

676/2021/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Grodno	Buy	23.30	Overweight	Maciej Wewiórski

Event: 2Q21/22 financials released

Yesterday, after the market close, Grodno released their half-year financial report encompassing the period since April 1 till September 30, 2021. The published results are fully in line with the preliminary figures released on November 15.

Grodno, 2Q21/22 financial results

	2Q21/22	2Q20/21	chg yoy	1-2Q21/22	1-2Q20/21	chg yoy
Sales	300.6	187.0	61%	541.9	335.7	61%
EBITDA	15.5	4.7	226%	27.8	13.4	107%
	5.1%	2.5%	-	5.1%	4.0%	-
EBIT	13.8	3.3	318%	24.5	10.6	131%
	4.6%	1.8%	-	4.5%	3.2%	-
Net profit	11.0	2.6	323%	19.3	8.4	130%
	3.7%	1.4%	-	3.6%	2.5%	-

Source: Company, DM BOŚ SA

Below the results description.

2Q21 sales constituted no surprise as the Company releases the monthly data regularly, at the beginning of the following month. Grodno claims that materially higher yoy sales in the RES segment and in the segment of cables and wires exerted the biggest positive impact on the revenues and income items. Besides, the Company has been experiencing a growth of revenues in all the remaining business segments with the EBITDA margin at 5.1% comparable to the high 1Q21 level (vs 2.5% in 2Q20), which became a positive surprise. When analyzing the improvement in the released financial, it should be remembered that in 1H20 Grodno obtained financial aid in the amount of PLN 3.5 million within the government 'Anti-crisis Shield', which affected positively the results then. Additionally, a positive impact in the base period came from shifting the bonus payments for employees to subsequent periods in 2020.

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.