Earnings Update: Akwel SA (AKW.PA) H1 2026

The operating business got cheaper

INTRINSIC GLOBAL CAPITAL

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Hi Everyone -

Akwel reported first-half results on September 18th. I published the original deep dive on July 13th at €6.68; the stock is now €6.20. Here's what the updated numbers say.

What you're paying for the operating business:

Dividend yield on OpCo EV	
Enterprise value (€ M)	40.87
Dividend / share (€)	0.30
Total annual dividend paid (€ M)	7.96
Dividend yield on OpCo EV (%)	**19.5%**

Net Cash (H1 2026)	
Market Cap (€ M)	164.57
Cash & equivalents (€ M)	102.3
Term deposits (other fin. assets) (€ M)	36.1
Financial debt (incl. leases) (€ M)	(14.7)
Net cash + deposits (€ M)	123.7
Cash as a % of Market Cap (%)	**75.16%**

Net cash fell €9.3M vs FY 2025, but €7.96M of that was the dividend. Non-dividend burn was €1.34M across six months.

Book value is €23.13 a share, so you're paying 0.27x book for a company with no debt. Net current assets less every liability on the balance sheet come to €10.32 a share, meaning the stock trades 40% below that figure before you value a single factory.

Revenue fell as expected:

Revenue of €415.6M, down 18.7%. The SCR tank shutdown is most of it; the de-pollution segment fell 67.9%. But strip de-pollution out and the rest of the portfolio still fell about 8%, Fuel down 15.3%, Air & Oil down 18.3%. Full-year guidance stays at −12% to −15%, which requires H2 down only 4-11%.

Margins have improved through the decline:

The metric worth watching is EBE - *excédent brut d'exploitation*, which is basically the French version of EBITDA, though it excludes provisions and reversals:

(€M)	H1 2025	H2 2025	H1 2026
Revenue	510.6	429.0	415.6
Value added	156.4	181.5	182.7
Taxes other than income tax	(2.6)	(7.1)	(2.5)
Payroll & temporary staff	(147.3)	(144.2)	(144.4)
EBE	6.5	30.2	35.8
EBE margin	1.3%	7.0%	8.6%
Depreciation	(19.1)	(23.2)	(19.2)
EBE less depreciation	(12.6)	7.0	16.6

Three consecutive halves of expanding margin on falling revenue. EBE margin has now reached 8.6%, the best in three halves, and the business generated €16.6M after depreciation against a €12.6M loss a year ago. Cash flow before working capital moved from −€4.2M to +€24.5M over the same stretch.

Materials fell to 43.8% of revenue from 44.8%, so the indexation clauses are holding despite losing the high-volume SCR work. Payroll is flat in euros at €144M while revenue fell 19%, taking it from 28.8% to 34.8% of revenue. They will eventually need to reduce labor costs if the topline doesn't rebound, but we'll cross that bridge when we get there.

Other balance sheet movements:

Inventories rose €14.0M, which pushed free cash flow to −€2.7M for the half. Most of it is components bought for programs that then slipped on timing, rather than unsold finished products, and June working capital always runs above December. Not something I'm concerned about, but hope to see a bit of working capital release in the full year filing.

Capex was €16.0M against €19.9M, with a new 9,000m² Casablanca plant under construction, a Mexico extension, a Juárez toolroom, and an India relocation. Assets under construction on the balance sheet rose to €50.4M. None of it is earning yet, and it starts depreciating in 2027.

The family keeps buying:

Family ownership stands at ~71% in H1 2026. Members of the Coutier family (both through their family office and personal funds) bought on-market at various prices between €7-10.

They're buying with their own money rather than the company's, which is the more meaningful signal, also it's why the share count has not meaningfully changed. The public float is now ~29%, worth about €47.7M, and a take-private at a Poulaillon-style premium discussed in my original article, would cost around €62-67M, which is well below the €123.7M of cash sitting on the balance sheet.

Rating

Buy, unchanged. The operating business is 8% cheaper than when I wrote the original, the balance sheet is intact, and a super-slow-motion pseudo-take-private is already running, funded from the family's own pocket.

What I'm watching most closely: 1) Whether the margin gains survive a volume recovery. Costs came down faster than revenue this half, and the question is how much of that snaps back when the delayed programs restart. Q3 revenue lands on 5 November, so we'll get a hint then. 2) Net cash held up this half once you back out the dividend, and there's no second payment coming in H2 (the FY 2025 dividend was paid in June). If the inventory build reverses as programs restart, the year should end close to where it started.

Disclosure: I hold a position in Akwel SA (AKW.PA), which is referenced in this article. This content is for informational and entertainment purposes only and does not constitute investment advice, a recommendation, or a solicitation to buy or sell any security. I am not a registered investment advisor, broker, or dealer. All opinions expressed are my own and reflect my personal investment research process. You should conduct your own due diligence and consult a qualified financial professional before making any investment decisions. Past performance is not indicative of future results.