



OPUS

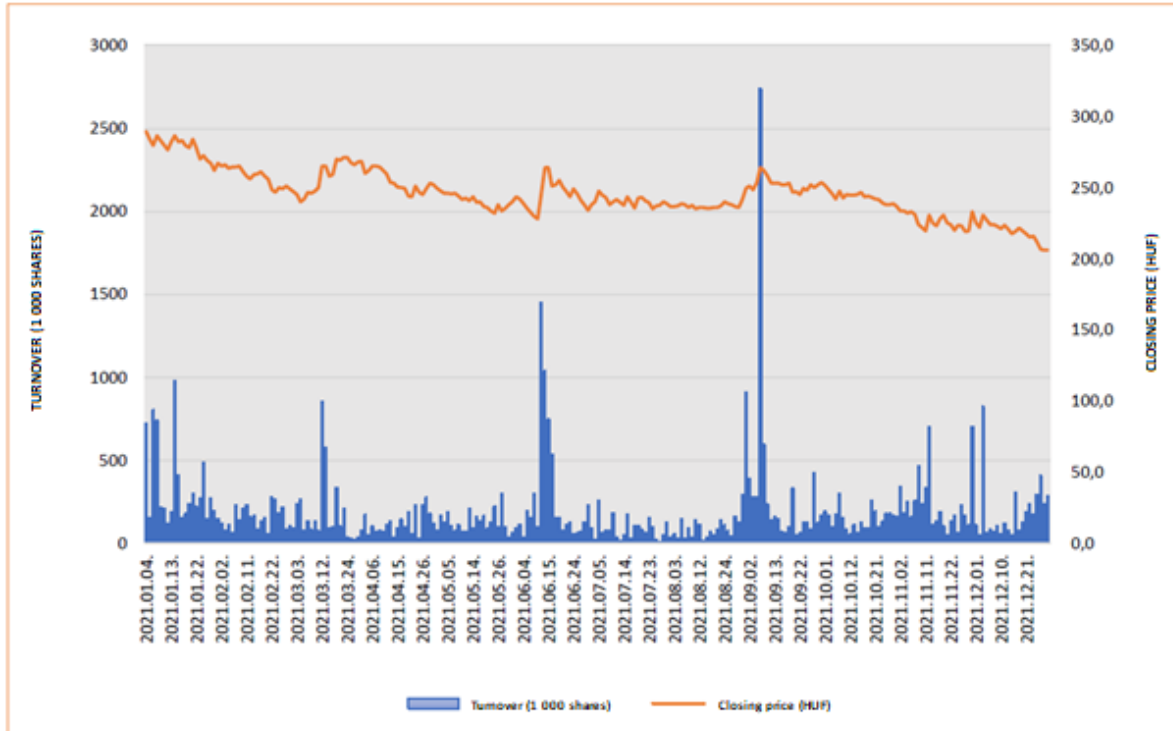
	Company Data:	
	Recommendation:	Buy
	Target Price*:	HUF 353
	Price:	HUF 221 (13. Apr. 2022.)
	52 week range:	HUF 142-277
	Market cap (HUF, m):	514 532
	Average daily turnover (number of shares):	62 191
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Opus Global

12M results

Consolidated Results

In 2021 Opus had an Operating EBIT of HUF 17.1 bn, compared to loss of HUF 1.0 bn in 2020, while P/L after taxes skyrocketed to HUF 41.7 bn up from a loss of HUF 6.2 bn in last year. The great performance in bottom line was mainly driven by the outstanding results of the industry segment which was slightly offset by the agriculture segment's loss as costs increased significantly. The industry segment improved margins and P/L, while the tourism segment was not able to turn profitable despite the significant cost reduction. The newly built energy segment made significant P&L; however it was not consolidated for the whole year.

**OPUS stock exchange turnover and closing prices***Source: Opus*

The revenue of Opus Global increased by 35.1% YoY, while the operating costs increased by 27% YoY resulting in increasing operating margins. Without the energy segment's addition, the revenue growth was 9%, with a 5% expenses growth. Apart from energy, the agricultural segment's and the tourism segment's revenue increased significantly.

Consolidated	2021 FY	2020 FY	Change
Revenue*	307 891 544	227 891 882	35,1%
Operating expenses*	290 781 842	228 914 715	27,0%
Operating EBIT*	17 109 702	-1 022 833	N/A
P/L after Taxes*	41 664 779	-6 234 161	N/A

Consolidated (without Energy)	2021 FY	2020 FY	Change
Revenue*	249 296 167	227 891 882	9,4%
Operating expenses*	239 480 797	228 914 715	4,6%
Operating EBIT*	9 815 370	-1 022 833	N/A
P/L after Taxes*	35 952 111	-6 234 161	N/A

*in thousand HUF

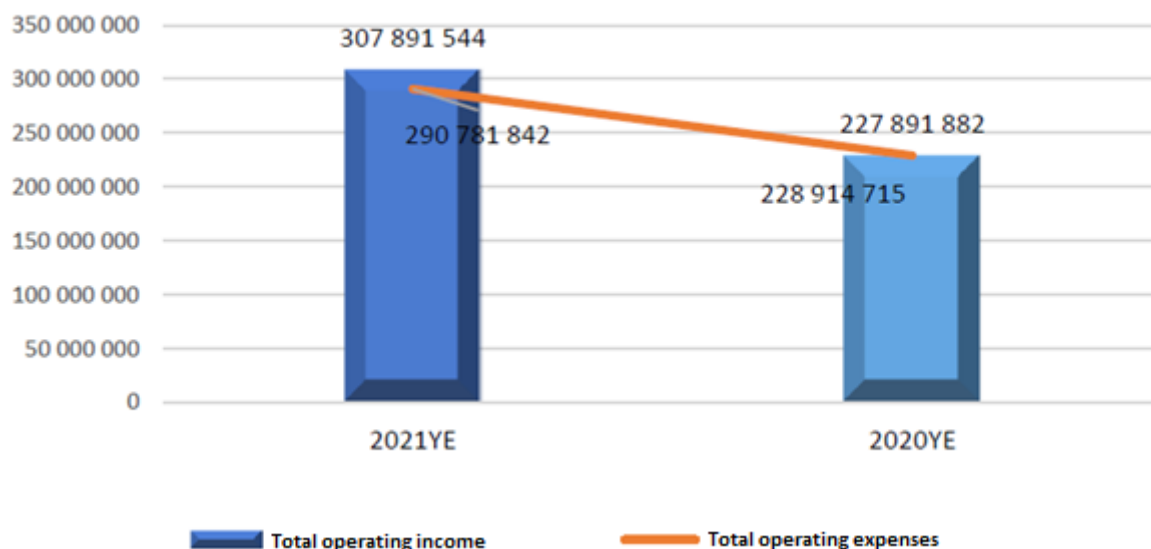
source: OPUS, Equilor

The group's consolidated P/L after taxes was aided by the significant financial contribution of Mészáros Építőipari Holding Zrt.



The re-addition of the Energetics segment, through the acquisition of TIGÁZ and TITÁSZ increased operating income by 35% YoY, but operating Expenses also increased significantly by 27% YoY.

Operating income and operating expense (HUF '000)

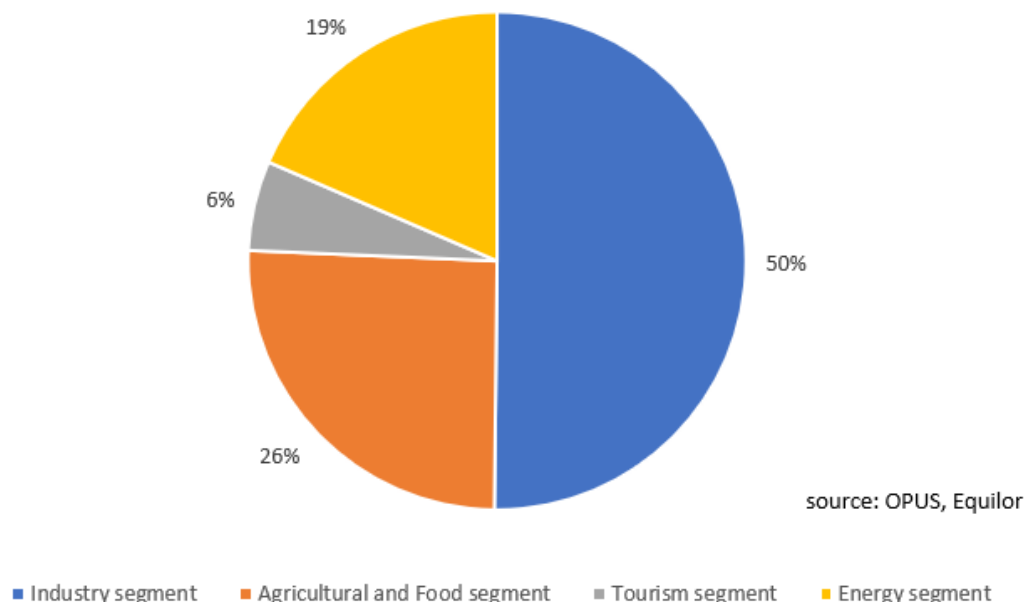


Source: Opus

The Covid-19 had a larger effect on the firm's operation in 2021 compared to 2020. The revenue breakdown shows that in 2021 the industry segment had the largest contribution. It was responsible for 50% of the revenue, while the agricultural segment contributed with 26% and tourism lagged as the Covid-19 pandemic hit the segment the most, its contribution was only 6%, the new Energy segment with only partial results contributed with 19%.



Division breakdown of the revenue (unconsolidated)



Industry segment

The industry segment’s performance approached pre-pandemic levels in 2021, despite the fact that 2021 was more challenging than the first year of the pandemic. In 2021, in addition to pandemic-related difficulties the general economic conditions created a more challenging environment, such as the general shortage of professionals in the segment, supply difficulties due to regional and global supply chain disruptions, drastic increases in raw material costs, lack of professional capacity of licensing authorities.

In 2021 the revenues increased by 3.1% YoY, while the operating expenses were down by 9.3% YoY. This resulted in a wide increase in operating and EBIT margin. If we compare the earnings after taxes the segment achieved a 157.3% YoY growth, driven by a significant increase of depreciation in the contract portfolio and a 23% YoY growth in the financial lines, which was the increased dividend payment from Mészáros Építőipari Holding Zrt. for the period.



The sub segment level indicates that 91.5% of the revenue came from the construction arm. The sub segment's revenue breakdown shows, that 46.2% of revenue came from road and railway constructions and the management expects this revenue source to be the most important. Water management and civil engineering contributed 18.4%, while Public Utility's contribution was 15.6%.

Wamsler was able to increase production, the number of units produced was up by 18.1% YoY, while sales increased by 8.4% YoY.

Business management factors	2021 FY	2020 FY	Change	Change%
Total number of products	49 975	42 302	7 673	18,1%
Manufacture of steel structures, tonne	1 030	20	1 010	5050,0%
Total number of products sold	63 744	58 821	4 923	8,4%
- of which: exported	54 947	49 594	5 353	10,8%
- of which: sold in Hungary	8 797	9 227	-430	-4,7%
Aver. Headcounq (ppl)	481	508	-27	-5,3%

source: OPUS, Equilor

The construction arm's revenue was increased significantly vs last year, while the operating cost increase was managed appropriately, resulting a notable margin improvement. Maintaining or preferably improving the margins will be the key for the profitability of the segment, as the revenue is expected to increase in the coming periods.

Industry segment	2021 FY	2020 FY	Change
Revenue*	158 896 902	154 120 538	3,1%
Operating expenses*	140 248 039	154 555 002	-9,3%
Operating EBIT*	18 648 863	-434 464	N/A
P/L after Taxes*	36 410 962	14 234 379	155,8%

*in thousand HUF

source: OPUS, Equilor

Tourism segment

The segment faces the largest difficulties due to the Covid-19 pandemic. The effect is universal and we observed unprecedented collapse in global travel which can affect the segment in the medium term as well.

To offset the negative effect the Hungest Group decided to participate in numerous government aid programs. The most important is the loan moratorium; this is the only arm of the firm which decided to enter the program, which they left at the end of the period. There were significant changes in the cafeteria program in Hungary, which will benefit the domestic



tourism sector. The renovation of the hotels is ongoing, no major delay was reported.

During in the first nine months, until May nearly all hotels were closed, only Hotel Platánus was open, and Hotel Sóstó and Hotel Pelion were opened occasionally to accommodate business travellers. The hotels reopened in May 2021, improving Q2 and Q3 results compared to Q1 2021, but for H1 booking numbers were down significantly. It rebounded significantly in Q3, as domestic travel was strong, which was only partially offset by relatively weak foreign demand. During the whole shutdown in 2021, almost 250 thousand nights were lost.

The portfolio changed slightly in 2021, as they sold Hunguest Grandhotel Galya, the Austrian operations and returned the operating rights of the Lifestyle Hotel Mátra in Mátraháza, while acquired Hotel Eger & Park and granted the operating rights of the operation of the hotel built by the municipality, for a period of 120 months, for an annual fee of HUF 121 million + VAT. The renovation of Hotel Panoráma was finished one month before schedule, while the rest of renovations are still on schedule. Based on the winning offer of HUNGUEST Hotels Zrt. it can provide accommodation in its Budapest based hotels for the Budapest Police Headquarters, based on a net recommended price of HUF 3,105 thousand (700 persons / night).

The camping operation had to delay opening to May, but were fully functional from that time. The domestic bookings continued to climb, even from the high base of last year, but foreign bookings decreased. As a result, domestic travellers predominated the subsegment with 66% of bookings from the pre-pandemic level of 43%.

Due to the effect of the pandemic, which was offset with a strong Q3 and Q4 performance, revenue was up 12% YoY, while operating expenses decreased by 13%. This significant improvement in margins resulted in an operating gain but the significant loss in the financial lines the earnings after taxes show a loss of HUF 882.5 mn, compared to a loss of HUF 4.5 bn last year.



Tourism segment	2021 FY	2020 FY	Change
Revenue*	18 445 627	16 452 200	12,1%
Operating expenses*	16 651 900	19 097 633	-12,8%
Operating EBIT*	1 793 727	-2 645 433	N/A
P/L after Taxes*	-882 525	-4 547 348	-80,6%

*in thousand HUF

source: OPUS, Equilor

Agricultural and Food segment

In terms of the agricultural and food segment there were mainly two issues that negatively impacted this year's performance. Both the raw material prices (especially corn and wheat prices) and the energy price increase had a negative impact on the segment profitability. The increase in gas prices particularly affected the company as by the end of 2021 the purchase price was above 115 EUR/MWH vs 17 EUR/MVW end of previous year.

In the market for finished products the price consolidation is slow and delayed, as sales contracts are operated on an annual basis – regarding the new contracts OPUS achieved that finished product prices can be increased on a quarterly basis. Overall, the food segment output grew due to the recent capacity expansion and optimization. The sales volume grew 25% in Hungary, 34% within the EU and 57% in Non-EU countries. Still the EU countries are responsible for around 68% of revenue of the food segment. In case of KALL Ingredients Kft. the starch-drying investment will be completed as planned in 2022, after which another product will be added to the subsidiary's portfolio, thus further strengthening product diversification and the shift towards products with higher profit margins.

In 2021 the agricultural and food the revenue grew to HUF 80.8 bn which represents a 29.4% YoY growth, which was driven by increased factory output and favourable EURHUF currency impact. The operating cost grew to HUF 85.9 bn which is a 44.5% growth YoY driven by increase in the price of raw materials and energy prices versus last year. The loss after taxes grew to HUF 7.6 bn due to the lower operating margin and the negative effect of the financial operations.



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Agricultural and Food segment	2021 FY	2020 FY	Change
Revenue*	80 757 989	62 385 603	29,4%
Operating expenses*	85 882 139	59 436 294	44,5%
Operating EBIT*	-5 124 150	2 949 309	N/A
P/L after Taxes*	-7 561 289	1 374 156	N/A

*in thousand HUF

source: OPUS, Equilor

Energy segment

The pandemic has not had significant direct effects on the sales of the segment, due to the characteristics of utilities, namely the continuous gas and power need of OPUS TIGÁZ's and OPUS TITÁSZ's customers.

OPUS TIGÁZ

OPUS TIGÁZ has been consolidated from 1st of April 2021, therefore the 2021 Q1 revenue is missing from the report, which would have been the most important period due to the seasonality of gas consumption.

OPUS TIGÁZ	2021 FY	2020 FY	Change
Revenue*	25 874 525	-	-
Operating EBIT*	3 464 359	-	-
P/L after Taxes*	1 950 562	-	-

*in thousand HUF, figures from 1st of April till 31st of December

source: OPUS, Equilor

In 2021 2.81 billion m³ gas was distributed, which is more than the planned 2.46 billion m³ (+14.3% YoY), due to colder than average temperature of last year. This means 15.9% revenue growth year over year, mainly via the growing revenue of the volume related system usage fee tariff element. The tariffs were increased by the HEO (Hungarian Energy Office) in 2021.

On the cost side, the D&A became significantly higher than what we expected, the reason behind is the change in the amortization policy of the small meters. This had an effect of HUF 2 billion. Elevated TTF gas prices and weak HUF currency were continuously increasing the cost of the mandatory purchase of network loss. 2021 CAPEX spending of the company became HUF 7.65 billion, which is 26% lower than the originally planned number due to less reconstruction and expansion of the gas network in comparison with the originally planned.



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OPUS TITÁSZ

The company has been consolidated from 31st of August 2021, however the purchasing agreement was signed at 30th of March 2021. Therefore only 4 months figures are represented in the table below.

OPUS TITÁSZ	2021 FY	2020 FY	Change
Revenue*	26 181 961	-	-
Operating EBIT*	3 829 973	-	-
P/L after Taxes*	3 762 106	-	-

**in thousand HUF, figures from 31st of August till 31st of December*

source: OPUS, Equilor

In 2021 electricity distribution was 212 GWh higher than in the previous year and totaled at 4 819 GWh, this effect was due to changing consumer attitudes. Good news, that OPUS TITÁSZ hedged its network loss need in advance for the whole year of 2022, so soaring power prices won't affect significantly the earnings of the current year.

Ongoing IT developments increased the CAPEX need of the firm by HUF 3.4 billion, the project (implementation of SAP) is about to separate the IT system from E.On's and is expected to end at 31st of August 2023. All in all, the CAPEX need of the company became slightly higher than what we expected due to the previously mentioned IT development and significant transformer and meter purchases on the other hand.



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Equilor's regulatory authority is the Hungarian National Bank.

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