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Morning Comments

Equity Market, Poland

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DJIA	26,657.0	+0.95%	FTSE 100	7,367.3	+0.49%	Copper (LME)	6,082.0	-0.64%
S&P 500	2,930.8	+0.78%	WIG20	2,258.6	-0.02%	Crude Oil (Brent)	78.45	-0.96%
NASDAQ	8,028.2	+0.98%	BUX	36,134.3	-0.69%	USD/PLN	3.6434	-0.78%
DAX	12,326.5	+0.88%	PX	1,103.6	+0.48%	EUR/PLN	4.2908	+0.11%
CAC 40	5,451.6	+1.07%	PLBonds10	3.238	+0.016	EUR/USD	1.1777	+0.89%

Company & Sector News

PKN Orlen

Sell – 2018-09-03
Target price: PLN 81.38

CCGT outage extended by three months

PKN Orlen announced that its heat and power plant in Włocławek will be shut for repairs for six months. After unplanned outage on Sept. 8, the company planned to restart the unit after three months. **The potential EBITDA losses in Q4'18 and Q1'19 related to the shutdown won't exceed PLN 50-60m. (K. Kliszcz)**

Power Utilities

Polish Ministry of Energy promises no hikes household electricity prices

The Ministry of Energy in response to a statement by the energy watchdog in support of tariff hikes to offset soaring power prices yesterday came out with reassurance that retail consumers should not fear a rise in their electricity bills as of next year. The Minister added that the European Commission should monitor the EUA market in the context of last dynamic price spike. **The Ministry's announcement can be expected to turn sentiment for utilities sour again after the recent short-lived rebound. As a reminder, per our calculations companies with net long exposure to generation will actually benefit from record-high power prices. However, a lack of adjustment to household tariff can lead to significant turbulences on the market as trading companies will face capital shortages (they are squeezed already because of higher deposits requirements at TGE), and commercial/industrial customers will probably be charged more to mitigate the household margin squeeze. (K. Kliszcz)**

PGE

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

PGE drops bid to buy Polenergia

PGE announced yesterday that it dropped the bid to buy Polenergia shares as there was no chance to achieve the expected share in company. **(K. Kliszcz)**

Media

Troubled newsagent Ruch reaches out to publishers

RUCH SA, Poland's largest newsagent chain, currently under restructuring, has resumed regular deliveries of press to its selling points. This is a result of new deals reached with major publishing houses to resume sales of popular titles, including *Gazeta Wyborcza*, the daily paper published by the listed media group Agora. **We maintain that Agora cannot turn a profit from the Press business without reducing employment and taking more radical measures to safeguard the segment's profits. (P. Szpigel)**

Atende

Overweight – 2018-03-28

Highlights of Q2 2018 earning conference

- Atende explained during the Q2 earnings conference that the two subsidiaries responsible for the weaker results generated in the period were Atende Software and Atende Medica, posting a combined drop of ca. PLN 2 million in net profit compared to Q2 2017. This was due to the completion of several contracts being shifted to later quarters; the 2018 yearly financials of the two subsidiaries are expected to be better than in the previous year.
- CEO pointed out high seasonality. Q4 2018 should account for the majority of the annual results, like a year earlier 4Q 2017.
- Atende is optimistic about 2019 earnings given backlog expansion, with gradual improvement observed in public orders, and high demand for Atende Software solutions from mobile telecoms, which should translate into a higher YoY income in 2019.
- The CEO emphasized the intention of sharing profit with shareholders. Atende's stock valuation is low according to the Board, looking at the company's prospects.
- The separation of the integrator's business from the parent company opens up a whole range of possibilities, including a merger with similar entities to acquire a greater business scale (as of today, no key decisions have been made).

In conclusion, the message at the conference was quite bullish. The Management seem confident Atende can deliver growth both in 2018 and 2019. The weaker performance of subsidiaries in Q2 should not be extrapolated into future quarters. (P. Szpigel)

Gino Rossi

Gino Rossi negotiating Simple CP sale with second bidder

Footwear firm Gino Rossi inked a letter of intent to sell its Simple Creative Products unit to OTCF, owner of the sports clothing brand 4F, and expects to agree on the final sales terms within 30 days. OTCF has already made a PLN 1m downpayment. According to Gino Rossi the negotiations with OTCF do not affect the ongoing talks with the original bidder, Monnari. The parties are currently discussing repayment of Simple CP's obligations to Miss Class in the amount of PLN 4 million. **Positive information. Disposal of Simple CP should provide Gino Rossi with additional funds that could deleverage the company's balance sheet as well as support working capital. (P. Bogusz)**

TXM

Buy – 2018-07-04
Target price: PLN 3.48

Highlights from 2Q 2018 earnings conference

- TXM plans to increase the share of sourcing from the Far East, which should support the gross margin. The share of direct sourcing from the Far East amounted to 32% in H1 2018 and should increase to 40% in the autumn-winter season and to 70% till the end of 2019. The company had some difficulties in sourcing from local supplier due to liquidity issues in Q2 2018.
- The company expects sales to improve in the following months (starting in October), which should be supported by stronger working capital fueled by funds from the shares/bonds issue.
- TXM strategy for 2018 assumes an increase in sales per sqm, strong costs discipline and improvement in gross margin y/y. The management is pleased with the gross margin improvement y/y and with strict cost control.
- **TXM delivered gross margin improvement y/y and maintained cost control in Q2 2018. Stronger working capital in 4Q 2018 should enable the company to improve sourcing and boost sales from October. We expect weak sales results in September due to adverse weather conditions and base effects. (P. Bogusz)**

More News

Altus TFI

Listed asset manager Altus TFI suffered a nearly 28% decline in AuM in the period between end-August and September 17, to PLN 9.4 bln, a market filing from the company demonstrated.

Bumech

Troubled mining machinery maker Bumech received a court nod for the restructuring scheme adopted by the company's creditors in July, Bumech said in a filing.

Cube.ITG

Troubled IT company Cube.itg filed restructuring proposals for its creditors with a court in Wroclaw, the company said in a market filing.

Fortum

Heat and power group Fortum launched its PLN 870 mln worth heat&power plant in Zabrze, which will service over 70k clients, company officials announced on Thursday.

Getin Noble Bank

Getin Noble Bank moved to extend terms with insurance partners for bancassurance deals tied to a related Polish insurer, Getin Noble Bank said in a market filing.

GPW

Warsaw Stock Exchange will list futures contracts for shares of IT firm LiveChat Software as well as video game developers Playway and Ten Square Games

IBM Polska, Asseco Poland

IT firm IBM Polska secured a three-year contract for maintenance of the Mainframe environment for the social insurer ZUS IT system as a result of a tender in which it had submitted the lowest PLN 27.6 mln gross bid, ZUS spokesperson Wojciech Andrusiewicz told PAP. Listed IT firm Asseco Poland in consortium with a unit also participated in the tender.

JSW

Coking coal producer JSW could access the Debiensko coal field in late 2019 and eventually produce some 3 mln tons of coking coal per year at the site pending the outcome of ongoing talks with Debiensko current license holder Prairie Mining Limited, CEO Daniel Ozon said on Wednesday.

Tauron

Listed power group Tauron wants to grow in the renewable energy sector and can boast "an advanced" construction plan for a photovoltaic farm, as well as plans for wind farms development, CEO Filip Grzegorzczak said at the DISE energy forum in Wroclaw.

TIM

Electric appliance wholesaler TIM expects its parent company to slightly improve profitability in H2 after gross sales margin rose to 16.9% in H1 from 16.2% in the prior year period, company reps said at an earnings conference. TIM is mulling entering foreign markets but has no takeover plans at the moment, they also declared.

Work Service

Listed recruitment and personnel outsourcing firm Work Service saw Remango Investments secure anti-trust office UOKiK consent to take over Work Service's unit Exact System, work Service said in a market filing.

Żywiec

Heineken brewer's Polish unit Grupa Zywiec faces potential ca. PLN 47 mln in overdue CIT tax and PLN 21 mln in interests due to reported erroneous booking of license fees and trademark-related amortization charges, the company said in a market filing, citing results of a tax control.

Corporate Action Calendar

Date	Time	Company	Event
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

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
Thursday, 27 September 2018					
Time	Region	Data	Period	Forecast	Previous
08:00	Germany	GfK Consumer Confidence	September		10.50
10:00	EU	M3 Money Supply	August		4.00% y/y
11:00	EU	Business Climate Indicator	September		1.22
11:00	EU	Consumer Confidence Index	September		-1.90
14:00	Germany	CPI Harmonized (P)	September	0.00% m/m; 1.90% y/y	
14:00	Germany	CPI (P)	September	0.10% m/m; 2.00% y/y	
14:30	USA	Durable Goods Orders Less Transportation	August		0.20% m/m
14:30	USA	Durable Goods Orders	August		-1.70% m/m
14:30	USA	GDP Deflator	Q2		2.20% q/q
14:30	USA	GDP	Q2	2.00% q/q; 2.80% y/y	
14:30	USA	PCE	Q2	0.90% q/q; 2.60% y/y	
14:30	USA	Core PCE	Q2		1.90% y/y

Current Recommendations by Dom Maklerski mBanku

Company	Recommendation	Issued On	Price At Reco.	Target Price	Current Price	Upside/Downside	P/E		EV/EBITDA	
							2018	2019	2018	2019
Financial Sector						+19.6%	11.4	10.4		
Alior Bank	buy	2018-02-01	85.50	109.00	62.75	+73.7%	8.6	7.2		
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	70.70	+33.0%	14.6	12.0		
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	8.89	-21.3%	14.9	13.6		
Pekao	buy	2018-02-01	135.90	157.00	111.75	+40.5%	13.4	11.1		
PKO BP	hold	2018-04-06	39.74	38.00	41.86	-9.2%	15.8	13.2		
Santander Bank Polska	accumulate	2018-09-03	376.00	430.00	376.20	+14.3%	14.8	12.2		
Komercni Banka	buy	2017-12-01	899.00	1,111 CZK	904.00	+22.9%	11.6	9.9		
Erste Bank	buy	2018-08-02	37.14	43.00 EUR	37.37	+15.1%	10.7	10.7		
OTP Bank	buy	2018-06-06	10,210	12,090 HUF	9,980	+21.1%	10.1	9.3		
PZU	accumulate	2018-08-02	42.00	47.50	40.00	+18.8%	11.2	10.1		
Kruk	buy	2018-09-17	187.80	292.77	198.00	+47.9%	10.6	8.9		
Prime Car Management	suspended	2018-08-23	7.96	-	7.92	-	-	-		
Skarbiec Holding	buy	2018-08-31	25.30	36.86	25.20	+46.3%	7.8	7.4		
Chemicals						+51.2%	10.8	9.9	5.1	5.0
Ciech	buy	2018-08-02	56.95	82.52	47.86	+72.4%	7.5	7.1	5.1	4.8
Grupa Azoty	hold	2018-09-03	38.00	41.13	32.00	+28.5%	14.1	12.8	5.2	5.2
Polwax	suspended	2018-09-14	7.70	-	7.32	-	-	-	-	-
Oil & Gas						+9.1%	8.5	12.3	4.7	5.5
Lotos	sell	2018-09-03	69.90	57.21	73.58	-22.2%	10.3	14.5	5.6	6.9
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	5.94	+32.3%	8.3	6.9	3.9	3.2
PKN Orlen	sell	2018-09-03	98.24	81.38	97.00	-16.1%	8.7	14.4	5.4	7.6
Power Utilities						+18.8%	3.9	4.0	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	7.70	+63.9%	3.7	2.9	3.7	3.2
Energa	buy	2018-09-03	8.40	15.27	7.83	+95.0%	3.9	4.0	3.3	3.1
PGE	buy	2018-05-29	9.28	13.60	9.32	+45.9%	5.7	5.6	3.6	3.4
Tauron	buy	2018-09-03	2.00	2.77	1.74	+59.2%	3.3	2.8	3.7	4.1
Telecoms, Media, IT						+12.9%	19.6	16.8	6.9	6.1
Netia	reduce	2018-06-06	5.00	4.30	4.54	-5.3%	41.3	49.9	5.4	5.7
Orange Polska	buy	2018-04-06	5.83	7.60	4.43	+71.6%	19.4	10.7	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	8.60	+79.1%	43.2	53.9	3.3	3.7
Cyfrowy Polsat	accumulate	2018-06-15	22.76	24.90	22.28	+11.8%	13.0	11.0	6.9	6.1
Wirtualna Polska	accumulate	2018-09-03	57.00	60.00	50.00	+20.0%	19.6	16.8	10.7	9.0
Asseco Poland	accumulate	2018-09-03	45.90	49.00	44.88	+9.2%	13.2	14.5	8.0	7.8
CD Projekt	sell	2018-04-06	114.90	90.80	189.70	-52.1%	91.3	27.4	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						+25.5%	14.5	6.4	6.6	4.8
Famur	buy	2018-08-02	5.20	6.56	5.46	+20.1%	17.1	13.6	7.5	6.7
Grupa Kęty	hold	2018-09-03	387.50	367.45	387.50	-5.2%	14.1	13.4	9.6	9.0
JSW	buy	2018-09-03	77.00	98.00	68.46	+43.1%	4.1	5.4	2.1	2.3
Kemel	buy	2018-07-23	50.50	59.18	47.95	+23.4%	14.9	6.8	6.6	5.1
KGHM	buy	2018-09-03	90.80	104.21	87.18	+19.5%	7.4	5.8	4.4	3.2
Stelmet	buy	2018-09-03	11.35	20.45	9.30	+119.9%	17.7	6.1	6.6	4.4
Construction						+39.6%	6.3	8.2	3.2	3.5
Budimex	hold	2018-08-02	122.60	125.00	102.20	+22.3%	10.6	11.9	3.2	4.2
Elektrobudowa	hold	2018-06-06	69.00	71.00	31.30	+126.8%	6.3	6.1	1.3	1.4
Erbud	buy	2018-09-03	9.60	14.40	9.40	+53.2%	-	10.2	-	4.4
Unibep	buy	2018-04-06	7.50	10.10	4.93	+104.9%	5.6	4.8	3.7	2.9
Property Developers						+26.9%	7.1	7.4	7.4	7.3
Atal	buy	2018-07-04	36.40	42.86	33.90	+26.4%	6.9	7.3	6.3	6.8
Capital Park	buy	2018-04-06	5.95	8.35	5.45	+53.2%	10.8	9.1	17.7	17.0
Dom Development	buy	2018-08-02	72.80	87.80	69.40	+26.5%	7.2	7.6	5.9	6.4
Echo	buy	2018-04-06	5.23	5.63	4.32	+30.3%	5.9	5.4	7.0	7.2
GTC	hold	2018-04-06	9.39	9.60	8.40	+14.3%	10.1	8.8	14.5	13.7
LC Corp	buy	2018-06-22	2.39	3.58	2.49	+43.8%	6.0	5.5	7.9	7.4
Retail						+20.3%	26.4	17.0	13.2	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	219.80	+34.2%	28.7	17.0	16.3	11.4
Dino	hold	2018-06-06	107.40	103.50	95.00	+8.9%	29.2	21.8	18.2	14.0
Eurocash	buy	2018-04-06	24.41	30.70	19.70	+55.8%	20.7	16.0	6.7	5.7
Jeronimo Martins	buy	2018-08-02	12.65	15.20 EUR	12.93	+17.6%	20.4	17.0	8.7	7.5
LPP	accumulate	2018-06-18	9,025	10,200	8,595	+18.7%	24.2	19.8	13.2	10.9
TXM	buy	2018-07-04	1.28	3.48	0.60	+480.0%	-	2.0	12.3	2.9
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						12.7	9.7	5.0	4.7
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	25.90	-7.5%	15.0	13.7	10.0	9.2
Asseco SEE	overweight	2018-04-26	11.70	11.05	-5.6%	10.1	9.7	4.4	4.0
Atende	overweight	2018-03-28	4.25	3.36	-20.9%	7.8	7.1	5.0	4.7
Wasko	neutral	2018-05-30	1.68	1.51	-10.1%	12.7	8.4	4.8	4.0
Industrials						8.7	8.3	6.4	5.9
Alumetal	neutral	2018-08-23	51.00	44.20	-13.3%	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	24.30	+1.3%	13.4	14.0	7.7	7.9
Boryszew	neutral	2018-09-05	6.25	4.99	-20.2%	8.8	7.0	6.4	5.7
Elemental	neutral	2018-04-27	1.09	1.46	+33.9%	5.9	5.1	5.4	4.8
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	45.00	+10.8%	16.8	12.0	11.2	9.2
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	77.80	-14.7%	9.9	11.9	7.0	7.4
Pfleiderer Group	overweight	2018-08-08	37.30	36.75	-1.5%	18.3	18.2	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						20.8	9.4	5.3	4.0
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	2.98	-18.8%	9.4	6.6	5.0	4.2
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	2.95	-19.2%	23.2	21.1	5.5	5.3
Ulma	neutral	2018-05-28	73.00	72.50	-0.7%	9.0	8.7	3.6	3.5
ZUE	neutral	2018-05-28	5.86	5.78	-1.4%	18.5	10.0	7.4	6.0
Property Developers						6.2	5.4	8.8	5.4
Archicom	overweight	2018-06-22	15.00	13.20	-12.0%	6.2	4.3	6.0	4.8
BBI Development	neutral	2018-04-26	0.66	0.49	-25.8%	11.4	5.4	12.8	5.4
i2 Development	neutral	2018-06-22	15.40	13.05	-15.3%	4.0	4.5	7.2	6.0
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	18.85	-15.5%	6.1	7.1	10.0	11.2
Polnord	underweight	2018-06-22	9.04	9.59	+6.1%	-	-	-	-
Ronson	neutral	2018-06-22	1.09	1.12	+2.8%	12.1	8.0	12.7	11.2
Retail						11.3	9.2	7.8	6.3
Bytom	overweight	2018-05-23	2.92	2.69	-7.9%	12.0	11.0	7.8	6.8
Monnari	neutral	2018-07-13	6.60	6.11	-7.4%	9.3	8.7	3.8	3.3
Vistula	overweight	2018-05-23	4.79	3.95	-17.5%	11.3	9.2	7.8	6.3

CEE bank valuations (2018-09-20)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH BANKS													
Alior Bank	62.75	8.6	7.2	-	13%	13%	-	1.0	0.9	-	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	70.70	14.6	12.0	-	9%	11%	-	1.3	1.3	-	5.8%	6.8%	-
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	8.89	14.9	13.6	-	9%	9%	-	1.2	1.1	-	0.0%	1.7%	-
Pekao	111.75	13.4	11.1	-	9%	11%	-	1.3	1.2	-	7.1%	7.4%	-
PKO BP	41.86	15.8	13.2	-	9%	10%	-	1.3	1.2	-	1.3%	1.6%	-
Santander Bank Polska	376.20	14.8	12.2	10.7	10%	11%	12%	1.4	1.3	1.2	1.8%	3.3%	4.1%
Median		14.6	12.1	10.7	9%	11%	12%	1.3	1.2	1.2	1.5%	1.9%	2.3%
INVESTORS IN POLISH BANKS													
BCP	0.254	11.0	7.7	7.2	6%	8%	8%	0.6	0.6	0.6	1.2%	2.8%	5.5%
Citigroup	74.790	11.4	10.0	8.6	9%	10%	11%	1.0	0.9	0.9	2.0%	2.6%	3.0%
Commerzbank	9.484	12.9	10.7	8.0	3%	4%	5%	0.4	0.4	0.4	2.2%	3.4%	4.9%
ING	11.516	8.6	8.4	7.9	10%	10%	10%	0.9	0.8	0.8	6.0%	6.2%	6.5%
KBC	67.320	11.0	11.3	10.8	14%	13%	13%	1.6	1.5	1.4	5.3%	5.9%	6.2%
UCI	14.050	8.9	7.2	6.3	6%	8%	8%	0.5	0.5	0.5	2.6%	4.5%	6.8%
Median		11.0	9.2	7.9	8%	9%	9%	0.7	0.7	0.7	2.4%	3.9%	5.8%
FOREIGN BANKS													
Erste Bank*	37.37	10.7	10.7	9.9	11%	10%	10%	1.1	1.0	1.0	3.2%	3.9%	3.9%
Komerční Banka*	904.00	11.6	9.9	-	14%	14%	-	1.5	1.3	-	5.2%	4.8%	-
OTP*	9,980	10.1	9.3	-	15%	15%	-	1.5	1.3	-	2.5%	2.6%	-
Banco Santander	4.55	9.4	8.4	7.7	8%	9%	9%	0.8	0.7	0.7	4.9%	5.2%	5.8%
Deutsche Bank	10.40	22.7	11.7	8.5	1%	3%	4%	-	-	-	1.3%	2.7%	4.1%
Sberbank	191.16	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	1.96	54.4	6.4	3.4	0%	2%	4%	0.1	0.1	0.1	0.0%	0.0%	2.5%
Alpha Bank	1.21	9.1	5.6	4.4	2%	3%	4%	0.2	0.2	0.2	0.0%	0.0%	1.3%
National Bank of Greece	1.70	131.0	74.0	50.1	2%	3%	5%	2.9	2.8	2.7	0.0%	0.0%	0.1%
Eurobank Ergasias	0.63	8.1	5.5	4.3	3%	5%	6%	0.3	0.2	0.2	0.0%	0.0%	1.7%
Akbank	6.13	3.9	3.4	3.1	15%	15%	15%	0.5	0.5	0.4	7.2%	8.4%	8.6%
Türkiye Garanti Bank	6.46	3.9	3.4	2.8	15%	16%	17%	0.6	0.5	0.5	6.9%	7.7%	6.0%
Türkiye Halk Bank	6.12	2.2	1.8	1.5	13%	14%	-	0.3	0.2	0.2	3.5%	5.4%	-
Türkiye Vakıflar Bankası	3.19	2.2	2.6	2.5	15%	12%	-	0.3	0.3	0.2	2.0%	2.0%	1.2%
Yapi ve Kredi Bankası	1.71	3.6	3.0	2.4	10%	10%	12%	0.4	0.3	0.3	0.0%	2.9%	1.9%
Median		8.6	5.5	3.8	11%	11%	10%	0.5	0.5	0.4	2.9%	3.4%	3.9%

Insurance company valuations (2018-09-20)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH COMPANIES													
PZU	40.00	11.2	10.1	9.5	20%	21%	21%	2.2	2.1	1.9	6.7%	6.7%	7.4%
FOREIGN COMPANIES													
Vienna Insurance G.	24.64	10.9	10.5	9.4	6%	6%	6%	0.7	0.6	0.6	3.8%	4.0%	4.4%
Uniqia	8.36	11.9	11.3	10.4	7%	7%	8%	0.8	0.9	0.9	6.2%	6.7%	6.9%
Aegon	5.47	8.3	7.7	7.3	7%	7%	7%	0.5	0.5	0.5	5.2%	5.4%	5.6%
Allianz	190.10	10.9	10.2	9.7	11%	12%	12%	1.2	1.2	1.1	4.6%	4.9%	5.2%
Aviva	4.81	8.5	7.9	7.4	12%	11%	-	1.1	1.1	1.0	6.3%	6.9%	7.9%
AXA	23.02	9.3	8.5	8.2	9%	9%	9%	0.8	0.7	0.7	5.8%	6.1%	6.4%
Baloise	150.00	12.5	11.8	11.0	9%	9%	9%	1.1	1.0	1.0	3.9%	4.1%	4.4%
Assicurazioni Generali	15.16	9.6	9.4	9.1	10%	10%	10%	0.9	0.9	0.9	6.0%	6.3%	6.7%
Helvetia	595.50	11.9	11.4	11.1	10%	10%	10%	1.1	1.1	1.0	4.1%	4.3%	4.4%
Mapfre	2.62	9.9	9.0	8.2	9%	10%	12%	0.9	0.9	0.9	5.8%	6.3%	6.9%
RSA Insurance	6.27	13.1	11.7	11.2	13%	14%	14%	1.7	1.6	1.5	3.8%	4.7%	5.1%
Zurich Financial	305.90	12.5	10.8	10.2	11%	13%	14%	1.4	1.4	1.3	6.3%	6.7%	7.0%
Median		10.9	10.4	9.5	10%	10%	10%	1.0	1.0	0.9	5.5%	5.7%	6.0%

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

Gas & Oil valuations (2018-09-20)

	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	73.58	5.6	6.9	5.6	0.6	0.6	0.6	10.3	14.5	12.8	11%	8%	10%	1.4%	2.9%	2.1%
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	97.00	5.4	7.6	6.7	0.4	0.4	0.4	8.7	14.4	12.9	8%	5%	6%	3.1%	4.0%	2.4%
HollyFrontier	65.94	7.0	5.8	6.4	0.8	0.8	0.8	12.6	9.0	9.7	12%	14%	13%	2.0%	2.1%	2.1%
Andeavor	152.56	9.6	7.9	6.9	0.7	0.7	0.7	17.4	12.5	10.2	7%	8%	10%	1.6%	1.7%	1.9%
Valero Energy	110.48	8.7	6.5	5.2	0.5	0.5	0.4	17.0	10.9	8.1	5%	7%	8%	2.9%	3.2%	3.4%
Marathon Petroleum	81.93	8.6	7.2	5.9	0.7	0.6	0.6	16.7	11.7	9.1	8%	9%	10%	2.3%	2.5%	2.7%
Phillips 66	110.33	8.9	7.9	6.9	0.5	0.5	0.6	14.5	11.4	9.3	6%	7%	9%	2.8%	3.1%	3.3%
Tupras	128.50	7.4	6.9	6.1	0.6	0.5	0.5	9.7	8.5	7.2	8%	7%	8%	7.8%	8.9%	10.9%
OMV	46.39	3.9	3.6	3.6	0.8	0.8	0.8	9.1	8.4	8.4	22%	23%	23%	3.5%	3.9%	4.2%
Neste Oil	72.36	11.6	10.9	10.7	1.3	1.2	1.2	18.5	17.5	16.9	11%	11%	12%	2.8%	2.9%	3.1%
Hellenic Petroleum	7.54	5.7	5.8	5.8	0.5	0.5	0.4	7.9	8.6	8.4	8%	8%	8%	5.0%	5.3%	6.0%
Saras SpA	1.97	4.8	4.1	3.4	0.2	0.2	0.2	15.8	11.0	7.9	4%	5%	6%	4.0%	4.8%	6.1%
Motor Oil	21.75	5.2	5.2	4.6	0.3	0.3	0.3	9.9	10.2	8.9	6%	6%	7%	5.7%	6.0%	6.7%
Median		6.3	6.7	5.8	0.6	0.5	0.5	11.5	10.9	9.2	8%	8%	9%	3.0%	3.5%	3.3%
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	149.40	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	23.83	10.2	10.4	10.2	7.9	8.1	8.0	13.0	13.4	12.4	78%	78%	79%	6.4%	6.7%	7.0%
Endesa	18.90	7.4	7.3	7.2	1.3	1.3	1.3	13.9	13.6	13.3	17%	17%	18%	7.2%	7.4%	7.6%
Engie	12.41	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%	6.9%
Gas Natural SDG	23.72	9.4	8.9	8.5	1.7	1.6	1.6	25.2	17.0	16.0	18%	19%	19%	5.1%	5.5%	5.7%
Hera SpA	2.79	6.8	6.8	6.6	1.2	1.2	1.2	15.6	15.8	15.2	18%	17%	18%	3.6%	3.7%	3.8%
Snam SpA	3.74	11.9	11.8	11.6	9.6	9.5	9.4	13.0	12.8	12.3	81%	81%	81%	5.9%	6.2%	6.2%
PGNiG	5.94	3.9	3.2	2.9	0.8	0.7	0.6	8.3	6.9	7.1	21%	22%	23%	0.0%	3.6%	4.3%
BP	555.50	5.2	4.8	4.6	0.6	0.6	0.6	13.4	12.2	11.6	12%	13%	13%	0.0%	0.0%	0.0%
Eni	16.34	3.7	3.4	3.4	0.9	0.9	0.9	13.8	12.1	12.1	25%	26%	27%	5.1%	5.2%	5.3%
Equinor	154.35	3.0	2.9	2.8	0.8	0.8	0.8	3.4	3.4	3.4	27%	27%	27%	5.8%	6.6%	7.0%
Gazprom	1135.90	13.9	13.7	13.1	5.0	4.8	4.5	16.7	15.0	14.7	36%	35%	35%	1%	2%	2%
NovaTek	32.65	4.5	4.3	3.9	2.6	2.4	2.1	7.8	7.2	6.6	58%	57%	55%	11.7%	12.4%	13.1%
ROMGAZ	28.35	3.5	3.3	3.3	0.6	0.5	0.6	12.4	10.6	10.2	16%	17%	17%	7.8%	7.9%	8.0%
Shell	215.20	3.6	3.3	3.1	1.3	1.3	1.2	13.6	12.5	12.1	38%	39%	39%	0.1%	0.1%	0.1%
Total	54.74	6.6	6.1	6.1	1.2	1.1	1.1	14.0	12.7	12.5	18%	19%	19%	5.6%	5.8%	6.0%
Median		6.0	5.7	5.4	1.2	1.2	1.2	13.0	12.5	12.1	20%	20%	21%	5.1%	5.5%	5.7%

Power generation company valuations (2018-09-20)

	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	15.06	6.0	5.6	5.2	1.3	1.2	1.2	24.2	19.8	16.8	21%	22%	23%	2.0%	2.4%	3.0%
EDP	3.22	8.9	8.4	8.2	2.2	2.2	2.1	14.9	13.8	13.2	25%	26%	25%	5.9%	6.0%	6.0%
Endesa	18.90	7.4	7.3	7.2	1.3	1.3	1.3	13.9	13.6	13.3	17%	17%	18%	7.2%	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	8.70	7.3	6.9	5.9	0.9	0.8	0.7	13.3	12.4	11.5	12%	12%	11%	5.0%	5.5%	6.0%
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%
Iberdrola	6.43	8.9	8.4	7.9	2.3	2.1	2.1	13.7	12.8	12.1	25%	26%	26%	5.2%	5.4%	5.8%
National Grid	781.90	10.0	10.1	9.4	3.4	3.2	3.1	13.4	13.7	12.9	34%	32%	33%	0.0%	0.0%	0.0%
Red Electrica	18.09	9.5	9.2	9.3	7.3	7.1	7.2	13.9	13.3	13.7	77%	77%	77%	5.4%	5.8%	5.9%
RWE	21.50	7.5	7.3	9.8	0.9	0.9	1.4	14.5	12.7	11.0	12%	12%	14%	3.3%	3.8%	4.5%
SSE	1129.00	8.2	8.3	8.2	0.7	0.7	0.7	9.6	9.5	9.6	9%	8%	8%	0.0%	0.0%	0.0%
Verbund	39.50	10.2	8.8	8.0	3.3	2.9	2.8	37.3	29.1	24.4	32%	33%	35%	1.2%	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	9.32	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	1.74	3.7	4.1	3.7	0.7	0.7	0.7	3.3	2.8	2.8	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	7.83	3.3	3.1	3.4	0.7	0.7	0.7	3.9	4.0	4.3	22%	21%	21%	0.0%	0.0%	0.0%
Median		7.5	7.3	7.8	1.3	1.3	1.3	13.7	12.8	12.1	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 (2018-09-20)

	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	4763.00	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	89.30	4.9	4.9	-	2.6	2.6	-	4.0	4.2	-	53%	53%	-	0.0%	0.0%	
Phosagro	2690.00	6.6	6.6	6.0	2.1	2.0	1.9	11.8	11.6	8.6	31%	31%	32%	4.6%	5.4%	5.9%
K+S	18.87	8.1	7.1	6.4	1.6	1.5	1.5	14.3	10.5	9.1	20%	22%	23%	3.0%	4.0%	4.4%
Yara International	388.80	-	55.6	45.4	8.7	8.4	7.5	-	-	-	12%	15%	17%	0.2%	0.4%	0.5%
The Mosaic Company	32.31	8.9	8.0	7.5	1.7	1.7	1.6	21.3	16.7	13.9	20%	21%	22%	0.3%	0.3%	0.7%
CF Industries	53.31	13.9	11.7	10.9	4.4	4.1	3.9	45.8	26.9	21.4	32%	35%	36%	2.4%	2.4%	2.5%
Israel Chemicals	2200.00	8.0	8.8	8.3	1.8	1.8	1.7	17.0	15.5	14.2	23%	20%	20%	0.0%	0.0%	0.0%
Grupa Azoty	32.00	5.2	5.2	5.8	0.5	0.5	0.6	14.1	12.8	12.0	10%	10%	11%	3.8%	2.1%	2.4%
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*	94.00	3.3	2.5	2.3	0.4	0.3	0.3	10.5	7.5	6.8	11%	14%	15%	6.3%	8.5%	8.5%
Median		8.0	7.1	6.7	1.8	1.8	1.7	14.2	12.2	9.8	20%	21%	21%	3.0%	2.4%	2.7%
CHEMICAL COMPANIES																
Ciech	47.86	5.1	4.8	4.3	1.0	1.0	0.9	7.5	7.1	6.3	20%	21%	21%	15.7%	7.3%	9.2%
Akzo Nobel	82.70	19.0	15.9	14.0	2.4	2.3	2.2	29.2	24.3	20.4	13%	14%	16%	2.6%	2.7%	2.9%
BASF	80.32	7.3	7.0	6.7	1.4	1.3	1.3	12.3	11.4	10.6	19%	19%	19%	4.0%	4.2%	4.4%
Croda	5116.00	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	7.33	8.6	7.1	5.6	2.2	1.8	1.7	8.2	7.3	6.0	26%	26%	31%	4.2%	5.6%	7.1%
Solvay	117.45	6.5	6.2	5.8	1.4	1.3	1.3	14.2	13.4	11.8	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	33.10	7.9	6.5	6.0	0.9	0.9	0.8	16.3	12.3	10.6	12%	14%	14%	0.0%	-	-
Wacker Chemie	118.15	6.4	6.2	5.9	1.4	1.3	1.3	16.9	15.3	14.1	21%	21%	21%	3.3%	3.7%	4.0%
Median		7.6	6.7	6.0	1.4	1.3	1.3	15.0	12.8	11.2	21%	21%	21%	3.2%	3.7%	4.0%

Machine and equipment manufacturers (2018-09-20)

	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	256.65	8.6	8.2	7.9	2.3	2.2	2.1	20.1	18.7	17.7	27%	26%	26%	2.7%	2.9%	3.1%
Caterpillar	156.00	10.9	9.9	9.1	2.2	2.1	2.0	13.5	12.3	11.2	20%	21%	21%	2.1%	2.2%	2.3%
Duro Felguera	0.03	-	-	-	0.8	0.8	-	-	-	-	-	-	-	0.0%	0.0%	-
Famur	5.46	7.5	6.7	6.4	1.6	1.6	1.4	17.1	13.6	11.8	21%	23%	23%	8.1%	8.3%	5.2%
Komatsu	3396.00	10.6	7.8	7.3	1.6	1.5	1.4	16.9	12.8	11.4	15%	19%	19%	2.2%	3.0%	3.4%
Sandvig AG	159.15	8.8	8.7	8.3	2.1	2.0	2.0	15.4	14.4	13.5	24%	23%	24%	2.6%	2.8%	3.1%
Median		9.7	8.2	7.8	1.6	1.6	1.7	16.1	13.2	11.6	21%	22%	22%	2.2%	2.8%	3.3%

Mining company valuations (2018-09-20)

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
JSW	68.46	2.1	2.3	3.0	0.7	0.7	0.8	4.1	5.4	8.6	33%	30%	25%	0.0%	7.3%	9.2%
KGHM	87.18	4.4	3.2	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	1695.40	4.4	4.6	4.9	1.4	1.4	1.4	9.4	10.1	11.1	32%	31%	28%	0.0%	0.0%	0.0%
Antofagasta	858.00	5.3	4.7	4.4	2.7	2.5	2.4	14.2	12.0	11.8	51%	54%	55%	0.0%	0.0%	0.0%
BHP Billiton	32.77	3.9	4.0	4.2	2.1	2.2	2.2	13.7	13.9	15.4	54%	54%	52%	2.6%	2.8%	2.4%
Boliden	245.25	4.7	4.9	5.1	1.3	1.3	1.3	9.0	10.1	10.6	28%	26%	26%	6.9%	6.5%	6.7%
First Quantum	16.98	8.5	6.0	4.6	3.9	3.0	2.5	16.6	10.1	7.2	46%	51%	54%	0.0%	0.1%	0.2%
Freeport-McMoRan	14.39	4.0	5.9	4.7	1.6	1.9	1.7	7.6	12.6	9.1	39%	33%	37%	1.3%	1.9%	3.4%
Hudbay Min	6.68	2.8	2.8	2.6	1.2	1.2	1.2	9.4	8.5	7.4	44%	45%	46%	0.2%	0.2%	0.2%
Lundin Min	7.07	4.6	4.1	3.3	1.9	1.8	1.6	14.3	12.8	9.1	42%	45%	48%	1.3%	1.2%	1.2%
MMC Norilsk Nickel	17.60	5.9	5.7	5.6	3.0	2.9	2.8	7.9	7.8	8.2	51%	51%	51%	9.0%	10.8%	10.7%
OZ Minerals	9.09	5.1	5.3	4.3	2.4	2.4	2.0	14.8	16.0	11.2	47%	46%	47%	2.2%	1.8%	2.5%
Rio Tinto	3817.00	4.3	4.7	4.7	2.0	2.0	2.0	10.6	11.7	11.8	46%	44%	43%	0.0%	0.0%	0.0%
Sandfire Resources	7.12	2.9	2.7	2.1	1.5	1.4	1.2	8.7	7.2	5.2	52%	52%	55%	3.9%	4.4%	6.1%
Southern CC	43.26	9.8	8.7	8.4	5.0	4.5	4.4	17.5	15.6	14.9	51%	52%	53%	4.0%	3.3%	3.3%
Vedanta Resources	820.80	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		4.6	4.7	4.5	2.0	2.0	1.9	11.4	10.9	9.9	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 (2018-09-20)

	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	4.54	5.4	5.7	5.8	1.4	1.4	1.5	41.3	49.9	43.6	25%	25%	26%	0.0%	0.0%	0.0%
Orange Polska	4.43	4.1	3.7	3.3	1.1	1.1	1.0	19.4	10.7	7.4	27%	28%	29%	0.0%	0.0%	5.6%
Play	20.20	5.4	5.4	5.1	1.7	1.7	1.6	6.5	7.3	7.1	32%	31%	31%	12.9%	6.4%	6.4%
Median		5.4	5.4	5.1	1.4	1.4	1.5	19.4	10.7	7.4	27%	28%	29%	0%	0.0%	5.6%
MID CAPS																
Proximus	21.02	5.1	5.0	5.0	1.6	1.6	1.6	12.2	12.0	11.8	32%	32%	32%	7.1%	7.1%	7.2%
Telefonica CP	261.50	8.6	8.6	8.5	2.3	2.3	2.3	15.1	14.4	13.9	27%	27%	27%	7.7%	7.8%	7.7%
Hellenic Telekom	10.41	4.6	4.5	4.4	1.6	1.5	1.5	18.4	15.5	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	7.21	5.3	5.2	5.1	1.7	1.7	1.6	14.7	11.9	10.6	32%	32%	32%	2.8%	3.3%	3.7%
Median		5.1	5.0	5.0	1.6	1.6	1.6	14.7	12.0	11.8	32%	32%	32%	6.1%	6.5%	7.0%
BIG CAPS																
BT	226.15	4.3	4.4	4.4	1.4	1.4	1.4	8.3	8.6	8.6	32%	31%	32%	0.0%	0.0%	0.0%
DT	13.83	5.7	5.5	5.2	1.7	1.7	1.6	14.5	12.8	11.7	30%	31%	31%	5.1%	5.5%	5.9%
KPN	2.32	7.0	6.9	6.8	2.7	2.8	2.8	20.5	18.4	16.1	39%	40%	40%	5.6%	7.9%	9.1%
Orange France	13.64	4.9	4.8	4.7	1.5	1.5	1.5	12.5	11.5	10.4	31%	32%	32%	5.1%	5.4%	5.7%
Swisscom	445.70	7.3	7.3	7.3	2.6	2.6	2.6	15.4	15.4	15.6	36%	36%	36%	4.9%	4.9%	4.9%
Telefonica S.A.	6.86	5.7	5.6	5.5	1.8	1.8	1.8	9.8	8.9	8.4	32%	32%	33%	5.9%	5.9%	6.1%
Telia Company	41.05	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	13.5	12.1	11.1	32%	33%	33%	5.1%	5.5%	5.8%

Media company valuations (2018-09-20)

	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	8.60	3.3	3.7	3.7	0.4	0.4	0.4	43.2	53.9	17.2	11%	10%	10%	5.8%	5.8%	5.8%
Cyfrowy Polsat	22.28	6.9	6.1	5.6	2.3	2.1	1.9	13.0	11.0	9.9	34%	34%	34%	0.0%	1.4%	2.3%
Median		5.1	4.9	4.7	1.4	1.2	1.1	28.1	32.5	13.5	0.2	0.2	0.2	0.0	0.0	0.0
DAILY																
Amolgo 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	58.50	10.6	9.7	9.0	2.5	2.4	2.3	20.5	18.2	16.4	23%	24%	25%	3.6%	3.7%	4.0%
Daily Mail	737.00	11.7	11.4	11.0	1.8	1.8	1.7	18.2	18.2	16.6	15%	15%	16%	0.0%	0.0%	0.0%
Gruppo Editoriale	0.36	6.1	6.2	6.0	0.5	0.5	0.5	11.5	10.5	10.8	7%	8%	8%	1.4%	3.4%	4.5%
New York Times	23.20	13.2	11.5	9.8	2.2	2.1	2.0	26.7	21.2	15.9	17%	18%	21%	0.7%	0.7%	0.7%
Promotora de Inform	1.97	8.6	8.3	7.5	1.7	1.7	1.7	12.5	17.9	16.7	20%	21%	23%	0.4%	0.4%	0.7%
Reach	61.20	1.6	1.6	1.6	0.4	0.4	0.4	1.7	1.6	1.6	23%	24%	25%	0.0%	0.0%	0.0%
Median		8.6	8.3	7.5	1.7	1.7	1.7	12.8	17.9	15.9	17%	18%	21%	0.7%	0.7%	0.7%
TV																
Atresmedia Corp	5.74	7.5	7.0	6.8	1.4	1.4	1.4	9.0	8.4	8.2	19%	20%	20%	9.4%	10.0%	10.3%
Gestevisión Telecinco	6.51	7.7	7.3	7.0	2.0	2.0	1.9	11.1	10.6	10.5	26%	27%	28%	9.1%	9.3%	9.4%
ITV PLC	151.90	8.1	8.1	7.6	2.2	2.1	2.0	9.9	9.9	9.1	27%	26%	27%	0.0%	0.0%	0.0%
M6-Metropole Tel	17.84	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	2.61	3.5	3.7	3.7	1.4	1.5	1.5	16.6	11.0	9.3	39%	40%	40%	4.3%	6.0%	6.8%
Modern Times	335.00	12.3	11.4	10.2	1.2	1.2	1.1	21.4	20.1	17.6	10%	10%	11%	3.8%	4.0%	4.2%
Prosieben	21.76	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	62.35	7.7	7.5	7.2	1.6	1.6	1.5	13.3	12.1	12.2	21%	21%	21%	6.5%	6.5%	6.6%
TF1-TV Francaise	9.33	4.9	4.2	4.0	0.8	0.8	0.8	15.8	11.2	10.3	17%	19%	20%	4.0%	4.9%	5.3%
Median		7.1	6.7	6.4	1.5	1.5	1.5	13.2	11.1	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	64.75	5.4	5.0	4.9	2.4	2.3	2.2	10.4	10.3	10.6	45%	46%	46%	2.9%	3.2%	3.2%
Comcast	37.81	8.1	7.7	7.3	2.6	2.6	2.4	14.9	13.6	11.8	32%	33%	33%	2.0%	2.2%	2.5%
Dish Network	36.62	8.5	9.6	11.0	1.7	1.7	1.8	13.5	16.2	22.6	20%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	29.17	5.9	5.8	5.6	2.8	2.8	2.7	-	53.8	35.2	47%	48%	48%	0.0%	0.0%	0.0%
Shaw Communications	19.71	8.1	7.5	7.0	3.2	3.0	2.9	23.1	18.5	15.7	39%	40%	42%	7.8%	7.9%	7.9%
Median		8.1	7.6	7.1	2.5	2.4	2.3	14.9	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 (2018-09-20)

	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*	20.20	5.7	5.7	5.5	0.1	0.1	0.1	5.4	5.1	4.7	1%	1%	1%	0.0%	2.5%	4.6%
Asseco Poland	44.88	8.0	7.8	7.8	1.0	1.0	1.0	13.2	14.5	14.4	13%	13%	13%	6.7%	4.5%	4.5%
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		8.0	7.8	7.8	1.0	1.0	1.0	13.2	14.5	14.4	12%	13%	13%	0.9%	4.5%	4.6%
FOREIGN COMPANIES																
Atos Origin	106.15	6.7	6.0	5.7	0.9	0.9	0.8	12.2	10.9	10.4	14%	14%	15%	1.7%	1.9%	2.0%
CapGemini	108.30	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	151.15	8.7	8.4	8.8	2.1	2.1	2.1	10.9	10.7	10.3	24%	25%	24%	4.1%	4.3%	4.5%
Indra Sistemas	9.88	7.6	7.0	6.5	0.7	0.7	0.7	14.4	12.2	10.8	10%	10%	11%	0.7%	1.9%	2.5%
Microsoft	113.57	18.1	15.6	13.9	7.4	6.6	6.0	29.6	26.7	23.4	41%	42%	43%	1.5%	1.6%	1.7%
Oracle	50.43	10.3	10.0	9.6	4.8	4.7	4.6	16.3	15.0	14.0	47%	47%	48%	1.5%	1.6%	1.6%
SAP	101.88	16.2	14.3	13.0	5.1	4.8	4.4	23.2	20.8	18.6	32%	33%	34%	1.4%	1.6%	1.7%
TietoEnator	27.70	10.3	9.9	9.6	1.4	1.3	1.3	15.7	15.1	14.5	13%	13%	13%	5.1%	5.3%	5.5%
Median		10.3	9.8	9.4	1.8	1.8	1.7	16.0	15.0	14.2	19%	20%	19%	1.6%	1.9%	2.0%

Construction company valuations (2018-09-20)

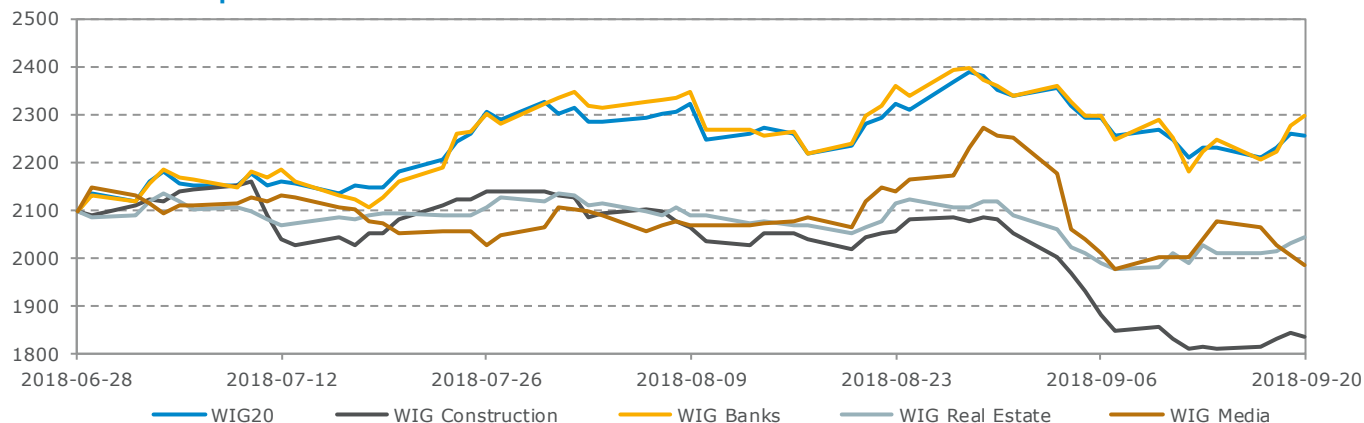
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Budimex	102.20	3.2	4.2	4.6	0.2	0.2	0.2	10.6	11.9	11.4	5%	4%	5%	17.2%	9.0%	8.0%
Elektrobudowa	31.30	1.3	1.4	1.3	0.1	0.1	0.1	6.3	6.1	6.0	5%	5%	6%	33.5%	16.0%	16.0%
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	9.40	-	4.4	3.4	0.1	0.1	0.1	-	10.2	6.0	-	2%	2%	11.7%	0.0%	5.9%
Herkules	2.98	5.0	4.2	4.0	1.3	0.9	0.9	9.4	6.6	6.5	26%	23%	23%	2.3%	6.0%	6.7%
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	2.95	5.5	5.3	4.1	0.2	0.2	0.1	23.2	21.1	9.9	3%	3%	3%	3.4%	0.0%	6.8%
Ulma Construcccion	72.50	3.6	3.5	3.3	1.5	1.4	1.4	9.0	8.7	9.5	40%	41%	41%	5.3%	5.5%	5.5%
Unibep	4.93	3.7	2.9	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	4.0	3.3	0.1	0.1	0.1	10.6	9.4	6.5	3%	3%	4%	3.2%	5.3%	6.7%
FOREIGN COMPANIES																
Acciona	75.98	7.7	7.6	7.3	1.4	1.4	1.3	17.7	16.6	14.9	18%	18%	18%	4.0%	4.3%	4.4%
Astaldi	1.38	4.6	4.6	4.5	0.5	0.5	0.4	2.4	2.4	2.2	10%	10%	10%	0.0%	0.0%	-
Ferrovial	18.60	29.0	20.5	18.7	1.6	1.5	1.5	63.1	32.9	28.4	5%	7%	8%	3.9%	4.0%	4.1%
Hochtief	142.20	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	2.19	4.0	3.6	3.4	0.6	0.6	0.5	13.7	7.1	5.7	16%	16%	16%	2.1%	3.9%	7.3%
NCC	152.90	7.2	5.2	4.9	0.3	0.2	0.2	14.9	10.6	9.6	3%	5%	5%	5.8%	6.3%	6.9%
Skanska	179.05	10.8	9.3	8.8	0.4	0.5	0.4	16.0	13.9	12.9	4%	5%	5%	4.6%	4.8%	5.0%
Strabag	33.75	3.4	3.3	3.1	0.2	0.2	0.2	11.7	11.4	10.7	6%	6%	6%	3.9%	4.1%	4.5%
Median		6.8	5.6	5.2	0.5	0.5	0.4	15.5	12.7	11.8	6%	7%	7%	3.9%	4.1%	4.5%

Real-estate developers (2018-09-20)

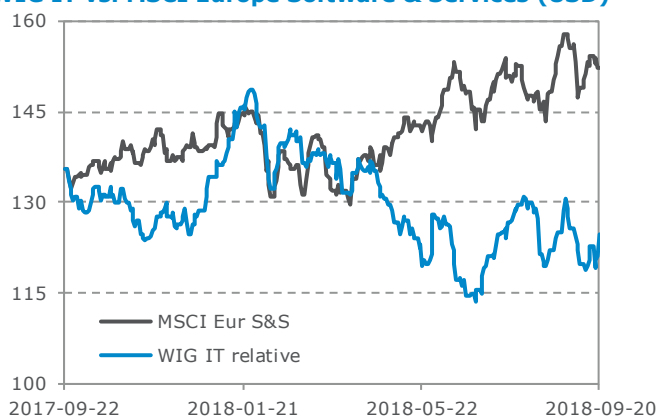
	Price	EV/EBITDA			P/BV			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
BBI Development	0.49	12.8	5.4	11.6	0.3	0.2	0.2	11.4	5.4	9.4	16%	52%	41%	0.0%	0.0%	0.0%
Dom Development	69.40	5.9	6.4	6.1	1.6	1.7	1.6	7.2	7.6	6.7	18%	17%	18%	11.0%	13.7%	13.2%
Echo Investment	4.32	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	8.40	14.5	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	13.05	7.2	6.0	2.1	0.5	0.5	0.4	4.0	4.5	2.9	17%	11%	20%	8.2%	12.6%	11.1%
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	18.85	10.0	11.2	10.5	0.5	0.5	0.5	6.1	7.1	6.8	24%	20%	21%	0.0%	4.0%	5.3%
Polnord	9.59	-	-	18.0	0.4	0.4	0.4	-	-	18.7	2%	1%	7%	0.0%	0.0%	0.0%
Ronson	1.12	12.7	11.2	6.3	0.5	0.5	0.5	12.1	8.0	4.8	9%	12%	13%	5.4%	5.4%	6.3%
Median		9.4	6.8	8.7	0.5	0.5	0.5	7.6	6.3	6.7	17%	18%	20%	0%	4%	5%
FOREIGN COMPANIES																
Atrium European RE	3.86	14.9	14.8	14.6	0.8	0.8	0.8	12.5	12.3	11.7	86%	84%	82%	8.8%	7.2%	7.4%
CA Immobilien Anlagen	31.22	27.0	23.6	20.4	1.1	1.1	1.0	25.7	23.5	21.2	76%	82%	66%	2.7%	3.0%	3.4%
Deutsche Euroshop AG	28.46	16.5	16.5	16.4	0.8	0.7	0.8	12.8	12.8	12.9	89%	89%	89%	5.2%	5.4%	5.6%
Immofinanz AG	23.14	32.3	28.3	26.7	0.9	0.8	0.8	24.7	22.0	18.8	56%	62%	64%	3.2%	3.5%	3.6%
Klepierre	30.77	20.1	19.5	18.9	0.8	0.8	0.8	12.0	11.5	11.1	84%	84%	84%	6.9%	7.1%	7.3%
Segro	641.00	33.1	30.0	27.5	1.0	1.0	0.9	29.1	26.4	24.5	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%	5.6%

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

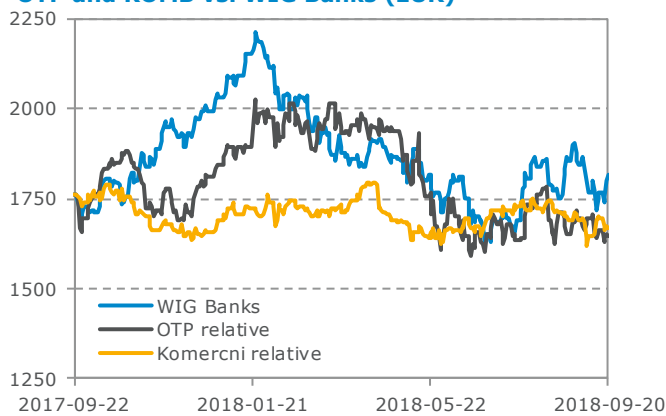
WIG sector index performance



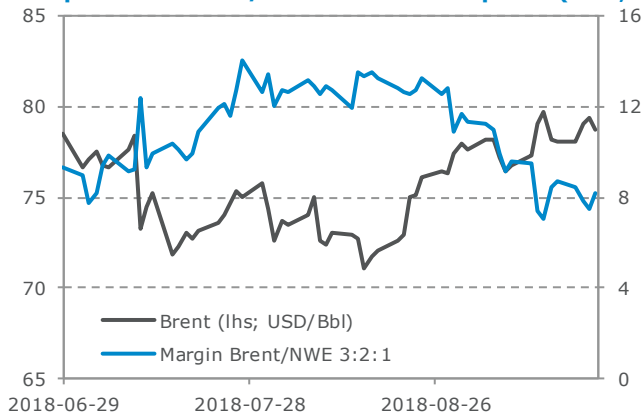
WIG IT vs. MSCI Europe Software & Services (USD)



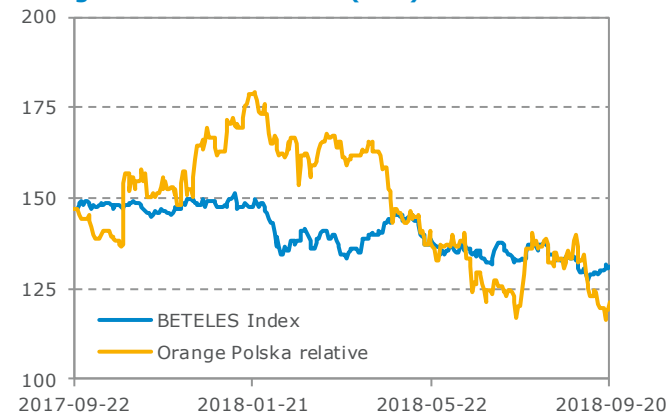
OTP and KOMB vs. WIG Banks (EUR)



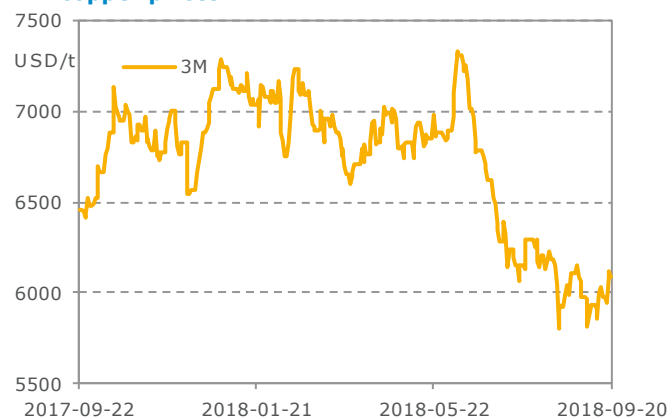
Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



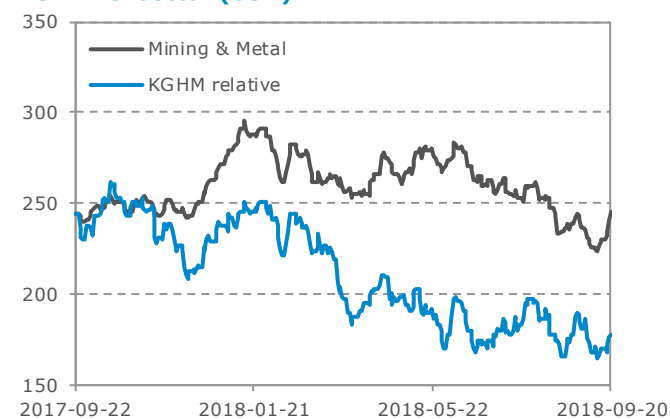
Orange Polska vs. BETELES (EUR)



LME copper prices



KGHM vs. sector (USD)



Source: Bloomberg

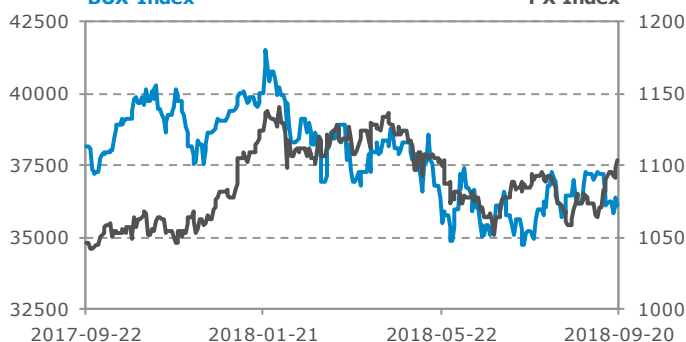
Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2018-09-20	26,519.39	26,697.49	26,519.39	26,656.98	+0.95%
S&P 500	2018-09-20	2,919.73	2,934.80	2,919.73	2,930.75	+0.78%
NASDAQ	2018-09-20	7,993.53	8,039.06	7,986.41	8,028.23	+0.98%
DAX	2018-09-20	12,210.95	12,354.38	12,210.57	12,326.48	+0.88%
CAC 40	2018-09-20	5,398.20	5,461.11	5,398.20	5,451.59	+1.07%
FTSE 100	2018-09-20	7,331.12	7,368.43	7,324.01	7,367.32	+0.49%
WIG20	2018-09-20	2,261.41	2,272.24	2,253.60	2,258.63	-0.02%
BUX	2018-09-20	36,379.94	36,392.78	36,081.10	36,134.33	-0.69%
PX	2018-09-20	1,098.76	1,104.64	1,096.21	1,103.64	+0.48%
RTS	2018-09-20	1,658.71	1,686.04	1,654.24	1,654.24	-0.07%
SOFIX	2018-09-20	627.60	627.81	626.28	627.08	-0.08%
BET	2018-09-20	8,294.54	8,357.11	8,281.28	8,354.33	+0.72%
XU100	2018-09-20	97,013.71	97,387.93	95,522.86	96,121.10	-0.50%
BETELES	2018-09-20	130.70	130.99	130.25	130.94	+0.17%
NIKKEI	2018-09-20	23,752.79	23,781.75	23,582.15	23,674.93	+0.01%
SHCOMP	2018-09-20	2,732.17	2,743.97	2,724.08	2,729.24	-0.06%
Copper (LME)	2018-09-20	6,094.50	6,124.00	6,045.50	6,082.00	-0.64%
Crude Oil (Brent)	2018-09-20	79.25	79.68	78.32	78.45	-0.96%
USD/PLN	2018-09-20	3.6718	3.6765	3.6405	3.6434	-0.78%
EUR/PLN	2018-09-20	4.2862	4.3007	4.2852	4.2908	+0.11%
EUR/USD	2018-09-20	1.1673	1.1785	1.1669	1.1777	+0.89%
USBonds10	2018-09-20	3.0645	3.0943	3.0552	3.0626	+0.0000
GRBonds10	2018-09-20	0.4810	0.5050	0.4700	0.4710	-0.0160
PLBonds10	2018-09-20	3.2210	3.2410	3.2110	3.2380	+0.0160

WIG20 Index



BUX Index



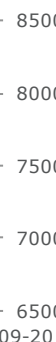
PX Index



S&P 500 (SPX Index)



NASDAQ (CCMP Index)



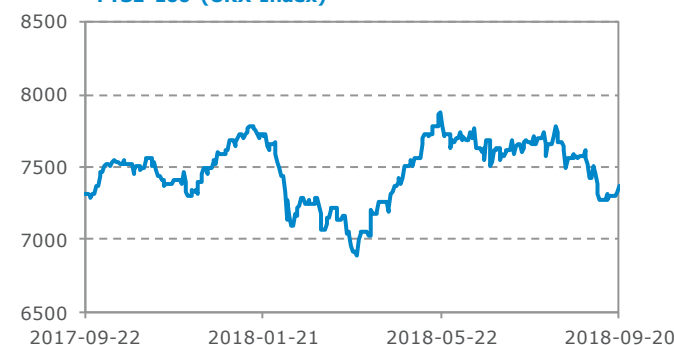
DOW JONES (INDU Index)



DAX Index



FTSE 100 (UKX Index)



Source: Bloomberg



CAC 40 Index



SOFIX Index



BET Index



RTS (CRTX Index)



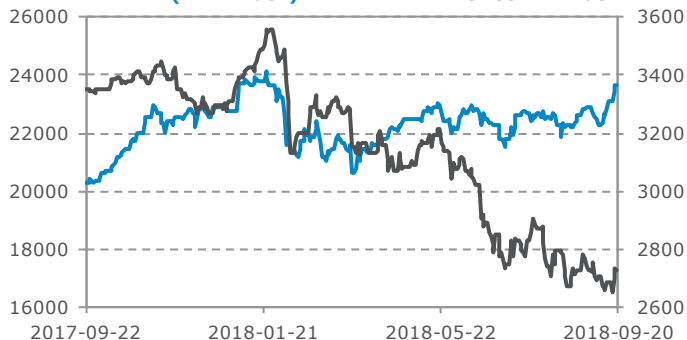
XU100 Index



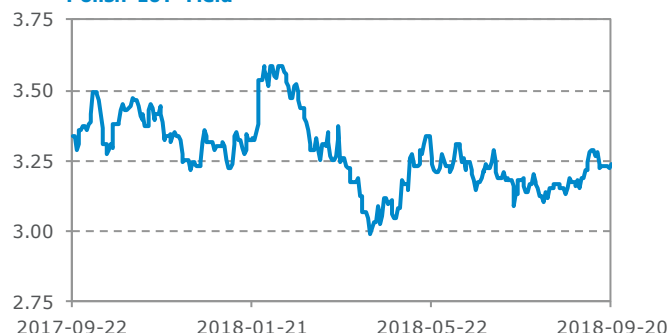
NIKKEI (NKY Index)



SHCOMP Index



Polish 10Y Yield



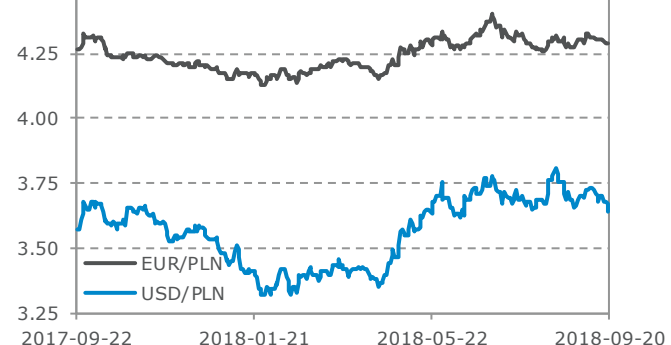
German 10Y Yield



US 10Y Yield



EUR/PLN



USD/PLN



EUR/USD



Source: Bloomberg

List of abbreviations and ratios contained in the report.

EV – net debt + market value (EV – economic value)
EBIT – Earnings Before Interest and Taxes
EBITDA – EBIT + Depreciation and Amortisation
PBA – Profit on Banking Activity
P/CE – price to earnings with amortisation
MC/S – market capitalisation to sales
EBIT/EV – operating profit to economic value
P/E – (Price/Earnings) – price divided by annual net profit per share
ROE – (Return on Equity) – annual net profit divided by average equity
P/BV – (Price/Book Value) – price divided by book value per share
Net debt – credits + debt papers + interest bearing loans – cash and cash equivalents
EBITDA margin – EBITDA/Sales

OVERWEIGHT (OW) – a rating which indicates that we expect a stock to outperform the broad market
NEUTRAL (N) – a rating which indicates that we expect the stock to perform in line with the broad market
UNDERWEIGHT (UW) – a rating which indicates that we expect the stock to underperform the broad market

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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.

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

Asseco Poland provides IT services to mBank S.A.

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

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DCF – acknowledged as the most methodologically correct method of valuation; it consists in discounting financial flows generated by a company; its weak point is the significant susceptibility to a change of forecast assumptions in the model.

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

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

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

NAV – valuation based on equity value, one of the most frequently used method in case of developing companies; the weak point of the method is that it does not factor in future changes in revenue/profits of a company.

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