

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program. 3.0. This is an excerpt from the Polish version of DM BOŚ SA's research report.

Ferro

4/2022/GPW (24) March 30, 2022

Analyst: Sylwia Jaśkiewicz, CFA

Sector: Construction materials

Fundamental rating: Buy (→)

Market relative: Neutral (→)

Price: PLN 30.90

12M EFV: PLN 39.6 (→)

Market Cap: US\$ 158 m

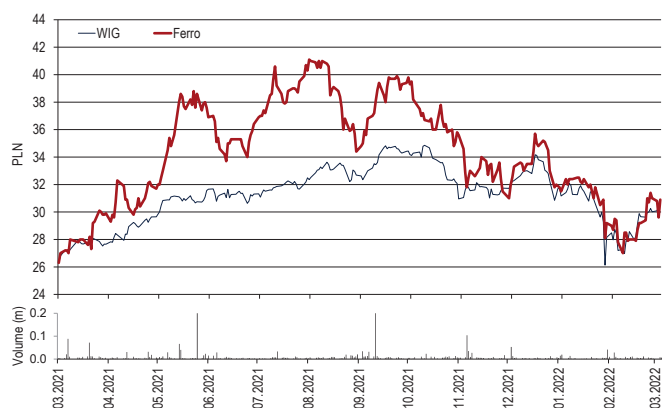
Bloomberg code: FRO PW

Av. daily turnover: US\$ 0.05 m

12M range: PLN 26.30-41.10

Free float: 55%

Stock performance



Source: Bloomberg

Recommended action

We uphold both, our ST market relative Neutral rating and LT fundamental Buy recommendation for the Company. In our view, 4Q21 financial results are very good, even though burdened by high FX differences. NI grew 10% yoy and the improvement of EBIT and EBITDA reached 72% yoy in 4Q21.

4Q21 financial results summary

4Q21 revenues stood at PLN 222 million (up 65% yoy) with a 25% organic growth rate and PLN 56 million contributed by Termet/ Tester. We expected PLN 204 million (up 52% yoy) assuming a 13% organic growth rate and PLN 52 million contributed by Termet/ Tester.

EBIT profitability reached 9.8% and exceeded our forecast; we expected it dip to 6.6% vs 9.4% in 4Q20 on the back of a materials and salaries growth. However, in 4Q21 the cost of salaries actually fell qoq and amounted to 11% of the Company's revenues (12% in 1Q and 3Q21, 13% in 4Q20).

4Q21 net financial costs reached PLN 6 million vs 4Q20 financial result close to 0 and PLN 3 million in 3Q21. So high financial costs stemmed from negative FX differences (PLN -8 million in FY21 vs PLN +4 million in FY20).

Guide to adjusted profits

Income tax.

Key data

IFRS consolidated		2021	2022E	2023E	2024E
Sales	PLN m	830.5	861.4	913.1	958.7
EBITDA	PLN m	119.5	100.6	128.5	141.7
EBIT	PLN m	106.6	87.0	112.4	124.2
Net income	PLN m	107.8	63.4	84.5	94.5
Adj net income	PLN m	73.3	63.4	84.5	94.5
Adj EPS	PLN	3.45	2.99	3.98	4.45
Adj EPS yoy chg	%	18	-13	33	12
Net debt	PLN m	104.5	115.9	87.8	61.3
P/E	x	6.1	10.3	7.8	6.9
Adj P/E	x	9.0	10.3	7.8	6.9
EV/EBITDA*	x	6.4	7.8	5.9	5.2
EV/EBIT*	x	7.1	9.1	6.7	5.9
DPS	PLN	2.20	2.20	1.94	2.59
Gross dividend yield	%	7.1	7.1	6.3	8.4
Number of shares (eop)	m	21.2	21.2	21.2	21.2

*excluding minorities

Source: Company, DM BOŚ SA estimates

Upcoming events

1. Release of 1Q22 consolidated financial results: May 25
2. Release of 1H22 consolidated financial results: September 20
3. Release of 3Q22 consolidated financial results: November 18

Risk factors

1. Economic slowdown in Europe
2. Falling demand for new flats
3. Falling frequency of renovations
4. Workforce shortage
5. Pressure on salaries
6. High/volatile raw materials prices (of copper and zinc, in particular)
7. Unfavorable/volatile FX rates (currency risk when PLN and CZK weaken against US\$ and EUR)
8. Own brands developed by shopping chains
9. Turmoil in the region (war in Ukraine)

Catalysts

1. Continuous demand for new apartment flats
2. Development of the market for 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 own brands (new upper segment brands)
7. Favorable/stable FX rates and raw materials prices
8. Brand promotion (intensifying on-line activities)
9. Potential acquisitions

In consequence, even though operating results materially beat our expectations, the NI level turned only slightly better than our forecasts. The Group's 4Q21 NI hit PLN 10.6 million (up 10% yoy); while we expected PLN 9.4 million in the discussed period.

Fig. 1. Ferro; 4Q21 financials

IFRS consolidated (PLN m)									Results vs forecasts						
	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	DM BOŚ 4Q21E	Market consensus 4Q21E	DM BOŚ/Market consensus	yoy chg	2020	2021	yoy chg
Sales	124.8	112.0	147.7	134.6	163.3	219.3	225.9	222.0	204.1	193.1	↑/↑	65%	519.1	830.5	60%
EBITDA	21.8	17.3	29.4	14.7	26.1	34.6	33.5	25.3	17.2	18.8	↑/↑	72%	83.2	119.5	44%
EBITDA margin	17.5%	15.4%	19.9%	10.9%	16.0%	15.8%	14.8%	11.4%	8.4%	9.7%	-	-	16.0%	14.4%	-
EBIT	20.0	15.4	27.6	12.7	23.8	31.1	29.9	21.8	13.5	15.1	↑/↑	72%	75.8	106.6	41%
EBIT margin	16.1%	13.8%	18.7%	9.4%	14.5%	14.2%	13.3%	9.8%	6.6%	7.8%	-	-	14.6%	12.8%	-
Pre-tax profit	20.2	14.5	29.1	12.7	21.9	45.3	26.7	16.1	11.7	n.a.	↑/n.a.	27%	76.5	110.0	44%
Pre-tax profit margin	16.2%	12.9%	19.7%	9.4%	13.4%	20.7%	11.8%	7.2%	5.7%	n.a.	-	-	14.7%	13.2%	-
Net profit	16.5	12.3	23.6	9.6	17.7	57.8	21.7	10.6	9.4	10.8	→/→	10%	62.1	107.8	74%
Net profit margin	13.2%	11.0%	16.0%	7.1%	10.9%	26.4%	9.6%	4.8%	4.6%	5.6%	-	-	12.0%	13.0%	-

Source: Company, PAP, DM BOŚ SA estimates

In 2021, 47%/ 30%/ 20% of the Company's consolidated revenues stemmed from sales of batteries and accessories/ installation fittings/ heating systems (Termet & Tester); 46%/ 18%/ 16%/ 6%/ 4%/ 10% of revenues were generated in Poland/ Romania/ Czechia/ Slovakia/ Hungary/ other countries. Exports of the heating systems segment are much lower than of other segments (<10%). The acquisition of Termet & Tester more than doubled the Group's domestic sales. The Group's organic growth in 2021 reached 27%, including a 21%/ 34% increase in sanitary fittings (sales at PLN 391 million)/ installation fittings (sales at PLN 253 million). The acquired companies consolidated from the beginning of March last year boosted the Group's revenues by PLN 169 million.

Fig. 2. Ferro; Changes in DM BOŚ SA forecast, results vs forecasts

IFRS consolidated (PLN m)	2021			2022E			2023E		
	results	forecasts	change	current	previous	change	current	previous	change
Sales	830.5	812.7	2%	861.4	861.4	0%	913.1	913.1	0%
EBITDA	119.5	111.4	7%	100.6	100.6	0%	128.5	128.5	0%
EBIT	106.6	98.3	8%	87.0	87.0	0%	112.4	112.4	0%
NP	107.8	106.6	1%	63.4	63.4	0%	84.5	84.5	0%
Adj NP	73.3	72.1	2%	63.4	63.4	0%	84.5	84.5	0%
Net debt	104.5	106.6	-2%	115.9	115.9	0%	87.8	87.8	0%

Source: Company, DM BOŚ SA estimates

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 BOŚ 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 BOŚ 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 BOŚ's current recommendations

	Buy	Hold	Sell	Suspended	Under revision	Not rated
Numbers	47	26	3	9	0	2
Percentage	54%	30%	3%	10%	0%	2%

Distribution of DM BOŚ's current market relative recommended weightings

	Overweight	Neutral	Underweight	Suspended	Under revision	Not rated
Numbers	42	30	4	9	0	2
Percentage	48%	34%	5%	10%	0%	2%

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

	Buy	Hold	Sell	Suspended	Under revision	Not rated
Numbers	11	5	0	1	0	2
Percentage	58%	26%	0%	5%	0%	11%

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

	Overweight	Neutral	Underweight	Suspended	Under revision	Not rated
Numbers	11	4	1	1	0	2
Percentage	58%	21%	5%	5%	0%	11%

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	16.04.2021	75%	51%	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 →
Sylwia Jaśkiewicz	-	→	-	29.09.2020	30.09.2020	-	-	-	18.70	19.90 ↓
Sylwia Jaśkiewicz	-	→	-	08.10.2020	09.10.2020	-	-	-	19.00	19.90 →
Sylwia Jaśkiewicz	-	→	-	03.11.2020	04.11.2020	-	-	-	17.30	22.00 ↑
Sylwia Jaśkiewicz	-	→	-	08.11.2020	09.11.2020	-	-	-	17.25	22.00 →
Sylwia Jaśkiewicz	-	→	-	19.11.2020	20.11.2020	-	-	-	18.40	23.40 ↑
Sylwia Jaśkiewicz	-	→	-	26.11.2020	27.11.2020	-	-	-	20.00	23.40 →
Sylwia Jaśkiewicz	-	→	-	06.12.2020	07.12.2020	-	-	-	24.80	25.70 ↑
Sylwia Jaśkiewicz	-	→	-	05.01.2021	05.01.2021	-	-	-	25.50	25.70 →
Sylwia Jaśkiewicz	-	→	-	28.01.2021	29.01.2021	-	-	-	26.50	25.70 →
Sylwia Jaśkiewicz	-	→	-	09.02.2021	10.02.2021	-	-	-	25.70	30.80 ↑
Sylwia Jaśkiewicz	-	→	-	28.02.2021	01.03.2021	-	-	-	26.10	30.80 →
Sylwia Jaśkiewicz	-	→	-	31.03.2021	01.04.2021	-	-	-	27.00	30.80 →
Sylwia Jaśkiewicz	Buy	→	16.04.2021	-	16.04.2021	Not later than 16.04.2022	13%	3%	29.30	30.80 →
Sylwia Jaśkiewicz	-	→	-	10.05.2021	11.05.2021	-	-	-	29.80	34.10 ↑
Sylwia Jaśkiewicz	-	→	-	27.05.2021	28.05.2021	-	-	-	32.50	34.10 →
Sylwia Jaśkiewicz	-	→	-	30.05.2021	31.05.2021	-	-	-	33.00	34.10 →
Sylwia Jaśkiewicz	-	→	-	09.07.2021	09.07.2021	-	-	-	35.30	34.10 →
Sylwia Jaśkiewicz	-	→	-	12.08.2021	13.08.2021	-	-	-	38.00	41.70 ↑
Sylwia Jaśkiewicz	-	→	-	31.08.2021	31.08.2021	-	-	-	40.50	41.70 →
Sylwia Jaśkiewicz	-	→	-	30.09.2021	01.10.2021	-	-	-	35.60	41.70 →
Sylwia Jaśkiewicz	-	→	-	07.10.2021	07.10.2021	-	-	-	38.90	41.70 →
Sylwia Jaśkiewicz	-	→	-	02.11.2021	03.11.2021	-	-	-	37.50	41.70 →
Sylwia Jaśkiewicz	-	→	-	04.11.2021	04.11.2021	-	-	-	37.20	41.70 →
Sylwia Jaśkiewicz	-	→	-	29.11.2021	30.11.2021	-	-	-	34.60	41.70 →
Sylwia Jaśkiewicz	-	→	-	05.12.2021	06.12.2021	-	-	-	33.00	39.60 ↓
Sylwia Jaśkiewicz	-	→	-	16.01.2022	17.01.2022	-	-	-	34.80	39.60 →
Sylwia Jaśkiewicz	-	→	-	01.02.2022	02.02.2022	-	-	-	32.00	39.60 →
Sylwia Jaśkiewicz	-	→	-	07.02.2022	07.02.2022	-	-	-	32.50	39.60 →
Sylwia Jaśkiewicz	-	→	-	28.02.2022	28.02.2022	-	-	-	29.00	39.60 →
Sylwia Jaśkiewicz	-	→	-	30.03.2022	31.03.2022	-	-	-	30.90	39.60 →

* 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	16.04.2021	14.00	60%
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	-
Sylwia Jaśkiewicz	-	→	-	29.09.2020	30.09.2020	-	18.70	-
Sylwia Jaśkiewicz	-	→	-	08.10.2020	09.10.2020	-	19.00	-
Sylwia Jaśkiewicz	-	→	-	03.11.2020	04.11.2020	-	17.30	-
Sylwia Jaśkiewicz	-	→	-	08.11.2020	09.11.2020	-	17.25	-
Sylwia Jaśkiewicz	-	→	-	19.11.2020	20.11.2020	-	18.40	-
Sylwia Jaśkiewicz	-	→	-	26.11.2020	27.11.2020	-	20.00	-
Sylwia Jaśkiewicz	-	→	-	06.12.2020	07.12.2020	-	24.80	-
Sylwia Jaśkiewicz	-	→	-	05.01.2021	05.01.2021	-	25.50	-
Sylwia Jaśkiewicz	-	→	-	28.01.2021	29.01.2021	-	26.50	-
Sylwia Jaśkiewicz	-	→	-	09.02.2021	10.02.2021	-	25.70	-
Sylwia Jaśkiewicz	-	→	-	28.02.2021	01.03.2021	-	26.10	-
Sylwia Jaśkiewicz	-	→	-	31.03.2021	01.04.2021	-	27.00	-
Sylwia Jaśkiewicz	Overweight	→	16.04.2021	-	16.04.2021	05.12.2021	29.30	7%
Sylwia Jaśkiewicz	-	→	-	10.05.2021	11.05.2021	-	29.80	-
Sylwia Jaśkiewicz	-	→	-	27.05.2021	28.05.2021	-	32.50	-
Sylwia Jaśkiewicz	-	→	-	30.05.2021	31.05.2021	-	33.00	-
Sylwia Jaśkiewicz	-	→	-	09.07.2021	09.07.2021	-	35.30	-
Sylwia Jaśkiewicz	-	→	-	12.08.2021	13.08.2021	-	38.00	-
Sylwia Jaśkiewicz	-	→	-	31.08.2021	31.08.2021	-	40.50	-
Sylwia Jaśkiewicz	-	→	-	30.09.2021	01.10.2021	-	35.60	-
Sylwia Jaśkiewicz	-	→	-	07.10.2021	07.10.2021	-	38.90	-
Sylwia Jaśkiewicz	-	→	-	02.11.2021	03.11.2021	-	37.50	-
Sylwia Jaśkiewicz	-	→	-	04.11.2021	04.11.2021	-	37.20	-
Sylwia Jaśkiewicz	-	→	-	29.11.2021	30.11.2021	-	34.60	-
Sylwia Jaśkiewicz	Neutral	↓	05.12.2021	-	06.12.2021	Not later than 05.12.2022	33.00	-4%
Sylwia Jaśkiewicz	-	→	-	16.01.2022	17.01.2022	-	34.80	-
Sylwia Jaśkiewicz	-	→	-	01.02.2022	02.02.2022	-	32.00	-
Sylwia Jaśkiewicz	-	→	-	07.02.2022	07.02.2022	-	32.50	-
Sylwia Jaśkiewicz	-	→	-	28.02.2022	28.02.2022	-	29.00	-
Sylwia Jaśkiewicz	-	→	-	30.03.2022	31.03.2022	-	30.90	-

* 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 March 31, 2022 at 7.05 a.m.

The report was distributed on March 31, 2022 at 7.15 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).

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.

Stockbrokers

Piotr Kalbarczyk
tel.: +48 (22) 504 32 43
p.kalbarczyk@bossa.pl

Research

Sobiesław Pająk, CFA
(Equity strategy, TMT)

Sylvia Jaśkiewicz, CFA
(Construction materials, Consumer staples & discretionary, Health care)

Tomasz Rodak, CFA
(Consumer discretionary, Video games)

Lukasz Prokopiuk, CFA
(Chemicals, Mining, Mining – machinery, Oil & gas)

Michał Sobolewski, CFA, FRM
(Financials)

Jakub Viscardi
(Telco, Consumer staples & discretionary, IT – hardware distribution, Utilities)

Maciej Wewiórski
(Residential construction, Construction, Real estate)

Mikołaj Stępień
Associate

Michał Zamel
Associate

Copyright © 2022 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