

IMS *summary of report*

buy

media

previous recommendation: buy

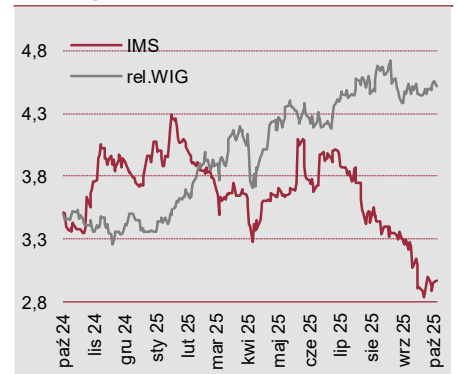
Market price*: 2.97

Target price: 4.0

Prolonged reorganization

The Q2'25 results showed that the company's reorganization is protracted. This is indicated by the low revenue growth rate coupled with persistently elevated costs. In addition, increased market competition has resulted in the need to grant Rossmann a discount to retain its stores in the Closer Music portfolio. Consequently, we are reducing our revenue and margin forecasts for this year. For subsequent years, we have lowered our margin assumptions, but largely maintained our revenue growth assumptions. We continue to believe that the company is targeting sales growth and will focus on this both this year and next. This is indicated, among other things, by the declaration of a return to acquisitions and the ambitious goal of acquiring approximately 4 000 new subscription locations this year. In the medium term, we expect continued pressure on profitability, which has led to a reduction in the target price for IMS shares to PLN 4.00 per share (from PLN 4.50 previously). At the same time, due to the decline in the share price since our last analysis, we maintain our "buy" recommendation.

Share price vs index



Acquisitions a remedy for the poor performance of non-subscriber segments?

The weaker performance of the advertising segment began in Q4 2023 and was quickly recognized by the company, leading to a reorganization and the publication of an ambitious target to increase the segment's revenue to approximately PLN 30 million by fiscal year 2026 at the latest. However, the H1 2025 results do not suggest a transformation, as revenue remained virtually flat year-on-year, and even declined in Q2 compared to last year's low base. Therefore, the reorganization of the division is protracted, which is also visible in the case of digital signage systems (the fourth consecutive quarter of double-digit year-on-year decline). In this context, we are not surprised by the return of acquisitions theme, in which the company has a strong track record. IMS has announced that its goal is to complete one or two acquisitions in the coming months. Currently, talks are underway with nearly 10 companies in Poland and abroad (Western Europe). Overall, we welcome this announcement, although the final outcome of a potential acquisition will depend on its parameters and the characteristics of the acquired entity.

Max/min 52 weeks (PLN)	4,4 / 2,82
Shares issued (m)	34,5
Market cap. (m PLN)	102
EV (m PLN)	81
Free float (m PLN)	41
Average turnover (t PLN)	74,4
Main shareholders	Michał Kornacki 18,56%, 18,56%
% of shares, % of votes	Dariusz Lichacz 18,22%, 18,22%
	1 m 3 m 12 m
Price change	-10,0% -23,3% -15,1%
Change rel. WIG	1,5% 1,6% 30,7%

Competition in subscriptions hinders price increases per location

Another negative surprise in Q1/Q2 2025 results was the low average revenue per location. In the audio and video segment, it reached PLN 76 in Q2, the same as in Q2 2023. This is inconsistent with the trend of reducing the number of economy locations in favor of the premium segment, observed since the end of 2023. This indicates continued strong competition, as the Closer Music deal with Rossmann clearly shows. To retain this customer, CM had to grant a discount on an undisclosed scale.

	Sales	EBIT	EBITDA (non MSSF16)	Profit before tax	Net profit	EPS	CEPS	BVPS	P/E	P/BV	DY (%)	EV /EBIT	EV /EBITDA	ROE (%)
2024	66,4	15,1	19,5	13,6	10,6	0,30	0,43	1,2	9,6	2,5	14,8	5,8	4,5	25,0
2025f	70,7	12,4	17,6	10,5	8,5	0,24	0,39	1,3	12,0	2,3	0,0	7,1	5,0	18,5
2026f	78,1	13,3	18,7	11,5	9,4	0,27	0,42	1,4	10,9	2,2	3,6	6,1	4,3	19,5
2027f	85,2	15,3	21,0	13,7	11,1	0,32	0,48	1,4	9,2	2,1	4,3	5,3	3,9	22,1

f - forecasts; BM Bank Millennium; mln PLN

The report was prepared by Biuro Maklerskie Banku Millennium S.A. on the order of the Warsaw Stock Exchange S.A. within the Program of Analytical Coverage Support Information regarding the links between Bank Millennium with the company being the subject of this report and other required information were placed on the last page of the report.

* - market price for October 6, 2025 17:00

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BM Banku Millennium recommendation for the last 12 months

Company	Recommendation	Date of the recommendation	Market price on the recommendation issue day	Target price	Author
IMS	Buy	07-Oct-24	3,54	4,50	Łukasz Bugaj
Mostostal Zabrze	Buy	06-Dec-24	5,10	6,10	Adam Zajler
Ambra	Accumulate	12-Mar-25	22,70	25,90	Grzegorz Gawkowski
Mostostal Zabrze	Buy	27-Mar-25	5,68	6,80	Adam Zajler
IFIRMA	Accumulate	09-Apr-25	22,90	25,40	Seweryn Żołyniak
IMS	Buy	21-May-25	3,75	4,60	Łukasz Bugaj
IFIRMA	Accumulate	29-May-25	26,35	29,70	Seweryn Żołyniak
Ambra	Accumulate	29-May-25	20,90	24,90	Grzegorz Gawkowski
IMS	Buy	11-Jun-25	3,73	4,50	Łukasz Bugaj
Mostostal Zabrze	Buy	18-Jun-25	5,96	7,60	Adam Zajler
VRG	Buy	12-Sep-25	4,45	5,57	Seweryn Żołyniak
Shoper	Accumulate	15-Sep-25	52,00	57,60	Seweryn Żołyniak
11 bit studios	Accumulate	12-Sep-25	179,50	213,50	Grzegorz Gawkowski
Mostostal Zabrze	Buy	30-Sep-25	6,25	8,40	Adam Zajler
IMS	Buy	07-Oct-25	2,97	4,00	Łukasz Bugaj

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, IMS, VRG, Shoper and 11 bit studios 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	9	60%
Accumulate	6	40%
Neutral	0	0%
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

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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 Biurow 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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DCF method (model of discounted cash flows) - the method considered to be the most suitable for enterprise valuation. The disadvantage of the DCF method is the sensitivity of the valuation obtained in this way to the assumptions made regarding both the company itself and its macroeconomic environment.

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 method 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 October 7, 2025. at 7:55, and the date of the first dissemination of the report is October 7, 2025. 8:15.

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