

Creotech

A new phase of activity

We increased our 12-month target price to PLN 333.3 (previously PLN 155.4) recommending HOLD.

- The company has recently won two key contracts in the space segment (Microglob + Camila), which will significantly increase the revenue stream in '25e-'27e. We assume that this will allow the company to record a positive net result already this year at PLN 5mn.
- Taking into account statements by representatives of the Polish Government, we also assume that the increased contribution to the ESA in the last accounting period will be maintained, which should also positively impact the company's revenues from this in the following years. We currently assume PLN 180mn of revenue during the forecast period related to orders from ESA.
- To our valuation of the company, we add a separate valuation of the quantum segment, the spin-off of which is expected to take place in '26e and existing shareholders are expected to receive shares in the new entity. We assume that this entity could generate PLN 27mn in revenue in '27e largely due to the commercialisation of the eCAUSIS project.
- In our view, the company's current valuation already reflects the above positive events and the commercial success of the Hypersat platform (we assume sales of 24 units in '28e-'30e in the base case scenario, recent MoUs with 3 entities increase the likelihood of first contracts during the forecast period). This implies in our view no significant upside to the current market valuation.

Key financial information

PLN mn	2022	2023	2024	2025e	2026e	2027e	2028e
Revenues	33.6	44.0	35.6	216.2	243.1	396.1	282.9
EBITDA	-4.1	-8.6	-16.9	16.6	33.6	67.5	96.4
EBIT	-8.7	-16.9	-24.8	6.7	23.2	56.9	85.5
Net income	-7.0	-14.3	-20.5	5.0	19.6	47.0	70.6
EPS	-4.4	-6.0	-8.6	1.7	6.6	15.9	23.8
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
P/E	neg.	neg.	neg.	176.1	44.9	18.7	12.4
EV/EBITDA	neg.	neg.	neg.	46.9	23.0	11.1	7.8

Source: Creotech (22-24), Pekao Equity Research

Hold (reiterated)

Target price

PLN 333.3

Upside to TP

+12.4%

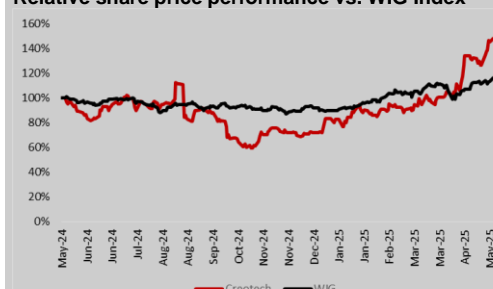
Price on 16 May 2025

PLN 296.5

ESG Rating ESG Score

C
0.63

Relative share price performance vs. WIG Index



UPCOMING EVENTS

1Q'25 results	30.05.25
1HY'25 results	26.09.25
3Q'25 results	26.10.25

STOCK DATA

Bloomberg	CRI PW
Free float (%)	46.7
Market cap (PLNmn)	846.3
No. of shares	2.9

Shareholders

ARP 9.5%

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Recent developments

Issuance of K series shares

3.01.25 The Company has initiated activities to issue new shares to finance part of the expenditure relating to the implementation of the contract in the 'Mikroglob' project. The remainder of the financing of the above-described expenses is to be financed by advance payments and alternatively supplemented by debt financing.

4.02.25 The Company's Board of Directors adopted a resolution to launch a public offering of Series K Shares to offer up to 475,000 newly issued ordinary bearer shares of the Company.

19.02.25 The Company entered into agreements to acquire a total of 475,000 shares at an issue price of PLN 160 per share. Series K shares were introduced to trading on WSE on 30.04.25.

Mikroglob project

20.12.24 The company signed a contract with the Armament Agency for the manufacture and delivery of a Satellite Earth Observation System in the 'Microglob' programme covering phases B, C, D, E1. The gross contract value is PLN 556.7mn. The contract will be completed by 31 March 2027.

4.02.25 The Company received from the Armament Agency information on the approval of the resultant B1 documentation as part of the performance of the contract, for which the Company is entitled to remuneration in the total amount of PLN 21mn, including PLN 17mn for the provided documentation and PLN 4mn for the performance of a milestone of the Mikroglob project, i.e. the conclusion and performance of a contract with a third party for satellite launches.

4.04.25 The Company received information from the Armament Agency on the approval of the resultant documentation B2 within the framework of the agreement, for which the Company is entitled to remuneration in the total amount of PLN 21mn for the delivered documentation. Approval of resultant documentation B2 also means positive completion of Phase B of the Agreement and commencement of Phase C of the Agreement.

Camila project

10.04.25 The Company signed an agreement with ESA for the implementation of a project, entitled 'COUNTRY AWARENESS MISSION IN LAND ANALYSIS - CAMILA', in which the Company will act as project leader and supplier of complete satellite platforms equipped with optical and radar payloads to selected partners. The objective of the CAMILA project is to build a constellation of a minimum of three observation satellites, a ground segment, satellite launch and mission management. The project will end in December 2027. The value of the project is EUR 51.9mn, of which EUR 25.6mn is attributable to the Company.

Project 'System of efficient satellite photovoltaic panels'

19.12.24 The company signed a contract with the Polish Agency for Enterprise Development for the implementation of the project 'System of effective satellite photovoltaic panels', with a total net value of PLN 14mn and a subsidy of PLN 8mn.

'Starterkit for a base station of a private 5G mmWave network with ultra-precise time synchronisation' project

22.01.25 The company has entered into an agreement with ESA in the project 'Starterkit for a base station of a private 5G mmWave network with ultra-precise time synchronisation', which aims to verify the possibility of ultra-precise time and frequency synchronisation of 5G mmWave network components. The value of the project is EUR 0.6mn of which approximately EUR 0.5mn is funded by ESA and the rest by the contractors, among other technological contributions. The Company is a leader in the project and accounts for approximately 50% of the total project value and 50% of the aforementioned ESA funding.

SBOM project

9.01.25 The Company entered into an agreement with ESA for the implementation of the 'Space Based Observation Mission (SBOM) Feasibility Study' project, in which it is the leader (prime contractor). The project covers the initial phase of the preparation of the satellite and the space mission to detect so-called space junk from Earth orbit. The issuer will be responsible for designing the satellite based on the proprietary HyperSat microsatellite platform.

The value of Phase 0-A is approximately EUR 0.125mn, of which more than EUR 0.1mn is attributable to the Company. The project period is 12 months. After this phase, further discussions are planned with ESA to negotiate a contract for the construction of the satellite based on the Phase 0-A project.

'DTM Tools' project

11.03.25 The company signed an agreement with ESA for the implementation of the 'DTM Tools' project, in order to prepare a toolkit entitled DTM Tools (a platform to support preparations for drone operations) and a web portal. The value of the project is EUR 1.9mn of which EUR 1.5mn is funded by ESA. The project implementation period is 36 months.

Spin-off of the quantum systems segment

16.04.25 The company passed a resolution to start the demerger process by spinning off the quantum systems segment into a new company. As part of the planned demerger, a part of the business would be spun off into a separate entity consisting in:

1. developing and selling control components and control software for quantum computers.
2. developing and selling components, systems and software for quantum key distribution (QKD).
3. Development and sale of time distribution and synchronisation systems including those based on White Rabbit technology.
4. Development and sale of ultra-sensitive digital cameras for terrestrial applications.



5. cooperation with large scientific organisations carrying out research on the Earth's surface, including CERN.

As part of the planned spin-off, the Company's shareholders will be allocated shares in the new company in proportion to their holdings in the Company. The estimated date for finalisation of the spin-off is late '25e and early '26e.

Spin-off of drone/satellite data processing segment

29.04.25 The company has decided to spin off the drone and satellite data processing applications segment. The management indicates that the planned entity will carry out activities consisting of:

1. developing and selling drone-related products and services for both the civil and military markets;
2. developing and selling software related to the processing of data from drone systems as well as other observation data, including that from satellite systems.

The company has no plans at this time to list this company on a stock market.

The 'BLAM' project

30.04.25 The company signed a subcontract with OHB Digital Connect GmbH for the project entitled BLAM (BACKGROUND LIGHT AND ATMOSPHERE METROLOGY FOR QKD AT URBAN LOCATIONS). The value of the tasks to be carried out is EUR 0.18mn and the total duration of the project is 60 months. The company will be responsible for the design and construction of the subsystem of the atmospheric background light measurement device for quantum key distribution from satellites.

We conducted a scenario analysis in three different cases for the commercialization of the HyperSat platform:

■ **Baseline scenario**

Mikroglob project - the budget is set at the level of PLN 452.6mn net. We assume that the realisation of the contract will be spread over the years '25e-'27e.

Camila project - the project budget is PLN 223.6mn. We assume that the realisation of the contract will be spread over the years '25e-'27e.

Orders from ESA - we assume total sales of PLN 179.9mn, recognised in '25e-'29e.

Commercial orders - we assume sales of 24 Hypersat satellite platforms in '28-'30e. We estimate total revenue on the back of this at PLN 828.4mn.

■ **Optimistic scenario**

Mikroglob project - the budget is set at the level of PLN 452.6mn net. We assume that the realisation of the contract will be spread over the years '25e-'27e.

Camila project - the project budget is PLN 223.6mn. We assume that the realisation of the contract will be spread over the years '25e-'27e.

Orders from ESA - we assume total sales of PLN 179.9mn, recognised in '25e-'29e.

Commercial orders - we assume sales of 30 Hypersat satellite platforms in '28-'30e. We estimate total revenue on the back of this at PLN 1033.6mn.

■ **Pessimistic scenario**

Mikroglob project - the budget is set at the level of PLN 452.6mn net. We assume that the realisation of the contract will be spread over the years '25e-'27e.

Camila project - the project budget is PLN 223.6mn. We assume that the realisation of the contract will be spread over the years '25e-'27e.

Orders from ESA - we assume total sales of PLN 179.9mn, recognised in '25e-'29e.

Commercial orders - we assume sales of 15 Hypersat satellite platforms in '28-'30e. We estimate total revenue on the back of this at PLN 520.6mn.

■ **USD/PLN = 3.8, EUR/PLN = 4.3.**

Valuation

Valuation method

Our valuation is based 100% on the DCF method, and a comparative valuation is presented for informational purposes only (0% weighting).

Creotech: Summary

Method	Price (PLN)	Weight (%)
12M DCF method	333.3	100%
12M peers valuation	304.3	0%
12M target price	333.3	
Current price	296.5	
Upside/downside (%)	12.4%	

Source: Pekao Equity Research.

Peer comparison

Company name	Ticker	P/S			EV/EBITDA		
		2025e	2026e	2027e	2025e	2026e	2027e
Thales SA	HO FP Equity	2.3	2.2	2.0	13.8	12.5	11.5
Planet Labs	PL US Equity	4.8	4.4	3.6	N/A	N/A	48.7
GomSpace	GOMX SS Eq	3.5	2.7	2.2	45.2	21.1	12.2
Spire Global	SPIR US Equi	4.2	3.8	3.5	N/A	N/A	27.9
Median total		3.9	3.3	2.9	29.5	16.8	20.0
Creotech Instruments		3.9	3.5	2.1	46.9	22.9	11.1
Premium/discount vs. Median		1%	7%	-25%	59%	37%	-44%
Implied value PLN p.s.		282.5	267.5	382.5	188.3	216.0	488.9

Source: Bloomberg, Pekao Equity Research

Valuation of the quantum segment

To our valuation of the company, we separately add a valuation of the quantum segment, the spin-off of which is expected to take place in '26e and existing shareholders are expected to receive shares in the new entity. We assume this company could generate PLN 27mn in revenue in '27e largely due to the commercialisation of the eCAUSIS project. Given the early stage of the segment's development, we apply a P/S target ratio of 5.0x to the '26e-27e revenue forecast.

	2026e	2027e
Revenues	18.6	27.4
P/S ratio	5.0	5.0
Implied value	93.1	136.8
Segment valuation	114.9	

Source: Pekao Equity Research.

The key assumptions incorporated in our DCF valuation model are as follows:

- Risk-free rate of 5.5% from 2025-30e and 4.0% in the residual period.
- Capital risk premium of 6.0% from 2025-30e and 5.0% in the residual period.
- Beta ratio of 1.1.
- A credit margin of 2.8%.
- Tax rate of 19.0%.
- Dynamic weighting of equity and debt capital in the calculation of the weighted cost of capital (WACC).
- Residual period growth rate of 2.0% - taking into account the capital reinvestment rate.
- We take into account the number of shares including the latest SPO and the implementation of the incentive programme.
- Since '26, we do not include the quantum segment in the DCF, the value of which is added separately to the final valuation.

Rating ESG

Capital Goods	E	S	G
Score	0.27	0.60	0.85
Sector weight	20%	40%	40%
Final ESG Score	0.63		
ESG Rating	C		

	score from:	to	Rating	WACC risk premium impact (% of RFR)
ESG Score	1.5	2	A	-15.00%
	1	1.5	B	-7.50%
	0.5	1	C	0%
	0	0.5	D	15.00%

WACC calculation

	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Year
Risk free rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	4.0%
Equity risk premium	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.0%
ESG discount/premium	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Beta	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Cost of equity	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	9.5%
Cost of debt	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	6.8%
After-tax cost of debt	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	5.5%
Equity weight	97%	97%	98%	98%	98%	98%	100%
WACC	11.9%	11.9%	12.0%	12.0%	12.0%	12.0%	9.5%

DCF valuation

(PLN mn)	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Year
Revenues	216	243	396	283	305	361	368.2
EBIT	6.7	23.2	56.9	85.5	94.7	121.2	123.6
Taxes on EBIT	-1.3	-4.4	-10.8	-16.2	-18.0	-23.0	-23.5
NOPAT	5.4	18.8	46.1	69.3	76.7	98.1	100.1
Depreciation and assets write-offs	9.8	10.4	10.7	10.9	11.2	11.4	11.4
Change in NWC	-15.5	-9.4	-23.2	8.1	-9.0	-16.1	-10.8
Capital expenditures	-16.2	-14.5	-14.5	-14.5	-14.5	-14.5	-24.2
FCFF	-16.4	5.4	19.0	73.8	64.4	79.0	76.4
<i>Terminal value growth</i>							2.0%
Terminal value							1 036.2
<i>Discount factor</i>	0.89	0.80	0.71	0.64	0.57	0.51	0.46
Discounted free cash flow	-14.6	4.3	13.6	47.0	36.6	40.1	515.8
Enterprise value	642.7						
Quantum segment	114.9						
Net debt - Dec 31 2024	-9.9						
SPO inflow	76.0						
Equity value Dec 31 2024	843.5						
Number of shares (mn)	3.0						
12M target price per share (PLN)	333.3						
Share price as of May 16th (PLN)	296.5						
<i>Upside/Downside vs. current price</i>	12.4%						

Revenues growth	508%	12%	63%	-29%	8%	18%	2.0%
EBIT margin	3.1%	9.5%	14.4%	30.2%	31.1%	33.6%	33.6%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Capex/revenues	7.5%	6.0%	3.7%	5.1%	4.8%	4.0%	6.6%
Capex/depreciation	164.4%	138.9%	135.5%	132.4%	129.7%	127.2%	212.7%

Sensitivity of value to Terminal value growth & WACC

Terminal value growth/WACC		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
	7.5%	348.5	365.4	385.0	407.1	436.1	470.2	512.8
	8.5%	321.1	333.9	348.5	364.6	385.0	408.2	436.1
	9.5%	299.8	309.9	321.1	333.3	348.5	365.4	385.0
	10.5%	282.8	290.9	299.8	309.4	321.1	333.9	348.5
	11.5%	268.9	275.5	282.8	290.5	299.8	309.9	321.1

Sensitivity of value to key drivers' of company earnings

Terminal value EBIT margin/WACC		27.6%	29.6%	31.6%	33.6%	35.6%	37.6%	39.6%
	7.5%	360.1	375.7	391.4	407.1	422.9	438.7	454.5
	8.5%	322.3	336.4	350.5	364.6	378.7	392.7	406.8
	9.5%	295.1	307.8	320.6	333.3	346.0	358.7	371.4
	10.5%	274.6	286.2	297.8	309.4	320.9	332.5	344.0
	11.5%	258.6	269.3	279.9	290.5	301.1	311.6	322.1

Source: Pekao Equity Research

Scenario analysis - base scenario

	2025e	2026e	2027e	2028e	2029e	2030e
Revenues	216.2	243.1	396.1	282.9	304.7	360.9
y/y	508.0%	12.4%	62.9%	-28.6%	7.7%	18.5%
Grants	11.9	6.6	5.4	5.6	5.8	6.1
Electronic manufacturing	0.0	0.0	0.0	0.0	0.0	0.0
Science	13.6	0.0	0.0	0.0	0.0	0.0
Earth observation	0.0	2.0	2.5	3.1	3.9	4.9
Space	190.6	234.6	388.3	274.1	294.9	350.0
EBIT	6.7	23.2	56.9	85.5	94.7	121.2
EBIT margin (%)	3.1%	9.5%	14.4%	30.2%	31.1%	33.6%
Net income	5.0	19.6	47.0	70.6	79.3	101.9
TP (upside/downside)					333.3	12.4%

Scenario analysis - optimistic scenario

	2025e	2026e	2027e	2028e	2029e	2030e
Revenues	216.2	243.1	396.1	343.7	373.1	436.9
y/y	508.0%	12.4%	62.9%	-13.2%	8.6%	17.1%
Grants	11.9	6.6	5.4	5.6	5.8	6.1
Electronic manufacturing	0.0	0.0	0.0	0.0	0.0	0.0
Science	13.6	0.0	0.0	0.0	0.0	0.0
Earth observation	0.0	2.0	2.5	3.1	3.9	4.9
Space	190.6	234.6	388.3	334.9	363.3	426.0
EBIT	6.7	23.2	56.9	112.9	126.2	156.9
EBIT margin (%)	3.1%	9.5%	14.4%	32.8%	33.8%	35.9%
Net income	5.0	19.6	47.0	92.7	105.1	131.5
TP (upside/downside)					413.1	39.3%

Scenario analysis - pessimistic scenario

	2025e	2026e	2027e	2028e	2029e	2030e
Revenues	216.2	243.1	396.1	191.7	202.1	246.9
y/y	508.0%	12.4%	62.9%	-51.6%	5.4%	22.2%
Grants	11.9	6.6	5.4	5.6	5.8	6.1
Electronic manufacturing	0.0	0.0	0.0	0.0	0.0	0.0
Science	13.6	0.0	0.0	0.0	0.0	0.0
Earth observation	0.0	2.0	2.5	3.1	3.9	4.9
Space	190.6	234.6	388.3	182.9	192.3	236.0
EBIT	6.7	23.2	56.9	44.5	47.5	67.6
EBIT margin (%)	3.1%	9.5%	14.4%	23.2%	23.5%	27.4%
Net income	5.0	19.6	47.0	37.3	40.8	57.6
TP (upside/downside)					214.9	-27.5%

Źródło: Pekao Equity Research



Risk factors

Among the key risks, in our opinion, to Creotech's operations and performance, we highlight:

- **Risks associated with public grants/contacts** – a constant part of the Company's source of revenue is the activity related to research and development projects financed or co-financed by public funds, which involves the risk of reimbursement of funding. The Company is also exposed to the risk of missing or reduced orders in the event of changes in the financial policies and priorities of funding institutions, including government contracts.
- **Potential share issuances** – the company's revenues and financial performance may be subject to high volatility, and the company is currently in a period of high capital requirements due to its growth nature. Any deviation from our model assumptions, particularly the fiasco of the commercialization of the Hypersat project, could pose significant liquidity risks, resulting in the risk of shareholder dilution due to the need of raising capital.
- **Risk of losing key employees and wage pressures** – the company operates in the sector where appropriately qualified personnel is an important factor. Qualified engineering personnel requires correspondingly high salaries, which can put pressure on the cost side of the business.
- **Failure of the Hypersat commercialization process** – we base our valuation scenarios on the successful commercialization of the Hypersat project. If this project fail, we believe that the company's valuation will deviate significantly from today's capitalization, and the company's future will be in question.
- **Supply chain issues** - unstable supply chains in the electronic components market may result in significantly extended delivery times for key production materials.
- **Potential project postponements and settlements** - any postponement of projects and the settlement of their milestones can have a significant impact on the financial results achieved.

Update of forecasts

The company has recently won two key contracts in the space segment (Microglob + Camila), which will significantly increase the revenue stream in '25e-'27e. We assume that this will allow the company to record a positive net result already this year at PLN 5mn.

Taking into account statements by representatives of the Polish Government, we also assume that the increased contribution to the ESA in the last accounting period will be maintained, which should also positively impact the company's revenues from this in the following years. We currently assume PLN 180mn of revenue during the forecast period related to orders from ESA.

In our view, the company's current valuation already reflects the above positive events and the commercial success of the Hypersat platform (we assume sales of 24 units in '28e-'30e in the base case scenario, recent MoUs with 3 entities increase the likelihood of first contracts during the forecast period). This implies in our view no significant upside to the current market valuation.

A summary of the changes to our forecasts vs. the initiating report is presented in the table below:

	2025e			2026e			2027e		
	Earlier	Now	change	Earlier	Now	change	Earlier	Now	change
Revenues	96.1	216.2	125.0%	201.1	243.1	20.9%	354.1	396.1	11.9%
EBITDA	-3.2	16.6	-617.5%	40.3	33.6	-16.6%	81.6	67.5	-17.2%
EBIT	-11.9	6.7	-156.5%	31.1	23.2	-25.5%	72.2	56.9	-21.3%
Net income	-11.8	5.0	-142.3%	22.8	19.6	-14.1%	56.3	47.0	-16.5%

Source: Pekao Equity Research

P&L (PLN mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Revenues	34	44	36	216	243	396	283
Operating expenses	-42	-61	-58	-210	-220	-339	-197
Other Operating Income/Cost	-1	0	-2	0	0	0	0
EBITDA	-4	-9	-17	17	34	68	96
EBIT	-9	-17	-25	7	23	57	85
Financial Income/(Cost)	0	-1	0	-1	1	1	2
Pretax Profit	-9	-17	-25	6	24	58	87
Income Tax	2	3	5	-1	-5	-11	-17
Net Income	-7	-14	-20	5	20	47	71
Balance Sheet (PLN mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Total Current Assets	45	95	55	199	216	305	317
Cash and Equivalents	26	73	32	90	94	112	185
Other Current Assets	19	22	22	110	122	193	132
Total Fixed Assets	30	77	108	114	118	122	125
Tangible Assets	7	33	33	35	35	35	35
Other Fixed Assets	23	44	74	78	82	86	90
Total Assets	75	173	162	313	334	426	442
Stockholders` Equity	48	91	71	152	172	219	289
Long Term Liabilities	14	57	62	60	58	56	54
Long -Term Debt	2	22	20	18	16	14	12
Other Long - Term liabilities	12	35	42	42	42	42	42
Short Term Liabilities	13	24	30	102	105	152	99
Short -Term Debt	1	2	2	2	2	2	2
Other Current Liabilities	12	22	27	99	102	150	97
Total Equity & Liabilities	75	173	162	313	334	426	442
Net debt	-23	-49	-10	-69	-75	-95	-170
Cash Flow (PLN m)	2022	2023	2024	2025e	2026e	2027e	2028e
Net Profit	-7	-15	-20	5	20	47	71
Depreciation and Amortisation	5	8	8	10	10	11	11
Other (incl. WC)	-5	23	-6	-15	-9	-23	8
Operating Cash Flows	-7	15	-19	-1	21	34	90
Capital Expenditures	-12	-23	-20	-16	-14	-14	-14
Other	3	1	1	0	0	0	0
Cash Flows from Investing Activities	-9	-22	-19	-16	-14	-14	-14
Dividends paid	0	0	0	0	0	0	0
Other	31	54	-4	74	-2	-2	-2
Cash Flows from Financing Activities	31	54	-4	74	-2	-2	-2
Change in Cash	14	48	-41	57	4	18	73
Cash at the end of period	26	73	32	90	94	112	185
Y/Y growth ratios							
Revenues	1%	31%	-19%	508%	12%	63%	-29%
EBITDA	-232%	112%	96%	-198%	103%	101%	43%
EBIT	-983%	94%	47%	-127%	245%	145%	50%
Net profit	3259%	105%	43%	-124%	293%	140%	50%
Margins							
EBITDA	-12.1%	-19.6%	-47.4%	7.7%	13.8%	17.1%	34.1%
EBIT Margin	-25.9%	-38.3%	-69.9%	3.1%	9.5%	14.4%	30.2%
Net Margin	-20.9%	-32.6%	-57.5%	2.3%	8.1%	11.9%	24.9%
ROE	-14.4%	-15.7%	-28.8%	3.3%	11.4%	21.5%	24.4%

Source: Creotech data – regarding the period 2022-24, Pekao Equity Research

Key financial data

Tabela wskaźnikowa (PLN)	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
EPS, GAAP	-4.4	-6.0	-8.6	1.7	6.6	15.9	23.8	26.8	34.4
Revenue	34	44	36	216	243	396	283	305	361
EBIT	-8.7	-16.9	-24.8	6.7	23.2	56.9	85.5	94.7	121.2
EBITDA	-4.1	-8.6	-16.9	16.6	33.6	67.5	96.4	105.9	132.5
Net Income, GAAP	-7.0	-14.3	-20.5	5.0	19.6	47.0	70.6	79.3	101.9
Net Debt	-23	-49	-10	-69	-75	-95	-170	-237	-320
BPS	30.6	38.4	29.8	51.3	57.9	73.8	97.6	124.4	158.8
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Return on Equity %	-14.4%	-15.7%	-28.8%	3.3%	11.4%	21.5%	24.4%	21.5%	21.7%
Return on Assets %	-9.3%	-8.3%	-12.6%	1.6%	5.9%	11.0%	16.0%	15.4%	16.5%
Depreciation	5	8	8	10	10	11	11	11	11
Amortization	0	0	0	0	0	0	0	0	0
Free Cash Flow	-19	-7	-38	-17	6	20	75	67	83
CAPEX	-12	-23	-20	-16	-14	-14	-14	-14	-14

Source: Creotech ('22-'24), Pekao Equity Research

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Analyst	Position	Financial instrument	Number of instruments	Exposure (long/short)	Average transactions price	Transactions dates
Lukas Cinikas	Analyst	Creotech	n.a.	n.a.	n.a.	n.a.

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Our company valuations are based on two valuation methods selected from among the following: discount model, multiples-based model or asset-based valuation method.

Discount models are characterized by simultaneous and comprehensive consideration of key determinants of intrinsic value, e.g. operating cash flow, capex, cost of capital (WACC). They are theoretically appealing and provide a direct computation of intrinsic value. However, discount model valuations are highly sensitive to changes in assumptions, particularly the risk free rate and terminal growth rate. Moreover, projections cannot be stated with certainty; unforeseen future events can cause income or earnings projections to be invalid.

Multiples-based models are based on the analysis of the valuation multipliers of a given company in relation to other similar companies in the industry. Among strengths of multiplier models we can highlight their simplicity, as they are easy to compute as well as to understand. Moreover, only the key statistics for investors are chosen for valuation. On the other hand, multiples are based on historic data or near-term forecasts. Valuations based on multiples will therefore fail to capture differences in projected performance over the longer term. Finally, it may be problematic to select a suitable peer group.

Asset-based models can be used even if a company has a brief record of earnings or its future existence is uncertain. However, it may be challenging to determine market value of some assets, particularly intangibles. Additionally, asset-based models do not take into account future changes in financial results, nor do they include non-balance sheet items, such as know-how.

Valuation models are dependent on macroeconomic factors, such as interest rates, exchange rates, raw materials, and on assumptions about the economy. Furthermore, market sentiment affects the valuation of companies. The valuation is also based on expectations that might change rapidly and without notice, depending on developments specific to individual industries. Our recommendations and target prices derived from the models might therefore change accordingly.

The investment ratings generally relate to a 12-month horizon. They are, however, also subject to market conditions and can only represent a snapshot. The ratings may in fact be achieved more quickly or slowly than expected, or need to be revised upward or downward. In the tables and charts throughout this report, we designate the years with an "E" to denote that the figures presented are forecasts and estimates.

Definition of ratings used in our publications:

We currently use a three-tier recommendation system for the stocks in our formal coverage: Buy, Hold, or Sell (see definitions below):

A **Buy** is applied when the expected total return over the next twelve months is higher than 15%.

A **Hold** is applied when the expected total return over the next twelve months is within the range of 0% to 15%.

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P/E – „Price/Earnings” is the ratio of the financial instrument price to the net financial result for the issuer of the financial instrument.

P/B – „Price/Book Value” is the ratio of the price of the financial instrument to the issuer's equity capital.

EPS – „Earnings per Share”, i.e. net profit per share.

BVPS – „Book Value per Share”.

FWD – „Forward” - stands for the ratio (eg. P/E) calculated on the basis of the expected results.

DPS – „Dividend per Share”.

DY – „Dividend Yield”, a ratio calculated as dividends per share divided by the current share price.

EBIT – „Earnings Before Interest and Taxes”.

EBITDA - „Enterprise Value / Earnings Before Interest, Taxes, Depreciation and Amortization”.

EV/EBITDA – “Enterprise Value / Earnings Before Interest, Taxes, Depreciation and Amortization” is the company's market capitalization (price x number of shares) increased by the value of net financial debt and the value of minority shareholders divided by the operating result increased by the value of the company's asset depreciation.

AGM – Annual General Meeting