IMS – quarterly results forecast for Q3 2025

2025-11-17

We expect another weaker quarter for the IMS Group. We believe revenue growth will be consistent with the relatively modest pace observed in the first half of the year. With continued increased costs as part of the reorganization of the advertising department and other activities, this will continue to put pressure on profitability and, consequently, maintain the year-on-year downward trend in profits. However, it's important to remember that the third quarter isn't a key one for the group from a seasonal perspective. The final quarter remains significantly more important, and its results will effectively shape the full-year results, including whether the increased costs the company has incurred so far are beginning to bear positive fruit.

On the revenue side, we expect a 3% year-on-year increase to PLN 16.8 million. This should primarily be driven by stable revenues from subscription segments. For other segments, we expect some stabilization in advertising and continued weak sales of digital signage systems. Due to the expected lack of revenue from collective rights management organizations, other sales should not significantly contribute to the group's sales.

In the case of new subscription locations, we expect further acceleration in acquiring new points and approaching 1,000 new locations. When publishing its half-year results, the company maintained its ambitious goal of acquiring approximately 4,000 new locations this year. In the first half of the year, it acquired 971 locations, so the second half of the year should bring increased growth. However, the year's results will traditionally be determined by the last quarter, so in this respect, Q3 will only show whether the company is truly striving to achieve this goal, but it won't determine it.

Business profitability should remain under pressure from increased expenses. Furthermore, we do not expect revenues from collective rights management organizations. We also do not expect any significant surprises in other operating expenses, as we assume the company wrote off most of its outstanding receivables in the previous quarter. However, according to our assumptions, the operating profit margin will be lower than in the previous quarter, reaching 14.8%, which would be 4.3 percentage points lower than a year ago. Therefore, the negative year-on-year margin decline observed in the first and second quarters would continue, but the pace of this decline would slow slightly.

Ultimately, we expect operating profit of PLN 2.5 million (-20.3% year-on-year), EBITDA of PLN 3.9 million (-15.2% year-on-year), and net profit of PLN 1.7 million (-25.4% year-on-year). In terms of net profit, we assume the negative impact of financial costs will continue.

In summary, we expect the negative trends seen in Q1 and Q2 to continue. We believe some improvement can only be expected in the final quarter of the year, although it shouldn't be significant, and this year will certainly be difficult to call successful. However, it creates a relatively undemanding base for future results. These should improve once the ongoing reorganization within the company begins to yield the expected results. An additional stimulus could be a potential acquisition, which the company hinted at in its previous quarterly report. The company will report its results on November 26th.

Forecast of consolidated quarterly results of the IMS group

	3Q'25 F	3Q'24	change y/y	1-3Q'25 F	1-3Q'24	change
Revenue	16,8	16,3	3,0%	47,3	46,0	2,8%
EBITDA	3,9	4,6	-15,2%	10,9	13,2	-17,3%
EBIT	2,5	3,1	-20,3%	6,9	9,0	-23,8%
Net profit attributable to equity holders	1,7	2,2	-25,4%	4,4	7,1	-38,6%
Margins						
EBITDA margin	23,1%	28,0%		23,1%	28,8%	
EBIT margin	14,8%	19,1%		14,5%	19,6%	
Net profit margin	10,0%	13,8%		9,2%	15,5%	

Source: IMS; BM Banku Millennium; m PLN

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