

664/2021/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>Action</b>	<b>Buy</b>	<b>20.7</b>	<b>Overweight</b>	<a href="#">Jakub K. Viscardi</a>

**Event: 3Q21 results released – profits close to our expectations.**

Yesterday, after the market close, the Company released their 3Q21 financials.

- 3Q21 revenues reached PLN 541.5 million (up 17% yoy) and are similar to the preliminary data published earlier;
- **3Q21 gross margin on sales** at 8.7% materially exceeded the margin implied by the preliminary data (7.9%);
- **EBITDA and EBIT** at PLN 15.7 million (up 79% yoy) and PLN 13.7 million (up 104% yoy), respectively, turned marginally higher than our expectations;
- **The EBITDA margin** reached 2.9% vs 2.8% expected by us and 1.9% in 3Q20;
- 3Q21 pre-tax profit hit PLN 13.1 million (up 94% yoy) vs PLN 12.3 million expected by us. Net financial result and share in profits (loss) of associates arrived at PLN 669 ths. vs PLN 860 ths. estimated by us.
- **The Company's 3Q21 net profit** amounted to PLN 10.4 million (up 55% yoy) vs our forecast at PLN 10.1 million. **The effective tax rate in 3Q21** was **20.6%** vs our assumptions of 17%;
- **3Q21 CFO** was negative and reached **PLN -28.2 million** vs PLN -45.4 million a year ago.

**Action: 3Q21 financial results**

IFRS, consolidated (PLN m)	3Q21	3Q21E (by DM BOŚ)	Results vs forecasts	3Q20	chg yoy
Revenues	541.5	540.1	→	464.8	17%
EBITDA	15.7	15.3	→	8.8	79%
EBITDA margin	2.9%	2.8%	-	1.9%	-
EBIT	13.7	13.2	→	6.7	104%
EBIT margin	2.5%	2.4%	-	1.5%	-
Pre-tax profit	13.1	12.3	→	6.7	94%
Pre-tax margin	2.4%	2.3%	-	1.4%	-
Net profit	10.4	10.1	→	6.7	55%
Net margin	1.9%	1.9%	-	1.4%	-

Source: Company, DM BOŚ SA

**Expected impact:** *Neutral, as the results are close to our expectations and should not surprise the investors.*

*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.*