

Financials

Poland, Financials

BOS, BPH, EuCO, Kruk, Magellan, MW Trade, Open Finance, PRESCO, PCM, Skarbiec, Votum

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1Q15 previews and estimates update: Hodgepodge

Euco and Votum are among the financial, non-banking names that should have fared well in 1Q15. Moreover, they seem to offer the best growth prospects due to changes in the compensation market. Elsewhere, 1Q results are likely to range from neutral (Kruk, Magellan, MW Trade, Open Finance, PCM) to negative (BPH, BOS, Presco). With this report, we are also introducing new revised 2015-17E forecasts and updating our target prices for the seven names covered in this report.

BOS. We expect a 95% q/q drop in earnings to PLN1mn in 1Q15 due to a negative one-off in its brokerage house (PLN15mn). NII should decrease to PLN63mn (down 3% q/q), while fees could fall 10% q/q. We expect that CoR will decrease to a more regular level (PLN14mn), with the opex line likely to decrease to PLN96mn after a seasonal rise in 4Q14. **Outcome: Negative.**

BPH. The weak PLN 7mn in earnings that we expect should be due to the 200bp lombard rate cut in March, which further undercut the already weak NII (down 10% y/y). Fees are unlikely to impress either (down q/q). Operating expenses should decrease q/q due to seasonal factors, while, in contrast, the cost of risk (9bp) should decrease due to NPL disposals in the period. **Outcome: Negative.**

EuCO. We expect that after its record-high earnings in the previous quarter, 1Q15 should be seasonally weaker but show a satisfactory y/y growth pace (PLN 4.5mn down 37% q/q, up 94% y/y). The parent company should deliver higher results in y/y terms. The Czech and the Hungarian businesses should be in the black. **Outcome: Positive.**

Kruk. Double digit q/q growth in cash collected, relatively small outlays on NPLs and flat direct expenses in y/y terms should be the main features of 1Q15E results. The forecast PLN 42.4mn earnings in the period would represent 25% of full year consensus expectations. **Outcome: Neutral**

Magellan. Following the record high origination in 4Q14, 1Q15 should have brought lower new volumes (PLN350mn, up 22% y/y. Nonetheless, the y/y growth in product portfolio should remain solid (30%) and coupled with lower funding cost provide cushion against the recent cut in statutory interest rate. We expect net profit of PLN 13.2mn, up 6% y/y. **Outcome: Neutral.**

MW Trade. We expect its net profit to decrease in q/q terms (PLN4.3mn down 27% q/q) due to the cut of statutory interest rate. The margin pressure should become increasingly visible. **Outcome: Neutral**

Open Finance. It should have been a good quarter (earnings of PLN 7mn, up 9% y/y). Trends in its margins should continue to diverge (improvement on cash and mortgage loans, flat on deposits and RE, contraction in investment and saving products), but revenues overall are likely to rise (up 20% q/q) mainly on better cash loans originations (up 50% q/q). Cost restructuring also continued in the period. **Outcome: Neutral**

PRESCO. We expect the company to post a symbolic net profit of PLN0.2mn on a combination of negative revaluation of the portfolio (lower cash recoveries) with flat revenues (PLN10mn, down 31% y/y and flat q/q) and only slightly lower costs (PLN4mn). In contrast, 2Q15 should bring a significant improvement in NPL purchases. **Outcome: Negative.**

Prime Car Management (PCM). After relatively weak 4Q14 and 3Q14, this quarter should have brought a seasonal improvement. We expect PLN12.5mn net profit (up 39% q/q and down 11% y/y). **Outcome: Neutral**

Skarbiec. We expect meaningful success fee of PLN9mn (up 249% y/y and up 228% q/q), which should translate into a solid net profit (PLN9.2 mn up 115% y/y). **Outcome: Positive**

Votum. After the record-high results in the previous quarter, 1Q15 should have brought deterioration in the company's earnings on a q/q basis (down 55%) but quite an impressive improvement in y/y terms (up 80% y/y to PLN 2.2mn). Insurance companies continue to pay compensations in the 'pre-court' stage and the company started to invest more money in purchasing receivables from leasing& other companies. **Outcome: Positive.**

TP/Estimates revisions. With this report we are introducing new 2015-17E for BOS, BPH, EuCO, MW Trade, Open Finance, Presco and Votum. Accordingly, we are also changing our target prices for all these companies. Our ratings remain unchanged for all of them, however.

	Rec. cur.	Last price	TP	Upside
BOS	Buy	32.1	40.8	27%
BPH	Buy	44.7	51.3	15%
EuCO	Buy	49.3	57	16%
Magellan	Buy	64.17	84.2	31%
MW Trade	Buy	18.37	21.3	16%
Open Finance	Hold	5.63	5.9	5%
PRESCO	Sell	2.45	2.1	-14%
PCM	Buy	47.25	60.1	27%
Skarbiec	Buy	50.3	56	11%
Votum	Buy	15.9	20.4	28%

Source: DM BZ WBK estimates, at closing prices on Apr 27,2015

	P/E (x)		EV/EBITDA (x)	
	2015E	2016E	2015E	2016E
BOS	12.9	8.3	n.a.	n.a.
BPH	76.5	67.4	n.a.	n.a.
EuCO	12.5	11.1	9.6	8.9
Magellan	8.0	7.3	28.8	30.3
MW Trade	9.0	8.6	37.8	37.6
Open Finance	11.5	11.0	9.7	9.1
PRESCO	9.6	7.9	8.3	7.5
PCM	11.4	10.8	n.a.	n.a.
Skarbiec	12.5	11.5	8.9	8.0
Votum	12.7	10.4	9.5	7.6

Source: DM BZ WBK estimates, at closing prices on Apr 27,2015

	Rating		TP (PLN/share)		
	Current	Prev.	Current	Prev.	Change
BOS	Buy	Buy	40.8	44	-7%
BPH	Buy	Buy	51.3	51.6	-1%
EuCO	Buy	Buy	57.0	50.8	12%
Magellan	Buy	Buy	84.2	84.2	0%
MW Trade	Buy	Buy	21.3	20.9	2%
Open Finance	Hold	Buy	5.9	7	-16%
PRESCO	Sell	Sell	2.1	2.1	0%
PCM	Buy	Buy	60.1	60.1	0%
Skarbiec	Buy	Buy	56.0	56.0	0%
Votum	Buy	Buy	20.4	13.3	53%

Source: DM BZ WBK estimates.

	1Q15E		Reporting date	
	Net profit	y/y	q/q	
PLNmnn				
Kruk	42	6%	65%	10-May
Magellan	14	6%	14%	11-May
Skarbiec Holding	9	115%	115%	11-May
BOS	0.6	-95%	-92%	13-May
BPH	7.2	-78%	-76%	14-May
EuCO	4.5	94%	-37%	14-May
MW Trade	4.3	29%	-27%	14-May
Open Finance	6.8	9%	-17%	15-May
PRESCO	0.2	92%	36%	15-May
PCM	12.5	-17%	30%	15-May
Votum	2.2	80%	-55%	15-May

Source: DM BZ WBK estimates

Research team:

Andrzej Bieniek
(Investment adviser, Securities broker)
+ 48 22 586 85 21; andrzej.bieniek@bzwbk.pl

Dariusz Górski

+48 22 586 81 00; dariusz.gorski@bzwbk.pl

Throughout the report we use share prices as of April 27, 2015.

1Q15E results at a glance

Fig. 1. BOS: Quarterly results at a glance

In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Net interest income	66	66	69	77	75	76	71	66	63	-15%	-3%
Fee income	25	26	28	31	27	24	26	29	26	-1%	-10%
Other income	21	35	19	38	17	37	39	42	21	21%	-51%
Revenues	112	128	116	146	118	137	135	137	111	-7%	-19%
Operating costs	-83	-93	-91	-99	-91	-96	-91	-99	-96	5%	-3%
Operating profit	29	35	25	47	27	41	44	38	15	-45%	-61%
Provisions	-8	-5	-28	-20	-11	-14	-14	-29	-14	29%	-51%
Net profit	17	23	16	30	12	23	23	8	1	-95%	-92%

Source: Company data, DM BZ WBK estimates.

Fig. 2. BPH: Quarterly results at a glance

In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
NII	261	244	234	241	235	232	233	233	212	-10%	-9%
F&C	99	94	94	142	92	88	78	90	73	-21%	-19%
Core revenues	<u>360</u>	<u>338</u>	<u>328</u>	<u>383</u>	<u>327</u>	<u>320</u>	<u>311</u>	<u>323</u>	<u>285</u>	-13%	-12%
Other income	25	26	60	16	16	24	29	11	19	19%	69%
Revenues	385	364	388	399	343	343	340	334	304	-11%	-9%
Operating costs	-305	-269	-290	-267	-292	-276	-261	-303	-288	-1%	-5%
Operating profit	80	95	98	131	51	68	79	32	16	-69%	-49%
Provisions	-22	-34	-16	-67	-11	-20	-22	-3	-5	-58%	38%
Net profit	42	45	63	43	28	34	40	10	7	-76%	-36%

Source: Company data, DM BZ WBK estimates.

Fig. 3. EuCO: Quarterly results at a glance

In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Revenues	12.1	11.1	11.3	14.8	12.1	14.1	14.5	21.1	18.6	54%	-12%
Gross profit	4.2	3.4	4.1	7.2	4.3	4.7	5.3	10.8	7.6	76%	-29%
EBITDA	2.4	1.7	2.6	5.5	2.7	3.1	4.0	8.4	5.5	103%	-34%
EBIT	2.2	1.5	2.4	5.3	2.5	2.9	3.8	8.1	5.3	109%	-35%
Net profit	1.7	1.6	2.2	4.8	2.3	2.6	3.3	7.1	4.5	94%	-37%
Gross profit margin	35%	31%	37%	49%	36%	34%	37%	51%	41%		
EBITDA margin	20%	15%	23%	37%	22%	22%	27%	40%	29%		
EBIT margin	18%	13%	21%	36%	21%	20%	26%	39%	28%		
Net profit margin	14%	14%	20%	32%	19%	18%	22%	34%	24%		

Source: Company data, DM BZ WBK estimates.

Fig. 4. Kruk: Quarterly results at a glance

In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Revenues	95.9	103.0	103.3	103.4	120.1	143.6	103.8	120.4	127.0	6%	5%
o/w debt management	14.3	8.4	9.3	7.9	8.0	8.3	7.6	7.8	8.0	0%	3%
o/w portfolios acquired	79.5	92.4	91.5	92.3	109.1	132.1	92.5	108.7	115.0	5%	6%
EBITDA	36.1	44.4	44.5	37.3	54.1	80.0	40.4	45.0	57.9	7%	29%
EBIT	33.9	42.1	42.1	34.8	51.4	77.2	37.5	42.1	54.9	7%	30%
Net profit	19.7	30.9	29.4	17.6	40.0	60.0	26.0	25.7	42.4	6%	65%
Gross margin	53%	57%	58%	52%	58%	68%	56%	57%	61%		
o/w debt management	64%	36%	42%	33%	35%	43%	38%	39%	41%		
o/w portfolios acquired	52%	60%	60%	54%	60%	71%	58%	58%	63%		
EBITDA margin	38%	43%	43%	36%	45%	56%	39%	37%	46%		

Source: Company data, DM BZ WBK estimates.

Fig. 5. Magellan: Quarterly results at a glance

In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Revenues	30.5	32.3	39.5	36.4	35.4	36.4	39.9	50.6	40.6	15%	-20%
Income yield	13.3%	13.4%	13.8%	13.0%	12.9%	12.4%	12.7%	11.9%	10.9%	-16%	-9%
Funding cost	-13.3	-13.0	-13.6	-13.5	-13.1	-13.6	-15.0	-15.2	-16.1	23%	6%
Cost of portfolio funding	-8.1%	-7.6%	-7.2%	-6.7%	-6.5%	-6.5%	-6.5%	-5.7%	-5.7%	-13%	-1%
Spread	5.1%	5.8%	6.6%	6.3%	6.4%	6.0%	6.2%	6.2%	5.2%	-18%	-16%
Gross profit	17.2	18.9	22.6	22.2	22.0	22.0	24.1	27.0	23.6	7%	-13%
Gross profit margin	56.3%	58.4%	57.1%	61.0%	62.2%	60.4%	60.6%	53.4%	58.1%	-7%	9%
Opex	-5.4	-6.8	-8.6	-7.6	-7.2	-7.7	-7.8	-13.7	-7.9	9%	-42%
EBITDA	12.1	12.4	14.3	15.0	15.1	14.6	16.6	13.7	16.0	6%	17%
EBIT	11.8	12.1	13.9	14.7	14.9	14.3	16.4	13.4	15.7	6%	17%
Pre-tax profit	12.2	12.8	14.5	14.9	15.6	15.3	17.1	14.6	16.5	6%	13%
Net profit	9.8	10.2	11.5	11.9	12.5	12.3	13.8	11.6	13.2	6%	14%
Origination (on-balance)	229	347	383	344	286	321	413	651	350	22%	-46%
Origination (off-balance)	195	142	177	312	212	106	109	284	100	-53%	-65%
Product portfolio (EOP)	912	981	1,092	1,102	1,115	1,175	1,290	1,494	1,420	27%	-5%
Debt (EOP)	652	713	803	803	801	877	971	1,163	1,109	38%	-5%

Source: Company data, DM BZ WBK estimates.

Fig. 6. MW Trade: Quarterly results at a glance

In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Revenues	13.3	17.0	15.0	15.9	14.9	16.7	17.6	21.0	20.1	35%	-4%
Income yield	12.98%	14.94%	12.37%	12.69%	11.57%	12.41%	11.95%	12.63%	11.04%	n.a.	n.a.
Funding cost	-8.0	-9.3	-9.2	-9.2	-8.9	-9.6	-10.6	-10.6	-11.5	29%	8%
Cost of portfolio funding	-8.7%	-8.4%	-7.9%	-8.1%	-7.7%	-7.9%	-7.9%	-6.9%	-6.8%	n.a.	n.a.
Spread	4.3%	6.5%	4.5%	4.6%	3.9%	4.5%	4.1%	5.8%	4.3%	n.a.	n.a.
Gross profit	3.5	5.6	4.0	4.0	3.9	5.0	5.0	7.1	5.3	33%	-26%
Gross profit margin	26.0%	33.1%	26.4%	25.3%	26.5%	29.6%	28.3%	33.6%	26.2%	n.a.	n.a.
Opex	-1.4	-1.7	-1.5	-2.4	-1.7	-1.8	-1.7	-3.2	-2.5	47%	-22%
EBITDA	3.6	5.7	4.1	4.2	4.2	5.0	5.1	7.3	5.3	27%	-27%
EBIT	3.5	5.6	4.0	4.1	4.1	4.9	5.0	7.2	5.3	30%	-26%
Pre-tax profit	3.6	5.7	4.1	4.0	4.1	4.9	5.0	7.2	5.3	29%	-27%
Net profit	2.9	4.6	3.3	3.2	3.3	3.9	4.0	5.9	4.3	29%	-27%
Product portfolio (EOP)	433	477	494	512	517	561	617	715	742	44%	16%
Debt (EOP)	227	264	303	332	335	313	297	295	306	-9%	-1%

Source: Company data, DM BZ WBK estimates.

Fig. 7. Open Finance: Quarterly results at a glance

In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Revenues	105	116	113	107	96	98	85	70	84	-13%	20%
Opex	(90)	(95)	(92)	(96)	(86)	(89)	(84)	(76)	(77)	-11%	1%
EBITDA	22	29	26	23	16	17	16	-12	11	-31%	-192%
EBIT	15	20	21	14	8	8	7.2	-17	6.4	-20%	-138%
Net profit	12	16	16	12	6	7	7.9	8.2	6.8	9%	-17%
EBIT margin	14%	18%	19%	14%	8%	8%	8%	-25%	8%		
Net profit margin	12%	14%	14%	11%	6%	8%	9%	12%	8%		

Source: Company data, DM BZ WBK estimates.

Fig. 8. PRESCO: Quarterly results at a glance

In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Revenues	14.9	19.2	17.1	14.6	14.4	12.6	8.1	9.8	10.0	-31%	2%
o/w revaluation of debt portfolios	-6.2	-1.9	-3.9	-6.5	-4.9	9.5	-2.9	-1.2	-2.0	-59%	72%
COGS	-12.9	-16.5	-8.0	-8.7	-11.8	-9.0	-5.8	-7.0	-7.1	-40%	2%
EBITDA	1.6	2.6	8.1	5.5	2.2	3.4	1.9	2.1	2.7	23%	30%
EBIT	1.4	2.2	7.5	5.5	2.0	3.2	1.6	1.8	1.9	-5%	3%
Net profit	-0.6	0.7	5.5	3.5	0.1	1.6	0.2	0.1	0.2	92%	36%

Source: Company data, DM BZ WBK estimates.

Fig. 9. PCM: Quarterly results at a glance
In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Revenues	135	148	139	135	139	151	128	134	149	7%	12%
Costs	-117	-135	-128	-119	-120	-121	-114	-121	-132	10%	9%
Financial margin	15.7	16.3	12.4	16.3	13.5	14.1	14.1	13.0	13.1	-3%	1%
Service margin	7.0	2.2	3.3	6.9	9.3	5.0	5.0	4.2	4.5	-52%	7%
Insurance margin	2.5	1.3	2.9	2.7	3.2	3.4	2.6	2.5	2.3	-27%	-9%
D&A margin	-0.1	0.5	-4.3	-1.8	-1.1	-0.2	-1.7	-0.6	-2.0	81%	209%
Remarketing margin	1.7	2.6	2.9	1.1	2.1	1.2	3.3	3.1	1.9	-10%	-40%
G&A costs	-8.8	-8.5	-7.9	-9.5	-8.9	-10.0	-9.0	-9.1	0.0	-100%	-100%
Pre-tax	19	13	11	16	19	30	14	12	17	-11%	37%
Net profit	15	10	6	12	15	27	11	10	12.5	-11%	39%
FSL	11,974	12,308	11,796	11,640	11,552	11,427	11,293	11,176	11,260	-3%	1%
Semi-FSL	3,673	3,734	3,860	4,002	4,295	4,513	4,816	5,145	5,372	25%	4%
FM	390	371	746	1,197	720	880	1,012	1,141	901	25%	-21%
Leasing	7,547	7,119	6,973	6,643	6,613	6,497	6,751	6,711	6,820	3%	2%
Total fleet	23,584	23,532	23,375	23,482	23,180	23,317	23,872	24,173	24,353	5%	1%

Source: Company data, DM BZ WBK estimates.

Fig. 10. Skarbiec: Quarterly results at a glance
In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Total revenues	21.5	21.5	38.7	20.9	22.0	22.6	24.2	22.1	28.4	29%	28%
o/w fixed management fees	15.9	15.9	20.5	18.4	17.5	17.5	18.3	18.2	18.0	3%	-1%
o/w success fees	3.2	3.2	17.7	0.9	2.6	3.2	4.0	2.7	8.9	249%	228%
Total opex	-16.0	-16.0	-17.3	-13.1	-16.8	-16.8	-18.1	-16.7	-17.5	4%	5%
o/w distribution costs	-7.8	-7.8	-7.0	-7.1	-8.6	-8.6	-8.8	-8.3	-8.5	-1%	3%
o/w wages	-4.9	-4.9	-6.5	-2.2	-4.4	-4.4	-4.8	-3.8	-4.9	12%	30%
EBIT	5.6	5.6	21.4	7.9	5.4	6.1	6.2	5.4	11.2	107%	107%
Net profit	4.7	4.7	21.4	6.7	4.3	4.9	4.9	4.3	9.2	115%	115%
AuM total (EOP)	2,979	3,243	3,288	3,092	3,115	3,302	3,422	3,380	3,446	11%	2%
AuM high margin (EOP)	1,235	1,323	1,473	1,514	1,442	1,372	1,334	1,329	1,348	-7%	1%
AuM low margin (EOP)	1,744	1,920	1,816	1,578	1,673	1,930	2,089	2,051	2,098	25%	2%

Source: Company data, DM BZ WBK estimates.

Fig. 11. Votum: Quarterly results at a glance
In PLN millions unless otherwise stated

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15E	y/y	q/q
Revenues	13.1	15.3	12.9	16.4	15.0	17.6	16.6	25.2	18.3	22%	-27%
Gross profit	0.9	2.2	0.7	2.2	1.7	2.7	2.6	7.3	2.9	72%	-60%
Gross profit margin	7.0%	14.2%	5.4%	13.3%	11.4%	15.4%	15.5%	29%	16%	n.a.	n.a.
Opex	-12.2	-13.1	-12.2	-14.2	-13.3	-14.9	-14.0	-17.9	-15.4	16%	-14%
EBITDA	1.4	2.1	1.0	2.5	2.0	2.8	2.7	7.1	2.6	32%	-63%
EBIT	1.1	1.8	0.7	2.2	1.6	2.4	2.3	6.7	2.6	63%	-61%
Pre-tax profit	1.5	2.0	0.7	2.1	1.5	2.2	2.3	6.2	2.8	83%	-55%
Net profit	1.2	1.5	0.5	1.9	1.2	1.7	1.8	4.9	2.2	80%	-55%

Source: Company data, DM BZ WBK estimates.

TP and recommendation changes

With this report we are lowering our target prices (TPs) for BOS, BPH, Open Finance. The changes follow a reduction to our 2015E-17E EPS. In contrast, we are increasing our TPs for EuCO and Votum following upward revisions to our earnings estimates. We hold are recommendations for MW Trade, Magellan, PCM and Skarbiec. Apart from changes to the earnings estimates for six of the companies covered in this report, our new TPs also reflect a new and lower RFR (2.3%).

Fig. 12. Changes to target prices and ratings

In PLN/share unless otherwise stated

	Rating		Target price		
	Current	Previous	Current	Previous	Change
BOS	Buy	Buy	40.8	44	-7%
BPH	Buy	Buy	51.3	51.6	-1%
EuCO	Buy	Buy	57.0	50.8	12%
Magellan	Buy	Buy	84.2	84.2	0%
MW Trade	Buy	Buy	21.3	20.9	2%
Open Finance	Hold	Buy	5.9	7	-16%
PRESCO	Sell	Sell	2.1	2.1	0%
Prime Car Management	Buy	Buy	60.1	60.1	0%
Skarbiec	Buy	Buy	56.0	56	0%
Votum	Buy	Buy	20.4	13.3	53%

Source: DM BZ WBK, Bloomberg

Fig. 13. Upside/downside vs new target prices

In PLN/share unless otherwise stated

	Rating	Last price	Target price	Up/downside
BOS	Buy	32.1	40.8	27%
BPH	Buy	44.7	51.3	15%
EuCO	Buy	49.3	57	16%
Magellan	Buy	64.17	84.2	31%
MW Trade	Buy	18.37	21.3	16%
Open Finance	Hold	5.63	5.9	5%
PRESCO	Sell	2.45	2.1	-14%
Prime Car Management	Buy	47.25	60.1	27%
Skarbiec	Buy	50.3	56	11%
Votum	Buy	15.9	20.4	28%

Source: DM BZ WBK, Bloomberg.

Fig. 14. Bank BPH: Valuation changes

In PLN per share, unless otherwise stated

	New	Previous	Change
Residual income	37.6	38.1	-1%
M&A peers transaction	65.0	65.1	0%
Blended average target price	51.3	51.6	-1%

Source: Company data, DM BZ WBK estimates

Fig. 15. BOS Bank: Valuation changes

In PLN per share, unless otherwise stated

	New	Previous	Change
Residual income	38.2	42.6	-10%
WEV	43.4	45.5	-5%
Blended average target price	40.8	44.0	-7%

Source: Company data, DM BZ WBK estimates

Fig. 16. EuCO: Valuation changes

In PLN per share, unless otherwise stated

	New	Previous	Change
DCF valuation	58.9	50.2	17%
Comparable valuation (based on 2015-2017E)	55.0	43.0	28%
Blended average target price	57.0	50.8	12%

Source: Company data, DM BZ WBK estimates

Fig. 17. Magellan: Valuation changes*In PLN per share, unless otherwise stated*

	New	Previous	Change
Residual income	68.9	68.9	0%
Warranted Equity	82.8	82.8	0%
Blended average target price	84.2	84.2	0%

*Source: Company data, DM BZ WBK estimates***Fig. 18. MW Trade: Valuation changes***In PLN per share, unless otherwise stated*

	New	Previous	Change
Residual income	24.3	22.0	10%
Warranted Equity	18.4	19.7	-6%
Blended average target price	21.3	20.9	2%

*Source: Company data, DM BZ WBK estimates***Fig. 19. Open Finance: Valuation changes***In PLN per share, unless otherwise stated*

	New	Previous	Change
Comparable multiples	7.1	6.6	8%
DCF	4.4	6.0	-27%
RI	5.2	6.8	-24%
Blended fair value	5.9	7.0	-15%

*Source: Company data, DM BZ WBK estimates***Fig. 20. PRESCO: Valuation changes***In PLN per share, unless otherwise stated*

	New	Previous	Change
DCF valuation	1.58	1.55	2%
Residual Income valuation	2.51	2.55	-2%
Blended average target price	2.12	2.12	0%

*Source: Company data, DM BZ WBK estimates***Fig. 21. Votum: Valuation changes***In PLN per share, unless otherwise stated*

	New	Previous	Change
DCF valuation	22.6	11.9	90%
DDM valuation	18.1	12.6	44%
Blended average target price	20.4	13.3	53%

Source: Company data, DM BZ WBK estimates

Changes in 2015E-2017E estimates

Fig. 22. Bank BPH: Forecast changes

PLN in millions, unless otherwise stated

	2015E			2016E			2017E		
	New	Previous	Change	New	Previous	Change	New	Previous	Change
NII	796	793	0%	780	790	-1%	782	817	-4%
F&C	306	306	0%	326	336	-3%	330	340	-3%
Other income	80	100	-20%	85	110	-23%	90	106	-15%
Total income	1,182	1,199	-1%	1,192	1,236	-4%	1,202	1,263	-5%
Opex	-1,092	-1,072	2%	-1,066	-1,070	0%	-1,053	-1,063	-1%
Provisions	-19	-34	-45%	-48	-57	-15%	-46	-58	-21%
Net profit	44	65	-32%	50	80	-37%	71	107	-34%

Source: Company data, DM BZ WBK estimates

Fig. 23. BOS Bank: Forecast changes

PLN in millions, unless otherwise stated

	2015E			2016E			2017E		
	New	Previous	Change	New	Previous	Change	New	Previous	Change
NII	285	286	0%	332	290	14%	338	377	-10%
F&C	109	106	3%	115	109	6%	119	115	3%
Other income	122	130	-6%	100	131	-24%	99	105	-5%
Total income	516	523	-1%	547	531	3%	556	598	-7%
Opex	-386	-372	4%	-388	-383	1%	-388	-388	0%
Provisions	-60	-50	20%	-49	-39	27%	-52	-88	-41%
Net profit	57	79	-28%	89	84	5%	94	98	-4%

Source: Company data, DM BZ WBK estimates

Fig. 24. EuCO: Forecast changes

PLN in millions, unless otherwise stated

	2015E			2016E			2017E		
	New	Previous	Change	New	Previous	Change	New	Previous	Change
Sales	78.3	77.3	1%	95.0	85.8	11%	98.1	90.5	8%
EBITDA	25.8	23.9	8%	29.0	26.2	11%	33.7	31.1	8%
EBIT	25.0	23.1	8%	28.1	25.4	11%	31.0	28.5	9%
Net profit	21.4	19.7	9%	24.3	21.8	11%	26.8	24.6	9%

Source: Company data, DM BZ WBK estimates

Fig. 25. Magellan: Forecast changes

PLN in millions, unless otherwise stated

	2015E			2016E			2017E		
	New	Previous	Change	New	Previous	Change	New	Previous	Change
Sales	168.4	168.4	0%	199.4	199.4	0%	231.0	231.0	0%
EBITDA	65.4	65.4	0%	71.8	71.8	0%	83.8	83.8	0%
EBIT	64.2	64.2	0%	70.6	70.6	0%	82.5	82.5	0%
Net profit	52.3	52.3	0%	57.5	57.5	0%	67.1	67.1	0%

Source: Company data, DM BZ WBK estimates

Fig. 26. MW Trade: Forecast changes

PLN in millions, unless otherwise stated

	2015E			2016E			2017E		
	New	Previous	Change	New	Previous	Change	New	Previous	Change
Sales	80	79	1%	87	92	-5%	95	98	-4%
EBITDA	21	21	0%	23	23	-3%	25	25	1%
EBIT	21	21	0%	22	23	-3%	25	24	2%
Net profit	17	17	0%	18	19	-3%	21	21	2%

Source: Company data, DM BZ WBK estimates

Fig. 27. Open Finance: Forecast changes

PLN in millions, unless otherwise stated

	2015E			2016E			2017E		
	New	Previous	Change	New	Previous	Change	New	Previous	Change
Sales	330	376	-12%	338	375	-10%	347	383	-9%
EBITDA	45	34	32%	46	36	28%	48	70	-31%
EBIT	25	69	-63%	25	75	-67%	25	31	-20%
Net profit	28	31	-11%	29	35	-18%	30	38	-22%

Source: Company data, DM BZ WBK estimates

Fig. 28. PRESCO: Forecast changes

PLN in millions, unless otherwise stated

	2015E			2016E			2017E		
	New	Previous	Change	New	Previous	Change	New	Previous	Change
Sales	41.4	41.4	0%	45.9	45.5	1%	49.2	49.3	0%
EBITDA	11.4	11.4	0%	12.6	12.5	1%	12.0	12	0%
EBIT	10.6	10.6	0%	11.8	11.6	1%	11.2	11.2	0%
Net profit	5.0	5.0	1%	6.1	6.0	2%	6.5	6.6	-1%

Source: Company data, DM BZ WBK estimates

Fig. 29. Votum: Forecast changes

PLN in millions, unless otherwise stated

	2015E			2016E			2017E		
	New	Previous	Change	New	Previous	Change	New	Previous	Change
Sales	93	88	6%	107	101	6%	120	106	13%
EBITDA	20	18	13%	24	21	16%	27	22	24%
EBIT	19	16	19%	23	20	15%	26	21	23%
Net profit	15	12	26%	18	15	22%	21	16	28%

Source: Company data, DM BZ WBK estimates

Appendix

History of recommendations

Fig. 30. BOS: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	2-20-2015	34.1	44.0	-0.7%	-3.5
Buy	11-12-2014	40.5	49.1	-15.7%	-14.9

Source: DM BZ WBK.

Fig. 31. BPH: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	2-20-2015	44.4	51.6	0.6%	-2.2
Buy	11-12-2014	50.0	59.8	-11.1%	-10.3

Source: DM BZ WBK.

Fig. 32. EuCO: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	3-10-2015	40.0	50.8	20.5%	18.3
Buy	2-20-2015	29.0	34.5	37.9%	37.4
Buy	11-12-2014	26.6	31.7	9.2%	10.1
Buy	7-12-2014	20.5	30.9	29.6%	25.8
Hold	7-9-2014	20.3	22.0	1.1%	0.4
Buy	4-28-2014	19.8	22.0	2.4%	4.0

Source: DM BZ WBK.

Fig. 33. Kruk: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Hold	7-9-2014	92.9	85.2	50.6%	44.0
Hold	4-28-2014	82.5	85.2	12.5%	14.2

Source: DM BZ WBZ.

Fig. 34. Magellan: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	2-20-2015	68.9	84.2	-2.5%	-5.3
Hold	7-9-2014	70.3	83.5	-2.0%	-5.6
Hold	4-28-2014	69.2	83.5	1.6%	3.3

Source: DM BZ WBZ.

Fig. 35. MW Trade: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	2-20-2015	16.7	20.9	7.9%	5.1
Buy	11-12-2014	18.7	21.6	-10.7%	-9.8

Source: DM BZ WBK.

Fig. 36. Open Finance: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	11-12-2014	4.7	7.0	26.6%	25.7
Buy	10-29-2014	6.0	7.0	-21.0%	-19.9
Buy	7-9-2014	8.4	12.2	-29.2%	-34.9
Buy	6-17-2014	9.5	12.2	-11.6%	-7.4

Source: DM BZ WBK.

Fig. 37. PCM: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	3-5-2015	50.5	60.1	2.9%	2.0
Buy	11-12-2014	56.0	59.7	-9.8%	-10.8

Source: DM BZ WBK.

Fig. 38. PRESCO: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Sell	2-20-2015	2.1	2.1	24.2%	21.4
Sell	11-12-2014	3.7	3.1	-43.0%	-42.1

Source: DM BZ WBK.

Fig. 39. Skarbiec: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	4-7-2015	43.8	56.0	13.7%	9.1

Source: DM BZ WBK.

Fig. 40. Votum: History of recommendations

Rec.	Date	Price		Performance	
		on issue date	12 month target	absolute	relative (p.p)
Buy	2-20-2015	10.3	13.3	60.6%	57.8
Buy	11-12-2014	7.8	9.9	32.2%	33.0

Source: DM BZ WBK.

Financials in details

BOS: Financial summary

P&L (PLN m)	2011	2012	2013	2014E	2015E	2016E	2017E
Interest income	824	900	772	743	659	734	742
Interest expense	-554	-602	-496	-457	-374	-403	-404
Net interest income	270	298	276	287	285	332	338
Net fee income	113	106	110	106	109	115	119
Net trading result	75	32	68	78	71	45	45
Net other operating income	37	44	45	56	51	55	54
Non-interest income	225	182	223	241	231	215	218
Total income	495	480	499	527	516	547	556
SG&A	-345	-338	-320	-328	-335	-337	-337
Depreciation	-31	-36	-46	-49	-51	-51	-51
Total opex	-376	-374	-366	-377	-386	-388	-388
Pre-provision op. profit	119	107	133	150	130	159	168
Net provisioning	-43	-52	-60	-68	-60	-49	-52
Pre-tax profit	77	55	73	82	71	109	117
Income tax	-14	-5	-8	-16	-13	-21	-22
Net income	62	50	64	66	57	89	94

Source: Company data, DM BZ WBK estimates

YoY growth (%)	2011	2012	2013	2014E	2015E	2016E	2017E
Net interest income	11	10	-7	4	-1	16	2
Net fee income	-4	-6	3	-3	3	6	3
Total income	8	-3	4	6	-2	6	2
Total opex	8	-1	-2	3	2	1	0
Pre-provision op. profit	8	-11	24	13	-13	22	6
Net provisioning	15	23	15	13	-12	-17	4
Pre-tax profit	5	-29	33	12	-14	55	7
Net income	-1	-21	30	2	-13	55	7

Key ratios (%)	2011	2012	2013	2014E	2015E	2016E	2017E
Interest income/IEA	5.7	6.0	4.8	4.1	3.5	3.8	3.9
Interest expense/IBL	4.0	4.2	3.2	2.7	2.2	2.3	2.3
Spread	1.7	1.8	1.6	1.4	1.3	1.5	1.6
NIM (IEA)	1.9	2.0	1.7	1.6	1.5	1.7	1.8
Risk adjusted NIM (IEA)	1.6	1.6	1.3	1.2	1.2	1.5	1.5
Fees/total income	23	22	22	20	21	21	21
Non-interest income/assets	1.5	1.1	1.2	1.3	1.2	1.1	1.1
Total income/assets	3.2	2.8	2.7	2.8	2.6	2.8	2.8
Cost/income	76	78	73	72	75	71	70
Costs/average assets	2.4	2.2	2.0	2.0	1.9	2.0	2.0
Cost of risk (bps, gross loans)	37	45	51	54	46	38	40
Effective tax rate	-18.8	-9.1	-11.5	-19.6	-19.0	-19.0	-19.0
EPS (PLN)	2.73	2.17	2.81	2.87	2.49	3.87	4.12
DPS (PLN)**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ROA	0.41%	0.29%	0.35%	0.35%	0.29%	0.45%	0.48%
ROE	5%	3%	4%	4%	4%	5%	5%

Source: Company data, DM BZ WBK estimates

BOS: Financial summary

Balance sheet (PLN m, YE)	2011	2012	2013	2014E	2015E	2016E	2017E
Cash/CB	469	1,050	893	394	394	394	394
Loans to financial entities	95	119	152	347	347	347	347
Customer loans	11,352	11,122	12,055	12,497	12,992	12,638	12,771
Debt securities	3,251	3,937	4,693	5,699	5,699	5,699	5,699
Fixed assets	129	117	117	132	132	132	132
Other assets	0	2	0	0	0	0	0
Total assets	15,637	18,867	18,417	19,678	20,004	19,650	19,783
Due to banks	710	466	443	354	500	700	700
Customer deposits	11,412	11,816	13,196	14,228	14,122	14,042	14,034
Subordinated loans	223	327	327	566	566	566	566
Other liabilities	115	119	125	128	252	257	259
Equity	1,162	1,442	1,478	1,554	1,611	1,699	1,794
Total liabilities and shareholders' equity	15,637	16,867	18,417	19,678	19,875	20,261	20,350
YoY growth	-	-	-	-	-	-	-
Net loans		-2%	8%	4%	4%	-3%	1%
Deposits	-6%	4%	12%	8%	-1%	-1%	0%
Equity	7%	24%	3%	5%	4%	5%	6%
Assets	3%	21%	-2%	7%	2%	-2%	1%

Source: Company data, DM BZ WBK estimates

Key ratios (%)	2011	2012	2013	2014E	2015E	2016E	2017E
Net loans/deposits	99.5	94.1	91.3	87.8	92.0	90.0	91.0
Net loans/assets	72.6	59.0	65.5	63.5	64.9	64.3	64.6
Deposits/assets	73.0	62.6	71.7	72.3	70.6	71.5	70.9
Equity/assets	7.4	7.6	8.0	7.9	8.1	8.6	9.1
BVPS (PLN)	70.9	63.0	64.6	67.9	70.4	74.3	78.4
# of shares (EOP, m)	16.4	22.9	22.9	22.9	22.9	22.9	22.9
# of shares (avg., m)	16.4	19.6	22.9	22.9	22.9	22.9	22.9

Source: Company data, DM BZ WBK estimates

BPH: Financial summary

P&L (PLN m)	2011	2012	2013	2014E	2015E	2016E	2017E
Interest income	2,130	1,931	1,538	1,303	1,016	1,016	1,029
Interest expense	-782	-679	-558	-370	-220	-235	-247
Net interest income	1,348	1,252	980	933	796	780	782
Net fee income	609	430	429	348	306	326	330
Net trading result	25	120	110	106	96	101	106
Net other operating income	16	-5	17	-26	-16	-16	-16
Non-interest income	650	545	556	428	386	411	420
Total income	1,998	1,797	1,536	1,361	1,182	1,192	1,202
SG&A	-1,221	-1,249	-1,041	-1,048	-1,008	-982	-969
Depreciation	-95	-85	-91	-84	-84	-84	-84
Total opex	-1,316	-1,335	-1,132	-1,132	-1,092	-1,066	-1,053
Pre-provision op. profit	682	462	404	229	90	125	149
Net provisioning	-386	-120	-139	-57	-19	-48	-46
Pre-tax profit	296	342	265	172	72	77	103
Income tax	-63	-73	-60	-48	-15	-15	-19
Minorities	-16	-11	-12	-12	-12	-12	-12
Net income	218	259	192	112	44	50	71

Source: Company data, DM BZ WBK estimates

Balance sheet (PLN m, YE)	2011	2012	2013	2014E	2015E	2016E	2017E
Cash/CB	4,081	5,377	1,073	1,093	1,138	1,058	1,033
Loans to financial entities	407	648	327	347	347	383	402
Customer loans	27,851	25,376	22,862	22,788	20,760	20,262	19,661
Debt securities	2,772	5,085	6,841	5,580	9,271	8,143	7,780
Fixed assets	314	297	321	300	285	271	257
Other assets	1,605	-2,367	1,580	1,498	1,505	1,511	1,517
Total assets	37,031	34,416	33,004	31,607	33,305	31,628	30,651
Due to banks	264	377	315	504	504	494	484
Customer deposits	13,618	13,015	13,361	12,460	12,975	12,061	11,773
Debt securities	-164	-331	-324	-283	-283	-278	-279
Subordinated loans	674	683	680	679	679	674	675
Other liabilities	779	787	614	501	491	482	472
Equity	4,598	4,767	4,960	5,067	5,112	5,162	5,233
Minority interest	128	31	31	30	30	30	30
Total liabilities and shareholders' equity	37,031	34,416	33,004	31,607	33,305	31,628	30,651
YoY growth	-	-	-	-	-	-	-
Net loans	-1%	-9%	-10%	0%	-9%	-2%	-3%
Deposits	-13%	-4%	3%	-7%	4%	-7%	-2%
Equity	5%	4%	4%	2%	1%	1%	1%
Assets	-1%	-7%	-4%	-4%	5%	-5%	-3%

Key ratios (%)	-	-	-	-	-	-	-
NPLs/gross loans	10.7	10.6	11.5	9.1	11.5	11.6	11.8
Coverage ratio	-85.9	83.4	80.0	83.4	81.4	80.4	79.4
Net loans/deposits	204.5	195.0	171.1	182.9	160.0	168.0	167.0
Net loans/assets	75.2	73.7	69.3	72.1	62.3	64.1	64.1
Deposits/assets	36.8	37.8	40.5	39.4	39.0	38.1	38.4
Equity/assets	12.4	13.9	15.0	16.0	15.3	16.3	17.1
Capital adequacy	14.0	14.0	16.4	16.7	16.1	16.8	17.3
BVPS (PLN)	60.0	62.2	64.7	66.1	66.7	67.3	68.3
# of shares (EOP, m)	76.7	76.7	76.7	76.7	76.7	76.7	76.7
# of shares (avg., m)	76.7	76.7	76.7	76.7	76.7	76.7	76.7

Source: Company data, DM BZ WBK estimates

EuCO: Financial summary

P&L	2011	2012	2013	2014E	2015E	2016E	2017E
Net sales	34.8	45.6	49.3	61.8	78.3	95.0	98.1
COGS	-17.8	-28.3	-30.3	-36.6	-43.8	-53.2	-53.0
Gross profit	17.1	17.2	19.0	25.2	34.5	41.8	45.1
Sales costs	-0.9	-0.3	-0.1	0.0	0.0	0.0	0.0
Management costs	-6.5	-7.9	-7.7	-6.9	-6.8	-10.5	-10.8
Other operating income, net	-0.4	0.7	0.2	-1.0	-2.6	-3.2	-3.3
EBITDA	10.0	10.5	12.1	18.1	25.8	29.0	33.7
EBIT	9.3	9.7	11.3	17.3	25.0	28.1	31.0
Financial expenses/income	0.6	-0.3	-0.2	-0.5	-1.2	-1.2	-1.2
Profit on ordinary activities	9.8	9.5	11.2	16.8	23.8	26.9	29.8
Pre-tax profit	9.8	9.5	11.2	16.8	23.8	26.9	29.8
Income tax	-2.2	1.7	-0.9	-1.5	-2.4	-2.7	-3.0
Net profit	7.7	11.2	10.2	15.2	21.4	24.3	26.8
Margins							
Gross margin	49.0%	37.8%	38.5%	40.7%	44.0%	44.0%	46.0%
EBITDA margin	28.7%	23.0%	24.6%	29.3%	33.0%	30.5%	34.4%
EBIT margin	26.7%	21.4%	23.0%	28.0%	31.9%	29.6%	31.6%
Pre-tax margin	28.3%	20.8%	22.6%	27.1%	30.4%	28.4%	30.4%
Effective tax rate	-22.2%	17.7%	-8.2%	-9.2%	-10.0%	-10.0%	-10.0%
Net profit margin	22.0%	24.5%	20.8%	24.6%	27.4%	25.5%	27.4%
Yoy change							
Sales growth	45.0%	30.8%	8.2%	25.4%	26.6%	21.4%	3.2%
Gross profit growth	44.4%	1.0%	10.2%	32.6%	36.9%	21.3%	7.9%
EBITDA growth	27.6%	5.0%	15.4%	49.5%	42.8%	12.2%	16.2%
EBIT growth	24.3%	4.9%	16.3%	52.6%	44.7%	12.5%	10.2%
Pretax profit growth	27.2%	-3.8%	17.8%	50.3%	42.0%	13.1%	10.6%
Net profit growth	24.9%	45.5%	-8.1%	48.7%	40.7%	13.1%	10.6%

Source: Company data, DM BZ WBK estimates

Balance sheet	2011	2012	2013	2014E	2015E	2016E	2017E
Current assets	29.0	47.2	64.2	88.1	100.4	106.6	112.5
Cash and equivalents	6.7	8.9	12.5	26.9	27.6	18.2	9.5
Accounts receivable	21.9	38.3	51.5	61.1	72.8	88.4	103.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses / other	0.5	0.0	0.2	0.0	0.0	0.0	0.0
L-t assets	10.0	13.3	11.5	22.5	25.3	26.7	28.1
PPE	6.2	5.8	5.2	5.9	6.0	6.1	6.3
L-t investments	0.2	0.2	0.3	0.3	0.4	0.5	0.7
Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0
L-t receivables	2.9	2.3	1.7	2.0	2.2	2.4	2.7
Deferred tax asset	0.7	5.0	4.3	4.3	6.7	7.6	8.4
Total assets	39.0	60.5	75.7	110.6	125.8	133.3	140.6
Current liabilities	17.0	27.7	39.1	64.2	67.7	70.1	72.4
Bank debt	0.4	2.4	6.1	6.7	6.7	6.7	6.7
Account payables	16.4	24.9	32.6	56.8	60.3	62.6	64.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Deferred tax liability	0.0	0.1	0.2	0.4	0.6	0.7	0.8
Provisions	0.2	0.2	0.1	0.0	0.0	0.0	0.0
Long-term liabilities	2.7	6.0	4.2	5.5	8.0	8.9	9.7
Bank debt	0.3	1.7	0.2	1.0	1.0	1.0	1.0
Other l-t liabilities	2.4	4.3	4.0	4.5	7.0	7.9	8.8
Equity	19.2	26.8	32.4	41.0	50.1	54.3	58.5
Share capital	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Other	11.0	15.1	21.6	25.9	26.1	27.5	29.1
Current year profit	7.7	11.2	10.2	15.2	21.4	24.3	26.8
Minority Interest	0.0	0.3	0.9	2.0	2.0	2.0	2.0
Total liabilities and equity	39.0	60.5	75.7	110.6	125.8	133.3	140.6

Source: Company data, DM BZ WBK estimates

EuCO: Financial summary

Cash flow	2011	2012	2013	2014E	2015E	2016E	2017E
C-f from operations	-0.8	4.7	10.4	34.4	22.6	12.0	17.3
Net profit	7.7	11.2	10.2	15.2	21.4	24.3	26.8
Provisions	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0
Depreciation and amortisation	0.7	0.8	0.8	0.8	0.8	0.9	2.7
Changes in WC, o/w	-9.5	-8.0	-5.4	14.5	-8.2	-13.2	-12.3
inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
receivables	-14.5	-16.5	-13.2	-9.6	-11.7	-15.6	-14.6
payables	5.0	8.5	7.7	24.1	3.5	2.3	2.3
Other, net	0.4	-3.8	-3.3	-1.2	8.4	0.1	0.1
C-f from investments	-2.9	-1.9	-6.4	-15.1	-1.3	-1.3	-3.3
Additions to PPE and intangibles	-1.9	-0.4	-0.2	-1.6	-1.0	-1.0	-2.8
Change in long-term investments	-0.1	0.0	-0.1	0.0	-0.1	-0.2	-0.2
Other, net	-1.8	0.6	0.6	-0.3	-0.2	-0.2	-0.2
C-f from financing	-2.8	-0.6	-0.4	-4.9	-15.0	-20.0	-22.7
Change in long-term borrowing	0.0	1.4	-1.5	0.8	0.0	0.0	0.0
Change in short-term borrowing	0.2	2.0	3.7	0.6	0.0	0.0	0.0
Change in equity and profit distribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends (paid)	-2.6	-2.7	-4.6	-5.9	-15.0	-20.0	-22.7
Other, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net change in cash and equivalents	-6.5	2.2	3.6	14.4	6.3	-9.4	-8.6
Beginning cash and equivalents	13.2	6.7	8.9	12.5	26.9	33.2	23.8
Ending cash and equivalents	6.7	8.9	12.5	26.9	33.2	23.8	15.2

Source: Company data, DM BZ WBK estimates

MW Trade: Financial summary

P&L	2011	2012	2013	2014E	2015E	2016E	2017E
Net sales	41.9	44.6	61.3	70.2	79.6	87.0	94.5
Portfolio funding cost	-25.5	-27.2	-35.8	-39.7	-49.8	-55.7	-59.6
Gross profit	16.4	17.4	25.5	30.5	29.8	31.4	34.9
Opex	-5.1	-6.6	-8.4	-9.5	-8.9	-9.4	-10.5
EBITDA	11.7	11.1	17.5	21.7	21.4	22.6	25.1
EBIT	11.4	10.8	17.2	21.3	21.0	22.2	24.7
Other	0.5	0.4	0.2	0.0	0.2	0.2	1.2
Pre-tax profit	11.9	11.2	17.4	21.3	21.2	22.4	25.9
Income tax	-2.7	-2.2	-3.3	-4.1	-4.1	-4.3	-5.0
Net profit	9.2	9.0	14.0	17.2	17.1	18.1	20.9
Margins							
Gross margin	39.2%	39.1%	41.6%	43.5%	37.4%	36.0%	37.0%
EBITDA margin	27.8%	24.8%	28.6%	30.8%	26.9%	26.0%	26.5%
EBIT margin	27.1%	24.2%	28.0%	30.3%	26.4%	25.5%	26.1%
Pre-tax margin	28.3%	25.1%	28.3%	30.3%	26.7%	25.7%	27.4%
Effective tax rate	-22.7%	-19.3%	-19.1%	-19.3%	-19.3%	-19.3%	-19.3%
Net profit margin	21.9%	20.2%	22.9%	24.4%	21.5%	20.8%	22.1%
Yoy change							
Sales growth	98.7%	6.4%	37.4%	14.6%	13.3%	9.4%	8.6%
Gross profit growth	16.9%	6.2%	46.3%	19.6%	-2.4%	5.3%	11.4%
EBITDA growth	21.9%	-4.9%	58.3%	23.5%	-1.1%	5.4%	11.0%
EBIT growth	22.5%	-5.1%	59.2%	23.9%	-1.1%	5.6%	11.2%
Pre-tax profit growth	28.2%	-5.9%	55.3%	22.5%	-0.2%	5.5%	15.5%
Net profit growth	30.4%	-1.7%	55.8%	22.2%	-0.2%	5.5%	15.5%

Source: Company data, DM BZ WBK estimates

Balance Sheet	2011	2012	2013	2014E	2015E	2016E	2017E
Current assets	173.8	214.3	165.0	214.7	241.4	268.9	294.3
Cash and equivalents	3.0	2.3	3.8	13.4	2.9	7.4	19.6
Financial assets	170.6	211.7	158.3	198.6	234.5	256.6	268.8
L-t	140.9	184.2	361.6	526.9	620.4	677.7	709.6
PP&E	2.1	2.2	2.3	2.1	2.2	2.3	2.4
Financial assets	136.3	178.3	353.3	516.2	609.5	666.7	698.5
Total assets	314.6	398.5	526.6	741.7	861.8	946.6	1,003.9
Current liabilities	124.0	188.6	162.9	247.4	182.5	185.5	194.0
Long-term liabilities	146.3	156.5	300.5	421.1	475.4	515.8	539.2
Equity	44.4	53.4	63.2	73.2	81.8	90.9	101.4
Total liabilities and equity	314.6	398.5	526.6	741.7	861.8	946.6	1,003.9

Cash flow	2011	2012	2013	2014E	2015E	2016E	2017E
C-f from operations	-30.9	-96.7	-109.9	84.8	-62.1	-22.1	15.1
C-f from investments	-0.4	-0.5	-0.6	-0.1	-0.1	-0.1	-0.1
C-f from financing	39.6	96.4	112.0	-75.0	51.7	26.7	-2.8
Net change in cash and equivalents	8.3	-0.7	1.5	9.7	-10.5	4.5	12.2
Beginning cash and equivalents	10.9	3.0	2.3	3.8	13.4	2.9	7.4
Ending cash and equivalents	19.2	2.3	3.8	13.4	2.9	7.4	19.6

Source: Company data, DM BZ WBK estimates

Open Finance: Financial summary

P&L	2010	2011	2012	2013	2014	2015E	2016E	2017E
Revenues	320	409	451	440	348	330	338	347
Operating costs	(222)	(305)	(365)	(374)	(336)	(303)	(312)	(321)
Gross profit on sales	98	105	86	66	13	27	27	26
Gross margin	31%	26%	19%	15%	4%	8%	8%	8%
EBIT	97	108	90	71	6	25	25	25
EBIT margin	30%	26%	20%	16%	2%	8%	7%	7%
EBITDA	105	118	117	100	38	45	46	48
EBITDA margin	33%	29%	26%	23%	11%	14%	14%	14%
Net financials	-1	2	107	-8	17	-7	-6	-6
Share of the associate's profit	0	2	22	5	15	23	24	25
Gross profit	96	113	117	68	38	41	42	43
Income tax	-19	-23	6	-12	-5	-8	-8	-8
Tax rate	-20%	-20%	5%	-17%	-13%	-19%	-19%	-19%
Net profit	78	90	123	56	30	28	29	30

Source: Company data, DM BZ WBK estimates

Balance Sheet	2010	2011	2012	2013	2014	2015E	2016E	2017E
Fixed assets	18.4	420.9	414.3	459.9	497.0	499.6	499.0	494.1
Current assets	117.3	178.2	186.7	179.8	201.0	193.9	215.0	239.2
Long-term liabilities	1.6	214.6	62.5	144.1	54.6	55.7	55.7	55.7
Equity	88.1	257.8	362.1	417.6	447.3	480.3	503.5	519.1
Current liabilities	46.0	126.5	176.1	75.5	190.7	157.5	154.9	158.5
Total assets	135.7	599.3	601.0	639.7	698.0	693.5	714.0	733.3

Source: Company data, DM BZ WBK estimates

Cash flow	2010	2011	2012	2013	2014	2015E	2016E	2017E
OCF	63	141	29	48	28	46	39	45
ICF	(13)	(188)	(87)	(83)	(53)	(43)	(37)	(27)
FCF	(60)	75	24	35	26	(35)	(12)	(15)

Source: Company data, DM BZ WBK estimates

Main ratios	2010	2011	2012	2013	2014	2015E	2016E	2017E
C/I	69%	74%	81%	85%	96%	92%	92%	92%
EBIT margin	30%	26%	20%	16%	2%	8%	7%	7%
Gross profit Margin	31%	26%	19%	15%	4%	8%	8%	8%
Net profit Margin	24%	22%	27%	13%	9%	8%	8%	9%
ROE	88%	52%	40%	14%	7%	6%	6%	6%
Number of shares (ths.)	50,000	54,250	54,250	54,357	54,357	54,357	54,357	54,357

Source: Company data, DM BZ WBK estimates

PRESCO: Financial summary

P&L	2012	2013	2014E	2015E	2016E	2017E
Net sales	64.8	63.9	45.0	41.4	45.9	49.2
CoGS	-39.4	-46.1	-33.5	-29.0	-32.1	-35.9
Gross profit	25.4	17.9	11.5	12.4	13.8	13.3
SG&A	-2.7	-3.1	-3.1	-1.9	-2.1	-2.2
Other operating income	-6.7	-7.5	-6.6	-5.5	-5.6	-4.6
EBITDA	23.0	15.6	9.4	11.4	12.6	12.0
EBIT	22.3	14.8	8.6	10.6	11.8	11.2
Financial expenses	-6.7	-7.5	-6.6	-5.5	-5.6	-4.6
Pre-tax profit	15.5	7.2	2.0	5.0	6.1	6.5
Income tax	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	15.5	7.2	2.0	5.0	6.1	6.5
<i>Gross margin</i>	39%	28%	26%	30%	30%	27%
<i>EBITDA margin</i>	35%	24%	21%	28%	27%	24%
<i>EBIT margin</i>	34%	23%	19%	26%	26%	23%
<i>Net profit margin</i>	24%	11%	4%	12%	13%	13%

Source: Company data, DM BZ WBK estimates

Balance sheet	2012	2013	2014E	2015E	2016E	2017E
Current assets	20.7	22.1	11.7	12.2	12.8	13.5
L-t assets	172.3	170.1	161.3	169.4	177.8	186.7
Total assets	193.0	192.2	172.9	181.6	190.7	200.2
Current liabilities	32.9	32.8	26.0	27.3	28.7	30.1
o/w debt	29.6	30.4	24.0	25.2	26.4	27.8
L-t liabilities	50.4	44.7	32.8	34.5	36.2	38.0
o/w debt	50.4	44.6	32.8	34.4	36.1	37.9
Equity	107.6	112.8	114.4	119.5	125.6	132.2

Source: Company data, DM BZ WBK estimates

C-F	2012	2013	2014E	2015E	2016E	2017E
CF from operations	43.5	35.3	9.6	35.0	33.1	32.5
CF from investment	-86.6	-11.7	-10.5	-37.0	-37.0	-37.0
C-f from financing	27.3	-13.0	3.1	5.4	6.4	4.4
Net change in cash	-15.9	10.7	2.2	3.4	2.5	-0.1

Source: Company data, DM BZ WBK estimates

VOTUM: Financial summary

P&L (PLN m)	2011	2012	2013	2014E	2015E	2016E	2017E
Net Sales	48	52	58	74	93	107	120
Gross profit	7	6	6	14	20	24	26
Opex	-41	-46	-52	-60	-73	-83	-93
EBITDA	8	7	7	15	20	24	27
EBIT	7	6	6	13	19	23	26
Pre-tax profit	7	7	6	12	19	23	26
Income tax	-2	-2	-1	-3	-4	-5	-5
Net profit	5	5	5	10	15	18	21

Margins

Gross margin	14.9%	12.3%	10.3%	19.2%	21.0%	22.0%	22.0%
EBITDA margin	16.8%	14.0%	12.2%	19.6%	21.9%	22.8%	22.7%
EBIT margin	14.3%	11.7%	9.9%	17.6%	20.5%	21.5%	21.6%
Pre-tax margin	14.3%	13.1%	10.8%	16.5%	20.2%	21.3%	21.4%
Effective tax rate	-26.7%	-22.3%	-18.2%	-22.0%	-20.0%	-20.0%	-20.0%
Net profit margin	10.5%	10.1%	8.8%	12.9%	16.2%	17.1%	17.1%

YoY growth (%)

	-	-	-	-	-	-	-
Net sales		7.7%	11.1%	28.8%	25.0%	15.0%	12.0%
Gross profit		-10.9%	-6.5%	139.1%	36.6%	20.5%	12.0%
Pre-tax profit		-1.8%	-8.0%	96.5%	53.5%	21.2%	12.4%
EBITDA		-10.2%	-3.3%	106.7%	40.0%	19.6%	11.6%
EBIT		-11.9%	-6.2%	129.4%	45.6%	21.0%	12.3%
Net profit		4.1%	-3.2%	87.4%	57.5%	21.2%	12.4%

Source: Company data, DM BZ WBK estimates

BS PLNmn	2011	2012	2013	2014E	2015E	2016E	2017E
Current assets	17.1	15.7	17.7	26.4	39.6	51.8	64.3
Cash and equivalents	11.6	7.0	7.6	13.5	23.9	34.0	44.6
L-t	15.3	18.3	22.0	19.3	16.5	14.5	12.6
PP&E	9.4	12.0	15.7	15.8	15.9	15.9	16.0
Total assets	32.4	34.0	39.7	45.7	56.2	66.3	76.9
Current liabilities	11.5	13.2	15.3	18.1	21.3	23.7	25.9
Bank debt/bonds	0.7	0.7	0.9	0.9	0.9	0.9	0.9
Long-term liabilities	3.4	2.0	5.6	5.6	5.6	5.6	5.6
Bank debt/bonds	1.2	0.6	3.7	3.7	3.7	3.7	3.7
Equity	17.6	18.5	18.5	22.0	29.2	37.0	45.4
Total liabilities and equity	32.5	33.7	39.4	45.7	56.2	66.3	76.9
Net debt	9.6	5.7	3.0	8.9	19.4	29.4	40.0

Cash flow

	2011	2012	2013	2014E	2015E	2016E	2017E
C-f from operations	4.3	3.9	6.9	14.1	21.1	23.5	25.5
C-f from investments	-2.0	-3.0	-3.6	-1.0	-1.0	-1.0	-1.0
C-f from financing	5.8	-5.4	-2.8	-8.0	-9.6	-12.4	-14.0
Net change in cash and equivalents	8.2	-4.6	0.6	5.1	10.4	10.1	10.6
Beginning cash and equivalents	3.4	11.5	7.0	7.6	13.5	23.9	34.0
Ending cash and equivalents	11.5	7.0	7.6	13.5	23.9	34.0	44.6

Source: Company data, DM BZ WBK estimates

VOTUM: Financial summary**Main ratios (x)**

EPS	0.4	0.4	0.4	0.8	1.3	1.5	1.7
BVPS	2.7	2.8	3.3	3.8	4.7	5.5	6.4
DPS	0.00	0.36	0.44	0.51	0.65	0.88	1.01
# of shares (m) (EOP)	12	12	12	12	12	12	12
P/E	37.9	36.4	37.6	20.1	12.7	10.5	9.4
P/BV	5.9	5.6	4.8	4.2	3.4	2.9	2.5
EV/EBITDA	23.3	25.2	25.4	12.5	9.3	8.1	7.5
Div. yield	0%	2%	3%	3%	4%	5%	6%
ROE	28.8%	29.2%	27.5%	47.3%	58.8%	55.2%	49.9%
ROA	15.6%	15.9%	13.8%	22.4%	29.6%	29.8%	28.7%
Net debt/EBITDA	0.4	1.1	1.9	0.7	0.1	-0.2	-0.5
Net debt/Equity	0.2	0.4	0.7	0.5	0.1	-0.1	-0.3
Assets/equity	1.8	1.8	2.1	2.1	1.9	1.8	1.7

Source: Company data, DM BZ WBK estimates

Dom Maklerski BZ WBK

Jana Pawla II Avenue 17
00-854 Warszawa
fax. (+48) 22 586 81 09

Equity Research Department

Pawel Puchalski, CFA, Head <i>Telecommunications, IT, Mining, Power</i>	tel. (+48) 22 586 80 95	pawel.puchalski@bzwbk.pl
Dariusz Gorski <i>Banks, Strategy</i>	tel. (+48) 22 586 81 00	dariusz.gorski@bzwbk.pl
Tomasz Kasowicz <i>Oil and Gas, Chemicals</i>	tel. (+48) 22 586 81 55	tomasz.kasowicz@bzwbk.pl
Tomasz Sokolowski <i>Pharma, Retail</i>	tel. (+48) 22 586 82 36	tomasz.sokolowski@bzwbk.pl
Adrian Kyrzczak <i>Construction, Real Estate</i>	tel. (+48) 22 586 81 59	adrian.kyrzczak@bzwbk.pl
Lukasz Kosiarski <i>Video Games, Health Care, Media</i>	tel. (+48) 22 586 82 25	lukasz.kosiarski@bzwbk.pl
Andrzej Bieniek <i>Financials</i>	tel. (+48) 22 586 85 21	andrzej.bieniek@bzwbk.pl
Michał Sopiela <i>Quantitative analysis</i>	tel. (+48) 22 586 82 33	michal.sopiela@bzwbk.pl
Tomasz Kuciński <i>Industrials</i>	tel. (+48) 22 534 16 10	tomasz.kucinski@bzwbk.pl

Sales & Trading Department

Piotr Zagan, Head	tel. (+48) 22 586 80 84	piotr.zagan@bzwbk.pl
Grzegorz Kolodziejczyk, <i>Securities Broker</i>	tel. (+48) 22 586 81 93	grzegorz.kolodziejczyk@bzwbk.pl
Blazej Leskow, <i>Securities Broker</i>	tel. (+48) 22 586 80 83	blazej.leskow@bzwbk.pl
Marcin Kuciapski, <i>Securities Broker</i>	tel. (+48) 22 586 80 96	marcin.kuciapski@bzwbk.pl
Marek Wardzynski, <i>Securities Broker</i>	tel. (+48) 22 586 80 87	marek.wardzynski@bzwbk.pl
Wojciech Wosko,	tel. (+48) 22 586 80 82	wojciech.wosko@bzwbk.pl
Kamil Cislo,	tel. (+48) 22 586 80 90	kamil.cislo@bzwbk.pl
Alex Kaminski	tel. (+48) 22 586 80 63	alex.kaminski@bzwbk.pl
Robert Chudala	tel. (+48) 22 586 85 14	robert.chudala@bzwbk.pl

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EBIT - earnings before interest and tax

EBITDA - earnings before interest, taxes, depreciation, and amortization

P/E - price-earnings ratio

EV - enterprise value (market capitalisation plus net debt)

PEG - P/E to growth ratio

EPS - earnings per share

CPI - consumer price index

WACC - weighted average cost of capital

CAGR - cumulative average annual growth

P/CE - price to cash earnings (net profit plus depreciation and amortisation) ratio

NOPAT - net operational profit after taxation

FCF - free cash flows

BV - book value

ROE - return on equity

P/BV - price-book value

Recommendation definitions:

Buy - indicates a stock's total return to exceed more than 15% over the next twelve months.

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In preparing this document DM BZ WBK applied at least two of the following valuation methods:

discounted cash flows (DCF),
comparative,
mid-cycle,
dividend discount model (DDM),
residual income,
warranted equity method (WEV),
SOTP valuation,
liquidation value.

The discounted cash flows (DCF) valuation method is based on expected future discounted cash flows. One advantage of the DCF valuation method is that it takes into account all cash streams reaching Issuer and the cost of money over time. Some disadvantages of the DCF valuation method are that a large number of parameters and assumptions need to be estimated; and the valuation is sensitive to changes in those parameters.

The comparative valuation method is based on the economic rule of "one price". Some advantages of the comparative valuation method are that the analyst need only estimate a small number of parameters; the valuation is based on current market conditions; the relatively large accessibility of indicators for companies being compared; and that there is an extensive knowledge of the comparative method among investors. Some disadvantages of valuation by the comparative method are the considerable sensitivity of the results of the valuation on the choice of companies to the comparative group; the method can lead to a simplification of the picture of the company which in turn can lead to omitting certain important factors (e.g. growth dynamics, extra-operational assets, corporate governance, the repeatability of results, differences in applied accounting standards); and the uncertainty of the effectiveness of a market valuation of companies being compared.

The mid-cycle valuation is based on long-term averages for the two-year forward consensus P/E and EV/EBITDA multiples for the members of the peer group. The methodology is aimed calculating a fair, through the cycle value of cyclical stocks. Among its shortfalls is that at peaks and/or troughs of the cycle, the implied fair value may deviate substantially from the market's value of an analysed stock as well as the methods' reliance on the quality of external data (we use Bloomberg consensus here). Simplicity and average through-cycle value allowing to capture over as well as under-valuation of a given stock are the main advantages of this methodology.

The dividend discount model (DDM) valuation is based on the net present value of the future dividends that are expected to be paid out by the company. Some advantages of the DDM valuation method are that it takes into account real cash flows to equity-owners and that the methodology is used in respect to companies with long dividend payout history. Main disadvantage of the DDM valuation method is that dividend payouts are based on a large number of parameters and assumptions, including dividend payout ratio.

Residual income method is conceptually close to the discounted cash flows method (DCF) for non-financial stocks, the difference being that it is based on expected residual income (returns over COE) rather than expected future cash flows. One advantage of this valuation method is that it captures the excess of profit potentially available to shareholders and the cost of money over time. Main disadvantage of the valuation method is that a large number of parameters and assumptions need to be estimated; and the valuation is sensitive to changes in those parameters.

The warranted equity method (WEV) is based on the formula $P/BV = (\text{two year forward ROE less sustainable growth rate}) / (\text{Cost of equity less sustainable growth rate})$ which allows estimating a fair value (FV) of a given stock in two years time. Subsequently the FV is discounted back to today. The main advantage of the WEV method is that it is a transparent one and based on relatively short term forecasts, hence substantially reducing the margin of forecasting error. The main disadvantage in our view is that the model is based on the principle that stock price should converge towards its fair value implied by company's ROE and COE.

SOTP valuation - different assets of a company are being valued according to different valuation methods, and the sum of these valuations represents the final valuation of the company. SOTP valuation advantages / disadvantages are identical to advantages and disadvantages of the specific valuation methods used.

Liquidation value method - liquidation value is the estimated amount of money that an asset or company could be quickly sold for, such as if it were to go out of business. Then, the estimated assets value is adjusted for liabilities and liquidation expenses. One advantage of this valuation method is its simplicity. This method does not account for intangible assets as goodwill, which is the main disadvantage.

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Rating	% of Companies	
	Covered with This Rating	Provided with Investment Banking in Past 12M
Buy	56,99	5,66
Hold	26,88	12,00
Sell	15,05	21,43
Under Review	1,08	00,00

Definition of each rating was provided in the above section Limitation of liability.

The Stock performance charts in this report include line graphs of the securities' daily closing prices for one year period. Information relating to a longer period (max 3 years) is available upon request.

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