

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

			2023	2024F	2025F	
Price [PLN]	4.5	P/E	66.7	52.7	32.0	Analyst: Anna Tobiasz anna.tobiasz@bdm.pl tel.: (+48) 666 073 972
MC [mln PLN]	316.2	EV/EBITDA	25.2	21.0	11.8	
		EV/EBIT	44.5	32.8	24.0	
		P/BV	2.8	2.7	2.5	

Last recommendation BDM: ACCUMULATE with target price 6.1 PLN/share (2024/07/12) [LINK](#)

Q2'24 results above our expectations

BCG segment

In Q2'24, we expected delivery of the first two tranches of the BCG 10 vaccine order for the Ministry of Health. Revenues from the sale of this product amounted to PLN 2.6m (vs. the PLN 4.3m estimate), which implies that only the first tranche was delivered in the period. This is neutral news, and we see no risk of default, so we expect the remaining parts to be sold in 2H'24. In Onko BCG, revenue fell only slightly. We expected volumes to remain flat with a decrease in unit price. Throughout 1H'24, the company showed an increase in both volumes and price, which we view positively.

Traditional segment

Disteptaza sales revenue from Q2'23 provide a high comparative base. Following the termination of the contract with distributor Symphar, we expected sales to fall from PLN 7.5m in Q2'23 to PLN 4.5m in Q2'24. Here, the company also surprised positively, generating PLN 6.1m in revenue. In our view, this demonstrates the high efficiency of the new sales team. In line with our forecasts, sales of Gamma Anty D declined and no revenue was reported for Lakcid contract manufacturing.

Gross margin on sales increased from 60.8% to 62.1%. General and administrative expenses increased from PLN 4.9m in Q2'23 to PLN 5.3m in Q2'24, against our forecast of PLN 5.7m. This is due to an increase in payroll costs, while the costs of the incentive programme were not included here. Subscription warrants were acquired in August, so we expect them to be settled in H2'24. Financial expenses amounted to PLN 0.7m vs. our PLN 0.5m forecast.

BDM's comment: Both sales and profit recorded declines, while they turned out to be significantly higher than our forecasts. The company recorded very good sales results in Onko BCG, where a high level of sales was maintained, and in Distreptaza - in the first periods of stand-alone sales in the Polish market we expected a significant drop in revenues. The lower vaccine sales are due to the delivery schedule, as one delivery may have been made at the turn of the quarter, so we assume it will be visible in Q3'24 results. The increase in costs is mainly due to the opening of the R&D Centre and higher personnel costs. We note the significant improvement in operating cash flow, which is mainly due to more efficient collection of trade receivables.

Q2'24 results [PLNm]

	Q2'23	Q2'24	y/y	Q2'24 BDM	div.	H1'23	H1'24	y/y
Sales	18.4	15.2	-17.2%	15.0	1.0%	30.4	29.1	-4.1%
BCG 10 anti-tuberculosis vaccine	3.6	2.6	-26.7%	4.3	-39.0%	5.0	5.1	2.4%
Onko BCG	5.5	5.5	-0.2%	4.9	11.6%	7.9	9.8	24.0%
Distreptaza	7.5	6.1	-19.8%	4.5	33.5%	12.3	11.6	-6.0%
Gamma Anty D	1.0	0.8	-15.3%	0.8	-1.2%	2.1	1.8	-16.0%
Lakcid	0.0	0.0		0.0		2.0	0.5	-75.0%
Other	0.8	0.2	-70.1%	0.4	-47.2%	1.1	0.4	-62.8%
Gross profit	11.2	9.4	-15.5%	9.1	3.1%	17.2	16.8	-2.1%
EBIT	4.1	2.8	-32.4%	1.6	72.0%	5.4	3.0	-44.2%
EBITDA	5.7	4.4	-23.5%	3.3	30.9%	8.6	6.2	-28.0%
Net profit	2.6	1.4	-44.8%	0.8	77.0%	3.3	1.0	-69.1%
Gross margin	60.8%	62.1%		60.8%		56.6%	57.9%	
EBIT margin	22.2%	18.2%		10.7%		17.7%	10.3%	
EBITDA margin	31.1%	28.8%		22.2%		28.3%	21.3%	
Net margin	14.0%	6.0%		6.0%		10.9%	1.8%	

Source: BDM S.A., company



Dom Maklerski BDM S.A.

ANALYST COMMENT – SYNTHAVERSE

Q2'24 RESULTS

2024/09/26, 09:15 CEST

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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	6.1	Buy	6.5	12.07.2024*	15:50 CEST	5.62	88 398.89
Buy	6.5	Buy	6.7	10.05.2024*	08:30 CEST	4.81	87 427.54
Buy	6.7	---	---	13.09.2023*	11:30 CEST	5.2	66 571.93

* 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 Q3'24*:

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

	number	%	number	%
Buy	8	62%	0	0%
Accumulate	2	15%	0	0%
Hold	1	8%	0	0%
Reduce	1	8%	0	0%
Sell	1	8%	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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