

Pointpack

4Q22 Results Review

Opinion: Mixed, as stronger underlying volumes (we estimate 4Q22 volume of parcels at ca. +45% y/y) are coupled with higher costs that drove nominally small miss on EBITDA to PLN 1.7m vs. our expectations. We consider potential delays in P2A contract and surprisingly high up to PLN 13m CAPEX comment for 2023E as negative catalysts.

Overall, we find Pointpack's reported 4Q22 results as mixed, as superb underlying parcels volume (we estimate ca. +45% y/y dynamic for 4Q22, vs. only ca. +37% y/y anticipated by us) has not translated into beat on EBITDA (it arrived at PLN 1.70m, below our PLN 1.87m forecast on higher costs). In our view also small nominal beat on the bottom line (PLN 1.02m vs. PLN 0.90m forecast) is not price moving, as was mainly driven by recognising surprising PLN 0.49m FX gain (we did not expect any).

We think that decent top line / volumes picture is overshadowed by both comment regarding potential delays in the P2A's contract with Polish Post, as well as quite large 2023E CAPEX guidance (which materially exceeds our assumptions in maximum scenario, even adjusting by potential delays for 2022).

Volumes. Pointpack noted that in full 2022 the total volume handled grew by over 32% (despite decline y/y in number of PUDO points to 16.5k as of end-4Q22 from 17.5k year ago), which based on 1-3Q22 dynamics implies on our estimate decent ca. 8.8m parcels in 4Q22 only (ca. +45% y/y, above our flat q/q assumptions of ca. +37% y/y), which we find positively.

P2A update. We note that in 2Q22 Pointpack has started to consolidate results of P2A (in which has 51%), its recent acquisition that has a contract with the Polish Post for delivery of APMs. In a comment management noted that due delays part of planned revenues from P2A deal with the Polish Post may be postponed till 2024E (no additional details were provided), which we find as uninspiring. In whole 2022 PNT recognised PLN -0.53m EBITDA and no revenues attributed to P2A.

Revenues. Final 4Q22 revenues amounted to PLN 19.40m (+34% y/y, +28% q/q) and were in-line with reported preliminary revenues of PLN 19.41m. We note that no revenues were recognised from either P2A contract (we assumed PLN 1.3m) or goods sold (vs. PLN 0.18m in 4Q22), hence the revenues from underlying business were above our assumptions.

EBITDA. 4Q22 EBITDA arrived at PLN 1.70m (-16% y/y, +30% q/q) and was 9% below our forecast of PLN 1.87m mainly due to a bit higher external services costs (PLN 15.45m vs. PLN 15.24m assumed by us. A bit higher recognised salaries (with social security, total PLN 2.19m vs. PLN 2.07m assumed by us) were offset by higher net operating income of PLN 0.06m vs. assumed by us PLN -0.08m. Other costs lines were broadly in-line with expectations.

EBIT. EBIT arrived at PLN 1.22m (-36% y/y, +43% q/q), as D&A expanded the difference from EBITDA level.

Net profit. The bottom line amounted to PLN 1.02m (-39% y/y, +212% q/q) and was above our PLN 0.90m forecast despite lower EBIT, as PNT recognised PLN 0.49m positive FX gain and interests costs were below our forecast (PLN -0.36m vs. PLN -0.56m assumed by us). Moreover, recognised tax item was higher than we expected (PLN -0.32m vs. PLN -0.18m assumed by us).

E-commerce

Pointpack

BUY

FV PLN 65.00

48% upside

Price as of 21 March 2023 PLN 43.80

Analyst

Marcin Nowak
marcin.nowak@ipopema.pl
+ 48 22 236 92 44

Net debt. Net debt as of 31 December 2022 amounted to PLN 13.6m, with LTM ND/EBITDA ratio at 2.2x. We note that within debt there are still PLN 5.5m loans at 15% fixed yield that have been borrowed in 3Q22, as well new EUR 0.52m loan at 13.5% appeared.

Cash flow. The quarterly net operating cash flow arrived at PLN -0.9m (vs. PLN 5.4m year ago) bring driven by significant WC needs related to P2A contract.

CAPEX. 4Q22 CAPEX amounted to PLN -4.6m, while in 2023E PNT plans to spend up to PLN 13m on CAPEX (including in it undetailed amount on R&D projects), which we consider as surprisingly high level vs. our expectations.

Figure 1. Pointpack's 4Q22 results summary

P&L (PLN m)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	Y/Y	Q/Q	IPOP 4Q22E	Act vs. IPOP
Revenues	9.01	9.60	8.72	11.16	10.68	12.09	12.15	14.44	12.24	14.93	15.16	19.40	34%	28%	19.41	0%
Operating expenses	-7.58	-7.67	-7.07	-9.73	-9.01	-10.34	-10.21	-12.39	-10.91	-13.76	-14.45	-18.24	47%	26%		
D&A	-0.10	-0.10	-0.09	-0.11	-0.09	-0.14	-0.09	-0.13	-0.18	-0.39	-0.45	-0.48	267%	7%		
Materials and energy	-0.01	-0.01	-0.01	-0.04	-0.01	-0.02	-0.04	-0.02	-0.02	-0.04	-0.06	-0.07	226%	7%		
External service	-7.15	-7.15	-6.57	-9.09	-8.38	-9.59	-9.42	-11.14	-9.00	-11.62	-12.01	-15.45	39%	29%		
Taxes and fees	-0.01	-0.01	-0.01	0.00	-0.01	-0.01	-0.02	-0.02	-0.01	-0.01	-0.01	-0.02	-9%	81%		
Employee salaries	-0.28	-0.32	-0.35	-0.40	-0.42	-0.51	-0.53	-0.73	-0.94	-1.42	-1.59	-1.88	157%	18%		
Social security	-0.03	-0.04	-0.04	-0.05	-0.08	-0.07	-0.09	-0.10	-0.14	-0.22	-0.26	-0.31	200%	19%		
Other	0.00	-0.03	0.00	-0.04	-0.01	-0.01	-0.03	-0.06	-0.02	-0.07	-0.07	-0.04	-28%	-40%		
Cost of goods sold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.18	-0.61	0.00	0.00	0.00	-101%	-316%		
Gross profit on sales	1.43	1.93	1.65	1.43	1.68	1.75	1.94	2.05	1.32	1.17	0.71	1.15	-44%	63%		
Other operating revenues	0.00	0.08	0.02	0.06	0.02	0.07	-0.04	0.00	0.08	0.27	0.27	0.24	nm	-10%		
Other operating costs	-0.07	-0.09	-0.12	-0.04	-0.06	-0.05	-0.06	-0.16	-0.03	-0.07	-0.13	-0.18	17%	41%		
EBITDA	1.47	2.02	1.64	1.57	1.72	1.91	1.93	2.03	1.55	1.76	1.30	1.70	-16%	30%	1.87	-9%
EBIT	1.36	1.92	1.55	1.46	1.63	1.78	1.84	1.89	1.37	1.37	0.85	1.22	-36%	43%	1.47	-17%
Finance income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.49	nm	nm		
Finance costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	-0.20	-0.37	nm	85%		
Goodwill write-off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	-0.01				
Pretax profit	1.37	1.92	1.55	1.45	1.63	1.78	1.84	1.89	1.37	1.34	0.65	1.34	-29%	105%		
Income tax	-0.31	-0.31	-0.29	-0.33	-0.35	-0.29	-0.22	-0.23	-0.26	-0.34	-0.26	-0.32	40%	21%		
Minorities (gain)/loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	-0.06	0.00				
Net profit	1.06	1.61	1.26	1.13	1.27	1.49	1.62	1.67	1.11	1.06	0.33	1.02	-39%	212%	0.90	14%
EBITDA margin (%)	16.3%	21.0%	18.8%	14.0%	16.1%	15.8%	15.9%	14.0%	12.7%	11.8%	8.6%	8.7%				
EBIT margin (%)	15.1%	20.0%	17.8%	13.1%	15.2%	14.7%	15.2%	13.1%	11.2%	9.2%	5.6%	6.3%				
Net profit margin (%)	11.8%	16.7%	14.5%	10.1%	11.9%	12.3%	13.3%	11.5%	9.0%	7.1%	2.2%	5.2%				
Net debt	-3.92	-4.77	-5.80	-6.33	-9.06	-4.18	-5.08	-10.40	-10.62	-2.61	6.98	13.61	-231%	95%		
ND/EBITDA (x)	-0.6	-0.7	-0.8	-0.9	-1.3	-0.6	-0.7	-1.4	-1.4	-0.4	1.1	2.2				
Operating cash flow	3.80	1.49	1.06	0.01	3.30	-3.87	1.91	5.38	0.64	-6.23	-8.32	-0.87	-116%	-90%		
Net profit	1.06	1.61	1.26	1.13	1.27	1.49	1.62	1.67	1.11	1.06	0.33	1.02	-39%	212%		
Change in WC	2.30	-0.44	-0.16	-0.43	1.71	-5.66	0.97	4.49	-0.03	-7.82	-7.72	-3.78	-184%	-51%		
Other	0.44	0.32	-0.04	-0.68	0.32	0.31	-0.68	-0.79	-0.43	0.52	-0.93	1.90	-342%	-304%		
Investment cash flow	-0.47	-0.64	-0.03	-1.24	-1.05	-1.03	-1.47	-0.52	-0.50	-1.31	-0.84	-4.61	794%	447%		
CAPEX	-0.48	-0.13	0.05	-1.84	-1.05	-1.03	-1.47	-0.52	-0.50	-1.31	-0.84	-4.61	794%	447%		
Other	0.00	-0.51	-0.08	0.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	na	na		
Financial cash flow	0.00	0.00	0.00	1.77	0.48	0.02	0.45	0.46	0.07	0.03	6.54	5.53	1093%	-15%		

Source: Company, IPOPEMA Research

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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	%
Buy	58	75%
Hold	16	21%
Sell	3	4%
Total	77	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
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