

Novavis Group S.A.



Price target: PLN 4

Update

Rating: BUY

Novavis' H1/24 results came in below our adjusted expectations. In Q2/24, revenues only equalled PLN 378k (-86.9% q-o-q) and EBITDA PLN -760k (Q1/24: PLN 1.9m). The main reasons were administrative delays and difficulties with obtaining terms & conditions for grid connection, which negatively affect the whole PV industry in Poland. As Poland still generates c. 71% of energy with fossil fuels, the new government generally improved the quality of management at the state-owned utilities and Poland has recently received EUR 15bn of EU money from the Reconstruction and Resilience Fund that are supposed to be spent on modernization of energy grids, we expect that market conditions for PV developers will significantly improve from 2025E. However, based on discussions with its management we only expect that NVG will achieve similar results in H2/24E to 1-6/2024 and hence we have again lowered our estimates for this year. Despite a higher peer-group-based FV of PLN 6.08 (previously: PLN 4.73), our 12-months PT (80% DCF, 20% peer group) for NVG of PLN 4 per share remains unchanged.

In H1/24, Novavis Group generated a 80.3% lower EBITDA y-o-y of PLN 1.1m and became net debt. In Jan-Jun 2024, the company's revenues decreased by 56.3% y-o-y to PLN 3.3m, EBITDA by 80.3% to PLN 1.1m and net income by 94.5% to PLN 276k. Operating cash flow equalled PLN -3.4m (H1/23: PLN 4.9m) and free cash flow PLN -3.4m (PLN 2m). At the end of June 2024, NVG's net debt amounted to PLN 1.4m (31/12/2023: PLN -1.9m). Of the interest-bearing debt of PLN 3.9m, 97.7% was short term.

In May 2024, the total installed capacity of renewable energy plants in Poland equalled c. 30 GW, thereof 19.2 GW PV plants. For comparison: In Germany, it currently amounts to 173.5 GW (PV: 93 GW). According to latest data, in Poland still c. 71% (Germany: <40%) of energy stems from fossil fuels. As by 2030E it will have to decline to at least 60% to comply with the EU Green Deal, significant investments in renewable production capacity will be necessary in this decade.

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Net sales	9.45	10.58	7.05	66.23	74.34	45.15
EBITDA	4.70	6.51	2.26	33.12	33.45	18.06
EBIT	4.65	6.46	2.19	33.03	33.34	17.93
Net income	2.86	5.06	1.81	26.62	26.77	14.18
EPS	0.08	0.14	0.05	0.76	0.76	0.41
DPS	0.00	0.06	0.03	0.38	0.38	0.20
Dividend yield	0.00%	3.24%	1.39%	20.55%	20.67%	10.95%
RoE	119.63%	85.27%	22.18%	127.67%	66.20%	29.82%
Net gearing	-50.01%	-23.25%	-0.70%	-98.88%	-87.04%	-59.88%
EV/Sales	7.01x	6.26x	9.39x	1.00x	0.89x	1.47x
EV/EBITDA	14.09x	10.17x	29.33x	2.00x	1.98x	3.67x
P/E	22.7x	12.8x	35.9x	2.4x	2.4x	4.6x

Company profile

Novavis Group is developer of photovoltaic projects in Poland.

Date of publication	2 October 2024 / 6:30 am
Website	www.novavisgroup.pl
Sector	Renewable Energy
Country	Poland
ISIN	PLNFI0500012
Reuters	NVG.WA
Bloomberg	NVG PW

Share information

Last price	1.85
Number of shares (m)	35.02
Market cap. (PLNm)	64.78
Market cap. (EURm)	15.21
52-weeks range	PLN 2.83 / PLN 1.74
Average volume (shares)	68,020

Performance

4-weeks	-6.09%
13-weeks	-19.13%
26-weeks	-23.04%
52-weeks	-23.66%
YTD	-7.80%

Shareholder structure

Marshall Nordic Ltd.*	47.16%
Rubicon Partners Ventures ASI Sp. z o.o	10.00%
Pawel Krzyształowicz **	7.54%
Free float	35.30%

* belongs to Marek Stachura, the CEO of Novavis' subsidiaries
Voolt and Novavis Storage

** Member of the Management Board of Novavis Group

Financial calendar

9M/24 report	November 29, 2024
--------------	-------------------

Analyst

Adrian Kowollik
a.kowollik@eastvalueresearch.com

H1/24 results

Revenues and profitability

In H1/24, Novavis Group generated revenues (= milestone payments from its partner Iberdrola) of PLN 3.3m (-56.3% y-o-y). All of the revenues stemmed from the progress of PV farm no. 13 (currently, there are in total 12 projects in NVG's SPVs with a total capacity of c. 447 MW).

Between January and June 2024, the company's EBITDA and net income declined from PLN 5.6m to PLN 1.1m and from PLN 5.1m to PLN 276k following much lower revenues, 82.7% higher personnel expenses and a higher effective tax rate y-o-y (85.1% vs. 10% in H1/23).

in PLNm	change		
	H1/24	H1/23	y-o-y
Net sales	3.27	7.48	-56.3%
EBITDA	1.11	5.60	-80.3%
<i>EBITDA margin</i>	<i>33.8%</i>	<i>74.9%</i>	
EBIT	1.08	5.58	-80.6%
<i>EBIT margin</i>	<i>33.1%</i>	<i>74.6%</i>	
Net income	0.28	5.06	-94.5%
<i>Net margin</i>	<i>8.4%</i>	<i>67.7%</i>	

Source: Company information, East Value Research GmbH

Balance sheet and Cash flow

At the end of June 2024, Novavis had equity of PLN 6.5m (ratio of 17.7% vs 28% in H1/23).

The largest balance sheet position was the value of building contracts for photovoltaic farms, which stood at PLN 25.2m (H1/23: PLN 17.6m). The majority of these contracts are with one of the world's largest renewable energy developers, Spanish Iberdrola. We estimate the working capital at PLN 8.4m (H1/23: PLN 4.9m).

The cash position equalled PLN 2.4m (-37.2% y-o-y). The interest-bearing debt of PLN 3.9m (H1/23: PLN 154k) was related to necessary prepayments for administrative decisions.

In H1/24, Novavis generated a lower operating cash flow y-o-y of PLN -3.5m (H1/23: PLN 4.9m) due to weaker financial results and higher investments in working capital. Cash flow from investing amounted to PLN 60k (H1/23: PLN -2.8m) and cash flow from financing PLN 3.8m (H1/23: PLN -152k) following additional short-term debt. In total, NVG's cash position increased by PLN 384k since January 2024.

Financial forecasts

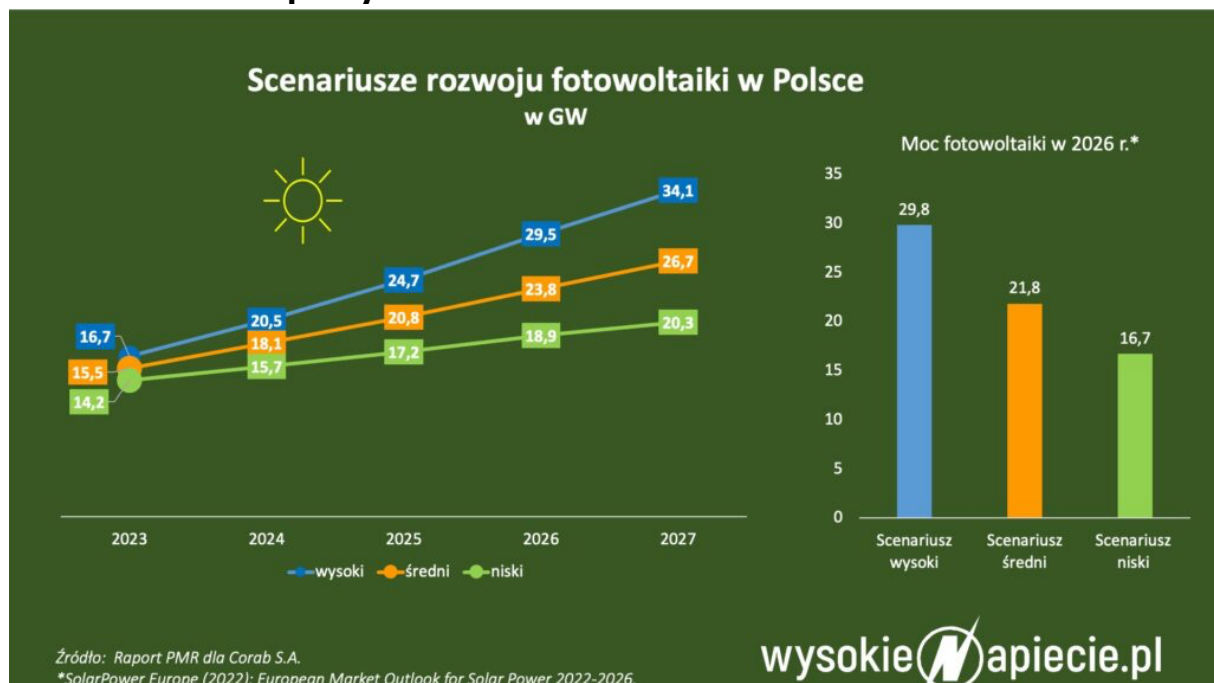
Revenues and Profitability

In H1/24, Novavis' business was negatively affected by the same factors as the whole Polish renewables sector, especially administrative delays e.g. related to environmental decisions or terms & conditions for grid connection.

While a recovery should be visible from 2025E – the managers of the state-owned utilities that were appointed by the new pro-EU Polish government in H1/24 clearly plan to modernise grids and they now have c. EUR 15bn from the EU Reconstruction and Resilience Fund at their disposal – we expect that H2/24E will only be comparable to the first six months for NVG. If a project reached the ready-to-build status, Iberdrola would buy it from Novavis Group for a price that is the equivalent of the project's capacity in MW times the current market price per MW. The attractiveness and thus the price of these projects also depend on the costs of financing (which have started to decline) and energy prices (since a low at c. PLN 254/MWh in April 2024, they have again increased to PLN >500 according to TGE).

The graph below shows forecasts for PV capacity in Poland in the optimistic (blue), average (orange) and conservative (green) scenario. If the optimistic scenario was to become reality, the PV capacity would more than double by 2026E compared to the level in 2023. Currently, the total energy generating capacity in Poland (fossil fuels + renewables) equals 68.7 GW, while the EU Green Deal obliges EU member states to decrease the share of fossil fuels to at least 60% by 2030E.

Forecasts for PV capacity in Poland 2023-2026E



Sources: wysokienapiecie.pl, East Value Research GmbH

After the H1/24 report and a call with the CEO, we have lowered our estimates for 2024E as we do not believe that NVG will obtain any terms & conditions for grid connection in H2/24E. For 2025E and the following years, we have kept our revenue forecasts unchanged as due to the EU Green Deal we expect a strong acceleration of investments in grids and renewable energy capacity as well as faster administrative decisions.

Below is an overview over our updated estimates for Novavis Group's results in 2024E-2027E:

in PLNm	2024E	2025E	2026E	2027E
Project development for Ibedrola	7.05	48.38	52.92	20.16
(% of net sales)	100.0%	73.1%	71.2%	44.7%
EBITDA margin	32.0%	50.0%	45.0%	40.0%
% of portfolio value as milestone payments	4.6%	40.0%	75.0%	100.0%
Total project portfolio (Iberdrola)	447	360	210	60
Avg. price per MW (in EUR)	80,000	80,000	80,000	80,000
PLN-EUR FX rate	4.26	4.20	4.20	4.20
Development of own projects (PV & energy storage)	0.00	17.85	21.42	24.99
(% of net sales)	0.0%	26.9%	28.8%	55.3%
EBITDA margin	32.0%	50.0%	45.0%	40.0%
Capacity of own portfolio (in MW)	280	310	340	370
Sale of own MW	0	50	60	70
Avg. price per MW (in EUR)	85,000	85,000	85,000	85,000
PLN-EUR FX rate	4.26	4.20	4.20	4.20
Net sales	7.05	66.23	74.34	45.15
(change y-o-y)	-33.3%	839.1%	12.2%	-39.3%

Source: East Value Research GmbH

	2024E		2025E		2026E		2027E	
in PLNm	new	old	new	old	new	old	new	old
Net sales	7.05	10.97	66.23	66.23	74.34	74.34	45.15	45.15
EBITDA	2.26	6.31	33.12	33.12	33.45	33.45	18.06	18.06
<i>EBITDA margin</i>	32.0%	57.5%	50.0%	50.0%	45.0%	45.0%	40.0%	40.0%
EBIT	2.19	6.24	33.03	33.03	33.34	33.34	17.93	17.93
<i>EBIT margin</i>	31.0%	56.9%	49.9%	49.9%	44.9%	44.8%	39.7%	39.7%
Net income	1.81	5.18	26.62	26.62	26.77	26.77	14.18	14.18
<i>Net margin</i>	25.6%	47.2%	40.2%	40.2%	36.0%	36.0%	31.4%	31.4%

Source: East Value Research GmbH

in PLNm	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24
Net sales	0.74	0.34	0.09	8.28	9.45	4.87	2.61	1.66	1.44	10.58	2.89	0.38
<i>y-o-y change</i>	n.a	n.a	n.a	n.a	-7.3%	554.8%	679.7%	1707.6%	-82.6%	12.0%	-40.6%	-85.5%
EBITDA	-0.29	-1.22	-0.63	6.83	4.70	3.85	1.76	0.62	0.28	6.51	1.85	-0.76
<i>EBITDA margin</i>	-38.4%	-363.9%	-680.4%	82.5%	49.7%	79.1%	67.2%	37.2%	19.7%	61.5%	64.1%	-201.1%
EBIT	-0.30	-1.23	-0.64	6.81	4.65	3.83	1.74	0.61	0.27	6.46	1.84	-0.75
<i>EBIT margin</i>	-40.2%	-367.2%	-695.7%	82.3%	49.2%	78.8%	66.8%	36.6%	18.8%	61.0%	63.7%	-197.6%
Net income	-0.76	-0.74	-0.47	4.83	2.86	3.55	1.52	-0.17	0.16	5.06	1.57	-1.29
<i>Net margin</i>	-102.0%	-221.2%	-508.7%	58.3%	30.2%	72.9%	58.0%	-10.1%	11.3%	47.8%	54.2%	-341.3%

Source: East Value Research GmbH

Peer Group Analysis

We have identified the following listed companies that operate in the same segment as Novavis Group. Our peer group consists of companies that develop and/or build photovoltaic farms and other renewable energy facilities (e.g. wind, hydro).

This year, there have been two notable M&A transactions in Novavis' industry: 1. The US-based private equity fund KKR and the family office of the Viessmann family announced their intention to take the German leader Encavis private at a valuation of EUR 2.83bn (impl. EV/EBITDA 2023 = 15.3x), and 2. The Swedish private equity fund EQT acquired 100% in the listed operator of solar and wind farms OX2 for USD 1.5bn (impl. EV/EBITDA 2023 = 11.6x). Both transactions were valued at a significantly higher EV/EBITDA multiple than our implied one for NVG in 2025E-2027E (2x-3.7x)

(1) *Voltaia SA*: Voltaia, which is based in Paris/France, develops, constructs, operates, and maintains wind, solar, hydro, biomass, and storage plants. The company has a project pipeline of 16.6 GW and operates solar power plants with an installed capacity of 2.85 GW in Europe, Africa, and Latin America. In 2023, Voltaia, which has a market cap of EUR 1.1bn, generated revenues of EUR 495.2m and an EBITDA margin of 43.2%. Its ROCE equalled 2.9%.

(2) *Photon Energy NV*: Photon Energy, which is based in Amsterdam/the Netherlands, provides development, engineering, construction, installation, operation and maintenance of photovoltaic systems. The company also invests in and generates electricity through photovoltaic power plants. It has a project pipeline of 1+ GWp in Australia, the Czech Republic, Hungary, Slovakia, Poland, and Romania and own electricity generation assets of 140.3 MWp. In 2023, Photon Energy, which has a market cap of PLN 387.5m, generated revenues of PLN 302.7m and an EBITDA margin of 0.9%.

(3) *ABO Energy GmbH & Co KGaA*: ABO Energy, with the main office in Wiesbaden/Germany, develops and builds renewable energy, storage and hybrid projects. Operating in 16 countries on four continents and with >1,200 employees, the company has so far realized projects with a capacity of >5 GW. In its development pipeline, it has projects with a total capacity of >24 GW with the largest being under development in South Africa, Finland and Germany. ABO Energy, which has a market cap of EUR 403m, generated revenues of EUR 299.7m and an EBITDA margin of 19.6% in 2023. Its ROCE equalled 9.2%.

(4) *7C Solarparken AG*: 7C Solarparken, which is based in Bayreuth/Germany, owns and operates PV farms primarily in Germany and Belgium. It has a combined asset portfolio of 500 MWp. In 2023, 7C Solarparken, which has a market cap of EUR 183.2m, generated revenues of EUR 69.8m and an EBITDA margin of 83.4%. Its ROCE equalled 3.4%.

(5) *PNE AG*: PNE, which is based in Cuxhaven/Germany, develops, constructs, and sells onshore and offshore wind farms; provides technical and commercial operation management services for wind farms, PV plants, and transformer stations; and generates electricity from wind and biomass power plants. It is also involved in the development of photovoltaics and hybrid solutions. Currently, the company, which is active in 14 countries in Europe, South Africa, North America and Asia, has a pipeline of >17.9 GW (wind & PV) and own plants with 412 MW. In 2023, PNE, which has a market cap of EUR 908.5m, generated revenues of EUR 121.5m and an EBITDA margin of 24.2%. Its ROCE equalled 0.3%.

(6) *Ecoener SA*: Ecoener, which is headquartered in La Coruna/Spain, develops, owns and operates renewable energy projects (wind, hydroelectric, solar and storage) in 15 countries. With majority of installed power in Spain and the Dominican Republic, Ecoener currently operates renewable energy installations with a power of 353 MW (solar: 190.1 MW) and with over 768 MW (solar: 627.2 MW) under development. In 2023, the company generated revenues of EUR 64m and an EBITDA margin of 50.2%. Its ROCE was 2.8%. Ecoener is currently worth EUR 230.4m on the stock exchange.

(7) *Eolus Vind AB*: Eolus, which is headquartered in Hassleholm/Sweden, develops, establishes and operates renewable energy and energy storage installations. The total power of its portfolio equals 28.4 GW (solar: 6.4 GW) and 967 MW under asset management. With a market cap of SEK 1.3bn (EUR 116m), in 2023, Eolus generated revenues of SEK 2.3bn (EUR 270.7m) and an EBITDA margin of 31.3%. Its ROCE equalled 25.7%.

(8) *Grenergy Renovables SA*: Grenergy Renovables, which is based in Madrid/Spain, develops, builds and operates wind, solar, and energy storage systems. With a presence in 11 countries, it has >15 GW under development and 1 GW in operation. In 2023, the Spanish company, which has a market cap of EUR 1.1bn, generated revenues of EUR 400.2m and an EBITDA margin of 25.6%. Its ROCE equalled 7%.

(9) *Neoen SA*: Neoen, which is headquartered in Paris/France, operates through Solar Power, Wind Power, Storage, Farm-Down, Development and Investments segments. It operates in Argentina, Australia, Canada, Ecuador, the United States, Finland, France, Ireland, Italy, Jamaica, Mexico, Mozambique, Portugal, El Salvador, Sweden, and Zambia. Currently, the company has >8 GW of assets in operation, under construction and awarded. In 2023, Neoen, which has a market cap of EUR 5.9bn, generated revenues of EUR 524.4m and an EBITDA margin of 93.6%. Its ROCE equalled 3.8%.

Company	EV/Sales			EV/EBITDA			P/E			P/BVPS	EBITDA margin	Net gearing
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	Latest	Last FY	Latest
Voltaia SpA (EUR)	5.6x	4.6x	4.0x	13.4x	10.4x	9.0x	95.6x	53.8x	34.4x	0.9x	43.2%	156.8%
Photon Energy NV (PLN)	3.0x	2.7x	2.4x	16.3x	13.4x	10.7x	n.a	n.a	n.a	1.4x	0.9%	275.3%
ABO Energy GmbH & Co KGaA (EUR)	2.0x	1.7x	1.5x	10.3x	9.1x	7.8x	14.3x	12.9x	10.5x	2.0x	19.6%	137.6%
7C Solarparken AG (EUR)	5.4x	5.1x	5.0x	7.1x	6.3x	6.1x	45.0x	20.5x	16.1x	0.8x	83.4%	75.2%
PNE AG (EUR)	10.4x	8.9x	7.1x	38.2x	26.6x	18.5x	n.a	n.a	n.a	4.7x	24.2%	413.3%
Ecoener SA (EUR)	7.6x	5.1x	3.9x	13.7x	7.9x	5.8x	16.9x	9.4x	6.0x	1.7x	50.2%	296.6%
Eolus Vind AB (SEK)	2.1x	1.3x	1.2x	7.7x	5.3x	4.7x	7.7x	4.8x	4.3x	0.9x	31.3%	46.8%
Grenergy Renovables SA (EUR)	4.4x	2.5x	3.1x	16.4x	8.5x	6.8x	24.4x	10.2x	11.4x	3.0x	25.6%	213.8%
Neoen SA (EUR)	15.0x	10.6x	9.0x	17.9x	13.6x	11.7x	70.9x	45.3x	35.8x	2.2x	93.6%	136.7%
Median	5.4x	4.6x	3.9x	13.7x	9.1x	7.8x	24.4x	12.9x	11.4x	1.7x	31.3%	156.8%
Novavis Group S.A. (PLN)	9.4x	1.0x	0.9x	29.3x	2.0x	2.0x	35.6x	2.4x	2.4x	10.0x	61.5%	22.0%
Premium/Discount	73.3%	-78.3%	-77.2%	114.8%	-78.1%	-74.7%	45.6%	-81.1%	-78.9%			
Fair value Novavis (PLN)	6.08											

Source: CapitalIQ, marketscreener.com, East Value Research GmbH

Price target calculation

Valuation method	Fair value	Weight
DCF model	3.06	80%
Peer Group Analysis	6.08	20%
Weighted average (present value)	3.66	
In 12-months (PV * (1+WACC))	4.00	

Source: East Value Research GmbH

Profit and loss statement

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Total revenues	9.45	10.58	7.05	66.23	74.34	45.15
Direct costs	-3.63	-2.62	-1.76	-25.17	-29.74	-18.96
Gross profit	5.82	7.96	5.29	41.07	44.60	26.19
Other operating income	0.04	0.04	0.05	0.05	0.06	0.06
Personnel expenses	-0.54	-0.98	-0.71	-6.62	-7.43	-4.52
Other operating expenses	-0.63	-0.52	-2.37	-1.38	-3.77	-3.67
EBITDA	4.70	6.51	2.26	33.12	33.45	18.06
Depreciation & amortization	-0.05	-0.05	-0.05	-0.07	-0.09	-0.11
EBIT	4.65	6.46	2.21	33.05	33.36	17.95
Net financial results	-1.65	-0.20	-0.06	0.05	0.04	0.04
EBT	2.99	6.26	2.15	33.09	33.40	17.99
Income taxes	-0.81	-1.54	-0.41	-6.29	-6.35	-3.42
Minority interests	0.68	0.33	0.08	-0.17	-0.27	-0.37
Net income / loss	2.86	5.06	1.82	26.64	26.79	14.20
EPS	0.08	0.14	0.05	0.76	0.77	0.41
DPS	0.00	0.06	0.03	0.38	0.38	0.20
Share in total sales						
Total revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Direct costs	-38.44 %	-24.76 %	-25.00 %	-38.00 %	-40.00 %	-42.00 %
Gross profit	61.56 %	75.24 %	75.00 %	62.00 %	60.00 %	58.00 %
Other operating income	0.47 %	0.41 %	0.67 %	0.08 %	0.08 %	0.14 %
Personnel expenses	-5.68 %	-9.24 %	-10.00 %	-10.00 %	-10.00 %	-10.00 %
Other operating expenses	-6.62 %	-4.91 %	-33.67 %	-2.08 %	-5.08 %	-8.14 %
EBITDA	49.72 %	61.49 %	32.00 %	50.00 %	45.00 %	40.00 %
Depreciation & amortization	-0.56 %	-0.47 %	-0.71 %	-0.11 %	-0.12 %	-0.24 %
EBIT	49.16 %	61.02 %	31.29 %	49.89 %	44.88 %	39.76 %
Net financial results	-17.49 %	-1.85 %	-0.85 %	0.07 %	0.05 %	0.08 %
EBT	31.68 %	59.17 %	30.44 %	49.96 %	44.93 %	39.83 %
Income taxes	-8.57 %	-14.53 %	-5.78 %	-9.49 %	-8.54 %	-7.57 %
Minority interests	7.14 %	3.15 %	1.18 %	-0.25 %	-0.36 %	-0.81 %
Net income / loss	30.25 %	47.79 %	25.83 %	40.22 %	36.04 %	31.45 %

Balance sheet

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Cash and cash equivalents	2.01	2.05	3.86	36.56	43.79	30.97
Other financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Trade accounts and notes receivable	0.00	0.00	0.00	0.00	0.00	0.00
Other current assets	5.23	6.77	5.41	5.52	5.63	5.74
Current assets	7.23	8.82	9.27	42.08	49.42	36.71
Property, plant and equipment	0.13	0.08	0.07	0.07	0.07	0.07
Other intangible assets	0.00	0.00	0.00	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Construction contracts	10.16	21.62	26.00	28.20	30.40	32.60
Other long-term assets	0.13	0.09	0.10	0.10	0.10	0.10
Deferred tax assets	0.76	0.54	0.00	0.00	0.00	0.00
Non-current assets	11.17	22.33	26.16	28.37	30.57	32.77
Total assets	18.40	31.15	35.44	70.44	79.99	69.48
Trade payables	1.92	2.24	1.36	17.36	18.07	9.96
Short-term financial debt	0.13	0.02	3.70	3.20	2.70	2.20
Other liabilities	9.78	19.04	20.94	14.66	10.26	7.18
Provisions	1.19	0.05	0.02	0.00	0.00	0.00
Current liabilities	13.01	21.35	26.02	35.22	31.03	19.35
Long-term financial debt	0.09	0.10	0.09	0.00	0.00	0.00
Other long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Long-term liabilities	0.09	0.10	0.09	0.00	0.00	0.00
Total liabilities	13.10	21.46	26.11	35.22	31.03	19.35
Shareholders equity	3.57	8.29	8.01	33.74	47.21	48.01
Minority interests	1.74	1.40	1.32	1.49	1.75	2.12
Total liabilities and equity	18.40	31.15	35.44	70.44	79.99	69.48

Cash Flow Statement

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Net income / loss	2.86	5.06	1.82	26.64	26.79	14.20
Depreciation & amortization	0.05	0.05	0.05	0.07	0.09	0.11
Change of working capital	2.14	-5.35	-2.00	7.41	-6.00	-13.50
Others	-0.97	0.35	-0.57	-0.02	0.00	0.00
Net operating cash flow	4.08	0.10	-0.70	34.10	20.88	0.81
Cash flow from investing	-3.50	0.27	-0.04	-0.07	-0.09	-0.11
Free cash flow	0.58	0.38	-0.75	34.03	20.79	0.70
Cash flow from financing	0.60	-0.33	2.55	-1.33	-13.55	-13.53
Change of cash	1.19	0.05	1.81	32.70	7.23	-12.82
Cash at the beginning of the period	0.82	2.01	2.05	3.86	36.56	43.79
Cash at the end of the period	2.01	2.05	3.86	36.56	43.79	30.97

Financial ratios

Fiscal year	2022	2023	2024E	2025E	2026E	2027E
Profitability and balance sheet quality						
Gross margin	61.56%	75.24%	75.00%	62.00%	60.00%	58.00%
EBITDA margin	49.72%	61.49%	32.00%	50.00%	45.00%	40.00%
EBIT margin	49.16%	61.02%	31.29%	49.89%	44.88%	39.76%
Net margin	30.25%	47.79%	25.83%	40.22%	36.04%	31.45%
Return on equity (ROE)	119.63%	85.27%	22.36%	127.62%	66.19%	29.83%
Return on assets (ROA)	24.51%	16.86%	5.31%	37.75%	33.44%	20.39%
Return on capital employed (ROCE)	62.81%	49.74%	18.99%	76.00%	55.20%	29.00%
Economic Value Added (in PLNm)	2.89	3.96	0.91	23.49	22.47	9.88
Net debt (in PLNm)	-1.79	-1.93	-0.07	-33.36	-41.09	-28.77
Net gearing	-50.01%	-23.25%	-0.90%	-98.88%	-87.05%	-59.92%
Equity ratio	19.40%	26.61%	22.60%	47.89%	59.02%	69.10%
Current ratio	0.56	0.41	0.36	1.19	1.59	1.90
Quick ratio	0.15	0.10	0.15	1.04	1.41	1.60
Net interest cover	2.81	32.94	36.78	-734.38	-834.08	-512.86
Net debt/EBITDA	-0.38	-0.30	-0.03	-1.01	-1.23	-1.59
Tangible BVPS	0.10	0.24	0.23	0.96	1.35	1.37
Capex/Sales	22.21%	0.35%	-0.61%	-0.11%	-0.12%	-0.25%
Working capital/Sales	39.09%	67.16%	129.11%	2.56%	10.36%	46.95%
Cash Conversion Cycle (in days)	-192	-312	-282	-252	-222	-192
Trading multiples						
EV/Sales	7.01	6.26	9.39	1.00	0.89	1.47
EV/EBITDA	14.09	10.17	29.33	2.00	1.98	3.67
EV/EBIT	14.25	10.25	29.99	2.00	1.98	3.69
P/Tangible BVPS	18.1x	7.8x	8.1x	1.9x	1.4x	1.3x
P/E	22.7x	12.8x	35.6x	2.4x	2.4x	4.6x
P/FCF	111.3x	172.7x	-86.8x	1.9x	3.1x	92.2x

Disclaimer

This document (prepared on 1 October 2024) does neither constitute an offer nor a request to buy or sell any securities. It only serves informational purposes. This document only contains a non-binding opinion on the mentioned securities and market conditions at the time of its publication. Due to the general character of its content this document does not replace investment advice. Moreover, in contrast to especially approved prospectuses, it does not provide information, which is necessary for taking investment decisions.

All information, which have been used in this document, and the statements that have been made, are based on sources, which we think are reliable. However, we do not guarantee their correctness or completeness. The expressions of opinion, which it contains, show the author's personal view at a given moment. These opinions can be changed at any time and without further notice.

A liability of the analyst or of the institution, which has mandated him, should be excluded from both direct and indirect damages.

This confidential study has only been made available to a limited number of recipients. A disclosure or distribution to third-parties is only allowed with East Value Research' approval. All valid capital market rules, which relate to the preparation, content as well as distribution of research in different countries, should be applied and respected by both the supplier and recipient.

Distribution in the United Kingdom: In the UK this document shall only be distributed to persons who are described in Section 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended). This research may not be distributed and forwarded directly or indirectly to any other group of individuals. The distribution of this document in other international jurisdictions may be restricted by law and individuals who possess this study should inform themselves about any existing restrictions and comply with them.

Neither this document nor any copy of it may be taken or sent to the United States of America, Canada, Japan or Australia or distributed, directly or indirectly, in the United States of America, Canada, Japan or Australia or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of United States, Canadian, Japanese or Australian securities laws or the law of any other jurisdiction.

Declaration according to § 34b WpHG and FinAnV on potential conflicts of interest (As of July 24, 2013): East Value Research has been commissioned to prepare this report by Novavis Group S.A.

Declaration according to § 34b WpHG and FinAnV on additional disclosures (As of July 24, 2013):

It is the sole decision of East Value Research GmbH whether and when a potential update of this research will be made.

Relevant basis and measures of the valuations, which are included in this document:

The valuations, which are the basis for East Value Research` investment recommendations, are based on generally-accepted and widely-used methods of fundamental analysis such as the Discounted-Cash-Flow method, Peer Group comparison, or Sum-of-the-Parts models.

The meaning of investment ratings:

Buy: Based on our analysis, we expect the stock to appreciate and generate a total return of more than 10% over the next twelve months

Add: Based on our analysis, we expect the stock to appreciate and generate a total return between 0% and 10% over the next twelve months

Reduce: Based on our analysis, we expect the stock to cause a negative return between 0% and -10% over the next twelve months

Sell: Based on our analysis, we expect the stock to cause a negative return exceeding -10% over the next twelve months

The respective supervisory authority is:

Bundesanstalt für Finanzdienstleistungsaufsicht
Marie-Curie-Straße 24-28
60439 Frankfurt am Main