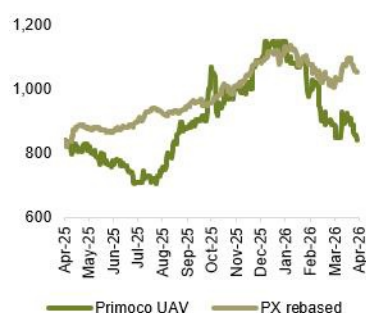


Primoco UAV: 2025 strong cash generation; 70% of our 2026E deliveries already covered

| PRIUA CP | HOLD |
|----------------------|-------|
| Market Cap (USD mil) | 191 |
| Price | 840 |
| Price target | 1,099 |
| Upside (%) | 30.8 |



Yesterday (27 April), Primoco UAV published its 2025 annual results. While the quarterly results are volatile, the company delivered a 4Q25 beat on EBITDA, but a slight miss at the net profit line. For FY25, the results were broadly in line with our initiation estimates. We rate the results positively, driven by the material FCFE beat and the improvement in cash to almost CZK 0.5bn (+111% yoy). In our view, this provides a sufficient liquidity buffer to fund the upcoming capex cycle for the new production hall without taking on debt.

Management has not yet provided its 2026E guidance. However, the company has already delivered two UAVs in 1Q26 and has a backlog of 26 UAVs for delivery in 2026E, covering c.70% of our assumed deliveries. If executed, 2026E could be the best financial year in the company's history, in our view. On our 2026E estimates, the stock trades at 14.4x P/E and 10.2x EV/EBITDA.

POSITIVE

4Q25 EBITDA beat, but a small net profit miss. Primoco UAV has reported revenues of CZK 135m for 4Q25, 5% below our expectations. It generated CZK 71m in EBITDA, with a c.53% implied EBITDA margin, 10% above our expectations due to a lower cost of sales that we had anticipated. The EBIT stood at CZK 67m (50% margin), an 11% beat vs. our forecasts. The net profit, however, was 6% below our expectations at CZK 54m, due to lower financial income.

Record contracts signed during the quarter. In 4Q25, Primoco delivered two UAVs to customers, with the revenues recognised, and signed contracts for 26 UAVs for delivery in 2026E. It has not disclosed whether this backlog relates to a single large order from one customer, or a combination of contracts across multiple customers.

Quarterly results volatility. When the company does not deliver any UAVs during a quarter, it does not book any revenues for that period. During the past year, this was the case in 3Q25, 1Q25 and 4Q24. This reflects the nature of a start-up business, rather than an established business with a backlog. The overall 2025 results saw contributions from 2Q25 and 4Q25, while 1Q25 and 3Q25 only saw CZK 1-6m of revenues, as no deliveries were made in those quarters.

Primoco: 4Q25 results

| CZKm | 4Q25 | 3Q25 | 2Q25 | 1Q25 | 4Q24 | yoy | qoq | WOOD | vs. WOOD |
|-------------------|-------|-------|-------|-------|-------|-----|-----|-------|----------|
| Revenues | 134.6 | 5.6 | 248.2 | 0.9 | 0.0 | n/m | n/m | 141.3 | -5% |
| EBITDA | 70.8 | -16.5 | 105.9 | -14.6 | -22.7 | n/m | n/m | 64.3 | 10% |
| EBIT | 67.2 | -20.0 | 102.4 | -17.6 | -25.6 | n/m | n/m | 60.6 | 11% |
| Net profit | 54.4 | -17.4 | 83.5 | -16.4 | -6.4 | n/m | n/m | 58.1 | -6% |
| EBITDA margin | 52.5% | n/m | 42.7% | n/m | n/m | | | 45.5% | |
| EBIT margin | 49.9% | n/m | 41.2% | n/m | n/m | | | 42.9% | |
| Net profit margin | 40.4% | n/m | 33.7% | n/m | n/m | | | 41.1% | |

Source: Primoco UAV, WOOD Research

2025 numbers broadly in line with our estimates. In 2025, the company generated CZK 389m in revenues (-12% yoy), just 2% below the numbers in our [initiation report](#). EBITDA was 1% lower yoy at CZK 146m, 5% above our initiation estimates. The net profit stood at CZK 104m (-15% yoy), 3% below our November numbers. The EBITDA was higher, on the back of a lower cost of sales and other opex, while the net profit miss was due to lower financial income than we had expected. The EBITDA margin was 37.4%, within the company's target range of 30-40% but skewed more towards 40%. The effective tax rate was 21.5% in 2025.

Primoco: 2025 results

| CZKm | 2025 | 2024 | 2023 | yoy | WOOD | vs. WOOD |
|----------------------|--------------|--------------|--------------|------------|--------------|-----------|
| Revenues | 389 | 444 | 598 | -12% | 396 | -2% |
| EBITDA | 146 | 147 | 285 | -1% | 139 | 5% |
| EBIT | 132 | 139 | 280 | -5% | 125 | 5% |
| Net profit | 104 | 122 | 228 | -15% | 108 | -3% |
| EBITDA margin | 37.4% | 33.1% | 47.6% | | 35.2% | |
| EBIT margin | 33.9% | 31.2% | 46.9% | | 31.7% | |
| Net profit margin | 26.8% | 27.5% | 38.2% | | 27.2% | |

Source: Primoco UAV, WOOD Research

Materially-stronger FCFE generation on working capital inflows and lower capex. The company generated CZK 263m of FCFE in 2025, a material beat vs. our expectations and a sharp improvement from negative CZK 44m in 2024, when the FCFE was dragged down by a working-capital outflow (on a cash-flow basis) and higher capex. The key driver in 2025 was a positive working-capital swing, supported by advance customer prepayments for UAVs booked as contract liabilities towards the year end. Capex fell to CZK 42m (vs. CZK 107m in 2024). In 2025, spending was related mainly to the modernisation of the Písek-Krašovice airport, while in 2024, the company acquired land for the new production hall, planned for 2028E. As a result the cash position at the end of the year stood at CZK 486m, up 111% yoy. Primoco UAV does not have any debt on its balance sheet.

No 2026E guidance so far. Management aims to sign contracts for 50 UAVs this year, up from 42 UAVs in 2025. Beyond this target, it has not yet provided any 2026E guidance on deliveries, which drives reported revenues directly. The current backlog for 2026E stands at 26 UAVs, with two units delivered in 1Q26. In our forecasts, we pencil in 40 UAV deliveries in 2026E and revenues of CZK 920m, with c.70% of our assumed deliveries already covered by the existing backlog. Management indicated that more detailed guidance should be provided with the 1H26E results, when visibility on the full-year operations improves.

| | Revenues | EBITDA | EBIT | Net inc. | EPS | P/E | EV/EBITDA | ND/EBITDA |
|--------------|----------|--------|------|----------|------|------|-----------|-----------|
| | CZKm | CZKm | CZKm | CZKm | CZK | x | x | x |
| 2023 | 598 | 285 | 280 | 228 | 48.5 | 13.7 | 10.0 | -1.0 |
| 2024 | 444 | 147 | 139 | 122 | 25.9 | 35.8 | 28.1 | -1.5 |
| 2025 | 389 | 146 | 132 | 104 | 22.1 | 38.0 | 23.9 | -3.2 |
| 2026E | 920 | 369 | 341 | 274 | 58.2 | 14.4 | 10.2 | -0.5 |
| 2027E | 1,242 | 499 | 449 | 360 | 76.5 | 11.0 | 7.3 | -0.6 |

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| | | | |
|------------|------|------------|-----------|
| 28/11/2025 | HOLD | 28/11/2025 | CZK 1,099 |
|------------|------|------------|-----------|

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|--------------------------|-----|------|------|------------|-----------|--------------|
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