

Gafrik Research

Quarter Report

H1 2025

October 2025



Gafrik Research Report

GEVORKYAN, a.s.

Ticker	Exchange	Market Cap	52-Week Range	Price as of 30/06/2025	Target price
GEV.PR/1GVR001E	PSE/BSSE	3,597,970,752 CZK	214 - 278 CZK	216 CZK	310 - 330 CZK
EBITDA margin (%)	Net Debt/EBITDA	ROIC	Beta	P/E	EPS
32.7 %	3.2 (Est.)	2.46	1.6	24.64	0.35 EUR / 8.77 CZK

Sector: **Industrials** | Industry Group: **Capital Goods**

BUSINESS DESCRIPTION

GEVORKYAN, a.s., established in 1996, is a European leader in the production of metal components using powder metallurgy, sintering, and metal injection molding. The company possesses unique know-how and a top-tier research and development department, which forms the foundation for its product development.

STOCK PERFORMANCE (%)

	3M	YTD	1Y
Price Change	-17.56	-20.59	-16.28

P/E COMPARISON



SHARE PRICE AND TRADING VOLUMES DEVELOPMENT



Source: Prague Stock Exchange | Edit: Gafrik Research

HIGHLIGHTS

In the first half of 2025, GEVORKYAN, a.s. reported revenues of €42.15 million, up 10.97% YoY, reflecting continued growth momentum. EBITDA increased to €13.77 million (+15.2% YoY) with a margin of 32.7%, while net profit rose 17.85% to €2.95 million, demonstrating solid operational efficiency and cost control.

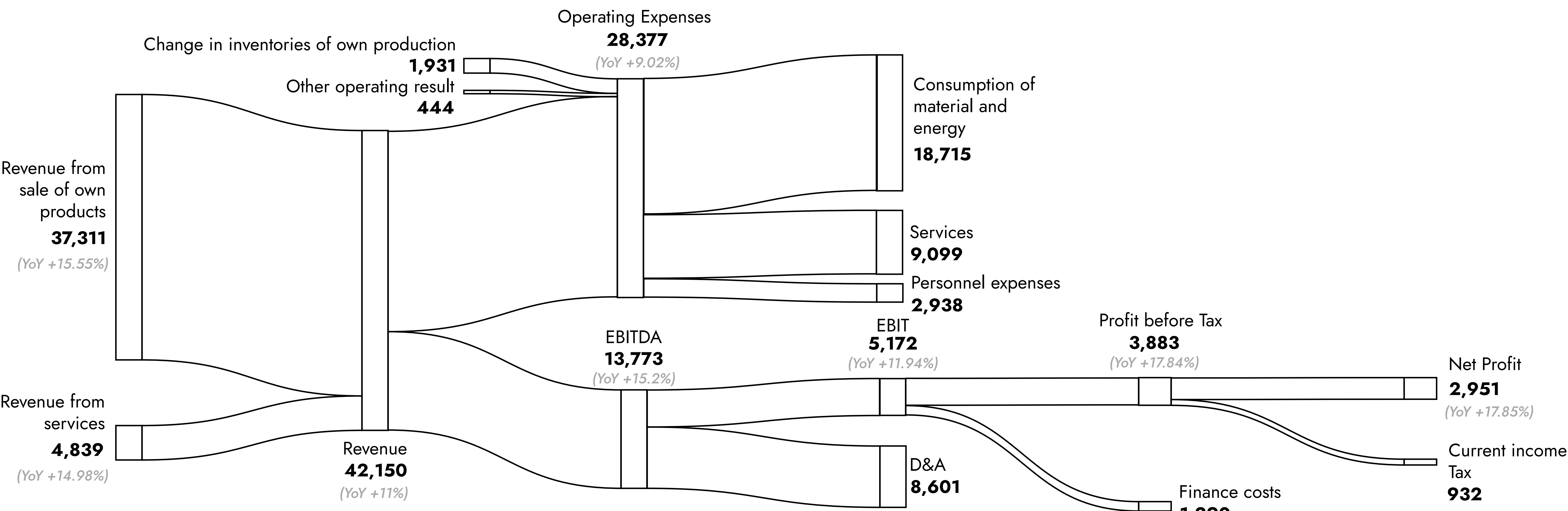
The company continued its strategic investments in automation, robotics, and capacity expansion, supporting future scalability and productivity gains. Within the defense, automotive, oil & gas, and optoelectronics sectors, GEVORKYAN secured several new contracts, including projects in night vision, thermal imaging, laser technologies, civil and military applications, and anti-drone systems. Active participation in defense exhibitions further strengthened the firm’s positioning in the European market.

ROIC declined to 2.46% (from 7.46% in Q1 2025) due to elevated growth investments and ESG-driven CAPEX, temporarily below the estimated WACC; however, the company’s core value-generation capacity remains robust, with normalization expected from FY 2026. On the balance sheet, total assets reached €205.93 million (+11.5% YoY), while net debt stood at €88.05 million, resulting in an estimated Net Debt/EBITDA ratio of ~3.2x. The quick ratio of 1.01 reflects efficient deployment of working capital and ongoing investment activities.

GEVORKYAN is on track to complete an acquisition in Italy, which will help optimize its production footprint between Italy and Slovakia and provide a framework for further expansion, including a five-year capital increase mandate and the planned GEVORKYAN Defense entity. Looking ahead, the company expects revenue growth of 11–18% and EBITDA growth of 15–23% in 2025, aiming for an EBITDA margin around 36%. Over the next five years, management anticipates annual revenue growth of 10–16% and EBITDA growth of 10–18%, supported by a strong backlog, defense contracts, and expansion into strategic sectors.

HOW COMPANY MAKES MONEY

Amounts in millions of EUR (IFRS), unless otherwise indicated



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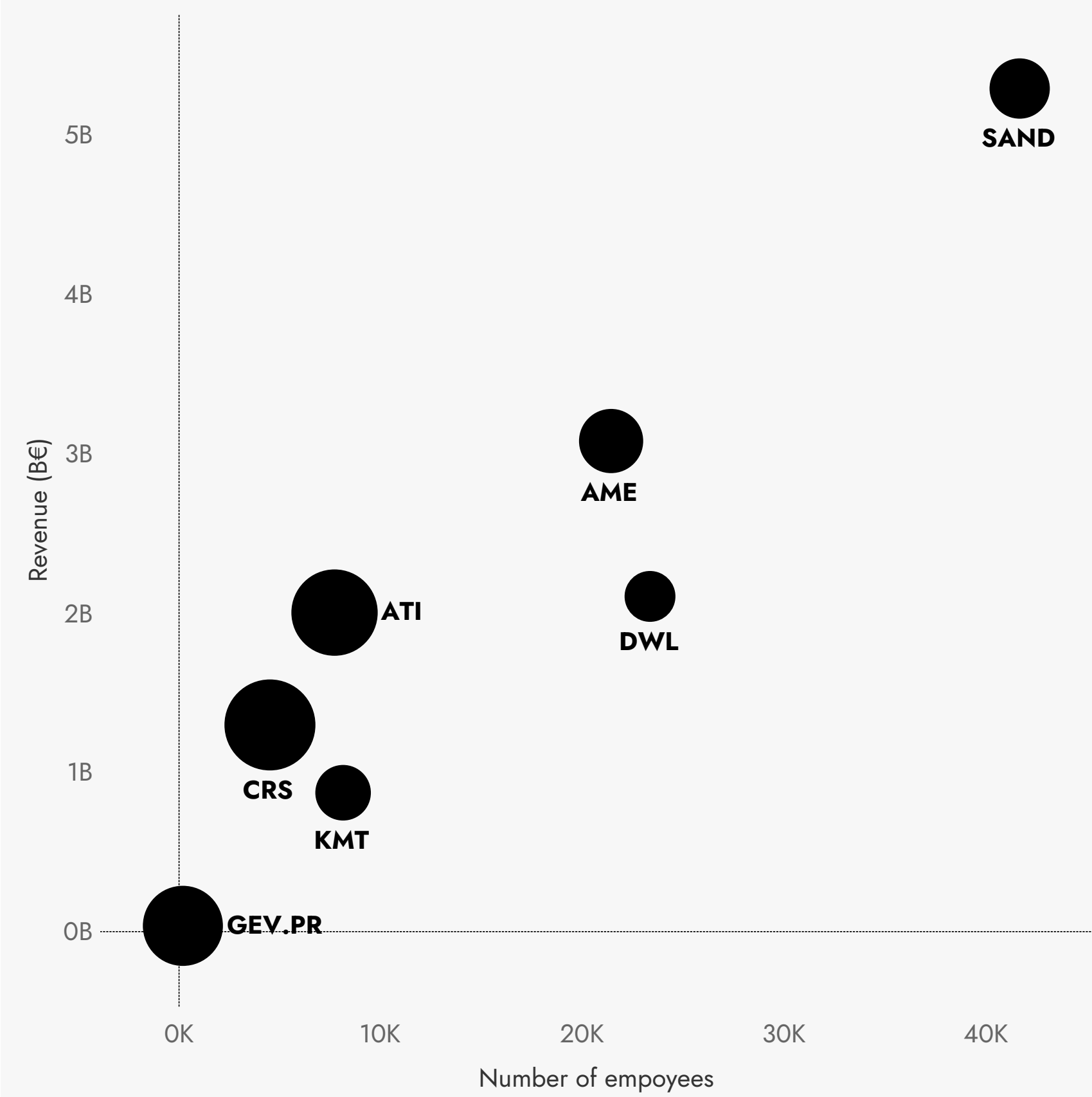
INCOME STATEMENT (mil. EUR)				FINANCIAL ANALYSIS			
	H1 '25	H1 '24	YoY	In the first half of 2025, GEVORKYAN continued its growth-oriented and technology-driven trajectory, reaching revenues of €42.15 million, a year-over-year increase of 10.97%. The company successfully translated this growth into higher profitability, achieving EBITDA of €13.77 million (+15.22%) with a margin of 32.7%, well above the peer average (21.2%) and median (18.1%). This above-average performance highlights the company's ability to effectively transform technological know-how and automated production processes into high value-added and profitable operations.			
Revenue	42.15	37.98	+10.97%	Labor productivity remains a key differentiator, with revenue per employee reaching €224k — significantly above the peer average (€164k) and median (€136k) — reflecting a high degree of automation and production optimization.			
Operating Expenses	28.38	26.03	+9.02%	On the balance sheet side, total assets increased by 11.49% to €205.93 million, while total liabilities rose by 15.81% to €128.07 million. Total debt stood at €90.24 million and net debt at €88.05 million. With D/E at 1.16x and Net Debt/Equity at 1.13x, the company maintains a sustainable leverage profile for a mid-sized industrial player with a robust contract backlog and strategic investment agenda.			
EBITDA	13.77	11.95	+15.22%	The Net Debt/EBITDA ratio is currently estimated at 3.2x, representing a temporary increase driven by elevated capital expenditures (CAPEX) related to robotization, production expansion, and ESG projects. This ratio remains within an acceptable range for a growth-focused manufacturing company and is expected to gradually decline as operating cash flows strengthen over the coming periods.			
EBIT	5.17	4.62	+11.95%	The company has not disclosed detailed cash flow data for the first half of 2025, but a 33% decrease in cash and equivalents, coupled with higher investment spending, indicates that free cash flow was temporarily neutral to slightly negative — consistent with the ongoing investment and long-term growth cycle.			
Profit	2.95	2.50	+17.85%	Return on capital remains stable, with ROE at 3.8% and ROA at 1.43%, reflecting the capital intensity of the current growth phase, including ESG-driven investments in green technologies and energy efficiency. Both EBITDA and EBIT margins remain well above sector averages, confirming GEVORKYAN's ability to generate sustainable cash flows even during a period of heavy capital deployment.			
BALANCE SHEET (mil. EUR)				From a market perspective, P/B stands at 1.87 and EV/EBITDA at 17x, while the share price has declined by approximately 20.59% since the beginning of the year. The estimated beta of 1.6—1.8 is typical for a small-cap stock with lower liquidity. However, this decline does not reflect the company's strong fundamentals, which remain supported by a solid contract pipeline and technological advantage.			
	H1 '25	H1 '24	YoY	Overall, GEVORKYAN represents an efficient, technologically advanced, and highly productive player in the powder metallurgy and advanced metal components sector. Its above-average EBITDA margin, high labor productivity, and diversified customer portfolio across defense, automotive, and industrial segments ensure continued competitiveness. Despite temporarily higher leverage and limited stock liquidity, the company's fundamentals remain robust, positioning it well to sustain profitability and create long-term shareholder value.			
Cash & Equiv.	2.192	3.289	-33.35%	REVENUE DIVERSIFICATION			
Total Assets	205.93	184.70	+11.49%	GEVORKYAN exhibits strong diversification across industries, regions, and technologies. Automotive and machinery contribute 28% of revenue, followed by healthcare, fashion, and electrical engineering (17%), while the EU accounts for 58% of sales and North America 23%. Technologically, sintering dominates (51%), with 19% of production for specialized oil industry components, reducing reliance on any single segment and supporting revenue stability.			
Total Liabilities	128.07	110.59	+15.81%	Sales categories			
Total Debt	90.24	80.63	+11.91%	Regions			
Net Debt	88.05	77.34	+13.84%	Technologies			
Total Equity	77.86	74.11	+5.05%				
INDICATORS							
	H1 '25	H1 '24					
EBITDA Margin	32.68 %	31.47 %					
EBIT Margin	12.27 %	12.16 %					
Net Profit Margin	7.00 %	6.59 %					
Book Value/Share	4.67 €	4.45 €					
Quick Ratio	1.01	1.33					
P/B (Price to Book)	1.87	2.31					
D/E (Debt to Equity)	1.16	1.09					
Net Debt to Equity	1.13	1.04					
Net Debt to EBITDA	3.2	3.2					
Asset Turnover	0.205	0.206					
ROE (Return on Equity)	3.8 %	3.4 %					
ROA (Return on Assets)	1.43 %	1.35 %					
EV/EBITDA	17	18.9					
All financial data complies with IFRS standards							
ESG							
Energy Efficiency & Environment: Financing of robotization and energy-efficient machinery through green bonds (€30 million); in-house production of nitrogen and hydrogen reduces reliance on external suppliers; efficient use of powder metallurgy minimizes waste; planned expansion of renewable energy sources and material recycling.							
Governance & Certifications: Implementation of defense and aerospace certifications (AS9100, AQAP 2110) and ISO 27001/TISAX; registration in the OASIS database; board mandate for flexible capital increases to support acquisitions and growth.							
Social Responsibility & Employees: High productivity (€224k revenue per employee), employee development programs, collaboration with European partners in defense and technology sectors, national-level recognition and awards.							
Future Steps: First voluntary ESG report planned; further projects in energy efficiency, automation, and resource optimization to strengthen ESG profile and enhance access to green financing.							
Summary: GEVORKYAN combines profitability with environmental and social responsibility and strong governance, positioning itself as a forward-looking, technologically advanced, and ESG-oriented industrial player.							

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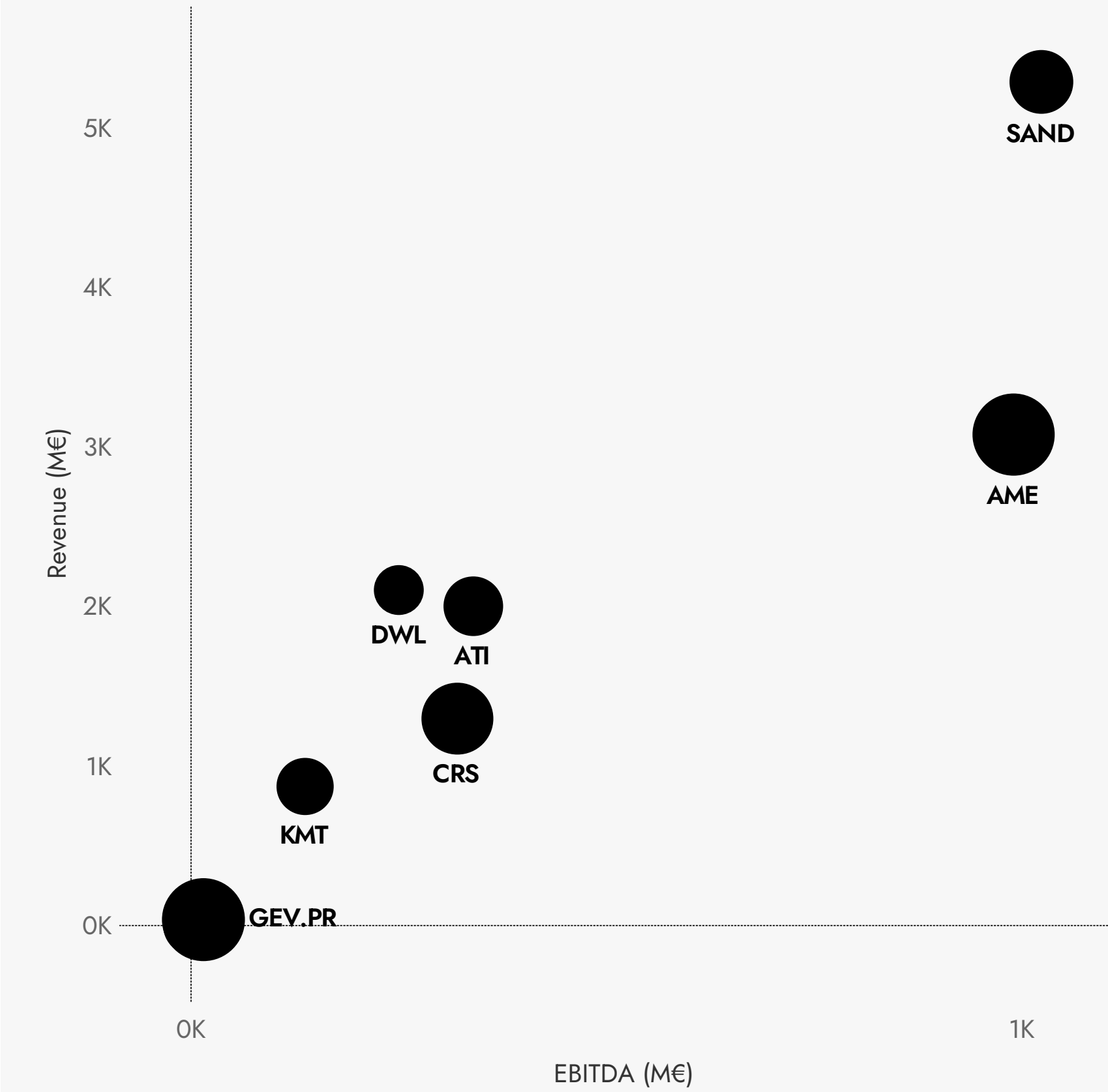
PEER GROUP ANALYSIS

REVENUE AND EMPLOYEES



Companies with higher revenue per employee demonstrate more efficient use of human capital. With €224,202 in revenue per employee, GEVORKYAN ranks among the most efficient companies in the industry, significantly outperforming several larger competitors.

REVENUE AND EBITDA



GEVORKYAN delivers 32.7% EBITDA margin in H1 2025, the highest among its specialized peers, showcasing exceptional efficiency and focus on high-margin, advanced powder metallurgy segments. Despite being smaller in scale, the company ranks as one of the most profitable and technologically advanced players in its sector.

SUBSECTOR ANALYSIS

GEVORKYAN is a specialized and technologically advanced manufacturer of powder metallurgy and advanced metal components. Despite its smaller size and narrow specialization directly related to powder metallurgy, the company achieves significantly above-average operational efficiency and labor productivity. Revenue per employee reaches €224,000, well above the peer average (average €164,000, median €136,000) and considerably higher than smaller players such as Sintercom India. This performance reflects a high degree of automation, robotics, and optimized production processes, enabling the company to translate technological know-how into a profitable business model.

The EBITDA margin of 32.7% is nearly 11 percentage points above the peer average (21.2%), confirming GEVORKYAN's ability to generate high value-added and profitability with a specialized product portfolio. Among smaller specialized peers, GEVORKYAN holds a clear competitive advantage, while comparisons with large diversified companies such as Sandvik or Kennametal are limited—their margins and productivity also reflect other divisions and segments that are not directly comparable to powder metallurgy.

Lower stock liquidity and a price decline of nearly 20.59 % since the beginning of the year increase volatility, with an estimated practical beta of 1.6 - 1.8, typical for small-cap stocks. These factors indicate that the market price currently does not fully reflect the company's intrinsic value, while its fundamental indicators remain strong.

Overall, GEVORKYAN represents an efficient, technologically strong, and productive manufacturer, capable of maintaining competitiveness and profitability even with higher investment expenses, while lower liquidity and stock volatility represent specific market risks that investors need to consider.

Peer group selected based on comparable manufacturing technologies (PM, MIM, sintering) and available public data. European private peers such as Höganäs or Miba are excluded due to non-disclosure.

PEER GROUP: General Materials companies

Ticker	Company name	Recent Price	Market Cap (M€)	P/E	Revenue (M€)	EBITDA (M€)	Net Income (M€)
GEV.PR	GEVORKYAN, a.s.	216.00 CZK	145.40	24.64	42.15	13.77	2.95
SAND	Sandvik AB	212.40 SEK	23,902.71	19.17	5,293.23	1,022.56	623.69
AME	AMETEK, Inc.	178.74 \$	36,684.37	5.95	3,082.65	989.11	623.68
CRS	Carpenter Technology Corp.	276.38 \$	12,065.80	36.56	1,302.13	319.52	181.89
ATI	ATI Inc.	86.34	11,900.43	29.77	2,006.67	338.66	168.36
KMT	Kennametal Inc.	21.56 \$	1,665.81	17.82	876.91	136.16	46.61
DWL	Dowlais Group plc	66.60 £	76,613.03	11.89	2,108.15	248.97	65.88
SINTERCOM	Sintercom India Ltd.	126.89 ₹	40.17	387	5.18	0.86	0.03

The peer group comparison is based on the main material companies or subsidiaries involved in powder metallurgy. The company data is current and compared to financial results for H1 2025 or the fiscal year 2025. All currencies were transferred as of 30.06.2025.

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VALUATION As of the date of this report, GEVORKYAN shares are trading below both the expected fundamental value and the IPO price, having declined by nearly -20.58% since the beginning of the year. The current EV/EBITDA multiple based on H1 2025 results stands at approximately 17x, slightly above the peer average; however, this level is influenced by the company's specific capital structure and the relatively low liquidity of its shares. Applying standard valuation multiples to the annualized H1 2025 results, the fair value of the share is estimated to range between CZK 310 and CZK 330, indicating that the current market price does not fully reflect the company's intrinsic value. This assessment is supported by GEVORKYAN's above-average EBITDA margin of 32.7% and high revenue per employee, which demonstrate its strong value-generating capability. A robust contract backlog and diversified customer portfolio further reduce operational risks, while growth investments, automation projects, and ESG initiatives temporarily lower ROIC but reinforce long-term sustainable profitability. Overall, the valuation indicates that the company's fundamentals remain strong and provide scope for potential market revaluation as these investments begin to contribute fully to operational results.	SWOT <table><tr><th>STRENGTHS</th><th>WEAKNESSES</th></tr><tr><td>High profitability with EBITDA margin 32.7%, above industry peers</td><td>Low stock liquidity and free float, shares down ~20.59 % YTD</td></tr><tr><td>Strong contract backlog (~93% of 2025 revenue secured)</td><td>Moderate leverage (Net Debt/Equity 1.13x) and refinancing risk for green bonds (2026)</td></tr><tr><td>Advanced automation and robotics boost efficiency and revenue per employee (€224k)</td><td>Exposure to cyclical sectors (automotive, oil & gas)</td></tr><tr><td>Diversified customer and product base across defense, automotive, oil & gas, and industrial sectors</td><td></td></tr><tr><td>ESG-focused investments enhance sustainability and corporate reputation</td><td></td></tr></table> <table><tr><th>OPPORTUNITIES</th><th>THREATS</th></tr><tr><td>Growing demand for advanced powder metallurgy (MIM, sintering, 3D printing)</td><td>Volatile raw material and energy costs</td></tr><tr><td>Geographic expansion beyond the EU (e.g. North America, LatAm)</td><td>Rising interest rates and refinancing costs</td></tr><tr><td>Growth in defense, aerospace, and autonomous mobility</td><td>Macroeconomic slowdown or geopolitical disruptions</td></tr><tr><td>ESG initiatives may improve access to green financing</td><td>Competitive pressure from global industrial players, though specialization mitigates risk</td></tr></table> The following SWOT analysis provides a high-level strategic view of GEVORKYAN's business positioning as of H1 2025. It does not constitute investment advice and is intended solely for analytical purposes within the scope of this report.	STRENGTHS	WEAKNESSES	High profitability with EBITDA margin 32.7%, above industry peers	Low stock liquidity and free float, shares down ~20.59 % YTD	Strong contract backlog (~93% of 2025 revenue secured)	Moderate leverage (Net Debt/Equity 1.13x) and refinancing risk for green bonds (2026)	Advanced automation and robotics boost efficiency and revenue per employee (€224k)	Exposure to cyclical sectors (automotive, oil & gas)	Diversified customer and product base across defense, automotive, oil & gas, and industrial sectors		ESG-focused investments enhance sustainability and corporate reputation		OPPORTUNITIES	THREATS	Growing demand for advanced powder metallurgy (MIM, sintering, 3D printing)	Volatile raw material and energy costs	Geographic expansion beyond the EU (e.g. North America, LatAm)	Rising interest rates and refinancing costs	Growth in defense, aerospace, and autonomous mobility	Macroeconomic slowdown or geopolitical disruptions	ESG initiatives may improve access to green financing	Competitive pressure from global industrial players, though specialization mitigates risk
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ANALYST'S COMMENTARY GEVORKYAN, a.s. delivered stable operational and financial performance in the first half of 2025, with revenue and EBITDA growth supporting a margin above 30%. The company's expansion in automation, robotics, and ESG-focused projects contributed to temporarily higher leverage (Net Debt/EBITDA ~3.2x), reflecting ongoing investments in capacity and long-term efficiency improvements. The current valuation, with an EV/EBITDA multiple of approximately 17x, is slightly above the sector mid-term average. This level is largely driven by the company's proprietary technology, R&D capabilities, and exposure to structurally growing sectors such as defense and advanced manufacturing. Despite elevated leverage and cash flow pressures related to capital expenditure, GEVORKYAN's operational efficiency, diversified customer base, and contract backlog support sustainable value creation. From a fundamental perspective, the company demonstrates strong profitability and productivity, and remains well-positioned to maintain growth and competitiveness over the medium to long term, while short-term share price performance may continue to reflect investment cycles and liquidity factors.																							
GEVORKYAN, a.s. Továrenská 504 976 31 Vlkanová Slovak Republic https://www.gevorkyan.sk/for-investors																							
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