

FLASH NOTE

Seco Warwick - Hold

Target Price: PLN 29.32 | Close as of 14/05/2025: PLN 27.20

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1Q25 results review

In 1Q25, **sales revenues** were in line with our estimates and consensus. Higher-than-expected sales occurred in the CAB AP segment, while lower sales occurred in vacuum furnaces.

PLN mn	1Q25	1Q24	Change	1Q25e	Diff.	Consensus	Diff.	2025e	YTD
Revenues	187	182	3%	184	1%	185	1%	753	25%
EBITDA	14	14	1%	13	9%	13	3%	48	29%
EBITDA margin	7%	7%		7%		7%		6%	
EBIT	8	9	-10%	8	3%	9	-2%	29	28%
Net income	6	6	-12%	6	-1%	6	-8%	21	27%

EBITDA in 1Q25 was 9% above our estimates and 3% above consensus. Noteworthy is the above-consensus profitability in the CAB AP segment and weaker-than-expected profitability in vacuum metallurgy.

Net income in 1Q25 was in line with our forecasts and slightly weaker than consensus.

PLN mn	1Q24	2Q24	3Q24	4Q24	1Q25	change y/y	Q1'25e	Diff.
Vacuum furnaces	45	42	43	39	32	-29%	35	-10%
Atmosphere furnaces	0	0	0	0	0	-	0	
CAB AP	35	31	35	36	56	60%	47	19%
Vacuum metallurgy	64	53	53	67	64	0%	64	1%
Aftersales	38	54	41	38	35	-8%	39	-8%
Other	0	0	0	0	0	-100%	0	-
EBITDA	14	7	11	19	14	1%	13	9%
EBITDA margin	7%	4%	6%	10%	7%		7%	
OCF	7	-6	40	61	-30	-548%	3	-1281%
Backlog	686	635	695	767	711	4%	683	4%
Order intake	98	114	233	252	132	-	100	-

Seco Warwick reported negative **OCF** in 1Q25, and net debt increased q/q to PLN 25mn. It is worth noting that in 4Q24 the company recorded high positive OCF due to advances on ongoing contracts.

The value of **new orders** won in 1Q25 was slightly higher than our forecasts, hence the higher-than-expected **order backlog** at the end of the quarter.

OPINION: NEUTRAL

1Q25 results are rather close to our expectations and consensus. Slightly higher net debt offsets the higher rate of new order acquisition and a slightly higher order backlog at the end of the quarter.

In this document we are not changing our recommendation, forecasts, or price target for Seco Warwick.

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