

# Miraculum

## 2Q24E Results Preview

Miraculum is due to publish its 2Q24E results on 30 August 2024.

**Opinion:** We expect Miraculum to report neutral 2Q24E results, driven by top line y/y improvement (mainly in make-up cosmetics and perfumes and increasing sale in modern channel), stable gross margin and lower financial costs, while we assume higher marketing costs on the other hand. We predict EBITDA of nearly PLN 0.8m in comparison to loss of PLN 0.03m in previous year. We point that further y/y growths in revenues and lower financial costs should support the company's cash flow generation and gradual deleveraging.

**Revenues.** Miraculum has already reported its preliminary monthly data with revenues of PLN 3.8m in April (+15% y/y), PLN 4.5m in May (+29% y/y) and PLN 4.5m in June (+48% y/y). As a result, we forecast revenues of PLN 12.9m (+30% y/y). We also point that the company reported that modern channel reported growth by 98% y/y to PLN 7.3m at that time, while export and online deteriorated by 39% y/y and 3% y/y, respectively.

**Gross profit.** We expect that Miraculum will maintain its gross margin at high level, supported by favourable sales mix (make-up cosmetics and perfumes) and purchase conditions. We expect gross profit of PLN 4.7m, implying gross margin of 36.6% (comparable y/y).

**EBITDA.** We forecast SG&A costs of PLN 4.2m (higher y/y due to marketing costs), resulting in positive EBIT of PLN 0.5m (vs. loss of PLN 0.3m in previous year). We predict EBITDA of PLN 0.8m (vs. negative PLN 0.025m in 2Q23), implying EBITDA margin of 6.0%.

**Net result.** At the bottom line we forecast profit of PLN 0.14m. In our forecasts, we assume net financial costs of PLN 0.35m (in comparison to PLN 0.50m in 1Q24), given the conversion of debt into shares.

Figure 1. Miraculum results summary (PLNm)

	2Q23	3Q23	4Q23	1Q24	2Q24E	y/y	q/q
Revenues	9.91	10.77	11.85	12.78	12.89	30%	1%
COGS	-6.28	-6.54	-7.94	-7.83	-8.17	30%	4%
<b>Gross profit</b>	<b>3.63</b>	<b>4.23</b>	<b>3.91</b>	<b>4.96</b>	<b>4.72</b>	<b>30%</b>	<b>-5%</b>
SG&A costs	-3.97	-3.83	-4.04	-4.18	-4.23	7%	1%
Selling costs	-2.65	-2.57	-2.73	-2.86	-2.92	10%	2%
G&A costs	-1.32	-1.26	-1.31	-1.33	-1.32	0%	-1%
Other operating profit/cost	0.02	0.02	-0.05	-0.01	0.00	n.m.	n.m.
<b>EBITDA</b>	<b>-0.03</b>	<b>0.72</b>	<b>0.12</b>	<b>1.05</b>	<b>0.78</b>	<b>n.m.</b>	<b>-26%</b>
D&A	0.29	0.30	0.29	0.29	0.29	-1%	1%
<b>EBIT</b>	<b>-0.32</b>	<b>0.42</b>	<b>-0.17</b>	<b>0.76</b>	<b>0.49</b>	<b>n.m.</b>	<b>-36%</b>
Net financial costs	-0.41	-0.35	-0.60	-0.50	-0.35	-14%	-30%
<b>Pre-tax profit</b>	<b>-0.73</b>	<b>0.07</b>	<b>-0.77</b>	<b>0.26</b>	<b>0.14</b>	<b>n.m.</b>	<b>-48%</b>
Income tax	0.01	0.09	-0.48	-0.25	0.00	-100%	-100%
<b>Net profit</b>	<b>-0.71</b>	<b>0.16</b>	<b>-1.25</b>	<b>0.01</b>	<b>0.14</b>	<b>n.m.</b>	<b>n.m.</b>
Gross margin (%)	36.6%	39.3%	33.0%	38.8%	36.6%	-	-

Source: Company, IPOPEMA Research

Consumer discretionary

## Miraculum

**HOLD**

**FV PLN 1.20**

6% upside

Price as of 25 July 2024 PLN 1.13

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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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#### IPOPEMA Research - Distribution by rating category (1 April – 30 June 2024)

	Number	%
Buy	25	76%
Hold	6	18%
Sell	2	6%
Total	33	100%

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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
28/06/2024	HOLD	PLN 1.20	PLN 1.11	Marek Szymański