1.4	-0.6	0.0	-100%
Adj. Net Profit	13.1	13.5	18.9	20%

Source: SECO, Value Track Analysis

SECO: Balance Sheet FY25-27E

Balance Sheet (IAS, €mn)	FY25	FY26E	FY27E
Net Fixed Assets	296.8	304.0	302.7
Net Working Capital	66.3	76.4	79.7
Provisions	31.0	30.0	30.1
Total Capital Employed	332.1	350.5	352.4
Group Net Equity	294.5	306.5	324.9
Adj. Net Financial Position	-37.6	-44.0	-27.5

Source: SECO, Value Track Analysis

SECO: Cash Flow Statement FY25-27E

Cash Flow Statement (IAS, €mn)	FY25	FY26E	FY27E
Adj. EBITDA	40.2	44.1	51.9
Δ Net Working Capital (incl. Prov.)	0.3	-11.2	-3.2
Capex (excl. Fin. Investments)	-18.0	-26.0	-22.0
OpFCF (b.t.)	22.5	6.9	26.7
As a % of Adj. EBITDA	56%	16%	51%
Cash Taxes	-1.4	-4.0	-7.1
Net Financial Charges	-8.3	-3.8	-2.6
Others	-9.0	-5.5	-0.5
Δ Adj. Net Financial Position	3.7	-6.4	16.5

Source: SECO, Value Track Analysis

Valuation

Fair Value unchanged at €3.70 p/s

Following our estimate fine-tuning post-1Q26, we keep our **Fair Value unchanged at €3.70 p/s**, based on SOTP valuation methodology. At this stage, we put the block-by-block rerating framework on stand-by, as Milestone #2 — three consecutive quarters of double-digit sales growth — has not been achieved. However, we do not revise our valuation downwards, as 1Q26 results were broadly in line with the development path we expected, while order intake remained strong.

Since our latest update at end-March, SECO's peer group has rerated significantly: average peer share prices are up ca. 37%, versus +8% for SECO, while EBITDA estimates are broadly unchanged. This implies higher peer trading multiples, partly offsetting our limited estimate cuts. However, we do not fully reflect this rerating in our Fair Value, as part of the multiple expansion appears linked to the AI infrastructure theme, which remains volatile from an equity market perspective.

SECO: Multiples Change Drivers (*)

Peers	Mkt Cap (€mn)	Price p/s (€)			EBITDA FY26E			EV/EBITDA FY26E (x)		
		Old	New	Change	Old	New	Change	Old	New	Change
Advantech Co., Ltd.	7,768	8.85	12.94	46%	407	449	10%	17.3	23.9	38%
Adlink Technology Inc.	350	1.60	2.51	57%	39	42	9%	na	na	nm
Kontron AG	1,264	19.22	22.90	19%	225	222	-2%	5.9	7.1	20%
Mercury Systems, Inc.	4,301	67.58	77.19	14%	121	121	-1%	>30	>30	nm
Digi International Inc.	1,698	42.81	55.54	30%	113	114	2%	14.3	18.4	29%
Raspberry PI Holdings plc	747	3.70	8.33	125%	36	32	-10%	20.0	>30	nm
Lantronix, Inc.	210	4.92	5.26	7%	6	5	-12%	18.0	23.2	28%
PTC Inc.	15,862	128.81	122.70	-5%	1,105	1,109	0%	14.2	13.5	-4%
Average	4,025	//	//	37%	//	//	0%	//	//	22%
Median	1,481	//	//	24%	//	//	0%	//	//	28%

Source: FactSet; (*) "Old" refers to our previous Update Report published on 23 March 2026

SECO: Peers Trading Multiples

Peers	Mkt Cap (€mn)	EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)		P/E Adj. (x)	
		FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
Advantech Co., Ltd.	11,271	4.7	4.1	23.9	20.4	26.1	22.0	31.2	26.9
Adlink Technology Inc.	548	na	na	na	na	na	na	22.6	18.6
Kontron AG	1,489	0.9	0.8	7.1	6.0	11.6	8.7	14.5	11.4
Mercury Systems, Inc.	4,810	6.1	5.5	>30	>30	<0	>40	<0	>50
Digi International Inc.	2,194	4.8	4.5	18.4	16.6	32.4	27.6	49.6	38.0
Raspberry PI Holdings plc	1,689	3.9	3.3	>30	>30	>40	>40	>50	>50
Lantronix, Inc.	228	1.2	1.1	23.2	11.0	24.9	11.3	<0	>50
PTC Inc.	14,309	6.5	6.0	13.5	12.3	14.0	12.9	18.0	17.4
Average	4,567	4.0	3.6	17.2	13.2	21.8	16.5	27.2	22.5
Median	1,941	4.7	4.1	18.4	12.3	24.9	12.9	22.6	18.6
SECO	366	2.1	1.8	10.0	8.2	20.2	14.9	27.2	19.4
Premium / Discount vs. Median (%)	-81%	-55%	-56%	-46%	-33%	-19%	15%	20%	4%

Source: FactSet

Below, we provide a multiple sensitivity showing different Fair Equity Value per share levels for SECO

SECO: Multiples Sensitivity

Fair Equity Value p/s (€)	EV/EBITDA Adj. (x)		EV/EBIT Adj. (x)		P/E Adj. (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
2.95	10.6	8.7	21.4	15.8	29.1	20.8
3.20	11.4	9.4	22.9	17.0	31.5	22.5
3.45	12.1	10.0	24.4	18.1	34.0	24.3
3.70	12.9	10.6	26.0	19.3	36.5	26.1
3.95	13.6	11.3	27.5	20.5	38.9	27.8
4.20	14.4	11.9	29.0	21.6	41.4	29.6
4.45	15.1	12.6	30.5	22.8	43.9	31.4

Source: Value Track Analysis

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