

## FLASH NOTE

**XTPL** - Hold

Target Price: PLN 89.00 | Close as of 18/07/2025: PLN 78.70

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Piotr.Bogusz@erstegroup.com**Preliminary sales for Q2'25 and Q2'25 earnings preview**

**Preliminary sales for Q2'25.** XTPL reported estimated Q2'25 revenues of PLN 2.8mn (estimated sales of two DPS devices and two industrial modules) vs. PLN 2.9mn in Q2'24. The company did not obtain grant funds in Q2'25, but reported applying for grants in several processes. XTPL had PLN 16.7mn in cash at the end of Q2'25 (vs. PLN 20.2mn at the end of Q1'25). The company said it had implemented measures to optimize working capital and operating expenses.

**Q2'25 earnings preview. XTPL is to release its Q2'25 results on August 25, 2025.** We expect flat revenue y/y and revenue increase on q/q basis in Q2'25 (in line with preliminary estimates). We expect cost of sales to decline y/y due to lower product sales. At the same time, we assume an increase in general and administrative expenses y/y due to the increase in scale of operations (a decrease in q/q resulting from the implemented costs optimization). The above factors should translate into a y/y decline in EBIT/EBITDA in Q2'25

**Revenues.** We expect revenue to be similar y/y at PLN 3.2mn in Q2'25. We estimate sales of products and services in line with preliminary estimates published by the company. In the subsidy line, we assume recognition of about PLN 0.4mn in Q2'25, which consists of settlement of subsidies the company received in previous periods.

**Costs.** We assume an increase in R&D costs y/y (flat q/q; mainly due to an increase in business scale), and expect a decrease in cost of products sold due to an assumed lower share of product sales in the sales mix. We expect general and administrative expenses to increase by 6% y/y to PLN 2.7mn, which should result from the increase in business scale during the year. We assume marketing costs to be lower y/y.

**Net profit.** We expect a net loss of PLN 5.5mn in Q2'25 vs. a net loss of PLN -4.6mn in Q2'25. We assume a balance on financing activities of PLN 0mn in Q2'25 vs. PLN -0.2mn in Q2'24.

**Q2'25 results preview**

P & L (PLN mn)	2Q24	3Q24	4Q24	1Q25	2Q25E	Y/Y	Q/Q
<b>Revenue</b>	<b>3.2</b>	<b>1.2</b>	<b>6.4</b>	<b>2.4</b>	<b>3.2</b>	0%	34%
Sales of products and services	2.9	1.0	5.6	2.0	2.8	-2%	40%
Grants	0.3	0.1	0.8	0.4	0.4	18%	1%
Costs of sales	4.1	4.7	5.1	4.8	4.7	13%	-3%
R&D costs	2.5	3.2	3.3	3.1	3.1	24%	0%
Costs of products sold	1.6	1.5	1.8	1.7	1.5	-3%	-9%
<b>Gross profit</b>	<b>-0.9</b>	<b>-3.5</b>	<b>1.3</b>	<b>-2.4</b>	<b>-1.4</b>		
Marketing costs	1.0	1.4	3.5	1.9	1.4	46%	-25%
G&A	2.5	2.5	1.8	2.9	2.7	6%	-8%
Other operating activities	0.0	0.0	0.0	0.0	0.0		
<b>EBITDA</b>	<b>-3.5</b>	<b>-5.9</b>	<b>-2.7</b>	<b>-5.9</b>	<b>-4.2</b>		
EBIT	-4.4	-7.5	-4.0	-7.2	-5.5		
Balance on financial activities	-0.2	-0.3	0.0	0.0	0.0		
<b>Profit before tax</b>	<b>-4.6</b>	<b>-7.7</b>	<b>-4.0</b>	<b>-7.3</b>	<b>-5.5</b>		
Income tax	0.0	0.0	0.0	0.0	0.0		
<b>Net profit</b>	<b>-4.6</b>	<b>-7.7</b>	<b>-4.0</b>	<b>-7.3</b>	<b>-5.5</b>		

Opinion. **SLIGHTLY NEGATIVE.** The company's sales in Q2'25 remained at a relatively low level, due to the postponement of the booking of sales of some industrial modules to Q3'25. This indicates, in our opinion, a slower pace of industrial implementation. Revenues continued to remain low in Q2'25, and the company reported that it had implemented working capital and operating cost optimization, the effects of which should be more evident in subsequent quarters. Adjusting the cost base to slow revenue growth is, in our view, a good move to slow the cash burn rate. Nevertheless, the slower-than-expected pace of orders in industrial deployment could negatively affect investor sentiment.

We are not changing our target price or recommendation for the company in this flash note.

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XTPL	PLXTPL000018				Y						

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