

Atende

3Q'24 results in line with prelims

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The company published its final consolidated financial results for Q3'24.

- Revenue = PLN 94mn (+19% y/y) vs. 70mn of our estimate.
- Gross margin = 19.5% vs. 22.5% in Q3'23.
- EBIT = PLN 2mn vs. 4mn a year earlier and 1mn our expectations. EBIT margin down to 2.1% vs. 5.6% a year earlier and 1.8% of our assumptions. General and administrative expenses up 19% y/y to PLN 16mn vs. 14mn of our assumptions.
- OCF = PLN +14.5mn (+2.8mn a year earlier) due to positive changes in working capital = PLN +7.9mn. FCF = PLN 11.2mn vs. 0.9mn a year earlier.
- Subscription services margin of PLN 12.1mn (+23.5% year-on-year) accounted for 40% of fixed costs vs. 40% a quarter earlier.
- The largest sales were to the public sector (PLN 29mn, 31% of consolidated revenues, +29% year-on-year), where the largest number of projects were completed for the uniformed services and for government entities. The second sector in terms of sales was the energy sector, where sales increased to PLN 24mn from PLN 5mn a year earlier (due in part to the delivery of data centre infrastructure for an energy operator). Once again, sales to the TMT sector showed weakness (-13% y/y, PLN 21mn) due to lower sales to cable TV operators and traditional telecoms operators.

Our view: NEUTRAL

Atende Group's financial figures were in line with the previously published preliminary results. Gross profit margin declined y/y due to the continued negative A2CC contribution from the PGE contract, which will also be visible in 4Q and partly 1Q'25 results (previously reported contract extension). SG&A costs were above our assumptions at PLN 15m, implying double-digit growth rates for the first time since Q4'23. On the plus side, we note strong sales to the public sector, where we had previously assumed a weaker year due to post-election investment outages.

Ahead of us are results for the seasonally most important final quarter of the year. Taking into account cumulative revenues for the last 3 quarters, the realisation of our annual revenue forecasts is now around 66%. Cumulatively, for the last 4 quarters they amount to PLN 324mn, 4% below our full-year forecast.

P&L (PLN m)	3Q23	4Q23	1Q24	2Q24	3Q24	Y/Y	Q/Q	Pekao	vs. Pekao	'23	'24e	'25e
Revenues	79	103	62	65	94	19%	45%	70	✓ 35%	328	336	349
Gross profit	18	15	14	14	18	3%	29%	15	✓ 20%	67	70	76
SG&A	-14	-15	-15	-13	-16	19%	27%	-14	✓ 17%	-55	-61	-65
Other op. Income/cost	0	-2	0	0	0	-81%	518%	0		0	0	0
EBITDA	7	2	2	4	5	-32%	10%	5	✓ 1%	22	20	20
EBIT	4	-1	-1	1	2	-55%	48%	1	✓ 57%	12	9	11
Financial Income(Cost)	-1	0	-1	-1	0	-77%	-46%	-1	✓ -55%	-2	-3	-2
Pretax profit	3	-1	-1	1	2	-43%	139%	1	✓ 205%	10	7	9
Net income	2	-1	-1	1	1	-44%	129%	0	✓ 205%	7	6	7

Source: Atende, Pekao Equity Research

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