

## FLASH NOTE

# Novavis Group - Buy

Target Price: PLN 3.89 | Close as of 27/11/2023: PLN 2.09

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## Q3'23 results review

In Q3'23, **consolidated sales revenues** amounted to PLN 1.7mn and were virtually in line with our forecasts. In Q3'23, revenue value was generated by further milestones gained on the NG3, NG8 and NG15 photovoltaic projects. These are farms with capacities of 17MW, 45MW and 29MW, respectively (probably mainly environmental and construction permits obtained).

(mn PLN)	Q3'23	Q3'22	Change	Q3'23e	Diff	2023e	YTD
Revenues	1.7	0.1	1708%	1.6	4%	41.6	22%
EBITDA	0.6	-0.6	-	0.7	-12%	19.1	33%
EBITDA margin	37.2%	-	-	43.8%	-	45.8%	-
EBIT	0.6	-0.6	-	0.6	1%	19.0	33%
Net income	0.0	-0.5	-	-0.1	-79%	15.1	32%

**EBITDA** in Q3'23 amounted to PLN 0.6mn, close to our expectations. Similarly, the value of net income, which was burdened by a higher tax rate due to the retroactive calculation of corporate tax on exceeding the EUR 2mn revenue threshold (9% CIT for so-called small taxpayers).

**Cash flow from operations** amounted to PLN -4mn in Q3'23, due to an increase in receivables and a negative impact of provisions. At the end of Q3'23, the Company had PLN 2.4mn of **net cash** on the balance sheet (PLN 3.7mn at the end of Q4'23).

### OPINION: **NEUTRAL**

*Q3'23 results are close to our expectations and clearly better y/y. In the following quarters, in our view, the company has a good chance to boost its financial income and win the first permits for connecting photovoltaic farms to the grid. The rhetoric of the new government seems to be very supportive of RES development in Poland.*

In this document we are not changing our recommendation, forecasts, or price target for Novavis.

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