

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

330/2023/AR

May 24, 2023

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>Unimot</b>	<b>Buy</b>	<b>130.0</b>	<b>Overweight</b>	Lukasz Prokopiuk, CFA

**Event: 1Q23 results revealed; Adjusted EBITDA close to the preliminary figures published earlier.**

The Company revealed its quarterly consolidated 1Q23 results on Tuesday after the session.

**Consolidated figures.** The Company's reported EBITDA amounted to PLN 114.6 million. This figure is impacted by one-time effects at a sum of PLN 9.7 million in addition to other operating income at a value of PLN -1.9 million. The mentioned one-time effects include (i) PLN 10.5 million of timing effects in the ON+Bio segment and (ii) PLN -0.8 million of effects in the retail segment. **Ultimately, the Company's adjusted EBITDA (as calculated by us) after excluding these items amounted to PLN 106.8 million vs. PLN 90.0 million expected by us initially (and vs. PLN 104.9 million indicated in the preliminary figures previously and PLN 104.9 million of final adjusted EBITDA calculated by management for the quarter).**

The difference in our adjusted EBITDA and the management adjusted EBITDA lies in other operating income. The Company's reported net income amounted to PLN 81.8 million, while the adjusted net income, as calculated by us amounted to PLN 78.1 million.

**Results of segment.** The Company's ON/bio segment delivered adjusted EBITDA of PLN 86 million vs. PLN 86.4 million expected by us initially. The Company's LPG segment recorded adjusted EBITDA of PLN 18 million vs. PLN 8.8 million expected by us. The natural gas segment's adjusted EBITDA amounted to PLN 5.3 million vs. PLN 3.2 million expected by us. The electric energy segment delivered an adjusted EBITDA of PLN 8 million vs. PLN 4.2 million expected by us. The results of the photovoltaic segment with adjusted EBITDA at PLN -0.7 million (vs. PLN +0.5 million expected by us).

The Company mentioned that the quarterly results had been particularly impacted by very high margins generated on diesel products. The Company observed very high fuel premium margins supported by supply uncertainty related to the introduction of sanctions. Moreover, the Company mentions that it successfully utilised the newly purchased logistic assets. The Company also mentions the successful trade policy in the quarter, including successful electric energy trading.

**Cash flow.** The Company's 1Q23 operating cash flow amounted to PLN -101 million vs. PLN 52 million recognised a year ago.

**Net debt.** The Company's net debt at the end of the quarter amounted to PLN 126 million vs. PLN 302 million recognised a year ago.

**Unimot; 1Q23 results compared to expectations**

IFRS, consolidated (PLN m)	1Q23A			1Q23A vs. expectations (BOŚ's/Preliminary figures)	
	1Q23A	1Q23E (DM BOŚ)	Preliminary 1Q23A		
Sales	3 279.3	3 031.1	2 989.0		↑/→
EBITDA	114.6	104.7	117.0		→/→
EBIT	109.0	92.2	n.a.		→/→
Net income	81.8	70.8	n.a.		→/→
<b>Adj EBITDA</b>	<b>106.8</b>	<b>104.7</b>	<b>104.9</b>		→/→
<b>Adj EBIT</b>	<b>101.2</b>	<b>92.2</b>	<b>n.a.</b>		→/→
<b>Adj net income</b>	<b>78.1</b>	<b>70.8</b>	<b>n.a.</b>		→/→

Source: Company, PAP, DM BOŚ SA estimates

**Unimot; 1Q23 operating performance review**

IFRS consolidated PLN m	1Q23A	4Q22A	1Q22A	qoq chn.	yoy chn.
<b>Sales</b>	<b>3 279.3</b>	<b>3 681.5</b>	<b>2 371.2</b>	<b>-11%</b>	<b>38%</b>
ON + biofuels	2 577.3	2 934.8	1 804.6	-12%	43%
LPG	298.5	288.4	188.2	3%	59%
Natural gas	197.8	127.7	196.9	55%	0%
Electric energy	106.8	104.5	74.0	2%	44%
Photovoltaics	3.6	2.9	2.5	23%	44%
Retail stations	134.0	159.8	84.9	-16%	58%
Other	-38.6	63.4	20.1	n.m.	n.m.
COGS (ex. gross margin one-offs)	-3 040.2	-3 291.2	-2 222.3	-8%	37%
<b>Adj gross profit</b>	<b>239.2</b>	<b>390.2</b>	<b>148.9</b>	<b>-39%</b>	<b>61%</b>
Distribution and G&A costs	-137.9	-161.2	-64.6	-14%	113%
D&A elimination	5.6	6.1	3.1	-	-
<b>Adjusted EBITDA</b>	<b>106.8</b>	<b>235.2</b>	<b>87.5</b>	<b>-55%</b>	<b>22%</b>
Adj EBITDA (ON + biofuels)	86.0	197.5	49.0	-56%	75%
Adj EBITDA (LPG)	18.0	14.5	17.6	24%	2%
Adj EBITDA (Natural gas)	5.3	10.3	4.3	-49%	21%
Adj EBITDA (Electric energy)	8.0	14.4	24.4	-44%	-67%
Adj EBITDA (Photovoltaics)	-0.7	-1.5	-0.4	n.m.	n.m.
Adj EBITDA (Retail stations)	-2.2	1.2	1.4	n.m.	n.m.
Adj EBITDA (Other)	-7.6	-1.3	-8.9	n.m.	n.m.
Other operating items	-1.9	-5.4	-1.8	-	-
Inventory valuation effects	0.0	-5.3	79.7	-	-
NCW/NCR timing transfers	10.5	0.0	0.0	-	-
Gas timing transfers	0.0	0.0	0.0	-	-
Other transfers	-0.8	0.0	-18.0	-	-
<b>EBITDA</b>	<b>114.6</b>	<b>224.4</b>	<b>147.3</b>	<b>-49%</b>	<b>-22%</b>
D&A	-5.6	-6.1	-3.1	-9%	78%
<b>EBIT</b>	<b>109.0</b>	<b>218.3</b>	<b>144.2</b>	<b>-50%</b>	<b>-24%</b>
Net financial costs	-4.8	-5.0	-3.9	-	-
Other	0.0	0.0	0.0	-	-
<b>Pre-tax</b>	<b>104.3</b>	<b>213.3</b>	<b>140.3</b>	<b>-51%</b>	<b>-26%</b>
Tax expense	-22.3	-40.2	-25.5	-	-
Minority interest	0.2	0.0	0.0	-	-
<b>Net income</b>	<b>81.8</b>	<b>173.1</b>	<b>114.7</b>	<b>-53%</b>	<b>-29%</b>

Source: Company

**Expected impact:** Neutral, since the 1Q23 results are history and they should have been already to a major extent discounted. At the same time we would like to remind of several risks: (i) government elections may temporarily lower fuel margins, (ii) the next quarters are likely to be weaker than 1Q23 and (iii) strong capex along with the return of the requirement to maintain mandatory reserves may cause a sharp increase in net debt to even PLN 0.5 billion this year.

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.