

Synektik S.A.



Price target: PLN 268.20

Update

Rating: BUY

After fiscal year 2023/24, which exceeded our estimates by 4.1%-7.4%, Synektik reported Q1 2024/25 results that came in above consensus. While the commercialization of the proprietary cardiac tracer is progressing slower than most market participants likely expected, the zbadani.pl cloud-based platform for radiologists, which has significant potential for profitability, is still generating only small million PLN revenues. Instead, what's driving SNT's growth is the high-margin radiopharma segment and the distribution agreement for da Vinci surgical robots, the success of which has surpassed even the most optimistic expectations. With exclusivity for Poland, Czechia, Slovakia, and now also the Baltic region, Synektik has attained the status of Intuitive Surgical's top distributor globally, and its 2nd distributor overall. This should guarantee that the US-based company will not terminate the contract with SNT after 2030E. We see significant long-term growth potential for da Vinci robots in the countries where SNT is already active, and, following the end of the war, also in Ukraine, which has 37m inhabitants and 420 hospitals (vs. c. 900 in PL). Additionally, we believe that reimbursement for da Vinci procedures will gradually be extended. Therefore, we have revised our estimates for sales of da Vinci robots for this and the next two fiscal years, increasing them from 23/23/21 to 30/25/22, and have also increased our estimates for sales from recurring revenues by >15%. For us, the distribution of other devices, such as ZAP-X and InSightec, as well as the cardiac tracer (whose commercialization we now forecast for 2026/27E, one year later than SNT's forecast) is considered the "icing on the cake." With higher estimates and a WACC = 12.2%, our model derives a new 12-month SOTP-based PT of PLN 268.20 (thereof cardiac tracer: PLN 33.67/share, prev. PT: PLN 208.40). Our estimates imply a PEG ratio of 0.39 for 2024/25E.

In Q1 2024/25, Synektik's top- and bottom line declined by 4.4%-25.1% due to one-offs in the previous year. On Group level, revenues declined to PLN 203.1m (-25.1%) but the EBITDA margin improved to 22.9% (Q1 2023/24: 18.2%). While the Medical equipment & IT segment (-26.8% to PLN 191.2m, 26.5% vs. 20.3%) reported lower revenues but higher profitability due to rapidly growing recurring revenues, the Radiopharmaceuticals segment improved its revenues by 21.6% to PLN 12.1m at a lower EBITDA margin (32.4% vs. 41.6%).

in PLNm	2021/22	2022/23	2023/24	2024/25E	2025/26E	2026/27E
Net sales	166.86	446.87	624.12	754.47	781.10	817.80
EBITDA*	29.66	82.64	123.48	167.47	178.61	192.53
EBIT	17.62	67.86	106.94	148.24	159.48	173.32
Net income	10.30	52.45	82.57	117.78	127.05	138.42
EPS	1.21	6.15	9.68	13.81	14.90	16.23
DPS	0.60	3.03	8.25	10.25	12.25	14.25
Dividend yield	0.26%	1.33%	3.61%	4.49%	5.36%	6.24%
RoE	12.23%	47.24%	50.93%	55.11%	49.39%	47.08%
Net gearing	30.97%	-32.74%	-31.49%	-31.48%	-41.01%	-45.55%
EV/Sales	12.68x	4.73x	3.39x	2.80x	2.71x	2.59x
EV/EBITDA	71.34x	25.60x	17.14x	12.63x	11.85x	10.99x
P/E	189.19x	37.16x	23.60x	16.55x	15.34x	14.08x

* EBITDA reflects expenses for the cardiac tracer

Company profile

Synektik S.A. is a leading Polish player in the area of distribution of therapeutic & diagnostic devices and production of radiopharmaceuticals, which patients have to take before undergoing a PET-CT exam. The company's strategy foresees the expansion in the area of devices for medical therapy, which require additional products and services on a regular basis. Currently, Synektik has c. 200 employees.

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Sector	Healthcare Services
Country	Poland
ISIN	PLSNKTK0001
Reuters	SNTPW.WA
Bloomberg	SNT PW

Share information

Last price	228.50
Number of shares (m)	8.53
Market cap. (PLNm)	1948.91
Market cap. (EURm)	468.49
52-weeks range	PLN 241 / PLN 97.60
Average volume (shares)	22,780

Performance

4-weeks	2.07%
13-weeks	40.23%
26-weeks	72.59%
52-weeks	124.29%
YTD	19.75%

Shareholder structure

Ksiazek Holding Sp. z o.o.**	16.13%
Melhus Company Ltd.*	24.00%
Free float	59.87%

* vehicle of Mr Cezary Kozanecki (CEO & founder)

** Likely stake of Ksiazek Holding after the completion of the announced ABB for 852.9k shares on Feb 19, 2025

Financial calendar

Q2 2024/25 report	June 11, 2025
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Changes to our forecasts

Revenues and Profitability

In fiscal-year 2023/24, Synektik's results exceeded our estimates significantly, showing the strong momentum of the business especially when it comes to sales of da Vinci robots and radiopharmaceuticals. Compared to our estimates of PLN 538m for revenues and 20.4% for the EBITDA margin, the Medical equipment/software/services segment reported revenues of PLN 579.1m (thereof: c. 74% da Vinci sales + related recurring revenues) at an EBITDA margin of 24.8%. The Radiopharmaceuticals segment generated revenues of PLN 45.1m (our estimate: PLN 42.9m) and an EBITDA margin of 36.1% (36%).

For Q1 2024/25, Synektik reported another strong set of numbers, which despite extraordinarily large one-off contracts of c. PLN 60m last year were 14-17% above sell-side consensus on EBIT and net income level. Due to 64.5% higher recurring revenues compared to December 2023 of PLN 219.8m the Medical equipment/software/services segment improved its EBITDA margin from 20.3% in Q1 2023/24 to 26.5%. At the end of December 2024, the number of installed da Vinci robots in all Synektik's markets reached 96.

While sales of other devices, such as ZAP-X and Insightec, have been developing slowly, and the zbadani.pl cloud-based platform has been disappointing, the success of Synektik's distribution agreement with Intuitive Surgical for da Vinci robots has so far exceeded even the most optimistic expectations. In 2023, Synektik was officially named Intuitive Surgical's best distributor worldwide and, in our view, is now the US-based company's 2nd largest. Hence, we are confident that Intuitive Surgical will co-operate with Synektik beyond 2030E – when the current contract ends – and also extend the co-operation to other countries. We believe that especially the market entry to Ukraine after the war seems likely as the country is large (37m inhabitants), has many hospitals (>700 before the war) and its healthcare system will have to be rebuilt.

Below is a summary of reasons, why our forecasts for Synektik are now higher than before:

1. According to our research, the funds from the EU Reconstruction and Resilience Fund (PLN 18.3bn for healthcare) have been flowing into Poland slowly, but they must be spent by mid-2026E. As a result, their positive impact on investments in healthcare equipment is likely to become more visible in the coming quarters.
2. Due to the start of sales in Lithuania and Latvia in H1/25 and in Estonia in 2026E, likely extension of reimbursement in Poland to other surgical procedures apart from surgical treatment of prostate, endometrial and colorectal cancer as well as potential extension of the agreement with Intuitive Surgical to Ukraine we now expect higher da Vinci sales in 2024/25E (30 vs. 23), 2025/26E (25 vs. 23) and afterwards (22 vs. 21). There should also be a positive impact on da Vinci sales from the fact that the robots have to be replaced after 8-10 years and Intuitive Surgical will introduce the 5th version of da Vinci in Europe soon. Moreover, we have increased our assumption for the growth of recurring revenues (2024/25E: PLN 288m now vs. PLN 249.1m before, 2025/26E: PLN 354.9m vs. PLN 317.9m).

We would like to emphasize that based on the average current penetration of da Vinci robots in France, UK and Germany of 15.5% we see the target number for da Vinci robots in Synektik's current markets at 223 (99 as of 19/02/2025) and its potential new market Ukraine at 70 (0).

Current penetration of da Vinci robots in selective countries

	United States	France	United Kingdom	Germany	Poland	Czech Republic
Number of hospitals	7,378	2,987	1,148	1,874	896	266
Number of da Vinci robots	5,500	340	200	330	65	27
% share	74.5%	11.4%	17.4%	17.6%	7.3%	10.2%

	Slovakia	Lithuania	Latvia	Estonia	Ukraine*
Number of hospitals	114	77	60	29	450
Number of da Vinci robots	7	0	0	0	0
% share	6.1%	0.0%	0.0%	0.0%	0.0%

* Current number of hospitals. Before the war, there were 720

Source: Google search, ChatGPT, East Value Research GmbH

Our estimates for recurring revenues 2024/25E-2026/27E

	2024/25E	2025/26E	2026/27E
Total number of robots	116	141	163
Avg. number of exams/robot	315	320	325
Costs per exam (PLN)	6,500	6,500	6,500
Total sales from usables	237,510	293,280	344,338
Software & Services	50,502	61,656	71,868
Recurring revenues (PLNk)	288,012	354,936	416,205

Source: East Value Research GmbH

3. Continuous rapid growth in the sales of its own radiopharmaceuticals in Poland, which: a) is still far below the OECD average in terms of the number of diagnostic exams per 1,000 inhabitants; b) is among the countries with the highest cancer mortality rates in the EU; and c) is increasing the budget of the most important payer for PET exams with radiopharmaceuticals, the public health insurance NFZ, by more than 16% per year.

Our detailed estimates until 2026/27E now look as follows:

in PLNm	2024/25E	2025/26E	2026/27E
Medical equipment/software/services	700.41	716.94	742.97
<i>(% of net sales)</i>	<i>92.8%</i>	<i>91.8%</i>	<i>90.8%</i>
EBITDA margin	25.0%	25.5%	26.0%
thereof: Other equipment & IT	80.00	80.00	75.00
thereof: Insightec	10.00	10.00	10.00
thereof: ZAP-X	20.00	20.00	20.00
thereof: da Vinci surgical robots	302.40	252.00	221.76
thereof: Recurring sales	288.01	354.94	416.21
Production of radiopharmaceuticals	54.06	64.17	74.83
<i>(% of net sales)</i>	<i>7.2%</i>	<i>8.2%</i>	<i>9.2%</i>
EBITDA margin	35.8%	35.5%	35.2%
Number of sold doses	32,266	37,105	41,929
<i>Share of FDG</i>	<i>55.6%</i>	<i>54.4%</i>	<i>53.2%</i>
<i>Share of special tracers</i>	<i>44.4%</i>	<i>45.6%</i>	<i>46.8%</i>
Price per dose FDG	936	955	974
Price per dose - special tracers	2,601	2,653	2,706
Total net sales	754.47	781.10	817.80
<i>(change y-o-y)</i>	<i>20.9%</i>	<i>3.5%</i>	<i>4.7%</i>

Source: East Value Research GmbH

in PLNm	2023/24		2024/25E		2025/26E		2026/27E	
	act.	est.	new	old	new	old	new	old
Net sales	624.12	580.93	754.47	658.52	781.10	736.91	817.80	758.43
EBITDA	123.48	117.89	167.47	151.94	178.61	172.43	192.53	179.62
<i>EBITDA margin</i>	<i>19.8%</i>	<i>20.3%</i>	<i>22.2%</i>	<i>23.1%</i>	<i>22.9%</i>	<i>23.4%</i>	<i>23.5%</i>	<i>23.7%</i>
EBIT	106.94	101.89	148.24	134.46	159.48	153.61	173.32	161.01
<i>EBIT margin</i>	<i>17.1%</i>	<i>17.5%</i>	<i>19.6%</i>	<i>20.4%</i>	<i>20.4%</i>	<i>20.8%</i>	<i>21.2%</i>	<i>21.2%</i>
Net income	82.57	79.29	117.78	105.83	127.05	121.51	138.42	133.01
<i>Net margin</i>	<i>13.2%</i>	<i>13.6%</i>	<i>15.6%</i>	<i>16.1%</i>	<i>16.3%</i>	<i>16.5%</i>	<i>16.9%</i>	<i>17.5%</i>

Source: East Value Research GmbH

	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
in PLNm	20/21	20/21	20/21	20/21	2020/21	21/22	21/22	21/22	21/22	2021/22
Net sales	34.07	26.97	15.72	51.87	128.63	35.42	37.30	35.77	58.38	166.86
<i>y-o-y change</i>	-9.4%	-27.1%	-29.5%	81.8%	2.6%	4.0%	38.3%	127.5%	12.6%	29.7%
EBITDA	6.13	4.80	1.59	6.64	19.16	4.19	10.42	5.57	9.48	29.66
<i>EBITDA margin</i>	18.0%	17.8%	10.1%	12.8%	14.9%	11.8%	27.9%	15.6%	16.2%	17.8%
EBIT	4.32	2.77	-0.52	4.62	11.19	2.11	7.41	2.19	5.92	17.62
<i>EBIT margin</i>	12.7%	10.3%	-3.3%	8.9%	8.7%	5.9%	19.9%	6.1%	10.1%	10.6%
Net income	3.59	1.99	-0.37	3.17	8.38	1.78	5.92	0.35	2.25	10.30
<i>Net margin</i>	10.5%	7.4%	-2.4%	6.1%	6.5%	5.0%	15.9%	1.0%	3.9%	6.2%

	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1
in PLNm	22/23	22/23	22/23	22/23	2022/23	23/24	23/24	23/24	23/24	2023/24	2024/25
Net sales	143.81	65.66	101.71	135.69	446.87	271.30	87.70	123.98	141.14	624.12	203.13
<i>y-o-y change</i>	306.0%	76.1%	184.4%	132.4%	167.8%	88.6%	33.6%	21.9%	4.0%	39.7%	-25.1%
EBITDA	28.04	6.84	20.85	26.91	82.64	49.31	20.60	24.61	28.96	123.48	46.45
<i>EBITDA margin</i>	19.5%	10.4%	20.5%	19.8%	18.5%	18.2%	23.5%	19.8%	20.5%	19.8%	22.9%
EBIT	24.63	3.18	17.04	23.02	67.86	45.37	16.61	20.67	24.29	106.94	41.46
<i>EBIT margin</i>	17.1%	4.8%	16.8%	17.0%	15.2%	16.7%	18.9%	16.7%	17.2%	17.1%	20.4%
Net income	19.08	4.03	13.52	15.82	52.45	34.67	12.23	16.75	18.92	82.57	33.13
<i>Net margin</i>	13.3%	6.1%	13.3%	11.7%	11.7%	12.8%	13.9%	13.5%	13.4%	13.2%	16.3%

Source: Company information, East Value Research GmbH

CAPEX and Working capital

As gross CAPEX in 2023/24 was higher than we had expected (PLN 34.8m vs. PLN 21.7m), we have increased our assumptions for 2024/25E (PLN 45.2m vs. PLN 17.5m before) and 2025/26E (PLN 30.1m vs. PLN 18.8m), which in our view will mainly be spent on new radiopharmaceuticals. Regarding working capital, we maintain our view that the cash conversion cycle will converge towards 30 days (previously: 60 days) in the future (2023/24: 32 days).

Valuation

Our model for Synektik consists of a DCF valuation of the company’s traditional business (incl. “Medical equipment/software/services” and sales of radiopharmaceuticals), Sum-of-the Parts (Distribution business + Radiopharmaceuticals), peer group analysis as well as a risk-adjusted Net Present Value (rNPV) calculation of the cardiac tracer. It derives a 12-months PT of PLN 268.20 (prev. PLN 208.40), of which the cardiac tracer accounts for PLN 33.67/share (PLN 32.49). With an upside of 17.4%, our BUY rating for the stock 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 6.4% (Source: boerse-stuttgart.de)
- (2) *Target equity ratio*: 100%
- (3) *Beta*: Average 4-year unlevered beta for companies from the Healthcare Products sector, which are based in Emerging Markets, is 1.06x (Source: damodaran.com)
- (4) *Equity risk premium (Poland)*: 5.46% (Source: damodaran.com)
- (5) *Effective tax rate*: 19%
- (6) *After-tax debt costs*: 6.5%
- (7) *Equity cost = WACC*: 12.2%
- (8) *Sales growth in the terminal period*: 2%
- (9) Free cash flows are discounted to February 19th, 2025

in PLNm	2024/ 25E	2025/ 26E	2026/ 27E	2027/ 28E	2028/ 29E	2029/ 30E	2030/ 31E	2031/ 32E	2032/ 33E
Net sales	754.47	781.10	817.80	888.21	962.38	1,037.51	1,116.18	1,198.64	1,285.17
(y-o-y change)	20.9%	3.5%	4.7%	8.6%	8.4%	7.8%	7.6%	7.4%	7.2%
EBIT	148.24	159.48	173.32	195.75	219.92	244.93	271.66	290.76	311.87
(EBIT margin)	19.6%	20.4%	21.2%	22.0%	22.9%	23.6%	24.3%	24.3%	24.3%
NOPLAT	120.07	129.18	140.39	158.56	178.13	198.39	220.05	235.52	252.62
+ Depreciation & amortisation	19.23	19.13	19.21	19.98	20.68	21.26	21.75	22.16	22.48
= Net operating cash flow	139.30	148.31	159.60	178.53	198.81	219.65	241.80	257.68	275.09
- Total investments (Capex and WC)	-68.75	-26.49	-25.69	-18.65	-19.18	-19.04	-19.10	-19.05	-15.18
Capital expenditure	-45.23	-30.13	-30.21	-19.99	-20.69	-21.27	-21.76	-22.17	-22.49
Working capital	-23.53	3.64	4.52	1.34	1.51	2.23	2.66	3.12	7.31
= Free cash flow (FCF)	70.55	121.82	133.91	159.88	179.63	200.61	222.70	238.63	259.91
PV of FCF's	65.77	101.22	99.17	105.55	105.70	105.23	104.12	99.45	96.55
PV of FCFs in explicit period	882.75								
PV of FCFs in terminal period	941.44								
Enterprise value (EV)	1,824.19								
+ Net cash / - net debt (31 December 2024)	166.90								
Shareholder value	1,991.09								
Number of shares outstanding (m)	8.53								
WACC	12.2%								
Cost of equity	12.2%								
Pre-tax cost of debt	8.0%								
Normal tax rate	19.0%								
After-tax cost of debt	6.5%								
Share of equity	100.0%								
Share of debt	0.0%								
Fair value per share in PLN (today)	233.45								
Fair value per share in PLN (in 12 months)	261.90								

		Terminal EBIT margin						
		21.3%	22.3%	23.3%	24.3%	25.3%	26.3%	27.3%
WACC	8.2%	404.83	416.29	427.75	439.22	450.68	462.14	473.60
	9.2%	348.65	357.76	366.88	376.00	385.11	394.23	403.34
	10.2%	306.26	313.66	321.06	328.46	335.85	343.25	350.65
	11.2%	273.16	279.26	285.36	291.46	297.56	303.66	309.76
	12.2%	246.62	251.71	256.81	261.90	266.99	272.08	277.18
	13.2%	224.87	229.17	233.47	237.76	242.06	246.35	250.65
	14.2%	206.74	210.40	214.05	217.71	221.37	225.02	228.68

Source: East Value Research GmbH

Peer Group Analysis

We have compared Synektik to four listed companies, which supply diagnostic equipment and/or radiopharmaceuticals:

- (1) *Ion Beam Applications SA*: Ion Beam Applications (IBA), which is headquartered in Louvain-La-Neuve/Belgium, is the world leader in particle accelerator technology. The company is the leading supplier of equipment and services in the field of proton therapy, considered to be the most advanced form of radiation therapy available today. IBA is also a leading player in the fields of industrial sterilization, radiopharmaceuticals and dosimetry. The company employs >1,800 people worldwide and operates through three business segments: Proton Therapy (54% of total sales in 2023), Dosimetry (15%) and Other accelerators (31%). In 2023, Ion Beam generated revenues of EUR 428.7m, an EBITDA margin of 2.6% and ROCE of 3.9%.
- (2) *Jubilant Pharmova Ltd.*: Jubilant Pharmova, which is based in Noida/India, is an integrated global pharmaceuticals company with the three business segments Pharmaceuticals (manufacturing and supply of radiopharmaceuticals, allergy therapy products, contract manufacturing of sterile injectables and non-sterile products, active pharma ingredients and solid dosage formulations), Contract Research and Development Services for global pharma innovators and Proprietary Novel Drugs (development of breakthrough therapies in the area of oncology and auto-immune disorders). In fiscal-year 2023/24, Jubilant had revenues of INR 67bn and generated an EBITDA margin of 11.9%. Its ROCE equalled 4.1%.
- (3) *Voxel S.A.*: Voxel, which is based in Krakow, is the No 2 private provider of diagnostic services in Poland (incl. for example diagnostic imaging, nuclear medicine, isotope therapy, neuroradiosurgery and production of radiopharmaceuticals). The company is also the leading provider of software for medical facilities. Apart from Synektik, it is the only private company with own cyclotrons (Krakow and Warsaw). In 2024, Voxel generated revenues of PLN 424.2m at an EBITDA margin of 35.7%. Its ROCE equalled 21.8%.
- (4) *Lantheus Holdings Inc.*: Lantheus Holdings, Inc., which is based in North Billerica/US, provides innovative diagnostics, targeted therapeutics and artificial intelligence (AI) solutions for clinicians. The company offers a broad portfolio of products including PYLARIFY® (Piflufolastat F18), a PSMA PET radiopharmaceutical for the detection of suspected recurrent or metastatic prostate cancer; PYLARIFY AI™, an artificial intelligence platform that assists in the evaluation of PSMA PET images; DEFINITY® Vial for (Perflutren Lipid Microsphere) Injectable Suspension, an ultrasound enhancing agent for patients with suboptimal echocardiograms; and TechneLite® (Technetium Tc99m Generator), a technetium-based generator that provides the essential medical isotope used in nuclear medicine procedures. 9 radiopharmaceuticals are currently in the development stage. Flurpiridaz F 18, the injection PET radiotracer for enhanced diagnosis of coronary artery disease, received FDA approval in September 2024.

The Holding includes the following subsidiaries: Lantheus Medical Imaging Inc., Progenics Pharmaceuticals Inc. (a developer of radiopharmaceuticals and AI for oncological applications that was acquired in 2019 at an implied EV/Sales multiple of 14.9x), EXINI Diagnostics AB (a Swedish developer of radiopharmaceuticals and AI-based solutions), Life Molecular Imaging (with Neuraceq®, a globally-approved radiodiagnostic for Alzheimer Disease, bought in January 2025 for a upfront payment USD 350m + up to USD 430m additionally) and Evergreen Theragnostiscs (with OCTEVY registrational-stage PET diagnostic agent that complements Lantheus' PNT2003 registrational-stage therapeutic candidate, acquired in January 2025 for a upfront payment of USD 250m + up to USD 752.5m in development and sales milestones).

For 2023, Lantheus reported revenues of USD 1.3bn, an EBITDA margin of 43.7% and ROCE of 27.9%.

Flurpiridaz F 18 is a fluorine 18-labeled agent that binds to mitochondrial complex 1 (MC-1) and is a novel PET imaging agent that may better evaluate patients with known or suspected coronary artery disease, which affects c. 15.5m people in America alone. In the first Phase III study, flurpiridaz F 18, which has a half-life of 110 min, demonstrated improved CAD detection and reduced radiation exposure over SPECT. The Phase III clinical study was conducted together with GE Healthcare, with whom Lantheus signed a commercialization deal on February 22, 2017. The transaction with GE included the following payments for Lantheus: (1) USD 5m upfront cash payment (2) up to USD 60m in regulatory and sales milestone payments as well as (3) tiered double-digit royalties on US sales and mid-single-digit royalties on sales outside the US. Lantheus also received an option to co-promote in the US.

Company	EV/Sales		EV/EBITDA		P/E		P/BVPS	EBITDA margin	Net gearing
	2025E	2026E	2025E	2026E	2025E	2026E	Latest	Last FY	Latest
Ion Beam Applications SA (EUR)	0.73x	0.68x	7.85x	5.85x	13.73x	8.87x	4.62x	2.61%	-0.75%
Jubilant Pharmova Ltd. (INR)	2.26x	2.01x	13.50x	11.00x	29.61x	21.27x	2.67x	11.92%	33.41%
Voxel S.A. (PLN)	2.84x	2.55x	8.65x	7.78x	14.94x	13.19x	4.61x	35.70%	24.47%
Lantheus Holdings Inc. (USD)	3.44x	3.07x	7.67x	6.86x	12.00x	10.69x	4.91x	43.66%	-20.58%
Median	2.55x	2.28x	8.25x	7.32x	14.33x	11.94x	4.62x	23.81%	11.86%
Synektik S.A. (PLN)	2.36x	2.28x	10.64x	9.98x	16.55x	15.34x	8.73x	19.78%	-74.80%
Premium/Discount	-7.3%	0.0%	29.0%	36.3%	15.4%	28.4%			
Fair value Synektik (PLN)	200.65								

Source: CapitalIQ, marketscreener.com, East Value Research GmbH

Other peers:

- (1) *Advanced Accelerator Applications SA (AAA)*: Advanced Accelerator Applications, a previously French company, develops, produces and commercializes diagnostic and therapeutic molecular nuclear medicine products in the fields of oncology, neurology, cardiology and infectious & inflammatory diseases. It has one of the broadest commercial PET portfolios in Europe: GLUSCAN/BARNASCAN, SOMAKIT TOC, FLUROCHOL, DOPAVIEW/PADOVIEW, NETSPOT as well as third party manufacturing agreements. In 2017, AAA received approval for its first therapeutic product, LUTATHERA (USAN: lutetium Lu 177 dotatate/INN: lutetium (177Lu) oxodotreotide) in Europe and in 2018 in the US. In its development pipeline, there are tracers for various forms of cancer.

In December 2024, Siemens Healthineers acquired AAA, which was bought in 2017 by Novartis in 2017 for USD 3.9bn (= P/Sales 30.1x), for an undisclosed amount. The acquisition complements Siemens Healthineers' PETNET Solutions network of 47 PET radiopharmacies mainly in the US, with an additional 13 manufacturing sites across France, Spain, Portugal, Italy, and Germany, as well as product distribution into Switzerland. AAA and Siemens Healthineers' own PETNET Solutions are now the largest PET radiopharmaceutical network globally, offering the most extensive PET radiopharmaceutical portfolio.

- (2) *Eczacıbaşı-Monrol Nuclear Products*: The privately-held Istanbul/Turkey-based company, which was established in 2008, is a joint-venture between Monrol Nuclear Products and Eczacıbaşı Pharmaceuticals Manufacturing. According to its website, it sells own radiopharmaceuticals to >60 countries worldwide and operates 30 cyclotrons. The company also conducts clinical trials for third parties. In December 2017, Monrol signed a sale agreement with Synektik related to its cyclotron in Mszczonow as it had decided to withdraw from the Polish market.
- (3) *Eckert & Ziegler AG*: EZAG, which is headquartered in Berlin, is one of the world's largest providers of isotope technology for medical, scientific and industrial use. The core businesses of the Group are cancer therapy, industrial radiometry and nuclear-medical imaging. Eckert & Ziegler operates >20 subsidiaries and has offices in Europe, India, Brazil, Argentina and the US. The company has been listed on the Frankfurt Stock Exchange since 1999 and in 2023 generated total revenues of EUR 246.1m, an EBITDA margin of 23.3% and ROCE of 9.2%.

On 5 May 2017, Alliance Medical Holding Ltd., an Irish operator of diagnostic centers and producer of radiopharmaceuticals, which itself was taken over by South-African Life Healthcare Group Holdings in November 2016 for GBP 800m (implied EV/Sales 2016 of 3.4x and EV/EBITDA of 12.4x), announced the acquisition of EZAG's cyclotron business (part of its Radiopharma segment, incl. operations in Poland, Germany and Austria) for EUR 13m. The transaction implied an EV/Sales 2016 of 0.7x.

Sum-the-Parts valuation

Our price target calculation also accounts for a Sum-of-the-Parts to better reflect the value of Synektik's different segments, "Medical equipment/software/services" (mostly distribution of diagnostic/therapeutic devices and surgical robots of third-party producers) and "Production of radiopharmaceuticals" (SNT produces and distributes 8 own tracers - FDG, FLT, Choline, PSMA, Dopa, FET, FES, Metaflu - and a licensed one Axumin).

We have valued the "Medical equipment/software/services" segment based on trading multiples of three listed US-based medical distributors. For the calculation of the fair value of the "Production of radiopharmaceuticals" segment, we have used the transaction multiple of the Lantheus-Progenics Pharmaceuticals deal. In order to account for the fact that Synektik is a Polish company, we have applied a discount of 30% to the combined value of both segments.

Valuation of the Medical equipment, IT & services segment

Company	EV/Sales		EV/EBITDA		EBITDA margin
	2025E	2026E	2025E	2026E	Last FY
McKesson Corporation (USD)	0.21x	0.20x	13.25x	12.29x	1.7%
Cencora Inc. (USD)	0.17x	0.16x	11.71x	10.88x	1.4%
Henry Schein Inc. (USD)	1.06x	1.02x	12.58x	11.82x	7.6%
Median	0.21x	0.20x	12.58x	11.82x	1.7%
<i>Est. Sales and EBITDA of SNT's Distribution segment</i>	<i>700.41</i>	<i>716.94</i>	<i>175.10</i>	<i>182.82</i>	<i>24.8%</i>
Implied EV SNT's Distribution segment	148.10	140.69	2202.60	2160.59	
Median	1154.35				

Source: CapitalIQ, East Value Research GmbH

When it comes to its agreements with Intuitive Surgical, ZAP-X or Insightec, Synektik does not act as a typical medical distributor. As in its markets it has exclusivity and is in charge of servicing, training, marketing and registration of devices, the company is able to generate higher EBITDA margins than US-based distributors such as McKesson or Henry Schein. Also, we would like to emphasize that in the US trading multiples and valuations are different than in Poland as the US has the largest and most liquid capital market worldwide.

Valuation of the Radiopharma segment

	Trans. EV/Sales	2023/24 sales of SNT's Radiopharma segment
Acquisition of Progenics by Lantheus	14.9x	45.06
Implied EV SNT's Radiopharma segment (PLNm)		671.38

Source: Lantheus' website, CapitalIQ, East Value Research GmbH

In the field of Radiopharmaceuticals, Synektik stands as the undisputed leader in Poland, boasting a long track record and robust client relationships. The market presents high entry barriers, as a new entrant would be required to initially invest several million Euros in constructing a cyclotron, registering radiopharmaceuticals, and securing clients. Given these significant challenges, we believe a high sales multiple for this segment is justified.

Sum-of-the-Parts (in PLNm)	
Implied EV (Distribution + Radiopharma)	1825.73
+ Net cash (31/12/2024)	166.90
Equity Value (PLNm)	1992.63
Number of shares (m)	8.53
Fair value per share (Distribution + Radiopharma)	233.63
<i>Discount</i>	<i>30%</i>
Discounted FV per share (Distribution + Radiopharma)	179.71

Source: East Value Research GmbH

Fair value of the existing business

Valuation method	Fair value	Weight
DCF model	233.45	40%
Sum-of-the-Parts	179.71	40%
Peer Group Analysis	200.65	20%
Weighted average (present value)	205.39	
In 12-months (PV * (1+WACC))	230.43	

Source: East Value Research GmbH

rNPV model (Risk-adjusted Net Present Value) - Cardiac tracer

We have estimated the value of the cardiac tracer, which will undergo Phase III clinical studies in the US from 2026E (one year later than we had previously expected), with the probability-weighted rNPV method, which accounts for project-related CAPEX of USD 18.3m during Phase III and registration in the US and Europe (2024/25-2026/27E). We have applied the latest average probabilities for the completion of the different stages of drug commercialization (Source: QLS Advisors – “Clinical Development Success Rates 2011-2020”), however would like to stress that the commercialization of radiopharmaceuticals is much less complicated and costly than in case of drugs. We now expect that SNT will sign a commercialization contract for its cardiac tracer, which in December 2022 received a 20-year patent protection in Europe and has a patent in the US until 2031E, with a partner in 2026/27E (previously 2025/26E) after the completion of the Phase III study in the US (thus, without a payment for the Phase III and with a higher upfront payment of USD 52.9m). This could be (1) producers of medical devices, which are interested in expansion into the cardiovascular area with PET-CTs (2) manufacturers of radiopharmaceuticals, which would like to grow their product portfolio and (3) Big Pharma companies.

As benchmark for our calculation, we have taken the Phase III partnering deal between Lantheus Holdings and GE Healthcare in 2017, which is the most recent one. According to the press release, GE Healthcare was supposed to pay Lantheus USD 5m initially, up to USD 60m in regulatory and sales milestone payments as well as tiered double-digit royalties on US sales and mid-single-digit royalties on sales outside the US. While the number of cardio exams in the US is known (9.1m per year; Source: <https://www.ncbi.nlm.nih.gov/books/NBK567716/>), of which almost all are currently conducted with SPECT devices, we have assumed that on average 10% thereof will be done on PET-CT in the future. With an average price of a PET-CT cardiac tracer of USD 400-USD 600, this conservative approach leads to a total value of the US market alone of USD >360m per year. With an estimated average royalty rate of 8.5%, we arrive at yearly royalty payments for Lantheus of c. USD 30.9m or USD 464.1m over 15 years. Including initial and regulatory/sales milestones, the total deal value equals USD 529.1m.

Estimation of the total value of Lantheus' partnering deal

Phase	Milestone payment (USDm)	Share of total value
Initial payment	5.00	0.9%
Regulatory & sales milestones	max. 60	11.3%
Total sales royalties over 15 years	464.10	87.7%
Total value (initial payment, milestones and royalties)	529.10	100.0%

Source: Lantheus, GE Healthcare, East Value Research GmbH

For the calculation of the total deal value of Synektik's cardiac tracer, we have applied a 30% discount on the estimated value of Lantheus' deal, however have used higher shares of initial and regulatory/sales milestones as Synektik will likely sign a partnering agreement only after completion of the Phase III study in the US and according to our research Lantheus has had issues with the clinical studies on its tracer. Our approach results in a total deal value of USD 407m and the following shares of the different components: Upfront payment (13% of total deal value), Development & Registration milestone (20%), Sales & Others (47%). We have assumed that Synektik's cardiac tracer will be introduced on the market in 2028/29E and generate yearly royalties until 2043/44E, when its patent in Europe expires.

Below are our detailed assumptions for the rNPV model:

SNT's cash flows from the cardiac tracer

Phase	Year	Milestone payment (USDm)	Share of total value
Initial payment	2026/27	52.91	13.0%
Registration in the US and EU	2027/28	81.40	20.0%
Start of commercial sales	2028/29	81.40	20.0%
Yearly sales royalties in 2028/29E-2043/44E*	2028/29	191.29	47.0%
Total value (initial payment, milestones and royalties)		407.00	100.0%

* until patent expiration

Source: East Value Research GmbH

rNPV model of the cardiac tracer

	2024/2	2025/	2026/	2027/2	2028/2	2029/3	2030/3	2031/	2032/3	2033/3	2034/3	2035/3	2036/3	2037/	2038/	2039/4	2040/	2041/	2042/4	2043/	
	5E	26E	27E	8E	9E	0E	1E	32E	3E	4E	5E	6E	7E	38E	39E	0E	41E	42E	3E	44E	
CF before investments and taxes (USDm)	0.00	0.00	52.91	81.40	94.15	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75
Probability of successful Phase III*	n.a	n.a	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%
Probability of successful registration*	n.a	n.a	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%	90.6%
Cumulative probability	0.0%	0.0%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%
Probability-weighted CF before investments and taxes (USDm)	0.0	0.0	27.7	42.6	49.3	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Investments in the cardiac tracer project (USDm)	-7.25	-6.75	-4.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CF after accounting for investments (USDm)	-7.25	-6.75	23.43	42.63	49.30	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68
PLN-USD rate	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
CF accounting for investments (PLNm)	-29.00	-27.00	93.73	170.51	197.22	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
CF accounting for investments and taxes (PLNm)	-23.49	-21.87	75.92	138.11	159.75	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64	21.64
Discount factor	1.07	1.20	1.35	1.51	1.70	1.91	2.14	2.40	2.69	3.02	3.39	3.80	4.26	4.78	5.37	6.02	6.76	7.58	8.50	9.54	
Discounted CF accounting for investments and taxes (PLNm)	-21.90	-18.17	56.23	91.18	94.00	11.35	10.12	9.02	8.04	7.16	6.39	5.69	5.07	4.52	4.03	3.59	3.20	2.86	2.54	2.27	
rNPV (PLN m)	287.20																				
Number of SNT's shares	8.53																				
rNPV per share (PLN)	33.67																				

Source: East Value Research GmbH

Price target calculation

Valuation method	Fair value
FV existing business	205.39
rNPV (cardiac tracer)	33.67
Present value (in PLN)	239.07
In 12-months (PV * (1+WACC))	268.20

Source: East Value Research GmbH

Profit and loss statement

in PLNm	2021/22	2022/23	2023/24	2024/25E	2025/26E	2026/27E
Net sales	166.86	446.87	624.12	754.47	781.10	817.80
Cost of goods sold	-106.32	-300.27	-417.70	-470.04	-483.50	-520.12
Gross profit	60.54	146.60	206.42	284.44	297.60	297.68
Other operating income	7.60	0.00	0.00	0.00	0.00	0.00
Distribution costs	-18.75	-32.81	-43.05	-52.04	-53.88	-56.41
Administration expenses	-9.52	-13.67	-15.56	-18.81	-19.47	-20.38
R&D expenses	-10.22	-15.98	-23.29	-28.15	-28.12	-8.18
Other operating expenses	0.00	-1.50	-1.05	-17.97	-17.52	-20.18
EBITDA	29.66	82.64	123.48	167.47	178.61	192.53
Depreciation & Amortization	-12.04	-14.78	-16.53	-19.23	-19.13	-19.21
EBIT	17.62	67.86	106.94	148.24	159.48	173.32
Net financial results	-5.33	-2.19	-3.03	-2.83	-2.63	-2.43
EBT	12.29	65.67	103.91	145.40	156.85	170.88
Income taxes	-1.99	-13.22	-21.34	-27.63	-29.80	-32.47
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Net income / loss	10.30	52.45	82.57	117.78	127.05	138.42
EPS	1.21	6.15	9.68	13.81	14.90	16.23
DPS	0.60	3.03	8.25	10.25	12.25	14.25
Share in total sales						
Net sales	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-63.72 %	-67.19 %	-66.93 %	-62.30 %	-61.90 %	-63.60 %
Gross profit	36.28 %	32.81 %	33.07 %	37.70 %	38.10 %	36.40 %
Other operating income	4.56 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Distribution costs	-11.24 %	-7.34 %	-6.90 %	-6.90 %	-6.90 %	-6.90 %
Administration expenses	-5.71 %	-3.06 %	-2.49 %	-2.49 %	-2.49 %	-2.49 %
R&D expenses	-6.13 %	-3.58 %	-3.73 %	-3.73 %	-3.60 %	-1.00 %
Other operating expenses	0.00 %	-0.34 %	-0.17 %	-2.38 %	-2.24 %	-2.47 %
EBITDA	17.77 %	18.49 %	19.78 %	22.20 %	22.87 %	23.54 %
Depreciation & Amortization	-7.22 %	-3.31 %	-2.65 %	-2.55 %	-2.45 %	-2.35 %
EBIT	10.56 %	15.19 %	17.13 %	19.65 %	20.42 %	21.19 %
Net financial results	-3.19 %	-0.49 %	-0.49 %	-0.38 %	-0.34 %	-0.30 %
EBT	7.36 %	14.70 %	16.65 %	19.27 %	20.08 %	20.90 %
Income taxes	-1.19 %	-2.96 %	-3.42 %	-3.66 %	-3.82 %	-3.97 %
Minority interests	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Net income / loss	6.17 %	11.74 %	13.23 %	15.61 %	16.27 %	16.93 %

Balance sheet

in PLNm	2021/22	2022/23	2023/24	2024/25E	2025/26E	2026/27E
Cash and cash equivalents	9.68	62.66	84.33	95.76	132.34	158.07
Other financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	48.28	21.27	12.69	38.63	39.74	42.75
Trade accounts and notes receivables	44.83	72.69	107.18	128.16	130.54	134.43
Prepaid expenses, deferred charges and others	6.96	12.00	8.09	9.77	10.12	10.59
Current assets	109.75	168.62	212.29	272.33	312.74	345.85
Property, plant and equipment	54.89	60.31	88.01	90.00	90.00	90.00
Other intangible assets	56.63	50.35	42.22	66.22	77.22	88.22
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Other long-term assets	1.59	2.42	4.30	4.34	4.38	4.43
Deferred tax assets	13.61	18.21	28.45	6.08	0.00	0.00
Non-current assets	126.73	131.29	162.97	166.63	171.60	182.64
Total assets	236.48	299.92	375.26	438.96	484.34	528.49
Trade payables	55.39	65.27	47.68	56.03	60.09	67.28
Short-term financial debt	23.67	4.87	5.32	5.02	4.72	4.42
Other liabilities	24.72	47.04	80.10	96.82	100.24	104.95
Pension provision	1.04	1.05	1.56	1.88	1.95	2.04
Provision	0.08	0.00	0.00	0.00	0.00	0.00
Current liabilities	104.91	118.23	134.65	159.76	167.00	178.69
Long-term financial debt	13.21	13.85	19.17	16.00	14.00	12.00
Other long-term liabilities	22.83	26.78	25.01	25.51	26.02	26.54
Pension provision	0.08	0.13	0.21	0.25	0.26	0.27
Deferred tax liabilities	7.60	6.72	6.20	0.00	0.00	0.00
Long-term liabilities	43.73	47.48	50.58	41.76	40.28	38.81
Total liabilities	148.63	165.71	185.23	201.52	207.28	217.50
Shareholders equity	87.85	134.20	190.02	237.43	277.06	310.99
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities and equity	236.48	299.92	375.26	438.96	484.34	528.49

Cash Flow Statement

in PLNm	2021/22	2022/23	2023/24	2024/25E	2025/26E	2026/27E
Net income / loss	10.30	52.45	82.57	117.78	127.05	138.42
Depreciation & Amortization	12.04	14.78	16.53	19.23	19.13	19.21
Change of working capital	-25.55	24.65	-0.64	-23.53	3.64	4.52
Others	-2.98	4.24	-8.85	-16.18	-6.08	0.00
Net operating cash flow	-6.18	96.13	89.61	97.30	143.74	162.15
Cash flow from investing	-4.55	-11.55	-34.77	-45.23	-30.13	-30.21
Free cash flow	-10.73	84.58	54.84	52.07	113.61	131.93
Cash flow from financing	2.14	-31.60	-33.17	-40.64	-77.03	-106.20
Change of cash	-8.59	52.98	21.67	11.43	36.58	25.73
Cash at the beginning of the period	18.27	9.68	62.66	84.33	95.76	132.34
Cash at the end of the period	9.68	62.66	84.33	95.76	132.34	158.07

Financial ratios

Fiscal year	2021/22	2022/23	2023/24	2024/25E	2025/26E	2026/27E
Profitability and balance sheet quality						
Gross margin	36.28%	32.81%	33.07%	37.70%	38.10%	36.40%
EBITDA margin	17.77%	18.49%	19.78%	22.20%	22.87%	23.54%
EBIT margin	10.56%	15.19%	17.13%	19.65%	20.42%	21.19%
Net margin	6.17%	11.74%	13.23%	15.61%	16.27%	16.93%
Return on equity (ROE)	12.23%	47.24%	50.93%	55.11%	49.39%	47.08%
Return on assets (ROA)	7.89%	20.37%	25.36%	29.63%	28.09%	27.81%
Return on capital employed (ROCE)	11.22%	29.83%	35.32%	43.01%	40.71%	40.13%
Economic Value Added (in PLNm)	-1.27	32.06	55.65	86.04	90.51	97.75
Net debt (in PLNm)	27.20	-43.94	-59.84	-74.74	-113.62	-141.65
Net gearing	30.97%	-32.74%	-31.49%	-31.48%	-41.01%	-45.55%
Equity ratio	37.15%	44.75%	50.64%	54.09%	57.20%	58.85%
Current ratio	1.05	1.43	1.58	1.70	1.87	1.94
Quick ratio	0.52	1.14	1.42	1.40	1.57	1.64
Net interest cover	3.31	31.02	35.24	52.30	60.54	71.19
Net debt/EBITDA	0.92	-0.53	-0.48	-0.45	-0.64	-0.74
Tangible BVPS	10.30	15.73	22.28	27.84	32.48	36.46
Capex/Sales	-24.83%	-3.11%	-5.78%	-5.99%	-3.86%	-3.69%
Working capital/Sales	11.96%	-1.42%	0.03%	3.14%	2.57%	1.90%
Cash Conversion Cycle (in days)	74	6	32	48	46	43
Trading multiples						
EV/Sales	12.68	4.73	3.39	2.80	2.71	2.59
EV/EBITDA	71.34	25.60	17.14	12.63	11.85	10.99
EV/EBIT	120.09	31.18	19.78	14.27	13.27	12.21
P/E	189.19	37.16	23.60	16.55	15.34	14.08
P/Tangible BVPS	22.19	14.52	10.26	8.21	7.03	6.27
P/FCF	-181.56	23.04	35.54	37.43	17.15	14.77

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