

Integer.pl S.A.



Price target: n.a.

Q4 Preview

Rating: n.a

What to expect from Q4/14 We believe that in Q4 Integer.pl (ITG) showed a very robust top-line growth. Like in whole 2014, revenues of the 99.9% subsidiary InPost likely benefitted from the two-year contract with the Polish Ministry of Justice over PLN 497m (together with PGP and Inforsys, which InPost acquired for PLN 47.5m at the end of 2014). In our view, the 53.7% subsidiary easyPack reported dynamic sales growth due to a strong Christmas season. We estimate that between 2013 and year-end 2014 ITG (through easyPack) expanded its global pack station network from 3,100 to 5,100 machines (thereof 1,100 in Poland).

In Q4, ITG's profitability was likely hit by marketing, administration and depreciation expenses relating to the international expansion of pack stations. We expect that at the end of 2014 the Group employed c. 10,000 people (2013: 7,000) in 22 countries worldwide (2013: 16).

Our forecasts For Q4/14, we forecast total sales of PLN 170.2m (+58.2% y-o-y), an EBITDA of PLN 9m (-30.5%, 5.3% margin), EBIT of PLN -2.9m (Q4/13: PLN 5.6m, -1.7% margin) and net income of PLN -1.1m (Q4/13: PLN 1.1m, -0.6% margin). We believe that in full-year 2014 subsidiary InPost generated revenues of PLN 362.8m (453.5m mails delivered), while Pack Station services and Others (e.g. sales of pack stations) contributed PLN 100.6m and PLN 143.6m respectively. In our opinion, in 2014 the only countries, where pack stations reached the break-even on EBITDA level, were Poland (profitable from Jan to Dec), Czech Republic and Slovakia (from Q4/14).

in PLNm	2013	Q1/14	Q2/14	Q3/14	Q4/14E	2014E
Net sales	347.32	121.23	151.62	163.88	170.22	606.95
<i>y-o-y change</i>	23.2%	46.1%	112.1%	92.3%	58.2%	74.7%
EBITDA	49.54	9.76	11.45	0.45	8.99	30.65
<i>EBITDA margin</i>	14.3%	8.1%	7.6%	0.3%	5.3%	5.1%
EBIT	24.23	2.51	2.92	-8.33	-2.87	-5.77
<i>EBIT margin</i>	7.0%	2.1%	1.9%	-5.1%	-1.7%	-1.0%
Net income	23.58	2.20	3.35	3.94	-1.06	8.43
<i>Net margin</i>	6.8%	1.8%	2.2%	2.4%	-0.6%	1.4%

Company profile

Integer.pl is the No 1 private provider of postal services in Poland with a network of 8,300 own and shared service points. Moreover, it operates a network of >5,500 fully-automated pack stations in Poland and >20 foreign countries.

Website	www.integer.pl
Sector	Postal Services
Country	Poland
ISIN	PLINTEG00011
Reuters	ITGP.WA
Bloomberg	ITG PW

Share information

Last price	179.90
Number of shares (m)	7.76
Market cap. (PLNm)	1396.78
Market cap. (EURm)	336.44
52-weeks range	PLN 305 / PLN 148
Average volume	9,829

Performance

4-weeks	10.91%
13-weeks	9.25%
26-weeks	-17.19%
52-weeks	-33.70%
YTD	18.83%

Shareholder structure

A&R Investments Ltd.	29.89%
Generali OFE	8.69%
L.S.S. Holdings Ltd.	5.39%
AEGON OFE	5.11%
Free float	50.92%

Financial calendar

Annual Report 2014	March 19, 2015
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Analyst

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