

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 4.0.

507/2024/AR/September 5, 2024

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Bowim	Not rated	7.2	Not rated	Michał Zamel

Event: Preliminary consolidated 2Q24 financial results released.

On Wednesday, during WSE trading hours, the Company released preliminary consolidated 2Q24 financial results.

Consolidated revenues at PLN 445.4 million (down 11% yoy) were close to our expectations at PLN 415.1 million. EBIT reached PLN -6.1 million vs our forecast at PLN 7.1 million and net loss reached c. PLN -10 million in 2Q24 vs consolidated net profit at PLN 2.7 million expected by us. The Company informed about the market weakness resulting in a c. 20% steel prices yoy drop in 1H24 which translated into a falling demand for steel.

Bowim; preliminary consolidated 2Q24 financial results

Consolidated (PLN million)	12M EFV (PLN)						DM BOS forecast		Results vs forecast	yoy chg
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	2Q24			
Sales	585.6	501.6	490.5	459.0	461.5	445.4	415.1	→	-11%	
EBITDA	13.1	11.0	10.1	10.0	10.1			-	-	
EBITDA margin	2.2%	2.2%	2.1%	2.2%	2.2%			-	-	
EBIT	10.9	8.8	7.9	7.7	7.9	-6.1	7.1	↓	n.m.	
EBIT margin	1.9%	1.8%	1.6%	1.7%	1.7%	-1.4%	1.7%	-	-	
Gross profit	3.0	3.7	0.5	4.3	4.0			-	-	
Gross margin	0.5%	0.7%	0.1%	0.9%	0.9%			-	-	
Net profit	2.5	2.5	2.3	5.9	3.6	-10.0	2.7	↓	n.m.	
Net margin	0.4%	0.5%	0.5%	1.3%	0.8%	-2.2%	0.7%	-	-	

Source: Company, DM BOS estimates

Expected impact: Negative, though the results should have been discounted partially in August, when preliminary unconsolidated figures were released. 2Q24 EBIT and bottom line are deeply below our expectations which, we believe, stemmed from costs (probably operating costs), as the revenues in the discussed quarter are marginally lower yoy following a slight decrease in steel prices.

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.