

Miraculum

1Q24E preview

Miraculum is due to publish its 1Q24E results on 15 May 2024.

Opinion: We expect Miraculum to report neutral results in 1Q24E, as we expect revenues to be 13% y/y lower due to high base, assume expansion of gross margin by nearly 3pp y/y and pressure on operating costs. As a result, we forecast EBITDA of PLN 575k (vs. PLN 829k reported in 1Q23).

Revenues. Miraculum has already reported its preliminary monthly data with revenues of PLN 4.3m in January (+10% y/y), PLN 4.2m in February (-29% y/y) and PLN 4.2m in March (-11% y/y). We expect revenues of PLN 12.7m in 1Q24E (-13% y/y); however, we point at high base of 1Q23 related to contracts in Saudi Arabia (PLN 1.4m revenue in segment 'Other').

Gross profit. We expect the company to improve y/y its gross margin in 'Shaving cosmetics' and 'Make-up cosmetics' and maintain in 'Perfumes' at comparable y/y level. As a result, we forecast gross profit of PLN 4.2m in 1Q24E (-5% y/y), implying gross margin of 33.3% (+2.8pp y/y).

EBITDA. We assume SG&A costs at comparable y/y level of PLN 3.9m. As we do not assume any other operating profit/costs, we forecast EBITDA of PLN 575k (-31% y/y) and EBIT of PLN 279k (-50% y/y).

Net result. We estimate net loss of PLN 66k, in comparison to PLN 268k profit in 1Q23.

Figure 1. Miraculum results summary (PLNm)

	1Q23	2Q23	3Q23	4Q23	1Q24E	y/y	q/q
Revenues	14.54	9.91	10.77	11.85	12.66	-13%	7%
COGS	-10.10	-6.28	-6.54	-7.94	-8.44	-16%	6%
Gross profit	4.43	3.63	4.23	3.91	4.22	-5%	8%
SG&A costs	-3.92	-3.97	-3.83	-4.04	-3.94	1%	-2%
Selling costs	-2.59	-2.65	-2.57	-2.73	-2.70	4%	-1%
G&A costs	-1.33	-1.32	-1.26	-1.31	-1.24	-7%	-5%
Other operating profit/cost	0.04	0.02	0.02	-0.05	0.00	n.m.	n.m.
EBITDA	0.83	-0.03	0.72	0.12	0.57	-31%	383%
D&A	0.27	0.29	0.30	0.29	0.30	8%	1%
EBIT	0.56	-0.32	0.42	-0.17	0.28	-50%	-260%
Net financial costs	-0.35	-0.41	-0.35	-0.60	-0.35	n.m.	n.m.
Pre-tax profit	0.20	-0.73	0.07	-0.77	-0.07	n.m.	n.m.
Income tax	0.07	0.01	0.09	-0.48	0.00	n.m.	n.m.
Net profit	0.27	-0.71	0.16	-1.25	-0.07	n.m.	n.m.
<i>Gross margin (%)</i>	<i>30.5%</i>	<i>36.6%</i>	<i>39.3%</i>	<i>33.0%</i>	<i>33.3%</i>	-	-

Source: Company, IPOPEMA Research

Consumer discretionary

Miraculum

HOLD

FV PLN 1.35

13% upside

Price as of 22 April 2024 PLN 1.20

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The definitions of terms used in the document include:

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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Buy	12	75%
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Rating History – Miraculum

Date	Recommendation	F V	Price at recommendation	Author
22/09/2023	HOLD	PLN 1.25	PLN 1.33	Marek Szymański
09/02/2024	HOLD	PLN 1.35	PLN 1.36	Marek Szymański