

Preparing for growth

We are maintaining a Buy recommendation for Selvita, with the TP reduced to PLN 41/sh. 2025 should be another harsh year for the CRO industry, as the recent regulatory turmoil in the US pharma takes its toll. However, 1) the series of interest rate cuts fuelling client demand and 2) the potential cost optimisations in Selvita should drive almost 50% growth of adj. EBITDA in 2026. While the share price remains depressed and we are starting to see a clear path for P/E normalisation towards 16x in 2027F, it seems a great entry moment again.

We expect 47% adj. EBITDA growth in 2026...

Based on our forecasts, Selvita's adj. EBITDA should surge by close to 50% y/y in 2026F (to PLN 88m), driven by 11% sales growth and significant operating leverage effect. Cash flows should also turn positive and facilitate gradual BS deleveraging. What investors need to swallow is still a rather harsh outlook for 2H25.

... as the CRO market recovery is underway...

The CRO market relies on biotech funding trends, which are likely to improve after the series of FDA rate cuts (2 more exp. in 2025). Trump-led regulatory headwinds in the US appear to have had only a temporary impact, while CRO peers are already pointing to rising order intake and more stable market conditions. Although overall sector growth may remain below the levels seen in 2010-21, we expect the market to enter a sustained recovery phase starting in 2H25 and gaining traction into 2026.

... and Selvita seems ready for potential cost savings.

Recent years have been extremely difficult, as multiple ups and downs in the biotech market (and client demand) made it hard for CROs to adjust organisational structures, and Selvita maintained its overcapacity. However, the recent market stabilisation, as well as similar moves from Charles River, Evotec or ICON, may spur the company to look for cost savings. We spot potential efficiency gains in chemistry and in-vivo oncology and estimate room for ~PLN 10m saving in 2026.

We spot decent 29% valuation upside again

Our new, lower TP reflects an EBITDA path cut by ~30% in 2025-27F and 40% in the LT, as we reduce Selvita's margins and the assumed growth pace of the CRO market. At the same time, we limit our Capex forecasts, which now assume delayed construction of new R&D labs and no M&A spending.

PLN mn	2023	2024	2025F	2026F	2027F
Revenues	352	346	375	416	469
EBITDA	62	53	58	88	111
Adjusted EBITDA	74	56	60	88	111
EBIT	17	0	2	31	53
Net profit	18	-5	-5	17	37
Adjusted net profit (loss)	30	-2	-3	17	37
P/E	71.9	nm	nm	35.4	15.9
P/BV	4.1	3.5	1.8	1.7	1.6
EV/EBITDA	19.9	20.9	13.4	8.8	6.7
EPS	1.00	-0.27	-0.30	0.90	2.01
DPS	0.00	0.00	0.00	0.00	0.00
FCF	45	-	1	18	32
CAPEX	74	19	21	24	26

F - forecast by PKO BP Securities

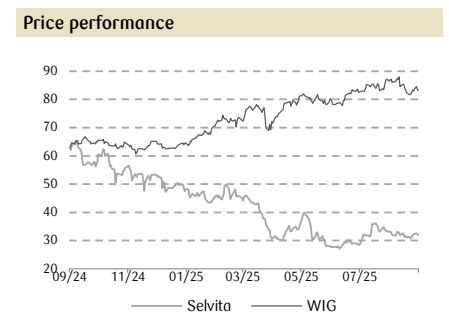
Key data	
Market price (PLN)	31.90
Upside	29%
No. of shares (mn)	18.36
Market Cap (PLNm)	585.54
Free float	74%
Free float (PLNm)	432
Free float (USDmn)	119
EV (PLNm)	781.05
Net debt (PLNm)	195.52

ESG	
ESG	6.3

Dividend	
Div yield	0.0%
Ex-div	-

Major Shareholders	% of shares
Paweł Przewięźlikowski	16.03
NN OFE	10.36
Allianz TFI	9.43
Bogusław Sieczkowski	5.15

Previous recomm.	Date & target price
Buy	24/04/25 47.00
Hold	24/01/25 47.00



	WIG	Company
1 month	-4.7%	-4.2%
3 months	3.5%	13.9%
6 months	14.6%	-29.1%
12 months	30.1%	-47.7%
Min 52 weeks PLN		27.10
Max 52 weeks PLN		65.30
Av. turnover/day PLN mn		0.69

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Financial Forecasts

Profit and loss account	2020	2021	2022	2023	2024	2025F	2026F	2027F	2028F
Sales of products, goods and materials	142	316	365	352	346	375	416	469	521
EBITDA	33	54	75	62	53	58	88	111	127
Adjusted EBITDA	33	86	106	74	56	60	88	111	127
Operating profit	20	27	40	17	0	2	31	53	67
Financial expenses net	1	5	4	1	9	8	7	5	7
Pre-tax profit	19	22	35	16	-9	-6	24	48	60
Income tax	-1	3	7	-3	-4	-1	5	9	11
Net profit (loss) attributable to non-controlling interest	2	3	0	0	0	1	3	2	6
Net Profit (loss)	18	16	29	18	-5	-5	17	37	43
Adjusted net profit (loss)	18	47	59	30	-2	-3	17	37	43
Balance Sheet	2020	2021	2022	2023	2024	2025F	2026F	2027F	2028F
Fixed assets	76	277	382	485	518	517	521	527	635
Intangible assets	1	37	35	30	27	27	27	28	28
Tangible assets	62	150	258	308	315	319	329	343	461
Other long-term assets	13	89	89	84	102	102	102	102	102
Current assets	143	179	203	151	125	185	204	241	184
Inventories	2	2	8	7	7	7	7	8	8
Receivables	34	66	99	70	79	86	95	106	118
Cash and cash equivalents	93	84	74	53	23	77	86	112	42
Other short-term assets	14	28	22	22	21	21	21	21	21
Total Assets	219	456	585	636	642	702	725	769	819
Equity capital	206	273	327	322	318	335	372	416	462
Non-controlling interests	5	9	11	0	0	0	0	0	0
Liabilities	66	250	312	309	320	384	390	397	404
Long-term liabilities	33	155	189	215	115	175	175	175	175
Loans and borrowings	28	145	172	178	76	136	136	136	136
Other provisions	0	3	11	34	36	36	36	36	36
Short-term liabilities	33	96	123	94	206	209	215	222	229
Loans and borrowings	13	35	41	47	143	143	143	143	143
Other provisions	10	30	32	16	16	16	16	16	16
Trade liabilities and other	10	31	49	31	46	50	55	62	69
Total Equity & Liabilities	219	456	585	636	642	702	725	769	819
Cash flow statement	2020	2021	2022	2023	2024	2025F	2026F	2027F	2028F
Cash flow on operating activity	29	85	75	79	64	50	70	90	98
Cash flow on investment activity	-25	-162	-80	-65	-37	-21	-24	-26	-128
Cash flow on financial activity	75	67	-6	-31	-57	25	-36	-38	-40
Indicators (%)	2020	2021	2022	2023	2024	2025F	2026F	2027F	2028F
ROE	10.3%	6.7%	9.5%	5.7%	-1.5%	-1.7%	4.7%	9.4%	9.9%
Net Debt	-61.9	92.0	133.7	165.3	189.8	195.5	186.4	160.7	230.0

Source: forecasts of PKO BP Securities

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min (max) 52 weeks: minimum (maximum) of the market share price during the previous 52 weeks

Capitalisation: product of the share market price and the number of shares

EV: sum of the company's capitalisation and net debt

free float (%): share of the total number of shares decreased by 5% stakes held by one shareholder and own shares held by the company in the total number of shares
Average trading/month: average trading per month calculated as total trading value over previous 12 months divided by 12
ROE: rate of return on equity
ROA: rate of return on assets
EBIT: operating profit
EBITDA: operating profit + depreciation and amortization
EPS: earnings per share
DPS: dividend per 1 share
CEPS: sum of net profit and depreciation and amortization per 1 share
P/E: quotient of share market price and EPS
P/BV: quotient of share market price and book value of one share
EV/EBITDA: quotient of capitalisation increased by the company's net debt and EBITDA
Gross sales margin: relation of gross sales profit to net sales proceeds
EBITDA margin: relation of the sum of operating profit and depreciation to net sales proceeds
EBIT margin: relation of operating profit to net sales proceeds
Net profitability: relation of net profit to net sales proceeds

Valuation methods applied

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Issuer:	Reservation
Selvita	1: NO, 2: NO, 3: NO, 4: NO, 5: NO, 6: NO, 7: NO, 8: NO, 9: NO

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9. Employees involved in drafting the recommendation have a net long position or a net short position exceeding 0.5% of the issuer's share capital.

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Whenever this Recommendation quotes a price for the financial instrument, it will be understood as the closing price from the last trading day.

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Company	Recommendation	Date of reco.	Target price	Relevant Market Price*	Market cap. (PLN mn)	P/E			EV/EBITDA			Analyst
						2024	2025P	2026P	2024	2025P	2026P	
Oponeo	Buy	2025-08-25	120,00	92,40	1006,7	8,9	11,6	9,8	6,3	7,7	5,8	Piotr Łopaciuk
Text	Hold	2025-09-10	57,00	53,45	1367,33	11,2	11,3	11,4	6,4	8,2	8,2	Andrzej Rembelski
Ryvu Therapeutics	Buy	2025-09-10	34	28,40	653,2	40,2	20,3	18,9	11,9	7,4	6,8	Dawid Górzyński
Arctic Paper	Sell	2025-09-11	8,3	9,31	645,1	9,2	nm	nm	4,1	16,5	7,0	Alicja Marcinkiewicz
Selvita	Buy	2025-09-11	41	31,90	585,5	nm	37,9	17,6	21,0	9,6	7,8	Dawid Górzyński

*at the time of publication