

Sunex

4Q24 results overview

Sunex reported results for the 4Q24, in which it recorded an EBITDA gain of PLN 0.4m compared to our forecast of a gain of PLN 0.3 m. Sales amounted to PLN 52.5m, -20.6%q/q in line with preliminary print. The company will held an analysts' conference call over the next two weeks most likely:

- The company recorded PLN 3.9m of inventories write-down in FY24. The inventory write down was performed in the last quarter of the year.
- Sales in Austria in 4Q24 reached 53%, the highest ratio in the company's history. It seems that this market is a key driver for Sunex for now.
- Breaches of bank covenants during 2024 were covered by waivers (declarations of waiver of the right to change the agreement) by the banks financing the Issuer on an ongoing basis. Credit conditions and repayment schedules have not been changed.
- The subsidiary Polska Ekologia Przetargi sp. z o.o., despite its success in several significant tenders organized by local government units, managed to conclude one significant contract for the implementation of tasks in the field of renewable energy sources by the end of 2024. The failure to implement a larger number of tender tasks was caused by the withdrawal of local government units from concluding contracts due to the inability to obtain previously planned subsidy funds. After a difficult period of waiting for tender decisions in 2024, the signing of a contract for the implementation of the task in the Sitno Commune was finalized. This is one of the first tasks completed with the signing of a contract as part of the new distribution of public funds. The contract amounts to PLN 3.4 m gross and assumes the implementation of 451 photovoltaic installations for single-family buildings.
- The result of foreign companies was affected by the loss of Krobath, which usually occurs in companies involved in construction and assembly activities in the renewable energy sector. In 2024, the first quarter was also much weaker due to the decline in orders at the end of 2023 caused by a change in subsidies for the replacement of renewable energy equipment on the Austrian market. The situation improved in the following quarters, in which the company recorded a profit. Although it did not allow for the full coverage of the loss from the first quarter, it should be noted that the result for the whole of 2024 improved compared to the previous year. The 1Q25 is also characterized by a further increase in orders and an improvement in the result.
- On 06.11.2024, it was reported that a letter had been received from NCBiR about a change in the rules for settling eligible expenses under the agreement for co-financing the Company's project. The essence of the change in the settlement rules is the possibility of qualifying expenses under the Project for equipment recognized as fixed assets only in the form of depreciation write-offs, and not, as originally assumed, the costs of purchasing such equipment. This change is horizontal in nature and applies to all recruitments under the SMART FENG Path action. The total value of the Project, the period of eligibility of expenses and the amount of eligible expenses under the Project remain unchanged, and the Issuer will immediately enter into negotiations with NCBiR in order to agree on changes to the schedule enabling the optimal use of co-financing under the Project.

Technology

Sunex

HOLD

FV PLN 9.31

27.8% upside

Price as of 28 April 2025 PLN 7.28

Analyst

Robert Maj
robert.maj@ipopema.pl
+ 48 22 236 92 90

- Currently, the German market is still experiencing a slowdown in sales caused by the high level of interest rates in the EURO zone and the related reduction in investments. The drop in sales also forced price reductions for the products and services offered, which translated into lower margins. The poor economic situation forced many of the Company's customers to suspend orders due to their own warehouses being full. However, after the balance sheet date, the Company has observed gradual upward trends in re-storage by customers. Some customers from the German market are even showing a tendency to speed up the execution of orders that were originally planned for collection in a much longer period of time.
- On the Polish market, Sunex is counting on an improvement in the economic situation in connection with the launch and entry into the implementation phase of tender tasks co-financed with funds from the National Reconstruction Plan. After the balance sheet date, the re-launch of the Clean Air program was also announced. Therefore, not only an increase in orders in the area of tender activity but also sales to domestic wholesalers serving installers is estimated.

Opinion: Neutral. Inventory write down is worrying however we believe that this is unlikely to be the case going forward.

Figure 1. Sunex: 4Q24 results overview (PLN m)

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24A	3Q24A	4Q24A	Y/Y	Q/Q	4Q24 IPOP	diff	4Q24prel	diff
Revenues	100.53	88.13	81.41	45.66	35.71	53.36	66.17	52.52	15.0%	-20.6%	51.97	1.1%	51.97	1.0%
Gross profit	20.09	23.62	15.75	34.09	4.69	9.60	13.66	13.53	-60.3%	-1.0%	11.77	15.0%		na
EBITDA	13.78	13.24	8.43	3.07	-6.88	-1.54	2.48	0.38	-87.6%	-84.6%	0.32	20.2%		na
EBIT	12.26	11.79	6.52	-0.17	-9.54	-4.04	-0.55	-3.88	na	na	-2.18	na		na
Net profit	9.68	9.81	2.18	2.69	-8.83	-4.90	-2.08	-4.32	na	na	-2.76	na		na

Source: Company, IPOPEMA Research

This document has been prepared by IPOPEMA Securities S.A. with its registered seat in Warsaw, Prózna 9, 00-107 Warsaw, Poland, entered into the Register of Entrepreneurs of the National Court Register maintained by the District Court for the City of Warsaw, XII Commercial Division of the National Court Register under entry number KRS 0000230737, the initial capital and paid capital in the amount of PLN 2.993.783,60, NIP 5272468122, www.ipopema.pl. IPOPEMA Securities S.A. is supervised by the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), Piękna 20, 00-549 Warsaw, Poland.

This document was prepared by IPOPEMA Securities S.A. for information purposes only. This document is addressed to IPOPEMA Securities S.A. clients entitled to receive it on the basis of contracts for the provision of services. This document, using mass media distribution channels, may also reach other investors. It has been produced independently of the company mentioned in this document and any forecasts, opinions and expectations are entirely those of IPOPEMA Securities S.A. Unless otherwise specified, the estimates and opinions contained in the document constitute an independent assessment of IPOPEMA Securities S.A. analysts preparing the document as of the date of issuing the document.

IPOPEMA Securities S.A. prepared this document with the preservation of all adequate diligence, thoroughness and reliability on the basis of publicly available information which IPOPEMA Securities S.A. believes to be reliable. The sources of data are primarily: Bloomberg, Reuters, EPFR, Polska Agencja Prasowa, WSE, Główny Urząd Statystyczny, Narodowy Bank Polski, financial press, online financial and economic services. While due diligence has been taken by IPOPEMA Securities S.A. to ensure that the facts stated herein are accurate and that any forecasts, opinions and expectations contained herein are fair and reasonable, IPOPEMA Securities S.A. has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. The opinions expressed in the document can change without notice and IPOPEMA Securities S.A. is under no obligation to keep these opinion current. None of the IPOPEMA Securities S.A. or any other person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith provided that IPOPEMA Securities S.A. has been exercised due diligence and integrity during its preparation. This document may be sent to the mass media, however its copying or publishing in whole or in part as well as dissemination of information enclosed to it is allowed only with prior permission of IPOPEMA Securities S.A. This document nor any copy hereof is not to be distributed directly or indirectly in the United States, Australia, Canada or Japan, subject to the following section.

Important disclosures for U.S. Persons: Auerbach Grayson & Company Inc. may distribute this document in the U.S. This document is provided for distribution to Major U.S. Institutional Investors in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended and may not be furnished to any other person in the U.S. Each Major U.S. Institutional Investor that receives this document shall not distribute or provide it to any other person. Under no circumstances should any U.S. recipient of this document effect any transaction to buy or sell securities or related financial instruments through IPOPEMA Securities S.A. Any U.S. recipient of this document wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this document should do so only through Auerbach Grayson & Company Inc. 25 West 45th Street, Floor 16, New York, NY 10036 U.S. which is a registered broker dealer in the U.S. IPOPEMA Securities S.A. is not a registered broker-dealer in the U.S. and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. IPOPEMA Securities S.A. and its research analysts are not associated persons of Auerbach Grayson & Company, nor are they affiliated with Auerbach Grayson & Company. The author of this document whose name appears in this document is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"), is not subject to the SEC rules on research analysts and is not subject FINRA's rules on debt research analysts and debt research reports, equity research analysts and equity research reports. U.S. recipients should take into account that information on non-U.S. securities or related financial instruments discussed in this document may be limited. The financial instruments of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the U.S.

This document does not constitute any offer to sell or induce any offer to buy or sell any financial instruments, cannot be relied on in connection with any contract or liability and does not constitute advertising or promotion of a financial instrument or the company. Investment decisions should only be made on the basis of a prospectus or other publicly available information and materials.

The document was prepared without taking into account the needs and situation of the recipients of the document. When preparing the document, IPOPEMA Securities S.A. does not examine the recipient's investment objectives, risk tolerance level, time horizon and financial standing of the investors. The company or the financial instruments discussed in the document may not be suitable for the users of the document, i.e. it may not be suitable for the specific objectives and time horizon or the financial situation. Information included in the document cannot be regarded as a substitute for obtaining investment advice service. The value of financial instruments may fluctuate, including declines. Changes in FX rates may have an adverse effect on the value of investments. The investment in financial instruments is linked to investment risks including loss of entire or part of the invested capital. Past performance is not necessarily indicative of future results. IPOPEMA Securities S.A. points out that the price of financial instruments is affected by many different factors that are or may be independent of the company and the results of its operations. These include, among others changing economic, legal, political and tax conditions. IPOPEMA Securities S.A. may have issued in the past or may issue other documents in the future, presenting other conclusions, not consistent with those presented herein document. Such documents reflect different assumptions, points of view and analytical methods adopted by the analysts preparing them.

Investors should be aware that IPOPEMA Securities S.A. or its related entities may have a conflict of interest that could affect this document's objectivity. The investor should assume that IPOPEMA Securities S.A. or its related entities may provide services in favour of the company and obtain remuneration on this account. They may also have another financial interest with respect to the company. IPOPEMA Securities S.A. or its related entities may seek to do business with the company or other entities mentioned in this document. IPOPEMA Securities S.A. has an organizational structure and internal regulations in place to ensure that the client's interests are not compromised in the event of a conflict of interests, in relation to preparing this document. Conflict of interest management policy is available on the website at <https://www.ipopemasecurities.pl/analizy-i-rekomendacje.p162>. This document was prepared irrespective and independently of the interests of IPOPEMA Securities S.A., the company that is the subject of this document and holder of financial instrument issued by aforementioned company. IPOPEMA Securities S.A., its shareholders, employees and associates may hold long or short positions in the company's financial instruments or other financial instruments related to the company's financial instruments.

IPOPEMA Securities S.A. has received remuneration in connection with providing services of investment firms related to Mo-BRUK S.A. over the past twelve months. Aforementioned investment services included advising on the capital structure, business strategy, and other matters relating to such structure or strategy and offering of financial instruments issued by Mo-BRUK S.A.

S.A., OncoArendi Therapeutics S.A., PointPack S.A., SFD S.A., Synektik S.A., Fabryka Farb i Lakierów Śnieżka S.A., Ultimate Games S.A., Vigo System S.A. The WSE has proprietary copyrights to these materials. For the preparation of IPOPEMA Securities S.A. receives remuneration from the WSE. Information on the program is available on the website <https://www.gpw.pl/gpwpa>.

On the order of the Bursa de Valori Bucuresti S.A. ("BVB"), IPOPEMA Securities S.A. creates analytical materials for the following companies: Bittnet Systems S.A. and Impact Developer & Contractor S.A. The BVB has proprietary copyrights to these materials. For the preparation of IPOPEMA Securities S.A. receives remuneration from the BVB.

IPOPEMA Securities S.A. uses a number of valuation methodologies including discounted cash flows models (such as discounted operating earnings or dividend discount model), and earnings and cash-flow based models, which are often related to comparisons with selected peer companies. Cash flow models encapsulate the cash streams forecast to flow to a company, and are widely used in the investment industry. Peer comparisons factor in amongst other factors, differential growth rates, and indicate how expensive one company might appear relative to a chosen comparator. The subjective opinions of the report's author or authors, formed by their knowledge and experience, play a significant role in the valuation. Also included are assumptions on numerous economic variables, particularly interest rates, inflation and exchange rates and varying these assumptions could result in significantly different opinions. The strength of the earnings and cash flow based models is the closer attention to a company on a standalone basis, and tying the valuation to its fundamental value. The weakness of such method is the number of assumptions, which need to be adopted and resulting sensitivity to those assumptions. The peer comparisons methods are less dependent on the analyst's judgment as to the individual parameters, however the problem with this method appears when the peer comparator is over- or undervalued. Moreover, leading multiples (based on the future earnings, book values, operating profit or cash flows) include an analyst's estimate of those values.

This document was not transferred to the company prior to its publication. This document was prepared according to the author's own view, assumptions and knowledge.

Recommendations issued by IPOPEMA Securities S.A. they are valid for a period of 12 months from the date of issue, unless they are updated during this period. IPOPEMA Securities S.A. updates the issued recommendations depending on the market situation and subjective analysts' assessment. In the last 12 months IPOPEMA Securities S.A. has not prepared any recommendation concerning the company.

This document is an investment research within the meaning of Art. 36 par. 1 of the Commission Delegated Regulation (EU) 2017/565.

List of all recommendations regarding any financial instrument or issuer that have been disseminated within the last 12 months by IPOPEMA Securities S.A. is available on the website at <https://www.ipopemasecurities.pl/analizy-i-rekomendacje.p162>.

The date and the time stated on the front page is the date of the preparation of this document. The price used throughout the recommendation to calculate adequate ratios is the "last" price stated on the front page of this document.

The definitions of terms used in the document include:

NII – Net interest income – interest income minus interest expense.

Net F&C – Net fee and commission income – fee and commission income minus fee and commission expense.

LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

NPL – non-performing loan – loans that are in default or close to be in default.

Cost/Income – operating expenses divided by total banking revenue.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR – compound annual growth rate.

BVPS – book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV – price to book value – price divided by the BVPS.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding.

DY – dividend yield – dividend of a given year divided by the current price.

DDM – dividend discount model – a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV – Fair Value, calculated based on valuation methods outlined in the document.

The author of this document has no conflict of interest with the company that is the subject of this document. The point of view expressed in the document reflects the personal opinion of the author of the document on the analyzed company and its financial instruments. Investors should be aware that flexible part of the author's compensation may depend on general financial performance of IPOPEMA Securities S.A.

IPOPEMA Securities S.A. shall act with due diligence, honestly, fairly, professionally and in accordance with the provisions of the applicable law.

IPOPEMA Securities S.A. does not guarantee achieving the investor's investment objective, the performance of company or prospective prices referred to herein.

When applying ratings for companies following criteria are used with regards to the difference between IPOPEMA's FV and company's price at the date of recommendation:

Rating	Difference between FV and price at recommendation
Buy	Above 10%
Hold	In between (and including) -10% and 10%
Sell	Below -10%

IPOPEMA Research - Distribution by rating category (1 January – 31 March 2025)

	Number	%
Buy	13	81%
Hold	1	6%
Sell	2	13%
Total	16	100%

Rating History – Sunex

Date	Recommendation	Fair Value	Price at recommendation	Author
13/10/2023	HOLD	PLN 12.00	PLN 13.06	Robert Maj
24.05.2024	BUY	PLN 12.37	PLN 10.52	Robert Maj
28.06.2024	HOLD	PLN 11.05	PLN 10.56	Robert Maj
10.10.2024	HOLD	PLN 9.31	PLN 8.86	Robert Maj