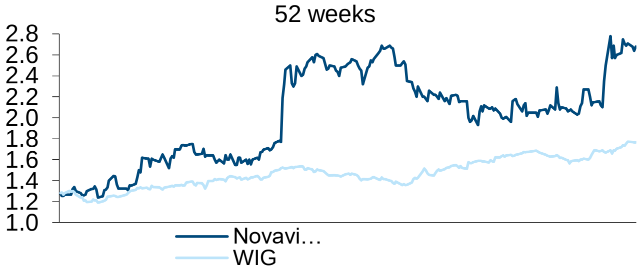
COMPANY REPORT

Novavis Group

from Buy to Accumulate

PLN mn	2022	2023e	2024e	2025e
Net sales	9.4	10.3	18.4	65.9
EBITDA	4.7	6.3	11.2	30.1
EBIT	4.6	6.3	11.1	30.0
Net result after min.	2.2	4.7	8.8	24.1
EPS (PLN)	0.06	0.13	0.25	0.69
CEPS (PLN)	0.06	0.14	0.25	0.69
BVPS (PLN)	0.10	0.23	0.43	0.99
Div./share (PLN)	0.00	0.00	0.06	0.13
EV/EBITDA (x)	11.2	14.5	8.1	3.1
P/E (x)	24.1	20.0	10.6	3.9
P/CE (x)	23.6	19.7	10.5	3.9
Dividend Yield	0.0%	0.0%	2.1%	4.7%



Performance	12M	6M	3M	1M
in PLN	109.4%	7.6%	28.2%	18.1%

Share price (PLN) close as of 28/02/2024	2.68
Number of shares (mn)	35.0
Market capitalization (PLN mn / EUR mn)	94 / 22
Enterprise value (PLN mn / EUR mn)	92 / 21

Reuters	NVGP.WA	Free float	32.3%
Bloomberg	NVG PW	Shareholders	Marshall Nordic (47.2%)
Div. Ex-date			Rubicon Partners (10.01%)
Target price	**3.12**	Homepage:	https://novavisgroup.pl/

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Accumulation of results will still have to wait

We are lowering our target price for Novavis Group from PLN 3.89 to PLN 3.12 and downgrading our recommendation to Accumulate (previously Buy).

Observed declines in electricity prices and a lack of decision-making on the part of energy-intensive state-owned companies dampened sentiment in Poland's RES industry at the beginning of the year. Energy prices in Poland have fallen to just over PLN 400/mwh, which reduces the enthusiasm of entrepreneurs to build photovoltaic installations (longer payback period). Photovoltaic installations selling energy to the grid have so far not felt the energy price drops, due to the fact that maximum prices were set at levels close to PLN 400/mwh. A factor that PV farm developers (see Novavis) are feeling is the lack of decision-making in issuing connection permits since October 15 last year (change of power in the Polish parliament). As a result, work on new PV projects has slowed down in the short to medium term, and 2023 may record a record in terms of the number of rejected applications for RES connections.

Due to the above adversities, we are forced to lower our forecasts for 2023 and 2024 and shift the values of expected revenues and results to later years. In the longer term, the fundamentals for the industry remain good, in our view (unblocking EUR 25mn of funds from the National Reconstruction Program under RePowerEu). The new government in Poland also plans to support RES development.

In 4Q23, we assume a sharp decline in y/y results, due to the lack of decision-making by the DSOs.

Risk factors

1 **Problems with new connections to the power system** are now apparently a slowing factor for the development of solar power in Poland. More than 13GW of photovoltaic capacity is currently connected in the country, and another 11GW of connections is reserved for offshore wind power. In recent years, there has been an increasing number of connection refusals issued by grid operators, due to years of investment neglect and the need to reconfigure the grid for higher RES use and include new consumption points, such as EV charging stations. It is worth noting that, in the case of installing energy storage, the DSO must agree to an additional connection corresponding to the capacity of the source (i.e. PV installation of 20MW + storage of 2MW = connection for 22MW). The situation in the coming months may be improved by an amendment to the law being processed in the Sejm and Senate, giving the possibility to apply a direct connection to the consumer (industrial plant), bypassing the DSO.

2 **Changes in the regulation of maximum energy prices**, freezing energy prices for households, introduce uncertainty in the industry regarding the payback period for RES investments and make it more difficult to obtain financing for projects. Last year, the EC introduced a maximum electricity sale price of EUR180/MW for RES sources. Some countries, such as Romania, have opted for even more drastic limits on energy prices for RES. In Poland, the government froze energy prices in the G tariff (households) in 2023 at the 2022 price level.

3 **Rising interest rates** negatively affect the investment attractiveness of RES and make it more difficult to raise capital for construction. Our calculations show that, on a contract with an industrial consumer (PPA) currently at prices of 400-500 PLN/MWh, photovoltaic projects pay off in 8-10 years. On the other hand, higher interest rates and bank interest rates are increasing competition for funds to build new RES projects.

4 **The availability of components to build PV farms** could be a problem for the industry in the future. In 2021-22, due to fractured supply chains from Asia and galloping deep-sea freight prices, the price of components (inverters, PV panels) became noticeably more expensive and their availability was hampered. China currently supplies more than 70% of the world's PV modules. Recently, China has also threatened to impose tariff barriers on the export of semiconductors, which are also used in PV farms.

5 **The delay in transferring coal power assets to NABE** is prolonging the energy transition process in Poland. Currently, the authorities are supporting the mining sector and coal-fired power generation reluctantly, considering the shutdown of troublesome units such as Turów. Despite clear decarbonization trends in the EU, a number of investments in power units like Opole and Jaworzno have been made in Poland in recent years. Azoty Group is probably building the last new coal-fired unit in Pulawy. A more lenient view of renewable energy in Poland would likely accelerate the sector's transformation.

6 **Prolonged land preparation processes for farms next to grid connection conditions** are the biggest brake on the industry's development. In order to prepare a photovoltaic farm project, construction permits and development conditions are necessary. It is becoming practically impossible in Poland to erect farms on agricultural land. It seems promising to erect farms on post-industrial land, which on one hand often already has a connection to the grid, but on the other hand requires additional expenditures on reclamation (there are sources talking about 1mn hectares of post-industrial land in Poland that can be developed by solar and wind power).

7 **Risk of losing a key customer**. Novavis is currently developing farms with a capacity of more than 400MW for Iberdrola under a payment-per-project-phase formula. The loss of a key customer could result in the need to look for an alternative buyer in the market, or a form of financing for the development. The market is currently more on the side of project sellers than buyers.

8 **Liquidity risk**. At the current scale of operations, Novavis has to pay a deposit to the DSO in the process of obtaining a grid connection (PLN 30,000/WM; this roughly translates to a freeze of PLN 17mn with over 570MW of farm capacity). The deposit is not interest-bearing. Significant increases in operations may require significant spare funds.

Valuation

We base our valuation of Novavis Group on a 50% discounted cash flow method and a 50% comparative valuation.

(PLN)	Weight	Price
Relative valuation (PLN)	50%	2.52
DCF (PLN)	50%	3.73
	12M target price per share (PLN)	**3.12**

Relative valuation

In the relative valuation, we seek to compare Novavis' performance to companies operating in the renewables industry, developing photovoltaic and wind projects. The comparative group includes entities with global scale and long history, so we decided to apply a 50% discount to listed companies in the industry. Many of the risks regarding the project schedule are outside Novavis (e.g. environmental permits, grid connections, construction permits).

		P/E			**EV/EBITDA**			**Dyield**	
	2023e	**2024e**	**2025e**	**2023e**	**2024e**	**2025e**	**2023e**	**2024e**	**2025e**
ABO WIND AG	3.4	7.3	6.5	4.4	4.1	-	3.1%	3.5%	3.8%
CLOUDBERRY CLEAN	-	-	-	-	-	-	-	-	-
ECOENER SA	28.9	22.8	34.1	21.0	15.2	-	0.9%	1.0%	-
EOLUS VIND AB- B	14.0	13.4	7.5	12.0	9.6	5.7	-	-	-
GRENERGY RENOVAB	17.0	16.4	15.2	11.0	10.8	10.0	1.1%	1.2%	1.2%
INOX WIND LTD	15.2	13.2	9.1	11.2	8.6	6.0	-	-	-
LHYFE SAS	-	40.1	19.5	23.9	13.7	9.2	0.0%	0.5%	1.3%
NORDEX SE	26.9	11.4	6.7	12.0	7.2	4.7	-	-	-
OX2 AB	8.6	70.5	34.2	12.6	16.4	13.8	-	-	-
TECHNO ELECTRIC	-	-	15.6	-	8.1	4.5	-	-	-
VESTAS WIND SYST	42.0	25.2	-	-	-	-	-	-	-
MIN	3.4	7.3	6.5	4.4	4.1	4.5	0.0%	0.5%	1.2%
MAX	42.0	70.5	34.2	23.9	16.4	13.8	3.1%	3.5%	3.8%
Median	**16.1**	**16.4**	**15.2**	**12.0**	**9.6**	**6.0**	**1.0%**	**1.1%**	**1.3%**
Novavis	20.0	10.6	3.9	14.5	8.1	3.1	0.0%	2.1%	4.7%
Premium/Discount	24%	-35%	-74%	21%	-15%	-48%	-100%	100%	269%
Peer's Valuation									
Median	16.1	16.4	15.2	12.0	9.6	6.0			
Premium/Discount	50%	50%	50%	50%	50%	50%			
Ratio weight		50%			50%				
Year weight	33%	33%	33%	33%	33%	33%			
Value per share (PLN)	**2.26**								
12M value per share (PLN)	**2.52**								

DCF valuation

- 5-year forecast period.
- Risk-free rate of 5.5% (yield on 10-year government bonds).
- In valuation, we take net debt as of end-2023.
- Beta 1.2 risk (delay of environmental permit, grid connection, construction permit).

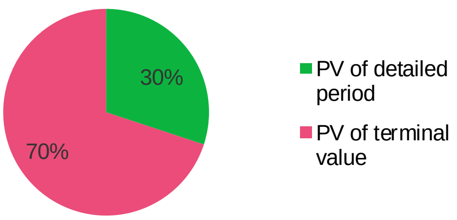
WACC calculation

	2023e	2024e	2025e	2026e	2027e	TV
Risk free rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Equity risk premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	1.2	1.2	1.2	1.2	1.2	1.2
Cost of equity	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Cost of debt	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Effective tax rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Equity weigh	100%	100%	100%	100%	100%	100%
WACC	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%

DCF valuation

(mn PLN)	2023e	2024e	2025e	2026e	2027e	TV
Sales growth	9.0%	78.6%	258.2%	-5.4%	-40.8%	0.7%
EBIT	6	11	30	28	15	17
EBIT margin	6.7%	8.3%	9.2%	9.6%	9.8%	9.9%
Tax rate	12.0%	12.0%	9.1%	9.0%	8.2%	9.0%
Taxes on EBIT	1	2	6	6	3	3
NOPAT	**5**	**9**	**24**	**22**	**12**	**13**
Depreciation	0	0	0	0	0	
CAPEX	0	0	0	0	0	
Working Capital	-3	-6	-23	1	9	
Other	0	0	0	0	0	
FCF to the firm	2	3	1	24	21	13
Discounted cash flow	**2**	**3**	**1**	**17**	**14**	**8**

Terminal value growth	2.0%
Terminal value	139
Discounted FCF	35
Enterprise value	**115**
Minorities	2
Net debt	-4
Other adjustments	0
Equity value	**117**
Number of shares (mn)	35
Cost of equity	11.5%
12M target price per share (PLI	**3.73**
Up/Downside	39%



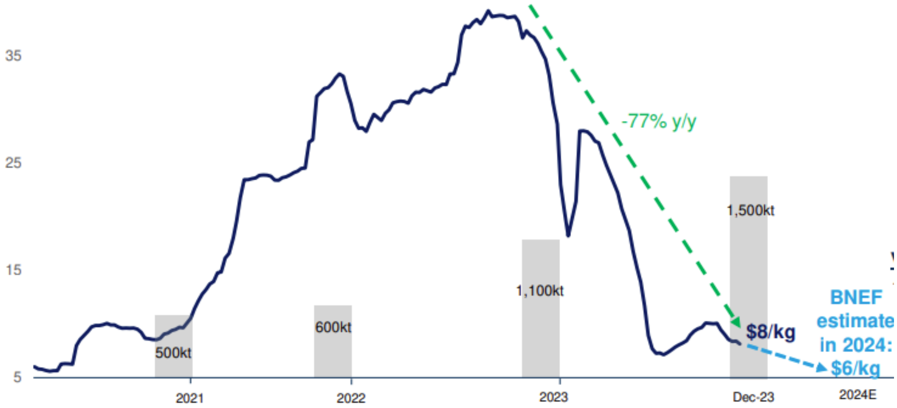
Terminal value growth

	0.0%	1.0%	2.0%	3.0%	5.0%
+1,0 p.p.	2.9	3.1	3.3	3.6	4.3
+0,5 p.p.	3.1	3.3	3.5	3.8	4.7
+0,0 p.p.	3.2	3.4	**3.7**	4.1	5.0
-0,5 p.p.	3.4	3.6	4.0	4.3	5.5
-1,0 p.p.	3.6	3.9	4.2	4.6	6.0

Photovoltaic market in world

Globally, the prices of PV installations in 2023 have been visibly cheapening, with lower prices for polysilicones used in the production of solar modules and electrical components. Prices for polysilicones, which account for 35% of the cost of PV modules (the largest cost component; in addition to aluminum 25%, copper 25% and glass 15%), have fallen nearly 80% in the past year (see chart below), and a Bloomberg analysts' forecast (BNEF) is for as much as a 25% y/y drop in 2024 to USD 6/kg (new supply mainly from China).

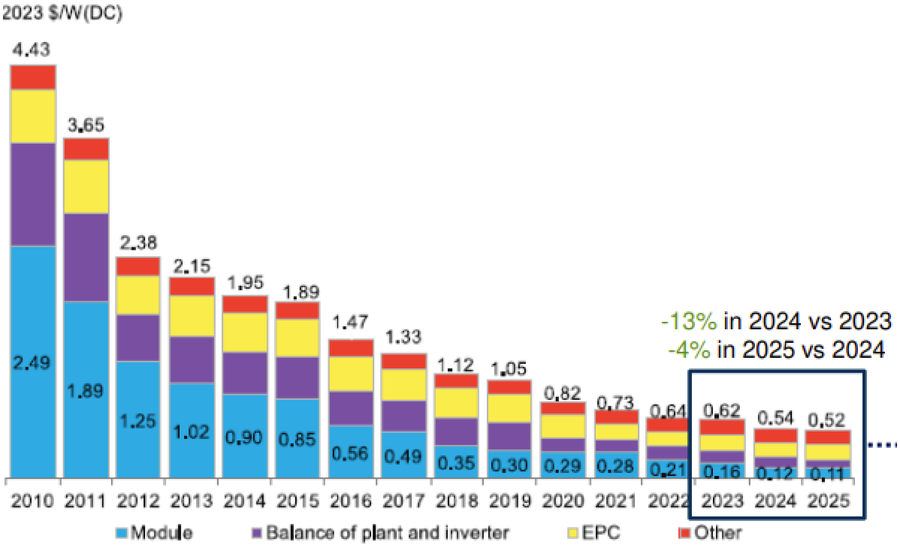
Prices of Chinese polysilicone (blue line) and its global supply (gray bars)



Source: Bloomberg, Stiffel, BNEF, Erste Group Research

As a result, **the cost of a PV installation per MW is expected to continue to decline over the next two years** (2024-25; see chart below). Solaria/Grenergy companies are recording historically low CAPEX per MW.

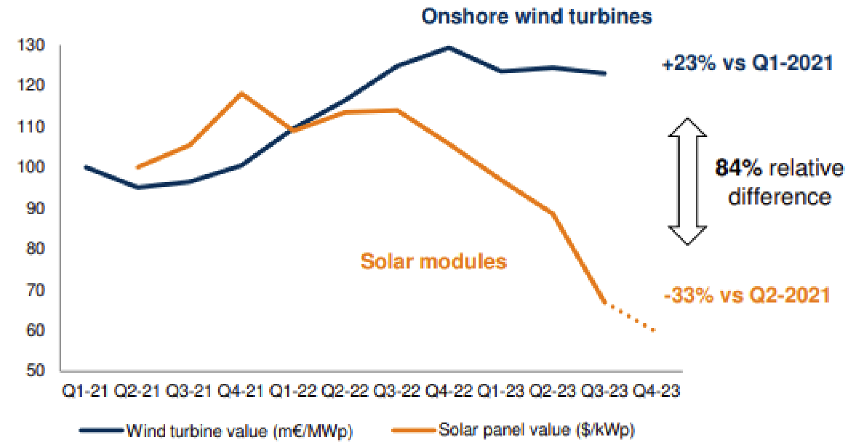
PV installation cost (USD/W)



Source: Bloomberg, BNEF, Erste Group Research

It is also worth noting that the cost of installing PV has been noticeably cheapening in recent years, while the cost of building wind turbines has been rising (steel is the largest cost component at 30% of the turbine; cement is another 10%; plus the rising cost of construction services). In addition, it is worth noting that the lead time for PV investments (6-9 months) is noticeably shorter than for wind turbines (more than 1.5 years), which also translates into greater predictability of investments in favor of solar energy. As a result, it is very possible that global corporations will review investments in renewable energy in favor of PV installations in the coming years.

Renewable energy installation cost - onshore wind turbine vs. PV installation (1Q21 = 100)



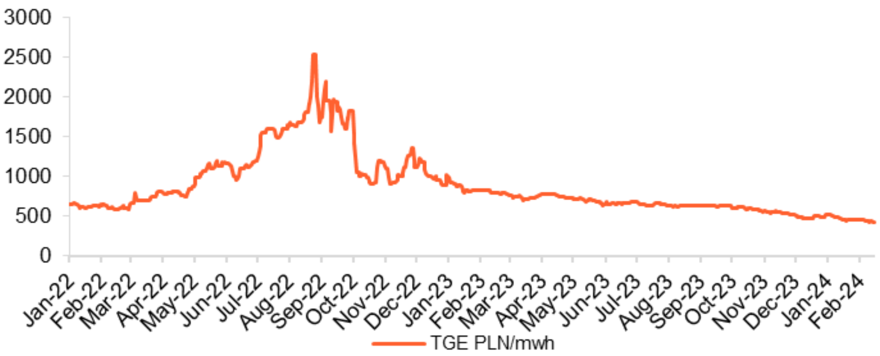
Source: Stiffel, Erste Group Research

Photovoltaic market in Poland

In Poland, the environment for developers and contractors of photovoltaic farms deteriorated somewhat at the end of the year, which we believe, however, is temporary. The market is affected by the following factors:

- **Clear declines in electricity prices**, which extends the payback period, especially for energy-intensive investors wishing to connect farms directly to the plant. It is worth noting that sales to the grid have so far been capped at energy prices of around 400 PLN/MWh, which is the currently observed market price. Energy prices at the beginning of 2024 have come under pressure from the mild winter, which, with little demand for thermal energy from steam units, translates into high gas stocks, falling gas prices and CO2 allowances. As a result, without an increase in industrial energy consumption, disruptions to LNG or coal supplies, or lower temperatures, it will be difficult to change the trend and we are likely to see even lower energy prices in the coming weeks.

Electricity prices in Poland



Source: Bloomberg, Erste Group Research

- **Lack of decision-making on the part of state Treasury companies, especially Distribution System Operators**, after the October 15 elections. As a result of the expected change in leadership positions at Treasury-controlled companies, the authorities are refraining from issuing grid connection approvals for new RES. Despite the fact that, technically, the farms meet the connection criteria, the DSOs are refraining from connection decisions, due to the risk of control by government agencies after the change in power. As a result, in our opinion, **we may see a record number of rejected applications for grid connection for new RES in 2023**. In addition, there is a clear lack of interest from energy-intensive SOEs in buying PV farms, for fear of scrutiny by the new rulers. This further negatively affects the prices of finished/operational RES.

- **Declines in component prices translate into lower construction costs for photovoltaic farms**. After Russia's aggression against Ukraine, the cost of building a PV farm was already trading at levels of more than PLN 2.5mn per MW, and is now converging again towards PLN 2mn per MW.

As a result of the above factors, the market is seeing declines in prices for completed PV farms (in 1H23, transaction prices hovered around PLN 4-4.5mn per MW; now PLN 4mn per MW is a big hit). Due to falling energy prices and longer payback times, **some of the power companies are choosing to slow down investments**. On the farm project side, we can see entities giving up, due to the rejection of applications for connections by the DSOs.

In our opinion, this state of affairs will be temporary. The change of power in state-owned companies should unlock decisions on grid connections on the DSO side in the middle of the year. Also, the **new government is clearly betting on renewable energy**, which should lead to an easing of the investment process.

Unblocking funds from KPO

In our view, an important factor in guaranteeing growth in the RES industry is the release of funds from the National Reconstruction Program. Unlocked funds from the NPO include EUR 25.3bn in grants and EUR 34.5bn in loans for investments in energy, digitalization, transportation and health care. The grants for RePowerEu, alone, are EUR 2.76bn, and the loans provided for this purpose are EUR 22.52bn.

Distribution of funds from National Reconstruction Program

Source: gov.pl; Erste Group Research

4Q23 forecast

In our view, Novavis will report weak financial results for 4Q23, due to the lack of decision-making on the part of the DSOs and the failure to achieve significant conditions for the photovoltaic farms under development. We assume that, in 4Q23, the company failed to obtain any connection conditions, and even the company may have received three refusals from the DSO. We assume the company will report sales of about PLN 1.5mn (-82% y/y) and EBITDA of PLN 0.1mn (-99% y/y). We assume 4Q23 net profit will be slightly negative (PLN -0.4mn).

(mn PLN)	Q4'23e	Q4'22	y/y	2023e	YTD
Revenues	1.5	8.2	-82%	11	26%
EBITDA	0.1	6.8	-99%	6	33%
EBITDA margin	6.7%	-		59%	
EBIT	0.1	6.8	-99%	6	33%
Net income	-0.4	4.2	-110%	4	30%

Updated financial forecasts

Due to the lack of obtained connection conditions for photovoltaic farms in 2023 (reasons beyond the company's control and rather due to political events) and the prospect of rather weak chances for a change in the trend in 1H24, we are forced to lower our forecasts for 2023 and 2024 and postpone the expected earnings growth to 2025/2026. However, we assume that the Company will pay its first dividend from profit in 2024.

	2023e	2024e	2025e	2026e
Revenues	-75.3%	-64.1%	+13.1%	+18.3%
EBITDA	-66.7%	-51.7%	+8.2%	+14.9%
Net profit	-68.9%	-52.2%	+8.2%	+14.9%
DPS	-	-55.9%	-40.2%	+8.2%

Income statement (mn PLN)	2021	2022	2023e	2024e	2025e
Net sales	**10**	**9**	**10**	**18**	**66**
Current projects			60	49	13
Future projects			0	13	24
Costs			**4**	**7**	**36**
Depriciation			0	0	0
Materials and energy			0	0	0
External services			2	5	33
Salaries			2	2	3
Other costs			0	0	0
EBIT	-1	3	6	11	30
Net financials	0	-2	0	0	0
Gross profit	-1	3	6	11	30
CIT	0	1	1	2	6
Minorities	0	0	0	0	0
Net Income after minorities	-1	2	5	9	24
adj. EBITDA	**-2**	**5**	**6**	**11**	**30**
adj. Net profit	**-1**	**2**	**5**	**9**	**24**

Source: Novavis Group, estimates Erste Group Research

Cash flow (mn PLN)	2021	2022	2023e	2024e	2025e
Cash flow from operating activities	**-1**	**4**	**2**	**3**	**2**
Working capital	0	2	-3	-6	-23
Cash flow from investing activities	**1**	**-4**	**0**	**0**	**0**
CAPEX	0	0	0	0	0
Cash flow from financing activities	**0**	**1**	**5**	**-7**	**-4**
Dividend	0	0	0	-2	-4
Cash flow	**0**	**1**	**7**	**-4**	**-3**
CFO/EBITDA	52%	87%	32%	29%	5%
FCFF	-1	4	2	3	2
FCFF/EV	**-1%**	**4%**	**2%**	**4%**	**2%**
FCFE	-1	4	2	3	1
FCFE/MCAP	**-2%**	**4%**	**2%**	**4%**	**2%**
DPS	0.00	0.00	0.00	0.06	0.13
Dividend payment ratio	-	0.0%	0.0%	42.6%	50.0%
DYield	**0.0%**	**0.0%**	**0.0%**	**2.1%**	**4.7%**

Ratios	2021	2022	2023e	2024e	2025e
P/E	-74.6	43.0	20.0	10.6	3.9
P/E adj.	**-74.6**	**43.0**	**20.0**	**10.6**	**3.9**
EV/EBITDA	-53.5	20.0	14.5	8.1	3.1
EV/EA adj.	**-53.5**	**20.0**	**14.5**	**8.1**	**3.1**
P/S	9.2	9.9	9.1	5.1	1.4
P/BV	75.1	26.6	11.4	6.2	2.7
EBITDA margin	**-17.8%**	**49.7%**	**61.6%**	**60.9%**	**45.7%**
EBITDA r/r change	-	-359%	35%	77%	169%
Net income margin	-12.3%	23.1%	45.6%	47.9%	36.6%
EPS y/y change	**-**	**-274%**	**115%**	**88%**	**173%**
Share price (PLN)	2.68	2.68	2.68	2.68	2.68
Number of shares (mn)	35.0	35.0	35.0	35.0	35.0
MCap	94	94	94	94	94
EV	97	94	92	91	94

Source: Novavis Group, estimates Erste Group Research

Balance sheet (mn PLN)	2021	2022	2023e	2024e	2025e
Fixed assets	**4**	**11**	**12**	**15**	**27**
Tangible assets	0	0	0	0	0
Intangible assets	0	0	0	0	0
Goodwill	0	0	0	0	0
Deferred charges and accruals	3	11	11	14	26
Current assets	**5**	**7**	**14**	**12**	**19**
Inventories	0	0	0	0	0
Receivables	3	2	2	4	14
Cash	1	2	9	5	2
Equity	**1**	**4**	**8**	**15**	**35**
Minorities	3	2	2	2	2
Long term liabilities	**0**	**0**	**0**	**0**	**0**
Debt	0	0	0	0	0
Short term liabilities	**4**	**12**	**14**	**8**	**8**
Debt	1	0	5	0	0
Trade liabilities	2	12	9	8	8
Net Debt	**1**	**-2**	**-4**	**-5**	**-2**
DN/EBITDA	-0.3	-0.4	-0.6	-0.4	-0.1
DN/adjusted EBITDA	-0.3	-0.4	-0.6	-0.4	-0.1

Source: Novavis Group, estimates Erste Group Research

Income Statement	**2021**	**2022**	**2023e**	**2024e**	**2025e**
(IAS, PLN mn, 31/12)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025
Net sales	**10.19**	**9.45**	**10.30**	**18.39**	**65.89**
Cost of goods sold	8.12	4.75	4.02	7.27	35.86
Gross profit	**2.08**	**4.70**	**6.28**	**11.13**	**30.03**
SG&A					
Other operating revenues	3.90	0.05	0.00	0.00	0.00
Other operating expenses	0.00	0.00	0.00	0.00	0.00
EBITDA	**-1.81**	**4.70**	**6.35**	**11.21**	**30.12**
Depreciation/amortization	0.00	0.05	0.07	0.08	0.09
EBIT	**-1.82**	**4.65**	**6.28**	**11.13**	**30.03**
Financial result	0.50	-1.65	-0.42	-0.11	0.09
Extraordinary result	0.00	0.00	0.00	0.00	0.00
EBT	**-1.32**	**2.99**	**5.87**	**11.02**	**30.12**
Income taxes	0.03	0.81	1.17	2.20	6.02
Result from discontinued operations					
Minorities and cost of hybrid capital	0.00	0.00	0.00	0.00	0.00
Net result after minorities	**-1.26**	**2.18**	**4.69**	**8.81**	**24.09**

Balance Sheet	**2021**	**2022**	**2023e**	**2024e**	**2025e**
(IAS, PLN mn, 31/12)					
Intangible assets	0.16	0.13	0.17	0.18	0.19
Tangible assets	0.00	0.00	0.00	0.00	0.00
Financial assets	0.08	0.12	0.12	0.12	0.12
Total fixed assets	**3.61**	**11.17**	**11.54**	**14.50**	**26.73**
Inventories	0.00	0.00	0.00	0.00	0.00
Receivables and other current assets	0.00	0.00	0.00	0.00	0.00
Other assets	0.04	1.83	1.83	1.83	1.83
Cash and cash equivalents	0.82	2.01	8.69	4.72	1.84
Total current assets	**5.52**	**9.06**	**15.92**	**13.83**	**21.29**
TOTAL ASSETS	**9.09**	**18.40**	**25.63**	**26.51**	**46.19**
Shareholders'equity	**1.25**	**3.53**	**8.22**	**15.04**	**34.72**
Minorities	**2.63**	**1.74**	**1.74**	**1.74**	**1.74**
Hybrid capital and other reserves	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Pension and other LT personnel accruals	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
LT provisions	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Interest-bearing LT debts	0.09	0.13	0.13	0.13	0.13
Other LT liabilities	0.00	0.00	0.00	0.00	0.00
Total long-term liabilities	**0.09**	**0.13**	**0.13**	**0.13**	**0.13**
Interest-bearing ST debts	1.45	0.13	5.00	0.00	0.00
Other ST liabilities	3.67	12.88	10.54	9.61	9.61
Total short-term liabilities	**3.92**	**11.82**	**14.35**	**8.42**	**8.42**
TOTAL LIAB. , EQUITY	**9.09**	**18.40**	**25.63**	**26.51**	**46.19**

Cash Flow Statement	**2021**	**2022**	**2023e**	**2024e**	**2025e**
(IAS,PLN mn, 31/12)					
Cash flow from operating activities	-0.95	4.08	2.03	3.24	1.54
Cash flow from investing activities	0.86	-3.50	-0.10	-0.10	-0.10
Cash flow from financing activities	0.28	0.60	4.75	-7.11	-4.32
CHANGE IN CASH , CASH EQU.	**0.19**	**1.19**	**6.69**	**-3.97**	**-2.88**

Margins & Ratios	**2021**	**2022**	**2023e**	**2024e**	**2025e**
Sales growth		-7.3%	9.0%	78.6%	258.2%
EBITDA margin	-17.8%	49.7%	61.6%	60.9%	45.7%
EBIT margin	-17.8%	49.2%	61.0%	60.5%	45.6%
Net profit margin	-12.3%	23.1%	45.6%	47.9%	36.6%
ROE		91.4%	79.9%	75.8%	96.8%
ROCE		106.3%	265.7%	145.1%	119.9%
Equity ratio	-15.2%	9.7%	25.3%	50.2%	71.4%
Net debt	0.7	-1.7	-3.6	-4.6	-1.7
Working capital	1.6	-4.6	-0.3	3.6	11.0
Capital employed	-0.7	0.1	2.9	8.7	31.3
Inventory turnover		nm	nm	nm	nm

Source: Company data, Erste Group estimates

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