

**ErreDue ()****RDUE IM; RDUE-IT****2H/FY25: Better than expected. Robust backlog strengthens visibility into 2026**

**Results.** In a still challenging macroeconomic environment ErreDue reported robust FY25 results which were better than our estimates both on the top line and on the operating profit performance (EBITDA) and net income level. The key points of results were:

- **2H25A core (Sales & Services) revenue rose by +48% yoy to EUR 12.1M** vs. EUR 8.2M in 2H24A, stronger than our EUR 8.8M estimate, leading to FY25A core revenue of EUR 19.4M, up by +22% yoy, with growth in each business units: 2H25A Generators' sales was up by +62% yoy to EUR 8.4M, After sales grew by 30% yoy to EUR 2.4M, while 2H25 rental of generators improved by +12% yoy to EUR 1.3M;
- **2H25 EBITDA was up by +25% yoy to EUR 3.9M**, better than our EUR 3.2M estimate, leading to FY25 EBITDA of EUR 5.7M, up by +12% yoy, with a corresponding EBITDA margin of 29.5%, down by over 200bps yoy (with 32.1% in 2H25A vs. 38% in 2H24A). The margin decline was mainly due to (i) change in products' mix in favor of larger size; (ii) the further increase in work-in-progress products, which have no margin but are necessary to manage the significant backlog (iii) higher personnel costs linked to new hiring to support stronger production over the coming years;
- **2H25A EBIT rose by 52% yoy to EUR 2.9M** vs. EUR 1.9M EUR in 2H24A, beating our EUR 1.1M estimate, with a corresponding EBIT margin of 24% vs. 23.1% in 2H24A;
- **2H25A net income was up by +39% yoy to EUR 2.3M** vs. EUR 1.7M in 2H24A, better than our EUR 1M estimate, leading to EUR 3.3M in FY25A, up by +22% yoy;
- **Total backlog stood at EUR 36M at YE25**, with approx. 65% attributed to the current year, of which approx. EUR 15.9M from sales and rentals of generators, about EUR 7.5M from spare parts, maintenance services and leases;
- **NFP at YE25 was positive for EUR 14.7M** vs. EUR 17.3M at YE24A. Working capital declined slightly to EUR 3.9M (vs EUR 4.2M at YE24A), with overall investments for EUR 7.3M in fixed assets;
- **BoD proposed a DPS of EUR 0.2**, implying a dividend yield of 2.6%, based on the 30 March closing price, with a payout of ~ 38%%;
- **Outlook.** The press release contains a positive outlook for the current year, with the ramp-up of the new Gigafactory enabling higher production capacity, improved backlog execution, and stronger margins through greater vertical integration. The company is also set to reaccelerate its international expansion, supported by enhanced industrial capabilities and strategic partnerships, positioning itself to capture global demand for turnkey hydrogen solutions. Overall, solid backlog visibility and increasing operating leverage underpin a positive growth outlook for the year.

**What we think:** The results were better than our estimates on all fronts, with reacceleration of growth in each business units in 2H25A. Despite outlook does not contain a precise quantitative guidance, we would highlight that new released order backlog (up +38% since last time reported at the of August) already covers 100% of our current 2026 revenue estimate.

Main Metrics (EUR /	2025E	2026E	2027E
Revenues	19.02	26.54	37.93
EBITDA	5.02	7.25	10.72
EPS (EUR)	0.32	0.49	0.88
Net debt/-cash	-10.83	-12.08	-14.55
Ratios (x)	2025E	2026E	2027E
Adj. P/E	23.5	15.6	8.6
EV/EBITDA	7.3	4.9	3.1
EV/EBIT	18.6	9.0	4.6
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	2.1	1.7	2.6
Performance (%)	1M	3M	12M
Absolute	4.1	5.6	-1.9
Rel. to FTSE IT All Sh	13.8	9.4	-11.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo SpA is Specialist to ErreDue

**Davide Rimini** - Research Analyst  
+39 02 4127 9025  
davide.rimini@intesasanpaolo.com

Figure 1 - ErreDue – FY25 results

EUR M	1H24A	2H24A	FY24A	1H25A	2H25A	2H25E	A/E (%)	yoy (%)	FY25A	FY25E	yoy (%)
Value of Production	9.1	10.0	19.1	9.0	13.0	10.1	28.6	29	21.9	19.0	15
Core Revenue	7.7	8.2	15.9	7.2	12.1	8.8	37.6	48	19.4	16.0	22
EBITDA	2.0	3.1	5.1	1.8	3.9	3.2	21.5	25	5.7	5.0	12
EBITDA margin (%)	26	38	32.1	25	32.1	36.4			29.5	31.3	
EBIT	1.1	1.9	3.0	0.9	2.9	1.1	NM	52	3.8	2.0	25
EBIT Margin (%)	14	23	19	12	24	12			19.5	12	
Net income	1	1.7	2.7	1.0	2.3	1.0	NM	39	3.3	2.0	22
Net Debt	-17.3		-17.3	-14.6					-14.7	-10.8	

A: actual; E: estimates; NM: Not Meaningful; Source: Company data and Intesa Sanpaolo Research