

ELQ presented great results for Q4/2023 and full-year 2023 and its ROCE reached a very strong 66%. In 2023, revenues, EBIT and net income came in 14.7%-26.2% above our forecasts. While with PLN -303k operating cash flow was weak, this stemmed from significant investments in the inventory (transformers), which allow the company to deliver its products much faster than its competitors. Given the EU Green Deal, which is obligatory for all EU member states incl. Poland, Poland's still low shares of renewables in total energy production of 27% and significant funds from the EU Recovery and Resilience Funds (EUR 59.8bn, thereof 46.6% for climate-related projects) that Poland will likely receive from 2024E following the change of government in Q4/23, we are confident that ELQ will grow significantly in 2024E and beyond. With higher margin assumptions based on the results in 2023, lower WACC (9.4% vs. 10.7% before) and higher peer-group-based FV (PLN 5.82 vs. PLN 2.62), we arrive at a new 12-months PT (80% DCF, 20% peer group) of PLN 4.80 (previously: PLN 3.90), which implies an upside of 108.5% at present. Our new estimates imply a P/E 2024E of 7.8x and PEG of 0.05. The main risks remain the high dependence on the owner/CEO and the very low free float of 5% as the CEO's shares have not yet been admitted to trading.

In 2023, ELQ's increased by 159.6% y-o-y on top-line, while EBIT and net income grew >12x. Total output reached PLN 86m and was thus 14.7% above our forecasts. EBIT equalled PLN 15.3m (our estimate: PLN 12.1m) and net income PLN 11.3m (PLN 9.5m), also implying a higher-than-expected operating and net margin of 17.8% and 13.2% respectively. In 2023, ROCE reached a record 66% vs. 11.8% in the previous year.

Given much better than expected results in 2023 and positive expectations of the management, we have raised our profitability forecasts for 2024E and beyond. This year, we now expect revenues of PLN 241.2m (prev. PLN 241.2m), an EBIT of PLN 37.2m (PLN 36.5m) and net income of PLN 29.5m (PLN 29.2m). In the long run, we believe that ELQ's top-line will increase at a CAGR of 26.5% especially due to a rapidly-growing PV business (CAGR of 43.7%).

in PLNm	2021	2022	2023	2024E	2025E	2026E
Total output	21.72	33.14	86.03	241.20	349.55	459.25
EBITDA	-0.21	1.90	16.22	38.16	50.85	61.53
EBIT	-1.49	1.11	15.32	37.16	49.75	60.33
Net income	-1.88	0.40	11.31	29.47	39.68	48.27
EPS	-0.02	0.02	0.11	0.29	0.40	0.48
DPS	0.00	0.00	0.00	0.09	0.12	0.14
Dividend yield	0.00%	0.00%	0.00%	3.84%	5.18%	6.30%
RoE	165.08%	17.53%	128.20%	74.12%	49.65%	42.52%
Net gearing	151.49%	20.87%	16.31%	-17.47%	-18.17%	-24.70%
EV/Sales	10.70x	7.01x	2.70x	0.96x	0.67x	0.51x
EV/EBITDA	neg	122.64x	14.33x	6.09x	4.57x	3.78x
P/E	neg	153.3x	20.3x	7.8x	5.8x	4.8x

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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Sector	Energy
Country	Poland
ISIN	PLIPOSA00010
Reuters	ELQ.WA
Bloomberg	ELQ.PW

Share information

Last price	2.30
Number of shares (m)	100.00
Market cap. (PLNm)	230.00
Market cap. (EURm)	53.00
52-weeks range	PLN 4.60 / PLN 0.92
Average volume (shares)	11,308

Performance

4-weeks	-23.84%
13-weeks	81.10%
26-weeks	67.88%
52-weeks	40.24%
YTD	-19.58%

Shareholder structure

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

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

Financial calendar

Q1/24 report	May 14, 2024
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Full-year 2023 results

Revenues and Profitability

In Q4/2023, ELQ generated a record total output of PLN 25.3m (+57% y-o-y), resulting in a net income of PLN 2.91m (11.5% margin). In 2023, it had a total output of PLN 86m (+159.6% y-o-y), which was 14.7% higher than our forecast of PLN 75m. Net sales amounted to PLN 82.7m (+191.6% y-o-y) thanks to significantly higher transformer station sales.

EBITDA increased significantly to PLN 16.2m (+14.3m y-o-y, +25.4% vs. our estimates). ELQ's efficient cost management resulted in higher profitability, as operating costs increased by only 122.6%. The biggest impact on operating costs had energy and material expenses (70.1% of OPEX, +146.9% y-o-y), and third-party services costs (14.9% of OPEX, +144.6% y-o-y). Net income for 2023 equalled PLN 11.3m (+10.9m y-o-y, +19.6% vs. our estimate). The net margin also increased significantly to 13.2% (2022: 1.2%).

in PLNm	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023
Total output	3.67	5.38	7.98	16.11	33.14	15.19	24.41	21.13	25.30	86.03
<i>change y-o-y</i>	-55.3%	-22.5%	106.5%	496.1%	52.6%	314.2%	354.1%	164.6%	57.0%	159.6%
EBITDA	-0.73	-0.79	-0.01	3.42	1.90	1.90	5.48	4.09	4.75	16.22
<i>EBITDA margin</i>	-19.9%	-14.6%	-0.1%	21.2%	5.7%	12.5%	22.5%	19.4%	18.8%	18.9%
EBIT	-0.89	-1.00	-0.18	3.19	1.11	1.66	5.26	3.99	4.41	15.32
<i>EBIT margin</i>	-24.3%	-18.6%	-2.3%	19.8%	3.4%	10.9%	21.5%	18.9%	17.4%	17.8%
Net income	-0.82	-1.09	-0.31	2.62	0.40	1.20	4.11	3.10	2.91	11.31
<i>Net margin</i>	-22.3%	-20.3%	-3.9%	16.3%	1.2%	7.9%	16.8%	14.7%	11.5%	13.2%

Source: Company information, East Value Research GmbH

in PLNm	2023	2023E	2022	2023 vs. 2023E	2023 vs. 2022
Total output	86.03	75.00	33.14	14.7%	159.6%
EBITDA	16.22	12.94	1.90	25.4%	755.8%
<i>EBITDA margin</i>	18.9%	17.3%	5.7%		
EBIT	15.32	12.14	1.11	26.2%	1277.4%
<i>EBIT margin</i>	17.8%	16.2%	3.4%		
Net income	11.31	9.46	0.40	19.6%	2708.7%
<i>Net margin</i>	13.2%	12.6%	1.2%		

Source: Company information, East Value Research GmbH

Last year, ELQ underlined its position as the leading Polish company in the production and supply of transformer stations for renewable energy systems. During 2023, the company signed many binding contracts, some with completion in 2024E. In 2023, it started to generate significant revenues from the development of photovoltaic farms. In case ELQ obtains all the necessary permits to build a farm and acts as a general contractor, the company will supply the farm with its own transformer stations and related equipment, thus the core business segment facilitates the progress of the second segment.

In 2022, almost all of ELQ's net sales stemmed from the sale of transformer stations. As for 2023, we believe that the development of renewable energy projects contributed c. 11% of the net sales. We expect this segment to increase its share to 28.9% in 2024E.

Balance sheet and Cash flow

At the end of 2023, ELQ had equity of PLN 15m (ratio of 24.6% compared to 6% in the previous FY).

ELQ's largest position on the balance sheet were inventories of PLN 42.5m (+70.8% y-o-y). Thereof, materials used in the production of a transformer station accounted for 63.1%, and it is important to note that the company does not have any finished products on stock. This means that ELQ sells its products continuously and has no obsolete stock. ELQ's stockpiling of materials means it is not affected by delays in the supply chain and can deliver the transformer station to the customer 16-18 weeks ahead of the competition.

At the end of December 2023, ELQ's cash position equalled PLN 458k and current liabilities PLN 42.2m (+12.4% y-o-y). However, it has to be noted that due to the preferential settlement of transformer station sales ELQ receives c. 95% of the amount due prior to delivery. In addition, as of 31/12/2023 the current ratio amounted to 1.2x and thus was at a safe level.

In 2023, ELQ generated an operating cash flow of PLN -303k (2022: PLN 3.1m). A significantly better net income y-o-y was more than offset by PLN 17.6m higher inventories. Cash flow from investing amounted to PLN -673k (2022: PLN -788k) and cash flow from financing PLN -523k (2022: PLN -814k).

Changes to our forecasts

Revenues and Profitability

For FY2023, ELQ beat our estimates by 14.7-26.2%. Management is very optimistic for 2024E and believes the company can deliver a significant growth of >100%.

ELQ is the number three on the Polish transformer station market. In addition to the high quality of its transformer stations, the company sets itself apart from its competitors through fast delivery and installation. To cope with the increase of transformer station sales, ELQ plans to hire around 150 people and open a new production hall.

While we have maintained our revenue estimates for 2024E-2026E, we have increased our assumptions for the EBIT margin by 0.3% to 0.9% following much better than expected profitability in 2023. For 2024E, we now expect an EBIT margin of 15.4% (previously: 15.1%) and a net income of PLN 29.5m (PLN 29.2m). In the following year, we now assume that the EBIT margin will increase to 14.2% (13.6%) and the net income to PLN 39.7m (PLN 38.3m). In the long run, we now conservatively expect a lower revenue CAGR of 26.8% (previously: 28.6%) and a target EBIT margin of <7% (<8%).

in PLNm	2024E	2025E	2026E
Transformer stations	171.45	217.80	274.95
<i>(% of net sales)</i>	<i>71.1%</i>	<i>62.3%</i>	<i>59.9%</i>
EBITDA margin	16.4%	15.3%	14.2%
Average price of a transformer station (PLN)	450,000	450,000	450,000
Number of transformer stations sold	381	484	611
General contractor (PV projects)	69.75	131.75	184.30
<i>(% of net sales)</i>	<i>28.9%</i>	<i>37.7%</i>	<i>40.1%</i>
EBITDA margin	14.4%	13.3%	12.2%
Projects built per year (in MW)	45	85	119
Projects built (in MW) - 2nd model	5	9	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	241.20	349.55	459.25
<i>(change y-o-y)</i>	<i>191.5%</i>	<i>44.9%</i>	<i>31.4%</i>

Source: Company information, East Value Research GmbH

in PLNm	2024E		2025E		2026E	
	new	old	new	old	new	old
Total output	241.20	241.20	349.55	349.55	459.25	459.25
EBITDA	38.16	37.37	50.85	48.71	61.53	57.28
<i>EBITDA margin</i>	<i>15.8%</i>	<i>15.5%</i>	<i>14.5%</i>	<i>13.9%</i>	<i>13.4%</i>	<i>12.5%</i>
EBIT	37.16	36.47	49.75	47.71	60.33	56.18
<i>EBIT margin</i>	<i>15.4%</i>	<i>15.1%</i>	<i>14.2%</i>	<i>13.6%</i>	<i>13.1%</i>	<i>12.2%</i>
Net income	29.47	29.18	39.68	38.30	48.27	44.18
<i>Net margin</i>	<i>12.2%</i>	<i>12.1%</i>	<i>11.4%</i>	<i>11.0%</i>	<i>10.5%</i>	<i>9.6%</i>

Source: East Value Research GmbH

Overall, we are optimistic about ELQ's growth potential over the next years. Thanks to the European Union's ambitious target of 42.5% of energy consumption from renewable sources by 2030E, the market environment for both of ELQ's business segments is positive. The latest policy regarding solar energy for the EU expects the total installed capacity to reach 600 GW by 2030E, while the total capacity in 2023 was only around c. 260 GW, leaving a large market potential for the development of PV farms. Also, Poland is still far behind European leaders such as Germany when it comes to renewable capacity (c. 28 GW vs. c. 170 GW in Germany) and share of renewables in total energy production (27% vs. 44.6%).

CAPEX and Working capital

For 2024E, we have assumed gross CAPEX of PLN 1.2m, which will be spent mainly on machines and equipment. In the following years gross CAPEX should be in the range of 0.2-0.5% 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 (9.4% vs. 10.7% before) and higher peer-group-based FV (PLN 5.82 vs. PLN 2.62), our approach derives a 12-months price target for the stock of PLN 4.80 (previously: PLN 3.90). With an upside of 108.5%, 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 5.56% (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*: 9.4%
- (8) Free cash flows are discounted to February 16, 2024.

DCF model

in PLNm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E			
Net sales	241.20	349.55	459.25	528.37	591.45	618.73	646.00	673.28	700.55			
(y-o-y change)	191.5%	44.9%	31.4%	15.1%	11.9%	4.6%	4.4%	4.2%	4.1%			
EBIT	37.16	49.75	60.33	63.46	64.46	60.89	56.72	51.95	47.13			
(EBIT margin)	15.4%	14.2%	13.1%	12.0%	10.9%	9.8%	8.8%	7.7%	6.7%			
NOPLAT	30.10	40.30	48.87	51.40	52.21	49.32	45.94	42.08	38.17			
+ Depreciation & amortisation	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.80			
= Net operating cash flow	31.10	41.39	50.06	52.70	53.61	50.82	47.54	43.78	39.97			
- Total investments (Capex and WC)	-36.42	-25.88	-22.35	-4.16	-10.86	-3.45	-2.78	-0.27	-8.11			
Capital expenditure	-1.21	-1.31	-1.41	-1.51	-1.61	-1.71	-1.81	-1.91	-2.01			
Working capital	-35.21	-24.58	-20.94	-2.66	-9.26	-1.74	-0.97	1.64	-6.10			
= Free cash flow (FCF)	-5.31	15.51	27.71	48.54	42.75	47.37	44.76	43.51	31.86			
PV of FCF's	-4.91	13.10	21.40	34.26	27.57	27.93	24.12	21.43	14.34			
PV of FCFs in explicit period	179.24											
PV of FCFs in terminal period	225.75											
Enterprise value (EV)	404.98											
+ Net cash / - net debt (31 December 2023)	-2.45											
+ Investment / - minorities	0.00											
Shareholder value	402.53											
Number of shares outstanding (m)	100.00											
					Terminal EBIT margin							
WACC	9.4%				3.7%	4.7%	5.7%	6.7%	7.7%	8.7%	9.7%	
Cost of equity	9.4%				5.4%	6.36	7.52	8.68	9.85	11.01	12.17	13.33
Pre-tax cost of debt	10.0%				6.4%	5.09	5.91	6.74	7.57	8.39	9.22	10.05
Normal tax rate	19.0%				7.4%	4.27	4.89	5.51	6.13	6.75	7.37	7.99
After-tax cost of debt	8.1%				8.4%	3.69	4.17	4.65	5.13	5.61	6.10	6.58
Share of equity	100.0%				9.4%	3.25	3.64	4.02	4.40	4.79	5.17	5.56
Share of debt	0.0%				10.4%	2.91	3.22	3.53	3.85	4.16	4.47	4.79
Fair value per share in PLN (today)	4.03				11.4%	2.63	2.89	3.15	3.41	3.67	3.92	4.18
Fair value per share in PLN (in 12 months)	4.40											

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 c. 60% - 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 2022, the company, which has a market cap of PLN 91.4m, generated revenues of PLN 9.4m and an EBITDA margin of 49.7%. Its ROCE equalled 69.8%.
- (2) *Raen S.A.*: Raen, which is based in Warsaw/Poland, acquires, finances and develops renewable energy projects. In the future, the company also wants to sell renewable energy that is generated in its own solar, wind and biogas plants. Its portfolio of third-party projects currently comprises projects with a capacity of 1.45 GW and is supposed to grow to 3 GW by 2025E. Raen became a listed company through a reversed merger with the gaming company PunkPirates S.A. in March 2023. Currently, it has a market cap of PLN 33.9m.
- (3) *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, Great Britain UK and France. It owns and operates 140 wind farms and 15 solar parks with a total output of approximately 1.3 gigawatt. In 2022, Energiekontor, which has a market cap of EUR 1bn, generated revenues of EUR 187.6m and an EBITDA margin of 53.4%. Its ROCE equalled 12.1%.
- (4) *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 own plants with 346 MW. In 2022, PNE, which has a market cap of EUR 1bn, generated revenues of EUR 126.2m and an EBITDA margin of 21.6%. Its ROCE equalled 0.5%.
- (5) *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 113.1 MWp. In 2022, Photon Energy, which has a market cap of EUR 117.6m, generated revenues of PLN 437.4m and an EBITDA margin of 23.6%. Its ROCE equalled 21.4%.

- (6) *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 2022, Jiangsu Huachen, which has a market cap of CHY 2.7bn, generated revenues of CHY 1.02bn and an EBITDA margin of 9.2%. Its ROCE equalled 7.2%.
- (7) *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 2022, Alfen, which has a market cap of EUR 1.3bn, generated revenues of EUR 439.9m and an EBITDA margin of 16.5%. Its ROCE equalled 30.1%.

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)	2.7x	1.4x	5.6x	2.9x	7.3x	3.7x	11.2x	49.7%	-33.7%
Raen S.A. (PLN)	1.0x	0.7x	2.7x	2.0x	5.5x	5.5x	5.6x	n.a	39.4%
Energiekontor AG (EUR)	3.5x	3.0x	10.4x	9.0x	18.1x	16.1x	7.9x	53.4%	227.1%
PNE AG (EUR)	9.6x	7.8x	29.7x	21.3x	n.a	n.a	5.0x	21.6%	295.0%
Photon Energy NV (EUR)	2.7x	2.4x	18.6x	12.9x	n.a	14.1x	1.6x	23.6%	242.0%
Jiangsu Huachen Transformer Co. Ltd. (CNY)	1.5x	1.2x	15.2x	11.9x	17.4x	13.7x	3.1x	9.2%	9.2%
Alfen NV (EUR)	2.1x	1.7x	15.6x	12.2x	29.5x	21.1x	7.2x	16.5%	30.7%
Median	2.7x	1.7x	15.2x	11.9x	17.4x	13.9x	5.6x	22.6%	39.4%
ELQ S.A. (PLN)	1.0x	0.7x	6.1x	4.6x	7.8x	5.8x	156.1x	6.7%	166.4%
Premium/Discount	-64.4%	-61.1%	-60.0%	-61.5%	-55.2%	-58.3%			
Fair value ELQ (PLN)	5.82								

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

Price target calculation

Valuation method	Fair value	Weight
DCF model	4.03	80%
Peer Group Analysis	5.82	20%
Weighted average (present value)	4.38	
In 12-months (PV * (1+WACC))	4.80	

Source: Company information, East Value Research GmbH

Profit and loss statement

in PLNm	2021	2022	2023*	2024E	2025E	2026E
Total Output	21.72	33.14	86.03	241.20	349.55	459.25
CoGS	-20.39	-26.10	-61.24	-182.11	-270.90	-365.10
Gross profit	1.32	7.04	24.79	59.09	78.65	94.15
Other operating income	2.96	0.36	7.44	7.81	8.21	8.62
Personnel expenses	-3.57	-3.91	-6.88	-18.08	-25.50	-32.58
Other operating expenses	-0.93	-1.59	-9.13	-10.67	-10.51	-8.66
EBITDA	-0.21	1.90	16.22	38.16	50.85	61.53
Depreciation & amortization	-1.27	-0.78	-0.90	-1.00	-1.10	-1.20
EBIT	-1.49	1.11	15.32	37.16	49.75	60.33
Net financial results	-0.18	-0.45	-0.80	-0.78	-0.76	-0.74
EBT	-1.82	0.66	14.52	36.38	48.99	59.59
Income taxes	-0.06	-0.26	-3.21	-6.91	-9.31	-11.32
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Net income / loss	-1.88	0.40	11.31	29.47	39.68	48.27
EPS	-0.02	0.02	0.11	0.29	0.40	0.48
DPS	0.00	0.00	0.00	0.09	0.12	0.14
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 %	-75.50 %	-77.50 %	-79.50 %
Gross profit	6.09 %	21.23 %	28.82 %	24.50 %	22.50 %	20.50 %
Other operating income	13.62 %	1.08 %	8.65 %	3.24 %	2.35 %	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 %	-4.42 %	-3.01 %	-1.88 %
EBITDA	-0.99 %	5.72 %	18.86 %	15.82 %	14.55 %	13.40 %
Depreciation & amortization	-5.86 %	-2.36 %	-1.04 %	-0.41 %	-0.31 %	-0.26 %
EBIT	-6.85 %	3.36 %	17.81 %	15.41 %	14.23 %	13.14 %
Net financial results	-0.84 %	-1.36 %	-0.93 %	-0.32 %	-0.22 %	-0.16 %
EBT	-8.38 %	2.00 %	16.88 %	15.08 %	14.01 %	12.98 %
Income taxes	-0.30 %	-0.78 %	-3.73 %	-2.87 %	-2.66 %	-2.47 %
Minority interests	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Net income / loss	-8.68 %	1.22 %	13.15 %	12.22 %	11.35 %	10.51 %

* 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	21.47	25.52	38.73
Other financial assets	0.62	0.00	0.00	0.00	0.00	0.00
Inventories	1.32	24.90	33.55	74.84	100.20	120.03
Trade accounts and notes receivable	1.50	3.82	5.67	17.02	25.38	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	122.34	160.29	202.43
Property, plant and equipment	11.09	11.25	11.43	11.63	11.83	12.03
Other intangible assets	0.00	0.02	0.18	0.18	0.18	0.18
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Long-term financial assets	0.69	0.69	0.75	0.76	0.76	0.77
Deferred tax assets	0.08	0.17	0.23	0.00	0.00	0.00
Non-current assets	11.85	12.14	12.59	12.57	12.78	12.98
Total assets	17.91	43.44	61.11	134.91	173.07	215.41
Trade payables	8.52	10.58	11.74	32.43	44.53	55.02
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	60.21	69.53	77.52
Long-term financial debt	2.70	2.82	2.91	10.20	8.20	6.20
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	10.20	8.20	6.20
Total liabilities	15.94	40.82	46.08	70.41	77.73	83.72
Shareholders equity	1.97	2.62	15.03	64.50	95.34	131.70
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities and equity	17.91	43.44	61.11	134.91	173.07	215.41

* 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	29.47	39.68	48.27
Depreciation & amortization	1.27	0.78	0.90	1.00	1.10	1.20
Change of working capital	1.33	1.30	-13.85	-35.21	-24.58	-20.94
Others	-0.66	0.58	1.34	-0.47	0.00	0.00
Net operating cash flow	0.06	3.07	-0.30	-5.21	16.20	28.52
Cash flow from investing	-0.13	-0.79	-0.67	-1.21	-1.31	-1.41
Free cash flow	-0.08	2.28	-0.98	-6.41	14.89	27.11
Cash flow from financing	-0.09	-0.81	-0.52	27.42	-10.84	-13.90
Change of cash	-0.16	2.22	-2.00	21.01	4.05	13.21
Cash at the beginning of the period	0.40	0.24	2.46	0.46	21.47	25.52
Cash at the end of the period	0.24	2.46	0.46	21.47	25.52	38.73

* 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%	24.50%	22.50%	20.50%
EBITDA margin	-0.84%	6.66%	15.64%	15.82%	14.55%	13.40%
EBIT margin	-6.85%	3.36%	17.81%	15.41%	14.23%	13.14%
Net margin	-8.68%	1.22%	13.15%	12.22%	11.35%	10.51%
Return on equity (ROE)	165.08%	17.53%	128.20%	74.12%	49.65%	42.52%
Return on assets (ROA)	-9.50%	1.96%	19.82%	22.42%	23.37%	22.75%
Return on capital employed (ROCE)	-31.98%	11.76%	65.96%	40.30%	38.92%	35.44%
Economic Value Added (in PLNm)	-1.99	0.14	10.23	23.07	30.55	35.89
Net debt (in PLNm)	2.99	0.55	2.45	-11.27	-17.32	-32.53
Net gearing	151.49%	20.87%	16.31%	-17.47%	-18.17%	-24.70%
Equity ratio	11.01%	6.04%	24.59%	47.81%	55.09%	61.14%
Current ratio	0.46	0.83	1.13	2.03	2.31	2.61
Quick ratio	0.18	0.17	0.14	0.64	0.73	0.94
Net interest cover	-8.13	2.47	19.14	47.61	65.40	81.45
Net debt/EBITDA	-13.91	0.29	0.19	-0.30	-0.34	-0.53
Tangible BVPS	0.02	0.10	0.15	0.64	0.95	1.32
Capex/Sales	-40.26%	-3.45%	-1.56%	-0.50%	-0.37%	-0.31%
Working capital/Sales	-28.36%	-30.00%	6.59%	16.86%	18.66%	18.77%
Cash Conversion Cycle (in days)	-108	249	155	111	102	92
Trading multiples						
EV/Sales	10.70	7.01	2.70	0.96	0.67	0.51
EV/EBITDA	-1082.55	122.64	14.33	6.09	4.57	3.78
EV/EBIT	-156.22	208.95	15.17	6.25	4.67	3.85
P/Tangible BVPS	115.7x	23.5x	15.3x	3.6x	2.4x	1.7x
P/E	-121.1x	153.3x	20.3x	7.8x	5.8x	4.8x
P/FCF	-3056.9x	101.0x	-235.6x	-35.9x	15.4x	8.5x

* there results have not yet been audited

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