

## Weak results for Q2

**GESCO reported weak results for Q2. Revenues decreased by 5.5% yoy to EUR 144.9m, compared to our estimate of EUR 154.4m. We acknowledge the tough comparison basis, nevertheless, it was the first revenue decline after several quarters. Burdened by the weaker topline development as well as higher costs that could not be passed on to customers immediately, group EBIT decreased by c.10% yoy to EUR 11.3m (PAsE: EUR 13.2m). GESCO complains about the clouded general economic market environment and the resulting uncertainty among customers, which is also reflected in an accelerated decline in incoming orders (-12% yoy, Q1: -7% yoy). Consequently, the company now expects the lower end of its guidance ranges. The lower end of the guidance ranges implies a 4-5% reduction in our estimates. We have a TP of EUR 40 and a Buy rating for the shares.**

### GESCO AG - Review Q2 2023

EURm	Actual			PAsE	
	Q2 2023	Q2 2022	% yoy	Q2 2023e	Deviation
<b>Revenues</b>	<b>144.9</b>	<b>153.2</b>	<b>-5.5%</b>	<b>154.4</b>	<b>-6.2%</b>
Process Technology	29.0	26.6	9.1%	29.7	-2.6%
Resource Technology	78.6	89.0	-11.7%	88.1	-10.8%
Healthcare and Infrastructure Technology	37.3	37.7	-1.1%	36.6	2.0%
<b>EBITDA</b>	<b>15.9</b>	<b>17.0</b>	<b>-6.8%</b>	<b>17.7</b>	<b>-10.4%</b>
EBITDA margin	11.0%	11.1%	-16 BP	11.5%	-51 BP
<b>EBIT</b>	<b>11.3</b>	<b>12.5</b>	<b>-9.7%</b>	<b>13.2</b>	<b>-14.3%</b>
EBIT margin	7.8%	8.2%	-37 BP	8.5%	-74 BP
Process Technology	3.8	2.8	36.0%	3.2	18.3%
EBIT margin	13.1%	10.5%	260 BP	10.8%	233 BP
Resource Technology	7.6	11.0	-30.6%	10.1	-24.5%
EBIT margin	9.7%	12.4%	-265 BP	11.5%	-177 BP
Healthcare and Infrastructure Technology	3.4	3.0	13.8%	2.9	19.6%
EBIT margin	9.2%	8.0%	120 BP	7.8%	135 BP

Source: GESCO AG, Pareto Securities Research

- GESCO guides for FY 2023e now the lower end of its guidance ranges. For the group revenues the company expects EUR 600m to EUR 620m (PAsE: EUR 624m) and for the net income EUR 32m to EUR 34m (PAsE: EUR 33.6m).

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