

Wednesday, July 04, 2018 | periodical publication

Monthly Market Outlook: July 2018

Equity Market, Macroeconomics

Equity Market

Emerging markets offer a wide range of compelling investment opportunities at the moment after the recent downward correction in local equities as well as currencies. Fears of a US-led global trade war mean markets face another volatile month.

Sector Outlook

Financials

We remain overweight financials, and at the current valuations and we see upside potential of as much as 22% in the sector, which has narrowly outperformed the MSCI EME Financials index this year. Polish banks are on track to fulfilling the 2018 FY expectations of analysts. Elsewhere in the CEE sector, a recent downward correction has brought the trading multiples of OTP, EBS, and KOMB to very attractive levels.

Chemicals

Ciech remains our top chemical pick for July.

Oil & Gas

Even the OPEC's pledge to raise output from July did not break the upward price momentum in oil, and the outlook for downstream is increasingly bleak. Against this backdrop, we would opt instead for producers with well-developed E&P operations and low relative valuations (PGNiG, MOL).

Power Utilities

Polish utilities trade close to their all-time lows again even as coal prices in Europe, and electricity prices on the local POLPX exchange, continue to rise. The improved market conditions, coupled with favorable regulatory changes, should be viewed as a value driver for the sector.

Telecoms, Media, IT

Our view for July assumes a downward correction in PLY and an upward shift in CPS and OPL. We remain bullish on AGO and WPL, who are benefitting from a strong rise in Polish advertising expenditure. Our smaller-cap IT favorites are ATD and ASE.

Industrials & Metals

Poland's producer price index has posted distinct gains in the last two months, led mainly by a depreciation in the Polish zloty against the euro and the US dollar, which benefits exporters. When it comes to earnings, the second quarter in the industrial sector looks good relative to a low year-ago comparable base, when a staggering 56% of companies reported year-over-year profit falls, with only a few delivering positive surprises.

Construction

We remain bullish on the infrastructure sector, as reflected in negative to neutral calls upheld even after a recent price correction. At the same time, we are positive on companies whose core business is the construction of buildings (UNI, ERB).

Property Developers

We remain bullish on real-estate developers. and our short list of the most compelling bets consists of ARH, 1AT, DOM, LCC, and LKD, companies with high sales efficiency ratios, trading at 1.1x 2018E P/B and 6.4x 2018-2020E P/E, expected to offer 2019-2020E dividend yield of 11.3%.

Retail

The June 2018 sales results of fashion and footwear retailers might reflect the negative effects of World Cup broadcasts on shopping center foot traffic. Our top retail picks for the weeks ahead are BTM, CCC, JMT, LPP, and VST.

Key Ratings

Positive: 1AT, ALR, AMC, BTM, CCC, CIE, ECH, ENA, ENG, FMF, JMT, JSW, KGH, KOMB, LCC, LPP, PFL, PGE, PGN, POZ, PZU, TPE, UNI, VST

Negative: CEZ, EAT, MIL, PKN

| EU Indices | Value | 1M chng | YTD chng |
|------------|--------|---------|----------|
| WIG | 56,394 | -2.6% | -12% |
| ATX | 3,224 | -3.5% | -4% |
| BUX | 36,204 | +0.7% | -8% |
| PX | 1,076 | +0.8% | +4% |

| WSE WIG Ind. | Value | 1M | YTD |
|-----------------|--------|-------|------|
| WIG20 | 2,160 | -1.4% | -12% |
| mWIG40 | 4,207 | -5.8% | -11% |
| sWIG80 | 12,771 | -4.7% | -10% |
| Banking | 7,316 | -2.9% | -14% |
| Basic Materials | 2,178 | -8.0% | -23% |
| Chemicals | 11,773 | -1.2% | -23% |
| Clothes | 2,358 | -4.0% | -21% |
| Construction | 3,584 | -0.2% | -18% |
| Energy | 1,947 | -5.3% | -5% |
| Food | 4,762 | -8.8% | -1% |
| IT | 2,124 | -1.7% | -3% |
| Media | 6,626 | -9.4% | -12% |
| Oil & Gas | 6,061 | +1.7% | -15% |
| Real estate | 3,490 | -7.2% | -4% |
| Telecom | 645 | -4.9% | -13% |

| Top 5 / Worst 5 | | 1M | YTD |
|------------------|-------|--------|------|
| Elektrotim | 6.70 | +34.0% | -23% |
| Prairie Mining | 1.40 | +27.3% | -5% |
| Interma Trade | 2.67 | +24.8% | -18% |
| Rank Progress | 1.92 | +17.8% | +1% |
| Polnord | 8.91 | +17.4% | -8% |
| Kopex | 1.95 | -22.0% | -49% |
| Stelmet | 10.70 | -24.4% | -26% |
| Altus TFI | 7.62 | -24.8% | -40% |
| PCM | 11.60 | -32.0% | -59% |
| Mostostal Zabrze | 0.23 | -39.5% | -64% |

Rating & 9M TP Changes as of 4 Jul. 2018

| Name | Rating | 9M TP |
|---------|--------|--------------|
| Atal | buy ▲ | 42.86 PLN ► |
| CEZ | sell ► | 440.96 CZK ▼ |
| Ciech | buy ► | 81.14 PLN ▼ |
| ING BSK | buy ▲ | 212.00 PLN ► |
| JSW | buy ► | 107.00 PLN ▼ |
| Stelmet | buy ► | 20.24 PLN ▼ |
| TXM | buy ► | 3.48 PLN ▼ |

Investing Outlook

The prospect of a trade war between the U.S. and the rest of the world dominated global market headlines in June, with the S&P500 logging an 0.5% gain while the DAX fell 2.4%, and the Shanghai Composite Index sank 8.0%. Poland's WIG20 index continues to be one of the worst underperformers this year with a ytd negative return of 13.9% even though Poland's economy keeps growing and local equities trade at relatively attractive levels. Aside from heightened global investment risk, the other major reason behind the underperformance is an outflow of local capital from the stock market. Investors have been pulling money out of Polish equity funds for many months now, and with pension funds transferring more money to the state than they receive from employee contributions the Polish stock market is increasingly vulnerable to global developments. The appreciation since April in the US dollar bears on all emerging markets (MSCI EM -8.6% YTD), as evidenced by June withdrawals from emerging market ETFs of a whopping \$8.4 billion, the most cash pulled in a month since January 2014. The US-China dispute will continue to shape the performance of global stock markets in the weeks ahead.

Eurozone Data Disappoints

The JP Morgan Global Composite PMI Index gained 0.2 in May, but at 54 it still trailed its February high of 54.8. Investors fear a slowdown in the future as they look at the strengthening dollar, the decelerating momentum in Europe, and less upbeat economic indicators for China. The United States seems to be enjoying robust economic fundamentals by comparison, reflected in GDP growth at an annual rate of 3.3% and a quarterly rate of 4.8% projected for Q2 2018 by ISI Evercore, alongside the strongest job market in over a decade, and productivity which outpaces GDP (as reflected in respective q/q growth of 3.6% and 2.8% in Q1). Under these circumstances, US companies are delivering record earnings, which means they can spend more on cash dividends and share buybacks (the latter are expected to exceed \$800 billion this year).

The ISM manufacturing index validated the strong US momentum in June by jumping to a higher-than-expected 60.2. On the other hand, the latest economic indicators for the Euro Area have been a disappointment, with the weakened euro failing to boost the area's leading indicators contrary to the expectations of most analysts. The IHS Markit Composite Eurozone PMI fell to 54.1 in May from 55.1 in April, and the June prints showed continued contraction, with the manufacturing PMI down from 56.9 to 55.9 in Germany, from 54.4 to 52.6 in France, and from 55.5 to 54.9 overall. Italy may have been a drag on the Eurozone's business activity in June, but further falls in July will be taken as a sign of a marked slowdown.

Central Banks Normalize Policies

The US Federal Reserve used more hawkish language when announcing its latest 1.75% rate hike and plans for more hikes during 2018 and 2019, emphasizing strong growth and higher inflation domestically, and omitting any mention of global factors. Chairman Powell said rates had to move to a 'neutral' level (which most are guessing is 2.75%), and added that the Fed's policy remains accommodative. Going forward, investors will be paying special attention to job growth and the fact that vacancies in the US are starting to outnumber new jobless claims, giving rise to expectations of possible pay pressures. The consensus for target rates could move upward in the coming quarters. At the same time, falling yields on securities with longer maturities are driving a

further flattening of the yield curve, creating threat for high-risk assets.

The European Central Bank is also starting to tighten policy; the Bank kept rates unchanged in June, but said it would be scaling back QE to EUR 15 billion a month from October through December 2018, which will mark the program's end. At the same time, the ECB raised its inflation projection for 2018-2020, and said explicitly that it would not be raising rates until late 2019 at the earliest. The shift in the ECB's view, coupled with the Eurozone slowdown, drives investors away from the euro and further strengthens the dollar, with implications for emerging market stocks.

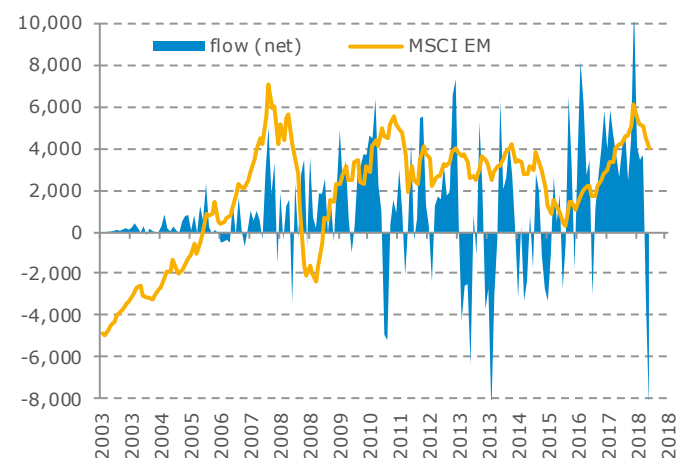
Escalation of US-China Tensions

President Trump killed any hope of a US-China trade compromise on June 15th by announcing the introduction of 25% tariffs on \$34 billion-worth of Chinese imports (1,102 product lines), effective July 6th, after levying duties on steel and aluminum from the EU, Canada, and Mexico despite earlier promises of exemptions. A further 248 Chinese products, valued at \$16bn, are in line for added tariffs to be announced at a later date, and President Trump has ordered a list of an additional \$200 billion-worth of goods for potential tariffs after China retaliated with its own \$34bn set of tariffs on US goods on June 16th. The escalation of the trade disputes (with the other countries affected also taking retaliatory action) is taking a toll on stock markets, though some are still hoping some kind of a compromise will be reached before July 6th.

Capital Flight Hurts Polish Trade Flows

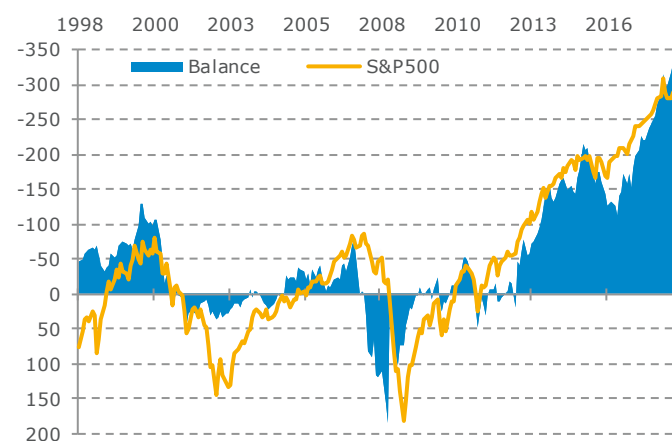
Money flows on the Warsaw Stock Exchange at the moment hinge on the activity of global investors as domestic pension and investment funds continue to register withdrawals, with no sign of relief in sight as the government keeps pushing back the implementation of a nationwide mandatory employer-sponsored retirement savings scheme. In June, emerging market ETFs experienced their largest monthly withdrawals since January 2014, and the second-biggest outflow on record, coming up to \$8.4 billion or 4.0% of their total AUMs. This after seeing \$3.3bn of cash pulled in May.

Net EM ETF flows vs. MSCI EM performance



Speaking of fund flows, it is worth noting the increasing leverage of US investors, with FINRA margin debt for May less cash accounts at \$332 billion (+\$44.7bn ytd). In previous cycles, a divergence of this indicator from the index led the end of bull/bear cycles, but this is not what we are dealing with at the moment.

Margin debt ex. cash vs. S&P500 performance



Source: Bloomberg

Earnings Momentum Improves In Poland

mBank economists estimate that the Polish economy expanded at an annual rate of 4.8-5.0% in Q2 2018, supported by solid manufacturing indicators and retail sales. We continue to expect a rebound in the earnings growth of companies representing the main sectors of the WIG index in the quarters ahead. At 10.0x, the forecast 2019 P/E ratio for the WIG20 benchmark is low compared to the historical averages and relative to MSCI EM (10.6x).

Michał Marczak

tel. +48 22 438 24 01

michal.marczak@mbank.pl

Sector Strategies

Financials

- The Polish bank sector offers 22% estimated upside potential after the recent pullbacks. We believe the best returns in the month ahead will come from banks with little to no exposure to CHF loans. These include Pekao (PEO) and Alior Bank (ALR), which have suffered losses in recent weeks triggered by speculation about their potential merger. We put the odds of the merger going through at a high 75%, subject to the approval of both sets of shareholders. The purchase of Alior probably entails a dividend cut at Pekao, but the bank would have to reduce shareholder distributions anyway in the medium term. The fact that the deal at Alior's current market valuation would mean a loss to the owner of both banks, PZU, should be taken into account when determining the merger ratio.
- We also see upside in ING BSK (ING) and Handlowy (BHW), with their solid capital positions and a likelihood of upward forecast revisions in the case of the latter.
- We also remain bullish on BZ WBK (BZW) in spite of disappointing first-quarter results. It is highly unlikely that Deutsche Bank will want to sell its BZW shares at the current market price, and it is worth bearing in mind that BZ WBK's 2018 dividend declaration implies a record payout of PLN 23 per share.
- Other CEE banks also show upside potential after the recent share price falls. We expect the low 2018 FY earnings expectations for OTP Bank and Komerční Banka to be revised upward, and we see growth potential in Erste Bank, operating amid favorable market conditions and registering record-low charge-offs.
- **Key Ratings:** ALR (buy), KOMB (buy), PZU (buy), MIL (reduce).

Chemicals

- MSCI's Europe and World Chemicals indices are currently valued on a level with their 3-year P/E and EV/EBITDA ratios after a continued sideways drift in the past two months. During a recent Chemical Event hosted by mBank, our foreign industry guests signaled that their profit growth this year is constrained by higher costs of basic materials and negative base effects, which offset strong demand.
- Of the two rated chemical stocks, Grupa Azoty (ATT) still has downside risk in our view, stemming from further earnings shrinkage expected in Q2 and Q3 2018, coupled with planned capital investment, set to bring FCF in the next four years into the negative territory.
- Accordingly, Ciech (CIE), which is trading at attractive ratios and offers a high dividend yield, remains our top pick for July.
- **Key ratings:** CIE (buy)

Oil & Gas

- OPEC agreed to cut production by 1 million barrels per day from July to make up for a falling supply from Venezuela and curbed volumes from Iran in the wake of renewed sanctions, but this might not be enough to address the current deficit. As US crude reserves drop, there are no catalysts that could knock the price of oil lower in the foreseeable future.
- Costly crude inputs are putting a squeeze on refining margins (currently hovering around 3 dollars a barrel), as well as slowly exerting downward pressure on the petrochemical profits. At the same time, the Urals/Brent

pricing differential is seen to narrow due to the upcoming constraints on the heavy brand's supply from Iran while European refineries increase operating rates. Refinery output in China has also been growing, resulting in a bulked-up supply in the global market for oil products.

- As for natural gas, prices in Poland and across Europe are back on an upward trajectory after a temporary slide, and with current quotes well above the year-ago levels local producers are set to report stellar E&P profits in Q2 and Q3 2018.
- Against this backdrop, we remain bearish on the downstream sector, and we continue to view PGNiG (PGN) as a good alternative, with its profits set to rise in line with hydrocarbon prices, and a number of potential value drivers lined up and ready to be triggered in the coming months (these include a potential arbitration award against Gazprom, acquisitions, and the recent dispensation from participation in the nuclear project). With that said, the vertically-integrated Hungarian refiner MOL also currently offers upside potential.
- **Key Ratings:** MOL (accumulate), PGN (buy), PKN (reduce)

Power Utilities

- Prices of carbon allowances closed at EUR 15/t in June after rising by just 10 cents from May, and at the same time year-ahead coal contracts rebounded above \$90/t, pushing the price of German power contracts above EUR 43/MWh. Clean and vertically-integrated power producers are still the main beneficiaries of the upward trend in EU prices because the clean-dark spread is still negative, albeit closing.
- The MSCI Utilities Europe index outperformed the broad market in June, but WIG-energy in Poland was again the clear underperformer of the month.
- Polish electricity prices also trailed the German benchmark in June, with their upward movement stemmed by allegations of market abuse coming out of the office of the energy regulator, but at the moment they are back to hovering around PLN 210/MWh. Our forecasting model for the energy sector indicates a brighter 2019 earnings outlook for power generators than suggested by the analysts' consensus. Meanwhile Polish utility stocks are trading close to their all-time lows at 3.7x 2018E EV/EBITDA. Given market conditions, what we know at this point about the upcoming capacity market, and expectations of a substantial turnaround in free cash flow, we have buy recommendations for Enea (ENA), Energa (ENG), PGE (PGE), and Tauron (TPE). The Czech utility CEZ remains a sell on a relatively high valuation and overlooked risks built into the local nuclear project.
- **Key Ratings:** CEZ (sell), ENA (buy), ENG (buy), PGE (buy), TPE (buy)

Telecoms, Media, IT

- There is a clear push toward fixed + mobile convergence among telecoms across the world, one example being the May acquisition by Vodafone of the German and CEE assets of Liberty Global for EUR 18.4bn and 10.9x 2019E EV/EBITDA. In Poland, Cyfrowy Polsat (CPS) increased holdings in Netia fixed line to 66% in May with the view to gaining access to infrastructure and capitalizing on cross-sell potential to expand in Netia's core markets, which are predominantly big cities.
- At the same time, T-Mobile Poland is currently negotiating access to the fiber infrastructure of Orange Polska (OPL),

though it is possible that the telecom will take another route to fixed broadband and make an offer to acquire the Polish unit of Liberty Global, UPC Polska.

- The Zenith media agency is forecasting 4.8% growth in advertising expenditures in Poland this year (compared to a global forecast of 4.5%), which would put the total net adspend for the year at PLN 7.410 billion. By medium, the agency has recently dramatically hiked its adspend forecast for TV 5.6% from 1.4% projected in March, based on strong demand for air time among advertisers. The forecast for online ad expenditure growth is 8.1%.
- The WIG-INFO sector index fell 5.2% in June (vs. -3.1% WIG), and at the current level the median 12M fwd P/E ratio for IT stocks at 14.6x is on a level with its three-year average, with the premium narrowed by nearly 11% over the course of two months. Five of the seven rated IT stocks suffered declines in June, with Ailleron (ALL) and Asseco Poland (ACP) among the biggest losers, having logged respective losses of 13.0% and 6.5%.
- Our top small-cap IT picks are Asseco South Eastern Europe (ASE) and Atende (ATD). We have neutral calls for Ailleron, Asseco BS, and Wasko.
- **Key ratings and portfolio positioning:** OPL (buy), ACP (reduce), PLY (reduce), AGO (buy), WPL (accumulate), ATD (overweight), ASE (overweight).

Industrials & Metals

- MSCI's Industrials World and Europe indices traded sideways in June, but after downward revisions to the earnings expectations for European manufacturers the Europe index is currently trading at a premium to its average 3-year P/E and EV/EBITDA ratios.
- The operating conditions for Polish manufacturers have shifted in a more positive direction the last few weeks. Poland's producer price index has posted distinct gains in the last two months, led mainly by a depreciation in the Polish zloty against the euro and the US dollar, which benefits exporters. When it comes to earnings, the second quarter in the industrial sector looks good relative to a low year-ago comparable base, when a staggering 56% of companies reported year-over-year profit falls, with only a few delivering positive surprises.
- Among rated firms, we expect to see year-over-year improvement in the 2018 Q2 results of Amica (AMC, which has a more positive outlook on the period), Alumetal (AML, which achieved high margins on core products in April and May), Famur (FMF, which has recently adjusted prices upward, and which is experiencing strong demand), Cognor (COG, which sees margins spreads on core steel products), and Tarczyński (TAR, set for a rebound supported by successful restructuring and a revamped sales mix).
- **Key Ratings and Portfolio Positioning:** AMC (overweight), FMF (buy), PFL (overweight), POZ (overweight), STL (buy).

Mining

- Most of the major copper mines in Peru and Chile so far have been able to stave off strike action, defying expectations of global supply disruptions. The one notable exception is Escondida, whose employees are threatening strike action unless their demands are met by a July deadline.
- Inventories in exchange-monitored warehouses have shown draws for the last two months, and the tightening could continue in the weeks ahead, led by increased demand from China, with positive effects on global copper

prices. In April 2018 China imported 10% more of copper net than in the same month last year. Prices of steel are on an upward trajectory thanks to high global demand driven by infrastructure projects. As a result, profit margins on BOF steelmaking are at their highest levels in three years.

- As far as coal, China resumed regular orders for coking coal from April, and as its coke inventories fall this is having a positive effect on global prices. Note that China's steel inventory has been decreasing at the fastest rate in five years.
- In Poland, the mining sector continues to experience rising pay pressures this year, which may affect profits.
- The copper miner KGHM (KGH) and the coal miner JSW are both benefitting from the zloty's weakness against the dollar, but JSW has more potential to deliver positive surprises in our view looking at increasing coal demand from the global steel industry and falling coal and coke reserves in China, combined with the elimination of production risks with a recent pay deal with unions.
- KGHM carries more near-term risk if traders decide to unwind their record-high positions in copper, built in anticipation of a strike at the Escondida mine in Chile, triggering a sell-off on the metal.
- **Key Ratings:** KGH (buy), JSW (buy)

Construction

- Poland's railway operator PKP PLK opened bids in seventeen large railway tenders in H1 2018, revealing a net sum total of the lowest bids of PLN 6.4bn. Unfortunately, most of the quotes turned out to be 49% over budget. Two of the seventeen tenders have already been canceled due to cost overrun, and more are likely to follow suit. PKP PLK decided to award only one contract to the lowest bidder for a minor job (PLN 35m). The gap between the lowest and second-lowest bid in railway tenders opened this year averages 4% vs. 8% in 2017.
- Out of rated railway builders, Trakcja (TRK), Torpol (TOR), ZUE, and Budimex (BDX) have all had good hit rates on this year's tenders, however with many of their low bids exceeding the budget those contracts will probably be canceled. This means the current backlogs of these infrastructure firms consist largely of contracts acquired during a period of heightened price competition in the railway infrastructure sector.
- By contrast, most of the winning price quotes on roadwork contracts revealed during H1 2018 based on the example of nine tenders where the combined net low bids totaled PLN 3.3bn were ca. 5% under budget (vs. 25% last year). Budimex has had a zero hit rate so far in road infrastructure bookings.
- The buildings construction firm Unibep (UNI) signed five new contracts for a combined PLN 316m in Q2 2018. With the average price per square meter of finished building agreed this year at PLN 4,600 versus PLN 3,500 in 2017, the Company can be expected to generate higher margins in the future. UNI remains our top construction pick and an overweight alongside its rival in building construction, Erbud (ERB).
- **Key Ratings and Portfolio Positioning:** UNI (buy), TRK (underweight)

Property Developers

- We currently have a bullish view on the residential real-estate sector as a whole, and our short list of the most compelling bets consists of ARH, 1AT, DOM, LCC, and LKD, companies with high sales efficiency ratios, trading at 1.1x 2018E P/B and 6.4x 2018-2020E P/E, expected to offer 2019-2020E dividend yield of 11.3%. All these developers are well-equipped to thrive during periods of potential slowdown, and they have the resources to lead the expected industry consolidation as the planned change in escrow laws creates M&A opportunities among smaller, less cash-rich players.
- LC Corp (LCC) remains a top pick due to the 20% discount at which it is trading relative to the sector, with 2018E P/E at 5.4x, alongside a 45% discount to peer P/B. Moreover LCC is still trading cum-2018 dividend (DPS=PLN 0.24, DYield=10.2%), and there is a chance it will make an extra payout after the expected sale of commercial properties.
- Atal (1AT) is also trading at attractive price-earnings ratios, with forecast 2019 dividend yield at 13.8%, after an unexpected 13% share price fall over the past month.
- On the other hand, a 19% monthly gain means it is time to cash in on Polnord (PND), whose earnings prospects have worsened.
- Thanks to the introduction of so-called open escrow accounts, the share of homebuyer deposits financing the construction of new homes increased from 13-15% as a percentage of inventory in 2011-2014 to 32% in 2017. These accounts are about to be eliminated under a recent legislative proposal, but we think our top-rated residential developers can handle the consequences.
- **Key Ratings and Portfolio Positioning:** LCC (buy), ECH (buy), LKD (overweight), ARH (overweight), PND (underweight).

Retail

- The Sunday trading ban in force since March will probably initially hurt the weekend sales of fashion retailers, but eventually the Sunday foot traffic is sure to shift to other days. The restaurant operator AmRest, with about half of its locations based in shopping centers, might lose a small percentage of its sales as well. On the other hand, grocery retailers should not suffer too much with Sundays accounting for a small proportion of their weekly sales.
- The dollar is seen to appreciate vis-à-vis the zloty lately, but fashion and footwear retailers are still able to purchase 2018 autumn-winter collections cheaper than during the 2017 buying season. Low dollar-denominated costs of the 2018 spring-summer lines bought late last year will boost profits in Q2 and Q3 2018, and the biggest beneficiaries of this include LPP and Monnari (each paying about 85% of COGS in US dollars), CCC (ca. 45% \$COGS), Vistula and Bytom (ca. 30% \$COGS), and TXM (ca. 20% \$COGS).
- CCC footwear reported tighter growth at an annual rate of 17.7% in 2018 sales due to negative base effects, but at the same time the Retailer improved sales margins and curbed the upward trend in SG&A expenses. Sales growth in Q3 2018 continues to be under pressure from negative base effects.
- At AmRest (EAT), profits for Q2 and Q3 2018 will be weighed down by costs of post-merger integration after a period of intense M&A activity, with EBITDA in the period not likely to grow more than 20% on a year-over-year basis.
- LPP fashion posted further growth in lfl sales in Q2 2018, and this, combined with a 3.5pp rebound in the gross margin and tight cost discipline, resulted in a 49.3%% rebound in the quarterly EBIT relative to the same period in 2017.
- Among smaller fashion retailers, we see potential in Monnari (MON, benefitting from cheap dollar costs of collections), Bytom (BTM, capitalizing on revised pricing and FX effects), Vistula (VST, which continues to improve earnings as it waits for permission to take over a rival menswear brand), and TXM (expected to regain sales effectiveness while keeping SG&A relatively stable).
- **Key Ratings and Portfolio Positioning:** CCC (buy), EUR (buy), JMT (accumulate), LPP (accumulate), TXM (buy), BTM (overweight), MON (overweight), VST (overweight).

Current Recommendations By Dom Maklerski mBanku

| Company | Recommendation | Issued On | Price At Reco. | Target Price | Current Price | Upside/Downside | P/E | | EV/EBITDA | |
|----------------------------|----------------|------------|----------------|--------------|---------------|-----------------|-------------|-------------|-------------|-------------|
| | | | | | | | 2018 | 2019 | 2018 | 2019 |
| Financial Sector | | | | | | +21.8% | 12.2 | 9.8 | | |
| Alior Bank | buy | 2018-02-01 | 85.50 | 109.00 | 68.00 | +60.3% | 9.3 | 7.8 | | |
| BZ WBK | buy | 2018-03-05 | 357.80 | 430.00 | 339.80 | +26.5% | 13.4 | 11.0 | | |
| Getin Noble Bank | hold | 2018-05-09 | 1.17 | 1.40 | 0.99 | +41.4% | 20.0 | 7.4 | | |
| Handlowy | buy | 2018-04-06 | 77.50 | 94.00 | 70.00 | +34.3% | 14.5 | 11.9 | | |
| ING BSK | buy | 2018-07-04 | 178.40 | 212.00 | 178.40 | +18.8% | 14.8 | 13.0 | | |
| Millennium | reduce | 2018-04-06 | 8.35 | 7.00 | 8.04 | -12.9% | 13.5 | 12.3 | | |
| Pekao | buy | 2018-02-01 | 135.90 | 157.00 | 112.70 | +39.3% | 13.5 | 11.2 | | |
| PKO BP | hold | 2018-04-06 | 39.74 | 38.00 | 38.10 | -0.3% | 14.4 | 12.0 | | |
| Komerční Banka | buy | 2017-12-01 | 899.00 | 1,111 CZK | 952.50 | +16.6% | 12.2 | 10.4 | | |
| Erste Bank | accumulate | 2018-06-06 | 34.78 | 40.00 EUR | 34.59 | +15.6% | 10.6 | 9.8 | | |
| OTP Bank | buy | 2018-06-06 | 10,210 | 12,090 HUF | 10,230 | +18.2% | 10.4 | 9.5 | | |
| PZU | buy | 2018-03-05 | 41.55 | 50.58 | 38.97 | +29.8% | 10.0 | 9.8 | | |
| Kruk | buy | 2018-02-02 | 222.20 | 300.94 | 191.10 | +57.5% | 10.1 | 8.6 | | |
| Prime Car Management | buy | 2018-06-06 | 12.70 | 15.54 | 11.60 | +34.0% | 6.5 | 5.6 | | |
| Skarbiec Holding | buy | 2018-02-02 | 30.60 | 56.30 | 25.70 | +119.1% | 6.2 | 5.2 | | |
| Chemicals | | | | | | +30.0% | 7.1 | 7.3 | 5.4 | 5.8 |
| Ciech | buy | 2018-07-04 | 53.05 | 81.14 | 53.05 | +53.0% | 7.1 | 7.3 | 4.7 | 4.8 |
| Grupa Azoty | hold | 2018-05-25 | 42.60 | 44.40 | 42.60 | +4.2% | 14.2 | 14.6 | 5.4 | 5.8 |
| Polwax | buy | 2018-05-09 | 7.80 | 16.69 | 7.60 | +119.6% | 5.1 | 3.8 | 6.5 | 5.8 |
| Oil & Gas | | | | | | +15.2% | 9.6 | 9.9 | 5.0 | 4.9 |
| Lotos | hold | 2018-06-29 | 54.50 | 52.51 | 57.22 | -8.2% | 13.0 | 10.6 | 5.6 | 5.5 |
| MOL | accumulate | 2018-06-29 | 2,654 | 2,995 HUF | 2,750 | +8.9% | 9.1 | 9.2 | 4.3 | 4.3 |
| PGNiG | buy | 2018-06-29 | 5.53 | 8.28 | 5.91 | +40.1% | 8.1 | 6.9 | 4.0 | 3.4 |
| PKN Orlen | reduce | 2018-06-29 | 82.50 | 76.84 | 83.98 | -8.5% | 10.0 | 12.3 | 6.0 | 6.9 |
| Power Utilities | | | | | | +13.7% | 4.6 | 4.4 | 3.9 | 3.4 |
| CEZ | sell | 2018-07-04 | 550.00 | 440.96 CZK | 550.00 | -19.8% | 20.8 | 19.3 | 8.3 | 8.2 |
| Enea | buy | 2018-05-29 | 9.57 | 12.62 | 9.31 | +35.6% | 4.5 | 3.5 | 4.0 | 3.4 |
| Energa | buy | 2018-05-29 | 9.00 | 15.58 | 8.86 | +75.8% | 4.6 | 4.4 | 3.4 | 3.3 |
| PGE | buy | 2018-05-29 | 9.28 | 13.60 | 9.44 | +44.1% | 5.8 | 5.6 | 3.6 | 3.4 |
| Tauron | buy | 2018-05-29 | 2.01 | 2.76 | 2.25 | +22.7% | 3.0 | 3.7 | 3.9 | 4.4 |
| Telecoms, Media, IT | | | | | | +8.4% | 20.2 | 16.4 | 7.1 | 6.2 |
| Netia | reduce | 2018-06-06 | 5.00 | 4.30 | 4.96 | -13.3% | 45.1 | 54.5 | 5.8 | 6.1 |
| Orange Polska | buy | 2018-04-06 | 5.83 | 7.60 | 4.62 | +64.5% | 20.2 | 11.1 | 4.2 | 3.8 |
| Play | reduce | 2018-07-03 | 24.88 | 23.50 | 24.60 | -4.5% | 8.0 | 8.2 | 6.1 | 5.9 |
| Agora | buy | 2018-04-06 | 14.50 | 18.40 | 12.70 | +44.9% | 24.1 | 26.2 | 4.3 | 4.5 |
| Cyfrowy Polsat | accumulate | 2018-06-15 | 22.76 | 24.90 | 23.18 | +7.4% | 13.5 | 11.5 | 7.1 | 6.2 |
| Wirtualna Polska | accumulate | 2018-04-24 | 54.00 | 60.00 | 50.00 | +20.0% | 19.6 | 16.8 | 10.7 | 9.0 |
| Asseco Poland | hold | 2018-06-06 | 44.00 | 41.20 | 41.54 | -0.8% | 14.1 | 14.8 | 8.5 | 8.0 |
| CD Projekt | sell | 2018-04-06 | 114.90 | 90.80 | 162.80 | -44.2% | 78.4 | 23.5 | 62.1 | 18.1 |
| Comarch | accumulate | 2018-05-09 | 145.00 | 166.50 | 154.50 | +7.8% | 22.2 | 16.4 | 8.8 | 7.6 |
| Industrials, Mining | | | | | | +27.9% | 10.5 | 6.3 | 7.0 | 4.6 |
| Famur | buy | 2018-05-09 | 5.94 | 6.95 | 5.14 | +35.2% | 14.7 | 11.5 | 7.2 | 6.1 |
| Grupa Kęty | hold | 2018-06-06 | 360.50 | 371.08 | 321.00 | +15.6% | 11.1 | 11.3 | 8.1 | 8.0 |
| JSW | buy | 2018-07-04 | 77.50 | 107.00 | 77.50 | +38.1% | 4.1 | 5.7 | 2.2 | 2.6 |
| Kemel | hold | 2018-05-09 | 50.80 | 53.04 | 48.35 | +9.7% | 9.9 | 5.2 | 6.8 | 4.6 |
| KGHM | buy | 2018-06-06 | 96.52 | 112.92 | 90.44 | +24.9% | 7.4 | 5.8 | 4.4 | 3.3 |
| Stelmet | buy | 2018-07-04 | 10.70 | 20.24 | 10.70 | +89.2% | 14.5 | 6.7 | 7.6 | 4.7 |
| Construction | | | | | | +27.9% | 9.4 | 9.0 | 4.1 | 3.6 |
| Budimex | hold | 2018-06-06 | 153.00 | 163.00 | 131.00 | +24.4% | 9.8 | 10.7 | 3.6 | 3.7 |
| Elektrobudowa | hold | 2018-06-06 | 69.00 | 71.00 | 72.40 | -1.9% | 14.5 | 14.2 | 5.8 | 5.8 |
| Erbud | buy | 2018-06-06 | 14.90 | 22.00 | 14.80 | +48.6% | 9.0 | 7.3 | 4.0 | 3.5 |
| Unibep | buy | 2018-04-06 | 7.50 | 10.10 | 5.60 | +80.4% | 6.4 | 5.5 | 4.2 | 3.3 |
| Property Developers | | | | | | +20.3% | 7.7 | 8.0 | 7.4 | 7.3 |
| Atal | buy | 2018-07-04 | 36.40 | 42.86 | 36.40 | +17.7% | 7.4 | 7.8 | 6.6 | 7.2 |
| Capital Park | buy | 2018-04-06 | 5.95 | 8.35 | 5.45 | +53.2% | 10.8 | 9.1 | 17.7 | 17.0 |
| Dom Development | accumulate | 2018-06-22 | 85.80 | 87.80 | 75.80 | +15.8% | 7.9 | 8.3 | 6.4 | 7.0 |
| Echo | buy | 2018-04-06 | 5.23 | 5.63 | 4.26 | +32.2% | 5.8 | 5.4 | 6.9 | 7.1 |
| GTC | hold | 2018-04-06 | 9.39 | 9.60 | 9.27 | +3.6% | 10.9 | 9.4 | 15.1 | 14.2 |
| LC Corp | buy | 2018-06-22 | 2.39 | 3.58 | 2.55 | +40.4% | 6.1 | 5.6 | 8.0 | 7.5 |
| Retail | | | | | | +27.3% | 25.5 | 17.1 | 14.6 | 10.2 |
| AmRest | reduce | 2018-04-06 | 449.50 | 426.00 | 439.50 | -3.1% | 46.3 | 36.3 | 15.2 | 12.1 |
| CCC | buy | 2018-06-06 | 242.80 | 295.00 | 195.50 | +50.9% | 25.6 | 15.1 | 14.6 | 10.2 |
| Dino | hold | 2018-06-06 | 107.40 | 103.50 | 104.00 | -0.5% | 31.9 | 23.9 | 19.8 | 15.3 |
| Eurocash | buy | 2018-04-06 | 24.41 | 30.70 | 21.15 | +45.2% | 22.2 | 17.1 | 7.2 | 6.1 |
| Jeronimo Martins | buy | 2018-06-06 | 13.52 | 16.40 EUR | 11.96 | +37.1% | 16.2 | 15.1 | 7.1 | 6.4 |
| LPP | accumulate | 2018-06-18 | 9,025 | 10,200 | 9,050 | +12.7% | 25.4 | 20.9 | 13.9 | 11.5 |
| TXM | buy | 2018-07-04 | 1.28 | 3.48 | 1.28 | +171.9% | - | 4.3 | 17.5 | 4.2 |
| Other | | | | | | +2.0% | 11.0 | 10.0 | 7.3 | 6.7 |
| PBKM | hold | 2018-06-06 | 73.00 | 76.26 | 74.80 | +2.0% | 11.0 | 10.0 | 7.3 | 6.7 |

Weighting Recommendations by Dom Maklerski mBanku

| Company | Relative Positioning | Rated On | Price At Rating | Current Price | Change | P/E | | EV/EBITDA | |
|---------------------|----------------------|------------|-----------------|---------------|--------|------|------|-----------|------|
| | | | | | | 2018 | 2019 | 2018 | 2019 |
| Industrials | | | | | | 15.3 | 10.2 | 5.8 | 5.4 |
| Ailleron | neutral | 2018-03-28 | 16.20 | 14.40 | -11.1% | 17.1 | 14.9 | 7.8 | 6.4 |
| Asseco BS | neutral | 2018-03-28 | 28.00 | 26.40 | -5.7% | 15.3 | 13.9 | 10.2 | 9.4 |
| Asseco SEE | overweight | 2018-04-26 | 11.70 | 10.90 | -6.8% | 10.0 | 9.5 | 4.4 | 4.0 |
| Atende | overweight | 2018-03-28 | 4.25 | 3.98 | -6.4% | 9.3 | 8.4 | 5.7 | 5.4 |
| Wasko | neutral | 2018-05-30 | 1.68 | 1.84 | +9.5% | 15.5 | 10.2 | 5.8 | 4.9 |
| Industrials | | | | | | 8.9 | 10.6 | 6.2 | 6.0 |
| Alumetal | neutral | 2017-07-31 | 46.99 | 47.20 | +0.4% | 9.3 | 10.2 | 7.8 | 7.8 |
| Amica | overweight | 2018-06-06 | 121.00 | 111.80 | -7.6% | 7.8 | 6.4 | 5.2 | 4.3 |
| Apator | neutral | 2018-02-28 | 24.00 | 23.00 | -4.2% | 12.6 | 13.1 | 7.3 | 7.5 |
| Boryszew | neutral | 2017-11-30 | 9.85 | 6.75 | -31.5% | 8.5 | 8.2 | 6.1 | 5.7 |
| Elemental | neutral | 2018-04-27 | 1.09 | 0.97 | -11.0% | 3.9 | 3.4 | 4.2 | 3.7 |
| Ergis | neutral | 2018-04-27 | 4.06 | 3.73 | -8.1% | 8.3 | 7.9 | 6.1 | 5.6 |
| Forte | neutral | 2018-04-27 | 50.70 | 45.20 | -10.8% | 19.3 | 12.3 | 12.9 | 10.0 |
| Kruszwica | neutral | 2017-03-29 | 63.50 | 67.40 | +6.1% | 18.4 | 18.8 | 10.9 | 10.8 |
| Mangata | neutral | 2018-06-22 | 90.00 | 96.00 | +6.7% | 13.1 | 12.9 | 8.1 | 7.8 |
| Pfleiderer Group | overweight | 2018-04-27 | 37.30 | 37.00 | -0.8% | 17.1 | 15.3 | 6.2 | 5.8 |
| Pozbud | overweight | 2017-11-13 | 2.98 | 3.68 | +23.5% | 6.7 | 3.8 | 5.9 | 2.6 |
| Tarczyński | neutral | 2018-05-30 | 14.50 | 14.70 | +1.4% | 7.9 | 10.9 | 5.6 | 6.2 |
| Construction Sector | | | | | | 19.3 | 8.9 | 5.7 | 4.7 |
| Elektrotim | neutral | 2018-05-28 | 5.80 | 6.70 | +15.5% | 40.6 | 17.1 | 7.6 | 6.6 |
| Herkules | neutral | 2018-01-25 | 3.67 | 3.23 | -12.0% | 10.1 | 7.1 | 5.3 | 4.4 |
| Torpol | neutral | 2018-05-28 | 6.40 | 4.80 | -25.0% | 22.5 | 7.0 | 6.1 | 3.6 |
| Trakcja | underweight | 2018-05-18 | 3.65 | 2.69 | -26.3% | 21.1 | 19.3 | 5.1 | 5.0 |
| Ulma | neutral | 2018-05-28 | 73.00 | 70.00 | -4.1% | 8.7 | 8.4 | 3.5 | 3.3 |
| ZUE | neutral | 2018-05-28 | 5.86 | 5.46 | -6.8% | 17.5 | 9.4 | 7.1 | 5.7 |
| Property Developers | | | | | | 7.1 | 6.0 | 9.6 | 5.7 |
| Archicom | overweight | 2018-06-22 | 15.00 | 15.15 | +1.0% | 7.1 | 4.9 | 6.6 | 5.2 |
| BBI Development | neutral | 2018-04-26 | 0.66 | 0.54 | -18.2% | 12.5 | 6.0 | 13.3 | 5.7 |
| i2 Development | neutral | 2018-06-22 | 15.40 | 16.20 | +5.2% | 4.9 | 5.6 | 8.1 | 6.9 |
| JWC | neutral | 2018-06-22 | 3.48 | 3.49 | +0.3% | 9.5 | 3.8 | 9.6 | 4.3 |
| Lokum Deweloper | overweight | 2018-06-22 | 18.80 | 17.90 | -4.8% | 6.0 | 6.9 | 4.5 | 5.3 |
| PA Nova | neutral | 2018-03-29 | 22.30 | 19.50 | -12.6% | 6.4 | 7.4 | 10.1 | 11.3 |
| Polnord | underweight | 2018-06-22 | 9.04 | 8.91 | -1.4% | - | - | - | - |
| Ronson | neutral | 2018-06-22 | 1.09 | 1.05 | -3.7% | 11.3 | 7.5 | 12.3 | 10.8 |
| Retail | | | | | | 12.0 | 10.3 | 7.8 | 6.8 |
| Bytom | overweight | 2018-05-23 | 2.92 | 2.69 | -7.9% | 12.0 | 11.0 | 7.8 | 6.8 |
| Monnari | overweight | 2018-05-23 | 7.19 | 6.60 | -8.2% | 8.6 | 8.1 | 3.8 | 3.3 |
| Vistula | overweight | 2018-05-23 | 4.79 | 4.42 | -7.7% | 12.6 | 10.3 | 8.6 | 7.0 |

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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The present report expresses the knowledge as well as opinions of the authors on day the report was prepared. The present report was prepared with due care and attention, observing principles of methodological correctness and objectivity, on the basis of sources available to the public, which Dom Maklerski mBanku considers reliable, including information published by issuers, shares of which are subject to recommendations. However, Dom Maklerski mBanku, in no case, guarantees the accuracy and completeness of the report, in particular should sources on the basis of which the report was prepared prove to be inaccurate, incomplete or not fully consistent with the facts.

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The present publication was not transferred to issuers prior to publication.

The production of new recommendations was completed on July 4, 08:32 AM.
New recommendations were first disseminated on July 4, 08:32 AM.

This document is an extract from a recommendation produced by Dom Maklerski mBanku.

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

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In the last 12 months mBank S.A. has been an offering agent/co-manager of the issuer's shares in a public offering for the following companies: Cognor Holding.

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

Asseco Poland provides IT services to mBank S.A.

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

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

Comparative – 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.

Comparable Companies Used In Relative Valuation Models

| | |
|---------------------------------------|---|
| Agora | Axel Springer, Carmike Cinemas, Cinemark Holdings, Cineworld, Daily Mail&General, Gruppo Editoriale L'espresso, IMAX Corp, JC Decaux, Lagardere, Regal Entertainment Group, Sanoma, Schibsted, Stroeer Media, Telegraaf Media Groep |
| AmRest | Alsea, Autogrill, Chipotle Mexican, Collins Foods, Jack In The Box, McDonalds, Mitchells & Butlers, Panera Bread, Starbucks, Texas Roadhouse, Wendy's, Yum! Brands |
| Assec Poland | Atos, CAP Gemini, Comarch, Computacenter, Fiserv, Indra Sistemas, Oracle, Sage Group, SAP, Software AG, Tieto |
| Atal, Dom Development | Archicom, Atal, Dom Development, i2 Development, JWC, LC Corp, Lokum Deweloper, Polnord, Ronson |
| Budimex, Erbud, Unibep | Budimex, Elektrobudowa, Elektrotim, Erbud, Herkules, Torpol, Trakcja, Ulma, Unibep, ZUE, Strabag, Porr, Hochtief, Bouygues, Salini, Astaldi, Mota Engil, Skanska, PEAB, NCC |
| Capital Park, GTC | BBi Development, Capital Park, Echo Investment, GTC, P.A. Nova, PHN, Alstria Office, Atrium European RE, CA Immobilien, Deutsche Euroshop, DIC Asset, Immofinanz, Klepierre, Unibail-Rodamco, S Immo |
| CCC | Adidas, Asos, Boohoo.com, Caleries, Crocs, Foot Locker, Geox, Nike, Steven Madden, Tod's, Voox Net-a-Porter, Zalando |
| CD Projekt | Activision, Blizzard, CAPCOM, Take Two Interactive, Ubisoft Entertainment, Electronic Arts |
| CEZ, Enea, Energa, PGE, Tauron | CEZ, EDF, EDP, Endesa, Enea, Enel, Energa, EON, Innogy, PGE, RWE, Tauron |
| Ciech | Akzo Nobel, BASF, Bayer, Ciner Resources, Dow Chemical, Huntsman, Soda Samayii, Solvay, Tata Chemicals, Tessenderlo Chemie, Tronox, Wacker Chemie |
| Comarch | Assec Poland, Atos, CAP Gemini, Computacenter, Fiserv INC, Indra Sistemas, Oracle Corp, Sage Group, SAP, Software AG, Tieto |
| Cyfrowy Polsat | BT Group, Comcast, Deutsche Telekom, Hellenic Telecom, Iliad, Koninklijke KPN, Magyar Telekom, Netia, O2 Czech, Orange, Orange Polska, Shaw Communications, Swisscom, Talktalk Telecom, TDC, Tele2, Telecom Italia, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vimpelcom, Vodafone Group |
| Dino | Carrefour, Dixy Group, Emperia, Eurocash, Jeronimo Martins, Magnit, Metro, O'Key Group, Tesco, X5 |
| Echo Investment | Archicom, Atal, Capital Park, Dom Development, GTC, JWC, LC Corp, Lokum Deweloper, P.A. Nova, PHN, Polnord, Ronson |
| Elektrobudowa | Budimex, Elektrobudowa, Elektrotim, Erbud, Herkules, Torpol, Trakcja, Ulma, Unibep, ZUE, Strabag, Porr, Hochtief, Bouygues, Salini, Astaldi, Mota Engil, Skanska, PEAB, NCC, Siemens, Alstom, ABB, Schneider Electric |
| Eurocash | Carrefour, Dixy Group, Emperia, Jeronimo Martins, Magnit, Metro, O'Key Group, Tesco, X5 |
| Famur | Atlas Copco, Caterpillar, Duro Felguera, Komatsu, Sandvik, Shanghai Chuangli, Tian Di |
| Grupa Azoty | Acron, Agrium, CF Industries, Israel Chemicals, K+S, Mosaic, Phosagro, Potash, Yara |
| Jeronimo Martins | Carrefour, Emperia, Eurocash, Magnit, Tesco, X5 |
| JSW | Alliance Resource Partners, Peabody Energy, Arch Coal, Semirara Mining and Power, Bukin Asam, Henan Shenhua, Yanzhou Coal Mining, Banpu Public, LW Bogdanka, Shaanxi Heima, China Coal, Shougang Fushan Resources, Cokal, Teck Resources |
| Kernel | Astarta, Anderssons, ADM, Avangard, Bunge, China Agri Industries, Felda Global, Golden Agri Resources, GrainCorp, IMC, MHP, Milkiland, Nisshin Oillio Group, Ovostar, Wilmar |
| Kęty | Alcoa, Amag, Amcor, Bemis, Century Aluminium, China Hongoiao, Constelium, Impexmetal, Kaiser Aluminium, Mercor, Midas Holdings, Nippon Light Metal, Norsk Hydro, UACJ, United CO Rusal |
| KGHM | Anglo American, Antofagasta, BHP Billiton, Boliden, First Quantum Minerals, Freeport-Mcmoran, Grupo Mexico, Hudbay, Lundin, MMC Norilsk Nickel, OZ Minerals, Rio Tinto, Sandfire Resources, Southern Copper, Vedanta Resources |
| LC Corp | Archicom, Atal, Dom Development, Echo Investment, GTC, i2 Development, JWC, Lokum Deweloper, Polnord, Ronson |
| Lotos, MOL | Aker BP, Bashneft, BP, ENI, Galp, Gazpromneft, Hellenic, Lotos, Lukoil, MOL, Motor Oil, Neste, OMV, OMV Petrom, PKN, Repsol, Rosneft, Saras, Shell, Statoil, Total, Tullow Oil, Tupras, Unipetrol |
| LPP | CCC, Gerry Weber, H&M, Hugo Boss, IC Companys, Inditex, Kappahl, Marks & Spencer, Next, Tom Tailor |
| Netia | BT Group, Cyfrowy Polsat, Deutsche Telekom, Iliad, Koninklijke KPN, Magyar Telekom, Megafon, Mobile Telesystems, O2 Czech, Orange , Orange Polska, Rostelecom , Swisscom, Talktalk Telecom, TDC, Tele2, Telecom Italia, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vimpelcom , Vodafone Group |
| Orange Polska | BT Group, Cyfrowy Polsat, Deutsche Telekom, Hellenic Telecom, Koninklijke KPN, Magyar Telekom, Mobile Telesystems, Netia, O2 Czech, Orange, Rostelecom, Swisscom, TDC, Telecom Italia, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vodafone Group |
| PGNiG | A2A, BP, Centrica, Enagas, Endesa, Enea, Energa, Engie, ENI, EON, Galp Energia, Gas Natural, Gazprom, Hera, MOL, Novatek, OMV, Red Electrica, Romgaz, RWE, Shell, Snam, SSE, Statoil, Total |
| PKN Orlen | Braskem, Dow Chemical, Eastman, Galp, Hellenic, Huntsman, Indorama, Lotos, Lotte, Lyondellbasell, Mitsubishi, Mitsui, MOL, Motor Oil, Neste, OMV, OMV Petrom, Petronas, Saras, Tupras, Unipetrol, Westlake |
| Play | BT Group, Cyfrowy Polsat, Deutsche Telekom, Hellenic Telecom, Koninklijke KPN, Magyar Telekom, Netia, O2 Czech, Orange, Orange Polska, TDC, Telecom Italia, TalkTalk, Tele2, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vimpel, Vodafone Group |
| Polwax | Alexandria Mineral Oils, Calumet Specialty Products, Ciech, Fuchs Petrolub, H&R, Moresco, Sasol |
| Skarbiec Holding | Affiliated Managers, AllianceBernstein, Altus, Ashmore Group, Blackrock, Brewin Dolphin, Eaton Vance Mgmt, Franklin Resources, GAM Holding, Invesco, Investec, Jupiter AM, Legg Mason, Liontrust AM, Och-Ziff Capital Mgmt., Quercus, Schroders, T Rowe Price |
| Stelmet | AFG Arbonia, Canfor, Century Plyboards, Deceuninck, Duratex, Forte, Greenply Industries, Interfor, Inwido, Louisiana Pacific, Nobia, Paged, Pflaiderer, Rayonier, Uzin UTZ, Vanachai Group, Vilmorin, West Fraser |
| TXM | Brown Group, Bytom, Citi Trends, Duluth, Express, Giordano, Monnari, Premier Inv, The Buckle, Vistula |
| Wirtualna Polska | eBay, Facebook, Google, Mail.ru, Priceline Group, Yahoo!, Yandex |

Recommendations Issued In the 12 Months Prior To This Publication

Agora

| | | | | | |
|---------------------|------------|------------|------------|-------------------|------------|
| Rating | buy | buy | buy | accumulate | buy |
| Rating date | 2018-04-06 | 2018-01-26 | 2017-11-23 | 2017-10-02 | 2017-07-25 |
| Target price (PLN) | 18.40 | 18.90 | 18.00 | 18.80 | 18.80 |
| Price on rating day | 14.50 | 13.15 | 15.20 | 17.10 | 15.28 |

Ailleron

| | | | |
|---------------------|----------------|----------------|----------------|
| Rating | neutral | neutral | neutral |
| Rating date | 2018-03-28 | 2018-01-30 | 2017-11-28 |
| Target price (PLN) | - | - | - |
| Price on rating day | 16.20 | 17.60 | 18.73 |

Alior Bank

| | | |
|---------------------|------------|-------------------|
| Rating | buy | accumulate |
| Rating date | 2018-02-01 | 2018-01-05 |
| Target price (PLN) | 109.00 | 90.00 |
| Price on rating day | 85.50 | 78.10 |

Alumetal

| | |
|---------------------|----------------|
| Rating | neutral |
| Rating date | 2017-07-31 |
| Target price (PLN) | - |
| Price on rating day | 46.99 |

Amica

| | | |
|---------------------|-------------------|-------------------|
| Rating | overweight | overweight |
| Rating date | 2018-06-06 | 2018-01-05 |
| Target price (PLN) | - | - |
| Price on rating day | 121.00 | 130.00 |

AmRest

| | | | | |
|---------------------|---------------|-------------|-------------|------------|
| Rating | reduce | hold | hold | buy |
| Rating date | 2018-04-06 | 2018-02-02 | 2018-01-05 | 2017-09-01 |
| Target price (PLN) | 426.00 | 407.00 | 422.00 | 422.00 |
| Price on rating day | 449.50 | 425.00 | 403.00 | 357.00 |

Aptor

| | | |
|---------------------|----------------|----------------|
| Rating | neutral | neutral |
| Rating date | 2018-02-28 | 2017-07-31 |
| Target price (PLN) | - | - |
| Price on rating day | 24.00 | 31.29 |

Archicom

| | | | |
|---------------------|-------------------|-------------------|-------------------|
| Rating | overweight | overweight | overweight |
| Rating date | 2018-06-22 | 2018-04-26 | 2018-01-25 |
| Target price (PLN) | - | - | - |
| Price on rating day | 15.00 | 15.30 | 15.75 |

Asseco BS

| | | | |
|---------------------|----------------|----------------|----------------|
| Rating | neutral | neutral | neutral |
| Rating date | 2018-03-28 | 2018-01-30 | 2017-11-28 |
| Target price (PLN) | - | - | - |
| Price on rating day | 28.00 | 28.90 | 26.29 |

Asseco Poland

| | | | | | | | |
|---------------------|-------------|---------------|---------------|-------------|---------------|-------------|---------------|
| Rating | hold | reduce | reduce | hold | reduce | hold | reduce |
| Rating date | 2018-06-06 | 2018-03-27 | 2018-02-02 | 2017-12-01 | 2017-11-03 | 2017-08-30 | 2017-07-20 |
| Target price (PLN) | 41.20 | 41.20 | 44.00 | 44.80 | 44.80 | 44.00 | 44.80 |
| Price on rating day | 44.00 | 45.20 | 45.62 | 44.47 | 47.00 | 44.54 | 47.23 |

Asseco SEE

| | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| Rating | overweight | overweight | overweight | overweight |
| Rating date | 2018-04-26 | 2018-03-28 | 2018-01-30 | 2017-11-28 |
| Target price (PLN) | - | - | - | - |
| Price on rating day | 11.70 | 12.95 | 13.25 | 11.45 |

Atal

| | | | | | |
|---------------------|------------|-------------------|-------------------|-------------------|-------------------|
| Rating | buy | accumulate | accumulate | accumulate | accumulate |
| Rating date | 2018-07-04 | 2018-06-22 | 2018-04-06 | 2018-02-02 | 2017-09-01 |
| Target price (PLN) | 42.86 | 42.86 | 47.00 | 49.20 | 45.00 |
| Price on rating day | 36.40 | 37.30 | 43.40 | 42.40 | 40.40 |

Atende

| | | | |
|---------------------|-------------------|-------------------|-------------------|
| Rating | overweight | overweight | overweight |
| Rating date | 2018-03-28 | 2018-01-30 | 2017-11-28 |
| Target price (PLN) | - | - | - |
| Price on rating day | 4.25 | 4.85 | 4.46 |

BBI Development

| | | |
|---------------------|----------------|----------------|
| Rating | neutral | neutral |
| Rating date | 2018-04-26 | 2018-02-02 |
| Target price (PLN) | - | - |
| Price on rating day | 0.66 | 0.70 |

Boryszew

| | |
|---------------------|----------------|
| Rating | neutral |
| Rating date | 2017-11-30 |
| Target price (PLN) | - |
| Price on rating day | 9.85 |

Budimex

| | | | | |
|---------------------|-------------|-------------------|------------|------------|
| Rating | hold | accumulate | buy | buy |
| Rating date | 2018-06-06 | 2018-04-06 | 2018-02-02 | 2017-07-24 |
| Target price (PLN) | 163.00 | 216.39 | 246.00 | 267.00 |
| Price on rating day | 153.00 | 215.00 | 197.80 | 229.50 |

Bytom

| Rating | overweight | overweight | neutral | overweight |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-05-23 | 2017-11-28 | 2017-09-13 | 2017-08-25 |
| Target price (PLN) | - | - | - | - |
| Price on rating day | 2.92 | 2.50 | 2.67 | 2.37 |

BZ WBK

| Rating | buy | hold | hold | accumulate | accumulate |
|---------------------|------------|------------|------------|------------|------------|
| Rating date | 2018-03-05 | 2018-02-01 | 2017-12-01 | 2017-11-03 | 2017-09-01 |
| Target price (PLN) | 430.00 | 430.00 | 377.87 | 377.87 | 400.10 |
| Price on rating day | 357.80 | 420.00 | 370.00 | 358.50 | 369.60 |

Capital Park

| Rating | buy | buy |
|---------------------|------------|------------|
| Rating date | 2018-04-06 | 2018-02-02 |
| Target price (PLN) | 8.35 | 8.42 |
| Price on rating day | 5.95 | 5.95 |

CCC

| Rating | buy | accumulate | buy | buy | hold | hold | buy | accumulate | accumulate |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-12-01 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 295.00 | 295.00 | 286.00 | 295.00 | 292.00 | 292.00 | 292.00 | 308.00 | 294.00 |
| Price on rating day | 242.80 | 255.60 | 257.40 | 243.00 | 281.00 | 293.00 | 239.85 | 276.00 | 262.20 |

CD Projekt

| Rating | sell | sell | sell | sell |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-04-06 | 2018-02-02 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 90.80 | 90.00 | 74.34 | 59.90 |
| Price on rating day | 114.90 | 115.00 | 116.25 | 83.40 |

CEZ

| Rating | sell | sell | sell | reduce | hold | hold | accumulate | accumulate | buy | accumulate |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-07-04 | 2018-05-29 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-12-01 | 2017-11-03 | 2017-10-02 | 2017-09-01 |
| Target price (CZK) | 440.96 | 458.38 | 449.51 | 449.51 | 506.40 | 532.50 | 548.60 | 512.33 | 512.33 | 468.78 |
| Price on rating day | 550.00 | 551.00 | 567.00 | 519.50 | 495.00 | 530.00 | 490.70 | 481.30 | 441.30 | 416.00 |

Ciech

| Rating | buy | buy | buy | buy | buy | buy | buy | buy |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-07-04 | 2018-06-06 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 81.14 | 88.64 | 89.71 | 85.40 | 85.87 | 90.13 | 79.54 | 77.07 |
| Price on rating day | 53.05 | 60.20 | 55.00 | 57.00 | 55.90 | 61.25 | 65.16 | 62.73 |

Comarch

| Rating | accumulate | buy | hold | hold | buy | accumulate | accumulate | hold |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-11-27 | 2017-11-03 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 166.50 | 166.50 | 166.50 | 180.00 | 205.00 | 185.00 | 195.00 | 195.00 |
| Price on rating day | 145.00 | 131.50 | 155.00 | 177.00 | 178.30 | 163.50 | 178.50 | 195.00 |

Cyfrowy Polsat

| Rating | accumulate | hold | accumulate | hold | hold | reduce |
|---------------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-06-15 | 2018-04-06 | 2018-03-05 | 2018-01-31 | 2017-11-03 | 2017-08-29 |
| Target price (PLN) | 24.90 | 25.30 | 24.90 | 25.70 | 24.40 | 24.40 |
| Price on rating day | 22.76 | 24.84 | 22.80 | 24.70 | 24.58 | 27.80 |

Dino

| Rating | hold | accumulate | buy | buy | buy |
|---------------------|------------|------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-05-09 | 2018-04-04 | 2018-02-02 | 2018-01-18 |
| Target price (PLN) | 103.50 | 103.50 | 103.50 | 95.40 | 95.40 |
| Price on rating day | 107.40 | 96.65 | 85.10 | 85.00 | 80.00 |

Dom Development

| Rating | accumulate | buy | buy | buy |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-06-22 | 2018-03-20 | 2018-02-02 | 2017-09-01 |
| Target price (PLN) | 87.80 | 103.10 | 103.00 | 101.10 |
| Price on rating day | 85.80 | 85.80 | 82.00 | 82.25 |

Echo

| Rating | buy | buy | buy | buy | accumulate |
|---------------------|------------|------------|------------|------------|------------|
| Rating date | 2018-04-06 | 2018-02-02 | 2017-10-02 | 2017-09-01 | 2017-07-03 |
| Target price (PLN) | 5.63 | 6.31 | 6.42 | 6.64 | 6.64 |
| Price on rating day | 5.23 | 5.05 | 5.19 | 5.21 | 6.26 |

Elektrobudowa

| Rating | hold | buy | buy | buy |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-04-06 | 2018-02-02 | 2017-09-01 |
| Target price (PLN) | 71.00 | 116.00 | 113.00 | 134.00 |
| Price on rating day | 69.00 | 96.40 | 81.20 | 109.50 |

Elektrotrim

| Rating | neutral | overweight | underweight | neutral |
|---------------------|------------|------------|-------------|------------|
| Rating date | 2018-05-28 | 2017-11-16 | 2017-10-24 | 2017-09-14 |
| Target price (PLN) | - | - | - | - |
| Price on rating day | 5.80 | 7.61 | 9.76 | 11.98 |

Elemental

| Rating | neutral | neutral |
|---------------------|------------|------------|
| Rating date | 2018-04-27 | 2017-08-31 |
| Target price (PLN) | - | - |
| Price on rating day | 1.09 | 2.55 |

Enea

| Rating | buy | buy | buy | accumulate | accumulate | hold | hold | hold |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-05-29 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-12-01 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 12.62 | 11.78 | 12.11 | 12.98 | 12.82 | 12.82 | 14.59 | 15.23 |
| Price on rating day | 9.57 | 9.10 | 10.36 | 11.07 | 12.19 | 11.89 | 14.80 | 15.25 |

Energa

| Rating | buy | buy | buy | buy | buy | buy | accumulate | hold | accumulate |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-05-29 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-12-01 | 2017-10-02 | 2017-09-01 | 2017-07-21 |
| Target price (PLN) | 15.58 | 14.91 | 14.71 | 15.20 | 14.97 | 14.81 | 14.49 | 13.50 | 13.20 |
| Price on rating day | 9.00 | 9.96 | 10.11 | 12.21 | 12.60 | 12.09 | 13.40 | 13.64 | 11.65 |

Erbud

| Rating | buy | accumulate | buy | buy | buy | buy | buy |
|---------------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2017-12-15 | 2017-11-03 | 2017-09-01 |
| Target price (PLN) | 22.00 | 23.10 | 29.60 | 29.40 | 28.70 | 29.80 | 31.30 |
| Price on rating day | 14.90 | 19.40 | 21.60 | 21.30 | 20.60 | 24.70 | 26.00 |

Ergis

| Rating | neutral | neutral |
|---------------------|------------|------------|
| Rating date | 2018-04-27 | 2018-01-29 |
| Target price (PLN) | - | - |
| Price on rating day | 4.06 | 4.77 |

Erste Bank

| Rating | accumulate | hold | hold |
|---------------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-02-02 | 2017-09-01 |
| Target price (EUR) | 40.00 | 40.00 | 35.98 |
| Price on rating day | 34.78 | 40.64 | 35.50 |

Eurocash

| Rating | buy | buy | buy | buy | buy | buy |
|---------------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-12-01 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 30.70 | 31.10 | 32.30 | 38.30 | 44.30 | 47.60 |
| Price on rating day | 24.41 | 21.99 | 26.04 | 27.48 | 38.62 | 39.14 |

Famur

| Rating | buy | buy | buy | buy | buy | buy | buy |
|---------------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-09-01 | 2017-07-20 |
| Target price (PLN) | 6.95 | 7.06 | 7.28 | 7.29 | 7.24 | 6.84 | 6.95 |
| Price on rating day | 5.94 | 6.04 | 6.10 | 6.20 | 6.18 | 5.81 | 5.84 |

Forze

| Rating | neutral | neutral | neutral | underweight |
|---------------------|------------|------------|------------|-------------|
| Rating date | 2018-04-27 | 2018-02-02 | 2018-01-29 | 2017-08-31 |
| Target price (PLN) | - | - | - | - |
| Price on rating day | 50.70 | 43.00 | 49.10 | 74.02 |

GetBack

| Rating | suspended | buy |
|---------------------|------------|------------|
| Rating date | 2018-04-16 | 2017-11-30 |
| Target price (PLN) | - | 33.38 |
| Price on rating day | 4.52 | 23.00 |

Getin Noble Bank

| Rating | hold | hold | sell | sell | hold |
|---------------------|------------|------------|------------|------------|------------|
| Rating date | 2018-05-09 | 2018-03-05 | 2018-02-01 | 2017-11-03 | 2017-09-01 |
| Target price (PLN) | 1.40 | 1.50 | 1.50 | 1.27 | 1.27 |
| Price on rating day | 1.17 | 1.45 | 1.83 | 1.61 | 1.28 |

Gino Rossi

| Rating | suspended | neutral | overweight |
|---------------------|------------|------------|------------|
| Rating date | 2018-05-23 | 2017-11-28 | 2017-08-25 |
| Target price (PLN) | - | - | - |
| Price on rating day | 0.63 | 1.29 | 1.78 |

Grupa Azoty

| Rating | hold | hold | hold | hold | hold | hold | hold | hold | hold | buy |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-05-25 | 2018-05-09 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-12-01 | 2017-10-02 | 2017-09-01 | 2017-08-02 | 2017-07-03 |
| Target price (PLN) | 44.40 | 60.99 | 67.13 | 73.42 | 73.64 | 78.52 | 80.77 | 69.60 | 74.30 | 74.30 |
| Price on rating day | 42.60 | 51.10 | 56.55 | 72.00 | 74.40 | 71.30 | 79.80 | 68.90 | 72.08 | 63.30 |

GTC

| Rating | hold | accumulate | hold | hold | hold |
|---------------------|------------|------------|------------|------------|------------|
| Rating date | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-08-02 |
| Target price (PLN) | 9.60 | 9.70 | 9.70 | 10.00 | 9.59 |
| Price on rating day | 9.39 | 8.64 | 9.67 | 9.90 | 9.62 |

Handlowy

| Rating | buy | accumulate | hold |
|---------------------|------------|------------|------------|
| Rating date | 2018-04-06 | 2018-02-01 | 2018-01-05 |
| Target price (PLN) | 94.00 | 94.00 | 85.00 |
| Price on rating day | 77.50 | 84.70 | 83.70 |

Herkules

| Rating | neutral | neutral |
|---------------------|------------|------------|
| Rating date | 2018-01-25 | 2017-10-24 |
| Target price (PLN) | - | - |
| Price on rating day | 3.67 | 3.60 |

i2 Development

| Rating | neutral | neutral | overweight |
|---------------------|------------|------------|------------|
| Rating date | 2018-06-22 | 2018-05-28 | 2018-01-12 |
| Target price (PLN) | - | - | - |
| Price on rating day | 15.40 | 17.30 | 14.90 |

ING BSK

| Rating | buy | accumulate | hold | sell |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-07-04 | 2018-03-05 | 2018-02-01 | 2017-12-01 |
| Target price (PLN) | 212.00 | 212.00 | 212.00 | 152.39 |
| Price on rating day | 178.40 | 198.00 | 220.00 | 203.00 |



Jeronimo Martins

| | | | | | | | |
|---------------------|------------|-------------------|-------------------|-------------|-------------|-------------------|-------------|
| Rating | buy | accumulate | accumulate | hold | hold | accumulate | hold |
| Rating date | 2018-06-06 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-12-01 | 2017-11-03 | 2017-09-01 |
| Target price (EUR) | 16.40 | 16.40 | 16.90 | 16.90 | 17.10 | 17.10 | 17.10 |
| Price on rating day | 13.52 | 14.90 | 15.17 | 17.12 | 16.50 | 15.85 | 16.76 |

JSW

| | | | | | | |
|---------------------|------------|------------|------------|------------|------------|------------|
| Rating | buy | buy | buy | buy | buy | buy |
| Rating date | 2018-07-04 | 2018-06-06 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-01-30 |
| Target price (PLN) | 107.00 | 115.23 | 109.12 | 108.14 | 120.71 | 122.30 |
| Price on rating day | 77.50 | 86.66 | 79.32 | 86.78 | 92.80 | 101.00 |

JWC

| | | | |
|---------------------|----------------|--------------------|----------------|
| Rating | neutral | underweight | neutral |
| Rating date | 2018-06-22 | 2018-03-29 | 2018-01-25 |
| Target price (PLN) | - | - | - |
| Price on rating day | 3.48 | 4.16 | 4.41 |

Kernel

| | | | | | | |
|---------------------|-------------|-------------|-------------|-------------------|-------------------|-------------------|
| Rating | hold | hold | hold | accumulate | accumulate | accumulate |
| Rating date | 2018-05-09 | 2018-03-05 | 2018-02-02 | 2017-12-01 | 2017-11-03 | 2017-09-01 |
| Target price (PLN) | 53.04 | 53.46 | 53.47 | 57.20 | 58.70 | 71.74 |
| Price on rating day | 50.80 | 48.80 | 50.90 | 47.51 | 48.25 | 60.70 |

Grupa Kęty

| | | | | | | | |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Rating | hold | hold | hold | hold | hold | hold | hold |
| Rating date | 2018-06-06 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-09-01 |
| Target price (PLN) | 371.08 | 363.01 | 357.21 | 379.66 | 391.41 | 390.72 | 414.09 |
| Price on rating day | 360.50 | 353.00 | 346.00 | 352.50 | 385.00 | 408.00 | 402.10 |

KGHM

| | | | | | | | | | | | | |
|---------------------|------------|------------|------------|-------------------|-------------------|-------------|-------------|---------------|-------------|-------------|-------------------|------------|
| Rating | buy | buy | buy | accumulate | accumulate | hold | hold | reduce | hold | hold | accumulate | buy |
| Rating date | 2018-06-06 | 2018-05-09 | 2018-04-04 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-12-08 | 2017-11-23 | 2017-10-02 | 2017-09-01 | 2017-08-02 | 2017-07-03 |
| Target price (PLN) | 112.92 | 118.98 | 115.43 | 122.81 | 128.62 | 114.71 | 103.08 | 103.08 | 124.12 | 130.96 | 132.22 | 132.22 |
| Price on rating day | 96.52 | 92.50 | 88.00 | 102.50 | 111.50 | 113.10 | 100.00 | 114.25 | 117.40 | 126.10 | 121.00 | 110.65 |

Komercni Banka

| | | |
|---------------------|------------|-------------------|
| Rating | buy | accumulate |
| Rating date | 2017-12-01 | 2017-09-01 |
| Target price (CZK) | 1111.00 | 1111.00 |
| Price on rating day | 899.00 | 966.50 |

Kruk

| | | | |
|---------------------|------------|------------|---------------|
| Rating | buy | buy | reduce |
| Rating date | 2018-02-02 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 300.94 | 340.17 | 308.06 |
| Price on rating day | 222.20 | 293.45 | 340.95 |

Kruszwica

| | |
|---------------------|----------------|
| Rating | neutral |
| Rating date | 2017-03-29 |
| Target price (PLN) | - |
| Price on rating day | 63.50 |

LC Corp

| | | | | |
|---------------------|------------|------------|------------|------------|
| Rating | buy | buy | buy | buy |
| Rating date | 2018-06-22 | 2018-04-06 | 2018-02-02 | 2017-09-26 |
| Target price (PLN) | 3.58 | 3.50 | 3.74 | 3.54 |
| Price on rating day | 2.39 | 2.70 | 3.10 | 2.69 |

Lokum Deweloper

| | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| Rating | overweight | overweight | overweight | overweight |
| Rating date | 2018-06-22 | 2018-03-29 | 2018-01-25 | 2017-09-14 |
| Target price (PLN) | - | - | - | - |
| Price on rating day | 18.80 | 17.80 | 18.00 | 16.30 |

Lotos

| | | | | | | | | | | |
|---------------------|-------------|-------------|-------------|---------------|---------------|---------------|-------------|-------------|---------------|-------------|
| Rating | hold | hold | hold | reduce | reduce | reduce | sell | sell | reduce | sell |
| Rating date | 2018-06-29 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-11-29 | 2017-11-03 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 52.51 | 52.81 | 51.73 | 51.08 | 52.67 | 51.53 | 51.53 | 51.61 | 51.61 | 48.25 |
| Price on rating day | 54.50 | 55.62 | 54.60 | 56.30 | 57.78 | 58.48 | 61.66 | 66.37 | 59.75 | 58.86 |

LPP

| | | | | | | | | | |
|---------------------|-------------------|-------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| Rating | accumulate | hold | accumulate | accumulate | hold | hold | hold | hold | hold |
| Rating date | 2018-06-18 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-12-01 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 10200.00 | 9500.00 | 9500.00 | 9500.00 | 9400.00 | 9900.00 | 8200.00 | 8400.00 | 8800.00 |
| Price on rating day | 9,025.00 | 9,260.00 | 8,900.00 | 8,620.00 | 9,790.00 | 9,990.00 | 8,173.95 | 8,172.05 | 8,696.65 |

Mangata

| | | |
|---------------------|----------------|--------------------|
| Rating | neutral | underweight |
| Rating date | 2018-06-22 | 2018-03-29 |
| Target price (PLN) | - | - |
| Price on rating day | 90.00 | 95.60 |

Millennium

| | | |
|---------------------|---------------|-------------|
| Rating | reduce | sell |
| Rating date | 2018-04-06 | 2018-02-01 |
| Target price (PLN) | 7.00 | 7.00 |
| Price on rating day | 8.35 | 9.59 |

MOL

| | | | | | | | | |
|---------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Rating | accumulate | hold | hold | hold | hold | hold | hold | hold |
| Rating date | 2018-06-29 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-11-29 | 2017-10-02 | 2017-09-01 |
| Target price (HUF) | 2995.00 | 2954.00 | 2898.00 | 3027.00 | 3152.00 | 3104.00 | 3077.00 | 2865.00 |
| Price on rating day | 2,654.00 | 2,790.00 | 2,864.00 | 2,718.00 | 3,080.00 | 3,121.00 | 3,000.00 | 2,977.50 |

Monnari

| Rating | overweight | overweight | overweight | neutral |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-05-23 | 2017-11-28 | 2017-09-13 | 2017-08-25 |
| Target price (PLN) | - | - | - | - |
| Price on rating day | 7.19 | 8.21 | 8.93 | 7.89 |

Netia

| Rating | reduce | sell | reduce | hold |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-04-06 | 2018-02-02 | 2017-09-01 |
| Target price (PLN) | 4.30 | 4.30 | 4.60 | 4.00 |
| Price on rating day | 5.00 | 5.27 | 5.30 | 3.90 |

Orange Polska

| Rating | buy | buy |
|---------------------|------------|------------|
| Rating date | 2018-04-06 | 2017-12-12 |
| Target price (PLN) | 7.60 | 7.30 |
| Price on rating day | 5.83 | 5.39 |

OTP Bank

| Rating | buy | accumulate | hold | accumulate | hold | accumulate | hold |
|---------------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-02-02 | 2018-01-05 | 2017-12-01 | 2017-11-03 | 2017-10-02 | 2017-09-01 |
| Target price (HUF) | 12090.00 | 12090.00 | 10901.00 | 10901.00 | 10901.00 | 10901.00 | 10901.00 |
| Price on rating day | 10,210.00 | 11,560.00 | 10,960.00 | 10,055.00 | 10,715.00 | 9,895.00 | 10,445.00 |

PA Nova

| Rating | neutral | neutral | neutral |
|---------------------|------------|------------|------------|
| Rating date | 2018-03-29 | 2018-02-28 | 2017-11-27 |
| Target price (PLN) | - | - | - |
| Price on rating day | 22.30 | 23.30 | 24.00 |

PBKM

| Rating | hold | hold | hold | hold | accumulate | accumulate | buy |
|---------------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-04-06 | 2018-02-02 | 2018-01-05 | 2017-12-01 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 76.26 | 76.83 | 76.00 | 71.00 | 71.00 | 66.30 | 63.90 |
| Price on rating day | 73.00 | 77.00 | 73.00 | 69.60 | 63.00 | 63.00 | 54.50 |

Prime Car Management

| Rating | buy | buy | buy |
|---------------------|------------|------------|------------|
| Rating date | 2018-06-06 | 2018-04-06 | 2018-02-02 |
| Target price (PLN) | 15.54 | 33.00 | 35.30 |
| Price on rating day | 12.70 | 23.60 | 28.80 |

Pekao

| Rating | buy | accumulate | accumulate |
|---------------------|------------|------------|------------|
| Rating date | 2018-02-01 | 2017-07-18 | 2017-07-03 |
| Target price (PLN) | 157.00 | 145.42 | 137.42 |
| Price on rating day | 135.90 | 131.25 | 124.80 |

Pfleiderer Group

| Rating | overweight | overweight |
|---------------------|------------|------------|
| Rating date | 2018-04-27 | 2017-11-08 |
| Target price (PLN) | - | - |
| Price on rating day | 37.30 | 36.65 |

PGE

| Rating | buy | buy | buy | accumulate | accumulate | hold | hold | accumulate |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-05-29 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-12-01 | 2017-10-02 | 2017-09-01 | 2017-08-02 |
| Target price (PLN) | 13.60 | 12.89 | 12.61 | 13.30 | 13.20 | 13.61 | 14.98 | 14.46 |
| Price on rating day | 9.28 | 9.81 | 10.28 | 11.87 | 11.93 | 13.30 | 14.27 | 13.29 |

PGNiG

| Rating | buy | buy | buy | buy | buy | buy | buy | accumulate | accumulate | accumulate |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-06-29 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-12-01 | 2017-11-03 | 2017-10-02 | 2017-09-01 | 2017-08-02 |
| Target price (PLN) | 8.28 | 8.17 | 7.96 | 7.51 | 7.65 | 7.73 | 7.73 | 7.73 | 7.57 | 7.25 |
| Price on rating day | 5.53 | 6.20 | 5.71 | 5.98 | 6.58 | 6.03 | 6.63 | 6.79 | 6.83 | 6.75 |

PKN Orlen

| Rating | reduce | reduce | reduce | sell | sell | sell | sell | sell |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rating date | 2018-06-29 | 2018-05-09 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-11-29 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 76.84 | 76.73 | 76.89 | 80.55 | 82.84 | 81.80 | 86.55 | 81.50 |
| Price on rating day | 82.50 | 82.30 | 89.52 | 95.20 | 107.90 | 121.60 | 121.70 | 117.90 |

PKO BP

| Rating | hold | reduce | sell | sell |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-04-06 | 2018-03-05 | 2018-02-01 | 2017-12-01 |
| Target price (PLN) | 38.00 | 38.00 | 38.00 | 31.20 |
| Price on rating day | 39.74 | 42.20 | 45.66 | 42.30 |

Play

| Rating | reduce | hold | hold |
|---------------------|------------|------------|------------|
| Rating date | 2018-07-03 | 2018-04-06 | 2018-01-25 |
| Target price (PLN) | 23.50 | 30.93 | 34.70 |
| Price on rating day | 24.88 | 32.70 | 33.20 |

Polnord

| Rating | underweight | neutral | neutral |
|---------------------|-------------|------------|------------|
| Rating date | 2018-06-22 | 2018-02-02 | 2017-12-27 |
| Target price (PLN) | - | - | - |
| Price on rating day | 9.04 | 10.50 | 8.70 |

Polwax

| Rating | buy | buy | buy | buy |
|---------------------|------------|------------|------------|------------|
| Rating date | 2018-05-09 | 2018-02-02 | 2018-01-05 | 2017-09-01 |
| Target price (PLN) | 16.69 | 18.80 | 20.56 | 20.53 |
| Price on rating day | 7.80 | 11.05 | 11.95 | 13.54 |

Pozbud

| | |
|---------------------|-------------------|
| Rating | overweight |
| Rating date | 2017-11-13 |
| Target price (PLN) | - |
| Price on rating day | 2.98 |

PZU

| | | | | | |
|---------------------|------------|-------------------|------------|-------------------|------------|
| Rating | buy | accumulate | buy | accumulate | buy |
| Rating date | 2018-03-05 | 2018-02-02 | 2018-01-05 | 2017-09-01 | 2017-07-18 |
| Target price (PLN) | 50.58 | 50.58 | 51.83 | 51.83 | 51.83 |
| Price on rating day | 41.55 | 44.17 | 45.00 | 48.50 | 44.19 |

Ronson

| | | | | |
|---------------------|----------------|----------------|--------------------|--------------------|
| Rating | neutral | neutral | underweight | underweight |
| Rating date | 2018-06-22 | 2018-04-03 | 2018-03-29 | 2018-02-02 |
| Target price (PLN) | - | - | - | - |
| Price on rating day | 1.09 | 1.32 | 1.32 | 1.45 |

Skarbiec Holding

| | |
|---------------------|------------|
| Rating | buy |
| Rating date | 2018-02-02 |
| Target price (PLN) | 56.30 |
| Price on rating day | 30.60 |

Stelmet

| | | | | | | |
|---------------------|------------|------------|------------|------------|------------|------------|
| Rating | buy | buy | buy | buy | buy | buy |
| Rating date | 2018-07-04 | 2018-05-09 | 2018-03-05 | 2018-02-02 | 2017-09-01 | 2017-07-17 |
| Target price (PLN) | 20.24 | 26.48 | 27.72 | 28.37 | 28.94 | 30.50 |
| Price on rating day | 10.70 | 14.75 | 17.15 | 19.20 | 22.20 | 22.51 |

Tarczyński

| | | | |
|---------------------|----------------|----------------|-------------------|
| Rating | neutral | neutral | overweight |
| Rating date | 2018-05-30 | 2018-01-29 | 2017-11-20 |
| Target price (PLN) | - | - | - |
| Price on rating day | 14.50 | 13.05 | 11.00 |

Tauron

| | | | | | | | |
|---------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Rating | buy | hold | hold | hold | hold | hold | hold |
| Rating date | 2018-05-29 | 2018-04-06 | 2018-03-05 | 2018-02-02 | 2017-12-01 | 2017-10-02 | 2017-09-01 |
| Target price (PLN) | 2.76 | 2.73 | 2.98 | 3.38 | 3.23 | 3.64 | 3.89 |
| Price on rating day | 2.01 | 2.38 | 2.69 | 3.08 | 3.10 | 3.75 | 3.92 |

Torpol

| | | | | | | | |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| Rating | neutral | neutral | neutral | neutral | neutral | neutral | overweight |
| Rating date | 2018-05-28 | 2018-03-29 | 2018-02-02 | 2018-01-25 | 2017-11-27 | 2017-10-24 | 2017-09-14 |
| Target price (PLN) | - | - | - | - | - | - | - |
| Price on rating day | 6.40 | 7.50 | 7.98 | 8.16 | 8.55 | 10.93 | 12.05 |

Trakcja

| | | | | | | | |
|---------------------|--------------------|----------------|----------------|----------------|--------------------|--------------------|----------------|
| Rating | underweight | neutral | neutral | neutral | underweight | underweight | neutral |
| Rating date | 2018-05-18 | 2018-03-29 | 2018-02-02 | 2018-01-25 | 2017-11-27 | 2017-10-24 | 2017-09-14 |
| Target price (PLN) | - | - | - | - | - | - | - |
| Price on rating day | 3.65 | 6.75 | 7.24 | 7.56 | 7.69 | 10.30 | 12.80 |

TXM

| | | | | | | |
|---------------------|------------|------------|------------|------------|------------|------------|
| Rating | buy | buy | buy | buy | buy | buy |
| Rating date | 2018-07-04 | 2018-05-09 | 2018-02-02 | 2017-12-01 | 2017-11-03 | 2017-09-01 |
| Target price (PLN) | 3.48 | 5.44 | 5.41 | 5.74 | 5.77 | 6.10 |
| Price on rating day | 1.28 | 2.10 | 2.36 | 2.02 | 1.99 | 2.97 |

Ulma

| | | | |
|---------------------|----------------|----------------|----------------|
| Rating | neutral | neutral | neutral |
| Rating date | 2018-05-28 | 2018-03-29 | 2017-11-27 |
| Target price (PLN) | - | - | - |
| Price on rating day | 73.00 | 66.50 | 73.90 |

Unibep

| | | | | | |
|---------------------|------------|------------|-------------------|------------|------------|
| Rating | buy | buy | accumulate | buy | buy |
| Rating date | 2018-04-06 | 2018-02-02 | 2018-01-05 | 2017-11-03 | 2017-09-01 |
| Target price (PLN) | 10.10 | 10.80 | 10.80 | 14.00 | 15.40 |
| Price on rating day | 7.50 | 8.60 | 9.76 | 9.90 | 12.20 |

Vistula

| | | | | | | |
|---------------------|-------------------|----------------|-------------------|----------------|-------------------|-------------------|
| Rating | overweight | neutral | overweight | neutral | overweight | overweight |
| Rating date | 2018-05-23 | 2018-02-02 | 2018-01-19 | 2017-12-13 | 2017-11-28 | 2017-08-25 |
| Target price (PLN) | - | - | - | - | - | - |
| Price on rating day | 4.79 | 5.16 | 4.34 | 4.36 | 3.88 | 3.26 |

Wasko

| | | | | |
|---------------------|----------------|-------------------|-------------------|-------------------|
| Rating | neutral | overweight | overweight | overweight |
| Rating date | 2018-05-30 | 2018-03-28 | 2018-01-30 | 2017-11-28 |
| Target price (PLN) | - | - | - | - |
| Price on rating day | 1.68 | 2.25 | 2.24 | 1.98 |

Wirtualna Polska

| | | | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|------------|-------------------|
| Rating | accumulate | accumulate | accumulate | accumulate | buy | accumulate |
| Rating date | 2018-04-24 | 2018-04-06 | 2018-02-02 | 2018-01-05 | 2017-11-03 | 2017-09-01 |
| Target price (PLN) | 60.00 | 56.40 | 56.10 | 53.00 | 53.00 | 53.00 |
| Price on rating day | 54.00 | 52.20 | 51.80 | 48.20 | 43.00 | 47.89 |

ZUE

| | | | | | | |
|---------------------|----------------|----------------|----------------|----------------|--------------------|--------------------|
| Rating | neutral | neutral | neutral | neutral | underweight | underweight |
| Rating date | 2018-05-28 | 2018-03-29 | 2018-02-02 | 2018-01-25 | 2017-11-27 | 2017-09-14 |
| Target price (PLN) | - | - | - | - | - | - |
| Price on rating day | 5.86 | 6.12 | 6.18 | 6.44 | 6.89 | 9.20 |

Dom Maklerski mBanku

Senatorska 18
00-082 Warszawa
<http://www.mbank.pl/>

Research Department

Kamil Kliszcz

director
+48 22 438 24 02
kamil.klischcz@mbank.pl
energy, power generation

Jakub Szkopek

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

Piotr Bogusz

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

Michał Marczak

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

Paweł Szpigel

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

Michał Konarski

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

Piotr Zybala

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

Sales and Trading

Traders

Piotr Gawron

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

Jędrzej Łukomski

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

Andrzej Sychowski

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

Krzysztof Bodek

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

Adam Prokop

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

Tomasz Galanciak

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

Tomasz Jakubiec

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

Szymon Kubka, CFA, PRM

+48 22 697 48 54
szymon.kubka@mbank.pl

Magdalena Bernacik

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

Sales, Foreign Markets

Marzena Łempicka-Wilim

deputy director
+48 22 697 48 82
marzena.lempicka@mbank.pl

Bartosz Orzechowski

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

Private Client Sales

Kamil Szymański

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

Jarosław Banasiak

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