

May 31, 2023

## ASBISC ENTERPRISES PLC (WSE: ASB)

Founded in 1990, Cyprus-based ASBISc Enterprises PLC is a leading Value Add Distributor, developer and provider of IT, IoT products, solutions and services to markets in Europe, the Middle East and Africa (EMEA) with local operations in Central and Eastern Europe, the Baltic republics, the former Soviet Union, the Middle East and North Africa.

### COMPANY HIGHLIGHTS

- \* ASB: A Leading Global Technology Product Distributor and Product Innovator
- \* In our view, ASBISc has demonstrated resilience in executing its growth strategy while mitigating significant disruptions in its core Russian and Ukrainian markets (which accounted for approximately one-third of 2021 revenues). At the onset of the Russia-Ukraine war, ASBISc decisively pivoted to expand sales efforts in unaffected regions across Central Europe, conflict-free former Soviet Union (FSU) countries, and the Middle East and Africa. In doing so, the company has recovered much of the revenues lost from war-related disruptions in core markets, while improving operating margins at the same time.
- \* We expect ASBISc's margin profile to benefit from its focus on selling private-label and premium products (supported by seven internal brands), and providing value-added distribution services, establishing distribution efficiencies, and increasing the use of e-commerce. In 2021, prior to the Russia-Ukraine war, ASBISc achieved record highs in revenues, gross margins, and net income -- increasing revenues by 30%, expanding gross margins by more than 200 basis points, and increasing net income by 111%, year-over-year.
- \* We note that ASBISc made the strategic decision to increase its product inventory over the second half of 2022, which we see enhancing its ability to meet consumer demand, despite negatively impacting operating cash flows over the short-term. We expect continued organic growth, supported by a growing Apple

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### KEY STATISTICS

Key Stock Statistics	
Recent price (5/30/23), (PLN)	28.96
Fair Value Estimate (PLN)	64.00
52 week high/low (PLN)	30.60 - 10.60
Shares outstanding (M)	55.5
Market cap (M, PLN)	1607.3
Dividend (\$)	0.45
Yield	6.6%

#### Sector Overview

Sector	Information Technology
Sector % of S&P 500	25.8%

#### Financials (\$M, as of 3/31/23)

Cash & Mkt Securities	64.9
Debt	232.5
Working Capital	194.7
Current Ratio	1.3
Total Debt/Equity (%)	107.8
Payout ratio	21.8%
Revenue, TTM	2717.4
Net Income, TTM	77.3
Net Margin, TTM	2.8%

#### Risk

Beta	0.50
Inst. ownership	2%

#### Valuation

P/E forward EPS	4.8
Price/Sales (TTM)	0.1
Price/Book (TTM)	1.5

#### Top Holders

Dimensional Fund Advisors LP  
Santander Towarzystwo Funduszy Inwestycyjnych S.A.  
Goldman Sachs Asset Management LP

#### Management

CEO	Mr. Siarhei Kostevitch
Deputy CEO	Mr. Constantinos Tziamalis
CFO	Mr. Marios Christou
Company website	<a href="https://www.asbis.com">https://www.asbis.com</a>

### PRICE CHART



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product-reselling unit (which has seen strong pricing power) that contributes to the long-term gross margin profile. We are also encouraged by ASBISc's launch of multiple innovative, internally developed brands, with a focus on rising demand in markets such as robotics, gaming products and innovative solutions.

- \* Since 2021, ASBISc has been recognized by its inclusion on the WIG-ESG index that includes WSE-listed companies cited as socially responsible, specifically in the fields of environmental, social, economic, and corporate governance. We believe such recognitions could lead to its inclusion in more ESG investor portfolios over time.
- \* As of March 31, 2023, ASBISc had \$69.4 million in cash and equivalents on its balance sheet, down from \$134.6 million at the end of 2022, which we attribute mostly to higher near-term working capital requirements related to increased inventories. We expect this to ease as the year progresses, as well as some seasonal outflows to suppliers. We also see 2023 results being modestly dampened by elevated costs related to a higher weighted average cost of debt, which we estimate to be 12%-13%, compared with 10.5% in 2022, due to higher borrowing rates in high growth countries. Despite this, we view ASBISc as well funded to support its expanding dividend program, while making continued investments in new products and brands.
- \* Although ASBISc's valuation has begun to narrow its discount to peer levels, we think the current valuation does not yet fully reflect the company's strong underlying fundamentals. Thus, we think the shares warrant a valuation closer to the industry average. Based on our P/E analysis, we arrive at a fair value estimate of 64 PLN per share, significantly higher than current levels near 29 PLN.

## INVESTMENT THESIS

Founded in 1990, Cyprus-based ASBISc Enterprises PLC specializes in the distribution of computer hardware and software, mobile solutions, and other IT products and digital equipment. ASBISc currently sells products in 60 countries, including those purchased from leading global technology manufacturers including Apple, Intel, AMD, Samsung, Microsoft, Dell, Logitech and Lenovo. At the end of 2022, ASBISc was the official distributor of Apple products in 11 countries of the former Soviet Union (FSU), with the exception of Russia. The company also generates revenue from the sale of private-label products, including Prestigio (tablets, external storage, GPS devices, car-DVRs, multiboards, etc.), Canyon (power banks, networking products, and other peripheral devices), and Perenio (IoT products, and building control and

security systems), with several new brands recently launched. ASBISc has subsidiaries in 28 countries and approximately 20,000 customers worldwide.

Former Soviet Union countries including Russia, Ukraine and Kazakhstan accounted for approximately 52% of revenue in 2022, down from 58% in 2020. However, countries from this region, including Georgia (90.4%), Azerbaijan (76.4%), and Kazakhstan (52.6%) showed strong sales growth in 2022, mitigating the war related disruptions in Russia and Ukraine. Central and Eastern Europe (24%), Middle East and Africa (15%), Western Europe (7%), and Other (1%) accounted for the balance of 2022 sales. Due to the disruption of operations in Russia and Ukraine, 2022 revenues shifted towards unaffected markets, including Central Europe (24%, up from 21% in 2021) and Middle East/Africa (15%, over 11% in 2021). ASBISc also focused on markets in which it is an authorized distributor of Apple products. We note that sales in Ukraine resumed in April 2022, only a few months into the Russia conflict.

In our view, ASBISc benefits from the strong relationships it has developed with key IT vendors over more than 30 years, and is well positioned to source high-demand products thanks to its robust distribution network that has enabled a strong presence in multiple fast-growing markets. The company has a centralized distribution platform that allows greater efficiency and lower transport costs, thus boosting margins. Its two main distribution centers in the Czech Republic and the United Arab Emirates receive products from vendors, and then distribute these products in individual countries. In late 2022, the company opened two regional distribution centers in Tbilisi, Georgia and Johannesburg, South Africa. In total, the company's total warehouse space is now around 63,000 square meters. We think this infrastructure is pivotal, as the company adjusts its distribution mix to mitigate disruptions brought about by the Russia/Ukraine war.

Margins have also benefited from the increase in online transactions, and from an automated system that coordinates supply-chain management activities. At the end of 2022, ASBISc cited 60% of its transactions taking place online. In 2022, the company reported a gross margin of 8.5%, up significantly from 7.1% in 2021 and 5.8% in 2020. Of note, gross margin exceeded 9% in the second and fourth quarters of 2022 and the full-year 2022 gross margin represented an all-time high, which we attribute to the changes to the geographic sales mix, favorable pricing of Apple products, and the smartphone category, in general. We expect gross margins to approach 9% over the next few years, further narrowing the gap with the long-term average for a global technology-distributor peer group that we believe has been under-appreciated by investors.

*(continued on next page)*

## PEER COMPARISON

Company	Ticker	Recent Price (\$)	52-Week High (\$)	52-Week Low (\$)	Mkt. Cap (\$MIL)	1-yr Price Change (%)	1-yr Rev Growth (%)	1 YR EPS Growth (%)	P/E Ratio	Beta	Yield (%)
ASBISC ENTERPRISES PLC	WSE: ASB	28.96*	30.60*	10.60*	1607*	127	-13	NA	5.1	0.50	6.6
ARROW ELECTRONICS INC	NYSE: ARW	117.26	134.56	89.38	6830	3	8	44	5.4	1.41	NA
AVNET INC	NASDAQ: AVT	44.39	50.19	35.45	4060	15	24	260	6.4	1.37	2.6
INSIGHT ENTERPRISES INC	NASDAQ: NSIT	136.23	137.89	81.11	4610	34	11	29	17.8	1.56	NA

\* Stock Statistics in PLN

In recent years, a majority of the company's sales has come from three product categories: smartphones (35% in 2022, up from 29% in 2021), laptops (9.4% in 2022, 10% in 2021), and CPU's (9.2% in 2022, 14.4% in 2021). The smartphone category, which saw sales advance to 43.6% in the first quarter of 2023 (representing 35% growth), has been supported by strong demand for Apple products. We are positive about the company's status as an authorized distributor of Apple products in 11 countries of the former Soviet Union (excluding Russia), and operator of 26 stores (16 reseller, 9 Apple monobrand, and one partnered store) in high-growth markets including Kazakhstan (seven) and Georgia (four).

We see the expansion of the company's relationship with Apple driving strong category growth. Its Breezy subsidiary purchases used Apple products in exchange for discounts on new purchases, and then resells those older products, which retain substantial value, in secondary markets. The company's Trade-In services are also available in such countries as Kazakhstan, Ukraine, Cyprus, and Georgia. In February 2023, Breezy started operations in two additional markets - Poland and Moldova.

In total, Breezy works with over 30 local and global partners, including not only Apple, but also Samsung, telecommunications operators Vodafone and Kcell, and retail chains Rozetka.ua, Sulpak, Mechta, and Technodom. ASBISc's growth in this area has enabled the company to achieve authorized distributor status with leading international suppliers, which has resulted in enhanced commercial terms and the distribution of such higher-margin products.

Over the past few years, the company's strategy to focus more on expanding gross margins and profitability has been evident in the development of new internally developed private label brands, thus complementing its legacy Prestigio and Canyon brands. Supporting this commitment to new product growth and innovation, ASBISc opened a technology hub in Cyprus. In late 2021, the company also launched a new brand called AENO in the small household appliances segment, contributing to a "smart home" concept. Initial low power consuming products in this category were launched during the first quarter of 2022, including an eco-friendly smart heater with energy-saving infrared and convection heating methods. Other planned AENO products will include air purifiers and humidifiers, robot vacuum cleaners, cooking appliances, and personal hygiene products. In our view, such products are poised for solid commercial uptake, given ASBISc's strong existing distribution channels and vendor relationships. Similarly, in late 2021 the company launched gaming brand Lorgar, featuring a new line of gaming accessories including mice, keyboards, chairs, microphones, web cameras, headsets, and other peripherals.

Most recently, ASBISc announced the launch of a new brand related to the fast-growing robotics industry -- ASBIS Robotic Solutions (AROS), targeting multiple commercial applications, including industrial, cleaning, service, delivery, logistics and security applications. Its flagship brand, CRON Robotics, will serve the automated beverage kiosk and storage markets as well as industrial and commercial robotic arms. Other brands under this unit will

include Aubo and Dobot, (industrial arms), DH Robotics (grippers), and Gausium (cleaning). In our view, the robotics market is poised for expansion beyond its current portfolio of brands, and represents a compelling opportunity for further sales and market expansion over the coming years.

We believe that ASBISc has also made great strides to expand its gross margin profile by investing in value-added distributor (VAD) capabilities. For example, its servers are certified to support cloud-based services through the Microsoft Azure platform, which enables customers to transfer data centers to the cloud. The company is focused on expanding its product portfolios to support customers that are upgrading their digitization and remote capabilities, which we view as a high growth priority across many areas of operation in numerous countries.

We like ASBISc's investment in new industries, including biotechnology, which we view as representing potential new areas for growth. In December 2021, ASBISc invested 1 million euros to take a 20% stake in privately-held EMBIO Diagnostics Ltd, an emerging biotechnology company that develops medical devices for both professional (B2B) and individual (B2C) settings. EMBIO recently completed the development of its innovative biosensor-based, breakthrough device B.EL.D., for rapid diagnostics in the field of food safety, air quality testing, and environmental research. B.EL.D. has secured CE mark authorization, approving its use in the European Union, and is entering its commercialization stages.

In November 2022, ASBISc announced several new transactions in the regenerative medicine segment of the biotechnology industry, which we view as a multi-billion global market. ASBISc invested 700,000 euros in Cyprus-based startup RSL Revolutionary Labs Ltd., which is developing novel, molecularly engineered medical-grade biomaterial products for the treatment and regeneration of skin for cancer patients. These funds are expected to be used for clinical trials of new products based on innovative collagen preparations and to increase production capacity. The company also invested 800,000 euros in Cyprus-based Promed Bioscience Ltd, which is developing advanced collagen biomaterials for research and clinical applications. The funds are expected to be used to expand Promed's production capacity, and accelerate its expansion in the United States, European and Middle Eastern regions.

We also view positively ASBISc's recognition as a socially responsible company, which we think will lead to its inclusion in global ESG investor portfolios over time. To that end, in September 2021, the company entered the WIG-ESG index, which includes WSE-listed companies cited as being socially responsible companies, specifically in regard to environmental, social, economic, and corporate governance issues.

In 2022, ASBISc retained its position among a select group of WSE-listed companies with the highest ratings and cited as a "Climate Aware Company," in the exchange's fourth edition of the Companies Climate Awareness Survey. Lastly, we view positively the its commitment to humanitarian efforts, with its launch of an aid fund called UkraineHelpFund, which supplied needed medical, industrial and food products to Ukraine since the war with Russia began in early 2022.

## RECENT DEVELOPMENTS

ASBISc shares trade on the Warsaw Stock Exchange (WSE) under the ticker ABS. In 2021, the stock rose 169%, compared to a 14% increase for the WIG 20 Index, which consists of the 20 largest companies on the WSE. In 2022, despite the disruption to its business from the Russia-Ukraine war, the stock rose 12%, compared with a 21% decline for the overall WIG 20. Year-to-date in 2023, the shares have increased by 21%, compared with a 9% increase for the WIG 20.

In May 2023, ASBISc reported first quarter 2023 revenues of \$722 million, up 4% over the same period in 2022. EPS for 1Q23 were \$0.31, which represented an approximate 9% increase over the year-earlier period.

In April 2023, the company issued guidance for 2023, including revenues of \$3.0 billion-\$3.2 billion and net profits of \$78 million-\$82 million.

In February 2023, it announced that its Breezy subsidiary began operations in two new markets, Poland and Moldova.

In January 2023, ASBISc announced that it retained its position in the list among the most climate-aware companies published by the WSE's Corporate Climate Crisis Awareness Study.

In November 2022, it announced the launch of a new business division related to robotics. ASBIS Robotic Solutions (AROS) will distribute collaborative robots (cobots) from leading global brands, as well as own robotic platforms under its own brands.

During the third quarter of 2022, the company opened a new iSpace salon in Almaty, the largest city in Kazakhstan, with the status of Apple Premium Partner. This opening marked the seventh Apple store operated by ASBISc in Kazakhstan and its 21st Apple store overall.

In August 2022, ASBISc announced the opening of an Apple Store in Batumi, Georgia. This store represented the first in western Georgia, and the fourth overall in Georgia.

In September 2021, ASBISc was added to the WIG-ESG index, which recognizes Warsaw Stock Exchange companies that are socially responsible, highlighting fields including environmental, social, economic and corporate governance issues.

## EARNINGS & GROWTH ANALYSIS

We forecast revenue of \$3.1 billion in 2023 and \$3.5 billion in 2024, representing 15% and 13% growth, respectively. We see results in both periods reflecting more normalized results, as ASBISc continues to diversify its business, both product-wise, and geographically, and as it navigates the challenges presented by the war between Russia and Ukraine.

On the product front, we expect revenue growth to be driven by a continued focus on the smartphone product line, which shows higher growth potential compared with other product categories. As mentioned earlier, smartphones accounted for 35% of its corporate revenues in 2022 and this figure increased to nearly 44% in the first quarter of 2023. In 2024 and beyond, we expect product portfolio expansion to include new, private-label brands such as AENO, Lorgar and CRON Robotics, supporting an attractive long-term growth profile.

As mentioned earlier, ASBISc has mitigated sales challenges by successfully emphasizing margin expansion. The company

generated an 8.5% gross margin in 2022, significantly higher than 7.1% in 2021 and 5.8% in 2020. This enabled the company to deliver profitability only marginally below 2021 levels, despite a 13% revenue decline. Given its focus on private-label product sales, value-added services, and an optimized geographic sales mix, we project gross margins of 8.8% in 2023 and 2024. We see SG&A expenses as a percentage of sales around 4.6% in 2023 and 2024, modestly above 2022 levels, amid higher administrative costs and investments in new products.

We forecast EPS of \$1.46 in 2023 and \$1.70 in 2024, which would represent 7% and 16% growth, respectively. We see higher debt-related borrowing costs weighing modestly on near-term results, with a weighted average cost of debt near 13% in 2023, compared with 10.5% in 2022. Although ASBISc's operating cash flow turned negative in 2022 due to an inventory build-up, we expect that the sale of these products amid robust demand and its geographic and product diversification strategy to drive long-term results.

## FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for ASBISc is High. As of March 31, 2023, the company had \$69.4 million in cash and equivalents on its balance sheet, down from \$134.6 million at the end of 2022. We attribute this primarily to the build of product inventory that took place across the second half of 2022, which has increased near-term working capital requirements, as well as some seasonal outflows to suppliers. We anticipate healthy cash conversion on this inventory during 2023.

As of March 31, 2023, ASBISc had a current ratio of 1.3. This ratio has been stable since 2015, but below the peer average of 1.7. As of March 31, 2023, the total debt/capital ratio was 51.9%, down from 53% and 62% at the end of 2021 and 2020, respectively. We view the company's liquidity position as strong and underappreciated, as nearly all of its balance sheet liabilities relate to short-term borrowing to help finance the expansion of inventory and product distribution.

Despite this positive outlook, we note that the weighted-average cost of debt (cash lines and factoring lines) was 10.5% in 2022, up from 6% in 2021, and is expected to increase to approximately 12%-13% in 2023, due to higher borrowing costs in certain high growth countries, where borrowing rates in local currencies could exceed 20%. We also see base rates such as LIBOR, increasing until the second half of 2023, before beginning to ease. As conditions normalize, we view positively that ASBISc has negotiated improved terms with lenders, and its financial position should warrant continued favorable lending terms.

Prior to 2022, ASBISc's cash conversion metrics were enhanced compared with its peer group, underscoring the efficiency of its selling infrastructure and strong relationships with suppliers. Thus, we expect that the inventory build that took place over the course of 2022, which included little in the form of provisions for slow moving or obsolete stock, will be sold through -- improving cash metrics to more-normalized levels. In 2022, the average cash conversion cycle was 55.8 days, compared with 33 days in 2021, and 49.9 days for its peers. Average days sales outstanding (DSO) was 46.2 days, compared with 38 days at the end of 2021, but still

well below the peer average of 68.3. Days sales of inventory (DSI) was 62.2 days, above 38.4 days at the end of 2021, and above the peer average of 48.3, which we view as important given that tech products can quickly become obsolete as new products reach the market. Lastly, average days payable outstanding (DPO) was roughly 52.6 days, up from 44 days at the end of 2021, but still well below the peer average of 62 days.

Net cash outflows from operating activities in 2022 were \$56.0 million, more than half of which took place during the fourth quarter, compared with inflows of \$41.4 million in 2021. Product inventories at the end of 2022 increased by 59% to \$514.8 million, compared with \$324.6 million for 2021. Net cash outflows from investing activities were \$11.1 million, compared with \$15.0 million in 2021. Net cash inflows from financing activities were \$8.6 million in 2022, compared with \$10.9 million in 2021.

In addition to investing in growth initiatives, ASBISc has focused on shareholder returns, which we view as a significant positive. The company currently distributes up to 50% of net profits as dividends. It will have paid a total dividend of \$0.45 for 2022, consisting of an interim dividend of \$0.20, paid in December 2022, and a \$0.25 final dividend, to be paid in July 2023, up from \$0.30 for 2021. The total dividend on 2022 profits is expected to total \$25 million, which is the largest in company history, and implies a yield of nearly 6.6% at the current valuation.

In 2022, ASBISc conducted a new share-repurchase program and bought back more than 300,000 shares. With liquidity supported by growing revenue, prospects for a return to positive operating cash flow, rising net income, and access to borrowed capital, we believe that ASBISc is well capitalized for the foreseeable future.

## MANAGEMENT

Siarhei Kostevitch is the founder, president and CEO of ASBISc. Mr. Kostevitch received a Master's degree in radio engineering design at the Radio Engineering University of Minsk in 1987. Between 1987 and 1992, he worked at the Research Centre at the Radio Engineering University. Mr. Kostevitch, through KS Holdings, Ltd., holds approximately 37% of the company's shares and voting power.

The company's board currently has six members. Although the board has only two independent directors, we note that they chair the company's audit and compensation committees.

## RISKS

Risks for ASBISc include increased competition from both established companies and new entrants; the potential for economic and political developments that are currently impacting business conditions in major markets such as Kazakhstan and Ukraine possibly limiting the ability to expand to new countries; and the potential for unfavorable changes to its products selection and quality, inventory, prices, customer services and credit availability; and changes in foreign exchange rates and fluctuations in the weighted average cost of debt due to variable borrowing costs in various operating markets.

ASBISc's reporting currency is the U.S. dollar, which accounted for 85% of trade payables and half of its operating expenses in 2022. As such, a stronger U.S. dollar during 2022 pressured both revenues and gross profits. We see potential for customer concentration risk in this industry, but view ASBISc positively in this regard, given its expanding network and diversification strategies.

## COMPANY DESCRIPTION

Founded in 1990, Cyprus-based ASBISc Enterprises PLC is a leading Value Add Distributor, developer and provider of Information Technology (IT), Internet of Things (IoT) products, solutions and services to the markets of Europe, the Middle East and Africa (EMEA) with local operations in Central and Eastern Europe, the Baltic republics, the former Soviet Union, the Middle East and North Africa.

## VALUATION

In our view, ASBISc's current valuation remains compelling based on multiple metrics and does not fairly reflect the company's strong underlying fundamentals, near-term uncertainties notwithstanding. Its recent market capitalization of approximately \$385 million (1.6 billion PLN) implies an enterprise value multiple near 0.2-times our 2023 revenue estimate. That is below the average multiple of 0.4 for our group of global electronics-distribution peers. The stock also trades at a 2022 enterprise value/EBITDA multiple of 5.2 times, below the peer average of 10-times.

Despite the company's firming stock performance, which more than doubled in 2022 and saw an increase during challenging macro-economic markets in 2022, ASBISc is still trading at a forward 12-month P/E around 4.8-times our 2023 EPS estimate of \$1.46, which is well below the peer group's average above 11-times.

We think that recent initiatives (including reselling Apple products and focusing on marketing innovative, private-label products such as the new robotics unit) are likely to leverage ASBISc's robust infrastructure network across Europe, and should enhance the company's reputation among investors over time. Further, we view the company's overall liquidity position as strong, as nearly all of its debt relates to short-term borrowing to help finance inventory purchases and product distribution. We believe the 2022 inventory buildup is likely to be sold through and we view ASBISc as well positioned to weather higher borrowing costs over the near-term, as a result of its supply-chain efficiency and strong revenue and cash flow.

Given the ongoing geopolitical climate across the company's European footprint and our view of reliance on establishing a presence for a rapidly expanding product roster, we believe that ASBISc warrants a discount to the industry average, albeit a narrow one. Applying a multiple of 10-times to our 2023 EPS estimate of \$1.46 (PLN 6.35, using a three-month average PLN-to-USD exchange rate near 4.35:1), we arrive at a fair value estimate for ASB of 64 PLN per share, well above the current price near 29 PLN.

Steve Silver,  
Argus Research Analyst

**INCOME STATEMENT**

<b>Growth Analysis (\$MIL)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Q1 2023</b>	<b>Q2 2023E</b>	<b>Q3 2023E</b>	<b>Q4 2023E</b>	<b>2023E</b>	<b>Q1 2024E</b>	<b>Q2 2024E</b>	<b>Q3 2024E</b>	<b>Q4 2024E</b>	<b>2024E</b>
Revenue	2366.4	3078.0	2690.0	722.0	772.0	679.0	927.0	3100.0	770.0	875.0	805.0	1050.0	3500.0
Gross Profit	138.3	218.5	227.8					273.8					308.5
SG&A	81.6	104.8	116.8					142.1					161.7
R&D	NA	NA	NA					NA					NA
Operating Income	56.7	113.7	111.00					131.8					146.8
Interest Expense	-11.6	-17.0	-19.9					-36.0					-34.3
Pretax Income	44.7	94.3	91.1					98.7					115.7
Tax Rate (%)	18	18	17					18					19
Net Income	36.5	77.1	75.9					80.9					94.3
Diluted Shares	55.5	55.5	55.3					55.5					55.5
EPS	0.66	1.39	1.37	0.31	0.38	0.26	0.51	1.46	0.32	0.44	0.35	0.59	1.70
Dividend	0.30	0.30	0.45					NA					NA
<b>Growth Rates (%)</b>													
Revenue	24	30	-13					15					13
Operating Income	71	101	NM					19					11
Net Income	140	111	NM					7					17
EPS	136	111	NM					7					16
<b>Valuation Analysis</b>													
Price (PLN): High	8.08	28.2	25.96					NA					NA
Price (PLN):Low	1.77	6.10	8.60					NA					NA
PE: High	NA	NA	NA					NA					NA
PE: Low	NA	NA	NA					NA					NA
PS: High	NA	NA	NA					NA					NA
PS: Low	NA	NA	NA					NA					NA
Yield: High	NA	NA	NA					NA					NA
Yield: Low	NA	NA	NA					NA					NA
<b>Financial &amp; Risk Analysis (\$MIL)</b>													
Cash	158.9	184.6	134.6					NA					NA
Working Capital	105.3	147.5	194.7					NA					NA
Current Ratio	1.2	1.2	1.2					NA					NA
LTDebt/Equity (%)	4.2	2.7	3.8					NA					NA
Total Debt/Equity (%)	161	112	95.2					NA					NA
<b>Ratio Analysis</b>													
Gross Profit Margin	5.8%	7.1%	8.5%					8.8%					8.8%
Operating Margin	2.4%	3.7%	4.1%					4.3%					4.2%
Net Margin	1.5%	2.5%	2.8%					2.6%					2.7%
Return on Assets (%)	5.0	8.3	9.7					NA					NA
Return on Equity (%)	30.0	47.4	48.5					NA					NA
Op Inc/Int Exp	4.9	6.7	5.6					3.7					4.3
Div Payout	45%	22%	33%					NA					NA

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