

Prelims deliver divided picture

GESCO reported preliminary results for Q4/FY 2022 that mark a solid year-end finish. Driven by the good order development in the recent quarters but also by price increases, Q4 revenues of EUR 147m were c.5% above our estimate. On full year base, revenues came in at the upper end of the company's guidance. The Q4-EBIT of only EUR 8.6m (PAsE: EUR 13.5m) is the weak point of the figures. A favourable tax rate could not fully compensate for the decline and Q4 net income came in at EUR 7.5m (PAsE: EUR 5.1m), compared to a very strong prior year's base (EUR 11.7m). However, full year net income of EUR 33.8m exceeded GESCO's guidance. Due to the company's inorganic growth plans, the dividend proposal for 2022 is almost unchanged with EUR 1.00 (PAsE: EUR 1.15) per share. With a TP of EUR 38, we rate the shares a Buy.

GESCO AG - Review Q4 2022

EURm	Actual			PAsE		PAsE			Consensus			PAsE vs. Consensus		
	Q4 2022	Q4 2021	% yoy	Q4 2022e	Deviation	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e
Revenues	146.8	137.0	7.1%	139.6	5.1%	575	624	677	583	597	656	-1.3%	4.5%	3.3%
EBIT	8.6	16.8	-49.0%	13.5	-36.7%	54.4	57.9	61.7	51.1	51.0	58.6	6.3%	13.7%	5.2%
EBIT margin	5.8%	12.3%	-643 BP	9.7%	-385 BP	9.5%	9.3%	9.1%	8.8%	8.5%	8.9%	68 BP	75 BP	17 BP
Net income	7.5	11.7	-36.1%	5.1	45.9%	31.4	33.6	35.9	34.7	34.7	40.0	-9.4%	-3.1%	-10.1%

Source: GESCO AG, Pareto Securities Research

- FY 2022 revenues came in at EUR 582.2m, compared to our estimate of EUR 575m and the company guidance range of EUR 575m to EUR 585m. As already seen during the year, all segments contributed to the increase, according to GESCO.
- Full year net income significantly improved by 26% yoy to EUR 33.8m (PAsE: EUR 31.4m) and thus slightly exceeded GESCO's guidance of EUR 30.7m to EUR 32.3m.
- The announced dividend proposal of EUR 1.00 per share (2021: EUR 0.98) implies a dividend yield of 4.1%.
- The final results for FY 2022 and the guidance for FY 2023e will be published on 18 April.

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