



Dom Maklerski BDM S.A.

KINO POLSKA TV

EQUITY RESEARCH

We are upgrading our valuation of Kino Polska TV (KPL) to PLN 25.4/share and maintain our Buy recommendation. Sentiment towards the company has noticeably cooled in recent months, which we feel has created a favourable investment opportunity. We would like to emphasise the significant margin of profit that the company has demonstrated in the 2023-2024 period. We anticipate that this margin will continue to be maintained in the subsequent years (our assumptions are based on nominal adjusted EBITDA readings of around PLN 100m). This should result in substantial cash flows being generated.

KPL is currently trading at an EV/EBIT multiple of approximately 2.5x and 1.9x for the 2025-2026 period. At the same time, Canal+ is valued at EV/EBIT for 2025-2026 at 5.6x and 5.2x. In YTD terms (counting as of the end of 2025-05-08), Kino Polska's shares demonstrate exceptional weakness relative to the behaviour of the WIG (compared to other TMT entities we analysed that are present on the WSE). The rate of return on Kino Polska in YTD terms is as much as 44 points weaker than on the WIG (nominally, KPL's stock price fell 17.2%, while the WIG gained nearly 27%).

In our view, investors should consider the possibility of negative adjusted EBITDA growth in Q1 2025 compared to the exceptionally strong performance in Q1 2024. The first quarter of 2025 could be influenced by low year-on-year growth rates in the TV advertising market, including a different distribution of the holiday season in 2025 relative to 2024.

In this update, we have made no significant changes to the assumptions in the medium and long horizons. Our projected EBIT for 2026 is 1% lower than in the previous model, while for 2027 the currently expected reading is 1% higher than previously. At the same time, we have decided to lower our EBIT forecast for the current 2025 by nearly 4% relative to our 2025-03-31 assumptions. Due to the weak audience data observed for Stopklatka and Zoom TV, we have taken the decision to increase our content costs. We expect that the company will want to partially offset any decline in audience numbers from January to April 2025 in the latter half of this year. Furthermore, we anticipate an escalation in marketing activity in Q4 2025 / Q1 2026, owing to the scheduled modification in Zoom TV's broadcasting strategy.

As of the end of 2024, the company's lease obligations stood at nearly PLN 9.1 million. At the same time, the cash balance on the balance sheet was PLN 17 million. In addition, the company participated in the cash pooling mechanism (within the Canal+ Group) and reported more than PLN 105 million on the balance sheet in the item of loans granted (at the end of 2023 it was PLN 36.9 million). Our estimate of net debt (including cash pooling) at the end of 2024 is more than PLN 113 million (excess cash). The value of shares not held by the main shareholder at the 2025-05-09 closing price is close to PLN 120 million.

	2022	2023	2024	2025E	2026E	2027E
Revenue [PLN m]	284,8	294,2	315,5	319,9	322,4	332,0
EBITDA adj. [PLN m]	70,5	74,8	96,5	96,3	100,1	103,1
EBIT [PLN m]	60,7	66,5	84,2	84,8	91,2	95,0
Net income [PLN m]	47,7	51,9	66,7	69,8	74,6	78,1
EPS [PLN]	2,4	2,6	3,4	3,5	3,8	3,9
P/BV	1,7	1,5	1,2	1,0	0,9	0,8
P/E	7,4	6,8	5,3	5,1	4,7	4,5
EV/EBITDA	4,7	3,9	2,5	2,2	1,7	1,3
EV/EBIT	5,4	4,4	2,8	2,5	1,9	1,5
DPS [PLN]	0,50	0,35	0,63	0,85	0,97	1,13
Dividend yield	3%	2%	4%	5%	5%	6%

BUY
(PREVIOUSLY: BUY)
PRICE TARGET: PLN 25,4
09 MAY 2025, 10:25 CET/CEST

Price target [PLN]	25,4
Potential upside/downside	+42,5%
Price [PLN]	17,8
Market Cap [PLN m]	353
Shares outstanding [m]	46,6
Rate of return [%]	(1) (2)
3M	-8,7 -22,0
6M	-1,1 -23,9
YTD	-17,2 -44,1
12M	26,7 11,2

(1) - absolute rate of return

(2) - rate of return relative to WIG

Shareholders:	
SPI International B.V.	66,0%
Ipopema TFI (Total FIZ, TTL 1)	10%
Nationale-Nederlanden PTE	5,3%

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VALUATION AND SUMMARY

We are upgrading our valuation of Kino Polska TV (KPL) to PLN 25.4/share and maintain our Buy recommendation. Sentiment towards the company has noticeably cooled in recent months, which we feel has created a favourable investment opportunity. We would like to emphasise the significant margin of profit that the company has demonstrated in the 2023-2024 period. We anticipate that this margin will continue to be maintained in the subsequent years (our assumptions are based on nominal adjusted EBITDA readings of around PLN 100m). This should result in substantial cash flows being generated.

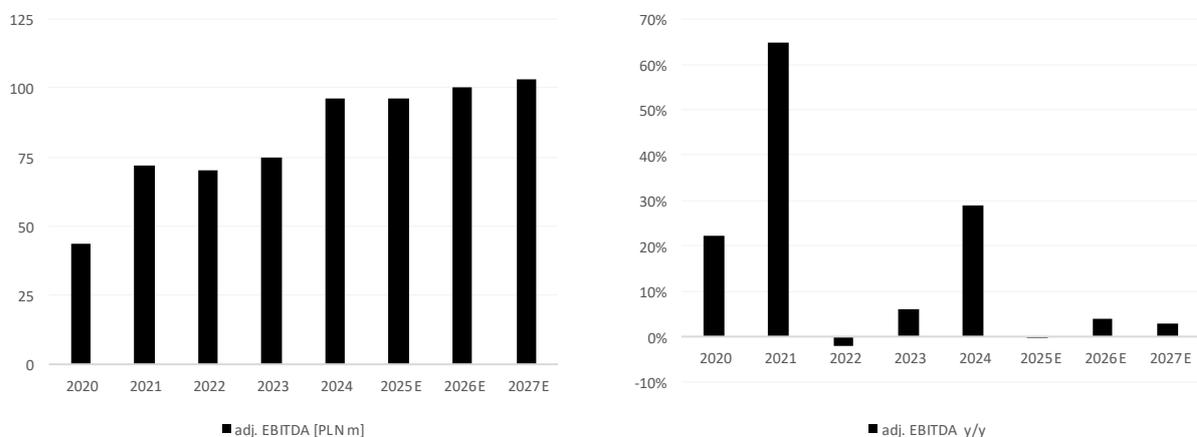
We prepared the valuation based on the DCF model and a multiplier analysis. Using the DCF method, we arrived at a value of PLN 25,5/share. In turn, the multiplier analysis based on EV/EBITDA for 2025-2026 indicates a price of PLN 25,3/share. The final valuation is the arithmetic average of the two methods used.

Valuation summary

A	DCF [PLN]	25,5
B	Peer valuation [PLN]	25,3
C = (A*50%+B*50%) Price target [PLN/share]		25,4

Source: Dom Maklerski BDM S.A.

Historical and assumed future path of adj. EBITDA behavior and y/y growth rate [PLN m]



Source: Dom Maklerski BDM S.A.

FINANCIALS

KPL - Income statement [PLN m]

	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Total Revenues	284,8	294,2	315,5	319,9	322,4	332,0	340,1	347,3
Subscriptions	146,1	150,7	151,2	153,3	157,3	161,0	164,4	167,8
Advertising	106,8	107,0	136,4	139,1	136,6	141,5	145,2	148,2
License Sales	27,3	30,0	15,3	12,7	12,9	13,1	13,3	13,5
TV Channel Production	2,0	4,4	9,6	11,8	12,7	13,5	14,1	14,8
EBITDA adj.	70,5	74,8	96,5	96,3	100,1	103,1	105,8	107,6
EBIT	60,7	66,5	84,2	84,8	91,2	95,0	97,1	98,4
Net Financial Income/(Losses)	-0,5	-0,9	2,6	3,5	3,3	3,9	3,8	4,1
Profit before income tax	60,2	65,6	86,9	88,3	94,5	98,9	100,9	102,5
Income tax	-12,5	-13,8	-20,1	-18,5	-19,8	-20,8	-21,2	-21,5
Net profit	47,7	51,9	66,7	69,8	74,6	78,1	79,7	81,0
Operating divisions	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
EBIT	60,7	66,5	84,2	84,8	91,2	95,0	97,1	98,4
FilmBox	45,6	49,2	55,9	55,1	58,2	60,0	61,6	62,5
Kino Polska	17,9	14,2	14,9	15,6	15,3	15,0	14,7	14,5
TV Channel Production	0,7	1,7	1,5	2,5	2,7	2,8	3,0	3,1
Zoom TV	-9,6	-2,7	1,0	0,8	3,4	4,6	4,9	5,3
Stopklatka	6,7	0,1	10,4	10,7	12,0	13,1	13,7	14,1
License Sales	3,2	2,7	3,0	2,1	1,7	1,7	1,7	1,8

Source: Dom Maklerski BDM S.A.

KPL - Selected data from the balance sheet and cash flow statement [PLN m]

Balance sheet	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Fixed Assets	5,6	7,2	13,8	12,3	12,0	12,6	13,2	13,8
Goodwill	55,7	55,7	55,7	55,7	55,7	55,7	55,7	55,7
Programming Assets	59,4	67,7	75,7	89,9	104,9	120,3	136,0	152,0
Other Non Current Assets	24,8	40,2	30,0	26,9	26,3	27,6	28,8	29,8
Non Current Assets	145,4	170,7	175,1	184,7	198,8	216,1	233,6	251,2
Programming Assets	13,9	11,0	9,3	9,4	9,5	9,8	10,0	10,2
Trade Receivables	95,0	103,9	99,3	108,8	109,6	112,9	115,6	118,1
Other Current Assets	1,2	37,1	105,9	106,0	106,0	106,0	106,0	106,0
Cash and Cash Equivalents	40,9	24,7	17,0	40,3	81,4	118,6	154,0	186,4
Current Assets	151,0	176,7	231,5	264,5	306,4	347,2	385,6	420,8
Total Assets	296,4	347,4	406,6	449,2	505,3	563,3	619,2	672,0
Shareholders' Equity	204,1	243,0	298,1	351,0	406,5	462,2	516,1	567,2
Financial Debt	0,1	2,7	7,9	7,9	7,9	7,9	7,9	7,9
Trade Payables	4,7	1,5	0,2	0,2	0,2	0,2	0,2	0,2
Other Liabilities	8,8	21,7	16,3	16,4	16,4	16,5	16,6	16,6
Long Term Liabilities	13,6	25,9	24,4	24,4	24,5	24,6	24,7	24,7
Financial Debt	17,9	1,3	1,3	1,3	1,3	1,3	1,3	1,3
Trade Payables	49,3	56,3	63,2	52,8	53,3	55,4	57,1	58,7
Other Liabilities	11,4	20,9	19,7	19,7	19,8	19,9	20,1	20,2
Current Liabilities	78,7	78,5	84,1	73,8	74,3	76,6	78,4	80,1
Total Liabilities & Equity	296,4	347,4	406,6	449,2	505,3	563,3	619,2	672,0

Cash flow statement	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Cash Flow from Operating Activities	28,2	50,0	79,5	46,3	67,4	68,6	70,4	71,8
Cash Flow from Investing Activities	-5,2	-41,2	-73,2	-5,6	-6,4	-8,3	-8,5	-8,7
Cash Flow from Financing Activities	-12,5	-25,0	-13,9	-17,4	-19,9	-23,1	-26,5	-30,6
Change in Cash	10,5	-16,2	-7,7	23,3	41,1	37,2	35,4	32,5

Source: Dom Maklerski BDM S.A.

KPL- Ratio analysis

	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Price [PLN]	17,8	17,8	17,8	17,8	17,8	17,8	17,8	17,8
Shares outstanding [m]	19,8	19,8	19,8	19,8	19,8	19,8	19,8	19,8
BVPS [PLN]	10,3	12,3	15,0	17,7	20,5	23,3	26,0	28,6
EPS [PLN]	2,4	2,6	3,4	3,5	3,8	3,9	4,0	4,1
P/E [x]	7,4	6,8	5,3	5,1	4,7	4,5	4,4	4,4
EV/Revenue [x]	1,2	1,0	0,8	0,7	0,5	0,4	0,3	0,2
EV/EBITDA adj. [x]	4,7	3,9	2,5	2,2	1,7	1,3	1,0	0,6
EV/EBIT [x]	5,4	4,4	2,8	2,5	1,9	1,5	1,1	0,7
P/BV [x]	1,7	1,5	1,2	1,0	0,9	0,8	0,7	0,6
EV [PLN m]	330	295	239	216	175	138	102	70
Market Cap [PLN m]	353	353	353	353	353	353	353	353
Net Debt [PLN m]	-23	-58	-114	-137	-178	-215	-251	-283
Net Debt / EBITDA adj. [x]	-0,3	-0,8	-1,2	-1,4	-1,8	-2,1	-2,4	-2,6
Revenue/Assets [x]	1,0	0,8	0,8	0,7	0,6	0,6	0,5	0,5
Assets/Equity [x]	1,5	1,4	1,4	1,3	1,2	1,2	1,2	1,2
EBIT/Interests costs [x]	46,5	37,3	65,5	144,7	125,2	130,3	133,3	135,1
Short-term liabilities / Revenue [x]	0,3	0,3	0,3	0,2	0,2	0,2	0,2	0,2
Long-term liabilities / Revenue [x]	0,0	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Total liabilities/ Total liabilities & equity [x]	0,3	0,3	0,3	0,2	0,2	0,2	0,2	0,2
Equity / Total liabilities & equity [x]	0,7	0,7	0,7	0,8	0,8	0,8	0,8	0,8
ROA	16,1%	14,9%	16,4%	15,5%	14,8%	13,9%	12,9%	12,0%
ROE	23,4%	21,3%	22,4%	19,9%	18,4%	16,9%	15,4%	14,3%
ROCE	31,4%	29,9%	37,1%	37,3%	34,4%	33,5%	31,8%	30,0%
DPS [PLN]	0,50	0,35	0,63	0,85	0,97	1,13	1,30	1,51
Dividend yield	2,8%	2,0%	3,5%	4,8%	5,4%	6,3%	7,3%	8,5%
Financial debt [PLN m]	18	4	9	9	9	9	9	9
Cash pooling [PLN m]	0	37	106	106	106	106	106	106
Cash[PLN m]	41	25	17	40	81	119	154	186

Source: Dom Maklerski BDM S.A.

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Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
buy	25,4	buy	25,2	2025-05-09	10:25	17,8	102 300
buy	25,2	accumulate	25,2	2025-03-31	15:33	19,10	95 850
accumulate	25,2	buy	21,26	2024-12-23	10:54	22,2	79 925
buy	21,26	buy	18,4	2024-07-15	06:59	14,8	88 694
buy	20,05	buy	18,4	2024-05-21	09:15	14,8	89 082
buy	18,4	---	---	2023-12-11	10:57	14,2	77 400

Explanations of terminology:

EBIT - earnings before interest and tax
 EBITDA — earnings before interest, taxes, depreciation, and amortization
 Net debt – interest bearing debt minus cash and equivalents
 WACC - weighted average cost of capital
 CAGR - cumulative average annual growth
 EPS - earnings per share
 DPS - dividend per share
 CEPS - net profit plus depreciation per share
 EV – market capitalization plus interest bearing debt minus cash and equivalents
 EV/S – market capitalization / sales
 EV/EBITDA – EV / sales
 P/EBIT – market capitalization / EBIT
 MC/S – market capitalization / sales
 P/E – market capitalization / net profit
 P/BV – market capitalization / book value
 P/CE – market capitalization / net profit plus depreciation
 ROE – net profit / equity
 ROA - net income / assets
 Gross margin - gross profit on sales / sales
 EBITDA margin – EBITDA / sales
 EBIT margin – EBIT / sales
 Net margin – net profit / sales

Explanation of ratings:

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);
 Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);
 Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);
 Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);
 Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).
 Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.
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DCF – the most popular and the most effective of the valuation methods - it is based on the discounting of future cash flows generated by the company. The disadvantage is the high sensitivity to changes in the basic financial parameters forecast in the model (interest rates, exchange rates, profits, residual value).

DDM – the method is based on discounting future cash flows from dividends. The advantage of the valuation is the inclusion of future financial results and cash flows from dividends. The main disadvantages are the high sensitivity to changes in the basic financial parameters forecasted in the model (capital cost, profits, residual value) and the risk of changing the dividend payment policy.

Comparative – the method is based on current and forecasted market multipliers of companies from the industry or related industries, which better than DCF shows the current market situation. The main disadvantages are the difficulty in choosing the right companies for comparison, the risk of ineffective valuation of companies compared at a given moment, as well as high volatility (along with price fluctuations).

Distribution of BDM's recommendations in Q2 2025*:

, d distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months

	numbers	%	numbers	%
Buy	3	60%	0	0%
Accumulate	0	0%	0	0%
Hold	2	40%	0	0%
Reduce	0	0%	0	0%
Sell	0	0%	0	0%

* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

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The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

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The investor should assume that BDM employees or proxies or shareholders may hold long or short positions in the issuer's shares or other financial instruments related to the issuer's shares; this particularly concerns the situation of holding not more than 5% of the capital, and they may also carry out transactions on them as proxies.

Each of the above-mentioned persons could carry out transaction relating to the financial instruments concerned prior to this publication. At the same time, however, the instruments concerned are entered in the restrictive list for employees of the Analysis Department immediately at the start of work on the report.

We have not identified significant conflicts of interest between BDM and persons associated with BDM and the financial instrument issuer. If a conflict of interest arises BDM shall manage it by applying the principles defined in the “Policy of management of conflicts of interest at the BDM S.A.”. We point out that as for 2025-05-09:

- BDM states and assures that BDM is involved financially in financial instruments of the Issuer.
- BDM is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The person that participated in preparing recommendation is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The issuer does not hold shares exceeding 5 % of the BDM issued share capital,
- BDM is not a market maker or liquidity provider in the financial instruments of the issuer,
- BDM has not been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer;
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25th July 2005,
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to section A and B of Annex I to the Directive 2014/65/EU of the European Parliament and of the Council (hereinafter the Directive 2014/65/EU),
- BDM is not a party to an agreement with the issuer relating to the production of the recommendation,
- There is other significant financial interest that BDM or its related affiliates have in relation to the issuer of financial instruments*
- There are other significant connections between BDM or its related affiliates and the issuer of financial instruments**
- The person affiliated with BDM who was involved in the preparation of recommendations did not receive or purchase the shares of the issuer, to whom the recommendation relates directly or indirectly, prior to public offering of such shares,
- The person affiliated with BDM who was involved in the preparation of recommendations declares that they respect internal regulations and are subject to organizational and technical solutions and information barriers established by BDM to eliminate any conflicts of interest concerning recommendations and to avoid them,
- The person affiliated with BDM who was involved in the preparation of recommendations was not rewarded in any form by the issuer, to whom the recommendation relates directly or indirectly, or was not directly connected with any possible transactions concerning services defined in art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25th July 2005.

*BDM is a party to the “ANALYTICAL REPORT PREPARATION SERVICES AGREEMENT” concluded with the WSE.

According to the best knowledge of the party recommending upon the publication of the report there are no other connections between BDM and the company described in this report that the party preparing this report would know of. However, the investor should be aware that the list disclosing conflicts of interest is long and that in the future there may occur situations leading to conflicts of interest which have not been identified or disclosed at the moment of publication of the report concerned. Especially, the investor should assume that BDM may submit an offer for services to a company or other companies mentioned in this report.

BDM is subject to supervision by the Polish Financial Supervision Commission.

This document is a summary of a full version of the report prepared in Polish. In case of any disputes the Polish version shall prevail.