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PFISTERER (PFSE GY) | Utilities/Renewables

August 21, 2026

A pause between waves

PFISTERER delivered a strong H1 2026 operationally, with revenue up 20.2% YoY to EUR 256.7m and adjusted EBITDA up 32.7% to EUR 52.4m, lifting the margin to 20.4%. The key debate is therefore not execution, but order intake. Orders declined 9.4% to EUR 263m, leaving book-to-bill only slightly above 1x. Yet we see limited evidence that this reflects a structural demand slowdown or loss of market share. H1 2026 is measured against an unusually demanding base: in 2025, order intake increased 29.6% and backlog 42.4%, creating a substantial pool of business now being converted into revenue. The pattern therefore looks more like backlog execution combined with normalized new-order activity than a broad downturn. Q2 weakness was also concentrated. HVA and MVA order intake still grew, while declines were centered on OHL and COM. In OHL, the main drag was lower demand for string fittings in Saudi Arabia; in COM, weaker Argentine distribution spending. Saudi Arabia appears particularly timing-driven. Following an exceptional investment acceleration in 2025, grid capex remains high in 2026 despite normalization. Several transmission projects suggest that component procurement can lag EPC awards by months. We therefore expect Saudi-related demand to recover from Q3, with stronger momentum into Q4 2026 and Q1 2027. Argentina looks more like a temporary investment pause than a structural decline. Europe remains supported by a major grid-investment cycle, although headline TSO capex overstates PFISTERER's near-term opportunity in 2026 as much of the spending is tied to HVDC, cable systems and integrated suppliers (more a 2027+ opportunity). MVA is already benefiting from stronger DSO spending, showing that the European grid cycle is translating into orders.

Fundamentals (in EUR m)[1]	2023	2024	2025	2026e	2027e	2028e
Sales	334	383	450	525	591	666
EBITDA	52	60	76	98	114	136
EBIT	42	48	62	81	94	114
EPS adj. (EUR)	n.a.	2.21	2.83	3.47	3.70	4.56
Adj. EBITDA	52.1	64.6	80.1	101.7	117.4	136.1
DPS (EUR)	0.00	0.80	0.85	1.04	1.11	1.37
BVPS (EUR)	n.a.	5.39	11.09	13.30	15.89	19.05
Net Debt incl. Provisions	n.a.	n.a.	-18	24	37	39

Ratios[1]	2023	2024	2025	2026e	2027e	2028e
EV/EBITDA	0.0	0.0	18.3	13.8	11.9	10.0
EV/EBIT	0.0	0.0	22.5	16.6	14.4	11.9
P/E adj.	n.a.	n.a.	27.0	20.7	19.4	15.8
Dividend yield (%)	n.a.	n.a.	1.1	1.4	1.5	1.9
EBITDA margin (%)	15.5	15.7	16.9	18.7	19.3	20.4
EBIT margin (%)	12.4	12.5	13.8	15.5	15.9	17.1
Net debt/EBITDA	0.0	0.0	-0.2	0.2	0.3	0.3
PBV	0.0	0.0	6.9	5.4	4.5	3.8

[1]Sources: Bloomberg, Metzler Research

Buy unchanged

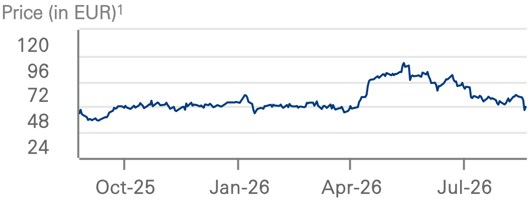
Price* **EUR 71.85**

Price target **EUR 105.00** (135.00)

* XETRA trading price at the close of the previous day unless stated otherwise in the Disclosures

Market Cap (EUR m)[1]	1,303
Enterprise Value (EUR m)[1]	1,354
Free Float (%)[1]	38.0

Price (in EUR)[1]



Performance (in %)[1]	1m	3m	12m
Share	-11.7	-29.1	18.4
Rel. to SDAX	-12.4	-29.0	8.9

Changes in estimates (in %)[1]	2026e	2027e	2028e
Sales	-0.0	-3.1	-3.6
EBIT	4.6	-0.7	0.4
EPS	-8.2	-19.7	-18.6

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H2 2026

From an execution perspective, PFISTERER delivered a strong H1 2026. Revenue increased by 20.2% YoY to EUR 256.7m, while adjusted EBITDA rose by 32.7% to EUR 52.4m, lifting the adjusted EBITDA margin by 1.9pp to 20.4%. Importantly, the improvement was not driven by a more favorable gross-margin mix: the gross margin remained broadly unchanged at 42.0% versus 42.1% in H1 2025. Instead, the margin expansion points primarily to operating leverage and improved cost efficiency as the company converted its elevated backlog into revenue. Marketing and distribution expenses declined from 13.7% to 12.6% of revenue, while administrative expenses fell from 9.5% to 8.4% of revenue. All product segments recorded revenue growth, and all regions except Asia-Pacific grew significantly year-on-year. In our view, this is a fairly clean indication that PFISTERER is currently executing well on the orders already in its backlog.

The more relevant point of debate is therefore not current execution, but the replenishment of that backlog. H1 order intake declined by 9.4% YoY to EUR 263.0m, implying a book-to-bill ratio of only around 1.02x. This is still above one, and the order book increased by 8.9% YoY to a record EUR 340.3m, with existing orders already extending into 2027. Nevertheless, given the structural investment cycle PFISTERER is exposed to, investors could reasonably have expected stronger new-order growth. The broader market backdrop remains highly supportive: the IEA expects global electricity demand to increase by 3.6% in 2026 and estimates global grid investment to grow by a further 17% this year after an already strong increase in 2025. Against this backdrop, a book-to-bill ratio barely above one naturally raises the question of whether PFISTERER is capturing a sufficient share of the underlying market growth. So why was order intake weaker in H1 2026?

Order intake analysis

Our analysis points much more towards a combination of project timing, an unusually demanding comparison base, regional and product mix, and the conversion of previously won projects than towards a structural deterioration in PFISTERER's competitive position.

The comparison base is particularly important. H1 2025 order intake of EUR 290.2m was itself exceptionally strong, increasing by roughly 45% YoY from around EUR 200.6m in H1 2024, with growth across all regions and product segments. As a result, even after the 9.4% decline reported in H1 2026, order intake remains roughly 31% above the H1 2024 level. In other words, H1 2026 looks considerably less weak when viewed against a normalized two-year comparison rather than solely against the unusually strong prior-year period.

The composition of the slowdown also argues against a broad-based loss of market share. Management explicitly attributes the H1 decline largely to exceptionally high prior-period volumes in Middle East & India and the OHL segment. The Q2 breakdown supports this interpretation: order intake declined by 32% in the Americas, mainly due to weaker power-distribution demand in Argentina; by 9% in Europe & Africa, primarily due to lower OHL insulator orders in Germany; and by 21% in Middle East & India as OHL orders normalized. By contrast, Asia-Pacific order intake almost doubled. The segment picture is similarly differentiated: Q2 HVA order intake increased by 1% and MVA by 11%, whereas COM declined by 16% and OHL by 29%. At the same time, the HVA order book, arguably one of the most important areas for PFISTERER's longer-term growth thesis, increased by 17% YoY. This is not the pattern we would typically associate with a broad deterioration in competitive positioning.

There is also an inherent timing effect between order intake and revenue recognition. The very strong order momentum of 2025 created a large backlog that is now being converted into revenue, explaining why reported sales can grow by 20% while current-period order intake declines. PFISTERER's order book nevertheless remained at a record EUR 340m at the end of June and continues to provide good near-term revenue visibility. Hence, the H1 figures currently look more like strong backlog conversion alongside normalization in new project awards than a weakening of the underlying business.

That said, competition should not be dismissed. The structural investment case ultimately requires PFISTERER not only to operate in a strongly growing addressable market, but also to capture a meaningful share of that growth. This will become particularly relevant in Europe and, increasingly, in the US as PFISTERER expands its local presence and capacity. H1 2026 does not yet provide convincing evidence of a structural market-share loss, but neither does the strong end-market environment make a book-to-bill ratio of just above 1x entirely comfortable. We would therefore view order intake as the key KPI to watch over the coming quarters. A renewed acceleration in HVA/MVA awards, sustained order-book growth in Europe and North America and a book-to-bill ratio more clearly above 1x would substantially strengthen the argument that H1 weakness was predominantly timing-related rather than competitive.

Starting point: 2025 was not a normal comparison year

This point is often underappreciated in the discussion around H1 2026. PFISTERER increased order intake by 29.6% in 2025, from EUR 423.2m to EUR 548.6m, while the order backlog rose by an even stronger 42.4% to EUR 334.4m. After such an exceptional year, the company does not need to deliver another 20–30% increase in orders to demonstrate that the underlying business remains structurally healthy.

Importantly, management’s 2026 guidance does not assume a repeat of the 2025 step-up either. PFISTERER expects order intake to remain broadly at the elevated 2025 level and continues to target a book-to-bill ratio above 1.0x. H1 2026 should therefore be assessed primarily against an unusually demanding 2025 comparison base rather than against a normalized level of order activity.

PFISTERER H1 in m EUR	2025	2026	YoY
Order Intake	290.2	263	-9.4%
Revenue	213.6	256.7	20.2%
Order Book	312.5	340.3	8.9%
Adj. EBITDA	39.5	52.4	32.7%
Adj. EBITDA margin	18.5%	20.4%	190 bps

Sources: PFISTERER, Metzler Research

In a genuine demand downturn, we would expect to see a broader deterioration across the key operating indicators: declining order intake, a shrinking backlog, and ultimately weaker revenue. So far, however, PFISTERER has only reported lower H1 2026 order intake, and this decline comes against an exceptionally strong

H1 2025 comparison base. At the same time, the company continues to convert the unusually large backlog built up in prior periods into strong revenue growth.

In our view, the current pattern is therefore more consistent with backlog conversion following an exceptional order build-up, combined with a normalization in new-order activity, rather than with a structural weakening in underlying demand.

Q2 Weakness was surprisingly concentrated

Segment order intake in EUR m	Q2 25	Q2 26	YoY
HVA	63	64	1%
MVA	13	15	11%
COM	29	24	–16 %
OHL	40	29	–29 %

Sources: PFISTERER, Metzler Research

HVA still posted slight growth, while MVA grew at a double-digit rate. The weakness was therefore concentrated primarily in OHL and COM. In OHL, PFISTERER attributed the decline mainly to lower demand for string fittings in Saudi Arabia. In COM, the key drag came from weaker power-distribution demand in Argentina. This suggests that Q2 demand was not broadly weak across the portfolio, but rather that the decline was concentrated in two product groups affected by two clearly identifiable regional factors.

Saudi Arabia, in particular, provides the strongest evidence for a base-effect explanation. The Middle East & India region was an exceptionally strong market for PFISTERER in 2025, with order intake rising to EUR 145m from EUR 87m in the prior year, an increase of roughly 67%. PFISTERER explicitly stated that this growth was driven primarily by OHL and HVA, while the regional order backlog increased by 71%.

The same pattern is visible at segment level. OHL order intake increased to EUR 152m in 2025 from EUR 103m in 2024, up around 48% YoY, with PFISTERER specifically highlighting strong demand for string fittings in Middle East & India as an important growth driver. In other words, the 2025 comparison base was far from normal. The weakness seen in Q2 2026 therefore looks less like a broad deterioration in underlying demand and more like a normalization from exceptionally high OHL activity in Saudi Arabia, combined with a separate, region-specific slowdown in Argentine power distribution.

Middle East investment cycle

PFISTERER's order development appears to track Saudi power-sector investment activity relatively closely. On that basis, 2025 stands out as an exceptionally strong year compared with the preceding period. Investment levels nearly tripled between 2023 and 2025. For 2026, spending is expected to remain at a very elevated level of around SAR 70–75bn, despite a modest decline of roughly 15–20% versus 2025. This is clearly not a collapse in investment activity: 2026 spending would still be more than twice the level recorded in 2023. Rather, the data reinforces the view that 2025 represented an exceptional acceleration year. Against that backdrop, a negative YoY comparison in Saudi-related PFISTERER OHL orders appears significantly less concerning.

Saudi Energy	CAPEX
2023	SAR 29,1bn
2024	SAR 49,3bn
2025	SAR 88,2bn
2026 Guidance	SAR 70–75bn

Sources: Saudi Energy, Metzler Research

A second factor is procurement timing. We reviewed several Saudi 380 kV transmission projects and found that the timing between EPC contract awards and subsequent material procurement can vary considerably. In some cases, component packages are ordered only a few weeks after the EPC award; in others, procurement follows several months later. As a result, a strong underlying project pipeline does not necessarily translate into PFISTERER order intake within the same quarter.

This timing effect likely explains part of the H1 2026 weakness. Saudi Arabia continued to have a substantial transmission-project pipeline, but H1 2026 appears to have been more heavily characterized by the transition between tendering, EPC awards and component procurement. By contrast, 2025 seems to have benefited from an unusually high number of projects reaching the procurement-ready stage at the same time. In our view, this makes the weaker Saudi-related order intake in H1 2026 more consistent with normalization and project timing than with a material deterioration in underlying end-market demand.

Project / Wave	EPC/ Tender Timing	Size / Status	When ordered? estimated	Relevance for PFISTERER (our view)	Our Interpretation
L&T 380-kV Wave 2024	Q3/Q4 2024	Large OHL packages	Q4 24–H1 25	Mainly 2025	Likely contributed to the unusually strong 2025 comparison base
Hyundai Humaiji + Kulais	Feb 25	491 km, ~$389m	H2 25–H1 26	2025 / early 2026	Tower procurement began 2025; if PF was supplier, part of it may already have been booked in 2025
Afif PV1/PV2 OHTL	Bids Apr. '25; Award July '25	~SAR 1.26bn OHL	Q4 25–Q2/Q3 26	H1/H2 26	Theoretically relevant for H1 26, but actual insulator/fitting supplier publicly unknown
Mawqaq OHTL	Bid Apr. '25; Award Sep. '25	SAR 159m, Alfanar	Q1–Q3 26	H1/H2 26	Also principally PF-relevant, but supplier unknown
L&T Central Region 380 kV	H2 2025	Tower PO SAR 207m	Tower delivery from March 2026	Q1–Q3 26	Shows that 2025 EPCs generate 2026 material procurement; not automatically PF content
New 2026 Renewable Wave	March/April 2026 Tender	Ashayrah, Mozeraah, Mastura, East Al-Amoah, North Asir, Tumair etc.	Q4 26–H1 27 more likely	Q4 26 / 2027	H1 26 still largely tender/evaluation phase; hardly order-ready for PF
Status as of early Aug. 2026	Current	~20 BSP/OHTL tenders active, ~10 closed; L&T, SSEM, Alfanar, Linxon etc. reported as lowest bidders	After firm award, followed by material POs	Q4 26–H1 27	Suggests the pipeline is moving back from tender to award stage; source is a project-market report, no official award confirmation yet for all projects

Sources: Larsen & Toubro, Saudi Exchange, Hyunday E&C, Afif PV1/ PV2; Mawqaq, Saudi Energy, Metzler Research

Our thesis is therefore that Saudi-related demand should begin to recover already in Q3 2026, with a more pronounced acceleration into Q4 2026 and Q1 2027 as recently awarded projects move further into the component-procurement phase.

India cannot simply replace the business currently missing from Saudi Arabia. While the country is undergoing a massive grid expansion, PFISTERER faces a structurally more challenging competitive environment, including local-content requirements, well-established domestic manufacturers and deeply entrenched local supply chains. Spark Insulators, for example, states that it has supplied more than 200,000 composite insulators for 400 kV and 765 kV projects. This illustrates why rising transmission CAPEX in India does not automatically translate one-for-one into higher order intake for PFISTERER.

The picture is somewhat different across the rest of the Middle East. Grid investment remains strong in markets such as the UAE and Qatar, but the current project mix is more tilted towards substations, underground cable systems and 132/220/400 kV network infrastructure. These categories are generally more relevant for PFISTERER's HVA business than for OHL.

This distinction is important when interpreting the regional order development. PFISTERER itself indicated that HVA demand in Middle East & India remained strong and more than offset the weakness in OHL at the backlog level. As a result, the regional order backlog actually increased from EUR 94m to EUR 100m in Q2. In our view, this supports the idea that the weakness is not indicative of a broad-based deterioration in regional grid demand. Instead, it appears to reflect a shift in product mix: weaker Saudi OHL activity is currently being partly compensated by stronger HVA-related demand elsewhere in the region.

Argentina: Temporary dip rather than a structural decline
While the top-line decline in PFISTERER's COM division during Q2 was explicitly attributed by management to softer demand in the Argentine power distribution market, our sector analysis confirms this is a localized, country-specific pause rather than a broad-based global collapse in components. A granular examination of Argentina's two primary distribution system operators (DSOs), Edenor and Edesur, fully validates this explanation, as capital expenditure across both operators dropped visibly throughout the first half of 2026.

Edenor's Q2 2026 reporting reveals a substantial contraction in capital deployment on a real, inflation-adjusted basis. Total capex fell from ARS 218.4bn in H1 2025 (restated for inflation) to ARS 162.9bn in H1 2026, marking a real year-over-year decline of 25.4%. The pullback was even sharper in electrical grid investments, the core addressable market for PFISTERER, where grid-specific capital outlay dropped by roughly 29% real, moving from ARS 177bn to ARS 125bn. This capex reduction directly accounts for the weaker domestic demand for cable connectors, transformer connections, and MV/LV connection technology.

Edesur mirrored this downward trajectory, with gross investments contracting by roughly 13% to 15% in USD terms, falling from ~$115m in H1 2025 to ~$100m in H1 2026.

Rather than entering a structural downturn, the Argentine power distribution sector is currently undergoing a regulatory normalization and framework reset. In fact, Edenor's published targets for full-year 2026 actually point to higher physical roll-out goals than in 2025, particularly across transformation capacity and medium-voltage cabling.

Consequently, we classify Argentina as a temporary H1 headwind rather than a structurally shrinking end-market. Across business areas, this environment suggests stabilization rather than a major boom for Components, while Medium Voltage Applications and High Voltage Applications remain on an increasingly positive trajectory supported by select substation and transformer projects. We expect Argentine COM demand to stabilize sequentially through Q3 and Q4 2026e.

The US market cannot yet offset weakness in Argentina

Although the US transmission and distribution market is expanding rapidly, the ongoing ramp-up of PFISTERER's local manufacturing footprint means it cannot yet offset the short-term top-line headwinds in Argentina.

According to EEI data, US transmission capex is on a steep upward trajectory, rising from USD 30.0bn in 2023 and USD 32.6bn in 2024 to an estimated USD 39.9bn in 2025. This structural growth is expected to accelerate further, with annual spend projected to reach USD 43.7bn in 2026 and USD 45.5bn in 2027. Recognizing these highly attractive end-market dynamics, PFISTERER expanded its footprint in late 2024 by activating its own production facility in Rochester.

However, the facility remains in a operational ramp-up phase and requires additional time to generate significant order intake for the group. Consequently, the US market is not a driver for H1 2026 relief, but is instead positioned to become a meaningful earnings and growth driver in 2027e and 2028e.

Understanding Europe

Initially, the European market raised the most skepticism for us, as headline investment figures appear to contradict PFISTERER's Q2 order intake trajectory in Europe & Africa, which softened from EUR 79m to EUR 72m. On paper, the European TSO capital expenditure boom is massive: Amprion invested a record EUR 5.4bn in 2025 with plans for roughly EUR 42bn through 2030, 50Hertz invested EUR 3.8bn in 2025 while targeting around EUR 5bn annually from 2026 to 2028, and TenneT Germany is planning approximately EUR 67bn between 2026 and 2030, complemented by aggressive spending programs from RTE, Terna, and National Grid.

The disconnect stems from where these billions are being deployed and who captures them. A dominant portion of the European TSO capex boom is absorbed by HVDC projects, offshore cable systems, converters, civil engineering, and integrated turnkey solutions. Most major cable packages were awarded years ago (between 2020 and 2025) to integrated cable giants like NKT, Prysmian, Nexans, and Sumitomo. While capex is being booked today, the underlying supply chain awards occurred long ago. Furthermore, vertically integrated competitors reduce PFISTERER's addressable market; NKT, for example, manufactures its own high-voltage cable accessories from 52 to 550 kV, including joints, GIS/transformer terminations, and outdoor terminations, in its own facilities in Germany and Sweden. Consequently, a multi-billion-euro contract awarded to a cable OEM often insulates the accessory component supply, rendering the addressable portion for an independent supplier like PFISTERER significantly smaller than headline capex figures suggest.

Crucially, the largest growth engine in the current European cycle, 525 kV HVDC, is not yet fully monetizable for PFISTERER.

Simultaneously, evidence shows that PFISTERER is indeed capturing tailwinds from the European grid supercycle where its core exposure lies. Enel's updated 2026–2028 strategic plan earmarks over EUR 26bn for grid capex, with more than EUR 20bn directed to Europe, building on its previous 2025–2027 plan that had already raised grid spend by ~40%. This capex is heavily weighted toward medium-voltage cables, distribution substations, transformer connections, LV/MV grid reinforcement, and new connections, the exact sweet spot for PFISTERER's MVA and COM) divisions. This distribution-level strength is already visible: MVA order intake grew 11% in Q2, rising from EUR 13m to EUR 15m YoY, with management explicitly pointing to Europe & Africa as a primary driver and noting that the MVA order backlog is predominantly European. This reinforces a key conclusion: PFISTERER is not missing the European grid cycle; rather, the European DSO expansion is actively feeding into its MVA business, while the TSO/HVDC upside remains a medium-term catalyst set to unlock from 2027e onward.

Downside risks & monitoring factors

Risk 1: Europe HVA

Europe & Africa HVA experienced softer order activity in Q2. Given the structural HVAC, substation, and transformer expansion across the continent, we expect to see a clear order re-acceleration into 2027e. Should this recovery fail to materialize, market share losses or a lower capture rate relative to peers would become the more plausible explanation rather than a mere timing lag.

Risk 2: Saudi supplier share

In the Saudi Arabian market, PFISTERER competes directly with established players like Mosdorfer, NGK, and Sediver. As local material procurement accelerates through H2 2026, a failure of PFISTERER's OHL order intake to respond accordingly would significantly increase the probability of market share erosion.

Risk 3: US market capture

The US T&D end-market continues to accelerate. As the Rochester facility completes its operational ramp-up alongside double-digit growth in US utility capex, PFISTERER must convert this tailwind into tangible order intake; an underperformance here would indicate a fundamental market capture issue.

Risk 4: COM differentiation

The distribution components segment features lower technical differentiation and higher price sensitivity. Even as global distribution capex expands, PFISTERER risks capturing a smaller share of this growth if competition intensifies or DSOs lean toward lower-cost alternative suppliers.

Valuation

We derive a fair value of EUR 105 per share

We derive a fair value of EUR 105 per share. Our approach to determining the fair value of PFISTERER shares involves a combination of two valuation methods: Peer Group Valuation and Discounted Cash Flow (DCF).

In our Peer Group Valuation model, we evaluate comparable listed competitors to PFISTERER's operations and weighted them equally. For our absolute valuation methodology, we employ a DCF model. Our analysis yields a fair value of EUR 112.8 per share from the DCF model. The equally weighted average of PFISTERER's peer group results in a valuation of EUR 91.8 per share.

Peer Group Valuation
For the individual divisions, we use the EV/EBITDA multiple for 2028e. We weight each company equally. PFISTERER's peers are trading at an average of 12.5x.

Peer Group Valuation 20.08.2026

Peers	Bloomberg RIC	Share price	Currency	EV/EBITDA 2028e
Nexans SA	NEX FP Equity	138.5	EUR	6.6
Prysmian SPA	PRY IM Equity	122.2	EUR	10.8
NKT A/S	NKT DC Equity	930.5	DKK	8.3
TE Connectivity	TEL US Equity	202.2	USD	9.8
HUBBEL INC	HUBB US Equity	474.8	USD	15.0
Sumitomo Electric Industries	5802 JT Equity	2218.5	JPY	8.2
Eaton Corporation	ETN US Equity	421.0	USD	18.3
ABB LTD-REG	ABBN SW Equity	79.7	CHF	17.3
GE Vernova	GEV US Equity	965.3	USD	19.8
Siemens Energy (BUY; pt. EUR 205)	ENR GY Equity	152.2	EUR	11.3
Average of Peers				**12.5**

Sources: Bloomberg, Metzler Research

DCF valuation

We use a 3-stage DCF valuation approach. Phase I includes our detailed estimates starting FY2025 to FY2028e. Phase II is the transition phase (FY2029-FY2033e) and is based on our medium-term assumptions. Phase III represents our terminal value calculation. We use the following assumption:

- EBIT margin: We expected steadily improving margins, driven by further efficiency improvements and better pricing. We expect a terminal EBIT margin of 19.0%.
- D&A and CAPEX: CAPEX should remain elevated in the near term due to capacity expansion. As the business scales and revenues increase, we anticipate CAPEX will normalize to approximately 3.8% of revenue. Conversely, D&A is expected to rise as a direct result of the current high investment phase.
- Working Capital: We expect Working Capital to reach EUR 289 m by FY2033 (up from EUR 100 m in FY2025). While top-line growth will necessitate higher inventories and receivables, the impact on working capital will be mitigated by increasing contract liabilities tied to our growing order book.
- WACC: We calculated a WACC for PFISTERER of 8.0% based on the following underlying parameters: (a) Risk free rate of 2.5%, (b) market risk premium of 6%, and (c) a projected beta of 1.5. The cost of equity amount to 11.5% and our cost of debt (after tax) estimate totals 4.5%. We are assuming a target capital structure consisting of 50% equity and 50% debt.
- Long-term growth: We are assuming 3.0% long-term growth.

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DCF valuation table

(in EUR m)	Phase I: Explicit forecasts FY26	FY27	FY28	Phase II: Transition period FY29	FY30	FY31	FY32	FY33	TV
Sales	525	591	666	740	821	897	969	1,044	1,075
Change yoy (in %)	16.7%	12.6%	12.7%	11.1%	11.0%	9.3%	8.0%	7.7%	3.0%
EBIT	81	94	114	127	146	165	183	202	204
EBIT margin (in %)	15.5%	15.9%	17.1%	17.2%	17.8%	18.4%	18.9%	19.4%	19.0%
Taxes	11	17	21	24	28	32	35	39	38
Tax rate (in %)	15.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	
NOPAT	70	77	92	103	118	133	148	163	166
NOPAT margin (in %)	13%	13%	14%	14%	14%	15%	15%	16%	15%
Depreciation & amotisation	-17	-20	-22	-25	-25	-26	-26	-27	-35
in % of sales	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	
Change in net working capital	-42	-17	-21	-18	-18	-19	-19	-18	-10
Net working capital	142	159	180	197	215	235	254	272	
Net working capital in % of sales	27.0%	26.9%	27.0%	26.7%	26.2%	26.1%	26.2%	26.1%	
Capex	-60	-60	-60	-50	-40	-40	-40	-40	-35
in % of sales	-11%	-10%	-9%	-7%	-5%	-4%	-4%	-3.8%	
Capex / D&A	3.6	3.0	2.7	2.0	1.6	1.6	1.5	1.5	
FCF	-15	19	34	60	85	100	114	132	156
Discount factor	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	
WACC	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
Present value FCF	-14	17	27	44	58	63	67	71	1690

Calculation of the fair value per share	
Sum of all present values	2,023
- thereof TV	84%
Net debt incl. pensions	18
Fair equity value	2,041
No. of shares (in million)	18
Fair value per share	**112.8**

Sources: Metzler Research

Sensitivity analysis

In our sensitivity analysis, we vary the EBIT margin between 18.0% and 20.0% and the terminal sales growth rate between 2.0% and 4.0%.

Sensitivity analysis

In EUR

		Terminal sales growth				
		2.0%	2.5%	3.0%	3.5%	4.0%
	18.0%	92.1	99.1	107.6	117.9	130.7
	18.5%	94.3	101.5	110.2	120.8	134.0
EBIT margin	19.0%	96.4	103.9	112.8	123.7	137.3
	19.5%	98.6	106.2	115.4	126.6	140.6
	20.0%	100.7	108.6	118.0	129.5	143.9

Sources: Metzler Research

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Key Data

Company profile

CEO: Co-CEO: Johannes Linden, Co-CEO: Dr. Konstantin Kurfiss CFO: Johannes Linden Winterbach

PFISTERER, founded in 1921 and headquartered in Winterbach, Germany, is a global leader in connection and insulation solutions for power grids across all voltage levels. With production sites in Germany, the Czech Republic, and the US, the company generated EUR 450 m in revenue in FY2025.

Major shareholders

Pfisterer Karl-Heinz (46%), Stängel Anna Dorothee (13%)

Key figures

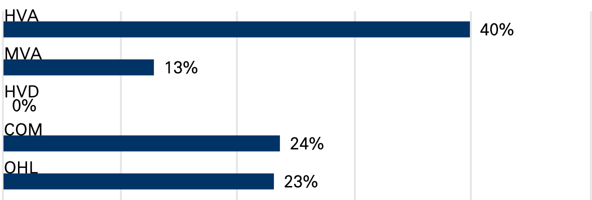
P&L (in EUR m)	2023	%	2024	%	2025	%	2026e	%	2027e	%	2028e	%
Sales	**334**	**n.a.**	**383**	**14.7**	**450**	**17.4**	**525**	**16.7**	**591**	**12.6**	**666**	**12.7**
Gross profit on sales	**129**	**n.a.**	**152**	**18.0**	**183**	**20.2**	**214**	**17.4**	**244**	**13.9**	**280**	**14.5**
Gross margin (%)	38.5	n.a.	39.6	2.9	40.6	2.4	40.8	0.6	41.3	1.2	42.0	1.6
EBITDA	**52**	**n.a.**	**60**	**15.9**	**76**	**26.7**	**98**	**28.8**	**114**	**16.0**	**136**	**19.5**
EBITDA margin (%)	15.5	n.a.	15.7	1.1	16.9	7.9	18.7	10.4	19.3	3.1	20.4	6.0
EBIT	**42**	**n.a.**	**48**	**15.3**	**62**	**29.6**	**81**	**31.1**	**94**	**15.6**	**114**	**20.6**
EBIT margin (%)	12.4	n.a.	12.5	0.5	13.8	10.3	15.5	12.4	15.9	2.7	17.1	7.0
Financial result	**-8**	**n.a.**	**-4**	**56.4**	**-2**	**41.9**	**-3**	**-40.7**	**-4**	**-25.1**	**-4**	**1.2**
EBT	**33**	**n.a.**	**44**	**33.2**	**60**	**35.4**	**76**	**25.9**	**87**	**14.9**	**106**	**22.5**
Taxes	7	n.a.	11	43.3	8	-21.4	11	36.1	17	53.5	21	22.5
Tax rate (%)	22.1	n.a.	23.8	n.a.	13.8	n.a.	15.0	n.a.	20.0	n.a.	20.0	n.a.
Net income	26	n.a.	34	30.3	52	53.2	64	24.2	69	8.1	85	22.5
Minority interests	1	n.a.	2	131.1	1	-65.8	1	154.5	2	66.5	2	4.4
Net Income after minorities	**25**	**n.a.**	**32**	**27.6**	**51**	**59.0**	**63**	**22.8**	**67**	**6.8**	**83**	**23.1**
Number of shares outstanding (m)	0	n.a.	15	n.a.	18	24.0	18	0.2	18	0.0	18	0.0
EPS adj. (EUR)	**n.a.**	**n.a.**	**2.21**	**n.a.**	**2.83**	**28.3**	**3.47**	**22.6**	**3.70**	**6.8**	**4.56**	**23.1**
DPS (EUR)	**0.00**	**n.a.**	**0.80**	**n.a.**	**0.85**	**6.3**	**1.04**	**22.4**	**1.11**	**6.8**	**1.37**	**23.1**
Dividend yield (%)	n.a.	n.a.	n.a.	n.a.	1.1	n.a.	1.4	n.a.	1.5	n.a.	1.9	n.a.

Cash Flow (in EUR m)	2023	%	2024	%	2025	%	2026e	%	2027e	%	2028e	%
Gross Cash Flow	**36**	**n.a.**	**44**	**24.9**	**65**	**47.1**	**80**	**21.9**	**87**	**9.2**	**111**	**27.4**
Increase in working capital	**-30**	**n.a.**	**-8**	**n.a.**	**-1**	**n.a.**	**-42**	**n.a.**	**-17**	**n.a.**	**-21**	**n.a.**
Capital expenditures	**-8**	**n.a.**	**-17**	**-104.8**	**-17**	**-1.7**	**-72**	**-311.9**	**-64**	**10.8**	**-65**	**-0.9**
D+A/Capex (%)	-122.6	n.a.	-70.9	n.a.	-80.6	n.a.	-23.2	n.a.	-30.6	n.a.	-34.6	n.a.
Free cash flow (Metzler definition)	**-3**	**n.a.**	**19**	**827.4**	**47**	**148.2**	**-15**	**-132.0**	**19**	**229.1**	**34**	**76.5**
Free cash flow yield (%)	n.a.	n.a.	n.a.	n.a.	3.4	n.a.	-1.2	n.a.	1.5	n.a.	2.6	n.a.
Dividend paid	n.a.	n.a.	12	n.a.	15	31.7	19	22.6	20	6.8	31	53.3
Free cash flow (post dividend)	**-3**	**n.a.**	**7**	**376.8**	**31**	**337.9**	**-34**	**-207.8**	**-1**	**97.7**	**3**	**514.2**

Balance sheet (in EUR m)	2023	%	2024	%	2025	%	2026e	%	2027e	%	2028e	%
Assets	**211**	**n.a.**	**243**	**14.9**	**355**	**46.3**	**469**	**32.2**	**542**	**15.6**	**626**	**15.4**
Goodwill	**0**	**n.a.**	**0**	**n.a.**	**0**	**n.a.**	**0**	**n.a.**	**0**	**n.a.**	**0**	**n.a.**
Shareholders' equity	**44**	**n.a.**	**84**	**90.7**	**205**	**145.1**	**246**	**20.0**	**293**	**19.1**	**351**	**19.6**
Equity/total assets (%)	20.8	n.a.	34.5	n.a.	57.8	n.a.	52.4	n.a.	54.0	n.a.	56.0	n.a.
Net Debt incl. Provisions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**-18**	**n.a.**	**24**	**233.6**	**37**	**53.4**	**39**	**5.9**
thereof pension provisions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**18**	**n.a.**	**19**	**3.3**	**19**	**0.0**	**19**	**0.0**
Gearing (%)	0.0	n.a.	0.0	n.a.	-8.9	n.a.	9.9	n.a.	12.7	n.a.	11.3	n.a.
Net debt/EBITDA	0.0	n.a.	0.0	n.a.	-0.2	n.a.	0.2	n.a.	0.3	n.a.	0.3	n.a.

Structure

Sales 2025



Sources: Bloomberg, Metzler Research

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Recommendation history

Recommendations for each financial instrument or issuer - mentioned in this document - published by Metzler in the past twelve months

Date of dissemination	Metzler recommendation * Previous	Current	Current price **	Price target *	Author ***
Issuer/Financial Instrument (ISIN): PFISTERER (DE000PFSE212)					
19.08.2026	Buy	Buy	78.15 EUR	135.00 EUR	Demeter, Nikolas
09.07.2026	Buy	Buy	80.05 EUR	135.00 EUR	Demeter, Nikolas
20.05.2026	n.a.	Buy	97.00 EUR	135.00 EUR	Demeter, Nikolas
Issuer/Financial Instrument (ISIN): Siemens Energy (DE000ENER6Y0)					
05.08.2026	Buy	Buy	150.86 EUR	205.00 EUR	Demeter, Nikolas
30.06.2026	Buy	Buy	157.06 EUR	205.00 EUR	Demeter, Nikolas
11.06.2026	Buy	Buy	138.68 EUR	205.00 EUR	Demeter, Nikolas
24.04.2026	Buy	Buy	182.80 EUR	205.00 EUR	Demeter, Nikolas
05.03.2026	Buy	Buy	162.75 EUR	175.00 EUR	Demeter, Nikolas
12.02.2026	Buy	Buy	163.25 EUR	175.00 EUR	Demeter, Nikolas
11.02.2026	Buy	Buy	150.60 EUR	150.00 EUR	Demeter, Nikolas
15.01.2026	Buy	Buy	126.15 EUR	150.00 EUR	Demeter, Nikolas
24.11.2025	Hold	Buy	100.80 EUR	130.00 EUR	Demeter, Nikolas
14.11.2025	Hold	Hold	101.05 EUR	93.00 EUR	Demeter, Nikolas
29.09.2025	Hold	Hold	98.72 EUR	93.00 EUR	Demeter, Nikolas
22.09.2025	Hold	Hold	95.24 EUR	93.00 EUR	Demeter, Nikolas

* Effective until the price target and/or investment recommendation is updated (FI/FX recommendations are valid solely at the time of publication)

** XETRA trading price at the close of the previous day unless stated otherwise herein: (AMS SW: SIX Swiss Exchange)

*** All authors are financial analysts

PFISTERER

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