



Tuesday, March 06, 2018 | special comment

TXM – February Sales Fall 3%

Rating: buy | target price: PLN 5.41 | current price: PLN 2.32

TXM PW; TXM.WA | Retail, Poland

Analyst: Piotr Bogusz +48 22 438 24 08

TXM reported a 3% year-over-year decline to PLN 21m in the monthly sales for February 2018, with the year-to-date revenue down 2% to PLN 45m. With the total store area expanded by 4% to 105,500 square meters, this implies 8.2% y/y shrinkage to an estimated PLN 199 in the monthly revenue per square meter. That is an improvement over January, when per-square-meter sales fell 9% y/y despite positive base effects and more favorable weather. We expect to see further improvement in March, and we have a neutral view on the February sales slump, which affected most Polish retailers as freezing temperatures impacted foot traffic at stores across the country.

TXM monthly sales statistics

	2017												2018	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Revenue (PLN m)	25	22	25	30	34	30	32	32	36	36	34	47	24	21
y/y change	11%	4%	-10%	0%	-2%	-8%	13%	-4%	19%	-1%	4%	-2%	2%	-3%
Sales per square meter (PLN)	248	216	244	291	328	290	310	308	344	342	321	442	226	199
y/y change	-11%	-19%	-31%	-22%	-21%	-24%	-6%	-19%	1%	-17%	-9%	-9%	-9%	-8%

Source: TXM, 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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Dom Maklerski mBanku

Senatorska 18
00-082 Warszawa
<http://www.mbank.pl/>

Research Department

Kamil Kliszc

director
+48 22 438 24 02
kamil.kliscz@mbank.pl
energy, power generation

Jakub Szkopek

+48 22 438 24 03
jakub.szkopek@mbank.pl
industrials, chemicals, metals

Piotr Bogusz

+48 22 438 24 08
piotr.bogusz@mbank.pl
retail

Michał Marczak

+48 22 438 24 01
michal.marczak@mbank.pl
strategy

Paweł Szpigel

+48 22 438 24 06
pawel.szpigel@mbank.pl
media, IT, telco

Michał Konarski

+48 22 438 24 05
michal.konarski@mbank.pl
banks, financials

Piotr Zybala

+48 22 438 24 04
piotr.zybala@mbank.pl
construction, real-estate development

Sales and Trading

Traders

Piotr Gawron

director
+48 22 697 48 95
piotr.gawron@mbank.pl

Jędrzej Łukomski

+48 22 697 49 85
jedrzej.lukomski@mbank.pl

Andrzej Sychowski

+48 22 697 48 46
andrzej.sychowski@mbank.pl

Krzysztof Bodek

+48 22 697 48 89
krzysztof.bodek@mbank.pl

Adam Prokop

+48 22 697 47 90
adam.prokop@mbank.pl

Tomasz Galanciak

+48 22 697 49 68
tomasz.galanciak@mbank.pl

Tomasz Jakubiec

+48 22 697 47 31
tomasz.jakubiec@mbank.pl

Szymon Kubka, CFA, PRM

+48 22 697 48 54
szymon.kubka@mbank.pl

Magdalena Bernacik

+48 22 697 47 35
magdalena.bernacik@mbank.pl

Sales, Foreign Markets

Marzena Łempicka-Wilim

deputy director
+48 22 697 48 82
marzena.lempicka@mbank.pl

Bartosz Orzechowski

+48 22 697 48 47
bartosz.orzechowski@mbank.pl

Private Broker

Kamil Szymański

director, active sales
+48 22 697 47 06
kamil.szymanski@mbank.pl

Jarosław Banasiak

deputy director, active sales
+48 22 697 48 70
jaroslaw.banasiak@mbank.pl