

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

546/2024/AR/September 27, 2024

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

Event: 2Q24 financial results released.

On Thursday, before the market session, Bowim released 2Q24 financial results.

- Revenues at PLN 445.4 million (-11% yoy and -3% qoq) were in line with the preliminary consolidated figures with a sales yoy decline mainly due to a 22% yoy fall of metallurgical product prices. Volumes grew – up 13% yoy – to 130,370 t vs 115 103 t in 2Q23 and 124 421 t in 1Q24.
- The sales mix was comparable to previous quarters with sheets holding the biggest share (over 40%) followed by a share of pipes and profiles at c. 20%. The most important clients were from the steel construction industry, metal industry and construction.
- EBITDA was down to PLN -3.8 million with the EBITDA margin at -0.9%. EBIT fell to PLN -6.1 million and was in line with the preliminary figures, the EBIT margin reached -1.4%.
- The net financial result at PLN -4.7 million was higher than a year ago, but lower than in 1Q24. 2Q24 gross profit reached PLN -10.9 million. Net loss reached PLN -10 million and was in line with the preliminary figures.
- Operating cash flows stood at PLN -42 million in 2Q24 vs PLN 18 million in 2Q23.

Bowim; 2Q24 financial results

Consolidated (PLN m)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	Preliminary 2Q24	Preliminary vs final 2Q24 results	yoy chg
Sales	585,6	501,6	490,5	459,0	461,5	445,4	445,4	→	-11%
EBITDA	13,1	11,0	10,1	10,0	10,1	-3,8	-	-	nm
EBITDA margin	2,2%	2,2%	2,1%	2,2%	2,2%	-0,9%	-	-	-
EBIT	10,9	8,8	7,9	7,7	7,9	-6,1	-6,1	→	nm
EBIT margin	1,9%	1,8%	1,6%	1,7%	1,7%	-1,4%	-1,4%	-	-
Gross profit	3,0	3,7	0,5	4,3	4,0	-10,9	-	-	nm
Gross margin	0,5%	0,7%	0,1%	0,9%	0,9%	-2,4%	-	-	-
Net profit attributable to shareholders of the parent company	2,5	2,6	2,3	5,8	3,6	-9,9	-10,0	→	nm
Net margin	0,4%	0,5%	0,5%	1,3%	0,8%	-2,2%	-2,2%	-	-

* 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 preliminary data vs final results.

Source: Company, DM BOS estimates

Expected impact: Neutral; 2Q24 results are close to the preliminary figures. A qoq revenues decline was marginal and at the same time volumes rose by 5% on average (though mainly of cheaper assortment) and product price dropped by 8% (albeit mainly of more expensive metallurgical products). Costs were the main culprit of a net loss and operating loss, we believe, as a decline of costs of goods purchase and manufacturing costs was smaller than a decline of revenues which adversely affected a level of profit; besides, costs of external services grew materially.

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.