

IC Earnings Overview - Croatia

Q1 2020



Q1 of 2020 could be seen as a challenging quarter for Croatian companies with most companies observing both sales and net profit decreases, as a result of the ongoing Covid-19 pandemic. Sector wise, Food showed the best performance with ATGR & PODR witnessing strong results on the back of stockpiling. Tourism companies were quite affected by the halt in international and domestic travel, coupled with lockdowns of countries worldwide. Note that their results are not indicative of their performance, as most of their revenues are derived in Q3. It is also important to note that most companies recorded unrealized FX losses as a result of the depreciation of HRK to EUR. Depreciation of currency was a market reaction to potential loss of summer season and inflow of foreign currency, but in the meantime the local currency depreciation trend subsided to a certain extent.



■ Improvement
■ Decline
■ Flat
■ N/A



Company

Key figures

Commentary



Sales: HRK 348m ↑ +1%
EBITDA: HRK 63m ↑ +36%
Net profit: HRK 28m ↑ +1%

- Sales up due to serial production of new vehicles.
- EBITDA up due to higher profitability of projects, sale of non-operating assets and government subsidies.
- Ruble depreciation lowers FX result to HRK -15m (from HRK 1m). Income from associates sliced in half.



Tot.revenue:HRK 1.2bn ↑ +2%
Sales: HRK 938m ↓ -5%
Net profit: HRK -22m ↓ -63x

- Due to pandemic measures Maistra's top line down 30%, while fish production volumes are down 3%.
- Drop in net income is a result of deterioration of conditions in the hospitality segment where majority of group's sales come from, while insurance posted net income growth of 28%.



Sales: HRK 55.1m ↓ -24%
EBITDA: HRK -19.7m ↓ -30%
Net profit: HRK -46m ↓ -20%

- Sales decrease is due to a halt in int. and domestic travel coupled with lockdowns of countries
- OPEX down (-7%) due to lower business activity but also to the delay in opening of all facilities and omittance of preparation costs for the season
- Net fin. loss of HRK -23.4, due to unrealized FX loss



Sales: HRK 1.3bn ↑ +7%
EBITDA: HRK 181.4m ↑ +12%
Net profit: HRK 89.3m ↑ +11%

- Sales rose on the back of stockpiling amid lockdown.
- EBITDA up due to higher sales, coupled with lower marketing investments after the divestment of less profitable segments.
- FX result lower due to depreciation of HRK to EUR.



Sales: HRK N/A
EBITDA: HRK N/A
Net profit: HRK N/A

- *The company has postponed publishing Q1 report due to Covid-19 situation*



Sales: HRK 275.5m ↑ +28%
EBITDA: HRK 29m ↑ N/A
Net profit: HRK -4.2m ↑ N/A

- The Energy sector rev. up by 77%, to HRK 186m. Of that, 95% was generated on the foreign market.
- OPEX (+7%) did not follow rev. growth as DLKV has been working on the optimization of the cost structure
- Net loss of HRK -4.15m came on the back of net FX loss.



Sales: HRK 215.1m ↓ -3%
EBITDA: HRK 23.4m ↑ +31%
Net profit: HRK 7.12m ↑ +47%

- Sales down due to lower performance on the foreign market, which accounts for 46.2% of total sales.
- EBITDA up due to lower employee costs (by 21% or HRK 19m). EBITDA margin at 10.9% (+2.9 p.p. YoY)
- Net financial result at HRK-1.5m, due to net FX loss



Sales: HRK 487.7m ↑ +26%
EBITDA: HRK 47.2m ↓ -18%
Net profit: HRK 30m ↓ -10%

- Sales up due to growth in the operator segment in the domestic market. Sales on domestic market +118%.
- OPEX up by 30%, to HRK 459m.
- Erosion of margins due to business mix due to taking over the full responsibility for managed services, restructuring charges, and the impact of COVID-19.

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	Sales: HRK 1.7bn ↓ -2% EBITDA: HRK 669m ↓ -11% Net profit: HRK 149m ↓ -22%	<ul style="list-style-type: none"> Mobile segment down as a result of lock-down due to Covid-19 pandemic and lower sales of handsets, while fixed revenue segment due to changes in regulation for wholesale prices and lower Optima contribution. EBITDA normalized for exceptional items and Evo TV transaction increased 1%.
	Sales: HRK 604.2m ↑ +7% EBITDA: HRK 34.7m ↑ +24% Net profit: HRK -7m ↓ N/A	<ul style="list-style-type: none"> Sales up due to a better performance on the domestic market (+23%). Sales to HEP amounted to HRK 82.3m (+16.5m). Sales on the foreign market remained flat. Backlog on 31 Mar. amounted to HRK 3.4bn (+2.2%). Bottom line affected by the realized loss in the associate of HRK 13.6m.
	Sales: HRK 32.5m ↓ -37% EBITDA: HRK -14.9m ↓ -509% Net profit: HRK -89.8m ↓ -82%	<ul style="list-style-type: none"> Sales down due to closure of accommodation units in March due to COVID-19. The company has embarked on several cost rationalization measures to battle the effects. Investments have been reduced to a minimum.
	Sales: HRK 111.6m ↓ -18% EBITDA: HRK 34.8m ↑ +1% Net profit: HRK -4.1m ↓ N/A	<ul style="list-style-type: none"> Sales down due to lower rev. from interconnection business activities of 66.8%. Rev. from public voice service down 12.0%. Rev. from the internet -5.3%. EBITDA (before one time items after lease) of HRK 29.3m, representing an increase of 4% YoY Net financial result of HRK -9.6m, led to a net loss.
	Sales: HRK 1.2bn ↑ +21% EBITDA: HRK 177m ↑ +13% Net profit: HRK 94m ↑ +15%	<ul style="list-style-type: none"> Food grew by 19.1%, while Pharma was up 27.7% due to rising demand caused by COVID-19. EBITDA increase came primarily as a result of higher sales in both business segments. Net profit up despite lower FX result.
	Sales: HRK 41.4m ↓ -10% EBITDA: HRK -104m ↑ +8% Net profit: HRK -290m ↓ -23%	<ul style="list-style-type: none"> Sales down due to closure of tourist facilities from 15 March 2020 as a result of pandemic measures. EBITDA up due to reduction of staff costs by 15% as monthly bonus calculation for 2020 was abolished and facilities were closed. Net financial result down due to unrealized FX losses.
	Sales: HRK 1.23bn ↓ -9% EBITDA: N/A Net profit: HRK 492m ↓ -8%	<ul style="list-style-type: none"> NII down 9.7% due to existing pressure on NIM, while NFCI down 11.9% Income on assets held for trading (adj. for FX) +13% CIR stood at 45.6% (+3 p.p. YoY) Release of provision of HRK 30.7m (compared to provisions of HRK 109.5m in Q1).

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