

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

315/2023/AR/May 23, 2024

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Bowim	Not rated	7.2	Not rated	Michał Zamel

Event: 1Q24 financial results released

On Thursday, before the WSE trading hours the Company released 1Q24 results.

- Revenues reached PLN 481.5 million (down 21% yoy and up 1% qoq) and were in line with earlier published preliminary figures. A yoy decline stemmed mainly from lower prices of metallurgical products. Volumes fell slightly to 124,421 t vs 131,982 t in 1Q23, but in qoq terms they were flat (124,721 t in 4Q23).
- The sales mix did not change much vs previous quarters and sheets maintained the biggest share in sales (40%) with pipes and profiles holding 20%. The steel construction industry is the Company's most prominent client followed by the metal industry and construction.
- EBITDA and EBIT fell to PLN 10.1 million (down 23% yoy) and PLN 7.9 million (down 28% yoy), respectively; EBIT was in line with the preliminary figures. The EBIT/ EBITDA margin reached 2.2%/1.7% in 1Q24.
- The Company's net financial result improved to PLN -3.8 million on the back of decreasing interest costs (factoring and loans). PBT reached PLN 4 million. Net profit at PLN 3.6 million (up 45% yoy) was in line with the preliminary figures.
- Operating cash flows stood at PLN 11.9 million vs PLN 55.4 million a year before.
- The Company announced a dividend per share at PLN 0.1 which is a tad below our expectations at PLN 0.12 per share.

Bowim; 1Q24 financial results

Consolidated (PLN million)					Preliminary	Preliminary	yoy chg
	1Q23	2Q23	3Q23	4Q23	1Q24A	1Q24 vs final 1Q24	
Sales	585.6	501.6	490.5	459.0	461.5	461.5	→ -21%
EBITDA	13.1	11.0	10.1	10.0	10.1	-	-23%
EBITDA margin	2.2%	2.2%	2.1%	2.2%	2.2%	-	-
EBIT	10.9	8.8	7.9	7.7	7.9	7.9	→ -28%
EBIT margin	1.9%	1.8%	1.6%	1.7%	1.7%	1.7%	-
PBT	3.0	3.7	0.5	4.3	4.0	-	-32%
Gross margin	0.5%	0.7%	0.1%	0.9%	0.9%	-	-
Net profit attributable to shareholders of the parent company	2.5	2.6	2.3	5.8	3.6	3.6	→ 45%
Net margin	0.4%	0.5%	0.5%	1.3%	0.8%	0.8%	-

* in the preliminary results the net profit is presented vs net profit attributable to shareholders of the parent company presented in the historical financial results which leads to a slight difference between 1Q24 preliminary data and final results.

Source: Company, DM BOS estimates

Expected impact: Neutral, as final 1Q24 financial results are in line with the preliminary figures. The sales decline resulted from materially lower yoy prices and slightly lower volumes. A dividend to be distributed this year is close to our expectations and in line with the Company's strategy; its level has normalized after relatively higher payouts in 2022-23.

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.