

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

142/2023/AR/March 22, 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 unconsolidated 4Q23 financial results released.**

On Friday, during the WSE trading hours, Bowim released preliminary 4Q23 unconsolidated financial results.

Preliminary unconsolidated revenues reached PLN 441.3 million vs our forecast at PLN 452.6 million (consolidated figure) and unconsolidated EBIT amounted to PLN 6.8 million vs our forecast at PLN 7.8 million (consolidated figure). Unconsolidated net profit reached PLN 4.9 million vs our forecast at PLN 2.7 million (consolidated figure). We believe preliminary consolidated revenues, EBIT and NI to be released in next 2 weeks are likely to be slightly higher than these preliminary unconsolidated figures.

The Company indicated a number of factors at play (such as the war in Ukraine, high cost of energy, inflationary pressure and high interest rates, etc.) adversely affecting last year's results and responsible for a demand drop leading in turn to a decrease in metallurgical products prices as well as drop in production and steel usage.

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

Unconsolidated (PLN million)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23 preliminary	yoy chg
<b>Sales</b>	619,8	756,3	746,1	533,9	563,6	484,5	475,0	441,3	-17%
<b>EBITDA</b>	66,8	84,1	6,9	11,0	11,9	10,1	9,0	-	-
<i>EBITDA margin</i>	10,8%	11,1%	0,9%	2,1%	2,1%	2,1%	1,9%	-	-
<b>EBIT</b>	65,8	83,1	5,9	9,7	10,6	8,7	7,6	6,8	-30%
<i>EBIT margin</i>	10,6%	11,0%	0,8%	1,8%	1,9%	1,8%	1,6%	1,5%	-
<b>Gross profit</b>	52,8	71,7	4,2	4,4	2,7	4,5	0,2	-	-
<i>Gross profit margin</i>	8,5%	9,5%	0,6%	0,8%	0,5%	0,9%	0,1%	-	-
<b>Net profit</b>	42,3	50,7	10,2	0,6	2,2	3,4	2,1	4,9	781%
<i>Net margin</i>	6,8%	6,7%	1,4%	0,1%	0,4%	0,7%	0,4%	1,1%	-

Source: Company, DM BOS estimates

**DM BOS forecasts (consolidated) vs preliminary unconsolidated results**

(PLN million)	4Q23 (DM BOS, consolidated)	4Q23 preliminary unconsolidated
<b>Sales</b>	452,6	441,3
<b>EBITDA</b>	10,0	-
<i>EBITDA margin</i>	2,2%	-
<b>EBIT</b>	7,8	6,8
<i>EBIT margin</i>	1,7%	1,5%
<b>Gross profit</b>	3,3	-
<i>Gross profit margin</i>	0,7%	-
<b>Net profit</b>	2,7	4,9
<i>Net margin</i>	0,6%	1,1%

Source: Company, DM BOS estimates

**Expected impact:** We consider the released figures as slightly positive. Unconsolidated NI is materially above our forecast of consolidated NI. The final (consolidated) results can be higher than our expectations. We expect flat steel prices and interest rates cut in the autumn last year to support the Company's margins in the following quarters. These factors had some impact on 4Q23 financial results, but their full impact should be 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.