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## Morning Comments

### Equity Market, Poland

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DJIA	26,135.8	+0.96%	FTSE 100	7,189.7	+1.02%	Copper (LME)	5,774.0	+0.52%
S&P 500	2,923.7	+1.21%	WIG20	2,102.2	+1.85%	Crude Oil (Brent)	59.49	+1.35%
NASDAQ	8,002.8	+1.35%	BUX	40,005.9	-0.03%	USD/PLN	3.9405	+0.65%
DAX	11,715.4	+1.32%	PX	1,035.3	-0.01%	EUR/PLN	4.3671	+0.60%
CAC 40	5,371.6	+1.34%	PLBonds10	1.878	+0.145	EUR/USD	1.1078	-0.11%

### Company & Sector News

#### Debt collection companies

##### Merian Global Investors reduced its short position in Arrow Global

Merian Global Investors decreased its non net short position in Arrow Global by 27.84% to 1.24m shares (0.70% of total shares). According to regulator, seven short positions in Arrow are disclosed. Disclosed short position cover 7.78% of company's stocks. Largest short position is disclosed by Bybrook Capital (2.09%) . **(M. Konarski, M. Lemańczyk)**

##### Lansdowne Partners shows short position in Hoist Finance

Lansdowne Partners reported a net position in Hoist Finance of 463k shares (0.52% of total shares). According to regulator, it's the only disclosed short position in Hoist Finance. **(M. Konarski, M. Lemańczyk)**

#### Tauron

Buy - 2019-06-26

Target price: PLN 2.52

##### Impairments at mining segment and Węglókoks interest

Power group Tauron will take a PLN 218m hit to its H1 consolidated net result due to the need to book PLN 269m impairments in mining segment following recent tests (mainly due to assumptions' revision on fields development plan and resources availability). Impairments will not affect EBITDA level. Tauron is still at the process of restructuring its mining segment and looks for potential external investors in Janina mine. State owned Węglókoks is one of the potential buyer and yesterday company admitted that would conduct due diligence soon and decide on potential acquisition in September. **Impairments do not change anything as we are rather conservative in our estimates for future profitability on Tauron's mining segment. Any divestment in this area would be a positive news. (K. Kliszcz)**

#### JSW

Accumulate - 2019-07-03

Target price: PLN 50.02

##### JSW Could Buy Prairie Mining's Permits - on Govt Terms

Deputy Energy Minister Adam Gaweda believes that a possible acquisition by mining JSW of Prairie Mining's permits and assets requires development of a road map ensuring protection of JSW and State Treasury's interests. **The previous JSW President Daniel Ozon was lobbying for the acquisition of Prairie Mining assets. According to information published by the Bloomberg agency, after the change of power in JSW, the work of the working teams on the merger ceased. According to us, the risk of involvement in the Jan Karski and Dembieńsko projects has decreased. Neutral information. (J. Szkopek)**

#### JSW

Accumulate - 2019-07-03

Target price: PLN 50.02

#### Polska Grupa Górnicza

##### Minister Expects Mining Firms to Make Good Results

Yesterday, Deputy Energy Minister Adam Gaweda said he expected Poland's two largest mining companies, i.e. PGG and JSW, to post good results this year. He admitted that the ministry was not fully satisfied with the performance of the mining sector in H1, but it hopes the firms to make up in H2 for what they failed to attain. JSW has had some achievements in this respect, as it launched the mining of four new faces, which is the basis for optimistic financial projections for the firm. As far as PGG is concerned, it does not seem as if the group would fail to complete any of its plans. Therefore, the group should perform well, too. At present, all mines of PGG and of other mining firms where the Treasury has a stake in are being reviewed, in terms of condition of resources and investment. Asked about the pressure to raise pays in PGG, the Minister said that all rises scheduled for this year have already been paid, and stressed that pay rise must be tightly related with efficiency and results of particular firms. **Neutral information. (J. Szkopek)**

#### Metals, BHP results

##### Mining giant BHP pays record dividend, but flags global growth headwinds

BHP Group posted its largest annual profit in five years and record full-year dividends, but its share price eased as the world's biggest miner flagged global economic headwinds that could hit demand for its key commodities, iron ore and copper. **For more information please visit: <https://tinyurl.com/yv885zls> (J. Szkopek)**

#### Archicom

##### Archicom buys residential land in Wrocław

Archicom purchased a 2.4-hectare residential land plot in Wrocław for a net price of PLN 13m. The plan for the land is to develop a multi-family residential complex with ca. 240 flats. **(A. Szklarczyk)**

## CCC

Hold – 2019-06-06

Target price: PLN 161.00

## CCC posts 2019 Q2 EBITDA strong beat

- CCC expects to post **2019 Q2 adjusted EBITDA (under IFRS 16) of PLN 342m** according to the preliminary release, vs. our forecast of PLN 288m and market expectations of PLN 272m. In our opinion, beat vs. our expectations stemming from lower-than-expected SG&A costs both in acquired and underlying businesses. Reported EBIT is 24%/49.5% (!) above our expectations/market expectations, respectively. In our opinion, consensus highly overestimated SG&A costs.
- Revenue in Q2 grows at a slightly faster rate than implied by monthly sales reports, rising 29.2% y/y. The store area including Karl Voegelé expanded by 16% y/y to 701,800sqm in Q2 2019 (including 80,100sqm of KVAG, and 6,900sqm of Gino Rossi stores and excluding CCC Germany sales area). **LFL in retail business was at -3% in Q2 2019 (vs. 0% in Q2 2018).**
- The gross margin** decreased by 2.1pp Y/Y to 51.2% (in line with our expectations) in Q2 2019, with the margin on brick-and-mortar sales down by 2.7pp at 52.7% and the margin on online sales edging 1.6pp higher at 45.6%. The higher margin in e-commerce business was owed to lower promotional activity in the quarter. The gross margin in brick-and-mortar segment was affected by higher sell-offs y/y in June 2019.
- SG&A costs increased by 38% Y/Y to PLN 690.3m in Q2 2019**, including roughly PLN 60m additional costs Y/Y from organic business and roughly PLN 117m Y/Y costs added by acquired businesses. SG&A costs were under control in brick-and-mortar business where costs-per-square-meter decreased by 8% Y/Y.
- One off costs amounted to PLN 23m on financial activities in Q2 2019 (revaluation of call option for HRG shares) and was at PLN 104m in Q2 2018 (extraordinary gain on KVAG acquisition).
- Adjusted EBIT decreased by 5% Y/Y to PLN 159m in Q2 2019. **Divided by segments, brick and mortar increased adjusted EBIT by 14% Y/Y to PLN 152m and e-commerce decreased EBIT from PLN 34m in Q2 2018 to PLN 7m in Q2 2019 (seasonally higher marketing costs in April 2019).**
- Financial activities amounted to PLN -46m in Q2 2019 vs. PLN -23m in Q2 2018 (increase stem from revaluation of call option for HRG shares). The company recognized PLN -34m from discontinued operations in Q2 2019 (out of which PLN 31.6m comes from CCC Germany), which should be clarified during results conference (the disposal of assets took place at the end of January 2019).
- Cash conversion cycle was improved by 57 (!) days Y/Y to 121 days in Q2 2019.** The improvement was mainly driven by inventories (-41 days Y/Y; sell-offs during June 2019) and payables (+20 days Y/Y; further implementation of suppliers financing scheme). OCF was at PLN 680m in Q2 2019 vs. PLN 587m in Q2 2018. **Net debt to EBITDA ratio increased by 1.6x Y/Y to 2/6x as of the end of Q2 2019.**
- CCC informed that the publication date of H1 2019 is to be postponed from August 23 to September 3, 2019.

**Summing up, CCC delivered Q2 2019 EBITDA strong beat generated mainly on the brick-and-mortar business mainly thanks to strict costs control. E-commerce segment showed temporary slowdown in results stemming from investment in marketing during the quarter, which should have a positive impact on the platform sales in the following quarters. We underline strong cash conversion cycle improvement Y/Y in Q2 2019 as well as rather safe level of ND/EBITDA ratio. Taking into account good costs control as well as low base effect on the top line in H2 2019, we expect the company to increase results Y/Y in this period. Strong beat on EBIT/EBITDA line in Q2 2019 should support CCC's shares performance. (P. Boguszy)**

## Q2 2019 preliminary results vs. expectations

(PLN m)	Q2'19	Q2'18	change	Q2'19E	differ.	consensus	differ.	2019E*	2018	change
Revenue	1,641.5	1,270.7	29.2%	1,621.0	1.3%	1,621.1	1.3%	5,969.2	4,725.8	26.3%
Gross Profit	840.3	677.8	24.0%	834.0	0.8%			3,076.5	2,099.4	46.5%
margin	51.2%	53.3%		51.4%				51.5%	44.4%	
SG&A	690.3	501.0	37.8%	-705.5	-197.8%			2,798		
SG&A/sales	42.1%	39.4%		-43.5%				2,527.8	2,115.7	19.5%
Other operating activities	9.0	95.0						-19.0	118.3	
EBIT	159.5	271.7		128.5	24.1%	106.70	49.5%	259.24	372.35	-30.4%
EBIT adj	159.5	167.7	-4.9%			106.70	49.5%			
EBITDA	341.9	402.1	-15.0%	287.8	18.8%	271.7	25.8%	420.8	372.5	13.0%
EBITDA adj	341.9	298.1	14.7%			271.7	25.8%			
margin adj	20.8%	23.5%		0.0%						
Net income adj	88.1	136.6		80.7	9.2%	66.8	31.9%	110.2	14.8	6.4x
OCF	680.1	587.0								
CFI	-204.6	-171.7								
CFF	-164.0	-148.6								
ND/EBITDA	2.6	1.0								
Cash conv. cycle (days)	121	178	-57							
<b>E-commerce</b>										
Sales	349	232	50.4%							
Gross Profit	159	102	55.9%							
margin	45.6%	44.0%								
EBIT	7	34	-79.4%							
EBITDA	10	35	-71.4%							

Source: CCC, E - estimates by Dom Maklerski mBanku, Consensus estimates provided by PAP; \*adjusted for IFRS16

**CD Projekt**

Accumulate – 2019-05-20  
Target price: PLN 518.00

**The Witcher 3: Wild Hunt Nintendo Switch version to be released in October**

The company announced that the Nintendo Switch version of The Witcher 3: Wild Hunt is to be released on October 15, 2019. **The company had previously announced the release of The Witcher 3: Wild Hunt Nintendo Switch version. CD Projekt also announced that the company is to release Cyberpunk 2077 on Google Stadia platform. (P. Bogusz)**

**Quarterly Earnings Results****Netia**

Hold – 2018-11-26  
Target price: PLN 4.70

**Results for 2Q'19 slightly better than expected**

- Revenues in 2Q'19 amounted to PLN 325.6m and were slightly lower than expected (lower revenues from Interconnect and broadband services).
- The Group recorded only a slight increase in net subscribers of broadband on its own infrastructure (+0.6k to 413.2k subscribers), much smaller than in previous quarters. The decrease in the number of customers on regulated lines more than offset this increase. The average ARPU remains stable Q / Q and Y / Y (= PLN 56), the RGUs / client ratio is 1.69x as in Q1'19. In the area of voice services, no breakthrough can be seen, with the loss of 18.8k in customers net, similarly to Q1'19.
- Gross profit from sales was higher than expected, thanks to lower network costs and slightly lower salary costs. The company kept SG&A costs fairly low (PLN 99.8m in the quarter), and also recognized PLN 4.5m as other operating profit.
- EBIT in the quarter was PLN 20.7m, and the net profit PLN 15.5m.
- The company generated a high CFO (PLN 104.8m), which gives a total of PLN 204.5m after six months (vs. PLN 183.4m a year earlier).

**To sum up, Netia's results for 2Q'19 are slightly above expectations due to restrictive cost policy. Less optimistic look the effects of the network modernization (however, that should not be assessed by just one quarter in the opinion). The CFO generated since the beginning of the year looks good! (P. Szpigel)**

**2019 Q2 actuals vs. expectations**

(PLN m)	Q2'19	Q2'18	change	Q2'19E	differ.	consensus	differ.
Revenue	325.6	342.9	-5.0%	329.9	-1.3%	325.9	-0.1%
EBITDA	112.6	92.1	22.2%	107.8	4.4%	107.9	4.3%
EBITDA margin	34.6%	26.9%	-	32.7%	-	33.1%	-
EBIT	20.7	20.3	2.0%	15.6	32.8%	19.3	7.5%
Pre-tax profit	17.9	22.0	-18.7%	12.8	40.2%	-	-
Net profit	15.5	11.7	32.6%	10.4	50.1%	16.4	-5.3%

Source: Netia, E - estimates by Dom Maklerski mBanku, Consensus estimates provided by PAP

**Alumetal**

Underweight – 2019-05-28

**Results close to consensus, good OCF**

- The **revenues** in 2Q'19 were mostly in line with our estimates and market consensus. The Company sold **49,8 ths tones of products in 2Q'19, which was 5% y/y lower and 4% lower we estimated.** Worth to mention 2Q'19 was first for several quarters when Company lowered its output. We believe the conditions in 3Q'19 worsen which will lead to another quarter of volume decrease in y/y basis.
- The **EBITDA** in 2Q'19 was in line with consensus and 6% lower we estimated. The **EBITDA per ton** decreased by 33% in y/y basis and was 2% lower we estimated. The positive surprise was on **lower SG&A costs**, which partly compensated the decrease in market margins.
- The **net profit** in 2Q'19 was 21% lower we estimated and 10% lower than market consensus. This was mainly due to higher CIT rate in the quarter.
- The **OCF surprised very positively** in 2Q'19 (+65 m PLN vs +51 m PLN in 2Q'18). This was mainly due to lower inventories which decreased the working capital level. The **net debt** increased by 10 m PLN in the quarter to 98 m PLN (1,0xEBITDA'12m). The increase was due to dividend payout (63 m PLN).
- The results are close to consensus and lower we estimated. The dynamic of decrease of results speeded up in 2Q'19. We believe the company will post another (3Q'19) quarter of very poor results. Alumetal remains one of our top sells. (J. Szkopek)**

**2019 Q2 actuals vs. expectations**

(m PLN)	2Q'19	2Q'18	Change	2Q'19E	Diff.	Consensus (median)	Diff.	2019E	2018	Change	YTD
Revenues	367.8	450.4	-18.3%	376.9	-2.4%	375.1	-1.9%	1 586.8	1 655.3	-4.1%	48.8%
EBITDA	25.2	39.8	-36.7%	26.9	-6.3%	25.2	0.0%	103.1	121.3	-15.0%	48.5%
EBITDA margin	6.9%	8.8%	-	7.1%	-	6.7%	-	6.5%	7.3%	-	-
EBIT	17.7	32.2	-45.1%	18.8	-5.9%	17.0	4.1%	70.3	90.8	-22.6%	48.4%
Net income	13.2	25.0	-47.2%	16.6	-20.7%	14.6	-9.6%	62.3	74.3	-16.2%	45.3%

Source: Alumetal, E - estimates by Dom Maklerski mBanku, Consensus estimates provided by PAP

## Lotos

Sell- 2019-08-02

Target price: PLN 72.31

## Q2 results in line with preliminary statement

- **adj EBITDA LIFO:** Lotos adj EBITDA LIFO was broadly in line with preliminary announcement (PLN 0.78bn) which came in line with our initial expectations at PLN 750m and market consensus at PLN 806m. Reported EBITDA was boosted by LIFO effect however to the lower extent than we anticipated (PLN 44m vs expected PLN 177m). It is worth mentioning that these figures were also boosted by MSSF 16 standard which can be estimated at PLN ~50-60m.
- **Downstream:** adj EBITDA LIFO in refining segment was PLN 0.52bn and was 8% higher than our expectations at 0.48bn. Throughput numbers were 4% above our estimates and it seems that model refining margin capture rate was somewhat higher (positive effect of higher land premiums). Company admits in the report that cheaper feedstock from mandatory reserves (due to Druzhba pipeline closure) also boosted profitability but does not disclose any details. Reported figures were boosted by mentioned LIFO effect and operating fx gains (PLN 34m) and NRV adjustments (PLN 11m).
- **Retail:** adj EBITDA was PLN 78m vs PLN 71m expected, as company took advantage of still very strong fuel margins in June. It is worth mentioning that MSSF 16 standard increased retail EBITDA by PLN ~20m, so reported impressive improvement yoy may be misleading.
- **Upstream:** adj EBITDA was PLN 178m which is 9% below our expectations at PLN 197 due to 2% lower sales volume. Moreover company mentioned in the report B8 field shutdown in July that may affect Q3 EBITDA at PLN -28m.
- **Net financials:** Net financials were broadly in line with our expectations as positive fx gains and hedges neutralized interests payments.
- **CFO and net debt:** CF from operations amounted to PLN 0.24bn (negative impact from WC changes at PLN -0.28bn), capex stayed at PLN 0.27bn but net debt position decreased qoq by PLN 1.02bn to PLN 2.5bn as company released PLN 0.4bn decommissioning commitments related to Heimdal and Sleipner fields thanks to obtained RBL (reserves based lending) financing including ban guarantees.
- **Summary: Results are in line with preliminary statement but we expect slightly positive market reaction on CF changes. (K. Kliszcz)**

## 2019 Q2 actuals vs. expectations

PLN m	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	yoy	Q2 19E	diff.	2019E	YTD
Revenues	6,324.7	7,531.0	8,344.0	7,922.0	6,741.0	7,662.0	2%	7,795.5	-2%	27,324.5	53%
EBITDA	630.9	1,082.0	1,041.5	949.6	575.4	871.4	-19%	931.6	-6%	2,803.7	52%
upstream	204.7	236.7	196.6	633.3	205.6	178.3	-25%	196.9	-9%	651.4	59%
upstream adj.	204.7	236.7	214.6	260.5	205.6	178.3	-25%	196.9	-9%	651.4	59%
refining	388.5	792.0	807.5	290.5	313.2	609.8	-23%	663.6	-8%	1,987.7	46%
refining adj EBITDA	297.3	532.0	636.0	556.8	369.7	521.7	-2%	484.3	8%	1,738.6	51%
o/w LIFO effect	175.0	317.8	173.9	-166.8	-41.4	43.7	-	177.1	-	-40.0	-
retail	26.2	51.0	51.7	18.9	63.5	78.5	54%	71.1	10%	204.5	69%
retail adj.	26.2	51.0	51.7	52.2	63.5	78.5	54%	71.1	10%	204.5	69%
pozostałe	11.5	2.3	-14.3	6.9	-6.9	4.8	-	0.0	-	0.0	-
adj EBITDA LIFO	539.7	822.0	888.0	876.3	631.9	783.3	-5%	752.3	4%	2,843.7	50%
Depreciation	183.1	184.1	174.7	180.8	213.1	212.7	16%	216.1	-2%	882.3	48%
EBIT	447.8	897.9	866.8	768.8	362.3	658.7	-27%	715.6	-8%	1,921.4	53%
Net financials	51.3	-143.9	-14.8	-151.3	-70.1	7.4	-	15.0	-51%	-138.8	-
Gross profit	499.1	754.0	852.0	617.5	292.2	666.1	-12%	730.6	-9%	1,782.6	54%
Net profit	320.8	534.9	631.6	100.1	172.5	500.5	-6%	533.3	-6%	1,215.4	55%

Source: Lotos, E - estimates by Dom Maklerski mBanku, Consensus estimates provided by PAP

**Dino**

Sell – 2019-08-13

Target price: PLN 111.20

**Strong Q2 2019 results above market expectations**

- **Dino's Q2 2019 results come in above both market expectations and our assumptions.** EBITDA was +8,9%/4,8% vs. market expectations/our assumptions, respectively. The departure from our expectations on EBITDA line stems from higher-than-expected gross margin as well as lower costs pressure (positive effect of economies of scale).
- **Strong sales efficiency supported by calendar and base effect.** The company reported a 37.6% increase in Q2 2019 sales coupled with a 25.5% YoY growth in sales area, which implies that **in Q2 2019 the sales per square meter ratio increased by 8.8% YoY to the level of PLN 1,623 (vs 0.9%/-3.6% Y/Y change in Q4 2018/Q1 2019, respectively).** Strong improvement was fueled by calendar and base effect. Strong momentum in lfl should be maintained until Q1 2020. The LFL sales in Dino's shops went up by 16.6% in Q2 2019 against 10% in Q2 2019.
- **Gross margin improvement Y/Y despite higher material costs and high base effect.** Gross sales margin increased by 0.46pp Y/Y to 24.1% in Q2 2019, despite high base effect. Economies of scale enabled the company to further improve purchase conditions, which fully offset the pressure from pork prices inflation. The SG&A costs markup rose only by 0.3pp YoY to 17.1% in Q2 2019. **The increase in SG&A costs was mainly stimulated by the pressure on materials and energy (markup on sales +1pp YoY to 9.4% in Q2 2019), which was partly offset by decrease in salaries markup (-0.2pp Y/Y to 11% in Q2 2019; the first decrease since Q1 2018).** Summing up, the EBITDA margin increased substantially by 0.5pp Y/Y to 9,3% in Q2 2019 and EBITDA.
- **Cash flows from operating activities amounted to PLN 241.2 million in Q2 2019 vs PLN 162.6 million in Q2 2018.** (an increase was supported by higher level of payables). The company's CAPEX accounted for 125% of OCF in Q2 2019 (vs 101% in Q2 2018). **The cash conversion cycle improved by 6.5 days (!) YoY to -51 days (better on payables turnover).** Net debt to EBITDA ratio increased by 0.1 Y/Y to 1.37x.
- **The company reported strong Q2 2019 results, where pressure on materials and energy costs was more than offset by gross margin improvement (better purchase conditions) and dilution of other costs categories. After H1 2019 Dino delivered 44.5% of our EBITDA forecast which is above average for this period (41.5% average in 2016-18). We expect the company to maintain high lfl momentum in the following quarters. Taking into consideration strong EBITDA margin delivery after H1 2019, we see a room to increase our forecasts. (P. Bogusz)**

**Q2 2019 actuals vs. expectations**

(mIn PLN)	Q2'19	Q2'18	change	Q2'19E	differ.	consensus (median)	differ.	2019E	2018	change
Revenue	1,939.7	1,409.8	37.6%	1,915.1	1.3%	1,898.0	2.2%	7,673.7	5,838.5	31.4%
EBITDA	181.2	124.6	45.4%	166.5	8.9%	172.9	4.8%	703.9	541.1	30.1%
EBITDA margin	9.3%	8.8%	0.5p.p.	8.7%	-0.65p.p.	9.1%	0.23p.p.	9.2%	9.3%	-0.09p.p.
EBIT	142.2	97.7	45.6%	129.2	10.1%	136.0	4.6%	549.0	429.0	28.0%
Pre-tax profit	127.1	87.2	45.8%	114.3	11.2%	-	-	484.2	384.0	26.1%
Net profit	105.5	70.5	49.6%	91.4	15.4%	98.3	7.3%	381.7	307.6	24.1%

Source: Dino, E - estimates by Dom Maklerski mBanku, Consensus estimates provided by PAP

**More News****11 bit studios**

Games developer 11 bit studios saw investment fund Aviva Investors FIO, controlled by asset manager Aviva Investors Poland TFI, reduce its stake in the company to 4.42% of the charter capital from 5.28% held before, 11 bit studios said in a market filing.

**Bioton**

Pharmaceutical firm Bioton will no longer distribute insulin in China under a contract with Harbin Gloria Pharmaceuticals due to termination of that contract by the Chinese company, Bioton said in a filing.

**Idea Bank**

Troubled lender Idea Bank became the target of an inquiry by market regulator KNF following capital shortfall and may face curbs on operating activities, Idea Bank said in a marketfiling.

**PKO BP**

Listed lender PKO BP's shareholders will vote to change management board and supervisory board remuneration policies, according to draft resolutions for the September 17 EGM, submitted by the State Treasury and reported in a market filing. PKO BP's shareholders will also vote to change the current line-up of the bank's supervisory board, the draft resolutions show.

**Telecom**

Polish telecoms will hardly enjoy easier 5G investments following adoption of the amended telecom law package, telecom market regulator UKE rep Iwona Rozyk-Rozbicka predicts in a comment for PAP.



## Corporate Action Calendar

Date	Time	Company	Event
20-Aug	09:30	<b>Lotos</b>	Q2'19 earnings announcement and confcall (+48 22 583 90 21 ; PIN: 66048650#)
20-Aug	11:30	<b>Cognor</b>	Q2'19 earnings conference (Westin Hotel, Warsaw)
20-Aug	09:30	<b>Alumetal</b>	Q2'19 earnings conference (Westin Hotel, Warsaw)
20-Aug		<b>KGHM</b>	Q2'19 earnings announcement
20-Aug		<b>ZUE</b>	Q2'19 earnings announcement
21-Aug	11:00	<b>KGHM</b>	Q2'19 earnings conference (GPW, ul. Książęca 4, Warsaw; <a href="http://infostrefa.tv/kg hm/">http://infostrefa.tv/kg hm/</a> )
21-Aug	11:30	<b>ZUE</b>	Q2'19 earnings conference (Westin Hotel, Warsaw)
22-Aug	10:30	<b>GTC</b>	Q2'19 earnings announcement and conference (Hotel Intercontinental, Warsaw)
22-Aug	11:30	<b>PKP Cargo</b>	Q2'19 earnings announcement and conference (Warsaw HQ, ul. Grójecka 17)
22-Aug	16:00	<b>GTC</b>	Q2'19 conference call (+222 120 152; ID: 7998787)
22-Aug		<b>Benefit Systems</b>	Q2'19 earnings announcement
22-Aug		<b>Citi Handlowy</b>	Q2'19 earnings announcement
22-Aug		<b>Grupa Kęty</b>	Dividend record date: 22.50 PLN per share
22-Aug		<b>JSW</b>	Q2'19 earnings announcement
22-Aug		<b>PGNiG</b>	Q2'19 earnings announcement
22-Aug		<b>Ten Square Games</b>	Q2'19 earnings announcement
23-Aug	10:00	<b>Radpol</b>	Q2'19 earnings conference (ADN, Jana Pawła II 25, Room E, Warsaw)
23-Aug	12:00	<b>Dom Development</b>	Q2'19 earnings announcement and conference (Westin Radisson, Warsaw)
23-Aug	12:00	<b>JSW</b>	Q2'19 earnings conference (GPW, ul. Książęca 4, Warsaw)
23-Aug		<b>CCC</b>	Q2'19 earnings announcement
26-Aug		<b>Asseco Poland</b>	Q2'19 earnings announcement
26-Aug		<b>Play</b>	Q2'19 earnings announcement
27-Aug		<b>11 bit studios</b>	Q2'19 earnings announcement
27-Aug		<b>Wirtualna Polska</b>	Q2'19 earnings announcement
28-Aug		<b>AmRest</b>	Q2'19 earnings announcement
28-Aug		<b>Eurocash</b>	Q2'19 earnings announcement
28-Aug		<b>Lokum</b>	Q2'19 earnings announcement
28-Aug		<b>Neuca</b>	Q2'19 earnings announcement
28-Aug		<b>VRG</b>	Q2'19 earnings announcement
29-Aug		<b>BNP Paribas</b>	Q2'19 earnings announcement
29-Aug		<b>CD Projekt</b>	Q2'19 earnings announcement
29-Aug		<b>Cyfrowy Polsat</b>	Q2'19 earnings announcement
29-Aug		<b>JWC</b>	Q2'19 earnings announcement
29-Aug		<b>PZU</b>	Q2'19 earnings announcement
29-Aug		<b>Stelmet</b>	Q3'19 earnings announcement
29-Aug		<b>Trakcja</b>	Q2'19 earnings announcement
29-Aug		<b>Unibep</b>	Q2'19 earnings announcement
30-Aug		<b>Budimex</b>	Q2'19 earnings announcement
30-Aug		<b>Capital Park</b>	Q2'19 earnings announcement
30-Aug		<b>Comarch</b>	Q2'19 earnings announcement
30-Aug		<b>Pozbud</b>	Q2'19 earnings announcement

## Economic Calendar

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
Monday, 26 August 2019					
Time	Region	Data	Period	Forecast	Previous
07:00	Japan	Leading Indicators Index (F)	June		94.90
10:00	Germany	IFO Business Climate	August		95.70
	Poland	Unemployment Rate	July		5.30%

## 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
<b>Financial Sector</b>						<b>+23.2%</b>	<b>10.4</b>	<b>9.6</b>		
Alior Bank	buy	2019-07-03	51.10	72.30	42.34	+70.8%	7.6	5.9		
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	191.80	+0.0%	15.0	13.4		
Millennium	buy	2019-08-02	7.51	10.00	6.92	+44.5%	11.4	8.2		
Pekao	buy	2019-08-02	99.88	119.75	98.30	+21.8%	11.3	9.9		
PKO BP	buy	2019-08-02	39.34	47.17	39.44	+19.6%	11.2	10.8		
Santander Bank Polska	hold	2019-08-02	319.60	337.00	296.80	+13.5%	12.9	10.6		
Komerční Banka	accumulate	2019-08-02	872.00	1,000 CZK	829.00	+20.6%	10.4	10.0		
Erste Bank	buy	2019-02-04	31.00	43.72 EUR	30.50	+43.3%	8.7	8.2		
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	37.64	+15.2%	10.0	9.5		
Kruk	buy	2019-04-02	152.30	213.65	167.50	+27.6%	9.4	9.3		
Skarbiec Holding	buy	2019-06-03	16.50	28.17	16.95	+66.2%	5.8	5.0		
<b>Chemicals</b>						<b>+22.0%</b>	<b>6.8</b>	<b>12.1</b>	<b>4.6</b>	<b>6.0</b>
Ciech	hold	2019-07-03	41.60	41.72	34.80	+19.9%	6.9	7.2	4.8	4.8
Grupa Azoty	hold	2019-08-02	42.30	45.93	37.34	+23.0%	6.7	17.0	4.4	7.1
<b>Oil &amp; Gas</b>						<b>+12.0%</b>	<b>11.2</b>	<b>9.8</b>	<b>4.8</b>	<b>4.7</b>
Lotos	sell	2019-08-02	88.66	72.31	79.18	-8.7%	12.0	11.1	6.3	5.3
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	4.83	+31.1%	11.6	8.0	4.5	3.5
PKN Orlen	hold	2019-08-01	97.36	92.82	90.12	+3.0%	8.6	10.1	5.1	5.4
<b>Power Utilities</b>						<b>+38.8%</b>	<b>3.8</b>	<b>4.2</b>	<b>3.7</b>	<b>3.6</b>
CEZ	accumulate	2019-06-25	544.00	597.80 CZK	520.50	+14.9%	15.5	13.5	7.4	6.9
Enea	buy	2019-06-25	8.53	12.41	8.18	+51.8%	3.0	2.8	3.2	3.0
Energa	buy	2019-06-25	7.33	12.67	6.71	+88.8%	3.8	4.2	3.7	4.1
PGE	buy	2019-06-25	9.00	13.26	7.67	+72.9%	4.7	5.3	3.1	3.2
Tauron	buy	2019-06-25	1.57	2.52	1.51	+67.3%	2.4	2.2	4.0	3.6
<b>Telecoms, Media, IT</b>						<b>+3.0%</b>	<b>19.4</b>	<b>15.6</b>	<b>6.2</b>	<b>5.9</b>
Netia	hold	2018-11-26	4.66	4.70	4.60	+2.2%	30.9	25.6	5.3	5.3
Orange Polska	accumulate	2019-08-02	6.70	7.50	6.02	+24.6%	38.9	24.4	4.8	4.6
Play	accumulate	2019-08-02	31.22	34.20	32.00	+6.9%	9.3	8.4	6.2	6.1
Agora	buy	2018-11-27	9.50	16.00	11.25	+42.2%	37.4	19.9	5.1	4.7
Cyfrowy Polsat	reduce	2019-05-31	26.00	24.15	28.00	-13.8%	14.6	12.5	7.1	6.8
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	56.20	-9.6%	15.0	14.7	4.8	4.5
Comarch	buy	2019-07-25	178.50	231.00	172.00	+34.3%	14.9	13.5	6.3	5.6
11 bit studios	buy	2019-05-20	398.00	518.00	385.00	+34.5%	25.8	36.8	18.0	22.3
CD Projekt	accumulate	2019-05-09	215.00	237.50	236.00	+0.6%	-	11.6	-	8.6
<b>Industrials, Mining</b>						<b>+12.0%</b>	<b>6.8</b>	<b>9.8</b>	<b>4.9</b>	<b>5.1</b>
Cognor	hold	2019-07-25	1.75	1.84	1.67	-4.6%	7.9	10.8	4.9	5.1
Famur	buy	2019-08-07	4.42	5.33	4.23	+26.0%	5.4	9.8	4.4	5.1
Grupa Kęty	hold	2019-07-03	337.00	345.32	326.50	+5.8%	12.6	12.0	8.8	8.4
JSW	accumulate	2019-07-03	47.00	50.02	34.96	+43.1%	3.9	10.3	0.7	1.3
Kemel	reduce	2019-08-19	48.60	42.70	46.00	-7.2%	4.8	8.7	5.2	5.9
KGHM	reduce	2019-08-05	87.78	80.38	77.88	+3.2%	6.8	9.6	3.9	4.5
Stelmet	hold	2019-07-03	7.00	7.95	6.25	+27.2%	9.3	9.7	4.9	4.6
<b>Property Developers</b>						<b>+10.1%</b>	<b>8.1</b>	<b>7.9</b>	<b>7.5</b>	<b>7.4</b>
Atal	accumulate	2019-07-03	36.60	41.89	35.00	+19.7%	7.5	7.9	7.1	7.4
Dom Development	hold	2019-07-03	77.40	79.80	78.00	+2.3%	8.8	7.9	7.9	7.3
<b>Retail</b>						<b>+5.2%</b>	<b>34.6</b>	<b>19.7</b>	<b>9.1</b>	<b>8.3</b>
AmRest	buy	2019-04-02	41.20	48.00	38.70	+24.0%	36.4	26.6	12.5	10.0
CCC	hold	2019-06-06	153.80	161.00	127.90	+25.9%	47.7	19.7	6.7	5.2
Dino	sell	2019-08-13	135.90	111.20	134.60	-17.4%	34.6	26.4	19.7	15.4
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	14.71	-2.8%	20.9	18.7	9.1	8.3
LPP	accumulate	2019-07-03	7,745.00	8,500.00	7,145.00	+19.0%	19.5	17.6	9.9	8.8
VRG	buy	2019-07-26	4.20	5.20	4.30	+21.1%	13.6	11.9	8.6	7.3



## 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						11.3	10.6	4.8	4.6
Ailleron	neutral	2019-06-28	8.40	7.42	-11.7%	9.6	8.7	3.3	2.4
Asseco BS	neutral	2019-03-29	29.50	27.40	-7.1%	13.9	12.9	9.3	8.7
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	46.40	-4.3%	10.3	9.3	7.0	6.4
Alumetal	underweight	2019-05-29	51.00	35.50	-30.4%	8.7	9.5	6.6	7.0
Amica	neutral	2019-04-29	130.00	109.60	-15.7%	7.2	6.9	4.7	4.4
Apator	neutral	2019-04-29	25.80	22.80	-11.6%	10.8	10.6	7.0	6.8
Boryszew	underweight	2019-07-26	4.49	4.46	-0.8%	9.9	9.2	7.6	7.4
Ergis	neutral	2019-05-29	3.00	2.50	-16.7%	6.7	7.5	4.8	4.8
Forte	neutral	2019-04-29	40.60	25.20	-37.9%	12.6	11.0	8.6	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	42.50	-3.2%	10.2	9.3	5.4	4.9
Mangata	neutral	2019-05-29	69.50	68.50	-1.4%	9.2	10.4	6.2	6.7
Pfleiderer Group	underweight	2019-07-29	28.00	25.20	-10.0%	51.4	24.3	6.9	6.4
Pozbud	overweight	2019-04-29	2.37	2.25	-5.1%	2.7	2.9	2.5	2.0
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	7.80	-1.3%	8.9	7.8	5.4	4.8
Retail						9.5	9.4	4.6	3.8
Monnari	neutral	2019-07-17	4.66	4.80	+3.0%	9.5	9.4	4.6	3.8

## CEE bank valuations

	Price	2019	P/E 2020	2021	2019	ROE 2020	2021	2019	P/BV 2020	2021	2019	DY 2020	2021
<b>Polish banks</b>													
Alior Bank	42.34	7.6	5.9	5.1	10%	12%	12%	0.8	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	191.80	15.0	13.4	12.1	12%	13%	13%	1.8	1.7	1.5	1.8%	2.0%	2.2%
Millennium	6.92	11.4	8.2	7.3	8%	11%	11%	0.9	0.8	0.7	0.0%	0.0%	0.0%
Pekao	98.30	11.3	9.9	9.3	10%	11%	11%	1.1	1.1	1.0	6.7%	6.6%	7.6%
PKO BP	39.44	11.2	10.8	10.2	11%	11%	11%	1.2	1.1	1.1	3.4%	7.9%	9.5%
Santander BP	296.80	12.9	10.6	9.8	9%	11%	11%	1.2	1.1	1.0	6.6%	3.9%	4.7%
<b>Median</b>		<b>11.4</b>	<b>10.5</b>	<b>9.8</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>3.4%</b>	<b>3.9%</b>	<b>4.7%</b>
<b>Investors in Polish banks</b>													
BCP	0.204	7.0	6.0	4.9	8%	9%	10%	0.5	0.5	0.4	2.5%	5.4%	6.4%
Citigroup	64.310	8.5	7.5	6.8	10%	10%	10%	0.8	0.7	0.7	3.0%	3.5%	4.0%
Commerzbank	5.080	6.7	5.3	4.8	3%	4%	4%	0.2	0.2	0.2	4.5%	5.9%	6.9%
ING	8.492	6.4	6.3	5.9	10%	10%	10%	0.6	0.6	0.6	8.2%	8.4%	8.8%
UCI	9.763	5.2	5.0	4.7	8%	8%	7%	0.4	0.4	0.3	5.9%	7.7%	9.1%
<b>Median</b>		<b>6.7</b>	<b>6.0</b>	<b>4.9</b>	<b>8%</b>	<b>9%</b>	<b>10%</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>4.5%</b>	<b>5.9%</b>	<b>6.9%</b>
<b>Foreign banks</b>													
Erste Bank	30.50	8.7	8.2	-	10%	10%	-	0.8	0.8	-	4.6%	4.8%	-
Komercni Banka	829.00	10.4	10.0	-	14%	14%	-	1.4	1.3	-	6.3%	6.3%	-
OTP	12,250	10.1	9.6	-	16%	14%	-	1.5	1.3	-	1.9%	2.4%	-
Akbank	6.80	6.9	4.6	3.7	11%	14%	15%	0.7	0.6	0.5	2.7%	4.4%	6.1%
Alpha Bank	1.45	16.3	9.1	6.6	1%	3%	4%	0.3	0.3	0.3	0.0%	0.6%	0.0%
Banco Santander	3.55	7.0	6.6	6.3	8%	8%	9%	0.6	0.6	0.5	6.5%	6.8%	7.1%
Deutsche Bank	6.34	12.8	8.9	6.6	2%	2%	3%	0.2	0.2	0.2	2.9%	4.0%	5.0%
Eurobank Ergasias	0.69	9.1	6.5	5.3	4%	7%	8%	0.5	0.4	0.4	0.0%	0.0%	0.0%
National Bank of Greece	2.16	15.4	9.8	7.9	2%	4%	5%	0.4	0.4	0.4	0.0%	0.4%	0.0%
Piraeus Bank	2.52	15.8	9.5	7.0	2%	3%	4%	0.2	0.2	0.2	0.0%	1.2%	0.0%
Sberbank	217.40	5.2	4.6	4.2	22%	22%	21%	1.1	1.0	0.9	9.2%	10.7%	12.4%
Türkiye Garanti Bank	8.76	5.4	4.0	3.3	12%	16%	18%	0.7	0.6	0.5	3.9%	5.1%	5.5%
Türkiye Halk Bank	5.30	2.4	2.0	1.6	9%	9%	9%	0.2	0.2	0.2	3.0%	2.2%	2.3%
Türkiye Vakıflar Bankası	4.34	3.2	2.5	1.8	13%	12%	15%	0.3	0.3	0.3	0.9%	1.0%	1.2%
VTB Bank	0.04	3.8	3.8	3.0	12%	12%	13%	0.4	0.4	0.3	7.8%	7.8%	10.4%
Yapi ve Kredi Bankası	2.45	5.3	3.8	3.5	10%	13%	12%	0.5	0.4	0.4	0.0%	1.2%	-
<b>Median</b>		<b>7.9</b>	<b>6.5</b>	<b>4.2</b>	<b>10%</b>	<b>11%</b>	<b>9%</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>2.8%</b>	<b>3.2%</b>	<b>3.7%</b>

## Insurance company valuations

	Price	2019	P/E 2020	2021	2019	ROE 2020	2021	2019	P/BV 2020	2021	2019	DY 2020	2021
<b>Insurers</b>													
PZU	37.64	10.0	9.5	9.3	22%	23%	23%	2.2	2.1	2.1	7.9%	8.0%	8.4%
Aegon	3.63	5.2	5.1	4.9	8%	7%	8%	0.4	0.4	0.3	8.4%	8.8%	9.3%
Allianz	201.30	10.6	10.0	9.3	13%	12%	13%	1.3	1.2	1.1	4.7%	5.1%	5.4%
Assicurazioni Generali	16.18	9.9	9.7	9.1	11%	11%	11%	1.0	1.0	0.9	5.9%	6.3%	6.7%
Aviva	3.63	5.8	5.7	5.6	13%	13%	14%	0.8	0.8	0.8	8.9%	9.2%	9.4%
AXA	21.72	7.9	7.5	7.3	11%	11%	11%	0.9	0.8	0.8	6.8%	7.1%	7.4%
Baloise	181.10	13.9	12.7	11.8	9%	10%	10%	1.3	1.3	1.2	3.5%	3.8%	4.1%
Helvetia	126.20	12.4	11.9	11.4	11%	10%	12%	1.2	1.1	1.1	4.0%	4.2%	7.2%
Mapfre	2.38	9.0	8.3	8.1	10%	10%	10%	0.9	0.8	0.8	6.5%	6.9%	7.3%
RSA Insurance	5.28	11.6	10.6	10.2	12%	13%	12%	1.4	1.3	1.3	5.2%	6.0%	6.6%
Uniqia	8.21	11.4	10.8	10.0	7%	7%	8%	0.9	0.9	0.8	6.8%	7.0%	7.2%
Vienna Insurance G.	23.15	9.5	8.8	8.2	7%	7%	7%	0.6	0.6	0.6	4.5%	4.9%	5.2%
Zurich Financial	351.20	12.8	11.9	11.2	13%	14%	14%	1.7	1.6	1.5	5.7%	6.0%	6.4%
<b>Median</b>		<b>10.0</b>	<b>9.7</b>	<b>9.3</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>5.9%</b>	<b>6.3%</b>	<b>7.2%</b>

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

## Gas &amp; 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	79.18	6.3	5.3	4.5	0.6	0.6	0.5	12.0	11.1	10.1	10%	11%	12%	3.8%	2.5%	2.7%
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	90.12	5.1	5.4	5.2	0.4	0.4	0.4	8.6	10.1	10.3	9%	8%	7%	3.9%	3.3%	3.3%
Hellenic Petroleum	9.34	6.2	5.4	5.5	0.5	0.5	0.5	10.9	8.4	8.1	8%	9%	8%	5.3%	5.5%	6.7%
HollyFrontier	45.88	6.0	5.3	5.7	0.6	0.6	0.6	10.1	8.0	9.0	11%	12%	11%	2.9%	3.0%	3.1%
Marathon Petroleum	47.81	6.4	5.0	4.9	0.5	0.5	0.5	9.4	5.8	5.6	8%	10%	11%	4.5%	5.0%	5.6%
Motor Oil	21.20	4.5	4.1	4.3	0.3	0.3	0.3	7.6	6.9	6.8	6%	7%	7%	6.4%	6.8%	7.4%
Neste Oil	30.48	11.1	10.5	9.9	1.5	1.5	1.5	17.5	16.1	15.3	14%	15%	15%	2.9%	3.1%	3.3%
OMV	45.19	3.7	3.4	3.4	0.9	0.9	0.9	8.6	7.5	7.2	24%	26%	26%	4.2%	4.7%	5.0%
Phillips 66	98.76	8.1	6.6	7.0	0.5	0.5	0.6	13.3	9.3	10.0	7%	8%	8%	3.5%	3.7%	4.0%
Saras SpA	1.42	3.3	2.2	3.2	0.1	0.1	0.1	9.2	4.5	7.7	4%	6%	4%	6.1%	10.1%	7.0%
Tupras	126.80	6.2	4.6	4.5	0.4	0.4	0.4	8.8	5.4	5.0	7%	8%	8%	9.6%	16.0%	17.1%
Valero Energy	79.70	6.6	4.9	5.3	0.4	0.3	0.4	11.8	7.3	8.0	6%	7%	7%	4.5%	4.9%	5.2%
Median		6.2	5.0	4.9	0.5	0.5	0.5	10.1	8.0	8.1	8%	9%	8%	4.5%	4.9%	5.2%
Gas companies																
PGNiG	4.83	4.5	3.5	2.9	0.8	0.7	0.6	11.6	8.0	6.7	18%	22%	22%	2.3%	3.4%	5.0%
A2A SpA	1.59	7.3	6.7	6.5	1.4	1.3	1.3	15.6	13.5	13.3	19%	19%	19%	5.0%	5.0%	5.1%
BP	500.10	4.3	4.0	4.1	0.6	0.6	0.6	11.0	9.5	9.2	14%	15%	15%	0.0%	0.0%	0.0%
Centrica	66.30	3.5	3.3	3.3	0.3	0.3	0.3	7.3	6.0	5.7	8%	8%	8%	0.0%	0.0%	0.0%
Enagas	20.41	9.5	9.2	9.8	7.7	7.7	8.0	11.5	10.6	11.4	81%	84%	82%	7.8%	8.2%	8.3%
Endesa	23.53	8.7	8.5	8.4	1.5	1.5	1.4	16.4	16.1	15.8	18%	17%	17%	6.1%	6.2%	5.4%
Engie	13.63	6.2	6.0	5.6	0.9	0.9	0.9	13.0	11.5	10.5	15%	15%	16%	5.7%	6.1%	6.7%
Eni	13.27	3.3	3.1	3.0	0.8	0.8	0.9	10.4	9.2	8.8	24%	26%	28%	6.5%	6.6%	6.8%
Equinor	148.70	2.5	2.3	2.1	0.9	0.9	0.9	8.7	7.7	7.3	37%	38%	40%	0.1%	0.1%	0.1%
Gas Natural SDG	23.92	9.4	9.0	8.8	1.7	1.6	1.5	16.8	15.5	14.9	18%	18%	18%	5.7%	6.0%	6.3%
Gazprom	226.80	3.6	3.4	3.2	1.0	0.9	0.9	4.9	4.4	3.6	27%	28%	28%	5.4%	6.1%	7.6%
Hera SpA	3.50	7.5	7.3	7.3	1.3	1.2	1.2	17.9	17.6	16.8	17%	17%	17%	3.0%	3.1%	3.1%
NovaTek	1248.00	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	33.65	6.0	5.5	5.1	2.8	2.6	2.4	10.2	9.3	8.6	46%	48%	47%	9.3%	9.7%	9.5%
Shell	25.34	3.2	2.9	2.7	0.5	0.5	0.5	10.2	8.9	8.6	16%	17%	18%	8.2%	8.3%	8.4%
Snam SpA	4.54	12.6	12.4	12.0	10.2	10.0	9.7	14.5	14.2	13.5	81%	81%	81%	5.3%	5.5%	5.8%
Total	44.15	4.7	4.4	4.4	0.8	0.8	0.8	10.3	9.1	8.8	18%	19%	19%	6.6%	6.9%	7.0%
Median		6.0	5.5	5.1	1.0	0.9	0.9	11.5	9.5	9.2	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	520.50	7.4	6.9	6.8	2.1	1.9	1.8	15.5	13.5	13.6	29%	28%	27%	4.6%	5.8%	6.7%
Enea	8.18	3.2	3.0	2.7	0.6	0.6	0.6	3.0	2.8	2.3	20%	19%	22%	0.0%	0.0%	3.6%
Energa	6.71	3.7	4.1	4.3	0.7	0.7	0.8	3.8	4.2	4.2	18%	17%	18%	0.0%	0.0%	0.0%
PGE	7.67	3.1	3.2	2.4	0.6	0.6	0.5	4.7	5.3	3.7	21%	18%	22%	0.0%	5.3%	4.7%
Tauron	1.51	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	10.79	4.9	4.5	4.3	1.1	1.1	1.0	15.3	11.5	10.3	23%	24%	25%	3.3%	4.2%	4.6%
EDP	3.37	8.5	8.2	7.9	2.1	2.0	1.8	14.9	13.9	13.3	24%	25%	23%	5.7%	5.8%	6.0%
Endesa	23.53	8.7	8.5	8.4	1.5	1.5	1.4	16.4	16.1	15.8	18%	17%	17%	6.1%	6.2%	5.4%
Enel	6.36	7.2	6.8	6.5	1.6	1.6	1.5	13.7	12.5	11.9	22%	23%	23%	5.1%	5.6%	5.9%
EON	8.40	7.3	5.5	4.9	1.1	0.6	0.5	12.2	11.7	11.0	16%	11%	10%	5.5%	5.9%	6.4%
Fortum	20.69	14.4	13.3	12.8	4.4	4.2	4.1	16.4	14.2	12.9	30%	32%	32%	5.3%	5.4%	5.3%
Iberdola	9.30	10.4	9.7	9.1	2.8	2.6	2.5	18.1	16.8	15.8	27%	27%	28%	3.9%	4.2%	4.5%
National Grid	867.90	11.3	10.8	10.2	3.7	3.5	3.5	14.9	15.0	14.0	32%	33%	34%	0.0%	0.0%	0.0%
Red Electrica	17.83	9.2	9.3	9.4	7.2	7.2	7.2	13.2	13.8	14.1	78%	78%	77%	5.9%	6.0%	5.9%
RWE	25.51	15.5	8.0	6.8	1.9	1.6	1.5	24.4	14.5	10.9	12%	20%	22%	3.1%	3.7%	4.2%
SSE	1113.00	10.5	9.0	8.4	0.7	0.7	0.7	16.6	11.7	10.4	7%	8%	8%	0.0%	0.0%	0.0%
Verbund	54.10	10.2	8.3	7.8	3.6	3.3	3.2	35.0	26.4	24.7	36%	40%	41%	1.2%	1.7%	2.0%
Median		8.5	8.0	6.8	1.6	1.6	1.5	14.9	13.5	11.9	22%	23%	23%	3.3%	4.2%	4.6%

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
<b>Fertilizer producers</b>																
<b>Grupa Azoty</b>	<b>37.34</b>	<b>4.4</b>	<b>7.1</b>	<b>8.2</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>6.7</b>	<b>17.0</b>	<b>17.1</b>	<b>13%</b>	<b>9%</b>	<b>9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.8%</b>
Acron	4740.00	6.8	6.5	6.2	2.3	2.1	2.0	9.4	9.0	8.3	33%	32%	32%	6.9%	7.1%	8.4%
CF Industries	48.72	10.5	9.3	8.9	3.7	3.5	3.5	24.4	18.0	15.5	35%	38%	39%	2.5%	2.5%	2.5%
Israel Chemicals	1697.00	7.0	6.7	6.5	1.5	1.4	1.4	12.3	11.2	10.8	21%	21%	21%	0.0%	0.0%	0.0%
K+S	14.22	7.7	6.7	6.2	1.5	1.4	1.4	11.7	9.0	7.6	19%	21%	22%	3.1%	4.3%	4.9%
Phosagro	2515.00	6.0	5.6	5.5	1.9	1.8	1.7	9.4	9.7	5.8	31%	32%	30%	6.1%	5.8%	7.4%
The Mosaic Company	19.98	5.6	4.9	4.6	1.2	1.1	1.1	11.5	8.5	7.2	21%	23%	24%	0.9%	1.1%	1.4%
Yara International	374.00	53.4	46.0	41.8	8.2	7.7	7.1	-	-	-	15%	17%	17%	0.3%	0.4%	0.5%
ZA Police	13.70	5.1	4.6	4.6	1.2	1.1	1.1	1.2	1.1	1.1	23%	24%	24%	60.7%	65.7%	73.0%
ZCh Puławy	87.40	1.8	1.9	1.9	0.3	0.3	0.3	5.4	5.6	-	15%	14%	14%	5.7%	5.7%	-
<b>Median</b>		<b>6.4</b>	<b>6.6</b>	<b>6.2</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>9.4</b>	<b>9.0</b>	<b>8.0</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>	<b>2.8%</b>	<b>3.4%</b>	<b>2.5%</b>
<b>Chemical companies</b>																
<b>Ciech</b>	<b>34.80</b>	<b>4.8</b>	<b>4.8</b>	<b>4.7</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>6.9</b>	<b>7.2</b>	<b>7.5</b>	<b>18%</b>	<b>19%</b>	<b>17%</b>	<b>0.0%</b>	<b>2.9%</b>	<b>6.9%</b>
Akzo Nobel	81.22	15.0	13.1	12.0	2.0	1.9	1.9	26.9	19.8	17.5	13%	15%	16%	2.3%	2.5%	3.0%
BASF	57.97	7.5	6.8	6.5	1.1	1.1	1.1	10.7	9.8	9.1	15%	16%	16%	5.7%	5.8%	6.0%
Croda	4688.00	15.2	14.3	13.5	4.8	4.6	4.5	22.6	21.0	20.0	32%	32%	33%	0.0%	0.0%	0.0%
Sisecam	4.17	3.3	2.8	2.5	0.7	0.6	0.5	4.4	3.9	3.8	21%	22%	22%	5.5%	6.2%	7.3%
Soda Sanayii	5.44	2.8	2.3	1.9	0.8	0.7	0.7	3.9	3.4	3.2	27%	29%	34%	11.0%	13.8%	18.9%
Solvay	89.44	4.9	4.7	4.5	1.1	1.0	1.0	10.4	9.7	8.7	22%	22%	22%	4.3%	4.4%	4.6%
Tata Chemicals	560.00	7.9	7.1	6.5	1.5	1.4	1.3	13.6	11.7	10.7	18%	19%	19%	2.1%	2.4%	2.4%
Tessenderlo Chemie	26.10	5.3	4.9	4.4	0.7	0.7	0.6	11.1	9.9	9.0	13%	14%	14%	-	-	-
Wacker Chemie	66.66	5.4	5.2	4.7	0.9	0.9	0.8	16.7	13.6	10.9	17%	17%	18%	3.7%	4.0%	4.7%
<b>Median</b>		<b>5.3</b>	<b>5.1</b>	<b>4.7</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>10.9</b>	<b>9.8</b>	<b>9.0</b>	<b>18%</b>	<b>19%</b>	<b>19%</b>	<b>3.7%</b>	<b>4.0%</b>	<b>4.7%</b>

## 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
<b>Industrials</b>																
<b>Famur</b>	<b>4.23</b>	<b>4.4</b>	<b>5.1</b>	<b>5.9</b>	<b>1.1</b>	<b>1.4</b>	<b>1.4</b>	<b>5.4</b>	<b>9.8</b>	<b>12.4</b>	<b>26%</b>	<b>27%</b>	<b>24%</b>	<b>12.5%</b>	<b>9.3%</b>	<b>7.7%</b>
Caterpillar	117.36	7.4	7.3	7.4	1.6	1.6	1.5	9.5	9.0	8.5	21%	21%	21%	3.3%	3.5%	3.4%
Epiroc	99.74	8.1	7.0	6.6	2.0	1.9	1.8	18.9	17.6	16.7	24%	27%	27%	2.5%	2.7%	2.9%
Komatsu	2255.00	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	135.55	7.2	7.0	6.8	1.7	1.6	1.6	12.3	11.6	11.1	23%	23%	23%	3.4%	3.6%	3.9%
<b>Median</b>		<b>7.2</b>	<b>7.0</b>	<b>6.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>9.5</b>	<b>9.8</b>	<b>11.1</b>	<b>23%</b>	<b>22%</b>	<b>22%</b>	<b>3.4%</b>	<b>3.6%</b>	<b>3.9%</b>

## 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
<b>Metals</b>																
<b>KGHM</b>	<b>77.88</b>	<b>3.9</b>	<b>4.5</b>	<b>3.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>6.8</b>	<b>9.6</b>	<b>8.1</b>	<b>23%</b>	<b>20%</b>	<b>21%</b>	<b>0.0%</b>	<b>1.9%</b>	<b>3.1%</b>
Anglo American	1739.60	3.6	3.9	4.0	1.3	1.3	1.3	7.2	8.0	8.4	36%	33%	31%	0.0%	0.0%	0.0%
Antofagasta	815.40	4.8	4.7	4.3	2.4	2.3	2.2	14.1	13.9	11.7	50%	49%	52%	0.0%	0.0%	0.0%
BHP Group LTD	36.25	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	200.45	4.1	4.2	4.2	1.1	1.0	1.0	8.4	8.6	8.5	26%	25%	25%	6.1%	6.2%	6.6%
First Quantum	9.16	6.5	4.4	4.1	2.8	2.1	2.0	9.5	5.8	4.6	44%	48%	50%	0.1%	0.2%	0.6%
Freeport-McMoRan	9.25	7.9	6.2	4.0	1.9	1.8	1.5	19.7	10.8	5.6	24%	29%	38%	2.2%	4.0%	5.1%
Fresnillo	652.00	6.3	5.3	4.4	2.8	2.6	2.4	18.1	14.5	10.7	45%	49%	53%	0.0%	0.0%	0.0%
Gold Fields	8145.00	5.0	4.4	4.3	2.1	1.9	1.9	28.9	19.5	18.7	42%	44%	44%	0.0%	0.0%	0.0%
Hudbay Min	4.37	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	407.20	4.1	3.9	3.7	2.2	2.1	2.1	4.5	4.2	3.8	54%	54%	55%	0.0%	0.0%	0.0%
Lundin Min	6.05	4.9	3.3	3.0	1.9	1.5	1.4	12.4	7.3	6.5	39%	45%	48%	1.1%	1.2%	1.6%
MMC Norilsk Nickel	22.10	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	9.14	5.6	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	1079.50	8.0	7.6	7.4	3.7	3.6	3.5	11.5	10.7	10.3	46%	47%	47%	0.0%	0.0%	0.0%
Polyus	7200.00	7.8	7.6	7.6	5.0	4.8	4.7	12.1	11.3	10.6	64%	64%	63%	4.1%	4.5%	4.9%
Sandfire Resources	5.78	2.2	1.6	1.8	1.1	0.9	1.0	7.9	4.7	4.8	51%	58%	57%	4.7%	6.9%	6.5%
Southern CC	30.30	7.2	6.6	6.3	3.7	3.5	3.3	12.5	11.7	10.7	52%	53%	52%	3.7%	5.2%	6.4%
<b>Median</b>		<b>4.9</b>	<b>4.4</b>	<b>4.1</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>12.2</b>	<b>10.4</b>	<b>8.6</b>	<b>44%</b>	<b>47%</b>	<b>49%</b>	<b>0.7%</b>	<b>1.6%</b>	<b>2.0%</b>

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

## Mining company valuations

Coal	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
<b>JSW</b>	<b>34.96</b>	<b>0.7</b>	<b>1.3</b>	<b>1.8</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>3.9</b>	<b>10.3</b>	<b>24.1</b>	<b>23%</b>	<b>17%</b>	<b>15%</b>	<b>4.9%</b>	<b>5.1%</b>	<b>4.9%</b>
Alliance Res Partners	15.04	3.2	3.4	3.8	1.1	1.1	1.2	3.9	5.9	7.3	34%	33%	31%	14.3%	14.7%	14.5%
Arch Coal	77.95	2.5	3.1	3.2	0.5	0.5	0.5	4.5	6.0	6.6	20%	17%	16%	2.3%	2.3%	2.3%
Banpu	12.00	7.6	7.6	7.5	1.8	1.8	1.9	6.2	6.0	6.2	24%	23%	25%	6.2%	6.6%	5.6%
BHP Group	49.10	3.7	3.5	3.8	2.0	1.9	2.0	13.0	11.9	13.4	54%	54%	52%	9.4%	6.3%	5.0%
China Coal Energy	2.80	5.1	5.1	4.8	1.0	1.0	0.9	7.0	7.2	6.2	19%	19%	19%	3.0%	2.8%	3.0%
Cloud Peak Energy	0.05	8.8	9.6	11.6	0.5	0.4	0.4	-	-	-	6%	4%	3%	-	-	-
LW Bogdanka	36.30	1.4	1.4	1.4	0.5	0.5	0.4	5.9	5.8	6.1	33%	33%	31%	6.6%	8.4%	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	19.57	2.3	2.5	2.8	0.5	0.5	0.5	9.2	16.1	44.5	20%	19%	17%	11.6%	3.1%	2.7%
PT Bukit Asam Tbk	2450.00	3.6	3.4	3.2	1.1	1.0	1.0	5.2	5.5	5.0	30%	31%	30%	11.4%	12.4%	12.5%
Rio Tinto	4065.00	3.5	3.8	3.9	1.7	1.7	1.8	8.2	9.1	10.0	48%	46%	46%	0.0%	0.0%	0.0%
Semirara Mining&Power	23.00	5.1	4.5	4.3	2.4	2.2	2.1	7.9	7.0	7.2	48%	48%	49%	6.4%	6.7%	8.2%
Shaanxi Heima Coking	3.33	-	-	-	0.7	0.6	0.6	9.5	9.0	10.7	-	-	-	-	-	-
Shanxi Xishan Coal&Ele	5.97	5.5	5.5	5.3	1.0	1.0	1.0	10.3	10.7	-	19%	18%	19%	0.8%	0.7%	0.9%
Shougang Fushan Res	1.64	2.6	2.5	2.7	1.3	1.2	1.3	7.2	6.7	7.4	52%	49%	47%	8.4%	8.8%	7.0%
Stanmore Coal	1.43	2.1	2.6	3.9	0.8	0.9	0.9	4.3	5.7	9.5	37%	33%	23%	5.1%	4.1%	3.6%
Teck Resources	16.72	2.9	3.2	3.4	1.2	1.2	1.3	5.8	6.7	7.8	41%	39%	38%	1.8%	1.7%	2.2%
Terracom	0.43	1.5	1.3	1.4	0.5	0.4	0.4	3.9	2.2	2.7	30%	27%	26%	-	-	-
Warrior Met Coal	20.77	2.1	2.9	3.2	0.9	1.0	1.0	3.3	4.9	5.9	41%	33%	32%	12.3%	8.3%	8.2%
Yanzhou Coal Mining	6.35	4.0	4.0	3.8	1.1	1.1	1.1	3.9	4.0	3.8	28%	27%	29%	6.6%	6.3%	6.8%
<b>Median</b>		<b>3.1</b>	<b>3.3</b>	<b>3.6</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>6.3</b>	<b>7.2</b>	<b>31%</b>	<b>32%</b>	<b>29%</b>	<b>6.5%</b>	<b>6.3%</b>	<b>5.3%</b>

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
<b>Polish companies</b>																
Netia	4.60	5.3	5.3	5.2	1.4	1.4	1.4	30.9	25.6	21.8	26%	26%	27%	0.0%	0.0%	8.7%
Orange Polska	6.02	4.8	4.6	4.3	1.4	1.3	1.3	38.9	24.4	17.4	29%	29%	29%	0.0%	0.0%	4.2%
Play	32.00	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	5.2	1.4	1.4	1.4	30.9	24.4	17.4	29%	29%	29%	0%	0.0%	4.5%
<b>Mid Caps</b>																
Proximus	27.56	6.2	6.2	6.2	2.0	2.0	2.0	16.2	15.6	15.9	32%	33%	33%	5.4%	5.4%	5.5%
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	12.02	5.0	4.9	4.8	1.8	1.7	1.7	17.2	14.9	13.3	35%	36%	36%	4.6%	5.0%	5.4%
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	6.65	5.1	5.0	4.8	1.6	1.6	1.6	10.7	10.1	9.6	32%	32%	33%	3.2%	3.8%	4.1%
Median		5.1	5.0	4.8	1.8	1.7	1.7	13.0	13.2	13.3	32%	32%	33%	5.4%	5.4%	5.5%
<b>Big Caps</b>																
BT	167.38	3.7	3.8	3.7	1.2	1.2	1.2	6.4	6.6	6.3	32%	32%	32%	0.0%	0.0%	0.0%
DT	15.02	5.6	5.3	5.1	1.8	1.7	1.7	14.3	12.9	11.5	32%	32%	33%	5.0%	5.3%	5.7%
KPN	2.76	7.6	7.3	7.0	3.1	3.2	3.2	24.6	20.6	17.8	41%	43%	46%	4.8%	5.1%	5.5%
Orange France	13.60	5.0	4.9	4.8	1.6	1.5	1.5	13.0	11.9	11.2	31%	32%	32%	5.3%	5.6%	5.8%
Swisscom	488.20	7.7	7.7	7.7	2.9	2.9	2.9	16.8	17.0	16.9	37%	37%	38%	4.5%	4.5%	4.5%
Telefonica S.A.	6.11	5.3	5.1	5.1	1.7	1.7	1.7	8.5	7.5	7.3	32%	33%	33%	6.6%	6.6%	6.8%
Telia Company	41.52	8.7	8.6	8.4	2.9	2.9	2.9	16.3	15.2	14.2	34%	34%	34%	5.9%	6.1%	6.2%
TI	0.46	4.4	4.3	4.3	1.8	1.8	1.8	7.0	7.0	7.0	41%	41%	42%	0.0%	0.0%	0.2%
Median		5.4	5.2	5.1	1.8	1.7	1.7	13.7	12.4	11.3	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
<b>Polish companies</b>																
Agora	11.25	5.1	4.7	4.2	0.5	0.5	0.4	37.4	19.9	12.3	9%	10%	11%	4.4%	4.4%	4.4%
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		7.7	6.9	6.2	1.8	1.7	1.5	28.4	18.2	13.7	20%	21%	21%	3.0%	3.6%	3.8%
<b>Daily Mail</b>																
Amolgo Mondadori	1.44	5.5	5.4	5.6	0.6	0.6	0.6	10.1	9.3	9.4	10%	11%	10%	3.0%	3.7%	3.2%
Axel Springer	63.00	11.3	10.4	9.5	2.6	2.5	2.4	23.3	20.9	19.1	23%	24%	25%	3.4%	3.6%	3.8%
Daily Mail	790.00	8.5	8.4	7.9	1.2	1.2	1.1	21.4	19.6	18.0	14%	14%	14%	0.0%	0.0%	0.0%
Gruppo Editoriale	0.26	5.1	5.1	5.4	0.4	0.4	0.4	11.0	10.2	9.1	7%	8%	7%	2.6%	4.5%	2.6%
New York Times	28.47	17.7	16.5	13.3	2.4	2.3	2.2	33.6	30.4	23.8	14%	14%	16%	0.7%	0.7%	0.8%
Promotora de Inform	1.31	7.8	6.8	6.4	1.7	1.6	1.6	11.7	9.7	8.4	21%	24%	25%	0.0%	0.0%	-
Median		8.2	7.6	7.1	1.4	1.4	1.4	16.5	14.9	13.7	14%	14%	15%	1.7%	2.2%	2.6%
<b>TV</b>																
Atresmedia Corp	3.36	5.2	5.4	5.6	0.9	0.9	0.9	5.9	6.2	6.4	18%	17%	17%	13.7%	13.2%	12.3%
Gestevision Telecinco	5.65	6.9	7.1	7.2	1.8	1.8	1.8	9.3	9.4	9.3	26%	26%	25%	8.3%	8.5%	8.3%
ITV PLC	109.75	7.6	7.3	6.9	1.7	1.6	1.6	8.5	8.1	7.9	22%	22%	22%	0.0%	0.0%	0.0%
M6-Metropole Tel	16.08	5.2	5.1	4.9	1.3	1.3	1.3	11.6	11.2	12.2	26%	26%	27%	6.0%	6.2%	6.8%
Mediaset SPA	2.95	4.6	4.5	4.3	1.5	1.5	1.5	13.1	11.6	10.8	33%	34%	36%	5.8%	6.7%	6.8%
Prosieben	11.34	5.4	5.2	4.9	1.2	1.2	1.1	5.7	5.4	5.1	23%	23%	23%	9.3%	9.5%	9.7%
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	8.85	3.6	3.5	3.3	0.7	0.7	0.7	10.2	9.6	8.5	21%	21%	22%	5.0%	5.3%	6.9%
Median		5.4	5.2	4.9	1.3	1.3	1.3	10.2	9.6	9.3	23%	23%	23%	6.0%	6.7%	6.9%
<b>Pay TV</b>																
Cogeco	105.92	6.2	6.1	6.1	3.0	2.9	2.9	16.3	14.5	14.9	48%	48%	48%	2.0%	2.2%	2.3%
Comcast	44.00	8.6	8.1	7.8	2.7	2.5	2.5	14.7	13.2	12.1	31%	31%	32%	1.9%	2.1%	2.2%
Dish Network	32.59	8.8	10.3	11.9	1.7	1.8	2.0	13.3	18.2	22.6	19%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	26.34	4.9	4.8	5.2	2.1	2.1	2.1	-	-	32.2	43%	43%	41%	0.0%	0.0%	-
Shaw Communications	19.39	7.7	7.4	7.0	3.2	3.1	2.9	20.0	17.8	15.9	41%	42%	42%	8.2%	8.2%	8.4%
Median		7.7	7.4	7.0	2.7	2.5	2.5	15.5	16.2	15.9	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
<b>Polish companies</b>																
Asseco Poland	56.20	4.8	4.5	4.3	0.7	0.7	0.6	15.0	14.7	14.5	15%	15%	15%	5.5%	4.1%	4.0%
Comarch	172.00	6.3	5.6	5.3	0.9	0.8	0.8	14.9	13.5	12.7	15%	15%	15%	0.9%	0.9%	0.9%
Median		5.5	5.0	4.8	0.8	0.8	0.7	15.0	14.1	13.6	15%	15%	15%	3.2%	2.5%	2.5%
<b>Foreign companies</b>																
Atos Origin	67.34	6.7	6.3	6.1	0.9	0.9	0.9	7.7	7.1	6.8	13%	14%	14%	2.5%	2.8%	2.9%
CapGemini	106.45	9.0	8.4	8.0	1.3	1.2	1.2	16.3	14.9	13.7	14%	15%	15%	1.7%	1.9%	2.1%
IBM	135.04	8.0	7.9	8.1	1.9	1.9	1.9	9.7	9.5	9.3	24%	24%	24%	4.8%	5.0%	5.1%
Indra Sistemas	6.92	4.9	4.6	4.3	0.5	0.5	0.5	8.7	7.6	7.0	11%	11%	11%	1.8%	2.9%	3.8%
Microsoft	138.41	18.7	16.7	14.7	8.0	7.2	6.5	30.2	27.1	23.4	43%	43%	44%	1.3%	1.4%	1.6%
Oracle	53.87	10.8	10.3	10.0	5.0	4.9	4.8	15.7	14.3	13.4	47%	48%	48%	1.5%	1.7%	1.9%
SAP	107.96	16.4	14.2	12.8	5.1	4.8	4.4	22.4	20.0	17.9	31%	34%	35%	1.5%	1.6%	1.8%
TietoEnator	22.18	7.3	7.0	6.8	1.1	1.1	1.0	11.9	11.3	10.9	15%	15%	15%	6.7%	6.9%	7.1%
Median		8.5	8.2	8.0	1.6	1.6	1.6	13.8	12.8	12.1	20%	20%	20%	1.8%	2.3%	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
<b>Gaming</b>																
11 bit studios	385.00	18.0	22.3	5.7	10.4	9.3	3.7	25.8	36.8	9.1	58%	42%	66%	0.0%	0.0%	0.0%
CD Projekt	236.00	-	8.6	8.5	72.0	6.5	7.0	-	11.6	11.9	14%	76%	82%	0.0%	0.0%	0.0%
Activision Blizzards	47.92	14.8	12.5	11.8	5.3	4.8	4.5	22.1	18.7	16.5	36%	38%	38%	0.8%	0.8%	0.9%
Capcom	2888.00	14.6	13.2	11.9	3.5	3.8	3.5	23.6	21.5	20.1	24%	29%	29%	1.2%	1.4%	1.5%
Take Two	129.86	17.7	19.8	18.0	4.3	4.7	4.4	27.5	29.8	26.8	24%	24%	24%	-	-	-
Ubisoft	73.04	8.2	8.3	7.6	4.0	3.7	3.5	24.5	24.2	20.6	49%	44%	45%	0.0%	-	-
Electronic Arts	90.91	15.6	13.5	12.3	5.0	4.6	4.4	23.2	20.1	17.8	32%	34%	35%	-	-	-
Paradox Interactive	126.20	15.4	12.0	9.9	9.3	7.6	6.6	29.3	22.7	19.0	60%	63%	66%	1.1%	1.3%	1.7%
Mediana		15.4	12.9	10.8	5.1	4.7	4.4	24.5	22.1	18.4	34%	40%	42%	0.4%	0.8%	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
<b>Construction</b>																
Acciona	95.00	8.3	7.9	7.6	1.4	1.4	1.4	20.1	18.1	16.9	17%	18%	18%	3.7%	3.9%	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	129.20	7.1	7.0	6.6	0.3	0.3	0.3	16.4	15.9	13.7	5%	5%	5%	6.3%	4.7%	5.0%
Ferrovial	25.42	52.6	35.2	35.2	3.9	3.8	3.7	65.7	42.2	35.1	7%	11%	10%	2.9%	3.0%	3.1%
Hochtief	98.85	3.6	3.5	3.3	0.2	0.2	0.2	10.3	9.8	9.4	6%	6%	6%	6.2%	6.6%	6.8%
Mota Engil	1.88	3.9	3.6	3.4	0.6	0.5	0.5	11.8	8.0	6.7	15%	15%	15%	2.3%	4.4%	7.4%
NCC	150.00	6.3	5.5	5.2	0.3	0.3	0.3	14.7	10.9	10.0	4%	5%	5%	4.0%	5.0%	5.2%
Skanska	177.35	9.6	8.5	8.1	0.4	0.4	0.4	14.8	13.5	12.7	5%	5%	5%	3.9%	4.1%	4.5%
Strabag	29.50	2.5	2.5	2.5	0.2	0.2	0.1	9.9	9.8	9.5	6%	6%	6%	4.5%	4.6%	4.4%
Median		6.3	5.5	5.2	0.4	0.4	0.4	14.7	10.9	10.0	6%	6%	6%	4.0%	4.5%	4.8%

## 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
<b>RE Developers</b>																
Atal	35.00	7.1	7.4	6.7	1.6	1.6	1.5	7.5	7.9	7.1	24%	23%	23%	13.4%	12.2%	11.6%
Dom Development	78.00	7.9	7.3	8.2	1.9	1.8	1.9	8.8	7.9	8.7	17%	18%	17%	11.6%	11.4%	12.6%
Echo Investment	4.32	15.1	12.1	16.3	1.2	1.1	1.0	7.5	7.0	7.4	35%	42%	29%	9.3%	9.0%	5.8%
GTC	9.58	14.9	13.0	10.8	1.0	0.9	0.9	10.4	10.1	7.3	86%	90%	100%	0.2%	0.2%	0.2%
LC Corp	2.40	7.5	10.2	9.2	0.7	0.7	0.6	-	-	-	32%	28%	27%	12.5%	10.4%	6.7%
CA Immobilien Anlagen	31.85	25.8	23.4	21.6	1.1	1.0	0.9	24.0	21.1	16.0	76%	68%	50%	3.0%	3.4%	3.8%
Deutsche Euroshop AG	22.74	14.4	14.4	14.4	0.6	0.6	0.7	9.9	10.0	9.8	88%	88%	88%	6.8%	7.0%	7.0%
Immofinanz AG	24.20	29.1	27.3	24.9	0.9	0.9	0.8	19.9	19.7	15.2	49%	53%	48%	3.5%	3.7%	4.2%
Klepierre	27.48	18.3	18.1	17.8	0.7	0.8	0.8	10.3	10.0	10.1	88%	87%	87%	7.9%	8.2%	8.2%
Segro	757.40	34.1	30.8	28.0	1.1	1.0	1.0	31.4	29.1	28.3	76%	78%	81%	0.0%	0.0%	0.0%
Median		15.0	13.7	15.3	1.0	1.0	0.9	10.3	10.0	9.8	63%	60%	49%	7.4%	7.6%	6.2%

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

## Clothing and footwear company valuations

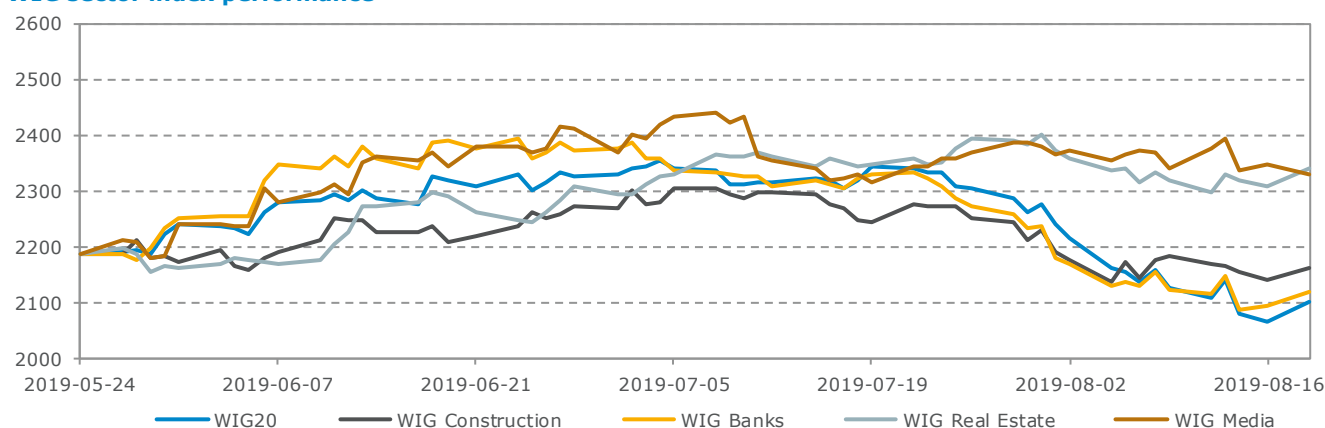
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
<b>Polish companies</b>																
CCC	127.90	6.7	5.2	5.1	1.1	0.9	0.8	47.7	19.7	17.4	16%	18%	16%	0.4%	1.6%	1.6%
LPP	7145.00	9.9	8.8	7.7	1.4	1.2	1.0	19.5	17.6	16.1	14%	14%	14%	0.8%	1.1%	0.9%
Monnari	4.80	4.6	3.8	2.5	0.3	0.2	0.2	9.5	9.4	8.1	7%	7%	7%	0.0%	0.0%	0.0%
VRG	4.30	8.6	7.3	6.4	1.0	0.9	0.8	13.6	11.9	10.7	12%	12%	12%	0.0%	0.0%	0.0%
Median		7.6	6.3	5.7	1.0	0.9	0.8	16.6	14.8	13.4	13%	13%	13%	0.2%	0.5%	0.4%
<b>Foreign companies</b>																
ABC Mart	6540.00	8.6	8.2	7.9	1.6	1.5	1.4	17.7	17.1	16.5	18%	18%	18%	2.4%	2.6%	2.6%
Adidas	259.50	15.1	13.8	12.5	2.2	2.0	1.9	26.6	23.6	20.8	14%	15%	15%	1.5%	1.7%	1.9%
Assoc Brit Foods	2299.00	8.7	8.0	7.5	1.1	1.0	1.0	16.9	15.1	14.0	13%	13%	13%	0.0%	0.0%	0.0%
Caleries	15.65	3.7	3.3	3.2	0.3	0.2	0.2	6.9	6.3	5.8	7%	7%	7%	1.8%	1.8%	1.8%
Crocs	24.18	12.3	10.3	8.5	1.5	1.4	1.4	22.1	17.8	-	12%	14%	16%	-	-	-
Foot Locker	39.57	4.2	3.9	3.8	0.5	0.5	0.4	8.7	7.6	6.9	11%	11%	12%	3.5%	3.9%	4.3%
Geox	1.22	5.8	4.7	3.8	0.4	0.4	0.3	30.4	16.4	10.7	6%	8%	9%	2.5%	3.3%	4.9%
H&M	174.82	9.8	9.3	8.9	1.2	1.1	1.1	22.8	21.4	20.3	12%	12%	12%	5.3%	5.1%	5.1%
Hugo Boss	49.98	6.3	5.9	5.4	1.2	1.1	1.1	13.2	11.9	10.8	19%	19%	20%	5.8%	6.4%	7.0%
Inditex	26.61	13.6	12.7	12.0	2.9	2.7	2.5	23.8	21.9	20.5	21%	21%	21%	3.0%	3.8%	4.2%
KappAhl	19.55	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	178.67	25.4	21.7	18.7	6.4	5.6	4.9	47.7	38.8	32.7	25%	26%	26%	0.0%	0.0%	0.0%
Nike	81.13	17.5	15.2	13.5	2.5	2.3	2.2	31.6	26.9	22.9	15%	15%	16%	1.0%	1.1%	1.2%
Under Armour	18.77	8.9	7.3	6.0	0.7	0.7	0.6	54.1	38.5	26.4	8%	9%	10%	0.0%	0.0%	0.0%
Median		8.8	8.1	7.7	1.2	1.1	1.1	22.5	17.4	16.5	12%	13%	14%	2.4%	2.6%	2.6%

## Luxury, e-commerce, and food retail company valuations

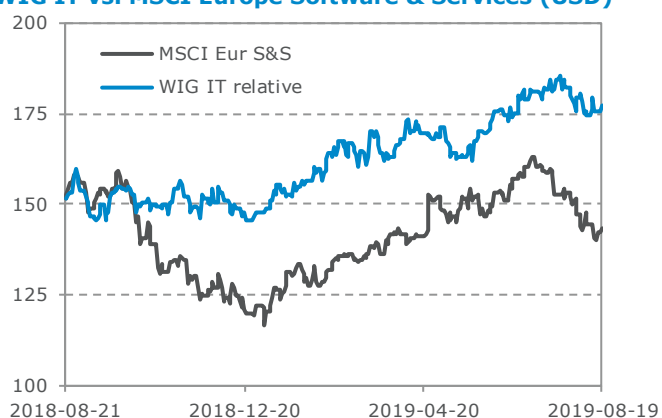
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
<b>Luxury goods</b>																
Estee Lauder	201.65	14.6	13.3	12.2	3.0	2.9	2.7	38.8	35.0	31.9	21%	21%	22%	0.8%	0.9%	1.0%
Hermes International	613.20	24.1	22.2	20.3	9.1	8.4	7.8	42.5	38.8	35.3	38%	38%	38%	0.9%	1.1%	1.1%
Kering	437.95	10.7	9.7	8.9	3.5	3.3	3.0	16.6	14.6	13.5	33%	34%	34%	2.7%	3.1%	3.4%
LVMH	356.85	13.8	12.8	11.8	3.6	3.4	3.2	24.6	22.6	20.7	26%	26%	27%	1.9%	2.1%	2.3%
Moncler	34.43	14.6	12.8	11.5	5.1	4.5	4.1	23.6	21.9	19.7	35%	35%	35%	1.3%	1.5%	1.8%
Median		14.6	12.8	11.8	3.6	3.4	3.2	24.6	22.6	20.7	33%	34%	34%	1.3%	1.5%	1.8%
<b>E-commerce</b>																
Asos	2331.00	14.9	10.8	8.2	0.7	0.6	0.5	46.1	29.6	20.7	5%	6%	6%	0.0%	0.0%	0.0%
boohoo.com	228.20	30.8	23.0	18.4	3.0	2.2	1.8	57.1	45.6	36.2	10%	10%	10%	0.0%	0.0%	0.0%
Zalando	41.01	32.0	25.0	18.6	1.5	1.2	1.1	-	-	65.1	5%	5%	6%	0.0%	0.0%	0.0%
Median		30.8	23.0	18.4	1.5	1.2	1.1	51.6	37.6	36.2	5%	6%	6%	0.0%	0.0%	0.0%
<b>Retail</b>																
Dino	134.60	19.7	15.4	12.3	1.8	1.4	1.1	34.6	26.4	21.0	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	14.71	9.1	8.3	7.8	0.5	0.5	0.4	20.9	18.7	17.9	6%	6%	6%	1.9%	2.0%	2.0%
Carrefour	15.57	4.9	4.6	4.3	0.2	0.2	0.2	13.5	11.7	10.8	5%	5%	5%	3.3%	3.6%	3.9%
AXFood	207.30	12.1	11.9	11.7	1.0	0.9	0.9	26.9	26.6	26.6	8%	8%	8%	3.4%	3.4%	3.2%
Tesco	219.70	7.1	5.9	5.6	0.4	0.4	0.4	15.5	12.8	11.6	5%	6%	6%	0.0%	0.0%	0.0%
Ahold	20.84	6.1	6.0	5.9	0.5	0.4	0.4	12.7	12.0	11.6	8%	7%	7%	3.6%	3.9%	4.1%
X 5 Retail	2125.00	6.3	5.7	5.3	0.4	0.4	0.4	15.6	13.8	13.0	7%	7%	7%	5.0%	5.8%	6.5%
Magnit	3633.00	5.2	4.6	4.1	0.4	0.3	0.3	10.5	9.7	8.7	7%	7%	7%	6.5%	6.0%	6.3%
Sonae	0.82	9.5	9.0	8.2	0.6	0.6	0.6	8.0	8.2	9.1	7%	7%	7%	5.5%	6.0%	6.1%
Median		7.3	6.3	5.8	0.5	0.4	0.4	15.5	13.3	12.3	7%	7%	7%	3.5%	3.5%	3.6%

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

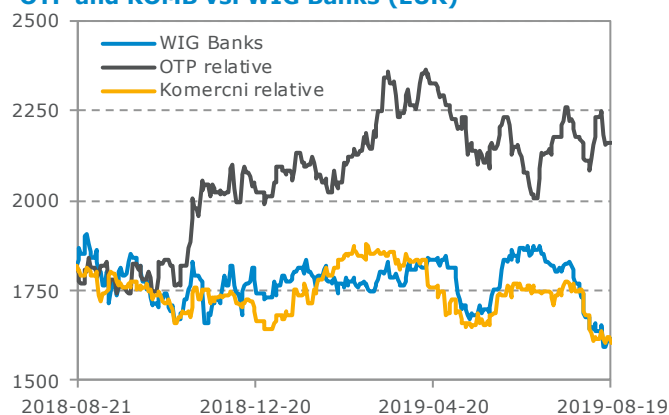
## WIG sector index performance



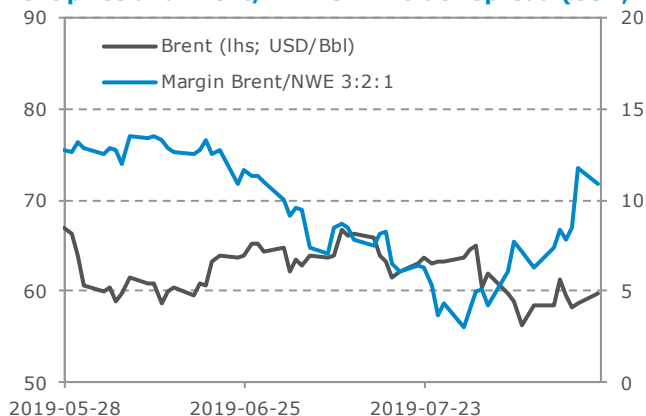
## WIG IT vs. MSCI Europe Software &amp; Services (USD)



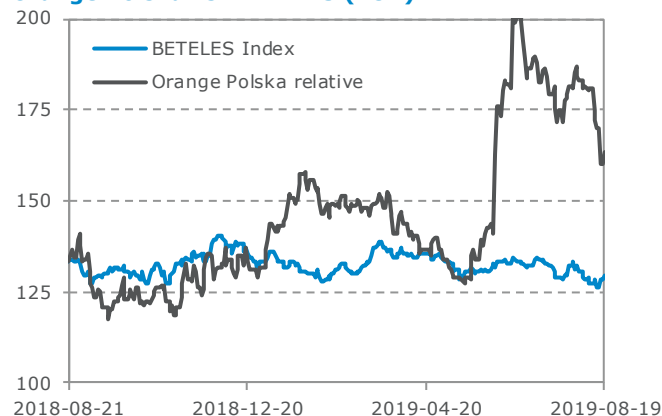
## OTP and KOMB vs. WIG Banks (EUR)



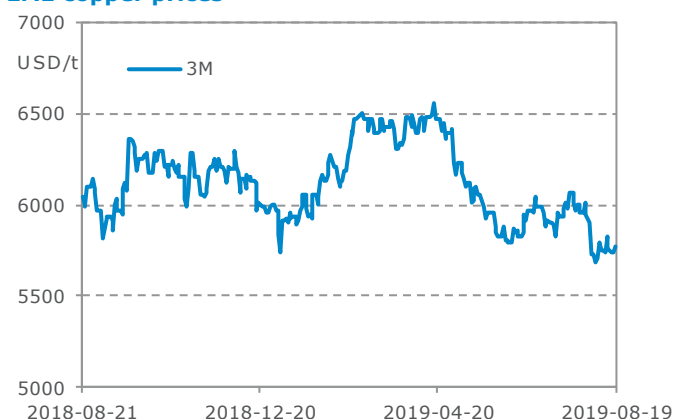
## Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



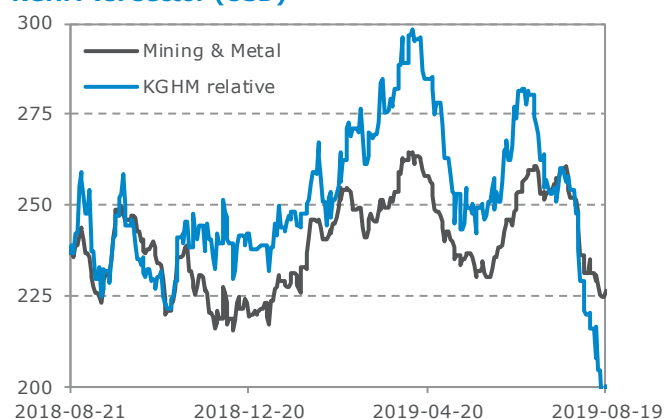
## Orange Polska vs. BETELES (EUR)



## LME copper prices



## KGHM vs. sector (USD)

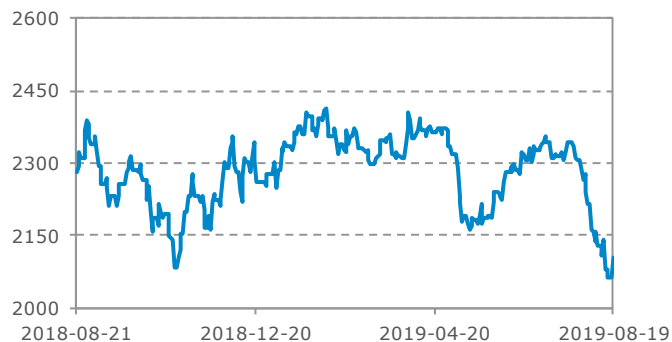


Source: Bloomberg

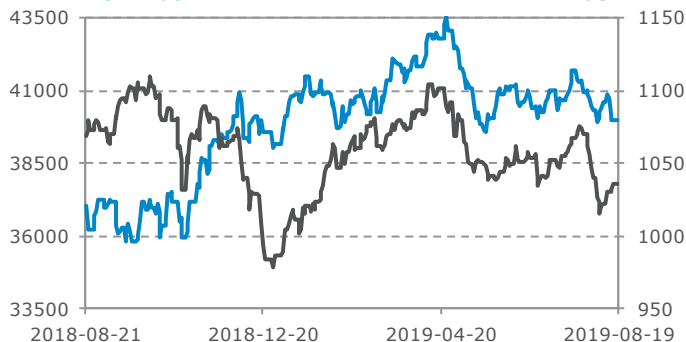
## Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2019-08-19	26,020.06	26,222.32	26,020.06	26,135.79	+0.96%
S&P 500	2019-08-19	2,913.48	2,931.00	2,913.48	2,923.65	+1.21%
NASDAQ	2019-08-19	8,006.19	8,026.75	7,974.36	8,002.81	+1.35%
DAX	2019-08-19	11,679.72	11,759.00	11,625.67	11,715.37	+1.32%
CAC 40	2019-08-19	5,333.13	5,378.74	5,325.72	5,371.56	+1.34%
FTSE 100	2019-08-19	7,117.15	7,214.23	7,117.15	7,189.65	+1.02%
WIG20	2019-08-19	2,078.80	2,110.19	2,078.80	2,102.23	+1.85%
BUX	2019-08-16	40,015.51	40,275.47	39,984.10	40,005.90	-0.03%
PX	2019-08-19	1,035.73	1,043.41	1,033.69	1,035.33	-0.01%
RTS	2019-08-19	1,824.42	1,842.06	1,807.54	1,837.80	+0.90%
SOFIX	2019-08-19	575.10	575.28	572.26	575.28	+0.03%
BET	2019-08-19	9,035.27	9,073.32	9,026.80	9,073.32	+0.42%
XU100	2019-08-19	96,501.35	96,732.20	95,099.40	95,286.18	-0.47%
BETELES	2019-08-19	128.29	129.35	128.29	129.27	+0.82%
NIKKEI	2019-08-19	20,590.47	20,633.90	20,502.66	20,563.16	+0.71%
SHCOMP	2019-08-19	2,835.52	2,883.10	2,829.85	2,883.10	+2.10%
Copper (LME)	2019-08-19	5,756.00	5,819.00	5,751.50	5,774.00	+0.52%
Crude Oil (Brent)	2019-08-19	58.89	59.66	58.54	59.49	+1.35%
USD/PLN	2019-08-19	3.9143	3.9437	3.9031	3.9405	+0.65%
EUR/PLN	2019-08-19	4.3402	4.3778	4.3334	4.3671	+0.60%
EUR/USD	2019-08-19	1.1095	1.1114	1.1076	1.1078	-0.11%
USBonds10	2019-08-19	1.5707	1.6233	1.5673	1.6063	+0.0525
GRBonds10	2019-08-19	-0.6820	-0.6280	-0.6900	-0.6480	+0.0370
PLBonds10	2019-08-19	1.7320	1.8930	1.7200	1.8780	+0.1450

WIG20 Index



BUX Index



PX Index

S&P 500 (SPX Index)



NASDAQ (CCMP Index)

DOW JONES (INDU Index)



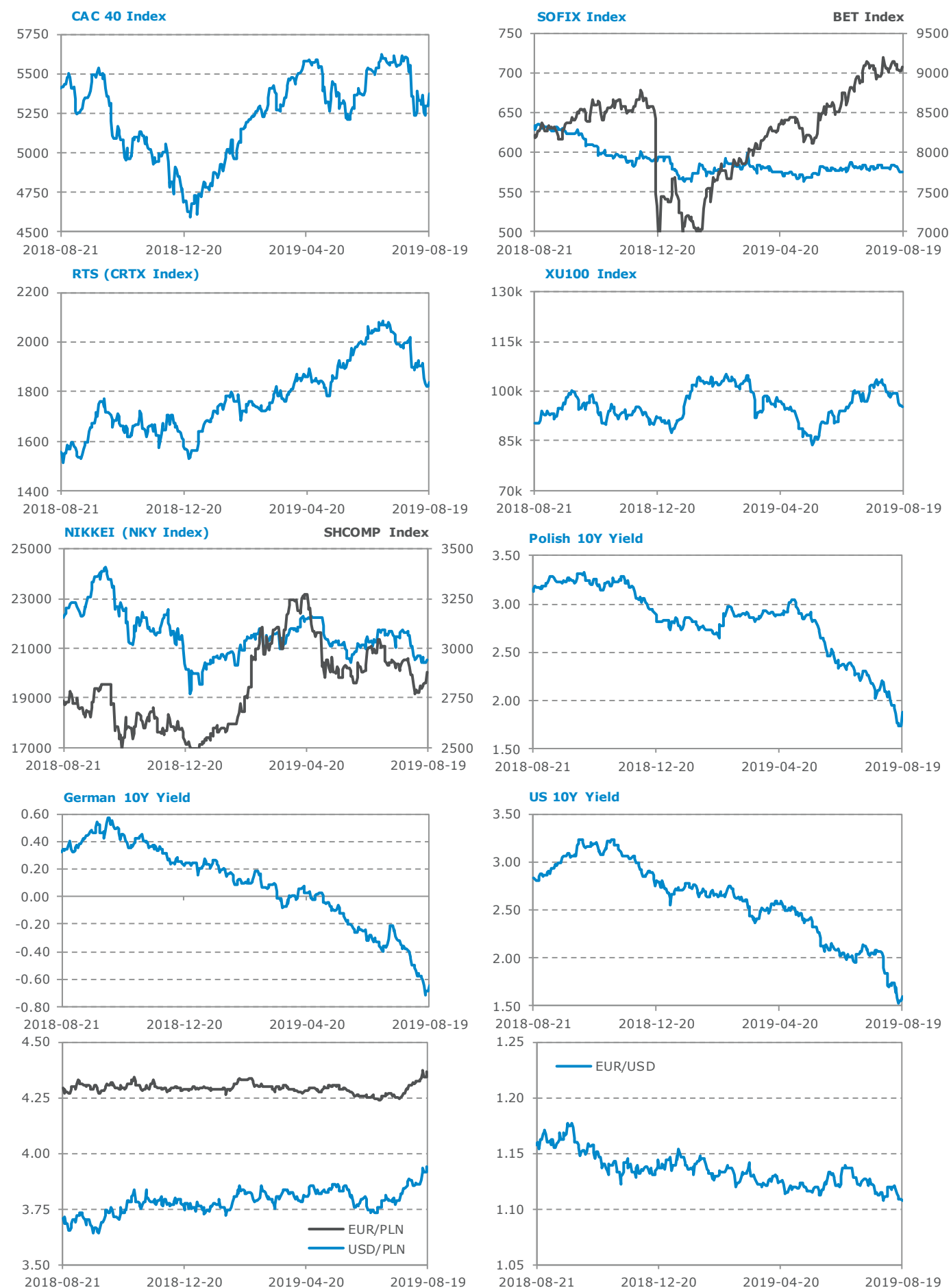
DAX Index



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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**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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