

# Sunex

## 3Q24 results overview and conference call highlights

Sunex reported results for the 3Q24, in which it recorded an EBITDA loss of PLN 2.1m compared to our forecast of a loss of PLN 1.4 m. Sales amounted to PLN 66.2m, +24%q/q in line with preliminary print. The company also held a conference call with analysts today. Here are the highlights:

- There are very little public tenders in Poland currently. For now also drawdowns of European RRF funds go very slow.
- The company sees a chance in lowering of the interest rates which could boost company's sales in Poland going forward.
- Austrian market received a boost in 2024 after implementing the system of subsidies. In Germany however this goes however slower as the German economy is in worse shape currently.
- Sunex implements in Germany a new, direct sales model. Aside of selling heat pumps the company offers also refurbishment services. Hence a retail user may receive a wide service from Sunex: a heat pump, installation of this device and a house refurbishment.
- Cost optimizing process is underway. More cost-cutting measures will be visible in 4Q24 as some of agreements expire in the year end. These are marketing or HR agreements.
- This is likely to result in lower cost base in 2025 on y/y basis, visible already in 1Q25.
- Liquidity position of Sunex seems secured: the company got agreement extension from Pekao by 1H25 and is on track to receive similar extension from ING in coming days.
- Sunex is also coming down from the inventory level which means it limits purchases of materials currently.
- Currently the company hires around 430 people in Poland, around 120 in Austria and 30 people in Germany. In recent months Sunex has lowered its external headcount which were provided by the HR agencies in Poland. There are no plans for lowering headcount in Austria or Germany. In contrary, that structures are likely to be strengthened going forward.
- Sunex sees lots of competitors' bankruptcies in Poland currently.

**Opinion: Positive.** Seems like the liquidity position of Sunex is stabilizing. This is most important for now. Rebound in results is likely in 2025 once the cost decline and sales rebounds.

Technology

Sunex

**HOLD**

**FV PLN 9.31**

27.5% upside

Price as of 29 November 2024 PLN 7.30

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Figure 1. Sunex: 3Q24 results overview (PLN m)

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24A	3Q24A	YY	Q/Q3Q24 IPOP	diff 3Q24prel.	diff		
Revenues	100.53	88.13	81.41	45.66	35.70	53.37	66.17	-18.7%	24.0%	66.85	-1.0%	66.85	-1.0%
Gross profit	20.09	23.62	15.75	34.09	4.69	9.59	13.66	-13.3%	42.4%	12.95	5.5%	na	na
EBITDA	13.78	13.24	8.43	3.07	-6.84	-1.49	2.89	na	na	2.00	44.4%	na	na
EBIT	12.26	11.79	6.52	-0.17	-9.54	-4.04	-0.55	na	na	-0.50	na	na	na
Net profit	9.68	9.81	2.18	2.69	-8.83	-4.90	-2.07	na	na	-1.40	na	na	na

Source: Company, IPOPEMA Research

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NII – Net interest income – interest income minus interest expense.

Net F&C – Net fee and commission income – fee and commission income minus fee and commission expense.

LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

NPL – non-performing loan – loans that are in default or close to be in default.

Cost/Income – operating expenses divided by total banking revenue.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR – compound annual growth rate.

BVPS – book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV – price to book value - price divided by the BVPS.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding.

DY – dividend yield – dividend of a given year divided by the current price.

DDM – dividend discount model – a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV – Fair Value, calculated based on valuation methods outlined in the document.

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	Number	%
Buy	18	56%
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Date	Recommendation	Fair Value	Price at recommendation	Author
13/10/2023	HOLD	PLN 12.00	PLN 13.06	Robert Maj
24.05.2024	BUY	PLN 12.37	PLN 10.52	Robert Maj
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10.10.2024	HOLD	PLN 9.31	PLN 8.86	Robert Maj