

Tuesday, 31 May 2022 | special comments

## Comprenum: 2022 Q1 Results

Recommendation: buy | target price: PLN 4.87 | current price: PLN 2.50

CPR PW; CPR.WA | Industrials, Poland

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**Comprenum exceeded our expectations with its 2022 Q1 results, with a 20% revenue beat driven by better-than-expected gains provided yet again by the GSM-R contract.**

**The Company also improved EBITDA margin in Q1 2022 relative to the previous quarter, and it booked a PLN 1.25m one-time financing gain from a property sale.**

**We have a positive view on the first-quarter showing and we expect Comprenum to continue delivering improving results in the quarters ahead.**

- **Revenue** came in at PLN 54.5m in Q1 2022, of which 90% was provided by the GSM-R contract, recognized as part of the Building Services segment.
- In the Framing Segment, quarterly revenue was down year-on-year on lower volumes due to a period of plant shutdown for upgrades. Exports accounted for 80% of the window and

door frame sales in Q1, and Comprenum expects much stronger sales in the segment in the coming quarters.

- The Real-Estate Segment as predicted achieved only small, PLN 0.4m sales in Q1.
- Financing expenses at PLN 1.6m showed a PLN 0.54m boost from the year-ago quarter, fueled by increasing interest rates, but debt as of 31 March 2022 remained at a steady PLN 94.8m.
- **Net profit** in Q1 2022 came in 50% ahead of our estimate at PLN 6.3m.
- After the positive first-quarter surprise, considering improving profit margins and stronger sales prospects for the framing business, we expect Comprenum to deliver an equally bullish second quarter.

### 2022 Q1 results of Comprenum

(PLN m)	1Q'22	1Q'22E	differ.	1Q'21	y/y	2022E	YTD*
revenue	54.5	45.5	20%	45.6	20%	242	23%
EBITDA	10.5	8.5	24%	11.1	-5%	49	22%
EBITDA margin	19%	19%		24%		20%	
EBIT	8.4	6.0	41%	8.7	-3%	41	21%
net profit	6.3	4.2	50%	7.0	-10%	29	22%

Source: Comprenum, E - mBank estimates

### Quarterly revenues of Comprenum by operating segment

(PLN m)	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	y/y	1Q'22E	differ.
door & window frames	5.1	7.6	6.6	7.0	3.5	9.5	11.9	4.6	-34%	5.0	-8%
real estate	3.2	2.3	0.8	0.0	1.9	0	1.0	0.4		0.5	-17%
building services	39.5	34.4	55.7	38.6	40.9	39.6	48.5	49.4	28%	40.0	24%

Source: Comprenum, E - mBank estimates

**List of abbreviations and ratios contained in the report:**

**EV** (Enterprise Value) – Equity Value + Net Debt; **EBIT** – Earnings Before Interest and Taxes; **EBITDA** – EBIT + Depreciation & Amortisation; **Net Debt** – Borrowings + Debt Securities + Interest-Bearing Loans - Cash and Cash Equivalents; **P/E** (Price/Earnings) – Price Per Share Divided by Earnings Per Share; **P/CE** (Price to Cash Earnings) – Price Per Share Divided by Earnings + Depreciation & Amortisation; **P/B** (Price to Book Value) – Price Per Share Divided by Book Value Per Share; **P/CF** (Price to Cash Flow) – Price Divided by Cash Flow from Operations; **ROE** (Return on Equity) – Earnings Divided by Shareholders' Equity; **ROCE** (Return on Capital Employed) – EBIT x (Average Assets - Current Liabilities); **ROIC** (Return on Invested Capital) – EBIT x (1-Tax Rate) / (Average Equity + Minority Interest + Net Debt); **FCFF** (Free Cash Flow to Firm) – Cash Flow from Operations - CAPEX - Lease Payments; **FCFE** (Free Cash Flow to Equity) – Free Cash Flow to Firm - Net Interest Expense (incl. Debt + Leases) - Lease Payments

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**NAV** – valuation based on equity value, one of the most frequently used method in case of developing companies; the weak point of the method is that it does not factor in future changes in revenue/profits of a company.

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