

# Comp

## Hold

(Previous: Sell)

## Forecast update after 3Q19 results

**Target Price: PLN 65.3**
**Upside: +7%**

Following the 3Q19 results, we are updating our forecasts and valuation of the Company. We believe that the doubts surrounding the proposed regulatory changes relating to software-based cash registers have already been discounted by the market and that the updated draft regulation of the Ministry of Finance has addressed the main concerns raised during the consultation. We expect a strong year-end in both the IT and Retail segments. We raise our target price to PLN 65.3 (upside +7%) and change our recommendation to 'Hold'.

**3Q19 results:** they outperformed our expectations. The Retail segment's revenues were in line with our estimates, reaching PLN 97m (+36% y/y). At the same time, we are positively surprised by the increase in the IT segment's revenues (+7% y/y) where we expected to see a slowdown resulting from the remarkably strong 3Q18 (execution of the SDE III contract). Additionally, the Group's 3Q19 net profit was not burdened with the sale result of the holding in Paytel, presented as discontinued operations (PLN -6.4m in 2Q19). According to the Company's strategy and budget assumptions, the Comp Group's EBITDA for 2019 should amount to ca. PLN 80m (PLN 62.8m achieved by 3Q19) and at least PLN 130m in 2020. Considering the expected hike in the sales of fiscal devices in 4Q19, resulting from the obligation of the first group of taxpayers to replace cash registers by 31 December 2019, and strong Q4 in the IT segment, we estimate EBITDA for the entire 2019 fiscal year to reach PLN 87.4m.

**M/platform:** Further development of the project primarily involves activities aimed at acquiring partners from each product group of the 'shopping basket' and adding new stores. Comp is currently cooperating with 7 producers and is holding negotiations with other manufacturers. The platform is used by 7.5k points of sale. We expect the pace of acquiring new retailers to be maintained (~1,000 users m/m), which is crucial for the project's success at this point in time. Therefore, we value the potential additional upside of the project separately and we do not include it in P&L forecasts (we take it into account in the DCF valuation).

The Ministry of Finance published its updated **draft regulation on software-based cash registers**. The major changes include defining the group of taxpayers entitled to use software-based cash registers (businesses with sales value below EUR 10m), introducing mandatory approval confirmed by the Central Office of Measures and announcing amendments to the VAT Act, which will introduce the possibility of issuing electronic receipts.

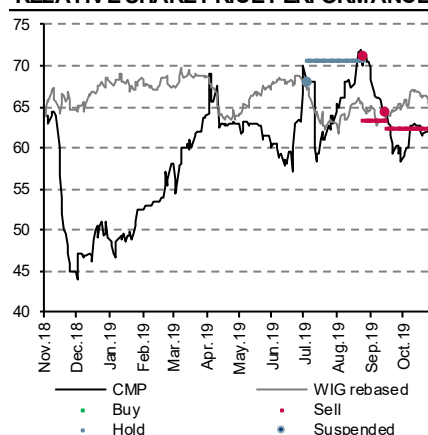
To determine Comp's target price, we rely 100% on the DCF method, which indicates PLN 65.3 per share and an upside of +7%. As a result, we rise our recommendation from 'Sell' to 'Hold'.

mIn PLN	2016	2017	2018	2019F	2020F	2021F
Sales	542,7	541,1	677,9	736,4	953,1	738,0
EBITDA	44,9	45,5	69,2	87,4	126,7	75,4
EBIT	18,2	22,9	42,4	47,1	83,7	34,5
Net profit	-6,5	0,2	56,8	32,5	63,2	39,3
EPS (PLN)	-1,1	0,0	9,6	5,5	10,7	6,6
P/E (x)	-	-	6,4	11,1	5,7	9,2
EV/EBITDA (x)	11,6	11,8	7,8	5,8	3,7	5,2
P/BV (x)	0,8	0,8	0,7	0,7	0,6	0,6
DY (%)	0,0%	0,0%	0,0%	0,0%	0,0%	5,5%

Source: data of the company, Trigon DM

**FACT SHEET**

Ticker	CMP		
Sector	TMT		
Price (PLN)	61,00		
52wk Range (PLN)	44 / 72		
Number of share (m)	5,9		
Market Cap (mPLN)	361		
Free-float	68,8%		
Avg Vol 3M (mPLN)	0,25		
Price performance	1M	3M	1Y
	3,4%	-5,9%	-4,7%

**RELATIVE SHARE PRICE PERFORMANCE**

**Recommendation history**

	Date	Price
Sell	11.10.2019	62,40
Sell	20.09.2019	63,40
Hold	30.07.2019	70,80

**Shareholders**

	Share %
Comp S.A.	19,20%
MetLife OFE	15,97%
Rockbridge TFI	10,46%
NN OFE	9,26%
Jacek Papaj	8,20%

**Analyst**

Martyna Szymczykowska

**Comp**

Bloomberg ticker

CMP PW

**Recommendation**
**Hold**
**Target Price (PLN)**
**65,3**
**Current Price (PLN)**
**61,0**
**Upside**
**7,0%**

Previous Recommendation

Sell

Previous Upside (PLN)

62,4

Number of shares (m)

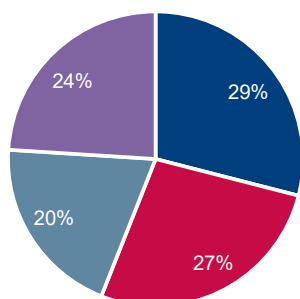
5,9

Market Cap (mPLN)

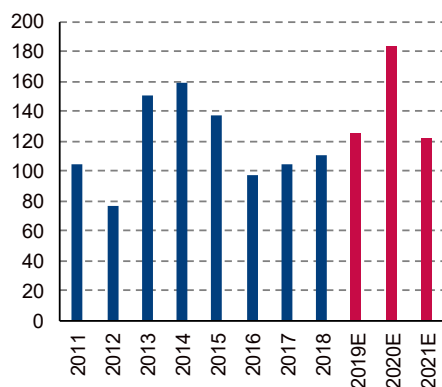
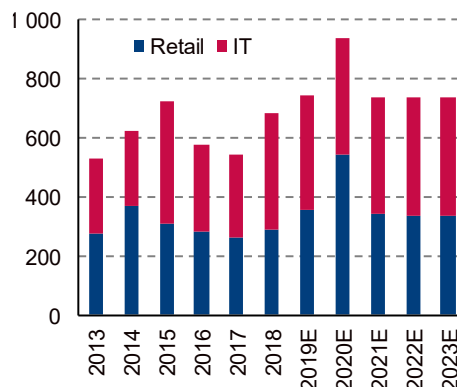
361

EV (m PLN)

568

**Polish fiscal equipment market share**


■ Posnet ■ Novitus ■ Elzab ■ Pozostali

**The number of devices sold, ths**

**Diversification of revenues**


MARKET RATIOS	2017	2018	2019F	2020F	2021F
P/E (x)	-	6,4	11,1	5,7	9,2
P/E adj. (x)	-	6,4	15,5	6,7	23,5
P/BV (x)	0,8	0,7	0,7	0,6	0,6
EV/EBITDA (x)	14,1	8,2	6,6	4,2	7,0
EV/EBITDA adj. (x)	14,1	8,2	6,6	4,2	7,0
EV/Sales (x)	1,2	0,8	0,8	0,6	0,7
FCF Yield (%)	-5,4%	-10,5%	12,7%	15,5%	31,5%
DY (%)	0,0%	0,0%	0,0%	0,0%	5,5%

RATIOS	2017	2018	2019F	2020F	2021F
EPS (PLN)	0,0	9,6	5,5	10,7	6,6
EPS adj. (PLN)	0,0	9,6	3,9	9,1	2,6
DPS (PLN)	0,0	0,0	0,0	0,0	3,4
BVPS (PLN)	75,6	85,0	90,5	101,3	104,7
Number of shares (m)	5,9	5,9	5,9	5,9	5,9
Market Cap (mPLN)	361	361	361	361	361
EV (mPLN)	583	568	581	537	530

P&L (mPLN)	2017	2018	2019F	2020F	2021F
Sales	541,1	677,9	736,4	953,1	738,0
COGS	387,7	480,5	526,5	679,9	539,1
Gross profit	153,3	197,4	209,9	273,2	199,0
EBITDA	45,5	69,2	87,4	126,7	75,4
EBITDA adj.	45,5	69,2	87,4	126,7	75,4
D&A	22,6	26,9	40,3	42,9	40,9
EBIT	22,9	42,4	47,1	83,7	34,5
Gross profit	7,6	24,7	30,6	67,6	19,8
Minority interest	0,5	-1,1	1,5	0,9	0,6
Net profit	0,2	56,8	32,5	63,2	39,3
Net profit adj.	0,2	56,8	23,3	53,9	15,4

CASH FLOW STATEMENT (mPLN)	2017	2018	2019F	2020F	2021F
Cash flow from operations	15,6	2,0	102,8	105,0	153,1
Cash flow from investing	-27,9	11,4	-56,4	-48,2	-38,0
CAPEX	-34,9	-39,8	-57,0	-49,1	-39,3
Cash flow from financing	10,4	4,2	-26,5	-17,0	-85,9
Dividend	0,0	0,0	0,0	0,0	-19,9
FCF	-19,3	-37,8	45,8	55,9	113,8
Net cash flow	-1,8	17,6	19,9	39,8	29,2

BALANCE SHEET (mPLN)	2017	2018	2019F	2020F	2021F
<b>ASSETS</b>	<b>846,7</b>	<b>934,9</b>	<b>976,8</b>	<b>1 105,1</b>	<b>1 015,6</b>
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	71,7	111,5	140,7
<b>EQUITY AND LIABILITIES</b>	<b>846,7</b>	<b>934,9</b>	<b>976,8</b>	<b>1 105,1</b>	<b>1 015,6</b>
Equity	447,5	503,3	535,4	599,4	619,5
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	220,1	175,9	168,6
Net working capital	112,7	157,7	201,9	296,8	160,1

OPERATING INDICATORS	2017	2018	2019F	2020F	2021F
Sales growth (%)	0%	25%	9%	29%	-23%
EPS adj. growth (%)	-	32940%	-59%	132%	-71%
Gross profit margin (%)	28,3%	29,1%	28,5%	28,7%	27,0%
EBITDA adj. margin (%)	8,4%	10,2%	11,9%	13,3%	10,2%
Operating profit margin (%)	4,2%	6,2%	6,4%	8,8%	4,7%
Net profit adj. margin (%)	0,0%	8,4%	3,2%	5,7%	2,1%
ROE (%)	0,0%	12,0%	4,5%	9,5%	2,5%
ROA (%)	0,0%	6,4%	2,4%	5,2%	1,4%
CAPEX/Sales (%)	6,5%	5,9%	7,7%	5,2%	5,3%
CAPEX/D&A (x)	1,5	1,5	1,4	1,1	1,0
Net debt/Equity	0,5	0,4	0,4	0,3	0,3
Net debt/EBITDA (x)	4,9	3,0	2,5	1,4	2,2
Cash conversion cycle (days)	64	64	86	98	114
Inventory turnover (days)	51	56	66	63	73
Receivables turnover (days)	103	93	98	89	111
Liabilities turnover (days)	91	84	78	54	70

Source: Company, Trigon DM

## # 3Q19 results

PLN m	3Q18	4Q18	1Q19	2Q19	3Q19	y/y	q/q	2Q19F	Cons.
Sales	153,0	246,6	121,3	148,3	184,6	21%	24%	166,1	b.d.
EBITDA	17,1	12,3	12,8	24,4	25,6	50%	5%	20,7	b.d.
EBIT	10,2	5,3	4,4	14,8	15,7	53%	6%	14,2	b.d.
Net profit	3,5	-0,7	0,5	2,1	8,1	133%	289%	2,2	b.d.
P/E12M trailing	6,5	6,4	6,5	68,1	36,5				
EV/EBITDA 12M trailing	8,3	8,2	7,7	8,8	7,0				

Source: company data, Trigon DM

- The Retail segment's revenues were in line with our estimates, reaching PLN 97m (+36% y/y).
- We were positively surprised by the increase in the IT segment's revenues (+7% y/y) where we expected to see a slowdown resulting from the remarkably strong 3Q18 (execution of the SDE III contract).
- The Group's 3Q19 net profit was not burdened with the sale result of the holding in Paytel, presented as discontinued operations (PLN -6.4m in 2Q19).
- According to the Company's strategy and budget assumptions, the Comp Group's EBITDA for 2019 should amount to ca. PLN 80m (PLN 62.8m achieved by 3Q19) and at least PLN 130m in 2020. Considering the expected hike in the sales of fiscal devices in 4Q19, resulting from the obligation of the first group of taxpayers to replace cash registers by 31 December 2019, and strong Q4 in the IT segment, we estimate EBITDA for the entire 2019 fiscal year to reach PLN 87.4m.
- At end-September'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.

## # Key changes of the Ministry of Finance to the draft regulation on software-based cash registers

**The Ministry has addressed many concerns raised during the consultation. As a result:**

- The group of taxpayers entitled to use software-based cash registers was defined. It will include micro and small businesses with **sales value in PLN not exceeding the corresponding value of EUR 10m** (in at least one of the two preceding financial years)
- It was decided that **an approval** of cash registers followed by a certification of the Central Office of Measures **will be required**.
- It was suggested that **it would become possible to issue electronic fiscal receipts** along with the **amendment of the VAT Act**. The obligation to issue a receipt in paper form will be maintained if it is not possible to issue an electronic receipt. Thus, the tax payers have to ensure that their cash registers are connected to a printer.
- The tests aimed at confirming the proper functioning of software-based cash registers are to be carried out. The verification procedure for the cash register manufacturer and their software is envisaged as well (no specific deadlines).
- Technical requirements and the use of cash registers were specified.

## # Valuation

### Summary of valuation:

- DCF valuation: PLN 65.3 per share
- Market multiples valuation: PLN 94 per share
- **Target Price (100% DCF): PLN 65.3 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
<b>EBIT</b>	<b>47,1</b>	<b>83,7</b>	<b>34,5</b>	<b>27,4</b>	<b>22,9</b>	<b>20,7</b>	<b>21,1</b>	<b>22,2</b>	<b>25,3</b>	<b>28,4</b>	
Tax rate	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	
<b>NOPAT</b>	<b>38,2</b>	<b>67,8</b>	<b>27,9</b>	<b>22,2</b>	<b>18,5</b>	<b>16,8</b>	<b>17,1</b>	<b>18,0</b>	<b>20,5</b>	<b>23,0</b>	<b>23,4</b>
Amortization	40,3	42,9	40,9	43,7	43,9	45,7	44,9	43,3	39,7	36,2	
Investments spendings	57,0	49,1	39,3	34,6	35,0	35,3	35,7	36,0	36,4	36,8	
Net WC investments	9,8	-25,1	59,1	6,8	6,3	0,3	-0,3	-0,4	-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	
<b>FCF</b>	<b>40,5</b>	<b>45,8</b>	<b>112,5</b>	<b>38,0</b>	<b>33,8</b>	<b>27,4</b>	<b>26,0</b>	<b>24,8</b>	<b>23,0</b>	<b>21,6</b>	<b>23,1</b>
Debt / equity	55%										
<b>RFR</b>	<b>2,5%</b>										
<b>Market premium</b>	<b>6,0%</b>										
<b>Unlevered beta</b>	<b>1</b>										
Debt cost to tax (%)	3,6%										
Equity cost (%)	11,2%										
<b>WACC (%)</b>	<b>8,5%</b>										
M/platform NPV *	42										
PV FCF sum 2019-33	287										
FCF growth ratio after '31	1%										
Discounted TV	136										
	26										
Net debt	177										
Equity value (mln PLN)	255										
Number of shares (mln)	4,8										
Value per share (PLN, 1/1/2019)	53,3										
<b>12m TP</b>	<b>65,3</b>										

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 94 per share.

### Comp: Peer valuation

	EV/EBITDA			P/E		
	2019F	2020F	2021F	2019F	2020F	2021F
Asseco Business Solutions	9,4	9,2	8,9	14,1	-	-
Asseco Poland	5,3	5,2	5,0	14,3	14,0	13,6
Asseco South Eastern Europe	8,3	7,6	7,3	15,7	14,0	13,2
Comarch	6,9	7,0	6,6	14,3	15,2	14,3
Atos	7,6	7,3	6,8	9,1	8,4	7,9
Computacenter Plc	10,0	9,8	9,6	16,8	16,3	15,8
Indra	7,0	6,6	6,2	12,4	10,7	9,6
Lectra	12,4	11,9	11,2	23,1	22,2	20,4
Neurones	5,4	5,3	5,0	15,8	15,6	15,5
Reply	14,4	13,1	12,1	24,7	22,2	20,4
Sopra	8,3	7,4	6,7	14,3	11,7	10,3
Cap Gemini	9,7	9,2	8,7	17,2	15,5	14,3
<b>Median</b>	<b>8,3</b>	<b>7,5</b>	<b>7,0</b>	<b>15,0</b>	<b>15,2</b>	<b>14,3</b>
<b>Comp</b>	<b>6,2</b>	<b>4,3</b>	<b>7,2</b>	<b>15,6</b>	<b>6,8</b>	<b>23,7</b>
<b>Comp implied per share valuation</b>	<b>92,4</b>	<b>130,5</b>	<b>59,4</b>	<b>59,0</b>	<b>138,0</b>	<b>37,2</b>

Source: Bloomberg, Trigon DM forecast

## Changes in forecasts and valuations

### Comp: Forecast changes

Estimates revision mIn PLN	2019E			2020E			2021E		
	New	Old	Chng.	New	Old	Chng.	New	Old	Chng.
Revenues	736	724	2%	953	941	1%	738	726	2%
EBITDA	87	86	1,6%	127	125	1%	75	74	2%
EBIT	47	46	2,4%	84	82	2%	34	33	5%
Net profit	33	31	5,0%	63	62	2%	39	38	3%

Source: Trigon DM

### Comp: Changes in valuations

Valuation/ weight	New		New		Chng.
DCF valuation	65,3	100%	62,4	100%	5%
Peers valuation	94	0%	76,9	0%	22%

Source: Trigon DM

**Income statement (PLNm)**

	2016	2017	2018	2019F	2021F	2021F
<b>Revenues</b>	<b>542,7</b>	<b>541,1</b>	<b>677,9</b>	<b>736,4</b>	<b>953,1</b>	<b>738,0</b>
Operating expenses	426,7	387,7	480,5	526,5	679,9	539,1
<b>Gross profit from sales</b>	<b>116,1</b>	<b>153,3</b>	<b>197,4</b>	<b>209,9</b>	<b>273,2</b>	<b>199,0</b>
Sales expenses	55,2	53,7	77,8	84,5	109,4	84,7
Management costs	71,6	75,8	74,0	74,8	75,5	76,3
Profit from sales	-10,7	23,8	45,6	50,6	88,2	38,0
Result on other operating activity	8,1	-1,0	-3,2	-3,5	-4,5	-3,5
<b>EBITDA</b>	<b>44,9</b>	<b>45,5</b>	<b>69,2</b>	<b>87,4</b>	<b>126,7</b>	<b>75,4</b>
<b>EBITDA adj.</b>	<b>44,9</b>	<b>45,5</b>	<b>69,2</b>	<b>87,4</b>	<b>126,7</b>	<b>75,4</b>
Amortization	26,7	22,6	26,9	40,3	42,9	40,9
<b>EBIT</b>	<b>18,2</b>	<b>22,9</b>	<b>42,4</b>	<b>47,1</b>	<b>83,7</b>	<b>34,5</b>
Financial net	-16,5	-15,3	-17,7	-16,6	-16,1	-14,7
<b>Gross profit</b>	<b>1,7</b>	<b>7,6</b>	<b>24,7</b>	<b>30,6</b>	<b>67,6</b>	<b>19,8</b>
Income tax	6,8	1,6	7,5	5,8	12,9	3,8
Minority interest	1,4	0,5	-1,1	1,5	0,9	0,6
<b>Net profit</b>	<b>-6,5</b>	<b>0,2</b>	<b>56,8</b>	<b>32,5</b>	<b>63,2</b>	<b>39,3</b>
<b>Net profit adj.</b>	<b>-6,5</b>	<b>0,2</b>	<b>56,8</b>	<b>23,3</b>	<b>53,9</b>	<b>15,4</b>

gross margin from sales	21,4%	28,3%	29,1%	28,5%	28,7%	27,0%
EBITDA adj. margin	8,3%	8,4%	10,2%	11,9%	13,3%	10,2%
EBIT margin	8,3%	8,4%	10,2%	11,9%	13,3%	10,2%
net profit adj. margin	3,4%	4,2%	6,2%	6,4%	8,8%	4,7%
	-	0,0%	8,4%	3,2%	5,7%	2,1%

sales grow th y/y						
gross profit from sales grow th y/y	-24%	0%	25%	9%	29%	-23%
EBITDA adj. grow th y/y	-34%	32%	29%	6%	30%	-27%
EBIT grow th y/y	-28%	1%	52%	26%	45%	-41%
net profit adj. grow th y/y	-56%	25%	85%	11%	78%	-59%
net profit adj. grow th y/y	-	-	-	-59%	132%	-71%

	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
<b>Revenues</b>	<b>158,4</b>	<b>153,0</b>	<b>246,6</b>	<b>121,3</b>	<b>148,3</b>	<b>184,6</b>
Operating expenses	102,8	109,7	183,0	85,0	93,9	128,2
<b>Gross profit from sales</b>	<b>55,6</b>	<b>43,3</b>	<b>63,7</b>	<b>36,3</b>	<b>54,4</b>	<b>56,4</b>
Sales expenses	17,2	18,7	27,2	16,5	20,7	22,6
Management costs	16,6	15,1	27,0	16,5	19,5	18,3
Profit from sales	21,8	9,6	9,5	3,3	14,2	15,5
Result on other operating activity	-0,5	0,7	-4,3	1,0	0,6	0,2
<b>EBITDA</b>	<b>28,1</b>	<b>17,1</b>	<b>12,3</b>	<b>12,8</b>	<b>24,4</b>	<b>25,6</b>
<b>EBITDA adj.</b>	<b>28,1</b>	<b>17,1</b>	<b>12,3</b>	<b>12,8</b>	<b>24,4</b>	<b>25,6</b>
Amortization	6,7	6,8	7,0	8,5	9,5	9,9
<b>EBIT</b>	<b>21,4</b>	<b>10,2</b>	<b>5,3</b>	<b>4,4</b>	<b>14,8</b>	<b>15,7</b>
Financial net	-2,4	-4,4	-7,9	-3,6	-3,7	-3,1
<b>Gross profit</b>	<b>19,0</b>	<b>5,9</b>	<b>-2,6</b>	<b>0,8</b>	<b>11,1</b>	<b>12,6</b>
Income tax	3,9	2,3	-0,4	1,4	1,7	4,5
Minority interest	0,9	-0,4	-1,5	-1,0	0,9	0,0
<b>Net profit</b>	<b>52,9</b>	<b>3,5</b>	<b>-0,7</b>	<b>0,5</b>	<b>2,1</b>	<b>8,1</b>
<b>Net profit adj.</b>	<b>52,9</b>	<b>3,5</b>	<b>-0,7</b>	<b>0,5</b>	<b>2,1</b>	<b>8,1</b>

gross margin from sales	35,1%	28,3%	25,8%	29,9%	36,7%	30,6%
EBITDA adj. margin	17,7%	11,2%	5,0%	10,6%	16,4%	13,9%
EBIT margin	13,5%	6,7%	2,1%	3,6%	10,0%	8,5%
net profit adj. margin	33,4%	2,3%	-	0,4%	1,4%	4,4%

sales grow th y/y	0	0	0	0	0	0
gross profit from sales grow th y/y	45,1%	44,5%	34,2%	1,2%	-6,4%	20,7%
EBITDA adj. grow th y/y	55,7%	41,2%	29,3%	4,1%	-2,1%	30,3%
EBIT grow th y/y	66,7%	149,6%	11,3%	8,7%	-13,2%	50,1%
net profit adj. grow th y/y	72,6%	985,6%	5,3%	-20,6%	-30,6%	53,5%
net profit adj. grow th y/y	2132,4%	-	-	-59,3%	-96,1%	132,6%

Source: the company, Trigon Brokerage House

**Balance (PLN m)**

	2016	2017	2018	2019F	2021F	2021F
<b>Fixed assets</b>	<b>509,2</b>	<b>513,3</b>	<b>546,3</b>	<b>561,7</b>	<b>561,0</b>	<b>549,1</b>
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	23,9	18,5
Other	6,2	7,1	7,7	8,2	0,0	0,0
<b>Current assets</b>	<b>311,1</b>	<b>333,4</b>	<b>388,6</b>	<b>415,0</b>	<b>544,1</b>	<b>466,5</b>
Inventory	50,5	58,8	87,4	103,1	133,4	81,2
Trade receivables	149,0	157,4	189,2	205,5	257,3	191,9
Other	73,7	82,2	58,3	34,8	41,8	52,7
Cash	37,9	35,0	53,8	71,7	111,5	140,7
<b>Assets</b>	<b>820,3</b>	<b>846,7</b>	<b>934,9</b>	<b>976,8</b>	<b>1 105,1</b>	<b>1 015,6</b>
<b>Equity</b>	<b>443,4</b>	<b>447,5</b>	<b>503,3</b>	<b>535,4</b>	<b>599,4</b>	<b>619,5</b>
Share capital	14,8	14,8	14,8	14,8	14,8	14,8
Other	435,1	432,6	431,7	488,0	521,5	565,4
Net profit (loss)	-6,5	0,2	56,8	32,5	63,2	39,3
<b>Minority capital</b>	<b>16,4</b>	<b>19,5</b>	<b>20,5</b>	<b>20,5</b>	<b>26,8</b>	<b>25,6</b>
<b>Long-term liabilities</b>	<b>105,7</b>	<b>92,8</b>	<b>104,0</b>	<b>104,0</b>	<b>104,0</b>	<b>104,0</b>
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
<b>Short-term liabilities</b>	<b>271,1</b>	<b>306,3</b>	<b>327,6</b>	<b>337,4</b>	<b>401,7</b>	<b>292,1</b>
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	48,3	120,3	-30,2
<b>Liabilities</b>	<b>820,3</b>	<b>846,7</b>	<b>934,9</b>	<b>976,8</b>	<b>1 105,1</b>	<b>1 015,6</b>
Net working capital	110,4	112,7	157,7	201,9	296,8	160,1
Net debt	132,8	221,5	207,2	220,1	175,9	168,6
Net debt corr.	132,8	221,5	207,2	220,1	175,9	168,6
Net debt /EBITDA (x)	3,0	4,9	3,0	2,5	1,4	2,2
Net debt /equity (x)	0,3	0,5	0,4	0,4	0,3	0,3
ROE (%)	-	0%	12%	4%	10%	3%
ROA (%)	-	0%	6%	2%	5%	1%
Cash conversion cycle (days)	84	64	64	86	98	114
Inventory turnover (days)	45	51	56	66	63	73
Receivables turnover ratio (days)	103	103	93	98	89	111
Accounts payable turnover ratio (days)	64	91	84	78	54	70

**Cash Flow (PLNm)**

	2016	2017	2018	2019F	2021F	2021F
<b>Cash flows from operating activities</b>	<b>22,2</b>	<b>15,6</b>	<b>2,0</b>	<b>102,8</b>	<b>105,0</b>	<b>153,1</b>
Net profit (loss)	-6,5	0,2	56,8	32,5	63,2	39,3
Amortization	22,7	22,6	26,9	40,3	42,9	45,9
Changes in working capital	-11,2	-22,6	-49,6	9,8	-25,1	59,1
Inventory changes	4,0	-8,4	-28,6	13,7	-14,7	23,7
Trade receivables change	8,9	-1,2	-33,0	-16,5	-55,1	68,7
Trade liabilities change	-31,1	-16,7	34,2	14,3	47,6	-43,7
Other	17,2	15,4	-32,1	20,2	24,0	8,9
<b>Cash flows from investment activities</b>	<b>-43,2</b>	<b>-27,9</b>	<b>11,4</b>	<b>-56,4</b>	<b>-48,2</b>	<b>-38,0</b>
CAPEX	-49,4	-34,9	-39,8	-57,0	-49,1	-39,3
Other	6,1	7,1	51,2	0,6	0,9	1,3
<b>Cash flows from financial activities</b>	<b>-11,9</b>	<b>10,4</b>	<b>4,2</b>	<b>-26,5</b>	<b>-17,0</b>	<b>-85,9</b>
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	-19,9
Other	-17,6	5,6	-17,7	-17,2	-17,0	-16,0
<b>Net cash flows</b>	<b>-32,9</b>	<b>-1,8</b>	<b>17,6</b>	<b>19,9</b>	<b>39,8</b>	<b>29,2</b>
Cash opening balance	65,1	32,3	30,4	48,1	67,9	107,7
Closing balance of cash	32,3	30,4	48,1	67,9	107,7	136,9

Source: the company, Trigon Brokerage House

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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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Recommendation prepared by: Martyna Szymczykowska

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