

August 24, 2023

## ASBISC ENTERPRISES PLC (WSE: ASB)

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 markets in Europe, the Middle East and Africa (EMEA). It has local operations in Central and Eastern Europe, the Baltic republics, most countries of the former Soviet Union, the Middle East and North Africa.

### COMPANY HIGHLIGHTS

- \* In our view, ASBISc continues to execute its growth strategy, as it navigates disruptions to its Russian and Ukrainian markets since early 2022. In 2021, ASBISc achieved record revenues, gross margins and net income, with Russia and Ukraine accounting for approximately one-third of revenues. The company has since returned to a more normalized revenue growth trajectory, and has improved its operating margin profile by decisively moving to expand sales in unaffected regions across Central Europe, conflict-free former Soviet Union (FSU) countries, and the Middle East and Africa.
- \* We expect ASBISc's long-term margins 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 its use of e-commerce. We also expect ASBISc to see a moderation in costs related to the development of new ventures, such as its Robotics and Breezy trade-in businesses and see its growing Apple product-reselling unit supporting an attractive organic growth outlook.
- \* As of June 30, 2023, ASBISc had \$66.2 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 capital requirements related to raised inventory levels, which ASBISc increased in late 2022. This has impacted operating cash flows year-to-date. However, we are encouraged by management's reiteration of its outlook to achieve positive operating cash flow for the full-year of 2023.

(continued on next page)

### PRICE CHART



### KEY STATISTICS

#### Key Stock Statistics

Recent price (8/22/23), (PLN)	28.90
Fair Value Estimate (PLN)	67.00
52 week high/low (PLN)	32.50 - 13.90
Shares outstanding (M)	55.5
Market cap (M, PLN)	1604.0
Dividend (\$)	0.45
Yield	6.4%

#### Sector Overview

Sector	Information Technology
Sector % of S&P 500	28.1%

#### Financials (\$M, as of 6/30/23)

Cash & Mkt Securities	66.2
Debt	213.0
Working Capital	211.5
Current Ratio	1.3
Total Debt/Equity (%)	78.8
Payout ratio	33.0%
Revenue, TTM	2875.1
Net Income, TTM	77.6
Net Margin, TTM	2.7%

#### Risk

Beta	0.49
Inst. ownership	3%

#### Valuation

P/E forward EPS	4.8
Price/Sales (TTM)	0.1
Price/Book (TTM)	1.4

#### Top Holders

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

#### Management

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

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- \* We see 2023 results being dampened by higher interest rates, which resulted in a weighted average cost of debt of 11.7% in the first half of this year, compared with 10.5% in 2022. Although we think that rates are likely to peak around 12% before stabilizing over the coming quarters, we continue to view ASBISc as well capitalized to support an expanding dividend program, while making required investments in new products, brands and services.
- \* Since 2021, the company has been recognized by its inclusion on the WIG-ESG index, which includes WSE-listed companies cited as socially responsible in the fields of ESG (environmental, social, economic, and corporate governance). We believe such recognitions could lead to its inclusion in more ESG investor portfolios over time.
- \* Compared with its peer group, ASBISc's valuation gap has narrowed over the past few years, but its strong fundamentals remain underappreciated by investors, in our view. Based on our P/E analysis, we arrive at a fair value estimate of 67 PLN per share, significantly higher than current levels around 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 such as Apple, Intel, AMD, Samsung, Microsoft, Dell, Logitech and Lenovo.

As of mid-2023, ASBISc had subsidiaries in 34 countries. In July 2023, the company opened new subsidiaries in six additional countries with high growth profiles including Armenia, Georgia, Azerbaijan, Moldova, Morocco and South Africa. We see these new local operating entities improving the company's business-to-business (B2B) sales efforts. ASBISc is also an official distributor of Apple products in 11 countries of the former Soviet Union (FSU), excluding 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.

In 2022, FSU countries accounted for approximately 52% of revenue, which is down from 58% in 2020, as the country has diversified its geographic sales efforts. Within the FSU region, Georgia (90.4%), Azerbaijan (76.4%), and Kazakhstan (52.6%) showed strong sales growth in 2022, enabling ASBISc to navigate Russia/Ukraine war-related disruptions. Central and Eastern

Europe (24% in 2022 revenues, compared with 21% in 2021) and Middle East and Africa (15% up from 11%) both saw positive revenue contribution trends, supporting its financial results.

During the first half of 2023, the FSU contribution held steady at 52%. Western Europe expanded by approximately 2% to comprise nearly 9% of revenues, while Central/Eastern Europe and Middle East/Africa each declined by approximately one percentage point to approximately 24% and 14%, respectively. We are encouraged by the recovery of sales in Ukraine, which resumed only a few months into the Russian conflict. Ukraine sales increased by more than 60% in the first half of 2023 from the year earlier period, and accounted for more than 13% of total revenue, up from 9.5% in the same period in 2022.

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. In our view, this established history is important, as many technology leaders have recently undertaken cost-cutting measures by limiting their own distribution networks, and we see ASBISc maintaining its preferred status amid such macro-economic challenges.

The company has a centralized distribution platform that allows greater efficiency and lower transportation costs, thus boosting its 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 additional regional distribution centers in Tbilisi, Georgia and Johannesburg, South Africa. In total, the company's total warehouse space is now around 67,000 square meters. We think this infrastructure is pivotal, as the company adjusts its distribution mix to mitigate disruptions.

Margins have also benefited from an increase in online transactions, and from an automated system that coordinates supply-chain management activities. At the end of 2022, ASBISc noted that 60% of its transactions take 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, the 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 remain above 8% and to approach 9% over the next few years, further narrowing the gap with the long-term average for a group of global technology-distributor peers.

*(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	28.90*	32.50*	13.90*	1604*	87	-13	NA	5.1	0.49	6.4
ARROW ELECTRONICS INC	NYSE: ARW	129.26	147.42	89.38	7195	18	11	29	6.8	1.41	NA
AVNET INC	NASDAQ: AVT	48.91	51.00	35.45	4475	10	24	260	7.0	1.39	2.4
INSIGHT ENTERPRISES INC	NASDAQ: NSIT	151.00	151.95	81.11	5372	62	8	44	19.7	1.53	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 has seen continued expansion to almost 43% of first half 2023 revenues, supported by strong demand for Apple products. We view positively its status as an authorized distributor of Apple products in 11 countries of the former Soviet Union (excluding Russia), and as an operator of 29 iSpace stores in high-growth markets including Kazakhstan (eight) and Georgia (five). In June 2023, ASBISc opened its latest Apple store in Chisinau, capital of the high-growth market of Moldova, a region where ASBISc's trade-in subsidiary Breezy is already operating.

ASBISc launched Breezy in early 2021 to purchase used electronic devices that have retained value, in exchange for discounts on new purchases through its partner network, and then resell these products in secondary markets. ASBISc aims to support the re-use of up to 30,000 devices monthly, and its 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.

Breezy currently works with over 30 local and global partners, including nationally recognized electronics retailers with more than 2,000 stores, including Apple, as well as Samsung, telecommunications operators Vodafone and Kcell, and retail chains Rozetka.ua, Sulpak, Mechta, and Technodom. Breezy operates in countries including Kazakhstan, Ukraine, Cyprus, and Georgia. In February 2023, Breezy started operations in two additional markets - Poland and Moldova.

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 in early 2022, including eco-friendly smart heaters with energy-saving infrared and convection heating methods. Other new AENO products 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. Also 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 launched 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. ASBISc is investing in its Robotics group to be a first-mover in the field that is more akin to a service provider to its target markets, rather than merely a product developer.

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. During the first half of 2023, AROS achieved several key milestones including expansion of its geographic footprint and its human capital investment to support long-term growth.

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 portfolio to support customers that are upgrading their digitization and remote capabilities, which we view as a high growth priority across many areas of operation at many companies in numerous countries.

We positively view ASBISc's investment in new industries, including biotechnology, which we see 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 multibillion-dollar 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 can 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, specifically in regard to environmental, social, economic, and corporate governance issues. We note that Breezy is already being recognized for its sustainability, as it aims to ensure that electronic devices get extended life cycles, thus delaying their being discarded in landfills.

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 its commitment to humanitarian efforts, with its launch of an aid fund called UkraineHelpFund, which has supplied needed medical, industrial and food products to Ukraine.

## 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, the stock rose 12%, compared with a 21% decline for the overall WIG 20. Year-to-date in 2023, the shares have increased by 23%, compared with a 12% increase for the WIG 20.

In August 2023, ASBISc reported first half 2023 revenues of \$1.40 billion, up 15% from the same period in 2022. Net profit for 1H23 was \$28.6 million, up 6% from the year-earlier period, despite having made significant investments.

In July 2023, ASBISc opened subsidiaries in six new countries, including Armenia, Georgia, Azerbaijan, Moldova, Morocco and South Africa, bringing its total to 34 subsidiaries focused on operating in these countries.

In June 2023, the company announced that it opened its first Apple resell store in the high growth market of Moldova, in the capital city of Chisinau. This expanded the company’s Apple resale footprint to 28 stores globally.

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, which it reiterated in August 2023.

In February 2023, ASBISc’s Breezy trade-in 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. ASBISc 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 its fourth 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 in products and geographically.

On the product front, we expect smartphones to continue to drive revenue growth, since this category continues to show higher growth potential compared with other product categories. Boosted by an expanding retail presence by reselling Apple products, smartphones have expanded to more than 40% of its sales in recent quarters. 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. The 140 basis point gross margin expansion in 2022 enabled the company to deliver profitability less than 2% 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 8.6% in 2023 and 8.8% in 2024. We see SG&A expenses as a percentage of sales around 4.5% in 2023 and 2024, modestly above 2022 levels, amid higher administrative costs, including humanitarian donations, and investments in new products.

We forecast EPS of \$1.44 in 2023 and \$1.70 in 2024, which would represent 6% and 18% growth, respectively. We see higher debt-related borrowing costs weighing on 2023 results, with a weighted average cost of debt around 12% 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 June 30, 2023, the company had \$66.2 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 increase 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. However, we anticipate healthy cash conversion on this inventory over the second half of 2023 and into 2024.

As of June 30, 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 June 30, 2023, the total debt/capital ratio was 44%, which is down from 49% and 62% at the end of 2022 and 2021, respectively. We view the company’s liquidity position as strong and underappreciated, as most of its debt relates to short-term borrowing to help finance the expansion of inventory and product distribution.

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 59% to \$515 million, compared with \$325 million for 2021, and remained near \$500 million as of June 30, 2023. 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 paid total dividends of \$0.45 per share in 2022, an increase of 50% over the prior year for a total of \$25 million, the largest in company history. The 2022 dividend implies a yield around 6.0% 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 has eight directors. In June 2023, the board was expanded by two members, including Constantinos Petrides, who has served in multiple ministry positions for the Republic of Cyprus, where he helped the country successfully navigate the COVID-19 pandemic period compared with other EU countries. The board has three independent directors, two of whom 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 and thus possibly limiting the ability to expand to new countries; and the potential for unfavorable changes to its product selections 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 as well, 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, most countries of 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 below 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 its value in 2022 despite challenging macro-economic markets in that year, ASBISc is still trading at a forward 12-month P/E around 4.8-times our 2023 EPS estimate of \$1.44, which is well below the peer group's average near 13-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 most of its debt relates to short-term borrowing to help finance inventory purchases and product distribution. We believe that as its inventory is sold through and reduced, and as ASBISc weathers higher borrowing costs over the near-term, its results will benefit from its strong revenue growth and supply-chain efficiency, thus improving 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 narrower one. Applying a multiple of 11-times to our 2023 EPS estimate of \$1.44 (PLN 6.05, using a six-month average PLN-to-USD exchange rate around 4.2:1), we arrive at what we view as a fair value estimate for ASB of 67 PLN per share, well above the current price near 29 PLN.

Steve Silver,  
Argus Research Analyst

**INCOME STATEMENT**

<b>Growth Analysis (\$MIL)</b>	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023E	Q4 2023E	2023E	Q1 2024E	Q2 2024E	Q3 2024E	Q4 2024E	2024E
Revenue	2366.4	3078.0	2690.0	722.0	674.2	804.9	899.3	3100.4	816.0	748.0	906.0	1030.0	3500.0
Gross Profit	138.3	218.5	227.8					267.3					303.6
SG&A	81.6	104.8	116.8					137.7					158.0
R&D	NA	NA	NA					NA					NA
Operating Income	56.7	113.7	111.00					129.6					145.6
Interest Expense	-11.6	-17.0	-19.9					-34.8					-32.0
Pretax Income	44.7	94.3	91.1					97.4					115.8
Tax Rate (%)	18	18	17					18					19
Net Income	36.5	77.1	75.9					80.2					94.4
Diluted Shares	55.5	55.5	55.3					55.5					55.5
EPS	0.66	1.39	1.37	0.31	0.20	0.39	0.54	1.44	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					17					12
Net Income	140	111	NM					6					18
EPS	136	111	NM					5					18
<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%					8.6%					8.7%
Operating Margin	2.4%	3.7%	4.1%					4.2%					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					4.6
Div Payout	45%	22%	33%					NA					NA

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