

CM International S.A.



Price target: PLN 44.10

Update

Rating: BUY

On 15 November, CM International S.A. (CMI) published its 9M/21 results. Although Q3 was weak due to lower orders y-o-y and higher other operating costs, 9M/21 total output increased by 26.8% compared to last year at a significantly higher profitability y-o-y. Nevertheless, as our previous estimates for full-year 2021E are now not realistic anymore, we have lowered our forecasts. While our positive fundamental long-term view on the company remains unchanged, our 12-months DCF-based price target for the stock goes down from PLN 52.40 to PLN 44.10 (BUY rating maintained). On our updated estimates, which imply 2021E EPS growth of 153.9% y-o-y, the stock is currently trading at a P/E 2021E of 19.2x and PEG ratio of just 0.12.

In 9M/21, CMI has grown its total output (incl. change of inventories) at 26.8% y-o-y to PLN 16.7m, despite a 6.4% decline in Q3 y-o-y. Actual net sales in 9M/21 improved by 25.4% y-o-y. While in Q3 EBIT deteriorated from PLN -208k in Q3/20 to PLN -1m, in 9M/21 it improved by 101.2% to PLN 2.2m. Consequently, the operating margin went up from 8.5% in 9M/20 to 13.4%. Net income (+79.7% to PLN 1.6m) also strongly improved. In our view, especially positive was the strong increase of the operating (PLN 1.9m; 9M/20: PLN 230k) and free cash flow (PLN 1.1m vs. PLN 96k). As of 30/09/21, net cash equalled c. PLN 800k in our view and was thus unchanged q-o-q.

Regarding Q4 results, we believe that a lot will depend on the realization of an order from the German distributor, which could also be postponed to 2022E. We have decided to be conservative and estimate Q4/21 total output of PLN 4.9m (+45.8% y-o-y), EBIT of PLN 1.2m (Q4/20: PLN 300k) and net income of PLN 910k (PLN 30k). Our new forecasts for 2021E are PLN 21.6m (previously: PLN 23.6m) for total output/net sales, PLN 3.4m (PLN 5m) for EBIT and PLN 2.5m (PLN 3.8m) for net income.

in PLNm	2018	2019	2020	2021E	2022E	2023E
Total output	12.79	18.19	16.53	21.59	25.28	29.61
EBITDA	2.04	2.32	1.77	3.86	4.47	5.14
EBIT	1.75	1.87	1.41	3.43	3.96	4.54
Net income	1.33	1.50	0.99	2.50	2.94	3.42
EPS	1.11	1.24	0.82	2.08	2.45	2.84
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RoE	48.34%	43.43%	21.31%	39.29%	32.37%	27.88%
Net gearing	-28.61%	60.01%	29.35%	8.33%	9.38%	-3.72%
EV/Sales	3.98x	2.59x	2.83x	2.19x	1.87x	1.60x
EV/EBITDA	23.24x	20.37x	26.80x	12.25x	10.59x	9.21x
P/E	36.10x	32.16x	48.82x	19.22x	16.35x	14.06x

* from 2021E, total output = net sales

Company profile

CMI is a leading international developer and producer of devices for aesthetic medicine and cosmetics.

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Website	www.cmis.a.eu
Sector	Beauty Devices
Country	Poland
ISIN	PLCMINT00013
Reuters	CMI.WA
Bloomberg	CMI PW

Share information

Last price	40.00
Number of shares (m)	1.20
Market cap. (PLNm)	48.12
Market cap. (EURm)	10.32
52-weeks range	PLN 56 / PLN 25.20
Average volume	39

Performance

4-weeks	-1.48%
13-weeks	8.11%
26-weeks	5.26%
52-weeks	11.11%
YTD	17.65%

Shareholder structure

Mariusz Kara (CEO)*	54.86%
Certus Investment Sp. z.o.o	12.47%
Michal Sebastian (Co-founder)*	4.32%
Free float	28.35%

* Mariusz Kara and Michal Sebastian have 65.9% and 5.19% of the votes, Certus 7.49%

Financial calendar

Q4/21 report (exp.)	February 15, 2022
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Analyst

Adrian Kowollik
a.kowollik@eastvalueresearch.com

9M/21 results

Revenues and Profitability

In 9M/21, CM International generated a total output of PLN 16.7m (+26.8% y-o-y), which was higher than of actual net sales (+25.4% to PLN 16.2m) due to a higher change of inventories y-o-y (PLN 537k vs. PLN 280k in 9M/20). After H1/21, the y-o-y growth of net sales equalled 34.1%. In Q3/21, CMI introduced a new product called EMS Titans, a device for reduction of fat and strengthening deep muscles with magnetic waves, and received a larger order for it from Spain.

in PLNm	9M/21	9M/20	change (%)
Total output	16.72	13.18	26.8%
Net sales	16.18	12.90	25.4%
EBITDA	2.58	1.36	89.5%
<i>EBITDA margin</i>	<i>15.4%</i>	<i>10.3%</i>	
EBIT	2.24	1.11	101.2%
<i>EBIT margin</i>	<i>13.4%</i>	<i>8.5%</i>	
Net income	1.59	0.89	79.7%
<i>Net margin</i>	<i>9.5%</i>	<i>6.7%</i>	

Source: Company information, East Value Research GmbH

In 9M/21, CMI's gross margin (30.9% vs. 29.1% in 9M/20) improved due to a better product mix. Especially, we believe that this year the company sold more to Spain, where it sells at a higher gross margin. EBIT grew by 101.2% y-o-y to PLN 2.2m and the respective margin advanced from 8.5% last year to 13.4%. The reason was a strong decline of the share of Cost of Goods Sold (69.1% vs. 70.9% in 9M/20) and personnel expenses (17% vs. 21.8%). Net income (+79.7% to PLN 1.6m) increased less than EBIT due to a higher net financial loss (PLN -248k vs. PLN -142k) and effective tax rate y-o-y (20.2% vs. 8.9%).

At the end of September 2021, CMI had 57 full-time employees plus 8 project-based staff and freelancers. As of 30/06/2021, the corresponding figures equalled 51 and 15.

Balance sheet and Cash flow

At the end of September 2021, CMI had equity of PLN 6.6m, which corresponds to an equity ratio of 46.4%. Fixed assets amounted to PLN 6.5m, more than the PLN 6.1m in 9M/20, which in our view stemmed from the ongoing expansion of the existing production facility. Working capital equalled PLN 490k (PLN 1.3m), according to our estimate. As of 30 September 2021, CMI had cash of PLN 2.8m and we estimate its interest-bearing debt at c. PLN 2m.

Between January and September 2021, CM International strongly improved its operating cash flow (PLN 1.9m vs. PLN 230k in 9M/20), which stemmed from a much higher net profit y-o-y and lower cash outflow from working capital (PLN -114k vs. PLN -1m in 9M/20). Cash flow from investing equaled PLN -851k (H1/20: PLN -134k) due to the expansion of the production facility and cash flow from financing PLN -431k (PLN 249k). Between January and September 2021, CMI's cash position increased by PLN 667k.

Financial forecasts

Revenues and Profitability

Q3/21 results have disappointed us and our previous 2021E estimates are no longer realistic. According to management, in Q4/21 a lot will depend on the realization of a new order from CMI's distributor in Germany, which could still be postponed to 2022E. Thus, we have decided to be conservative and significantly reduced the full-year 2021 forecasts. However, our positive long-term fundamental view on CMI remains unchanged. We strongly believe that given its product portfolio, its market position abroad and its promising market, CMI is one of the most attractive companies in the NewConnect segment of the Warsaw Stock Exchange.

While for full-year 2021E we now estimate net sales of PLN 21.6m (+29% y-o-y; previously: PLN 23.6m), in the long run we forecast a sales CAGR of 15.2% (thereof: 17% for proprietary products). After 15.9% this year, the EBIT margin should go down to <11% in the coming years due to increasing competition and higher wages in Poland.

in PLNm	2021E	2022E	2023E
Proprietary products	7.26	8.64	10.28
(% of sales)	33.6%	34.2%	34.7%
EBIT margin	22.4%	22.2%	22.0%
Thereof: in the Fixed price & Pay-as-you-Go model	11.9%	12.9%	13.9%
R&D and optimisation for third-parties	13.23	15.48	18.12
(% of sales)	61.3%	61.3%	61.2%
EBIT margin	12.8%	12.5%	12.0%
Support & components	1.10	1.16	1.21
(% of sales)	5.1%	4.6%	4.1%
EBIT margin	10.0%	9.5%	9.0%
Total net sales	21.59	25.28	29.61
(change y-o-y)	29.0%	17.1%	17.1%

Source: East Value Research GmbH

in PLNm	2021E		2022E		2023E	
	new	old	new	old	new	old
Net sales	21.59	23.61	25.28	27.65	29.61	32.41
EBITDA	3.86	5.40	4.47	5.72	5.14	5.99
<i>EBITDA margin</i>	17.9%	22.9%	17.7%	20.7%	17.3%	18.5%
EBIT	3.43	5.01	3.96	5.26	4.54	5.45
<i>EBIT margin</i>	15.9%	21.2%	15.7%	19.0%	15.3%	16.8%
Net income	2.50	3.76	2.94	3.97	3.42	4.13
<i>Net margin</i>	11.6%	15.9%	11.6%	14.4%	11.6%	12.7%

Source: East Value Research GmbH

in PLNm	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19	Q3/19	Q4/19	2019
Total output	1.68	2.63	4.04	4.45	12.79	3.41	5.13	3.87	5.77	18.19
<i>y-o-y change</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	103.5%	94.9%	-4.1%	29.8%	42.2%
EBITDA	0.20	0.40	1.22	0.22	2.04	0.59	0.80	0.66	0.27	2.32
<i>EBITDA margin</i>	12.0%	15.1%	30.1%	5.0%	15.9%	17.2%	15.7%	17.0%	4.7%	12.8%
EBIT	0.12	0.30	1.14	0.18	1.75	0.53	0.74	0.59	0.01	1.87
<i>EBIT margin</i>	7.2%	11.4%	28.3%	4.1%	13.7%	15.4%	14.5%	15.3%	0.1%	10.3%
Net income	0.10	0.33	0.81	0.10	1.33	0.40	0.64	0.47	-0.01	1.50
<i>Net margin</i>	6.1%	12.4%	20.0%	2.2%	10.4%	11.6%	12.5%	12.0%	-0.1%	8.2%

in PLNm	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	Q4/21E	2021E
Total output	4.99	4.50	3.69	3.35	16.53	6.37	6.90	3.45	4.88	21.59
<i>y-o-y change</i>	46.5%	-12.3%	-4.8%	-42.0%	-9.1%	27.6%	53.2%	-6.4%	45.8%	30.7%
EBITDA	0.58	0.88	-0.10	0.40	1.77	1.16	2.33	-0.91	1.29	3.86
<i>EBITDA margin</i>	11.7%	19.6%	-2.7%	12.0%	10.7%	18.2%	33.8%	-26.4%	26.4%	17.9%
EBIT	0.53	0.80	-0.21	0.30	1.41	1.05	2.22	-1.03	1.19	3.43
<i>EBIT margin</i>	10.5%	17.7%	-5.6%	8.9%	8.5%	16.5%	32.2%	-29.8%	24.3%	15.9%
Net income	0.55	0.63	-0.22	0.03	0.99	0.82	1.66	-0.89	0.91	2.50
<i>Net margin</i>	11.0%	14.0%	-6.0%	0.9%	6.0%	12.9%	24.1%	-25.8%	18.7%	11.6%

Source: Company information, East Value Research GmbH

CAPEX and Working capital

Due to ongoing investments in the new headquarter and production facility (the company is allowed to extend its facility by up to 1,100 sqm), which are mainly financed by debt, CMI's gross CAPEX should reach PLN 1.2m in 2021E and PLN 5.1m in 2022E-2023E. In the long run, we expect that gross CAPEX will equal 2% of yearly sales.

Regarding working capital, we forecast that its share in yearly revenues will reach c. 10% in the long run after 3.1% in 2020. We expect that the cash conversion cycle will equal 30 days in the future.

Valuation

We have valued CM International by using a DCF model only due to a lack of appropriate listed peers. Our model derives a new 12-months PT of PLN 44.10 (previously: PLN 52.40). With an upside of 10.3% at present, our BUY rating for CMI remains unchanged.

DCF model

Below are the key assumptions of our DCF valuation:

- (1) *Risk-free rate*: Current yield of Polish long-term government bonds with maturity in 2047E is 2.26% (Source: www.boerse-stuttgart.de)
- (2) *Beta*: Average unlevered beta in 2018-2020 for companies from the Healthcare Products sector, which are based in Emerging Markets, is 1.28x (Source: www.damodaran.com)
- (3) *Equity risk premium (Poland)*: 5.54% (Source: www.damodaran.com)
- (4) *Target equity ratio*: 100%
- (5) *WACC = Equity cost*: 9.3%
- (6) *Sales growth in the terminal period*: 2%
- (7) Free cash flows are discounted to 18 November 2021

in PLNm	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net sales	21.59	25.28	29.61	34.70	39.15	44.17	49.86	54.18	58.88
(y-o-y change)	30.7%	17.1%	17.1%	17.2%	12.8%	12.8%	12.9%	8.7%	8.7%
Operating profit	3.43	3.96	4.54	4.85	5.11	5.37	5.61	5.85	6.15
(operating margin)	15.9%	15.7%	15.3%	14.0%	13.1%	12.2%	11.3%	10.8%	10.4%
NOPLAT	2.78	3.21	3.68	3.93	4.14	4.35	4.55	4.74	4.98
+ Depreciation & amortisation	0.43	0.51	0.59	0.69	0.78	0.88	1.00	1.08	1.18
= Net operating cash flow	3.21	3.72	4.27	4.62	4.93	5.23	5.54	5.83	6.16
- Total investments (Capex and WC)	-2.13	-3.74	-2.50	-3.20	-1.10	-1.28	-1.76	-1.61	-1.68
Capital expenditures	-1.17	-2.52	-2.60	-2.70	-0.79	-0.89	-1.01	-1.09	-1.19
Working capital	-0.96	-1.23	0.10	-0.49	-0.31	-0.39	-0.75	-0.51	-0.50
= Free cash flow (FCF)	1.08	-0.03	1.77	1.42	3.82	3.95	3.79	4.22	4.47
PV of FCF's	1.07	-0.03	1.47	1.08	2.64	2.50	2.19	2.23	2.16
PV of FCFs in explicit period	15.32								
PV of FCFs in terminal period	32.40								
Enterprise value (EV)	47.72								
+ Net cash / - net debt (30 June 2021)	0.80								
+ Investments / - minorities	0.00								
Shareholder value	48.52								
Number of shares outstanding (m)	1.20								
		Terminal EBIT margin							
WACC	9.3%	7.4%	8.4%	9.4%	10.4%	11.4%	12.4%	13.4%	
Cost of equity	9.3%	79.10	87.75	96.39	105.04	113.69	122.33	130.98	
Pre-tax cost of debt	4.0%	6.3%	60.65	66.82	72.98	79.15	85.32	91.48	97.65
Normal tax rate	19.0%	7.3%	49.08	53.73	58.38	63.02	67.67	72.32	76.96
After-tax cost of debt	3.2%	8.3%	41.15	44.78	48.41	52.04	55.67	59.30	62.93
Share of equity	100.0%	9.3%	35.37	38.28	41.19	44.10	47.01	49.92	52.83
Share of debt	0.0%	10.3%	30.96	33.34	35.72	38.10	40.49	42.87	45.25
Fair value per share in PLN	40.33	11.3%	27.50	29.48	31.45	33.43	35.40	37.38	39.35
Fair value per share in PLN (in 12 months)	44.10	12.3%	24.71	26.37	28.03	29.69	31.35	33.01	34.66

Source: East Value Research GmbH

Peer Group Analysis

While there are no comparable companies in Poland, we have found six international providers of beauty devices, which are comparable to CMI. Companies like Johnson & Johnson, AbbVie and Bausch Health are also active in the area of aesthetic medicine, but are too diversified, in our view. Most aesthetic medicine devices that are available on the market are from Chinese producers and are usually cheap, single-functional, unreliable and come without support.

- (1) *Syneron Medical Ltd.*: Syneron Medical is based in Yokneam Illit/Israel and is 100%-owned by the PE fund Apax Partners. The company develops products based on its proprietary Electro-Optical Synergy technology, which uses the synergy between electrical energy and optical energy to provide aesthetic medical treatments. Its products are used for various non-invasive aesthetic medical procedures, including hair removal, wrinkle reduction, rejuvenation of the skin's appearance through the treatment of superficial benign vascular and pigmented lesions, acne treatment, treatment of leg veins, treatment for the temporary reduction in the appearance of cellulite and thigh circumference, ablation and resurfacing of the skin, laser-assisted lipolysis, and tattoo removal. The company also provides cosmetic and aesthetic lasers; light-based systems used by physicians and personal care practitioners; non-invasive technologies for fat cell destruction and body sculpting; and Viador system, a handheld device with a radiofrequency-needle array for use in transdermal delivery of biologic drug-products through a system-specific skin patch.
- (2) *Lumenis Ltd.*: Lumenis, which is based in Yokneam/Israel, is 100%-owned by Baring Private Equity Asia. In its Ophthalmic segment, the company sells ophthalmology laser systems and accessories, such as laser links, slit lamp microscopes, laser indirect ophthalmoscopes, physician eye safety filters, surgical laser probes, and others to ophthalmic practices, outpatient clinics, and ophthalmology departments of hospitals primarily for use in retinal treatment and glaucoma/secondary cataract applications, as well as for refractive applications. In the Aesthetic segment, it offers aesthetic laser energy-based systems to physicians primarily for skin treatment and hair removal applications.
- (3) *Sisram Medical Ltd.*: Sisram Medical, which is based in Caesarea/Israel, is an investment holding company that through its subsidiaries (e.g. Alma Laser) designs, develops, manufactures, and sells energy-based aesthetic medical, minimally invasive treatment systems, and non-energy based devices and cosmeceuticals. It offers a portfolio of treatment systems for non-invasive medical aesthetic treatments, including hair removal, skin rejuvenation, skin resurfacing, vascular and pigmented lesions treatment, body contouring, skin tightening, tattoo removal, acne treatment, and cellulite reduction; and minimally invasive treatments, such as laser assisted liposuction and fat grafting, and feminine health, as well as treatment of varicose veins and ear, nose, and throat procedures. The company also provides beauty product lines, such as Rejuve and Spadeep.

In 2020, Sisram Medical had revenues of HKD 1.3bn and an EBIT margin of 10.6%. Currently, it has a market cap of HKD 6.5bn and is trading at an EV/Sales 2021E of 2.8x (Source: CapitalIQ).

- 4) *Cutera Inc.*: Cutera, which is based in Brisbane/US, provides research, development, manufacture, marketing, and servicing of laser and energy-based aesthetics systems for practitioners worldwide. Its products include for example truSculpt flex, a bio-electrical muscle stimulation device for treating patients at all fitness levels; truSculpt for the non-surgical body sculpting market; Juliet, a laser for women's intimate health; Secret RF, a fractional radio frequency microneedling device for skin revitalization; excel HR platform, a hair removal solution for various skin types; excel V+, a vascular and benign pigmented lesion treatment platform; and xeo platform, a multi-application platform on which a customer purchases hand piece applications for the removal of unwanted hair, treatment of vascular lesions, and skin revitalization. In 2020, Cutera generated revenues of USD 147.7m and an EBIT margin of -14.9%. Currently, it has a market cap of USD 807m. Based on CapitalIQ consensus, it is trading at EV/Sales 2021E and EV/EBITDA 2021E multiples of 3.5x and 39.9x respectively.
- 5) *Cynosure Inc.*: Cynosure, which is based in Westford/US and 100%-owned by Clayton, Dublier & Rice LLC, develops and manufactures a diverse range of leading treatment applications for hair removal, skin revitalization, scar reduction, gynaecological health, body contouring etc.
- 6) *Venus Concept Inc.*: Venus Concept, which is headquartered in Toronto/Canada, is a Canadian company that develops and manufactures devices for the medical aesthetic market. It offers a range of products and services under various brands, including Venus Versa (face, body, hair removal), Venus Viva (face), Venus Legacy (face & body), Venus Glow (face), Venus Glow Serums (face), Venus Bliss (body), Venus Velocity (hair removal), Venus Epileve (hair removal), Venus Viva MD (body), ARTAS iX (hair restoration), NeoGraft (hair restoration), VERO Hair (hair restoration). In 2020, Venus Concept generated revenues of USD 78m and an EBIT margin of -39.1%. Currently, it has a market cap of USD 89.9m and is trading at an EV/Sales 2021E multiple of 1.5x.

Profit and loss statement

in PLNm	2018	2019	2020	2021E	2022E	2023E
Net sales	11.90	18.30	16.74	21.59	25.28	29.61
Change of inventories	0.89	-0.11	-0.21	0.00	0.00	0.00
Total output	12.79	18.19	16.53	21.59	25.28	29.61
Cost of goods sold	-8.27	-12.39	-10.96	-14.90	-17.19	-19.84
Gross profit	4.52	5.80	5.56	6.69	8.09	9.77
Other operating income	0.00	0.08	0.82	2.10	0.63	0.64
Personnel costs	-2.23	-2.86	-3.88	-3.58	-3.59	-4.35
Other operating expenses	-0.25	-0.70	-0.74	-1.35	-0.66	-0.92
EBITDA	2.04	2.32	1.77	3.86	4.47	5.14
Depreciation	-0.29	-0.45	-0.35	-0.43	-0.51	-0.59
Operating income	1.75	1.87	1.41	3.43	3.96	4.54
Net financial result	-0.18	-0.06	-0.24	-0.34	-0.33	-0.32
EBT	1.57	1.81	1.17	3.09	3.63	4.22
Income taxes	-0.24	-0.32	-0.19	-0.59	-0.69	-0.80
Net income / loss	1.33	1.50	0.99	2.50	2.94	3.42
EPS	1.11	1.24	0.82	2.08	2.45	2.84
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Share in total output						
Total output	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-64.70 %	-68.12 %	-66.33 %	-69.00 %	-68.00 %	-67.00 %
Gross profit	35.30 %	31.88 %	33.67 %	31.00 %	32.00 %	33.00 %
Other operating income	0.04 %	0.45 %	4.94 %	9.72 %	2.49 %	2.17 %
Personnel costs	-17.47 %	-15.73 %	-23.46 %	-16.60 %	-14.20 %	-14.70 %
Other operating expenses	-1.95 %	-3.83 %	-4.46 %	-6.24 %	-2.61 %	-3.12 %
EBITDA	15.92 %	12.77 %	10.68 %	17.88 %	17.68 %	17.35 %
Depreciation	-2.25 %	-2.50 %	-2.15 %	-2.00 %	-2.00 %	-2.00 %
Operating income	13.67 %	10.28 %	8.54 %	15.88 %	15.68 %	15.35 %
Net financial result	-1.40 %	-0.31 %	-1.43 %	-1.57 %	-1.31 %	-1.08 %
EBT	12.27 %	9.97 %	7.11 %	14.31 %	14.37 %	14.27 %
Income taxes	-1.85 %	-1.74 %	-1.15 %	-2.72 %	-2.73 %	-2.71 %
Net income / loss	10.42 %	8.23 %	5.96 %	11.59 %	11.64 %	11.56 %

Balance Sheet

in PLNm	2018	2019	2020	2021E	2022E	2023E
Cash and equivalents	1.21	1.15	2.07	2.96	2.41	2.92
Short-term financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	3.59	2.86	2.93	3.65	3.83	3.99
Trade accounts and notes receivables	0.58	1.40	1.04	1.41	1.71	2.07
Other current assets	1.71	0.67	0.02	0.00	0.03	0.04
Current assets, total	7.08	6.07	6.05	8.02	7.98	9.02
Property, plant and equipment	1.41	5.34	6.00	6.70	8.70	10.70
Other intangible assets	0.34	0.02	0.00	0.04	0.05	0.06
Goodwill	0.12	0.11	0.10	0.10	0.10	0.10
Other long-term assets	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	0.03	0.02	0.00	0.00	0.00	0.00
Non-current assets, total	1.89	5.49	6.11	6.84	8.85	10.86
Total assets	8.97	11.57	12.16	14.87	16.84	19.88
Trade payables	5.27	3.21	3.47	3.58	2.87	3.49
Other short-term liabilities	0.52	0.58	0.00	0.00	0.00	0.00
Short-term financial debt	0.31	0.29	0.00	0.00	0.00	0.00
Pension provision	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	0.00	0.01	0.00	0.00	0.00	0.00
Current liabilities, total	6.11	4.09	3.47	3.58	2.87	3.49
Long-term financial debt	0.11	3.34	3.57	3.60	3.40	2.40
Pension provision	0.00	0.00	0.00	0.00	0.00	0.00
Other long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	0.00	0.00	0.00	0.06	0.00	0.00
Long-term liabilities, total	0.11	3.34	3.57	3.66	3.40	2.40
Total liabilities	6.22	7.43	7.04	7.24	6.27	5.89
Shareholders equity, total	2.76	4.13	5.12	7.62	10.57	13.99
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total equity and debt	8.97	11.57	12.16	14.87	16.84	19.88

Cash Flow Statement

in PLNm	2018	2019	2020	2021E	2022E	2023E
Net income / loss	1.33	1.50	0.99	2.50	2.94	3.42
Depreciation	0.29	0.45	0.35	0.43	0.51	0.59
Change of working capital	-0.22	-1.05	-0.51	-0.96	-1.23	0.10
Others	0.01	0.04	0.18	-0.06	0.06	0.00
Net operating cash flow	1.41	0.94	1.01	1.92	2.28	4.11
Cash flow from investing	-1.06	-3.82	-0.17	-1.17	-2.52	-2.60
Free cash flow	0.35	-2.87	0.83	0.75	-0.24	1.51
Cash flow from financing	-0.06	2.81	0.09	0.15	-0.32	-1.00
Change of cash	0.29	-0.06	0.92	0.90	-0.56	0.51
Cash at the beginning of the period	0.92	1.21	1.15	2.07	2.96	2.41
Cash at the end of the period	1.21	1.15	2.07	2.96	2.41	2.92

Financial ratios

	2018	2019	2020	2021E	2022E	2023E
Profitability and balance sheet quality						
Gross margin	35.30%	31.88%	33.67%	31.00%	32.00%	33.00%
EBITDA margin	15.92%	12.77%	10.68%	17.88%	17.68%	17.35%
EBIT margin	13.67%	10.28%	8.54%	15.88%	15.68%	15.35%
Net margin	10.42%	8.23%	5.96%	11.59%	11.64%	11.56%
Return on equity (ROE)	48.34%	43.43%	21.31%	39.29%	32.37%	27.88%
Return on assets (ROA)	16.85%	13.42%	10.05%	19.12%	19.44%	18.82%
Return on capital employed (ROCE)	51.88%	20.64%	13.62%	24.63%	22.99%	22.46%
Economic Value Added (in PLNm)	1.22	0.84	0.37	1.72	1.90	2.15
Net debt (in PLNm)	-0.79	2.48	1.50	0.64	0.99	-0.52
Net gearing	-28.61%	60.01%	29.35%	8.33%	9.38%	-3.72%
Equity ratio	30.73%	35.74%	42.10%	51.27%	62.75%	70.35%
Current ratio	1.16	1.48	1.74	2.24	2.78	2.58
Quick ratio	0.29	0.62	0.89	1.22	1.43	1.43
Net interest cover	-9.75	-33.54	-5.97	-10.09	-12.01	-14.20
Net debt/EBITDA	-0.39	1.07	0.85	0.16	0.22	-0.10
Tangible BVPS	2.19	3.34	4.17	6.25	8.70	11.54
Capex/Sales	n.a	22.32%	5.98%	5.41%	9.95%	8.79%
Working capital/Sales	0.61%	6.22%	3.12%	6.83%	10.70%	8.79%
Cash Conversion Cycle (in days)	-58	18	5	8	10	13
Trading multiples						
EV/Sales	3.98	2.59	2.83	2.19	1.87	1.60
EV/EBITDA	23.24	20.37	26.80	12.25	10.59	9.21
EV/EBIT	27.06	25.32	33.53	13.79	11.94	10.41
P/Tangible BVPS	18.25	11.97	9.59	6.40	4.60	3.47
P/E	36.10	32.16	48.82	19.22	16.35	14.06
P/FCF	138.85	-16.75	57.76	64.39	-203.86	31.82

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Bundesanstalt für Finanzdienstleistungsaufsicht
Lurgiallee 12
60439 Frankfurt