

September 3rd, 2026
Research comment

SMC Research

Small and Mid Cap Research



Mehrfacher Gewinner
renommierter
Analyst Awards

Daldrup & Söhne AG

The pace of growth is clearly increasing

Rating: Buy (unchanged) | **Price:** 23.70 € | **Price target:** 30.00 € (prev.: 29.00 €)

Analyst: Dipl.-Kfm. Holger Steffen
sc-consult GmbH, Alter Steinweg 46, 48143 Münster

Please take notice of the disclaimer at the end of the document!

Phone: +49 (0) 251-13476-93
Fax: +49 (0) 251-13476-92
E-Mail: kontakt@sc-consult.com
Internet: www.sc-consult.com

Current development



Basic data

Based in:	Oberhaching
Sector:	Drilling services
Headcount:	157
Accounting:	HGB
ISIN:	DE0007830572
Ticker:	4DS:GR
Price:	23.70 Euro
Market segment:	Scale
Number of shares:	5.99 m
Market Cap:	142.0 m Euro
Enterprise Value:	133.4 m Euro
Free Float:	41.6 %
Price high/low (12 M):	30.10 / 11.40 Euro
Øturnover (12 M Xetra):	111,400 Euro

FY ends: 31.12.	2025	2026e	2027e
Total output (m €)	51.1	62.5	78.5
EBIT (m Euro)	8.7	7.9	11.9
Net profit	7.7	6.6	10.1
EpS	1.29	1.11	1.68
Dividend per share	0.15	0.19	0.29
Total output growth	-6.4%	22.3%	25.6%
Profit growth	211.5%	-14.2%	51.3%
PSR	3.56	2.29	1.82
PER	18.3	21.3	14.1
PCR	13.3	15.2	10.6
EV / EBIT	15.3	16.9	11.2
Dividend yield	0.6%	0.8%	1.2%

Sharp rise in total output

Daldrup & Söhne AG (D&S) held its Annual General Meeting on 27 August, at which all items on the agenda were approved, including the payment of a dividend of 18 cents (up 20 percent on the previous year). On that occasion, the company also published its preliminary half-year figures. According to these, consolidated total output increased very significantly in the first half of the year, by 56 percent to EUR 32.3 m. This reflects the strong order situation with a large number of projects. EBIT did not quite keep pace, rising by 'only' 31 percent to EUR 3.5 m, meaning that the operating margin for the first six months fell from 12.8 to 10.7 percent compared with the previous year. In this regard, the company points out that "final settlements for individual projects were still pending as at the reporting date". As a result, revenue is being recognised only with a safety discount, which reduces the margin accordingly. In addition, substantial investments were made in the modernisation and upgrading of drilling rigs to secure capacity to meet the continuing rise in demand. This was associated with increased expenditure.

Forecast reaffirmed

D&S has reaffirmed its forecast for the full year, which continues to anticipate total output of around EUR 58 m and an EBIT margin of between 11.5 and 13.5 percent. This is being supported by the multi-year major project in Pullach, where the first drilling is expected to commence at the start of the fourth quarter. While that means that the start has been further delayed, D&S was able to deploy staff in other areas and thus generate revenue elsewhere. Alongside a higher volume of final settlements in the second half of the year, this is also likely to boost the margin.

High demand

With drilling set to commence in Pullach, D&S's business performance is likely to accelerate further. The basis for this is the strong order book, which –

although it fell below the previous year's figure (EUR 140 m) in August as orders were processed – remained at a very comfortable level of EUR 132 m. At the same time, the 'relevant market volume' – that is, the probability-weighted volume of contracts under negotiation – has increased by 14 percent to EUR 371 m within a year. According to management, further major contracts are therefore conceivable in the near future, as there are many tenders currently underway and pending in the geothermal sector in Germany, including as part of municipal heating planning. In July, D&S had already announced that it had been awarded two contracts for deep geothermal drilling in Aschheim, with an expected revenue volume of around EUR 16 to 18 m. Drilling is scheduled to commence as early as the end of this year.

Estimates for 2026 updated

Looking at Daldrup & Söhne's preliminary half-year figures, we believe the company is well on track. To achieve the full-year target for total output of EUR 58 m, only EUR 25.7 m is now required in the second half of the year. Management points to the usual risks of delays in the project business and is applying its customary conservative approach to its calculations. However, we assume that the target will be exceeded

and now expect EUR 62.5 m (previously: EUR 60.0 m). However, we have moderately lowered our estimate for the EBIT margin, from 13.7 to 12.6 percent, and have thus set the impact of growth investments on the income statement slightly higher. Nevertheless, we consider the company to be firmly within the target range.

Performance projection raised

For the coming years, in response to growth investments and the expected continued rise in demand, we have slightly raised our growth trajectory for total output. Management considers a rise to triple-digit figures by 2030 to be entirely possible, and we have now reflected this with a new estimate of EUR 100.5 m (previously: EUR 96.5 m). We have not adjusted the margin trajectory, so the target margin remains unchanged at 17 percent. However, in combination with the revised estimates for total output, this also results in a higher EBIT trajectory over the detailed forecast period. The table at the bottom of the previous page shows the development of the key cash flow indicators up to 2033, as derived from our model; further details are provided in the Annex.

m Euro	12 2026	12 2027	12 2028	12 2029	12 2030	12 2031	12 2032	12 2033
Total output	62.5	78.5	88.5	95.5	100.5	103.5	106.5	110.5
Total output growth	22.3%	25.6%	12.7%	7.9%	5.2%	3.0%	2.9%	3.8%
EBIT margin	12.6%	15.1%	16.2%	16.6%	16.7%	16.9%	17.0%	17.0%
EBIT	7.9	11.9	14.3	15.8	16.8	17.5	18.1	18.7
Tax rate	10.0%	10.0%	25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Adjusted tax payments	0.8	1.2	3.6	4.8	5.0	5.3	5.4	5.6
NOPAT	7.1	10.7	10.7	11.1	11.8	12.3	12.7	13.1
+ Depreciation & Amortisation	2.6	2.8	3.0	3.1	3.3	3.5	3.7	3.9
+ Increase long-term accruals	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross operating cash flow	9.9	13.7	13.9	14.4	15.2	15.9	16.5	17.2
- Increase Net Working Capital	-0.7	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6
- Investments in fixed assets	-4.3	-3.9	-3.4	-4.1	-4.3	-4.4	-4.6	-4.7
Free cash flow	4.8	9.2	10.0	9.7	10.3	10.9	11.4	11.8

SMC estimation model

New price target: EUR 30.00

Discounting the estimates using an unchanged discount rate (WACC 6.7 percent) and unchanged parameters for determining the terminal value (safety margin discount of 15 percent, perpetual growth rate of 1 percent) yields a new fair value of EUR 179.3 m or EUR 29.94 per share, from which we derive the new price target of EUR 30.00 (a sensitivity analysis for determining the price target can be found in the Annex). The increase in our price target (previously: EUR 29.00) stems from the increased estimate for the development of total output. On a scale of 1 (very low) to 6 (very high), we rate the forecast risk as four points – slightly above average – due to the project-based nature of the business.

Conclusion

Daldrup & Söhne increased its total output by 56 percent to EUR 32.3 m in the first half of the year and also improved its EBIT by 30.6 percent to EUR 3.5 m. Whilst the strong growth in total output reflects the very healthy order situation, the decline in the operating margin from 12.8 percent to 10.7 percent is attributable to final settlements still outstanding as at

the reporting date, as well as the effects of growth investments that have been made.

With a higher volume of final settlements, this will be put into perspective in the second half of the year, meaning that the forecast – which anticipates total output of around EUR 58 m and an EBIT margin of between 11.5 and 13.5 percent – has been confirmed.

Based on the half-year results, we consider the outlook for total output to be extremely conservative. We have therefore raised our estimate from EUR 60 to 62.5 m and now expect an EBIT margin of 12.6 percent (previously 13.7 percent).

We have left our margin estimates unchanged for the subsequent years but have once again raised our forecast for total output due to the excellent growth prospects. This results in a new price target of EUR 30.00 (previously: EUR 29.00). The Daldrup share therefore offers attractive upside potential of around 30 percent, which continues to justify our 'Buy' rating.

Annex I: SWOT analysis

Strengths

- Management team with extensive sector experience and staff with great expertise.
- The company has a strong market position in the drilling business in its core markets. A large equipment park enables a wide range of services.
- Longstanding track-record in the successful implementation of drilling projects, especially at depths of up to 6 thousand metres.
- D&S is strongly positioned in the field of geothermal energy, which is one of the most promising renewable energies, especially for the heating market.
- With an equity ratio of 65 percent, the company has a very solid balance sheet structure.

Opportunities

- The high order backlog ensures robust growth in total output. Thanks to the efficiency gains achieved, this should also enable a further increase in profits.
- Further major contracts could be announced soon.
- Tight capacities in the drilling market and strong demand are a good basis for sustainably high margins.
- Geothermal energy could play an important role in municipal heating planning, which would involve high investments.
- The search for a final repository for radioactive waste offers great order potential for D&S, especially in Germany.
- In the future, D&S could participate in promising medium-sized geothermal heating plants.

Weaknesses

- The project business is volatile; individual drilling projects can have a strong impact on the figures for a financial year.
- Last year, the delayed start of a major project meant that the target figure for total output was not quite met. At present, there are also significant delays to the major project in Pullach.
- D&S still has to prove that the efficiency gains achieved can be maintained even with a significant increase in total output.
- The growth in total output is limited by the existing drilling capacities, which are already heavily utilised.

Threats

- Rising material costs could put pressure on margins. It is not yet certain that the margin target for the full year will be met.
- Fixed-price contracts in the drilling business carry the risk of losses if there are delays for which the company is responsible.
- The roll-out of the infrastructure spending package in Germany could be delayed and be slow overall due to bureaucratic hurdles, meaning that there will be no significant boost to the drilling sector.
- The attractive market conditions could draw in further players from related sectors and intensify the currently very comfortable competitive landscape.
- Replacement or additional investments in large drilling rigs (for very deep drilling) involve a high investment volume, which is associated with fixed costs and utilisation risks.

Annex II: Balance sheet and P&L estimation

Balance sheet estimation

m Euro	2025 act.	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
ASSETS									
I. Total non-current	13.0	14.8	15.9	16.3	17.2	18.2	19.2	20.0	20.9
1. Intangible assets	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
2. Tangible assets	12.3	14.1	15.2	15.6	16.6	17.6	18.5	19.4	20.2
II. Total current assets	33.3	39.2	50.0	61.1	71.9	79.1	86.5	94.2	102.2
LIABILITIES									
I. Equity	30.4	36.1	45.1	53.4	62.1	66.9	71.8	76.7	81.8
II. Accruals	3.9	4.1	4.2	4.4	4.6	4.7	4.9	5.1	5.2
III. Liabilities									
1. Long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Short-term liabilities	12.2	14.0	16.7	19.6	22.6	25.8	29.2	32.6	36.3
TOTAL	46.5	54.2	66.0	77.5	89.3	97.5	105.8	114.4	123.3

P&L estimation

m Euro	2025 act.	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
Sales	39.9	62.0	78.0	86.2	93.1	98.0	100.9	103.9	107.8
Total output	51.1	62.5	78.5	88.5	95.5	100.5	103.5	106.5	110.5
Gross profit	30.4	34.0	44.3	50.0	54.0	56.9	58.7	60.5	62.8
EBITDA	11.0	10.4	14.6	17.3	18.9	20.1	20.9	21.7	22.6
EBIT	8.7	7.9	11.9	14.3	15.8	16.8	17.5	18.1	18.7
EBT	8.3	7.4	11.2	13.6	15.0	15.9	16.5	16.9	17.4
EAT (before minorities)	7.7	6.6	10.1	10.2	10.5	11.1	11.5	11.8	12.2
EAT	7.7	6.6	10.1	10.2	10.5	11.1	11.5	11.8	12.2
EPS	1.29	1.11	1.68	1.69	1.75	1.85	1.92	1.98	2.03

Annex III: Cash flows estimation and key figures

Cash flows estimation

m Euro	2025 act.	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
CF operating	10.7	9.3	13.3	13.8	14.4	15.4	16.1	16.8	17.5
CF from investments	-5.4	-4.3	-3.9	-3.4	-4.1	-4.3	-4.4	-4.6	-4.7
CF financing	1.4	-0.5	-0.1	-0.7	-0.9	-5.4	-5.9	-6.2	-6.5
Liquidity beginning of year	6.4	13.0	17.4	26.8	36.5	45.8	51.4	57.2	63.3
Liquidity end of year	13.0	17.4	26.8	36.5	45.8	51.4	57.2	63.3	69.5

Key figures

percent	2025 act.	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
Total output growth	-6.4%	22.3%	25.6%	12.7%	7.9%	5.2%	3.0%	2.9%	3.8%
Sales growth	-26.2%	55.3%	25.8%	10.6%	8.0%	5.3%	3.0%	2.9%	3.8%
Gross margin	59.5%	54.4%	56.4%	56.4%	56.5%	56.6%	56.7%	56.8%	56.8%
EBITDA margin	21.5%	16.7%	18.6%	19.5%	19.8%	20.0%	20.2%	20.4%	20.4%
EBIT margin	17.1%	12.6%	15.1%	16.2%	16.6%	16.7%	16.9%	17.0%	17.0%
EBT margin	16.2%	11.9%	14.3%	15.3%	15.7%	15.8%	15.9%	15.9%	15.8%
Net margin (after minorities)	15.2%	10.6%	12.8%	11.5%	11.0%	11.1%	11.1%	11.1%	11.0%

Annex IV: Sensitivity analysis

WACC	Perpetual cash flow growth				
	2.0%	1.5%	1.0%	0.5%	0.0%
5.7%	42.94	39.15	36.15	33.72	31.72
6.2%	37.99	35.09	32.75	30.81	29.19
6.7%	34.07	31.81	29.94	28.37	27.03
7.2%	30.91	29.10	27.58	26.29	25.18
7.7%	28.29	26.82	25.57	24.50	23.56

Disclaimer

Editor

sc-consult GmbH

Alter Steinweg 46

48143 Münster

Internet: www.sc-consult.com

Phone: +49 (0) 251-13476-94

Fax: +49 (0) 251-13476-92

E-Mail: kontakt@sc-consult.com*Responsible analyst*

Dipl.-Kfm. Holger Steffen

*Charts*The charts were made with Tai-Pan (www.lp-software.de).

Disclaimer

Legal disclosures (§85 of the German Securities Trading Act (WHPG), MAR, Commission Delegated Regulation (EU) 2016/958 supplementing Regulation (EU) No 596/2014)

The company responsible for the preparation of the financial analysis is sc-consult GmbH based in Münster, currently represented by its managing directors Dr. Adam Jakubowski and Holger Steffen, Dipl.-Kfm. The sc-consult GmbH is subject to supervision and regulation by Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Lurgallee 12, D-60439 Frankfurt and Graurheindorfer Strasse 108, D-53117 Bonn.

1) Conflicts of interests

Conflicts of interests, which can arise during the preparation of a financial analysis, are presented in detail below:

- 1) sc-consult GmbH has prepared this report against payment on behalf of the company
- 2) sc-consult GmbH has prepared this report against payment on behalf of a third party
- 3) sc-consult GmbH has submitted this report to the customer or the company before publishing
- 4) sc-consult GmbH has altered the content of the report before publication due to a suggestion of the customer or the company (with sc-consult GmbH being prepared to carry out such an alteration only in case of reasoned objections concerning the quality of the report)
- 5) sc-consult GmbH and/or an affiliated company maintains contractual relationships with the company that is the subject of the financial analysis that go beyond research (e.g. investor relations services)

6) sc-consult GmbH or persons involved in the preparation of the report hold shares of the company or derivatives directly related

7) At the time of the publication of the report, sc-consult GmbH or persons involved in the preparation of the report are in the possession of a net short position exceeding a threshold 0.5% of the total issued share capital of the issuer, which was calculated in accordance with the article 3 of the regulation (EU) No. 236/2012 and with chapters III and IV of the Commission Delegated Regulation (EU) No. 918/2012 (6).

8) At the time of the publication of the report, sc-consult GmbH or persons involved in the preparation of the report are in the possession of a net long position exceeding a threshold 0.5% of the total issued share capital of the issuer, which was calculated in accordance with the article 3 of the regulation (EU) No. 236/2012 and with chapters III and IV of the Commission Delegated Regulation (EU) No. 918/2012 (6).

9) At the time of the publication of the report, the issuer holds holdings exceeding 5 % of its total issued share capital in the sc-consult GmbH

10) sc-consult GmbH has included the company's shares in a virtual portfolio managed by sc-consult GmbH

Following conflicts of interests occurred in this report: 1), 3), 4), 5), 10)

Within the framework of compliance regulations, sc-consult GmbH has established structures and processes for the identification and disclosure of conflicts of interests. The responsible compliance representative is currently managing director Dipl.-Kfm. Holger Steffen (e-mail: holger.steffen@sc-consult.com).

II) Preparation and updating

The present financial analysis was prepared by: Dipl.-Kfm. Holger Steffen

Participants in the preparation of the present financial analysis: -

The present analysis was finished on 03.09.2026 at 9:50 am and published on 03.09.2026 at 10:30 am.

For the preparation of its financial analyses, the sc-consult GmbH uses a five-tier rating scheme with regard to price expectation in the next twelve months. Additionally, estimation risk is quantified on a scale from 1 (low) to 6 (high). The ratings are as follows:

Strong Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as below average (1 to 2 points).
Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as average (3 to 4 points).
Speculative Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as above average (5 to 6 points).
Hold	We expect that the price of the analysed financial instrument will remain stable (between -10 and +10 percent). The forecast risk (1 to 6 points) has no further impact on the rating. The rating "hold" is also used in cases where we perceive a price potential of more

	than 10 percent, but explicitly mentioned temporary factors prevent a short-term realisation of the price potential.
Sell	We expect that the price of the analysed financial instrument will drop by at least 10 percent. The forecast risk (1 to 6 points) has no further impact on the rating.

The expected change in price refers to the current share price of the analysed company. This price and any other share prices used in this analysis are XETRA closing prices as of the last trading day before publication. If the share is not traded on XETRA, the closing price of another public stock exchange is used with a separate note to that effect.

The price targets published within the assessment are calculated with common methods of financial mathematics, especially with the DCF (discounted cash flow) method, the sum of the parts valuation and a peer group analysis. The valuation methods are affected by economic framework conditions, especially by the development of the interest rates.

The rating resulting from these methods reflects current expectations and can change anytime subject to company-specific or economic changes.

More detailed explanations of the models used by SMC Research can be found at:

<http://www.smc-research.com/impressum/modellerlaeuterungen>

An overview of the recommendations prepared and distributed by SMC Research in the last 12 months can be found at: <http://www.smc-research.com/publikationsuebersicht>

In the past 24 months, sc-consult GmbH has published the following financial analyses for the company:

Date	Investment recomm.	Target price	Conflict of interests
08.06.2026	Buy	29.00 Euro	1), 3), 4), 5), 10)
07.04.2026	Buy	29.50 Euro	1), 3), 4), 5), 10)
02.10.2025	Buy	18.20 Euro	1), 3), 10)
30.07.2025	Buy	17.20 Euro	1), 3), 4), 10)
06.06.2025	Buy	15.30 Euro	1), 3), 4), 10)
25.03.2025	Buy	14.60 Euro	1), 3), 10)
07.10.2024	Buy	11.20 Euro	1), 3), 10)

In the course of the next twelve months, sc-consult GmbH will presumably prepare the following financial analyses for the company: two updates.

The publishing dates for the financial analyses are not yet fixed at the present moment.

III) Cooperation with BankM

1) This study is being shared by BankM AG in accordance with Article 8(1) and (2) of Delegated Regulation (EU) 2016/958. BankM AG is subject to supervision by the Federal Financial Supervisory Authority (BaFin), Graurheindorfer Straße 108, D-53117 Bonn and Marie-Curie-Straße 24-28, D-60439 Frankfurt am Main.
BankM AG

- does not hold any significant stake (over 5%) in the issuer,
- has not been involved in the management of a consortium for an issue by way of a public offering of financial instruments that are themselves or whose issuers are the subject of financial analysis within the past twelve months,
- has not been bound by any agreement for services in connection with investment banking transactions vis-à-vis the issuer within the past 12 months, nor has it received any payments or promises of payments from such agreements,
- has no other significant financial interests in relation to the issuer or the subject of the financial analysis.

Exclusion of liability

Publisher of this report is sc-consult GmbH. The publisher does not represent that the information and data contained herein is accurate, complete and correct and does not take the responsibility for it. This report has been prepared under compliance of the German capital market rules and is therefore exclusively destined for German market participants; foreign capital market rules were not considered and are in no way relevant. Furthermore, this report is only for the reader's independent and autonomous information and does not constitute or form part of an offer or invitation to purchase or sale of the discussed share. Neither this publication nor any part of it form the basis for any contract or commitment whatsoever with respect to an offering or otherwise. Investing in shares, bonds or options always involves a risk. If necessary, seek professional advice.

This report has been prepared using sources believed to be reliable and accurate. However, the publisher does not represent that the information and data contained herein is accurate, complete and correct and does not take the responsibility for it. The opinions and projections contained in this document are entirely the personal opinions of the author at a specific time and are subject to change at any time without prior notice. Neither the author nor publisher accept any responsibility whatsoever for any loss however arising from any use of this report or its contents. By accepting this document, you agree to being bound by the foregoing instructions.

Copyright

The copyright for all articles and statistics is held by sc-consult GmbH, Münster. All rights reserved. Reprint, inclusion in online services and Internet and duplication on data carriers only by prior written consent.