

Wednesday, September 19, 2018 | daily publication

Morning Comments

Equity Market, Poland

Research Department:

Michał Marczak +48 22 438 24 01
Michał Konarski +48 22 438 24 05

Kamil Kliszcz +48 22 438 24 02
Paweł Szpigiel +48 22 438 24 06

Jakub Szkopek +48 22 438 24 03
Piotr Bogusz +48 22 438 24 08

Piotr Zybala +48 22 438 24 04

DJIA	26,247.0	+0.71%	FTSE 100	7,300.2	-0.03%	Copper (LME)	6,086.0	+2.37%
S&P 500	2,904.3	+0.54%	WIG20	2,231.0	+0.91%	Crude Oil (Brent)	78.71	+1.08%
NASDAQ	7,956.1	+0.76%	BUX	36,110.9	+0.81%	USD/PLN	3.6762	-0.09%
DAX	12,157.7	+0.51%	PX	1,091.6	-0.04%	EUR/PLN	4.2891	-0.23%
CAC 40	5,363.8	+0.28%	PLBonds10	3.234	+0.00%	EUR/USD	1.1667	-0.14%

Company & Sector News

Alior Bank

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

Alior Bank under scrutiny over possible mis-selling

According to an official statement, Polish Financial watchdog KNF started an investigation against Alior Bank, which may end with a fine against the Bank. The investigation will analyze if Alior Bank breached some rules when selling WI funds including "not taking clients' best interest into account". **The news is negative although the eventual fine should not have a material impact on profits. Last year KNF charged a total of PLN 20m in fines whilst this year the highest fine so far amounted to PLN 9.9m (XTB). We expect that the total amount of fines charged by KNF may increase in the future as it will fund a new Compensation Fund introduced lately in the amendment to a Financial Supervisory and Consumer Protection bill. (M. Konarski, M. Polańska)**

Lotos

Sell – 2018-09-03
Target price: PLN 57.21

Lotos may seek to buy oil&gas fields in UK

According to the *Parkiet* newspaper, Lotos seeks to buy oil&gas fields on UK continental shelf and recently company was quite close to finalizing a deal, but in the end the seller withdrew its offer (probably it was the Kraken field owned by EnQuest). **Lotos's interest in upstream acquisitions has been public knowledge for a long time. Lotos' Norwegian fields are quite mature and company has to replace its reserves. (K. Kliszcz)**

Car manufacturers

EU investigates German carmakers for possible collusion

European Union regulators have opened an in-depth investigation into whether carmakers BMW, Daimler and Volkswagen colluded to limit the development and roll-out of car emission control systems. The EU Commission said that it had received information that BMW, Daimler, Volkswagen, and VW units Audi and Porsche held meetings to discuss clean technologies aimed at limiting car exhaust emissions. The probe focuses on whether the automakers agreed not to compete against each other in developing and introducing technology to restrict pollution from petrol and diesel passenger cars. **For more information, visit Stuff at <https://tinyurl.com/y7xqa5gb> (J. Szkopek)**

Copper

Copper surges most since April as tariffs seen softer than expected

Comex front-month copper prices jumped 3% to \$2.712/lb. for its largest one-day increase since April after the U.S. and China announced fresh tariffs that were less severe than some investors had feared. The mining companies benefitted from industrial metals hike. **For more information, visit SeekingAlpha at <https://tinyurl.com/yaxwf3ql> (J. Szkopek)**

Fertilizers

ICIS: US tariffs against China to have limited impact on fertilizers

The ICIS expressed the US tariffs against China are not likely to have any major impact on the fertilizers market, even though the final list includes nearly all the crop nutrients produced in China. The agency believes that tariffs would have limited impact on fertilizers market. The US tariffs list on Chinese goods include all fertilizers including urea, ammonium sulphate (AS), ammonium nitrate (AN), urea ammonium nitrate (UAN), diammonium phosphate (DAP), or monoammonium phosphate (MAP). **For more information, visit ICIS <https://tinyurl.com/ybk4dpq8> (J. Szkopek)**

CCC

Buy – 2018-06-06
Target price: PLN 295.00

Strategic deal on distribution and production of Gino Rossi products

Gino Rossi signed a licensing deal to sell its shoes via the domestic and international offline and online sales channels of CCC, and to fully utilize the production capacity of Gino Rossi factory. Under the deal, Gino Rossi will make its products available in 22 European countries and in Russia, followed by Dubai and selected ME countries from 2019. Gino Rossi estimates the deal could bring PLN 15-18m in revenues in 2019 and PLN 36-40m in 2019-2020. CCC agreed to pay a license fee to Gino Rossi based on annual net revenues, and committed to purchase at least 300k pairs of shoes in 2019-20 (120k/180k in 2019/20, respectively). The deal is valid for 3 years, with the possibility of extension. **The deal is beneficial for both companies. Gino Rossi**

Gino Rossi

receives a guarantee of stable cash stream and full utilization of production capacity, and CCC gets an opportunity to expand its portfolio to include premium-priced shoes, which should support sales. (P. Bogusz)

CCC

Buy – 2018-06-06
Target price: PLN 295.00

Investor day highlights

- Stores density in the CEE region is still significantly lower vs. WE. In coming years CCC will focus on store rollout in Romania, Bulgaria, Russia, and Ukraine.
- CCC sees an opportunity to enrich its offer with premium shoes (deal with Gino Rossi) and shoes for the 18-24yo market (cooperation with DeeZee, adding more brand-shoes).
- Organic growth, M&A, Online and utilization of new market segments should drive CCC sales by 100% in 3 years.
- Implementation of IT business projects should enable CCC to improve Gross Margin by 1-3pp, and decrease inventory by 10-25% in mid-term.
- CCC will make the decision regarding the German market till the end of 2018.
- CCC's Web store eobuwie.pl plans to increase the number of own brands and to establish new internet concept offering apparel (initially roughly 30 brands) and shoes. The new platform should be present in all eobuwie.pl since launch.
- Eobuwie.pl is to launch esize.me project that enables to measure customers feet in eobuwie.pl offline outlets and to electronically match shoes that suits best to individual consumers. The project could significantly improve sales of online platform.
- CCC expects that roughly 30% of sales will be generated in the online channel in 2020.

CCC previously informed about the positive effects of IT business solutions. Development of new online platform by eobuwie.pl as well as adding new esize.me functionality should support online revenue in following years. (P. Bogusz)

CD Projekt

Sell – 2018-04-06
Target price: PLN 90.80

CD Projekt sets release dates for Thronebreaker and Gwent

CD Projekt RED announced that it will release *GWENT: The Witcher Card Game* and its accompanying single-player adventure *Thronebreaker: The Witcher Tales* on 23 October for PC via GOG.com, followed by Xbox One and PlayStation 4 releases on 4 December. Details regarding the pricing of Thronebreaker are forthcoming. **Neutral information. Previously the company informed that it intended to release Thronebreaker and Gwent in Q4 2018. (P. Bogusz)**

Quarterly Earnings Results

TIM

Adjusted results slightly below our estimates

- Revenues amounted to PLN 198.1m (+19.8% Y/Y), EBITDA to PLN 8.3m (PLN 0.6 in Q2'17), and net profit to PLN 4.3m (a loss of PLN 1.9m in Q2'17).
- Strong sales results of the Group were mainly driven by almost 20% growth in both e-commerce, and traditional sales of electrotechnical articles, while operating expenses grew in total only by 17%.
- It is worth noting that quarterly numbers were supported by other operating result which positive effect amounted to PLN 3.3m (the sale of non-financial tangible assets, and the stipulated damages received by the Group for delay in 3LP's shuttle system commissioning). Adjusted EBITDA in Q2'18 was PLN 4.9m, which is 13.8% lower than we anticipated.
- The Company changed operating segments presentation in H1'18. It is hard to compare delivered results to figures presented in Q1'18.
- Operating cash flow in Q2'18 stood at PLN -7.5m, mostly as a result of negative changes in working capital (PLN -15.0m change in trade receivables).
- The adjusted results are slightly worse than we expected. It is worth to mention that the Company booked PLN 3.3m one-off transactions in Q2'18, which elevated quarterly results. The sales grew in double digit pace with e-commerce slightly surpassing traditional sales growth. Changes in reporting makes it impossible for us to investigate the revenues accounted in 3LP. We believe the management will comment 3LP sales in Q2'18 on investor meeting today. (P. Poniatowski; J. Szkopek)**

Q2 2018 actuals vs. expectations

(PLN m)	Q2'18	Q2'17	change	Q2'18E	differ.	2018E	YTD
Revenue	198.1	165.4	19.8%	194.3	1.9%	812.7	48.2%
EBITDA	8.3	0.6	-	5.7	44.7%	24.9	55.8%
EBITDA margin	4.2%	0.4%	-	2.9%	-	3.1%	-
EBIT	5.6	-2.0	-	2.9	96.8%	13.4	64.7%
Net profit	4.3	-1.9	-	2.7	58.4%	11.9	55.9%

Source: TIM, E - estimates by Dom Maklerski mBanku

More News

Bowim	Steel distributor Bowim suffered a 25% y/y plunge in net profit to PLN 7.5 mln in H1 chiefly due to declining steel prices despite revenues
Grupa Azoty	Listed chemicals group Azoty's SPV PDH Polska expects to get offers for building the Polimery Police polypropylene plant in Q4, SPV's CEO Andrzej Niewinski said at an event in Police. PDH Polska hopes to secure final decisions concerning financing and its providers at the turn of Q1 and Q2 2019, to bring the total financing to EUR 1.3 bln, deputy CEO Marek Czyz added.
Mostostal Warszawa	Construction firm Mostostal Warszawa signed a PLN 39 mln gross consortial deal to build a sports and recreation center in Zdunska Wola, the company reported in a filing. Mostostal Warszawa holds a 85% share in the consortium and has until June 15 2020 to complete the contract.
PHN	Listed real estate company PHN signed a letter of intent with the University Hospital in Krakow to purchase a property located on the Kopernika street in the centre of Krakow, PHN said in a market filing.
Ursus	Tractor manufacturer Ursus raised ca. PLN 13.5 mln from private placement of 5.42 mln shares targeted at 7 investors, the company said in a filing.

Macroeconomics

Employment decelerates on supply factors. Wages growth decrease a one-off event.

Employment growth decelerated in August to 3.4% y/y, below our forecast and market consensus (both 3.5%). In absolute terms, enterprise sector lost 2k jobs over July. August is usually a month of lower employment growth. However, current reading fits nicely into a broader picture of negative surprises in employment. We think the reason is on the supply side as a friction part of the unemployment is very low. Therefore filling a vacancy takes more time than usual and average monthly growth of employment falls. Path to equilibrium requires higher wages and we still expect them to grow more vigorously.

August reading on wages at 6.8% y/y constitutes a contradiction but only in a naïve way. July's wage reading was extraordinarily boosted by trade and transportation. August is a payback in these sections - although we do not know the detailed breakdown yet, we are quite sure these are the right surprise-generating candidates -- accompanied by a base effects in mining. Last but not least, the surprise over consensus is small (0.2pp.) and would not spoil the broader picture even if its source was truly unknown.

MPC is going to ignore the reading. Everything flat or slower fits into MPC's scenario or adequate wage growth. Everything above can be neutralized by citing higher productivity growth or imminent moderation due to migration.

mBank Research

(Ernest Pytlarczyk, Marcin Mazurek, Piotr Bartkiewicz, Maciej Zdrolik)
research@mBank.pl

Corporate Action Calendar

Date	Time	Company	Event
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		Biuro Inwestycji Kapitałowych	Investor meetings (Inner Value, ul. Wilcza 46, Warsaw) - registration required
24-Sep	11:00	Selena FM	Q2'18 earnings videoconference (contact: magdalena.okrzeja@genesispr.pl)
25-Sep		AmRest	Investor meetings (mBank HQ, ul. Senatorska 18, Warsaw) - registration required
25-Sep		BBI Dev.	Q2'18 earnings announcement
25-Sep	11:45	Elektrobudowa	Investor meetings (CC Group, Marszałkowska 89, Warsaw) - registration required
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

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	
14:00	Poland	M3 Money Supply	August		7.30% y/y
Tuesday, 25 September 2018					
Time	Region	Data	Period	Forecast	Previous
07:00	Japan	Leading Indicators Index (F)	July		104.70
10:00	Poland	Unemployment Rate	July		5.90%
15:00	USA	House Price Index	July		0.20% m/m
15:00	USA	House Price Index	July		1.11% q/q
15:00	USA	S&P/Case-Shiller Composite 20	July		6.30% y/y
16:00	USA	Conference Board Index	September		133.40
16:00	USA	Richmond Fed Index	September		24

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						+21.8%	11.3	10.3		
Alior Bank	buy	2018-02-01	85.50	109.00	61.50	+77.2%	8.4	7.0		
Getin Noble Bank	hold	2018-05-09	1.17	1.40	0.53	+164.2%	10.7	4.0		
Handlowy	buy	2018-04-06	77.50	94.00	66.20	+42.0%	13.7	11.2		
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	107.30	+46.3%	12.9	10.6		
PKO BP	hold	2018-04-06	39.74	38.00	40.60	-6.4%	15.3	12.8		
Santander Bank Polska	accumulate	2018-09-03	376.00	430.00	367.20	+17.1%	14.4	11.9		
Komercni Banka	buy	2017-12-01	899.00	1,111 CZK	898.50	+23.7%	11.5	9.8		
Erste Bank	buy	2018-08-02	37.14	43.00 EUR	37.32	+15.2%	10.7	10.6		
OTP Bank	buy	2018-06-06	10,210	12,090 HUF	9,965	+21.3%	10.1	9.3		
PZU	accumulate	2018-08-02	42.00	47.50	39.20	+21.2%	11.0	9.9		
Kruk	buy	2018-09-17	187.80	292.77	192.90	+51.8%	10.3	8.7		
Prime Car Management	suspended	2018-08-23	7.96	-	7.80	-	-	-		
Skarbiec Holding	buy	2018-08-31	25.30	36.86	25.00	+47.4%	7.8	7.4		
Chemicals						+55.0%	10.5	9.6	5.1	4.9
Ciech	buy	2018-08-02	56.95	82.52	46.86	+76.1%	7.3	6.9	5.0	4.7
Grupa Azoty	hold	2018-09-03	38.00	41.13	31.04	+32.5%	13.7	12.4	5.1	5.1
Polwax	suspended	2018-09-14	7.70	-	7.12	-	-	-	-	-
Oil & Gas						+7.6%	8.7	12.5	4.8	5.6
Lotos	sell	2018-09-03	69.90	57.21	76.40	-25.1%	10.7	15.1	5.7	7.1
MOL	buy	2018-09-03	2,870	3,296 HUF	2,890	+14.0%	8.2	10.2	3.7	4.2
PGNiG	buy	2018-09-03	5.82	7.86	6.01	+30.8%	8.4	7.0	3.9	3.3
PKN Orlen	sell	2018-09-03	98.24	81.38	100.10	-18.7%	8.9	14.8	5.6	7.8
Power Utilities						+21.9%	3.7	3.9	3.7	3.2
CEZ	sell	2018-07-04	550.00	440.96 CZK	567.50	-22.3%	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	7.50	+103.6%	3.7	3.9	3.2	3.1
PGE	buy	2018-05-29	9.28	13.60	8.86	+53.5%	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						+14.0%	20.0	17.1	6.9	6.1
Netia	reduce	2018-06-06	5.00	4.30	4.68	-8.1%	42.6	51.4	5.5	5.9
Orange Polska	buy	2018-04-06	5.83	7.60	4.35	+74.7%	19.1	10.5	4.1	3.7
Play	hold	2018-08-30	21.90	22.60	20.42	+10.7%	6.5	7.3	5.5	5.4
Agora	buy	2018-09-14	8.48	15.40	8.72	+76.6%	43.8	54.6	3.4	3.8
Cyfrowy Polsat	accumulate	2018-06-15	22.76	24.90	22.04	+13.0%	12.9	10.9	6.9	6.1
Wirtualna Polska	accumulate	2018-09-03	57.00	60.00	51.00	+17.6%	20.0	17.1	10.9	9.2
Asseco Poland	accumulate	2018-09-03	45.90	49.00	43.28	+13.2%	12.7	14.0	7.9	7.7
CD Projekt	sell	2018-04-06	114.90	90.80	189.50	-52.1%	91.2	27.4	72.4	21.2
Comarch	accumulate	2018-05-09	145.00	166.50	164.00	+1.5%	23.6	17.4	9.3	8.1
Industrials, Mining						+29.4%	14.0	6.1	6.3	4.5
Famur	buy	2018-08-02	5.20	6.56	5.12	+28.1%	16.1	12.7	7.0	6.3
Grupa Kęty	hold	2018-09-03	387.50	367.45	377.00	-2.5%	13.7	13.0	9.3	8.8
JSW	buy	2018-09-03	77.00	98.00	66.40	+47.6%	4.0	5.3	2.0	2.2
Kemel	buy	2018-07-23	50.50	59.18	46.45	+27.4%	14.3	6.5	6.5	5.0
KGHM	buy	2018-09-03	90.80	104.21	85.50	+21.9%	7.2	5.7	4.3	3.2
Stelmet	buy	2018-09-03	11.35	20.45	8.20	+149.4%	15.6	5.4	6.1	4.1
Construction						+40.8%	6.2	8.2	3.2	3.5
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	30.80	+130.5%	6.2	6.0	1.3	1.3
Erbud	buy	2018-09-03	9.60	14.40	9.44	+52.5%	-	10.3	-	4.4
Unibep	buy	2018-04-06	7.50	10.10	4.92	+105.3%	5.6	4.8	3.7	2.8
Property Developers						+30.2%	6.8	7.1	7.3	7.2
Atal	buy	2018-07-04	36.40	42.86	33.40	+28.3%	6.8	7.2	6.2	6.7
Capital Park	buy	2018-04-06	5.95	8.35	5.25	+59.0%	10.4	8.8	17.5	16.8
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	4.27	+31.9%	5.8	5.4	6.9	7.2
GTC	hold	2018-04-06	9.39	9.60	8.38	+14.6%	10.1	8.7	14.5	13.7
LC Corp	buy	2018-06-22	2.39	3.58	2.36	+51.7%	5.7	5.2	7.6	7.2
Retail						+20.4%	26.0	17.1	13.4	10.9
AmRest	hold	2018-09-03	406.00	426.00	403.50	+5.6%	42.5	33.4	14.1	11.3
CCC	buy	2018-06-06	242.80	295.00	210.00	+40.5%	27.4	16.2	15.6	10.9
Dino	hold	2018-06-06	107.40	103.50	94.85	+9.1%	29.1	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	8,735	+16.8%	24.6	20.2	13.4	11.1
TXM	buy	2018-07-04	1.28	3.48	0.73	+376.7%	-	2.4	13.3	3.2
Other						+18.8%	9.4	8.5	6.2	5.7
PBKM	hold	2018-06-06	73.00	76.26	64.20	+18.8%	9.4	8.5	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	13.55	-16.4%	16.1	14.0	7.3	5.9
Asseco BS	neutral	2018-03-28	28.00	24.80	-11.4%	14.4	13.1	9.6	8.8
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						8.7	8.3	6.4	5.9
Alumetal	neutral	2018-08-23	51.00	44.25	-13.2%	7.9	8.6	6.4	6.7
Amica	overweight	2018-09-13	112.80	110.00	-2.5%	7.6	7.3	5.4	4.9
Apator	neutral	2018-02-28	24.00	26.00	+8.3%	14.3	15.0	8.2	8.4
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	1.30	+19.3%	5.2	4.6	5.0	4.5
Ergis	neutral	2018-04-27	4.06	3.58	-11.8%	8.0	7.5	6.0	5.5
Forte	overweight	2018-07-27	40.60	46.15	+13.7%	17.2	12.3	11.4	9.4
Kruszwica	underweight	2018-08-02	65.40	44.00	-32.7%	17.2	18.1	9.1	9.2
Mangata	underweight	2018-09-13	91.20	82.80	-9.2%	10.5	12.7	7.4	7.8
Pfleiderer Group	overweight	2018-08-08	37.30	36.80	-1.3%	18.2	18.1	6.5	6.1
Pozbud	overweight	2018-09-04	3.57	2.80	-21.6%	5.2	2.8	4.8	1.8
Tarczyński	neutral	2018-05-30	14.50	15.00	+3.4%	8.5	8.1	5.8	5.4
Construction Sector						20.9	9.3	5.3	3.9
Elektrotim	neutral	2018-05-28	5.80	4.04	-30.3%	24.5	10.3	4.4	3.7
Herkules	neutral	2018-01-25	3.67	2.95	-19.6%	9.3	6.5	5.0	4.1
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	2.98	-18.4%	23.4	21.3	5.5	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	5.78	-1.4%	18.5	10.0	7.4	6.0
Property Developers						6.3	5.4	8.7	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	13.90	-9.7%	4.2	4.8	7.5	6.3
JWC	neutral	2018-06-22	3.48	2.87	-17.5%	7.8	3.1	8.7	3.8
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						11.5	9.4	7.9	6.4
Bytom	overweight	2018-05-23	2.92	2.74	-6.2%	12.2	11.2	7.9	6.9
Monnari	neutral	2018-07-13	6.60	6.20	-6.1%	9.4	8.8	3.9	3.4
Vistula	overweight	2018-05-23	4.79	4.03	-15.9%	11.5	9.4	7.9	6.4

CEE bank valuations (2018-09-18)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH BANKS													
Alior Bank	61.50	8.4	7.0	-	13%	13%	-	1.0	0.8	-	0.0%	0.0%	-
Getin Noble Bank	0.53	10.7	4.0	1.7	1%	3%	6%	0.1	0.1	0.1	0.0%	0.0%	0.0%
Handlowy	66.20	13.7	11.2	-	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	107.30	12.9	10.6	-	9%	11%	-	1.2	1.2	-	7.4%	7.8%	-
PKO BP	40.60	15.3	12.8	-	9%	10%	-	1.3	1.2	-	1.4%	1.6%	-
Santander Bank Polska	367.20	14.4	11.9	10.4	10%	11%	12%	1.3	1.3	1.2	1.8%	3.4%	4.2%
Median		13.7	11.6	10.4	9%	11%	12%	1.2	1.2	1.2	1.6%	1.9%	2.3%
INVESTORS IN POLISH BANKS													
BCP	0.249	10.8	7.6	7.1	6%	8%	8%	0.6	0.6	0.6	1.2%	2.8%	5.6%
Citigroup	71.360	10.9	9.6	8.2	9%	10%	11%	1.0	0.9	0.8	2.1%	2.7%	3.2%
Commerzbank	8.922	12.1	10.1	7.5	3%	4%	5%	0.4	0.4	0.4	2.4%	3.6%	5.2%
ING	11.088	8.3	8.0	7.6	10%	10%	10%	0.8	0.8	0.8	6.2%	6.5%	6.8%
KBC	65.740	10.8	11.0	10.5	14%	13%	13%	1.5	1.5	1.4	5.5%	6.0%	6.3%
UCI	13.708	8.7	7.0	6.2	6%	8%	8%	0.5	0.5	0.5	2.6%	4.6%	7.0%
Median		10.8	8.8	7.6	8%	9%	9%	0.7	0.7	0.7	2.5%	4.1%	6.0%
FOREIGN BANKS													
Erste Bank*	37.32	10.7	10.6	9.9	11%	10%	10%	1.1	1.0	1.0	3.2%	3.9%	3.9%
Komerční Banka*	898.50	11.5	9.8	-	14%	14%	-	1.4	1.3	-	5.2%	4.8%	-
OTP*	9,965	10.1	9.3	-	15%	15%	-	1.5	1.3	-	2.5%	2.6%	-
Banco Santander	4.39	9.0	8.1	7.4	8%	9%	9%	0.7	0.7	0.7	5.1%	5.4%	6.0%
Deutsche Bank	9.92	21.6	11.2	8.1	1%	3%	4%	-	-	-	1.4%	2.8%	4.3%
Sberbank	191.65	5.0	4.7	4.2	23%	21%	21%	1.1	1.0	0.9	9.3%	10.7%	12.3%
VTB Bank	0.04	4.1	3.4	3.2	12%	12%	12%	0.5	0.4	0.4	9.7%	9.7%	9.7%
Piraeus Bank	2.16	60.0	7.0	3.7	0%	2%	4%	0.2	0.2	0.1	0.0%	0.0%	2.2%
Alpha Bank	1.31	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	1.79	137.7	77.8	52.6	2%	3%	5%	3.1	3.0	2.8	0.0%	0.0%	0.1%
Eurobank Ergasias	0.66	8.5	5.7	4.5	3%	5%	6%	0.3	0.3	0.3	0.0%	0.0%	1.7%
Akbank	5.85	3.7	3.3	3.0	15%	15%	15%	0.5	0.5	0.4	7.6%	8.8%	9.1%
Türkiye Garanti Bank	6.20	3.7	3.3	2.7	15%	16%	17%	0.6	0.5	0.4	7.2%	8.1%	6.3%
Türkiye Halk Bank	6.04	2.1	1.8	1.5	13%	14%	-	0.3	0.2	0.2	3.6%	5.5%	-
Türkiye Vakıflar Bankası	3.13	2.1	2.5	2.5	15%	12%	-	0.3	0.3	0.2	2.1%	2.0%	1.2%
Yapı ve Kredi Bankası	1.68	3.6	3.0	2.4	10%	10%	12%	0.4	0.3	0.3	0.0%	2.9%	2.0%
Median		8.7	5.9	4.0	11%	11%	10%	0.5	0.5	0.4	2.9%	3.4%	3.9%

Insurance company valuations (2018-09-18)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH COMPANIES													
PZU	39.20	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.	24.10	10.7	10.3	9.2	6%	6%	6%	0.6	0.6	0.6	3.9%	4.1%	4.5%
Uniqia	8.39	12.0	11.3	10.4	7%	7%	8%	0.8	0.9	0.9	6.2%	6.7%	6.9%
Aegon	5.24	7.9	7.4	7.0	7%	7%	7%	0.5	0.5	0.5	5.4%	5.6%	5.9%
Allianz	187.08	10.7	10.1	9.5	11%	12%	12%	1.2	1.2	1.1	4.7%	5.0%	5.3%
Aviva	4.72	8.3	7.8	7.2	12%	11%	-	1.1	1.1	1.0	6.4%	7.1%	8.0%
AXA	22.41	9.0	8.3	8.0	9%	9%	9%	0.7	0.7	0.7	5.9%	6.3%	6.6%
Baloise	148.60	12.3	11.6	10.9	9%	9%	9%	1.1	1.0	0.9	4.0%	4.2%	4.4%
Assicurazioni Generali	15.12	9.6	9.4	9.0	10%	10%	10%	0.9	0.9	0.9	6.0%	6.3%	6.7%
Helvetia	583.00	11.6	11.2	10.9	10%	10%	10%	1.1	1.0	1.0	4.2%	4.4%	4.5%
Mapfre	2.56	9.6	8.8	8.0	9%	10%	12%	0.9	0.9	0.8	6.0%	6.5%	7.1%
RSA Insurance	6.11	12.7	11.4	10.9	13%	14%	14%	1.6	1.5	1.4	3.9%	4.8%	5.2%
Zurich Financial	299.50	12.3	10.5	10.0	11%	13%	14%	1.4	1.4	1.3	6.4%	6.8%	7.2%
Median		10.7	10.2	9.4	10%	10%	10%	1.0	1.0	0.9	5.7%	5.9%	6.2%

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

Gas & Oil valuations (2018-09-18)

	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	76.40	5.7	7.1	5.8	0.6	0.6	0.6	10.7	15.1	13.2	11%	8%	10%	1.3%	2.8%	2.0%
MOL	2890.00	3.7	4.2	4.0	0.5	0.5	0.5	8.2	10.2	9.5	14%	12%	13%	4.4%	3.9%	4.1%
PKN Orlen	100.10	5.6	7.8	6.9	0.5	0.4	0.4	8.9	14.8	13.3	8%	5%	6%	3.0%	3.9%	2.4%
HollyFrontier	69.52	7.3	6.1	6.6	0.9	0.8	0.8	13.3	9.5	10.2	12%	14%	13%	1.9%	2.0%	2.0%
Andeavor	155.77	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	115.33	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	83.97	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	113.30	9.1	8.1	7.0	0.6	0.5	0.6	14.9	11.7	9.5	6%	7%	9%	2.7%	3.0%	3.2%
Tupras	129.30	7.4	7.0	6.1	0.6	0.5	0.5	9.7	8.5	7.3	8%	7%	8%	7.8%	8.8%	10.8%
OMV	45.13	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	71.30	11.4	10.8	10.5	1.2	1.2	1.2	18.2	17.2	16.7	11%	11%	12%	2.8%	3.0%	3.1%
Hellenic Petroleum	7.30	5.6	5.7	5.7	0.5	0.4	0.4	7.6	8.3	8.1	8%	8%	8%	5.2%	5.5%	6.2%
Saras SpA	1.90	4.6	4.0	3.3	0.2	0.2	0.2	15.2	10.6	7.7	4%	5%	6%	4.2%	4.9%	6.4%
Motor Oil	21.05	5.0	5.0	4.4	0.3	0.3	0.3	9.6	9.9	8.6	6%	6%	7%	5.9%	6.2%	7.0%
Median		6.5	6.9	5.9	0.6	0.5	0.5	12.0	11.0	9.4	8%	8%	9%	2.9%	3.5%	3.2%
GAS COMPANIES																
A2A SpA	1.57	6.9	6.7	6.5	1.4	1.4	1.3	12.2	12.9	12.1	20%	20%	21%	4.3%	4.6%	5.0%
Centrica	149.35	4.9	5.0	4.9	0.4	0.4	0.4	11.4	11.6	11.2	9%	8%	8%	0.0%	0.0%	0.0%
Enagas	23.69	10.2	10.4	10.2	7.9	8.1	8.0	12.9	13.3	12.3	78%	78%	79%	6.4%	6.7%	7.1%
Endesa	18.83	7.4	7.2	7.2	1.3	1.3	1.3	13.9	13.5	13.3	17%	17%	18%	7.3%	7.4%	7.6%
Engie	12.43	6.0	5.7	5.4	0.9	0.9	0.8	12.5	11.2	10.4	15%	15%	16%	6.0%	6.4%	6.8%
Gas Natural SDG	23.79	9.4	8.9	8.6	1.7	1.6	1.6	25.3	17.0	16.0	18%	19%	19%	5.1%	5.5%	5.7%
Hera SpA	2.86	6.9	6.9	6.7	1.2	1.2	1.2	16.0	16.1	15.6	18%	17%	18%	3.5%	3.6%	3.7%
Snam SpA	3.70	11.8	11.7	11.5	9.6	9.5	9.3	12.9	12.7	12.2	81%	81%	81%	6.0%	6.2%	6.3%
PGNiG	6.01	3.9	3.3	2.9	0.8	0.7	0.7	8.4	7.0	7.2	21%	22%	23%	0.0%	3.6%	4.3%
BP	550.10	5.1	4.7	4.6	0.6	0.6	0.6	13.2	12.0	11.4	12%	13%	13%	0.0%	0.0%	0.0%
Eni	16.18	3.6	3.4	3.4	0.9	0.9	0.9	13.7	12.0	12.0	25%	26%	27%	5.1%	5.3%	5.4%
Equinor	157.08	3.0	3.0	2.8	0.8	0.8	0.8	3.4	3.5	3.5	27%	27%	27%	5.7%	6.4%	6.9%
Gazprom	1139.80	14.0	13.7	13.1	5.0	4.9	4.6	16.7	15.1	14.7	36%	35%	35%	1%	2%	2%
NovaTek	32.90	4.5	4.3	3.9	2.6	2.4	2.1	7.8	7.2	6.7	58%	57%	55%	11.6%	12.3%	13.0%
ROMGAZ	28.23	3.5	3.2	3.3	0.6	0.5	0.5	12.2	10.4	10.1	16%	17%	17%	7.8%	7.9%	8.0%
Shell	216.20	3.6	3.4	3.2	1.3	1.3	1.2	13.6	12.5	12.1	38%	39%	39%	0.1%	0.1%	0.1%
Total	53.98	6.5	5.9	5.9	1.1	1.1	1.1	13.7	12.4	12.2	18%	19%	19%	5.6%	5.8%	6.0%
Median		6.0	5.7	5.4	1.2	1.2	1.2	12.9	12.4	12.1	20%	20%	21%	5.1%	5.5%	5.7%

Power generation company valuations (2018-09-18)

	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	14.93	5.9	5.6	5.2	1.3	1.2	1.2	24.0	19.6	16.7	21%	22%	23%	2.1%	2.4%	3.0%
EDP	3.25	8.9	8.4	8.2	2.2	2.2	2.1	15.0	13.9	13.3	25%	26%	25%	5.9%	5.9%	5.9%
Endesa	18.83	7.4	7.2	7.2	1.3	1.3	1.3	13.9	13.5	13.3	17%	17%	18%	7.3%	7.4%	7.6%
Enel	4.55	6.3	6.0	5.8	1.4	1.3	1.3	11.2	10.1	9.5	21%	22%	22%	6.2%	7.0%	7.4%
EON	8.89	7.4	7.0	6.0	0.9	0.8	0.7	13.6	12.6	11.7	12%	12%	11%	4.9%	5.4%	5.9%
Fortum	21.90	15.1	15.2	14.0	4.8	4.8	4.7	23.2	18.1	15.8	32%	31%	33%	5.0%	5.0%	5.0%
Iberdola	6.36	8.9	8.3	7.9	2.2	2.1	2.1	13.5	12.7	12.0	25%	26%	26%	5.2%	5.5%	5.8%
National Grid	795.30	10.1	10.2	9.5	3.4	3.3	3.1	13.6	13.9	13.1	34%	32%	33%	0.0%	0.0%	0.0%
Red Electrica	18.15	9.5	9.2	9.3	7.3	7.1	7.2	13.9	13.4	13.8	77%	77%	77%	5.4%	5.8%	5.9%
RWE	21.67	7.5	7.3	9.8	0.9	0.9	1.4	14.6	12.8	11.1	12%	12%	14%	3.2%	3.7%	4.5%
SSE	1123.00	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	40.06	10.3	8.9	8.1	3.3	3.0	2.8	37.8	29.5	24.7	32%	33%	35%	1.2%	1.6%	1.9%
CEZ	567.50	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	8.86	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	7.50	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	13.6	12.8	12.0	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 (2018-09-18)

	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	4750.00	8.0	7.4	7.0	2.6	2.4	2.2	11.6	10.5	9.8	32%	32%	32%	6.4%	6.8%	6.9%
Uralkali	88.00	4.8	4.9	-	2.5	2.6	-	3.8	4.1	-	53%	53%	-	0.0%	0.0%	-
Phosagro	2650.00	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	18.34	7.9	7.0	6.3	1.6	1.5	1.5	13.9	10.2	8.9	20%	22%	23%	3.1%	4.2%	4.5%
Yara International	379.70	-	54.3	44.3	8.5	8.2	7.4	-	-	-	12%	15%	17%	0.2%	0.4%	0.5%
The Mosaic Company	31.49	8.7	7.8	7.4	1.7	1.6	1.6	20.8	16.2	13.6	20%	21%	22%	0.3%	0.3%	0.7%
CF Industries	52.50	13.7	11.5	10.8	4.4	4.0	3.9	45.1	26.4	21.0	32%	35%	36%	2.4%	2.4%	2.5%
Israel Chemicals	2160.00	7.9	8.7	8.2	1.8	1.7	1.7	16.6	15.1	13.9	23%	20%	20%	0.0%	0.0%	0.0%
Grupa Azoty	31.04	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*	16.90	8.7	6.5	5.2	0.7	0.6	0.6	26.0	13.7	9.2	8%	10%	12%	3.1%	3.0%	3.0%
ZCh Pulawy*	91.80	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	13.8	11.9	9.8	20%	21%	21%	3.1%	2.4%	2.7%
CHEMICAL COMPANIES																
Ciech	46.86	5.0	4.7	4.2	1.0	1.0	0.9	7.3	6.9	6.1	20%	21%	21%	16.0%	7.5%	9.4%
Akzo Nobel	80.46	18.5	15.5	13.7	2.3	2.2	2.1	28.4	23.6	19.8	13%	14%	16%	2.7%	2.8%	2.9%
BASF	78.34	7.2	6.9	6.5	1.4	1.3	1.3	12.0	11.1	10.4	19%	19%	19%	4.1%	4.3%	4.5%
Croda	5114.00	17.4	16.1	15.2	5.0	4.8	4.6	26.8	24.8	23.2	29%	30%	30%	0.0%	0.0%	0.0%
Sisecam	6.00	5.4	4.4	3.5	1.2	1.0	0.8	10.0	8.7	7.0	22%	23%	24%	3.2%	3.9%	4.3%
Soda Sanayii	7.29	8.5	7.0	5.5	2.2	1.8	1.7	8.1	7.3	5.9	26%	26%	31%	4.2%	5.6%	7.1%
Solvay	114.00	6.4	6.0	5.6	1.4	1.3	1.2	13.8	13.0	11.4	21%	22%	22%	3.3%	3.3%	3.4%
Tata Chemicals	741.15	9.0	8.3	7.9	1.7	1.7	1.6	15.9	16.4	15.0	19%	21%	21%	1.7%	1.6%	1.7%
Tessenderlo Chemie	32.75	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	113.60	6.2	6.0	5.7	1.3	1.3	1.2	16.2	14.7	13.6	21%	21%	21%	3.5%	3.8%	4.2%
Median		7.5	6.6	5.8	1.4	1.3	1.3	14.8	12.6	11.0	21%	21%	21%	3.2%	3.8%	4.2%

Machine and equipment manufacturers (2018-09-18)

	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	251.75	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	149.07	10.5	9.6	8.8	2.1	2.0	1.9	12.9	11.7	10.7	20%	21%	21%	2.2%	2.3%	2.5%
Duro Felguera	0.03	-	-	-	0.8	0.8	-	-	-	-	-	-	-	0.0%	0.0%	-
Famur	5.12	7.0	6.3	5.9	1.5	1.5	1.3	16.1	12.7	11.1	21%	23%	23%	8.6%	8.8%	5.5%
Komatsu	3163.00	10.0	7.3	6.9	1.5	1.4	1.3	15.7	11.9	10.6	15%	19%	19%	2.4%	3.2%	3.7%
Sandvig AG	152.90	8.4	8.3	8.0	2.0	2.0	1.9	14.8	13.9	13.0	24%	23%	24%	2.7%	2.9%	3.2%
Median		9.2	7.8	7.4	1.5	1.5	1.6	15.2	12.3	10.9	21%	22%	22%	2.4%	2.9%	3.5%

Mining company valuations (2018-09-18)

		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	66.40	2.0	2.2	2.9	0.7	0.7	0.7	4.0	5.3	8.3	33%	30%	25%	0.0%	7.5%	9.5%
KGHM	85.50	4.3	3.2	2.9	1.1	0.8	0.8	7.2	5.7	5.6	25%	26%	26%	0.0%	3.4%	6.2%
LW Bogdanka*	59.30	3.2	2.8	2.7	1.0	1.0	0.9	13.9	9.4	8.8	32%	34%	34%	2.0%	3.1%	4.4%
FOREIGN COMPANIES																
Anglo American	1576.00	4.1	4.3	4.6	1.3	1.3	1.3	8.7	9.3	10.2	32%	31%	28%	0.0%	0.0%	0.0%
Antofagasta	790.60	4.9	4.3	4.1	2.5	2.3	2.3	12.9	11.0	10.8	51%	54%	55%	0.0%	0.0%	0.0%
BHP Billiton	31.48	3.7	3.9	4.0	2.0	2.1	2.1	13.1	13.2	14.7	54%	54%	52%	2.7%	2.9%	2.5%
Boliden	232.70	4.4	4.7	4.8	1.2	1.2	1.2	8.6	9.6	10.0	28%	26%	26%	7.3%	6.8%	7.0%
First Quantum	16.14	8.2	5.8	4.5	3.8	3.0	2.4	15.7	9.5	6.8	46%	51%	54%	0.0%	0.1%	0.2%
Freeport-McMoRan	14.01	3.9	5.8	4.6	1.5	1.9	1.7	7.4	12.3	8.8	39%	33%	37%	1.3%	2.0%	3.5%
Hudbay Min	6.17	2.6	2.6	2.5	1.2	1.2	1.1	8.6	7.8	6.8	44%	45%	46%	0.2%	0.2%	0.2%
Lundin Min	6.64	4.3	3.8	3.0	1.8	1.7	1.5	13.3	12.0	8.5	42%	45%	48%	1.4%	1.2%	1.3%
MMC Norilsk Nickel	17.07	5.8	5.6	5.5	2.9	2.8	2.8	7.7	7.6	8.0	51%	51%	51%	9.3%	11.1%	11.0%
OZ Minerals	8.40	4.7	4.8	3.9	2.2	2.2	1.8	13.7	14.8	10.4	47%	46%	47%	2.3%	1.9%	2.7%
Rio Tinto	3615.50	4.1	4.4	4.4	1.9	1.9	1.9	10.0	11.0	11.1	46%	44%	43%	0.0%	0.0%	0.0%
Sandfire Resources	6.64	2.7	2.4	2.0	1.4	1.3	1.1	8.2	6.7	4.8	52%	52%	55%	4.2%	4.7%	6.5%
Southern CC	41.81	9.5	8.5	8.1	4.9	4.4	4.3	16.9	15.0	14.4	51%	52%	53%	4.1%	3.4%	3.4%
Vedanta Resources	825.80	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		4.4	4.4	4.2	1.8	1.9	1.8	11.0	10.3	9.4	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 (2018-09-18)

	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	4.68	5.5	5.9	5.9	1.4	1.5	1.5	42.6	51.4	45.0	25%	25%	26%	0.0%	0.0%	0.0%
Orange Polska	4.35	4.1	3.7	3.3	1.1	1.0	1.0	19.1	10.5	7.2	27%	28%	29%	0.0%	0.0%	5.7%
Play	20.42	5.5	5.4	5.1	1.7	1.7	1.6	6.5	7.3	7.2	32%	31%	31%	12.7%	6.4%	6.4%
Median		5.5	5.4	5.1	1.4	1.5	1.5	19.1	10.5	7.2	27%	28%	29%	0%	0.0%	5.7%
MID CAPS																
Proximus	20.69	5.0	5.0	4.9	1.6	1.6	1.6	12.0	11.8	11.6	32%	32%	32%	7.2%	7.2%	7.3%
Telefonica CP	257.00	8.5	8.4	8.4	2.3	2.3	2.3	14.8	14.1	13.7	27%	27%	27%	7.9%	7.9%	7.9%
Hellenic Telekom	10.38	4.6	4.5	4.4	1.6	1.5	1.5	18.3	15.4	13.9	34%	34%	35%	4.4%	5.6%	6.2%
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	7.25	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	230.90	4.4	4.5	4.5	1.4	1.4	1.4	8.5	8.7	8.7	32%	31%	32%	0.0%	0.0%	0.0%
DT	13.88	5.8	5.5	5.2	1.7	1.7	1.6	14.5	12.8	11.8	30%	31%	31%	5.1%	5.5%	5.9%
KPN	2.29	7.0	6.9	6.8	2.7	2.7	2.7	20.3	18.2	15.9	39%	40%	40%	5.6%	8.0%	9.2%
Orange France	13.67	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	446.90	7.3	7.3	7.4	2.6	2.7	2.7	15.4	15.5	15.7	36%	36%	36%	4.9%	4.9%	4.9%
Telefonica S.A.	6.71	5.6	5.5	5.5	1.8	1.8	1.8	9.6	8.7	8.2	32%	32%	33%	6.0%	6.1%	6.2%
Telia Company	41.10	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%	6.0%
TI	0.57	4.3	4.2	4.2	1.9	1.9	1.9	8.2	7.6	7.2	43%	44%	44%	0.7%	1.4%	2.5%
Median		5.7	5.5	5.3	1.8	1.8	1.8	13.5	12.2	11.1	32%	33%	33%	5.1%	5.5%	5.8%

Media company valuations (2018-09-18)

	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	8.72	3.4	3.8	3.8	0.4	0.4	0.4	43.8	54.6	17.4	11%	10%	10%	5.7%	5.7%	5.7%
Cyfrowy Polsat	22.04	6.9	6.1	5.6	2.3	2.1	1.9	12.9	10.9	9.8	34%	34%	34%	0.0%	1.5%	2.3%
Median		5.1	4.9	4.7	1.4	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	1.48	6.3	5.5	5.5	0.5	0.5	0.5	12.8	9.6	9.5	7%	9%	9%	0.7%	1.6%	2.4%
Axel Springer	59.00	10.7	9.8	9.0	2.5	2.4	2.3	20.6	18.4	16.5	23%	24%	25%	3.5%	3.7%	3.9%
Daily Mail	745.50	11.8	11.5	11.2	1.8	1.8	1.7	18.5	18.4	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	10.0	10.3	7%	8%	8%	1.5%	3.5%	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	1.91	8.5	8.1	7.3	1.7	1.7	1.7	12.1	17.3	16.2	20%	21%	23%	0.4%	0.4%	0.7%
Reach	66.10	1.7	1.7	1.6	0.4	0.4	0.4	1.8	1.7	1.8	23%	24%	25%	0.0%	0.0%	0.0%
Median		8.5	8.1	7.3	1.7	1.7	1.7	12.8	17.3	15.3	17%	18%	21%	0.7%	0.7%	0.7%
TV																
Atresmedia Corp	5.69	7.4	7.0	6.8	1.4	1.4	1.4	8.9	8.4	8.2	19%	20%	20%	9.4%	10.1%	10.4%
Gestevisión Telecinco	6.37	7.5	7.2	6.8	1.9	1.9	1.9	10.8	10.4	10.3	26%	27%	28%	9.3%	9.5%	9.6%
ITV PLC	153.25	8.2	8.1	7.6	2.2	2.1	2.1	10.0	10.0	9.2	27%	26%	27%	0.0%	0.0%	0.0%
M6-Metropole Tel	17.66	5.3	5.2	5.1	1.5	1.5	1.4	12.9	12.4	11.9	28%	28%	28%	5.6%	5.9%	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	335.80	12.3	11.5	10.3	1.2	1.2	1.1	21.4	20.1	17.6	10%	10%	11%	3.8%	4.0%	4.1%
Prosieben	22.65	6.7	6.3	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	63.00	7.8	7.6	7.3	1.6	1.6	1.5	13.5	12.3	12.3	21%	21%	21%	6.4%	6.4%	6.5%
TF1-TV Francaise	9.44	5.0	4.3	4.1	0.8	0.8	0.8	16.0	11.3	10.4	17%	19%	20%	3.9%	4.8%	5.3%
Median		7.1	6.7	6.4	1.5	1.5	1.5	13.2	11.2	10.3	25%	26%	27%	4.9%	5.9%	6.3%
PAY TV																
Sky PLC	1565.50	14.2	13.3	11.9	2.4	2.3	2.2	24.0	22.3	19.4	17%	17%	19%	0.0%	0.0%	0.0%
Cogeco	65.21	5.4	5.0	4.9	2.4	2.3	2.2	10.4	10.4	10.7	45%	46%	46%	2.9%	3.2%	3.2%
Comcast	37.74	8.0	7.7	7.3	2.6	2.5	2.4	14.9	13.5	11.8	32%	33%	33%	2.0%	2.2%	2.5%
Dish Network	37.08	8.5	9.6	11.1	1.7	1.7	1.8	13.7	16.4	22.9	20%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	28.24	5.9	5.8	5.6	2.8	2.8	2.7	-	52.1	34.1	47%	48%	48%	0.0%	0.0%	0.0%
Shaw Communications	19.76	8.2	7.6	7.0	3.2	3.1	2.9	23.3	18.6	15.8	39%	40%	42%	7.8%	7.9%	8.0%
Median		8.1	7.6	7.2	2.5	2.4	2.3	14.9	17.5	17.6	36%	37%	37%	1.0%	1.1%	1.3%

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

IT company valuations (2018-09-18)

	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*	19.45	5.6	5.6	5.4	0.1	0.1	0.1	5.2	4.9	4.5	1%	1%	1%	0.0%	2.6%	4.8%
Asseco Poland	43.28	7.9	7.7	7.7	1.0	1.0	1.0	12.7	14.0	13.9	13%	13%	13%	7.0%	4.6%	4.6%
Comarch	164.00	9.3	8.1	7.7	1.1	1.0	1.0	23.6	17.4	15.9	12%	13%	13%	0.9%	6.1%	6.1%
Median		7.9	7.7	7.7	1.0	1.0	1.0	12.7	14.0	13.9	12%	13%	13%	0.9%	4.6%	4.8%
FOREIGN COMPANIES																
Atos Origin	103.35	6.5	5.8	5.5	0.9	0.8	0.8	11.9	10.6	10.1	14%	14%	15%	1.8%	2.0%	2.1%
CapGemini	109.65	10.6	9.9	9.3	1.5	1.4	1.4	18.4	16.5	15.1	14%	14%	15%	1.7%	1.8%	2.0%
IBM	148.56	8.6	8.3	8.7	2.1	2.1	2.1	10.8	10.6	10.1	24%	25%	24%	4.2%	4.4%	4.5%
Indra Sistemas	9.95	7.7	7.0	6.5	0.8	0.7	0.7	14.5	12.2	10.9	10%	10%	11%	0.7%	1.9%	2.4%
Microsoft	113.21	18.0	15.5	13.9	7.4	6.6	6.0	29.5	26.6	23.3	41%	42%	43%	1.5%	1.6%	1.7%
Oracle	49.03	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	103.02	16.4	14.5	13.1	5.2	4.8	4.5	23.5	21.0	18.8	32%	33%	34%	1.4%	1.6%	1.7%
TietoEnator	28.00	10.4	10.0	9.6	1.4	1.3	1.3	15.9	15.2	14.6	13%	13%	13%	5.1%	5.3%	5.4%
Median		10.2	9.8	9.3	1.8	1.8	1.7	15.9	14.9	14.1	19%	20%	19%	1.6%	1.9%	2.0%

Construction company valuations (2018-09-18)

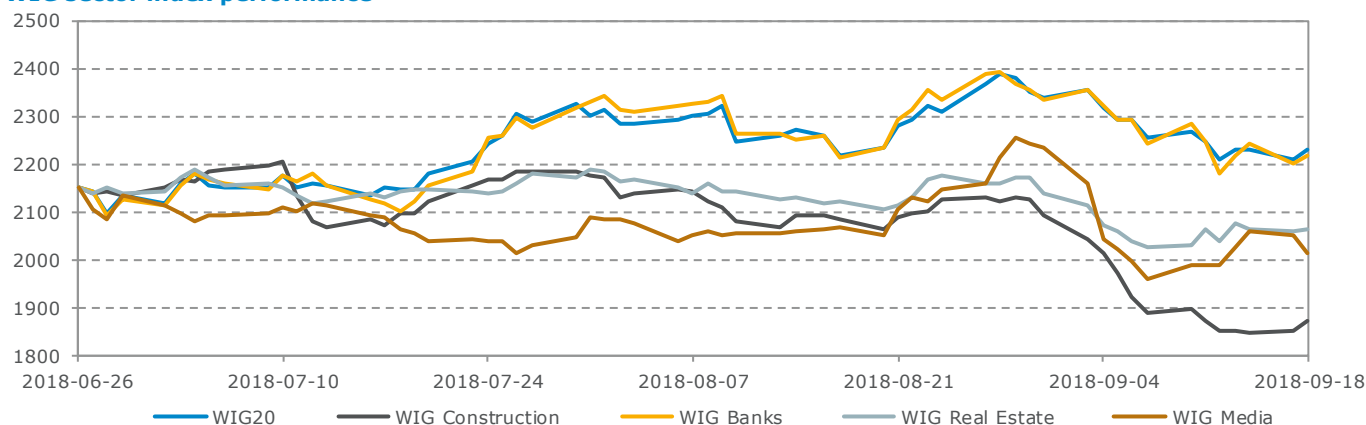
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Budimex	101.20	3.2	4.1	4.5	0.2	0.2	0.2	10.5	11.8	11.3	5%	4%	5%	17.4%	9.1%	8.0%
Elektrobudowa	30.80	1.3	1.3	1.3	0.1	0.1	0.1	6.2	6.0	5.9	5%	5%	6%	34.1%	16.2%	16.2%
Elektrotim	4.04	4.4	3.7	3.0	0.1	0.1	0.1	24.5	10.3	8.1	3%	3%	4%	0.0%	5.0%	7.4%
Erbud	9.44	-	4.4	3.4	0.1	0.1	0.1	-	10.3	6.0	-	2%	2%	11.7%	0.0%	5.8%
Herkules	2.95	5.0	4.1	3.9	1.3	0.9	0.9	9.3	6.5	6.5	26%	23%	23%	2.4%	6.1%	6.8%
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	2.98	5.5	5.4	4.2	0.2	0.2	0.1	23.4	21.3	10.0	3%	3%	3%	3.4%	0.0%	6.7%
Ulma Construcion	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	4.92	3.7	2.8	2.6	0.1	0.1	0.1	5.6	4.8	5.3	3%	4%	3%	3.0%	6.2%	8.3%
ZUE	5.78	7.4	6.0	3.6	0.2	0.2	0.1	18.5	10.0	6.5	3%	3%	4%	0.0%	0.0%	5.2%
Median		4.4	3.9	3.3	0.1	0.1	0.1	10.5	9.3	6.5	3%	3%	4%	3.2%	5.3%	6.7%
FOREIGN COMPANIES																
Acciona	75.84	7.7	7.6	7.3	1.4	1.4	1.3	17.6	16.6	14.9	18%	18%	18%	4.0%	4.3%	4.4%
Astaldi	1.15	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	18.41	28.8	20.4	18.5	1.5	1.5	1.5	62.4	32.6	28.1	5%	7%	8%	4.0%	4.0%	4.1%
Hochtief	142.00	6.3	6.0	5.5	0.4	0.4	0.3	17.8	15.5	14.5	6%	6%	6%	3.2%	3.7%	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	152.45	7.2	5.2	4.8	0.3	0.2	0.2	14.9	10.6	9.5	3%	5%	5%	5.9%	6.3%	6.9%
Skanska	178.00	10.7	9.2	8.8	0.4	0.4	0.4	16.0	13.8	12.9	4%	5%	5%	4.7%	4.9%	5.0%
Strabag	33.90	3.4	3.3	3.2	0.2	0.2	0.2	11.7	11.5	10.8	6%	6%	6%	3.9%	4.1%	4.4%
Median		6.7	5.6	5.2	0.5	0.5	0.4	15.4	12.6	11.8	6%	7%	7%	3.9%	4.1%	4.4%

Real-estate developers (2018-09-18)

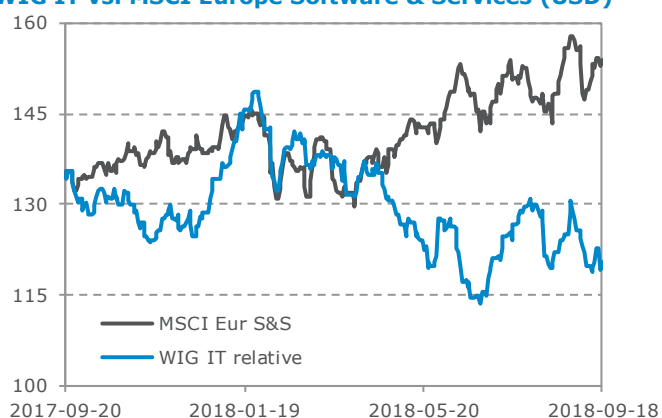
	Price	EV/EBITDA			P/BV			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
BBI Development	0.49	12.8	5.4	11.6	0.3	0.2	0.2	11.4	5.4	9.4	16%	52%	41%	0.0%	0.0%	0.0%
Dom Development	65.40	5.6	6.1	5.8	1.5	1.6	1.5	6.8	7.1	6.3	18%	17%	18%	11.6%	14.5%	14.0%
Echo Investment	4.27	6.9	7.2	8.7	1.0	1.0	1.0	5.8	5.4	6.6	77%	53%	39%	12%	12%	13.0%
GTC	8.38	14.5	13.7	12.4	0.9	0.9	0.8	10.1	8.7	7.6	88%	91%	94%	0.2%	0.2%	0.3%
i2 Development	13.90	7.5	6.3	2.3	0.5	0.5	0.5	4.2	4.8	3.1	17%	11%	20%	7.7%	11.8%	10.5%
J.W. Construction	2.87	8.7	3.8	4.4	0.4	0.3	0.3	7.8	3.1	3.8	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		9.3	6.7	8.7	0.5	0.5	0.5	7.3	6.1	6.5	17%	18%	20%	0%	4%	6%
FOREIGN COMPANIES																
Atrium European RE	3.91	15.0	14.9	14.7	0.8	0.8	0.8	12.7	12.5	11.8	86%	84%	82%	8.7%	7.1%	7.3%
CA Immobilien Anlagen	31.44	27.1	23.8	20.5	1.2	1.1	1.0	25.9	23.6	21.3	76%	82%	66%	2.7%	3.0%	3.3%
Deutsche Euroshop AG	28.82	16.7	16.7	16.5	0.8	0.8	0.8	13.0	13.0	13.0	89%	89%	89%	5.2%	5.4%	5.5%
Immofinanz AG	23.22	32.4	28.3	26.8	0.9	0.8	0.8	24.8	22.1	18.9	56%	62%	64%	3.2%	3.5%	3.6%
Klepierre	30.63	20.0	19.5	18.8	0.8	0.8	0.8	11.9	11.4	11.1	84%	84%	84%	6.9%	7.1%	7.4%
Segro	646.60	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	0.8	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)

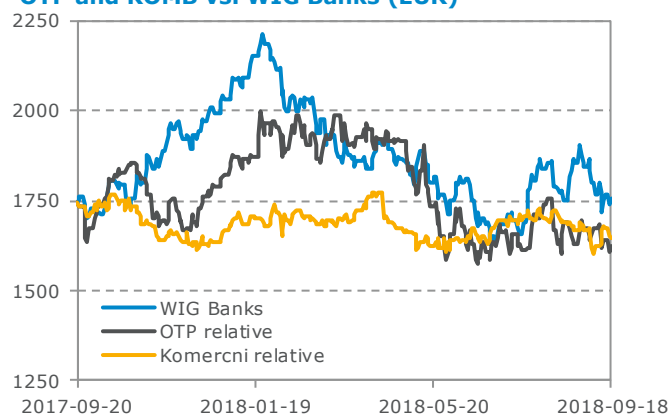
WIG sector index performance



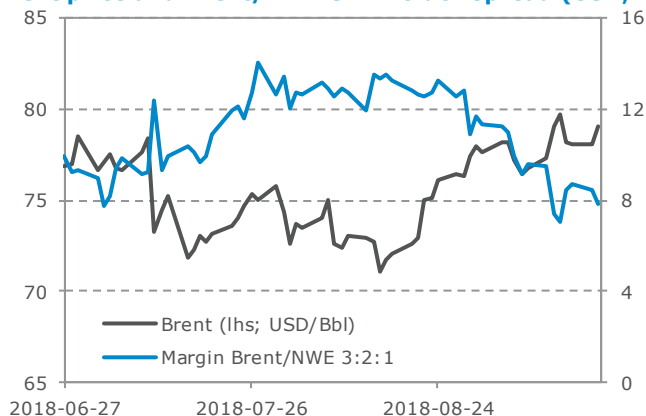
WIG IT vs. MSCI Europe Software & Services (USD)



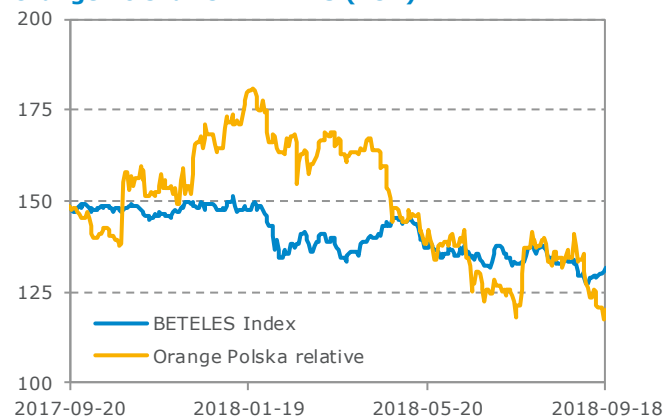
OTP and KOMB vs. WIG Banks (EUR)



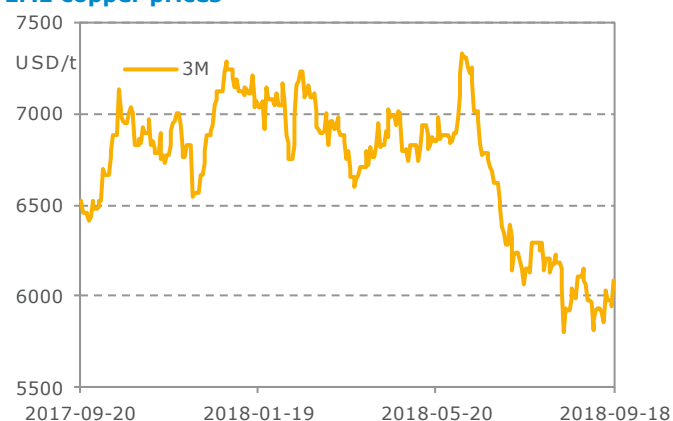
Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



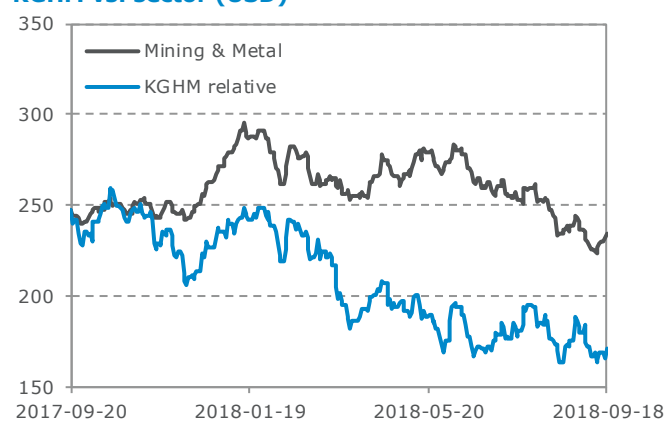
Orange Polska vs. BETELES (EUR)



LME copper prices



KGHM vs. sector (USD)

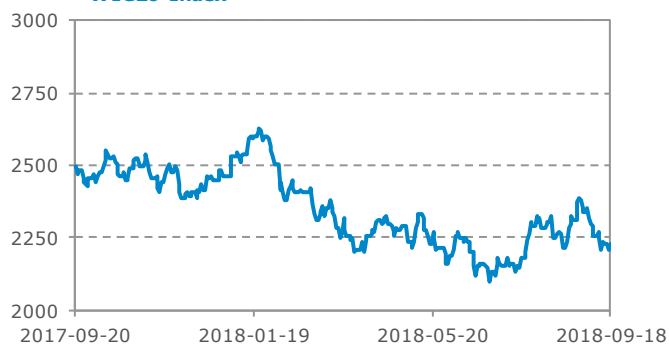


Source: Bloomberg

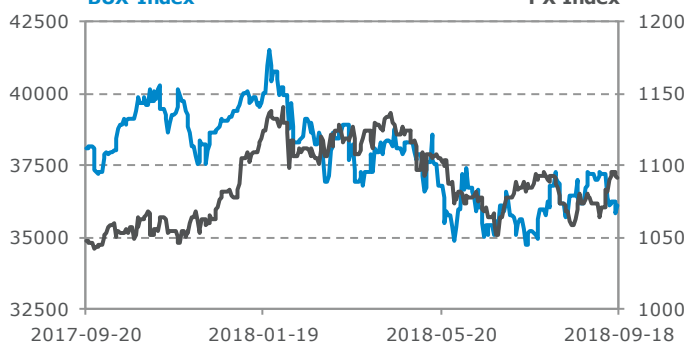
Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2018-09-18	26,076.21	26,317.34	26,076.21	26,246.96	+0.71%
S&P 500	2018-09-18	2,890.74	2,911.17	2,890.43	2,904.31	+0.54%
NASDAQ	2018-09-18	7,903.57	7,986.10	7,901.01	7,956.11	+0.76%
DAX	2018-09-18	12,097.19	12,184.41	12,064.41	12,157.67	+0.51%
CAC 40	2018-09-18	5,348.49	5,389.76	5,339.62	5,363.79	+0.28%
FTSE 100	2018-09-18	7,302.10	7,320.07	7,281.98	7,300.23	-0.03%
WIG20	2018-09-18	2,209.74	2,248.51	2,209.74	2,231.04	+0.91%
BUX	2018-09-18	35,818.69	36,157.92	35,448.29	36,110.89	+0.81%
PX	2018-09-18	1,092.08	1,096.96	1,090.67	1,091.64	-0.04%
RTS	2018-09-18	1,604.18	1,639.26	1,602.86	1,638.02	+2.35%
SOFIX	2018-09-18	627.84	630.26	626.54	629.86	+0.32%
BET	2018-09-18	8,170.24	8,286.98	8,165.73	8,286.98	+1.42%
XU100	2018-09-18	94,735.52	95,374.88	94,538.06	94,886.87	+0.57%
BETELES	2018-09-18	130.46	131.55	130.15	131.51	+0.89%
NIKKEI	2018-09-18	23,042.19	23,481.53	23,039.26	23,420.54	+1.41%
SHCOMP	2018-09-18	2,644.30	2,700.19	2,644.30	2,699.95	+1.82%
Copper (LME)	2018-09-18	5,858.00	6,118.50	5,855.00	6,086.00	+2.37%
Crude Oil (Brent)	2018-09-18	77.54	79.50	77.33	78.71	+1.08%
USD/PLN	2018-09-18	3.6794	3.6875	3.6652	3.6762	-0.09%
EUR/PLN	2018-09-18	4.2984	4.3047	4.2873	4.2891	-0.23%
EUR/USD	2018-09-18	1.1683	1.1724	1.1652	1.1667	-0.14%
USBonds10	2018-09-18	2.9793	3.0570	2.9756	3.0551	+0.0684
GRBonds10	2018-09-18	0.4580	0.4840	0.4420	0.4800	+0.0220
PLBonds10	2018-09-18	3.2320	3.2380	3.1890	3.2340	+0.0000

WIG20 Index



BUX Index



PX Index

S&P 500 (SPX Index)



NASDAQ (CCMP Index)

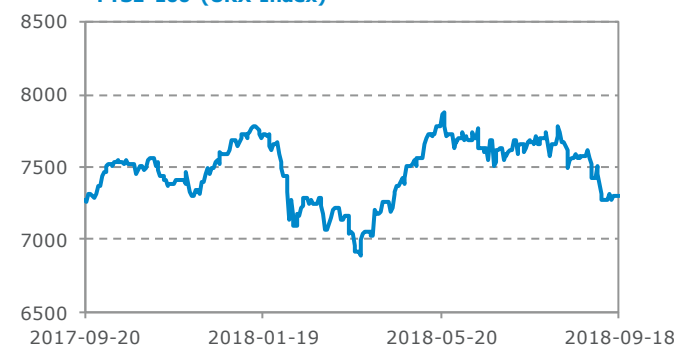
DOW JONES (INDU Index)



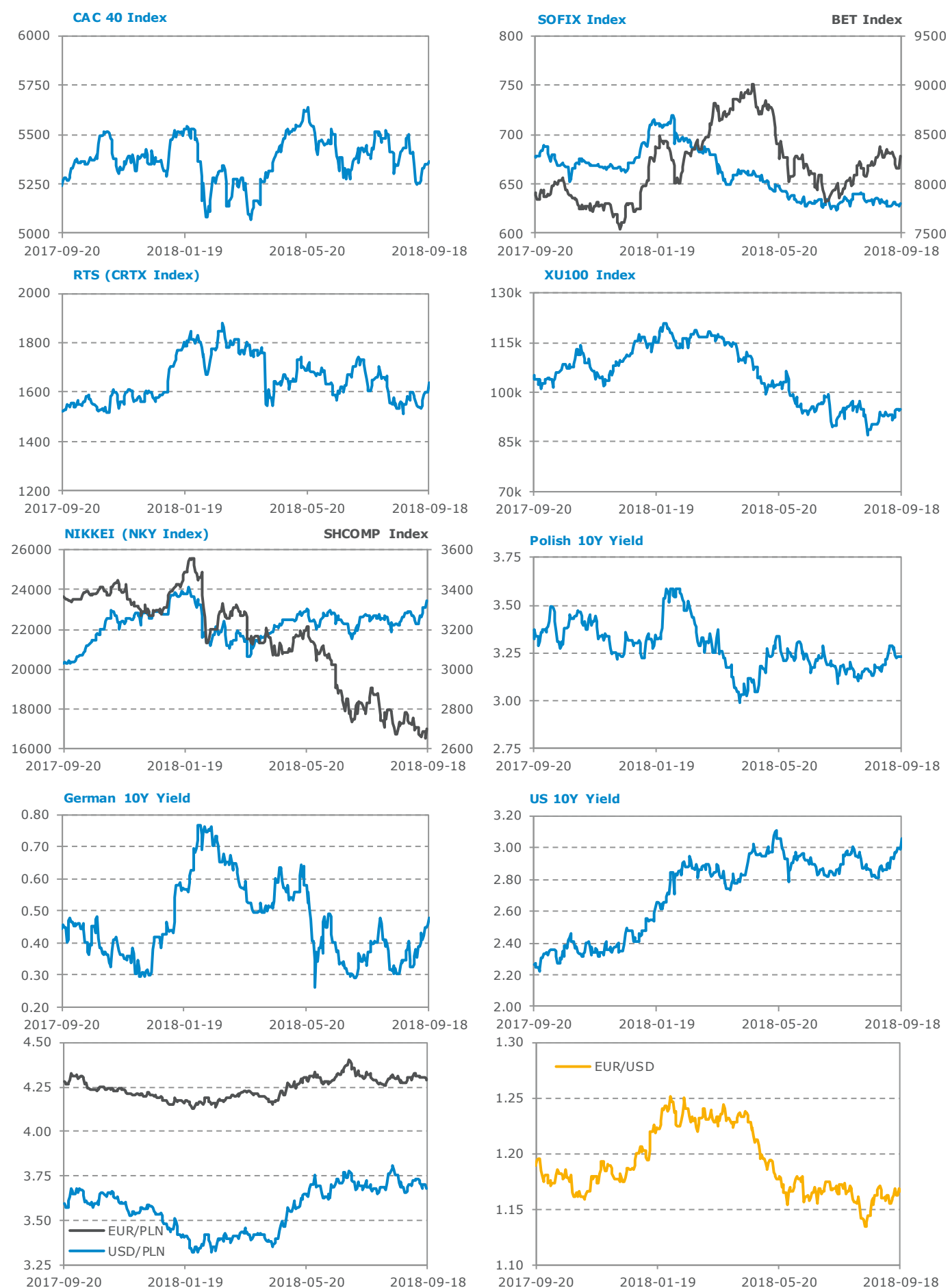
DAX Index



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.

mBank S.A. with its registered office in Warsaw at Senatorska 18 renders brokerage services in the form of derived organisational unit—Brokerage Office which uses name Dom Maklerski mBanku.

The present report expresses the knowledge as well as opinions of the authors on day the report was prepared. The opinions and estimates contained herein constitute our best judgment at this date and time, and are subject to change without notice. The present report was prepared with due care and attention, observing principles of methodological correctness and objectivity, on the basis of sources available to the public, which Dom Maklerski mBanku considers reliable, including information published by issuers, shares of which are subject to recommendations. However, Dom Maklerski mBanku, in no case, guarantees the accuracy and completeness of the report, in particular should sources on the basis of which the report was prepared prove to be inaccurate, incomplete or not fully consistent with the facts.

This document does not constitute an offer or invitation to subscribe for or purchase any financial instruments and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. It is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. This document nor any copy hereof is not to be distributed directly or indirectly in the United States, Australia, Canada or Japan.

Recommendations are based on essential data from the entire history of a company being the subject of a recommendation, with particular emphasis on the period since the previous recommendation.

Investing in shares is connected with a number of risks including, but not limited to, the macroeconomic situation of the country, changes in legal regulations as well as changes on commodity markets. Full elimination of these risks is virtually impossible.

mBank S.A. bears no responsibility for investment decisions taken on the basis of the present report or for any damages incurred as a result of investment decisions taken on the basis of the present report.

It is possible that mBank S.A. in its brokerage activity renders, will render or in the past has rendered services for companies and other entities mentioned in the present report.

mBank S.A. does not rule out offering brokerage services to an issuer of securities being the subject of a recommendation. Information about any conflicts of interest that may arise in connection with the issuance of recommendations (should such a conflict exist) is provided below, and it is valid as of the date of the most recent Monthly Report published by Dom Maklerski mBanku or as of the date of the most recent recommendation issued for an Issuer, as applicable.

This document was not transferred to the issuers prior to its publication.

mBank S.A. serves as underwriter for the following issuers: Asseco Business Solutions (a unit of Asseco Poland), Atal, BOŚ, BZ WBK, Capital Park, Ergis, ES-System, IMS, MLP Group, Neuca, PBKM, Pemug, Polimex-Mostostal, Solar Company, TXM, Vistal Gdynia, Zastal, ZUE.

mBank S.A. serves as market maker for the following issuers: Alior Bank, Asseco Business Solutions (a unit of Asseco Poland), Atal, BOŚ, BZ WBK, Capital Park, CCC, Cyfrowy Polsat, Enea, Energa, Ergis, ES-System, Eurocash, IMS, JSW, KGHM, Kruk, Lotos, LW Bogdanka, MLP Group, Neuca, Orange Polska, PBKM, PGNiG, PKN Orlen, Polimex-Mostostal, PZU, Solar Company, Tauron, TXM, Vistal Gdynia, Zastal, ZUE.

mBank S.A. may have received compensation from the following companies in the last 12 months: Agora, Alchemia, Alior Bank, Ambra, Amica, Asseco Business Solutions (a unit of Asseco Poland), Atal, Bank Handlowy, Bank Millennium, Bank Pekao, BEST, BGŻ BNP Paribas, Boryszew, BOŚ, BZ WBK, Capital Park, CCC, CD Projekt, Cognor, Cyfrowy Polsat, Echo Investment, Elemental Holding, Elzab, Enea, Energa, Energoapartatura, Erbud, Ergis, Erste Bank, ES-System, Eurocash, Famur, Ferrum, GetBack, Getin Holding, Getin Noble Bank, Groclin, Grupa Azoty, i2 Development, Impexmetal, IMS, INDATA, ING BSK, JSW, KGHM, Kopex, Kruk, LC Corp, LW Bogdanka, Mennica Polska, MLP Group, Mostostal Warszawa, Netia, Neuca, Oponeo.pl, Orange Polska, Orbis, OTP Bank, PA Nova, PBKM, Pekabex, Pemug, PGE, PGNiG, PKN Orlen, PKO BP, Polimex-Mostostal, Polnord, Prochem, Projprzem, PZU, Raiffeisen Bank International, Rawlplug, Robyg, Rubicon Partners NFI, Seco/Warwick, Skarbiec Holding, Solar Company, Stelmet, Sygnyty, Tarczyński, Tauron, TXM, Unibep, Uniwheels, Work Service, Vistal Gdynia, YOLO, Zastal, ZUE.

In the last 12 months mBank S.A. has been an offering agent/co-manager of the issuer's shares in a public offering for the following companies: Cognor Holding.

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.

mBank S.A., its shareholders and employees may hold long or short positions in the issuers' shares or other financial instruments related to the issuers' shares. mBank, its affiliates and/or clients may conduct or may have conducted transactions for their own account or for account of another with respect to the financial instruments mentioned in this report or related investments before the recipient has received this report.

Copying or publishing the present report, in full or in part, or disseminating in any way information contained in the present report requires the prior written agreement of mBank S.A. Recommendations are addressed to all Clients of Dom Maklerski mBanku.

Recommendations are addressed to all Clients of Dom Maklerski mBanku.

The activity of mBank S.A. is subject to the supervision of the Polish Financial Supervision Commission.

Individuals who did not participate in the preparation of recommendations, but had or could have had access to recommendations prior to their publication, are employees of Dom Maklerski mBanku authorised to access the premises in which recommendations are prepared and/or individuals having to access to recommendations based on their corporate roles, other than the analysts mentioned as the authors of the present recommendations.

This publication constitutes investment research within the meaning of Art. 36.1 of Commission Delegated Regulation (EU) 2017/565.

The compensation of the research analysts responsible for preparing investment research is determined independently of and without regard to the compensation of or revenue generated by any other employee of the Bank, including but not limited to any employee whose business interests may reasonably be considered to conflict with the interests of the persons to whom the investment research prepared by the Research Department of Dom Maklerski mBanku is disseminated. With that being said, since one of the factors taken into consideration when determining the compensation of research analysts is the degree of fulfillment of annual financial targets by customer service functions, there is a risk that the adequacy of compensation offered to persons preparing investment research will be questioned by a competent oversight body.

For U.S. persons only: This research report is a product of mBank SA which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by mBank SA only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, mBank SA has entered into an agreement with a U.S. registered broker-dealer, Cabrera Capital Markets. ("Cabrera"). Transactions in securities discussed in this research report should be effected through Cabrera or another U.S. registered broker dealer.

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.

Dom Maklerski mBanku

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

Research Department

Kamil Kliszc

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

Jakub Szkopek

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

Piotr Bogusz

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

Michał Marczak

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

Paweł Szpigel

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

Michał Konarski

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

Piotr Zybala

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

Sales and Trading

Traders

Piotr Gawron

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

Jędrzej Łukomski

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

Andrzej Sychowski

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

Krzysztof Bodek

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

Adam Prokop

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

Tomasz Galanciak

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

Tomasz Jakubiec

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

Szymon Kubka, CFA, PRM

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

Magdalena Bernacik

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

Sales, Foreign Markets

Marzena Łempicka-Wilim

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

Bartosz Orzechowski

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

Private Client Sales

Kamil Szymański

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

Jarosław Banasiak

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