

The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme

			2022	2023	2024	
Price [PLN]	52,1	P/E	23,7	23,2	9,6	Analyst:
MC [PLN m]	520,1	EV/EBITDA	12,3	12,7	8,3	Krzysztof Pado
		EV/EBIT	14,1	14,4	8,9	krzysztof.pado@bdm.pl
		P/BV	5,2	5,0	3,9	tel.: (+48) 512 338 250

Last recommendation BDM: HOLD with target price 52,6 PLN/share (2025/09/01) [LINK](#)

Q2'25 results [PLN m]

	Q2'24	Q2'25	y/y	Q2'25F BDM	dev.	H1'24	H1'25	y/y
Sales	111,6	111,9	0,3%	125,0	-10,5%	173,6	202,7	16,8%
Gross profit	18,0	12,2	-31,9%	18,7	-34,5%	26,1	24,9	-4,6%
Profit on sales	9,2	4,8	-47,5%	9,2	-47,6%	10,9	9,8	-10,2%
Other operating activity net	-0,5	0,1	---	0,0	---	5,7	0,8	-86,1%
EBITDA	9,7	6,2	-36,5%	10,3	-40,2%	18,7	13,1	-29,9%
EBIT	8,7	4,9	-43,7%	9,2	-46,8%	16,6	10,6	-36,1%
Profit before tax	9,3	4,0	-56,9%	8,4	-52,3%	31,6	9,5	-69,9%
Net profit	8,0	3,1	-62,0%	6,8	-55,4%	29,1	7,3	-74,8%
Gross margin	16,1%	10,9%		14,9%		15,0%	12,3%	
EBITDA margin	8,7%	5,5%		8,3%		10,8%	6,5%	
EBIT margin	7,8%	4,4%		7,3%		9,6%	5,2%	
Net margin	7,2%	2,7%		5,5%		16,8%	3,6%	

Source: BDM S.A., company

- The company published its Q2'25 results this morning.
- Q2'25 revenues amounted to PLN 111.9m (+0% y/y, 11% below our assumptions).
- Gross profitability (10.9%) noticeably weaker y/y and below our assumptions (we assumed 14.9% vs. 16.1% a year ago and 15.4% in 2024).
- Level 10% margin gross sales margin in the Power Networks segment and 11% margin in the Installations and Infrastructure segment (vs 14% and 17% respectively in Q2'24). It was disappointing especially the margin in the former segment, given that in Q1'25 it was 21%.
- SG&A costs lower by 16% y/y (PLN 7.4m vs. PLN 8.8m a year ago).
- Neutral impact of the balance of other operating activities in Q2'25 (PLN +0.1m).
- EBITDA in Q2'25 amounted to PLN 6.2m (vs. PLN 9.7m a year ago and PLN 10.3m our expectations).
- Financial balance with negative impact of PLN -0.8m.
- Consolidated net profit in Q2'25 at PLN 3.1m (we expected PLN 6.8m). Effective income tax rate was 24%.
- Cash flows from operations were seasonally negative at PLN -45.3m in Q2'25 (PLN -39.5m a year ago). At the end of the period, the company had net debt of PLN 33.4m (PLN 4.2m a year ago).
- The largest items in contract assets (PLN 113 million) were: PLN 46m - contract for the Border Guard, PLN 33m - contract for the airport in Szczecin.
- Backlog at the end of Q2'25: PLN 727m (vs. PLN 680m after Q1'25 and PLN 644m a year ago). Ca. PLN 474m is still to be realised in 2025. The portfolio after July fell to PLN 676m (PLN 358m for 2025). We note that the portfolio should be understood as the amount to be invoiced, which does not necessarily equate to future revenues. In 1H'25, the company signed contracts for PLN 330m, while in Q3'25 so far it is PLN 246m (including a contract for PEJ).
- The company reported that it has seen a significant increase in the launch of new tenders since July 2025, which will be settled in Q3-4'25.
- The contract with the Border Guard is scheduled to be settled in Q3'25, which the company believes will be positively reflected in the results.
- Teleconference with management today at 11:00.

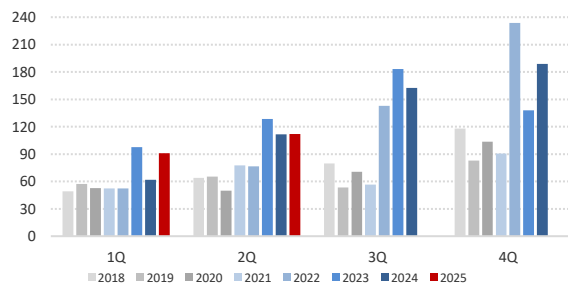
BDM Comment: Q2'25 results are disappointing given the company's current valuation level (10.4x for EV/EBITDA after Q2'25). The gross margin is the lowest since Q4'23, on top of which the margin in the Networks segment, where the company has been winning a lot of contracts in recent quarters, has clearly declined. The question is whether this is an isolated quarter (some kind of margin revision?) or a more permanent trend in portfolio profitability (the company has rather signalled at recent earnings conferences that it did not want to participate in a price war and announced the possibility of maintaining high margins). The seasonally markedly negative operating CF at this point is hardly surprising. After June, the company had an order book of PLN 727m (of which PLN 474m was still due in 2025 - the latter figure was relatively high, but fell by nearly PLN 120m in July alone - the question is whether this is a matter of some large invoicing or postponements to 2026). Today at 11:00 a.m. teleconference with the board.

Results in previous quarters [PLN m]

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Sales	52,4	76,5	143,0	233,7	97,5	128,3	183,2	137,9	62,0	111,6	162,5	188,7	90,8	111,9
Installations and Infrastructure	---	---	---	---	---	---	---	---	35,7	71,1	122,0	139,6	55,3	64,8
Networks	---	---	---	---	---	---	---	---	26,2	40,5	40,5	49,1	35,5	47,0
Gross profit	0,7	4,8	21,5	40,5	14,7	20,3	27,5	13,7	8,1	18,0	30,4	24,2	12,7	12,2
Installations and Infrastructure	-0,9	0,6	13,2	35,0	9,5	5,0	4,1	-8,4	6,9	12,2	23,6	15,7	5,1	7,7
Networks	0,1	3,2	6,2	3,9	5,2	15,3	23,4	22,1	1,2	5,8	6,8	8,4	7,6	4,5
SG&A	5,6	6,6	6,1	9,8	5,7	5,5	5,2	8,9	6,3	8,8	7,1	9,8	7,6	7,4
Profit on sales	-4,9	-1,8	15,4	30,7	9,0	14,7	22,3	4,8	1,8	9,2	23,3	14,3	5,0	4,8
Other operat. activity net	0,5	1,2	-2,5	-5,4	-1,5	0,0	-7,5	-7,7	6,2	-0,5	-0,3	0,2	0,7	0,1
EBITDA	-3,1	0,8	13,9	26,6	8,6	15,9	15,8	-1,7	9,0	9,7	24,2	15,8	6,9	6,2
EBIT	-4,4	-0,6	12,9	25,3	7,5	14,8	14,8	-2,9	7,9	8,7	23,1	14,6	5,7	4,9
Net financial activity	-0,3	0,3	0,6	-3,3	0,3	-0,6	-0,7	-1,0	14,3	0,7	-2,3	-2,7	-0,2	-0,9
Profit before tax	-4,8	-0,3	13,5	22,0	7,9	14,2	14,1	-3,9	22,3	9,3	20,7	11,9	5,5	4,0
Net profit	-5,4	0,7	11,1	15,6	5,8	11,2	9,7	-4,3	21,1	8,0	16,4	8,6	4,3	3,1
OCF	-2,4	11,8	10,5	17,6	9,2	-75,7	29,8	32,8	18,1	-39,5	0,3	67,0	-19,6	-45,3
Net debt	-4,6	-18,4	-26,6	-50,5	-59,7	16,7	5,2	-27,1	-39,8	4,2	31,0	-35,8	-14,2	33,4
Sales change y/y	0,3%	-1,6%	152,2%	158,2%	86,1%	67,8%	28,1%	-41,0%	-36,4%	-13,0%	-11,3%	36,8%	46,6%	0,3%
Installations and Infrastructure	---	---	---	---	---	---	---	---	---	---	---	---	54,6%	-8,8%
Networks	---	---	---	---	---	---	---	---	---	---	---	---	35,5%	16,1%
Gross margin	1,3%	6,3%	15,1%	17,3%	15,1%	15,8%	15,0%	9,9%	13,1%	16,1%	18,7%	12,8%	13,9%	10,9%
Installations and Infrastructure	---	---	---	---	---	---	---	---	19,2%	17,2%	19,4%	11,3%	9,2%	11,9%
Networks	---	---	---	---	---	---	---	---	4,8%	14,2%	16,7%	17,1%	21,3%	9,6%
S&GA/sales	10,6%	8,6%	4,3%	4,2%	5,8%	4,3%	2,8%	6,4%	10,2%	7,9%	4,3%	5,2%	8,4%	6,6%
Margin on sales	-9,3%	-2,4%	10,8%	13,1%	9,2%	11,5%	12,2%	3,5%	2,9%	8,2%	14,4%	7,6%	5,5%	4,3%
EBITDA margin	-5,9%	1,0%	9,7%	11,4%	8,9%	12,4%	8,6%	-1,2%	14,5%	8,7%	14,9%	8,3%	7,6%	5,5%
EBIT margin	-8,4%	-0,8%	9,0%	10,8%	7,7%	11,5%	8,1%	-2,1%	12,8%	7,8%	14,2%	7,7%	6,3%	4,4%
Net margin	-10,3%	0,9%	7,8%	6,7%	5,9%	8,7%	5,3%	-3,1%	34,0%	7,2%	10,1%	4,6%	4,7%	2,7%

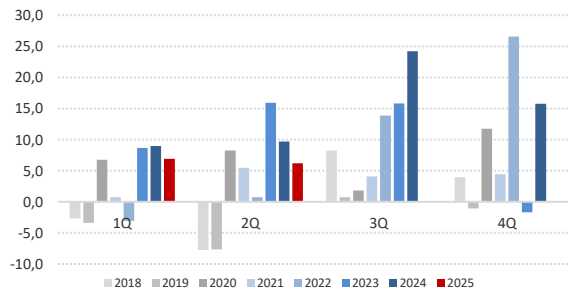
Source: Dom Maklerski BDM S.A., company

Sales [PLN m]



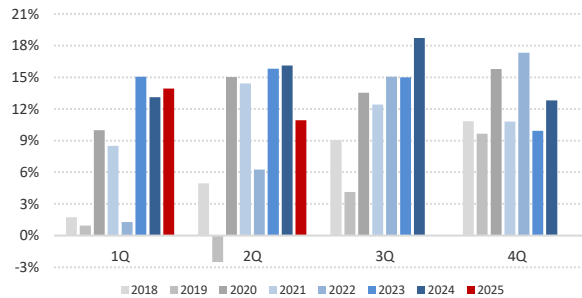
Source: Dom Maklerski BDM S.A., company

EBITDA [PLN m]



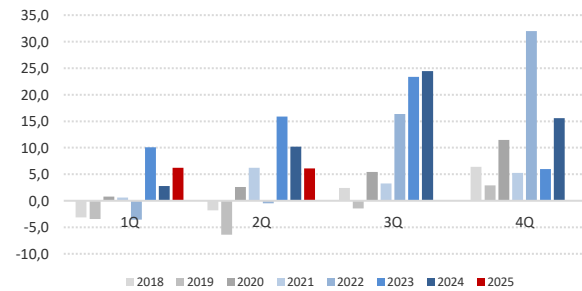
Source: Dom Maklerski BDM S.A., company

Gross margin



Source: Dom Maklerski BDM S.A., company

EBITDA adj. [PLN m]



Source: Dom Maklerski BDM S.A., company

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Explanations of terminology:

EBIT - earnings before interest and tax

EBITDA - earnings before interest, taxes, depreciation, and amortization

Net debt - interest bearing debt minus cash and equivalents

WACC - weighted average cost of capital

CAGR - cumulative average annual growth

EPS - earnings per share

DPS - dividend per share

CEPS - net profit plus depreciation per share

EV - market capitalization plus interest bearing debt minus cash and equivalents

EV/S - market capitalization / sales

EV/EBITDA - EV / sales

P/EBIT - market capitalization / EBIT

MC/S - market capitalization / sales

P/E - market capitalization / net profit

P/BV - market capitalization / book value

P/CE - market capitalization / net profit plus depreciation

ROE - net profit / equity

ROA - net income / assets

Gross margin - gross profit on sales / sales

EBITDA margin - EBITDA / sales

EBIT margin - EBIT / sales

Net margin - net profit / sales

Explanation of ratings:

Buy - we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);

Accumulate - we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);

Hold - we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);

Reduce - we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);

Sell - we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).

Target price - the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

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Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
Hold	52,6	Accumulate	54,3	01.09.2025*	10:35 CEST	52,00	105652
Accumulate	54,3	Accumulate	47,7	08.05.2025*	13:30 CET	49,70	101058
Accumulate	47,7	Accumulate	36,7	06.03.2025*	12:30 CET	43,00	92242
Accumulate	36,7	Accumulate	31,0	28.10.2024*	08:15 CEST	33,00	80756
Accumulate	31,0	Accumulate	19,1	20.05.2024*	08:00 CEST	27,85	88735
Accumulate	19,1	Buy	17,1	04.01.2024*	09:55 CEST	17,48	77054
Buy	17,1	Buy	15,8	10.10.2023*	11:20 CEST	14,70	66149
Buy	15,8	Buy	13,0	13.06.2023*	08:30 CEST	13,26	66298
Buy	13,0	Accumulate	8,17	10.05.2023*	09:22 CEST	10,60	63285
Accumulate	8,17	Hold	6,79	09.12.2022*	16:00 CEST	7,16	55651
Hold	6,79	Buy	11,0	18.10.2022*	12:00 CEST	6,48	47309
Buy	11,0	Buy	10,2	15.06.2022*	07:00 CEST	6,50	53247
Buy	10,2	---	---	23.08.2021*	07:00 CEST	6,54	67966

* The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Support Programme.

-- the author of the reports on Elektrotim in 2021-06'2022 was Krystian Brymora

Distribution of BDM's recommendations in Q3'25*:				, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months			
	number	%		number	%		%
Buy	2	22%		0	0%		
Accumulate	4	44%		0	0%		
Hold	1	11%		0	0%		
Reduce	2	22%		0	0%		
Sell	0	0%		0	0%		

* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

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The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

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The prices of the financial instruments listed in the document have been taken from the real-time pricing as provided by Bloomberg. Data concerning financial instrument prices used in the report could be loaded to 24 hours before the moment of completing the report.

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- The issuer does not hold shares exceeding 5 % of the BDM issued share capital,
- BDM is a market maker or liquidity provider in the financial instruments of the issuer,
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- There are significant connections between BDM or its related affiliates and the issuer of financial instruments**
- The person affiliated with BDM who was involved in the preparation of recommendations did not receive or purchase the shares of the issuer, to whom the recommendation relates directly or indirectly, prior to public offering of such shares,
- The person affiliated with BDM who was involved in the preparation of recommendations declares that they respect internal regulations and are subject to organizational and technical solutions and information barriers established by BDM to eliminate any conflicts of interest concerning recommendations and to avoid them,
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*BDM is a party to the "ANALYTICAL REPORT PREPARATION AGREEMENT" concluded with the WSE.

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