

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]	13.8	P/E	98.7	114.2	Analyst: Anna Tobiasz anna.tobiasz@bdm.pl tel.: (+48) 666 073 972
MC [mln PLN]	59.6	EV/EBITDA	21.5	14.4	
		EV/EBIT	95.1	46.0	
		P/BV	1.2	1.2	

Last recommendation BDM: BUY with target price 20.2 PLN/share (2024/11/06) [LINK](#)

Q3'24 results below expectations – slightly negative

Sales revenue in Q3'24 exceeded our forecasts and grew +11.2% year-on-year. However, the company is still struggling with increased costs related to the maintenance of the new production facility, which have not yet been covered by corresponding sales revenues. In September, the company received an order for the delivery of AST's disc diffusion systems worth PLN 560k, but it will not be visible in the results until Q4'24. The company expects to sell out all available capacity for this product range in 2025 and is preparing for further expansion.

In line with our expectations, the company reported a further increase in staff costs (+17% y/y). Slightly higher than our forecasts, the costs of third-party services and other costs by type brought the operating result down to around zero. In addition, the net result was burdened by increased interest expenses, related to increased debt, and lower financial income.

BDM Comment: We view Q3'24 results slightly negatively. We see the company building its sales potential and struggling to generate higher revenues, but persistently high costs again prevented it from achieving a positive result. In the company's view, this was the last quarter to show a loss. In Q4, we expect the impact of several significant contracts (supply of AST systems and an analyser for the Technical University of Łódź), as well as the first effects of the acquisition of the Polish market from Erba Polska. In our opinion, an important factor for improving results in subsequent periods will be the launch of sales of MIC strips, which, in the company's opinion, should generate revenues many times higher than those obtained from sales of AST discs. However, the company stresses the length and complexity of the sales expansion process, so it is difficult to assess when the offer may be extended to include this assortment.

Q3'24 results [PLNm]

	Q3'23	Q3'24	y/y	Q3'24F BDM	div.	Q1-3'23	Q1-3'24	y/y
Sales	11.7	13.0	11.2%	11.2	16.2%	33.5	37.0	-99.6%
EBITDA	0.1	0.8	872.4%	1.0	-13.1%	2.5	2.8	-104.7%
EBIT	-0.6	0.0	-99.8%	0.2	-100.5%	0.8	0.3	-437.2%
Income before taxes	-0.4	-0.2	-	0.2	-	0.5	-0.4	-
Net income	-0.4	-0.3	-	0.2	-	0.5	-0.4	-
EBITDA margin	0.7%	6.5%		8.7%		7.5%	7.5%	
EBIT margin	-4.9%	0.0%		1.8%		2.3%	0.8%	
Net margin	-3.1%	-1.9%		1.7%		1.5%	-1.2%	

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	20.2	Buy	22.9	06.11.2024*	07:15 CET	13.95	80 271.30
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	4	44%	0	0%
Accumulate	3	33%	0	0%
Hold	1	11%	0	0%
Reduce	1	11%	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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