

Key data

Target price [PLN]	13,3
DCF Valuation [PLN]	13,2
Comparative Valuation [PLN]	12,2
Market price [PLN]	10,4
Growth/decrease potential [%]	27,9%
Market cap [mln PLN]	364,7
Free float [%]	17,6%
Sector	building
WSE code	UNI
Bloomberg code	UNI PW

Analysts
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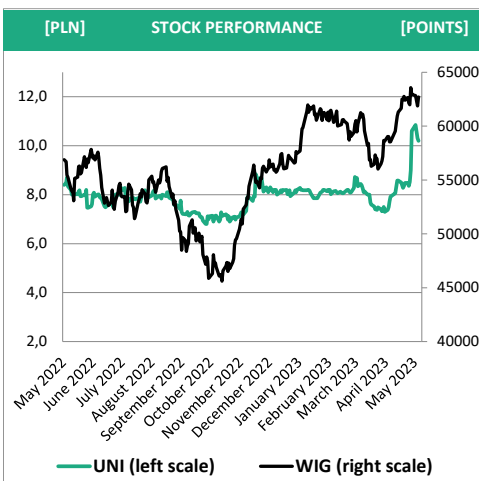
Company profile

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

Analytical Report

Uncertainty rules supreme in construction

In the current, very difficult period for the construction sector, we consider the results of the Unibep Group as good. In 2022, the Group generated revenues of PLN 2.3 billion (increase by 32% y/y), which translated into PLN 89 million EBITDA (increase by 7% y/y) and PLN 32 million in net profit (decrease by 32% y/y). However, a decrease in margins was recorded, which is the result of many factors faced by the construction industry, including increase in the prices of materials, energy, costs of external services. We believe that in these conditions, the Group is doing well both with its current and future portfolio of contracts, and with a visible slowdown in private investment on the market. We believe that the current backlog exceeding PLN 3.8 billion will provide the Group with stable revenues.

We believe that 2023 may be as demanding for the construction industry as the previous one. We assuming, among others, stabilization of prices of materials and raw materials at the current high level, including a possible increase in the prices of some materials due to the turmoil on the energy market in Europe (concrete, cement), lower contribution of the development segment to the result, as well as "cooling down" the economy in 2023 as a result of increased interest rates. We assume that this year the results of the Unibep Group may be at a similar level as in the previous year, but we expect a revival in the industry starting from 2024, which in our opinion gives the shares of the Unibep Group the potential for further growth. Hence, we increase the target price from 10 to 13,3 PLN at the end of 2023.

PLN thd	2022	2023P	2024P	2025P	2026P	2027P
Sales	2 258 313,1	2 223 330,3	2 270 136,1	2 315 952,6	2 361 686,3	2 408 058,7
EBITDA	89 333,2	85 176,7	89 387,2	92 643,4	95 841,5	98 480,4
EBITDA margin	4,0%	3,8%	3,9%	4,0%	4,1%	4,1%
EBIT	63 751,0	58 827,0	62 247,0	64 689,1	67 048,5	68 823,6
Net income	31 861,3	34 086,6	37 229,8	39 598,4	41 890,4	43 713,8
Equity	302 142,8	339 420,8	363 741,6	389 186,8	415 696,2	443 018,6
Debt	243 004,6	238 661,4	210 533,6	162 366,3	144 195,6	146 050,5
P/E	11,2	10,5	9,6	9,0	8,5	8,2
P/BV	1,2	1,1	1,0	0,9	0,9	0,8
EV/EBITDA	2,8	3,9	3,4	3,6	3,4	3,3
EPS	0,91	0,97	1,06	1,13	1,19	1,25

Source: DM Banku BPS SA, E - estimates

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.

The work on this study has been completed on: 09 May 2023, 17:00

Distribution of this study: 09 May 2023, 17:15

This report is published on the day of its completion on the publicly available website <https://dmbps.pl/wsparcie-analityczne/program-wsparcia-pokrycia-analitycznego-gpw/ntt-system-s-a>.

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The report constitutes an investment survey within the meaning of Article 36, section 1 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

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

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List of recommendations issued within the last 12 months as part of the Analytical Coverage Support Program 3.0.

Company	Recommendation	Target price	Market price	Type of recommendation	Date of Issue	Analyst(s)
PROCHEM	nd	37	32,8	Analytical report	10.05.2022	Artur Wizner
VIVID GAMES	N/A	1,25	1,17	Analysis of results	13.05.2022	Łukasz Bryl, Tomasz Czarniecki
PROTEKTOR	N/A	3,6	2,8	Analytical report	13.05.2022	Artur Wizner
PROCHEM	N/A	37	33,6	Analysis of results	17.05.2022	Artur Wizner
MONNARI TRADE	N/A	5,5	3,5	Analytical report	18.05.2022	Łukasz Bryl
VIVID GAMES	N/A	1,29	1,26	Analysis of results	26.05.2022	Łukasz Bryl
MONNARI TRADE	N/A	6,21	3,87	Analysis of results	31.05.2022	Łukasz Bryl
NTT SYSTEM	N/A	7,92	4,28	Analysis of results	31.05.2022	Łukasz Bryl
UNIBEP	N/A	11	8,1	Analysis of results	31.05.2022	Artur Wizner
PROTEKTOR	N/A	3,6	2,83	Analysis of results	01.06.2022	Artur Wizner
JSW	BUY	74	38,7	Analytical report	12.09.2022	Artur Wizner
UNIBEP	N/A	10	7,2	Analytical report	20.09.2022	Artur Wizner
VIVID GAMES	N/A	1,07	1,03	Analytical report	29.09.2022	Łukasz Bryl
SNIEZKA	HOLD	67	64,2	Analytical report	29.09.2022	Artur Wizner
NTT SYSTEM	N/A	7,03	3,95	Analytical report	04.10.2022	Łukasz Bryl
PROCHEM	N/A	30	34,8	Analytical report	05.10.2022	Artur Wizner
PROTEKTOR	N/A	2,9	2,6	Analytical report	12.10.2022	Artur Wizner
MONNARI TRADE	N/A	6,74	3,87	Analytical report	21.10.2022	Łukasz Bryl
PROCHEM	N/A	30	35	Analysis of results	15.11.2022	Artur Wizner
UNIBEP	N/A	10	8,84	Analysis of results	18.11.2022	Artur Wizner
VIVID GAMES	N/A	1,09	1,05	Analysis of results	29.11.2022	Łukasz Bryl
MONNARI TRADE	N/A	7,20	4,85	Analysis of results	01.12.2022	Łukasz Bryl
NTT SYSTEM	N/A	7,50	4,12	Analysis of results	02.12.2022	Łukasz Bryl
PROTEKTOR	N/A	2,90	2,19	Analysis of results	06.12.2022	Artur Wizner
MONNARI TRADE	BUY	8,63	4,82	Analytical report	13.03.2023	Łukasz Bryl
PROTEKTOR	HOLD	2,70	2,36	Analytical report	13.03.2023	Artur Wizner
ESOTIQ & HENDERSON	BUY	47,23	29,2	Analytical report	13.03.2023	Łukasz Bryl
COCCODRILLO	BUY	26,77	17,75	Analytical report	13.03.2023	Łukasz Bryl
WITTCHEN	BUY	40,83	27	Analytical report	13.03.2023	Łukasz Bryl
VRG	BUY	5,07	3,3	Analytical report	13.03.2023	Artur Wizner
WOJAS	BUY	11,75	7,96	Analytical report	13.03.2023	Artur Wizner
LPP	HOLD	9328,17	9430	Analytical report	13.03.2023	Artur Wizner
CCC	SELL	27,57	35,43	Analytical report	13.03.2023	Artur Wizner
SILVANO GROUP	BUY	14,14	5,45	Analytical report	13.03.2023	Łukasz Bryl
SNIEZKA	BUY	83,00	71,6	Analytical report	17.03.2023	Artur Wizner
JSW	BUY	71,00	45,78	Analytical report	05.04.2023	Artur Wizner
NTT SYSTEM	N/A	7,90	5	Analytical report	12.04.2023	Łukasz Bryl
VIVID GAMES	N/A	1,05	0,82	Analytical report	05.05.2023	Łukasz Bryl
UNIBEP	N/A	13,30	10,4	Analytical report	09.05.2023	Artur Wizner