

# Pointpack

## P2A: Only partially sweet fruit

We expect Pointpack to experience significant changes in 2023E, with the recognition of a substantial part of the P2A contract with Polish Post in the firm's financial consolidated results, effectively boosting revenues, EBITDA and the bottom line. The uptick is likely to look spectacular on a y/y nominal basis (as well as on standalone 2023E multiples with 2023E EV/EBITDA at 1.0x) and may attract some attention. However, we expect the overall effect to be quite limited (we estimate the total NPV of the P2A deal at only PLN 0.5m). Due to elevated costs in 2022E we have cut our net profit forecast to PLN 3.5m (-43% y/y) for 2022E. On the other hand, we have increased our net profit forecasts to PLN 11.0m for 2023E and PLN 10.2m for 2024E (up from PLN 8.5m and PLN 9.5m previously). Our base-case scenario does not assume an extension of the P2A contract with Polish Post, hence we still expect to see the first dividend in 2024E and we have increased our 2024E DPS forecast to PLN 9.86ps (DY of 30.9%), up from PLN 7.60ps previously. Moreover, we highlight the end of the pilot program between Zabka and InPost, which we believe dispels the risks related to InPost's entrance to the PUDO segment. With our positive outlook on the core business, we maintain a BUY rating and set our FV at PLN 65.00ps (vs. PLN 55.00ps previously), which implies 104% upside. On our forecasts, Pointpack trades at a P/E of 3.2x/3.5x for 2023E/2024E.

**Two sides of the P2A coin.** The contribution from P2A to Pointpack's 2023E results look astonishingly strong: we estimate the P2A's revenues at PLN 131.9m and EBITDA at PLN 14.4m next year (after some delays from 2022E). We think P2A's contribution should be considered in a broader context, namely: 1) the effective price paid for a 51% stake (i.e. PLN 10m paid to one of P2A's stakeholders for bonds issued by P2A on top of an immaterial few PLN k for equity); 2) Pointpack's roughly 51% stake in P2A, which means that consolidated EBITDA is not the best proxy for the project's results attributed to Pointpack; there is also the consideration of dividend payments to P2A's minority stakeholders; and 3) the surprisingly high cost of financing (i.e. a fixed 15% on loans drawn by Pointpack). In total, we estimate the P2A project's NPV (excluding working capital changes) for Pointpack at only PLN 0.5m, assuming no extension of the contract with Polish Post; this fades in comparison with our forecast for the P2A project's consolidated EBITDA at PLN 14.4m for 2023E.

**Improving trend of parcel volumes is a good sign.** The volume of parcels handled by PUDO points within Pointpack's network amounted to 6.8m in 3Q22, which implies +37% growth in the period versus +29%/+11% y/y in 2Q22/1Q22 (1Q22 was not fully comparable as it was negatively affected by the Russian invasion of Ukraine). Pointpack's CEO noted recently that he expects to see record volumes in 4Q22E, which should also translate into a decent y/y dynamic. With the slight slowdown in the macro environment, we would be positive about any potential improvement in the dynamics.

Figure 1. Pointpack – Financial summary (PLN m)

PLN m	2020	2021	2022E	2023E	2024E	2025E
Revenues	38.5	49.4	61.0	205.6	109.0	127.8
EBITDA	6.7	7.6	6.2	22.8	15.4	16.9
EBIT	6.3	7.1	5.1	21.8	14.3	15.7
Net profit	5.1	6.0	3.5	11.0	10.2	11.3
EPS (PLN)	4.52	5.41	3.09	9.86	9.15	10.11
DPS (PLN)	0.00	0.00	0.00	0.00	9.86	9.15
EV/EBITDA (x)	10.5	8.1	9.7	1.0	2.4	2.4
P/E (x)	15.2	11.8	10.3	3.2	3.5	3.2

Source: Company, IPOPEMA Research

E-commerce

## Pointpack

### BUY

FV PLN 65.0 from PLN 55.0

104% upside

Price as of 8 December 2022 PLN 31.90

Maintained



#### Share data

Number of shares (m)	1.1
Market cap (EUR m)	7.6
12M avg daily volume (k)	1.4
12M avg daily turnover (EUR m)	0.01
12M high/low (PLN)	64.00/25.00
WIG weight (%)	na
Reuters	PNT.P.WA
Bloomberg	PNT.PW

#### Total performance

1M	-6.2%
3M	13.9%
12M	-44.0%

#### Shareholders

Mr Marek Piosik	19.7%
Mr Krzysztof Konwisarz	13.0%
Santander TFI	8.0%
Quercus TFI	5.9%
Insignis TFI	5.0%
Others	48.4%

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The definitions of terms used in the document include:

NII – Net interest income – interest income minus interest expense.

Net F&C – Net fee and commission income – fee and commission income minus fee and commission expense.

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.

DDM – dividend discount model – a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV – Fair Value, calculated based on valuation methods outlined in the document.

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#### IPOPEMA Research - Distribution by rating category (1 June – 30 September 2022)

	Number	%
Buy	29	44%
Hold	20	30%
Sell	17	26%
Total	66	100%

#### Rating History – Pointpack

Date	Recommendation	Fair Value	Price at recommendation	Author
07/09/2021	BUY	PLN 125.00	PLN 69.00	Marcin Nowak Zuzanna Barzyk
13/12/2022	BUY	PLN 115.00	PLN 59.40	Marcin Nowak Zuzanna Barzyk
11/05/2022	BUY	PLN 60.00	PLN 40.00	Marcin Nowak
04/07/2022	BUY	PLN 55.00	PLN 38.30	Marcin Nowak
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