

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

167/2023/AR/April 5, 2024

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

**Event: Preliminary consolidated 4Q23 financial results released.**

Yesterday, during WSE trading hours, Bowim released preliminary consolidated 4Q23 financial results.

The Group's consolidated revenues reached PLN 459.9 million (down 17% yoy) vs our expectations at PLN 452.6 million. Consolidated EBIT at PLN 77 million (down 25% yoy) was close to our forecast at PLN 7.8 million. NI at PLN 5.9 million materially beat our expectations at PLN 2.7 million.

Similarly as at the publication of unconsolidated results, the Company indicated several factors such as the war in Ukraine, high costs of energy, inflationary pressure, high interest rates, etc. which adversely affected last year's figures and contributed to a fall in demand resulting in a drop of Bowim's metallurgical products prices due to lower steel usage and lower production of steel.

**Bowim; Preliminary consolidated 4Q23 financial results**

Cons. (PLN m)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Preliminary 4Q23	4Q23E (DM BOŚ)	Results vs forecasts	yoy chg
<b>Sales</b>	645.4	786.4	767.7	553.2	585.6	501.6	490.5	459.0	452.6	→	-17%
<b>EBITDA</b>	72.7	89.6	7.2	12.4	13.1	11.0	10.1	-	-	-	-
<i>EBITDA margin</i>	11.3%	11.4%	0.9%	2.2%	2.2%	2.2%	2.1%	-	-	-	-
<b>EBIT</b>	71.0	87.8	5.5	10.4	10.9	8.8	7.9	7.7	7.8	→	-25%
<i>EBIT margin</i>	11.0%	11.2%	0.7%	1.9%	1.9%	1.8%	1.6%	1.7%	1.7%	-	-
<b>Gross profit</b>	57.9	76.1	3.4	5.0	3.0	3.7	0.5	-	-	-	-
<i>Gross margin</i>	9.0%	9.7%	0.4%	0.9%	0.5%	0.7%	0.1%	-	-	-	-
<b>Net profit</b>	46.5	54.3	9.6	1.1	2.5	2.5	2.3	5.9	2.7	↑	421%
<i>Net margin</i>	7.2%	6.9%	1.2%	0.2%	0.4%	0.5%	0.5%	1.3%	0.6%	-	-

Source: Company, DM BOŚ estimates

**Expected impact:** *Neutral; the results were discounted during yesterday's market session. We see the figures as slightly positive and believe, that the Company's margins in the coming quarters should be supported by a deceleration of the steel price drops and interest rates cuts introduced in 2H23. These factors have already exerted some impact on 4Q23 financial results, but they should be fully visible from 1Q24 onwards.*

*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.*