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## Quarterly Earnings Forecast: Q3 2015

### Equity Market

#### Financial Sector

We expect the Polish bank sector to deliver revenue growth across the board in Q3 2015. On a less positive note the earnings of regional banks are currently under pressure following the passing of Swiss-franc loan conversion into euros by the Croatian parliament. We anticipate positive Q3 earnings surprises from PKO BP and PZU in Poland and from Erste Bank and Komerční Banka elsewhere.

#### Gas & Oil

The Q3 2015 earnings of Polish refiners should reflect the robust market fundamentals observed in the period, though the bottom-line profits will be weighed down by one-time events and downward inventory adjustments. At PGNiG we expect to see a squeeze on trading margins.

#### Power Producers

We expect strong Q3 2015 earnings from PGE (benefitting from higher sales prices) and Enea (whose Q2 bottom line will be boosted by PPA compensation). On the other hand we anticipate a slowdown at Energa (due to lower hydroelectric power volumes) and CEZ (plant downtime).

#### Telecoms, Media, IT

We expect good 2015 third-quarter earnings from Cyfrowy Polsat, Agora, and Wirtualna Polska, and we think Netia will deliver growth thanks to the consolidation of TK Telekom. A flat y/y bottom-line at Asseco should be welcomed by the market.

#### Resources

The Q3 2015 profits of coal miners will be negatively impacted by falling commodity prices. KGHM is set to present the first-ever earnings report for Sierra Gorda, showing a high net loss. JSW reversed charges totaling PLN 208m in Q3.

#### Industrials

Of the 49 industrial companies tracked by us, we expect 39% to report year-on-year growth in their earnings results for Q3 2015, with 27% reporting a slowdown. We would identify Alumetal, Berling, Feerum, Forte, Elemental, Relpol, and Uniwheels as the top performers of the Q3 earnings season, and we anticipate negative surprises from Alchemia, Boryszew, Famur, Impexmetal, Kernel, Kopex, Patentus and Radpol.

#### Construction

From a higher year-ago base, we believe the Polish construction sector will deliver earnings growth of an average 10-20% in Q3 2015. The companies reporting improvement on a year-on-year basis are likely to include Elektrotim, Herkules, Torpol, ZUE, Ulma, Budimex, and Unibep.

#### Property Developers

In the real-estate sector we expect to see marked Q3 2015 earnings growth at Roby (driven by higher closings and a tax one-off) and at Capital Park (which is growing its income-generating commercial rental area). Polish developers are poised for peak earnings in the fourth quarter.

#### Retail

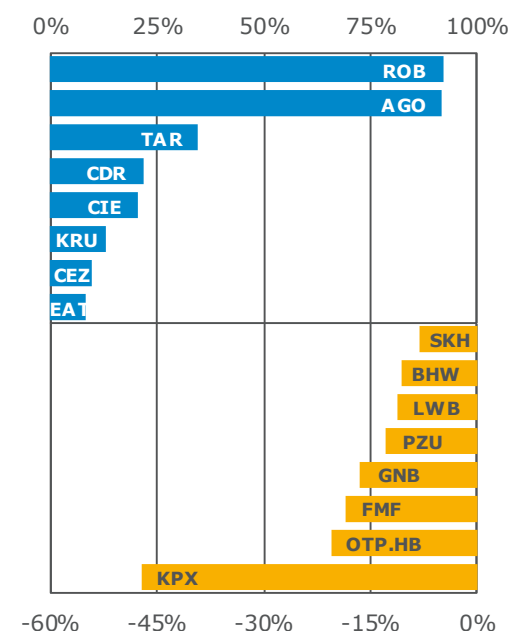
The Q3 2013 profits of fashion retailers were depressed by high dollar costs of merchandise, stiff competition, and unfavorable weather. In turn AmRest, Eurocash, and Jeronimo Martins should all deliver strong quarterly results.

#### Other

Work Service is expected to report flat EBIT growth in Q3 2015.

WIG ..... 51,094  
Average 2015E P/E ..... 14.1  
Average 2016E P/E ..... 12.9  
ADTV (3M) ..... PLN 822m

#### EPS growth at selected companies\*



\*calculated for: Q4'14-Q3'15 / Q3'14-Q2'15

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## Banks

Banks		Buy						
Alior Bank								
Analyst: Michał Konarski	Current price (PLN)	82.75		FY15E P/E	15.0	FY15E P/BV	1.7	
	Target price (PLN)	109.72		FY16E P/E	11.0	FY16E P/BV	1.5	
(PLN m)	Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Net interest income	375.5	373.7	321.3	0.5%	16.9%	1,511.1	1,215.8	24.3%
Net fee income	96.3	70.3	85.2	37.0%	13.0%	344.5	348.1	-1.0%
Total income	560.5	546.5	494.8	2.6%	13.3%	2,254.9	1,892.9	19.1%
Operating expenses	-259.9	-262.5	-235.4	-1.0%	10.4%	-1,046.7	-925.3	13.1%
Operating income*	280.8	262.5	254.1	7.0%	10.5%	1,144.4	947.7	20.8%
Provisions	-173.8	-159.5	-166.6	9.0%	4.4%	-662.4	-546.6	21.2%
Pre-tax income	-20.3	-15.8	-17.7	28.8%	14.7%	-95.6	-79.1	20.9%
Net income	86.8	87.8	70.1	-1.1%	23.9%	386.2	322.7	19.7%

\*before provisioning

## Fee income normalizes in Q3

Alior Bank is scheduled to report Q3 earnings on November 5th. Our quarterly net profit estimate for the Bank is PLN 86.8m after a 1.1% decline from the quarter before and a 23.9% increase from the same period in 2014. Total income is set to normalize (+6.3% q/q, +16.1% y/y) led by fee income (+37% q/q). At the same time the quarterly NIM

will show contraction of an estimated 10bps which at the level of net interest income will be offset by higher volumes. As for costs, we anticipate 1.1% q/q improvement in operating costs combined with continued expansion in provisioning (+9.0% q/q, +4.4 y/y). Accordingly Q3 cost of risk at a projected 230bps will be 14bps higher than in Q2.

Banks		Hold						
BZ WBK								
Analyst: Michał Konarski	Current price (PLN)	314.15		FY15E P/E	12.3	FY15E P/BV	1.6	
	Target price (PLN)	315.28		FY16E P/E	13.4	FY16E P/BV	1.5	
(PLN m)	Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Net interest income	1,065.3	1,032.5	1,152.8	3.2%	-7.6%	4,220.8	3,996.8	5.6%
Net fee income	497.0	502.0	482.7	-1.0%	3.0%	1,949.8	1,847.8	5.5%
Total income	1,669.9	1,747.8	1,752.5	-4.5%	-4.7%	7,500.4	6,579.0	14.0%
Operating expenses	-801.2	-809.3	-779.6	-1.0%	2.8%	-3,237.8	-3,027.5	6.9%
Operating income*	837.0	907.4	947.6	-7.8%	-11.7%	4,145.8	3,475.2	19.3%
Provisions	195.0	162.5	216.0	20.0%	-9.7%	738.5	836.6	-11.7%
Pre-tax income	646.7	749.6	732.5	-13.7%	-11.7%	3,422.2	2,640.0	29.6%
Net income	458.5	541.6	515.9	-15.4%	-11.1%	2,520.1	1,914.7	31.6%

\*before provisioning

## Cost of risk rises in Q3

BZ WBK's third-quarter earnings release is slated for October 29th. Our quarterly net profit estimate for the Bank is PLN 458.5m after falls of 11.1% from Q3 2014 and 15.4% from Q2 2015 when BZ WBK recognized dividend gains of PLN 89.9m (before taxes). Like most banks in the period, BZ WBK experienced NIM expansion by an estimated 2bps to 3.14% and a 3.2% q/q increase in net interest income in Q3 2015. The quarterly profits will be supported by 2% q/q growth in lending volumes but at the same time fee income

will log a 1% drop due to a decline in financial markets. Thanks to tight cost discipline the operating costs for Q3 will increase only 2.8% y/y while falling 1% from the previous quarter. Finally due to higher lending by SCB the consolidated provisioning will soar 20% in Q3, resulting in normalized cost of risk of an estimated 81bps. We expect negative market reactions to BZ WBK's third-quarter results against the consistent improvement in total income delivered by competition.

Banks		Buy							
Getin Noble Bank									
Analyst: Michał Konarski	Current price (PLN)	0.92			FY15E P/E	7.4		FY15E P/BV	0.4
	Target price (PLN)	2.03			FY16E P/E	9.7		FY16E P/BV	0.4
(PLN m)	Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change	
Net interest income	298.3	284.7	379.6	4.8%	-21.4%	1,151.1	1,430.5	-19.5%	
Net fee income	86.4	89.0	105.7	-3.0%	-18.3%	369.8	437.0	-15.4%	
Total income	391.4	393.7	503.9	-0.6%	-22.3%	1,716.5	1,956.3	-12.3%	
Operating expenses	-224.6	-237.7	-227.5	-5.5%	-1.2%	-963.7	-923.0	4.4%	
Operating income*	166.7	156.0	276.4	6.9%	-39.7%	752.8	1,033.3	-27.1%	
Provisions	-133.9	-66.9	-224.0	100.0%	-40.2%	-390.2	-733.0	-46.8%	
Pre-tax income	39.0	92.4	56.7	-57.8%	-31.3%	377.0	314.3	20.0%	
Net income	31.6	70.0	79.7	-54.9%	-60.4%	330.3	360.0	-8.3%	

\*before provisioning

### GNB sees weak Q3 despite margin improvement

Getin Noble Bank is scheduled to report Q3 earnings on November 16th. Our quarterly net profit estimate for the Bank is PLN 31.6m after a projected year-on-year drop of 60.4% and a quarter-on-quarter fall of 54.9%. Consensus estimates for Getin are not available as of this writing. Net interest income will show a q/q increase of 4.8% supported by repricing of deposits, and NIM will widen by an estimated 11bps to 1.70%. At the same time there will be a decline in

fee income driven by the implementation of a relationship banking program. Generally the third-quarter income will be under pressure due to a lack of the NPL sales which provided support in Q2. Provisioning is estimated at PLN 134m, with cost of risk at a projected 1.01%. Finally thanks to tighter cost discipline total costs in Q3 will be 5.5% lower than in the previous quarter and 1.2% lower than in Q3 2014 despite BFG fee hikes.

Banks		Hold							
Handlowy									
Analyst: Michał Konarski	Current price (PLN)	81.83			FY15E P/E	15.4		FY15E P/BV	1.5
	Target price (PLN)	90.27			FY16E P/E	14.1		FY16E P/BV	1.4
(PLN m)	Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change	
Net interest income	248.6	240.0	304.1	3.6%	-18.3%	1,003.8	1,163.9	-13.8%	
Net fee income	157.8	158.6	144.4	-0.5%	9.3%	623.3	618.9	0.7%	
Total income	482.9	497.8	577.9	-3.0%	-16.4%	2,111.8	2,423.8	-12.9%	
Operating expenses	-302.1	-311.4	-303.8	-3.0%	-0.6%	-1,240.9	-1,273.9	-2.6%	
Operating income*	180.8	186.3	274.1	-3.0%	-34.0%	870.9	1,149.9	-24.3%	
Provisions	-3.5	-2.0	7.8	n.m.	n.m.	-14.5	17.8	n.m.	
Pre-tax income	177.4	184.4	281.9	-3.8%	-37.1%	856.4	1,167.7	-26.7%	
Net income	143.7	150.2	228.4	-4.3%	-37.1%	693.7	947.3	-26.8%	

\*before provisioning

### Trading income still low in Q3

Bank Handlowy is scheduled to report Q3 earnings on November 4th. At an estimated PLN 143.7m the quarterly net income will be 371% lower than in Q3 2014 and 4.3% lower than in Q2 2015. Trading income will fall by a projected 23% from the previous quarter led by a risk-off strategy.

Total income is expected to come in at PLN 406.4m (+1.9% q/q, -9.4% y/y) as flat quarterly fee income will be offset by a 3.6% rebound in net interest income. NIM will remain flat as higher loan sales will be offset by lower trading income. Finally we expect Handlowy to report low risk reserves (PLN 3.5m) and a 3.0% q/q reduction in operating costs in Q3 2015.

Banks		Hold							
ING BSK									
Analyst: Michał Konarski	Current price (PLN)	128.50			FY15E P/E	14.4		FY15E P/BV	1.5
	Target price (PLN)	140.49			FY16E P/E	13.4		FY16E P/BV	1.4
(PLN m)		Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Net interest income		615.8	594.1	596.9	3.6%	3.2%	2,346.3	2,330.2	0.7%
Net fee income		259.5	263.5	258.3	-1.5%	0.5%	1,034.6	1,062.9	-2.7%
Total income		934.7	981.4	897.3	-4.8%	4.2%	3,693.4	3,532.5	4.6%
Operating expenses		509.8	502.3	489.5	1.5%	4.2%	2,017.7	1,929.7	4.6%
Operating income*		424.9	479.1	407.8	-11.3%	4.2%	1,675.7	1,602.8	4.5%
Provisions		35.4	64.3	65.2	-45.0%	-45.8%	240.5	267.7	-10.1%
Pre-tax income		389.5	414.8	342.6	-6.1%	13.7%	1,435.2	1,347.4	6.5%
Net income		315.4	344.6	273.0	-8.5%	15.5%	1,162.4	1,040.7	11.7%

\*before provisioning

**Q3 bolstered by one-offs**

ING Bank Śląski is scheduled to report Q3 earnings on November 4th. We expect net profit to come in at PLN 315.4m after falling 8.5% quarter on quarter and rising 15.9% year on year. Consensus estimates for ING are not available as of this writing. ING will recognize a one-time gain related to ING PTE of PLN 19m (before taxes) in Q3, and

after selling NPLs its risk reserves will decrease 45% to PLN 35m. Net interest income will show growth of 3.6% q/q and 3.2% y/y driven by lending and the NPL sale. At the same time fee income will pull back 1.5% due to worsened performance in financial markets. Operating costs in Q3 will be 1.5% higher than in Q2.

Banks		Hold							
Pekao									
Analyst: Michał Konarski	Current price (PLN)	156.45			FY15E P/E	16.6		FY15E P/BV	1.7
	Target price (PLN)	157.86			FY16E P/E	15.6		FY16E P/BV	1.6
(PLN m)		Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Net interest income		1,029.4	1,015.5	1,133.9	1.4%	-0.1%	4,230.0	4,461.3	-5.2%
Net fee income		496.3	513.3	505.0	-3.3%	-1.7%	1,994.5	2,043.7	-2.4%
Total income		1,706.8	1,759.1	1,850.1	-3.0%	-7.7%	6,990.9	7,284.9	-4.0%
Operating expenses		-873.3	-880.4	-860.7	-0.8%	1.5%	-3,466.4	-3,428.8	1.1%
Operating income*		833.6	878.7	989.4	-5.1%	-15.8%	3,524.5	3,856.1	-8.6%
Provisions		-130.0	-130.1	-134.2	-0.1%	-3.2%	-536.5	-559.6	-4.1%
Pre-tax income		978.8	1,023.4	1,138.9	-4.4%	-14.1%	3,055.6	3,359.7	-9.1%
Net income		582.0	619.2	704.4	-6.0%	-17.4%	2,474.0	2,714.7	-8.9%

\*before provisioning

**No rebound in NIM**

Pekao is scheduled to report Q3 earnings on November 10th. At an estimated PLN 582.0m, the Q3 net income is expected to show a year-on-year drop of 17.4% and a quarter-on-quarter decrease of 6.0% to the lowest quarterly level in almost seven years. The bottom-line shrinkage would have been even higher if not for a one-time divestment gain of ca.

PLN 44m. Total income will be kept flat by a 3.3% q/q drop in fee income offset by a rise in net interest income. NIM will show further contraction of 3bps to 2.40% as income fails to show growth. On the upside we expect Pekao was again able to reduce costs by 0.8% in Q3, and with stable provisioning we think the quarterly cost of risk will improve slightly to an estimated 42bps.

Banks		Buy							
PKO BP									
Analyst: Michał Konarski	Current price (PLN)	30.30			FY15E P/E	13.9		FY15E P/BV	1.3
	Target price (PLN)	40.05			FY16E P/E	11.5		FY16E P/BV	1.1
(PLN m)		Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Net interest income		1,774.8	1,683.4	1,978.7	5.4%	-10.3%	6,871.7	7,522.9	-8.7%
Net fee income		731.6	757.4	726.8	-3.4%	0.7%	2,878.8	2,933.5	-1.9%
Total income		2,754.2	2,681.5	2,964.5	2.7%	-7.1%	10,765.8	11,494.8	-6.3%
Operating expenses		-1,365.5	-1,372.3	-1,337.2	-0.5%	2.1%	-5,613.9	-5,245.1	7.0%
Operating income*		1,301.3	1,222.1	1,554.0	6.5%	-16.3%	4,828.1	5,901.4	-18.2%
Provisions		-367.6	-375.1	-475.2	-2.0%	-22.7%	-1,492.1	-1,898.7	-21.4%
Pre-tax income		941.1	854.3	1,094.7	10.2%	-14.0%	3,368.5	4,034.6	-16.5%
Net income		763.5	702.9	873.4	8.6%	-12.6%	2,726.7	3,254.1	-16.2%

\*before provisioning

### PKO eyes successful third quarter

PKO BP is scheduled to report Q3 earnings on November 9th. We expect that the quarterly net income will come in at PLN 763.5m after falling 12.6% year-on-year and rising 8.6% quarter on quarter thanks to a strong, 5.4% rebound in net interest income driven by positive effects of deposit repricing and strong sales of consumer loans. As a result the quarterly NIM will show dynamic expansion of 3.0%. At the

same time fee income will decrease 3.4% from Q2 when PKO booked a one-time card fee gain (compared to Q3 2014 fee income is expected to be 0.7% higher). Thanks to tight discipline the y/y appreciation in operating costs will not exceed 2.1%. Provisioning in Q3 is expected to be 2% lower than in Q2 (with CoR at -2bps) thanks among others to the economic situation.

Banks		Reduce							
Komerční Banka									
Analyst: Michał Konarski	Current price (CZK)	5,110			FY15E P/E	15.5		FY15E P/BV	2.0
	Target price (CZK)	4,549			FY16E P/E	14.8		FY16E P/BV	2.0
(CZK m)		Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Net interest income		5,108.8	5,097.0	5,395.0	0.2%	-5.3%	21,642.1	21,423.0	1.0%
Net fee income		1,751.3	1,787.0	1,647.0	-2.0%	6.3%	6,591.8	6,751.0	-2.4%
Total income		7,450.3	7,500.0	7,712.0	-0.7%	-3.4%	30,669.5	30,676.0	0.0%
Operating expenses		-3,201.8	-3,622.0	-3,254.0	-11.6%	-1.6%	-13,068.8	-13,033.0	0.3%
Operating income*		4,248.5	3,878.0	4,458.0	9.6%	-4.7%	17,600.7	17,642.0	-0.2%
Provisions		-179.9	-9.0	-305.0	1898.3%	-41.0%	-1,602.0	-1,296.0	23.6%
Pre-tax income		4,116.2	3,915.0	4,087.0	5.1%	0.7%	15,752.3	16,031.0	-1.7%
Net income		3,320.4	3,184.0	3,268.0	4.3%	1.6%	12,467.7	12,985.0	-4.0%

\*before provisioning

### KOMB sees improvement in Q3

Komerční Banka is scheduled to report Q3 earnings on November 5th. At a projected CZK 3.320m, the quarterly net income is expected to show year-on-year expansion of 1.6% and quarter-on-quarter growth of 4.3% (in Q2 Komerční recognized a CZK 0.4bn resolution fund charge which due to

a lack of relevant procedures may be reversed in Q4 or even Q3 2015, only to be booked again in 2016). The Q3 2015 net interest income is expected to be stable, but NIM will display continued erosion of 7bps to 2.19%. Fee income will fall 2% q/q under pressure from loyalty schemes. Through gradual normalization cost of risk will increase to CZK 180m in Q3

Banks		Accumulate							
Erste Bank									
Analyst: Michał Konarski	Current price (EUR)	27.07			FY15E P/E	14.7		FY15E P/BV	1.1
	Target price (EUR)	25.43			FY16E P/E	12.0		FY16E P/BV	1.0
(CZK m)		Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Net interest income		1,114.5	1,113.4	1,126.0	0.1%	-1.0%	4,406.4	4,495.2	-2.0%
Net fee income		453.5	456.3	465.8	-0.6%	-2.6%	1,842.6	1,869.8	-1.5%
Total income		1,636.1	1,663.7	1,653.3	-1.7%	-1.0%	6,549.2	6,697.3	-2.2%
Operating expenses		-958.2	-948.7	-887.3	1.0%	8.0%	-3,736.2	-3,787.3	-1.3%
Operating income*		545.8	739.7	464.8	n.m.	17.4%	2,547.8	1,356.0	87.9%
Provisions		-276.0	-190.8	-878.8	44.7%	-68.6%	-1,206.7	-2,159.2	-44.1%
Pre-tax income		269.8	548.8	-414.0	-50.8%	n.m.	1,341.1	-803.2	-267.0%
Net income		203.7	261.4	-554.2	-22.1%	n.m.	793.8	-1,442.0	n.m.

\*before provisioning

### Erste eyes solid Q3 despite Croatia charges

Erste Bank is scheduled to report Q3 earnings on November 6th. At a projected EUR 203.7m, the quarterly net income is expected to show a 22.1% drop from Q2 driven by FX losses on conversion of Croatian CHF loans (-EUR 140m) which will be partly offset by a EUR 30m gain on the divestment of casino shares. Total income should remain stable quarter on

quarter as an 0.1% rise in net interest income will make up for an 0.6% drop in fee income. Operating costs will show increases of 1% q/q and 8% y/y. Provisioning will return to a more normalized level of EUR 276m. Thanks to tax breaks provided by the losses in Croatia, Erste will pay a low tax in Q3 2015.

Banks		Accumulate							
OTP Bank									
Analyst: Michał Konarski	Current price (HUF)	5,648			FY15E P/E	17.3		FY15E P/BV	1.1
	Target price (HUF)	6,288			FY16E P/E	9.5		FY16E P/BV	1.1
(EUR m)		Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Net interest income		138.2	140.0	158.6	-1.2%	-12.9%	558.0	635.3	-12.2%
Net fee income		43.0	43.9	41.6	-2.0%	3.5%	163.7	169.6	-3.5%
Total income		52.7	53.7	50.0	-1.9%	5.3%	191.4	193.3	-1.0%
Operating expenses		97.7	96.8	101.2	1.0%	-3.5%	392.0	411.5	-4.7%
Operating income*		93.2	96.9	107.4	-3.8%	-13.3%	357.4	417.1	-14.3%
Provisions		62.5	45.3	65.2	37.9%	-4.1%	222.8	274.7	-18.9%
Pre-tax income		30.7	51.6	42.3	-40.5%	-27.4%	134.6	142.3	-5.4%
Net income		16.7	38.3	34.2	-56.5%	51.2%	87.2	-102.0	n.m.

\*before provisioning

### OTP eyes Q3 slowdown

OTP Bank is scheduled to report Q3 earnings on November 13th. At an estimated HUF 16.68bn, the quarterly net income is expected to show a year-on-year drop of 51.2% and a quarter-on-quarter fall of 56.5%. OTP had warned during the second-quarter earnings conference that it was going to experience a slowdown in H2 2015 due to losses in Ukraine, translation of FX auto loans, and charges in Croatia. In Q3 the one-time auto loan currency conversion loss is expected to amount to HUF 4.8bn, and the loss on mortgage loan

conversion in Croatia is estimated at HUF 5.8bn. The higher provisioning in Ukraine will drive the total risk reserves up by 37.9% relative to the previous quarter. Total income in Q3 will be under pressure from a 1.2% drop in net interest income and a 2% drop in fee income. Costs in the period will remain under control, showing a year-on-year reduction of 3.5%. By region we anticipate positive Q3 bottom-line income in all markets except Ukraine and Russia where there will be respective net losses of HUF 14.3bn and HUF 3.4bn.

## Insurance

Insurance PZU		Buy						
Analyst: Michał Konarski	Current price (PLN)	375.00			FY15E P/E	12.0	FY15E P/BV	2.8
	Target price (PLN)	488.23			FY16E P/E	11.2	FY16E P/BV	2.7
(PLN m)	Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Gross premium written, incl.:	4,422.6	4,445.6	3,970.9	-0.5%	11.4%	17,844.3	16,884.6	5.7%
Non-life insurance	2,454.3	2,418.1	2,035.0	1.5%	20.6%	9,944.8	9,110.7	9.2%
Life insurance	1,973.9	1,993.9	1,937.1	-1.0%	1.9%	7,948.1	7,807.7	1.8%
Net claims incurred	-3,082.1	-2,960.5	-2,993.8	4.1%	2.9%	-12,107.1	-11,541.7	4.9%
Costs	-999.0	-991.7	-890.8	0.7%	12.1%	-3,793.1	-3,674.7	3.2%
Technical profit	458.2	484.6	225.7	-5.5%	103.0%	1,442.8	1,212.9	19.0%
Investment gains/losses	342.0	106.7	805.4	220.4%	-57.5%	2,321.1	2,741.0	-15.3%
Pre-tax profit	702.3	410.0	1,044.3	71.3%	-32.7%	3,340.9	3,691.7	-9.5%
Net profit	568.9	325.4	843.5	74.8%	-32.6%	2,706.1	2,967.6	-8.8%

### PZU has good Q3 despite pressure on investment income

We estimate PZU's 2015 third-quarter net income at PLN 568.9m, representing an increase of 74.8% from the previous quarter supported by the sale of the Lithuanian unit, with the proceeds (ca. PLN 100m) booked under investment income. The gross written premiums in the quarter will be maintained at a steady level thanks to a 1.5% q/q increase

in the life business. Net claims are expected to be 4.1% higher than in Q2. Despite 0.7% q/q growth in costs, the cost ratio will remain virtually unchanged at 22%. On the occasion of the Q3 earnings conference we expect PZU to disclose the amount of capital surplus it expects to have under Solvency II, potentially resulting in an upturn in the share price.



## Financial Services

Financial Services		Hold						
Kruk								
Analyst: Michał Konarski	Current price (PLN)	183.70		FY15E P/E	17.9	FY15E P/BV	4.2	
	Target price (PLN)	143.10		FY16E P/E	15.2	FY16E P/BV	3.3	
(PLN m)	Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Total revenue	154.5	153.6	103.8	0.6%	48.8%	553.3	487.9	13.4%
Purchased debt	142.5	141.7	92.5	0.5%	54.0%	502.7	442.4	13.6%
Collection services	7.5	7.4	7.6	2.0%	-1.8%	35.5	31.7	11.8%
Direct and indirect costs	63.7	60.4	45.8	5.5%	39.2%	215.7	194.0	11.2%
Indirect margin	90.8	93.2	58.1	-2.6%	56.4%	337.6	293.9	14.8%
Operating profit	60.4	65.4	37.5	-7.6%	61.2%	237.0	208.2	13.8%
Pre-tax profit	48.2	56.0	25.0	-13.9%	92.9%	179.7	152.8	17.6%
Net profit	46.5	57.1	26.0	-18.5%	78.8%	174.3	151.8	14.8%

**Kruk loses earnings momentum in H2 2015**

Kruk is scheduled to report third-quarter earnings on November 1st. At a projected PLN 46.5m, the quarterly net income is expected to show a year-on-year drop of 78.8% and a quarter-on-quarter decrease of 18.5%. A higher revenue from purchased debt in the period will be offset by rising costs, resulting in a tighter gross profit. The operating profits will depend on marketing expenses, payroll incentives, and tax which we expect to be 3.5% in Q3 (-4% in Q2'15). Kruk reported that it had purchased delinquent

debts with a nominal value of PLN 607m for a total price of PLN 72m in Q3 2015 (vs. PLN 519m for PLN 42m in Q3 2014). The makes for an average price of 11.7% in Q3 2015 vs. 9.8% in the quarter before and 8% a year ago. 9M 2015 debt portfolio expenses totaled PLN 291m (an average price of 10% for nominal debt of PLN 2.9bn) vs. PLN 355m in 9M 2014 (16.1% for PLN 2.2bn). Third-quarter collections were PLN 206m in Q3 2015 vs. PLN 211m in Q2 2015 and PLN 168m in Q3 2014.

Financial Services		Buy						
Prime Car Management								
Analyst: Michał Konarski	Current price (PLN)	43.00		FY15E P/E	12.1	FY15E P/BV	1.1	
	Target price (PLN)	53.60		FY16E P/E	11.1	FY16E P/BV	1.1	
(PLN m)	Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Revenue from leases	35.5	35.7	37.9	-0.5%	-6.3%	143.8	155.3	-7.4%
Revenue from commissions	50.1	49.4	48.1	1.4%	4.2%	202.1	201.5	0.3%
Interest revenue	8.8	8.7	9.0	1.1%	-1.9%	34.5	36.2	-4.7%
Total revenue	136.5	137.5	127.8	-0.7%	6.9%	550.7	552.1	-0.2%
Costs of repairs and servicing	41.4	41.0	40.4	1.0%	2.4%	166.8	164.2	1.6%
Total costs	123.9	125.1	113.9	-1.0%	8.8%	496.8	476.2	4.3%
Selling costs of post-lease items	4.7	4.8	3.3	-2.4%	41.5%	18.5	9.8	89.1%
Net profit	9.9	9.6	10.9	3.1%	-9.0%	42.4	62.6	-32.4%

**PCM eyes stable Q3 profits**

PCM (Grupa Masterlease) is scheduled to report Q3 earnings on November 16th. At a projected PLN 9.9m, the quarterly net profit is expected to show year-on-year contraction of 9% and quarter-on-quarter expansion of 3.1%. An 0.7% q/q decline in revenue will be accompanied by a 1% reduction in costs. At the same time leasing income will remain under pressure, albeit weaker than in previous quarters, with

revenue from lease and additional payments showing a q/q decline of 0.5% and net interest income in the period rising 1.1%. The service margin is likely to increase from PLN 4.5m in Q2 to PLN 5.0m in Q3, but at the same time the insurance margin will decrease from PLN 1.8m to PLN 1.6m. In re-marketing income we expect to see flat quarter-on-quarter growth at an estimated PLN 4.7m.

Financial Services		Buy						
Skarbiec Holding								
Analyst: Michał Konarski	Current price (PLN)	33.30			FY15E P/E	7.2	FY15E P/BV	x.x
	Target price (PLN)	64.30			FY16E P/E	5.5	FY16E P/BV	x.x
(PLN m)	Q3'15E	Q2'15	Q3'14	Q/Q	Y/Y	2015E	2014	change
Total revenue	21.9	23.5	22.1	-7.0%	-1.2%	109.6	143.8	-23.8%
Management fee	19.4	19.3	17.9	0.8%	8.5%	78.3	108.2	-27.7%
Success fee	0.1	1.9	2.7	-95.0%	-96.5%	22.5	24.0	-6.2%
Total costs	-18.4	-17.9	-16.3	2.8%	12.8%	-72.8	-102.6	-29.0%
Distribution costs	-10.3	-10.3	-8.3	0.1%	24.7%	-38.4	-53.5	-28.2%
Payroll	-4.2	-3.7	-3.8	12.3%	11.2%	-19.6	-26.0	-24.5%
Pre-tax profit	3.6	5.8	5.4	-37.3%	-33.7%	37.9	40.9	-7.2%
Net profit	2.9	4.6	4.3	-36.8%	-32.0%	30.7	32.3	-4.8%

### Success fee drops in Q1 FY2015/2016

At an estimated PLN 2.9m, Skarbiec's net income for the first quarter of fiscal 2015/2016 (third calendar quarter) will show a year-on-year fall of 32% and a quarter-on-quarter drop of 36.8% led by a slump in the success fee from PLN 1.9m to PLN 0.1m, compounded by restructuring costs projected at

PLN 0.5m. The management fee is likely to remain at the high quarterly level PLN 19.4m. Skarbiec had AUM of PLN 14.1bn as of 30 September 2015, including PLN 1.5bn in high-yield funds, PLN 1.7bn in low-yield funds, and PLN 10.8bn in dedicated funds. Third-quarter distribution costs will remain stable.

## Gas &amp; Oil, Chemicals

Chemicals Ciech		Reduce							
Analyst: Kamil Kliszc	Current price (PLN)	72.94		FY15E P/E		22.6	FY15E EV/EBITDA		8.7
	Target price (PLN)	46.90		FY16E P/E		16.9	FY16E EV/EBITDA		8.1
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	812.8	798.7	2%	2,470.9	2,457.7	1%	3,133.8	3,243.9	-3%
EBITDA	185.8	128.2	45%	537.1	379.4	42%	574.9	524.8	10%
Margin	22.86%	16.04%	-	21.74%	15.44%	-	18.34%	16.18%	-
EBIT	131.3	78.5	67%	372.1	229.1	62%	364.1	320.3	14%
Pre-tax profit	106.3	40.5	163%	285.1	90.2	216%	210.0	153.0	37%
Net profit	86.1	29.1	196%	224.6	56.1	300%	170.1	167.1	2%

**Soda ash sales momentum builds in Q3**

Ciech's Q3 2015 results should fully reflect the increased capacity in Poland, though the sales volume growth relative to the previous quarter will be subdued due to an inventory sale in Q2. Prices in Q3 were stable despite rising downward pressure from Chinese producers targeting the markets in India and Africa. Consequently the Q3 2015 EBITDA of the Soda Division will show only a small q/q increase of PLN 7m at an estimated PLN 165m. In the Organic Division we

anticipate a seasonal slowdown in EBITDA from just under PLN 18m in Q2 to PLN 12m in Q3 led by a slowdown in pesticide sales combined with continuing contraction in margins on epoxy resins. In Silicates thanks to a seasonal improvement in sales of decorative lanterns, combined with lower costs of gas, EBITDA is set to grow to PLN 11.5 from PLN 10m. After the usual interest expenses booked under financing activity, Ciech's Q3 2015 net profit should be similar to the figure posted in the quarter before.

Gas & Oil MOL		Buy							
Analyst: Kamil Kliszc	Current price (HUF)	13,200		FY15E P/E		19.9	FY15E EV/EBITDA		3.7
	Target price (HUF)	17,495		FY16E P/E		7.8	FY16E EV/EBITDA		3.4
(HUF bn)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	961.8	1,341.9	-28%	3,012.8	3,694.9	-18%	3,866.2	4,869.4	-21%
EBITDA	181.9	157.1	16%	515.8	374.0	38%	638.7	409.0	56%
Margin	18.92%	11.71%	-	17.12%	10.12%	-	13.98%	8.40%	-
EBIT	-23.3	90.9	-	152.0	170.0	-11%	192.7	40.9	372%
Pre-tax profit	-30.3	55.5	-	84.5	114.2	-26%	120.7	-43.9	-
Net profit	-19.7	28.5	-	52.1	73.4	-29%	68.3	4.8	-

**MOL makes full use of buoyant fundamentals in Q3**

MOL is expected to report adjusted Q3 2015 LIFO-based EBITDA of HUF 197bn, marking an increase from HUF 163bn posted in Q3 2014 and HUF 179bn generated in Q2 2015. The main profit driver in the period was Downstream where thanks to record-high refining margins LIFO-based EBITDA is set to come in at a projected HUF 147bn (vs. HUF 127bn in Q2), with an estimated HUF 46bn provided by the petrochemical business and HUF 10bn contributed by the retail business. Also helping will be a lack of major plant downtime. In Upstream EBITDA is expected to post a q/q decrease to ca. HUF 47bn driven by falling prices of oil and lower crude production in Croatia and Hungary. MOL had

warned that its Q3 2015 EBIT would be weighed down by a HUF 120bn write-off of Kurdish assets which may be compounded by a revaluation loss on North Sea assets (not factored into our estimates). In Gas Midstream we expect to see a year-on-year EBITDA pickup to HUF 13bn from HUF 12bn in Q3 2014 when MOL was still consolidating the losses of the Prirodni Plin unit. The consolidated reported quarterly EBITDA of MOL will be diminished by negative LIFO effects of an estimated HUF 15bn. General expenses will approximate HUF 10bn in Q3, and financing activity will consist mostly of interest payments (and possibly small FX gains thanks to a slight appreciation in the forint). The write-off of the Kurdish operations gives rise to a tax credit for the parent company which will partly offset the Q3 2015 bottom-line loss.

Gas & Oil PGNiG		Sell							
Analyst: Kamil Kliszczyk		Current price (PLN)	6.80		FY15E P/E	13.6	FY15E EV/EBITDA	6.3	
		Target price (PLN)	5.49		FY16E P/E	16.0	FY16E EV/EBITDA	6.9	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	6,556.5	6,436.0	2%	26,946.5	22,817.0	18%	36,148.6	34,304.0	5%
EBITDA	1,225.0	1,519.0	-19%	5,221.0	4,986.0	5%	6,649.1	6,345.0	5%
Margin	18.68%	23.60%	-	19.38%	21.85%	-	18.39%	18.50%	-
EBIT	545.0	915.0	-40%	3,154.0	3,084.0	2%	6,649.1	3,843.0	73%
Pre-tax profit	520.0	806.0	-35%	3,071.0	2,869.0	7%	3,815.9	3,626.0	5%
Net profit	384.8	616.0	-38%	2,248.8	2,135.0	5%	2,927.4	2,823.0	4%

### PGNiG sees pressure on Upstream, Trade profits in Q3

We expect PGNiG to report year-on-year earnings slowdown in Q3 2015 due to falling oil prices and base effects. In Upstream we anticipate EBITDA shrinkage from PLN 1bn to PLN 755m driven by price pressures (partly offset by higher volumes) and lower revenues from service units (in Q2 2015 the adjusted EBITDA was PLN 886m). After the review done by the Company we do not expect to see any more dry-well or asset write-offs in Q3. In Trade EBITDA is likely to fall again from PLN 205m in Q2 to PLN 103m in Q3 2015 led by

lower sales prices (reduced tariff, discounts), a worsened sales mix, and seasonally lower volumes. Distribution will post Q3 EBITDA contraction to PLN 336m from PLN 372m a year ago as negative balancing effects (PLN -20m vs. PLN 58m in 4Q'14) will be partly offset by higher non-tariff sales. The Generation business will make a seasonally small contribution to the consolidated third-quarter earnings. PGNiG may book FX losses on a dollar loan in financing activity in Q3, and after a 26% tax this will produce a bottom -line profit below PLN 400m.

Petrochemicals Polwax		Buy							
Analyst: Kamil Kliszczyk		Current price (PLN)	15.80		FY15E P/E	6.9	FY15E EV/EBITDA	6.2	
		Target price (PLN)	24.20		FY16E P/E	6.8	FY16E EV/EBITDA	5.8	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	81.2	80.2	1%	182.9	175.8	4%	257.2	258.2	0%
EBITDA	11.3	11.2	1%	22.7	23.4	-3%	32.7	30.8	6%
Margin	13.9%	13.9%	-	12.4%	13.3%	-	12.7%	11.9%	-
EBIT	10.2	10.3	-1%	19.6	21.1	-7%	29.9	27.7	8%
Pre-tax profit	10.0	10.1	0%	19.0	20.5	-8%	29.1	27.8	5%
Net profit	8.0	7.8	4%	15.2	16.2	-6%	23.6	22.4	5%

### Polwax sees flat growth in Q3

After a tough first half of the year, characterized by competitive pressures in the market for candle paraffin due to low prices of palm oil and animal fat substitutes, Polwax should have experienced more stability in the third quarter as the price pressures eased, resulting in a gross margin recovery to an estimated 20%. Margins on grave lanterns will

remain soft in Q3, but this should be offset by strong sales of industrial paraffin, resulting in a quarterly EBITDA figure similar to that posted in the same period a year ago. With the third-quarter profits either in 2014 or in 2015 not affected by any one-offs, taking into consideration Polwax's slightly lower debt, after the statutory tax rate, the Q3 2015 net profit is likely to show a small increase on the year before.

Chemicals Synthos		Hold							
Analyst: Jakub Szkopek		Current price (PLN)	3.73		FY15E P/E	13.9	FY15E EV/EBITDA	9.3	
		Target price (PLN)	4.75		FY16E P/E	10.1	FY16E EV/EBITDA	8.0	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	1,001.5	1,225.4	-18.3%	3,122.9	3,575.4	-12.7%	4,799.2	4,618.8	3.9%
EBITDA	179.2	177.4	1.1%	513.7	507.3	1.3%	650.9	635.8	2.4%
Margin	17.9%	14.5%		16.4%	14.2%		13.6%	13.8%	
EBIT	137.9	139.7	-1.3%	394.4	392.0	0.6%	486.2	479.6	1.4%
Pre-tax profit	107.0	138.6	-22.8%	372.8	370.8	0.5%	438.4	427.1	2.7%
Net profit	88.1	122.3	-28.0%	334.4	291.2	14.8%	354.5	356.9	-0.7%

### FX drag Q3 earnings, polystyrene outperforms rubber

Synthos is expected to report a 6% drop in the volume of synthetic rubber sales and a 3% increase in the sales of styrene plastics in Q3 2015 compared to the same period in 2014. The slowdown in rubber sales in the period despite favorable market conditions in Europe, where lower prices of butadiene provided a cost advantage over Asia, supporting exports, was caused by a disrupted supply of butadiene and other materials after the failure of the Unipetrol refinery in Litvinov. Consequently Synthos was forced to buy butadiene from other sources. As for the acceleration in sales of styrene plastics, it was owed to stronger demand fueled by lower prices and good European economic momentum. Due to declines in prices, however, Synthos's consolidated revenue

for Q3 2015 is expected to show a year-on-year drop of 18.3%. We expect that Synthos generated strong margins on styrene plastics in Q3 thanks to low costs of raw materials like benzene and ethylene. In turn the profitability of rubber production was depressed by the disrupted supply of materials experienced by the Czech facility. Accordingly our Q3 per-ton EBITDA estimates are PLN 1,140 in Synthetic Rubber (vs. PLN 1,570 in Q 2014) and PLN 1,040 in Styrene Plastics (vs. PLN 570 in Q3 2014). Synthos is likely to recognize FX losses of an estimated PLN 19m in Q3 2015 on foreign-currency debt translations (the SEK depreciated 1.296% relative to EUR in the period). All in all we estimate that Synthos will have achieved 65% of our FY2015 annual revenue forecast, 79% of expected EBITDA, and 94% of our annual net profit estimate in the first three quarters of 2015.

## Power Utilities

Utilities CEZ		Hold							
Analyst: Kamil Kliszcz	Current price (PLN)	74.66		FY15E P/E	9.1	FY15E EV/EBITDA	6.0		
	Target price (PLN)	89.20		FY16E P/E	10.9	FY16E EV/EBITDA	6.6		
(CZK m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	46,296.3	45,309.0	2%	149,191.3	147,015.0	1%	213,266.8	200,657.0	6%
EBITDA	14,207.9	11,611.0	22%	49,810.9	49,483.0	1%	69,808.8	64,651.0	8%
Margin	30.69%	25.63%	-	33.39%	33.66%	-	32.7%	32.2%	-
EBIT	7,104.9	4,725.0	50%	28,404.9	28,823.0	-1%	41,196.8	36,946.0	12%
Pre-tax profit	5,729.7	2,897.0	98%	24,903.7	24,394.0	2%	35,394.1	28,656.0	24%
Net profit	4,526.5	2,541.0	78%	19,901.5	19,813.0	0%	28,005.9	22,403.0	25%

### Extended Temelin outage erodes Q3 profits

The Q3 2015 profitability of CEZ's Generation business was compromised by a four-week extension of maintenance downtime on a block in the Temelin power station which cut the period's output by an estimated 0.6 TWh (based on daily generation statistics the q/q drop may have been as much as 1 TWh). Consequently the quarterly Generation EBITDA is expected to have decreased to CZK 7bn from CZK 8bn in Q2. The year-ago base is not comparable due to high one-time charges. In Sales and Distribution Q3 2015 EBITDA is expected to fall to CZK 5.3bn from CZK 6.3bn in the previous

quarter when CEZ recognized a one-time charge reversal. Relative to Q3 2014 the segmental EBITDA figure will show improvement to CZK 4.7bn owed to favorable base effects, higher trading margins, and lower fixed costs which offset the lack of the retroactive renewable energy compensation that provided a boost to 2014 profits. All in all we estimate CEZ's Q3 2015 consolidated EBITDA at CZK 14.2bn vs. CZK 16bn (adjusted) in Q3 2014. Despite financing losses stemming from FX adjustments to Turkish assets to reflect a weaker lira, the quarterly net profit will show year-on-year growth.

Utilities Enea		Buy							
Analyst: Kamil Kliszcz	Current price (PLN)	13.55		FY15E P/E	7.0	FY15E EV/EBITDA	4.4		
	Target price (PLN)	18.10		FY16E P/E	8.7	FY16E EV/EBITDA	5.5		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	2,567.4	2,387.0	8%	7,179.6	7,227.2	-1%	9,903.4	9,855.4	0%
EBITDA	696.4	412.2	69%	1,590.5	1,518.6	5%	1,886.6	1,914.9	-1%
Margin	27.12%	17.27%	-	22.15%	21.01%	-	19.05%	19.43%	-
EBIT	508.6	232.6	119%	1,032.8	994.4	4%	1,129.9	1,186.5	-5%
Pre-tax profit	491.8	251.5	96%	1,014.6	1,022.2	-1%	1,048.1	1,143.1	-8%
Net profit	396.3	211.7	87%	812.5	838.3	-3%	848.9	908.3	-7%

### PPA compensation props up Q3 profit

Enea's Q3 2015 earnings figures will be supported by final PPA compensation of PLN 293m. Adjusted for this one-off the quarterly EBITDA in Generation at an estimated PLN 110m will show flat growth from the same period in 2014 when, however, Enea booked a non-recurring valuation gain of PLN 10m. In addition keep in mind that the Generation business faced a number of operational obstacles (less favorable hydrological conditions, technology issues) in Q3

2015, but the negative effects were offset by lower costs of coal. The third-quarter Distribution EBITDA is expected to show a y/y dip to ca. PLN 276m due to higher costs of network losses. In Trade we anticipate EBITDA growth from PLN 6m to PLN 22m driven by lower costs of customer acquisition than incurred in Q3 2014. After the usual financing activity and statutory tax Enea's net profit for Q3 2015 is likely to come close to PLN 400m.

Utilities Energia		Reduce							
Analyst: Kamil Kliszczy	Current price (PLN)	16.98				FY15E P/E	8.0	FY15E EV/EBITDA	5.0
	Target price (PLN)	18.60				FY16E P/E	10.2	FY16E EV/EBITDA	6.0
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	2,598.2	2,505.8	4%	8,023.3	7,792.3	3%	10,685.2	10,590.6	1%
EBITDA	504.6	551.2	-8%	1,720.3	1,832.5	-6%	2,182.2	2,307.0	-5%
Margin	19.42%	22.00%	-	20.42%	19.06%	-	20.42%	21.78%	-
EBIT	278.3	334.1	-17%	1,043.1	1,191.8	-12%	1,301.1	1,446.2	-10%
Pre-tax profit	211.9	281.9	-25%	869.1	1,039.7	-16%	1,084.3	1,248.1	-13%
Net profit	171.7	213.0	-19%	700.7	808.4	-13%	878.3	982.1	-11%

### Hydroelectric power output falls in Q3

Energia is expected to report a year-on-year slowdown in Q3 2015, though the drop in EBITDA will be due partly to an inflated year-ago comparable base (PLN 30m one-offs, mainly charge reversals). From PLN 155m in Q3 2014, Generation EBITDA is likely to fall to an estimated PLN 66m in Q3 2015 driven by downturn across all core lines, including the Ostrołęka power station (-PLN 48m), which had a shorter time as must-run and which experienced a price squeeze and plant downtime in the period. Further Energia's hydroelectric power plants were affected by lower prices of green

certificates and a slump in volume due to a drought (-PLN 35m). In Distribution, EBITDA is likely to post a y/y increase from PLN 370m to PLN 400m thanks to cost savings, higher volumes, and postponed expenses. From a high year-ago base, Trade EBITA as well will show growth from PLN 22m to an estimated PLN 49m thanks to lower prices of green certificates and supplier-of-last-resort compensation through higher spot prices. After an increase in interest expenses (on higher debt) and D&A expenses, the Q3 net profit will show a marked contraction from the same period last year.

Utilities PGE		Buy							
Analyst: Kamil Kliszczy	Current price (PLN)	14.00				FY15E P/E	8.3	FY15E EV/EBITDA	4.0
	Target price (PLN)	16.82				FY16E P/E	10.2	FY16E EV/EBITDA	5.1
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	7,074.4	6,649.0	6%	21,318.4	20,857.0	2%	29,955.0	28,137.0	6%
EBITDA	2,007.8	1,726.0	16%	6,333.8	6,795.0	-7%	7,909.6	8,184.0	-3%
Margin	28.38%	25.96%	-	29.71%	32.58%	-	26.40%	29.09%	-
EBIT	1,337.8	930.0	44%	-4,836.2	4,463.0	-	4,669.2	5,096.0	-8%
Pre-tax profit	1,297.8	497.0	161%	-4,937.2	4,023.0	-	4,518.7	4,613.0	-2%
Net profit	1,051.2	387.0	172%	-4,003.8	3,292.0	-	3,653.9	3,638.0	0%

### Reduced D&A help Q3 profits

In a continuation of the trends observed in the first half of the year, higher electricity prices will drive PGE's adjusted Q3 2015 Generation EBITDA up by ca. PLN 300m relative to the same period last year. The growth would have been even higher if it had not been for a lower power output produced by lignite-fired plants, combined with lower PPA compensation (PLN 139m vs PLN 192m). All in all the Q3 Generation EBITDA should come in at ca. PLN 1.2bn. In Renewables due to lower hydroelectric power volumes the

quarterly EBITDA will fall from PLN 83m in Q3 2014 to an estimated PLN 54m in Q3 2015. Distribution EBITDA will remain steady y/y at ca. PLN 600m, as will Trade EBITDA (PLN 109m). After Q2 2015 write-offs PGE should post PLN 0.13bn D&A expenses in Q3, resulting in higher EBIT. With financing activity of the usual kind, the third-quarter net profit should exceed PLN 1bn, showing substantial growth from Q3 2014 owed partly to base effects (the year-ago profit was affected by a one-time PLN 0.4bn loss).

Utilities <b>Tauron</b>									
Buy									
Analyst: Kamil Kliszcz	Current price (PLN)			FY15E P/E			FY15E EV/EBITDA		
	Target price (PLN)			FY16E P/E			FY16E EV/EBITDA		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	4,593.4	4,376.8	5%	13,777.7	13,603.1	1%	19,260.8	18,440.8	4%
EBITDA	849.8	920.7	-8%	2,764.7	2,915.3	-5%	3,463.6	3,627.0	-5%
Margin	18.50%	21.04%	-	20.07%	21.43%	-	17.98%	19.67%	-
EBIT	414.5	464.5	-11%	1,458.8	1,546.9	-6%	1,744.7	1,830.1	-5%
Pre-tax profit	354.5	387.0	-8%	1,213.3	1,312.5	-8%	1,393.6	1,498.2	-7%
Net profit	287.2	318.4	-10%	1,005.7	1,048.7	-4%	1,128.8	1,180.9	-4%

### Carbon costs drag Q3 profits

Tauron is expected to report slight year-on-year contraction in the profits for Q3 2015 due primarily to worsened EBITDA in Generation, estimated at PLN 80m vs. PLN 135m in Q3 2014. The reason behind the lower profit achieved on power generation in Q3 despite higher sales prices and volumes (+6%) were costs incurred on carbon allowances (ca. PLN 80m after free allowances ran out in H1) combined with lower volumes produced by renewable plants (the hydroelectric power output in Poland fell over 37% in Q3

according to PSE data). Mining EBITDA will most likely show contraction as well compared to Q3 2014, but unlike in the two previous quarters it is expected to be a positive figure (PLN 42m vs. PLN -113m in Q2) thanks to higher volumes, a lack of coal inventory sell-offs, and the absence of one-time losses. In Distribution EBITDA will show flat growth at an estimated PLN 608m vs. PLN 612m last year due to negative base effects (charge reversals in Q3 2014). Retail EBITDA as well will remain steady y/y at ca. PLN 111m. We do not anticipate any surprises in Q3 2015 financing activity or tax.



## Telecommunications

Telecommunications		Hold							
Netia									
Analyst: Paweł Szpigel	Current price (PLN)	5.52			FY15E P/E	96.1	FY15E EV/EBITDA	5.0	
	Target price (PLN)	5.80			FY16E P/E	61.4	FY16E EV/EBITDA	5.2	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	413.3	413.4	0.0%	1182.3	1269.9	-6.9%	1562.3	1674.0	-6.7%
EBITDA	113.9	109.5	4.0%	338.0	355.3	-4.9%	421.8	738.7	-42.9%
Margin	27.6%	26.5%	-	28.6%	28.0%	-	27.0%	44.1%	-
EBIT	7.7	3.1	148.4%	24.0	38.0	-36.8%	41.6	157.4	-73.5%
Pre-tax profit	8.3	-3.3	-	230.0	397.8	-42.2%	24.7	126.4	-80.5%
Net profit	6.3	-4.4	--	14.1	14.8	-5.1%	20.0	174.8	-88.6%

### Netia sees Q3 EBITDA growth thanks to TK Telekom

Netia's Q3 2015 results are not comparable year over year due to the acquisition in July of the backbone network provider TK Telekom, expected to drive the consolidated quarterly EBITDA up by 7%. On an adjusted basis the EBITDA would be about PLN 106m, i.e. 4% lower than the Q3 2014 figure, due to continued erosion in monthly on-network voice ARPU by an estimated 14% to PLN 30.5, combined with a 5% drop to PLN 42 in leased-line voice

ARPU. The subscriber base is expected to show 9% y/y contraction to 1.25 million in Q3 led by nearly 19 thousand lost leased lines. Wholesale user churn (LLU, bitstream access) will also drive the continuing erosion expected in overall data revenues, with data ARPU estimated at PLN 55. The falling Q3 revenues are likely to be offset by savings as Netia will have reduced quarterly COGS to a projected PLN 266m (over 7% y/y), as well as reporting lower SG&A expenses.

## Media

Media Agora		Hold							
Analyst: Paweł Szpigel	Current price (PLN)	11.23		FY15E P/E	-	FY15E EV/EBITDA	8.2		
	Target price (PLN)	8.20		FY16E P/E	-	FY16E EV/EBITDA	8.2		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	252.2	243.9	3.4%	827.8	768.7	7.7%	1094.8	1102.4	-0.7%
EBITDA	16.8	14.0	19.9%	76.4	52.3	46.0%	79.0	77.7	1.6%
Margin	6.7%	5.7%	-	9.2%	6.8%	-	7.2%	7.1%	-
EBIT	-5.6	-9.8	-	0.5	-19.4	-	-12.1	-18.3	-
Pre-tax profit	-5.6	-9.0	-	0.4	-19.1	-	-15.8	-17.9	-
Net profit	-6.1	-10.1	-	-1.3	-20.7	-	-17.9	-11.0	-

### Agora sees continued improvement in Q3

We expect Agora to report 3.4% y/y sales growth in Q3 2015. By operating segment revenue in Press at an estimated PLN 71.1m will show continuing contraction at an annual rate of 6% (assuming daily paid circulation of the *Gazeta Wyborcza* daily at 185,000 copies). In turn revenue in Film and Books will post a significant rebound driven by 7%

higher concession sales at cinemas and strong video game sales. Outdoor EBITDA will increase as well thanks to strong demand from advertisers and optimized campaign processes. Radio EBITDA is expected to be flat due to rising costs of advertising. All in all Agora's consolidated Q3 2015 EBITDA is likely to show year-on-year growth of nearly 20%.

Media Cyfrowy Polsat		Reduce							
Analyst: Paweł Szpigel	Current price (PLN)	25.00		FY15E P/E	19.9	FY15E EV/EBITDA	7.5		
	Target price (PLN)	21.80		FY16E P/E	16.2	FY16E EV/EBITDA	6.9		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	2,432.2	2,419.6	0.5%	3,464.5	4,888.8	-29.1%	9,756.5	7,409.9	31.7%
EBITDA	912.1	910.1	0.2%	2,785.7	1,901.0	46.5%	3,562.5	2,738.3	30.1%
Margin	37.5%	37.6%	-	80.4%	38.9%	-	36.5%	37.0%	-
EBIT	497.1	431.8	15.1%	1,509.3	1,048.9	43.9%	1,761.4	1,442.4	22.1%
Pre-tax profit	740.6	49.2	1,405.4%	1,287.8	310.7	314.5%	960.7	314.2	205.8%
Net profit	694.9	48.1	1,344.6%	1,170.2	278.5	320.2%	804.1	292.5	174.9%

### Cyfrowy sees EBITDA stabilization in Q3

Cyfrowy's Q3 2015 results are fully comparable with the year-ago figures when the Company was already consolidating Polkomtel. At a projected PLN 2,432m, the Q3 2015 revenue will be slightly higher than the year-ago pro-forma result. We anticipate a drop to PLN 1,654m in retail, revenue led by lower ARPU offset by stronger wholesale revenue and higher sales of TV and mobile devices (also driving EBITDA). The quarterly costs (ex. amortization) are estimated at PLN 1,520m vs. PLN 1,544m last year. We expect a strong increase in technical and inter-operator costs (at ca.

PLN 550m vs. PLN 503m proforma) following the purchase of 56.3 million GB of data from Midas at PLN 2.6 per gigabyte. This will be partly offset by lower costs of devices. At PLN 912m, EBITDA is expected to show flat growth year over year, owed partly to the higher sales prices and lower costs of devices. Net profit will be high thanks to one-time gains of PLN 427m (including a reduction in the premium reserve on the acquisition of Metelem Holding Company Ltd of PLK bonds over their nominal value, at an estimated PLN 780m, a write-off of financing costs of PLN 66m, and a reserve for early PLK bond repurchase of ca. PLN 242m).

Media Wirtualna Polska										Buy			
Analyst: Paweł Szpigiel		Current price (PLN)		39.65		FY15E P/E		25.0		FY15E EV/EBITDA		14.4	
		Target price (PLN)		44.70		FY16E P/E		14.7		FY16E EV/EBITDA		11.3	
(PLN m)		Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change			
Revenue		76.5	60.9	25.7%	221.8	172.8	28.4%	276.3	248.3	11.3%			
EBITDA		23.8	12.3	92.4%	65.3	34.0	91.9%	88.0	51.0	72.5%			
Margin		31.0%	20.3%	-	29.4%	19.7%	-	31.8%	20.5%	-			
EBIT		16.3	5.5	197.5%	43.3	17.1	153.0%	63.4	22.7	179.4%			
Pre-tax profit		14.4	-0.5	-	27.8	9.0	210.6%	47.3	-0.3	-			
Net profit		11.6	-0.7	-	21.7	7.9	176.3%	45.9	-2.0	-			

#### WPH eyes over PLN 100m recurring EBITDA

We expect WPH to report Q3 sales revenue of PLN 76.5m of which PLN 64.3m cash revenue (+26% y/y) and PLN 12.2m barter revenue. Costs of services are likely to increase to PLN 23.8m from PLN 20.2m in Q3 2014 driven by barter, and payroll costs will rise to PLN 24.5m from PLN 19.4m.

Nevertheless we anticipate that the adjusted quarterly EBITDA (after ca. PLN one-time costs) will show 12% y/y growth to PLN 25.2m, bringing WPH closer to achieving the PLN 100m LTM EBITDA target. The Q3 2015 net profit is expected to come in at PLN 11.6m.

**IT**

<b>IT Asseco Poland</b>		<b>Hold</b>							
Analyst: Paweł Szpigel	Current price (PLN)	55.18		FY15E P/E	13.3	FY15E EV/EBITDA	7.2		
	Target price (PLN)	59.00		FY16E P/E	13.2	FY16E EV/EBITDA	7.0		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	1680.1	1486.3	13.0%	4985.2	4399.3	13.3%	6443.6	6231.9	3.4%
EBITDA	257.7	228.8	12.6%	721.4	659.5	9.4%	918.3	905.1	1.5%
Margin	15.3%	15.4%	-	14.5%	15.0%	-	14.3%	14.5%	-
EBIT	182.7	163.9	11.4%	516.3	459.2	12.4%	656.2	636.7	3.1%
Pre-tax profit	182.7	162.2	12.6%	490.9	469.1	4.6%	633.5	648.1	-2.2%
Net profit	86.9	85.3	1.9%	318.8	384.0	-17.0%	345.6	358.4	-3.6%

**Bottom line stabilizes in Q3**

On a standalone basis Asseco Poland is expected to report EBITDA slowdown in Q3. Combined with the good results of Asseco Business Solutions and Asseco Data Systems, however, this will result in a higher EBIT achieved in Poland (we assume PLN 85m vs. PLN 81m in Q3 2014). Asseco continues to experience a slowdown in public orders but on the other hand it benefits from continued employment

restructuring including PLN 73.3m for the shareholders of the parent company. By geographic market we expect strong Q3 profit growth from ASEE, stable profits at ACE, and zero profit in Eastern Europe. Like in previous quarters the dollar's appreciation vs. the zloty will reinforce the solid growth enjoyed by Formula Systems. All in all we expect Asseco's Q3 2015 EBITDA to come in at PLN 258m (+13% y/y), and we anticipate flat y/y bottom-line growth.

<b>IT CD Projekt</b>		<b>Buy</b>							
Analyst: Piotr Bogusz	Current price (PLN)	26.80		FY15E P/E	5.1	FY15E EV/EBITDA	3.4		
	Target price (PLN)	30.90		FY16E P/E	14.6	FY16E EV/EBITDA	8.5		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	131.6	36.0	265.2%	644.2	110.6	4.8x	864.8	96.2	8x
EBITDA	76.2	-2.6	-	367.0	3.2	114.7x	627.0	9.3	66.3x
Margin	58.0%	-7.1%	-	57.0%	2.9%	54.1p.p.	72.5%	9.7%	62.8p.p.
EBIT	75.2	-3.5	-	363.7	0.5	693.2x	621.3	6.2	100x
Pre-tax profit	74.4	-3.7	-	358.4	2.6	135.8x	625.9	9.3	66x
Net profit	60.6	-2.9	-	296.9	1.6	181.9x	513.3	5.2	97.5x

**The Witcher 3 shapes Q3 results**

In a seasonally slower third quarter we expect CDR to have generated a revenue of PLN 131.6m (+2.65x y/y), of which PLN 113m provided by the Video Games segment, PLN 18.9m contributed by GOG.com, and PLN -0.3m posted by the "Other" segment. At an estimated 78.3% the quarterly gross margin is likely to show a y/y surge of 55.6ppts driven mainly by Video Games. The gross profit is projected at PLN 103m vs. PLN 7.4m in Q3 2014. SG&A

expenses will reach PLN 21m in Q3 after an increase led by marketing and employee bonuses in the Video Games segment. After other operating costs of ca. PLN 6.8m (mainly bonuses for non-video developers) the Q3 2015 EBIT is expected to come in at PLN 75.2m vs. an operating loss of PLN 3.5m posted in Q3 2014. With financing costs projected at PLN 0.8m, after PLN 13.8m tax, CDR will report a net profit of PLN 60.6m in Q3 2015 vs. a year-ago net loss of PLN 2.9m.

## Resources

Coal JSW		Hold							
Analyst: Michał Marczak	Current price (PLN)	12.96		FY15E P/E	-	FY15E EV/EBITDA	6.5		
	Target price (PLN)	27.00		FY16E P/E	-	FY16E EV/EBITDA	2.3		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	1,728.8	1,652.6	4.6%	5,230.5	4,781.3	9.4%	7,270.5	6,814.9	6.7%
EBITDA	338.7	341.2	-0.7%	353.7	570.8	-38.0%	489.5	521.2	-6.1%
Margin	19.6%	20.6%		6.8%	11.9%		6.7%	7.6%	
EBIT	-26.3	17.5	-	-707.3	-365.4	-	-833.8	-774.8	-
Pre-tax profit	-60.3	-13.7	-	-818.7	-442.3	-	-998.9	-882.2	-
Net profit	-49.5	38.8	-	-673.0	-302.6	-	-776.8	-1,079.2	-

**Q3 buoyed by higher sales, charge reversals**

The benchmark price of hard coking coal fell 15.5% q/q to \$93/t in Q3 2015. After adjustment for the zloty's slight appreciation vs. USD and for the hard/semi-soft product mix, we estimate that JSW's effective sales price for coking coal in the period was PLN 342/t, marking a drop of 11.6% from Q2 (with the same price slippage estimated for coke). The average price of thermal coal will show a q/q decline of an estimated 1.5% at PLN 230/t. On what we assume to be steady mining volumes we think JSW generated higher sales

volumes in Q3 thanks to inventory reductions, with the coking coal volume up 23% q/q to 1.8mm, the coke volume reaching 1mmt, and the thermal coal volume increasing 11% to 1.25mmt. Thanks to PLN 208m-worth of payroll reserves reversed in Q3, the quarterly EBITDA and net profit will show a rebound. Note that in Q3 2014 JSW recognized a one-time gain of PLN 180m on a bargain mine acquisition which affects year-over-year comparability. We do not expect any impairment losses in Q3 but write-offs may appear in Q4 given JSW's financial standing.

Metals KGHM		Buy							
Analyst: Michał Marczak	Current price (PLN)	95.70		FY15E P/E	8.9	FY15E EV/EBITDA	4.9		
	Target price (PLN)	127.00		FY16E P/E	7.7	FY16E EV/EBITDA	4.6		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	3,788.2	4,116.0	-8.0%	11,880.2	12,208.0	-2.7%	23,220.4	20,492.0	13.3%
EBITDA	847.1	1,158.2	-26.9%	3,065.1	3,376.2	-9.2%	5,300.8	5,311.0	-0.2%
Margin	22.4%	28.1%		25.8%	27.7%		22.8%	25.9%	
EBIT	643.5	999.0	-35.6%	2,432.5	2,742.0	-11.3%	3,403.8	3,676.0	-7.4%
Pre-tax profit	698.5	872.0	-19.9%	2,445.5	2,619.0	-6.6%	3,085.8	3,098.0	-0.4%
Net profit	506.3	629.0	-19.5%	1,827.3	1,950.0	-6.3%	2,159.7	2,450.0	-11.9%

**First quarter with Sierra Gorda affected by low metal prices**

The first-ever earnings disclosure of Sierra Gorda is expected to show a revenue of PLN 540m and EBITDA of PLN 129m in Q3 2015, combined with an EBIT loss of PLN 290m and a net loss of PLN 400m due to high depreciation expenses (accelerated depreciation over a useful life shortened by as much as one-third, \$400m a year) and financing costs (8% financing costs, PLN 400m a year on a loan from KGHM which the parent recognizes under standalone revenue). KGHM will report its 55% share in Sierra Gorda's earnings in

Q3 2015. At an average \$5,274/t copper prices in Q3 2015 were a staggering 25.7% lower than in Q3 2014 and 9.1% lower than in the previous quarter. Fortunately for KGHM the price falls were accompanied by a 19.5% y/y depreciation in the zloty vs. the US dollar which mitigated the y/y zloty price drop to 11.2% (7.4% q/q). The price of silver was down 50% on the year in US\$ terms and 40% in PLN terms in Q3 2015. We expect KGHM to report Q3 standalone sales volumes at 142,000 tons of copper (+2.9% y/y) and 280 tons of silver (+5.4%). For the sake of comparability the figures presented in the table above are standalone estimates for KGHM excluding Sierra Gorda.

Coal LW Bogdanka under review									
Analyst: Michał Marczak	Current price (PLN)			FY15E P/E			FY15E EV/EBITDA		
	Target price (PLN)			FY16E P/E			FY16E EV/EBITDA		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	479.1	545.0	-12.1%	1,322.7	1,490.3	-11.2%	1,817.9	2,013.6	-9.7%
EBITDA	162.0	198.2	-18.3%	453.8	501.6	-9.5%	590.7	750.0	-21.2%
Margin	33.8%	36.4%		34.3%	33.7%		32.5%	37.2%	
EBIT	68.6	99.9	-31.3%	170.8	226.6	-24.6%	203.1	362.3	-44.0%
Pre-tax profit	62.6	99.0	-36.8%	156.7	215.8	-27.4%	189.1	345.9	-45.3%
Net profit	50.7	79.4	-36.1%	127.1	170.8	-25.6%	153.2	272.4	-43.8%

### Q3 results overshadowed by Enea bid

The takeover bid by Enea and the ongoing discussion about the restructuring of the Polish coal industry will steal the spotlight from Bogdanka's Q3 earnings report. According to data provided by the Company, coal production in the third quarter amounted to 2.04mmt, representing a 14.2% drop

year on year and a 7.3% increase quarter on quarter. Thanks to a reduced inventory, coal sales in the period increased 16.7% q/ to 2.19mmt (compared to Q3 2015 sales were 12.2% lower). The average revenue per ton is estimated at PLN 210 (-1.22% q/q), and the total unit cost will have been PLN 186.5 (-3.11% q/q). Bogdanka's Q3 profits are not likely to be affected by any major one-offs.

## Industrials

Industrials		Elemental							
		Accumulate							
Analyst: Jakub Szkopek		Current price (PLN)	4.32		FY15E P/E	19.0	FY15E EV/EBITDA	12.7	
		Target price (PLN)	4.50		FY16E P/E	17.8	FY16E EV/EBITDA	10.3	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	244.4	217.2	12.5%	731.6	553.4	32.2%	1,151.8	772.3	69.7%
EBITDA	16.0	11.6	37.8%	46.3	32.7	41.6%	66.1	41.2	55.1%
Margin	6.5%	5.3%		6.3%	5.9%		5.7%	5.3%	
EBIT	13.4	9.7	37.8%	38.9	28.5	36.8%	54.9	34.9	57.2%
Pre-tax profit	11.8	9.5	23.9%	35.6	27.3	30.2%	54.9	32.2	60.2%
Net profit	9.9	8.6	15.4%	31.8	25.5	24.8%	36.0	31.1	25.3%

**Elemental sees continued improvement in Q3**

We expect to see year-on-year growth of 12.5% to PLN 244.4m in Elemental's sales revenue for Q3 2015, supported by the consolidation of the sales of the Turkish unit Evciler (the Gorenje Balkans unit is not likely to have contributed yet to the quarterly revenue). We estimate the overall increase in the quarterly sales volumes at 19%, led by a 514% jump recorded in spent catalytic converters, a 28% increase in WEEE, and a 25% rise in printed circuit boards. Sales of non-ferrous metals are expected to show a 16% upturn from Q3 2014, but the resulting rise in revenue will be smaller due to a decline in metals prices in the course

of the year combined with a lower share of metals in the overall sales mix. Elemental will report year-on-year EBITDA growth of an estimated 37.8% in Q3 driven by a 281% surge in the spent catalysts segment and a 64% hike in the PCB segment. EBITDA generated on non-ferrous metal sales is expected to be stable. All in all we anticipate 15.4% net profit growth in Q3 2015. Consequently we estimate that Elemental achieved 64% of our annual revenue forecast, 70% of expected EBITDA, and 88% of our annual net profit estimate in the first three quarters of 2015. Note that Q3 2015 was the last quarter when the Company benefitted from tax credits via limited joint-stock partnerships.

Machinery		Famur							
		Buy							
Analyst: Jakub Szkopek		Current price (PLN)	1.90		FY15E P/E	10.0	FY15E EV/EBITDA	3.6	
		Target price (PLN)	3.00		FY16E P/E	8.5	FY16E EV/EBITDA	2.9	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	143.6	137.4	4.5%	580.1	450.4	28.8%	816.0	708.8	15.1%
EBITDA	37.3	61.4	-39.2%	133.7	189.0	-29.3%	229.8	275.9	-16.7%
Margin	26.0%	44.7%		23.0%	42.0%		28.2%	38.9%	
EBIT	3.5	22.2	-84.3%	30.9	73.5	-58.1%	95.6	121.9	-21.6%
Pre-tax profit	2.3	23.2	-90.1%	37.2	75.9	-51.0%	101.5	113.3	-10.4%
Net profit	1.9	24.1	-92.2%	35.3	70.6	-50.0%	91.3	100.3	-8.9%

**Negative base effects continue to weigh in Q3**

We estimate the Q3 2015 revenue of Famur at PLN 143.6m after 4.5% growth from last year. By segment we expect to see year-on-year sales shrinkage in transportation systems (-20.5%), gallery systems (a 13.2% decrease led by lower prices and fewer new orders), and longwall systems (a 6.3% decline due to a lack of new orders, with revenues generated almost exclusively from aftermarket services). On the upside the Famak unit, acquired at the beginning of the year, should offset the revenue slowdown with sales of an estimated PLN 20m. On a flat consolidated revenue, Famur's Q3 2015 gross margin is set to drop by one-third, and the EBITDA margin will be reduced to about half the amount reported in the same period last year. We expect to see the strongest

margin shrinkage in transportation systems (-20ppts y/y), gallery systems (-15ppts), and longwall systems (-10ppts). With the PLN/EUR exchange rate remaining more or less stable in the course of the third quarter, we do not anticipate any major FX gains or losses in the period. The quarterly net profit figure will be around break even. Based on this we estimate that Famur will have achieved 71% of our FY2015 annual revenue forecast, 58% of expected EBITDA, and 39% of our net profit estimate in the first three quarters of the year. If this proves accurate we may have to revise our EBITDA forecast downward to PLN 170-180m and cut the net profit estimate to PLN 38-42m. We project that Famur's net debt as of 30 September 2015 will approximate PLN 50m or 0.2x 12M EBITDA.

Agricultural Producers		Kernel							
		Reduce							
Analyst: Jakub Szkopek		Current price (PLN)	51.36		FY15E P/E	6.9	FY15E EV/EBITDA	3.4	
		Target price (PLN)	35.00		FY16E P/E	7.4	FY16E EV/EBITDA	4.7	
(USD m)	Q1'15/16E	Q1'14/15	change	2015/16E	2014/15	change	2016/17E	2015/16E	change
Revenue	395.6	579.2	-31.7%	2,139.9	2329.5	-8.1%	2234.9	2,139.9	4.4%
EBITDA	52.1	80.5	-35.3%	316.5	396.6	-20.2%	311.0	316.5	-1.7%
Margin	13.2%	13.9%		14.8%	17.0%		13.9%	14.8%	
EBIT	34.0	60.4	-43.7%	231.3	328.3	-29.5%	227.1	231.3	-1.8%
Pre-tax profit	21.5	25.1	-14.6%	155.1	101.3	53.1%	155.2	155.1	0.0%
Net profit	20.4	23.4	-12.9%	144.3	106.9	34.9%	144.3	144.3	0.0%

### Q3 profits shrink in line with volumes

Kernel experienced a 24% y/y fall to 927,500 tons in the grain sales volume in Q1 FY2016 accompanied by drops of 22% each in bulk (158,200 tons) and bottled sunflower oil (17,700t) and 4% in export terminal throughput (at 1,167,700t). Based on the Q1 volume data we expect Kernel's revenue for the quarter to post a y/y drop of 31.7% driven falls in the grain segment (-32.6% y/y), the bulk oil segment (-26.6%), the bottled oil segment (-16.0%), and the terminals segment (-13.1%). Further we estimate that Kernel generated EBITDA per ton of crushed sunflower seed of \$70 in the bulk oil segment in Q1 FY2016 (vs. \$88.8 the year before), stemming from lower sales and tighter benchmark margins. In bottled oil the per-ton EBITDA will

approximate \$75 (up from \$72.8 in Q1 FY2015), and in grain trade it will show a decline to \$13 from \$14.5 a year ago. At the same time EBITDA per ton of export terminal throughput is expected to expand from \$5.6 to \$6.5 as Kernel benefits from the cut-off shipping lanes from Crimea. Finally in the crops segment we anticipate a total Q1 EBITDA of \$7m vs. \$10.7m last year. All in all our Q1 FY2016 EBITDA projection for Kernel is \$52.1%, representing a y/y drop of an estimated 35.3%. After a gain of a projected \$2.1m on the adjustment of VAT receivables for the dollar's 2.4% appreciation versus the hryvnia, the FY2016 first-quarter net profit is likely to show a 12.9% decrease from the same period last year at an estimated \$20.4m.

Machinery		Kopex							
		Hold							
Analyst: Jakub Szkopek		Current price (PLN)	5.97		FY15E P/E	10.0	FY15E EV/EBITDA	3.7	
		Target price (PLN)	8.10		FY16E P/E	9.1	FY16E EV/EBITDA	3.5	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	268.0	322.4	-16.9%	881.7	1,073.0	-17.8%	1,202.0	1,433.9	-16.2%
EBITDA	50.1	78.1	-35.8%	140.5	228.4	-38.5%	220.0	287.4	-23.4%
Margin	18.7%	24.2%		15.9%	21.3%		18.3%	20.0%	
EBIT	13.8	38.5	-64.1%	32.6	114.0	-71.4%	75.1	135.6	-44.6%
Pre-tax profit	7.9	35.8	-78.0%	26.0	107.3	-75.7%	56.4	130.0	-56.6%
Net profit	6.4	26.3	-75.8%	22.8	84.7	-73.0%	44.2	101.3	-56.4%

### Kopex set for H2 slowdown from a high year-ago base

We estimate the Q3 2015 revenue of Kopex at PLN 268.0m after a 16.9% drop from last year. By operating segment we expect to see revenue shrinkage of 51.9% in electronic and electrical equipment due to a 61% y/y fall in the order backlog as at 30 June 2015. Similarly we anticipate revenue falls at annual rates of 23.1% in industrial machinery, 21.1% in mining services (where the backlog at 30 June was 16% lower than the year before), and 15.5% in underground mining machinery (where the backlog had fallen 34%).

Consequently the consolidated Q3 2015 gross profit at PLN 45.1m is expected to show a year-on-year decrease of 40.5%, but compared to the previous quarter it will show an increase of an estimated 37.7% thanks to new orders from Russia and Argentina. Our Q3 EBITDA estimate is PLN 50.1m (-35.8% y/y), and for net profit we anticipate a 75.8% fall to PLN 6.4m. Assuming our estimates are accurate Kopex will have achieved 73% of our FY2015 annual revenue forecast, 64% of expected EBITDA, and 52% of our net profit estimate in the first three quarters of the year. We project that net debt as of 30 September 2015 will approximate PLN 400m or 2.0x 12M EBITDA.



Food Producers Tarczyński		Hold							
Analyst: Jakub Szkopek	Current price (PLN)	13.18			FY15E P/E	10.4	FY15E EV/EBITDA	6.4	
	Target price (PLN)	15.00			FY16E P/E	9.8	FY16E EV/EBITDA	6.0	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	129.9	127.2	2.1%	383.8	370.4	3.6%	540.5	494.4	9.3%
EBITDA	12.0	12.3	-2.4%	38.0	29.9	26.9%	42.4	41.8	1.4%
Margin	9.2%	9.6%		9.9%	8.1%		7.8%	8.5%	
EBIT	6.8	7.1	-4.5%	22.2	15.1	47.5%	23.3	21.6	7.8%
Pre-tax profit	4.9	5.4	-9.3%	16.6	10.1	64.8%	17.8	15.0	19.1%
Net profit	3.9	4.4	-10.9%	13.2	7.8	68.0%	14.4	11.7	23.6%

### Higher ad expenses weigh, but FY2015 estimates set for upgrades

On 3% higher sales volumes combined with 0.3% lower prices (led by lower costs of pork), we expect Tarczyński to report a 2.1% year-on-year increase in the top-line revenue for Q3 2015. As for margins we estimate that the Company earned a gross profit (before D&A) per kilogram of processed meats of approximately PLN 4.7 in the period, marking a year-on-year boost of 8.2%. After an increase in marketing expenses from PLN 0.8m in Q3 2014 to PLN 1.5m in Q3 2015, the quarterly EBITDA will show a q/q dip of an

estimated 2.4%. Net profit at a projected PLN 4m will show a drop of ca. 10% relative to Q3 2014. Accordingly we estimate that Tarczyński will have achieved 71% of our FY2015 annual revenue forecast, 90% of expected EBITDA, and 91% of our annual net profit estimate in first three quarters of the year. After the Q3 earnings announcement we anticipate upgrades to the FY2015 market expectations for the Company to PLN 490-500m revenue, PLN 47-48m EBITDA, and PLN 15-16m net profit. Tarczyński's net debt as of 30 September 2015 is likely to approximate PLN 145.8m or 2.9x 12M EBITDA.

Automotive Industry Uniwheels		Buy							
Analyst: Jakub Szkopek	Current price (PLN)	118.10			FY15E P/E	10.4	FY15E EV/EBITDA	7.2	
	Target price (PLN)	136.60			FY16E P/E	9.8	FY16E EV/EBITDA	6.6	
(EUR m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	96.3	92.2	4.4%	313.3	263.4	19.0%	401.6	362.6	10.8%
EBITDA	10.8	10.1	7.6%	38.7	31.5	22.9%	52.0	46.3	12.3%
Margin	11.3%	10.9%		12.4%	12.0%		12.9%	12.8%	
EBIT	7.0	6.6	7.4%	27.6	17.5	57.8%	36.5	32.1	13.8%
Pre-tax profit	4.7	n/a		24.3	n/a		33.6	21.8	54.5%
Net profit	4.6	4.3	8.8%	24.0	15.9	51.3%	33.3	22.2	49.8%

### Uniwhheels sees continued growth in Q3

We estimate that Uniwhheels sold 1.75 million aluminum wheels in Q3 2015 at average prices of EUR 55.3 per aftermarket wheel and EUR 54.3 per OEM wheel. Further we predict that the share in total sales of aftermarket wheels was higher in Q3 than in H1 2015 due to seasonal August downtime in the auto industry during which there are fewer OEM orders. For the same reason the third-quarter sales at Uniwhheels are likely to be lower than in the two preceding quarters. On the upside since the auto plant downtime this year coincided with heat-wave-induced power supply interruptions in Poland, the power shortages did not significantly affect Uniwhheels's seasonal sales volumes. The effective sales prices of aluminum wheels averaged about EUR 55 in Q3 2015 compared to a EUR 50.1 price average

recorded in Q3 2014, representing an increase driven by price hikes in the Aftermarket segment combined with the increasing size of an average car wheel. Consequently the quarterly average EBITDA per ton for Uniwhheels is expected to be EUR 6.2 in Q3 2015 vs. EUR 5.5 in the same period last year (a result of higher sales prices, wheel upsizing, and high capacity utilization by Uniwhheels plants). Due to the zloty's slight depreciation versus the euro Uniwhheels will most likely recognize FX losses of ca. EUR 0.3m in Q3 2015. After all this the quarterly net profit is expected to show year-on-year growth of 8.8% at an estimated PLN 4.6m. Based on the Q3 estimates we predict that Uniwhheels will have achieved 78% of our FY2015 annual revenue forecast, 74% of expected EBITDA, and 72% of our annual net profit estimate in the first three quarters of the year.

Manufacturers <b>Vistal</b> Buy									
Analyst: Jakub Szkopek	Current price (PLN)	11.01				FY15E P/E	8.9	FY15E EV/EBITDA	7.3
	Target price (PLN)	16.40				FY16E P/E	6.6	FY16E EV/EBITDA	6.1
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	95.6	76.4	25.2%	294.3	226.6	29.9%	334.2	322.4	3.7%
EBITDA	10.0	9.7	3.3%	36.0	28.0	28.3%	41.4	39.6	4.6%
Margin	10.5%	12.7%		12.2%	12.4%		12.4%	12.3%	
EBIT	6.2	6.8	-9.0%	24.7	18.5	33.6%	25.7	27.1	-5.3%
Pre-tax profit	3.2	4.5	-29.5%	18.8	14.3	31.2%	19.5	16.3	19.5%
Net profit	2.6	1.8	39.7%	14.5	9.4	53.3%	17.2	12.3	40.4%

### Vistal sees steady Q3 profits on higher sales, has FY2015 market outlook due for upgrades

We estimate the Q3 2015 revenue of Vistal at PLN 95.6m after 25.2% growth from last year. By segment we expect a 605% y/y revenue surge in construction after a 433% swell in the order backlog in Q2, and in offshore we anticipate a 101.4% jump in revenue led by a 270% higher backlog. In turn revenue from infrastructure sales is set to show a drop of 22.5% from last year after the completion of major foreign contracts in H1 2015. The quarterly gross profit will have increased 4.2% to PLN 15.3m, but the gross margin will show marked y/y contraction due to a lower share in sales of high-margin offshore drilling solutions. This share will go up in Q4 2015 when Vistal is due to commence deliveries to the Johan Sverdrup oil field under a PLN 75m contract which

expires in Q3 2016. At a projected PLN 10m the Q3 2015 EBITDA of Vistal will show growth of 3.3% from the same period in 2014. Net profit will display a surge of nearly 40% from the year-ago figure thanks to lower tax. We expect Vistal to recognize FX losses on its loan portfolio of some PLN 0.6m in Q3 stemming from the zloty's 1.05% depreciation versus the euro. Based on our Q3 forecasts we estimate that Vistal achieved 88% of our annual revenue forecast, 87% of expected EBITDA, and 84% of our annual net profit estimate in first three quarters of the year. After the Q3 announcement we think analysts may upgrade their expectations as to the Company's FY2015 earnings to PLN 380-390m revenue, PLN 47-49m EBITDA, and PLN 18m-20m net profit. Vistal's net debt as of 30 September 2015 is likely to approximate PLN 225m or 4.7x 12M EBITDA.

## Construction

Construction Budimex		Buy							
Analyst: Piotr Zybala	Current price (PLN)	210.20		FY15E P/E		25.2	FY15E EV/EBITDA		12.6
	Target price (PLN)	225.10		FY16E P/E		17.8	FY16E EV/EBITDA		9.6
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	1,493.4	1,559.6	-4.2%	3,761.7	3,712.8	1.3%	5,094.7	4,949.9	2.9%
EBITDA	75.0	72.0	4.3%	215.1	193.7	11.1%	276.8	270.3	2.4%
Margin	5.0%	4.6%	-	5.7%	5.2%	-	5.4%	5.5%	-
EBIT	69.7	66.3	5.0%	198.4	176.3	12.5%	255.5	247.3	3.3%
Pre-tax profit	71.5	62.1	15.1%	206.1	172.3	19.6%	265.9	242.6	9.6%
Net profit	57.2	47.9	19.4%	163.8	134.8	21.5%	213.0	192.0	11.0%

**Budimex sees continued growth in Q3**

Budimex expects to deliver Q3 2015 results ahead of its own guidance according to an interview by CEO Blocher, except for revenue which remains subdued while major contracts are in early stages of delivery. Accordingly we expect that on a revenue of PLN 1,493m (-4% y/y), the Company will report EBITDA of PLN 75m (+4% y/y) and net profit of PLN 57m (+19% y/y) in the period. We stand by our full-year earnings estimates and we continue to expect a 2016 dividend payout of PLN 213m. In the Construction segment we anticipate a slight y/y revenue contraction to an estimated PLN 1,450m in Q3 combined with gross margin expansion from 6% to 8% (the year-ago base is low compared to the margins

achieved this year). Construction EBIT is likely to approximate PLN 73m, with the EBIT margin at ca. 5.0%. The third quarter of 2015 was a slow one for the Real Estate business, and with about 60 homes closed in the period (vs. 25 in Q3 2014) the revenue in the segment is estimated at PLN 20m and EBIT is set to show an operating loss. Budimex's cash position this year shows significant improvement from 2014, and in Q3 we expect it to show contributions from advances received toward new road contracts. We expect that financing activity in Q3 2015 produced a gain of PLN 1m vs. a financing loss of PLN 3m booked in Q3 2014.

Construction Elektrobudowa		Buy							
Analyst: Piotr Zybala	Current price (PLN)	151.00		FY15E P/E		13.3	FY15E EV/EBITDA		8.5
	Target price (PLN)	170.50		FY16E P/E		13.0	FY16E EV/EBITDA		7.7
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	303.1	314.5	-3.6%	896.0	756.8	18.4%	1,194.1	1,108.3	7.7%
EBITDA	20.8	21.1	-1.7%	64.2	32.4	98.2%	85.6	49.3	73.6%
Margin	6.9%	6.7%	-	7.2%	4.3%	-	7.2%	4.4%	-
EBIT	17.3	17.7	-2.2%	53.3	22.2	139.9%	71.3	35.7	99.6%
Pre-tax profit	16.8	17.4	-3.8%	51.6	20.8	148.0%	68.8	33.5	105.3%
Net profit	13.1	14.2	-7.6%	40.4	16.3	148.3%	53.8	27.3	96.9%

**Base effects tone down strong Q3 growth**

We expect Elektrobudowa to deliver strong earnings results for Q3 2015, however compared to a high year-ago base the growth will be flat. In the unlikely event that Elektrobudowa's Q3 margin was equally strong as the Q2 margin, the

Company could exceed our Q3 EBITDA estimate of PLN 20.8m and net profit estimate of PLN 13.1m. Operating cash flow is set to worsen in H2 2015, but thanks to an improved 2015 cash position Elektrobudowa may resume dividend payments in 2016.

Construction Erbud		Accumulate							
Analyst: Piotr Zybala		Current price (PLN)	33.14		FY15E P/E	15.2	FY15E EV/EBITDA	7.7	
		Target price (PLN)	34.50		FY16E P/E	13.1	FY16E EV/EBITDA	6.9	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	437.9	428.3	2.2%	1,276.9	1,137.4	12.3%	1,642.1	1,693.8	-3.1%
EBITDA	13.3	11.4	16.3%	43.9	32.1	36.7%	54.8	52.7	4.0%
Margin	3.0%	2.7%	-	3.4%	2.8%	-	3.3%	3.1%	-
EBIT	10.8	9.6	12.3%	36.4	26.2	39.0%	46.7	43.8	6.7%
Pre-tax profit	9.0	7.5	20.1%	31.7	20.7	53.0%	38.2	36.5	4.6%
Net profit	6.6	7.0	-5.9%	21.9	15.0	45.6%	27.9	27.2	2.6%

### Diminishing potential for positive surprises

Erbud delivered one of the strongest earnings seasons in the construction sector in H1 2015, marked by significant revenue and margin growth across virtually all operating segments, supported by one-time valuation gains on the Deptak development in Poznań which are expected to be much lower in Q3. SG&A expenses in Q3 will show a marked y/y increase due to a move to a new HQ and expansion in

power engineering. Erbud's order backlog at 30 June was PLN 1.34bn after y/y contraction of 5%, suggesting a slowdown in H2. In nominal terms we estimate Erbud's Q3 2015 revenue at PLN 437.9m (flat y/y), and we anticipate a 12% rebound in EBIT to PLN 10.8m. At PLN 6.6m the net profit for the quarter will show a 6% drop from Q3 2014 when the Company paid an unusually low tax.

Construction Unibep		Hold							
Analyst: Piotr Zybala		Current price (PLN)	10.65		FY15E P/E	15.4	FY15E EV/EBITDA	9.3	
		Target price (PLN)	10.40		FY16E P/E	12.0	FY16E EV/EBITDA	7.4	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	312.6	286.9	8.9%	887.4	748.8	18.5%	1,253.1	1,079.7	16.1%
EBITDA	8.4	6.5	27.9%	24.8	21.2	16.9%	41.2	32.1	28.5%
Margin	2.7%	2.3%	-	2.8%	2.8%	-	3.3%	3.0%	-
EBIT	6.7	4.8	39.0%	19.5	16.1	21.2%	34.6	25.1	37.6%
Pre-tax profit	7.6	6.9	10.0%	21.3	18.0	18.0%	32.0	27.6	16.1%
Net profit	6.0	5.2	15.4%	16.0	12.5	28.3%	24.3	19.8	22.8%

### Unibep eyes double-digit growth in Q3

We anticipate continued strong earnings growth at Unibep in Q3 2015, with revenue at an estimated PLN 312.6m (+9% y/y), EBIT at PLN 6.7m (+39% y/y), and net profit at PLN 6.0m (+15% y/y). By segment we anticipate improvement in Construction which in Q2 booked non-recurring charges. In Roads and Light Structures we expect to see flat y/y growth. In Light Structures part of the profit

will be reclassified as financing activity due to a strong depreciation in NOK vs. PLN, resulting in a lower segmental gross margin. At the same time Unibep posted a hedging gain in Q3. We believe Unibep can achieve our full-year net profit estimate of PLN 24.3m even though the profit for 9M 2015 is only 66% of the target given that it is set for a rebound in Q4 driven by the completion of residential projects.

## Property Developers

Property Developers Capital Park		Accumulate							
Analyst: Piotr Zybala	Current price (PLN)	6.00		FY15E P/E		-		FY15E P/BV	
	Target price (PLN)	6.50		FY16E P/E		45.8		FY16E P/BV	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	18.9	14.1	33.9%	53.9	35.8	50.6%	76.3	54.8	39.1%
Gross profit	13.6	9.9	37.2%	38.8	25.8	50.5%	56.4	41.5	35.9%
Margin	72.0%	70.2%	-	72.0%	72.0%	-	74.0%	75.7%	-
EBIT e. revaluations	10.2	7.0	46.8%	29.9	18.1	65.0%	44.1	29.7	48.5%
Revaluations	16.2	-0.2	-	-31.9	12.7	-	-70.4	-61.0	15.4%
EBIT	25.7	5.1	406.1%	-4.2	25.6	-	-26.3	-35.2	-25.3%
Pre-tax profit	8.0	0.3	-	-29.0	14.8	-	-34.4	-64.4	-46.5%
Net profit	5.5	-1.0	-	-36.8	7.5	-	-46.6	-61.5	-24.2%

**CAP sees upward earnings momentum**

We expect Capital Park to report double-digit growth in Q3 2015 revenue and operating profit driven by rental commercial properties. The contributions from the Royal Wilanów development will become more noticeable in Q4, and they will increase steadily in 2016 in line with a rising tenancy rate. The Q3 profits will receive an additional boost from an upward adjustment to the value of investment

properties driven by a strengthened EUR/PLN exchange rate estimated at PLN 16m. The pre-tax profit will be supported by PLN 8m gains on financing activity. The Q3 2015 net profit attributable to the shareholders of the parent company is expected to come in at PLN 5.5m. If the EUR/PLN exchange rate stays at the current level through to the end of the year, Capital Park will report a lower annual net loss than the PLN 47m expected by us.

Property Developers Echo Investment		Accumulate							
Analyst: Piotr Zybala	Current price (PLN)	6.98		FY15E P/E		21.2		FY15E P/BV	
	Target price (PLN)	8.00		FY16E P/E		12.9		FY16E P/BV	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	131.0	149.1	-12.2%	404.8	372.5	8.7%	610.9	577.4	5.8%
Gross profit	73.0	89.8	-18.8%	208.0	222.1	-6.3%	325.5	318.0	2.4%
Margin	55.7%	60.2%	-	51.4%	59.6%	-	53.3%	55.1%	-
EBIT e. revaluations	49.0	65.0	-24.7%	120.8	159.9	-24.4%	247.5	211.8	16.8%
Revaluations	45.2	5.0	808.5%	4.6	437.2	-98.9%	-37.7	450.3	-
EBIT	94.2	70.0	34.6%	125.5	597.1	-79.0%	209.9	662.2	-68.3%
Pre-tax profit	30.2	34.7	-13.1%	58.4	491.5	-88.1%	150.9	448.2	-66.3%
Net profit	24.4	30.1	-18.8%	47.2	454.8	-89.6%	135.8	405.1	-66.5%

**Base effects tone down Q3 growth**

We expect that Echo improved its profits in Q3 after a disappointing Q2, however year-on-year growth in the period will be subdued due to negative base effects. We anticipate a 12% y/y drop to PLN 131m in the quarterly revenue and a 25% fall to PLN 49m in EBIT adjusted for revaluation effects.

Revaluation gains are likely to be higher than last year at an estimated PLN 45m vs. PLN 5m thanks to favorable FX effects. After interest expenses of ca. PLN 40m and valuation losses on forward contracts and FX loans of ca. PLN 26m, the Q3 2015 net profit will approximate PLN 24m.

Property Developers <b>GTC</b>		Accumulate							
Analyst: Piotr Zybala		Current price (PLN)	6.98		FY15E P/E	22.9		FY15E P/BV	1.16
		Target price (PLN)	6.60		FY16E P/E	10.9		FY16E P/BV	1.05
(EUR m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	29.1	30.8	-5.5%	89.1	94.5	-5.7%	115.4	124.3	-7.1%
Gross profit	20.2	20.5	-1.9%	60.3	61.5	-1.9%	80.2	81.1	-1.1%
Margin	69.2%	66.7%	-	67.7%	65.0%	-	69.5%	65.3%	-
EBIT e. revaluations	17.1	18.0	-5.1%	51.4	51.3	0.2%	65.9	67.5	-2.4%
Revaluations	0.0	-0.9	-	-1.8	-68.3	-	7.8	-194.4	-
EBIT	17.0	18.3	-7.3%	49.4	-14.6	-	73.7	-124.3	-
Pre-tax profit	8.3	9.0	-8.2%	19.5	-58.8	-	26.1	-194.5	-
Net profit	10.1	5.1	97.4%	16.5	-58.7	-	25.2	-183.8	-

### Stable 2015 outlook

GTC is expected to report declines to an estimated EUR 29.1m in the Q3 2015 revenue and EUR 17.1m in EBIT from a high year-ago base. We estimate the 9M 2015 core EBIT at EUR 51.4m (flat y/y), and we think the annual EBIT may exceed slightly our EUR 65.9m forecast thanks to a new

office building in Belgrade combined with reduced financing costs (9M 2015 core EBIT after financing costs is estimated at EUR 27.1m, +36% y/y). GTC is not likely to recognize major revaluation effects in Q3. Assuming regular tax the Q3 net profit should approximate EUR 10m. In H1 2015 GTC generated operating cash flow after interest of EUR 21m.

Property Developers <b>Robyg</b>		Buy							
Analyst: Piotr Zybala		Current price (PLN)	2.54		FY15E P/E	14.7		FY15E P/BV	1.47
		Target price (PLN)	2.95		FY16E P/E	9.9		FY16E P/BV	1.37
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	185.5	43.6	325.3%	326.1	284.3	14.7%	410.1	409.3	0.2%
Gross profit	26.3	8.8	198.3%	52.6	50.3	4.4%	73.7	73.0	1.0%
Margin	14.2%	20.2%	-	16.1%	17.7%	-	18.0%	17.8%	-
EBIT e. revaluations	17.7	-5.5	-419.2%	35.4	30.3	16.9%	65.7	51.2	28.3%
Revaluations	0.0	11.1	-100.0%	-1.4	11.1	-	0.0	9.3	-100.0%
EBIT	17.7	5.5	221.0%	34.0	41.4	-17.8%	65.7	60.5	8.6%
Pre-tax profit	15.2	4.2	265.4%	26.6	34.7	-23.4%	57.2	52.0	9.9%
Net profit	39.1	1.9	1,930.3%	56.9	21.7	162.4%	45.2	42.3	6.8%

### 2015 earnings peak in Q3

Robyg closed 730 homes in Q3 2015 – the highest number in history, though most of the homes were in low-margin developments. On a revenue of ca. PLN 185m we expect the quarterly gross margin to be ca. 14%. Equity in profits of associates is estimated at PLN 3.2m. EBIT (including joint venture profits) will be ca. PLN 17.7mm and pre-tax profit

will be PLN 15.2m. After a PLN 29m one-time gain stemming from a deferred tax asset, the Q3 2015 net profit will come in at a projected PLN 39.1m. We estimate that Robyg generated a net profit of PLN 56.9m in 9M 2015 (+162% y/y), falling to PLN 21m after adjustment for tax one-offs and valuation effects – an amount which represents 46% of our full-year forecast (PLN 45.2m), indicating that Robyg may fall short of expectations this year.

## Retail

Retail AmRest		Buy							
Analyst: Piotr Bogusz	Current price (PLN)	179.50		FY15E P/E	29.0	FY15E EV/EBITDA	11.1		
	Target price (PLN)	180.00		FY16E P/E	24.8	FY16E EV/EBITDA	9.3		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	861.1	765.3	12.5%	2,267.4	2,019.8	12%	3,278.2	2,952.7	11%
EBITDA	116.8	100.3	16.4%	310.7	249.0	25%	428.6	356.4	20%
Margin	13.6%	13.1%	0.5p.p.	13.7%	12.3%	1.4p.p.	13.1%	12.1%	1p.p.
EBIT	62.1	50.2	23.7%	151.0	100.8	50%	207.8	109.9	89%
Pre-tax profit	51.2	39.9	28.3%	121.8	65.9	85%	160.5	65.3	146%
Net profit	39.3	31.6	24.3%	92.3	44.5	107%	131.5	51.7	155%

**AmRest sees more growth in Q3**

Based on preliminary Q3 sales data we expect AmRest to report sales revenue of PLN 861m for the period (+12.5% y/y). AmRest has a strong position in CEE, Spain, and China, where its restaurants are generating increasing revenues. The Q3 EBITDA margin is expected to expand by 0.5ppt y/y to 13.6% driven by the break-even of the New Markets division and improving margins achieved in the Czech Republic and Other CEE. On the other hand there will be

contraction in EBITDA margins in Poland (-1.3ppt y/y to 13.4%; negative base effects), Russia (-0.5ppt y/y to 9%; RUB devaluation), and Spain (-1.1ppt y/y to 20.4%, new openings). Q3 2015 EBIT is expected to show 23.7% growth to PLN 62.1m and EBITDA will increase 16.4% to an estimated PLN 116.8m. After financing losses of PLN 10.8m (vs. PLN 11.4m in Q3 2014), tax of PLN 12.3m, and PLN -0.4m minority interests, AmRest's net profit for Q3 2015 is set to show a 24.3% y/y surge to an estimated PLN 39.3m.

Retail CCC		Sell							
Analyst: Piotr Bogusz	Current price (PLN)	173.90		FY15E P/E	19.9	FY15E EV/EBITDA	19.2		
	Target price (PLN)	158.00		FY16E P/E	16.4	FY16E EV/EBITDA	15.4		
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	506.8	474.0	6.9%	1,546.7	1,329.9	16.3%	2,537.2	2,009.1	26.3%
EBITDA	29.9	60.2	-50.3%	166.3	173.8	-4.3%	375.5	295.9	26.9%
Margin	5.9%	12.7%	-6.8p.p.	10.8%	13.1%	-2.3p.p.	14.8%	14.7%	0.1p.p.
EBIT	20.3	52.2	-61.2%	126.2	144.4	-12.6%	326.2	270.4	20.6%
Pre-tax profit	14.7	45.4	-67.6%	107.5	130.1	-17.3%	291.4	246.7	18.1%
Net profit	25.8	40.2	-35.9%	137.3	110.4	24.4%	336.2	236.1	42.4%

**Margins tighten in Q3**

CCC generated weak sales in September, and based on overall Q3 sales figures we expect the Company to generate revenue of PLN 506.8m (+6.9%) in the period driven by a 22.5% larger sales area. The implied revenue per square meter is PLN 526.5, up 16.2% year on year. Due to high dollar costs of merchandise and price markdowns the quarterly gross margin will fall by an estimated 3ppt to

51.9%. SG&A are expected to fall 7.5% to PLN 250 per square meter, with the Q3 total estimated at PLN 240.4m. After other operating expenses (mainly stocktaking losses) of PLN 2.5m, the Q3 2015 EBIT will come in at ca. PLN 20.3m (61.2% y/y), and EBITDA will be PLN 29.9m (-50.3% y/y). With financing gains projected at PLN 5.6m (vs. PLN 6.1m in Q3'14), after a PLN 13.9m deferred tax asset, the Q3 2015 net profit should approximate PLN 25.8m (-35.9% y/y).

Retail Eurocash		Accumulate							
Analyst: Piotr Bogusz		Current price (PLN)	49.15		FY15E P/E	30.8	FY15E EV/EBITDA	15.4	
		Target price (PLN)	40.80		FY16E P/E	24.6	FY16E EV/EBITDA	13.3	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	5,422.4	4,507.9	20.3%	15,209.8	12,518.0	21.5%	20,352.8	16,963.8	20.0%
EBITDA	143.8	112.8	27.5%	299.6	255.2	17.4%	490.8	412.5	19.0%
Margin	2.65%	2.50%	0.15p.p.	1.97%	2.04%	-0.07p.p.	2.41%	2.43%	-0.02p.p.
EBIT	104.5	80.5	29.8%	186.6	162.2	15.1%	341.4	287.2	18.9%
Pre-tax profit	92.5	66.8	38.4%	152.6	126.0	21.1%	287.9	218.8	31.6%
Net profit	69.2	57.5	20.4%	114.5	108.2	5.8%	221.1	180.5	22.5%

### Eurocash eyes 27.5% EBITDA growth in Q3

Eurocash is expected to post solid sales results for Q3 2015 supported by decelerating deflation, the good performance of Tradis, and the consolidation of Firma Rogala. Accordingly we estimate the quarterly revenue at PLN 5,422m after a y/y increase of ca. 20.3%. At the same time the Q3 gross margin is likely to show a decrease of 0.6ppt to 9.8% led by the consolidation of the newsagents' chain Kolporter. SG&A expenses are expected to show a 10.7% y/y rise to

PLN 422m. After a loss of PLN 5m on other operating activity (mainly the new businesses), Q3 2015 EBIT will approximate PLN 104.5m (+29.8% y/y), and EBITDA will be PLN 143.8m (+27.5% y/y). With financing losses at a projected PLN 12m, after PLN 14m tax and PLN 3.5m minority interests, the Q3 2015 net profit will come in at PLN 69.2m (+20.4% y/y). Like in previous quarters, operating cash flow is likely to be strong in Q3 thanks to cash released from inventory.

Retail Jeronimo Martins		Sell							
Analyst: Piotr Bogusz		Current price (EUR)	12.84		FY15E P/E	24.6	FY15E EV/EBITDA	11.1	
		Target price (EUR)	10.70		FY16E P/E	21.2	FY16E EV/EBITDA	10.0	
(EUR m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	3,496.1	3,280.9	6.6%	10,140.1	9,332.6	8.7%	13,745.9	12,680.0	8.4%
EBITDA	221.7	206.0	7.6%	584.7	547.0	6.9%	774.3	732.0	5.8%
Margin	6.34%	6.28%	0.1p.p.	5.77%	5.86%	-0.1p.p.	5.63%	5.77%	-0.1p.p.
EBIT	146.6	135.2	8.4%	357.6	341.3	4.8%	479.4	448.5	6.9%
Pre-tax profit	143.6	133.5	7.6%	349.6	329.8	6.0%	469.5	428.5	9.6%
Net profit	97.9	92.1	6.3%	262.9	237.1	10.9%	328.6	301.4	9.0%

### JMT earnings slow in Q3

The rate of Biedronka store openings is expected to have decelerated to 6.5% y/y in Q3 2015 from 11.2% in Q1 and 8.4% in Q2. The resulting revenue contraction should be offset by a 2% y/y increase in sales per square meter (vs. 2% in Q2 and -5.3% in Q3 2014). This, combined with positive sales trends at the Pingo Doce and Recheio units, will result in consolidated revenue growth of 6.6% to an

estimated EUR 3,496m. At 6.2% the y/y increase in distribution and administrative costs will be slower. As a result we anticipate moderate EBITDA margin expansion by 0.08ppt to 6.34%. EBIT is estimated at EUR 146.6m (+8.4% y/y) and EBITDA is projected at EUR 221.7m (+7.6% y/y). After financing losses of EUR 2.9m and tax at 23.5%, JMT is set to post a Q3 2015 net loss of EUR 97.9m (+6.3% y/y).



Retail LPP Sell									
Analyst: Piotr Bogusz	Current price (PLN)		7,561	FY15E P/E		36.6	FY15E EV/EBITDA		19.7
	Target price (PLN)		6,300	FY16E P/E		27.7	FY16E EV/EBITDA		16.3
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	1,265.3	1,234.2	2.5%	3,559.1	3,364.4	5.8%	5,116.7	4,769.3	7.3%
EBITDA	154.0	185.0	-16.7%	420.6	502.9	-16.4%	706.6	802.8	-12.0%
Margin	12.2%	15.0%	-2.8p.p.	11.8%	14.9%	-3.1p.p.	13.8%	16.8%	-3p.p.
EBIT	97.6	134.4	-27.4%	258.1	360.9	-28.5%	489.5	609.1	-19.6%
Pre-tax profit	78.1	95.1	-17.9%	206.7	286.2	-27.8%	453.6	459.9	-1.4%
Net profit	62.9	81.7	-23.1%	162.2	234.5	-30.8%	365.0	479.5	-23.9%

### EBIT falls 27.4% in Q3

A lack of clearance sales, combined with unfavorable weather in August and September, were one of the reasons behind the sluggish, 2.5% y/y growth to an estimated PLN 1,265m in LPP's Q3 2015 revenue. The sales area expanded 16.3% y/y 792,000sqm at the end of September 2015, with the implied per-sqm revenue down 11.4% to PLN 538. At the same time the gross margin is expected to post a 4.9ppt drop to 51.8% in Q3 2015. The weak third-quarter sales

imply lower rental costs and the absence of sales bonuses, resulting in a 14.8% y/y reduction to PLN 234 in the quarterly per-sqm SG&A expenses. Total SG&A should show a 1.5% y/y decline to PLN 550m. After inventory losses of PLN 7.8m, the Q3 2015 EBIT will come in at PLN 97.6m (-27.4% y/y), and EBITDA will be PLN 154m (-16.7% y/y). With financing costs projected at PLN 19.5m (including PLN 15m FX losses), after 19% tax, the Q3 2015 net profit is projected at PLN 62.9m (-23.1% y/y).

## Other

Other Work Service		Accumulate							
Analyst: Paweł Szpigiel		Current price (PLN)	15.50		FY15E P/E	21.5	FY15E EV/EBITDA	10.3	
		Target price (PLN)	21.90		FY16E P/E	14.1	FY16E EV/EBITDA	7.8	
(PLN m)	Q3'15E	Q3'14	change	9M'15E	9M'14	change	2015E	2014	change
Revenue	520.5	488.3	6.6%	1497.6	1224.2	22.3%	2357.4	1739.8	35.5%
EBITDA	23.7	23.6	0.4%	62.2	59.9	3.9%	124.9	98.7	26.6%
Margin	4.6%	4.8%	-	4.2%	4.9%	-	5.3%	5.7%	-
EBIT	20.9	21.1	-0.9%	53.8	53.5	0.6%	112.4	89.1	26.1%
Pre-tax profit	14.4	14.6	-1.0%	34.9	38.0	-8.2%	94.4	62.6	50.9%
Net profit	8.0	5.3	51.6%	21.2	30.4	-30.1%	48.5	52.4	-7.4%

### WSE sees flat EBIT in Q3

Work Service is set to report y/y revenue growth by nearly 7% to PLN 521m in Q3 2015 thanks to the consolidation of a German subsidiary. The gross margin will be steady at 10.9% as a continued slowdown in Germany will be offset by outsourcing sales, especially at Exact and IT Kontrakt. Compared to the previous quarter selling expenses will

remain flat but general expenses will be lower thanks to a lack of management bonuses. With other operating activity producing zero effects, the Q3 2015 EBIT can approximate PLN 20.9m. After financing losses of PLN 6.5m, 25% effective tax, and 25% minority interests (down from 52% thanks to improvement in Poland and Hungary), the quarterly net profit is expected to show year-on-year growth of 52% to PLN 8m.

## Earnings Calendar

Company	Q3 2015
Agora	2015-11-09
Alior Bank	2015-11-05
AmRest	2015-11-11
Asseco Poland	2015-11-13
Budimex	2015-10-28
BZ WBK	2015-10-29
Capital Park	2015-10-26
CCC	2015-11-06
CD Projekt	2015-11-12
CEZ	2015-11-10
Ciech	2015-11-16
Cyfrowy Polsat	2015-11-12
Dom Development	2015-10-23
Echo Investment	2015-11-16
Elektrobudowa	2015-11-16
Elemental	2015-11-13
Enea	2015-11-12
Energa	2015-11-09
Erbud	2015-11-16
Erste Bank	2015-11-06
Eurocash	2015-11-10
Famur	2015-11-13
Getin Noble Bank	2015-11-16
GTC	2015-11-13
Handlowy	2015-11-04
ING	2015-11-04
Jeronimo Martins	2015-10-05
JSW	2015-11-12
Kernel	2015-11-25
Kęty	2015-10-22
KGHM	2015-11-12
Komercni Banka	2015-11-05
Kopex	2015-11-12
Kruk	2015-11-01
Lotos	2015-10-29
LPP	2015-11-12
LW Bogdanka	2015-10-29
Millennium	2015-10-23
MOL	2015-11-06
Netia	2015-11-05
OTP Bank	2015-11-13
Pekao	2015-11-10
PGE	2015-11-09
PGNiG	2015-11-06
PKO BP	2015-11-09
Polwax	2015-11-13
Prime Car Management	2015-11-16
PZU	2015-11-10
RBI	2015-11-12
Robyg	2015-11-12
Skarbiec Holding	2015-11-16
Synthos	2015-11-13
Tarczyński	2015-11-06
Tauron	2015-11-10
Unibep	2015-11-13
UNIWHEELS	2015-11-16
Vistal	2015-11-13
Wirtualna Polska	2015-11-16
Work Service	2015-11-13

Source: Companies

## Current recommendations by Dom Maklerski mBanku

Company	Recommendation	Date issued	Price on report date	Target price	Current price	Upside / Downside	P/E 2015	P/E 2016	EV/EBITDA 2015	EV/EBITDA 2016
<b>Banks</b>										
ALIOR BANK	Buy	2015-09-15	87.50	109.72	82.75	+32.6%	15.0	11.0		
BZ WBK	Hold	2015-09-15	311.50	315.28	314.15	+0.4%	15.6	12.3		
GETIN NOBLE BANK	Buy	2015-09-15	0.88	2.03	0.92	+120.7%	7.4	9.7		
HANDLOWY	Hold	2015-09-15	85.50	90.27	81.83	+10.3%	15.4	14.1		
ING BSK	Hold	2015-09-15	123.20	140.49	128.50	+9.3%	14.4	13.4		
MILLENNIUM	Buy	2015-09-15	6.23	9.04	6.43	+40.6%	11.7	10.6		
PEKAO	Hold	2015-09-15	164.40	157.86	156.45	+0.9%	16.6	15.6		
PKO BP	Buy	2015-09-15	30.06	40.05	30.30	+32.2%	13.9	11.5		
KOMERCNI BANKA	Reduce	2014-12-11	4920	4549 CZK	5110	-11.0%	15.5	14.8		
ERSTE BANK	Accumulate	2015-03-06	23.29	25.43 EUR	27.07	-6.1%	14.7	12.0		
RBI	Buy	2015-01-26	10.21	18.27 EUR	14.27	+28.1%	11.9	6.4		
OTP BANK	Accumulate	2015-08-21	5635	6288 HUF	5648	+11.3%	17.3	9.5		
<b>Insurance</b>										
PZU	Buy	2015-09-03	425.00	488.23	375.00	+30.2%	12.0	11.2		
<b>Financial services</b>										
KRUK	Hold	2015-05-06	154.00	143.10	183.70	-22.1%	17.9	15.2		
PRIME CAR MANAGEMENT	Buy	2015-09-02	43.01	53.60	43.00	+24.7%	12.1	11.1		
SKARBIEC HOLDING	Buy	2015-05-14	47.83	64.30	33.30	+93.1%	7.2	5.6		
<b>Fuels, chemicals</b>										
CIECH	Reduce	2015-03-06	54.00	46.90	72.94	-35.7%	22.6	16.9	8.7	8.1
LOTOS	Accumulate	2015-10-09	30.66	34.00	28.65	+18.7%	8.2	8.5	5.4	5.9
MOL	Buy	2015-10-09	178.00	237.50	179.25	+32.5%	20.0	7.8	3.7	3.5
PGNIG	Sell	2015-10-09	6.94	5.49	6.80	-19.3%	13.7	16.1	6.3	7.0
PKN ORLEN	Reduce	2015-10-09	64.50	59.80	62.80	-4.8%	7.5	7.5	4.9	4.9
POLWAX	Buy	2014-11-06	15.05	24.20	15.80	+53.2%	6.8	6.7	6.2	5.7
SYNTHOS	Hold	2015-05-05	4.76	4.75	3.73	+27.3%	13.9	10.1	9.3	8.0
<b>Power Utilities</b>										
CEZ	Hold	2015-07-30	88.40	89.20	74.66	+19.5%	9.1	10.9	6.0	6.6
ENEA	Buy	2015-07-30	13.94	18.10	13.55	+33.6%	7.0	8.7	4.4	5.5
ENERGA	Reduce	2015-07-30	19.70	18.60	16.98	+9.5%	8.0	10.2	5.1	6.0
PGE	Buy	2015-09-03	15.08	16.82	14.00	+20.1%	7.2	8.6	3.7	4.7
TAURON	Buy	2015-07-30	3.63	4.70	3.13	+50.2%	4.9	5.7	4.1	4.7
<b>Telecommunications</b>										
NETIA	Hold	2015-01-26	5.70	5.80	5.52	+5.1%	96.1	61.4	5.0	5.2
ORANGE POLSKA	Buy	2015-08-06	8.12	10.20	7.14	+42.9%	26.2	32.2	3.7	4.3
<b>Media</b>										
AGORA	Hold	2015-01-26	8.35	8.20	11.23	-27.0%	-	-	8.2	8.2
CYFROWY POLSAT	Reduce	2015-01-26	22.90	21.80	25.00	-12.8%	19.9	16.2	7.5	6.9
WIRTUALNA POLSKA	Buy	2015-07-01	33.67	44.70	39.65	+12.7%	25.0	14.7	14.4	11.3
<b>IT</b>										
ASSECO POLAND	Hold	2015-04-02	58.68	59.00	55.18	+6.9%	13.3	13.2	7.2	7.0
CD PROJEKT	Buy	2015-09-04	25.55	30.90	26.80	+15.3%	5.1	14.6	3.4	8.5
COMARCH	Suspended	2013-03-11	89.60	-	120.50	-	-	-	-	-
SYGNITY	Suspended	2013-02-05	16.80	-	9.30	-	-	-	-	-
<b>Mining &amp; Metals</b>										
JSW	Hold	2015-01-26	20.40	27.00	12.96	+108.3%	-	-	6.5	2.3
KGHM	Buy	2015-01-26	108.25	127.00	95.70	+32.7%	8.9	7.7	4.9	4.6
LW BOGDANKA	Under Review	2015-06-12	66.00	-	57.50	-	-	-	-	-
<b>Manufacturers</b>										
ELEMENTAL	Accumulate	2015-06-17	4.07	4.50	4.32	+4.2%	19.0	17.8	12.7	10.3
FAMUR	Buy	2015-09-03	1.69	3.00	1.90	+57.9%	10.0	8.5	3.6	2.9
KERNEL	Reduce	2015-07-17	40.35	35.00	51.36	-31.9%	6.9	7.4	3.4	4.7
KĘTY	Reduce	2015-03-06	319.00	261.39	271.10	-3.6%	13.1	13.3	8.1	8.0
KOPEX	Hold	2015-06-03	8.08	8.10	5.97	+35.7%	10.0	9.1	3.7	3.5
TARCZYŃSKI	Hold	2015-03-06	14.65	15.00	13.18	+13.8%	10.4	9.8	6.4	6.0
UNIWHEELS	Buy	2015-06-11	115.05	136.60	118.10	+15.7%	10.4	9.8	7.2	6.6
VISTAL	Buy	2015-01-26	9.59	16.40	11.01	+49.0%	8.9	6.6	7.3	6.1
<b>Construction</b>										
BUDIMEX	Buy	2015-09-03	187.20	225.10	210.20	+7.1%	25.2	17.8	12.6	9.6
ELEKTROBUDOWA	Buy	2015-10-02	144.50	170.50	151.00	+12.9%	13.3	13.0	8.5	7.7
ERBUD	Accumulate	2015-07-03	32.00	34.50	33.14	+4.1%	15.2	13.1	7.7	6.9
UNIBEP	Hold	2015-03-06	10.25	10.40	10.65	-2.3%	15.4	12.0	9.3	7.4
<b>Property Developers</b>										
CAPITAL PARK	Accumulate	2015-10-02	5.88	6.50	6.00	+8.3%	-	45.8	-	30.3
DOM DEVELOPMENT	Buy	2015-09-03	47.01	57.90	51.00	+13.5%	16.8	13.2	13.6	10.7
ECHO	Accumulate	2015-06-03	7.17	8.00	6.98	+14.6%	21.2	12.9	27.4	17.5
GTC	Accumulate	2015-10-02	6.20	6.60	6.98	-5.4%	22.9	10.9	17.6	13.9
ROBYG	Buy	2015-01-26	2.16	2.95	2.54	+16.1%	14.7	9.9	12.5	8.5
<b>Retail</b>										
AMREST	Buy	2015-07-10	148.00	180.00	179.50	+0.3%	29.0	24.8	11.1	9.3
CCC	Sell	2015-03-06	185.55	158.00	173.90	-9.1%	19.9	16.4	19.2	15.4
EUROCASH	Accumulate	2015-04-24	36.80	40.80	49.15	-17.0%	30.8	24.6	15.4	13.3
JERONIMO MARTINS	Sell	2015-05-06	13.10	10.7 EUR	12.84	-16.7%	24.6	21.2	11.1	10.0
LPP	Sell	2015-10-09	7634	6300	7561	-16.7%	36.6	27.7	19.7	16.3
<b>Other</b>										
WORK SERVICE	Accumulate	2015-03-06	21.50	21.90	15.50	+41.3%	21.5	14.1	10.3	7.8

## Ratings issued in the past month

Company	Rating	Previous Rating	Target Price	Rating Day
CAPITAL PARK	Accumulate	Buy	6.50	2015-10-02
ELEKTROBUDOWA	Buy	Accumulate	170.50	2015-10-02
GTC	Accumulate	Hold	6.60	2015-10-02
LOTOS	Accumulate	Buy	34.00	2015-10-09
LPP	Sell	Sell	6,300	2015-10-09
MOL	Buy	Buy	237.50	2015-10-09
PGNiG	Sell	Sell	5.49	2015-10-09
PKN ORLEN	Reduce	Hold	59.80	2015-10-09

## Ratings Statistics

Rating	All		For Issuers who are clients of Dom Maklerski mBanku	
	Count	Ac pct. of total	Count	As pct. of total
Sell	4	6.7%	1	3.2%
Reduce	7	11.7%	2	6.5%
Hold	14	23.3%	9	29.0%
Accumulate	10	16.7%	6	19.4%
Buy	25	41.7%	13	41.9%

## 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

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

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

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In the last 12 months Dom Maklerski mBanku S.A. has been an offering agent of the issuer's shares in a public offering for the following companies: HTL Strefa, Indata Software, Uniwheels.

Asseco Poland provides IT services to Dom Maklerski mBanku S.A.

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## 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.

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