

Novavis Group S.A.



Price target: PLN 4.30

Initiating Coverage

Rating: BUY

Novavis Group S.A. (NVG) is a Polish developer of renewable (mainly photovoltaic, but in the future also energy storage) projects, which takes over all project stages except the actual construction of the energy generating units. The company is owned by its management that has extensive experience in corporate finance and development of photovoltaic projects as well as the seed investor Rubicon Partners Ventures. Novavis Group has a non-exclusive agreement with one of the largest European utilities Iberdrola for the development of PV projects with a capacity of 460 MW, whereby all project stages are paid for with milestones by the Spanish partner. This significantly reduces NVG's business risk. Apart from that, Novavis also develops ready-to-build projects itself. Poland, the market where the company focuses on, is highly promising for renewable energy companies as c. 70% of its energy still stems from fossil fuels, but due to EU rules the country has to become CO2 neutral by 2050E. We initiate coverage of Novavis Group with a 12-months PT (80% DCF, 20% peer group) of PLN 4.30, which implies an upside of 100.9% at present. Based on our estimates, the stock is currently trading at a P/E 2024E & 2025E of 11.3x and 2.8x respectively. In-line with management's guidance, we expect the payout of 50% of annual net profits as dividends from 2023E. The main risks, which we see, are the dependence on Iberdrola, which can terminate the agreement anytime for its part of the PV project portfolio, changes of regulations and issues with obtaining terms & conditions for connection to the energy grid & building permits.

Novavis' is already profitable and net cash. In 9M/23, the company's revenues increased by 681.2% y-o-y to PLN 9.1m and its net income from PLN -2m in 9M/22 to PLN 4.9m. At PLN 861k, operating cash flow was also positive. In 2022, Novavis' ROCE reached 62.8%, way more than at its peers.

Poland is a very attractive market for NVG as c. 63% of the country's energy still stems from coal. In order to reduce them to zero in-line with the EU Green Deal, the country has to lower CO2 emissions between 2.6% and 11.8% per year in the coming years. In 2023, only 27% of Poland's energy production stemmed from renewable sources compared to 44.6% in Germany.

in PLNm	2022	2023E	2024E	2025E	2026E	2027E
Net sales	9.45	11.33	14.24	66.23	74.34	45.15
EBITDA	4.70	7.37	8.19	33.12	35.68	20.77
EBIT	4.65	7.31	8.11	33.02	35.56	20.63
Net income	2.86	6.19	6.60	26.55	28.53	16.34
EPS	0.08	0.18	0.19	0.76	0.81	0.47
DPS	0.00	0.09	0.09	0.38	0.41	0.23
Dividend yield	0.00%	4.13%	4.41%	17.71%	19.03%	10.91%
RoE	119.63%	92.85%	56.50%	104.75%	63.83%	30.63%
Net gearing	-50.01%	-34.91%	26.67%	14.44%	-7.10%	-17.75%
EV/Sales	7.68x	6.40x	5.09x	1.10x	0.98x	1.61x
EV/EBITDA	15.44x	9.85x	8.86x	2.19x	2.03x	3.49x
P/E	26.2x	12.1x	11.3x	2.8x	2.6x	4.6x

Company profile

Novavis Group is developer of photovoltaic projects in Poland.

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Country	Poland
ISIN	PLNFI0500012
Reuters	NVG.WA
Bloomberg	NVG PW

Share information

Last price	2.14
Number of shares (m)	35.02
Market cap. (PLNm)	74.93
Market cap. (EURm)	17.23
52-weeks range	PLN 2.73 / PLN 1.22
Average volume (shares)	50,897

Performance

4-weeks	2.88%
13-weeks	-3.17%
26-weeks	-17.05%
52-weeks	68.50%
YTD	3.38%

Shareholder structure

Marshall Nordic Ltd.*	47.16%
Rubicon Partners Ventures ASI Sp. z o.o	10.00%
Pawel Krzyształowicz**	7.54%
Free float	35.30%

* belongs to Marek Stachura, the CEO of Novavis' subsidiaries

Voilt and Novavis Storage

** Member of the Management Board of Novavis Group

Financial calendar

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Investment Case

- Novavis Group S.A. (NVG) develops utility-scale (>1 MW) photovoltaic projects, and in the future also wants to provide services related to energy storage systems and energy management. Currently, the company has 27 photovoltaic projects under development, with a total expected power capacity of c. 710 MW. The largest ones are being developed for Iberdrola Renewables, one of the world's largest renewable energy companies, which employs several dozens of staff in Poland. The contract foresees the completion of 460 MW by 2027E. Novavis, as the main contractor, is responsible for bringing the projects to the "ready-to-build" stage, at which it will sell them to the investor. Based on our research and market knowledge, we believe that the value of all PV farm projects (conducted as co-development) at this stage could be c. EUR 80,000/MW, resulting in a total portfolio value of EUR 36.8m/PLN 160.1m.
- According to the International Energy Agency, the global share of renewable energy in electricity generation was 29% in 2022 and is expected to rise to 42% by 2028E. With a 5-year capacity growth of 1.5 GW, utility-scale photovoltaic systems, in which Novavis Group specializes, have the greatest potential of any generation technology. The Polish renewable energy market, which is still at the beginning of its development, is highly fragmented, with only a few larger players and many local project developers. As still 63% of the total produced energy in 2023 (166 TWh) stemmed from coal (Germany: 26.1% out of 436 TWh) and the current renewable energy capacity only equals c. 28 GW (c. 170 GW), Poland will have to conduct significant investments in renewable energy projects to be able to reach CO2 neutrality by 2050E as foreseen in the EU Green Deal.
- Having been listed on the Warsaw Stock Exchange since 1994, Novavis Group has operated under its current name since a reverse merger in 2020 between Voolt S.A. and Rubicon Partners S.A. As a result, the financial data of the listed entity with the ticker NVG can only be associated with Novavis after 2020. In 9M/2023, the company generated revenues in the amount of PLN 9.1m (+681% y-o-y), thanks to reaching milestones regarding PV farm development projects, and a net income of PLN 4.9m (9M/22: PLN -2m). For full-year 2023E, we forecast revenues of PLN 11.3m (+20% y-o-y), an EBIT of PLN 7.3m (+57.3%) and net income of PLN 6.2m (+116.6%). Due to growing cash flows from Iberdrola – also from sales of ready-to-build projects - and new own projects we believe that in the long run Novavis' revenues will grow at a CAGR of 16.3%, however we expect that the high current EBIT margin of >60% will not be sustainable in the long run due to competition for projects and higher personnel expenses.
- We initiate our coverage of Novavis Group S.A. with a 12-month PT (80% DCF, 20% peer group) of PLN 4.30, which is 100.9% above the current share price. Based on our estimates, the stock is trading at a P/E '24E and '25E multiples that are 27.2% and 67% respectively below the peer-group-median. In-line with management's guidance, we expect that the dividend payout ratio will equal at least 50% in the coming years, implying a DYield 2023E & 2024E of 4-5%. In our view, the main risks are: Contract termination by Iberdrola, delays/inability to obtain building permits/connection to the grid for the developed PV farm projects and regulatory changes.

SWOT Analysis

Strengths

- Developer of ready-to-build renewable energy projects in Poland, where the energy transformation has only just started
- Key staff is very experienced in corporate finance and the development of renewable energy projects in Poland
- Close co-operation with one of the largest utilities in Europe Iberdrola
- Cash is only required as deposit for the grant of terms & conditions of connection. All other work is prepaid by Iberdrola
- Pipeline with 710 MW of projects
- Solid balance sheet with net cash
- Management owns >50% of the company

Opportunities

- Partnership with other foreign strategic and PE investors
- Poland, which still generates c. 63% of its energy with coal power plants, has obliged to become CO2 neutral by 2050E. This requires a yearly reduction of CO2 emissions by 2.7%-11.8% per annum in the future
- Last year, only 27% of the country's energy production stemmed from renewable energy sources vs. 44.6% in Germany. The existing renewable energy plants have a total capacity of c. 28 GW compared to c. 170 GW in Germany, which is the leader in Europe
- Regular and attractive dividend payouts starting from fiscal-year 2023E

Weaknesses

- Dependence on Iberdrola. The co-operation agreement with the Spanish company is on a non-exclusive basis and has to be prolonged in 2027E
- Long decision-making process at Iberdrola, which is a very large company
- CEO is only a very small shareholder
- Illiquid stock

Threats

- Issues with terms & conditions of connection
- Declining prices of ready-to-build installations
- Difficulties to lease land for PV plants and high price expectations of farmers
- Changes of regulations
- Loss of key employees and difficulties to hire qualified people

Peer Group Analysis

We have identified the following listed companies that operate in the same segment as Novavis Group. Our peer group consists of companies that develop and/or build photovoltaic farms and other renewable energy facilities (e.g. wind, hydro).

In Poland, where the market is highly fragmented, Novavis' main peers include for example listed Raen S.A. and privately-held R.Power S.A. For H1/23, the most recent period available, R.Power reported revenues of PLN 11.9m and an EBITDA of PLN 905k. According to its website, the company operates PV plants with a capacity of 790 MWp in Poland and abroad. Its current project portfolio has a capacity of >8 GWp.

(1) *Encavis AG*: Encavis, which is based in Hamburg/Germany, acquires and operates solar and onshore wind parks in Europe and internationally. The company's renewable energy plant portfolio includes >210 solar parks and >90 wind farms with a capacity of approximately 3.5 GW. It also provides asset management and fund solutions services to institutional investors in the renewable energy sector; and technical operation and maintenance services for PV parks. In 2022, Encavis, which has a market cap of EUR 2bn, generated revenues of EUR 487.3m and an EBITDA margin of 66.3%. Its ROCE equalled 4.5%.

(2) *Photon Energy NV*: Photon Energy, which is based in Amsterdam/the Netherlands, provides development, engineering, construction, installation, operation and maintenance of photovoltaic systems. The company also invests in and generates electricity through photovoltaic power plants. It has a project pipeline of 1.2+ GWp in Australia, the Czech Republic, Hungary, Slovakia, Poland, and Romania and own electricity generation assets of 113.1 MWp. In 2022, Photon Energy, which has a market cap of PLN 538.5m, generated revenues of PLN 437.4m and an EBITDA margin of 23.6%. Its ROCE equalled 21.5%.

(3) *ABO WIND AG*: ABO Wind, with the main office in Wiesbaden/Germany, develops and builds renewable energy, storage and hybrid projects. Operating in 16 countries on four continents and with >1,200 employees, the company has so far realized projects with a capacity of >5 GW. In its development pipeline, it has projects with a total capacity of >22 GW with the largest being under development in South Africa, Finland and Germany. ABO Wind, which has a market cap of EUR 424.1m, generated revenues of EUR 231.7m and an EBITDA margin of 23.5% in 2022. Its ROCE equalled 9.4%.

(4) *7C Solarparken AG*: 7C Solarparken, which is based in Bayreuth/Germany, owns and operates PV farms primarily in Germany and Belgium. It has a combined asset portfolio of 485 MWp. In 2022, 7C Solarparken, which has a market cap of EUR 282.3m, generated revenues of EUR 85.8m and an EBITDA margin of 81.8%. Its ROCE equalled 5.6%.

(5) *PNE AG*: PNE, which is based in Cuxhaven/Germany, develops, constructs, and sells onshore and offshore wind farms; provides technical and commercial operation management services for wind farms, PV plants, and transformer stations; and generates electricity from wind and biomass power plants. It is also involved in the development of photovoltaics and hybrid solutions. Currently, the company, which is active in 15 countries in Europe, South Africa, North America and Asia, has a pipeline of 16.6 GW (wind & PV) and own plants with 346 MW. In 2022, PNE, which has a market cap of EUR 1bn, generated revenues of EUR 126.2m and an EBITDA margin of 21.6%. Its ROCE equalled 0.5%.

(6) *Ecoener SA*: Ecoener, which is headquartered in La Coruna/Spain, develops, owns and operates renewable energy projects (wind, hydroelectric, solar and storage) in 15 countries. With majority of installed power in Spain and the Dominican Republic, Ecoener currently operates renewable energy installations with a power of 341 MW (solar: 182 MW) and with over 1.3 GW (solar: 602 MW) under development. In 2022, the company generated revenues of EUR 72.9m and an EBITDA margin of 57.9%. Its ROCE was 5.3%. Ecoener is currently worth EUR 227.6m on the stock exchange.

(7) *Eolus Vind AB*: Eolus, which is headquartered in Hassleholm/Sweden, develops, establishes and operates renewable energy and energy storage installations. The total power of its portfolio equals 25.4 GW (solar: 5.3 GW), with >90% in early phase of development. With a market cap of SEK 1.9bn (EUR 172.4m), in 2022 Eolus generated revenues of SEK 2.3bn (EUR 208.1m) and an EBITDA margin of 4.2%. Its ROCE equalled 5.8%.

(8) *Grenergy Renovables SA*: Grenergy Renovables, which is based in Madrid/Spain, develops, builds and operates wind, solar, and energy storage systems. With a presence in 11 countries, it has already completed projects with a capacity of >900 MW and has >15 GW under development. In 2022, the Spanish company, which has a market cap of EUR 951m, generated revenues of EUR 293m and an EBITDA margin of 16.8%. Its ROCE equalled 4.1%.

(9) *OX2 AB*: OX2, which is based in Stockholm/Sweden, acquires, develops and builds renewable energy projects (on/off-shore wind power, solar, energy storage). Operating in 11 countries, its project development portfolio's capacity amounts to 34 GW (solar: 6.5 GW), with the majority in Sweden and Finland. With a market cap of SEK 14.8bn (EUR 1.3bn), in 2022 OX2 generated revenues of SEK 7.6bn (EUR 675m) and an EBITDA margin of 15.4%. Its ROCE equalled 25.8%.

Company	EV/Sales			EV/EBITDA			P/E			P/BVPS	EBITDA margin	Net gearing
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	Latest	Last FY	Latest
Encavis AG (EUR)	7.5x	6.8x	6.2x	10.6x	9.7x	8.9x	20.4x	19.4x	17.8x	1.7x	66.3%	118.3%
Photon Energy NV (EUR)	2.1x	1.6x	1.3x	30.2x	8.8x	6.3x	n.a	n.a	n.a	7.4x	23.6%	242.0%
ABO Wind AG (EUR)	2.2x	1.9x	1.7x	10.6x	9.6x	8.8x	17.7x	15.6x	13.6x	2.4x	23.5%	95.3%
7C Solarparken AG (EUR)	6.8x	6.0x	5.7x	7.8x	7.0x	6.7x	21.3x	17.9x	16.2x	1.2x	81.8%	80.7%
PNE AG (EUR)	11.6x	9.6x	7.8x	46.7x	29.7x	21.3x	n.a	n.a	n.a	5.0x	21.6%	295.0%
Ecoener SA (EUR)	7.2x	4.5x	3.3x	13.6x	8.2x	5.3x	23.5x	11.4x	6.3x	1.8x	57.9%	210.6%
Eolus Vind AB (SEK)	0.6x	1.2x	1.1x	2.2x	3.8x	3.6x	3.7x	6.7x	6.1x	1.3x	4.2%	-20.3%
Grenergy Renovables SA (EUR)	5.5x	3.5x	2.0x	12.6x	11.0x	5.9x	14.1x	17.4x	8.5x	2.5x	16.8%	131.0%
OX2 AB (SEK)	1.2x	0.9x	0.6x	10.3x	7.9x	5.3x	12.5x	10.5x	7.1x	3.0x	15.4%	-30.4%
Median	5.5x	3.5x	2.0x	10.6x	8.8x	6.3x	17.7x	15.6x	8.5x	2.4x	23.5%	118.3%
Novavis Group S.A. (PLN)	6.4x	5.1x	1.1x	9.8x	8.9x	2.2x	12.1x	11.3x	2.8x	9.2x	49.7%	-29.2%
Premium/Discount	16.4%	46.9%	-45.8%	-7.1%	0.9%	-65.3%	-31.7%	-27.2%	-67.0%			
Fair value Novavis (PLN)	3.36											

Source: CapitalIQ, marketscreener.com, East Value Research GmbH

Price target calculation

Valuation method	Fair value	Weight
DCF model	4.02	80%
Peer Group Analysis	3.36	20%
Weighted average (present value)	3.89	
In 12-months (PV * (1+WACC))	4.30	

Source: East Value Research GmbH

Latest results

Revenues and profitability

<i>in PLNm</i>	9M/23	9M/22	change y-o-y
Net sales	9.14	1.17	681.2%
EBITDA	6.22	-2.13	n.a
<i>EBITDA margin</i>	<i>68.1%</i>	<i>-182.1%</i>	
EBIT	6.19	-2.17	n.a
<i>EBIT margin</i>	<i>67.7%</i>	<i>-185.4%</i>	
Net income	4.89	-1.97	n.a
<i>Net margin</i>	<i>53.5%</i>	<i>-168.1%</i>	

Source: Novavis Group S.A., East Value Research GmbH

In 9M/2023, Novavis Group generated revenues of PLN 9.1m, all of which came from services related to photovoltaics (PV). The main revenue source was the development contract with Iberdrola for large PV farms (PLN 9m). Under the terms of the agreement, Iberdrola makes advance payments when Novavis achieves certain development milestones. Based on the advance payments, Novavis estimates the revenue from the development contracts. Below we present the latest estimation of the currently developed projects by Novavis Group. At the end of Q3/2023, the total value of developed projects equalled PLN 19.5m (+9.4m since the end of 2022).

in PLNk	Consolidated expenditure on project	Value of project	Revenue from the valuation of long-term contracts		Estimated realisation year	Investor
			(2023)	Power [MW]		
NG PV 1	91	1,674	165	26.50	2025	Yes
NG PV 2	194	1,435	31	24.99	2025	Yes
NG PV 3	139	1,533	887	19.90	2025	Yes
NG PV 4	44	44	-	8.14	2025	No
NG PV 5	254	4,599	1,507	57.70	2026	Yes
NG PV 6	7	7	-	1.99	2025	No
NG PV 7	139	139	-	42.66	2027	Yes
NG PV 8	203	4,980	4,778	71.94	2025	Yes
NG PV 9	31	31	-	9.99	2025	No
NG PV 10	22	22	-	2.10	2025	No
NG PV 11	50	50	-	15.15	2027	No
NG PV 12	-	-	-	16.07	2026	No
NG PV 13	238	238	-	73.30	2025	Yes
NG PV 14	355	2,318	-144	114.10	2026	Yes
NG PV 15	100	2,383	1,790	30	2025	Yes
NG PV 19	9	9	-	7.07	2025	No
NG PV 20	21	21	-	16.68	2025	No
NG PV 21	n.a.	n.a.	-	4.94	2025	No
NG PV 22	n.a.	n.a.	-	51.50	2026	No
NG PV 23	n.a.	n.a.	-	40.00	2027	No
NG PV 24	n.a.	n.a.	-	3.11	2026	No
NG PV 25	n.a.	n.a.	-	3.83	2027	No
NG PV 26	n.a.	n.a.	-	0.77	2025	No
NG PV 27	n.a.	n.a.	-	16.16	2027	No
NG PV 28	n.a.	n.a.	-	16.03	2027	No
NG PV 29	n.a.	n.a.	-	2.49	2027	No
NG PV 30	n.a.	n.a.	-	n.a.	n.a.	n.a.
Total	1,897	19,483	9,014	677.11		

Source: Novavis Group S.A., East Value Research GmbH

In 9M/2023, Novavis Group's operating costs amounted to PLN 3m (-11.9% y-o-y), the largest costs being third party services PLN 1.7m (+49.1% y-o-y) and salaries PLN 704k (-33.3% y-o-y). There was a significant decrease in the consumption of materials (from PLN 527k to PLN 32k). Thanks to the strong increase in net sales, the company generated an EBITDA of PLN 6.2m. The effective tax rate equalled 22.9%, resulting in a net profit of PLN 4.9m.

Balance sheet and Cash flow

At the end of Q3/2023, Novavis Group had equity of PLN 8.2m (26.2% ratio). The largest positions on the balance sheet were development contracts amounting to PLN 19.5m, followed by deferred income related to prepayments from Iberdrola in the amount of 18.9m. Other major items on the balance sheet were trade and other receivables PLN 6m, and cash PLN 2.5m.

In addition to the bottom line of the income statement, the cash flow statement was strongly influenced by changes in the estimates of future revenues from development contracts. In 2023, Novavis generated a cash flow of PLN 861k from operating activities. The investing cash flow was positively impacted by the repayment of long-term loans (PLN 1.5m) and negatively influenced by other investing expenses related to loans given to subsidiaries (PLN -1.5m). The net balance of investing cash flow in 2023 equalled PLN -22k. Cash flow from financing was affected solely by the repayment of a loan, resulting in a net outflow of PLN -327k. At the end of 9M/23, Novavis had minimal interest-bearing debt in the amount of PLN 137k.

Financial forecasts

Revenues and Profitability

So far, Novavis Group has only generated revenues from Iberdrola, which pays milestones for each development stage. Based on our estimated sale price of EUR 80,000 per MW – determined based on our research and market experience - we believe that the total value of the contracted 460 MW, which Novavis is supposed to bring up to the ready-to-build stage by 2027E for its Spanish partner, equals EUR 36.8m, of which EUR 4m have already been paid since the start of the non-exclusive co-operation agreement in 2022. In our view, the company will receive the total value of the 460 MW in prepayments by 2027E and after that the co-operation with Iberdrola will end (Iberdrola has several partners in Poland and as of today develops PV projects with a total capacity of c. 600 MW in the country). However, a risk is the slower than expected grant of the terms & conditions of connection to the grid that affects the whole PV industry in Poland and stems from an undeveloped energy grid. Regarding the EBITDA margin of the revenues from Iberdrola, we expect that it will reach 65% in 2023E and decline to 46% by 2027E especially due to higher personnel expenses.

Novavis Group's second line of business is the development of own photovoltaic plants and energy storage facilities. Especially, in the area of energy storage management it sees significant growth potential as Poland is far behind Western markets in this regard. According to Novavis' management, the company currently has a portfolio of own projects with a capacity of 250 MW. We have conservatively assumed that it will increase by 30 MW per year until 2027E and Novavis will be able to sell 50-120 MW per year of own projects by 2032E at an average price per MW of 85,000. Our EBITDA expectations for this line of business are the same as for revenues from Iberdrola. Moreover, for both segments we have assumed an average PLN-EUR rate of 4.40 in 2023E that will decline to 4.20 in the long run.

Below are our detailed estimates for Novavis' results in 2023E-2027E:

in PLNm	2023E	2024E	2025E	2026E	2027E
Project development for Iberdrola	11.33	14.24	48.38	52.92	20.16
(% of net sales)	100.0%	100.0%	73.1%	71.2%	44.7%
EBITDA margin	65.0%	57.5%	50.0%	48.0%	46.0%
% of portfolio value as milestone payments	7.0%	9.0%	40.0%	75.0%	100.0%
Total project portfolio (Iberdrola)	460	460	360	210	60
Avg. price per MW (in EUR)	80,000	80,000	80,000	80,000	80,000
PLN-EUR FX rate	4.40	4.30	4.20	4.20	4.20
Development of own projects (PV & energy storage)	0.00	0.00	17.85	21.42	24.99
(% of net sales)	0.0%	0.0%	26.9%	28.8%	55.3%
EBITDA margin	65.0%	57.5%	50.0%	48.0%	46.0%
Capacity of own portfolio (in MW)	250	280	310	340	370
Sale of own MW	0	0	50	60	70
Avg. price per MW (in EUR)	85,000	85,000	85,000	85,000	85,000
PLN-EUR FX rate	4.40	4.30	4.20	4.20	4.20
Net sales	11.33	14.24	66.23	74.34	45.15
(change y-o-y)	20.0%	25.6%	365.1%	12.2%	-39.3%

Source: East Value Research GmbH

in PLNm	2023E	2024E	2025E	2026E	2027E
Net sales	11.33	14.24	66.23	74.34	45.15
EBITDA	7.37	8.19	33.12	35.68	20.77
<i>EBITDA margin</i>	<i>65.0%</i>	<i>57.5%</i>	<i>50.0%</i>	<i>48.0%</i>	<i>46.0%</i>
EBIT	7.31	8.11	33.02	35.56	20.63
<i>EBIT margin</i>	<i>64.5%</i>	<i>56.9%</i>	<i>49.8%</i>	<i>47.8%</i>	<i>45.7%</i>
Net income	6.19	6.60	26.55	28.53	16.34
<i>Net margin</i>	<i>54.6%</i>	<i>46.4%</i>	<i>40.1%</i>	<i>38.4%</i>	<i>36.2%</i>

Source: East Value Research GmbH

in PLNm	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23E	2023E
Net sales	0.74	0.34	0.09	8.28	9.45	4.87	2.61	1.66	2.19	11.33
<i>y-o-y change</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>-7.3%</i>	<i>554.8%</i>	<i>679.7%</i>	<i>1707.6%</i>	<i>-73.5%</i>	<i>20.0%</i>
EBITDA	-0.29	-1.22	-0.63	6.83	4.70	3.85	1.76	0.62	1.15	7.37
<i>EBITDA margin</i>	<i>-38.4%</i>	<i>-363.9%</i>	<i>-680.4%</i>	<i>82.5%</i>	<i>49.7%</i>	<i>79.1%</i>	<i>67.2%</i>	<i>37.2%</i>	<i>52.2%</i>	<i>65.0%</i>
EBIT	-0.30	-1.23	-0.64	6.81	4.65	3.83	1.74	0.61	1.12	7.31
<i>EBIT margin</i>	<i>-40.2%</i>	<i>-367.2%</i>	<i>-695.7%</i>	<i>82.3%</i>	<i>49.2%</i>	<i>78.8%</i>	<i>66.8%</i>	<i>36.6%</i>	<i>51.1%</i>	<i>64.5%</i>
Net income	-0.76	-0.74	-0.47	4.83	2.86	3.55	1.52	-0.17	1.30	6.19
<i>Net margin</i>	<i>-102.0%</i>	<i>-221.2%</i>	<i>-508.7%</i>	<i>58.3%</i>	<i>30.2%</i>	<i>72.9%</i>	<i>58.0%</i>	<i>-10.1%</i>	<i>59.1%</i>	<i>54.6%</i>

Source: East Value Research GmbH

CAPEX and Working capital

We believe gross CAPEX will reach PLN 440k in 2024E-2027E due to further investments in land for PV plants. Regarding working capital, we expect a cash conversion cycle of 60 days in the future.

Business description

Novavis Group S.A., which is based in Warsaw, is a developer of ready-to-build photovoltaic projects in Poland. Through its 100% subsidiary Novavis Storage Sp. z.o.o, it also plans to develop innovative systems for energy storage & management in the future. The company's strategic partner is one of the largest European utilities Iberdrola, with which it has a non-exclusive agreement until 2027E for the development of 460 MW of PV projects. Currently, Novavis' total project portfolio comprises 710 MW. The company, which employs 15 people, has been listed in the Main Market of the Warsaw Stock Exchange under its current name since 2020.

Company history

- 1994: Foundation and listing of the company's predecessor V National Investment Fund Victoria S.A., which was part of the Polish general privatization program. It managed a portfolio of privatized companies.
- 2004: Start of the liquidation process after the sale of all portfolio companies.
- 2008: Merger with I NFI S.A. and NFI Fortuna S.A.
- 2009: Change of name to Rubicon Partners S.A., which was active in the area of private equity, investments in public companies and transaction advisory.
- 2019: Sale of subsidiary Rubicon Partners Corporate Finance S.A.
- 2020: Rubicon Partners S.A. acquires 4.78m shares (56.76% of the share capital) in the renewable energy company VOOLT S.A., which had four fully-owned subsidiaries: VOOLT Sp. z.o.o, CAC PV Sp. z.o.o, SPV Energia Sp. z.o.o and Chata Sp. z.o.o.
- Foundation of 5 SPVs for the development of PV projects (NG PV 1-5 Sp. z.o.o).
- Change of name from Rubicon Partners S.A. to Novavis Group S.A.
- 2021: Foundation/acquisition of other companies: 70% in Mille Vis Sp. z.o.o, 10% in Paged Energy Sp. z.o.o and 45% in NOVAVIS ESCO Sp. z.o.o.
- Merger of VOOLT S.A. with its subsidiaries VOOLT Sp. z.o.o, CAC PV Sp. z.o.o, SPV Energia Sp. z.o.o and Chata Sp. z.o.o.
- 2022: Foundation of SPVs NG PV 6-10 Sp. z.o.o.
- Signing of a non-exclusive framework agreement with Iberdrola Renewables Polska Sp. z.o.o. in September 2022.
- 2023: Start of the analysis of strategic options for VOOLT S.A. incl. a merger with a related company or a change of the area of activity.

What is Novavis exactly doing?

Novavis Group is a project developer, meaning it only brings a PV project to a stage, where it can be built. It searches for and leases the land, on which a project can be built, from farmers based on 25-29 year contracts; files for the environmental decision and zoning conditions; the terms & conditions for grid connection, the building permit and the permit to connect the PV plant to the energy grid. In case of large-scale PV projects in Poland, the whole process takes 2-3 years.

Novavis' main partner is Iberdrola Renewables Polska Sp. z.o.o, with which the company signed a framework agreement until 2027E in 2022. The agreement, which is on a non-exclusive basis, foresees that within 5 years Novavis will deliver ready-to-build projects with a total capacity of 460 MW to the client. In addition, Novavis Group currently has projects of 250 MW, which it develops independently and which are supposed to be sold to third-party investors (providers of Engineering, Procurement and Construction (EPC) services) after the receipt of a valid building permit and grid connection conditions. The investor will then build the energy source (= the photovoltaic plant) by himself. While it is possible that Novavis will also provide monitoring services during the construction phase of PV plants in the future, in contrast to some peers it is rather unlikely that it will invest in own plants. The reason is the high cash requirements. In the past, the company has monitored as investor' supervisor e.g. an installation of 49 MW in the Polish city of Zgorzelec.

In the future, Novavis also plans to develop energy storage & management facilities in the same model as PV plants. Provided there is appropriate regulation, there will be the possibility to make money from the difference in the price of energy created between charging the storage (during the production peak of PV plants between 11 am and 3 pm, when the price per kWh falls) and discharging it (during periods of reduced production, when the spot energy price rises).

How is the company making money?

From its main partner Iberdrola, Novavis receives prepayments which, based on IFRS 15, the company books as revenues. The prepayments are paid out 14 days after the realization of certain milestones by Novavis. Iberdrola has a pledge over the shares of the respective project SPV and can transfer the ownership of the shares at any time. Novavis currently has 29 SPVs (27 NG PV for PV plants & 2 NG ESS related to energy storages), which all are owned by it directly.

Because of the prepayments for milestones, the only cash payment, which Novavis has to conduct, are the PLN 30,000/MW that are necessary as deposit for the grant of the terms and conditions of connection.

When it comes to sales of ready-to-build plants, current market prices in Poland are in the range of EUR 80,000-100,000 per MW and thus are >10% lower than just one year ago.

From the business related to energy storage & maintenance, Novavis Group plans to generate first revenues – EUR 50,000-60,000 per MW from the sale of ready-to-build projects – within the next two years. Management expects that these projects will be the Group's growth driver in the long run.

Management

Piotr Karmelita (CEO): Mr Piotr Karmelita has been CEO of Novavis Group S.A. since 2020 and CEO of Rubicon Partners S.A. since 2010. Before, he was among others Member of the Management Board at BB Investment S.A. and BB Capital NFI S.A., where he was in charge of seed, startup and private equity investments, as well as CEO of the Brokerage House BMT S.A. Mr Karmelita graduated with a Master's degree in Finance & Banking from the Poznan University of Economics.

Paweł Krzyształowicz (Member of the Management Board): Mr Paweł Krzyształowicz has been a Member of the Management Board of Novavis Group since 2020. Since 2011, he has been involved with several companies on the Polish capital market in the area of investor relations, corporate governance, strategic consulting, compliance, commercial law, and as an intermediary with the Warsaw Stock Exchange on the NewConnect and Catalyst markets. Participant of large-scale conceptual, development, construction and supervisory projects in the field of photovoltaics and energy storage, with a total value of over PLN 250m. Mr Krzyształowicz graduated with a Master's degree in Management & Marketing from the University of Warsaw.

Marek Stachura (CEO of Novavis Storage Sp. z.o.o): Through his vehicle Marshall Nordic Ltd, Mr Marek Stachura is the largest shareholder of Novavis Group S.A. Previously, from 2012 to 2020, he was Head of the Supervisory Board of listed VOOLT S.A., which merged with Rubicon Partners S.A. in 2020 to form Novavis Group S.A. Before, he worked in the ICT area, among others in the Polish public sector and as manager in charge of the construction of the ICT network of the Warsaw Chopin Airport, fibre-optic projects related to international data transmission and the creation of a co-location ICT network in Poland, Ukraine, the Czech Republic and Germany. Mr Marek Stachura graduated with a Master's degree in Electronics with a focus on Telecommunications from the Military University of Technology in Warsaw. He also completed post-graduate studies in Industrial Safety Management and an MBA degree.

Market environment

The European Green Deal

With its „Green Deal“, the EU has set the goal to make Europe the first CO₂ neutral continent by 2050E. By 2030E, carbon emissions on our continent are supposed to decline by at least 55% compared to their level in 1990. The goals, which are obligatory for all 27 EU member states, are supposed to be achieved through investments with a total value of EUR 600bn among others in the modernization of buildings, reforestation, restoration of wetlands and peatlands and production of renewable energy. In addition, the CO₂ pricing is supposed to be extended to kerosine, ship fuel and energy-intensive products from countries with less strict environmental laws.

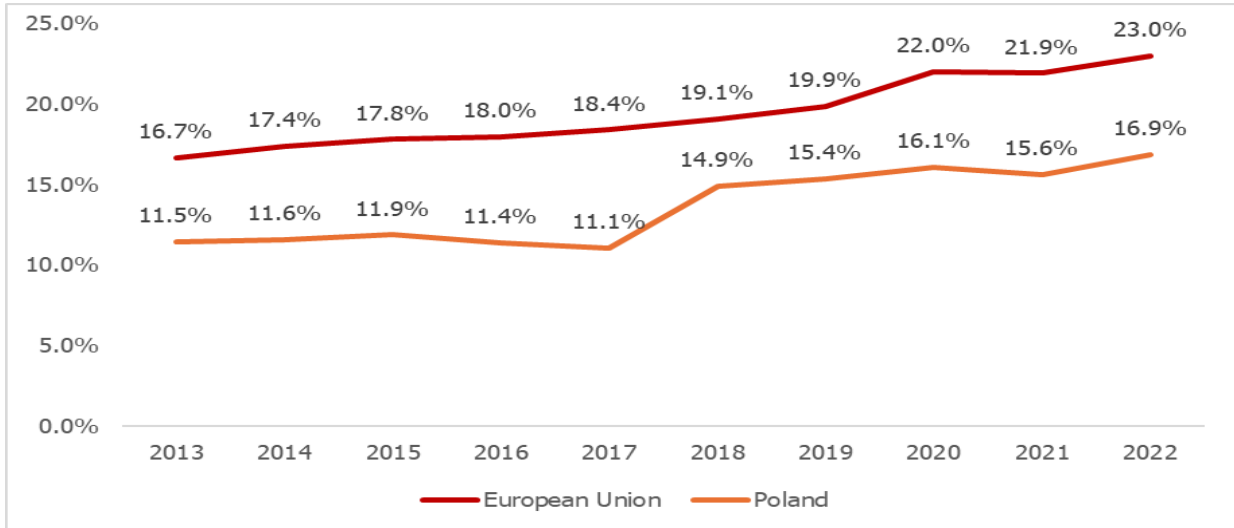


Source: europa.eu, East Value Research GmbH

As the energy sector is responsible for >75% of EU's greenhouse gas emissions, the European Union has created new directives to target this sector. By 2030E, the share of renewable energy in total energy consumption is supposed to increase from 23% in 2022 to at least 42.5% (target 45%) across the EU. At the same time, energy consumption shall decline by 36-39%.

The graph below shows that the share of renewables in final energy consumption in the EU has only increased by 6.4% over the last 9 years and to reach >42.5% several factors need to work together: Reduction of non-renewable energy production, increased energy efficiency and increased renewable energy production.

Share of gross final energy consumption from renewable sources in the EU and Poland 2013-2022



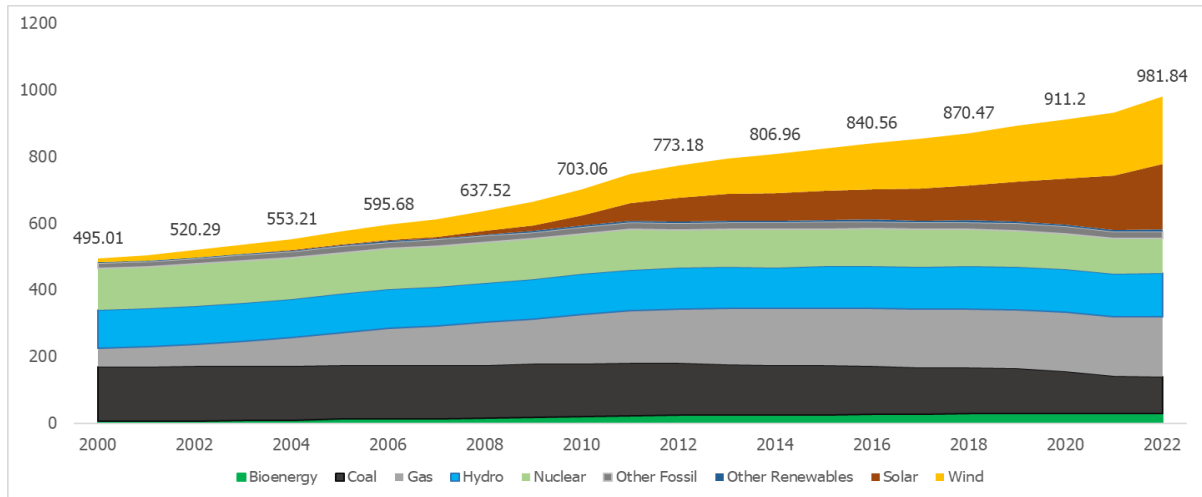
Source: Eurostat, East Value Research GmbH

Doubling the energy consumption from renewable sources in just 8 years will require significant investments. The EU's REPowerEU plan, created with the aim to become independent on Russian fossil fuels by 2030E, is accelerating Europe's transition to clean energy. Around EUR 86bn will be spent on renewable energy through this program.

The Russian aggression on Ukraine, which temporarily led to record-high energy prices, resulted in a significant reduction of oil & gas imports from Russia by the EU (oil: -90% y-o-y, gas: from 155 bcm in 2021 to est. 40-45 bcm in 2023). At the same time, EU countries increased gas deliveries from the Middle East, Africa, Norway and the US and massively invested in renewable energy sources. Of the 981.84 GW of total energy capacity in the EU in 2022, solar and wind already had the largest shares, with 197.15 GW (20.1%) and 203.46 GW (20.7%) respectively.

Despite having the largest installed capacity, solar systems have the lowest capacity factor (15-30%), so much more installed capacity is needed to meet the EU's energy demand. For example, nuclear power, despite its relatively small capacity, has the largest share in energy production as shown in the graph below. This is due to the highest capacity factor of c. 90%.

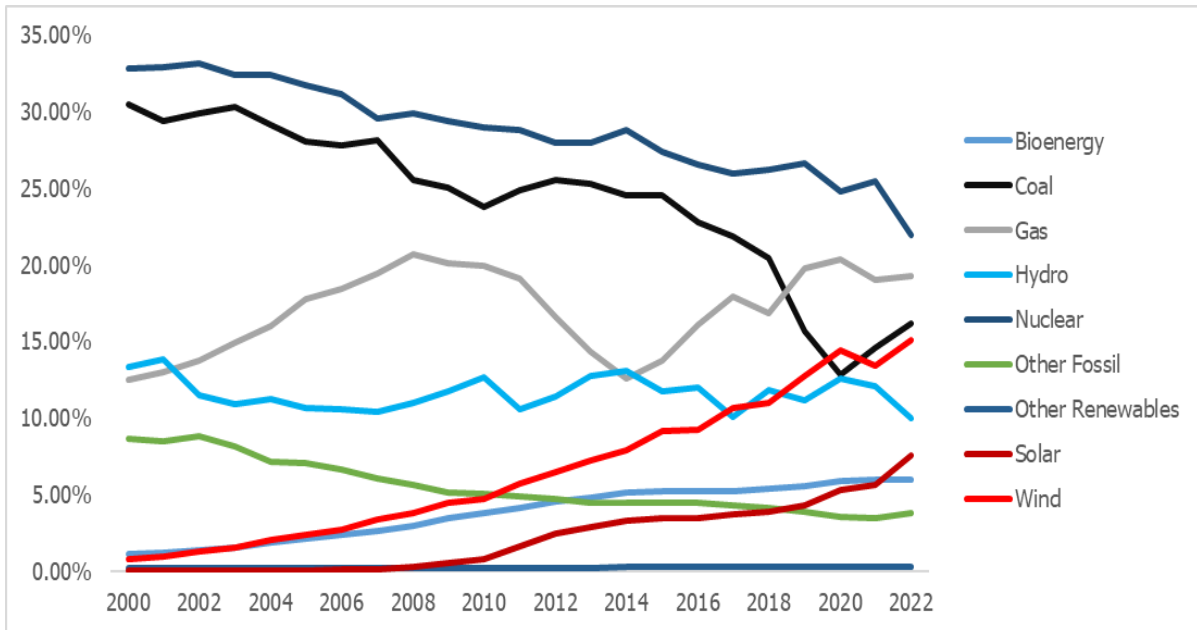
EU's historical energy capacity by source (in GW) 2000-2022



Source: Energy think tank Ember, East Value Research GmbH

In 2022, the combined production of energy from renewables (wind, solar, hydro, bioenergy) reached 39% of the total in the European Union (in Q1/23, the energy production from wind & solar surpassed that from fossil fuels for the first time). According to European Council, while in Germany the production of renewable energy reached 44% of the total in 2022 (44.6% in 2023 according to strom-report.com/Fraunhofer ISE), it was highest in Luxembourg (93%), Denmark (79%) and Latvia (76%). Solar and wind are the only sources that have continuously increased their share over the last 10 years.

Energy production by source in EU (%): 2000 – 2022



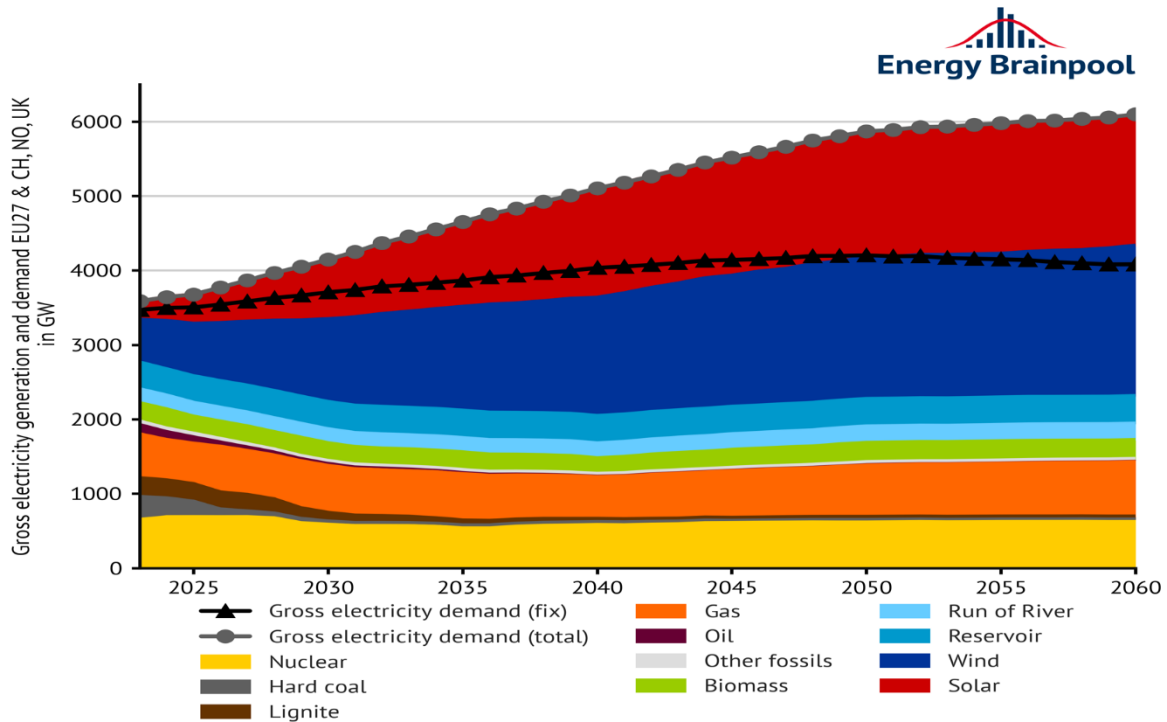
Source: Energy think tank Ember, East Value Research GmbH

Forecasts for energy demand in Europe

According to McKinsey, it is likely that the “European Green Deal” will impact electricity demand in Europe in this decade and beyond. The consultancy estimates that between 2021 and 2030E the demand will grow at a CAGR of 6.5%, up from 2% in 2018-2021. Initially, much of this increase will likely stem from the electrification of transport, where the demand for electricity is expected to rise at a CAGR of 13%. After 2030E, the use of green or potentially red hydrogen (hydrogen created with nuclear energy) for manufacturing is expected to increase significantly to 200 TWh. In total, McKinsey expects the absolute electricity consumption across Europe to increase from 2,900 TWh in 2021 to 3,700 TWh in 2030E (+76.2%).

The forecasts of Energy Brainpool, which apart from EU-27 also include Switzerland, Norway and the UK, foresee a gross energy demand of 6 TWh by 2060E, compared to c. 3.5 TWh currently. Thereof, the share of energy from wind and solar power is expected to grow rapidly at the expense of mainly coal and oil.

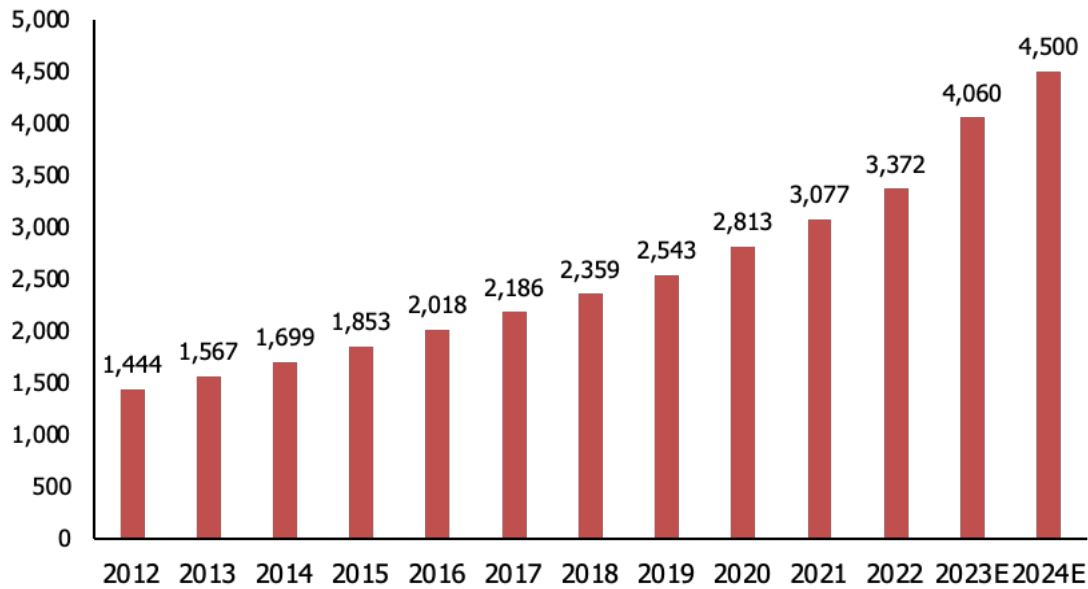
Energy demand in EU-27, Switzerland, Norway and the UK until 2060E



Source: Energy Brainpool, East Value Research GmbH

Current state of the renewable energy sector and its prospects

According to latest data from the International Renewable Energy Agency (IRENA), the capacity of renewable energy plants worldwide reached 3,372 GW (+9.6% y-o-y or 295 GW) in 2022. Almost half of all new capacity was added in Asia, which had a total capacity of 1,630 GW (+12% y-o-y). The largest growth was reported in China (+141 GW y-o-y), Europe (+57.3 GW to a total of 709 GW) and North America (+29.1 GW to 489 GW). For 2023, the International Energy Agency expected a significant acceleration of capacity additions to 440 GW (thereof: 2/3 from new Solar PV plants), the reasons being expanding policy support, growing energy security concerns and improving competitiveness against fossil fuels. Solar PV additions will likely continue to increase in 2024E in all major markets due to declining module prices, greater uptake of distributed solar PV systems and a policy push for large-scale deployment.

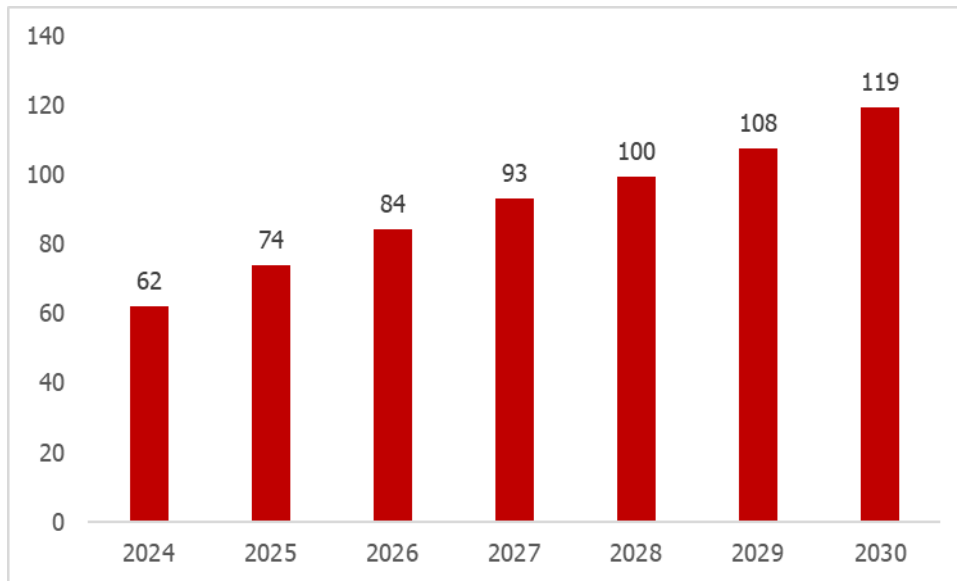
Capacity of global renewable energy plants (in GW): 2012 – 2024E

Source: Statista.com, International Energy Agency, East Value Research GmbH

In its recently published EU Solar Energy Strategy, the European Commission aims to increase solar photovoltaic (PV) capacity to 320 GW by 2025E and nearly 600 GW by 2030E. In 2023, installed capacity reached 263 GW (+55.9 GW, +27% y-o-y).

According to SolarPower Europe, the annual increase in PV installations is expected to grow from 55.9 GW in 2023 to 119 GW in 2030E (+113%). Based on these estimates, the total installed PV capacity in the European Union will be around 902 GW in 2030E, which is 300 GW more than the target set by the European Commission. Novavis Group, specializes in utility-scale photovoltaic farms (>1 MW) and this segment is expected to grow from 89.6 GW in 2023 to 222 GW in cumulative capacity by 2027E.

Annual increase in the capacity of photovoltaics in Europe (GW) (2024E-2030E)



Source: SolarPower Europe, East Value Research GmbH

The main market risk is the extensive dependence on China within the supply chain, especially when it comes to the production of photovoltaic panels. China's monopoly in this sector significantly impacts the overall market dynamics, necessitating focused attention on risk management strategies.

The state of the renewable energy sector in Poland

As a member of the EU, Poland has to comply with EU rules including the EU Green Deal. According to wysokienapiecie.pl, in 2023 only 27% of the country's energy production stemmed from renewable sources, which is far behind countries such as Germany or Lithuania. At the end of 2023, the installed capacity for renewable energy generation equalled c. 28 GW (Source: inwestycje.pl), which corresponds to a c. 43% share in the total production capacity incl. fossil fuels of 65.6 GW (figure from March 2023, according to Globenergia.pl). Last year, almost 6 GW of new renewable plants were added, out of which 4.6-4.7 GW related to photovoltaics.

According to inwestycje.pl, at the end of December 2023 photovoltaic installations had the highest share in installed renewable energy plants (16.8 GW). Wind installations accounted for 8.26 GW, hydro plants for 978 MW, biomass for 969 MW and biogas for 279 MW.

In just 4 years, Poland increased its cumulative capacity of PV from c. 4 GW to 16.8 GW. The rapid growth of renewable energy installations is due to the popularity of residential prosumer installations and a favorable legal framework. About 75% are micro-installations (<50kW), while the farms that Novavis is building (>1 MW) contributed to only 5% of the power installed. Nevertheless, 52% of capacity growth in 2022 was attributable to this kind of farms (Source: Instytut Energii Odnawialnej)

At the end of 2023, Poland was the sixth largest PV market in Europe and fourth by annual capacity installed. According to SolarPower Europe, the total capacity built in Poland from 2024E to 2027E will be 25.1 GW (on average 6.275 GW annually, CAGR 26%).

According to the International Energy Agency, the cumulative capacity of large (>1 MW) PV systems in Poland equalled 3.2 GW in 2022 and will likely increase to 12.7 GW in 2028E.

An important factor that impacts the construction of PV farms and the whole renewable energy sector in Poland is the availability of grid connections. Poland's electricity grids are very old and therefore have low capacity. As the connection capacity in Poland decreases year on year, most applications for connection are currently being rejected. Free connection capacity plans for 2025E fell from 7 GW to 4.2 GW of available capacity during the year. This means that companies will face the risk of delays in obtaining necessary permits, such as connection to the grid.

Development of energy storage possibilities and its impact on the energy transition

The further development of energy storage possibilities is a key element of the energy transition as it optimises energy use and increases efficiency. From an investor's point of view, an energy system with installed energy storage is advantageous as it allows to maximise profits from energy sales. In Germany, the EU market leader in renewable energy, the vast majority of newly installed photovoltaic systems are connected to an energy storage system.

LCPDelta, a Scottish energy transition consultancy, estimates that over 6 GW of power capacity was built in the EU in 2023, and this amount is to almost double by 2030E to reach a cumulative capacity of >57 GW.

Overall, as the annual production capacity of energy, mostly from renewable sources, increases, we see a high growth potential for energy storage. The energy storage market is still at a very early stage of development, which makes it an attractive investment opportunity. In Poland, it is particularly important to build a renewable energy system with energy storage due to the limitations of the Polish electricity grid.

Profit and loss statement

in PLNm	2022	2023E	2024E	2025E	2026E	2027E
Total revenues	9.45	11.33	14.24	66.23	74.34	45.15
Direct costs	-3.63	-2.61	-3.56	-17.88	-21.56	-14.00
Gross profit	5.82	8.73	10.68	48.35	52.78	31.15
Other operating income	0.04	0.04	0.04	0.05	0.05	0.06
Personnel expenses	-0.54	-0.70	-1.10	-5.10	-5.72	-3.48
Other operating expenses	-0.63	-0.70	-1.44	-10.18	-11.43	-6.97
EBITDA	4.70	7.37	8.19	33.12	35.68	20.77
Depreciation & amortization	-0.05	-0.06	-0.08	-0.10	-0.12	-0.14
EBIT	4.65	7.31	8.11	33.02	35.56	20.63
Net financial results	-1.65	-0.16	-0.14	-0.12	-0.10	-0.08
EBT	2.99	7.15	7.97	32.90	35.46	20.55
Income taxes	-0.81	-1.36	-1.51	-6.25	-6.74	-3.90
Minority interests	0.68	0.40	0.15	-0.10	-0.20	-0.30
Net income / loss	2.86	6.19	6.60	26.55	28.53	16.34
EPS	0.08	0.18	0.19	0.76	0.81	0.47
DPS	0.00	0.09	0.09	0.38	0.41	0.23
Share in total sales						
Total revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Direct costs	-38.44 %	-23.00 %	-25.00 %	-27.00 %	-29.00 %	-31.00 %
Gross profit	61.56 %	77.00 %	75.00 %	73.00 %	71.00 %	69.00 %
Other operating income	0.47 %	0.35 %	0.31 %	0.07 %	0.07 %	0.13 %
Personnel expenses	-5.68 %	-6.18 %	-7.70 %	-7.70 %	-7.70 %	-7.70 %
Other operating expenses	-6.62 %	-6.18 %	-10.11 %	-15.37 %	-15.37 %	-15.43 %
EBITDA	49.72 %	65.00 %	57.50 %	50.00 %	48.00 %	46.00 %
Depreciation & amortization	-0.56 %	-0.53 %	-0.56 %	-0.15 %	-0.16 %	-0.31 %
EBIT	49.16 %	64.47 %	56.94 %	49.85 %	47.84 %	45.69 %
Net financial results	-17.49 %	-1.41 %	-0.98 %	-0.18 %	-0.13 %	-0.18 %
EBT	31.68 %	63.06 %	55.96 %	49.67 %	47.70 %	45.51 %
Income taxes	-8.57 %	-11.98 %	-10.63 %	-9.44 %	-9.06 %	-8.65 %
Minority interests	7.14 %	3.53 %	1.05 %	-0.15 %	-0.27 %	-0.66 %
Net income / loss	30.25 %	54.61 %	46.38 %	40.08 %	38.37 %	36.20 %

Balance sheet

in PLNm	2022	2023E	2024E	2025E	2026E	2027E
Cash and cash equivalents	2.01	3.54	2.88	0.66	9.22	14.65
Other financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Trade accounts and notes receivable	0.00	5.00	5.85	25.23	26.07	14.47
Other current assets	5.23	2.00	2.04	2.08	2.12	2.16
Current assets	7.23	10.54	10.78	27.96	37.41	31.29
Property, plant and equipment	0.13	0.09	0.09	0.09	0.09	0.09
Other intangible assets	0.00	0.00	0.00	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Construction contracts	10.16	20.00	25.00	31.25	34.38	37.81
Other long-term assets	0.13	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	0.76	0.60	0.00	0.00	0.00	0.00
Non-current assets	11.17	20.69	25.09	31.34	34.47	37.90
Total assets	18.40	31.22	35.86	59.30	71.88	69.20
Trade payables	1.92	1.00	1.24	5.64	6.05	3.45
Short-term financial debt	0.13	0.02	0.02	0.01	0.01	0.00
Other liabilities	9.78	19.00	13.30	9.31	6.52	4.56
Provisions	1.19	0.00	0.00	0.00	0.00	0.00
Current liabilities	13.01	20.02	14.56	14.96	12.58	8.01
Long-term financial debt	0.09	0.11	6.50	6.00	5.50	5.00
Other long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Long-term liabilities	0.09	0.11	6.50	6.00	5.50	5.00
Total liabilities	13.10	20.13	21.06	20.96	18.08	13.01
Shareholders equity	3.57	9.76	13.62	37.06	52.32	54.40
Minority interests	1.74	1.34	1.19	1.29	1.49	1.79
Total liabilities and equity	18.40	31.22	35.86	59.30	71.88	69.20

Cash Flow Statement

in PLNm	2022	2023E	2024E	2025E	2026E	2027E
Net income / loss	2.86	6.19	6.60	26.55	28.53	16.34
Depreciation & amortization	0.05	0.06	0.08	0.10	0.12	0.14
Change of working capital	2.14	6.53	-6.35	-19.01	-3.26	7.00
Others	-0.97	-1.35	-0.60	0.00	0.00	0.00
Net operating cash flow	4.08	11.44	-0.26	7.63	25.38	23.48
Cash flow from investing	-3.50	0.11	-0.08	-0.10	-0.12	-0.14
Free cash flow	0.58	11.55	-0.35	7.53	25.26	23.34
Cash flow from financing	0.60	-10.02	-0.31	-9.76	-16.70	-17.91
Change of cash	1.19	1.53	-0.65	-2.22	8.56	5.44
Cash at the beginning of the period	0.82	2.01	3.54	2.88	0.66	9.22
Cash at the end of the period	2.01	3.54	2.88	0.66	9.22	14.65

Financial ratios

Fiscal year	2022	2023E	2024E	2025E	2026E	2027E
Profitability and balance sheet quality						
Gross margin	61.56%	77.00%	75.00%	73.00%	71.00%	69.00%
EBITDA margin	49.72%	65.00%	57.50%	50.00%	48.00%	46.00%
EBIT margin	49.16%	64.47%	56.94%	49.85%	47.84%	45.69%
Net margin	30.25%	54.61%	46.38%	40.08%	38.37%	36.20%
Return on equity (ROE)	119.63%	92.85%	56.50%	104.75%	63.83%	30.63%
Return on assets (ROA)	24.51%	20.34%	18.81%	44.97%	39.82%	23.74%
Return on capital employed (ROCE)	62.81%	52.83%	30.83%	60.30%	48.58%	27.31%
Economic Value Added (in PLNm)	2.82	4.75	4.34	22.10	22.60	10.30
Net debt (in PLNm)	-1.79	-3.41	3.63	5.35	-3.71	-9.65
Net gearing	-50.01%	-34.91%	26.67%	14.44%	-7.10%	-17.75%
Equity ratio	19.40%	31.26%	37.98%	62.50%	72.78%	78.61%
Current ratio	0.56	0.53	0.74	1.87	2.97	3.90
Quick ratio	0.15	0.43	0.60	1.73	2.81	3.63
Net interest cover	2.81	45.67	57.92	275.14	355.63	257.86
Net debt/EBITDA	-0.38	-0.46	0.44	0.16	-0.10	-0.46
Tangible BVPS	0.10	0.28	0.39	1.06	1.49	1.55
Capex/Sales	22.21%	0.97%	-0.57%	-0.15%	-0.16%	-0.31%
Working capital/Sales	-68.44%	-114.70%	-46.70%	18.66%	21.02%	19.10%
Cash Conversion Cycle (in days)	-192	21	23	24	26	27
Trading multiples						
EV/Sales	7.68	6.40	5.09	1.10	0.98	1.61
EV/EBITDA	15.44	9.85	8.86	2.19	2.03	3.49
EV/EBIT	15.62	9.93	8.95	2.20	2.04	3.52
P/Tangible BVPS	21.0x	7.7x	5.5x	2.0x	1.4x	1.4x
P/E	26.2x	12.1x	11.3x	2.8x	2.6x	4.6x
P/FCF	128.8x	6.5x	-216.8x	9.9x	3.0x	3.2x

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