

30/2020/GPW (105) September 17, 2020

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Pilot Program. This is a translation of the Polish analytical report.

Analyst: Sylwia Jaśkiewicz, CFA

Ferro

Sector: Construction materials
Fundamental rating: Buy (→)
Market relative: Overweight (→)
Price: PLN 18.90
12M EFV: PLN 20.3 (→)

Market Cap: US\$ 106.8 m
Bloomberg code: FRO PW
Av. daily turnover: US\$ 0.03 m
12M range: PLN 10.30-20.00
Free float: 31%

Recommended action

We maintain our ST relative Overweight rating and LT fundamental Buy recommendation. The Company's 2Q20 financial results surpassed our expectations. Though in April the demand for the Company's products/goods fell due to the COVID-19 pandemic, in May and June it started to recover and the rebound seems to be stronger than we assumed. The FX rates in 2Q20 were favorable for the Company. We consider our FY20 forecasts as conservative bearing in mind there is always some uncertainty about 4Q20 performance.

2Q20 financial results overview

Similarly to the previous quarter, 2Q20 was quite favorable for the Company which experienced lower demand in April however the next two months turned out to be better. Additionally, the geographic diversification of Ferro's business activities proved to be supportive as various countries introduced/ended lockdowns in different periods and with different restrictions imposed. The Group generated the highest sales growth in Hungary (+30% yoy)/Slovakia (+15% yoy)/Czechia (+11% yoy). The sales in Poland were almost flat (+2% yoy) and in the remaining markets the revenues increased by 27% yoy. The weakest link turned out to be the Romanian market where the Group recorded a 9% yoy sales drop (compared to +39% yoy in 1Q20).

The Company's 2Q20 consolidated revenues stand at PLN 112 million (+6% yoy). The Group managed to improve operating profitability implementing cuts to expenses wherever it was possible. We believe the marketing campaigns were less intense. Other operating expenses turned out to be lower than we assumed. The commodities and currency market environment was quite favorable as well. Costs of materials and goods sold were lower than

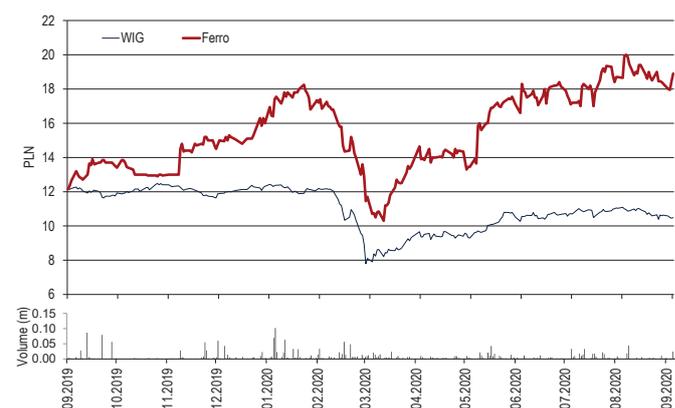
Guide to adjusted profits
Income tax.

Key data

IFRS consolidated		2019	2020E	2021E	2022E
Sales	PLN m	451.3	455.8	487.7	516.9
EBITDA	PLN m	66.9	61.0	63.2	68.6
EBIT	PLN m	60.6	53.2	54.6	59.6
Net income	PLN m	40.0	40.1	41.4	45.9
Adj net income	PLN m	42.9	40.1	41.4	45.9
Adj EPS	PLN	2.0	1.9	2.0	2.2
Adj EPS yoy chg	%	11	-7	3	11
Net debt	PLN m	75.8	60.1	72.0	63.8
P/E	x	10.0	10.0	9.7	8.8
Adj P/E	x	9.4	10.0	9.7	8.8
EV/EBITDA	x	7.1	7.6	7.5	6.8
EV/EBIT	x	7.9	8.7	8.7	7.8
DPS	PLN	1.12	0.40	1.19	1.23
Gross dividend yield	%	5.9	2.1	6.3	6.5
Number of shares (eop)	m	21.2	21.2	21.2	21.2

Source: Company, DM BOŚ SA estimates

Stock performance



Source: Bloomberg

Upcoming events

1. Release of 3Q20 consolidated financial results: November 19

we expected but salaries and employee benefits exceeded our expectations which might have stemmed from the strategy implementation. 2Q20 EBIT stood at PLN 15.4 million vs our forecast of PLN 13.3 million and PLN 12.7 million in 2Q19.

The Group's 2Q20 financial net costs stand at PLN 1 million while we expected PLN 1.4 million compared to PLN 0.9 million a year ago and PLN 0.2 million financial net gain in 1Q20. All in all, 2Q20 NI reached PLN 12.3 million beating our forecast at PLN 10 million.

1H20 operating/ investment cash flows amounted to PLN 32.5 million/-2.3 million compared to PLN 17.9 million/-0.96 million in 1H19.

After 1H20 the realization of our FY forecasts of sales/EBIT/NI rests at 52%/67%/72%. We consider our FY forecasts conservative and they are subject

to an upside risk. However we keep them intact at the moment given quite a big uncertainty about the results, especially in 4Q20.

Ferro upheld its strategy implementation plans which according to the management should enable the Company to reach consolidated revenues and EBITDA targets at PLN 700 million and PLN 90 million, respectively, in 2023 (2018-23 CAGR at 11% and 10%, respectively). Investment expenditures in this period should not exceed the annual average of PLN 10 million, and the Group's ND/EBITDA multiple should not exceed 2.5x. Acquisition plans are not included.

Fig. 1. Ferro; 2Q20 financials vs forecasts

IFRS consolidated (PLN m)								Results vs forecasts	yoy chg			yoy chg	Realisation of 2Q results in:		Realisation of 1H results in:	
	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q20E			1H19	1H20		2019	2020E	2019	2020E
Sales	109.4	105.8	122.1	113.9	124.8	112.0	106.9	→	6%	215.3	236.8	10%	23%	25%	48%	52%
EBITDA	18.7	14.4	21.5	12.3	21.8	17.3	15.1	↑	20%	33.1	39.1	18%	22%	28%	50%	64%
EBITDA margin	17.1%	13.6%	17.6%	10.8%	17.5%	15.4%	14.2%	-	-	15.4%	16.5%	-	-	-	-	-
EBIT	17.5	12.7	19.8	10.6	20.0	15.4	13.3	↑	22%	30.2	35.5	18%	21%	29%	50%	67%
EBIT margin	16.0%	12.0%	16.2%	9.3%	16.1%	13.8%	12.4%	-	-	14.0%	15.0%	-	-	-	-	-
Pre-tax profit	16.1	11.7	17.7	8.5	20.2	14.5	11.8	↑	23%	27.8	34.7	25%	22%	29%	51%	70%
Pre-tax profit margin	14.7%	11.1%	14.5%	7.4%	16.2%	12.9%	11.1%	-	-	12.9%	14.6%	-	-	-	-	-
Net profit	13.0	9.5	14.5	2.9	16.5	12.3	9.6	↑	30%	22.5	28.9	28%	24%	31%	56%	72%
Net profit margin	11.9%	9.0%	11.9%	2.6%	13.2%	11.0%	9.0%	-	-	10.5%	12.2%	-	-	-	-	-

Source: The Company, DM BOŚ SA

Risk factors

1. Economic slowdown in Europe
2. Falling demand for new flats (about a quarter of demand for the Company's products generated by new housing projects)
3. Lower frequency of renovations (replacement demand generates c. 75% of demand for the Company's products/goods)
4. High prices of construction materials (falling demand for finishing materials)
5. Workforce shortage (qualified staff needed due to the market expansion)
6. Wage pressure
7. High/volatile raw materials prices (of copper and zinc, in particular)
8. Unfavorable/volatile FX rates (38%/25% of revenues in PLN/CZK and 90%/10% of foreign supplies costs in US\$/EUR; currency risk when PLN and CZK weaken against US\$ and EUR)
9. Own brands developed by shopping chains (c. 33% of the Company's turnover realized in large-format chains)
10. Lack of attractive acquisition targets/ high valuations

Catalysts

1. Continuous demand for new apartment flats (time delay between the construction and fit-out works)
2. Development of the market for renovations (new design elements, increasing frequency of renovations)
3. Expansion in European markets
4. Strengthening position on the existing markets
5. New products (expanding the product offer)
6. Repositioning of the Company's brands (new upper segment brands)
7. Favorable/stable FX rates
8. Favorable/stable raw materials prices
9. Brand promotion (intensifying online activities)
10. Potential acquisitions (if beneficial from the Group's perspective)

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 = $\text{gross profit} / \text{sales}$
EBITDA margin = $\text{EBITDA} / \text{sales}$
EBIT margin = $\text{EBIT} / \text{sales}$
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	34	37	6	9	0
Percentage	40%	43%	7%	10%	0%

Banks

Net Interest Margin (NIM) = $\text{net interest income} / \text{average assets}$
Non interest income = $\text{fees} + \text{commissions} + \text{result on financial operations (trading gains)} + \text{FX gains}$
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.

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	4	8	0	2	0
Percentage	29%	57%	0%	14%	0%

Distribution of DM BOŠ's current market relative recommended weightings

	Overweight	Neutral	Underweight	Suspended	Under revision
Numbers	29	36	12	9	0
Percentage	34%	42%	14%	10%	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	3	8	1	2	0
Percentage	21%	57%	7%	14%	0%

LT fundamental recommendation tracker

Analyst	Recommendation	Report date	Reiteration date	Distribution date	Expiry date	Performance	Relative performance	Price at issue/reiteration*	EFV (12 months)		
Ferro											
Sylwia Jaśkiewicz	Hold	-	21.07.2019	-	22.07.2019	04.12.2019	11%	20%	13.70	17.10	-
Sylwia Jaśkiewicz	-	→	-	30.07.2019	31.07.2019	-	-	-	13.50	17.10	→
Sylwia Jaśkiewicz	-	→	-	01.09.2019	02.09.2019	-	-	-	12.05	17.10	→
Sylwia Jaśkiewicz	-	→	-	10.09.2019	11.09.2019	-	-	-	12.10	17.10	→
Sylwia Jaśkiewicz	-	→	-	15.09.2019	16.09.2019	-	-	-	12.65	17.10	→
Sylwia Jaśkiewicz	-	→	-	13.10.2019	14.10.2019	-	-	-	13.40	17.10	→
Sylwia Jaśkiewicz	-	→	-	24.10.2019	25.10.2019	-	-	-	13.00	17.10	→
Sylwia Jaśkiewicz	-	→	-	17.11.2019	18.11.2019	-	-	-	13.00	17.10	→
Sylwia Jaśkiewicz	-	→	-	18.11.2019	19.11.2019	-	-	-	13.00	17.10	→
Sylwia Jaśkiewicz	Buy	↑	04.12.2019	-	05.12.2019	28.01.2020	17%	15%	15.20	17.80	↑
Sylwia Jaśkiewicz	-	→	-	08.12.2019	09.12.2019	-	-	-	15.00	17.80	→
Sylwia Jaśkiewicz	-	→	-	09.01.2020	10.01.2020	-	-	-	16.30	17.80	→
Sylwia Jaśkiewicz	Hold	↓	28.01.2020	-	29.01.2020	22.07.2020	-4%	5%	17.80	18.50	↑
Sylwia Jaśkiewicz	-	→	-	04.02.2020	05.02.2020	-	-	-	17.90	18.50	→
Sylwia Jaśkiewicz	-	→	-	06.02.2020	07.02.2020	-	-	-	17.50	18.50	→
Sylwia Jaśkiewicz	-	→	-	03.03.2020	04.03.2020	-	-	-	15.20	18.50	→
Sylwia Jaśkiewicz	-	→	-	30.03.2020	31.03.2020	-	-	-	12.25	18.50	→
Sylwia Jaśkiewicz	-	→	-	22.04.2020	23.04.2020	-	-	-	14.00	18.50	→
Sylwia Jaśkiewicz	-	→	-	23.04.2020	24.04.2020	-	-	-	14.00	18.50	→
Sylwia Jaśkiewicz	-	→	-	19.05.2020	20.05.2020	-	-	-	13.65	18.50	→
Sylwia Jaśkiewicz	-	→	-	15.06.2020	16.06.2020	-	-	-	16.60	18.50	→
Sylwia Jaśkiewicz	-	→	-	13.07.2020	14.07.2020	-	-	-	17.90	18.50	→
Sylwia Jaśkiewicz	Buy	↑	22.07.2020	-	23.07.2020	Not later than 22.07.2021	11%	16%	17.00	20.30	↑
Sylwia Jaśkiewicz	-	→	-	01.09.2020	02.09.2020	-	-	-	18.60	20.30	→
Sylwia Jaśkiewicz	-	→	-	17.09.2020	18.09.2020	-	-	-	18.90	20.30	→

* 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	
Ferro								
Sylwia Jaśkiewicz	Neutral	-	21.07.2019	-	22.07.2019	18.11.2019	13.70	-2%
Sylwia Jaśkiewicz	-	→	-	30.07.2019	31.07.2019	-	13.50	-
Sylwia Jaśkiewicz	-	→	-	01.09.2019	02.09.2019	-	12.05	-
Sylwia Jaśkiewicz	-	→	-	10.09.2019	11.09.2019	-	12.10	-
Sylwia Jaśkiewicz	-	→	-	15.09.2019	16.09.2019	-	12.65	-
Sylwia Jaśkiewicz	-	→	-	13.10.2019	14.10.2019	-	13.40	-
Sylwia Jaśkiewicz	-	→	-	24.10.2019	25.10.2019	-	13.00	-
Sylwia Jaśkiewicz	-	→	-	17.11.2019	18.11.2019	-	13.00	-
Sylwia Jaśkiewicz	Overweight	↑	18.11.2019	-	19.11.2019	28.01.2020	13.00	41%
Sylwia Jaśkiewicz	-	→	-	04.12.2019	05.12.2019	-	15.20	-
Sylwia Jaśkiewicz	-	→	-	08.12.2019	09.12.2019	-	15.00	-
Sylwia Jaśkiewicz	-	→	-	09.01.2020	10.01.2020	-	16.30	-
Sylwia Jaśkiewicz	Neutral	↓	28.01.2020	-	29.01.2020	23.04.2020	17.80	-1%
Sylwia Jaśkiewicz	-	→	-	04.02.2020	05.02.2020	-	17.90	-
Sylwia Jaśkiewicz	-	→	-	06.02.2020	07.02.2020	-	17.50	-
Sylwia Jaśkiewicz	-	→	-	03.03.2020	04.03.2020	-	15.20	-
Sylwia Jaśkiewicz	-	→	-	30.03.2020	31.03.2020	-	12.25	-
Sylwia Jaśkiewicz	-	→	-	22.04.2020	23.04.2020	-	14.00	-
Sylwia Jaśkiewicz	Overweight	↑	23.04.2020	-	24.04.2020	Not later than 23.04.2021	14.00	23%
Sylwia Jaśkiewicz	-	→	-	19.05.2020	20.05.2020	-	13.65	-
Sylwia Jaśkiewicz	-	→	-	15.06.2020	16.06.2020	-	16.60	-
Sylwia Jaśkiewicz	-	→	-	13.07.2020	14.07.2020	-	17.90	-
Sylwia Jaśkiewicz	-	→	-	22.07.2020	23.07.2020	-	17.00	-
Sylwia Jaśkiewicz	-	→	-	01.09.2020	02.09.2020	-	18.60	-
Sylwia Jaśkiewicz	-	→	-	17.09.2020	18.09.2020	-	18.90	-

* 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 September 18, 2020 at 7.00 a.m.
The report was distributed on September 18, 2020 at 7.10 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

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#ferro>.

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/ferro>.

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.

Research

Sobiesław Pająk, CFA
(Equity strategy, TMT)
tel.: +48 (22) 504 32 72
s.pajak@bossa.pl

Sylwia Jaśkiewicz, CFA
(Construction materials, Consumer staples & discretionary, Health care)
tel.: +48 (22) 504 33 75
s.jaskiewicz@bossa.pl

Maciej Wewiorski
(Residential construction, Construction, Real estate)
tel.: +48 (22) 504 33 07
m.wewiorski@bossa.pl

Michał Sobolewski, CFA, FRM
(Financials)
tel.: +48 (22) 504 33 06
m.sobolewski@bossa.pl

Jakub Viscardi
(Telco, Consumer staples & discretionary, IT – hardware distribution, Utilities)
tel.: +48 (22) 504 32 58
j.viscardi@bossa.pl

Łukasz Prokopiuk, CFA
(Chemicals, Mining, Mining – machinery, Oil & gas)
tel.: +48 (22) 504 32 59
l.prokopiuk@bossa.pl

Tomasz Rodak, CFA
(Consumer discretionary, Video games)
tel.: +48 22 504 33 23
t.rodak@bossa.pl

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