

44/2023/GPW (102) November 1, 2023

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 4.0.

Action

Recommended action.....	2
3Q23 financial results preview	2
Upcoming events.....	2
Buyback.....	3
Financial forecast.....	3
Valuation	3
Catalysts	4
Risk factors	4
Competitive advantages.....	4

44/2023/GPW (102) November 1, 2023

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 4.0. This is an excerpt from the Polish version of DM BOŚ SA's research report.

Analyst: Jakub Viscardi

Sector: IT – hardware distributors

Fundamental rating: Buy (→)

Market relative: Neutral (→)

Price: PLN 18.40

12M EFV: PLN 21.6 (↑)

Market Cap: US\$ 78 m

Bloomberg code: ACT PW

Av. daily turnover: US\$ 0.05 m

12M range: PLN 13.30-18.98

Free float: 54%

Action

Recommended action

This year Action's financial results has suffered from pressure on OPEX growth which resulted in a c. 20% yoy fall of 1H23 NI. In spite of the redemption of 1,300,000 shares purchased within the buyback program we expect a 10% EPS yoy decline in FY23. Nonetheless, given: (i) revenues dynamic improvement (visible already in 3Q23), (ii) high gross margin on sales maintained (supported by the execution of the Company's strategy assuming, inter alia, increasing the bulk of sales from outside the IT category, growing share of B2C revenues), (iii) inflationary pressure softening in the upcoming periods, we forecast the return of positive momentum in 2024 coupled with a 16% EPS yoy growth.

Despite expectations of the Company's temporary results erosion we still see a double-digit upside towards our 12M EFV and uphold LT fundamental Buy recommendation while expecting negative dynamics of the upcoming quarter's profits we do not change our ST Neutral relative rating as well.

3Q23 financial results preview

The Company will publish 3Q23 financial results on November 29. Based on sales figures and gross margin on sales reported monthly by the Company we expect a double-digit yoy growth dynamic of revenues in the discussed quarter. Though the gross margin on sales stays high, due to a mounting pressure on OPEX we assume the Company's operating figures to deteriorate.

Given the monthly data reported for July, August, and September we forecast a 12% revenue yoy growth in 3Q23 to c. PLN 643.5 million. We expect the revenues growth from hardware sales coupled with a growth of revenues in the remaining categories. In July/ August/September the Company's gross margin on sales stood at 7.9%/ 7.6%/ 7.5% vs 7.2%/

Guide to adjusted profits

FY22 net profit adjusted for a PLN 2.8 million tax interest receipt.

Key data

IFRS consolidated		2022	2023E	2024E	2025E
Sales	PLN m	2,367.0	2,520.9	2,665.9	2,808.4
EBITDA	PLN m	61.4	56.4	60.2	64.4
Adj EBITDA	PLN m	61.4	56.4	60.2	64.4
EBIT	PLN m	52.8	46.6	50.2	54.2
Adj EBIT	PLN m	52.8	46.6	50.2	54.2
Net income	PLN m	49.0	39.1	42.4	45.3
Adj Net income	PLN m	46.2	39.1	42.4	45.3
EPS	PLN	2.3	2.1	2.4	2.6
EPS yoy chg	%	-22	-10	16	7
FCFF	PLN m	-4.7	30.8	46.0	36.9
Net debt*	PLN m	20.8	-11.2	-58.9	-97.2
P/E	x	8.0	8.8	7.6	7.1
P/CE	x	6.4	7.1	6.2	5.8
EV/EBITDA	x	5.6	5.5	4.4	3.5
EV/EBIT	x	6.5	6.7	5.3	4.2
Gross dividend yield	%	0.0	0.0	0.0	0.0
DPS	PLN	0.00	0.00	0.00	0.00
No. of shares (eop)	m	20.0	18.7	17.6	17.6

* net debt includes liabilities against creditors covered by the composition
Source: Company, DM BOŚ SA estimates

Stock performance



Source: Bloomberg

Upcoming events

1. Release of 3Q23 financial results: November 29, 2023

7.5%/ 7.5% reported in the corresponding months of last year. We assume that the final gross margin on sales will exceed the preliminary figures, as it was the case previously, and forecast it at 8.5% (8.6% yoy in 3Q22).

Given, on the one hand: (i) a 12% yoy growth of revenues (positive operating leverage effect), (ii) high gross margin on sales and on the other hand (i) mounting pressure on sales costs (cost of salaries, materials or costs of logistics) we project the Company's 3Q23 EBITDA at PLN 11.9 million (down 6% yoy) which implies a decline of the EBITDA margin to 1.8% (down 0.45 pp yoy). We assume D&A at PLN 2.5 million and expect the Company's EBIT to reach PLN 9.3 million (down 11% yoy). In 3Q22 Action's gross profit was elevated due to one-off, namely a PLN 3.4 million tax interest receipt. With the effective tax rate assumed at 19% we forecast Action's 3Q23 adjusted net profit at PLN 8.3 million (down 12% yoy).

Buyback

Action executes the buyback program successively. On October 26 the Company's EGM passed another increase of the funds for the buyback to PLN 43 million (PLN 35 million previously). The maximum number of shares to be purchased in the buyback is 2,500,000 with the maximum price per share maintained at PLN 35. As of October 31 Action owns 696,086 shares which equals a 3.715% share in capital and votes. Still, we would like to remind that 1,300,000 purchased shares were redeemed, thus a total number of shares purchased from the start of the buyback program stands at 1,996,086. After the redemption Action's capital includes 18,737,000 shares. We expect that next year the Company's number of shares will decline to 17,555,000 following the further execution of the buyback program.

Financial forecast

We updated our financial forecast for Action following the release of 1H23 consolidated statement and monthly sales and gross margin on sales readings for July-September. We expect a further growth of the Company's revenues this year stemming from an expansion of the offer for suppliers and consumers regarding numerous groups of products and development of sales channels (like entering new e-commerce platforms). Still, our current sales forecasts for FY23 and onwards do not change. We assume the gross profit on sales margin should benefit from: (i) rising share of B2C sales or (ii) sales mix change (increasing share of products from outside the IT category), albeit we acknowledge the pressure on OPEX (salaries, logistic costs, energy packaging) and in spite of the high gross margin on sales and operating leverage we forecast a drop of the EBITDA margin to 1.8% in FY23 from 2.2% in FY22. Our EBITDA forecasts for 2023/24/25 decrease by 13%/11%/9%. We expect the Company's balance sheet position to further strengthen in the following years thanks to generated OCFs and gradual decline of the liabilities stemming from the composition agreement.

Valuation

On the back of (i) financial forecasts update, (ii) valuation horizon forward shift in time, (iii) RFR update, and (iv) buyback, our 12M DCF valuation drops 2% to PLN 22.2 per share. A comparison to foreign and local peers implies the EFV of PLN 21.0. Our ultimate 12M EFV per Action's share – representing a 50%-50% mix of the outcomes of DCF and peer-relative exercises – increases to PLN 21.6 per share (up 4% from PLN 20.8 previously).

Catalysts

1. Growth of demand for products related to (i) remote work, such as notebooks, tablets, network infrastructure, (ii) entertainment – gaming products, consoles, computers, games
2. Growth of demand for network infrastructural solutions (i) cloud services: data storage, computing services, (ii) related to dynamic e-commerce development
3. Development of own e-commerce stores (krakvet.pl, sferis.pl, gram.pl) and own brands (Actina, ActiveJet)
4. Low involvement in the cooperation with commercial networks/ simultaneous high involvement in the dispersed resellers' base
5. Growing demand from e-stores in Poland (cooperation with multiple e-shops and visible increase in their demand for goods) and from abroad (cooperation with several hundred stores in EU)
6. Good availability of products and 2 different pricing directions
7. Entry on new foreign markets
8. Increasing share of B2B channel in the sales mix should support profitability

Risk factors

1. Slower than expected growth rate of the IT hardware market (slower than assumed growth rates of the economy digitalization leading to smaller demand for hardware)
2. Price war on the distribution market in the case of a big decline in demand accompanied by high inventories at distributors
3. Problems with securing funding for further development or with obtaining new insurance limits
4. Supply chains disruptions
5. Disturbances in goods turnover, payment bottlenecks, products aging, funding current sales with future purchases
6. Increasing cost of logistic services by courier companies
7. Demand drop related to accelerating inflation and squeeze of consumers' disposable income
8. Increased FX risk due to huge volatility on the currency market (potential extraordinary losses/ profits related to, inter alia, hedging transactions)
9. Loss of distribution contracts with manufacturers

Competitive advantages

1. Vast product offer and availability of products
2. Flexible distribution links with respect to sales of multiple products enabling flexible pricing policy based on partnership agreements with vendors
3. Relatively low commitment to sales to commercial chains – smaller negative impact on margin and lower burden for working capital
4. High share of export sales
5. Strong portfolio of own brands (Actina, ActiveJet, Actis, Sferis, Gram.pl)

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	38	32	9	9	0	4
Percentage	41%	35%	10%	10%	0%	4%

Distribution of DM BOŚ's current market relative recommended weightings

	Overweight	Neutral	Underweight	Suspended	Under revision	Not rated
Numbers	32	34	13	9	0	4
Percentage	35%	37%	14%	10%	0%	4%

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	5	7	1	1	0	3
Percentage	29%	41%	6%	6%	0%	18%

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	7	3	3	1	0	3
Percentage	41%	18%	18%	6%	0%	18%

LT fundamental recommendation tracker

Analyst	Recommendation	Report date	Reiteration date	Distribution date	Expiry date	Performance	Relative performance	Price at issue/reiteration*	EFV (12 months)
Action									
-	Buy	19.01.2011	-	-	01.01.2012	12%	43%	16.80	23.40 -
-	-	-	28.01.2011	-	-	-	-	19.30	23.40 →
-	-	-	01.03.2011	-	-	-	-	19.40	23.40 →
-	-	-	24.03.2011	-	-	-	-	19.40	23.40 →
-	-	-	20.04.2011	-	-	-	-	20.25	23.40 →
-	-	-	11.05.2011	-	-	-	-	19.70	23.00 ↓
-	-	-	16.05.2011	-	-	-	-	19.25	23.00 →
-	-	-	20.06.2011	-	-	-	-	19.41	23.00 →
-	-	-	25.07.2011	-	-	-	-	19.10	23.00 →
-	-	-	31.07.2011	-	-	-	-	19.00	21.40 ↓
-	-	-	31.08.2011	-	-	-	-	16.00	20.00 ↓
-	-	-	03.10.2011	-	-	-	-	15.88	20.00 →
-	-	-	12.10.2011	-	-	-	-	15.81	20.00 →
-	-	-	24.10.2011	-	-	-	-	15.45	20.00 →
-	-	-	14.11.2011	-	-	-	-	18.10	20.00 →
-	-	-	11.12.2011	-	-	-	-	17.90	20.00 →
-	Buy	01.01.2012	-	-	29.02.2012	28%	15%	18.40	21.80 ↑
-	-	-	25.01.2012	-	-	-	-	20.07	21.80 →
-	Hold	29.02.2012	-	-	13.12.2012	1%	-10%	23.49	21.80 →
-	-	-	20.03.2012	-	-	-	-	22.21	21.80 →
-	-	-	15.04.2012	-	-	-	-	22.20	21.80 →
-	-	-	24.04.2012	-	-	-	-	22.50	23.20 ↑
-	-	-	14.05.2012	-	-	-	-	20.36	22.80 ↓
-	-	-	15.05.2012	-	-	-	-	20.55	22.80 →
-	-	-	21.06.2012	-	-	-	-	22.99	22.80 →
-	-	-	19.07.2012	-	-	-	-	21.67	22.80 →
-	-	-	24.07.2012	-	-	-	-	19.32	22.80 →
-	-	-	02.09.2012	-	-	-	-	20.02	22.80 →
-	-	-	10.10.2012	-	-	-	-	20.95	22.80 →
-	-	-	23.10.2012	-	-	-	-	19.70	22.80 →
-	-	-	14.11.2012	-	-	-	-	20.16	22.80 →
-	Buy	13.12.2012	-	-	23.04.2013	26%	36%	23.00	27.80 ↑
-	-	-	23.01.2013	-	-	-	-	27.99	27.80 →
-	-	-	18.02.2013	-	-	-	-	29.16	27.80 →
-	-	-	21.03.2013	-	-	-	-	31.80	27.80 →
-	-	-	17.04.2013	-	-	-	-	29.50	27.80 →
-	Hold	23.04.2013	-	-	22.07.2013	31%	22%	28.99	31.00 ↑
-	-	-	15.05.2013	-	-	-	-	32.11	31.00 →
-	-	-	13.06.2013	-	-	-	-	35.68	29.50 ↓
-	-	-	17.06.2013	-	-	-	-	36.40	29.50 →
-	Buy	22.07.2013	-	-	20.10.2013	43%	26%	36.50	44.90 ↑
-	-	-	25.07.2013	-	-	-	-	36.50	44.90 →
-	-	-	01.09.2013	-	-	-	-	48.35	44.90 →
-	Hold	20.10.2013	-	-	21.04.2014	-8%	-6%	52.35	55.90 ↑
-	-	-	14.11.2013	-	-	-	-	53.00	55.90 →
-	-	-	12.12.2013	-	-	-	-	48.80	55.90 →
-	-	-	21.01.2014	-	-	-	-	48.00	55.90 →
-	-	-	23.01.2014	-	-	-	-	47.50	47.40 ↓
-	-	-	17.02.2014	-	-	-	-	48.25	47.40 →
-	-	-	23.03.2014	-	-	-	-	46.00	47.40 →
-	-	-	13.04.2014	-	-	-	-	49.36	47.40 →
-	Buy	21.04.2014	-	-	23.03.2015	16%	10%	48.00	55.50 ↑
-	-	-	15.05.2014	-	-	-	-	44.70	55.50 →
-	-	-	16.06.2014	-	-	-	-	44.70	55.50 →
-	-	-	16.07.2014	-	-	-	-	43.00	58.70 ↑
-	-	-	20.07.2014	-	-	-	-	42.63	58.70 →
-	-	-	18.08.2014	-	-	-	-	41.38	57.70 ↓
-	-	-	01.09.2014	-	-	-	-	42.01	57.70 →
-	-	-	14.10.2014	-	-	-	-	45.00	57.70 →
-	-	-	16.11.2014	-	-	-	-	44.66	57.70 →
-	-	-	14.12.2014	-	-	-	-	44.00	57.70 →
-	-	-	18.01.2015	-	-	-	-	47.20	57.70 →
-	-	-	10.02.2015	-	-	-	-	50.80	57.70 →
Jakub Viscardi	Hold	23.03.2015	-	24.03.2015	16.07.2015	-34%	-32%	55.89	57.70 →
Jakub Viscardi	-	-	16.04.2015	17.04.2015	-	-	-	51.89	51.70 ↓
Jakub Viscardi	-	-	19.04.2015	20.04.2015	-	-	-	52.50	51.70 →
Jakub Viscardi	-	-	17.05.2015	18.05.2015	-	-	-	43.00	51.70 →
Jakub Viscardi	-	-	17.06.2015	17.06.2015	-	-	-	38.28	50.70 ↓
Jakub Viscardi	-	-	21.06.2015	22.06.2015	-	-	-	37.50	50.70 →
Jakub Viscardi	Sell	16.07.2015	-	17.07.2015	13.12.2015	-30%	-15%	36.09	31.70 ↓
Jakub Viscardi	-	-	31.08.2015	01.09.2015	-	-	-	35.98	31.70 →
Jakub Viscardi	-	-	15.10.2015	16.10.2015	-	-	-	23.50	31.70 →
Jakub Viscardi	-	-	21.10.2015	22.10.2015	-	-	-	26.69	23.00 ↓
Jakub Viscardi	-	-	16.11.2015	17.11.2015	-	-	-	25.14	23.00 →
Jakub Viscardi	Hold	13.12.2015	-	14.12.2015	24.07.2016	-65%	-66%	25.39	26.40 ↑
Jakub Viscardi	-	-	17.01.2016	18.01.2016	-	-	-	26.00	26.40 →
Jakub Viscardi	-	-	15.02.2016	16.02.2016	-	-	-	24.49	26.40 →
Jakub Viscardi	-	-	06.03.2016	07.03.2016	-	-	-	22.99	26.40 →
Jakub Viscardi	-	-	21.03.2016	22.03.2016	-	-	-	18.40	26.40 →
Jakub Viscardi	-	-	13.04.2016	14.04.2016	-	-	-	16.09	26.40 →
Jakub Viscardi	-	-	21.04.2016	22.04.2016	-	-	-	15.17	15.50 ↓
Jakub Viscardi	-	-	16.05.2016	17.05.2016	-	-	-	15.83	15.50 →
Jakub Viscardi	-	-	27.06.2016	28.06.2016	-	-	-	16.15	15.50 →
Jakub Viscardi	Sell	24.07.2016	-	25.07.2016	19.02.2017	-39%	-51%	9.00	7.50 ↓

LT fundamental recommendation tracker (continued)

Analyst	Recommendation	Report date	Reiteration date	Distribution date	Expiry date	Performance	Relative performance	Price at issue/reiteration*	EFV (12 months)	
Jakub Viscardi	-	→	-	31.08.2016	01.09.2016	-	-	5.50	7.50 →	
Jakub Viscardi	-	→	-	19.09.2016	19.09.2016	-	-	5.16	6.50 ↓	
Jakub Viscardi	-	→	-	12.10.2016	13.10.2016	-	-	6.86	6.50 →	
Jakub Viscardi	-	→	-	26.10.2016	27.10.2016	-	-	6.20	5.80 ↓	
Jakub Viscardi	-	→	-	02.11.2016	03.11.2016	-	-	6.36	5.80 →	
Jakub Viscardi	-	→	-	04.12.2016	05.12.2016	-	-	4.07	4.70 ↓	
Jakub Viscardi	-	→	-	12.01.2017	13.01.2017	-	-	4.77	4.70 →	
Jakub Viscardi	-	→	-	08.02.2017	09.02.2017	-	-	4.35	4.70 →	
Jakub Viscardi	Suspended	-	19.02.2017	-	20.02.2017	-	-	4.45	-	
Jakub Viscardi	Buy	↑	06.09.2021	-	07.09.2021	16.08.2022	-4%	23%	14.60	20.70 -
Jakub Viscardi	-	→	-	07.10.2021	07.10.2021	-	-	16.15	20.70 →	
Jakub Viscardi	-	→	-	04.11.2021	04.11.2021	-	-	15.00	20.70 →	
Jakub Viscardi	-	→	-	05.12.2021	06.12.2021	-	-	13.30	22.60 ↑	
Jakub Viscardi	-	→	-	16.01.2022	17.01.2022	-	-	14.05	22.60 →	
Jakub Viscardi	-	→	-	07.02.2022	07.02.2022	-	-	12.95	22.60 →	
Jakub Viscardi	-	→	-	28.02.2022	28.02.2022	-	-	10.90	22.60 →	
Jakub Viscardi	-	→	-	14.04.2022	14.04.2022	-	-	12.64	22.60 →	
Jakub Viscardi	-	→	-	26.05.2022	26.05.2022	-	-	11.24	22.60 →	
Jakub Viscardi	-	→	-	08.06.2022	09.06.2022	-	-	12.38	20.60 ↓	
Jakub Viscardi	-	→	-	15.07.2022	15.07.2022	-	-	12.64	20.60 →	
Jakub Viscardi	Buy	→	16.08.2022	-	16.08.2022	14.07.2023	32%	5%	14.02	20.60 →
Jakub Viscardi	-	→	-	02.09.2022	02.09.2022	-	-	13.40	20.60 →	
Jakub Viscardi	-	→	-	07.10.2022	07.10.2022	-	-	13.44	20.60 →	
Jakub Viscardi	-	→	-	28.10.2022	28.10.2022	-	-	13.96	20.60 →	
Jakub Viscardi	-	→	-	04.12.2022	05.12.2022	-	-	15.02	19.40 ↓	
Jakub Viscardi	-	→	-	13.01.2023	13.01.2023	-	-	14.54	19.40 →	
Jakub Viscardi	-	→	-	03.02.2023	03.02.2023	-	-	15.74	19.40 →	
Jakub Viscardi	-	→	-	10.03.2023	10.03.2023	-	-	17.52	19.40 →	
Jakub Viscardi	-	→	-	13.04.2023	13.04.2023	-	-	18.46	19.40 →	
Jakub Viscardi	-	→	-	16.05.2023	17.05.2023	-	-	18.02	20.80 ↑	
Jakub Viscardi	-	→	-	29.05.2023	29.05.2023	-	-	18.46	20.80 →	
Jakub Viscardi	Buy	→	14.07.2023	-	14.07.2023	Not later than 14.07.2024	0%	-2%	18.48	20.80 →
Jakub Viscardi	-	→	-	31.08.2023	31.08.2023	-	-	18.20	20.80 →	
Jakub Viscardi	-	→	-	12.10.2023	12.10.2023	-	-	18.52	20.80 →	
Jakub Viscardi	-	→	-	01.11.2023	02.11.2023	-	-	18.40	21.60 ↑	

* 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
Action								
-	Neutral	-	19.01.2011	-	-	31.07.2011	16.80	17%
-		→	-	28.01.2011	-	-	19.30	-
-		→	-	01.03.2011	-	-	19.40	-
-		→	-	24.03.2011	-	-	19.40	-
-		→	-	20.04.2011	-	-	20.25	-
-		→	-	11.05.2011	-	-	19.70	-
-		→	-	16.05.2011	-	-	19.25	-
-		→	-	20.06.2011	-	-	19.41	-
-		→	-	25.07.2011	-	-	19.10	-
-	Overweight	↑	31.07.2011	-	-	21.06.2012	19.00	47%
-		→	-	31.08.2011	-	-	16.00	-
-		→	-	03.10.2011	-	-	15.88	-
-		→	-	12.10.2011	-	-	15.81	-
-		→	-	24.10.2011	-	-	15.45	-
-		→	-	14.11.2011	-	-	18.10	-
-		→	-	11.12.2011	-	-	17.90	-
-		→	-	01.01.2012	-	-	18.40	-
-		→	-	25.01.2012	-	-	20.07	-
-		→	-	29.02.2012	-	-	23.49	-
-		→	-	20.03.2012	-	-	22.21	-
-		→	-	15.04.2012	-	-	22.20	-
-		→	-	24.04.2012	-	-	22.50	-
-		→	-	14.05.2012	-	-	20.36	-
-		→	-	15.05.2012	-	-	20.55	-
-	Overweight	→	21.06.2012	-	-	15.05.2013	22.99	22%
-		→	-	19.07.2012	-	-	21.67	-
-		→	-	24.07.2012	-	-	19.32	-
-		→	-	02.09.2012	-	-	20.02	-
-		→	-	10.10.2012	-	-	20.95	-
-		→	-	23.10.2012	-	-	19.70	-
-		→	-	14.11.2012	-	-	20.16	-
-		→	-	13.12.2012	-	-	23.00	-
-		→	-	23.01.2013	-	-	27.99	-
-		→	-	18.02.2013	-	-	29.16	-
-		→	-	21.03.2013	-	-	31.80	-
-		→	-	17.04.2013	-	-	29.50	-
-		→	-	23.04.2013	-	-	28.99	-
-	Overweight	→	15.05.2013	-	-	15.05.2014	32.11	30%
-		→	-	13.06.2013	-	-	35.68	-
-		→	-	17.06.2013	-	-	36.40	-
-		→	-	22.07.2013	-	-	36.50	-
-		→	-	25.07.2013	-	-	36.50	-
-		→	-	01.09.2013	-	-	48.35	-
-		→	-	20.10.2013	-	-	52.35	-
-		→	-	14.11.2013	-	-	53.00	-
-		→	-	12.12.2013	-	-	48.80	-
-		→	-	21.01.2014	-	-	48.00	-
-		→	-	23.01.2014	-	-	47.50	-
-		→	-	17.02.2014	-	-	48.25	-
-		→	-	23.03.2014	-	-	46.00	-
-		→	-	13.04.2014	-	-	49.36	-
-		→	-	21.04.2014	-	-	48.00	-
-	Overweight	→	15.05.2014	-	-	23.03.2015	44.70	17%
-		→	-	16.06.2014	-	-	44.70	-
-		→	-	16.07.2014	-	-	43.00	-
-		→	-	20.07.2014	-	-	42.63	-
-		→	-	18.08.2014	-	-	41.38	-
-		→	-	01.09.2014	-	-	42.01	-
-		→	-	14.10.2014	-	-	45.00	-
-		→	-	16.11.2014	-	-	44.66	-
-		→	-	14.12.2014	-	-	44.00	-
-		→	-	18.01.2015	-	-	47.20	-
-		→	-	10.02.2015	-	-	50.80	-
Jakub Viscardi	Neutral	↓	23.03.2015	-	-	16.04.2015	55.89	-10%
Jakub Viscardi	Underweight	↓	16.04.2015	-	17.04.2015	13.12.2015	51.89	-38%
Jakub Viscardi		→	-	19.04.2015	20.04.2015	-	52.50	-
Jakub Viscardi		→	-	17.05.2015	18.05.2015	-	43.00	-
Jakub Viscardi		→	-	17.06.2015	17.06.2015	-	38.28	-
Jakub Viscardi		→	-	21.06.2015	22.06.2015	-	37.50	-
Jakub Viscardi		→	-	16.07.2015	17.07.2015	-	36.09	-
Jakub Viscardi		→	-	31.08.2015	01.09.2015	-	35.98	-
Jakub Viscardi		→	-	15.10.2015	16.10.2015	-	23.50	-
Jakub Viscardi		→	-	21.10.2015	22.10.2015	-	26.69	-
Jakub Viscardi		→	-	16.11.2015	17.11.2015	-	25.14	-
Jakub Viscardi	Overweight	↑	13.12.2015	-	14.12.2015	06.03.2016	25.39	-14%
Jakub Viscardi		→	-	17.01.2016	18.01.2016	-	26.00	-
Jakub Viscardi		→	-	15.02.2016	16.02.2016	-	24.49	-
Jakub Viscardi	Underweight	↓	06.03.2016	-	07.03.2016	19.02.2017	22.99	-85%
Jakub Viscardi		→	-	21.03.2016	22.03.2016	-	18.40	-
Jakub Viscardi		→	-	13.04.2016	14.04.2016	-	16.09	-
Jakub Viscardi		→	-	21.04.2016	22.04.2016	-	15.17	-
Jakub Viscardi		→	-	16.05.2016	17.05.2016	-	15.83	-
Jakub Viscardi		→	-	27.06.2016	28.06.2016	-	16.15	-
Jakub Viscardi		→	-	24.07.2016	25.07.2016	-	9.00	-

Market-relative recommendation tracker (continued)

Analyst	Relative Recommendation	Report date	Reiteration date	Distribution date	Expiry date	Price at issue/reiteration*	Relative performance	
Jakub Viscardi	-	→	-	31.08.2016	01.09.2016	-	5.50	-
Jakub Viscardi	-	→	-	19.09.2016	19.09.2016	-	5.16	-
Jakub Viscardi	-	→	-	12.10.2016	13.10.2016	-	6.86	-
Jakub Viscardi	-	→	-	26.10.2016	27.10.2016	-	6.20	-
Jakub Viscardi	-	→	-	02.11.2016	03.11.2016	-	6.36	-
Jakub Viscardi	-	→	-	04.12.2016	05.12.2016	-	4.07	-
Jakub Viscardi	-	→	-	12.01.2017	13.01.2017	-	4.77	-
Jakub Viscardi	-	→	-	08.02.2017	09.02.2017	-	4.35	-
Jakub Viscardi	Suspended	-	19.02.2017	-	20.02.2017	-	4.45	-
Jakub Viscardi	Overweight	↑	06.09.2021	-	07.09.2021	16.08.2022	14.60	23%
Jakub Viscardi	-	→	-	07.10.2021	07.10.2021	-	16.15	-
Jakub Viscardi	-	→	-	04.11.2021	04.11.2021	-	15.00	-
Jakub Viscardi	-	→	-	05.12.2021	06.12.2021	-	13.30	-
Jakub Viscardi	-	→	-	16.01.2022	17.01.2022	-	14.05	-
Jakub Viscardi	-	→	-	07.02.2022	07.02.2022	-	12.95	-
Jakub Viscardi	-	→	-	28.02.2022	28.02.2022	-	10.90	-
Jakub Viscardi	-	→	-	14.04.2022	14.04.2022	-	12.64	-
Jakub Viscardi	-	→	-	26.05.2022	26.05.2022	-	11.24	-
Jakub Viscardi	-	→	-	08.06.2022	09.06.2022	-	12.38	-
Jakub Viscardi	-	→	-	15.07.2022	15.07.2022	-	12.64	-
Jakub Viscardi	Overweight	→	16.08.2022	-	16.08.2022	04.12.2022	14.02	7%
Jakub Viscardi	-	→	-	02.09.2022	02.09.2022	-	13.40	-
Jakub Viscardi	-	→	-	07.10.2022	07.10.2022	-	13.44	-
Jakub Viscardi	-	→	-	28.10.2022	28.10.2022	-	13.96	-
Jakub Viscardi	Neutral	↓	04.12.2022	-	05.12.2022	Not later than 04.12.2023	15.02	-4%
Jakub Viscardi	-	→	-	13.01.2023	13.01.2023	-	14.54	-
Jakub Viscardi	-	→	-	03.02.2023	03.02.2023	-	15.74	-
Jakub Viscardi	-	→	-	10.03.2023	10.03.2023	-	17.52	-
Jakub Viscardi	-	→	-	13.04.2023	13.04.2023	-	18.46	-
Jakub Viscardi	-	→	-	16.05.2023	17.05.2023	-	18.02	-
Jakub Viscardi	-	→	-	29.05.2023	29.05.2023	-	18.46	-
Jakub Viscardi	-	→	-	14.07.2023	14.07.2023	-	18.48	-
Jakub Viscardi	-	→	-	31.08.2023	31.08.2023	-	18.20	-
Jakub Viscardi	-	→	-	12.10.2023	12.10.2023	-	18.52	-
Jakub Viscardi	-	→	-	01.11.2023	02.11.2023	-	18.40	-

* 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 Program 4.0 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 November 2, 2023 at 7.25 a.m.

The report was distributed on November 2, 2023 at 7.35 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 SA.

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#action>

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#action>.

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 SA 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)

Sylwia Jaśkiewicz, CFA
(Construction materials,
Consumer discretionary,
Health care & biotechnology)

Tomasz Rodak, CFA
(Consumer discretionary, Video games)

Łukasz Prokopiuk, CFA
(Chemicals, Mining, 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
Junior Analyst

Michał Zamel
Associate

Copyright © 2023 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