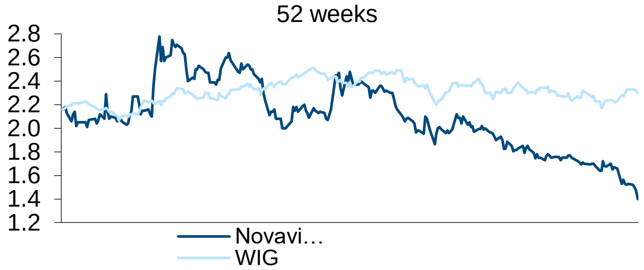
COMPANY REPORT

Novavis Group

Buy

PLN mn	2023	2024e	2025e	2026e
Net sales	10.6	4.5	16.7	26.0
EBITDA	6.5	-0.9	7.5	14.7
EBIT	6.5	-0.9	7.4	14.7
Net result after min.	5.1	-1.7	6.0	11.8
EPS (PLN)	0.14	-0.05	0.17	0.34
CEPS (PLN)	0.15	-0.05	0.17	0.34
BVPS (PLN)	0.24	0.13	0.30	0.50
Div./share (PLN)	0.00	0.06	0.00	0.14
EV/EBITDA (x)	11.1	-56.0	6.6	3.2
P/E (x)	14.3	nm	8.2	4.2
P/CE (x)	14.2	-28.9	8.1	4.1
Dividend Yield	0.0%	4.3%	0.0%	9.8%



Performance	12M	6M	3M	1M
in PLN	-35.2%	-43.5%	-27.5%	-17.4%

Share price (PLN) close as of 12/12/2024	1.40
Number of shares (mn)	35.0
Market capitalization (PLN mn / EUR mn)	49 / 11
Enterprise value (PLN mn / EUR mn)	50 / 12

Reuters	NVGP.WA	Free float	36.5%
Bloomberg	NVG PW	Shareholders	undacja Stachura (43.2%)
Div. Ex-date			Rubicon Partners (9.83%)
Target price	**2.08**	Homepage:	https://novavisgroup.pl/

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

Performance improvement to happen eventually

We are lowering our forecast for Novavis for 2024-26 due to the scale of refusals to connect to the grid by Distribution System Operators. We lower our valuation from PLN 3.3 to PLN 2.08/share (mainly due to the lower valuation in the peer group). Nonetheless, the expected investments in transmission grids and renewable energy production targets in the European Union mean that the long-term prospects for the company remain strong, so we reiterate our Buy rating for Novavis.

Currently, the company's biggest challenge is the DSOs' refusals to connect to the grid RES projects, which may reach more than 95% of the application capacity this year. Despite this, Novavis has managed to obtain grid connections in 2024 for two PV projects (NG10) with a total capacity of 2.14MW and a potential market value of PLN 1mn (likely to be sold in 2025). Still is be resolved by the end of 2024 is the connection permit for the 20MW NG3 project, and in 1Q25 four projects with a total capacity of 146MW (NG1, NG2, NG5, NG15), which could translate into PLN 48mn revenue recognition in the case of a positive resolution. Novavis is also expanding into energy storage (10 50-60MW each project storage units with a market value of ~USD 8.5mn each) and a project with a grid connection obtained for 1MW capacity and 2MWh of storage capacity.

The development agreement with Iberdrola runs until the end of 2027. Although we expect PV project monetization to come later, Novavis' fundamentals remain strong with still virtually zero debt on the balance sheet.

Risk factors

1 **Problems with new connections to the power system** are now apparently a slowing factor for the development of solar power in Poland. More than 13GW of photovoltaic capacity is currently connected in the country, and another 11GW of connections is reserved for offshore wind power. In recent years, there has been an increasing number of connection refusals issued by grid operators, due to years of investment neglect and the need to reconfigure the grid for higher RES use and include new consumption points, such as EV charging stations.

2 **Changes in the regulation of maximum energy prices**, freezing energy prices for households, introduce uncertainty in the industry regarding the payback period for RES investments and make it more difficult to obtain financing for projects. Last year, the EC introduced a maximum electricity sale price of EUR180/MW for RES sources. Some countries, such as Romania, have opted for even more drastic limits on energy prices for RES. In Poland, the government froze energy prices in the G tariff (households) in 2023 at the 2022 price level. Price freezes in future years may be maintained.

3 **High interest rates** negatively affect the investment attractiveness of RES and make it difficult to raise capital for construction. Our calculations show that, on a contract with an industrial customer (PPA) currently at prices of 400-500 PLN/MWh, PV projects pay off in 8-10 years. On the other hand, higher interest rates and bank interest rates are increasing competition for funds to build new RES projects.

4 **The availability of components to build PV farms** could be a problem for the industry in the future. In 2021-22, due to fractured supply chains from Asia and galloping deep-sea freight prices, the price of components (inverters, PV panels) became noticeably more expensive, and their availability was hampered. China currently supplies more than 70% of the world's PV modules. Recently, China has also threatened to impose tariff barriers on the export of semiconductors, which are also used in PV farms.

5 **The delay in transferring coal power assets to NABE** is prolonging the energy transition process in Poland. Currently, the authorities are supporting the mining sector and coal-fired power generation reluctantly, considering the shutdown of troublesome units such as Turów. Despite clear decarbonization trends in the EU, a number of investments in power units like Opole and Jaworzno have been made in Poland in recent years. Azoty Group is probably building the last new coal-fired unit in Pulawy. A more lenient view of renewable energy in Poland would likely accelerate the sector's transformation.

6 **Prolonged land preparation processes for farms next to grid connection conditions** are the biggest brake on the industry's development. In order to prepare a photovoltaic farm project, construction permits and development conditions are necessary. It is becoming practically impossible in Poland to erect farms on agricultural land. It seems promising to erect farms on post-industrial land, which on one hand often already has a connection to the grid, but on the other hand requires additional expenditures on reclamation (there are sources talking about 1mn hectares of post-industrial land in Poland that can be developed by solar and wind power).

7 **Risk of losing a key customer**. Novavis is currently developing farms with a capacity of more than 400MW for Iberdrola under a payment-per-project-phase formula (milestone). The loss of a key customer could result in the need to look for an alternative buyer in the market, or a form of

financing for the development. The market is currently more on the side of project sellers than buyers.

8 **Liquidity risk**. At the current scale of operations, Novavis has to pay a deposit to the DSO in the process of obtaining a grid connection (PLN 30,000/MW). The deposit is not interest-bearing. Significant increases in operations may require significant spare funds.

What is the problem?

The main reason for Novavis' declining financial performance in 2024 is the **Grid Distribution Operators' refusals of connections for new PV farm projects** in Poland. Estimates for 2024 even say that more than 95% of applications will be rejected by the DSOs (some suggest even 99%). The main reason for the refusal is the poor state of the power grid and the reservation of capacity for offshore wind and nuclear power plants.

Novavis currently has a portfolio of **more than 650 MW of photovoltaic farm projects**, for which it has **applied and paid for grid connection for almost 180MW**. The vast majority of projects already have signed land leases, granted environmental decision and development conditions. A key milestone is the granting of grid connection conditions, which paves the way for project monetization. **In 2024, Novavis was granted grid connection for two projects (NG PV 10) with a total capacity of 2.14MW. Once the PV farm and connection are permitted, the company will put the above projects up for sale, which currently have a market value of PLN ~1mn.** However, as of 2024, none of the projects in the pipeline with Iberdrola (totaling more than 450MW) have been granted connection rights, or the connections were rejected. In some cases, it was also decided to amend the project to include the construction of energy storage, so that it would be less of a burden on the grid.

Novavis' contract with Iberdrola runs until the end of 2027. In a black scenario, if Iberdrola were to abandon its cooperation with Novavis (which we think is rather unlikely), there is no risk of deducting payments for milestones already worked out (such as environmental decisions and development conditions), and unfinished farm projects remain the property of Novavis. Currently, under the agreement, we assume that Iberdrola pays Novavis EUR 85tsd per MW of photovoltaic farm project and EUR 35tsd per MW of energy storage project.

Novavis' successes in 2024 must include **winning grid connection conditions for a 1MW power and 2MWh energy capacity storage project in Zgorzelec** (with an estimated market value of PLN ~350tsd). In addition, Novavis has **started work on 10 energy storage facilities for an external customer with a capacity of 50-60MW each** (revenue potential of PLN ~8.5mn each).

Novavis’ management also does not stop working on expanding the number of photovoltaic farm projects under development. Increasing the capacity of the projects under development, in our opinion, could be as high as several dozen MW of farm capacity in 2025. With the caveat, however, that currently significant buyers are interested in projects with already granted grid connection conditions.

According to our analysis, **even in 2024, it is likely that the DSO may decide on grid connection conditions for a 20MW project** (NG PV 3 - being developed for Iberdrola). **In 1Q25, in our opinion, there may be a connection decision for four projects with a total capacity of 146MW** (NG1, NG2, NG5, NG15 - all for Iberdrola). **The total revenue for Novavis from granting the connection for the above farms is up to PLN 48mn**.

Power grids main challenge of RES

The EU's binding target for the share of renewable energy in final energy consumption is 42.5% by 2030. In 2021, the EU's RES share was 21.8%, which means that about half of the target is already met. Due to the distribution of efforts among EU countries, **Poland's RES target by 2030 is 31.5%**.

According to Policy Insight, the bottleneck of the energy transition remains the power grid. According to BloombergNEF, it will take an investment of USD 21.4bn for the world to achieve climate neutrality. In Poland, **for the five largest distribution grid operators, the level of investment spending has doubled since 2018, from PLN 6.2bn to PLN 11.7bn in 2023**. The jump in investment is, among other things, a result of the implementation of the President of the Energy Regulatory Office in November 2022. In its draft Transmission Development Plan for 2025-34, the transmission operator assumed spending a total of PLN 64bn. In comparison, the previous plan for 2023-32 envisaged almost twice as much spending, at PLN 36.6bn. **The government's estimate of PLN 500bn in grid expansion costs by 2040 means that annual spending by operators on investments would have to increase from PLN 13.5bn to PLN 25-30bn**, or at least double. For now, the Ministry of Climate and Environment has announced the provision of more than PLN 15bn in subsidies to operators from the Cohesion Policy, the National Reconstruction Plan and the Modernization Fund, as well as some PLN 70bn in loans from the Energy Support Fund.

While in 2019 investors received 476 refusals to issue grid connection conditions for installations with a capacity of 5.7 GW, four years later the number of such refusals has increased more than 15 times, to 7,400 cases involving installations with a capacity of as much as 83.6 GW. The main reason for refusals was failure to meet the technical conditions for grid connection. The sharp increase in these applications is also the result of speculation - investors are submitting them simultaneously in different places.

According to data as of the end of the first quarter of 2023, the total connection capacity available to investors for the next five years (2023-28) will increase slightly (from 3.8 to 4.4 GW), but compared to the plans issued by the DSOs and TSOs a year ago (1Q22), this is a decrease of 41%. This illustrates the deteriorating condition and declining capacity of the power grid. Free connection capacity plans for 2025 have dropped from 7 GW to 4.2 GW of available capacity over the year. It is noteworthy that Energa Operator did not indicate any free connection capacity for 2022 and justified this by taking into account the value of offshore wind farm capacity in its grid development plans. A similar argumentation is cited by PSE.

The potential for connecting new generation capacity is not evenly distributed across the country. The provinces with the largest connection potential belong to Enea Operator, which at the same time issues the largest number of connection conditions.

The decrease in the volume of available connection capacities for PV farms over the next five years is closely related to the multitude of current refusals by Distribution Network Operators to issue grid connection conditions for new projects. It is significant that customer demand expressed in the form of applications for connection conditions is not reflected in an appropriate modification of grid development plans.

Modification of forecasts

We are lowering our forecasts for 2024-26 due to the low value of grid connection permits issued by DSOs, a key milestone for RES project developers to achieve.

We assume that Novavis will not pay a profit dividend in 2025.

The outlook for 2027-28 still appears to be unthreatened, due to planned spending on grid upgrades by the DSOs and PSE and the European Union's power generation targets.

	2024e	2025e	2026e	2027e	2028e
Revenues	-75.7%	-74.3%	-55.9%	-12.3%	-21.0%
EBITDA	-107.9%	-75.0%	-44.2%	+25.3%	-1.7%
Net profit	-119.3%	-74.9%	-44.2%	+25.3%	-1.7%
DPS	0.0%	-100.0%	-59.8%	-16.2%	+61.2%

Valuation

We base our valuation of Novavis Group on a 50% discounted cash flow method and a 50% comparative valuation.

(PLN)	Weight	Price
Relative valuation (PLN)	50%	1.24
DCF (PLN)	50%	2.91
	12M target price per share (PLN)	**2.08**

Source: Erste Group Research

Relative valuation

In the relative valuation, we seek to compare Novavis' performance to companies operating in the renewables industry, developing photovoltaic and wind projects. The comparative group includes entities with global scale and long history, so we decided to apply a 50% discount to listed companies in the industry. Many of the risks regarding the project schedule are outside Novavis (e.g. environmental permits, grid connections, construction permits).

		P/E			EV/EBITDA			Dyield	
	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
ABO WIND AG	4.9	2.6	3.6	8.2	4.6	5.9	4.3%	4.8%	5.3%
CLOUDBERRY CLEAN	-	-	-	-	-	24.0	-	-	-
ECOENER SA	33.9	27.4	-	27.3	21.1	-	-	-	-
EOLUS VIND AB- B	22.9	8.5	7.0	15.0	7.1	5.6	-	-	0.0
GRENERGY RENOVAB	15.5	10.6	8.8	11.0	8.6	7.4	1.6%	1.8%	1.8%
INOX WIND LTD	-	-	-	-	-	-	-	-	-
LHYFE SAS	36.6	13.8	10.2	9.5	6.1	5.1	0.8%	2.3%	3.3%
NORDEX SE	22.7	9.0	4.9	12.8	7.3	5.2	0.0	0.0	-
OX2 AB	40.5	230.8	88.2	18.2	19.3	15.0	0.0	-	-
TECHNO ELECTRIC	246.7	17.3	12.1	7.7	4.7	3.9	-	-	-
VESTAS WIND SYST	31.0	23.3	-	25.1	17.2	15.3	-	-	-
MIN	4.9	2.6	3.6	7.7	4.6	3.9	0.6%	0.6%	1.1%
MAX	246.7	230.8	88.2	27.3	21.1	24.0	4.3%	4.8%	5.3%
Median	**31.0**	**13.8**	**8.8**	**12.8**	**7.3**	**5.9**	**0.8%**	**2.0%**	**2.6%**
Novavis	-	8.2	4.2	-	6.6	3.2	4.3%	0.0%	9.8%
Premium/Discount	-	-41%	-53%	-	-9%	-47%	428%	-100%	281%
Peer's Valuation									
Median	31.0	13.8	8.8	12.8	7.3	5.9			
Premium/Discount	50%	50%	50%	50%	50%	50%			
Ratio weight		50%			50%				
Year weight	0%	50%	50%	0%	50%	50%			
Value per share (PLN)	1.18								
12M value per share (PLN)	**1.24**								

Source: Consensus data provider, Erste Group Research

DCF valuation

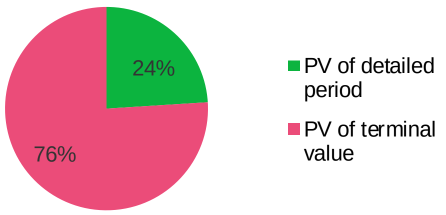
- 5-year forecast period.
- Risk-free rate of 5.75% (yield on 10-year government bonds).
- Beta 1.2 risk (delay of environmental permit, grid connection, construction permit).

WACC calculation

	2024e	2025e	2026e	2027e	2028e	TV
Risk free rate	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Equity risk premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	1.2	1.2	1.2	1.2	1.2	1.2
Cost of equity	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%
Cost of debt	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%
Effective tax rate	-107.4%	20.0%	20.0%	20.0%	20.0%	20.0%
Equity weigh	100%	100%	100%	100%	100%	100%
WACC	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%

DCF valuation

(mn PLN)	2024e	2025e	2026e	2027e	2028e	TV
Sales growth	-57.8%	274.5%	55.5%	10.8%	-1.8%	64.7%
EBIT	-1	7	15	16	16	25
EBIT margin	3.9%	7.0%	8.5%	9.2%	9.6%	9.8%
Tax rate	20.1%	8.9%	11.3%	11.4%	11.1%	10.6%
Taxes on EBIT	1	1	3	3	3	5
NOPAT	**-2**	**6**	**12**	**13**	**12**	**20**
Depreciation	0	0	0	0	0	
CAPEX	0	0	0	0	0	
Working Capital	3	-6	-4	-1	0	
Other	0	0	0	0	0	
FCF to the firm	1	0	7	12	13	11
Discounted cash flow	**1**	**0**	**6**	**8**	**8**	**6**
Terminal value growth	2.0%					
Terminal value	115					
Discounted FCF	23					
Enterprise value	**97**					
Minorities	1					
Net debt	-1					
Other adjustments	0					
Equity value	**96**					
Number of shares (mn)	35					
Cost of equity	5.7%					
12M target price per share (PLI	**2.91**					
Up/Downside	98%					



Terminal value growth

	0.0%	1.0%	2.0%	3.0%	5.0%
+1,0 p.p.	2.3	2.4	2.6	2.8	3.4
+0,5 p.p.	2.4	2.6	2.8	3.0	3.6
+0,0 p.p.	2.5	2.7	**2.9**	3.2	3.9
-0,5 p.p.	2.7	2.8	3.1	3.4	4.2
-1,0 p.p.	2.8	3.0	3.3	3.6	4.6

Source: Erste Group Research

Assumptions

Income statement (mn PLN)	2021	2022	2023	2024e	2025e	2026e
Net sales	**10**	**9**	**11**	**4**	**17**	**26**
Current projects			10	4	16	24
Future projects			0	2	5	9
Costs			**4**	**5**	**9**	**11**
Depreciation			0	0	0	0
Materials and energy			0	0	0	0
External services			2	3	7	8
EBIT	-1	3	6	-1	7	15
Net financials	0	-2	0	0	0	0
Gross profit	-1	3	6	-1	7	15
CIT	0	1	2	1	1	3
Minorities	0	0	0	0	0	0
Net Income after minorities	-1	2	5	-2	6	12
adj. EBITDA	**-2**	**5**	**7**	**-1**	**7**	**15**
adj. Net profit	**-1**	**2**	**5**	**-2**	**6**	**12**

Source: Novavis Group, estimates Erste Group Research

Balance sheet (mn PLN)	2021	2022	2023	2024e	2025e	2026e
Fixed assets	**4**	**11**	**22**	**22**	**22**	**22**
Tangible assets	0	0	0	0	0	0
Intangible assets	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0
Deferred charges and accruals	3	11	22	22	22	22
Current assets	**5**	**7**	**9**	**5**	**10**	**17**
Inventories	0	0	0	0	0	0
Receivables	3	2	5	2	8	12
Cash	1	2	2	1	1	4
Equity	**1**	**4**	**8**	**4**	**10**	**17**
Minorities	3	2	1	1	1	1
Long term liabilities	**0**	**0**	**0**	**0**	**0**	**0**
Debt	0	0	0	0	0	0
Short term liabilities	**4**	**12**	**21**	**21**	**21**	**21**
Debt	1	0	0	0	0	0
Trade liabilities	2	12	21	21	21	21
Net Debt	**1**	**-2**	**-2**	**-1**	**-1**	**-4**
DN/EBITDA	-0.3	-0.4	-0.3	0.7	-0.1	-0.2
DN/adjusted EBITDA	-0.3	-0.4	-0.3	0.7	-0.1	-0.2

Source: Novavis Group, estimates Erste Group Research

Cash flow

(mn PLN)	2021	2022	2023	2024e	2025e	2026e
Cash flow from operating activities	**-1**	**4**	**0**	**1**	**0**	**7**
Working capital	0	2	-7	3	-6	-4
Cash flow from investing activities	**1**	**-4**	**0**	**0**	**0**	**0**
CAPEX	0	0	0	0	0	0
Cash flow from financing activities	**0**	**1**	**0**	**-2**	**0**	**-5**
Dividend	0	0	0	-2	0	-5
Cash flow	**0**	**1**	**0**	**-1**	**0**	**3**
CFO/EBITDA	52%	87%	2%	-86%	4%	51%
FCFF	-1	4	0	1	0	8
FCFF/EV	**-2%**	**8%**	**0%**	**2%**	**1%**	**16%**
FCFE	-1	4	0	1	0	7
FCFE/MCAP	**-3%**	**8%**	**0%**	**1%**	**0%**	**15%**
DPS	0.00	0.00	0.00	0.06	0.00	0.14
Dividend payment ratio	-	0%	0%	42%	0%	80%
DYield	**0.0%**	**0.0%**	**0.0%**	**4.3%**	**0.0%**	**9.8%**

Ratios

	2021	2022	2023	2024e	2025e	2026e
P/E	-39.0	22.5	9.7	-28.2	8.2	4.2
P/E adj.	**-39.0**	**22.5**	**9.7**	**-28.2**	**8.2**	**4.2**
EV/EBITDA	-28.8	10.4	7.5	-56.0	6.6	3.2
EV/EA adj.	**-28.8**	**10.4**	**7.5**	**-56.0**	**6.6**	**3.2**
P/S	4.8	5.2	4.6	11.0	2.9	1.9
P/BV	39.2	13.9	5.9	11.0	4.7	2.8
EBITDA margin	**-17.8%**	**49.7%**	**61.5%**	**-19.9%**	**44.6%**	**56.6%**
EBITDA r/r change	-	-359%	38%	-114%	-938%	98%
Net income margin	-12.3%	23.1%	47.8%	-38.9%	35.8%	45.3%
EPS y/y change	**-**	**-274%**	**132%**	**-134%**	**-444%**	**97%**
Share price (PLN)	1.40	1.40	1.40	1.40	1.40	1.40
Number of shares (mn)	35.0	35.0	35.0	35.0	35.0	35.0
MCap	49	49	49	49	49	49
EV	52	49	48	50	50	47

Source: Novavis Group, estimates Erste Group Research

Income Statement	2021	2022	2023	2024e	2025e	2026e
(IAS, PLN mn, 31/12)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
Net sales	**10.19**	**9.45**	**10.58**	**4.47**	**16.74**	**26.03**
Cost of goods sold	8.12	4.75	4.08	5.40	9.35	11.37
Gross profit	**2.08**	**4.70**	**6.50**	**-0.93**	**7.39**	**14.66**
SG&A						
Other operating revenues	3.90	0.05	0.04	0.00	0.00	0.00
Other operating expenses	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA	**-1.81**	**4.70**	**6.51**	**-0.89**	**7.46**	**14.74**
Depreciation/amortization	-0.00	-0.05	-0.05	-0.04	-0.07	-0.08
EBIT	**-1.82**	**4.65**	**6.46**	**-0.93**	**7.39**	**14.66**
Financial result	0.50	-1.65	-0.20	0.09	0.09	0.09
Extraordinary result	0.00	0.00	0.00	0.00	0.00	0.00
EBT	**-1.32**	**2.99**	**6.26**	**-0.84**	**7.48**	**14.75**
Income taxes	0.03	0.81	1.54	0.90	1.50	2.95
Result from discontinued operations						
Minorities and cost of hybrid capital	0.00	0.00	0.33	0.00	0.00	0.00
Net result after minorities	**-1.26**	**2.18**	**5.06**	**-1.74**	**5.98**	**11.80**

Balance Sheet	2021	2022	2023	2024e	2025e	2026e
(IAS, PLN mn, 31/12)						
Intangible assets	0.16	0.13	0.08	0.14	0.17	0.18
Tangible assets	0.00	0.00	0.00	0.00	0.00	0.00
Financial assets	0.08	0.12	0.09	0.09	0.09	0.09
Total fixed assets	**3.61**	**11.17**	**22.33**	**22.39**	**22.42**	**22.43**
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Receivables and other current assets	0.00	0.00	0.00	0.00	0.00	0.00
Other assets	0.04	1.83	1.56	1.56	1.56	1.56
Cash and cash equivalents	0.82	2.01	2.05	0.68	1.00	3.68
Total current assets	**5.52**	**9.06**	**10.38**	**6.10**	**12.05**	**19.05**
TOTAL ASSETS	**9.09**	**18.40**	**31.15**	**26.92**	**32.91**	**39.92**
Shareholders'equity	**1.25**	**3.53**	**8.29**	**4.45**	**10.43**	**17.45**
Minorities	**2.63**	**1.74**	**1.40**	**1.40**	**1.40**	**1.40**
Hybrid capital and other reserves	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Pension and other LT personnel accruals	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
LT provisions	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Interest-bearing LT debts	0.09	0.13	0.10	0.10	0.10	0.10
Other LT liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Total long-term liabilities	**0.09**	**0.13**	**0.10**	**0.10**	**0.10**	**0.10**
Interest-bearing ST debts	1.45	0.13	0.02	0.00	0.00	0.00
Other ST liabilities	3.67	12.88	21.33	20.97	20.97	20.97
Total short-term liabilities	**3.92**	**11.82**	**21.15**	**20.92**	**20.92**	**20.92**
TOTAL LIAB. , EQUITY	**9.09**	**18.40**	**31.15**	**26.92**	**32.91**	**39.92**

Cash Flow Statement	2021	2022	2023	2024e	2025e	2026e
(IAS,PLN mn, 31/12)						
Cash flow from operating activities	-0.95	4.08	0.10	0.76	0.32	7.48
Cash flow from investing activities	0.86	-3.50	0.27	-0.10	-0.10	-0.10
Cash flow from financing activities	0.28	0.60	-0.33	-2.03	0.09	-4.70
CHANGE IN CASH , CASH EQU.	**0.19**	**1.19**	**0.05**	**-1.37**	**0.32**	**2.69**

Margins & Ratios	2021	2022	2023	2024e	2025e	2026e
Sales growth		-7.3%	12.0%	-57.8%	274.5%	55.5%
EBITDA margin	-17.8%	49.7%	61.5%	-19.9%	44.6%	56.6%
EBIT margin	-17.8%	49.2%	61.0%	-20.8%	44.1%	56.3%
Net profit margin	-12.3%	23.1%	47.8%	-38.9%	35.8%	45.3%
ROE		91.4%	85.6%	-27.3%	80.4%	84.6%
ROCE		106.3%	171.5%	-46.6%	110.4%	113.3%
Equity ratio	-15.2%	9.7%	22.1%	11.3%	27.4%	40.2%
Net debt	0.7	-1.7	-1.9	-0.6	-0.9	-3.6
Working capital	1.6	-4.6	-12.3	-16.4	-10.4	-3.4
Capital employed	-0.7	0.1	5.0	2.5	8.1	12.5
Inventory turnover		nm	nm	nm	nm	nm

Source: Company data, Erste Group estimates

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Erste Securities Polska S.A.
Research
00-103 Warsaw, Poland, Krolewska 16

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
Commercial Court of Vienna
Erste Group Homepage: www.erstegroup.com