

Albena JSC

NAV Value: BGN 113.59

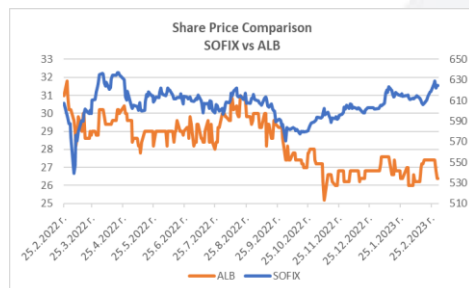
Share Information

Price (BGN)	26.40
52-week price change	-14.84%
52-week price range	25.20-31.80

Market Cap (BGN)	112 810 526
Market Cap (EUR)	57 679 106
Shares outstanding	4 273 126
Free Float	29.93%

P/E (ttm)	4 904.81
P/S (ttm)	0.93
P/BV	0.24

Source: SIS Calculations and Market Data
BGN is pegged to EUR at 1.95583 BGN



* in BGN, source Bloomberg

Petya Segova

Equity Analyst

e-mail: psegova@sis.bg

Svetozar Abrashev

Senior Managing Partner

Tel.: +359 2 937 9869

e-mail: abrashev@sis.bg

Sofia International Securities

Sofia 1000,

140 G. S. Rakovski Str.

Tel.: + 359 2 937 98 65

e-mail: info@sis.bg

Inflationary Pressure Squeezes Business Profits

Q4 2022 Results

- By the end of 2022, the operating revenues of the company had surged by 27.6% YoY, reaching a total of BGN 120.8 million.
- The company's total revenue amounted to BGN 126.5 million. The increase was mainly attributed to the sale of products and goods, including beverages, food items, and kitchenware through its restaurant operations.
- Financial income grew by BGN 5.5 mln. due to property revaluation.
- Despite a 33% increase in total revenues, EBIT decreased by BGN 5.2mln. and reached BGN 2.1 mln, representing a YoY decline of 71.3%
- Total expenses saw a growth of 41.9%. The primary drivers behind the rise in operating expenses were the costs of materials, which witnessed a growth of 111%, followed by salaries and external services, which increased by 47% and 35%, respectively. This is in accordance with the general upward trend in the price levels of materials and services during the past year. As a result, net profit dropped by BGN 3.9mln to BGN 23k.
- By the close of 2022, Albena JSC's total assets were BGN 611.7 million, comprising BGN 588.5 million in non-current assets and BGN 23.2 million in current assets. This represents a decrease of BGN 3.9 million from the previous year's figures.
- There was not much change in the company's equity compared to the previous year, with a value of BGN 477.1 million. Furthermore, at the end of 2022, the company had more current liabilities than current assets, which explains the negative working capital of BGN 3.7 mln.
- There has been a decline of BGN 3.1 million in non-current liabilities and BGN 2.7 million in short-term loans since the start of the year.

QUARTERLY RESULTS

Financial Metrics	Q4 2022	Q4 2021	% Change	TTM
Total Revenue	126 463	95 059	33.0%	126 463
Operating expenses	124 331	87 635	41.9%	124 331
EBIT	2 132	7 424	-71.3%	2 132
Operating Margin	1.7%	7.8%	-6.1%	1.7%
EBITDA	23 719	29 859	-20.6%	23 719
Net profit	23	3 877	-99.4%	23
Net Margin	0.0%	4.1%	-4.1%	0.0%
Total Assets	611 673	615 565	-0.6%	611 673
Net Debt	78 993	77 733	1.6%	78 993
Debt-to-Equity	0.2	0.2	-3.6%	0.2

FINANCIAL RATIOS

Per share	2022	2021	2020	2019
Number of shares	4 273 126	4 273 126	4 273 126	4 273 126
EPS	0.01	0.91	-4.17	3.89
DPS	0.00	0.23	0.62	0.54

Growth & Activity	2022	2021	2020	2019
Revenue growth	33.0%	61.3%	-48.0%	9.0%
Earnings growth	-99.4%	-121.8%	-207.0%	51.5%
CAPEX growth	288.6%	-56.3%	-45.0%	-39.6%
CAPEX/Revenue	16.2%	5.5%	20.4%	19.3%
Asset Turnover	0.05	0.04	0.02	0.05
Working Capital Turnover	(118.69)	(13.60)	(4.19)	(6.77)

Return & Profitability	2022	2021	2020	2019
ROE	0.0%	0.8%	-3.8%	3.4%
ROA	0.0%	0.6%	-2.8%	2.8%
ROIC	0.0%	0.7%	-3.2%	3.0%
EBITDA margin	18.8%	31.4%	15.4%	33.7%
Operating margin	1.7%	7.8%	-28.7%	17.5%
Net margin	0.0%	4.1%	-30.2%	14.7%

Gearing & Liquidity	2022	2021	2020	2019
Debt-to-Equity	0.2	0.2	0.2	0.2
Net Debt to EBITDA	0.3	0.4	0.1	0.6
Interest coverage	1.1	3.3	-14.1	13.1
Cash ratio	0.3	0.4	0.2	0.3
Current ratio	0.9	1.1	0.6	0.6

COMPANY DESCRIPTION

Albena AD is the largest hotel company in Bulgaria. The company owns three resorts on the Bulgarian Black Sea coast - kk. Albena, Primorsko holiday village and Byalata Laguna holiday village, manages many subsidiaries in industries supporting the main business - transport, medicine and balneology, tour operator activity, agriculture, construction.

FINANCIAL METRICS

Income Statement (BGN th)	2022	2021	2020	2019
Operating Revenue	120 816	94 678	58 677	96 382
Financial Income	5 647	381	258	17 046
Total Revenue	126 463	95 059	58 935	113 428
Operating expenses	124 331	87 635	75 843	93 549
EBIT	2 132	7 424	(16 908)	19 879
EBITDA	23 719	29 859	9 070	38 198
Net profit	23	3 877	(17 811)	16 639

Balance Sheet (BGN th)	2022	2021	2020	2019
Current assets	23 161	29 456	21 719	19 507
Cash & equiv.	7 311	11 794	6 814	9 367
Non-current assets	588 512	586 109	606 084	582 346
PP&E and Inv. Properties	569 978	567 860	587 198	437 880
Total Assets	611 673	615 565	627 803	601 853
Current Liabilities	26 905	27 843	37 311	32 013
ST Loans	9 929	12 198	15 267	11 690
Non-current liabilities	99 389	102 507	109 471	84 024
LT Loans	76 375	77 329	83 487	65 079
Total Liabilities	126 294	130 350	146 782	116 037
Equity	477 123	477 145	473 189	485 816
Net Working Capital	(3 744)	1 613	(15 592)	(12 506)
Total Debt	86 304	89 527	98 754	76 769
Net Debt	78 993	77 733	91 940	67 402

Cash Flow Statement (BGN th)	2022	2021	2020	2019
CF from operations	20 169	19 594	10 840	16 025
CF from investments	(18 954)	(3 092)	(2 984)	(15 047)
CAPEX	(20 446)	(5 261)	(12 027)	(21 880)
Purchase of investments	-	-	-	(1 171)
CF from financing	(5 718)	(11 528)	(12 775)	6 716
Change in debt	(3 083)	(8 948)	(11 039)	11 146
Paid interest	(1 934)	(2 242)	(1 197)	(1 512)
Paid dividends	(388)	(10)	(974)	(2 645)

Source: Company Financials and SIS Calculations

Disclaimers and Required Disclosures

Sofia International Securities AD is a member of Bulgarian Stock Exchange (BSE) and the Central Depository of Bulgaria. The company provides brokerage, investment banking, equity research, portfolio management and other services. Sofia International Securities AD is regulated by the Financial Supervision Commission of Bulgaria.

Analyst Certification

The individuals responsible for the preparation of this report certify that: (1) all of the views and opinions expressed in this report are their own and reflect their personal views about the issuer(s) and the securities subject of this report, and (2) no part of any analyst's compensation was, is, or will be directly or indirectly related to the specific views or recommendations expressed by them in this report.

Regulatory Restrictions

Sofia International Securities is not registered as a broker or dealer with the Securities and Exchange Commission or NASD in the United States of America and the information may be distributed in the US only to individuals who by acceptance hereof confirm that they represent "major institutional investors" as defined in Regulation 15a-16 of the Securities Exchange Act of 1934. Notwithstanding this, no publication of Sofia International Securities AD shall be construed as an offer (or solicitation of an offer) in any jurisdiction in which such offer or solicitation would be illegal.

Financial Interest

Sofia International Securities does not own shares of the company that is subject of this document. The individuals who are responsible for the preparation of this report do not own shares of the company that is subject of the report. Sofia International Securities is not a market maker in the securities that are subject of this document. In the past, Sofia International Securities has not provided corporate services to the company that is subject of this presentation.

Equity Valuation and Risks

The value estimate(s) stated in this report is (are) valid only in light of the valuation methods used to derive this estimation. The use of other or more comprehensive approaches could result in other estimates of value that could diverge substantially from the results presented herein. With regard to the above, when making our conclusions about the intrinsic value of the Company's share capital, we have not considered or evaluated any possible tax, legal or other effects that might arise from engaging in transaction(s) with the shares of the company. The document should not be regarded by recipients as a substitute for the exercise of their own independent judgment and they should seek and obtain independent investment advice is necessary. Any facts and/or information stated in this document are subject to change without notice and Sofia International Securities is not under any obligation to update or keep current the information contained herein. Any opinions expressed herein are only correct as of the stated date. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security.

General

The report is prepared solely for informational purposes and is not to be construed as a solicitation, recommendation, investment advice or an offer to buy or sell any securities or related financial instruments. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. The document is based on information obtained from sources believed to be reliable but Sofia International Securities do not warrant its accuracy, nor that it is a complete summary of the securities, markets or developments referred to in the report. This report does not intend to provide assurance on the value of the company's shares or on the achievability of the projections, statements and assumptions used by us. Actual results achieved in future periods might differ substantially from the projected ones because events and circumstances frequently do not occur as expected. Sofia International Securities accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this report. Additional information will be made available upon request.