

VIGO Photonics

3Q25 Results Review

Opinion. Neutral. *The results are broadly in line with our expectations. We expect the market sentiment towards VGO to be driven by management comments regarding ongoing strategic option review, which is expected to be completed soon, which might be provided during quarterly conference call.*

VIGO Photonics 3Q25 revenues arrived at PLN 23.3m (in line with preliminary numbers), norm. EBITDA at PLN 2.8m (vs. our forecast of PLN 0.7m), EBIT at PLN -1.8m (in line with our forecast) and norm. net loss at PLN 2.2m (vs. our forecast of PLN 2.7m loss).

Backlog. The value of orders intake as of end of October 2025 arrived at PLN 90.2m, (24% up y/y), whereas the total backlog arrived at PLN 50.3m (+46% y/y). The management continues to see rebound in orders in semiconductor materials.

Revenues. The company's sales revenues for 3Q25 amounted to PLN 23.3m, representing an increase of 49% y/y and 15% q/q, driven primarily by strong results in military and transport segments. Total revenues in 9M25 amounted to PLN 65.6m (+21% y/y).

Gross margin. Gross margin arrived at 50.2%, vs. or forecast of 51.1%.

SG&A. SG&A cost arrived at PLN 14.7m, up 18% y/y. Selling cost decreased by 4% y/y and decreased 2% q/q, whereas G&A arrived at PLN 11.3m up 27% y/y and down 5% q/q, driven primarily by R&D spending.

EBITDA. VIGO's adj. EBITDA arrived at PLN 2.8m (vs. our forecast of PLN 0.7m), vs. PLN 0.6m in 2Q25 and PLN -1.4m in 3Q24. EBIT arrived at PLN -1.8m (in line with our forecast). During 3Q25 the company recognized PLN 1.8m additional cost related to M&A process.

Net profit. Norm. net loss arrived at PLN 2.2m, vs. our forecast of loss at PLN 2.7m. The company reported negative financial result of PLN 0.2m, PLN -0.2m result on investments in VIGO Ventures and PLN 0.7m of income tax.

Operating cash flow. OCF arrived at PLN -3.8m (vs. PLN -4.3m in 2Q25), driven by weak operating results, reclassification of R&D expenditures and increase in working capital.

Capex. Capex excl. grants arrived at PLN 2.7m vs. PLN 2.3m quarter ago. Capex included PLN 2.2m investment in R&D, and PLN 0.4m investments in VIGO Ventures. VIGO received grants of PLN 3.7m total value during the quarter (vs. PLN 1.1m in 2Q25 and PLN 8.3m in total in 2024).

Net debt. Net debt arrived at PLN 17.2m vs. PLN 14.1m quarter ago, driven primarily by weak OCF.

M&A. The company is currently in final stages of acquisition process of IR detector producer.

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VIGO Photonics

BUY

FV PLN 610.00

30% upside

Price as of 27 November 2025 PLN 470.00

Analyst

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Figure 1. VIGO Photonics 3Q25 results review

P&L (PLN m)	3Q24	4Q24	1Q25	2Q25	3Q25	y/y	q/q	3Q25E	vs. IPOP
Sales revenues	15.7	24.1	22.1	20.3	23.3	49%	15%	23.3	0%
Industry	7.6	11.5	10.5	8.1	8.9	18%	10%	8.9	0%
Military	4.0	6.9	6.6	4.8	6.1	52%	27%	6.1	0%
Transport	0.7	1.3	1.1	3.6	4.2	497%	17%	4.2	0%
Medicine and science	1.5	1.5	2.7	1.9	1.5	-3%	-21%	1.5	0%
Other	0.0	0.0	0.0	0.1	0.0	na	na	0.0	
Materials for photonics	1.9	2.9	1.2	1.8	2.6	40%	45%	2.6	0%
COGS	-7.7	-13.2	-11.8	-10.0	-11.6	50%	15%		
gross profit/(loss) on sales	8.0	10.9	10.3	10.3	11.7	47%	14%		
Other operating revenues	3.7	3.2	3.6	3.6	3.3	-10%	-8%		
Selling costs	-3.5	-3.8	-4.1	-3.5	-3.4	-4%	-2%		
G&A costs	-8.9	-8.8	-8.7	-11.9	-11.3	27%	-5%		
Other operating costs	-2.0	-3.2	-1.3	-1.4	-2.1	6%	52%		
EBITDA	0.6	1.8	3.1	0.5	1.6	163%	207%	1.5	3%
EBITDA znorm.	-1.4	3.6	2.4	0.6	2.8	na	356%	0.7	274%
EBIT	-2.7	-1.7	-0.3	-2.9	-1.8	-35%	-38%	-1.8	na
Net financial revenues	-0.9	0.5	-1.3	-1.3	-0.2	-79%	-86%		
Result from the valuation of shares using the equity method	-0.2	2.7	-0.2	3.5	-0.2	-6%	na		
Profit (loss) before tax	-3.8	1.5	-1.7	-0.6	-2.2	-43%	241%		
income tax	-0.3	0.0	0.0	-0.3	0.7	na	na		
Net profit	-4.1	1.5	-1.7	-1.0	-1.4	-65%	49%	-2.7	na
Norm. net profit	-3.8	1.5	-1.7	-0.6	-2.2	-43%	241%	-2.7	na
Profitability ratios	3Q24	4Q24	1Q25	2Q25	3Q25	y/y	q/q		
Gross margin on sales	50.9%	45.3%	46.5%	50.5%	50.2%	-0.6 pp	-0.3 pp		
EBITDA margin	3.9%	7.5%	14.1%	2.6%	6.8%	3 pp	4.3 pp		
EBIT margin	-17.5%	-7.0%	-1.2%	-14.2%	-7.6%	9.9 pp	6.6 pp		
Norm. net profit margin	-24.4%	6.3%	-7.8%	-3.1%	-9.3%	15.1 pp	-6.2 pp		
Cash Flow Statement (PLN m)	3Q24	4Q24	1Q25	2Q25	3Q25	y/y	q/q		
Net cash flow from operations	0.6	-4.3	0.3	-4.3	-3.8	na	-12%		
Net cash flow from investment activities	-3.5	1.1	-4.0	-1.2	1.0	na	na		
Grants	0.5	5.2	1.1	1.1	3.7	696%	252%		
Gross capital expenditures	-4.0	-4.1	-5.1	-2.3	-2.7	-31%	20%		
Net cash flows from financial activities	-5.1	-3.3	-2.8	-2.3	3.6	na	na		
Total net cash flow	-8.0	-6.6	-6.5	-7.9	0.7	na	na		
Net Debt/ (Net cash)	-0.5	3.5	8.1	14.1	17.2	na	22%		

Source: Company, IPOPEMA Research

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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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IPOPEMA Research - Distribution by rating category (1 July – 30 September 2025)			Number	%
Buy			22	65%
Hold			8	24%
Sell			4	12%
Total			34	100%

Rating History – VIGO Photonics				
Date	Recommendation	Fair Value	Price at recommendation	Author
24.08.2022	BUY	660.0	556.0	Michał Wojciechowski
28.03.2023	HOLD	600.0	566.0	Michał Wojciechowski
19.06.2023	UNDER REVIEW	-	652.0	Michał Wojciechowski
19.02.2024	BUY	600.0	484.0	Michał Wojciechowski
21.06.2024	BUY	600.0	540.0	Michał Wojciechowski
12.02.2025	BUY	500.0	428.0	Michał Wojciechowski
13.05.2025	BUY	640.0	508.0	Michał Wojciechowski
16.10.2025	BUY	610.0	522.0	Michał Wojciechowski