

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 3.0.

573/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Unimot	Buy	87.0	Overweight	Lukasz Prokopiuk, CFA

Event: 3Q22 results preview.

Unimot will present its 3Q22 financial results on November 16th.

Expected quarterly EBITDA. We expect the quarterly sales to amount to PLN 3.39 billion. Our expected quarterly consolidated adjusted EBITDA estimate is as much as PLN 95.0 million (vs. PLN 12 million generated in 3Q21). We expect the Company's EBIT and net profit at PLN 91.5 million and PLN 72.0 million, respectively.

Expected results of segment. It seems that the Company managed to fully utilize the very favourable macro conditions in the ON+bio and LPG segments. The ON+bio segment could have generated extraordinary adjusted EBITDA of PLN 90 million, while the LPG segment could have delivered as much as PLN 15 million of EBITDA. Such high estimates for both segments are triggered by extraordinary market situation caused by the war in Ukraine (and the process of sanction implementation for Russian energy products and the gradual import adjustments). Logistical constraints in Poland (maximum transport capacity is being utilised currently) are an additional factor supporting strong margins. Moreover, the Company, based on our estimates, managed to generate PLN 25 million of savings on capital group transformation (out of the PLN 30 million savings declared previously by management). In our view, the current fuel margin levels are unsustainable in the long run and they are likely to gradually normalize. However, due to very dynamic environment it is hard to be sure on the possible margin levels even in the short run. We expect the natural gas and electric energy segments to reveal adjusted EBITDA of PLN 0 million and PLN -3 million, respectively.

Unimot; 3Q22 results forecast

IFRS consolidated PLN m				qoq	yoy
	3Q22E	2Q22A	3Q21A	chg.	chg.
Sales	3 386.7	3 517.7	2 081.2	-4%	63%
EBITDA	95.0	68.1	11.3	39%	742%
EBIT	91.5	64.6	8.3	42%	1001%
Net income	72.0	45.0	4.0	60%	1689%
Adj EBITDA	95.0	70.2	12.0	35%	689%
Adj EBIT	91.5	66.6	9.1	37%	911%
Adj net income	72.0	49.7	5.5	45%	1206%

Source: Company, DM BOS SA estimates

Unimot; 3Q22 detailed forecast

IFRS consolidated PLN m	3Q22E	2Q22A	3Q21A	qoq	
				chnq.	chnq.
Sales	3 386.7	3 517.7	2 081.2	-4%	63%
ON + biofuels	2 954.6	2 804.6	1 659.3	5%	78%
LPG	215.0	273.2	168.4	-21%	28%
Natural gas	83.7	152.5	90.5	-45%	-8%
Electric energy	35.0	103.8	56.1	-66%	-38%
Photovoltaics	5.5	1.3	4.7	334%	18%
Retail stations	70.0	139.3	68.8	-50%	2%
Other	23.0	43.1	33.5	-47%	-31%
COGS (ex. gross margin one-offs)	-3 230.7	-3 330.6	-2 011.4	-3%	61%
Adj gross profit	156.0	187.1	69.8	-17%	124%
Distribution and G&A costs	-64.5	-120.5	-60.7	-46%	6%
D&A elimination	3.5	3.6	3.0	-	-
Adjusted EBITDA	95.0	70.2	12.0	35%	689%
Adj EBITDA (ON + biofuels)	90.0	59.1	13.1	52%	586%
Adj EBITDA (LPG)	15.0	24.2	7.7	-38%	94%
Adj EBITDA (Natural gas)	0.0	6.1	0.6	-100%	-97%
Adj EBITDA (Electric energy)	-3.0	1.8	-3.7	n.m.	n.m.
Adj EBITDA (Photovoltaics)	-1.0	-1.2	-0.7	-	-
Adj EBITDA (Retail stations)	2.0	0.5	1.9	-	-
Adj EBITDA (Other)	-8.0	-20.4	-6.9	-	-
Other operating items	0.0	4.5	0.1	-	-
Inventory valuation effects	0.0	0.0	2.1	-	-
NCW/NCR timing transfers	0.0	-2.2	-2.8	-	-
Gas timing transfers	0.0	-3.5	-0.7	-	-
Other transfers	0.0	-0.9	0.5	-	-
EBITDA	95.0	68.1	11.3	39%	742%
D&A	-3.5	-3.6	-3.0	-3%	16%
EBIT	91.5	64.6	8.3	42%	1001%
Net financial costs	-2.7	-5.2	-2.3	-	-
Other	0.0	0.0	0.0	-	-
Pre-tax	88.8	59.3	6.1	50%	1367%
Tax expense	-16.9	-14.3	-2.0	-	-
Minority interest	0.0	0.0	0.0	-	-
Net income	72.0	45.0	4.0	60%	1689%

Source: Company, DM BOŚ SA estimates

Expected impact: Depending on the divergence between the actual 3Q22 results and the market consensus of estimates. We continue to think the equities are very cheap: because the Company is currently generating extraordinary results, because it has a chance to cheaply acquire assets and because the outlook for 2023 seems very promising. We advise to overweight the equities.

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.