

Friday, December 01, 2017 | special comment

Famur – Backlog Hits Highest Level Since 2011

Rating: buy | target price: PLN 6.84 | current price: PLN 5.38

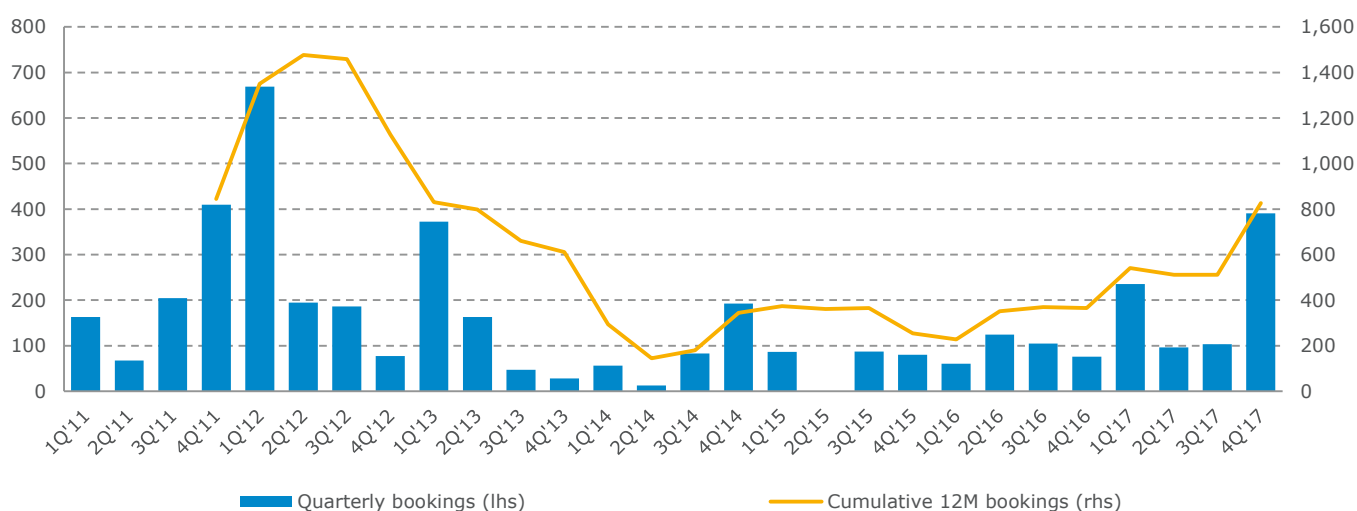
FMF PW; FMF.WA | Machinery, Poland

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Famur has acquired new orders for a total of PLN 391m in the quarter to date, an amount 4 times the new business secured in the same period last year. The sum of new bookings won in the last 12 months at PLN 826m represents a year-over-year surge of 126%. The rate at which Famur is building its backlog marks

a return to the peak order period of 2011-2012 which resulted in record earnings in 2012 and 2013. This, combined with the fact that Famur's stock is set to be added to the WIG40 index on December 20th, is bound to lift market sentiment for the mining equipment manufacturer.

2011-2017 quarterly order acquisition (PLN m)



Source: raporty bieżące Famur, E - estimates by Dom Maklerski mBanku;

List of abbreviations and ratios contained in the report:

EV – net debt + market value (EV – economic value)
EBIT – Earnings Before Interest and Taxes
EBITDA – EBIT + Depreciation and Amortisation
PBA – Profit on Banking Activity
P/CE – price to earnings with amortisation
MC/S – market capitalisation to sales
EBIT/EV – operating profit to economic value
P/E – (Price/Earnings) – price divided by annual net profit per share
ROE – (Return on Equity) – annual net profit divided by average equity
P/BV – (Price/Book Value) – price divided by book value per share
Net debt – credits + debt papers + interest bearing loans – cash and cash equivalents
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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NAV - valuation based on equity value, one of the most frequently used method in case of developing companies; the weak point of the method is that it does not factor in future changes in revenue/profits of a company.

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