

Thursday, September 13, 2018 | daily publication

Morning Comments

Equity Market, Poland

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DJIA	25,998.9	+0.11%	FTSE 100	7,313.4	+0.55%	Copper (LME)	5,997.0	+2.36%
S&P 500	2,888.9	+0.04%	WIG20	2,210.2	-1.70%	Crude Oil (Brent)	79.81	+0.87%
NASDAQ	7,954.2	-0.23%	BUX	36,104.1	-0.74%	USD/PLN	3.7051	-0.10%
DAX	12,032.3	+0.52%	PX	1,089.3	+0.73%	EUR/PLN	4.3075	+0.08%
CAC 40	5,332.1	+0.91%	PLBonds10	3.239	-0.039	EUR/USD	1.1626	+0.17%

Company & Sector News

Alior Bank

Buy – 2018-02-01
 Target price: PLN 109.00

Alior to revise CoR target

According to Alior Bank CEO Katarzyna Sułkowska, Alior Bank plans an upward revision of 2018 goals following 3Q'18 results. The positive revision of the targets will mainly affect cost of risk ratio which currently is expected at the 1.8% level in 2018. CEO claims that the revision comes mainly due to the better-than-expected quality of the cash loan portfolio. At the same time CEO believes that the troubled company Ruch which owes Alor an aggregate PLN 166m will not have any impact on CoR level. **News is positive whilst 3Q'18 results announcement will likely trigger consensus upgrades which is currently at the level of PLN 784m. In 2018 Alior Bank is targeting cost of risk at 1.8%, NIM at 4.6%, PLN 5.5-5.6bn gross loan volume growth Y/Y and C/I ratio at 44%. (M. Konarski, M. Polańska)**

MOL

Buy – 2018-09-03
 Target price: HUF 3 296

MOL moving forward with EUR 1.2bn Polyol Project

MOL signed EPC (engineering, procurement and construction) contracts with thyssenkrupp Industrial Solutions AG covering the entire technical scope of the Polyol Project, the capacity-boosting exercise with a EUR 1.2bn budget announced last year. The new chemical complex will be designed to have annual production capacity of 200kt, a larger volume than the originally-envisaged 150kt. It is planned to be operational by the second half of 2021, with the ground works and basic construction activities set to start as soon as in Q4 2018. **MOL's original plan was for a polyol installation with annual capacity of 150kt at a cost of \$1bn, expected to generate additional EBITDA of \$170m from 2023 (and contributing \$95m from 2021 onwards). We found this an ambitious target at the time when comparing the Polyol Project with the Polish chemical group PCC Rokita, whose 80kt-a-year polyols installation (advanced vertical integration in propylene oxide but third-party propylene supplies) generates about \$50m of annual EBITDA from the chloride-polyol production line. Accordingly, our current model for MOL conservatively assumes that the additional EBITDA from the polyol complex will be \$100-120m in the early years, estimates about 30% lower than the Company's target, but based on yesterday's announcement we see potential to adjust these estimates higher in line with the higher capacity, alongside corresponding revisions in the CAPEX forecasts. (K. Kliszcz)**

Power Utilities

Electricity consumption rises 3% yoy in August

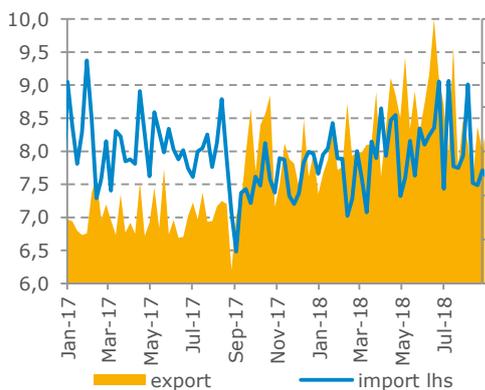
According to PSE monthly report Polish electricity consumption increased in August by 3% y/y and YTD amounts to 2.2%. Power generation increased even higher by 3.75% because of lower net import (-0.07 TWh y/y). Lignite power plants production was still lower yoy (capacity closures) but only -1.4% (-7% YTD) and steam coal units increased volumes by 3.5% (1.5% YTD). As in previous months we observed significant increase in gas power plants generation (+87% y/y and 55% YTD) which is of course connected with new CCGTs production launch. Wind farms noted another drop by 15% y/y due to weather conditions. **(K. Kliszcz)**

Oil & Gas

Bigger US crude stocks draw, products disappoint again

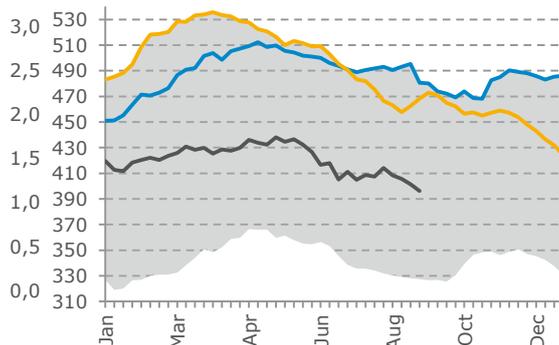
Weekly EIA report showed modest decline in US domestic crude inventories (-5.3 mmbbl vs expected -2.0 mmbbl), with net import decreasing by 7% w/w. Surprise was probably caused by higher utilization of US refineries (97.6% vs 96.5%) which is significantly above the upper band of 3-year range of fluctuation. Bigger supply of products led to spike in gasoline (+1.25 mmbbl/d vs +0.3 mmbbl/d expected) and diesel inventories (+6.1 mmbbl/d vs +1.7 mmbbl/d expected) what once again confirms that market is not able to absorb such volumes. **EIA report should support good sentiment on crude oil (yesterday Brent hit 80 USD/Bbl). By contrast, US oil products' data hardly explain recent spike in European refineries valuation. In our opinion this market optimism is questionable and market ignores structural risks and macro deterioration that has been observed for 2 weeks already. (K. Kliszcz)**

US crude oil export/import in mmboe



Source: Bloomberg

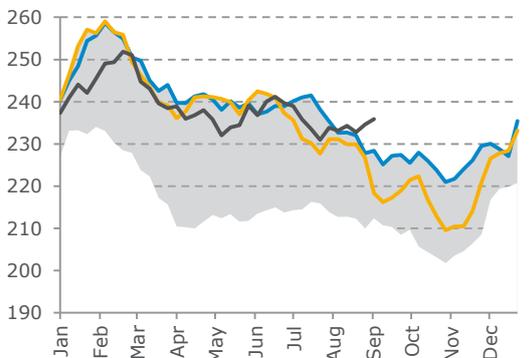
US crude oil reserves



Source: Bloomberg

5-year range 2016 2017 2018

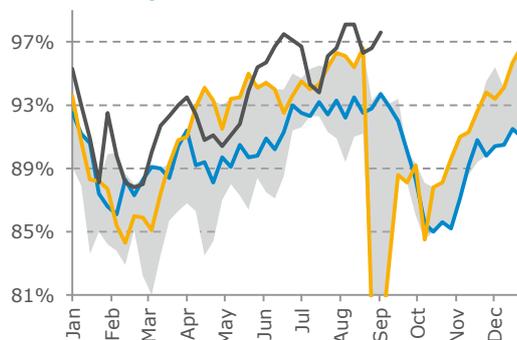
US gasoline reserves in mmboe



Source: Bloomberg

5-year range 2016 2017 2018

US refinery run rates



Source: Bloomberg

5-year range 2016 2017 2018

Energa

Buy - 2018-09-03

Target price: PLN 15.27

Key takeaways from generation workshop for sell-side analysts

Yesterday Energa organized a workshop for sell-side analysts, the purpose of which was to put some light on the most interesting issues related to generation segment. Company confirmed that it is not going to enter into any PPA agreements with price guarantees for the new 'Ostroleka C' generator, and still doesn't plan to consolidate the SPV in charge of the project. We were assured once again that a long term coal supply contract provides hedging for the new plant's clean dark spread (coal price is index-linked with power prices and CO₂). Energa was not willing to reveal detailed assumptions for the Ostroleka C financial model, but declared that, according to its sensitivity analysis, the future EBITDA of this unit will not fall short of PLN 300m in any market scenario. The 1GW power plant is to take part in capacity auctions, with deliveries starting in 2023, and all the risks connected with on time capacity delivery are already managed (some costs are incurred in capex, potential delay is the general contractor's responsibility). The management of Energa's generation unit admitted that the company benefits from current high CO₂ prices, as its RES fleet enjoys much higher margins and conventional units' costs are fully covered both by the market and TSO (ancillary services). However, Energa's hydro power plants' fleet is already contracted for this year deliveries at fixed prices with Energa Obrót, so current supportive macro will be reflected partially in Trading segment. **To sum up, the presentation did not bring any surprising news to us, however it did prove that some of the market's catastrophic theories about Ostroleka C are totally misguided. (K. Kliszcz)**

BSC Drukarnia

Competitor plans new facility in Bełchatów

DS Smith packaging will invest PLN 250 million in a new factory in Bełchatów. The plant will employ 200 people. In Bełchatów high quality cardboard packaging will be created, intended for FMCG, industrial and transport, as well as personalized protective packaging. DS Smith Polska is part of the international DS Smith Plc group. In Poland, it employs 1,250 people. **BSC Drukarnia employs 440 people in facilities located in Poznań. (J. Szkopek)**

Grupa Azoty

Hold - 2018-09-03

Target price: 41.13 PLN

Fertilizers prices set to drop: study

Fertilizer prices are likely to go down in the coming months as the farming season ends although the pace of price declines will likely be slower than in the prior year period due to rising production costs, state agricultural researcher IERGiZ said in a recent analysis. **At the last Management Board meeting with market participants, representatives of Grupa Azoty**

presented that in each subsequent month fertilizer price increases are planned due to the growing prices of natural gas. (J. Szkopek)

JSW

Buy – 2018-09-03
Target price: 98.00 PLN

CEO to keep his position

According to Parkiet daily newspaper, the President of JSW will not lose his position, but this is not the end conflict with Minister Krzysztof Tchórzewski. It's only a ceasefire that can last until the next year. The president also has no good relations with the deputy minister Grzegorz Tobiszowski, Government Plenipotentiary for restructuring of hard coal mining. He also has a serious enemy on the board of JSW in the person of Robert Ostrowski, deputy financial president. **The current JSW Management in our opinion is well received by the market. At the last conference, the management board was very clear in favor of payment of a dividend to shareholders from the profit for 2018.** (J. Szkopek)

JSW

Buy – 2018-09-03
Target price: 98.00 PLN

Famur

Buy – 2018-08-02
Target price: 6.56 PLN

Ministry against PBSZ takeover

According to Dziennik Gazeta Prawna daily newspaper, the Polish Energy minister opposes JSW takeover of PBSZ. **Earlier, we commented that the takeover of PBSZ will allow JSW to implement a large investment plan, which in the future would have contributed to the increase in output. On the other hand, after the sale of assets, Famur could have paid a tasty dividend to shareholders for another year in a row.** (J. Szkopek)

Coking Coal Steel

Relief after two days drop

Prices of steel and iron ore regained some lost ground in China on Thursday after the United States invited Chinese officials for talks, spurring hopes of a deal to end a trade dispute between the world's two largest economies. The news helped stem selling in ferrous metals following steep losses in the past two days on worries over excess steel supply as China considers a flexible implementation of its production curbs. Coking coal futures on the Dalian Commodity Exchange rose 1.7 percent to 1,285 yuan a tonne and coke eased 0.4 percent to 2,249.50 yuan. **Both, Australian and China coking coal prices are now above 180 USD/tonne. For more information, visit Reuters <https://tinyurl.com/ya6ompkw>** (J. Szkopek)

Copper

China to restart trade talks

Shanghai copper prices rose sharply to a near two-week high in early trade on Thursday after a U.S. official said Washington had invited Beijing to restart talks aimed at resolving their trade dispute. The United States and China have so far imposed tariffs on \$50 billion of each other's goods in a spat that has left the market fearing demand for industrial metals will weaken. **The copper price yesterday increased by 2.1%, silver +1.0%, gold +0,7%. By this the KGHM metal basket increased 1,4% from yesterday quotation closing. For more information, visit Reuters <https://tinyurl.com/v7z4qgbb>** (J. Szkopek)

Freeport CEO positive on Copper demand

Freeport McMoran CEO said yesterday that copper demand is still strong and tariffs haven't hurt sentiment. He believes brownfield projects may need \$3/lb copper price to work (vs. \$2.7 today).

Corn

Corn prices down nearly 4% as USDA forecasts second-largest crop on record

Corn prices dropped Friday, set to mark their largest one-day percentage decline in over a year, after the U.S. Department of Agriculture said U.S. corn production for the 2018/2019 crop year may climb to the second highest level on record. It forecast corn production at 14.827 billion bushels, up 241 million from last month's forecast. Record high yield estimates of over 181 bushels per acre for corn harvested in the United States raised the production and ending stock levels versus last month's estimates. **The drop in corn price is not supportive for Kernel, because this is company's key crop. Nevertheless the company already hedged this year harvest. For more information, visit MarketWatch <https://tinyurl.com/v9rxccb4>** (J. Szkopek)

Wheat

WASDE: production, ending stocks on the rise

Global wheat supplies for 2018/19 are raised 4.7 million tons on a 3.4-million-ton production increase and higher beginning stocks. The Russian crop is raised 3.0 million tons on harvest results to date in the winter wheat region and continued excellent weather in the spring wheat belt. Kazakhstan is raised 0.5 million tons also on excellent spring wheat conditions. Production is increased 2.7 million tons in India to a record 99.7 million on updated government data. With total supplies rising faster than use, global ending stocks are raised 2.3 million tons to 261.3 million but are 5 percent below last year's record. **For more information, visit Porkbusiness <https://tinyurl.com/ycpmf3jb>** (J. Szkopek)

Lokum Deweloper

Neutral – 2018-06-22

Preliminary agreement for PLN 100m land acquisition

Lokum has concluded two preliminary purchase agreements for real estate in Wrocław at al. Poprzeczna, with a total area of approx. 15 ha. The estimated total price may amount to approx. PLN 100 million net (paid at the conclusion). Conclusion of promised agreements shall occur no later than December 12, 2021. **From the strategic point of view we perceive this preliminary agreement positively. The acquisition is conditioned and in our opinion market reaction should be neutral.** (P. Zybala)

Quarterly Earnings Results

Enea

Buy – 2018-05-29

Target price: PLN 12.62

Final Q2 financials in line with previous estimates

- EBITDA estimates were already published few weeks ago and final report brings no surprise on this level. Results were 6% below our PLN 642 forecast. We noted **PLN -44m at other operating activities**, mainly in generation.
- EBIT and net profit above expectations due to generation assets impairment reversal at PLN 51m
- Generation:** EBITDA PLN 209m vs PLN 205m in our forecasts- lower results yoy despite higher production and new 1GW Kozienice unit under operations. We expect that Board will put more light on such a poor performance during conference. Report suggest that in Q2 company revised CO2 contracts by PLN -53m but we need further explanation on this topic.
- Distribution:** EBITDA PLN 283m vs PLN 260m at our forecasts due to higher result on other operating activities by PLN 17m (mainly one-time compensation and changes on provisions).
- Trading:** EBITDA PLN -24m vs PLN 24m expected due to higher costs of green certificates and electricity.
- Mining: EBITDA at PLN 151m (vs. PLN 148m)
- Net debt** lower qoq by PLN 0.7bn due to high operating CF (PLN 1.1bn) and low CAPEX (PLN 0.37bn)
- To sum up: results were published earlier but very good cash flows and net debt reduction should be positively welcomed by the market. Further management's explanations on poor generation performance can be crucial. (K. Kliszcz)**

Q2 2018 actuals vs. expectations

(PLN m)	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	yoy	Q2'18E	differ.	2018E	YTD
Revenues	2,709.7	2,857.1	2,831.4	3,007.5	2,988.6	3,051.0	7%	2,999.1	2%	12,232.2	49%
adj. EBITDA	722.8	699.2	620.1	606.5	688.6	601.9	-14%	642.7	-6%	2,845.4	45%
EBITDA	666.4	692.0	588.8	736.3	702.1	601.9	-13%	642.7	-6%	2,845.4	46%
generation	202.2	225.0	182.3	125.8	227.2	209.4	-7%	204.8	2%	901.7	48%
distribution	262.4	254.4	281.0	275.5	297.5	282.3	11%	260.0	9%	1,129.3	51%
trading	50.8	54.2	25.9	46.8	53.3	-24.2	-145%	24.2	-200%	200.6	15%
mining	178.3	143.0	129.8	257.9	123.3	150.3	5%	148.8	1%	652.5	42%
others	-27.3	15.3	-30.3	30.3	0.9	-15.9	-204%	5.0	-418%	-38.6	39%
EBIT	382.6	399.0	288.2	417.9	338.8	294.1	-26%	285.3	3%	1,431.4	44%
Net financials	20.2	-33.2	-20.9	12.7	-31.9	-42.8	29%	-62.4	-31%	-194.1	38%
Net profit	295.2	285.9	204.4	284.6	240.8	190.4	-33%	162.6	17%	919.2	47%

Source: Enea, E - estimates by Dom Maklerski mBanku, Consensus estimates provided by PAP

P.A. Nova

Neutral – 2018-03-29

Q2'18 in line with our full-year expectations

- PA Nova reported an average quarter with no profit in construction segment and results in rental segment in line with our full-year expectations.
- The company posted PLN 0.5m gross loss in construction segment (compared to high PLN 4.4m in Q2'17) and PLN 12.9m in rental segment (+11% y/y).
- Net debt remains at similar level for many quarters. At the end of June it totaled PLN 376m. Net debt to equity ratio amounted to 106%, compared to 109% a year ago.
- After H1'18 the company completed 49% of our full-year EBIT forecast and 56% of net profit forecast. Net result in Q2 alone was relatively low, but we expect gains from construction segment in the second half of the year and feel comfortable with our numbers. Currently PA Nova is traded at P/B=0.5x and P/E'18=6.0x. (P. Zybala)**

Q2 2018 actuals vs. expectations

(PLNm)	Q2'18	Q2'17	change	H1'18	H1'17	change	2018E	YTD/2018E
Revenue	54.4	62.1	-12.4%	106.0	105.5	0.4%	220.3	48%
Gross profit	12.5	16.2	-22.9%	29.4	27.6	6.5%	56.8	52%
margin	23.0%	26.1%	-	27.7%	26.1%	-	25.8%	-
EBIT	10.5	14.4	-27.1%	24.4	24.3	0.7%	50.1	49%
Pre-tax profit	7.5	11.9	-37.3%	19.2	18.9	1.4%	39.3	49%
Net profit	6.4	9.3	-30.6%	17.3	15.2	14.0%	30.7	56%

Source: P. A. Nova, E - estimates by Dom Maklerski mBanku

More News

- Ambra** Listed spirits company Ambra sees its sales margin in the first quarters of FY 2018/2019 as likely to suffer from an increase in prices of wines from 2017 crops, Ambra said in a report. The company plans to raise prices to restore the standard margin level in the second half of that fiscal year, Ambra also said.
- Auto Partner** Listed importer and distributor of spare automotive parts Auto Partner expects to continue positive trends in the group results to end-2018, CFO Michal Bregula told reporters. In H1, Auto Partner increased net profit by 45% y/y, to PLN 29.6 mln.
- Awbud** Listed builder Awbud saw its unit subcontract PLN 22.4 mln in works related to a hospital in Lublin from listed peer Budimex, Awbud said in a market filing.
- Decora** Listed furnishings firm Decora and lead shareholder Wlodzimierz Lesinski seek to buy some 4.05 mln of the company's shares, or 35.86% of the total, at PLN 10.0 apiece, managing brokerage Santander BM said of the tender offer. Subscriptions are scheduled to start on October 2 and end on October 15, with the transaction likely to be settled on October 18. The bidders intend to make no significant changes to the company's profile and employment structure, nor to delist it from WSE, the offer said.
- DS Smith** International packaging producer DS Smith will spend some PLN 250 mln on a factory in Belchatow, Poland's foreign investment agency PAIH said in a release. DS Smith will hire ca. 200 people to work in the plant while also creating some 100 jobs among its business partners.
- ERG** Plastics manufacturer ERG plans to conclude its strategic options review in late 2018 or early 2019, the company said in a press statement.
- Esotiq & Henderson** Fashion firm Esotiq&Henderson targets keeping gross sale margin at current levels in 2018 while also investing in online sales in a move to boost their share in total revenues, according to CEO Adam Skrzypek. The company stands by its plan to open 20 new stores in Poland plus 9 in Germany by end-2018 and wants to be running 32 outlets in Eastern Europe by that time, he added.
- GetBack** Troubled debt collector GetBack continues talks with investors interested in buying shares in the company and sticks to its commitment to present their offers as well as company's current financial data before October 9, CEO Przemyslaw Dabrowski wrote in a letter to bond holders.
- Troubled debt collector GetBack terminated the agreement with Deloitte for audit services, concerning the financial reports of the company and the capital group for FYs 2017 and 2018, GetBack said in a market filing. The agreement was to run to March 2019.
- LOT** Polish national airline LOT will likely boost annual turnover to PLN 6 bln in 2018 from PLN 4.8 bln in 2017, management board member Michał Fijol told PAP on the sidelines of an aviation congress.
- Michelin** Tire maker Michelin will invest PLN 56 mln in a new production hall and modernization of a production line in its Olsztyn factory, spokesperson of the firm's Polish branch Ewa Konopka told PAP. Michelin is also building a PLN 210 mln gas-fired heating plant in Olsztyn.
- Pension Funds** Poland's private pension funds OFE transferred PLN 628.8 mln to the social insurance board ZUS under the pre-retirement asset shift in August, ZUS said in a statement on the execution of the social insurance fund FUS' financial plan. At the same time, OFE had received PLN 249.2 mln in premiums from ZUS in August.
- Polenergia** Listed renewable energy firm Polenergia's management believes the PLN 20.5 per share price offered by lead shareholder Dominika Kulczyk in the tender offer does not reflect the fair value of the company, while saying that increased involvement of the strategic investor could contribute to company's development, Polenergia said in a market filing.
- Soho Development** Real estate firm Soho Development plans spending ca. PLN 24 mln on buyback of 7.4 mln own shares at PLN 3.27 apiece, the company said in a filing. Soho wants to launch the operations in the coming days so that it can settle it financially by end-month. The buyback will be financed with funds from completed real estate development investments.
- Tesgas** Engineering company Tesgas placed a PLN 30.6 mln net best bid in a pipeline construction tender held by natgas giant PGNiG unit PSG, Tesgas said in a filing.
- Wojas** Listed footwear retailer Wojas posted a PLN 1.6 mln net loss in H1, diminishing slightly the scale of loss versus the loss suffered in the prior year period, the company's H1 report out late Tuesday showed.

Corporate Action Calendar

Date	Time	Company	Event
13-Sep	10:00	Enea/LWB	Q2'18 earnings conference (GPW, Książęca 4, Warsaw)
13-Sep		Ergis	Q2'18 earnings announcement
13-Sep		Forte	Q2'18 earnings announcement
13-Sep		P.A. Nova	Q2'18 earnings announcement
14-Sep	09:00	PCC Rokita	Investor meetings (Adgar Ochota, Al. Jerozolimskie 181B8, Warsaw) - canceled
14-Sep	12:00	Forte	Q2'18 earnings conference (Sheraton Hotel, Warsaw)
14-Sep		Archicom	Q2'18 earnings announcement
14-Sep		Ulma	Q2'18 earnings announcement
17-Sep		Elektrobudowa	Q2'18 earnings announcement
17-Sep		Kruszwica	Q2'18 earnings announcement
18-Sep		TIM	Q2'18 earnings announcement
18-Sep		Wojas	Q2'18 earnings announcement
19-Sep		Atende	Q2'18 earnings announcement
19-Sep		Commerzbank	Meeting with Commerzbank analyst (mBank, Senatorska 18, Warsaw) – registration required
19-Sep		JWC	Q2'18 earnings announcement
20-Sep		TXM	Q2'18 earnings announcement
20-Sep			mBank's Retail Event (Regent Warsaw Hotel) - registration required
21-Sep		Gino Rossi	Q2'18 earnings announcement

Economic Calendar

Thursday, 13 September 2018					
Time	Region	Data	Period	Forecast	Previous
08:45	France	CPI Harmonized	August		-0.10% m/m; 2.60% y/y
08:45	France	CPI	August		0.30% m/m; 2.30% y/y
10:00	Poland	CPI	August	0% m/m; 2.00% y/y	-0.20% m/m; 2.00% y/y
13:00	UK	Interest Rate		0.75%	0.75%
13:45	EU	Interest Rate			0.00%
14:00	Poland	Capital Account Balance	July		736m
14:00	Poland	Current Account Balance	July		-240m
14:00	Poland	Financial Account Balance	July		1239m
14:30	USA	Core CPI	August	0.20% m/m;	0.20% m/m; 2.40% y/y
14:30	USA	CPI	August	0.30% m/m;	0.20% m/m; 2.90% y/y
14:30	USA	Continuing Claims	1 September		1,707,000
14:30	USA	Initial Jobless Claims	8 September	210,000	203,000
20:00	USA	Government Budget	August		-76.90bn
22:00	USA	TIC Net Long-term Flows	July		-36.50bn
22:00	USA	TIC Net Flows	July		114.50bn
Friday, 14 September 2018					
Time	Region	Data	Period	Forecast	Previous
04:00	China	Industrial Production	July	6.10% y/y	6.00% y/y
04:00	China	Retail Sales	July	8.70% y/y	8.80% y/y
06:30	Japan	Industrial Production (F)	July		-1.80% m/m; -0.90% y/y
11:00	EU	Exports	July		190.80bn
11:00	EU	Imports	July		174.00bn
11:00	EU	Labor Cost	Q2		2.00% y/y
11:00	EU	Trade Balance	July		16.70bn
14:00	Poland	Core CPI	August		-0.10% m/m; 0.60% y/y
14:30	USA	Exports	August		-0.50% m/m; 4.30% y/y
14:30	USA	Import Price Index	August		0.00% m/m; 4.80% y/y
14:30	USA	Retail Sales	August		0.50% m/m; 6.40% y/y
14:30	USA	Retail Sales Less Autos	August		0.60% m/m; 7.20% y/y
15:15	USA	Capacity Utilization	August		78.10% m/m
15:15	USA	Industrial Production	August		0.10% m/m; 4.20% y/y
16:00	USA	Business Inventories	July		0.10% m/m; 4.00% y/y
16:00	USA	NAHB Housing Market Index	September		67
Monday, 17 September 2018					
Time	Region	Data	Period	Forecast	Previous
11:00	EU	Core CPI	August		1.10% y/y
11:00	EU	CPI	August		-0.30% m/m; 2.10% y/y
14:30	USA	Empire State Manufacturing Index	September		25.60
Tuesday, 18 September 2018					
Time	Region	Data	Period	Forecast	Previous
10:00	EU	Current Account Balance	July		28.50bn
10:00	Poland	Wages	August		-0.50% m/m; 7.20% y/y
11:00	Germany	ZEW Current Situation	September		72.60
11:00	EU	ZEW Current Situation	September		30.00
11:00	Germany	ZEW Economic Sentiment	September		-13.70
11:00	EU	ZEW Economic Sentiment	September		-11.10
	Japan	Interest Rate			-0.10%
Wednesday, 19 September 2018					
Time	Region	Data	Period	Forecast	Previous
10:00	Poland	Industrial Production	August		-5.40% m/m; 10.30% y/y
10:00	Poland	Manufacturing Production	August		-6.00% m/m; 10.20% y/y
10:00	Poland	PPI	August		0.10% m/m; 3.40% y/y
10:30	UK	Core CPI	August		1.90% y/y
10:30	UK	CPI	August		0.00% m/m; 2.50% y/y
11:00	EU	Construction Orders	July		0.20% m/m; 2.60% y/y
14:30	USA	Current Account Balance	Q2		-124.10bn
14:30	USA	Building Permits	August		1,311,000
14:30	USA	Housing Starts	August		1,168,000



Current Recommendations by Dom Maklerski mBanku

Company	Recommendation	Issued On	Price At Reco.	Target Price	Current Price	Upside/Downside	P/E		EV/EBITDA	
							2018	2019	2018	2019
Financial Sector						+23.8%	11.3	10.1		
Alior Bank	buy	2018-02-01	85.50	109.00	60.05	+81.5%	8.2	6.9		
Santander Bank Polska	accumulate	2018-09-03	376.00	430.00	355.60	+20.9%	14.0	11.5		
Getin Noble Bank	hold	2018-05-09	1.17	1.40	0.50	+180.0%	10.1	3.8		
Handlowy	buy	2018-04-06	77.50	94.00	67.90	+38.4%	14.0	11.5		
ING BSK	accumulate	2018-08-02	190.00	212.00	175.00	+21.1%	14.5	12.8		
Millennium	sell	2018-08-02	9.12	7.00	8.26	-15.3%	13.9	12.6		
Pekao	buy	2018-02-01	135.90	157.00	105.55	+48.7%	12.7	10.4		
PKO BP	hold	2018-04-06	39.74	38.00	39.58	-4.0%	14.9	12.5		
Komercni Banka	buy	2017-12-01	899.00	1,111 CZK	918.00	+21.0%	11.7	10.0		
Erste Bank	buy	2018-08-02	37.14	43.00 EUR	36.08	+19.2%	10.3	10.3		
OTP Bank	buy	2018-06-06	10,210	12,090 HUF	9,975	+21.2%	10.1	9.3		
PZU	accumulate	2018-08-02	42.00	47.50	38.86	+22.2%	10.9	9.8		
Kruk	buy	2018-02-02	222.20	300.94	181.40	+65.9%	9.6	8.2		
Prime Car Management	suspended	2018-08-23	7.96	-	7.00	-	-	-		
Skarbiec Holding	buy	2018-08-31	25.30	36.86	25.00	+47.4%	7.8	7.4		
Chemicals						+62.3%	6.9	6.5	5.1	5.1
Ciech	buy	2018-08-02	56.95	82.52	44.08	+87.2%	6.9	6.5	4.8	4.5
Grupa Azoty	hold	2018-09-03	38.00	41.13	30.98	+32.8%	13.7	12.4	5.1	5.1
Polwax	buy	2018-05-09	7.80	16.69	7.20	+131.8%	4.8	3.6	6.4	5.7
Oil & Gas						+8.5%	8.8	12.4	4.7	5.6
Lotos	sell	2018-09-03	69.90	57.21	74.84	-23.6%	10.5	14.8	5.6	7.0
MOL	buy	2018-09-03	2,870	3,296 HUF	2,840	+16.1%	8.1	10.0	3.7	4.1
PGNiG	buy	2018-09-03	5.82	7.86	5.87	+33.9%	8.2	6.9	3.8	3.2
PKN Orlen	sell	2018-09-03	98.24	81.38	104.25	-21.9%	9.3	15.5	5.8	8.1
Power Utilities						+22.0%	3.7	3.9	3.7	3.2
CEZ	sell	2018-07-04	550.00	440.96 CZK	579.00	-23.8%	21.9	20.3	8.6	8.5
Enea	buy	2018-05-29	9.57	12.62	7.65	+65.0%	3.7	2.8	3.7	3.2
Energa	buy	2018-09-03	8.40	15.27	7.50	+103.6%	3.7	3.9	3.2	3.1
PGE	buy	2018-05-29	9.28	13.60	8.69	+56.5%	5.3	5.2	3.4	3.2
Tauron	buy	2018-09-03	2.00	2.77	1.70	+62.9%	3.2	2.7	3.7	4.0
Telecoms, Media, IT						+14.9%	19.4	16.7	6.9	6.0
Netia	reduce	2018-06-06	5.00	4.30	4.52	-4.9%	41.1	49.7	5.4	5.7
Orange Polska	buy	2018-04-06	5.83	7.60	4.42	+71.9%	19.4	10.6	4.1	3.7
Play	hold	2018-08-30	21.90	22.60	20.76	+8.9%	6.6	7.5	5.5	5.5
Agora	buy	2018-04-06	14.50	18.40	8.10	+127.2%	15.4	16.7	2.7	2.7
Cyfrowy Polsat	accumulate	2018-06-15	22.76	24.90	21.92	+13.6%	12.8	10.9	6.9	6.0
Wirtualna Polska	accumulate	2018-09-03	57.00	60.00	53.00	+13.2%	20.8	17.8	11.3	9.5
Asseco Poland	accumulate	2018-09-03	45.90	49.00	43.80	+11.9%	12.9	14.2	7.9	7.7
CD Projekt	sell	2018-04-06	114.90	90.80	178.20	-49.0%	85.8	25.8	68.1	19.9
Comarch	accumulate	2018-05-09	145.00	166.50	160.00	+4.1%	23.0	17.0	9.1	7.9
Industrials, Mining						+30.1%	14.0	6.1	6.3	4.6
Famur	buy	2018-08-02	5.20	6.56	4.95	+32.5%	15.5	12.3	6.8	6.0
Grupa Kęty	hold	2018-09-03	387.50	367.45	370.50	-0.8%	13.5	12.8	9.2	8.6
JSW	buy	2018-09-03	77.00	98.00	68.22	+43.7%	4.1	5.4	2.1	2.3
Kemel	buy	2018-07-23	50.50	59.18	47.50	+24.6%	14.5	6.6	6.5	5.0
KGHM	buy	2018-09-03	90.80	104.21	83.06	+25.5%	7.0	5.5	4.2	3.1
Stelmet	buy	2018-09-03	11.35	20.45	8.38	+144.0%	16.0	5.5	6.2	4.1
Construction						+38.6%	7.2	8.6	3.2	3.4
Budimex	hold	2018-08-02	122.60	125.00	101.20	+23.5%	10.5	11.8	3.2	4.1
Elektrobudowa	hold	2018-06-06	69.00	71.00	36.10	+96.7%	7.2	7.1	1.8	1.9
Erbud	buy	2018-09-03	9.60	14.40	9.32	+54.5%	-	10.1	-	4.4
Unibep	buy	2018-04-06	7.50	10.10	4.78	+111.3%	5.5	4.7	3.6	2.8
Property Developers						+33.8%	6.3	6.6	7.2	7.1
Atal	buy	2018-07-04	36.40	42.86	31.40	+36.5%	6.4	6.7	5.9	6.3
Capital Park	buy	2018-04-06	5.95	8.35	4.80	+74.0%	9.5	8.0	17.0	16.4
Dom Development	buy	2018-08-02	72.80	87.80	59.60	+47.3%	6.2	6.5	5.1	5.6
Echo	buy	2018-04-06	5.23	5.63	4.30	+30.9%	5.9	5.4	7.0	7.2
GTC	hold	2018-04-06	9.39	9.60	8.59	+11.8%	10.3	8.9	14.7	13.8
LC Corp	buy	2018-06-22	2.39	3.58	2.29	+56.3%	5.5	5.1	7.5	7.1
Retail						+23.1%	25.8	16.8	13.4	10.5
AmRest	hold	2018-09-03	406.00	426.00	378.00	+12.7%	39.8	31.3	13.4	10.7
CCC	buy	2018-06-06	242.80	295.00	201.20	+46.6%	26.3	15.5	15.0	10.5
Dino	hold	2018-06-06	107.40	103.50	88.00	+17.6%	27.0	20.2	16.9	13.0
Eurocash	buy	2018-04-06	24.41	30.70	19.50	+57.4%	20.5	15.8	6.7	5.7
Jeronimo Martins	buy	2018-08-02	12.65	15.20 EUR	12.77	+19.1%	20.1	16.8	8.6	7.4
LPP	accumulate	2018-06-18	9,025	10,200	8,990	+13.5%	25.3	20.7	13.8	11.4
TXM	buy	2018-07-04	1.28	3.48	0.59	+489.8%	-	2.0	12.2	2.9
Other						+23.8%	9.0	8.2	6.0	5.5
PBKM	hold	2018-06-06	73.00	76.26	61.60	+23.8%	9.0	8.2	6.0	5.5

Current Calls by Dom Maklerski mBanku

Company	Relative Positioning	Rated On	Price At Rating	Current Price	Change	P/E		EV/EBITDA	
						2018	2019	2018	2019
Industrials						11.7	9.9	4.9	4.7
Ailleron	neutral	2018-03-28	16.20	13.65	-15.7%	16.2	14.1	7.3	6.0
Asseco BS	neutral	2018-03-28	28.00	24.20	-13.6%	14.0	12.8	9.4	8.6
Asseco SEE	overweight	2018-04-26	11.70	11.30	-3.4%	10.3	9.9	4.5	4.2
Atende	overweight	2018-03-28	4.25	3.30	-22.4%	7.7	6.9	4.9	4.7
Wasko	neutral	2018-05-30	1.68	1.39	-17.3%	11.7	7.7	4.4	3.7
Industrials						8.7	8.3	6.4	6.0
Alumetal	neutral	2018-08-23	51.00	44.00	-13.7%	7.8	8.6	6.4	6.7
Amica	overweight	2018-06-06	121.00	112.80	-6.8%	8.0	7.0	5.2	4.7
Apator	neutral	2018-02-28	24.00	25.70	+7.1%	14.2	14.8	8.1	8.3
Boryszew	neutral	2018-09-05	6.25	5.07	-18.9%	8.9	7.1	6.4	5.8
Elemental	neutral	2018-04-27	1.09	1.26	+15.6%	5.1	4.4	4.9	4.4
Ergis	neutral	2018-04-27	4.06	3.60	-11.3%	8.1	7.6	6.0	5.5
Forte	overweight	2018-07-27	40.60	43.10	+6.2%	16.1	11.5	10.9	9.0
Kruszwica	underweight	2018-08-02	65.40	46.50	-28.9%	18.2	19.2	9.7	9.8
Mangata	neutral	2018-06-22	90.00	91.20	+1.3%	12.5	12.3	7.8	7.4
Pfleiderer Group	overweight	2018-08-08	37.30	37.90	+1.6%	18.6	18.5	6.6	6.2
Pozbud	overweight	2018-09-04	3.57	2.65	-25.8%	5.0	2.7	4.6	1.7
Tarczyński	neutral	2018-05-30	14.50	14.90	+2.8%	8.4	8.0	5.8	5.4
Construction Sector						19.0	8.8	5.1	3.8
Elektrotim	neutral	2018-05-28	5.80	3.54	-39.0%	21.5	9.1	3.8	3.2
Herkules	neutral	2018-01-25	3.67	2.55	-30.5%	8.0	5.6	4.6	3.8
Torpol	neutral	2018-05-28	6.40	5.18	-19.1%	24.2	7.5	6.5	3.9
Trakcja	underweight	2018-05-18	3.65	3.05	-16.4%	24.0	21.8	5.6	5.4
Ulma	neutral	2018-05-28	73.00	72.00	-1.4%	8.9	8.6	3.6	3.4
ZUE	neutral	2018-05-28	5.86	5.16	-11.9%	16.5	8.9	6.7	5.5
Property Developers						6.2	5.3	9.2	5.3
Archicom	overweight	2018-06-22	15.00	13.20	-12.0%	6.2	4.3	6.0	4.8
BBI Development	neutral	2018-04-26	0.66	0.48	-27.3%	11.1	5.3	12.7	5.3
i2 Development	neutral	2018-06-22	15.40	13.70	-11.0%	4.2	4.7	7.4	6.2
JWC	neutral	2018-06-22	3.48	3.22	-7.5%	8.7	3.5	9.2	4.1
Lokum Deweloper	overweight	2018-06-22	18.80	17.90	-4.8%	6.0	6.9	4.5	5.3
PA Nova	neutral	2018-03-29	22.30	17.95	-19.5%	5.9	6.8	9.8	11.0
Polnord	underweight	2018-06-22	9.04	9.89	+9.4%	-	-	-	-
Ronson	neutral	2018-06-22	1.09	1.11	+1.8%	12.0	8.0	12.6	11.1
Retail						12.0	9.8	7.8	6.6
Bytom	overweight	2018-05-23	2.92	2.72	-6.8%	12.1	11.1	7.8	6.9
Monnari	neutral	2018-07-13	6.60	5.64	-14.5%	8.6	8.0	3.3	2.9
Vistula	overweight	2018-05-23	4.79	4.19	-12.5%	12.0	9.8	8.2	6.6

CEE bank valuations (2018-09-12)

	Price	P/E			ROE			P/BV			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH BANKS													
Alior Bank	60.05	8.2	6.9	-	13%	13%	-	1.0	0.8	-	0.0%	0.0%	-
Getin Noble Bank	0.50	10.1	3.8	1.6	1%	3%	6%	0.1	0.1	0.1	0.0%	0.0%	0.0%
Handlowy	67.90	14.0	11.5	-	9%	11%	-	1.3	1.2	-	6.0%	7.1%	-
ING BSK	175.00	14.5	12.8	11.7	13%	13%	12%	1.7	1.5	1.4	1.8%	2.1%	2.3%
Millennium	8.26	13.9	12.6	-	9%	9%	-	1.2	1.1	-	0.0%	1.8%	-
Pekao	105.55	12.7	10.4	-	9%	11%	-	1.2	1.1	-	7.5%	7.9%	-
PKO BP	39.58	14.9	12.5	-	9%	10%	-	1.2	1.1	-	1.4%	1.7%	-
Santander Bank Polska	355.60	14.0	11.5	10.1	10%	11%	12%	1.3	1.2	1.1	1.9%	3.5%	4.3%
Median		13.9	11.5	10.1	9%	11%	12%	1.2	1.1	1.1	1.6%	1.9%	2.3%
INVESTORS IN POLISH BANKS													
BCP	0.241	10.5	7.3	6.9	6%	8%	8%	0.6	0.6	0.5	1.2%	2.9%	5.8%
Citigroup	70.510	10.8	9.4	8.1	9%	10%	11%	1.0	0.9	0.8	2.2%	2.8%	3.2%
Commerzbank	8.501	11.5	9.6	7.1	3%	4%	5%	0.4	0.4	0.3	2.5%	3.8%	5.4%
ING	10.894	8.2	7.9	7.5	10%	10%	10%	0.8	0.8	0.7	6.3%	6.6%	6.9%
KBC	64.200	10.5	10.7	10.3	14%	13%	13%	1.5	1.4	1.4	5.6%	6.1%	6.5%
UCI	13.340	8.5	6.8	6.0	6%	8%	8%	0.5	0.5	0.5	2.7%	4.7%	7.2%
Median		10.5	8.7	7.3	8%	9%	9%	0.7	0.7	0.6	2.6%	4.3%	6.1%
FOREIGN BANKS													
Erste Bank*	36.08	10.3	10.3	9.6	11%	10%	10%	1.1	1.0	1.0	3.3%	4.1%	4.1%
Komercni Banka*	918.00	11.7	10.0	-	14%	14%	-	1.5	1.4	-	5.1%	4.7%	-
OTP*	9,975	10.1	9.3	-	15%	15%	-	1.5	1.3	-	2.5%	2.6%	-
Banco Santander	4.24	8.7	7.9	7.2	8%	9%	9%	0.7	0.7	0.6	5.2%	5.6%	6.3%
Deutsche Bank	9.64	21.0	10.8	7.9	1%	3%	4%	-	-	-	1.5%	2.9%	4.5%
Sberbank	173.90	4.5	4.3	3.8	23%	21%	21%	1.0	0.9	0.8	10.2%	11.8%	13.5%
VTB Bank	0.04	4.0	3.3	3.0	12%	12%	12%	0.4	0.4	0.4	10.1%	10.1%	10.1%
Piraeus Bank	2.01	55.8	6.5	3.5	0%	2%	4%	0.2	0.2	0.1	0.0%	0.0%	2.4%
Alpha Bank	1.32	9.9	6.1	4.8	2%	3%	4%	0.2	0.2	0.2	0.0%	0.0%	1.2%
National Bank of Greece	1.85	142.4	80.5	54.4	2%	3%	5%	3.2	3.1	2.9	0.0%	0.0%	0.1%
Eurobank Ergasias	0.64	8.2	5.5	4.4	3%	5%	6%	0.3	0.3	0.2	0.0%	0.0%	1.7%
Akbank	5.44	3.4	3.0	2.7	15%	15%	15%	0.5	0.4	0.4	8.1%	9.5%	9.7%
Turkiye Garanti Bank	5.72	3.4	3.0	2.5	15%	16%	17%	0.5	0.5	0.4	7.8%	8.7%	6.8%
Turkiye Halk Bank	5.78	2.0	1.7	1.4	13%	14%	-	0.3	0.2	0.2	3.7%	5.7%	-
Turkiye Vakiflar Bankasi	3.08	2.1	2.5	2.4	15%	12%	-	0.3	0.3	0.2	2.1%	2.1%	1.2%
Yapi ve Kredi Bankasi	1.61	3.4	2.8	2.3	10%	10%	12%	0.4	0.3	0.3	0.0%	3.0%	2.0%
Median		8.5	5.8	3.7	11%	11%	10%	0.5	0.4	0.4	2.9%	3.6%	4.1%

Insurance company valuations (2018-09-12)

	Price	P/E			ROE			P/BV			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES													
PZU	38.86	10.9	9.8	9.2	20%	21%	21%	2.2	2.0	1.9	6.9%	6.9%	7.6%
FOREIGN COMPANIES													
Vienna Insurance G.	23.78	10.5	10.1	9.0	6%	6%	6%	0.6	0.6	0.6	3.9%	4.2%	4.5%
Uniq	8.47	12.1	11.4	10.5	7%	7%	8%	0.9	0.9	0.9	6.1%	6.6%	6.8%
Aegon	5.23	7.9	7.4	7.0	7%	7%	7%	0.5	0.5	0.5	5.4%	5.6%	5.9%
Allianz	184.62	10.6	9.9	9.4	11%	12%	12%	1.2	1.1	1.1	4.7%	5.0%	5.3%
Aviva	4.77	8.4	7.8	7.3	12%	11%	-	1.1	1.1	1.0	6.3%	7.0%	7.9%
AXA	21.93	8.8	8.1	7.8	9%	9%	9%	0.7	0.7	0.7	6.1%	6.4%	6.7%
Baloise	147.20	12.2	11.5	10.8	9%	9%	9%	1.1	1.0	0.9	4.0%	4.2%	4.5%
Assicurazioni Generali	15.02	9.5	9.3	9.0	10%	10%	10%	0.9	0.9	0.9	6.0%	6.4%	6.7%
Helvetia	583.50	11.6	11.2	10.9	10%	10%	10%	1.1	1.0	1.0	4.2%	4.4%	4.5%
Mapfre	2.54	9.6	8.7	8.0	9%	10%	12%	0.9	0.9	0.8	6.0%	6.5%	7.1%
RSA Insurance	6.06	12.6	11.3	10.9	13%	14%	14%	1.6	1.5	1.4	3.9%	4.9%	5.2%
Zurich Financial	299.30	12.3	10.5	10.0	11%	13%	14%	1.4	1.3	1.3	6.4%	6.8%	7.2%
Median		10.6	10.0	9.2	10%	10%	10%	1.0	0.9	0.9	5.7%	6.0%	6.3%

Source: Dom Maklerski mBanku (Polish stocks and stocks marked with an asterisk), IBES/Bloomberg (foreign stocks)

Gas & Oil valuations (2018-09-12)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
OIL COMPANIES																
Lotos	74.84	5.6	7.0	5.7	0.6	0.6	0.6	10.5	14.8	13.0	11%	8%	10%	1.3%	2.9%	2.0%
MOL	2840.00	3.7	4.1	4.0	0.5	0.5	0.5	8.1	10.0	9.4	14%	12%	13%	4.5%	3.9%	4.1%
PKN Orlen	104.25	5.8	8.1	7.1	0.5	0.4	0.4	9.3	15.5	13.8	8%	5%	6%	2.9%	3.8%	2.3%
HollyFrontier	70.65	7.4	6.2	6.7	0.9	0.8	0.9	13.5	9.6	10.4	12%	14%	13%	1.9%	1.9%	2.0%
Andeavor	155.89	9.7	8.0	7.0	0.7	0.7	0.7	17.7	12.7	10.4	7%	8%	10%	1.6%	1.7%	1.9%
Valero Energy	116.31	9.1	6.8	5.5	0.5	0.5	0.4	17.9	11.5	8.5	5%	7%	8%	2.8%	3.0%	3.2%
Marathon Petroleum	84.20	8.8	7.3	6.0	0.7	0.6	0.6	17.1	12.0	9.4	8%	9%	10%	2.2%	2.4%	2.6%
Phillips 66	112.16	9.1	8.0	7.0	0.5	0.5	0.6	14.7	11.6	9.4	6%	7%	9%	2.8%	3.0%	3.2%
Tupras	129.00	7.4	6.9	6.1	0.6	0.5	0.5	9.7	8.5	7.3	8%	7%	8%	7.8%	8.8%	10.9%
OMV	45.43	3.8	3.6	3.6	0.8	0.8	0.8	8.9	8.2	8.2	22%	23%	23%	3.6%	4.0%	4.3%
Neste Oil	73.16	11.7	11.0	10.8	1.3	1.3	1.3	18.7	17.7	17.1	11%	11%	12%	2.7%	2.9%	3.0%
Hellenic Petroleum	7.46	5.6	5.8	5.7	0.5	0.5	0.4	7.8	8.5	8.3	8%	8%	8%	5.1%	5.4%	6.1%
Saras SpA	1.92	4.7	4.0	3.3	0.2	0.2	0.2	15.4	10.7	7.7	4%	5%	6%	4.1%	4.9%	6.3%
Motor Oil	20.20	4.8	4.9	4.3	0.3	0.3	0.3	9.2	9.5	8.3	6%	6%	7%	6.2%	6.4%	7.2%
Median		6.6	6.9	5.8	0.6	0.5	0.5	12.0	11.1	9.4	8%	8%	9%	2.8%	3.4%	3.2%
GAS COMPANIES																
A2A SpA	1.57	6.9	6.7	6.5	1.4	1.4	1.3	12.2	12.8	12.1	20%	20%	21%	4.3%	4.7%	5.0%
Centrica	144.35	4.8	4.8	4.8	0.4	0.4	0.4	11.0	11.2	10.9	9%	8%	8%	0.0%	0.0%	0.0%
Enagas	24.04	10.3	10.5	10.3	8.0	8.1	8.1	13.1	13.5	12.5	78%	78%	79%	6.3%	6.6%	7.0%
Endesa	18.85	7.4	7.2	7.2	1.3	1.3	1.3	13.9	13.6	13.3	17%	17%	18%	7.3%	7.4%	7.6%
Engie	12.45	6.0	5.7	5.4	0.9	0.9	0.8	12.5	11.2	10.5	15%	15%	16%	6.0%	6.4%	6.8%
Gas Natural SDG	23.27	9.3	8.8	8.4	1.7	1.6	1.6	24.7	16.6	15.7	18%	19%	19%	5.2%	5.6%	5.8%
Hera SpA	2.84	6.9	6.9	6.7	1.2	1.2	1.2	15.9	16.1	15.5	18%	17%	18%	3.5%	3.6%	3.7%
Snam SpA	3.77	11.9	11.8	11.6	9.7	9.6	9.4	13.1	12.9	12.4	81%	81%	81%	5.9%	6.1%	6.2%
PGNiG	5.87	3.8	3.2	2.8	0.8	0.7	0.6	8.2	6.9	7.0	21%	22%	23%	0.0%	3.7%	4.4%
BP	552.90	5.1	4.7	4.6	0.6	0.6	0.6	13.1	11.9	11.3	12%	13%	13%	0.0%	0.0%	0.0%
Eni	16.02	3.6	3.4	3.3	0.9	0.9	0.9	13.6	11.8	11.8	25%	26%	27%	5.2%	5.3%	5.4%
Equinor	155.05	3.0	2.9	2.8	0.8	0.8	0.8	3.4	3.4	3.4	27%	27%	27%	5.7%	6.5%	7.0%
Gazprom	1112.30	13.7	13.4	12.8	4.9	4.7	4.5	16.3	14.7	14.4	36%	35%	35%	1%	2%	2%
NovaTek	31.95	4.4	4.2	3.8	2.5	2.4	2.1	7.6	7.0	6.5	58%	57%	55%	12.0%	12.7%	13.4%
ROMGAZ	27.83	3.5	3.2	3.2	0.5	0.5	0.5	12.0	10.3	9.9	16%	17%	17%	7.9%	7.9%	8.1%
Shell	216.80	3.6	3.3	3.1	1.3	1.3	1.2	13.5	12.4	12.0	38%	39%	39%	0.1%	0.1%	0.1%
Total	53.88	6.5	5.9	5.9	1.1	1.1	1.1	13.6	12.3	12.1	18%	19%	19%	5.6%	5.8%	6.0%
Median		6.0	5.7	5.4	1.2	1.2	1.2	13.1	12.3	12.0	20%	20%	21%	5.2%	5.6%	5.8%

Power generation company valuations (2018-09-12)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
ENERGY COMPANIES																
EDF	14.81	5.9	5.5	5.2	1.3	1.2	1.2	23.8	19.5	16.5	21%	22%	23%	2.1%	2.4%	3.0%
EDP	3.27	8.9	8.5	8.2	2.3	2.2	2.1	15.0	14.0	13.3	25%	26%	25%	5.8%	5.9%	5.9%
Endesa	18.85	7.4	7.2	7.2	1.3	1.3	1.3	13.9	13.6	13.3	17%	17%	18%	7.3%	7.4%	7.6%
Enel	4.56	6.4	6.1	5.8	1.4	1.3	1.3	11.3	10.1	9.5	21%	22%	22%	6.2%	7.0%	7.4%
EON	8.83	7.4	6.9	6.0	0.9	0.8	0.7	13.5	12.5	11.6	12%	12%	11%	4.9%	5.4%	5.9%
Fortum	22.05	15.2	15.3	14.1	4.9	4.8	4.7	23.4	18.3	15.9	32%	31%	33%	5.0%	5.0%	4.9%
Iberdola	6.26	8.8	8.3	7.8	2.2	2.1	2.1	13.3	12.5	11.8	25%	26%	26%	5.3%	5.6%	5.9%
National Grid	802.80	10.2	10.3	9.6	3.4	3.3	3.2	13.7	14.1	13.2	34%	32%	33%	0.0%	0.0%	0.0%
Red Electrica	17.98	9.4	9.1	9.3	7.2	7.1	7.1	13.8	13.2	13.6	77%	77%	77%	5.4%	5.8%	6.0%
RWE	21.57	7.5	7.3	9.8	0.9	0.9	1.4	14.5	12.8	11.1	12%	12%	14%	3.2%	3.7%	4.5%
SSE	1147.00	8.2	8.3	8.3	0.7	0.7	0.7	9.8	9.7	9.8	9%	8%	8%	0.0%	0.0%	0.0%
Verbund	39.06	10.1	8.8	7.9	3.2	2.9	2.7	36.9	28.8	24.1	32%	33%	35%	1.2%	1.6%	1.9%
CEZ	579.00	8.6	8.5	7.9	2.2	2.2	2.0	21.9	20.3	18.1	26%	25%	26%	5.7%	4.6%	4.9%
PGE	8.69	3.4	3.2	3.0	1.0	0.8	0.7	5.3	5.2	5.8	29%	25%	24%	0.0%	0.0%	4.8%
Tauron	1.70	3.7	4.0	3.7	0.7	0.7	0.7	3.2	2.7	2.8	20%	18%	19%	0.0%	0.0%	0.0%
Enea	7.65	3.7	3.2	3.6	0.9	0.7	0.8	3.7	2.8	3.6	23%	23%	21%	0.0%	0.0%	0.0%
Energa	7.50	3.2	3.1	3.3	0.7	0.6	0.7	3.7	3.9	4.1	22%	21%	21%	0.0%	0.0%	0.0%
Median		7.5	7.3	7.8	1.3	1.3	1.3	13.7	12.8	11.8	23%	23%	23%	3.2%	3.7%	4.8%

Source: Dom Maklerski mBanku (Polish stocks), IBES/Bloomberg (foreign stocks and stocks marked with an asterisk)

Fertilizer producers and chemical companies (2018-09-12)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
FERTILIZER PRODUCERS																
Acron	4590.00	7.8	7.2	6.8	2.5	2.3	2.1	11.2	10.1	9.5	32%	32%	32%	6.6%	7.0%	7.2%
Uralkali	79.65	4.6	4.6	-	2.4	2.4	-	3.4	3.6	-	53%	53%	-	0.0%	0.0%	-
Phosagro	2659.00	6.6	6.5	5.9	2.0	2.0	1.9	11.6	11.5	8.5	31%	31%	32%	4.6%	5.4%	5.9%
K+S	17.85	7.8	6.9	6.2	1.6	1.5	1.4	13.5	9.9	8.7	20%	22%	23%	3.2%	4.3%	4.6%
Yara International	372.00	-	53.3	43.5	8.3	8.1	7.2	-	-	-	12%	15%	17%	0.2%	0.4%	0.5%
The Mosaic Company	31.12	8.6	7.8	7.3	1.7	1.6	1.6	20.5	16.0	13.4	20%	21%	22%	0.3%	0.3%	0.7%
CF Industries	52.58	13.7	11.6	10.8	4.4	4.0	3.9	45.2	26.5	21.1	32%	35%	36%	2.4%	2.4%	2.5%
Israel Chemicals	2060.00	7.6	8.4	7.9	1.7	1.7	1.6	15.9	14.5	13.3	23%	20%	20%	0.0%	0.0%	0.0%
Grupa Azoty	30.98	5.1	5.1	5.7	0.5	0.5	0.6	13.7	12.4	11.6	10%	10%	11%	3.9%	2.2%	2.4%
ZA Police*	16.50	8.6	6.4	5.1	0.7	0.6	0.6	25.4	13.4	9.0	8%	10%	12%	3.2%	3.0%	3.0%
ZCh Pulawy*	97.80	3.5	2.7	2.5	0.4	0.4	0.4	10.9	7.8	7.0	11%	14%	15%	6.1%	8.2%	8.2%
Median		7.7	6.9	6.5	1.7	1.7	1.6	13.6	11.9	9.5	20%	21%	21%	3.2%	2.4%	2.8%
CHEMICAL COMPANIES																
Ciech	44.08	4.8	4.5	4.1	1.0	0.9	0.9	6.9	6.5	5.8	20%	21%	21%	17.0%	8.0%	10.0%
Akzo Nobel	79.52	18.3	15.4	13.5	2.3	2.2	2.1	28.1	23.4	19.6	13%	14%	16%	2.8%	2.8%	3.0%
BASF	77.16	7.1	6.8	6.4	1.4	1.3	1.2	11.8	11.0	10.2	19%	19%	19%	4.2%	4.3%	4.5%
Croda	5104.00	17.4	16.1	15.2	5.0	4.8	4.6	26.8	24.7	23.1	29%	30%	30%	0.0%	0.0%	0.0%
Sisecam	5.82	5.3	4.3	3.4	1.2	1.0	0.8	9.7	8.4	6.8	22%	23%	24%	3.3%	4.0%	4.4%
Soda Sanayii	7.11	8.3	6.8	5.4	2.1	1.8	1.7	7.9	7.1	5.8	26%	26%	31%	4.3%	5.8%	7.3%
Solvay	110.45	6.2	5.9	5.5	1.3	1.3	1.2	13.4	12.6	11.1	21%	22%	22%	3.4%	3.4%	3.5%
Tata Chemicals	748.25	9.0	8.4	7.9	1.7	1.7	1.7	16.0	16.5	15.2	19%	21%	21%	1.7%	1.6%	1.7%
Tessenderlo Chemie	32.80	7.9	6.4	6.0	0.9	0.9	0.8	16.1	12.2	10.5	12%	14%	14%	0.0%	-	-
Wacker Chemie	110.90	6.1	5.9	5.6	1.3	1.2	1.2	15.8	14.4	13.3	21%	21%	21%	3.5%	3.9%	4.3%
Median		7.5	6.6	5.8	1.3	1.3	1.2	14.6	12.4	10.8	21%	21%	21%	3.3%	3.9%	4.3%

Machine and equipment manufacturers (2018-09-12)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Atlas Copco	246.65	8.2	7.9	7.6	2.2	2.1	2.0	19.3	18.0	17.0	27%	26%	26%	2.8%	3.0%	3.2%
Caterpillar	144.28	10.2	9.3	8.6	2.1	1.9	1.8	12.5	11.4	10.4	20%	21%	21%	2.2%	2.4%	2.5%
Duro Felguera	0.03	-	-	-	0.8	0.8	-	-	-	-	-	-	-	0.0%	0.0%	-
Famur	4.95	6.8	6.0	5.7	1.5	1.4	1.3	15.5	12.3	10.7	21%	23%	23%	8.9%	9.1%	5.7%
Komatsu	3000.00	9.5	7.0	6.6	1.5	1.3	1.3	14.9	11.3	10.1	15%	19%	19%	2.5%	3.4%	3.9%
Sandvig AG	153.60	8.5	8.4	8.0	2.0	2.0	1.9	14.8	13.9	13.0	24%	23%	24%	2.7%	2.9%	3.2%
Median		9.0	7.7	7.3	1.5	1.4	1.6	14.9	11.8	10.5	21%	22%	22%	2.5%	2.9%	3.5%

Mining company valuations (2018-09-12)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
JSW	68.22	2.1	2.3	3.0	0.7	0.7	0.8	4.1	5.4	8.6	33%	30%	25%	0.0%	7.3%	9.3%
KGHM	83.06	4.2	3.1	2.8	1.1	0.8	0.7	7.0	5.5	5.4	25%	26%	26%	0.0%	3.6%	6.4%
LW Bogdanka*	52.80	2.8	2.5	2.4	0.9	0.8	0.8	12.3	8.4	7.9	32%	34%	34%	2.3%	3.5%	4.9%
FOREIGN COMPANIES																
Anglo American	1486.00	3.9	4.1	4.4	1.2	1.3	1.2	8.1	8.7	9.6	32%	31%	28%	0.0%	0.0%	0.0%
Antofagasta	758.80	4.7	4.2	3.9	2.4	2.2	2.2	12.3	10.5	10.3	51%	54%	55%	0.0%	0.0%	0.0%
BHP Billiton	31.10	3.7	3.8	4.0	2.0	2.0	2.1	12.8	13.0	14.4	54%	54%	52%	2.7%	2.9%	2.5%
Boliden	225.80	4.3	4.6	4.7	1.2	1.2	1.2	8.3	9.3	9.7	28%	26%	26%	7.5%	7.0%	7.3%
First Quantum	15.26	8.0	5.6	4.3	3.6	2.9	2.3	14.8	9.0	6.4	46%	51%	54%	0.1%	0.1%	0.2%
Freeport-McMoRan	13.63	3.9	5.7	4.5	1.5	1.9	1.7	7.2	11.9	8.6	39%	33%	37%	1.3%	2.1%	3.6%
Hudbay Min	5.77	2.5	2.5	2.4	1.1	1.1	1.1	8.0	7.3	6.3	44%	45%	46%	0.2%	0.2%	0.3%
Lundin Min	6.59	4.2	3.8	3.0	1.8	1.7	1.4	13.2	11.8	8.5	42%	45%	48%	1.4%	1.2%	1.3%
MMC Norilsk Nickel	16.72	5.7	5.5	5.4	2.9	2.8	2.7	7.5	7.4	7.8	51%	51%	51%	9.5%	11.4%	11.2%
OZ Minerals	8.26	4.6	4.7	3.9	2.2	2.2	1.8	13.5	14.5	10.2	47%	46%	47%	2.4%	2.0%	2.7%
Rio Tinto	3534.50	4.0	4.3	4.3	1.8	1.9	1.9	9.7	10.6	10.8	46%	44%	43%	0.0%	0.0%	0.0%
Sandfire Resources	6.54	2.6	2.4	1.9	1.3	1.3	1.1	8.0	6.6	4.8	52%	52%	55%	4.2%	4.8%	6.6%
Southern CC	41.11	9.3	8.3	8.0	4.8	4.3	4.2	16.7	14.8	14.2	51%	52%	53%	4.2%	3.4%	3.5%
Vedanta Resources	834.80	4.7	3.9	3.5	1.2	1.3	1.0	12.1	6.8	5.0	26%	33%	28%	0.0%	0.0%	0.0%
Median		4.3	4.2	4.1	1.8	1.9	1.7	10.9	9.9	9.1	46%	46%	47%	1.4%	1.6%	1.9%

Source: Dom Maklerski mBanku (Polish stocks), IBES/Bloomberg (foreign stocks and stocks marked with an asterisk)

European telecom valuations (2018-09-12)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Netia	4.52	5.4	5.7	5.8	1.4	1.4	1.5	41.1	49.7	43.4	25%	25%	26%	0.0%	0.0%	0.0%
Orange Polska	4.42	4.1	3.7	3.3	1.1	1.1	1.0	19.4	10.6	7.3	27%	28%	29%	0.0%	0.0%	5.7%
Play	20.76	5.5	5.5	5.1	1.7	1.7	1.6	6.6	7.5	7.3	32%	31%	31%	12.5%	6.3%	6.3%
Median		5.4	5.5	5.1	1.4	1.4	1.5	19.4	10.6	7.3	27%	28%	29%	0%	0.0%	5.7%
MID CAPS																
Proximus	20.42	5.0	4.9	4.9	1.6	1.6	1.6	11.8	11.6	11.5	32%	32%	32%	7.3%	7.3%	7.4%
Telefonica CP	258.00	8.5	8.5	8.4	2.3	2.3	2.3	14.9	14.2	13.7	27%	27%	27%	7.8%	7.9%	7.8%
Hellenic Telekom	10.85	4.8	4.7	4.6	1.6	1.6	1.6	19.1	16.1	14.5	34%	34%	35%	4.2%	5.4%	6.0%
Matav	408.00	3.9	3.9	3.9	1.2	1.2	1.2	9.6	9.9	9.4	31%	31%	31%	6.1%	6.5%	7.0%
Telecom Austria	7.20	5.3	5.2	5.1	1.7	1.7	1.6	14.6	11.9	10.6	32%	32%	32%	2.8%	3.3%	3.7%
Median		5.0	4.9	4.9	1.6	1.6	1.6	14.6	11.9	11.5	32%	32%	32%	6.1%	6.5%	7.0%
BIG CAPS																
BT	224.05	4.3	4.4	4.4	1.3	1.4	1.4	8.2	8.5	8.5	32%	31%	32%	0.0%	0.0%	0.0%
DT	13.66	5.7	5.5	5.1	1.7	1.7	1.6	14.3	12.6	11.6	30%	31%	31%	5.1%	5.6%	6.0%
KPN	2.24	6.9	6.8	6.7	2.7	2.7	2.7	19.8	17.8	15.5	39%	40%	40%	5.8%	8.2%	9.4%
Orange France	13.69	4.9	4.8	4.7	1.5	1.5	1.5	12.5	11.5	10.5	31%	32%	32%	5.1%	5.4%	5.7%
Swisscom	439.40	7.2	7.3	7.3	2.6	2.6	2.6	15.1	15.2	15.4	36%	36%	36%	5.0%	5.0%	5.0%
Telefonica S.A.	6.68	5.6	5.5	5.5	1.8	1.8	1.8	9.5	8.7	8.2	32%	32%	33%	6.0%	6.1%	6.3%
Telia Company	40.61	8.3	8.0	8.0	2.7	2.7	2.6	15.3	14.5	14.0	33%	33%	33%	5.8%	6.0%	6.1%
TI	0.54	4.2	4.2	4.1	1.8	1.8	1.8	7.7	7.2	6.8	43%	44%	44%	0.7%	1.5%	2.6%
Median		5.7	5.5	5.3	1.8	1.8	1.8	13.4	12.1	11.0	32%	33%	33%	5.1%	5.5%	5.8%

Media company valuations (2018-09-12)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Agora	8.10	2.7	2.7	2.7	0.3	0.3	0.3	15.4	16.7	13.6	11%	10%	10%	6.2%	9.3%	12.3%
Cyfrowy Polsat	21.92	6.9	6.0	5.6	2.3	2.1	1.9	12.8	10.9	9.7	34%	34%	34%	0.0%	1.5%	2.3%
Median		4.8	4.4	4.1	1.3	1.2	1.1	14.1	13.8	11.7	0.2	0.2	0.2	0.0	0.1	0.1
DAILY																
Amolgo Mondadori	1.47	6.3	5.5	5.4	0.5	0.5	0.5	12.7	9.5	9.4	7%	9%	9%	0.7%	1.6%	2.4%
Axel Springer	60.55	10.9	10.0	9.2	2.5	2.4	2.4	21.2	18.9	17.0	23%	24%	25%	3.4%	3.6%	3.8%
Daily Mail	751.00	11.9	11.6	11.2	1.8	1.8	1.8	18.6	18.5	16.9	15%	15%	16%	0.0%	0.0%	0.0%
Gruppo Editoriale	0.34	5.9	6.0	5.9	0.4	0.5	0.5	11.0	10.1	10.4	7%	8%	8%	1.5%	3.5%	4.7%
New York Times	22.10	12.5	11.0	9.4	2.1	2.0	1.9	25.4	20.2	15.1	17%	18%	21%	0.7%	0.7%	0.7%
Promotora de Inform	1.71	8.0	7.7	7.0	1.6	1.6	1.6	10.9	15.5	14.5	20%	21%	23%	0.5%	0.5%	0.8%
Reach	71.20	1.8	1.8	1.7	0.4	0.4	0.4	2.0	1.9	1.9	23%	24%	25%	0.0%	0.0%	0.0%
Median		8.0	7.7	7.0	1.6	1.6	1.6	12.7	15.5	14.5	17%	18%	21%	0.7%	0.7%	0.8%
TV																
Atresmedia Corp	5.58	7.3	6.9	6.7	1.4	1.4	1.3	8.8	8.2	8.0	19%	20%	20%	9.6%	10.3%	10.6%
Gestevisión Telecinco	6.08	7.2	6.8	6.5	1.8	1.8	1.8	10.3	9.9	9.8	26%	27%	28%	9.8%	10.0%	10.0%
ITV PLC	162.00	8.6	8.5	8.0	2.3	2.2	2.2	10.5	10.5	9.7	27%	26%	27%	0.0%	0.0%	0.0%
M6-Metropole Tel	17.50	5.3	5.1	5.1	1.5	1.4	1.4	12.7	12.3	11.8	28%	28%	28%	5.6%	6.0%	6.2%
Mediaset SPA	2.53	3.4	3.6	3.6	1.3	1.4	1.4	16.1	10.7	9.0	39%	40%	40%	4.5%	6.2%	7.0%
Modern Times	335.00	12.3	11.4	10.2	1.2	1.2	1.1	21.4	20.1	17.6	10%	10%	11%	3.8%	4.0%	4.2%
Prosieben	22.61	6.7	6.2	5.9	1.7	1.6	1.5	9.8	9.2	8.8	25%	26%	26%	8.6%	9.0%	9.3%
RTL Group	62.90	7.8	7.5	7.3	1.6	1.6	1.5	13.4	12.2	12.3	21%	21%	21%	6.4%	6.4%	6.5%
TF1-TV Francaise	8.68	4.6	3.9	3.7	0.8	0.8	0.7	14.7	10.4	9.5	17%	19%	20%	4.3%	5.2%	5.8%
Median		6.9	6.5	6.2	1.5	1.5	1.5	13.1	10.6	9.8	25%	26%	27%	5.0%	6.1%	6.4%
PAY TV																
Sky PLC	1545.00	14.0	13.2	11.8	2.4	2.3	2.2	23.7	22.0	19.1	17%	17%	19%	0.0%	0.0%	0.0%
Cogeco	64.14	5.4	4.9	4.9	2.4	2.2	2.2	10.3	10.2	10.5	45%	46%	46%	3.0%	3.3%	3.3%
Comcast	36.09	7.8	7.5	7.1	2.5	2.5	2.3	14.2	12.9	11.2	32%	33%	33%	2.1%	2.3%	2.6%
Dish Network	35.30	8.3	9.4	10.9	1.6	1.7	1.8	13.0	15.6	21.8	20%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	27.52	5.9	5.8	5.6	2.8	2.7	2.7	-	50.8	33.2	47%	48%	48%	0.0%	0.0%	0.0%
Shaw Communications	19.38	8.1	7.5	6.9	3.1	3.0	2.9	22.9	18.3	15.5	39%	40%	42%	8.0%	8.1%	8.1%
Median		7.9	7.5	7.0	2.5	2.4	2.3	14.2	17.0	17.3	36%	37%	37%	1.0%	1.2%	1.3%

Source: Dom Maklerski mBanku (Polish stocks), IBES/Bloomberg (foreign stocks)

IT company valuations (2018-09-12)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
AB*	19.50	5.6	5.6	5.4	0.1	0.1	0.1	5.2	4.9	4.6	1%	1%	1%	0.0%	2.6%	4.8%
Asseco Poland	43.80	7.9	7.7	7.7	1.0	1.0	1.0	12.9	14.2	14.1	13%	13%	13%	6.9%	4.6%	4.6%
Comarch	160.00	9.1	7.9	7.6	1.1	1.0	1.0	23.0	17.0	15.5	12%	13%	13%	0.9%	6.3%	6.3%
Median		7.9	7.7	7.6	1.0	1.0	1.0	12.9	14.2	14.1	12%	13%	13%	0.9%	4.6%	4.8%
FOREIGN COMPANIES																
Atos Origin	100.85	6.3	5.7	5.4	0.9	0.8	0.8	11.6	10.4	9.9	14%	14%	15%	1.8%	2.0%	2.1%
CapGemini	108.25	10.5	9.8	9.2	1.5	1.4	1.3	18.2	16.2	14.9	14%	14%	15%	1.7%	1.9%	2.0%
IBM	146.57	8.5	8.2	8.6	2.1	2.1	2.0	10.6	10.4	10.0	24%	25%	24%	4.2%	4.4%	4.6%
Indra Sistemas	9.74	7.5	6.9	6.4	0.7	0.7	0.7	14.2	12.0	10.7	10%	10%	11%	0.7%	1.9%	2.5%
Microsoft	111.71	17.8	15.3	13.7	7.3	6.5	5.9	29.1	26.3	23.0	41%	42%	43%	1.5%	1.6%	1.7%
Oracle	49.34	10.1	9.8	9.3	4.7	4.6	4.5	16.0	14.7	13.7	47%	47%	48%	1.5%	1.6%	1.7%
SAP	103.92	16.5	14.6	13.2	5.2	4.9	4.5	23.7	21.2	19.0	32%	33%	34%	1.4%	1.6%	1.7%
TietoEnator	27.48	10.3	9.9	9.5	1.4	1.3	1.3	15.6	15.0	14.3	13%	13%	13%	5.2%	5.3%	5.5%
Median		10.2	9.8	9.2	1.8	1.7	1.7	15.8	14.8	14.0	19%	20%	19%	1.6%	1.9%	2.1%

Construction company valuations (2018-09-12)

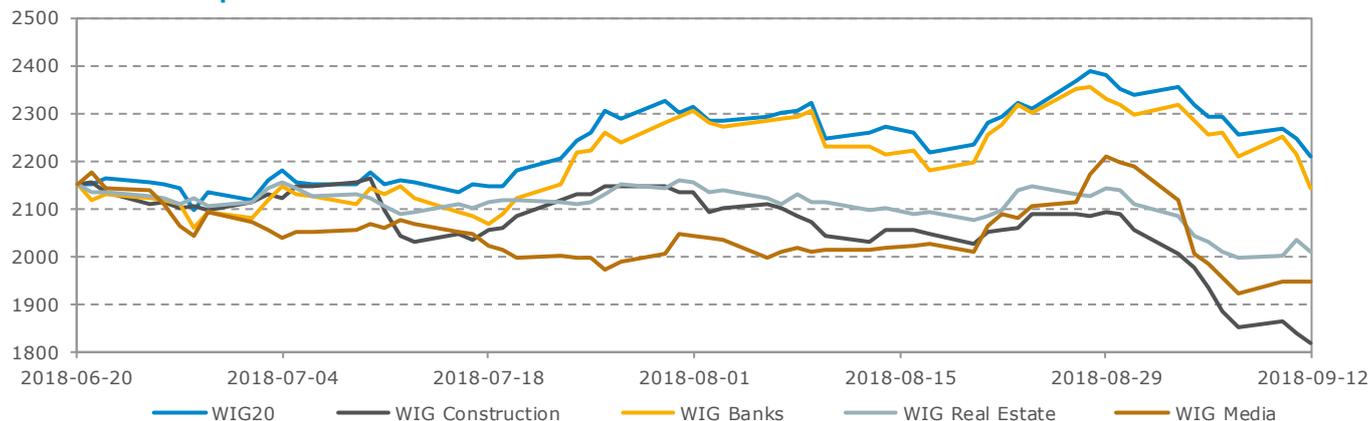
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Budimex	101.20	3.2	4.1	4.5	0.2	0.2	0.2	10.5	11.8	11.3	5%	4%	5%	17.4%	9.1%	8.0%
Elektrobudowa	36.10	1.8	1.9	1.8	0.1	0.1	0.1	7.2	7.1	7.0	5%	5%	6%	29.1%	13.9%	13.9%
Elektrotim	3.54	3.8	3.2	2.6	0.1	0.1	0.1	21.5	9.1	7.1	3%	3%	4%	0.0%	5.6%	8.5%
Erbud	9.32	-	4.4	3.4	0.1	0.1	0.1	-	10.1	5.9	-	2%	2%	11.8%	0.0%	5.9%
Herkules	2.55	4.6	3.8	3.6	1.2	0.9	0.8	8.0	5.6	5.6	26%	23%	23%	2.7%	7.1%	7.8%
Torpol	5.18	6.5	3.9	3.2	0.1	0.1	0.1	24.2	7.5	6.1	2%	3%	3%	0.0%	0.0%	3.9%
Trakcja	3.05	5.6	5.4	4.2	0.2	0.2	0.1	24.0	21.8	10.3	3%	3%	3%	3.3%	0.0%	6.6%
Ulma Construcccion	72.00	3.6	3.4	3.3	1.4	1.4	1.4	8.9	8.6	9.4	40%	41%	41%	5.3%	5.6%	5.6%
Unibep	4.78	3.6	2.8	2.5	0.1	0.1	0.1	5.5	4.7	5.2	3%	4%	3%	3.1%	6.4%	8.5%
ZUE	5.16	6.7	5.5	3.2	0.2	0.2	0.1	16.5	8.9	5.8	3%	3%	4%	0.0%	0.0%	5.8%
Median		3.8	3.8	3.3	0.2	0.1	0.1	10.5	8.8	6.5	3%	3%	4%	3.2%	5.6%	7.2%
FOREIGN COMPANIES																
Acciona	75.12	7.6	7.6	7.3	1.4	1.4	1.3	17.5	16.5	14.7	18%	18%	18%	4.1%	4.3%	4.5%
Astaldi	1.17	4.5	4.5	4.4	0.5	0.5	0.4	2.0	2.1	1.8	10%	10%	10%	0.0%	0.0%	-
Ferrovial	18.06	28.4	20.1	18.3	1.5	1.5	1.4	61.2	32.0	27.6	5%	7%	8%	4.1%	4.1%	4.2%
Hochtief	139.80	6.2	5.9	5.4	0.4	0.4	0.3	17.5	15.2	14.2	6%	6%	6%	3.3%	3.8%	4.1%
Mota Engil	2.22	4.0	3.6	3.4	0.6	0.6	0.6	13.8	7.2	5.7	16%	16%	16%	2.0%	3.8%	7.2%
NCC	155.40	7.3	5.3	4.9	0.3	0.2	0.2	15.2	10.8	9.7	3%	5%	5%	5.7%	6.2%	6.8%
Skanska	176.00	10.6	9.1	8.7	0.4	0.4	0.4	15.8	13.7	12.7	4%	5%	5%	4.7%	4.9%	5.1%
Strabag	34.95	3.5	3.4	3.3	0.2	0.2	0.2	12.1	11.8	11.1	6%	6%	6%	3.8%	4.0%	4.3%
Median		6.8	5.6	5.2	0.4	0.5	0.4	15.5	12.7	11.9	6%	7%	7%	3.9%	4.0%	4.5%

Real-estate developers (2018-09-12)

	Price	EV/EBITDA			P/BV			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
BBI Development	0.48	12.7	5.3	11.5	0.3	0.2	0.2	11.1	5.3	9.2	16%	52%	41%	0.0%	0.0%	0.0%
Dom Development	59.60	5.1	5.6	5.4	1.4	1.4	1.4	6.2	6.5	5.8	18%	17%	18%	12.8%	15.9%	15.4%
Echo Investment	4.30	7.0	7.2	8.7	1.1	1.0	1.0	5.9	5.4	6.7	77%	53%	39%	12%	12%	12.9%
GTC	8.59	14.7	13.8	12.5	0.9	0.9	0.8	10.3	8.9	7.7	88%	91%	94%	0.2%	0.2%	0.3%
i2 Development	13.70	7.4	6.2	2.3	0.5	0.5	0.5	4.2	4.7	3.1	17%	11%	20%	7.8%	12.0%	10.6%
J.W. Construction	3.22	9.2	4.1	4.7	0.4	0.4	0.3	8.7	3.5	4.3	13%	18%	17%	0.0%	0.0%	0.0%
PA Nova	17.95	9.8	11.0	10.4	0.5	0.5	0.4	5.9	6.8	6.5	24%	20%	21%	0.0%	4.2%	5.6%
Polnord	9.89	-	-	18.3	0.5	0.5	0.4	-	-	19.3	2%	1%	7%	0.0%	0.0%	0.0%
Ronson	1.11	12.6	11.1	6.3	0.5	0.5	0.5	12.0	8.0	4.7	9%	12%	13%	5.4%	5.4%	6.3%
Median		9.5	6.7	8.7	0.5	0.5	0.5	7.5	6.0	6.5	17%	18%	20%	0%	4%	6%
FOREIGN COMPANIES																
Atrium European RE	3.80	14.8	14.7	14.4	0.8	0.7	0.7	12.3	12.1	11.5	86%	84%	82%	8.9%	7.3%	7.5%
CA Immobilien Anlagen	31.94	27.4	24.0	20.7	1.2	1.1	1.0	26.3	24.0	21.7	76%	82%	66%	2.7%	2.9%	3.3%
Deutsche Euroshop AG	28.54	16.6	16.6	16.4	0.8	0.7	0.8	12.9	12.9	12.9	89%	89%	89%	5.2%	5.4%	5.5%
Immofinanz AG	22.82	32.0	28.0	26.5	0.9	0.8	0.8	24.3	21.7	18.6	56%	62%	64%	3.3%	3.5%	3.7%
Klepierre	30.52	20.0	19.4	18.8	0.8	0.8	0.8	11.9	11.4	11.1	84%	84%	84%	6.9%	7.2%	7.4%
Segro	657.60	33.7	30.6	28.0	1.1	1.0	0.9	29.9	27.1	25.1	75%	75%	78%	0.0%	0.0%	0.0%
Unibail Rodamco SE	190.00	22.2	21.4	20.1	0.9	0.9	0.9	14.8	14.0	13.3	95%	95%	96%	6.0%	6.3%	6.6%
Median		22.2	21.4	20.1	0.9	0.8	0.8	14.8	14.0	13.3	84%	84%	82%	5.2%	5.4%	5.5%

Source: Dom Maklerski mBanku (Polish stocks), IBES/Bloomberg (foreign stocks and stocks marked with an asterisk)

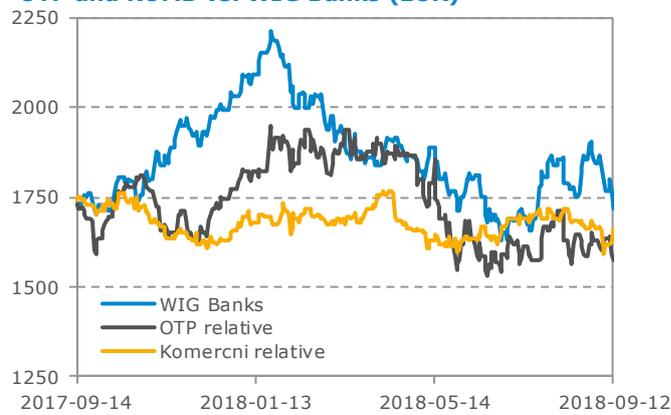
WIG sector index performance



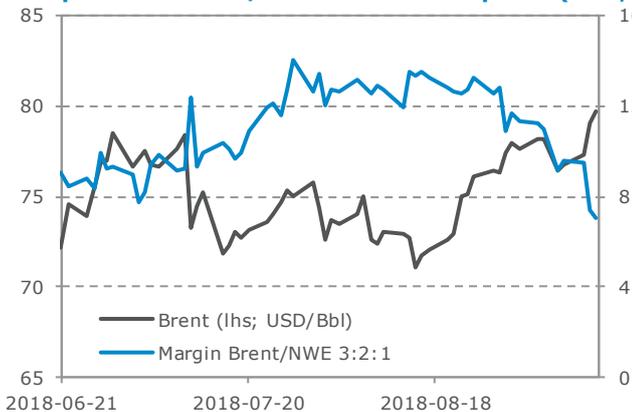
WIG IT vs. MSCI Europe Software & Services (USD)



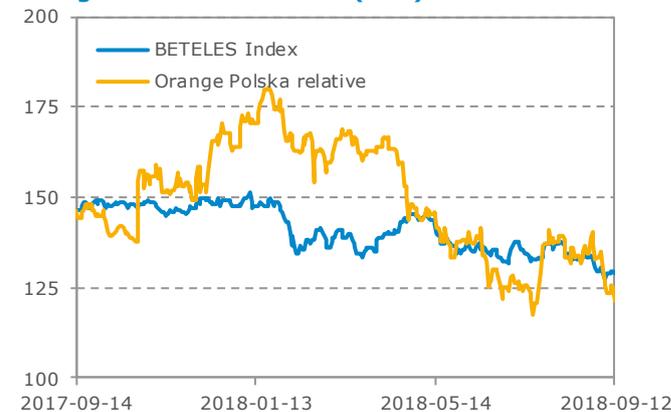
OTP and KOMB vs. WIG Banks (EUR)



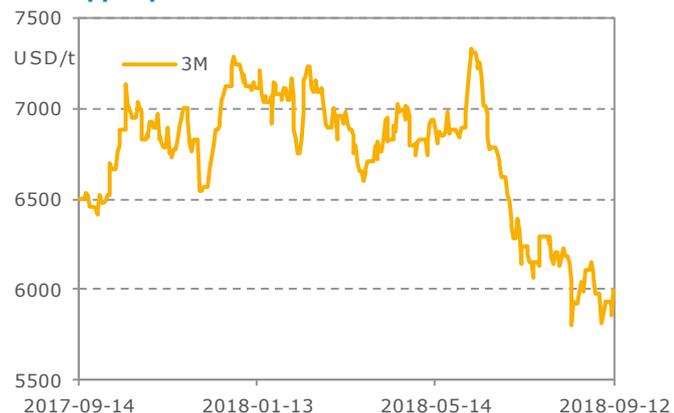
Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



Orange Polska vs. BETELES (EUR)



LME copper prices



KGHM vs. sector (USD)



Source: Bloomberg

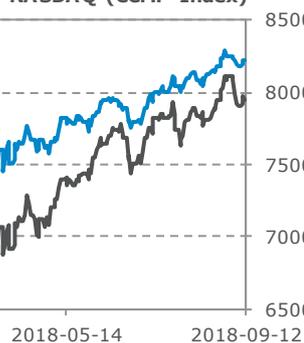
Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2018-09-12	25,989.07	26,145.72	25,929.43	25,998.92	+0.11%
S&P 500	2018-09-12	2,888.29	2,894.65	2,879.20	2,888.92	+0.04%
NASDAQ	2018-09-12	7,958.87	7,965.39	7,884.05	7,954.23	-0.23%
DAX	2018-09-12	11,989.27	12,046.66	11,952.49	12,032.30	+0.52%
CAC 40	2018-09-12	5,294.58	5,338.63	5,293.62	5,332.13	+0.91%
FTSE 100	2018-09-12	7,273.54	7,325.25	7,250.84	7,313.36	+0.55%
WIG20	2018-09-12	2,252.17	2,264.81	2,210.16	2,210.16	-1.70%
BUX	2018-09-12	36,437.09	36,619.35	36,104.07	36,104.07	-0.74%
PX	2018-09-12	1,081.60	1,092.89	1,081.60	1,089.31	+0.73%
RTS	2018-09-12	1,546.81	1,574.45	1,546.81	1,568.44	+1.50%
SOFIX	2018-09-12	632.02	632.68	629.05	631.44	-0.09%
BET	2018-09-12	8,281.63	8,304.11	8,259.10	8,261.86	-0.24%
XU100	2018-09-12	92,836.31	93,552.53	91,923.82	92,227.37	-0.18%
BETELES	2018-09-12	129.47	129.47	128.46	129.15	-0.16%
NIKKEI	2018-09-12	22,702.71	22,709.37	22,522.17	22,604.61	-0.27%
SHCOMP	2018-09-12	2,659.74	2,672.07	2,647.17	2,656.11	-0.33%
Copper (LME)	2018-09-12	5,886.00	6,012.50	5,851.50	5,997.00	+2.36%
Crude Oil (Brent)	2018-09-12	79.09	80.14	78.52	79.81	+0.87%
USD/PLN	2018-09-12	3.7088	3.7278	3.6947	3.7051	-0.10%
EUR/PLN	2018-09-12	4.3041	4.3151	4.3029	4.3075	+0.08%
EUR/USD	2018-09-12	1.1606	1.1650	1.1570	1.1626	+0.17%
USBonds10	2018-09-12	2.9736	2.9737	2.9535	2.9626	-0.0129
GRBonds10	2018-09-12	0.4350	0.4350	0.4010	0.4110	-0.0190
PLBonds10	2018-09-12	3.2810	3.2840	3.2220	3.2390	-0.0390

WIG20 Index

BUX Index

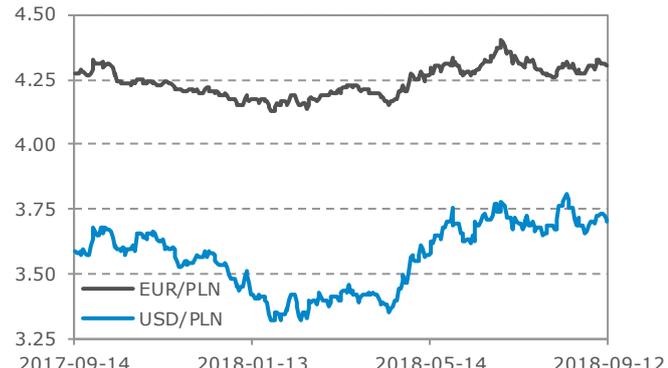
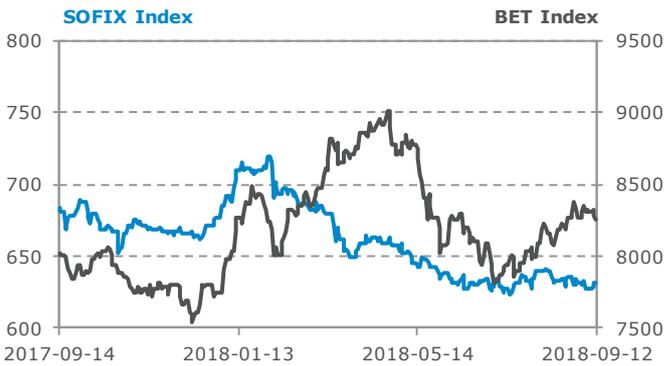
PX Index
S&P 500 (SPX Index)

NASDAQ (CCMP Index)

DOW JONES (INDU Index)

DAX Index

FTSE 100 (UKX Index)


Source: Bloomberg



Source: Bloomberg

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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ACCUMULATE – we expect that the rate of return from an investment will range from 5% to 15%
HOLD – we expect that the rate of return from an investment will range from -5% to +5%
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DCF – acknowledged as the most methodologically correct method of valuation; it consists in discounting financial flows generated by a company; its weak point is the significant susceptibility to a change of forecast assumptions in the model.

Relative – based on a comparison of valuation multipliers of companies from a given sector; simple in construction, reflects the current state of the market better than DCF; weak points include substantial variability (fluctuations together with market indices) as well as difficulty in the selection of the group of comparable companies.

Economic profits – discounting of future economic profits; the weak point is high sensitivity to changes in the assumptions made in the valuation model.

Discounted Dividends (DDM) – discounting of future dividends; the weak point is high sensitivity to changes in the assumptions as to future dividends made in the valuation model.

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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