

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 5.0.

884/2025/AR/November 20, 2025

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Eurotel	Buy	45.9	Neutral	Jakub K. Viscardi

Event: 3Q25 financial results released.

On Wednesday, after the market close, Eurotel published 3Q25 financials.

- **Consolidated sales** at PLN 104.6 million (down 10% yoy) was 1% below our expectations.
- **Consolidated EBITDA** reached PLN 6.6 million (up 23% yoy) exceeded our forecast by 13%; EBIT, with 7% rise of D&A, reached PLN 3.5 million (up 43% yoy) and was 25% ahead of our expectations.
- **The EBIT margin** rose to 6.3% from 4.6% in 3Q24. The **SG&A costs to sales** ratio deteriorated to 20.15% vs17.45% in 3Q24.
- **Net financial costs** arrived at around PLN 0.4 million in 3Q25 and consolidated pretax profit reached PLN 3.1 million (up 38% yoy).
- With the effective tax rate at 19.9% **consolidated net profit** reached PLN 2.5 million (up 64% yoy), which was 19% more than we expected.
- **Operating cash flows** amounted to PLN 10.6 million vs PLN 18.8 million a year ago, predominantly due to weaker positive impact of commercial liabilities rise than in 3Q24.

The Company's commentary on the 3Q25 results:

- Net profit of the parent company fell 17% yoy.
- The consolidated result improvement stemmed from the absence of costs related to unprofitable MiMarkt sales network incurred by the subsidiary.
- In 3Q25 the T-Mobile segment was significantly less efficient, mainly due to the changes in the commissioning system which resulted in the absence of revenues generated by partner units. Sales network changes, featuring *inter alia* an increase in a number of own POS, led to a rise of their maintenance costs.
- New Apple's products that premiered in the second half of September had marginal effect on quarterly figures due to the short period of sale, albeit their premieres constituted the important reference point for a yoy comparison. Sales results felt the impact of smaller availability of products such as a new iPhone Air line (the market's reception wasn't that warm) vs prior years.
- The subsidiary of Play wasn't successful in increasing the network's efficiency which resulted in the results stagnation.

Expected impact: *Neutral. Eurotel's profits were slightly higher than we forecast, with sales and EBIT actually flat qoq while OCF fell yoy. Relatively high yoy dynamics stem from the undemanding base when results were burdened by unprofitable MiMarkt.*

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