Flash Note

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BLOOBER TEAM (Buy; PLN 36)

3Q25 Results Review: EBIT in line with our expectations

PLNm	3Q24	4Q24	1Q25	2Q25	3Q25	Y/Y	Q/Q	3Q25E
Revenues	17.3	22.9	28.9	16.9	64.2	270%	280%	72.9
EBITDA	6.7	10.1	8.0	7.1	52.9	695%	646%	49.8
adj. EBITDA	8.3	11.7	9.5	7.2	53.1	543%	636%	49.8
EBIT	1.8	6.4	5.7	4.9	45.2	2376%	823%	44.9
Net profit	1.1	5.5	4.7	5.1	35.2	3118%	596%	39.6
OCF	9.0	-14.3	26.5	-16.2	14.8			
Net debt	-19.3	-3.0	-11.7	25.0	48.3			
P/E adj. 12M trailing	-	16.0	25.9	25.2	7.7			
EV/EBITDA adj. 12M trailing	-	9.8	14.2	15.7	6.7			
EBITDA margin	38.4%	44.3%	27.6%	42.1%	82.5%			68.4%
EBIT margin	10.5%	28.1%	19.9%	29.0%	70.5%			61.6%
Net profit margin	6.3%	24.1%	16.2%	30.0%	54.9%			54.4%

Source: Company data, Trigon

Comment: #Revenues. *Revenues in Q3 2025 amounted to PLN 64.2 million, which is below our expectations. Revenues in Segment I (including sales of Cronos, but also revenues from WFH agreements with Konami) amounted to PLN 46.2 million. We estimate that revenues from Konami (WFH for SH1 Remake and rev-share from SH2) amounted to approximately PLN 10.2 million, while other revenues came from backcatalog sales and Cronos. We estimate the latter at approximately PLN 35 million (less than a month of sales), which is below our expectations, even though the sales curve we have adopted is in line with the volumes reported by the company. The lower-than-expected reading may therefore be the result of i) lower revenues per unit than we assumed (which results, for example, from the price grid adopted in various markets) and/or ii) a higher than expected share of lower-margin physical sales. Lower-than-expected revenues in segment I were partially offset by very good revenues in segment III (PLN 15.1 million), which include revenues from a project commissioned by Netflix (Project N, estimated at PLN 13 million in the quarter).*

#Costs. *Opex was lower than we expected (by approximately PLN 6 million), which, supported by other operating revenues, allowed us to achieve the EBIT operating result at the level we expected (EBITDA above our expectations). The effective tax rate of 20% was higher than we had assumed and contributed to a lower net profit than we had expected for the quarter, despite EBIT being in line with our expectations.*

#CF. *OCF vs. results looks low, but we would like to remind you that, among other things, receivables for the sale of Cronos, among others, will flow to the company in Q4, which means that the company's cash position in Q4 will be significantly higher than at the end of Q3, which will allow, among other things, for a significant reduction in net debt.*

#Cronos. *The value of expenditures transferred from work in progress to completed work suggests that the game's development budget is approximately PLN 64 million, which is higher than our previous assumptions (approximately PLN 58 million). Marketing costs (estimated at PLN 12-13 million) should also be added to this. Taking into account the lower revenue per unit, the above-mentioned BEP level shifts higher vs. our previous assumptions.*

#Outlook. *The above figures related to Cronos will result in a downward revision of our revenue assumptions for the project, although we feel comfortable with our assumptions regarding the volume level itself (approx. PLN 1 million per year). At the same time, we were pleasantly surprised by sales in segment III. The LTM P/E ratio is 7.7x, which is an attractive level, although the cyclical nature of major releases must be taken into account. We remain relatively positive about the company's future, assuming that the company's growth is based on two pillars, i.e. i) stable cooperation with publishers in the field of WFH (Konami, Netflix currently) and ii) the delivery of independently published games to an increasingly wider group of players, will allow for the evolutionary development of the studio and further improvement of results in the long term. We also note the numerous releases of smaller projects from the Broken Mirror Games brand in the coming months. We also believe that the market may have had more conservative expectations for Q3 results than we did (no consensus).* ***(Grzegorz Balcerski)***

PLNm	2022	2023	2024	2025E	2026E	2027E
Revenues	56	94	89	171	161	154
EBITDA	15	26	41	96	75	71
EBIT	-3	5	23	76	17	33
Net profit	2.0	2.7	21.1	66.7	12.2	28.8
EPS (USD)	0.1	0.1	1.1	3.5	0.6	1.5
P/E (x)	244.4	177.9	22.8	7.2	39.3	16.7
EV/EBITDA adj. (x)	30.0	17.9	11.7	4.9	6.5	6.4
EV/Sales (x)	8.1	5.0	5.4	2.7	3.0	2.9
DY (%)	0.0%	0.0%	0.0%	0.0%	8.5%	1.5%

Source: Company data, Trigon

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