

Miraculum

Gradually turning into profitability

We maintain our HOLD recommendation on Miraculum and slightly increase our FV from PLN 0.85 to PLN 0.87 per share on updated financial forecasts. Although recent quarterly results were under pressure of optimization of inventory resulting in deterioration of the gross margin, we expect that it should recover in the coming quarters on the back of a healthy inventory structure. Additionally, strict cost control (mainly in personnel costs) should support EBITDA margin expansion in the following years. Nevertheless, we still remain a bit skeptical on expansion of operations, as the company reported solid deterioration of export of 44% in 2024 and we expect recovery and further development of sales in this channel to take at least a few quarters. We trim our revenue forecasts in 2025-26E to PLN 50.6m and PLN 54.1m respectively, but increase the EBITDA forecast to PLN 2.5m and PLN 3.5m at the same time. Last but not least, we estimate that Miraculum should turn into positive FCF generation starting from 2025E, that should support further deleveraging of the company (we expect the ND/EBITDA ratio to improve to around 2.3x as of end-2027E).

1Q25E preview

Miraculum reported revenues of PLN 15.0m in 1Q25E (+17% y/y), driven by solid sales in January (+25% y/y), followed by positive trends in February and March as well. As we expect that the company continued optimization of inventory, we forecast gross margin deterioration, while cost control should allow it to generate EBITDA at a comparable y/y level (around PLN 1.0m).

Sales under pressure of underperforming export

Revenues came in at PLN 47.5m in 2024 (flat y/y), driven by a 15% y/y growth of revenues in Poland and a 44% y/y decline in export. We believe that the company will increase its sales in Poland at mid-single-digit growth rates, mainly in the modern channel and in 'makeup cosmetics' and 'perfumes' as major product segments, while we expect a gradual recovery of sales of export. As a result, we trim our revenue forecast PLN 50.6/54.1m/PLN 56.9m in 2025-27E.

Gradually improving profitability and continuing deleveraging

We expect that optimization of inventory (selling off of unprofitable products) will be completed in the coming months, and thus we assume the gross margin will gradually recover starting from 2Q25E. At the same time, we implement higher cost discipline into our forecasts, mainly in personnel and logistics areas. As a result, we expect the SG&A/sales ratio to improve from 36.2% in 2024 to around 31-32% in 2025-26E. Given the above-mentioned, we upgrade our EBITDA forecast to PLN 2.5m in 2025E (vs. PLN 1.6m previously) and PLN 3.5m in 2026E (vs. PLN 2.8m previously). As a result, we expect Miraculum to generate positive FCFs starting from 2025E, and we forecast net debt/EBITDA to improve to 2.3x as of end-2027E.

Figure 1. Miraculum – Financial summary (PLNm)

	2022	2023	2024	2025E	2026E	2027E
Revenues	43.3	47.1	47.5	50.6	54.1	56.9
EBITDA	0.5	1.5	-0.4	2.5	3.5	4.1
EBIT	-0.5	0.4	-1.5	1.2	2.3	2.9
Net profit	-2.5	-1.6	-3.6	0.2	1.2	1.8
P/E (x)	n.a.	n.a.	n.a.	250.9	31.1	21.7
EV/EBITDA (x)	138.1	48.6	n.a.	20.2	14.0	11.6
DPS (PLN)	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company data, IPOPEMA Research

Consumer discretionary

Miraculum

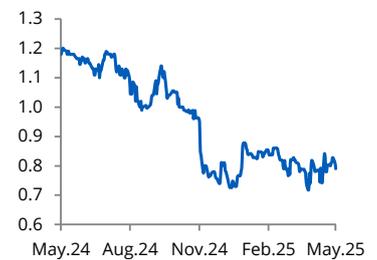
HOLD

FV PLN 0.87 from PLN 0.85

9% upside potential

Price as of 13 May 2024 PLN 0.80

HOLD maintained



Share data

Number of shares (m)	47.5
Market cap (EUR m)	8.8
12M avg daily volume (k)	15.7
12M avg daily turnover (EUR m)	0.003
12M high/low (PLN)	1.44/0.70
WIG weight	0.01
Reuters	MIR.WA
Bloomberg	MIR.PW

Total performance

1M	-3%
3M	-6%
12M	-33%

Shareholders

Marek Kamola	41.95%
Piotr Skowron	9.24%
Jan Załubski	8.14%
Sławomir Ziemiński	5.00%
Other	35.67%

Analyst

Marek Szymański
marek.szymanski@ipopema.pl
+ 48 22 236 94 12

Miraculum

HOLD

FV PLN 0.87

Mkt cap EUR 9m

Upside 9%

Valuation multiples	2023	2024	2025E	2026E	2027E
P/E (x)	n.a.	n.a.	250.9	31.1	21.7
EV/EBITDA (x)	48.6	n.a.	20.2	14.0	11.6
EV/Sales (x)	1.6	1.0	1.0	0.9	0.8
P/BV (x)	2.46	1.20	1.31	1.26	1.19
FCF yield (%)	-2.6%	-6.7%	3.7%	3.0%	3.3%
DY (%)	0.0%	0.0%	0.0%	0.0%	0.0%

Per share	2023	2024	2025E	2026E	2027E
No. of shares (m units)	41.5	47.5	47.5	47.5	47.5
EPS (PLN)	-0.04	-0.08	0.00	0.03	0.04
BVPS (PLN)	0.52	0.61	0.61	0.64	0.67
FCFPS (PLN)	-0.03	-0.05	0.03	0.02	0.03
DPS (PLN)	0.00	0.00	0.00	0.00	0.00

Change y/y (%)	2023	2024	2025E	2026E	2027E
Revenues	9%	1%	6%	7%	5%
EBITDA	223%	n.a.	n.a.	41%	18%
EBIT	n.a.	n.a.	n.a.	83%	29%
Net profit	n.a.	120%	n.a.	708%	43%

Leverage and return	2023	2024	2025E	2026E	2027E
Gross margin (%)	34.4%	33.1%	34.7%	35.8%	36.1%
EBITDA margin (%)	3.3%	-0.8%	4.9%	6.5%	7.2%
EBIT margin (%)	0.8%	-3.2%	2.4%	4.2%	5.1%
Net margin (%)	-3.5%	-7.6%	0.3%	2.3%	3.1%
Net debt / EBITDA (x)	14.0	-36.0	4.8	3.1	2.3
Net debt / Equity (x)	1.00	0.46	0.41	0.35	0.30
Net debt / Assets (x)	0.36	0.22	0.20	0.17	0.15
ROE (%)	-7.5%	-14.3%	0.5%	4.1%	5.6%
ROA (%)	-2.8%	-6.0%	0.3%	2.0%	2.8%
ROIC (%)	0.7%	-2.9%	2.4%	4.5%	5.7%

Assumptions	2023	2024	2025E	2026E	2027E
Revenues (PLNm)	47.1	47.5	50.6	54.1	56.9
Shaving cosmetics	9.7	12.0	14.9	15.6	16.4
Makeup cosmetics	9.6	11.1	11.2	12.0	12.6
Perfumes	12.8	12.7	12.7	14.0	14.7
Body care	1.7	1.2	1.5	1.6	1.8
Face care	6.1	5.7	6.0	6.3	6.6
Other	7.1	4.8	4.3	4.5	4.8

Gross profit (PLNm)	16.2	15.8	17.6	19.4	20.5
Shaving cosmetics	2.6	3.4	4.6	5.0	5.3
Makeup cosmetics	2.9	3.7	4.1	4.6	4.9
Perfumes	5.6	5.2	5.1	5.8	6.1
Body care	0.5	0.4	0.5	0.5	0.6
Face care	2.5	2.1	2.2	2.3	2.5
Other	2.0	0.9	1.1	1.1	1.2

Cash conv. (days)	69	76	57	54	54
Inventory	160	188	169	166	166
Receivables	53	40	40	40	40
Payables	143	152	152	152	152

P&L (PLN m)	2022	2023	2024	2025E	2026E	2027E
Revenues	43.3	47.1	47.5	50.6	54.1	56.9
COGS	-29.6	-30.9	-31.8	-33.1	-34.7	-36.3
Gross profit	13.8	16.2	15.8	17.6	19.4	20.5
Selling costs	-10.4	-10.6	-11.3	-10.8	-11.3	-11.5
G&A costs	-4.7	-5.2	-6.0	-5.5	-5.8	-6.1
Other operating income	1.1	0.3	1.5	0.0	0.0	0.0
Other operating cost	-0.3	-0.2	-1.6	0.0	0.0	0.0
EBITDA	0.5	1.5	-0.4	2.5	3.5	4.1
D&A	1.0	1.2	1.2	1.2	1.2	1.2
EBIT	-0.5	0.4	-1.5	1.2	2.3	2.9
Net financial costs	-0.8	-1.7	-1.3	-1.1	-0.8	-0.7
Pre-tax profit	-1.4	-1.3	-2.8	0.2	1.5	2.2
Income tax	-1.1	-0.3	-0.8	0.0	-0.3	-0.4
Net profit	-2.5	-1.6	-3.6	0.2	1.2	1.8

BALANCE SHEET (PLNm)	2022	2023	2024	2025E	2026E	2027E
Non-current assets	38.5	39.2	38.0	37.9	37.9	38.0
PP&E	1.3	1.1	0.9	0.9	0.8	0.9
RoU assets	1.4	2.4	1.9	2.0	2.0	2.0
Goodwill and intangible assets	33.6	33.5	33.5	33.5	33.5	33.5
Other non-current assets	2.3	2.1	1.6	1.6	1.6	1.6
Current assets	17.7	20.4	21.7	22.4	24.4	26.7
Inventory	13.3	13.5	16.3	15.3	15.8	16.5
Trade receivables	4.4	6.8	5.2	5.6	6.0	6.3
Cash and equivalents	0.0	0.1	0.2	1.6	2.7	4.0
Total assets	56.2	59.6	59.7	60.4	62.3	64.7
Equity	22.1	21.6	28.8	29.0	30.2	32.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Long term liabilities	20.8	5.9	13.9	13.9	13.9	13.9
Financial liabilities	16.3	0.0	8.5	8.5	8.5	8.5
Other	4.6	5.9	5.4	5.4	5.4	5.4
Short term liabilities	13.3	32.0	17.0	17.5	18.2	18.9
Financial liabilities	1.7	19.3	2.6	2.6	2.6	2.6
Trade payables	10.9	12.1	13.3	13.8	14.5	15.2
Other	0.7	0.6	1.1	1.1	1.1	1.1
Equity & liabilities	56.2	59.6	59.7	60.4	62.3	64.7
Gross debt (PLNm)	19.3	21.7	13.4	13.4	13.4	13.4
Net debt (PLNm)	19.3	21.6	13.2	11.8	10.7	9.4

CASH FLOW (PLN m)	2022	2023	2024	2025E	2026E	2027E
Operating cash flow	-0.6	-0.2	-0.9	3.5	3.1	3.3
Net income	-2.5	-1.6	-3.6	0.2	1.2	1.8
D&A	1.0	1.2	1.2	1.1	1.2	1.2
Change in WC	-0.1	-1.4	-0.1	1.2	-0.1	-0.4
Other	0.9	1.6	1.7	1.1	0.8	0.7
Investment cash flow	-0.2	-0.2	-0.1	-0.4	-0.5	-0.6
Change in intangible assets	0.5	0.1	0.0	0.0	0.0	0.0
Change in PP&E	-0.7	-0.3	-0.1	-0.4	-0.5	-0.6
Financial cash flow	0.6	0.6	1.1	-1.7	-1.5	-1.5
Change in equity	1.7	1.2	0.0	0.0	0.0	0.0
Change in debt	0.3	0.3	2.4	0.0	0.0	0.0
Interest cost	-0.7	-0.1	-0.4	-1.1	-0.8	-0.7
Lease payments	-0.7	-0.8	-0.9	-0.7	-0.7	-0.7
Dividend paid	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash	-0.2	0.1	0.0	1.4	1.1	1.3
Cas as of eop	0.0	0.1	0.2	1.6	2.7	4.0

Source: Company data, IPOPEMA Research

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Valuation

We value Miraculum using the discounted cash flow method (100% weight) and add a multiples valuation for presentation purposes only.

Figure 2. Miraculum – Valuation summary

Valuation method	Weight (%)	FV (PLN/share)
DCF valuation	100%	0.87
Peer comparison valuation	0%	1.17
Fair value		0.87
Current price		0.80
Upside/downside (%)		9%

Source: Company, IPOPEMA Research

DCF valuation

We base our DCF valuation on our free cash flow forecasts for 2025-34E. We apply a risk-free rate of 5.5% in terminal (vs. 6.4% previously), equity risk premium of 5.0% (vs. 5.5% previously) and unlevered beta of 1.0x and assume a terminal growth rate of 2.0%.

Figure 3. Miraculum – DCF valuation (PLNm)

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TV
Revenues	50.6	54.1	56.9	59.8	62.9	66.0	69.3	72.8	76.4	80.2	81.9
EBITDA	2.5	3.5	4.1	4.8	5.8	6.5	7.3	8.3	9.4	10.5	10.7
EBIT	1.2	2.3	2.9	3.7	4.5	5.3	6.0	7.0	8.0	9.1	9.3
Tax on EBIT	-0.2	-0.4	-0.6	-0.7	-0.9	-1.0	-1.1	-1.3	-1.5	-1.7	-1.8
NOPAT	1.0	1.8	2.4	3.0	3.7	4.3	4.9	5.7	6.5	7.4	7.5
D&A	1.1	1.2	1.2	1.1	1.3	1.2	1.3	1.3	1.4	1.4	1.4
Change in WC	1.2	-0.1	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.9
Capex	-0.4	-0.5	-0.6	-0.6	-0.5	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7
Lease payments	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.8	-0.8
FCF	2.3	1.7	1.9	2.4	3.3	3.7	4.4	5.2	5.9	6.8	7.4
Discount factor (%)	94%	85%	77%	70%	63%	57%	52%	47%	43%	39%	
FCF PV (PLNm)	2.1	1.5	1.4	1.7	2.1	2.1	2.3	2.4	2.5	2.6	
FCF PV 2025-34E (PLNm)	20.9										
Residual growth rate (%)	2.0%										
Discounted residual value (PLNm)	33.6										
EV (PLNm)	54.5										
Dividend paid (PLNm)	0.0										
Net debt (eop 2024E, PLNm)	13.2										
Share issue (PLNm)	0.0										
Equity value (PLNm)	41.3										
Number of shares (m)	47.5										
FV (PLN)	0.87										

		WACC (%)				
		9.4%	9.9%	10.4%	10.9%	11.4%
Residual growth rate (%)	1.0%	0.87	0.83	0.79	0.76	0.73
	1.5%	0.91	0.87	0.83	0.79	0.76
	2.0%	0.96	0.91	0.87	0.83	0.79
	2.5%	1.02	0.96	0.91	0.87	0.83
	3.0%	1.09	1.02	0.96	0.91	0.87

Source: Company, IPOPEMA Research

Figure 4. Miraculum – WACC calculation

WACC	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TV
RFR	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	1.4	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2
Risk premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Cost of Equity	12.6%	12.5%	12.4%	12.2%	12.1%	11.9%	11.8%	11.7%	11.6%	11.4%	11.6%
Debt risk premium	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
After tax cost of debt	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
% D	31.6%	30.7%	29.5%	28.0%	26.3%	24.6%	22.7%	20.9%	19.1%	17.4%	19.1%
% E	68.4%	69.3%	70.5%	72.0%	73.7%	75.4%	77.3%	79.1%	80.9%	82.6%	80.9%
WACC	10.4%										

Source: Company, IPOPEMA Research

Peer comparison

We present a multiples valuation by comparing Miraculum to retail companies, based on EV/Sales multiples. Due to different business models and product offers, as well as scale of operations, we attach 0% weight to the method.

Figure 5. Miraculum – peer comparison

Company	P/E (x)			EV/EBITDA (x)			EV/Sales (x)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
LPP	12.2	9.9	8.5	6.6	5.3	4.4	1.4	1.1	0.9
CCC	20.2	15.1	12.3	9.1	7.5	6.3	1.6	1.4	1.2
VRG	10.1	10.0	9.8	4.1	3.8	3.6	0.8	0.8	0.7
Wittchen	9.1	8.3	7.9	5.2	4.6	4.4	1.0	1.0	0.9
Pepco	12.2	11.9	11.6	4.2	3.9	3.4	0.6	0.6	0.5
Hugo Boss	12.3	11.0	9.8	4.7	4.2	3.7	1.0	0.9	0.9
Unilever	17.9	16.9	16.1	12.5	11.9	11.3	2.7	2.6	2.5
COTY	14.3	10.0	8.5	7.6	7.1	6.3	1.5	1.5	1.4
Olapex Holdings	22.1	18.8	25.1	10.4	9.1	7.4	2.2	2.1	2.0
Ulta Beauty	17.2	18.0	16.2	11.0	11.3	10.7	1.8	1.7	1.6
Median	13.3	11.5	10.7	7.1	6.2	5.3	1.4	1.2	1.1
Miraculum	250.9	31.1	21.7	20.2	14.0	11.6	1.0	0.9	0.8
Premium/discount (%)	<i>n.m.</i>	171%	102%	185%	126%	117%	-31%	-27%	-21%
Implied FV/share (PLN)	0.0	0.3	0.4	-0.3	0.1	0.2	1.3	1.2	1.1
Average implied FV/share (PLN)*	1.17								

Source: Bloomberg, IPOPEMA Research, *based on EV/Sales multiples

Changes in financial forecasts

Figure 6. Miraculum – changes in financial forecasts (PLNm)

	2025E			2026E			2027E		
	NEW	OLD	change	NEW	OLD	change	NEW	OLD	change
Revenues	50.6	51.3	-1%	54.1	55.1	-2%	56.9	59.1	-4%
COGS	-33.1	-33.5	-1%	-34.7	-35.3	-2%	-36.3	-37.7	-4%
Gross profit	17.6	17.8	-1%	19.4	19.7	-2%	20.5	21.4	-4%
SG&A costs	-16.3	-17.5	-7%	-17.1	-18.1	-5%	-17.6	-18.6	-5%
Selling costs	-10.8	-11.4	-6%	-11.3	-11.7	-3%	-11.5	-11.9	-3%
G&A costs	-5.5	-6.1	-9%	-5.8	-6.4	-9%	-6.1	-6.7	-9%
Other operating profit	0.0	0.0	<i>n.m.</i>	0.0	0.0	<i>n.m.</i>	0.0	0.0	<i>n.m.</i>
Other operating costs	0.0	0.0	<i>n.m.</i>	0.0	0.0	<i>n.m.</i>	0.0	0.0	<i>n.m.</i>
EBITDA	2.5	1.6	56%	3.5	2.8	23%	4.1	4.0	2%
D&A	1.2	1.3	-5%	1.2	1.2	5%	1.2	1.3	-5%
EBIT	1.2	0.3	333%	2.3	1.7	35%	2.9	2.8	5%
Net financial costs	-1.1	-0.8	39%	-0.8	-0.8	1%	-0.7	-0.7	1%
Pre-tax profit	0.2	-0.5	<i>n.m.</i>	1.5	0.9	63%	2.2	2.0	6%
Income tax	0.0	0.1	-140%	-0.3	-0.2	63%	-0.4	-0.4	6%
Net profit	0.2	-0.4	<i>n.m.</i>	1.2	0.7	63%	1.8	1.7	6%
<i>gross margin (%)</i>	<i>34.7%</i>	<i>34.7%</i>	-	<i>35.8%</i>	<i>35.8%</i>	-	<i>36.1%</i>	<i>36.2%</i>	-
<i>EBITDA margin (%)</i>	<i>4.9%</i>	<i>3.1%</i>	-	<i>6.5%</i>	<i>5.1%</i>	-	<i>7.2%</i>	<i>6.8%</i>	-

Source: Company, IPOPEMA Research

2025E forecasts. Miraculum reported flat y/y revenues in 2024 given a strong decline in export sales and despite improvement of sales in Poland. The company has already reported that revenues in 1Q25E came in at PLN 15.0m (+17% y/y); however, we assume only gradual recovery of export in 2025E. As a result, we trim our revenue forecast to PLN 50.6m. At the same time, given ongoing optimization of inventory, we maintain our gross margin expectation unchanged, while we reduce SG&A forecasts by 7% y/y, mainly in personnel costs. As a result, we increase our EBITDA forecast from PLN 1.6m to PLN 2.5m and net loss PLN 0.4m to net profit PLN 0.2m in 2025E.

2026E forecasts. Following more conservative expectations on export sales, we trim our revenue forecast by 2% to PLN 54.1m (+7% y/y), while maintaining our expectation of a gross margin of 35.8% (+1.1pp y/y on a healthier structure of inventory and lower y/y markdowns). As we expect that Miraculum will maintain cost discipline, we upgrade our forecasts to PLN 3.5m at the EBITDA level and PLN 1.2m at the net profit level (vs. previous PLN 2.8m and 0.7m, respectively).

Figure 7. Miraculum – quarterly revenues (PLNm)

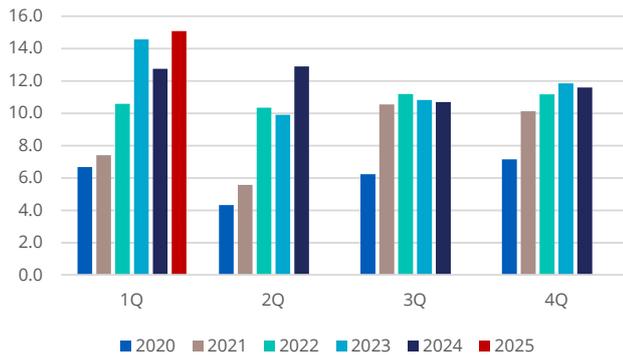


Figure 8. Miraculum – cumulative quarterly revenues (PLNm)

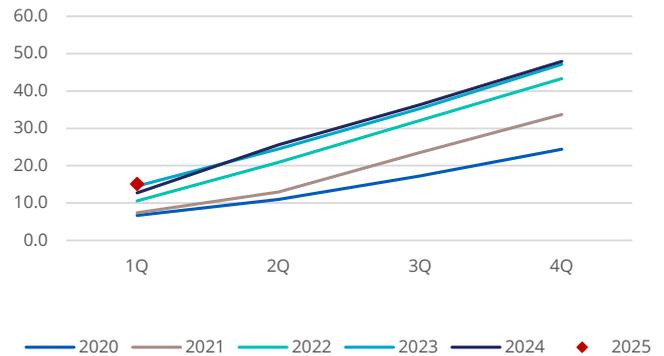


Figure 9. Miraculum – revenues forecast by segments (PLNm)

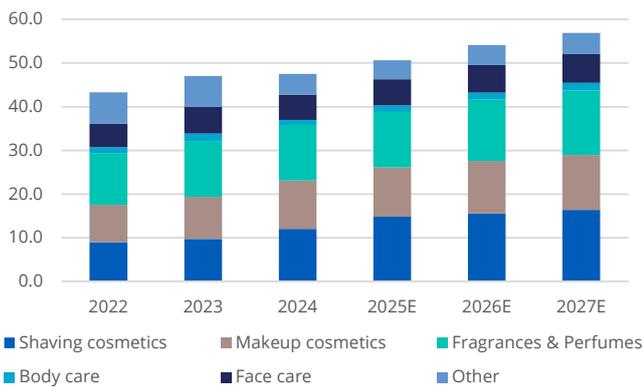


Figure 10. Miraculum – operating costs assumptions (PLNm)

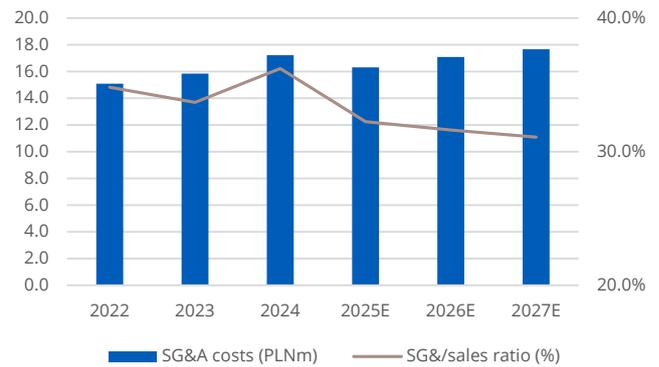


Figure 11. Miraculum – EBITDA forecast (PLNm)

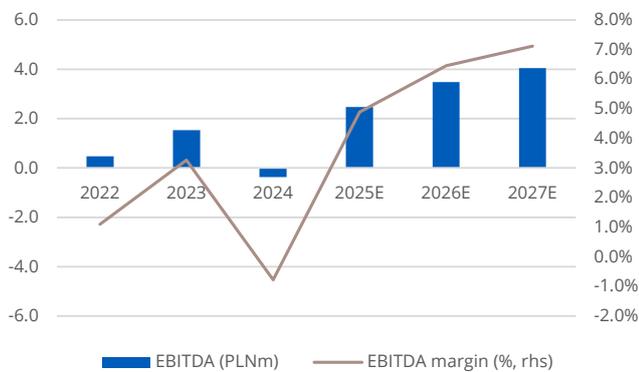


Figure 12. Miraculum – Net profit forecast (PLNm)

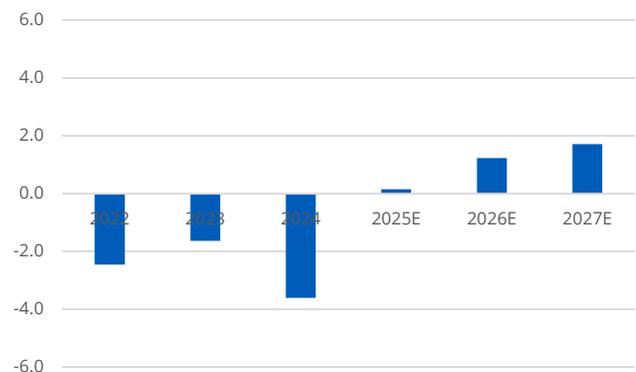


Figure 13. Miraculum – cash conversion cycle (days)

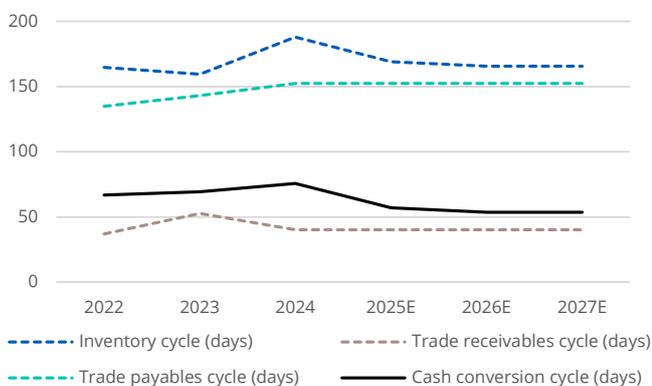
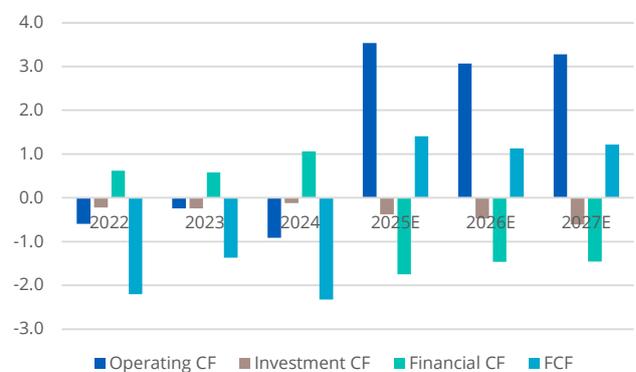


Figure 14. Miraculum – cash flows forecast (PLNm)



Source: Company, IPOPEMA Research

1Q25E results preview

Miraculum is due to report its 1Q25E results on 16 May 2025.

We expect Miraculum to report EBITDA at a comparable y/y level, driven by y/y growth of revenues and deterioration of the gross margin related to optimization of inventory structure. Below please find key highlights:

- **Revenues.** Miraculum has already reported revenues of PLN 15.0m in 1Q25 (+17% y/y) driven by a 25% y/y increase in January and positive growth rates in February and March. The company pointed out that export sales remain under pressure, while the modern sales channel is performing well.
- **Gross profit.** We expect that the company continued optimization of its inventory structure and sell-off of unprofitable products. As a result, we estimate gross profit of PLN 5.1m (+3% y/y), implying a gross margin of 34.3% (-4.5pp y/y).
- **EBITDA.** We assume the company will keep SG&A costs under control resulting in SG&A costs of PLN 4.4m (+5% y/y) and SG&A/sales ratio of 29.4% (vs. 32.7% in the previous year). As a result, we forecast EBITDA of PLN 1.0m (flat y/y) and EBIT of PLN 0.7m (comparable y/y).
- **Net profit.** At the bottom line, we estimate profit of PLN 0.35m, assuming net financial costs of PLN 0.3m.

Figure 15. Miraculum results summary (PLNm)

MIR PW (PLNm)	1Q24	2Q24	3Q24	4Q24	1Q25E	y/y	q/q
Revenues	12.78	12.87	10.29	11.57	14.96	17%	29%
COGS	-7.83	-8.66	-7.04	-8.24	-9.83	26%	19%
Gross profit	4.96	4.21	3.26	3.33	5.13	3%	54%
SG&A costs	-4.18	-4.40	-4.46	-4.18	-4.39	5%	5%
Selling costs	-2.86	-2.93	-2.79	-2.69	-3.00	5%	11%
G&A costs	-1.33	-1.47	-1.67	-1.49	-1.39	5%	-7%
Other operating profit/cost	-0.01	0.03	-0.09	0.00	0.00	n.m.	n.m.
EBITDA	1.05	0.12	-0.99	-0.55	1.04	-1%	n.m.
D&A	0.29	0.28	0.31	0.30	0.30	6%	1%
EBIT	0.76	-0.16	-1.30	-0.85	0.73	-4%	n.m.
Net financial costs	-0.50	-0.21	-0.31	-0.23	-0.30	n.m.	n.m.
Pre-tax profit	0.26	-0.37	-1.60	-1.09	0.43	66%	n.m.
Income tax	-0.25	-0.04	-0.12	-0.39	-0.08	n.m.	n.m.
Net profit	0.01	-0.41	-1.72	-1.48	0.35	n.m.	n.m.
<i>Gross margin (%)</i>	<i>38.8%</i>	<i>32.7%</i>	<i>31.6%</i>	<i>28.8%</i>	<i>34.3%</i>	-	-
<i>SG&A/sales ratio (%)</i>	<i>32.7%</i>	<i>34.2%</i>	<i>43.3%</i>	<i>36.1%</i>	<i>29.4%</i>	-	-

Source: Company, IPOPEMA Research

Risk factors

The major risk factors for our forecasts and valuation are as follows:

- **Risk related to a high level of debt.** As of end-2024, Miraculum held a net debt of PLN 13.2m, while it generated negative EBITDA in 2024. Although our forecasts imply positive FCFs starting from 2025E, we note that the high level of debt might still limit potential development of operations and remains a risk factor.
- **Risk related to consumer purchasing power.** Consumer sentiment is highly correlated to the level of inflation, as well as the labour market (unemployment rates, wages), and any pressure on the consumer's purchasing power may result in reduced spending on cosmetics or changes in consumer habits.
- **Risk related to the competitive environment.** The cosmetics market is highly fragmented and highly competitive. According to Cosmetics Europe, there are over 7k small and medium-sized enterprises in Europe operating as cosmetics producers (including over 700 companies in Poland). Stronger competition may not only affect the company's pricing policy, but also affect the availability and/or cost of raw materials, and potentially higher marketing costs.
- **Risk related to cost of raw materials and changes in agreements with suppliers.** The company offers cosmetics and perfumes with its production outsourced to partners (over 30% of goods are supplied by two suppliers not related to the company). The cost of products can be affected by higher raw material costs, adjustment to legal regulations and exchange rates. The company's gross margin is related to its negotiations with suppliers, as well as clients (including drug stores and discount stores).
- **Risk related to research and development.** The competitive pressure results in a need to invest in research and development of new and existing cosmetics.
- **Risk related to FX rates.** The company has exposure to FX rates (mainly USD and EUR), due to sales on foreign markets as well as some costs being carried out in foreign currencies. The company does not engage in hedging activities.

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LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

NPL – non-performing loan – loans that are in default or close to be in default.

Cost/Income – operating expenses divided by total banking revenue.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR – compound annual growth rate.

BVPS – book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV – price to book value - price divided by the BVPS.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding.

DY – dividend yield – dividend of a given year divided by the current price.

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	Number	%
Buy	13	81%
Hold	2	13%
Sell	1	6%
Total	16	100%

Rating History – Miraculum

Date	Recommendation	F V	Price at recommendation	Author
22.09.2023	HOLD	PLN 1.25	PLN 1.33	Marek Szymański
09.02.2024	HOLD	PLN 1.35	PLN 1.36	Marek Szymański
28.06.2024	HOLD	PLN 1.20	PLN 1.11	Marek Szymański
19.12.2024	HOLD	PLN 0.85	PLN 0.78	Marek Szymański
14.05.2025	HOLD	PLN 0.87	PLN 0.80	Marek Szymański