

437/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>Unimot</b>	<b>Hold</b>	<b>47,0</b>	<b>Neutral</b>	Łukasz Prokopiuk, CFA

**Event: 2Q22 results preview.**

Unimot will present its 2Q22 financial results on August 24<sup>th</sup>.

**Expected quarterly EBITDA.** We expect the quarterly sales to amount to PLN 3.48 billion. Our expected quarterly consolidated adjusted EBITDA estimate is as much as PLN 65.0 million (vs. PLN 87.5 million generated in 1Q22). We expect the Company's EBIT and net profit at PLN 61.6 million and PLN 47.5 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 49.6 million, while the LPG segment could have delivered as much as PLN 17 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). In our view, the current margin levels are unsustainable in the coming quarters 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 5 million and PLN 0 million. We continue to expect small gains in the photovoltaics segment due to the sale of PV projects (EBITDA of PLN 1.5 million).

**Unimot; 2Q22 results forecast**

IFRS consolidated PLN m				qoq chng.	yoy chng.
	2Q22A	1Q22A	2Q21A		
Sales	3 479.4	2 371.2	1 731.2	47%	101%
EBITDA	65.0	147.3	27.1	-56%	140%
EBIT	61.6	144.2	23.6	-57%	161%
Net income	47.5	114.7	16.9	-59%	182%
<b>Adj EBITDA</b>	<b>65.0</b>	<b>87.5</b>	<b>16.5</b>	<b>-26%</b>	<b>295%</b>
<b>Adj EBIT</b>	<b>61.6</b>	<b>84.3</b>	<b>13.0</b>	<b>-27%</b>	<b>373%</b>
<b>Adj net income</b>	<b>47.5</b>	<b>65.1</b>	<b>9.3</b>	<b>-27%</b>	<b>409%</b>

Source: Company, DM BOŚ SA estimates

**Unimot; 2Q22 detailed forecast**

IFRS consolidated PLN m				qoq	yoy
	2Q22A	1Q22A	2Q21A	chnq,	chnq,
<b>Sales</b>	<b>3 479.4</b>	<b>2 371.2</b>	<b>1 731.2</b>	<b>47%</b>	<b>101%</b>
ON + biofuels	3 093.0	1 804.6	1 449.9	71%	113%
LPG	213.9	188.2	125.8	14%	70%
Natural gas	45.0	196.9	19.2	-77%	135%
Electric energy	35.0	74.0	55.6	-53%	-37%
Photovoltaics	6.5	2.5	4.1	164%	57%
Retail stations	63.0	84.9	53.5	-26%	18%
Other	23.0	20.1	23.1	14%	0%
COGS (ex, gross margin one-offs)	-3 351.9	-2 222.3	-1 658.5	51%	102%
<b>Adj gross profit</b>	<b>127.5</b>	<b>148.9</b>	<b>72.7</b>	<b>-14%</b>	<b>75%</b>
Distribution and G&A costs	-65.9	-64.6	-59.7	2%	10%
D&A elimination	3.4	3.1	3.5	-	-
<b>Adjusted EBITDA</b>	<b>65.0</b>	<b>87.5</b>	<b>16.5</b>	<b>-26%</b>	<b>295%</b>
Adj EBITDA (ON + biofuels)	49.6	49.0	24.2	1%	105%
Adj EBITDA (LPG)	17.0	17.6	1.4	-4%	1120%
Adj EBITDA (Natural gas)	5.0	4.3	-0.9	15%	n.m.
Adj EBITDA (Electric energy)	0.0	24.4	0.6	n.m.	n.m.
Adj EBITDA (Photovoltaics)	1.5	-0.4	-3.9	n.m.	n.m.
Adj EBITDA (Retail stations)	0.5	1.4	0.3	-68%	64%
Adj EBITDA (Other)	-8.5	-8.9	-5.2	n.m.	n.m.
Other operating items	0.0	-1.8	0.3	-	-
Inventory valuation effects	0.0	79.7	7.3	-	-
NCW/NCR timing transfers	0.0	0.0	4.3	-	-
Gas timing transfers	0.0	0.0	-1.3	-	-
Other transfers	0.0	-18.0	0.0	-	-
<b>EBITDA</b>	<b>65.0</b>	<b>147.3</b>	<b>27.1</b>	<b>-56%</b>	<b>140%</b>
D&A	-3.4	-3.1	-3.5	9%	-2%
<b>EBIT</b>	<b>61.6</b>	<b>144.2</b>	<b>23.6</b>	<b>-57%</b>	<b>161%</b>
Net financial costs	-3.0	-3.9	-1.5	-	-
Other	0.0	0.0	0.0	-	-
<b>Pre-tax</b>	<b>58.6</b>	<b>140.3</b>	<b>22.1</b>	<b>-58%</b>	<b>165%</b>
Tax expense	-11.1	-25.5	-5.3	-	-
Minority interest	0.0	0.0	-0.1	-	-
<b>Net income</b>	<b>47.5</b>	<b>114.7</b>	<b>16.9</b>	<b>-59%</b>	<b>182%</b>

Source: Company, DM BOŚ SA estimates

**Expected impact:** Depending on the divergence between the actual 2Q22 results and the market consensus of estimates, although given the expected purchase of Lotos assets, the quarterly results are probably of secondary importance.

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.