

CM International S.A.



Price target: PLN 54.30

Update

Rating: BUY

CMI International S.A. published its unaudited Q4/21 and full-year 2021 results on February 14. While they were 4.5% better than our forecasts on the sales level, profitability was surprisingly weak, especially due to commissions for sales partners and respective provisions. However, in general the prospects for CMI remain very good. In December, the company reported new orders over EUR 1.2m, which will likely positively impact its H1/22E results. Based on our updated model and a lower WACC of 8.1% (previously: 9.3%), our new 12-months price target for the stock equals PLN 54.30 (PLN 44), which implies an upside of 46% and a BUY rating. We estimate CMI's EPS growth in 2022E at 38.2%, which given its current P/E 2022E of 23.2x equals a PEG ratio of just 0.61x. Its historical 3y average P/E ratio is 39.5x. In 2021, CMI generated a ROE and ROCE of 24.3% and 17.1% respectively.

In Q4/21, CMI's total output (incl. change of inventories) grew by 74.9% y-o-y to PLN 5.9m compared to -6.4% in Q3. Although EBIT (PLN -20k vs. PLN -1m) and net income (PLN -200k vs. PLN -890k) improved q-o-q, other than we had expected they were not able to offset the weak Q3/21. While operating cash flow improved in full-year 2021 (PLN 1.2m vs. PLN 1m in 2020), cash flow from investing was much lower (PLN -2.9m vs. PLN -170k) due to the ongoing expansion of CMI's headquarter and production facility in Wilczyce, which is expected to be completed in June 2022. Nevertheless, as of 31/12/2021 the company's net gearing was lower y-o-y (25.2% vs. 29.4% in 2020).

The latest market forecasts by Precedence Research draw a positive picture of the global beauty device sector. It is expected to grow at a CAGR of 7% to a value of USD 64.5bn by 2030E. In 2020, it was worth USD 29.8bn. As main growth drivers, the research firm regards the desire to look young and attractive among all age groups.

in PLNm	2019	2020	2021	2022E	2023E	2024E
Total output	18.19	16.53	22.57	26.44	30.90	36.12
EBITDA	2.32	1.77	2.67	3.22	4.17	4.94
EBIT	1.87	1.41	2.22	2.70	3.56	4.21
Net income	1.50	0.99	1.40	1.93	2.64	3.18
EPS	1.24	0.82	1.16	1.61	2.19	2.64
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	43.43%	21.31%	24.28%	26.25%	27.34%	25.32%
Net gearing	60.01%	29.35%	25.16%	65.28%	36.77%	23.44%
EV/Sales	2.53x	2.77x	2.09x	1.75x	1.50x	1.28x
EV/EBITDA	19.96x	26.26x	17.34x	14.38x	11.11x	9.39x
P/E	29.91x	45.40x	32.03x	23.17x	16.98x	14.08x

* from 2022E, total output = net sales

Company profile

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

Date of publication	21 Feb 2022 / 6:30 am
Website	www.cmisa.eu
Sector	Beauty Devices
Country	Poland
ISIN	PLCMINT00013
Reuters	CMI.WA
Bloomberg	CMI.PW

Share information

Last price	37.20
Number of shares (m)	1.20
Market cap. (PLNm)	44.75
Market cap. (EURm)	9.89
52-weeks range	PLN 56 / PLN 32.20
Average volume	5

Performance

4-weeks	-2.11%
13-weeks	-7.00%
26-weeks	0.54%
52-weeks	12.73%
YTD	-2.11%

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

Q1/22 report	May 16, 2022
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Full-year 2021 results

Revenues and Profitability

According to its unaudited Q4/21 report, which was prepared based on Polish Accounting Standards, CM International generated a total output of PLN 22.6m (+36.5% y-o-y) in 2021, which was higher than its actual net sales (+32.3% to PLN 22.1m) and our forecast of PLN 21.6m.

In 2021, CMI's revenues were mainly positively impacted by orders from Germany and Spain and to a smaller extent by R&D work for a German partner. In Q4/21, the company received two orders worth in total EUR 1.2m, which will likely be reflected in its results for H1 2022E.

in PLNm	2021	2021E	2020	2021 vs. 2021E	2021 vs. 2020
Total output	22.57	21.59	16.53	4.5%	36.5%
Net sales	22.13	21.59	16.74	2.5%	32.3%
EBITDA	2.67	3.86	1.77	-30.7%	51.4%
<i>EBITDA margin</i>	<i>11.8%</i>	<i>17.9%</i>	<i>10.7%</i>		
EBIT	2.22	3.43	1.41	-35.2%	57.6%
<i>EBIT margin</i>	<i>9.9%</i>	<i>15.9%</i>	<i>8.5%</i>		
Net income	1.40	2.50	0.99	-44.1%	41.7%
<i>Net margin</i>	<i>6.2%</i>	<i>11.6%</i>	<i>6.0%</i>		

Source: Company information, East Value Research GmbH

In 2021, CMI's gross margin deteriorated y-o-y (28.1% vs. 33.7% in 2020) due to commissions for distribution partners for 2021 and a PLN 592k provision related to these costs for 2022E. Moreover, other operating expenses more than doubled from PLN 738k to PLN 1.4m, which stemmed from costs of the fire in the company's leased warehouse in April 2021. A higher than expected effective tax rate (26.6% vs. our estimate of 19%) was the reason, why net income increased much less than EBIT (+41.7% compared to +57.6%)

At the end of December 2021, CMI had 57 full-time employees plus 8 project-based staff and freelancers. Thus, its workforce did not increase q-o-q.

Balance sheet and Cash flow

At the end of December 2021, CMI had equity of PLN 6.4m, which corresponds to an equity ratio of 37.7%. Fixed assets were worth PLN 8.5m (2020: PLN 6m) and we believe that their growth stemmed from the ongoing expansion of the existing production facility. In our view, working capital equalled PLN 49k. At the end of December 2021, CMI had net debt of PLN 1.6m compared to PLN 1.5m at the end of the previous year.

Between January and December 2021, CM International strongly improved its operating cash flow from PLN 1m in 2020 to PLN 1.2m, which stemmed from a much higher net profit y-o-y. Cash flow from investing increased from PLN -170k to PLN -2.9m due to the ongoing expansion of the company's headquarters and production facility in Wilczyce. Cash flow from financing equalled PLN 1.1m after PLN 90k in 2020 due to the raise of additional debt for financing of the ongoing investments. Between January and December 2021, CMI's cash position declined by PLN 580k.

Financial forecasts

Revenues and Profitability

Q4/21 was not as good as we had expected, but this was due to the unexpected costs of commissions of distribution partners. Although unaudited 2021 results are lower than our forecasts on the bottom line, we have maintained our positive view of CMI. The company has strong products, excellent global sales contacts and the beauty market is in a long-term growth trend as nowadays people from all age groups want to look attractive and healthy.

For 2022E, we now forecast net sales of PLN 26.4m (+17.2% y-o-y; previously: PLN 25.8m), an EBIT margin of 10.2% (15.7%) and net income of PLN 1.9m (+38.2% y-o-y; PLN 2.9m). In our opinion, net sales will grow at a CAGR of 12.8% in the long run (previously: 15.2%) and the EBIT margin will decline to <11% (<11%) due to increasing competition and higher wages in Poland.

in PLNm	2022E	2023E	2024E
Proprietary products	9.80	11.57	13.65
<i>(% of sales)</i>	<i>37.1%</i>	<i>37.4%</i>	<i>37.8%</i>
EBIT margin	9.0%	11.0%	13.0%
Thereof: in the Fixed price & Pay-as-you-Go model	12.9%	13.9%	14.9%
R&D and optimisation for third-parties	15.48	18.12	21.20
<i>(% of sales)</i>	<i>58.6%</i>	<i>58.6%</i>	<i>58.7%</i>
EBIT margin	11.0%	12.0%	11.0%
Support & components	1.16	1.21	1.27
<i>(% of sales)</i>	<i>4.4%</i>	<i>3.9%</i>	<i>3.5%</i>
EBIT margin	9.5%	9.0%	8.5%
Total net sales	26.44	30.90	36.12
<i>(change y-o-y)</i>	<i>17.2%</i>	<i>16.8%</i>	<i>16.9%</i>

Source: East Value Research GmbH

in PLNm	2022E		2023E		2024E	
	new	old	new	old	new	old
Net sales	26.44	25.28	30.90	29.61	36.12	34.70
EBITDA	3.22	4.47	4.17	5.14	4.94	5.54
<i>EBITDA margin</i>	<i>12.2%</i>	<i>17.7%</i>	<i>13.5%</i>	<i>17.4%</i>	<i>13.7%</i>	<i>16.0%</i>
EBIT	2.70	3.96	3.56	4.54	4.21	4.85
<i>EBIT margin</i>	<i>10.2%</i>	<i>15.7%</i>	<i>11.5%</i>	<i>15.3%</i>	<i>11.7%</i>	<i>14.0%</i>
Net income	1.93	2.94	2.64	3.42	4.00	4.00
<i>Net margin</i>	<i>7.3%</i>	<i>11.6%</i>	<i>8.5%</i>	<i>11.6%</i>	<i>11.1%</i>	<i>11.5%</i>

* for simplicity, we have assumed that Total output = net sales

Source: East Value Research GmbH

in PLNm	Q1/19	Q2/19	Q3/19	Q4/19	2019
Total output	3.41	5.13	3.87	5.77	18.19
<i>y-o-y change</i>	103.5%	94.9%	-4.1%	29.8%	42.2%
EBITDA	0.59	0.80	0.66	0.27	2.32
<i>EBITDA margin</i>	17.2%	15.7%	17.0%	4.7%	12.8%
EBIT	0.53	0.74	0.59	0.01	1.87
<i>EBIT margin</i>	15.4%	14.5%	15.3%	0.1%	10.3%
Net income	0.40	0.64	0.47	-0.01	1.50
<i>Net margin</i>	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	Q4/21	2021
Total output	4.99	4.50	3.69	3.35	16.53	6.37	6.90	3.45	5.85	22.57
<i>y-o-y change</i>	46.5%	-12.3%	-4.8%	-42.0%	-9.1%	27.6%	53.2%	-6.4%	74.9%	36.5%
EBITDA	0.58	0.88	-0.10	0.40	1.77	1.16	2.33	-0.91	0.10	2.67
<i>EBITDA margin</i>	11.7%	19.6%	-2.7%	12.0%	10.7%	18.2%	33.8%	-26.4%	1.7%	11.8%
EBIT	0.53	0.80	-0.21	0.30	1.41	1.05	2.22	-1.03	-0.02	2.22
<i>EBIT margin</i>	10.5%	17.7%	-5.6%	8.9%	8.5%	16.5%	32.2%	-29.8%	-0.3%	9.9%
Net income	0.55	0.63	-0.22	0.03	0.99	0.82	1.66	-0.89	-0.20	1.40
<i>Net margin</i>	11.0%	14.0%	-6.0%	0.9%	6.0%	12.9%	24.1%	-25.8%	-3.3%	6.2%

Source: Company information, East Value Research GmbH

CAPEX and Working capital

In 2021, CMI's gross CAPEX was much higher than we had forecast (PLN 2.9m vs. PLN 1.2m). This year, we estimate investments in fixed and intangible assets to reach PLN 2.5m and in the long run 2% of yearly sales. In its Q4/21 report, CMI's management stated that the extension of the facility in Wilczyce will be completed by June 2022E instead of May as planned before as the work by the construction company takes longer than expected.

In 2021, working capital developed much better than we had anticipated. At the end of December, its share reached 0.2% (our estimate: 6.8%). We now believe that this value will increase up to 8% in the long run (previously: 10%). The assumption relating to the cash conversion cycle remains unchanged at 30 days.

Valuation

We have valued CM International by using a DCF model only due to a lack of appropriate listed peers. Our updated model, which is based on a much lower WACC of 8.1% (previously: 9.3%), derives a new 12-months PT of PLN 54.30 (previously: PLN 44). With an upside of 46% 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 2018-2021 for companies from the Healthcare Products sector, which are based in Emerging Markets, is 1.15x (Source: www.damodaran.com)
- (3) *Equity risk premium (Poland)*: 5.08% (Source: www.damodaran.com)
- (4) *Target equity ratio*: 100%
- (5) *WACC = Equity cost*: 8.1%
- (6) *Sales growth in the terminal period*: 2%
- (7) Free cash flows are discounted to 19 February 2022

in PLNm	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net sales	26.44	30.90	36.12	40.77	46.04	52.01	56.54	61.47	66.85
(y-o-y change)	17.2%	16.8%	16.9%	12.9%	12.9%	13.0%	8.7%	8.7%	8.7%
Operating profit	2.70	3.56	4.21	4.84	5.39	6.16	6.44	6.72	7.00
(operating margin)	10.2%	11.5%	11.7%	11.9%	11.7%	11.8%	11.4%	10.9%	10.5%
NOPLAT	2.18	2.88	3.41	3.92	4.36	4.99	5.22	5.44	5.67
+ Depreciation & amortisation	0.53	0.62	0.72	0.82	0.92	1.04	1.13	1.23	1.34
= Net operating cash flow	2.71	3.50	4.14	4.73	5.28	6.03	6.35	6.67	7.01
- Total investments (Capex and WC)	-5.66	-1.85	-3.18	-1.05	-1.21	-1.82	-1.56	-1.67	-1.80
Capital expenditures	-2.54	-2.63	-2.73	-0.83	-0.93	-1.05	-1.14	-1.24	-1.35
Working capital	-3.12	0.78	-0.45	-0.23	-0.28	-0.77	-0.42	-0.43	-0.45
= Free cash flow (FCF)	-2.95	1.65	0.95	3.68	4.07	4.21	4.79	5.00	5.21
PV of FCF's	-2.76	1.43	0.76	2.72	2.79	2.67	2.81	2.71	2.61
PV of FCFs in explicit period	15.74								
PV of FCFs in terminal period	46.29								
Enterprise value (EV)	62.03								
+ Net cash / - net debt (31 December 2021)	-1.61								
+ Investments / - minorities	0.00								
Shareholder value	60.42								
Number of shares outstanding (m)	1.20								
		Terminal EBIT margin							
		7.5%	8.5%	9.5%	10.5%	11.5%	12.5%	13.5%	
WACC	4.1%	135.91	152.46	169.01	185.57	202.12	218.67	235.22	
Cost of equity	5.1%	89.79	100.09	110.39	120.69	130.99	141.30	151.60	
Pre-tax cost of debt	6.1%	66.14	73.30	80.46	87.62	94.78	101.95	109.11	
Normal tax rate	7.1%	51.74	57.04	62.34	67.64	72.93	78.23	83.53	
After-tax cost of debt	8.1%	42.06	46.14	50.22	54.30	58.37	62.45	66.53	
Share of equity	9.1%	35.10	38.33	41.56	44.79	48.02	51.25	54.48	
Share of debt	10.1%	29.85	32.46	35.07	37.68	40.30	42.91	45.52	
Fair value per share in PLN	50.23	11.1%	25.76	27.90	30.05	32.19	34.34	36.49	38.63
Fair value per share in PLN (in 12 months)	54.30								

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 3.8bn and is trading at an EV/Sales 2022E of 1.8x (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 637m. Based on marketscreener.com consensus, it is trading at EV/Sales 2022E and EV/EBITDA 2021E multiples of 2.6x and 38.6x 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 87.2m and is trading at an EV/Sales 2022E multiple of 0.7x.

Profit and loss statement

in PLNm	2019	2020	2021	2022E	2023E	2024E
Net sales	18.30	16.74	22.13	26.44	30.90	36.12
Change of inventories	-0.11	-0.21	0.43	0.00	0.00	0.00
Total output	18.19	16.53	22.57	26.44	30.90	36.12
Cost of goods sold	-12.39	-10.96	-16.23	-18.76	-21.61	-24.90
Gross profit	5.80	5.56	6.33	7.69	9.29	11.22
Other operating income	0.08	0.82	1.56	0.47	0.48	0.49
Personnel costs	-2.86	-3.88	-3.87	-3.75	-4.54	-5.49
Other operating expenses	-0.70	-0.74	-1.36	-1.18	-1.05	-1.28
EBITDA	2.32	1.77	2.67	3.22	4.17	4.94
Depreciation	-0.45	-0.35	-0.45	-0.53	-0.62	-0.72
Operating income	1.87	1.41	2.22	2.70	3.56	4.21
Net financial result	-0.06	-0.24	-0.32	-0.31	-0.30	-0.29
EBT	1.81	1.17	1.90	2.38	3.25	3.92
Income taxes	-0.32	-0.19	-0.51	-0.45	-0.62	-0.75
Net income / loss	1.50	0.99	1.40	1.93	2.64	3.18
EPS	1.24	0.82	1.16	1.61	2.19	2.64
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	-68.12 %	-66.33 %	-71.93 %	-70.93 %	-69.93 %	-68.93 %
Gross profit	31.88 %	33.67 %	28.07 %	29.07 %	30.07 %	31.07 %
Other operating income	0.45 %	4.94 %	6.93 %	1.78 %	1.55 %	1.35 %
Personnel costs	-15.73 %	-23.46 %	-17.14 %	-14.20 %	-14.70 %	-15.20 %
Other operating expenses	-3.83 %	-4.46 %	-6.01 %	-4.45 %	-3.41 %	-3.55 %
EBITDA	12.77 %	10.68 %	11.85 %	12.19 %	13.51 %	13.67 %
Depreciation	-2.50 %	-2.15 %	-2.00 %	-2.00 %	-2.00 %	-2.00 %
Operating income	10.28 %	8.54 %	9.85 %	10.19 %	11.51 %	11.67 %
Net financial result	-0.31 %	-1.43 %	-1.42 %	-1.18 %	-0.97 %	-0.81 %
EBT	9.97 %	7.11 %	8.43 %	9.02 %	10.53 %	10.86 %
Income taxes	-1.74 %	-1.15 %	-2.24 %	-1.71 %	-2.00 %	-2.06 %
Net income / loss	8.23 %	5.96 %	6.19 %	7.30 %	8.53 %	8.80 %

Balance Sheet

in PLNm	2019	2020	2021	2022E	2023E	2024E
Cash and equivalents	1.15	2.07	1.48	0.26	0.16	0.08
Short-term financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	2.86	2.93	4.36	4.62	4.85	5.04
Trade accounts and notes receivables	1.40	1.04	2.49	2.97	3.55	4.23
Other current assets	0.67	0.02	0.03	0.03	0.04	0.04
Current assets, total	6.07	6.05	8.35	7.89	8.60	9.40
Property, plant and equipment	5.34	6.00	8.47	10.47	12.47	14.47
Other intangible assets	0.02	0.00	0.02	0.03	0.04	0.05
Goodwill	0.11	0.10	0.09	0.09	0.09	0.09
Other long-term assets	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	0.02	0.00	0.03	0.00	0.00	0.00
Non-current assets, total	5.49	6.11	8.61	10.59	12.60	14.61
Total assets	11.57	12.16	16.96	18.47	21.19	24.00
Trade payables	3.21	3.47	6.51	4.10	5.62	5.98
Other short-term liabilities	0.58	0.00	0.31	0.36	0.42	0.49
Short-term financial debt	0.29	0.00	0.00	0.00	0.00	0.00
Pension provision	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	0.01	0.00	0.60	0.00	0.00	0.00
Current liabilities, total	4.09	3.47	7.42	4.46	6.04	6.47
Long-term financial debt	3.34	3.57	3.09	5.69	4.19	3.39
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	0.06	0.00	0.00	0.00
Long-term liabilities, total	3.34	3.57	3.15	5.69	4.19	3.39
Total liabilities	7.43	7.04	10.57	10.15	10.23	9.87
Shareholders equity, total	4.13	5.12	6.39	8.32	10.96	14.14
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total equity and debt	11.57	12.16	16.96	18.47	21.19	24.00

Cash Flow Statement

in PLNm	2019	2020	2021	2022E	2023E	2024E
Net income / loss	1.50	0.99	1.40	1.93	2.64	3.18
Depreciation	0.45	0.35	0.45	0.53	0.62	0.72
Change of working capital	-1.05	-0.50	-1.43	-3.12	0.78	-0.45
Others	0.04	0.16	0.75	0.63	0.00	0.00
Net operating cash flow	0.94	1.01	1.16	-0.03	4.03	3.45
Cash flow from investing	-3.82	-0.17	-2.90	-2.54	-2.63	-2.73
Free cash flow	-2.87	0.83	-1.74	-2.57	1.40	0.72
Cash flow from financing	2.81	0.09	1.11	1.35	-1.50	-0.80
Change of cash	-0.06	0.92	-0.58	-1.23	-0.10	-0.08
Cash at the beginning of the period	1.21	1.15	2.07	1.48	0.26	0.16
Cash at the end of the period	1.15	2.07	1.48	0.26	0.16	0.08

Financial ratios

	2019	2020	2021	2022E	2023E	2024E
Profitability and balance sheet quality						
Gross margin	31.88%	33.67%	28.07%	29.07%	30.07%	31.07%
EBITDA margin	12.77%	10.68%	11.85%	12.19%	13.51%	13.67%
EBIT margin	10.28%	8.54%	9.85%	10.19%	11.51%	11.67%
Net margin	8.23%	5.96%	6.19%	7.30%	8.53%	8.80%
Return on equity (ROE)	43.43%	21.31%	24.28%	26.25%	27.34%	25.32%
Return on assets (ROA)	13.42%	10.05%	10.13%	12.14%	13.86%	14.45%
Return on capital employed (ROCE)	20.64%	13.62%	17.11%	15.58%	19.01%	19.47%
Economic Value Added (in PLNm)	0.94	0.48	0.86	1.05	1.65	1.99
Net debt (in PLNm)	2.48	1.50	1.61	5.43	4.03	3.31
Net gearing	60.01%	29.35%	25.16%	65.28%	36.77%	23.44%
Equity ratio	35.74%	42.10%	37.68%	45.06%	51.71%	58.90%
Current ratio	1.48	1.74	1.13	1.77	1.42	1.45
Quick ratio	0.62	0.89	0.53	0.73	0.61	0.67
Net interest cover	-33.54	-5.97	-6.93	-8.67	-11.81	-14.48
Net debt/EBITDA	1.07	0.85	0.60	1.69	0.97	0.67
Tangible BVPS	3.34	4.17	5.24	6.84	9.03	11.67
Capex/Sales	22.32%	5.98%	12.95%	9.60%	8.51%	7.57%
Working capital/Sales	6.22%	3.12%	0.22%	11.99%	7.74%	7.87%
Cash Conversion Cycle (in days)	18	5	-8	-5	-3	0
Trading multiples						
EV/Sales	2.53	2.77	2.09	1.75	1.50	1.28
EV/EBITDA	19.96	26.26	17.34	14.38	11.11	9.39
EV/EBIT	24.81	32.85	20.85	17.20	13.04	11.00
P/Tangible BVPS	11.13	8.92	7.11	5.44	4.12	3.19
P/E	29.91	45.40	32.03	23.17	16.98	14.08
P/FCF	-15.58	53.72	-25.72	-17.39	31.87	62.50

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