Bank Pekao Biuro Maklerskie

Company Report | **Steel & Infrastructure** | **Poland** | **15 May 2025**

Stalprofil

Strong volumes offset lower margins

We downgrade our recommendation to Hold from Buy and set a 12-month target price of PLN 9.60 per share (up 14.8%). According to our forecasts, Stalprofil is currently traded at avg. P/E ratio of 8.4/5.7x for 2025/26e.

We reduced our EBITDA forecasts for 2025e and 2026e by 32% and 17%, respectively. Following a period of reduced investment, major tenders for pipe supply and pipeline construction were launched in 2024. As of 2024, the Group has signed contracts with Gaz-System and PSG, totalling c. PLN 1.1bn net (contracts reported only in ESPI). In the infrastructure segment, we are assuming revenue growth of 69% and 81% in 2025/26e vs. 2024. However, due to intense competition (including abroad), we anticipate that the acquired contracts will have low margins. Izostal has already reported 1Q'25 preliminary results which confirm this, as revenues increase by 100% y/y and EBITDA margin decreased to 3.8% from 6.0% a year earlier.

The Polish steel market continues to have a significant surplus of imports over exports, with around 80% of the steel in Poland being imported. Steel producers in Europe must compete with countries such as Turkey and India, where steel production costs are lower. Therefore, even if demand for steel increases due to mobilization of public and private investment, there is a risk that demand will be met by imports. Although steel consumption in Poland in 2024 grew by 10.2% y/y but the base in 2023 was very low. EUROFER forecasts that steel consumption in Europe is expected to grow by 2.2% y/y in 2025, which is lower vs. earlier estimates of +3.8%. In 2024, STF sold more steel products by 32.6% y/y, showing that the Group performs well in a difficult market. However, the average steel price was 12.4% lower y/y, which translated into a 0.7pp. lower gross profit margin for the segment. We assume an increase in the average steel price of 0.1% y/y in 2025e and 4.9% in 2026e, which would result in improved gross profit margin for the steel segment of 0.2 pp and 1.1 pp in 2025e and 2026e, respectively. We assume that higher steel demand will be driven by lower interest rates and increased infrastructure and housing construction, as well as higher defense and energy spending. However, we would only expect a stronger recovery in 2026e, which could lead to higher steel prices. YTD the average price of European steel has fallen by 1.8–7.2% compared to 2024.

PLN mn	2023	2024	2025e	2026e	2027e	2028e
Revenues	1533.8	1704.0	2209.9	2419.8	2210.2	1970.6
EBITDA	54.6	47.0	55.4	64.1	68.6	61.4
Net income	15.6	14.5	17.4	25.6	30.2	25.3
EPS	0.9	0.8	1.0	1.5	1.7	1.4
DPS	0.7	0.3	0.3	0.3	0.4	0.5
DY	8.9%	3.6%	3.6%	3.9%	5.2%	6.2%
P/E	9.4	10.1	8.4	5.7	4.8	6.1
EV/EBITDA	4.1	6.6	6.6	5.6	4.5	3.9

NB: Historical multiples based on avg. prices Source: Company, Pekao Equity Research

Hold
(prev. Buy)

Target price PLN 9.60

Upside to TP 14.8%

Stock price on 14.05.2025 PLN 8.36

ESG rating B

Final ESG score 1.03

Relative share price performance vs. WIG

UPCOMING EVENTS

1Q'25	23 May

STOCK DATA

Bloomberg	STF PW
Free float (%)	44.1
Market cap (PLN mn)	146
No. of shares in issue (mn)	17.5

Shareholders	ArcelorMittal Poland 31.5%
	MZZ - Dąbrowa Górnicza 16.9%
	MOZ NSZZ Solidarność 7.5%

Michał Hanc
michal.hanc@pekao.com.pl

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ESG rating

Our ESG rating is based on the assessment of a number of E-S-G related criteria with a respective 50/25/25% weighting in the total assessment. Our methodology implies a final ESG score for Stalprofil of 1.03 and an ESG rating of 'B'. According to our methodology, a 'B' rating translates into a -7.5% discount in the equity risk premium in our cost of equity calculations.

	E	S	G
Score	0.92	1.20	1.08
Sector weight	50%	25%	25%
Final ESG Score		**1.03**	
ESG Rating		**B**	

	score from:	to	Rating	WACC risk premium impact (% of RFR)
ESG Score	1.5	2	A	-15.00%
	1	1.5	B	-7.50%
	0.5	1	C	0%
	0	0.5	D	15.00%

Valuation

Our valuation implies a 12M target price of PLN 9.60 per share, representing 14.8% potential upside. The valuation is based on the DCF method only and the peers valuation is presented for illustrative purposes with 0% weight for final valuation.

DCF valuation

We have developed a 6-year DCF valuation for Stalprofil based on our detailed financial model for the company's operating activity until 2030. The key assumptions incorporated in our DCF valuation model are as follows:

- Risk-free rate of 5.4% from 2025 to 2030e and 4.0% in the terminal year.
- Equity risk premium of 5.8% from 2025 to 2030e and 5.0% in the terminal year.
- Beta of 1.0x
- Additional ESG discount to the cost of equity equal to -0.4% from 2025 to 2030e and -0.3% in the terminal year (7.5% risk-free rate) based on the ESG rating.
- Credit margin of 2%.
- Corporate income tax rate of 19% in the terminal year.
- EBIT margin of 2.1% in the terminal year.
- Non-controlling interests in Izostal based on market valuation.
- Growth rate of 1% in the terminal year.

DCF valuation

WACC calculation

	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Year
Risk free rate	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	4.0%
Equity risk premium	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.0%
ESG discount/premium	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.3%
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cost of equity	**10.8%**	**10.8%**	**10.8%**	**10.8%**	**10.8%**	**10.8%**	**8.7%**
Cost of debt	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	6.0%
After-tax cost of debt	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**4.9%**
Equity weight	43%	46%	56%	73%	81%	88%	100%
WACC	**8.1%**	**8.2%**	**8.7%**	**9.5%**	**9.9%**	**10.2%**	**8.7%**

DCF valuation

(PLN mn)	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Year
Revenues	2,210	2,420	2,210	1,971	1,960	1,998	2,018.4
EBIT	36.0	44.6	49.3	42.4	36.4	36.5	42.4
Taxes on EBIT	-6.8	-8.5	-9.4	-8.0	-6.9	-6.9	-8.1
NOPAT	**29.1**	**36.1**	**39.9**	**34.3**	**29.5**	**29.6**	**34.3**
Depreciation and assets write-offs	19.5	19.5	19.3	19.1	18.9	18.8	18.8
Change in NWC	-87.2	-11.3	18.2	52.9	1.3	-4.2	-5.7
Capital expenditures	-21.0	-18.0	-15.0	-17.0	-16.0	-17.0	-20.0
FCFF	**-59.6**	**26.3**	**62.4**	**89.2**	**33.8**	**27.2**	**27.5**
Terminal value growth							*1.0%*
Terminal value							360.4
Discount factor	*0.93*	*0.86*	*0.79*	*0.72*	*0.65*	*0.59*	*0.55*
Discounted free cash flow - Dec 31 2024	-55.2	22.5	49.1	64.2	22.1	16.2	*211.9*
Enterprise value - Dec 31 2024	**330.7**						
Non-controlling interests in Izostal (market valuation)	36.5						
Net debt	162.4						
Other adjustments	0.0						
Equity value - Dec 31 2024	**131.8**						
Number of shares (mn)	17.5						
12M target price per share (PLN)	**9.60**						
Share price as of May 14 (PLN)	8.36						
Upside/Downside vs. current price	*14.8%*						

	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Year
Revenues growth	11%	10%	-9%	-11%	-1%	2%	1.0%
EBIT margin	1.6%	1.8%	2.2%	2.1%	1.9%	1.8%	2.1%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Capex/revenues	1.0%	0.7%	0.7%	0.9%	0.8%	0.9%	1.0%
Capex/depreciation	107.9%	92.5%	77.8%	89.0%	84.5%	90.5%	106.4%

Sensitivity of 12M target price per share to Terminal value growth & WACC

Terminal value growth/WACC	-0.5%	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%
7.7%	8.66	9.60	10.67	11.90	13.33	15.01	17.02
8.2%	7.82	8.66	9.60	10.67	11.90	13.33	15.01
8.7%	7.08	7.82	8.66	**9.60**	10.67	11.90	13.33
9.2%	6.41	7.08	7.82	8.66	9.60	10.67	11.90
9.7%	5.81	6.41	7.08	7.82	8.66	9.60	10.67

Sensitivity of 12M target price per share to key drivers' of company earnings

EBIT margin/capex in Terminal Year	1.35%	1.60%	1.85%	2.10%	2.35%	2.60%	2.85%
-25.0 -	0.10	2.20	4.49	6.79	9.08	11.38	13.68
-22.5	1.30	3.60	5.90	8.19	10.49	12.78	15.08
-20.0	2.71	5.00	7.30	**9.60**	11.89	14.19	16.48
-17.5	4.11	6.41	8.70	11.00	13.30	15.59	17.89
-15.0	5.52	7.81	10.11	12.41	14.70	17.00	19.29

Source: Pekao Equity Research

Peer valuation

	Ticker	P/E 2025e	P/E 2026e	P/E 2027e	EV/EBITDA 2025e	EV/EBITDA 2026e	EV/EBITDA 2027e
Distribution of steel, pipes and other							
Jacquet Metals	JCQ FP	16.1	7.6	8.3	6.7	5.3	5.0
Klöckner & Co	KCO GY	21.0	9.4	6.5	6.6	5.5	4.7
Tubacex	TUB SM	10.8	8.0	6.8	5.6	4.8	4.4
Tenaris	TEN IM	9.4	9.4	9.4	5.8	5.7	5.5
Stalprodukt	STP PW	0.0	0.0	0.0	2.2	1.9	1.8
Steel production							
ArcelorMittal	MT NA	7.4	5.8	5.5	4.8	4.2	4.1
SSAB	SSABA SS	9.3	8.0	8.0	3.7	3.3	3.2
thyssenkrupp	TKA GY	15.1	10.3	8.7	2.1	1.9	1.7
voestalpine	VOE AV	15.0	10.4	7.8	4.8	4.2	3.7
Salzgitter	SZG GR	20.9	5.7	5.0	3.9	2.8	2.5
Cognor	COG PW		54.6	20.7	15.7	11.4	9.1
Median - Distribution of steel, pipes and other		**13.5**	**8.7**	**7.5**	**5.8**	**5.3**	**4.7**
Applied weight (%)		*33%*	*33%*	*33%*	*33%*	*33%*	*33%*
Median - Steel production		**15.0**	**9.1**	**7.9**	**4.3**	**3.7**	**3.5**
Applied weight (%)		*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Stalprofil		**10.1**	**8.4**	**5.7**	**6.6**	**6.6**	**5.6**
Premium/discount vs. Median		*-25%*	*-3%*	*-24%*	*14%*	*26%*	*21%*
Implied value per share (PLN)		**13.4**	**12.7**	**13.0**	**5.6**	**6.9**	**9.0**
Implied value per share (PLN)		**10.1**					

Source: Bloomberg, Pekao Equity Research

Update of our forecasts

Please see below on the change in our forecasts compared to our last recommendation:

		2025e			2026e			2027e	
	Prev.	Now	DIFF	Prev.	Now	DIFF	Prev.	Now	DIFF
Revenues	2242	2,209.9	-1%	2243.3	2,419.8	8%	1907.8	2,210.2	16%
EBITDA	81.1	55.4	-32%	76.8	64.1	-17%	63.2	68.6	8%
EBIT	63.6	36.0	-43%	59.2	44.6	-25%	45.6	49.3	8%
Net income	37.3	17.4	-53%	37.1	25.6	-31%	29.5	30.2	2%

Recent developments

- **Preliminary results for 1Q'25 -** On 02/05/2025, Stalprofil published preliminary standalone results for 1Q'25.
  - Revenues of PLN 278.7mn, i.e. +38% y/y
  - Gross profit of PLN 15.2mn, i.e. -12% y/y
  - EBITDA of PLN 1.2mn vs. PLN 4.8mn a year earlier.
  - Net loss of PLN 0.8mn vs. net profit of 3.0mn a year earlier.

  In addition, STF indicated that the Stalprofil Group recorded revenue of PLN 573.3mn in 1Q'25 (i.e. 23% above our estimates), with a net profit of PLN 2.5mn vs. our forecast of PLN 4.0mn.

- **4Q'24 results -** Stalprofil published its final 4Q'24 results on 25/04/2025. We described the results on 25/04/2025.

- **Dividend for 2024 -** On 16.04.2025, the MB recommended a dividend payment of PLN 5.25mn, resulting DPS of PLN 0.30. The Board submitted a motion to the Annual General Meeting proposing to set the dividend record date as 20 August 2025 and the dividend payment date as 10 September 2025.

- **Annual General Meeting –** Stalprofil's MB Board has convened the AGM, which is to be held in Dąbrowa Górnicza on 22 May 2025.

- **Signing a contract with Gaz-System –** On 14/02/2025, Stalprofil signed a contract with Gaz-System worth PLN 27.3mn gross for the construction of the DN500 MOP 5.5 MPa gas pipeline between Oświęcim, Szopienice and Tworzeń.

Risk factors

Steel segment

- **Risk associated with a decline in demand of steel.** Demand for steel is heavily dependent on investment, so the state of the economy in Poland and the EU is crucial to the segment's performance. A drop in demand for steel, results in lower sales in volume terms, but this also translates into a drop in the price of steel.

- **Risk of reduction of steel production.** Reduced or halted production by producers adversely affects steel distribution.

- **Risks related to fluctuations in steel prices.** The company's performance is highly susceptible to changes in steel prices. As steel falls, the average price per ton decreases, plus there is a negative FIFO effect that affects profitability.

- **The risk of increased imports of cheaper steel products into the domestic and European markets.** Lack of anti-dumping actions by the EU, may translate into an oversupply of cheaper products from China or Turkey. Such actions, could destabilize the European steel market and translate into lower prices.

- **Risk of changes in the trade policy of steel mills.** Stalprofil is a distributor, and therefore acts as an intermediary between steel mills and end customers - switch, for example, to direct deliveries to end customers by producers, or a change in pricing policy may negatively affect the company's results.

- **Risk of becoming dependent on major manufacturers.** The Group key supplier is ArcelorMittal.

- **Risk of impact of decarbonization on steel production levels.** Decarbonization plans in Europe (moving away from BOF to EAF based on scrap steel, HBI or hydrogen) could affect lower steel availability.

Infrastructure segment

- **Risk that the gas sector may limit orders for pipe supply and pipeline construction.** The key influence on the company's performance is the development of the gas transmission network market and planned investments, mainly financed by Gaz-System.

- **Risk of dependence on customers.** Due to the structural characteristics of the Polish market, there is indirect dependence on the scope of investments made by Gaz-System.

- **Risks associated with ensuring the quality of the products offered.** Failure to meet quality requirements carries the risk of incurring penalties.

- **Risk of changes in input prices.** The profitability of corrosion protection depends on the price of chemical components, mainly polyethylene and polypropylene. The company's performance is also affected by the price of steel pipes. In the short term, the company hedges prices, while in the long term the company is favored by high pipe prices.

Key financial data

P&L (PLN mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Revenues	**2,216**	**1,534**	**1,704**	**2,210**	**2,420**	**2,210**	**1,971**
Gross Profit	218	132	132	158	183	175	165
EBITDA	**126**	**55**	**47**	**55**	**64**	**69**	**61**
EBIT	**109**	**37**	**28**	**36**	**45**	**49**	**42**
Pretax Profit	109	26	24	27	39	47	39
Income Tax	21	5	5	5	7	9	7
Net Income	**79**	**16**	**14**	**17**	**26**	**30**	**25**
EPS (PLN)	**4.50**	**0.89**	**0.83**	**0.99**	**1.46**	**1.73**	**1.44**

Balance Sheet (PLN mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Total Current Assets	**793**	**664**	**939**	**846**	**893**	**857**	**834**
Cash and Equivalents	29	57	45	14	18	27	93
Other Current Assets	764	607	894	832	875	830	741
Total Fixed Assets	**330**	**353**	**359**	**360**	**359**	**355**	**353**
Tangible Assets	281	304	314	315	314	310	308
Other Fixed Assets	49	49	45	45	45	45	45
Total Assets	**1,123**	**1,018**	**1,297**	**1,206**	**1,252**	**1,212**	**1,186**
Stockholders` Equity	**587**	**593**	**606**	**622**	**648**	**678**	**700**
Long Term Liabilities	**60**	**56**	**49**	**78**	**77**	**71**	**67**
Long -Term Debt	7	6	2	12	13	10	10
Other Long - Term liabilities	52	50	47	66	64	60	57
Short Term Liabilities	**476**	**368**	**643**	**506**	**527**	**463**	**419**
Short -Term Debt	172	130	205	223	220	180	168
Other Current Liabilities	304	238	438	283	307	283	251
Total Equity & Liabilities	**1,123**	**1,018**	**1,297**	**1,206**	**1,252**	**1,212**	**1,186**
Net debt	150	79	162	222	216	163	86

Cash Flow (PLN mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Gross profit	109	26	24	27	39	47	39
Depreciation and Amortisation	16	17	19	19	19	19	19
Other (incl. WC)	-99	120	-133	-79	-29	9	45
Operating Cash Flows	**26**	**163**	**-90**	**-33**	**30**	**75**	**104**
Capital Expenditures	-26	-38	-28	-21	-18	-15	-17
Other	2	-21	54	0	0	0	0
Cash Flows from Investing Activities	**-24**	**-59**	**26**	**-21**	**-18**	**-15**	**-17**
Dividends paid	-23	-15	-6	-5	-6	-8	-9
Other	-2	-60	57	28	-2	-43	-12
Cash Flows from Financing Activities	**-24**	**-75**	**50**	**23**	**-8**	**-51**	**-21**
Change in Cash	-22	29	-13	-31	4	10	66
Cash at the end of period	**29**	**57**	**45**	**14**	**18**	**27**	**93**
DPS (PLN)	1.20	0.74	0.30	0.30	0.33	0.44	0.52

Y/Y growth ratios							
Revenues	34%	-31%	11%	30%	10%	-9%	-11%
EBITDA	-23%	-57%	-14%	18%	16%	7%	-10%
EBIT	-26%	-66%	-25%	29%	24%	10%	-14%
Net profit	-32%	-80%	-7%	20%	47%	18%	-16%
EPS	-32%	-80%	-7%	20%	47%	18%	-16%
Margins							
EBITDA	**5.7%**	**3.6%**	**2.8%**	**2.5%**	**2.6%**	**3.1%**	**3.1%**
EBIT Margin	4.9%	2.4%	1.6%	1.6%	1.8%	2.2%	2.1%
Net Margin	3.6%	1.0%	0.8%	0.8%	1.1%	1.4%	1.3%
ROE	**13.4%**	**2.6%**	**2.4%**	**2.8%**	**3.9%**	**4.5%**	**3.6%**
Balance Sheet Ratios							
BVPS (PLN)	33.6	33.9	34.6	35.5	37.0	38.7	40.0
Net debt/EBITDA	1.2	1.4	3.5	4.0	3.4	2.4	1.4
Bank Debt/Equity	30.5%	23.0%	34.2%	37.8%	36.1%	28.1%	25.5%

NB: Historical multiples based on avg. prices *Source: Company, Pekao Equity Research*

Summary of key financial data

PLN mn	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
EPS, GAAP	4.50	0.89	0.83	0.99	1.46	1.73	1.44	1.32	1.33
Revenues	2,216	1,534	1,704	2,210	2,420	2,210	1,971	1,960	1,998
Gross Margin %	9.8%	8.6%	7.7%	7.1%	7.5%	7.9%	8.3%	8.1%	8.0%
EBIT	109	37	28	36	45	49	42	36	37
EBITDA	126	55	47	55	64	69	61	55	55
Net income, GAAP	79	16	14	17	26	30	25	23	23
Net Debt	150	79	162	222	216	163	86	60	39
BPS	33.57	33.91	34.61	35.53	37.00	38.72	40.01	41.23	42.54
DPS	1.20	0.74	0.37	0.30	0.33	0.44	0.52	0.43	0.40
Return on Equity %	13.4%	2.6%	2.4%	2.8%	3.9%	4.5%	3.6%	3.2%	3.1%
Return on Assets %	7.0%	1.5%	1.1%	1.4%	2.0%	2.5%	2.1%	1.9%	2.0%
Depreciation	15.9	15.8	18.1	18.5	18.5	18.3	18.1	18.0	17.9
Amortization	0.2	1.6	1.0	1.0	1.0	1.0	1.0	0.9	0.9
Free Cash Flow	0	125	-117	-54	12	60	87	33	28
CAPEX	26	38	28	21	18	15	17	16	17

Source: Pekao Equity Research

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Analyst	Position	Financial instrument	Number of instruments	Exposure (long/short)	Average transactions price	Transactions dates
Michał Hanc	Analyst	Stalprofil	n.a.	n.a.	n.a.	n.a.

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METHODS USED TO FORMULATE OUR RECOMMENDATIONS:

Our company valuations are based on two valuation methods selected from among the following: discount model, multiples-based model or asset-based valuation method.

Discount models are characterized by simultaneous and comprehensive consideration of key determinants of intrinsic value, e.g. operating cash flow, capex, cost of capital (WACC). They are theoretically appealing and provide a direct computation of intrinsic value. However, discount model valuations are highly sensitive to changes in assumptions, particularly the risk free rate and terminal growth rate. Moreover, projections cannot be stated with certainty; unforeseen future events can cause income or earnings projections to be invalid.

Multiples-based models are based on the analysis of the valuation multipliers of a given company in relation to other similar companies in the industry. Among strengths of multiplier models we can highlight their simplicity, as they are easy to compute as well as to understand. Moreover, only the key statistics for investors are chosen for valuation. On the other hand, multiples are based on historic data or near-term forecasts. Valuations based on multiples will therefore fail to capture differences in projected performance over the longer term. Finally, it may be problematic to select a suitable peer group.

Asset-based models can be used even if a company has a brief record of earnings or its future existence is uncertain. However, it may be challenging to determine market value of some assets, particularly intangibles. Additionally, asset-based models do not take into account future changes in financial results, nor do they include non-balance sheet items, such as know-how.

Valuation models are dependent on macroeconomic factors, such as interest rates, exchange rates, raw materials, and on assumptions about the economy. Furthermore, market sentiment affects the valuation of companies. The valuation is also based on expectations that might change rapidly and without notice, depending on developments specific to individual industries. Our recommendations and target prices derived from the models might therefore change accordingly.

The investment ratings generally relate to a 12-month horizon. They are, however, also subject to market conditions and can only represent a snapshot. The ratings may in fact be achieved more quickly or slowly than expected, or need to be revised upward or downward. In the tables and charts throughout this report, we designate the years with an “E” to denote that the figures presented are forecasts and estimates.

Definition of ratings used in our publications:

We currently use a three-tier recommendation system for the stocks in our formal coverage: Buy, Hold, or Sell (see definitions below):
A **Buy** is applied when the expected total return over the next twelve months is higher than 15%.
A **Hold** is applied when the expected total return over the next twelve months is within the range of 0% to 15%.
A **Sell** is applied when the stock's expected total return over the next twelve months is negative.

We employ three further categorizations for stocks in our coverage:
Restricted: A rating and/or financial forecasts and/or target price is not disclosed owing to compliance or other regulatory considerations such as blackout period or conflict of interest.
Coverage in transition: Due to changes in the research team, the disclosure of a stock's rating and/or target price and/or financial information are temporarily suspended. The stock remains in the research universe and disclosures of relevant information will be resumed in due course.
Under review: A rating and/or financial forecasts and/or target price is at the moment under revision of an analyst and the previous rating and/or financial forecasts and/or target price should not be relied on.
Not rated: We do not issue company-specific recommendations and we do not plan to issue them in the foreseeable future.

EXPLANATION OF THE PROFESSIONAL TERMINOLOGY USED IN THE REPORT:

P/E – „Price/Earnings” is the ratio of the financial instrument price to the net financial result for the issuer of the financial instrument.
P/B – „Price/Book Value” is the ratio of the price of the financial instrument to the issuer’s equity capital.
EPS – „Earnings per Share”, i.e. net profit per share.
BVPS – „Book Value per Share”.
FWD – „Forward” - stands for the ratio (eg. P/E) calculated on the basis of the expected results.
DPS – „Dividend per Share”.
DY – “Dividend Yield”, a ratio calculated as dividends per share divided by the current share price.
EBIT – „Earnings Before Interest and Taxes”.
EBITDA - „Enterprise Value / Earnings Before Interest, Taxes, Depreciation and Amortization”.
EV/EBITDA – “Enterprise Value / Earnings Before Interest, Taxes, Depreciation and Amortization” is the company's market capitalization (price x number of shares) increased by the value of net financial debt and the value of minority shareholders divided by the operating result increased by the value of the company's asset depreciation.
AGM – Annual General Meeting