

# IC Earnings Overview - Slovenia

H1 2020



H1 2020 was an unflattering period for most Slovenian companies as 9 out of 11 components recorded a YoY decrease in net profit. The effects of the travel ban, and the lockdown were felt the hardest by Slovenia's largest oil retail Petrol, whose net profit was sliced in half amid the sudden drop in oil prices and the slowdown of economic activity. Afterwards come companies associated with the transport of goods and services - Luka Koper and Intereuropa. With economic activity halted both companies posted a plummeting performance. Note that the same goes for industrial companies Cinkarna Celje and Unior. Meanwhile the financial sector posted mixed results with NLB and Triglav posting a lower bottom line performance. On the flip side Sava Re was able to boost their bottom line by 43% on the back of recently acquired Vita. With less people traveling through and to Slovenia, the country's largest telecom operator Telekom Slovenije also posted a declining result amid lower roaming revenue and the shift of subscribers to new, more affordable packages. Finally, as a light at the end of a tunnel comes Krka with their stellar performance on the back of higher demand for healthcare products.







- Improvement
- Decline
- N/A
- Flat



Company	Key figures	Commentary
KRKA	Sales: EUR 804m <span style="color: green;">↑</span> +6% EBITDA: EUR 273m <span style="color: green;">↑</span> +30% Net profit: EUR 160m <span style="color: green;">↑</span> +15%	<ul style="list-style-type: none"> <li>Sales experienced growth in all regions, except Slovenia and Overseas markets</li> <li>Gross profit went up 11% YoY</li> <li>Net financial loss amounted to EUR -26.4m, primarily because of negative FX movement</li> </ul>
PETROL	Sales: EUR 1.5bn <span style="color: red;">↓</span> -28% EBITDA: EUR 64m <span style="color: red;">↓</span> -22% Net profit: EUR 19m <span style="color: red;">↓</span> -52%	<ul style="list-style-type: none"> <li>Sales impacted by drop in quantity sold of petroleum products (-18.4%), LPG (-15%) &amp; electricity (-12.6%).</li> <li>Gross profit down -18% as full impact of pandemic measures was evidenced</li> <li>Due to decrease in volume sold and increase in opr. expenses of 5% EBITDA and net profit down</li> </ul>
Telekom Slovenije	Sales: EUR 325m <span style="color: red;">↓</span> -4% EBITDA: EUR 104m <span style="color: red;">↓</span> -7% Net profit: EUR 15m <span style="color: red;">↓</span> -24%	<ul style="list-style-type: none"> <li>Sales down primarily due to lower roaming revenue amid COVID-19 pandemic and the shift of subscribers to new, more affordable packages</li> <li>When adjusting for the effect of the agreement on the sale of Planet TV, EBITDA down 1%</li> </ul>
triglav	GWP: EUR 673.4m <span style="color: green;">↑</span> +7% EBITDA: N/A Net profit: EUR 34m <span style="color: red;">↓</span> -4%	<ul style="list-style-type: none"> <li>GWPs: non-life +6%, life +4%, health +17%.</li> <li>All non-life classes up besides accident and credit ins.</li> <li>Gross claims paid at EUR 330.8m (-1.2%); combined ratio at 92.4% (-0.9 p.p)</li> <li>CAT events at EUR 12.2m vs EUR 5m in H1 2019</li> <li>Investment portfolio stood at EUR 3.3bn (-5% in Q1)</li> </ul>
SAVARe	GWP: EUR 372.3m <span style="color: green;">↑</span> +11% EBITDA: N/A Net profit: EUR 32m <span style="color: green;">↑</span> +43%	<ul style="list-style-type: none"> <li>GWPs: non-life +10%; life +14.3%, reinsurance + 15%</li> <li>Non-life mostly up on the back of Slovenian market</li> <li>Life up on the consolidation of Vita which occurred in May</li> <li>Gross claims paid +1.6%; combined ratio at 91.7%</li> <li>Return on inv. portfolio at 1.5% (0.2 p.p. above plan)</li> <li>Sharp increase in bottom line on the back of Vita</li> </ul>
LUKA KOPER Port of Koper	Sales: EUR 107m <span style="color: red;">↓</span> -11% EBITDA: EUR 31.2m <span style="color: red;">↓</span> -29% Net profit: EUR 15m <span style="color: red;">↓</span> -40%	<ul style="list-style-type: none"> <li>Sales down due to lower throughput which fell 15%</li> <li>Decline in bulk cargo throughput was further influenced by EU legislation</li> <li>Labour costs up 8% to EUR 2.9m</li> <li>CAPEX at EUR 16m, below plan</li> </ul>
Intereuropa	Sales: EUR 73.5m <span style="color: red;">↓</span> -9% EBITDA: EUR 6.4m <span style="color: red;">↓</span> -12% Net profit: EUR 1.6m <span style="color: red;">↓</span> -45%	<ul style="list-style-type: none"> <li>Sales down mainly due to a negative impact of Covid-19 on land transport (-12%)</li> <li>However, sales 3% higher than planned</li> <li>11% decrease in sales on the Slovenian market</li> <li>EBITDA margin at 8.7% (-0.3 p.p. YoY)</li> <li>Net profit 123% higher than planned</li> </ul>
CINKARNA	Sales: EUR 88.7m <span style="color: red;">↓</span> -4% EBITDA: EUR 17.7m <span style="color: red;">↓</span> -15% Net profit: EUR 9.9m <span style="color: red;">↓</span> -21%	<ul style="list-style-type: none"> <li>Sales down due to lower production and higher inventories; sales decline lower than market</li> <li>OPEX up by 3% and lower sales resulted in EBITDA drop by 15% and bottom line by 21%</li> <li>CAPEX at EUR 5.6m which is 28.2% of the planned amount</li> </ul>

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Company	Key figures	Commentary
	Sales: EUR 92.6m    ↓ -30%	<ul style="list-style-type: none"> <li>Sales down 30% due to coronavirus epidemics as all companies in the group felt the influence</li> <li>Impact intensified in Q2, especially April when sales were down 70%</li> <li>Depreciation up 9% YoY due to more intensive investments in equipment last year</li> </ul>
	EBITDA: EUR 8.8m    ↓ -53%	
	Net profit: EUR -3.3m    ↓ n.a.	
	Sales: N/A	<ul style="list-style-type: none"> <li>In H1 2019, KD Group sold Adriatic Slovenia which represented 84% of the groups total assets</li> <li>Financial income amounted to EUR 1.6m (compared to EUR 154.3m in H1 2019 of which the mentioned sale accounts for EUR 135.4m)</li> <li>Net income down YoY due to 2019 sale of Adriatic</li> </ul>
	EBITDA: N/A	
	Net profit: EUR -2.3m    ↓ n.a.	
	Sales: EUR 260.0m    → 0%	<ul style="list-style-type: none"> <li>NII down 5.6% due to sale of debt securities and higher volume of cash and balances with central bank</li> <li>Non-recurring net other income affected by sale of NLB Vita with EUR 11m</li> <li>OPEX up 1.2%; CIR at 55.7%</li> <li>Cost of risk at 85 bps (vs 0 bps in H1 2019)</li> <li>Gross loans up 1.4% YTD</li> </ul>
	EBITDA: N/A	
	Net profit: EUR 74m    ↓ -22%	
Index Total	Key figures (weighted agg.)	Commentary
	Sales: EUR 4.1bn    ↓ -4%	<ul style="list-style-type: none"> <li>The COVID-19 pandemic took its toll in Q2, with most companies posting a decrease on both top and bottom line in H1 with heavyweight Petrol contributing the most</li> <li>Net profit was hit hardest by Petrol, Luka Koper and Intereuropa whose net bottom lines were sliced in half</li> </ul>
	Net profit: EUR 37m    ↓ -13%	

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Q2 2020 (31 March - 30 June 2020)			
	Number	Share	Companies which InterCapital Securities Ltd. provided investment banking service within last 12 months
Strong Buy	1	5.9%	-
Buy	5	29.4%	HT-R-A
Hold	1	5.9%	-
Sell	0	0.0%	-
Under Review	10	58.8%	-

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