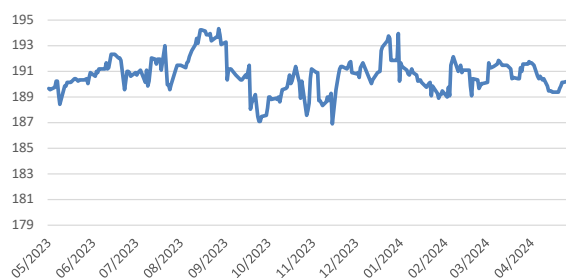


## BG Indexes 12-month performance

### SOFIX



### BGREIT



## Market Overview (27 May – 31 May)

The main Bulgarian index **SOFIX** decreased this week by 0.12% to 865.39 points. The broad index **BGBX40** decreased this week by 0.15% to 172.03 points and **BGREIT** decreased this week to 190.36 points, down by 0.36%.

## Corporate News

**Telelink Business Services (TBS)** – recorded a 52% sales revenue YoY in Q1 2024 to BGN 41.2mln leading to Net Profit increasing 42x to BGN 2.3mln. The large increases were due to the low baseline the year before – the company was at break-even point in Q1 2023. The main reason for the increased sales was the 71% increase of sales of the parent entity, TBS EAD, in the public sector, as well as the many completed smaller size projects in the MSE corporate client sector and their main client in the telecommunications sector. Their Croatian subsidiary also increased their relative share in the consolidated revenues to ca. 5%.

**Trace Group (T57)** – doubled their consolidated revenues in Q1 2024 to BGN 111.5mln due to the large growth in construction contracts. Their OPEX increased with 84.8%, which lead to Net Profit increasing 8.5x to BGN 4.7mln from the low BGN 0.5mln in Q1 2023.

**Telematic Interactive (TIB)** – published their cons. Q1 2024 results where sales grow 6.2% YoY to BGN 30.6mln. The main drivers behind the growth are the increased number of active clients per month – 99,145 and the marginal increase in revenues per client over the year from BGN 97 to 99. These metrics, together with the fact that they have become more efficient at converting new clients to depositors (conversion ratio going up from 35% to 68%) and the increased churn rate (4% to 13%) suggest that the company has reached a point, where they are extracting nearly the maximum from the available market. Additionally, as a result of the unproportionate increase in OPEX (22.8% YoY increase), EBITDA has gone down 37.6% to BGN 4.8mln and Net Profit decreased 38.7% to BGN 4mln. It is evident that Telematic Interactive must look for market diversification and expand in Peru and Macedonia. The disclosures in the financial statement point out that the increased expenses are partially due to the expansion cost incurred in those markets. Results are yet to be seen.

**Bianor (BNR)** – showed over 3x increase in sales in Q1 2023 reaching BGN 4.2mln. Despite also high growth in OPEX, Net Profit more than doubled to BGN 0.3mln. The company is still in earlier growth stage, so we expect OPEX to be optimized in the future.

Index	Close	Weekly Chg. %	YTD
SOFIX	865.39	-0.12	13.11
BGBX 40	172.03	-0.15	8.97
BGREIT	190.36	-0.36	0.03

Index	P/E	EV/S	P/BV
SOFIX	11.95	0.33	1.78
BGBX 40	16.36	0.46	1.85
BGREIT	19.03	n/a	2.45

## BSE Weekly Gainers & Losers

Top Gainers		Price	Chng %
ELHM	Elhim Iskra AD	0.90	21.62
BNR	Bianor AD	5.75	19.29
FIB	Fibank	4.56	8.57
T57	Trace Group AD	4.90	7.46
FZLS	Fazerles AD	17.00	4.94
Top Losers		Price	Chng %
AROM	Aroma AD	18.50	-15.38
H5OF	Holding Sveta Sofia AD	10.30	-10.00
ODES	Odesos Shiprepair Yard	11.40	-9.49
LAND	Bulland Investment REIT	1.61	-8.16
AGH	Agria Group Holding AD	0.74	-6.96

## Economic News

✓ The tourist arrivals increased by 1.1% YoY to 793.260 th in April, slowing down from a 7.2% the previous month. The majority of visits were for other purposes (51.8%), followed by holidays (34%) and professional trips (14.2%). EU residents accounted for 48.7%, while arrivals from other European countries accounted for 41.5%.

✓ Producer prices declined 6.6% YoY in April, slowing from an 8.7% fall in the previous month. This marked the 13th consecutive month of producer deflation, albeit the softest decline since April 2023, boosted by acceleration in prices for mining & quarrying (8.2% vs 3.4% in March).

✓ The business confidence indicator increased to 25.4 in May 2024, the highest in 10 months, from 24.8 in April. Business sentiment for the next three months improved for employment (5.2 vs 2.4 in April), while production became less positive (4.6 vs 10.6).

### **Disclaimer**

#### **Guarantees**

*The analyst (s) responsible for the preparation of this document shall ensure that: (1) they take all necessary care to accurately reflect the information contained in this document; (2) no part of the analyst's remuneration is, has been or will be linked, directly or indirectly, to the recommendation or opinions expressed in this document.*

**Financial interest:** *Sofia International Securities may trade or own the financial instruments specified in this document. Sofia International Securities does not own more than 5% of the financial instruments in circulation, subject to analysis or comment in this document. The analyst (s) do not own any shares of the companies, unless explicitly mentioned.*

#### **Disclosure of information**

*Due care has been taken to ensure the accuracy of the facts cited, the reliability of the sources of information and the clear definition of the assumptions, predictions, forecasts and expected prices in this document. The information presented in this document is based on publicly available information, which is considered reliable, but for which no responsibility is taken for completeness and accuracy. Neither Sofia International Securities nor the company's employees should be held responsible for the publicly available information used. The opinion expressed in this document may differ from the disclosed views in other departments and divisions of Sofia International Securities or from other employees. Additional information on this document is available upon request. The sources of information in the tables and graphs in this document are calculations by Sofia International Securities, unless otherwise stated.*

#### **Risks for investors**

*This document has been prepared and presented for the purpose of summary and informational purposes only and does not constitute a study within the meaning of Art. 13 of Commission Delegated Directive (EU) 2017/593 of 7 April 2016. The information in this document should not be considered as an offer to buy or sell financial instruments or an independent investment council within the meaning of Directive 2014/65 / EU of The European Parliament and the Council of 15 May 2014, Sofia International Securities AD has not assessed the appropriateness in relation to the financial instruments mentioned in this document. The investment opportunities discussed in this document may not be appropriate for certain investors depending on their investment objectives and time horizon or in the context of their overall financial condition. The risks associated with investing in the financial instruments mentioned in this document are not fully explained. The price or value of the investment may decrease or increase. Securities or investments can lead to losses for the investor. A previous achievement is not a guarantee of future performance. Changes in exchange rates may have an adverse effect on the value, price or return on investment in securities. Sofia International Securities AD assumes no responsibility for losses incurred in connection with investments made on the basis of information contained in this document.*

#### **Copyright**

*The analyzes of Sofia International Securities are the exclusive property of the investment intermediary and any publication, distribution, reprinting and citation of content is possible only after the explicit written consent of the "Research and Analysis" department of the company. It is not allowed to use the analyzes of the investment intermediary from a third party for commercial purposes.*