

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program. 3.0.

340/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>Action</b>	<b>Buy</b>	<b>22.6</b>	<b>Overweight</b>	Jakub K. Viscardi

**Event: 1Q22 financial results released – in line with the preliminary showing.**

On Friday, after the market close, the Company released their 1Q22 financial results.

- 1Q22 revenues reached PLN 550.9 million (up 5% yoy) and are in line with preliminary results.
- **The gross margin on sales** at 8.8% was in line with preliminary reading, but materially higher than published monthly data implying the gross margin on sales at 7.6%.
- **EBITDA and EBIT** at PLN 15.4 million (down 15% yoy) and PLN 13.4 million (down 17% yoy), respectively, are lower than we expected.
- **The EBITDA margin** stands at 2.8% vs 3.0% according to our expectations and 3.4% reported a year ago.
- PBT reached PLN 12.6 million (down 18% yoy) vs our forecasts at PLN 14.0 million. Balance of net financial result and (profit)/loss of associates stands at PLN 0.8 million vs PLN 0.7 million expected by us.
- **1Q22 net profit** amounted to **PLN 10.3 million** (down 44% yoy) vs ours expectations at PLN 11.3 million. **The effective tax rate** reached **18.2%** vs our expectations at 19%.
- **OCF** were negative reaching PLN -8.0 million vs PLN -65.3 million in 1Q21.

**Action: 1Q22 financial results**

IFRS cons. (PLN million)	1Q22	1Q22 (BOŚ)	Results vs DM BOŚ expectations	1Q21	yoy chg
Sales	550.9	553.6	→	525.3	5%
Gross profit on sales	48.5	48.1	→	44.0	10%
Gross profit on sales margin	8.8%	8.7%	-	8.4%	-
EBITDA	15.4	16.7	↓	18.1	-15%
EBITDA margin	2.8%	3.0%	-	3.4%	-
EBIT	13.4	14.7	↓	16.1	-17%
EBIT margin	2.4%	2.6%	-	3.1%	-
PBT	12.6	14.0	↓	15.3	-18%
Gross margin	2.3%	2.5%	-	2.9%	-
Net profit	10.3	11.3	↓	18.3	-44%
Net margin	1.9%	2.0%	-	3.5%	-

Source: Company, DM BOŚ SA estimates

**Expected impact:** Neutral; 1Q22 results are in line with the earlier released quarterly data and will not surprise investors, who are likely to be more interested in the Company's development outlook which is expected to be presented at today's investors meeting at 10.30 in Sheraton, Warsaw.

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.