Bank Pekao
Biuro Maklerskie

Program Wsparcia Pokrycia Analitycznego GPW

Company report | **IT** | Poland | **26 May 2025**

Atende

On the road to restoring profitability

We raised our recommendation to BUY (previously: HOLD) with a 12-month target price of PLN 3.77 (previously PLN 3.1).

- Atende S.A. Group reported 1Q'25 results better than our expectations. Revenue was at the level of 78mn (+25% y/y), vs. 70mn of our expectations. The Group recorded a gross margin of 22.9% vs. 21.8% of our assumptions (mainly due to the level of margin in subsidiaries, which increased by 4.8p.p.). The above, while maintaining SG&A costs at PLN 15mn, translated into a positive EBIT of PLN 3mn. The increase in revenue was driven by strong sales to the public segment (+145% y/y, to PLN 29.9mn vs. PLN 12.2mn a year earlier - most projects were completed for the uniformed services and for government entities), with growth also recorded in sales to customers in the financial area (+26% y/y) and industry/commerce/services (+13% y/y). Sales to the TMT sector recorded a decrease of 21% y/y. Product-wise, the largest sales increases were recorded within equipment deliveries (PLN 46.7mn vs. 28.4mn a year earlier).
- Atende Group also published its strategic goals until '27e. They assume PLN 41.4mn of EBITDA (excluding acquisitions), an increase in the margin from the sale of post-paid services to PLN 66.7mn (including exceeding 50% coverage of fixed costs). The company also plans to pay an annual dividend of at least 30% of net profit.
- **After a better-than-expected 1Q'25, we are raising our full-year revenue forecast to PLN 376mn (+7% y/y) vs. 365mn previously. We continue to assume an improvement in the y/y EBIT margin given the planned completion of Phase I of the PGE contract to 2.7%.** We assume that subsequent forecast periods will see a further recovery in profitability (targeting 3.6% in 27e).

Key financial information

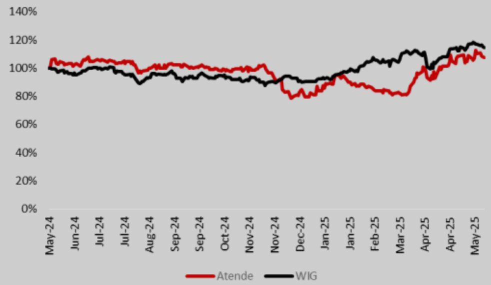
PLN mn	2022	2023	2024	2025e	2026e	2027e	2028e
Revenues	225.6	328.1	352.3	375.8	385.5	395.1	404.5
EBITDA	12.9	22.4	-0.7	22.5	20.7	22.8	22.7
EBIT	3.0	11.8	-12.0	10.1	11.0	14.1	14.4
Net income	1.8	7.4	-12.0	6.6	7.7	10.1	10.4
EPS	0.0	0.2	-0.3	0.2	0.2	0.3	0.3
DPS	0.0	0.0	0.1	0.1	0.1	0.2	0.2
DY	0.0	0.0	4.6%	3.5%	4.4%	5.3%	6.2%
P/E	61.6	15.0	neg.	16.9	14.6	11.0	10.7
EV/EBITDA	8.4	4.4	neg.	4.1	4.7	4.1	4.0

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

BUY (prev. HOLD)

Target price	**PLN 3.77**
Upside to TP	**22.9%**
Price on 23 May 2025	PLN 3.07
ESG Rating	C
ESG Score	0.69

Relative share price performance vs. WIG Index



UPCOMING EVENTS

1HY'24e results	16.09.25
3Q'24e results	13.11.25

STOCK DATA

Bloomberg	ATD PW
Free float (%)	45.0
Market cap (PLNmn)	111.2
No. of shares	36.3

Shareholders: Spinoza Family Foundation 32.9%; Piotr Nadolski 12.3%; OFE PKO BP Bankowy 10.0%

Lukas Cinikas
lukas.cinikas@pekao.com.pl

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Recent developments

1Q'25 results

Atende Group published its financial results for Q1'25, reporting on a consolidated level:

- Revenue of PLN 78mn (+25% y/y), vs. 70mn of our expectations.
- Operating profit = PLN 3mn vs. -1mn a year earlier and 0mn of our assumptions.
- EBITDA = PLN +6mn vs. 2mn a year earlier and 3mn of our assumptions.
- Net result = PLN +2mn vs. -0.5mn of our assumptions and -1mn a year earlier.
- On a standalone level, the Company generated OCF of PLN -41.7mn and cash at the end of 2024 was PLN 10.8mn

Atende S.A. Group reported 1Q'25 results better than our expectations. Revenue was at the level of 78mn (+25% y/y), vs. 70mn of our expectations. The Group recorded a gross margin of 22.9% vs. 21.8% of our assumptions (mainly due to the level of margin in subsidiaries, which increased by 4.8p.p.). The above, while maintaining SG&A costs at PLN 15mn, translated into a positive EBIT of PLN 3mn. The increase in revenue was driven by strong sales to the public segment (+145% y/y, to PLN 29.9mn vs. PLN 12.2mn a year earlier - most projects were completed for the uniformed services and for government entities), with growth also recorded in sales to customers in the financial area (+26% y/y) and industry/commerce/services (+13% y/y). Sales to the TMT sector recorded a decrease of 21% y/y. Product-wise, the largest sales increases were recorded within equipment deliveries (PLN 46.7mn vs. 28.4mn a year earlier). Consolidated margin from sales of subscription services was PLN 13.4mn (+23% y/y) and covered 46% of fixed costs. Weak OCF was mainly due to normalization of working capital levels after 4Q'24.

P&L (PLN m)	1Q24	2Q24	3Q24	4Q24	1Q25	Y/Y	Q/Q	Pekao	vs. Pekao	'24	'25e
Revenues	62	65	94	132	78	25%	-41%	70	11%	352	327
Gross profit	14	14	18	3	18	31%	472%	15	17%	49	72
SG&A	-15	-13	-16	-15	-15	5%	1%	-15	0%		
Other op. Income/cost	0	0	0	-3	0	88%	-113%	0	#DZIEL/0!		
EBITDA	2	4	5	-12	6	179%	-150%	3	107%	17	16
'EBIT	-1	1	2	-15	3	-473%	-120%	0	-2276%	-12	5
Financial Income/(Cost)	-1	-1	0	-1	0	-26%	-46%	0	35%	-2	-2
Pretax profit	-1	1	2	-15	2	-279%	-116%	0	-632%	-14	3
Net income	-1	1	1	-13	2	-269%	-116%	0	-535%	-12	2

Source: Atende, Pekao Equity Research

Valuation

Valuation method

Our valuation is based 100% on the DCF method, and a comparative valuation is presented for informational purposes only (0% weighting). We also decided to mark to market minority interests in Omnichip and Phoenix Systems, whose profile is different in nature from the group's core business.

Atende: Summary

Method	Price (PLN)	Weight (%)
12M DCF method	3.77	100%
12M peers valuation	6.55	0%
12M cena docelowa	**3.77**	
Current price	3.07	
Upside/downside (%)	22.9%	

Source: Pekao Equity Research.

Peers valuation

		P/S			EV/EBITDA			P/E		
Compay name	**Ticker**	**2025e**	**2026e**	**2027e**	**2025e**	**2026e**	**2027e**	**2025e**	**2026e**	**2027e**
Capgemini SE	CAP FP Equit	1.2	1.1	1.1	8.3	8.0	7.6	13.1	12.4	11.5
Tieto OYJ	TIETO NO Equ	1.0	1.0	0.9	9.9	8.3	7.8	13.9	10.4	9.8
Sopra Steria Group	SOP FP Equit	0.7	0.7	0.6	6.8	6.5	6.2	11.2	10.2	9.4
Computacenter PLC	CCC LN Equit	0.4	0.3	0.3	6.8	6.4	5.9	14.5	13.3	12.1
Accenture PLC	ACN US Equit	2.9	2.7	2.6	15.2	14.2	13.2	25.0	23.3	21.3
Asseco Poland	ACP PW Equi	0.8	0.8	0.7	7.0	6.8	6.4	23.5	20.8	18.4
Asseco BS	ABS PW Equi	6.3	5.8	5.4	16.5	14.9	13.8	24.0	21.4	19.9
Cognizant	CTSH US Equ	1.9	1.8	1.7	10.0	9.6	8.9	15.7	14.6	13.5
Mediana		**1.1**	**1.0**	**1.0**	**9.1**	**8.1**	**7.7**	**15.1**	**14.0**	**12.8**
Atende		**0.3**	**0.3**	**0.3**	**4.1**	**4.7**	**4.1**	**16.9**	**14.6**	**11.0**
Premia/dyskonto		*265%*	*262%*	*255%*	*120%*	*72%*	*88%*	*-11%*	*-4%*	*17%*
Implikowana wartość na akcję PLN		**11.21**	**11.13**	**10.91**	**6.14**	**5.00**	**5.33**	**2.74**	**2.95**	**3.58**

Source: Bloomberg, Pekao Equity Research

Shares in Omnichip

Our assumptions for the company's valuations:

PLN mn	2025e	2026e	2027e
Revenues	6.0	6.6	7.3
EBITDA	2.1	2.3	2.5
EBIT	1.7	1.9	2.1
Net income	1.4	1.5	1.7
Net debt	-2.5	-2.5	-2.5

Source: Pekao Equity Research

Peers valuation

			P/S			EV/EBITDA			P/E		
Company	**Krótki opis spółki**	**Ticker**	**2025e**	**2026e**	**2027e**	**2025e**	**2026e**	**2027e**	**2025e**	**2026e**	**2027e**
Realtek Semiconductor Corp	IC designer, tester and distributor	2379 TT Equit	2.0	1.9	1.7	10.7	10.0	8.6	15.6	14.4	12.1
Mediatek Inc	R&D, semiconductor manufacturing and sales	2454 TT Equit	3.5	3.0	2.6	13.9	12.1	10.5	18.1	15.4	13.3
AT&S	Manufacturer of PCBs and substrates for semiconductors	ATS AV Equit	0.4	0.4	0.3	8.8	5.9	5.0	#N/A N/A	#N/A N/A	135.0
Synopsys Inc	IP and software for chip manufacturing	SNPS US Equ	11.5	10.2	9.0	26.2	22.7	19.6	33.6	29.5	25.4
Cadence Design Systems Inc	IP, software, hardware for chip manufacturing	CDNS US Equ	16.6	14.9	13.3	35.8	31.4	27.5	46.8	40.9	35.9
Median			**3.5**	**3.0**	**2.6**	**13.9**	**12.1**	**10.5**	**25.9**	**22.4**	**25.4**
Omnichip (value mnPLN)			**20.6**	**19.7**	**18.7**	**31.8**	**30.1**	**28.7**	**36.0**	**34.6**	**43.3**
ATD share			*55%*	*55%*	*55%*	*55%*	*55%*	*55%*	*55%*	*55%*	*55%*
Omnichip - ATD share (mnPLN)			*11.33*	*10.83*	*10.29*	*17.50*	*16.57*	*15.78*	*19.80*	*19.02*	*23.83*
Omnichip - minorities ATD (mnPLN)			*9.27*	*8.86*	*8.42*	*14.32*	*13.56*	*12.91*	*16.20*	*15.56*	*19.50*
Omnichip - minorities (mnPLN)							**13.2**				

Source: Bloomberg, Pekao Equity Research

Shares in Phoenix Systems

Our assumptions for the company's valuations:

PLN mn	2025e	2026e	2027e
Revenues	5.7	6.1	6.4
EBITDA	1.8	1.9	2.0
EBIT	1.5	1.6	1.7
Net income	1.3	1.4	1.5
Net debt	0.4	0.4	0.4

Source: Pekao Equity Research

Peers valuation

			P/S			EV/EBITDA			P/E		
Company	**Description**	**Ticker**	**2025e**	**2026e**	**2027e**	**2025e**	**2026e**	**2027e**	**2025e**	**2026e**	**2027e**
Kontron AG	IoT solutions for business	KTN GY Equity	0.7	0.7	0.6	7.2	6.5	5.8	11.2	9.6	8.9
Cancom SE	IoT solutions for business	COK GR Equi	0.4	0.4	0.4	6.6	6.0	5.7	17.8	14.9	13.2
Seco SPA	IoT systems and solutions for various industries	IOT IM Equity	1.1	1.0	0.9	7.6	6.3	5.5	31.0	17.4	12.5
Alarm.com	Provides IoT solutions (i.a. home)	ALRM US Equ	2.6	2.5	2.4	12.2	11.2	10.1	22.3	21.0	23.4
Johnson Controls PLC	Provides IoT solutions (min. smart building)	JCI US Equity	2.1	2.0	1.9	15.6	14.0	12.9	21.0	18.0	15.6
Median total			**1.1**	**1.0**	**0.9**	**7.6**	**6.5**	**5.8**	**21.0**	**17.4**	**13.2**
Omnichip (value mnPLN)			**8.5**	**8.0**	**7.7**	**17.0**	**14.6**	**13.2**	**33.5**	**31.5**	**23.9**
ATD share			*51%*	*51%*	*51%*	*51%*	*51%*	*51%*	*51%*	*51%*	*51%*
Phoenix Systems - ATD share (mnPLN)			*4.35*	*4.10*	*3.94*	*8.69*	*7.44*	*6.74*	*17.10*	*16.06*	*12.20*
Phoenix Systems - minorities ATD (mnPLN)			*4.18*	*3.94*	*3.79*	*8.35*	*7.15*	*6.48*	*16.43*	*15.43*	*11.72*
Phoenix Systems - minorities (mnPLN)							**8.61**				

Source: Bloomberg, Pekao Equity Research

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

- Risk-free rate of 5.4% 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 1.0.
- A credit margin of 2.5%.
- An effective income tax rate of 18.7%.
- Residual EBIT margin as an average over the forecast period.
- Dynamic weighting of equity and debt capital in the calculation of the weighted cost of capital (WACC).
- Non-controlling interests based on market valuation of Omnichip and Phoenix Systems.
- Residual period growth rate of 2.0% - taking into account the capital reinvestment rate.

Rating ESG

TMT	E	S	G
Score	0.26	0.60	1.00
Sector weight	20%	40%	40%
Final ESG Score		**0.69**	
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	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	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	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cost of equity	**11.4%**	**11.4%**	**11.4%**	**11.4%**	**11.4%**	**11.4%**	**9.0%**
Cost of debt	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	6.5%
After-tax cost of debt	**6.4%**	**6.4%**	**6.4%**	**6.4%**	**6.4%**	**6.4%**	**5.3%**
Equity weight	81%	81%	81%	81%	81%	81%	81%
WACC	**10.4%**	**10.4%**	**10.4%**	**10.4%**	**10.4%**	**10.4%**	**8.3%**

DCF valuation

(PLN mn)	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Year
Revenues	376	385	395	404	414	423	432
EBIT	10.1	11.0	14.1	14.4	14.7	15.1	14.2
Taxes on EBIT	-1.9	-2.1	-2.6	-2.7	-2.8	-2.8	-2.7
NOPAT	**8.2**	**9.0**	**11.4**	**11.7**	**12.0**	**12.2**	**11.6**
Depreciation and assets write-offs	12.4	9.7	8.7	8.3	8.2	8.2	8.2
Change in NWC	-24.2	-9.3	-0.9	-0.9	-0.9	-0.9	-0.9
Capital expenditures	-6.7	-7.7	-7.9	-8.1	-8.3	-8.5	-9.3
FCFF	**-10.4**	**1.6**	**11.3**	**11.1**	**11.0**	**11.1**	**9.6**
Terminal value growth							*2.0%*
Terminal value							156.4
Discount factor	*0.91*	*0.82*	*0.74*	*0.67*	*0.61*	*0.55*	*0.51*
Discounted free cash flow	-9.4	1.3	8.4	7.4	6.7	6.1	*84.5*
Enterprise value	**105.1**						
Minorities (market value)	21.8						
Net debt (31.12.24)	-34.6						
Other adjustments	0.0						
Equity value	**117.9**						
Number of shares (mn)	36.3						
12M target price per share (PLN)	**3.77**						
Share price as of 23.05.25 (PLN)	3.07						
Upside/Downside vs. current price	*23.0%*						

	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Year
Revenues growth	7%	3%	3%	2%	2%	2%	2.0%
EBIT margin	2.7%	2.9%	3.6%	3.6%	3.6%	3.6%	3.3%
Tax rate	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
Capex/revenues	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.2%
Capex/depreciation	54.1%	79.8%	90.6%	97.1%	100.8%	102.6%	113.3%

Sensitivity of 12M target price per share to Terminal value growth & WACC

Terminal value growth/WACC	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
6.3%	4.0	4.3	4.6	5.0	5.6	6.3	7.2
7.3%	3.6	3.8	**4.0**	**4.3**	**4.6**	5.0	5.6
8.3%	3.3	3.4	**3.6**	**3.8**	**4.0**	4.3	4.6
9.3%	3.0	3.1	**3.3**	**3.4**	**3.6**	3.8	4.0
10.3%	2.8	2.9	3.0	3.1	3.3	3.4	3.6

Sensitivity of 12M target price per share to key drivers' of company earnings

TV EBIT margin/WACC in Terminal Year	2.0%	2.5%	3.0%	3.3%	3.8%	4.3%	4.8%
6.3%	4.1	4.4	4.8	5.0	5.5	6.0	6.4
7.3%	3.3	3.7	**4.1**	**4.3**	**4.7**	5.1	5.5
8.3%	2.9	3.2	**3.6**	**3.8**	**4.1**	4.5	4.9
9.3%	2.6	2.9	**3.2**	**3.4**	**3.7**	4.1	4.4
10.3%	2.4	2.6	2.9	3.1	3.4	3.7	4.0

Source: Pekao Equity Research

Risk factors

Economic environment risk. The company's business is dependent on the condition of the domestic and global economies, which affects the financial results and the amount of IT budgets of companies. Increase in economic uncertainty may also affect the amount of IT investments.

Currency risk. The Group imports IT equipment that is settled in foreign currencies (mainly EUR and USD), which implies currency risk. To mitigate the risk, the Company uses hedging instruments at a level of at least 90.0% of foreign currency transactions.

Risk of losing key employees. The company's operations include, among others, IT specialists, which means that their loss could expose the company to the risk of delays in the execution of contracts and the acquisition of new ones.

Delivery delays. The Group's business is based on IT equipment through which it is exposed to the risk of delays, loss of contracts and problems with acquiring new ones in the situation of disruptions in supply chains.

Competition risk. The Group operates in a highly fragmented market for ICT services, which may adversely affect financial performance and force continuous innovation.

Risk of losing a key customer and concentration of orders. The group sells services to large entities and public customers. In 2023, the share of two customers exceeded 10% of the parent company Atende's sales revenue. Revenues from a public sector client amounted to PLN 40.6 million, representing a 14% share of the Company's sales. Revenues from a telecommunications customer amounted to PLN 37.5 million, representing a 12.9% share of the Company's sales.

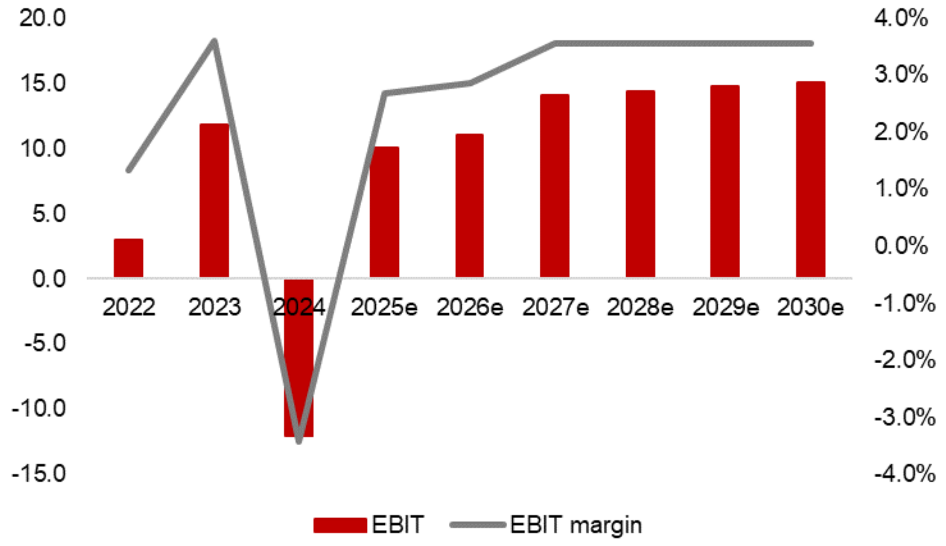
Risks associated with operations with defense customers. The Group sells a portion of its services, where the requirement is to have clearance to access classified information with the highest clauses. Loss of such clearances could expose the company to loss of customers and revenue from this area.

Risks associated with winning new contracts. The Group operates in a sector where the majority of contracts are awarded through tenders and competitive pricing pressures can result in loss of orders and have a negative impact on margins.

Cyber security risks. In the event of an IT security incident and data leakage, the group is exposed to compensation and reputational risks, which could lead to the loss of customers and a claim in this respect.

Update of forecasts

After a better-than-expected 1Q'25, we are raising our full-year revenue forecast to PLN 376mn (+7% y/y) vs. 365mn previously. We continue to assume an improvement in the y/y EBIT margin given the planned completion of Phase I of the PGE contract to 2.7%. We assume that subsequent forecast periods will see a further recovery in profitability (targeting 3.6% in 27e).



Source: Pekao Equity Research

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	364.8	375.8	3.0%	375.4	385.5	2.7%	386.0	395.1	2.4%
EBITDA	17.9	22.5	25.4%	19.4	20.7	6.6%	21.2	22.8	7.4%
EBIT	5.5	10.1	82.8%	9.4	11.0	17.2%	12.4	14.1	13.4%
Net income	2.9	6.6	127.5%	6.1	7.7	25.6%	8.5	10.1	19.2%

Source: Pekao Equity Research

P&L (PLN mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Revenues	**226**	**328**	**352**	**376**	**385**	**395**	**404**
Gross Profit	**54**	**67**	**49**	**76**	**80**	**84**	**86**
Other Operating Income/Cost	-51	-55	-61	-66	-69	-70	-72
EBITDA	**13**	**22**	**-1**	**22**	**21**	**23**	**23**
EBIT	**3**	**12**	**-12**	**10**	**11**	**14**	**14**
Financial Income/(Cost)	-1	-1	-2	-2	-2	-2	-2
Pretax Profit	**-1**	**2**	**-14**	**8**	**9**	**12**	**13**
Income Tax	0	-1	2	-2	-2	-2	-2
Net Income	**2**	**7**	**-12**	**7**	**8**	**10**	**10**
EPS (PLN)	**0.0**	**0.2**	**-0.3**	**0.2**	**0.2**	**0.3**	**0.3**

Balance Sheet (PLN mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Total Current Assets	**109**	**153**	**181**	**191**	**193**	**200**	**206**
Cash and Equivalents	17	34	61	46	41	45	48
Other Current Assets	91	119	120	145	152	155	158
Total Fixed Assets	**55**	**65**	**70**	**65**	**63**	**62**	**62**
Tangible Assets	24	23	26	20	18	17	17
Other Fixed Assets	31	41	45	45	45	45	45
Total Assets	**164**	**218**	**251**	**255**	**256**	**262**	**268**
Stockholders` Equity	**75**	**82**	**65**	**68**	**71**	**75**	**79**
Long Term Liabilities	**13**	**25**	**29**	**29**	**29**	**29**	**29**
Long -Term Debt	4	7	13	13	13	13	13
Other Long - Term liabilities	9	18	16	16	16	16	16
Short Term Liabilities	**76**	**110**	**157**	**158**	**156**	**158**	**160**
Short -Term Debt	10	15	13	13	13	13	13
Other Current Liabilities	66	96	143	145	142	145	147
Total Equity & Liabilities	**164**	**218**	**251**	**255**	**256**	**262**	**268**
Net debt	-3	-12	-35	-19	-14	-18	-21

Cash Flow (PLN m)	2022	2023	2024	2025e	2026e	2027e	2028e
Net Profit	2	7	-12	7	8	10	10
Depreciation and Amortisation	10	11	11	12	10	9	8
Other (incl. WC)	3	5	45	-25	-9	-1	-1
Operating Cash Flows	**15**	**23**	**45**	**-6**	**8**	**18**	**18**
Capital Expenditures	-6	-8	-6	-7	-8	-8	-8
Other	0	-1	0	0	0	0	0
Cash Flows from Investing Activities	**-6**	**-8**	**-6**	**-7**	**-8**	**-8**	**-8**
Dividends paid	0	0	-5	-4	-5	-6	-7
Other	-2	3	-7	1	0	0	0
Cash Flows from Financing Activities	**-2**	**3**	**-12**	**-3**	**-5**	**-6**	**-7**
Change in Cash	8	17	27	-16	-5	4	3
Cash at the end of period	**17**	**34**	**61**	**46**	**41**	**45**	**48**
DPS (PLN)	0.0	0.0	0.1	0.1	0.1	0.2	0.2
Y/Y growth ratios							
Revenues	10%	45%	7%	7%	3%	3%	2%
EBITDA	30%	74%	-103%	-3135%	-8%	10%	0%
EBIT	1928%	293%	-202%	-184%	10%	28%	2%
Net profit	-249%	310%	-262%	-155%	16%	32%	3%
EPS	-249%	310%	-262%	-155%	16%	32%	3%
Margins							
EBITDA	**5.7%**	**6.8%**	**-0.2%**	**6.0%**	**5.4%**	**5.8%**	**5.6%**
EBIT Margin	1.3%	3.6%	-3.4%	2.7%	2.9%	3.6%	3.6%
Net Margin	0.8%	2.3%	-3.4%	1.8%	2.0%	2.6%	2.6%
ROE	**2.4%**	**9.0%**	**-18.4%**	**9.7%**	**10.8%**	**13.5%**	**13.2%**
Balance Sheet Ratios							
BVPS (PLN)	2.1	2.3	1.8	1.9	1.9	2.1	2.2
Net debt/EBITDA	-0.2	-0.5	46.8	-0.8	-0.7	-0.8	-0.9
Bank Debt/Equity	18.9%	26.8%	41.0%	39.3%	37.8%	35.7%	34.1%

Source: Pekao Equity Research

Key financial data

Tabela wskaźnikowa (PLN)	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
EPS, GAAP	**0.0**	**0.2**	**-0.3**	**0.2**	**0.2**	**0.3**	**0.3**	**0.3**	**0.3**
Revenue	**226**	**328**	**352**	**376**	**385**	**395**	**404**	**414**	**423**
Gross Margin %	24.0%	20.4%	13.9%	20.2%	20.7%	21.4%	21.4%	21.4%	21.4%
EBIT	**3.0**	**11.8**	**-12.0**	**10.1**	**11.0**	**14.1**	**14.4**	**14.7**	**15.1**
EBITDA	**12.9**	**22.4**	**-0.7**	**22.5**	**20.7**	**22.8**	**22.7**	**22.9**	**23.3**
Net Income, GAAP	**1.8**	**7.4**	**-12.0**	**6.6**	**7.7**	**10.1**	**10.4**	**10.7**	**10.9**
Net Debt	-3	-12	-35	-19	-14	-18	-21	-23	-24
BPS	2.07	2.27	1.80	1.87	1.95	2.06	2.16	2.24	2.29
DPS	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Return on Equity %	2.4%	9.0%	-18.4%	9.7%	10.8%	13.5%	13.2%	13.1%	13.1%
Return on Assets %	1.1%	3.4%	-4.8%	2.6%	3.0%	3.9%	3.9%	3.9%	3.9%
Depreciation	10	11	11	12	10	9	8	8	8
Amortization	0	0	0	0	0	0	0	0	0
Free Cash Flow	9	15	39	-13	0	10	10	10	10
CAPEX	-6	-8	-6	-7	-8	-8	-8	-8	-8

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

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Lukas Cinikas	Analyst	Atende	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.

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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