EQUITY RESEARCH REPORT

March 26, 2024

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

* **Swift Return to Growth**: In our view, ASBISc has successfully navigated disruptions resulting from the Russia/Ukraine war that began in early 2022, and has swiftly resumed its pre-conflict growth trajectory. In 2021, ASBISc achieved record revenues and net income, with Russia and Ukraine accounting for approximately one-third of its revenues. The company decisively moved to expand its sales in unaffected regions, and then exited Russia in 2023. In that year, revenues increased by 14% to $3.06 billion, nearly returning to 2021 levels.
* **Margin Expansion Potential**: Although we see a near-term re-set of gross margins, given normalization of product shortages over the past few years, we expect ASBISc's long-term margins to benefit from a focus on selling private-label and premium products (supported by seven internal brands), providing value-added distribution services, increasing warehouse capacity and leveraging distribution efficiencies, and increasing its use of e-commerce. We expect costs that have been elevated over the past few years due to investments in the development of new growth initiatives to begin to moderate, and see its growing smartphone segment and Apple product sales and category-reselling unit supporting an attractive organic growth outlook.
* **Healthy Balance Sheet**: As of December 31, 2023, ASBISc had $143.6 million in cash and equivalents on its balance sheet, up from $134.6 million at the end of 2022. We are encouraged by the return to positive operating cash flow in 2023,

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PRICE CHART

KEY STATISTICS

Key Stock Statistics	
Recent price (3/25/24), (PLN)	24.56
Fair Value Estimate (PLN)	61.00
52 week high/low (PLN)	32.50/24.00
Shares oustanding (M)	55.5
Market cap (M, PLN)	1363.1
Dividend ($)	0.45
Yield	7.3%

Sector Overview	
Sector	Information Technology
Sector % of S&P 500	29.8%

Financials ($M, as of 12/31/23)	
Cash & Mkt Securities	143.6
Debt	253.5
Working Capital	215.7
Current Ratio	1.3
Total Debt/Equity (%)	90.1
Payout ratio	47.1%
Revenue, TTM	3061.2
Net Income, TTM	53
Net Margin, TTM	1.7%

Risk	
Beta	0.54
Inst. ownership	3%

Valuation	
P/E forward EPS	4.4
Price/Sales (TTM)	0.1
Price/Book (TTM)	1.2

Top Holders

Dimensional Fund Advisors LP
AgioFunds 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	https://www.asbis.com

despite recent investments in new business lines, product inventories, and higher debt-related costs. We see its weighted average cost of debt easing, after an elevated 2023, and view ASBISc as sufficiently capitalized to support an expanding dividend program, which recently yielded 7.3%.

* **Socially Responsible Leader**: 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.
* **Fair Value:** ASBISc's valuation gap to global technology distributor peers has narrowed somewhat over the past few years. Still, we think its strong fundamentals and attractive growth prospects remain underappreciated by investors. Based on our forward P/E analysis, we arrive at a fair value estimate of 61 PLN per share, well above current levels around 25 PLN.

COMPANY/INDUSTRY BACKGROUND

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 March 2024, ASBISc had subsidiaries in 34 countries. In 2023, the company opened new subsidiaries in multiple new high growth markets, 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 10 countries of the former Soviet Union, excluding Russia and Belarus.

By the end of 2023, the company's footprint had expanded to distribution among 16,000 resellers, IoT solutions to more than 19,000 enterprises, consumer distribution across 7,400 points of sale, and a retail presence with more than 40 internally operated locations of brands including Apple and premium audio brand Bang & Olufsen.

The company also generates revenue from the sale of legacy 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.

The company's centralized distribution platform leads to greater efficiency and lower transportation costs, thus boosting its margins. Its two main distribution centers in Prague, the Czech Republic and Dubai, United Arab Emirates receive products from vendors, and then distribute these products in individual countries. In 2022, the company opened regional distribution centers in Tbilisi, Georgia and Johannesburg, South Africa.

In late 2023, the company expanded existing warehouse capacity, and commenced the construction of a new distribution center in Kazakhstan, which it expects will be online by early 2025. In total, we foresee total warehouse space of around 80,000 square meters at that time, up 30% from previous levels. We think this infrastructure is pivotal to helping its distribution mix to mitigate disruptions.

Its top four markets remained consistent in 2022 and 2023, led by Kazakhstan (22% in both periods), Ukraine (12%, 13%), United Arab Emirates (10%, 9%) and Slovakia (9% in both periods). Prior to 2022, Russia (19%) was ASBISc's largest market, but that country's subsidiary was divested and closed in 2023. The exit from Russia resulted in a one-time, $25 million impact on ASBISc's net profit in 2023 ($11.5 million settlement of an exchange rate loss and an impairment loss of $13.5 million), with no further exposure to that market.

In 2023, CIS countries (Commonwealth of Independent States, formerly of the Soviet Union) accounted for approximately 51% of revenue, down from 52% in 2022 and well below 58% in 2020, as the country has diversified its geographic sales footprint. Regionally, Central and Eastern Europe and Western Europe expanded to 25.8% and 8.4% from 24.3% and 6.8%, respectively.

In recent years, a majority of the company's sales have come from three product categories: smartphones (40.6% in 2023, up from 35% in 2022 and 29% in 2021), central processing units (CPU's), (10.1% in 2023, up from 9.25% in 2022, but below the 14.4% of 2021) and laptops (8.2% in 2023, down from 9.4% in 2022 and 10% in 2021). We view positively ASBISc's participation in higher growth categories and operating market geographies.

We see the smartphone category being boosted by ASBISc's status as an authorized distributor of Apple products in 10 CIS countries, and as an operator of 34 iSpace/monobrand stores in high-growth markets led by Kazakhstan and Georgia. In the fourth quarter of 2023, ASBISc signed a distribution agreement with Apple, authorizing the company to become a distributor in the Republic of South Africa.

In 2021, ASBISc launched Breezy to purchase used electronic devices that have retained value, in exchange for discounts on new purchases through its partner network. It then resells these

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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**	**24.56***	**32.50***	**24.00***	**1363***	**-15**	**14**	**NM**	**6.1**	**0.54**	**7.3**
ARROW ELECTRONICS INC	NYSE: ARW	125.43	147.42	108.51	6750	6	NM	NM	7.9	1.40	NA
AVNET INC	NASDAQ: AVT	48.45	51.65	39.64	4378	12	9	19	5.9	1.25	2.6
INSIGHT ENTERPRISES INC	NASDAQ: NSIT	182.48	194.57	117.99	5947	30	NM	NM	24.2	1.51	NA

** Stock Statistics in PLN*

products in secondary markets. Breezy works with over 40 local and global partners, including nationally recognized electronics retailers with more than 2,500 stores, including Apple, Samsung, Vodafone and Kcell, and retail chains Rozetka.ua, Sulpak, Mechta, and Technodom. Breezy operates in a number of countries including Kazakhstan, Ukraine, Cyprus, Georgia, Poland and Moldova.

Across 2023, Breezy had opened several retail stores called Breezy Island, and the company plans additional retail openings in 2024. ASBISc aims to support the re-use of up to 30,000 devices monthly, and we think that expansion of this operating footprint positions the company to secure authorized distributor status and enhanced commercial terms with leading international suppliers.

INVESTMENT THESIS

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.

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.

ASBISc has made progress in expanding its gross margin profile in recent years. In 2023, the company's gross margin of 8.2% was modestly below 2022's 8.5%, which had represented an all-time high, but was up significantly from 7.1% in 2021 and 5.8% in 2020. We attribute the improvement to changes to the geographic sales mix, product shortages in the market, and the smartphone category, among others. Margins have also benefited from an increase in online transactions, and from an automated system that coordinates supply-chain management activities. As of the end of 2022, ASBISc noted that 60% of its transactions take place online.

Over the past few years, the company's strategy has shifted to focus on expanding gross margins and profitability through the development and commercialization 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.

Since 2021, ASBISc launched a new brand called AENO in the small household appliances segment, contributing to a low power consuming "smart home" concept. Initial products have included eco-friendly smart heaters with energy-saving infrared and convection heating methods, and robotic vacuum cleaners. Planned products include air purifiers and humidifiers, cooking appliances, and personal hygiene products.

We see these products as positioned for solid commercial uptake, given the company's strong existing distribution channels and vendor relationships. At the end of 2023, AENO's global footprint included 32 countries, including prominent retailers, both on and offline.

In 2021, the company also launched gaming brand Lorgar, featuring a new line of gaming accessories including mice, keyboards, chairs, microphones, web cameras, headsets, and other peripherals, which are planned to be marketed as a comprehensive gaming product suite.

In late 2022, a new internal business division was launched-ASBIS Robotic Solutions (AROS), targeting multiple commercial applications, including industrial, cleaning, service, delivery, logistics/warehouse solutions and security surveillance patrolling 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. 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.

Its flagship brand, CRON Robotics will initially 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 products). Across 2023, AROS focused on building its partner network and on market engagement, resulting in the establishment of sales teams in nine countries and a reseller network of 37 companies in eight countries, at year-end. We are encouraged by the company maintaining solid profitability despite the capital investments required to launch AROS as well as its other growth initiatives, highlighted above.

As of the end of 2023, ASBISc had approximately 15 corporate venture investments in various high-growth markets, including medical devices, regenerative medicine, and clean energy. In December 2021, ASBISc invested 1 million euros to take a 20% stake in privately-held EMBIO Diagnostics Ltd, which develops and commercializes medical devices for professional (B2B) and individual (B2C) settings. EMBIO recently entered commercialization for its CE mark issued, innovative biosensor-based, breakthrough device B.EL.D., for rapid diagnostics in the field of food safety, air quality testing, and environmental research. In 2022, the company invested 800,000 euros for a 16% stake 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 production capacity, and ASBISc has cited a strong commercial backlog emerging for the products.

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.

Since 2020, ASBISc has been selected three times among a select group of WSE-listed companies with the highest ratings and cited as a "Climate Aware Company," in the exchange's annual 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. In 2023, ASBISc donated $2 million to help efforts in Ukraine.

RECENT DEVELOPMENTS

ASBISc shares trade on the Warsaw Stock Exchange (WSE) under the ticker ABS. In 2023, the shares increased by 20%, compared with a 31% increase for the WIG 20. Year-to-date in 2024, the shares have declined 14% compared with an unchanged WIG 20.

In February 2024, ASBISc reported 14% revenue growth for the full-year 2023. Net income was $53.0 million, compared with $75.9 million in 2022, with the lower amount attributable to write-downs related to the disposal of its business in Russia. Excluding the $25 million in charges, the company would have achieved net profit of $78 million, which was within the guidance range it had issued earlier in 2023.

In February 2024, ASBISc announced that it had commenced the construction building of a 20,000 square meter distribution center in Kazakhstan, which is expected to be operational by early 2025.

In December 2023, ASBISc announced that it had increased warehouse space in its Prague and Johannesburg distribution centers by 5,500 square meters.

In October 2023, ASBISc announced that it had disposed of its subsidiary in Russia, thus ending operations in that country.

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.

In February 2023, ASBISc's Breezy trade-in subsidiary began operations in two new markets, Poland and Moldova.

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.

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 $3.43 billion in 2024 and $3.85 billion in 2025, representing 12% growth in each period. In 2024, we see revenue growth to be concentrated in the second half of the year, 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. We expect product portfolio expansion to include new, private-label brands, with its robotics unit supporting an attractive long-term growth profile.

As mentioned earlier, ASBISc has been successful in expanding its gross and operating margins. The company generated an 8.2% gross margin in 2023, down modestly from a record high 8.5% in 2022. We expect gross margins to stabilize around 8% over the near-term, as ASBISc continues to invest in new growth initiatives, including robotics. In addition, we see investments previously undertaken to develop new private-label brands to begin to realize economies of scale over the coming years. We also see ASBISc benefiting from an optimized geographic sales mix over time. Thus, we project gross margins of 8.0% in 2024 and 8.1% in 2025. We see SG&A expenses as a percentage of sales around 4.5% in 2024 and 2025, at the high end of the recent range, as the company has invested in new products while navigating higher administrative costs and made humanitarian donations to support Ukraine in its war efforts.

We forecast EPS of $1.35 in 2024 and $1.64 in 2025, which would represent 41% and 21% growth, respectively. We note that ASBISc's financial results going forward reflect no impact from operations in Russia, which were disposed during 2023. We estimate that excluding Russia operations, net income to ASBISc would have been approximately $72 million, and our 2024 estimate reflects growth from this level, despite higher investments, as noted above. For 2024, we see ASBISc's weighted average cost of debt peaking near the 11.9% seen in 2023 before easing modestly towards 11% in 2025.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for ASBISc is High. As of December 31, 2023, the company had $143.6 million in cash and equivalents on its balance sheet, up from $134.6 million at the end of 2022. We attribute this to more-efficient use of working capital, including a 20% decrease in inventory levels compared with year-end 2022 levels.

As of December 31, 2023, ASBISc had a current ratio of 1.3. This ratio has been stable since 2015, but below the peer average of 1.6. At year-end 2023, the total debt/capital ratio was 47.4%, well below its recent peak above 60% at the end of 2020. We view the company's liquidity position as strong and underappreciated by investors, as more than 90% 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 positive compared with its peer group, underscoring the efficiency of its selling infrastructure and strong relationships with suppliers. In 2022, however, ASBISc increasing its inventory, which raised the average cash conversion cycle to 55.8 days, compared with 33-34 days over the prior three years. In 2023, this figure was reduced to 50 days, which still compares favorably to 57 days for its global peer group. Average days sales outstanding (DSO) was 40.2 days for 2023 (down from 46.2 days in 2022, and closer to its prior four-year average around 38 days), but well below the peer average of 81.3 days.

Days sales of inventory (DSI) was 60.3 days in 2023, down from 62.2 days in 2022, still above 38.4 days at the end of 2021 and above the peer average of 54.3 days. We view this metric as important given that tech products can quickly become obsolete as new products reach the market. Lastly, average days payable outstanding (DPO) was 50.5 days, down from 52.6 days in 2022. While this metric is up from 42.5 days at the end of 2021, it remains well below the peer average of 79 days.

Net cash generated by operating activities in 2023 was $45.4 million, compared with $56.0 million in cash used during 2022. As mentioned earlier, inventories declined 20% by the end of 2023 to approximately $414 million, from $515 million at December 31, 2022, which had increased by 59% over the end of 2021. In 2023, net cash outflows from investing activities were $11.7 million, compared with cash used of $11.1 million at December 31, 2022. Net cash used by financing activities in 2023 was $17.7 million, compared with net cash generated of $8.6 million in 2022, which we attribute to higher dividend payments and lower borrowing levels in 2023.

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 trailing 12-month dividend implies a yield of 7.3% at the current valuation. In November 2023, the company announced an interim dividend of $0.20 per share. In February 2024, the company stated that its exit from Russia and the related charges taken would not affect its ability to pay dividends moving forward.

In 2022, ASBISc conducted a new share-repurchase program and bought back more than 300,000 shares. In July and August 2023, the company sold all of its Treasury stock of these previously repurchased shares to selected employees and the Provident Fund of ASBIS Group for an average price of PLN 13.32. The transactions represented 0.59% of ASBISc's share capital and added 328,800 votes to the company's next General Meeting of Shareholders.

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. To mitigate the latter, ASBISc has been negotiating improved terms with some of its lenders and working to limit financing costs.

ASBISc's reporting currency is the U.S. dollar, which accounted for 85% of trade payables and half of its operating expenses in 2023. As such, a stronger U.S. dollar in recent years has 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.

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 $325 million (1.35 billion PLN) implies an enterprise value multiple around 0.1-times our 2024 revenue estimate. That is below the average multiple of 0.4 for a group of global electronics-distribution peers. The stock also trades at a trailing-12-month enterprise value/EBITDA below 4-times, below the peer average over 9-times. Lastly, ASBISc is trading at a forward P/E around 4.5times our 2024 EPS estimate of $1.35, which is well below the peer group's average above 15-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. Lastly, we see the solid dividend, which recently yielded 7.3% as underappreciated, as ASBISc continues to invest in high growth initiatives.

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 2024 EPS estimate of $1.35 (PLN 5.54, using a six-month average PLN-to-USD exchange rate around 4.1:1), we arrive at what we view as a fair value estimate for ASB of 61 PLN per share, well above the current price near 25 PLN.

Steve Silver,
Argus Research Analyst

INCOME STATEMENT

Growth Analysis ($MIL)	2021	2022	2023	Q1 2024E	Q2 2024E	Q3 2024E	Q4 2024E	2024E	Q1 2025E	Q2 2025E	Q3 2025E	Q4 2025E	2025E
Revenue	3078.0	2690.0	3061.2	776.1	755.1	876.0	1022.8	3430.0	869.3	841.9	978.5	1160.9	3850.6
Gross Profit	218.5	227.8	252.3					275.4					312.2
SG&A	104.8	116.8	139.8					155.2					173.8
R&D	NA	NA	NA					NA					NA
Operating Income	113.7	111.00	112.5					120.2					138.4
Interest Expense	-17.0	-19.9	-34.9					-33.6					-32.0
Pretax Income	94.3	91.1	65.0					90.6					110.4
Tax Rate (%)	18	17	18					18					18
Net Income	77.1	75.9	53.0					74.7					90.5
Diluted Shares	55.5	55.3	55.5					55.4					55.3
EPS	1.39	1.37	0.96	0.29	0.24	0.37	0.45	1.35	0.35	0.32	0.42	0.55	1.64
Dividend	0.30	0.45	NA					NA					NA
Growth Rates (%)													
Revenue	30	-13	14					12					12
Operating Income	101	NM	1					7					15
Net Income	111	NM	NM					41					21
EPS	111	NM	NM					41					21
Valuation Analysis													
Price (PLN): High	28.2	25.96	32.50					NA					NA
Price (PLN):Low	6.10	8.60	20.78					NA					NA
PE: High	NA	NA	NA					NA					NA
PE: Low	NA	NA	NA					NA					NA
PS: High	NA	NA	NA					NA					NA
PS: Low	NA	NA	NA					NA					NA
Yield: High	NA	NA	NA					NA					NA
Yield: Low	NA	NA	NA					NA					NA
Financial & Risk Analysis ($MIL)													
Cash	184.6	134.6	143.6					NA					NA
Working Capital	147.5	194.7	253.5					NA					NA
Current Ratio	1.2	1.2	1.3					NA					NA
LTDebt/Equity (%)	2.7	3.8	5.2					NA					NA
Total Debt/Equity (%)	112	95.2	90.1					NA					NA
Ratio Analysis													
Gross Profit Margin	7.1%	8.5%	8.2%					8.0%					8.1%
Operating Margin	3.7%	4.1%	3.7%					3.5%					3.6%
Net Margin	2.5%	2.8%	1.7%					2.2%					2.4%
Return on Assets (%)	8.3	9.7	6.8					NA					NA
Return on Equity (%)	47.4	48.5	20.2					NA					NA
Op Inc/Int Exp	6.7	5.6	3.2					3.6					4.3
Div Payout	22%	33%	NA					NA					NA

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