

Pekabex

1Q20E Results Preview

Pekabex is expected to publish its 1Q20 results on 21 May 2020.

- We expect net income to come in at PLN 9.5m, down 26.4% y/y.
- The company has already reported a rise in production volumes of 61.5% y/y to 45,900 cubic metres. We expect the average realized price to stay flat on a q/q basis to close to PLN 2,800/m3.
- Overall, we expect revenue of PLN 190.9m, up 5.6% y/y but up -21.5% q/q.
- We expect the cost base to grow by just 6.0% q/q to PLN 160.9m. We expect SG&A's to fall by 18.7%/y/y.
- Taking the abovementioned factors into consideration, we estimate EBITDA to come in at PLN 15.7m for the quarter, up +26.4% y/y.

Figure 1. Pekabex 1Q20E results preview

	1Q19	4Q19E	1Q20E	y/y	q/q
Sales	180.8	243.3	190.9	5.6%	-21.5%
Cost of goods & products sold	-151.8	-212.4	-160.9	6.0%	-24.2%
Gross profit	29.0	30.9	30.0	3.5%	-2.9%
SG&A	-20.9	-21.5	-17.0	-18.7%	-20.9%
Other operating activity net	0.5	3.8	-1.3	na	na
EBIT	8.5	13.2	11.7	37.2%	-11.4%
prefabrication contracts	9.2	15.4	10.7	16.9%	-30.2%
construction services contract	5.2	3.2	0.6	-88.4%	-81.5%
production services	1.2	0.5	1.4	10.8%	na
real estate projects	0.0	0.2	0.0	na	na
other	0.5	0.0	0.1	-78.7%	na
consolidation corrections	-7.5	-6.1	-1.1	-85.4%	-81.9%
Net financial activity	0.3	-1.3	-0.4	na	-70.1%
Pre-tax profit	8.8	11.9	11.3	28.5%	-4.8%
Tax	-1.9	-1.9	-2.1	10.2%	15.0%
Net income	6.8	10.0	9.1	33.7%	-8.5%
EBITDA	12.4	17.3	15.7	26.4%	-9.5%

Source: Company, IPOPEMA Research

Construction

Pekabex

SELL

FV PLN 6.00

36.7% downside

Price as of 20 May 2020 PLN 9.50

Analyst

Robert Maj
 robert.maj@ipopema.pl
 + 48 22 236 92 90

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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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Number	%
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Buy	18	58%
Hold	10	32%
Sell	3	10%
Total	31	100%

Rating History – Pekabex

Date	Recommendation	Fair Value	Price at recommendation	Author
05/08/2019	HOLD	PLN 9.27	PLN 9.90	Robert Maj Mateusz Tront
06.04.2020	SELL	PLN 6.00	PLN 6.98	Robert Maj