

Aplisens breaks sales record in the first quarter

The Polish manufacturer of control and measurement equipment recorded 42.65 mPLN in sales revenue in Q1 2024 (+4.9% YoY), marking the best first-quarter performance in the Group's history and the second-best quarter ever. Due to increased year-over-year costs, profits were lower. EBIT decreased by 12.1% to 9.48 mPLN, EBITDA by 6.8% to 11.67 mPLN, and net profit by 18% to 7.59 mPLN.

Despite unfavorable political and economic conditions and ongoing wars in Ukraine and the Gaza Strip, we achieved revenue growth both in the domestic market (up 7.7%) and in export markets (up 3.3%). Lower margins are primarily a result of higher production costs, particularly labor costs. At the beginning of the year, we anticipate slightly worse results in the coming quarters compared to last year, both in terms of revenue and margins. However, it is essential to remember the record comparative base from last year - said **Adam Żurawski, President of Aplisens**.

The primary operating market for the Aplisens Group, in terms of revenue generated, remains the domestic market, with a 38.1% share of the Group's total sales. The achieved 16.3 mPLN represents a 7.7% YoY increase. The Management Board's goal for 2024, according to the Group's Development Strategy for 2023-2025, is to achieve a 13% sales revenue growth in the domestic market this year – a target that may be challenging due to the high base from 2023.

In contrast, the highest sales revenue growth in Q1 2024 was recorded in other markets (up 28.7% to over 8.4 mPLN). The share of other markets in the Group's sales structure increased to 19.8% of total sales. The Management Board's goal for 2024, according to the Group's Development Strategy for 2023-2025, is to achieve a 20% sales revenue growth in other markets in 2024. Despite the high base from 2023, this target appears achievable from the perspective of Q1.

In the European Union markets, the Aplisens Group achieved revenues of nearly 8.9 mPLN in Q1 2024 (a decrease of 10.3% YoY). The share of EU markets in the Group's total sales was 20.8%, a decline of 3.5 percentage points YoY, partly due to the high comparative base from 2023 and worse economic conditions in European markets, particularly the German market. The Management Board's goal for 2024, according to the Group's Development Strategy for 2023-2025, is to achieve a 15% sales revenue growth in the EU markets in 2024 – a target that may be challenging due to the high base from 2023.

The CIS markets accounted for 21.4% of the Group's sales in Q1 2024. These markets saw a slight decrease of 0.2% to 9.1 mPLN. However, it is worth highlighting the impressive revenue growth of the subsidiary in Kazakhstan (up 4.7 mPLN YoY). This significant increase was due to the execution of a large one-time contract for the supply of pressure transmitters and the start of sales in the Uzbekistan market, which is served by the Kazakhstan subsidiary.

In the first quarter of this year, the company allocated approximately 4 mPLN for investments. These expenditures mainly included the purchase of machinery and equipment, investments in research and development, certifications, and investments in subsidiaries.

Aplisens remains a dividend-paying company and plans another share buyback to implement the incentive program. The management's recommendation is to pay shareholders about 38% of last year's profit (11.13 mPLN), which amounts to PLN 1 per share. The proposed dividend date is July 10, and the payout date is August 7, 2024. The company plans to allocate a maximum of 9 mPLN for the share buyback.