

544/2021/AR

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

Event: 3Q21 results preview.

Unimot will present its 3Q21 financial results on November 16th.

Expected quarterly EBITDA. Based on the relatively high unconsolidated monthly sales presented by the Company we expect the quarterly sales to amount to PLN 2.022 billion. Please be aware that the relatively high sales estimate is the result of not only relatively good volumes but above all increasing commodity prices. Our expected quarterly consolidated adjusted EBITDA estimate is PLN 17.3 million (vs. PLN 18 million expected by us initially in our research report concerning Unimot, published on August 26th). We expect the Company's EBIT and net profit at PLN 14.3 million and PLN 9.2 million, respectively.

Expected results of segment. High competition on the Polish fuel market, the environment of constantly increasing crude oil prices and refining margins and the lack in availability of bio-fuel products has led to relatively weaker results of the ON/bio segment than we previously expected. We currently expect the segment to deliver adjusted EBITDA of PLN 13.9 million vs. PLN 22.4 million expected by us previously. These weaker expected results are likely to be offset by the anticipated robust results of the LPG segment which may, based on our estimates, reveal record high EBITDA of PLN 7 million (vs. PLN 0 million expected by us initially). We assume that in 4Q21 the ON/bio segment should benefit from improving margins, while the LPG segment's results should deteriorate, since the expected results in 3Q21 are probably unsustainable. We expect the electric energy and natural gas segments to reveal adjusted EBITDA of PLN -2 million and PLN 3 million, respectively. It is worth noting that we expect relatively smaller losses in the photovoltaic segment (EBITDA of PLN -1 million) and an improvement of retail segment results (EBITDA of PLN 1.5 million).

Unimot; 3Q21 results forecast

IFRS consolidated PLN m	3Q21E	2Q21A	3Q20A	qoq chg	yoy chg
Sales	2 022.4	1 731.2	1 338.3	2 022.4	1 731.2
EBITDA	17.3	26.6	4.7	17.3	26.6
EBIT	14.3	23.6	2.0	14.3	23.6
Net income	9.2	16.9	0.9	9.2	16.9
Adj EBITDA	17.3	16.0	9.8	17.3	16.0
Adj EBIT	14.3	13.0	7.0	14.3	13.0
Adj net income	9.2	11.8	0.8	9.2	11.8

Source: Company, DM BOS SA estimates

Unimot; 3Q21 detailed forecast

IFRS consolidated				qoq	yoy
PLN m	3Q21E	2Q21A	3Q20A	chg	chg
Sales	2 022.4	1 731.2	1 338.3	17%	51%
ON + biofuels	1 773.3	1 449.9	968.0	22%	83%
LPG	149.6	125.8	83.7	19%	79%
Natural gas	6.7	19.2	6.6	-65%	2%
Electric energy	35.0	55.6	32.4	-37%	8%
Photovoltaics	4.8	4.1	1.2	16%	299%
Retail stations	28.0	53.5	21.9	-48%	28%
Other	25.0	23.1	224.5	8%	-89%
COGS (ex. gross margin one-offs)	-1 949.4	-1 658.5	-1 286.4	18%	52%
Adj gross profit	73.0	72.7	51.9	0%	41%
Distribution and G&A costs	-58.7	-59.7	-44.9	-2%	31%
D&A elimination	3.0	3.0	2.7	-	-
Adjusted EBITDA	17.3	16.0	9.8	8%	77%
Adj EBITDA (ON + biofuels)	13.9	24.2	13.6	-43%	2%
Adj EBITDA (LPG)	7.0	1.4	1.1	403%	512%
Adj EBITDA (Natural gas)	3.0	-0.9	0.4	n.m.	740%
Adj EBITDA (Electric energy)	-2.0	0.6	-1.2	n.m.	n.m.
Adj EBITDA (Photovoltaics)	-1.0	-3.9	-0.6	-	-
Adj EBITDA (Retail stations)	1.5	0.3	-0.8	-	-
Adj EBITDA (Other)	-5.0	-5.7	-2.6	-	-
Other operating items	0.0	0.3	1.4	-	-
Inventory valuation effects	0.0	7.3	-1.4	-	-
NCW/NCR timing transfers	0.0	4.3	-4.5	-	-
Gas timing transfers	0.0	-1.3	-1.0	-	-
Other transfers	0.0	0.0	0.4	-	-
EBITDA	17.3	26.6	4.7	-35%	268%
D&A	-3.0	-3.0	-2.7	0%	10%
EBIT	14.3	23.6	2.0	-40%	627%
Net financial costs	-2.9	-1.5	-1.0	-	-
Other	0.0	0.0	0.0	-	-
Pre-tax	11.4	22.1	1.0	-49%	1058%
Tax expense	-2.2	-5.3	-0.1	-	-
Minority interest	0.0	-0.1	0.0	-	-
Net income	9.2	16.9	0.9	-45%	911%

Source: Company, DM BOŚ SA estimates

Expected impact: Depending on the divergence between the actual 3Q21 results and the market consensus of estimates. We believe that the Company has strong chances to deliver its adjusted EBITDA guidance this year. At the same time, we think the chances of meaningfully surpassing the guidance is currently rather small.

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.