

Comp (Buy; PLN 60,0)

Strong year-end in IT, record-breaking 2021 in retail, gradual debt reduction

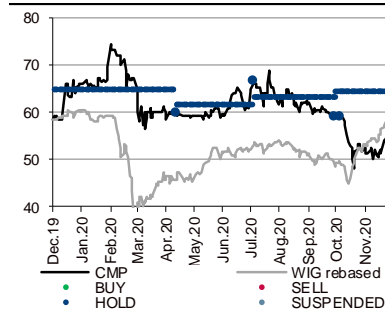
Income statement (PLNm)	2017	2018	2019	2020E	2021E	2022E
Revenues	541,1	677,9	734,8	714,1	877,5	704,6
COGS	387,7	480,5	507,9	494,4	599,4	491,7
Gross profit	153,3	197,4	226,8	219,7	278,0	213,0
Sales expenses	53,7	77,8	89,3	92,1	113,2	90,9
Management costs	75,8	74,0	83,1	85,4	86,3	87,2
Profit from sales	23,8	45,6	54,5	42,2	78,5	34,9
Result on other operating activity	-1,0	-3,2	-5,3	-3,8	-4,7	-3,8
EBITDA	45,5	69,2	87,7	81,7	119,4	76,2
EBITDA adj.	45,5	69,2	87,7	81,7	119,4	76,2
Amortization	22,6	26,9	38,6	43,3	45,5	45,1
EBIT	22,9	42,4	49,1	38,3	73,8	31,2
Financial net	-15,3	-17,7	-15,8	-6,0	-9,8	-7,1
Gross profit	7,6	24,7	33,4	32,3	64,1	24,1
Income tax	1,6	7,5	8,9	10,4	15,0	5,1
Minority interest	0,5	-1,1	-0,5	-0,1	0,0	-0,2
Net profit	0,2	56,8	18,6	21,1	64,0	19,3
Net profit adj.	5,5	18,3	18,6	21,1	49,0	19,3
gross margin (%)	28,3%	29,1%	30,9%	30,8%	31,7%	30,2%
EBITDA adj. margin (%)	8,4%	10,2%	11,9%	11,4%	13,6%	10,8%
EBIT margin (%)	4,2%	6,2%	6,7%	5,4%	8,4%	4,4%
net margin (%)	0,0%	8,4%	2,5%	3,0%	7,3%	2,7%

Indicators	2017	2018	2019	2020E	2021E	2022E
P/E (x)	1789,2	5,4	16,6	14,6	4,8	16,0
EV/EBITDA (x)	10,6	7,0	6,1	6,4	3,4	4,6
EV/EBITDA adj. (x)	10,6	7,0	6,1	6,4	3,4	4,6
P/BV (x)	0,7	0,6	0,6	0,6	0,5	0,5

COMPANY DATA

Ticker	CMP		
Sector	IT		
Price (PLN)	52,00		
52 week min/max (PLN)	47,3 / 75		
No. of shares (mln)	5,9		
Market cap (PLNm)	308		
EV (PLNm)	525		
Free-float	91,5%		
Avg. turnover 3M (PLNm)	0,14		
Price change	1M	3M	1Y
	3,8%	-12,9%	-8,5%

CMP vs. WIG



PLNm	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20E
Revenues	246,6	121,3	148	184,6	280,5	141,3	111,6	156,7	304,6
EBITDA	12,3	12,8	24,4	25,6	24,9	23,8	4,2	20,5	33,2
EBIT	5,3	4,4	14,8	15,7	14,2	13,4	-6,2	9,2	21,9
Net profit	-0,7	0,5	2,1	8,1	7,9	4,3	-3,7	5,3	13,4
P/E12M trailing	5,4	5,5	57,6	30,9	16,6	13,8	18,6	22,4	15,9
EV/EBITDA 12M trailing	7,3	6,9	8,0	6,2	6,1	5,2	6,6	7,3	6,4
revenue y/y	34%	1%	-6%	21%	14%	16%	-25%	-15%	9%
EBITDA margin	5,0%	10,6%	16,4%	13,9%	8,9%	16,9%	3,7%	13,1%	10,9%
EBIT margin (%)	2,1%	3,6%	10,0%	8,5%	5,1%	9,5%	-	5,9%	7,2%
net margin (%)	-	0,4%	1,4%	4,4%	2,8%	3,0%	-	3,4%	4,4%
Net debt	202	178	223	161	228	206	208	231	217

Balance sheet (PLN m)	2017	2018	2019	2020E	2021E	2022E
Fixed assets	513,3	546,3	583,3	577,1	571,5	568,4
Current assets	333,4	388,6	459,7	478,4	504,7	488,1
Inventory	58,8	87,4	82,8	92,7	69,5	70,9
Trade receivables	157,4	189,2	261,5	274,2	229,2	179,2
Cash	30,3	47,9	53,1	44,2	138,7	175,6
Assets	846,7	934,9	1 043,0	1 055,5	1 076,2	1 056,5
Equity	447,5	503,3	526,2	517,7	581,7	600,9
Minority capital	26,8	25,6	29,6	29,6	29,6	29,6
Long-term liabilities	92,8	104,0	89,8	96,3	96,3	96,3
Interest-bearing liabilities	80,3	84,1	65,4	65,4	65,4	65,4
Short-term liabilities	306,3	327,6	427,1	412,0	368,7	329,9
Interest-bearing liabilities	129,1	146,2	216,0	196,0	176,0	156,0
Trade liabilities	94,0	113,0	125,6	137,1	106,9	96,2
Liabilities	846,7	934,9	1 043,0	1 055,5	1 076,2	1 056,5
Net debt adj.	174,5	176,5	228,3	217,1	102,7	45,8
ND/EBITDA (x)	3,8	2,5	2,6	2,7	0,9	0,6
ROE (%)	2,5%	3,9%	3,6%	4,0%	8,9%	3,3%
CCC (days)	82	77	95	115	88	90

Cash Flow (PLNm)	2017	2018	2019	2020E	2021E	2022E
Cash flows from operating activities	15,6	2,0	7,5	54,2	164,3	106,0
Net profit (loss)	0,2	56,8	18,6	21,1	64,0	19,3
Amortization	22,6	29,4	38,6	43,3	45,5	45,1
Cash flows from investment activities	-27,9	11,4	-23,0	-31,6	-39,3	-40,6
CAPEX	-34,9	-42,4	-70,4	-37,1	-40,0	-42,0
Cash flows from financial activities	10,4	4,2	14,9	-31,5	-30,5	-28,4
Dividend	0,0	0,0	0,0	0,0	0,0	0,0
Net cash flows	-1,8	17,6	5,2	-8,9	94,5	36,9
Cash opening balance	32,1	30,3	47,9	53,1	44,2	138,7
Closing balance of cash	30,3	47,9	53,1	44,2	138,7	175,6
FCF	-19,3	-40,3	-62,9	17,1	124,3	-
FCF Yield (%)	-6,3%	-13,1%	-20,5%	5,6%	40,4%	-
DPS	0,00	0,00	0,00	0,00	0,00	0,00
DY (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

COMP (BUY, TP PLN 60.0)

- We upgrade our Buy recommendation in anticipation of the best year in the group's history, despite slightly lower forecasts for 4Q20 and 2021 resulting from weaker dynamics in the retail segment and expected costs of acquiring stores for the M/platform project.
- The high operating and financial leverage with a slight decrease in forecasts translates into a decrease in the target price to PLN 60, but we still do not take into account the full success of the M/platform project, despite the recent increase in the number of stores and testing of the system by Kompania Piwowarska in selected regions of the country.
- Factors potentially supporting the stock price in the nearest future include: 1) record-high results in 2Q21F, 2) good 4Q20 results in IT, where the Company may generate revenues that are slightly lower than total sales in 1–3Q20, 3) debt reduction potential, especially after the fiscal peak in 2Q21, 4) progress in terms of the M/platform project, including an increase in the number of partners or capital ties with partners.
- The drop in customer acquisition in payments prompts us to lower our forecast for the amount to be received for the remaining shares in PayTel from PLN 22m to PLN 15m.
- The target price is based on the DCF model (PLN 60), while the market multiples valuation (PLN 70) is significantly influenced by the exceptionally good result expected in 2021.

Change of forecasts

		2020E		2021E		2022E		2020E		2021E		2022E		2020E		2021E		2022E	
		New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old
Comp	CMP	714	725	877	903	705	734	81,7	83,8	119,4	128,0	76,2	79,8	21,1	18,6	64,0	76,1	19,3	21,7

History of recommendations

Comp		
RECOMMENDATION HISTORY	Date	TP
HOLD	20.10.2020	64,50
HOLD	15.10.2020	64,50
HOLD	20.07.2020	63,20
HOLD	27.04.2020	61,60

Change in recommendation

Company	Ticker	Recommendation	TP	Previous recommendation	Previous TP
Comp	CMP	Buy	60,0	Hold	64,50

Summary of valuations

Comp	
Valuation	
DCF	60,0
Pears	70,0



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capitalisation – product of multiplication of the market price and the number of shares issued by a company
 free float (%) – portion of the number of shares in the hands of shareholders that own below 5% of the total number of shares less the treasury stock owned by the company
 min/max 52 weeks – minimum/maximum market share price from the past 52 weeks
 average volume – average volume of trading in shares in the past month

EBIT – operating profit
 EBITDA – operating profit plus D&A
 adjusted profit – net profit adjusted for one-off transactions
 CF – cash flow
 CAPEX – sum of investment expenditure on fixed assets

ROA – rate of return on total assets
 ROE – rate of return on equity
 gross profit on sales margin – gross profit on sales divided by net revenues from sales
 EBITDA margin – earnings before interest, taxes, depreciation and amortization divided by net revenues from sales
 EBIT margin – earnings before interest and taxes divided by net revenues from sales
 net margin – net profit divided by net revenues from sales

EPS – net earnings per share
 DPS – dividend per share
 P/E – market price divided by net profit per share
 P/BV – market price divided by the book value of one share
 EV/EBITDA – EV divided by EBITDA of a company
 EV – sum of present capitalisation and net debt of a company
 DY – dividend yield, i.e. ratio of the dividend paid to the stock price

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Applied valuation methods

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