

## Guidance specified after strong Q2 results

Backed by the strong order development in the recent quarters, Gesco reported strong figures for Q2. Group revenues significantly increased by 33% yoy to EUR 153m, compared to our estimate of EUR 144m. We believe that in addition to the ongoing strong demand (order intake in Q2: +9% yoy to EUR 150m) price increases were also responsible for the strong topline growth. Driven by the topline development as well as the implemented efficiency improvement measures, EBIT improved markedly to EUR 12.5m (PAsE: EUR 12.2m). The earnings driver on segment level was Resource Technology (+55% yoy to EUR 11m), where Gesco should have benefited most from price increases. As a result of the very decent H1 development, Gesco specified its guidance and expects now to reach the upper end of its guidance range. While we are at the revenue side ~2% short of the upper end, our estimate for the net income of EUR 31.4m is already ~3% above the company's guidance. With a TP of EUR 38, we rate the shares a Buy.

### GESCO AG - Review Q2 2022

EUR m	Actual			PAsE		PAsE			Consensus			PAsE vs. Consensus		
	Q2 2022	Q2 2021	% yoy	Q2 2022e	Deviation	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e
<b>Revenues</b>	<b>153.2</b>	<b>115.4</b>	<b>32.7%</b>	<b>143.9</b>	<b>6.5%</b>	<b>575</b>	<b>624</b>	<b>677</b>	<b>574</b>	<b>603</b>	<b>618</b>	<b>0.1%</b>	<b>3.5%</b>	<b>9.5%</b>
Process Technology	26.6	17.1	54.9%	25.4	4.5%									
Resource Technology	89.0	67.1	32.5%	89.5	-0.6%									
Healthcare and Infrastructure Technology	37.7	31.2	21.1%	28.8	30.8%									
<b>EBIT</b>	<b>12.5</b>	<b>7.8</b>	<b>60.8%</b>	<b>12.2</b>	<b>2.3%</b>	<b>54.4</b>	<b>57.9</b>	<b>61.7</b>	<b>48.9</b>	<b>53.4</b>	<b>56.2</b>	<b>11.2%</b>	<b>8.5%</b>	<b>9.8%</b>
EBIT margin	8.2%	6.8%	143 BP	8.5%	-33 BP	9.5%	9.3%	9.1%	8.5%	8.9%	9.1%	94 BP	43 BP	3 BP
<b>Net income</b>	<b>8.2</b>	<b>4.2</b>	<b>95.2%</b>	<b>7.5</b>	<b>9.5%</b>	<b>31.4</b>	<b>33.6</b>	<b>35.9</b>	<b>32.6</b>	<b>35.0</b>	<b>37.6</b>	<b>-3.4%</b>	<b>-3.9%</b>	<b>-4.5%</b>

Source: GESCO AG, Pareto Securities Research

- For FY 2022e, Gesco expects now to reach the upper end of its guidance ranges. The company targets group revenues of EUR 565m to EUR 585m (PAsE: EUR 575m) and a net income in the range of EUR 28m to EUR 30.5m (PAsE: EUR 31.4m).

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