

Miraculum

3Q23E preview

Miraculum is due to publish its 3Q23E results on 10 November 2023.

Opinion: We expect Miraculum to deliver slight y/y improvement of operating profit in 3Q23E, despite y/y deterioration of revenues.

Revenues. Miraculum has already reported its preliminary monthly data with revenues of PLN 3.2m in July (-6% y/y), PLN 3.6m in August (+7% y/y) and PLN 3.9m in September (-9% y/y). We note that negative y/y growth rate in 3Q23E was also related to high base of 3Q22 (contracts to Saudi Arabia). Summing up, we expect revenues of PLN 10.8m (-4% y/y).

Gross profit. We expect the company to delivery another y/y improvement of gross margin by 4.5pp y/y to 39.7% (supported by sales of high-margin Chopin products), resulting in gross profit of PLN 4.3m (+9% y/y).

EBIT. We expect SG&A costs at comparable q/q level of PLN 2.7m (+5% y/y). Given lower y/y growth rate in operating costs than gross profit, we expect slight improvement of operating profit by 2% y/y to PLN 320k.

Net profit. We forecast net income of PLN 20k.

Figure 1. Miraculum results summary (PLNm)

	3Q22	4Q22	1Q23	2Q23	3Q23E	y/y	q/q
Revenues	11.2	11.2	14.5	9.9	10.8	-4%	9%
COGS	-7.3	-7.8	-10.1	-6.3	-6.5	-10%	4%
Gross profit	4.0	3.4	4.4	3.6	4.3	9%	18%
SG&A costs	-3.8	-4.0	-3.9	-4.0	-4.0	6%	0%
Selling costs	-2.6	-2.7	-2.6	-2.7	-2.7	5%	1%
G&A costs	-1.2	-1.3	-1.3	-1.3	-1.3	7%	-2%
Other operating profit/cost	0.1	0.0	0.0	0.0	0.0	n.m.	n.m.
EBITDA	0.6	-0.4	0.8	0.0	0.6	4%	-2473%
D&A	0.3	0.3	0.3	0.3	0.3	7%	-5%
EBIT	0.3	-0.6	0.6	-0.3	0.3	2%	-201%
Net financial costs	-0.4	0.1	-0.4	-0.4	-0.3	-27%	-27%
Pre-tax profit	-0.1	-0.6	0.2	-0.7	0.0	-120%	-103%
Income tax	0.0	-0.8	0.1	0.0	0.0	-100%	-100%
Net profit	-0.1	-1.4	0.3	-0.7	0.0	-116%	-103%
<i>Gross margin (%)</i>	<i>35.2%</i>	<i>30.1%</i>	<i>30.5%</i>	<i>36.6%</i>	<i>39.7%</i>		

Source: Company, IPOPEMA Research

Consumer discretionary

Miraculum

HOLD

FV PLN 1.25

4% upside

Price as of 23 October 2023 PLN 1.20

Analyst

Marek Szymański
marek.szymanski@ipopema.pl
+ 48 22 236 94 12

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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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Rating History – Miraculum

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