

WSE Research Coverage Support Program (PWPA 4.0)

Last published analyst report: 2025-03-31

BUY (PRICE TARGET: PLN 25,2)

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In Q4 2024, the company's revenues increased by 8.6% year-on-year to PLN 86.3 million. The period under review saw a stable year-on-year stream of issue proceeds (+0.5% year-on-year) and double-digit year-on-year growth in advertising revenues (+17.7% year-on-year). For the full year 2024, issue proceeds grew by 0.3% year-on-year, while advertising revenues were more than 27% higher than in 2023.

Total adjusted EBITDA in Q4 2024 was close to PLN 23.6 million, which reflects a 3.7% decrease compared to the previous year. In 2024, adjusted EBITDA increased to PLN 96.5 million, representing a 29% year-on-year growth. EBIT in Q4 2024 fell to PLN 20.3 million (-14.2% y/y; down by PLN 3.3 million nominally). In Q4 2024, advertising and broadcast revenues increased by almost PLN 6 million compared to Q4 2023. During the quarter, payroll costs increased by PLN 2.7 million (29% year-on-year), and content costs were higher year-on-year by more than PLN 1.5 million. Additionally, in Q4 2024, the company recognised a foreign exchange loss of PLN 1 million in other operating income/costs, while in Q4 2023 it was a gain of PLN 3.1 million. In Q4 2024, the net result was PLN 15.1 million, which reflects a decrease of 22.1% compared to the previous year. The effective tax rate in Q4 2024 was almost 29%, which is notably higher than the average of previous periods. For the 2024 financial year, the net result is almost PLN 66.7 million (+28.6% year-on-year; the effective tax rate was 23.2% compared to 21% in 2023).

KINO POLSKA TV Q4 2024 results [PLN m]

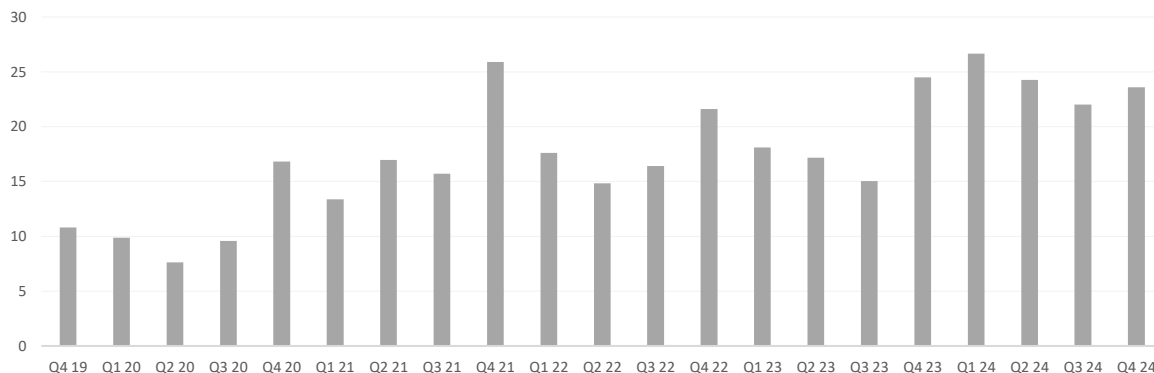
	Q4 23	Q4 24	y/y	2023	2024	y/y
Total Revenues	79,5	86,3	8,6%	294,2	315,5	7,2%
Subscriptions	37,6	37,9	0,5%	150,7	151,2	0,3%
Advertising	33,2	39,1	17,7%	107,0	136,4	27,4%
License Sales	7,3	5,2	-29,5%	30,0	15,3	-48,8%
TV Channel Production	1,4	3,4	145,3%	4,4	9,6	118,4%
Other	-0,1	0,9		2,1	3,0	40,2%
Total operating costs	-59,5	-64,7		-228,9	-228,1	
Others	3,7	-1,3		1,2	-3,1	
EBITDA adj.*	24,5	23,6	-3,7%	74,8	96,5	29,0%
EBIT	23,7	20,3	-14,2%	66,5	84,2	26,7%
Net Financial Income/(Losses)	-0,6	0,9		-0,9	2,6	
Profit before income tax	23,1	21,2	-8,2%	65,6	86,9	32,3%
Income tax	-3,7	-6,1		-13,8	-20,1	
Net profit	19,4	15,1	-22,1%	51,9	66,7	28,6%

EBIT by segments:	Q4 23	Q4 24	y/y	Q4 23 LTM	Q4 24 LTM	y/y
FilmBox	11,3	11,1	-1,8%	49,2	55,9	13,7%
Kino Polska	4,0	3,8	-4,6%	14,2	14,9	5,0%
TV Channel Production	0,4	0,9	124,7%	1,7	1,5	-8,8%
Zoom TV	0,8	0,9	4,2%	-2,7	1,0	
Stopklatka	2,8	3,6	26,6%	0,1	10,4	>200%
License Sales	0,6	0,9	32,1%	2,7	3,0	10,5%

*EBITDA adjusted calculated by BDM may differ from the EBITDA readings KPL presents in its reports

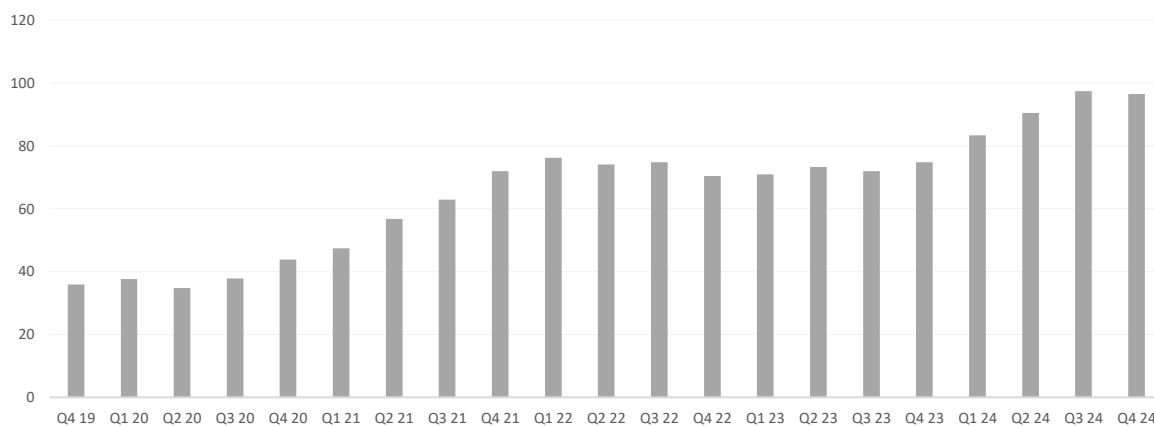
Source: Dom Maklerski BDM S.A., KPL

Historical EBITDA adjusted readings by quarter [PLN m]



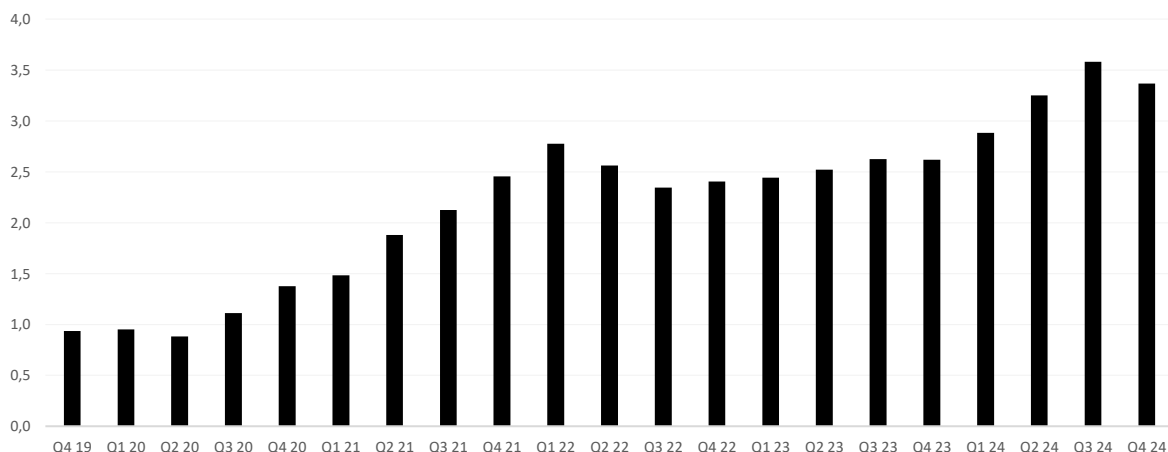
Source: Dom Maklerski BDM S.A., KPL

LTM EBITDA adjusted [PLN m]



Source: Dom Maklerski BDM S.A., KPL

LTM EPS [PLN]



Source: Dom Maklerski BDM S.A., KPL

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Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
buy	25,2	accumulate	25,2	2025-03-31	15:33	19,10	95 850
accumulate	25,2	buy	21,26	2024-12-23	10:54	22,2	79 925
buy	21,26	buy	18,4	2024-07-15	06:59	14,8	88 694
buy	20,05	buy	18,4	2024-05-21	09:15	14,8	89 082
buy	18,4	---	---	2023-12-11	10:57	14,2	77 400

Explanations of terminology:

EBIT - earnings before interest and tax
EBITDA — earnings before interest, taxes, depreciation, and amortization
Net debt – interest bearing debt minus cash and equivalents
WACC - weighted average cost of capital
CAGR - cumulative average annual growth
EPS - earnings per share
DPS - dividend per share
CEPS - net profit plus depreciation per share
EV – market capitalization plus interest bearing debt minus cash and equivalents
EV/S – market capitalization / sales
EV/EBITDA – EV / sales
P/EBIT – market capitalization / EBIT
MC/S – market capitalization / sales
P/E – market capitalization / net profit
P/BV – market capitalization / book value
P/CE - market capitalization / net profit plus depreciation
ROE – net profit / equity
ROA - net income / assets
Gross margin - gross profit on sales / sales
EBITDA margin – EBITDA / sales
EBIT margin – EBIT / sales
Net margin – net profit / sales

The strengths and weaknesses of the valuation methods used in the report:

DCF – the most popular and the most effective of the valuation methods - it is based on the discounting of future cash flows generated by the company. The disadvantage is the high sensitivity to changes in the basic financial parameters forecast in the model (interest rates, exchange rates, profits, residual value).

DDM – the method is based on discounting future cash flows from dividends. The advantage of the valuation is the inclusion of future financial results and cash flows from dividends. The main disadvantages are the high sensitivity to changes in the basic financial parameters forecasted in the model (capital cost, profits, residual value) and the risk of changing the dividend payment policy.

Comparative – the method is based on current and forecasted market multipliers of companies from the industry or related industries, which better than DCF shows the current market situation. The main disadvantages are the difficulty in choosing the right companies for comparison, the risk of ineffective valuation of companies compared at a given moment, as well as high volatility (along with price fluctuations).

Explanation of ratings:

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);

Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);

Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);

Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);

Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).

Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.

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Distribution of BDM's recommendations in Q2 2025*:			, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months	
	numbers	%	numbers	%
Buy	1	50%	0	0%
Accumulate	0	0%	0	0%
Hold	1	50%	0	0%
Reduce	0	0%	0	0%
Sell	0	0%	0	0%

* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

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