

Ambra *summary of report*

accumulate

alcoholic beverages

previous recommendation: accumulate

Current price*: 20.9

Target price: 24.9

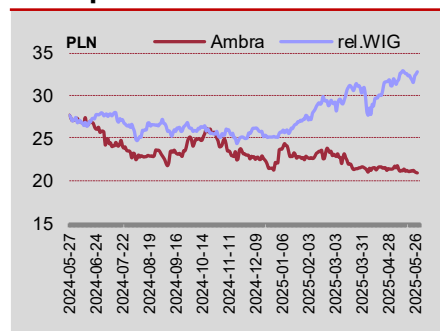
Late Easter weighs on company results

The Ambra Group's results for Q3'2024/25 were weak and significantly below our expectations, mainly due to the underestimation of the effect of the later date of Easter than a year earlier, as well as, among others, a higher than expected share of minorities in profits. Revenues fell by 12.4% y/y to PLN 150.6 million, EBIT amounted to PLN -1.9 million compared to PLN 7.5 million a year earlier, and net loss reached PLN 5.1 million vs. PLN +3.0 million in Q3'2023/24. The seasonal effect reduced sales volumes and translated into a less favorable assortment structure - a lower share of premium alcohol sales was recorded (more expensive wines, spirits), which led to a decrease in the average unit price of a bottle. The above situation is in line with the trend observed for many quarters, in which consumers - with limited purchasing power - more often decide on cheaper substitutes at the expense of higher-priced products. On the other hand, the gross sales margin surprised positively, reaching 37.6% (+1.5 p.p. y/y). We also assess the progressive decline in the dynamics of SG&A costs as a positive, which in Q3'2024/25 amounted to 4.2% y/y. We expect Ambra to take actions to activate sales, including promotions and marketing activities, but their impact in the short term may be limited. At the same time, we believe that the postponement of the holidays may support a rebound in sales and improved results in the next quarter, although in our opinion it will not be sufficient to compensate for the weakness of Q3'2024/25.

Taking into account our forecasted net profit in the financial year 2024/25, the Company is currently listed at a leading P/E ratio of 11.0. We are reducing the target price of 1 Ambra share, compared to the last forecast, from PLN 25.9 to PLN 24.9, while maintaining the "accumulate" recommendation. The change in valuation was negatively affected by the correction of our financial forecasts and the decrease in the market multipliers of comparable companies.

Ambra maintains a solid financial position. At the end of Q3'2024/25, net debt fell to PLN 6.5 million from PLN 83.7 million a quarter earlier, and cash flow from operating activities amounted to PLN 106.3 million (+19.9% y/y). In addition, the company's current liquidity ratio was 2.1, and the increased liquidity ratio was 0.16, which confirms the stability of the balance sheet situation. At the same time, however, we are lowering the dividend forecast from PLN 1.15 to PLN 1.10 per share, which - in our opinion - better reflects the expected weaker implementation of results in the current year and the company's current priorities in terms of capital allocation.

Share price vs. index



Max/min 52 weeks (PLN)	27,8 / 20,0		
Shares issued (m)	25.2		
Market cap. (m PLN)	527		
EV (m PLN)	568		
Free float (m PLN)	205		
Average turnover (m PLN)	0,2		
Main shareholder	Schloss-Wachenheim		
% of shares, % of votes	61.1%, 61.1%		
	1 m	3 m	12 m
Price change	-2,3%	-9,5%	-23,8%
Change rel. WIG	3,4%	31,4%	19,4%

Source: Bloomberg, Biuro Maklerskie Banku Millennium S.A.

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	Sales	EBIT	EBITDA	Profit before tax	Net profit	EPS	CEPS	BVPS	P/E	P/BV	DY (%)	EV /EBIT	EV /EBITDA	ROE (%)
2023/24	913,8	95,8	112,8	89,4	55,1	2,18	2,86	16,4	9,6	1,3	5,3	5,9	5,0	13,3
2024/25p	906,5	89,1	112,0	80,5	48,1	1,91	2,82	17,2	11,0	1,2	5,3	6,4	5,1	11,1
2025/26p	941,2	88,4	113,4	83,4	50,5	2,00	2,99	18,2	10,4	1,2	5,3	6,4	5,0	11,0
2026/27p	993,0	91,3	118,4	86,5	52,5	2,08	3,16	19,1	10,0	1,1	5,5	6,2	4,8	10,9

p - consolidated forecasts BM Banku Millennium, EBITDA in accordance with MSR 17, m PLN

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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

The scale of recommendation used in Biuro Maklerskie Banku Millennium S.A.

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 16:00, and the date of the first dissemination of the report is May 29, 2025, 16:15.

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

BM Banku Millennium recommendation for the last 12 months

Company	Recommendation	Date of the recommendation	Market price on the day the recommendation issue	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 Żołyniak
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 Żołyniak
IMS	Buy	21/05/2025	3,75	4,60	Łukasz Bugaj
IFIRMA	Accumulate	29/05/2025	26,35	29,70	Seweryn Żołyniak

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 Banku Millennium recommendation for the last 12 months

	Number of recommendations	Share
Buy	5	50%
Accumulate	4	40%
Neutral	1	10%
Reduce	0	0%
Sell	0	0%

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

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

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