

Pointpack

Tougher times ahead

As Pointpack does not operate in a vacuum, it will also be negatively affected by a slowdown on the Polish e-commerce market driven mainly by Russian aggression in Ukraine and the worsening macroeconomic situation. The already published preliminary 1Q22E revenues estimate of PLN 12.1m, which implies only +14% y/y top line growth, signals some weakness. On top of that, there is another uncertainty factor concerning InPost's cooperation with the Zabka network announced earlier this year, which may become a problematic issue for the company and negatively affect future volumes. Yet, despite all those risks, we still expect Pointpack to expand (due to having a larger network y/y on average in 2022E and slow improvement in couriers' effectiveness), but at a much slower pace than we had earlier anticipated. Consequently, we trim our 2022E/2023E revenue forecasts by 16%/14% to PLN 59.5m/74.4m, respectively, while our net profit forecasts are cut by 14%/25% to PLN 6.4m/7.0m, respectively. Moreover, we are cautiously approaching the company's intention to spend up to PLN 6m on an APM pilot in 2022E, as in our view allocating this cash to other uses may be more beneficial for shareholders. All-in-all, following weaker expected results and change in cost of capital in recent months we shave our FV to PLN 60.00ps (from PLN 115.00ps earlier), which implies 50% upside and a BUY rating. On our forecasts, Pointpack trades at a P/E of 6.9x for 2022E and 6.4x for 2023E.

APM will tie up cash after all

Pointpack announced in 2021's statement that it intends to spend up to PLN 6m on an APM pilot program in 2022E and up to PLN 3m on IT integrations. In our view, these planned outlays are quite large in relation to PNT's results (though PNT has enough cash to finance them) and will result in a delay in payment of dividends which we have anticipated (or lack thereof if the APM program is continued beyond 2022E). We assume additional CAPEX on APM and IT integrations for 2022E at PLN 7.5m in total (and no further additional spending), which consequently leads to a cut in our 2022E/2023E dividend forecast to respectively PLN 0.00ps/2.88ps from PLN 1.09ps/6.72ps assumed earlier.

1Q22E results preview

In 1Q22E Pointpack was affected by a slowdown in volumes following the impact from Russian aggression against Ukraine (which according to InPost lowered e-commerce volumes by ca. 30-40% during the first week, InPost estimated +15% growth of volumes on the market in 1Q22), which contributed to reporting of only +14% y/y growth in 1Q22E's revenue est. at PLN 12.1m. We consider such a dynamic as weak, even adjusted for a potential war impact and lost contract with Philip Morris, as it is visibly below growth of the PUDO network (we expect the PUDO network to reach as of end-1Q22 18.4k units and be ca. 100% higher y/y). Hence, with an increasing cost base, we forecast a y/y net profit decline of 10% to PLN 1.2m in 1Q22E.

Figure 1. Pointpack – Financial summary (PLN m)

PLN m	2019	2020	2021	2022E	2023E	2024E
Revenues	27.1	38.5	49.4	59.5	74.4	89.8
EBITDA	5.3	6.7	7.6	8.9	10.2	12.1
EBIT	5.1	6.3	7.1	8.1	8.8	10.7
Net profit	4.1	5.1	6.0	6.4	7.0	8.6
EPS (PLN)	3.69	4.52	5.41	5.76	6.28	7.67
DPS (PLN)	0.00	0.00	0.00	0.00	2.88	6.28
EV/EBITDA (x)	10.1	10.5	8.1	4.1	3.3	2.6
P/E (x)	13.0	15.2	11.8	6.9	6.4	5.2

Source: Company, IPOPEMA Research

E-commerce

Pointpack

BUY

FV PLN 60.0 from PLN 115.0

50% upside

Price as of 10 May 2022 PLN 40.00

Maintained



Share data

Number of shares (m)	1.1
Market cap (EUR m)	9.6
12M avg daily volume (k)	3.3
12M avg daily turnover (EUR m)	0.04
12M high/low (PLN)	82.80/28.20
WIG weight (%)	na
Reuters	PNTP.WA
Bloomberg	PNT PW

Total performance

1M	-2.2%
3M	-5.9%
12M	-47.2%

Shareholders

Mr Marek Piosik	19.7%
Mr Krzysztof Konwisarz	13.0%
Santander TFI	8.0%
Quercus TFI	6.1%
Insignis TFI	5.0%
Others	48.2%

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1Q22E preview

Pointpack is going to publish 1Q22E report on 14 May 2022.

Opinion: We consider reported already by Pointpack only +14% y/y growth in 1Q22E's revenue estimate (to PLN 12.1m) as weak as it is visibly below growth of the PUDO network, even adjusted for a potential sentiment impact and initial effects of Russian aggression against Ukraine on broad e-commerce volumes, as well as lost contract with Philip Morris. We note that despite network's growth Pointpack's revenues dynamics are close to estimated by InPost +15% growth of volumes on the market in 1Q22.

Network update. We expect the PUDO network to reach as of end-1Q22 18.4k units and be ca. 100% higher y/y.

Revenues. The company already provided 1Q22E revenues estimate of PLN 12.2m (+14% y/y, -16% q/q), which we consider as a disappointment.

EBITDA. We expect an increase in the fixed cost base, which should consume the y/y growth in the top line. We forecast 1Q22E EBITDA at PLN 1.6m (-8% y/y and -22% q/q).

Net profit. We forecast net profit at PLN 1.2m (-10% y/y and -31% q/q).

Figure 5. Pointpack's 1Q22E preview (PLN m)

PLN m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22E	Y/Y	Q/Q	Prel. 1Q22E
Revenues	3.7	6.1	7.3	10.0	9.0	9.6	8.7	11.2	10.7	12.1	12.2	14.4	12.1	14%	-16%	12.1
EBITDA	0.6	1.2	1.3	2.2	1.5	2.0	1.6	1.6	1.7	1.9	1.9	2.0	1.6	-8%	-22%	
EBIT	0.6	1.1	1.3	2.1	1.4	1.9	1.6	1.5	1.6	1.8	1.8	1.9	1.4	-12%	-24%	
Net profit	0.5	0.9	1.0	1.8	1.1	1.6	1.3	1.1	1.3	1.5	1.6	1.7	1.2	-10%	-31%	
EBITDA margin	16.0%	19.4%	18.2%	21.8%	16.3%	21.0%	18.8%	14.0%	16.1%	15.8%	15.9%	14.0%	13.0%			
EBIT margin	15.3%	18.6%	17.5%	21.4%	15.1%	20.0%	17.8%	13.1%	15.2%	14.7%	15.2%	13.1%	11.9%			
Net profit margin	12.8%	14.8%	13.4%	17.8%	11.8%	16.7%	14.5%	10.1%	11.9%	12.3%	13.3%	11.5%	9.5%			

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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Rating	Difference between FV and price at recommendation
Buy	Above 10%
Hold	In between (and including) -10% and 10%
Sell	Below -10%

IPOPEMA Research - Distribution by rating category (January 1 – March 31, 2022)

	Number	%
Buy	12	71%
Hold	3	18%
Sell	2	12%
Total	17	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
13/12/2021	BUY	PLN 115.00	PLN 59.40	Marcin Nowak Zuzanna Barzyk
11/05/2022	BUY	PLN 60.00	PLN 40.00	Marcin Nowak