

Energomontaż Południe: 1Q11 results' released – in line with our expectations

Company	Fundamental recommendation	12 EFV PLN	Market-relative	Analyst
Energomontaż Południe	Hold	4.20	Underweight	Andrzej Bernatowicz +48 22 489 94 74

Event: 1Q11 results' released – strong sales, bottom line in line with our expectations.

After yesterday's session the Company released its 1Q11 results. The top line growth has beaten our estimates, but EBIT and net profit were in line with our expectations.

The Company showed strong sales growth (up 45% yoy), which was significantly above our forecast. However, the gross margin on sales amounted to 8.3% which was lower than our estimate of 9.0%. Therefore, in absence of surprises in other operating income and SG&A costs, EBIT was in line with our expectations. We were marginally too pessimistic as far as financial gains/losses are concerned, but on the other hand the Company unexpectedly recognized tax income. As a result, the bottom line met our expectations as well.

Energomontaż Południe; 1Q11 results compared to expectations

IFRS consolidated (PLN m)	1Q11A	1Q11E (IDM)	1Q11A vs. IDM's expectations	1Q10A	yoy chng
Sales	75.8	60.0	↑	52.4	45%
EBIT	2.7	3.2	→	-3.3	n.m.
PBT	0.9	2.2	→	1.8	-53%
NI	1.4	1.8	→	0.5	201%

Source: Company, DM IDMSA estimates

Expected impact: *Neutral.*