

Miraculum

Gradually turning into profitability

We maintain our HOLD recommendation on Miraculum and slightly increase our FV from PLN 0.85 to PLN 0.87 per share on updated financial forecasts. Although recent quarterly results were under pressure of optimization of inventory resulting in deterioration of the gross margin, we expect that it should recover in the coming quarters on the back of a healthy inventory structure. Additionally, strict cost control (mainly in personnel costs) should support EBITDA margin expansion in the following years. Nevertheless, we still remain a bit skeptical on expansion of operations, as the company reported solid deterioration of export of 44% in 2024 and we expect recovery and further development of sales in this channel to take at least a few quarters. We trim our revenue forecasts in 2025-26E to PLN 50.6m and PLN 54.1m respectively, but increase the EBITDA forecast to PLN 2.5m and PLN 3.5m at the same time. Last but not least, we estimate that Miraculum should turn into positive FCF generation starting from 2025E, that should support further deleveraging of the company (we expect the ND/EBITDA ratio to improve to around 2.3x as of end-2027E).

1Q25E preview

Miraculum reported revenues of PLN 15.0m in 1Q25E (+17% y/y), driven by solid sales in January (+25% y/y), followed by positive trends in February and March as well. As we expect that the company continued optimization of inventory, we forecast gross margin deterioration, while cost control should allow it to generate EBITDA at a comparable y/y level (around PLN 1.0m).

Sales under pressure of underperforming export

Revenues came in at PLN 47.5m in 2024 (flat y/y), driven by a 15% y/y growth of revenues in Poland and a 44% y/y decline in export. We believe that the company will increase its sales in Poland at mid-single-digit growth rates, mainly in the modern channel and in 'makeup cosmetics' and 'perfumes' as major product segments, while we expect a gradual recovery of sales of export. As a result, we trim our revenue forecast PLN 50.6/54.1m/PLN 56.9m in 2025-27E.

Gradually improving profitability and continuing deleveraging

We expect that optimization of inventory (selling off of unprofitable products) will be completed in the coming months, and thus we assume the gross margin will gradually recover starting from 2Q25E. At the same time, we implement higher cost discipline into our forecasts, mainly in personnel and logistics areas. As a result, we expect the SG&A/sales ratio to improve from 36.2% in 2024 to around 31-32% in 2025-26E. Given the above-mentioned, we upgrade our EBITDA forecast to PLN 2.5m in 2025E (vs. PLN 1.6m previously) and PLN 3.5m in 2026E (vs. PLN 2.8m previously). As a result, we expect Miraculum to generate positive FCFs starting from 2025E, and we forecast net debt/EBITDA to improve to 2.3x as of end-2027E.

Figure 1. Miraculum – Financial summary (PLNm)

	2022	2023	2024	2025E	2026E	2027E
Revenues	43.3	47.1	47.5	50.6	54.1	56.9
EBITDA	0.5	1.5	-0.4	2.5	3.5	4.1
EBIT	-0.5	0.4	-1.5	1.2	2.3	2.9
Net profit	-2.5	-1.6	-3.6	0.2	1.2	1.8
P/E (x)	n.a.	n.a.	n.a.	250.9	31.1	21.7
EV/EBITDA (x)	138.1	48.6	n.a.	20.2	14.0	11.6
DPS (PLN)	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company data, IPOPEMA Research

Consumer discretionary

Miraculum

HOLD

FV PLN 0.87 from PLN 0.85

9% upside potential

Price as of 13 May 2024 PLN 0.80

HOLD maintained



Share data

Number of shares (m)	47.5
Market cap (EUR m)	8.8
12M avg daily volume (k)	15.7
12M avg daily turnover (EUR m)	0.003
12M high/low (PLN)	1.44/0.70
WIG weight	0.01
Reuters	MIR.WA
Bloomberg	MIR PW

Total performance

1M	-3%
3M	-6%
12M	-33%

Shareholders

Marek Kamola	41.95%
Piotr Skowron	9.24%
Jan Załubski	8.14%
Sławomir Ziemiński	5.00%
Other	35.67%

Analyst

Marek Szymański
marek.szymanski@ipopema.pl
+ 48 22 236 94 12

Miraculum

HOLD

FV PLN 0.87

Mkt cap EUR 9m

Upside 9%

Valuation multiples	2023	2024	2025E	2026E	2027E
P/E (x)	n.a.	n.a.	250.9	31.1	21.7
EV/EBITDA (x)	48.6	n.a.	20.2	14.0	11.6
EV/Sales (x)	1.6	1.0	1.0	0.9	0.8
P/BV (x)	2.46	1.20	1.31	1.26	1.19
FCF yield (%)	-2.6%	-6.7%	3.7%	3.0%	3.3%
DY (%)	0.0%	0.0%	0.0%	0.0%	0.0%

Per share	2023	2024	2025E	2026E	2027E
No. of shares (m units)	41.5	47.5	47.5	47.5	47.5
EPS (PLN)	-0.04	-0.08	0.00	0.03	0.04
BVPS (PLN)	0.52	0.61	0.61	0.64	0.67
FCFPS (PLN)	-0.03	-0.05	0.03	0.02	0.03
DPS (PLN)	0.00	0.00	0.00	0.00	0.00

Change y/y (%)	2023	2024	2025E	2026E	2027E
Revenues	9%	1%	6%	7%	5%
EBITDA	223%	n.a.	n.a.	41%	18%
EBIT	n.a.	n.a.	n.a.	83%	29%
Net profit	n.a.	120%	n.a.	708%	43%

Leverage and return	2023	2024	2025E	2026E	2027E
Gross margin (%)	34.4%	33.1%	34.7%	35.8%	36.1%
EBITDA margin (%)	3.3%	-0.8%	4.9%	6.5%	7.2%
EBIT margin (%)	0.8%	-3.2%	2.4%	4.2%	5.1%
Net margin (%)	-3.5%	-7.6%	0.3%	2.3%	3.1%
Net debt / EBITDA (x)	14.0	-36.0	4.8	3.1	2.3
Net debt / Equity (x)	1.00	0.46	0.41	0.35	0.30
Net debt / Assets (x)	0.36	0.22	0.20	0.17	0.15
ROE (%)	-7.5%	-14.3%	0.5%	4.1%	5.6%
ROA (%)	-2.8%	-6.0%	0.3%	2.0%	2.8%
ROIC (%)	0.7%	-2.9%	2.4%	4.5%	5.7%

Assumptions	2023	2024	2025E	2026E	2027E
Revenues (PLNm)	47.1	47.5	50.6	54.1	56.9
Shaving cosmetics	9.7	12.0	14.9	15.6	16.4
Makeup cosmetics	9.6	11.1	11.2	12.0	12.6
Perfumes	12.8	12.7	12.7	14.0	14.7
Body care	1.7	1.2	1.5	1.6	1.8
Face care	6.1	5.7	6.0	6.3	6.6
Other	7.1	4.8	4.3	4.5	4.8

Gross profit (PLNm)	16.2	15.8	17.6	19.4	20.5
Shaving cosmetics	2.6	3.4	4.6	5.0	5.3
Makeup cosmetics	2.9	3.7	4.1	4.6	4.9
Perfumes	5.6	5.2	5.1	5.8	6.1
Body care	0.5	0.4	0.5	0.5	0.6
Face care	2.5	2.1	2.2	2.3	2.5
Other	2.0	0.9	1.1	1.1	1.2

Cash conv. (days)	69	76	57	54	54
Inventory	160	188	169	166	166
Receivables	53	40	40	40	40
Payables	143	152	152	152	152

P&L (PLN m)	2022	2023	2024	2025E	2026E	2027E
Revenues	43.3	47.1	47.5	50.6	54.1	56.9
COGS	-29.6	-30.9	-31.8	-33.1	-34.7	-36.3
Gross profit	13.8	16.2	15.8	17.6	19.4	20.5
Selling costs	-10.4	-10.6	-11.3	-10.8	-11.3	-11.5
G&A costs	-4.7	-5.2	-6.0	-5.5	-5.8	-6.1
Other operating income	1.1	0.3	1.5	0.0	0.0	0.0
Other operating cost	-0.3	-0.2	-1.6	0.0	0.0	0.0
EBITDA	0.5	1.5	-0.4	2.5	3.5	4.1
D&A	1.0	1.2	1.2	1.2	1.2	1.2
EBIT	-0.5	0.4	-1.5	1.2	2.3	2.9
Net financial costs	-0.8	-1.7	-1.3	-1.1	-0.8	-0.7
Pre-tax profit	-1.4	-1.3	-2.8	0.2	1.5	2.2
Income tax	-1.1	-0.3	-0.8	0.0	-0.3	-0.4
Net profit	-2.5	-1.6	-3.6	0.2	1.2	1.8

BALANCE SHEET (PLNm)	2022	2023	2024	2025E	2026E	2027E
Non-current assets	38.5	39.2	38.0	37.9	37.9	38.0
PP&E	1.3	1.1	0.9	0.9	0.8	0.9
RoU assets	1.4	2.4	1.9	2.0	2.0	2.0
Goodwill and intangible assets	33.6	33.5	33.5	33.5	33.5	33.5
Other non-current assets	2.3	2.1	1.6	1.6	1.6	1.6
Current assets	17.7	20.4	21.7	22.4	24.4	26.7
Inventory	13.3	13.5	16.3	15.3	15.8	16.5
Trade receivables	4.4	6.8	5.2	5.6	6.0	6.3
Cash and equivalents	0.0	0.1	0.2	1.6	2.7	4.0
Total assets	56.2	59.6	59.7	60.4	62.3	64.7
Equity	22.1	21.6	28.8	29.0	30.2	32.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Long term liabilities	20.8	5.9	13.9	13.9	13.9	13.9
Financial liabilities	16.3	0.0	8.5	8.5	8.5	8.5
Other	4.6	5.9	5.4	5.4	5.4	5.4
Short term liabilities	13.3	32.0	17.0	17.5	18.2	18.9
Financial liabilities	1.7	19.3	2.6	2.6	2.6	2.6
Trade payables	10.9	12.1	13.3	13.8	14.5	15.2
Other	0.7	0.6	1.1	1.1	1.1	1.1
Equity & liabilities	56.2	59.6	59.7	60.4	62.3	64.7
Gross debt (PLNm)	19.3	21.7	13.4	13.4	13.4	13.4
Net debt (PLNm)	19.3	21.6	13.2	11.8	10.7	9.4

CASH FLOW (PLN m)	2022	2023	2024	2025E	2026E	2027E
Operating cash flow	-0.6	-0.2	-0.9	3.5	3.1	3.3
Net income	-2.5	-1.6	-3.6	0.2	1.2	1.8
D&A	1.0	1.2	1.2	1.1	1.2	1.2
Change in WC	-0.1	-1.4	-0.1	1.2	-0.1	-0.4
Other	0.9	1.6	1.7	1.1	0.8	0.7
Investment cash flow	-0.2	-0.2	-0.1	-0.4	-0.5	-0.6
Change in intangible assets	0.5	0.1	0.0	0.0	0.0	0.0
Change in PP&E	-0.7	-0.3	-0.1	-0.4	-0.5	-0.6
Financial cash flow	0.6	0.6	1.1	-1.7	-1.5	-1.5
Change in equity	1.7	1.2	0.0	0.0	0.0	0.0
Change in debt	0.3	0.3	2.4	0.0	0.0	0.0
Interest cost	-0.7	-0.1	-0.4	-1.1	-0.8	-0.7
Lease payments	-0.7	-0.8	-0.9	-0.7	-0.7	-0.7
Dividend paid	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash	-0.2	0.1	0.0	1.4	1.1	1.3
Cas as of eop	0.0	0.1	0.2	1.6	2.7	4.0

Source: Company data, IPOPEMA Research

Table of contents

Valuation.....	4
DCF valuation	4
Peer comparison	5
Changes in financial forecasts	6
1Q25E results preview	8
Risk factors	9

Valuation

We value Miraculum using the discounted cash flow method (100% weight) and add a multiples valuation for presentation purposes only.

Figure 2. Miraculum – Valuation summary

Valuation method	Weight (%)	FV (PLN/share)
DCF valuation	100%	0.87
Peer comparison valuation	0%	1.17
Fair value		0.87
Current price		0.80
Upside/downside (%)		9%

Source: Company, IPOPEMA Research

DCF valuation

We base our DCF valuation on our free cash flow forecasts for 2025-34E. We apply a risk-free rate of 5.5% in terminal (vs. 6.4% previously), equity risk premium of 5.0% (vs. 5.5% previously) and unlevered beta of 1.0x and assume a terminal growth rate of 2.0%.

Figure 3. Miraculum –DCF valuation (PLNm)

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TV
Revenues	50.6	54.1	56.9	59.8	62.9	66.0	69.3	72.8	76.4	80.2	81.9
EBITDA	2.5	3.5	4.1	4.8	5.8	6.5	7.3	8.3	9.4	10.5	10.7
EBIT	1.2	2.3	2.9	3.7	4.5	5.3	6.0	7.0	8.0	9.1	9.3
Tax on EBIT	-0.2	-0.4	-0.6	-0.7	-0.9	-1.0	-1.1	-1.3	-1.5	-1.7	-1.8
NOPAT	1.0	1.8	2.4	3.0	3.7	4.3	4.9	5.7	6.5	7.4	7.5
D&A	1.1	1.2	1.2	1.1	1.3	1.2	1.3	1.3	1.4	1.4	1.4
Change in WC	1.2	-0.1	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.9
Capex	-0.4	-0.5	-0.6	-0.6	-0.5	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7
Lease payments	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.8	-0.8
FCF	2.3	1.7	1.9	2.4	3.3	3.7	4.4	5.2	5.9	6.8	7.4
Discount factor (%)	94%	85%	77%	70%	63%	57%	52%	47%	43%	39%	
FCF PV (PLNm)	2.1	1.5	1.4	1.7	2.1	2.1	2.3	2.4	2.5	2.6	
FCF PV 2025-34E (PLNm)	20.9										
Residual growth rate (%)	2.0%										
Discounted residual value (PLNm)	33.6										
EV (PLNm)	54.5										
Dividend paid (PLNm)	0.0										
Net debt (eop 2024E, PLNm)	13.2										
Share issue (PLNm)	0.0										
Equity value (PLNm)	41.3										
Number of shares (m)	47.5										
FV (PLN)	0.87										

		WACC (%)				
		9.4%	9.9%	10.4%	10.9%	11.4%
Residual growth rate (%)	1.0%	0.87	0.83	0.79	0.76	0.73
	1.5%	0.91	0.87	0.83	0.79	0.76
	2.0%	0.96	0.91	0.87	0.83	0.79
	2.5%	1.02	0.96	0.91	0.87	0.83
	3.0%	1.09	1.02	0.96	0.91	0.87

Source: Company, IPOPEMA Research

Figure 4. Miraculum –WACC calculation

WACC	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TV
RFR	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	1.4	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2
Risk premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Cost of Equity	12.6%	12.5%	12.4%	12.2%	12.1%	11.9%	11.8%	11.7%	11.6%	11.4%	11.6%
Debt risk premium	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
After tax cost of debt	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
% D	31.6%	30.7%	29.5%	28.0%	26.3%	24.6%	22.7%	20.9%	19.1%	17.4%	19.1%
% E	68.4%	69.3%	70.5%	72.0%	73.7%	75.4%	77.3%	79.1%	80.9%	82.6%	80.9%
WACC	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%

Source: Company, IPOPEMA Research

Peer comparison

We present a multiples valuation by comparing Miraculum to retail companies, based on EV/Sales multiples. Due to different business models and product offers, as well as scale of operations, we attach 0% weight to the method.

Figure 5. Miraculum – peer comparison

Company	P/E (x)			EV/EBITDA (x)			EV/Sales (x)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
LPP	12.2	9.9	8.5	6.6	5.3	4.4	1.4	1.1	0.9
CCC	20.2	15.1	12.3	9.1	7.5	6.3	1.6	1.4	1.2
VRG	10.1	10.0	9.8	4.1	3.8	3.6	0.8	0.8	0.7
Wittchen	9.1	8.3	7.9	5.2	4.6	4.4	1.0	1.0	0.9
Pepco	12.2	11.9	11.6	4.2	3.9	3.4	0.6	0.6	0.5
Hugo Boss	12.3	11.0	9.8	4.7	4.2	3.7	1.0	0.9	0.9
Unilever	17.9	16.9	16.1	12.5	11.9	11.3	2.7	2.6	2.5
COTY	14.3	10.0	8.5	7.6	7.1	6.3	1.5	1.5	1.4
Olapex Holdings	22.1	18.8	25.1	10.4	9.1	7.4	2.2	2.1	2.0
Ulta Beauty	17.2	18.0	16.2	11.0	11.3	10.7	1.8	1.7	1.6
Median	13.3	11.5	10.7	7.1	6.2	5.3	1.4	1.2	1.1
Miraculum	250.9	31.1	21.7	20.2	14.0	11.6	1.0	0.9	0.8
Premium/discount (%)	<i>n.m.</i>	171%	102%	185%	126%	117%	-31%	-27%	-21%
Implied FV/share (PLN)	0.0	0.3	0.4	-0.3	0.1	0.2	1.3	1.2	1.1
Average implied FV/share (PLN)*	1.17								

Source: Bloomberg, IPOPEMA Research, *based on EV/Sales multiples

Changes in financial forecasts

Figure 6. Miraculum – changes in financial forecasts (PLNm)

	2025E			2026E			2027E		
	NEW	OLD	change	NEW	OLD	change	NEW	OLD	change
Revenues	50.6	51.3	-1%	54.1	55.1	-2%	56.9	59.1	-4%
COGS	-33.1	-33.5	-1%	-34.7	-35.3	-2%	-36.3	-37.7	-4%
Gross profit	17.6	17.8	-1%	19.4	19.7	-2%	20.5	21.4	-4%
SG&A costs	-16.3	-17.5	-7%	-17.1	-18.1	-5%	-17.6	-18.6	-5%
Selling costs	-10.8	-11.4	-6%	-11.3	-11.7	-3%	-11.5	-11.9	-3%
G&A costs	-5.5	-6.1	-9%	-5.8	-6.4	-9%	-6.1	-6.7	-9%
Other operating profit	0.0	0.0	n.m.	0.0	0.0	n.m.	0.0	0.0	n.m.
Other operating costs	0.0	0.0	n.m.	0.0	0.0	n.m.	0.0	0.0	n.m.
EBITDA	2.5	1.6	56%	3.5	2.8	23%	4.1	4.0	2%
D&A	1.2	1.3	-5%	1.2	1.2	5%	1.2	1.3	-5%
EBIT	1.2	0.3	333%	2.3	1.7	35%	2.9	2.8	5%
Net financial costs	-1.1	-0.8	39%	-0.8	-0.8	1%	-0.7	-0.7	1%
Pre-tax profit	0.2	-0.5	n.m.	1.5	0.9	63%	2.2	2.0	6%
Income tax	0.0	0.1	-140%	-0.3	-0.2	63%	-0.4	-0.4	6%
Net profit	0.2	-0.4	n.m.	1.2	0.7	63%	1.8	1.7	6%
<i>gross margin (%)</i>	<i>34.7%</i>	<i>34.7%</i>	-	<i>35.8%</i>	<i>35.8%</i>	-	<i>36.1%</i>	<i>36.2%</i>	-
<i>EBITDA margin (%)</i>	<i>4.9%</i>	<i>3.1%</i>	-	<i>6.5%</i>	<i>5.1%</i>	-	<i>7.2%</i>	<i>6.8%</i>	-

Source: Company, IPOPEMA Research

2025E forecasts. Miraculum reported flat y/y revenues in 2024 given a strong decline in export sales and despite improvement of sales in Poland. The company has already reported that revenues in 1Q25E came in at PLN 15.0m (+17% y/y); however, we assume only gradual recovery of export in 2025E. As a result, we trim our revenue forecast to PLN 50.6m. At the same time, given ongoing optimization of inventory, we maintain our gross margin expectation unchanged, while we reduce SG&A forecasts by 7% y/y, mainly in personnel costs. As a result, we increase our EBITDA forecast from PLN 1.6m to PLN 2.5m and net loss PLN 0.4m to net profit PLN 0.2m in 2025E.

2026E forecasts. Following more conservative expectations on export sales, we trim our revenue forecast by 2% to PLN 54.1m (+7% y/y), while maintaining our expectation of a gross margin of 35.8% (+1.1pp y/y on a healthier structure of inventory and lower y/y markdowns). As we expect that Miraculum will maintain cost discipline, we upgrade our forecasts to PLN 3.5m at the EBITDA level and PLN 1.2m at the net profit level (vs. previous PLN 2.8m and 0.7m, respectively).

Figure 7. Miraculum – quarterly revenues (PLNm)

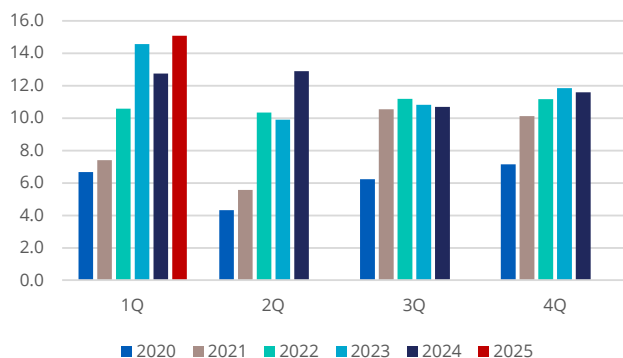


Figure 8. Miraculum – cumulative quarterly revenues (PLNm)

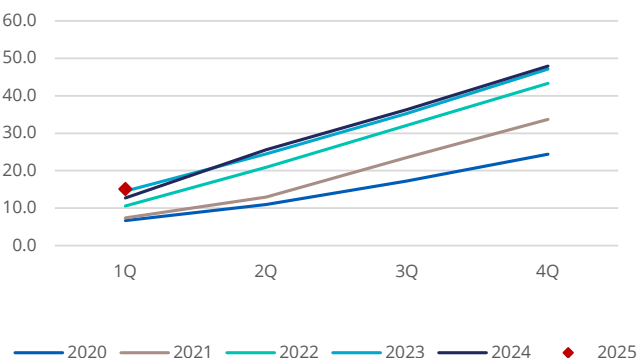


Figure 9. Miraculum – revenues forecast by segments (PLNm)

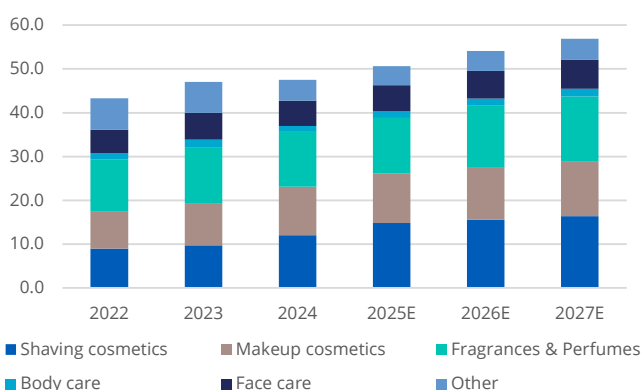


Figure 10. Miraculum – operating costs assumptions (PLNm)

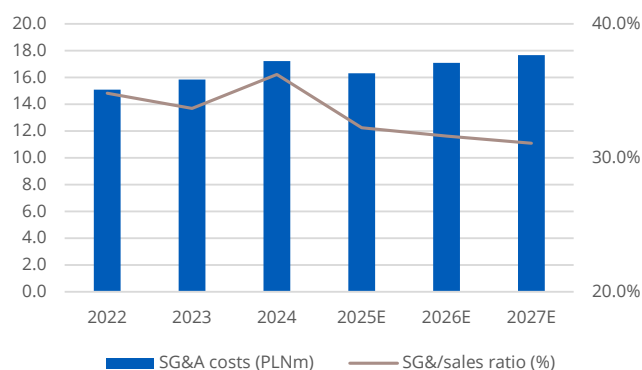


Figure 11. Miraculum – EBITDA forecast (PLNm)

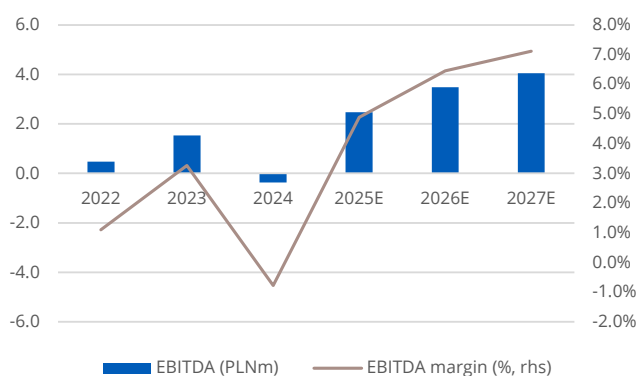


Figure 12. Miraculum – Net profit forecast (PLNm)

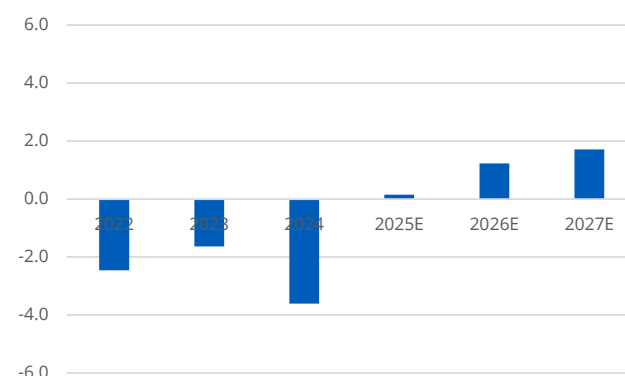


Figure 13. Miraculum – cash conversion cycle (days)

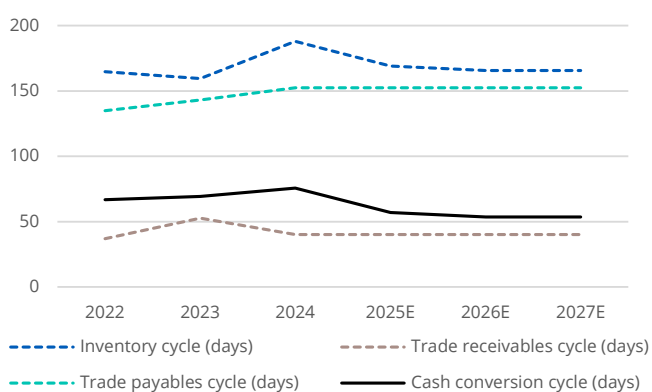
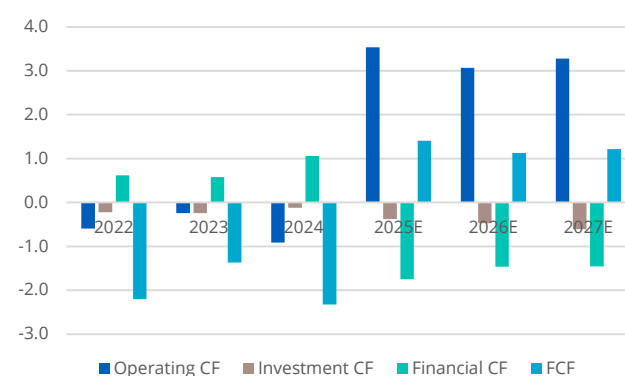


Figure 14. Miraculum – cash flows forecast (PLNm)



Source: Company, IPOPEMA Research

1Q25E results preview

Miraculum is due to report its 1Q25E results on 16 May 2025.

We expect Miraculum to report EBITDA at a comparable y/y level, driven by y/y growth of revenues and deterioration of the gross margin related to optimization of inventory structure. Below please find key highlights:

- **Revenues.** Miraculum has already reported revenues of PLN 15.0m in 1Q25 (+17% y/y) driven by a 25% y/y increase in January and positive growth rates in February and March. The company pointed out that export sales remain under pressure, while the modern sales channel is performing well.
- **Gross profit.** We expect that the company continued optimization of its inventory structure and sell-off of unprofitable products. As a result, we estimate gross profit of PLN 5.1m (+3% y/y), implying a gross margin of 34.3% (-4.5pp y/y).
- **EBITDA.** We assume the company will keep SG&A costs under control resulting in SG&A costs of PLN 4.4m (+5% y/y) and SG&A/sales ratio of 29.4% (vs. 32.7% in the previous year). As a result, we forecast EBITDA of PLN 1.0m (flat y/y) and EBIT of PLN 0.7m (comparable y/y).
- **Net profit.** At the bottom line, we estimate profit of PLN 0.35m, assuming net financial costs of PLN 0.3m.

Figure 15. Miraculum results summary (PLNm)

MIR PW (PLNm)	1Q24	2Q24	3Q24	4Q24	1Q25E	y/y	q/q
Revenues	12.78	12.87	10.29	11.57	14.96	17%	29%
COGS	-7.83	-8.66	-7.04	-8.24	-9.83	26%	19%
Gross profit	4.96	4.21	3.26	3.33	5.13	3%	54%
SG&A costs	-4.18	-4.40	-4.46	-4.18	-4.39	5%	5%
Selling costs	-2.86	-2.93	-2.79	-2.69	-3.00	5%	11%
G&A costs	-1.33	-1.47	-1.67	-1.49	-1.39	5%	-7%
Other operating profit/cost	-0.01	0.03	-0.09	0.00	0.00	n.m.	n.m.
EBITDA	1.05	0.12	-0.99	-0.55	1.04	-1%	n.m.
D&A	0.29	0.28	0.31	0.30	0.30	6%	1%
EBIT	0.76	-0.16	-1.30	-0.85	0.73	-4%	n.m.
Net financial costs	-0.50	-0.21	-0.31	-0.23	-0.30	n.m.	n.m.
Pre-tax profit	0.26	-0.37	-1.60	-1.09	0.43	66%	n.m.
Income tax	-0.25	-0.04	-0.12	-0.39	-0.08	n.m.	n.m.
Net profit	0.01	-0.41	-1.72	-1.48	0.35	n.m.	n.m.
Gross margin (%)	38.8%	32.7%	31.6%	28.8%	34.3%	-	-
SG&A/sales ratio (%)	32.7%	34.2%	43.3%	36.1%	29.4%	-	-

Source: Company, IPOPEMA Research

Risk factors

The major risk factors for our forecasts and valuation are as follows:

- **Risk related to a high level of debt.** As of end-2024, Miraculum held a net debt of PLN 13.2m, while it generated negative EBITDA in 2024. Although our forecasts imply positive FCFs starting from 2025E, we note that the high level of debt might still limit potential development of operations and remains a risk factor.
- **Risk related to consumer purchasing power.** Consumer sentiment is highly correlated to the level of inflation, as well as the labour market (unemployment rates, wages), and any pressure on the consumer's purchasing power may result in reduced spending on cosmetics or changes in consumer habits.
- **Risk related to the competitive environment.** The cosmetics market is highly fragmented and highly competitive. According to Cosmetics Europe, there are over 7k small and medium-sized enterprises in Europe operating as cosmetics producers (including over 700 companies in Poland). Stronger competition may not only affect the company's pricing policy, but also affect the availability and/or cost of raw materials, and potentially higher marketing costs.
- **Risk related to cost of raw materials and changes in agreements with suppliers.** The company offers cosmetics and perfumes with its production outsourced to partners (over 30% of goods are supplied by two suppliers not related to the company). The cost of products can be affected by higher raw material costs, adjustment to legal regulations and exchange rates. The company's gross margin is related to its negotiations with suppliers, as well as clients (including drug stores and discount stores).
- **Risk related to research and development.** The competitive pressure results in a need to invest in research and development of new and existing cosmetics.
- **Risk related to FX rates.** The company has exposure to FX rates (mainly USD and EUR), due to sales on foreign markets as well as some costs being carried out in foreign currencies. The company does not engage in hedging activities.

This document has been prepared by IPOPEMA Securities S.A. with its registered seat in Warsaw, Prózna 9, 00-107 Warsaw, Poland, entered into the Register of Entrepreneurs of the National Court Register maintained by the District Court for the City of Warsaw, XII Commercial Division of the National Court Register under entry number KRS 0000230737, the initial capital and paid capital in the amount of PLN 2.993.783,60, NIP 5272468122, www.ipopema.pl. IPOPEMA Securities S.A. is supervised by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), Piękna 20, 00-549 Warsaw, Poland.

This document was prepared by IPOPEMA Securities S.A. for information purposes only. This document is addressed to IPOPEMA Securities S.A. clients entitled to receive it on the basis of contracts for the provision of services. This document, using mass media distribution channels, may also reach other investors. It has been produced independently of the company mentioned in this document and any forecasts, opinions and expectations are entirely those of IPOPEMA Securities S.A. Unless otherwise specified, the estimates and opinions contained in the document constitute an independent assessment of IPOPEMA Securities S.A. analysts preparing the document as of the date of issuing the document.

IPOPEMA Securities S.A. prepared this document with the preservation of all adequate diligence, thoroughness and reliability on the basis of publicly available information which IPOPEMA Securities S.A. believes to be reliable. The sources of data are primarily: Bloomberg, Reuters, EPFR, Polska Agencja Prasowa, WSE, Główny Urząd Statystyczny, Narodowy Bank Polski, financial press, online financial and economic services. While due diligence has been taken by IPOPEMA Securities S.A. to ensure that the facts stated herein are accurate and that any forecasts, opinions and expectations contained herein are fair and reasonable, IPOPEMA Securities S.A. has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. The opinions expressed in the document can change without notice and IPOPEMA Securities S.A. is under no obligation to keep these opinion current. None of the IPOPEMA Securities S.A. or any other person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith provided that IPOPEMA Securities S.A. has been exercised due diligence and integrity during its preparation. This document may be sent to the mass media, however its copying or publishing in whole or in part as well as dissemination of information enclosed to it is allowed only with prior permission of IPOPEMA Securities S.A. This document nor any copy hereof is not to be distributed directly or indirectly in the United States, Australia, Canada, Serbia or Japan, subject to the following section.

Important disclosures for U.S. Persons: Auerbach Grayson & Company Inc. may distribute this document in the U.S. This document is provided for distribution to Major U.S. Institutional Investors in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended and may not be furnished to any other person in the U.S. Each Major U.S. Institutional Investor that receives this document shall not distribute or provide it to any other person. Under no circumstances should any U.S. recipient of this document effect any transaction to buy or sell securities or related financial instruments through IPOPEMA Securities S.A. Any U.S. recipient of this document wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this document should do so only through Auerbach Grayson & Company Inc. 25 West 45th Street, Floor 16, New York, NY 10036 U.S. which is a registered broker dealer in the U.S. IPOPEMA Securities S.A. is not a registered broker-dealer in the U.S. and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. IPOPEMA Securities S.A. and its research analysts are not associated persons of Auerbach Grayson & Company, nor are they affiliated with Auerbach Grayson & Company. The author of this document whose name appears in this document is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"), is not subject to the SEC rules on research analysts and is not subject FINRA's rules on debt research analysts and debt research reports, equity research analysts and equity research reports. U.S. recipients should take into account that information on non-U.S. securities or related financial instruments discussed in this document may be limited. The financial instruments of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the U.S.

This document does not constitute any offer to sell or induce any offer to buy or sell any financial instruments, cannot be relied on in connection with any contract or liability and does not constitute advertising or promotion of a financial instrument or the company. Investment decisions should only be made on the basis of a prospectus or other publicly available information and materials.

The document was prepared without taking into account the needs and situation of the recipients of the document. When preparing the document, IPOPEMA Securities S.A. does not examine the recipient's investment objectives, risk tolerance level, time horizon and financial standing of the investors. The company or the financial instruments discussed in the document may not be suitable for the users of the document, i.e. it may not be suitable for the specific objectives and time horizon or the financial situation. Information included in the document cannot be regarded as a substitute for obtaining investment advice service. The value of financial instruments may fluctuate, including declines. Changes in FX rates may have an adverse effect on the value of investments. The investment in financial instruments is linked to investment risks including loss of entire or part of the invested capital. Past performance is not necessarily indicative of future results. IPOPEMA Securities S.A. points out that the price of financial instruments is affected by many different factors that are or may be independent of the company and the results of its operations. These include, among others changing economic, legal, political and tax conditions. IPOPEMA Securities S.A. may have issued in the past or may issue other documents in the future, presenting other conclusions, not consistent with those presented herein document. Such documents reflect different assumptions, points of view and analytical methods adopted by the analysts preparing them.

Investors should be aware that IPOPEMA Securities S.A. or its related entities may have a conflict of interest that could affect this document's objectivity. The investor should assume that IPOPEMA Securities S.A. or its related entities may provide services in favour of the company and obtain remuneration on this account. They may also have another financial interest with respect to the company. IPOPEMA Securities S.A. or its related entities may seek to do business with the company or other entities mentioned in this document. IPOPEMA Securities S.A. has an organizational structure and internal regulations in place to ensure that the client's interests are not compromised in the event of a conflict of interests, in relation to preparing this document. Conflict of interest management policy is available on the website at <https://www.ipopemasecurities.pl/analizy-i-rekomendacje.p162>. This document was prepared irrespective and independently of the interests of IPOPEMA Securities S.A., the company that is the subject of this document and holder of financial instrument issued by aforementioned company. IPOPEMA Securities S.A., its shareholders, employees and associates may hold long or short positions in the company's financial instruments or other financial instruments related to the company's financial instruments.

Information on the conflict of interest arising in connection with the preparation of the document (if any) is provided below.

□

On the order of the Warsaw Stock Exchange S.A. ("WSE"), IPOPEMA Securities S.A. creates analytical materials for the following companies: Marvipol Development S.A., Medicalgorithmics S.A., Miraculum S.A., ML System S.A., Scope Fluidics S.A., Sunex S.A., VIGO Photonics S.A. The WSE has proprietary copyrights to these materials. For the preparation of IPOPEMA Securities S.A. receives remuneration from the WSE. Information on the program is available on the website <https://www.gpw.pl/gpwpa>.

On the order of the Bursa de Valori Bucuresti S.A. ("BVB"), IPOPEMA Securities S.A. creates analytical materials for the following companies: Bitnet Systems S.A., Impact Developer & Contractor S.A., OMV Petrom S.A. and Safetech Innovations S.A. The BVB has proprietary copyrights to these materials. For the preparation of IPOPEMA Securities S.A. receives remuneration from the BVB.

IPOPEMA Securities S.A. uses a number of valuation methodologies including discounted cash flows models (such as discounted operating earnings or dividend discount model), and earnings and cash-flow based models, which are often related to comparisons with selected peer companies. Cash flow models encapsulate the cash streams forecast to flow to a company, and are widely used in the investment industry. Peer comparisons factor in amongst other factors, differential growth rates, and indicate how expensive one company might appear relative to a chosen comparator. The subjective opinions of the report's author or authors, formed by their knowledge and experience, play a significant role in the valuation. Also included are assumptions on numerous economic variables, particularly interest rates, inflation and exchange rates and varying these assumptions could result in significantly different opinions. The strength of the earnings and cash flow based models is the closer attention to a company on a standalone basis, and tying the valuation to its fundamental value. The weakness of such method is the number of assumptions, which need to be adopted and resulting sensitivity to those assumptions. The peer comparisons methods are less dependent on the analyst's judgment as to the individual parameters, however the problem with this method appears when the peer comparator is over- or undervalued. Moreover, leading multiples (based on the future earnings, book values, operating profit or cash flows) include an analyst's estimate of those values.

This document was not transferred to the company prior to its publication. This document was prepared according to the author's own view, assumptions and knowledge.

Recommendations issued by IPOPEMA Securities S.A. they are valid for a period of 12 months from the date of issue, unless they are updated during this period. IPOPEMA Securities S.A. updates the issued recommendations depending on the market situation and subjective analysts' assessment.

This document is an investment research within the meaning of Art. 36 par. 1 of the Commission Delegated Regulation (EU) 2017/565.

List of all recommendations regarding any financial instrument or issuer that have been disseminated within the last 12 months by IPOPEMA Securities S.A. is available on the website at <https://www.ipopemasecurities.pl/analizy-i-rekomendacje.p162>.

The date and the time stated on the front page is the date of the preparation of this document. The price used throughout the recommendation to calculate adequate ratios is the "last" price stated on the front page of this document.

The definitions of terms used in the document include:

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

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

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

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

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

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

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

EBIT – earnings before interests and tax.

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

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

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

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

CAGR – compound annual growth rate.

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

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

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

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

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

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

The author of this document has no conflict of interest with the company that is the subject of this document. The point of view expressed in the document reflects the personal opinion of the author of the document on the analyzed company and its financial instruments. Investors should be aware that flexible part of the author's compensation may depend on general financial performance of IPOPEMA Securities S.A.

IPOPEMA Securities S.A. shall act with due diligence, honestly, fairly, professionally and in accordance with the provisions of the applicable law.

IPOPEMA Securities S.A. does not guarantee achieving the investor's investment objective, the performance of company or prospective prices referred to herein.

When applying ratings for companies following criteria are used with regards to the difference between IPOPEMA's FV and company's price at the date of recommendation:

Rating	Difference between FV and price at recommendation
Buy	Above 10%
Hold	In between (and including) -10% and 10%
Sell	Below -10%

IPOPEMA Research - Distribution by rating category (1 January – 31 March 2025)

	Number	%
Buy	13	81%
Hold	2	13%
Sell	1	6%
Total	16	100%

Rating History – Miraculum

Date	Recommendation	F V	Price at recommendation	Author
22.09.2023	HOLD	PLN 1.25	PLN 1.33	Marek Szymański
09.02.2024	HOLD	PLN 1.35	PLN 1.36	Marek Szymański
28.06.2024	HOLD	PLN 1.20	PLN 1.11	Marek Szymański
19.12.2024	HOLD	PLN 0.85	PLN 0.78	Marek Szymański
14.05.2025	HOLD	PLN 0.87	PLN 0.80	Marek Szymański