

Research

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Research Department

research@trigon.plwww.trigon.pl

BUDIMEX

With the bull case already priced in... what's next?

W ostatnich kilku kwartałach Budimex należał do najlepiej performujących mid capów na warszawskim parkiecie – kurs w ciągu 12 miesięcy wzrósł o ponad 140%, a zwieńczeniem tego bull runu było wejście Spółki do indeksu MSCI Poland oraz powrót po 20 latach do WIG20. W rezultacie, BDX jest obecnie handlowany z ponad 100% premią do indeksu EURO STOXX Construction & Materials i pozostaje jedną z najdroższych spółek budowlanych na świecie. Jesteśmy zdania, że bieżąca wycena, być może częściowo z uwagi na rosnący pasywny popyt, oderwała się od fundamentów, a perspektywa płaskich wyników w '24 tworzy unikalną okazję do zamknięcia pozycji i wzięcia zysku.

Uważamy również, że oczekiwania rynku co do trajektorii wyników i generacji FCF są na tyle rozgrzane, że każde niedowieszenie przez Budimex wygórowanych oczekiwań może skutkować wyprzedaniem akcji, a pierwszego „sprawdzam” spodziewamy się już na początku maja przy okazji wyników za 1Q, które prawdopodobnie będą słabsze r./r. Dodatkowo, z branży budowlanej coraz mocniej dobiegają głosy studzące hurraoptymizm wywołany przyznaniem Polsce KPO. Z uwagi na zmiany na stanowiskach kierowniczych oraz audyty wewnętrzne, harmonogramy inwestycji infrastrukturalnych są zagrożone (GDDKiA planuje w tym roku ogłosić o ponad 60% mniej przetargów niż w '23), a spiętrzenie robót budowlanych, finansowanych z obecnej perspektywy unijnej w latach '25 –'27, może wywołać gwałtowny wzrost cen kluczowych materiałów i surowców.

W rezultacie, obniżamy naszą rekomendację do **SPRZEDAJ** z ceną docelową 630 PLN. Nasz szacunek EPS na lata '24 – '26 jest odpowiednio 3/10/33% wyższy od konsensusu. Ponadto, uśredniona prognoza MBnS dla segmentu budowlanego na lata '24 – '33 jest aż o 2.1p.p. wyższa od średniej z lat '05 – '23,

Zmiana prognoz. Na koniec roku portfel zamówień Spółki wynosił 13.1mld PLN, a w „poczekalni” Budimex posiadał kolejne 13.3mld PLN. Uwzględniamy w naszych prognozach harmonogram rozpoznawania kontraktu Rail Baltica (początkowo do backlogu wejdzie jedynie 1 etap inwestycji warty ok. 200mln EUR), w związku z czym obniżamy kontraktację w '24 o 15% do 11.2mld PLN. Bazując na guidance Spółki zakładającym '2 lata stabilnej marży', podnosimy MBnS w okresie prognozy o 0.7 – 1.4p.p. i w rezultacie rewidujemy naszą prognozę EBITDA na lata '24 – '26 o 3/0/25%. Zakładamy również podtrzymanie polityki dywidendowej zakładającej wypłatę 100% jednostkowego zysku netto, choć DY w latach '24 – '26 nie prezentuje się naszym zdaniem atrakcyjnie (~4%), podobnie z resztą jak FCFF Yield (~3-5%).

Wycena. Naszą wycenę BDX opieramy w 100% na modelu DCF – przyjmujemy RFR 5.5% i premię rynkową 5.0%. Nasze założenia implikują 12-miesięczną cenę docelową 630 PLN. Dodatkowo przedstawiamy analizę scenariuszową – w wariantie optymistycznym wyceniamy Spółkę na 795 PLN na akcję, natomiast w pesymistycznym na 463 PLN na akcję. Wycena DDM zwraca wartość 586 PLN, natomiast wycena porównawcza 526 PLN. Sam Budimex handlowany jest z 62-90% premią na P/E do polskich i zagranicznych Spółek budowlanych.

Czynniki ryzyka. Do specyficznych czynników ryzyka zaliczamy m.in.: 1) kurs EUR/PLN, 2) ceny materiałów na rynku polskim, 3) zagraniczną konkurencję w polskiej branży budowlanej oraz 4) opóźnienia w harmonogramach inwestycji realizowanych przez GDDKiA oraz PKP PLK. Szerszy opis na str. 10.

PLNm	2021	2022	2023P	2024E	2025E	2026E
Revenues	7,911	8,619	9,802	9,706	11,824	13,754
EBITDA	734	715	939	945	1,094	1,325
EBIT	519	562	781	782	927	1,152
Net profit	972	534	738	734	841	1,009
EPS (PLN)	38.1	20.9	28.9	28.8	32.9	39.5
P/E (x)	19.2	34.9	25.2	25.4	22.2	18.5
EV/EBITDA (x)	22.0	21.8	15.7	15.7	13.5	11.1
P/BV (x)	13.7	14.3	11.8	11.3	10.2	9.0
DY (%)	4.4%	3.3%	2.5%	3.6%	3.5%	4.1%

Source: Company, Trigon DM

Sell

(Previous: Hold; PLN 600)

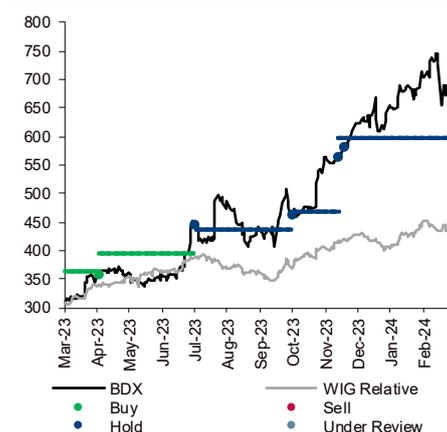
Target Price: 630 PLN

Upside: -14%

FACT SHEET

Ticker	BDX		
Sector	Construction		
Price (PLN)	730		
52W range (PLN)	307 / 766		
Shares outstanding (m)	25.5		
Market Cap (PLNm)	18,637		
Free-float	50%		
3M Av. Vol. (PLNm)	32.5		
Price performance	1M	3M	1Y
	2.8%	17.4%	142.5%

RELATIVE SHARE PRICE VS WIG INDEX



RECOMMENDATIONS

	DATE	TP
Hold	11.12.2023	600
Hold	05.12.2023	600
Hold	23.10.2023	470
Hold	24.07.2023	440
Buy	24.04.2023	395
Buy	14.03.2023	365
Buy	12.12.2022	315

SHAREHOLDERS

	Share %
Ferrovial International	50.1%
OFE Allianz Polska	10.0%
OFE Nationale-Nederlanden	9.2%

INVESTOR CALENDAR

1Q24 Earnings	08.05.2024
1H24 Earnings	23.08.2024
3Q24 Earnings	28.10.2024

ANALYST

David Sharma

Trigon Dom Maklerski S.A.

Plac Unii, Budynek B, ul. Puławska 2, 02-566 Warszawa

T: +48 22 330 11 11 | F: +48 22 330 11 12

W: <http://www.trigon.pl> | E: repcja@trigon.pl



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2022



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Glossary of professional terms:

capitalisation – market price multiplied by the number of a company's shares

free float (%) – percentage of a company's shares held by shareholders with less than 5% of total voting rights attached to the shares, reduced by treasury shares held by the company

min/max 52 wks – lowest/highest share price over the previous 52 weeks

average turnover – average volume of share trading over the previous month

EBIT – operating profit

EBITDA – operating profit before depreciation and amortisation

adjusted profit – net profit adjusted for one-off items

CF – cash flow

CAPEX – sum of investment expenditures on fixed assets

OCF – cash generated through a company's operating activities

FCF – cash generated by a company after accounting for cash outflows to support its operations and maintain capital assets

ROA – rate of return on assets

ROE – rate of return on equity

ROIC – rate of return on invested capital

NWC – net working capital

cash conversion cycle – length of time it takes for a company to convert its cash investments in production inputs into cash revenue from sale of its products or services

gross profit margin – ratio of gross profit to net revenue

EBITDA margin – ratio of the sum of operating profit and depreciation/amortisation to net revenue

EBIT margin – ratio of operating profit to net revenue

net margin – ratio of net profit to net revenue

EPS – earnings per share

DPS – dividend per share

P/E – ratio of market price to earnings per share

P/BV – ratio of market price to book value per share

EV/EBITDA – ratio of a company's EV to EBITDA

EV – sum of a company's current capitalisation and net debt

DY – dividend yield, ratio of dividends paid to share price

RFR – risk free rate

WACC – weighted average cost of capital

Recommendations of the Brokerage House

Issuer – BUDIMEX S.A.

BUY – we expect the total return on an investment to reach at least 10%

HOLD – we expect the price of an investment to be largely stable, with potential upside of up to 10%

SELL – we expect negative total return on an investment of more than -0%

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Document prepared by: David Sharma

Valuation methods used

SOTP – sum-of-the-parts method, which consists in valuing a company by valuing its individual business lines separately and then summing them up.

Advantages: different valuation methods can be applied to diverse business lines; the approach is useful for assessing the value of a company e.g. in the case of planned acquisition or restructuring.

Disadvantages: the peer group for individual business lines is usually limited, the method does not adequately account for synergies between business segments.

Risk-adjusted net present value method (rNPV)

Advantages: accounting for probabilities assigned to future cash flows, providing a more realistic assessment of the present value of future cash flows and reflecting business-specific factors, especially in the case of innovative companies.

Disadvantages: subjectivity involved in the adoption of a discount rate, significant reliance on a number of assumptions, high level of complexity in the calculations and exclusion of qualitative factors from the valuation.

Discounted residual income method (DRI)

Advantages: valuation based on the excess of income over risk-adjusted opportunity cost to owners of capital, the method can be applied to companies that do not

pay dividends or generate positive FCF.
 Disadvantages: significant reliance on subjective judgements and assumptions, as well as sensitivity of the valuation to any changes in those variables.
 Discounted dividend model (DDM)
 Advantages: accounting for real cash flows to equity owners, the model works best for companies with a long history of dividend distribution.
 Disadvantages: the method can be applied to dividend-paying companies only, it is not suitable for companies with a short history of dividend distribution.
 Net asset value method (NAV)
 Advantages: the approach is particularly relevant to holding companies with significant property, plant and equipment assets, the calculation of NAV is relatively straightforward.
 Disadvantages: the method neglects future revenue or earnings potential and may not properly reflect the value of intangible assets.
 Target multiple method
 Advantages: the method can be applied to any company.
 Disadvantages: it involves a high degree of subjectivity.
 Replacement value method – it assesses the value of a company based on the costs of replacing its assets.
 Advantages: the method is particularly relevant to companies with significant property, plant and equipment assets.
 Disadvantages: it may be hard to capture the value of a company's intangible assets, reputation and market potential.
 Liquidation value method – the sum of prices that the business would receive upon selling its individual assets on the open market.
 Advantages: the method can capture the lowest threshold of a company's value.
 Disadvantages: it may be hard to capture the value of a company's intangibles.

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