

WSE Research Coverage Support Program (PWPA 4.0)

Analyst:

Maciej Bobrowski
maciej.bobrowski@bdm.pl

Q4 2024 results preview [PLN m]

	Q4 23	Q4 24E	y/y	2023	2024E	y/y
Revenues total	62,9	59,4	-5,6%	235,5	249,4	6%
tv and movie production	39,3	37,0	-6,0%	148,3	154,2	4%
fixed asset management	17,0	18,6	9,5%	70,7	80,0	13%
real estate	6,3	3,5	-44,6%	15,3	12,2	-20%
other activities	0,3	0,4	18,2%	1,2	2,9	143%
adj. EBITDA	14,9	12,7	-14,6%	55,7	58,8	5%
tv and movie production	3,3	3,7	14,6%	19,8	24,0	21%
fixed asset management	7,6	8,2	7,1%	31,8	33,6	6%
real estate	2,2	1,0	-52,2%	4,4	1,6	-63%
other activities	1,9	-0,2		-0,3	-0,5	
EBIT	10,1	6,1	-39,4%	36,8	37,7	3%
Financial income&costs	-0,5	-0,4		-2,3	-1,4	
Results from associated companies	-0,5	3,2		2,5	3,0	19%
Profit before tax	9,1	8,9	-2,2%	37,0	39,3	6%
Net profit for equity holders of the parent company	6,4	7,1	10,7%	27,1	30,6	13%
Revenues:						
tv and movie production + fixed asset management	56,3	55,6	-1,3%	219,0	234,3	7%
adj. EBITDA:						
 tv and movie production + fixed asset management	10,9	11,9	9,3%	51,6	57,6	12%

Source: Dom Maklerski BDM S.A., company data

Our review of full-year results for 2024 from the audiovisual business indicates that adjusted EBITDA may have increased by nearly 12% year-on-year. We estimate that 2024 was a successful year for streaming contracting. In contrast, the portfolio rebuilding process for linear TV has proven more challenging than anticipated, though we still foresee potential for the company in this area during the 2025/2026 period. The TV and film production segment is poised to record a significant increase in book profits following the settlement of one of the major project under development in 2024 (expected in the second quarter of 2025).

Overall, from the audiovisual business (the sum of the TV and film production and asset management segments), we forecast an adjusted EBITDA reading of PLN 11.9 million (+9.3% year-on-year). In 2024, we anticipate that the adjusted EBITDA from audiovisual activities will reach PLN 57.6 million, representing a 12% year-on-year increase.

On a consolidated level, we expect Q4 2024 adjusted EBITDA to be PLN 12.7 million (-14.6% year-on-year). On a full-year 2024 basis, we expect adjusted EBITDA to be PLN 58.8 million (+3% year-on-year).

EQUITY RESEARCH DEPARTMENT:

Maciej Bobrowski

Director
Investment Adviser
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

Andrzej Wodecki

Junior analyst
Investment Adviser
tel. (032) 208 14 39
e-mail: andrzej.wodecki@bdm.pl

INSTITUTIONAL SALES DEPARTMENT:

Leszek Mackiewicz

Director
tel. (022) 62-20-848
e-mail: leszek.mackiewicz@bdm.pl

Piotr Dedećus

tel. (022) 62-20-100
e-mail: piotr.dedecjus@bdm.pl

Maciej Fink-Finowicki

tel. (022) 62-20-855
e-mail: maciej.fink-finowicki@bdm.pl

Tomasz Grzeszczyk

tel. (022) 62-20-854
e-mail: tomasz.grzeszczyk@bdm.pl

Piotr Komorowski

tel. (022) 62-20-851
e-mail: piotr.komorowski@bdm.pl

Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
buy	5,04	buy	4,91	2025-01-03	11:56 CET	4,25	81 686
buy	4,91	buy	4,51	2024-04-22	10:35 CEST	3,20	83 515
buy	4,51	buy	4,95	2023-09-13	23:37 CEST	3,29	66 664
buy	4,95	buy	4,58	2023-05-22	11:23 CEST	3,45	65 398
buy	4,58	resume	---	2022-11-28	16:35 CEST	3,51	56 008
hold	4,00	buy	4,75	16.10.2017	09:25 CEST	4,10	65 601
buy	4,75	hold	3,62	01.12.2016	09:17 CEST	3,93	48 619
hold	3,62	buy	3,92	16.02.2016		3,84	44 288
buy	3,92	accumulate	4,11	26.10.2015		3,3	51 157
accumulate	4,15	hold	3,62	01.07.2015		3,74	53 200
hold	3,62	buy	3,71	24.10.2014		3,66	53 582
buy	3,71	buy	3,54	11.06.2014		3,10	53 148
buy	3,54	accumulate	2,83	11.03.2014		3,03	51 230
accumulate	2,83	accumulate	2,06	21.10.2013		2,59	53 854
accumulate	2,06	hold	1,44	27.08.2013		1,86	49 410
hold	1,44	buy	1,43	08.04.2013		1,46	45 200
buy	1,43	buy	1,58	14.12.2012		0,93	46 653
buy	1,58	hold	2,00	12.09.2012		1,08	43 010
hold	2,00	buy	1,59	21.02.2012		2,01	42 047
buy	1,59	---	---	28.09.2011		1,16	37 826

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

The strengths and weaknesses of the valuation methods used in the report:

DCF – the most popular and the most effective of the valuation methods - it is based on the discounting of future cash flows generated by the company. The disadvantage is the high sensitivity to changes in the basic financial parameters forecast in the model (interest rates, exchange rates, profits, residual value).

DDM – the method is based on discounting future cash flows from dividends. The advantage of the valuation is the inclusion of future financial results and cash flows from dividends. The main disadvantages are the high sensitivity to changes in the basic financial parameters forecasted in the model (capital cost, profits, residual value) and the risk of changing the dividend payment policy.

Comparative – the method is based on current and forecasted market multipliers of companies from the industry or related industries, which better than DCF shows the current market situation. The main disadvantages are the difficulty in choosing the right companies for comparison, the risk of ineffective valuation of companies compared at a given moment, as well as high volatility (along with price fluctuations).

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.

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Distribution of BDM's recommendations in Q1 2025*:			, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months	
	Numbers	%	numbers	%
Buy	1	25%	0	0%
Accumulate	2	75%	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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