

SECO

Technology

Recovery Underway, NEURA Adds Upside

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.

1H26: Steady Top Line, Softer Profitability

SECO delivered a solid 1H26, marked by early signs of a recovery in commercial momentum, even as profitability and balance-sheet metrics remained under pressure. Net Sales grew +0.3% YoY to €98.7mn, with Edge Computing up +6% YoY to €91.2mn, while Clea revenues came in softer at €7.5mn (down from €12.0mn in 1H25), partly offset by a 13% YoY increase in recurring Clea revenues to €4.9mn. Profitability told a more mixed story: Gross Profit rose to €53.5mn and GPM reached 54.2%, both improving YoY and pointing to resilient revenue quality, yet Adj. EBITDA fell 8.2% YoY to €18.5mn (18.7% margin) and Adj. Net Profit dropped 24.7% to €5.5mn, as higher personnel costs from targeted R&D and Operations hiring — aimed at supporting the ramp-up of the new Arezzo plant — more than offset the GPM gains. Adj. Net Debt rose to €47.7mn, from €37.6mn at FY25, driven mainly by a €17.8mn build-up in inventories tied to strategic memory purchases securing production through 2026 and into early 2027, only partly offset by a €15.9mn increase in trade payables.

SECO's momentum extends into Physical AI

SECO's own commercial momentum this year — with management confirming €60mn guidance for 3Q26 (+25% YoY), its best quarter on record — is the stronger signal, alongside product-level milestones with Boeing, Intel and Qualcomm. This traction, combined with the recently announced partnership with NEURA Robotics, positions SECO in the emerging Physical AI ecosystem, with mass production starting 1Q27 and management guiding to ~€25mn of FY27 NEURA-related revenues.

We broadly confirm our FY26E estimates: management's confirmation of the ~€60mn 3Q26 guidance supports our expected recovery in 2H26E, although we take a more prudent view on profitability. From FY27E, we raise our forecasts, mainly reflecting the take up of the NEURA Robotics partnership. Therefore, by FY28E, we now forecast: i) Net Sales of €300mn, implying ~+15% FY25–28E CAGR; ii) Adj. EBITDA of €67.3mn, equivalent to a 22.4% margin; and iii) Adj. Net Debt of €13.9mn, equal to ~0.2x Adj. EBITDA.

Fair Value up to €4.63 p/s (from €3.85)

We raise our Fair Value to €4.63 p/s (from €3.85 p/s), mainly reflecting the roll-forward of our SOTP valuation from FY26E to FY27E and the inclusion of NEURA Robotics in our forecasts.

At our new Fair Value, SECO would trade at 12.0x FY27E Adj. EV/EBITDA, still below the 18.8x peer median.

Tommaso Martinacci

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FAIR VALUE (€)	4.63
MARKET PRICE (€) (*)	4.02
MARKET CAP (€mn)	534.1

KEY FINANCIALS	FY25	FY26E	FY27E
NET SALES	197.6	219.4	260.2
ADJ. EBITDA	40.2	44.8	56.2
ADJ. EBIT	21.4	23.7	33.5
ADJ. NET PROFIT	13.1	15.0	21.4
NET EQUITY	294.5	308.2	329.0
ADJ. NET DEBT (-) / NET CASH (+)	-37.6	-44.4	-27.8
ADJ. EPS	0.10	0.11	0.16
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	20.4	21.6
ADJ. EBIT MARGIN (%)	10.8	10.8	12.9
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	3.7	5.4
EV / SALES (x)	2.3	2.8	2.3
EV / EBITDA ADJ. (x)	11.4	13.6	10.6
EV / EBIT ADJ. (x)	21.5	25.7	17.7
P / E ADJ. (x)	29.7	35.6	25.0

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

STOCK DATA	
MARKET PRICE (€)	4.02
NOSH (mn)	133.0
MARKET CAP (€mn)	534.1
ENTERPRISE VALUE (€mn)	605.4
FREE FLOAT (%)	27.9
AVG L30D VOLUME	212,618
RIC / BBG	IOT.MI / IOTIM
52 WK MAX (€)	4.08
52 WK MIN (€)	2.23

Source: Stock Market Data, (*) Stock Price as of 08/09/26

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	FY28
Net Sales	197.6	219.4	260.2	300.7
YoY (%)	8%	11%	19%	16%
Adj. EBITDA	40.2	44.8	56.2	67.3
Adj. EBITDA Margin (%)	20%	20%	22%	22%
Adj. EBIT	21.4	23.7	33.5	46.5
Adj. EBIT Margin (%)	11%	11%	13%	15%
Adj. Net Profit	13.1	15.0	21.4	32.5
YoY (%)	836%	14%	42%	52%
Adj. Total Comprehensive Income	10.8	12.9	21.4	32.5
YoY (%)	-34%	19%	66%	52%
Adj. Net Financial Position	-37.6	-44.4	-27.8	-13.9
Adj. Net. Fin. Pos. / EBITDA (x)	0.9	1.0	0.5	0.2
Capex	-18.0	-28.2	-26.0	-27.0
OpFCF b.t.	22.5	-0.8	28.0	28.0
OpFCF b.t. / Adj. EBITDA (%)	56%	-2%	50%	42%

Source: SECO, Value Track Analysis

Investment Case

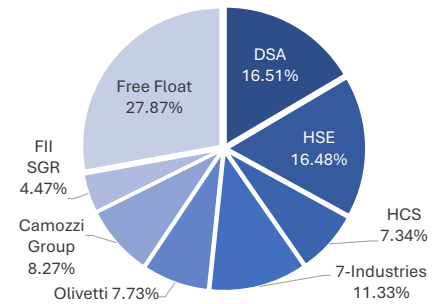
Strengths / Opportunities

- 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

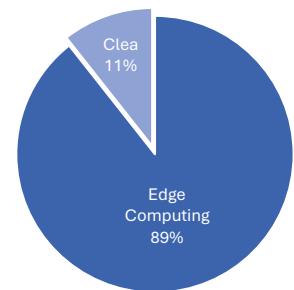
- Smaller scale vs. global competitors;
- Sensitive to macroeconomic swings and industrial capex cycles;
- Dependence on electronic components shortages and price volatility.

SHAREHOLDERS' STRUCTURE



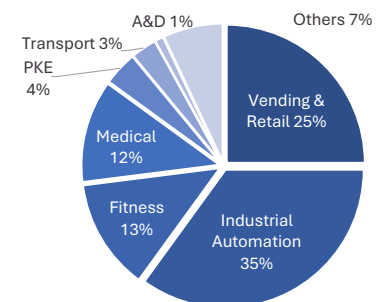
Source: SECO

NET SALES BY SOLUTION



Source: SECO, FY25

NET SALES BY VERTICAL



Source: SECO, FY25

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	3.2	2.6
EV / EBITDAADJ. (x)	15.5	12.0
EV / EBITADJ. (x)	29.2	20.1
EV / CAP. EMPLOYED	2.0	1.9
OpFCF Yield (%)	-0.1	4.1
P / E ADJ. (x)	41.1	28.8
P / BV (x)	2.0	1.9
Dividend Yield (%)	0.0	0.0

Source: Value Track Analysis

1H26 Results

Resilient 1H26 Results Despite Challenging Backdrop

On September 8th, SECO reported its **1H26 Results**, with Net Sales broadly flat YoY, GPM progressing despite a challenging supply-chain backdrop, but Adj. EBITDA declining on higher personnel costs. More in details, 1H delivered:

- **Net Sales** of **€98.7mn**, up +0.3% YoY;
- **Gross Profit** of **€53.5mn**, with a margin of 54.2%, up +80bps YoY;
- **Adj. EBITDA** of **€18.5mn** (18.7% margin), down -8.2% YoY;
- **Adj. Net Debt** of **€47.7mn**, vs. €37.6mn in FY25, with leverage at ~1.2x (based on LTM 1H26 Adj. EBITDA).

SECO: Key Financials 1H25-1H26

Key Financials (IAS, €mn)	1Q25	2Q25	1H25	1Q26	2Q26	1H26	YoY
Net Sales	47.2	51.2	98.4	48.5	50.2	98.7	0%
Adj. Gross Profit	25.1	27.4	52.5	25.4	28.1	53.5	2%
Adj. Gross Margin (%)	53%	53%	53%	52%	56%	54%	+84bps
Adj. EBITDA	9.4	10.7	20.1	9.1	9.4	18.5	-8%
Adj. EBITDA Margin (%)	20%	21%	21%	19%	19%	19%	-172bps
Adj. Net Debt	-50.2	-50.3	=2Q25	-44.1	-47.7	=2Q26	//

Source:SECO, Value Track Analysis

Key takeaways from the release / management commentary are:

- **Revenue Mix Shifting Toward Core Growth Drivers.** Edge Computing revenues reached €91.2mn, up +6% YoY, supported by good growth in EMEA and early signs of a rebound in the German market.
Clea revenues declined to €7.5mn from €12.0mn in 1H25, but the deterioration mainly reflects a positive mix shift rather than weaker underlying traction: recurring Clea revenues increased +13% YoY to €4.9mn, representing 65% of total Clea revenues, as projects move from one-off implementation towards deployment and ongoing platform connectivity.
Management is also lowering Clea's NRE fees toward zero to accelerate adoption and shift the mix further toward recurring revenue, which carries ~100% EBITDA conversion;
- **Margin Resilience,** but cost investment weighs on profitability. GPM increased by +80bps YoY to 54.2% (and by ~+400bps QoQ, to 56% in 2Q26 alone) — the sixth consecutive quarter of gross margin beating guidance — thanks to an improved ability to source components and price pass-through to clients that more than offset the increase in memory and other critical component prices.
However, Adj. EBITDA Margin declined to 18.7% from 20.0% in 1H25, as gross margin expansion was more than offset by higher personnel costs (~20 additional indirect headcount in R&D and logistics vs. 1H25) related to targeted hiring to support the ramp-up of the new Arezzo plant and strengthen capacity for future growth. Management noted part of these logistics costs should be reabsorbed from 3Q26, supporting better operating leverage as volumes scale — with Adj. EBITDA margin expected to consistently exceed 20% at €60mn+ quarterly revenue, given ~75% of OpEx is fixed;
- **NWC Absorbed Cash.** Inventories increased by €17.8mn, partly offset by a €15.9mn increase in Trade Payables. The inventory build mainly reflects strategic memory and PCB stock purchases aimed at securing customers' production requirements through FY26 and into early FY27, amid extended lead times and tighter allocation of critical components.

Management does not expect further significant inventory investment in 2H26, with the bulk of the build-up already completed;

- **Capacity in Place** to support growth. New PCBA plants in Italy and China are now fully operational, lifting production capacity to approximately €350mn in annualized revenue — providing headroom for both organic growth and the NEURA ramp-up;

SECO: Arezzo Plant Ramp-Up. New production capacity now fully operational

Arezzo & Hangzhou upgrades support SECO's future business expansion, efficiency and scalability



Source: SECO Presentation

- **Leadership Change.** The Board appointed Marco Letizia as Head of Corporate Development & Investor Relations, succeeding Clarence Nahan;
- **Guidance.** Management confirmed 3Q26 guidance, with Net Sales expected at around €60mn (+25% YoY), implying a new quarterly record. The outlook is supported by order intake up +55% YoY to ~€50mn, with backlog also up +55% YoY YTD (July) and a book-to-bill ratio of ~1.4x, alongside a strengthening pipeline of new design wins.
- **Partnership with NEURA Robotics.** Also, SECO announced a strategic partnership with NEURA Robotics (as analyzed later), covering custom Qualcomm-based compute modules across all five NEURA robot types (humanoid, personal assistant, robot arm, mobile manipulator and quadruped), with mass production expected to start in 1Q27 (management guided to at least €25mn of NEURA-related revenues in 2027).

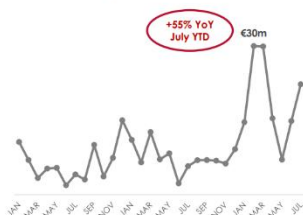
SECO: Backlog / Book-to-Bill Evolution and 3Q26 Guidance

Building a strong year: continued momentum in order intake

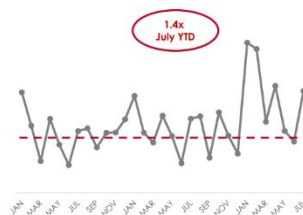
SECO

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

Improving Incoming Backlog trend



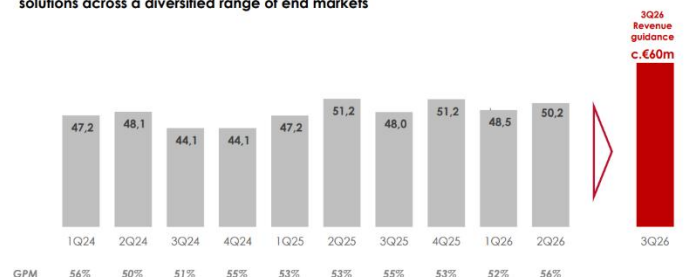
Consistent Book-to-Bill performance



3Q26 guidance

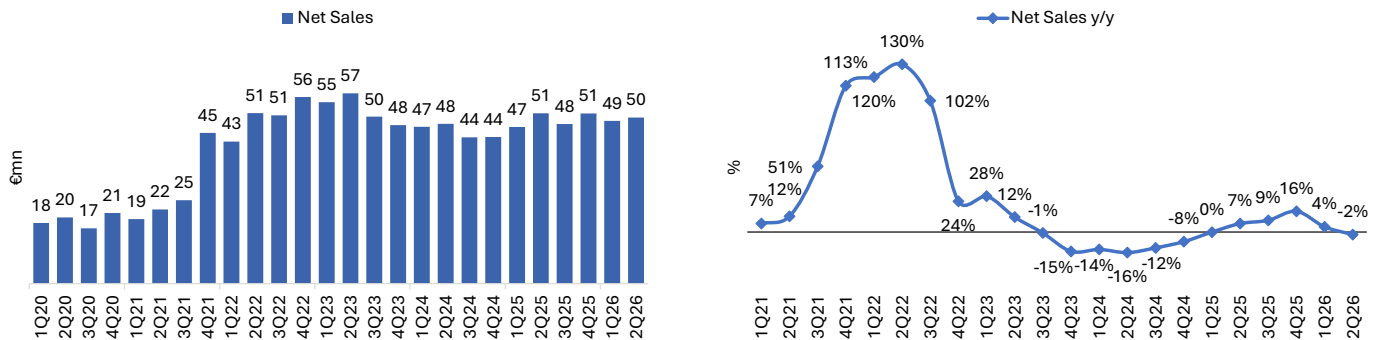
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Revenue expected to grow at +25% YoY, reflecting strong demand for Physical and Edge AI solutions across a diversified range of end markets



Source: SECO, Value Track Analysis

SECO: Net Sales by Quarters



Source: SECO, Value Track Analysis

SECO: Net Sales by Solution 1Q25-1H26

Net Sales (IAS, €mn)	1Q25	2Q25	1H25	1Q26	2Q26	1H26
Edge Computing	41.3	45.1	86.4	44.5	46.7	91.2
YoY (%)	3%	6%	4%	8%	3%	6%
As a % of Total	87%	88%	88%	92%	93%	92%
Clea	5.9	6.1	12.0	4.0	3.5	7.5
YoY (%)	-19%	14%	-5%	-32%	-42%	-37%
As a % of Total	13%	12%	12%	8%	7%	8%
Net Sales	47.2	51.2	98.4	48.5	50.2	98.7

Source: SECO, Value Track Analysis

SECO: Net Sales by Vertical and by Geography 1H26



Source: SECO, Value Track Analysis

SECO: Profit & Loss 1H21-1H26

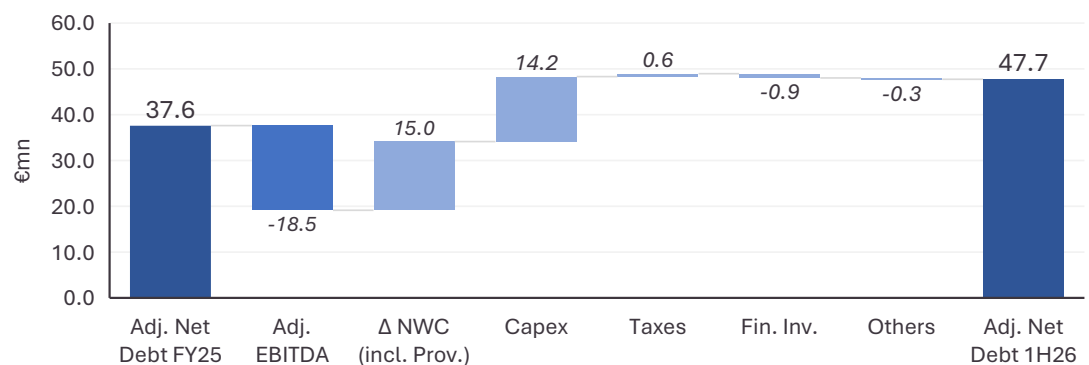
P&L (IAS, €mn)	1H21	1H22	1H23	1H24	1H25	1H26	YoY
Net Sales	41.8	94.1	111.9	95.3	98.4	98.7	0%
Consumption Costs (incl. Δ Inventory)	-21.7	-50.1	-56.4	-45.1	-45.9	-45.2	-1%
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	nm
Adj. Gross Profit	20.1	44.0	55.5	50.3	52.5	53.5	2%
Adj. Gross Profit Margin (%)	48.1%	46.8%	49.6%	52.8%	53.4%	54.2%	84bps
Costs for Services	-3.6	-9.3	-10.2	-15.4	-12.5	-12.1	-3%
Personnel Costs	-9.2	-16.8	-19.8	-20.4	-21.8	-23.7	9%
Other Revenue / Costs / Adjustments	2.0	2.2	0.9	1.3	1.9	0.8	-55%
Adj. EBITDA	9.3	20.1	26.5	15.8	20.1	18.5	-8%
Adj. EBITDA Margin (%)	22.3%	21.4%	23.7%	16.6%	20.5%	18.7%	-172bps
D&A	-3.0	-6.5	-9.5	-10.8	-11.1	-11.9	7%
Others / Adjustments	-0.3	0.3	1.0	2.0	2.0	2.0	1%
Adj. EBIT	6.0	13.9	18.0	7.0	11.0	8.6	-22%
Adj. EBIT Margin (%)	14.4%	14.8%	16.1%	7.3%	11.2%	8.7%	-247bps
Net Financial Charges (incl. FX)	0.1	-2.0	-1.7	0.0	-2.4	-1.9	-19%
Taxes	-1.4	-3.0	-3.8	-1.7	-0.9	-0.6	-32%
Adjustments	-0.1	-0.3	0.2	-1.4	-0.4	-0.6	33%
Adj. Group Net Profit	4.6	8.6	12.6	3.9	7.3	5.5	-25%

Source: SECO, Value Track Analysis

SECO: Balance Sheet 1H22-1H26

Balance Sheet (IAS, €mn)	1H22	1H23	1H24	1H25	FY25	1H26
Net Fixed Assets	245.7	309.2	312.0	296.1	296.8	299.0
Net Working Capital	72.7	91.0	91.7	77.6	66.3	78.5
Provisions	21.3	30.3	32.8	29.5	31.0	30.1
Total Capital Employed	297.1	369.9	370.8	344.2	332.1	347.4
Group Net Equity	174.5	309.7	309.9	294.0	294.5	299.7
Adj. Net Financial Position	-122.6	-60.2	-61.0	-50.3	-37.6	-47.7

Source: SECO, Value Track Analysis

SECO: Cash Flow 1H26


Source: SECO, Value Track Analysis

NEURA Robotics Strategic Partnership

On September 7, 2026, SECO and NEURA Robotics unveiled a **strategic partnership** to industrialize and scale Physical AI from Europe. Below, we outline who NEURA is, what the deal entails, and our initial take on the opportunity for SECO.

NEURA Robotics at a glance

Founded in 2019 and headquartered in Metzingen (Germany), **NEURA Robotics** is a **Physical AI company** founded and led by CEO David Reger. The company develops **cognitive robots capable of seeing, hearing, feeling and learning**, spanning collaborative robots such as MAiRA and LARA, the autonomous mobile robot MAV, the humanoid 4NE1, and the personal assistant robot MiPA.

Neura solutions are designed to automate a broad range of tasks — from industrial assembly and material handling to healthcare assistance and household activities — across industries such as manufacturing, logistics, healthcare and consumer applications.

NEURA complements its hardware offering with the Neuraverse, an open ecosystem through which robots can share learned skills and continuously improve.

The company has scaled rapidly to over 1,500 employees and, in June 2026, closed a **Series C round of up to \$1.4bn** — the largest funding round ever for a full-stack robotics company — with participation from Tether, Qualcomm, Amazon, NVIDIA, Bosch, Schaeffler and the European Investment Bank, reportedly valuing the company at around \$7bn.

The company also reportedly has an **order backlog of over \$1bn**, providing initial visibility on future robot deployments.

NEURA Robotics: Products

4NE1



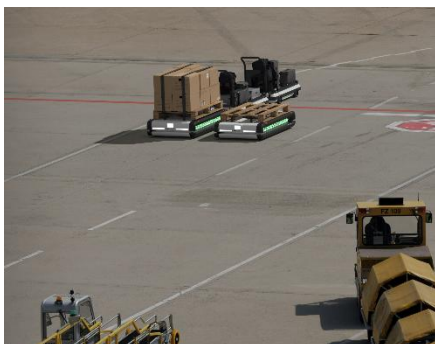
4NE1 Mini



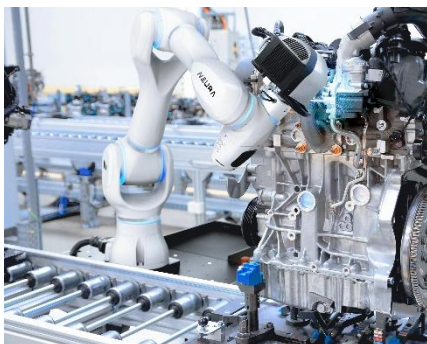
MiPA



MAV



MAiRA



LARA



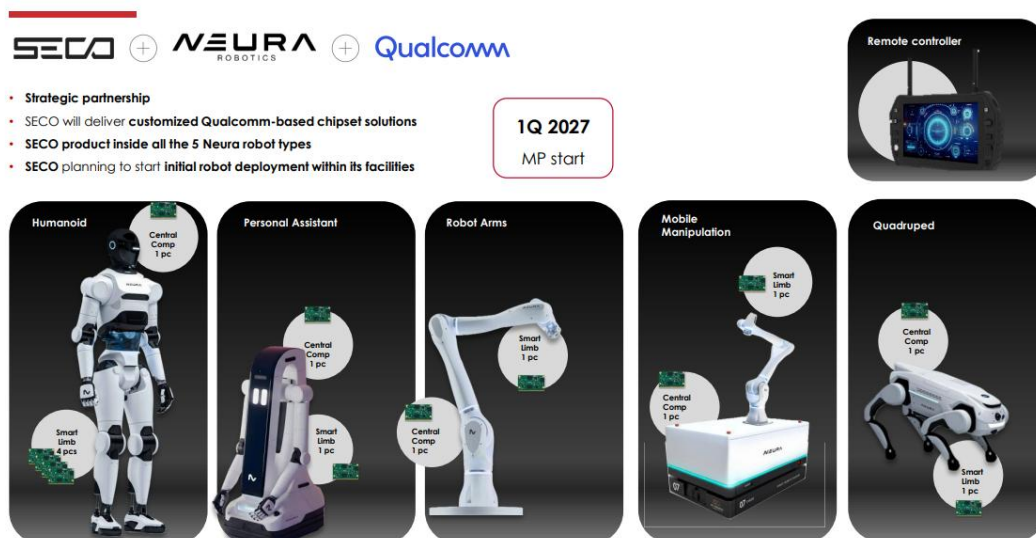
Source: NEURA Robotics

SECO - Neura Deal

The collaboration covers three main areas:

- **Compute Modules:** SECO will design, engineer and manufacture electronic compute modules for NEURA's cognitive robots, including the humanoid 4NE1, supporting scalable series production in Europe. The modules integrate Qualcomm Dragonwing processors and form part of NEURA's distributed "Brain + Nervous System" architecture and "Smart Limb" concept, which bring sensing and compute closer to the robot's joints and sensors;
- **Industrial AI:** beyond compute modules, the two companies will also collaborate on real-world industrial data and Physical AI automation solutions for the semiconductor and electronics manufacturing industry;
- **European Footprint:** the partnership is framed around European "technological sovereignty," with hardware developed and produced in Europe, reinforcing SECO's role as an industrial-scale manufacturing partner in the Physical AI ecosystem. Next steps include a NEURA Gym in Italy — NEURA's first training hub in Southern Europe — and joint collection of real-world production data as NEURA robots are deployed in industrial settings.

SECO: Strategic Partnership for Physical AI



Source: SECO Presentation

Our Take on the deal

We view the partnership as a **positive, credibility-enhancing step for SECO**, extending its Edge AI positioning into the fast-growing Physical AI and cognitive robotics ecosystem.

With no precise contract value or commercial terms disclosed, and NEURA targeting ~6,000 robots in 2026, we see limited near-term revenue contribution, with a more visible impact potentially emerging from FY28E onwards as production scales. Worthy to note, SECO hinted at mass production starting in 1Q27 with at least €25mn of NEURA-related revenues in 2027.

Longer term, the opportunity could become significantly more relevant given CEO David Reger's **ambition to reach 5mn robots by 2030**. Even if only partially achieved, such a ramp-up would imply substantially higher potential demand for compute modules.

Beyond the direct hardware opportunity, the partnership also opens a potential Physical AI opportunity in semiconductor and electronics manufacturing, where SECO and NEURA will jointly develop industrial automation solutions using real-world production data. Key monitorables include NEURA's production ramp-up, contract volumes, SECO's share of the compute-module supply and potential multi-sourcing.

Forecasts FY26E-28E

Estimates Review

Following SECO's 1H26 Results, we broadly confirm our FY26E estimates, as management's confirmation of the ~€60mn 3Q26 guidance provides further visibility on the expected recovery in the second half of the year. While we take a more cautious view on FY26E profitability, we raise our FY27E estimates to reflect the expected contribution from the NEURA Robotics partnership, which we now incorporate into our forecasts and see as an additional growth driver from 2027E onwards.

That said, our revised forecasts reflect:

- **Net Sales** broadly unchanged at €219.4mn in FY26E, as the expected recovery in 2H26E offsets the softer 2Q26E. From FY27E, we raise Net Sales by 6% to €260.2mn, with the upgrade reflecting stronger backlog execution and the initial contribution from NEURA Robotics;
- **Adj. EBITDA** revised down by 5% to €44.8mn in FY26E, with the margin declining by 110bps to 20.4%. From FY27E, however, Adj. EBITDA is raised by 6% to €56.2mn, with the margin broadly unchanged at 21.6%, while we expect further operating leverage to emerge in FY28E, bringing Adj. EBITDA to €67.3mn;
- **Adj. Net Debt** remains broadly unchanged, at €44.4mn in FY26E, €27.8mn in FY27E and €13.9mn in FY28E, with leverage remaining under control (at 1.0x, 0.5x and 0.2x, respectively).

SECO: Estimates Old vs. New

Key Financials (IAS, €mn)	FY26E			FY27E			FY28		
	Old	New	Δ	Old	New	Δ			
Net Sales	218.8	219.4	0%	244.7	260.2	6%	//	300.7	//
Adj. EBITDA	47.1	44.8	-5%	52.8	56.2	6%	//	67.3	//
Adj. EBITDA Margin (%)	21.5%	20.4%	-110bps	21.6%	21.6%	2bps	//	22.4%	//
Adj. EBIT	24.9	23.7	-5%	29.6	33.5	13%	//	46.5	//
Adj. EBIT Margin (%)	11.4%	10.8%	-55bps	12.1%	12.9%	80bps	//	15.5%	//
Adj. Net Profit	15.5	15.0	-4%	19.5	21.4	10%	//	32.5	//
Adj. Net Debt	-44.0	-44.4	-0.4	-27.5	-27.8	-0.2	//	-13.9	//

Source: Value Track Analysis

Key Forecasts & Drivers

Our revised estimates incorporate a more visible backlog-driven acceleration into 2H26E, with the stronger growth trajectory and earnings contribution carrying into FY27E. **By FY28E**, we forecast:

- **Net Sales** of **€300.7mn**, implying a FY25–28E CAGR of ~15%;
- **Adj. EBITDA** of **€67.3mn**, implying a ~19% CAGR and a 22.4% margin, up from 20.3% in FY25;
- **Adj. Net Debt** of **€13.9mn**, equal to just ~0.2x Adj. EBITDA.

This trajectory is mainly driven by:

1# Backlog-Driven Revenue Recovery, with the all-time-high order intake recorded in early 2026 and the confirmed 3Q26 guidance of ~€60mn (+25% YoY) supporting a more visible acceleration from 2H26E and a sustained growth trajectory thereafter;

2# Margin Expansion, supported by customer price increases offsetting memory cost inflation, while the expected recovery in volumes should further improve operating leverage and cost absorption, driving Adj. EBITDA margin to 22.4% by FY28E;

3# Balance Sheet Strengthening, with the strong cash generation expected from the earnings recovery driving Adj. Net Debt down from €44.4mn in FY26E to €13.9mn by FY28E, reducing leverage to ~0.2x Adj. EBITDA.

SECO: Net Sales by Solution FY25-28E

Net Sales (IAS, €mn)	FY25	FY26E	FY27E	FY28E	CAGR
Edge Computing	176.6	202.6	235.2	258.8	14%
YoY	9%	15%	16%	10%	//
As a % of Total	89%	92%	90%	86%	//
Clea	21.0	16.8	25.0	41.8	26%
YoY	-2%	-20%	49%	67%	//
As a % of Total	11%	8%	10%	14%	//
Net Sales	197.6	219.4	260.2	300.7	15%
YoY	8%	11%	19%	16%	//

Source: SECO, Value Track Analysis

Financial Statements FY25-28E
SECO: Profit & Loss FY25-28E

P&L (IAS, €mn)	FY25	FY26E	FY27E	FY28E	CAGR
Net Sales	197.6	219.4	260.2	300.7	15%
Consumption Costs (incl. Δ Inventory)	-91.7	-99.7	-118.8	-137.0	14%
Adjustments	0.0	0.0	0.0	0.0	-100%
Adj. Gross Profit	105.9	119.7	141.4	163.7	16%
Adj. Gross Profit Margin (%)	53.6%	54.6%	54.3%	54.4%	84bps
Costs for Services	-24.3	-24.8	-26.8	-33.1	11%
Personnel Costs	-44.1	-49.1	-52.0	-56.0	8%
Other Revenue / Costs / Adjustments	2.7	-1.1	-6.4	-7.3	-239%
Adj. EBITDA	40.2	44.8	56.2	67.3	19%
Adj. EBITDA Margin (%)	20.3%	20.4%	21.6%	22.4%	204bps
D&A	-24.3	-23.2	-24.0	-20.8	-5%
Others / Adjustments	5.5	2.2	1.3	0.0	-100%
Adj. EBIT	21.4	23.7	33.5	46.5	30%
Adj. EBIT Margin (%)	10.8%	10.8%	12.9%	15.5%	465bps
Net Financial Charges (incl. FX)	-8.3	-4.3	-4.1	-1.5	-44%
Taxes	-1.4	-3.9	-8.1	-12.6	107%
Adjustments	1.4	-0.6	0.0	0.0	-100%
Adj. Net Profit	13.1	15.0	21.4	32.5	35%

Source: SECO, Value Track Analysis

SECO: Balance Sheet FY25-28E

Balance Sheet (IAS, €mn)	FY25	FY26E	FY27E	FY28E
Net Fixed Assets	296.8	299.8	301.8	308.1
Net Working Capital	66.3	83.2	85.6	98.2
Provisions	31.0	30.5	30.7	30.9
Total Capital Employed	332.1	352.5	356.8	375.3
Group Net Equity	294.5	308.2	329.0	361.5
Adj. Net Financial Position	-37.6	-44.4	-27.8	-13.9

Source: SECO, Value Track Analysis

SECO: Cash Flow Statement FY25-28E

Cash Flow Statement (IAS, €mn)	FY25	FY26E	FY27E	FY28E
Adj. EBITDA	40.2	44.8	56.2	67.3
Δ Net Working Capital (incl. Prov.)	0.3	-17.4	-2.2	-12.4
Capex (excl. Fin. Investments)	-18.0	-28.2	-26.0	-27.0
OpFCF (b.t.)	22.5	-0.8	28.0	28.0
<i>As a % of Adj. EBITDA</i>	56%	<0	50%	42%
Cash Taxes	-1.4	-3.9	-8.1	-12.6
Net Financial Charges	-8.3	-4.3	-4.1	-1.5
Others	-9.0	2.2	0.8	0.0
Δ Adj. Net Financial Position	3.7	-6.8	16.6	13.9

Source: SECO, Value Track Analysis

Valuation

Fair Value p/s raised to €4.63 (from €3.85)

We **raise our Fair Value to €4.63 p/s** (from €3.85 p/s), based on our SOTP valuation methodology. Particularly, the upgrade is driven by two main factors:

- First, we roll forward our valuation framework from FY26E to FY27E, maintaining unchanged the peer-based multiples currently applied to FY26E, including the existing discounts to peers;
- Second, the NEURA Robotics partnership has a material impact on our FY27E earnings base, with the additional EBITDA generated by the agreement supporting a significant portion of the increase in Enterprise Value.

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.	15,689	5.5	4.6	26.7	21.9	28.7	23.1	33.7	27.6
Adlink Technology Inc.	687	1.7	1.5	13.1	11.4	15.8	13.0	19.4	16.2
Kontron AG	1,390	0.9	0.8	7.1	6.0	12.5	8.9	15.7	11.0
Mercury Systems, Inc.	4,416	5.5	4.9	>30	27.1	>40	>40	<0	>50
Digi International Inc.	2,366	5.0	4.6	18.0	15.7	30.8	24.7	47.8	33.6
Raspberry PI Holdings plc	1,372	2.6	2.3	27.5	27.8	37.1	>40	>50	>50
Lantronix, Inc.	228	1.8	1.6	>30	23.4	>40	32.0	<0	>50
PTC Inc.	13,252	6.1	5.6	12.9	11.5	13.1	11.9	16.1	15.5
Average	4,925	3.6	3.2	17.5	18.1	23.0	18.9	26.6	20.8
Median	1,878	3.8	3.4	15.5	18.8	22.3	18.1	19.4	16.2
SECO	534	2.8	2.3	13.6	10.6	25.7	17.7	35.6	25.0
Premium / Discount vs. Median (%)	-72%	-27%	-33%	-12%	-44%	16%	-2%	84%	54%

Source: FactSet

For Edge Computing, we apply a **12.7x EV/EBITDA Adj. FY26E** multiple, i.e. a ~30% discount to peers, to FY27E Adjusted EBITDA, while Clea is valued at **3.1x EV/Sales FY26E**, reflecting a ~50% discount to peers, applied to FY27E Sales. No multiple expansion is assumed, with the higher valuation driven by the roll-forward to FY27E and the upward revision to our earnings estimates, including the incremental EBITDA contribution from the NEURA Robotics agreement.

The ~€100mn increase in Enterprise Value is primarily supported by the additional EBITDA generated by the NEURA Robotics agreement, which represents a key driver of the higher Fair Value.

The resulting FY27E SOTP is then **discounted by 5%** to reflect the fact that the valuation reference period is still some months ahead, resulting in a **Fair Value of €4.63 p/s**.

SECO: Sum of the Parts FY27E

€mn	HW	SW	GROUP
EV/Sales (x)		3.1	
EV/EBITDA Adj. (x)	12.7		
Enterprise Value	630.9	77.3	708.2
<i>As a % of Total</i>	89%	11%	100%
(-) Net Debt			27.8
(-) Adjustments			31.9
Equity Value			648.5
NOSH			133.0
Fair Equity Value p/s (€) – Pre Discount			4.88
Fair Equity Value p/s (€)			4.63

Source: SECO, Value Track Analysis

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
3.88	13.2	10.2	25.0	17.2	34.4	24.2
4.13	14.0	10.8	26.4	18.2	36.6	25.7
4.38	14.7	11.4	27.8	19.2	38.9	27.3
4.63	15.5	12.0	29.2	20.1	41.1	28.8
4.88	16.2	12.6	30.6	21.1	43.3	30.4
5.13	16.9	13.2	32.0	22.1	45.5	32.0
5.38	17.7	13.8	33.4	23.1	47.7	33.5

Source: Value Track Analysis

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