

Sonel – price at a premium to the market

Recent months have brought a slowdown in demand for meters, and the deterioration in the economy will most likely extend into the first half of next year. We have slightly adjusted our expectations regarding the company's revenue growth, although profitability is better than our forecasts. The meter segment, unrelated to the economic situation in the core business, is doing much better. Sonel is valued at a clear premium to comparable companies (Aplisens, Apator), which may limit the growth of the price on a weaker market. In the longer term, we remain optimistic. Our valuation has not changed significantly compared to the previous report (PLN 16.6 vs. PLN 15.8) and is 8% higher than the current price.

An upward trend in margins, but also higher general costs

For several quarters, we have been observing an improvement in Sonel's profitability (calculated at the level of gross profit on sales), which we associate with the slowdown in the growth of component prices and the expansion of the offer with modern products created on the basis of the e-Sonel platform. At the same time, the margin on the sale of meters in Foxytech increased. General costs are also growing dynamically (labor costs, expansion of the group with a German entity), which partially limits the positive impulse resulting from the increase in margin.

Incomplete implementation of the goals of the Strategy 2022-24

In our opinion, the goals set in the 2022-24 strategy (after the correction made in May 2023) will not be fully implemented. The implementation of the revenue plan will probably amount to approx. 90%, the ROE indicator will be slightly lower than planned. However, the most important thing is that Sonel remains a dividend company, sharing its profit with shareholders each year. At the beginning of next year, we expect the announcement of a new Strategy for 2025-27 with equally ambitious goals.

Slightly weaker prospects for 2025

At the last conference, the management board pointed to a visible slowdown in the market and a decrease in orders, and 1Q25 is a challenge. Price pressure is higher in the contract assembly area, where increased supply of services (the effect of reduced orders on the German market) has collided with slowing demand.

Foxytech's future

Foxytech has slightly weaker prospects in the 2025 horizon. Although the backlog is only slightly lower than the revenue plan for 2024, the return of the margin to the long-term average may reduce profits. This is a business that is strongly dependent on tenders for new smart meters, which in turn is related to the meter replacement program in Poland (scheduled for completion in 2028). Therefore, in the long term, we assume a decline in revenue in this segment, and Sonel must make a strategic decision related to the future of this entity in the Group.

We estimated the value of Sonel shares based on valuation using the following methods: DCF (PLN 17.6) and comparative (PLN 13.1), which, after weighing the above valuations, allowed us to set the target price (9M) at PLN 16.6.

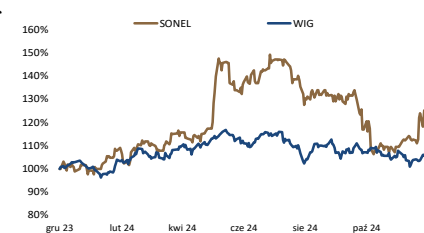
PLNm	2021	2022	2023	2024F	2025F	2026F
Revenues	158.1	180.0	214.5	239.8	247.9	229.2
EBITDA	23.2	24.1	31.3	33.5	37.3	39.4
Net profit	14.7	14.6	17.1	19.6	22.5	23.9
EPS	1.05	1.04	1.22	1.40	1.61	1.70
DPS	0.50	0.60	0.70	1.12	0.67	0.36
P/E (x)	14.7	14.8	12.6	11.0	9.6	9.0
EV/EBITDA (x)	8.8	8.6	6.3	6.3	5.5	5.1

Source: Sonel, Noble Securities, earnings adjusted for on-offs

The preparation of report was finalized on 12.12.2024 at 11:25. The first publication took place on 12.12.2025 at 11:30.



Current price	PLN 15.40
Valuation	PLN 16.61
Upside/downside	8%
Market cap.	PLNm 216
Free float	34%
Av. Vol. 6M	1,170



Source: Bloomberg, Noble Securities

COMPANY PROFILE

Manufacturer of measuring instruments for electricity and telecommunications.

SHAREHOLDERS

K. Wieczorkowski	22.5%
K. Folta	21.1%
Aviva OFE	10.0%
M. Nowakowski	8.4%
T. Sołkiewicz	7.1%
J. Walulik	6.9%
Others	24.0%

Source: Sonel, Noble Securities

Michał Sztabler

Equity Analyst

michal.sztabler@noblesecurities.pl

+48 22 244 13 03

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VALUATION

We calculated the value of one Sonel SA share as an average of the comparative valuation (taking into account indicators for the forecast period 2024-26) and DCF. On this basis, **we set the target price of the share at PLN 16.6** (cost of capital 10.7%). For comparison, we previously set the current value at PLN 15.8. Foreign companies are valued at a large premium to Sonel, which is a permanent trend (largely these are global companies - geographical diversification, often operating in many segments - product diversification) and therefore they were excluded from the valuation and provided for illustrative purposes only.

The increase in valuation results primarily from the change in the parameters of the DCF model (mainly the risk premium). The forecasts have been slightly reduced compared to the previous report.

Valuation summary	Weight	Per share (PLN)	Previous (PLN)	Change
DCF	50%	17.62	14.33	23%
Peers (domestic)	50%	13.12	14.71	-11%
Peers (foreign)	0%	38.73	37.18	4%
Average valuation		15.37	14.52	6%
Target price (9M)		16.61	15.78	
Current price		15.40		
Upside/downside		8%		

Source: Noble Securities

DCF VALUATION

Assumptions:

- We rely on our own forecasts of consolidated results presented in this report,
- The value of cash flows discounted as at the date of publication of the report,
- Net debt as at 31/12/2023 in the amount of PLN 17,6 million,
- Lower effective tax rate (R&D tax premium),
- Long-term growth rate after the forecast period equal to 0%,
- Share of equity in financing assets 100% (conservative financial policy),
- Risk-free rate of 5.7% (previously 5.6%), risk premium of 5.8% (previously 6.3%), beta of 1.0 (unchanged).

DCF VALUATION

DCF	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P
Revenues	240	248	229	249	270	294	301	331	364	401
NOPAT	21	23	24	26	35	38	41	44	48	51
Depreciation and amortization	11	12	14	15	9	10	11	13	15	17
Change in WC	-13	0	4	-5	-4	-7	-1	-8	-8	-9
CAPEX	-18	-15	-27	-34	-21	-22	-25	-27	-30	-33
FCFF	1	21	15	3	19	18	26	22	24	26
WACC	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
Discount factor	0.99	0.90	0.81	0.73	0.66	0.60	0.54	0.49	0.44	0.40
DFCF	1	19	12	2	13	11	14	11	11	10
Sum of DFCF to 2033	103									
Growth rate (g)	0%									
Residual value 2033	332									
Discounted Residual value	132									
Enterprise Value (EV)	235									
Net debt 31/12/2023	-18									
Minorities	6									
Equity value	247									
Shares (ths.)	14.0									
Equity Value per share	17.6									

Analiza wrażliwości					
	Stopa wzrostu rezydualna				
	-2%	-1%	0%	1%	2%
WACC - 1.0%	17.7	18.7	19.8	21.2	23.0
WACC - 0.5%	16.8	17.7	18.7	19.9	21.4
WACC	16.0	16.7	17.6	18.7	20.0
WACC + 0.5%	15.2	15.9	16.7	17.6	18.8
WACC + 1.0%	14.5	15.1	15.8	16.7	17.7

Source: Noble Securities

Below we present WACC calculation:

WACC	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Risk free rate	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
Market risk premium	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cost of equity	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
Effective tax rate	6.1%	7.0%	6.3%	6.2%	8.6%	8.4%	7.9%	7.6%	7.2%	6.8%
Cost of debt	7.58%	7.58%	7.58%	7.58%	7.58%	7.58%	7.58%	7.58%	7.58%	7.58%
Cost of debt after tax bracket	7.12%	7.05%	7.11%	7.12%	6.93%	6.95%	6.99%	7.01%	7.04%	7.07%
Net debt/EV	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WACC	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%

Source: Noble Securities

PEERS VALUATION

Peers valuation - domestic (I&C)	Market cap. (PLNm)	P/E (x)			EV/EBITDA (x)		
		2024F	2025F	2026F	2024F	2025F	2026F
Aparator	558	8.1	9.3	9.4	4.6	4.8	4.5
Aplisens	210	9.4	8.2	7.5	4.8	4.1	3.6
Median		8.8	8.8	8.5	4.7	4.4	4.0
Sonel's implied fair value		9.2	9.2	10.3	8.7	8.3	10.3
Weight		10%	20%	20%	10%	20%	20%
Sonel's implied fair value				13.1			

Source: Indicators calculated for forecasts prepared by Noble Securities. data as of 12.12.2024. 9:10 a.m.

Peers valuation - foreign (I&C)	Market cap. (PLNm)	P/E (x)			EV/EBITDA (x)		
		2024F	2025F	2026F	2024F	2025F	2026F
Honeywell	604 541	23.0	20.8	18.9	17.0	15.3	14.4
Schneider Electric	608 874	30.3	26.4	23.5	19.9	17.7	16.0
Emerson	302 521	23.8	21.9	20.3	18.4	16.8	16.0
Fortive	110 234	20.3	18.8	17.2	17.1	15.9	15.2
Yokogawa	25 173	15.8	17.2	16.5	8.5	8.2	7.9
Itron	20 916	21.4	22.7	19.6	18.2	17.3	14.9
Badger Meter	28 371	55.6	47.6	44.5	36.0	32.4	29.3
ESCO	15 091	34.7	30.0	26.1	17.4	16.4	14.5
Vaisala Oyj	7 397	29.6	25.2	21.2	17.4	15.3	13.7
Nedap	1 543	17.4	14.0	12.4	10.9	9.2	8.5
Median		23.4	22.3	20.0	17.4	16.2	14.7
Sonel's implied fair value		24.5	23.3	24.4	29.6	28.5	34.1
Weight		10%	20%	20%	10%	20%	20%
Sonel's implied fair value				38.7			

Source: Bloomberg. Noble Securities. data as of 12.12.2024. 9:10 a.m.

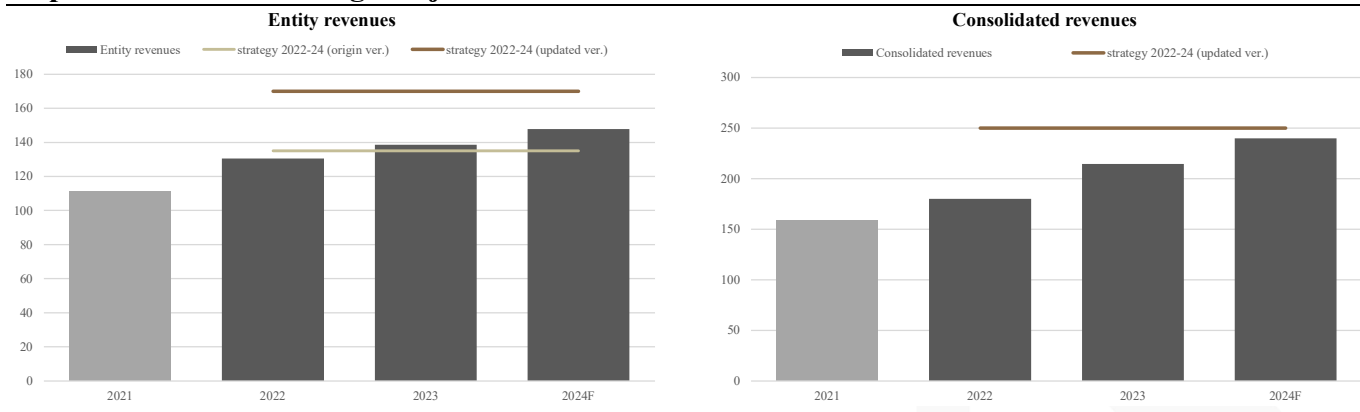
IMPLEMENTATION OF STRATEGIC OBJECTIVES AND THE 2025 PERSPECTIVE

Implementation of the objectives of the 2022-24 strategy

In our opinion, the goals set in the 2022-24 strategy (after the correction made in May '23) will not be fully achieved.

The implementation of the revenue plan will probably amount to approx. 85% at the individual level and approx. 95% at the consolidated level.

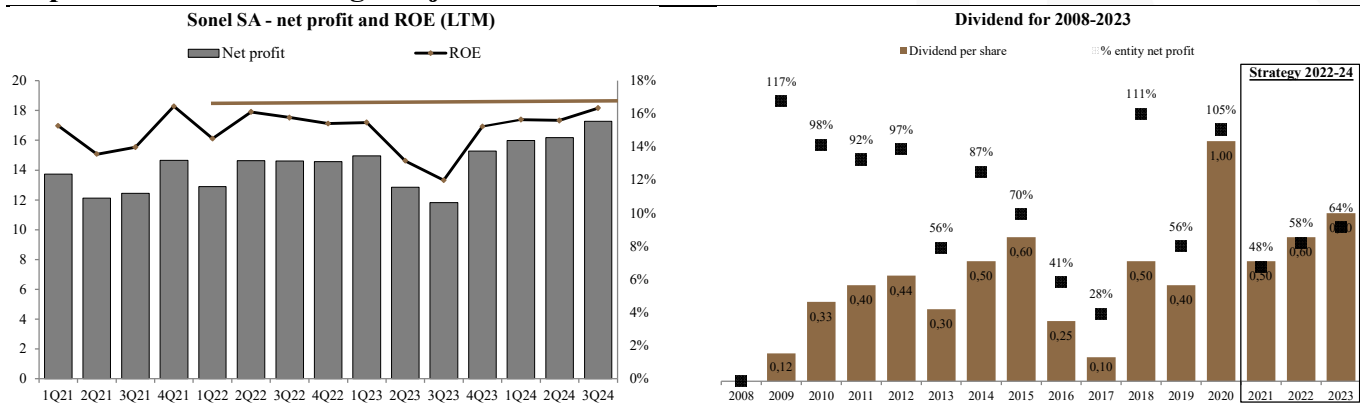
Implementation of strategic objectives - revenues



Source: Sonel, Noble Securities

It will be much better in the case of the planned ROE profitability. The target has been set at 17% (on a unit basis) at the end of 2024. After 3 quarters of this year, we managed to achieve 16.35%, but we do not expect further growth in the last quarter.

Implementation of strategic objectives – ROE and dividend



Source: Sonel, Noble Securities

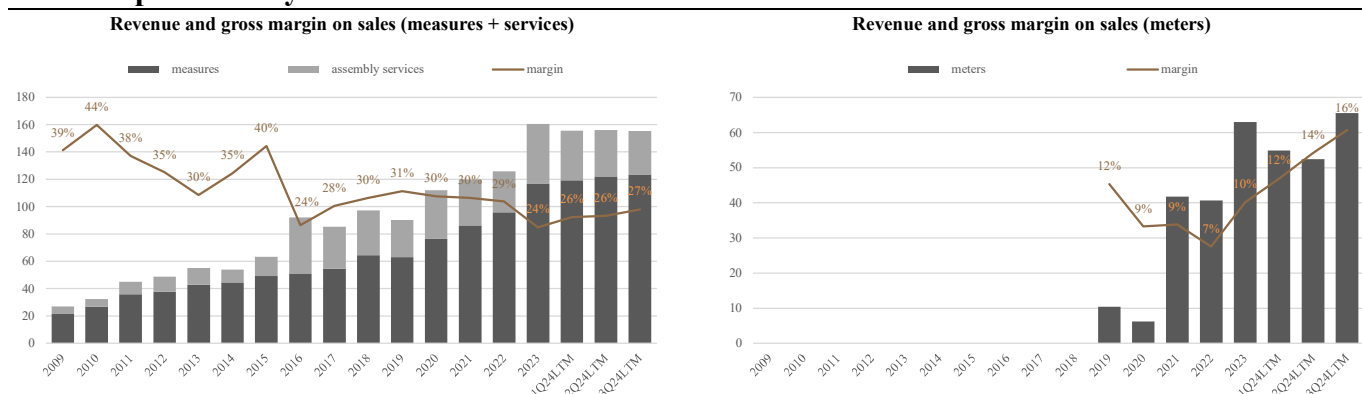
Sonel remains a dividend company, sharing its profit with shareholders each year. In 2022-24, the company paid out a total of PLN 25.2 million (PLN 1.8 per share), which is almost 60% of the net profit generated.

The Management Board has announced the publication of the new Strategy for 2025-27 at the beginning of next year. We expect to maintain our ambitious goals, including revenue growth (15-20% per annum) and ROE (17%), while maintaining the dividend nature of the company. In our forecasts, we remain more conservative in relation to sales (approx. 10% increase in revenues from the core business, decline in Foxytech), but the generation of an appropriate ROE, and even more so future dividend payments, are not at risk.

Increase in profitability, both in the measuring part (Sonel) and in the metering part (Foxytech)

For several quarters, we have been observing an improvement in Sonel's profitability (calculated at the level of gross profit on sales), which we associate with a slowdown in the increase in component prices and the expansion of the offer with modern products created on the basis of the e-Sonel platform. The margin on the sale of meters also increased. A significant increase in Foxytech's profitability (to approx. 15% at the gross level on sales, +5 pp. compared to previous periods) results from better conditions for the settlement of deliveries (favorable EUR/PLN ratio) and we do not assume that they will be maintained in the coming years.

Increase profitability in the main business lines



Source: Sonel, Noble Securities

General costs are also growing dynamically (causes: increase in labour costs, expansion of the group by a German entity, one-off expenses related to the company's anniversary), which partially limits the positive impulse resulting from the increase in the first margin.

Slightly weaker outlook for core business for 2025

At the last conference, the management board pointed to a visible slowdown in the market and a decrease in orders. The revenue growth rate is below plans (resulting in, among m.in things, growing inventories of finished products) and we expect this trend to continue in the first half of next year. Price pressure is higher in the area of contract assembly, where increased supply of services (the effect of reduced orders on the German market) collided with slowing demand. Therefore, we are more cautious in our Sonel prediction for 2025. We assume a further decline in revenues (albeit with lower y/y dynamics) in the area of assembly services and slower growth in measures. Although the measure market is experiencing some difficulties, in the case of the company from Świdnica, further expansion of the offer with products created on the basis of the new architecture (by the end of 2024, all products should already work with the e-Sonel platform), growing demand for devices for renewable energy sources (especially in the area of large photovoltaics or electromobility) and increase in sales in Germany (based on the newly established JV company) should have a positive impact.

Foxytech has slightly weaker prospects in the horizon of 2025. Although the backlog is only slightly lower than the revenue plan for 2024 (PLN 60-76 million in signed contracts), the return of the margin to the long-term average may reduce profits. This business is strongly dependent on tenders for new smart meters, which in turn is related to the meter replacement program in Poland (scheduled for completion in 2028). After the demand related to this program expires, it will be a challenge for Foxytech to maintain the level of sales, because its position on the domestic market is not strong (it supplies meters only to one customer – Tauron Dystrybucja), and it does not export. Therefore, in the long term, we assume a decrease in revenues in this segment. Sonel is currently reviewing strategic options looking for the best development paths for the entire group. It is possible that Foxytech will eventually be sold (this is not the base scenario for us, so we do not take it into account in the forecasts), as it is the entity least related to the core business. According to the management's declaration, no decision has yet been made, and Sonel has not made offers to sell its stake in Foxytech.

RECENT EVENTS

07/05/2024 Signing of the agreement of a JV operating on the German market

Sonel announced the signing (with about a 3-month delay) of an agreement with a German partner and the establishment of a company to handle sales on that market. Unfortunately, the creation of a new entity did not mean that it was possible to start sales under this agreement, which had to wait a few more months.

23/05/2024 Launch of the review of strategic options

The review of options applies to all subsidiaries of the Sonel Capital Group. Its purpose is to obtain information and then choose the most advantageous action in the implementation of the long-term strategy. So far, the company has not made any decisions in this matter.

29/05/2024 Quarterly Report 1Q24

In the first quarter, Sonel achieved better results y/y, higher than our forecasts. We note the above-average increase in margins, which allowed us to offset a slight decrease in revenues and an increase in overhead costs. Sonel has an ultra-safe balance sheet and intends to continue its dividend policy.

20/06/2024 Decision of the General Meeting of Shareholders on the payment of dividend

The shareholders adopted a resolution to allocate PLN 9.8 million to dividend, which means PLN 0.8 per share. This decision is in line with the previous declarations of the board.

12/07/2024 Changes in shareholding structure

One of the main shareholders, Mr. M. Nowakowski, sold all his shares (8.4% of the capital) to Futuro Family Foundation.

18/07/2024 Changes in shareholding structure

The main shareholder and former president of Sonel, Mr. K. Wiczorkowski sold all his shares (22.5% of the capital) to the Vesper Family Foundation.

05/08/2024 Foxytech signs contracts for the supply of meters for Tauron Dystrybucja

The value of the contract is PLN 59 million with an option to increase orders by PLN 18 million. The first delivery is scheduled for early 2025. Deliveries under subsequent contracts ensure the continuity of production and sales of Foxytech. The backlog for 2025 is therefore over PLN 75 million (if the contracting authority exercises the option), is it similar in value to the sales planned for 2024?

23/08/2024 Registration of the new subsidiary in Germany and start of operations

The German Companies Register entered MBS Sonel GmbH (JV Sonel and German partner MBS), which enabled the start of operations. The new entity will deal with the sale of Sonel's products, and will also conduct business activities in the field of sales, certification, assembly, service, and after-sales service of the parent company's products.

27/09/2024 Semi-annual report 1H24

In the second quarter, Sonel achieved lower results y/y, clearly worse than our forecasts. We would like to draw attention to the above-average increase in overhead costs, which, with slightly lower sales, brought the final profit to very low levels. In addition, Foxytech showed a loss.

28/11/2024 Quarterly Report 3Q24

In the third quarter, Sonel achieved higher results y/y, at the level of profits better than our forecasts. As expected, it "fired" the meter segment (Foxytech). We would like to draw attention to the above-average increase in profitability (despite the high share of low-margin meter sales), which allowed us to cover the increase in overheads visible throughout 2024. The accumulation of significant expenses in 3Q24 (dividend, working capital) resulted in an increase in debt and net debt appeared.

MAIN RISK FACTORS

Penalties for delays in contract performance

Entering the public procurement market (applies to the segment of electricity meters – a subsidiary of Foxytech) poses risks resulting from very restrictive contract conditions, especially regarding delays in product deliveries. The high unit value of contracts for the supply of meters (in the order of several dozen million zlotys) means that contractual penalties are also severe. The risks associated with this are particularly visible in the current difficult situation on the electronic components market and disrupted supply chains.

Risk of a significant drop in orders from Lincoln Group entities

The risk of reduced orders from entities from this group related to the diversification of the partner's supply chain may have a significant impact on Sonel's results. The company benefits from the scale of production by achieving synergies in various areas of activity (e.g. bargaining power with suppliers has increased). Inhibiting cooperation would result in high inertia in terms of limiting currently developed resources. This factor partially materialized in 2024.

Risk related to the loss of funding

The risk is related to the possible lack of a positive assessment of the implementation of the programme by the control authorities (national and EU). The amount of the subsidy is so significant (in recent years about PLN 2 million in subsidies + PLN 2 million in CIT relief per year) that the management board takes into account many inspections and the potential threat of undermining the correctness of the program's implementation. The company counteracts this threat by training employees and close cooperation with institutions supervising the distribution and settlement of funds.

ESG PRINCIPLES

Sonel is a company that fully uses its production potential, optimizes direct costs, while constantly maintaining high quality, improving work safety and conducting activities for environmental protection. Sonel actively participates in the life of the region, supporting various social initiatives (sports clubs, Bach festival, "Logged in" program or "Stay with us" and many others), in addition, a cooperation agreement was signed with the Complex of Construction and Electrical Schools in Świdnica, in which, in cooperation with Sonel, a patronage class in the profession of Electronics Technician was created a few years ago. Young people attending classes in this class undergo professional internships on the company's premises, with a large involvement of the engineering staff. In addition, Sonel actively supports the development of the school's teaching staff through cyclical trainings improving their qualifications in the field of new technologies in the field of electronics, power engineering and electrical measurement.

UPDATE OF FINANCIAL RESULTS FORECASTS

PLNm	2021	2022	2023	2024F	2024F	change	2025F	2025F	change	2026F	2026F	change
				new	old		new	old		new	old	
Revenues	158.1	180.0	214.5	239.8	241.7	-1%	247.9	229.1	8%	229.2	240.4	-5%
measures	86.4	96.0	117.0	128.7	137.2	-6%	141.6	154.1	-8%	157.7	165.4	-5%
assembly services	30.0	43.5	34.5	31.1	34.5	-10%	30.0	35.0	-14%	31.5	35.0	-10%
meters	41.7	40.6	62.9	80.0	70.0	14%	76.3	40.0	91%	40.0	40.0	0%
Gross profit from sales	39.1	39.1	44.3	57.8	51.6	12%	57.2	55.6	3%	58.2	58.6	-1%
margin	25%	22%	21%	24%	21%		23%	24%		25%	24%	
EBITDA	23.2	24.1	31.3	33.5	36.8	-9%	37.3	39.9	-6%	39.4	42.9	-8%
EBITDA adj.	23.2	24.1	31.3	33.5	36.8	-9%	37.3	39.9	-6%	39.4	42.9	-8%
margin	15%	13%	15%	14%	15%		15%	17%		17%	18%	
Depreciation	7.4	8.8	11.2	11.1	12.7	-13%	12.1	14.4	-16%	13.5	16.3	-17%
EBIT	15.8	15.3	20.1	22.4	24.2	-7%	25.1	25.5	-1%	25.8	26.6	-3%
Financial income and costs	0.3	-0.8	0.3	-0.5	0.8	nd	0.1	1.1	-88%	0.4	1.3	-69%
Net profit	14.7	14.6	17.1	18.4	19.7	-7%	22.5	22.1	2%	23.9	23.4	2%
Net profit adj.	14.7	14.6	17.1	19.6	19.7	-1%	22.5	22.1	2%	23.9	23.4	2%
margin	9%	8%	8%	8%	8%		9%	10%		10%	10%	
CAPEX & acquisitions	11.3	7.6	14.2	17.9	17.8	0%	14.6	18.3	-20%	26.7	19.4	38%
Dividend	14.0	7.0	8.4	9.8	9.8	0%	15.7	15.8	-1%	9.4	17.7	-47%
Net debt	-11.8	-8.7	-17.6	-6.0	-24.9	-76%	-10.5	-29.8	-65%	-15.4	-30.2	-49%
P/E	14.7	14.8	12.6	11.0	10.9		9.6	9.7		9.0	9.2	
EV/EBITDA	8.8	8.6	6.3	6.3	5.2		5.5	4.7		5.1	4.3	

Source: Sonel, F - Noble Securities forecast

1. We have lowered our forecasts for 2024-26, mainly as a result of lower estimates for 2024.
2. We assume an average annual increase in revenues from the core business at a level of slightly above 10%, which would result in an increase in the capacity utilization ratio from the current 60-70% to approx. 90% in 3 years and justify the expansion of the factory in 2027. We assess this assumption as quite conservative, because the CAGR (average annual dynamics) of revenues from measures in the last 10 years is about 11% (10% in the country, 13% in exports), and a similar indicator for the period of 5 years was 15% (similar indications for domestic and export sales). Revenues from meters (Foxytech) will fall from approx. PLN 80 million in 2024-25 to PLN 40 million (tender system, dependence on a narrow group of customers).
3. The gross margin on sales is much higher in the basic segments (we estimate it at approx. 35% vs. 7-15% in meters), therefore the decrease in revenues from low-margin meters (from 2026) and maintaining increases in measures results in increased profits despite lower sales.
4. CAPEX will increase by leaps and bounds in 2026-27 due to the expansion of the plant in Świdnica. The Management Board did not provide the assumed size of the investment, we assumed total expenditures at the level of PLN 35 million (PLN 5 million already spent, primarily on the purchase of land in 2024, PLN 10 million in 2026 and PLN 15 million in 2027). Steadily high expenditures will be incurred on research and development (we assumed approx. 10% of revenues from the core business, equally distributed across CAPEX and OPEX).
5. Sonel will continue to benefit from public support, both in the form of subsidies (at the level of 10-15% of total R+D expenditure, min. PLN 2 million per year) and tax relief (approx. 20% of R+D expenditures, min. PLN 3 million per year).
6. Sonel will remain a company with a safe balance sheet, understood as maintaining financial surpluses (net debt < 0). This will allow the dividend policy to continue.

FINANCIAL RESULTS AND FORECAST

Profit and loss account (PLNm)	2021	2022	2023	2024F	2025F	2026F
Revenues from sales	116.1	158.1	180.0	214.5	239.8	247.9
Gross profit from sales	34.1	39.1	39.1	44.3	57.8	57.2
SG&A costs	18.6	22.3	25.4	26.2	35.1	34.2
Net profit from sales	15.5	16.8	13.8	18.1	22.7	23.0
Other operating revenues and expenses	-0.7	-1.0	1.6	2.0	-0.3	2.2
EBIT	14.8	15.8	15.3	20.1	22.4	25.1
Financial income and costs	-0.4	0.3	-0.8	0.3	-0.5	0.1
Profit before tax	14.5	16.1	14.6	20.4	22.0	25.3
Income tax	1.1	-0.1	-0.2	0.9	1.3	1.8
Reported net profit	13.4	14.7	14.6	17.1	18.4	22.5
Repeatable net profit	13.4	14.7	14.6	17.1	19.6	22.5
Depreciation and amortization	6.8	7.4	8.8	11.2	11.1	12.1
EBITDA	21.6	23.2	24.1	31.3	33.5	37.3

Source: Sonel. Noble Securities. earnings adjusted for on-offs

Balance Sheet (PLNm)	2021	2022	2023	2024F	2025F	2026F
Assets	115.6	153.6	171.8	164.8	187.3	195.4
Non-current assets	52.5	55.1	56.3	59.3	66.1	68.6
Tangible and Intangible assets	51.8	52.5	52.9	56.2	61.7	64.2
Subsidiaries goodwill	0.4	0.4	0.4	0.0	1.2	1.2
Other long-term assets	0.3	2.2	3.0	3.2	3.2	3.2
Current Assets	63.1	98.5	115.6	105.4	121.1	126.8
Inventories	21.7	47.3	51.7	46.3	60.0	61.4
Trade receivables	15.7	38.8	49.4	40.5	48.0	51.8
Cash and cash equivalents	25.7	12.4	14.5	18.7	13.1	13.6
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	115.6	153.6	171.8	164.8	187.3	195.4
Equity	90.4	92.3	99.5	109.0	117.6	124.5
Long-term liabilities	1.3	0.1	0.8	0.6	0.6	0.6
Loans, borrowings and other financial liabilities	1.3	0.1	0.8	0.6	0.6	0.6
Other	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	11.4	45.1	56.1	38.4	52.3	53.6
Loans, borrowings and other financial liabilities	0.3	0.5	5.0	0.4	6.5	2.5
Accounts payable	6.4	34.6	18.7	9.5	23.6	25.8
Other	4.7	10.0	32.4	28.5	22.1	25.2

Source: Sonel. Noble Securities. earnings adjusted for on-offs

Cash Flow Statement (PLNm)	2021	2022	2023	2024F	2025F	2026F
Net profit	13.4	14.7	14.6	17.1	18.4	22.5
Depreciation and amortization	6.8	7.4	8.8	11.2	11.1	12.1
Change in working capital	6.6	-15.2	-8.5	1.2	-13.4	0.1
CF from current operations	27.6	11.1	12.8	31.4	16.1	34.7
CAPEX	-9.0	-11.3	-7.6	-14.2	-16.6	-14.6
Capital investments	0.0	0.0	0.0	0.0	-1.2	0.0
Divestments and other	0.1	-0.1	-0.1	0.1	0.0	0.0
Purchase of debt securities	0.0	0.0	0.0	0.0	0.6	0.0
CF from investing activities	-8.9	-11.4	-7.7	-14.1	-17.3	-14.6
Increase of share capital	0.0	0.0	0.0	0.0	0.0	0.0
Change in financial liabilities	0.4	-1.0	5.2	-4.8	6.1	-4.0
Dividends and other payments due to equity holders	-5.6	-14.0	-7.0	-8.4	-9.8	-15.7
CF from financial activities	-1.1	-13.1	-3.4	-13.2	-3.7	-19.7
CF for the period	17.6	-13.3	1.7	4.2	-5.0	0.4
Cash at the beginning of the period	8.0	25.6	12.2	13.9	18.1	13.1
Cash at the end of the period	25.6	12.2	13.9	18.1	13.1	13.6

Source: Sonel. Noble Securities. earnings adjusted for on-offs

Selected indicators	2021	2022	2023	2024F	2025F	2026F
EBITDA margin	18.6%	14.7%	13.4%	14.6%	14.0%	15.0%
EBIT margin	12.8%	10.0%	8.5%	9.4%	9.3%	10.1%
Net profit margin	12%	9%	8%	8%	8%	9%
Net debt	-24.1	-11.8	-8.7	-17.6	-6.0	-10.5
Net debt /EBITDA	-1.1	-0.5	-0.4	-0.6	-0.2	-0.3
Number of shares issued	14.0	14.0	14.0	14.0	14.0	14.0
Dividend per share	1.0	0.5	0.6	0.7	1.1	0.7
P/BV	2.4	2.3	2.2	2.0	1.8	1.7

Source: Sonel. Noble Securities. earnings adjusted for on-offs

Annual growth rates	2021	2022	2023	2024F	2025F	2026F
Revenues	7%	36%	14%	19%	12%	3%
EBITDA	24%	7%	4%	30%	7%	11%
EBIT	37%	7%	-3%	31%	12%	12%
Net profit	42%	10%	-1%	17%	8%	22%
Repeatable net profit	42%	10%	-1%	17%	15%	15%

Source: Sonel. Noble Securities. earnings adjusted for on-offs

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FINAL REMARKS

Analyst preparing the Report: Michał Sztabler

Date and time of completion of the Report: 12.12.2024 at 11.25. Date and time of the first dissemination of the Report: 12.12.2024 at 11.30.

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	Last recommendation on Sonel SA					
Publication date	22.12.2021	06.06.2022	12.12.2022	17.05.2023	05.12.2023	06.05.2024
Price at publication	10.55	9.8	9.7	10.6	11.7	14.95
Price target	11.8	10.2	10.2	12.9	12.36	15.78
WIG at publication	67,361.43	57,588.03	57,588.03	63,519.20	76,867.53	86,575.30

All recommendation distributed by NS in last 12 months:

Company	Direction	Target price	Price at publication	Current price	Difference to price target	Date of publication (1)	Validity date (2)	Prepared by (3)
CD Projekt	Buy	222.90	169.20	195.60	14%	02.12.2024	9M	Mateusz Chrzanowski
Bogdanka	Hold	22.34	23.00	22.30	0%	02.12.2024	9M	Michał Sztabler
Wielton	Hold	5.31	5.50	5.35	-1%	02.12.2024	9M	Michał Sztabler
XTB	Buy	88.60	70.70	71.52	24%	29.11.2024	9M	Mateusz Chrzanowski
Toya	na	12.40	7.50	7.51	65%	29.11.2024	9M	Dariusz Nawrot
Molecure	Buy	17.60	10.30	10.18	73%	29.11.2024	9M	Krzysztof Radojewski
Selvita	Buy	70.60	53.50	53.20	33%	27.11.2024	9M	Krzysztof Radojewski
Tauron PE	Accumulate	3.94	3.60	3.55	11%	26.11.2024	9M	Michał Sztabler
MO-BRUK	Accumulate	394.70	332.00	335.00	18%	22.11.2024	9M	Dariusz Dadej
Pepco Group	Buy	20.68	15.77	17.58	18%	20.11.2024	9M	Dariusz Dadej
Torpól	Buy	36.00	29.90	34.50	4%	15.11.2024	9M	Dariusz Nawrot
11 bit studios	Buy	423.00	269.00	200.50	111%	14.11.2024	9M	Mateusz Chrzanowski
Ryvu Therapeutics	Buy	74.40	48.60	48.85	52%	14.11.2024	9M	Krzysztof Radojewski
Budimex	Accumulate	540.00	503.00	468.80	15%	06.11.2024	9M	Dariusz Nawrot
Amica	Buy	82.30	58.00	57.70	43%	04.11.2024	9M	Mateusz Chrzanowski
PGE	Reduce	6.15	6.79	6.12	0%	18.10.2024	9M	Michał Sztabler
Torpól	Accumulate	36.50	32.40	34.50	6%	14.10.2024	9M	Dariusz Nawrot
Captor Therapeutics	Buy	127.90	73.00	47.70	168%	08.10.2024	9M	Krzysztof Radojewski
MCI Capital	na	43.70	27.10	25.30	73%	30.09.2024	9M	Krzysztof Radojewski
Creepy Jar	Buy	575.40	359.00	257.50	123%	26.09.2024	9M	Mateusz Chrzanowski
11bit studios	Buy	622.20	353.00	200.50	210%	23.09.2024	9M	Mateusz Chrzanowski
Mabion	na	17.30	16.90	10.24	69%	18.09.2024	9M	Krzysztof Radojewski
Apator	Accumulate	21.40	18.30	17.08	25%	12.09.2024	9M	Michał Sztabler
Dino Polska	Reduce	264.60	311.00	412.30	-36%	09.09.2024	9M	Dariusz Dadej
Eurocash	Reduce	8.10	9.62	7.37	10%	09.09.2024	9M	Dariusz Dadej
Bioton	na	4.32	3.47	3.08	40%	09.09.2024	9M	Krzysztof Radojewski
Aplisens	na	24.90	21.20	18.90	32%	30.08.2024	9M	Michał Sztabler
Budimex	Reduce	552.00	587.00			28.08.2024	9M	Dariusz Nawrot
LPP	Buy	22 500.00	14 820.00	16910.00	33%	19.08.2024	9M	Dariusz Dadej
Auto Partner	Buy	36.30	22.20	20.55	77%	31.07.2024	9M	Mateusz Chrzanowski
InterCars	Buy	825.70	485.00	519.00	59%	31.07.2024	9M	Mateusz Chrzanowski
Celon Pharma	Buy	39.70	24.00	24.60	61%	17.07.2024	9M	Krzysztof Radojewski
Forte	Hold	23.00	22.50	26.90	-14%	09.07.2024	9M	Dariusz Dadej
Toya	na	12.00	8.40	7.51	60%	28.06.2024	9M	Dariusz Nawrot
Photon Energy	na	7.28	7.48	4.00	82%	28.06.2024	9M	Michał Sztabler
Unibep	na	12.80	9.40	7.02	82%	27.06.2024	9M	Dariusz Nawrot
Molecure	Buy	19.70	14.00			25.06.2024	9M	Krzysztof Radojewski
Answer.com	Hold	23.70	22.60	26.75	-11%	24.06.2024	9M	Dariusz Dadej
XTB	Hold	69.50	68.10			18.06.2024	9M	Mateusz Chrzanowski
Selvita	Accumulate	75.60	65.00			12.06.2024	9M	Krzysztof Radojewski
Apator	Accumulate	17.90	16.00			11.06.2024	9M	Michał Sztabler
Ailleron	Buy	23.10	17.20	20.10	15%	10.06.2024	9M	Dariusz Dadej
Photon Energy	na	6.82	7.70			31.05.2024	9M	Michał Sztabler
MO-BRUK	Accumulate	375.80	320.00			23.05.2024	9M	Dariusz Dadej
11bit studios	Buy	952.60	573.00			22.05.2024	9M	Mateusz Chrzanowski
Ryvu Therapeutics	Buy	75.50	54.50			21.05.2024	9M	Krzysztof Radojewski
Torpól	Hold	35.00	34.00			16.05.2024	9M	Dariusz Nawrot
Pepco Group	Hold	21.90	21.42			14.05.2024	9M	Dariusz Dadej
Torpól	Buy	35.00	28.50			10.05.2024	9M	Dariusz Nawrot
Unibep	na	12.00	9.50			09.05.2024	9M	Dariusz Nawrot
Sonel	na	15.78	14.95	15.30	3%	06.05.2024	9M	Michał Sztabler
Mabion	na	19.00	16.20			29.04.2024	9M	Krzysztof Radojewski
Bioton	na	4.46	3.50			18.04.2024	9M	Krzysztof Radojewski
Toya	na	11.50	7.20			11.04.2024	9M	Dariusz Nawrot
Captor Therapeutics	Buy	131.10	75.00			11.04.2024	9M	Krzysztof Radojewski
LW Bogdanka	Sell	22.70	33.70			10.04.2024	9M	Michał Sztabler
MCI Capital	md	40.70	25.10			05.04.2024	9M	Krzysztof Radojewski
Torpól	Reduce	35.50	38.00			19.03.2024	9M	Dariusz Nawrot
Dino Polska	Accumulate	445.10	412.00			19.03.2024	9M	Dariusz Dadej
Eurocash	Hold	15.70	15.01			19.03.2024	9M	Dariusz Dadej
CD Projekt	Buy	192.80	106.20			05.03.2024	9M	Mateusz Chrzanowski
Torpól	Hold	31.50	30.40			05.03.2024	9M	Dariusz Nawrot
Celon Pharma	Buy	25.50	14.90			05.03.2024	9M	Krzysztof Radojewski
Tauron PE	Reduce	3.08	3.63			01.03.2024	9M	Michał Sztabler
LPP	Buy	19 282.00	16 000.00			16.02.2024	9M	Dariusz Dadej
Forte	Accumulate	25.20	23.80			12.01.2024	9M	Dariusz Dadej
Torpól	Buy	28.30	23.10			18.12.2023	9M	Dariusz Nawrot
Amica	Buy	109.20	80.70			12.12.2023	9M	Mateusz Chrzanowski

(1) Date of publication is simultaneously date of first publication, (2) recommendation is valid for a period of 9 months, unless it is previously updated,

(3) Job position: Krzysztof Radojewski – Deputy Head of Research and Advisory Department, Michał Sztabler – Equity Analyst, Dariusz Dadej – Equity Analyst, Mateusz Chrzanowski – Junior Equity Analyst, Dariusz Nawrot – Senior Equity Analyst

MARKET RESEARCH DEPARTMENT

Sobiesław Kozłowski

sobieslaw.kozlowski@noblesecurities.pl

tel: +48 22 213 22 39

model portfolios

Krzysztof Radojewski

krzysztof.radojewski@noblesecurities.pl

biotechnology

Michał Sztabler

michal.sztabler@noblesecurities.pl

tel: +48 22 213 22 36

industry, utilities, mining

Dariusz Dądej

dariusz.dadej@noblesecurities.pl

tel: +48 22 660 24 83

retail, industry

Dariusz Nawrot

dariusz.nawrot@noblesecurities.pl

tel: + +48 783 931 515

industry, construction, developers, chemistry

Mateusz Chrzanowski

mateusz.chrzanowski@noblesecurities.pl

industry, automotive, gaming, XTB

Krzysztof Ojczyk

krzysztof.ojczyk@noblesecurities.pl

tel: +48 12 422 31 00

technical analysis

Jacek Borawski

jacek.borawski@noblesecurities.pl

technical analysis

