

TIM

Alert

3Q21 results slightly below our expectations (negative)

PLNm	3Q 2020	3Q 2021	y/y	PKO Securities 3Q 2021	Diff.
Revenue	267.7	348.2	30%	354.0	-2%
EBITDA	20.5	42.7	108%	44.7	-5%
EBIT	15.0	36.9	147%	39.0	-5%
Net profit	10.4	24.9	138%	30.0	-17%
EBITDA margin	7.7%	12.3%		12.6%	
EBIT margin	5.6%	10.6%		11.0%	
Net margin	3.9%	7.2%		8.5%	

Source: PKO Securities

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- TIM generated revenue of PLN 348m in 3Q21 (+30% y/y).
- Y/y revenue growth was recorded in almost all product groups. The largest share of sales was recorded in the "Cables and wires" group (share in 3Q21: 35%, revenue: PLN 118m; share in 3Q20: 31%, revenue: PLN 74m). The second largest product group in 3Q21 was "Apparatus and Switchgear" (share in 3Q21: 27%, revenue: PLN 89m; 3Q20: 26%, revenue: PLN 62m). The most dynamic y/y growth was recorded in photovoltaics (PV) (PLN 22m, up by 106% y/y).
- 3LP's 3Q revenues stood at PLN 14m (+34% y/y, -20% q/q), and were 22% below our expectations.
- Operating expenses increased by 24% y/y to PLN 312m in 3Q21, which is in line with our expectations.
- The margin on sales dropped, as we expected, by approx. 1 p.p. q/q. However, the margin remained at the high level of 22%.
- The worse than expected net result was also burdened by higher financial costs than we expected.

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Explanation of the specialist terminology used

min (max) 52 weeks: minimum (maximum) of the market share price during the previous 52 weeks

Capitalisation: product of the share market price and the number of shares

EV: sum of the company's capitalisation and net debt

free float (%): share of the total number of shares decreased by 5% stakes held by one shareholder and own shares held by the company in the total number of shares

Average trading/month: average trading per month calculated as total trading value over previous 12 months divided by 12

ROE: rate of return on equity

ROA: rate of return on assets

EBIT: operating profit

EBITDA: operating profit + depreciation and amortization

EPS: earnings per share

ESG: a non-financial measure used for evaluating companies on how advanced they are with sustainability. It consists of environmental, social, and governance factors. The more sustainable business, the higher the PKO Securities ranking (score scale: 1-10).

DPS: dividend per 1 share

CEPS: sum of net profit and depreciation and amortization per 1 share

P/E: quotient of share market price and EPS

P/BV: quotient of share market price and book value of one share

EV/EBITDA: quotient of capitalisation increased by the company's net debt and EBITDA

Gross sales margin: relation of gross sales profit to net sales proceeds

EBITDA margin: relation of the sum of operating profit and depreciation to net sales proceeds

EBIT margin: relation of operating profit to net sales proceeds

Net profitability: relation of net profit to net sales proceeds