

Monday, August 19, 2019 | daily publication

Morning Comments

Equity Market, Poland

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DJIA	25,886.0	+1.20%	FTSE 100	7,117.2	+0.71%	Copper (LME)	5,744.0	-0.12%
S&P 500	2,888.7	+1.44%	WIG20	2,064.1	-0.69%	Crude Oil (Brent)	58.70	+0.93%
NASDAQ	7,896.0	+1.67%	BUX	40,005.9	-0.03%	USD/PLN	3.9152	-0.51%
DAX	11,562.7	+1.31%	PX	1,035.5	+0.43%	EUR/PLN	4.3411	-0.68%
CAC 40	5,300.8	+1.22%	PLBonds10	1.733	-0.028	EUR/USD	1.1090	-0.15%

Company & Sector News

Getin Noble Bank

Regulator wants alternative plan from Getin

As expected regulator awaits plan to boost capital at Getin Noble Bank. Plan should be based either on capital injection by current majority shareholder or self-restructuring, which will aim to improve bank's financial standing in reasonable time horizon. As capital situation at Getin isn't as bad as in Idea Bank, **We believe that in short-term regulator's action regarding Getin is unlikely. When it comes to alternative plan, We expect that nothing will be presented until H1 earnings conference, which should be held at 27 September.** (M. Konarski, M. Lemańczyk)

ING BSK

Hold – 2019-08-02

Target price: PLN 191.80

After selling fuel to Unimot, ING will face debt restructuring in TXM

According to Unimot market filling, ING agreed to sell diesel fuel to Unimot for PLN 89.2m. ING became owner of the fuel after Onico failed to repay the loan, which was collateralized by diesel. We remind that ING is also facing minor credit problem with engagement in TXM. Troubled textile company said in market filling that it will seek to sign debt restructuring plan with ING and PKO BP by 16 September, both banks have engagement of PLN 11.1m and PN 24.2m respectively. **Selling fuel to Unimot is good information as it tackles major problem in bank's corporates loans portfolio, yet We don't expect that information will have material impact.** (M. Konarski, M. Lemańczyk)

Idea Bank

KNF may limit Idea Bank's scope of activities

Idea Bank informed that KNF may limit Idea Bank's scope of activities in order to support bank's capital adequacy ratios. No further details have been revealed. **We believe that Idea Bank may be forced to sell one of its businesses or even start to wind-down one of its core activities. Following GNB announcement, more decisive actions from KNF the chances for idea for a new investors are getting lower however, on the other hand, Idea Bank is not holding any CHF-denominated mortgage loans which, in our opinion, are a deal breaker currently.** (M. Konarski, M. Lemańczyk)

Grupa Azoty

Hold – 2019-08-02

Target price: PLN 45.93

Accident in the Police in Azoty. Two people injured

Today (Sunday, August 18) in the afternoon an accident occurred in the Policki chemical plant. The accident happened during renovation works on the premises of Grupa Azoty ZCh "Police". The methane pipeline was damaged. The gas caught fire and two people were injured. **There is no information yet as to how the accident will affect undergoing modernization work. For more information please visit: <https://tinyurl.com/y5ud7gog>** (J. Szkopek)

China, Metals, Steel, Coking Coal

Metals, steel rises on hopes of China stimulus

Copper prices rose on Monday after China, the world's top consumer of the red metal, announced new measures to support its economy amid a damaging trade war with the United States. China's central bank over the weekend unveiled a key interest rate reform in a bid to help steer borrowing costs lower for companies. **For more information please visit: <https://tinyurl.com/y4noapq9>, <https://tinyurl.com/y2wibocl>** (J. Szkopek)

Copper

A significant increase in copper inventories last week

Monitored copper inventories on stock exchanges increased last week by 7% w/w, of which the most on LME (+ 10% w/w) and in Shanghai (+ 4% w/w). Investors reduced their open positions to -54 thousand units (-58 thousand units a week earlier). (J. Szkopek)

More News

Asset Management

Polish investment funds gathered in the IZFiA sector lobby suffered PLN 54 mln in net outflows in July after heavy outflows in June as sales of bond funds surged to pick up continued slack for equity and absolute value funds, sector lobby IZFiA said in a report.

Banking

Poland's consumer loan market should grow in the coming year as IRG SGH researcher's consumer finance barometer rose to over 63 pts in Q3 from 50 pts in the prior quarter, IRG SGH said in a report.

Banking, Environment

Polish commercial banks would have to monitor use of funding distributed under the state anti-smog program Clean Air in order to participate in that program, Environment Minister Henryk Kowalczyk told PAP. The banks are eager to take part in the scheme but currently refuse to monitor spending of the funds by its beneficiaries, he noted.

CI Games

Video games developer CI Games will release the Xbox One, PlayStation 4 and PC version of its new production Sniper Ghost Warrior Contracts from the Sniper series on November 22 2019, the company said in a market filing. CI Games expects digital sales to generate the bulk of earnings from the game during the first 12 months following its release.

Power

European emission allowance EUA prices went up 6.5% in July, according to Poland's emissions management authority KOBiZE.

Corporate Action Calendar

Date	Time	Company	Event
19-Aug		Dino	Q2'19 earnings announcement
19-Aug		LC Corp	Dividend record date: 0.27 PLN per share
19-Aug		Netia	Q2'19 earnings announcement
20-Aug	11:30	Cognor	Q2'19 earnings conference (Westin Hotel, Warsaw)
20-Aug		Alumetal	Q2'19 earnings conference (Westin Hotel, Warsaw)
20-Aug		KGHM	Q2'19 earnings announcement
20-Aug	09:30	Lotos	Q2'19 earnings announcement and confcall (+48 22 583 90 21 ; PIN: 66048650#)
21-Aug	11:00	KGHM	Q2'19 earnings conference (GPW, ul. Książęca 4, Warsaw; http://infostrefa.tv/kgbm/)
22-Aug	11:30	PKP Cargo	Q2'19 earnings announcement and conference (Warsaw HQ, ul. Grójecka 17)
22-Aug		Benefit Systems	Q2'19 earnings announcement
22-Aug		Citi Handlowy	Q2'19 earnings announcement
22-Aug		Grupa Kęty	Dividend record date: 22.50 PLN per share
22-Aug		GTC	Q2'19 earnings announcement
22-Aug		JSW	Q2'19 earnings announcement
22-Aug		PGNiG	Q2'19 earnings announcement
22-Aug		Ten Square Games	Q2'19 earnings announcement
23-Aug	12:00	JSW	Q2'19 earnings conference (GPW, ul. Książęca 4, Warsaw)
23-Aug	12:00	Dom Development	Q2'19 earnings conference (Westin Radisson, Warsaw)
23-Aug		CCC	Q2'19 earnings announcement
26-Aug		Asseco Poland	Q2'19 earnings announcement
26-Aug		Play	Q2'19 earnings announcement
27-Aug		11 bit studios	Q2'19 earnings announcement
27-Aug		Wirtualna Polska	Q2'19 earnings announcement
28-Aug		AmRest	Q2'19 earnings announcement
28-Aug		Eurocash	Q2'19 earnings announcement
28-Aug		Lokum	Q2'19 earnings announcement
28-Aug		Neuca	Q2'19 earnings announcement
28-Aug		VRG	Q2'19 earnings announcement
29-Aug		BNP Paribas	Q2'19 earnings announcement
29-Aug		CD Projekt	Q2'19 earnings announcement
29-Aug		Cyfrowy Polsat	Q2'19 earnings announcement
29-Aug		JWC	Q2'19 earnings announcement
29-Aug		PZU	Q2'19 earnings announcement
29-Aug		Stelmet	Q3'19 earnings announcement
29-Aug		Trakcja	Q2'19 earnings announcement
29-Aug		Unibep	Q2'19 earnings announcement
30-Aug		Budimex	Q2'19 earnings announcement
30-Aug		Capital Park	Q2'19 earnings announcement
30-Aug		Comarch	Q2'19 earnings announcement
30-Aug		Pozbud	Q2'19 earnings announcement

Economic Calendar

Monday, 19 August 2019				
Time	Region	Data	Period	Forecast Previous
08:00	Germany	Wholesale Price Index	July	-0.50% m/m; 0.30% y/y
11:00	EU	Core CPI	July	1.10% y/y
11:00	EU	CPI	July	0.20% m/m; 1.30% y/y
Tuesday, 20 August 2019				
Time	Region	Data	Period	Forecast Previous
01:50	Japan	Exports	July	-6.70%
01:50	Japan	Imports	July	-5.20%
01:50	Japan	Trade Balance	July	589.50bn
10:00	Poland	Wages	July	0.90% m/m; 5.30% y/y
11:00	EU	Construction Orders	June	-0.30% m/m; 2.00% y/y
11:00	Germany	ZEW Current Situation	August	-1.10
11:00	EU	ZEW Current Situation	August	-10.60
11:00	Germany	ZEW Economic Sentiment	August	-24.50
11:00	EU	ZEW Economic Sentiment	August	-20.30
Wednesday, 21 August 2019				
Time	Region	Data	Period	Forecast Previous
10:00	Poland	PPI	July	0.20% m/m; 0.60% y/y
16:00	USA	Existing Home Sales	July	5.27m
	Poland	Industrial Production	July	-5.90% m/m; -2.70% y/y
	Poland	Manufacturing Production	July	-6.40% m/m; -3.40% y/y
Thursday, 22 August 2019				
Time	Region	Data	Period	Forecast Previous
06:30	Japan	Industry Activity Index	June	0.30% m/m; 0.30% m/m
10:00	Poland	Retail Sales	July	5.30% y/y
16:00	USA	Leading Indicators Index	July	-0.30%
Friday, 23 August 2019				
Time	Region	Data	Period	Forecast Previous
01:30	Japan	Core CPI	July	0.00% m/m; 0.50% y/y
01:30	Japan	CPI	July	0.70% y/y
14:00	Poland	M3 Money Supply	July	-0.20% m/m; 9.30% y/y
16:30	USA	Natural Gas Inventory	July	2569bn



Current Recommendations by Dom Maklerski mBanku

Company	Recommendation	Issued On	Price At Reco.	Target Price	Current Price	Upside/Downside	P/E		EV/EBITDA	
							2019	2020	2019	2020
Financial Sector						+23.9%	10.4	9.6		
Alior Bank	buy	2019.07.03	51.10	72.30	41.18	+75.6%	7.4	5.8		
Handlowy	accumulate	2019.07.03	53.60	59.45	50.60	+17.5%	12.8	10.5		
ING BSK	hold	2019.08.02	189.80	191.80	189.20	+1.4%	14.8	13.3		
Millennium	buy	2019.08.02	7.51	10.00	6.83	+46.4%	11.3	8.1		
Pekao	buy	2019.08.02	99.88	119.75	98.00	+22.2%	11.3	9.9		
PKO BP	buy	2019.08.02	39.34	47.17	38.91	+21.2%	11.0	10.7		
Santander Bank Polska	hold	2019.08.02	319.60	337.00	294.00	+14.6%	12.8	10.5		
Komercni Banka	accumulate	2019.08.02	872.00	1,000 CZK	835.00	+19.8%	10.4	10.0		
Erste Bank	buy	2019.02.04	31.00	43.72 EUR	30.40	+43.8%	8.7	8.1		
OTP Bank	hold	2019.08.02	12,080	13,046 HUF	12,250	+6.5%	10.1	9.6		
PZU	hold	2019.07.03	44.35	43.38	37.40	+16.0%	9.9	9.4		
Kruk	buy	2019.04.02	152.30	213.65	170.00	+25.7%	9.6	9.4		
Skarbiec Holding	buy	2019.06.03	16.50	28.17	17.00	+65.7%	5.8	5.0		
Chemicals						+20.8%	6.8	12.2	4.6	6.0
Ciech	hold	2019.07.03	41.60	41.72	34.15	+22.2%	6.8	7.1	4.8	4.8
Grupa Azoty	hold	2019.08.02	42.30	45.93	38.22	+20.2%	6.8	17.4	4.5	7.2
Oil & Gas						+13.9%	11.0	9.7	4.7	4.7
Lotos	sell	2019.08.02	88.66	72.31	77.46	-6.6%	11.8	10.9	6.2	5.2
MOL	accumulate	2019.08.02	3,004	3,258 HUF	2,966	+9.8%	10.7	9.4	4.4	4.2
PGNIG	accumulate	2019.08.02	5.62	6.33	4.69	+35.0%	11.3	7.8	4.4	3.4
PKN Orlen	hold	2019.08.01	97.36	92.82	88.52	+4.9%	8.4	9.9	5.0	5.3
Power Utilities						+39.2%	3.7	4.2	3.7	3.6
CEZ	accumulate	2019.06.25	544.00	597.80 CZK	522.50	+14.4%	15.6	13.5	7.5	6.9
Enea	buy	2019.06.25	8.53	12.41	8.00	+55.1%	3.0	2.8	3.1	2.9
Energa	buy	2019.06.25	7.33	12.67	6.61	+91.7%	3.7	4.2	3.7	4.1
PGE	buy	2019.06.25	9.00	13.26	7.63	+73.7%	4.7	5.2	3.1	3.2
Tauron	buy	2019.06.25	1.57	2.52	1.50	+68.2%	2.4	2.2	4.0	3.6
Telecoms, Media, IT						+5.1%	19.4	15.4	6.2	5.9
Netia	hold	2018.11.26	4.66	4.70	4.57	+2.8%	30.7	25.4	5.3	5.3
Orange Polska	accumulate	2019.08.02	6.70	7.50	5.86	+28.0%	37.9	23.8	4.7	4.6
Play	accumulate	2019.08.02	31.22	34.20	31.92	+7.1%	9.3	8.4	6.2	6.1
Agora	buy	2018.11.27	9.50	16.00	11.50	+39.1%	38.2	20.3	5.2	4.8
Cyfrowy Polsat	reduce	2019.05.31	26.00	24.15	26.76	-9.8%	14.0	12.0	6.9	6.7
Wirtualna Polska	hold	2019.07.03	61.20	61.50	62.00	-0.8%	19.4	16.6	10.3	9.1
Asseco Poland	hold	2019.06.03	51.10	50.80	54.70	-7.1%	14.6	14.3	4.7	4.4
Comarch	buy	2019.07.25	178.50	231.00	175.00	+32.0%	15.1	13.7	6.4	5.7
11 bit studios	buy	2019.05.20	398.00	518.00	390.00	+32.8%	26.1	37.2	18.3	22.6
CD Projekt	accumulate	2019.05.09	215.00	237.50	231.30	+2.7%	-	11.3	-	8.4
Industrials, Mining						+18.6%	6.5	9.7	4.9	4.8
Cognor	hold	2019.07.25	1.75	1.84	1.65	-5.7%	7.8	10.7	4.9	5.1
Famur	buy	2019.08.07	4.42	5.33	4.10	+30.0%	5.2	9.5	4.3	5.0
Grupa Kęty	hold	2019.07.03	337.00	345.32	327.50	+5.4%	12.7	12.0	8.8	8.4
JSW	accumulate	2019.07.03	47.00	50.02	33.64	+48.7%	3.8	9.9	0.6	1.2
Kernel	buy	2019.06.03	46.50	58.63	48.60	+20.6%	5.2	5.3	5.6	4.8
KGHM	reduce	2019.08.05	87.78	80.38	74.90	+7.3%	6.5	9.2	3.7	4.3
Stelmet	hold	2019.07.03	7.00	7.95	6.25	+27.2%	9.3	9.7	4.9	4.6
Property Developers						+10.7%	8.1	7.9	7.5	7.3
Atal	accumulate	2019.07.03	36.60	41.89	35.10	+19.3%	7.5	7.9	7.1	7.4
Dom Development	hold	2019.07.03	77.40	79.80	77.00	+3.6%	8.7	7.8	7.8	7.2
Retail						+7.3%	33.9	19.2	9.0	8.2
AmRest	buy	2019.04.02	41.20	48.00	38.10	+26.0%	35.8	26.2	12.4	9.9
CCC	hold	2019.06.06	153.80	161.00	124.60	+29.2%	46.5	19.2	6.5	5.1
Dino	sell	2019.08.13	135.90	111.20	132.00	-15.8%	33.9	25.9	19.4	15.2
Eurocash	hold	2019.08.02	18.60	18.10	18.04	+0.3%	34.9	24.7	7.6	6.7
Jeronimo Martins	hold	2019.05.09	13.89	14.30 EUR	14.47	-1.1%	20.5	18.4	9.0	8.2
LPP	accumulate	2019.07.03	7,745.00	8,500.00	6,945.00	+22.4%	19.0	17.2	9.6	8.6
VRG	buy	2019.07.26	4.20	5.20	4.28	+21.5%	13.6	11.8	8.5	7.2

Current 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						11.6	10.8	4.8	4.6
Ailleron	neutral	2019.06.28	8.40	7.84	-6.7%	10.1	9.2	3.6	2.6
Asseco BS	neutral	2019.03.29	29.50	27.20	-7.8%	13.8	12.8	9.2	8.6
Asseco SEE	overweight	2019.04.11	14.20	17.80	+25.4%	13.0	12.4	5.4	4.9
Atende	neutral	2019.01.31	4.40	3.60	-18.2%	9.0	8.4	4.3	4.2
Industrials						9.0	9.2	6.0	6.1
AC	neutral	2019.03.22	48.50	46.80	-3.5%	10.3	9.4	7.1	6.5
Alumetal	underweight	2019.05.29	51.00	35.80	-29.8%	8.8	9.6	6.7	7.0
Amica	neutral	2019.04.29	130.00	109.00	-16.2%	7.2	6.8	4.7	4.4
Apator	neutral	2019.04.29	25.80	23.00	-10.9%	10.9	10.7	7.0	6.8
Boryszew	underweight	2019.07.26	4.49	4.42	-1.6%	9.8	9.2	7.6	7.4
Ergis	neutral	2019.05.29	3.00	2.43	-19.0%	6.5	7.2	4.8	4.8
Forte	neutral	2019.04.29	40.60	25.00	-38.4%	12.5	10.9	8.5	7.9
Impexmetal	underweight	2019.04.25	4.16	4.22	+1.4%	5.6	5.8	5.9	5.7
Kruszwica	neutral	2019.04.02	43.90	42.70	-2.7%	10.2	9.3	5.4	4.9
Mangata	neutral	2019.05.29	69.50	67.00	-3.6%	9.0	10.2	6.1	6.6
Pfleiderer Group	underweight	2019.07.29	28.00	25.50	-8.9%	52.3	24.8	6.9	6.5
Pozbud	overweight	2019.04.29	2.37	2.20	-7.2%	2.7	2.8	2.5	1.9
Tarczyński	neutral	2019.05.29	15.40	16.30	+5.8%	7.1	5.9	5.0	4.6
TIM	overweight	2019.04.29	7.90	7.96	+0.8%	9.1	8.0	5.5	4.9
Retail						9.0	8.9	4.1	3.3
Monnari	neutral	2019.07.17	4.66	4.53	-2.8%	9.0	8.9	4.1	3.3

CEE bank valuations

	Price	2019	P/E 2020	2021	2019	ROE 2020	2021	2019	P/BV 2020	2021	2019	DY 2020	2021
Polish banks													
Alior Bank	41.18	7.4	5.8	5.0	10%	12%	12%	0.7	0.7	0.6	0.0%	0.0%	0.0%
Handlowy	50.60	12.8	10.5	9.8	7%	9%	9%	0.9	0.9	0.9	7.4%	8.3%	7.2%
ING BSK	189.20	14.8	13.3	11.9	12%	13%	13%	1.8	1.7	1.5	1.8%	2.0%	2.3%
Millennium	6.83	11.3	8.1	7.2	8%	11%	11%	0.9	0.8	0.7	0.0%	0.0%	0.0%
Pekao	98.00	11.3	9.9	9.3	10%	11%	11%	1.1	1.1	1.0	6.7%	6.7%	7.6%
PKO BP	38.91	11.0	10.7	10.1	11%	11%	11%	1.2	1.1	1.1	3.4%	8.0%	9.6%
Santander BP	294.00	12.8	10.5	9.7	9%	11%	11%	1.2	1.1	1.0	6.7%	3.9%	4.8%
Median		11.3	10.5	9.7	10%	11%	11%	1.1	1.1	1.0	3.4%	3.9%	4.8%
Investors in Polish banks													
BGP	0.207	7.1	6.1	4.9	8%	9%	10%	0.5	0.5	0.4	2.4%	5.3%	6.3%
Citigroup	63.480	8.4	7.4	6.7	10%	10%	10%	0.8	0.7	0.7	3.1%	3.6%	4.1%
Commerzbank	4.972	6.6	5.2	4.7	3%	4%	4%	0.2	0.2	0.2	4.6%	6.1%	7.1%
ING	8.583	6.5	6.3	6.0	10%	10%	10%	0.6	0.6	0.6	8.1%	8.3%	8.7%
UCI	9.531	5.1	4.8	4.6	8%	8%	7%	0.4	0.4	0.3	6.1%	7.9%	9.4%
Median		6.6	6.1	4.9	8%	9%	10%	0.5	0.5	0.4	4.6%	6.1%	7.1%
Foreign banks													
Erste Bank	30.40	8.7	8.1	-	10%	10%	-	0.8	0.8	-	4.6%	4.8%	-
Komercni Banka	835.00	10.4	10.0	-	14%	14%	-	1.4	1.4	-	6.2%	6.2%	-
OTP	12,250	10.1	9.6	-	16%	14%	-	1.5	1.3	-	1.9%	2.4%	-
Akbank	6.93	7.1	4.7	3.8	11%	14%	15%	0.7	0.6	0.6	2.6%	4.3%	6.0%
Alpha Bank	1.34	15.1	8.4	6.1	1%	3%	4%	0.3	0.3	0.3	0.0%	0.6%	0.0%
Banco Santander	3.59	7.0	6.6	6.3	8%	8%	9%	0.6	0.6	0.5	6.4%	6.7%	7.1%
Deutsche Bank	6.23	12.6	8.8	6.4	2%	2%	3%	0.2	0.2	0.2	2.9%	4.1%	5.1%
Eurobank Ergasias	0.64	8.4	6.0	4.9	4%	7%	8%	0.4	0.4	0.4	0.0%	0.0%	0.0%
National Bank of Greece	1.97	14.0	8.9	7.2	2%	4%	5%	0.4	0.3	0.3	0.0%	0.5%	0.0%
Piraeus Bank	2.32	14.5	8.7	6.4	2%	3%	4%	0.2	0.2	0.2	0.0%	1.3%	0.0%
Sberbank	215.05	5.2	4.6	4.2	22%	22%	21%	1.1	1.0	0.9	9.3%	10.8%	12.5%
Türkiye Garanti Bank	8.93	5.5	4.0	3.3	12%	16%	18%	0.7	0.6	0.6	3.8%	5.0%	5.4%
Türkiye Halk Bank	5.26	2.4	2.0	1.6	9%	9%	9%	0.2	0.2	0.2	3.0%	2.2%	2.3%
Türkiye Vakıflar Bankası	4.37	3.2	2.5	1.8	13%	12%	15%	0.3	0.3	0.3	0.9%	1.0%	1.1%
VTB Bank	0.04	3.8	3.8	2.9	12%	12%	13%	0.4	0.4	0.3	7.9%	7.9%	10.5%
Yapi ve Kredi Bankası	2.50	5.4	3.9	3.5	10%	13%	12%	0.5	0.4	0.4	0.0%	1.2%	-
Median		7.7	6.3	4.2	10%	11%	9%	0.5	0.4	0.3	2.8%	3.2%	3.7%

Insurance company valuations

	Price	2019	P/E 2020	2021	2019	ROE 2020	2021	2019	P/BV 2020	2021	2019	DY 2020	2021
Insurers													
PZU	37.40	9.9	9.4	9.2	22%	23%	23%	2.1	2.1	2.1	8.0%	8.0%	8.5%
Aegon	3.55	5.1	4.9	4.7	8%	7%	8%	0.4	0.3	0.3	8.6%	9.0%	9.5%
Allianz	198.76	10.5	9.9	9.2	13%	12%	13%	1.3	1.2	1.1	4.8%	5.1%	5.5%
Assicurazioni Generali	15.98	9.8	9.5	9.0	11%	11%	11%	1.0	1.0	0.9	6.0%	6.3%	6.8%
Aviva	3.61	5.7	5.7	5.6	13%	13%	14%	0.8	0.8	0.8	8.9%	9.3%	9.5%
AXA	21.53	7.9	7.5	7.3	11%	11%	11%	0.9	0.8	0.8	6.8%	7.1%	7.5%
Baloise	178.80	13.8	12.6	11.6	9%	10%	10%	1.3	1.2	1.2	3.6%	3.8%	4.1%
Helvetia	124.30	12.2	11.7	11.2	11%	10%	12%	1.2	1.1	1.0	4.1%	4.2%	7.3%
Mapfre	2.36	8.9	8.3	8.0	10%	10%	10%	0.9	0.8	0.8	6.6%	7.0%	7.3%
RSA Insurance	5.21	11.4	10.5	10.0	12%	13%	12%	1.4	1.3	1.2	5.3%	6.1%	6.7%
Unia	8.10	11.2	10.7	9.8	7%	7%	8%	0.9	0.9	0.8	6.9%	7.1%	7.3%
Vienna Insurance G.	22.70	9.3	8.6	8.1	7%	7%	7%	0.6	0.6	0.5	4.6%	5.0%	5.3%
Zurich Financial	347.10	12.7	11.7	11.1	13%	14%	14%	1.7	1.6	1.5	5.8%	6.1%	6.5%
Median		9.9	9.5	9.2	11%	11%	11%	1.0	1.0	0.9	6.0%	6.3%	7.3%

Source: Dom Maklerski mBanku (stocks marked with bold), Bloomberg

Gas & Oil valuations

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Oil companies																
Lotos	77.46	6.2	5.2	4.4	0.6	0.6	0.5	11.8	10.9	9.9	10%	11%	12%	3.9%	2.5%	2.8%
MOL	2966.00	4.4	4.2	3.8	0.6	0.6	0.6	10.7	9.4	8.2	15%	15%	15%	4.8%	5.1%	5.3%
PKN Orlen	88.52	5.0	5.3	5.1	0.4	0.4	0.4	8.4	9.9	10.1	9%	8%	7%	4.0%	3.4%	3.4%
Hellenic Petroleum	8.88	6.0	5.2	5.3	0.5	0.5	0.5	10.4	8.0	7.7	8%	9%	8%	5.6%	5.8%	7.0%
HollyFrontier	44.35	5.9	5.2	5.6	0.6	0.6	0.6	9.8	7.7	8.7	11%	12%	11%	3.0%	3.1%	3.2%
Marathon Petroleum	46.22	6.3	4.9	4.8	0.5	0.5	0.5	9.1	5.6	5.4	8%	10%	11%	4.6%	5.1%	5.8%
Motor Oil	20.40	4.3	4.0	4.1	0.3	0.3	0.3	7.3	6.7	6.5	6%	7%	7%	6.7%	7.1%	7.7%
Neste Oil	29.86	10.9	10.3	9.7	1.5	1.5	1.4	17.1	15.7	15.0	14%	15%	15%	2.9%	3.2%	3.4%
OMV	43.73	3.6	3.4	3.3	0.9	0.9	0.9	8.3	7.3	6.9	24%	26%	26%	4.4%	4.9%	5.2%
Phillips 66	98.83	8.1	6.7	7.1	0.5	0.5	0.6	13.3	9.3	10.0	7%	8%	8%	3.5%	3.7%	4.0%
Saras SpA	1.38	3.2	2.2	3.1	0.1	0.1	0.1	9.0	4.4	7.5	4%	6%	4%	6.2%	10.4%	7.2%
Tupras	125.80	6.2	4.6	4.4	0.4	0.4	0.4	8.7	5.3	4.9	7%	8%	8%	9.7%	16.1%	17.3%
Valero Energy	78.12	6.5	4.8	5.2	0.4	0.3	0.3	11.6	7.1	7.8	6%	7%	7%	4.6%	5.0%	5.3%
Median		6.0	4.9	4.8	0.5	0.5	0.5	9.8	7.7	7.8	8%	9%	8%	4.6%	5.0%	5.3%
Gas companies																
PGNiG	4.69	4.4	3.4	2.8	0.8	0.7	0.6	11.3	7.8	6.5	18%	22%	22%	2.3%	3.5%	5.1%
A2A SpA	1.57	7.2	6.7	6.4	1.3	1.3	1.3	15.4	13.3	13.1	19%	19%	19%	5.0%	5.1%	5.2%
BP	490.20	4.3	4.0	4.0	0.6	0.6	0.6	10.8	9.3	9.0	14%	15%	15%	0.0%	0.0%	0.0%
Centrica	65.44	3.4	3.3	3.3	0.3	0.3	0.3	7.2	5.9	5.6	8%	8%	8%	0.0%	0.0%	0.0%
Enagas	20.29	9.5	9.1	9.8	7.7	7.7	8.0	11.5	10.6	11.3	81%	84%	82%	7.9%	8.2%	8.4%
Endesa	23.45	8.6	8.5	8.4	1.5	1.5	1.4	16.4	16.1	15.7	18%	17%	17%	6.1%	6.2%	5.4%
Engie	13.47	6.2	5.9	5.6	0.9	0.9	0.9	12.8	11.4	10.4	15%	15%	16%	5.8%	6.2%	6.8%
Eni	13.04	3.3	3.1	3.0	0.8	0.8	0.8	10.2	9.1	8.6	24%	26%	28%	6.6%	6.7%	6.9%
Equinor	147.40	2.5	2.2	2.1	0.9	0.9	0.8	8.6	7.6	7.2	37%	38%	40%	0.1%	0.1%	0.1%
Gas Natural SDG	23.70	9.3	8.9	8.7	1.7	1.6	1.5	16.6	15.3	14.7	18%	18%	18%	5.8%	6.0%	6.4%
Gazprom	224.71	3.6	3.4	3.2	1.0	0.9	0.9	4.8	4.4	3.6	27%	28%	28%	5.4%	6.1%	7.6%
Hera SpA	3.47	7.5	7.3	7.2	1.3	1.2	1.2	17.8	17.4	16.7	17%	17%	17%	3.0%	3.1%	3.2%
NovaTek	1250.00	13.7	12.9	12.9	4.7	4.4	4.1	11.9	12.2	11.2	34%	34%	32%	2.1%	2.7%	3.1%
ROMGAZ	33.10	5.9	5.4	5.0	2.7	2.6	2.4	10.1	9.1	8.5	46%	48%	47%	9.5%	9.8%	9.7%
Shell	24.89	3.1	2.8	2.7	0.5	0.5	0.5	10.0	8.7	8.5	16%	17%	18%	8.4%	8.5%	8.6%
Snam SpA	4.49	12.6	12.3	11.9	10.2	9.9	9.7	14.4	14.0	13.4	81%	81%	81%	5.3%	5.6%	5.8%
Total	43.24	4.7	4.4	4.3	0.8	0.8	0.8	10.1	9.0	8.7	18%	19%	19%	6.8%	7.0%	7.2%
Median		5.9	5.4	5.0	1.0	0.9	0.9	11.3	9.3	9.0	18%	19%	19%	5.4%	6.0%	5.8%

Power generation company valuations

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Power generation																
CEZ	522.50	7.5	6.9	6.8	2.1	1.9	1.8	15.6	13.5	13.6	29%	28%	27%	4.6%	5.8%	6.6%
Enea	8.00	3.1	2.9	2.7	0.6	0.6	0.6	3.0	2.8	2.2	20%	19%	22%	0.0%	0.0%	3.6%
Energa	6.61	3.7	4.1	4.3	0.7	0.7	0.8	3.7	4.2	4.1	18%	17%	18%	0.0%	0.0%	0.0%
PGE	7.63	3.1	3.2	2.4	0.6	0.6	0.5	4.7	5.2	3.6	21%	18%	22%	0.0%	5.3%	4.8%
Tauron	1.50	4.0	3.6	3.2	0.7	0.6	0.6	2.4	2.2	1.9	17%	17%	19%	0.0%	0.0%	0.0%
EDF	10.54	4.9	4.4	4.2	1.1	1.1	1.0	15.0	11.3	10.0	23%	24%	25%	3.4%	4.3%	4.7%
EDP	3.35	8.5	8.2	7.9	2.1	2.0	1.8	14.8	13.8	13.2	24%	25%	23%	5.7%	5.8%	6.0%
Endesa	23.45	8.6	8.5	8.4	1.5	1.5	1.4	16.4	16.1	15.7	18%	17%	17%	6.1%	6.2%	5.4%
Enel	6.29	7.1	6.8	6.5	1.6	1.5	1.5	13.5	12.4	11.8	22%	23%	23%	5.2%	5.6%	6.0%
EON	8.29	7.2	5.5	4.9	1.1	0.6	0.5	12.0	11.5	10.9	16%	11%	10%	5.5%	6.0%	6.5%
Fortum	20.59	14.4	13.3	12.7	4.4	4.2	4.1	16.3	14.1	12.9	30%	32%	32%	5.3%	5.4%	5.3%
Iberdola	9.25	10.4	9.7	9.1	2.8	2.6	2.5	18.0	16.7	15.7	27%	27%	28%	4.0%	4.2%	4.5%
National Grid	857.70	11.2	10.7	10.2	3.6	3.5	3.4	14.7	14.8	13.9	32%	33%	34%	0.0%	0.0%	0.0%
Red Electrica	17.78	9.1	9.3	9.4	7.1	7.2	7.2	13.2	13.8	14.1	78%	78%	77%	5.9%	6.0%	5.9%
RWE	25.59	15.5	8.0	6.9	1.9	1.6	1.5	24.5	14.5	10.9	12%	20%	22%	3.1%	3.7%	4.2%
SSE	1107.00	10.4	9.0	8.4	0.7	0.7	0.7	16.5	11.7	10.3	7%	8%	8%	0.0%	0.0%	0.0%
Verbund	53.80	10.1	8.3	7.8	3.6	3.3	3.2	34.8	26.3	24.6	36%	40%	41%	1.2%	1.7%	2.0%
Median		8.5	8.0	6.9	1.6	1.5	1.5	14.8	13.5	11.8	22%	23%	23%	3.4%	4.3%	4.7%

Source: Dom Maklerski mBanku (stocks marked with bold), Bloomberg

Fertilizer producers and chemical companies

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Fertilizer producers																
Grupa Azoty	38.22	4.5	7.2	8.3	0.6	0.6	0.7	6.8	17.4	17.5	13%	9%	9%	0.0%	0.0%	1.7%
Acron	4722.00	6.7	6.5	6.2	2.2	2.1	2.0	9.4	9.0	8.3	33%	32%	32%	6.9%	7.2%	8.5%
CF Industries	48.18	10.4	9.2	8.9	3.7	3.5	3.5	24.2	17.8	15.3	35%	38%	39%	2.5%	2.5%	2.5%
Israel Chemicals	1685.00	7.0	6.6	6.5	1.5	1.4	1.4	12.2	11.1	10.6	21%	21%	21%	0.0%	0.0%	0.0%
K+S	13.57	7.5	6.6	6.1	1.4	1.4	1.3	11.2	8.6	7.3	19%	21%	22%	3.2%	4.5%	5.2%
Phosagro	2521.00	6.0	5.6	5.5	1.9	1.8	1.7	9.5	9.7	5.8	31%	32%	30%	6.1%	5.8%	7.4%
The Mosaic Company	19.74	5.6	4.9	4.6	1.2	1.1	1.1	11.4	8.4	7.1	21%	23%	24%	0.9%	1.1%	1.4%
Yara International	365.00	52.2	45.0	40.8	8.1	7.5	7.0	-	-	-	15%	17%	17%	0.3%	0.4%	0.5%
ZA Police	14.10	5.2	4.7	4.7	1.2	1.2	1.2	1.3	1.1	1.1	23%	24%	24%	58.9%	63.8%	70.9%
ZCh Puławy	90.00	1.9	2.0	2.0	0.3	0.3	0.3	5.5	5.8	-	15%	14%	14%	5.6%	5.6%	-
Median		6.4	6.6	6.1	1.5	1.4	1.3	9.5	9.0	7.8	21%	22%	23%	2.9%	3.5%	2.5%
Chemical companies																
Ciech	34.15	4.8	4.8	4.7	0.9	0.9	0.8	6.8	7.1	7.4	18%	19%	17%	0.0%	3.0%	7.1%
Akzo Nobel	80.78	15.0	13.0	11.9	2.0	1.9	1.9	26.8	19.7	17.4	13%	15%	16%	2.3%	2.6%	3.0%
BASF	56.85	7.4	6.7	6.4	1.1	1.1	1.0	10.5	9.6	8.9	15%	16%	16%	5.8%	5.9%	6.1%
Croda	4680.00	15.2	14.3	13.5	4.8	4.6	4.5	22.5	21.0	19.9	32%	32%	33%	0.0%	0.0%	0.0%
Sisecam	4.13	3.2	2.8	2.5	0.7	0.6	0.5	4.4	3.8	3.7	21%	22%	22%	5.6%	6.2%	7.3%
Soda Sanayii	5.26	2.7	2.1	1.8	0.7	0.6	0.6	3.8	3.3	3.1	27%	29%	34%	11.4%	14.3%	19.6%
Solvay	87.02	4.8	4.6	4.4	1.1	1.0	1.0	10.1	9.4	8.4	22%	22%	22%	4.4%	4.6%	4.7%
Tata Chemicals	555.80	7.8	7.1	6.5	1.4	1.3	1.2	13.5	11.6	10.7	18%	19%	19%	2.1%	2.4%	2.4%
Tessenderlo Chemie	26.00	5.2	4.9	4.4	0.7	0.7	0.6	11.1	9.8	9.0	13%	14%	14%	-	-	-
Wacker Chemie	63.98	5.3	5.0	4.6	0.9	0.8	0.8	16.0	13.0	10.5	17%	17%	18%	3.9%	4.1%	4.9%
Median		5.3	5.0	4.6	1.0	1.0	0.9	10.8	9.7	8.9	18%	19%	19%	3.9%	4.1%	4.9%

Machine and equipment manufacturers

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Industrials																
Famur	4.10	4.3	5.0	5.7	1.1	1.3	1.4	5.2	9.5	12.0	26%	27%	24%	12.9%	9.6%	7.9%
Caterpillar	116.43	7.4	7.2	7.4	1.6	1.5	1.5	9.4	8.9	8.5	21%	21%	21%	3.3%	3.5%	3.5%
Epiroc	97.60	8.0	6.8	6.5	2.0	1.9	1.8	18.5	17.2	16.3	24%	27%	27%	2.5%	2.7%	2.9%
Komatsu	2247.50	5.4	5.3	5.3	1.0	1.0	1.0	8.5	8.3	8.2	19%	19%	19%	4.7%	5.0%	5.1%
Sandvig AG	133.20	7.1	6.9	6.7	1.6	1.6	1.5	12.1	11.4	10.9	23%	23%	23%	3.4%	3.7%	3.9%
Median		7.1	6.8	6.5	1.6	1.5	1.5	9.4	9.5	10.9	23%	22%	22%	3.4%	3.7%	3.9%

Mining company valuations

	Price	EV/EBITDA			EV/S			P/E			marża EBITDA			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Metals																
KGHM	74.90	3.7	4.3	3.8	0.9	0.9	0.8	6.5	9.2	7.8	23%	20%	21%	0.0%	2.0%	3.2%
Anglo American	1698.40	3.5	3.8	4.0	1.3	1.2	1.2	7.0	7.8	8.3	36%	33%	31%	0.0%	0.0%	0.0%
Antofagasta	791.20	4.7	4.6	4.2	2.3	2.3	2.2	13.7	13.5	11.4	50%	49%	52%	0.0%	0.0%	0.0%
BHP Group LTD	36.17	3.7	3.5	3.8	2.0	1.9	2.0	13.0	11.9	13.4	54%	54%	52%	4.3%	2.9%	2.3%
Boliden	195.26	4.0	4.1	4.1	1.0	1.0	1.0	8.2	8.3	8.3	26%	25%	25%	6.3%	6.4%	6.7%
First Quantum	8.44	6.3	4.3	3.9	2.8	2.1	2.0	8.8	5.3	4.2	44%	48%	50%	0.1%	0.2%	0.7%
Freeport-McMoRan	9.10	7.8	6.1	4.0	1.9	1.8	1.5	19.4	10.6	5.5	24%	29%	38%	2.2%	4.1%	5.2%
Fresnillo	663.60	6.4	5.4	4.5	2.9	2.6	2.4	18.4	14.7	11.0	45%	49%	53%	0.0%	0.0%	0.0%
Gold Fields	7961.00	4.9	4.3	4.3	2.1	1.9	1.9	28.6	19.3	18.4	42%	44%	44%	0.0%	0.0%	0.0%
Hudbay Min	4.34	2.6	2.4	2.4	1.0	1.0	1.0	12.8	10.1	7.6	39%	42%	41%	0.3%	0.3%	0.3%
KAZ Minerals	434.50	4.2	4.0	3.9	2.3	2.2	2.1	4.8	4.5	4.1	54%	54%	55%	0.0%	0.0%	0.0%
Lundin Min	5.81	4.7	3.2	2.9	1.9	1.5	1.4	11.9	7.1	6.3	39%	45%	48%	1.2%	1.2%	1.7%
MMC Norilsk Nickel	22.13	6.4	6.2	6.0	3.5	3.4	3.3	8.5	8.4	8.8	55%	54%	55%	10.0%	11.0%	12.3%
OZ Minerals	9.16	5.7	4.7	3.8	2.5	2.1	1.8	17.6	12.8	9.0	44%	45%	48%	2.3%	2.4%	2.8%
Polymetal Intl	1084.50	8.0	7.6	7.5	3.7	3.6	3.5	11.6	10.7	10.3	46%	47%	47%	0.0%	0.0%	0.0%
Polyus	7130.00	7.7	7.5	7.5	4.9	4.8	4.7	12.0	11.2	10.5	64%	64%	63%	4.1%	4.6%	4.9%
Sandfire Resources	5.68	2.2	1.6	1.7	1.1	0.9	1.0	7.7	4.7	4.7	51%	58%	57%	4.8%	7.0%	6.6%
Southern CC	29.91	7.1	6.6	6.2	3.7	3.5	3.2	12.4	11.5	10.5	52%	53%	52%	3.7%	5.2%	6.5%
Median		4.8	4.3	4.0	2.2	2.0	1.9	11.9	10.3	8.5	44%	47%	49%	0.7%	1.6%	2.0%

Source: Dom Maklerski mBanku (stocks marked with bold), Bloomberg

Mining company valuations

	Price	EV/EBITDA			EV/S			P/E			marża EBITDA			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Coal																
JSW	33.64	0.6	1.2	1.7	0.1	0.2	0.3	3.8	9.9	23.2	23%	17%	15%	5.1%	5.3%	5.1%
Alliance Res Partners	14.96	3.2	3.4	3.8	1.1	1.1	1.2	3.9	5.9	7.3	34%	33%	31%	14.4%	14.8%	14.6%
Arch Coal	76.82	2.5	3.0	3.2	0.5	0.5	0.5	4.4	5.9	6.5	20%	17%	16%	2.3%	2.3%	2.3%
Banpu	11.90	7.6	7.6	7.5	1.8	1.8	1.9	6.2	5.9	6.2	24%	23%	25%	6.3%	6.6%	5.6%
BHP Group	48.80	3.6	3.5	3.8	1.9	1.9	2.0	12.9	11.8	13.3	54%	54%	52%	9.5%	6.3%	5.0%
China Coal Energy	2.78	5.1	5.1	4.8	1.0	1.0	0.9	7.0	7.1	6.2	19%	19%	19%	3.0%	2.8%	3.0%
Cloud Peak Energy	0.04	8.8	9.5	11.5	0.5	0.4	0.4	-	-	-	6%	4%	3%	-	-	-
LW Bogdanka	36.00	1.4	1.4	1.4	0.5	0.4	0.4	5.9	5.7	6.1	33%	33%	31%	6.7%	8.5%	6.0%
Natural Res Partners	27.50	1.7	1.7	1.7	1.3	1.3	1.3	4.8	4.5	4.3	79%	80%	80%	6.5%	6.5%	6.5%
Peabody Energy Corp	19.18	2.2	2.4	2.7	0.4	0.5	0.5	9.0	15.8	43.6	20%	19%	17%	11.8%	3.2%	2.8%
PT Bukit Asam Tbk	2440.00	3.6	3.4	3.2	1.1	1.0	1.0	5.1	5.4	4.9	30%	31%	30%	11.5%	12.5%	12.6%
Rio Tinto	4005.00	3.5	3.7	3.9	1.7	1.7	1.8	8.1	9.0	9.8	48%	46%	46%	0.0%	0.0%	0.0%
Semirara Mining&Power	22.30	5.0	4.4	4.2	2.4	2.1	2.1	7.7	6.8	7.0	48%	48%	49%	6.6%	7.0%	8.4%
Shaanxi Heimaao Coking	3.25	-	-	-	0.7	0.6	0.6	9.3	8.8	10.5	-	-	-	-	-	-
Shanxi Xishan Coal&Ele	5.86	5.5	5.5	5.2	1.0	1.0	1.0	10.1	10.5	-	19%	18%	19%	0.9%	0.7%	0.9%
Shougang Fushan Res	1.63	2.6	2.5	2.6	1.3	1.2	1.2	7.1	6.7	7.3	52%	49%	47%	8.5%	8.9%	7.0%
Stanmore Coal	1.41	2.0	2.6	3.8	0.8	0.9	0.9	4.3	5.6	9.4	37%	33%	23%	5.2%	4.2%	3.6%
Teck Resources	16.55	2.8	3.2	3.3	1.2	1.2	1.3	5.7	6.6	7.7	41%	39%	38%	1.8%	1.7%	2.2%
Terracom	0.45	1.6	1.4	1.5	0.5	0.4	0.4	4.1	2.4	2.8	30%	27%	26%	-	-	-
Warrior Met Coal	20.68	2.1	2.9	3.2	0.9	1.0	1.0	3.3	4.9	5.9	41%	33%	32%	12.4%	8.4%	8.2%
Yanzhou Coal Mining	6.25	4.0	4.0	3.8	1.1	1.1	1.1	3.9	4.0	3.7	28%	27%	29%	6.7%	6.4%	6.9%
Median		3.0	3.3	3.5	1.0	1.0	1.0	5.8	6.2	7.0	31%	32%	29%	6.6%	6.4%	5.3%

Source: Dom Maklerski mBanku (stocks marked with bold), Bloomberg

European telecom valuations

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Polish companies																
Netia	4.57	5.3	5.3	5.1	1.3	1.4	1.4	30.7	25.4	21.7	26%	26%	27%	0.0%	0.0%	8.8%
Orange Polska	5.86	4.7	4.6	4.3	1.3	1.3	1.2	37.9	23.8	17.0	29%	29%	29%	0.0%	0.0%	4.3%
Play	31.92	6.2	6.1	5.7	2.1	2.1	2.0	9.3	8.4	8.3	33%	34%	35%	4.5%	4.1%	4.5%
Median		5.3	5.3	5.1	1.3	1.4	1.4	30.7	23.8	17.0	29%	29%	29%	0%	0.0%	4.5%
Mid Caps																
Proximus	27.16	6.1	6.1	6.1	2.0	2.0	2.0	15.9	15.4	15.7	32%	33%	33%	5.5%	5.5%	5.6%
Telefonica CP	218.00	7.0	7.1	7.2	2.0	2.0	2.0	13.0	13.2	13.4	28%	28%	28%	9.4%	9.0%	8.8%
Hellenic Telekom	11.90	5.0	4.9	4.8	1.7	1.7	1.7	17.0	14.8	13.2	35%	36%	36%	4.7%	5.0%	5.5%
Matav	420.00	4.0	4.0	4.0	1.2	1.2	1.2	9.0	8.8	8.3	30%	30%	30%	6.3%	6.7%	7.3%
Telecom Austria	6.59	5.1	5.0	4.8	1.6	1.6	1.6	10.6	10.0	9.5	32%	32%	33%	3.2%	3.8%	4.2%
Median		5.1	5.0	4.8	1.7	1.7	1.7	13.0	13.2	13.2	32%	32%	33%	5.5%	5.5%	5.6%
Big Caps																
BT	164.02	3.7	3.7	3.7	1.2	1.2	1.2	6.3	6.5	6.2	32%	32%	32%	0.0%	0.0%	0.0%
DT	14.88	5.5	5.3	5.0	1.8	1.7	1.6	14.1	12.8	11.4	32%	32%	33%	5.0%	5.4%	5.8%
KPN	2.77	7.6	7.4	7.0	3.2	3.2	3.2	24.8	20.7	17.9	41%	43%	46%	4.8%	5.1%	5.4%
Orange France	13.46	4.9	4.8	4.8	1.5	1.5	1.5	12.9	11.8	11.0	31%	32%	32%	5.3%	5.6%	5.9%
Swisscom	487.20	7.7	7.7	7.6	2.9	2.9	2.9	16.8	17.0	16.9	37%	37%	38%	4.5%	4.5%	4.5%
Telefonica S.A.	6.01	5.2	5.1	5.0	1.7	1.7	1.7	8.4	7.4	7.2	32%	33%	33%	6.7%	6.8%	7.0%
Telia Company	41.12	8.7	8.5	8.3	2.9	2.9	2.8	16.1	15.0	14.0	34%	34%	34%	6.0%	6.1%	6.3%
TI	0.45	4.3	4.3	4.2	1.8	1.8	1.8	6.8	6.8	6.8	41%	41%	42%	0.0%	0.0%	0.2%
Median		5.4	5.2	5.0	1.8	1.7	1.7	13.5	12.3	11.2	33%	33%	34%	4.9%	5.2%	5.6%

Media company valuations

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Polish companies																
Agora	11.50	5.2	4.8	4.2	0.5	0.5	0.5	38.2	20.3	12.6	9%	10%	11%	4.3%	4.3%	4.3%
Wirtualna Polska	62.00	10.3	9.1	8.2	3.2	2.9	2.6	19.4	16.6	15.2	31%	32%	32%	1.6%	2.7%	3.1%
Median		7.8	7.0	6.2	1.9	1.7	1.5	28.8	18.4	13.9	20%	21%	21%	3.0%	3.5%	3.7%
Daily Mail																
Amolgo Mondadori	1.41	5.4	5.3	5.5	0.6	0.6	0.6	9.9	9.1	9.1	10%	11%	10%	3.1%	3.8%	3.3%
Axel Springer	62.85	11.3	10.3	9.5	2.6	2.5	2.4	23.3	20.9	19.0	23%	24%	25%	3.4%	3.6%	3.8%
Daily Mail	784.00	8.5	8.3	7.9	1.2	1.2	1.1	21.2	19.4	17.9	14%	14%	14%	0.0%	0.0%	0.0%
Gruppo Editoriale	0.26	5.0	5.0	5.4	0.4	0.4	0.4	10.8	10.0	8.9	7%	8%	7%	2.7%	4.6%	2.7%
New York Times	28.17	17.5	16.3	13.1	2.4	2.3	2.2	33.2	30.0	23.6	14%	14%	16%	0.7%	0.7%	0.8%
Promotora de Inform	1.34	7.9	6.8	6.4	1.7	1.6	1.6	12.0	9.9	8.5	21%	24%	25%	0.0%	0.0%	-
Median		8.2	7.6	7.1	1.4	1.4	1.4	16.6	14.7	13.5	14%	14%	15%	1.7%	2.2%	2.7%
TV																
Atresmedia Corp	3.26	5.1	5.2	5.4	0.9	0.9	0.9	5.8	6.0	6.2	18%	17%	17%	14.2%	13.6%	12.7%
Gestevisión Telecinco	5.53	6.7	6.9	7.1	1.8	1.8	1.8	9.1	9.2	9.1	26%	26%	25%	8.4%	8.6%	8.5%
ITV PLC	106.90	7.4	7.2	6.8	1.6	1.6	1.5	8.3	7.9	7.7	22%	22%	22%	0.0%	0.0%	0.0%
M6-Metropole Tel	15.97	5.1	5.1	4.8	1.3	1.3	1.3	11.5	11.1	12.1	26%	26%	27%	6.0%	6.2%	6.8%
Mediaset SPA	3.00	4.7	4.5	4.3	1.5	1.6	1.6	13.3	11.8	10.9	33%	34%	36%	5.7%	6.6%	6.7%
ProSieben	11.12	5.3	5.2	4.9	1.2	1.2	1.1	5.6	5.3	5.0	23%	23%	23%	9.4%	9.6%	9.9%
RTL Group	47.98	6.3	6.3	6.1	1.3	1.2	1.2	10.7	10.6	10.4	20%	20%	20%	8.3%	8.4%	8.9%
TF1-TV Francaise	8.65	3.5	3.4	3.2	0.7	0.7	0.7	9.9	9.4	8.3	21%	21%	22%	5.1%	5.4%	7.1%
Median		5.3	5.2	4.9	1.3	1.3	1.3	9.9	9.4	9.1	23%	23%	23%	6.0%	6.6%	7.1%
Pay TV																
Cogeco	105.38	6.2	6.1	6.0	3.0	2.9	2.9	16.2	14.4	14.8	48%	48%	48%	2.0%	2.2%	2.4%
Comcast	43.18	8.5	8.0	7.7	2.7	2.5	2.5	14.4	13.0	11.9	31%	31%	32%	1.9%	2.1%	2.3%
Dish Network	31.96	8.8	10.2	11.9	1.7	1.8	2.0	13.0	17.9	22.1	19%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	26.04	4.8	4.8	5.1	2.1	2.1	2.1	-	-	31.8	43%	43%	41%	0.0%	0.0%	-
Shaw Communications	19.24	7.6	7.3	7.0	3.1	3.0	2.9	19.7	17.6	15.7	41%	42%	42%	8.2%	8.3%	8.5%
Median		7.6	7.3	7.0	2.7	2.5	2.5	15.3	16.0	15.7	41%	42%	41%	1.9%	2.1%	2.3%

Source: Dom Maklerski mBanku (stocks marked with bold), Bloomberg

IT company valuations

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Polish companies																
Asseco Poland	54.70	4.7	4.4	4.2	0.7	0.7	0.6	14.6	14.3	14.1	15%	15%	15%	5.6%	4.2%	4.2%
Comarch	175.00	6.4	5.7	5.4	1.0	0.9	0.8	15.1	13.7	12.9	15%	15%	15%	0.9%	0.9%	0.9%
Median		5.5	5.1	4.8	0.8	0.8	0.7	14.9	14.0	13.5	15%	15%	15%	3.2%	2.5%	2.5%
Foreign companies																
Atos Origin	65.98	6.6	6.2	6.0	0.9	0.9	0.9	7.5	7.0	6.6	13%	14%	14%	2.6%	2.8%	3.0%
CapGemini	105.30	8.9	8.3	7.9	1.3	1.2	1.2	16.1	14.7	13.6	14%	15%	15%	1.8%	1.9%	2.1%
IBM	133.76	7.9	7.8	8.0	1.9	1.9	1.9	9.6	9.4	9.2	24%	24%	24%	4.8%	5.0%	5.1%
Indra Sistemas	6.89	4.9	4.6	4.3	0.5	0.5	0.5	8.6	7.6	6.9	11%	11%	11%	1.8%	2.9%	3.8%
Microsoft	136.13	18.4	16.4	14.4	7.9	7.1	6.4	29.7	26.6	23.0	43%	43%	44%	1.3%	1.4%	1.6%
Oracle	53.59	10.7	10.3	9.9	5.0	4.9	4.8	15.6	14.2	13.3	47%	48%	48%	1.5%	1.7%	1.9%
SAP	107.36	16.4	14.1	12.7	5.1	4.8	4.4	22.2	19.9	17.8	31%	34%	35%	1.5%	1.7%	1.8%
TietoEnator	21.86	7.2	6.9	6.7	1.1	1.1	1.0	11.7	11.2	10.7	15%	15%	15%	6.8%	7.0%	7.2%
Median		8.4	8.1	8.0	1.6	1.6	1.5	13.7	12.7	12.0	20%	20%	20%	1.8%	2.4%	2.5%

Gaming company valuations

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Gaming																
11 bit studios	390.00	18.3	22.6	5.8	10.5	9.4	3.8	26.1	37.2	9.2	58%	42%	66%	0.0%	0.0%	0.0%
CD Projekt	231.30	-	8.4	8.3	70.5	6.4	6.8	-	11.3	11.6	14%	76%	82%	0.0%	0.0%	0.0%
Activision Blizzards	46.66	14.4	12.1	11.4	5.1	4.6	4.4	21.5	18.2	16.1	36%	38%	38%	0.8%	0.9%	0.9%
Capcom	2876.00	14.6	13.2	11.9	3.5	3.8	3.5	23.5	21.4	20.1	24%	29%	29%	1.2%	1.4%	1.5%
Take Two	127.20	17.3	19.4	17.6	4.2	4.6	4.3	26.9	29.2	26.3	24%	24%	24%	-	-	-
Ubisoft	71.78	8.1	8.2	7.5	3.9	3.6	3.4	24.1	23.8	20.2	49%	44%	45%	0.0%	-	-
Electronic Arts	89.56	15.4	13.3	12.1	4.9	4.5	4.3	22.8	19.8	17.6	32%	34%	35%	-	-	-
Paradox Interactive	129.40	15.8	12.4	10.1	9.5	7.8	6.7	30.0	23.3	19.5	60%	63%	66%	1.0%	1.3%	1.6%
Mediana		15.4	12.8	10.8	5.0	4.6	4.3	24.1	22.3	18.6	34%	40%	42%	0.4%	0.9%	0.9%

Construction company valuations

	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Construction																
Acciona	93.35	8.2	7.8	7.6	1.4	1.4	1.4	19.8	17.8	16.6	17%	18%	18%	3.8%	4.0%	4.3%
Astaldi	0.67	4.5	4.4	4.4	0.5	0.5	0.5	1.1	1.0	0.9	10%	10%	11%	-	-	-
Budimex	126.40	6.9	6.8	6.4	0.3	0.3	0.3	16.0	15.5	13.4	5%	5%	5%	6.4%	4.8%	5.1%
Ferrovial	25.33	52.4	35.1	35.1	3.9	3.8	3.7	65.5	42.1	34.9	7%	11%	10%	2.9%	3.0%	3.1%
Hochtief	96.25	3.4	3.4	3.2	0.2	0.2	0.2	10.1	9.5	9.2	6%	6%	6%	6.4%	6.8%	7.0%
Mota Engil	1.86	3.9	3.6	3.3	0.6	0.5	0.5	11.6	7.9	6.6	15%	15%	15%	2.3%	4.5%	7.5%
NCC	147.50	6.2	5.4	5.1	0.3	0.3	0.2	14.5	10.7	9.8	4%	5%	5%	4.1%	5.1%	5.3%
Skanska	173.95	9.4	8.3	7.9	0.4	0.4	0.4	14.5	13.3	12.5	5%	5%	5%	4.0%	4.2%	4.6%
Strabag	28.90	2.5	2.4	2.4	0.1	0.1	0.1	9.7	9.6	9.3	6%	6%	6%	4.6%	4.7%	4.5%
Median		6.2	5.4	5.1	0.4	0.4	0.4	14.5	10.7	9.8	6%	6%	6%	4.0%	4.6%	4.9%

Real-estate developers

	Price	EV/EBITDA			P/BV			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
RE Developers																
Atal	35.10	7.1	7.4	6.7	1.6	1.6	1.5	7.5	7.9	7.1	24%	23%	23%	13.4%	12.1%	11.6%
Dom Development	77.00	7.8	7.2	8.1	1.8	1.8	1.8	8.7	7.8	8.6	17%	18%	17%	11.8%	11.5%	12.8%
Echo Investment	4.36	15.2	12.2	16.3	1.2	1.1	1.0	7.6	7.1	7.4	35%	42%	29%	9.2%	8.9%	5.7%
GTC	9.21	14.7	12.8	10.6	1.0	0.9	0.9	10.1	9.8	7.1	86%	90%	100%	0.2%	0.3%	0.3%
LC Corp	2.39	7.5	10.2	9.1	0.7	0.7	0.6	-	-	-	32%	28%	27%	12.6%	10.5%	6.7%
CA Immobilien Anlagen	31.70	25.7	23.4	21.6	1.1	1.0	0.9	23.9	21.0	15.9	76%	68%	50%	3.0%	3.4%	3.8%
Deutsche Euroshop AG	22.62	14.3	14.3	14.3	0.6	0.6	0.7	9.9	9.9	9.7	88%	88%	88%	6.8%	7.0%	7.1%
Immofinanz AG	24.01	29.0	27.2	24.8	0.9	0.9	0.8	19.7	19.5	15.1	49%	53%	48%	3.5%	3.8%	4.3%
Klepierre	27.09	18.2	18.0	17.7	0.7	0.7	0.8	10.2	9.9	10.0	88%	87%	87%	8.0%	8.3%	8.3%
Segro	744.40	33.6	30.4	27.6	1.1	1.0	1.0	30.9	28.6	27.8	76%	78%	81%	0.0%	0.0%	0.0%
Median		14.9	13.5	15.3	1.0	0.9	0.9	10.1	9.9	9.7	63%	60%	49%	7.4%	7.6%	6.2%

Source: Dom Maklerski mBanku (stocks marked with bold), Bloomberg

Clothing and footwear company valuations

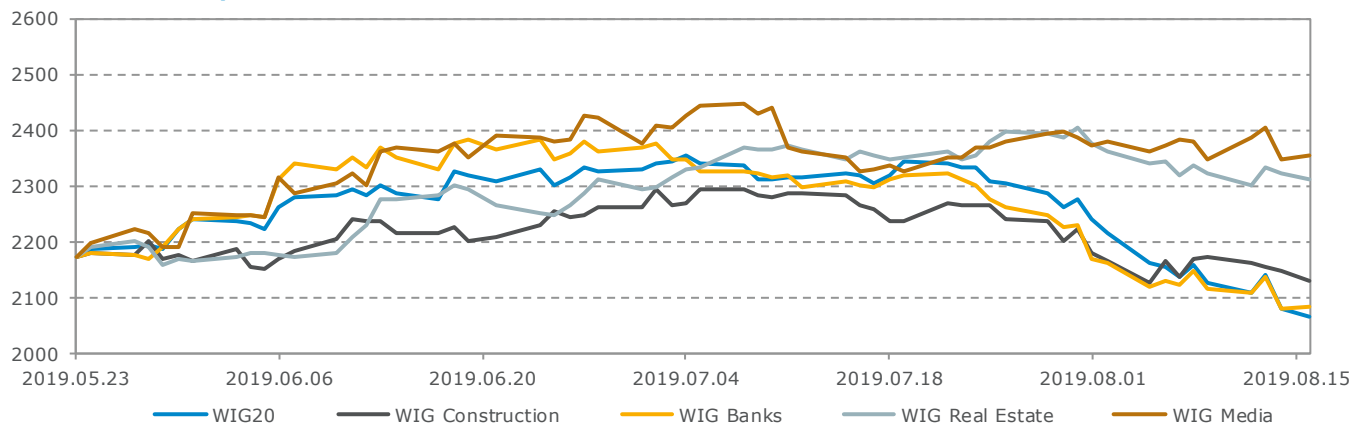
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Polish companies																
CCC	124.60	6.5	5.1	5.0	1.1	0.9	0.8	46.5	19.2	17.0	16%	18%	16%	0.4%	1.6%	1.6%
LPP	6945.00	9.6	8.6	7.4	1.3	1.2	1.0	19.0	17.2	15.7	14%	14%	14%	0.9%	1.1%	0.9%
Monnari	4.53	4.1	3.3	2.1	0.3	0.2	0.2	9.0	8.9	7.6	7%	7%	7%	0.0%	0.0%	0.0%
VRG	4.28	8.5	7.2	6.4	1.0	0.9	0.8	13.6	11.8	10.7	12%	12%	12%	0.0%	0.0%	0.0%
Median		7.5	6.2	5.7	1.0	0.9	0.8	16.3	14.5	13.2	13%	13%	13%	0.2%	0.6%	0.4%
Foreign companies																
ABC Mart	6450.00	8.4	8.1	7.8	1.5	1.5	1.4	17.5	16.9	16.3	18%	18%	18%	2.5%	2.6%	2.6%
Adidas	257.70	15.0	13.7	12.5	2.2	2.0	1.9	26.4	23.5	20.7	14%	15%	15%	1.5%	1.7%	2.0%
Assoc Brit Foods	2303.00	8.7	8.0	7.5	1.1	1.0	1.0	16.9	15.1	14.1	13%	13%	13%	0.0%	0.0%	0.0%
Caleries	15.36	3.6	3.3	3.2	0.3	0.2	0.2	6.7	6.2	5.7	7%	7%	7%	1.8%	1.8%	1.8%
Crocs	24.27	12.3	10.3	8.5	1.5	1.4	1.4	22.2	17.8	-	12%	14%	16%	-	-	-
Foot Locker	38.80	4.1	3.8	3.7	0.5	0.4	0.4	8.5	7.5	6.8	11%	11%	12%	3.5%	4.0%	4.4%
Geox	1.19	5.7	4.6	3.7	0.4	0.4	0.3	29.8	16.1	10.4	6%	8%	9%	2.5%	3.4%	5.0%
H&M	168.42	9.5	9.0	8.6	1.1	1.1	1.1	22.0	20.6	19.5	12%	12%	12%	5.5%	5.3%	5.3%
Hugo Boss	49.29	6.2	5.8	5.3	1.2	1.1	1.1	13.1	11.7	10.6	19%	19%	20%	5.9%	6.5%	7.1%
Inditex	25.99	13.3	12.4	11.6	2.8	2.6	2.5	23.2	21.4	20.0	21%	21%	21%	3.1%	3.9%	4.3%
KappAhl	19.54	5.0	4.6	4.8	0.4	0.4	0.4	8.4	7.9	8.2	8%	8%	8%	7.3%	8.0%	6.9%
Lululemon	177.83	25.3	21.5	18.6	6.4	5.5	4.8	47.5	38.6	32.5	25%	26%	26%	0.0%	0.0%	0.0%
Nike	80.28	17.3	15.1	13.4	2.5	2.3	2.2	31.2	26.6	22.6	15%	15%	16%	1.1%	1.2%	1.3%
Under Armour	18.65	8.8	7.2	5.9	0.7	0.7	0.6	53.7	38.3	26.2	8%	9%	10%	0.0%	0.0%	0.0%
Median		8.8	8.1	7.6	1.2	1.1	1.1	22.1	17.3	16.3	12%	13%	14%	2.5%	2.6%	2.6%

Luxury, e-commerce, and food retail company valuations

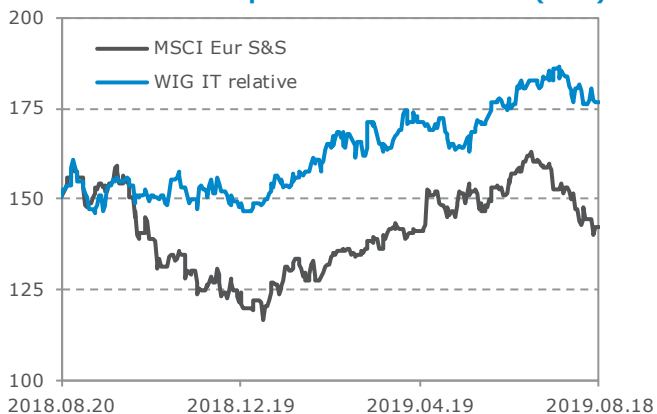
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Luxury goods																
Estee Lauder	179.22	13.0	11.8	10.9	2.7	2.5	2.4	34.5	31.1	28.4	21%	21%	22%	0.9%	1.0%	1.2%
Hermes International	605.80	23.8	21.9	20.0	9.0	8.3	7.7	42.0	38.3	34.9	38%	38%	38%	0.9%	1.1%	1.1%
Kering	432.30	10.5	9.6	8.8	3.5	3.2	3.0	16.4	14.4	13.3	33%	34%	34%	2.7%	3.1%	3.4%
LVMH	348.45	13.5	12.5	11.6	3.5	3.3	3.1	24.0	22.0	20.2	26%	26%	27%	1.9%	2.2%	2.4%
Moncler	33.86	14.3	12.6	11.3	5.0	4.4	4.0	23.2	21.5	19.4	35%	35%	35%	1.3%	1.5%	1.8%
Median		13.5	12.5	11.3	3.5	3.3	3.1	24.0	22.0	20.2	33%	34%	34%	1.3%	1.5%	1.8%
E-commerce																
Asos	2250.00	14.3	10.4	8.0	0.7	0.6	0.5	44.5	28.6	19.9	5%	6%	6%	0.0%	0.0%	0.0%
boohoo.com	230.60	31.2	23.3	18.6	3.0	2.3	1.8	57.7	46.1	36.6	10%	10%	10%	0.0%	0.0%	0.0%
Zalando	39.96	31.1	24.3	18.0	1.4	1.2	1.0	-	-	63.4	5%	5%	6%	0.0%	0.0%	0.0%
Median		31.1	23.3	18.0	1.4	1.2	1.0	51.1	37.3	36.6	5%	6%	6%	0.0%	0.0%	0.0%
Retail																
Dino	132.00	19.4	15.2	12.0	1.8	1.4	1.1	33.9	25.9	20.6	9%	9%	9%	0.0%	0.0%	0.0%
Eurocash	18.04	7.6	6.7	5.6	0.1	0.1	0.1	34.9	24.7	17.4	2%	2%	2%	5.5%	1.4%	2.0%
Jeronimo Martins	14.47	9.0	8.2	7.7	0.5	0.5	0.4	20.5	18.4	17.6	6%	6%	6%	1.9%	2.0%	2.1%
Carrefour	15.44	4.9	4.5	4.3	0.2	0.2	0.2	13.4	11.6	10.7	5%	5%	5%	3.3%	3.6%	3.9%
AXFood	207.70	12.2	11.9	11.7	1.0	0.9	0.9	26.9	26.6	26.7	8%	8%	8%	3.4%	3.4%	3.2%
Tesco	216.10	7.0	5.8	5.5	0.4	0.4	0.4	15.2	12.6	11.4	5%	6%	6%	0.0%	0.0%	0.0%
Ahold	20.99	6.1	6.0	6.0	0.5	0.4	0.4	12.8	12.1	11.7	8%	7%	7%	3.6%	3.8%	4.0%
X 5 Retail	2118.50	6.3	5.7	5.3	0.4	0.4	0.4	15.6	13.7	12.9	7%	7%	7%	5.0%	5.8%	6.5%
Magnit	3601.00	5.2	4.5	4.1	0.4	0.3	0.3	10.4	9.7	8.7	7%	7%	7%	6.5%	6.1%	6.4%
Sonae	0.81	9.5	9.0	8.1	0.6	0.6	0.6	7.8	8.1	9.0	7%	7%	7%	5.6%	6.1%	6.2%
Median		7.3	6.3	5.8	0.5	0.4	0.4	15.4	13.2	12.3	7%	7%	7%	3.5%	3.5%	3.6%

Source: Dom Maklerski mBanku (stocks marked with bold), Bloomberg

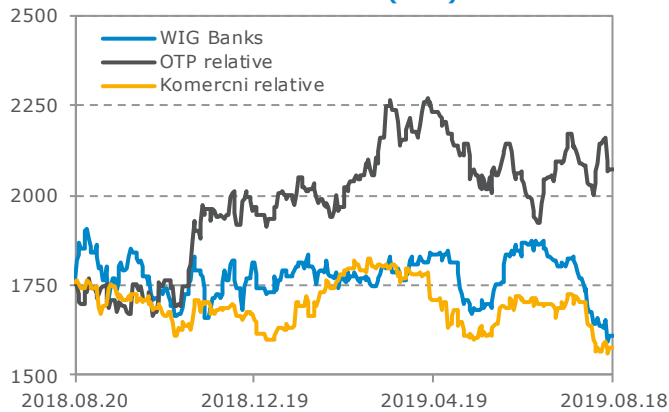
WIG sector index performance



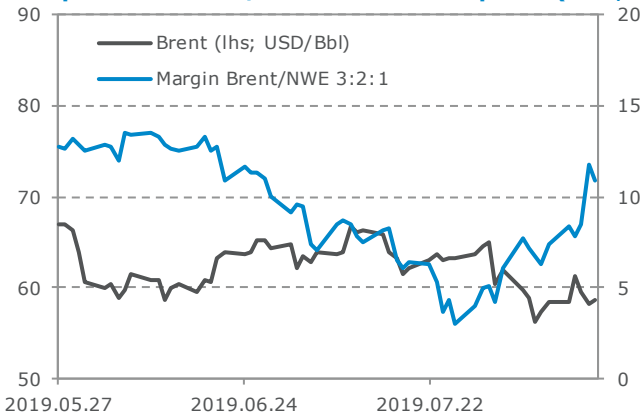
WIG IT vs. MSCI Europe Software & Services (USD)



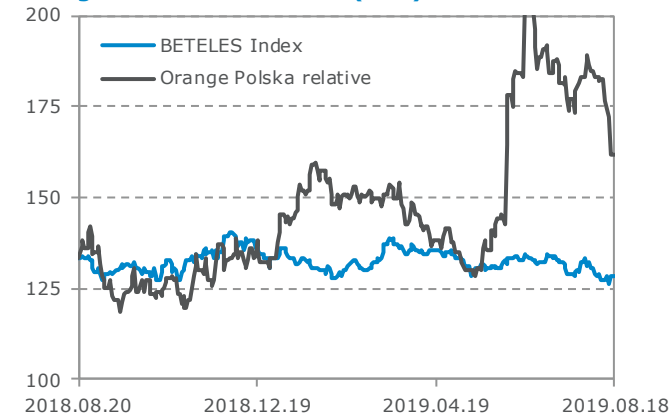
OTP and KOMB vs. WIG Banks (EUR)



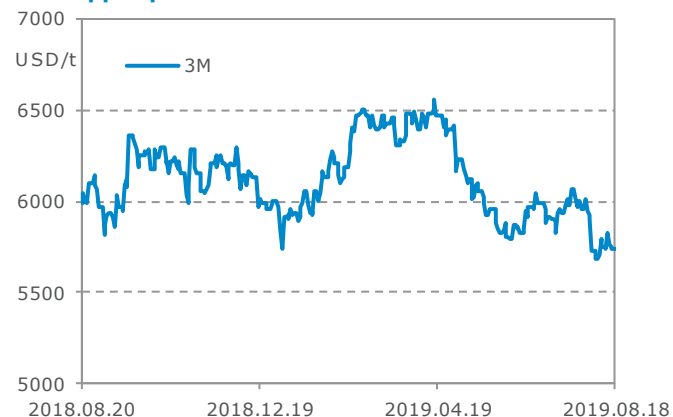
Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



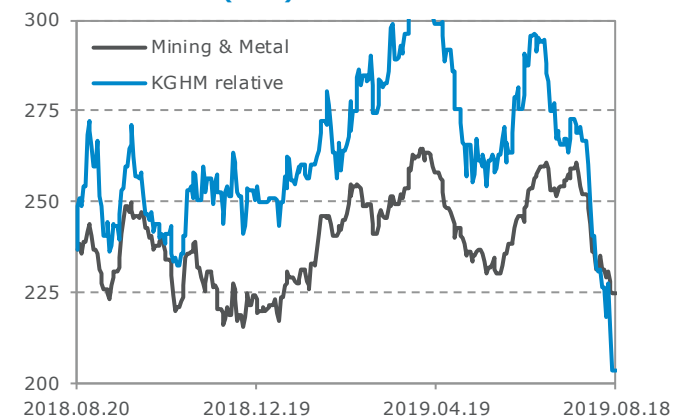
Orange Polska vs. BETELES (EUR)



LME copper prices



KGHM vs. sector (USD)



Source: Bloomberg

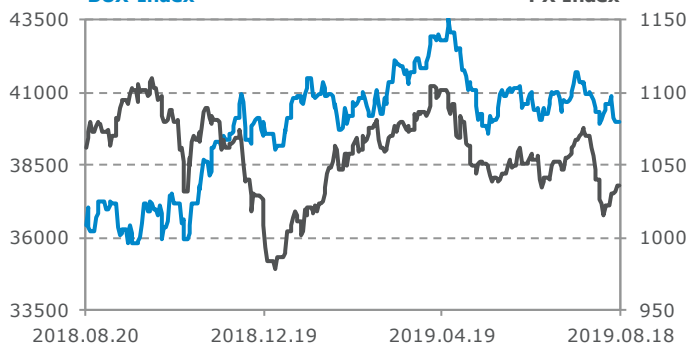
Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	16.08.2019	25,678.17	25,929.65	25,678.17	25,886.01	+1.20%
S&P 500	16.08.2019	2,864.74	2,893.63	2,864.74	2,888.68	+1.44%
NASDAQ	16.08.2019	7,828.35	7,907.52	7,828.35	7,895.99	+1.67%
DAX	16.08.2019	11,460.65	11,578.84	11,447.34	11,562.74	+1.31%
CAC 40	16.08.2019	5,254.62	5,306.07	5,249.33	5,300.79	+1.22%
FTSE 100	16.08.2019	7,067.01	7,125.90	7,067.01	7,117.15	+0.71%
WIG20	16.08.2019	2,085.34	2,096.94	2,055.70	2,064.12	-0.69%
BUX	16.08.2019	40,015.51	40,275.47	39,984.10	40,005.90	-0.03%
PX	16.08.2019	1,031.95	1,036.97	1,020.49	1,035.46	+0.43%
RTS	16.08.2019	1,839.15	1,854.45	1,820.47	1,821.45	-0.61%
SOFIX	16.08.2019	578.64	579.02	572.95	575.10	-0.61%
BET	16.08.2019	9,044.01	9,044.29	8,957.01	9,035.27	-0.19%
XU100	16.08.2019	97,199.04	97,571.73	95,730.86	95,734.17	-0.87%
BETELES	16.08.2019	126.16	128.22	126.16	128.22	+1.67%
NIKKEI	16.08.2019	20,323.97	20,465.71	20,300.35	20,418.81	+0.06%
SHCOMP	16.08.2019	2,817.57	2,840.32	2,811.80	2,823.82	+0.29%
Copper (LME)	16.08.2019	5,753.00	5,773.50	5,733.50	5,744.00	-0.12%
Crude Oil (Brent)	16.08.2019	58.26	59.29	58.19	58.70	+0.93%
USD/PLN	16.08.2019	3.9354	3.9405	3.9005	3.9152	-0.51%
EUR/PLN	16.08.2019	4.3707	4.3755	4.3237	4.3411	-0.68%
EUR/USD	16.08.2019	1.1107	1.1113	1.1066	1.1090	-0.15%
USBonds10	16.08.2019	1.5219	1.5927	1.5067	1.5538	+0.0269
GRBonds10	16.08.2019	-0.7030	-0.6470	-0.7270	-0.6850	+0.0280
PLBonds10	16.08.2019	1.7550	1.7590	1.6930	1.7330	-0.0280

WIG20 Index



BUX Index



PX Index

S&P 500 (SPX Index)



NASDAQ (CCMP Index)

DOW JONES (INDU Index)



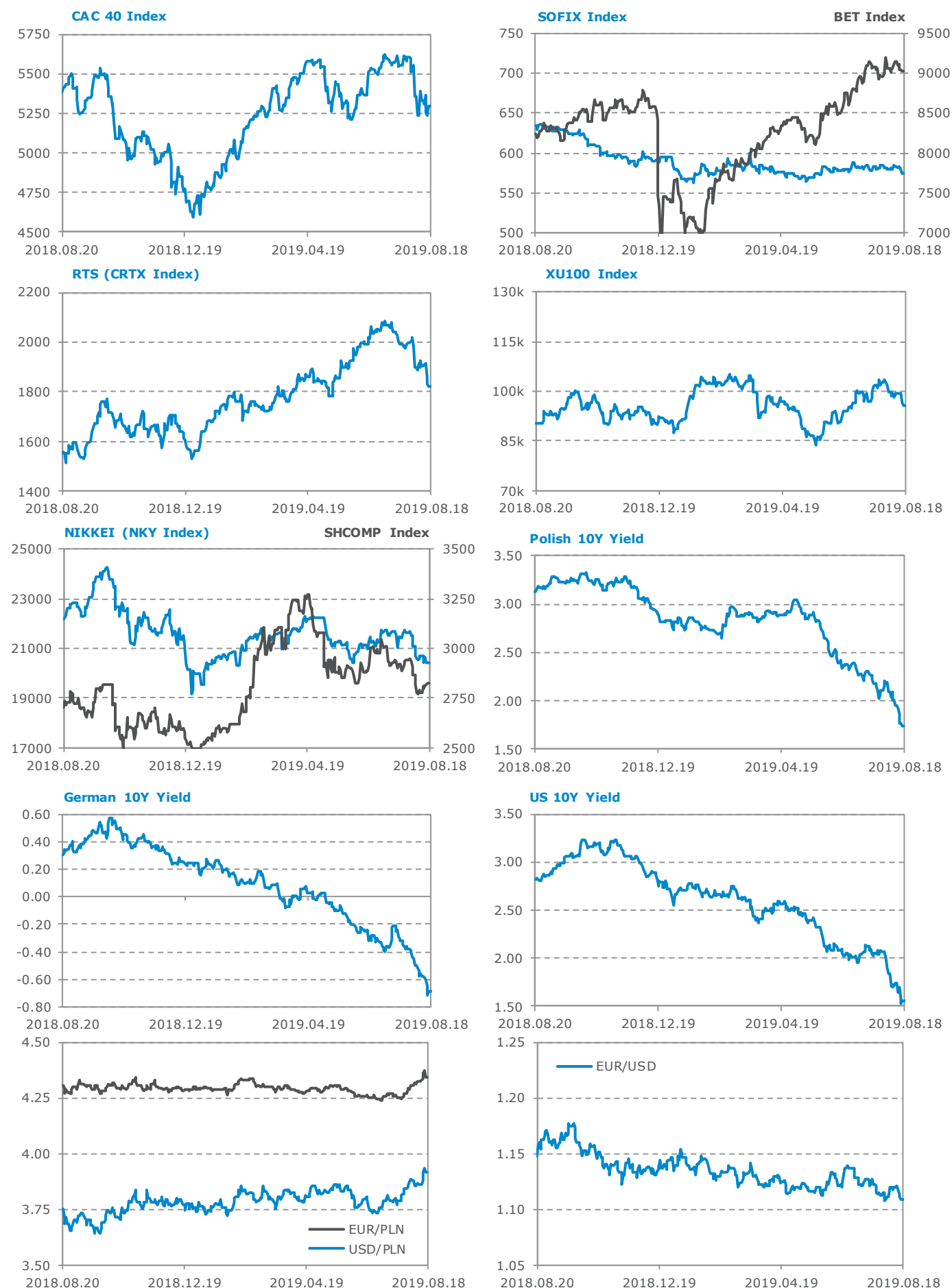
DAX Index



FTSE 100 (UKX Index)



Source: Bloomberg



Source: Bloomberg

List of abbreviations and ratios contained in the report.

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

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

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A recommendation is valid for a period of 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%
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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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