

Wednesday, August 04, 2021 | periodical publication

# Monthly Market Outlook: August 2021

Equity Market, Macroeconomics

## Equity Markets

Stock markets will continue to rally in August on strong economic momentum and corporate profits, brushing off new Covid variants and Fed taper fears.

## Sector Outlook

### Financials

We remain overweight CEE banks in anticipation of strong Q2 results infused with positive surprises that will drive upward revisions to FY estimates. Low provisioning is a major growth catalyst for the sector, reflecting low levels of asset impairment despite repeat pandemic challenges. Going forward, the prospects of some banks have become brighter as some countries begin to tighten monetary policy to stem rapidly-rising inflation. In Poland, lenders are poised to carry the old FX loan baggage throughout August as they wait for the Supreme Court to hand down its stance on 2nd September.

### Chemicals

Grupa Azoty is set to deliver the second straight quarter of disappointing results in Q2 2021 despite favorable business conditions, and so we [downgrade our view](#) on the fertilizer producer to sell. Going forward we see further margin erosion combined with higher capital expenditures. By contrast, Ciecz probably had a much better second quarter of 2021.

### Mining

There are fears over a resource shortage in the coming months, stoked by low vaccination rates in major exporting countries. In copper, a union strike that looms over the Escondida mine adds to an upward price trend. High prices of metallurgical coal have brightened the 2021 Q3 earnings prospects of JSW. Both our rated miners, JSW and KGHM, are expected to report stronger Q2 2021 results and give positive guidance for the second half of the year.

### Oil & Gas

Rated Polish refiners reported better-than-expected 2021 Q2 results that gave an upward push to their shares, but we still favor Lotos over others, as evidenced by an [upwardly-revised outlook](#). Next, we are also looking forward to a positive surprise from MOL. In case of PGNiG, investors will probably turn more bearish for a time after weak second-quarter results, but the medium-term outlook of the gas utility remains positive.

### Utilities

CEZ is our top pick by far for August as prices of electricity and carbon allowances continue to climb, creating upside to future profits. When it comes to Polish generators, we see clouds gathering as the persistent rise in wholesale power prices is increasingly more likely to spark a debate about regulatory price curbs next year to mitigate the impact on end consumers.

### Telecoms, Media, IT

We remain bullish on WPL in anticipation of strong 2021 Q2 results and positive H2 guidance. We see more upside in ACP and CMR, fueled by strong earnings. Our top pick in Telco is OPL. Enthusiasm for Allegro might wane based on a more muted H2 outlook from US e-commerce companies.

### Industrials

Polish manufacturers enjoy strong momentum in 2021, thanks among others to their ability to pass rising costs of base materials onto end customers. Companies have also become more keen to pay dividends. A decline in coronavirus infections in developed countries should fuel asset rotation into cyclical stocks. Rated companies most likely to wow with their 2021 Q2 results include Astarta, Cognor, Mangata, and Mo-BRUK.

### Key Ratings

**Positive:** AC, Asseco Poland, Astarta, BNP Paribas Polska, CEZ, Cognor, Comarch, Erste Group, Forte, JSW, Kernel, KGHM, Lotos, Mo-BRUK, Orange Polska, Pekao, PGNiG, Santander Bank Polska, TIM, Wirtualna Polska

**Negative:** Amica, Allegro, Grupa Azoty, PKN Orlen, PKP Cargo

EU Indices	Value	1M chng	YTD chng
WIG	67,806	+1.2%	+19%
ATX	3,510	+1.2%	+29%
BUX	49,316	+3.8%	+17%
PX	1,221	+6.0%	+23%

WSE WIG Ind.	Value	1M	YTD
WIG20	2,258	+1.0%	+15%
mWIG40	4,956	+1.8%	+27%
sWIG80	20,752	+0.2%	+32%
Banking	6,629	+0.3%	+39%
Basic Materials	6,167	+2.1%	+10%
Chemicals	9,677	-6.3%	+26%
Clothes	8,540	+10.3%	+66%
Construction	4,361	+4.1%	+19%
Energy	2,609	-2.9%	+28%
Food	4,355	-0.9%	+20%
Gaming	23,849	-0.7%	-16%
IT	4,550	-0.0%	+18%
Media	8,149	+3.0%	+35%
Oil & Gas	6,333	-0.9%	+28%
Telecom	1,096	+8.7%	+12%

Top 5 / Worst 5		1M	YTD
Plaza Centers NV	4.37	+236.2%	+170%
Mostostal Plock	22.00	+79.6%	+131%
LARQ	2.61	+79.4%	+57%
Mostostal W-wa	9.02	+29.2%	+79%
Esotiq & Hend	36.90	+23.4%	+104%
Medicalgo	24.90	-21.0%	+10%
Mercator Medical	202.60	-23.0%	-52%
XTB	12.78	-25.7%	-21%
Airway Medix	1.18	-30.0%	-28%
Ursus	0.36	-53.2%	-45%

### Rating & 9M TP Changes as of 4 August

Name	Rating	9M TP
Answear	buy ▲	51.20 PLN ▲
Grupa Azoty	sell ▼	20.97 PLN ▼
Lotos	buy ▲	67.20 PLN ▲

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## Investing Outlook

**Global market sentiment was mixed in July.**

**In the US and Europe, major indexes registered small gains (S&P500 +2.3%, FTSE250 +2.6%, CAC +1.6%, WIG +2.4%) on the back of upbeat economic data and positive earnings surprises.**

**On the other hand, stocks in Asia suffered losses (MSCI Asia ex. Japan -9.0%) due to a resurgence of Covid cases and its potential economic impacts, combined with a regulatory crackdown by China on its foreign-listed companies, primarily firms from the technology sector (SHP Comp -5.4%).**

**The downturn in Asian markets also sent 6.4% lower the MSCI EM benchmark for WSE indexes.**

**Looking ahead, the US economic momentum remains strong (with high PMI prints still expected even after edging slightly lower, along with improving job numbers and slightly lower inflation) and the 2021 Q2 reporting season is looking good (in Poland, it appears that banks did exceptionally well in the second quarter). The current expectations a late-2021 timing of Fed taper are not likely to be shifted forward (that would be a signal for a bigger market correction but probably not a trend change in our opinion).**

**The spread of the delta variant is not as much of a threat to Europe at the moment than it is for other emerging markets, and in the end Poland stands to be a beneficiary of this looking at the relative strength of Polish equities vis-à-vis MSCI EM.**

**China in the coming weeks will probably be seen to walk back some of the regulatory crackdown plans as a way of appeasing investors, and with its economy downshifting Beijing could soon consider economic easing (with a positive effect on commodities).**

**Summing up, we maintain a bullish view on equities in August.**

### Corporate profits rise in a booming economy

Leading economic indicators for July exceeded our expectations both in the US and in Europe by holding close to the 60 point mark. Granted, the US Markit Services PMI declined to 59.8 in July from 64.6 the month before, and the manufacturing PMI for the euro area edged lower from 63.4 to 62.6, but at the same time manufacturing activity in the US increased from 62.1 to 63.4 and the European services sector accelerated from 58.3 to 60.4.

Overall, the July figures painted a robust economic picture, and although PMI prints suggested that US nominal GDP expanded at a peak annual rate of 13% in Q2 2021, economic momentum heading into the third quarter is stronger than anticipated a month ago, due among others to a need to make up for the inventory slump that happened in the quarter before.

We see PMI prints in the coming months as retreating towards a baseline 55 points, i.e. to levels that would still signify strong economic growth.

When it comes to the second-quarter reporting season, it seems that companies in the period were able to pass rising costs onto end customers with more ease – an ability that, on the one hand, helps to protect profit margins, but on the flipside has pushed up the inflation rate. With that said, the upward-trending prices so far have not dampened demand amid persistently tight supplies and extended lead times. Pent-up savings also keep consumer demand high, a phenomenon that can be expected to have an influence in the quarters to come.

On upbeat economic indicators released as the earnings season kicks off in the US, the 2021 full-year EPS estimate for the S&P 500 has surged to \$200 from \$180 a month ago.

### As inflation expectations rise, what is the Fed's plan?

As inflationary pressures build, there is increasing expectation that major central banks will start raising rates earlier than previously assumed, along with a waning belief that the accelerating rise in prices is a temporary phenomenon that will soon recede.

In the US, remarks after the last FOMC meeting included a mention of progress made in the labor market which investors took to mean that a tapering of asset purchases is imminent (mBank economists believe the Fed will communicate a tapering decision around September/October following on the heels of strong jobs data, and begin curtailing purchases at the end of 2021).

The spread of the delta variant is having a cooling effect on taper expectations for the time being as a potential hindrance to a more robust recovery in job creation.

Upcoming jobs reports will probably further reinforce investors in the belief that price inflation is here to stay, albeit at a slower pace than the current 5%. At the same time, this will point to the strength of the US economy and its resilience in the face of the volatile policy of the Fed.

### China tightens overseas listing requirements for its companies

US-China tensions have escalated further over the recent weeks, this time in the arena of cyberspace as the US formed a united front with the EU, NATO, and Japan and formally put the blame on China (or, specifically, "Chinese state-backed groups") for the massive hack of Microsoft Exchange server software earlier this year. President Biden has warned that the US will not tolerate any more of such intrusions.

After the US approved a sale of military equipment to Taiwan, it was China's turn to respond with an escalation. One way Beijing has chosen to punish Washington is by tightening data security requirements for its own domestic enterprises that list their securities in the US.

After piling pressure on Alibaba, in July China announced it would be tightening restrictions on cross-border data flows and security, and on the system of overseas listings in a move that targets mostly tech companies. One victim of the crackdown is the ride-hailing app Didi, which made its debut on the NYSE on 30 June, and on 4 July, after a two-day investigation, the Cyberspace Administration of China ordered its app to be taken down from smartphone stores over data breaches. Two days later, the CAC also launched a security probe and banned new user registrations on two truck-hailing apps operated by Full Truck Alliance.

The crackdown has triggered a sell-off of Chinese shares both in Shanghai and in New York, with investigations targeted at a wide range of industries, not only tech. One example is the after-school tutoring sector, which has become a lucrative industry capable of raising capital on the US market, but which has now been ordered to turn to a non-profit business model. Most recently, Beijing sent several of its gaming stocks tumbling after a party official made critical remarks about online gaming at a trade event.

Also in July China released for public consultation an updated version of its cybersecurity review regulations that introduces sanctions on companies found to violate data security, in particular companies that are listed outside of China. With this, the Chinese government send a message that they will

not tolerate a situation where domestic companies search for foreign capital and block access to mass data on the Chinese society.

China's regulatory actions will continue to loom over its foreign-listed companies in the coming months, potentially prompting investors to reallocate money to other emerging markets.

Another kind of risk that has emerged is if China ever follows up on its official's critical comments on gaming with any kind of actual restrictions.

On the topic of China, it is important to note that the country is currently experiencing a renewed rise in coronavirus outbreaks, plus the last China Caixin Manufacturing PMI print was relatively low at 50.3 – all signs that economic growth might remain more muted for longer. If this is true, and China turns to monetary easing to prop up its economy (if not for other reasons then to manage the optics vis-à-vis the current US momentum), this would have a big positive impact on prices of industrial commodities.

### **Are we about to witness another provocation from Russia?**

Russia and Belarus are holding their "Zapad 2021" quadrennial joint military exercises this September in a location close the Polish border. There have been reports in the media that Russia has begun to allocate its units to the location earlier than usual, and looking back at spring maneuvers on the Ukraine border and the considerable equipment left behind there by Russia this suggests a large-scale drill.

Russia's goals are clear: Poland's relations with Belarus have turned sour since we backed the opposition in 2020, and so we can probably expect a greater show of force in September and possible military provocation against us, Ukraine, and other Baltic states, than there were in spring. Such posturing in our region could be an additional deterrent for more risk-averse investors.

### **Delta variant spreads according to plan**

The spread of the delta variant so far has not caused any unexpected developments. In Europe, where vaccination rates are relatively high, a rise in infections has not led to another surge in hospitalizations and deaths. Looking at the UK, where daily cases have halved from an initial swell to 50+ thousand a day, it seems that this new wave of the virus can be contained without having to reimpose severe restrictions.

This is the hope anyway as Poland braces for its fourth wave in September. The problem here when it comes to epidemic management is that we have created considerable regional disparities in vaccination rates: immunization in big cities exceeds 60%, a proportion which, after taking into account children and people with antibodies from a previous infection, brings those parts of the country closer to herd immunity. That is why, come the fourth wave, the other parts, primarily rural areas in the east and south-east of Poland, will have to endure stricter lockdown rules. The upside of these disparities is that the overall effect of the fourth wave on the Polish economy will probably be far less damaging, if at all, than what was caused by the previous lockdowns.

Elsewhere in the world, the virus appears to be spreading more rapidly in areas with lower vaccination rates than in the US and Europe – this is true in particular in selected countries in Asia and South America, which are major suppliers of resources and other high-priority commodities to the world. This is a source of concern over further supply disruptions in the coming months.

**Michał Marczak**  
tel. +48 22 438 24 01  
[michal.marczak@mbank.pl](mailto:michal.marczak@mbank.pl)

## Sector Strategies

### Financials

- The Polish banking sector is making a smooth recovery from pandemic stresses judging by 2021 Q2 reports so far (Santander and Millennium), which show increased interest revenues, high F&C income, and very low risk reserves (not counting provisioning for franc loan losses). The NBP has calculated that the sector's aggregate risk cost for the first five months of 2021 was 58 basis points – the lowest level in at least a decade.

Another trend that begins to emerge from early releases are growing loan volumes, in particular lending to consumers – a noteworthy thing from the point of view of second-half interest revenues.

We expect rated Polish banks to fulfill 56% of our full-year franc-adjusted net profit estimate in the year to 30 June 2021, and if we are right this will be a big accomplishment considering that the first quarter is seasonally the weakest, and a reason potentially to raise our full-year estimates.

In terms of positive surprises, we expect the biggest beat from Alior Bank, fulfilling a projected 90% of our full-year forecast thanks to relatively low risk reserves. At Pekao (H1/FY=56%), we expect to see strong growth in core income, and at PKO BP (H1/FY=55%) we see net profit as coming close to an all-time high.

Again, we expect upward-drifting revisions and share prices after forecast-busting first half earnings and we maintain an overweight view on the Polish bank sector.

- Nothing major is likely to happen in August on the franc front as banks wait for the Supreme Court to come back from recess on 2 September. In our view, however, it is very unlikely that the court will pass down a decisive ruling right at its first post-break session considering the unresolved controversy surrounding its judicial appointments. Note that all previous deferrals of the top court ruling met with positive reactions from the market.

In the mean time, also coming this fall, another highly-anticipated milestone in the journey to bring the franc saga to an end will be the launch of a voluntary settlements program for franc borrowers by PKO BP. In a similar vein, Santander Bank Polska has also confirmed that it is preparing to reach out to its franc clients after a survey where 70% of them said they were in favor of out-of-court resolutions.

- Elsewhere in the CEE, the second-quarter reporting season so far is turning out better than expected, especially when it comes to cost of risk. Within our coverage, Erste, RBI and Moneta have already cut their FY2021 CoR guidance, and we assume OTP and Komercni Banka will follow suit based off their high-quality loan books.

We are convinced analysts will feel compelled to raise their full-year estimates for all the banks in our CEE line-up after Q2.

As predicted, the European Central Bank has greenlighted dividend payments by eurozone banks after 30 September 2021, but restrictions still apply and the size of each payout will be reviewed by the ECB on a case-by-case basis. Erste has already declared that it would like to add 1 euro per share to this year's planned distribution, and we also see potential in Komercni and Moneta considering that the Czech National Bank tends to follow the ECB's guidance on the matter of dividends.

Erste, OTP, and RBI have all scored slightly better than average in the latest EBA stress tests. Under more challenging stress conditions than back in 2018, the tests showed that the CET1 ratio of the 50-bank aggregate would hold above 10%, indicating certain resilience across the

whole sector, although of course some institutions performed better than others. In terms of monetary policy, the ECB has signaled a commitment to maintaining an expansionary policy by changing its inflation target, and outside the euro zone a tightening cycle is well underway in Hungary and Russia, and we have also seen the first hike in the Czech Republic. Increasing interest rates are a positive development for local banks.

- **Key ratings:** Pekao (buy), Santander Bank Polska (buy), BNP Paribas BP (buy), Erste Group (accumulate)

### Chemicals

- The FY2021 prospects of Ciech turned more bullish with an upward shift in prices of soda ash in the Chinese market, and we have [high expectations for 2021 Q2 results](#). After a strong first half of the year, we think analysts will raise their expectations for FY2021 full-year EBITDA to the top end of the PLN 700-735 million guidance.

- The profits of Grupa Azoty most likely [worsened in Q2 2021](#) even as prices of fertilizers, plastics, and chemicals (most notably quotes on oxo alcohols), increased. The quarterly report might come as a big disappointment to the market, especially when compared with an over-50% EBITDA surge boasted by rival Yara.

- We [downgrade our rating for Grupa Azoty](#) from hold to sell, and we see compelling alternatives in its place among global chemical companies like Covestro, Air Liquide, Linde, BASF, and Fuchs Petrolub.

- **Key Ratings:** Grupa Azoty (sell)

### Mining

- Base metal prices shifted upwards at the end of July, rising on the back of the Fed's latest dovish statements and a decline in new Covid-19 cases in the UK and other countries which drives an asset rotation to cyclical stocks. Lower-than-expected supply from China's metals reserves also contributed to the upturn (we are guessing China prefers to hold on to its stockpiles as its relationship with the US continues to deteriorate).

- Supply concerns will most likely add to the upward price pressure in the coming weeks. In July, workers at the largest copper mine in the world, the Escondida, rejected a pay offer, opting to go into further mediation. If the talks fail, and the miners go on strike, this might lead to reduced shipments. In Peru, road blocks built by the host community of the Los Pelambres copper mine, demanding compensation for environmental damage, are disrupting transport to and from the mine, amid growing polarization in attitudes towards the country's mining industry after the presidential victory of Pedro Castillo. In Europe, supply fears in July were stoked by floods in Germany that interrupted operations at the Aurubis copper smelter and forced a shutdown of a lead smelter by Berzelius Stolberg.

- A resurgence in Covid-19 cases in resource-producing countries with low vaccination rates are another major concern from the point of view of global supply. A rapid rise in cases is currently observed in Indonesia, one of the world's largest exporters of thermal coal, and in the copper-exporting countries of Zambia and Congo only a very small proportion of the respective populations have received a Covid jab. Low vaccination rates are also true in Peru, a major supplier of copper, zinc, and silver, Australia (coal, iron ore, zinc, lead, copper), Russia (gold, coal, copper, aluminum, nickel), Indonesia (silver, gold, bauxite, coal nickel), the Philippines (nickel, cobalt), and Mexico (copper, zinc, gold).

- Long term, the fundamentals for copper still look good. On the supply side, the victory of Pedro Castillo in the Peruvian

presidential elections could prove problematic if the new president acts on his pledge to increase taxes on local mines – a move which might discourage investment in capacity upgrades. Meanwhile the copper industry of Chile is bracing for tax increases (including royalties at 3% of sales plus additional levies peaking at 75% of additional income at prices over \$4/lb). At the same time, workers at South American mines are requesting pay raises based on rising copper prices. Elsewhere in the world, Russia is planning tax hikes on copper and nickel production.

- With higher taxes weighing, copper mines around the world could hold back investment in expanding their capacity; the global copper industry already does not have significant capacity additions in the pipeline for the foreseeable future except for a few mines scheduled to come on line in 2022-2023 (Kamoa copper project in the Democratic Republic of Congo, which is 80% finished and set to begin production this July and work up to the target 500kt in two years; the Oyu Tolgoi II Project in Mongolia, expected to start up in 2022 and reach target production of 480kt in 2028; the Quebrada Blanca Phase 2 Project in Chile, 40% complete, with a planned capacity for +300kt a year) there are no other ongoing projects for more than 200kt of copper capacity a year.
- At KGHM, sales of copper increased by an estimated 2% in Q2 2021 relative to Q2 2020, while at the same time sales of silver posted 7% contraction and sales of gold fell 24% year on year. At the same time, the company benefitted from a surge in zloty sales prices at 65% copper, 48% gold, and 80% molybdenum.

Based on this, the quarterly revenue is expected to post a 46% y/y rebound to PLN 8.3bn, with EBITDA soaring 78% to PLN 2.7bn and net profit coming in at a whopping PLN 1.2bn compared to just PLN 10m a year ago. The second -quarter topline and EBITDA figures will also most likely be higher than in the quarter before.

KGHM is expected to fulfill 49% of our full-year EBITDA estimate and 41% of expected net profit in the first half of 2021.

- Australian coking coal is holding above \$200 USD/t thanks to stronger activity from European buyers looking for alternatives to the more expensive Atlantic coking coal (at over \$220/t), combined with disruptions in coke shipments from Colombia. As buyers engage in arbitrage, this should work to the advantage of JSW, which benchmarks its sales prices to Australia. In Europe, we are seeing a continued run -up in coke prices; at the moment, quotes on Russian coke offered fob Baltic are reported by Argus to go over \$450.
- In steel, hot-rolled coil steel on an ex-works Ruhr basis continues to trade above €1,000/t even though in May the physical availability of the metal increased, and prices of iron ore have shifted downwards, suggesting no more upside potential in EU steel in the next few months. However demand for steel is likely to go up again with the disbursement of Covid-19 recovery funding in EU countries.
- The European Commission in July finally laid out its proposal on a new border tax on carbon-intensive imports, including aluminum, steel, cement, and fertilizers. To the disappointment of many, rather than taking full effect from 2023, the so-called Carbon Border Adjustment Mechanism (CBAM) is going to be phased in slowly over a three year period from 2023-2025 and will not become fully operational until 2026. On the upside, analysts were positively surprised by the plan to include ocean freight in the ETS emissions trading mechanism – a move that can be seen as another sign of a deglobalization trend in the EU's trade policy, and a boost for European producers after years of aggressive price competition from Asian and other global rivals.

- JSW is likely to report stronger profit growth in Q2 2021 relative to a low year-ago comparable base thanks to higher volumes of coking coal and coke produced and sold in the period. On 42% higher revenue of PLN 2,046m, we expect adjusted EBITDA to come in at PLN 164m whereas in Q2 2020 JSW registered an EBITDA loss of PLN 116m.

At today's prices, in Q3 2021 we see potential for JSW to generate EBITDA in the PLN 600-700m range.

- Global producers also currently capitalizing on high prices of metallurgical coal include Teck Resources and Warrior Met Coal.

In copper, our top picks outside of Poland are Antofagasta (after traders priced in expectations of tax hikes in Chile) and FreeportMcMoran (expected to increase production in coming quarter).

We also see continued bright prospects ahead for ArcelorMittal and Befesa in the steel sector.

In aluminum, we would put our money on Alcoa and Norsk Hydro, who are set to partake of China's energy transformation.

- **Key Ratings:** JSW (buy), KGHM (buy)

## Oil & Gas

- The price of Brent oil has bounced back from a short-lived decline, and it is trading above \$70 a barrel on supply concerns. At this point further upside potential is probably curbed by the planned lifting of production curbs by OPEC, combined with a slightly slower recovery in global demand.

- In the US, demand for gasoline moves from strength to strength, with current consumption only about 1% lower than this time in 2019, while at the same time the national reserves drop towards pre-pandemic levels.

In Europe, the diesel reserves at ARA ports have slumped below the low end of the five-year range, due in part to flooding disruptions to Rhein barge traffic. Air travel is returning, but in Europe traffic is still 32% below 2019 levels (in May the gap grew to over 60%), and global traffic is down 25%.

- Against this backdrop, benchmark refining margins have widened to around \$3/bbl in recent weeks, and with the Urals/Brent differential also contributing positively this indicates a bright outlook for third-quarter results.

As predicted, increasing refinery runs are accompanied by widening premiums for complex installations (diesel-HSFO spread).

The relatively strong refining profits generated in Q2 2021 by PKN Orlen and Lotos reinforce high expectations for the second half of the year.

- In other areas, profits from fuel retailing are not likely to grow much in the coming months amid high crude prices and stable sales volumes.

- In petrochemicals, we are seeing a continued pullback in benchmark margins for polymers, which are down 10% from their May highs, following on the heels of a 40% downward shift in monomer margins. We are anticipating less robust conditions for petrochemicals in the second half of 2021 as capacity is brought back from maintenance, but for now European producers are still enjoying high transport premiums vis-à-vis a vis expensive costs of ocean freight.

- EU gas prices keep trading high amid low storage levels (currently at 55% vs. a 5-year average of 71% and previous all-time lows of 58-60% registered in 2017-18), and if we look at the forward price curve (1M FWD €36/MWh) this year we might not see the usual seasonal downturn in gas markets. Gas contracts for 2022 delivery are currently trading at €26/MWh, a price which suggests upside risk of €18.3/MWh to our current 2022 forecast; the potential revisions would

have positive implications for MOL and PGNiG, but they would impact negatively the prospects of PKN Orlen.

- As of today we upgrade our financial outlook and recommendation for Lotos based on better-than-expected results for Q2 2021.

PGNiG missed the mark with its quarterly figures, and though the miss was not so bad as to change our bullish medium-term view (gas prices) it might prompt us to reduce the EBITDA estimate for the full FY2011 by about 10%.

We still expect a reversal of the disparity on the PGN/PKN pair leading up to their merger.

The 2021 Q2 results of PKN Orlen turned out solid as expected, and they do not compel us to make revisions to full-year expectations.

We maintain a buy view on Hungary's MOL, offering the best positive exposure to current economic trends, with a positive surprise likely to be delivered with the second-quarter report.

- **Key ratings:** Lotos (buy), MOL (buy), PGNiG (accumulate), PKN Orlen (reduce)

## Utilities

- Power prices on the EEX exchange are trading at their highest levels so far this year (€73/MWh) after an upward shift led by rising prices of carbon emissions (a trend which benefits low-emissions generators), combined more recently with upward-trending costs of coal and gas (the run-up in costs does not affect vertically-integrated lignite-fueled generators).

The revisions to the EU's Emissions Trading System, announced in July, were mostly consistent with expectations and media leaks, and they are already largely priced into European utility stocks. The reforms still have to be approved by the European Parliament and accepted by all member states, which means it will be a while before they are actually put into effect, and in the mean time we expect less volatility in the EUA market.

- In Poland, electricity prices in July were stable at around PLN 350/MWh, generating stable margins for hard coal-fired power plants and slightly higher margins for lignite-fired generators. It is worth noting the upward shift in prices of green certificates last month by about 20 zloty to PLN 184/MWh.

As a reminder, next year the profits from electricity trading of Polish generators will probably drop considering how much end-consumer tariff prices would have to be hiked to offset the estimated average PLN 100/MWh surge in wholesale prices. There is an increasing chance that the government will come out with price caps on energy prices again next year.

- On the topic of Poland's energy decarbonization, in July we got a press release about an agreement signed between the state and the four major utilities to cooperate in the spin-off of coal assets and their takeover by the NABE agency. An official commitment to work together does not really move the decarbonization process too far forward, and so we maintain that the process will take more time than the official timetable would suggest (in a recent quote the Chief of the Energy Regulatory Office admitted that he had not been included yet in any consultations on the spin-off).

One external milestone expected in the near term will be a response from the European Commission to Poland's query about the use of state aid in the future coal mine closures. The Commission's stance will be a litmus test of the state of our current relations with the EU, and it will give an idea of how the future negotiations might go.

- Our recommendations for Polish power utilities remain suspended.

We maintain a buy recommendation for CEZ in the current favorable price environment, which has found a reflection in the Czech generator's financial outlook for 2022.

- **Key Ratings:** CEZ (buy)

## Telecoms, Media, IT

- Iliad, the French owner of Poland's mobile operator Play, in July made a non-binding offer to buy a 100% stake in UPC Polska Sp. z o.o. ("UPC") from Liberty Global for a tentative price of PLN 7.3bn. Many analysts are convinced that the potential merger of UPC with Play will have long term negative consequences for Orange Polska ("Orange"), but there are four major reasons why we do not agree with this view:

First of all, consolidation usually reduces competitive market pressures, and in the Polish context it will more likely than not improve the business conditions for local telecoms.

Secondly, at 9.3x 2021E EBITDA, Iliad's bid on UPC suggests that the market might be underappreciating Orange's fixed-line business considering that more than 30% of its customers already use FTTx.

Third, UPC is not known to use aggressive pricing as a business strategy, and so it seems counterintuitive to assume that Iliad would immediately want to slash prices on UPC plans after a takeover at a fairly generous price.

The fourth and final reason is that the emergence of three well-established convergent rivals (Orange, Cyfrowy Polsat, and, potentially, UPC+Play) should galvanize Poland's fourth major player, T-Mobile, to boost wholesale purchases of FTTx infrastructure services from Orange. The same goes for Cyfrowy Polsat and its future use of Orange FTTx services after the penetration rate of its own high-speed fixed network increases.

- Speaking of Cyfrowy Polsat, it is currently buying up the remaining 7.3 million shares (2.18% of votes) in its fixed broadband unit, Netia, at 7 zloty a share, in a tender offer ending on August 6th.
- PM aide and Poland's de-facto digitization minister Janusz Cieszyński has recently said that legislators will resume work on 3400-3800 MHz 5G spectrum auction, which was canceled over a year ago because of the coronavirus pandemic, after the summer recess.
- Several major infrastructure deals have gone through in recent weeks in the Polish telco sector that will keep sentiment bullish in August. These include a 50-50 FiberCo joint venture between Orange Polska and APG, and the sale by Cyfrowy of its network infrastructure manager for PLN 7.1bn (~€1.6bn).
- The rated media group, Agora, will take another major hit if the spread of the delta variant puts outdoor activities and cinemas under lockdown, and that is why we favor Wirtualna Polska over Agora within the media subsector.
- **Key ratings:** Asseco Poland (buy), Comarch (buy), Orange Polska (buy), Wirtualna Polska (buy)

## Industrials

- The Polish manufacturing sector continues to expand at a robust pace and with a weak zloty helping we expect bumper Q2 and Q3 2021 profit-reporting seasons from Industrials. We maintain that, in 2022, manufacturers are facing higher costs of energy and labor on top of potential rate hikes that would boost the zloty and undercut export revenues.

- Heading into the second-quarter reporting season, we expect 80% of rated Industrials to deliver growth relative to the same year-ago quarter. The ones most likely to being positive surprises are Astarta, Cognor, Mangata, and Mo-BRUK, whilst Amica, Apator, Famur, and PKP Cargo will most likely disappoint. In case of JSW and KGHM, strong second-quarter numbers will be accompanied by a positive outlook for the second half of the year. In July we published 2021 Q2 forecasts for [metal producers](#) and other [industrials](#).
- From an investing standpoint, as coronavirus cases recede in some developed countries, (UK being one example), we should see assets rotate back into cyclical stocks. The manufacturers in our coverage have shown an impressive ability to pass soaring costs of base materials onto end customers, and, along with strong reports for the second quarter, most of them will probably paint a bright outlook for the second half of 2021.
- In July we upgraded our view on Forte from neutral to overweight, and we also raised our 2021 and 2022 EBITDA expectations for the Company by 15% and 23%, respectively, as we watch prices of furniture boards skyrocket and the industry's business confidence reach an all-time high.
- Our top picks for August are AC, a consistent dividend stock with a safe balance sheet and solar energy ambitions, expected to post strong 2021 Q2 results.  
Astarta is on course to generate record earnings in 2021 thanks to rallying prices of sugar, grains, soy oil, and milk. The company paid cash dividends in June, and now it is running a buyback program.  
Cognor is currently enjoying record-high margins on steel rebar that might make for record-high earnings for the full FY2021.  
Kernel is set for much better results in FY2020/21 and FY2021/22, likely resulting in higher dividends.  
Last but not least, Mo-BRUK could boost its upside potential soon with news of a reduced waste storage fine, and with wins in ongoing municipal landfill waste disposal tenders
- We would avoid Amica, facing headwinds from rising costs of steel, freight, and marketing, and we would steer clear of PKP Cargo as rail freight volumes remain low while costs and investment needs increase.
- **Key ratings:** AC (overweight), Amica (underweight), Astarta (overweight), Cognor (buy), Forte (overweight), Kernel (buy), Mo-BRUK (buy), PKP Cargo (sell)

## e-Commerce

- July 1st, 2021, marked the end of VAT exemptions for goods imported into the EU valued at less than €22. In addition, for goods priced over €150 buyers will be charged customs duty on top of VAT. The new rules could hurt business for e-commerce platforms, especially those that rely on sellers from outside the EU.
- According to official e-commerce sales statistics for June, the volume of digital shopping done in Poland in the month was up 19% on the same month in 2020, and online penetration increased by 0.4pp to 8.1%.
- The rising sales numbers at first glance indicate a bright outlook for Polish online retailers, but in our view the prospects are clouded by more muted guidance for the second half of the year given by e-commerce companies from the US. Most notably there were the 2021 second-quarter results of Amazon, reporting a 27% rebound in revenue to \$113.1bn which, however, fell short of Wall Street's estimate of \$115.4bn. The CFO of Amazon cited more people getting vaccinated and going out as the main reason behind sales miss, adding that it was hard to draw comparisons with a difficult 2020.  
In this context, we maintain our contrarian bearish view on Allegro,
- **Key ratings:** Allegro (sell)

## Retail

- TIM estimates its standalone revenue for July 2021 at PLN 106.0m, an increase of 23% from the comparable year-ago period, when revenue had also rebounded 20% y/y. The July figures came slightly ahead of our estimates, and they represent a continuation of an upward sales momentum for TIM after robust growth registered in the second quarter. We expect that sales margins in Q2 2021 we also high (keep in mind that, historically, TIM's results in the second half of the year were usually better than in the first).
- **Key ratings:** TIM (overweight)

## Quarterly Earnings Surprises and YoY Growth Reported By Rated Companies

Beat/Miss	2018			2019			2020			2021		+/-		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
miss	11	13	22	11	13	15	20	21	9	7	12	8	1	163
in-line	17	22	19	27	26	25	14	12	14	23	17	10	5	231
beat	28	22	18	22	22	23	29	30	40	36	30	39	5	344
<b>Σ companies</b>	<b>56</b>	<b>57</b>	<b>59</b>	<b>60</b>	<b>61</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>66</b>	<b>59</b>	<b>57</b>	<b>11</b>	<b>738</b>
miss (%)	20	23	37	18	21	24	32	33	14	11	20	14	9	22
beat (%)	50	39	31	37	36	37	46	48	63	55	51	68	45	47

YoY	2018			2019			2020			2021		+/-		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
miss	18	16	21	23	28	22	22	32	39	30	25	15	2	293
in-line	11	10	6	9	10	6	9	7	4	8	3	5	2	90
beat	38	41	40	35	29	39	36	28	24	30	31	37	7	415
<b>Σ companies</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>68</b>	<b>59</b>	<b>57</b>	<b>11</b>	<b>798</b>
miss (%)	27	24	31	34	42	33	33	48	58	44	42	26	18	37
beat (%)	57	61	60	52	43	58	54	42	36	44	53	65	64	52

Source: Companies, Bloomberg, PAP, mBank

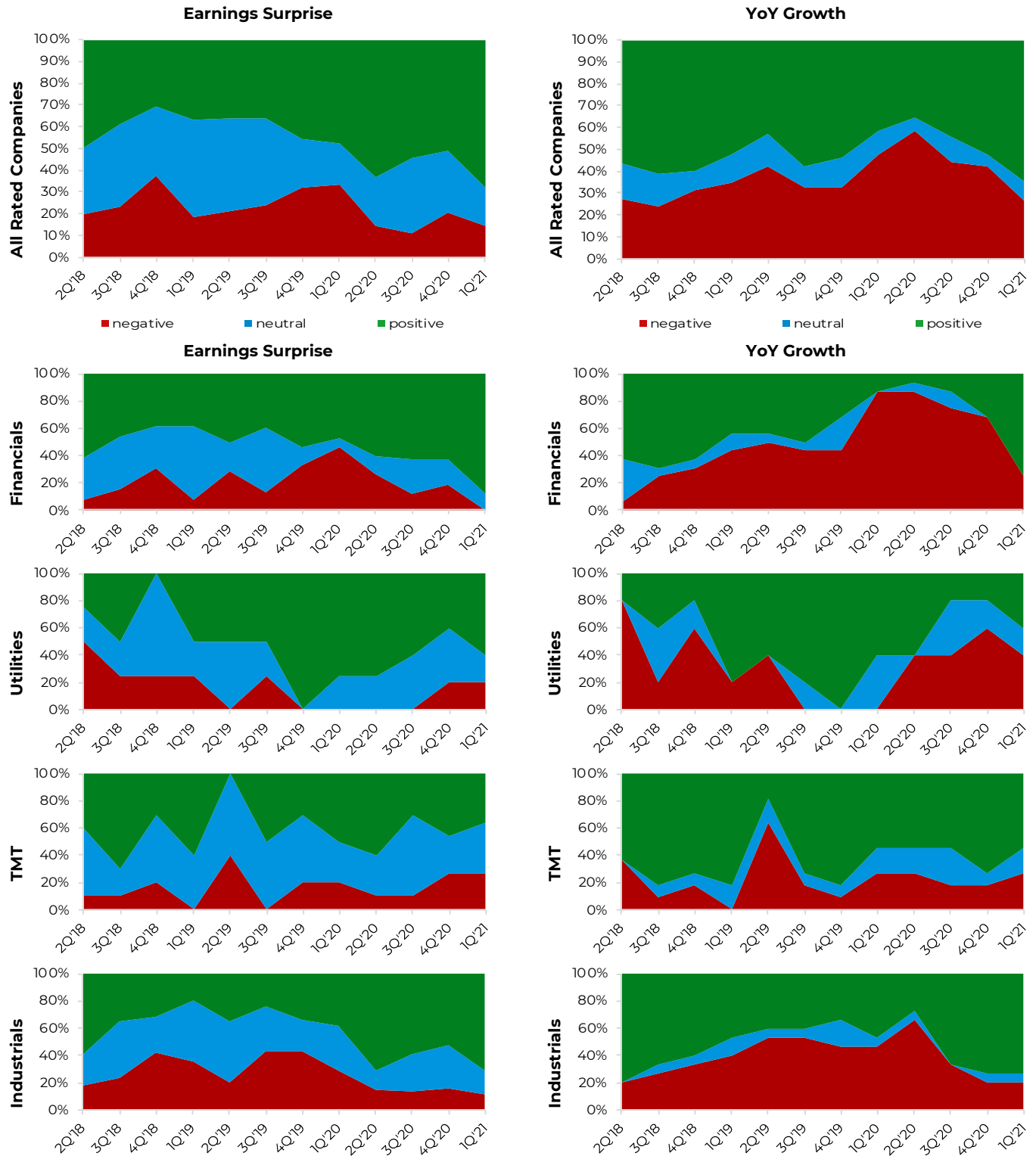


mBank Sentiment Watch (next 30 days, by sector)

Sector		Poland	US	Europe
Financials	<b>SENTIMENT</b>	<b>BULLISH</b>	<b>BULLISH</b>	<b>BULLISH</b>
	<b>Stocks To Own</b>	PEO, SPL, BNP	JPM US, BAC US, WFC US, MS US, GS US	EBS, KOMB, OTP
	<b>Stocks To Avoid</b>			
	Key Catalysts	2Q'21 results	Strong Q2 results become a trigger for buybacks and	2Q'21 results, change of ECB dividend policy
Chemicals	<b>SENTIMENT</b>	<b>BEARISH</b>	<b>BULLISH</b>	<b>BULLISH</b>
	<b>Stocks To Own</b>	CIE	DOW US, APD US, ASH US, LYB US	LIN GY, 1COV GY, FPE3 GY, SDF GY
	<b>Stocks To Avoid</b>	ATT		YAR NO
	Key Catalysts		Rise in raw materials and CO2 certificates	
Mining	<b>SENTIMENT</b>	<b>BULLISH</b>	<b>BULLISH</b>	<b>BULLISH</b>
	<b>Stocks To Own</b>	JSW, KGH	ALB US, PLL US, LTHM US, FCX US, A US	OQ11 UK, AA US, ANTO US, MT US, BFS A GY, FCX US
	<b>Stocks To Avoid</b>			
	Key Catalysts	Rising commodity prices due to virus spread in frontier markets		
Oil&Gas, Refining	<b>SENTIMENT</b>	<b>BULLISH</b>	<b>NEUTRAL</b>	<b>NEUTRAL</b>
	<b>Stocks To Own</b>	LTS, PGN	VLO US, PSX US, GTLS US, BKR US, LNG US, CHX US	MOL
	<b>Stocks To Avoid</b>	PKN		
	Key Catalysts	Refining margin, rebound high natgas prices	High crude prices	Refining margins rebound, high natgas prices
Utilities	<b>SENTIMENT</b>	<b>BEARISH</b>	<b>NEUTRAL</b>	<b>NEUTRAL</b>
	<b>Stocks To Own</b>	CEZ	VST US, AES US, AWK US, EVRG US, AEP US	RWE GY, EOAN GY, EDP PL, EDP R PL, ORSTED DC
	<b>Stocks To Avoid</b>	PGE, TPE	HE US, ED US,	
	Key Catalysts	Potential discussion on curbs on household energy bills in 2022		
Telecoms	<b>SENTIMENT</b>	<b>NEUTRAL</b>	<b>NEUTRAL</b>	
	<b>Stocks To Own</b>	OPL	TMUS US, CMCSA US	
	<b>Stocks To Avoid</b>		DLR US, COR US	
	Key Catalysts	Joint venture with APG concerning further FTTx development (+)		
Media	<b>SENTIMENT</b>	<b>NEUTRAL</b>	<b>NEUTRAL</b>	
	<b>Stocks To Own</b>	WPL	DIS US, FB US, NFLX US, GOOGL US	
	<b>Stocks To Avoid</b>			
	Key Catalysts	Expansion of delta strain may be positive for the online ad market		
IT	<b>SENTIMENT</b>	<b>BULLISH</b>	<b>NEUTRAL</b>	<b>NEUTRAL</b>
	<b>Stocks To Own</b>	ACP, CMR	NVDA US, AMAT US, MSFT US, LRCX US, CSCO US, KLA US, CSCO, CRM US	ASML
	<b>Stocks To Avoid</b>	ALE		
	Key Catalysts	Attractive valuations and good earnings momentum, negative guidance from US e-commerce companies		
Industrials	<b>SENTIMENT</b>	<b>NEUTRAL</b>	<b>BULLISH</b>	<b>BULLISH</b>
	<b>Stocks To Own</b>	ACG, AST, COG, FTE, KER, MBR	CAT US, PDL US, CSX US, CMI US, ENR GY, TKA GY, SIE GY, KGX GY, LUV US, TEX US	GIA GY
	<b>Stocks To Avoid</b>	AMC, FMF, PKP		
	Key Catalysts	High PMI and weak PLN vs. rising commodity prices	High PMI, rising commodity prices. Ability to shift PPI inflation onto end client	
Automotive	<b>SENTIMENT</b>	<b>NEUTRAL</b>	<b>BULLISH</b>	<b>BULLISH</b>
	<b>Stocks To Own</b>	AML, MGT	GM US, F US, TSLA US, MGA US, APTV US, CRNC US, TSLA US	STLA IM, FR FP, DAI GY, BMW GY
	<b>Stocks To Avoid</b>	BRS		
	Key Catalysts	Strong Q2'21 momentum	Rise of EV penetration, resumption of production after a wave of supply disruptions, rise in sales margins, rotation to cyclical value	
Consumer Discretionary	<b>SENTIMENT</b>		<b>BULLISH</b>	<b>BULLISH</b>
	<b>Stocks To Own</b>		TSCO US, GOOS US, LEVI US, NKE US, HD US, TPR US, AAP US, CMX US, AZO US, FL US, BBY US, CMG US, MCD US	HFG GY, TUIT GY, ADS GY, PUM GY, BOSS GY
	<b>Stocks To Avoid</b>			
	Key Catalysts		Increased costs are successfully passed on to the consumer, elevated inflation may remain for longer	
Consumer Staples	<b>SENTIMENT</b>		<b>BULLISH</b>	<b>BULLISH</b>
	<b>Stocks To Own</b>		EL US, CL US, KO US	HEN3 GY
	<b>Stocks To Avoid</b>		PG US	
	Key Catalysts		Increased costs are successfully passed on to the consumer, elevated inflation may remain for longer	



Quarterly Surprise Charts For Our Coverage Universe (Aggregate and Selected Sector Statistics)



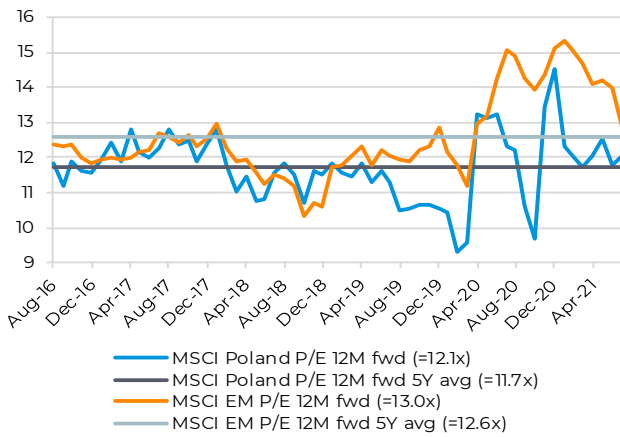
Source: Companies, Bloomberg, PAP, mBank

**Revisions To FY2021 Earnings Forecasts For WIG30 Companies**

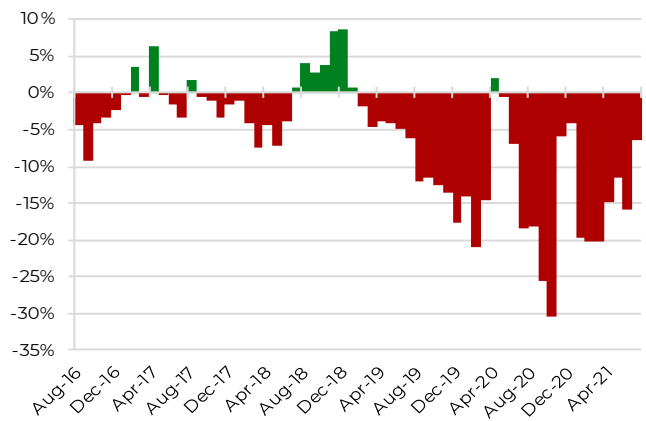
Jul-20=0	WIG30		Financials		Oil & Gas		Utilities		Retail		TMT		Chemicals		Commodities	
	Cons.	mBank	Cons.	mBank	Cons.	mBank	Cons.	mBank	Cons.	mBank	Cons.	mBank	Cons.	mBank	Cons.	mBank
Aug-20	+3%	-0%	-0%	+0%	+3%	+1%	+1%	+0%	+1%	+0%	+0%	+0%	+0%	-53%	+25%	-5%
Sep-20	+2%	-1%	-0%	-1%	+0%	+1%	+1%	+0%	-9%	+0%	-1%	+0%	+0%	-53%	+30%	-16%
Oct-20	-1%	+0%	-8%	-1%	-7%	+1%	+9%	+0%	-14%	+1%	-1%	+11%	+82%	-53%	+38%	-22%
Nov-20	+1%	+11%	-6%	+8%	-9%	+11%	-21%	-27%	-7%	+22%	+30%	+31%	+82%	+5%	+52%	+55%
Dec-20	+5%	+8%	+3%	+8%	-14%	+11%	-16%	-27%	+2%	+22%	+22%	+14%	+5%	+5%	+78%	+55%
Jan-21	+7%	+9%	+4%	+8%	-15%	+11%	-21%	-27%	+6%	+22%	+21%	+14%	-6%	-6%	+96%	+55%
Feb-21	+7%	+10%	+7%	+8%	-16%	+11%	-19%	-27%	-10%	+22%	+18%	+14%	-6%	-6%	+97%	+73%
Mar-21	+8%	+19%	+9%	+11%	-12%	+5%	-20%	-33%	-23%	+92%	+8%	-1%	-6%	+133%	+122%	+177%
Apr-21	+11%	-3%	+5%	-22%	+4%	+5%	-16%	-33%	-14%	-	+6%	-19%	+111%	+164%	+95%	+177%
May-21	+22%	+1%	+27%	-22%	+8%	+5%	-14%	-21%	-14%	-	+6%	-19%	+219%	+164%	+119%	+200%
Jun-21	+30%	+15%	+35%	-21%	+9%	+75%	-8%	-21%	-16%	-	+24%	-19%	+174%	+164%	+138%	+200%
Jul-21	+29%	+18%	+18%	-21%	+19%	+92%	-0%	-21%	-15%	-	+40%	-19%	+174%	+31%	+132%	+200%

Source: "Cons." - Bloomberg consensus forecasts, "mBank" - estimates by mBank, provided ex. mBank. Not all WIG30 companies have received revisions to reflect the changed economic environment and earnings prospects - current recommendations and forecasts, together with revision dates, are listed [here](#). The percentages indicate changes between the dates of this *Monthly Outlook* and the previous *Monthly Outlook*.

**FWD 12M P/E Ratios For MSCI Poland & Emerging Markets (left), PL-EM Premium/Discount (right)**

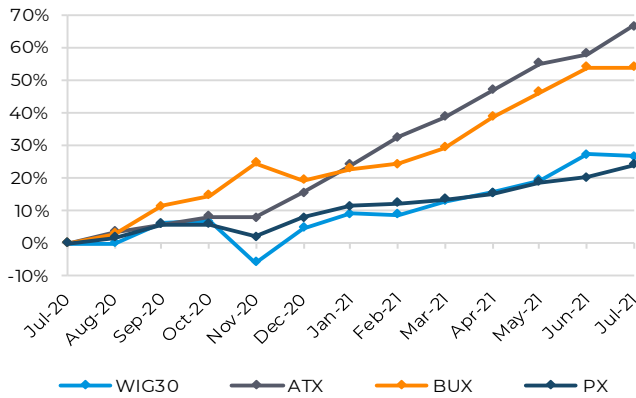


Source: Bloomberg, mBank



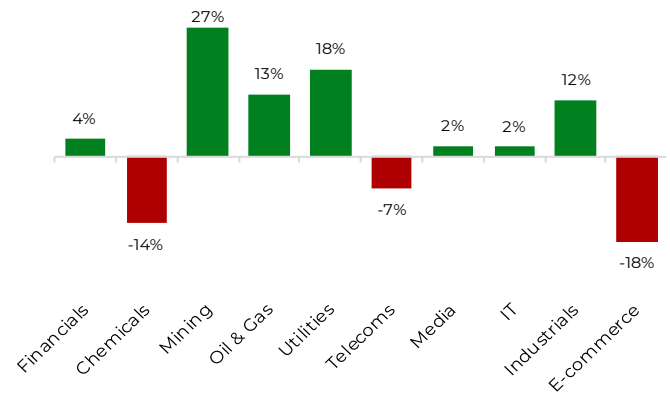
Source: Bloomberg, mBank

**FWD 12M EPS Growth (WIG30 vs. ATX, BUX, PX)**



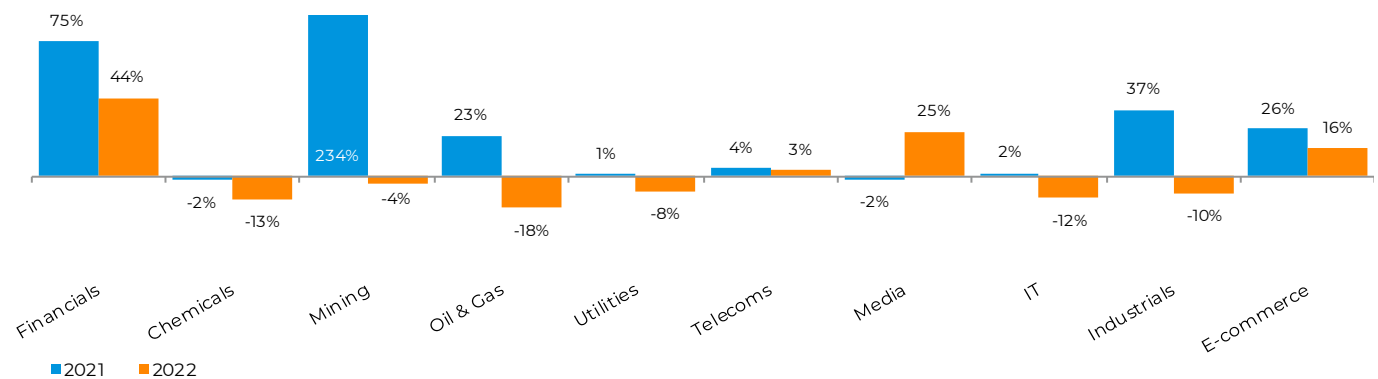
Source: Bloomberg, mBank

**Estimated Sector Upside Potential\***



Source: mBank; \*To mBank price targets

**Expected YoY Change in FY2021-2022E Sector Earnings\***



Source: mBank; \*Net Income for Financials, EBITDA for the remaining sectors

Divergence of mBank Estimates From Consensus Estimates

Sector/Name	mBank Rating	mBank TP <sup>1</sup>	BBG Ratings <sup>2</sup>			BBG TP <sup>3</sup>	mBank v. BBG TP	mBank v. BBG Earnings			mBank v. BBG EBITDA			Analyst Count <sup>4</sup>
			▲	▶	▼			2021E	2022E	2023E	2021E	2022E	2023E	
<b>Financials</b>														
Alior Bank	accumulate	30.00	7	6	2	36.08	-16.8%	-28%	-30%	-28%				10
BNP Paribas Polska	buy	90.00	8	1	0	78.60	+14.5%	-29%	+60%	+109%				3
Handlowy	accumulate	49.50	3	5	4	43.94	+12.6%	+18%	+12%	+8%				6
ING BSK	accumulate	190.00	10	2	1	202.50	-6.2%	-2%	-6%	-13%				6
Millennium	hold	4.20	6	4	4	4.99	-15.8%	-	+127%	-3%				7
Pekao	buy	102.00	12	5	2	100.62	+1.4%	-19%	-5%	-7%				11
PKO BP	buy	40.66	11	6	1	41.78	-2.7%	-4%	-5%	-9%				10
Santander Bank Polska	buy	283.70	8	7	1	266.01	+6.7%	-	+14%	+4%				8
Komercni Banka	accumulate	804.77	12	7	0	853.57	-5.7%	-8%	+7%	+11%				14
Moneta Money Bank	buy	95.50	8	2	0	96.68	-1.2%	-0%	-1%	+12%				4
Erste Group	accumulate	34.06	19	3	1	37.26	-8.6%	+4%	+11%	+9%				17
RBI	accumulate	21.00	14	4	3	22.76	-7.7%	-18%	-21%	-25%				14
OTP Bank	hold	15,143	13	4	0	17,705	-14.5%	-6%	-7%	-				15
PZU	accumulate	40.63	8	4	0	39.84	+2.0%	+5%	+4%	+1%				8
Kruk	accumulate	288.46	2	2	3	287.37	+0.4%	-14%	+0%	-8%				3
GPW	hold	44.48	1	5	1	51.16	-13.1%	+13%	+9%	+6%				4/3
<b>Chemicals</b>														
Ciech	hold	47.47	5	4	0	46.64	+1.8%	-11%	-0%	-2%	-1%	-2%	-1%	5/4
Grupa Azoty	sell	20.97	2	2	4	34.85	-39.8%	-52%	-	-	-17%	-32%	-25%	2/2
<b>Mining</b>														
JSW	buy	48.09	2	0	6	23.19	+107.4%	+122%	+125%	-	+20%	+30%	+85%	5/4
KGHM	buy	245.39	8	3	3	214.09	+14.6%	+20%	+12%	+31%	+12%	+8%	+21%	12/11
<b>Oil &amp; Gas</b>														
Lotos	buy	67.20	8	4	1	61.79	+8.8%	+51%	-27%	-5%	+42%	-12%	-4%	8/10
MOL	buy	2,816.0	7	7	0	2,659.5	+5.9%	-3%	-5.4%	-32%	+3%	-19%	-10%	10/9
PGNIG	accumulate	7.45	5	4	0	7.01	+6.2%	+23%	+8%	+8%	+14%	+5%	+8%	8/7
PKN Orlen	reduce	70.59	5	8	5	75.21	-6.1%	-5%	-69%	-55%	+4%	-2.4%	-17%	15/15
<b>Utilities</b>														
CEZ	buy	722.14	7	6	1	637.60	+13.3%	-5%	-0%	+2%	-0%	-1%	-1%	7/6
Enea	suspended	-	6	2	0	11.40	-	+7%	+1%	+8%	+3%	-1%	+12%	6/5
PGE	suspended	-	6	4	0	10.31	-	+4%	-65%	-32%	-2%	-14%	+1%	8/7
Polenergia	hold	78.59	1	3	0	74.47	+5.5%	+13%	-5%	+8%	+6%	-4%	+4%	2/2
Tauron	suspended	-	8	1	0	4.51	-	-8%	-25%	-27%	-3%	-6%	-6%	6/5
<b>Telecoms</b>														
Cyfrowy Polsat	hold	27.90	10	3	1	32.53	-14.2%	-49%	+4%	+6%	-41%	+13%	+12%	5/6
Orange Polska	buy	8.20	7	7	2	7.53	+8.8%	+37%	+4%	-2%	+14%	+11%	+11%	7/6
<b>Media</b>														
Wirtualna Polska	buy	126.00	9	1	0	115.66	+8.9%	+7%	+3%	-2%	+6%	+2%	-1%	4/4
<b>IT</b>														
Asseco BS	neutral	-	1	3	0	40.60	-	-4%	-	-	-3%	-	-	3/3
Asseco Poland	buy	80.70	6	2	0	80.90	-0.2%	-8%	-6%	-5%	-5%	-5%	-7%	6/5
Asseco SEE	overweight	-	3	1	0	45.50	-	+1%	-	-	+1%	-	-	3/3
Comarch	buy	267.00	5	2	0	250.67	+6.5%	-15%	-11%	-10%	-6%	-5%	-5%	4/4
<b>Industrials</b>														
Alumetal	neutral	-	3	2	0	54.87	-	+13%	-2%	-	+7%	-3%	-	4/4
Astarta	overweight	-	2	1	1	50.73	-	+39%	+112%	+89%	+3%	+28%	-	2/1
Famur	hold	2.50	2	3	0	2.68	-6.5%	-1%	-1.4%	-18%	-5%	-19%	-23%	4/3
Grupa Kęty	hold	599.16	4	5	0	692.75	-13.5%	+1%	-5%	-8%	+2%	-5%	-6%	6/6
Kernel	buy	75.85	5	0	0	74.59	+1.7%	+8%	-2%	-4%	-6%	-6%	-0%	4/3
Stalprodukt	hold	403.06	0	3	0	399.35	+0.9%	+5%	-6%	-1%	+5%	-0%	+2%	3/3
<b>E-commerce</b>														
Allegro	sell	54.00	8	6	2	78.54	-31.2%	-10%	-11%	-10%	-7%	-10%	-12%	10/10
Answeat	buy	51.20	2	0	0	46.73	+9.6%	+12%	+3%	+14%	+18%	+12%	+19%	3/3

Source: Bloomberg (BBG), mBank; <sup>1</sup>Target Price issued by mBank; <sup>2</sup>Positive/Neutral/Negative ratings count comprising the Bloomberg Consensus; <sup>3</sup>Average of all analyst target prices; <sup>4</sup>Number of analysts participating in the consensus (of EPS/EBITDA)

**Current Recommendations of mBank**

Company	Recommendation	Issued On	Price At Reco.	Target Price	Current Price	Upside/Downside	P/E 2021	P/E 2022	EV/EBITDA 2021	EV/EBITDA 2022
<b>Financials</b>										
Alior Bank	accumulate	2021-05-07	28,80	30,00	38,20	+3,7%	12,3	11,8	-	-
BNP Paribas Polska	buy	2021-04-19	66,60	90,00	70,20	+28,2%	17,2	6,1	-	-
Handlowy	accumulate	2021-04-19	43,25	49,50	46,10	+7,4%	8,3	13,6	-	-
ING BSK	accumulate	2021-05-07	176,40	190,00	191,60	-0,8%	14,7	13,8	-	-
Millennium	hold	2021-04-19	3,80	4,20	5,10	-17,6%	-	9,9	-	-
Pekao	buy	2021-04-19	76,24	102,00	95,10	+7,3%	17,3	11,8	-	-
PKO BP	buy	2021-04-23	32,91	40,66	37,63	+8,1%	10,8	10,8	-	-
Santander Bank Polska	buy	2021-04-19	211,80	283,70	253,30	+12,0%	-	11,8	-	-
Komercni Banka	accumulate	2021-07-06	779,00	804,77 CZK	808,50	-0,5%	16,4	11,9	-	-
Moneta Money Bank	buy	2021-04-09	78,20	95,50 CZK	88,05	+8,5%	15,3	12,1	-	-
Erste Group	accumulate	2021-07-06	31,57	34,06 EUR	33,31	+2,3%	10,8	9,1	-	-
RBI	accumulate	2021-04-09	18,52	21,00 EUR	19,67	+6,8%	10,2	8,7	-	-
OTP Bank	hold	2021-06-02	15 865	15 143 HUF	16 555	-8,5%	11,2	10,2	-	-
PZU	accumulate	2021-06-02	37,29	40,63	37,30	+8,9%	10,1	10,1	-	-
Kruk	accumulate	2021-07-06	267,00	288,46	307,80	-6,3%	13,0	12,5	-	-
GPW	hold	2021-04-09	45,76	44,48	43,44	+2,4%	11,5	12,3	-	-
<b>Chemicals</b>										
Ciech	hold	2021-06-02	46,70	47,47	48,05	-1,2%	10,8	11,4	5,8	5,6
Grupa Azoty	sell	2021-08-04	29,64	20,97	29,64	-29,3%	17,7	-	7,9	11,3
<b>Mining</b>										
JSW	buy	2021-04-09	31,88	48,09	33,62	+43,0%	6,1	6,4	2,2	2,0
KGHM	buy	2021-06-02	208,80	245,39	196,30	+25,0%	6,2	6,8	3,5	3,4
<b>Oil &amp; Gas</b>										
Lotos	buy	2021-08-04	52,52	67,20	52,52	+28,0%	5,7	11,5	3,4	4,2
MOL	buy	2021-07-06	2 378	2 816 HUF	2 422	+16,3%	7,5	16,6	3,7	4,6
PGNiG	accumulate	2021-07-06	6,58	7,45	6,30	+18,3%	8,5	9,2	3,5	3,5
PKN Orlen	reduce	2021-07-06	77,80	70,59	73,68	-4,2%	7,7	23,8	4,7	6,9
<b>Power Utilities</b>										
CEZ	buy	2021-07-06	598,00	722,14 CZK	608,00	+18,8%	18,0	15,2	7,8	7,5
Enea	suspended	2021-06-02	8,76	-	8,74	-	3,5	4,3	3,2	2,9
PGE	suspended	2021-06-02	9,94	-	8,81	-	9,1	39,7	3,2	3,3
Polenergia	hold	2021-06-02	70,20	78,59	71,40	+10,1%	27,0	28,0	14,2	13,9
Tauron	suspended	2021-06-02	3,40	-	3,28	-	4,3	6,0	4,8	5,1
<b>Telecoms</b>										
Cyfrowy Polsat	hold	2020-12-08	27,84	27,90	33,12	-15,8%	14,2	13,7	7,7	7,6
Netia	suspended	2021-07-06	6,92	-	6,94	-	-	-	-	-
Orange Polska	buy	2020-12-08	6,52	8,20	7,55	+8,7%	33,5	21,7	4,9	4,8
<b>Media</b>										
Agora	hold	2021-07-06	10,40	10,60	9,38	+13,0%	-	-	13,3	8,4
Wirtualna Polska	buy	2021-05-06	99,20	126,00	125,00	+0,8%	26,6	22,4	13,6	11,7
<b>IT</b>										
Ailleron	neutral	2020-05-05	6,26	-	12,50	-	19,4	-	6,9	-
Asseco BS	neutral	2020-09-02	36,00	-	36,20	-	15,7	-	10,2	-
Asseco Poland	buy	2020-09-02	70,20	80,70	79,00	+2,2%	16,5	15,5	5,0	4,8
Asseco SEE	overweight	2020-08-07	43,70	-	39,90	-	15,8	-	8,0	-
Atende	overweight	2020-11-27	3,44	-	5,68	-	19,2	-	9,2	-
Comarch	buy	2021-03-30	219,00	267,00	268,00	-0,4%	19,7	19,2	7,9	7,6
Sygnity	hold	2021-03-18	11,10	11,60	9,90	+17,2%	4,8	8,6	4,1	4,7
<b>Gaming</b>										
11 bit studios	suspended	2021-05-07	501,00	-	476,40	-	-	-	-	-
CD Projekt	suspended	2021-05-07	156,52	-	175,52	-	-	-	-	-
PlayWay	suspended	2021-05-07	430,20	-	454,80	-	-	-	-	-
Ten Square Games	suspended	2021-05-07	420,00	-	542,00	-	-	-	-	-
<b>Industrials</b>										
AC	overweight	2021-04-29	37,00	-	36,90	-	14,2	12,0	9,3	8,1
Alumetal	neutral	2021-05-31	68,00	-	59,00	-	7,1	10,8	5,6	8,0
Amica	underweight	2021-04-09	153,20	-	156,20	-	11,5	11,3	6,4	6,4
Apator	neutral	2021-04-29	23,90	-	24,60	-	9,4	12,8	5,6	7,3
Astarta	overweight	2021-04-26	38,20	-	48,05	-	2,7	3,4	1,9	1,8
Boryszew	neutral	2021-05-31	3,29	-	3,37	-	20,6	13,9	7,0	6,1
Cognor	buy	2021-06-18	3,57	4,30	4,20	+2,4%	5,7	8,5	3,6	4,6
Famur	hold	2021-04-09	2,53	2,50	2,25	+11,4%	10,1	12,2	2,1	1,9
Forte	overweight	2021-07-30	57,50	-	55,50	-	10,1	8,5	6,5	6,0
Grupa Kęty	hold	2021-07-06	679,00	599,16	684,00	-12,4%	12,9	14,9	9,0	10,2
Kernel	buy	2021-07-06	54,10	75,85	54,80	+38,4%	3,4	3,9	3,1	3,5
Mangata	neutral	2021-05-31	87,80	-	80,80	-	10,4	11,1	6,9	7,1
Mo-BRUK	buy	2021-07-06	326,00	379,61	331,00	+14,7%	11,9	11,3	8,6	8,0
PKP Cargo	sell	2021-04-09	19,08	16,21	18,46	-12,2%	-	-	4,4	3,9
Stalprodukt	hold	2021-06-02	382,00	403,06	370,00	+8,9%	8,3	11,4	3,8	4,2
<b>E-commerce</b>										
Allegro	sell	2020-11-18	67,89	54,00	67,12	-19,5%	63,6	51,2	36,0	30,7
Answear	buy	2021-08-04	33,40	51,20	33,40	+53,3%	26,5	21,6	14,0	12,0
Vercom	accumulate	2021-07-09	54,20	59,30	53,70	+10,4%	32,0	24,8	22,2	16,9
<b>Retail</b>										
AmRest	suspended	2020-12-08	25,80	-	26,80	-	-	-	-	-
CCC	suspended	2021-05-07	111,80	-	119,65	-	-	-	-	-
Dino	suspended	2021-05-07	247,30	-	313,40	-	-	-	-	-
Eurocash	suspended	2021-05-07	14,32	-	12,14	-	-	-	-	-
Jeronimo Martins	suspended	2021-05-07	15,38	-	17,62	-	-	-	-	-
LPP	suspended	2021-05-07	10 640,00	-	14 580,00	-	-	-	-	-
TIM	overweight	2020-12-08	18,90	-	37,25	-	20,8	21,4	11,6	11,7
VRG	suspended	2021-07-06	3,64	-	3,30	-	-	-	-	-

## Stocks re-rated as of 4 August 2021

Company	New recommendation	Old recommendation	Target price		Issued on
Answear	buy	suspended	51.20	PLN	2021-08-04
Grupa Azoty	sell	hold	20.97	PLN	2021-08-04
Lotos	buy	accumulate	67.20	PLN	2021-08-04

## Recommendations issued in last 30 days

Company	New recommendation	Old recommendation	Target price		Issued on
Agora	hold	accumulate	10.60	PLN	2021-07-06
CEZ	buy	buy	722.14	CZK	2021-07-06
Erste Group	accumulate	hold	34.06	EUR	2021-07-06
Grupa Kęty	hold	hold	599.16	PLN	2021-07-06
Kernel	buy	buy	75.85	PLN	2021-07-06
Komercni Banka	accumulate	hold	804.77	CZK	2021-07-06
Kruk	accumulate	accumulate	288.46	PLN	2021-07-06
Mo-BRUK	buy	hold	379.61	PLN	2021-07-06
MOL	buy	hold	2,816.00	HUF	2021-07-06
Netia	suspended	hold	-	-	2021-07-06
PGNiG	accumulate	hold	7.45	PLN	2021-07-06
PKN Orlen	reduce	hold	70.59	PLN	2021-07-06
VRG	suspended	accumulate	-	-	2021-07-06
Vercom	accumulate		59.30	PLN	2021-07-09
Forte	overweight	neutral	-	-	2021-07-30

## Recommendation statistics

Recommendation	All		For Issuers Who Are Clients of Biuro maklerskie mBanku	
	count	as pct. of total	count	as pct. of total
sell	3	5.4%	0	0.0%
reduce	1	1.8%	0	0.0%
underweight	1	1.8%	1	4.3%
hold	11	19.6%	4	17.4%
neutral	6	10.7%	1	4.3%
accumulate	10	17.9%	8	34.8%
buy	18	32.1%	8	34.8%
overweight	6	10.7%	1	4.3%

**Corporate Events Calendar For August**

Date	Time	Company	Event
4-Aug		<b>Alior Bank</b>	Q2'21 earnings announcement
4-Aug	10:00	<b>Alior Bank</b>	Q2'21 earnings conference call ( <a href="https://www.aliorbank.pl/l/conference">https://www.aliorbank.pl/l/conference</a> )
4-Aug		<b>Asseco SEE</b>	Q2'21 earnings announcement
4-Aug		<b>Grupa Kęty</b>	Q2'21 earnings announcement
4-Aug		<b>Pekao</b>	Q2'21 earnings announcement
4-Aug	12:00	<b>Pekao</b>	Q2'21 results confcall ( <a href="http://infostrefa.tv/pekaoa/">http://infostrefa.tv/pekaoa/</a> )
5-Aug	10:00	<b>Asseco SEE</b>	Q2'21 results confcall
5-Aug		<b>Allegro</b>	Q2'21 earnings announcement
5-Aug	11:00	<b>Allegro</b>	Q2'21 results confcall
6-Aug		<b>ING BSK</b>	Q2'21 earnings announcement
6-Aug	10:30	<b>ING BSK</b>	Q2'21 results announcement & confcall ( <a href="http://infostrefa.tv/ing/en">http://infostrefa.tv/ing/en</a> )
6-Aug	10:00	<b>MOL</b>	Q2'21 earnings announcement and conference call (MS Teams)
6-Aug		<b>OTP Bank</b>	Q2'21 earnings announcement
6-Aug	15:00	<b>OTP Bank</b>	Q2'21 results announcement & confcall (T:+44 203 481 5237; ID: 939 2347 9129 PIN: 938349)
10-Aug		<b>CEZ</b>	Q2'21 earnings announcement
10-Aug	16:00	<b>CEZ</b>	Q2'21 results announcement & confcall (T:+48 225 839 021; PIN: 42926090#)
11-Aug		<b>AC</b>	Q2'21 earnings announcement
11-Aug		<b>Astarta</b>	Q2'21 earnings announcement
11-Aug		<b>Polenergia</b>	Q2'21 earnings announcement
12-Aug	11:15	<b>ASBIS</b>	Conference call with Management Board
12-Aug		<b>BNP Paribas</b>	Q2'21 earnings announcement
12-Aug		<b>Energa</b>	Q2'21 earnings announcement
12-Aug		<b>Lotos</b>	Q2'21 earnings announcement
12-Aug		<b>Netia</b>	Q2'21 earnings announcement
12-Aug		<b>PKO BP</b>	Q2'21 earnings announcement
13-Aug		<b>Agora</b>	Q2'21 earnings announcement
13-Aug		<b>Cognor</b>	Q2'21 earnings announcement
13-Aug		<b>Sygnity</b>	Q2'21 earnings announcement
16-Aug		<b>Alumetal</b>	Q2'21 earnings announcement
17-Aug		<b>KGHM</b>	Q2'21 earnings announcement
18-Aug		<b>Cyfrowy Polsat</b>	Q2'21 earnings announcement
18-Aug		<b>Huuuge</b>	IPO lock-up expiration for main pre-IPO shareholders (excl. CEO)
18-Aug		<b>Tauron</b>	Q2'21 earnings announcement
19-Aug		<b>JSW</b>	Q2'21 earnings announcement
19-Aug		<b>Mo-BRUK</b>	Q2'21 earnings announcement
19-Aug		<b>PGNiG</b>	Q2'21 earnings announcement
20-Aug		<b>Citi Handlowy</b>	Q2'21 earnings announcement
20-Aug		<b>Dino</b>	Q2'21 earnings announcement
20-Aug		<b>PKP Cargo</b>	Q2'21 earnings announcement
23-Aug		<b>Ten Square Games</b>	Q2'21 earnings announcement
24-Aug		<b>Wirtualna Polska</b>	Q2'21 earnings announcement
25-Aug		<b>Asseco Poland</b>	Q2'21 earnings announcement
25-Aug		<b>Eurocash</b>	Q2'21 earnings announcement
26-Aug		<b>11 bit studios</b>	Q2'21 earnings announcement
26-Aug		<b>VRG</b>	Q2'21 earnings announcement
27-Aug		<b>PlayWay</b>	Q2'21 earnings announcement
27-Aug		<b>PZU</b>	Q2'21 earnings announcement
30-Aug		<b>Stalprodukt</b>	Q2'21 earnings announcement
31-Aug		<b>Aparator</b>	Q2'21 earnings announcement
31-Aug		<b>Comarch</b>	Q2'21 earnings announcement
31-Aug		<b>Famur</b>	Q2'21 earnings announcement
31-Aug		<b>Vercom</b>	Q2'21 earnings announcement



## Macroeconomic Update

### Industrial Production

June manufacturing expansion fulfilled expectations, rising 18.4% relative to June 2020. At the same time, producer prices increased 7% year on year.

The June growth was still underpinned by positive base effects that are set to weaken in the coming months as production in 2020 H2 was starting to recover.

Compared to May, seasonally adjusted manufacturing growth was only 0.2%, a slower rise than in previous months that nevertheless still puts production in the vicinity of an accelerated trend.

Polish factories at the moment are still making up for lockdown losses, and they will probably catch up by the end of the summer vacation season. A record-low number of companies point to demand as a barrier to growth, but a record-high number do bring up a materials shortfall as an obstacle, leading us to believe that it is supply-side factors that drive the fluctuations in the latest monthly factory figures.

When it comes to price adjustments, companies at the moment are able to pass rising costs onto end consumers fairly easily. Nominally, the headline PPI has been increasing quite fast on tight supply combined with, to a lesser extent, a weak zloty. Looking at data to date, and at the year-ago comparable base, in July PPI can be expected to show further fast-paced growth. Looking ahead, however, if we consider the demand side, we see a possible slowdown in new orders for consumer goods as pandemic pent-up demand gets satisfied.

### Retail Sales

June retail sales growth in constant prices exceeded the 8.4% consensus estimate at 8.6%, representing a deceleration from 13.9% in May, when sales soared on the heels of post-lockdown reopening. The June pace is probably a more natural reflection of what is simply a growth economy.

On a seasonally-adjusted basis, compared to May June retail sales edged 0.8% lower – a decline that, we believe, can be attributed in full to the lockdown and reopening effects that affected sales in previous months.

Note that, relative to the long-term trend of 2014-19, the sales for June 2021 remained lower, resulting in a continued widening of the cumulative deviation from trend. This is a reflection of a return to normal buying behavior among consumers who are no longer buying more than they need and two of everything “just in case.”

By category, sales of apparel and footwear increased the most in June compared to the same year-ago month, driven primarily by the reopening of brick-and-mortar shops as the pace of increase in online purchases was down for the month.

Further, sales of pharmaceuticals in June rebounded from a low base, and sales of motor fuels were also up.

When it comes to the implications for consumer spending, note that demand for goods has been playing less of a role as a sales driver in recent months, with services slowly taking over. For Q2 2021, we see the year-on-year growth in consumer spend as approximating 14%.

The substitution mentioned above is going to hamper the pace of increase in retail sales and delay its return to trend, but from the standpoint of aggregate consumption there is nothing to worry about given the strong growth in jobs and pay, and as the likelihood of another sweeping lockdown so far seems low. There is a risk that some form of restrictions on in-person shopping will have to be imposed, and that consumers will hold back purchases amid health concerns, but as said the odds are low for now.

Consumers have considerable amounts of money saved from lockdown, and these savings in our view represent more of an upside than a downside risk to the current consumption forecasts.

### Inflation

Poland registered its highest monthly inflation rate in a decade at 5% in July 2021, a faster rate than anticipated by the market. We see further acceleration in the coming months, and with a return to target highly unlikely we see increased risk that the central bank will begin a tightening cycle earlier than our baseline assumption of early 2021.

By category, compared to June, July CPI was down 0.4% for food, 4.4% up for motor fuel, and 0.1% up for energy, and these are the three factors responsible for the overall acceleration to 4.8%, with headline inflation adding the remaining 0.2% after a pickup from 3.5% to 3.6-3.7%. With no details provided in the flash CPI print., our best guess as to the drivers is that they included higher prices of entertainment and hospitality, together possibly with hiked insurance rates. If we are right, then, looking at the higher prices at the pump, the run-up in food prices beyond normal seasonal patterns, and slightly higher gas prices, we would not expect inflation to retreat below 5% in the rest of the year; in fact, we see an upward trend in CPI in the coming months.

The pressure on NBP is mounting, with analysts raising their inflation forecasts, and as soaring prices make headlines we believe the market will also soon start to bring forward their tightening expectations; our current baseline assumption is for a first rate hike at the start of 2022.

### mBank Research

(M. Mazurek, M. Zdrolik, A. Wytrykowska, J. Kownacki)

[research@mbank.pl](mailto:research@mbank.pl)

## Chemicals

### Grupa Azoty sell (downgraded)

Jakub Szkopek +48 22 438 24 03 jakub.szkopek@mbank.pl

The profits of Grupa Azoty most likely worsened in Q2 2021 even as prices of fertilizers, plastics, and chemicals (most notably quotes on oxo alcohols), increased. As a result, the quarterly report might come as a big disappointment to the market, especially when compared with an over-50% EBITDA surge boasted by rival Yara for its European operations. Moreover, looking Grupa Azoty's prospects for the second half of the year, we see persistent cost pressures from high prices of natural gas on the fertilizer business that the Company might not be able to offset by raising sales prices considering the already-high fertilizers-to-crops price ratio. The run-up in costs of gas is accompanied by a surge in prices of carbon permits that is expected to drive Grupa Azoty's emission costs to twice the 2020 level, i.e. to more than PLN 300m, in 2022. To make matters worse, Grupa Azoty may be facing profit loss from next year due to increased competition after the completion of a 50% capacity upgrade (from 966k to 1.5 million tonnes a year) by rival Polish nitrogen fertilizer producer, Anwil. Finally, another factor that is likely to weigh down future earnings is a probable hike in expenditures on the propane dehydrogenation project to adjust for increasing costs of materials, and its expected extension from early to late 2023. After taking all this into consideration, based on downwardly-revised earnings expectations for FY2021-2023, we lower our valuation of Grupa Azoty and we downgrade our view on the Company from hold to sell

**Current Price** 29.64 PLN  
**9M Target Price** 20.97 PLN **Downside** -29.3%

	rating	target price	issued
<b>new</b>	<b>sell</b>	<b>20.97 PLN</b>	<b>2021-08-04</b>
<b>old</b>	<b>hold</b>	<b>34.74 PLN</b>	<b>2021-05-07</b>
Key Metrics		ATT PW	vs. WIG
Ticker	ATT PW	1M Price Chng	-10.0% -11.1%
ISIN	PLZATRM00012	YTD Price Chng	+8.0% -10.9%
Outst. Stock (m)	99.2	ADTV 1M	2.0 mln PLN
MC (PLN m)	2,940.2	ADTV 6M	3.5 mln PLN
EV (PLN m)	9,201.0	EV/EBITDA 12M fwd	6.5 +6.6%
Free Float	29.0%	EV/EBITDA 5Y avg	6.1 premium

#### Earnings Projections

(PLN m)	2019	2020	2021P	2022P	2023P
Revenue	11,308	10,525	13,521	12,688	13,233
EBITDA adj.	1,496	1,038	1,159	926	1,096
EBITDA margin	13.2%	9.9%	8.6%	7.3%	8.3%
EBIT adj.	685	272	374	115	-12
Net income adj.	431	82	166	-52	-143
P/E adj.	6.8	35.9	17.7	-	-
P/B	0.4	0.4	0.4	0.4	0.4
EV/EBITDA adj.	4.3	7.9	7.9	11.3	9.1
DPS	0.00	0.00	0.00	0.00	0.00
DYield	0.0%	0.0%	0.0%	0.0%	0.0%
Forecast Update (% change)			2021P	2022P	2023P
EBITDA			-15.9%	-9.8%	-31.6%
Net income			-50.1%	-278.2%	-152.2%
Urea price (PLN/t)			+17.1%	+12.2%	+11.8%
Ammonium Nitrate price (PLN/t)			+10.7%	+6.0%	+5.5%
Natural Gas price (PLN/m <sup>3</sup> )			+19.8%	+7.9%	+7.9%
Melamine (PLN/t)			+20.0%	+6.7%	0.0%
Polyamide 6 (PLN/t)			+25.0%	+5.3%	+5.3%
Propylene (PLN/t)			+16.9%	+3.7%	0.0%

#### Financial Highlights

(PLN m)	2019	2020	2021P	2022P	2022P
EBITDA, Fertilizers	965	820	782	646	661
EBITDA, Plastics	66	-32	111	88	55
EBITDA, Chemicals	208	266	313	321	307
EBITDA, Energy	102	98	-186	-275	-210
EBITDA, Other	83	169	139	147	145
<b>Operating cash flow</b>	<b>2,033</b>	<b>2,705</b>	<b>1,209</b>	<b>932</b>	<b>1,177</b>
D&A	811	766	785	811	1,107
Working capital	636	1,333	72	-20	13
<b>Investing cash flow</b>	<b>-1,186</b>	<b>-2,831</b>	<b>-2,065</b>	<b>-2,029</b>	<b>-487</b>
CAPEX	1,044	3,009	2,065	2,029	487
<b>Financing cash flow</b>	<b>-923</b>	<b>280</b>	<b>-25</b>	<b>914</b>	<b>-690</b>
Dividends/Buyback	0	0	0	0	0
FCF	883	-469	-867	-1,101	686
FCF/EBITDA	62%	-35%	-75%	-119%	63%
OCF/EBITDA	143%	205%	104%	101%	107%

#### Key Balance Sheet Figures

(PLN m)	2019	2020	2021P	2022P	2022P
Assets	15,479	18,207	19,449	20,236	19,786
Fixed assets	10,705	13,512	14,728	15,951	15,336
Equity	7,036	7,339	7,442	7,389	7,246
Minority interests	658	950	961	973	988
Net debt	2,807	4,270	5,300	6,584	6,083
Net debt/EBITDA (x)	197%	323%	457%	711%	555%
Net debt/Equity (x)	40%	58%	71%	89%	84%

#### Relative Valuation Summary

	P/E			EV/EBITDA		
	21P	22P	23P	21P	22P	23P
Minimum	7.6	8.9	7.9	5.3	5.6	5.6
Maximum	16.2	14.7	14.9	9.0	8.4	7.7
Median	11.2	12.4	12.0	6.2	6.5	6.3
Weight	50%	0%	0%	17%	17%	17%

#### DCF Analysis

(PLN m)	21P	22P	23P	24P	25P	26P	27P	28P	29P	30P	+
Urea price (PLN/t)	2,050	1,770	1,757	1,757	1,757	1,757	1,757	1,757	1,766	1,775	1,784
AN price (PLN/t)	1,550	1,391	1,377	1,377	1,377	1,377	1,377	1,377	1,384	1,391	1,399
N Gas cost (PLN/m <sup>3</sup> )	1,127	984	984	984	984	984	984	984	984	984	984
Revenue	13,521	12,688	13,233	14,613	14,829	14,971	15,116	15,228	15,388	15,549	15,714
EBITDA	1,159	926	1,096	1,458	1,458	1,443	1,438	1,424	1,367	1,396	1,423
EBITDA margin	8.6%	7.3%	8.3%	10.0%	9.8%	9.6%	9.5%	9.4%	8.9%	9.0%	9.1%
EBIT	374	115	-12	383	432	453	455	431	374	398	425
Tax	33	-22	-64	4	17	25	28	26	16	21	27
CAPEX	-2,065	-2,029	-487	-720	-753	-821	-841	-885	-943	-993	-998
Working capital	72	-20	13	33	5	3	3	3	4	4	4
FCF	-867	-1,101	686	767	693	601	573	516	413	388	0
PV FCF	-846	-1,017	602	619	527	430	385	325	243	214	
WACC	5.9%	5.7%	5.5%	6.5%	6.4%	6.4%	6.4%	6.4%	6.5%	6.5%	6.5%
Risk-free rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

#### DCF Summary

(PLN m)	
Beta	1.0
FCF perp. growth rate	2%
PV FCF	5,837.7
Net debt	2,601.6
Other adjustments	-657.6
<b>Value per share (PLN)</b>	<b>25.99</b>

#### Valuation Summary

(PLN)	Weight	Price
Relative Val.	50%	13.45
DCF Val.	50%	25.99
Implied Price		19.72
Cost of equity (9M)		6.3%
<b>9M Target Price</b>		<b>20.97</b>

## Oil &amp; Gas

## Lotos

## buy (upgraded)

Kamil Kliszcz

+48 22 438 24 02

kamil.kliszcz@mbank.pl

Lotos beat expectations by a mile with its preliminary 2021 Q2 results, prompting us to raise our full-year EBITDA LIFO estimate by over 30%. The refining business achieved a high profit in Q2, with tight model cracking margins outweighed by higher profits from asphalt products and record-high margins on base oils (if base oil prices stayed at today's levels through the rest of the year, they would add PLN 0.4bn to the full-year EBITDA). Lotos also probably capitalized on scheduled downtime at the rival facilities of PKN Orlen during the quarter. In the second half of 2021, Lotos refineries can be expected to experience more pressure from high costs of natural gas, but we believe this will be mitigated by a rebound in profits from fuel retailing. After factoring these assumptions into our models, also updated to reflect higher trading multiples, we raise our target price for Lotos and we upgrade the stock from accumulate to buy. We continue to see Lotos as offering the best positive exposure in the medium term to the expected normalization of travel and jet fuel demand. Lotos's refining profits at the moment are also benefitting from an expanding gasoil-HSFO price spread. Lotos can earn PLN 0.3bn EBITDA for any increase of \$1 in the benchmark refining margin (+11% to our 2021 forecast). Assuming normalized business conditions, in 2022-23 EBITDA LIFO could return to PLN 2.8-3bn to make an implied <4.0x EV/EBITDA. Lotos can demonstrate a healthy balance sheet position, and it is expected to generate high FCF yield, in the coming years. With all this in mind, in our view the swap ratio of Lotos stock for PKN Orlen in their future merger should improve.

## Financial Highlights

(PLN m)	2019	2020	2021P	2022P	2023P
<b>LIFO EBITDA (adj.)</b>	<b>2,852</b>	<b>1,726</b>	<b>2,547</b>	<b>2,892</b>	<b>3,063</b>
Upstream (US)	621	469	887	1,018	901
Downstream (DS)	1,965	1,021	1,427	1,637	1,919
Retail	259	253	232	238	243
<b>EV/ LIFO EBITDA (adj.)</b>	<b>4.4</b>	<b>6.7</b>	<b>4.8</b>	<b>3.8</b>	<b>3.3</b>
LIFO effect	-141	-740	760	-288	0
Other one-offs	168	-1,293	300	0	0
<b>Financing activity</b>	<b>-278</b>	<b>-256</b>	<b>-291</b>	<b>-178</b>	<b>-149</b>
<b>Crude thrghpt (mmt)</b>	<b>10.7</b>	<b>10.2</b>	<b>10.0</b>	<b>10.7</b>	<b>10.7</b>
\$ LIFO EBITDA/ bbl, DS	6.5	3.5	5.2	5.8	6.8
PLN EBITDA/tonne, Retail	156	163	140	143	146
\$ EBITDA/boe, US	21.4	16.2	38.7	36.3	36.8
<b>US output (mboepd)</b>	<b>20.7</b>	<b>20.3</b>	<b>16.9</b>	<b>21.3</b>	<b>18.6</b>
natural gas	10.9	10.1	7.4	5.5	4.1
crude oil	9.8	10.2	9.4	15.8	14.5

## DCF Analysis (ex. Upstream)

(PLN m)	21P	22P	23P	24P	25P	26P	27P	28P	29P	30P	+
Brent	69	60	60	60	60	60	60	60	60	60	60
Margin+Urals/Brent	3.5	5.6	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
USD/PLN	3.73	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Revenue	26,814	25,132	25,717	25,724	24,288	25,738	24,301	25,750	24,325	25,785	25,785
EBITDA	2,500	1,586	2,162	2,051	1,920	1,908	1,903	1,889	1,876	1,862	1,862
EBITDA margin	9.3%	6.3%	8.4%	8.0%	7.9%	7.4%	7.8%	7.3%	7.7%	7.2%	7.2%
EBIT	1,715	777	1,348	1,204	1,169	1,142	1,124	1,098	1,075	1,045	1,045
Tax	326	148	256	229	222	217	214	209	204	198	198
CAPEX	-592	-620	-727	-727	-692	-727	-692	-727	-692	-727	-817
Working capital	-1,944	822	-146	2	121	53	-35	48	-37	46	0
FCF	-362	1,640	1,033	1,098	1,126	1,018	962	1,002	942	982	846
PV FCF	-350	1,471	853	836	791	659	574	551	477	459	
WACC	7.7%	8.1%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Risk-free rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

52.52 PLN

Upside

## Current Price

## 9M Target Price

67.20 PLN

+28.0%

	rating	target price	issued
<b>new</b>	<b>buy</b>	<b>67.20 PLN</b>	<b>2021-08-04</b>
old	accumulate	60.75 PLN	2021-07-06

Key Metrics			LTS PW	vs. WIG
Ticker	LTS PW	1M Price Chng	-2.4%	-3.6%
ISIN	PLLOTOS00025	YTD Price Chng	+26.7%	+7.8%
Outst. Stock (m)	184.9	ADTV 1M		PLN 10.6m
MC (PLN m)	9,709.5	ADTV 6M		PLN 26.2m
EV (PLN m)	12,194.2	EV/EBITDA 12M fwd	3.9	-23.4%
Free Float	46.8%	EV/EBITDA 5Y avg	5.2	discount

## Earnings Projections

(PLN m)	2019	2020	2021P	2022P	2023P
Revenue	29,493	20,909	28,115	26,646	27,060
EBITDA	2,879	-307	3,607	2,604	3,063
EBITDA margin	9.8%	-1.5%	12.8%	9.8%	11.3%
EBIT	1,970	-1,397	2,544	1,447	1,933
Net income	1,153	-1,146	1,710	842	1,299
P/E	8.4	-	5.7	11.5	7.5
P/B	0.8	0.8	0.7	0.7	0.7
EV/EBITDA	4.4	-	3.4	4.2	3.3
DPS	3.00	1.00	0.00	3.00	3.00
DYield	5.7%	1.9%	0.0%	5.7%	5.7%
<b>Forecast Update (% change)</b>			<b>2021P</b>	<b>2022P</b>	<b>2023P</b>
LIFO EBITDA			+35.7%	+12.4%	+5.9%
Net income			+103.9%	+39.7%	+12.5%
Price of Brent crude (\$/bbl)			0.0%	0.0%	0.0%
Margin+Urals/Brent price differ. (\$/b)			0.0%	0.0%	0.0%
USD/PLN			0.0%	0.0%	0.0%

## Key Balance Sheet Figures

(PLN m)	2019	2020	2021P	2022P	2023P
<b>Operating cash flow</b>	<b>2,130</b>	<b>2,870</b>	<b>1,307</b>	<b>3,278</b>	<b>2,655</b>
OCF/EBITDA LIFO adj.	75%	166%	51%	113%	87%
<b>CAPEX</b>	<b>805</b>	<b>895</b>	<b>1,211</b>	<b>1,035</b>	<b>946</b>
Working capital	5,523	3,554	5,497	4,675	4,821
Equity	12,715	11,574	13,368	13,655	14,399
<b>Net debt</b>	<b>2,900</b>	<b>1,928</b>	<b>2,485</b>	<b>1,200</b>	<b>421</b>
Net debt/EBITDA (x)	1.0	1.1	1.0	0.4	0.1

## Relative Valuation Summary

	P/E			EV/EBITDA		
	21P	22P	23P	21P	22P	23P
Minimum	5.2	4.9	4.1	2.3	2.5	2.5
Maximum	37.2	27.6	21.8	20.6	17.4	14.5
Median	8.6	8.7	8.7	5.6	4.7	4.7
Weight	17%	17%	17%	17%	17%	17%

## DCF Summary

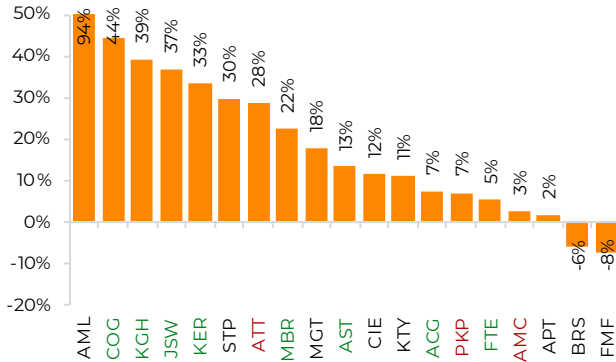
(PLN m)	
Beta	1.0
FCF perp. growth rate	1.0%
PV FCF	11,586
Net debt	1,928
Petrobaltic	2,652
<b>Value per share (PLN)</b>	<b>66.59</b>

## Valuation Summary

(PLN)	Weight	Price
Relative Val.	50%	59.84
DCF Val.	50%	66.59
Implied Price		63.21
Cost of equity (9M)		6.3%
<b>9M Target Price</b>		<b>67.20</b>

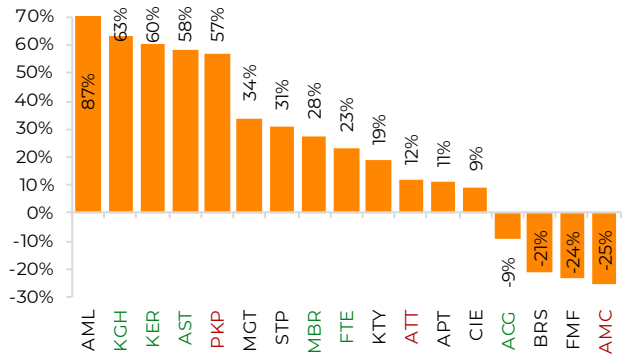
## Industrials Update

### Sales (YoY pct. change)



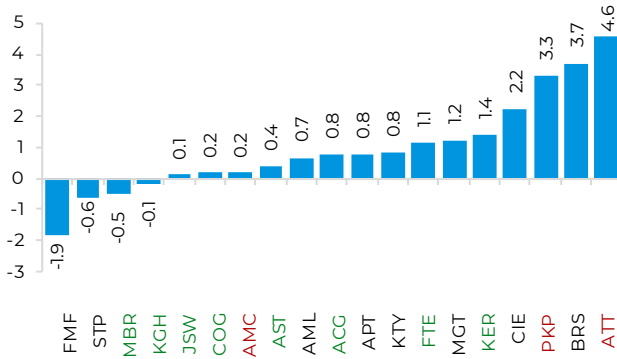
Source: mBank; \*Stocks in green are rated positively, red are negative ratings

### EBITDA (YoY pct. change)

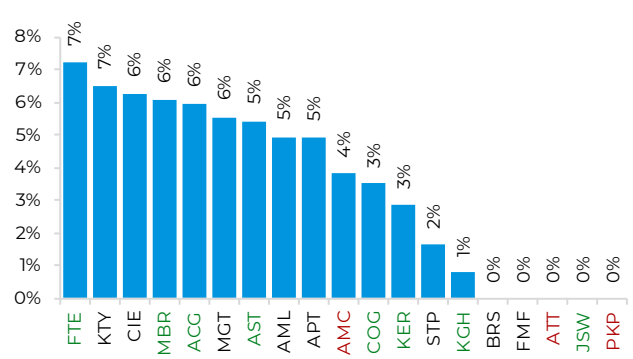


Source: mBank; \*Stocks in green are rated positively, red are negative ratings

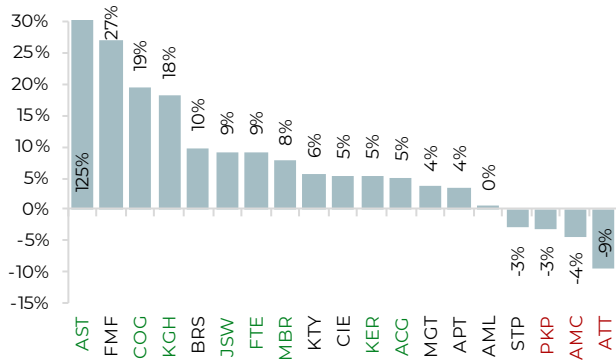
### EOP Net Debt/EBITDA



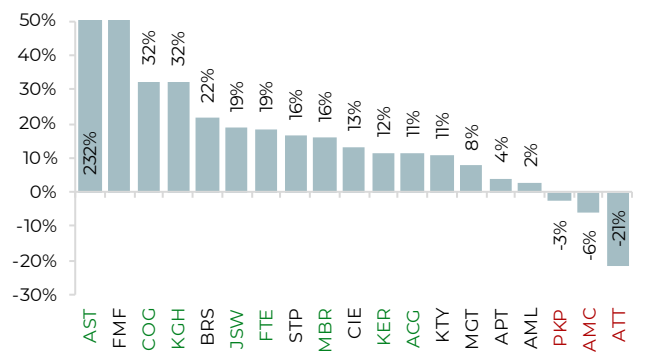
### Dividend Yields



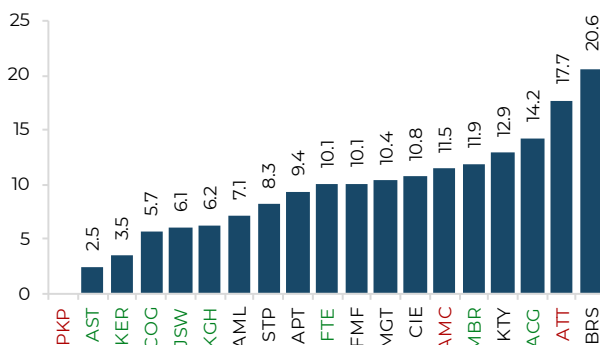
### FY2021 Free Cash Flow to Enterprise Value



### FY2021-2022E Average FCF/EV Ratios

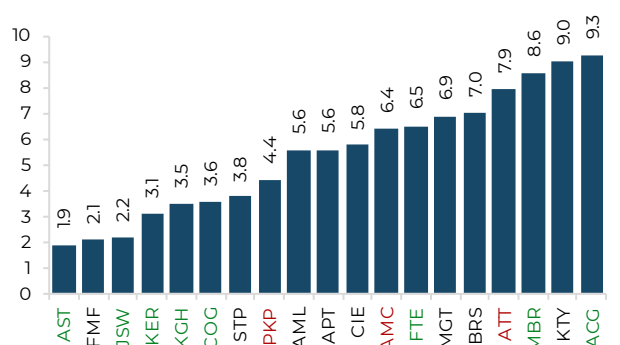


### FY2021E P/E



Source: mBank; \*Stocks in green are rated positively, red are negative ratings

### FY2021E EV/EBITDA



Source: mBank; \*Stocks in green are rated positively, red are negative ratings

## e-Commerce

## Answear

## buy (new)

Paweł Szpigiel

+48 22 438 24 06

pawel.szpigiel@mbank.pl

Answear released preliminary 2021 Q2 sales figures that showed a 37% revenue rebound from Q2 2020 vis-à-vis a 23% increase overall in Polish online fashion sales registered in the period. This after also outpacing the broad market in the first quarter with year-over-year sales growth of 81% vs. 57% average. In Q1 2021 Answear also registered growth in sales margins to 45.4% from 36.8% and 41.6% in FY2020, achieved with higher sales of premium clothing and by replacing cheaper labels with its own brand apparel, combined with reduced buying at discounted prices. As promised, Answear has put IPO proceeds into increasing inventory and broadening its marketing reach. With marketing expenses raised to an equivalent of 16.5% of online sales in Q1 2021 vs. 12.1% in Q1 2020, the sales conversion rate also increased from 1.69% to 2.03%, and the value of an average order grew from PLN 221 to PLN 255.

After incorporating 2021 H1 sales figures into our models, we raise our full-year revenue estimate for Answear from PLN 519m to PLN 594m. We also revised the marketing costs/sales ratio upwards to 13.8%. Based on this, we currently expect Answear to generate EBITDA of PLN 40.6m in 2021, and on our estimates ANR stock is currently trading at 14.0x EV/EBITDA, showing a near-22% discount to comparable companies. We resume coverage of Answear with a new target price of PLN 51.20, and with an implied upside potential of 53% we rate the stock as a buy.

## Current Price

33.40 PLN

Upside

## 9M Target Price

51.20 PLN

+53.3%

	rating	target price	issued
new	buy	51.20 PLN	2021-08-04
old	suspended		2021-05-07

Key Metrics			ANR PW	vs. WIG
Ticker	ANR PW	1M Price Chng	+4.4%	+3.2%
ISIN	PLANSWR00019	YTD Price Chng	-	-
Outst. Stock (m)	17.2	ADTV 1M		0.2 mln PLN
MC (PLN m)	574.1	ADTV 6M		0.5 mln PLN
EV (PLN m)	567.9	EV/EBITDA 12M fwd	15.3	-10.3%
Free Float	18.7%	EV/EBITDA 5Y avg	17.1	discount

## Earnings Projections

(PLN m)	2019	2020	2021P	2022P	2023P
Revenue	311	409	594	739	908
EBITDA adj.	10	30	41	48	59
EBITDA margin	3.1%	7.4%	6.8%	6.4%	6.5%
EBIT	4	22	31	37	48
Net income	11	9	22	27	36
P/E	45.1	67.2	26.5	21.6	16.0
P/B	9.0	8.9	4.4	3.7	3.0
EV/EBITDA	53.8	19.4	14.0	12.0	9.6
DPS	0.00	0.00	0.00	0.00	0.00
DYield	0.0%	0.0%	0.0%	0.0%	0.0%

Forecast Update (% change)	2021P	2022P	2023P
Revenue	+14.3%	+11.8%	+8.8%
EBITDA	+36.2%	+23.3%	+23.9%
EBIT	+49.5%	+26.6%	+26.2%
Net income	+45.3%	+22.7%	+24.0%
CAPEX	+31.4%	+23.8%	+52.2%

## Financial Highlights (adjusted for IFRS 16)

(PLN m)	2019	2020	2021P	2022P	2023P
No of visits (m)	116.2	139.0	171.6	209.1	250.3
Conversion rate	0.1%	0.1%	0.2%	0.0%	0.0%
No of orders (ths)	2,062	2,557	3,484	4,287	5,180
Average Order Value	221.0	237.0	256.0	261.1	266.3
Gross profit margin	41.6%	41.6%	42.6%	42.0%	42.0%
<b>Operating cash flow</b>	<b>-2.4</b>	<b>15.3</b>	<b>-1.2</b>	<b>16.5</b>	<b>23.4</b>
D&A	5.2	3.1	3.0	4.0	4.4
Working capital	-12.8	-17.9	-38.7	-26.8	-29.5
<b>Investing cash flow</b>	<b>-4.3</b>	<b>-3.3</b>	<b>-13.8</b>	<b>-7.8</b>	<b>-10.2</b>
CAPEX	-4.3	-5.4	-13.8	-7.8	-10.2
<b>Financing cash flow</b>	<b>11.3</b>	<b>-2.1</b>	<b>33.6</b>	<b>-10.7</b>	<b>-10.7</b>
Dividends/Buyback	0.0	0.0	0.0	0.0	0.0
FCF	-8.3	-5.1	-17.8	6.0	10.5
FCF/EBITDA	-	-	-	-	20%
OCF/EBITDA	-	-	-	40%	45%

## Key Ratios (adjusted for IFRS 16)

(PLN)	2019	2020	2021P	2022P	2023P
Marketing Costs	40	49	82	102	125
as a % of sales	0	0	0	0	0
Logistics Costs	55	63	91	114	140
as a % of sales	17.7%	15.3%	15.3%	15.4%	15.4%
Cash (PLN m)	12	23	41	39	42
Net debt (PLN m)	27	12	-6	-4	-7
Net debt/EBITDA (x)	2.8	0.5	-0.2	-0.1	-0.1

## Relative Valuation Summary

	P/E			EV/EBITDA		
	2021P	2022P	2023P	2021P	2022P	2023P
Minimum	17.4	15.0	13.5	5.2	4.2	3.9
Maximum	91.6	78.3	58.4	100.1	46.1	25.7
Median	28.2	25.0	22.8	17.9	14.8	12.5
Weight	17%	17%	17%	17%	17%	17%

## DCF Analysis (adjusted for IFRS 16)

(PLN m)	21P	22P	23P	24P	25P	26P	27P	28P	29P	30P	+
No of visits (m)	171.6	209.1	250.3	294.6	341.5	390.5	440.8	492.0	543.5	594.6	
Conversion rate	2.0%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.2%	
Return rate (%)	29.6%	30.1%	30.4%	30.5%	30.5%	30.6%	30.6%	30.6%	30.6%	30.6%	
Revenue	594	739	908	1,098	1,304	1,527	1,767	2,021	2,287	2,564	2,667
EBITDA (ex. MSSF16)	34	41	52	67	82	101	118	136	152	168	175
margin	5.7%	5.5%	5.8%	6.1%	6.3%	6.6%	6.7%	6.7%	6.7%	6.5%	6.5%
EBIT	31	37	48	62	76	93	109	125	141	157	163
Tax	6	7	9	12	14	18	21	24	27	30	31
CAPEX	-14	-8	-10	-24	-10	-11	-23	-11	-11	-11	-12
Working capital	-39	-27	-30	-35	-41	-45	-48	-51	-53	-55	-58
FCF	-18	6	11	3	24	35	35	51	61	72	74
PV FCF	-17	5	9	2	16	23	20	27	31	33	
WACC	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	
Risk-free rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	

## DCF Summary

(PLN m)	
Beta	1.0
FCF perp. growth rate	4.0%
PV FCF	910
Net debt	-33
Other adjustments	-23
Value per share (PLN)	53.51

## Valuation Summary

(PLN)	Weight	Price
Relative Val.	50%	42.60
DCF Val.	50%	53.51
Implied Price		48.05
Cost of equity (9M)		6.6%
<b>9M Target Price</b>		<b>51.20</b>

#### List of abbreviations and ratios used by mBank:

**EV** (Enterprise Value) – Equity Value + Net Debt; **EBIT** – Earnings Before Interest and Taxes; **EBITDA** – EBIT + Depreciation & Amortisation; **Net Debt** – Borrowings + Debt Securities + Interest-Bearing Loans - Cash and Cash Equivalents; **P/E** (Price/Earnings) – Price Per Share Divided by Earnings Per Share; **P/CE** (Price to Cash Earnings) – Price Per Share Divided by Earnings + Depreciation & Amortisation; **P/B** (Price to Book Value) – Price Per Share Divided by Book Value Per Share; **P/CF** (Price to Cash Flow) – Price Divided by Cash Flow from Operations; **ROE** (Return on Equity) – Earnings Divided by Shareholders' Equity; **ROCE** (Return on Capital Employed) – EBIT x (Average Assets - Current Liabilities); **ROIC** (Return on Invested Capital) – EBIT x (1-Tax Rate) / (Average Equity + Minority Interest + Net Debt); **FCFF** (Free Cash Flow to Firm) – Cash Flow from Operations - CAPEX - Lease Payments; **FCFE** (Free Cash Flow to Equity) – Free Cash Flow to Firm - Net Interest Expense (incl. Debt + Leases) - Lease Payments

**OVERWEIGHT (OW)** – a rating which indicates that we expect a stock to outperform the broad market

**NEUTRAL (N)** – a rating which indicates that we expect the stock to perform in line with the broad market

**UNDERWEIGHT (UW)** – a rating which indicates that we expect the stock to underperform the broad market

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**ACCUMULATE** – we expect that the rate of return from an investment will range from 5% to 15%

**HOLD** – we expect that the rate of return from an investment will range from -5% to +5%

**REDUCE** – we expect that the rate of return from an investment will range from -5% to -15%

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The production of this recommendation was completed on August 4, 2021, 8:08AM.  
This recommendation was first disseminated on August 4, 2021, 8:35 AM.

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**DCF** – acknowledged as the most methodologically correct method of valuation; it consists in discounting financial flows generated by a company; its weak point is the significant susceptibility to a change of forecast assumptions in the model.

**Relative** – based on a comparison of valuation multipliers of companies from a given sector; simple in construction, reflects the current state of the market better than DCF; weak points include substantial variability (fluctuations together with market indices) as well as difficulty in the selection of the group of comparable companies.

**Economic profits** – discounting of future economic profits; the weak point is high sensitivity to changes in the assumptions made in the valuation model.

**Discounted Dividends (DDM)** – discounting of future dividends; the weak point is high sensitivity to changes in the assumptions as to future dividends made in the valuation model.

**NAV** – valuation based on equity value, one of the most frequently used method in case of developing companies; the weak point of the method is that it does not factor in future changes in revenue/profits of a company.

## Comparable Companies Used In Relative Valuation Models

<b>Agora</b>	Axel Springer, Cinemark Holdings, Cineworld, Daily Mail&General, IMAX Corp, JC Decaux, Lagardere, Sanoma, Schibsted, Stroeer Media
<b>Allegro</b>	Alibaba, Amazon, Asos, Boohoo, Ebay, Etsy, Global Fashion Group, Jd.Com, Lojas Americanas, Magazine Luiza, Mercadolibre, Overstock.Com, Via Varejo, Vipshop Holdings, Zalando, Zozo
<b>Answer</b>	Alibaba Group, Amazon.com, Asos, Boohoo, Ebay, Global Fashion Group, Lojas Americanas, Overstock.com, Via Varejo, Zalando, Zozo
<b>Asseco Poland</b>	Atos, CAP Gemini, Comarch, Computacenter, Fiserv, Indra Sistemas, Oracle, Sage Group, SAP, Software AG
<b>CEZ</b>	EDF, EDP, Endesa, Enea, Enel, Energia, EON, Innogy, PGE, RWE, Tauron
<b>Ciech</b>	Akzo Nobel, BASF, Bayer, Ciner Resources, GHCL, Hongda Xindye, Huntsman, ICI Pakistan, MISR Chemical, PCC Rokita, OCI, Qingdao, Sesoda, Shandong Haihua, Soda Samayii, Solvay, Tangshan Sanyou Chemical, Tata Chemicals, Tessenderlo Chemie, Wacker Chemie
<b>Cognor</b>	AK Steel, Alumetal, ArcelorMittal, Baoshan Iron & Steel, Commercial Metals, HeSteel, Hitachi Metals, Hyundai Steel, JFE Holdings, JSW Steel, Kloeckner & Co, Metalurgica Gerdau, Nippon Yakin Kogyo, Nucor, Olympic Steel, Outokumpu, POSCO, Salzgitter, SSAB, Steel Authority Of India, Steel Dynamics, Tata Steel, thyssenkrupp, United States Steel Corp, voestalpine
<b>Comarch</b>	Asseco Poland, Atos, CAP Gemini, Computacenter, Fiserv INC, Indra Sistemas, Oracle Corp, Sage Group, SAP, Software AG, Tieto
<b>Cyfrowy Polsat</b>	BT Group, Comcast, Deutsche Telekom, Hellenic Telecom, Iliad, Koninklijke KPN, Magyar Telekom, Netia, O2 Czech, Orange, Orange Polska, Shaw Communications, Talktalk Telecom, Tele2, Telecom Italia, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vodafone Group
<b>Famur</b>	Caterpillar, Epiroc, Komatsu, Sandvik, Weir Group, Metso, Flsmidth
<b>Grupa Azoty</b>	Acron, Agrium, CF Industries, Israel Chemicals, K+S, Mosaic, Phosagro, Potash, Yara
<b>JSW</b>	Alliance Resource Partners, Arch Coal, Banpu Public, BHP Billiton, Bukin Asam, China Coal, Cloud Peak Energy, Cokal, Henan Shenhui, LW Bogdanka, Natural Resource Partners, Peabody Energy, Rio Tinto, Semirara Mining and Power, Shaanxi Heima, Shanxi Xishan Coal & Elec, Shougang Fushan Resources, Stanmore Coal, Teck Resources, Terracom, Walter Energy, Warrior Met Coal, Yanzhou Coal Mining
<b>Kernel</b>	ADM, Andersnons, Astarta, Avangard, Bunge, China Agri Industries, Felda Global, Golden Agri Resources, GrainCorp, IMC, MHP, Milkiland, Nisshin Oillio Group, Ovostar, Wilmar
<b>Kęty</b>	Alcoa, Alumetal, Amag, Amcor, Bemis, Century Aluminium, China Hongoiao, Constelium, Fuji Seal, Kaiser Aluminium, Mercor, Midas Holdings, Nippon Light Metal, Norsk Hydro, UACJ, United CO Rusal
<b>KGHM</b>	Anglo American, Antofagasta, BHP Billiton, Boliden, First Quantum Minerals, Freeport-McMoRan, Grupo Mexico, KAZ Minerals, Hudbay, Lundin, MMC Norilsk Nickel, OZ Minerals, Rio Tinto, Sandfire Resources, Southern Copper, Vedanta Resources
<b>Kruk</b>	Arrow Global, Collection House, Credit Corp, Encore Capital, Intrum, PRA Group
<b>Lotos, MOL</b>	Aker BP, Bashneft, BP, ENI, Gazpromneft, Hellenic, Lotos, Lukoil, MOL, Motor Oil, Neste, OMV, OMV Petrom, PKN, Repsol, Rosneft, Saras, Shell, Statoil, Total, Tullow Oil, Tupras
<b>Mo-BRUK</b>	Advanced Disposal Services, Alumetal, Ambipar Participacoes, Asahi Holdings, Befesa, Biffa, Bingo Industries, Charah Solutions, China Resource and Enviro, Cleacaway Waste Management, Cognor, Comercial Metals, Daiseki, GFL Environmental, Insun, Lassila & Tikanoja, Renewi, Schnitzer Steel, Seche Environment, Sims Metal, Tervita, US Ecology, Waste Management, Wolverine Energy
<b>Orange Polska</b>	BT Group, Cyfrowy Polsat, Deutsche Telekom, Hellenic Telecom, Koninklijke KPN, Magyar Telekom, Mobile Telesystems, Netia, O2 Czech, Orange, Rostelecom, Telecom Italia, Telefonica, Telekom Austria, Telenor, Turk Telekomunikasyon, Turkcell Iletisim Hizmet, Vodafone Group
<b>PGNiG</b>	AZA, BP, Centrica, Enagas, Endesa, Enea, Energia, Engie, ENI, EON, Galp Energia, Gas Natural, Gazprom, Hera, MOL, Novatek, OMV, Red Electrica, Romgaz, RWE, Shell, Snam, Statoil, Total
<b>PKN Orlen</b>	Braskem, Dow Chemical, Eastman, Formosa Plastics, Hellenic Petroleum, Huntsman, Lotos, Lotte, Lyondellbasell, Mitsubishi, Mitsui Chemicals, MOL, Motor Oil, Neste, OMV, OMV Petrom, Petronas, Saras, Tupras, Westlake Chemical
<b>PKP Cargo</b>	Aurizon Holdings, Canadian National Railway, Canadian Pacific Railway, Center for Cargo Container, China Railway Group, China Railway Tielong Container Logistics, CSX Corp, Daqin Railway, Global Ports Holding, Globaltrans Investment, Hamburger Hafen und Logistik, Hub Group, Kansas City Southern, Kuehne + Nagel International, Log-In Logistica Intermodal, Nikkon Holdings, Norfolk Southern Corp, Rumo, Tidewater Midstream, Union Pacific Corp
<b>Polenergia</b>	Abo Wind, Avangrid, Azure Power Global, Boralex, Cez, Clearway Energy, E.ON, EdF, EDP, EDP Renovaveis, Elia Group, Encavis, Endesa, Enel, Engie, Eolus Wind, EVN, Falck Renewables, Fortum, Iberdrola, Iren, National Grid, Neoen, Orsted, PNE, Red Electrica, Redes Energeticas, Renova, RWE, Scatec Solar, Solaria Energia, SSE, Terna, Terna Energy, Tilt Renewables, Transalta Renewables, Xcel Energy
<b>Stalprodukt</b>	Baoshan Iron and Steel, Befesa, Boliden, Cleveland Cliffs, Gem, Hinustan Zinc, Kloeckner, Korea Zinc, Material Technologies, Novolipetsk Steel, Nyrstar, Posco, Salzgitter, SSAB, Tata Steel, ThyssenKrupp, Umicore, United States Steel, Vallourec, Voestalpine, Yechiu Metal Recycling
<b>Sygnity</b>	Ailleron, Asseco Business Solutions, Asseco Poland, Asseco South Eastern Europe, Atende, Comarch
<b>Wirtualna Polska</b>	eBay, Facebook, Google, Mail.ru, Sina, Yahoo Japan, Yandex

**Recommendations Issued In the 12 Months Prior To This Publication**
**11 bit studios**

Rating	suspended	sell	hold
Rating date	2021-05-07	2021-03-02	2020-09-02
Target price	-	493.00	493.00
Price on rating	501.00	558.00	482.00

**AC**

Rating	overweight	overweight
Rating date	2021-04-29	2020-12-08
Target price	-	-
Price on rating	37.00	36.40

**Agora**

Rating	hold	accumulate
Rating date	2021-07-06	2020-12-08
Target price	10.60	7.60
Price on rating	10.40	6.96

**Ailleron**

Rating	neutral
Rating date	2020-05-05
Target price	-
Price on rating	626

**Alior Bank**

Rating	accumulate	buy	accumulate	accumulate
Rating date	2021-05-07	2021-04-19	2020-11-19	2020-11-05
Target price	30.00	30.00	1878	14.98
Price on rating	28.80	24.13	17.50	13.39

**Allegro**

Rating	sell
Rating date	2020-11-18
Target price	54.00
Price on rating	67.89

**Alumetal**

Rating	neutral	neutral	neutral	neutral	neutral	neutral	neutral	underweight
Rating date	2021-05-31	2021-04-09	2021-02-26	2021-01-29	2021-01-15	2020-12-08	2020-10-19	2020-09-30
Target price	-	-	-	-	-	-	-	-
Price on rating	68.00	59.00	52.80	53.20	52.00	44.50	36.00	35.90

**Amica**

Rating	underweight	underweight	neutral	neutral	overweight
Rating date	2021-04-09	2021-02-26	2021-01-18	2020-12-08	2020-09-30
Target price	-	-	-	-	-
Price on rating	15320	145.00	145.80	14960	136.60

**AmRest**

Rating	suspended
Rating date	2020-12-08
Target price	-
Price on rating	25.80

**Answer**

Rating	buy	suspended	buy
Rating date	2021-08-04	2021-05-07	2021-02-04
Target price	51.20	-	44.50
Price on rating	334,000.00	32.01	2851

**Aparator**

Rating	neutral	neutral	neutral
Rating date	2021-04-29	2020-12-08	2020-09-30
Target price	-	-	-
Price on rating	23.90	22.40	20.60

**Asseco BS**

Rating	neutral
Rating date	2020-09-02
Target price	-
Price on rating	36.00

**Asseco Poland**

Rating	buy	accumulate
Rating date	2020-09-02	2020-08-04
Target price	80.70	68.39
Price on rating	70.20	66.50

**Asseco SEE**

Rating	overweight
Rating date	2020-08-07
Target price	-
Price on rating	43.70

**Astarta**

Rating	overweight	overweight	overweight	overweight
Rating date	2021-04-26	2021-01-28	2020-12-08	2020-10-27
Target price	-	-	-	-
Price on rating	3820	3620	2520	21.80

**Atende**

Rating	overweight
Rating date	2020-11-27
Target price	-
Price on rating	3.44



**BNP Paribas Polska**

<b>Rating</b>	<b>buy</b>	<b>accumulate</b>	<b>buy</b>
Rating date	2021-04-19	2020-12-08	2020-11-19
Target price	90.00	64.45	64.45
Price on rating	66.60	55.00	46.40

**Boryszew**

<b>Rating</b>	<b>neutral</b>	<b>neutral</b>	<b>neutral</b>
Rating date	2021-05-31	2020-12-08	2020-09-09
Target price	-	-	-
Price on rating	3.29	2.87	3.39

**CCC**

<b>Rating</b>	<b>suspended</b>	<b>hold</b>	<b>hold</b>	<b>accumulate</b>	<b>buy</b>
Rating date	2021-05-07	2021-04-09	2021-03-02	2021-02-02	2020-12-08
Target price	-	96.00	89.00	89.00	89.00
Price on rating	111.80	99.76	97.88	85.70	71.38

**CD Projekt**

<b>Rating</b>	<b>suspended</b>	<b>reduce</b>	<b>hold</b>	<b>sell</b>	<b>reduce</b>	<b>hold</b>	<b>accumulate</b>	<b>accumulate</b>	<b>hold</b>
Rating date	2021-05-07	2021-04-09	2021-03-02	2021-02-02	2020-12-23	2020-12-08	2020-11-05	2020-10-02	2020-09-02
Target price	-	172.60	232.00	232.00	232.00	445.10	421.60	429.10	429.10
Price on rating	156.52	183.00	240.30	305.80	267.70	425.10	381.20	382.60	440.70

**CEZ**

<b>Rating</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>
Rating date	2021-07-06	2021-06-02	2021-04-09	2020-11-20	2020-10-02
Target price	722.14	759.63	693.24	601.40	514.80
Price on rating	598.00	631.00	565.00	468.00	438.00

**Ciech**

<b>Rating</b>	<b>hold</b>	<b>hold</b>	<b>hold</b>	<b>buy</b>	<b>hold</b>
Rating date	2021-06-02	2021-05-07	2020-12-08	2020-11-05	2020-10-02
Target price	47.47	40.97	32.59	34.27	30.10
Price on rating	46.70	41.30	30.35	27.45	27.25

**Cognor**

<b>Rating</b>	<b>buy</b>	<b>hold</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>
Rating date	2021-06-18	2021-04-09	2021-03-05	2021-02-10	2020-12-08	2020-09-25	2020-08-04
Target price	4.30	3.19	3.19	2.89	2.29	2.03	1.98
Price on rating	3.57	3.16	2.55	2.15	1.25	1.10	0.93

**Comarch**

<b>Rating</b>	<b>buy</b>	<b>buy</b>
Rating date	2021-03-30	2020-09-29
Target price	267.00	247.60
Price on rating	219.00	204.00

**Cyfrowy Polsat**

<b>Rating</b>	<b>hold</b>	<b>hold</b>
Rating date	2020-12-08	2020-09-02
Target price	27.90	26.30
Price on rating	27.84	26.92

**Dino**

<b>Rating</b>	<b>suspended</b>	<b>accumulate</b>	<b>accumulate</b>	<b>hold</b>
Rating date	2021-05-07	2021-04-09	2021-03-02	2020-12-08
Target price	-	290.80	263.10	263.10
Price on rating	247.30	266.60	248.80	269.80

**Enea**

<b>Rating</b>	<b>suspended</b>	<b>suspended</b>	<b>suspended</b>
Rating date	2021-06-02	2021-04-09	2020-12-08
Target price	-	-	-
Price on rating	8.76	6.83	5.60

**Energa**

<b>Rating</b>	<b>suspended</b>	<b>suspended</b>
Rating date	2021-04-09	2020-12-08
Target price	-	-
Price on rating	7.81	7.80

**Erste Group**

<b>Rating</b>	<b>accumulate</b>	<b>hold</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>
Rating date	2021-07-06	2021-06-02	2021-04-09	2020-12-08	2020-08-10
Target price	34.06	34.06	34.06	30.58	26.00
Price on rating	31.57	34.05	29.27	24.95	19.85

**Eurocash**

<b>Rating</b>	<b>suspended</b>	<b>hold</b>
Rating date	2021-05-07	2021-04-09
Target price	-	16.50
Price on rating	14.32	15.77

**Famur**

<b>Rating</b>	<b>hold</b>	<b>buy</b>	<b>buy</b>
Rating date	2021-04-09	2020-12-08	2020-08-04
Target price	2.50	3.30	2.86
Price on rating	2.53	1.90	1.70

**Forte**

<b>Rating</b>	<b>overweight</b>	<b>neutral</b>	<b>neutral</b>	<b>neutral</b>	<b>neutral</b>	<b>overweight</b>
Rating date	2021-07-30	2021-05-31	2021-01-29	2020-12-08	2020-09-30	2020-08-28
Target price	-	-	-	-	-	-
Price on rating	57.50	59.90	43.50	38.80	32.40	28.85

**GPW**

Rating	hold	reduce	reduce	sell
Rating date	2021-04-09	2020-12-08	2020-11-05	2020-09-30
Target price	44.48	40.60	39.19	39.19
Price on rating	45.76	43.00	44.80	47.10

**Grupa Azoty**

Rating	sell	hold	hold	sell	hold	hold
Rating date	2021-08-04	2021-05-07	2021-04-09	2021-01-14	2020-12-08	2020-09-02
Target price	20.97	34.74	30.23	23.65	24.54	25.83
Price on rating	296,400.00	37.68	31.00	28.95	26.85	25.30

**Handlowy**

Rating	accumulate	hold	buy
Rating date	2021-04-19	2020-11-19	2020-11-05
Target price	49.50	36.45	37.64
Price on rating	43.25	35.60	29.60

**ING BSK**

Rating	accumulate	hold	reduce	hold
Rating date	2021-05-07	2021-04-19	2020-11-19	2020-10-02
Target price	190.00	190.00	14.310	117.78
Price on rating	176.40	181.00	155.20	124.40

**Jeronimo Martins**

Rating	suspended	hold	accumulate
Rating date	2021-05-07	2021-04-09	2020-08-04
Target price	-	14.50	15.30
Price on rating	15.38	14.42	14.29

**JSW**

Rating	buy	buy	buy	hold	hold	hold	hold
Rating date	2021-04-09	2021-02-03	2020-12-08	2020-11-05	2020-10-02	2020-09-02	2020-08-04
Target price	48.09	46.40	36.58	20.14	25.96	15.82	16.41
Price on rating	31.88	34.80	25.53	18.20	25.00	15.18	17.40

**Kernel**

Rating	buy	buy	buy	buy	buy	buy
Rating date	2021-07-06	2021-03-12	2021-01-27	2020-12-08	2020-11-05	2020-09-23
Target price	75.85	71.84	62.93	57.39	53.66	56.35
Price on rating	54.10	54.00	54.50	46.75	39.00	39.90

**Grupa Kęty**

Rating	hold	hold	hold	hold	hold	hold
Rating date	2021-07-06	2021-06-02	2021-04-09	2020-12-08	2020-11-05	2020-09-02
Target price	59.16	55.355	53.4.23	47.2.99	42.2.81	46.5.74
Price on rating	67.9.00	61.0.00	56.9.00	44.9.50	41.0.00	48.2.50

**KGHM**

Rating	buy	buy	buy	hold	reduce
Rating date	2021-06-02	2021-04-09	2021-03-24	2020-12-08	2020-10-02
Target price	245.39	222.05	230.25	152.27	103.84
Price on rating	208.80	199.20	177.05	177.20	115.15

**Komercni Banka**

Rating	accumulate	hold	buy	hold	accumulate	buy	accumulate	buy
Rating date	2021-07-06	2021-06-02	2021-04-09	2021-02-02	2020-12-08	2020-10-02	2020-09-02	2020-08-10
Target price	804.77	804.77	804.77	682.02	682.02	618.97	618.97	618.97
Price on rating	779.00	798.50	680.00	659.00	616.00	484.50	534.00	529.00

**Kruk**

Rating	accumulate	accumulate	hold	buy	buy
Rating date	2021-07-06	2021-06-09	2021-02-02	2020-12-08	2020-09-03
Target price	288.46	295.77	174.96	174.96	183.17
Price on rating	267.00	265.80	168.30	142.30	156.70

**Kruszwica**

Rating	suspended	underweight	neutral	overweight
Rating date	2021-02-26	2021-01-12	2020-12-08	2020-10-29
Target price	-	-	-	-
Price on rating	65.80	66.00	56.60	53.20

**Lotos**

Rating	buy	accumulate	accumulate	buy	buy	buy	buy	accumulate
Rating date	2021-08-04	2021-07-06	2021-06-02	2021-04-09	2021-03-25	2020-12-08	2020-10-02	2020-09-02
Target price	67.20	60.75	53.39	53.39	54.00	49.01	47.09	47.09
Price on rating	525,200.00	54.40	52.80	45.15	42.44	37.30	34.00	39.22

**LPP**

Rating	suspended	accumulate	accumulate	buy	buy	buy	accumulate
Rating date	2021-05-07	2021-04-09	2021-02-02	2020-12-08	2020-11-05	2020-10-02	2020-08-04
Target price	-	9,300.00	8,500.00	8,500.00	7,600.00	7,900.00	7,900.00
Price on rating	10,640.00	8,615.00	7,700.00	7,285.00	5,995.00	6,800.00	7,105.00

**Mangata**

Rating	neutral	overweight	overweight	neutral
Rating date	2021-05-31	2021-04-09	2020-12-08	2020-09-30
Target price	-	-	-	-
Price on rating	87.80	70.60	55.50	47.00

**Millennium**

Rating	hold	hold
Rating date	2021-04-19	2020-11-19
Target price	4.20	2.88
Price on rating	3.80	2.93

**Mo-BRUK**

<b>Rating</b>	<b>buy</b>	<b>hold</b>	<b>accumulate</b>	<b>buy</b>
Rating date	2021-07-06	2021-05-04	2021-04-09	2021-01-11
Target price	37961	42925	42672	38749
Price on rating	32600	40900	39600	24600

**MOL**

<b>Rating</b>	<b>buy</b>	<b>hold</b>	<b>buy</b>	<b>accumulate</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>
Rating date	2021-07-06	2021-04-09	2021-03-25	2021-02-02	2020-12-08	2020-09-02	2020-08-04
Target price	2816.00	2,294.00	2,571.00	2,379.00	2,379.00	1,976.00	2,158.00
Price on rating	2,378.00	2,150.00	2,184.00	2,220.00	2,002.00	1,686.00	1,722.00

**Moneta Money Bank**

<b>Rating</b>	<b>buy</b>	<b>hold</b>	<b>buy</b>	<b>buy</b>
Rating date	2021-04-09	2021-03-02	2020-12-08	2020-08-10
Target price	95.50	82.70	82.70	79.68
Price on rating	78.20	78.70	67.00	54.20

**Netia**

<b>Rating</b>	<b>suspended</b>	<b>hold</b>	<b>hold</b>
Rating date	2021-07-06	2020-12-08	2020-08-04
Target price	-	4.70	4.40
Price on rating	6.92	4.50	4.46

**Orange Polska**

<b>Rating</b>	<b>buy</b>
Rating date	2020-12-08
Target price	820
Price on rating	652

**OTP Bank**

<b>Rating</b>	<b>hold</b>	<b>accumulate</b>	<b>hold</b>	<b>accumulate</b>	<b>accumulate</b>	<b>hold</b>
Rating date	2021-06-02	2021-04-09	2021-02-02	2020-12-08	2020-09-02	2020-08-10
Target price	15,143.00	15,143.00	13,800.00	13,800.00	11,039.00	11,039.00
Price on rating	15,865.00	13,565.00	13,500.00	12,000.00	9,950.00	10,430.00

**Pekao**

<b>Rating</b>	<b>buy</b>	<b>buy</b>
Rating date	2021-04-19	2020-11-19
Target price	102.00	75.93
Price on rating	76.24	57.94

**PGE**

<b>Rating</b>	<b>suspended</b>	<b>suspended</b>	<b>suspended</b>
Rating date	2021-06-02	2021-04-09	2020-12-08
Target price	-	-	-
Price on rating	9.94	7.25	5.77

**PCNiG**

<b>Rating</b>	<b>accumulate</b>	<b>hold</b>	<b>accumulate</b>	<b>accumulate</b>	<b>buy</b>	<b>buy</b>	<b>accumulate</b>	<b>buy</b>
Rating date	2021-07-06	2021-06-02	2021-04-09	2021-02-02	2020-12-08	2020-09-22	2020-09-02	2020-08-04
Target price	7.45	6.84	6.84	6.39	6.39	5.97	5.94	5.94
Price on rating	6.58	6.47	6.45	5.72	5.21	4.56	5.15	5.10

**PKN Orlen**

<b>Rating</b>	<b>reduce</b>	<b>hold</b>	<b>hold</b>	<b>hold</b>
Rating date	2021-07-06	2021-03-25	2020-12-08	2020-09-02
Target price	70.59	60.64	58.40	56.37
Price on rating	77.80	62.82	59.60	50.32

**PKO BP**

<b>Rating</b>	<b>buy</b>	<b>buy</b>	<b>buy</b>	<b>accumulate</b>
Rating date	2021-04-23	2021-04-19	2020-11-19	2020-11-05
Target price	40.66	40.00	32.40	22.58
Price on rating	32.91	33.15	27.23	20.44

**PKP Cargo**

<b>Rating</b>	<b>sell</b>	<b>hold</b>	<b>hold</b>
Rating date	2021-04-09	2020-12-08	2020-09-02
Target price	16.21	13.97	12.80
Price on rating	19.08	13.20	12.38

**Play**

<b>Rating</b>	<b>suspended</b>	<b>reduce</b>	<b>buy</b>	<b>accumulate</b>
Rating date	2020-12-08	2020-10-02	2020-09-18	2020-08-04
Target price	-	35.20	35.20	35.70
Price on rating	38.52	38.72	26.16	32.54

**PlayWay**

<b>Rating</b>	<b>suspended</b>	<b>accumulate</b>	<b>hold</b>	<b>hold</b>	<b>accumulate</b>
Rating date	2021-05-07	2021-04-09	2020-12-08	2020-10-02	2020-08-25
Target price	-	590.00	590.00	549.00	549.00
Price on rating	430.20	548.00	599.00	527.00	484.00

**Polenergia**

<b>Rating</b>	<b>hold</b>	<b>reduce</b>	<b>sell</b>	<b>hold</b>	<b>buy</b>
Rating date	2021-06-02	2021-05-07	2021-04-09	2021-03-02	2020-10-30
Target price	78.59	72.69	72.69	62.99	62.99
Price on rating	70.20	79.10	100.00	63.00	42.60

**Pozbud**

<b>Rating</b>	<b>suspended</b>	<b>neutral</b>
Rating date	2020-12-08	2020-09-30
Target price	-	-
Price on rating	1.91	1.65

**PZU**

Rating	accumulate	buy	buy
Rating date	2021-06-02	2021-04-09	2020-12-03
Target price	40.63	40.63	39.33
Price on rating	37.29	34.09	26.45

**RBI**

Rating	accumulate	accumulate	buy
Rating date	2021-04-09	2020-12-08	2020-08-10
Target price	21.00	18.22	17.67
Price on rating	18.52	16.69	15.20

**Santander Bank Polska**

Rating	buy	buy	buy
Rating date	2021-04-19	2020-11-19	2020-08-04
Target price	283.70	238.14	179.37
Price on rating	211.80	175.20	152.50

**Skarbiec Holding**

Rating	suspended	buy	accumulate
Rating date	2021-04-09	2020-12-08	2020-09-11
Target price	-	30.74	26.86
Price on rating	44.50	24.80	24.70

**Stalprodukt**

Rating	hold	buy	buy	buy
Rating date	2021-06-02	2021-03-05	2020-12-08	2020-08-07
Target price	403.06	397.79	370.99	336.15
Price on rating	382.00	321.50	210.50	186.00

**Sygnity**

Rating	hold	buy
Rating date	2021-03-18	2020-09-01
Target price	11.60	10.70
Price on rating	11.10	7.20

**Tauron**

Rating	suspended	suspended
Rating date	2021-06-02	2020-12-08
Target price	-	-
Price on rating	3.40	2.17

**Ten Square Games**

Rating	suspended	buy	buy	accumulate	accumulate
Rating date	2021-05-07	2021-04-09	2020-12-08	2020-11-05	2020-09-02
Target price	-	702.00	724.00	722.00	623.00
Price on rating	420.00	496.60	525.00	640.00	548.00

**TIM**

Rating	overweight	overweight
Rating date	2020-12-08	2020-10-29
Target price	-	-
Price on rating	18.90	13.70

**Vercom**

Rating	accumulate
Rating date	2021-07-09
Target price	59.30
Price on rating	54.20

**VRC**

Rating	suspended	accumulate	buy
Rating date	2021-07-06	2021-04-23	2020-09-23
Target price	-	3.65	3.14
Price on rating	3.64	3.33	2.51

**Wirtualna Polska**

Rating	buy	accumulate
Rating date	2021-05-06	2020-12-08
Target price	126.00	93.00
Price on rating	99.20	82.00

**mBank S.A.**

Prosta 18  
00-850 Warszawa  
<http://www.mbank.pl/>

**Research Department**

Kamil Kliszcz  
director  
+48 22 438 24 02  
[kamil.kluszcz@mbank.pl](mailto:kamil.kluszcz@mbank.pl)  
energy, power generation

Jakub Szkopek  
+48 22 438 24 03  
[jakub.szkopek@mbank.pl](mailto:jakub.szkopek@mbank.pl)  
industrials, chemicals, metals

Piotr Poniatowski  
+48 22 438 24 09  
[piotr.poniatowski@mbank.pl](mailto:piotr.poniatowski@mbank.pl)  
industrials

Michał Marczak  
+48 22 438 24 01  
[michal.marczak@mbank.pl](mailto:michal.marczak@mbank.pl)  
strategy

Paweł Szpigiel  
+48 22 438 24 06  
[pawel.szpigiel@mbank.pl](mailto:pawel.szpigiel@mbank.pl)  
media, IT, telco

Mikołaj Lemańczyk  
+48 22 438 24 07  
[mikolaj.lemanczyk@mbank.pl](mailto:mikolaj.lemanczyk@mbank.pl)  
banks, financials

Michał Konarski  
+48 22 438 24 05  
[michal.konarski@mbank.pl](mailto:michal.konarski@mbank.pl)  
banks, financials

Aleksandra Szklarczyk  
+48 22 438 24 04  
[aleksandra.szklarczyk@mbank.pl](mailto:aleksandra.szklarczyk@mbank.pl)  
construction, real-estate development

Janusz Pięta  
+48 22 438 24 08  
[janusz.pieta@mbank.pl](mailto:janusz.pieta@mbank.pl)

**Sales and Trading****Traders**

Piotr Gawron  
Director  
+48 22 697 48 95  
[piotr.gawron@mbank.pl](mailto:piotr.gawron@mbank.pl)

Magdalena Bernacik  
+48 22 697 47 35  
[magdalena.bernacik@mbank.pl](mailto:magdalena.bernacik@mbank.pl)

**Sales, Foreign Markets**

Marzena Łempicka-Wilim  
deputy director  
+48 22 697 48 82  
[marzena.lempicka-wilim@mbank.pl](mailto:marzena.lempicka-wilim@mbank.pl)

Krzysztof Bodek  
+48 22 697 48 89  
[krzysztof.bodek@mbank.pl](mailto:krzysztof.bodek@mbank.pl)

Andrzej Sychowski  
+48 22 697 48 46  
[andrzej.sychowski@mbank.pl](mailto:andrzej.sychowski@mbank.pl)

Jędrzej Łukomski  
+48 22 697 49 85  
[jedrzej.lukomski@mbank.pl](mailto:jedrzej.lukomski@mbank.pl)

Tomasz Jakubiec  
+48 22 697 47 31  
[tomasz.jakubiec@mbank.pl](mailto:tomasz.jakubiec@mbank.pl)

Piotr Brożyna  
+48 22 697 48 47  
[piotr.brozyna@mbank.pl](mailto:piotr.brozyna@mbank.pl)

**Private Client Sales**

Kamil Szymański  
director  
[kamil.szymanski@mbank.pl](mailto:kamil.szymanski@mbank.pl)

Jarosław Banasiak  
deputy director  
[jaroslaw.banasiak@mbank.pl](mailto:jaroslaw.banasiak@mbank.pl)