

Comp

Sell

(Previous: Hold)

Forecasts and valuation update after 2Q19 results

Target Price: PLN 63.4
Upside: -9,4%

We update our forecasts and valuation following 2Q19 results and developments on the proposed legal amendments concerning software-based cash registers. We lower our target price to PLN 63.4 and change our recommendation to 'Sell'.

2Q19 results: At the level of revenues, the results were slightly below our expectations, but on a significantly higher margin. In Retail, we note a drop in operating costs, which accounted for 80% of the segment in 2Q19 vs ca. 90% in previous quarters. This supports the thesis that a large part of expenses to prepare for increased demand for cash registers in the following quarters has already been incurred.

M/platform: The project has been joined by further producers. Apart from the Żywiec Group and the Maspex Group, Comp has been cooperating also with such brands as Wyborowa Pernord Ricard CEDC, Colian, Lorenz and Coca-Cola HBC Polska. The platform provides services for over 5k points of sale (growth dynamics maintained at ~1,000 users m/m). In order to develop and disseminate its project, the Company seeks to acquire partners from every product group. Given the fact that more large producers have joined the project, it can be expected that the pace of acquiring new partners and retailers will be maintained at least, which is crucial for the concept's success at this point in time. Therefore, we value the potential additional upside of the project separately and do not include it in P&L forecasts (we take it into account in the DCF valuation).

The Ministry of Finance has put forward an **alternative for traditional cash registers, namely the 'software-based cash registers'**. The draft regulation sets technical requirements for such devices and describes how to use them. However, it does not eliminate the obligation to issue a paper receipt. The regulation is to take effect on 1 January 2020 but it has to undergo several procedures, such as notification to the EU. Then, IT companies will have some time to develop the dedicated software. Given the early stage of the project's advancement and no specific deadlines for software development, testing and certification processes, it is hard to estimate how many taxpayers will be able to use the new solution before the obligatory deadline for switching from traditional to online cash registers. We do not assume that these changes will have any impact on demand for cash registers resulting from the statutory obligation. In the short term, however, the announcement of these amendments may prompt those taxpayers who would voluntarily replace their devices before the deadline to postpone this decision. In the long term, we believe that the new regulations may have an adverse impact on maintenance demand for cash registers, which we take into account in our forecasts (we expect the domestic demand to drop gradually by 2k devices annually as from 2021).

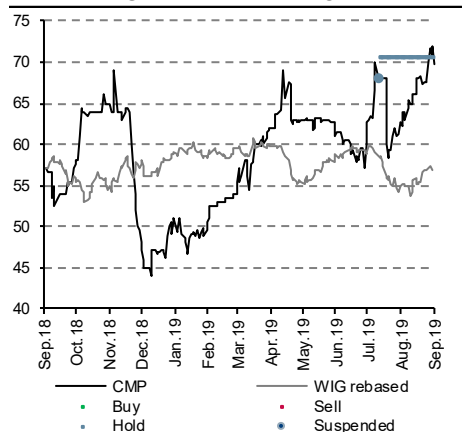
To determine Comp's target price, we rely 100% on the DCF method, which indicates PLN 63.4 per share. As a consequence we are lowering our recommendation from "Hold" to "Sell".

mIn PLN	2016	2017	2018	2019F	2020F	2021F
Sales	542,7	541,1	677,9	737,8	935,7	734,0
EBITDA	44,9	45,5	69,2	85,3	120,8	73,7
EBIT	18,2	22,9	42,4	48,1	82,9	32,9
Net profit	-6,5	0,2	56,8	33,3	62,5	38,0
EPS (PLN)	-1,1	0,0	9,6	5,6	10,6	6,4
P/E (x)	-	-	7,3	12,4	6,6	10,9
EV/EBITDA (x)	12,8	12,9	8,5	6,6	4,3	6,0
P/BV (x)	0,9	0,9	0,8	0,8	0,7	0,7
DY (%)	0,0%	0,0%	0,0%	0,0%	0,0%	5,1%

Source: data of the company, Trigon DM

FACT SHEET

Ticker	CMP		
Sector	TMT		
Price (PLN)	70,00		
52wk Range (PLN)	44 / 72		
Number of share (m)	5,9		
Market Cap (mPLN)	414		
Free-float	68,8%		
Avg Vol 3M (mPLN)	0,36		
Price performance	1M	3M	1Y
	12,5%	14,0%	22,8%

RELATIVE SHARE PRICE PERFORMANCE


Recommendation history	Date	Price
Hold	30.07.2019	70,80

Shareholders	Share %
Comp S.A.	19,2%
MetLife OFE	14,6%
Rockbridge TFI	10,5%
NN OFE	8,5%

Important dates

3Q'19 Results	22.11.2019
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Analyst

Martyna Szymczykowska

Comp

Bloomberg ticker

CMP PW

Recommendation
Sell
Target Price (PLN)
63,4
Current Price (PLN)
70,0
Upside
-9,4%

Previous Recommendation

Hold

Previous Upside (PLN)

70,8

Number of shares (m)

5,9

Market Cap (mPLN)

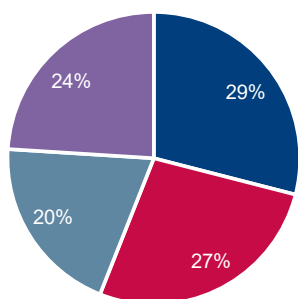
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EV (mPLN)

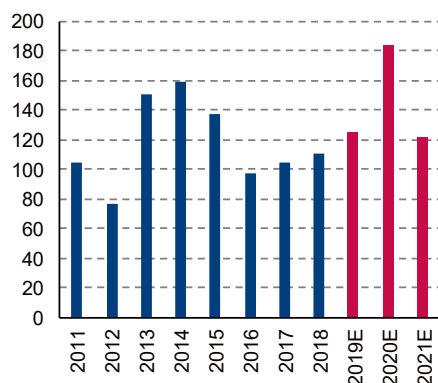
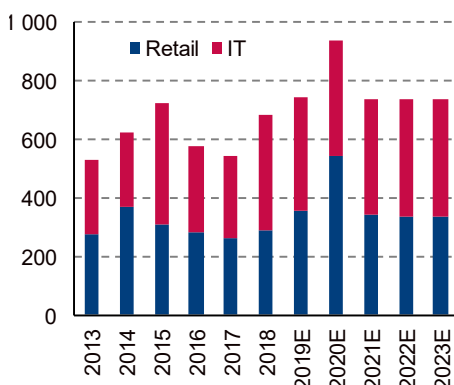
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MARKET RATIOS	2017	2018	2019F	2020F	2021F
P/E (x)	-	7,3	12,4	6,6	10,9
P/E adj. (x)	-	7,3	17,2	7,8	29,5
P/BV (x)	0,9	0,8	0,8	0,7	0,7
EV/EBITDA (x)	15,2	9,0	7,4	4,9	7,9
EV/EBITDA adj. (x)	15,2	9,0	7,4	4,9	7,9
EV/Sales (x)	1,3	0,9	0,9	0,6	0,8
FCF Yield (%)	-4,7%	-9,1%	11,1%	14,0%	26,8%
DY (%)	0,0%	0,0%	0,0%	0,0%	5,1%

RATIOS	2017	2018	2019F	2020F	2021F
EPS (PLN)	0,0	9,6	5,6	10,6	6,4
EPS adj. (PLN)	0,0	9,6	4,1	9,0	2,4
DPS (PLN)	0,0	0,0	0,0	0,0	3,6
BVPS (PLN)	75,6	85,0	90,6	101,3	104,3
Number of shares (m)	5,9	5,9	5,9	5,9	5,9
Market Cap (mPLN)	414	414	414	414	414
EV (mPLN)	636	621	634	588	584

Polish fiscal equipment market share


■ Posnet ■ Novitus ■ Elzab ■ Pozostali

The number of devices sold, ths

Diversification of revenues


P&L (mPLN)	2017	2018	2019F	2020F	2021F
Sales	541,1	677,9	737,8	935,7	734,0
COGS	387,7	480,5	526,8	665,4	537,2
Gross profit	153,3	197,4	211,0	270,3	196,9
EBITDA	45,5	69,2	85,3	120,8	73,7
EBITDA adj.	45,5	69,2	85,3	120,8	73,7
D&A	22,6	26,9	37,3	37,9	40,9
EBIT	22,9	42,4	48,1	82,9	32,9
Gross profit	7,6	24,7	31,5	66,8	18,1
Minority interest	0,5	-1,1	1,5	0,9	0,6
Net profit	0,2	56,8	33,3	62,5	38,0
Net profit adj.	0,2	56,8	24,0	53,3	14,1

CASH FLOW STATEMENT (mPLN)	2017	2018	2019F	2020F	2021F
Cash flow from operations	15,6	2,0	100,1	102,2	145,2
Cash flow from investing	-27,9	11,4	-53,4	-43,2	-33,0
CAPEX	-34,9	-39,8	-54,0	-44,1	-34,3
Cash flow from financing	10,4	4,2	-26,5	-17,0	-87,0
Dividend	0,0	0,0	0,0	0,0	-21,0
FCF	-19,3	-37,8	46,1	58,1	110,9
Net cash flow	-1,8	17,6	20,2	42,0	25,2

BALANCE SHEET (mPLN)	2017	2018	2019F	2020F	2021F
ASSETS	846,7	934,9	977,7	1 099,2	1 012,4
PPE	69,9	68,8	70,5	71,9	73,1
Goodwill	272,8	272,8	272,8	272,8	272,8
Intangible assets	431,4	445,3	460,5	465,3	457,5
Cash and equivalents	35,0	53,8	72,0	114,1	139,2
EQUITY AND LIABILITIES	846,7	934,9	977,7	1 099,2	1 012,4
Equity	447,5	503,3	536,1	599,5	617,1
Minority shareholders capital	19,5	20,5	20,5	26,8	25,6
Interest-bearing liabilities	256,5	261,0	291,8	287,4	309,3
Net debt	221,5	207,2	219,8	173,3	170,1
Net working capital	112,7	157,7	202,5	289,6	158,6

OPERATING INDICATORS	2017	2018	2019F	2020F	2021F
Sales growth (%)	0%	25%	9%	27%	-22%
EPS adj. growth (%)	-	32940%	-58%	122%	-74%
Gross profit margin (%)	28,3%	29,1%	28,6%	28,9%	26,8%
EBITDA adj. margin (%)	8,4%	10,2%	11,6%	12,9%	10,0%
Operating profit margin (%)	4,2%	6,2%	6,5%	8,9%	4,5%
Net profit adj. margin (%)	0,0%	8,4%	3,3%	5,7%	1,9%
ROE (%)	0,0%	12,0%	4,6%	9,4%	2,3%
ROA (%)	0,0%	6,4%	2,5%	5,1%	1,3%
CAPEX/Sales (x)	6,5%	5,9%	7,3%	4,7%	4,7%
CAPEX/D&A (x)	1,5	1,5	1,4	1,2	0,8
Net debt/Equity	0,5	0,4	0,4	0,3	0,3
Net debt/EBITDA (x)	4,9	3,0	2,6	1,4	2,3
Cash conversion cycle (days)	64	64	86	99	112
Inventory turnover (days)	51	56	66	64	72
Receivables turnover (days)	103	93	98	89	110
Liabilities turnover (days)	91	84	78	55	70

Source: Company, Trigon DM

2Q19 results

PLN m	2Q18	3Q18	4Q18	1Q19	2Q19	y/y	q/q	2Q19F
Sales	158,4	153,0	246,6	121,3	148,3	-6%	22%	170,1
EBITDA	28,1	17,1	12,3	12,8	24,4	-13%	90%	21,8
EBIT	21,4	10,2	5,3	4,4	14,8	-31%	240%	15,6
Net profit	52,9	3,5	-0,7	0,5	2,1	-96%	330%	2,1
P/E12M trailing	7,6	7,0	6,9	7,0	73,1			
EV/EBITDA 12M trailing	7,5	6,3	6,2	6,1	6,4			

Source: company data, Trigon DM

- At the level of revenues, the results were slightly below our expectations, with a significantly higher EBITDA margin.
- Additionally, the revenues line is affected by the Other segment (PLN -6.1m in 2Q19), while the results are influenced by presenting PayTel as part of discontinued operations (PLN -6.4m).
- In Retail, we positively assess the drop in operating costs, which accounted for 80% of the segment's revenues in 2Q19 vs the historical average of ~90% in previous quarters. This supports the thesis that a large part of expenses to prepare for increased demand for cash registers in the following quarters has already been incurred.
- At end-June'19, the Company defaulted on one of the covenants: the liquidity coverage ratio (CR) for BNP Paribas was 1.1 vs the reference value of 1.2. The Company is awaiting the Bank's position on this matter.

What have we changed in our forecasts?

- **Following 2Q19 results**, we lower our revenue forecast for the Retail segment for 2019–20
- **We slightly lower the projected scale of maintenance demand for cash registers in Poland in the long term**, resulting from the proposed legal amendments concerning *software-based cash registers*. At the same time, we believe that the popularisation of software-based cash registers and the potential abandoning of traditional cash registers by some taxpayers will take more time, allowing the Comp Group to adapt to these changes. We expect the domestic demand for cash registers to drop gradually by 2k devices annually as from 2021 (from 200k in 2021 to 180k in 2030).
- **In the DCF valuation, we have included the discounted value of the M/platform project**, in a scenario assuming cooperation with 25k stores and 10–20 producers, generating 100 promotional slots per week (with a fee of PLN 0.5 per slot/week), weighted with a 50% probability (previously: 15k stores and 50 slots/week).

Valuation

Summary of valuation:

- DCF valuation: PLN 63.4 per share
- Market multiples valuation: PLN 76 per share
- **Target Price (100% DCF): PLN 63.4 per share**

Our valuation is 100% based on the DCF method. In the model, we have taken into account payments for the settlement of the sale agreement for the remaining 45% of shares in PayTel in 2019–2021. We have also added the discounted value of potential revenues from the M/platform monetisation to the valuation. We adjust the number of shares for the shares held by Comp S.A. and its subsidiaries.

Comp: DCF valuation

	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal
EBIT	48,1	82,9	32,9	25,6	21,1	18,9	19,3	20,5	23,6	26,7	
Tax rate	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	
NOPAT	38,9	67,2	26,6	20,8	17,1	15,3	15,7	16,6	19,1	21,7	22,0
Amortization	37,3	37,9	40,9	43,7	43,9	45,7	44,9	43,3	39,7	36,2	
Investments spendings	54,0	44,1	34,3	34,6	35,0	35,3	35,7	36,0	36,4	36,8	
Net WC investments	9,3	-21,5	56,9	6,7	6,3	0,3	-0,3	-0,5	-0,9	-0,9	
Adj.*	9,3	9,3	23,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
FCF	40,8	48,7	114,0	36,6	32,3	25,9	24,5	23,4	21,6	20,2	21,7
Debt / equity	55%										
RFR	2,3%										
Market premium	6,0%										
Unlevered beta	1										
Debt cost to tax (%)	3,5%										
Equity cost (%)	11,0%										
WACC (%)	8,3%										
M/platform NPV *	42										
PV FCF sum 2019-33	287										
FCF growth ratio after '31	1%										
Discounted TV	134										
	26										
Net debt	177										
Equity value (mln PLN)	253										
Number of shares (mln)	4,8										
Value per share (PLN, 1/1/2019)	52,9										
12m TP	63,4										

Source: Trigon DM

* payments from the settlement of the PayTel transaction

** additional potential NPV value of the M / platform project

*** number of shares excl. Comp's S.A. and subsidiaries shares

Market multiples valuation

In the peer group method, we rely on a group of Polish and foreign peer companies, using EV/EBITDA and PE for 2019–2021. In our opinion, the most accurate valuation for the Comp Group, based on EV/EBITDA, indicates a target price of PLN 76 per share.

Comp: Peer valuation

	EV/EBITDA			P/E		
	2019F	2020F	2021F	2019F	2020F	2021F
Asseco Business Solutions	10,0	9,5	9,3	14,3	13,8	13,7
Asseco Poland	5,0	4,9	4,5	12,4	12,1	11,8
Asseco South Eastern Europe	7,0	6,6	6,2	13,4	13,2	12,2
Comarch	7,3	6,6	6,2	16,4	14,4	13,5
Atos	7,0	6,7	6,2	7,8	7,2	6,8
Computacenter Plc	9,1	8,8	8,6	15,3	14,7	14,3
Indra	7,0	6,6	6,3	11,2	9,6	8,6
Lectra	11,1	10,3	9,7	21,3	19,4	17,9
Neurones	6,2	5,9	5,7	17,1	17,2	18,7
Reply	11,2	10,1	8,9	19,0	17,0	14,6
Sopra	7,1	6,4	5,8	11,9	9,7	8,5
Cap Gemini	9,5	8,9	8,4	16,4	15,0	13,8
Median	7,2	6,7	6,3	14,8	14,1	13,6
Comp	6,7	4,7	7,7	16,3	7,3	27,8
Comp implied per share valuation	74,1	106,1	48,1	60,0	127,3	32,2

Source: Bloomberg, Trigon DM forecast

Changes in forecasts and valuations

Comp: Forecast changes

Estimates revision	2019E			2020E			2021E		
	m In PLN	New	Old	Chng.	New	Old	Chng.	New	Old
Revenues	738	821	-10%	936	1 092	-14%	734	811	-10%
EBITDA	85	85	0,3%	121	133	-9%	74	75	-2%
EBIT	48	51	-6,5%	83	95	-13%	33	34	-4%
Net profit	33	37	-11,0%	63	73	-14%	38	40	-4%

Source: Trigon DM

Comp: Changes in valuations

Valuation/ weight	New		New		Chng.
DCF valuation	63,4	100%	70,8	100%	-10%
Peers valuation	76	0%	89	0%	-14%

Source: Trigon DM

Income statement (PLNm)

	2016	2017	2018	2019F	2021F	2021F
Revenues	542,7	541,1	677,9	737,8	935,7	734,0
Operating expenses	426,7	387,7	480,5	526,8	665,4	537,2
Gross profit from sales	116,1	153,3	197,4	211,0	270,3	196,9
Sales expenses	55,2	53,7	77,8	84,7	107,4	84,3
Management costs	71,6	75,8	74,0	74,8	75,5	76,3
Profit from sales	-10,7	23,8	45,6	51,5	87,3	36,3
Result on other operating activity	8,1	-1,0	-3,2	-3,5	-4,4	-3,5
EBITDA	44,9	45,5	69,2	85,3	120,8	73,7
EBITDA adj.	44,9	45,5	69,2	85,3	120,8	73,7
Amortization	26,7	22,6	26,9	37,3	37,9	40,9
EBIT	18,2	22,9	42,4	48,1	82,9	32,9
Financial net	-16,5	-15,3	-17,7	-16,6	-16,1	-14,7
Gross profit	1,7	7,6	24,7	31,5	66,8	18,1
Income tax	6,8	1,6	7,5	6,0	12,7	3,4
Minority interest	1,4	0,5	-1,1	1,5	0,9	0,6
Net profit	-6,5	0,2	56,8	33,3	62,5	38,0
Net profit adj.	-6,5	0,2	56,8	24,0	53,3	14,1

gross margin from sales	21,4%	28,3%	29,1%	28,6%	28,9%	26,8%
EBITDA adj. margin	8,3%	8,4%	10,2%	11,6%	12,9%	10,0%
EBIT margin	8,3%	8,4%	10,2%	11,6%	12,9%	10,0%
net profit adj. margin	3,4%	4,2%	6,2%	6,5%	8,9%	4,5%
	-	0,0%	8,4%	3,3%	5,7%	1,9%

sales grow th y/y						
gross profit from sales grow th y/y	-24%	0%	25%	9%	27%	-22%
EBITDA adj. grow th y/y	-34%	32%	29%	7%	28%	-27%
EBIT grow th y/y	-28%	1%	52%	23%	42%	-39%
net profit adj. grow th y/y	-56%	25%	85%	13%	73%	-60%
net profit adj. grow th y/y	-	-	-	-58%	122%	-74%

	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Revenues	119,8	158,4	153,0	246,6	121,3	148,3
Operating expenses	85,0	102,8	109,7	183,0	85,0	93,9
Gross profit from sales	34,8	55,6	43,3	63,7	36,3	54,4
Sales expenses	14,8	17,2	18,7	27,2	16,5	20,7
Management costs	15,4	16,6	15,1	27,0	16,5	19,5
Profit from sales	4,6	21,8	9,6	9,5	3,3	14,2
Result on other operating activity	0,9	-0,5	0,7	-4,3	1,0	0,6
EBITDA	11,8	28,1	17,1	12,3	12,8	24,4
EBITDA adj.	11,8	28,1	17,1	12,3	12,8	24,4
Amortization	6,3	6,7	6,8	7,0	8,5	9,5
EBIT	5,5	21,4	10,2	5,3	4,4	14,8
Financial net	-3,0	-2,4	-4,4	-7,9	-3,6	-3,7
Gross profit	2,4	19,0	5,9	-2,6	0,8	11,1
Income tax	1,7	3,9	2,3	-0,4	1,4	1,7
Minority interest	-0,2	0,9	-0,4	-1,5	-1,0	0,9
Net profit	1,2	52,9	3,5	-0,7	0,5	2,1
Net profit adj.	1,2	52,9	3,5	-0,7	0,5	2,1

gross margin from sales	29,1%	35,1%	28,3%	25,8%	29,9%	36,7%
EBITDA adj. margin	9,8%	17,7%	11,2%	5,0%	10,6%	16,4%
EBIT margin	4,6%	13,5%	6,7%	2,1%	3,6%	10,0%
net profit adj. margin	1,0%	33,4%	2,3%	-	0,4%	1,4%

sales grow th y/y	0	0	0	0	0	0
gross profit from sales grow th y/y	-15,7%	45,1%	44,5%	34,2%	1,2%	-6,4%
EBITDA adj. grow th y/y	-7,7%	55,7%	41,2%	29,3%	4,1%	-2,1%
EBIT grow th y/y	9,7%	66,7%	149,6%	11,3%	8,7%	-13,2%
net profit adj. grow th y/y	21,5%	72,6%	985,6%	5,3%	-20,6%	-30,6%
net profit adj. grow th y/y	790,3%	2132,4%	-	-	-59,3%	-96,1%

Source: the company, Trigon Brokerage House

Balance (PLN m)

	2016	2017	2018	2019F	2021F	2021F
Fixed assets	509,2	513,3	546,3	561,7	560,6	548,9
Tangible fixed assets	71,6	69,9	68,8	70,5	71,9	73,1
Intangible assets	417,3	431,4	445,3	460,5	465,3	457,5
Company's value	275,1	272,8	272,8	272,8	272,8	272,8
Long-term receivables	5,5	2,1	4,2	4,1	0,0	0,0
Long-term investments	5,2	2,8	20,2	18,5	23,4	18,4
Other	6,2	7,1	7,7	8,2	0,0	0,0
Current assets	311,1	333,4	388,6	416,0	538,7	463,5
Inventory	50,5	58,8	87,4	103,3	131,0	80,7
Trade receivables	149,0	157,4	189,2	205,9	252,6	190,8
Other	73,7	82,2	58,3	34,8	41,0	52,7
Cash	37,9	35,0	53,8	72,0	114,1	139,2
Assets	820,3	846,7	934,9	977,7	1 099,2	1 012,4
Equity	443,4	447,5	503,3	536,1	599,5	617,1
Share capital	14,8	14,8	14,8	14,8	14,8	14,8
Other	435,1	432,6	431,7	488,0	522,2	564,4
Net profit (loss)	-6,5	0,2	56,8	33,3	62,5	38,0
Minority capital	16,4	19,5	20,5	20,5	26,8	25,6
Long-term liabilities	105,7	92,8	104,0	104,0	104,0	104,0
Interest-bearing liabilities	93,4	80,3	84,1	109,3	100,0	100,0
Other	0,0	0,0	0,0	0,0	0,0	0,0
Short-term liabilities	271,1	306,3	327,6	337,5	395,7	291,3
Interest-bearing liabilities	77,4	176,1	176,9	182,5	187,4	209,3
Trade liabilities	89,0	103,5	118,9	106,6	94,0	113,0
Other	104,8	26,7	31,9	48,4	114,3	-31,0
Liabilities	820,3	846,7	934,9	977,7	1 099,2	1 012,4
Net working capital	110,4	112,7	157,7	202,5	289,6	158,6
Net debt	132,8	221,5	207,2	219,8	173,3	170,1
Net debt corr.	132,8	221,5	207,2	219,8	173,3	170,1
Net debt /EBITDA (x)	3,0	4,9	3,0	2,6	1,4	2,3
Net debt /equity (x)	0,3	0,5	0,4	0,4	0,3	0,3
ROE (%)	-	0%	12%	5%	9%	2%
ROA (%)	-	0%	6%	3%	5%	1%
Cash conversion cycle (days)	84	64	64	86	99	112
Inventory turnover (days)	45	51	56	66	64	72
Receivables turnover ratio (days)	103	103	93	98	89	110
Accounts payable turnover ratio (days)	64	91	84	78	55	70

Cash Flow (PLNm)

	2016	2017	2018	2019F	2021F	2021F
Cash flows from operating activities	22,2	15,6	2,0	100,1	102,2	145,2
Net profit (loss)	-6,5	0,2	56,8	33,3	62,5	38,0
Amortization	22,7	22,6	26,9	37,3	37,9	40,9
Changes in working capital	-11,2	-22,6	-49,6	9,3	-21,5	56,9
Inventory changes	4,0	-8,4	-28,6	13,7	-12,8	22,0
Trade receivables change	8,9	-1,2	-33,0	-16,9	-49,8	64,8
Trade liabilities change	-31,1	-16,7	34,2	14,4	43,0	-39,8
Other	17,2	15,4	-32,1	20,2	23,3	9,4
Cash flows from investment activities	-43,2	-27,9	11,4	-53,4	-43,2	-33,0
CAPEX	-49,4	-34,9	-39,8	-54,0	-44,1	-34,3
Other	6,1	7,1	51,2	0,6	0,9	1,3
Cash flows from financial activities	-11,9	10,4	4,2	-26,5	-17,0	-87,0
Interest-bearing liabilities change	5,6	4,9	21,9	-9,3	0,0	-50,0
Revenues from shares emission	0,0	0,0	0,0	0,0	0,0	0,0
Dividend	0,0	0,0	0,0	0,0	0,0	-21,0
Other	-17,6	5,6	-17,7	-17,2	-17,0	-16,0
Net cash flows	0,0	0,0	0,0	0,0	0,0	0,0
Cash opening balance	65,1	32,3	30,4	48,1	68,2	110,3
Closing balance of cash	32,3	30,4	48,1	68,2	110,3	135,5

Source: the company, Trigon Brokerage House

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Definitions

capitalisation – market price multiplied by the number of a company's shares

free float (%) – a percentage of a company's shares held by shareholders with less than 5% shareholding reduced by treasury shares held by the company

min/max 52 wks – minimum/maximum share price within the last 52 weeks

average turnover – average volume of share trading within the last month

EBIT – operating profit

EBITDA – operating profit increased by depreciation and amortisation

adjusted profit – net profit adjusted for one-off items

CF – cash flow

capex – sum of investment expenditures on fixed assets

ROA – rate of return on assets

ROE – rate of return on equity

gross profit margin – a ratio of gross profit to net revenue

EBITDA margin – a ratio of sum of operating profit and depreciation/amortisation to net revenue

EBIT margin – a ratio of operating profit to net revenue

net margin – a ratio of net profit to net revenue

EPS – earnings per share
DPS – dividends per share
P/E – a ratio of market price to earnings per share
P/BV – a ratio of market price to book value per share
EV/EBITDA – a company's EV to EBITDA ratio
EV – sum of a company's current capitalisation and net debt
DY – dividend yield, dividend paid to share price ratio
ISSUER – Comp S.A.

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BUY – we expect that the rate of return on an investment will be at least 10%
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Recommendation prepared by: Martyna Szymczykowska

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