

61/2022/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: 4Q21 results preview

Unimot will present its 4Q21 financial results on March 28th.

**Expected quarterly EBITDA.** We expect the quarterly sales to amount to PLN 2.75 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 15.0 million (vs. PLN 18 million expected by us initially in our research report concerning Unimot, published in December). We expect the Company's EBIT and net profit at PLN 11.6 million and PLN 6.4 million, respectively. Based on the information provided by the Company in our estimates we include the mentioned PLN 21 million gains from electric energy trading transactions: in 4Q21 the gains impacts only reported figures (the transactions are valued but not yet realized), while in 1Q22 it should impact the adjusted EBITDA. Based on our estimates, in 4Q21 the Company will incur PLN -1.4 million of costs tied to the possible takeover of Lotos and PKN Orlen assets, which from an annual perspective will imply full year costs of under PLN -3 million. Based on our quarterly figures, the Company will generate FY21 adjusted EBITDA at the level of 71.1 million: had it not been for the mentioned takeover costs, the Company would be very close in reaching its management EBITDA guidance.

**Expected results of segment.** Despite the unfavourable performance of increasing crude oil prices and despite volatile levels of inland premium margins we expect relatively good results of the ON/bio segment at PLN 24 million, backed by beneficial margins generated on bio-product sales. We expect the macro environment in the LPG segment to remain positive: expecting the EBITDA of the LPG segment at PLN 5 million. We expect the electric energy and natural gas segments to reveal adjusted EBITDA of PLN -1 million and PLN -5 million, respectively. It is worth noting that we expect a limiting of losses in the photovoltaic segment (EBITDA of PLN 0 million). Given the visible poor performance of retail fuel margins in 4Q21 we expect negative EBITDA in the retail segment of PLN -1 million.

Unimot; 4Q21 results forecast

IFRS consolidated (PLN m)	4Q21E	3Q21A	4Q20A	qoq chg	yoy chg
Sales	2 749.7	2 081.2	1 245.4	32%	121%
EBITDA	36.0	11.3	37.0	218%	-3%
EBIT	32.6	8.3	34.3	292%	-5%
Net income	23.4	4.0	26.3	482%	-11%
Adj EBITDA	15.0	12.1	27.1	24%	-45%
Adj EBIT	11.6	9.1	24.3	28%	-52%
Adj net income	6.4	5.5	18.2	16%	-65%

Source: Company, DM BOS SA estimates

Unimot; 4Q21 detailed forecast

IFRS consolidated				qoq	yoy
PLN m	4Q21E	3Q21A	4Q20A	chg	chg
<b>Sales</b>	<b>2 749.7</b>	<b>2 081.2</b>	<b>1 245.4</b>	<b>32%</b>	<b>121%</b>
ON + biofuels	2 268.4	1 659.3	1 021.8	37%	122%
LPG	249.5	168.4	105.5	48%	136%
Natural gas	115.8	90.5	34.7	28%	233%
Electric energy	30.0	56.1	26.0	-46%	15%
Photovoltaics	5.0	4.7	3.8	7%	31%
Retail stations	56.0	68.8	28.9	-19%	94%
Other	25.0	33.5	24.6	-25%	2%
COGS (ex, gross margin one-offs)	-2 674.7	-2 011.4	-1 164.1	33%	130%
<b>Adj gross profit</b>	<b>74.9</b>	<b>69.8</b>	<b>81.2</b>	<b>7%</b>	<b>-8%</b>
Distribution and G&A costs	-63.4	-60.7	-57.0	4%	11%
D&A elimination	3.4	3.0	2.8	-	-
<b>Adjusted EBITDA</b>	<b>15.0</b>	<b>12.1</b>	<b>27.1</b>	<b>24%</b>	<b>-45%</b>
Adj EBITDA (ON + biofuels)	24.0	13.1	22.6	83%	6%
Adj EBITDA (LPG)	5.0	7.7	0.9	-35%	453%
Adj EBITDA (Natural gas)	-5.0	0.6	8.0	n.m.	n.m.
Adj EBITDA (Electric energy)	-1.0	-3.7	2.0	n.m.	n.m.
Adj EBITDA (Photovoltaics)	0.0	-0.7	-1.3	-	-
Adj EBITDA (Retail stations)	-1.0	1.9	-1.1	-	-
Adj EBITDA (Other)	-7.0	-6.9	-4.1	-	-
Other operating items	0.0	0.1	-3.6	-	-
Inventory valuation effects	0.0	2.1	13.1	-	-
NCW/NCR timing transfers	0.0	-2.8	-0.5	-	-
Gas timing transfers	0.0	-0.7	1.0	-	-
Other transfers	21.0	0.5	0.0	-	-
<b>EBITDA</b>	<b>36.0</b>	<b>11.3</b>	<b>37.0</b>	<b>218%</b>	<b>-3%</b>
D&A	-3.4	-3.0	-2.8	13%	22%
<b>EBIT</b>	<b>32.6</b>	<b>8.3</b>	<b>34.3</b>	<b>292%</b>	<b>-5%</b>
Net financial costs	-3.7	-2.3	-1.8	-	-
Other	0.0	0.0	0.0	-	-
<b>Pre-tax</b>	<b>28.9</b>	<b>6.1</b>	<b>32.5</b>	<b>377%</b>	<b>-11%</b>
Tax expense	-5.5	-2.0	-6.6	-	-
Minority interest	0.0	0.0	-0.4	-	-
<b>Net income</b>	<b>23.4</b>	<b>4.0</b>	<b>26.3</b>	<b>482%</b>	<b>-11%</b>

Source: Company, DM BOS SA estimates

**Expected impact:** Depending on the divergence between the actual 4Q21 results and the market consensus of estimates. Given the possibility of acquiring the logistic and bitumen assets of Lotos and PKN Orlen at a very attractive price, the results of 4Q21 may prove to be 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.