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Morning Comments

Equity Market, Poland

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DJIA	26,062.1	-0.35%	FTSE 100	7,302.1	-0.03%	Copper (LME)	5,945.0	-0.47%
S&P 500	2,888.8	-0.56%	WIG20	2,211.0	-0.94%	Crude Oil (Brent)	77.87	-0.37%
NASDAQ	7,895.8	-1.43%	BUX	35,819.9	-1.24%	USD/PLN	3.6794	-0.67%
DAX	12,096.4	-0.23%	PX	1,092.1	-0.31%	EUR/PLN	4.2988	-0.17%
CAC 40	5,348.9	-0.07%	PLBonds10	3.234	+0.002	EUR/USD	1.1683	+0.50%

Company & Sector News

Prime Car Management

Suspended 2018-08-23

Bondholders agree to covenant change

Prime Car Management announced that its bondholders during an extraordinary meeting agreed to raise the debt ratio limit to 4.0x from 3.5x currently. The new covenant will be valid until 3Q'19, when it will continue to gradually increase to 4.5x in 2020. **We believe that it is very likely that the company broke the previous covenant (3.5x) already in 3Q'18. During the last quarterly results meeting, Management announced that it was planning to increase debt whilst the profitability will remain under pressure. We estimate that PCM can currently increase debt by PLN 246.5m or by 15.7% (assuming no net profit in following quarters) until it reaches the 4.0x debt/equity limit. Moreover, the new covenant should allow PCM to offer dividends of 1 zloty per share to its shareholders as the debt/equity level at the end of 3Q'18 will be more than 20bps lower than the lowest level of the binding covenant (bond or loan). (M. Konarski)**

PGE

Buy – 2018-05-29
Target price: PLN 13.60

PGE inks PLN 4.1bn financing agreement

PGE announced during trading yesterday that it had signed the revolving loan agreement with a syndicate of banks: PKO BP, Intesa Sanpaolo, MUFG Bank and Santander. The facility amounts to PLN 4.1bn, and its final repayment date falls at the end of 2022. It carries a floating rate of interest based on the relevant WIBOR rate plus margin. Under the agreement, PGE committed to keeping the ratio of consolidated net debt to consolidated EBITDA at or below 4.0x provided it gets an investment grade credit rating, or at 3.5x max in case it does not get an investment grade rating. The loan is not secured against any PGE assets. **(K. Kliszcz)**

Copper

Russian giant copper project aims to raise \$1.25bn in 2018

The Baikal Mining Company needs \$1.35-billion to build a plant able to mine 12-million tonnes of ore a year and produce 130 ths tons of copper from it. Half of the product will be cathode copper and the other half copper concentrate. With total reserves of 26.7-million tonnes of copper, Udokan is one of the biggest untapped deposits in the world. However, it remained virgin since its discovery in 1949 due to lack of technology for its unique and difficult ore. The operator plans to start sub-commercial production at the deposit at the end of 2021 which will reach its full production capacity in 2022. **For more information, visit Mining Weekly at <https://tinyurl.com/ybinw6vh> (J. Szkopek)**

Budimex

Hold – 2018-08-02
Target price: PLN 125.00

Budimex sells two subsidiaries for PLN 108m

Budimex sold its shares in Elektromontaż-Poznań (EP) for PLN 65m and exited from Grunwald Investment Office for PLN 43m. The Company expects to recognize pre-tax profits on the deals of approx. PLN 66m on a standalone basis and PLN 44m on a consolidated basis. The negotiations on this transactions began on August 7, 2018. "Elektromontaż-Poznań SA conducts activities similar to those performed by Budimex subcontractors and for this reason it was classified as a non-key asset for the company's core business" - Budimex said in a statement. **The proceeds from the sales support this year results, but from long term perspective we consider the sales of EP neutral. Recently the company significantly improved its profitability and according to our estimates it generated operating profit of over PLN 10m. The consolidated gross profit on the divestment is equivalent to 1.7% of Budimex's MCap. (P. Zybala)**

Bytom

Overweight – 2018-05-23

Still waiting for merger go-ahead

Over a month has passed since Poland's antimonopoly watchdog UOKiK approved the merger of both companies, but Vistula and Bytom are still waiting for a green light from the financial regulator KNF. **Neutral information. The KNF's approval is probably forthcoming. Earlier, both companies said that they hoped to finalize the merger by the end of 2018. (P. Bogusz)**

Vistula

Overweight – 2018-05-23

Quarterly Earnings Results

Kruszwica

Underweight – 2018-08-02

Higher volumes due to good last year harvest

- Revenues in 2Q'18 were 12% higher than we expected and 4% y/y higher. This was a result of a higher sales volume (253 ths tones in 2Q'18; +10% y/y), mostly because very good FY 2017 rapeseed harvest.
- The crushing margin in 2Q'18 was PLN 236t and it was 9% lower than we anticipated. On the other hand, Kruszwica reported lower than expected selling and administrative expenses. The net effect was positive, which led to a 10% EBITDA beat. EBITDA per tonne in 2Q'18 was PLN 70/t, and it was 4% higher than forecast.
- Cash flow from operations was negative in 2Q'18 (-69m PLN), and significantly lower on a y/y basis (+65m PLN in 2Q'17). We believe the company started purchasing seed sooner than usual due to 20% lower harvest this season. Net debt increased by 87m PLN during 2Q'18 quarter to PLN -305m (representing net cash of PLN 13.3 per share).
- The significantly poorer current season rapeseed harvest will lead to working capital outflow in next quarter (higher rapeseed prices), lower crushing margin (higher competition) and lower crushing volumes (lower availability of seeds on markets). We keep our underweight positioning on Kruszwica. (J. Szkopek)**

Kruszwica Q2 2018 actuals vs. expectations

(m PLN)	Q2'18	Q2'17	change	Q2'18E	differ.	2018E	2017	change	YTD
Revenues	586.6	565.8	3.7%	524.1	11.9%	2,398.2	2,547.5	-5.9%	52.2%
EBITDA	17.0	-5.2	-	15.4	10.2%	103.5	80.0	29.4%	45.3%
EBITDA margin	2.9%	-0.9%	-	2.9%	-	4.3%	3.1%	-	-
EBIT	10.7	-12.0	-	5.9	81.4%	77.7	52.1	49.0%	44.1%
Net profit	8.9	-9.5	-	3.2	176.0%	58.9	40.7	44.8%	47.8%

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

Elektrobudowa

Hold – 2018-06-06

Target Price: PLN 71.00

Final Q2 2018 results in line with preliminary data

- Elektrobudowa reported a PLN 75m operating loss and a PLN 62m net loss for Q2 2018, figures in line with the preliminary financials reported on September 10th.
- The losses were due to (1) PLN 60.3m provision on metathesis contract for Orlen, (2) a PLN 10.4m loss on revaluation of the metathesis contract, (3) a PLN 1.6m provision related to a court dispute in Finland. Adjusted for these events, the Q2 operating profit was still negative at PLN -2.8m.
- In 1H'18 the company signed new contracts of PLN 224m (-37% y/y). Backlog at the end of June amounted to PLN 876m (-17% y/y).
- Elektrobudowa still has a significant net cash position (PLN 116m compared to PLN 134m a year ago).
- A conference with analysts is planned for September 25th.
- To sum up, the final Q2 results did not bring surprises relative to the preliminary data. Note that the core financials are still weak even after adjustment for one-off events. This is accompanied by a low backlog and persistent cost pressures. We will update our recommendation for ELB after the management conference. (P. Zybala)**

Elektrobudowa Q2 2018 actuals vs. expectations

(PLN m)	Q2'18	Q2'17	change	Q2'18E	differ.	H1'18	H1'17	change	2018E	YTD/2018E
Revenue	152.2	213.6	-28.8%	205.8	-26.0%	301.3	356.1	-15.4%	882.8	34%
Gross profit	-77.3	30.0	-	13.3	-	-70.8	39.0	-	51.5	-138%
EBITDA	-70.9	23.7	-	11.1	-	-64.3	27.8	-	43.7	-147%
EBIT	-75.1	20.1	-	7.3	-	-72.4	20.7	-	28.3	-256%
margin	-49.3%	9.4%	-	3.6%	-	-24.0%	5.8%	-	-	-
Pre-tax profit	-75.5	22.3	-	8.2	-	-73.1	21.7	-	30.3	-241%
Net profit	-61.8	18.6	-	6.4	-	-59.9	17.2	-	23.7	-253%

Source: Elektrobudowa, E - estimates by Dom Maklerski mBanku

More News

AB

IT and consumer electronics distributor AB netted PLN 12.1 mln in fQ4 to beat market consensus by almost a fifth on EBITDA and EBIT both exceeding analysts' expectations by over 26% to settle at a respective PLN 26.6 mln and PLN 22.6 mln, the company's annual report shows.

IT distributor AB could share a part of its profit with shareholder, either via dividend or a buyback, company representatives told a news conference. AB wants to continue increasing its market share in 2018/2019 financial year, CEO Andrzej Przybylo said.

Atal

Listed real estate developer Atal added 142 flats, 135 apart-hotel apartments and 14 commercial units to its sales offer in the seaside city of Gdynia, the company said in a press release.

EC Będzin

Heat&power plant Będzin expects H2 should be better for the group than H1, when the group generated PLN 4.9 mln net profit, the company said in a press statement. The company sticks to the plan of allocating up to 50% of 2018 net profit as dividend, the statement read.

FCA

Multinational car maker Fiat Chrysler Automobiles will likely boost the annual output of its Tychy plant to over 267k vehicles in 2018 from almost PLN 263.5k in 2017, head of the factory Antoni Gren told reporters on Sunday.

Forte

Furniture maker Forte expects 2018 sales to roughly match last year's PLN 1.1 bln despite the likely decline of the furniture market this year, especially in Western Europe, CEO Maciej Formanowicz told PAP.

Livechat Software

Pension fund Aviva OFE Aviva BZ WBK increased its stake in listed It firm LiveChat Software to 5.48% of votes at GM from the 4.998% held before, LiveChat Software said in a filing.

Lotos, PKN Orlen

Listed fuel concern PKN Orlen expects to complete the process of taking over peer Lotos in H2 2019, should it obtain the consent of the European Commission in H1 2019, as it had been assumed, PKN Orlen's CEO Daniel Obajtek told the daily Super Express in an interview.

Mostostal Warszawa

Construction firm Mostostal Warszawa inked a PLN 73.4 mln contract with real estate company PHN's SPV Ordonia 1 to build three residential buildings with adjacent infrastructure in Warsaw, Mostostal Warszawa said in a filing.

PGE

Power group PGE could find a partner for the offshore windfarm project, CFO Emil Wojtowicz told a news conference, adding that if the company decided to take a partner, "it would be good" to find them within a year.

PHN

Listed real estate firm PHN is working on an update to its 2017-2023 strategy adopted in April 2017, and expects to come back to the market with relevant information at the beginning of 2019, CEO Marcin Mazurek told reporters.

Real estate developer PHN wants to launch the construction of its flagship project PHN Tower in Warsaw in early 2019, company officials told a news conference, assuring everything is going according to the plan.

PKO BP

Listed lender PKO BP seeks to change the model of financing wind and offshore farm projects by banks after last year's termination of such contracts by one of the Polish operators undermined trust in the solutions that have been used so far, PKO BP's deputy CEO Jakub Papierski told reporters.

Polwax

Krzysztof Moska (6.7% Polwax' shareholder) declared that he can participate in capital increase (even up to 100% of planned PLN 30m placement) but he is against placement without preemptive rights.

Trigon TFI

Asset manager Trigon TFI reduced its stake in healthcare firm Synektik to 4.90% of the company's share capital from the 6.44% held before, Synektik said in a market filing out Friday evening.

Wielton

Q2 results:

(PLN m)	Q2'18	consensus	differ.	y/y	q/q	YTD 2018	y/y
Revenue	503.5	505.6	-0.4%	22.6%	4.9%	983.4	24.4%
EBITDA	34.4	37.4	-8.0%	18.6%	3.3%	67.7	18.2%
EBIT	26.2	29.3	-10.5%	14.9%	2.5%	51.8	16.4%
Net profit	18.5	22.9	-19.1%	29.2%	-6.5%	38.3	34.1%
EBITDA margin	6.8%	7.4%	-0.57	-0.23	-0.11	6.9%	-0.36
EBIT margin	5.2%	5.8%	-0.59	-0.35	-0.12	5.3%	-0.36
net margin	3.7%	4.5%	-0.86	0.19	-0.45	3.9%	0.01

Wielton

Listed trailer and semi-trailer producer Wielton inked a GBP 26 mln deal to buy a 75% stake in leading British trailer producer Lawrence David and agreed to buy the remaining 25% stake in an earn-out model once 2021/2022 fiscal year is finished, the company said in a market filing. Lawrence David last reported results were: revenues GBP 74m, EBITDA GBP 3.8m, and net profit GBP 3.5m.

Corporate Action Calendar

Date	Time	Company	Event
18-Sep	9-16:00	Immobile	Investor meetings (Zebra Tower, Warsaw) - registration required
18-Sep		TIM	Q2'18 earnings announcement
18-Sep	10:30	Wielton	Q2'18 earnings conference (Marriott Hotel, Warsaw)
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
19-Sep	11:00	TIM	Q2'18 earnings conference (Sheraton Hotel, Warsaw)
20-Sep	12:00	Archicom	Q2'18 earnings conference (Westin Hotel, Warsaw)
20-Sep	10:00	SecoWarwick	Investor meetings (CC Group, ul. Marszałkowska 8, Warsaw) - registration required
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
24-Sep	11:00	Selena FM	Q2'18 earnings videoconference (contact: magdalena.okrzeja@genesispr.pl)
25-Sep		BBI Dev.	Q2'18 earnings announcement
25-Sep		Esotiq	Last day to trade cum dividend (DPS PLN 1.00/share)
26-Sep	09:00	Famur	Q2'18 earnings conference (GPW, ul. Książęca 4, Warsaw)
26-Sep		Famur	Q2'18 earnings announcement
26-Sep		Polwax	Q2'18 earnings announcement
26-Sep	12:30	Vistula	Q2'18 earnings conference (Sheraton Hotel, Warsaw)
27-Sep		Getin Noble	Q2'18 earnings announcement
28-Sep		Ailleron	Q2'18 earnings announcement
28-Sep		Elemental	Q2'18 earnings announcement
28-Sep		Herkules	Q2'18 earnings announcement
28-Sep		Polnord	Q2'18 earnings announcement
28-Sep		Tarczyński	Q2'18 earnings announcement
30-Sep		Pfleiderer Group	Q2'18 earnings announcement

Economic Calendar

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	
10:00	Poland	Wages	August		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
Thursday, 20 September 2018					
Time	Region	Data	Period	Forecast	Previous
08:00	Germany	PPI	August	0.20% M/M; 3.00% y/y	
10:30	UK	Retail Sales	August	0.70% m/m; 3.50% y/y	
10:30	UK	Retail Sales Less Autos	August		0.90% m/m
10:30	UK	Retail Sales Less Autos	August		3.70% y/y
12:00	UK	CBI Industrial Trends	September		7
14:30	USA	Philadelphia Fed Index	September		11.90
16:00	EU	Consumer Confidence Index (P)	September		-1.90
16:00	USA	Existing Home Sales	August		5.34m
16:00	USA	Leading Indicators Index	August		0.60%
Friday, 21 September 2018					
Time	Region	Data	Period	Forecast	Previous
01:30	Japan	Core CPI	August	0.10% m/m; 0.30% y/y	
01:30	Japan	CPI	August		0.90% y/y
06:30	Japan	Industry Activity Index	July		-0.80% m/m
09:00	France	PMI Manufacturing (P)	September		53.50
09:00	France	PMI Services (P)	September		55.40
09:30	Germany	PMI Manufacturing (P)	September		55.90
09:30	Germany	PMI Services (P)	September		55.00
10:00	EU	PMI Manufacturing (P)	September		54.60
10:00	EU	PMI Services (P)	September		54.40
10:00	Poland	Retail Sales	August		7.10% y/y
Monday, 24 September 2018					
Time	Region	Data	Period	Forecast	Previous
10:00	Germany	IFO Business Climate	September		103.80
14:00	Poland	M3 Money Supply	August	0.30% m/m; 7.30% y/y	



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						+22.6%	11.4	10.2		
Alior Bank	buy	2018-02-01	85.50	109.00	61.20	+78.1%	8.3	7.0		
Getin Noble Bank	hold	2018-05-09	1.17	1.40	0.56	+150.0%	11.3	4.2		
Handlowy	buy	2018-04-06	77.50	94.00	66.50	+41.4%	13.7	11.3		
ING BSK	accumulate	2018-08-02	190.00	212.00	177.00	+19.8%	14.6	12.9		
Millennium	sell	2018-08-02	9.12	7.00	8.20	-14.6%	13.8	12.5		
Pekao	buy	2018-02-01	135.90	157.00	107.10	+46.6%	12.9	10.6		
PKO BP	hold	2018-04-06	39.74	38.00	39.86	-4.7%	15.0	12.5		
Santander Bank Polska	accumulate	2018-09-03	376.00	430.00	362.40	+18.7%	14.2	11.7		
Komercni Banka	buy	2017-12-01	899.00	1,111 CZK	904.50	+22.8%	11.6	9.9		
Erste Bank	buy	2018-08-02	37.14	43.00 EUR	37.00	+16.2%	10.6	10.6		
OTP Bank	buy	2018-06-06	10,210	12,090 HUF	9,895	+22.2%	10.0	9.2		
PZU	accumulate	2018-08-02	42.00	47.50	39.00	+21.8%	11.0	9.9		
Kruk	buy	2018-09-17	187.80	292.77	183.60	+59.5%	9.8	8.3		
Prime Car Management	suspended	2018-08-23	7.96	-	8.00	-	-	-		
Skarbiec Holding	buy	2018-08-31	25.30	36.86	25.90	+42.3%	8.1	7.7		
Chemicals						+55.6%	10.6	9.7	5.1	4.9
Ciech	buy	2018-08-02	56.95	82.52	46.00	+79.4%	7.2	6.8	5.0	4.6
Grupa Azoty	hold	2018-09-03	38.00	41.13	31.60	+30.2%	14.0	12.6	5.1	5.2
Polwax	suspended	2018-09-14	7.70	-	6.80	-	-	-	-	-
Oil & Gas						+8.7%	8.6	12.4	4.7	5.6
Lotos	sell	2018-09-03	69.90	57.21	74.98	-23.7%	10.5	14.8	5.7	7.0
MOL	buy	2018-09-03	2,870	3,296 HUF	2,846	+15.8%	8.1	10.0	3.7	4.1
PGNiG	buy	2018-09-03	5.82	7.86	5.93	+32.5%	8.3	6.9	3.9	3.2
PKN Orlen	sell	2018-09-03	98.24	81.38	100.45	-19.0%	9.0	14.9	5.6	7.9
Power Utilities						+22.2%	3.7	3.8	3.7	3.2
CEZ	sell	2018-07-04	550.00	440.96 CZK	567.00	-22.2%	21.4	19.9	8.5	8.4
Enea	buy	2018-05-29	9.57	12.62	7.70	+63.9%	3.7	2.9	3.7	3.2
Energa	buy	2018-09-03	8.40	15.27	7.41	+106.1%	3.7	3.8	3.2	3.1
PGE	buy	2018-05-29	9.28	13.60	8.84	+53.8%	5.4	5.3	3.4	3.2
Tauron	buy	2018-09-03	2.00	2.77	1.67	+65.9%	3.2	2.7	3.7	4.0
Telecoms, Media, IT						+15.7%	20.5	17.3	6.8	6.0
Netia	reduce	2018-06-06	5.00	4.30	4.55	-5.5%	41.4	50.0	5.4	5.7
Orange Polska	buy	2018-04-06	5.83	7.60	4.26	+78.4%	18.7	10.3	4.1	3.7
Play	hold	2018-08-30	21.90	22.60	20.20	+11.9%	6.5	7.3	5.4	5.4
Agora	buy	2018-09-14	8.48	15.40	8.74	+76.2%	43.9	54.7	3.4	3.8
Cyfrowy Polsat	accumulate	2018-06-15	22.76	24.90	21.86	+13.9%	12.8	10.8	6.8	6.0
Wirtualna Polska	accumulate	2018-09-03	57.00	60.00	52.40	+14.5%	20.5	17.6	11.2	9.4
Asseco Poland	accumulate	2018-09-03	45.90	49.00	42.48	+15.3%	12.5	13.7	7.8	7.6
CD Projekt	sell	2018-04-06	114.90	90.80	181.20	-49.9%	87.3	26.2	69.2	20.3
Comarch	accumulate	2018-05-09	145.00	166.50	163.50	+1.8%	23.5	17.3	9.3	8.0
Industrials, Mining						+31.7%	13.9	6.0	6.2	4.5
Famur	buy	2018-08-02	5.20	6.56	5.00	+31.2%	15.7	12.4	6.9	6.1
Grupa Kęty	hold	2018-09-03	387.50	367.45	378.00	-2.8%	13.7	13.0	9.4	8.8
JSW	buy	2018-09-03	77.00	98.00	66.12	+48.2%	4.0	5.2	2.0	2.2
Kemel	buy	2018-07-23	50.50	59.18	45.80	+29.2%	14.1	6.4	6.4	4.9
KGHM	buy	2018-09-03	90.80	104.21	82.90	+25.7%	7.0	5.5	4.2	3.1
Stelmet	buy	2018-09-03	11.35	20.45	8.20	+149.4%	15.6	5.4	6.1	4.1
Construction						+41.1%	6.5	8.3	3.1	3.4
Budimex	hold	2018-08-02	122.60	125.00	100.20	+24.8%	10.4	11.7	3.1	4.0
Elektrobudowa	hold	2018-06-06	69.00	71.00	32.30	+119.8%	6.5	6.3	1.4	1.5
Erbud	buy	2018-09-03	9.60	14.40	9.34	+54.2%	-	10.2	-	4.4
Unibep	buy	2018-04-06	7.50	10.10	4.90	+106.1%	5.6	4.8	3.7	2.8
Property Developers						+30.9%	6.8	7.1	7.3	7.2
Atal	buy	2018-07-04	36.40	42.86	32.90	+30.3%	6.7	7.0	6.1	6.6
Capital Park	buy	2018-04-06	5.95	8.35	5.05	+65.3%	10.0	8.4	17.3	16.6
Dom Development	buy	2018-08-02	72.80	87.80	65.40	+34.3%	6.8	7.1	5.6	6.1
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	8.35	+15.0%	10.0	8.7	14.5	13.6
LC Corp	buy	2018-06-22	2.39	3.58	2.35	+52.3%	5.7	5.2	7.6	7.2
Retail						+19.8%	26.5	17.1	13.8	11.1
AmRest	hold	2018-09-03	406.00	426.00	396.00	+7.6%	41.7	32.7	13.9	11.1
CCC	buy	2018-06-06	242.80	295.00	217.80	+35.4%	28.5	16.8	16.2	11.3
Dino	hold	2018-06-06	107.40	103.50	95.00	+8.9%	29.2	21.8	18.2	14.0
Eurocash	buy	2018-04-06	24.41	30.70	19.40	+58.2%	20.4	15.7	6.6	5.6
Jeronimo Martins	buy	2018-08-02	12.65	15.20 EUR	13.01	+16.8%	20.5	17.1	8.8	7.6
LPP	accumulate	2018-06-18	9,025	10,200	8,750	+16.6%	24.6	20.2	13.4	11.1
TXM	buy	2018-07-04	1.28	3.48	0.79	+340.5%	-	2.6	13.8	3.3
Other						+20.3%	9.3	8.4	6.2	5.7
PBKM	hold	2018-06-06	73.00	76.26	63.40	+20.3%	9.3	8.4	6.2	5.7

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						12.3	9.8	5.0	4.8
Ailleron	neutral	2018-03-28	16.20	13.70	-15.4%	16.3	14.2	7.4	6.0
Asseco BS	neutral	2018-03-28	28.00	24.30	-13.2%	14.1	12.8	9.4	8.7
Asseco SEE	overweight	2018-04-26	11.70	11.25	-3.8%	10.3	9.8	4.5	4.1
Atende	overweight	2018-03-28	4.25	3.38	-20.5%	7.9	7.1	5.0	4.8
Wasko	neutral	2018-05-30	1.68	1.46	-13.1%	12.3	8.1	4.6	3.9
Industrials						8.6	8.3	6.4	5.9
Alumetal	neutral	2018-08-23	51.00	44.00	-13.7%	7.8	8.6	6.4	6.7
Amica	overweight	2018-09-13	112.80	109.20	-3.2%	7.6	7.2	5.3	4.8
Apator	neutral	2018-02-28	24.00	26.40	+10.0%	14.6	15.2	8.3	8.5
Boryszew	neutral	2018-09-05	6.25	5.00	-20.0%	8.8	7.1	6.4	5.8
Elemental	neutral	2018-04-27	1.09	1.22	+11.9%	4.9	4.3	4.8	4.3
Ergis	neutral	2018-04-27	4.06	3.63	-10.6%	8.1	7.7	6.0	5.6
Forte	overweight	2018-07-27	40.60	43.00	+5.9%	16.0	11.5	10.9	9.0
Kruszwica	underweight	2018-08-02	65.40	45.80	-30.0%	17.9	18.9	9.5	9.6
Mangata	underweight	2018-09-13	91.20	79.00	-13.4%	10.0	12.1	7.1	7.5
Pfleiderer Group	overweight	2018-08-08	37.30	36.75	-1.5%	18.1	18.0	6.5	6.1
Pozbud	overweight	2018-09-04	3.57	2.60	-27.2%	4.9	2.6	4.5	1.6
Tarczyński	neutral	2018-05-30	14.50	14.80	+2.1%	8.4	8.0	5.7	5.4
Construction Sector						20.4	9.1	5.3	4.0
Elektrotim	neutral	2018-05-28	5.80	4.15	-28.4%	25.2	10.6	4.6	3.8
Herkules	neutral	2018-01-25	3.67	2.99	-18.5%	9.4	6.6	5.0	4.2
Torpol	neutral	2018-05-28	6.40	5.00	-21.9%	23.4	7.3	6.3	3.8
Trakcja	underweight	2018-05-18	3.65	2.95	-19.2%	23.2	21.1	5.5	5.3
Ulma	neutral	2018-05-28	73.00	72.50	-0.7%	9.0	8.7	3.6	3.5
ZUE	neutral	2018-05-28	5.86	5.50	-6.1%	17.6	9.5	7.1	5.7
Property Developers						6.3	5.4	8.9	5.4
Archicom	overweight	2018-06-22	15.00	13.50	-10.0%	6.3	4.4	6.1	4.8
BBI Development	neutral	2018-04-26	0.66	0.49	-25.8%	11.4	5.4	12.8	5.4
i2 Development	neutral	2018-06-22	15.40	13.10	-14.9%	4.0	4.5	7.2	6.0
JWC	neutral	2018-06-22	3.48	3.03	-12.9%	8.2	3.3	8.9	4.0
Lokum Deweloper	overweight	2018-06-22	18.80	17.80	-5.3%	5.9	6.8	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	9.81	+8.5%	-	-	-	-
Ronson	neutral	2018-06-22	1.09	1.11	+1.8%	12.0	8.0	12.6	11.1
Retail						11.8	9.6	7.9	6.5
Bytom	overweight	2018-05-23	2.92	2.75	-5.8%	12.2	11.2	7.9	7.0
Monnari	neutral	2018-07-13	6.60	6.15	-6.8%	9.3	8.7	3.8	3.4
Vistula	overweight	2018-05-23	4.79	4.13	-13.8%	11.8	9.6	8.1	6.5

CEE bank valuations (2018-09-14)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH BANKS													
Alior Bank	61.20	8.3	7.0	-	13%	13%	-	1.0	0.8	-	0.0%	0.0%	-
Getin Noble Bank	0.56	11.3	4.2	1.8	1%	3%	6%	0.1	0.1	0.1	0.0%	0.0%	0.0%
Handlowy	66.50	13.7	11.3	-	9%	11%	-	1.2	1.2	-	6.2%	7.3%	-
ING BSK	177.00	14.6	12.9	11.9	13%	13%	12%	1.7	1.5	1.4	1.8%	2.0%	2.3%
Millennium	8.20	13.8	12.5	-	9%	9%	-	1.1	1.0	-	0.0%	1.8%	-
Pekao	107.10	12.9	10.6	-	9%	11%	-	1.2	1.2	-	7.4%	7.8%	-
PKO BP	39.86	15.0	12.5	-	9%	10%	-	1.3	1.1	-	1.4%	1.7%	-
Santander Bank Polska	362.40	14.2	11.7	10.3	10%	11%	12%	1.3	1.3	1.2	1.8%	3.5%	4.3%
Median		13.8	11.5	10.3	9%	11%	12%	1.2	1.1	1.2	1.6%	1.9%	2.3%
INVESTORS IN POLISH BANKS													
BCP	0.245	10.7	7.4	7.0	6%	8%	8%	0.6	0.6	0.5	1.2%	2.9%	5.7%
Citigroup	70.880	10.8	9.5	8.2	9%	10%	11%	1.0	0.9	0.8	2.2%	2.8%	3.2%
Commerzbank	8.867	12.0	10.0	7.4	3%	4%	5%	0.4	0.4	0.4	2.4%	3.6%	5.2%
ING	11.066	8.3	8.0	7.6	10%	10%	10%	0.8	0.8	0.8	6.2%	6.5%	6.8%
KBC	65.500	10.7	11.0	10.5	14%	13%	13%	1.5	1.4	1.4	5.5%	6.0%	6.3%
UCI	13.736	8.7	7.0	6.2	6%	8%	8%	0.5	0.5	0.5	2.6%	4.6%	7.0%
Median		10.7	8.8	7.5	8%	9%	9%	0.7	0.7	0.6	2.5%	4.1%	6.0%
FOREIGN BANKS													
Erste Bank*	37.00	10.6	10.6	9.8	11%	10%	10%	1.1	1.0	1.0	3.2%	4.0%	4.0%
Komerční Banka*	904.50	11.6	9.9	-	14%	14%	-	1.5	1.3	-	5.2%	4.8%	-
OTP*	9.895	10.0	9.2	-	15%	15%	-	1.5	1.3	-	2.6%	2.6%	-
Banco Santander	4.33	8.9	8.0	7.3	8%	9%	9%	0.7	0.7	0.7	5.1%	5.4%	6.1%
Deutsche Bank	9.86	21.5	11.1	8.1	1%	3%	4%	-	-	-	1.4%	2.8%	4.4%
Sberbank	188.11	4.9	4.6	4.1	23%	21%	21%	1.1	1.0	0.9	9.4%	10.9%	12.5%
VTB Bank	0.04	4.0	3.3	3.1	12%	12%	12%	0.4	0.4	0.4	10.0%	10.0%	10.0%
Piraeus Bank	2.07	57.4	6.7	3.6	0%	2%	4%	0.2	0.2	0.1	0.0%	0.0%	2.3%
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	1.78	136.8	77.3	52.3	2%	3%	5%	3.1	3.0	2.8	0.0%	0.0%	0.1%
Eurobank Ergasias	0.62	8.0	5.4	4.2	3%	5%	6%	0.3	0.2	0.2	0.0%	0.0%	1.8%
Akbank	5.84	3.7	3.3	2.9	15%	15%	15%	0.5	0.5	0.4	7.6%	8.9%	9.1%
Türkiye Garanti Bank	6.13	3.7	3.3	2.7	15%	16%	17%	0.6	0.5	0.4	7.3%	8.2%	6.4%
Türkiye Halk Bank	5.98	2.1	1.8	1.5	13%	14%	-	0.3	0.2	0.2	3.6%	5.5%	-
Türkiye Vakıflar Bankası	3.11	2.1	2.5	2.4	15%	12%	-	0.3	0.3	0.2	2.1%	2.1%	1.2%
Yapı ve Kredi Bankası	1.69	3.6	3.0	2.4	10%	10%	12%	0.4	0.3	0.3	0.0%	2.9%	2.0%
Median		8.4	5.7	3.9	11%	11%	10%	0.5	0.5	0.4	2.9%	3.4%	4.0%

Insurance company valuations (2018-09-14)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH COMPANIES													
PZU	39.00	11.0	9.9	9.3	20%	21%	21%	2.2	2.0	1.9	6.9%	6.8%	7.6%
FOREIGN COMPANIES													
Vienna Insurance G.	23.88	10.6	10.2	9.1	6%	6%	6%	0.6	0.6	0.6	3.9%	4.2%	4.5%
Uniqia	8.40	12.0	11.3	10.4	7%	7%	8%	0.8	0.9	0.9	6.2%	6.7%	6.9%
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	185.78	10.7	10.0	9.5	11%	12%	12%	1.2	1.1	1.1	4.7%	5.0%	5.3%
Aviva	4.78	8.4	7.8	7.3	12%	11%	-	1.1	1.1	1.0	6.3%	7.0%	7.9%
AXA	22.23	8.9	8.2	7.9	9%	9%	9%	0.7	0.7	0.7	6.0%	6.3%	6.6%
Baloise	147.80	12.3	11.6	10.8	9%	9%	9%	1.1	1.0	0.9	4.0%	4.2%	4.4%
Assicurazioni Generali	15.13	9.6	9.4	9.0	10%	10%	10%	0.9	0.9	0.9	6.0%	6.3%	6.7%
Helvetia	584.50	11.6	11.2	10.9	10%	10%	10%	1.1	1.0	1.0	4.2%	4.3%	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	6.12	12.7	11.4	11.0	13%	14%	14%	1.6	1.5	1.4	3.9%	4.8%	5.2%
Zurich Financial	299.20	12.3	10.5	10.0	11%	13%	14%	1.4	1.3	1.3	6.4%	6.8%	7.2%
Median		10.6	10.1	9.3	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 (2018-09-14)

	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	74.98	5.7	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	2846.00	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	100.45	5.6	7.9	6.9	0.5	0.4	0.4	9.0	14.9	13.3	8%	5%	6%	3.0%	3.9%	2.4%
HollyFrontier	68.92	7.2	6.1	6.6	0.8	0.8	0.8	13.2	9.4	10.2	12%	14%	13%	1.9%	2.0%	2.1%
Andeavor	155.59	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	115.46	9.0	6.8	5.4	0.5	0.5	0.4	17.7	11.4	8.5	5%	7%	8%	2.8%	3.0%	3.2%
Marathon Petroleum	83.82	8.8	7.3	6.0	0.7	0.6	0.6	17.1	12.0	9.3	8%	9%	10%	2.2%	2.4%	2.6%
Phillips 66	112.81	9.1	8.0	7.0	0.6	0.5	0.6	14.8	11.7	9.5	6%	7%	9%	2.7%	3.0%	3.2%
Tupras	131.50	7.5	7.1	6.2	0.6	0.5	0.5	9.9	8.7	7.4	8%	7%	8%	7.6%	8.7%	10.7%
OMV	45.17	3.8	3.5	3.6	0.8	0.8	0.8	8.8	8.2	8.2	22%	23%	23%	3.6%	4.0%	4.4%
Neste Oil	71.60	11.5	10.8	10.5	1.3	1.2	1.2	18.3	17.3	16.7	11%	11%	12%	2.8%	2.9%	3.1%
Hellenic Petroleum	7.15	5.5	5.6	5.6	0.5	0.4	0.4	7.5	8.1	7.9	8%	8%	8%	5.3%	5.6%	6.3%
Saras SpA	1.91	4.7	4.0	3.3	0.2	0.2	0.2	15.2	10.6	7.7	4%	5%	6%	4.1%	4.9%	6.3%
Motor Oil	20.75	5.0	5.0	4.4	0.3	0.3	0.3	9.4	9.7	8.5	6%	6%	7%	6.0%	6.3%	7.1%
Median		6.4	6.9	5.8	0.6	0.5	0.5	11.8	11.0	9.4	8%	8%	9%	2.9%	3.5%	3.2%
GAS COMPANIES																
A2A SpA	1.58	6.9	6.7	6.5	1.4	1.4	1.3	12.2	12.9	12.1	20%	20%	21%	4.2%	4.6%	4.9%
Centrica	145.45	4.9	4.9	4.8	0.4	0.4	0.4	11.1	11.3	10.9	9%	8%	8%	0.0%	0.0%	0.0%
Enagas	23.88	10.2	10.4	10.2	7.9	8.1	8.1	13.0	13.4	12.4	78%	78%	79%	6.4%	6.7%	7.0%
Endesa	19.02	7.5	7.3	7.2	1.3	1.3	1.3	14.0	13.7	13.4	17%	17%	18%	7.2%	7.4%	7.5%
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	23.69	9.4	8.9	8.5	1.7	1.6	1.6	25.2	16.9	16.0	18%	19%	19%	5.1%	5.5%	5.7%
Hera SpA	2.85	6.9	6.9	6.7	1.2	1.2	1.2	15.9	16.1	15.6	18%	17%	18%	3.5%	3.6%	3.7%
Snam SpA	3.71	11.8	11.7	11.6	9.6	9.5	9.3	12.9	12.7	12.3	81%	81%	81%	6.0%	6.2%	6.2%
PGNiG	5.93	3.9	3.2	2.9	0.8	0.7	0.6	8.3	6.9	7.1	21%	22%	23%	0.0%	3.6%	4.3%
BP	548.70	5.1	4.7	4.6	0.6	0.6	0.6	13.1	12.0	11.3	12%	13%	13%	0.0%	0.0%	0.0%
Eni	16.13	3.6	3.4	3.4	0.9	0.9	0.9	13.6	11.9	11.9	25%	26%	27%	5.2%	5.3%	5.4%
Equinor	155.46	3.0	2.9	2.8	0.8	0.8	0.8	3.4	3.5	3.4	27%	27%	27%	5.7%	6.5%	7.0%
Gazprom	1074.10	13.2	13.0	12.4	4.7	4.6	4.3	15.7	14.2	13.9	36%	35%	35%	2%	2%	2%
NovaTek	31.70	4.4	4.1	3.8	2.5	2.3	2.1	7.5	7.0	6.4	58%	57%	55%	12.1%	12.8%	13.5%
ROMGAZ	27.82	3.5	3.2	3.2	0.5	0.5	0.5	12.1	10.3	10.0	16%	17%	17%	7.9%	8.0%	8.1%
Shell	217.00	3.6	3.4	3.2	1.4	1.3	1.2	13.6	12.6	12.1	38%	39%	39%	0.1%	0.1%	0.1%
Total	53.71	6.5	5.9	5.9	1.1	1.1	1.1	13.7	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	13.0	12.3	12.1	20%	20%	21%	5.2%	5.5%	5.7%

Power generation company valuations (2018-09-14)

	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	3.26	8.9	8.5	8.2	2.3	2.2	2.1	15.0	14.0	13.3	25%	26%	25%	5.9%	5.9%	5.9%
Endesa	19.02	7.5	7.3	7.2	1.3	1.3	1.3	14.0	13.7	13.4	17%	17%	18%	7.2%	7.4%	7.5%
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	8.82	7.4	6.9	6.0	0.9	0.8	0.7	13.5	12.5	11.6	12%	12%	11%	4.9%	5.5%	5.9%
Fortum	21.77	15.0	15.2	13.9	4.8	4.7	4.6	23.1	18.0	15.7	32%	31%	33%	5.1%	5.1%	5.0%
Iberdola	6.33	8.8	8.3	7.8	2.2	2.1	2.1	13.4	12.6	11.9	25%	26%	26%	5.3%	5.5%	5.9%
National Grid	797.00	10.1	10.3	9.5	3.4	3.3	3.1	13.6	14.0	13.2	34%	32%	33%	0.0%	0.0%	0.0%
Red Electrica	18.03	9.4	9.2	9.3	7.3	7.1	7.1	13.8	13.3	13.7	77%	77%	77%	5.4%	5.8%	6.0%
RWE	21.54	7.5	7.3	9.8	0.9	0.9	1.4	14.5	12.7	11.1	12%	12%	14%	3.2%	3.7%	4.5%
SSE	1122.50	8.1	8.2	8.2	0.7	0.6	0.7	9.6	9.5	9.6	9%	8%	8%	0.0%	0.0%	0.0%
Verbund	39.38	10.2	8.8	8.0	3.2	2.9	2.8	37.2	29.0	24.3	32%	33%	35%	1.2%	1.6%	1.9%
CEZ	567.00	8.5	8.4	7.8	2.2	2.1	2.0	21.4	19.9	17.7	26%	25%	26%	5.8%	4.7%	5.0%
PGE	8.84	3.4	3.2	3.1	1.0	0.8	0.7	5.4	5.3	5.9	29%	25%	24%	0.0%	0.0%	4.7%
Tauron	1.67	3.7	4.0	3.7	0.7	0.7	0.7	3.2	2.7	2.7	20%	18%	19%	0.0%	0.0%	0.0%
Enea	7.70	3.7	3.2	3.6	0.9	0.7	0.8	3.7	2.9	3.7	23%	23%	21%	0.0%	0.0%	0.0%
Energa	7.41	3.2	3.1	3.3	0.7	0.6	0.7	3.7	3.8	4.1	22%	21%	21%	0.0%	0.0%	0.0%
Median		7.5	7.3	7.8	1.3	1.3	1.3	13.6	12.7	11.9	23%	23%	23%	3.2%	3.7%	4.7%

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

Fertilizer producers and chemical companies (2018-09-14)

	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	4667.00	7.9	7.3	6.9	2.5	2.4	2.2	11.4	10.3	9.6	32%	32%	32%	6.5%	6.9%	7.1%
Uralkali	85.35	4.7	4.8	-	2.5	2.5	-	3.7	3.9	-	53%	53%	-	0.0%	0.0%	
Phosagro	2651.00	6.6	6.5	5.9	2.0	2.0	1.9	11.6	11.4	8.5	31%	31%	32%	4.7%	5.4%	6.0%
K+S	18.42	8.0	7.0	6.3	1.6	1.5	1.5	14.0	10.2	8.9	20%	22%	23%	3.1%	4.1%	4.5%
Yara International	377.40	-	54.0	44.1	8.5	8.2	7.3	-	-	-	12%	15%	17%	0.2%	0.4%	0.5%
The Mosaic Company	31.99	8.8	7.9	7.5	1.7	1.7	1.6	21.1	16.5	13.8	20%	21%	22%	0.3%	0.3%	0.7%
CF Industries	51.95	13.6	11.5	10.7	4.3	4.0	3.9	44.7	26.2	20.8	32%	35%	36%	2.4%	2.5%	2.6%
Israel Chemicals	2160.00	7.9	8.7	8.2	1.8	1.7	1.7	16.6	15.2	14.0	23%	20%	20%	0.0%	0.0%	0.0%
Grupa Azoty	31.60	5.1	5.2	5.7	0.5	0.5	0.6	14.0	12.6	11.8	10%	10%	11%	3.8%	2.1%	2.4%
ZA Police*	16.20	8.4	6.3	5.1	0.7	0.6	0.6	24.9	13.2	8.9	8%	10%	12%	3.3%	3.1%	3.1%
ZCh Pulawy*	92.00	3.2	2.5	2.3	0.4	0.3	0.3	10.2	7.4	6.6	11%	14%	15%	6.5%	8.7%	8.7%
Median		7.9	7.0	6.6	1.8	1.7	1.6	14.0	12.0	9.6	20%	21%	21%	3.1%	2.5%	2.8%
CHEMICAL COMPANIES																
Ciech	46.00	5.0	4.6	4.2	1.0	1.0	0.9	7.2	6.8	6.0	20%	21%	21%	16.3%	7.6%	9.6%
Akzo Nobel	80.64	18.5	15.6	13.7	2.3	2.2	2.1	28.5	23.7	19.9	13%	14%	16%	2.7%	2.8%	2.9%
BASF	77.87	7.1	6.8	6.5	1.4	1.3	1.2	11.9	11.1	10.3	19%	19%	19%	4.1%	4.3%	4.5%
Croda	5128.00	17.5	16.2	15.3	5.1	4.8	4.6	26.9	24.9	23.2	29%	30%	30%	0.0%	0.0%	0.0%
Sisecam	5.85	5.3	4.3	3.4	1.2	1.0	0.8	9.7	8.4	6.8	22%	23%	24%	3.2%	4.0%	4.4%
Soda Sanayii	7.22	8.5	6.9	5.5	2.2	1.8	1.7	8.1	7.2	5.9	26%	26%	31%	4.3%	5.7%	7.2%
Solvay	113.50	6.3	6.0	5.6	1.4	1.3	1.2	13.7	12.9	11.4	21%	22%	22%	3.3%	3.3%	3.4%
Tata Chemicals	751.00	9.1	8.4	8.0	1.7	1.7	1.7	16.1	16.6	15.2	19%	21%	21%	1.7%	1.6%	1.7%
Tessenderlo Chemie	32.85	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	112.20	6.1	5.9	5.7	1.3	1.3	1.2	16.0	14.5	13.4	21%	21%	21%	3.5%	3.9%	4.2%
Median		7.5	6.6	5.8	1.4	1.3	1.2	14.9	12.5	10.9	21%	21%	21%	3.3%	3.9%	4.2%

Machine and equipment manufacturers (2018-09-14)

	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	251.70	8.4	8.1	7.8	2.2	2.1	2.0	19.7	18.4	17.4	27%	26%	26%	2.8%	3.0%	3.1%
Caterpillar	146.22	10.3	9.4	8.7	2.1	2.0	1.9	12.6	11.5	10.5	20%	21%	21%	2.2%	2.4%	2.5%
Duro Felguera	0.03	-	-	-	0.8	0.8	-	-	-	-	-	-	-	0.0%	0.0%	-
Famur	5.00	6.9	6.1	5.8	1.5	1.4	1.3	15.7	12.4	10.8	21%	23%	23%	8.8%	9.0%	5.6%
Komatsu	3111.00	9.8	7.2	6.8	1.5	1.4	1.3	15.4	11.7	10.5	15%	19%	19%	2.4%	3.3%	3.7%
Sandvig AG	155.70	8.6	8.5	8.1	2.1	2.0	1.9	15.0	14.1	13.2	24%	23%	24%	2.6%	2.9%	3.2%
Median		9.2	7.9	7.4	1.5	1.4	1.6	15.2	12.1	10.7	21%	22%	22%	2.4%	2.9%	3.5%

Mining company valuations (2018-09-14)

		EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
	Price	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
JSW	66.12	2.0	2.2	2.9	0.7	0.7	0.7	4.0	5.2	8.3	33%	30%	25%	0.0%	7.5%	9.6%
KGHM	82.90	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*	57.60	3.1	2.7	2.6	1.0	0.9	0.9	13.5	9.1	8.6	32%	34%	34%	2.1%	3.2%	4.5%
FOREIGN COMPANIES																
Anglo American	1546.40	4.1	4.3	4.6	1.3	1.3	1.3	8.5	9.2	10.0	32%	31%	28%	0.0%	0.0%	0.0%
Antofagasta	777.00	4.8	4.3	4.0	2.5	2.3	2.2	12.7	10.8	10.6	51%	54%	55%	0.0%	0.0%	0.0%
BHP Billiton	31.61	3.7	3.9	4.0	2.0	2.1	2.1	13.0	13.2	14.6	54%	54%	52%	2.7%	2.9%	2.5%
Boliden	230.25	4.4	4.7	4.8	1.2	1.2	1.2	8.5	9.5	9.9	28%	26%	26%	7.4%	6.9%	7.1%
First Quantum	15.28	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	13.72	3.9	5.7	4.5	1.5	1.9	1.7	7.3	12.0	8.7	39%	33%	37%	1.3%	2.0%	3.6%
Hudbay Min	6.01	2.6	2.5	2.4	1.1	1.1	1.1	8.3	7.6	6.6	44%	45%	46%	0.2%	0.2%	0.3%
Lundin Min	6.52	4.1	3.7	3.0	1.7	1.7	1.4	13.0	11.7	8.3	42%	45%	48%	1.4%	1.2%	1.3%
MMC Norilsk Nickel	16.95	5.7	5.6	5.4	2.9	2.8	2.8	7.6	7.5	7.9	51%	51%	51%	9.3%	11.2%	11.1%
OZ Minerals	8.45	4.7	4.9	4.0	2.2	2.2	1.8	13.8	14.9	10.4	47%	46%	47%	2.3%	1.9%	2.7%
Rio Tinto	3605.00	4.0	4.4	4.4	1.9	1.9	1.9	9.9	11.0	11.1	46%	44%	43%	0.0%	0.0%	0.0%
Sandfire Resources	6.75	2.7	2.5	2.0	1.4	1.3	1.1	8.3	6.9	4.9	52%	52%	55%	4.1%	4.7%	6.4%
Southern CC	41.10	9.3	8.3	8.0	4.8	4.3	4.2	16.6	14.8	14.2	51%	52%	53%	4.2%	3.4%	3.5%
Vedanta Resources	826.20	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	4.3	4.2	1.8	1.9	1.8	11.0	10.1	9.3	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 (2018-09-14)

	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	4.55	5.4	5.7	5.8	1.4	1.4	1.5	41.4	50.0	43.7	25%	25%	26%	0.0%	0.0%	0.0%
Orange Polska	4.26	4.1	3.7	3.3	1.1	1.0	1.0	18.7	10.3	7.1	27%	28%	29%	0.0%	0.0%	5.9%
Play	20.20	5.4	5.4	5.1	1.7	1.7	1.6	6.5	7.3	7.1	32%	31%	31%	12.9%	6.4%	6.4%
Median		5.4	5.4	5.1	1.4	1.4	1.5	18.7	10.3	7.1	27%	28%	29%	0%	0.0%	5.9%
MID CAPS																
Proximus	20.65	5.0	5.0	4.9	1.6	1.6	1.6	12.0	11.8	11.6	32%	32%	32%	7.3%	7.3%	7.3%
Telefonica CP	261.50	8.6	8.6	8.5	2.3	2.3	2.3	15.1	14.4	13.9	27%	27%	27%	7.7%	7.8%	7.7%
Hellenic Telekom	10.48	4.6	4.5	4.4	1.6	1.6	1.5	18.5	15.6	14.0	34%	34%	35%	4.4%	5.6%	6.2%
Matav	409.00	3.9	3.9	3.9	1.2	1.2	1.2	9.7	10.0	9.5	31%	31%	31%	6.1%	6.5%	7.0%
Telecom Austria	7.24	5.3	5.2	5.1	1.7	1.7	1.7	14.7	12.0	10.6	32%	32%	32%	2.8%	3.3%	3.7%
Median		5.0	5.0	4.9	1.6	1.6	1.6	14.7	12.0	11.6	32%	32%	32%	6.1%	6.5%	7.0%
BIG CAPS																
BT	228.80	4.3	4.4	4.4	1.4	1.4	1.4	8.4	8.7	8.7	32%	31%	32%	0.0%	0.0%	0.0%
DT	13.72	5.7	5.5	5.1	1.7	1.7	1.6	14.3	12.7	11.6	30%	31%	31%	5.1%	5.6%	6.0%
KPN	2.27	6.9	6.9	6.7	2.7	2.7	2.7	20.1	18.0	15.7	39%	40%	40%	5.7%	8.1%	9.3%
Orange France	13.57	4.9	4.8	4.7	1.5	1.5	1.5	12.4	11.4	10.4	31%	32%	32%	5.1%	5.4%	5.7%
Swisscom	443.70	7.3	7.3	7.3	2.6	2.6	2.6	15.3	15.3	15.5	36%	36%	36%	5.0%	5.0%	5.0%
Telefonica S.A.	6.63	5.6	5.5	5.4	1.8	1.8	1.8	9.4	8.6	8.1	32%	32%	33%	6.1%	6.2%	6.3%
Telia Company	40.99	8.3	8.1	8.1	2.7	2.7	2.7	15.5	14.6	14.1	33%	33%	33%	5.7%	5.9%	6.1%
TI	0.55	4.3	4.2	4.2	1.8	1.8	1.9	7.9	7.3	7.0	43%	44%	44%	0.7%	1.5%	2.5%
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%	5.9%

Media company valuations (2018-09-14)

	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	8.74	3.4	3.8	3.8	0.4	0.4	0.4	43.9	54.7	17.5	11%	10%	10%	5.7%	5.7%	5.7%
Cyfrowy Polsat	21.86	6.8	6.0	5.6	2.3	2.0	1.9	12.8	10.8	9.7	34%	34%	34%	0.0%	1.5%	2.3%
Median		5.1	4.9	4.7	1.3	1.2	1.1	28.3	32.8	13.6	0.2	0.2	0.2	0.0	0.0	0.0
DAILY																
Arnolgo Mondadori	1.47	6.3	5.5	5.4	0.5	0.5	0.5	12.7	9.6	9.4	7%	9%	9%	0.7%	1.6%	2.4%
Axel Springer	59.80	10.8	9.9	9.1	2.5	2.4	2.3	20.9	18.6	16.8	23%	24%	25%	3.5%	3.6%	3.9%
Daily Mail	745.00	11.8	11.5	11.1	1.8	1.8	1.7	18.4	18.3	16.8	15%	15%	16%	0.0%	0.0%	0.0%
Gruppo Editoriale	0.34	5.9	6.0	5.8	0.4	0.5	0.5	10.9	9.9	10.2	7%	8%	8%	1.5%	3.6%	4.7%
New York Times	22.30	12.7	11.1	9.5	2.1	2.0	1.9	25.6	20.4	15.3	17%	18%	21%	0.7%	0.7%	0.7%
Promotora de Inform	1.83	8.3	8.0	7.2	1.6	1.7	1.6	11.7	16.6	15.5	20%	21%	23%	0.4%	0.4%	0.7%
Reach	63.50	1.7	1.6	1.6	0.4	0.4	0.4	1.8	1.7	1.7	23%	24%	25%	0.0%	0.0%	0.0%
Median		8.3	8.0	7.2	1.6	1.7	1.6	12.7	16.6	15.3	17%	18%	21%	0.7%	0.7%	0.7%
TV																
Atresmedia Corp	5.64	7.4	6.9	6.7	1.4	1.4	1.4	8.9	8.3	8.1	19%	20%	20%	9.5%	10.2%	10.4%
Gestevisión Telecinco	6.46	7.6	7.3	6.9	2.0	1.9	1.9	11.0	10.6	10.4	26%	27%	28%	9.2%	9.4%	9.4%
ITV PLC	158.00	8.4	8.4	7.8	2.3	2.2	2.1	10.3	10.3	9.5	27%	26%	27%	0.0%	0.0%	0.0%
M6-Metropole Tel	17.60	5.3	5.1	5.1	1.5	1.4	1.4	12.8	12.4	11.9	28%	28%	28%	5.6%	6.0%	6.1%
Mediaset SPA	2.63	3.5	3.7	3.7	1.4	1.5	1.5	16.7	11.1	9.3	39%	40%	40%	4.3%	5.9%	6.8%
Modern Times	337.20	12.4	11.5	10.3	1.2	1.2	1.1	21.5	20.2	17.7	10%	10%	11%	3.8%	4.0%	4.1%
Prosieben	22.63	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	63.45	7.9	7.6	7.3	1.6	1.6	1.5	13.5	12.3	12.4	21%	21%	21%	6.4%	6.4%	6.5%
TF1-TV Francaise	9.30	4.9	4.2	4.0	0.8	0.8	0.8	15.7	11.2	10.2	17%	19%	20%	4.0%	4.9%	5.4%
Median		7.1	6.8	6.4	1.6	1.5	1.5	13.2	11.2	10.3	25%	26%	27%	4.9%	5.9%	6.3%
PAY TV																
Sky PLC	1573.00	14.2	13.3	11.9	2.4	2.3	2.2	24.2	22.4	19.5	17%	17%	19%	0.0%	0.0%	0.0%
Cogeco	64.33	5.4	4.9	4.9	2.4	2.3	2.2	10.3	10.3	10.5	45%	46%	46%	3.0%	3.2%	3.2%
Comcast	36.96	7.9	7.6	7.2	2.6	2.5	2.4	14.6	13.2	11.5	32%	33%	33%	2.0%	2.3%	2.6%
Dish Network	36.56	8.5	9.6	11.0	1.7	1.7	1.8	13.5	16.1	22.6	20%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	27.92	5.9	5.8	5.6	2.8	2.8	2.7	-	51.5	33.7	47%	48%	48%	0.0%	0.0%	0.0%
Shaw Communications	19.62	8.2	7.5	7.0	3.2	3.1	2.9	23.3	18.6	15.8	39%	40%	42%	7.9%	8.0%	8.1%
Median		8.0	7.6	7.1	2.5	2.4	2.3	14.6	17.4	17.6	36%	37%	37%	1.0%	1.1%	1.3%

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

IT company valuations (2018-09-14)

	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*	19.20	5.6	5.5	5.4	0.1	0.1	0.1	5.1	4.8	4.5	1%	1%	1%	0.0%	2.6%	4.8%
Asseco Poland	42.48	7.8	7.6	7.6	1.0	1.0	1.0	12.5	13.7	13.7	13%	13%	13%	7.1%	4.7%	4.7%
Comarch	163.50	9.3	8.0	7.7	1.1	1.0	1.0	23.5	17.3	15.8	12%	13%	13%	0.9%	6.1%	6.1%
Median		7.8	7.6	7.6	1.0	1.0	1.0	12.5	13.7	13.7	12%	13%	13%	0.9%	4.7%	4.8%
FOREIGN COMPANIES																
Atos Origin	101.00	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	107.50	10.4	9.7	9.1	1.5	1.4	1.3	18.0	16.1	14.8	14%	14%	15%	1.7%	1.9%	2.0%
IBM	147.94	8.5	8.3	8.6	2.1	2.1	2.1	10.7	10.5	10.1	24%	25%	24%	4.2%	4.4%	4.6%
Indra Sistemas	9.80	7.6	6.9	6.4	0.7	0.7	0.7	14.2	12.1	10.7	10%	10%	11%	0.7%	1.9%	2.5%
Microsoft	112.14	17.9	15.4	13.7	7.3	6.5	5.9	29.2	26.4	23.1	41%	42%	43%	1.5%	1.6%	1.7%
Oracle	49.18	10.0	9.8	9.3	4.7	4.6	4.4	15.9	14.6	13.6	47%	47%	48%	1.5%	1.6%	1.7%
SAP	102.44	16.3	14.4	13.1	5.2	4.8	4.4	23.4	20.9	18.7	32%	33%	34%	1.4%	1.6%	1.7%
TietoEnator	27.76	10.4	10.0	9.6	1.4	1.3	1.3	15.7	15.1	14.5	13%	13%	13%	5.1%	5.3%	5.5%
Median		10.2	9.7	9.2	1.8	1.7	1.7	15.8	14.9	14.0	19%	20%	19%	1.6%	1.9%	2.1%

Construction company valuations (2018-09-14)

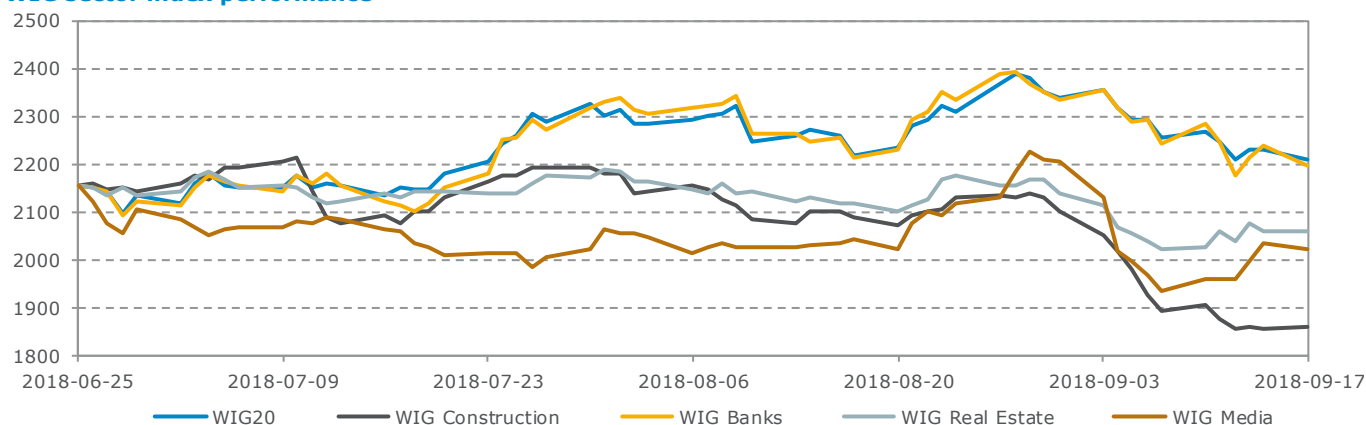
		EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
	Price	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Budimex	100.20	3.1	4.0	4.4	0.2	0.2	0.2	10.4	11.7	11.1	5%	4%	5%	17.6%	9.2%	8.1%
Elektrobudowa	32.30	1.4	1.5	1.4	0.1	0.1	0.1	6.5	6.3	6.2	5%	5%	6%	32.5%	15.5%	15.5%
Elektrotim	4.15	4.6	3.8	3.1	0.1	0.1	0.1	25.2	10.6	8.3	3%	3%	4%	0.0%	4.8%	7.2%
Erbud	9.34	-	4.4	3.4	0.1	0.1	0.1	-	10.2	6.0	-	2%	2%	11.8%	0.0%	5.9%
Herkules	2.99	5.0	4.2	4.0	1.3	1.0	0.9	9.4	6.6	6.6	26%	23%	23%	2.3%	6.0%	6.7%
Torpol	5.00	6.3	3.8	3.1	0.1	0.1	0.1	23.4	7.3	5.9	2%	3%	3%	0.0%	0.0%	4.0%
Trakcja	2.95	5.5	5.3	4.1	0.2	0.2	0.1	23.2	21.1	9.9	3%	3%	3%	3.4%	0.0%	6.8%
Ulma Construcccion	72.50	3.6	3.5	3.3	1.5	1.4	1.4	9.0	8.7	9.5	40%	41%	41%	5.3%	5.5%	5.5%
Unibep	4.90	3.7	2.8	2.6	0.1	0.1	0.1	5.6	4.8	5.3	3%	4%	3%	3.1%	6.2%	8.3%
ZUE	5.50	7.1	5.7	3.4	0.2	0.2	0.1	17.6	9.5	6.2	3%	3%	4%	0.0%	0.0%	5.5%
Median		4.6	3.9	3.3	0.1	0.1	0.1	10.4	9.1	6.4	3%	3%	4%	3.2%	5.2%	6.7%
FOREIGN COMPANIES																
Acciona	74.86	7.6	7.5	7.3	1.4	1.4	1.3	17.4	16.4	14.7	18%	18%	18%	4.1%	4.4%	4.5%
Astaldi	1.13	4.5	4.5	4.4	0.5	0.5	0.4	2.0	2.0	1.8	10%	10%	10%	0.0%	0.0%	-
Ferrovial	18.24	28.6	20.2	18.4	1.5	1.5	1.5	61.8	32.3	27.9	5%	7%	8%	4.0%	4.1%	4.2%
Hochtief	141.30	6.3	5.9	5.5	0.4	0.4	0.3	17.7	15.4	14.4	6%	6%	6%	3.3%	3.8%	4.0%
Mota Engil	2.17	4.0	3.6	3.4	0.6	0.6	0.5	13.5	7.1	5.6	16%	16%	16%	2.1%	3.9%	7.4%
NCC	160.15	7.5	5.5	5.1	0.3	0.3	0.2	15.6	11.1	10.0	3%	5%	5%	5.6%	6.0%	6.6%
Skanska	179.35	10.8	9.3	8.8	0.4	0.5	0.4	16.1	13.9	12.9	4%	5%	5%	4.6%	4.8%	5.0%
Strabag	34.60	3.5	3.4	3.2	0.2	0.2	0.2	12.0	11.7	11.0	6%	6%	6%	3.8%	4.0%	4.4%
Median		6.9	5.7	5.3	0.5	0.5	0.4	15.9	12.8	12.0	6%	7%	7%	3.9%	4.0%	4.5%

Real-estate developers (2018-09-14)

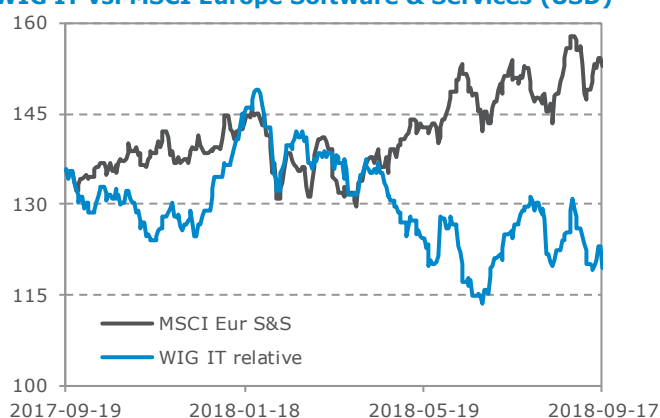
	Price	EV/EBITDA			P/BV			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
BBI Development	0.49	12.8	5.4	11.6	0.3	0.2	0.2	11.4	5.4	9.4	16%	52%	41%	0.0%	0.0%	0.0%
Dom Development	65.40	5.6	6.1	5.8	1.5	1.6	1.5	6.8	7.1	6.3	18%	17%	18%	11.6%	14.5%	14.0%
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	8.35	14.5	13.6	12.4	0.9	0.9	0.8	10.0	8.7	7.5	88%	91%	94%	0.2%	0.2%	0.3%
i2 Development	13.10	7.2	6.0	2.2	0.5	0.5	0.4	4.0	4.5	3.0	17%	11%	20%	8.2%	12.5%	11.1%
J.W. Construction	3.03	8.9	4.0	4.5	0.4	0.3	0.3	8.2	3.3	4.1	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	9.81	-	-	18.3	0.5	0.5	0.4	-	-	19.1	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		9.4	6.6	8.7	0.5	0.5	0.4	7.5	6.1	6.5	17%	18%	20%	0%	4%	6%
FOREIGN COMPANIES																
Atrium European RE	3.94	15.1	15.0	14.8	0.8	0.8	0.8	12.8	12.6	11.9	86%	84%	82%	8.6%	7.1%	7.2%
CA Immobilien Anlagen	31.28	27.0	23.7	20.4	1.2	1.1	1.0	25.8	23.5	21.2	76%	82%	66%	2.7%	3.0%	3.4%
Deutsche Euroshop AG	28.48	16.6	16.6	16.4	0.8	0.7	0.8	12.8	12.8	12.9	89%	89%	89%	5.2%	5.4%	5.6%
Immofinanz AG	23.26	32.4	28.3	26.8	0.9	0.9	0.8	24.8	22.1	18.9	56%	62%	64%	3.2%	3.5%	3.6%
Klepierre	30.40	20.0	19.4	18.8	0.8	0.8	0.8	11.8	11.3	11.0	84%	84%	84%	6.9%	7.2%	7.4%
Segro	646.00	33.3	30.2	27.6	1.0	1.0	0.9	29.4	26.6	24.7	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	0.9	0.8	14.8	14.0	13.3	84%	84%	82%	5.2%	5.4%	5.6%

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

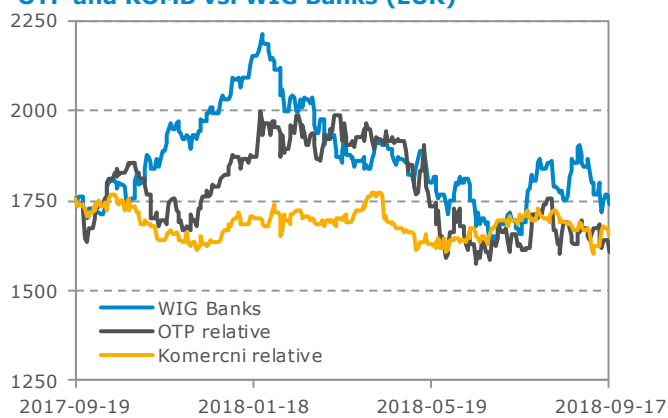
WIG sector index performance



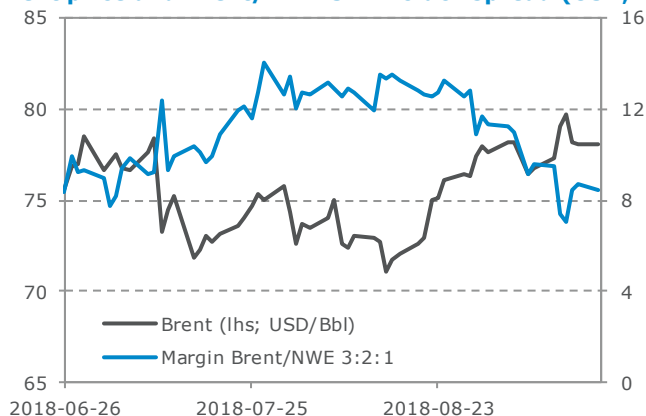
WIG IT vs. MSCI Europe Software & Services (USD)



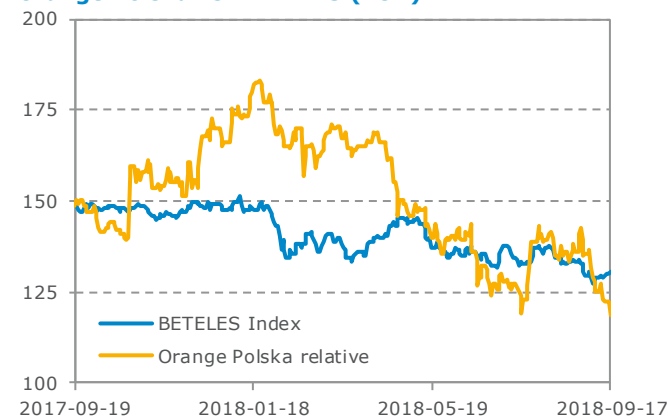
OTP and KOMB vs. WIG Banks (EUR)



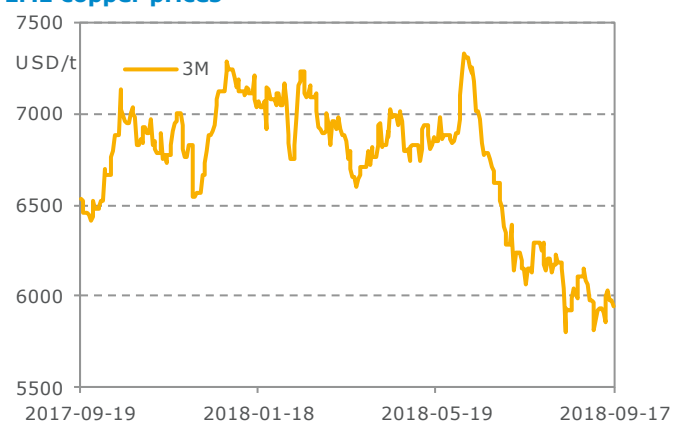
Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



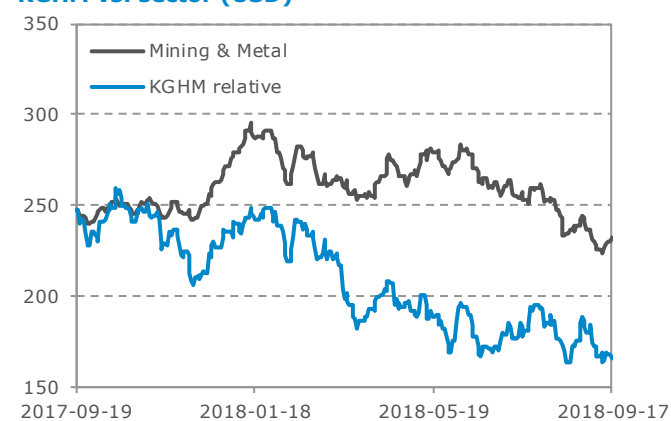
Orange Polska vs. BETELES (EUR)



LME copper prices



KGHM vs. sector (USD)



Source: Bloomberg

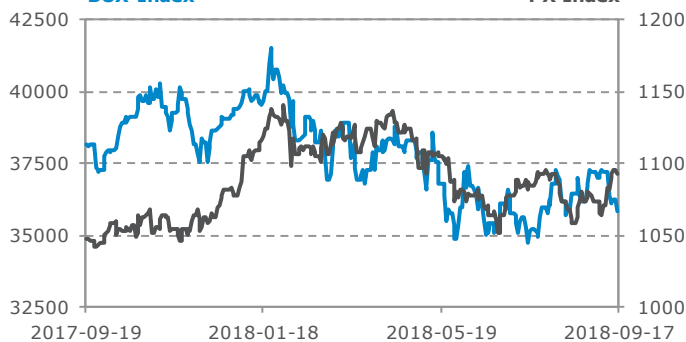
Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2018-09-17	26,151.66	26,184.47	26,030.35	26,062.12	-0.35%
S&P 500	2018-09-17	2,903.83	2,904.65	2,886.16	2,888.80	-0.56%
NASDAQ	2018-09-17	7,992.21	8,002.78	7,890.07	7,895.79	-1.43%
DAX	2018-09-17	12,056.38	12,123.09	12,040.80	12,096.41	-0.23%
CAC 40	2018-09-17	5,344.55	5,358.18	5,329.97	5,348.87	-0.07%
FTSE 100	2018-09-17	7,304.04	7,318.77	7,267.83	7,302.10	-0.03%
WIG20	2018-09-17	2,230.43	2,231.99	2,209.37	2,210.99	-0.94%
BUX	2018-09-17	36,178.71	36,247.03	35,696.55	35,819.90	-1.24%
PX	2018-09-17	1,095.59	1,096.81	1,090.55	1,092.08	-0.31%
RTS	2018-09-17	1,592.89	1,602.65	1,583.94	1,600.46	+0.20%
SOFIX	2018-09-17	629.37	629.60	627.10	627.84	-0.24%
BET	2018-09-17	8,161.35	8,185.52	8,156.47	8,170.91	+0.10%
XU100	2018-09-17	94,477.37	95,105.03	93,790.14	94,347.66	-0.43%
BETELES	2018-09-17	129.84	131.08	129.76	130.35	+0.41%
NIKKEI	2018-09-14	23,035.78	23,105.28	22,965.48	23,094.67	+1.20%
SHCOMP	2018-09-17	2,671.29	2,671.29	2,647.92	2,651.79	-1.11%
Copper (LME)	2018-09-17	5,872.50	5,955.50	5,861.50	5,945.00	-0.47%
Crude Oil (Brent)	2018-09-17	77.79	78.72	77.61	77.87	-0.37%
USD/PLN	2018-09-17	3.7058	3.7213	3.6744	3.6794	-0.67%
EUR/PLN	2018-09-17	4.3048	4.3119	4.2950	4.2988	-0.17%
EUR/USD	2018-09-17	1.1623	1.1698	1.1618	1.1683	+0.50%
USBonds10	2018-09-17	2.9885	3.0199	2.9848	2.9867	-0.0092
GRBonds10	2018-09-17	0.4440	0.4710	0.4400	0.4580	+0.0080
PLBonds10	2018-09-17	3.2380	3.2450	3.2300	3.2340	+0.0020

WIG20 Index



BUX Index



PX Index

S&P 500 (SPX Index)



NASDAQ (CCMP Index)



DOW JONES (INDU Index)



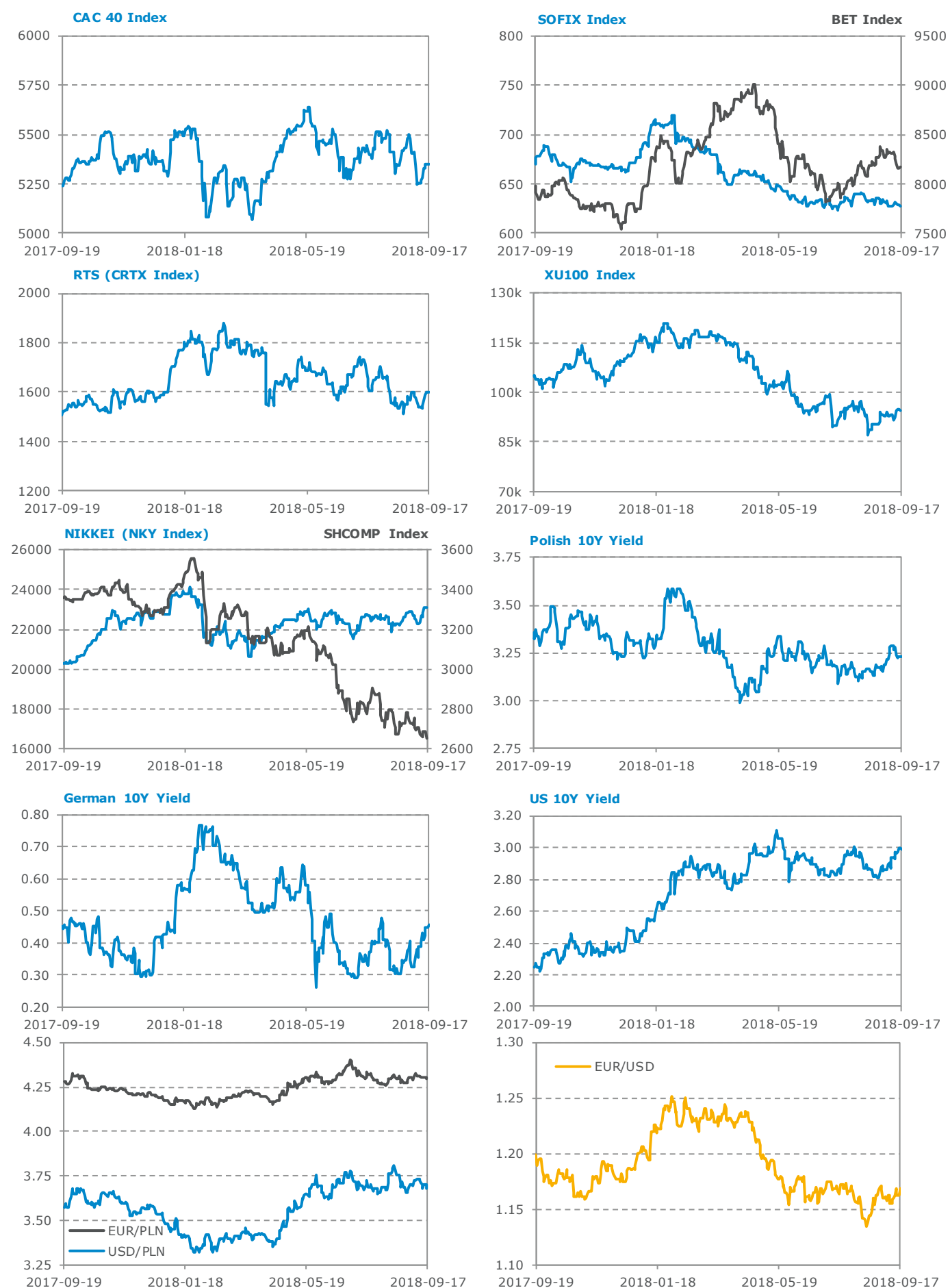
DAX Index



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

Recommendations of Dom Maklerski mBanku :

A recommendation is valid for a period of 6-9 months, unless a subsequent recommendation is issued within this period. Expected returns from individual recommendations are as follows:

BUY – we expect that the rate of return from an investment will be at least 15%
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%
REDUCE – we expect that the rate of return from an investment will range from -5% to -15%
SELL – we expect that an investment will bear a loss greater than 15%
Recommendations are updated at least once every nine months.

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In the last 12 months mBank S.A. has been book runner or co-book runners for Asseco SEE, Cognor Holding, LC Corp, PBKM.

Asseco Poland provides IT services to mBank S.A.

mBank S.A. has a cash service agreement in place with Pekao and a phone subscription agreement in place with Orange Polska S.A.

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Strong and weak points of valuation methods used in recommendations:

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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