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Quarterly Earnings Forecast: Q4 2016

Equity Market

Financial Sector

In the CEE bank sector, the fourth quarter of 2016 was marked by expanding net interest margins on the one hand, and seasonally higher costs and provisioning on the other hand. At Erste Bank, a one-time Austrian banking tax payoff will lower the quarterly bottom-line figure. PCM vehicle leasing and fleet management will most likely surprise on the upside with its Q4 results, but the full-year earnings will probably miss the targets set in the Management Incentive Plan. A combined ratio below 100% in non-life insurance at PZU should lift investor sentiment.

Gas & Oil, Chemicals

We anticipate worsened quarterly profits at Grupa Azoty fertilizers, and improved profits at Synthos rubbers, supported by better fundamentals. Ciech chemicals is set to deliver an upside surprise despite rising energy costs. In Gas & Oil, the recovering energy prices after periods of cost streamlining will drive the upstream profits of PGN and MOL.

Power Utilities

Polish utilities are set to beat market expectations with their Q4 earnings, potentially prompting upward revisions to the forecasts for 2017, with Enea, Energa, and PGE all poised for likely outlook upgrades. Investors are eager to learn the sector's view on electricity and coal price trends in 2018.

Telecoms, Media, IT

The aggregate Q4 2016 EBITDA of the TMT companies in our coverage narrowed by an estimated 1% relative to the same period last year. We expect a weak fourth-quarter showing from Asseco Poland, due to a continued slowdown experienced in Poland; the Q4 EBITDA of the South Eastern Europe division is set to post year-on-year growth in excess of 18%.

Industrials & Metals

Of the industrial companies tracked by us, 59% are expected to report year-over-year earnings growth in Q4 2016, with 24% registering a slowdown and 17% delivering flat results - proportions similar to those recorded in the three previous quarters. The companies set to deliver the strongest Q4 financials include Apator, Forte, Elemental, and Uniwheels, while Alumetal, Mangata, and Vistal will probably disappoint. At KGHM copper, the fourth-quarter profits will be weighed down by impairment charges booked by foreign units.

Construction

We expect strong fourth-quarter earnings from big builders with big backlogs (Budimex, Elektrobudowa, Unibep, Erbud). In railway infrastructure, we anticipate year-over-year growth at Torpol, a slowdown at ZUE, and flat growth at Trakcja. The Q4 profits of Elektrotim and Herkules will be compared against a high year-ago base.

Property Developers

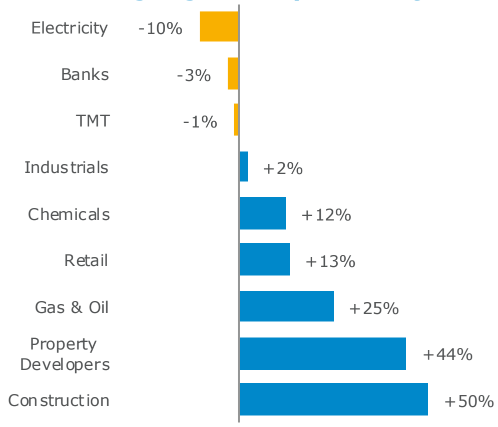
Residential developers are poised to deliver stellar fourth-quarter results, driven by successful sales. Robyg and Archicom are the most likely growth leaders, with their core profits over 100% higher than in Q4 2015. With projected earnings up nearly 30% on the year, Dom Development and LC Corp will be no laggards, either. The commercial developers GTC and Capital Park are expected to recognize valuation gains on their portfolios in Q4 2016.

Retail

The Polish retail industry in Q4 2016 benefitted from rising retail sales which in November and December accelerated to respective annual rates of 6.6% and 6.4%, the highest during the year, driven by increasing consumer spending. We anticipate strong financial results from AmRest restaurants and Jeronimo Martins supermarkets. The footwear retailer CCC as well should post solid profits after successful sales of the 2016 autumn/winter collections. In turn, we expect relatively weak results from the fashion retailer LPP and Eurocash wholesale.

WIG	57,858
Average 2017E P/E	13.6
Average 2018E P/E	12.4
ADTV (3M)	PLN 980m

Y/Y earnings* growth by sector: Q4'16



*Net income for banks, adjusted EBIT for developers, otherwise EBITDA

Earnings Surprise Prediction	
negative	**positive**
Asseco Poland	AmRest
Eurocash	CCC
Kruk	Ciech
Vistal Gdynia	Echo Investment
	PZU
	Robyg
	Uniwheels

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Banks

Poland

- NIM growth accompanied by seasonally higher costs and provisioning.
- Bottom lines affected by a one-time hike in deposit insurance premiums due to a co-op bank insolvency.

Other CEE

- Erste Bank will book a one-time tax pay-off of ca. EUR 200m against Q4 ahead of a 2017 reduction in the Austrian banking tax burden.

Alior Bank		Buy		Reporting Date	
Michał Konarski		PLN 71.50		9 March	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Net interest income	501.2	490.5	2%	27%	24%
Net fee income	75.4	76.2	-1%	-5%	-5%
Total income	874.8	661.4	32%	53%	25%
Operating costs	-508.4	-297.1	71%	56%	24%
Provisioning	-203.8	-199.0	2%	5%	12%
Net income	87.0	86.9	0%	120%	8%

- Flat growth in Q4 net income
- PLN 200m negative goodwill on the bargain purchase of BPH assets fully offset by costs of post-merger integration
- A 1.0% q/q decline in fee income accompanied by a 2.2% rise in net interest income
- Alior includes BPH's earnings in its consolidated statements as of November 2016

Getin Noble		Buy		Reporting Date	
Michał Konarski		PLN 2.14		24 March	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Net interest income	327.4	328.9	0%	-3%	9%
Net fee income	38.1	28.9	32%	-37%	-61%
Total income	417.8	363.8	15%	7%	-6%
Operating costs	-213.7	-207.9	3%	-56%	-28%
Provisioning	-163.8	-188.3	-13%	53%	49%
Net income	48.5	-26.5	n.m.	n.m.	-90%

- Fee income expected to show strong growth to an estimated PLN 38.1m
- NIM likely to widen by 2bps thanks to lower financing costs
- Trading come will have normalized at PLN 20.5m
- Provisioning reduced by 13% q/q
- Bottom line helped by a PLN 38m asset tax refund

Handlowy		Accumulate		Reporting Date	
Michał Konarski		PLN 85.00		14 February	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Net interest income	244.5	247.3	-1%	1%	2%
Net fee income	139.3	144.5	-4%	-9%	-10%
Total income	478.1	511.6	-7%	-5%	0%
Operating costs	-293.7	-287.9	2%	-17%	-6%
Provisioning	-17.1	-18.1	-5%	n.m.	n.m.
Net income	114.6	144.9	-21%	-3%	-6%

- Trading income set to fall 22.2% from the previous quarter
- NIM expected to tighten by 2bps after a steep rise in Q3
- A 2% seasonal increase in operating costs
- Cost of risk at 39bps after a 5.3% q/q reduction in provisioning

Millennium		Hold		Reporting Date	
Michał Konarski		PLN 5.81		6 March	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Net interest income	385.7	383.0	1%	10%	10%
Net fee income	144.3	150.2	-4%	3%	-5%
Total income	593.2	590.0	1%	8%	-2%
Operating costs	-278.1	-277.8	0%	1%	6%
Provisioning	-68.2	-53.5	28%	51%	63%
Net income	123.3	138.8	-11%	132%	27%

- Predicting a 1% q/q rise in net interest income, accompanied by 4% shrinkage in fee income
- NIM (over average assets) flat at ca. 2.3%
- Stable q/q operating costs
- Cost of risk normalized at 58bps after a low 44bps posted in Q3, implying higher risk reserves

PKO BP		Hold		Reporting Date	
Michał Konarski		PLN 31.20		6 March	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Net interest income	2045.0	1971.5	4%	10%	11%
Net fee income	714.7	686.3	4%	3%	-5%
Total income	3080.9	3135.3	-2%	7%	12%
Operating costs	-1486.2	-1377.9	8%	-23%	-7%
Provisioning	-444.3	-419.2	6%	22%	12%
Net income	643.6	768.5	-16%	45%	12%

- On reduced interest expenses and a continued rise in quarterly fee income, Q4 total income should show q/q growth of 3.8%
- NIM expected to widen by 3bps from Q3
- Costs up 7.2% from Q3, driven by seasonal patterns and one-offs
- A seasonal 6.0% q/q increase in provisioning

Erste Bank		Buy		Reporting Date	
Michał Konarski		EUR 35.98		28 February	
(EUR m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Net interest income	1079.1	1073.4	1%	-4%	-2%
Net fee income	437.5	434.9	1%	-11%	-6%
Total income	1605.8	1597.3	1%	-2%	-2%
Operating costs	-1011.3	-982.7	3%	-1%	3%
Provisioning	-116.3	-37.4	n.m.	-45%	-75%
Net income	114.2	337.4	-66%	-44%	34%

- Net income at EUR 114.2m
- A seasonal increase in risk reserves to EUR 116m
- A EUR 200m one-off tax payment in Austria ahead of a 2017 reduction in the annual fiscal burden
- Operating costs expected to show a small q/q rise of 2.9%

OTP Bank		Hold		Reporting Date	
Michał Konarski		HUF 9,031		3 March	
(HUF bn)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Net interest income	129.5	130.7	-1%	-3%	-6%
Net fee income	45.6	45.4	0%	5%	4%
Total income	187.8	183.9	2%	2%	-4%
Operating costs	-106.7	-98.2	9%	0%	2%
Provisioning	-31.6	-12.8	147%	-40%	-65%
Net income	46.0	69.7	-34%	72%	249%

- Anticipating a small, 0.9% q/q decline in net interest income, combined with stable fee income
- A seasonal increase of 8.6% in operating costs
- Provisioning raised to an estimated HUF 31.6bn after a marked reduction in the previous quarter
- No major one-offs

Financial Services

Improved profitability at PZU

- We expect PZU to surprise on the upside with a combined ratio below 100% in the non-life business

Higher income at PCM

- Despite fourth-quarter growth, EPS for FY2016 will not reach the target set in the management incentive plan

PZU		Buy		Reporting Date	
Michał Konarski		PLN 44.63		15 March	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
GWP	5267.0	4844.3	9%	8%	9%
Non-Life	3409.7	3073.0	11%	n.m.	22%
Life	2059.9	1992.4	3%	n.m.	3%
Claims	-3330.4	-3606.9	-8%	20%	10%
Costs	-1125.7	-1030.1	9%	2%	3%
Income from banks	110.0	117.6	-6%	n.m.	n.m.
Underwriting profit	348.4	161.9	115%	-10%	20%
Investment income	287.3	695.9	-59%	23%	-16%
Pre-tax income	596.0	909.0	-34%	-10%	-13%
Net income	460.9	649.0	-29%	-10%	-24%

- Gross written premiums set to show 8.7% growth from Q3 and a 7.5% boost relative to Q4 2015
- The overall GWP expansion will be led by Non-Life, where premiums are expected to grow 11.5% y/y
- The combined ratio in Non-Life likely to have decreased below 100%
- An 8% q/q drop in claims
- Investment income not including Alior Bank at a projected PLN 287.3m
- Anticipating a 12.3% q/q increase in administrative costs and a 7.6% increase in acquisition costs

Kruk		Reduce		Reporting Date	
Michał Konarski		PLN 219.64		27 February	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Total revenue	228.2	201.2	13%	41%	26%
Purchased Debt	216.7	188.1	15%	45%	28%
Collection Srvcs	7.7	7.6	2%	0%	4%
Dir. & indir. costs	99.1	76.6	29%	39%	30%
Gross profit	129.1	124.5	4%	42%	23%
Operating profit	86.1	90.8	-5%	44%	23%
Pre-tax income	62.1	72.9	-15%	24%	18%
Net income	51.0	74.4	-31%	16%	16%

- Q4 collections at an estimated PLN 290m set to show year-over-year growth of 32%
- Kruk purchased PLN 8bn-worth of debt for collection for PLN 347m (i.e. at an avg. price of 4.34%) in Q4
- Gross profit expected to be flat at the Q3 level
- Administrative costs up 43.5% q/q, driven by international expansion
- A rise of an estimated 34.1% q/q in financing costs
- Q4 effective tax rate at 13.9%

PCM		Buy		Reporting Date	
Michał Konarski		PLN 34.91		28 March	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	16E Y/Y
Lease revenue	38.8	37.4	4%	9%	4%
Leasing fees	61.2	62.9	-3%	14%	16%
Interest revenue	11.3	11.2	2%	16%	20%
Total revenue	151.7	152.0	0%	22%	10%
Service costs	51.4	53.8	-4%	16%	18%
Total costs	139.3	140.2	-1%	22%	11%
Remarketing	3.8	3.2	19%	32%	-1%
Net income	9.8	9.3	5%	15%	-3%

- Net income up 4.9% from Q3
- Bottom-line growth supported by continued fleet expansion (+2.3% q/q) and stabilized margins
- Income from leasing and special fees likely to increase 3.6% q/q, with interest revenue up by a further 1.5%
- Remarketing profit due to show another quarterly increase to PLN 3.8m from PLN 3.2m in Q3
- At a projected PLN 37.7m, FY2016 annual net income will miss the target set in the management incentive plan

Skarbiec		Buy		Reporting Date	
Michał Konarski		PLN 46.28		15 February	
(PLN m)	Q4'16E	Q3'16	Q/Q	Y/Y	YTD*
Total revenue	18.9	27.0	-30%	-1%	53%
Management fee	16.6	15.8	5%	-5%	48%
Success fee	1.0	9.6	-90%	241%	77%
Total costs	-14.1	-15.1	-6%	-6%	50%
Distribution costs	-7.2	-7.2	0%	-11%	48%
Payroll	-3.1	-3.8	-20%	25%	52%
Pre-tax income	5.0	12.0	-58%	21%	59%
Net income	4.1	9.6	-58%	23%	59%

*as a percentage of our full-year forecast

- Second quarter of fiscal 2016/2017 set to bring 3.6% q/q growth in high-margin AUM
- Management fee expected to show a q/q increase of 5%
- Success fee at an estimated PLN 1.0m
- A 6.3% fall in total costs
- Q2 FY'16/17 net income showing estimated y/y growth of 23% at a projected PLN 4.1m

Gas & Oil, Chemicals

Oil companies eyeing growing E&P profits

- In Chemicals, Grupa Azoty Fertilizers experienced downward pressures in Q4, while Synthos Rubbers benefitted from improved market conditions.
- In Gas & Oil, Q4 upstream profits were supported by rising prices of crude and natural gas (watch for upside surprises from PGN and MOL).
- The strong preliminary fourth-quarter profits reported by Polish refiners may not be mirrored by Hungary's MOL.

Ciech		Accumulate		Reporting Date	
Jakub Szkopek		PLN 72.50		20 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	855.8	814.2	5%	3403.3	5%
EBITDA adj.	214.3	165.0	30%	876.5	3%
EBITDA	25.0%	20.3%		25.8%	
EBIT	158.6	109.4	45%	656.8	4%
Pre-tax profit	175.2	-13.5	-	643.7	42%
Net income	141.7	87.7	62%	561.2	42%

- With the upturn in energy prices not weighing yet, Ciech Soda is expected to post y/y EBITDA growth of an estimated 16% in Q4.
- Profits in the Organic Division will be flat year over year.

Grupa Azoty		Hold		Reporting Date	
Jakub Szkopek		PLN 73.90		16 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	2463.5	2503.8	-2%	9096.8	-2%
EBITDA	182.4	313.8	-42%	1008.4	-16%
EBITDA margin	10.0%	12.5%		11.1%	
EBIT	56.0	190.9	-71%	495.0	-30%
Pre-tax profit	51.2	199.0	-74%	499.0	-28%
Net profit	39.2	131.3	-70%	354.0	-30%

- Grupa Azoty grew sales of ammonium nitrate fertilizers by 2.4% in Q4, with the volume of NPK fertilizer edging upward by 0.6%, compared to the same period in 2015.
- On slightly higher sales, the quarterly profits will be weighed down by an 11.5% q/q increase in the prices of natural gas, combined with a downward trend in the prices of nitrogen fertilizers.
- Bottom line depressed by PLN 40.9m one-time charges.

Lotos		Reduce		Reporting Date	
Kamil Kliszcz		PLN 36.27		7 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	6335.6	5225.8	21%	20901	-8%
LIFO EBITDA adj.	872.3	486.8	79%	2606.4	21%
LIFO effect	92.4	-6.2	-	-70.4	-
EBITDA	902.7	-145.6	-	2782.9	145%
EBIT	660.7	-319.4	-	1780.7	-
Financing activity	-226.7	-97.1	-	-266.7	-
Net income	351.5	-391.3	-	1063.3	-

- According to the preliminary earnings release, clean LIFO EBITDA amounted to PLN 0.87bn in Q4 2016.
- Of the total, an estimated PLN 0.2bn will have been generated by the E&P segment, benefitting from a q/q increase in prices.
- We attribute the remaining PLN 0.65bn to Refining, where high diesel price benchmarks and a rising domestic sales volume offset reduced margins on exports.
- Anticipating losses on hedging and FX operations.

MOL		Reduce		Reporting Date	
Kamil Kliszcz		HUF 18,970		28 February	
(HUF bn)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	1012.5	998.2	1%	3587.9	-14%
LIFO EBITDA adj.	157.6	147.3	7%	626.5	36%
LIFO effect	0.7	-21.2	-	12.3	-
EBITDA	162.6	147.9	10%	640.1	35%
EBIT	93.2	-475.6	-	348.7	37%
Financing activity	-8.3	-32.2	-	-18.7	46%
Net income	68.7	-437.7	-	298.3	30%

- An increase from HUF 48.4bn to HUF 52.8bn in Upstream EBITDA, driven by higher prices of crude and natural gas, underpinned by a higher sales volume.
- EBITDA in Downstream flat at ca. HUF 56bn, and in Retail an increase from HUF 12.3bn to HUF 17.2bn. Petrochemical EBITDA will show y/y contraction from HUF 38bn to 20bn, led by lower margins and downtime.
- In Gas Midstream, EBITDA not likely to show much change from Q4 2015.

PGNiG		Buy		Reporting Date	
Kamil Kliszcz		PLN 6.52		3 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	8819.5	9769.0	-10%	31870	-13%
EBITDA adj.	1572.7	1446.0	9%	6336.7	-10%
EBITDA	1572.7	771.0	104%	5841.7	-4%
EBIT	894.7	54.0	-	3207.7	-3%
Financing activity	-14.0	-71.0	-	-87.0	-
Net income	620.1	-21.0	-	2249.1	5%

- Anticipating an increase of ca. PLN 90m in EBITDA from E&P operations, driven by higher volumes and energy prices.
- In Trade & Storage, EBITDA of an estimated PLN 110m will be achieved on higher contract and spot natgas prices.
- On a strong sales volume, EBITDA in Distribution may show a year-over-year increase of PLN 50m.

Polwax		Buy		Reporting Date	
Kamil Kliszcz		PLN 25.95		28 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	86.9	101.1	-14%	294.6	5%
EBITDA	7.1	10.4	-32%	31.0	-9%
EBIT	5.9	9.3	-36%	26.3	-12%
Financing activity	0.2	0.3	-30%	-0.3	-37%
Net income	4.8	7.7	-38%	20.9	-12%

- Polwax's preliminary Q4 2016 earnings release showed a negative EBITDA surprise of over PLN 3m relative to our expectations.
- The disappointment was due partly to lower revenue, and partly also to downward pressure on the prices of slack wax, which affects inventory values and weakens Polwax's competitive position

Synthos		Sell		Reporting Date	
Jakub Szkopek		PLN 3.72		15 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	1530.9	922.2	66%	4849.9	20%
EBITDA	283.0	123.3	130%	739.0	20%
EBITDA margin	20.0%	13.4%			
EBIT	213.5	74.3	188%	519.5	15%
Pre-tax profit	206.0	57.0	261%	443.0	-5%
Net profit	175.1	44.4	294%	364.1	-15%

- Synthos increased sales of synthetic rubbers by an estimated 9.0% y/y in Q4 on higher demand from Asia, and the quarterly styrenics volume is likely to show a surge of 96.9% owed to the August 2016 acquisition, INEOS.
- Q4 profits were supported by an improved butadiene-naphtha price spread and higher sales prices.
- Bottom line set to show a boost of about PLN 9.5m thanks to FX debt adjustments for a SEK vs. EUR appreciation.

Utilities, Resources

Generators fulfill market expectations in 2016

- According to our calculations, Polish power utilities delivered FY2016 earnings in line with, or, in the case of Enea, PGE, and Energa, possibly ahead of, analysts' expectations.
- With the earnings expectations met, investors may shift their attention to the 2018 price outlook for coal and electricity.

CEZ		**Buy**			**Reporting Date**
Kamil Kliszcz		**CZK 496.80**			**21 March**
(CZK m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	55615	59559	-7%	200723	-4%
EBITDA adj.	14331	16615	-14%	58535	-10%
EBITDA	14331	16615	-14%	58135	-11%
EBIT	7232	4338	67%	28830	0%
Financing activity	-1743	1668	-	-5080	146%
Net income	4358	4077	7%	18800	-9%

- CEZ Generation is expected to post y/y EBITDA shrinkage from CZK 7.3bn to CZK 5bn in Q4 2016, led by falling prices. At the same time, the nuclear power volume should have increased quarter over quarter.
- In Distribution and Trade, EBITDA will show decreases of an estimated 6% on the year due to negative base effects.

Enea		**Reduce**			**Reporting Date**
Kamil Kliszcz		**PLN 8.81**			**30 March**
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	2831.9	2698.1	5%	11136	13%
EBITDA adj.	604.8	624.3	-3%	2442.1	24%
EBITDA	604.8	524.6	15%	2433.4	14%
EBIT	327.8	-1209.1	-	1277.0	-
Financing activity	-24.4	-246.1	-	-76.1	-
Net income	229.4	-1271.3	-	905.3	-

- A y/y drop from PLN 187m to PLN 176m in Generation EBITDA due to slightly lower output and falling prices of green certificates (with fall in power prices offset by coal).
- Distribution EBITDA set to fall to ca. PLN 255m from PLN 306m the year before (base effects, reduced WACC).
- In Trade, EBITDA will reach an estimated PLN 50m with support from continued improvement in quarterly margins.
- The LWB coal miner unit will post stable q/q earnings.

Energa		**Hold**			**Reporting Date**
Kamil Kliszcz		**PLN 9.20**			**31 March**
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	2864.0	2847.0	1%	10237	-5%
EBITDA adj.	502.0	514.0	-2%	2042.6	-8%
EBITDA	502.0	481.0	4%	2031.0	-8%
EBIT	136.2	243.0	-44%	520.2	-59%
Financing activity	-65.0	-61.0	7%	-300.0	32%
Net income	57.7	136.0	-58%	128.7	-85%

- Energa has already released preliminary Q4 results.
- The quarterly EBITDA is set to come in at PLN 502m.
- The bulk of the earnings total (PLN 412m, close to the average for Q1-Q3 2016) was delivered by Distribution.
- Generation surprised on the upside with EBITDA of 122m, and we are curious to learn how this was achieved.
- In Trade, EBITDA will show a loss of PLN 19m after one-time charges of PLN 44m.

PGE		**Hold**			**Reporting Date**
Kamil Kliszcz		**PLN 10.63**			**7 March**
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	7315.8	7383.0	-1%	27879	-2%
EBITDA adj.	1759.5	1940.0	-9%	6133.5	-18%
EBITDA	2598.5	1997.0	30%	7386.5	-10%
EBIT	1850.5	1273.0	45%	3697.5	-
Financing activity	-90.0	-57.0	-	-353.0	-
Net income	1426.0	994.0	43%	2628.0	-

- PGE has already released preliminary Q4 results.
- EBITDA will receive a one-time boost of PLN 0.7bn from charge reversals.
- Adjusted EBITDA in Generation at ca. PLN 0.9bn vs. PLN 1.1bn the year before (capitalized costs, prices).
- Distribution EBITDA down PLN 68m y/y to PLN 545m, led by lower WACC.
- Trade EBITDA will improve on the Q3 figure at PLN 180m.

Tauron		**Accumulate**			**Reporting Date**
Kamil Kliszcz		**PLN 3.03**			**15 March**
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	4797.5	4813.3	0%	17921	-2%
EBITDA adj.	771.4	864.0	-11%	3201.4	-14%
EBITDA	771.4	682.2	13%	3229.4	-8%
EBIT	356.2	-3433.4	-	879.1	-
Financing activity	-63.3	-68.0	-	-216.7	-
Net income	236.6	-2884.0	-	510.8	-

- The Mining segment will keep the quarterly EBITDA stable at PLN 35m thanks to a higher coal output and despite a seasonal increase in payroll costs.
- Generation EBITDA will fall to ca. PLN 120m from PLN 190m due to lower prices and unplanned downtime.
- Distribution EBITDA for Q4 and the whole 2016 is set to post a y/y drop of ca. 6%, and in Trade we anticipate flat growth in Q4 relative to Q3.

KGHM		**Accumulate**			**Reporting Date**
Jakub Szkopek		**PLN 128.64**			**16 March**
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	5093	5148	-1%	18234	-9%
EBITDA	-512.5	-3743	-	2272	27%
EBITDA margin	-	-		12.5%	
EBIT	-784.4	-2212	-	758.6	-
Net profit	-940.8	-6237	-	-315.8	-

- Total copper sales amounted to an estimated 178,600 tons in Q4 (-0.4% y/y), of which 13,100t sold by Sierra Gorda, and 22,200t sold by KGHM International.
- Q4 profits will be supported by an 11% y/y increase in the price of copper, a 20% jump in the price of silver, and a 13% rally in the price of gold.
- Bottom line will be weighed down by combined impairment of PLN 1.7bn at Sierra Gorda and KGHM International.

TMT

A slowdown at Asseco Poland

- The Polish TMT sector experienced y/y EBITDA shrinkage of an estimated 1% in Q4.
- Wirtualna Polska continued on a winning streak.
- Asseco Poland's profits will be dragged down by Polish operations.

Netia		**Accumulate**		**Reporting Date**	
Paweł Szpigiel		**PLN 4.90**		**16 February**	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	372.0	402.7	-8%	1522.3	-3%
EBITDA	99.7	101.9	-2%	424.6	-5%
EBITDA margin	26.8%	25.3%			
EBIT	2.4	-8.5	-	20.6	-26%
Pre-tax profit	0.3	-11.0	-	12.4	-40%
Net profit	0.3	-13.9	-	30.5	-

- Anticipating a 16% slump in revenue from direct voice services, driven by erosion of the regulated customer base to 513 thousand lines at 31 December 2016 from 600,000 in December 2015.
- Gross margin at 28.5%.
- SG&A reduced by 9.3% y/y to PLN 105.6m.
- Reported EBITDA set to show y/y contraction of 2%.

Agora		**Accumulate**		**Reporting Date**	
Paweł Szpigiel		**PLN 13.90**		**17 February**	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	339.0	353.8	-4%	1197.1	-1%
EBITDA	43.8	40.9	7%	107.0	5%
EBITDA margin	12.9%	11.5%		8.9%	
EBIT	19.2	17.1	12%	11.3	67%
Pre-tax profit	18.8	16.6	13%	4.3	296%
Net profit	14.0	15.8	-11%	-12.7	-

- Led by continued falls in newspaper sales (-14% y/y) and ad revenue per copy (-11%), assuming savings of PLN 7.4m achieved through downsizing, Q4 EBITDA in the Press segment is expected to show a loss of PLN 3.9m.
- The bottom line will receive a boost of PLN 10.6m from the sale of shares in a DTTV channel to Discovery in December, plus a PLN 6m gain on a property sale.

Cyfrowy Polsat		**Reduce**		**Reporting Date**	
Paweł Szpigiel		**PLN 22.30**		**16 March**	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	2513.1	2609.9	-4%	9707.8	-1%
EBITDA	869.9	881.1	-1%	3608.4	-2%
EBITDA margin	34.6%	33.8%		37.2%	
EBIT	362.0	444.4	-19%	1641.4	-17%
Pre-tax profit	237.2	172.0	38%	1029.9	-23%
Net profit	195.7	186.0	5%	860.0	-26%

- We anticipate a 4% y/y decline in retail revenue and nearly 12% shrinkage in wholesale revenue, offset by an 18% increase in revenue from mobile devices.
- Retail ARPU is expected to be stable at PLN 88.5, with the number of RGUs up 3.7% year over year.
- A sharp reduction in technical costs will be accompanied by increased costs of sales and marketing.

Wirtualna Polska		**Accumulate**		**Reporting Date**	
Paweł Szpigiel		**PLN 61.00**		**14 March**	
(PLN m)	**Q4'16E**	**Q4'15PF**	**Y/Y**	**2016E**	**Y/Y**
Revenue	120.9	108.2	12%	413.0	12%
EBITDA	43.8	30.8	42%	128.6	29%
EBITDA margin	36.2%	28.4%		31.1%	
EBIT	32.6	21.5	52%	86.6	38%
Pre-tax profit	30.4	0.9	-	70.6	-
Net profit	25.8	-1.9	-	56.2	-

- Cash revenue is likely to show an increase of 12% to PLN 106.7m relative to the year-ago pro-forma figure of PLN 95.3m.
- We expect a 7% increase in payroll costs and a 14% increase in costs of services in Q4.
- One-time costs at PLN 0.2m (employee stock options).

Asseco Poland		**Hold**		**Reporting Date**	
Paweł Szpigiel		**PLN 57.00**		**16 March**	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	2098.5	2196.0	-4%	7771.9	-7%
EBITDA	261.0	274.0	-5%	1045.7	-4%
EBITDA margin	12.4%	12.5%		13.5%	
EBIT	203.0	211.5	-4%	769.4	-3%
Pre-tax profit	184.2	238.2	-23%	752.6	-1%
Net profit	79.6	125.9	-37%	304.2	20%

- On a standalone basis, Asseco Poland will post a drop in EBIT from PLN 48m (PLN 10.2m recurring profit + PLN 38m one-offs) in Q4 2015 to PLN 39.2m in Q4 2016, i.e. 19% year over year.
- The Western European business will deliver weak quarterly results after the Exictos unit paid bonuses to its directors despite the loss of major customers.
- The Russian operations will book a net loss in Q4.

Comarch		**Buy**		**Reporting Date**	
Paweł Szpigiel		**PLN 205.00**		**1 March**	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	388.1	402.7	-4%	1151.0	-2%
EBITDA	74.2	78.0	-5%	167.4	-1%
EBITDA margin	19.1%	19.4%		14.5%	
EBIT	59.3	64.2	-8%	105.0	8%
Pre-tax profit	58.2	61.2	-5%	102.5	5%
Net profit	41.6	43.8	-5%	62.9	28%

- Rising revenue generated in foreign markets (ex. DACH) will offset falling revenue in Poland.
- Gross margin will be high at 35% in Q4 2016 vs. 34% in the same period in 2015.
- SG&A estimated at PLN 76.5m vs. PLN 71.6m in Q4’15 and PLN 49.9m in Q3'16.
- After a 5% contraction in EBITDA, due to higher D&A expenses, the quarterly EBIT will show a y/y drop of 7.6%.

CD Projekt		**Sell**		**Reporting Date**	
Piotr Bogusz		**PLN 43.40**		**30 March**	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	145.5	172.1	-15%	293.5	-63%
EBITDA	79.9	86.1	-7%	140.3	-67%
EBITDA margin	54.9%	50.0%		47.8%	
EBIT	78.3	84.5	-7%	133.7	-68%
Pre-tax profit	80.1	85.4	-6%	139.8	-67%
Net profit	64.9	65.8	-1%	114.6	-67%

- Even after a 15% decrease, Q4 sales revenue will be strong at an estimated PLN 145.5m, supported by the continued success of *The Witcher 3*.
- EBIT in the Video Game segment is expected to reach PLN 77.8m vs. PLN 89.4m in Q4'15.
- For GOG.com, we anticipate EBIT shrinkage to PLN 0.4m from PLN 2.1m the year before, due to higher costs incurred on the development of the *Gwent* card RPG.

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Industrials

Alumetal Jakub Szkopek		Underweight		Reporting Date 23 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	354.1	338.1	5%	1309.0	-9%
EBITDA	26.6	24.9	7%	117.3	10%
EBITDA margin	7.5%	7.4%		9.0%	
EBIT	18.3	19.7	-7%	92.7	16%
Net profit	16.9	18.6	-9%	90.8	17%

- The launch of a new plant in Hungary will drive the Q4 sales volume up by 19% y/y to an estimated 45,400 tons.
- At the same time, EBITDA per ton of alloys is set to contract by a projected 5.7% on lower benchmark margins and low CUR at the new plant.

Amica Jakub Szkopek		Neutral		Reporting Date 28 February	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	756.2	625.2	21%	2561.1	23%
EBITDA	55.5	52.0	7%	205.4	12%
EBITDA margin	7.3%	8.3%		8.0%	
EBIT	44.1	42.4	4%	160.1	9%
Net profit	32.9	24.4	35%	117.6	23%

- Q4 revenues were shaped by a sales slowdown in Germany, offset by strong, double-digit acceleration in Russia, supported by the early-2016 acquisition of CDA in the UK.
- Q4 will be the first time profits reflect the pressure of higher steel prices. In 2017, Amica also faces upward pay pressures.

Apator Jakub Szkopek		Neutral		Reporting Date 28 February	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	222.9	213.3	4%	851.0	11%
EBITDA	39.0	27.0	45%	116.0	5%
EBITDA margin	17.5%	12.7%		13.6%	
EBIT	30.3	19.1	59%	81.2	2%
Net profit	25.0	12.9	93%	59.6	-1%

- The profit for Q4 2016 will show a rebound after charges booked by the subsidiary Rector weighed in Q3.
- The full-year earnings should fulfill the guidance after a downward revision last October.

Boryszew Jakub Szkopek		Underweight		Reporting Date 29 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	1812.0	1328.4	36%	5983.1	5%
EBITDA	88.5	64.1	38%	422.1	63%
EBITDA margin	4.9%	4.8%		5.4%	
EBIT	52.0	30.9	69%	295.9	114%
Net profit	23.4	5.8	302%	149.9	274%

- Q4 2016 was the last quarter when Boryszew benefitted from positive base effects after the temporary price hike granted by Volkswagen at the beginning of last year, producing an extra annual gain of EUR 12m.
- We expect the 2016 yearly EBITDA to come in at PLN 422m.

Elemental Jakub Szkopek		Overweight		Reporting Date 31 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	267.4	231.0	16%	976.2	5%
EBITDA	18.5	14.4	28%	73.3	21%
EBITDA margin	6.9%	6.2%		7.5%	
EBIT	16.3	11.4	43%	64.5	22%
Net profit	12.7	8.1	56%	54.5	20%

- Elemental is expected to report double-digit growth across all of its most profitable business lines (WEEE, PCB, CAC recycling) in Q4 2016. As a result, it will deliver another stellar quarterly net profit.

Ergis Jakub Szkopek		Overweight		Reporting Date 25 April	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	162.8	163.6	-1%	693.6	3%
EBITDA	11.0	8.4	32%	59.9	9%
EBITDA margin	6.8%	5.1%		8.6%	
EBIT	4.9	2.0	143%	35.1	15%
Net profit	2.0	-15.3	-	24.4	276%

- Ergis has already released a preliminary Q4 2016 earnings report, showing estimates broadly in line with our forecasts.

Forte Jakub Szkopek		Neutral		Reporting Date 3 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	304.7	283.4	8%	1090.2	14%
EBITDA	49.3	35.7	38%	169.7	44%
EBITDA margin	16.2%	12.6%		15.6%	
EBIT	43.7	30.2	45%	147.3	50%
Net profit	33.8	23.9	41%	116.1	38%

- Forte has already released a preliminary Q4 2016 earnings report, showing estimates broadly in line with our forecasts.

Impexmetal Jakub Szkopek		Suspended		Reporting Date 23 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	716.0	662.4	8%	2882.5	-9%
EBITDA	42.5	97.2	-56%	226.9	2%
EBITDA margin	5.9%	14.7%		5.4%	
EBIT	29.3	84.3	-65%	174.3	2%
Net profit	27.8	76.2	-64%	134.4	-5%

- Impexmetal is expected to report growth in Q4 sales volumes across all operating segments except for the secondary lead unit Baterpol which in H2 2016 reduced supplies to one of its customers.
- All in all, we expect to see improvement across the board in the quarterly profits.

Industrials (cont.)

Kernel	Hold		Reporting Date	
Jakub Szkopek	PLN 73.90		28 February	
(USD m)	Q2'17E	Q2'16	Y/Y	2017E	YTD

Kernel Jakub Szkopek	Hold PLN 73.90			Reporting Date 28 February	
(USD m)	Q2'17E	Q2'16	Y/Y	2017E	YTD
Revenue	578.1	621.0	-7%	2404.4	40%
EBITDA	141.9	145.1	-2%	373.9	57%
EBITDA margin	20.0%	23.4%		15.5%	
EBIT	127.9	129.9	-2%	308.1	60%
Net profit	105.4	116.5	-10%	260.3	65%

- Based on the quarterly sales figures released by Kernel, we expect the revenue for the second quarter of FY2017 to come in at $578m, with EBITDA at an estimated $141.9m and net profit at $105.4m.
- As a result, at the end of the first half of fiscal 2017, Kernel will have been well on its way to fulfilling our full-year forecast.

Kęty Jakub Szkopek	Hold PLN 387.90			Reporting Date 16 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	534.9	525.2	2%	2252.0	11%
EBITDA	85.6	73.9	16%	396.0	18%
EBITDA margin	16.0%	14.1%		18.0%	
EBIT	57.9	49.5	17%	290.0	19%
Net profit	47.0	51.7	-9%	277.0	32%

- Kęty expects to report 30% EBITDA growth in Extrusions and 12% expansion in Aluminum Systems in Q4 2016.
- This according to a preliminary earnings release which fell broadly in line with our forecasts.

Kruszwica Jakub Szkopek	Underweight			Reporting Date 20 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	607.5	626.8	-3%	2269.4	-3%
EBITDA	68.6	44.9	53%	123.2	-18%
EBITDA margin	11.3%	7.2%		5.4%	
EBIT	62.4	38.7	61%	95.2	-18%
Net profit	49.5	31.8	56%	78.2	-18%

- Kruszwica will book a valuation gain of PLN 43m in Q4 2016 on an investment property sold in the period.
- On an adjusted basis, however, the quarterly EBITDA will show y/y shrinkage of an estimated 43%, led by lower rapeseed crushing margins, and net profit will be about 55% lower than in Q4 2015.

Mangata Jakub Szkopek	Neutral			Reporting Date 21 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	135.6	119.6	13%	572.0	52%
EBITDA	12.5	15.4	-19%	79.3	51%
EBITDA margin	9.2%	12.9%		16.1%	
EBIT	6.4	9.7	-34%	55.7	45%
Net profit	5.0	9.3	-46%	44.8	34%

- Mangata issued its 2016 full-year earnings estimates last December. The guidance was mostly consistent with our forecasts.

Pfleiderer Group Jakub Szkopek	Overweight			Reporting Date 26 April	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	304.9	398.4	-24%	1000.7	2%
EBITDA	44.2	48.1	-8%	120.4	1%
EBITDA margin	14.5%	12.1%		12.0%	
EBIT	27.3	31.2	-13%	50.6	-33%
Net profit	13.7	7.8	75%	30.2	26%

- The Q4 2016 earnings of Pfleiderer should reflect eased price pressures from cheaper wood-based panel imports into Poland.
- We expect the Company to issue a financial guidance for 2017 together with the 2016 results.

Tarczyński Jakub Szkopek	Overweight			Reporting Date 10 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	160.2	143.1	12%	625.0	15%
EBITDA	10.7	12.3	-13%	46.5	-15%
EBITDA margin	6.7%	8.6%		7.0%	
EBIT	4.2	6.3	-33%	20.8	-36%
Net profit	1.9	3.9	-51%	11.3	-44%

- Tarczyński's sales volume increased by about 11% to an estimated 8,100 tons in Q4, driven by a sausage supply contract with the Biedronka supermarket chain.
- At the same time, the EBITDA margin will have contracted relative to Q4 2015 because of a less pronounced downtrend in the prices of fresh meat.
- Tarczyński is expected to offer PLN 0.50 DPS in 2017.

Uniwheels Jakub Szkopek	Accumulate PLN 258.00			Reporting Date 24 March	
(EUR m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	125.0	116.3	8%	459.9	5%
EBITDA	18.8	17.1	10%	70.3	20%
EBITDA margin	20.0%	14.7%		15.3%	
EBIT	14.5	13.3	9%	53.8	23%
Net profit	12.6	12.8	-2%	55.4	36%

- Uniwheels sold an estimated 2.4 million wheels in Q4 2016, up 12.6% y/y.
- The quarterly margin per wheel averaged about EUR 7.89.
- We are looking forward to hearing the Management's outlook for the year ahead, and the 2017 dividend recommendation.

Vistal Jakub Szkopek	Neutral			Reporting Date 3 April	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	120.8	110.2	10%	446.9	9%
EBITDA	6.1	6.9	-11%	39.9	-5%
EBITDA margin	5.1%	6.3%		11.0%	
EBIT	2.1	4.0	-46%	23.5	-16%
Net profit	-2.4	1.0	-	12.0	-16%

*as a percentage of our full-year forecast

- Vistal increased sales of infrastructure and building services in Q4 2016, and at the same time it experienced contraction in sales of the high-margin Marine & Offshore solutions.
- We believe the Company will violate the loan covenants agreed with Bank ING as of 31 December 2016.

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Construction

A decent quarter for big builders

- We anticipate year-over-year contraction in the core Q4 2016 earnings of smaller-cap builders like Elektrotim, Herkules, and ZUE, with Trakcja posting a slowdown from a high year-ago base. Large-cap firms enjoyed growing profits in Q4.
- The Polish construction sector including Budimex generated cumulative EBITDA growth of an estimated 12% in Q4. Ex Budimex, the aggregate EBITDA is likely to post an 8% fall.
- Among railway builders, Trakcja is expected to post a flat y/y core net profit of PLN 13m in Q4 and Torpol's small profit of a projected PLN 12m will nevertheless show strong growth of about 117% from a low year-ago base. ZUE will probably not beat the high Q4 2015 result (PLN 10m) given a tighter backlog.
- The building constructors Erbud and Unibep will deliver solid Q4 results.
- Q4 growth at power engineers Elektrotim and Elektrobudowa will be shaped by negative and positive, respectively, base effects.

Budimex		Accumulate		Reporting Date	
Piotr Zybała		PLN 238.40		24 February	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	1534.5	1391.0	10%	5653.5	10%
Gross profit	196.1	133.8	47%	691.5	40%
EBITDA	141.3	98.9	43%	469.2	49%
EBIT	134.2	93.3	44%	443.2	52%
margin	8.7%	6.7%		7.8%	
Pre-tax income	137.7	93.5	47%	451.2	52%
Net income	110.0	74.7	47%	361.1	53%

- Budimex reported on January 11th that, at PLN 110m, its net profit for Q4 2016 was 47% higher than in the same period the previous year, driven by the construction segment.
- We expect the segmental gross margin to reach 11.5%-12.0% in Q4 (+3ppts y/y) and come close to 11.5% in 2016 (+3ppt vs. 10y average).

Elektrobudowa		Buy		Reporting Date	
Piotr Zybała		PLN 146.00		21 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	259.2	310.4	-17%	1039.1	-16%
Gross profit	21.5	28.4	-24%	95.5	-13%
EBITDA	24.0	11.8	103%	77.0	-1%
EBIT	20.6	8.2	150%	63.5	1%
margin	7.9%	2.7%		6.1%	
Pre-tax income	20.1	8.5	136%	70.0	11%
Net income	15.7	6.4	146%	55.8	11%

- After an exceptionally strong third quarter, Q4 margin is expected to return closer to its long-term average, on revenue 17% lower than in Q4 2015.
- The quarterly bottom line will receive a one-time boost of PLN 6m from a settled dispute, soaring 146% from a low year-ago comparable base.
- The FY2016 annual earnings should exceed the guidance by 10%.

Erbud		Accumulate		Reporting Date	
Piotr Zybała		PLN 33.50		21 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	522.8	428.5	22%	1762.5	0%
Gross profit	33.8	16.6	103%	120.6	-1%
EBITDA	14.5	12.0	21%	67.6	9%
EBIT	11.3	8.8	28%	55.9	8%
margin	2.2%	2.0%		3.2%	
Pre-tax income	9.8	6.6	48%	50.6	13%
Net income	7.0	1.7	315%	36.2	30%

- Erbud went into Q4 2016 with a backlog about 40% higher than at the same time the year before.
- The quarterly profit is expected to show a surge of 315% from a low and easy-to-beat year-ago base.
- We do not expect much improvement in the engineering segment, where the backlog for Q4 was thin while fixed costs rose.

Unibep		Buy		Reporting Date	
Piotr Zybała		PLN 12.80		14 March	
(PLN m)	Q4'16E	Q4'15	Y/Y	2016E	Y/Y
Revenue	438.4	359.4	22%	1256.7	1%
Gross profit	23.3	28.1	-17%	77.3	15%
EBITDA	13.7	6.8	103%	49.3	57%
EBIT	11.6	4.6	152%	40.9	74%
margin	2.6%	1.3%		3.3%	
Pre-tax income	12.8	6.8	90%	41.5	41%
Net income	9.7	7.7	27%	31.7	35%

- Unibep is set to post decent profit margins across all business segments in Q4 2016, on higher revenues.
- We do not expect to see a repeat of the one-time charges which weighed on profits in Q4 2015.

Property Developers

A strong finish to 2016

- Residential developers are expected to deliver strong 2016 fourth-quarter earnings, supported by more closings (+13% sector total) and one-time gains.
- The growth leaders will be Robyg (160% y/y surge to PLN 49m), Archicom (+108% to PLN 26m), and Dom Development (+29% to PLN 85m).
- At Ronson, the bottom line will receive a PLN 55m boost from a property sale, and at PLN 57m it will show a y/y surge of 229%.
- Commercial developers will see their Q4 2016 profits propped up by a strengthened euro.
- GTC and Capital Park will recognize upward fair value adjustments to their income-generating portfolios, and at Echo and GTC there will be valuation gains on work in progress.
- All commercial developers except BBI Development will deliver high Q4 profits, but only GTC and P.A. Nova will register significant year-over-year growth thanks to positive base effects.

Capital Park		Buy		Reporting Date	
Piotr Zybała		PLN 8.09		17 March	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	30.3	19.2	58%	113.0	56%
Gross profit	23.3	15.9	47%	86.0	55%
margin	77.0%	82.6%		76.1%	
EBIT ex. val. & SOP	19.2	10.9	77%	65.1	43%
Valuation effects	71.6	90.0	-21%	77.0	31%
EBIT	90.8	105.9	-14%	142.1	36%
Pre-tax income	51.9	88.0	-41%	51.6	-8%
Net income	47.7	82.2	-42%	46.2	5%

- Anticipating 47% NOI growth and a 77% surge in core EBIT.
- Capital Park will recognize upward value adjustments to its commercial portfolio totaling about PLN 70m. Of these, 60% will come from FX gains and 40% will be generated by fair value adjustments as income-generating properties increased occupancy rates and as prime property yields contracted during 2016.

Dom Dev.		Accumulate		wyniki:	
Piotr Zybała		PLN 72.50		28 February	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	525.4	480.0	9%	1111.3	23%
Gross profit	131.8	110.1	20%	261.0	28%
margin	25.1%	22.9%		23.5%	
EBIT	105.7	81.8	29%	157.3	54%
Pre-tax income	105.0	81.8	28%	155.4	54%
Net income	85.1	66.0	29%	125.4	55%

- The fourth quarter typically accounts for the bulk of Dom Development's annual earnings.
- DOM closed 1,162 homes in Q4 2016, up 14% year over year.
- The gross margin for the period is expected to exceed 25% after rising by 2ppt y/y.
- The analysts' consensus for DOM's 2016 earnings is consistent with our estimates.

Echo Inv.		Buy		Reporting Date	
Piotr Zybała		PLN 6.64		25 April	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	36.3	176.5	-79%	448.7	-23%
Gross profit	13.1	70.1	-81%	199.2	-30%
margin	36.2%	39.7%		44.4%	
EBIT ex. valuation	-16.9	29.0	-	35.0	-78%
Valuation effects	70.0	737.9	-91%	505.1	-33%
EBIT	53.1	766.9	-93%	540.1	-41%
Pre-tax income	43.8	588.9	-93%	202.9	-70%
Net income	40.7	441.1	-91%	392.1	-24%

- Echo's Q4 profits will be driven mostly by value adjustments to commercial projects in progress started in 2016, with an estimated total floor area of a record 160,000sqm.
- The (for now modest) valuation gains will be compounded by high FX gains.
- Compared to the massive gains recognized on a property portfolio earmarked for sale at the end of 2015, the 2016 fourth-quarter valuation profits will be much more humble.

GTC		Accumulate		Reporting Date	
Piotr Zybała		PLN 9.59		20 March	
(EUR m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	31.7	29.4	8%	122.1	4%
Gross profit	23.4	20.4	15%	88.9	11%
margin	73.9%	69.5%		72.8%	
EBIT ex. val. & SOP	18.7	15.9	17%	71.9	10%
Valuation effects	50.3	27.9	80%	89.7	242%
EBIT	68.9	43.8	57%	161.5	76%
Pre-tax income	61.1	33.5	82%	131.7	137%
Net income	53.7	28.4	89%	160.4	255%

- GTC is set to report continued growth in NOI in the low single digits in Q4, combined with high valuation gains on investment properties.
- The upward value adjustments to the tune of PLN 50m will be owed largely to declining yields on income-generating properties.
- The rising NOI is driven by new commercial properties acquired during 2016.

Robyg		Buy		Reporting Date	
Piotr Zybała		PLN 3.95		16 March	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	227.2	145.5	56%	528.8	10%
Gross profit	52.7	20.8	153%	117.3	52%
margin	23.2%	14.3%		22.2%	
JV income	20.7	15.1	37%	58.9	93%
EBIT	57.9	21.7	167%	123.3	109%
Pre-tax income	54.9	19.5	182%	112.2	126%
Net income	48.9	18.8	159%	105.7	33%

- Robyg settled a record 1,196 homes in Q 2016 (+55% y/y), and this makes us expect a 160% surge in the net profit for the period.
- The market consensus is 12% lower than our estimate, and we believe it is due for an upgrade ahead of the March earnings release (or, analysts will let themselves be positively surprised).

Retail, Other

Improving fundamentals in retail

- CEE retailers are enjoying an improving market momentum.
- We expect strong Q4 results from AmRest, CCC, and Jeronimo Martins.
- Eurocash and LPP may surprise on the downside.

AmRest	Accumulate			Reporting Date	
Piotr Bogusz	PLN 367.00			16 March	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	1194.2	917.9	30%	4187.0	25%
Gross profit	222.1	158.3	40%	738.5	27%
margin	18.6%	17.2%		17.6%	
EBITDA	157.6	102.1	54%	554.5	32%
EBITDA margin	13.2%	11.1%		13.2%	
EBIT	83.4	38.9	114%	284.2	45%
Pre-tax income	71.0	35.5	100%	239.1	47%
Net income	60.1	41.9	44%	198.6	24%

- AmRest will report strong Q4 revenue, driven by improving sales effectiveness and Starbucks Germany.
- The EBITDA margin will expand by an estimated 2.1ppt to 13.2%, driven by positive lfl growth, Spain, and Russia.
- The bottom line may be affected by a PLN 14m impairment loss.
- All in all, the Q4 net profit is expected to show a 44% y/y surge to PLN 60.1m.

CCC	Accumulate			Reporting Date	
Piotr Bogusz	PLN 219.00			28 February	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	1129.0	754.7	50%	3190.9	38%
Gross profit	597.8	430.0	39%	1670.8	32%
margin	53.0%	57.0%		52.4%	
EBITDA	230.4	142.3	62%	437.0	38%
EBITDA margin	20.4%	18.8%		13.7%	
EBIT	213.1	126.6	68%	369.0	44%
Pre-tax income	203.6	121.4	68%	338.3	45%
Net income	189.2	133.5	42%	306.5	18%

- Based on CCC's sales data, we estimate the Q4 revenue at PLN 1,129m, marking a 50% increase from the same period in 2015.
- At the same time, the gross margin is set to tighten by 4ppts to 53%.
- The EBITDA margin will show 1.6ppt expansion to 20.4% thanks to growing high-margin sales.

Eurocash	Buy			Reporting Date	
Piotr Bogusz	PLN 46.20			23 February	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	5306.8	5044.2	5%	21173	4%
Gross profit	613.7	553.1	11%	2204.4	9%
margin	11.6%	11.0%		10.4%	
EBITDA	186.8	184.7	1%	467.6	-2%
EBITDA margin	3.5%	3.7%		2.2%	
EBIT	147.4	145.3	1%	305.2	-6%
Pre-tax income	123.3	117.4	5%	265.6	0%
Net income	97.3	97.0	0%	209.7	-1%

- Eurocash is expected to book a one-time charge of PLN 20m in Q4 after settling the losses generated by its new acquisitions.
- In addition, it will post a PLN 23m loss on financing activity.
- The quarterly EBITDA margin is likely to register a 0.14ppt decline to 3.52% in Q4 2016.

Jeronimo Martins	Accumulate			Reporting Date	
Piotr Bogusz	EUR 16.90			22 February	
(EUR m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	3882.0	3553.0	9%	14620	6%
Gross profit	827.3	768.0	8%	3101.3	6%
margin	21.3%	21.6%		21.2%	
EBITDA	236.5	212.0	12%	862.5	8%
EBITDA margin	6.1%	6.0%		5.9%	
EBIT	146.7	125.0	17%	533.7	10%
Pre-tax income	163.2	120.0	36%	768.2	115%
Net income	121.2	81.0	50%	621.2	87%

- Based on quarterly sales statistics, we estimate the Q4 2016 sales revenue at EUR 3,882m.
- The gross margin at an estimated 22.31% will show a y/y decline of 0.31ppt, led by intensified marketing activity.
- As sales effectiveness improved, we predict that the SG&A/ sales ratio decreased by 0.23ppt to 17.53% in Q4.
- The EBITDA margin will show expansion of a projected 0.12ppt to 6.09%.

LPP	Hold			Reporting Date	
Piotr Bogusz	PLN 5,300			23 February	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	1855.0	1575.0	18%	6020.6	17%
Gross profit	943.0	862.8	9%	2935.1	7%
margin	50.8%	54.8%			
EBITDA	262.9	297.6	-12%	487.5	-33%
EBITDA margin	14.2%	18.9%			
EBIT	202.0	235.9	-14%	229.4	-54%
Pre-tax income	180.0	193.9	-7%	196.7	-53%
Net income	158.0	173.0	-9%	175.7	-50%

- LPP released preliminary Q4 2016 results on February 13th.
- The release showed revenue consistent with the monthly sales data.
- The gross margin in Q4 contracted by 4ppt to 50.8%, due mainly to a December inventory sell-off.
- Per-sqm SG&A expenses were reduced by 4% y/y to PLN 258 - a slowdown from the previous quarters.
- Inventory per square meter decreased by 18.9% y/y to PLN 1,278.

PBKM	Buy			Reporting Date	
Paweł Szpigiel	PLN 70			31 March	
(PLN m)	**Q4'16E**	**Q4'15**	**Y/Y**	**2016E**	**Y/Y**
Revenue	29.6	28.0	6%	125.7	20%
EBITDA	8.4	-2.6	-	34.7	74%
EBITDA margin	28.5%	-	-	27.7%	-
EBIT	7.0	-3.5	-	29.9	94%
Pre-tax income	7.1	-3.7	-	29.6	93%
Net income	7.3	-6.0	-	24.0	176%

- PBKM collected 4,670 cord blood and tissue specimens in Q4 2016 vs. 4,430 the year before - a slowdown in annual growth to 5.4% from 6.8% seen in the first three quarters.
- We estimate the quarterly EBITDA margin at 28.5%.
- The bottom line will be affected by one-offs, including a PLN 5.4m stock option plan settlement, PLN 1.4m IPO costs, and a PLN 0.5m write-down of a number of cord blood specimens.

Current Recommendations by Dom Maklerski mBanku

Company	Recommendation	Date issued	Price on report date	Target price	Current price	Upside / Downside	P/E 2017	P/E 2018	EV/EBITDA 2017	EV/EBITDA 2018
Banks										
ALIOR BANK	Buy	2017-01-27	61.95	71.50	67.40	+6.1%	53.6	13.8		
BZ WBK	Reduce	2017-01-27	355.00	332.34	350.00	-5.0%	15.7	13.0		
GETIN NOBLE BANK	Buy	2017-01-27	1.68	2.14	2.07	+3.4%	11.0	5.7		
HANDLOWY	Accumulate	2017-01-27	79.48	85.00	81.50	+4.3%	19.2	15.1		
ING BSK	Reduce	2017-01-27	167.55	152.39	174.90	-12.9%	15.6	13.8		
MILLENNIUM	Hold	2017-01-27	5.93	5.81	6.99	-16.9%	13.4	11.8		
PEKAO	Accumulate	2017-01-27	136.60	146.10	142.50	+2.5%	16.6	15.8		
PKO BP	Hold	2017-01-27	31.62	31.20	33.50	-6.9%	14.3	12.6		
KOMERCNI BANKA	Accumulate	2017-01-27	892.60	1,011.37 CZK	961.90	+5.1%	14.2	12.9		
ERSTE BANK	Buy	2017-01-27	28.60	35.98 EUR	29.87	+20.5%	10.4	9.2		
OTP BANK	Hold	2017-01-27	8,950	9,031.25 HUF	9,100	-0.8%	11.4	10.5		
Insurance										
PZU	Buy	2017-01-27	35.50	44.63	37.00	+20.6%	13.6	9.6		
Financial services										
KRUK	Reduce	2017-01-27	249.15	219.64	246.65	-11.0%	16.3	14.3		
PRIME CAR MANAGEMENT	Buy	2017-01-27	34.91	34.91	33.00	+5.8%	9.6	8.6		
SKARBIEC HOLDING	Buy	2017-01-27	29.10	46.28	32.45	+42.6%	8.1	7.1		
Fuels, chemicals										
CIECH	Accumulate	2017-01-27	69.03	72.50	74.88	-3.2%	12.4	14.9	7.4	8.0
GRUPA AZOTY	Hold	2017-01-26	70.41	73.90	71.65	+3.1%	16.6	15.9	7.7	7.3
LOTOS	Reduce	2016-12-20	40.40	36.27	43.11	-15.9%	13.5	10.6	7.2	5.4
MOL	Reduce	2016-12-20	20,620	18,970 HUF	20,450	-7.2%	12.2	10.4	5.2	4.7
PGNIG	Buy	2016-12-20	5.30	6.52	5.75	+13.4%	12.3	10.2	4.9	4.2
PKN ORLEN	Sell	2016-12-20	87.17	66.13	86.88	-23.9%	10.7	13.7	6.7	7.5
POLWAX	Buy	2017-01-13	16.60	25.95	17.50	+48.3%	7.4	7.5	6.1	7.1
SYNTHOS	Sell	2017-01-17	5.30	3.72	6.00	-38.0%	16.5	21.7	10.2	12.2
Power Utilities										
CEZ	Buy	2016-12-06	407.00	496.80 CZK	434.40	+14.4%	14.6	14.1	6.7	6.6
ENEA	Reduce	2017-01-27	10.61	8.81	10.94	-19.5%	7.0	6.0	4.8	3.9
ENERGA	Hold	2017-01-27	10.20	9.20	10.57	-13.0%	8.6	8.0	4.7	4.7
PGE	Hold	2016-10-04	10.18	10.63	12.00	-11.4%	9.9	9.4	5.4	5.4
TAURON	Accumulate	2016-12-06	2.66	3.03	3.01	+0.7%	5.3	5.1	4.7	4.9
Telecommunications										
NETIA	Accumulate	2017-01-27	4.58	4.90	4.69	+4.5%	-	-	4.8	5.2
ORANGE POLSKA	Buy	2017-01-27	5.46	7.10	5.64	+25.9%	195.7	37.7	4.7	4.5
Media										
AGORA	Accumulate	2017-01-27	12.90	13.90	14.80	-6.1%	-	-	6.7	6.8
CYFROWY POLSAT	Reduce	2017-01-27	24.65	22.30	23.94	-6.9%	16.4	13.7	7.2	6.9
WIRTUALNA POLSKA	Accumulate	2017-01-27	56.60	61.00	55.99	+8.9%	21.4	17.5	12.1	10.2
IT										
ASSECO POLAND	Hold	2016-12-19	53.09	57.00	57.25	-0.4%	14.9	14.4	6.6	6.3
CD PROJEKT	Sell	2017-01-26	59.63	43.40	69.44	-37.5%	45.7	45.3	33.2	32.7
COMARCH	Buy	2016-12-19	172.40	205.00	205.70	-0.3%	20.8	17.6	8.8	8.0
Manufacturers & Metals										
FAMUR	Suspended	2016-11-30	4.22	-	4.60	-	-	-	-	-
KERNEL	Hold	2017-01-27	76.75	73.90	77.30	-4.4%	5.8	6.3	4.4	4.2
KĘTY	Hold	2017-01-27	416.80	387.90	423.00	-8.3%	16.0	16.3	11.0	10.3
KGHM	Accumulate	2017-01-27	122.05	128.64	130.95	-1.8%	9.1	9.0	5.8	5.5
STELMET	Accumulate	2017-01-27	32.30	33.80	30.75	+9.9%	15.8	12.3	10.4	8.3
UNIWHEELS	Accumulate	2017-01-27	236.00	258.00	240.00	+7.5%	10.4	10.2	8.2	8.3
Construction										
BUDIMEX	Accumulate	2017-01-27	217.00	238.40	238.00	+0.2%	15.2	17.0	7.7	9.2
ELEKTROBUDOWA	Buy	2016-12-22	98.50	146.00	118.50	+23.2%	11.5	12.2	6.0	6.1
ERBUD	Accumulate	2017-01-27	29.50	33.50	28.80	+16.3%	11.6	11.3	4.8	4.6
UNIBEP	Buy	2017-01-27	10.79	12.80	11.79	+8.6%	9.9	10.3	6.7	6.9
Property Developers										
CAPITAL PARK	Buy	2017-01-25	6.30	8.09	6.58	+22.9%	46.9	8.6	123.3	14.2
DOM DEVELOPMENT	Accumulate	2017-01-27	64.94	72.50	61.00	+18.9%	9.2	9.0	7.0	6.9
ECHO	Buy	2017-01-25	5.69	6.64	6.10	+8.9%	11.2	9.0	12.9	11.0
GTC	Accumulate	2017-01-25	8.65	9.59	8.58	+11.8%	7.5	10.9	10.0	14.1
ROBYG	Buy	2017-01-27	3.00	3.95	3.00	+31.7%	9.8	6.0	10.9	6.2
Retail										
AMREST	Accumulate	2017-01-27	347.00	367.00	325.00	+12.9%	27.9	20.7	11.1	8.7
CCC	Accumulate	2017-01-27	207.00	219.00	213.10	+2.8%	21.5	17.4	15.2	12.5
EUROCASH	Buy	2017-01-27	39.90	46.20	39.04	+18.3%	21.4	16.3	10.2	8.2
JERONIMO MARTINS	Accumulate	2017-01-27	15.66	16.90 EUR	16.16	+4.6%	22.1	20.0	11.2	10.4
LPP	Hold	2017-01-27	5,370	5,300	5,365	-1.2%	21.2	16.1	11.9	9.5
Other										
PBKM	Buy	2016-12-22	53.95	70.00	58.00	+20.7%	9.9	8.3	6.8	5.7
WORK SERVICE	Suspended	2016-12-06	10.17	-	9.90	-	-	-	-	-

Ratings issued in the past month

Company	Rating	Previous Rating	Target Price	Rating Day
Agora	Accumulate	Buy	13.90	2017-01-27
Alior Bank	Buy	Buy	71.50	2017-01-27
AmRest	Accumulate	Buy	367.00	2017-01-27
Budimex	Accumulate	Accumulate	238.40	2017-01-27
BZ WBK	Reduce	Hold	332.34	2017-01-27
Capital Park	Buy	Hold	8.09	2017-01-25
CCC	Accumulate	Hold	219.00	2017-01-27
CD Projekt	Sell	Sell	43.40	2017-01-26
Ciech	Accumulate	Accumulate	72.50	2017-01-27
Cyfrowy Polsat	Reduce	Reduce	22.30	2017-01-27
Dom Development	Accumulate	Buy	72.50	2017-01-27
Echo	Buy	Hold	6.64	2017-01-25
Elemental	Suspended	Buy	-	2017-01-27
Enea	Reduce	Hold	8.81	2017-01-27
Energa	Hold	Accumulate	9.20	2017-01-27
Erbud	Accumulate	Buy	33.50	2017-01-27
Erste Bank	Buy	Buy	EUR 35.98	2017-01-27
Eurocash	Buy	Accumulate	46.20	2017-01-27
Getin Noble Bank	Buy	Buy	2.14	2017-01-27
Grupa Azoty	Hold	Hold	73.90	2017-01-26
GTC	Accumulate	Hold	9.59	2017-01-25
Handlowy	Accumulate	Hold	85.00	2017-01-27
ING BSK	Reduce	Sell	152.39	2017-01-27
Jeronimo Martins	Accumulate	Hold	EUR 16.90	2017-01-27
Kernel	Hold	Accumulate	73.90	2017-01-27
Kęty	Hold	Hold	387.90	2017-01-27
KGHM	Accumulate	Accumulate	128.64	2017-01-27
Komercni Banka	Accumulate	Accumulate	CZK 1,011.37	2017-01-27
Kruk	Reduce	Hold	219.64	2017-01-27
LPP	Hold	Hold	5,300.00	2017-01-27
Millennium	Hold	Buy	5.81	2017-01-27
Netia	Accumulate	Accumulate	4.90	2017-01-27
Orange Polska	Buy	Buy	7.10	2017-01-27
OTP Bank	Hold	Reduce	HUF 9,031.25	2017-01-27
Pekao	Accumulate	Hold	146.10	2017-01-27
PKO BP	Hold	Buy	31.20	2017-01-27
Prime Car Management	Buy	Buy	34.91	2017-01-27
PZU	Buy	Buy	44.63	2017-01-27
RBI	Suspended	Hold	-	2017-01-27
Robyg	Buy	Buy	3.95	2017-01-27
Skarbiec Holding	Buy	Buy	46.28	2017-01-27
Stelmet	Accumulate	Accumulate	33.80	2017-01-27
Synthos	Sell	Sell	3.72	2017-01-17
Unibep	Buy	Buy	12.80	2017-01-27
Uniwheels	Accumulate	Accumulate	258.00	2017-01-27
Wirtualna Polska	Accumulate	Accumulate	61.00	2017-01-27

Ratings Statistics

Rating	All		For Issuers who are clients of Dom Maklerski mBanku	
	Count	Pct. of total	Count	Pct. of total
Sell	3	5.4%	1	3.3%
Reduce	7	12.5%	4	13.3%
Hold	10	17.9%	6	20.0%
Accumulate	18	32.1%	9	30.0%
Buy	18	32.1%	10	33.3%

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

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

Recommendations of Dom Maklerski mBanku :
A recommendation is valid for a period of 6-9 months, unless a subsequent recommendation is issued within this period. Expected returns from individual recommendations are as follows:
BUY – we expect that the rate of return from an investment will be at least 15%
ACCUMULATE – we expect that the rate of return from an investment will range from 5% to 15%
HOLD – we expect that the rate of return from an investment will range from –5% to +5%
REDUCE – we expect that the rate of return from an investment will range from -5% to -15%
SELL – we expect that an investment will bear a loss greater than 15%
Recommendations are updated at least once every nine months.

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Relative – based on a comparison of valuation multipliers of companies from a given sector; simple in construction, reflects the current state of the market better than DCF; weak points include substantial variability (fluctuations together with market indices) as well as difficulty in the selection of the group of comparable companies.
Economic profits – discounting of future economic profits; the weak point is high sensitivity to changes in the assumptions made in the valuation model.
Discounted Dividends (DDM) – discounting of future dividends; the weak point is high sensitivity to changes in the assumptions as to future dividends made in the valuation model.
NAV - valuation based on equity value, one of the most frequently used method in case of developing companies; the weak point of the method is that it does not factor in future changes in revenue/profits of a company.

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