

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Pilot Program. This is a selected fragment of DM BOŚ SA's research report.

Rafako

12/2019/GPW (46) April 28, 2020

Analyst: Wojciech Romanowski

Sector: Construction
Fundamental rating: Sell (→)
Market relative: Underweight (→)
Price: PLN 0.706
12M EFV: PLN 0.66 (→)

Market Cap: US\$ 25.9 m
Bloomberg code: RFK PW
Av. daily turnover: US\$ 0.13 m
12M range: PLN 0.370-2.375
Free float: 57%

Unconsolidated net loss in FY19 estimated at PLN -258 million; EGM convened to decide on the Company's future operations

After yesterday's market close Rafako issued their unconsolidated preliminary financial results for FY19:

- Revenues at PLN 950 million (+PLN 306.7 million yoy);
- Gross loss on sales at PLN -112.6 million (vs PLN +61.9 million in FY18);
- EBIT at PLN -240.3 million (vs PLN +3.7 million in FY18);
- NL on continuing operations at PLN -258.0 million (vs FY18 NP at PLN +4.3 million).

The yoy results deterioration stems mainly from (i) LT contracts write-offs and (ii) PBG bonds-related write-offs.

Losses exceed the spare and reserve capital and one third of the share capital, thus Rafako is required to convene the Extraordinary General Meeting of Shareholders to decide on the future operations of the company. The EGM date is set at May 28, 2020.

Expected impact: *Negative. Released results are below the earlier guidance of the bottom line at >PLN +40 million. The Group's total net loss in FY19 (including the loss generated by the SPV that realizes the Jaworzno project) is likely to exceed PLN 400 million.*

Guide to adjusted profits

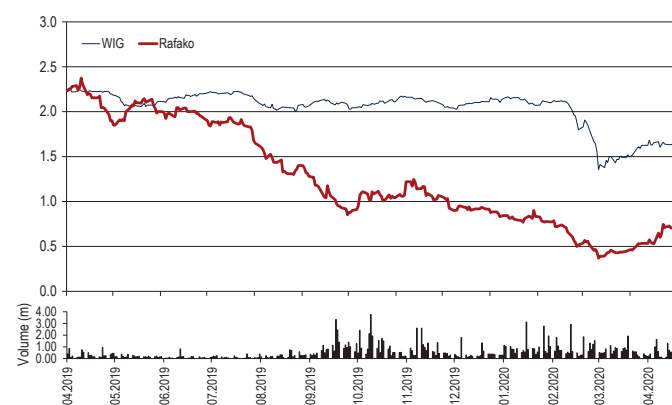
Profits adjusted for a release of provisions for the voluntary redundancy program (PLN 5.9 million)

Key data

IFRS consolidated		2018	2019E	2020E	2021E
Sales	PLN m	1,268.8	1,221.3	2,318.9	1,192.7
EBITDA	PLN m	55.4	-278.7	37.7	25.3
Adj EBITDA	PLN m	49.5	-278.7	37.7	25.3
EBIT	PLN m	40.5	-296.5	24.3	12.6
Adj EBIT	PLN m	34.6	-296.5	24.3	12.6
Net profit	PLN m	33.6	-286.1	16.2	6.3
Adj net profit	PLN m	28.8	-286.1	16.2	6.3
Adj EPS	PLN	0.23	-2.25	0.13	0.05
EPS yoy chg	%	163	n.m.	n.m.	-61
Net debt	PLN m	32.1	123.5	47.0	45.6
P/E	x	3.1	neg.	5.6	14.3
P/CE	x	2.1	neg.	3.0	4.7
EV/EBITDA	x	2.5	neg.	3.6	5.4
EV/EBIT	x	3.5	neg.	5.6	10.8
DPS	PLN	0.00	0.00	0.00	0.00
Gross dividend yield	%	0.0	0.0	0.0	0.0
No. of shares (eop)	m	127.4	127.4	127.4	127.4

Source: Company, DM BOŚ SA estimates

Stock performance



Source: Bloomberg

Upcoming events

1. EGM of Shareholders: May 28
2. Release of FY19 consolidated financial results: May 31
3. Release of 1Q20 consolidated financial results: July 28
4. Release of 1H20 consolidated financial results: September 30
5. Release of 1-3Q20 consolidated financial results: November 27

BASIC DEFINITIONS

A/R turnover (in days) = $365/(\text{sales}/\text{average A/R})$
Inventory turnover (in days) = $365/(\text{COGS}/\text{average inventory})$
A/P turnover (in days) = $365/(\text{COGS}/\text{average A/P})$
Current ratio = $(\text{current assets} - \text{ST deferred assets})/\text{current liabilities}$
Quick ratio = $(\text{current assets} - \text{ST deferred assets} - \text{inventory})/\text{current liabilities}$
Interest coverage = $(\text{pre-tax profit before extraordinary items} + \text{interest payable})/\text{interest payable}$
Gross margin = $\text{gross profit on sales}/\text{sales}$
EBITDA margin = $\text{EBITDA}/\text{sales}$
EBIT margin = EBIT/sales
Pre-tax margin = $\text{pre-tax profit}/\text{sales}$
Net margin = $\text{net profit}/\text{sales}$
ROE = $\text{net profit}/\text{average equity}$
ROA = $(\text{net income} + \text{interest payable})/\text{average assets}$
EV = $\text{market capitalization} + \text{interest bearing debt} - \text{cash and equivalents}$
EPS = $\text{net profit}/\text{no. of shares outstanding}$
CE = $\text{net profit} + \text{depreciation}$
Dividend yield (gross) = $\text{pre-tax DPS}/\text{stock market price}$
Cash sales = $\text{accrual sales corrected for the change in A/R}$
Cash operating expenses = $\text{accrual operating expenses corrected for the changes in inventories and A/P, depreciation, cash taxes and changes in the deferred taxes}$

DM BOŠ S.A. generally values the covered non bank companies via two methods: comparative method and DCF method (discounted cash flows). The advantage of the former is the fact that it incorporates the current market assessment of the value of the company's peers. The weakness of the comparative method is the risk that the valuation benchmark may be mispriced. The advantage of the DCF method is its independence from the current market valuation of the comparable companies. The weakness of this method is its high sensitivity to undertaken assumptions, especially those related to the residual value calculation. Please note that we also resort to other valuation techniques (e.g. NAV-, DDM- or SOTP-based), should it prove appropriate in a given case.

KEY TO INVESTMENT RANKINGS

This is a guide to expected price performance in absolute terms over the next 12 months:

Buy – fundamentally undervalued (upside to 12M EFV in excess of the cost of equity) + catalysts which should close the valuation gap identified;
Hold – either (i) fairly priced, or (ii) fundamentally undervalued/overvalued but lacks catalysts which could close the valuation gap;
Sell – fundamentally overvalued (12M EFV < current share price + 1-year cost of equity) + catalysts which should close the valuation gap identified.

This is a guide to expected relative price performance:

Overweight – expected to perform better than the benchmark (WIG) over the next quarter in relative terms
Neutral – expected to perform in line with the benchmark (WIG) over the next quarter in relative terms
Underweight – expected to perform worse than the benchmark (WIG) over the next quarter in relative terms

The recommendation tracker presents the performance of DM BOŠ S.A.'s recommendations. A recommendation expires on the day it is altered or on the day 12 months after its issuance, whichever comes first.

Relative performance compares the rate of return on a given recommended stock in the period of the recommendation's validity (i.e. from the date of issuance to the date of alteration or – in case of maintained recommendations – from the date of issuance to the current date) in a relation to the rate of return on the benchmark in this time period. The WIG index constitutes the benchmark. For recommendations that expire by an alteration or are maintained, the ending values used to calculate their absolute and relative performance are: the stock closing price on the day the recommendation expires/ is maintained and the closing value of the benchmark on that date. For recommendations that expire via a passage of time, the ending values used to calculate their absolute and relative performance are: the average of the stock closing prices for the day the recommendation elapses and four directly preceding sessions and the average of the benchmark's closing values for the day the recommendation expires and four directly preceding sessions.

Distribution of DM BOŠ's current recommendations

	Buy	Hold	Sell	Suspended	Under revision
Numbers	29	39	5	12	0
Percentage	34%	46%	6%	14%	0%

Distribution of DM BOŠ's current recommendations for the companies which DM BOŠ has supplied with material investment services within the last 12 months

	Buy	Hold	Sell	Suspended	Under revision
Numbers	2	7	0	3	0
Percentage	17%	58%	0%	25%	0%

Distribution of DM BOŠ's current market relative recommended weightings

	Overweight	Neutral	Underweight	Suspended	Under revision
Numbers	34	27	12	12	0
Percentage	40%	32%	14%	14%	0%

Distribution of DM BOŠ's current market relative recommended weightings for the companies which DM BOŠ has supplied with material investment services within the last 12 months

	Overweight	Neutral	Underweight	Suspended	Under revision
Numbers	2	5	2	3	0
Percentage	17%	42%	17%	25%	0%

Banks

Net Interest Margin (NIM) = $\text{net interest income}/\text{average assets}$
Non interest income = $\text{fees\&commissions} + \text{result on financial operations (trading gains)} + \text{FX gains}$
Interest Spread = $(\text{interest income}/\text{average interest earning assets})/(\text{interest cost}/\text{average interest bearing liabilities})$
Cost/Income = $(\text{general costs} + \text{depreciation})/(\text{profit on banking activity} + \text{other net operating income})$
ROE = $\text{net profit}/\text{average equity}$
ROA = $\text{net income}/\text{average assets}$
Non performing loans (NPL) = loans in 'basket 3' category
NPL coverage ratio = $\text{loan loss provisions}/\text{NPL}$
Net provision charge = $\text{provisions created} - \text{provisions released}$

DM BOŠ S.A. generally values the covered banks via two methods: comparative method and fundamental target fair P/E and target fair P/BV multiples method. The advantage of the former is the fact that it incorporates the current market assessment of the value of the company's peers. The weakness of the comparative method is the risk that the valuation benchmark may be mispriced. The advantage of the fundamental target fair P/E and target fair P/BV multiples method is its independence of the current market valuation of the comparable companies. The weakness of this method is its high sensitivity to undertaken assumptions, especially those related to the residual value calculation. Assumptions used in valuation can change, influencing thereby the level of the valuation. Among the most important assumptions are: GDP growth, forecasted level of inflation, changes in interest rates and currency prices, employment level and change in wages, demand on the analysed company products, raw material prices, competition, standing of the main customers and suppliers, legislation changes, etc. Changes in the environment of the analysed company are monitored by analysts involved in the preparation of the recommendation, estimated, incorporated in valuation and published in the recommendation whenever needed.

LT fundamental recommendation tracker

Analyst	Recommendation	Report date	Reiteration date	Distribution date	Expiry date	Performance	Relative performance	Price at issue/reiteration*	EFV (12 months)	
Rafako										
Michał Stalmach	Buy	10.12.2015	-	10.12.2015	04.12.2016	-16%	-22%	6.70	10.10	-
Michał Stalmach	-	-	13.12.2015	14.12.2015	-	-	-	6.99	10.10	→
Michał Stalmach	-	-	17.01.2016	18.01.2016	-	-	-	7.15	10.10	→
Michał Stalmach	-	-	15.02.2016	16.02.2016	-	-	-	7.29	10.10	→
Michał Stalmach	-	-	18.02.2016	19.02.2016	-	-	-	7.39	10.10	→
Michał Stalmach	-	-	21.03.2016	22.03.2016	-	-	-	8.10	10.10	→
Michał Stalmach	-	-	13.04.2016	14.04.2016	-	-	-	8.42	10.10	→
Michał Stalmach	-	-	16.05.2016	17.05.2016	-	-	-	7.95	10.10	→
Michał Stalmach	-	-	27.06.2016	28.06.2016	-	-	-	5.89	10.10	→
Michał Stalmach	-	-	24.07.2016	25.07.2016	-	-	-	6.50	10.10	→
Wojciech Romanowski	-	-	11.08.2016	12.08.2016	-	-	-	6.59	9.30	↓
Wojciech Romanowski	-	-	31.08.2016	01.09.2016	-	-	-	6.78	9.30	→
Wojciech Romanowski	-	-	12.10.2016	13.10.2016	-	-	-	6.36	9.30	→
Wojciech Romanowski	-	-	01.11.2016	02.11.2016	-	-	-	6.02	7.30	↓
Wojciech Romanowski	-	-	02.11.2016	03.11.2016	-	-	-	6.02	7.30	→
Wojciech Romanowski	-	-	14.11.2016	15.11.2016	-	-	-	5.98	7.30	→
Wojciech Romanowski	Buy	04.12.2016	-	05.12.2016	09.05.2017	36%	6%	5.61	7.30	→
Wojciech Romanowski	-	-	12.01.2017	13.01.2017	-	-	-	6.24	7.30	→
Wojciech Romanowski	-	-	08.02.2017	09.02.2017	-	-	-	7.22	7.30	→
Wojciech Romanowski	-	-	21.02.2017	22.02.2017	-	-	-	7.13	7.30	→
Wojciech Romanowski	-	-	07.03.2017	08.03.2017	-	-	-	8.80	7.30	→
Wojciech Romanowski	-	-	11.04.2017	12.04.2017	-	-	-	8.05	7.30	→
Wojciech Romanowski	Hold	09.05.2017	-	10.05.2017	25.03.2018	-34%	-31%	7.62	7.30	→
Wojciech Romanowski	-	-	30.05.2017	31.05.2017	-	-	-	8.07	7.30	→
Wojciech Romanowski	-	-	12.07.2017	13.07.2017	-	-	-	8.05	7.30	→
Wojciech Romanowski	-	-	26.07.2017	27.07.2017	-	-	-	7.70	7.30	→
Wojciech Romanowski	-	-	03.09.2017	04.09.2017	-	-	-	5.90	7.30	→
Wojciech Romanowski	-	-	15.10.2017	16.10.2017	-	-	-	4.75	7.30	→
Wojciech Romanowski	-	-	05.11.2017	06.11.2017	-	-	-	4.49	7.10	↓
Wojciech Romanowski	-	-	09.11.2017	10.11.2017	-	-	-	4.24	4.70	↓
Wojciech Romanowski	-	-	15.11.2017	16.11.2017	-	-	-	4.09	4.70	→
Wojciech Romanowski	-	-	10.12.2017	11.12.2017	-	-	-	4.18	4.70	→
Wojciech Romanowski	-	-	10.01.2018	11.01.2018	-	-	-	4.80	4.70	→
Wojciech Romanowski	-	-	13.02.2018	14.02.2018	-	-	-	4.89	4.70	→
Wojciech Romanowski	-	-	12.03.2018	13.03.2018	-	-	-	4.83	4.70	→
Wojciech Romanowski	Under revision	25.03.2018	-	26.03.2018	22.05.2018	-18%	-17%	4.80	Under revision	-
Wojciech Romanowski	-	-	16.04.2018	17.04.2018	-	-	-	4.20	Under revision	-
Wojciech Romanowski	Sell	22.05.2018	-	23.05.2018	09.12.2018	-50%	-49%	3.94	2.90	-
Wojciech Romanowski	-	-	29.05.2018	30.05.2018	-	-	-	3.74	2.90	→
Wojciech Romanowski	-	-	16.07.2018	17.07.2018	-	-	-	3.46	2.90	→
Wojciech Romanowski	-	-	02.08.2018	03.08.2018	-	-	-	3.54	2.90	→
Wojciech Romanowski	-	-	30.08.2018	31.08.2018	-	-	-	3.38	2.90	→
Wojciech Romanowski	-	-	11.10.2018	12.10.2018	-	-	-	2.02	2.90	→
Wojciech Romanowski	-	-	23.10.2018	24.10.2018	-	-	-	2.03	2.90	→
Wojciech Romanowski	-	-	14.11.2018	15.11.2018	-	-	-	1.45	2.90	→
Wojciech Romanowski	Hold	09.12.2018	-	10.12.2018	05.12.2019	-48%	-46%	1.970	2.80	↓
Wojciech Romanowski	-	-	10.01.2019	11.01.2019	-	-	-	1.740	2.80	→
Wojciech Romanowski	-	-	04.02.2019	05.02.2019	-	-	-	1.800	2.80	→
Wojciech Romanowski	-	-	26.02.2019	27.02.2019	-	-	-	1.800	2.80	→
Wojciech Romanowski	-	-	26.03.2019	27.03.2019	-	-	-	2.170	2.80	→
Wojciech Romanowski	-	-	22.04.2019	23.04.2019	-	-	-	2.155	2.80	→
Wojciech Romanowski	-	-	24.04.2019	25.04.2019	-	-	-	2.045	2.80	→
Wojciech Romanowski	-	-	30.05.2019	31.05.2019	-	-	-	1.980	2.80	→
Wojciech Romanowski	-	-	17.07.2019	18.07.2019	-	-	-	1.934	2.80	→
Wojciech Romanowski	-	-	23.07.2019	23.07.2019	-	-	-	1.868	2.40	↓
Wojciech Romanowski	-	-	30.07.2019	31.07.2019	-	-	-	1.830	2.40	→
Wojciech Romanowski	-	-	20.08.2019	21.08.2019	-	-	-	1.330	2.40	→
Wojciech Romanowski	-	-	25.08.2019	26.08.2019	-	-	-	1.310	2.30	↓
Wojciech Romanowski	-	-	01.09.2019	02.09.2019	-	-	-	1.400	2.30	→
Wojciech Romanowski	-	-	02.09.2019	03.09.2019	-	-	-	1.400	2.30	→
Wojciech Romanowski	-	-	05.09.2019	06.09.2019	-	-	-	1.312	2.30	→
Wojciech Romanowski	-	-	30.09.2019	01.10.2019	-	-	-	0.918	2.30	→
Wojciech Romanowski	-	-	13.10.2019	14.10.2019	-	-	-	1.110	2.30	→
Wojciech Romanowski	-	-	24.10.2019	25.10.2019	-	-	-	1.008	1.80	↓
Wojciech Romanowski	-	-	17.11.2019	18.11.2019	-	-	-	1.140	1.80	→
Wojciech Romanowski	-	-	25.11.2019	26.11.2019	-	-	-	1.058	1.80	→
Wojciech Romanowski	-	-	27.11.2019	28.11.2019	-	-	-	1.028	1.80	→
Wojciech Romanowski	-	-	01.12.2019	02.12.2019	-	-	-	1.068	1.80	→
Wojciech Romanowski	Sell	05.12.2019	-	06.12.2019	Not later than 05.12.2020	-32%	-14%	1.034	0.75	↓
Wojciech Romanowski	-	-	08.12.2019	09.12.2019	-	-	-	0.925	0.75	→
Wojciech Romanowski	-	-	17.12.2019	18.12.2019	-	-	-	0.935	0.75	→
Wojciech Romanowski	-	-	09.01.2020	10.01.2020	-	-	-	0.839	0.75	→
Wojciech Romanowski	-	-	16.01.2020	17.01.2020	-	-	-	0.830	0.75	→
Wojciech Romanowski	-	-	30.01.2020	31.01.2020	-	-	-	0.900	0.75	→
Wojciech Romanowski	-	-	04.02.2020	05.02.2020	-	-	-	0.784	0.75	→
Wojciech Romanowski	-	-	05.02.2020	06.02.2020	-	-	-	0.777	0.66	↓
Wojciech Romanowski	-	-	06.02.2020	07.02.2020	-	-	-	0.770	0.66	→
Wojciech Romanowski	-	-	03.03.2020	04.03.2020	-	-	-	0.568	0.66	→
Wojciech Romanowski	-	-	30.03.2020	31.03.2020	-	-	-	0.445	0.66	→
Wojciech Romanowski	-	-	22.04.2020	23.04.2020	-	-	-	0.642	0.66	→
Wojciech Romanowski	-	-	28.04.2020	29.04.2020	-	-	-	0.706	0.66	→

* prices at issue/reiteration are the closing prices at the report or reiteration date

Market-relative recommendation tracker

Analyst	Relative Recommendation		Report date	Reiteration date	Distribution date	Expiry date	Price at issue/reiteration*	Relative performance
Rafako								
Michał Stalmach	Overweight	-	10.12.2015	-	10.12.2015	31.08.2016	6.70	-5%
Michał Stalmach	-	→	-	13.12.2015	14.12.2015	-	6.99	-
Michał Stalmach	-	→	-	17.01.2016	18.01.2016	-	7.15	-
Michał Stalmach	-	→	-	15.02.2016	16.02.2016	-	7.29	-
Michał Stalmach	-	→	-	18.02.2016	19.02.2016	-	7.39	-
Michał Stalmach	-	→	-	21.03.2016	22.03.2016	-	8.10	-
Michał Stalmach	-	→	-	13.04.2016	14.04.2016	-	8.42	-
Michał Stalmach	-	→	-	16.05.2016	17.05.2016	-	7.95	-
Michał Stalmach	-	→	-	27.06.2016	28.06.2016	-	5.89	-
Michał Stalmach	-	→	-	24.07.2016	25.07.2016	-	6.50	-
Wojciech Romanowski	-	→	-	11.08.2016	12.08.2016	-	6.59	-
Wojciech Romanowski	Neutral	↓	31.08.2016	-	01.09.2016	14.11.2016	6.78	-11%
Wojciech Romanowski	-	→	-	12.10.2016	13.10.2016	-	6.36	-
Wojciech Romanowski	-	→	-	01.11.2016	02.11.2016	-	6.02	-
Wojciech Romanowski	-	→	-	02.11.2016	03.11.2016	-	6.02	-
Wojciech Romanowski	Overweight	↑	14.11.2016	-	15.11.2016	21.02.2017	5.98	15%
Wojciech Romanowski	-	→	-	04.12.2016	05.12.2016	-	5.61	-
Wojciech Romanowski	-	→	-	12.01.2017	13.01.2017	-	6.24	-
Wojciech Romanowski	-	→	-	08.02.2017	09.02.2017	-	7.22	-
Wojciech Romanowski	Neutral	↓	21.02.2017	-	22.02.2017	09.05.2017	7.13	-15%
Wojciech Romanowski	-	→	-	07.03.2017	08.03.2017	-	8.80	-
Wojciech Romanowski	-	→	-	11.04.2017	12.04.2017	-	8.05	-
Wojciech Romanowski	Overweight	↑	09.05.2017	-	10.05.2017	26.07.2017	7.62	1%
Wojciech Romanowski	-	→	-	30.05.2017	31.05.2017	-	8.07	-
Wojciech Romanowski	-	→	-	12.07.2017	13.07.2017	-	8.05	-
Wojciech Romanowski	Underweight	↓	26.07.2017	-	27.07.2017	09.11.2017	7.70	-44%
Wojciech Romanowski	-	→	-	03.09.2017	04.09.2017	-	5.90	-
Wojciech Romanowski	-	→	-	15.10.2017	16.10.2017	-	4.75	-
Wojciech Romanowski	-	→	-	05.11.2017	06.11.2017	-	4.49	-
Wojciech Romanowski	Neutral	↑	09.11.2017	-	10.11.2017	25.03.2018	4.24	22%
Wojciech Romanowski	-	→	-	15.11.2017	16.11.2017	-	4.09	-
Wojciech Romanowski	-	→	-	10.12.2017	11.12.2017	-	4.18	-
Wojciech Romanowski	-	→	-	10.01.2018	11.01.2018	-	4.80	-
Wojciech Romanowski	-	→	-	13.02.2018	14.02.2018	-	4.89	-
Wojciech Romanowski	-	→	-	12.03.2018	13.03.2018	-	4.83	-
Wojciech Romanowski	Under revision	-	25.03.2018	-	26.03.2018	22.05.2018	4.80	-17%
Wojciech Romanowski	-	→	-	16.04.2018	17.04.2018	-	4.20	-
Wojciech Romanowski	Underweight	-	22.05.2018	-	23.05.2018	09.12.2018	3.94	-49%
Wojciech Romanowski	-	→	-	29.05.2018	30.05.2018	-	3.74	-
Wojciech Romanowski	-	→	-	16.07.2018	17.07.2018	-	3.46	-
Wojciech Romanowski	-	→	-	02.08.2018	03.08.2018	-	3.54	-
Wojciech Romanowski	-	→	-	30.08.2018	31.08.2018	-	3.38	-
Wojciech Romanowski	-	→	-	11.10.2018	12.10.2018	-	2.02	-
Wojciech Romanowski	-	→	-	23.10.2018	24.10.2018	-	2.03	-
Wojciech Romanowski	-	→	-	14.11.2018	15.11.2018	-	1.45	-
Wojciech Romanowski	Neutral	↑	09.12.2018	-	10.12.2018	30.09.2019	1.970	-53%
Wojciech Romanowski	-	→	-	10.01.2019	11.01.2019	-	1.740	-
Wojciech Romanowski	-	→	-	04.02.2019	05.02.2019	-	1.800	-
Wojciech Romanowski	-	→	-	26.02.2019	27.02.2019	-	1.800	-
Wojciech Romanowski	-	→	-	26.03.2019	27.03.2019	-	2.170	-
Wojciech Romanowski	-	→	-	22.04.2019	23.04.2019	-	2.155	-
Wojciech Romanowski	-	→	-	24.04.2019	25.04.2019	-	2.045	-
Wojciech Romanowski	-	→	-	30.05.2019	31.05.2019	-	1.980	-
Wojciech Romanowski	-	→	-	17.07.2019	18.07.2019	-	1.934	-
Wojciech Romanowski	-	→	-	23.07.2019	23.07.2019	-	1.868	-
Wojciech Romanowski	-	→	-	30.07.2019	31.07.2019	-	1.830	-
Wojciech Romanowski	-	→	-	20.08.2019	21.08.2019	-	1.330	-
Wojciech Romanowski	-	→	-	25.08.2019	26.08.2019	-	1.310	-
Wojciech Romanowski	-	→	-	01.09.2019	02.09.2019	-	1.400	-
Wojciech Romanowski	-	→	-	02.09.2019	03.09.2019	-	1.400	-
Wojciech Romanowski	-	→	-	05.09.2019	06.09.2019	-	1.312	-
Wojciech Romanowski	Underweight	↓	30.09.2019	-	01.10.2019	24.10.2019	0.918	8%
Wojciech Romanowski	-	→	-	13.10.2019	14.10.2019	-	1.110	-
Wojciech Romanowski	Neutral	↑	24.10.2019	-	25.10.2019	01.12.2019	1.008	7%
Wojciech Romanowski	-	→	-	17.11.2019	18.11.2019	-	1.140	-
Wojciech Romanowski	-	→	-	25.11.2019	26.11.2019	-	1.058	-
Wojciech Romanowski	-	→	-	27.11.2019	28.11.2019	-	1.028	-
Wojciech Romanowski	Underweight	↓	01.12.2019	-	02.12.2019	Not later than 01.12.2020	1.068	-15%
Wojciech Romanowski	-	→	-	05.12.2019	06.12.2019	-	1.034	-
Wojciech Romanowski	-	→	-	08.12.2019	09.12.2019	-	0.925	-
Wojciech Romanowski	-	→	-	17.12.2019	18.12.2019	-	0.935	-
Wojciech Romanowski	-	→	-	09.01.2020	10.01.2020	-	0.839	-
Wojciech Romanowski	-	→	-	16.01.2020	17.01.2020	-	0.830	-
Wojciech Romanowski	-	→	-	30.01.2020	31.01.2020	-	0.900	-
Wojciech Romanowski	-	→	-	04.02.2020	05.02.2020	-	0.784	-
Wojciech Romanowski	-	→	-	05.02.2020	06.02.2020	-	0.777	-
Wojciech Romanowski	-	→	-	06.02.2020	07.02.2020	-	0.770	-
Wojciech Romanowski	-	→	-	03.03.2020	04.03.2020	-	0.568	-
Wojciech Romanowski	-	→	-	30.03.2020	31.03.2020	-	0.445	-
Wojciech Romanowski	-	→	-	22.04.2020	23.04.2020	-	0.642	-
Wojciech Romanowski	-	→	-	28.04.2020	29.04.2020	-	0.706	-

* prices at issue/reiteration are the closing prices at the report or reiteration date

This report has been prepared by Dom Maklerski Banku Ochrony Środowiska SA registered in Warsaw (hereinafter referred to as DM BOŚ SA) and commissioned by the Warsaw Stock Exchange SA (hereinafter referred to as WSE SA) pursuant to the agreement on the research report preparation between DM BOŚ SA and WSE SA within the framework of the Analytical Coverage Support Pilot Program described on the WSE SA website: <https://www.gpw.pl/gpwpa> (hereinafter referred to as the Agreement). DM BOŚ SA will receive a remuneration for the research report in accordance with the Agreement.

The production of the report was completed on April 29, 2020 at 8.30 a.m.

The report was distributed on April 29, 2020 at 8.40 a.m.

The report is an investment research within the meaning of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive. This report constitutes a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest. This report is for information purposes only.

This report constitutes neither investment advice nor provides investment service as referred to in Article 76 of the Act on Financial Instruments Trading as of 29 July 2005 (Journal of Laws, 2018, Item 2286 as amended), hereinafter referred to as the Act on Trading; it does not constitute any legal or tax advice, neither does it constitute an indication whether an investment is suitable or appropriate in an individual situation of an investor. In particular this report is not a personal recommendation based on any individual needs or situation of any investor. DM BOŚ SA informs that the investment advice services exclusively consist in the preparation of a personal recommendation based on individual needs and situation of a given client and transferring it to them. To receive this type of a recommendation an agreement on providing investment advice services must be signed with an investments company offering these services.

Neither the information nor the opinions expressed in the report constitute a solicitation or an offer to buy or sell any securities referred herein. The opinions expressed in the report reflect independent, current judgment of DM BOŚ.

This report was prepared with due diligence and scrutiny. The information used in the report is based on all public sources such as press and branch publications, company's financial statements, current and periodic reports, as well as meetings and telephone conversations with company's representatives prior to the date of report's release. We believe the above mentioned sources of information to be reliable, however we do not guarantee their accuracy and completeness. All estimates and opinions included herein represent our judgment as of the date of the issue. All opinions, forecasts, calculations and estimates herein constitute the author's subjective assessment as of the date of the issue and can be modified at any time without prior notice. DM BOŚ SA informs that this report will be updated in the manner as referred to in the Agreement, at least once a year.

DM BOŚ SA is an investment firm within the meaning of the Act on Financial Instruments Trading. The legal entity supervising DM BOŚ SA is Polish Financial Supervision Authority in Warsaw (Komisja Nadzoru Finansowego, KNF in Polish abbreviation).

Institutional sales

Bartosz Janczy

tel.: +48 (22) 504 32 46
b.janczy@bossa.pl

Tomasz Grabowski

tel.: +48 (22) 504 32 47
t.grabowski@bossa.pl

Grzegorz Kołodziejczyk

tel.: +48 (22) 504 33 34
g.kolodziejczyk@bossa.pl

Michał Zawada

tel.: +48 (22) 504 33 36
m.zawada@bossa.pl

Maciej Bąk

tel.: +48 (22) 504 33 78
m.bak@bossa.pl

Bartosz Zieliński

tel.: +48 (22) 504 33 35
b.zielinski@bossa.pl

Marcin Kozerski

tel.: +48 (22) 504 33 35
m.kozerski@bossa.pl

Marcin Stosio

tel.: +48 (22) 504 33 37
m.stosio@bossa.pl

Research

Sobiesław Pająk, CFA

(Equity strategy, TMT)
s.pajak@bossa.pl

Sylwia Jaśkiewicz, CFA

(Construction materials, Consumer staples & discretionary, Health care)
s.jaskiewicz@bossa.pl

Maciej Wewiórski

(Residential construction, Construction, Real estate)
m.wewiorski@bossa.pl

Michał Sobolewski, CFA, FRM

(Financials)
m.sobolewski@bossa.pl

Jakub Viscardi

(Telco, Consumer staples & discretionary, IT – hardware distribution, Utilities)
j.viscardi@bossa.pl

Łukasz Prokopiuk, CFA

(Chemicals, Mining, Mining – machinery, Oil & gas)
l.prokopiuk@bossa.pl

Tomasz Rodak, CFA

(Consumer discretionary, Video games)
t.rodak@bossa.pl

Wojciech Romanowski

(Construction, Construction materials, Consumer discretionary)
w.romanowski@bossa.pl

DM BOŚ SA, its management and supervisory bodies and employees do not take any responsibility for decisions taken on the basis of this report and opinions stated herein. Investors bear all responsibility for investment decisions taken on the basis of the contents of this report. The report is intended solely for private use of investors. Copyrights to this report belong to the WSE. The rules for use of this report have been specified in the Agreement. This report mustn't be redistributed, reproduced or conveyed in any manner or form conflicting with the rules defined in the Agreement.

This report is made available on the day of its issue in the public domain on the website <https://bossa.pl/analizy-i-informacje/wsparcie-pokrycia-analitycznego-gpw/rafako>

DM BOŚ SA is entitled to conveying or translation of the report into foreign languages on behalf of their clients and this shall not be sooner than making the report available on its website <https://bossa.pl/analizy-i-informacje/wsparcie-pokrycia-analitycznego-gpw/rafako>.

DM BOŚ SA follows internal regulations for handling of conflicts of interest which include in particular internal organizational and administration arrangements as well as information barriers established for prevention and avoidance of conflicts of interest related to recommendations. A special organizational arrangement that constitutes an information barrier is so called Chinese walls prohibiting an uncontrolled flow of information among particular organizational units or employees of DM BOŚ SA. Where justified, DM BOŚ SA can create Chinese walls upon the realization of a particular project. Potential conflicts of interests referring to a specific recommendation which is made available to the public or to a wide range of persons are disclosed either in the recommendation or in the document attached.

The person(s) preparing this report receive(s) variable compensation indirectly based upon the financial results of DM BOŚ which in turn depend – among other factors – on the result on the brokerage activity.

DM BOŚ SA has not held any long or short position net exceeding 0.5% of the issuer's basic capital in total with respect to the company/companies indicated.

Apart from the mentioned above cases, there are neither ties of any kind between DM BOŚ SA, the analyst/ analysts involved in the preparation of the report and the issuer(s) of securities as referred to in the report nor circumstances that can justifiably be expected to have a negative impact on objectivity of the recommendation with regard to interests or conflicts of interests on their part or on the part of any natural person or legal entity which pertains to the financial instrument or the issuer.

The report was not shown to the analyzed company before the distribution of the report.

Copyright © 2020 by DM BOŚ S.A.

Dom Maklerski Banku Ochrony

Środowiska Spółka Akcyjna

ul. Marszałkowska 78/80

00-517 Warszawa

www.bossa.pl

Information: (+48) 0 801 104 104