

FLASH NOTE

Seco Warwick - Hold

Target Price: PLN 29.32 | Close as of 20/01/2025: PLN 26.00

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4Q24 results preview

Seco Warwick will report 4Q24 results on April 23.

In 4Q24, we assume that **sales revenues** will be slightly below PLN 180mn (y/y comparable). In our view, the highest revenue growth in 4Q24 will be in the CAB AP segment, while lower y/y sales should be recorded by the vacuum furnace and Aftersales segments.

PLN mn	4Q24e	4Q23	y/y	2024e	YTD
Revenues	179	182	-1%	713	100%
EBITDA	13	15	-15%	44	103%
EBITDA margin	7%	9%		6%	
EBIT	9	12	-24%	26	105%
Net income	6	15	-59%	18	105%

EBITDA in 4Q24, in our view, will be PLN 13mn, the highest in all of 2024, but about 15% y/y lower. **Net income** may be half as high y/y.

In 4Q24, we assume strong **cash flow from operations**, which may translate into significantly lower **net debt** than our full-year forecasts (we think it may be below PLN 10mn vs. full-year expectations of over PLN 40mn).

We also assume that Seco Warwick will succeed in signing more than PLN 200mn of **new orders** announced by the Board, which would imply an **order backlog** of more than PLN 750mn at the end of 2024.

PLN mn	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	Q4'24e	y/y
Vacuum furnaces	45	49	48	42	45	42	43	36	-13%
Atmosphere furnaces	0	0	0	0	0	0	0	0	
CAB AP	33	41	32	32	35	31	35	43	33%
Vacuum metallurgy	60	50	39	58	64	53	53	58	0%
Aftersales	33	39	33	49	38	54	41	43	-12%
Other	0	0	-2	2	0	0	0	0	-
EBITDA	16	13	12	15	14	7	11	13	-15%
EBITDA margin	10%	7%	8%	9%	7%	4%	6%	7%	
OCF	2	-9	10	56	7	-6	40	20	-65%
Backlog	560	525	530	776	686	635	695	756	-3%
Order intake	174	136	157	436	98	114	233	240	-45%

OPINION: NEUTRAL

The 4Q24 results may turn out to be slightly higher than we expected in our full-year forecasts. Net debt (about PLN 3.3/share to DCF valuation) may

also come as a positive surprise.

In this document we are not changing our recommendation, forecasts, or price target for Seco Warwick.

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