

ELQ S.A.



Price target: PLN 3.90

Update

Rating: BUY

In Q1/24, ELQ's results were disappointing. The main reason was a weaker gross margin y-o-y (20.1% vs. 23.7% in Q1/23), which resulted from significant purchases of transformers by the company to keep delivery times shorter than competitors. At the same time, many clients delayed their purchases, which however should improve significantly in Q2-Q4/24. After recent discussions with management and our market research, we now expect a much lower number of transformer stations sold in 2024E (220 in 2024E vs. 381 before, 2023E: 1,016 vs. total production capacity of max. 800 now and soon >3,000 due to a new leased warehouse). In addition, we believe that the ramp up of sales in the PV business will be slower than we had expected (PLN 29.5m of revenues in 2024E vs. PLN 69.8m before, long-term CAGR of 43.7%). In general, we anticipate that in order to exploit the full growth potential of its market and finance the necessary working capital investments ELQ will have to raise capital (either equity or debt). With lower estimates and higher WACC (9.8% vs. 9.4% before), we arrive at a new 12-months PT (80% DCF, 20% peer group) for ELQ of PLN 3.90 (previously: PLN 4.80). Our BUY rating remains unchanged. The main risk remains the low free float of 5%.

While we have lowered our estimates for 2024E, the growth prospects for ELQ remain excellent due to the following factors: 1. need for heavy investments in renewable energy sources in order to meet the climate goals of the EU Green Deal, and 2. significant funds from the EU Recovery and Resilience Funds (in total EUR 59.8bn, of which EUR 28bn for energy/climate-related investments) that Poland will likely receive this year. Our new forecasts for 2024E are PLN 128.5m (prev. PLN 241.2m) for revenues, PLN 18.1m (PLN 37.2m) for EBIT and PLN 14m (PLN 29.5m) for net income. In our view, by the end of 2024E the operating cash flow will strongly improve. In the long run, we believe that ELQ's top-line will increase at a CAGR of 26.8% (26.5%) especially due to a rapidly-growing PV contractor business (CAGR of 43.7%).

in PLNm	2021	2022	2023	2024E	2025E	2026E
Total outout	21.72	33.14	86.03	128.45	310.80	459.25
EBITDA	-0.21	1.90	16.22	19.06	42.55	57.49
EBIT	-1.49	1.11	15.32	18.06	41.45	56.30
Net income	-1.88	0.40	11.31	14.00	32.96	45.00
EPS	-0.02	0.02	0.11	0.14	0.33	0.45
DPS	0.00	0.00	0.00	0.04	0.10	0.13
Dividend yield	0.00%	0.00%	0.00%	1.40%	3.29%	4.48%
RoE	165.08%	17.53%	128.20%	63.56%	75.93%	59.73%
Net gearing	151.49%	20.87%	16.31%	-8.38%	21.36%	7.53%
EV/Sales	13.98x	9.16x	3.53x	2.36x	0.98x	0.66x
EV/EBITDA	neg	160.22x	18.72x	15.93x	7.14x	5.28x
P/E	neg	200.7x	26.6x	21.5x	9.1x	6.7x

Company profile

ELQ is a producer of transformer stations. The Group is also one of the largest PV farm contractors in Poland.

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Website	www.elqsa.pl
Sector	Energy
Country	Poland
ISIN	PLIPOSA00010
Reuters	ELQ.WA
Bloomberg	ELQ.PW

Share information

Last price	3.01
Number of shares (m)	100.00
Market cap. (PLNm)	301.00
Market cap. (EURm)	70.66
52-weeks range	PLN 4.60 / PLN 0.92
Average volume (shares)	5,292

Performance

4-weeks	-14.00%
13-weeks	-16.39%
26-weeks	135.16%
52-weeks	152.94%
YTD	5.24%

Shareholder structure

Veltoro Sp. z.o.o*	95.00%
Free float	5.00%

* owned by the CEO Mr Marcin Soltyski, but are not yet admitted to trading

Financial calendar

H1/24 report	August 13, 2024
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Q1/24 results

Revenues and Profitability

In Q1/24, ELQ generated a total output of PLN 19.9m (+30.9% y-o-y), which however remained below our previous expectations as many clients delayed the purchase of transformer stations. In addition, we believe that the PV contractor business developed unsatisfactorily due to long permitting, among others.

in PLNm	Q1/24	Q1/23	change y-o-y
Total output	19.89	15.19	30.9%
EBITDA	1.58	1.90	-16.9%
<i>EBITDA margin</i>	<i>7.9%</i>	<i>12.5%</i>	
EBIT	1.35	1.66	-19.0%
<i>EBIT margin</i>	<i>6.8%</i>	<i>10.9%</i>	
Net income	0.91	1.20	-23.8%
<i>Net margin</i>	<i>4.6%</i>	<i>7.9%</i>	

Source: Company information, East Value Research GmbH

In terms of profitability, in Jan-March 2024 ELQ reported a 19% lower EBIT y-o-y and 23.8% lower net income. The main reason was a 3.6% lower gross margin y-o-y of 20.1% due to purchases of transformers on stock that allow the company to deliver transformer stations faster than its competitors. In Q1/24, the share of personnel (10% vs. 9.3% in Q1/23) and other operating expenses (2.8% vs. 1.5%) also increased y-o-y.

Balance sheet and Cash flow

At the end of Q1/24, ELQ had equity of PLN 13.5m (ratio of 22.9% vs. 9.7% in Q1/23). The largest position on its balance sheet were inventories of PLN 39m (+25.6% y-o-y), which significantly increased due to purchases of transformers. This allows ELQ to deliver the transformer station to the customer 16-18 weeks ahead of its competition. Other large balance sheet positions were fixed assets (PLN 11.2m) and current liabilities (PLN 40.9m). At the end of March 2024, ELQ's cash position equalled PLN 221k.

In Q1/24, ELQ generated an operating cash flow of PLN -1.3m (Q1/23: PLN 168k), which stemmed from an increase of working capital by PLN 2.7m (PLN 1.5m). Cash flow from investing amounted to PLN 78k (PLN -316k) and cash flow from financing to PLN 1.3m (PLN -151k) that was related to a new loan of PLN 1.4m.

Changes to our forecasts

Revenues and Profitability

After disappointing Q1/24 results, we have lowered our assumptions related to the number of transformer stations sold and the PV contractor business in 2024E. Also, we now believe that profitability will be lower this year than we had previously thought. In order to exploit the full potential of the market in which the company operates and be able to finance necessary working capital investments & new hires, we believe that ELQ will need to raise financing (either equity or debt).

Our new forecasts for 2024E are PLN 128.5m (PLN 241.2m) for revenues, a gross margin of 21% (24.5%), an EBIT margin of 14.1% (15.4%) and net income of PLN 14m (PLN 29.5m). According to our research, ELQ's sales and cash generation already improved in Q2/24 and due to a new leased warehouse from H2/24 the company will be able to manufacture more transformer stations (>3,000 per year vs. max. 800 currently). Due to the significant potential of the Polish renewable energy market, which is still far behind e.g. Germany, we still believe that ELQ will grow at >20% on average in the long run (sales CAGR of 26.8%, target EBIT margin of <7%).

in PLNm	2024E	2025E	2026E
Transformer stations	99.00	217.80	274.95
<i>(% of net sales)</i>	<i>77.1%</i>	<i>70.1%</i>	<i>59.9%</i>
EBITDA margin	15.0%	13.9%	12.8%
Average price of a transformer station (PLN)	450,000	450,000	450,000
Number of transformer stations sold	220	484	611
General contractor (PV projects)	29.45	93.00	184.30
<i>(% of net sales)</i>	<i>22.9%</i>	<i>29.9%</i>	<i>40.1%</i>
EBITDA margin	14.3%	13.2%	12.1%
Projects built per year (in MW)	19	60	119
Projects built (in MW) - 2nd model	2	6	12
Average cost per MWh built (in PLN)	1,300,000	1,300,000	1,300,000
Average cost per MWh (in PLN) - 2nd model	2,500,000	2,500,000	2,500,000
Total output	128.45	310.80	459.25
<i>(change y-o-y)</i>	<i>55.2%</i>	<i>142.0%</i>	<i>47.8%</i>

Source: East Value Research GmbH

in PLNm	2024E		2025E		2026E	
	new	old	new	old	new	old
Total output	128.45	241.20	310.80	349.55	459.25	459.25
EBITDA	19.06	38.16	42.55	50.85	57.49	61.53
<i>EBITDA margin</i>	<i>14.8%</i>	<i>15.8%</i>	<i>13.7%</i>	<i>14.5%</i>	<i>12.5%</i>	<i>13.4%</i>
EBIT	18.06	37.16	41.45	49.75	56.30	60.33
<i>EBIT margin</i>	<i>14.1%</i>	<i>15.4%</i>	<i>13.3%</i>	<i>14.2%</i>	<i>12.3%</i>	<i>13.1%</i>
Net income	14.00	29.47	32.96	39.68	45.00	48.27
<i>Net margin</i>	<i>10.9%</i>	<i>12.2%</i>	<i>10.6%</i>	<i>11.4%</i>	<i>9.8%</i>	<i>10.5%</i>

Source: East Value Research GmbH

in PLNm	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021
Total output	4.50	5.95	5.14	24.99	40.58	8.21	6.94	3.87	2.70	21.72
<i>change y-o-y</i>	-45.6%	-17.4%	-54.0%	311.2%	22.1%	82.6%	16.6%	-24.7%	-89.2%	-46.5%
EBITDA	-0.22	0.69	-0.05	-0.22	0.19	-0.61	-0.62	0.82	0.20	-0.21
<i>EBITDA margin</i>	-5.0%	11.5%	-1.0%	-0.9%	0.5%	-7.4%	-9.0%	21.2%	7.5%	-1.0%
EBIT	-0.26	0.65	-0.08	-0.23	0.09	-0.64	-0.66	0.80	-0.98	-1.49
<i>EBIT margin</i>	-5.8%	10.9%	-1.5%	-0.9%	0.2%	-7.8%	-9.6%	20.7%	-36.2%	-6.9%
Net income	-0.48	0.52	-0.18	-0.60	-0.74	-0.71	-0.49	0.75	-1.43	-1.88
<i>Net margin</i>	-10.6%	8.7%	-3.4%	-2.4%	-1.8%	-8.7%	-7.1%	19.5%	-53.1%	-8.7%

in PLNm	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24
Total output	3.67	5.38	7.98	16.11	33.14	15.11	24.41	21.13	25.38	86.03	19.71
<i>change y-o-y</i>	-55.3%	-22.5%	106.5%	496.1%	52.6%	312.0%	354.1%	164.6%	57.5%	159.6%	30.5%
EBITDA	-0.73	-0.79	-0.01	3.42	1.90	1.90	5.48	4.09	4.75	16.22	1.58
<i>EBITDA margin</i>	-19.9%	-14.6%	-0.1%	21.2%	5.7%	12.5%	22.5%	19.4%	18.7%	18.9%	8.0%
EBIT	-0.89	-1.00	-0.18	3.19	1.11	1.66	5.26	3.99	4.41	15.32	1.35
<i>EBIT margin</i>	-24.3%	-18.6%	-2.3%	19.8%	3.4%	11.0%	21.5%	18.9%	17.4%	17.8%	6.8%
Net income	-0.82	-1.09	-0.31	2.62	0.40	1.20	4.11	3.10	2.91	11.31	0.91
<i>Net margin</i>	-22.3%	-20.3%	-3.9%	16.3%	1.2%	7.9%	16.8%	14.7%	11.5%	13.2%	4.6%

Source: East Value Research GmbH

CAPEX and Working capital

For 2024E, we have assumed gross CAPEX of PLN 0.7m, which will be spent mainly on machines and equipment. In the following years gross CAPEX should be in the range of 0.3-0.4% of annual sales.

When it comes to the cash conversion cycle, we expect that it will decline from 155 days in 2023 to 60 days in the long run.

Valuation

We have valued ELQ S.A. by using a weighted average of our DCF model (80%) and peer group (20%). With updated estimates, much lower WACC (9.8% vs. 9.4% before) and lower peer-group-based FV (PLN 4.45 vs. PLN 5.82), our approach derives a 12-months price target for the stock of PLN 3.90 (previously: PLN 4.80). With an upside of 29.6%, our BUY rating for ELQ remains unchanged.

Below are the key assumptions of our WACC calculation:

- (1) *Risk-free rate*: Current yield of Polish long-term government bonds with maturity in 2047E is 5.91% (Source: www.boerse-stuttgart.de)
- (2) *Beta*: 4y average unlevered beta of companies from the Green & Renewable Energy sector of 0.66x (Source: www.damodaran.com)
- (3) *Equity risk premium (Poland)*: 5.84% (Source: www.damodaran.com)
- (4) *Effective tax rate*: 19%
- (5) *Target equity ratio*: 100%
- (6) *After-tax debt costs*: 8.1%
- (7) *WACC = Equity costs*: 9.8%
- (8) Free cash flows are discounted to May 19, 2024.

DCF model

in PLNm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	
Net sales	128.45	310.80	459.25	528.37	591.45	618.73	646.00	673.28	700.55	
(y-o-y change)	55.2%	142.0%	47.8%	15.1%	11.9%	4.6%	4.4%	4.2%	4.1%	
EBIT	18.06	41.45	56.30	58.96	59.51	55.51	50.92	45.73	42.03	
(EBIT margin)	14.1%	13.3%	12.3%	11.2%	10.1%	9.0%	7.9%	6.8%	6.0%	
NOPLAT	14.63	33.58	45.60	47.76	48.20	44.97	41.24	37.04	34.05	
+ Depreciation & amortisation	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.80	
= Net operating cash flow	15.63	34.67	46.80	49.06	49.60	46.46	42.84	38.74	35.85	
- Total investments (Capex and WC)	-9.19	-45.23	-30.97	-3.30	-11.05	-3.58	-2.87	-0.32	-8.29	
Capital expenditure	-0.71	-1.31	-1.41	-1.51	-1.61	-1.71	-1.81	-1.91	-2.01	
Working capital	-8.48	-43.92	-29.56	-1.79	-9.44	-1.87	-1.07	1.58	-6.28	
= Free cash flow (FCF)	6.44	-10.55	15.83	45.76	38.55	42.88	39.97	38.41	27.56	
PV of FCF's	6.08	-9.07	12.40	32.66	25.07	25.41	21.57	18.89	12.35	
PV of FCFs in explicit period 145.35										
PV of FCFs in terminal period 190.36										
Enterprise value (EV) 335.72										
+ Net cash / - net debt (31 March 2024) -2.69										
+ Investment / - minorities 0.00										
Shareholder value 333.03										
Number of shares outstanding (m) 100.00										
WACC 9.8%										
WACC	Cost of equity	9.8%	Terminal EBIT margin							
	Pre-tax cost of debt	10.0%	3.0%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%	
	Normal tax rate	19.0%	5.8%	4.74	5.78	6.82	7.86	8.90	9.94	10.99
	After-tax cost of debt	8.1%	6.8%	3.88	4.64	5.39	6.15	6.91	7.67	8.43
	Share of equity	100.0%	7.8%	3.30	3.88	4.45	5.03	5.61	6.19	6.77
	Share of debt	0.0%	8.8%	2.88	3.33	3.79	4.24	4.70	5.15	5.61
	Fair value per share in PLN (today)	3.33	9.8%	2.56	2.92	3.29	3.66	4.02	4.39	4.76
	Fair value per share in PLN (in 12 months)	3.66	10.8%	2.30	2.60	2.90	3.20	3.50	3.80	4.10
			11.8%	2.09	2.34	2.59	2.84	3.09	3.34	3.59

Source: East Value Research GmbH

Peer Group Analysis

Our peer group includes developers of renewable energy projects and producers of transformers. It does not comprise e.g. ABB, Schneider Electric and Siemens as they produce transformers but operate in many different business segments.

In Poland, ELQ's main competitors in the area of transformer stations are the privately-held companies ZPUE S.A. - is owned by the Wypychewicz family and is the Polish market leader with a c. 60% share - and Elektromontaz Lublin Sp. z.o.o. (est. market share: 30%).

- (1) *Novavis Group S.A.*: Novavis, which is based in Warsaw/Poland, engages in developing, designing, and executing renewable energy projects in Poland, especially photovoltaic installations. Its current portfolio of projects has a capacity of >580 MW. In 2023, the company, which has a market cap of PLN 73.2m, generated revenues of PLN 10.6m and an EBITDA margin of 61.2%. Its ROCE equalled 53.4%.
- (2) *Energiekontor AG*: Energiekontor, which is based in Bremen/Germany, engages in the planning, construction, and operation of wind farms and solar parks in Germany, Portugal, UK and France. Since its foundation in 1990, it has realised >160 wind and solar parks with a capacity of c. 1 GW. Moreover, it operates c. 40 renewable energy plants with a c. 390 MW. In 2023, Energiekontor, which has a market cap of EUR 996.6m, generated revenues of EUR 241.8m and an EBITDA margin of 56.3%. Its ROCE equalled 14.3%.
- (3) *PNE AG*: PNE, which is based in Cuxhaven/Germany, develops, constructs, and sells onshore and offshore wind farms; provides technical and commercial operation management services for wind farms, PV plants, and transformer stations; and generates electricity from wind and biomass power plants. It is also involved in the development of photovoltaics and hybrid solutions. Currently, the company, which is active in 15 countries in Europe, South Africa, North America and Asia, has a pipeline of 16.6 GW (wind & PV) and owns plants with 346 MW. In 2023, PNE, which has a market cap of EUR 1.1bn, generated revenues of EUR 121.5m and an EBITDA margin of 24.2%. Its ROCE equalled 0.3%.
- (4) *Photon Energy NV*: Photon Energy, which is based in Amsterdam/the Netherlands, provides development, engineering, construction, installation, operation and maintenance of photovoltaic systems. The company also invests in and generates electricity through photovoltaic power plants. It has a project pipeline of 1.2+ GWp in Australia, the Czech Republic, Hungary, Slovakia, Poland, and Romania and own electricity generation assets of 127.3 MWp. In 2023, Photon Energy, which has a market cap of EUR 106.2m, generated revenues of PLN 91.4m and an EBITDA margin of -223.6%.
- (5) *Jiangsu Huachen Transformer Co. Ltd.*: Jiangsu Huachen, which is based in Xuzhou/China, produces and sells electronic equipment, specializing in transformer stations. In its offer, the company has oil-immersed, dry-type, and coating coil distribution transformer stations. In 2023, Jiangsu Huachen, which has a market cap of CNY 4.3bn, generated revenues of CNY 1.5bn and an EBITDA margin of 12.7%. Its ROCE equalled 13.1%.

(6) *Alfen NV*: Alfen, which is headquartered in Almere/Netherlands, designs, engineers, develops, produces, and sells products, systems, and services related to the electricity grid. The company offers smart grid solutions, including secondary transformer substations for grid operators, devices for grid automation, and proprietary back-end systems for remote management and control of electricity grids, as well as micro-grids; and supplementary offerings to grid connect amongst others PV farms, EV fast-charging hubs, and industrial companies. It also provides energy storage systems comprising stationary and mobile battery energy storage solutions for load balancing, peak shaving, grid frequency control, and energy trading solutions, as well as embedded software and back-office solutions that enables remote monitoring, control, and support for storage applications. In 2023, Alfen, which has a market cap of EUR 889.5m, generated revenues of EUR 504.5m and an EBITDA margin of 9.6%. Its ROCE equalled 15.5%.

Company	EV/Sales		EV/EBITDA		P/E		P/BVPS	EBITDA margin	Net gearing
	2024E	2025E	2024E	2025E	2024E	2025E	Latest	Last FY	Latest
Novavis Group S.A. (PLN)	4.4x	1.1x	7.4x	2.1x	9.5x	2.9x	8.8x	61.2%	-26.4%
Energiekontor AG (EUR)	4.0x	2.8x	12.1x	8.3x	25.9x	14.2x	5.4x	56.3%	117.8%
PNE AG (EUR)	11.2x	9.6x	37.3x	27.4x	n.a	n.a	5.3x	24.2%	353.9%
Photon Energy NV (EUR)	2.9x	2.4x	17.5x	13.1x	n.a	n.a	1.5x	neg	242.1%
Jiangsu Huachen Transformer Co. Ltd. (CNY)	2.4x	1.9x	24.6x	19.2x	27.8x	21.9x	4.5x	10.6%	19.8%
Alfen NV (EUR)	1.5x	1.2x	12.1x	8.9x	21.7x	15.0x	5.0x	9.6%	30.7%
Median	3.5x	2.2x	14.8x	11.0x	23.8x	14.6x	5.1x	24.2%	74.2%
ELQ S.A. (PLN)	2.4x	1.0x	15.9x	7.1x	21.5x	9.1x	22.2x	19.6%	19.8%
Premium/Discount	-32.3%	-54.7%	7.6%	-34.9%	-9.6%	-37.4%			
Fair value ELQ (PLN)	4.45								

Source: CapitalIQ, marketscreener.com, bankier.pl, East Value Research GmbH

Price target calculation

Valuation method	Fair value	Weight
DCF model	3.33	80%
Peer Group Analysis	4.45	20%
Weighted average (present value)	3.55	
In 12-months (PV * (1+WACC))	3.90	

Source: East Value Research GmbH

Profit and loss statement

in PLNm	2021	2022	2023*	2024E	2025E	2026E
Total Output	21.72	33.14	86.03	128.45	310.80	459.25
CoGS	-20.39	-26.10	-61.24	-101.48	-248.64	-371.99
Gross profit	1.32	7.04	24.79	26.97	62.16	87.26
Other operating income	2.96	0.36	7.44	7.81	8.21	8.62
Personnel expenses	-3.57	-3.91	-6.88	-9.63	-22.67	-32.58
Other operating expenses	-0.93	-1.59	-9.13	-6.10	-5.15	-5.80
EBITDA	-0.21	1.90	16.22	19.06	42.55	57.49
Depreciation & amortization	-1.27	-0.78	-0.90	-1.00	-1.10	-1.20
EBIT	-1.49	1.11	15.32	18.06	41.45	56.30
Net financial results	-0.18	-0.45	-0.80	-0.78	-0.76	-0.74
EBT	-1.82	0.66	14.52	17.28	40.69	55.55
Income taxes	-0.06	-0.26	-3.21	-3.28	-7.73	-10.56
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Net income / loss	-1.88	0.40	11.31	14.00	32.96	45.00
EPS	-0.02	0.02	0.11	0.14	0.33	0.45
DPS	0.00	0.00	0.00	0.04	0.10	0.13
Share in total output						
Total Output	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
CoGS	-93.91 %	-78.77 %	-71.18 %	-79.00 %	-80.00 %	-81.00 %
Gross profit	6.09 %	21.23 %	28.82 %	21.00 %	20.00 %	19.00 %
Other operating income	13.62 %	1.08 %	8.65 %	6.08 %	2.64 %	1.88 %
Personnel expenses	-16.43 %	-11.79 %	-7.99 %	-7.49 %	-7.29 %	-7.09 %
Other operating expenses	-4.28 %	-4.80 %	-10.62 %	-4.75 %	-1.66 %	-1.26 %
EBITDA	-0.99 %	5.72 %	18.86 %	14.84 %	13.69 %	12.52 %
Depreciation & amortization	-5.86 %	-2.36 %	-1.04 %	-0.78 %	-0.35 %	-0.26 %
EBIT	-6.85 %	3.36 %	17.81 %	14.06 %	13.34 %	12.26 %
Net financial results	-0.84 %	-1.36 %	-0.93 %	-0.61 %	-0.24 %	-0.16 %
EBT	-8.38 %	2.00 %	16.88 %	13.45 %	13.09 %	12.10 %
Income taxes	-0.30 %	-0.78 %	-3.73 %	-2.56 %	-2.49 %	-2.30 %
Minority interests	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Net income / loss	-8.68 %	1.22 %	13.15 %	10.90 %	10.60 %	9.80 %

* there results have not yet been audited

Balance sheet

in PLNm	2021	2022	2023*	2024E	2025E	2026E
Cash and cash equivalents	0.24	2.46	0.46	5.33	5.66	6.00
Other financial assets	0.62	0.00	0.00	0.00	0.00	0.00
Inventories	1.32	24.90	33.55	41.70	91.96	122.30
Trade accounts and notes receivable	1.50	3.82	5.67	9.06	22.56	34.29
Other current assets	2.39	0.12	8.84	9.02	9.20	9.38
Current assets	6.06	31.30	48.52	65.11	129.38	171.97
Property, plant and equipment	11.09	11.25	11.43	11.20	11.40	11.60
Other intangible assets	0.00	0.02	0.18	0.16	0.16	0.16
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Long-term financial assets	0.69	0.69	0.75	0.71	0.72	0.72
Deferred tax assets	0.08	0.17	0.23	0.59	0.00	0.00
Non-current assets	11.85	12.14	12.59	12.66	12.28	12.49
Total assets	17.91	43.44	61.11	77.78	141.66	184.45
Trade payables	8.52	10.58	11.74	18.07	40.87	56.05
Short-term financial debt	0.53	0.18	0.00	0.00	0.00	0.00
Other liabilities	3.95	26.80	30.87	27.78	25.00	22.50
Provisions	0.10	0.14	0.40	0.00	0.00	0.00
Current liabilities	13.10	37.70	43.01	45.85	65.87	78.55
Long-term financial debt	2.70	2.82	2.91	2.90	18.00	13.00
Other long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	0.10	0.23	0.00	0.00	0.00	0.00
Deferred tax liabilities	0.04	0.07	0.16	0.00	0.00	0.00
Long-term liabilities	2.84	3.12	3.07	2.90	18.00	13.00
Total liabilities	15.94	40.82	46.08	48.75	83.87	91.55
Shareholders equity	1.97	2.62	15.03	29.03	57.79	92.90
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities and equity	17.91	43.44	61.11	77.78	141.66	184.45

* there results have not yet been audited

Cash Flow Statement

in PLNm	2021	2022	2023*	2024E	2025E	2026E
Net income / loss	-1.88	0.40	11.31	14.00	32.96	45.00
Depreciation & amortization	1.27	0.78	0.90	1.00	1.10	1.20
Change of working capital	1.33	1.30	-13.85	-8.48	-43.92	-29.56
Others	-0.66	0.58	1.34	0.13	-0.59	0.00
Net operating cash flow	0.06	3.07	-0.30	6.64	-10.45	16.64
Cash flow from investing	-0.13	-0.79	-0.67	-0.71	-1.31	-1.41
Free cash flow	-0.08	2.28	-0.98	5.94	-11.76	15.23
Cash flow from financing	-0.09	-0.81	-0.52	-1.06	12.08	-14.89
Change of cash	-0.16	2.22	-2.00	4.88	0.32	0.34
Cash at the beginning of the period	0.40	0.24	2.46	0.46	5.33	5.66
Cash at the end of the period	0.24	2.46	0.46	5.33	5.66	6.00

* there results have not yet been audited

Financial ratios

Fiscal year	2021	2022	2023*	2024E	2025E	2026E
Profitability and balance sheet quality						
Gross margin	6.09%	21.23%	28.82%	21.00%	20.00%	19.00%
EBITDA margin	-0.84%	6.66%	19.60%	14.84%	13.69%	12.52%
EBIT margin	-6.85%	3.36%	17.81%	14.06%	13.34%	12.26%
Net margin	-8.68%	1.22%	13.15%	10.90%	10.60%	9.80%
Return on equity (ROE)	165.08%	17.53%	128.20%	63.56%	75.93%	59.73%
Return on assets (ROA)	-9.50%	1.96%	19.82%	19.00%	23.80%	24.80%
Return on capital employed (ROCE)	-31.98%	11.76%	65.96%	45.83%	44.30%	43.06%
Economic Value Added (in PLNm)	-2.01	0.11	10.17	11.51	26.18	35.26
Net debt (in PLNm)	2.99	0.55	2.45	-2.43	12.34	7.00
Net gearing	151.49%	20.87%	16.31%	-8.38%	21.36%	7.53%
Equity ratio	11.01%	6.04%	24.59%	37.32%	40.79%	50.36%
Current ratio	0.46	0.83	1.13	1.42	1.96	2.19
Quick ratio	0.18	0.17	0.14	0.31	0.43	0.51
Net interest cover	-8.13	2.47	19.14	23.14	54.49	76.01
Net debt/EBITDA	-13.91	0.29	0.15	-0.13	0.29	0.12
Tangible BVPS	0.02	0.10	0.15	0.29	0.58	0.93
Capex/Sales	-40.26%	-3.45%	-1.56%	-0.55%	-0.42%	-0.31%
Working capital/Sales	-28.36%	-30.00%	6.59%	10.85%	18.61%	19.03%
Cash Conversion Cycle (in days)	-108	249	155	111	102	92
Trading multiples						
EV/Sales	13.98	9.16	3.53	2.36	0.98	0.66
EV/EBITDA	-1414.32	160.22	18.72	15.93	7.14	5.28
EV/EBIT	-204.09	272.99	19.82	16.81	7.33	5.39
P/Tangible BVPS	151.4x	30.8x	20.0x	10.4x	5.2x	3.2x
P/E	-158.4x	200.7x	26.6x	21.5x	9.1x	6.7x
P/FCF	-4000.5x	132.1x	-308.3x	50.7x	-25.6x	19.8x

* there results have not yet been audited

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