

The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme

			2022	2023	2024	
Price [PLN]	46,4	P/E	21,1	20,7	8,6	Analyst: Krzysztof Pado krzysztof.pado@bdm.pl tel.: (+48) 512 338 250
MC [PLN m]	463,2	EV/EBITDA	10,8	11,3	7,3	
		EV/EBIT	12,4	12,7	7,9	
		P/BV	4,7	4,5	3,4	

Last recommendation BDM: ACCUMULATE with target price 47,7 PLN/share (2025/03/06) [LINK](#)

Q4'24 results [PLN m]

	Q4'23	Q4'24	y/y	Q4'24F BDM	dev.	2023	2024	y/y
Sales	137,9	188,7	36,8%	179,0	5,4%	546,9	524,8	-4,1%
Gross profit	13,7	24,2	76,6%	25,6	-5,6%	76,1	80,6	5,9%
Profit on sales	4,8	14,3	199,8%	15,1	-4,9%	50,8	48,6	-4,3%
Other operating activity net	-7,7	0,2	---	-0,5	---	-16,6	5,6	---
EBITDA	-1,7	15,8	---	15,7	0,5%	38,7	58,6	51,6%
EBIT	-2,9	14,6	---	14,6	-0,2%	34,2	54,2	58,5%
Profit before tax	-3,9	11,9	---	12,1	-1,6%	32,3	64,2	99,1%
Net profit	-4,3	8,6	---	9,8	-12,0%	22,4	54,1	141,7%
Gross margin	9,9%	12,8%		14,3%		13,9%	15,4%	
EBITDA margin	-1,2%	8,3%		8,8%		7,1%	11,2%	
EBIT margin	-2,1%	7,7%		8,1%		6,3%	10,3%	
Net margin	-3,1%	4,6%		5,5%		4,1%	10,3%	

Source: BDM S.A., company

- The company published its Q4'24 results yesterday, and today we held a results conference call with management.
- Revenues in Q4'24 amounted to PLN 188.6m (+37% y/y, 5% above our assumptions).
- Gross margin (12.8%) slightly below our assumptions (we assumed 14.3% vs. 9.9% a year ago and 16.8% in Q1-3'24).
- The company has once again changed the presentation of results by segment, so we are not able to indicate what profitability the various divisions generated in Q4'24 according to the breakdown presented to Q3'24. The segment recalculation suggested by the company on the conference call indicates in Q4'24 a 17% gross margin on sales in the Power Networks segment and 11% margin in the Installations and Infrastructure segment (vs 13% and 19% respectively in Q1-3'24).
- SG&A costs higher by 10% year-on-year (PLN 9.8m vs. PLN 8.9m).
- Minimally positive Q4'24 other operating income (PLN +0.2m vs. PLN -7.7m a year ago). Other income and expenses alone are relatively high (> PLN 7m), due to the cleaning of the accounting system by changes in the IT system.
- EBITDA in Q4'24 amounted to PLN 15.8m (vs. PLN -1.7m a year ago and PLN 15.7m our expectations).
- Note that Q4'23 figures are not comparable - among other things, the losses of the subsidiary Zeus were consolidated then and margins were impacted by warranty provisions.
- Financial balance with a negative impact of PLN -2.7m.
- Consolidated net profit in Q4'24 at PLN 8.6m (we expected PLN 9.8m). The effective income tax rate was 27%.
- Cash flow from operations was seasonally strong at PLN +67.0m in Q4'24 (+PLN 32.8m a year ago). At the end of the period, the company had net cash of PLN 35.9m (PLN 27.1m a year ago).
- The Management Board is recommending a PLN 2.50 per-share dividend payout (we assumed PLN 2.78 in our last analyst report).
- Backlog at end-Q4'24: PLN 545m (vs. PLN 590m after Q3'24 and PLN 329m a year ago). Backlog after February'25 was PLN 692m (of which PLN 527m is due in 2025). In addition, the company had PLN 91m in top bids submitted in upcoming tenders.
- The Management Board is working on the company's strategy assumptions for 2026-2030.

BDM Comment: The company's Q4'24 EBIT results were in line with our assumptions. Margin was slightly lower than expected (higher revenues), high effective tax rate burdened net result. The high operating CF in Q4'24 helped to rebuild the cash position. After February, the company has a record order backlog (PLN 692m, of which PLN 527m is still due in 2025), which should indicate the potential for y/y revenue growth in 2025. On the conference call, management indicated the possibility of maintaining 2024 margins. In Q4'25, the company should show its strategy for 2026-30. On the conference call, the management stressed that on the financial side (credit lines, guarantees), the company is already able to handle a portfolio and revenues of > PLN1bn. The main challenge now is to build an adequate staff resource.

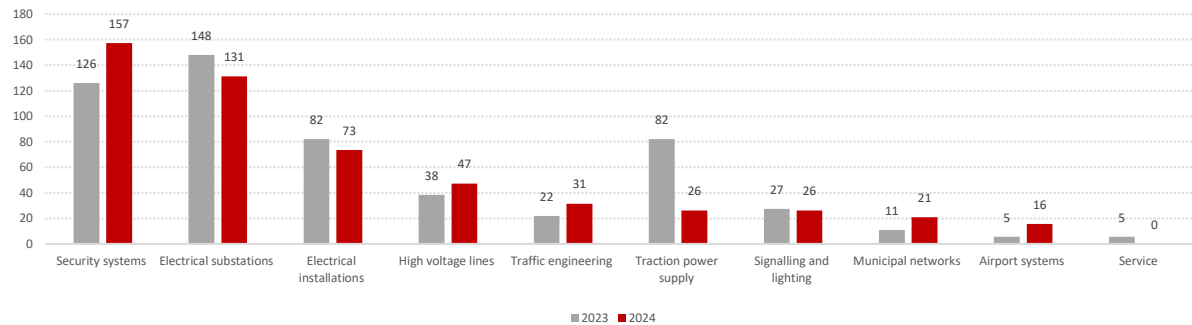


Results in previous quarters [PLN m]

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
Sales	52,4	76,5	143,0	233,7	97,5	128,3	183,2	137,9	62,0	111,6	162,5	188,7
Gross profit	0,7	4,8	21,5	40,5	14,7	20,3	27,5	13,7	8,1	18,0	30,4	24,2
SG&A	5,6	6,6	6,1	9,8	5,7	5,5	5,2	8,9	6,3	8,8	7,1	9,8
Profit on sales	-4,9	-1,8	15,4	30,7	9,0	14,7	22,3	4,8	1,8	9,2	23,3	14,3
Other operat. activity net	0,5	1,2	-2,5	-5,4	-1,5	0,0	-7,5	-7,7	6,2	-0,5	-0,3	0,2
EBITDA	-3,1	0,8	13,9	26,6	8,6	15,9	15,8	-1,7	9,0	9,7	24,2	15,8
EBIT	-4,4	-0,6	12,9	25,3	7,5	14,8	14,8	-2,9	7,9	8,7	23,1	14,6
Net financial activity	-0,3	0,3	0,6	-3,3	0,3	-0,6	-0,7	-1,0	14,3	0,7	-2,3	-2,7
Profit before tax	-4,8	-0,3	13,5	22,0	7,9	14,2	14,1	-3,9	22,3	9,3	20,7	11,9
Net profit	-5,4	0,7	11,1	15,6	5,8	11,2	9,7	-4,3	21,1	8,0	16,4	8,6
OCF	-2,4	11,8	10,5	17,6	9,2	-75,7	29,8	32,8	18,1	-39,5	0,3	67,0
Net debt	-4,6	-18,4	-26,6	-50,5	-59,7	16,7	5,2	-27,1	-39,8	4,2	31,0	-35,8
Sales change y/y	0%	-2%	>100%	>100%	86%	68%	28%	-41%	-36%	-13%	-11%	37%
Gross margin	1,3%	6,3%	15,1%	17,3%	15,1%	15,8%	15,0%	9,9%	13,1%	16,1%	18,7%	12,8%
S&GA/sales	10,6%	8,6%	4,3%	4,2%	5,8%	4,3%	2,8%	6,4%	10,2%	7,9%	4,3%	5,2%
Margin on sales	-9,3%	-2,4%	10,8%	13,1%	9,2%	11,5%	12,2%	3,5%	2,9%	8,2%	14,4%	7,6%
EBITDA margin	-5,9%	1,0%	9,7%	11,4%	8,9%	12,4%	8,6%	-1,2%	14,5%	8,7%	14,9%	8,3%
EBIT margin	-8,4%	-0,8%	9,0%	10,8%	7,7%	11,5%	8,1%	-2,1%	12,8%	7,8%	14,2%	7,7%
Net margin	-10%	0,9%	7,8%	6,7%	5,9%	8,7%	5,3%	-3,1%	34,0%	7,2%	10,1%	4,6%

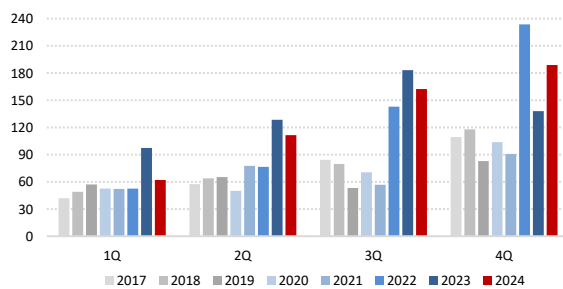
Source: Dom Maklerski BDM S.A., company

Sales by product groups [PLN m]



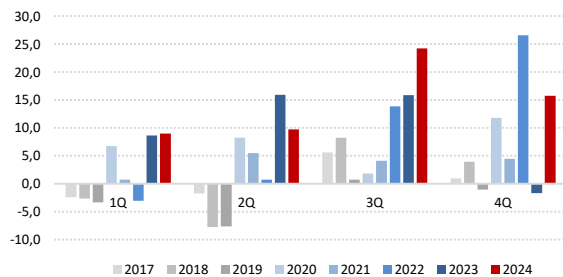
Source: Dom Maklerski BDM S.A., company

Sales [PLN m]



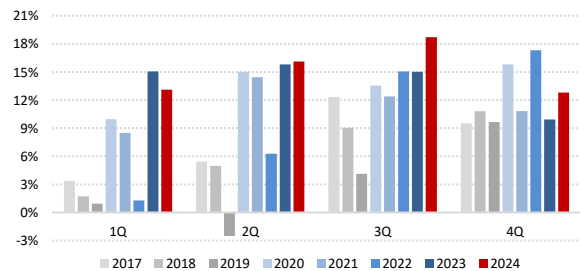
Source: Dom Maklerski BDM S.A., company

EBITDA [PLN m]



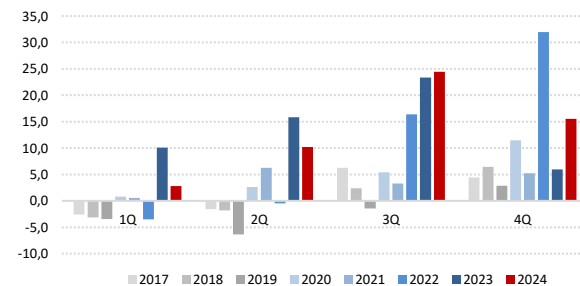
Source: Dom Maklerski BDM S.A., company

Gross margin



Source: Dom Maklerski BDM S.A., company

EBITDA adj. [PLN m]



Source: Dom Maklerski BDM S.A., company

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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

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.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

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Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
Accumulate	47,7	Accumulate	36,7	06.03.2025*	12:30 CET	43,00	92 242
Accumulate	36,7	Accumulate	31,0	28.10.2024*	08:15 CEST	33,00	80 756
Accumulate	31,0	Accumulate	19,1	20.05.2024*	08:00 CEST	27,85	88 735
Accumulate	19,1	Buy	17,1	04.01.2024*	09:55 CEST	17,48	77 054
Buy	17,1	Buy	15,8	10.10.2023*	11:20 CEST	14,70	66 149
Buy	15,8	Buy	13,0	13.06.2023*	08:30 CEST	13,26	66 298
Buy	13,0	Accumulate	8,17	10.05.2023*	09:22 CEST	10,60	63 285
Accumulate	8,17	Hold	6,79	09.12.2022*	16:00 CEST	7,16	55 651
Hold	6,79	Buy	11,0	18.10.2022*	12:00 CEST	6,48	47 309
Buy	11,0	Buy	10,2	15.06.2022*	07:00 CEST	6,50	53 247
Buy	10,2	---	---	23.08.2021*	07:00 CEST	6,54	67 966

* The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Support Programme.

-- the author of the reports on Elektrotim in 2021-06'2022 was Krystian Brymora

Distribution of BDM's recommendations in Q2'25*:

, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months

	number	%	number	%
Buy	0	0%	0	0%
Accumulate	0	0%	0	0%
Hold	0	0%	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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The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

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- The issuer does not hold shares exceeding 5 % of the BDM issued share capital,
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- There are significant connections between BDM or its related affiliates and the issuer of financial instruments**
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