

PSI SE

Germany / Software
 Primary exchange: Frankfurt
 Bloomberg: PSAN GR
 ISIN: DE000A0Z1JH9

Q3 2025
 results/Warburg
 Pincus bid

RATING **ACCEPT THE OFFER**
PRICE TARGET **€ 45.00**
 Return Potential 0.0%
 Risk Rating Medium

OUR RECOMMENDATION: ACCEPT THE €45 WARBURG PINCUS OFFER

Q3/25 order intake, sales and adjusted EBIT were all above our forecasts. This was mainly because of better sales and EBIT than we had expected at the Grid & Energy Management segment and higher profitability than we had modelled at the Process Industries & Metals segment. Management continues to guide towards an increase in group new orders and revenues of 10% for the full year and an adjusted EBIT margin of 4%. Warburg Pincus, shareholders acting with Warburg Pincus, and E.ON now have a 53.4% stake in PSI. The minimum acceptance threshold for the €45 per share Warburg Pincus takeover (50% plus one share) has thus been exceeded and the offer can now proceed. The transaction is expected to close in H1 next year subject to approvals from the competition authorities in the countries in which PSI is active. Warburg Pincus intends to make a delisting offer following completion of the transaction. For a delisting offer, the minimum consideration must be at least the higher of two prices: the six-month volume-weighted average price (VWAP) prior to the offer's announcement, or the highest price paid by the bidder in the six months prior to the offer document's publication. Warburg Pincus also intends to make a compulsory squeeze-out if it acquires the necessary 95% of PSI. A squeeze-out will take place against the background of reduced liquidity and transparency (the listing will no longer be Prime Standard). We think the probability of a significant premium to the current offer is low – especially if a squeeze-out offer is made within a few months of the delisting offer. In our view shareholders would be well advised to accept the €45 per share Warburg Pincus offer which represents premia to undisturbed 3-month and 6-month VWAP prior to the bid of 63% and 57% respectively.

Q3/25 order intake jumped 34.1% The Q3/25 order intake was up 34.1% y-o-y at €59m (Fbe: €50m; Q3/24: €44m). Management tell us that the Grid & Energy Management segment saw the strongest growth, while the Discrete Manufacturing and Logistics segments also saw substantial increases.

FINANCIAL HISTORY & PROJECTIONS

	2023	2024	2025E	2026E	2027E	2028E
Revenue (€ m)	269.9	260.8	289.6	320.0	352.4	388.2
Y-o-y growth	8.9%	-3.4%	11.0%	10.5%	10.1%	10.1%
Adj. EBIT (€ m)	5.6	-15.2	11.8	22.6	30.3	48.7
Adj. EBIT margin	2.1%	-5.8%	4.1%	7.1%	8.6%	12.6%
Net income (€ m)	0.3	-21.0	-22.1	14.9	20.8	34.2
EPS (diluted) (€)	0.02	-1.35	-1.42	0.96	1.35	2.21
DPS (€)	0.00	0.00	0.00	0.25	0.40	0.60
FCF (€m)	9.9	-26.7	-13.0	17.6	23.8	37.0
Net gearing	28.9%	66.6%	157.3%	123.2%	95.9%	62.5%
Liquid assets (€ m)	50.5	26.5	29.0	32.0	42.3	62.1

RISKS

Risks include but are not limited to slower than expected margin expansion than we currently model.

COMPANY PROFILE

PSI makes software control systems, primarily for energy, utility companies and metals producers. Customers also include manufacturers and logistics systems providers. The company's control system products are widespread in its core German market.

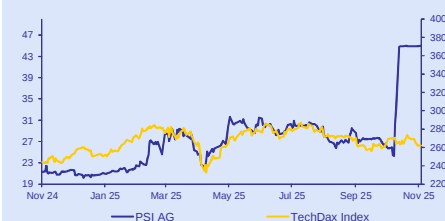
MARKET DATA

As of 03 Nov 2025

Closing Price	€ 45.00
Shares outstanding	15.49m
Market Capitalisation	€ 696.96m
52-week Range	€ 20.20 / 45.00
Avg. Volume (12 Months)	15,278

Multiples	2024	2025E	2026E
P/E	n.a.	n.a.	46.6
EV/Sales	3.0	2.7	2.5
EV/Adj. EBIT	n.a.	67.0	35.0
Div. Yield	0.0%	0.0%	0.6%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2025

Liquid Assets	€ 31.19m
Current Assets	€ 145.56m
Intangible Assets	€ 71.15m
Total Assets	€ 254.69m
Current Liabilities	€ 101.85m
Shareholders' Equity	€ 93.03m

SHAREHOLDERS

Norman Rentrop	23.1%
E.ON SE	17.8%
Harvinder Singh	8.1%
Warburg Pincus	7.1%
Free float and other	43.9%

Figure 1: Q3/25 results versus our forecasts

All figures in €m	Q3 25A	Q3 25E	Δ	Q3 24A	Δ
Order intake	59.0	50.0	18.0%	44.0	34.1%
Sales	70.7	68.3	3.5%	65.1	8.6%
by segment:					
Grid & Energy Man.	35.8	32.0	11.9%	27.4	30.7%
Process Industries & Metals	17.8	18.0	-1.1%	18.2	-2.2%
Discrete Manufacturing	8.8	9.0	-2.2%	7.0	25.7%
Logistics	8.3	9.0	-7.8%	7.6	9.2%
Other/eliminations	0.0	0.3	-100.0%	4.9	-100.0%
Adjusted EBIT	2.3	1.7	35.3%	-19.4	n.a.
margin (%)	3.3%	2.5%	-	-29.8%	-
by segment:					
Grid & Energy Man.	1.8	0.9	100.0%	-1.6	n.a.
margin (%)	5.8%	2.9%	-	-6.2%	-
Process Industries & Metals	2.1	1.0	n.a.	0.6	n.a.
margin (%)	13.0%	5.3%	-	3.6%	-
Discrete Manufacturing	-1.5	0.1	n.a.	0.5	n.a.
margin (%)	-16.9%	1.3%	-	7.0%	-
Logistics	-0.2	0.2	n.a.	0.5	n.a.
margin (%)	-2.2%	2.4%	-	6.0%	-
Eliminations	0.1	-0.5	n.a.	-0.4	n.a.
Restructuring/M&A costs	24.7	2.5	888.0%	0.0	n.a.
Non-adjusted EBIT	-22.5	-0.8	n.a.	-19.4	n.a.
EPS (€)	-1.60	0.02	n.a.	-0.10	n.a.

Source: First Berlin Equity Research estimates; PSI SE

Double digit sales growth at all segments besides Process Industries & Metals in Q3... As figure 2 overleaf shows, all PSI segments with the exception of Process Industries & Metals saw sales increases of at least 9% in Q3/25. The most important part of the Process Industries & Metals segment is the metals software business. Sales growth in this business is suffering from sluggish economic development in Europe and the imposition of tariffs on steel by President Trump.

...but Process Industries & Metals was the group's most profitable segment in Q3 Nevertheless, Process Industries & Metals was clearly PSI's most profitable segment in Q3/25 as its adjusted EBIT margin returned to double digits. The adjusted EBIT margins at the Discrete Manufacturing and Logistics segments were depressed by further investments in their transition towards a cloud and SaaS-based business model.

Exceptional €12m charge at Grid & Energy Management in Q3 In its Q2/25 report PSI announced that an efficiency and cost-cutting programme at the Grid & Energy Management segment would necessitate a high single digit charge in Q3/25. Following further discussions with the employee council (Betriebsrat), PSI increased the scope of this programme and took a charge of €12m against the Q3 P&L. The balance of the €24.7m restructuring/M&A charge taken in Q3/25 relates to the cost of the takeover transaction. This will be fully funded by Warburg Pincus.



Figure 2: Q4/25 forecast

All figures in €m	Q1 24A	Q2 24A	Q3 24A	Q4 24A	FY 24A	Q1 25A	Q2 25A	Q3 25A	Q4 25E	FY25E
Order intake	95.0	59.0	44.0	59.0	257.0	158.0	52.0	59.0	62.0	322.0
chnng (%)	-19.5%	15.7%	-36.2%	0.0%	-13.5%	66.3%	-11.9%	34.1%	5.1%	25.3%
Sales	50.3	62.0	65.1	83.4	260.8	67.9	65.0	70.7	86.0	289.6
chnng (%)	-13.6%	1.5%	-0.2%	-2.3%	-3.4%	35.1%	4.8%	8.6%	3.1%	11.0%
by segment:										
External Grid & Energy Man.	22.2	25.9	27.4	40.0	115.6	30.2	30.9	35.8	40.0	136.9
chnng (%)	n.a.	n.a.	n.a.	n.a.	n.a.	35.9%	19.3%	30.4%	-0.1%	18.4%
External Process Inds. & Metals	14.0	16.4	18.2	17.0	65.7	19.2	16.1	17.8	25.0	78.1
chnng (%)	n.a.	n.a.	n.a.	n.a.	n.a.	36.9%	-2.1%	-2.2%	46.7%	18.8%
External Discrete Manufacturing	6.1	7.1	7.0	9.9	30.0	7.8	8.9	8.8	10.0	35.5
chnng (%)	n.a.	n.a.	n.a.	n.a.	n.a.	28.2%	26.4%	25.9%	1.3%	18.4%
External Logistics	5.9	8.4	7.6	9.6	31.4	8.2	8.9	8.3	11.0	36.4
chnng (%)	n.a.	n.a.	n.a.	n.a.	n.a.	39.4%	5.7%	10.1%	14.8%	15.8%
Other/eliminations	2.1	4.2	4.9	6.9	18.1	2.5	0.3	0.0	0.0	2.7
Adjusted EBIT	-14.8	-4.6	0.0	4.2	-15.2	2.1	1.4	2.3	6.0	11.8
margin (%)	-29.4%	-7.5%	0.0%	5.0%	-5.8%	3.2%	2.1%	3.2%	7.0%	4.1%
by segment:										
Grid & Energy Man.	-9.2	-5.6	-1.6	1.7	-14.8	1.5	0.7	1.8	2.2	6.2
margin (%)	-40.5%	-21.6%	-5.9%	4.1%	-12.7%	5.0%	2.2%	5.0%	5.5%	4.5%
Process Inds. & Metals	-0.7	0.7	0.6	0.7	1.2	0.8	0.0	2.1	3.9	6.9
margin (%)	-5.2%	4.1%	3.3%	3.7%	1.8%	4.3%	0.1%	12.0%	15.6%	8.8%
Discrete Manufacturing	-1.2	0.5	0.5	0.6	0.4	-0.1	0.5	-1.5	-0.2	-1.2
margin (%)	-19.7%	7.5%	7.2%	5.6%	1.3%	-1.1%	5.9%	-16.6%	-2.0%	-3.5%
Logistics	-1.3	0.4	0.9	0.7	0.7	0.0	0.6	-0.2	0.6	1.0
margin (%)	-22.3%	5.2%	12.1%	7.2%	2.3%	0.1%	7.0%	-3.0%	5.5%	2.7%
Eliminations	-2.3	-0.7	-0.4	0.6	-2.8	-0.1	-0.5	0.1	-0.5	-1.0
Restructuring/M&A costs	0.0	0.0	0.0	0.0	0.0	0.0	1.4	24.7	0.0	26.1
Non-adjusted EBIT	-14.8	-4.6	0.0	4.2	-15.2	2.1	0.0	-22.5	6.0	-14.4
EPS (€)	-1.06	-0.40	-0.10	0.19	-1.35	0.02	-0.11	-1.60	0.28	-1.42

Source: First Berlin Equity Research estimates; PSI SE

Q3/25 net gearing rose to 132% (Q3/24: 82%) due to new lease on company HQ The pretax result in Q3/25 was €-22.9m (Q3/24: €-0.4m) as a consequence of the exceptional charges discussed above. However, the cash outflow from operations narrowed to €5.0m (Q3/23: €16.6m) due to the partial reversal of the exceptional charges in current liabilities. Q3/24 cashflow was burdened by an €11.1m reduction in current liabilities.

Nevertheless, net debt including pension and leasing liabilities jumped by €44.3m to €93.3m in Q3/25, equivalent to net gearing of 132% (Q3/24: net debt including pension and leasing liabilities of €72m, equivalent to net gearing of 82%) in connection with a new lease deal on the company's HQ in Berlin's Dirksenstrasse.

We recommend that investors accept the €45 per share Warburg Pincus offer We have adjusted our forecasts (see figure 3 overleaf) to reflect the Q3/25 results. 2025E EPS is lower because of the impact of the higher than previously modelled restructuring charge at Grid & Energy Management and the takeover bid transaction costs. The main change to our 2026 forecast is an upward revision to Grid & Energy Management 2026 adjusted EBIT in the expectation that the more extensive than previously expected restructuring measures at the segment accelerate margin improvement. We recommend that investors accept the €45 per share Warburg Pincus offer for the reasons outlined above. The price target in our most recent note, published in August following the Q2/25 results, was €40.



Figure 3: Changes to forecasts

€m	2025E			2026E			2027E			2028E		
	New	Old	Δ %	New	Old	Δ %	New	Old	Δ %	New	Old	Δ %
Sales	289.6	285.5	1.4%	320.0	314.7	1.7%	352.4	346.6	1.7%	388.2	381.8	1.7%
by segment:												
Grid & Energy Man.	136.9	131.1	4.4%	153.3	146.9	4.4%	168.7	161.5	4.4%	185.5	177.7	4.4%
Process Industries & Metals	78.1	78.3	-0.3%	85.9	86.1	-0.3%	94.5	94.8	-0.3%	104.0	104.2	-0.3%
Discrete Manufacturing	35.5	35.7	-0.5%	38.7	38.9	-0.5%	42.2	42.4	-0.5%	46.0	46.2	-0.5%
Logistics	36.4	37.1	-1.8%	40.8	41.5	-1.8%	45.7	46.5	-1.8%	51.1	52.1	-1.8%
Other/eliminations	2.7	3.3	n.a.	1.3	1.3	n.a.	1.4	1.4	n.a.	1.6	1.6	n.a.
Total adjusted EBIT	11.8	10.7	10.0%	22.6	19.4	16.4%	30.3	29.2	4.1%	48.7	47.3	3.1%
margin (%)	4.1%	3.8%	-	5.8%	5.1%	-	8.6%	8.4%	-	12.6%	12.4%	-
by segment:												
Grid & Energy Man.	6.2	4.9	26.6%	10.7	8.1	32.9%	15.2	14.5	4.4%	22.3	21.3	4.4%
margin (%)	4.5%	3.7%	-	7.0%	5.5%	-	9.0%	9.0%	-	14.5%	14.5%	-
Process Industries & Metals	6.9	5.8	19.8%	8.6	8.6	-0.3%	7.6	7.6	-0.3%	15.6	15.6	-0.3%
margin (%)	8.8%	7.3%	-	10.0%	10.0%	-	8.0%	8.0%	-	18.2%	18.2%	-
Discrete Manufacturing	-1.2	0.6	n.a.	1.2	1.2	-0.5%	3.4	3.4	-0.5%	4.6	4.6	-0.5%
margin (%)	-3.5%	1.8%	-	3.0%	3.0%	-	8.0%	8.0%	-	11.9%	11.9%	-
Logistics	1.0	1.0	n.a.	3.3	3.3	-1.8%	5.5	5.6	-1.8%	7.7	7.8	-1.8%
margin (%)	2.7%	2.8%	-	8.0%	8.0%	-	12.0%	12.0%	-	18.8%	18.8%	-
Eliminations	-1.0	-1.6	n.a.	-1.1	-1.8	n.a.	-1.3	-1.9	n.a.	-1.4	-2.1	n.a.
EPS (€)	-1.42	-0.21	n.a.	0.96	0.77	26.1%	1.35	1.23	9.5%	2.21	2.07	6.6%

Source: First Berlin Equity Research estimates



INCOME STATEMENT

All figures in €'000	2023	2024	2025E	2026E	2027E	2028E
Revenues	269,891	260,838	289,621	320,001	352,431	388,168
Cost of materials	-46,117	-38,263	-40,547	-43,200	-45,816	-50,462
Gross profit	223,774	222,575	249,074	276,801	306,615	337,706
Total personnel costs	-183,725	-190,111	-196,942	-214,401	-229,080	-248,427
Net other operating costs	-19,889	-33,094	-24,640	-22,443	-28,441	-20,267
Depreciation & amortisation	-14,598	-14,614	-15,704	-17,352	-18,758	-20,272
Adjusted EBIT	5,562	-15,244	11,787	22,605	30,337	48,740
Restructuring/M&A costs	0	0	26,139	0	0	0
EBIT	5,562	-15,244	-14,352	22,605	30,337	48,740
Net interest	-2,813	-2,934	-3,016	-2,402	-2,034	-1,953
Associates	268	305	284	298	313	329
Pretax profit	3,017	-17,873	-17,084	20,502	28,615	47,116
Income taxes	-3,748	-3,783	-4,759	-5,556	-7,783	-12,866
Earnings from discontinued operations	1,055	700	-220	0	0	0
Net income / loss	324	-20,956	-22,063	14,946	20,832	34,249
EPS (€)	0.02	-1.35	-1.42	0.96	1.35	2.21
EBITDA	20,160	-630	1,352	39,957	49,094	69,012
Ratios						
Gross margin	82.9%	85.3%	86.0%	86.5%	87.0%	87.0%
EBIT margin	2.1%	-5.8%	4.1%	7.1%	8.6%	12.6%
EBITDA margin	7.5%	-0.2%	9.5%	12.5%	13.9%	17.8%
Net income margin	0.1%	-8.0%	-7.6%	4.7%	5.9%	8.8%
Tax rate	124.2%	-21.2%	-27.9%	27.1%	27.2%	27.3%
Expenses as % of output						
Personnel	-68.1%	-72.9%	-68.0%	-67.0%	-65.0%	-64.0%
Net other operating income/expenses	-7.4%	-12.7%	-8.5%	-7.0%	-8.1%	-5.2%
Depreciation & amortisation	-5.4%	-5.6%	-5.4%	-5.4%	-5.3%	-5.2%
Y-o-y growth						
Total revenues	8.9%	-3.4%	11.0%	10.5%	10.1%	10.1%
EBIT	-72.4%	n.a.	n.a.	91.8%	34.2%	60.7%
Net income / loss	-96.7%	n.a.	n.a.	-167.7%	39.4%	64.4%



BALANCE SHEET

All figures in €'000	2023	2024	2025E	2026E	2027E	2028E
Assets						
Current assets, total	163,786	160,145	147,707	163,201	186,789	221,256
Cash and cash equivalents	50,475	26,483	28,962	32,000	42,292	62,107
Trade accounts and notes receivables	48,315	50,355	53,580	59,200	65,200	71,811
Inventories	4,977	2,997	4,344	4,800	5,286	5,823
Receivables relating to long term contracts	49,552	45,296	49,236	54,400	59,913	65,989
Other current assets	10,467	16,676	11,585	12,800	14,097	15,527
Assets held for sale and discontinued operations	0	18,338	0	0	0	0
Non-current assets, total	119,367	113,717	152,008	156,950	162,357	168,157
Property, plant and equipment	37,429	35,339	71,651	74,320	77,349	80,580
Goodwill	59,115	57,503	57,503	57,503	57,503	57,503
Other intangible assets	13,997	14,825	15,929	17,280	18,679	20,185
Associates	693	693	977	1,275	1,588	1,917
Deferred tax assets	8,133	5,357	5,948	6,572	7,238	7,972
Total assets	283,153	273,862	299,715	320,151	349,146	389,413
Liabilities and shareholders' equity						
Current liabilities, total	90,993	113,161	139,395	150,076	156,431	168,214
Interest bearing debt	2,118	21,081	5,000	5,000	0	0
Leasing liabilities	6,581	8,419	55,338	57,726	60,275	63,084
Trade accounts payable	18,864	21,163	23,498	25,963	28,547	31,442
Liabilities relating to long term contracts	26,289	20,877	23,170	25,600	28,195	30,665
Provisions	3,017	1,783	1,980	2,187	2,409	2,653
Other current liabilities	32,801	29,248	30,410	33,600	37,005	40,369
Liabilities in connection with discontinued assets	1,323	10,590	0	0	0	0
Non-current liabilities, total	80,434	65,300	88,518	83,563	89,495	90,201
Interest bearing debt	13,189	9,639	7,142	-386	2,810	519
Leasing liabilities	17,918	15,190	38,498	40,160	41,933	43,888
Pension provisions	42,958	35,715	35,894	36,073	36,253	36,435
Deferred tax liabilities	4,803	3,108	5,154	5,695	6,272	6,908
Other liabilities	534	694	771	851	938	1,033
Provisions	1,032	954	1,059	1,170	1,289	1,420
Consolidated equity	111,726	95,401	71,801	86,511	103,220	130,997
Shareholders' equity	111,726	95,401	71,801	86,511	103,220	130,997
Minorities	0	0	0	0	0	0
Total liabilities and shareholders' equity	283,153	273,862	299,715	320,151	349,146	389,413
Ratios						
Current ratio (x)	1.80	1.42	1.06	1.09	1.19	1.32
Quick ratio (x)	1.75	1.39	1.03	1.06	1.16	1.28
Debt/equity ratio (x)	1.53	1.87	3.17	2.70	2.38	1.97
Net gearing	28.9%	66.6%	157.3%	123.2%	95.9%	62.5%
Equity per share (€)	7.12	6.08	4.57	5.51	6.58	8.35
Interest coverage ratio (x)	1.98	-5.20	3.91	9.41	14.91	24.95
Capital employed (CE)	147,372	153,889	173,718	190,981	199,940	210,039
Return on capital employed (ROCE)	2.7%	-11.4%	-6.0%	8.6%	11.0%	16.8%



CASH FLOW STATEMENT

All figures in €'000	2023	2024	2025E	2026E	2027E	2028E
Pretax result	4,072	-17,173	-17,084	20,502	28,615	47,116
Depreciation and amortisation	14,598	14,614	15,704	17,352	18,758	20,272
Other	-4,921	-4,856	-5,043	-5,854	-8,096	-13,195
Operating cash flow	13,749	-7,415	-6,423	31,999	39,277	54,192
Investment in working capital	3,030	-12,265	2,446	-4,290	-4,627	-5,827
Net operating cash flow	16,779	-19,680	-3,976	27,709	34,650	48,365
Cashflow from investing	-6,920	-7,009	-9,009	-10,078	-10,834	-11,404
Free cash flow	9,859	-26,689	-12,985	17,631	23,816	36,961
Proceeds from disposal	0	0	8,602	0	0	0
Dividend paid	-6,195	0	0	0	-3,872	-6,195
Share buy back	0	0	0	0	0	0
New share capital	0	0	0	0	0	0
Debt financing	9,509	14,091	51,828	-3,300	2,699	2,654
Lease liabilities	-6,807	-6,566	-44,111	-11,294	-12,351	-13,605
Other	-1,470	-2,209	-854	0	0	0
Cash flow from financing	-4,963	5,316	15,464	-14,593	-13,524	-17,146
Other	135	-2,619	0	0	0	0
Change in cash	5,031	-23,992	2,479	3,038	10,292	19,815
Cash, start of the year	45,444	50,475	26,483	28,962	32,000	42,292
Cash, end of the year	50,475	26,483	28,962	32,000	42,292	62,107
Free cash flow per share in €	0.64	-1.72	-0.84	1.14	1.54	2.39

Y-o-y growth						
Operating cash flow	-52%	-154%	-13%	-598%	23%	38%
Net operating cash flow	376%	-217%	-80%	-797%	25%	40%
Free cash flow	n.a.	n.a.	n.a.	-236%	35%	55%

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	15 July 2003	€4.96	Market Perform	€5.00
2...80	↓	↓	↓	↓
81	25 March 2024	€21.80	Buy	€30.00
82	30 July 2024	€21.10	Buy	€28.00
83	10 September 2024	€20.80	Buy	€28.00
84	24 September 2024	€21.90	Buy	€26.00
85	13 November 2024	€21.20	Buy	€25.00
86	25 April 2024	€26.50	Buy	€36.00
87	6 May 2025	€30.30	Buy	€40.00
88	5 August 2025	€28.00	Buy	€40.00
89	Today	€45.00	Accept the offer	€45.00

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- key sources of information in the preparation of this research report
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