

Thursday, September 20, 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	26,405.8	+0.61%	FTSE 100	7,331.1	+0.42%	Copper (LME)	6,121.0	+0.58%
S&P 500	2,908.0	+0.13%	WIG20	2,259.1	+1.26%	Crude Oil (Brent)	79.21	+0.64%
NASDAQ	7,950.0	-0.08%	BUX	36,386.4	+0.76%	USD/PLN	3.6721	-0.11%
DAX	12,219.0	+0.50%	PX	1,098.4	+0.62%	EUR/PLN	4.2862	-0.07%
CAC 40	5,393.7	+0.56%	PLBonds10	3.222	-0.012	EUR/USD	1.1673	+0.05%

Company & Sector News

Banks

Polish banks posts PLN 1,289m net profit in July

According to Polish Central Bank, Polish banking sector net profit came in at PLN 1,289m in July, -7.5% M/M and -1.1% Y/Y. The monthly decline in net profit came in mainly due to higher other operating costs (+PLN 362m M/M). Total income increased 2.1% M/M, with net interest income up 0.7% M/M and net fee income up by 11.7%. Net provisioning declined by 22.7% M/M. The aggregated net profit for 7M'18 increased by 13.9% Y/Y to PLN 9,120m. The results were supported by higher NII (+8.7% Y/Y) and lower provisioning (-2.4% Y/Y). At the same time, total costs increased by 11.9% Y/Y with G&A costs increasing by 5.9%. **Overall we find the July results neutral. On the one hand, we are happy to see the substantial decline in cost of risk (58bps in July vs 75bps in June), but on the other we are worried about the decline in net interest margin by 6 bps M/M, and by the increase of operating costs. If the Polish banking sector were able to maintain the net profit from July in the remainder of the year, the FY2018 sector net profit could increase by 14.1% Y/Y.** (M. Konarski, M. Polańska)

Power utilities

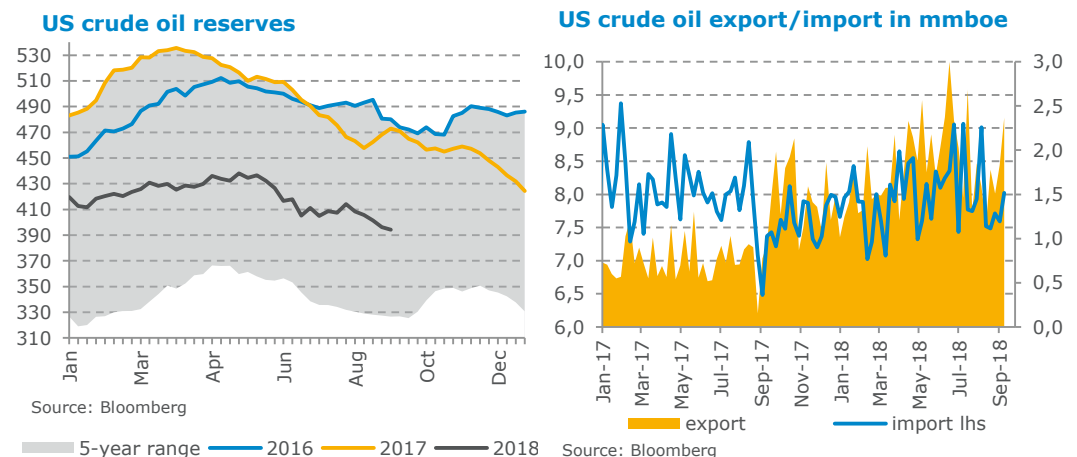
Polish Watchdog may support Utilities in 2019 price tariff

Head of the Poland's energy watchdog URE, Maciej Bando, said the regulator may need to guard the interests of utilities when making tariff decisions for 2019. TMr. Bando's statement follows earlier press reports suggesting that state-owned generators may be asked to keep prices for households unchanged ahead of the upcoming local government elections. **Mr. Bando's declaration backs our view that the market is overestimating potential trading losses that Polish utilities face in 2019. In our view, the recent doom-and-gloom scenarios for the industry arising from height carbon allowance prices were exaggerated, and completely ignored the flip side of the price upturn and its positive effects on the profits from generation. We laid out our arguments and calculations using the example of PGE in a special comment yesterday, which you can find at <https://tinyurl.com/y7f2stm4>** (K. Kliszcz)

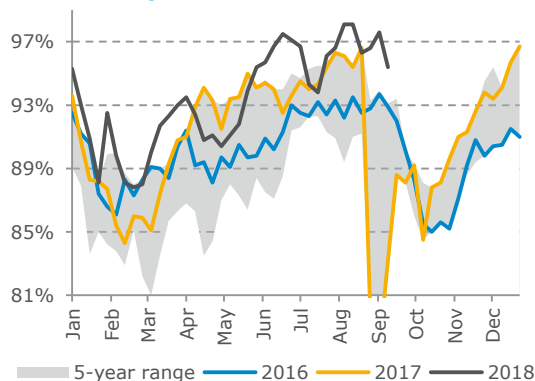
Oil&Gas

Oil extends gains on shrinking stockpiles and refining margins on lows

The weekly EIA report showed a decline in US domestic crude inventories for the fifth week in a row to the lowest level since February 2015 (-2.1 mmboe vs expected -2.5 mmboe), with net imports decreasing by 2% w/w. US refineries decreased utilization in line with seasonal pattern (95.4% vs 97.6%) but still CUR is significantly above the upper band of 3-year range of fluctuation. Gasoline supplies surprised positively this time, dropping by -1.7 mmboe/d vs +0.1 mmboe/d expected. Diesel inventories rose by 0.8 mmboe/d but +1.5 mmboe/d was expected. **The EIA report supported crude oil prices and pushed refining margins lower to yearly lows.** (K. Kliszcz)

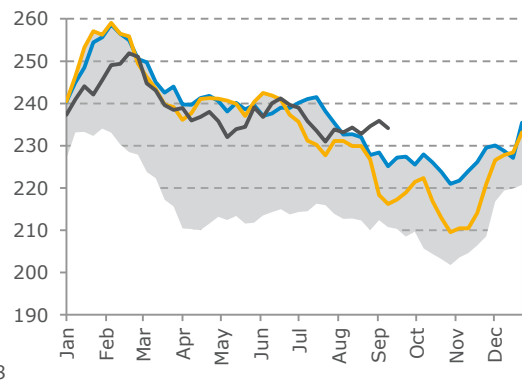


US refinery run rates



Source: Bloomberg

US gasoline reserves in mmboe



Source: Bloomberg

PKP Cargo

Dual-drive AI locomotive R&D cooperation

PKP Cargo signed a deal on R&D cooperation with rolling stock producer PESA and rail vehicle institute TABOR, with a view to build an autonomous locomotive with electric-combustion engine. The cooperation includes: (1) preparation of technical documentation for the locomotive, (2) commencement of design and research works based on a jointly agreed schedule, (3) launch of the locomotive construction process with necessary documentation to obtain a permit for placing it in service as a TSI-compliant vehicle, (4) operation of the locomotive at PKP Cargo – to be conducted during the first 12 months from its production date and commencement of operation by PKP Cargo. The agreement is connected with PESA's project to construct a dual-drive locomotive co-funded by EU (PLN 21.8m from PLN 46.6m) that is already under development and is scheduled to be operational in 4 years. Developed AI locomotive would be categorized with 3rd Grade of Automation (GoA3) meaning driverless train operation where starting and stopping are automated but a train attendant operates the doors and drives the train in case of emergencies. **Neutral information. PKP Cargo stated it is not obliged to purchase the finished locomotive. (P. Poniatowski)**

Quarterly Earnings Results

Atende

Overweight – 2018-03-28

2Q'18 results below expectations

- Atende reported results for Q2'18 better YoY, but below our expectations.
- Revenues amounted to PLN 57.5 million (in line with expectations). The parent company generated PLN 42.0 million (vs. PLN 41.9 million our assumptions). The breakdown of the segments shows the largest increase in revenues from the public sector (PLN 18.6 million, i.e. +45%), and a decrease in the segment of industrial solutions, trade and services (PLN 9.1 million, i.e. - 14.0% y / y, however, after a very good 1Q'18).
- The results of the parent company are in line with our expectations. Negative surprise results from the worse profit of subsidiaries. We expected them to generate PLN 7.7m in gross profit (vs. PLN 7.7m in Q1'17 and PLN 6.5m in the previous year). The companies showed a PLN 6.2m profit, which, with much higher YoY costs of SG & A (PLN 6.3m vs. PLN 4.7m in Q2'17) translated into a loss on the EBIT line of PLN 0.3m.
- The tax amounted to PLN 0.4 million. Net profit was PLN 1.8m vs. PLN 2.9 million our expectations.
- In Q2'18, the margin on the sale of subscription services amounted to PLN 10.1 million, which means an increase by 9% y / y. However, the margin generated covered 44% of the fixed costs of the Atende group in the period (49% a year earlier and 49% in the first quarter of 2018). The lower margin was obtained from the distribution of multimedia content.
- CFO in Q2'18 amounted to PLN -9.1 million (-PLN 79.2 million from the beginning of the year). The parent company showed a PLN 126.1m change in the liability / reserve line in H1'18 in the cash flow statement - this is related to the performance of the contract for the Ministry of National Defense.
- To sum up, we perceive Atende's results for Q2'18 negatively due to the relatively weak performance of subsidiaries. At the same time, we point out that the share price of Atende has fallen >20% in the last 5 months, and assuming only a repeat of the net profit for the whole year (PLN 12.7 million, our forecast is PLN 15.8 million) P/E'18 is <10.0x. The Management Board in the report stated that the Group's operating and financial situation was similar to last year's. The significant seasonality of the business means that the Group generates most of its profits in Q4'18. In the opinion of the Board, despite the small loss achieved in 1H'18, the results of the Atende group throughout 2018 should be good. (P. Szpigel)**

Q2 2018 actuals vs. expectations

(PLN m)	Q2'18	Q2'17	change	Q2'18E	differ.
Revenue	57.5	50.6	13.7%	57.3	0.5%
EBITDA	1.8	0.2	-	2.9	-37.3%
EBITDA margin	3.2%	0.4%	-	5.1%	-
EBIT	0.0	-1.4	-	0.9	-
Pre-tax profit	-0.8	-1.5	-	1.1	-
Net profit	-1.0	-1.8	-	0.8	-

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

JWC

Neutral – 2018-06-22

Q2'18: Surprising loss on core business

- JWC posted disappointing 2018 Q2 results.
- Most of all, the company reported a negative gross profit margin from residential developments (-32% compared to +18% last year) for reasons which are unclear to us. Possibly the company wrote off some residential assets, but we didn't find details in the notes.
- JWC handed over only 52 flats in Q2'18 (-64% y/y) and only 129 in 1H'18 (-55 y/y), which explains the decline in revenue.
- Net debt at the end of June amounted to PLN 268m (+9% y/y, +5% q/q).
- To sum up, JWC's results are disappointing and most likely the company will not deliver our full-year forecast. In our opinion the company is unattractive from the investment point of view, however we see other residential developers that look relatively cheap and should deliver good financial results and high dividend next year (LCC, 1AT, DOM, ARH, LKD). (P. Zybala)**

Q2 2018 actuals vs. expectations

(PLN m)	Q2'18	Q2'17	change	H1'18	H1'17	change	2018E	YTD/2018E
Revenue	39.2	61.3	-36.0%	89.8	135.3	-33.7%	795.3	11%
Gross profit	-7.6	12.0	-	4.4	30.2	-85.4%	106.6	4%
margin	-19.4%	19.6%	-	4.9%	22.3%	-	13.4%	-
EBIT excl. revaluation	-20.8	-4.5	-	-20.6	2.5	-	48.0	-43%
Revaluation	-0.3	-1.2	-	-4.1	-1.6	-	-3.8	-
EBIT	-21.1	-5.7	-	-24.7	0.8	-	48.0	-51%
Pre-tax profit	-27.6	-8.7	-	-27.6	-6.9	-	39.9	-69%
Net profit	-22.3	-5.6	-	-21.4	-3.5	-	32.7	-65%

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

TXM

Buy – 2018-07-04

Target price: PLN 3.48

Results improvement in Q2 2018

- TXM reported higher-than-expected earnings figures for the second quarter of 2018 mainly on better Gross Margin (improvement by 3pp y/y (!)) and strict cost control.**
- Sales revenue showed a 3.4% decrease year on year to PLN 93m, with revenue per square meter down 5.7% at PLN 294.
- The gross profit margin expanded by 3pp to 44.8% in Q2 2018 (!)** thanks to lower promotional activity in the quarter and higher stocking from Far East.
- Streamlining efforts reduced per-sqm SG&A by 8.9% y/y** to PLN 134 in spite, recording second in the row decline y/y in per-sqm SG&A. We expect further declines y/y in costs in the future.
- Other operating activity amounted to PLN 0.5m in Q1 2018 vs. PLN 1.4m in Q2 2017.
- Financial activity amounted to PLN -1,1m in 2Q 2018 vs. PLN 0,3m 2Q 2017.
- Operating cash flow was positive at PLN 8,4m vs. PLN 11,1m a year ago. Inventory per square meter increased by 3,6% y/y to PLN 244,5 in Q2 2018.
- The slow sales in the period were due to too low stocking, and the sales margin increased from the year-ago comparable level thanks to measures taken by the management, which also resulted in a substantial decrease in per-square-meter SG&A expenses. EBIT increased on slightly lower sales and we expect further results improvement in the following quarters. With the weak financials already priced in, we see upside potential in TXM as its sales and profits gather momentum in 4Q 2018 due to better stocking. (P. Bogusz)**

Q2 2018 actuals vs. expectations

(PLNm)	Q2'18	Q2'17	change	Q2'18E	change	2018E	2017	H1'18
Revenue	93.0	96.3	-3.4%	92.0	1.1%	409.4	379.0	166.4
EBITDA	2.3	-1.7	-	-0.4	-	-5.8	22.9	-8.2
EBITDA margin	2.5%	-1.7%	-	-0.4%	-	-1.4%	6.0%	-
EBIT	-0.2	0.0	-	-2.8	-	-0.5	16.6	-13.1
Pre-tax profit	-1.4	-3.5	-	-2.9	-	-1.4	15.8	-14.4
Net profit	-1.2	-3.0	-	-2.9	-	-1.1	11.7	-14.3

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

More News

GetBack

Polish anti-trust watchdog UOKiK treats the case of defunct debt collector GetBack as "top priority" and could eventually formulate charges of violating the collective interest of consumers concerning GetBack as well as Idea Bank, Lion's Bank and brokerage PDM, all of which offered their clients GetBack bonds, the regulator's deputy head Dorota Karczewska told MPs from the upper house economy committee.

ING BSK

Listed lender ING BSK launched an online payment gateway and expects to make it available at 3.5k e-stores within a year and a half, the bank's officials told a conference. The bank hopes that some 10% of transactions will be made via the delayed payment service Twisto provided by ING's unit Twisto.

Pekao

Listed bank Pekao will integrate brokerage operations within the group under Dom Maklerski Pekao with a view to simplifying processes, enhancing opportunities for clients and improving effectiveness, the bank said in a press release.

PKN Orlen

Listed fuels concern PKN Orlen will decide next year on entering an offshore windfarm project and potential ways of realizing and financing the project, executive director for energy projects Jaroslaw Dybowski told reporters at the sidelines of energy forum in Wroclaw.

Power prices will likely continue to rise due to the need to carry out investments in the sector, executive director for energy projects at PKN Orlen Jaroslaw Dybowski told reporters at the sidelines of energy forum in Wroclaw.

Fuel group PKN Orlen is starting the inspection of the halted 463 MWe gas-fired heat and power plant in Wloclawek this week, executive director for energy projects Jaroslaw Dybowski told reporters at the sidelines of energy forum in Wroclaw, adding it is too early to determine how much time will be needed to complete it.

Synektik

Medical firm Synektik saw asset manager AgioFunds TFI increase its holdings in the company to 6.67% from 3.28%, Synektik said in a filing.

Macroeconomics

Industrial output and producer prices decelerate in line with market consensus

Industrial output grew by 5.0% y/y in August. The result beat our expectations based on the difference in working days and some base effects. However, it would be hard for the output to escape the same factors in September, when we can expect another drop in annual growth.

The data corroborates that GDP growth is slowly drifting downwards. Still, the best point estimate for Q3 stays close to 4.8% y/y. Next months are set to be decisive for industrial output. There still remains the issue of capacity utilization in manufacturing (still, no acceleration private investment in this field) and forthcoming minor disruptions in supply chains expected with respect to recent new duties in international trade and general imports-substitution implemented by the Chinese government. Euro area is in the doldrums wherein the lion's share of Polish manufacturing is still attached.

Construction activity returned to solid growth. 20% y/y growth is a little bit higher than market consensus. The largest monthly acceleration (>10%) was recorded in infrastructure-related construction activity and much of it can be attributed to political calendar. The issue of higher costs, falling margins and inconclusive tenders is going to cast shadow on this sector's activity in coming months.

Producer prices increased by 3.0% y/y in August. The falling trajectory is clearly visible. However, so far it has not been the case for core prices in manufacturing when we expected (finally) some price pressures to build. Yet, nothing happened and good-old correlation between core producer prices and exchange rate trumped everything else (see the graph).

The data does not change the status quo. Hence, it will be ignored by the MPC and the markets which – at this very moment – are pre-occupied chasing stories much bigger than Polish high frequency data: fiscal stimulus in China.

mBank Research

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

Corporate Action Calendar

Date	Time	Company	Event
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)
25-Sep	11:00	Feerum	Q2'18 earnings conference (Sheraton Hotel, Warsaw)
26-Sep	10:00	Krynicky Rec.	Q2'18 earnings conference (Sheraton Hotel, Warsaw)
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

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; 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
Wednesday, 26 September 2018					
Time	Region	Data	Period	Forecast	Previous
08:00	USA	Interest Rate			1.75%
08:45	France	Consumer Confidence Index	September		97
08:45	France	Consumer Spending	August	0.10% m/m; 0.20% y/y	
12:00	UK	CBI Distributive Trades Report	September		29
16:00	USA	New Home Sales	August		627,000

Current Recommendations by Dom Maklerski mBanku

Company	Recommendation	Issued On	Price At Reco.	Target Price	Current Price	Upside/Downside	P/E		EV/EBITDA	
							2018	2019	2018	2019
Financial Sector						+20.0%	11.4	10.4		
Alior Bank	buy	2018-02-01	85.50	109.00	61.30	+77.8%	8.4	7.0		
Getin Noble Bank	hold	2018-05-09	1.17	1.40	0.55	+154.5%	11.1	4.1		
Handlowy	buy	2018-04-06	77.50	94.00	68.00	+38.2%	14.1	11.6		
ING BSK	accumulate	2018-08-02	190.00	212.00	178.60	+18.7%	14.8	13.0		
Millennium	sell	2018-08-02	9.12	7.00	8.43	-17.0%	14.2	12.9		
Pekao	buy	2018-02-01	135.90	157.00	110.30	+42.3%	13.3	10.9		
PKO BP	hold	2018-04-06	39.74	38.00	42.10	-9.7%	15.9	13.2		
Santander Bank Polska	accumulate	2018-09-03	376.00	430.00	372.60	+15.4%	14.6	12.1		
Komercni Banka	buy	2017-12-01	899.00	1,111 CZK	907.00	+22.5%	11.6	9.9		
Erste Bank	buy	2018-08-02	37.14	43.00 EUR	37.76	+13.9%	10.8	10.8		
OTP Bank	buy	2018-06-06	10,210	12,090 HUF	9,990	+21.0%	10.1	9.3		
PZU	accumulate	2018-08-02	42.00	47.50	39.62	+19.9%	11.1	10.0		
Kruk	buy	2018-09-17	187.80	292.77	197.00	+48.6%	10.5	8.9		
Prime Car Management	suspended	2018-08-23	7.96	-	7.70	-	-	-		
Skarbiec Holding	buy	2018-08-31	25.30	36.86	25.00	+47.4%	7.8	7.4		
Chemicals						+54.2%	10.5	9.6	5.1	4.9
Ciech	buy	2018-08-02	56.95	82.52	47.76	+72.8%	7.5	7.0	5.1	4.8
Grupa Azoty	hold	2018-09-03	38.00	41.13	30.60	+34.4%	13.5	12.2	5.0	5.1
Polwax	suspended	2018-09-14	7.70	-	7.40	-	-	-	-	-
Oil & Gas						+7.6%	8.6	12.5	4.7	5.6
Lotos	sell	2018-09-03	69.90	57.21	74.18	-22.9%	10.4	14.7	5.6	6.9
MOL	buy	2018-09-03	2,870	3,296 HUF	2,930	+12.5%	8.3	10.3	3.8	4.2
PGNiG	buy	2018-09-03	5.82	7.86	6.03	+30.3%	8.4	7.1	3.9	3.3
PKN Orlen	sell	2018-09-03	98.24	81.38	98.50	-17.4%	8.8	14.6	5.5	7.7
Power Utilities						+18.1%	4.0	4.1	3.7	3.4
CEZ	sell	2018-07-04	550.00	440.96 CZK	564.00	-21.8%	21.3	19.8	8.5	8.4
Enea	buy	2018-05-29	9.57	12.62	7.91	+59.5%	3.8	2.9	3.7	3.2
Energa	buy	2018-09-03	8.40	15.27	8.00	+90.9%	4.0	4.1	3.3	3.2
PGE	buy	2018-05-29	9.28	13.60	9.31	+46.1%	5.7	5.6	3.6	3.4
Tauron	buy	2018-09-03	2.00	2.77	1.76	+57.4%	3.3	2.8	3.7	4.1
Telecoms, Media, IT						+14.1%	19.8	17.0	6.9	6.1
Netia	reduce	2018-06-06	5.00	4.30	4.64	-7.3%	42.2	51.0	5.5	5.8
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	20.20	+11.9%	6.5	7.3	5.4	5.4
Agora	buy	2018-09-14	8.48	15.40	8.52	+80.8%	42.8	53.4	3.3	3.7
Cyfrowy Polsat	accumulate	2018-06-15	22.76	24.90	22.10	+12.7%	12.9	11.0	6.9	6.1
Wirtualna Polska	accumulate	2018-09-03	57.00	60.00	50.60	+18.6%	19.8	17.0	10.8	9.1
Asseco Poland	accumulate	2018-09-03	45.90	49.00	43.00	+14.0%	12.7	13.9	7.9	7.7
CD Projekt	sell	2018-04-06	114.90	90.80	189.90	-52.2%	91.4	27.5	72.5	21.3
Comarch	accumulate	2018-05-09	145.00	166.50	166.00	+0.3%	23.9	17.6	9.4	8.2
Industrials, Mining						+27.6%	14.1	6.1	6.3	4.5
Famur	buy	2018-08-02	5.20	6.56	5.28	+24.2%	16.6	13.1	7.2	6.5
Grupa Kęty	hold	2018-09-03	387.50	367.45	388.00	-5.3%	14.1	13.4	9.6	9.0
JSW	buy	2018-09-03	77.00	98.00	66.78	+46.8%	4.0	5.3	2.0	2.2
Kemel	buy	2018-07-23	50.50	59.18	45.60	+29.8%	14.0	6.4	6.4	4.9
KGHM	buy	2018-09-03	90.80	104.21	87.40	+19.2%	7.4	5.8	4.4	3.3
Stelmet	buy	2018-09-03	11.35	20.45	8.44	+142.3%	16.1	5.5	6.2	4.2
Construction						+38.5%	5.9	8.0	3.4	3.6
Budimex	hold	2018-08-02	122.60	125.00	104.80	+19.3%	10.9	12.2	3.4	4.4
Elektrobudowa	hold	2018-06-06	69.00	71.00	29.30	+142.3%	5.9	5.8	1.1	1.2
Erbud	buy	2018-09-03	9.60	14.40	9.42	+52.9%	-	10.2	-	4.4
Unibep	buy	2018-04-06	7.50	10.10	4.91	+105.7%	5.6	4.8	3.7	2.8
Property Developers						+28.5%	6.9	7.3	7.3	7.2
Atal	buy	2018-07-04	36.40	42.86	33.80	+26.8%	6.9	7.2	6.2	6.7
Capital Park	buy	2018-04-06	5.95	8.35	5.30	+57.5%	10.5	8.8	17.5	16.8
Dom Development	buy	2018-08-02	72.80	87.80	67.00	+31.0%	7.0	7.3	5.7	6.2
Echo	buy	2018-04-06	5.23	5.63	4.33	+30.0%	5.9	5.4	7.0	7.2
GTC	hold	2018-04-06	9.39	9.60	8.42	+14.0%	10.1	8.8	14.6	13.7
LC Corp	buy	2018-06-22	2.39	3.58	2.40	+49.2%	5.8	5.3	7.7	7.3
Retail						+19.1%	26.6	17.3	13.5	11.2
AmRest	hold	2018-09-03	406.00	426.00	399.00	+6.8%	42.0	33.0	14.0	11.2
CCC	buy	2018-06-06	242.80	295.00	217.60	+35.6%	28.4	16.8	16.2	11.3
Dino	hold	2018-06-06	107.40	103.50	94.95	+9.0%	29.2	21.8	18.2	14.0
Eurocash	buy	2018-04-06	24.41	30.70	19.26	+59.4%	20.2	15.6	6.6	5.6
Jeronimo Martins	buy	2018-08-02	12.65	15.20 EUR	13.15	+15.6%	20.8	17.3	8.9	7.6
LPP	accumulate	2018-06-18	9,025	10,200	8,835	+15.4%	24.8	20.4	13.5	11.2
TXM	buy	2018-07-04	1.28	3.48	0.69	+404.3%	-	2.3	13.0	3.1
Other						+21.0%	9.2	8.4	6.1	5.6
PBKM	hold	2018-06-06	73.00	76.26	63.00	+21.0%	9.2	8.4	6.1	5.6

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						12.2	9.8	5.0	4.8
Ailleron	neutral	2018-03-28	16.20	13.40	-17.3%	16.0	13.9	7.2	5.8
Asseco BS	neutral	2018-03-28	28.00	26.10	-6.8%	15.1	13.8	10.1	9.3
Asseco SEE	overweight	2018-04-26	11.70	11.20	-4.3%	10.2	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	1.45	-13.7%	12.2	8.0	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	108.60	-3.7%	7.5	7.2	5.3	4.8
Apator	neutral	2018-02-28	24.00	24.60	+2.5%	13.6	14.2	7.8	8.0
Boryszew	neutral	2018-09-05	6.25	4.94	-21.0%	8.7	7.0	6.4	5.7
Elemental	neutral	2018-04-27	1.09	1.52	+39.4%	6.1	5.3	5.6	5.0
Ergis	neutral	2018-04-27	4.06	3.70	-8.9%	8.3	7.8	6.0	5.6
Forte	overweight	2018-07-27	40.60	44.80	+10.3%	16.7	12.0	11.2	9.2
Kruszwica	underweight	2018-08-02	65.40	42.50	-35.0%	16.6	17.5	8.8	8.9
Mangata	underweight	2018-09-13	91.20	83.00	-9.0%	10.5	12.7	7.4	7.8
Pfleiderer Group	overweight	2018-08-08	37.30	36.85	-1.2%	18.2	18.1	6.5	6.1
Pozbud	overweight	2018-09-04	3.57	2.75	-23.0%	5.1	2.8	4.7	1.7
Tarczyński	neutral	2018-05-30	14.50	15.00	+3.4%	8.5	8.1	5.8	5.4
Construction Sector						20.7	9.4	5.2	3.9
Elektrotim	neutral	2018-05-28	5.80	4.00	-31.0%	24.2	10.2	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	5.02	-21.6%	23.5	7.3	6.3	3.8
Trakcja	underweight	2018-05-18	3.65	2.92	-20.0%	22.9	20.9	5.4	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	5.78	-1.4%	18.5	10.0	7.4	6.0
Property Developers						6.3	5.5	8.8	5.4
Archicom	overweight	2018-06-22	15.00	13.40	-10.7%	6.3	4.3	6.0	4.8
BBI Development	neutral	2018-04-26	0.66	0.50	-24.2%	11.6	5.5	12.9	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	2.94	-15.5%	8.0	3.2	8.8	3.9
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	18.40	-17.5%	6.0	6.9	9.9	11.1
Polnord	underweight	2018-06-22	9.04	9.60	+6.2%	-	-	-	-
Ronson	neutral	2018-06-22	1.09	1.14	+4.6%	12.3	8.2	12.8	11.3
Retail						11.4	9.3	7.8	6.4
Bytom	overweight	2018-05-23	2.92	2.73	-6.5%	12.2	11.1	7.9	6.9
Monnari	neutral	2018-07-13	6.60	6.00	-9.1%	9.1	8.5	3.7	3.2
Vistula	overweight	2018-05-23	4.79	4.00	-16.5%	11.4	9.3	7.8	6.4

CEE bank valuations (2018-09-19)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH BANKS													
Alior Bank	61.30	8.4	7.0	-	13%	13%	-	1.0	0.8	-	0.0%	0.0%	-
Getin Noble Bank	0.55	11.1	4.1	1.8	1%	3%	6%	0.1	0.1	0.1	0.0%	0.0%	0.0%
Handlowy	68.00	14.1	11.6	-	9%	11%	-	1.3	1.2	-	6.0%	7.1%	-
ING BSK	178.60	14.8	13.0	12.0	13%	13%	12%	1.8	1.6	1.4	1.8%	2.0%	2.3%
Millennium	8.43	14.2	12.9	-	9%	9%	-	1.2	1.1	-	0.0%	1.8%	-
Pekao	110.30	13.3	10.9	-	9%	11%	-	1.2	1.2	-	7.2%	7.5%	-
PKO BP	42.10	15.9	13.2	-	9%	10%	-	1.3	1.2	-	1.3%	1.6%	-
Santander Bank Polska	372.60	14.6	12.1	10.6	10%	11%	12%	1.4	1.3	1.2	1.8%	3.4%	4.1%
Median		14.1	11.8	10.6	9%	11%	12%	1.3	1.2	1.2	1.6%	1.9%	2.3%
INVESTORS IN POLISH BANKS													
BCP	0.253	11.0	7.7	7.2	6%	8%	8%	0.6	0.6	0.6	1.2%	2.8%	5.5%
Citigroup	73.720	11.2	9.9	8.5	9%	10%	11%	1.0	0.9	0.8	2.1%	2.6%	3.1%
Commerzbank	9.301	12.6	10.5	7.8	3%	4%	5%	0.4	0.4	0.4	2.3%	3.4%	4.9%
ING	11.226	8.4	8.1	7.7	10%	10%	10%	0.8	0.8	0.8	6.2%	6.4%	6.7%
KBC	66.880	11.0	11.2	10.7	14%	13%	13%	1.6	1.5	1.4	5.4%	5.9%	6.2%
UCI	13.904	8.8	7.1	6.3	6%	8%	8%	0.5	0.5	0.5	2.6%	4.6%	6.9%
Median		11.0	9.0	7.8	8%	9%	9%	0.7	0.7	0.7	2.4%	4.0%	5.9%
FOREIGN BANKS													
Erste Bank*	37.76	10.8	10.8	10.0	11%	10%	10%	1.1	1.1	1.0	3.2%	3.9%	3.9%
Komerční Banka*	907.00	11.6	9.9	-	14%	14%	-	1.5	1.3	-	5.2%	4.7%	-
OTP*	9,990	10.1	9.3	-	15%	15%	-	1.5	1.3	-	2.5%	2.6%	-
Banco Santander	4.48	9.2	8.3	7.6	8%	9%	9%	0.7	0.7	0.7	5.0%	5.3%	5.9%
Deutsche Bank	10.23	22.3	11.5	8.4	1%	3%	4%	-	-	-	1.4%	2.7%	4.2%
Sberbank	193.90	5.1	4.7	4.3	23%	21%	21%	1.1	1.0	0.9	9.2%	10.6%	12.1%
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	2.08	57.9	6.8	3.6	0%	2%	4%	0.2	0.2	0.1	0.0%	0.0%	2.3%
Alpha Bank	1.31	9.8	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	137.2	77.5	52.4	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	6.28	4.0	3.5	3.2	15%	15%	15%	0.6	0.5	0.4	7.1%	8.2%	8.4%
Türkiye Garanti Bank	6.64	4.0	3.5	2.9	15%	16%	17%	0.6	0.5	0.5	6.7%	7.5%	5.9%
Türkiye Halk Bank	6.34	2.2	1.9	1.6	13%	14%	-	0.3	0.2	0.2	3.4%	5.2%	-
Türkiye Vakıflar Bankası	3.29	2.2	2.6	2.6	15%	12%	-	0.3	0.3	0.3	2.0%	1.9%	1.1%
Yapı ve Kredi Bankası	1.76	3.7	3.1	2.5	10%	10%	12%	0.4	0.4	0.3	0.0%	2.8%	1.9%
Median		8.9	5.9	3.9	11%	11%	10%	0.6	0.5	0.4	2.9%	3.3%	3.9%

Insurance company valuations (2018-09-19)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH COMPANIES													
PZU	39.62	11.1	10.0	9.4	20%	21%	21%	2.2	2.1	1.9	6.8%	6.7%	7.5%
FOREIGN COMPANIES													
Vienna Insurance G.	24.40	10.8	10.4	9.3	6%	6%	6%	0.6	0.6	0.6	3.8%	4.1%	4.4%
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	5.38	8.1	7.6	7.2	7%	7%	7%	0.5	0.5	0.5	5.3%	5.5%	5.7%
Allianz	187.98	10.8	10.1	9.6	11%	12%	12%	1.2	1.2	1.1	4.6%	4.9%	5.2%
Aviva	4.73	8.4	7.8	7.2	12%	11%	-	1.1	1.1	1.0	6.4%	7.1%	8.0%
AXA	22.80	9.2	8.4	8.1	9%	9%	9%	0.8	0.7	0.7	5.8%	6.2%	6.5%
Baloise	149.30	12.4	11.7	10.9	9%	9%	9%	1.1	1.0	1.0	3.9%	4.1%	4.4%
Assicurazioni Generali	15.14	9.6	9.4	9.0	10%	10%	10%	0.9	0.9	0.9	6.0%	6.3%	6.7%
Helvetia	590.00	11.8	11.3	11.0	10%	10%	10%	1.1	1.1	1.0	4.1%	4.3%	4.5%
Mapfre	2.59	9.8	8.9	8.1	9%	10%	12%	0.9	0.9	0.9	5.9%	6.4%	7.0%
RSA Insurance	6.17	12.8	11.5	11.1	13%	14%	14%	1.6	1.6	1.4	3.8%	4.8%	5.2%
Zurich Financial	302.10	12.4	10.6	10.1	11%	13%	14%	1.4	1.4	1.3	6.3%	6.7%	7.1%
Median		10.8	10.3	9.4	10%	10%	10%	1.0	1.0	0.9	5.5%	5.8%	6.1%

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

Gas & Oil valuations (2018-09-19)

	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	74.18	5.6	6.9	5.7	0.6	0.6	0.6	10.4	14.7	12.9	11%	8%	10%	1.3%	2.9%	2.0%
MOL	2930.00	3.8	4.2	4.1	0.5	0.5	0.5	8.3	10.3	9.7	14%	12%	13%	4.4%	3.8%	4.0%
PKN Orlen	98.50	5.5	7.7	6.8	0.4	0.4	0.4	8.8	14.6	13.1	8%	5%	6%	3.0%	4.0%	2.4%
HollyFrontier	65.50	6.9	5.8	6.3	0.8	0.8	0.8	12.5	8.9	9.7	12%	14%	13%	2.0%	2.1%	2.2%
Andeavor	150.26	9.5	7.8	6.9	0.7	0.7	0.7	17.1	12.3	10.0	7%	8%	10%	1.6%	1.8%	1.9%
Valero Energy	109.70	8.6	6.5	5.2	0.5	0.5	0.4	16.8	10.8	8.1	5%	7%	8%	2.9%	3.2%	3.4%
Marathon Petroleum	80.54	8.5	7.1	5.8	0.7	0.6	0.6	16.4	11.5	9.0	8%	9%	10%	2.3%	2.5%	2.8%
Phillips 66	109.36	8.9	7.8	6.8	0.5	0.5	0.6	14.3	11.3	9.2	6%	7%	9%	2.8%	3.1%	3.3%
Tupras	130.70	7.5	7.0	6.2	0.6	0.5	0.5	9.8	8.6	7.4	8%	7%	8%	7.7%	8.7%	10.7%
OMV	45.75	3.8	3.6	3.6	0.8	0.8	0.8	8.9	8.3	8.3	22%	23%	23%	3.6%	4.0%	4.3%
Neste Oil	72.68	11.6	11.0	10.7	1.3	1.3	1.2	18.6	17.6	17.0	11%	11%	12%	2.7%	2.9%	3.0%
Hellenic Petroleum	7.50	5.6	5.8	5.7	0.5	0.5	0.4	7.8	8.5	8.3	8%	8%	8%	5.0%	5.4%	6.0%
Saras SpA	1.95	4.8	4.1	3.4	0.2	0.2	0.2	15.6	10.9	7.9	4%	5%	6%	4.1%	4.8%	6.2%
Motor Oil	21.85	5.2	5.2	4.6	0.3	0.3	0.3	9.9	10.2	9.0	6%	6%	7%	5.7%	5.9%	6.7%
Median		6.3	6.7	5.8	0.6	0.5	0.5	11.5	10.8	9.1	8%	8%	9%	3.0%	3.5%	3.4%
GAS COMPANIES																
A2A SpA	1.55	6.8	6.7	6.4	1.4	1.4	1.3	12.0	12.7	11.9	20%	20%	21%	4.3%	4.7%	5.0%
Centrica	147.95	4.9	4.9	4.9	0.4	0.4	0.4	11.3	11.5	11.1	9%	8%	8%	0.0%	0.0%	0.0%
Enagas	23.61	10.2	10.4	10.2	7.9	8.0	8.0	12.9	13.3	12.2	78%	78%	79%	6.4%	6.8%	7.1%
Endesa	18.74	7.4	7.2	7.1	1.3	1.3	1.3	13.8	13.5	13.2	17%	17%	18%	7.3%	7.5%	7.6%
Engie	12.17	5.9	5.6	5.4	0.9	0.9	0.8	12.2	11.0	10.2	15%	15%	16%	6.2%	6.5%	7.0%
Gas Natural SDG	23.64	9.4	8.8	8.5	1.7	1.6	1.6	25.1	16.9	15.9	18%	19%	19%	5.1%	5.5%	5.7%
Hera SpA	2.81	6.8	6.8	6.6	1.2	1.2	1.2	15.7	15.9	15.4	18%	17%	18%	3.6%	3.7%	3.8%
Snam SpA	3.66	11.8	11.7	11.5	9.5	9.4	9.3	12.7	12.5	12.1	81%	81%	81%	6.0%	6.3%	6.3%
PGNiG	6.03	3.9	3.3	2.9	0.8	0.7	0.7	8.4	7.1	7.2	21%	22%	23%	0.0%	3.6%	4.3%
BP	553.40	5.1	4.8	4.6	0.6	0.6	0.6	13.2	12.0	11.4	12%	13%	13%	0.0%	0.0%	0.0%
Eni	16.23	3.6	3.4	3.4	0.9	0.9	0.9	13.7	12.0	12.0	25%	26%	27%	5.1%	5.2%	5.4%
Equinor	157.39	3.0	3.0	2.8	0.8	0.8	0.8	3.5	3.5	3.5	27%	27%	27%	5.7%	6.4%	6.9%
Gazprom	1115.30	13.7	13.5	12.9	4.9	4.8	4.5	16.4	14.8	14.4	36%	35%	35%	1%	2%	2%
NovaTek	32.25	4.4	4.2	3.8	2.6	2.4	2.1	7.7	7.1	6.5	58%	57%	55%	11.9%	12.5%	13.3%
ROMGAZ	28.33	3.5	3.3	3.3	0.6	0.5	0.5	12.3	10.5	10.1	16%	17%	17%	7.8%	7.8%	8.0%
Shell	215.30	3.6	3.3	3.1	1.3	1.3	1.2	13.6	12.5	12.0	38%	39%	39%	0.1%	0.1%	0.1%
Total	54.05	6.5	6.0	5.9	1.1	1.1	1.1	13.7	12.4	12.2	18%	19%	19%	5.6%	5.8%	6.0%
Median		5.9	5.6	5.4	1.2	1.2	1.2	12.9	12.4	12.0	20%	20%	21%	5.1%	5.5%	5.7%

Power generation company valuations (2018-09-19)

	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	14.86	5.9	5.5	5.2	1.3	1.2	1.2	23.8	19.5	16.6	21%	22%	23%	2.1%	2.4%	3.0%
EDP	3.24	8.9	8.4	8.2	2.2	2.2	2.1	14.9	13.9	13.2	25%	26%	25%	5.9%	5.9%	6.0%
Endesa	18.74	7.4	7.2	7.1	1.3	1.3	1.3	13.8	13.5	13.2	17%	17%	18%	7.3%	7.5%	7.6%
Enel	4.51	6.3	6.0	5.8	1.4	1.3	1.3	11.1	10.0	9.4	21%	22%	22%	6.2%	7.0%	7.5%
EON	8.66	7.3	6.9	5.9	0.9	0.8	0.7	13.2	12.3	11.4	12%	12%	11%	5.0%	5.6%	6.1%
Fortum	21.78	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	6.35	8.9	8.3	7.9	2.2	2.1	2.1	13.5	12.7	12.0	25%	26%	26%	5.3%	5.5%	5.9%
National Grid	773.90	10.0	10.1	9.4	3.3	3.2	3.1	13.3	13.6	12.8	34%	32%	33%	0.0%	0.0%	0.0%
Red Electrica	17.86	9.4	9.1	9.2	7.2	7.0	7.1	13.7	13.2	13.5	77%	77%	77%	5.5%	5.9%	6.0%
RWE	21.36	7.5	7.3	9.8	0.9	0.9	1.4	14.4	12.6	11.0	12%	12%	14%	3.3%	3.8%	4.5%
SSE	1118.00	8.1	8.2	8.2	0.7	0.6	0.7	9.5	9.5	9.5	9%	8%	8%	0.0%	0.0%	0.0%
Verbund	40.38	10.4	9.0	8.1	3.3	3.0	2.8	38.1	29.7	24.9	32%	33%	35%	1.1%	1.6%	1.9%
CEZ	564.00	8.5	8.4	7.8	2.2	2.1	2.0	21.3	19.8	17.6	26%	25%	26%	5.9%	4.7%	5.1%
PGE	9.31	3.6	3.4	3.2	1.0	0.8	0.8	5.7	5.6	6.2	29%	25%	24%	0.0%	0.0%	4.5%
Tauron	1.76	3.7	4.1	3.8	0.7	0.7	0.7	3.3	2.8	2.9	20%	18%	19%	0.0%	0.0%	0.0%
Enea	7.91	3.7	3.2	3.7	0.9	0.7	0.8	3.8	2.9	3.8	23%	23%	21%	0.0%	0.0%	0.0%
Energa	8.00	3.3	3.2	3.4	0.7	0.7	0.7	4.0	4.1	4.4	22%	21%	21%	0.0%	0.0%	0.0%
Median		7.5	7.3	7.8	1.3	1.3	1.3	13.5	12.7	12.0	23%	23%	23%	3.3%	3.8%	4.5%

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

Fertilizer producers and chemical companies (2018-09-19)

		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
FERTILIZER PRODUCERS																
Acron	4779.00	8.0	7.4	7.0	2.6	2.4	2.2	11.7	10.5	9.8	32%	32%	32%	6.4%	6.7%	6.9%
Uralkali	95.40	5.0	5.1	-	2.7	2.7	-	4.2	4.5	-	53%	53%	-	0.0%	0.0%	-
Phosagro	2638.00	6.5	6.5	5.9	2.0	2.0	1.9	11.5	11.4	8.5	31%	31%	32%	4.7%	5.5%	6.0%
K+S	18.49	8.0	7.0	6.4	1.6	1.5	1.5	14.0	10.3	9.0	20%	22%	23%	3.1%	4.1%	4.4%
Yara International	382.10	-	54.7	44.6	8.6	8.3	7.4	-	-	-	12%	15%	17%	0.2%	0.4%	0.5%
The Mosaic Company	31.80	8.8	7.9	7.4	1.7	1.6	1.6	21.0	16.4	13.7	20%	21%	22%	0.3%	0.3%	0.7%
CF Industries	53.13	13.8	11.6	10.9	4.4	4.0	3.9	45.7	26.8	21.3	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	30.60	5.0	5.1	5.7	0.5	0.5	0.6	13.5	12.2	11.4	10%	10%	11%	3.9%	2.2%	2.5%
ZA Police*	16.70	8.6	6.5	5.2	0.7	0.6	0.6	25.7	13.6	9.1	8%	10%	12%	3.2%	3.0%	3.0%
ZCh Pulawy*	93.80	3.3	2.5	2.3	0.4	0.3	0.3	10.4	7.5	6.7	11%	14%	15%	6.3%	8.5%	8.5%
Median		7.9	7.0	6.7	1.8	1.7	1.6	13.8	11.8	9.8	20%	21%	21%	3.1%	2.4%	2.7%
CHEMICAL COMPANIES																
Ciech	47.76	5.1	4.8	4.3	1.0	1.0	0.9	7.5	7.0	6.2	20%	21%	21%	15.7%	7.4%	9.2%
Akzo Nobel	81.82	18.8	15.8	13.9	2.4	2.3	2.2	28.9	24.0	20.2	13%	14%	16%	2.7%	2.7%	2.9%
BASF	79.24	7.2	6.9	6.6	1.4	1.3	1.3	12.1	11.3	10.5	19%	19%	19%	4.1%	4.2%	4.4%
Croda	5112.00	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	5.99	5.4	4.4	3.5	1.2	1.0	0.8	10.0	8.6	7.0	22%	23%	24%	3.2%	3.9%	4.3%
Soda Sanayii	7.14	8.3	6.9	5.4	2.2	1.8	1.7	8.0	7.2	5.8	26%	26%	31%	4.3%	5.7%	7.3%
Solvay	116.50	6.5	6.1	5.7	1.4	1.3	1.3	14.1	13.2	11.7	21%	22%	22%	3.2%	3.2%	3.3%
Tata Chemicals	738.75	8.9	8.3	7.8	1.7	1.7	1.6	15.8	16.3	15.0	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	115.30	6.3	6.1	5.8	1.3	1.3	1.2	16.5	14.9	13.8	21%	21%	21%	3.4%	3.8%	4.1%
Median		7.6	6.6	5.9	1.4	1.3	1.3	15.0	12.7	11.1	21%	21%	21%	3.2%	3.8%	4.1%

Machine and equipment manufacturers (2018-09-19)

	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	254.35	8.5	8.1	7.9	2.3	2.1	2.1	19.9	18.5	17.5	27%	26%	26%	2.7%	2.9%	3.1%
Caterpillar	152.76	10.7	9.7	9.0	2.2	2.0	1.9	13.2	12.0	11.0	20%	21%	21%	2.1%	2.3%	2.4%
Duro Felguera	0.03	-	-	-	0.8	0.8	-	-	-	-	-	-	-	0.0%	0.0%	-
Famur	5.28	7.2	6.5	6.1	1.5	1.5	1.4	16.6	13.1	11.4	21%	23%	23%	8.3%	8.6%	5.3%
Komatsu	3282.00	10.3	7.6	7.1	1.6	1.4	1.4	16.3	12.3	11.0	15%	19%	19%	2.3%	3.1%	3.6%
Sandvig AG	156.05	8.6	8.5	8.1	2.1	2.0	1.9	15.1	14.2	13.2	24%	23%	24%	2.6%	2.9%	3.2%
Median		9.4	8.0	7.6	1.6	1.5	1.7	15.7	12.7	11.2	21%	22%	22%	2.3%	2.9%	3.4%

Mining company valuations (2018-09-19)

		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	66.78	2.0	2.2	2.9	0.7	0.7	0.7	4.0	5.3	8.4	33%	30%	25%	0.0%	7.5%	9.5%
KGHM	87.40	4.4	3.3	3.0	1.1	0.9	0.8	7.4	5.8	5.7	25%	26%	26%	0.0%	3.4%	6.1%
LW Bogdanka*	59.50	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	1655.60	4.3	4.5	4.8	1.4	1.4	1.4	9.1	9.8	10.7	32%	31%	28%	0.0%	0.0%	0.0%
Antofagasta	837.00	5.2	4.5	4.3	2.6	2.4	2.4	13.7	11.6	11.4	51%	54%	55%	0.0%	0.0%	0.0%
BHP Billiton	32.40	3.8	4.0	4.1	2.1	2.1	2.2	13.5	13.7	15.2	54%	54%	52%	2.7%	2.9%	2.4%
Boliden	241.95	4.6	4.9	5.0	1.3	1.3	1.3	8.9	10.0	10.4	28%	26%	26%	7.0%	6.6%	6.8%
First Quantum	16.84	8.4	6.0	4.6	3.9	3.0	2.5	16.5	10.0	7.1	46%	51%	54%	0.0%	0.1%	0.2%
Freeport-McMoRan	14.30	4.0	5.8	4.6	1.6	1.9	1.7	7.6	12.5	9.0	39%	33%	37%	1.3%	2.0%	3.5%
Hudbay Min	6.47	2.7	2.7	2.6	1.2	1.2	1.2	9.1	8.2	7.1	44%	45%	46%	0.2%	0.2%	0.2%
Lundin Min	6.82	4.4	3.9	3.1	1.9	1.8	1.5	13.7	12.3	8.8	42%	45%	48%	1.4%	1.2%	1.2%
MMC Norilsk Nickel	17.30	5.8	5.7	5.5	3.0	2.9	2.8	7.8	7.7	8.1	51%	51%	51%	9.2%	11.0%	10.9%
OZ Minerals	8.81	4.9	5.1	4.2	2.3	2.3	1.9	14.3	15.5	10.9	47%	46%	47%	2.2%	1.8%	2.6%
Rio Tinto	3722.50	4.2	4.5	4.5	1.9	2.0	2.0	10.3	11.3	11.4	46%	44%	43%	0.0%	0.0%	0.0%
Sandfire Resources	6.98	2.8	2.6	2.1	1.5	1.4	1.1	8.6	7.1	5.1	52%	52%	55%	4.0%	4.5%	6.2%
Southern CC	42.37	9.6	8.6	8.2	4.9	4.5	4.3	17.2	15.2	14.6	51%	52%	53%	4.0%	3.3%	3.3%
Vedanta Resources	825.20	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		4.5	4.5	4.4	1.9	1.9	1.8	11.2	10.6	9.7	46%	46%	47%	1.3%	1.5%	1.8%

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

European telecom valuations (2018-09-19)

	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	4.64	5.5	5.8	5.9	1.4	1.5	1.5	42.2	51.0	44.6	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	20.20	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	1.5	1.5	19.1	10.5	7.2	27%	28%	29%	0%	0.0%	5.7%
MID CAPS																
Proximus	20.50	5.0	4.9	4.9	1.6	1.6	1.6	11.9	11.7	11.5	32%	32%	32%	7.3%	7.3%	7.4%
Telefonica CP	258.00	8.5	8.5	8.4	2.3	2.3	2.3	14.9	14.2	13.7	27%	27%	27%	7.8%	7.9%	7.8%
Hellenic Telekom	10.35	4.6	4.5	4.4	1.6	1.5	1.5	18.3	15.4	13.8	34%	34%	35%	4.5%	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	4.9	4.9	1.6	1.6	1.6	14.7	12.0	11.5	32%	32%	32%	6.1%	6.5%	7.0%
BIG CAPS																
BT	228.30	4.3	4.4	4.4	1.4	1.4	1.4	8.4	8.6	8.6	32%	31%	32%	0.0%	0.0%	0.0%
DT	13.73	5.7	5.5	5.1	1.7	1.7	1.6	14.4	12.7	11.6	30%	31%	31%	5.1%	5.6%	6.0%
KPN	2.27	7.0	6.9	6.7	2.7	2.7	2.7	20.1	18.0	15.8	39%	40%	40%	5.7%	8.0%	9.2%
Orange France	13.59	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	443.50	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.	6.70	5.6	5.5	5.5	1.8	1.8	1.8	9.5	8.7	8.2	32%	32%	33%	6.0%	6.1%	6.3%
Telia Company	41.09	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	8.1	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	13.4	12.1	11.0	32%	33%	33%	5.1%	5.5%	5.8%

Media company valuations (2018-09-19)

	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	8.52	3.3	3.7	3.7	0.4	0.4	0.4	42.8	53.4	17.0	11%	10%	10%	5.9%	5.9%	5.9%
Cyfrowy Polsat	22.10	6.9	6.1	5.6	2.3	2.1	1.9	12.9	11.0	9.8	34%	34%	34%	0.0%	1.4%	2.3%
Median		5.1	4.9	4.7	1.3	1.2	1.1	27.8	32.2	13.4	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	58.35	10.6	9.7	9.0	2.5	2.4	2.3	20.4	18.2	16.4	23%	24%	25%	3.6%	3.7%	4.0%
Daily Mail	741.00	11.7	11.4	11.1	1.8	1.8	1.7	18.3	18.3	16.7	15%	15%	16%	0.0%	0.0%	0.0%
Gruppo Editoriale	0.34	5.9	6.0	5.9	0.4	0.5	0.5	11.0	10.0	10.3	7%	8%	8%	1.5%	3.5%	4.7%
New York Times	22.50	12.8	11.2	9.5	2.1	2.0	2.0	25.9	20.6	15.4	17%	18%	21%	0.7%	0.7%	0.7%
Promotora de Inform	1.99	8.7	8.3	7.5	1.7	1.8	1.7	12.7	18.1	16.9	20%	21%	23%	0.4%	0.4%	0.7%
Reach	65.60	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		8.7	8.3	7.5	1.7	1.8	1.7	12.7	18.1	15.4	17%	18%	21%	0.7%	0.7%	0.7%
TV																
Atresmedia Corp	5.76	7.5	7.1	6.9	1.4	1.4	1.4	9.1	8.5	8.3	19%	20%	20%	9.3%	9.9%	10.2%
Gestevisión Telecinco	6.42	7.6	7.2	6.9	1.9	1.9	1.9	10.9	10.5	10.4	26%	27%	28%	9.3%	9.4%	9.5%
ITV PLC	153.00	8.2	8.1	7.6	2.2	2.1	2.1	9.9	9.9	9.2	27%	26%	27%	0.0%	0.0%	0.0%
M6-Metropole Tel	17.85	5.4	5.2	5.2	1.5	1.5	1.5	13.0	12.5	12.1	28%	28%	28%	5.5%	5.9%	6.1%
Mediaset SPA	2.62	3.5	3.7	3.7	1.4	1.5	1.5	16.7	11.1	9.3	39%	40%	40%	4.3%	6.0%	6.8%
Modern Times	338.60	12.4	11.6	10.3	1.2	1.2	1.1	21.6	20.3	17.8	10%	10%	11%	3.8%	4.0%	4.1%
Prosieben	21.73	6.5	6.1	5.8	1.6	1.6	1.5	9.4	8.9	8.4	25%	26%	26%	8.9%	9.3%	9.7%
RTL Group	62.75	7.8	7.5	7.3	1.6	1.6	1.5	13.4	12.2	12.2	21%	21%	21%	6.4%	6.4%	6.6%
TF1-TV Francaise	9.58	5.1	4.4	4.1	0.9	0.8	0.8	16.2	11.5	10.5	17%	19%	20%	3.9%	4.7%	5.2%
Median		7.0	6.6	6.3	1.6	1.5	1.5	13.2	11.3	10.4	25%	26%	27%	4.9%	5.9%	6.3%
PAY TV																
Sky PLC	1580.00	14.3	13.4	12.0	2.4	2.3	2.2	24.3	22.5	19.6	17%	17%	19%	0.0%	0.0%	0.0%
Cogeco	64.50	5.4	4.9	4.9	2.4	2.3	2.2	10.3	10.3	10.6	45%	46%	46%	2.9%	3.2%	3.2%
Comcast	37.32	8.0	7.6	7.2	2.6	2.5	2.4	14.7	13.4	11.6	32%	33%	33%	2.0%	2.3%	2.5%
Dish Network	36.77	8.5	9.6	11.0	1.7	1.7	1.8	13.6	16.2	22.7	20%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	28.59	5.9	5.8	5.6	2.8	2.8	2.7	-	52.7	34.5	47%	48%	48%	0.0%	0.0%	0.0%
Shaw Communications	19.50	8.1	7.5	6.9	3.1	3.0	2.9	22.9	18.3	15.6	39%	40%	42%	7.9%	8.0%	8.0%
Median		8.0	7.6	7.1	2.5	2.4	2.3	14.7	17.3	17.6	36%	37%	37%	1.0%	1.1%	1.3%

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

IT company valuations (2018-09-19)

	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*	19.80	5.7	5.6	5.5	0.1	0.1	0.1	5.3	5.0	4.6	1%	1%	1%	0.0%	2.5%	4.7%
Asseco Poland	43.00	7.9	7.7	7.7	1.0	1.0	1.0	12.7	13.9	13.8	13%	13%	13%	7.0%	4.7%	4.7%
Comarch	166.00	9.4	8.2	7.8	1.1	1.0	1.0	23.9	17.6	16.1	12%	13%	13%	0.9%	6.0%	6.0%
Median		7.9	7.7	7.7	1.0	1.0	1.0	12.7	13.9	13.8	12%	13%	13%	0.9%	4.7%	4.7%
FOREIGN COMPANIES																
Atos Origin	105.90	6.6	5.9	5.6	0.9	0.9	0.8	12.2	10.9	10.4	14%	14%	15%	1.7%	1.9%	2.0%
CapGemini	108.60	10.5	9.8	9.2	1.5	1.4	1.3	18.2	16.3	15.0	14%	14%	15%	1.7%	1.9%	2.0%
IBM	149.06	8.6	8.3	8.7	2.1	2.1	2.1	10.8	10.6	10.2	24%	25%	24%	4.2%	4.4%	4.5%
Indra Sistemas	10.12	7.8	7.1	6.6	0.8	0.7	0.7	14.7	12.4	11.1	10%	10%	11%	0.7%	1.8%	2.4%
Microsoft	111.70	17.8	15.3	13.7	7.3	6.5	5.9	29.1	26.3	23.0	41%	42%	43%	1.5%	1.6%	1.7%
Oracle	49.43	10.1	9.8	9.4	4.7	4.6	4.5	16.0	14.7	13.7	47%	47%	48%	1.5%	1.6%	1.7%
SAP	102.46	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	28.02	10.5	10.0	9.7	1.4	1.3	1.3	15.9	15.3	14.6	13%	13%	13%	5.1%	5.2%	5.4%
Median		10.3	9.8	9.3	1.8	1.8	1.7	15.9	15.0	14.2	19%	20%	19%	1.6%	1.9%	2.0%

Construction company valuations (2018-09-19)

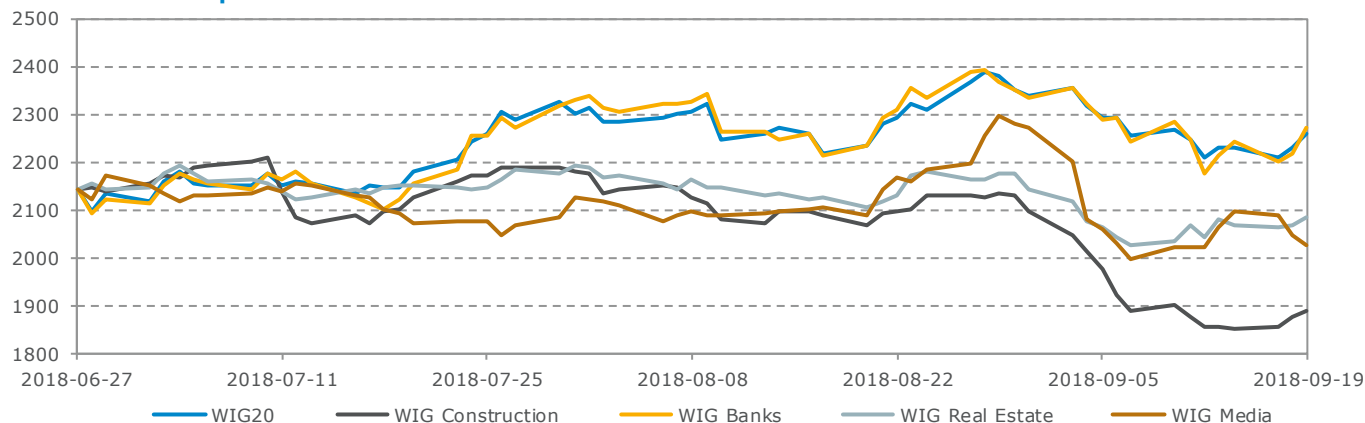
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Budimex	104.80	3.4	4.4	4.8	0.2	0.2	0.2	10.9	12.2	11.7	5%	4%	5%	16.8%	8.7%	7.8%
Elektrobudowa	29.30	1.1	1.2	1.1	0.1	0.1	0.1	5.9	5.8	5.6	5%	5%	6%	35.8%	17.1%	17.1%
Elektrotim	4.00	4.4	3.7	3.0	0.1	0.1	0.1	24.2	10.2	8.0	3%	3%	4%	0.0%	5.0%	7.5%
Erbud	9.42	-	4.4	3.4	0.1	0.1	0.1	-	10.2	6.0	-	2%	2%	11.7%	0.0%	5.9%
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	5.02	6.3	3.8	3.1	0.1	0.1	0.1	23.5	7.3	5.9	2%	3%	3%	0.0%	0.0%	4.0%
Trakcja	2.92	5.4	5.3	4.1	0.2	0.2	0.1	22.9	20.9	9.8	3%	3%	3%	3.4%	0.0%	6.8%
Ulma Construccoon	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	4.91	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	5.78	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	10.9	9.4	6.5	3%	3%	4%	3.2%	5.3%	6.8%
FOREIGN COMPANIES																
Acciona	75.58	7.7	7.6	7.3	1.4	1.4	1.3	17.6	16.6	14.8	18%	18%	18%	4.0%	4.3%	4.5%
Astaldi	1.29	4.6	4.5	4.4	0.5	0.5	0.4	2.3	2.3	2.0	10%	10%	10%	0.0%	0.0%	-
Ferrovial	18.38	28.7	20.3	18.5	1.5	1.5	1.5	62.3	32.5	28.1	5%	7%	8%	4.0%	4.1%	4.2%
Hochtief	140.60	6.3	5.9	5.5	0.4	0.4	0.3	17.6	15.3	14.3	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	13.6	7.1	5.6	16%	16%	16%	2.1%	3.9%	7.4%
NCC	153.60	7.2	5.3	4.9	0.3	0.2	0.2	15.0	10.6	9.6	3%	5%	5%	5.8%	6.3%	6.8%
Skanska	178.50	10.8	9.3	8.8	0.4	0.4	0.4	16.0	13.9	12.9	4%	5%	5%	4.6%	4.9%	5.0%
Strabag	33.55	3.3	3.3	3.1	0.2	0.2	0.2	11.6	11.3	10.7	6%	6%	6%	4.0%	4.1%	4.5%
Median		6.7	5.6	5.2	0.5	0.5	0.4	15.5	12.6	11.8	6%	7%	7%	4.0%	4.1%	4.5%

Real-estate developers (2018-09-19)

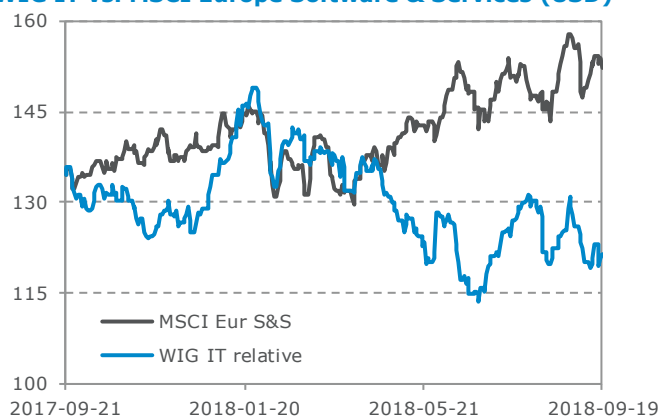
	Price	EV/EBITDA			P/BV			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
BBI Development	0.50	12.9	5.4	11.7	0.3	0.3	0.2	11.6	5.5	9.6	16%	52%	41%	0.0%	0.0%	0.0%
Dom Development	67.00	5.7	6.2	6.0	1.6	1.6	1.6	7.0	7.3	6.5	18%	17%	18%	11.3%	14.2%	13.7%
Echo Investment	4.33	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	8.42	14.6	13.7	12.4	0.9	0.9	0.8	10.1	8.8	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	2.94	8.8	3.9	4.5	0.4	0.3	0.3	8.0	3.2	3.9	13%	18%	17%	0.0%	0.0%	0.0%
PA Nova	18.40	9.9	11.1	10.4	0.5	0.5	0.4	6.0	6.9	6.7	24%	20%	21%	0.0%	4.1%	5.4%
Polnord	9.60	-	-	18.1	0.4	0.4	0.4	-	-	18.7	2%	1%	7%	0.0%	0.0%	0.0%
Ronson	1.14	12.8	11.3	6.4	0.5	0.5	0.5	12.3	8.2	4.8	9%	12%	13%	5.3%	5.3%	6.1%
Median		9.3	6.7	8.7	0.5	0.5	0.5	7.5	6.2	6.7	17%	18%	20%	0%	4%	5%
FOREIGN COMPANIES																
Atrium European RE	3.90	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	31.12	26.9	23.6	20.3	1.1	1.1	1.0	25.7	23.4	21.1	76%	82%	66%	2.7%	3.0%	3.4%
Deutsche Euroshop AG	28.52	16.6	16.6	16.4	0.8	0.7	0.8	12.9	12.9	12.9	89%	89%	89%	5.2%	5.4%	5.5%
Immofinanz AG	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	30.58	20.0	19.5	18.8	0.8	0.8	0.8	11.9	11.4	11.1	84%	84%	84%	6.9%	7.2%	7.4%
Segro	637.00	32.9	29.9	27.3	1.0	1.0	0.9	29.0	26.2	24.3	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)

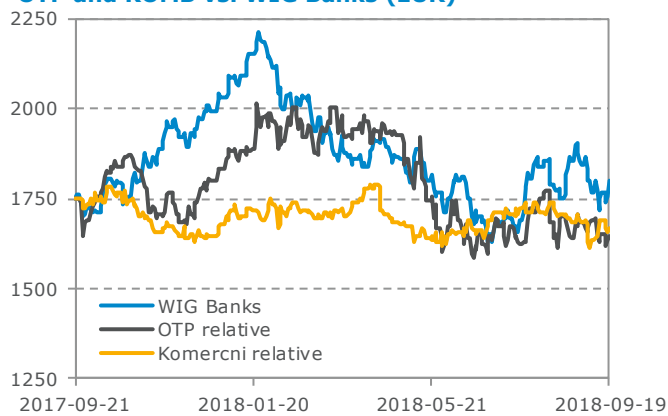
WIG sector index performance



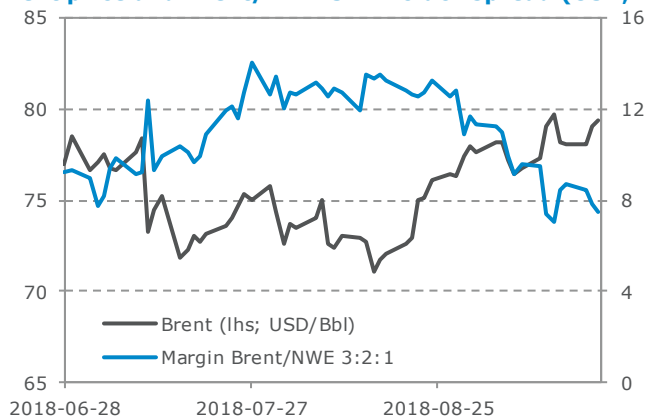
WIG IT vs. MSCI Europe Software & Services (USD)



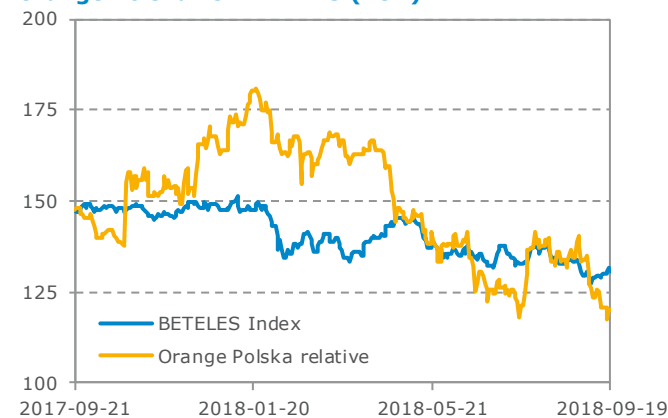
OTP and KOMB vs. WIG Banks (EUR)



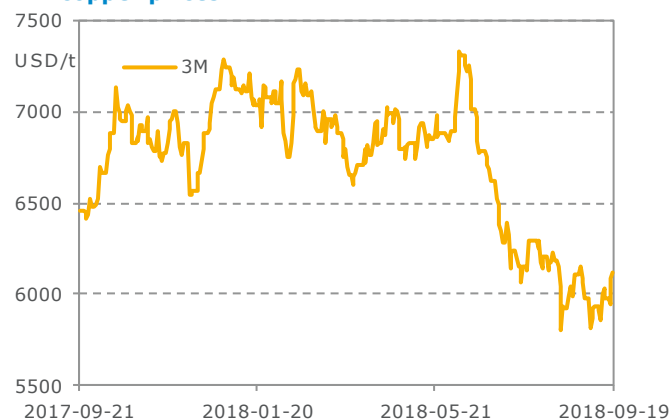
Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



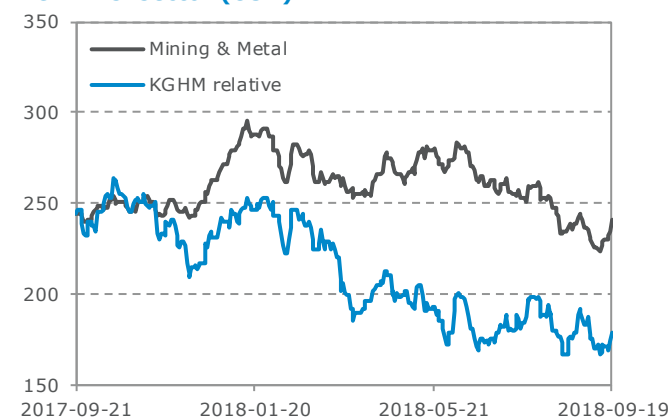
Orange Polska vs. BETELES (EUR)



LME copper prices



KGHM vs. sector (USD)



Source: Bloomberg

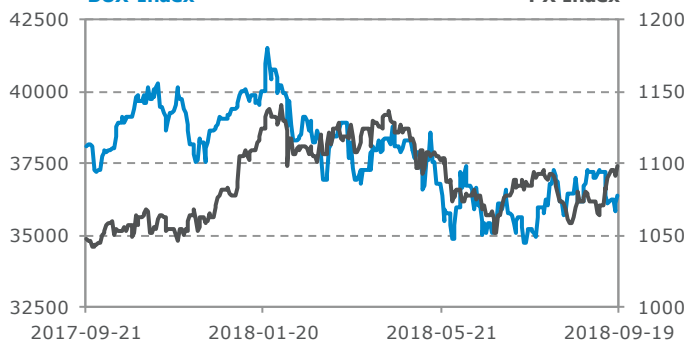
Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2018-09-19	26,287.84	26,464.41	26,280.76	26,405.76	+0.61%
S&P 500	2018-09-19	2,906.60	2,912.36	2,903.82	2,907.95	+0.13%
NASDAQ	2018-09-19	7,962.55	7,976.13	7,917.73	7,950.04	-0.08%
DAX	2018-09-19	12,168.20	12,241.14	12,165.08	12,219.02	+0.50%
CAC 40	2018-09-19	5,362.94	5,406.06	5,361.33	5,393.74	+0.56%
FTSE 100	2018-09-19	7,300.23	7,346.11	7,279.92	7,331.12	+0.42%
WIG20	2018-09-19	2,239.49	2,269.89	2,221.57	2,259.10	+1.26%
BUX	2018-09-19	36,116.03	36,387.62	35,868.86	36,386.40	+0.76%
PX	2018-09-19	1,091.64	1,099.57	1,090.70	1,098.42	+0.62%
RTS	2018-09-19	1,645.67	1,661.32	1,644.78	1,655.46	+1.06%
SOFIX	2018-09-19	629.86	630.26	626.79	627.60	-0.36%
BET	2018-09-19	8,286.79	8,314.70	8,262.45	8,294.54	+0.09%
XU100	2018-09-19	95,480.32	96,722.73	95,272.19	96,603.75	+1.81%
BETELES	2018-09-19	131.61	131.75	130.24	130.72	-0.60%
NIKKEI	2018-09-19	23,754.96	23,842.05	23,672.52	23,672.52	+1.08%
SHCOMP	2018-09-19	2,694.80	2,746.08	2,690.99	2,730.85	+1.14%
Copper (LME)	2018-09-19	6,108.00	6,145.00	6,068.50	6,121.00	+0.58%
Crude Oil (Brent)	2018-09-19	78.69	79.36	78.28	79.21	+0.64%
USD/PLN	2018-09-19	3.6762	3.6838	3.6623	3.6721	-0.11%
EUR/PLN	2018-09-19	4.2891	4.2971	4.2854	4.2862	-0.07%
EUR/USD	2018-09-19	1.1667	1.1715	1.1650	1.1673	+0.05%
USBonds10	2018-09-19	3.0533	3.0905	3.0422	3.0626	+0.0075
GRBonds10	2018-09-19	0.4870	0.5010	0.4700	0.4870	+0.0070
PLBonds10	2018-09-19	3.2300	3.2300	3.1550	3.2220	-0.0120

WIG20 Index



BUX Index



PX Index

S&P 500 (SPX Index)



NASDAQ (CCMP Index)

DOW JONES (INDU Index)



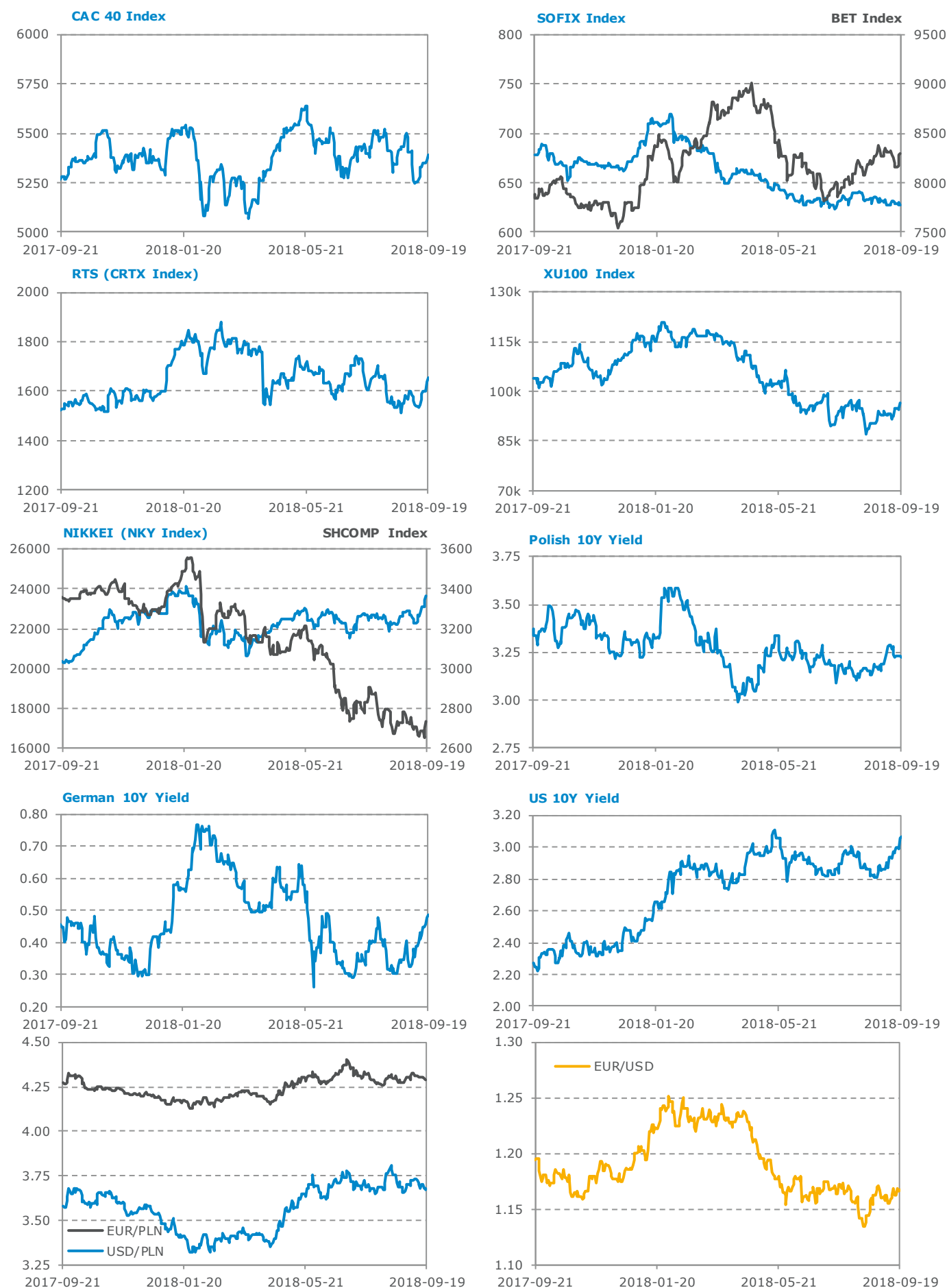
DAX Index



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, Energooparatura, 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 Kliszczyk

director
+48 22 438 24 02
kamil.kliszczyk@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