

SFD

3Q21 preview

SFD is due to publish its 3Q21 results on 15 November 2021.

Opinion: We expect SFD to report neutral set of numbers in 3Q21E with EBIT of PLN 3.7m and net profit of PLN 2.9m. Although the company has already reported sound improvement of revenues (up by 19% y/y in 3Q21), we assume pressure on cost side resulting in slight deterioration of operating margin.

SFD has already reported revenues of PLN 59.8m in 3Q21E (+19% y/y), including PLN 16.6m in July (+3% y/y), PLN 19.9m in August (+35% y/y) and PLN 23m in September (+21% y/y). We assume the company to report slight q/q improvement of gross margin (from 36.6% in 2Q21 to 37.4% in 3Q21), however we assume also slight pressure on cost side (especially cost of goods sold and external services). Given the above-mentioned, we forecast operating profit of PLN 3.7m (-2% y/y and -9% q/q) and net profit of PLN 2.9m (-3% y/y and -9% q/q).

Figure 1. SFD results summary (PLNm)

	3Q20	4Q20	1Q21	2Q21	3Q21E	y/y	q/q
Revenues	50.1	48.9	64.7	59.5	59.8	19%	0%
Operating costs	-46.4	-45.9	-57.7	-55.3	-56.0	21%	1%
Cost of materials and energy	-19.8	-23.4	-30.8	-29.5	-29.2	47%	-1%
External services	-7.9	-8.1	-10.2	-9.5	-9.8	25%	3%
Salaries	-4.7	-4.8	-5.2	-6.0	-6.2	33%	4%
Cost of goods sold	-12.6	-8.1	-9.6	-8.2	-8.8	-31%	7%
Other	-1.3	-1.5	-2.1	-2.2	-2.1	59%	-4%
EBITDA	4.2	3.5	7.4	4.7	4.4	3%	-8%
EBIT	3.8	3.0	6.8	4.1	3.7	-2%	-9%
Pre-tax profit	3.8	2.9	6.8	4.0	3.6	-6%	-10%
Net profit	3.0	2.2	5.4	3.2	2.9	-3%	-9%

Source: Company, IPOPEMA Research

E-commerce

SFD

BUY

FV PLN 6.50

35% upside

Price as of 21 October 2021 PLN 4.80

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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	52	74%
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Total	70	100%

Rating History - SFD

Date	Recommendation	Fair Value	Price at recommendation	Author
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