

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

650/2023/AR

October 30, 2023

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>Bowim</b>	<b>Not rated</b>	<b>6.9</b>	<b>Not rated</b>	Michał Zamel

**Event: 3Q23 preliminary financial results released.**

On Friday Bowim released preliminary 3Q23 financial results.

3Q23 revenues reached PLN 475 million vs our forecast at PLN 473.4 million. EBIT at PLN 7.6 million was in line with our expectations while NI at PLN 2.1 million exceeded them (we forecast PLN 1.3 million). We would like to stress that these are unconsolidated figures. Preliminary consolidated revenues, EBIT and NI which are likely to be published in 2 weeks' time, should be a tad higher than unconsolidated ones (and, in consequence, than our expectations).

Bowim indicates a series of factors adversely affecting 3Q23 results that triggered a slump in demand leading to lowering the prices of metallurgical products offered by the Company. The war in Ukraine, high costs of energy, inflationary pressure, and high interest rates belong to these factors.

**Bowim; preliminary unconsolidated 3Q23 financial results**

Unconsolidated (PLN m)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23 preliminary	yoy chg
Sales	619.8	756.3	746.1	533.9	563.6	484.5	475.0	-36%
EBITDA	66.8	84.1	6.9	11.0	11.9	10.1	-	-
EBITDA margin	10.8%	11.1%	0.9%	2.1%	2.1%	2.1%	-	-
EBIT	65.8	83.1	5.9	9.7	10.6	8.7	7.6	29%
EBIT margin	10.6%	11.0%	0.8%	1.8%	1.9%	1.8%	1.6%	-
Gross profit	52.8	71.7	4.2	4.4	2.7	4.5	-	-
Gross margin	8.5%	9.5%	0.6%	0.8%	0.5%	0.9%	-	-
NI	42.3	50.7	10.2	0.6	2.2	3.4	2.1	-80%
Net margin	6.8%	6.7%	1.4%	0.1%	0.4%	0.7%	0.4%	-

Source: Company, DM BOŚ estimates

consolidated 3Q23E (DM BOŚ forecast)	preliminary unconsolidated 3Q23A
473.4	475.0
9.7	-
2.1%	-
7.6	7.6
1.6%	1.6%
1.6	-
0.3%	-
1.3	2.1
0.3%	0.4%

Source: Company, DM BOŚ estimates

**Expected impact:** *Neutral. We consider the released figures slightly positive, albeit their impact had been probably already discounted on Friday. We would like to stress that consolidated 3Q23 results should be a tad higher than unconsolidated ones (and, in consequence, than our expectations).*

*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.*