

Friday, September 28, 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	26,439.9	+0.21%	FTSE 100	7,545.4	+0.45%	Copper (LME)	6,187.0	-1.51%
S&P 500	2,914.0	+0.28%	WIG20	2,315.1	+0.46%	Crude Oil (Brent)	81.46	+0.22%
NASDAQ	8,042.0	+0.65%	BUX	36,471.4	+1.32%	USD/PLN	3.6684	+0.79%
DAX	12,435.6	+0.40%	PX	1,101.9	+0.10%	EUR/PLN	4.2704	-0.06%
CAC 40	5,540.4	+0.50%	PLBonds10	3.258	+0.016	EUR/USD	1.1641	-0.83%

Company & Sector News

Copper

Codelco makes deal with Andida workers

The Chilean Codelco group announced an agreement with trade unions in the Andida mine (200,000 tons of copper production annually). In July, the Andida crew began a strike due to a failure to reach an agreement on a new labor agreement. **(J. Szkopek)**

Fertilizers

China fertilizer exports fall in August

Exports of synthetic fertilizers from China in August amounted to 2.13 million tons (-16% y/y, -14% YTD), urea shipments totaled 130,000 tons (-48% y/y, -72% YTD), and DAP exports were 690,000 tons (-23% y/y, +1% YTD). **Exports of fertilizers from China are clearly down in 2018 due to environmental restrictions and growing domestic demand. The reduced supply eases competition in global markets. (J. Szkopek)**

Soda ash

China soda ash exports stabilize in August

Exports of soda ash from China totaled 100,000 tons in August, a similar volume as registered in August 2017. Since the beginning of the year, soda exports from China have fallen 13% y/y. **After a very weak July, Chinese soda production volumes in August were back at last year's levels China limits exports of soda for the third year in a row due to environmental restrictions of production. In the winter, factories could face even more curbs due to the planned heating season caps. (J. Szkopek)**

CD Projekt

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

CD Projekt shares recommended price for Thronebreaker

CD Projekt set a recommended retail price for Thronebreaker: The Witcher Tales at USD 29.99 (EUR 25.89 or PLN 99.99). The game should offer more than 30 hours of story and over 75 side quests. Pre-orders for the PC version have already started. Pre-orders for PS4 will start shortly. **The price recommended by CD Projekt turned out higher than our expected price of USD 25.00. Assuming Thronebreaker is a success, this should help the Company to deliver our FY2018 EBIT forecast of PLN 242m. (P. Bogusz)**

Eurocash

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

Eurocash selling PayUp unit in potential PLN 110m deal

Eurocash signed a letter of intent to sell its 100% its stake in PayUp to Polskie E-Płatności S.A., a subsidiary of OPTeam, for PLN 110m. The final price is subject to change based on earnings performance. PayUp delivers simple financial services for points of sale. The company generated PLN 440m of sales and PLN 5.8m of EBITDA in 2017. Additionally, both sides signed a deal to continue using PayUp solutions in Eurocash partnership stores. **Positive information. The agreed price seems attractive for Eurocash. Assuming that PayUp has no net debt, the acquisition EV/EBITDA ratio would be 19x. The divestment should Eurocash to reduce the debt/EBITDA ratio by roughly 0.25x. (P. Bogusz)**

PKP Cargo

August 2018 freight volume update

PKP Cargo carried 9.6 million tons of freight in August 2018, up 2.0% y/y, and 2.8% m/m. In the month the company had 46% market share by freight volume, and 49.2% by haulage. Year on year in August PKP noted a rise in the freight of hard coal, construction materials, and intermodal transport. **The ytd cargo is at 73.1mmt, which points PKP might miss its 121.8mmt year target by a couple of mmt. (P. Poniatowski)**

Wielton

Wielton inks term sheet on refinancing and investment loans

Wielton signed term sheet with PKO BP, BGŻ BNP Paribas and BGK on PLN 413m in credit lines, including PLN 313m investment loans (PLN 130m for refinancing; PLN 183m for Lawrence David deal), and PLN 100m in working capital loan. The banks also expressed interest in the financing of takeover of the remaining 25% stake in UK semitrailer producer, in which Wielton bought 75% for GBP 26m. **While investment loans for 75% of LD were expected to be announced, potential banking financing of the 25% stake in LD is a new information. Wielton's management at the conference stated that remaining stake might be financed from the Company's cash flows. (P. Poniatowski)**

Quarterly Earnings Results

Getin Noble Bank

Hold – 2018-05-09

Target price: PLN 1.40

Loss higher than expected due to the one-offs

- Getin Noble Bank reported net loss of PLN 116.1m in 2Q 2018 versus net loss of PLN 47.7m in 1Q'18 and PLN 17.6m in 2Q'17.
- Higher than consensus (- PLN 59.5m) and our own forecast (-PLN 62.4m) loss came in due to the higher than initially communicated write downs of NPLs held for sale (PLN 73.7m).
- Even without the one-off items GNB results would likely come in below the expectations due to the lower-than-expected net fee income and higher net provisioning.
- Net interest income came in at PLN 300.0m, up 1.5% Q/Q but down 7.9% Y/Y, in-line with consensus expectations. The decline of the interest income in the quarter (-1.1% Q/Q) was more than offset by the decline of interest expenses (-3.7% Q/Q)
- Net interest margin increased by 10 bps Q/Q to 2.10% supported by shrinking assets (-4.7% Q/Q)
- Net loans increased by 0.6% Q/Q in 2Q'18 and it was first quarterly increase since 2Q'15.
- Cost of risk came in at 208 bps vs 104bps in 1Q'18 and 236bps in 2Q'17.
- At the end of 2Q'18 Tier 1 ratio came in at 9.2% whilst TCR 11.8%.
- **We believe that the results are again disappointing however should be priced-in. We believe that the most important message will come during the meeting with management, whether GNB will turn into quarterly profit still in 2018 or not.** (M. Konarski, M. Polańska)

Summary of 2018 Q2 results

(PLN m)	Q2'17	Q1'18	Q2'18	Y/Y	Q/Q
Net interest income	325.7	295.7	300.0	-7.9	1.5
Net fee income	42.6	36.7	31.8	-25.3	-13.3
Net trading result	168.1	23.6	23.5	-86.0	-0.2
Other operating income (net)	-78.7	-24.2	-7.7	-90.2	-68.1
Non-interest income	131.9	36.1	47.6	-63.9	32.0
Total income	457.6	331.7	347.6	-24.0	4.8
Total Costs	-211.9	-262.2	-222.9	5.2	-15.0
Operating profit	245.7	69.6	124.7	-49.3	79.2
Net provisioning	-281.9	-119.4	-238.6	-15.3	100.0
Income from Associates	0.0	6.2	-1.1	3825.0	n.m.
Pre-tax-profit	-36.2	-43.5	-115.0	218.2	164.3
Income tax	19.2	-4.2	-1.0	n.m.	-75.7
Minority interest	-0.6	0.0	0.0	n.m.	n.m.
Net income	-17.6	-47.7	-116.1	560.4	143.1
Bank tax	0.0	0.0	0.0	n.m.	n.m.
Net income after bank tax	-17.6	-47.7	-116.1	560.4	143.1

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

2018 Q2 actuals vs. expectations

(PLN m)	Q2'18	Consensus	differ.	Q2'18E	differ.
Net interest income	300.0	300.3	-0.1%	298.0	0.7%
Fee income	31.8	36.7	-13.4%	35.7	-10.9%
Operating costs	-222.9	-222.4	0.2%	-221.6	0.6%
Provisioning	-238.6	-182.4	30.8%	-191.2	24.8%
Net profit	-116.1	-59.5	95.0%	-62.4	85.9%

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

Herkules

Neutral – 2018-01-25

Q2'18: Results below our expectations

- Herkules reported lower financial results than a year ago with 10% decline in EBITDA and 39% decline in net profit. In the whole H1'18 the result was comparable on EBITDA and 18% lower on net profit.
- The crane segment generated almost the whole profit. The ferroconcrete production segment posted slightly negative result.
- Herkules's net debt decreased by 22% y/y to PLN 74 m, mainly due to an increase in accounts payable (PLN +22m y/y).
- **To sum up, despite a significant increase in construction production, Herkules's revenue declined over last year. Moreover, the company did not improve profitability. Profit in Q2 was lower than in Q1, against seasonal trends, and it was a negative surprise for us. Our full year forecast is realized in 43% on EBITDA and 30% on net profit and we possibly cut it. (P. Zybała)**

Q2 2018 actuals vs. expectations

(PLN m)	Q2'18	Q2'17	change	H1'18	H1'17	change	2018E	YTD/2018E
Revenue	31.8	34.1	-6.6%	60.7	62.2	-2.5%	161.8	38%
EBITDA	8.8	9.8	-9.6%	17.8	17.6	1.2%	41.4	43%
margin	27.8%	28.7%	-	29.3%	28.2%	-	25.6%	-
EBIT	3.7	4.7	-19.7%	7.5	7.8	-4.7%	21.0	36%
Pre-tax profit	2.3	3.7	-36.6%	5.0	5.7	-12.5%	16.7	30%
Net profit	1.8	3.0	-39.3%	3.8	4.7	-17.7%	13.0	30%

Source: Herkules, E - estimates by Dom Maklerski mBanku

More News**Bank Pocztowy**

Bank Pocztowy, a banking unit of the Polish Post, expects its loan portfolio to grow in 2018 despite a 2.5% y/y decline at end-June, and sees no need for a capital increase this year, CEO Sławomir Zasadzki told a news conference.

CI Games

Listed game developer CI Games secured shareholders nod for issuing up to 113.3 mln shares within three years with an option for selling the share in an off-rights issue, the company said in a market filing.

Getin Holding

Listed financial group Getin Holding was scratched from the small-cap sWIG80 index and from the WIG-Banki index and was placed on the WSE alert list, the WSE said in a statement. The changes will become effective October 1.

Gino Rossi

Listed footwear retailer Gino Rossi secured the PLN 6 mln frozen by bailiffs following settlement of liabilities by subsidiary Simple, Gino Rossi said in a market filing. At the beginning of September, Gino Rossi had reported that Miss Class, a unit of fashion firm Monnari Trade, had secured the PLN 6 mln bailiff seizure.

JSW

Listed coal miner JSW is in talks with South Africa's based petchem concern Sasol for potential transfer of technology for synthetic fuel production from coal and coal derivatives, JSW said in a press release. JSW is mulling eventual launch of a coal processing plant to produce synthetic fuels in a yet unspecified location in southern Poland, the release said. JSW and Sasol plan to sign a deal to establish working groups to proceed with the cooperation plans.

PGNiG

Listed natural gas firm PGNiG is planning to launch another production borehole on the Rehman field in September, the company said in a statement sent to PAP.

Skarbiec Holding

Listed asset manager Skarbiec TFI hired Kamil Sobolewski to manage its debt funds and replace outgoing managers Jakub Krawczyk and Tomasz Wronka, Skarbiec said in a press statement.

**Skarbiec Holding,
Trigon**

Fund house Skarbiec Holding has signed a deal with peer Trigon to take over management of Trigon's closed-end investment fund Trigon Globalni Liderzy Wzrostu FIZ for an undisclosed fee as of November 1 2018, Skarbiec reported in a market filing.

Corporate Action Calendar

Date	Time	Company	Event
27-Sep		Getin Noble	Q2'18 earnings announcement
28-Sep		Ailleron	Q2'18 earnings announcement
28-Sep		Famur	Investor meetings (mBank HQ, ul. Senatorska 18, Warsaw) - registration required
28-Sep		Elemental	Q2'18 earnings announcement
28-Sep		Herkules	Q2'18 earnings announcement
28-Sep	12:00	Polnord	Q2'18 earnings conference (GPW, ul. Książęca 4, Warsaw)
28-Sep		Tarczyński	Q2'18 earnings announcement
30-Sep		Pfleiderer Group	Q2'18 earnings announcement
1-Oct	10:30	Pfleiderer Group	Q2'18 earnings conference (InterContinental Hotel, Warsaw)
1-Oct	10:30	Pfleiderer Group	The live webcast http://platforma.livingmedia.pl/pfleiderer/180914001/
1-Oct	13:00	Robyg	Q2'18 earnings conference (ROBYG Working Balance, Warsaw)
2-Oct	09:00	PCC Rokita	Investor meetings (Adgar Ochota, Al. Jerozolimskie 181B8, Warsaw)
2-Oct		Trans Polonia	Investor meetings (Inner Value, ul. Wilcza 46, Warsaw) - registration required
4-5-Oct			European Financials Conference (InterContinental Warszawa Hotel) - registration required

Economic Calendar

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	
08:00	Germany	Retail Sales	August	2.30% y/y; 2.30% y/y	
09:00	Poland	PMI Manufacturing	September		51.40; 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
Tuesday, 2 October 2018					
Time	Region	Data	Period	Forecast	Previous
11:00	EU	PPI	August	0.40% m/m; 4.00% y/y	
Wednesday, 3 October 2018					
Time	Region	Data	Period	Forecast	Previous
09:50	France	PMI Services (F)	September		55.40
09:55	Germany	PMI Services (F)	September		55.00
10:00	EU	PMI Services (F)	September		54.70
10:30	UK	PMI Services	September		54.30
11:00	EU	Retail Sales	August	-0.20% m/m; 1.10% y/y	
14:15	USA	ADP Employment Change	September		163,000
15:45	USA	PMI Composite (F)	September		54.70
15:45	USA	PMI Services (F)	September		52.90
16:00	USA	ISM Non-Manufacturing	September		58.50
	Poland	Interest Rate			1.50%
Thursday, 4 October 2018					
Time	Region	Data	Period	Forecast	Previous
07:00	Japan	Consumer Confidence Index	August		43.30
16:00	USA	Factory Goods Orders	August		-0.80% m/m; 51.90

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						+19.3%	11.8	10.4		
Alior Bank	buy	2018-02-01	85.50	109.00	63.50	+71.7%	8.7	7.3		
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	76.10	+23.5%	15.7	12.9		
ING BSK	accumulate	2018-08-02	190.00	212.00	180.80	+17.3%	15.0	13.2		
Millennium	sell	2018-08-02	9.12	7.00	9.20	-23.9%	15.5	14.1		
Pekao	buy	2018-02-01	135.90	157.00	107.95	+45.4%	13.0	10.7		
PKO BP	hold	2018-04-06	39.74	38.00	43.03	-11.7%	16.2	13.5		
Santander Bank Polska	accumulate	2018-09-03	376.00	430.00	377.20	+14.0%	14.8	12.2		
Komercni Banka	buy	2017-12-01	899.00	1,111 CZK	911.00	+22.0%	11.7	9.9		
Erste Bank	buy	2018-08-02	37.14	43.00 EUR	36.92	+16.5%	10.6	10.5		
OTP Bank	buy	2018-06-06	10,210	12,090 HUF	9,855	+22.7%	10.0	9.2		
PZU	accumulate	2018-08-02	42.00	47.50	40.46	+17.4%	11.4	10.2		
Kruk	buy	2018-09-17	187.80	292.77	200.40	+46.1%	10.7	9.0		
Prime Car Management	suspended	2018-08-23	7.96	-	9.38	-	-	-		
Skarbiec Holding	buy	2018-08-31	25.30	36.86	25.80	+42.9%	8.0	7.6		
Chemicals						+49.6%	11.2	10.2	5.2	5.0
Ciech	buy	2018-08-02	56.95	82.52	46.80	+76.3%	7.3	6.9	5.0	4.7
Grupa Azoty	hold	2018-09-03	38.00	41.13	33.96	+21.1%	15.0	13.5	5.4	5.4
Polwax	suspended	2018-09-14	7.70	-	6.92	-	-	-	-	-
Oil & Gas						+2.9%	9.1	12.7	4.9	5.7
Lotos	sell	2018-09-03	69.90	57.21	75.30	-24.0%	10.5	14.9	5.7	7.0
MOL	buy	2018-09-03	2,870	3,296 HUF	2,990	+10.2%	8.5	10.5	3.8	4.3
PGNiG	buy	2018-09-03	5.82	7.86	6.45	+21.9%	9.0	7.5	4.2	3.5
PKN Orlen	sell	2018-09-03	98.24	81.38	102.15	-20.3%	9.1	15.1	5.7	8.0
Power Utilities						+15.2%	4.0	4.1	3.7	3.5
CEZ	sell	2018-07-04	550.00	440.96 CZK	567.50	-22.3%	21.4	19.9	8.5	8.4
Enea	buy	2018-05-29	9.57	12.62	8.25	+53.0%	4.0	3.1	3.8	3.3
Energa	buy	2018-09-03	8.40	15.27	8.07	+89.2%	4.0	4.1	3.3	3.2
PGE	buy	2018-05-29	9.28	13.60	9.74	+39.6%	6.0	5.8	3.7	3.5
Tauron	buy	2018-09-03	2.00	2.77	1.81	+53.0%	3.4	2.9	3.7	4.1
Telecoms, Media, IT						+10.4%	20.4	17.1	6.9	6.1
Netia	reduce	2018-06-06	5.00	4.30	4.53	-5.1%	41.2	49.8	5.4	5.7
Orange Polska	buy	2018-04-06	5.83	7.60	4.65	+63.4%	20.4	11.2	4.2	3.8
Play	hold	2018-08-30	21.90	22.60	20.24	+11.7%	6.5	7.3	5.5	5.4
Agora	buy	2018-09-14	8.48	15.40	9.00	+71.1%	45.2	56.4	3.5	3.9
Cyfrowy Polsat	accumulate	2018-06-15	22.76	24.90	22.36	+11.4%	13.1	11.1	6.9	6.1
Wirtualna Polska	accumulate	2018-09-03	57.00	60.00	51.00	+17.6%	20.0	17.1	10.9	9.2
Asseco Poland	accumulate	2018-09-03	45.90	49.00	46.94	+4.4%	13.8	15.2	8.2	8.0
CD Projekt	sell	2018-04-06	114.90	90.80	192.40	-52.8%	92.6	27.8	73.5	21.6
Comarch	accumulate	2018-05-09	145.00	166.50	167.00	-0.3%	24.0	17.7	9.5	8.2
Industrials, Mining						+23.0%	14.8	6.6	6.5	4.7
Famur	buy	2018-08-02	5.20	6.56	5.58	+17.6%	17.5	13.9	7.6	6.8
Grupa Kęty	hold	2018-09-03	387.50	367.45	385.00	-4.6%	14.0	13.3	9.5	8.9
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	50.70	+16.7%	15.6	7.1	6.8	5.2
KGHM	buy	2018-09-03	90.80	104.21	90.32	+15.4%	7.7	6.0	4.5	3.4
Stelmet	buy	2018-09-03	11.35	20.45	8.24	+148.2%	15.7	5.4	6.1	4.1
Construction						+26.0%	8.5	10.1	3.7	4.5
Budimex	hold	2018-08-02	122.60	125.00	107.20	+16.6%	11.1	12.5	3.6	4.5
Elektrobudowa	buy	2018-09-26	32.80	45.00	36.60	+23.0%	-	9.7	-	4.6
Erbud	buy	2018-09-03	9.60	14.40	9.58	+50.3%	-	10.4	-	4.4
Unibep	buy	2018-04-06	7.50	10.10	5.06	+99.6%	5.8	5.0	3.8	2.9
Property Developers						+28.5%	6.7	7.1	7.5	7.4
Atal	buy	2018-07-04	36.40	42.86	32.80	+30.7%	6.7	7.0	6.1	6.6
Capital Park	buy	2018-04-06	5.95	8.35	5.30	+57.5%	10.5	8.8	17.5	16.8
Dom Development	buy	2018-08-02	72.80	87.80	65.00	+35.1%	6.8	7.1	5.5	6.1
Echo	buy	2018-04-06	5.23	5.63	4.41	+27.7%	6.0	5.5	7.1	7.3
GTC	hold	2018-04-06	9.39	9.60	8.41	+14.1%	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
Retail						+19.1%	26.9	17.2	13.5	11.1
AmRest	hold	2018-09-03	406.00	426.00	451.50	-5.6%	47.6	37.3	15.5	12.4
CCC	buy	2018-06-06	242.80	295.00	223.00	+32.3%	29.1	17.2	16.6	11.5
Dino	hold	2018-06-06	107.40	103.50	99.30	+4.2%	30.5	22.8	19.0	14.6
Eurocash	buy	2018-04-06	24.41	30.70	18.51	+65.9%	19.4	15.0	6.3	5.4
Jeronimo Martins	buy	2018-08-02	12.65	15.20 EUR	12.74	+19.4%	20.1	16.7	8.6	7.4
LPP	accumulate	2018-06-18	9,025	10,200	8,780	+16.2%	24.7	20.3	13.5	11.1
TXM	buy	2018-07-04	1.28	3.48	0.65	+435.4%	-	2.2	12.7	3.0
Other						+31.5%	8.5	7.7	5.6	5.2
PBKM	hold	2018-06-06	73.00	76.26	58.00	+31.5%	8.5	7.7	5.6	5.2

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
IT						13.3	9.7	5.0	4.5
Ailleron	neutral	2018-03-28	16.20	12.80	-21.0%	15.2	13.2	6.8	5.5
Asseco BS	neutral	2018-03-28	28.00	25.70	-8.2%	14.9	13.6	10.0	9.1
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	3.11	-26.8%	7.2	6.5	4.7	4.5
Wasko	neutral	2018-05-30	1.68	1.58	-6.0%	13.3	8.8	5.0	4.2
Industrials						8.7	8.5	6.4	6.1
Alumetal	neutral	2018-08-23	51.00	45.30	-11.2%	8.1	8.8	6.5	6.9
Amica	overweight	2018-09-13	112.80	109.80	-2.7%	7.6	7.3	5.4	4.8
Apator	neutral	2018-02-28	24.00	24.00	+0.0%	13.2	13.8	7.6	7.8
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	1.48	+35.8%	5.9	5.2	5.5	4.9
Ergis	neutral	2018-04-27	4.06	3.72	-8.4%	8.3	7.8	6.1	5.6
Forte	overweight	2018-07-27	40.60	44.10	+8.6%	16.4	11.8	11.1	9.1
Kruszwica	underweight	2018-08-02	65.40	42.90	-34.4%	16.7	17.7	8.9	9.0
Mangata	underweight	2018-09-13	91.20	78.00	-14.5%	9.9	11.9	7.1	7.4
Pfleiderer Group	overweight	2018-08-08	37.30	36.45	-2.3%	16.3	18.8	6.4	6.4
Pozbud	overweight	2018-09-04	3.57	2.55	-28.6%	4.8	2.6	4.5	1.6
Tarczyński	neutral	2018-05-30	14.50	15.05	+3.8%	8.5	8.1	5.8	5.5
Construction Sector						29.0	10.3	5.8	5.0
Elektrotim	neutral	2018-09-27	4.20	4.19	-0.2%	44.8	12.0	5.8	5.1
Herkules	neutral	2018-01-25	3.67	2.60	-29.2%	8.2	5.7	4.7	3.8
Torpol	neutral	2018-09-27	5.18	4.98	-3.9%	54.1	11.0	5.9	4.9
Trakcja	underweight	2018-09-27	3.47	3.49	+0.6%	78.6	37.3	7.0	7.4
Ulma	neutral	2018-05-28	73.00	70.00	-4.1%	8.7	8.4	3.5	3.3
ZUE	neutral	2018-09-27	5.56	5.54	-0.4%	13.2	9.5	6.3	5.7
Property Developers						6.2	5.1	8.4	5.2
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	0.46	-30.3%	10.7	5.1	12.6	5.2
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	2.70	-22.4%	7.3	2.9	8.4	3.7
Lokum Deweloper	overweight	2018-06-22	18.80	17.70	-5.9%	5.9	6.8	4.4	5.2
PA Nova	neutral	2018-03-29	22.30	17.75	-20.4%	5.8	6.7	9.8	10.9
Polnord	underweight	2018-06-22	9.04	9.40	+4.0%	-	-	-	-
Ronson	neutral	2018-06-22	1.09	1.07	-1.8%	11.6	7.7	12.4	10.9
Retail						11.5	9.4	7.7	6.4
Bytom	overweight	2018-05-23	2.92	2.66	-8.9%	11.8	10.9	7.7	6.7
Monnari	neutral	2018-07-13	6.60	5.90	-10.6%	9.0	8.4	3.6	3.1
Vistula	overweight	2018-05-23	4.79	4.03	-15.9%	11.5	9.4	7.9	6.4

CEE bank valuations (2018-09-27)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH BANKS													
Alior Bank	63.50	8.7	7.3	-	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	76.10	15.7	12.9	-	9%	11%	-	1.4	1.4	-	5.4%	6.4%	-
ING BSK	180.80	15.0	13.2	12.1	13%	13%	12%	1.8	1.6	1.4	1.8%	2.0%	2.3%
Millennium	9.20	15.5	14.1	-	9%	9%	-	1.3	1.2	-	0.0%	1.6%	-
Pekao	107.95	13.0	10.7	-	9%	11%	-	1.2	1.2	-	7.3%	7.7%	-
PKO BP	43.03	16.2	13.5	-	9%	10%	-	1.4	1.2	-	1.3%	1.5%	-
Santander Bank Polska	377.20	14.8	12.2	10.7	10%	11%	12%	1.4	1.3	1.2	1.8%	3.3%	4.1%
Median		14.9	12.6	10.7	9%	11%	12%	1.3	1.2	1.2	1.5%	1.8%	2.3%
INVESTORS IN POLISH BANKS													
BCP	0.264	11.5	8.0	7.5	6%	8%	8%	0.7	0.6	0.6	1.1%	2.6%	5.3%
Citigroup	72.950	11.1	9.8	8.4	9%	10%	11%	1.0	0.9	0.8	2.1%	2.7%	3.1%
Commerzbank	9.367	12.7	10.6	7.9	3%	4%	5%	0.4	0.4	0.4	2.2%	3.4%	4.9%
ING	11.630	8.7	8.4	8.0	10%	10%	10%	0.9	0.8	0.8	5.9%	6.2%	6.4%
KBC	66.460	10.9	11.1	10.7	14%	13%	13%	1.5	1.5	1.4	5.4%	5.9%	6.2%
UCI	13.900	8.8	7.1	6.3	6%	8%	8%	0.5	0.5	0.5	2.6%	4.6%	6.9%
Median		11.0	9.1	7.9	8%	9%	9%	0.8	0.7	0.7	2.4%	4.0%	5.8%
FOREIGN BANKS													
Erste Bank*	36.92	10.6	10.5	9.8	11%	10%	10%	1.1	1.0	1.0	3.3%	4.0%	4.0%
Komerční Banka*	911.00	11.7	9.9	-	14%	14%	-	1.5	1.4	-	5.2%	4.7%	-
OTP*	9.855	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	10.14	22.1	11.4	8.3	1%	3%	4%	-	-	-	1.4%	2.8%	4.2%
Sberbank	204.10	5.3	5.0	4.5	23%	21%	21%	1.2	1.0	1.0	8.7%	10.0%	11.5%
VTB Bank	0.04	4.1	3.4	3.2	12%	12%	12%	0.5	0.4	0.4	9.7%	9.7%	9.7%
Piraeus Bank	2.03	56.4	6.6	3.5	0%	2%	4%	0.2	0.2	0.1	0.0%	0.0%	2.4%
Alpha Bank	1.27	9.5	5.9	4.6	2%	3%	4%	0.2	0.2	0.2	0.0%	0.0%	1.3%
National Bank of Greece	1.79	137.7	77.8	52.6	2%	3%	5%	3.1	3.0	2.8	0.0%	0.0%	0.1%
Eurobank Ergasias	0.64	8.2	5.5	4.4	3%	5%	6%	0.3	0.3	0.2	0.0%	0.0%	1.7%
Akbank	6.94	4.4	3.9	3.5	15%	15%	15%	0.6	0.5	0.5	6.4%	7.4%	7.6%
Türkiye Garanti Bank	7.56	4.5	4.0	3.3	15%	16%	17%	0.7	0.6	0.5	5.9%	6.6%	5.2%
Türkiye Halk Bank	6.63	2.3	2.0	1.7	13%	14%	-	0.3	0.3	0.2	3.2%	5.0%	-
Türkiye Vakıflar Bankası	3.71	2.5	3.0	2.9	15%	12%	-	0.3	0.3	0.3	1.8%	1.7%	1.0%
Yapı ve Kredi Bankası	1.79	3.8	3.2	2.6	10%	10%	12%	0.4	0.4	0.3	0.0%	2.7%	1.8%
Median		8.7	5.7	3.9	11%	11%	10%	0.6	0.5	0.4	2.9%	3.4%	4.0%

Insurance company valuations (2018-09-27)

	Price	2018	P/E 2019	2020	2018	ROE 2019	2020	2018	P/BV 2019	2020	2018	DY 2019	2020
POLISH COMPANIES													
PZU	40.46	11.4	10.2	9.6	20%	21%	21%	2.2	2.1	2.0	6.7%	6.6%	7.3%
FOREIGN COMPANIES													
Vienna Insurance G.	25.20	11.2	10.8	9.6	6%	6%	6%	0.7	0.6	0.6	3.7%	3.9%	4.3%
Uniq	8.78	12.5	11.8	10.9	7%	7%	8%	0.9	0.9	0.9	5.9%	6.4%	6.6%
Aegon	5.69	8.6	8.0	7.6	7%	7%	7%	0.6	0.5	0.5	5.0%	5.2%	5.4%
Allianz	196.68	11.3	10.6	10.0	11%	12%	12%	1.3	1.2	1.2	4.4%	4.7%	5.0%
Aviva	4.97	8.8	8.2	7.6	12%	11%	-	1.2	1.1	1.1	6.1%	6.7%	7.6%
AXA	23.59	9.5	8.7	8.4	9%	9%	9%	0.8	0.8	0.7	5.6%	5.9%	6.2%
Baloise	150.90	12.5	11.8	11.1	9%	9%	9%	1.1	1.0	1.0	3.9%	4.1%	4.4%
Assicurazioni Generali	15.44	9.8	9.6	9.2	10%	10%	10%	0.9	0.9	0.9	5.9%	6.2%	6.5%
Helvetia	603.50	12.0	11.6	11.3	10%	10%	10%	1.1	1.1	1.0	4.1%	4.2%	4.4%
Mapfre	2.75	10.4	9.4	8.6	9%	10%	12%	1.0	0.9	0.9	5.6%	6.0%	6.6%
RSA Insurance	6.34	13.2	11.8	11.4	13%	14%	14%	1.7	1.6	1.5	3.7%	4.7%	5.0%
Zurich Financial	312.10	12.8	11.0	10.5	11%	13%	14%	1.5	1.4	1.4	6.1%	6.5%	6.9%
Median		11.2	10.7	9.8	10%	10%	10%	1.0	1.0	0.9	5.3%	5.6%	5.8%

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

Gas & Oil valuations (2018-09-27)

	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	75.30	5.7	7.0	5.7	0.6	0.6	0.6	10.5	14.9	13.1	11%	8%	10%	1.3%	2.8%	2.0%
MOL	2990.00	3.8	4.3	4.1	0.5	0.5	0.5	8.5	10.5	9.8	14%	12%	13%	4.3%	3.7%	3.9%
PKN Orlen	102.15	5.7	8.0	7.0	0.5	0.4	0.4	9.1	15.1	13.5	8%	5%	6%	2.9%	3.8%	2.3%
HollyFrontier	69.77	7.3	6.1	6.7	0.9	0.8	0.9	13.4	9.5	10.3	12%	14%	13%	1.9%	2.0%	2.0%
Andeavor	154.79	9.7	8.0	7.0	0.7	0.7	0.7	17.6	12.7	10.3	7%	8%	10%	1.6%	1.7%	1.9%
Valero Energy	115.29	9.0	6.8	5.4	0.5	0.5	0.4	17.7	11.4	8.5	5%	7%	8%	2.8%	3.0%	3.2%
Marathon Petroleum	83.04	8.7	7.3	5.9	0.7	0.6	0.6	16.9	11.8	9.2	8%	9%	10%	2.2%	2.4%	2.7%
Phillips 66	112.88	9.1	8.0	7.0	0.6	0.5	0.6	14.8	11.7	9.5	6%	7%	9%	2.7%	3.0%	3.2%
Tupras	135.50	7.7	7.2	6.3	0.6	0.5	0.5	10.2	9.0	7.6	8%	7%	8%	7.4%	8.4%	10.3%
OMV	48.57	4.0	3.7	3.8	0.9	0.9	0.9	9.5	8.8	8.8	22%	23%	23%	3.4%	3.7%	4.1%
Neste Oil	72.52	11.6	11.0	10.7	1.3	1.3	1.2	18.5	17.5	17.0	11%	11%	12%	2.7%	2.9%	3.0%
Hellenic Petroleum	7.84	5.8	5.9	5.9	0.5	0.5	0.5	8.2	8.9	8.7	8%	8%	8%	4.8%	5.1%	5.8%
Saras SpA	1.85	4.5	3.9	3.2	0.2	0.2	0.2	14.8	10.3	7.5	4%	5%	6%	4.3%	5.1%	6.5%
Motor Oil	23.50	5.6	5.6	4.9	0.4	0.3	0.3	10.7	11.0	9.6	6%	6%	7%	5.3%	5.5%	6.2%
Median		6.6	6.9	5.9	0.6	0.5	0.5	12.0	11.2	9.6	8%	8%	9%	2.9%	3.4%	3.2%
GAS COMPANIES																
A2A SpA	1.54	6.8	6.6	6.4	1.4	1.4	1.3	11.9	12.6	11.8	20%	20%	21%	4.4%	4.8%	5.1%
Centrica	153.50	5.0	5.1	5.0	0.4	0.4	0.4	11.7	11.9	11.5	9%	8%	8%	0.0%	0.0%	0.0%
Enagas	23.45	10.1	10.3	10.1	7.9	8.0	8.0	12.8	13.2	12.2	78%	78%	79%	6.5%	6.8%	7.1%
Endesa	18.67	7.4	7.2	7.1	1.3	1.3	1.3	13.8	13.4	13.2	17%	17%	18%	7.3%	7.5%	7.7%
Engie	12.56	6.0	5.7	5.5	0.9	0.9	0.9	12.6	11.3	10.6	15%	15%	16%	6.0%	6.3%	6.8%
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	2.72	6.7	6.7	6.5	1.2	1.2	1.2	15.2	15.4	14.9	18%	17%	18%	3.7%	3.8%	3.9%
Snam SpA	3.78	11.9	11.9	11.7	9.7	9.6	9.4	13.1	12.9	12.5	81%	81%	81%	5.8%	6.1%	6.1%
PGNiG	6.45	4.2	3.5	3.2	0.9	0.8	0.7	9.0	7.5	7.7	21%	22%	23%	0.0%	3.3%	4.0%
BP	593.30	5.4	5.0	4.8	0.7	0.7	0.7	14.1	12.8	12.2	12%	13%	13%	0.0%	0.0%	0.0%
Eni	16.53	3.7	3.5	3.4	0.9	0.9	0.9	14.0	12.2	12.2	25%	26%	27%	5.0%	5.1%	5.3%
Equinor	161.80	3.0	3.0	2.9	0.8	0.8	0.8	3.6	3.6	3.6	27%	27%	27%	5.5%	6.3%	6.7%
Gazprom	1147.50	14.1	13.8	13.2	5.0	4.9	4.6	16.8	15.2	14.8	36%	35%	35%	1%	2%	2%
NovaTek	33.75	4.7	4.4	4.0	2.7	2.5	2.2	8.0	7.4	6.8	58%	57%	55%	11.3%	12.0%	12.7%
ROMGAZ	29.51	3.6	3.3	3.4	0.6	0.6	0.6	12.8	10.9	10.5	16%	17%	17%	7.4%	7.5%	7.6%
Shell	230.20	3.8	3.5	3.3	1.4	1.4	1.3	14.5	13.4	12.9	38%	39%	39%	0.0%	0.1%	0.1%
Total	56.02	6.7	6.1	6.1	1.2	1.2	1.1	14.2	12.8	12.6	18%	19%	19%	5.4%	5.6%	5.7%
Median		6.0	5.7	5.5	1.2	1.2	1.2	13.1	12.8	12.2	20%	20%	21%	5.1%	5.5%	5.7%

Power generation company valuations (2018-09-27)

	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	15.16	6.0	5.6	5.3	1.3	1.3	1.2	24.3	19.9	16.9	21%	22%	23%	2.0%	2.4%	3.0%
EDP	3.29	8.9	8.5	8.2	2.3	2.2	2.1	15.1	14.1	13.4	25%	26%	25%	5.8%	5.8%	5.9%
Endesa	18.67	7.4	7.2	7.1	1.3	1.3	1.3	13.8	13.4	13.2	17%	17%	18%	7.3%	7.5%	7.7%
Enel	4.58	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	8.89	7.4	6.9	6.0	0.9	0.8	0.7	13.6	12.6	11.7	12%	12%	11%	4.9%	5.4%	5.9%
Fortum	22.40	15.4	15.5	14.3	4.9	4.8	4.7	23.8	18.5	16.2	32%	31%	33%	4.9%	4.9%	4.9%
Iberdola	6.42	8.9	8.4	7.9	2.2	2.1	2.1	13.6	12.8	12.1	25%	26%	26%	5.2%	5.5%	5.8%
National Grid	780.00	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	17.95	9.4	9.1	9.3	7.2	7.1	7.1	13.8	13.2	13.6	77%	77%	77%	5.4%	5.8%	6.0%
RWE	21.70	7.5	7.3	9.8	0.9	0.9	1.4	14.6	12.8	11.1	12%	12%	14%	3.2%	3.7%	4.5%
SSE	1144.00	8.2	8.3	8.3	0.7	0.7	0.7	9.7	9.7	9.7	9%	8%	8%	0.0%	0.0%	0.0%
Verbund	41.36	10.6	9.1	8.2	3.4	3.0	2.9	39.1	30.5	25.5	32%	33%	35%	1.1%	1.5%	1.8%
CEZ	567.50	8.5	8.4	7.8	2.2	2.1	2.0	21.4	19.9	17.7	26%	25%	26%	5.8%	4.7%	5.0%
PGE	9.74	3.7	3.5	3.3	1.1	0.9	0.8	6.0	5.8	6.5	29%	25%	24%	0.0%	0.0%	4.3%
Tauron	1.81	3.7	4.1	3.8	0.7	0.7	0.7	3.4	2.9	2.9	20%	18%	19%	0.0%	0.0%	0.0%
Enea	8.25	3.8	3.3	3.7	0.9	0.8	0.8	4.0	3.1	3.9	23%	23%	21%	0.0%	0.0%	0.0%
Energa	8.07	3.3	3.2	3.4	0.7	0.7	0.7	4.0	4.1	4.5	22%	21%	21%	0.0%	0.0%	0.0%
Median		7.5	7.3	7.8	1.3	1.3	1.3	13.6	12.8	12.1	23%	23%	23%	3.2%	3.7%	4.5%

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

Fertilizer producers and chemical companies (2018-09-27)

	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	4693.00	7.9	7.3	6.9	2.5	2.4	2.2	11.5	10.4	9.7	32%	32%	32%	6.5%	6.9%	7.0%
Uralkali	83.30	4.8	4.8	-	2.5	2.5	-	3.7	4.0	-	53%	53%	-	0.0%	0.0%	
Phosagro	2525.00	6.3	6.3	5.7	2.0	1.9	1.8	11.0	10.9	8.1	31%	31%	32%	4.9%	5.7%	6.3%
K+S	17.94	7.8	6.9	6.3	1.6	1.5	1.5	13.6	10.0	8.7	20%	22%	23%	3.2%	4.3%	4.6%
Yara International	390.90	-	55.9	45.6	8.8	8.4	7.6	-	-	-	12%	15%	17%	0.2%	0.4%	0.5%
The Mosaic Company	32.27	8.9	8.0	7.5	1.7	1.7	1.6	21.3	16.6	13.9	20%	21%	22%	0.3%	0.3%	0.7%
CF Industries	53.77	13.9	11.7	10.9	4.4	4.1	4.0	46.2	27.1	21.5	32%	35%	36%	2.3%	2.4%	2.5%
Israel Chemicals	2220.00	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	33.96	5.4	5.4	6.0	0.5	0.6	0.6	15.0	13.5	12.7	10%	10%	11%	3.5%	2.0%	2.2%
ZA Police*	16.75	8.7	6.5	5.2	0.7	0.6	0.6	25.8	13.6	9.2	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		7.9	6.9	6.6	1.8	1.8	1.7	14.3	12.2	9.7	20%	21%	21%	3.2%	2.4%	2.7%
CHEMICAL COMPANIES																
Ciech	46.80	5.0	4.7	4.2	1.0	1.0	0.9	7.3	6.9	6.1	20%	21%	21%	16.0%	7.5%	9.4%
Akzo Nobel	80.68	18.5	15.6	13.7	2.3	2.2	2.1	28.5	23.7	19.9	13%	14%	16%	2.7%	2.8%	2.9%
BASF	78.36	7.2	6.9	6.5	1.4	1.3	1.3	12.0	11.1	10.4	19%	19%	19%	4.1%	4.3%	4.5%
Croda	5200.00	17.7	16.4	15.5	5.1	4.9	4.7	27.3	25.2	23.6	29%	30%	30%	0.0%	0.0%	0.0%
Sisecam	6.13	5.5	4.5	3.5	1.2	1.0	0.8	10.2	8.8	7.2	22%	23%	24%	3.1%	3.8%	4.2%
Soda Sanayii	7.01	8.2	6.7	5.3	2.1	1.8	1.6	7.8	7.0	5.7	26%	26%	31%	4.4%	5.8%	7.4%
Solvay	114.70	6.4	6.0	5.7	1.4	1.3	1.3	13.9	13.0	11.5	21%	22%	22%	3.3%	3.3%	3.4%
Tata Chemicals	681.85	8.3	7.7	7.3	1.6	1.6	1.5	14.6	15.1	13.8	19%	21%	21%	1.8%	1.7%	1.8%
Tessenderlo Chemie	32.35	7.8	6.3	5.9	0.9	0.9	0.8	15.9	12.0	10.4	12%	14%	14%	0.0%	-	-
Wacker Chemie	109.45	6.0	5.8	5.5	1.3	1.2	1.2	15.6	14.2	13.1	21%	21%	21%	3.6%	4.0%	4.3%
Median		7.5	6.5	5.8	1.4	1.3	1.3	14.2	12.5	10.9	21%	21%	21%	3.2%	3.8%	4.2%

Machine and equipment manufacturers (2018-09-27)

	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	259.05	8.7	8.3	8.0	2.3	2.2	2.1	20.3	18.9	17.9	27%	26%	26%	2.7%	2.9%	3.0%
Caterpillar	152.47	10.7	9.7	9.0	2.2	2.0	1.9	13.2	12.0	11.0	20%	21%	21%	2.1%	2.3%	2.4%
Duro Felguera	0.02	-	-	-	0.8	0.8	-	-	-	-	-	-	-	0.0%	0.0%	-
Famur	5.58	7.6	6.8	6.5	1.6	1.6	1.5	17.5	13.9	12.1	21%	23%	23%	7.9%	8.1%	5.0%
Komatsu	3397.00	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	160.55	8.9	8.7	8.3	2.1	2.1	2.0	15.5	14.6	13.6	24%	23%	24%	2.6%	2.8%	3.1%
Median		9.7	8.3	7.8	1.6	1.6	1.7	16.2	13.3	11.7	21%	22%	22%	2.2%	2.8%	3.3%

Mining company valuations (2018-09-27)

	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	90.32	4.5	3.4	3.1	1.1	0.9	0.8	7.7	6.0	5.9	25%	26%	26%	0.0%	3.3%	5.9%
LW Bogdanka*	60.40	3.2	2.8	2.8	1.0	1.0	0.9	14.1	9.6	9.0	32%	34%	34%	2.0%	3.1%	4.3%
FOREIGN COMPANIES																
Anglo American	1719.00	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	855.00	5.2	4.6	4.3	2.7	2.5	2.4	13.9	11.8	11.6	51%	54%	55%	0.0%	0.0%	0.0%
BHP Billiton	34.48	4.0	4.1	4.3	2.1	2.2	2.3	14.3	14.4	16.0	54%	54%	52%	2.5%	2.7%	2.3%
Boliden	241.40	4.6	4.9	5.0	1.3	1.3	1.3	8.9	10.0	10.4	28%	26%	26%	7.0%	6.6%	6.8%
First Quantum	15.90	8.1	5.8	4.4	3.7	2.9	2.4	15.4	9.3	6.7	46%	51%	54%	0.0%	0.1%	0.2%
Freeport-McMoRan	13.87	3.9	5.7	4.6	1.5	1.9	1.7	7.3	12.1	8.8	39%	33%	37%	1.3%	2.0%	3.6%
Hudbay Min	6.42	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	6.56	4.2	3.7	3.0	1.8	1.7	1.4	13.1	11.8	8.4	42%	45%	48%	1.4%	1.2%	1.3%
MMC Norilsk Nickel	17.78	6.0	5.8	5.6	3.0	2.9	2.9	8.0	7.9	8.3	51%	51%	51%	8.9%	10.7%	10.6%
OZ Minerals	9.37	5.3	5.5	4.5	2.5	2.5	2.1	15.3	16.5	11.6	47%	46%	47%	2.1%	1.7%	2.4%
Rio Tinto	3877.50	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	7.41	3.1	2.8	2.2	1.6	1.5	1.2	9.1	7.5	5.4	52%	52%	55%	3.7%	4.2%	5.9%
Southern CC	43.34	9.8	8.7	8.4	5.0	4.6	4.4	17.6	15.6	14.9	51%	52%	53%	4.0%	3.3%	3.3%
Vedanta Resources	825.40	4.7	3.9	3.5	1.2	1.3	1.0	12.0	6.8	4.9	26%	33%	28%	0.0%	0.0%	0.0%
Median		4.5	4.6	4.4	1.9	2.0	1.9	11.3	10.9	9.6	46%	46%	47%	1.4%	1.5%	1.8%

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

European telecom valuations (2018-09-27)

	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	4.53	5.4	5.7	5.8	1.4	1.4	1.5	41.2	49.8	43.5	25%	25%	26%	0.0%	0.0%	0.0%
Orange Polska	4.65	4.2	3.8	3.4	1.1	1.1	1.0	20.4	11.2	7.7	27%	28%	29%	0.0%	0.0%	5.4%
Play	20.24	5.5	5.4	5.1	1.7	1.7	1.6	6.5	7.3	7.1	32%	31%	31%	12.8%	6.4%	6.4%
Median		5.4	5.4	5.1	1.4	1.4	1.5	20.4	11.2	7.7	27%	28%	29%	0%	0.0%	5.4%
MID CAPS																
Proximus	20.67	5.0	5.0	4.9	1.6	1.6	1.6	12.0	11.8	11.6	32%	32%	32%	7.3%	7.3%	7.3%
Telefonica CP	259.00	8.5	8.5	8.4	2.3	2.3	2.3	14.9	14.3	13.8	27%	27%	27%	7.8%	7.9%	7.8%
Hellenic Telekom	11.04	4.9	4.7	4.6	1.6	1.6	1.6	19.5	16.4	14.7	34%	34%	35%	4.2%	5.3%	5.9%
Matav	399.00	3.9	3.9	3.9	1.2	1.2	1.2	9.4	9.7	9.2	31%	31%	31%	6.3%	6.7%	7.2%
Telecom Austria	6.86	5.2	5.1	4.9	1.6	1.6	1.6	13.9	11.3	10.1	32%	32%	32%	2.9%	3.5%	3.9%
Median		5.0	5.0	4.9	1.6	1.6	1.6	13.9	11.8	11.6	32%	32%	32%	6.3%	6.7%	7.2%
BIG CAPS																
BT	230.25	4.4	4.5	4.4	1.4	1.4	1.4	8.4	8.7	8.7	32%	31%	32%	0.0%	0.0%	0.0%
DT	14.05	5.8	5.5	5.2	1.8	1.7	1.6	14.7	13.0	11.9	30%	31%	31%	5.0%	5.5%	5.9%
KPN	2.34	7.1	7.0	6.9	2.7	2.8	2.8	20.7	18.6	16.2	39%	40%	40%	5.5%	7.8%	9.0%
Orange France	13.88	5.0	4.8	4.7	1.6	1.5	1.5	12.7	11.7	10.6	31%	32%	32%	5.0%	5.3%	5.6%
Swisscom	450.70	7.4	7.4	7.4	2.7	2.7	2.7	15.5	15.6	15.8	36%	36%	36%	4.9%	4.9%	4.9%
Telefonica S.A.	6.95	5.7	5.6	5.5	1.8	1.8	1.8	9.9	9.1	8.5	32%	32%	33%	5.8%	5.9%	6.0%
Telia Company	41.48	8.4	8.2	8.2	2.7	2.7	2.7	15.6	14.8	14.3	33%	33%	33%	5.7%	5.8%	6.0%
TI	0.55	4.2	4.2	4.2	1.8	1.8	1.8	7.8	7.3	6.9	43%	44%	44%	0.7%	1.5%	2.6%
Median		5.7	5.6	5.4	1.8	1.8	1.8	13.7	12.3	11.3	32%	33%	33%	5.0%	5.4%	5.7%

Media company valuations (2018-09-27)

	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	9.00	3.5	3.9	3.9	0.4	0.4	0.4	45.2	56.4	18.0	11%	10%	10%	5.6%	5.6%	5.6%
Cyfrowy Polsat	22.36	6.9	6.1	5.7	2.4	2.1	1.9	13.1	11.1	9.9	34%	34%	34%	0.0%	1.4%	2.3%
Median		5.2	5.0	4.8	1.4	1.2	1.2	29.1	33.7	14.0	0.2	0.2	0.2	0.0	0.0	0.0
DAILY																
Amolgo Mondadori	1.49	6.3	5.6	5.5	0.5	0.5	0.5	12.8	9.7	9.5	7%	9%	9%	0.7%	1.6%	2.4%
Axel Springer	58.00	10.6	9.6	8.9	2.5	2.4	2.3	20.3	18.1	16.3	23%	24%	25%	3.6%	3.8%	4.0%
Daily Mail	710.50	11.2	11.0	10.6	1.7	1.7	1.7	17.6	17.5	16.0	15%	15%	16%	0.0%	0.0%	0.0%
Gruppo Editoriale	0.40	6.5	6.6	6.4	0.5	0.5	0.5	12.9	11.7	12.1	7%	8%	8%	1.3%	3.0%	4.0%
New York Times	22.95	13.0	11.4	9.7	2.2	2.1	2.0	26.4	21.0	15.7	17%	18%	21%	0.7%	0.7%	0.7%
Promotora de Inform	1.95	8.6	8.2	7.4	1.7	1.7	1.7	12.4	17.7	16.5	20%	21%	23%	0.4%	0.4%	0.7%
Reach	65.00	1.7	1.6	1.6	0.4	0.4	0.4	1.8	1.7	1.8	23%	24%	25%	0.0%	0.0%	0.0%
Median		8.6	8.2	7.4	1.7	1.7	1.7	12.9	17.5	15.7	17%	18%	21%	0.7%	0.7%	0.7%
TV																
Atresmedia Corp	5.60	7.3	6.9	6.7	1.4	1.4	1.3	8.8	8.2	8.0	19%	20%	20%	9.6%	10.2%	10.5%
Gestelevision Telecinco	6.47	7.7	7.3	6.9	2.0	1.9	1.9	11.0	10.6	10.4	26%	27%	28%	9.2%	9.4%	9.4%
ITV PLC	158.30	8.4	8.4	7.8	2.3	2.2	2.1	10.3	10.3	9.5	27%	26%	27%	0.0%	0.0%	0.0%
M6-Metropole Tel	17.97	5.4	5.3	5.2	1.5	1.5	1.5	13.1	12.6	12.2	28%	28%	28%	5.5%	5.8%	6.0%
Mediaset SPA	2.78	3.7	3.9	3.8	1.4	1.5	1.5	17.7	11.8	9.9	39%	40%	40%	4.1%	5.6%	6.4%
Modern Times	323.20	11.9	11.1	9.9	1.2	1.1	1.1	20.6	19.3	17.0	10%	10%	11%	4.0%	4.2%	4.3%
Prosieben	22.57	6.6	6.2	5.9	1.7	1.6	1.5	9.8	9.2	8.8	25%	26%	26%	8.6%	9.0%	9.4%
RTL Group	61.70	7.7	7.4	7.2	1.6	1.6	1.5	13.2	12.0	12.0	21%	21%	21%	6.5%	6.5%	6.7%
TF1-TV Francaise	9.40	5.0	4.3	4.0	0.8	0.8	0.8	15.9	11.3	10.3	17%	19%	20%	3.9%	4.8%	5.3%
Median		7.1	6.8	6.4	1.5	1.5	1.5	13.1	11.5	10.4	25%	26%	27%	4.8%	5.7%	6.2%
PAY TV																
Sky PLC	1727.50	15.4	14.4	12.9	2.6	2.5	2.4	26.5	24.6	21.4	17%	17%	19%	0.0%	0.0%	0.0%
Cogeco	65.60	5.4	5.0	4.9	2.4	2.3	2.2	10.5	10.5	10.8	45%	46%	46%	2.9%	3.2%	3.2%
Comcast	35.22	7.6	7.3	6.9	2.5	2.4	2.3	13.9	12.6	11.0	32%	33%	33%	2.1%	2.4%	2.7%
Dish Network	35.48	8.4	9.5	10.9	1.6	1.7	1.8	13.1	15.7	21.9	20%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	29.06	5.9	5.8	5.6	2.8	2.8	2.7	-	53.6	35.1	47%	48%	48%	0.0%	0.0%	0.0%
Shaw Communications	19.48	8.1	7.5	7.0	3.2	3.0	2.9	23.1	18.5	15.7	39%	40%	42%	8.0%	8.0%	8.1%
Median		7.9	7.4	7.0	2.6	2.5	2.3	13.9	17.1	18.5	36%	37%	37%	1.1%	1.2%	1.3%

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

IT company valuations (2018-09-27)

	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*	20.40	5.8	5.7	5.5	0.1	0.1	0.1	5.5	5.1	4.8	1%	1%	1%	0.0%	2.5%	4.5%
Asseco Poland	46.94	8.2	8.0	7.9	1.0	1.0	1.0	13.8	15.2	15.1	13%	13%	13%	6.4%	4.3%	4.3%
Comarch	167.00	9.5	8.2	7.9	1.1	1.0	1.0	24.0	17.7	16.2	12%	13%	13%	0.9%	6.0%	6.0%
Median		8.2	8.0	7.9	1.0	1.0	1.0	13.8	15.2	15.1	12%	13%	13%	0.9%	4.3%	4.5%
FOREIGN COMPANIES																
Atos Origin	105.25	6.6	5.9	5.6	0.9	0.8	0.8	12.1	10.8	10.3	14%	14%	15%	1.7%	1.9%	2.0%
CapGemini	109.90	10.6	9.9	9.3	1.5	1.4	1.4	18.4	16.5	15.2	14%	14%	15%	1.7%	1.8%	2.0%
IBM	151.50	8.7	8.4	8.8	2.1	2.1	2.1	11.0	10.8	10.3	24%	25%	24%	4.1%	4.3%	4.5%
Indra Sistemas	9.89	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	114.41	18.2	15.7	14.0	7.5	6.7	6.1	29.8	26.9	23.6	41%	42%	43%	1.5%	1.6%	1.7%
Oracle	51.69	10.6	10.3	9.8	5.0	4.8	4.7	16.7	15.4	14.3	47%	47%	48%	1.5%	1.5%	1.6%
SAP	107.58	17.1	15.1	13.7	5.4	5.0	4.6	24.5	21.9	19.6	32%	33%	34%	1.4%	1.5%	1.6%
TietoEnator	27.58	10.3	9.9	9.5	1.4	1.3	1.3	15.6	15.0	14.4	13%	13%	13%	5.2%	5.3%	5.5%
Median		10.4	9.9	9.4	1.8	1.8	1.7	16.2	15.2	14.3	19%	20%	19%	1.6%	1.9%	2.0%

Construction company valuations (2018-09-27)

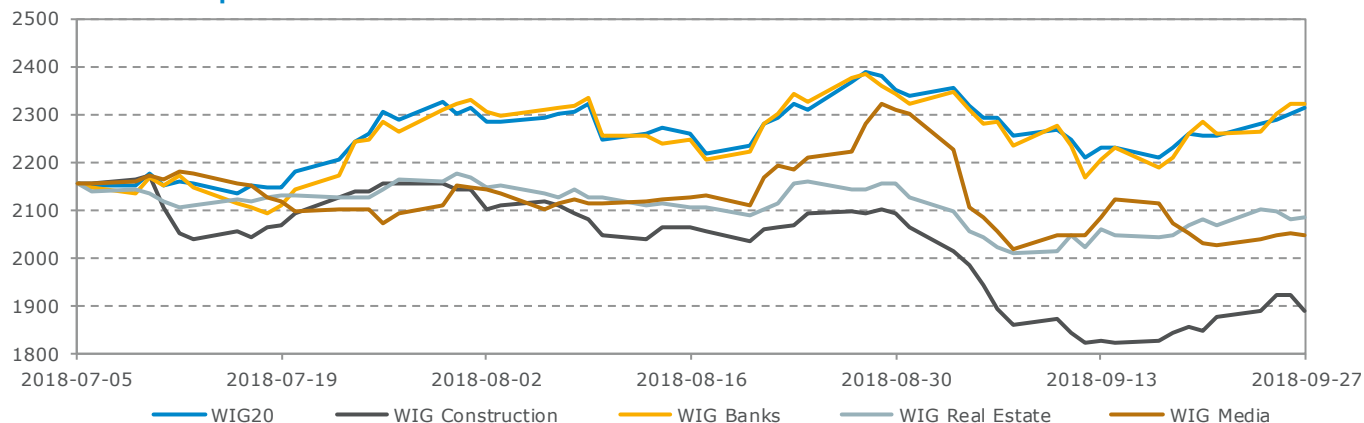
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
POLISH COMPANIES																
Budimex	107.20	3.6	4.5	4.9	0.2	0.2	0.2	11.1	12.5	11.9	5%	4%	5%	16.4%	8.6%	7.6%
Elektrobudowa	36.60	-	4.6	4.1	0.2	0.2	0.2	-	9.7	9.6	-	5%	6%	28.7%	0.0%	8.2%
Elektrotim	4.19	5.8	5.1	3.5	0.1	0.1	0.1	44.8	12.0	7.2	2%	3%	4%	0.0%	4.8%	7.2%
Erbud	9.58	-	4.4	3.4	0.1	0.1	0.1	-	10.4	6.1	-	2%	2%	11.5%	0.0%	5.8%
Herkules	2.60	4.7	3.8	3.6	1.2	0.9	0.8	8.2	5.7	5.7	26%	23%	23%	2.7%	6.9%	7.7%
Torpol	4.98	5.9	4.9	4.3	0.1	0.1	0.1	54.1	11.0	10.7	2%	2%	3%	0.0%	0.0%	4.0%
Trakcja	3.49	7.0	7.4	5.8	0.2	0.2	0.2	-	37.3	20.0	3%	3%	3%	2.9%	0.0%	5.7%
Ulma Construcccion	70.00	3.5	3.3	3.2	1.4	1.4	1.3	8.7	8.4	9.1	40%	41%	41%	5.4%	5.7%	5.7%
Unibep	5.06	3.8	2.9	2.7	0.1	0.1	0.1	5.8	5.0	5.5	3%	4%	3%	3.0%	6.0%	8.1%
ZUE	5.54	6.3	5.7	4.0	0.2	0.2	0.1	13.2	9.5	7.5	3%	3%	4%	0.0%	0.0%	5.4%
Median		5.2	4.6	3.8	0.2	0.2	0.2	11.1	10.1	8.3	3%	3%	4%	2.9%	2.4%	6.5%
FOREIGN COMPANIES																
Acciona	77.68	7.8	7.7	7.4	1.4	1.4	1.4	18.1	17.0	15.2	18%	18%	18%	3.9%	4.2%	4.3%
Astaldi	1.14	4.5	4.5	4.4	0.5	0.5	0.4	2.0	2.0	1.8	10%	10%	10%	0.0%	0.0%	-
Ferrovial	18.05	28.4	20.1	18.3	1.5	1.5	1.4	61.2	31.9	27.6	5%	7%	8%	4.1%	4.1%	4.2%
Hochtief	142.00	6.3	6.0	5.5	0.4	0.4	0.3	17.8	15.5	14.5	6%	6%	6%	3.2%	3.7%	4.0%
Mota Engil	2.20	4.0	3.6	3.4	0.6	0.6	0.6	13.7	7.1	5.7	16%	16%	16%	2.1%	3.9%	7.3%
NCC	158.55	7.5	5.4	5.0	0.3	0.2	0.2	15.5	11.0	9.9	3%	5%	5%	5.6%	6.1%	6.6%
Skanska	175.65	10.6	9.1	8.6	0.4	0.4	0.4	15.7	13.7	12.7	4%	5%	5%	4.7%	4.9%	5.1%
Strabag	34.95	3.5	3.4	3.3	0.2	0.2	0.2	12.1	11.8	11.1	6%	6%	6%	3.8%	4.0%	4.3%
Median		6.9	5.7	5.3	0.4	0.5	0.4	15.6	12.7	11.9	6%	7%	7%	3.9%	4.0%	4.3%

Real-estate developers (2018-09-27)

	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	0.46	12.6	5.2	11.3	0.2	0.2	0.2	10.7	5.1	8.8	16%	52%	41%	0.0%	0.0%	0.0%
Dom Development	65.00	5.5	6.1	5.8	1.5	1.5	1.5	6.8	7.1	6.3	18%	17%	18%	11.7%	14.6%	14.1%
Echo Investment	4.41	7.1	7.3	8.8	1.1	1.0	1.0	6.0	5.5	6.8	77%	53%	39%	11%	12%	12.6%
GTC	8.41	14.6	13.7	12.4	0.9	0.9	0.8	10.2	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	2.70	8.4	3.7	4.3	0.3	0.3	0.3	7.3	2.9	3.6	13%	18%	17%	0.0%	0.0%	0.0%
PA Nova	17.75	9.8	10.9	10.3	0.5	0.4	0.4	5.8	6.7	6.4	24%	20%	21%	0.0%	4.2%	5.6%
Polnord	9.40	-	-	17.8	0.4	0.4	0.4	-	-	18.3	2%	1%	7%	0.0%	0.0%	0.0%
Ronson	1.07	12.4	10.9	6.2	0.5	0.5	0.5	11.6	7.7	4.5	9%	12%	13%	5.6%	5.6%	6.5%
Median		9.1	6.7	8.8	0.5	0.5	0.4	7.0	6.1	6.4	17%	18%	20%	0%	4%	6%
FOREIGN COMPANIES																
Atrium European RE	3.88	15.0	14.8	14.6	0.8	0.8	0.8	12.6	12.4	11.8	86%	84%	82%	8.8%	7.2%	7.3%
CA Immobilien Anlagen	30.20	26.4	23.1	19.9	1.1	1.0	0.9	24.9	22.7	20.5	76%	82%	66%	2.8%	3.1%	3.5%
Deutsche Euroshop AG	27.86	16.4	16.4	16.2	0.7	0.7	0.8	12.6	12.6	12.6	89%	89%	89%	5.4%	5.5%	5.7%
Immofinanz AG	22.40	31.7	27.7	26.2	0.8	0.8	0.8	23.9	21.3	18.2	56%	62%	64%	3.3%	3.6%	3.7%
Klepierre	30.50	20.0	19.4	18.8	0.8	0.8	0.8	11.9	11.4	11.0	84%	84%	84%	6.9%	7.2%	7.4%
Segro	636.80	32.9	29.9	27.3	1.0	1.0	0.9	28.9	26.2	24.3	75%	75%	78%	0.0%	0.0%	0.0%
Unibail Rodamco SE	190.00	22.2	21.4	20.1	0.9	0.9	0.9	14.8	14.0	13.3	95%	95%	96%	6.0%	6.3%	6.6%
Median		22.2	21.4	19.9	0.8	0.8	0.8	14.8	14.0	13.3	84%	84%	82%	5.4%	5.5%	5.7%

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

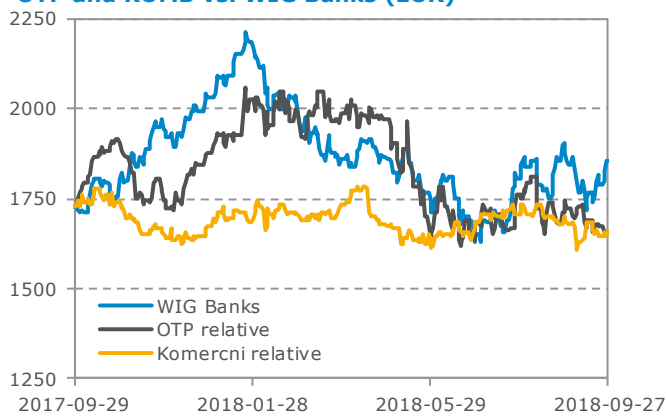
WIG sector index performance



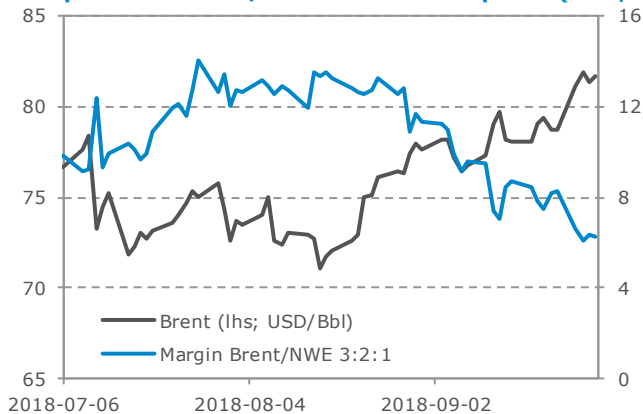
WIG IT vs. MSCI Europe Software & Services (USD)



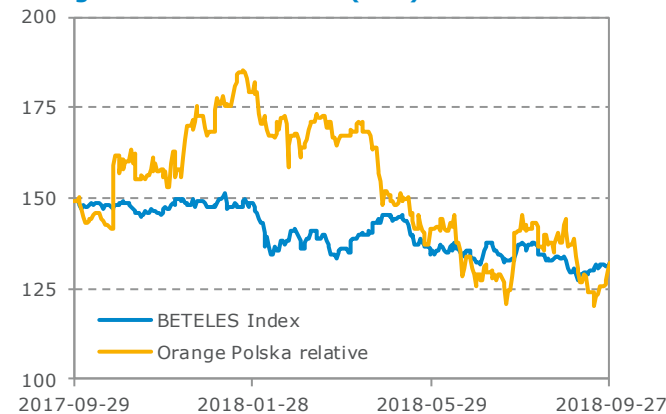
OTP and KOMB vs. WIG Banks (EUR)



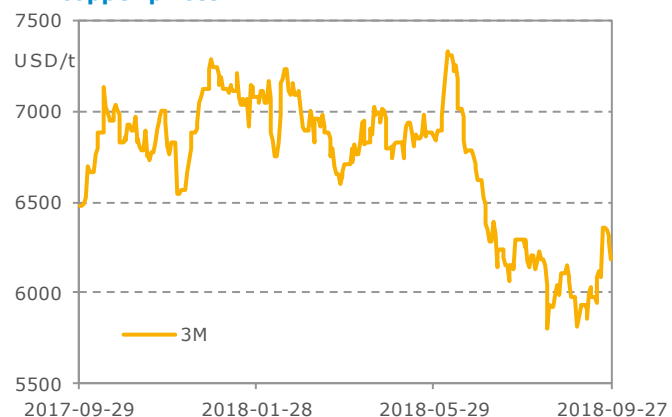
Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



Orange Polska vs. BETELES (EUR)



LME copper prices



KGHM vs. sector (USD)



Source: Bloomberg

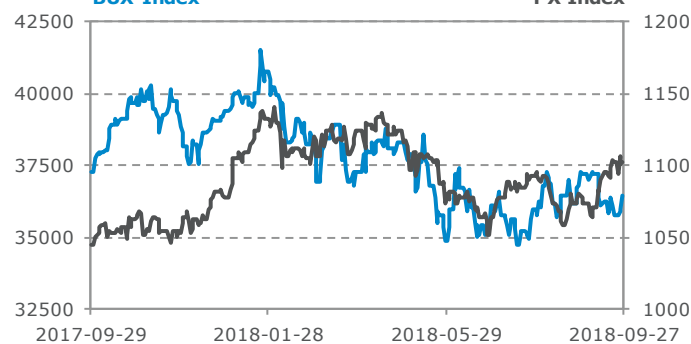
Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2018-09-27	26,418.27	26,557.01	26,379.95	26,439.93	+0.21%
S&P 500	2018-09-27	2,911.65	2,927.22	2,909.27	2,914.00	+0.28%
NASDAQ	2018-09-27	8,021.22	8,071.56	8,017.91	8,041.97	+0.65%
DAX	2018-09-27	12,329.40	12,456.69	12,272.65	12,435.59	+0.40%
CAC 40	2018-09-27	5,500.25	5,546.80	5,485.83	5,540.41	+0.50%
FTSE 100	2018-09-27	7,511.49	7,552.02	7,490.94	7,545.44	+0.45%
WIG20	2018-09-27	2,300.58	2,315.07	2,284.49	2,315.07	+0.46%
BUX	2018-09-27	36,034.39	36,471.68	35,863.25	36,471.35	+1.32%
PX	2018-09-27	1,100.80	1,103.52	1,097.56	1,101.92	+0.10%
RTS	2018-09-27	1,701.83	1,752.65	1,699.17	1,749.15	+2.83%
SOFIX	2018-09-27	623.10	624.21	622.63	623.63	+0.09%
BET	2018-09-27	8,374.90	8,450.58	8,356.17	8,446.41	+0.85%
XU100	2018-09-27	99,083.90	100,637.70	98,934.15	100,298.70	+1.16%
BETELES	2018-09-27	131.18	132.72	130.45	132.37	+0.93%
NIKKEI	2018-09-27	23,946.43	24,089.32	23,778.04	23,796.74	-0.99%
SHCOMP	2018-09-27	2,805.79	2,810.51	2,786.32	2,791.78	-0.54%
Copper (LME)	2018-09-27	6,277.00	6,290.00	6,162.50	6,187.00	-1.51%
Crude Oil (Brent)	2018-09-27	81.37	81.98	80.97	81.46	+0.22%
USD/PLN	2018-09-27	3.6398	3.6686	3.6334	3.6684	+0.79%
EUR/PLN	2018-09-27	4.2727	4.2820	4.2662	4.2704	-0.06%
EUR/USD	2018-09-27	1.1739	1.1757	1.1639	1.1641	-0.83%
USBonds10	2018-09-27	3.0517	3.0722	3.0276	3.0518	+0.0038
GRBonds10	2018-09-27	0.4920	0.5330	0.4780	0.5290	+0.0030
PLBonds10	2018-09-27	3.2290	3.2590	3.2110	3.2580	+0.0160

WIG20 Index



BUX Index



PX Index



S&P 500 (SPX Index)



NASDAQ (CCMP Index)



DOW JONES (INDU Index)



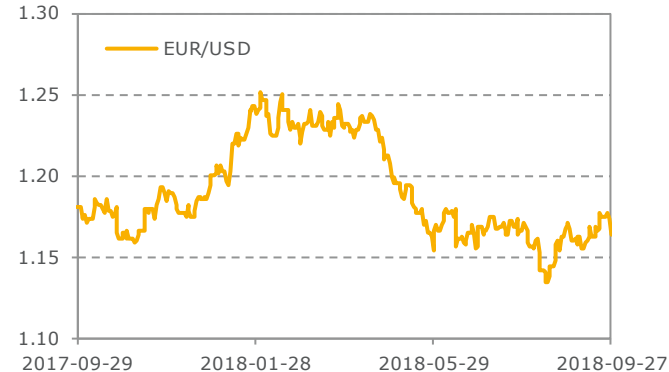
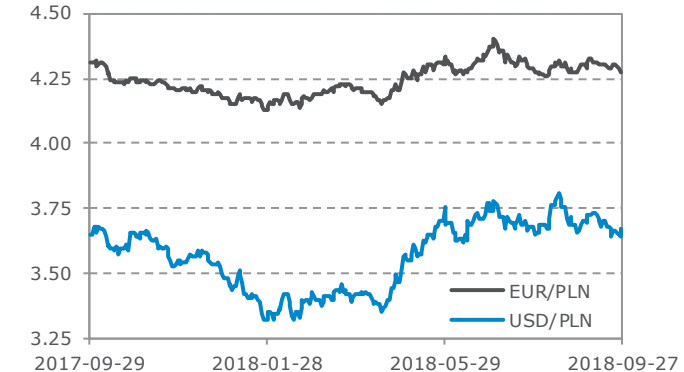
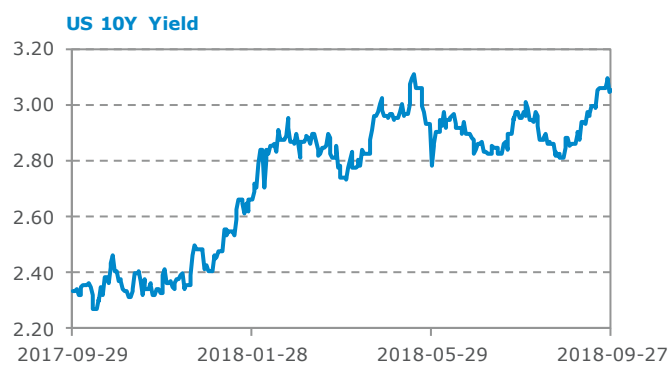
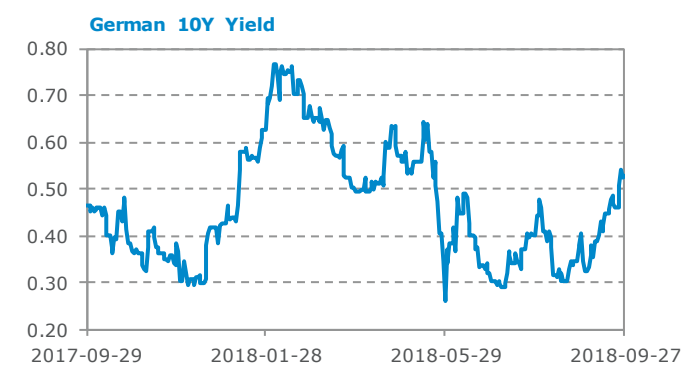
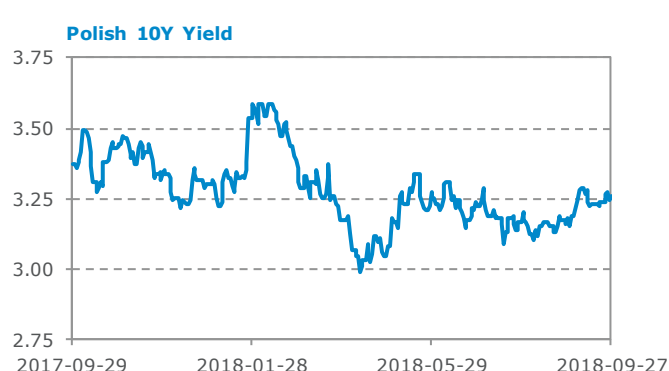
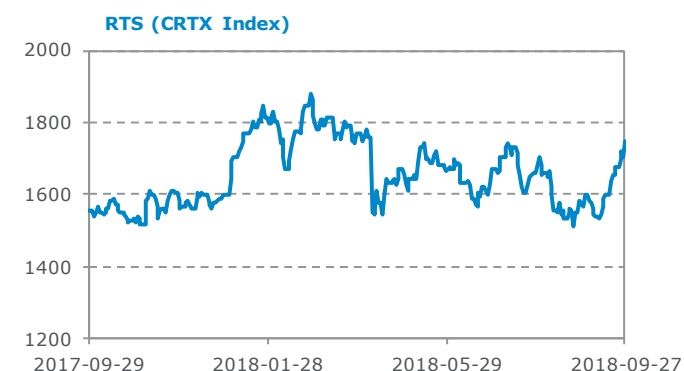
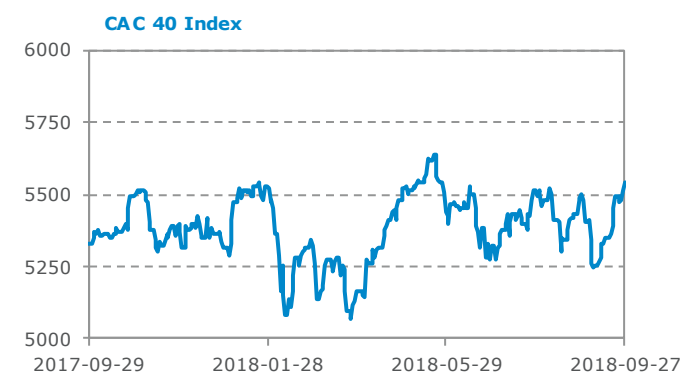
DAX Index



FTSE 100 (UKX Index)



Source: Bloomberg



Source: Bloomberg

List of abbreviations and ratios contained in the report.

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

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

Recommendations of Dom Maklerski mBanku :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All investment recommendations and strategies issued by mBank S.A. over the last 12 months are available at:

http://www.mdm.pl/ui-pub/site/market_and_analysis/analysis_and_recommendations/fundamental_analysis/recommendations?recent_filter_active=true&lang=en

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
energy, power generation

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

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

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

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

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

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

Sales and Trading

Traders

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

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

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

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

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

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

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

Szymon Kubka, CFA, PRM
+48 22 697 48 54
szymon.kubka@mbank.pl

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

Sales, Foreign Markets

Marzena Łempicka-Wilim
deputy director
+48 22 697 48 82
marzena.lempicka@mbank.pl

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

Private Client Sales

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

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