IT Services
Equity – Greece

Performance Technologies

H1 earnings comfortably clear market bar

- **As H1 net income soared 38% y-o-y to €4.4m (18% beat) driven by 5.5pp gross margin spike on positive mix effects, we see…**
- **…upside risks to our FY26 earnings estimates; End-June net cash jumped 2.3x (or €10.2m) y-o-y to €18.1m on €9.6m FCF**
- **The average of a 3-stage DCF model and 2027e EV/EBITDA target-multiple returns an equity value of €10.7 per share**

Share price	**(€)**	**10.04**
Reuters		PREFr.AT
Bloomberg		PERF GA
Market cap	(€m)	141.6
Market cap	($m)	163.4
Enterprise value	(€m)	121.0
Free float (%)		40%

H1 profits cruised past forecasts: Performance Technologies (PERF) reported a decisive earnings beat (results out yesterday morning), as clean net profit surged 38% y-o-y to €4.4m vs €3.2m in 1H25, coming-in 18% above our €3.8m call. Take note that this figure is after adjusting for €2.0m (vs PSe of €1.2m) stock option costs, against €0.6m in H1 2025.

What actually drove this bottom-line beat was an unexpected 5.5pp y-o-y spike to 35.4% in the gross margin, smashing our 29.3% forecast. **Evidently, PERF managed to shift the product mix toward higher-value solutions** like cloud, AI, cybersecurity & managed services, which inherently carry a (much) higher gross margin. Still expanding at a double-digit pace, yet at less pronounced rate, first half revenue increased 13% y-o-y to €45.8m (in line), compared to +19% in 1H25 and 21% in FY25.

Furthermore, clean EBITDA advanced 37% y-o-y to €6.6m (17% stronger-than-expected), despite total opex (+25% to €9.9m net of stock option costs) now representing at 21.5% of sales vs 19.4% in 1H25. In a similar vein, H1 clean EBIT also soared 37% y-o-y to €5.9m (15% beat), compared to €4.3m over the same period a year ago, with the respective margin showing a solid 2.3pp improvement to 12.8%, standing 1.6pp taller vs our cautious call.

Performance Technologies: H1 2026a results (30 June, €m)

	1H25a	*y-o-y*	1H26a	*y-o-y*	vs PSe	1H26e
Group Sales	**40.7**	***19%***	**45.8**	***13%***	**1%**	**45.4**
Gross Profit	**12.2**	***30%***	**16.2**	***33%***	**22%**	**13.3**
Gross Margin	29.9%	*2.5pp*	35.4%	*5.5pp*	6.1pp	29.3%
Total SG&A Expenses	**(8.5)**	***26%***	**(11.8)**	***39%***	**22%**	**(9.7)**
Share allocation plan	0.6		2.0	*225%*	63%	1.2
Clean Total SG&A Expenses	**(7.9)**	***23%***	**(9.9)**	***25%***	**16%**	**(8.5)**
% of sales	19.4%		21.5%			18.7%
EBITDA	**4.2**	***53%***	**4.7**	***10%***	**4%**	**4.5**
Clean EBITDA	**4.8**	***56%***	**6.6**	***37%***	**17%**	**5.7**
EBITDA Margin	11.9%		14.4%	*2.6pp*	2.0pp	12.5%
EBIT	**3.7**	***61%***	**3.9**	***7%***	**1%**	**3.9**
Clean EBIT	**4.3**	***65%***	**5.9**	***37%***	**15%**	**5.1**
EBIT Margin	10.5%		12.8%	*2.3pp*	1.6pp	11.2%
EBT	**3.5**	***64%***	**3.7**	***6%***	**-1%**	**3.7**
Clean EBT	**4.1**	***67%***	**5.6**	***39%***	**15%**	**4.9**
EBT Margin	10.0%		12.3%			10.8%
Taxation	(0.8)	*67%*	(1.3)	*54%*	46%	(0.9)
Effective Tax Rate	20.9%		23.1%			
Net Profit	**2.6**	***67%***	**2.5**	***-5%***	**-13%**	**2.8**
Clean Net Profit	**3.2**	***71%***	**4.4**	***38%***	**18%**	**3.8**
Net Margin	7.9%		9.7%	*2.2pp*	1.4pp	8.3%

Source: Company data, Pantelakis Securities estimates

16 September 2026

Spiros Tsangalakis
Analyst
+30 210 696 5212
spiros.tsangalakis@pantelakis.gr

This report was prepared and published in consideration of a fee payable by Performance Technologies S.A.

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This report must be read with the disclosures and the analyst certifications in the Disclosure appendix, and with the Disclaimer, which forms part of it

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Performance Technologies: H2 & FY 2026e estimates (31 December, €m)

	2H25a	y-o-y	2H26e	y-o-y	FY25a	y-o-y	FY26e	y-o-y
Group Sales	**48.7**	***22%***	**61.0**	***25%***	**89.4**	***21%***	**106.8**	***19%***
Gross Profit	**17.4**	***25%***	**17.7**	***2%***	**29.5**	***27%***	**34.0**	***15%***
Gross Margin	35.6%	*0.9pp*	29.1%	*(6.5pp)*	33.0%	*1.7pp*	31.8%	*(1.2pp)*
Clean Total SG&A	**(9.6)**		**(11.0)**	***14%***	**(17.6)**		**(20.9)**	***19%***
% of sales	19.8%		18.1%		19.6%		19.6%%	
Clean EBITDA	**7.9**	***28%***	**7.6**	***-4%***	**12.8**	***37%***	**14.2**	***11%***
EBITDA Margin	16.3%		12.5%		14.3%		13.3%	
Clean EBIT	**7.2**	***27%***	**7.1**	***-2%***	**11.5**		**13.0**	***13%***
EBIT Margin	14.8%		11.6%		12.9%		12.1%	
Clean EBT	**7.0**	***27%***	**7.0**	***-1%***	**11.1**		**12.6**	***14%***
EBT Margin	14.5%		11.5%		12.4%		11.8%	
Clean Net Profit	**5.2**	***29%***	**5.2**	***-2%***	**8.4**	***42%***	**9.6**	***13%***
Net Margin	10.7%		8.5%		9.4%		9.0%	

Source: Company data, Pantelakis Securities estimates

At the pre-tax net earnings level, PERF registered a growth of 39% y-o-y to €5.6m (15% ahead of our expectations), compared to €3.1m a year before. And while the tax bill was somewhat larger-than-expected and the effective tax rate rose to 23.1%, up from 20.9% the previous year, it ultimately had a minor impact on the first half net profit.

End-June 2026 net cash (including €0.9m leases) jumped 2.3x (or €10.2m) higher y-o-y to €18.1m (now representing a hefty 13% of market cap), pointing to a y-t-d increase of €7.6m when screened against FY25 levels of €10.5m. With WC needs cut by 42% (or €9.9m) y-o-y to €14m (underpinned by better receivables terms), FCF to equity skyrocketed to €9.5m in H1 2026 (vs €0.6m negative year ago). All in all, thanks to PERF's admittedly robust H1 FCF generation, our projection of achieving €20.5m net cash position at end-2026e is well within reach, if not fully secured, we believe.

On top, given H1 buoyancy, we see significant upside risks to our FY26e earnings estimates, since our **clean net income call of €9.6m** (+13% y-o-y) implies a hard-to-come-by 2% decline to €5.2m for the second semester (see table at the top of page). Truth be told, following first half's stunning y-o-y expansion, our FY26e gross margin estimate of 31.8% (-1.2pp) now looks completely out of touch, since it points to a 6.5pp nosedive to 29.1% in H2 terms. What's more, in the second half of 2026, PERF faces softer y-o-y comparisons, cycling growth rates to the tune of 28% and 27% at the clean EBITDA/EBT lines, compared to +56% to +65% in H1 2026, respectively. For the time being, however, we stick to our 2026e numbers, seeing adjusted EBITDA 11% higher y-o-y to €14.2m – net of €2.6m (vs >€1.4m in FY25) stock option costs – on 19% stronger sales to €106.8m. In addition, we forecast adjusted EBIT and pre-tax profits expanding by 13% and 14% y-o-y to €13m and €12.6m in FY26e, respectively.

Our blended valuation approach yields an equity value of €10.7/sh: the average of a 3-stage DCF model (9.2% WACC, 1.0% LT growth) which points to €11.4/sh, and a 6.7x 2027e EV/EBITDA target-multiple, which, in turn, returns €10.0/sh. Following last year's stellar performance, up 57% in absolute terms, beating the Athens GI by 9%, so far this year PERF has logged gains of 15%, trailing the local market by 10% though. In our view, the stock appears attractively priced, trading 14.3x its 2027e clean EPS and 6.8x EV/EBITDA, while offering a solid earnings growth momentum. Besides being a great proxy to Greece's digital transformation theme, PERF's cash net rich position allows plenty of room for value accretive, bolt-on deals, we believe, adding glow to its valuation appeal.

As a reminder, the company will not host a conference call to discuss results and outlook, deferring the next communication to FY 2026 results.

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Disclosure appendix

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27/02/2026	Rating: Not Rated	Price: €7.70	Target Price: -
07/04/2026	Rating: Not Rated	Price: €7.73	Target Price: -

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Disclaimer

Issuer of report
Pantelakis Securities SA
57B Ethnikis Antistaseos
152 31 Chalandri, Athens, Greece
Telephone: +30 210 69 65 000
Fax: +30 210 69 29 587

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