



678/2021/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>LSI Software</b>	<b>Buy</b>	<b>22.0</b>	<b>Overweight</b>	Tomasz Rodak, CFA

**Event: The Company has become an authorized distributor of Pudu Robotics.**

There is a job offer on the Company's website which implies that LSI Software has become the general distributor of Chinese Pudu Robotics.

**Expected impact:** *Positive*

*Pudu belongs to the largest tech-focused enterprises dedicated to the design, R&D, production and sales of commercial service robots. The robots are widely applied in restaurants, coffee shops, shopping malls, hotels, etc. and have become more and more popular in the current environment of labor force shortage and growing labor costs. Pudu Robotics has the coverage of over 60 countries worldwide. Robotization seems to be the restaurant business future. As the biggest supplier of software for the Polish HoReCa sector LSI Software can offer a wide network of business relationships. So it seems the Company is the ideal partner for Pudu Robotics. Signing the general distribution contract LSI has become the distributor of choice for Polish restaurants.*

*The distribution of Pudu robots is another business line which may have a serious impact on LSI's future financial results. Given (i) very low valuation (c. 5x/6x P/E for 2022E/2023E), (ii) expected strong 4Q21 financials, and (iii) interesting development plans for the future (cinema branch and commercial robots distribution) LSI Software looks attractive as the investment target. On the other hand, there are risks related to potential lockdowns (Omikron) affecting the HoReCa business.*

*The report is not 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 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.*