

595/2021/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Unimot	Buy	67.0	Overweight	Łukasz Prokopiuk, CFA

Event: Preliminary consolidated 3Q21 results revealed.

The Company published its preliminary data regarding 3Q21.

The Company revealed that its preliminary consolidated adjusted EBITDA for 3Q21 amounted to PLN 12.5 million (vs. PLN 17.3 million expected by us). The reported consolidated EBITDA amounted to PLN 11.7 million (vs. PLN 17.3 million expected by us). The quarterly consolidated sales amounted to PLN 2.0128 billion.

The Company mentioned that the results had been particularly impacted by:

- Higher yoy sale volumes and margins of diesel products.
- Poor sale volumes of bio products die to limited demand triggered by very high market prices.
- Higher yoy margins and volumes on LPG products, even despite relatively limited supply of LPG (after the introduction of sanctions on Belarus).
- Higher yoy margins and volumes of the AVIA retail network.
- Negative impact of valuation of LT electric energy contracts of Tradea.

The Company mentioned that the adjusted results had been impacted by +1.8 million of inventory valuation changes and margin transfers which negatively impacted reported EBITDA but which is excluded from the adjusted EBITDA.

Unimot; 3Q21 preliminary consolidated results compared to consolidated expectations

IFRS, consolidated (PLN m)	3Q21A consolidated	3Q21E (DM BOŚ)	3Q21A vs. expectations (BOŚ's)
Sales	2 012.8	2 022.4	→
EBITDA	11.7	17.3	↓
EBIT	n.a.	14.3	-
Net income	n.a.	9.2	↓
Adj EBITDA	12.5	17.3	↓
Adj EBIT	n.a.	14.3	-
Adj net income	n.a.	9.2	-

Source: Company, PAP, DM BOŚ SA estimates

Expected impact: Negative. This is the first significant negative earnings surprise for a while. The results may act as a negative trigger today, in our view. There is risk that the Company will not reach its management EBITDA guidance of PLN 75 million (unless the Company will compensate this by relatively good quarterly results in 4Q21 (adjusted EBITDA of c. PLN 18 million).

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.