Friday, April 26, 2019 | periodical publication

Quarterly Earnings Forecast: Q1 2019

Equity Market

Financials
The results of Q1 2019 in the financial sector will be affected by restructuring fund contributions, which will double in Poland and increase by PLN 1 billion y/y. In particular, the increase of The Bank Guarantee Fund costs will be visible in Pekao and Bank Handlowy, which may result in a negative correction of the consensus. On the other hand, we expect positive results in PKO BP, Millennium, OTP and Erste Group, where both consensus and our forecasts are likely to increase.

Chemicals
We expect good Q1 2019 results in Azoty Group (the effect of a drop in natgas prices). Stable y/y results should be delivered by Ciech, which is rather negative when we expect earnings to increase in 2019.

Oil & Gas
The macro environment was unequivocal in the oil & gas sector, on the one hand the strong dollar helped in the refinery and E&P, but the model margins and hydrocarbons prices were less suportive. We expect a decline of y/y results of PGN due to the high Q1 2018 base, but in this case the results in the trading segment will be crucial.

Power Utilities
The execution of our forecasts after Q1 is at 28% and does not differ from seasonal patterns. In the subsequent periods, we expect higher dynamics after quite weak beginning of the year (+1%) due to less demanding base (in Q2-Q4 2018 high losses on portfolio optimization, worse results on trading).

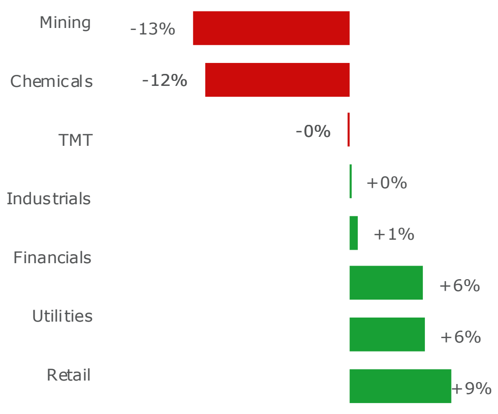
Telecoms, Media, IT
After a decline in earnings in Q3 and Q4 2018, PLY will return to higher earnings (adj. EBITDA +6% y/y), we expect an improvement in sentiment towards the company. In media sector, high increases will be reported by WPL. In IT, we expect good results to be delivered by CMR and ASE (both > 25% growth on the EBITDA line without the impact of consolidation of acquisitions and IFRS16).

Industrials & Mining
Q1 2019 is going to be the worst quarter in terms of improving results since Q2 2007. In our view, only 32% of companies will improve their y/y profits. We would expect positive surprises in EGS, FMF and TIM, negative in AML, COG, IPX and PFL. We expect a good quarter in KGHM and a weak one in JSW. Both companies will record an increase in mining costs.

Property Developers
In total, the number of apartments settled in the result among 14 residential developers of the WSE and Catalyst was higher by 29% y/y in Q1 2019, but only 6 of them reported an increase in handovers (e.g. Dom, LC Corp). We expect a very good performance of Dom Development (increase of net profit by 380% y/y, which does not change the outlook on our annual forecasts, with performance after Q1=38%). Atal handed over 27% fewer homes than in the same period of 2018 which will result in a relatively weaker momentum of results in Q1.

Retail
The first quarter has the least significance in building the result of consumer companies. The calendar effect (lack of Easter in Q1 2019) and the extension of the Sunday trading ban should have a negative impact on the results of DNP, EUR and JMT. Good sales results in March should support the profits of CCC and MON. The results of VRG should deteriorate y/y due to the low sales effectiveness of the clothing segment and consolidation of BTM results.

YoY earnings growth by sector: Q1'19E*



*Net earnings for banks, otherwise EBITDA

Earnings Surprise Prediction	
negative	positive
Alumetal	AmRest
Bank Handlowy	Asseco SEE
Cognor	CEZ
Eurocash	Comarch
Impexmetal	Enea
Pekao	Ergis
Pfleiderer Group	Erste Bank
	Famur
	Grupa Azoty
	Millennium
	OTP
	PKO BP
	Play
	TIM

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mBank Dom Maklerski

Contents

Quarterly Earnings Surprises and YoY Growth Reported By Rated Companies

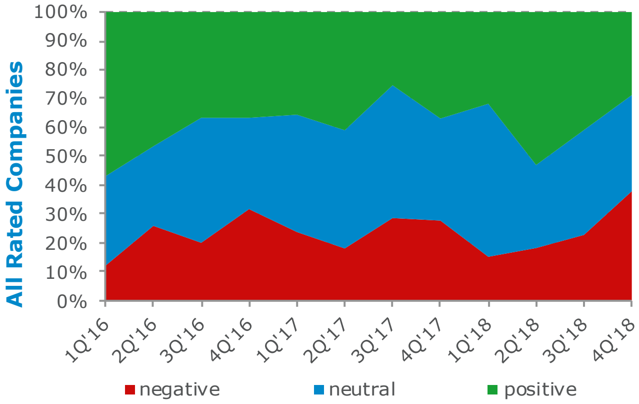
vs.	2016				2017				2018				+/=
konsensus	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Finanse													
Alior Bank	+	+	+	+	-	+	+	+	=	+	=	=	92%
Handlowy	=	+	-	=	-	+	+	=	+	+	-	-	67%
ING BSK	+	+	+	-	+	=	=	=	=	-	=	+	83%
Millennium	+	+	=	+	+	=	+	=	+	+	=	+	100%
Pekao	+	+	+	+	+	=	=	+	=	=	+	+	100%
PKO BP	+	+	+	-	+	+	+	=	+	=	=	=	92%
Santander BP	+	+	=	+	=	+	=	=	=	+	=	-	92%
Komercni	+	+	+	=	+	+	+	+	+	+	+	+	100%
Erste Bank	+	=	=	-	=	+	=	+	+	+	+	+	92%
OTP Bank	=	+	+	-	+	+	+	+	+	+	+	=	92%
PZU	-	-	=	+	+	=	=	+	+	=	+	=	83%
Kruk	=	-	+	-	+	+	=	-	+	+	+	-	67%
Skarbiec	=	+	=	-	=	+	+	+	+	=	+	-	83%
Chemia													
Ciech	=	+	=	+	=	=	=	+	=	+	=	-	92%
Grupa Azoty	-	-	=	-	+	-	=	-	=	-	-	+	42%
Paliwa													
Lotos	+	=	+	=	+	+	+	=	-	+	=	-	83%
MOL	=	=	=	-	+	+	-	=	=	=	+	+	83%
PGNiG	+	-	-	+	+	-	-	=	-	+	-	-	42%
PKN Orlen	=	-	=	+	=	=	-	=	=	-	=	+	75%
Energetyka													
CEZ	+	-	=	+	=	=	=	+	=	-	+	=	83%
Enea	+	+	+	+	=	+	=	=	=	-	=	=	92%
Energa	+	-	=	=	=	=	=	-	=	=	-	-	67%
PGE	=	=	+	-	=	=	=	=	=	=	-	-	75%
Tauron	=	+	=	+	+	+	=	=	=	+	+	=	100%
TMT													
Netia	=	+	=	+	=	=	+	+	=	=	=	=	100%
Orange PL	=	=	=	=	=	+	=	=	=	+	+	+	100%
Play	bd	bd	bd	bd	bd	bd	=	=	=	+	=	=	100%
Agora	+	=	=	+	=	+	=	+	=	+	+	=	100%
Cyfrowy	=	=	+	=	+	=	=	=	+	=	=	=	100%
Wirtualna	+	=	-	-	+	=	=	=	=	=	=	=	83%
Ailleron	bd	bd	bd	bd	bd	bd	-	+	=	=	-	-	50%
Asseco BS	+	+	=	=	=	=	=	+	=	=	+	+	100%
Asseco PL	=	+	+	-	=	=	-	-	+	+	+	=	75%
Asseco SEE	=	=	=	+	=	+	-	=	=	=	+	=	92%
Atende	bd	bd	bd	bd	bd	bd	bd	+	=	-	+	-	60%
Comarch	=	+	=	+	-	+	-	-	+	+	+	+	75%
CD Projekt	+	+	+	+	+	+	-	+	=	=	-	-	75%
Przemysł													
Alumetal	+	+	-	=	-	=	+	=	=	+	=	-	75%
Amica	+	=	=	-	=	=	-	+	-	+	+	+	75%
Apator	-	+	-	=	=	-	=	-	=	+	=	+	67%
Boryszew	+	+	+	-	+	-	+	-	-	=	-	-	50%
Cognor	bd	bd	bd	bd	bd	bd	bd	bd	+	+	=	-	75%
Ergis	-	-	+	=	+	=	-	-	-	-	-	-	33%
Famur	+	+	=	+	bd	-	=	+	+	+	+	+	91%
Forte	+	+	=	=	=	=	-	-	=	+	-	-	67%
Grupa Kęty	+	+	=	=	=	=	=	-	=	+	=	=	92%
Impexmetal	+	+	+	-	-	-	+	-	+	+	+	-	58%
JSW	+	=	-	-	+	+	-	-	=	+	=	-	58%
Kernel	+	-	+	-	-	-	-	+	=	-	+	+	50%
KGHM	+	-	+	+	+	=	=	+	=	+	-	-	75%
Kruszwica	-	-	+	+	-	-	=	-	+	+	+	+	58%
Mangata	+	+	-	+	=	-	-	-	+	+	+	-	58%
Pfleiderer	=	=	+	-	-	-	=	-	+	-	+	-	50%
Pozbud	bd	bd	bd	bd	bd	bd	bd	+	=	+	-	=	80%
Stelmet	bd	bd	-	=	-	=	-	+	-	+	+	=	60%
Tarczyński	+	-	-	+	=	=	+	+	+	+	=	+	83%
Deweloperzy													
Atal	bd	bd	+	=	+	+	-	-	=	+	=	+	80%
Dom Dev.	+	=	=	=	=	+	+	=	+	=	+	=	100%
Handel													
AmRest	=	=	=	+	-	+	+	+	-	-	=	+	75%
CCC	+	+	+	=	-	+	-	-	-	-	-	-	42%
Dino	bd	bd	bd	bd	bd	+	=	+	+	=	=	=	100%
Eurocash	-	-	-	-	-	=	-	-	=	=	-	-	25%
Jeronimo	=	=	=	=	=	=	=	=	=	=	=	=	100%
LPP	-	=	=	=	=	=	+	=	-	+	+	=	83%
Monnari	+	-	-	-	-	+	=	=	=	+	-	-	50%
VRG	+	-	-	=	-	-	=	=	-	-	=	=	50%

vs.	2016				2017				2018				**	+/=
r/r	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	
Finanse														
Alior Bank	-	-	=	+	-	+	+	-	+	+	-	+	-	54%
Handlowy	-	+	+	+	-	-	+	+	+	+	-	-	-	54%
ING BSK	=	+	+	+	+	-	+	+	+	=	=	+	-	85%
Millennium	=	+	+	+	+	-	+	+	+	+	+	+	+	92%
Pekao	-	+	-	+	-	-	=	+	+	=	+	-	-	54%
PKO BP	=	+	-	+	-	=	+	+	+	+	+	+	+	85%
Santander BP	-	+	+	+	-	-	+	+	=	=	-	+	-	62%
Komercni	-	+	+	+	+	-	-	+	-	+	+	+	=	69%
Erste Bank	+	+	+	-	-	-	+	+	+	+	+	+	+	77%
OTP Bank	+	+	+	=	+	+	+	+	+	+	+	+	+	100%
PZU	-	-	+	+	+	+	+	+	-	+	+	=	+	77%
Kruk	+	-	+	+	+	+	=	-	-	=	+	+	-	69%
Skarbiec	-	-	+	=	+	+	-	+	-	-	-	-		42%
Chemia														
Ciech	+	+	+	+	+	-	-	+	-	=	-	-	=	62%
Grupa Azoty	+	-	-	-	-	+	+	+	-	-	-	-	+	38%
Paliwa														
Lotos	+	-	+	+	+	+	+	-	-	+	=	+	+	77%
MOL	-	-	-	-	+	+	-	+	-	-	+	+	-	38%
PGNiG	-	-	-	+	+	=	=	=	-	+	+	-	-	54%
PKN Orlen	=	-	-	+	+	+	+	-	-	-	-	+	=	54%
Energetyka														
CEZ	=	-	-	-	-	-	-	-	-	-	+	=	+	31%
Enea	+	+	+	+	+	+	=	-	=	-	=	-	+	77%
Energa	=	=	=	=	-	+	+	-	+	+	-	-	=	69%
PGE	-	-	-	-	+	+	=	-	+	+	=	-	=	54%
Tauron	-	-	-	+	+	+	=	-	=	-	-	-	-	38%
TMT														
Netia	-	=	-	=	-	-	-	-	=	-	-	-	-	23%
Orange PL	-	-	-	-	-	=	-	+	=	-	+	+	=	46%
Play	bd	bd	bd	bd	+	+	+	=	-	-	-	-	+	56%
Agora	=	-	-	-	+	+	=	+	-	-	+	+	=	62%
Cyfrowy	-	-	+	+	+	+	-	-	=	-	=	=	=	62%
Wirtualna	+	+	+	+	+	+	+	+	+	+	+	+	+	100%
Ailleron	+	-	+	+	+	+	-	+	=	+	-	-	-	62%
Asseco BS	+	+	+	+	+	+	+	+	+	+	+	+	=	100%
Asseco PL	-	+	-	-	-	-	-	-	+	+	+	+	=	46%
Asseco SEE	+	+	=	+	+	+	+	+	+	+	+	+	+	100%
Atende	-	+	-	-	+	-	-	+	-	-	+	-	=	38%
Comarch	-	+	+	+	-	-	-	-	=	+	+	+	+	62%
CD Projekt	+	-	+	+	+	+	-	-	-	-	-	-	-	38%
Przemysł														
Alumetal	+	+	-	-	-	-	-	+	+	+	+	-	-	46%
Amica	+	+	+	=	-	=	-	-	-	+	+	+	=	69%
Apator	-	+	-	+	+	-	+	-	-	+	=	+	=	62%
Boryszew	+	+	+	-	+	+	+	+	-	-	-	-	-	54%
Cognor	-	+	+	+	+	=	+	+	+	+	+	-	-	77%
Ergis	-	-	+	+	+	=	=	-	-	=	-	-	+	54%
Famur	=	+	+	+	+	=	+	+	+	+	+	+	+	100%
Forte	+	+	+	+	-	-	-	-	-	+	-	+	+	54%
Grupa Kęty	+	+	+	+	+	+	+	+	+	+	+	+	=	100%
Impexmetal	+	+	+	-	+	+	=	+	+	+	=	+	=	85%
JSW	-	-	-	+	+	+	+	+	-	=	=	-	-	54%
Kernel	-	-	+	-	-	-	-	-	-	+	+	+	+	38%
KGHM	-	-	+	+	+	+	+	-	-	+	-	=	+	62%
Kruszwica	-	=	-	+	=	=	=	+	+	+	+	+	=	85%
Mangata	+	+	+	-	=	=	-	=	+	+	+	=	-	77%
Pfleiderer	+	=	+	=	+	-	+	+	+	-	+	-	-	69%
Pozbud	=	-	-	-	-	-	=	+	-	+	+	+	+	54%
Stelmet	bd	bd	-	-	-	-	+	+	=	+	+	=	=	64%
Tarczyński	-	-	-	-	=	+	+	+	+	+	+	+	-	62%
Deweloperzy														
Atal	+	+	+	-	+	+	=	+	+	+	=	-	-	77%
Dom Dev.	+	+	+	+	-	+	+	+	+	+	-	+	+	85%
Handel														
AmRest	+	+	+	+	=	+	+	-	+	=	+	+	+	92%
CCC	-	+	=	+	+	+	+	-	-	-	-	-	+	54%
Dino	bd	bd	bd	bd	bd	+	+	+	+	+	+	+	+	100%
Eurocash	+	=	-	-	-	=	-	-	+	=	=	+	-	54%
Jeronimo	+	=	+	+	=	+	+	+	+	=	=	=	=	100%
LPP	-	-	-	-	+	+	+	+	-	+	+	+	=	62%
Monnari	+	-	-	-	-	-	-	+	-	+	-	=	=	38%
VRG	+	=	=	+	-	+	+	+	+	=	=	+	=	92%

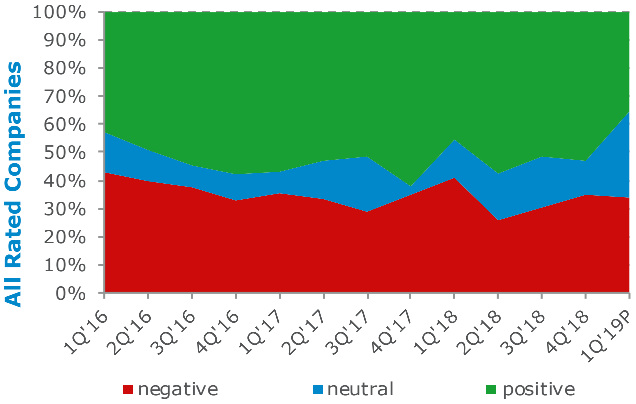
'+' = positive surprise, '-' = negative surprise, '=' = in-line results; *The column shows the sum of 'in-line' or 'beat quarters' in the last three years as a percentage of all quarters in the period; ** Our expectations versus the actual year-ago figures; Source: Companies, Bloomberg, PAP, Dom Maklerski mBanku

Quarterly Surprise Charts For Our Coverage Universe (Aggregate and Selected Sector Statistics)

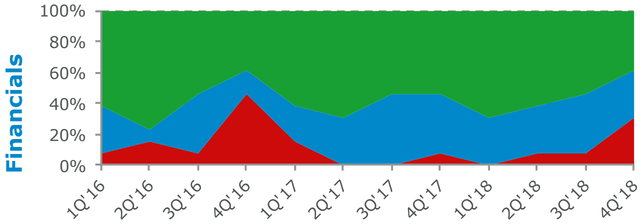
Earnings Surprise

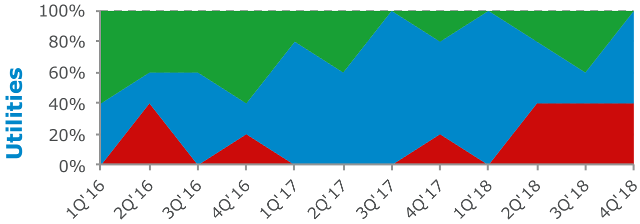


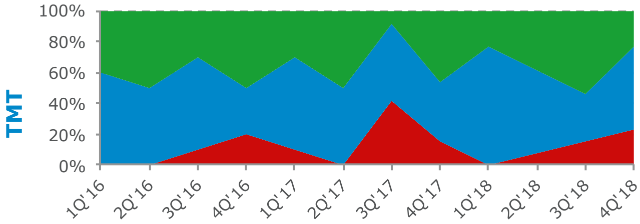
YoY Growth

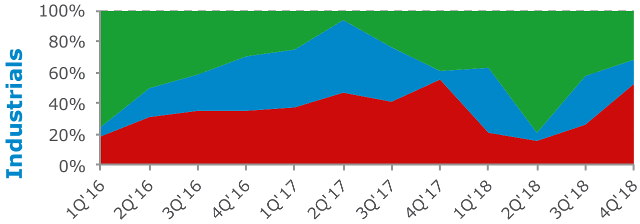


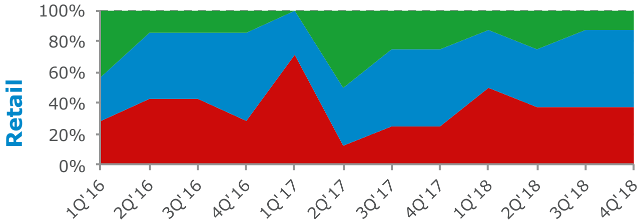
Earnings Surprise



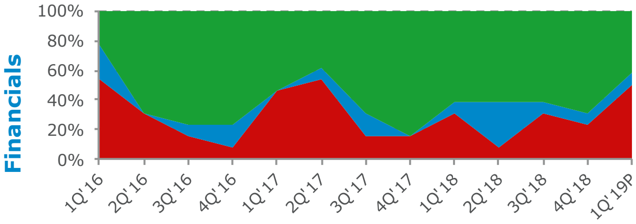


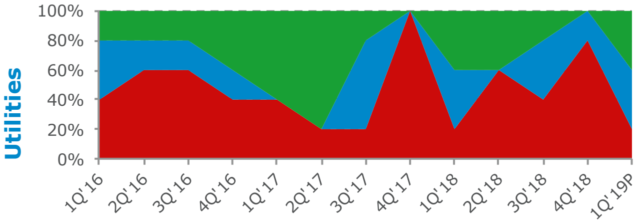


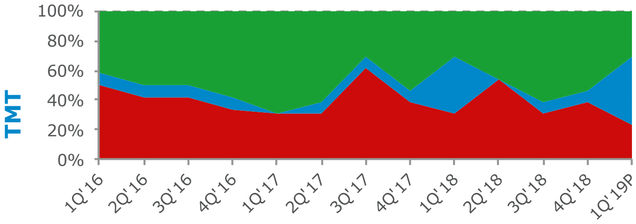


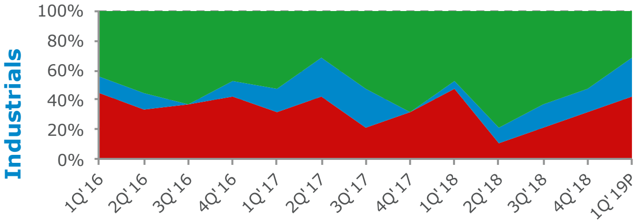


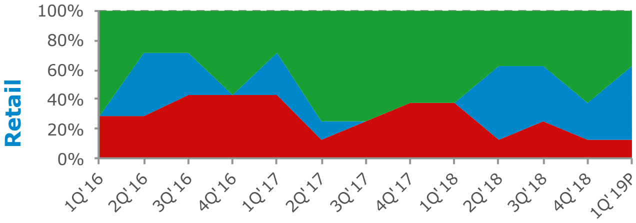
YoY Growth











Source: Companies, Bloomberg, PAP, Dom Maklerski mBanku

Banks

The best banks in Q1 2019:
We expect Q1 2019 results to cause a positive revision of the consensus for PKO, Millennium, Erste and OTP Bank.

… the worst in Pekao and Handlowy:
- Negative revision of the consensus can be expected at PEO and BHW, however the revenue lines are in line with expectations and the negative surprise comes from the Bank Guarantee Fund.

Alior Bank		Buy			Reporting Date
Michał Konarski		PLN 87.00			7 May
(PLN m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	808.0	803.3	1%	10%	24%
Net fee income	114.1	115.3	-1%	5%	26%
Total income	1067.4	1065.5	0%	8%	24%
Operating costs	-521.3	-407.4	28%	14%	30%
Provisioning	-285.0	-299.9	-5%	18%	28%
Net profit	114.7	180.5	-36%	-30%	12%

- Results including a BFG contribution for restructuring in the amount of PLN 110 million.
- We expect a seasonal decline in interest margin by 9bps.
- High provisions balance(PLN 285m) despite a 5% q/q drop.
- The earnings represent only 12% of our annual forecast. Nevertheless, NIM and CoR normalization should help rebuild the result for the remaining part of the year.

Handlowy		Hold			Reporting Date
Michał Konarski		PLN 65.50			6 May
(PLN m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	278.7	279.1	0%	1%	24%
Net fee income	133.8	134.4	-1%	-6%	22%
Total income	543.8	512.6	6%	-4%	24%
Operating costs	-392.7	-277.8	41%	13%	31%
Provisioning	-24.3	-11.8	106%	339%	28%
Net profit	61.7	152.2	-59%	-58%	10%

- Results including a BFG contribution for restructuring in the amount of PLN 93 million.
- We forecast a decline in commission income (-1% q/q) and interest result stabilization.
- We expect a reserve balance of PLN 24 million, mainly due to retail operations.
- The Q1 2019 results represent only 10% of our annual forecast.

ING BSK		Hold			Reporting Date
Michał Konarski		PLN 191.80			8 May
(PLN m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	1002.4	995.1	1%	13%	24%
Net fee income	334.0	330.7	1%	5%	25%
Total income	1377.1	1359.5	1%	10%	25%
Operating costs	-725.1	-566.3	28%	15%	30%
Provisioning	-133.2	-98.5	35%	40%	23%
Net profit	295.9	452.2	-35%	-8%	18%

- The results including a BFG contribution for restructuring in the amount of PLN 131.2 million.
- Seasonal decline in interest margin by 8bps q/q and flat cost of risk at 50bps.
- A slight increase in commission result by 1% q/q and non-interest income by 3% q/q.
- The results for Q1 2019 represent 18% of our annual forecast

Millennium		Accumulate			Reporting Date
Michał Konarski		PLN 10.00			8 May
(PLN m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	494.3	485.7	2%	15%	22%
Net fee income	163.2	161.6	1%	-5%	23%
Total income	740.7	728.4	-2%	11%	22%
Operating costs	-375.0	-319.8	-17%	14%	22%
Provisioning	-66.6	-58.4	14%	31%	22%
Net profit	162.2	212.5	-24%	4%	22%

- Results including a BFG contribution for restructuring in the amount of PLN 73 million.
- A slight increase of the cost of risk up to 5bps and a seasonal drop in the interest margin (-7 bps q/q).
- Increase in net interest income supported by strong sales of retail loans.
- Q1 results represent 22% of the annual forecast.

Pekao		Buy			Reporting Date
Michał Konarski		PLN 131.80			9 May
(PLN m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	1299.9	1294.8	0%	8%	23%
Net fee income	601.9	638.3	-6%	2%	24%
Total income	1954.1	2104.2	-7%	5%	23%
Operating costs	-1236.4	-878.4	41%	21%	33%
Provisioning	-135.4	-104.9	29%	7%	21%
Net profit	241.9	749.2	-68%	-38%	9%

- The results were heavily burdened with the BFG restructuring fee in the amount of PLN 370 million (net).
- A flat increase in net interest income on a quarterly basis and a seasonal decline in the margin by 8bps q/q.
- We expect the risk cost to increase to 37bps. in Q1 2019 from 29bps in Q4 2018.
- The results represent only 9% of the annual forecast.

PKO BP		Hold			Reporting Date
Michał Konarski		PLN 40.92			15 May
(PLN m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	2461.0	2480.0	-1%	11%	24%
Net fee income	740.2	771.0	-4%	0%	24%
Total income	3551.6	3545.0	0%	9%	24%
Operating costs	-1699.8	-1447.0	17%	8%	28%
Provisioning	-346.7	-413.0	-16%	4%	21%
Net profit	843.8	1009.0	-16%	11%	20%

- A slight quarterly decline in net interest income & margin.
- Results supported by strong sales of retail loans, especially consumer loans.
- Operating costs raised by the restructuring contribution in the amount of PLN 348 million, but reduced by the release of the withholding tax reserve (PLN -70 million).
- The net result represents 20% of the annual forecast.

Santander BP		Hold			Reporting Date
Michał Konarski		PLN 388.00			30 April
(PLN m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	1610.6	1534.2	5%	16%	24%
Net fee income	512.2	497.3	3%	-1%	23%
Total income	2230.7	2121.6	5%	12%	23%
Operating costs	-1178.5	-917.4	28%	25%	30%
Provisioning	-287.8	-422.8	-32%	41%	24%
Net profit	386.1	767.1	-50%	-12%	15%

- The result for Q1 2019 will include the increased BFG contribution (approximately PLN +150 million y/y) as well as costs related to collective dismissal (PLN -80 million).
- We expect a further decline in the interest margin by 10bps q/q.
- We estimate an increase of non-interest income at 6% q/q and 4% y/y.
- The results represent 15% of our annual 2019 forecast.

Komercni Banka		Accumulate			Reporting Date
Michał Konarski		CZK 1,000.00			3 May
(CZK m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	5882.1	5981.0	-2%	10%	24%
Net fee income	1530.3	1628.0	-6%	2%	24%
Total income	8237.4	8471.0	-3%	9%	24%
Operating costs	-4465.9	-3619.0	23%	10%	30%
Provisioning	-18.7	-17.0	10%	-	-2%
Net profit	3025.3	3888.0	-22%	1%	20%

- Increase in net interest income by 10.0% y/y and interest margin by 3bps q/q.
- Restructuring contribution in the amount of CZK 850 million (flat y/y).
- We expect a risk cost at the level of 1bps.
- Seasonal decline in commission income by 6% q/q.

Erste Bank		Buy			Reporting Date
Michał Konarski		HUF 44			3 May
(EUR m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	1186.9	1210.0	-2%	10%	25%
Net fee income	473.0	477.7	-1%	-1%	24%
Total income	1708.4	1775.9	-4%	6%	24%
Operating costs	-1100.4	-1078.8	2%	3%	26%
Provisioning	9.4	-42.9	-	-	-7%
Net profit	354.5	565.2	-37%	5%	24%

- The results will include seasonal charges such as the Deposit Guarantee Fund (around EUR 90 million), the restructuring fund (EUR 78 million) or the bank tax in Hungary settled in Q1 (around EUR 30 million).
- We expect interest margin to fall by 5bps q/q.
- We expect a balance-sheet provision of EUR 9 million.
- The results for Q1 2019 represent 24% of our annual 2019 forecast.

OTP Bank		Hold			Reporting Date
Michał Konarski		HUF 13,046			10 May
(EUR m)	Q4'18E	Q3'18	Q/Q	Y/Y	YTD*
Net interest income	162.7	156.4	4%	13%	24%
Net fee income	56.0	56.6	-1%	13%	23%
Total income	234.2	227.7	3%	15%	24%
Operating costs	-130.4	-140.2	-7%	15%	25%
Provisioning	-7.1	-20.3	-65%	451%	8%
Net profit	68.1	77.9	-13%	5%	21%

- First quarter of consolidation of acquisitions in Bulgaria and Albania.
- One-off costs related to a bank tax (HUF 15bn) and new acquisitions (HUF 3bn).
- We expect a seasonal decline in costs (-7% q/q) and a still low provision balance (HUF 7bn).
- The results for Q1 2019 represent 21% and are seasonally the weakest in the whole year.

Financial Services

PZU surprises with the investment result:
The forecast for Q1 represents 21% of our annual forecast. Q1 figures are high due to the investment result. On the other hand, the results will confirm market concerns that the 2018 loss ratio will be difficult to achieve in 2019.

PZU		Accumulate			Reporting Date
Michał Konarski		PLN 43.38			14 May
(PLN m)	Q1'18E	Q4'18	Q/Q	Y/Y	YTD*
GWP	5928.5	6212.0	-5%	0%	25%
Non-Life	3892.5	4231.0	-8%	21%	25%
Life	2036.0	2067.0	-2%	-2%	25%
Claims	-3858.5	-3579.0	8%	5%	26%
Costs	-1185.6	-1271.0	-7%	-2%	24%
Income from banks	617.5	1222.0	-49%	-41%	13%
Underwriting profit	519.1	779.0	-33%	-15%	19%
Investment income	570.4	94.0	507%	197%	62%
Pre-tax income	1462.8	1934.0	-24%	-14%	20%
Net profit	693.5	781.0	-11%	-10%	21%

- Seasonal decline in gross written premium by 5% q/q.
- Significant increase in claims (+8% q/q) in assets due to meteorological conditions (strong winds) and significant loss ratio in the automotive segment.
- Improvement of the investment result (up to PLN 570 million, excluding banks), both on the bond side and shares.
- Increase in operating costs by 5.3% y/y, but the decline by 6.7% q/q.
- Net profit forecast represents 21% of our annual forecast.

Gas & Oil, Chemicals

Mixed results in Chemicals

- Lower prices of natgas should be supported by the results of Azoty Group. Despite the increase of soda prices Ciech will not record an increase of profits in Q1 2019.

Ciech	Buy			Reporting Date
Jakub Szkopek	PLN 68.66			28 May

(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	929.1	885.7	5%	3,880.7	24%
EBITDA	165.1	165.4	0%	754.6	22%
EBITDA adj.	166.1	167.6	-1%	754.6	22%
EBITDA margin	17.8%	18.7%	-	19.4%	-
EBIT	91.4	102.1	-10%	472.7	19%
Net profit	64.2	73.9	-13%	324.1	20%

MOL	Hold			Reporting Date
Kamil Kliszcz	HUF 3,223			3 May

(HUF bn)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	1091.7	1008.5	8%	4835.9	23%
LIFO EBITDA adj.	152.1	158.1	-4%	608.3	25%
LIFO effect	16.3	-4.5	-	5.1	-
EBITDA	138.6	154.3	-10%	613.5	23%
EBIT	42.4	68.6	-38%	227.6	19%
Financing activity	-5.2	-0.7	-	-10.3	-
Net profit	39.2	60.3	-35%	162.7	24%

PGNiG	Accumulate			Reporting Date
Kamil Kliszcz	PLN 6.92			16 May

(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	14,530	13,247	10%	38,458	38%
EBITDA adj.	2,310	2,678	-14%	7,840	29%
EBITDA	2,210	2,674	-17%	7,463	30%
EBIT	1,544	2,005	-23%	4,775	32%
Financing activity	35	75	-	-35	-
Net profit	1,105	1,566	-29%	3,516	31%

Last year's results hard to beat in fuels

- The macro environment was unequivocal in the sector, on the one hand the strong dollar helped the refineries and E&P, but the model margins and hydrocarbons prices were less suportive.

- According to our estimates, Ciech will slightly improve (by 1% y/y) soda sales volumes in Q1 2019, but price increases (around 7% y/y on the market) only began to apply from II 2019. In addition, the cost of technological steam in Govora (Romania) was higher in Q1 2019 than it results from the agreement established for the following quarters in Q2 2019. The CO2 and thermal coal certificates prices were also higher y/y.

- Improvement of y/y EBITDA from E&P (HUF 80.6 bn vs. HUF 72.5 bn) - high production (~114 mboe/d), higher natgas and oil prices converted to HUF.
- A deterioration of the model margin in the refining segment and downtime at the Rijeka refinery (CCS EBITDA of HUF 14.6 bn vs. HUF 25.4 bn in Q1 2018), a drop in petchem due to macro (HUF 23 bn vs. HUF 29.7 bn).
- In the natgas segment, a 15% drop of y/y EBITDA due to weather-related lower volumes (HUF 18.3 billion)

- Adj. EBITDA from E&P down to PLN 1.2 billion vs. PLN 1.38 billion in Q1 2018, on the decrease in production volumes and lower prices of crude and gas sold to turnover segment.
- Drop of volumes in distribution as well as tariff cuts (2 cuts since Q1 2018) imply EBITDA at PLN 0.58 billion (-23% y/y).
- EBITDA in sales at PLN 0.2bn vs. PLN 0.18bn due to higher sales prices and a slump in EBITDA from Heating (-6% y/y at PLN 376m).

Utilities & Mining

Power

- The execution of our forecasts after Q1 is at 28% and does not differ from seasonal patterns. In the subsequent periods, we expect higher dynamics after quite weak beginning of the year due to less demanding base.

Mining — increase of costs

- Good sales volumes should cause an increase of the KGHM Group earnings (despite cost pressure).
- Higher production costs and weak production volumes will affect JSW results.

CEZ		Hold		Reporting Date	
Kamil Kliszcz		CZK 565.50			14 May
(CZK m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	52,590	45,402	16%	198653	26%
EBITDA adj.	19,909	17,543	13%	58,284	34%
EBITDA	19,909	17,543	13%	58,284	34%
EBIT	12,587	10,399	21%	29,257	43%
Financing activity	-1,726	-1,496	-	-7,096	-
Net profit	8,797	7,121	24%	17,766	50%

- EBITDA from Generation at CZK 9.9 billion vs. CZK 8.0 billion y/y, mainly due to higher power prices and an increase in volumes, both in nuclear and coal-fired power plants.
- In other segments, the y/y results should be similar (RES, distribution) or slightly higher (trade, mining).
- A negative fx from Turkey may appear on financial activities.

Enea		Buy		Reporting Date	
Kamil Kliszcz		PLN 12.51			23 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	4,286	2,989	43%	16,955	25%
EBITDA adj.	761	689	10%	3,261	23%
EBITDA	784	702	12%	3,261	24%
EBIT	523	339	54%	1,726	30%
Financing activity	-70	-32	-	-159	-
Net profit	319	241	33%	1,216	26%

- Higher availability of generating units and increase in contracted margins will cause EBITDA improvement in production by PLN 100 million y/y to PLN 0.33 billion.
- The distribution result may be affected by the lack of new tariff (EBITDA -17% y/y), we still expect weak results in trade segment (EBITDA PLN 5m).
- Strong LWB results (PLN 206m EBITDA already announced), but assumed higher inter-segment eliminations.

Energa		Buy		Reporting Date	
Kamil Kliszcz		PLN 12.21			15 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	2,938	2,642	11%	12,177	24%
EBITDA adj.	656	626	5%	2,150	30%
EBITDA	656	626	5%	2,150	30%
EBIT	408	388	5%	1,147	36%
Financing activity	-71	-46	-	-221	32%
Net profit	273	275	-1%	721	38%

- We expect an EBITDA improvement in y/y production (PLN 120m vs. PLN 100m) on RES assets (power and certificates prices) with negative dynamics on heat (weather) and system power plants (refurbishment).
- We assume a flat Distribution EBITDA y/y in line with the Company's guidance presented after the annual results.
- Flat y/y income in trade (we assume no losses on commercial customers,reserves will cover households tariff reductions).

PGE		Buy		Reporting Date	
Kamil Kliszcz		PLN 13.66			28 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	9,330	7,137	31%	39,374	24%
EBITDA adj.	2,234	2,202	1%	7,465	30%
EBITDA	2,234	2,214	1%	7,465	30%
EBIT	1,315	1,315	0%	3,383	39%
Financing activity	-74	-90	-18%	-304	24%
Net profit	967	935	3%	2,481	24%

- A high base effect in Q1: a decrease in the heating segment - no yellow certificates as well as a drop in volumes and the effect of changes in CO2 cost accounting (weighted average vs. FIFO) – EBITDA for Generation in flat yield y/y (PLN 1.3 billion), despite higher CDS.
- Strong RES (EBITDA +60% y/y) on prices and volume.
- Decrease in distribution result (-5% y/y) due to lack of tariff in turnover sector (-30%) due to lower margins.

Tauron		Buy		Reporting Date	
Kamil Kliszcz		PLN 2.89			22 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	6,040	4,826	25%	22,825	26%
EBITDA adj.	978	1,040	-6%	3,549	28%
EBITDA	978	1,293	-24%	3,549	28%
EBIT	531	875	-39%	1,753	30%
Financing activity	-60	-84	-	-319	19%
Net profit	381	636	-40%	1,128	34%

- The reference base overstated by the release of provisions of PLN 230 million in the generation, EBITDA + 12% y/y on higher CDS and renewables.
- EBITDA for Mining is still down (PLN -40m) due to low volume and high unit costs.
- Distribution EBITDA down by 3% due to the lack of a tariff.
- Lower margins in turnover due to higher costs of green power (EBITDA of PLN 140 million vs. PLN 178 million y/y).

JSW		Reduce		Reporting Date	
Jakub Szkopek		PLN 54.80			16 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	2,522	2,511	0%	9,594	26%
EBITDA adj.	657	1,073	-39%	2,176	30%
EBITDA	657	1,136	-42%	2,176	30%
EBITDA margin	26.0%	45.2%	-	22.7%	-
EBIT	465	952	-51%	1,306	36%
Net profit	371	754	-51%	1,047	36%

- The company has already published preliminary estimates of sales for Q1 2019, which indicate a significant drop in mining and coal y/y.
- We estimate a drop of EBITDA by 39% y/y to PLN 657m, and net result by 51% y/y to PLN 371m.
- The earnings, in our opinion, will be under pressure also in Q2 2019.

KGHM		Hold		Reporting Date	
Jakub Szkopek		PLN 105.57			15 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	5,332	4,266	25%	23,032	23%
EBITDA adj.	1,319	1,174	12%	5,464	24%
EBITDA margin	24.7%	27.5%	-	23.7%	-
EBIT adj.	856	757	13%	3,611	24%
Net profit adj.	544	439	24%	2,514	22%

- Good sales volumes in Q1 2019 should translate into high revenue growth.
- We expect increase in mining costs due to wage growth and higher costs of electricity. Despite the cost pressure, in our view KGHM is able to improve last year's results.
- In Q1 2019, despite higher expected sales volumes (+4% y/y) results will be under pressure of falling market margins and high base of the previous year. We expect EBITDA to fall by 8% y/y and the net result by 31% y/y.

TMT

Good quarter for PLY, WPL, CMR and ASE

- After a decline in earnings in Q3 & Q4 2018, PLY will return to higher profits, we expect a sentiment improvement.
- In media segment, high increases will be reported by WPL.
- In IT segment, we expect good results in CMR and ASE (25% & 14% growth on the EBITDA line, respectively, with no impact of consolidation of acquisitions and IFRS16).
- The significant impact of IFRS16 on profits of companies in the sector.

Netia		**Hold**		**Reporting Date**	
Paweł Szpigiel		**PLN 4.70**			**9 May**
(PLN m)	**Q1'19E**	**1Q'18**	**Y/Y**	**2019E**	**YTD***
Revenue	331.6	346.9	-4%	1348.0	25%
EBITDA	83.7	91.7	-9%	124.5	67%
EBITDA margin	25.2%	26.4%	-	9.2%	-
EBIT	15.5	21.9	-30%	74.3	21%
Pre-tax profit	12.9	20.8	-38%	61.9	21%
Net profit	10.4	21.2	-51%	50.2	21%

- Outflow of 14 thousand users net in fixed-line voice and 8 thousand clients in regulated broadband, but the on-network broadband user count have increased.
- Fall in turnover by 4%.
- Stable level of SG&A costs y/y (PLN 101m in Q4 2018).
- The impact of other operating activities PLN +6 million vs. PLN + 4 million a year earlier.
- Decrease in EBITDA by 9% y/y.

Orange Polska		**Buy**		**Reporting Date**	
Paweł Szpigiel		**PLN 6.40**			**29 April**
(PLN m)	**Q1'19E**	**1Q'18**	**Y/Y**	**2019E**	**YTD***
Revenue	2729.0	2710.0	1%	11096	25%
EBITDA	734.0	674.0	9%	2891.3	25%
EBITDA margin	26.9%	24.9%	-	4.8%	-
EBIT	21.0	33.0	-36%	423.2	5%
Pre-tax profit	-48.0	-53.0	-	129.1	-
Net profit	-48.0	-50.0	-	104.5	-

- Erosion of revenues from mobile only and fixed-line only services (PLN -43 million and -49 million y/y respectively), compensated by the increase in convergent turnover.
- Higher y/y write-downs of receivables and contact assets.
- Sale of properties profit = PLN 19 million (flat y/y).
- EBITDAaL in Q1 2019 = PLN 654 million (-0.8% y/y).
- One-off events in Q1 2018: UKE compensation under USO and settlement with UPC (both for PLN several million).

Play		**Accumulate**		**Reporting Date**	
Paweł Szpigiel		**PLN 26.70**			**13 May**
(PLN m)	**Q1'19E**	**1Q'18**	**Y/Y**	**2019E**	**YTD***
Revenue	1672.1	1637.3	2%	6991.9	24%
EBITDA	544.1	510.2	7%	2222.4	24%
EBITDA margin	32.5%	31.2%	-	31.8%	-
EBIT	332.4	321.7	3%	1421.4	23%
Pre-tax profit	241.8	226.5	7%	1062.4	23%
Net profit	186.2	152.8	22%	801.0	23%

- A decrease in domestic roaming costs and other service costs.
- Increase in the contribution margin to PLN 775m, +7% y/y
- Higher y/y marketing activity and higher network maintenance costs.
- Adjusted EBITDA up by +6.1% y/y
- We believe that the publication of Q1 2019 results will bring a positive sentiment.

Agora		**Buy**		**Reporting Date**	
Paweł Szpigiel		**PLN 16.00**			**15 May**
(PLN m)	**Q1'19E**	**1Q'18**	**Y/Y**	**2019E**	**YTD***
Revenue	309.4	278.0	11%	1168.4	26%
EBITDA	16.6	36.4	-54%	37.6	44%
EBITDA margin	5.4%	13.1%	-	3.2%	-
EBIT	-5.4	13.1	-	23.6	-
Pre-tax profit	-5.9	12.5	-	21.9	-
Net profit	-8.2	9.7	-	14.0	-

- Very good earnings of the Film & Books segment: turnover from ticket sales +19% y/y, additional revenues from co-production and distribution of Underdoog and Kogel Mogel 3. EBITDA of the segment=PLN 27.2 million (+11.2% y/y).
- Weak quarter in advertising, hence the decline in the performance of Outddor and Radio, Internet segments.
- 5 million provisions for redundancies in Druk, EBITDA = PLN 21.6 million (down 10% v.s PLN 23.9 million adj. result in Q1 2018).

Cyfrowy Polsat		**Hold**		**Reporting Date**	
Paweł Szpigiel		**PLN 23.20**			**14 May**
(PLN m)	**Q1'19E**	**1Q'18**	**Y/Y**	**2019E**	**YTD***
Revenue	2756.0	2345.9	17%	11458	24%
EBITDA	1032.9	890.0	16%	2935.6	35%
EBITDA margin	37.5%	37.9%	-	25.6%	-
EBIT	432.9	435.5	-1%	1824.8	24%
Pre-tax profit	312.9	364.7	-14%	1443.6	22%
Net profit	240.9	300.8	-20%	1110.8	22%

- The impact of Netia's consolidation on Cyfrowy Polsat's results (PLN +332m on revenues, PLN +87m on EBITDA) and IFRS 16 (PLN +100 million on the EBITDA line).
- Quite a weak quarter in TV advertising (the base effect).
- Increase of costs: distribution and marketing +12% y/y, content +19% (Champions League), debt collection (>x2).
- EBITDA under IFRS15 without Netia will reach PLN 846m, down 5.0% y/y.

Wirtualna Polska		**Accumulate**		**Reporting Date**	
Paweł Szpigiel		**PLN 61.50**			**21 May**
(PLN m)	**Q1'19E**	**1Q'18**	**Y/Y**	**2019E**	**YTD***
Revenue	149.7	117.8	27%	624.6	24%
EBITDA	41.2	32.0	29%	230.9	18%
EBITDA margin	27.5%	27.2%	-	37.0%	-
EBIT	26.2	18.5	41%	136.0	19%
Pre-tax profit	22.5	12.5	80%	122.1	18%
Net profit	17.5	7.1	145%	94.9	18%

- Good economic situation on the internet advertising market, a significant increase in the e-commerce segment.
- Revenues without barter +28% y/y (including the impact of consolidation of MyTravel and Extradom).
- Adj. EBITDA online at PLN 44.8m (+19.2% y/y).
- Decrease of profitability of adj. EBITDA online (to 31.7% from 33.9% in Q1 2018), partly an impact of Extradom.

Asseco Poland		**Hold**		**Reporting Date**	
Paweł Szpigiel		**PLN 53.00**			**23 May**
(PLN m)	**Q1'19E**	**1Q'18**	**Y/Y**	**2019E**	**YTD***
Revenue	2301.6	2149.0	7%	9371.6	25%
EBITDA	340.7	284.5	20%	1089.5	31%
EBITDA margin	14.8%	13.2%	-	11.6%	-
EBIT	183.7	167.3	10%	794.2	23%
Pre-tax profit	176.7	161.2	10%	747.3	24%
Net profit	72.0	68.9	4%	295.3	24%

- A decrease in turnover of parent company (-5% y/y) due to lower turnover in banking sector (no Deutsche Bank) and downtime in administration parent company's EBIT = PLN 31.9 million (-31% y/y).
- Significant improvement in results in Formula Systems (EBIT PLN 80.7 million, + 42% y/y), improvement also on international markets (EBIT PLN 60.9 million, +12% y/y).
- Impact of IFRS16 on the net line up to PLN 1 million.

Asseco BS		Neutral		Reporting Date	
Paweł Szpigiel					25 April
(PLN m)	Q1'19E	1Q'18	Y/Y	2019E	YTD*
Revenue	62.9	61.7	2%	272.8	23%
EBITDA	24.3	22.5	8%	147.1	16%
EBITDA margin	38.6%	36.4%	-	53.9%	-
EBIT	18.4	17.9	3%	81.2	23%
Pre-tax profit	18.2	17.9	2%	81.3	22%
Net profit	15.0	14.7	2%	65.9	23%

- Slight increase of turnover by 2% y/y in Q1 2019, poor sales of the Wapro solution, made up by sales in Macrologic.
- Lower SG&A costs y/y (PLN 7.3 million vs. PLN 7.8 million in Q1 2018).
- Impact of IFRS 16 on the EBITDA line PLN +1.2 million (EBITDA in IFRS 15 = PLN 23.1 million, ie +2.6% y/y).
- Increase of net profit by only 1.6% y/y.

Asseco SEE		Overweight		Reporting Date	
Paweł Szpigiel					26 April
(PLN m)	Q1'19E	1Q'18	Y/Y	2019E	YTD*
Revenue	199.8	138.6	44%	770.1	26%
EBITDA	35.4	23.9	48%	149.2	24%
EBITDA margin	17.7%	17.2%	-	21.0%	-
EBIT	20.6	13.1	57%	92.9	22%
Pre-tax profit	20.0	14.1	42%	89.4	22%
Net profit	17.7	11.2	58%	71.1	25%

- ASE already released the estimates: EBITDA in Q1'19 would amount to PLN 35.4m, net profit to PLN 17.7m.
- We assume the impact of IFRS16 on the results: PLN 3.3m PLN on EBITDA, PLN 0.1m on the net income line. Necomplus consolidation would add: PLN 2,1m to EBITDA and PLN 1.1m to net income.
- EBITDA (w/o Necomplus) in IFRS15 should amount to ca. PLN 30.0m, which means an annual increase of >25%.

Ailleron		Underweight		Reporting Date	
Paweł Szpigiel					22 May
(PLN m)	Q1'19E	1Q'18	Y/Y	2019E	YTD*
Revenue	28.9	21.1	37%	122.5	24%
EBITDA	2.2	2.4	-7%	20.7	11%
EBITDA margin	7.7%	11.4%	-	16.9%	-
EBIT	0.3	0.5	-	11.1	2%
Pre-tax profit	0.1	0.4	-	10.9	1%
Net profit	0.1	0.3	-	9.6	1%

- Significant increase of turnover in outsourcing segment (+50% y/y) and in Fintech (+20% y/y).
- Profit increase only in the Outsourcing segment (PLN +2.6m in Q1 2019 vs. PLN 1.9m in the previous year).
- We expect losses in the Fintech segment due to the increase of expenses.
- A slight decline in results y/y.

Atende		Neutral		Reporting Date	
Paweł Szpigiel					16 May
(PLN m)	Q1'19E	1Q'18	Y/Y	2019E	YTD*
Revenue	66.1	57.1	16%	320.0	21%
EBITDA	2.4	2.0	23%	36.8	7%
EBITDA margin	3.6%	3.4%	-	11.5%	-
EBIT	0.5	0.0	-	22.3	2%
Pre-tax profit	0.5	0.0	-	21.3	2%
Net profit	0.4	0.0	-	14.5	3%

- Increase in turnover in parent company (we assume PLN 50 million vs. PLN 42 million in Q1 2018), turnover of daughter companies slightly higher y/y.
- Profit on the EBIT line of the parent company in Q1 2019 (PLN +0.2 million) vs. loss PLN -1.1 million a year earlier, but EBIT of daughter companies drop to PLN 0.3 million vs. PLN 1.0 million a year earlier.
- After all better y/y results (nominal growth on the net only PLN +0.4 million).

CD Projekt		Accumulate		Reporting Date	
Piotr Bogusz		PLN 221.00			15 May
(PLN m)	Q1'19E	1Q'18	Y/Y	2019E	YTD*
Revenue	75.9	75.4	1%	307.6	25%
EBITDA	16.9	29.1	-42%	44.1	38%
EBITDA margin	22.3%	38.6%	-	14.3%	-
EBIT	15.6	27.9	-44%	38.9	40%
Pre-tax profit	16.7	29.2	-43%	48.3	35%
Net profit	13.5	22.9	-41%	38.6	35%

- We expect sales to increase by 0.6% y/y in Q1 2019, which is the result of (i) the assumed drop in sales in the game production segment (PLN -6,4 million y/y) and (ii) increase of sales at GOG.com (PLN +6,8 million y/y).
- Higher expenditures on marketing, settlement of production costs and rising payroll costs should negatively affect the profitability of the company's EBIT in Q1 2019.

Comarch		Buy		Reporting Date	
Paweł Szpigiel		PLN 230.00			17 May
(PLN m)	Q1'19E	1Q'18	Y/Y	2019E	YTD*
Revenue	310.1	272.0	14%	1522.7	20%
EBITDA	35.2	16.7	110%	225.8	14%
EBITDA margin	10.1%	6.2%	-	16.8%	-
EBIT	14.7	0.6	-	157.3	9%
Pre-tax profit	11.7	-3.2	-	150.3	8%
Net profit	8.8	-6.2	-	98.5	9%

- High turnover at the level of PLN 310.1 million, ie 14.0% more y/y (an increase noticeable especially in TMT).
- We assume a slight increase of the gross margin on sales, ie to 21.8% vs. 20.8% a year earlier.
- Increase in SG&A expenses (PLN +6 million vs. Q1 2018). Profit from the transfer of K. Piątek should amount to approx. PLN 6 million.
- EBITDA in IFRS15 =PLN 31.2m, PLN 35.2 million in IFRS16
- After adjusting the results for other operating activities, EBITDA increase will amount to >25%.

Industrials

AC		Neutral		Reporting Date
Piotr Poniatowski				6 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	63.5	59.1	7%	266.8	24%
EBITDA	17.6	14.8	19%	66.3	27%
EBITDA margin	27.8%	25.1%	-	24.9%	-
EBIT	15.0	12.7	18%	55.8	27%
Net profit	12.0	10.4	16%	44.8	27%

- The company reported preliminary revenues for Q1 2019 (+7.5% y/y).
- At the operational level, the results will be supported by a significant improvement in profitability and a positive impact of fx (the company has positive EUR net flows).
- Lower sales of towing hooks will be caught up with increases in autogas and will rebound in the rest of 2019.

Alumetal		Neutral		Reporting Date	
Jakub Szkopek					16 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	400.4	428.3	-7%	1593.2	25%
EBITDA	27.8	30.2	-8%	117.5	24%
EBITDA margin	6.9%	7.0%	-	7.4%	-
EBIT	19.7	22.6	-13%	85.0	23%
Net profit	17.5	25.5	-31%	76.0	23%

- In Q1 2019, despite higher expected sales volumes (+4% y/y) results will be under pressure of falling market margins and high base of the previous year. We expect EBITDA to fall by 8% y/y, and the net result by 31% y/y.
- The dynamics of the decline in results may be even deeper in Q2 2019.

Amica		Overweight		Reporting Date	
Jakub Szkopek					30 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	660.8	633.9	4%	2991.9	22%
EBITDA	43.0	42.7	1%	210.5	20%
EBITDA margin	6.5%	6.7%	-	7.0%	-
EBIT	29.9	29.8	1%	156.8	19%
Net profit	21.2	18.9	12%	115.9	18%

- Sales dynamics are expected to slightly slow down.
- The most dynamic turnover will appear in Poland and Western Europe. Sales on Eastern markets will be worse
- The profitability will be under pressure, however it is likely to improve in the comingquarters.

Apator		Overweight		Reporting Date	
Jakub Szkopek					17 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	209.6	182.2	15%	898.5	23%
EBITDA	30.9	29.5	5%	141.9	22%
EBITDA margin	14.8%	16.2%	-	15.8%	-
EBIT	20.8	19.5	7%	99.9	21%
Net profit	14.8	14.3	3%	73.9	20%

- We expect a good quarter in the smart-grid and gas meters sales. Weaker figures will be recorded in water meters sales.
- We expect lower y/y profitability due to cost pressure.

Boryszew		Neutral		Reporting Date	
Jakub Szkopek					22 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	1485.9	1622.6	-8%	6068.9	25%
EBITDA	105.0	110.7	-5%	423.5	25%
EBITDA margin	7.1%	6.8%	-	7.0%	-
EBIT	68.0	75.1	-9%	270.3	25%
Net profit	38.9	37.7	3%	124.5	31%

- In Q1 2019, we expect Boryszew's earnings to be affected by the Impexmetal Group’s results.
- In our opinion, Automotive will record a decline in y/y turnover in Q1 2019.

Cognor		Underweight		Reporting Date	
Jakub Szkopek					30 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	504.4	524.2	-4%	1979.4	26%
EBITDA	45.4	57.8	-21%	143.9	32%
EBITDA margin	9.0%	11.0%	-	7.3%	-
EBIT	34.4	46.9	-27%	97.1	35%
Net profit	24.1	25.2	-4%	62.6	39%

- We expect results to be affected by rising production costs (power, wages) and weaker y/y processing margins.
- We expect a double-digit y/y decline in the Group's EBITDA in Q1 2019.

Ergis		Overweight		Reporting Date	
Jakub Szkopek					23 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	195.0	191.2	2%	809.4	24%
EBITDA	16.4	13.5	21%	54.4	30%
EBITDA margin	8.4%	7.1%	-	6.7%	-
EBIT	10.3	7.6	35%	29.6	35%
Net profit	6.5	5.2	25%	17.0	38%

- We expect the drops in prices of petrochemical products to have a positive impact on the margins.
- As a result, we expect approximately 20% improvement at the EBITDA level in Q1 2019.

Famur		Buy		Reporting Date	
Jakub Szkopek		PLN 6.61			30 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	485.0	501.5	-3%	2097.4	23%
EBITDA	117.5	103.4	14%	486.5	24%
EBITDA margin	24.2%	20.6%	-	23.0%	-
EBIT	72.5	52.5	38%	329.7	22%
Net profit	54.8	32.8	67%	253.3	22%

- We expect a stable quarter in terms of sales (a large part of new contracts signed at the end of 2018 will come into force only in Q2 2019 and Q3 2019). In addition, we expect lower y/y sales in the Surface segment).
- Despite stable trading, we expect a significant increase in profitability, especially in the underground segment.

Forte	Neutral			Reporting Date	
Jakub Szkopek					23 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	319.0	295.5	8%	1157.7	28%
EBITDA	37.9	23.4	62%	139.8	27%
EBITDA margin	11.9%	7.9%	-	12.1%	-
EBIT	23.9	15.9	50%	87.5	27%
Net profit	13.2	7.3	82%	47.5	28%

- The results will be supported by the low base of the previous year and the start of production of boards in Suwałki.
- The company has already provided preliminary estimates for Q1 2019, our forecasts do not differ significantly.

Impexmetal	Underweight			Reporting Date	
Jakub Szkopek					10 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	779.2	880.5	-12%	3047.9	26%
EBITDA	55.6	65.4	-15%	248.0	22%
EBITDA margin	7.1%	7.4%	-	8.1%	-
EBIT	38.7	49.9	-23%	179.8	22%
Net profit	32.4	36.6	-11%	144.4	22%

- In Q1 2019, in our view, Impexmetal will experience a slowdown in Germany (the main export market). We expect volumes and processing margins to be under pressure.
- The dynamics of the decline in results in Q1 2019 may be higher than we expect in the whole year.

Kernel	Buy			Reporting Date	
Jakub Szkopek	PLN 62.86				27 May
(USD m)	Q3'19E	Q3'18	Y/Y	2019E	YTD*
Revenue	735.6	541.4	36%	3519.9	85%
EBITDA	80.1	73.1	10%	362.3	86%
EBITDA margin	10.9%	13.5%	-	10.0%	-
EBIT	60.0	52.6	14%	268.8	94%
Net profit	33.5	-39.1	-	189.3	104%

- In Q3 2019 (Q1 2019), we expect a profitability improvement in the sunflower oil segment and lower margins in the grain trade segment (Avere's high result in a previous year).
- The results will be supported by high volumes recorded in the past quarter.

Kruszwica	Neutral			Reporting Date	
Jakub Szkopek					15 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	672.5	666.4	1%	2607.3	26%
EBITDA	31.0	29.8	4%	129.4	24%
EBITDA margin	4.6%	4.5%	-	5.0%	-
EBIT	24.7	23.5	5%	104.1	24%
Net profit	20.3	19.3	5%	85.8	24%

- In Q1 2019, we expect similar y/y volumes and better unit margins on pressing of rapeseed oil.
- At the end of Q1 2019, in our opinion, Kruszwica may have up to PLN 344 million of net cash on the balance sheet (PLN 15 per share).

Mangata	Neutral			Reporting Date	
Jakub Szkopek					7 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	170.9	178.9	-4%	730.0	23%
EBITDA	22.6	25.0	-9%	92.5	25%
EBITDA margin	13.2%	14.0%	-	12.7%	-
EBIT	15.3	17.7	-14%	63.0	24%
Net profit	10.8	13.9	-22%	44.9	24%

- In Q1 2019, we expect weaker-than-expected y/y results due to falling turnover in the armature segment (drop in y/y orders) as well as payroll and power costs pressure.
- High exposure to the German market may be reflected in Q1 2019 results.

Pfleiderer Group	Neutral			Reporting Date	
Jakub Szkopek					22 May
(EUR m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	271.5	268.8	1%	1069.8	25%
EBITDA	31.3	36.5	-14%	130.0	24%
EBITDA margin	11.5%	13.6%	-	12.2%	-
EBIT	10.8	18.0	-40%	51.7	21%
Net profit	5.0	7.3	-32%	23.2	21%

- In our opinion, the results will be adversely affected by the observed price decreases of wood-based panels in Germany and lower sales volumes caused by fire in Baruth. Weaker results should also be recorded in Poland due to the increase in wood prices.

Pozbud	Overweight			Reporting Date	
Jakub Szkopek					21 May
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	57.5	36.0	60%	319.7	18%
EBITDA	5.3	3.5	51%	33.9	16%
EBITDA margin	9.3%	9.8%	-	10.6%	-
EBIT	4.0	2.2	79%	28.5	14%
Net profit	2.7	1.6	68%	22.0	12%

- In Q1 2019, we expect turnover growth in the construction segment due to the intensification of works on the GSM-R railway contract.
- We expect Q1 to be the next quarter of dynamic improvement in profits.

Stelmet	Hold			Reporting Date	
Jakub Szkopek	PLN 8.36				28 June
(PLN m)	Q2'19E	Q2'18	Y/Y	2019E	YTD*
Revenue	165.8	150.8	10%	582.4	41%
EBITDA	19.5	18.8	4%	56.7	50%
EBITDA margin	11.8%	12.4%	-	14.0%	-
EBIT	9.0	8.4	8%	15.1	49%
Net profit	2.4	4.1	-42%	10.2	-28%

- In Q2 2019 (Q1 2019), gentle weather will have a positive effect on the sale of wooden garden furnitures).
- The results will be affected by higher costs of wood, wages and electricity.

Tarczyński Jakub Szkopek		Underweight		Reporting Date 30 May	
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	144.8	180.9	-20%	622.4	23%
EBITDA	14.4	17.4	-18%	58.8	24%
EBITDA margin	9.9%	9.6%	-	9.5%	-
EBIT	8.1	10.2	-20%	33.7	24%
Net profit	5.1	5.6	-9%	21.5	24%

- We expect lower y/y sales due to the sale of the plant in Sława. The pressure of payroll and electricity costs should also be visible in the results.

TIM Piotr Poniatowski		Overweight		Reporting Date 22 May	
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	208.4	194.0	7%	898.1	23%
EBITDA	11.2	5.6	99%	48.3	23%
EBITDA margin	5.4%	2.9%	-	5.4%	-
EBIT	6.2	3.1	101%	28.1	22%
Net profit	4.3	2.4	80%	19.5	22%

- The company reported the estimated revenues of TIM S.A. (PLN 191 million, +8.1% y/y), to which Rotopino and 3LP should be added.
- From Q1 2019, the results take into account the impact of IFRS 16, which disturbs comparability (increase in depreciation, decrease in the cost of external services, increase in financial costs). However, we expect operating results to increase significantly, double-digit (low base) even to adjusted results.

Property Developers

- Based on data for 14 WSE and Catalyst residential developers, in Q1 2019 they handed over 29% more apartments y/y, but only 6 out of 14 of them closed more units y/y.
- The highest growth (+799 units) was recorded by Dom Development as well as LC Corp (+461 units, + 66% y/y), Robyg (+400 units, + 400% y/y), JWC (+186 units, + 235% y/y), Lokum (+149 units, + 828% y/y) and Marvipol (+125 units, + 291% y/y).
- At the same time, aggregated residential sales volume decreased by 20% y/y and 1% q/q and the drop was greater than the one recorded in the six largest markets in Poland: -10.3% y/y and + 0.3% q/q, respectively (*Reas*); some of the analyzed companies had difficulties with launching new investments, as a result, at the end of Q4 2018, they had a significantly lower offer y/y (including LC Corp, Ronson, Lokum).
- At the same time, sales efficiency among developers of the WSE has decreased to 23% (vs. 26% in Q4 2018 and 31% in Q1 2018) and was 9 pp. lower than the sales efficiency on 6 biggest markets (against an average of 8 pp. less in 2018).

Atal Aleksandra Szklarczyk		Hold PLN 41.03		Reporting Date 21 May	
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	233.6	301.0	-22%	936.1	25%
Gross profit	61.3	81.0	-24%	250.3	25%
margin	26.3%	26.9%	-	26.7%	-
EBIT	53.6	74.0	-28%	217.3	25%
Pre-tax income	52.6	73.1	-28%	209.1	25%
Net profit	42.1	57.0	-26%	167.3	25%

- In Q1 2019 Atal closed 607 units (-27% y/y), which represents 24% of our annual forecast. The share of apartments handed over in Warsaw, Krakow and Gdansk is 50% and is lower y/y (67% in Q1 2018) as well as q/q (82% in Q4 2018). As a result, we expect a drop in the average price of the closed apartment.
- We estimate the developer's margins at 26.3% vs. 26.9% a year earlier and 25.6% in Q4 2018.

Dom Dev. Aleksandra Szklarczyk		Hold PLN 84.40		Reporting Date 7 May	
(PLN m)	Q1'19E	Q1'18	Y/Y	2019E	YTD*
Revenue	535.7	203.5	163%	1669.1	32%
Gross profit	142.8	60.8	135%	439.0	33%
margin	26.7%	29.9%	-	26.3%	-
EBIT	103.5	22.5	360%	273.2	38%
Pre-tax income	103.5	22.4	362%	273.0	38%
Net profit	83.9	17.5	379%	221.2	38%

- In Q1 2019, Dom handed over 1,215 units (+ 192% y/y, 35% of our annual forecast), which will result in very good nominal results (pipeline shift of project completion).
- We expect that the average price of an apartment closed in the result will be lower y/y and q/q (impact of handovers from the popular segment) and we expect a slightly lower margin (26.7% vs. 29.9% in Q1 2018 and 27.8% in Q4 2018).

Retail

A quarter with low significance in terms of yearly results

- Favorable weather conditions in March as well as base effect should improve y/y results of CCC and MON.
- The effect of Easter and the extension of the Sunday trading ban should have a negative impact on the results of DNP, EAT and EUR.

AmRest		**Buy**		**Reporting Date**	
Piotr Bogusz		**PLN 48.00**			**14 May**
(EUR m)	**Q1'19E**	**Q1'18**	**Y/Y**	**2019E**	**YTD***
Revenue	474.6	349.9	36%	1990.2	24%
Gross profit	68.1	50.6	35%	319.4	21%
margin	14.3%	14.5%	-	16.0%	-
EBITDA	42.0	33.4	25%	204.8	20%
EBITDA margin	8.8%	9.6%	-	10.3%	-
EBIT	15.3	11.8	30%	89.6	17%
Pre-tax income	9.6	7.3	32%	75.9	13%
Net profit	6.6	5.1	28%	54.3	12%

- According to preliminary estimates, we expect sales to increase by 36% y/y in Q1 2019.
- The dynamics of the company's results will be supported by the consolidation of Sushi Shop.
- We expect a drop of EBITDA margin by 0.8pp. y/y to 8.8% in Q1 2019 (assumed drop in profitability in CEE and Spain; we assume increase in profitability in Germany, other EC and in Russia).
- Given estimates do not include IFRS 16.

Dino		**Reduce**		**Reporting Date**	
Piotr Bogusz		**PLN 112.70**			**23 May**
(PLN m)	**Q1'19E**	**Q1'18**	**Y/Y**	**2019E**	**YTD***
Revenue	1569.5	1271.3	23%	7741.9	20%
Gross profit	378.2	297.5	27%	1889.5	20%
margin	24.1%	23.4%	-	24.4%	-
EBITDA	128.9	104.4	24%	715.3	18%
EBITDA margin	8.2%	8.2%	-	9.2%	-
EBIT	93.5	79.3	18%	561.2	17%
Pre-tax income	80.5	69.3	16%	512.6	16%
Net profit	64.8	55.9	16%	404.0	16%

- We expect lfl at 5% and a drop in sales per sqm. by 4.7% in Q1 2019. We estimate the company's sales at PLN 1570m in Q1 2019 (+23.5% y/y).
- We estimate gross sales margin at 24.1% (+0.7 pp, lower growth dynamics y/y than in previous quarters).
- Taking into account the increase of costs in SG&A/sales, we expect a flat y/y EBITDA margin in Q1 2019.
- Given estimates do not include IFRS 16.

Eurocash		**Sell**		**Reporting Date**	
Piotr Bogusz		**PLN 18.90**			**10 May**
(PLN m)	**Q1'19E**	**Q1'18**	**Y/Y**	**2019E**	**YTD***
Revenue	5452.7	5000.3	9%	23799	23%
Gross profit	664.8	581.6	14%	3131.2	21%
margin	12.2%	11.6%	-	13.2%	-
EBITDA	28.9	39.6	-27%	378.9	8%
EBITDA margin	0.5%	0.8%	-	1.6%	-
EBIT	-21.6	-7.1	-	161.3	-
Pre-tax income	-34.9	-17.3	-	101.5	-
Net profit	-30.4	-15.8	-	74.6	-

- A negative calendar effect should affect wholesale results (we expect a slight improvement in EBITDA y/y; +PLN 3m y/y) and the retail segment (we expect EBITDA to drop by PLN 14m y/y).
- In the new projects segment, we estimate the EBITDA result at PLN -14 million in Q1 2019 (flat y/y), and the 'other' segment's result at PLN -15m (flat y/y).
- Given estimates do not include IFRS 16.

LPP		**Hold**		**Reporting Date**	
Piotr Bogusz		**EUR 8,400.00**			**28 May**
(PLN m)	**Q1'19E**	**Q1'18**	**Y/Y**	**2019E**	**YTD***
Revenue	1830.0	1580.4	16%	9387	19%
Gross profit	800.0	712.8	12%	5063.2	16%
margin	43.7%	45.1%	-	53.9%	-
EBITDA	-9.2	-33.3	-	1256.4	-
EBITDA margin	-0.5%	-2.1%	-	13.4%	-
EBIT	-105.0	-117.7	-	893.4	-
Pre-tax income	-118.7	-103.2	-	899.0	-
Net profit	-121.1	-104.8	-	748.3	-

- The company published the preliminary quarterly data for Q1 2019, showing slightly improved EBIT y/y.
- We expect the result on financial activities to be additionally affected by negative fx differences (we assume PLN -15m in Q1 2019).
- We estimate income tax at PLN 3.5m in Q1 2019 vs. PLN 1.6m in Q1 2018.
- Given estimates do not include IFRS 16.

Monnari		**Underweight**		**Reporting Date**	
Piotr Bogusz					**26 April**
(PLN m)	**Q1'19E**	**Q1'18**	**Y/Y**	**2019E**	**YTD***
Revenue	58.4	48.4	21%	247.7	24%
Gross profit	30.7	26.4	16%	145.0	21%
margin	52.5%	54.5%	-	58.6%	-
EBITDA	0.4	0.1	468%	16.8	3%
EBITDA margin	0.7%	0.2%	-	6.8%	-
EBIT	-0.6	-1.0	-	12.6	-
Pre-tax income	-0.3	-0.7	-	18.6	-
Net profit	-0.3	-0.9	-	15.4	-

- We estimate the company's sale in accordance with monthly reports adding PLN 0.8m due to additional revenues (mainly services).
- We expect a 2pp y/y drop in gross margin on sales to 51% due to USDPLN appreciation and high base effect).
- We estimate that the SG&A ratio per sqm. to increase by 1.5% y/y to PLN 285.

VRG		**Overweight**		**Reporting Date**	
Piotr Bogusz					**21 May**
(PLN m)	**Q1'19E**	**Q1'18**	**Y/Y**	**2019E**	**YTD***
Revenue	213.0	160.6	33%	1121.8	19%
Gross profit	105.1	77.8	35%	578.2	18%
margin	49.3%	48.5%	-	51.5%	-
EBITDA	0.3	2.4	-	126.9	0%
EBITDA margin	0.1%	1.5%	-	11.3%	-
EBIT	-0.1	1.9	-	105.5	-
Pre-tax income	-1.5	0.4	-	99.3	-
Net profit	-1.2	0.1	-	80.5	-

- In accordance with the published monthly reports, we expect a 33% y/y increase in sales in Q1 2019 as well as an improvement in gross sales margin by 0.8pp. y/y to 49.3%.
- We estimate that SG&A costs will increase by 38.9% y/y to PLN 104.8m in Q1 2019 (SG&A/sqm. decline by 10.7% y/y to PLN 671 in Q1 2019).
- We estimate the result on financing activities at PLN 1.4m in Q1 2019 vs. PLN 1.5m in Q1 2018.
- Given estimates do not include IFRS 16.

Other

PBKM Paweł Szpigiel		Hold PLN 66.57		Reporting Date 22 May	
(PLN m)	Q1'19E	1Q'18	Y/Y	2019E	YTD*
Revenue	44.1	36.1	22%	190.4	23%
EBITDA	10.9	13.1	-16%	67.6	16%
EBITDA margin	24.8%	36.2%	-	35.5%	-
EBIT	8.8	11.6	-25%	40.8	21%
Pre-tax profit	8.2	9.8	-17%	36.9	22%
Net profit	6.3	10.0	-36%	26.8	24%

- The increase in the number of umbilical blood samples in Q1 2019 in B2C was 5,970 vs. 4 841 a year earlier (we estimate that about 500 samples are the result of consolidation of Stemlab)
- Stemlab's impact on the results: PLN +5.5 million on revenues and PLN + 0.5 million on EBITDA
- Impact of IFRS 16 on EBITDA = PLN +0.7 million
- EBITDA in IFRS15 = PLN 9.7 million
- In Q1 2019, one-off events (operating position = PLN 3.0m), adj. results for Q1 2019 flat y/y in IFRS15

mBank Dom Maklerski

Current Recommendations by Dom Maklerski mBanku

Company	Recommendation	Issued On	Price At Reco.	Target Price	Current Price	Upside/ Downside	P/E 2019	P/E 2020	EV/EBITDA 2019	EV/EBITDA 2020
Financial Sector						**+9.6%**	**11.2**	**10.7**		
Alior Bank	buy	2019-02-01	57.50	87.00	59.00	+47.5%	7.7	6.9		
Handlowy	hold	2019-03-05	65.90	65.50	64.00	+2.3%	11.9	11.7		
ING BSK	hold	2019-02-01	191.40	191.80	195.60	-1.9%	15.3	13.7		
Millennium	accumulate	2019-02-01	8.82	10.00	9.65	+3.7%	15.9	11.4		
Pekao	buy	2019-02-01	110.60	131.80	114.30	+15.3%	11.7	10.5		
PKO BP	hold	2019-02-01	39.51	40.92	39.48	+3.6%	11.9	11.4		
Santander Bank Polska	hold	2019-02-01	373.80	388.00	394.80	-1.7%	15.2	12.8		
Komercni Banka	accumulate	2018-12-05	906.50	1,000 CZK	899.50	+11.2%	11.2	10.8		
Erste Bank	buy	2019-02-04	31.00	43.72 EUR	35.87	+21.9%	10.3	9.6		
OTP Bank	hold	2019-04-02	12,600	13,046 HUF	12,870	+1.4%	10.7	10.1		
PZU	accumulate	2019-04-02	40.79	43.38	41.96	+3.4%	11.2	10.6		
Kruk	buy	2019-04-02	152.30	213.65	159.70	+33.8%	8.9	8.7		
Skarbiec Holding	buy	2018-12-05	23.50	31.36	16.60	+88.9%	4.9	-		
Chemicals						**+27.1%**	**12.3**	**17.0**	**5.9**	**6.3**
Ciech	buy	2019-04-02	54.80	68.66	47.45	+44.7%	7.7	7.4	5.2	4.8
Grupa Azoty	hold	2019-03-05	43.88	43.20	38.50	+12.2%	16.8	26.7	6.5	7.8
Oil & Gas						**-4.1%**	**13.8**	**12.0**	**6.0**	**5.3**
Lotos	sell	2019-04-02	86.22	65.41	86.44	-24.3%	14.7	13.2	7.1	6.0
MOL	hold	2019-04-02	3,278	3,223 HUF	3,402	-5.3%	15.4	10.8	5.3	4.5
PGNiG	accumulate	2019-04-02	6.31	6.92	5.90	+17.4%	9.7	8.7	4.2	3.7
PKN Orlen	sell	2019-04-02	99.94	79.39	100.80	-21.2%	13.0	13.5	6.8	6.6
Power Utilities						**+24.1%**	**4.5**	**4.8**	**3.9**	**3.5**
CEZ	hold	2019-04-02	540.50	565.50 CZK	532.50	+6.2%	16.1	15.4	7.5	7.3
Enea	buy	2019-04-02	8.76	12.51	7.91	+58.3%	2.9	2.7	3.1	2.9
Energa	buy	2019-04-02	8.58	12.21	7.85	+55.6%	4.5	4.8	3.9	4.1
PGE	buy	2019-04-02	10.10	13.66	9.85	+38.7%	7.5	6.5	3.9	3.5
Tauron	buy	2019-04-02	2.03	2.89	1.79	+61.5%	2.8	2.4	3.9	3.4
Telecoms, Media, IT						**+4.3%**	**17.1**	**14.9**	**6.1**	**6.1**
Netia	hold	2018-11-26	4.66	4.70	4.98	-5.6%	33.5	27.7	5.7	5.7
Orange Polska	buy	2018-11-26	4.91	6.40	5.05	+26.7%	63.4	23.2	4.5	4.1
Play	accumulate	2019-04-12	24.08	26.70	25.12	+6.3%	8.0	7.6	5.7	5.6
Agora	buy	2018-11-27	9.50	16.00	12.40	+29.0%	41.2	21.9	5.6	5.2
Cyfrowy Polsat	hold	2018-11-26	22.50	23.20	26.14	-11.2%	15.1	12.5	6.9	6.4
Wirtualna Polska	accumulate	2019-02-04	58.40	61.50	59.60	+3.2%	18.7	15.9	9.9	8.8
Asseco Poland	hold	2019-03-05	54.30	53.00	54.20	-2.2%	15.2	14.9	8.6	8.2
CD Projekt	accumulate	2019-04-02	204.00	221.00	209.90	+5.3%	-	10.7	-	7.9
Comarch	buy	2019-04-17	181.00	230.00	188.50	+22.0%	15.6	14.0	6.6	6.1
Industrials, Mining						**+4.8%**	**9.6**	**11.5**	**5.5**	**5.0**
Famur	buy	2019-02-04	4.98	6.61	4.82	+37.1%	10.9	10.1	5.4	5.2
Grupa Kęty	hold	2019-04-02	324.00	341.33	343.50	-0.6%	13.6	13.0	9.1	8.6
JSW	reduce	2019-03-25	62.50	54.80	60.10	-8.8%	6.7	17.7	2.0	3.3
Kernel	buy	2019-03-05	49.20	62.86	53.40	+17.7%	6.0	5.4	5.6	4.8
KGHM	hold	2019-04-02	109.40	105.57	104.70	+0.8%	8.3	8.3	4.6	4.3
Stelmet	hold	2019-03-05	10.25	8.36	7.75	+7.9%	22.3	16.8	6.9	6.0
Property Developers						**+4.6%**	**9.0**	**8.0**	**7.5**	**6.9**
Atal	hold	2019-04-02	39.90	41.03	39.80	+3.1%	9.2	8.9	8.5	8.1
Dom Development	hold	2019-04-02	80.80	84.40	79.80	+5.8%	9.0	8.0	7.5	6.9
Retail						**+3.3%**	**26.0**	**21.1**	**10.6**	**9.1**
AmRest	buy	2019-04-02	41.20	48.00	40.70	+17.9%	38.3	27.9	13.0	10.4
CCC	buy	2019-04-02	217.00	275.00	230.20	+19.5%	21.7	17.4	8.4	7.1
Dino	reduce	2019-04-02	126.10	112.70	124.90	-9.8%	30.3	23.6	18.0	14.3
Eurocash	sell	2019-04-02	22.58	18.90	22.92	-17.5%	42.7	28.3	9.2	7.9
Jeronimo Martins	accumulate	2019-04-02	13.15	14.10 EUR	13.88	+1.6%	20.2	18.7	8.7	7.9
LPP	hold	2019-04-02	8,405	8,400	8,495	-1.1%	21.0	18.5	12.0	10.3
Other						**+2.1%**	**12.1**	**11.0**	**8.0**	**7.2**
PBKM	hold	2019-03-05	68.80	66.57	65.20	+2.1%	12.1	11.0	8.0	7.2

Current Portfolio Calls by Dom Maklerski mBanku

Company	Relative Positioning	Rated On	Price At Rating	Current Price	Change	P/E		EV/EBITDA	
						2019	2020	2019	2020
IT						**11.1**	**10.3**	**4.7**	**4.5**
Ailleron	underweight	2019-01-31	11.75	8.60	-26.8%	11.1	10.0	4.0	3.1
Asseco BS	neutral	2019-03-29	29.50	29.40	-0.3%	14.9	13.9	10.0	9.3
Asseco SEE	overweight	2019-04-11	14.20	15.00	+5.6%	11.1	10.6	4.8	4.4
Atende	neutral	2019-01-31	4.40	3.90	-11.4%	9.8	9.2	4.6	4.5
Industrials						**9.5**	**10.0**	**6.6**	**6.1**
AC	neutral	2019-03-22	48.50	50.00	+3.1%	11.0	10.0	7.5	6.9
Alumetal	neutral	2019-04-15	51.00	45.90	-10.0%	9.2	9.7	7.1	7.3
Amica	overweight	2019-04-02	143.00	130.60	-8.7%	8.4	8.1	5.4	5.2
Apator	overweight	2019-03-05	26.50	25.90	-2.3%	12.0	12.4	7.7	7.7
Boryszew	neutral	2018-09-05	6.25	4.63	-25.9%	8.9	7.6	6.6	6.1
Cognor	underweight	2019-03-05	1.94	1.88	-3.1%	5.0	8.5	3.8	4.7
Ergis	overweight	2019-02-27	2.75	3.00	+9.1%	7.3	10.8	5.6	6.2
Forte	neutral	2018-10-31	40.60	28.80	-29.1%	-	13.2	58.1	9.0
Impexmetal	underweight	2019-04-25	4.16	4.17	+0.2%	4.4	4.4	5.8	5.7
Kruszwica	neutral	2019-04-02	43.90	47.50	+8.2%	12.7	11.9	6.6	6.1
Mangata	neutral	2018-10-01	65.40	70.00	+7.0%	10.9	10.8	7.1	7.1
Pfleiderer Group	neutral	2019-04-16	25.50	25.00	-2.0%	18.1	13.0	5.8	5.4
Pozbud	overweight	2018-09-04	3.57	2.33	-34.7%	2.7	2.9	2.9	1.6
Tarczyński	underweight	2018-12-05	17.50	15.60	-10.9%	9.8	9.8	5.9	5.8
TIM	overweight	2018-12-05	7.48	7.82	+4.5%	11.1	10.6	7.2	6.8
Retail						**11.6**	**11.0**	**7.2**	**6.3**
Monnari	underweight	2018-12-05	4.75	5.82	+22.5%	11.5	11.4	6.4	5.6
VRG	overweight	2019-03-28	4.29	4.00	-6.8%	11.7	10.5	7.9	7.1

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

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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%
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Strong and weak points of valuation methods used in recommendations:
DCF – acknowledged as the most methodologically correct method of valuation; it consists in discounting financial flows generated by a company; its weak point is the significant susceptibility to a change of forecast assumptions in the model.
Relative – based on a comparison of valuation multipliers of companies from a given sector; simple in construction, reflects the current state of the market better than DCF; weak points include substantial variability (fluctuations together with market indices) as well as difficulty in the selection of the group of comparable companies.
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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