

Tuesday, September 25, 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	26,562.1	-0.68%	FTSE 100	7,458.4	-0.42%	Copper (LME)	6,353.0	-0.16%
S&P 500	2,919.4	-0.35%	WIG20	2,280.6	+1.02%	Crude Oil (Brent)	80.76	+3.31%
NASDAQ	7,993.2	+0.08%	BUX	35,786.5	+0.01%	USD/PLN	3.6572	-0.21%
DAX	12,350.8	-0.64%	PX	1,093.5	-0.75%	EUR/PLN	4.2959	-0.25%
CAC 40	5,476.2	-0.33%	PLBonds10	3.266	+0.030	EUR/USD	1.1748	-0.01%

### Company & Sector News

#### Bank Pekao

Buy – 2018-02-01  
Target price: PLN 157.00

#### Pekao CEO denies M&A plans

According to the Polish News Agency PAP, Pekao's CEO Michał Krupinski denied that the bank is looking for an acquisition of a mutual fund in Poland and internet bank abroad. On the other hand, in a story in today's *Parkiet* newspaper Mr. Krupinski states the bank would consider an acquisition of a digital bank abroad. At the same time, CEO denied that the bank is interested in any of the assets controlled by businessman Leszek Czarnecki (Getin Noble Bank, Idea Bank, or Getin Holding). **We find the news neutral as we don't expect Pekao to spend any substantial amount on a potential acquisition. After the failure of merger talks with Alior Bank. Pekao's main focus is on organic development. (M. Konarski, M. Polańska)**

#### Oil & Gas

#### Shipping lobby proposes phased start to '2020 IMO rule'

According to Bloomberg sources, three trade groups and four countries where thousands of ships are registered made a joint proposal to the International Maritime Organization on Aug. 31 for what they called an "experience building phase". The suggestion, if adopted, would avoid individual ships being "unduly penalized" if they can't get the right fuel after IMO rule will restrict the amount of sulfur permitted in the fuel that ships burn from Jan.1, 2020. The IMO confirmed that it received such a document and it will discuss the proposal on its meeting on October 22-26. **It is hard to assess, whether any delay in IMO rule implementation is possible, but it seems that maritime trade companies are generally far from full compliance with the new sulfur content targets. However such a 'time lag' could be perceived as negative for refining sector because according to some recent research notes (we are rather skeptical), it should benefit the most from diesel demand spike in 2020. (K. Kliszcz)**

#### Energa

Buy – 2018-09-03  
Target price: PLN 15.27

#### Another lost case against wind farm operator

A court in Warsaw ruled that Energa's long-term green certificate purchase contract with the Boryszewo wind farm (32 MW capacity) is still valid and is not to be rescinded. In total, out of 22 cases brought against former wind energy suppliers, Energa reached out-of-court settlements with 3 windfarms (representing 31% of disputed capacity), lost three cases in arbitration, and had four dismissed by common courts. **We believe Energa can settle 60% of the wind farm cases out of court. If the company should lose the rest of the pending cases, with green certificates currently trading at PLN 90/MWh, it would face a present-value negative margin on the reinstated contractual purchases of roughly PLN 1.3bn (the actual loss would over time be lower at PLN 0.9bn, equivalent to 26% of market capitalization, which at the current level already prices most of the legal risks). This not including any other potential claims by the wind farms. (K. Kliszcz)**

#### Comarch

Accumulate – 2018-05-09  
Target price: 166.50 PLN

#### Interview with CEO

(1) Comarch plans to hold the current level of dividend. Company's need for working capital is very big as many contracts require upfront installment of the systems in the clients' infrastructure at their location, own data centers and our own equipment. (2) Comarch is thinking in terms of revenues per employee by moving into easily scalable products without joining the costly fight for new employees. (3) The 0.9% decline in revenues in H1 2018 stems largely from a change in the revenue model. Online sales from the cloud on a five-year contract model have replaced one-off individual sales. Sales in the new model are growing at a double-digit pace. (4) Comarch hopes to continue to build out its foreign sales presence chiefly in order to capture large foreign corporate clients. Comarch will seek to capture a portion of the domestic market of large state-owned enterprise. EU money creates opportunities in public administration. (5) Comarch is focused on growth in our own solutions. Unspecified smaller acquisitions are taking place but no significant transaction is planned. (6) **The takeover of systems maintenance for the Polish state insurance agency ZUS is proceeding according to plan and CEO is confident on outlook.** (7) Comarch could build a data center outside New York to cut costs on the several US locations where it currently has to rent space. The investment cost could be around \$10m. No other major office or production investments are currently eyed. **(P. Szpigiel)**

### Grupa Azoty

Hold – 2018-09-03  
Target price: 41.13 PLN

### Managements presents benefits of Compo acquisition

In connection with the request of the Management Board of Grupa Azoty to the General Meeting regarding the consent for the purchase of 100% shares in Compo Expert, the Group presented the expected benefits from the acquisition of a foreign entity. The intention of the Management Board is to open up new opportunities for Grupa Azoty to diversify its operations while simultaneously acquiring highly innovative technology and a well-developed distribution network. The Management Board estimates that the acquisition of Compo Expert will increase the scale of consolidated annual revenues of Grupa Azoty by approximately PLN 1.5bn in the following year, when Compo Expert will be consolidated. In addition, the Group's EBITDA may increase by approximately PLN 130m to 200m PLN. **The information given to shareholders is consistent with what the Management presented at the meeting with analysts and journalists after announcing the plan to acquire Compo. ATT shares could register a technical shift as all Company risks have been recently named. (J. Szkopek)**

### Kernel

Buy – 2018-07-23  
Target price: 59.18 PLN

### Ukrainian ministry expects good harvest, sunflower stocks up

According to speech of First Deputy Minister of Agrarian Policy and Food, Maksym Martynyuk on September 20 there are good reasons to increase the forecast of the general grain harvest in 2018/19 MY to 63.1 mln tones. Also, the forecast of grain exports in 2018/19 MY increased to 42 mln tones. According to Ministry Ukraine became a positive exception among the major countries -producers of grains, because during the season the negative impact of unfavorable weather conditions on the harvest volumes was as low as practicable. Furthermore the State Statistics Service of Ukraine disclosed recently that sunflower seed stocks on 1st September increased to 1,8m tones, which is 2,7 times up on y/y basis. In our forecasts we expected that this year harvest could be at the level 60-61m tones. The high sunflower stocks could let the company to start crushing season earlier than usually. **For more information, visit APK—Inform <https://tinyurl.com/y9qudfae>, <https://tinyurl.com/y8p5drfe> (J. Szkopek)**

### PBKM

Hold – 2018-06-06  
Target price: 76.26 PLN

### PBKM closes Stemlab acquisition

PBKM has finalized the acquisition of 99.99% of Stemlab shares for EUR 17.5m (approximately PLN 75.1m). The price does not include a loan granted by one of Stemlab's shareholders before closing the transaction. In addition, PBKM sold 0.23m shares in Stemlab to the CEO of the company, representing approximately 4.41% of the share capital, for EUR 0.75m (approximately PLN 3.2m). **News as expected. (P. Szpiigel)**

### AmRest

Hold – 2018-09-03  
Target price: PLN 426.00

### Highlights from 2Q 2018 earnings conference

- Revenues to double within the next three years with sales driven mainly by the dynamic expansion of the sales network and development of the delivery channel.
- Restaurant openings as planned: The company confirmed its plan of organic expansion of its network by 300 restaurants in 2018 (including franchise points). The plan for 2019 and 2020 covers another 400 and 500 restaurants, respectively.
- Adjusted EBITDA margin: As announced by the company's management board, EBITDA margin net of M&A stood at 13.2% in Q2 2018 (+0.8 p.p. YoY). Higher profitability can be attributed to LFL growth, lower influence of costs of food on sales, which outweighed the negative cost pressure. The management board is satisfied with the results generated by the company's organic restaurants.
- Impairment losses: In Q2 2018, the company recorded impairment losses in the amount of EUR 5.8 million against EUR 1.6 million, mainly due to impairment losses of La Tagliatella in France and Starbucks in Germany.
- Pizzaportal.pl: the platform doubled its sales YoY, mainly thanks to an increase in the number of orders. In 2018, the platform should report negative EBITDA, whereas in 2019 it should be positive. Currently, the company is focused on stimulating growth in orders and the average value of an order on the platform.
- Germany: EBITDA dropped slightly in Q2 2018 (-EUR 0.3 million YoY to -EUR 1.6 million) due to the results of the consolidated restaurants of Pizza Hut and KFC. Starbucks coffeehouses reported YoY improvement in LFL sales and EBITDA. As announced by the management board, the LFL sales in Starbucks coffeehouses continued on the upward path in July-August.
- 1:10 shares split: The 1:10 shares split should be completed by the end of 2018. **(P. Bogusz)**

### Eurocash

Buy – 2018-04-06  
Target price: PLN 30.70

### Launch of e-commerce platform

Eurocash's unit Eurocash Distribution (ECD) launched a PLN 15m B2B e-commerce platform as it hopes the tool will let small and medium independent grocery stores effectively compete with large-scale stores, CEO Luis Amaral told a conference. The new platform should enable entrepreneurs not only to purchase products from Eurocash Distribution but also to receive information on local market, competitors, marketing campaigns as well as on special occasions. The platform should change a role of Eurocash's sales representatives, who will become more advisors to clients. Electronic sales channels in Eurocash Distribution generates roughly PLN 3bn annual turnover, while average basket value is PLN 3,000. In September 14,000 out of 80,000 ECD clients used a new e-commerce platform and generated roughly PLN 40m turnover in September. According to Eurocash Distribution CEO, monthly turnover is increasing by PLN 5m on the monthly basis and new platform should generate PLN 600m turnover in 2019. The company

expects that the utilization of the new platform with EDC clients will reach 92-93% in 3-4 years. **The new platform should enable Eurocash clients to better compete with other formats on the market that could drive their sales generation. Eurocash could benefit from the new platform by increasing their share of supply share in partnership store chains as well as by reducing some sales representatives costs. Potential positive effects on Eurocash results should be seen in mid- to long-term. (P. Bogusz)**

## More News

<b>Action</b>	Listed IT distributor Action decided to liquidate its unit Action Europe and end restructuring procedure, the company said in a market filing.
<b>Enea</b>	Power utility Enea's shareholders granted a directional consent to start the construction stage of the Ostroleka C Project, according to the resolutions adopted at the Monday GM. Earlier, such a consent was granted by peer utility Energa.
<b>GetBack</b>	The curator for troubled debt collector GetBack's bondholders will vote for the restructuring proposals to be submitted by the board of creditors during the vote over GetBack's restructuring deal, the curator said in a statement published online.
<b>JSW</b>	Listed coal miner JSW's unit Jastrzebska Spolka Kolejowa (JSK) is seeking to invest ca. PLN 50 mln in a logistics hub on the site of the currently liquidated Jas-Mos mine, expected to be launched in 2022, JSK director of development Radoslaw Wardas told a conference.
<b>PKO BP</b>	Poland's largest lender PKO BP may conduct an eurobond issue in early 2019 to refinance a EUR 500 mln issue approaching maturity, depending on market conditions, deputy CEO Jakub Papierski told PAP.
<b>PlayWay</b>	Video games firm PlayWay beat consensus expectations with a PLN 15.5 mln Q2 net profit, Q2 financial statements showed.
<b>Polmed</b>	Healthcare provider Polmed and a group of its shareholders launched squeeze-out of 770.6k of the company's shares or 2.7% of all shares at PLN 2.92 apiece, transaction manager Polmed said in a filing.
<b>Qumak</b>	Listed IT firm Qumak expects to report PLN 13.1 mln net loss in H1 on a PLN 13.8 mln EBIT loss and PLN 54.5 mln in sales revenues, the company said in a market filing of its estimates.

## Corporate Action Calendar

Date	Time	Company	Event
25-Sep		<b>AmRest</b>	Investor meetings (mBank HQ, ul. Senatorska 18, Warsaw) - registration required
25-Sep		<b>BBI Dev.</b>	Q2'18 earnings announcement
25-Sep	11:45	<b>Elektrobudowa</b>	Investor meetings (CC Group, Marszałkowska 89, Warsaw) - registration required
25-Sep		<b>Esotiq</b>	Last day to trade cum dividend (DPS PLN 1.00/share)
25-Sep	11:00	<b>Feerum</b>	Q2'18 earnings conference (Sheraton Hotel, Warsaw)
26-Sep		<b>Bytom</b>	Q2'18 earnings announcement
26-Sep	09:00	<b>Famur</b>	Q2'18 earnings conference (GPW, ul. Książęca 4, Warsaw)
26-Sep		<b>Famur</b>	Q2'18 earnings announcement
26-Sep	10:00	<b>Krynicky Rec.</b>	Q2'18 earnings conference (Sheraton Hotel, Warsaw)
26-Sep		<b>Polwax</b>	Q2'18 earnings announcement
26-Sep	12:30	<b>Vistula</b>	Q2'18 earnings conference (Sheraton Hotel, Warsaw)
27-Sep		<b>Getin Noble</b>	Q2'18 earnings announcement
28-Sep		<b>Ailleron</b>	Q2'18 earnings announcement
28-Sep		<b>Elemental</b>	Q2'18 earnings announcement
28-Sep		<b>Herkules</b>	Q2'18 earnings announcement
28-Sep	12:00	<b>Polnord</b>	Q2'18 earnings conference (GPW, Książęca 4, Warsaw)
28-Sep		<b>Tarczyński</b>	Q2'18 earnings announcement
30-Sep		<b>Pfleiderer Group</b>	Q2'18 earnings announcement
1-Oct	10:30	<b>Pfleiderer Group</b>	Q2'18 earnings conference (InterContinental Hotel, Warsaw)
1-Oct	10:30	<b>Pfleiderer Group</b>	The live webcast <a href="http://platforma.livingmedia.pl/pfleiderer/180914001/">http://platforma.livingmedia.pl/pfleiderer/180914001/</a>

## Economic Calendar

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%; 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		2.60% y/y
14:30	USA	Core PCE	Q2		1.90% y/y
Friday, 28 September 2018					
Time	Region	Data	Period	Forecast	Previous
07:00	Japan	Housing Starts	August	-0.70% y/y; -0.70% y/y	
08:00	Germany	Import Price Index	August	-0.20% m/m; 5.00% y/y	
08:00	UK	Nationwide House Prices	September		-0.50% m/m
08:00	Germany	Wholesale Price Index	August	3.50% y/y; 3.50% y/y	
08:45	France	PPI	August	0.60% m/m; 4.00% y/y	
10:30	UK	Business Investment (F)	Q1	-0.40% q/q; 2.00% y/y	
10:30	UK	Capital Account Balance	Q2		-143m
10:30	UK	Current Account Balance	Q2		-17.72bn
10:30	UK	GDP	Q2	0.40% q/q; 1.20% y/y	
14:30	USA	Core PCE Deflator	August	0.20% m/m; 2.00% y/y	
14:30	USA	Personal Income	August		0.30% m/m
14:30	USA	Personal Spending	August		0.40% m/m
Monday, 1 October 2018					
Time	Region	Data	Period	Forecast	Previous
01:50	Japan	Tankan Manufacturers Index	Q3		21
01:50	Japan	Tankan Non-Manufacturers Index	Q3		24
02:30	Japan	PMI Manufacturing (F)	September		52.50
03:45	China	PMI Manufacturing	September		50.60
08:00	Germany	Retail Sales	August	-0.40% m/m; 2.30% y/y	
09:00	Poland	PMI Manufacturing	September		51.40
09:50	France	PMI Manufacturing (F)	September		53.50
09:55	Germany	PMI Manufacturing (F)	September		55.90
10:00	EU	PMI Manufacturing (F)	September		54.60
10:30	UK	PMI Manufacturing	September		52.80
11:00	EU	Unemployment Rate	September		8.20%
16:00	USA	Construction Spending	August		0.10%
16:00	USA	ISM Manufacturing	September		61.30

## 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
<b>Financial Sector</b>						<b>+20.7%</b>	<b>11.7</b>	<b>10.3</b>		
Alior Bank	buy	2018-02-01	85.50	109.00	63.25	+72.3%	8.6	7.2		
Getin Noble Bank	hold	2018-05-09	1.17	1.40	0.59	+137.3%	11.9	4.4		
Handlowy	buy	2018-04-06	77.50	94.00	71.90	+30.7%	14.9	12.2		
ING BSK	accumulate	2018-08-02	190.00	212.00	184.80	+14.7%	15.3	13.5		
Millennium	sell	2018-08-02	9.12	7.00	8.85	-20.9%	14.9	13.5		
Pekao	buy	2018-02-01	135.90	157.00	106.65	+47.2%	12.8	10.6		
PKO BP	hold	2018-04-06	39.74	38.00	41.49	-8.4%	15.7	13.1		
Santander Bank Polska	accumulate	2018-09-03	376.00	430.00	369.80	+16.3%	14.5	12.0		
Komercni Banka	buy	2017-12-01	899.00	1,111 CZK	902.50	+23.1%	11.6	9.8		
Erste Bank	buy	2018-08-02	37.14	43.00 EUR	36.52	+17.7%	10.4	10.4		
OTP Bank	buy	2018-06-06	10,210	12,090 HUF	9,860	+22.6%	10.0	9.2		
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	204.60	+43.1%	10.9	9.2		
Prime Car Management	suspended	2018-08-23	7.96	-	8.68	-	-	-		
Skarbiec Holding	buy	2018-08-31	25.30	36.86	25.00	+47.4%	7.8	7.4		
<b>Chemicals</b>						<b>+50.1%</b>	<b>11.0</b>	<b>10.0</b>	<b>5.2</b>	<b>5.0</b>
Ciech	buy	2018-08-02	56.95	82.52	47.70	+73.0%	7.5	7.0	5.1	4.8
Grupa Azoty	hold	2018-09-03	38.00	41.13	32.70	+25.8%	14.4	13.0	5.2	5.3
Polwax	suspended	2018-09-14	7.70	-	7.34	-	-	-	-	-
<b>Oil &amp; Gas</b>						<b>+6.4%</b>	<b>8.8</b>	<b>12.4</b>	<b>4.8</b>	<b>5.6</b>
Lotos	sell	2018-09-03	69.90	57.21	74.90	-23.6%	10.5	14.8	5.7	7.0
MOL	buy	2018-09-03	2,870	3,296 HUF	2,840	+16.1%	8.1	10.0	3.7	4.1
PGNiG	buy	2018-09-03	5.82	7.86	6.23	+26.2%	8.7	7.3	4.1	3.4
PKN Orlen	sell	2018-09-03	98.24	81.38	100.65	-19.1%	9.0	14.9	5.6	7.9
<b>Power Utilities</b>						<b>+16.8%</b>	<b>3.9</b>	<b>4.0</b>	<b>3.7</b>	<b>3.4</b>
CEZ	sell	2018-07-04	550.00	440.96 CZK	569.00	-22.5%	21.5	20.0	8.5	8.4
Enea	buy	2018-05-29	9.57	12.62	7.90	+59.7%	3.8	2.9	3.7	3.2
Energa	buy	2018-09-03	8.40	15.27	7.85	+94.5%	3.9	4.0	3.3	3.2
PGE	buy	2018-05-29	9.28	13.60	9.56	+42.3%	5.8	5.7	3.6	3.4
Tauron	buy	2018-09-03	2.00	2.77	1.78	+55.6%	3.4	2.8	3.7	4.1
<b>Telecoms, Media, IT</b>						<b>+12.0%</b>	<b>19.8</b>	<b>17.0</b>	<b>7.0</b>	<b>6.2</b>
Netia	reduce	2018-06-06	5.00	4.30	4.59	-6.3%	41.8	50.4	5.5	5.8
Orange Polska	buy	2018-04-06	5.83	7.60	4.47	+70.0%	19.6	10.8	4.1	3.7
Play	hold	2018-08-30	21.90	22.60	19.70	+14.7%	6.3	7.1	5.4	5.3
Agora	buy	2018-09-14	8.48	15.40	8.82	+74.6%	44.3	55.2	3.4	3.8
Cyfrowy Polsat	accumulate	2018-06-15	22.76	24.90	22.70	+9.7%	13.3	11.3	7.0	6.2
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	45.78	+7.0%	13.5	14.8	8.1	7.9
CD Projekt	sell	2018-04-06	114.90	90.80	187.40	-51.5%	90.2	27.1	71.6	21.0
Comarch	accumulate	2018-05-09	145.00	166.50	170.00	-2.1%	24.5	18.0	9.7	8.4
<b>Industrials, Mining</b>						<b>+23.5%</b>	<b>14.4</b>	<b>6.5</b>	<b>6.4</b>	<b>4.6</b>
Famur	buy	2018-08-02	5.20	6.56	5.44	+20.6%	17.1	13.5	7.5	6.7
Grupa Kęty	hold	2018-09-03	387.50	367.45	378.00	-2.8%	13.7	13.0	9.4	8.8
JSW	buy	2018-09-03	77.00	98.00	68.32	+43.4%	4.1	5.4	2.1	2.3
Kemel	buy	2018-07-23	50.50	59.18	49.00	+20.8%	15.1	6.9	6.7	5.1
KGHM	buy	2018-09-03	90.80	104.21	90.86	+14.7%	7.7	6.0	4.5	3.4
Stelmet	buy	2018-09-03	11.35	20.45	8.40	+143.5%	16.0	5.5	6.2	4.1
<b>Construction</b>						<b>+33.2%</b>	<b>6.3</b>	<b>8.1</b>	<b>3.7</b>	<b>3.6</b>
Budimex	hold	2018-08-02	122.60	125.00	109.40	+14.3%	11.3	12.8	3.7	4.7
Elektrobudowa	hold	2018-06-06	69.00	71.00	31.40	+126.1%	6.3	6.2	1.3	1.4
Erbud	buy	2018-09-03	9.60	14.40	9.28	+55.2%	-	10.1	-	4.3
Unibep	buy	2018-04-06	7.50	10.10	4.95	+104.0%	5.7	4.9	3.7	2.9
<b>Property Developers</b>						<b>+26.0%</b>	<b>7.0</b>	<b>7.3</b>	<b>7.5</b>	<b>7.4</b>
Atal	buy	2018-07-04	36.40	42.86	33.60	+27.6%	6.9	7.2	6.2	6.7
Capital Park	buy	2018-04-06	5.95	8.35	5.60	+49.1%	11.1	9.3	17.8	17.1
Dom Development	buy	2018-08-02	72.80	87.80	68.60	+28.0%	7.1	7.5	5.8	6.4
Echo	buy	2018-04-06	5.23	5.63	4.42	+27.4%	6.0	5.6	7.1	7.3
GTC	hold	2018-04-06	9.39	9.60	8.47	+13.3%	10.2	8.8	14.6	13.7
LC Corp	buy	2018-06-22	2.39	3.58	2.52	+42.1%	6.1	5.6	7.9	7.5
<b>Retail</b>						<b>+18.1%</b>	<b>27.6</b>	<b>18.3</b>	<b>13.5</b>	<b>11.2</b>
AmRest	hold	2018-09-03	406.00	426.00	450.00	-5.3%	47.4	37.2	15.5	12.4
CCC	buy	2018-06-06	242.80	295.00	236.80	+24.6%	31.0	18.3	17.5	12.2
Dino	hold	2018-06-06	107.40	103.50	99.20	+4.3%	30.5	22.8	19.0	14.6
Eurocash	buy	2018-04-06	24.41	30.70	19.06	+61.1%	20.0	15.5	6.5	5.5
Jeronimo Martins	buy	2018-08-02	12.65	15.20 EUR	12.69	+19.8%	20.0	16.7	8.6	7.4
LPP	accumulate	2018-06-18	9,025	10,200	8,800	+15.9%	24.7	20.3	13.5	11.2
TXM	buy	2018-07-04	1.28	3.48	0.63	+452.4%	-	2.1	12.5	3.0
<b>Other</b>						<b>+19.5%</b>	<b>9.3</b>	<b>8.5</b>	<b>6.2</b>	<b>5.7</b>
PBKM	hold	2018-06-06	73.00	76.26	63.80	+19.5%	9.3	8.5	6.2	5.7

## Current Calls by Dom Maklerski mBanku

Company	Relative Positioning	Rated On	Price At Rating	Current Price	Change	P/E		EV/EBITDA	
						2018	2019	2018	2019
Industrials						13.0	9.8	5.2	4.9
Ailleron	neutral	2018-03-28	16.20	13.30	-17.9%	15.8	13.8	7.1	5.8
Asseco BS	neutral	2018-03-28	28.00	25.00	-10.7%	14.5	13.2	9.7	8.9
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	3.50	-17.6%	8.1	7.4	5.2	4.9
Wasko	neutral	2018-05-30	1.68	1.54	-8.3%	13.0	8.5	4.9	4.1
Industrials						8.7	8.5	6.4	5.9
Alumetal	neutral	2018-08-23	51.00	44.60	-12.5%	7.9	8.7	6.5	6.8
Amica	overweight	2018-09-13	112.80	108.80	-3.5%	7.6	7.2	5.3	4.8
Apator	neutral	2018-02-28	24.00	24.20	+0.8%	13.3	14.0	7.7	7.9
Boryszew	neutral	2018-09-05	6.25	5.00	-20.0%	8.8	7.1	6.4	5.8
Elemental	neutral	2018-04-27	1.09	1.50	+37.6%	6.0	5.3	5.5	4.9
Ergis	neutral	2018-04-27	4.06	3.66	-9.9%	8.2	7.7	6.0	5.6
Forte	overweight	2018-07-27	40.60	43.20	+6.4%	16.1	11.5	11.0	9.0
Kruszwica	underweight	2018-08-02	65.40	45.40	-30.6%	17.7	18.7	9.4	9.5
Mangata	underweight	2018-09-13	91.20	79.20	-13.2%	10.0	12.1	7.1	7.5
Pfleiderer Group	overweight	2018-08-08	37.30	36.50	-2.1%	18.1	18.0	6.5	6.1
Pozbud	overweight	2018-09-04	3.57	2.65	-25.8%	5.0	2.7	4.6	1.7
Tarczyński	neutral	2018-05-30	14.50	15.30	+5.5%	8.7	8.2	5.8	5.5
Construction Sector						20.9	9.2	5.3	4.0
Elektrotim	neutral	2018-05-28	5.80	4.19	-27.8%	25.4	10.7	4.6	3.9
Herkules	neutral	2018-01-25	3.67	2.97	-19.1%	9.3	6.5	5.0	4.1
Torpol	neutral	2018-05-28	6.40	5.22	-18.4%	24.4	7.6	6.5	3.9
Trakcja	underweight	2018-05-18	3.65	3.05	-16.4%	24.0	21.8	5.6	5.4
Ulma	neutral	2018-05-28	73.00	72.50	-0.7%	9.0	8.7	3.6	3.5
ZUE	neutral	2018-05-28	5.86	5.58	-4.8%	17.9	9.7	7.2	5.8
Property Developers						6.2	6.0	8.5	5.7
Archicom	overweight	2018-06-22	15.00	13.00	-13.3%	6.1	4.2	5.9	4.7
BBI Development	neutral	2018-04-26	0.66	0.54	-18.2%	12.5	6.0	13.3	5.7
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	2.78	-20.1%	7.5	3.0	8.5	3.8
Lokum Deweloper	overweight	2018-06-22	18.80	17.80	-5.3%	5.9	6.8	4.5	5.3
PA Nova	neutral	2018-03-29	22.30	19.15	-14.1%	6.2	7.2	10.1	11.2
Polnord	underweight	2018-06-22	9.04	9.40	+4.0%	-	-	-	-
Ronson	neutral	2018-06-22	1.09	1.06	-2.8%	11.5	7.6	12.3	10.9
Retail						11.3	9.2	7.7	6.3
Bytom	overweight	2018-05-23	2.92	2.68	-8.2%	11.9	10.9	7.7	6.8
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	3.95	-17.5%	11.3	9.2	7.8	6.3



## CEE bank valuations (2018-09-24)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
<b>POLISH BANKS</b>													
Alior Bank	63.25	8.6	7.2	-	13%	13%	-	1.0	0.9	-	0.0%	0.0%	-
Getin Noble Bank	0.59	11.9	4.4	1.9	1%	3%	6%	0.1	0.1	0.1	0.0%	0.0%	0.0%
Handlowy	71.90	14.9	12.2	-	9%	11%	-	1.3	1.3	-	5.7%	6.7%	-
ING BSK	184.80	15.3	13.5	12.4	13%	13%	12%	1.8	1.6	1.4	1.8%	2.0%	2.2%
Millennium	8.85	14.9	13.5	-	9%	9%	-	1.2	1.1	-	0.0%	1.7%	-
Pekao	106.65	12.8	10.6	-	9%	11%	-	1.2	1.1	-	7.4%	7.8%	-
PKO BP	41.49	15.7	13.1	-	9%	10%	-	1.3	1.2	-	1.3%	1.6%	-
Santander Bank Polska	369.80	14.5	12.0	10.5	10%	11%	12%	1.3	1.3	1.2	1.8%	3.4%	4.2%
<b>Median</b>		<b>14.7</b>	<b>12.1</b>	<b>10.5</b>	<b>9%</b>	<b>11%</b>	<b>12%</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.5%</b>	<b>1.8%</b>	<b>2.2%</b>
<b>INVESTORS IN POLISH BANKS</b>													
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	73.840	11.3	9.9	8.5	9%	10%	11%	1.0	0.9	0.9	2.1%	2.6%	3.0%
Commerzbank	9.400	12.7	10.6	7.9	3%	4%	5%	0.4	0.4	0.4	2.2%	3.4%	4.9%
ING	11.490	8.6	8.3	7.9	10%	10%	10%	0.9	0.8	0.8	6.0%	6.2%	6.5%
KBC	66.320	10.9	11.1	10.6	14%	13%	13%	1.5	1.5	1.4	5.4%	5.9%	6.3%
UCI	13.962	8.9	7.1	6.3	6%	8%	8%	0.5	0.5	0.5	2.6%	4.5%	6.9%
<b>Median</b>		<b>10.9</b>	<b>9.1</b>	<b>7.9</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>2.4%</b>	<b>4.0%</b>	<b>5.9%</b>
<b>FOREIGN BANKS</b>													
Erste Bank*	36.52	10.4	10.4	9.7	11%	10%	10%	1.1	1.0	1.0	3.3%	4.0%	4.0%
Komerční Banka*	902.50	11.6	9.8	-	14%	14%	-	1.5	1.3	-	5.2%	4.8%	-
OTP*	9,860	10.0	9.2	-	15%	15%	-	1.5	1.3	-	2.6%	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	10.41	22.7	11.7	8.5	1%	3%	4%	-	-	-	1.3%	2.7%	4.1%
Sberbank	198.75	5.2	4.9	4.4	23%	21%	21%	1.1	1.0	0.9	8.9%	10.3%	11.8%
VTB Bank	0.04	4.2	3.5	3.2	12%	12%	12%	0.5	0.4	0.4	9.5%	9.5%	9.5%
Piraeus Bank	1.95	54.2	6.3	3.4	0%	2%	4%	0.1	0.1	0.1	0.0%	0.0%	2.5%
Alpha Bank	1.20	9.0	5.6	4.4	2%	3%	4%	0.2	0.2	0.2	0.0%	0.0%	1.3%
National Bank of Greece	1.68	129.5	73.2	49.5	2%	3%	5%	2.9	2.8	2.7	0.0%	0.0%	0.1%
Eurobank Ergasias	0.64	8.2	5.5	4.3	3%	5%	6%	0.3	0.3	0.2	0.0%	0.0%	1.7%
Akbank	6.76	4.3	3.8	3.4	15%	15%	15%	0.6	0.5	0.5	6.6%	7.6%	7.8%
Türkiye Garanti Bank	7.14	4.3	3.8	3.1	15%	16%	17%	0.7	0.6	0.5	6.3%	7.0%	5.5%
Türkiye Halk Bank	6.39	2.2	1.9	1.6	13%	14%	-	0.3	0.2	0.2	3.4%	5.2%	-
Türkiye Vakıflar Bankası	3.61	2.4	2.9	2.8	15%	12%	-	0.3	0.3	0.3	1.8%	1.8%	1.0%
Yapı ve Kredi Bankası	1.84	3.9	3.3	2.6	10%	10%	12%	0.4	0.4	0.3	0.0%	2.7%	1.8%
<b>Median</b>		<b>8.6</b>	<b>5.5</b>	<b>3.9</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>2.9%</b>	<b>3.4%</b>	<b>4.0%</b>

## Insurance company valuations (2018-09-24)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
<b>POLISH COMPANIES</b>													
PZU	40.00	11.2	10.1	9.5	20%	21%	21%	2.2	2.1	1.9	6.7%	6.7%	7.4%
<b>FOREIGN COMPANIES</b>													
Vienna Insurance G.	24.42	10.8	10.4	9.3	6%	6%	6%	0.6	0.6	0.6	3.8%	4.1%	4.4%
Uniqia	8.42	12.0	11.3	10.5	7%	7%	8%	0.9	0.9	0.9	6.2%	6.7%	6.9%
Aegon	5.55	8.4	7.8	7.4	7%	7%	7%	0.5	0.5	0.5	5.1%	5.3%	5.6%
Allianz	191.86	11.0	10.3	9.8	11%	12%	12%	1.2	1.2	1.1	4.5%	4.8%	5.1%
Aviva	4.91	8.7	8.1	7.5	12%	11%	-	1.1	1.1	1.1	6.1%	6.8%	7.7%
AXA	23.32	9.4	8.6	8.3	9%	9%	9%	0.8	0.7	0.7	5.7%	6.0%	6.3%
Baloise	150.10	12.5	11.8	11.0	9%	9%	9%	1.1	1.0	1.0	3.9%	4.1%	4.4%
Assicurazioni Generali	15.31	9.7	9.5	9.1	10%	10%	10%	0.9	0.9	0.9	5.9%	6.3%	6.6%
Helvetia	594.50	11.8	11.4	11.1	10%	10%	10%	1.1	1.1	1.0	4.1%	4.3%	4.4%
Mapfre	2.67	10.1	9.2	8.4	9%	10%	12%	0.9	0.9	0.9	5.7%	6.2%	6.8%
RSA Insurance	6.33	13.2	11.8	11.3	13%	14%	14%	1.7	1.6	1.5	3.7%	4.7%	5.0%
Zurich Financial	307.20	12.6	10.8	10.3	11%	13%	14%	1.4	1.4	1.3	6.2%	6.6%	7.0%
<b>Median</b>		<b>10.9</b>	<b>10.4</b>	<b>9.5</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>5.4%</b>	<b>5.7%</b>	<b>5.9%</b>

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

## Gas & Oil valuations (2018-09-24)

		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
OIL COMPANIES																
Lotos	74.90	5.7	7.0	5.7	0.6	0.6	0.6	10.5	14.8	13.0	11%	8%	10%	1.3%	2.9%	2.0%
MOL	2840.00	3.7	4.1	4.0	0.5	0.5	0.5	8.1	10.0	9.4	14%	12%	13%	4.5%	3.9%	4.1%
PKN Orlen	100.65	5.6	7.9	6.9	0.5	0.4	0.4	9.0	14.9	13.3	8%	5%	6%	3.0%	3.9%	2.3%
HollyFrontier	69.59	7.3	6.1	6.7	0.9	0.8	0.8	13.3	9.5	10.3	12%	14%	13%	1.9%	2.0%	2.0%
Andeavor	158.87	9.9	8.1	7.1	0.7	0.7	0.7	18.1	13.0	10.6	7%	8%	10%	1.5%	1.7%	1.8%
Valero Energy	114.96	9.0	6.8	5.4	0.5	0.5	0.4	17.6	11.3	8.4	5%	7%	8%	2.8%	3.1%	3.2%
Marathon Petroleum	85.79	8.9	7.4	6.0	0.7	0.6	0.6	17.5	12.2	9.6	8%	9%	10%	2.2%	2.3%	2.6%
Phillips 66	113.46	9.1	8.1	7.1	0.6	0.5	0.6	14.9	11.7	9.6	6%	7%	9%	2.7%	3.0%	3.2%
Tupras	136.50	7.8	7.3	6.4	0.6	0.5	0.5	10.3	9.0	7.7	8%	7%	8%	7.3%	8.4%	10.3%
OMV	47.74	3.9	3.7	3.7	0.9	0.8	0.8	9.3	8.6	8.7	22%	23%	23%	3.4%	3.8%	4.1%
Neste Oil	72.46	11.6	10.9	10.7	1.3	1.3	1.2	18.5	17.5	16.9	11%	11%	12%	2.8%	2.9%	3.0%
Hellenic Petroleum	7.76	5.8	5.9	5.9	0.5	0.5	0.4	8.1	8.8	8.6	8%	8%	8%	4.9%	5.2%	5.8%
Saras SpA	1.91	4.7	4.0	3.3	0.2	0.2	0.2	15.3	10.7	7.7	4%	5%	6%	4.1%	4.9%	6.3%
Motor Oil	23.30	5.5	5.5	4.9	0.3	0.3	0.3	10.6	10.9	9.5	6%	6%	7%	5.4%	5.6%	6.3%
Median		6.5	6.9	6.0	0.6	0.5	0.5	12.0	11.1	9.5	8%	8%	9%	2.9%	3.4%	3.2%
GAS COMAPNIES																
A2A SpA	1.52	6.7	6.6	6.4	1.4	1.3	1.3	11.8	12.5	11.7	20%	20%	21%	4.4%	4.8%	5.1%
Centrica	147.55	4.9	4.9	4.9	0.4	0.4	0.4	11.3	11.4	11.1	9%	8%	8%	0.0%	0.0%	0.0%
Enagas	23.70	10.2	10.4	10.2	7.9	8.1	8.0	12.9	13.3	12.3	78%	78%	79%	6.4%	6.7%	7.1%
Endesa	18.41	7.3	7.1	7.0	1.3	1.2	1.2	13.6	13.2	13.0	17%	17%	18%	7.4%	7.6%	7.8%
Engie	12.46	6.0	5.7	5.4	0.9	0.9	0.8	12.5	11.3	10.5	15%	15%	16%	6.0%	6.4%	6.8%
Gas Natural SDG	23.51	9.3	8.8	8.5	1.7	1.6	1.6	25.0	16.8	15.8	18%	19%	19%	5.1%	5.5%	5.7%
Hera SpA	2.74	6.7	6.7	6.5	1.2	1.2	1.2	15.3	15.5	15.0	18%	17%	18%	3.6%	3.8%	3.9%
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%	6.1%	6.2%
PGNiG	6.23	4.1	3.4	3.0	0.9	0.7	0.7	8.7	7.3	7.4	21%	22%	23%	0.0%	3.4%	4.1%
BP	570.10	5.2	4.9	4.7	0.6	0.6	0.6	13.6	12.4	11.7	12%	13%	13%	0.0%	0.0%	0.0%
Eni	16.16	3.6	3.4	3.4	0.9	0.9	0.9	13.7	11.9	11.9	25%	26%	27%	5.1%	5.3%	5.4%
Equinor	159.00	3.0	3.0	2.8	0.8	0.8	0.8	3.5	3.5	3.5	27%	27%	27%	5.6%	6.4%	6.8%
Gazprom	1111.00	13.6	13.4	12.8	4.9	4.7	4.4	16.3	14.7	14.3	36%	35%	35%	1%	2%	2%
NovaTek	32.95	4.6	4.3	3.9	2.6	2.5	2.1	7.8	7.3	6.7	58%	57%	55%	11.6%	12.3%	13.0%
ROMGAZ	28.95	3.6	3.3	3.3	0.6	0.6	0.6	12.6	10.8	10.4	16%	17%	17%	7.6%	7.7%	7.9%
Shell	225.20	3.7	3.5	3.3	1.4	1.4	1.3	14.2	13.1	12.6	38%	39%	39%	0.1%	0.1%	0.1%
Total	55.53	6.7	6.1	6.1	1.2	1.2	1.1	14.2	12.8	12.6	18%	19%	19%	5.5%	5.7%	5.9%
Median		6.0	5.7	5.4	1.2	1.2	1.2	13.0	12.5	11.9	20%	20%	21%	5.1%	5.5%	5.7%

## Power generation company valuations (2018-09-24)

	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	15.37	6.0	5.6	5.3	1.3	1.3	1.2	24.7	20.2	17.2	21%	22%	23%	2.0%	2.3%	2.9%
EDP	3.27	8.9	8.5	8.2	2.3	2.2	2.1	15.0	14.0	13.3	25%	26%	25%	5.8%	5.9%	5.9%
Endesa	18.41	7.3	7.1	7.0	1.3	1.2	1.2	13.6	13.2	13.0	17%	17%	18%	7.4%	7.6%	7.8%
Enel	4.57	6.4	6.1	5.9	1.4	1.3	1.3	11.3	10.1	9.5	21%	22%	22%	6.1%	6.9%	7.4%
EON	8.94	7.4	7.0	6.0	0.9	0.9	0.7	13.7	12.7	11.8	12%	12%	11%	4.8%	5.4%	5.9%
Fortum	21.77	15.0	15.2	13.9	4.8	4.7	4.6	23.1	18.0	15.7	32%	31%	33%	5.1%	5.1%	5.0%
Iberdola	6.37	8.9	8.3	7.9	2.2	2.1	2.1	13.5	12.7	12.0	25%	26%	26%	5.2%	5.5%	5.8%
National Grid	775.40	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	17.82	9.4	9.1	9.2	7.2	7.0	7.1	13.7	13.1	13.5	77%	77%	77%	5.5%	5.9%	6.0%
RWE	21.05	7.4	7.2	9.7	0.9	0.9	1.4	14.2	12.5	10.8	12%	12%	14%	3.3%	3.8%	4.6%
SSE	1130.00	8.2	8.3	8.2	0.7	0.7	0.7	9.6	9.6	9.6	9%	8%	8%	0.0%	0.0%	0.0%
Verbund	40.80	10.5	9.0	8.2	3.3	3.0	2.8	38.5	30.0	25.2	32%	33%	35%	1.1%	1.6%	1.8%
CEZ	569.00	8.5	8.4	7.8	2.2	2.1	2.0	21.5	20.0	17.8	26%	25%	26%	5.8%	4.7%	5.0%
PGE	9.56	3.6	3.4	3.3	1.0	0.8	0.8	5.8	5.7	6.4	29%	25%	24%	0.0%	0.0%	4.4%
Tauron	1.78	3.7	4.1	3.8	0.7	0.7	0.7	3.4	2.8	2.9	20%	18%	19%	0.0%	0.0%	0.0%
Enea	7.90	3.7	3.2	3.7	0.9	0.7	0.8	3.8	2.9	3.7	23%	23%	21%	0.0%	0.0%	0.0%
Energa	7.85	3.3	3.2	3.4	0.7	0.7	0.7	3.9	4.0	4.3	22%	21%	21%	0.0%	0.0%	0.0%
Median		7.4	7.2	7.8	1.3	1.3	1.3	13.6	12.7	12.0	23%	23%	23%	3.3%	3.8%	4.6%

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



## Fertilizer producers and chemical companies (2018-09-24)

	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	4735.00	7.9	7.4	6.9	2.5	2.4	2.2	11.6	10.4	9.7	32%	32%	32%	6.4%	6.8%	7.0%
Uralkali	87.00	4.9	4.9	-	2.6	2.6	-	3.9	4.1	-	53%	53%	-	0.0%	0.0%	
Phosagro	2573.00	6.4	6.4	5.8	2.0	2.0	1.8	11.3	11.1	8.2	31%	31%	32%	4.8%	5.6%	6.1%
K+S	18.78	8.0	7.1	6.4	1.6	1.5	1.5	14.2	10.4	9.1	20%	22%	23%	3.0%	4.1%	4.4%
Yara International	387.40	-	55.4	45.2	8.7	8.4	7.5	-	-	-	12%	15%	17%	0.2%	0.4%	0.5%
The Mosaic Company	31.99	8.8	7.9	7.5	1.7	1.7	1.6	21.1	16.5	13.8	20%	21%	22%	0.3%	0.3%	0.7%
CF Industries	52.81	13.8	11.6	10.8	4.4	4.0	3.9	45.4	26.6	21.2	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	16.9	15.4	14.2	23%	20%	20%	0.0%	0.0%	0.0%
Grupa Azoty	32.70	5.2	5.3	5.8	0.5	0.6	0.6	14.4	13.0	12.2	10%	10%	11%	3.7%	2.1%	2.3%
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*	95.00	3.4	2.6	2.4	0.4	0.4	0.3	10.6	7.6	6.8	11%	14%	15%	6.3%	8.4%	8.4%
Median		8.0	7.1	6.7	1.8	1.8	1.7	14.3	12.1	9.7	20%	21%	21%	3.0%	2.4%	2.8%
CHEMICAL COMPANIES																
Ciech	47.70	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	81.30	18.7	15.7	13.8	2.3	2.2	2.2	28.7	23.9	20.0	13%	14%	16%	2.7%	2.8%	2.9%
BASF	80.93	7.4	7.0	6.7	1.4	1.3	1.3	12.4	11.5	10.7	19%	19%	19%	4.0%	4.1%	4.3%
Croda	5072.00	17.3	16.0	15.1	5.0	4.8	4.6	26.6	24.6	23.0	29%	30%	30%	0.0%	0.0%	0.0%
Sisecam	6.20	5.6	4.5	3.6	1.2	1.0	0.9	10.3	8.9	7.2	22%	23%	24%	3.1%	3.8%	4.1%
Soda Sanayii	7.18	8.4	6.9	5.4	2.2	1.8	1.7	8.0	7.2	5.8	26%	26%	31%	4.3%	5.7%	7.2%
Solvay	117.05	6.5	6.2	5.8	1.4	1.3	1.3	14.2	13.3	11.7	21%	22%	22%	3.2%	3.2%	3.3%
Tata Chemicals	707.95	8.6	8.0	7.5	1.6	1.7	1.6	15.2	15.7	14.3	19%	21%	21%	1.8%	1.7%	1.8%
Tessenderlo Chemie	32.70	7.8	6.4	5.9	0.9	0.9	0.8	16.1	12.1	10.5	12%	14%	14%	0.0%	-	-
Wacker Chemie	118.60	6.4	6.2	6.0	1.4	1.3	1.3	16.9	15.4	14.2	21%	21%	21%	3.3%	3.7%	4.0%
Median		7.6	6.6	6.0	1.4	1.3	1.3	14.7	12.7	11.2	21%	21%	21%	3.1%	3.7%	4.0%

## Machine and equipment manufacturers (2018-09-24)

	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	258.45	8.6	8.3	8.0	2.3	2.2	2.1	20.2	18.8	17.8	27%	26%	26%	2.7%	2.9%	3.0%
Caterpillar	154.00	10.8	9.8	9.0	2.2	2.0	1.9	13.3	12.1	11.1	20%	21%	21%	2.1%	2.2%	2.4%
Duro Felguera	0.03	-	-	-	0.8	0.8	-	-	-	-	-	-	-	0.0%	0.0%	-
Famur	5.44	7.5	6.7	6.3	1.6	1.5	1.4	17.1	13.5	11.8	21%	23%	23%	8.1%	8.3%	5.2%
Komatsu	3511.00	10.9	8.0	7.5	1.7	1.5	1.4	17.4	13.2	11.8	15%	19%	19%	2.1%	2.9%	3.3%
Sandvig AG	158.90	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%
<b>Median</b>		<b>9.8</b>	<b>8.3</b>	<b>7.9</b>	<b>1.7</b>	<b>1.5</b>	<b>1.7</b>	<b>16.2</b>	<b>13.4</b>	<b>11.8</b>	<b>21%</b>	<b>22%</b>	<b>22%</b>	<b>2.1%</b>	<b>2.8%</b>	<b>3.2%</b>

## Mining company valuations (2018-09-24)

	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	68.32	2.1	2.3	3.0	0.7	0.7	0.8	4.1	5.4	8.6	33%	30%	25%	0.0%	7.3%	9.3%
KGHM	90.86	4.5	3.4	3.1	1.1	0.9	0.8	7.7	6.0	6.0	25%	26%	26%	0.0%	3.2%	5.8%
LW Bogdanka*	60.00	3.2	2.8	2.8	1.0	1.0	0.9	14.0	9.5	8.9	32%	34%	34%	2.0%	3.1%	4.3%
FOREIGN COMPANIES																
Anglo American	1736.20	4.4	4.7	5.0	1.4	1.4	1.4	9.6	10.3	11.2	32%	31%	28%	0.0%	0.0%	0.0%
Antofagasta	872.00	5.3	4.7	4.4	2.7	2.5	2.4	14.2	12.1	11.9	51%	54%	55%	0.0%	0.0%	0.0%
BHP Billiton	33.83	3.9	4.1	4.3	2.1	2.2	2.2	14.1	14.3	15.8	54%	54%	52%	2.5%	2.7%	2.3%
Boliden	244.50	4.7	4.9	5.1	1.3	1.3	1.3	9.0	10.1	10.6	28%	26%	26%	7.0%	6.5%	6.7%
First Quantum	15.96	8.2	5.8	4.5	3.7	2.9	2.4	15.6	9.4	6.7	46%	51%	54%	0.0%	0.1%	0.2%
Freeport-McMoRan	14.24	4.0	5.8	4.6	1.6	1.9	1.7	7.5	12.5	9.0	39%	33%	37%	1.3%	2.0%	3.5%
Hudbay Min	6.39	2.7	2.7	2.5	1.2	1.2	1.2	8.9	8.1	7.0	44%	45%	46%	0.2%	0.2%	0.2%
Lundin Min	6.84	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	17.95	6.0	5.8	5.7	3.1	3.0	2.9	8.1	7.9	8.4	51%	51%	51%	8.8%	10.6%	10.5%
OZ Minerals	9.21	5.2	5.3	4.4	2.4	2.5	2.0	15.0	16.2	11.4	47%	46%	47%	2.1%	1.8%	2.5%
Rio Tinto	3909.00	4.3	4.7	4.7	2.0	2.1	2.0	10.7	11.8	12.0	46%	44%	43%	0.0%	0.0%	0.0%
Sandfire Resources	7.37	3.0	2.8	2.2	1.6	1.5	1.2	9.1	7.5	5.4	52%	52%	55%	3.8%	4.3%	5.9%
Southern CC	43.43	9.8	8.7	8.4	5.0	4.6	4.4	17.6	15.6	15.0	51%	52%	53%	3.9%	3.3%	3.3%
Vedanta Resources	829.60	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	4.7	4.4	1.9	2.0	1.9	11.4	11.1	9.8	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 (2018-09-24)

	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
<b>POLISH COMPANIES</b>																
Netia	4.59	5.5	5.8	5.8	1.4	1.5	1.5	41.8	50.4	44.1	25%	25%	26%	0.0%	0.0%	0.0%
Orange Polska	4.47	4.1	3.7	3.4	1.1	1.1	1.0	19.6	10.8	7.4	27%	28%	29%	0.0%	0.0%	5.6%
Play	19.70	5.4	5.3	5.0	1.7	1.6	1.5	6.3	7.1	6.9	32%	31%	31%	13.2%	6.6%	6.6%
<b>Median</b>		<b>5.4</b>	<b>5.3</b>	<b>5.0</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>19.6</b>	<b>10.8</b>	<b>7.4</b>	<b>27%</b>	<b>28%</b>	<b>29%</b>	<b>0%</b>	<b>0.0%</b>	<b>5.6%</b>
<b>MID CAPS</b>																
Proximus	20.85	5.1	5.0	5.0	1.6	1.6	1.6	12.1	11.9	11.7	32%	32%	32%	7.2%	7.2%	7.2%
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	10.73	4.7	4.6	4.5	1.6	1.6	1.6	18.9	15.9	14.3	34%	34%	35%	4.3%	5.4%	6.0%
Matav	403.00	3.9	3.9	3.9	1.2	1.2	1.2	9.5	9.8	9.3	31%	31%	31%	6.2%	6.6%	7.1%
Telecom Austria	6.90	5.2	5.1	5.0	1.6	1.6	1.6	14.0	11.4	10.1	32%	32%	32%	2.9%	3.5%	3.9%
<b>Median</b>		<b>5.1</b>	<b>5.0</b>	<b>5.0</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>14.0</b>	<b>11.9</b>	<b>11.7</b>	<b>32%</b>	<b>32%</b>	<b>32%</b>	<b>6.2%</b>	<b>6.6%</b>	<b>7.1%</b>
<b>BIG CAPS</b>																
BT	226.80	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	13.79	5.7	5.5	5.1	1.7	1.7	1.6	14.4	12.8	11.7	30%	31%	31%	5.1%	5.6%	6.0%
KPN	2.29	7.0	6.9	6.8	2.7	2.8	2.7	20.3	18.2	15.9	39%	40%	40%	5.6%	8.0%	9.2%
Orange France	13.70	4.9	4.8	4.7	1.5	1.5	1.5	12.5	11.5	10.5	31%	32%	32%	5.1%	5.4%	5.7%
Swisscom	444.20	7.3	7.3	7.3	2.6	2.6	2.6	15.3	15.4	15.6	36%	36%	36%	5.0%	5.0%	5.0%
Telefonica S.A.	6.83	5.6	5.6	5.5	1.8	1.8	1.8	9.7	8.9	8.4	32%	32%	33%	5.9%	6.0%	6.1%
Telia Company	41.01	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	0.56	4.3	4.2	4.2	1.8	1.9	1.9	8.0	7.5	7.1	43%	44%	44%	0.7%	1.4%	2.5%
<b>Median</b>		<b>5.7</b>	<b>5.5</b>	<b>5.3</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>13.5</b>	<b>12.1</b>	<b>11.1</b>	<b>32%</b>	<b>33%</b>	<b>33%</b>	<b>5.1%</b>	<b>5.5%</b>	<b>5.8%</b>

## Media company valuations (2018-09-24)

	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
<b>POLISH COMPANIES</b>																
Agora	8.82	3.4	3.8	3.8	0.4	0.4	0.4	44.3	55.2	17.6	11%	10%	10%	5.7%	5.7%	5.7%
Cyfrowy Polsat	22.70	7.0	6.2	5.7	2.4	2.1	1.9	13.3	11.3	10.1	34%	34%	34%	0.0%	1.4%	2.2%
<b>Median</b>		<b>5.2</b>	<b>5.0</b>	<b>4.8</b>	<b>1.4</b>	<b>1.2</b>	<b>1.2</b>	<b>28.8</b>	<b>33.2</b>	<b>13.9</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>DAILY</b>																
Amolgo Mondadori	1.51	6.4	5.6	5.5	0.5	0.5	0.5	13.1	9.8	9.7	7%	9%	9%	0.7%	1.6%	2.4%
Axel Springer	57.60	10.5	9.6	8.9	2.4	2.3	2.3	20.1	18.0	16.2	23%	24%	25%	3.6%	3.8%	4.0%
Daily Mail	744.00	11.8	11.5	11.1	1.8	1.8	1.7	18.4	18.3	16.8	15%	15%	16%	0.0%	0.0%	0.0%
Gruppo Editoriale	0.36	6.1	6.2	6.1	0.5	0.5	0.5	11.6	10.6	10.9	7%	8%	8%	1.4%	3.3%	4.4%
New York Times	23.00	13.1	11.4	9.8	2.2	2.1	2.0	26.4	21.1	15.8	17%	18%	21%	0.7%	0.7%	0.7%
Promotora de Inform	2.01	8.7	8.4	7.5	1.7	1.8	1.7	12.8	18.2	17.0	20%	21%	23%	0.4%	0.4%	0.6%
Reach	63.90	1.7	1.6	1.6	0.4	0.4	0.4	1.8	1.7	1.7	23%	24%	25%	0.0%	0.0%	0.0%
<b>Median</b>		<b>8.7</b>	<b>8.4</b>	<b>7.5</b>	<b>1.7</b>	<b>1.8</b>	<b>1.7</b>	<b>13.1</b>	<b>18.0</b>	<b>15.8</b>	<b>17%</b>	<b>18%</b>	<b>21%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.7%</b>
<b>TV</b>																
Atresmedia Corp	5.77	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%
Gestelevision Telecinco	6.56	7.8	7.4	7.0	2.0	2.0	2.0	11.2	10.7	10.6	26%	27%	28%	9.1%	9.2%	9.3%
ITV PLC	151.55	8.1	8.1	7.5	2.2	2.1	2.0	9.8	9.8	9.1	27%	26%	27%	0.0%	0.0%	0.0%
M6-Metropole Tel	17.92	5.4	5.2	5.2	1.5	1.5	1.5	13.1	12.6	12.1	28%	28%	28%	5.5%	5.8%	6.0%
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%	5.9%	6.8%
Modern Times	326.80	12.0	11.2	10.0	1.2	1.1	1.1	20.8	19.6	17.2	10%	10%	11%	3.9%	4.1%	4.3%
Prosieben	21.90	6.5	6.1	5.8	1.6	1.6	1.5	9.5	8.9	8.5	25%	26%	26%	8.9%	9.3%	9.6%
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	9.56	5.1	4.3	4.1	0.9	0.8	0.8	16.2	11.5	10.5	17%	19%	20%	3.9%	4.7%	5.2%
<b>Median</b>		<b>7.1</b>	<b>6.7</b>	<b>6.4</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>13.2</b>	<b>11.3</b>	<b>10.5</b>	<b>25%</b>	<b>26%</b>	<b>27%</b>	<b>4.9%</b>	<b>5.9%</b>	<b>6.3%</b>
<b>PAY TV</b>																
Sky PLC	1721.50	15.3	14.4	12.9	2.6	2.5	2.4	26.4	24.5	21.3	17%	17%	19%	0.0%	0.0%	0.0%
Cogeco	64.65	5.4	5.0	4.9	2.4	2.3	2.2	10.3	10.3	10.6	45%	46%	46%	2.9%	3.2%	3.2%
Comcast	35.63	7.7	7.4	7.0	2.5	2.4	2.3	14.0	12.8	11.1	32%	33%	33%	2.1%	2.4%	2.7%
Dish Network	35.42	8.4	9.4	10.9	1.6	1.7	1.8	13.1	15.6	21.9	20%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	28.36	5.9	5.8	5.6	2.8	2.8	2.7	-	52.3	34.2	47%	48%	48%	0.0%	0.0%	0.0%
Shaw Communications	19.34	8.0	7.4	6.9	3.1	3.0	2.9	22.8	18.2	15.5	39%	40%	42%	8.0%	8.1%	8.1%
<b>Median</b>		<b>7.9</b>	<b>7.4</b>	<b>6.9</b>	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>14.0</b>	<b>16.9</b>	<b>18.4</b>	<b>36%</b>	<b>37%</b>	<b>37%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>1.3%</b>

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

## IT company valuations (2018-09-24)

	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	45.78	8.1	7.9	7.9	1.0	1.0	1.0	13.5	14.8	14.7	13%	13%	13%	6.6%	4.4%	4.4%
Comarch	170.00	9.7	8.4	8.0	1.1	1.1	1.0	24.5	18.0	16.5	12%	13%	13%	0.9%	5.9%	5.9%
Median		8.1	7.9	7.9	1.0	1.0	1.0	13.5	14.8	14.7	12%	13%	13%	0.9%	4.4%	4.7%
FOREIGN COMPANIES																
Atos Origin	107.65	6.8	6.0	5.7	0.9	0.9	0.8	12.4	11.1	10.5	14%	14%	15%	1.7%	1.9%	2.0%
CapGemini	110.15	10.7	9.9	9.3	1.5	1.4	1.4	18.5	16.5	15.2	14%	14%	15%	1.7%	1.8%	2.0%
IBM	150.03	8.6	8.4	8.7	2.1	2.1	2.1	10.9	10.7	10.2	24%	25%	24%	4.2%	4.3%	4.5%
Indra Sistemas	9.62	7.5	6.8	6.4	0.7	0.7	0.7	14.0	11.8	10.5	10%	10%	11%	0.7%	1.9%	2.5%
Microsoft	114.67	18.3	15.7	14.1	7.5	6.7	6.1	29.9	27.0	23.6	41%	42%	43%	1.5%	1.6%	1.7%
Oracle	51.24	10.5	10.2	9.7	4.9	4.8	4.6	16.6	15.2	14.2	47%	47%	48%	1.5%	1.5%	1.6%
SAP	103.60	16.4	14.6	13.2	5.2	4.8	4.5	23.6	21.1	18.9	32%	33%	34%	1.4%	1.6%	1.7%
TietoEnator	27.14	10.1	9.7	9.4	1.3	1.3	1.3	15.4	14.8	14.2	13%	13%	13%	5.3%	5.4%	5.6%
Median		10.3	9.8	9.3	1.8	1.8	1.7	16.0	15.0	14.2	19%	20%	19%	1.6%	1.9%	2.0%

## Construction company valuations (2018-09-24)

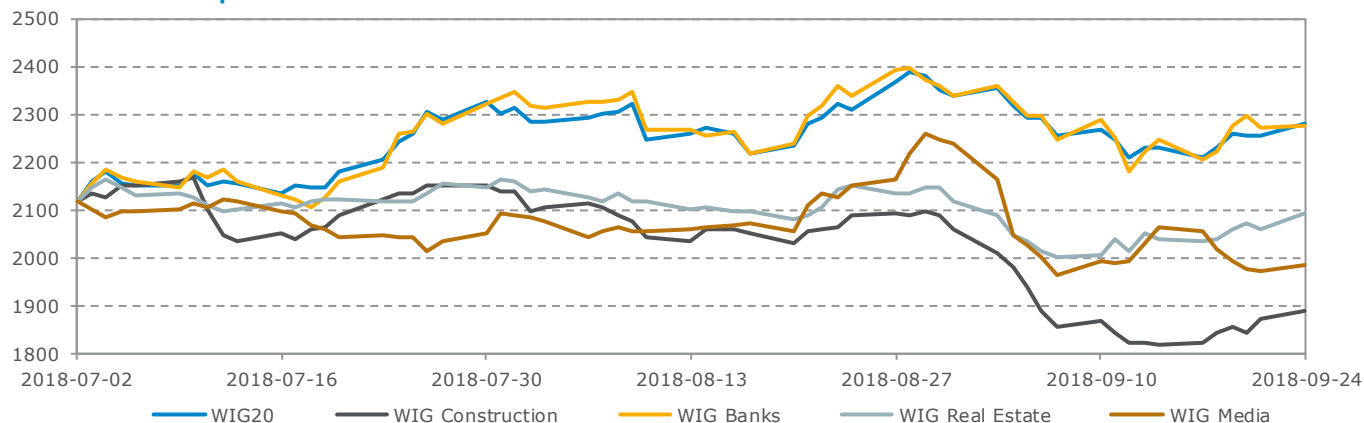
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Budimex	109.40	3.7	4.7	5.1	0.2	0.2	0.2	11.3	12.8	12.2	5%	4%	5%	16.1%	8.4%	7.4%
Elektrobudowa	31.40	1.3	1.4	1.3	0.1	0.1	0.1	6.3	6.2	6.1	5%	5%	6%	33.4%	15.9%	15.9%
Elektrotim	4.19	4.6	3.9	3.2	0.1	0.1	0.1	25.4	10.7	8.4	3%	3%	4%	0.0%	4.8%	7.2%
Erbud	9.28	-	4.3	3.3	0.1	0.1	0.1	-	10.1	5.9	-	2%	2%	11.9%	0.0%	5.9%
Herkules	2.97	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%	6.7%
Torpol	5.22	6.5	3.9	3.2	0.1	0.1	0.1	24.4	7.6	6.2	2%	3%	3%	0.0%	0.0%	3.8%
Trakcja	3.05	5.6	5.4	4.2	0.2	0.2	0.1	24.0	21.8	10.3	3%	3%	3%	3.3%	0.0%	6.6%
Ulma 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	4.95	3.7	2.9	2.6	0.1	0.1	0.1	5.7	4.9	5.4	3%	4%	3%	3.0%	6.2%	8.2%
ZUE	5.58	7.2	5.8	3.5	0.2	0.2	0.1	17.9	9.7	6.3	3%	3%	4%	0.0%	0.0%	5.4%
Median		4.6	4.0	3.3	0.2	0.1	0.1	11.3	9.2	6.4	3%	3%	4%	3.2%	5.1%	6.6%
FOREIGN COMPANIES																
Acciona	75.14	7.6	7.6	7.3	1.4	1.4	1.3	17.5	16.5	14.7	18%	18%	18%	4.1%	4.3%	4.5%
Astaldi	1.23	4.5	4.5	4.4	0.5	0.5	0.4	2.1	2.2	1.9	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	141.50	6.3	5.9	5.5	0.4	0.4	0.3	17.7	15.4	14.4	6%	6%	6%	3.3%	3.7%	4.0%
Mota Engil	2.08	3.9	3.5	3.4	0.6	0.6	0.5	13.0	6.8	5.4	16%	16%	16%	2.2%	4.1%	7.7%
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	175.85	10.6	9.1	8.7	0.4	0.4	0.4	15.8	13.7	12.7	4%	5%	5%	4.7%	4.9%	5.1%
Strabag	34.60	3.5	3.4	3.2	0.2	0.2	0.2	12.0	11.7	11.0	6%	6%	6%	3.8%	4.0%	4.4%
Median		6.7	5.6	5.2	0.4	0.5	0.4	15.3	12.7	11.9	6%	7%	7%	3.9%	4.1%	4.5%

## Real-estate developers (2018-09-24)

	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	0.54	13.3	5.7	12.1	0.3	0.3	0.3	12.5	6.0	10.4	16%	52%	41%	0.0%	0.0%	0.0%
Dom Development	68.60	5.8	6.4	6.1	1.6	1.6	1.6	7.1	7.5	6.6	18%	17%	18%	11.1%	13.8%	13.3%
Echo Investment	4.42	7.1	7.3	8.8	1.1	1.0	1.0	6.0	5.6	6.9	77%	53%	39%	11%	12%	12.6%
GTC	8.47	14.6	13.7	12.4	0.9	0.9	0.8	10.2	8.8	7.7	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	2.78	8.5	3.8	4.3	0.3	0.3	0.3	7.5	3.0	3.7	13%	18%	17%	0.0%	0.0%	0.0%
PA Nova	19.15	10.1	11.2	10.6	0.5	0.5	0.5	6.2	7.2	6.9	24%	20%	21%	0.0%	3.9%	5.2%
Polnord	9.40	-	-	17.8	0.4	0.4	0.4	-	-	18.3	2%	1%	7%	0.0%	0.0%	0.0%
Ronson	1.06	12.3	10.9	6.1	0.5	0.5	0.5	11.5	7.6	4.5	9%	12%	13%	5.7%	5.7%	6.6%
Median		9.3	6.8	8.8	0.5	0.5	0.5	7.3	6.6	6.9	17%	18%	20%	0%	4%	5%
FOREIGN COMPANIES																
Atrium European RE	3.87	14.9	14.8	14.6	0.8	0.8	0.8	12.6	12.4	11.7	86%	84%	82%	8.8%	7.2%	7.3%
CA Immobilien Anlagen	30.50	26.5	23.3	20.1	1.1	1.1	1.0	25.1	22.9	20.7	76%	82%	66%	2.8%	3.1%	3.4%
Deutsche Euroshop AG	28.22	16.5	16.5	16.3	0.7	0.7	0.8	12.7	12.7	12.8	89%	89%	89%	5.3%	5.5%	5.6%
Immofinanz AG	22.86	32.1	28.1	26.5	0.9	0.8	0.8	24.4	21.7	18.6	56%	62%	64%	3.3%	3.5%	3.6%
Klepierre	30.76	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	639.00	33.0	29.9	27.4	1.0	1.0	0.9	29.0	26.3	24.4	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%	5.3%	5.5%	5.6%

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

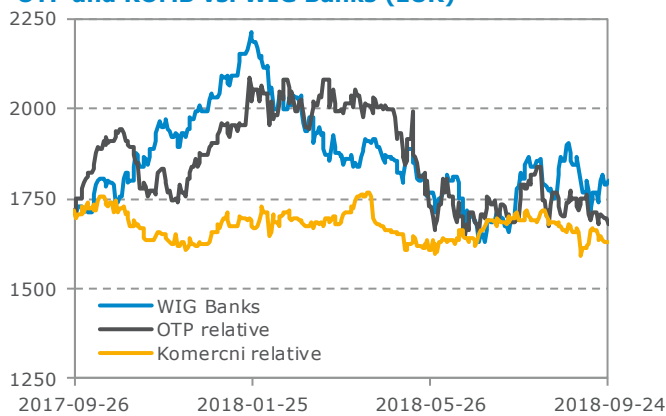
### WIG sector index performance



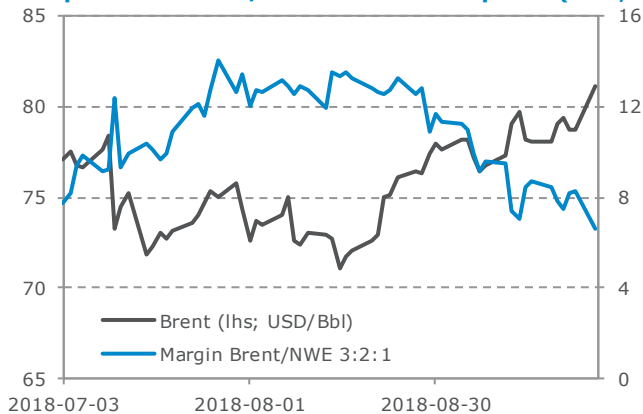
### WIG IT vs. MSCI Europe Software & Services (USD)



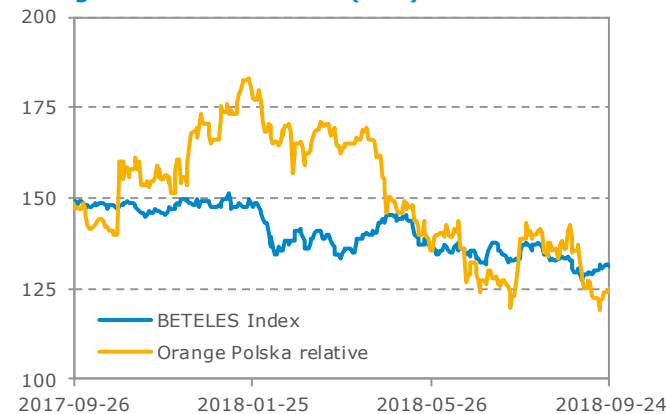
### OTP and KOMB vs. WIG Banks (EUR)



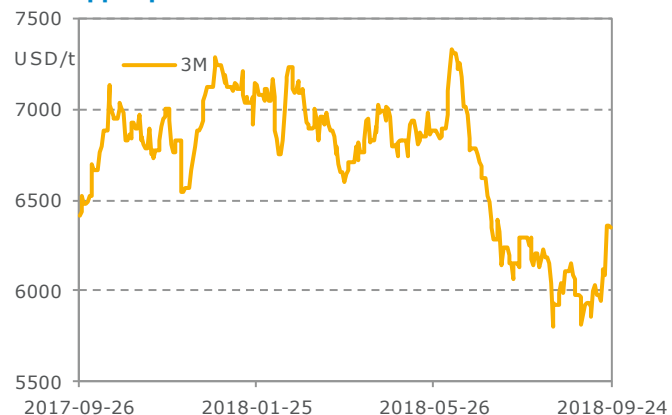
### Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



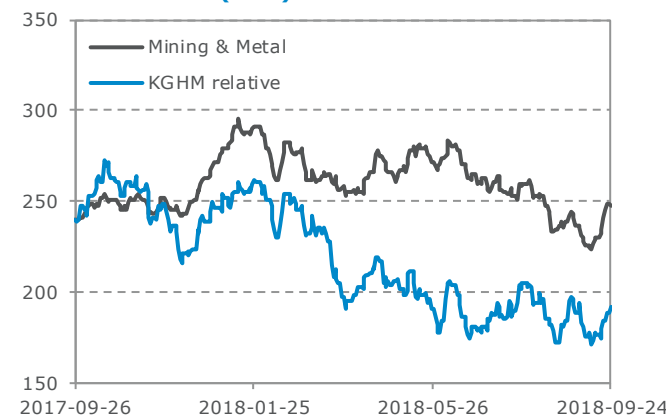
### Orange Polska vs. BETELES (EUR)



### LME copper prices



### KGHM vs. sector (USD)



Source: Bloomberg

## Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2018-09-24	26,705.25	26,709.94	26,548.68	26,562.05	-0.68%
S&P 500	2018-09-24	2,921.83	2,923.79	2,912.63	2,919.37	-0.35%
NASDAQ	2018-09-24	7,939.38	7,997.90	7,912.47	7,993.25	+0.08%
DAX	2018-09-24	12,383.42	12,409.96	12,349.30	12,350.82	-0.64%
CAC 40	2018-09-24	5,480.64	5,488.18	5,463.44	5,476.17	-0.33%
FTSE 100	2018-09-24	7,490.23	7,491.25	7,450.53	7,458.41	-0.42%
WIG20	2018-09-24	2,261.65	2,283.58	2,261.65	2,280.60	+1.02%
BUX	2018-09-24	35,811.53	35,811.53	35,556.23	35,786.54	+0.01%
PX	2018-09-24	1,101.71	1,102.32	1,093.14	1,093.46	-0.75%
RTS	2018-09-24	1,675.99	1,701.75	1,675.60	1,700.54	+1.59%
SOFIX	2018-09-21	627.08	627.75	623.23	623.48	-0.57%
BET	2018-09-24	8,384.64	8,427.97	8,361.61	8,377.37	-0.06%
XU100	2018-09-24	98,284.19	99,561.95	97,781.97	99,547.44	+1.59%
BETELES	2018-09-24	131.72	131.83	130.89	130.97	-0.59%
NIKKEI	2018-09-21	23,848.63	23,971.41	23,764.05	23,869.93	+0.82%
SHCOMP	2018-09-21	2,733.87	2,797.49	2,722.03	2,797.49	+2.50%
Copper (LME)	2018-09-24	6,312.50	6,375.50	6,289.00	6,353.00	-0.16%
Crude Oil (Brent)	2018-09-24	79.24	80.84	79.03	80.76	+3.31%
USD/PLN	2018-09-24	3.6641	3.6738	3.6400	3.6572	-0.21%
EUR/PLN	2018-09-24	4.3062	4.3121	4.2934	4.2959	-0.25%
EUR/USD	2018-09-24	1.1751	1.1815	1.1724	1.1748	-0.01%
USBonds10	2018-09-24	3.0777	3.0889	3.0628	3.0889	+0.0261
GRBonds10	2018-09-24	0.4590	0.5160	0.4520	0.5100	+0.0480
PLBonds10	2018-09-24	3.2380	3.2800	3.2360	3.2660	+0.0300

WIG20 Index



BUX Index



PX Index



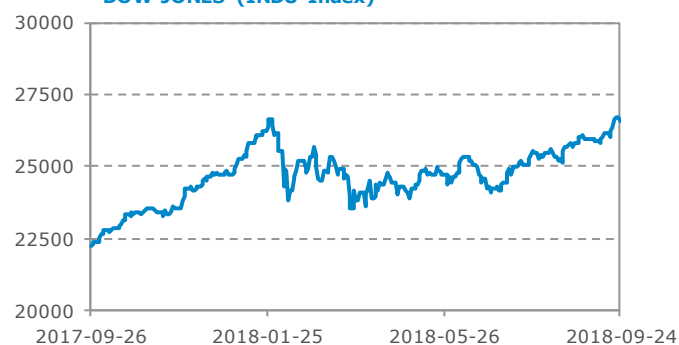
S&amp;P 500 (SPX Index)



NASDAQ (CCMP Index)



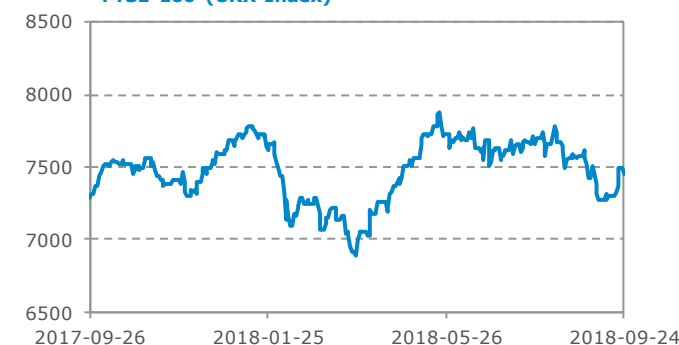
DOW JONES (INDU Index)



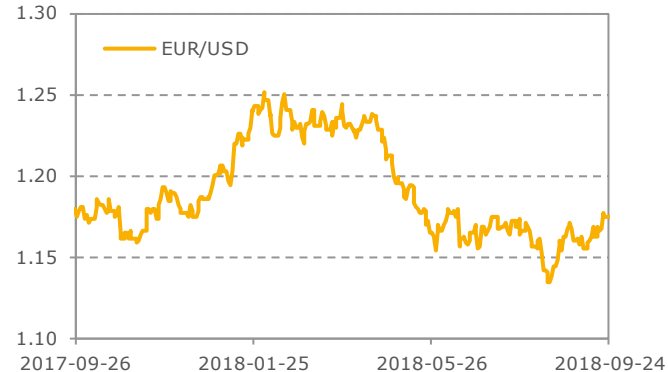
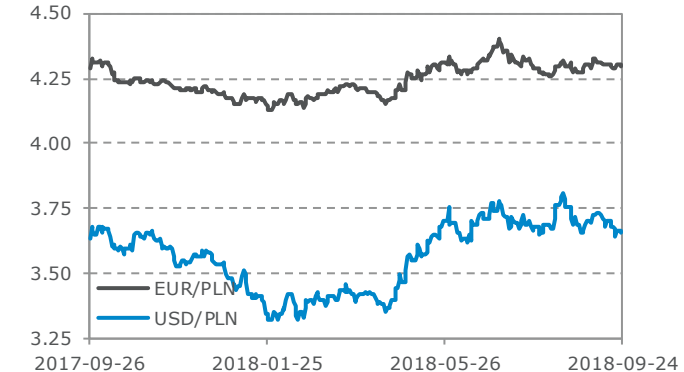
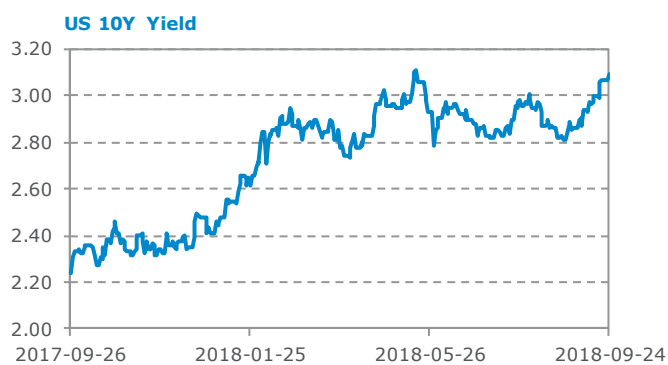
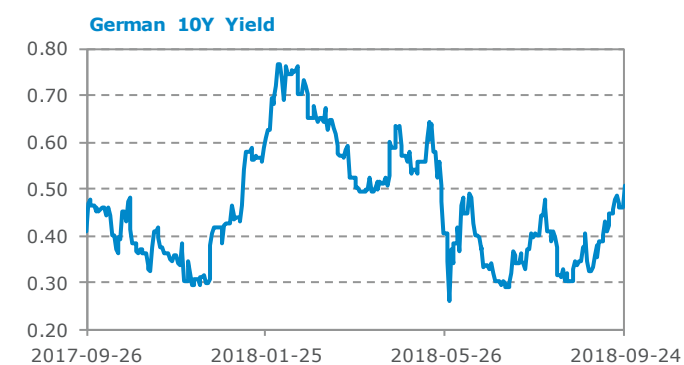
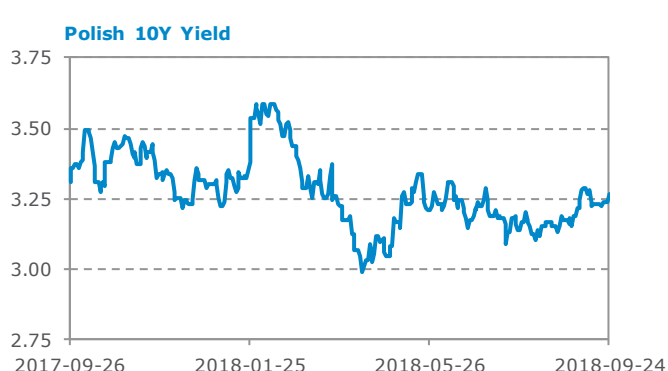
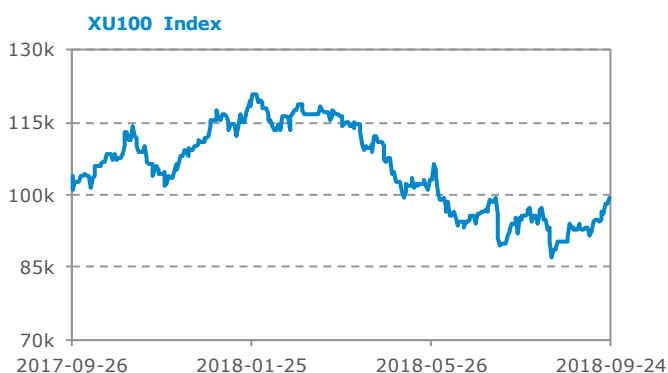
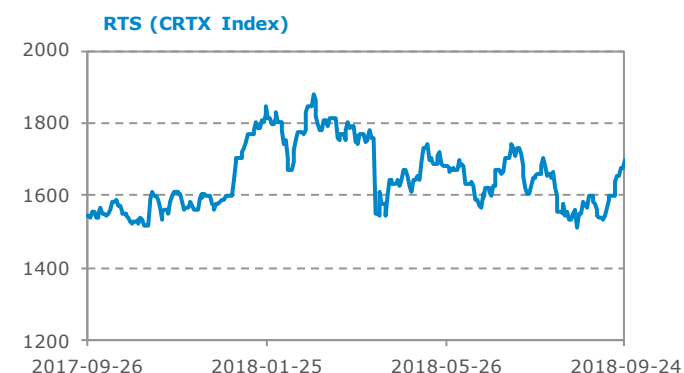
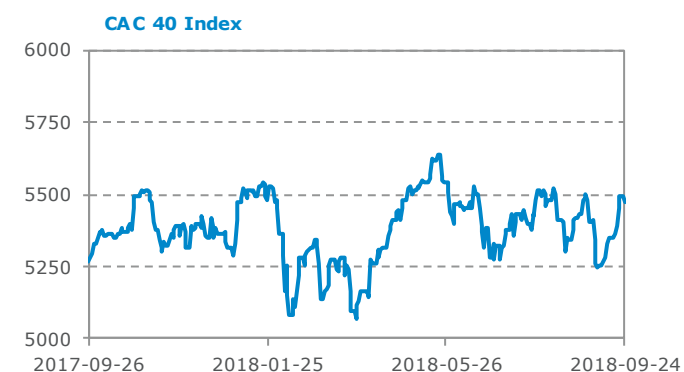
DAX Index



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, Energoaparatúra, 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 Kliszcz**  
director  
+48 22 438 24 02  
[kamil.klischcz@mbank.pl](mailto:kamil.klischcz@mbank.pl)  
energy, power generation

**Jakub Szkopek**  
+48 22 438 24 03  
[jakub.szkopek@mbank.pl](mailto:jakub.szkopek@mbank.pl)  
industrials, chemicals, metals

**Piotr Bogusz**  
+48 22 438 24 08  
[piotr.bogusz@mbank.pl](mailto:piotr.bogusz@mbank.pl)  
retail

**Michał Marczak**  
+48 22 438 24 01  
[michal.marczak@mbank.pl](mailto:michal.marczak@mbank.pl)  
strategy

**Paweł Szpigel**  
+48 22 438 24 06  
[pawel.szpigel@mbank.pl](mailto:pawel.szpigel@mbank.pl)  
media, IT, telco

**Michał Konarski**  
+48 22 438 24 05  
[michal.konarski@mbank.pl](mailto:michal.konarski@mbank.pl)  
banks, financials

**Piotr Zybala**  
+48 22 438 24 04  
[piotr.zybala@mbank.pl](mailto:piotr.zybala@mbank.pl)  
construction, real-estate development

## Sales and Trading

### Traders

**Piotr Gawron**  
director  
+48 22 697 48 95  
[piotr.gawron@mbank.pl](mailto:piotr.gawron@mbank.pl)

**Jędrzej Łukomski**  
+48 22 697 49 85  
[jedrzej.lukomski@mbank.pl](mailto:jedrzej.lukomski@mbank.pl)

**Andrzej Sychowski**  
+48 22 697 48 46  
[andrzej.sychowski@mbank.pl](mailto:andrzej.sychowski@mbank.pl)

**Krzysztof Bodek**  
+48 22 697 48 89  
[krzysztof.bodek@mbank.pl](mailto:krzysztof.bodek@mbank.pl)

**Adam Prokop**  
+48 22 697 47 90  
[adam.prokop@mbank.pl](mailto:adam.prokop@mbank.pl)

**Tomasz Galanciak**  
+48 22 697 49 68  
[tomasz.galanciak@mbank.pl](mailto:tomasz.galanciak@mbank.pl)

**Tomasz Jakubiec**  
+48 22 697 47 31  
[tomasz.jakubiec@mbank.pl](mailto:tomasz.jakubiec@mbank.pl)

**Szymon Kubka, CFA, PRM**  
+48 22 697 48 54  
[szymon.kubka@mbank.pl](mailto:szymon.kubka@mbank.pl)

**Magdalena Bernacik**  
+48 22 697 47 35  
[magdalena.bernacik@mbank.pl](mailto:magdalena.bernacik@mbank.pl)

## Sales, Foreign Markets

**Marzena Łempicka-Wilim**  
deputy director  
+48 22 697 48 82  
[marzena.lemicka@mbank.pl](mailto:marzena.lemicka@mbank.pl)

**Bartosz Orzechowski**  
+48 22 697 48 47  
[bartosz.orzechowski@mbank.pl](mailto:bartosz.orzechowski@mbank.pl)

## Private Client Sales

**Kamil Szymański**  
director  
+48 22 697 47 06  
[kamil.szymanski@mbank.pl](mailto:kamil.szymanski@mbank.pl)

**Jarosław Banasiak**  
deputy director  
+48 22 697 48 70  
[jaroslaw.banasiak@mbank.pl](mailto:jaroslaw.banasiak@mbank.pl)