

# PA Nova

## 2Q25 results review

**Opinion:** NVA reported lower results in 2Q25 in yearly comparison, which was highly expected, due to the transaction of disposal the retail project in 2Q24. Moreover, the group reported gross margin below our assumption and higher SG&A expenses (the difference stood at PLN 0.4m). In contrary, net financial expenses was below our prediction by PLN 2.0m). All in all, the company reached revenues of PLN 73.1m and the net profit of PLN 5.0m (we anticipated PLN 66.8m and PLN 4.4m, respectively). From the negatives, we point to uninspiring OCF (PLN -8.0m, vs. PLN 32.9m a year ago).

We expect that in full-year terms the group will reach relatively comparable results, even though we do not assume any disposal of commercial assets in our forecasts.

**Revenues:** PA Nova's revenues arrived at PLN 73.1m (vs. PLN 105.4m in 2Q24). Regarding segments, the construction division reported PLN 45.5m in sales (vs. PLN 78.0m in 2Q24; we point to the demanding base due to the disposal of the project in Klodzko), while real-estate segment achieved revenues of PLN 23.8m (vs. PLN 22.7m in 2Q24). In "Other" segment, revenues stood at PLN 3.8m (-21% y/y).

**Gross margin:** The margin deteriorated in yearly comparison and arrived at 17.9% in 2Q25.

**SG&A costs:** SG&A expenses reached PLN 2.9m (vs. PLN 2.8m in 2Q24). SG&A's to sales ratio stood at 4.0%.

**EBITDA:** EBITDA came in at PLN 11.3m, (vs. PLN 19.3m in 2Q24).

**Net profit:** Net profit arrived at PLN 5.0m (vs. PLN 9.7m in 2Q24).

**OCF:** PA Nova posted OCF of PLN -8.0m (vs. PLN 32.9m in 2Q24).

**Net debt:** Net Debt/LTM EBITDA came in at 6.0x and net debt/BV arrived at 0.6x. At the end of 2Q25 PA Nova had PLN 57m in cash.

Figure 1. PA Nova 2Q25 results summary (PLNm)

|                  | 2Q24  | 3Q24  | 4Q24  | 1Q25  | 2Q25  | y/y    | q/q    | 2Q25E | vs. IPOP |
|------------------|-------|-------|-------|-------|-------|--------|--------|-------|----------|
| Revenues, incl.: | 105.4 | 60.4  | 75.5  | 60.5  | 73.1  | -30.7% | 20.9%  | 66.8  | 9.4%     |
| Real-estate      | 22.7  | 22.4  | 24.9  | 23.4  | 23.8  | 5.0%   | 1.7%   | 21.3  | 11.9%    |
| Construction     | 78.0  | 33.8  | 46.1  | 34.3  | 45.5  | -41.7% | 32.7%  | 42.9  | 6.1%     |
| Other            | 4.8   | 4.1   | 4.5   | 2.8   | 3.8   | -20.8% | 35.7%  | 2.6   | 45.1%    |
| Gross profit     | 19.9  | 14.8  | 14.1  | 13.4  | 13.1  | -34.3% | -2.2%  | 13.8  | -5.1%    |
| Profit on sales  | 17.1  | 12.3  | 11.0  | 11.1  | 10.2  | -40.4% | -8.1%  | 11.3  | -9.8%    |
| EBITDA           | 19.3  | 9.7   | 15.4  | 12.8  | 11.3  | -41.1% | -11.3% | 13.4  | -15.2%   |
| EBIT             | 17.7  | 11.3  | 10.4  | 11.3  | 9.8   | -44.8% | -13.8% | 10.6  | -8.0%    |
| EBT              | 12.3  | 7.4   | 6.8   | 7.4   | 6.6   | -46.2% | -11.3% | 5.5   | 20.5%    |
| Net profit       | 9.7   | 4.4   | 4.6   | 6.5   | 5.0   | -48.1% | -22.8% | 4.4   | 13.3%    |
| Gross margin     | 18.9% | 24.5% | 18.6% | 22.1% | 17.9% |        |        | 20.7% |          |
| EBITDA margin    | 18.3% | 16.0% | 20.3% | 21.1% | 15.5% |        |        | 20.0% |          |
| EBIT margin      | 16.8% | 18.8% | 13.8% | 18.8% | 13.4% |        |        | 15.9% |          |
| Net margin       | 9.2%  | 7.3%  | 6.1%  | 10.8% | 6.9%  |        |        | 6.6%  |          |

Source: Company, IPOPEMA Research

Real Estate

PA Nova

BUY

FV PLN 21.38

28.8% upside

Price as of 18 September 2025 PLN 16.60

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The definitions of terms used in the document include:

AGM/EGM – annual/extraordinary general meeting of shareholders.

BVPS – book value per share – the book value of the company's shareholders equity divided by the number of shares outstanding without treasury shares at the end of period.

CAGR – compound annual growth rate.

CFO – net cash flow from operations.

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

D&A – depreciation and amortization.

DCF – discounted cash flow model – a valuation method based on the sum of discounted future cashflows with appropriate adjustments (such as net debt, etc., if applicable).

DDM – dividend discount model – a valuation method of based on the sum of discounted future dividends.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding without treasury shares at the moment of distribution.

DY – dividend yield – total DPS of a given financial year divided by share price.

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 without treasury shares at the end of period.

EV – enterprise value – market cap adjusted by treasury shares, plus gross debt, less cash and equivalents, less associates, plus minorities.

EV/EBITDA – EV divided by EBITDA.

EV/S, or EV/revenues – EV divided by revenues (sales).

FCFE – free cash flow to the equity.

FCFF – free cash flow to the firm.

FV – fair value – fair value price of the company calculated based on valuation methods outlined in the document.

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

ND – net debt – gross debt and leases (depending on accounting standard) less cash and equivalents.

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

NII – net interest income – interest income minus interest expense.

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

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

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.

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

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

ROIC – return on invested capital – EBIT \* (1 – tax rate) divided by average invested capital.

uFCF – underlying free cash flow – IPOPEMA's measure reflecting the amount of potential cash flow generation available for distribution before outflow on discretionary purposes (such as shareholders' distribution, unannounced M&A, financial assets, etc.), calculated as follows: net cash from operations less net CAPEX on PP&E, intangibles and subsidiaries (related to announced deals), less net interest paid on debt, leases and granted loans, less lease payment, less dividends paid to minorities, plus received dividends, plus other items if necessary depending on company's specifics/presentation.

uFCFps – uFCF per share.

WACC – weighted average cost of capital.

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|--------------------------|----------------|-----------------------------------------------------------------|-------------------------|----------------|
| Date                     | Recommendation | Fair Value                                                      | Price at recommendation | Author         |
| 09/09/2025               | BUY            | PLN 22.13 (adjusted on 18.09.2025 to PLN 21.38 by PLN 0.75 DPS) | PLN 16.45               | Adrian Górniak |