

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 4.0.

494/2023/AR

August 23, 2023

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Action	Buy	20.8	Neutral	Jakub K. Viscardi

Event: 2Q23 preliminary financial results released – NP below our forecasts.

On Tuesday during the WSE trading hours Action showed its preliminary 2Q23 financial results.

- 2Q23 revenues at PLN 560.0 million (down 1% yoy) are almost in line with the monthly sales in the quarter.
- **The gross margin on sales** at 9% was above our forecast and materially higher than preliminary monthly data indicating 8.0%.
- **The Company's NP** reached PLN 5.3 million (down 29% yoy) vs PLN 6.2 million expected by us.

Action; preliminary 2Q23 financial results

IFRS, consolidated (PLN million)	2Q23	2Q23E (DM BOŚ)*	Results vs forecasts	2Q22	yoy chg
Sales	560.0	555.9	→	564.4	-1%
Gross profit on sales	50.5	47.6	↑	48.9	3%
Gross profit margin on sales	9.0%	8.6%	-	8.7%	-
EBITDA	n.a.	9.5	n.a.	11.5	n.a.
EBITDA margin	-	1.7%	-	2.0%	-
EBIT	n.a.	7.4	n.a.	9.4	n.a.
EBIT margin	-	1.3%	-	1.7%	-
Gross profit	n.a.	7.6	n.a.	9.5	n.a.
Gross margin	-	1.4%	-	1.7%	-
Net profit	5.3	6.2	↓	7.5	-29%
Net margin	0.9%	1.1%	-	1.3%	-

* unpublished forecast

Source: Company, DM BOŚ SA estimates

Expected impact: Neutral; as news hit the market during yesterday's session. The realization of our FY forecast after 1H23 stands at 31% vs 38% a year ago and at the moment our FY forecasts for Action are more prone to the downside risk than the upside one, we believe.

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.