

Novavis Group S.A.



Price target: PLN 3.10

Update

Rating: BUY

Novavis' Q3/24 results were disappointing. Over the past three months, the company generated only PLN 189k in revenue (-88.6% y-o-y) and reported an EBITDA of PLN -1.5m (Q3/23: PLN 0.62m). It continues to struggle in obtaining the necessary permits to proceed with its PV farms, particularly for grid connection terms and conditions, which are a key part of its contract with Iberdrola. However, these delays are widespread across the PV industry in Poland, due to outdated power grids. Poland is expected to receive an additional tranche of EUR 9.4bn from the Reconstruction and Resilience Fund by the end of next week, of which EUR 1.57bn is earmarked for grid modernization by 2026E. While significant positive changes are anticipated for the renewable energy sector in Poland, the current challenges remain substantial, leading to delays in PV farm development and negatively impacting the cash flows for PV developers like Novavis. In our updated model, we now forecast significantly lower revenues for 2024E of PLN 4.73m (prev. PLN 7.05m, Q4/24E: PLN 1.27m), resulting in a negative EBITDA and net income. Given the lower DCF valuation and peer-group-based fair value estimate of PLN 4.93 (prev. PLN 6.08), our 12-month PT (80% DCF, 20% peer group) for Novavis is PLN 3.10/share (prev. PLN 4).

In 9M/24, Novavis generated PLN 3.46m (-62.2% y-o-y) in sales, an EBITDA of PLN -0.4m (9M/23: PLN 6.22m) and a net income of PLN -1.06m (PLN 4.89m). Operating cash flow equaled PLN -0.45m (9M/23: PLN 0.86m) and free cash flow PLN -0.35m (PLN 0.84m). As of 30/09/2024, NVG had cash of PLN 1.99m (9M/23: PLN 2.52m). Interest-bearing debt amounted to PLN 1.69m (PLN 0.14m), of which 95.2% short-term.

We have lowered our 2024E and 2025E forecasts due to regulatory delays that significantly impact Novavis' operations. We now expect significant revenue from contract PV farms only in 2026E. As per latest reports, the total installed capacity of renewable energy plants in Poland equaled c. 32 GW, thereof 19.9 GW PV installations. The proportion of RES is gradually increasing and has reached over 30% in the energy production mix in 2024.

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Net sales	9.45	10.58	4.73	30.91	76.23	32.42
EBITDA	4.70	6.51	-1.80	15.46	34.84	13.68
EBIT	4.65	6.46	-1.85	15.39	34.75	13.57
Net income	2.86	5.06	-2.21	12.48	28.06	10.81
EPS	0.08	0.14	-0.06	0.36	0.80	0.31
DPS	0.00	0.06	0.00	0.18	0.40	0.15
Dividend yield	0.00%	3.95%	0.00%	11.73%	26.36%	10.15%
RoE	119.63%	85.27%	-36.12%	122.21%	102.55%	29.47%
Net gearing	-50.01%	-23.25%	-78.71%	-79.39%	-108.61%	-72.57%
EV/Sales	5.70x	5.09x	11.40x	1.74x	0.71x	1.66x
EV/EBITDA	11.47x	8.28x	neg	3.49x	1.55x	3.94x
P/E	18.7x	10.6x	neg	4.3x	1.9x	5.0x

Company profile

Novavis Group is developer of photovoltaic projects in Poland.

Date of publication	9 December 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	1.52
Number of shares (m)	35.02
Market cap. (PLNm)	53.22
Market cap. (EURm)	12.43
52-weeks range	PLN 2.83 / PLN 1.49
Average volume (shares)	37,672

Performance

4-weeks	-9.73%
13-weeks	-23.50%
26-weeks	-32.55%
52-weeks	-20.68%
YTD	-23.75%

Shareholder structure

Fundacja Rodzinna Stachura*	43.16%
Rubicon Partners Ventures ASI Sp. z o.o	9.83%
Pawel Krzyształowicz **	7.54%
Free float	39.47%

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

Voolt and Novavis Storage

** Member of the Management Board of Novavis Group

Financial calendar

2024 Annual Report (exp.)	April 26, 2025
---------------------------	----------------

Analyst

Mateusz Pudło
m.pudlo@eastvalueresearch.com

Adrian Kowolik
a.kowolik@eastvalueresearch.com

9M/24 results

Revenues and profitability

In 9M/24, Novavis Group generated revenues (= milestone payments from its partner Iberdrola) of PLN 3.46m (-62.2% y-o-y). In Q3/2024, the company generated revenues only from the PV farm no. 14 in the amount of PLN 0.145m, while the remaining revenues stemmed from the progress of PV farm no. 13, accounted in the H1/24 report (currently, there are in total 12 projects in NVG's SPVs with a total capacity of c. 447 MW).

With significantly lower revenues than in 2023, the company's 9M/24 EBITDA reached PLN -0.4m (9M/23: 6.22m). Operating costs increased to PLN 3.9m (+30.9% y-o-y). Notable was the increase of employee' costs, which amounted to PLN 1.44m (+105% y-o-y).

in PLNm	9M/24	9M/23	change y-o-y
Net sales	3.46	9.14	-62.2%
EBITDA	-0.40	6.22	n.a
<i>EBITDA margin</i>	<i>-11.7%</i>	<i>68.1%</i>	
EBIT	-0.44	6.19	n.a
<i>EBIT margin</i>	<i>-12.7%</i>	<i>67.7%</i>	
Net income	-1.06	4.89	n.a
<i>Net margin</i>	<i>-30.8%</i>	<i>53.5%</i>	

Source: Company information, East Value Research GmbH

Balance sheet and Cash flow

At the end of September 2024, Novavis had equity excl. minorities of PLN 5.15m (ratio of 15.2% vs 26.2% in Q3/23).

The largest balance sheet position was the value of building contracts for photovoltaic farms, which stood at PLN 25.7m (Q3/23: 19.48m). Almost all of these contracts are with one of the world's largest renewable energy developers, Spanish Iberdrola.

NVG's cash position of PLN 1.99m was on a very similar level as at the beginning of 2024. The interest-bearing debt was PLN 1.69m (Q3/23: PLN 0.14m), which is mostly for prepayments for administrative decisions.

The largest liabilities by far were advance payments for milestones from the contract with Iberdrola. They reached PLN 24.96m (Q3/23: PLN 0).

Between January and September, Novavis generated a lower operating cash flow y-o-y of PLN -0.45m (9M/23: PLN 0.86m) due to weaker financial results. Cash flow from investing amounted to PLN 0.101m (9M/23: PLN -0.022m) and cash flow from financing PLN 0.28m (9M/23: PLN -0.33m) following the raise of additional short-term debt. In 9M/24, the company also paid a dividend of PLN 0.06 per share (PLN 2.1m).

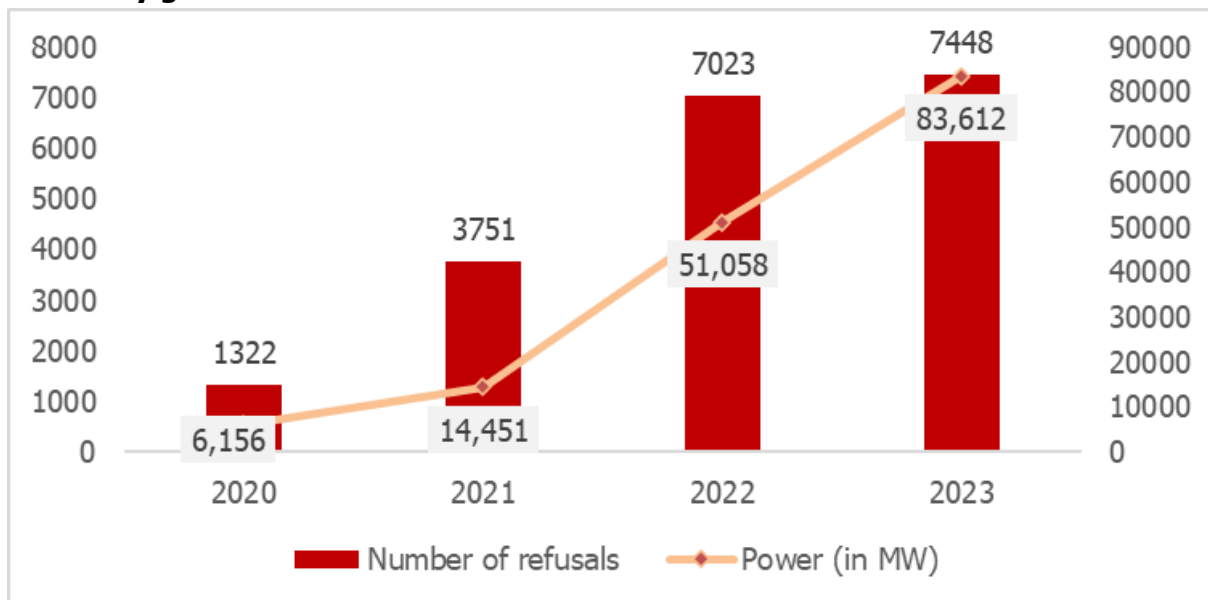
Financial forecasts

Revenues and Profitability

In Q4/24 and likely in 2025E, companies operating in the renewable energy sector continue to face regulatory and technical issues, which causes delays with the progress of RES projects. The situation is not unique to Poland, as renewable energy companies in other European countries face similar problems. The average age of Europe's grid is 40 years (Source: Breakthrough Energy), indicating that significant and rapid investment is needed to meet EU's ambitious goal of being climate neutral by 2050E.

A year ago, there was a change in the ruling political party in Poland. The coalition that forms the current government is considered to be very close to the EU, with the Prime Minister having previously served as the President of the European Council. Many of the new ministers advocate for pro-ecological initiatives. Hence, we hope for strong political support for the Polish renewable energy sector in the coming years.

Electricity grid connection refusals in 2020-2023



Source: East Value Research GmbH, Energy Regulatory Office (Poland)

In Poland, the amount of power that has not been granted permission to connect to the grid by energy companies (Stoen, Enea, Energa, Tauron, PGE) has been increasing for several years. In 2023, the total power that did not receive approval reached 83,612 MW, marking a 63.8% year-on-year increase. Large Polish energy companies mainly justify their refusal of connections with technical issues such as network overloads, exceeding acceptable voltage levels, and insufficient connection capacity.

According to Energy Market Agency, in September 2024 the total PV capacity installed in Poland equalled 19.9 GW (+27.5% y-o-y; 62.1% of total RES; 28.2% of all sources). The capacity of large-scale (> 10 MW) photovoltaic plants, which Novavis develops, increased by 75.9% y-o-y to 2.1 GW.

The agency also reports that the production of electric energy in 9M/24 in Poland increased by 2.1% to 123,519 GWh. The highest annual increase was reported by PV (all sizes), which produced 13,436 GWh (+31.9%). In 9M/24, Poland produced 30.8% (+3.4pp y-o-y) of its electric energy from renewable sources, while PV installations exceeded 10% of total energy production.

The official announcement that part of the next tranche of over PLN 40bn from the EU's Reconstruction and Resilience Fund will be allocated for grid modernization has been eagerly awaited by PV farm developers. These funds are expected to be allocated in 2025E, but the modernization process could take several years, leading to continued delays in a key step for photovoltaic farms: obtaining permission to connect to the grid.

Regarding the contract with Iberdrola, under which Novavis receives milestone payments based on the progress of PV farm development, we have deferred our revenue guidance due to the aforementioned regulatory delays. However, we have maintained the total revenue forecast for Novavis under this contract. To date, NVG has not received grid connection approval for any of its PV farms (in Q4/24E, we only expect the company to generate PLN >1m of revenues from the project Rusy (NG PV 13)). According to our forecasts, the majority of the farms developed for Iberdrola are expected to reach ready-to-build (RtB) status in 2026E. We anticipate the contract will be finalized by 2028E, with the latest PV farm for Iberdrola reaching RtB status in that year.

In addition, Novavis Group also has its own PV development projects, and according to the latest update the total capacity of these projects is about 300MW. We have also postponed the sales of these projects and their value.

Nevertheless, given the EU's strong push for renewable energy sources, the outlook for Novavis' industry remains positive. Despite the challenges the company is currently facing, there are no major long-term risks that would completely halt or cancel the development of PV farms.

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 Iberdrola	4.73	30.91	65.52	18.14
(% of net sales)	100.0%	100.0%	86.0%	56.0%
EBITDA margin	-38.0%	50.0%	45.0%	40.0%
% of portfolio value as milestone payments	3.0%	20.0%	75.0%	90.0%
Total project portfolio (Iberdrola)	460	460	260	60
Avg. price per MW (in EUR)	80,000	80,000	80,000	80,000
PLN-EUR FX rate	4.28	4.20	4.20	4.20
Development of own projects (PV & energy storage)	0.00	0.00	10.71	14.28
(% of net sales)	0.0%	0.0%	14.0%	44.0%
EBITDA margin	n.a	n.a	50.0%	45.0%
Capacity of own portfolio (in MW)	300	330	360	390
Sale of own MW	0	0	30	40
Avg. price per MW (in EUR)	85,000	85,000	85,000	85,000
PLN-EUR FX rate	4.28	4.20	4.20	4.20
Net sales	4.73	30.91	76.23	32.42
(change y-o-y)	-55.3%	554.2%	146.6%	-57.5%

Source: East Value Research GmbH

	2024E		2025E		2026E		2027E	
in PLNm	new	old	new	old	new	old	new	old
Net sales	4.73	7.05	30.91	66.23	76.23	74.34	32.42	45.15
EBITDA	-1.80	2.26	15.46	33.12	34.84	33.45	13.68	18.06
<i>EBITDA margin</i>	<i>-38.0%</i>	<i>32.0%</i>	<i>50.0%</i>	<i>50.0%</i>	<i>45.7%</i>	<i>45.0%</i>	<i>42.2%</i>	<i>40.0%</i>
EBIT	-1.85	2.19	15.39	33.03	34.75	33.34	13.57	17.93
<i>EBIT margin</i>	<i>-39.1%</i>	<i>31.0%</i>	<i>49.8%</i>	<i>49.9%</i>	<i>45.6%</i>	<i>44.8%</i>	<i>41.9%</i>	<i>39.7%</i>
Net income	-2.21	1.81	12.48	26.62	28.06	26.77	10.81	14.18
<i>Net margin</i>	<i>-46.9%</i>	<i>25.7%</i>	<i>40.4%</i>	<i>40.2%</i>	<i>36.8%</i>	<i>36.0%</i>	<i>33.3%</i>	<i>31.4%</i>

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	Q3/24	Q4/24E	2024E
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	0.19	1.27	4.73
<i>y-o-y change</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>-7.3%</i>	<i>554.8%</i>	<i>679.7%</i>	<i>1707.6%</i>	<i>-82.6%</i>	<i>12.0%</i>	<i>-40.6%</i>	<i>-85.5%</i>	<i>-88.6%</i>	<i>-12.0%</i>	<i>-55.3%</i>
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	-1.50	-1.39	-1.80
<i>EBITDA margin</i>	<i>-38.4%</i>	<i>-363.9%</i>	<i>-680.4%</i>	<i>82.5%</i>	<i>49.7%</i>	<i>79.1%</i>	<i>67.2%</i>	<i>37.2%</i>	<i>19.7%</i>	<i>61.5%</i>	<i>64.1%</i>	<i>-201.1%</i>	<i>-786.8%</i>	<i>-109.9%</i>	<i>-38.0%</i>
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	-1.53	-1.41	-1.85
<i>EBIT margin</i>	<i>-40.2%</i>	<i>-367.2%</i>	<i>-695.7%</i>	<i>82.3%</i>	<i>49.2%</i>	<i>78.8%</i>	<i>66.8%</i>	<i>36.6%</i>	<i>18.8%</i>	<i>61.0%</i>	<i>63.7%</i>	<i>-197.6%</i>	<i>-806.3%</i>	<i>-111.0%</i>	<i>-39.1%</i>
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	-1.34	-1.15	-2.21
<i>Net margin</i>	<i>-102.0%</i>	<i>-221.2%</i>	<i>-508.7%</i>	<i>58.3%</i>	<i>30.2%</i>	<i>72.9%</i>	<i>58.0%</i>	<i>-10.1%</i>	<i>11.3%</i>	<i>47.8%</i>	<i>54.2%</i>	<i>-341.3%</i>	<i>-705.3%</i>	<i>-90.8%</i>	<i>-46.9%</i>

Source: East Value Research GmbH

CAPEX and Working capital

We now believe that gross CAPEX will reach PLN 303k in 2024E-2027E due to further investments in land for PV plants. Regarding working capital, we expect a cash conversion cycle of -30 days in the future (2023: -312 days).

Valuation

With lower forecasts and lower peer-group-based fair value of PLN 4.93 (previously: PLN 6.08), our valuation model derives a 12-months PT (80% DCF, 20% peer group) for Novavis Group S.A. of PLN 3.10 (previously: PLN 4), which implies an upside of 102.8% at present.

Below are the key assumptions of our WACC calculation:

- (1) *Risk-free rate*: Current yield of Polish long-term government bonds with maturity in 2037E is 5.87% (Source: www.boerse-frankfurt.de)
- (2) *Beta*: 4y average unlevered beta of companies from the Green & Renewable Energy sector of 0.65x (Source: www.damodaran.com)
- (3) *Equity risk premium (Poland)*: 5.84% (Source: www.damodaran.com)
- (4) *Effective tax rate*: 19%
- (5) *Target equity ratio*: 100%
- (6) *After-tax debt costs*: 10%
- (7) *WACC = Equity costs*: 9.7%
- (8) Free cash flows and residual values are discounted to December 6, 2024

DCF model

in PLNm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E		
Net sales	4.73	30.91	76.23	32.42	27.93	21.42	24.99	28.56	32.13		
(y-o-y change)	-55.3%	554.2%	146.6%	-57.5%	-13.9%	-23.3%	16.7%	14.3%	12.5%		
EBIT	-1.85	15.39	34.75	13.57	10.54	7.73	8.19	8.39	6.95		
(EBIT margin)	-39.1%	49.8%	45.6%	41.9%	37.7%	36.1%	32.8%	29.4%	21.6%		
NOPLAT	-1.32	12.46	28.15	10.99	8.54	6.26	6.63	6.80	5.63		
+ Depreciation & amortisation	0.05	0.07	0.09	0.11	0.13	0.15	0.17	0.19	0.21		
= Net operating cash flow	-1.27	12.53	28.24	11.10	8.67	6.41	6.80	6.99	5.84		
- Total investments (Capex and WC)	5.20	-2.62	6.48	-13.24	-4.44	-5.12	-3.05	-3.73	-4.05		
Capital expenditure	-0.03	-0.07	-0.09	-0.11	-0.13	-0.15	-0.17	-0.19	-0.21		
Working capital	5.22	-2.55	6.57	-13.13	-4.31	-4.97	-2.88	-3.54	-3.84		
= Free cash flow (FCF)	3.93	9.92	34.72	-2.13	4.22	1.29	3.75	3.26	1.79		
PV of FCF's	3.90	8.98	28.68	-1.61	2.90	0.81	2.14	1.70	0.85		
PV of FCFs in explicit period	48.36										
PV of FCFs in terminal period	33.75										
Enterprise value (EV)	82.11										
+ Net cash / - net debt (30 September 2024)	-0.30										
+ Investment / - minorities	-1.17										
Shareholder value	80.64										
Fully-diluted number of shares (m)	35.02										
					Terminal EBIT margin						
WACC	9.7%				18.6%	19.6%	20.6%	21.6%	22.6%	23.6%	24.6%
Cost of equity	9.7%	5.7%	4.16	4.30	4.45	4.59	4.74	4.88	5.03		
Pre-tax cost of debt	12.4%	6.7%	3.43	3.53	3.64	3.74	3.85	3.95	4.06		
Normal tax rate	19.0%	7.7%	2.95	3.03	3.11	3.19	3.28	3.36	3.44		
After-tax cost of debt	10.0%	8.7%	2.62	2.68	2.75	2.81	2.87	2.94	3.00		
Share of equity	100.0%	9.7%	2.37	2.42	2.47	2.53	2.58	2.63	2.68		
Share of debt	0.0%	10.7%	2.18	2.22	2.26	2.31	2.35	2.39	2.43		
Fair value per share in PLN (today)	2.30	11.7%	2.03	2.06	2.10	2.13	2.17	2.20	2.24		
Fair value per share in PLN (in 12 months)	2.53										

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 (1.55x-3.94x)

(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 17.2GW and operates solar power plants with an operating capacity of 2.5 GW in Europe, Africa, and Latin America. In 2023, Voltaia, which has a market cap of EUR 962.5m, 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 129.6 MWp. In 2023, Photon Energy, which has a market cap of PLN 259.4m, generated revenues of PLN 301.3m 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 321.1m, 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 155.5m, 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 c. 20 GW (wind & PV) and own plants with 412 MW. In 2023, PNE, which has a market cap of EUR 857.9m, 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 MWp) and with over 1.36 GW (solar: 719 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 247.5m 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 26.2 GW (solar: 6.4 GW) and 456 MW under asset management. With a market cap of SEK 1.13bn (EUR 108.9m), in 2023, Eolus generated revenues of SEK 2.3bn (EUR 199.2m) and an EBITDA margin of 31.3%. Its ROCE equalled 25.7%.

(8) *Greenergy Renovables SA*: Greenergy 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 2 GW in operation. In 2023, the Spanish company, which has a market cap of EUR 774.9m, 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 6bn, 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)	5.1x	4.4x	3.8x	12.8x	9.9x	8.5x	105.3x	46.1x	28.3x	0.8x	43.2%	156.8%
Photon Energy NV (PLN)	2.7x	2.5x	2.2x	22.2x	18.5x	14.3x	n.a	n.a	n.a	0.9x	0.9%	260.8%
ABO Energy GmbH & Co KGaA (EUR)	1.9x	1.5x	1.3x	10.1x	7.8x	6.7x	14.4x	9.7x	8.1x	1.6x	19.6%	137.6%
7C Solarparken AG (EUR)	5.2x	4.7x	4.6x	6.7x	5.8x	5.6x	47.8x	17.4x	13.6x	0.7x	83.4%	75.2%
PNE AG (EUR)	9.1x	8.9x	7.2x	38.8x	27.4x	20.2x	n.a	n.a	n.a	5.4x	24.2%	565.2%
Ecoener SA (EUR)	7.8x	5.3x	4.0x	14.1x	8.3x	6.0x	22.9x	10.4x	6.5x	1.9x	50.2%	296.6%
Eolus Vind AB (SEK)	2.2x	1.7x	1.5x	7.7x	6.6x	7.9x	4.3x	3.7x	4.6x	1.0x	31.3%	127.4%
Grenergy Renovables SA (EUR)	5.0x	2.2x	3.0x	21.9x	8.0x	6.3x	21.6x	6.7x	6.8x	2.2x	25.6%	299.4%
Neoen SA (EUR)	14.8x	10.9x	9.2x	18.2x	13.7x	11.7x	78.9x	47.5x	36.5x	2.2x	93.6%	136.7%
Median	5.1x	4.4x	3.8x	14.1x	8.3x	7.9x	22.9x	10.4x	8.1x	1.6x	31.3%	156.8%
Novavis Group S.A. (PLN)	11.4x	1.7x	0.7x	n.a	3.5x	1.5x	n.a	4.3x	1.9x	10.4x	61.5%	5.9%
Premium/Discount	123.4%	-60.1%	-81.5%	n.a	-58.2%	-80.4%	n.a	-58.6%	-76.4%			
Fair value Novavis (PLN)	4.93											

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

Price target calculation

Valuation method	Fair value	Weight
DCF model	2.30	80%
Peer Group Analysis	4.93	20%
Weighted average (present value)	2.83	
In 12-months (PV * (1+WACC))	3.10	

Source: East Value Research GmbH

Profit and loss statement

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Total revenues	9.45	10.58	4.73	30.91	76.23	32.42
Direct costs	-3.63	-2.62	-3.78	-11.75	-30.49	-13.62
Gross profit	5.82	7.96	0.95	19.17	45.74	18.81
Other operating income	0.04	0.04	0.05	0.05	0.06	0.06
Personnel expenses	-0.54	-0.98	-2.60	-3.09	-7.62	-4.86
Other operating expenses	-0.63	-0.52	-0.19	-0.67	-3.33	-0.32
EBITDA	4.70	6.51	-1.80	15.46	34.84	13.68
Depreciation & amortization	-0.05	-0.05	-0.05	-0.07	-0.09	-0.11
EBIT	4.65	6.46	-1.85	15.39	34.75	13.57
Net financial results	-1.65	-0.20	-0.06	0.05	0.04	0.04
EBT	2.99	6.26	-1.91	15.43	34.79	13.61
Income taxes	-0.81	-1.54	-0.54	-2.93	-6.61	-2.59
Minority interests	0.68	0.33	0.23	-0.02	-0.12	-0.22
Net income / loss	2.86	5.06	-2.21	12.48	28.06	10.81
EPS	0.08	0.14	-0.06	0.36	0.80	0.31
DPS	0.00	0.06	0.00	0.18	0.40	0.15
Share in total sales						
Total revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Direct costs	-38.44 %	-24.76 %	-80.00 %	-38.00 %	-40.00 %	-42.00 %
Gross profit	61.56 %	75.24 %	20.00 %	62.00 %	60.00 %	58.00 %
Other operating income	0.47 %	0.41 %	1.00 %	0.17 %	0.08 %	0.19 %
Personnel expenses	-5.68 %	-9.24 %	-55.00 %	-10.00 %	-10.00 %	-15.00 %
Other operating expenses	-6.62 %	-4.91 %	-4.00 %	-2.17 %	-4.37 %	-0.99 %
EBITDA	49.72 %	61.49 %	-38.00 %	50.00 %	45.70 %	42.20 %
Depreciation & amortization	-0.56 %	-0.47 %	-1.06 %	-0.23 %	-0.12 %	-0.34 %
EBIT	49.16 %	61.02 %	-39.06 %	49.77 %	45.58 %	41.86 %
Net financial results	-17.49 %	-1.85 %	-1.27 %	0.15 %	0.05 %	0.11 %
EBT	31.68 %	59.17 %	-40.33 %	49.92 %	45.64 %	41.97 %
Income taxes	-8.57 %	-14.53 %	-11.47 %	-9.48 %	-8.67 %	-7.97 %
Minority interests	7.14 %	3.15 %	4.93 %	-0.05 %	-0.15 %	-0.67 %
Net income / loss	30.25 %	47.79 %	-46.87 %	40.38 %	36.81 %	33.33 %

Balance sheet

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Cash and cash equivalents	2.01	2.05	4.80	14.17	42.18	25.44
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	2.68	3.57
Other current assets	5.23	6.77	4.30	4.73	4.82	4.92
Current assets	7.23	8.82	9.10	18.90	49.68	33.93
Property, plant and equipment	0.13	0.08	0.05	0.05	0.05	0.05
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	25.20	22.70
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	26.15	28.35	25.35	22.85
Total assets	18.40	31.15	35.25	47.25	75.03	56.78
Trade payables	1.92	2.24	2.92	8.10	18.53	7.16
Short-term financial debt	0.13	0.02	1.60	1.10	0.60	0.00
Other liabilities	9.78	19.04	25.50	20.40	16.32	13.06
Provisions	1.19	0.05	0.02	0.00	0.00	0.00
Current liabilities	13.01	21.35	30.04	29.61	35.45	20.21
Long-term financial debt	0.09	0.10	0.07	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	0.07	0.00	0.00	0.00
Total liabilities	13.10	21.46	30.11	29.61	35.45	20.21
Shareholders equity	3.57	8.29	3.97	16.45	38.28	35.05
Minority interests	1.74	1.40	1.17	1.19	1.30	1.52
Total liabilities and equity	18.40	31.15	35.25	47.25	75.03	56.78

Cash Flow Statement

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Net income / loss	2.86	5.06	-2.21	12.48	28.06	10.81
Depreciation & amortization	0.05	0.05	0.05	0.07	0.09	0.11
Change of working capital	2.14	-5.35	5.22	-2.55	6.57	-13.13
Others	-0.97	0.35	-0.57	-0.02	0.00	0.00
Net operating cash flow	4.08	0.10	2.48	9.99	34.72	-2.21
Cash flow from investing	-3.50	0.27	-0.03	-0.07	-0.09	-0.11
Free cash flow	0.58	0.38	2.46	9.92	34.63	-2.32
Cash flow from financing	0.60	-0.33	0.29	-0.55	-6.62	-14.42
Change of cash	1.19	0.05	2.75	9.37	28.01	-16.74
Cash at the beginning of the period	0.82	2.01	2.05	4.80	14.17	42.18
Cash at the end of the period	2.01	2.05	4.80	14.17	42.18	25.44

Financial ratios

Fiscal year	2022	2023	2024E	2025E	2026E	2027E
Profitability and balance sheet quality						
Gross margin	61.56%	75.24%	20.00%	62.00%	60.00%	58.00%
EBITDA margin	49.72%	61.49%	-38.00%	50.00%	45.70%	42.20%
EBIT margin	49.16%	61.02%	-39.06%	49.77%	45.58%	41.86%
Net margin	30.25%	47.79%	-46.87%	40.38%	36.81%	33.33%
Return on equity (ROE)	119.63%	85.27%	-36.12%	122.21%	102.55%	29.47%
Return on assets (ROA)	24.51%	16.86%	-6.11%	26.32%	37.35%	18.97%
Return on capital employed (ROCE)	62.81%	49.74%	-25.34%	70.65%	71.12%	30.06%
Economic Value Added (in PLNm)	2.87	3.92	-1.82	10.76	24.32	7.46
Net debt (in PLNm)	-1.79	-1.93	-3.13	-13.06	-41.57	-25.44
Net gearing	-50.01%	-23.25%	-78.71%	-79.39%	-108.61%	-72.57%
Equity ratio	19.40%	26.61%	11.27%	34.83%	51.01%	61.73%
Current ratio	0.56	0.41	0.30	0.64	1.40	1.68
Quick ratio	0.15	0.10	0.16	0.48	1.27	1.44
Net interest cover	2.81	32.94	-30.76	-341.91	-868.73	-387.82
Net debt/EBITDA	-0.38	-0.30	1.74	-0.85	-1.19	-1.86
Tangible BVPS	0.10	0.24	0.11	0.47	1.09	1.00
Capex/Sales	22.21%	0.35%	-0.57%	-0.23%	-0.12%	-0.35%
Working capital/Sales	39.09%	67.16%	39.82%	14.32%	-2.81%	33.86%
Cash Conversion Cycle (in days)	-192	-312	-282	-252	-222	-192
Trading multiples						
EV/Sales	5.70	5.09	11.40	1.74	0.71	1.66
EV/EBITDA	11.47	8.28	-30.00	3.49	1.55	3.94
EV/EBIT	11.60	8.34	-29.19	3.50	1.55	3.97
P/Tangible BVPS	15.0x	6.5x	13.5x	3.3x	1.4x	1.5x
P/E	18.7x	10.6x	-24.2x	4.3x	1.9x	5.0x
P/FCF	92.1x	142.9x	21.8x	5.4x	1.5x	-23.1x

Disclaimer

This document (prepared on 6 December 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