

FLASH NOTE

Novavis Group - Buy

Target Price: PLN 3.29 | Close as of 29/10/2024: PLN 1.77

Analyst:

Jakub Szkopek,
+48 22 257 5753
jakub.szkopek@erstegroup.com

Q3'24 results preview

Novavis did not report any grid connection rights granted in Q3'24 in its current announcement. We assume that in Q3'24, further milestones won on PV projects will translate into **sales** of around PLN 0.6mn. At this level of sales, we assume **EBITDA** will be -0.5mn PLN, with a similar level of **net income**.

(mn PLN)	Q3'24e	Q3'23	y/y	2024e	YTD
Revenues	0.6	1.7	-64%	18	21%
EBITDA	-0.5	0.6	-181%	11	5%
EBITDA margin	-	37%		61%	
EBIT	-0.5	0.6	-182%	11	5%
Net income	-0.5	0.0	-	9	-3%

OPINION: SLIGHTLY NEGATIVE

The lack of positive decisions regarding the connection of PV farms to the grid is currently the main problem facing Novavis. DSOs are refusing connections due to congestion to the grid, and developers are complaining about the refusals to the ERO. Unfortunately, proceedings before the ERO can take up to two years. At the same time, DSOs have recently favored projects connected to energy storage, forcing developers to change their design. In our opinion, there is a high risk, however, that positive decisions on grid connection will postpone until 2025, and we will have to lower our revenue and results forecast in 2024.

In this document we are not changing our recommendation, forecasts, or price target for Novavis.

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Research
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Head Office: Warsaw
Commercial Register (KRS) No: 0000065121
District Court for the Capital City of Warsaw, XII Commercial Division
Erste Securities Polska Homepage: www.esp.pl

Erste Group Bank AG
Group Research
1100 Vienna, Austria, Am Belvedere 1
Head Office: Wien
Commercial Register No: FN 33209m
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