

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	2024P	
Price [PLN]	15.0	P/E	107.0	25.1	Analyst: Anna Tobiasz anna.tobiasz@bdm.pl tel.: (+48) 666 073 972
MC [mln PLN]	64.6	EV/EBITDA	23.0	11.0	
		EV/EBIT	101.7	20.5	
		P/BV	1.3	1.3	

Last recommendation BDM: BUY with target price 22.9 PLN/share (2024/07/12) [LINK](#)

Q2'24 results below expectations - negative

Sales revenues in Q2'24 exceeded our forecasts and grew +16.1% y/y. However, they were not sufficient to cover rising costs. Most cost items recorded a slight increase relative to Q1'24 and did not materially exceed our expectations, while a significantly lower change in products brought the operating result down to around zero. The 1H'24 result was additionally burdened by a PLN 357k impairment charge on inventories. This related to single Covid-19 tests, which were lost after the introduction of combo tests (Covid and influenza test) for refund. In addition, the valuation of settlements and loans in foreign currency reduced the half-year result by PLN 204 thousand.

The difficult situation of the company in our opinion is temporary. BioMaxima now has to face the maintenance of the new production facility. Following the commissioning of the new production capacity and storage space, energy costs have increased significantly, as cooling and dehumidification systems are energy-intensive and account for half of the company's energy consumption. However, the company emphasises that a significant proportion of these costs is fixed, so their share will fall as order volumes increase. At the same time, depreciation and amortisation increased significantly (PLN 828k in Q2'24 vs. PLN 551k in Q2'23).

The result of financing activities also stood out negatively. This was due to the reclassification of loan costs related to the investment in the new plant, which have been included in the costs of current operations since its commissioning. Ultimately, at the net level in Q2'24, the company recorded a loss of PLN 0.4m against the PLN 0.1m profit we had expected.

Q2'24 results [PLNm]

	Q2'23	Q2'24	y/y	Q2'24F BDM	div.	H1'23	H1'24	y/y
Sales	10.7	12.5	16.1%	11.6	7.6%	21.8	24.0	10.0%
EBITDA	1.4	0.8	-40.5%	1.0	-14.5%	2.4	1.9	-20.1%
EBIT	0.9	0.0	-97.9%	0.2	-89.7%	1.3	0.3	-77.6%
Income before taxes	0.4	-0.4	-	0.1	-	0.9	-0.2	-
Net income	0.4	-0.4	-	0.1	-	0.9	-0.2	-
EBITDA margin	13.3%	6.8%		8.5%		11.1%	8.1%	
EBIT margin	8.1%	0.1%		1.5%		6.1%	1.2%	
Net margin	3.6%	-3.5%		1.0%		3.9%	-0.8%	

Source: 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
Buy	22.9	Buy	22.9	12.07.2024*	17:15 CEST	15.3	88 693.82
Buy	22.9	Buy	26.4	05.06.2024*	08:55 CEST	14.6	84 978.57
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 Q4'24*:

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

	number	%	number	%
Buy	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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