

# Unipetrol

Oil & Gas

11 Dec 2013



Czech Republic

## COMPANY DESCRIPTION

Unipetrol is the leading refining and petrochemical Group in the Czech Republic. Domestically, it is the largest crude oil processor, one of the most important plastic producers, and the owner of the largest fuel filling stations network under the brand Benzina. Since 2005, Unipetrol Group has been a part of the biggest refining and petrochemical group in Central Europe - PKN Orlen from Poland. The Group consists of three business segments: refining, petrochemicals and retail distribution of fuels. Unipetrol Group is a leader on the Czech wholesale fuels market. It operates a steam cracker with a downstream polymer production in its Litvinov plant. Benzina network of filling stations was in 2012 with 338 stations and estimated retail market share of 13.7% the biggest player in the Czech Republic. The Group employed approximately 3,700 people at the end of 2012.

Main Shareholders: PKN Orlen (62.99%)

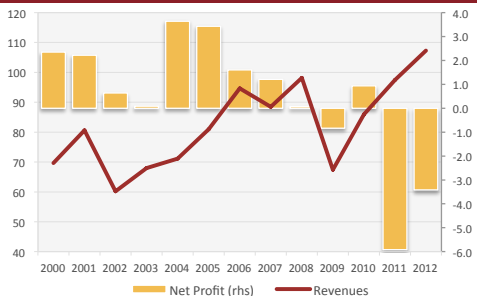
## INCOME STATEMENT

CZK mil	2008	2009	2010	2011	2012
<b>Sales</b>	<b>98,144</b>	<b>67,387</b>	<b>85,967</b>	<b>97,428</b>	<b>107,281</b>
Cost of Goods & Services	82,065	54,938	70,606	85,616	93,423
<b>Gross Profit</b>	<b>16,079</b>	<b>12,448</b>	<b>15,360</b>	<b>11,811</b>	<b>13,858</b>
Staff Cost	2,707	2,581	2,577	2,630	2,480
Other Cost	8,892	7,088	7,609	6,756	8,028
<b>EBITDA</b>	<b>4,481</b>	<b>2,778</b>	<b>5,174</b>	<b>2,425</b>	<b>3,350</b>
Depreciation	3,478	3,432	3,496	3,107	2,807
<b>EBIT</b>	<b>1,003</b>	<b>-654</b>	<b>1,678</b>	<b>-682</b>	<b>543</b>
Financing Cost	369	313	269	267	317
Extraordinary Cost	612	251	223	4,995	4,914
<b>Pre-Tax Profit</b>	<b>21</b>	<b>-1,218</b>	<b>1,186</b>	<b>-5,944</b>	<b>-4,688</b>
Tax	-45	-372	249	-30	-1,274
Minorities	1	-5	0	0	0
<b>Net Profit</b>	<b>65</b>	<b>-840</b>	<b>937</b>	<b>-5,914</b>	<b>-3,414</b>
Dividends	17	1	2	0	0

## CASH FLOW

CZK mil	2008	2009	2010	2011	2012
Net Profit	65	-840	937	-5,914	-3,414
Depreciation	3,478	3,432	3,496	3,107	2,807
Non-Cash Items	-3,947	-441	510	3,561	-3,489
Change in Working Capital	4,631	1,593	-284	-605	5,725
<b>Total Cash From Operations</b>	<b>4,227</b>	<b>3,745</b>	<b>4,658</b>	<b>149</b>	<b>1,630</b>
Capital Expenditures	-4,170	-3,187	-3,089	-3,592	-1,346
Other	1,009	1,365	2,132	533	429
<b>Total Cash From Investing</b>	<b>-3,161</b>	<b>-1,822</b>	<b>-958</b>	<b>-3,058</b>	<b>-917</b>
Dividends Paid	-3,152	-17	-1	-2	0
Issuance Of Shares	0	0	0	0	0
Issuance Of Debt	-45	-1,672	-142	628	-121
<b>Total Cash From Financing</b>	<b>-3,197</b>	<b>-1,689</b>	<b>-144</b>	<b>626</b>	<b>-122</b>
<b>NET CHANGE IN CASH</b>	<b>-2,132</b>	<b>234</b>	<b>3,556</b>	<b>-2,284</b>	<b>591</b>

## REVENUES & PROFIT (CZK bil)



## BALANCE SHEET

CZK mil	2008	2009	2010	2011	2012
<b>Non-Current Assets</b>	<b>38,890</b>	<b>38,061</b>	<b>36,351</b>	<b>31,918</b>	<b>26,051</b>
Property, Plant & Equipment	36,667	35,812	33,909	28,893	23,319
<b>Current Assets</b>	<b>18,852</b>	<b>20,188</b>	<b>25,120</b>	<b>25,258</b>	<b>24,581</b>
Inventories	7,212	8,598	10,194	11,609	9,893
Receivables	9,234	9,310	9,946	10,391	10,575
Cash & Cash Equivalents	952	1,186	4,742	2,471	3,058
<b>Total Assets</b>	<b>57,742</b>	<b>58,249</b>	<b>61,471</b>	<b>57,176</b>	<b>50,632</b>
<b>Shareholders' Equity</b>	<b>38,913</b>	<b>37,871</b>	<b>38,800</b>	<b>32,854</b>	<b>29,528</b>
<b>Liabilities</b>	<b>18,829</b>	<b>20,378</b>	<b>22,671</b>	<b>24,322</b>	<b>21,104</b>
<b>Non-Current Liabilities</b>	<b>4,830</b>	<b>4,267</b>	<b>4,312</b>	<b>4,047</b>	<b>882</b>
Long-Term Debt	2,120	2,031	2,013	2,005	2
<b>Current Liabilities</b>	<b>13,999</b>	<b>16,111</b>	<b>18,359</b>	<b>20,275</b>	<b>20,222</b>
Short-Term Debt	2,085	366	212	903	2,659
Trade Payables	5,542	8,598	10,545	11,801	15,994

## RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	16.4%	18.5%	17.9%	12.1%	12.9%
Net Debt/EBITDA	0.7	0.4	-0.5	0.2	-0.1
Cost of Financing	8.5%	9.5%	11.6%	10.4%	11.4%
Payout Ratio	26%	0%	0%	0.0%	0.0%
FX TO EUR (Average)	24.96	26.43	25.29	24.59	25.13
FX TO EUR (Year-End)	26.32	26.40	25.31	25.47	25.09
Shares Outstanding (Average)	181.3	181.3	181.3	181.3	181.3
Share Price, Year-End	150	140	197	171	175
Market Capitalisation (USD mil)	1,416	1,376	1,906	1,578	1,669
Enterprise Value (USD mil)	1,586	1,442	1,772	1,600	1,648
EV/EBITDA	6.0	9.9	6.5	11.7	9.6
P/E	421.5	Neg.	38.1	Neg.	Neg.
P/BV	0.70	0.67	0.92	0.94	1.07

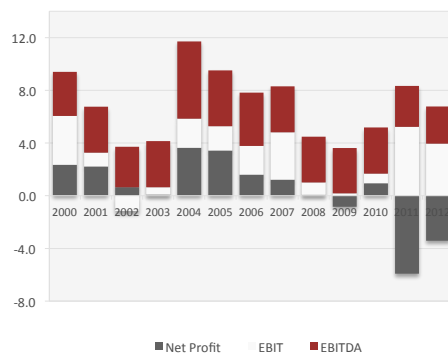
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



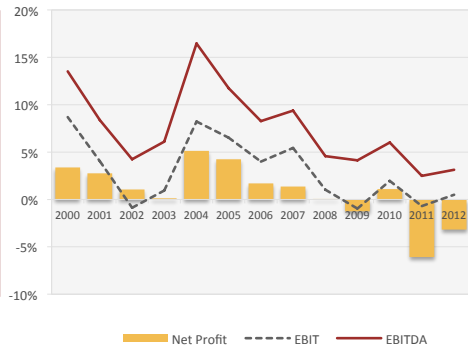
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## Financials

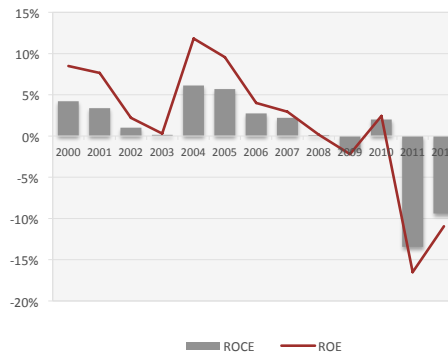
### FROM EBITDA TO NET PROFIT (CZK bil)



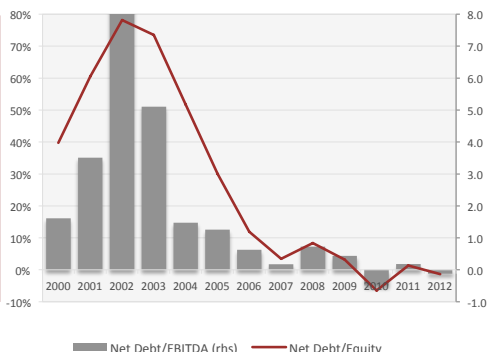
### PROFIT MARGIN



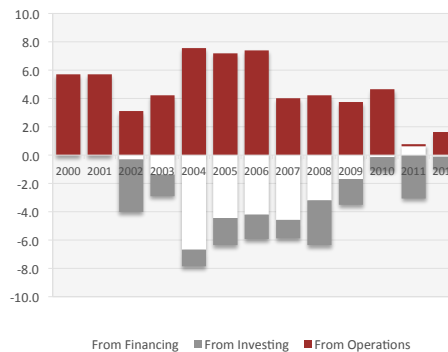
### ROE & ROCE



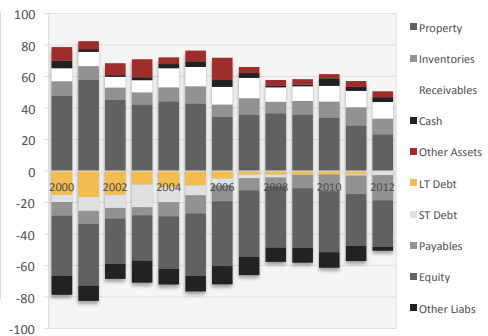
### INDEBTEDNESS



### CASH FLOW SUMMARY (CZK bil)



### BALANCE SHEET STRUCTURE (CZK bil)



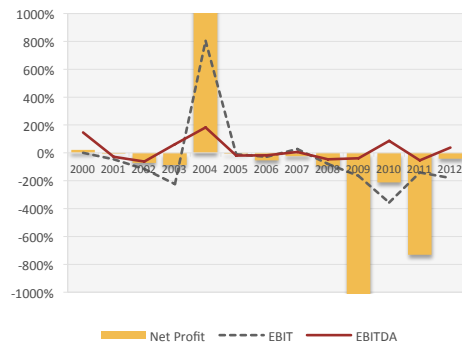
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



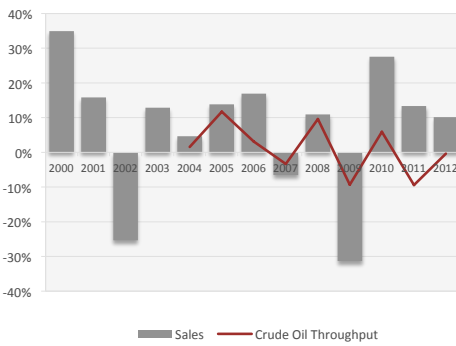
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## Momentum

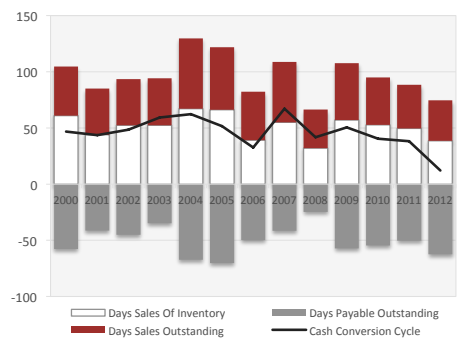
### PROFIT GROWTH



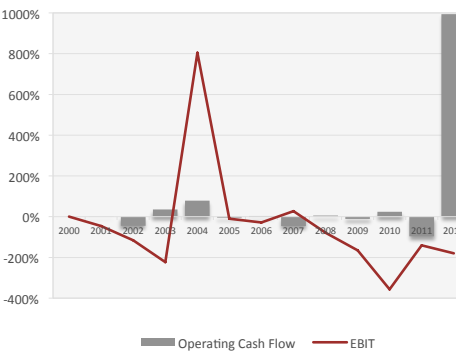
### SALES & PRODUCTION GROWTH



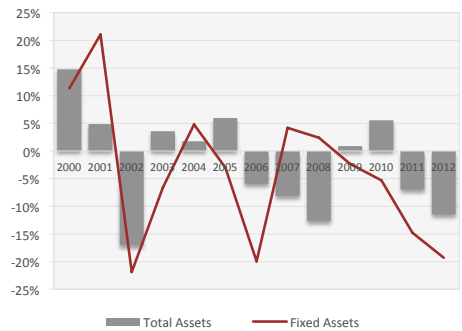
### CASH CONVERSION CYCLE (days)



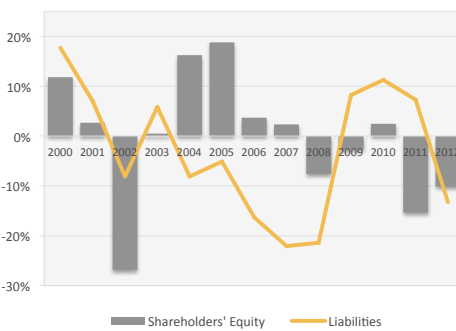
### OPERATING CASH FLOW



### ASSET GROWTH



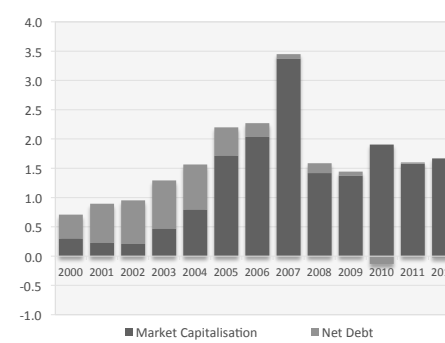
### EQUITY AND LIABILITIES GROWTH



Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Valuation

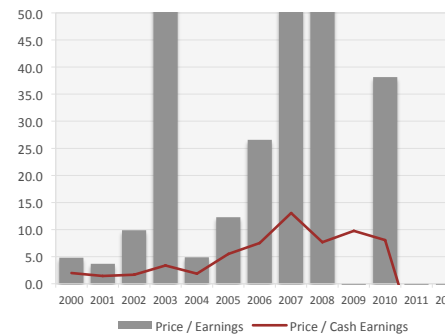
### MARKET CAPITALISATION & NET DEBT (USD bil)



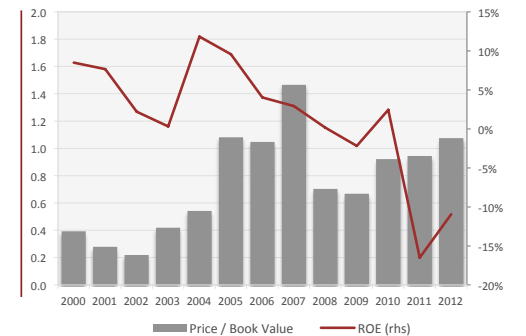
### ENTERPRICE VALUE (EV)



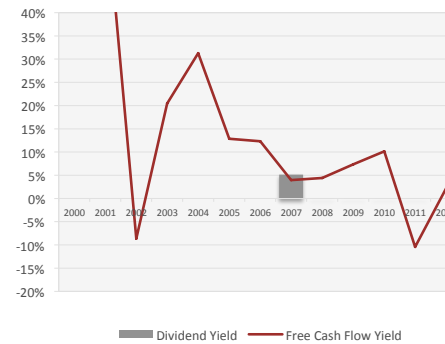
### PRICE TO EARNINGS & CASH EARNINGS



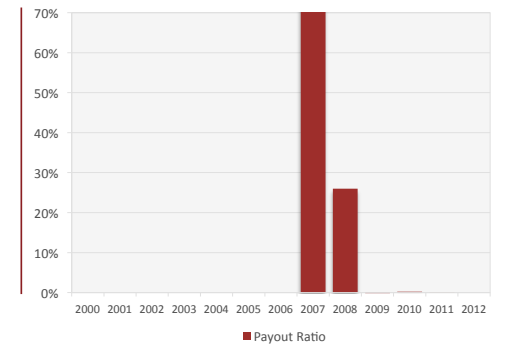
### PRICE TO BOOK VALUE



### DIVIDEND YIELD



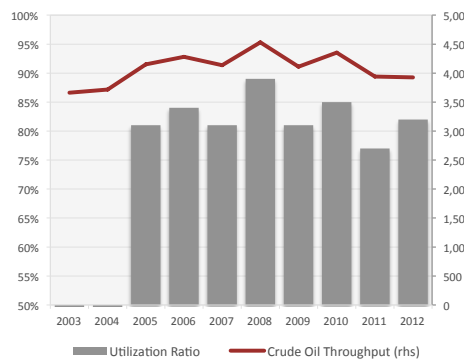
### DIVIDEND PAYOUT



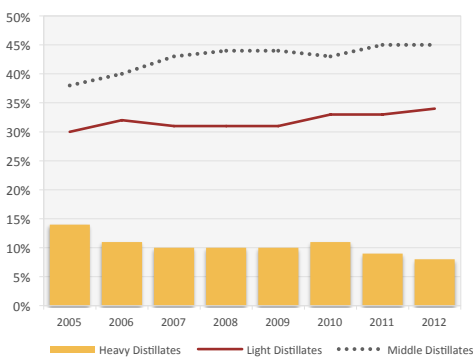
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Business Specifics

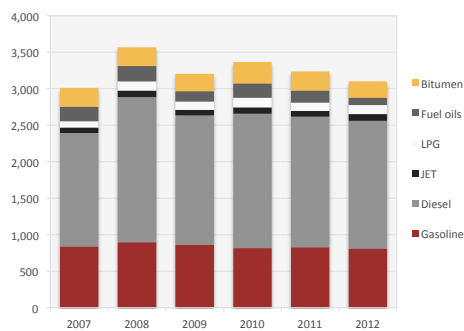
UNIPETROL'S CRUDE OIL THROUGHPUT (kt)



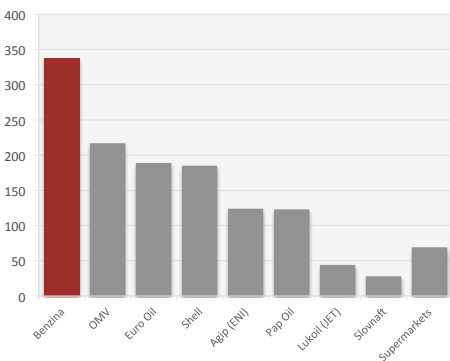
REFINING PRODUCTION YIELDS



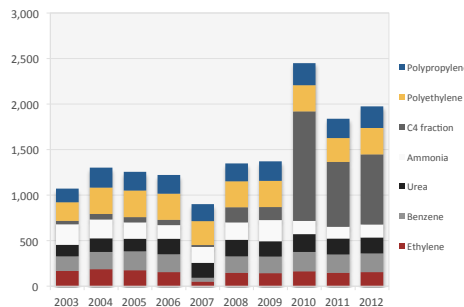
SALES OF REFINING PRODUCTS (kt)



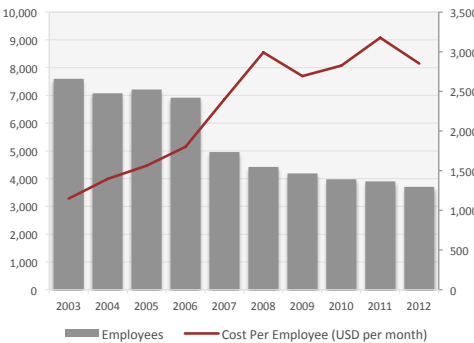
FILLING STATIONS, 2012



SALES OF MONOMERS, AGRO & POLYOLEFINS (kt)



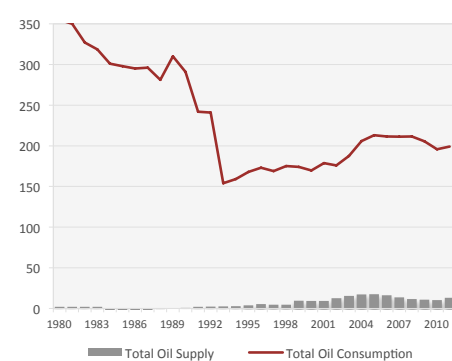
WORKFORCE AND PERSONAL COST



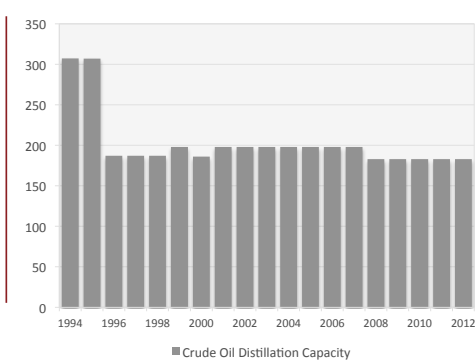
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Market Specifics

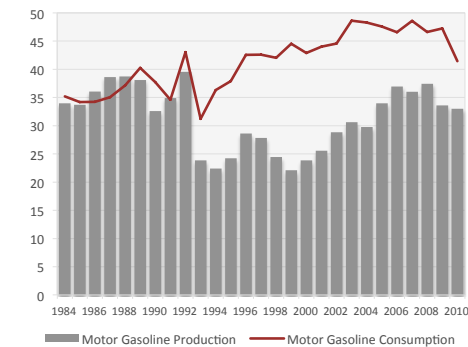
CZECH REPUBLIC'S TOTAL OIL BALANCE ('000 bpd)



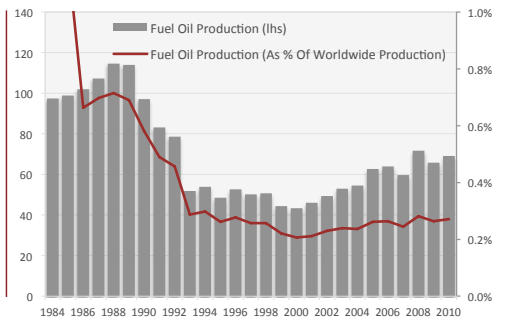
CZECH CRUDE OIL DISTILLATION CAPACITY ('000 bpd)



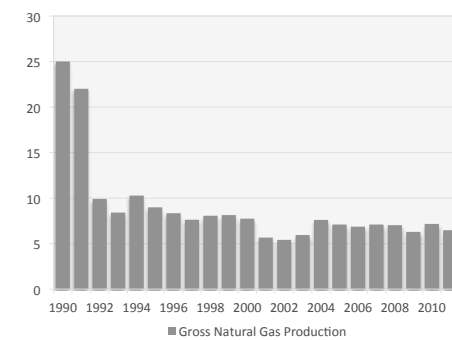
CZECH MOTOR GASOLINE BALANCE ('000 bpd)



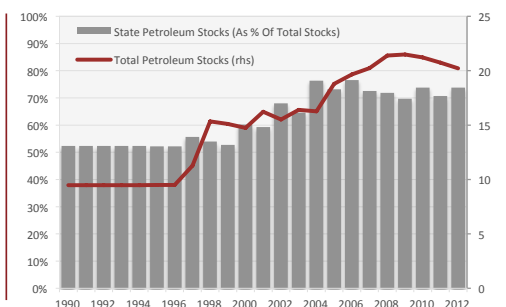
CZECH DISTILLATE FUE OIL PRODUCTION ('000 bpd)



CZECH GROSS NATURAL GAS PRODUCTION (bil cb ft)



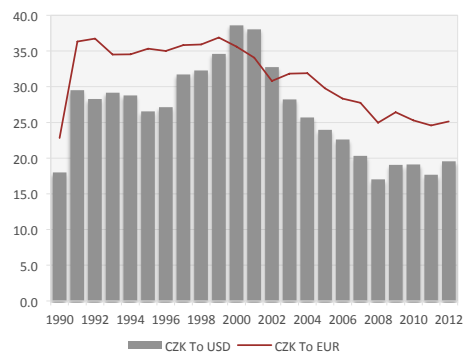
CZECH REPUBLIC'S PETROLEUM STOCKS (mil barrels)



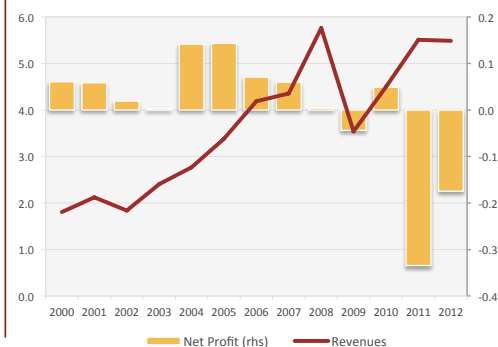
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

## Financials (USD)

### FX TO USD & EUR



### REVENUES & PROFIT (USD bil)



### INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
<b>Sales</b>	<b>5,761</b>	<b>3,536</b>	<b>4,498</b>	<b>5,509</b>	<b>5,485</b>
Cost of Goods & Services	4,817	2,883	3,695	4,841	4,776
<b>Gross Profit</b>	<b>944</b>	<b>653</b>	<b>804</b>	<b>668</b>	<b>708</b>
Staff Cost	n.a.	n.a.	n.a.	n.a.	n.a.
Other Cost	522	372	398	382	410
<b>EBITDA</b>	<b>263</b>	<b>146</b>	<b>271</b>	<b>137</b>	<b>171</b>
Depreciation	204	180	183	176	144
<b>EBIT</b>	<b>59</b>	<b>-34</b>	<b>88</b>	<b>-39</b>	<b>28</b>
Financing Cost	22	16	14	15	16
Extraordinary Cost	36	13	12	282	251
<b>Pre-Tax Profit</b>	<b>1</b>	<b>-64</b>	<b>62</b>	<b>-336</b>	<b>-240</b>
Tax	-3	-20	13	-2	-65
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>4</b>	<b>-44</b>	<b>49</b>	<b>-334</b>	<b>-175</b>
Dividends	1	0	0	0	0
<b>EBITDA Margin</b>	<b>4.6%</b>	<b>4.1%</b>	<b>6.0%</b>	<b>2.5%</b>	<b>3.1%</b>
<b>EBIT Margin</b>	<b>1.0%</b>	<b>-1.0%</b>	<b>2.0%</b>	<b>-0.7%</b>	<b>0.5%</b>
<b>Net Margin</b>	<b>0.1%</b>	<b>-1.2%</b>	<b>1.1%</b>	<b>-6.1%</b>	<b>-3.2%</b>

### BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
<b>Non-Current Assets</b>	<b>2,025</b>	<b>2,071</b>	<b>1,940</b>	<b>1,624</b>	<b>1,370</b>
Property, Plant & Equipment	1,909	1,949	1,810	1,470	1,227
<b>Current Assets</b>	<b>982</b>	<b>1,098</b>	<b>1,341</b>	<b>1,285</b>	<b>1,293</b>
Inventories	376	468	544	591	520
Receivables	481	507	531	529	556
Cash & Cash Equivalents	50	65	253	126	161
<b>Total Assets</b>	<b>3,007</b>	<b>3,169</b>	<b>3,280</b>	<b>2,909</b>	<b>2,664</b>
<b>Shareholders' Equity</b>	<b>2,026</b>	<b>2,061</b>	<b>2,071</b>	<b>1,672</b>	<b>1,553</b>
<b>Liabilities</b>	<b>981</b>	<b>1,109</b>	<b>1,210</b>	<b>1,238</b>	<b>1,110</b>
<b>Non-Current Liabilities</b>	<b>251</b>	<b>232</b>	<b>230</b>	<b>206</b>	<b>46</b>
Long-Term Debt	110	111	107	102	0
<b>Current Liabilities</b>	<b>729</b>	<b>877</b>	<b>980</b>	<b>1,032</b>	<b>1,064</b>
Short-Term Debt	109	20	11	46	140
Trade Payables	289	468	563	600	841
<b>ROE</b>	<b>0.2%</b>	<b>-2.2%</b>	<b>2.4%</b>	<b>-16.5%</b>	<b>-10.9%</b>
<b>ROCE</b>	<b>0.1%</b>	<b>-1.7%</b>	<b>2.0%</b>	<b>-13.4%</b>	<b>-9.4%</b>
<b>Net Debt/Equity</b>	<b>8.4%</b>	<b>3.2%</b>	<b>-6.5%</b>	<b>1.3%</b>	<b>-1.3%</b>

### CASH FLOW

USD mil	2008	2009	2010	2011	2012
Net Profit	4	-44	49	-334	-175
Depreciation	204	180	183	176	144
Non-Cash Items	-232	-23	27	201	-178
Change in Working Capital	272	84	-15	-34	293
<b>Total Cash From Operations</b>	<b>248</b>	<b>196</b>	<b>244</b>	<b>8</b>	<b>83</b>
Capital Expenditures	-245	-167	-162	-203	-69
Other	59	72	112	30	22
<b>Total Cash From Investing</b>	<b>-186</b>	<b>-96</b>	<b>-50</b>	<b>-173</b>	<b>-47</b>
Dividends Paid	-185	-1	0	0	0
Issuance Of Shares	n.a.	n.a.	n.a.	n.a.	n.a.
Issuance Of Debt	-3	-88	-7	35	-6
<b>Total Cash From Financing</b>	<b>-188</b>	<b>-89</b>	<b>-8</b>	<b>35</b>	<b>-6</b>
<b>NET CHANGE IN CASH</b>	<b>-125</b>	<b>12</b>	<b>186</b>	<b>-129</b>	<b>30</b>

### RATIOS & OTHER

	2008	2009	2010	2011	2012
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P/E	421.5	Neg.	38.1	Neg.	Neg.
P/BV	0.70	0.67	0.92	0.94	1.07

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Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit [www.helgilibrary.com](http://www.helgilibrary.com) or contact us at [info@helgianalytics.com](mailto:info@helgianalytics.com).

### Helgi Analytics

Eliasova 38, Prague 6  
160 00, Czech Republic  
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