

ML System

1Q25 results overview and conf call highlights

ML System published its results for 1Q25 and held an analysts' conference call:

- In 1Q25, the group's EBITDA loss reached PLN 8 m, compared to PLN 13.3 m of EBITDA profit a year ago.
- The ML System generated PLN 18.3 m in sales revenue in Q1 2025, compared to PLN 40.1 m in the same period of the previous year.
- The net loss in the first three months amounted to PLN 17.4 m, compared to PLN 5.9 m in profit in Q1 2024.
- As the company explains, the shortage of working capital resulted in a significant drop in revenues, which in turn reduced profitability. At the end of May, the total value of offers submitted by the group amounted to PLN 1.36 bn. The value of the order portfolio reached PLN 224.5 m.
- The total area of orders currently being carried out in BIPV and active glass is 21 thousand m², most of which is export.
- On May 30, 2025, the ML System signed a financing agreement with a consortium of creditors, including BNP Paribas Bank Polska, Bank Gospodarstwa Krajowego, Agencja Rozwoju Przemysłu and Millennium Leasing. The agreement allows the company to finalize its business plan, which is focused on increasing revenues and repaying debt in accordance with an agreed schedule, while stabilizing its liquidity situation. The creditors have committed to maintaining financing and temporarily suspending the enforcement of liabilities, which will allow the company to continue its operations and achieve its strategic goals. The agreement is valid until September 30, 2025, with the possibility of earlier termination, and on May 30, 2025, each of the creditors confirmed that the appropriate payments had been made, and thus the provisions of the agreement regarding the terms and principles of financing came into force.
- In addition, on May 30, 2025, ML System concluded annexes to credit agreements with: BNP Paribas Bank Polska increasing the credit limit to PLN 30 mn from PLN 20 m and extending the current credit availability period to a maximum of May 21, 2026, and Bank Gospodarstwa Krajowego, extending the credit period to September 30, 2025.
- The signing of the above agreements was possible thanks to the conclusion of agreements with the Export Credit Insurance Corporation (KUKE) for contract guarantees for a limit of EUR 2.2 m and payment guarantees for a limit of PLN 24 m.
- The company is trying to do more export contracts as they are higher margin deals compared to domestic agreements.
- Obtaining the KUKE export guarantees has resulted in starting the Lubana and Munich contracts.

Opinion: It seems that the liquidity situation has stabilized for now and ML System was able to launch two foreign contracts.

Technology

ML System

SELL

FV PLN 15.03

Price from 30.05.2025 2024 PLN 16.06

Analysts

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Figure 1. ML System: 1Q25A results overview (PLN m)

	1Q24A	2Q24A	3Q24A	4Q24A	1Q25	Y/Y	diff.	1Q25IPOP.	diff
Revenues	40.12	31.27	42.33	48.56	18.33	-17.7%	0.0%	30.18	-39.3%
Gross profit	7.70	3.33	-7.43	11.23	-5.18	-17.3%	0.3%	-2.43	113.1%
EBITDA	13.34	1.24	-11.11	-9.25	-7.97	na	3.1%	-8.39	-5.1%
EBIT	6.66	-5.95	-18.21	-14.93	-13.50	na	na	-13.89	-2.8%
Net profit	5.87	-8.81	-21.62	-16.24	-17.35	na	na	-12.87	34.9%

Source: Company, IPOPEMA Research

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NII – Net interest income – interest income minus interest expense.

Net F&C – Net fee and commission income – fee and commission income minus fee and commission expense.

LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

NPL – non-performing loan – loans that are in default or close to be in default.

Cost/Income – operating expenses divided by total banking revenue.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR – compound annual growth rate.

BVPS – book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV – price to book value - price divided by the BVPS.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding.

DY – dividend yield – dividend of a given year divided by the current price.

DDM – dividend discount model – a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV – Fair Value, calculated based on valuation methods outlined in the document.

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Trzymaj	In between (and including) -10% and 10%
Sprzedaj	Below -10%

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	Number	%
Kup	13	81%
Trzymaj	1	6%
Sprzedaj	2	13%
Suma	16	100%

Historia ratingu – ML System

Data	Rekomendacja	FV	Cena z rekomendacji	Autor
09/09/2021	BUY	PLN 127.00	PLN 108.40	Robert Maj
06/05/2022	BUY	PLN 90.94	PLN 73.50	Robert Maj
26/08/2022	BUY	PLN 104.48	PLN 75.75	Robert Maj
21/11/2022	BUY	PLN 83.18	PLN 50.60	Robert Maj
05/04/2023	BUY	PLN 92.22	PLN 62.50	Robert Maj
02/10/2023	BUY	PLN 87.20	PLN 65.30	Robert Maj
24/04/2024	BUY	PLN 58.45	PLN 47.20	Robert Maj
10/10/2024	SELL	PLN 31.54	PLN 36.80	Robert Maj
20.05.2025	SELL	PLN 15.03	PLN 17.22	Robert Maj