

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

| | | | 2020 | 2021 | 2022 | |
|--------------|-------|-----------|------|------|------|---|
| Price [PLN] | 18.66 | P/E | 10.1 | 7.9 | 2.8 | Analyst: Anna Tobiasz anna.tobiasz@bdm.pl tel.: (+48) 666 073 972 |
| MC [mln PLN] | 80.6 | EV/EBITDA | 7.5 | 6.2 | 1.9 | |
| | | EV/EBIT | 8.5 | 6.9 | 2.0 | |
| | | P/BV | 4.1 | 2.8 | 1.5 | |

Last recommendation BDM: BUY with target price 26.4 PLN/share (2023/09/15) [LINK](#)

Q2'23 results close to our forecast – neutral

In Q2'23, sales stood at PLN 10.7m, slightly below our expectations (PLN 11.0m). We were surprised by the structure of sales - we had expected to maintain the ratio of ca. 60% products to ca. 40% goods, as observed in previous periods. In Q2'23, products made up 49% of sales, while 51% were goods. This may be a result of the move to the new production facility and the associated temporary disruption in production.

The higher-than-forecast EBIT is due to a significant increase in other income (PLN 1.2m in Q2'23), a slight decrease in outsourced services costs and a positive impact from the change in products. On the other hand, the improvement in these items was partially offset by an increase in salaries and wages (PLN 4.0m vs. PLN 3.1m in our view.) In our opinion, such a jump in employee expenses may be due to one-off bonuses (which also occurred in the previous year), and we do not view this level as a base for subsequent periods. The net result was burdened by increased finance costs resulting from the increase in debt and an impairment charge of PLN 0.3 million.

Under the Smart pathway, the company applied for funding to develop Salmonella Real Time PCR LAB-KIT, Salmonella LAMP LAB-KIT and Listeria Multiplex Real Time PCR LAB-KITTM, Listeria Multiplex LAMP LAB-KIT molecular test kits.

BDM's comments: We view Q2'23 results as neutral. The level of sales in the absence of significant orders is satisfactory in our view. A positive surprise is the increase in the profitability of merchandise sales (c. 52% vs. 43% of the eye) with their increased share in sales. Once the production capacity is operational, we expect an increase in the share of proprietary products in revenue, which historically generated a higher margin than goods. Net profit, cleared of the impact of an impairment charge, which we treat as a one-off event, was PLN 0.7m, beating our forecasts by 35%, despite an increase in finance costs.

Significant declines relative to the corresponding period of 2022 were inevitable. Q2'22 results were significantly impacted by a large order for SARS-CoV-2 diagnostic tests. 2023 is a transition period after the pandemic, which moved the company through significant profits, and the commissioning of new capacity, which will significantly support results in future periods.

Q2'23 results [PLNm]

| | Q2'22 | Q2'23 | y/y | Q2'23P BDM | div. |
|---------------------|-------|-------|--------|------------|--------|
| Sales | 23.9 | 10.7 | -55.1% | 11.0 | -2.6% |
| EBITDA | 4.1 | 1.4 | -65.0% | 1.3 | 13.0% |
| EBIT | 3.6 | 0.9 | -75.5% | 0.7 | 26.7% |
| Income before taxes | 4.2 | 0.4 | -90.9% | 0.6 | -39.4% |
| Net income | 3.4 | 0.4 | -88.9% | 0.5 | -24.0% |
| EBITDA margin | 17.0% | 13.3% | | 11.4% | |
| EBIT margin | 14.9% | 8.1% | | 6.2% | |
| Net margin | 14.4% | 3.6% | | 4.6% | |

Source: BDM S.A., company



Dom Maklerski BDM S.A.

ANALYST COMMENT – BIOMAXIMA

Q2'23 RESULTS

2023/09/29, 14:00 CEST

RESEARCH DEPARTMENT:

Maciej Bobrowski

Director

tel. (032) 208 14 12

e-mail: maciej.bobrowski@bdm.pl

Strategy, industry, media/entertainment, TMT

Krzysztof Pado

Deputy Director

Investment Adviser

tel. (032) 208 14 32

e-mail: krzysztof.pado@bdm.pl

oil&gas, construction, building materials, real estate

Krzysztof Tkocz

Analyst

tel. (032) 208 14 38

e-mail: krzysztof.tkocz@bdm.pl

Gaming

Anna Tobiasz

Junior analyst

Investment Adviser

tel. (032) 208 14 35

e-mail: anna.tobiasz@bdm.pl

INSTITUTIONAL SALES DEPARTMENT:

Leszek Mackiewicz

Director

tel. (022) 62-20-848

e-mail: leszek.mackiewicz@bdm.pl

Maciej Fink-Finowicki

tel. (022) 62-20-855

e-mail: maciej.fink-finowicki@bdm.pl

Piotr Komorowski

tel. (022) 62-20-851

e-mail: piotr.komorowski@bdm.pl

Tomasz Grzeszczyk

tel. (022) 62-20-854

e-mail: tomasz.grzeszczyk@bdm.pl

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.

Ratings and price targets history:

| rating | price target | previous rating | previous target price | report date | report date (hour) | price | WIG |
|------------|--------------|-----------------|-----------------------|--------------------|--------------------|-------------|------------------|
| Buy | 26.4 | Buy | 38.7 | 15.09.2023* | 08:55 CEST | 19.2 | 67 199.88 |
| Buy | 38.7 | --- | --- | 25.04.2022 | 05:50 CEST | 24.8 | 62 642.50 |

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

Distribution of BDM's recommendations in Q3'23*: , distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months

| | number | % | number | % |
|------------|--------|-----|--------|----|
| Buy | 10 | 67% | 0 | 0% |
| Accumulate | 2 | 13% | 0 | 0% |
| Hold | 2 | 13% | 0 | 0% |
| Reduce | 1 | 7% | 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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