

# Comp S.A.



Price target: PLN 98

Update

Rating: BUY

In H1/21, the Polish IT and technology company Comp (CMP) reported the best results in its 30-year history. The main reason was the obligation in Poland to replace cash registers with tamper-proof ones by July, however CMP's IT segment also performed surprisingly well. While at PLN 8.2m operating cash flow in H1/21 was weak, we expect that it will significantly improve in Q3/21 due to clients' payments for the new cash registers. Apart from M/Platform, which is already available in >12,000 shops, we see the next stages of fiscalisation in Poland and a possible participation of Comp in the fiscalisation in Kenia as the main growth drivers for the company in the coming years. Despite higher net debt as of 30 June 2021 compared to the end of 2020 (PLN 197.1m vs. PLN 157.7m), our 12-months SOTP-based fair value for the company's shares goes up from previously PLN 97.90 to PLN 98 (60.7% upside at present) due to higher estimates for 2021E. After a higher-than-expected DPS for 2020 of PLN 3, management plans to pay out c. PLN 5 per share (DYield = 8.3%) for 2021E and the following years. On our new estimates for 2021E, CMP is trading at an EV/EBITDA of just 4.8x and P/E of 7x, despite a 23.1% share price performance YTD (incl. DPS of PLN 3 per share that was paid out in August).

In H1/21, Comp already made 71.9% of our previous full-year 2021E EBIT and 66.1% of our adj. net income estimate. Especially due to a very strong Retail segment the company's revenues increased by 64.9% y-o-y to PLN 416.9m, EBIT by 556.8% to PLN 47.3m and adj. net income by 2034.1% to PLN 32.2m. The relatively weak operating cash flow resulted from much higher trade receivables from clients, who bought new cash registers, but have not yet transferred the cash.

In the coming years, the next stages of fiscalisation in Poland and fiscalisation in Kenia could be strong growth drivers for the company's results, besides the digital M/Platform for traditional retailers. According to management, in Kenia, whose market potential it estimates at 600,000 devices (for comparison: in Poland, there are in total c. 2.2m devices), CMP still requires an official certification of its cash registers.

| in PLNm          | 2019   | 2020   | 2021E  | 2022E  | 2023E  | 2024E  |
|------------------|--------|--------|--------|--------|--------|--------|
| Net sales        | 730.55 | 720.88 | 953.09 | 825.82 | 881.93 | 953.23 |
| EBITDA           | 92.72  | 77.24  | 117.55 | 101.36 | 111.62 | 139.12 |
| EBIT             | 54.15  | 33.75  | 69.71  | 53.47  | 63.68  | 91.13  |
| Adj. Net income* | 30.61  | 18.14  | 51.77  | 38.61  | 47.56  | 70.50  |
| Adj. EPS*        | 5.33   | 3.07   | 8.75   | 6.52   | 8.04   | 11.91  |
| DPS              | 0.00   | 3.00   | 5.00   | 5.00   | 5.00   | 5.00   |
| Dividend yield   | 0.00%  | 4.92%  | 8.20%  | 8.20%  | 8.20%  | 8.20%  |
| RoE              | 3.82%  | 3.02%  | 10.15% | 6.99%  | 8.41%  | 11.84% |
| Net gearing      | 45.51% | 30.81% | 28.99% | 24.51% | 21.93% | 15.25% |
| EV/Sales         | 0.76x  | 0.77x  | 0.59x  | 0.68x  | 0.63x  | 0.59x  |
| EV/EBITDA        | 6.02x  | 7.23x  | 4.75x  | 5.51x  | 5.00x  | 4.01x  |
| Adj. P/E*        | 11.44x | 19.90x | 6.97x  | 9.35x  | 7.59x  | 5.12x  |

\* excl. result from discontinued operations

## Company profile

Comp is the No 1 provider of fiscal equipment and IT security solutions in Poland. A new, but rapidly growing business area, are innovative software solutions for the retail sector similar to e.g. German Vectron Systems. Comp plans to put a stronger focus on monetisation of data and service revenues.

|                     |                       |
|---------------------|-----------------------|
| Date of publication | 13 Sep 2021 / 6:30 am |
| Website             | www.comp.com.pl       |
| Sector              | IT                    |
| Country             | Poland                |
| ISIN                | PLCMP0000017          |
| Reuters             | CMP.WA                |
| Bloomberg           | CMP.PW                |

## Share information

|                        |                       |
|------------------------|-----------------------|
| Last price             | 61.00                 |
| No of shares (m)       | 5.92                  |
| Market cap. (PLNm)     | 361.01                |
| Market cap. (EURm)     | 80.11                 |
| 52-week range          | PLN 64.60 / PLN 45.10 |
| Avg. volume (3-months) | 2,519                 |

## Performance

|          |        |
|----------|--------|
| 4-weeks  | 1.97%  |
| 13-weeks | 2.30%  |
| 26-weeks | 14.36% |
| 52-weeks | 3.96%  |
| YTD      | 18.16% |

## Shareholder structure

|                                |        |
|--------------------------------|--------|
| Own shares*                    | 19.20% |
| MetLife Pension Fund           | 16.22% |
| NN Pension Fund                | 9.45%  |
| Funds repres. by AgioFunds TFI | 8.49%  |
| Robert Tomaszewski (CEO)       | 5.13%  |
| Free Float                     | 41.51% |

\* thereof 456.6k belong to Comp S.A. and 679.6k to its subsidiary Comp Centrum Innowacji Sp. z o.o

## Financial calendar

|              |                   |
|--------------|-------------------|
| 9M/21 report | November 23, 2021 |
|--------------|-------------------|

## Analyst

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## H1/21 results

### Revenues and Profitability

In H1/21, Comp generated the best results in its history. Revenues came in at PLN 416.9m, thus 64.9% above last year. While the Retail segment (incl. M/Platform) improved its revenues by 87.2% y-o-y to PLN 281.7m at a significantly higher EBIT margin y-o-y (18.4% vs. 11.8% in H1/20), a surprise was the very good performance of the IT segment (sales: +31.5% to PLN 136.2m; EBIT margin: 4.3% vs. 0.8%), where H2 and particularly Q4 is usually by far the strongest period of the year. In our view, the M/Platform contributed c. PLN 6m of revenues between Jan-Jun 2021.

Due to very strong sales of cash registers in Poland the share of Comp's revenues, which stemmed from international market, went down from 6.6% in H1/20 to 5.1%. The two best-performing subsidiaries were the IT security company Enigma (Sales: +48% y-o-y, EBIT: +201.5%) and Elzab (Sales: +103.5% y-o-y, EBIT: +700.2%), which produces fiscal devices.

| in PLNm                     | H1/21         | H1/20         |
|-----------------------------|---------------|---------------|
| <b>Segment Retail*</b>      | <b>281.71</b> | <b>150.50</b> |
| <i>Share in total sales</i> | 67.6%         | 59.5%         |
| EBIT margin                 | 18.4%         | 11.8%         |
| <b>Segment IT</b>           | <b>136.15</b> | <b>103.54</b> |
| <i>Share in total sales</i> | 32.7%         | 40.9%         |
| EBIT margin                 | 4.3%          | 0.8%          |
| <b>Others</b>               | <b>-0.97</b>  | <b>-1.15</b>  |
| <i>Share in total sales</i> | -0.2%         | -0.5%         |
| EBIT margin                 | 1060.5%       | 986.5%        |
| <b>Total sales</b>          | <b>416.89</b> | <b>252.89</b> |

Source: Company information, East Value Research GmbH

| Name of the subsidiary                      | Comp Group's stake | H1/21      |           |            |
|---|--------------------|------------|-----------|------------|
|   |                    | Revenues   | EBIT      | Net income |
| Comp S.A. (holding company)                 | 100.0%             | PLN 246.3m | PLN 31.1m | PLN 27.1m  |
| Enigma Systemy Ochrony Informacji Sp. z.o.o | 100.0%             | PLN 55.3m  | PLN 7.2m  | PLN 6.1m   |
| ZUK Elzab S.A.                              | 78.4%              | PLN 109.4m | PLN 17.3m | PLN 7.1m   |
| Insoft Sp. z.o.o                            | 52.0%              | PLN 3.5m   | PLN 767k  | PLN 668k   |
| Comp Centrum Innowacji Sp. z.o.o            | 50.1%              | PLN 9.4m   | PLN -9.4m | PLN -11.3m |
| Polski System Korzysci Sp. z.o.o            | 100.0%             | PLN 97k    | PLN -220k | PLN -222k  |
| Clou Sp. z.o.o*                             | 43.0%              | -          | PLN -203k | PLN -203k  |
| PayTel S.A.**                               | 10.8%              | PLN 53.9m  | PLN -801k | PLN -829k  |

\* Clou was liquidated in H1/21

\*\* The remaining stake in PayTel was sold in H1/21

Source: Company information, East Value Research GmbH

| in PLNm  | H1/21         | H1/20         | change<br>y-o-y |
|--|---------------|---------------|-----------------|
| <b>Net sales</b>                                       | <b>416.89</b> | <b>252.89</b> | 64.9%           |
| <b>EBITDA</b>  | <b>70.74</b>  | <b>28.01</b>  | 152.5%          |
| <i>EBITDA margin</i>                                   | <i>17.0%</i>  | <i>11.1%</i>  |                 |
| <b>EBIT</b>  | <b>47.34</b>  | <b>7.21</b>   | 556.8%          |
| <i>EBIT margin</i>                                     | <i>11.4%</i>  | <i>2.9%</i>   |                 |
| <b>Net income (after min. but excl. disc. operat.)</b> | <b>32.16</b>  | <b>1.51</b>   | 2034.1%         |
| <i>Net margin</i>                                      | <i>7.7%</i>   | <i>0.6%</i>   |                 |
| <b>Net income (after min. &amp; disc. operat.)</b>     | <b>33.94</b>  | <b>0.56</b>   | 5982.4%         |
| <i>Net margin</i>                                      | <i>8.1%</i>   | <i>0.2%</i>   |                 |

Source: Company information, East Value Research GmbH

Due to very strong profitability of its both segments Comp's EBIT increased from PLN 7.2m in H1/20 to PLN 47.3m. At the end of June 2021, the company had 1,220 full-time employees (31/12/2020: 1,207) on average.

Net income after minorities and discontinued operations (PLN 33.9m vs. PLN 558k in H1/20) advanced even more than EBIT. The reasons were 1. a lower effective tax rate of 23.4% vs. 98.4% last year, and 2. a profit from discontinued operations (subsidiary PayTel that was completely sold in Q2/21 + abandoned electric car business of subsidiary Enigma in Wroclaw) of PLN 1.8m vs. PLN -949k in H1/20.

### Balance sheet and Cash flow

At the end of June 2021, Comp had equity (excl. minority interests) of PLN 531.2m, or 52.8% of the balance sheet total. While fixed and intangible assets amounted to PLN 66.2m (H1/20: PLN 71.2m) and PLN 477.8m (PLN 462.1m) respectively, working capital equalled PLN 191.2m (PLN 175.2m). As of 30 June 2021, Comp had interest-bearing debt (bank loans, leasing, bonds) of PLN 230.9m (thereof: 90.1% short term) vs. PLN 263.6m (65%) at the end of H1/20. In our opinion, the high level of short-term interest-bearing debt stemmed from necessary working capital financing in preparation of the very high demand for fiscal devices in Poland in H1/21. The increase of short-term provisions (PLN 37.4m compared to PLN 22m in H1/20) reflected expected costs of guarantee repairs of fiscal equipment.

Between January and June 2021, Comp generated an operating cash flow of PLN 8.2m (H1/20: PLN 26.7m). The reason, why it declined despite a significantly higher net profit, was a cash outflow from working capital of PLN 70.5m. Cash flow from investing equalled PLN -24.2m (H1/20: PLN -13.3m), while cash flow from financing amounted to PLN 3.2m (PLN -11.2m) as the company repaid less bank debt and bonds than in the previous year. Between January and June 2021, Comp's cash position declined by PLN 12.8m to PLN 33.8m.

## Financial forecasts

### Revenues and Profitability

Although we had expected a very strong H1/21, we are surprised how good the figures are, especially when it comes to the IT segment. Thus, we have again raised our estimates for 2021E. They now equal PLN 953.1m (+32.2% y-o-y; previously: PLN 860.2m) for sales, PLN 69.7m (+106.6%; PLN 65.8m) for EBIT and PLN 53.8m (+253.4%; PLN 48.6m) for net income after minorities but excluding the result from discontinued operations. Our EBITDA estimate of PLN 117.6m is slightly below Comp's guidance of PLN 120m.

Below are our detailed estimates for Comp's business segments:

*Retail segment (excl. M/Platform):* Together with its listed subsidiary Elzab, Comp is market leader in Poland and Hungary when it comes to fiscal equipment (e.g. cash registers). So far this year, the company has benefitted from regulations, which contain an obligation to exchange traditional cash registers with temper-proof online registers by mid-2021E at the latest (hotels, restaurants, coal distributors had to do it by January 2021; hairdressers, beauty salons, construction companies, lawyers, health facilities and fitness centers were obliged to follow suit by July 2021E). According to management, there are still some entrepreneurs, who were obliged to exchange them by July 2021, but have not done it yet. In the coming years, we regard the next stages of fiscalisation in Poland (especially with modern online cash registers incl. e-invoices and electronic payment functionality) and a potential participation of Comp in the fiscalisation in Kenya, which could start as soon as in 2022E, as main growth drivers of this segment.

After very strong H1/21, we now expect full-year 2021E sales of PLN 474m (previously: PLN 456m) and an EBIT margin of 14.5% (14.5%). For the coming years, we have conservatively assumed a revenue CAGR of -0.8% (previously: 1.6%) and a long-term EBIT margin of 12%-13% (13%-14%).

*M/Platform:* M/Platform is Comp's new digital services platform powered by modular cloud-based data mining software integrated directly with fiscal devices (cash registers), which was developed together with strategic partner Heineken. It connects traditional retailers with FMCG producers and helps them to better manage working capital, promotions and loyalty programs and thus to increase profitability. So far, Comp has already acquired >12,000 shops (c. PLN 20bn of yearly sales) from all regions and all types of municipalities as well as c. 20 FMCG producers as clients e.g. Unilever, Nestle, PepsiCo, Danone Waters, Imperial Tobacco. According to management, every month M/Platform registers >80m invoices, which we consider a tremendous data source about shopping habits and clients' preferences in particular shops. Moreover, it expects that 2021E will be the last year when M/Platform generates an operating loss.

Our estimates for M/Platform are now more conservative than in our last update in May 2021 as in the last months CMP's focus has been on sales of cash registers and the acquisition of new shops has been slowed down by the COVID-19 pandemic. In 2021E, we expect 16,000 shops (previously: 18,500) on the platform, which will generate a transaction volume of PLN 1bn (PLN 1.15bn). That should translate into revenues of PLN 15m (PLN 17.3m).

As Comp introduces new modules e.g. M/Loyalty plus the hop&shop app, which allows the introduction of loyalty programs for clients (possibility to collect bonus points during shopping and their conversion to discounts), we believe that M/Platform's transaction volume will grow at a CAGR of 56.8% by 2029E, and this does not account for the introduction of the platform in other countries e.g. Kenya. We now believe that this year M/Platform will generate an EBIT margin of -2% (15%), which in the long run could increase up to 25%.

In August, Comp and its co-shareholder in the subsidiary Grupa Zywiec S.A. (Heineken Group) conducted a capital increase of PLN 12m at Comp Platforma Usług S.A. (CPU), the operator of M/Platform, which in our view should allow it to reach its strategic goals in 2022E e.g. 24,000 shops, 30 producers, 1m users of the hop&shop app and consequently the break-even on EBITDA level. The stakes of both Comp and Grupa Zywiec in CPU (51%:49%) did not change as result of the transaction.

*IT segment:* We now expect that in 2021E this segment, which is market leader in Poland in the area of IT security solutions for public administration and large enterprises, will increase its sales by 22.2% y-o-y to PLN 466.3m (previously: PLN 389.9m) and generate an EBIT margin of 5.1% (5%). The reasons are the excellent H1/21 results, which exceeded our expectations by far, and the strong backlog for 2021E (c. PLN 275m in August 2021). In the long run, we forecast a sales CAGR of 3.8% (1.8%) and EBIT margins of 5-6% (5-6%).

| in PLNm                                  | 2021E         | 2022E         | 2023E         | 2024E         |
|--|---------------|---------------|---------------|---------------|
| <b>Segment Retail (excl. M/Platform)</b> | <b>474.00</b> | <b>308.40</b> | <b>310.20</b> | <b>312.00</b> |
| Share in total sales                     | 49.7%         | 37.3%         | 35.2%         | 32.7%         |
| EBIT margin                              | 14.5%         | 14.3%         | 14.1%         | 13.9%         |
| Number of fiscal equipment sold          | 230,000       | 138,000       | 139,000       | 140,000       |
| Average price (PLN)                      | 1,800         | 1,800         | 1,800         | 1,800         |
| Service & maintenance (PLNk)             | 60,000        | 60,000        | 60,000        | 60,000        |
| <b>M/Platform</b>                        | <b>15.00</b>  | <b>45.00</b>  | <b>90.00</b>  | <b>150.00</b> |
| Share in total sales                     | 1.6%          | 5.4%          | 10.2%         | 15.7%         |
| EBIT margin                              | -2.0%         | 5.0%          | 12.5%         | 25.0%         |
| Number of shops                          | 16,000        | 24,000        | 35,000        | 35,000        |
| Number of FMCG producers                 | 20            | 30            | 40            | 50            |
| Transaction volume (PLNk)                | 1,000,000     | 3,000,000     | 6,000,000     | 10,000,000    |
| % fee                                    | 1.5%          | 1.5%          | 1.5%          | 1.5%          |
| <b>Segment IT</b>                        | <b>466.29</b> | <b>475.62</b> | <b>485.13</b> | <b>494.83</b> |
| Share in total sales                     | 48.9%         | 57.6%         | 55.0%         | 51.9%         |
| EBIT margin                              | 5.1%          | 5.9%          | 5.8%          | 5.7%          |
| <b>Others</b>                            | <b>-2.20</b>  | <b>-3.20</b>  | <b>-3.40</b>  | <b>-3.60</b>  |
| <b>Total sales</b>                       | <b>953.09</b> | <b>825.82</b> | <b>881.93</b> | <b>953.23</b> |
| change y-o-y                             | 32.2%         | -13.4%        | 6.8%          | 8.1%          |

Source: East Value Research GmbH

| in PLNm  | 2021E         |               | 2022E         |               | 2023E         |               | 2024E         |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | new           | old           | new           | old           | new           | old           | new           | old           |
| <b>Net sales</b>                                       | <b>953.09</b> | <b>860.10</b> | <b>825.82</b> | <b>824.17</b> | <b>881.93</b> | <b>878.72</b> | <b>953.23</b> | <b>948.43</b> |
| <b>EBITDA</b>  | <b>117.55</b> | <b>111.49</b> | <b>101.36</b> | <b>113.39</b> | <b>111.62</b> | <b>126.86</b> | <b>139.12</b> | <b>142.19</b> |
| <i>EBITDA margin</i>                                   | 12.3%         | 13.0%         | 12.3%         | 13.8%         | 12.7%         | 14.4%         | 14.6%         | 15.0%         |
| <b>EBIT</b>  | <b>69.71</b>  | <b>65.82</b>  | <b>53.47</b>  | <b>67.68</b>  | <b>63.68</b>  | <b>81.10</b>  | <b>91.13</b>  | <b>96.38</b>  |
| <i>EBIT margin</i>                                     | 7.3%          | 7.7%          | 6.5%          | 8.2%          | 7.2%          | 9.2%          | 9.6%          | 10.2%         |
| <b>Net income (after min. but excl. disc. operat.)</b> | <b>51.77</b>  | <b>48.62</b>  | <b>38.61</b>  | <b>50.12</b>  | <b>47.56</b>  | <b>61.67</b>  | <b>70.50</b>  | <b>74.75</b>  |
| <i>Net margin</i>                                      | 5.4%          | 5.7%          | 4.7%          | 6.1%          | 5.4%          | 7.0%          | 7.4%          | 7.9%          |
| <b>Net income (after minorities and disc. operat.)</b> | <b>53.77</b>  | <b>48.62</b>  | <b>38.61</b>  | <b>50.12</b>  | <b>47.56</b>  | <b>61.67</b>  | <b>70.50</b>  | <b>74.75</b>  |
| <i>Net margin</i>                                      | 5.6%          | 5.7%          | 4.7%          | 6.1%          | 5.4%          | 7.0%          | 7.4%          | 7.9%          |

Source: East Value Research GmbH

| in PLNm              | Q1/19         | Q2/19         | Q3/19         | Q4/19         | 2019          | Q1/20         | Q2/20         | Q3/20         | Q4/20         | 2020          | Q1/21         | Q2/21         |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net sales</b>     | <b>120.33</b> | <b>147.13</b> | <b>183.57</b> | <b>279.52</b> | <b>730.55</b> | <b>141.28</b> | <b>111.61</b> | <b>156.65</b> | <b>311.34</b> | <b>720.88</b> | <b>171.43</b> | <b>245.46</b> |
| <i>change y-o-y</i>  | 0.4%          | -7.1%         | 20.0%         | 13.3%         | 7.8%          | 17.4%         | -24.1%        | -14.7%        | 11.4%         | -1.3%         | 21.3%         | 119.9%        |
| <b>EBITDA</b>        | <b>14.45</b>  | <b>25.38</b>  | <b>26.36</b>  | <b>26.53</b>  | <b>92.72</b>  | <b>23.83</b>  | <b>4.18</b>   | <b>20.48</b>  | <b>28.75</b>  | <b>77.24</b>  | <b>27.24</b>  | <b>43.50</b>  |
| <i>EBITDA margin</i> | 12.0%         | 17.3%         | 14.4%         | 9.5%          | 12.7%         | 16.9%         | 3.7%          | 13.1%         | 9.2%          | 10.7%         | 15.9%         | 17.7%         |
| <b>EBIT</b>          | <b>6.00</b>   | <b>15.85</b>  | <b>16.44</b>  | <b>15.86</b>  | <b>54.15</b>  | <b>13.41</b>  | <b>-6.21</b>  | <b>9.24</b>   | <b>17.31</b>  | <b>33.75</b>  | <b>15.45</b>  | <b>31.89</b>  |
| <i>EBIT margin</i>   | 5.0%          | 10.8%         | 9.0%          | 5.7%          | 7.4%          | 9.5%          | -5.6%         | 5.9%          | 5.6%          | 4.7%          | 9.0%          | 13.0%         |
| <b>Net income</b>    | <b>0.49</b>   | <b>2.09</b>   | <b>8.12</b>   | <b>7.90</b>   | <b>18.59</b>  | <b>4.26</b>   | <b>-3.70</b>  | <b>5.33</b>   | <b>9.33</b>   | <b>15.22</b>  | <b>10.65</b>  | <b>23.29</b>  |
| <i>Net margin</i>    | 0.4%          | 1.4%          | 4.4%          | 2.8%          | 2.5%          | 3.0%          | -3.3%         | 3.4%          | 3.0%          | 2.1%          | 6.2%          | 9.5%          |

Source: Company information, East Value Research GmbH

## CAPEX and Working capital

We expect that Comp's total gross CAPEX in 2021-2023E (= mainly investments in own software) will amount to PLN 143.3m and in the long run equal c. 4% of its yearly sales.

We believe that CMP's working capital to sales ratio will decline from 15% in 2020 to c. 12% due to better working capital management. Regarding the cash conversion cycle, we forecast that it will remain at c. 60 days in the future.

## Valuation

In order to reflect all its business segments appropriately, we have valued Comp by using a Sum-of-the-Parts valuation, which we have additionally discounted by 50% in order to account for uncertainty. Our model accounts for the 1.14m shares, which have been bought back by Comp in the last years. Our updated valuation model results in a new 12-months PT of PLN 98 compared to PLN 97.90 before. As the upside equals 60.7% at present, our BUY rating remains unchanged.

Below are the key assumptions of our DCF valuations:

- (1) *Risk-free rate*: Current yield of Polish long-term government bonds with maturity in 2047E is 2.26% (Source: [www.boerse-stuttgart.de](http://www.boerse-stuttgart.de))
- (2) *Beta*: 4-year average unlevered beta for companies from the Software System & Application sector, which are based in Emerging Markets, is 1.5x (Source: [www.damodaran.com](http://www.damodaran.com))
- (3) *Target equity ratio*: 80%
- (4) *Levered beta*: 1.8x
- (5) *Equity costs*: 12.3%
- (6) *Equity risk premium (Poland)*: 5.54% (Source: [www.damodaran.com](http://www.damodaran.com))
- (7) *WACC*: 10.2%
- (8) *Sales growth in the terminal period*: 2%
- (9) Free cash flows are discounted to 12 September 2021

## Sum-of-the Parts

We have valued all of Comp's business segments separately: (1) IT segment – based on peer group multiples for 2020-22E of other listed Polish IT companies, which provide services in the area of IT security, and (2) Retail segment & M/Platform – with DCF models.

### *IT segment*

Comp's main listed competitors in this area are Polish IT companies Wasko S.A., Asseco Poland S.A., Comarch S.A., Atende S.A. and Passus S.A. Below are the most important facts about them.

**Overview over listed Polish providers of IT security**

|                    | <b>Description</b>   | <b>Market cap</b> | <b>Last FY sales</b> |
|--------------------|--|-------------------|----------------------|
| Wasko S.A.         | Wasko develops and integrates solutions relating to IT, industry automation, Telco and Electronics. The company constructs broadband and transport networks and conducts IT projects in the area of aviation, healthcare and public administration.  | PLN 159.6m        | PLN 458.5m           |
| Asseco Poland S.A. | Asseco Poland, which is the 6th largest software company in Europe, offers products for clients from the areas of banking, payments, insurance, healthcare, energy, telco, media, uniformed services and public administration. In 2020, 88.3% of its sales stemmed from abroad and 79% from own products. | PLN 7bn           | PLN 12.2bn           |
| Comarch S.A.       | Comarch provides software, hardware, integration and training services for clients from various sectors and public administration. Foreign markets account for c. 59% and own software for c. 17% of the company's total sales.  | PLN 1.9bn         | PLN 1.5bn            |
| Atende S.A.        | Atende specializes in the integration of ICT e.g. in next-generation computer networks and data centers. It also offers leading solutions in the area of cybersecurity. An increasingly important part of its business is cloud computing and managed services.  | PLN 189m          | PLN 260.1m           |
| Passus S.A.        | Passus focuses on the design and implementation of highly specialized IT solutions in the area of network and application performance monitoring and improvement, as well as IT security in on-premise architecture, hybrid solutions or private and public clouds.  | PLN 103.5m        | PLN 43m              |

Source: CapitalIQ, company websites, East Value Research GmbH



## Trading multiples-based valuation of Comp's IT segment

| Company                                   | EV/Sales      |              |              | EV/EBIT      |              |              | P/BVPS | EBITDA margin | Net gearing |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------|---------------|-------------|
|   | 2020          | 2021E        | 2022E        | 2020         | 2021E        | 2022E        | Latest | Last FY       | Latest      |
| Wasko S.A. (PLN)                          | 0.27x         | n.a          | n.a          | 7.27x        | n.a          | n.a          | 0.65x  | 6.35%         | -14.23%     |
| Asseco Poland S.A. (PLN)                  | 0.62x         | 0.53x        | 0.54x        | 6.25x        | 5.32x        | 5.54x        | 1.17x  | 15.77%        | 9.64%       |
| Comarch S.A. (PLN)                        | 1.05x         | 1.02x        | 0.97x        | 8.45x        | 9.10x        | 9.69x        | 1.71x  | 18.08%        | -24.23%     |
| Atende S.A. (PLN)                         | 0.61x         | 0.69x        | n.a          | 3.00x        | 11.02x       | n.a          | 1.78x  | 25.46%        | -27.52%     |
| Passus S.A. (PLN)                         | 2.36x         | n.a          | n.a          | 29.02x       | n.a          | n.a          | 7.03x  | 12.94%        | -13.44%     |
| <b>Median</b>                             | <b>0.62x</b>  | <b>0.69x</b> | <b>0.76x</b> | <b>7.27x</b> | <b>9.10x</b> | <b>7.62x</b> |        |               |             |
| Implied EV Comp S.A. - IT segment (PLN)   | 238.15        | 323.94       | 359.21       | 163.35       | 216.29       | 213.44       |        |               |             |
| <b>Fair Enterprise Value - IT segment</b> | <b>252.40</b> |              |              |              |              |              |        |               |             |

Source: CapitalIQ, marketscreener.com, East Value Research GmbH

The valuation of Comp's IT segment is based on 2020 results, our estimates for 2021E-22E and median consensus multiples of Wasko, Asseco Poland, Comarch, Atende and Passus. It results in a Fair Enterprise Value of PLN 252.4m.

### Retail segment

In the area of Retail, which reflects Comp's business with fiscal equipment (incl. Point-of-Sale systems), the company is most comparable to German Vectron Systems AG, Canadian Lightspeed POS Inc., Chinese Urovo Technology and Uniform Industrial from Taiwan.

Our DCF model is based on a WACC of 10.2%, yearly growth of depreciation and amortization of 1%, CAPEX = D&A and working capital investments of 2.2% of total sales per annum. Our approach results in a Fair Enterprise Value of Comp's Retail segment (excl. M/Platform) of PLN 225.3m.

| in PLNm                            | 2021E         | 2022E         | 2023E         | 2024E         | 2025E         | 2026E         | 2027E         | 2028E         | 2029E         |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net sales</b>                   | <b>474.00</b> | <b>308.40</b> | <b>310.20</b> | <b>312.00</b> | <b>313.80</b> | <b>315.60</b> | <b>317.40</b> | <b>319.20</b> | <b>321.00</b> |
| (y-o-y change)                     | 38.0%         | -34.9%        | 0.6%          | 0.6%          | 0.6%          | 0.6%          | 0.6%          | 0.6%          | 0.6%          |
| <b>Operating profit</b>            | <b>68.73</b>  | <b>44.19</b>  | <b>43.83</b>  | <b>43.46</b>  | <b>43.08</b>  | <b>42.70</b>  | <b>41.36</b>  | <b>40.00</b>  | <b>38.63</b>  |
| (operating margin)                 | 14.5%         | 14.3%         | 14.1%         | 13.9%         | 13.7%         | 13.5%         | 13.0%         | 12.5%         | 12.0%         |
| <b>NOPAT</b>                       | <b>55.67</b>  | <b>35.80</b>  | <b>35.50</b>  | <b>35.20</b>  | <b>34.90</b>  | <b>34.59</b>  | <b>33.50</b>  | <b>32.40</b>  | <b>31.29</b>  |
| + Depreciation & amortisation      | 6.95          | 7.02          | 7.09          | 7.16          | 7.23          | 7.31          | 7.38          | 7.45          | 7.53          |
| = Net operating cash flow          | 62.62         | 42.82         | 42.59         | 42.37         | 42.13         | 41.89         | 40.88         | 39.85         | 38.82         |
| - Total investments (Capex and WC) | -17.38        | -13.81        | -13.91        | -14.03        | -14.14        | -14.25        | -14.36        | -14.47        | -14.59        |
| Capital expenditures               | -6.95         | -7.02         | -7.09         | -7.16         | -7.23         | -7.31         | -7.38         | -7.45         | -7.53         |
| Working capital                    | -10.43        | -6.78         | -6.82         | -6.86         | -6.90         | -6.94         | -6.98         | -7.02         | -7.06         |
| = Free Cash Flow (FCF)             | 45.24         | 29.01         | 28.68         | 28.34         | 28.00         | 27.64         | 26.52         | 25.37         | 24.23         |
| <b>PV of FCFs</b>                  | <b>43.94</b>  | <b>25.57</b>  | <b>22.93</b>  | <b>20.56</b>  | <b>18.43</b>  | <b>16.51</b>  | <b>14.37</b>  | <b>12.48</b>  | <b>10.81</b>  |
| PV of FCFs in explicit period      | 185.61        |               |               |               |               |               |               |               |               |
| PV of FCFs in terminal period      | 39.68         |               |               |               |               |               |               |               |               |
| <b>Enterprise Value (EV)</b>       | <b>225.29</b> |               |               |               |               |               |               |               |               |
| <b>WACC</b>                        | <b>10.2%</b>  |               |               |               |               |               |               |               |               |
| Cost of equity                     | 10.2%         |               |               |               |               |               |               |               |               |
| Pre-tax cost of debt               | 2.5%          |               |               |               |               |               |               |               |               |
| Normal tax rate                    | 19.0%         |               |               |               |               |               |               |               |               |
| After-tax cost of debt             | 2.0%          |               |               |               |               |               |               |               |               |
| Share of equity                    | 80.0%         |               |               |               |               |               |               |               |               |
| Share of debt                      | 20.0%         |               |               |               |               |               |               |               |               |

Source: East Value Research GmbH

## Overview over listed providers of POS systems

|                           | Description   | Market cap | Last FY sales |
|---------------------------|---|------------|---------------|
| Urovo Technology Co. Ltd. | Urovo provides mobile computers, mobile printers & scanners and payment terminals among others for the retail sector.   | CNY 5.6bn  | CNY 1.2bn     |
| Uniform Industrial Corp.  | Uniform Industrial Corporation provides customized solutions for the payment industry e.g. magnetic stripes, smart chips, secure card readers, contactless readers and POS systems.   | TWD 794.9m | TWD 815.7m    |
| Lightspeed Commerce Inc.  | With a cloud-based platform and POS systems, Lightspeed POS helps restaurants and retailers sell across channels, manage operations, engage with consumers, accept payments, and grow their business. In Q1/20, the company acquired German Gastrofix (installed basis of 8,000 devices) for min. EUR 126m implying an EV/Sales multiple of 10.1x   | CAD 22.5bn | CAD 279.8m    |
| Vectron Systems AG        | With c. 80,000 installed devices, Vectron is market leader in the DACH region in the area of proprietary cash registers for restaurants and bakeries. The company regards itself as innovation and technology leader and focuses on the medium and premium segment of the market. Vectron, which generates gross margins of >50%, sells its cash registers as a means for delivery of digital services relating to customer activity, loyalty programs or payments. | EUR 87.3m  | EUR 28.8m     |

Source: CapitalIQ, company websites, East Value Research GmbH

## Trading multiples of listed providers of POS systems

| Company                         | EV/Sales      |               |               | EV/EBITDA     |               |               | P/BVPS        | EBITDA margin | Net gearing |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
|                                 | 2020          | 2021E         | 2022E         | 2020          | 2021E         | 2022E         | Latest        | Last FY       | Latest      |
| Urovo Technology Co. Ltd. (CNY) | 4.43x         | 3.17x         | 2.44x         | 33.26x        | n.a           | n.a           | 3.46x         | 13.33%        | -26.80%     |
| Uniform Industrial Corp. (TWD)  | 0.92x         | n.a           | n.a           | n.a           | n.a           | n.a           | 1.13x         | -0.69%        | -6.72%      |
| Lightspeed Commerce Inc. (CAD)  | 78.26x        | 32.80x        | 24.32x        | n.a           | n.a           | n.a           | 10.79x        | -39.79%       | -26.10%     |
| Vectron Systems AG (EUR)        | 2.55x         | 1.74x         | 1.59x         | n.a           | 13.58x        | 10.89x        | 3.44x         | -7.47%        | -55.18%     |
| <b>Median</b>                   | <b>3.49x</b>  | <b>3.17x</b>  | <b>2.44x</b>  | <b>33.26x</b> | <b>13.58x</b> | <b>10.89x</b> | <b>3.45x</b>  |               |             |
| Comp S.A. (PLN)*                | 0.68x         | 0.51x         | 0.59x         | 6.33x         | 4.16x         | 4.82x         | 0.55x         | 10.72%        | 37.10%      |
| <b>Premium/discount</b>         | <b>-80.6%</b> | <b>-83.8%</b> | <b>-75.8%</b> | <b>-81.0%</b> | <b>-69.4%</b> | <b>-55.7%</b> | <b>-84.1%</b> |               |             |

\* excl. 1.14m own shares

Source: CapitalIQ, East Value Research GmbH

Our analysis shows that Comp is currently trading at a 55%-85% discount versus international providers of POS systems.

### M/Platform

Like the Retail segment, we have valued the M/Platform with a DCF model, whereby we have used WACC = 10.2% and assumed Depreciation & Amortisation of 4.8% of yearly sales in the long run, CAPEX = D&A and yearly working capital investments = 0. This approach derives a Fair Enterprise Value of PLN 455.9m or 48.8% of our valuation of the whole Comp Capital Group.

| in PLNm                            | 2021E         | 2022E        | 2023E        | 2024E         | 2025E         | 2026E         | 2027E         | 2028E         | 2029E         |
|------------------------------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net sales</b>                   | <b>15.00</b>  | <b>45.00</b> | <b>90.00</b> | <b>150.00</b> | <b>180.00</b> | <b>210.00</b> | <b>240.00</b> | <b>270.00</b> | <b>300.00</b> |
| (y-o-y change)                     | 185.7%        | 200.0%       | 100.0%       | 66.7%         | 20.0%         | 16.7%         | 14.3%         | 12.5%         | 11.1%         |
| <b>Operating profit</b>            | <b>-0.30</b>  | <b>2.25</b>  | <b>11.25</b> | <b>37.50</b>  | <b>44.10</b>  | <b>50.40</b>  | <b>56.40</b>  | <b>62.10</b>  | <b>67.50</b>  |
| (operating margin)                 | -2.0%         | 5.0%         | 12.5%        | 25.0%         | 24.5%         | 24.0%         | 23.5%         | 23.0%         | 22.5%         |
| <b>NOPAT</b>                       | <b>-0.24</b>  | <b>1.82</b>  | <b>9.11</b>  | <b>30.38</b>  | <b>35.72</b>  | <b>40.82</b>  | <b>45.68</b>  | <b>50.30</b>  | <b>54.68</b>  |
| + Depreciation & amortisation      | 4.20          | 6.30         | 7.25         | 8.33          | 9.58          | 11.02         | 11.96         | 12.97         | 14.07         |
| = Net operating cash flow          | 3.96          | 8.12         | 16.36        | 38.71         | 45.30         | 51.84         | 57.64         | 63.27         | 68.75         |
| - Total investments (Capex and WC) | -4.20         | -6.30        | -7.25        | -8.33         | -9.58         | -11.02        | -11.96        | -12.97        | -14.07        |
| Capital expenditures               | -4.20         | -6.30        | -7.25        | -8.33         | -9.58         | -11.02        | -11.96        | -12.97        | -14.07        |
| Working capital                    | 0.00          | 0.00         | 0.00         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| = Free Cash Flow (FCF)             | -0.24         | 1.82         | 9.11         | 30.38         | 35.72         | 40.82         | 45.68         | 50.30         | 54.68         |
| <b>PV of FCFs</b>                  | <b>-0.24</b>  | <b>1.61</b>  | <b>7.29</b>  | <b>22.04</b>  | <b>23.52</b>  | <b>24.39</b>  | <b>24.76</b>  | <b>24.74</b>  | <b>24.40</b>  |
| PV of FCFs in explicit period      | 152.51        |              |              |               |               |               |               |               |               |
| PV of FCFs in terminal period      | 303.34        |              |              |               |               |               |               |               |               |
| <b>Enterprise Value (EV)</b>       | <b>455.85</b> |              |              |               |               |               |               |               |               |
| <b>WACC</b>                        | <b>10.2%</b>  |              |              |               |               |               |               |               |               |
| Cost of equity                     | 10.2%         |              |              |               |               |               |               |               |               |
| Pre-tax cost of debt               | 2.5%          |              |              |               |               |               |               |               |               |
| Normal tax rate                    | 19.0%         |              |              |               |               |               |               |               |               |
| After-tax cost of debt             | 2.0%          |              |              |               |               |               |               |               |               |
| Share of equity                    | 80.0%         |              |              |               |               |               |               |               |               |
| Share of debt                      | 20.0%         |              |              |               |               |               |               |               |               |

Source: East Value Research GmbH

### Price target calculation

| <b>Sum-of-the-Parts</b>                              |               |
|--|---------------|
| IT segment   | 252.40        |
| Retail segment                                       | 225.29        |
| M/Platform   | 455.85        |
| <b>Sum of Enterprise Values (PLNm)</b>               | <b>933.54</b> |
| <b>Sum of EV (with 50% discount)</b>                 | <b>622.36</b> |
| - Net debt (30/06/2021)                              | -197.08       |
| <b>Implied Equity Value (PLNm)</b>                   | <b>425.28</b> |
| Number of shares less 1.14m own shares               | 4.78          |
| <b>Implied Equity Value per share (PLN)</b>          | <b>88.92</b>  |
| <b>Implied Equity Value per share (in 12 months)</b> | <b>98.00</b>  |

Source: East Value Research GmbH

## Profit and loss statement

| in PLNm   | 2019          | 2020          | 2021E         | 2022E         | 2023E         | 2024E         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Revenues</b>   | <b>730.55</b> | <b>720.88</b> | <b>953.09</b> | <b>825.82</b> | <b>881.93</b> | <b>953.23</b> |
| Cost of goods sold                                      | -463.35       | -480.33       | -600.45       | -510.36       | -539.74       | -580.52       |
| <b>Gross profit</b>                                     | <b>267.20</b> | <b>240.54</b> | <b>352.64</b> | <b>315.46</b> | <b>342.19</b> | <b>372.71</b> |
| Other operating income                                  | 7.71          | 17.60         | 6.16          | 6.28          | 6.41          | 6.54          |
| Distribution costs                                      | -96.35        | -91.33        | -120.75       | -104.62       | -111.73       | -120.77       |
| Administration costs                                    | -72.49        | -71.11        | -94.02        | -81.46        | -87.00        | -94.03        |
| Other operating expenses                                | -13.35        | -18.47        | -26.49        | -34.30        | -38.25        | -25.34        |
| <b>EBITDA</b>   | <b>92.72</b>  | <b>77.24</b>  | <b>117.55</b> | <b>101.36</b> | <b>111.62</b> | <b>139.12</b> |
| Depreciation & amortisation                             | -38.57        | -43.49        | -47.84        | -47.89        | -47.94        | -47.98        |
| <b>EBIT</b>   | <b>54.15</b>  | <b>33.75</b>  | <b>69.71</b>  | <b>53.47</b>  | <b>63.68</b>  | <b>91.13</b>  |
| Net financial result                                    | -15.14        | -7.28         | -6.28         | -5.28         | -4.28         | -3.28         |
| <b>EBT</b>  | <b>39.01</b>  | <b>26.48</b>  | <b>63.44</b>  | <b>48.20</b>  | <b>59.41</b>  | <b>87.86</b>  |
| Income taxes  | -8.85         | -10.28        | -12.05        | -9.16         | -11.29        | -16.69        |
| Minorities  | 0.45          | 1.95          | 0.39          | -0.43         | -0.56         | -0.67         |
| Result from discontinued operations (PayTel S.A.)       | -12.03        | -2.93         | 2.00          | 0.00          | 0.00          | 0.00          |
| <b>Adj. Net income / loss (excl. discount. operat.)</b> | <b>30.61</b>  | <b>18.14</b>  | <b>51.77</b>  | <b>38.61</b>  | <b>47.56</b>  | <b>70.50</b>  |
| <b>Net income / loss</b>                                | <b>18.59</b>  | <b>15.22</b>  | <b>53.77</b>  | <b>38.61</b>  | <b>47.56</b>  | <b>70.50</b>  |
| EPS   | 3.89          | 2.57          | 9.09          | 6.52          | 8.04          | 11.91         |
| Adj. EPS  | 5.33          | 3.07          | 8.75          | 6.52          | 8.04          | 11.91         |
| DPS   | 0.00          | 3.00          | 5.00          | 5.00          | 5.00          | 5.00          |
| <b>Share in total sales</b>                             |               |               |               |               |               |               |
| Revenues  | 100.00 %      | 100.00 %      | 100.00 %      | 100.00 %      | 100.00 %      | 100.00 %      |
| Cost of goods sold                                      | -63.43 %      | -66.63 %      | -63.00 %      | -61.80 %      | -61.20 %      | -60.90 %      |
| Gross profit  | 36.57 %       | 33.37 %       | 37.00 %       | 38.20 %       | 38.80 %       | 39.10 %       |
| Other operating income                                  | 1.06 %        | 2.44 %        | 0.65 %        | 0.76 %        | 0.73 %        | 0.69 %        |
| Distribution costs                                      | -13.19 %      | -12.67 %      | -12.67 %      | -12.67 %      | -12.67 %      | -12.67 %      |
| Administration costs                                    | -9.92 %       | -9.86 %       | -9.86 %       | -9.86 %       | -9.86 %       | -9.86 %       |
| Other operating expenses                                | -1.83 %       | -2.56 %       | -2.78 %       | -4.15 %       | -4.34 %       | -2.66 %       |
| EBITDA  | 12.69 %       | 10.72 %       | 12.33 %       | 12.27 %       | 12.66 %       | 14.59 %       |
| Depreciation & amortisation                             | -5.28 %       | -6.03 %       | -5.02 %       | -5.80 %       | -5.44 %       | -5.03 %       |
| EBIT  | 7.41 %        | 4.68 %        | 7.31 %        | 6.48 %        | 7.22 %        | 9.56 %        |
| Net financial result                                    | -2.07 %       | -1.01 %       | -0.66 %       | -0.64 %       | -0.48 %       | -0.34 %       |
| EBT   | 5.34 %        | 3.67 %        | 6.66 %        | 5.84 %        | 6.74 %        | 9.22 %        |
| Income taxes  | -1.21 %       | -1.43 %       | -1.26 %       | -1.11 %       | -1.28 %       | -1.75 %       |
| Minorities  | 0.06 %        | 0.27 %        | 0.04 %        | -0.05 %       | -0.06 %       | -0.07 %       |
| Result from discontinued operations (PayTel S.A.)       | -1.65 %       | -0.41 %       | 0.21 %        | 0.00 %        | 0.00 %        | 0.00 %        |
| Adj. Net income / loss (excl. discount. operat.)        | 4.19 %        | 2.52 %        | 5.43 %        | 4.68 %        | 5.39 %        | 7.40 %        |
| Net income / loss                                       | 2.54 %        | 2.11 %        | 5.64 %        | 4.68 %        | 5.39 %        | 7.40 %        |

## Balance Sheet

| in PLNm                                   | 2019           | 2020          | 2021E          | 2022E         | 2023E         | 2024E          |
|---|----------------|---------------|----------------|---------------|---------------|----------------|
| <b>Assets</b>                             |                |               |                |               |               |                |
| Cash and equivalents                      | 53.09          | 46.64         | 23.85          | 24.59         | 13.50         | 24.28          |
| Short-term financial assets               | 2.30           | 2.46          | 2.51           | 2.56          | 2.61          | 2.66           |
| Inventories                               | 82.75          | 97.25         | 119.10         | 99.13         | 102.62        | 107.99         |
| Trade accounts and notes receivables      | 261.52         | 173.29        | 221.28         | 184.94        | 190.26        | 197.81         |
| Other current assets                      | 34.16          | 38.92         | 38.12          | 32.87         | 34.92         | 37.56          |
| Short-term part of construction contracts | 24.51          | 42.88         | 43.38          | 43.88         | 44.38         | 44.88          |
| Assets-held-for-sale                      | 1.41           | 0.71          | 0.00           | 0.00          | 0.00          | 0.00           |
| <b>Current assets, total</b>              | <b>459.74</b>  | <b>402.14</b> | <b>448.24</b>  | <b>387.97</b> | <b>388.29</b> | <b>415.17</b>  |
| Property, plant and equipment             | 90.14          | 71.26         | 71.26          | 71.27         | 71.27         | 71.27          |
| Other intangible assets                   | 183.11         | 200.89        | 200.99         | 201.09        | 201.19        | 201.29         |
| Goodwill                                  | 272.80         | 272.80        | 272.80         | 272.80        | 272.80        | 272.80         |
| Long-term financial assets                | 2.37           | 20.87         | 21.29          | 21.72         | 22.15         | 22.59          |
| Other long-term assets                    | 15.36          | 12.27         | 12.52          | 12.77         | 13.03         | 13.29          |
| Long-term part of construction contracts  | 13.75          | 14.87         | 15.07          | 15.27         | 15.47         | 15.67          |
| Deferred tax assets                       | 5.74           | 0.92          | 0.00           | 0.00          | 0.00          | 0.00           |
| <b>Non-current assets, total</b>          | <b>583.26</b>  | <b>593.88</b> | <b>593.93</b>  | <b>594.91</b> | <b>595.90</b> | <b>596.90</b>  |
| <b>Total assets</b>                       | <b>1043.01</b> | <b>996.02</b> | <b>1042.17</b> | <b>982.88</b> | <b>984.19</b> | <b>1012.07</b> |
| <b>Liabilities</b>                        |                |               |                |               |               |                |
| Trade payables                            | 125.62         | 132.17        | 158.01         | 128.18        | 129.08        | 131.87         |
| Other short-term liabilities              | 53.37          | 69.18         | 90.52          | 77.60         | 81.99         | 87.67          |
| Short-term financial debt                 | 215.99         | 174.62        | 154.62         | 134.62        | 114.62        | 94.62          |
| Provisions                                | 32.09          | 24.07         | 14.07          | 12.07         | 10.07         | 8.07           |
| <b>Current liabilities, total</b>         | <b>427.07</b>  | <b>400.05</b> | <b>417.22</b>  | <b>352.47</b> | <b>335.77</b> | <b>322.23</b>  |
| Long-term financial debt                  | 65.35          | 32.14         | 30.53          | 29.01         | 27.56         | 26.18          |
| Other long-term liabilities               | 15.78          | 13.41         | 17.74          | 15.37         | 16.41         | 17.74          |
| Provisions                                | 1.84           | 2.04          | 1.94           | 1.84          | 1.74          | 1.64           |
| Deferred tax liabilities                  | 6.78           | 9.27          | 0.00           | 0.00          | 0.00          | 0.00           |
| <b>Long-term liabilities, total</b>       | <b>89.75</b>   | <b>56.86</b>  | <b>50.21</b>   | <b>46.21</b>  | <b>45.71</b>  | <b>45.55</b>   |
| <b>Total liabilities</b>                  | <b>516.82</b>  | <b>456.90</b> | <b>467.42</b>  | <b>398.68</b> | <b>381.47</b> | <b>367.78</b>  |
| <b>Shareholders equity, total</b>         | <b>496.55</b>  | <b>511.80</b> | <b>547.81</b>  | <b>556.83</b> | <b>574.80</b> | <b>615.70</b>  |
| Minority interests                        | 29.64          | 27.32         | 26.93          | 27.36         | 27.92         | 28.59          |
| <b>Total equity and liabilities</b>       | <b>1043.01</b> | <b>996.02</b> | <b>1042.17</b> | <b>982.88</b> | <b>984.19</b> | <b>1012.07</b> |

## Cash Flow Statement

| in PLNm                             | 2019          | 2020          | 2021E         | 2022E         | 2023E         | 2024E         |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net income / loss                   | 18.59         | 15.22         | 53.77         | 38.61         | 47.56         | 70.50         |
| Depreciation                        | 38.57         | 43.49         | 47.84         | 47.89         | 47.94         | 47.98         |
| Change of working capital           | -86.92        | 48.08         | -21.88        | 18.81         | -5.57         | -7.09         |
| Others                              | 37.25         | -2.09         | 18.45         | 2.10          | 2.10          | 2.10          |
| <b>Net operating cash flow</b>      | <b>7.48</b>   | <b>104.69</b> | <b>98.19</b>  | <b>107.41</b> | <b>92.03</b>  | <b>113.49</b> |
| <b>Cash flow from investing</b>     | <b>-23.08</b> | <b>-31.75</b> | <b>-47.24</b> | <b>-47.99</b> | <b>-48.04</b> | <b>-48.09</b> |
| Free cash flow                      | -15.59        | 72.95         | 50.95         | 59.42         | 43.99         | 65.41         |
| <b>Cash flow from financing</b>     | <b>14.89</b>  | <b>-79.39</b> | <b>-73.74</b> | <b>-58.69</b> | <b>-55.08</b> | <b>-54.63</b> |
| Change of cash                      | -0.71         | -6.44         | -22.79        | 0.74          | -11.09        | 10.78         |
| Cash at the beginning of the period | 53.79         | 53.09         | 46.64         | 23.85         | 24.59         | 13.50         |
| Cash at the end of the period       | 53.09         | 46.64         | 23.85         | 24.59         | 13.50         | 24.28         |

## Financial ratios

| Fiscal year                                    | 2019   | 2020   | 2021E  | 2022E  | 2023E  | 2024E  |
|--|--------|--------|--------|--------|--------|--------|
| <b>Profitability and balance sheet quality</b> |        |        |        |        |        |        |
| Gross margin                                   | 36.57% | 33.37% | 37.00% | 38.20% | 38.80% | 39.10% |
| EBITDA margin                                  | 12.69% | 10.72% | 12.33% | 12.27% | 12.66% | 14.59% |
| EBIT margin                                    | 7.41%  | 4.68%  | 7.31%  | 6.48%  | 7.22%  | 9.56%  |
| Net margin                                     | 2.54%  | 2.11%  | 5.64%  | 2.70%  | 5.39%  | 7.40%  |
| Return on equity (ROE)                         | 3.82%  | 3.02%  | 10.15% | 6.99%  | 8.41%  | 11.84% |
| Return on assets (ROA)                         | 3.23%  | 2.26%  | 5.76%  | 4.47%  | 5.27%  | 7.29%  |
| Return on capital employed (ROCE)              | 6.80%  | 3.46%  | 9.04%  | 6.87%  | 7.96%  | 10.70% |
| Economic Value Added (in PLNm)                 | -20.99 | -40.18 | -7.31  | -21.02 | -14.59 | 3.41   |
| Net debt (in PLNm)                             | 225.96 | 157.66 | 158.80 | 136.48 | 126.07 | 93.87  |
| Net gearing                                    | 45.51% | 30.81% | 28.99% | 24.51% | 21.93% | 15.25% |
| Equity ratio                                   | 47.61% | 51.38% | 52.56% | 56.65% | 58.40% | 60.84% |
| Current ratio                                  | 1.08   | 1.01   | 1.07   | 1.10   | 1.16   | 1.29   |
| Quick ratio                                    | 0.74   | 0.56   | 0.59   | 0.60   | 0.61   | 0.70   |
| Net interest cover                             | 3.58   | 4.64   | 11.11  | 10.14  | 14.90  | 27.83  |
| Net debt/EBITDA                                | 2.44   | 2.04   | 1.35   | 1.35   | 1.13   | 0.67   |
| Tangible BVPS                                  | 46.79  | 40.38  | 46.46  | 47.99  | 51.02  | 57.93  |
| CAPEX/Sales                                    | 8.81%  | 5.78%  | 4.96%  | 5.81%  | 5.45%  | 5.04%  |
| Working capital/Sales                          | 27.30% | 15.00% | 13.64% | 13.46% | 13.24% | 12.99% |
| Cash Conversion Cycle (in days)                | 97     | 61     | 61     | 61     | 61     | 61     |
| <b>Trading multiples</b>                       |        |        |        |        |        |        |
| EV/Sales                                       | 0.76   | 0.77   | 0.59   | 0.68   | 0.63   | 0.59   |
| EV/EBITDA                                      | 6.02   | 7.23   | 4.75   | 5.51   | 5.00   | 4.01   |
| EV/EBIT  | 10.31  | 16.54  | 8.01   | 10.44  | 8.76   | 6.12   |
| P/Tangible BVPS                                | 1.30   | 1.51   | 1.31   | 1.27   | 1.20   | 1.05   |
| Adj. P/E                                       | 11.44  | 19.90  | 6.97   | 9.35   | 7.59   | 5.12   |
| P/FCF  | -23.15 | 4.95   | 7.09   | 6.08   | 8.21   | 5.52   |

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