



Friday, 5 April 2024 | update

InPost: buy (reiterated)

INPST NA; INPST.NA | e-Commerce, Poland

Believe in the UK

InPost's share price has rallied 32% since our last report in December, outperforming the WIG benchmark by almost 22 p.p. Nevertheless, we maintain our positive view on the Company.

In our view, the main growth potential for InPost currently lies in its rapid expansion in Europe's largest e-commerce market, the UK. The UK market volume is currently estimated at 4.4 billion parcels a year, of which only 1% are delivered by InPost. At the same time, InPost's volume growth in the UK market has significantly outpaced the competition (+170% y/y in Q4'23 vs. +5% overall market), prompting us to raise our financial forecasts for the UK business. In the base case scenario, we assume InPost will grow its volume share in the UK market by around 5% by the end of 2027.

Given significant improvement in profitability per parcel in recent quarters, we have also raised our adjusted EBITDA forecasts for the UK + IT segment to PLN 500m in 2026, with EBITDA margin forecast at ca. 17% (vs. 45-46% currently achieved in Poland). This is the main reason behind upward revisions to our long-term forecasts.

InPost is currently trading at 10.4x EV/EBITDA'24x, on a par with the peer group median. We believe the Company's valuation is too low when we compare its growth potential with the earnings forecast for the peers.

We set our new price target for INPST at EUR 18.50, which implies upside potential of 30%. Note that InPost started to generate significant FCFE since 2023, resulting in a reduction in net debt/EBITDA to 1.1x by the end of 2025, thanks to significant investment in the development of the international APM network which will serve as a powerful driver of foreign expansion, as well as facilitating potential acquisitions.

Visible Progress in the UK

The UK business became profitable in 3Q 2023. It seems to us that InPost has finally reached the minimum scale of operations there. In Q4 2023, volumes in the UK increased massively to 17.2 million parcels (almost triple the year-ago volume). This was accompanied by continued growth in unit revenue per parcel (+32% y/y in Q4 2023). Moreover, a change in product mix, combined with operating leverage, led to an improvement in adjusted EBITDA per parcel to a positive PLN 1.3 in 4Q'23 from PLN -4.4 in Q4'22.

Great Potential of the UK Market

The UK has one of the biggest and most mature e-commerce markets in Europe, said to be worth USD 132bn in 2023 and forecast to continue expansion at 7.1% CAGR through 2028. The online retail penetration rate at an estimated 27% places the UK among top developed markets in the world. That said, InPost has just taken the first step towards establishing a presence in the UK, with a 1% market share gained so far. The potential to grow is unprecedented.

InPost Stands Out from the Peer Group

InPost has a very attractive investment profile compared to global peers. First, we expect its revenue to grow at a rate of 20% a year in 2023-26 vs. 6% median growth forecast for the peer group. Similarly, InPost's 2023-26E EBITDA CAGR at 22% far exceeds the 14% expected of e-commerce firms and 9% estimated for logistics companies. Last but not least, InPost's is expected to achieve EBITDA margin of ca. 31% in 2024 vs. a peer group average of 17%.

(PLN m)	2022	2023	2024E	2025E	2026E
Revenue	7,079.1	8,862.7	11,105.7	13,344.6	15,322.2
EBITDA (adj.)	1,961.4	2,733.1	3,484.0	4,238.2	4,919.1
margin	27.7%	30.8%	31.4%	31.8%	32.1%
EBIT	942.1	1,498.8	2,021.3	2,471.5	2,831.6
net profit	456.5	647.4	1,294.7	1,683.2	2,015.7
P/E	67.0	47.2	23.6	18.2	15.2
P/S	4.3	3.4	2.8	2.3	2.0
P/B	65.2	23.6	11.8	7.2	4.9
EV/EBITDA (adj.)	18.8	13.4	10.4	8.3	6.9
DPS	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%

current price*	EUR 14.25
target price	EUR 18.50
mCap	EUR 7.1 bn
free float	EUR 2.5 bn
ADTV (3M)	EUR 5.5 m

*Price as of April 4, 2024, 6:00 PM

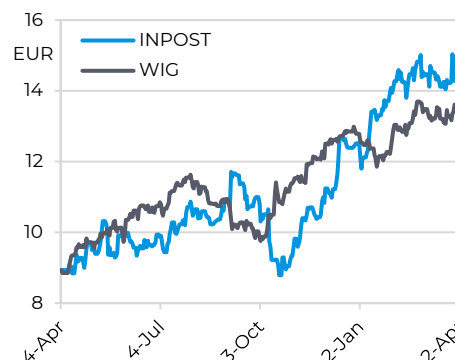
Ownership

Advent International Corporation	25.03%
PPF Group	21.75%
A&R Investments	12.49%
GIC Private Limited, Singapore	5.01%
Others	25.72%

About InPost

InPost Group is a logistics company operating in nine countries. The Company is a leading APM operator with an over-40% volume market share in Poland. InPost Group also has a presence in the UK and, via Mondial Relay, in France and Benelux countries. The Company also provides to-door delivery services and is active in the e-grocery market.

InPost vs. WIG



name	target price		recommendation	
	new	old	new	old
InPost	18.50	13.80	buy	buy
name	current price	target price	upside	
InPost	14.25	18.50	+29.9%	
forecast update	2023E	2024E	2025E	
EBITDA	+2.6%	+3.6%	+4.2%	
EBIT	+0.6%	+2.7%	+4.5%	
net profit	+2.8%	+4.6%	+8.6%	

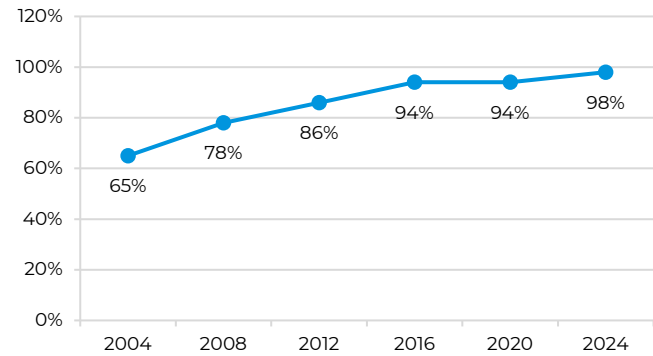
Analyst:

Paweł Szpigiel
Equity Analyst, Expert
+48 509 603 258
pawel.szpigiel@mbank.pl

The Great Potential of the UK Market

The United Kingdom has one of the most developed and mature e-commerce markets in Europe with a population of approximately 68 million and an internet penetration rate of 97.8%. More than 90% of the country's population has used the Internet since 2014.

Percentage of UK population using the Internet



Source: Statista

According to Statista, the UK e-commerce market will be worth USD 131.5 billion in 2023, ranking third globally after China and the United States. That makes the UK market over 33% bigger than Germany's, as reported by E-commerce Germany News.

e-Commerce accounted for 26.9% of the UK'S total retail sales in August 2023 according to the Office for National Statistics (ONS UK).

The most popular e-commerce segments in the United Kingdom are Fashion and Apparel, Food and Beverages, Furniture and Home Décor, Consumer Electronics, and Beauty and Personal Care. According to ONS, Fashion and Clothing account for the majority of online retail sales in the United Kingdom. As of August 2023, online sales of clothing and footwear accounted for 28.5% of all retail in this sector.

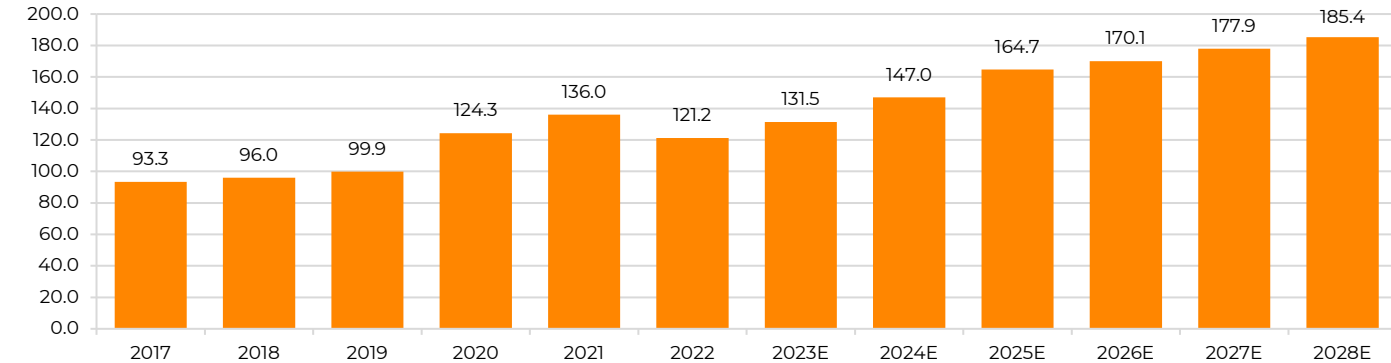
Great Britain online retail sales statistics for August 2023

Category	Online sales as a proportion of retail in this sector
All retailing	26.9%
All food	8.8%
All non-food	23.5%
Department stores	21.2%
Textile, clothing and footwear stores	28.5%
Household goods stores	27.0%
Other stores	18.6%

Source: ons.gov.uk

Amazon, eBay, Tesco, Asda, and Argos are the dominant participants in the UK e-commerce market. Amazon was the most popular online store as of February 2024, with approximately 426 million visits per month on average. eBay came in second with approximately 200 million visitors each month, followed by HotUKDeals with nearly 44 million visits.

UK e-Commerce revenue forecast (bn USD)

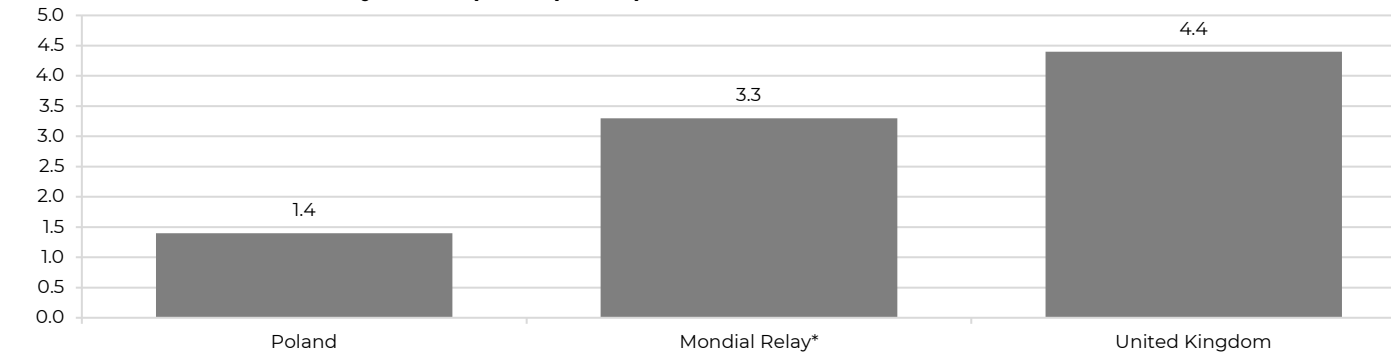


Source: Statista

According to Statista, the ecommerce market is expected to grow at a compound annual growth rate (CAGR) of 7.1% until 2028, when it will reach USD 185bn

The UK market is also InPost's biggest market in Europe by volume.

Adressable markets of InPost by volume (billion parcels)

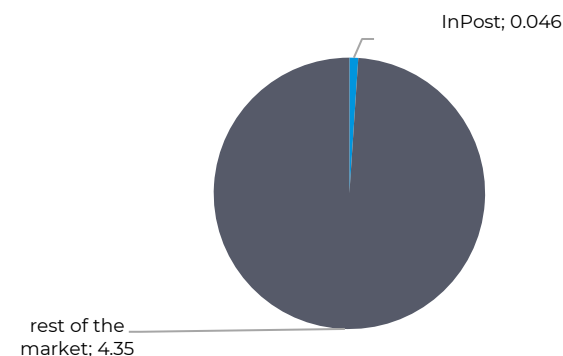


Source: InPost; mBank; *France, Spain, Netherlands, Belgium

Where is InPost's Current UK Standing?

According to Salesforce.com The Shopping Index, nearly 4.4bn parcels are being dispatched annually in the UK. If we take the 46.5 million parcels delivered there via InPost, we can put the Company's current market share at 1.1%.

InPost's UK market share (bn parcels dispatched)

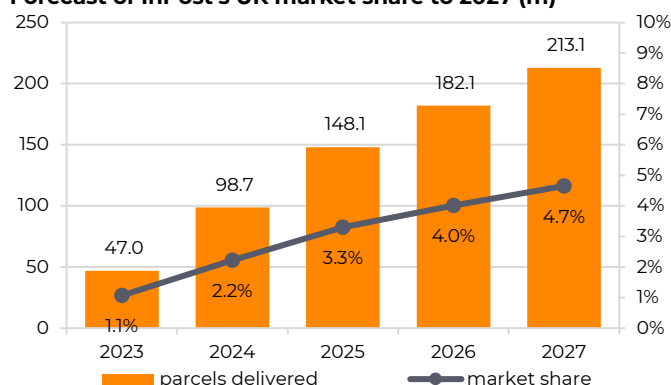


Source: InPost; mBank

What is Our Base Case Scenario?

InPost's market share in the UK is tiny when compared to the market shares in Poland and the Mondial Relay countries. We believe that, by the end of 2027, the Company can grow its volume share in the UK market to close to 5%.

Forecast of InPost's UK market share to 2027 (m)



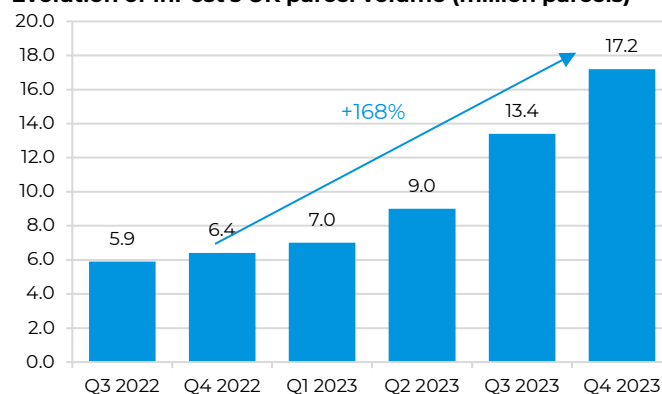
Source: mBank

Base Case Informed by Historical Growth

InPost's UK business broke even in 3Q 2023. It seems to us that InPost UK has finally reached the minimum scale of operations.

In 4Q 2023, volumes in the UK increased massively to 17.2 million parcels, almost double the volume dispatched in 1Q 2023.

Evolution of InPost's UK parcel volume (million parcels)



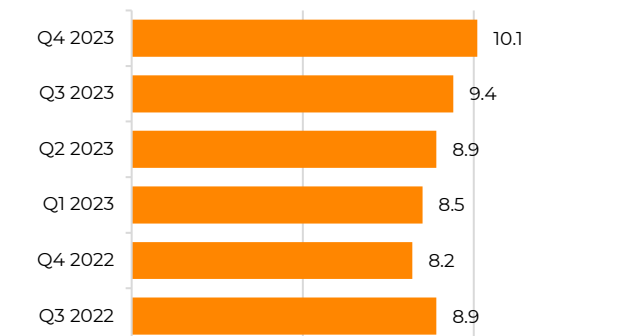
Source: InPost

This significant increase was made possible by a new logistical collaboration that released APM capacity and enabled high usage rates.

Secondly, there is still substantial demand in the UK market.

InPost continues to register unit economics evolution in the UK market. Firstly, in 4Q 2023 the UK business saw a strong volume uptake, with 17.2 million parcels delivered in the quarter, an increase of 169% y/y. Secondly, revenue per parcel grew 32% vs. Q4 2022, reflecting a more optimal product mix (decline in rentals while C2C and returns saw growth).

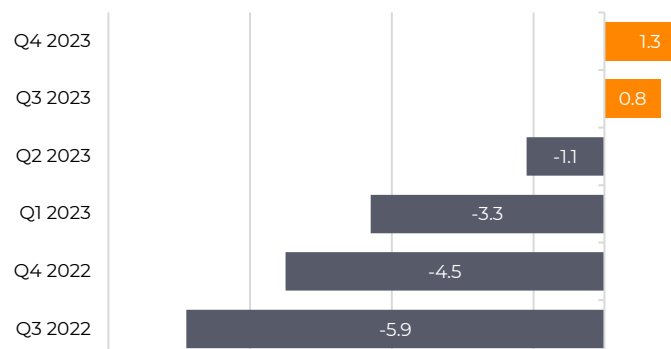
UK revenue per parcel (PLN)



Source: InPost

The change in product mix, combined with operating leverage, resulted in an improvement in adjusted EBITDA per parcel to a positive PLN 1.3 in 4Q'23 from PLN -4.4 in Q4'22.

Adjusted EBITDA per parcel in the UK (PLN)



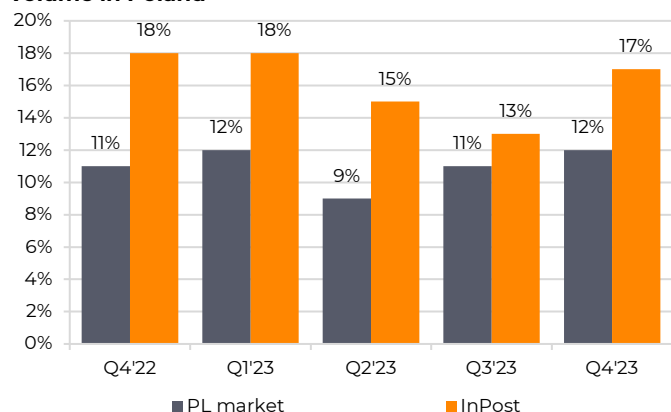
Source: InPost

InPost Still Outperforming the Market in All Key Geographies, Especially the UK

InPost continues to outperform the e-commerce market across all its major geographies, resulting in continued growth in the corresponding market shares. This still includes Poland, where InPost handles almost 50% of all e-commerce packages.

The ability to outperform competitors is unmistakable evidence that InPost has a significant edge over its rivals and can withstand challenging circumstances.

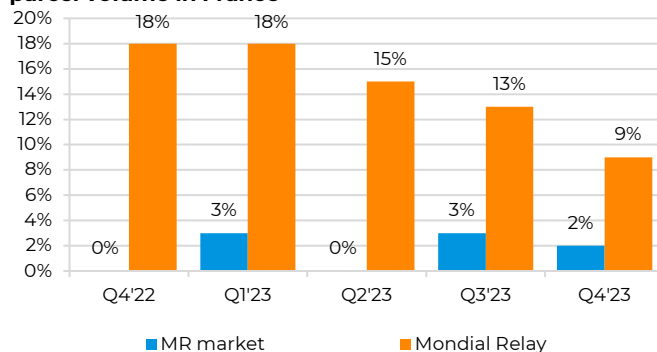
InPost's YoY volume growth vs. total e-commerce parcel volume in Poland



Source: InPost

In France, InPost is also performing better in terms of volumes than the local competitors.

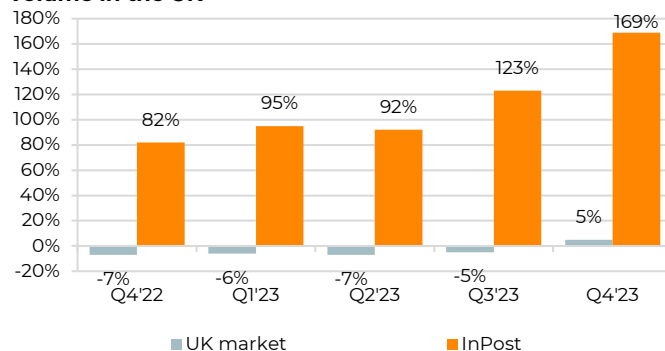
Mondial Relay YoY volume growth vs total e-commerce parcel volume in France



Source: InPost

In the UK, considering the decline in overall volumes seen in this market, the increase in the volumes carried by InPost is equally noteworthy. In 4Q 2023, the growth in the UK market amounted to a mere 5%.

InPost UK YoY volume growth vs total e-commerce parcel volume in the UK



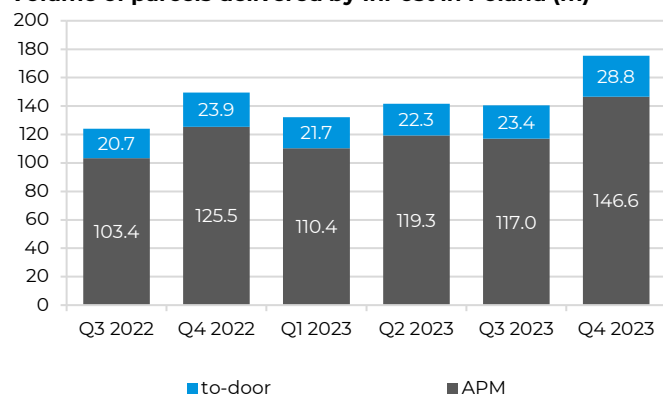
Source: InPost

Financial Performance

InPost recorded revenue of PLN 8.86bn in 2023, representing a 25% better result y/y. The revenue growth was significantly higher than the volume growth due to: (1) repricing effect, and (2) change in the product mix.

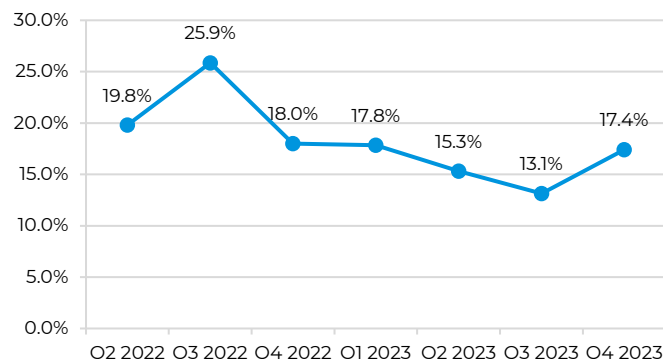
In Poland, InPost registered substantial, 28% y/y revenue growth. Volumes in Poland accelerated in 4Q 2023 vs. 3Q (when the company registered a much softer September, especially in terms of fashion shopping): in 4Q via InPost's APMs 146.6m parcels were sent (+17.4% y/y vs. +13.1% y/y in 3Q'23).

Volume of parcels delivered by InPost in Poland (m)



Source: InPost

YoY change in total parcel volume delivered by InPost in Poland

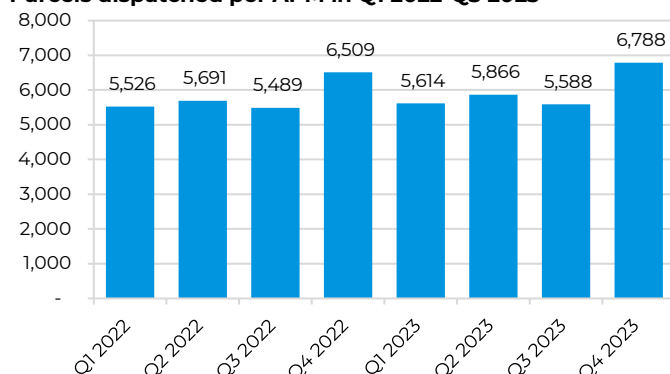


Source: InPost, mBank

The impressive performance led to an improvement in EBITDA margin to 45.5% in 4Q 2023, up by 250 bp YoY.

Despite the fast pace of network growth, the APM utilization rates in Poland remain high. The number of parcels delivered to a single APM was up to 6,788 in 4Q'23, up from 6,509 parcels per locker registered in 4Q'22.

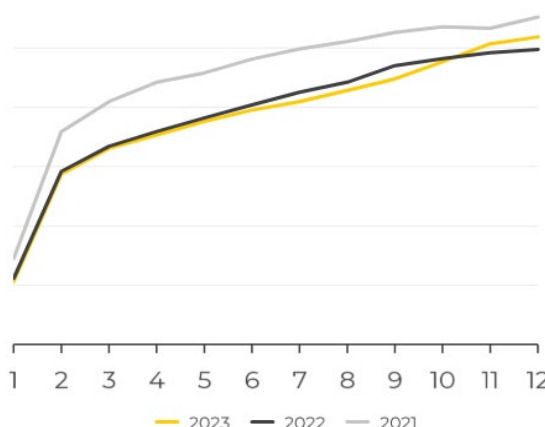
Parcels dispatched per APM in Q1 2022-Q3 2023



Source: mBank

What is important, the utilization rate for the new APMs installed this year does not deviate from the utilization rates of the older machines.

Number of parcels per APM by cohort per month post installation

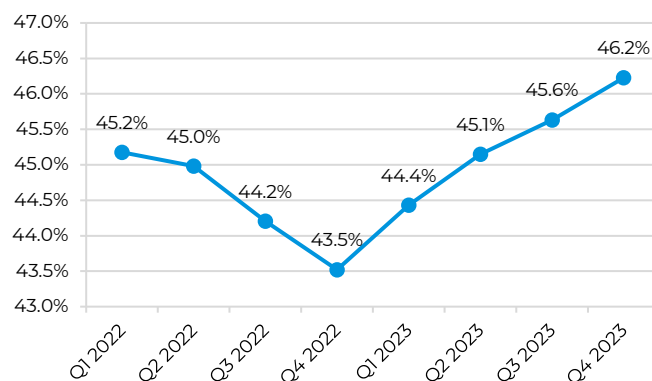


Source: InPost

Adjusted EBITDA grew 36% y/y in 4Q 2023, driven by margin expansion to 45.5% (from 43.0% in Q4 2022). The expansion in profitability resulted from repricing, operational leverage and effective cost management.

Looking at adj. EBITDA margins for the last 12m period, we clearly see that the company has been gaining momentum in this field since Q4 2022.

Evolution of adj. EBITDA margin LTM of InPost on the Polish market



Source: InPost, mBank



Adjusted EBITDA for the entire group visibly accelerated in 4Q 2023 at PLN 846.3m, which was almost 45% more vs corresponding quarter a year ago (adj. EBITDA in 2023 amounted to PLN 2,733m after a rebound of 39.3% y/y). That resulted largely from significant margin improvement in the international businesses of InPost. Positive adjusted EBITDA in the UK market was registered for the first time in 3Q'23 and in 4Q'23 that trend continued.

InPost registered a material y/y increase in D&A, up to PLN 1,149m in 2023 what resulted from the network development (that was actually partly offset by expending useful life on APM network from 10 to 15 years).

Net financial costs in 2023 totaled PLN 536m (vs. PLN 273m the year before). InPost booked PLN 168m of unrealized loss resulting from the revaluation of f/x denominated debt. Interest expense in 2023 amounted to PLN 370m (up from PLN 293m) due to higher interest expenses driven by a change in the interest rate on PLN-denominated floating rate debt.

The effective tax rate amounted to 30.5% in 2023 vs. 31.7% in 2022.

Summary of 2023 results of InPost

(PLN m)	2023	2022	y/y	Q4 2023	Q4 2022	y/y
Revenue	8,862.7	7,079.1	25.2%	2,659.1	2,150.1	23.7%
of which Poland	5,353.5	4,180.3	28.1%	1,621.8	1,267.4	28.0%
of which International (UK +IT)	637.5	227.5	180.2%	234.2	70.9	230.3%
of which Mondial Relay	2,871.7	2,671.3	7.5%	803.1	811.8	-1.1%
Adjusted EBITDA	2,733.1	1,961.4	39.3%	846.3	585.5	44.5%
of which Poland	2,474.7	1,819.3	36.0%	738.0	544.5	35.5%
of which International (UK +IT)	- 70.5	- 188.5	-	7.0	- 49.1	-
of which Mondial Relay	328.9	330.6	-0.5%	101.3	90.1	12.4%
Non-recurring items	85.2	47.0	81.3%	27.9	25.4	9.8%
Operating EBITDA	2,647.9	1,914.4	38.3%	818.4	560.1	46.1%
D&A	- 1,149.1	- 972.3	18.2%	- 304.3	- 273.0	11.5%
EBIT	1,498.8	942.1	59.1%	514.1	287.1	79.1%
Net financial cost	- 535.9	- 273.3	96.1%	- 285.9	- 182.3	56.8%
Associates accounted for using the equity method	- 34.1	-	-	- 30.9	-	-
Profit before taxes	932.0	668.8	39.4%	228.2	104.8	117.7%
Income tax	284.6	212.3	34.1%	75.1	77.0	-2.5%
Net income	647.4	456.5	41.8%	153.1	27.8	450.7%

Source: InPost

EBITDA adjustments totaled PLN 85.2m in 2023, up from PLN 47.0m in 2022. The growth resulted from higher revaluation losses of the long-term incentive program (additional shares awarded under the program as well as higher valuation due to share price increases). Moreover, InPost registered PLN 12.0m in costs related to the Menzies acquisition.

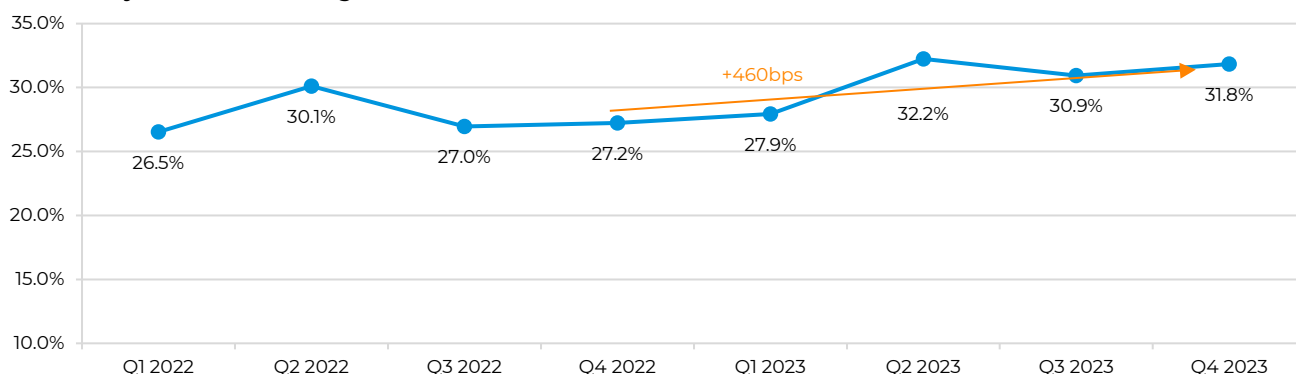
The adjusted EBITDA margin expanded by 460 bps in 2023 (and +250 bps in 4Q 2023 alone). The main reason for that was material improvement in the margins achieved by Polish operations (+270 bps in 2023 y/y and +250 bps y/y in Q4 2023).

2023 EBITDA adjustments

(PLN m)	2023	2022
Adjusted EBITDA	2,733.1	1,961.4
Share-based-compensation (MIP valuation)	-4.5	-4.4
LTIP valuation	-34.4	-14.4
M&A costs	-12.0	0.0
Restructuring costs	-34.3	-28.2
Operating EBITDA	2,647.9	1,914.4

Source: InPost

Evolution of Adjusted EBITDA margin of InPost



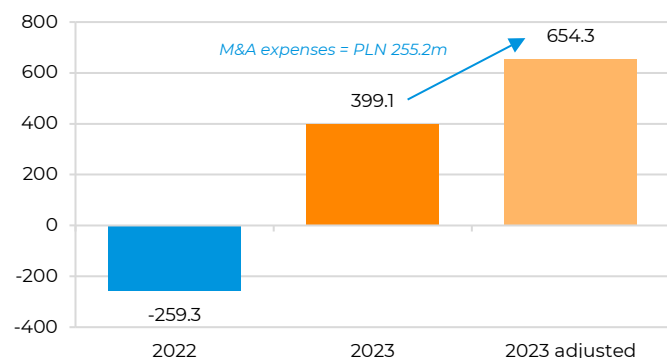
Source: InPost

Cash Flow and Debt

In 2023, InPost generated PLN 509m of free cash flow, representing a big improvement on the PLN -11m outflow registered in 2022. Note that InPost spent PLN 255m on the Menzies acquisition in July, and free cash flow adjusted for these costs totaled PLN 764m.

Adjusted EBITDA conversion in Poland improved to 49% (ex. M&A expenses), up from 37% in 2022 driven by margin expansion and lower CAPEX intensity.

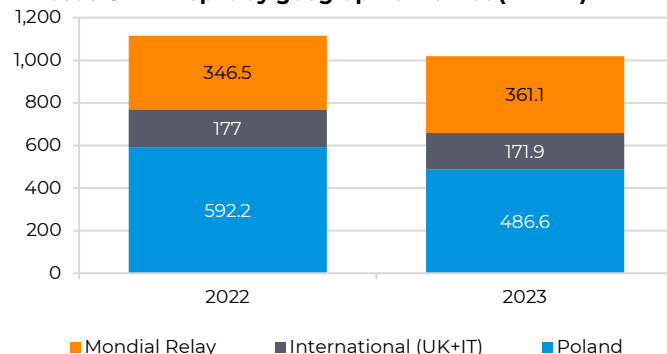
FCFE of InPost in 2023 (PLN m)



Source: InPost

CAPEX in 2023 decreased by 9% y/y to PLN 1.02bn, equivalent to 12% of sales. That was a noticeably lower ratio than in 2022 (CAPEX/sales = 16%).

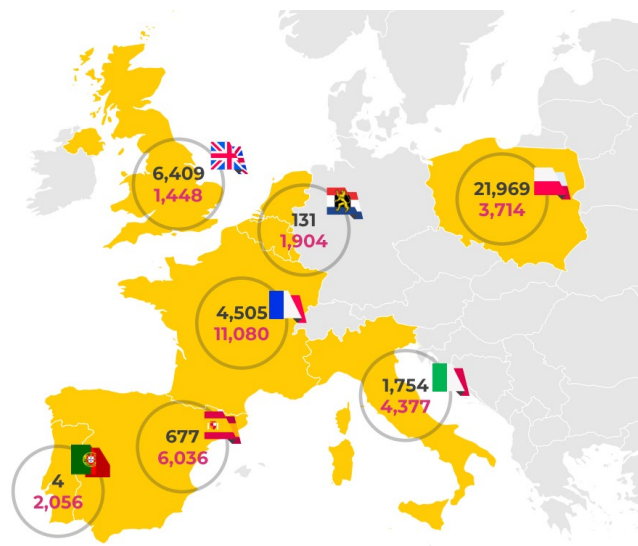
InPost's CAPEX split by geographic market (PLN m)



Source: InPost

The relative CAPEX decrease resulted from the reduction of the deployment pace in Poland as well as de-stocking driven by the normalization of the supply chain and reduced production procurement lead times.

APMs (in black) and PUDO points (in pink) of InPost in Europe at the end of 2023



Source: InPost

The higher CAPEX of Mondial Relay was driven by APM network deployment.

The APM infrastructure in Poland clearly reached a mature scale, resulting in a relative reduction in CAPEX on this market. At the same time, CAPEX in the UK market is increasing.

The net debt-to-adj. EBITDA ratio stood at 2.2x at the end of 2023, down from 3.2x at the end of 2022. **That was driven by the improved cash generation, lower CAPEX, and earnings growth.**

Net debt of InPost

(PLN m)	2023	2022	diff	% change
(+)Gross debt	6,648.4	6,699.5	-51.1	-0.8%
Borrowing & financial instruments at amortized costs	4,856.8	5,055.9	-199.1	-3.9%
Depots and APM locations IFRS16 lease	1,446.1	1,387.3	58.5	4.2%
Other IFRS 16 (incl. Transportation fleet and office leases)	345.5	256.3	89.2	34.8%
 (-) Cash	 -565.2	 -435.8	 -129.4	 29.7%
Net debt	6,083.2	6,263.7	180.5	-2.9%
 Net debt / Adj. EBITDA	 2.2x	 3.2x	 -1.0x	 -

Source: InPost

Key Highlights from Q4 2023 Conference Call

- InPost's UK and Italian markets are accelerating growth. Both markets were profitable on Adjusted EBITDA level in Q4 2023. Italy's revenue and volume growth were driven to a large extent by cross-border activity.
- Revenue per parcel in UK increased by 23% y/y due to changes in the product mix (decline in rentals while C2C and returns grew). At constant exchange rate prices would have increased by 32%.
- Adjusted EBITDA per parcel in UK significantly improved y/y up to PLN 1.3 in Q4 2023 vs PLN -4.5 in the corresponding year-ago period.
- An increase in PPE depreciation was registered in Q4 which resulted from APM network development, offset by a change in the expected useful life of APMs (recently extended from 10 years up to 15 years).
- On a standalone basis, InPost registered ca. PLN 90m of unrealized valuation losses in 4Q'23 related to debt denominated in foreign currencies. That weighed down net income.
- A reduction in the capex/sales ratio resulted from slower deployment in Poland and de-stocking driven by normalization of the supply chain and reduced production procurement lead times. Still, InPost aims to deploy more APMs, including on the Polish market.
- The management will focus on EBITDA in the absolute terms. Margins are less important. Deals with key customers are based prices vs volumes basis (lower prices = higher volumes). Still, there is room for a profitability update in Poland, but after 2024.
- The base case for 2024 is to grow well ahead of the market in all geographies.
- InPost expects an update in inflation in Poland during 2024.
- Chinese player Temu has had a strong start in the Polish market and is taking away market share from other platforms. InPost should benefit from the Chinese player's evolution in Poland.
- In France, InPost has built critical mass and will now concentrate more on the profitability.
- InPost still sees a lot of opportunities to invest generated cash, which means no dividends in the foreseeable future.
- Too many opportunities in market so dividend is not close.
- The company want to be active in M&As but no details have been revealed on the call.

Earnings Forecast Update

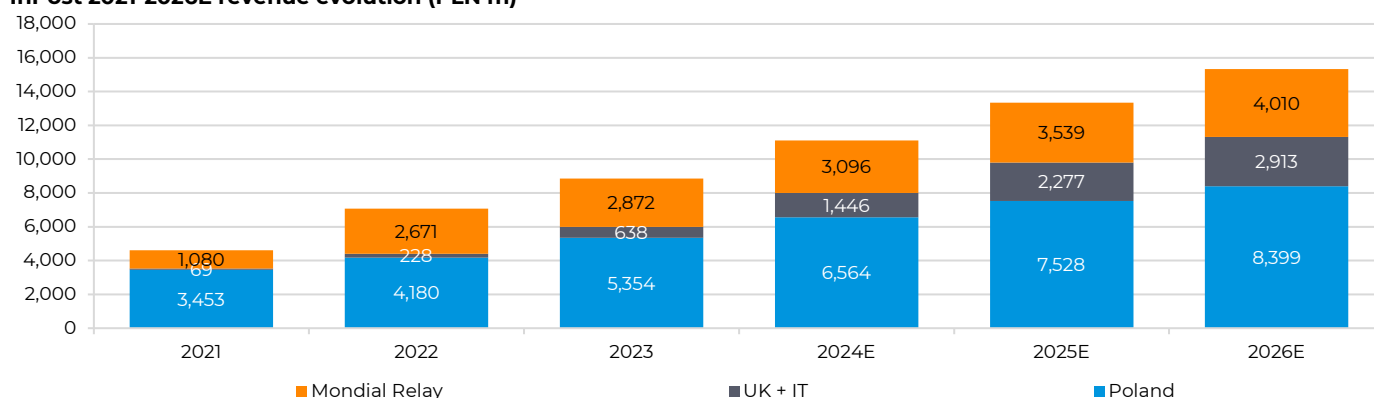
InPost grew its revenues by more than 250% in the 2020-2023 period, thanks in no small part to the acquisition of Mondial Relay, consolidated in the P&L since Q3 2021.

Looking ahead, we see revenues in the 2023-26 period as increasing at an average annual rate of 20.0%, and we predict that InPost will make almost PLN 15.3bn in sales in 2026.

The Polish business is poised to be the main sales driver in the coming years, with projected cumulative sales growth of ca. PLN 3.0bn in 2023-26.

At the same time, however, we also expect to see significant forward momentum in the UK+IT and Mondial Relay markets, generating extra sales of PLN 1.1bn and PLN 2.3bn, respectively, between 2023 and 2026.

InPost 2021-2026E revenue evolution (PLN m)



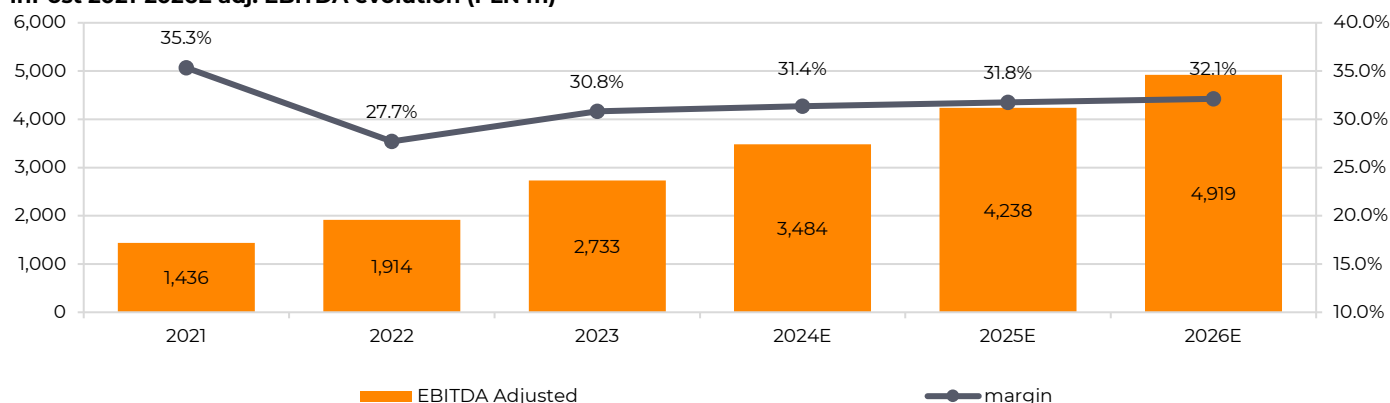
Source: InPost, E – mBank estimate

InPost registered adjusted EBITDA growth of nearly 180% in the 2020-2023 period.

For 2023-26, we forecast an EBITDA CAGR of 21.5%, and we predict a gradual widening of EBITDA margins to around 32.0% in 2026, followed by a period of steady margins in the 33-34% range through 2032, supported by the following factors:

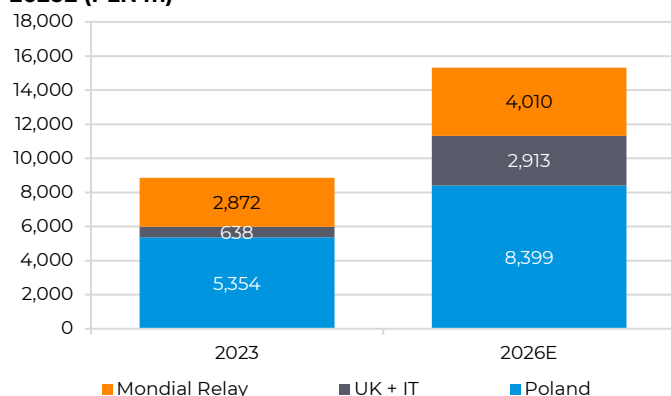
- (1) A decline in operating margins in Poland by about 0.5pp in 2023-26,
- (2) EBITDA margins in UK+IT reaching break even in 2024 and growing to ca. 17% in 2026, and
- (3) Expansion in Mondial Relay's EBITDA margins by about 2.5pp between 2023-26.

InPost 2021-2026E adj. EBITDA evolution (PLN m)

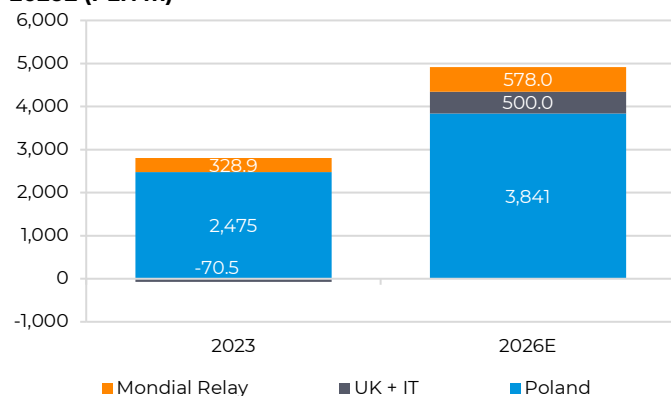


Source: InPost, mBank

Poland remains the core market for InPost, accounting for 60% of total revenues and 91% of adjusted EBITDA in 2023. By 2026, we expect that these proportions will be reduced to 55% and 78%, respectively.

Geographic breakdown of InPost's revenue in 2023 and in 2026E (PLN m)


Source: InPost, E – mBank estimate

Geographic breakdown of InPost's EBITDA in 2023 and in 2026E (PLN m)


Source: InPost, E – mBank estimate

2023-26 revenue and EBITDA projection for InPost's Polish business

(PLN m)	2023	2024E	2025E	2026E
Revenue	5,353.5	6,564.2	7,528.1	8,399.1
APM	4,064.4	5,013.7	5,767.3	6,445.6
volume	493.3	571.4	619.9	668.4
price	8.2	8.8	9.3	9.6
to-door	1,141.1	1,380.3	1,565.8	1,731.0
volume	96.2	109.8	117.5	125.3
price	11.9	12.6	13.3	13.8
Other	148.0	170.2	195.0	222.5
EBITDA adj.	2,474.7	2,968.1	3,441.9	3,841.2
EBITDA margin	46.2%	45.2%	45.7%	45.7%

Source: InPost, E – mBank estimate

Poland

In Q4 2023, InPost Poland generated upwards of 77% of its revenue from APMs, with 21% provided by door-to-door deliveries – proportions that have remained fairly stable over the recent quarters.

Polish revenue growth amounted to 28% in Q4'23, led by both APMs and "to-door" deliveries. The two channels registered year-over-year sales increases of 28% and 27%, respectively, in the quarter, with price hikes factoring significantly into the rebound.

Looking ahead, we have the following assumptions for how InPost's Polish business will develop in the 2023-2026 period:

- (1) The number of APMs will increase to 27.4 thousand as of the end of 2026, with an average of 149 lockers per APM.
- (2) Revenue per locker will increase 23% over the period, supported by a slight rise in parcels per locker.
- (3) The volume of APM and "to-door" deliveries will increase by 36% and 30%, respectively.
- (4) InPost will raise the prices for both kinds of delivery service by an average of 5-6% a year.

International Markets

Our revenue and EBITDA expectations for InPost's international markets are summarized in the following tables.

Increasing volumes, fueled by expanding logistics capacity, will be the key to growing EBITDA margins.

2023-26 revenue and EBITDA projection for InPost UK+IT

(PLN m)	2023	2024E	2025E	2026E
Revenue	637.5	1,445.9	2,277.2	2,913.0
volume	62.5	131.3	196.9	242.2
price	9.72	9.84	10.0	10.2
EBITDA adj.	- 70.5	130.9	327.9	500.0
EBITDA margin	-11.1%	9.1%	14.4%	17.2%

Source: mBank

2023-26 revenue and EBITDA projection for Mondial Relay

(PLN m)	2023	2024E	2025E	2026E
revenues	2,871.7	3,095.7	3,539.3	4,010.0
volume	239.9	263.9	292.9	322.2
price	2,871.7	3,095.7	3,539.3	4,010.0
EBITDA adj.	328.9	385.0	468.3	578.0
EBITDA margin	11.5%	12.4%	13.2%	14.4%

Source: mBank

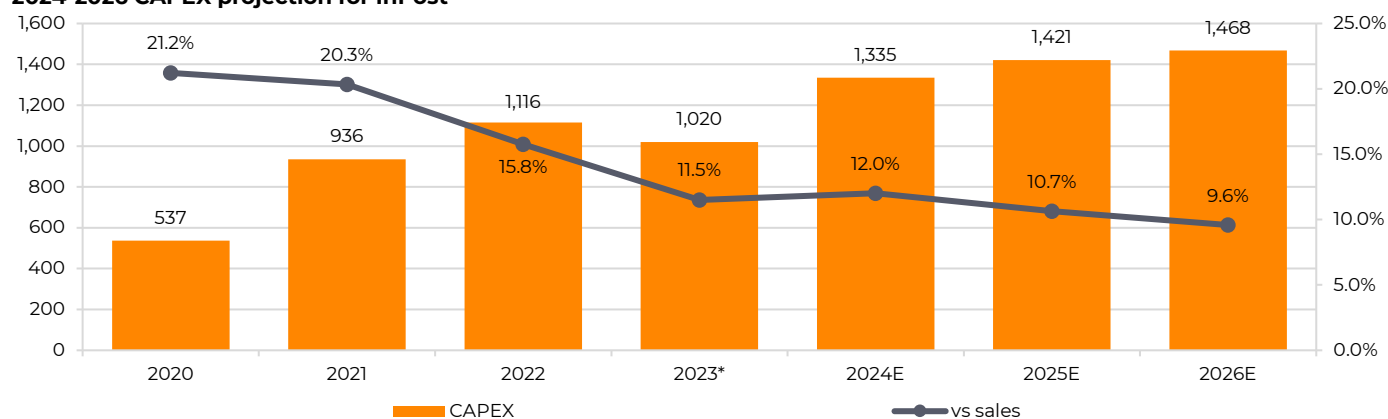
Cash Generation and Balance Sheet Position

InPost is currently moving ahead with heavy investment in its international markets. The international markets accounted for almost half of total capital spend in 2023, and in Poland CAPEX in nominal terms decreased owing to scaled back APM production and deployment.

InPost has emphasized that CAPEX intensity in Poland will continue to decline, which will be supportive for free cash flow.

At Mondial Relay, CAPEX has gone up substantially as part of continued APM expansion and investment in depots.

2024-2026 CAPEX projection for InPost



Source: mBank; *ex PLN 255m spent on M&A activities

In 2021 and 2022, due to high capital expenditures at 16-20% of annual sales, InPost registered negative FCFE.

In turn, in 2023 we observed a decrease in CAPEX driven by a reduction in the pace of APM deployment in Poland combined with a de-stocking facilitated by a normalization of the supply chain and reduced production procurement lead times.

CAPEX intensity was visibly reduced in 2023 compared to 2022 due to Poland infrastructure reaching mature scale while the UK significantly improved the revenue base.

To sum up, looking at InPost's decreasing CAPEX / Sales ratios, coupled with strong EBITDA growth, we anticipate a recovery going forward, with FCFE rebounding to around PLN 870 m in 2025.

2024-2026 FCFE forecast

(PLN m)	2022	2023	2024E	2025E	2026E
CFO	1,813.9	2,631.9	2,608.8	3,322.0	3,995.9
CAPEX	- 1,115.7	- 1,019.6	- 1,335.0	- 1,421.2	- 1,468.4
Lease payments	- 490.0	- 657.1	- 811.7	- 1,014.4	- 1,220.7
FCFE	- 259.3	399.1*	462.1	886.4	1,306.7

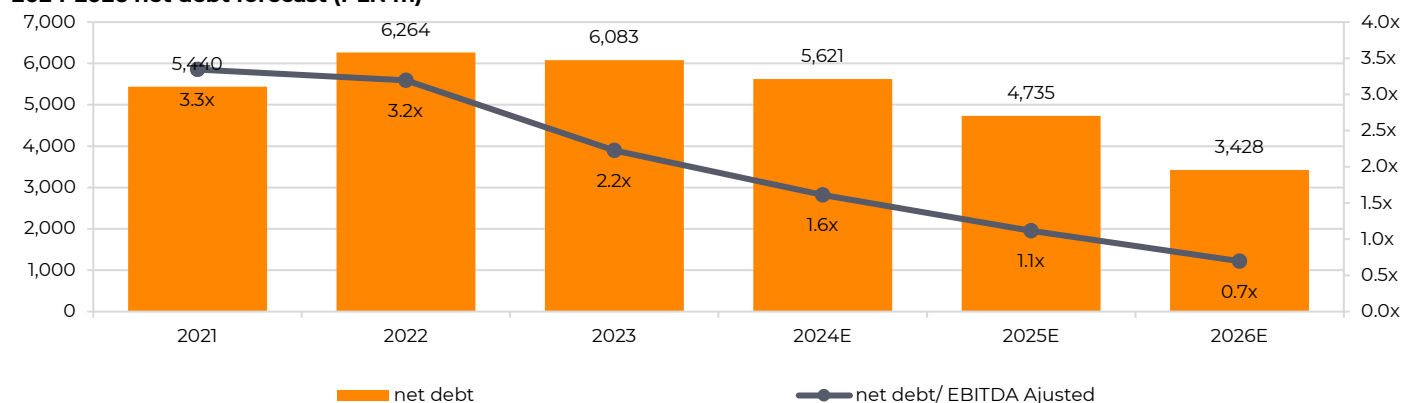
Source: mBank, * PLN 654m incl. PLN 255.2m spendt on M&A activity

InPost reported a substantial increase in net debt in 2021 following the acquisition of Mondial Relay for EUR 513 million and settlements with some shareholders. Consequently, the net debt/EBITDA ratio jumped to 3.3x at the end of 2021 from 1.2x a year earlier.

As of 31 December 2023, net debt amounted to PLN 6.1bn, equivalent to 2.2x EBITDA generated in 2023.

By the end of 2026, we assume InPost will bring the leverage ratio down to 0.7x.

2024-2026 net debt forecast (PLN m)



Source: mBank

With EBITDA in 2024 expected to grow nearly 27%, given InPost's strong FCF generation potential and expected net debt-to-EBITDA of 1.6x at the end of 2024, we believe the Company will put its future cash flow into accretive M&As, and so we assume no dividends in the medium term.

FY2024 Earnings Prospects: Our Forecasts vs. InPost's Guidance

Our expectations as to InPost's revenues, adjusted EBITDA, and capital expenditures, in 2024, are consistent with the Company's guidance as revealed after Q4'23 results. We are more conservative on the profitability of Mondial Relay given a decrease in margin by almost 1 p.p. y/y in 2023.

mBank forecasts vs. InPost's guidance for FY2024

Company		mBank
Volume and revenue growth	outperform market growth and we plan to increase market share in all our geographies; revenue growth rate to be higher vs volume growth by low to mid-single digit	23% revenue increase in Poland vs 16% volume increase in APMs and 14% volume increase in 'to-door' area
Adj. EBITDA margin in Poland	Adjusted EBITDA margin in Poland slightly softening as a function of lighter repricing prioritising volume growth and stabilizing at mid-40's	1.0 pp decrease y/y
Adj. EBITDA margin in Mondial Relay	adjusted EBITDA margin to increase by 100-200bps	0.9 pp increase y/y
Adj. EBITDA margin in UK	sustained adjusted EBITDA margin vs Q4'23	UK+ IT profitable in Q4 2023; UK standalone profitable since Q3 2023; 9.5% Adj. EBITDA margin of (UK+IT) in 2024
CAPEX 2024	PLN 1.3bn (ex M&As) with increased weight of international markets' capex	PLN 1.10bn + acquisition of Menzies (PLN 0.26bn)
Net debt/adj. EBITDA	positive FCF at the Group level as well as continued deleveraging	1.6x at 2024 eop, 1.1x at 2025 eop

Source: InPost, mBank

Our Forecasts vs. Consensus Expectations

Below is a comparison of our earnings forecasts for InPost with Bloomberg consensus estimates.

As you may notice, we are more optimistic than the analysts' consensus on 2024-26 revenue and adj. EBITDA prospects to the tune of 3-5%. This can be probably attributed to more optimistic assumptions on the development of the UK market.

On the other hand, our 2026 EBIT estimate is around 7% lower than the market's, mainly due to expectations of higher D&A.

Net profit forecasts are lower than consensus in 2026, and the estimates for 2024-25 are higher, but by no more than 4%.

mBank vs. consensus forecast comparison (PLN m)

2024E				2025E				2026E			
	consensus	mBank	diff		consensus	mBank	diff		consensus	mBank	diff
revenue	10,740	11,106	3.4%	revenue	12,683	13,345	5.2%	revenue	14,647	15,322	4.6%
EBITDA	3,398	3,484	2.5%	EBITDA	4,069	4,238	4.2%	EBITDA	4,733	4,919	3.9%
EBIT	2,035	2,021	-0.7%	EBIT	2,486	2,471	-0.6%	EBIT	3,041	2,832	-6.9%
net profit	1260	1,295	2.8%	net profit	1,624	1,683	3.6%	net profit	2,049	2,016	-1.6%

Source: mBank, Bloomberg

Forecast of Q1 2024 Results

We expect InPost to deliver strong EBITDA growth of ca. 27% in Q1 2024. Our expectations are based on the following assumptions:

- Revenues from the Polish market will amount to PLN 1.48 billion, which means an increase of 25.6% y/y.
- The increase in APM volumes on the Polish market will be 19% y/y.
- The increase in "to-door" volumes will be +23.0% y/y.
- We assume price increases of approx. 5%/5% y/y on the Polish market for APM and "to-door" channels, respectively.
- The adjusted EBITDA margin for the Polish market will amount to 44.3% (i.e., -1.0 pp y/y and -1.2 pp q/q)
- We assume a dynamic increase in volume on the UK+IT market to 28.7 million parcels (vs. 10.3 million a year earlier).
- We assume that the gain on the adj. EBITDA line for UK+IT will be PLN 14m.
- For Mondial Relay, we assume a 11% y/y volume increase and a 10% q/q decrease in price.
- Adj. EBITDA for Mondial Relay should be slightly higher y/y at ca. PLN 75m.
- We assume D&A expenses will total PLN 320m.
- The effective tax rate is expected to be 30.0%

Forecast of Q1 2024 results of InPost

(PLN m)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024E
Revenue	1,696.5	1,690.4	2,150.1	1,995.9	2,140.5	2,067.2	2,659.1	2,506.3
y/y	97.8%	32.6%	28.2%	29.4%	26.2%	22.3%	23.7%	25.6%
of which Poland	993.9	1,007.4	1,267.4	1,175.4	1,294.5	1,261.8	1,621.8	1,476.4
APM segment	755.8	764.3	975.9	891.1	974.6	955.2	1,243.5	1,114.8
volume (million parcels)	101.8	103.4	125.5	110.4	119.3	117.0	146.6	131.5
to-door-segment	221.6	222.9	258.8	251.9	272.4	280.4	336.4	323.5
volume (million parcels)	21.0	20.7	23.9	21.7	22.3	23.4	28.8	26.7
other	16.5	20.2	32.7	32.4	47.5	26.2	41.9	38.0
of which International (UK +IT)	57.6	69.4	70.9	103.4	131.0	168.9	234.2	311.6
volume (million parcels)	5.1	6.6	8.0	10.3	13.3	16.8	22.1	28.7
of which Mondial Relay	645.0	613.6	811.8	717.1	715.0	636.5	803.1	718.3
(million parcels)	52.0	48.2	64.7	56.3	59.8	53.2	70.6	62.7
Adjusted EBITDA	511.0	455.8	585.5	557.3	690.1	639.4	846.3	742.0
Adjusted EBITDA Margin	30.1%	27.0%	27.2%	27.9%	32.2%	30.9%	31.8%	29.6%
of which Poland	451.3	446.9	544.5	531.9	618.9	585.9	738.0	653.3
margin	45.4%	44.4%	43.0%	45.3%	47.8%	46.4%	45.5%	44.3%
of which International (UK +IT)	-43.7	-51.1	-49.1	-46.2	-24.0	-7.3	7.0	14.0
margin	-75.9%	-73.6%	-69.3%	-44.7%	-18.3%	-4.3%	3.0%	4.5%
of which Mondial Relay	103.4	60.0	90.1	71.6	95.2	60.8	101.3	74.7
margin	16.0%	9.8%	11.1%	10.0%	13.3%	9.6%	12.6%	10.4%
Non-recurring items	5.1	10.7	25.4	11.8	14.3	31.2	27.9	12.0
Operating EBITDA	505.9	445.1	560.1	545.5	675.8	608.2	818.4	730.0
margin	29.8%	26.3%	26.0%	27.3%	31.6%	29.4%	30.8%	29.1%
D&A	-237.2	-255.6	-273.0	-277.8	-290.3	-276.7	-304.3	-320.0
EBIT	268.7	189.5	287.1	267.7	385.5	331.5	514.1	410.0
Net financial cost & other	3.3	-11.9	-182.3	-93.5	-177.2	-10.2	-285.9	-90.0
Profit before taxes	272.0	177.6	104.8	174.2	208.3	321.3	228.2	320.0
Income tax	55.1	35.2	77.0	58.3	80.3	70.9	75.1	96.0
ETR	20.3%	19.8%	73.5%	33.5%	38.6%	22.1%	32.9%	30.0%
Net profit	216.9	142.4	27.8	115.9	128.0	250.4	153.1	224.0

Source: mBank

Peer Comparison

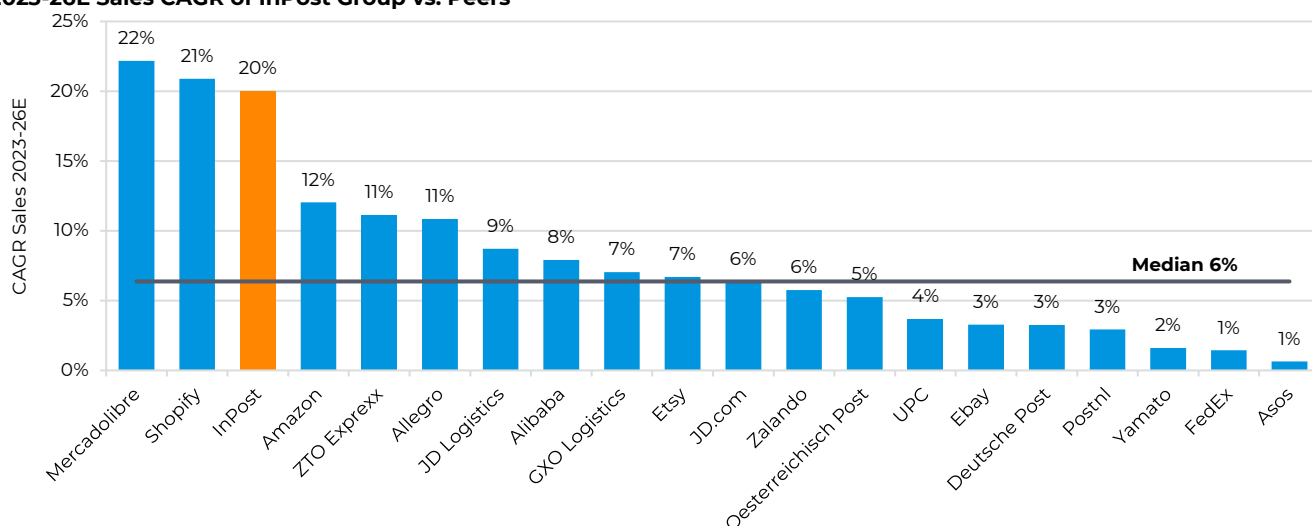
We view the investment profile of InPost Group as very attractive compared to global peers.

To illustrate, in terms of sales growth, the 2023-2026E median CAGR for the peer group is projected at 5.8% with e-commerce companies growing at faster pace close to 6.7%

and logistics companies expected to grow sales at an annual rate of about 3.7%.

This compares to our forecast for InPost Group which assumes sales growth at an average annual rate of 20.0% through 2026, which would **rank the Company among the fastest-growing businesses in the industry.**

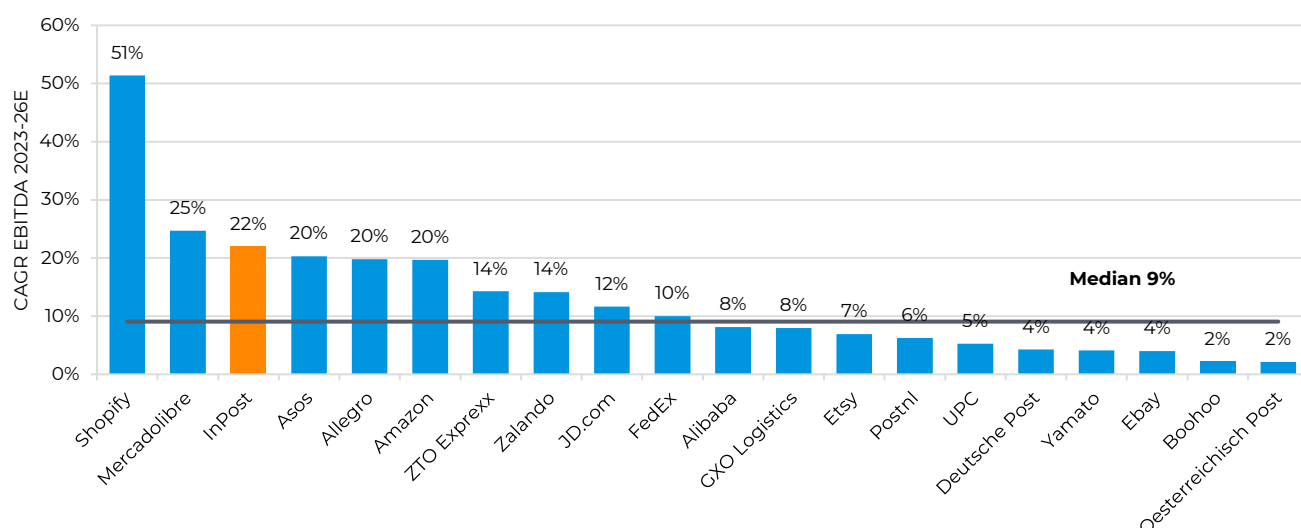
2023-26E Sales CAGR of InPost Group vs. Peers



Source: Bloomberg, mBank

Along with sales, InPost in our view will also outperform its peers in terms of EBITDA growth in the next three years, achieving an average annual growth rate of approx. 22% vs. CAGR of ca. 14% expected of e-commerce companies and 9% estimated for logistics companies.

2023-26E EBITDA CAGR of InPost Group vs. Peers

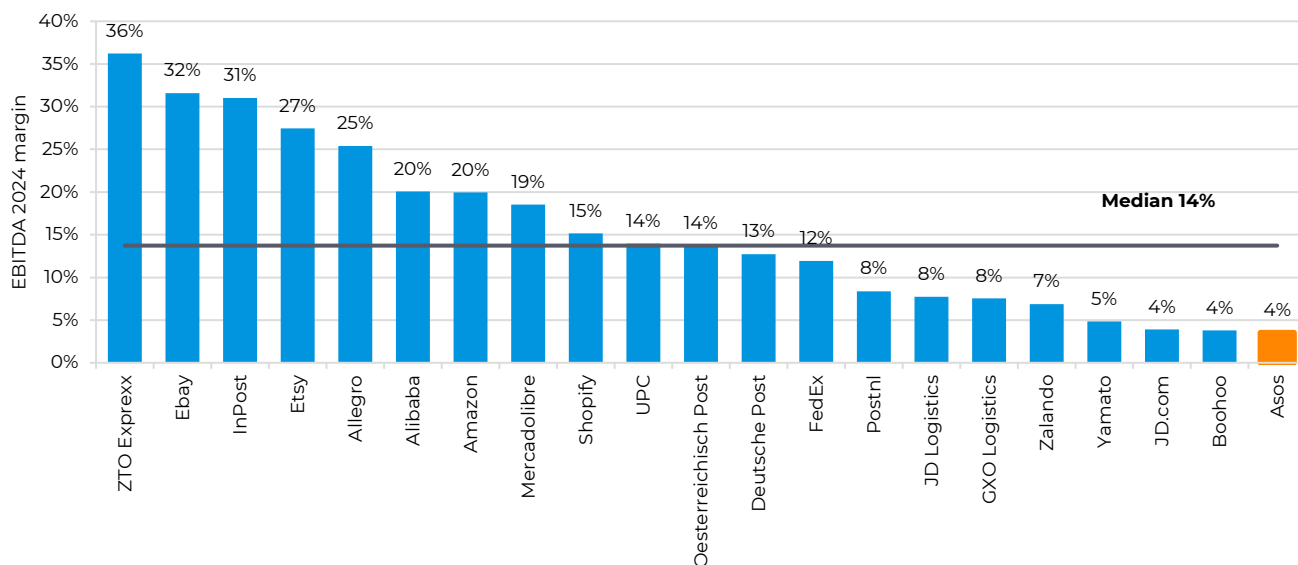


Source: Bloomberg, mBank

InPost's EBITDA margin momentum as well makes it stand out in the sector, with the margin in 2024 projected at ca. 31% vs. a peer group average of 17%.

InPost's margin generation profile is more similar to that of an e-commerce company, specifically a marketplace operator as, on average, they tend to earn higher margins of ca. 17%. Fashion e-commerce typically achieves lower EBITDA margins at around 4-7%.

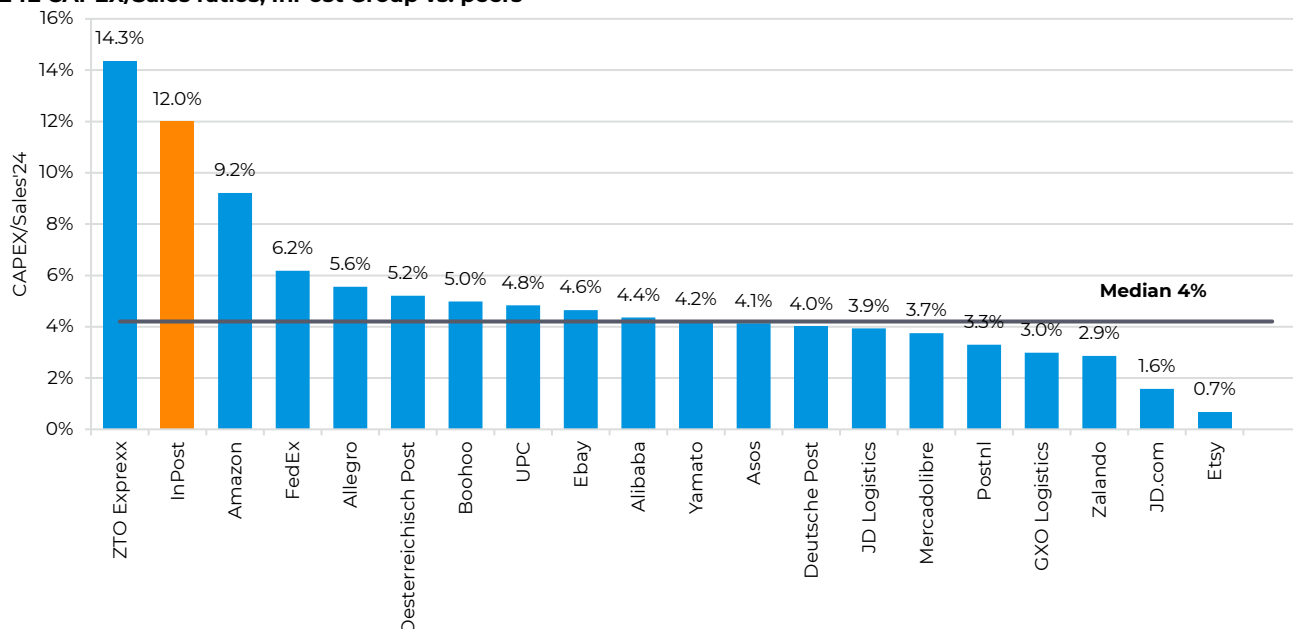
In logistics, most players register lower margins than InPost, averaging around 12%, although examples of outperformance can be found – for example, ZTO Express achieves slightly higher margins than InPost (ca. 36% in 2024E).

2024E EBITDA margins, InPost Group vs. Peers


Source: Bloomberg, mBank

The capital expenditures of InPost's peers typically represent a relatively small proportion of sales at an average of ca. 5%.

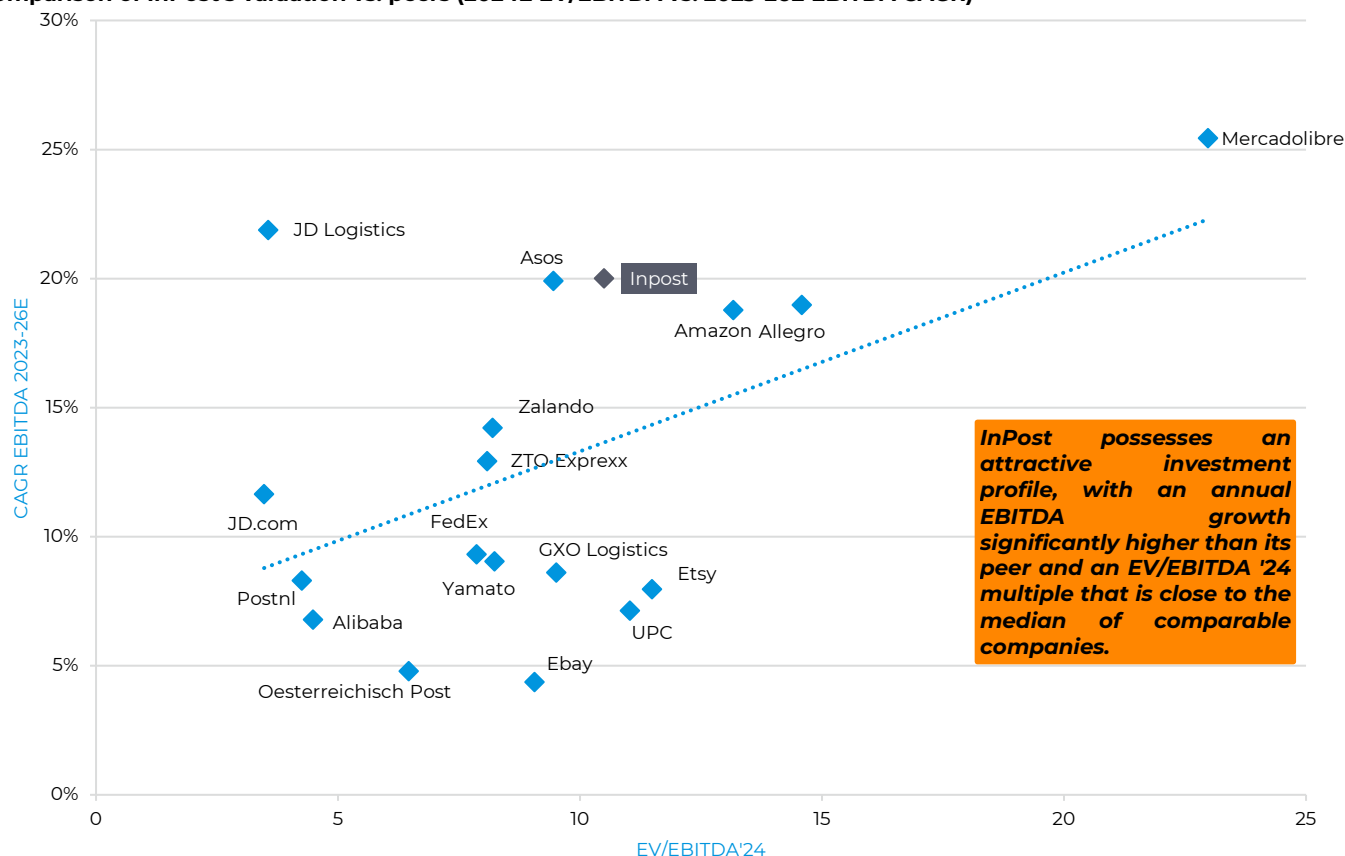
By comparison, the CAPEX/Sales ratio at InPost has held at elevated levels (ca. 12% in 2024E adjusted for M&A expenses) due to large investment in the APM network. After stripping APM expenditures, the CAPEX/Sales ratio in 2024 would come closer to 4-5%.

2024E CAPEX/Sales ratios, InPost Group vs. peers


Source: Bloomberg, mBank

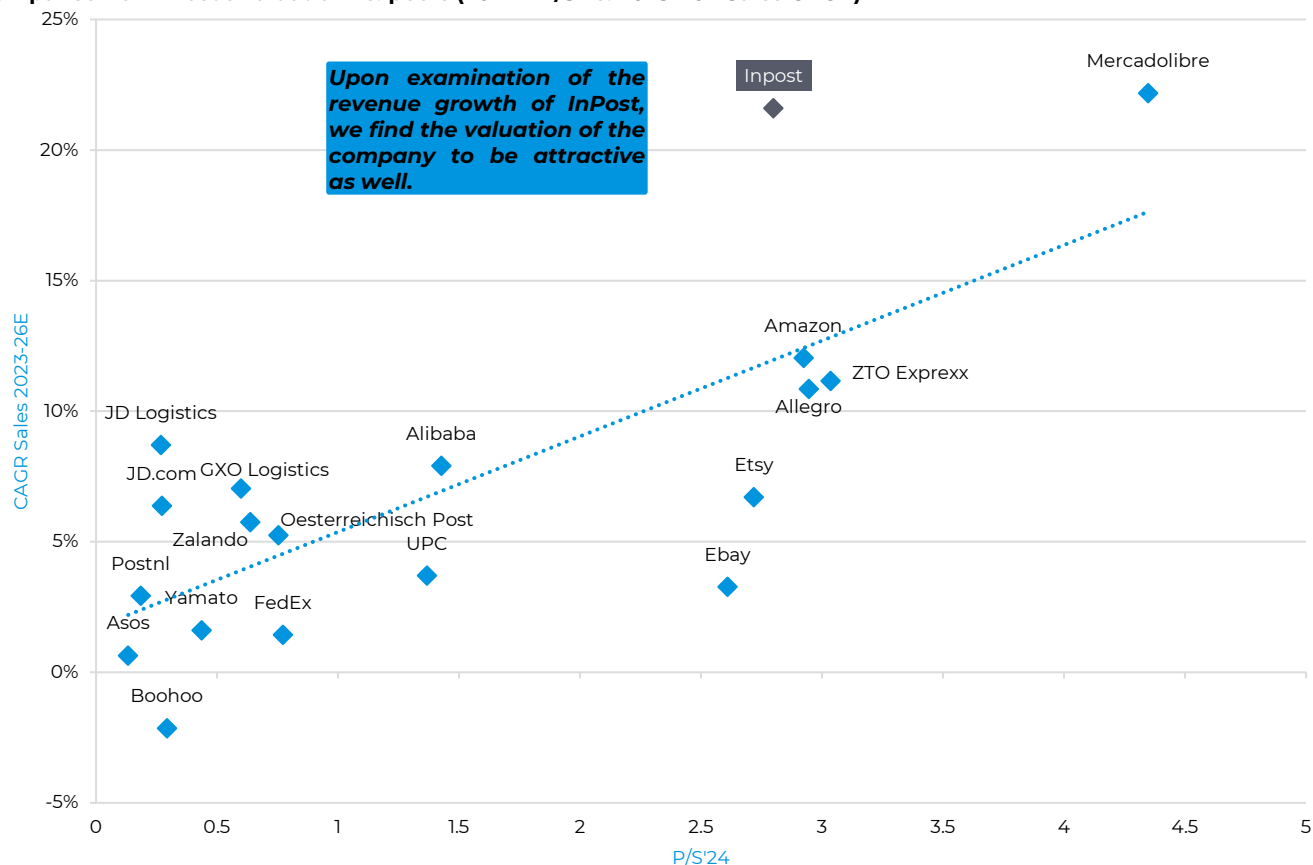
Two companies that we consider to be the closest peers to InPost, with a similar financial profile, are Allegro, the owner of Poland's no. 1 e-commerce marketplace, and ZTO Express, a leading express delivery company in China and partner to merchants selling on Alibaba, JD.com, and Pinduoduo. However, Allegro has a more attractive FCF profile due to the expected lower CAPEX to EBITDA ratio.

Comparison of InPost's valuation vs. peers (2024E EV/EBITDA vs. 2023-26E EBITDA CAGR)



Source: Bloomberg, mBank

Comparison of InPost's valuation vs. peers (2024E P/S vs. 2023-26E Sales CAGR)



Source: Bloomberg, mBank

Valuation

Using DCF analysis and relative valuation, we set our twelve-month per-share price target for InPost Group at EUR 18.50.

Valuation Summary

(EUR)	weight	price
relative valuation	50%	14.27
DCF analysis	50%	19.19
	price	16.69
12M target price		18.50

Source: mBank

Relative Valuation

We compared InPost Group with three groups of comparable companies using 2024-2026 projected price-to-earnings and EV/EBITDA ratios.

The first peer group consists of Allegro, the leading e-commerce marketplace in Poland. The second peer group is

a selection of the world's leading e-commerce companies. The third peer group is represented by logistics companies.

Each peer group has been assigned the same weights. We also assigned equal weights to FY2024/25/26E earnings multiples.

Multiples Comparison

	EV/EBITDA			P/E		
	2024E	2025E	2026E	2024E	2025E	2026E
Allegro Peer						
ALLEGRO.EU SA	13.2	11.0	9.4	24.6	18.2	14.4
e-Commerce Peers						
AMAZON.COM INC	14.6	12.4	10.5	35.7	29.0	24.6
EBAY INC	9.1	8.7	8.3	11.1	10.4	9.6
ALIBABA GROUP HOLDING-SP ADR	6.8	4.3	4.1	3.7	8.4	8.4
JD.COM INC-ADR	3.5	3.1	2.8	9.3	8.1	7.4
ETSY INC	11.5	10.5	9.5	17.3	15.4	14.0
ZALANDO SE	8.2	6.7	5.9	30.0	21.6	18.5
BOOHOO GROUP PLC	10.6	9.3	7.1	-	-	69.5
ASOS PLC	9.5	6.1	5.1	-	-	-
SHOPIFY INC - CLASS A	74.4	51.9	38.3	75.0	57.0	45.6
MERCADOLIBRE INC	23.0	17.4	13.7	45.3	32.8	23.9
Median	10.0	9.0	7.7	23.7	18.5	18.5
Logistics Peers						
UNITED PARCEL SERVICE-CL B	11.0	9.8	8.8	18.3	15.6	13.5
FEDEX CORP	7.9	7.2	6.7	15.5	13.0	11.5
YAMATO HOLDINGS CO LTD	8.2	7.9	7.2	6.7	15.5	13.0
ZTO EXPRESS CAYMAN INC-ADR	8.1	7.1	6.4	13.3	11.4	10.2
GXO LOGISTICS INC	9.5	8.6	7.8	18.8	16.2	14.6
OESTERREICHISCHE POST AG	6.5	6.3	5.7	16.4	15.5	13.6
POSTNL NV	4.5	4.1	3.8	9.3	7.7	6.8
JD LOGISTICS INC	3.6	3.2	3.0	19.8	13.8	11.1
Median	8.0	6.7	6.0	17.3	14.7	12.2
Blended						
	10.4	8.9	7.7	21.9	17.1	15.0
InPost	10.4	8.3	6.9	23.6	18.2	15.2
premium/discount	0%	-6%	-10%	8%	6%	1%
Implied valuation						
Implied price	14.0	15.1	15.8	13.2	13.4	14.1
Multiple weight		50%			50%	
year weight	33%	33%	33%	33%	33%	33%
Equity value per share (EUR)	14.3					

Source: Bloomberg, mBank

DCF Valuation

DCF model assumptions:

- The DCF model uses Free Cash Flow as forecast for the 2024-2033 period.
- Cash flow is discounted as of the end of March 2024. Equity value calculations factor in net debt as of 31 December 2023 ex leases.
- For the purpose of terminal value estimates, we adjust CAPEX to match D&A expenses.
- The risk-free rate is 4.5% and beta is 1x.
- We assume that FCF after FY2033 will grow at an annual rate of 4%.

DCF Model

(PLN m)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	+
Revenue	11,105.7	13,344.6	15,322.2	17,313.8	19,464.5	21,774.1	24,241.8	26,866.6	29,647.4	32,583.2	
change	25.3%	20.2%	14.8%	13.0%	12.4%	11.9%	11.3%	10.8%	10.4%	9.9%	
EBITDA	3,441.4	4,216.9	4,908.5	5,622.3	6,380.3	7,169.9	8,016.3	8,960.3	9,957.6	11,005.6	
EBITDA margin	31.0%	31.6%	32.0%	32.5%	32.8%	32.9%	33.1%	33.4%	33.6%	33.8%	
D&A expenses	1,420.1	1,745.4	2,076.9	2,414.4	2,703.5	2,983.8	3,255.4	3,518.5	3,773.3	4,009.5	
EBIT	2,021.3	2,471.5	2,831.6	3,207.9	3,676.8	4,186.2	4,760.9	5,441.8	6,184.3	6,996.1	
tax on EBIT	495.2	580.8	651.3	737.8	845.7	962.8	1,095.0	1,251.6	1,422.4	1,609.1	
NOPLAT	1,526.1	1,890.7	2,180.3	2,470.1	2,831.1	3,223.3	3,665.9	4,190.2	4,761.9	5,387.0	
CAPEX	-1,335.0	-1,421.2	-1,468.4	-1,514.6	-1,504.0	-1,499.2	-1,500.1	-1,506.7	-1,518.7	-1,536.2	
working capital	-106.0	-106.6	-96.7	-101.3	-107.7	-111.7	-120.0	-135.3	-142.8	-150.0	
lease payments	-811.7	-1,014.4	-1,220.7	-1,427.6	-1,627.4	-1,816.1	-1,994.5	-2,163.0	-2,322.3	-2,473.0	
FCF	693.6	1,093.9	1,471.3	1,840.9	2,295.5	2,780.1	3,306.8	3,903.8	4,551.3	5,237.3	5,446.8
WACC	10.1%	9.9%	10.3%	10.5%	10.9%	10.2%	10.7%	11.0%	11.2%	11.3%	10.5%
discount factor	0.94	0.85	0.77	0.70	0.63	0.57	0.52	0.47	0.42	0.38	
PV FCF	651.5	934.7	1,139.3	1,289.6	1,449.7	1,593.4	1,711.3	1,820.7	1,908.7	1,973.3	
WACC	10.1%	9.9%	10.3%	10.5%	10.9%	10.2%	10.7%	11.0%	11.2%	11.3%	10.5%
Cost of debt	5.9%	5.8%	6.2%	6.2%	6.6%	5.9%	6.5%	6.7%	6.9%	6.9%	5.5%
risk-free rate	4.9%	4.8%	5.2%	5.2%	5.6%	4.9%	5.5%	5.7%	5.9%	5.9%	4.5%
risk premium	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
effective tax rate	24.5%	23.5%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
net debt / EV	15.3%	13.2%	13.2%	10.0%	10.8%	11.3%	11.4%	11.2%	10.6%	9.6%	0.0%
cost of equity	10.9%	10.8%	11.2%	11.2%	11.6%	10.9%	11.5%	11.7%	11.9%	11.9%	10.5%
risk premium	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

FCF growth in the terminal period	4.0%
Terminal value	83,796.5
Present value of terminal value	31,572.4
Present value of FCF in the forecast period	14,472.1
Enterprise value	46,044.5
Net debt (IAS 17)	4,874.9
Minority interest	0.0
Equity value	41,169.6
million shares outs.	500.0
Equity value per share (PLN)	82.3
Equity value per share (EUR)	19.2
12M cost of equity	10.9%
target price (EUR)	19.19
EUR PLN chart	4.29
Target price (EUR)	21.28

EV/EBITDA ('24) at target price	13.4
P/E('24) at target price	31.8
TV / EV	68.6%

Source: mBank

Sensitivity Analysis

	FCF growth in perpetuity				
	3.0%	3.5%	4.0%	4.5%	5.0%
WACC +1.0 p.p.	16.2	17.0	17.9	18.9	20.1
WACC +0.5 p.p.	17.5	18.4	19.5	20.7	22.1
WACC	19.0	20.0	21.3	22.7	24.4
WACC -0.5 p.p.	20.6	21.9	23.4	25.2	27.3
WACC -1.0 p.p.	22.6	24.1	25.9	28.1	30.8

P&L

(PLN m)	2022	2023	2024E	2025E	2026E
Revenues	7,079.1	8,862.7	11,105.7	13,344.6	15,322.2
Poland	4,180.3	5,353.5	6,564.2	7,528.1	8,399.1
International	227.5	637.5	1,445.9	2,277.2	2,913.0
Mondial Relay	2,671.3	2,871.7	3,095.7	3,539.3	4,010.0
COGS	-4,477.2	-5,199.9	-6,804.2	-8,208.7	-9,389.8
Gross profit	2,601.9	3,662.8	4,301.5	5,135.9	5,932.3
margin	36.8%	41.3%	38.7%	38.5%	38.7%
EBITDA	1,914.4	2,733.1	3,484.0	4,238.2	4,919.1
EBITDA (adj.)	1,961.4	2,733.1	3,484.0	4,238.2	4,919.1
margin	27.7%	30.8%	31.4%	31.8%	32.1%
Poland	1,819.3	2,474.7	2,968.1	3,441.9	3,841.2
International	-188.5	-70.5	130.9	327.9	500.0
Mondial Relay	330.6	328.9	385.0	468.3	578.0
D&A	-972.3	-1,149.1	-1,420.1	-1,745.4	-2,076.9
EBIT	942.1	1,498.8	2,021.3	2,471.5	2,831.6
margin	13.3%	16.9%	18.2%	18.5%	18.5%
Financing activity	-273.3	-535.9	-306.5	-271.2	-213.8
Profit before tax	668.8	932.0	1,714.8	2,200.3	2,617.8
Income tax	-212.3	-284.6	-420.1	-517.1	-602.1
Net profit	456.5	647.4	1,294.7	1,683.2	2,015.7

Balance Sheet

(PLN m)	2022	2023	2024E	2025E	2026E
Fixed assets	6,988.0	7,640.7	8,367.3	9,057.5	9,669.8
PP&E	4,226.6	4,802.2	5,537.3	6,259.9	6,933.1
Intangible assets	1,043.0	1,002.1	993.6	961.2	900.3
Other	1,718.4	1,836.4	1,836.4	1,836.4	1,836.4
Current assets	1,767.3	2,092.1	2,921.8	4,175.1	5,805.9
Inventory	14.4	13.0	16.2	19.3	22.1
Trade receivables	1,245.2	1,439.9	1,804.3	2,168.1	2,489.4
Cash	435.8	565.2	1,027.3	1,913.8	3,220.5
Other	71.9	74.0	74.0	74.0	74.0
Equity	469.0	1,294.0	2,588.7	4,271.9	6,287.6
Noncurrent liab.	6,116.6	6,209.1	6,209.1	6,209.1	6,209.1
Loans	4,717.1	4,769.2	4,769.2	4,769.2	4,769.2
Other fin. liabilities	1,091.3	1,127.4	1,127.4	1,127.4	1,127.4
Other	308.2	312.5	312.5	312.5	312.5
Current liabilities	2,169.7	2,229.7	2,491.3	2,751.6	2,979.0
Loans	338.8	87.6	87.6	87.6	87.6
Other fin. liabilities	552.3	664.2	664.2	664.2	664.2
Trade payables	992.7	1,074.7	1,336.3	1,596.6	1,824.0
Other	43.9	43.9	43.9	43.9	43.9
Net debt	6,263.7	6,083.2	5,621.1	4,734.6	3,427.9
Net debt/EBITDA	3.3	2.2	1.6	1.1	0.7

Source: mBank

CF statement

(PLN m)	2022	2023	2024E	2025E	2026E
Operating CF	1,346.4	2,075.8	2,608.8	3,322.0	3,995.9
Net profit	456.4	647.4	1,294.7	1,683.2	2,015.7
D&A	972.3	1,149.1	1,420.1	1,745.4	2,076.9
Interest expenses	-12.6	142.1	0.0	0.0	0.0
Working capital	-85.9	-43.9	-106.0	-106.6	-96.7
Other	16.2	181.1	0.0	0.0	0.0
Investing CF	-1,115.7	-1,274.8	-1,335.0	-1,421.2	-1,468.4
CAPEX	-1,115.7	-1,019.6	-1,335.0	-1,421.2	-1,468.4
other	0.0	-255.2	0.0	0.0	0.0
Financing CF	-285.9	-681.4	-811.7	-1,014.4	-1,220.7
Lease payments	-490.0	-657.1	-811.7	-1,014.4	-1,220.7
other	-195.3	-195.3	-195.3	-195.3	-195.3
CF	-55.2	119.6	462.1	886.4	1,306.7
CFO/EBITDA	70.3%	76.0%	74.9%	78.4%	81.2%
FCFF	-11.4	935.0	768.7	1,157.6	1,520.5
FCFF/EV	0.0%	2.6%	2.1%	3.3%	4.5%
FCFE	-259.3	399.1	462.1	886.4	1,306.7
FCFE/MCAP	-0.8%	1.3%	1.5%	2.9%	4.3%
ROIC	12.5%	17.2%	21.0%	23.3%	24.5%
ROCE	12.4%	17.2%	20.1%	20.8%	20.0%
Dividend Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Dyield	0.0%	0.0%	0.0%	0.0%	0.0%

Key Ratios

	2022	2023	2024E	2025E	2026E
P/E	67.0	47.2	23.6	18.2	15.2
EV/EBITDA (adj.)	18.8	13.4	10.4	8.3	6.9
P/S	4.3	3.4	2.8	2.3	2.0
P/BV	65.2	23.6	11.8	7.2	4.9
P/CF	-553.7	255.6	66.1	34.5	23.4
P/FCFE	-117.9	76.6	66.1	34.5	23.4
EBITDA (adj.) YoY change	20.6%	39.3%	27.5%	21.6%	16.1%
Net margin	6.4%	7.3%	11.7%	12.6%	13.2%
Net profit YoY change	-7.1%	41.8%	100.0%	30.0%	19.8%
Price (EUR)	14.25	14.25	14.25	14.25	14.25
Shares outs. (millions)	500.0	500.0	500.0	500.0	500.0
MCap (PLN bn)	30.6	30.6	30.6	30.6	30.6
EV (PLN bn)	36.8	36.6	36.2	35.3	34.0

List of abbreviations and ratios used by mBank:
EV (Enterprise Value) – Equity Value + Net Debt; **EBIT** – Earnings Before Interest and Taxes; **EBITDA** – EBIT + Depreciation & Amortisation; **Net Debt** – Borrowings + Debt Securities + Interest-Bearing Loans - Cash and Cash Equivalents; **P/E** (Price/Earnings) – Price Per Share Divided by Earnings Per Share; **P/CE** (Price to Cash Earnings) – Price Per Share Divided by Earnings + Depreciation & Amortisation; **P/B** (Price to Book Value) – Price Per Share Divided by Book Value Per Share; **P/CF** (Price to Cash Flow) – Price Divided by Cash Flow from Operations; **ROE** (Return on Equity) – Earnings Divided by Shareholders' Equity; **ROCE** (Return on Capital Employed) – EBIT x (Average Assets - Current Liabilities); **ROIC** (Return on Invested Capital) – EBIT x (1-Tax Rate) / (Average Equity + Minority Interest + Net Debt); **FCFF** (Free Cash Flow to Firm) – Cash Flow from Operations - CAPEX - Lease Payments; **FCFE** (Free Cash Flow to Equity) – Free Cash Flow to Firm - Net Interest Expense (incl. Debt + Leases)
EBITDA margin – EBITDA/Sales

OVERWEIGHT (OW) – a rating which indicates that we expect a stock to outperform the broad market
NEUTRAL (N) – a rating which indicates that we expect the stock to perform in line with the broad market
UNDERWEIGHT (UW) – a rating which indicates that we expect the stock to underperform the broad market

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mBank issued the following recommendations for InPost in the 12 months prior to this publication:

InPost (Paweł Szpigiel, Janusz Pięta)

Rating	buy	buy	buy	buy	buy
Rating date	2023-12-01	2023-11-15	2023-10-13	2023-10-02	2023-06-22
Target price (EUR)	13.80	13.60	12.60	13.10	13.00
Price on rating day	10.83	10.48	9.56	11.00	9.57



Biuro maklerskie

mBank S.A.

Prosta 18
00-850 Warszawa
<http://www.mbank.pl/>

Research Department

Kamil Kliszcz
director
+48 667 770 837
kamil.kliszcz@mbank.pl
energy, power generation

Piotr Poniatowski
+48 509 603 046
piotr.poniatowski@mbank.pl
gaming

Mateusz Krupa, CFA
+48 571 608 973
mateusz.krupa@mbank.pl
strategy

Michał Konarski
+48 515 025 640
michal.konarski@mbank.pl
banks, financials

Mikołaj Lemańczyk, CFA
+48 501 663 511
mikolaj.lemanczyk@mbank.pl
banks, financials, property developers

Beata Szparaga-Waśniewska, CFA
+48 510 929 021
beata.szparaga-wasniewska@mbank.pl
biotechnology, healthcare

Paweł Szpigel
+48 509 603 258
pawel.szpigel@mbank.pl
media, IT, telco, e-commerce

Janusz Pięta
+48 506 065 659
janusz.pieta@mbank.pl
retail, e-commerce

Konrad Anuszkiewicz, CFA
+48 510 478 019
konrad.anuszkiewicz@mbank.pl
industrials, mining

Sales and Trading

Traders

Piotr Gawron
director
+48 698 832 853 | +48 22 697 48 95
piotr.gawron@mbank.pl

Andrzej Kowalczyk
+48 789 868 634 | +48 22 697 47 44
andrzej.kowalczyk@mbank.pl

Karol Kułaj
+48 509 602 984 | +48 22 697 49 85
karol.kulaj@mbank.pl

Paweł Cyłkowski
+48 503 684 130 | +48 22 697 47 31
pawel.cylkowski@mbank.pl

Andrzej Sychowski
+48 605 848 003 | +48 22 697 48 46
andrzej.sychowski@mbank.pl

Piotr Brożyna
+48 512 756 702 | +48 22 697 48 47
piotr.brozyna@mbank.pl

Łukasz Płaska
+48 784 449 962 | +48 22 697 47 90
lukasz.plaska@mbank.pl

Sales, Foreign Markets

Marzena Łempicka-Wilim
deputy director
+48 696 427 249 | +48 22 697 48 82
marzena.lempicka-wilim@mbank.pl

Private Client Sales

Maciej Sokołowski
director
maciej.sokolowski@mbank.pl

Jarosław Banasiak
deputy director
jaroslaw.banasiak@mbank.pl