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Key data

Target price [PLN]	10,0
DCF Valuation [PLN]	9,9
Comparative Valuation [PLN]	9,7
Market price [PLN]	8,3
Growth/decrease potential [%]	19,9%
Market cap [mln PLN]	302,0
Free float [%]	17,7%
Sector	building
WSE code	UNI
Bloomberg code	UNI PW

Analysts

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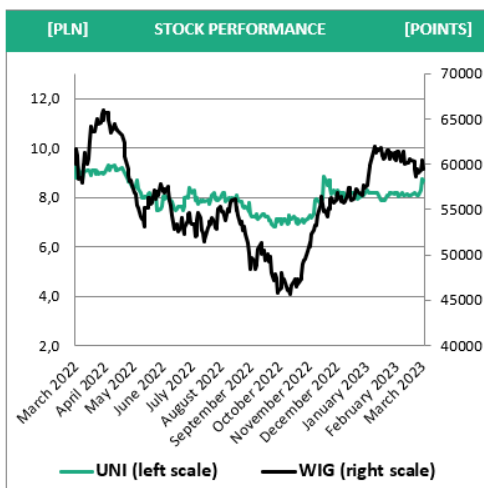
Company profile

The Group is a general contractor in Poland and abroad (operates on the Belarusian and Ukrainian markets), has a factory of modular houses (sells them mainly to Scandinavian countries), operates in road construction (builds roads mainly in the Podlaskie Voivodeship), and through its company Budrex builds and repairs bridges throughout the country and also conducts development activities in Warsaw, Poznań, Radom and Bielsk Podlaski.

Source: www.gpw.pl

Shareholders:

	[%]
Zofia Mikołuszeko	25,1
Beata Maria Skowrońska	15,7
OFE Aviva Santander	9,7
OFE PKO BP Bankowy	9,2
Unibep SA	8,3
Wojciech Jacek Stajkowski	7,1
Bożenna Anna Lachocka	7,1



Unibep SA

Analysis of the preliminary results for the 2022

Unibep has provided preliminary data on **revenues** and **net income for the 2022**.

We consider the estimates given as neutral. Unibep, as expected, achieved record revenues of over PLN 2 billion (an increase of 32.2% y/y), which result from a very rich portfolio of contracts and a favorable economic situation in the development industry in 2021. We expected that the risks faced by the industry in 2022 in the form of higher costs of energy, transport, construction materials and the pressure to increase wages would have a negative impact on the profitability of contracts, forecasting a decrease in net profit compared to 2021. The result reported by the Company in the amount of approx. PLN 31 million (decrease by 34.2% y/y) is below our expectations and is also defined by the Company as an effect of events defined as extraordinary and temporary. Unibep explains that the greatest impact on the results had a net loss of approx. PLN 36 million generated by the modular construction segment, operating as part of Unihouse, which struggled with a significant increase in the prices of materials (including wood prices) and logistics (several increase freight prices). The higher loss in this segment than our estimates means that the other segments maintained or improved their profitability compared to 2021, which we assess very positively. We also believe that the modular construction segment (accounting for approx. 10% of revenues) will be under much lower cost pressure in 2023 due to the drop in material and freight prices and the finalization of unprofitable contracts.

Financial results for 2022 against the DM Banku BPS forecasts

mIn PLN	2022	DM BPS forecasts	Comparison to the DM BPS forecasts
Revenue	2 264	2 046	10,6%
Net income	31	42	-26,6%

Source: DM Banku BPS SA, Company

Growth factors

1. Solid contracts portfolio
2. Increase in public procurement
3. Energy and industrial segment
4. Revival of construction after pandemic

Risk factors

1. The war in Ukraine and its consequences
2. Exchange rate fluctuations
3. Economic downturn
4. Rising commodity prices and rising wages

Basic definitions

CAPEX (capital expenditures) - investment expenditures on product development, system implementation (including intangible assets) or tangibles assets in the part in which the capital is intended to maintain the company's current ability to generate income.

DCF (discounted cash flows) - discounted cash flows; all future cash flows are estimated and discounted in order to determine their present value. The value of the discount rate used corresponds to the cost of capital and includes an assessment of the risk related to future cash flows.

DFCF - Discounted FCF (Free Cash Flows to Firm).

EBIT (earnings before interest and taxes) - operating income i.e. the income before deduction of taxes and interest.

EBITDA (earnings before interest, taxes, depreciation and amortization) - the company's operating profit before deducting interest on interest-bearing liabilities (loans, bonds), taxes, amortization and depreciation of tangible and intangible assets; here EBITDA = operating income + amortization of tangible fixed assets + depreciation of intangible assets.

EV (Enterprise Value) - total enterprise value; here EV = current stock market capitalization + net debt.

EV / EBITDA - the ratio is calculated by dividing the present value of the enterprise (EV) by the value of EBITDA.

FCFF (Free Cash Flow to Firm) - free cash flows for owners of equity capital and creditors, which can be defined as flows resulting from the company's operating and investment activities, after all financial expectations of capital donors, i.e. all parties financing the company, have been settled.

WSE - Warsaw Stock Exchange.

NOPLAT - net operating result less adjusted taxes; here NOPLAT = EBIT * (1 - tax rate).

P / BV (price / book value) - the ratio is calculated by dividing the current capitalization of a listed company by the book value of its equity, which is provided in the company's balance sheet.

P / E (price earnings ratio) - stock exchange ratio. It is calculated by dividing the market price of one share by the net profit per share.

PV TV - Present Value, ie the residual value (TV) discounted at the present moment.

CR - current report.

SB - Supervisory Board.

TV (Terminal Value) - residual value; enterprise value after the forecast period; here estimated with the help of the Gordon model.

WACC - weighted average cost of capital; financial indicator informing about the average relative cost of capital engaged in financing the enterprise.

Information and legal disclaimer

This analytical report was prepared by Dom Maklerski Banku BPS S.A. at the request of the Warsaw Stock Exchange on the basis of an agreement concluded between Dom Maklerski Banku BPS S.A. and WSE under the "Analytical Coverage Support Program 3.0.". Dom Maklerski Banku BPS S.A. will receive remuneration for the report.

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https://dmbps.pl/informacje/228/Regulamin_zarzadzania_konfliktami_interesow_w_Domu_Maklerskim_Banku_BPS_SA

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