

Wednesday, January 29, 2020 | periodical publication

Quarterly Earnings Forecast: Q4 2019

Equity Market

Financials

We foresee a disappointing fourth-quarter reporting season in the Polish banking sector; on top of one-time charges related to CHF loan risk and fee refunds on prepaid consumer loans, in most cases bank profits will most likely fall relative to the a year earlier. Consequently, the FY2019 full-year net income consensus forecast for banks has turned out to be about 19% overshoot. By contrast, we expect strong fourth-quarter results from banks in other CEE countries, most notably Komerční Banka, with its earnings for the quarter boosted by a half-a-billion-crowns-worth of net reversals.

Chemicals

We anticipate stable 2019 Q4 core earnings in the chemical sector relative to the same period a year earlier, however we see a likelihood of a positive surprise from Grupa Azoty.

Oil & Gas

Operating conditions in Q4 2019 were tough for both the downstream sector (tight margins on refined oil products and petrochemicals) and the upstream sector (falling gas prices), and this will be reflected in sharp, double-digit falls in the industry's core quarterly earnings vis-à-vis Q4 2018. MOL is the most likely of rated stocks to deliver a narrow beat in FY2019, potentially prompting upward revisions to analysts' expectations for FY2020. On the other hand, the current year's expectations for Lotos and PKN Orlen are probably due for downgrades.

Power Utilities

Rated utilities are expected to deliver 98% of our FY2019 aggregate EBITDA forecast, with PGE reporting the biggest miss on lower-than-expected heat and power volumes. Actuarial losses might put an additional drag on the end-of-year financials. CEZ and TPE will most likely report solid figures for 2019, but the market is probably more interested in the sector's outlook for 2020.

Telecoms, Media, IT

We see strong fourth-quarter earnings from Wirtualna Polska (+19% y/y on an adjusted basis) and Agora (+13% y/y) in Media, and in IT we expect to see EBITDA growth at Asseco Business Solutions and Asseco South Eastern Europe vis-à-vis 23% bottom-line shrinkage anticipated from their parent company, Asseco Poland. Note that much of the FY2019 EBITDA growth in the TMT sector was owed to the switch to IFRS16 reporting.

Industrials & Mining

We expect 41% of our industrials universe to improve earnings in Q4 2019 relative to the same year-ago period, with 47% of companies reporting declines. There is potential for a positive surprise from Amica, while Kernel and PKP Cargo will most likely disappoint. In mining, expect better performance from KGHM copper than JSW coal.

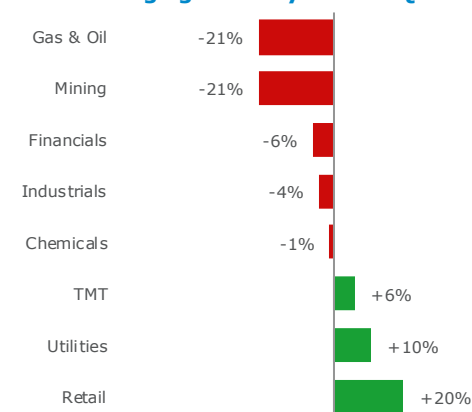
Property Developers

We expect declines in the Q4 profits of Dom Development, Develia, and Archicom, on fewer closings and a weaker euro. On the other hand, Atal will improve on the year-ago figures. At DOM, a repeat of the high 2018 Q4 results is unlikely despite strong performance.

Retail

We expect strong fourth-quarter growth from AmRest restaurants (on a recurring basis supported by one-time gains), and from the chain grocery operators Dino and Jeronimo Martins. At VRG fashion, quarterly EBITDA will expand at a slower annual pace than in previous quarters.

YoY earnings growth by sector: Q4'19E*



*Net earnings for banks, adj. EBIT for developers, otherwise

Earnings Surprise Prediction	
negative	positive
Asseco Poland	Agora
Develia	Amica
JSW	AmRest
Kernel	Asseco BS
Lotos	Asseco SEE
PGE	CD Projekt
PGNiG	Grupa Azoty
PKN Orlen	Komerční Banka
PKP Cargo	Wirtualna Polska
VRG	

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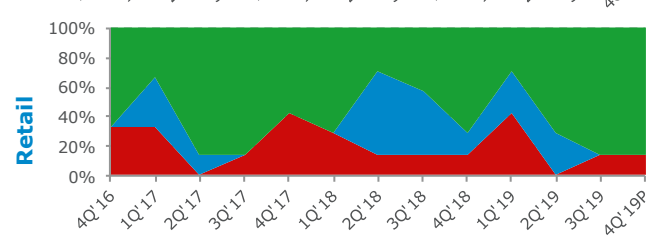
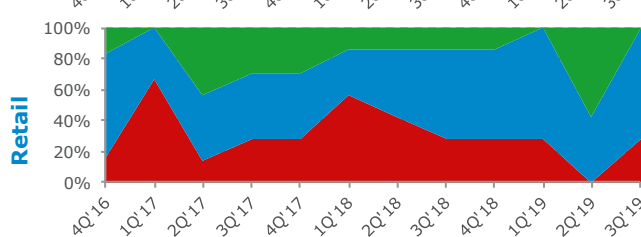
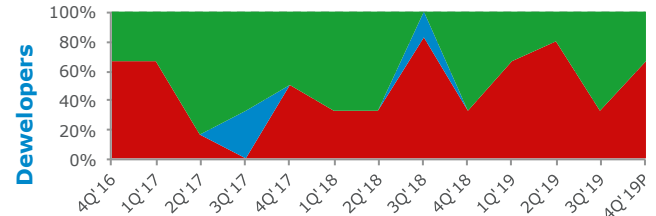
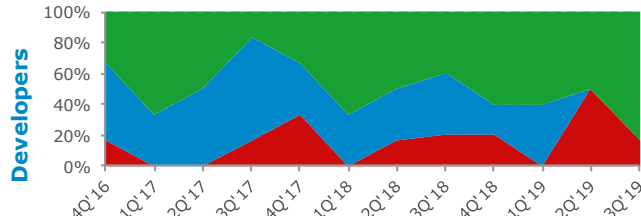
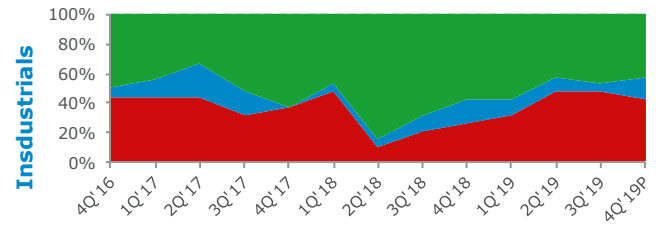
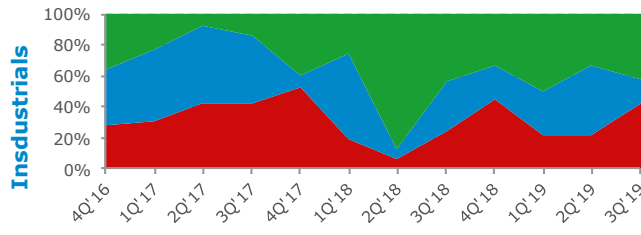
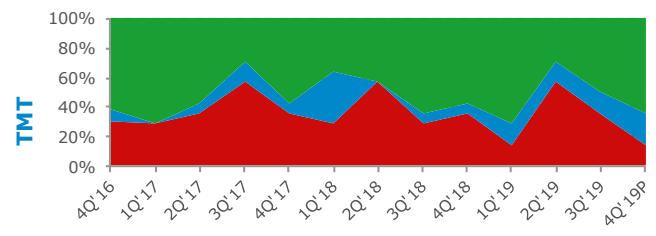
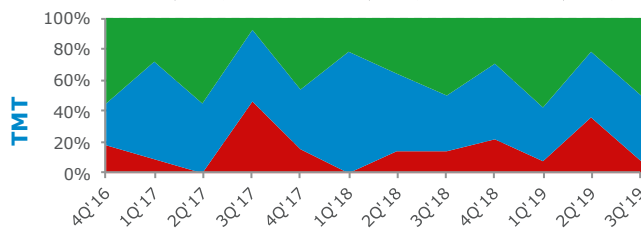
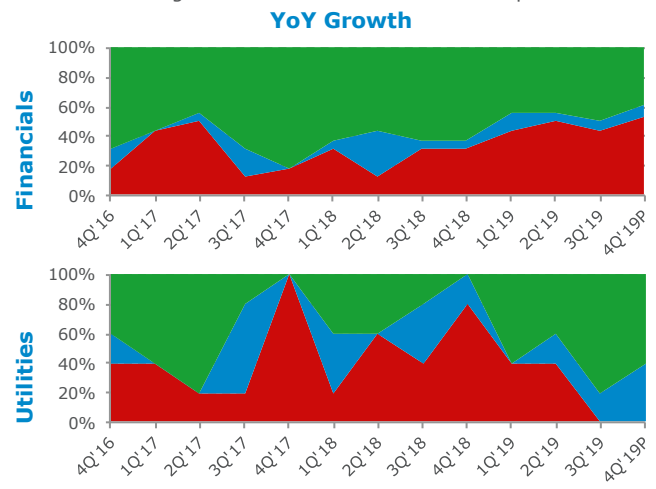
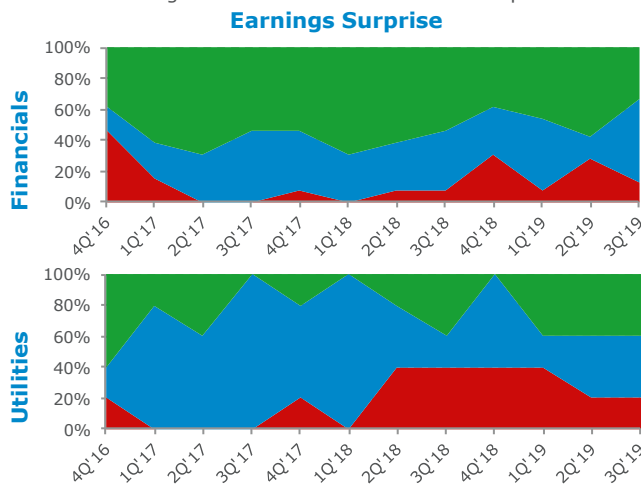
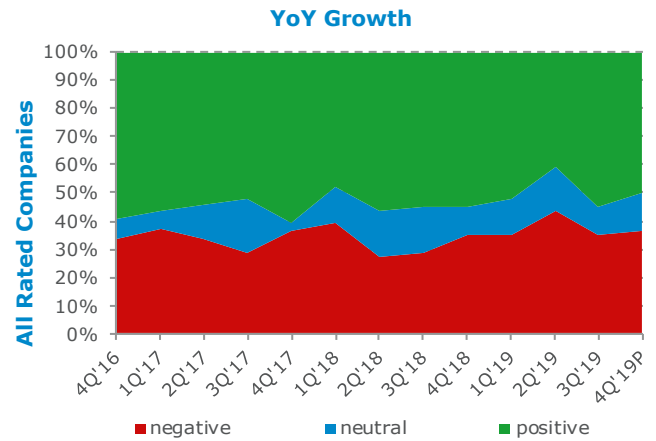
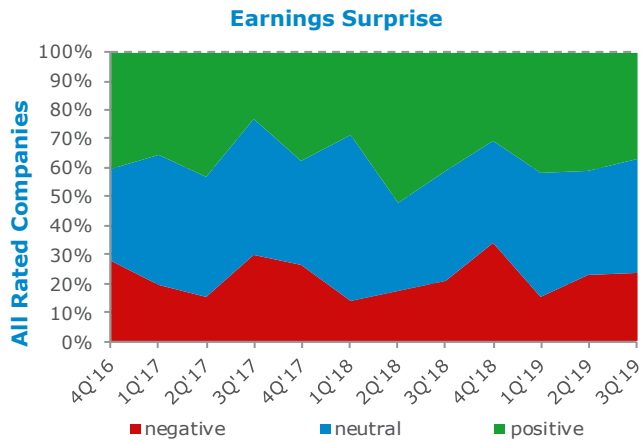
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Quarterly Earnings Surprises and YoY Growth Reported By Rated Companies

Beat / Miss	4Q	2017	2018	2019	+/=	YoY	4Q	2017	2018	2019	+/=	
		1Q 2Q 3Q 4Q	1Q 2Q 3Q 4Q	1Q 2Q 3Q 4Q				1Q 2Q 3Q 4Q	1Q 2Q 3Q 4Q	1Q 2Q 3Q 4Q		
Financials						Financials						
Alior Bank	+	-	+	+	+	83%	Alior Bank	+	-	+	+	46%
Handlowy	-	-	+	+	+	50%	Handlowy	+	-	-	+	46%
ING BSK	-	+	=	=	=	75%	ING BSK	+	+	-	+	92%
Millennium	+	+	=	+	=	100%	Millennium	+	+	-	+	77%
Pekao	+	+	=	=	+	100%	Pekao	+	-	=	+	62%
PKO BP	-	+	+	+	+	92%	PKO BP	+	-	=	+	85%
Santander BP	+	=	+	=	=	83%	Santander BP	+	-	-	+	54%
Komercni	=	+	+	+	+	100%	Komercni	+	+	-	+	69%
Moneta	na	na	na	na	na	100%	Moneta	-	-	=	+	54%
Erste Group	-	=	+	=	+	92%	Erste Group	-	-	-	+	62%
RBI	na	na	na	na	na	100%	RBI	+	+	+	+	77%
OTP Bank	-	+	+	+	+	92%	OTP Bank	=	+	+	+	100%
PZU	+	+	=	=	+	100%	PZU	+	+	+	+	75%
Kruk	-	+	+	+	-	67%	Kruk	+	+	+	=	67%
Skarbiec	-	=	+	+	+	83%	Skarbiec	=	+	+	-	50%
GPW	na	na	na	na	na		GPW	-	+	+	+	46%
Chemicals						Chemicals						
Ciech	+	=	=	=	+	92%	Ciech	+	+	-	-	46%
Grupa Azoty	-	-	+	-	=	58%	Grupa Azoty	-	-	+	+	54%
Oil & Gas						Oil & Gas						
Lotos	=	+	+	+	=	75%	Lotos	+	+	+	+	77%
MOL	-	+	+	-	=	83%	MOL	-	+	+	+	54%
PGNiG	+	+	-	-	=	50%	PGNiG	+	+	=	=	54%
PKN Orlen	+	=	=	-	=	83%	PKN Orlen	+	+	+	+	62%
Utilities						Utilities						
CEZ	+	=	=	=	+	83%	CEZ	-	-	-	-	46%
Enea	+	=	+	=	=	92%	Enea	+	+	+	=	77%
Energia	=	=	=	=	-	58%	Energia	=	-	+	+	62%
PGE	-	=	=	=	=	67%	PGE	-	+	+	=	62%
Tauron	+	+	+	=	=	100%	Tauron	+	+	+	=	62%
TMT						TMT						
Netia	+	=	=	+	+	100%	Netia	=	-	-	-	23%
Orange PL	=	=	+	=	=	100%	Orange PL	-	-	=	-	69%
Play	na	na	na	=	=	100%	Play	na	+	+	+	67%
Agora	+	=	+	=	+	92%	Agora	-	+	+	+	69%
Cyfrowy	=	+	=	=	+	100%	Cyfrowy	+	+	+	-	77%
Wirtualna	-	+	=	=	=	92%	Wirtualna	+	+	+	+	100%
Ailleron	na	na	na	-	+	56%	Ailleron	+	+	+	-	62%
Asseco BS	=	=	=	+	+	100%	Asseco BS	+	+	+	+	92%
Asseco PL	-	=	=	-	-	75%	Asseco PL	-	-	-	+	46%
Asseco SEE	+	=	+	=	=	92%	Asseco SEE	+	+	+	+	100%
Atende	na	na	na	na	+	63%	Atende	-	+	+	+	38%
Comarch	+	+	+	+	+	67%	Comarch	+	-	-	-	62%
11 bit studios	+	=	+	-	bd	55%	11 bit studios	+	+	-	+	62%
CD Projekt	+	+	+	-	+	75%	CD Projekt	+	+	+	-	38%
Industrials						Industrials						
AC	na	na	na	na	na	75%	AC	+	-	+	-	62%
Alumetal	=	-	=	+	=	75%	Alumetal	-	-	-	-	38%
Amica	-	=	=	-	+	75%	Amica	=	-	=	+	69%
Apator	=	=	-	=	+	83%	Apator	+	+	-	+	54%
Astarta	na	na	na	na	na	0%	Astarta		+	+	-	40%
Boryszew	-	+	-	+	-	33%	Boryszew	-	+	+	+	46%
Cognor	na	na	na	na	na	57%	Cognor	+	+	=	+	62%
Famur	+	na	-	=	+	82%	Famur	+	+	=	+	92%
Forte	=	=	=	-	-	58%	Forte	+	-	-	-	46%
Grupa Kęty	=	=	=	=	=	92%	Grupa Kęty	+	+	+	+	100%
JSW	-	+	+	-	-	67%	JSW	+	+	+	+	62%
Kernel	-	-	-	-	+	50%	Kernel	-	-	-	+	38%
KGHM	+	+	=	=	+	83%	KGHM	+	+	+	+	69%
Kruszwica	+	-	-	=	-	67%	Kruszwica	+	=	=	=	85%
Mangata	+	=	-	-	+	67%	Mangata	-	=	=	+	77%
Pozbud	na	na	na	na	na	63%	Pozbud	-	-	=	+	62%
PKP Cargo	+	=	=	=	-	67%	PKP Cargo	-	+	+	+	62%
Stelmet	=	-	-	-	+	75%	Stelmet	-	-	-	+	69%
TIM	na	na	na	na	na	75%	TIM	-	-	-	+	69%
Real-Estate						Real-Estate						
Atal	=	+	+	-	-	75%	Atal	-	+	+	=	62%
Dom Dev.	=	=	+	+	=	100%	Dom Dev.	+	-	+	+	69%
Retail						Retail						
AmRest	+	-	+	+	+	67%	AmRest	+	=	+	+	92%
CCC	=	-	+	-	-	25%	CCC	+	+	+	+	38%
Dino	na	na	+	=	+	100%	Dino	na	na	+	+	100%
Eurocash	=	-	=	-	-	50%	Eurocash	-	-	=	+	62%
Jeronimo	=	=	=	=	=	100%	Jeronimo	+	=	+	+	100%
LPP	=	=	=	+	=	83%	LPP	-	+	+	+	85%
VRG	=	-	-	=	=	67%	VRG	+	-	+	+	85%

'+' = positive surprise, '-' = negative surprise, '=' = in-line results vis-à-vis consensus expectations; *The column shows the sum of 'in-line' or 'beat quarters' in the last three years as a percentage of all quarters. Source: Companies, Bloomberg, PAP, mBank

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



Source: Companies, Bloomberg, PAP, mBank

Banks

Poland underperforms

- After missed FY2019 targets due to CHF loan write-offs and prepaid loan refunds, the market's expectations for 2020 Polish bank earnings are poised for inevitable revisions.

Alior Bank Michał Konarski	hold PLN 31.00		Reporting Date 28 February		
(PLN m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	775	802	-3%	-3%	100%
Net fee income	170	173	-1%	48%	100%
Total income	1,005	1,034	-3%	-6%	100%
Operating costs	-403	-372	8%	-1%	93%
Provisioning	-316	-325	-3%	5%	99%
Net profit	151	125	21%	-17%	101%

Handlowy Michał Konarski	accumulate PLN 57.44		Reporting Date 13 February		
(PLN m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	289	292	-1%	4%	100%
Net fee income	139	142	-2%	3%	99%
Total income	555	553	0%	8%	99%
Operating costs	-280	-276	2%	1%	97%
Provisioning	-37	-91	-60%	212%	96%
Net profit	161	114	42%	6%	104%

ING BSK Michał Konarski	hold PLN 187.77		Reporting Date 6 February		
(PLN m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	1,135	1,120	1%	14%	100%
Net fee income	347	340	2%	5%	100%
Total income	1,504	1,469	2%	11%	100%
Operating costs	-590	-604	-2%	4%	100%
Provisioning	-187	-180	4%	89%	86%
Net profit	456	415	10%	1%	105%

Millennium Michał Konarski	hold PLN 5.47		Reporting Date 3 February		
(PLN m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	692	688	1%	42%	100%
Net fee income	182	178	2%	12%	100%
Total income	964	1,008	4%	32%	100%
Operating costs	-502	-480	-5%	57%	93%
Provisioning	-107	-134	-20%	84%	96%
Net profit	78	200	-61%	-63%	88%

Pekao Michał Konarski	buy PLN 115.20		Reporting Date 27 February		
(PLN m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	1,403	1,391	1%	8%	100%
Net fee income	647	643	1%	1%	99%
Total income	2,225	2,063	8%	6%	101%
Operating costs	-882	-883	0%	0%	100%
Provisioning	-181	-176	2%	72%	111%
Net profit	672	656	2%	-10%	-95%

PKO BP Michał Konarski	accumulate PLN 39.50		Reporting Date 12 February		
(PLN m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	2,642	2,662	-1%	6%	100%
Net fee income	775	770	1%	1%	100%
Total income	3,855	3,831	1%	8%	100%
Operating costs	-1,572	-1,470	7%	8%	95%
Provisioning	-679	-294	131%	61%	118%
Net profit	789	1,229	-36%	-22%	91%

Santander BP Michał Konarski	hold PLN 265.50		Reporting Date 29 January		
(PLN m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	1,671	1,701	-2%	9%	99%
Net fee income	538	544	-1%	8%	100%
Total income	2,375	2,454	-3%	12%	99%
Operating costs	-961	-947	2%	5%	94%
Provisioning	-278	-337	-18%	-34%	96%
Net profit	464	626	-26%	-40%	94%

*as a percentage of our full-year forecast

CEE still strong

- CEE banks outside of Poland will probably exceed our FY2019 estimates, with KB posting the biggest beat thanks to high reversals.

- Despite having to account for large refunds of prepaid loan fees, Alior should be able to keep the fall in Q4 net interest income to about 3% on a q/q basis with organic growth.
- We expect a reduction to PLN 316m in risk reserves, with cost of risk coming in at 200bp.
- Operating expenses will most likely increase 8% on a q/q basis to PLN 403m.

- Net interest income at Handlowy will most likely edge 0.8% lower relative to Q3 due to a seasonal deposit boost.
- Fee income might drop by 2% q/q on fewer transactions in the corporate segment.
- Cost of risk normalized at 69bp.
- Higher net income after growth of 42% q/q and 6% y/y.

- Expecting added CHF risk reserves of PLN 5m on top of PLN 7m charges related to fee refunds on prepaid loans.
- A 1.9% q/q rebound in fee income accompanied by a 2.4% reduction in costs.
- All told we expect Q4 net income to grow 10% from the previous quarter.

- A drag on bottom line from post-merger integration costs (PLN 60m) and CHF loan provisioning (PLN 150m).
- A 15% fall in noninterest income relative to Q3 2019, when Millennium recognized a major one-time gain.
- Lower NIM after a 7bp decline to 2.80% driven by loan refunds to early payers.

- Net one-offs (CHF provisioning and NPL sale) of PLN -20m.
- Lower NIM after a 4bp decline to 2.76% driven by loan refunds to early payers.
- No change in costs vs. Q3 (PLN 882m), risk reserves at PLN 181m.

- Anticipating PLN 530m total write-offs associated with CHF loan risk and prepaid loan refunds.
- NIM reduced by 11bp after the recognition of recurring refunds.
- Stable provisioning not counting CHF risk (50bp), but double that with CHF reserves included (113bp).
- High quarterly effective tax rate of 26%.

- Anticipating high CHF risk reserves of PLN 184m on top of PLN 72m prepaid loan refund charges.
- NIM reduced by 12bp to 3.20% after PLN 101m recurring charges carried through net interest income.
- Quarterly cost of risk at 74bp and FY cost of risk at 84bp, consistent with guidance.

Komercni Banka		buy		Reporting Date	
Michał Konarski		CZK 928.20		6 February	
(CZK m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	6,073	5,911	3%	2%	101%
Net fee income	1,536	1,480	4%	-6%	101%
Total income	8,420	8,265	2%	-1%	101%
Operating costs	-3,773	-3,512	7%	4%	100%
Provisioning	470	-26	-	-	100%
Net profit	4,231	3,848	10%	9%	101%

Moneta Money B		buy		Reporting Date	
Michał Konarski		CZK 94.33		6 February	
(CZK m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	2,054	2,009	2%	4%	100%
Net fee income	524	499	5%	-3%	102%
Total income	2,711	2,645	3%	3%	100%
Operating costs	-1,308	-1,109	18%	8%	100%
Provisioning	-185	-168	10%	-32%	80%
Net profit	882	1,058	-17%	5%	104%

Erste Group		accumulate		Reporting Date	
Michał Konarski		EUR 36.61		28 February	
(EUR m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	1,222	1,188	3%	1%	100%
Net fee income	504	504	0%	6%	100%
Total income	1,778	1,760	1%	0%	100%
Operating costs	-1,117	-1,015	10%	3%	99%
Provisioning	-31	0	-	-28%	89%
Net profit	410	491	-17%	-28%	106%

RBI		accumulate		Reporting Date	
Michał Konarski		EUR 23.05		6 February	
(EUR m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	912	866	5%	8%	100%
Net fee income	463	468	-1%	-1%	100%
Total income	1,358	1,321	3%	6%	100%
Operating costs	-869	-765	14%	1%	100%
Provisioning	-49	-92	-46%	-81%	100%
Net profit	287	303	-5%	196%	100%

OTP Bank		hold		Reporting Date	
Michał Konarski		HUF 14,681		6 March	
(HUF bn)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Net interest income	187	177	5%	19%	99%
Net fee income	68	73	-6%	21%	101%
Total income	278	271	3%	22%	100%
Operating costs	-158	-136	16%	13%	100%
Provisioning	-17	-12	42%	-18%	84%
Net profit	86	132	-35%	10%	102%

Financial Services

GPW		buy		Reporting Date	
Mikołaj Lemańczyk		PLN 47.82		12 March	
(PLN m)	Q4'19E	Q3'19	Q/Q	Y/Y	YTD*
Revenue	77.9	88.5	-6%	-12%	102%
EBITDA	43.8	52.7	-23%	-17%	108%
EBITDA margin	0.6	0.6	-	-	-
EBIT	32.8	44.8	-31%	-27%	105%
Net profit	27.6	37.1	-36%	-26%	106%

*as a percentage of our full-year forecast

- We expect a 2% y/y rise in net interest income and a 6% fall in fee income.
- Anticipating net reversals of CZK 469m, led mainly by the corporate loan book.
- Operating costs will have grown 4% year over year.
- 2019 FY net income at 101% of that forecast by us.

- Sustained NII growth (+2% q/q) accompanied by a 5bp decline in NIM.
- Net reversals of CZK 185m, with cost of risk at ca. 47bp.
- Operating costs likely increased by 8% on the year.
- Moneta is set to top our FY2019 net income forecast at 104%.

- A 3% q/q rise in net interest income but flat growth y/y.
- Operating costs up by 10% q/q, driven by seasonal variations.
- Anticipating net charge-offs of EUR 31m.
- Erste might deliver 106% of our FY2019 net income forecast.

- A 5% q/q and 8% y/y rise in net interest income.
- Stable fee income.
- Operating costs up by 14% q/q, driven by seasonal variations, but stable y/y.
- A 5% fall in net income vs. Q3 driven by higher costs.

- As usual, OTP's Q4 net income will post a fall from the previous quarter's high comparable base at an estimated rate of 35% (29% on an adjusted basis).
- Operating costs up by 16% q/q, driven by seasonal variations.
- Risk reserves will have decreased 42% to HUF 16bn.

- Anticipating 6% q/q sales contraction on lower trading volumes in stock and fixed-income markets.
- A 21% q/q rebound to PLN 43.6m in operating costs driven by higher expenses on payroll and services, underpinned by one-time reductions posted in Q3.
- Lower net income after falling 36% q/q and 26% y/y.

Chemicals, Gas & Oil

Squeezed margins in Gas & Oil

- Oil companies experienced contraction in refining margins and petrochemical profits in Q4 2019, on top of weak profits on natural gas sales amid falling prices.

Ciech Jakub Szkopek		buy PLN 44.41		Reporting Date 31 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	827.5	970.8	-15%	3,542.9	101%
EBITDA	151.5	169.8	-11%	560.8	99%
EBITDA adj.	149.0	161.6	-8%	636.6	98%
EBITDA margin	18.3%	17.5%		15.8%	
EBIT	70.8	92.6	-24%	248.6	97%
Net profit	47.8	-16.3	-	136.9	95%

Grupa Azoty Jakub Szkopek		hold PLN 32.75		Reporting Date 1 April	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	2,871.8	2,797.3	3%	11,312	102%
EBITDA	205.8	191.4	8%	1,560.6	94%
EBITDA adj.	220.8	210.3	5%	1,594.1	95%
EBITDA margin	7.2%	6.8%		12.8%	
EBIT	0.6	81.0	-	739.3	87%
Net profit	-22.5	-60.4	-	490.2	82%

Lotos Kamil Kliszcz		reduce PLN 77.80		Reporting Date 12 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	7,211	7,922	-9%	29,584	100%
EBITDA adj.	675	876	-23%	2,960	100%
LIFO effects	1	-167	-	-119	-
EBITDA	681	950	-28%	2,859	100%
EBIT	446	769	-42%	1,977	99%
Financing activity	61	-151	-	-364	-
Net profit	370	100	-	1,142	102%

MOL Kamil Kliszcz		accumulate HUF 3,302		Reporting Date 21 February	
(HUF bn)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	1320.7	1404.8	-6%	5163.6	101%
LIFO EBITDA adj.	158.1	194.1	-19%	680.9	101%
LIFO effect	0.3	26.7	-	-13.0	-
EBITDA	160.0	186.4	-14%	667.9	101%
EBIT	72.3	43.4	66%	305.0	105%
Financing activity	-8.2	-2.5	-	-24.4	-
Net profit	43.0	78.0	-45%	225.7	102%

PGNiG Kamil Kliszcz		hold PLN 4.06		Reporting Date -	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	12,565	12,753	-1%	42,226	100%
EBITDA adj.	1,400	1,732	-19%	5,614	100%
EBITDA	1,300	1,347	-4%	5,229	100%
EBIT	491	596	-18%	2,308	100%
Financing activity	39	20	-	37	-
Net profit	398	388	2%	1,738	100%

PKN Orlen Kamil Kliszcz		hold PLN 94.17		Reporting Date 30 January	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	28,037	29,420	-5%	109,098	102%
EBITDA adj.	1,827	2,342	-22%	9,862	98%
LIFO effects	5	-799	-	-353	-
EBITDA	1,832	1,911	-4%	9,511	98%
EBIT	939	1,214	-23%	6,065	96%
Financing activity	237	-51	-	-132	-
Net profit	952	804	18%	4,805	97%

*as a percentage of our full-year forecast

Flat results in Chemicals

- Fourth-quarter results in the chemical sector will most likely be stable compared to the year-ago figures.

- In the Soda segment, factors which shaped Q4 performance included a closed facility in Romania (which cut quarterly sales by 20% y/y while continuing to generate approximately PLN 18m in overheads), combined with positive effects of decreasing costs of coking coal and natural gas while soda prices increased.
- Click [here](#) for the full forecast.

- We expect the fourth-quarter EBITDA of Grupa Azoty to be flat to slightly up relative to the comparable year-ago period after a deterioration relative to what we had assumed in the market conditions for fertilizers, and after operating losses incurred in the segments of plastics and chemicals.
- Click [here](#) for the full forecast.

- Adj. LIFO EBITDA from Downstream reduced by PLN 0.1bn to PLN 0.46bn due to lower refining margins, mitigated by cheaper gas and higher volumes.
- Continued growth in quarterly Retail EBITDA (+20% y/y).
- Upstream EBITDA down by PLN 0.11bn to 0.15bn on 15% lower output and a 50% slump in gas prices.
- A gain on financing activity related to FX and hedging transactions (+PLN 0.1bn).

- Upstream EBITDA cut by HUF 18bn to HUF 78bn on lower prices and volumes, not offset by one-time gains.
- CCS EBITDA from Downstream down by HUF 8bn to HUF 48bn, led by tight cracking margins. Further growth in Retail at an annual rate of 5%.
- Petchem earnings down to HUF 6bn on lower volumes and margins.
- 8% EBITDA growth in Gas Midstream thanks to lower costs and in-house storage use.

- Adj. EBITDA from Upstream reduced by PLN 0.56bn to PLN 0.9bn on lower gas output and prices (incl. prices paid for intercompany sales).
- Trading loss reduced by PLN 0.1bn at 0.25bn thanks to improved results from retail.
- 3% y/y rebound in Distribution earnings owed to lower balancing costs.
- A 17% jump in Heating EBITDA after reversals.

- Adj. LIFO EBITDA from Downstream reduced by PLN 0.4bn to PLN 0.9bn due to squeezed margins on 3% lower volumes, mitigated by cheaper gas.
- Adj. Petchem EBITDA at PLN 0.4bn vs. PLN 0.35bn the year before on higher volumes.
- Retail EBITDA down by PLN 0.3bn at 0.6bn compared to a high year-ago base.
- Click [here](#) for the full forecast.

Utilities & Mining

Generator results affected by weather

- Rated utilities are set to fulfill 98% of our FY2019 aggregate adj. EBITDA estimate. CEZ and TPE will do well, vis-à-vis PGE. Actuarial losses will weigh on bottom-lines.

CEZ Kamil Kliszcz		buy CZK 597.80		Reporting Date 17 March	
(CZK m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	57,697	52,717	9%	205,365	100%
EBITDA adj.	12,520	11,434	9%	58,629	100%
EBITDA	12,520	10,934	15%	58,629	98%
EBIT	5,003	3,034	65%	29,601	92%
Financing activity	-1,730	-1,084	-	-7,104	-
Net profit	2,651	1,333	99%	18,036	89%

Enea Kamil Kliszcz		buy PLN 11.53		Reporting Date 26 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	4,260	3,289	30%	16,541	99%
EBITDA adj.	702	490	43%	3,298	98%
EBITDA	632	375	69%	3,298	97%
EBIT	236	117	102%	1,763	94%
Financing activity	-70	-12	-	-296	-
Net profit	108	103	6%	1,052	95%

Energa Kamil Kliszcz		buy PLN 11.67		Reporting Date -	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	2,872	2,736	5%	11,721	102%
EBITDA adj.	460	452	2%	2,228	99%
EBITDA	335	290	15%	2,228	93%
EBIT	75	188	-60%	894	84%
Financing activity	-71	-74	-	-305	96%
Net profit	3	61	-	530	72%

PGE Kamil Kliszcz		buy PLN 12.20		Reporting Date 2020-03-10	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	10,007	6,984	43%	38,245	99%
EBITDA adj.	1,596	1,458	9%	6,972	94%
EBITDA	1,196	1,220	-2%	8,083	90%
EBIT	110	105	5%	4,036	79%
Financing activity	-91	-75	-	-397	-
Net profit	-4	-202	-	2,792	78%

Tauron Kamil Kliszcz		buy PLN 2.45		Reporting Date 1 April	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	5,307	4,443	19%	20,344	101%
EBITDA adj.	595	617	-3%	3,324	99%
EBITDA	409	403	2%	3,614	95%
EBIT	-67	-515	-	1,455	86%
Financing activity	-60	-69	-	-270	101%
Net profit	-103	-648	-	905	83%

JSW Jakub Szkopek		hold PLN 23.32		Reporting Date 19 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	1,797	2,523	-29%	8,659	100%
EBITDA adj.	-65	447	-	1,759	100%
EBITDA	-45	612	-	1,640	100%
EBITDA margin	-2.5%	24.3%	-	18.9%	-
EBIT	-315	400	-	641	100%
Net profit	-222	295	-	467	100%

KGHM Jakub Szkopek		hold PLN 85.54		Reporting Date 17 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	5,988	5,739	4%	22,930	100%
EBITDA adj.	1,353	1,182	14%	5,531	99%
EBITDA margin	22.6%	20.6%	-	24.1%	-
EBIT adj.	863	702	23%	3,599	100%
Net profit adj.	555	684	-19%	2,025	110%

*as a percentage of our full-year forecast

KGHM out-earns JSW

- KGHM coper will probably exceed expectations with 2019 Q4 results owing to a more favorable operating environment, while JSW will most likely disappoint.

- Anticipating Generation EBITDA of CZK 4.1bn vs. 2.6bn in Q3 and 3.7bn the year prior, with the y/y rebound led by rising prices and 5% higher nuclear plant volumes. 20% y/y rebound in Mining EBITDA, flat q/q growth in RES.

- No change in EBITDA from Distribution or Trade as marginally lower volumes offset by tariffs and reduced spot market prices.

- No change in financing activity relative to Q3.

- On lower coal-fired volumes, and a planned stoppage on a clean power unit, Q4 EBITDA might post a quarterly fall of PLN 117m to PLN 305m (lower coal production may also affect intercompany sales).

- Little change from year-ago Distribution EBITDA at PLN 244m. A PLN 70m loss on Trading due to the household tariff charge.

- Subsidiary miner LWB reported Q4 EBITDA of PLN 158m.

- EBITDA from Generation reduced to PLN 59m from PLN 95m in Q4'18 on lower power and heat volumes. Declining prices of renewables offset by higher production.

- EBITDA from Distribution down only 2% on the year despite much lower volumes, owing to higher balancing costs.

- A PLN 48m EBITDA loss in Trading due to the household power tariff provision at PLN 125m.

- A 15% y/y rebound to PLN 644m in Generation EBITDA as low coal and CHP plant volumes offset by new generator output, changed CO₂ accounting, and a PLN 180m reclamation reserve adjustment for lower interest rates.

- 6% growth in RES EBITDA driven by higher volumes.

- Flat growth on a y/y basis in Distribution.

- A PLN 197m EBITDA loss in Trading due to the household power tariff provision at PLN 220m.

- A PLN 188m EBITDA loss in Mining after a seasonal cost boost driven by employee bonuses (PLN 50-60m), not accompanied by a rebound in production.

- Generation EBITDA at PLN 130m owing to higher CDS and strong volumes from renewable generators (new wind farms). EBITDA from Distribution up by a further 5%.

- PLN 118m EBITDA loss in Trading after PPA compensation outweighed by household power tariff provisions.

- A decrease in profits relative to the same year-ago period driven by lower production. Net cash at PLN -1.3bn after a reduction of PLN 370m during the quarter.

- If impairment tests were performed, this might put an additional squeeze on 2019 FY figures.

- Based on monthly production data, we expect Q4 EBITDA of PLN 1,353m (+14% y/y) and net profit of PLN 555m (-19% y/y). Factors which shaped performance in the period included higher prices of gold and silver, combined with strong sales of gold.

- Click [here](#) for the full forecast.

TMT

Anticipating strong results from ABS, AGO, ASE, WPL

- We expect strong fourth-quarter earnings growth at WPL (+19% y/y) and AGO (+13%) in Media, and at ASE (+14%) and ABS (+17%) in IT.

Netia Paweł Szpigel	hold PLN 4.70		Reporting Date 27 February		
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	326.0	342.5	-5%	1298.8	100%
EBITDA	108.3	78.9	37%	437.7	102%
EBITDA margin	33.2%	23.0%		33.7%	
EBIT	16.6	10.6	57%	67.5	108%
Pre-tax profit	17.1	10.6	62%	59.2	124%
Net profit	13.9	13.1	6%	48.2	127%

Orange Polska Paweł Szpigel	accumulate PLN 7.40		Reporting Date 12 February		
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	2,950	2,930	1%	11,381	100%
EBITDA	580	711	-18%	3,246	96%
EBITDA margin	19.7%	24.3%		28.5%	
EBIT	-86.6	64.3	-	66.1	73%
Pre-tax profit	-169.6	-6.9	-	34.3	50%
Net profit	-169.6	-14.7	-	27.9	39%

Play Paweł Szpigel	buy PLN 36.00		Reporting Date 27 February		
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	1,775	1,807	-2%	7,058	99%
EBITDA	556	542	2%	2,405	100%
EBITDA margin	31.3%	30.0%		34.1%	
EBIT	329	338	-3%	1,504	101%
Pre-tax profit	238	247	-4%	1,156	100%
Net profit	186	202	-8%	881	101%

Agora Paweł Szpigel	buy PLN 17.00		Reporting Date -		
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	366.4	346.1	6%	1223.8	101%
EBITDA	65.1	37.5	74%	167.7	108%
EBITDA margin	17.8%	10.8%		13.7%	
EBIT	27.3	14.7	86%	11.9	226%
Pre-tax profit	21.3	9.5	124%	18.2	48%
Net profit	17.3	0.3	-	9.8	31%

Cyfrowy Polsat Paweł Szpigel	reduce PLN 26.10		Reporting Date 12 March		
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	3,056	3,002	2%	11,698	100%
EBITDA	1,049	941	11%	4,153	101%
EBITDA margin	34.3%	31.4%		35.5%	
EBIT	487	419	16%	1,922	102%
Pre-tax profit	387	308	26%	1,419	100%
Net profit	293	71	313%	1,121	96%

Wirtualna Polska Paweł Szpigel	hold PLN 70.00		Reporting Date 12 March		
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	213.9	173.5	23%	733.9	100%
EBITDA	59.6	46.8	27%	195.0	105%
EBITDA margin	27.9%	27.0%		26.6%	
EBIT	39.1	31.9	23%	124.3	101%
Pre-tax profit	33.8	28.3	19%	96.2	100%
Net profit	26.2	26.5	-1%	77.0	89%

Ailleron Paweł Szpigel	neutral		Reporting Date 26 February		
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	45.8	44.5	3%	141.3	100%
EBITDA	5.8	4.4	32%	17.5	98%
EBITDA margin	12.6%	9.8%		12.4%	
EBIT	3.7	2.3	59%	9.0	97%
Pre-tax profit	3.5	2.2	59%	8.5	98%
Net profit	2.8	1.9	51%	6.9	91%

*as a percentage of our full-year forecast

- Meanwhile the Asseco parent company, ACP, experienced 23% estimated net profit shrinkage.
- Among telcos, the biggest improvement will be achieved by PLY versus much slower growth at CPS.

- Further stabilization in quarterly broadband revenue at PLN 141m.
- Noticeable cost cuts, including a 20% y/y reduction in interconnect costs and lower employment costs.
- EBITDA ex. IFRS16 effects of ca. PLN 23m at PLN 85.8m after rising 4.7% y/y (IFRS16 EBITDA at ca. PLN 108.3m).

- Further revenue erosion in mobile-only and landline-only, reflected in respective y/y decreases of PLN 23m and PLN 58m.
- Higher revenues from ICT thanks to BlueSoft acquisition and stronger hardware sales.
- A 3.9% y/y decline to PLN 659m in EBITDAaL, turning into a 3.6% rebound when adjusted for one-time events.

- We expect slower annual rate of growth in overall ARPU in Q4 2019 at a projected 2.3% vs. 3.1% posted in the previous quarter, due to a shifting sales mix with a higher share of B2B and mobile data vs. mobile B2C.
- The sales margin on mobile devices will decline sharply.
- Contribution margin up by 4.9% to PLN 840.8m.
- Adj. EBITDA coming in at PLN 565.7m after a 5.6% y/y rebound.

- Significant improvement in the Press & Print segment, with EBITDA ex. IFRS16 at PLN 2.5m vs. PLN -1.4m a year earlier.
- Lower EBITDA in Film & Books after a fall from a high year-ago base for cinema profits, combined with an operating loss on the food service start-up.
- Total EBITDA ex. IFRS16 at PLN 53.6m after a projected y/y rebound of 13%.

- The fixed-line unit Netia will add PLN 326m to consolidated revenue, and bolster adjusted EBITDA by PLN 86m (PLN 119m incl. IFRS16 effects).
- Lower TV ad revenue relative to a high year-ago base.
- Weaker revenue from domestic roaming, resulting in flat wholesale revenue in Mobile.
- EBITDA ex. IFRS16 and Netia might approximate PLN 843m (-2% y/y).

- Strong momentum in online advertising and fast expansion of e-commerce will boost revenue ex. barter by 18% vs. the year-ago pro-forma figure.
- A dent of PLN 2.5m generated by the TV business, but on the other hand positive IFRS16 effects at PLN 2.2m.
- Adj. Online EBITDA up by 19% y/y at PLN 61.2m.

- Anticipating a loss in the Fintech segment on >15% lower revenue after a fall from a high year-ago base which had been boosted by the completion of a major order.
- A lower loss in Hoteltech, combined with improvement in Enterprise Services to PLN 32.3m revenue and PLN 4.1m net profit.
- We expect to see a PLN 0.2m loss on financing activity, and an effective tax rate of 19% in Q4.

Asseco Poland Paweł Szpigel		hold PLN 59.20		Reporting Date -	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	2,985	2,650	13%	10,874	99%
EBITDA	422	354	19%	1,655	97%
EBITDA margin	14.1%	13.4%		15.2%	
EBIT	258	238	8%	949	103%
Pre-tax profit	228	238	-4%	988	89%
Net profit	76	98	-23%	329	95%

Asseco BS Paweł Szpigel		neutral		Reporting Date 27 February	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	78.8	70.0	13%	268.2	101%
EBITDA	34.1	28.1	22%	105.7	102%
EBITDA margin	43.3%	40.1%		39.4%	
EBIT	28.0	23.4	20%	81.4	103%
Pre-tax profit	27.5	23.3	18%	79.6	103%
Net profit	22.6	19.1	18%	65.4	104%

Asseco SEE Paweł Szpigel		overweight		Reporting Date 24 February	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	272.0	221.5	23%	866.9	101%
EBITDA	48.4	36.5	33%	158.2	108%
EBITDA margin	17.8%	16.5%		18.2%	
EBIT	31.7	24.6	29%	107.3	98%
Pre-tax profit	31.4	22.9	37%	105.3	101%
Net profit	25.8	19.9	29%	84.2	103%

Atende Paweł Szpigel		neutral		Reporting Date 31 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	87.8	82.8	6%	296.4	99%
EBITDA	15.2	12.8	19%	27.8	101%
EBITDA margin	17.4%	15.4%		9.4%	
EBIT	11.3	10.7	6%	13.8	99%
Pre-tax profit	14.3	10.4	37%	12.6	118%
Net profit	9.7	7.4	31%	10.3	89%

Comarch Paweł Szpigel		buy PLN 250.00		Reporting Date 28 February	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	422.5	415.6	2%	1476.1	98%
EBITDA	71.8	67.2	7%	260.1	95%
EBITDA margin	17.0%	16.2%		17.6%	
EBIT	50.5	49.9	1%	175.6	93%
Pre-tax profit	45.5	37.0	23%	157.3	93%
Net profit	39.1	29.2	34%	112.3	97%

11 bit studios Piotr Bogusz		buy PLN 454.00		Reporting Date 25 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	20.3	22.6	-10%	76.0	92%
EBITDA	9.9	13.3	-26%	34.5	80%
EBITDA margin	48.6%	59.0%		45.5%	
EBIT	8.1	11.7	-31%	28.9	74%
Pre-tax profit	8.5	11.7	-28%	29.4	76%
Net profit	6.9	9.0	-24%	22.8	74%

CD Projekt Piotr Bogusz		accumulate PLN 281.30		Reporting Date 8 April	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	161.7	127.3	27%	430.1	109%
EBITDA	59.7	34.2	75%	119.9	135%
EBITDA margin	36.9%	26.8%		27.9%	
EBIT	51.0	32.8	56%	111.6	115%
Pre-tax profit	53.6	36.3	48%	120.3	114%
Net profit	55.6	41.4	34%	100.4	122%

*as a percentage of our full-year forecast

- On much tighter revenue following the loss of two major customers, standalone EBIT will most likely post a 52% y/y slump to PLN 21.4m.

- Segmental improvement at Formula Systems (with EBIT at PLN 122m vs. PLN 100m in 4Q'18) and globally (EBIT at PLN 106m vs. PLN 91m in 4Q'18).

- Predicting 23% net profit shrinkage to PLN 75.7m.

- 13% y/y EBITDA growth in Poland thanks to SAF-T-driven demand and early deliveries of Wapro solutions.

- This accompanied by strong, 8% growth in foreign markets.

- Stable SG&A vis-a-vis the year-ago level.

- Positive IFRS16 impact on EBITDA at ca. PLN 1.4m (EBITDA under IAS17 @PLN 32.7m, +17% y/y).

- Slower bottom-line growth at an annual rate of 18%.

- 23% topline growth driven by increasing sales of payment solutions and contributions from recent acquisitions, Necomplus and Sonet.

- Acquisitions and IFRS16 impacts adding a combined PLN 6.8m to quarterly EBITDA; adjusted EBITDA up by 13% on the year.

- A net loss of PLN 0.3m on financing activity, effective tax rate at 18.0%.

- On slightly higher revenue (+4% y/y), standalone EBIT is set to decline to PLN 3.0m from 3.7m a year earlier.

- On the other hand, EBIT generated by subsidiaries will rise 19% on the year.

- Effective tax rate at 20%.

- Net profit up at PLN 9.7m from PLN 7.4m the year before, not enough to make up for the declines registered in the three previous quarters.

- Lower revenue in the TMT segment at PLN 96m vs. a high PLN 109m a year earlier. Revenues from retail- and public-sector solutions should be higher year over year.

- Operating expenses will also increase in line with rising costs of employment.

- Adj. EBITDA ex. IFRS16 at a projected PLN 67.8m after flat growth from the year-ago base, which, however, had been depressed by one-time charges.

- Sales driven by Frostpunk and Children of Morta released for consoles.

- Likely topline and bottom-line misses after expected sales delays to Q1 2020.

- Anticipating a decrease in EBIT on lower sales, combined with higher costs of services and employment, and higher D&A expenses.

- Sales driven by a surge in The Witcher 3 orders spurred by the Netflix series and the game's release for Nintendo Switch.

- Anticipating higher selling costs based on heavy advertising for Cyberpunk 2077, marketing of Gwent add-ons, and the Nintendo Switch version of The Witcher 3.

- The effective tax rate for FY2019 should not exceed 11% owing to IP Box incentives.

Industrials

AC		neutral		Reporting Date	
Piotr Poniatowski				16 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	46.5	52.7	-12%	226.3	98%
EBITDA	8.9	11.3	-21%	59.4	96%
EBITDA margin	19.2%	21.4%		26.2%	
EBIT	5.9	8.7	-32%	48.0	95%
Net profit	4.2	6.5	-35%	39.3	95%

Alumetal		neutral		Reporting Date	
Jakub Szkopek				23 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	323.4	360.3	-10%	1426.7	99%
EBITDA	21.6	22.4	-3%	94.2	100%
EBITDA margin	6.7%	6.2%		6.6%	
EBIT	13.5	14.6	-8%	62.2	100%
Net profit	10.3	3.6	182%	48.6	100%

Amica		neutral		Reporting Date	
Jakub Szkopek				31 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	867.1	835.3	4%	3056.1	100%
EBITDA	73.1	65.8	11%	222.6	100%
EBITDA margin	8.4%	7.9%		7.3%	
EBIT	59.4	52.3	14%	168.3	100%
Net profit	44.2	38.5	15%	114.8	100%

Aparator		neutral		Reporting Date	
Jakub Szkopek				28 February	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	233.2	242.0	-4%	897.8	98%
EBITDA	27.6	35.3	-22%	137.7	91%
EBITDA margin	11.8%	14.6%		15.3%	
EBIT	16.6	24.4	-32%	89.7	86%
Net profit	11.8	17.1	-31%	66.3	85%

Astarta		overweight		Reporting Date	
Jakub Szkopek				14 April	
(UAH m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	3,265	3,790	-14%	13,174	104%
EBITDA	-7.8	-485.0	-	1349.8	97%
EBITDA margin	-0.2%	-12.8%		10.2%	
EBIT	-357.8	-1227.9	-	-184.4	-
Net profit	-558.9	-52.6	-	-441.5	-

Boryszew		neutral		Reporting Date	
Jakub Szkopek				8 April	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	1583.4	1413.3	12%	6371.6	100%
EBITDA	99.5	67.3	48%	422.3	100%
EBITDA margin	6.3%	4.8%		7.0%	
EBIT	46.9	29.3	60%	227.6	
Net profit	20.6	-27.1	-176%	72.6	100%

Cognor		hold		Reporting Date	
Jakub Szkopek		PLN 1.25		-	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	424.3	471.2	-10%	1919.8	97%
EBITDA	16.9	24.0	-30%	110.4	93%
EBITDA margin	4.0%	5.1%			
EBIT	5.4	13.0	-59%	64.3	87%
Net profit	3.1	-5.0	-	35.5	92%

Famur		buy		Reporting Date	
Jakub Szkopek		PLN 5.18		21 April	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	510.0	505.9	1%	2105.3	101%
EBITDA	127.7	131.2	-3%	528.1	103%
EBITDA margin	25.0%	25.9%		25.1%	
EBIT	77.7	84.8	-8%	329.7	105%
Net profit	52.2	53.5	-2%	373.8	103%

*as a percentage of our full-year forecast

- AC reported preliminary Q4 revenue of PLN 46.6m
- This after declines in the segments of autogas systems (due to issues in Kazakhstan and Russia) and towing hitch wirings (negative base effects, delayed deliveries).
- Nevertheless EBITDA for the year should exceed the target set as trigger for executive incentives.

- A 2% y/y decline in sales volumes.
- No change in aluminum processing margins.
- Stable EBITDA on 10% lower revenue due to falling aluminum prices.

- Sales trends in Q4 continued over from Q3, with stronger growth generated in Poland, Germany, and Russia vis-à-vis weaker growth in the UK and France.
- We see potential for a small positive surprise in Q4 profits.

- Aparator eyes revenue of PLN 233m and net profit of PLN 11.7m in Q4 according to the preliminary release.
- We have adjusted our forecast to match the prelims.

- Anticipating fourth-quarter EBITDA loss of UAH 8m based on monthly production reports – a big improvement on the year-ago loss of UAH 485m.
- Strong quarterly sales volumes generating positive cash flow to help further reduce debt.

- Anticipating improvement from a low year-ago comparable base in the segments of automotive parts and metals.
- We expect a FY2019 year-end net debt/EBITDA ratio of 3.9x.

- Cognor will report lower results for Q4 2019 than a year earlier due to tighter prices and squeezed margins on rebar and long steel products.
- Rebar profits in the period were hurt by rising prices of scrap steel.

- Famur most likely generated the bulk of Q4 profit growth from underground mining equipment.
- Results will no longer show contributions from the PBSZ unit, sold in mid-2019.
- Final figures might be squeezed by charges related to Famak of no more than PLN 18m, and impairment of Famak's assets not exceeding PLN 59m.

Forte		neutral		Reporting Date	
Jakub Szkopek				30 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	337.0	297.5	13%	1145.6	103%
EBITDA	47.1	32.2	46%	129.3	109%
EBITDA margin	14.0%	10.8%		11.3%	
EBIT	33.1	19.0	74%	72.5	116%
Net profit	21.2	12.0	77%	29.4	133%

Grupa Kęty		hold		Reporting Date	
Jakub Szkopek		PLN 335.44		26 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	732.4	753.7	-3%	3163.7	100%
EBITDA	101.5	91.6	11%	505.6	100%
EBITDA margin	13.9%	12.2%		16.0%	
EBIT	66.9	59.4	13%	368.2	
Net profit	47.7	60.1	-21%	280.2	100%

Kernel		hold		Reporting Date	
Jakub Szkopek		PLN 41.60		28 February	
(PLN m)	Q2'20E	Q2'19	Y/Y	2020E	YTD*
Revenue	977.9	1114.9	-12%	4223.1	43%
EBITDA	99.2	129.3	-23%	322.0	64%
EBITDA margin	10.1%	11.6%		7.6%	
EBIT	75.0	111.3	-33%	226.3	70%
Net profit	44.4	88.5	-50%	112.4	92%

Kruszwica		overweight		Reporting Date	
Jakub Szkopek				-	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	693.2	729.3	-5%	2818.4	100%
EBITDA	47.7	54.4	-12%	153.5	104%
EBITDA margin	6.9%	7.5%		5.4%	
EBIT	41.1	47.9	-14%	125.9	105%
Net profit	33.9	37.2	-9%	99.6	105%

Mangata		neutral		Reporting Date	
Jakub Szkopek				31 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	166.5	161.8	3%	705.0	100%
EBITDA	22.5	15.4	46%	102.6	100%
EBITDA margin	13.5%	9.5%		14.5%	
EBIT	14.7	7.7	90%	71.6	100%
Net profit	10.9	11.8	-8%	55.3	100%

PKP Cargo		reduce		Reporting Date	
Piotr Poniatowski		PLN 18.13		-	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	1173.6	1377.8	-15%	4863.9	98%
EBITDA	145.2	205.3	-29%	914.7	94%
EBITDA margin	12.4%	14.9%		18.8%	
EBIT	-36.8	1.8	-	184.4	79%
Net profit	-45.9	-10.3	-	103.0	51%

Pozbud		neutral		Reporting Date	
Jakub Szkopek				8 April	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	72.8	42.8	70%	211.2	100%
EBITDA	4.1	5.0	-18%	24.9	100%
EBITDA margin	5.7%	11.7%		11.8%	
EBIT	2.4	3.3	-27%	18.1	100%
Net profit	1.8	2.4	-27%	11.4	100%

Stelmet		hold		Reporting Date	
Jakub Szkopek		PLN 8.78		28 February	
(PLN m)	Q1'20E	Q1'19	Y/Y	2020E	Y/Y
Revenue	70.5	74.0	-5%	599.6	12%
EBITDA	10.0	8.9	13%	67.9	15%
EBITDA margin	14.2%	12.0%		11.0%	
EBIT	-0.6	-1.7	-	25.2	-
Net profit	1.3	-5.2	-	18.8	7%

*as a percentage of our full-year forecast

- Forte has already released preliminary results for Q4 2019, and the tentative figures are mostly consistent with our expectations.
- Final figures might be squeezed by asset impairment related to a subsidiary based in India.

- Grupa Kęty has already released preliminary results for Q4 2019, and the tentative figures are mostly consistent with our expectations.

- Anticipating 23% y/y EBITDA contraction in fiscal Q2 2020 ended 31 December 2020, driven by lower profits in the Crops segment (down from a high \$62m to about \$20m). At the same time, we expect a 22% rebound in the Infrastructure segment and flat growth in Vegetable Oil
- The net debt/EBITDA ratio at 31 December 2019 will most likely exceed 4x.

- Anticipating a 3% lower production volume than in the same period a year earlier, accompanied by 5% gross margin contraction from a high year-ago base.
- We expect net cash at 31 December 2019 of PLN 274m (PLN 11.9 per share).

- Mangata's 2019 Q4 earnings should improve on a y/y basis thanks to one-time power price compensations (PLN 4m) coupled with positive base effects (with the profits for Q4'18 depressed by one-time charges).
- As a result, Mangata might exceed its own FY2019 net EBITDA guidance by 4%, and beat the net profit target by 6%.

- PKP Cargo is eyeing weak fourth-quarter results due to lower freight volumes carried in October and November, underpinned by weak coal demand because of warm weather (click [here](#) for the full forecast).
- The negative trends in rail freight can be expected to continue through the first half of 2020.

- Despite higher revenue than in the same year-ago period, driven mainly by slightly higher sales of building solutions, we expect Pozbud's Q4 profits to decline due to squeezed sales margins generated on windows and doors.
- With that said, operating cash flow is what analysts will be paying the most attention to in the quarterly report.

- Sales in fiscal Q1 2020 ended 31 December 2019 were weak due to lower demand for pellets, resulting in lower sales prices.
- On a positive note, profits in the segment of garden furniture will be supported by favorable FX trends in the PLN/EUR and PLN/GBP currency pairs, as well as, hopefully, by slightly higher sales volumes.

TIM		overweight		Reporting Date	
Piotr Poniatowski				22 April	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	239.0	223.9	7%	882.0	101%
EBITDA	14.9	7.3	105%	53.7	102%
EBITDA margin	5.6%	3.2%		6.1%	
EBIT	9.5	4.2	124%	33.4	102%
Net profit	5.9	3.4	74%	19.8	102%

Property Developers

Strong sales, weak profits

- Fourteen listed residential developers completed 4% fewer homes in Q4 2019 than in the same period a year earlier, but at the same time they boosted pre-sales on new homes by 18% (the respective full-year figures were -6% and +2% y/y).
- When it comes to completions, the firms reporting the biggest acceleration in Q4 included JWC (+137% y/y), Ronson (+118%), and Atal (+80%), against the biggest falls reported by Polnord (-81% y/y), Archicom (-70%), and Develia (-51%).

Archicom				Reporting Date	
Aleksandra Szklarczyk				7 April	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	76.6	264.9	-71%	499.7	-
Gross profit	21.3	77.2	-72%	153.0	-
margin	27.8%	29.1%	-	30.6%	-
EBIT ex. valuation	5.6	64.8	-91%	96.129	-
Valuation effects	7.1	-3.9	-	28.207	-
EBIT	12.8	60.9	-79%	124.3	-
Pre-tax income	10.4	60.0	-83%	116.0	-
Net profit	8.1	40.0	-80%	88.1	-
Units delivered	205	677	-70%	1,382	-
Rev./unit (PLN '000)	368.6	389.0	-5%	358.0	-

Atal	buy			Reporting Date	
Aleksandra Szklarczyk	PLN 44.90			19 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	223.5	176.5	27%	813.1	79%
Gross profit	61.9	45.1	37%	222.0	79%
margin	27.7%	25.6%	-	27.3%	-
EBIT	53.1	42.0	27%	190.0	76%
Pre-tax income	52.7	42.1	25%	183.6	77%
Net profit	42.2	34.0	24%	145.1	76%
Units delivered	675	374	80%	2,188	81%
Rev./unit (PLN '000)	341.4	467.6	-27%	371.6	100%

Dom Development	hold			Reporting Date	
Aleksandra Szklarczyk	PLN 88.92			6 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	520.7	749.0	-30%	1689.2	99%
Gross profit	149.3	208.6	-28%	480.8	101%
margin	28.7%	27.8%	-	28.5%	-
EBIT	104.2	158.5	-34%	314.0	101%
Pre-tax income	103.6	159.0	-35%	312.9	101%
Net profit	83.9	128.8	-35%	252.3	101%
Units delivered	988	1,605	-38%	3,512	99%
Rev./unit (PLN '000)	527.1	466.6	13%	481.0	100%

Develia				Reporting Date	
Aleksandra Szklarczyk				-	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	101.0	159.3	-37%	815.2	98%
Gross profit	42.0	57.6	-27%	316.9	-
margin	41.6%	36.2%	-	38.9%	-
EBIT ex. valuation	26.1	38.6	-32%	263.5	-
Valuation effects	-62.0	1.5	-	-71.2	-
EBIT	-35.9	40.1	-	192.3	90%
Pre-tax income	-26.2	25.9	-	172.8	-
Net profit	-21.2	15.9	-	137.3	-
Units delivered	185	383	-1	1,963	-
Rev./unit (PLN '000)	380.0	310.3	22%	344.3	-

*as a percentage of our full-year forecast; **as a % of full-year consensus

- TIM reported preliminary standalone revenue of PLN 211.4m in Q4 2019, up 6.4% from Q4 2018. The subsidiaries Rotopino and 3LP also contributed in the period. We expect to see high quarterly revenues from logistics (a contract with IKEA).

- In future quarters, annual growth will no longer be boosted by IFRS16 effects.

- Commercial developers saw their Q4 profits squeezed by a 2.7% q/q depreciation in the EUR/PLN exchange rate, affecting profits on fair value adjustments.
- We expect improvement on a year-over-year basis from Archicom, Dom Development, and Develia. At Atal, there will be a temporary slump due to a momentary decline in completions before a rebound anticipated from 2020.

- Archicom completed 4% more homes in 2019 than the year before, and based on high sales margins we expect the net profit for the year to post a 16% rebound from 2018.

- Completions in Q4 2019 alone were down 70% on the year at 205 flats.

- In the commercial segment, we expect positive fair value adjustments on the City Forum project, partly offset by the zloty's appreciation versus the euro, to produce a final net effect of PLN 7.1m vs. PLN -3.9m recognized in Q4 2018.

- Atal completed just under 1,800 flats in 2019 (-33% y/y), a number slightly short of expectations, due mainly to administrative permit delays.

- At the same time, the number of new units pre-sold during the year was nearly twice as high at 3,200.

- Completions bounced 80% y/y in Q4 2019 to 675 units, and based on a lower average floor area per flat, coupled with a slightly higher sales margin, this indicates a 24% rebound in the period's net profit.

- DOM completed 988 flats in Q4 2019, down 38% from a record-high year-ago comparable base, resulting in a year-over-year decline in net profit despite an increase in the average sales price and margin per flat.

- Completions during the full FY2019 landed close to DOM's "3,500+" target at 3,482 flats, indicating annual net earnings consistent with the PLN +250m guidance.

- This would imply a 12% y/y earnings rebound on 4% fewer completions achieved thanks to rising sales prices and margins.

- Develia is set to report decreasing profits in Q4 2019 due to fewer residential completions (-52% y/y) combined with reduced profits from the commercial portfolio after property divestment and after the zloty's rise against the euro (we estimate the total effect at PLN -62m).

- Aside from FX differences (PLN -42m), we expect to see under "revaluation" the effects of the sale of the Wola Center building (PLN -15m) and possibly a downward value adjustment on the Arkady Wrocławskie mall.

- We anticipate recurring net profit of PLN 17m in Q4 2019 (-13% y/y), with 2019 FY profit of PLN 188m (+12%).

Retail

Strong improvement at AmRest, slowdown at VRG:

- AmRest generated strong core operating results in Q4, additionally boosted by one-time gains.

AmRest Piotr Bogusz		hold PLN 47.00		Reporting Date 28 February	
(EUR m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	518.3	442.9	17%	1957.2	100%
Gross profit	124.0	70.1	77%	357.9	100%
margin	23.9%	15.8%		18.3%	
EBITDA adj.	91.9	49.3	86%	241.7	103%
EBITDA margin	17.7%	11.1%		12.3%	
EBIT	60.1	28.6	110%	131.1	100%
Pre-tax income	40.1	15.2	164%	84.7	92%
Net profit	31.0	11.7	165%	63.4	92%

CCC Piotr Bogusz		buy PLN 157.00		Reporting Date 6 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	1,716	1,603	7%	6,021	97%
Gross profit	889	816	9%	2,973	98%
margin	51.8%	50.9%		49.4%	
EBITDA adj.	157.9	214.0	-26%	368.6	78%
EBITDA margin	9.2%	13.3%		15.1%	
EBIT	116.0	172.5	-33%	202.2	60%
Pre-tax income	109.5	134.5		89.5	
Net profit adj.	97.3	134.7		43.7	

Dino Piotr Bogusz		accumulate PLN 148.60		Reporting Date 13 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	2,109	1,613	31%	7,628	100%
Gross profit	518	405	28%	1,861	100%
margin	24.5%	25.1%		24.4%	
EBITDA	216.2	170.6	27%	717	100%
EBITDA margin	10.3%	10.6%		9.4%	
EBIT	173.6	139.0	25%	565	99%
Pre-tax income	157.8	126.0	25%	507	99%
Net profit	127.8	98.8	29%	407	101%

Eurocash Piotr Bogusz		reduce PLN 19.80		Reporting Date 13 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	6,099	5,801	5%	24,581	100%
Gross profit	878	809	9%	3,254	100%
margin	14.4%	14.0%		13.2%	
EBITDA adj.	118.4	108.9	9%	406.0	100%
EBITDA margin	1.9%	1.9%		1.8%	
EBIT adj.	73.4	102.3	-28%	231.7	99%
Pre-tax income	21.2	76.6	-72%	80.2	97%
Net profit	13.2	52.2	-75%	41.0	106%

Jeronimo Martins Piotr Bogusz		hold EUR 14.30		Reporting Date 20 February	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	4,977	4,537	10%	18,440	101%
Gross profit	1,102	991	11%	4,065	101%
margin	22.1%	21.8%		22.0%	
EBITDA adj.	291.8	251.0	16%	1,055	107%
EBITDA margin	5.9%	5.5%		5.7%	
EBIT	187.8	155.0	21%	651	99%
Pre-tax income	179.8	149.0	21%	522	89%
Net profit	126.6	109.0	16%	443	97%

VRG Piotr Bogusz		accumulate PLN 4.50		Reporting Date 31 March	
(PLN m)	Q4'19E	Q4'18	Y/Y	2019E	YTD*
Revenue	315.1	272.1	16%	1,067.6	98%
Gross profit	170.2	143.8	18%	550.8	99%
margin	54.0%	52.9%		51.6%	
EBITDA adj.	49.5	45.6	9%	108.9	98%
EBITDA margin	15.7%	16.8%		19.1%	
EBIT	44.0	40.8	8%	92.5	91%
Pre-tax income	51.4	38.9	32%	74.4	103%
Net profit	43.2	32.4	33%	60.8	103%

*as a percentage of our full-year forecast

- On the other hand, after slow sales in December, VRG is set to report weaker momentum in Q4 2019.

- AmRest opened an estimated 213 new restaurants net in 2019 (+10% y/y), with the average location increasing sales at an annual rate of 6.3%.
- EBITDA in Q4 will receive a boost from a EUR 31m deal to sell the pizzaportal.pl food delivery Website, plus value adjustments to the investment in Glovo (ca. EUR 30m).
- Recurring Q4 EBITDA margin is set to show a y/y rise of 0.7pp driven by improving restaurant profits in Poland, China, Germany, and Hungary.
- We assume restaurant value adjustments of EUR 12m.

- CCC released preliminary fourth-quarter results at the beginning of January.
- We expect to see one-time events of PLN 13.5m plus PLN 7m related to equity method accounting.
- We anticipate a quarterly effective tax rate of 19%.

- Dino had 1,218 stores at 31 December 2019, up 24.7% on the previous year.
- In Q4, we expect to see 13% lfl growth combined with 0.5% contraction in revenue per square meter of store.
- On lower sales profits, the quarterly EBITDA margin will likely show a decline of 0.3pp from Q4 2018. Nevertheless the full-year EBITDA margin will be higher than the year before.
- We expect an effective tax rate of 19%.

- Eurocash generated strong revenue in Wholesale in Q4 2019, owing to high sales of low-margin tobacco products, resulting in an increase of PLN 1m to PLN 118m in the segmental EBITDA for the period.
- We also see PLN 9m growth in Retail EBITDA led by improved sales profits and stronger revenues.
- The segments of Projects and Other are expected to post respective EBITDA losses of PLN 11m and PLN 43m (vs. -9.5/-1m in Q4'18).

- Jeronimo released Q4 prelims at the beginning of January.
- We expect flat y/y growth in the EBITDA margins of stores in Poland and Portugal, but on higher volumes their EBITDA results will show annual growth at respective rates of 11% and 4%.
- We see EBITDA losses of €7m on Ara stores (+€10m y/y) and €6m on Hebe drugstores (+€4m).
- Anticipating net loss of €8m on financing activity, minority interest in the amount of €10m, and a quarterly effective tax rate of 24%.

- VRG registered a severe sales slump in December 2019 after a strong rebound in November.
- Based on monthly sales reports, we estimate the quarterly SG&A expenses at PLN 125m (+21% y/y), and we expect to see net one-time charges of PLN 1.5m vs. PLN 0.6m the year before.
- Financing activity in Q4 will have produced a net gain of PLN 7.4m (of which PLN 11m from FX operations) vs. a PLN 1.9m loss in Q4'18.

Current Recommendations by mBank

Company	Recommendation	Issued On	Price At Reco.	Target Price	Current Price	Upside/Downside	P/E		EV/EBITDA	
							2019	2020	2019	2020
Financial Sector						+7.3%	10.0	10.4		
Alior Bank	hold	2019-11-06	29.34	31.00	27.00	+14.8%	8.5	7.8		
Handlowy	accumulate	2019-12-05	51.70	57.44	56.00	+2.6%	16.2	11.8		
ING BSK	hold	2019-12-05	190.80	187.77	204.00	-8.0%	16.7	14.8		
Millennium	hold	2019-12-05	5.49	5.47	5.80	-5.7%	10.1	12.7		
Pekao	buy	2019-12-05	96.34	115.20	98.20	+17.3%	11.4	10.4		
PKO BP	accumulate	2019-12-05	34.99	39.50	34.90	+13.2%	9.7	10.0		
Santander Bank Polska	hold	2019-12-05	279.00	265.50	281.80	-5.8%	13.2	11.9		
Komercni Banka	buy	2019-12-05	792.00	928.20 CZK	786.00	+18.1%	9.8	10.4		
Moneta Money Bank	buy	2019-08-28	75.95	94.33 CZK	83.90	+12.4%	11.3	10.5		
Erste Group	accumulate	2019-12-05	32.20	36.61 EUR	33.60	+9.0%	9.3	9.0		
RBI	accumulate	2019-12-05	21.24	23.05 EUR	21.07	+9.4%	6.0	5.7		
OTP Bank	hold	2019-12-05	14,870	14,681 HUF	14,300	+2.7%	9.8	9.0		
PZU	accumulate	2019-12-05	36.47	41.91	40.89	+2.5%	11.2	10.6		
Kruk	buy	2019-12-05	150.90	210.31	164.40	+27.9%	9.3	9.2		
Skarbiec Holding	buy	2019-12-05	17.20	29.34	21.80	+34.6%	6.8	6.5		
GPW	buy	2020-01-16	40.85	47.82	42.70	+12.0%	14.0	16.1		
Chemicals						+19.5%	10.1	15.6	5.2	6.0
Ciech	buy	2019-12-05	36.40	44.41	38.50	+15.4%	14.8	9.1	6.5	5.6
Grupa Azoty	hold	2019-12-05	30.00	32.75	26.72	+22.6%	5.4	22.1	3.9	6.3
Oil & Gas						+13.0%	10.9	9.3	4.6	4.7
Lotos	reduce	2019-12-05	85.20	77.80	81.16	-4.1%	13.1	9.4	6.2	4.9
MOL	accumulate	2019-11-27	2,926	3,302 HUF	2,668	+23.8%	8.9	8.1	4.2	4.6
PGNiG	hold	2020-01-28	3.86	4.06	3.86	+5.1%	12.8	15.0	4.8	4.7
PKN Orlen	hold	2019-12-05	88.50	94.17	81.62	+15.4%	7.3	9.1	4.4	4.8
Power Utilities						+35.8%	4.9	5.5	3.7	3.8
CEZ	buy	2019-12-05	502.00	597.80 CZK	510.00	+17.2%	15.2	13.2	7.3	6.8
Enea	buy	2019-11-06	8.59	11.53	7.45	+54.8%	3.1	3.0	3.1	3.1
Energa	buy	2019-11-06	6.37	11.67	7.39	+57.9%	5.8	5.5	3.7	4.3
PGE	buy	2019-10-24	8.42	12.20	7.30	+67.2%	4.9	6.3	3.1	3.6
Tauron	buy	2019-11-06	1.73	2.45	1.56	+57.3%	3.0	2.5	4.1	3.8
Telecoms, Media, IT						+0.2%	31.1	18.6	6.6	6.6
Netia	hold	2019-12-05	4.44	4.70	4.54	+3.5%	31.7	32.5	4.6	4.7
Orange Polska	accumulate	2019-11-29	6.46	7.40	7.20	+2.8%	33.9	37.2	5.4	5.6
Play	buy	2019-11-14	31.30	36.00	36.76	-2.1%	10.6	9.7	6.6	6.5
Agora	buy	2019-10-30	9.50	17.00	12.40	+37.1%	59.1	31.5	7.4	7.0
Cyfrowy Polsat	reduce	2019-11-14	28.86	26.10	27.04	-3.5%	15.4	13.1	7.0	6.8
Wirtualna Polska	hold	2019-12-05	68.20	70.00	80.40	-12.9%	31.1	21.5	14.0	11.0
Asseco Poland	hold	2019-12-05	57.35	59.20	64.50	-8.2%	16.3	15.8	5.3	5.1
Comarch	buy	2019-11-25	189.50	250.00	205.00	+22.0%	14.8	14.2	6.5	6.3
11 bit studios	buy	2019-12-05	360.50	454.00	434.00	+4.6%	43.5	52.0	27.7	31.1
CD Projekt	accumulate	2019-12-05	260.30	281.30	276.30	+1.8%	-	11.8	-	10.2
Industrials, Mining						-0.1%	7.1	11.1	4.6	5.1
Cognor	hold	2019-12-06	1.20	1.25	1.27	-1.6%	6.8	39.5	4.4	6.2
Famur	buy	2019-12-05	2.98	5.18	3.36	+54.2%	5.2	7.9	4.1	4.2
Grupa Kęty	hold	2019-12-05	338.50	335.44	349.00	-3.9%	11.9	13.6	8.1	8.9
JSW	hold	2020-01-20	22.68	23.32	20.14	+15.8%	5.1	-	0.9	2.9
Kemel	hold	2019-12-05	41.20	41.60	47.65	-12.7%	5.4	9.1	4.9	6.8
KGHM	hold	2019-12-05	88.66	85.54	93.70	-8.7%	9.3	9.8	4.7	5.1
PKP Cargo	reduce	2019-12-05	20.00	18.13	19.50	-7.0%	7.4	-	2.8	3.4
Stelmet	hold	2019-12-05	8.20	8.78	8.00	+9.7%	12.5	12.5	5.5	5.2
Property Developers						+0.0%	10.2	8.9	9.2	8.1
Atal	buy	2019-12-05	37.20	44.90	41.00	+9.5%	10.9	9.0	10.7	8.4
Dom Development	hold	2019-12-05	93.00	88.92	96.00	-7.4%	9.5	8.9	7.8	7.8
Retail						+5.8%	37.4	19.9	9.7	8.8
AmRest	hold	2019-12-05	46.35	47.00	46.10	+2.0%	37.4	36.0	12.4	11.5
CCC	buy	2019-12-05	108.10	157.00	88.00	+78.4%	82.9	18.5	5.1	4.0
Dino	accumulate	2019-11-25	134.00	148.60	155.10	-4.2%	37.4	27.8	22.1	16.8
Eurocash	reduce	2019-11-25	22.22	19.80	19.65	+0.8%	66.7	39.7	7.3	6.9
Jeronimo Martins	hold	2019-10-07	14.92	14.30 EUR	15.65	-8.6%	22.2	19.9	9.7	8.8
LPP	buy	2019-12-05	8,575.00	10,100.00	8,395.00	+20.3%	24.9	18.4	10.5	9.0
VRG	accumulate	2019-12-02	3.94	4.50	3.86	+16.6%	14.9	12.3	4.7	4.3

Current Calls by mBank

Company	Relative Positioning	Rated On	Price At Rating	Current Price	Change	P/E		EV/EBITDA	
						2019	2020	2019	2020
IT						15.1	12.6	6.6	5.6
Ailleron	neutral	2019-10-31	7.16	8.46	+18.2%	15.3	11.6	6.0	4.7
Asseco BS	neutral	2019-12-05	27.60	32.60	+18.1%	16.7	16.1	10.7	10.2
Asseco SEE	overweight	2019-12-05	25.60	24.40	-4.7%	15.0	13.6	7.3	6.2
Atende	neutral	2019-12-05	3.06	3.48	+13.7%	12.3	11.5	5.1	4.9
Industrials						12.2	11.3	6.5	6.8
AC	neutral	2019-12-05	43.20	48.60	+12.5%	12.2	12.3	8.5	8.1
Alumetal	neutral	2019-12-05	39.30	42.70	+8.7%	13.4	13.8	7.7	7.9
Amica	neutral	2019-12-05	133.20	141.60	+6.3%	9.6	8.9	6.1	6.2
Apator	neutral	2019-12-05	21.10	21.00	-0.5%	11.1	11.3	6.5	6.8
Astarta	overweight	2019-12-05	15.90	16.10	+1.3%	-	2.9	6.4	2.9
Boryszew	neutral	2019-12-05	4.09	4.58	+12.1%	15.1	12.0	7.0	7.1
Forte	neutral	2019-12-05	28.15	32.50	+15.5%	26.3	15.1	10.3	8.7
Kruszwica	overweight	2019-12-05	45.80	52.80	+15.3%	12.2	11.0	6.3	5.9
Mangata	neutral	2019-12-05	72.00	75.50	+4.9%	9.1	10.7	6.4	6.9
Pozbud	neutral	2019-12-05	1.80	1.65	-8.6%	3.9	3.8	4.4	5.4
TIM	overweight	2019-12-05	10.90	11.35	+4.1%	12.8	11.3	6.7	6.1

List of abbreviations and ratios contained in the report:

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

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

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ACCUMULATE – we expect that the rate of return from an investment will range from 5% to 15%
HOLD – we expect that the rate of return from an investment will range from -5% to +5%
REDUCE – we expect that the rate of return from an investment will range from -5% to -15%
SELL – we expect that an investment will bear a loss greater than 15%
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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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