

**WSE Research Coverage Support Program (PWPA 4.0)**

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**BUY (PRICE TARGET: PLN 25,4)**

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**KINO POLSKA TV Q1 2025 results [PLN m]**

	Q1 24	Q1 25	y/y	Q1 24 LTM	Q1 25 LTM	y/y	BDM Q1 25E	Q1 25 /Q1 25E
Total Revenues	75,5	76,6	1,4%	299,0	316,6	5,9%	76,1	100,6%
EBIT	22,9	23,8	3,8%	72,3	85,1	17,7%	20,3	117,2%
Net profit	18,7	19,0	1,7%	57,1	67,0	17,3%	16,8	113,6%

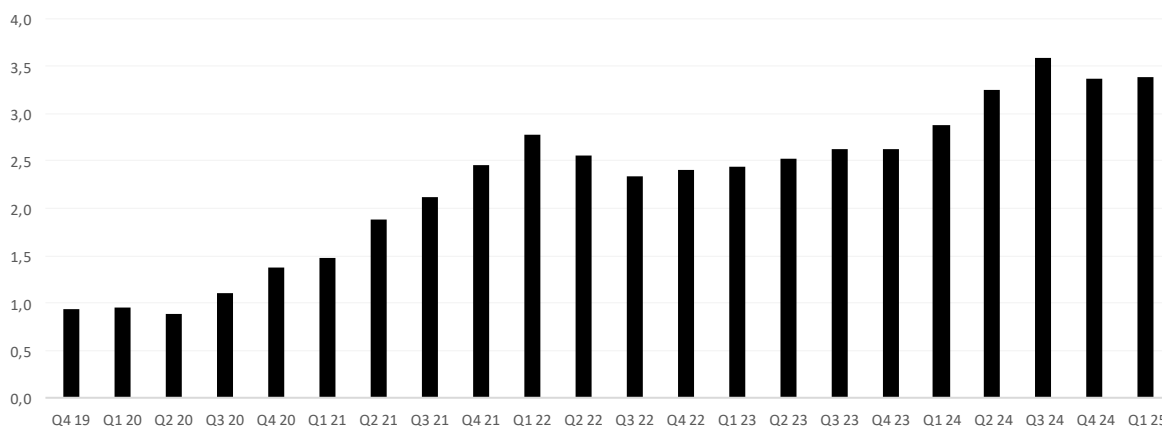
*\*EBITDA adjusted calculated by BDM may differ from the EBITDA readings KPL presents in its reports*

Source: Dom Maklerski BDM S.A., KPL

We are moderately optimistic about the results for Q1 2025. We were preparing for the scenario that the reading for Q1 2025 would indicate a relatively low season within the whole 2025 (among other things, a decline in viewership of Stopklatka or Zoom TV and a different holiday calendar relative to 2024). In its commentary on operating data, the company indicated that improved results were recorded in the FilmBox and Channel Production segments. The Zoom TV segment and Kino Polska reported weaker results. At the same time, the company has indicated that EBIT has been affected by foreign exchange gains.

Revenues in the period increased by 1.4% year-on-year from PLN 75.5 million to PLN 76.6 million, in line with our earlier forecasts. At the EBIT level, the company generated PLN 23.8m (+3.8% y/y) in Q1 2025, 17% above our expectations. On a LTM basis, after Q1 2025, the EBIT reading is PLN 85.1 million (+17.7% y/y). Net income in Q1 2025 saw a 1.7% y/y increase, reaching PLN 19 million (our forecast was PLN 16.8 million).

The company's Board of Directors is recommending that the amount of PLN 0.63/share be used to pay dividends in 2025, the same as in 2024. We are somewhat taken aback by this information. It would appear that the company has yet to accumulate sufficient liquidity (cash + cash pooling) on its balance sheet to underpin future initiatives/projects.

**LTM EPS [PLN]**


Source: Dom Maklerski BDM S.A., KPL

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**Ratings and price targets history:**

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
buy	25,4	buy	25,2	2025-05-09	10:25	17,8	102 300
buy	25,2	accumulate	25,2	2025-03-31	15:33	19,10	95 850
accumulate	25,2	buy	21,26	2024-12-23	10:54	22,2	79 925
buy	21,26	buy	18,4	2024-07-15	06:59	14,8	88 694
buy	20,05	buy	18,4	2024-05-21	09:15	14,8	89 082
buy	18,4	---	---	2023-12-11	10:57	14,2	77 400

**Explanations of terminology:**

EBIT - earnings before interest and tax  
EBITDA — earnings before interest, taxes, depreciation, and amortization  
Net debt – interest bearing debt minus cash and equivalents  
WACC - weighted average cost of capital  
CAGR - cumulative average annual growth  
EPS - earnings per share  
DPS - dividend per share  
CEPS - net profit plus depreciation per share  
EV – market capitalization plus interest bearing debt minus cash and equivalents  
EV/S – market capitalization / sales  
EV/EBITDA – EV / sales  
P/EBIT – market capitalization / EBIT  
MC/S – market capitalization / sales  
P/E – market capitalization / net profit  
P/BV – market capitalization / book value  
P/CE - market capitalization / net profit plus depreciation  
ROE – net profit / equity  
ROA - net income / assets  
Gross margin - gross profit on sales / sales  
EBITDA margin – EBITDA / sales  
EBIT margin – EBIT / sales  
Net margin – net profit / sales

**The strengths and weaknesses of the valuation methods used in the report:**

DCF – the most popular and the most effective of the valuation methods - it is based on the discounting of future cash flows generated by the company. The disadvantage is the high sensitivity to changes in the basic financial parameters forecast in the model (interest rates, exchange rates, profits, residual value).

DDM – the method is based on discounting future cash flows from dividends. The advantage of the valuation is the inclusion of future financial results and cash flows from dividends. The main disadvantages are the high sensitivity to changes in the basic financial parameters forecasted in the model (capital cost, profits, residual value) and the risk of changing the dividend payment policy.

Comparative – the method is based on current and forecasted market multipliers of companies from the industry or related industries, which better than DCF shows the current market situation. The main disadvantages are the difficulty in choosing the right companies for comparison, the risk of ineffective valuation of companies compared at a given moment, as well as high volatility (along with price fluctuations).

**Explanation of ratings:**

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);

Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);

Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);

Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);

Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).

Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

Distribution of BDM's recommendations in Q2 2025*:		, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months	
numbers	%	numbers	%
Buy	4 57%	0	0%
Accumulate	1 14%	0	0%
Hold	2 29%	0	0%
Reduce	0 0%	0	0%
Sell	0 0%	0	0%

\* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

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