

IFIRMA *summary of report*

accumulate

business services / IT

previous recommendation: accumulate

Market price*: 26,35

Target price: 29,7

High profitability instead of expansion

In Q1'25, IFIRMA once again surprised positively with its results. We assess both revenues (increase in revenue dynamics to 15.4% y/y) and costs positively, which were lower y/y both at the level of sales costs (-47.1% y/y) and management costs (-7.1% y/y), while production costs grew significantly slower (+6.4% y/y) than revenue dynamics. Thus, in Q1'25, the company achieved record quarterly results, and the effects of cost cutting should continue in the following quarters, although with limited growth prospects due to high competition and the decision to cut marketing expenses. We would like to point out that in the first and second quarter the company generates significant revenues from annual settlements and, compared to the base from the previous year, certain shifts in these revenues cannot be ruled out, therefore we approach the results in Q2'25 with a bit of caution - we assume high positive dynamics y/y but not as high as in Q1'25.

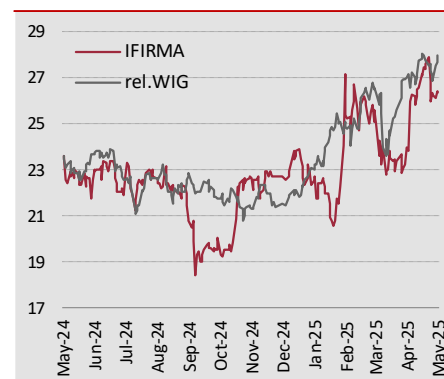
Due to the good results in Q1'25, we have made a slight upward correction to IFIRMA revenues in 2025 and subsequent years in our model, as well as a larger correction at the gross margin level, thanks to the positive impact of reduced costs. Valuation indicators for comparable companies have also increased since the previous recommendation. As a result, we are changing the target price for IFIRMA shares from PLN 25.4 to PLN 29.7 per share and maintaining the "accumulate" recommendation.

A significant risk to our forecasts is the amount of the increase in the prices of services in the accounting office. The increase occurred annually in recent years, the price list change was announced at the end of June, and the increase itself came into effect on August 1. In the model, we assume that subsequent increases will be slightly higher than inflation. Another significant question mark is the pace of customer acquisition in the new reality - significantly lower sales expenses - with the still very high marketing activity of the competition, including the main competitor, InFakt. We assumed a modest increase of a few percent year-on-year in the customer base.

A small positive surprise in Q1'25 was the 12% y/y improvement in revenues of the small IT outsourcing and recruitment segment, which had very weak previous 2 quarters. This allowed us to improve revenue assumptions also for this segment (apart from the main segment, - ifirma.pl service), which, with the assumed relatively constant costs, also slightly translates into an improvement in the forecast of the results of the entire company.

In Q1'25, IFIRMA intensified its work on software supporting full accounting records. Although the company does not expect significant economic effects in the short term, it is clear that the service is being consistently developed and is an option for accelerating growth in the coming years.

In the previous recommendation, we wrote about the potential positive impact on IFIRMA of the act reducing the health insurance contribution for entrepreneurs from 2026. However, President Andrzej Duda decided to veto it. Prime Minister Donald Tusk announced that he would take steps to return to the topic after the presidential elections.



Max/min 52 weeks (PLN)	28 / 18,1		
Shares issued (m)	6,400		
Market cap. (m PLN)	168,6		
EV (m PLN)	188,1		
Free float (m PLN)	71,4		
Average turnover (m PLN)	0,07		
Main shareholder	Wojciech Narczyński		
% of shares, % of votes	26,8%, 33,0%		
	1 m	3 m	12 m
Price change	9,8%	4,5%	12,1%
WIG change	3,4%	12,9%	19,4%

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	Sales	EBIT	EBITDA	Profit before tax	Net profit	EPS	CEPS	BVPS	P/E	P/BV	DY (%)	EV /EBITDA	ROE (%)
2024	58,3	9,5	10,1	10,5	8,4	1,31	1,40	2,27	20,1	11,6	3,9%	18,6	57,8%
2025f	65,3	14,0	14,5	14,7	11,9	1,87	1,94	2,46	14,1	10,7	6,4%	13,0	76,0%
2026f	72,1	14,3	14,8	15,0	12,1	1,89	1,97	2,65	13,9	10,0	6,5%	12,7	71,5%
2026f	77,6	14,6	15,1	15,2	12,3	1,92	2,01	2,84	13,7	9,3	7,6%	12,4	67,7%

f - BM Bank Millenniumforecasts, PLN million

The report was prepared by Biuro Maklerskie Banku Millennium S.A. on the order of the Warsaw Stock Exchange S.A. within the Program of Analytical Coverage Support Information regarding the links between Bank Millennium with the company being the subject of this report and other required information were placed on the last page of the report.

* - market price for May 28, 2025 17:00

BM Bank Millennium recommendation for the last 12 months

Company	Recommendation	Date of the recommendation	Applicable price on the day the recommendation	Target price	Author
Mostostal Zabrze	Buy	01/07/2024	4,46	5,90	Adam Zajler
IFIRMA	Neutral	24/09/2024	22,80	20,80	Seweryn Żołyński
Ambra	Accumulate	01/10/2024	26,10	30,40	Grzegorz Gawkowski
IMS	Buy	07/10/2024	3,54	4,50	Łukasz Bugaj
Mostostal Zabrze	Buy	06/12/2024	5,10	6,10	Adam Zajler
Ambra	Accumulate	12/03/2025	22,70	25,90	Grzegorz Gawkowski
Mostostal Zabrze	Buy	27/03/2025	5,68	6,80	Adam Zajler
IFIRMA	Accumulate	09/04/2025	22,90	25,40	Seweryn Żołyński
IMS	Buy	21/05/2025	3,75	4,60	Łukasz Bugaj

Source: BM Bank Millennium recommendations issued by BM Bank Millennium are valid for 6 months from the date of issue, unless they are updated beforehand. Ambra, Mostostal Zabrze, IFIRMA and IMS participate in the analytical support program of the Warsaw Stock Exchange, and Agora and Korporacja KGL participated in the program until June 30 2023 and for which BM Bank Millennium receives or was receiving remuneration from the Warsaw Stock Exchange.

Structure of BM Bank Millennium recommendation for the last 12 months

	Number of recommendations	Share
Buy	5	56%
Accumulate	3	33%
Neutral	1	11%
Reduce	0	0%
Sell	0	0%

The structure of recommendations for companies for which BM Bank Millennium provided investment banking services*

No recommendations were issued for companies for which BM Bank Millennium provided services in the field of investment

*last 12 months, including companies for which BM Bank Millennium is a market maker

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EV - market valuation of the company + net interest debt
EBIT - operating profit
EBITDA - operating profit + depreciation
WNB - result on banking activity
P/E - ratio of the share price to the net profit per share
P/BV - ratio of the share price to the book value per share
ROE - return on equity
ROA - return on assets
EPS - net profit per share
CEPS - net profit and depreciation per share
BVPS - book value per share
DPS - dividend per share
NPL - non performing loans

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BUY - we believe that the company's shares have more than 20% upside potential
ACCUMULATE - we believe that the company's shares have more than 10% upside potential
NEUTRAL - we believe that the price of the company's shares will remain stable (+/- 10%)
REDUCE - we think that the company's shares are overvalued by 10-20%
SELL - we believe that the company's shares are overvalued by over 20%

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Comparative method (comparison of relevant market indicators at which the company is listed with similar indicators for other companies from the same industry or related industries) - better than the DCF method, it reflects the perception of the industry in which the company operates by investors. The disadvantage of the comparative method is the sensitivity to the selection of the adopted comparative group and the compared ratios, as well as high volatility of the valuation depending on the market situation.
ROE-P/BV method (a model that makes the appropriate P/BV ratio dependent on the company's profitability) - a method considered the most appropriate for the valuation of banks. The disadvantage of this method is the sensitivity of the valuation obtained in this way to the assumptions made regarding both the company itself (profitability, effectiveness) and its macroeconomic environment.

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Work related to the preparation of the report was completed on May 29, 2025, at 15:45, and the date of the first dissemination of the report is May 29, 2025 16:00.

The report was prepared by the Biurow Maklerskie Banku Millennium S.A. commissioned by the Warsaw Stock Exchange S.A. under the Analytical Coverage Support Program.