

165/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>Action</b>	<b>Buy</b>	<b>22.6</b>	<b>Overweight</b>	Jakub K. Viscardi

**Event: 4Q21 financial results released – in line with the preliminary showing.**

Yesterday, after the market close, the Company released their 4Q21 financial results.

- **Revenues** reached PLN 706.4 million (up 9% yoy), close to the preliminary data published earlier;
- **Gross margin on sales** at 9.1% was materially higher than implied by the preliminary showing (7.7%);
- **EBITDA and EBIT** reached PLN 34.7 million (down 76% yoy) and PLN 32.7 million (down 77% yoy), respectively, which was above our expectations; the reported results were impacted by the increasing balance of released provisions in the amount of PLN 6.4 million;
- **Adj EBITDA and EBIT** reached respectively PLN 28.4 million (up 229% yoy) and PLN 26.4 million (up 296% yoy).
- **Adj EBITDA margin** stood at 4.0% vs 3.0% expected by us and 1.3% in 4Q20;
- **Adj PBT** reached PLN 26.4 million (up 257% yoy) vs our forecast at PLN 18.6 million. The total balance of financial net result and result from the shares in losses of associated companies amounted to PLN 209,000 vs PLN 700,000 expected by us;
- **Adj NI at PLN 23.0 million** (up 81% yoy) exceeded our expectations at PLN 15.1 million. The effective tax rate was 11.9% in the discussed quarter while we forecasted 19%;
- **The Company's OCF** were positive and reached **PLN 15.4 million** vs PLN 22.1 million in 4Q20.

**Action: 4Q21 financial results**

IFRS cons. (PLN million)	4Q21	4Q21 (DM BOŚ forecast)	Results vs forecasts	4Q20	Chg yoy
Sales	706.4	709.1	→	649.4	9%
EBITDA	34.7	26.8	↑↑	147.4	-76%
EBITDA margin	4.9%	3.8%	-	22.7%	-
Adj EBITDA	28.4	21.3	↑↑	8.6	229%
Adj EBITDA margin	4.0%	3.0%	-	1.3%	-
EBIT	32.7	24.8	↑↑	145.4	-77%
EBIT margin	4.6%	3.5%	-	22.4%	-
Adj EBIT	26.4	19.3	↑↑	6.7	296%
Adj EBIT margin	3.7%	2.7%	-	1.0%	-
PBT	32.5	24.1	↑↑	168.1	-81%
Gross profit margin	4.6%	3.4%	-	25.9%	-
Adj PBT	26.1	18.6	↑↑	7.3	257%
Adj gross profit margin	3.7%	2.6%	-	1.1%	-
NI	28.2	19.5	↑↑	173.9	-84%
Net margin	4.0%	2.8%	-	26.8%	-
Adj NI	23.0	15.1	↑↑	12.8	81%
Adj net margin	3.3%	2.1%	-	2.0%	-

**Adjusted profits**

Profits adjusted for a PLN 6.4 million provision release regarding taxation  
Source: Company, DM BOŚ SA

**Expected impact:** *Neutral; results are in line with the preliminary data and shouldn't surprise investors who are likely to be more focused on the Company's further outlook which the management will probably present during today's meeting.*

*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.*