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Morning Comments

Equity Market, Poland

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DJIA	26,202.7	+0.93%	FTSE 100	7,204.0	+1.11%	Copper (LME)	5,732.0	+0.37%
S&P 500	2,924.4	+0.82%	WIG20	2,105.9	-0.20%	Crude Oil (Brent)	60.30	+0.68%
NASDAQ	8,020.2	+0.90%	BUX	39,648.2	-0.89%	USD/PLN	3.9223	-0.05%
DAX	11,802.9	+1.30%	PX	1,038.0	+0.41%	EUR/PLN	4.3477	-0.19%
CAC 40	5,435.5	+1.70%	PLBonds10	1.953	+0.102	EUR/USD	1.1085	-0.14%

Company & Sector News

Alior Bank

Buy – 2019-07-03

Target price: PLN 72.30

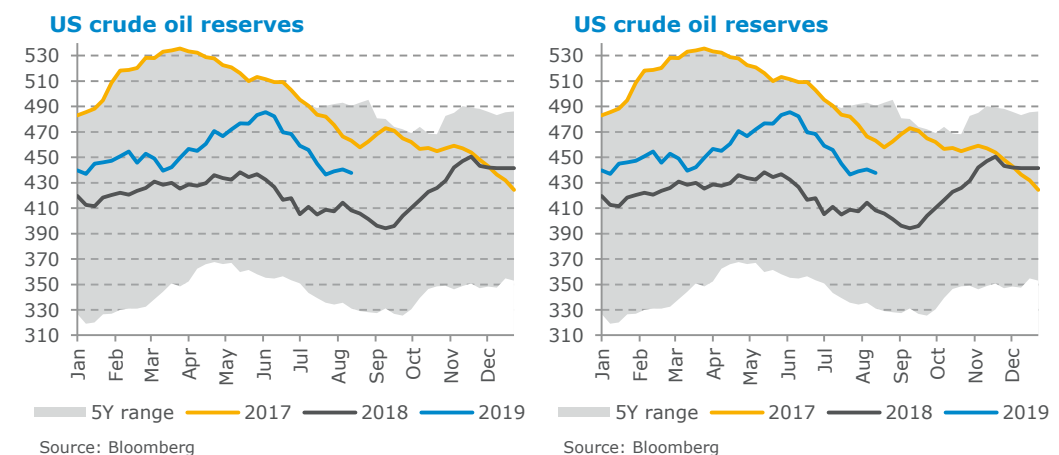
Alior's CEO says that bank will show better results

In interview with Parkiet daily, Alior's CEO stated that upcoming quarters should show better, recurring results. Regarding W Investment case bank has made settlements with several dozen clients, it's worth to know that provisions for such action has been made in the past. Additionally to that if Ruch's restructuring plan will be successful, it will be possible to release some provisions, otherwise some minor provisions may be needed. When it comes to risk in corporate loans, bank is still reviewing its portfolio, which can take few quarters. Bank believes that hard part is done, yet higher CoR can persist for next quarters. There is still space for minor increase in NIM especially through lower deposits costs. **Although we believe that bank's shares are undervalued, Alior needs to present few decent quarters to regain investors trust. Cost of risk in corporate loans portfolio should be object of investors increased scrutiny.** (M. Konarski, M. Lemańczyk)

Oil&Gas

US crude stockpiles decreased more than expected

Weekly EIA report showed that US domestic crude inventories decreased by 2.7 mmboe, whereas market consensus stood at -1.5 mmboe. Net import decreased strongly last week by 12%. Refineries' utilization rate was up week on week to 95.9% from 94.8%, in line with seasonal patterns. Gasoline stocks built slightly (+0.3 mmboe vs -0.2 mmboe expected), while diesel inventories built for the sixth time in eight weeks by 2.6 mmboe (market consensus at -0.3 mmboe). Gasoline consumption 4-weeks moving average dynamics yoy rebounded to positive territory (+1.5%) with last week deliveries decreasing by 2.6%. Diesel demand is not very supportive for refining outlook as well with 4-weeks moving average dynamics at -1.6% yoy. (K. Kliszcz)



MOL

Accumulate – 2019-08-02

Target price: HUF 3,258

PKN Orlen

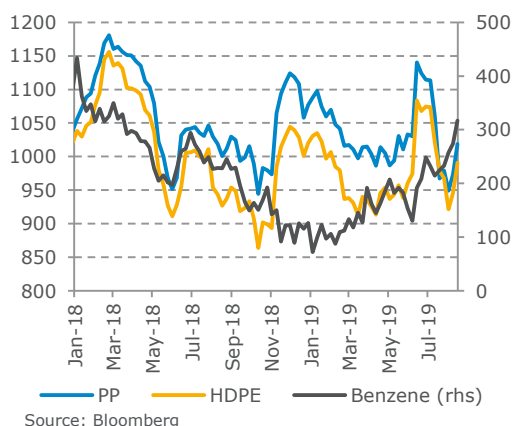
Hold – 2019-08-01

Target price: PLN 92.82

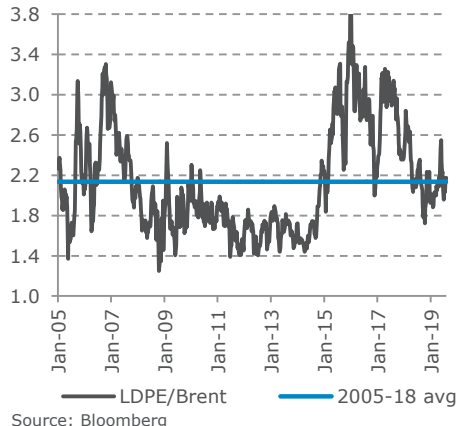
Intensive crackers' shutdowns boosting petchem margins

Recent rebound in petchem margins, both in ethylene and aromatics are being supported by simultaneous shutdown of three large naphtha crackers in Europe. On Aug.20 Exxon closed down for a month its 830kt facility in Scotland, INEOS stopped operations at its UK plant on Aug.13 (repair expected to take 4-6 weeks) and Shell is planning to shut down its plant in the Netherlands (970 kt ethylene capacity) for 10-15 days at the end of August. **These facilities account for 1.7% of the total global ethylene production capacity. We expect however that this support for petchem margins would be temporary as new capacities are coming on stream shortly. Downside potential is illustrated at the right chart below (structural oversupply may drive down polyethylene relation to Brent back to lower levels from 2010-15).** (K. Kliszcz)

Petchem products cracks in USD/t



LDPE/Brent ratio vs long term avg



KGHM

Reduce - 2019-08-05
Target price: PLN 80.38

2019 Q2 earnings conference highlights

- H1 results indicate that Company will be in line with the budget Management will try to beat it just as it did last year. KGHM's budget assumes production of 397 kt of copper in concentrate at the parent company.
- Company won't exceed the budget (FY fixed asset capex plan of PLN 2.516 bln). Managements fights for the highest execution possible.
- The management is pretty sure about reaching the target of 130k tons of processed ore at Sierra Gorda. Also, capital injection to Sierra Gorda has been lower than planned this year. This proves that steps taken in relation to foreign assets are bringing results.
- The CEO confirmed that dividend policy remains in place. Further decisions will be taken at year-end.
- Energy costs in H1 were reduced thanks to "the compensations we already have guaranteed" and in H2 "these guarantees will rather be higher than lower." For 2020 electricity purchases, "we have a part of purchases contracted, we will buy the rest on the market." (J. Szkopek)

Archicom

Land purchase in Wroclaw

Archicom's subsidiary inked a conditional agreement to purchase 1,34-hectare land plot in Wroclaw for a net price of PLN 40.47m. The plan for this land is to build multi-family residential complex with ca. 370 homes. The purchase of the property is financed from the Archicom's own funds. **Expected, at the end of June Archicom announced it won a tender for the acquisition of this land plot. The purchased price implies relatively high land cost of ca. PLN 1900/PUM but note, the plot is located in one of the most desired locations in Wroclaw (Kepa Mieszczńska), close to another Archicom's residential project of River Point. To remind, the cost of buying River Point land plot was then around PLN 1000/PUM. (A. Szklarczyk)**

Quarterly Earnings Results

Handlowy

Accumulate – 2019-07-03
Target price: PLN 59.45

Miss on the consensus

- Bank Handlowy net profit came in at PLN 133.1m, down 27% Y/Y but up 124% Q/Q, below consensus expectations at PLN 141.3m (according to PAP) and our own forecast at PLN 138.3m
- The miss on the consensus should be entirely attributed to the miss on net provisioning result which was slightly offset by better-than-expected fee income.
- The results were negatively affected by the one-off provisions related to ZM Henryk Kania in an amount c.PLN 53m (amount from current report reported previously). Moreover, net fee income was supported by the one off gain at PLN 12.1m from the sale of Bimmer company (insurance intermediary).
- Net interest income came in at PLN 288.4m, up 4.0% Q/Q and 6.6% Y/Y, in-line with the expectations. Net interest margin (over average assets) came in at 2.30%, up +4 bps Q/Q versus +6 bps expected by us.
- Net loans declined by 1.7% Q/Q due to the drop in corporate segment (-4.0% Q/Q). This was somewhat offset by the increase in credit card loans (+4.1% Q/Q, reaching level from 4Q'18) and by growth in mortgages (+3.9% Q/Q although from a low base).
- Net fee income increased in the quarter by 14.5% Q/Q and 10.4% Y/Y, above the consensus. The increase should be attributed to the one-off gain from a sale of insurance intermediary company Bimmer (+PLN 12.1m) and retail loan volumes. Excluding one-off, net fee income would come in-line with the expectations.
- Operating costs came in at PLN 279.5m, flat Y/Y but down 27% Q/Q (BGF costs booked in 1Q), in line with the expectations.
- Net provisioning came in at PLN 106.5m, up 3x Q/Q and Y/Y, much above the consensus at PLN 75.8m. The net provisioning result was boosted by one of provisions related to ZM Henryk Kania (c.PLN 53m). Nonetheless, corporate net provisioning came in PLN 27m above our expectations indicating troubles with other companies. Cost of risk in retail segment remained unchanged Q/Q at 126 bps.
- The results disappoint on the bottom line given higher than expected write-downs in corporate segment. We believe that the bank used 2Q results to clear doubtful exposures in corporate portfolio and the cost of risk in corporate segment should normalize from 3Q. We don't expect to change our low forecast at PLN 517m (10 below the consensus) as the full exposure on Kania has not been written-off. On the other hand we believe that the consensus downward movement has not been finished yet. (M. Konarski, M. Lemańczyk)**

Conference:

Time: 11:30

Address: Traugutta 7/9, Warsaw

Overview of 2019 Q2 results

(PLN m)	Q2'18	Q1'19	Q2'19	Y/Y	Q/Q
Net interest income	270.6	277.3	288.4	6.6	4.0
Net fee income	138.8	133.9	153.3	10.4	14.5
Financial operations and FX gains	144.0	126.0	128.2	-10.9	1.8
Net other income	6.9	-0.1	8.6	23.9	n.m.
Non-interest income	289.8	259.7	290.1	0.1	11.7
Total income	560.4	537.1	578.5	3.2	7.7
Total costs	-280.3	-384.0	-279.5	-0.3	-27.2
Operating profit before provisioning	280.1	153.1	299.0	6.8	95.3
Net provisioning	-27.0	-28.3	-106.5	294.5	276.6
Net income from investments	0.2	0.0	0.0	n.m.	n.m.
Pre-tax profit	253.3	124.8	192.5	-24.0	54.2
Income tax	-48.0	-43.5	-37.1	-22.8	-14.6
Minorities	0.0	0.0	0.0	n.m.	n.m.
Net income before bank tax	205.3	81.4	155.4	-24.3	91.0
Bank tax	22.9	21.9	22.3	-2.7	1.9
Net profit after bank tax	182.4	59.5	133.1	-27.0	123.7

2019 Q2 actuals vs. expectations

(PLN m)	Q2'19	Consensus	differ.	Q2'19E	differ.
Net interest income	288.4	288.4	0.0%	287.8	0.2%
Fee income	153.3	140.0	9.5%	135.3	13.3%
Operating costs	-279.5	-279.8	-0.1%	-279.3	0.0%
Provisioning	-106.5	-75.8	40.5%	-73.9	44.2%
Net profit	133.1	141.3	-5.8%	138.3	-3.8%

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

PGNiG

Accumulate– 2019-08-02
Target price: PLN 6.33

Final Q2 results broadly in line with preliminary figures

- Final Q2 EBITDA came slightly below preliminary figures due to change of CO2 costs accounting (PLN 43m provisions instead of presenting these costs at depreciation level- however in the annual report these provisions will be reversed again together with higher depreciation charges). As a reminder reported EBITDA was affected by a few one-offs. Company booked impairment losses of PLN -240m (mainly in E&P at PLN 206m) and inventory write-downs in trade and storage segment at PLN -152m. Additionally company booked some one-off foundation costs and employees' bonuses in distribution (PLN +90m) that should not be repeated in subsequent quarters.
- E&P segment** generated PLN 0.69bn EBITDA (adjusted EBITDA PLN 0.91bn vs PLN 0.77bn expected). The positive surprise was driven by cost discipline (similar to Q1) as volumes were already published by the company.
- Trade and storage** segment posted lower yoy EBITDA loss at PLN -162m (PLN -280m expected) despite booking inventory write-down at PLN -152m (mark-to-market revaluation that improves outlook on Q3 results). It seems that our investment story on higher selling prices (no adjustment on PGNiG' price lists and higher households tariff) and lower inter-segment prices mitigating more expensive purchases in long term contracts started to work. Moreover company reported positive hedging impact at PLN 102m (effect of forward sales on TGE settled in 2018).
- Distribution segment** generated EBITDA PLN 0.49bn (vs PLN 0.55bn in our estimates) mainly due to lower system balancing income at PLN 181m vs PLN 226m expected and above mentioned employees bonuses (employees costs up by PLN 98m yoy).
- Heat generation** EBITDA came in at PLN 61m which was below our estimates (PLN 0.1bn) due to above mentioned CO2 accounting change (PLN 43m provisions instead of depreciation charge).
- Net financials were in line with expectations and effective tax rate was somewhat lower (23%).
- Cash flow** from operations was higher yoy with seasonal positive WC changes (PLN 0.3bn), CAPEX amounted to PLN 0.9bn. As a result, net cash on the balance sheet increased by PLN 0.13bn to PLN 0.78bn
- Summary: PGN final results bring no significant surprises vs preliminary figures however in our view market did not discounted this positive surprise yet (+25% on adj EBITDA), especially that it can be extrapolated to subsequent quarters.** (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	13,247.0	7,639.0	7,595.0	12,753.0	14,340.0	8,284.0	8%	7,839.6	6%	33,754.2	67%
adj. EBITDA	2,678.0	1,667.0	1,533.0	1,493.0	2,160.0	1,366.0	-18%	1,090.8	25%	6,377.2	55%
EBITDA	2,674.0	1,626.0	1,469.0	1,347.0	2,165.0	961.0	-41%	1,075.8	-11%	6,172.3	51%
upstream	1,380.0	1,187.0	1,377.0	1,076.0	1,297.0	693.0	-42%	752.4	-8%	3,404.5	58%
trading	179.0	-209.0	-468.0	-349.0	-71.0	-162.0	-22%	-283.0	-43%	72.6	-
distribution	763.0	622.0	568.0	422.0	580.0	490.0	-21%	545.4	-10%	2,035.5	53%
heat	401.0	66.0	34.0	287.0	401.0	61.0	-8%	106.0	-42%	893.6	52%
others	-49.0	-40.0	-42.0	-89.0	-42.0	-121.0	-	-45.0	169%	-233.9	70%
EBIT	2,005.0	969.0	826.0	596.0	1,383.0	292.0	-70%	382.4	-24%	3,303.1	51%
Net financials	75.0	38.0	-26.0	20.0	27.0	30.0	-21%	39.9	-	-59.1	-
Net profit	1,566.0	704.0	552.0	388.0	1,063.0	248.0	-65%	316.7	-22%	2,395.3	55%

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

PKP Cargo

Q2'19 results burdened by slowdown in freight, guidance maintained

- PKP Cargo posted final results of 2019 Q2 which are slightly lower than previously released preliminary data (released on July 30): revenue amounted to PLN 1,164.4m (-9.2% y/y), EBITDA to PLN 191.6m (of which ca. PLN 31.9m is an impact of IFRS16; EBITDA excl. IFRS16 would amount to PLN 159.7m, adj. -28.0% y/y), and net loss of PLN -5.2m (vs. net profit of PLN +54m in Q2'18). The results are below what market was expecting.
- Weak numbers are a direct result of drastically decreased freight – in Q2'19 the company reported over 15% y/y drop in total freight turnover, and almost 12% drop in freight volumes. The most were hit aggregates and construction materials (ca. -26% y/y by turnover), metals and ores (-20%), and solid fuels (-11%, while hard coal alone -14%).
- Cost-wise, consumption of traction electricity/fuel per tkm of turnover dropped by -3.1% y/y (the costs amounted to PLN 120.7m in Q2'19 vs. PLN 146.7m in Q2'18, -17.7% y/y), access to infrastructure per tkm dropped by -8.3% y/y (PLN 142.8m vs. PLN 183.4m, -22.1% y/y), while employee benefits per tkm rose by 28.3% y/y (PLN 453.1m vs. PLN 415.8m, +9.0% y/y).
- In Q2'19 PKP Cargo spent PLN 321.0m on capital investment of which PLN 18.6m is a result of the implementation of IFRS16. Same as in Q1'19, comparable CAPEX in Q2'19 almost doubled from PLN 170.2m last year to PLN 302.4m (+77.7% y/y). CAPEX rose mostly in locomotive upgrades (PLN 113.8m in Q2'19 vs. only PLN 8.7m in Q2'18), and purchase of wagons (PLN 20m vs. none last year). After half a year the company spent PLN 603.1m (of which PLN 51.1m came from IFRS16 – mostly right-of-use of locomotives and wagons).
- Net debt in the quarter grew by ca. PLN 50m to PLN 1,761.5m, therefore the ratio of net debt to EBITDA'19 guidance is at 1.5x (1.1x excluding IFRS16 impact, which is taken into consideration for loan agreements).
- PKP Cargo posted results heavy hit by the slowdown in freight. With such weak results Company's guidance for 2019 EBITDA after H1'19 is at only 39% (PLN 1,152.8m), but the company maintained it's the guidance. A month ago in Rzeczpospolita/Parkiet interview, CEO said he expects 2019 profitability to be at least close to 2018's level (3.5% net profitability in 2018), while after H1'19 it is at only 2.0%. The Board expects a rebound in freight volumes in coal and construction materials in Q3/Q4, and it should might bring a relief for results. (P. Poniatowski)**

Q2 2019 actuals vs. expectations

(PLN m)	Q2'19	Q2'18	change	consensus	differ.	2019G	YTD
Revenue	1,164.4	1,281.7	-9.2%	1,184.0	-1.7%		
EBITDA	191.6	221.9	-13.7%	203.5	-5.8%	1,152.8	39%
EBITDA ex. IFRS 16	159.7	221.9	-28.0%	171.6	-6.9%	1,034.8	37%
EBITDA margin	13.7%	17.3%		14.5%			
EBIT	15.0	70.3	-78.7%	38.8	-61.3%		
Net profit	-5.2	54.0	--	19.0	-	~5% margin	

Source: PKP Cargo, Dom Maklerski mBanku; 2019G - The Company's guidance

GTC

Q2'19: Adjusted EBIT increased by 23% y/y; Reported EBIT slightly above market consensus but miss on NI

- GTC's Q2 2019 financial results was 3.5% above market expectations on EBIT and 10.5% below consensus on net income. Company reported adj. EBIT at EUR 28m, up 23.3% y/y and +8% q/q. Net income increased to EUR 23.1m (+7.3% y/y).
- On a year-on-year basis, GTC reported an increase of by 11% y/y due to positive impact from (1) completion of office building White House (in June '18), (2) the acquisition of Mall of Sofia (Q2'18), (3) a completion of modernization 2 buildings in Green Heart complex as well as completion of one new building in Green Heart and (4) opening of Ada Mall. Due to the ending of housing activity in Q2'18 there was no revenues from residential activity compared to EUR 1m in Q2'18. Reported revenues was in line with market expectations.
- Gross profit came in at EUR 31.6m, up by 15.7% y/y due to stronger gross margin and higher revenues. At the same time adjusted EBIT (ex revaluation and Stock Option Plan) increased by 23.3% y/y.
- SG&A costs (boosted by EUR 1.2m of expenses for Stock Option Program vs additional costs in Q2'18) increased by 35% y/y. But adjusted SG&A costs was flat year-on-year basis (-2%).
- Gain from property revaluation dropped by 9% y/y to EUR 9.8m. GTC reported positive IP revaluation on Neptun Office Center (as a result of signing preliminary sale agreement) as well as from other building due to rental rate improvement (e.g. Duna Tower Galeria Jurajska) and buildings under construction (e.g. Ada Mall, Green Heart and Matrix A). This positive impact was partially offset by negative revaluation of Galeria Północna.
- GTC reported negative impact from net financial activity of EUR 8.5m compared to negative impact of EUR 6.9m in Q2'18. All-in-all net income amounted to PLN 23.1m (+7.3% y/y) and was 10.0% below market consensus.
- The earnings conference is today at 10:30 a.m. CET at Warsaw's InterContinental Hotel and the teleconference at 4:00 p.m. CET; T: +44 (0) 2071 928 000, ID: 7998787 (A. Szklarczyk)

2019 Q2 actuals vs. consensus

(EUR m)	Q2'19	Q2'18	change	cons.	diff.	H1'19	H1'18	change
Revenue	41.8	37.7	11.0%	41.8	0.1%	81.3	77.1	5%
Gross profit	31.6	27.3	15.7%			61.1	54.8	12%
margin	75.5%	72.4%	-			75.2%	71.0%	
Adj. EBIT*	28.0	22.7	23.3%			45.7	53.9	-15%
IP revaluation	9.8	10.8	-9.9%			16.5	23.4	-29%
EBIT	36.5	33.5	8.9%	35.3	3.5%	67.8	70.5	-4%
Pre-tax profit	28.0	26.7	5.1%			51.3	56.6	-9%
Net profit	23.1	21.5	7.3%	25.8	-10.5%	42.7	45.6	-6%

Source: GTC, Consensus estimates provided by PAP; *SOP - Stock Option Plan

More News

Asbis	Listed IT distributor Asbis likely suffered a ca. 13% y/y decline in consolidated sales revenues in July to ca. USD 158 mln, the company said of own estimates in a market filing.
JSW, Primetech	Coking coal group JSW refuses to pay to engineering firm Primetech the remaining PLN 5 mln of the total PLN 204 mln price tag attached to the purchase of a 95.01% stake in shaft building firm PBSz, concluded on May 20, Primetech said in a market filing.
Murapol, Skarbiec Holding	Real estate developer Murapol will appeal against the financial market regulator's decision to fine the company PLN 10.4 mln as it considers the decision "entirely incorrect" and based on a wrong interpretation of regulations concerning stock parking, Murapol said in a press statement.
Newag	Listed rolling stock producer Newag currently sports backlog in excess of PLN 1 bln and ongoing tenders in which the company is participating bode well for the size of the 2020 orders portfolio, CEO Zbigniew Konieczek told PAP. Newag is talking to rail freight firm PKP Cargo about details of a deal to supply 24 two-system locomotives, with deliveries to be launched in 2021, CEO added.
Pension Funds	Poland's Social Insurance Board (ZUS) transferred PLN 155.8 mln to open pension funds OFE this week, ZUS said in a statement.
Railway, State Firms	Poland's long-distance railroad carrier PKP Intercity inked an over PLN 1 bln deal with rolling stock producer Stadler Polska to have 12 new electric multiple units delivered, the company officials announced at the event marking the signing of the deal.
Real Estate, Housing	Poland suffered a 6.5% y/y decline in housing completions in July to 15,551 units, a monthly housing report from stats office GUS showed.
Santander Bank Polska	Listed lender Santander BP will seek its shareholders' consent for transferring most operations of bank's brokerage Santander Securities directly to the bank, while transferring the training business to its unit Santander Finanse, Santander said in an agenda of an EGM slated for September 23.
Stock Market	WSE enjoyed a 3 pps y/y increase in the share of total stock turnover generated by foreign investors in H1, to 59%, WSE operator GPW said in a press release. Domestic institutional investors generated 28% of stock turnover in the period, down by 4 pps vs. a year ago, GPW said.
Tauron	Power group Tauron launched a tender for construction of a 3.1-5.0 MW photovoltaic farm in Jaworzno, and is waiting for offers till September 13, the company said in a marketfiling. The facility is the first of the company's five planned photovoltaic farms to be located on post-industrial sites, part of Tauron's updated strategy based on developing clean energy sources, Tauron reminded.
TXM	The company names Tomasz Waligórski as a new CEO, who began his term of office on 21 August 2019.
ZUE	Listed railway infrastructure builder ZUE sees its goal of achieving PLN 1 bln in revenues in 2019 as achievable, deputy CEO Anna Mroczek suggested.

Macroeconomics

Weak industry and construction data. Polish economy is increasingly less immune to global slowdown.

In July industrial output rebounded from its June slump, but the scale of the rebound fell short of expectations. After a surprising 2.7% y/y drop in June, industrial output rose by 5.8% y/y in June (consensus 6.3% y/y; our forecast 7.2% y/y). On a seasonally adjusted basis output rose by 0.9% m/m, but this probably overstates the near-term momentum of industry due to a sharp acceleration in energy output in July (by 8 pp., i.e. ~0.2 pp. contribution to total IO growth). Averaged over three month periods, the IO momentum still looks rather bleak.

Why hasn't industrial output grown stronger in July? In our comments to June data we pointed to a plethora of transitory effects that dampened production in June – these have mostly reversed in July (in particular, the impact of calendar is symmetric in both months), but production has not returned to May levels. The 1-1.5 p.p. shortfall is, in our view, the true measure of weakness in July data. It can be primarily traced back to weaker global growth. Polish industry has never been completely immune to global trends and the slowdown in hard and soft indicators alike began in early 2018. Its course has, however, been much more gentle than the one in German industry and the large difference in growth rates between Polish and German industrial output likely persisted in July as well.

Construction output also accelerated less than we forecast (from -0.7% y/y in June to 6.6% y/y in July; forecast +10.8% y/y). Again, calendar effects did not disappoint, but the overall output levels remain in stagnation at best (and below cyclical Q1 peak). The reasons for this slowdown should not come as a surprise to our readers – the waning infrastructural impulse and troubles in road investment are enough to explain recent construction figures. On the other hand, the rebound in private investment this year will not be found in construction data due to high role of machinery and equipment spending in private investment. In national accounts investment growth for Q2 and Q3 will look much more perkier.

The first month of the quarter is usually a bad moment for making accurate nowcasts of the whole quarter, but this month is different. The failure for a sharp rebound to materialize in July data is enough to trim Q3 forecasts and to assign higher sensitivity to global growth prospects (which have deteriorated in recent months). While the first estimate of Q3 growth (at 4.3% after July data) should be taken with a grain of salt and GDP growth will likely come on the stronger side this quarter, the second half of the year will not be as dynamic as we had hoped. As a result, we are revising our 2019 GDP forecast downward, from 5.0 to 4.6% y/y. Private consumption is set to remain an important cushion against global headwinds.

Producer price growth matched our expectations (+0.6% y/y), with a slight revision to June reading (from 0.6 to 0.5% y/y). Core manufacturing prices are essentially flat on annual basis, which is consistent with exchange rate developments. There is no meaningful acceleration in energy prices, despite the media interest in the subject. In the coming months, PPI will be impacted by weaker PLN, but commodity prices are likely to weigh on the index considerably. No meaningful change in manufactured goods prices continues to be a salient feature of current equilibrium.

From the MPC's point of view, the status quo in Polish monetary policy is thereby supported. On one hand, the economy is slowing down as expected, while showing resilience to global developments. On the other, producer price are painting a rather disinflationary picture. In such circumstances the MPC consensus (channeled by Mr Glapiński) might be more willing to talk about rate cuts than hikes within a two-year horizon. Nevertheless, stable rates will probably be the baseline scenario.

mBank Research

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Corporate Action Calendar

Date	Time	Company	Event
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

Thursday, 22 August 2019

Time	Region	Data	Period	Forecast	Previous
01:50	Japan	Foreigners Buying Japan Bonds	17 August		-545.50bn
01:50	Japan	Foreigners Buying Japan Stocks	17 August		-187.00bn
01:50	Japan	Japan Buying Foreign Bonds	17 August		-173.10bn
01:50	Japan	Japan Buying Foreign Stocks	17 August		-62.00bn
06:30	Japan	Industry Activity Index	June		0.30% m/m
10:00	Poland	Retail Sales	July		5.30% y/y
12:00	UK	CBI Distributive Trades Report	August		-16
14:30	USA	Continuing Claims	10 August		1 726 000
14:30	USA	Initial Jobless Claims	17 August		220 000
16:00	USA	Leading Indicators Index	July		-0.30%
16:30	USA	Natural Gas Inventory	16 August		2738bn

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
16:00	USA	New Home Sales	July		646 000
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%

Tuesday, 27 August 2019

Time	Region	Data	Period	Forecast	Previous
08:45	France	Consumer Confidence Index	August		102
15:00	USA	House Price Index	June		0.10% m/m; 1.15% q/q
16:00	USA	Richmond Fed Index	August		-12

Wednesday, 28 August 2019

Time	Region	Data	Period	Forecast	Previous
10:00	EU	M3 Money Supply	July		4.50% y/y

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						+22.5%	10.2	9.6		
Alior Bank	buy	2019-07-03	51.10	72.30	42.14	+71.6%	7.6	5.9		
Handlowy	accumulate	2019-07-03	53.60	59.45	51.70	+15.0%	13.1	10.7		
ING BSK	hold	2019-08-02	189.80	191.80	190.20	+0.8%	14.9	13.3		
Millennium	buy	2019-08-02	7.51	10.00	7.06	+41.6%	11.6	8.3		
Pekao	buy	2019-08-02	99.88	119.75	98.16	+22.0%	11.3	9.9		
PKO BP	buy	2019-08-02	39.34	47.17	39.90	+18.2%	11.3	11.0		
Santander Bank Polska	hold	2019-08-02	319.60	337.00	300.60	+12.1%	13.0	10.7		
Komercni Banka	accumulate	2019-08-02	872.00	1,000 CZK	818.00	+22.2%	10.2	9.8		
Erste Bank	buy	2019-02-04	31.00	43.72 EUR	30.96	+41.2%	8.9	8.3		
OTP Bank	hold	2019-08-02	12,080	13,046 HUF	12,290	+6.2%	10.2	9.6		
PZU	hold	2019-07-03	44.35	43.38	37.34	+16.2%	9.9	9.4		
Kruk	buy	2019-04-02	152.30	213.65	168.90	+26.5%	9.5	9.3		
Skarbiec Holding	buy	2019-06-03	16.50	28.17	16.95	+66.2%	5.8	5.0		
Chemicals						+25.0%	6.6	11.8	4.6	5.9
Ciech	hold	2019-07-03	41.60	41.72	33.80	+23.4%	6.7	7.0	4.8	4.7
Grupa Azoty	hold	2019-08-02	42.30	45.93	36.52	+25.8%	6.5	16.6	4.4	7.1
Oil & Gas						+13.2%	11.0	9.6	4.8	4.6
Lotos	sell	2019-08-02	88.66	72.31	77.50	-6.7%	11.8	10.9	6.2	5.2
MOL	accumulate	2019-08-02	3,004	3,258 HUF	2,886	+12.9%	10.4	9.2	4.3	4.1
PGNIG	accumulate	2019-08-02	5.62	6.33	4.81	+31.6%	11.6	8.0	4.5	3.4
PKN Orlen	hold	2019-08-01	97.36	92.82	89.84	+3.3%	8.5	10.1	5.1	5.4
Power Utilities						+41.5%	3.7	4.1	3.7	3.6
CEZ	accumulate	2019-06-25	544.00	597.80 CZK	515.00	+16.1%	15.4	13.3	7.4	6.8
Enea	buy	2019-06-25	8.53	12.41	8.19	+51.6%	3.0	2.8	3.2	3.0
Energa	buy	2019-06-25	7.33	12.67	6.50	+94.9%	3.7	4.1	3.7	4.0
PGE	buy	2019-06-25	9.00	13.26	7.46	+77.7%	4.6	5.1	3.0	3.2
Tauron	buy	2019-06-25	1.57	2.52	1.45	+73.4%	2.3	2.2	4.0	3.6
Telecoms, Media, IT						+2.6%	19.4	15.7	6.1	5.8
Netia	hold	2018-11-26	4.66	4.70	4.52	+4.0%	30.4	25.2	5.2	5.2
Orange Polska	accumulate	2019-08-02	6.70	7.50	6.03	+24.4%	39.0	24.5	4.8	4.6
Play	accumulate	2019-08-02	31.22	34.20	31.50	+8.6%	9.2	8.3	6.1	6.0
Agora	buy	2018-11-27	9.50	16.00	11.35	+41.0%	37.7	20.0	5.2	4.8
Cyfrowy Polsat	reduce	2019-05-31	26.00	24.15	28.26	-14.5%	14.8	12.6	7.1	6.9
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	56.80	-10.6%	15.2	14.8	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	386.00	+34.2%	25.9	36.8	18.1	22.3
CD Projekt	accumulate	2019-05-09	215.00	237.50	238.00	-0.2%	-	11.7	-	8.7
Industrials, Mining						+16.6%	6.5	9.5	4.9	5.0
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	4.12	+29.4%	5.2	9.5	4.3	5.0
Grupa Kęty	hold	2019-07-03	337.00	345.32	307.00	+12.5%	11.9	11.2	8.4	8.0
JSW	accumulate	2019-07-03	47.00	50.02	33.34	+50.0%	3.7	9.8	0.6	1.2
Kemel	reduce	2019-08-19	48.60	42.70	45.00	-5.1%	4.7	8.5	5.1	5.9
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	6.10	+30.3%	9.0	9.5	4.9	4.6
Property Developers						+13.4%	7.9	7.7	7.3	7.2
Atal	accumulate	2019-07-03	36.60	41.89	33.20	+26.2%	7.1	7.5	6.8	7.1
Dom Development	hold	2019-07-03	77.40	79.80	77.40	+3.1%	8.7	7.9	7.9	7.2
Retail						+3.6%	36.3	20.4	9.2	8.4
AmRest	buy	2019-04-02	41.20	48.00	39.25	+22.3%	36.9	26.9	12.7	10.1
CCC	hold	2019-06-06	153.80	161.00	132.10	+21.9%	49.3	20.4	6.8	5.4
Dino	sell	2019-08-13	135.90	111.20	150.80	-26.3%	38.7	29.5	22.0	17.2
Eurocash	hold	2019-08-02	18.60	18.10	18.78	-3.6%	36.3	25.7	7.8	6.9
Jeronimo Martins	hold	2019-05-09	13.89	14.30 EUR	14.79	-3.3%	21.0	18.8	9.2	8.4
LPP	accumulate	2019-07-03	7,745.00	8,500.00	7,030.00	+20.9%	19.2	17.4	9.7	8.7
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						11.5	10.8	4.8	4.6
Ailleron	neutral	2019-06-28	8.40	7.78	-7.4%	10.0	9.1	3.5	2.6
Asseco BS	neutral	2019-03-29	29.50	27.60	-6.4%	14.0	13.0	9.4	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						9.1	9.3	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	35.30	-30.8%	8.6	9.4	6.6	6.9
Amica	neutral	2019-04-29	130.00	107.80	-17.1%	7.1	6.7	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	4.50	+0.2%	10.0	9.3	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	24.80	-38.9%	12.4	10.8	8.5	7.8
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	25.90	-7.5%	53.0	25.1	7.0	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	16.40	+6.5%	7.1	6.0	5.0	4.6
TIM	overweight	2019-04-29	7.90	8.16	+3.3%	9.3	8.2	5.6	5.0
Retail						9.5	9.3	4.5	3.7
Monnari	neutral	2019-07-17	4.66	4.77	+2.4%	9.5	9.3	4.5	3.7

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	42.14	7.6	5.9	5.1	10%	12%	12%	0.8	0.7	0.6	0.0%	0.0%	0.0%
Handlowy	51.70	13.1	10.7	10.0	7%	9%	9%	1.0	0.9	0.9	7.2%	8.2%	7.0%
ING BSK	190.20	14.9	13.3	12.0	12%	13%	13%	1.8	1.7	1.5	1.8%	2.0%	2.3%
Millennium	7.06	11.6	8.3	7.5	8%	11%	11%	0.9	0.9	0.8	0.0%	0.0%	0.0%
Pekao	98.16	11.3	9.9	9.3	10%	11%	11%	1.1	1.1	1.0	6.7%	6.6%	7.6%
PKO BP	39.90	11.3	11.0	10.3	11%	11%	11%	1.2	1.2	1.1	3.3%	7.8%	9.4%
Santander BP	300.60	13.0	10.7	9.9	9%	11%	11%	1.2	1.1	1.1	6.6%	3.8%	4.7%
Median		11.6	10.7	9.9	10%	11%	11%	1.1	1.1	1.0	3.3%	3.8%	4.7%
Investors in Polish banks													
BCP	0.204	7.0	6.0	4.9	8%	9%	10%	0.5	0.5	0.4	2.4%	5.4%	6.4%
Citigroup	63.250	8.3	7.3	6.7	10%	10%	10%	0.8	0.7	0.7	3.1%	3.6%	4.1%
Commerzbank	4.921	6.5	5.1	4.6	3%	4%	4%	0.2	0.2	0.2	4.7%	6.1%	7.2%
ING	8.406	6.4	6.2	5.9	10%	10%	10%	0.6	0.6	0.5	8.3%	8.5%	8.9%
UCI	9.633	5.1	4.9	4.7	8%	8%	7%	0.4	0.4	0.3	6.0%	7.8%	9.3%
Median		6.5	6.0	4.9	8%	9%	10%	0.5	0.5	0.4	4.7%	6.1%	7.2%
Foreign banks													
Erste Bank	30.96	8.9	8.3	-	10%	10%	-	0.8	0.8	-	4.5%	4.7%	-
Komercni Banka	818.00	10.2	9.8	-	14%	14%	-	1.4	1.3	-	6.4%	6.4%	-
OTP	12,290	10.2	9.6	-	16%	14%	-	1.5	1.3	-	1.9%	2.4%	-
Akbank	6.83	7.0	4.7	3.8	11%	14%	15%	0.7	0.6	0.5	2.7%	4.4%	6.1%
Alpha Bank	1.50	16.9	9.4	6.9	1%	3%	4%	0.3	0.3	0.3	0.0%	0.5%	0.0%
Banco Santander	3.48	6.8	6.4	6.1	8%	8%	9%	0.6	0.5	0.5	6.6%	6.9%	7.3%
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	0.70	9.2	6.6	5.4	4%	7%	8%	0.5	0.4	0.4	0.0%	0.0%	0.0%
National Bank of Greece	2.23	15.9	10.1	8.1	2%	4%	5%	0.4	0.4	0.4	0.0%	0.4%	0.0%
Piraeus Bank	2.68	16.8	10.1	7.4	2%	3%	4%	0.2	0.2	0.2	0.0%	1.2%	0.0%
Sberbank	218.62	5.2	4.6	4.2	22%	22%	21%	1.1	1.0	0.9	9.2%	10.7%	12.3%
Türkiye Garanti Bank	8.84	5.5	4.0	3.3	12%	16%	18%	0.7	0.6	0.5	3.8%	5.0%	5.4%
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	4.37	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	3.9	3.9	3.0	12%	12%	13%	0.5	0.4	0.3	7.6%	7.6%	10.2%
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%	-
Median		7.9	6.5	4.2	10%	11%	9%	0.5	0.4	0.4	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	37.34	9.9	9.4	9.2	22%	23%	23%	2.1	2.1	2.1	8.0%	8.1%	8.5%
Aegon	3.60	5.1	5.0	4.8	8%	7%	8%	0.4	0.3	0.3	8.5%	8.9%	9.4%
Allianz	202.20	10.7	10.0	9.4	13%	12%	13%	1.3	1.2	1.2	4.7%	5.0%	5.4%
Assicurazioni Generali	16.38	10.0	9.8	9.3	11%	11%	11%	1.0	1.0	0.9	5.9%	6.2%	6.6%
Aviva	3.58	5.7	5.7	5.6	13%	13%	14%	0.8	0.8	0.8	9.0%	9.3%	9.5%
AXA	21.58	7.9	7.5	7.3	11%	11%	11%	0.9	0.8	0.8	6.8%	7.1%	7.5%
Baloise	181.60	14.0	12.8	11.8	9%	10%	10%	1.3	1.3	1.2	3.5%	3.8%	4.0%
Helvetia	126.60	12.5	12.0	11.4	11%	10%	12%	1.2	1.1	1.1	4.0%	4.1%	7.2%
Mapfre	2.38	9.0	8.3	8.1	10%	10%	10%	0.9	0.8	0.8	6.6%	6.9%	7.3%
RSA Insurance	5.36	11.7	10.8	10.3	12%	13%	12%	1.4	1.3	1.3	5.2%	5.9%	6.6%
Uniqia	8.23	11.4	10.8	10.0	7%	7%	8%	0.9	0.9	0.8	6.8%	7.0%	7.2%
Vienna Insurance G.	23.65	9.7	9.0	8.4	7%	7%	7%	0.6	0.6	0.6	4.4%	4.8%	5.1%
Zurich Financial	351.90	12.8	11.9	11.2	13%	14%	14%	1.7	1.6	1.5	5.7%	6.0%	6.4%
Median		10.0	9.8	9.3	11%	11%	11%	1.0	1.0	0.9	5.9%	6.2%	7.2%

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	77.50	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	2886.00	4.3	4.1	3.7	0.6	0.6	0.5	10.4	9.2	8.0	15%	15%	15%	4.9%	5.2%	5.5%
PKN Orlen	89.84	5.1	5.4	5.2	0.4	0.4	0.4	8.5	10.1	10.3	9%	8%	7%	3.9%	3.3%	3.3%
Hellenic Petroleum	9.24	6.1	5.4	5.5	0.5	0.5	0.5	10.8	8.3	8.0	8%	9%	8%	5.4%	5.6%	6.7%
HollyFrontier	45.37	6.0	5.3	5.7	0.6	0.6	0.6	10.0	7.9	8.9	11%	12%	11%	3.0%	3.0%	3.1%
Marathon Petroleum	47.23	6.3	5.0	4.9	0.5	0.5	0.5	9.3	5.7	5.5	8%	10%	11%	4.5%	5.0%	5.6%
Motor Oil	21.24	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	29.62	10.8	10.2	9.7	1.5	1.5	1.4	17.0	15.6	14.8	14%	15%	15%	3.0%	3.2%	3.4%
OMV	47.08	3.8	3.5	3.5	0.9	0.9	0.9	8.9	7.8	7.5	24%	26%	26%	4.1%	4.5%	4.8%
Phillips 66	99.30	8.1	6.7	7.1	0.5	0.5	0.6	13.3	9.4	10.0	7%	8%	8%	3.5%	3.7%	4.0%
Saras SpA	1.41	3.3	2.2	3.2	0.1	0.1	0.1	9.2	4.5	7.6	4%	6%	4%	6.1%	10.1%	7.0%
Tupras	135.50	6.5	4.8	4.7	0.4	0.4	0.4	9.4	5.7	5.3	7%	8%	8%	9.0%	14.9%	16.0%
Valero Energy	78.40	6.5	4.8	5.3	0.4	0.3	0.3	11.6	7.1	7.9	6%	7%	7%	4.6%	5.0%	5.3%
Median		6.1	5.0	4.9	0.5	0.5	0.5	10.0	7.9	8.0	8%	9%	8%	4.5%	5.0%	5.3%
Gas companies																
PGNiG	4.81	4.5	3.4	2.9	0.8	0.7	0.6	11.6	8.0	6.6	18%	22%	22%	2.3%	3.4%	5.0%
AZA SpA	1.58	7.3	6.7	6.5	1.4	1.3	1.3	15.5	13.4	13.2	19%	19%	19%	5.0%	5.1%	5.2%
BP	498.85	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	64.84	3.4	3.2	3.2	0.3	0.3	0.3	7.1	5.9	5.5	8%	8%	8%	0.0%	0.0%	0.0%
Enagas	19.92	9.4	9.0	9.7	7.6	7.6	7.9	11.3	10.4	11.1	81%	84%	82%	8.0%	8.4%	8.5%
Endesa	23.32	8.6	8.5	8.3	1.5	1.5	1.4	16.3	16.0	15.6	18%	17%	17%	6.1%	6.3%	5.5%
Engie	13.55	6.2	5.9	5.6	0.9	0.9	0.9	12.9	11.5	10.5	15%	15%	16%	5.7%	6.2%	6.7%
Eni	13.35	3.3	3.1	3.0	0.8	0.8	0.9	10.5	9.3	8.8	24%	26%	28%	6.4%	6.6%	6.7%
Equinor	153.00	2.6	2.3	2.2	1.0	0.9	0.9	9.0	8.0	7.5	37%	38%	40%	0.1%	0.1%	0.1%
Gas Natural SDG	23.71	9.3	8.9	8.7	1.7	1.6	1.5	16.6	15.4	14.8	18%	18%	18%	5.8%	6.0%	6.4%
Gazprom	231.22	3.6	3.4	3.3	1.0	1.0	0.9	5.0	4.5	3.7	27%	28%	28%	5.3%	5.9%	7.4%
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	1276.20	14.0	13.1	13.2	4.8	4.5	4.2	12.1	12.5	11.5	34%	34%	32%	2.1%	2.6%	3.0%
ROMGAZ	33.85	6.1	5.5	5.2	2.8	2.6	2.4	10.3	9.4	8.7	46%	48%	47%	9.3%	9.6%	9.5%
Shell	25.37	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	4.51	12.6	12.3	11.9	10.2	10.0	9.7	14.5	14.1	13.5	81%	81%	81%	5.3%	5.6%	5.8%
Total	44.39	4.8	4.5	4.4	0.8	0.9	0.8	10.3	9.2	8.9	18%	19%	19%	6.6%	6.8%	7.0%
Median		6.1	5.5	5.2	1.0	1.0	0.9	11.3	9.5	9.2	18%	19%	19%	5.3%	5.9%	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	515.00	7.4	6.8	6.7	2.1	1.9	1.8	15.4	13.3	13.4	29%	28%	27%	4.7%	5.9%	6.7%
Enea	8.19	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%
Energia	6.50	3.7	4.0	4.3	0.7	0.7	0.8	3.7	4.1	4.1	18%	17%	18%	0.0%	0.0%	0.0%
PGE	7.46	3.0	3.2	2.3	0.6	0.6	0.5	4.6	5.1	3.6	21%	18%	22%	0.0%	5.5%	4.9%
Tauron	1.45	4.0	3.6	3.1	0.7	0.6	0.6	2.3	2.2	1.8	17%	17%	19%	0.0%	0.0%	0.0%
EDF	10.55	4.9	4.4	4.2	1.1	1.1	1.0	15.0	11.3	10.1	23%	24%	25%	3.4%	4.3%	4.7%
EDP	3.36	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	23.32	8.6	8.5	8.3	1.5	1.5	1.4	16.3	16.0	15.6	18%	17%	17%	6.1%	6.3%	5.5%
Enel	6.32	7.1	6.8	6.5	1.6	1.5	1.5	13.6	12.5	11.8	22%	23%	23%	5.1%	5.6%	5.9%
EON	8.20	7.2	5.4	4.8	1.1	0.6	0.5	11.9	11.4	10.8	16%	11%	10%	5.6%	6.1%	6.5%
Fortum	20.49	14.3	13.2	12.7	4.4	4.2	4.1	16.2	14.1	12.8	30%	32%	32%	5.4%	5.4%	5.4%
Iberdola	9.34	10.4	9.7	9.1	2.8	2.6	2.5	18.2	16.9	15.9	27%	27%	28%	3.9%	4.2%	4.5%
National Grid	856.50	11.2	10.7	10.1	3.6	3.5	3.4	14.7	14.8	13.9	32%	33%	34%	0.0%	0.0%	0.0%
Red Electrica	17.59	9.1	9.2	9.3	7.1	7.2	7.2	13.1	13.6	13.9	78%	78%	77%	6.0%	6.0%	6.0%
RWE	25.62	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%	4.1%
SSE	1097.00	10.4	9.0	8.3	0.7	0.7	0.7	16.3	11.6	10.2	7%	8%	8%	0.0%	0.0%	0.0%
Verbund	55.00	10.3	8.4	7.9	3.7	3.4	3.2	35.6	26.8	25.1	36%	40%	41%	1.2%	1.6%	1.9%
Median		8.5	8.0	6.9	1.6	1.5	1.5	14.9	13.3	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	36.52	4.4	7.1	8.2	0.5	0.6	0.7	6.5	16.6	16.7	13%	9%	9%	0.0%	0.0%	1.8%
Acron	4700.00	6.7	6.5	6.2	2.2	2.1	2.0	9.4	8.9	8.2	33%	32%	32%	6.9%	7.2%	8.5%
CF Industries	48.89	10.5	9.3	9.0	3.7	3.5	3.5	24.5	18.0	15.5	35%	38%	39%	2.5%	2.5%	2.5%
Israel Chemicals	1672.00	7.0	6.6	6.5	1.5	1.4	1.3	12.1	11.0	10.6	21%	21%	21%	0.0%	0.0%	0.0%
K+S	14.15	7.6	6.7	6.2	1.5	1.4	1.4	11.7	9.0	7.6	19%	21%	22%	3.1%	4.3%	5.0%
Phosagro	2440.00	5.8	5.5	5.3	1.8	1.7	1.6	9.1	9.4	5.6	31%	32%	30%	6.3%	6.0%	7.7%
The Mosaic Company	19.07	5.4	4.8	4.5	1.1	1.1	1.1	11.0	8.1	6.9	21%	23%	24%	1.0%	1.2%	1.5%
Yara International	377.80	54.0	46.5	42.2	8.3	7.7	7.2	-	-	-	15%	17%	17%	0.3%	0.4%	0.5%
ZA Polce	14.40	5.3	4.8	4.8	1.2	1.2	1.2	1.3	1.2	1.2	23%	24%	24%	57.7%	62.5%	69.4%
ZCh Pulawy	91.20	1.9	2.0	2.0	0.3	0.3	0.3	5.6	5.8	-	15%	14%	14%	5.5%	5.5%	-
Median		6.3	6.6	6.2	1.5	1.4	1.4	9.4	9.0	7.9	21%	22%	23%	2.8%	3.4%	2.5%
Chemical companies																
Ciech	33.80	4.8	4.7	4.7	0.9	0.9	0.8	6.7	7.0	7.3	18%	19%	17%	0.0%	3.0%	7.2%
Akzo Nobel	81.57	15.1	13.1	12.0	2.0	1.9	1.9	27.0	19.9	17.6	13%	15%	16%	2.3%	2.5%	3.0%
BASF	58.99	7.6	6.9	6.5	1.1	1.1	1.1	10.9	9.9	9.2	15%	16%	16%	5.6%	5.7%	5.9%
Croda	4728.00	15.3	14.4	13.6	4.8	4.7	4.5	22.8	21.2	20.1	32%	32%	33%	0.0%	0.0%	0.0%
Sisecam	4.19	3.3	2.8	2.5	0.7	0.6	0.5	4.5	3.9	3.8	21%	22%	22%	5.5%	6.2%	7.2%
Soda Sanayii	5.69	3.0	2.4	2.1	0.8	0.7	0.7	4.1	3.6	3.3	27%	29%	34%	10.5%	13.2%	18.1%
Solvay	90.00	4.9	4.7	4.5	1.1	1.1	1.0	10.4	9.8	8.7	22%	22%	22%	4.3%	4.4%	4.6%
Tata Chemicals	556.35	7.8	7.1	6.5	1.4	1.3	1.2	13.5	11.7	10.7	18%	19%	19%	2.1%	2.4%	2.4%
Tessenderlo Chemie	25.95	5.2	4.9	4.4	0.7	0.7	0.6	11.1	9.8	8.9	13%	14%	14%	-	-	-
Wacker Chemie	68.30	5.5	5.3	4.8	0.9	0.9	0.9	17.1	13.9	11.2	17%	17%	18%	3.6%	3.9%	4.5%
Median		5.4	5.1	4.7	1.0	1.0	0.9	11.0	9.9	9.1	18%	19%	19%	3.6%	3.9%	4.6%

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	4.12	4.3	5.0	5.8	1.1	1.3	1.4	5.2	9.5	12.1	26%	27%	24%	12.9%	9.6%	7.9%
Caterpillar	117.68	7.4	7.3	7.4	1.6	1.6	1.5	9.5	9.0	8.6	21%	21%	21%	3.2%	3.5%	3.4%
Epiroc	102.80	8.4	7.2	6.8	2.1	2.0	1.9	19.5	18.2	17.2	24%	27%	27%	2.4%	2.6%	2.8%
Komatsu	2246.00	5.3	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	139.00	7.4	7.2	7.0	1.7	1.7	1.6	12.6	11.9	11.3	23%	23%	23%	3.3%	3.6%	3.8%
Median		7.4	7.2	6.8	1.6	1.6	1.5	9.5	9.5	11.3	23%	22%	22%	3.3%	3.6%	3.8%

Mining 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
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	1723.00	3.5	3.8	4.0	1.3	1.3	1.2	7.1	7.9	8.4	36%	33%	31%	0.0%	0.0%	0.0%
Antofagasta	819.20	4.8	4.8	4.3	2.4	2.3	2.2	14.2	14.0	11.7	50%	49%	52%	0.0%	0.0%	0.0%
BHP Group LTD	35.25	3.6	3.5	3.7	1.9	1.9	1.9	12.6	11.6	13.0	54%	54%	52%	4.5%	3.0%	2.4%
Boliden	199.42	4.1	4.2	4.2	1.1	1.0	1.0	8.3	8.5	8.4	26%	25%	25%	6.1%	6.2%	6.6%
First Quantum	8.95	6.4	4.4	4.0	2.8	2.1	2.0	9.3	5.6	4.5	44%	48%	50%	0.1%	0.2%	0.7%
Freeport-McMoRan	9.14	7.8	6.1	4.0	1.9	1.8	1.5	19.4	10.6	5.6	24%	29%	38%	2.2%	4.0%	5.1%
Fresnillo	667.00	6.4	5.4	4.5	2.9	2.6	2.4	18.5	14.8	11.0	45%	49%	53%	0.0%	0.0%	0.0%
Gold Fields	8841.00	5.4	4.7	4.7	2.2	2.1	2.1	32.0	21.6	20.6	42%	44%	44%	0.0%	0.0%	0.0%
Hudbay Min	4.18	2.6	2.3	2.3	1.0	1.0	0.9	12.3	9.7	7.3	39%	42%	41%	0.3%	0.3%	0.3%
KAZ Minerals	403.20	4.1	3.9	3.7	2.2	2.1	2.0	4.5	4.2	3.8	54%	54%	55%	0.0%	0.0%	0.0%
Lundin Min	6.02	4.8	3.3	3.0	1.9	1.5	1.4	12.3	7.3	6.5	39%	45%	48%	1.1%	1.2%	1.6%
MMC Norilsk Nickel	23.08	6.6	6.4	6.2	3.6	3.5	3.4	8.9	8.8	9.2	55%	54%	55%	9.6%	10.6%	11.8%
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	1105.50	8.1	7.7	7.6	3.8	3.6	3.5	11.8	10.9	10.5	46%	47%	47%	0.0%	0.0%	0.0%
Polyus	7244.00	7.8	7.6	7.6	5.0	4.8	4.8	12.2	11.4	10.7	64%	64%	63%	4.0%	4.5%	4.9%
Sandfire Resources	5.80	2.3	1.6	1.8	1.1	0.9	1.0	7.9	4.8	4.8	51%	58%	57%	4.7%	6.9%	6.4%
Southern CC	29.92	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		5.1	4.5	4.0	2.2	2.1	2.0	12.2	10.2	8.7	44%	47%	49%	0.7%	1.6%	2.0%

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

Mining company valuations

Coal	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
JSW	33.34	0.6	1.2	1.6	0.1	0.2	0.2	3.7	9.8	23.0	23%	17%	15%	5.1%	5.3%	5.1%
Alliance Res Partners	15.23	3.3	3.5	3.8	1.1	1.1	1.2	4.0	6.0	7.4	34%	33%	31%	14.1%	14.5%	14.3%
Arch Coal	77.87	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	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	47.67	3.6	3.4	3.7	1.9	1.9	1.9	12.6	11.5	13.0	54%	54%	52%	9.7%	6.5%	5.2%
China Coal Energy	2.79	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	0.06	8.8	9.6	11.6	0.5	0.4	0.4	-	-	-	6%	4%	3%	-	-	-
LW Bogdanka	36.10	1.4	1.4	1.4	0.5	0.4	0.4	5.9	5.8	6.1	33%	33%	31%	6.6%	8.5%	6.0%
Natural Res Partners	27.75	1.7	1.7	1.7	1.4	1.3	1.3	4.8	4.5	4.4	79%	80%	80%	6.5%	6.5%	6.5%
Peabody Energy Corp	19.66	2.3	2.5	2.8	0.5	0.5	0.5	9.2	16.2	44.7	20%	19%	17%	11.5%	3.1%	2.7%
PT Bukit Asam Tbk	2420.00	3.6	3.3	3.2	1.1	1.0	0.9	5.1	5.4	4.9	30%	31%	30%	11.6%	12.6%	12.7%
Rio Tinto	3990.00	3.5	3.7	3.9	1.6	1.7	1.8	8.0	8.9	9.8	48%	46%	46%	0.0%	0.0%	0.0%
Semirara Mining&Power	22.95	5.1	4.5	4.3	2.4	2.2	2.1	7.9	7.0	7.2	48%	48%	49%	6.4%	6.8%	8.2%
Shaanxi Heima Coking	3.56	-	-	-	0.7	0.7	0.6	10.2	9.6	11.5	-	-	-	-	-	-
Shanxi Xishan Coal&Ele	6.05	5.6	5.6	5.3	1.0	1.0	1.0	10.4	10.8	-	19%	18%	19%	0.8%	0.7%	0.9%
Shougang Fushan Res	1.58	2.4	2.4	2.5	1.3	1.2	1.2	6.9	6.5	7.1	52%	49%	47%	8.7%	9.2%	7.2%
Stanmore Coal	1.48	2.2	2.8	4.1	0.8	0.9	0.9	4.5	5.9	9.9	37%	33%	23%	4.9%	4.0%	3.4%
Teck Resources	16.39	2.8	3.1	3.3	1.2	1.2	1.2	5.6	6.5	7.6	41%	39%	38%	1.8%	1.7%	2.3%
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	21.31	2.2	3.0	3.3	0.9	1.0	1.0	3.4	5.0	6.0	41%	33%	32%	12.0%	8.1%	8.0%
Yanzhou Coal Mining	6.35	4.0	4.1	3.8	1.1	1.1	1.1	3.9	4.0	3.8	28%	27%	29%	6.6%	6.3%	6.8%
Median		3.0	3.2	3.5	1.0	1.0	1.0	5.8	6.3	7.1	31%	32%	29%	6.4%	6.4%	5.4%

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	4.52	5.2	5.2	5.1	1.3	1.4	1.4	30.4	25.2	21.4	26%	26%	27%	0.0%	0.0%	8.8%
Orange Polska	6.03	4.8	4.6	4.3	1.4	1.3	1.3	39.0	24.5	17.5	29%	29%	29%	0.0%	0.0%	4.1%
Play	31.50	6.1	6.0	5.6	2.0	2.1	2.0	9.2	8.3	8.2	33%	34%	35%	4.6%	4.2%	4.6%
Median		5.2	5.2	5.1	1.4	1.4	1.4	30.4	24.5	17.5	29%	29%	29%	0%	0.0%	4.6%
Mid Caps																
Proximus	26.08	5.9	5.9	5.9	1.9	1.9	1.9	15.3	14.8	15.0	32%	33%	33%	5.8%	5.8%	5.8%
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	12.00	5.0	4.9	4.8	1.8	1.7	1.7	17.1	14.9	13.3	35%	36%	36%	4.6%	5.0%	5.5%
Matav	418.00	4.0	4.0	4.0	1.2	1.2	1.2	9.0	8.8	8.3	30%	30%	30%	6.4%	6.8%	7.4%
Telecom Austria	6.64	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%	5.8%	5.8%	5.8%
Big Caps																
BT	161.76	3.6	3.7	3.6	1.2	1.2	1.2	6.2	6.4	6.1	32%	32%	32%	0.0%	0.0%	0.0%
DT	14.86	5.5	5.3	5.0	1.8	1.7	1.6	14.1	12.8	11.4	32%	32%	33%	5.1%	5.4%	5.8%
KPN	2.74	7.5	7.3	6.9	3.1	3.1	3.2	24.4	20.4	17.6	41%	43%	46%	4.9%	5.2%	5.5%
Orange France	13.53	5.0	4.9	4.8	1.5	1.5	1.5	13.0	11.9	11.1	31%	32%	32%	5.3%	5.6%	5.8%
Swisscom	488.70	7.8	7.8	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.	5.97	5.2	5.1	5.0	1.7	1.7	1.7	8.3	7.3	7.2	32%	33%	33%	6.7%	6.8%	7.0%
Telia Company	41.17	8.7	8.5	8.3	2.9	2.9	2.8	16.2	15.1	14.1	34%	34%	34%	6.0%	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	5.0	1.8	1.7	1.7	13.5	12.3	11.2	33%	33%	34%	5.0%	5.3%	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	11.35	5.2	4.8	4.2	0.5	0.5	0.4	37.7	20.0	12.4	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	1.9	1.7	1.5	28.6	18.3	13.8	20%	21%	21%	3.0%	3.5%	3.8%
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	63.05	11.3	10.4	9.5	2.6	2.5	2.4	23.4	21.0	19.1	23%	24%	25%	3.4%	3.6%	3.8%
Daily Mail	776.00	8.4	8.2	7.8	1.1	1.1	1.1	21.0	19.2	17.7	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	10.9	10.1	9.0	7%	8%	7%	2.7%	4.6%	2.7%
New York Times	28.66	17.9	16.6	13.3	2.5	2.4	2.2	33.8	30.6	24.0	14%	14%	16%	0.7%	0.7%	0.8%
Promotora de Inform	1.28	7.8	6.7	6.3	1.7	1.6	1.6	11.4	9.4	8.1	21%	24%	25%	0.0%	0.0%	-
Median		8.1	7.5	7.0	1.4	1.4	1.3	16.2	14.6	13.4	14%	14%	15%	1.7%	2.2%	2.7%
TV																
Atresmedia Corp	3.38	5.2	5.4	5.6	0.9	0.9	0.9	6.0	6.2	6.4	18%	17%	17%	13.7%	13.1%	12.2%
Gestevisión Telecinco	5.80	7.0	7.3	7.4	1.9	1.9	1.9	9.5	9.6	9.5	26%	26%	25%	8.1%	8.2%	8.1%
ITV PLC	110.60	7.6	7.4	7.0	1.7	1.6	1.6	8.6	8.2	8.0	22%	22%	22%	0.0%	0.0%	0.0%
M6-Metropole Tel	16.37	5.3	5.2	5.0	1.4	1.3	1.4	11.8	11.4	12.4	26%	26%	27%	5.9%	6.1%	6.6%
Mediaset SPA	2.94	4.6	4.5	4.3	1.5	1.5	1.5	13.0	11.6	10.7	33%	34%	36%	5.8%	6.8%	6.8%
ProSieben	11.26	5.4	5.2	4.9	1.2	1.2	1.1	5.6	5.4	5.1	23%	23%	23%	9.3%	9.5%	9.8%
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	8.92	3.6	3.5	3.3	0.8	0.7	0.7	10.2	9.7	8.5	21%	21%	22%	4.9%	5.3%	6.9%
Median		5.4	5.2	5.0	1.4	1.3	1.4	10.2	9.7	9.5	23%	23%	23%	5.9%	6.8%	6.9%
Pay TV																
Cogeco	106.06	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	44.11	8.6	8.1	7.8	2.7	2.6	2.5	14.7	13.2	12.1	31%	31%	32%	1.9%	2.1%	2.2%
Dish Network	31.87	8.8	10.2	11.8	1.7	1.8	2.0	13.0	17.8	22.1	19%	18%	16%	0.0%	0.0%	0.0%
Liberty Global	26.26	4.9	4.8	5.2	2.1	2.1	2.1	-	-	32.1	43%	43%	41%	0.0%	0.0%	-
Shaw Communications	19.19	7.6	7.3	7.0	3.1	3.0	2.9	19.7	17.6	15.7	41%	42%	42%	8.3%	8.3%	8.5%
Median		7.6	7.3	7.0	2.7	2.6	2.5	15.5	16.1	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	56.80	4.8	4.5	4.3	0.7	0.7	0.6	15.2	14.8	14.6	15%	15%	15%	5.4%	4.0%	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	5.1	4.8	0.8	0.8	0.7	15.0	14.1	13.7	15%	15%	15%	3.1%	2.5%	2.4%
Foreign companies																
Atos Origin	69.50	6.8	6.5	6.2	0.9	0.9	0.9	7.9	7.4	7.0	13%	14%	14%	2.5%	2.7%	2.9%
CapGemini	109.40	9.2	8.6	8.2	1.3	1.3	1.2	16.7	15.3	14.1	14%	15%	15%	1.7%	1.8%	2.0%
IBM	134.25	8.0	7.9	8.0	1.9	1.9	1.9	9.6	9.5	9.2	24%	24%	24%	4.8%	5.0%	5.1%
Indra Sistemas	6.91	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	138.79	18.8	16.7	14.7	8.0	7.2	6.5	30.3	27.1	23.4	43%	43%	44%	1.3%	1.4%	1.5%
Oracle	53.24	10.7	10.2	9.9	5.0	4.9	4.7	15.5	14.2	13.2	47%	48%	48%	1.6%	1.7%	1.9%
SAP	109.44	16.7	14.4	13.0	5.2	4.8	4.5	22.7	20.3	18.1	31%	34%	35%	1.4%	1.6%	1.8%
TietoEnator	22.56	7.4	7.1	6.9	1.1	1.1	1.1	12.1	11.5	11.1	15%	15%	15%	6.5%	6.7%	6.9%
Median		8.6	8.2	8.1	1.6	1.6	1.6	13.8	12.8	12.1	20%	20%	20%	1.7%	2.3%	2.4%

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	386.00	18.1	22.3	5.7	10.4	9.3	3.8	25.9	36.8	9.1	58%	42%	66%	0.0%	0.0%	0.0%
CD Projekt	238.00	-	8.7	8.6	72.6	6.6	7.1	-	11.7	12.0	14%	76%	82%	0.0%	0.0%	0.0%
Activision Blizzards	49.04	15.2	12.8	12.1	5.4	4.9	4.6	22.6	19.1	16.9	36%	38%	38%	0.8%	0.8%	0.9%
Capcom	2898.00	14.7	13.3	12.0	3.6	3.8	3.5	23.6	21.6	20.2	24%	29%	29%	1.2%	1.4%	1.5%
Take Two	134.21	18.4	20.6	18.7	4.5	4.9	4.6	28.4	30.8	27.7	24%	24%	24%	-	-	-
Ubisoft	73.88	8.3	8.4	7.7	4.0	3.7	3.5	24.8	24.4	20.8	49%	44%	45%	0.0%	-	-
Electronic Arts	94.04	16.3	14.0	12.8	5.2	4.8	4.5	24.0	20.8	18.5	32%	34%	35%	-	-	-
Paradox Interactive	134.00	16.4	12.8	10.5	9.9	8.1	7.0	31.1	24.1	20.2	60%	63%	66%	1.0%	1.2%	1.6%
Mediana		16.3	13.1	11.3	5.3	4.9	4.5	24.8	22.8	19.3	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
Construction																
Acciona	96.35	8.4	7.9	7.7	1.4	1.4	1.4	20.4	18.4	17.1	17%	18%	18%	3.7%	3.9%	4.2%
Astaldi	0.66	4.5	4.4	4.4	0.5	0.5	0.5	1.1	1.0	0.8	10%	10%	11%	-	-	-
Budimex	129.80	7.1	7.0	6.7	0.3	0.3	0.4	16.5	15.9	13.8	5%	5%	5%	6.3%	4.7%	5.0%
Ferrovial	25.61	52.9	35.4	35.4	3.9	3.8	3.7	66.2	42.5	35.3	7%	11%	10%	2.9%	3.0%	3.1%
Hochtief	98.20	3.5	3.4	3.2	0.2	0.2	0.2	10.3	9.7	9.3	6%	6%	6%	6.3%	6.6%	6.9%
Mota Engil	1.94	4.0	3.7	3.4	0.6	0.5	0.5	12.1	8.2	6.9	15%	15%	15%	2.2%	4.3%	7.2%
NCC	149.35	6.3	5.4	5.1	0.3	0.3	0.3	14.6	10.8	9.9	4%	5%	5%	4.0%	5.0%	5.2%
Skanska	178.05	9.6	8.5	8.1	0.4	0.4	0.4	14.8	13.6	12.8	5%	5%	5%	3.9%	4.1%	4.5%
Strabag	29.40	2.5	2.5	2.5	0.2	0.2	0.1	9.8	9.8	9.4	6%	6%	6%	4.5%	4.6%	4.4%
Median		6.3	5.4	5.1	0.4	0.4	0.4	14.6	10.8	9.9	6%	6%	6%	4.0%	4.5%	4.7%

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	33.20	6.8	7.1	6.5	1.5	1.5	1.4	7.1	7.5	6.7	24%	23%	23%	14.2%	12.8%	12.2%
Dom Development	77.40	7.9	7.2	8.1	1.9	1.8	1.9	8.7	7.9	8.6	17%	18%	17%	11.7%	11.5%	12.7%
Echo Investment	4.30	15.0	12.1	16.2	1.2	1.1	1.0	7.5	7.0	7.3	35%	42%	29%	9.3%	9.0%	5.8%
GTC	9.50	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	2.34	7.4	10.1	9.0	0.7	0.7	0.6	-	-	-	32%	28%	27%	12.8%	10.7%	6.8%
CA Immobilien Anlagen	31.55	25.6	23.3	21.5	1.1	1.0	0.9	23.8	20.9	15.9	76%	68%	50%	3.1%	3.4%	3.8%
Deutsche Euroshop AG	23.10	14.5	14.5	14.5	0.6	0.7	0.7	10.1	10.1	9.9	88%	88%	88%	6.7%	6.8%	6.9%
Immofinanz AG	24.28	29.2	27.4	24.9	0.9	0.9	0.9	19.9	19.8	15.2	49%	53%	48%	3.5%	3.7%	4.2%
Klepierre	27.47	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	761.80	34.2	30.9	28.1	1.1	1.0	1.0	31.6	29.3	28.4	76%	78%	81%	0.0%	0.0%	0.0%
Median		15.0	13.7	15.4	1.0	1.0	0.9	10.3	10.1	9.9	63%	60%	49%	7.3%	7.5%	6.3%

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

Clothing and footwear company valuations

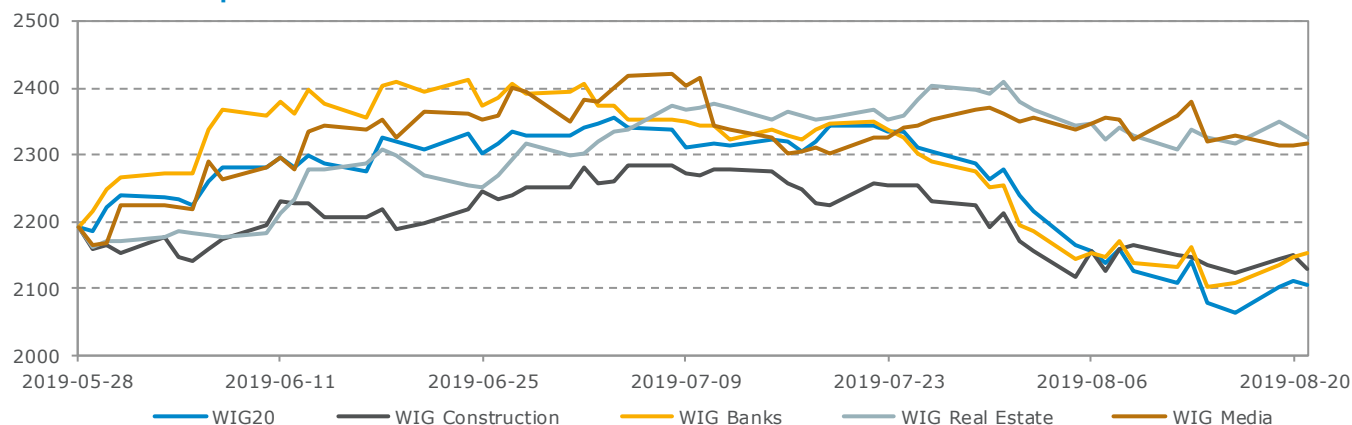
	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			DY		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Polish companies																
CCC	132.10	6.8	5.4	5.2	1.1	1.0	0.8	49.3	20.4	18.0	16%	18%	16%	0.4%	1.5%	1.5%
LPP	7030.00	9.7	8.7	7.5	1.3	1.2	1.0	19.2	17.4	15.9	14%	14%	14%	0.9%	1.1%	0.9%
Monnari	4.77	4.5	3.7	2.5	0.3	0.2	0.2	9.5	9.3	8.0	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		7.7	6.3	5.8	1.1	0.9	0.8	16.4	14.6	13.3	13%	13%	13%	0.2%	0.6%	0.4%
Foreign companies																
ABC Mart	6600.00	8.7	8.3	8.0	1.6	1.5	1.4	17.9	17.3	16.6	18%	18%	18%	2.4%	2.6%	2.6%
Adidas	265.80	15.4	14.1	12.9	2.2	2.1	1.9	27.2	24.2	21.3	14%	15%	15%	1.4%	1.6%	1.9%
Assoc Brit Foods	2277.00	8.6	7.9	7.4	1.1	1.0	1.0	16.7	14.9	13.9	13%	13%	13%	0.0%	0.0%	0.0%
Caleries	15.26	3.6	3.2	3.2	0.2	0.2	0.2	6.7	6.1	5.7	7%	7%	7%	1.8%	1.8%	1.8%
Crocs	24.41	12.4	10.4	8.6	1.5	1.4	1.4	22.4	17.9	-	12%	14%	16%	-	-	-
Foot Locker	39.76	4.2	4.0	3.8	0.5	0.5	0.4	8.7	7.7	7.0	11%	11%	12%	3.4%	3.9%	4.3%
Geox	1.23	5.9	4.8	3.9	0.4	0.4	0.3	30.9	16.7	10.8	6%	8%	9%	2.4%	3.2%	4.8%
H&M	177.60	10.0	9.5	9.0	1.2	1.2	1.1	23.2	21.7	20.6	12%	12%	12%	5.2%	5.0%	5.1%
Hugo Boss	50.46	6.4	6.0	5.5	1.2	1.1	1.1	13.4	12.0	10.9	19%	19%	20%	5.7%	6.4%	7.0%
Inditex	27.14	13.9	13.0	12.2	2.9	2.7	2.6	24.3	22.4	20.9	21%	21%	21%	2.9%	3.8%	4.1%
KappAhl	19.80	5.0	4.7	4.8	0.4	0.4	0.4	8.5	8.0	8.3	8%	8%	8%	7.2%	7.9%	6.8%
Lululemon	183.33	26.1	22.2	19.2	6.6	5.7	5.0	48.9	39.8	33.5	25%	26%	26%	0.0%	0.0%	0.0%
Nike	82.74	17.8	15.6	13.8	2.6	2.4	2.2	32.2	27.5	23.3	15%	15%	16%	1.0%	1.1%	1.2%
Under Armour	18.75	8.9	7.3	6.0	0.7	0.7	0.6	54.0	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	22.8	17.6	16.6	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
Luxury goods																
Estee Lauder	203.72	14.7	13.4	12.4	3.1	2.9	2.7	39.2	35.3	32.3	21%	21%	22%	0.8%	0.9%	1.0%
Hermes International	628.40	24.8	22.8	20.8	9.4	8.6	8.0	43.6	39.7	36.2	38%	38%	38%	0.9%	1.0%	1.1%
Kering	439.05	10.7	9.7	9.0	3.5	3.3	3.1	16.7	14.7	13.5	33%	34%	34%	2.7%	3.1%	3.4%
LVMH	369.10	14.2	13.2	12.2	3.7	3.5	3.3	25.4	23.3	21.4	26%	26%	27%	1.8%	2.0%	2.2%
Moncler	35.46	15.1	13.3	11.8	5.2	4.6	4.2	24.3	22.5	20.3	35%	35%	35%	1.3%	1.4%	1.8%
Median		14.7	13.3	12.2	3.7	3.5	3.3	25.4	23.3	21.4	33%	34%	34%	1.3%	1.4%	1.8%
E-commerce																
Asos	2268.00	14.5	10.5	8.0	0.7	0.6	0.5	44.8	28.8	20.1	5%	6%	6%	0.0%	0.0%	0.0%
boohoo.com	231.80	31.3	23.4	18.7	3.0	2.3	1.8	58.0	46.4	36.8	10%	10%	10%	0.0%	0.0%	0.0%
Zalando	42.83	33.6	26.2	19.4	1.5	1.3	1.1	-	-	68.0	5%	5%	6%	0.0%	0.0%	0.0%
Median		31.3	23.4	18.7	1.5	1.3	1.1	51.4	37.6	36.8	5%	6%	6%	0.0%	0.0%	0.0%
Retail																
Dino	150.80	22.0	17.2	13.7	2.0	1.5	1.2	38.7	29.5	23.6	9%	9%	9%	0.0%	0.0%	0.0%
Eurocash	18.78	7.8	6.9	5.8	0.1	0.1	0.1	36.3	25.7	18.1	2%	2%	2%	5.3%	1.4%	1.9%
Jeronimo Martins	14.79	9.2	8.4	7.9	0.5	0.5	0.4	21.0	18.8	18.0	6%	6%	6%	1.9%	1.9%	2.0%
Carrefour	15.62	4.9	4.6	4.3	0.2	0.2	0.2	13.5	11.7	10.8	5%	5%	5%	3.2%	3.5%	3.9%
AXFood	205.20	12.0	11.8	11.6	1.0	0.9	0.9	26.6	26.3	26.4	8%	8%	8%	3.4%	3.4%	3.2%
Tesco	214.30	6.9	5.8	5.5	0.4	0.4	0.4	15.1	12.5	11.3	5%	6%	6%	0.0%	0.0%	0.0%
Ahold	20.89	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	2218.00	6.5	5.9	5.4	0.5	0.4	0.4	16.3	14.4	13.5	7%	7%	7%	4.7%	5.6%	6.2%
Magnit	3571.00	5.1	4.5	4.1	0.4	0.3	0.3	10.3	9.6	8.6	7%	7%	7%	6.6%	6.1%	6.4%
Sonae	0.83	9.6	9.1	8.2	0.6	0.6	0.6	8.0	8.3	9.2	7%	7%	7%	5.4%	5.9%	6.0%
Median		7.4	6.5	5.9	0.5	0.4	0.4	15.7	13.5	12.6	7%	7%	7%	3.5%	3.5%	3.6%

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

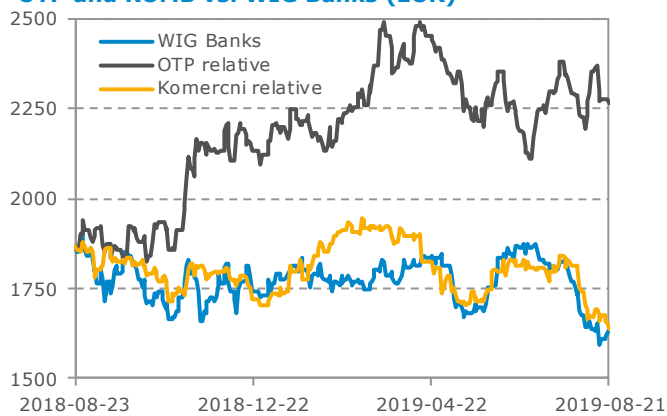
WIG sector index performance



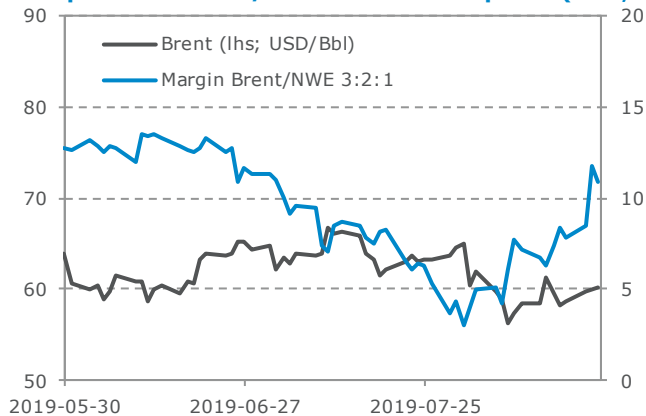
WIG IT vs. MSCI Europe Software & Services (USD)



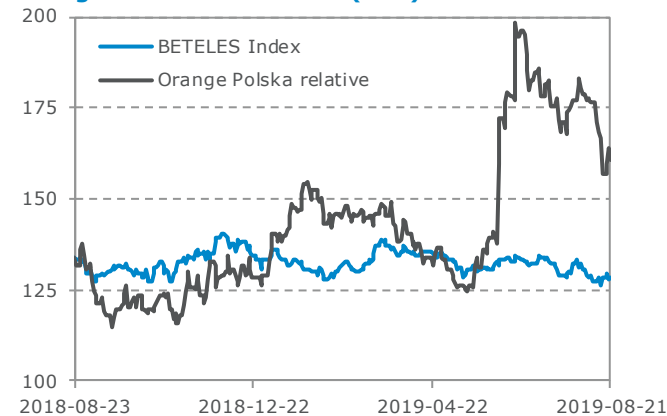
OTP and KOMB vs. WIG Banks (EUR)



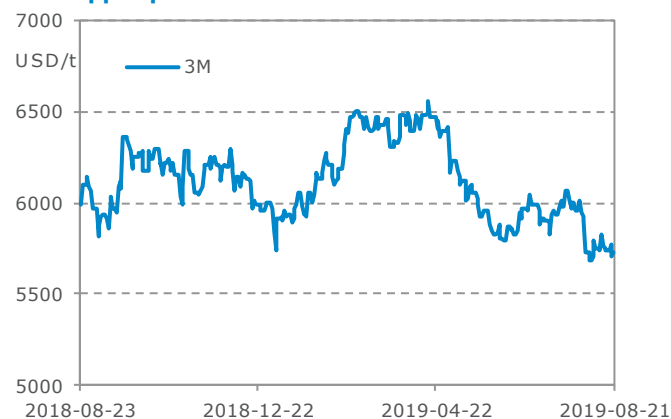
Brent price and Brent/NWE 3:2:1 crack spread (USD, rhs)



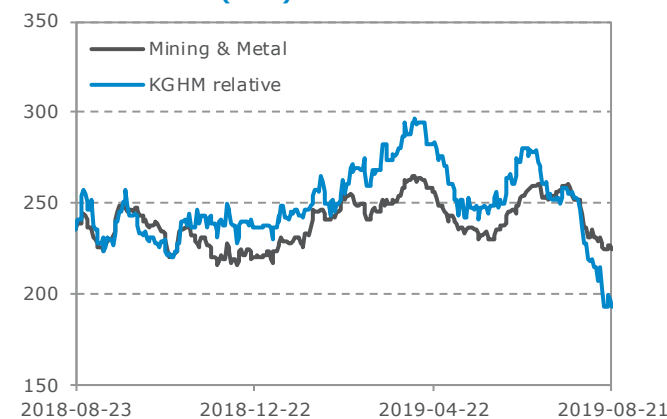
Orange Polska vs. BETELES (EUR)



LME copper prices



KGHM vs. sector (USD)



Source: Bloomberg

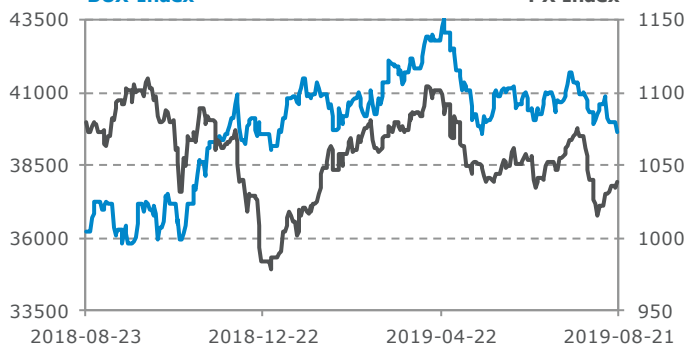
Global Market Overview

Index	Date	Open	Maximum	Minimum	Close	Change
DJIA	2019-08-21	26,145.36	26,268.32	26,141.77	26,202.73	+0.93%
S&P 500	2019-08-21	2,922.04	2,928.73	2,917.91	2,924.43	+0.82%
NASDAQ	2019-08-21	8,017.07	8,036.94	7,998.50	8,020.21	+0.90%
DAX	2019-08-21	11,673.66	11,824.66	11,673.37	11,802.85	+1.30%
CAC 40	2019-08-21	5,360.03	5,441.35	5,360.03	5,435.48	+1.70%
FTSE 100	2019-08-21	7,125.00	7,215.53	7,122.12	7,203.97	+1.11%
WIG20	2019-08-21	2,108.37	2,129.57	2,103.87	2,105.88	-0.20%
BUX	2019-08-21	40,068.88	40,133.70	39,473.74	39,648.21	-0.89%
PX	2019-08-21	1,035.10	1,043.14	1,035.10	1,037.98	+0.41%
RTS	2019-08-21	1,873.00	1,892.21	1,868.12	1,886.23	+1.19%
SOFIX	2019-08-21	575.65	580.17	575.65	579.56	+0.68%
BET	2019-08-21	9,059.57	9,144.33	9,059.57	9,144.33	+0.93%
XU100	2019-08-21	96,163.73	96,453.06	95,261.54	95,522.11	-0.53%
BETELES	2019-08-21	127.89	128.75	127.89	128.21	+0.31%
NIKKEI	2019-08-21	20,489.97	20,626.05	20,482.62	20,618.57	-0.28%
SHCOMP	2019-08-21	2,875.47	2,885.59	2,872.56	2,880.33	+0.01%
Copper (LME)	2019-08-21	5,720.00	5,747.00	5,712.50	5,732.00	+0.37%
Crude Oil (Brent)	2019-08-21	59.93	61.15	59.91	60.30	+0.68%
USD/PLN	2019-08-21	3.9242	3.9314	3.9145	3.9223	-0.05%
EUR/PLN	2019-08-21	4.3560	4.3610	4.3454	4.3477	-0.19%
EUR/USD	2019-08-21	1.1100	1.1107	1.1081	1.1085	-0.14%
USBonds10	2019-08-21	1.5555	1.6063	1.5453	1.5893	+0.0338
GRBonds10	2019-08-21	-0.6800	-0.6480	-0.6860	-0.6700	+0.0200
PLBonds10	2019-08-21	1.8530	1.9630	1.8520	1.9530	+0.1020

WIG20 Index



BUX Index



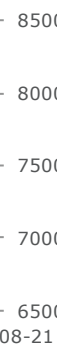
PX Index



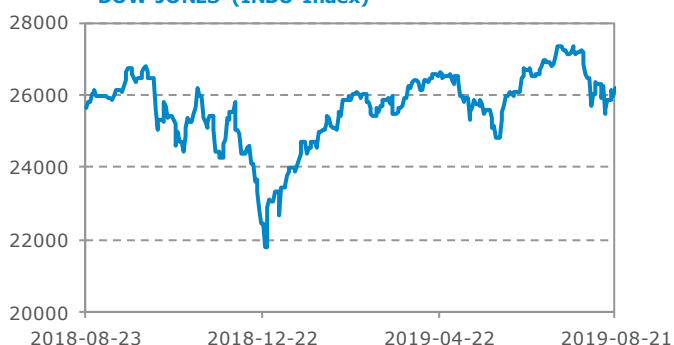
S&P 500 (SPX Index)



NASDAQ (CCMP Index)



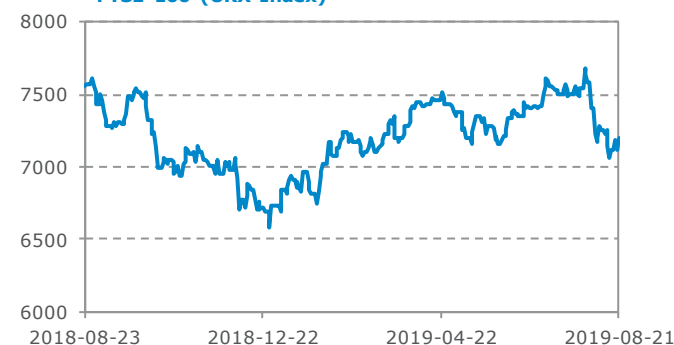
DOW JONES (INDU Index)



DAX Index



FTSE 100 (UKX Index)



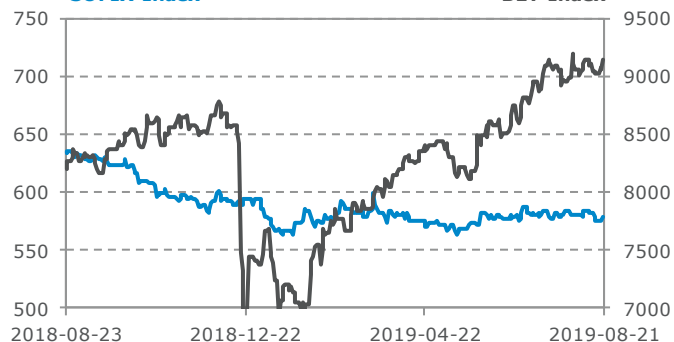
Source: Bloomberg



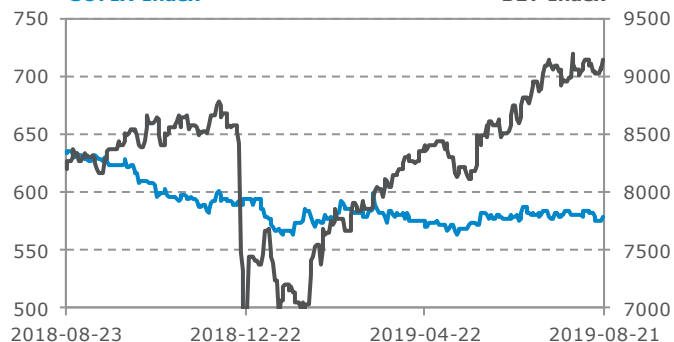
CAC 40 Index



SOFIX Index



BET Index



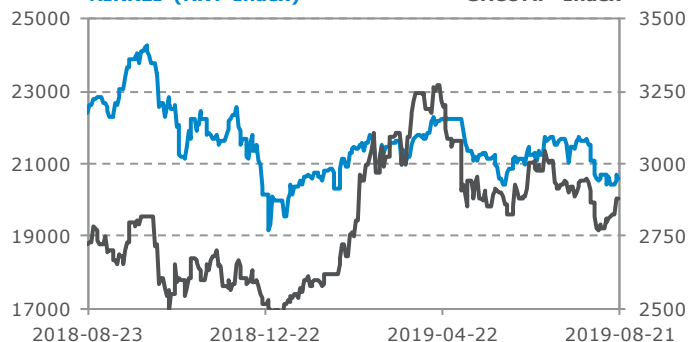
RTS (CRTX Index)



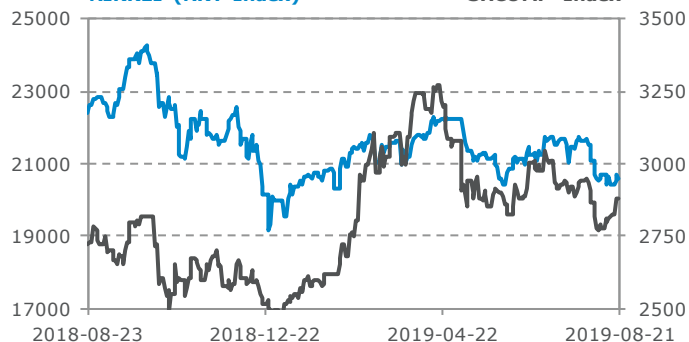
XU100 Index



NIKKEI (NKY Index)



SHCOMP Index



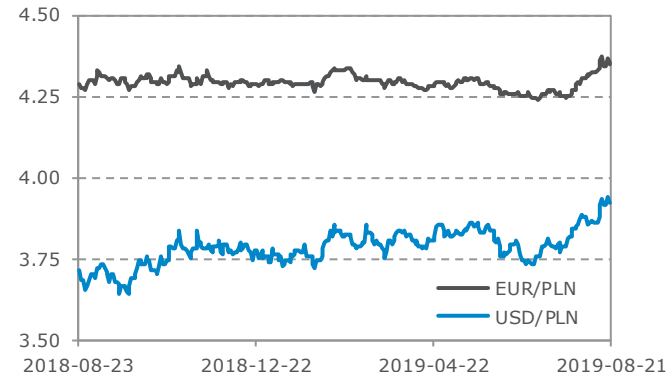
Polish 10Y Yield



German 10Y Yield



US 10Y Yield



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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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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