

Medicalgorithmics

A new hope

We initiate our coverage of Medicalgorithmics with a BUY recommendation and set our FV at PLN 45.2 per share (implying 26% upside). Medicalgorithmics has significantly changed over the past year: it has acquired a new strategic shareholder Biofund, is cash rich, has a new business unit Kardiolytics, and has reinvented its strategy for the ECG business. Kardiolytics is developing VCAST, an AI tool to analyse heart CT scans. The procedure already possesses a reimbursement code in the US and is gaining a foothold on the lucrative USD 10bn market as an alternative solution to the current more invasive tests. VCAST is entering a decisive period with important newsflow ahead, and should soon start clinical trials and registration in the EU and in the US. MDG, for the first time in a long time, seems to have an idea of how to navigate the ECG business, which had presented a series of setbacks in previous five years. We can already see the first positive effects of moving away from PocketECG exclusivity, with each successive deal bringing MDG closer to its long-awaited presence in the US market.

New strategy for the ECG business in the US. Under the new ownership, MDG has significantly changed its strategy for the ECG segment in the US. MDG sold off the structurally unprofitable Medi-Lynx to React and then took from it the market exclusivity for Pocket ECG. The management aims to sign multiple IDTFs (Independent Diagnostic Testing Facility) in the US market to build scale and diversify revenue streams. In order to do that, Medicalgorithmics decided to separate its Pocket ECG system into hardware and software, and integrate its software (the key asset) with a number of third party devices. MDG has already signed initial integration agreements and first contracts with IDTFs other than React. We believe this process will continue; we await new larger contracts thanks to which MDG may mitigate the risk of high exposure to React, where we see risk of terminating the contract with MDG.

Kardiolytics. Kardiolytics' VCAST utilizes AI to extract diagnostic information about narrowing of heart blood vessels (atherosclerosis) from CT imaging of the heart. Fractional Flow Reserve tests using CT serve as an alternative to the invasive traditional FFR test. Currently, VCAST is nearing the completion of its developmental phase and is set to begin the necessary clinical trials for registration. Clinical trials are scheduled to commence in late 2023, and we anticipate submission of the registration motion for CE still in 2023 and to the FDA in 2024. We believe that the company may initially obtain the CE certificate for the EU, which could pave the way for potential partnering. A commercial launch is projected for 2025. We assume 56% cumulative probability of success. Our valuation of Kardiolytics is PLN 253m, or PLN 25.5 per share.

Figure 1. Medicalgorithmics financial forecasts summary

PLN m	2020	2021	2022	2023E	2024E	2025E
Revenues	111.7	85.3	62.7	39.9	44.3	46.6
EBITDA	-21.6	-14.7	21.4	5.5	7.8	8.2
Adj. EBITDA	-21.6	7.1	16.4	5.5	7.8	8.2
EBIT	-37.5	-25.1	17.2	1.6	2.9	2.0
Net profit	-12.9	-180.6	-30.4	1.0	2.3	1.4
EPS (PLN)	-3.26	-38.83	-4.07	0.10	0.23	0.14
DPS (PLN)	0.00	0.00	0.00	0.00	0.00	0.00
EV/EBITDA (x)	n.m.	n.m.	4.9	62.8	44.5	42.9
P/E (x)	n.m.	n.m.	n.m.	353.6	158.0	250.9

Source: Company, IPOPEMA Research

Healthcare

Medicalgorithmics

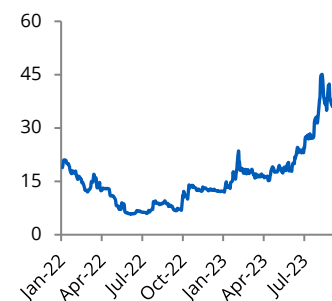
BUY

FV PLN 45.2

26% upside

Price as of 6 September 2023 PLN 36.0

Initiation



Share data

Number of shares (m)	10.0
Market cap (EUR m)	76.3
12M avg daily volume (k)	33.8
12M avg daily turnover (EUR m)	0.1
12M high/low (PLN)	46.80/6.40
WIG weight (%)	0.05%
Reuters	MDG.WA
Bloomberg	MDG.PW

Total performance

1M	11.5%
3M	102.2%
12M	354.0%

Shareholders (% of equity)

Biofund	50.0%
PZU pension fund	7.3%
NN pension fund	5.6%
Others	37.1%

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MEDICALGORITHMICS**BUY****FV PLN 45.2**

Mkt Cap EUR 76m

Upside: +26%

Valuation multiples	2021	2022	2023E	2024E	2025E
P/E (x)	-0.5	-3.0	353.6	158.0	250.9
EV/EBITDA (x)	-7.1	4.9	62.8	44.5	42.9
EV/Sales (x)	1.2	1.7	8.7	7.9	7.5
P/BV (x)	1.9	1.1	4.4	4.3	4.2
FCF yield (%)	-92.7%	46.5%	1.4%	-0.7%	-0.7%
DY (%)	0.0%	0.0%	0.0%	0.0%	0.0%

Per share	2021	2022	2023E	2024E	2025E
No. of shares (m units)	5.0	10.0	10.0	10.0	10.0
EPS (PLN)	-38.8	-4.1	0.1	0.2	0.1
BVPS (PLN)	10.2	10.7	8.1	8.4	8.5
FCFPS (PLN)	-17.6	5.7	0.5	-0.3	-0.3
DPS (PLN)	0.0	0.0	0.0	0.0	0.0

Change YoY (%)	2021	2022	2023E	2024E	2025E
Revenues	-23.7%	-26.4%	-36.4%	11.2%	5.2%
Gross profit	-132.7%	132.4%	-66.6%	42.4%	4.7%
EBITDA	-32.2%	-246.2%	-74.4%	42.4%	4.7%
EBIT	-33.1%	-168.6%	-90.8%	80.3%	-29.8%
Net profit	1298.0%	-83.2%	-103.3%	123.8%	-37.0%

Leverage and return	2021	2022	2023E	2024E	2025E
EBITDA margin (%)	-17.2%	34.2%	13.8%	17.7%	17.6%
EBIT margin (%)	-29.4%	27.4%	4.0%	6.4%	4.3%
Net margin (%)	-211.8%	-48.5%	2.5%	5.1%	3.1%
Net debt / EBITDA (x)	-0.7	-0.8	-2.4	-1.3	-0.8
Net debt / Equity (x)	0.2	-0.2	-0.2	-0.1	-0.1
Net debt / Assets (x)	0.1	-0.2	-0.1	-0.1	-0.1
ROE (%)	-141.8%	-47.7%	1.3%	2.8%	1.7%
ROA (%)	-90.8%	-27.3%	1.0%	2.2%	1.4%

Forecasts (PLNm)	2021	2022	2023E	2024E	2025E
Revenues, o/w:	85.3	62.7	39.9	44.3	46.6
Services	38.5	51.9	38.0	42.2	44.4
Devices	9.8	10.8	1.9	2.1	2.2
Services (USDm), o/w:	11.6	8.9	10.1	11.3	
React	8.3	4.8	4.5	2.3	
New IDTF			0.0	1.1	3.0
Out of US		3.5	4.1	4.5	4.9
Costs, o/w:	-94.3	-46.3	-38.4	-41.5	-44.6
Materials and energy	-12.4	-12.4	-4.3	-3.2	-3.3
Employee costs	-48.4	-17.1	-19.8	-21.8	-23.5
D&A	-10.4	-4.0	-3.9	-5.0	-6.2
Third party services	-20.8	-12.2	-9.8	-10.9	-10.9
Other	-2.3	-0.7	-0.5	-0.6	-0.6

P&L (PLNm)	2020	2021	2022	2023E	2024E	2025E
Revenues	111.7	85.3	62.7	39.9	44.3	46.6
Opex	150.1	94.3	46.3	38.4	41.5	44.6
Other operating income (cost) net	0.8	-16.1	0.8	0.1	0.0	0.0
Adj. EBITDA	-21.6	7.1	16.4	5.5	7.8	8.2
EBITDA	-21.6	-14.7	21.4	5.5	7.8	8.2
EBIT	-37.5	-25.1	17.2	1.6	2.9	2.0
Financial income (cost) net	-2.4	2.8	0.7	-0.6	-0.6	-0.6
Pre-tax profit	-40.0	-22.3	17.9	1.0	2.3	1.4
Income tax	12.3	3.4	0.2	0.0	0.0	0.0
Minorities	14.8	0.0	0.0	0.0	0.0	0.0
Discontinued	0.0	-161.8	-48.5	0.0	0.0	0.0
Net profit	-12.9	-180.6	-30.4	1.0	2.3	1.4

BALANCE SHEET (PLNm)	2020	2021	2022	2023E	2024E	2025E
Non-current assets	242.7	7.7	65.9	71.0	75.8	80.3
PP&E	10.4	-6.4	0.9	0.9	0.9	0.9
Right-of-use assets	13.1	9.5	1.1	1.1	1.1	1.1
Goodwill	84.4	0.8	19.0	19.0	19.0	19.0
Intangibles	117.4	3.7	44.9	50.0	54.8	59.3
Other non-current assets	17.4	0.1	0.0	0.0	0.0	0.0
Current assets	40.7	106.7	42.8	30.8	28.7	26.1
Inventories	0.0	7.1	8.8	4.5	5.1	5.3
Trade receivables	16.2	6.9	7.9	4.1	4.6	4.9
Cash and equivalents	16.2	2.3	26.2	22.2	19.1	15.9
Other current assets	8.4	90.4	0.0	0.0	0.0	0.0
Total assets	283.4	114.4	108.7	101.8	104.5	106.4
Equity	207.4	47.4	80.1	81.1	83.4	84.8
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	38.9	14.7	17.1	8.6	8.6	8.6
Loans and borrowings	29.3	7.0	4.2	4.2	4.2	4.2
Other non-current liabilities	9.6	7.7	12.8	4.3	4.3	4.3
Current liabilities	37.1	52.3	11.6	12.2	12.6	13.1
Trade payables	3.4	4.7	5.8	6.3	6.8	7.2
Loans and borrowings	10.1	5.2	5.0	5.0	5.0	5.0
Other current liabilities	23.6	42.4	0.8	0.8	0.8	0.8
Equity & liabilities	283.4	114.4	108.7	101.8	104.5	106.4
Cash conversion cycle (days)	67.9	51.3	21.6	48.9	51.1	51.9
Gross debt (PLN m)	39.4	12.2	9.3	9.3	9.3	9.3
Net debt (PLN m)	23.2	10.0	-16.9	-12.9	-9.8	-6.6

CASH FLOW (PLNm)	2020	2021	2022	2023E	2024E	2025E
Operating cash flow	-4.0	-6.5	6.3	5.6	7.2	8.1
Net income	-12.9	-180.6	-30.4	1.0	2.3	1.4
D&A	15.9	10.4	4.2	3.9	5.0	6.2
Change in WC	-4.6	7.8	-26.5	8.6	-0.5	-0.1
Other	-2.3	155.9	59.0	-7.9	0.6	0.6
Investment cash flow	-5.0	-15.8	-1.8	-8.5	-9.3	-10.2
Change in PP&E	-5.0	-15.9	-12.4	-8.5	-9.3	-10.2
Other	0.0	0.1	10.6	0.0	0.0	0.0
Financial cash flow	14.0	17.7	10.0	-1.0	-1.1	-1.1
Change in equity	12.6	11.4	13.9	0.0	0.0	0.0
Change in debt	-0.9	-27.1	-3.0	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0	0.0	0.0
RoU increase	0.0	0.0	0.0	-0.5	-0.5	-0.5
Interest	0.0	0.0	0.0	-0.6	-0.6	-0.6
Other	2.4	33.4	-0.9	0.0	0.0	0.0
Change in cash	5.0	-4.5	14.5	-4.0	-3.1	-3.2
Cash as of eop	16.2	11.7	26.2	22.2	19.1	15.9

Source: Company data, IPOPEMA Research

Valuation

We value Medicalgorithmics using a sum-of-the-parts valuation. We value the Kardiolytics using the rNPV method (risk-adjusted net present value) probability weighing its subsequent phases. We value the ECG business using a DCF model. Based on our forecasts, we arrive at fair value of PLN 45.2 per share, i.e. 26% above the current market price, which implies a BUY recommendation.

Figure 2. Medicalgorithmics: SOTP valuation (PLNm)

	PLNm	PLN/share
ECG business - DCF valuation (Enterprise value)	165.3	16.6
Kardiolytics - rNPV valuation (Enterprise value)	253.4	25.5
Enterprise value	418.8	42.1
Net cash (1Q23)	31.1	3.1
Fair value	449.9	45.2

Source: Company, IPOPEMA Research

rNPV valuation – Kardiolytics

Figure 3. Kardiolytics: Valuation assumptions

Phase	Year	Probability of success	Cumulative probability of success
Development	2023	100%	100%
Clinical trial	2024	75%	75%
NDA submission	2025	75%	56%
Commercial sale	2026	100%	56%
Average annual sales (USDm)	46.8		
Peak sales (USDm)	62.5		
rNPV (PLNm)	253.4		
rNPV (PLN/share)	25.5		

Source: Company, IPOPEMA Research

Figure 4. Medicalgorithmics: Kardiolytics assumptions

	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal
Phase	Development	Clinical trial	Approval	Market	Market	Market	Market	Market	Market	Market	Market
Price (USD)	250	250	250	250	250	250	250	250	250	250	250
No. of trials (m)	10	10	10	10	10	10	10	10	10	10	10
TAM	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Market share	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Peak sales	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5
Sales curve	0%	0%	0%	5%	19%	36%	51%	65%	75%	84%	91%
Revenues (USDm)	0.0	0.0	0.0	3.1	11.9	22.5	31.9	40.6	46.9	52.5	56.9
Costs	-0.5	-0.5	-0.8	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.9	-1.0
Revenues less COGS and tax (USDm)	0.0	0.0	0.0	2.2	8.2	15.5	21.9	28.0	32.3	36.1	39.2
Success rate	100%	75%	75%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative probability of success	100%	100%	75%	56%	56%	56%	56%	56%	56%	56%	56%
Risk adj net FCF (USDm)	-0.5	-0.5	-0.6	0.9	4.3	8.4	12.0	15.3	17.7	19.8	21.5
Discount	88%	77%	67%	59%	52%	46%	40%	35%	31%	27%	24%
USDPLN	4.27	4.18	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Net present CF (PLNm)	-1.9	-1.6	-1.5	2.2	8.8	15.0	18.8	21.1	21.4	21.0	20.0
rNPV (PLNm)	253.4										

Source: Company, IPOPEMA Research

DCF valuation – ECG business

To value Medicalgorithmics' ECG business, we use a DCF model based on our free cash flows forecasts on consolidated numbers for the 2023E-2032E period. We applied a 5.5% equity risk premium, 5.60% risk free rate and 1.0% debt risk premium to reflect effective average costs of long-term financing. We assume standard unlevered beta at 1.0x and 2.0% growth rate in terminal year.

Figure 5. Medicalgorithmics ECG business DCF 2023E-2032E valuation

PLN m	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal
NOPAT	1.6	2.8	2.0	4.1	9.7	13.5	19.4	24.4	30.9	33.1	33.1
+ Depreciation	3.9	5.0	6.2	7.6	9.2	10.8	11.8	12.9	14.1	15.4	-
+ Change in operating WC	8.6	-0.5	-0.1	-0.9	-1.8	-1.4	-1.9	-1.7	-2.2	-1.1	-1.1
+ Capital expenditure	-9.0	-9.8	-10.7	-11.7	-12.8	-14.0	-15.3	-16.8	-18.4	-20.1	-
Free cash flow	5.1	-2.6	-2.6	-0.9	4.3	8.9	14.0	18.8	24.5	27.2	31.9
WACC	11.1%	11.1%	11.2%	11.2%	11.3%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
PV FCF 2023E-2032E	40.5										
Terminal growth	2.0%										
PV TV	124.8										
Enterprise Value	165.3										

Source: Company, IPOPEMA Research

Figure 6. Medicalgorithmics ECG business WACC calculation

PLN m	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Risk free rate	5.6%	5.6%	5.7%	5.7%	5.8%	5.9%	5.9%	5.9%	5.9%	5.9%
Equity risk premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Unlevered beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cost of equity	11.1%	11.1%	11.2%	11.2%	11.3%	11.4%	11.4%	11.4%	11.4%	11.4%
Risk free rate	5.6%	5.6%	5.7%	5.7%	5.8%	5.9%	5.9%	5.9%	5.9%	5.9%
Debt risk premium	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
After tax cost of debt	6.5%	6.5%	6.6%	6.7%	6.7%	6.8%	6.8%	6.8%	6.8%	6.8%
Weight of debt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Weight of equity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
WACC	11.1%	11.1%	11.2%	11.2%	11.3%	11.4%	11.4%	11.4%	11.4%	11.4%

Source: Company, IPOPEMA Research

Figure 7. Medicalgorithmics ECG business DCF sensitivity (PLNm)

	g (%)					
	1.0%	1.5%	2.0%	2.5%	3.0%	
	12.1%	132.8	137.6	143.0	148.8	155.4
	11.6%	141.8	147.3	153.4	160.2	167.8
WACC	11.1%	151.9	158.2	165.3	173.2	182.1
	10.6%	163.2	170.6	178.8	188.1	198.5
	10.1%	176.1	184.7	194.4	205.2	217.7

Source: Company, IPOPEMA Research

Financials

Figure 8. Medicalgorithmics 2019-2026E financials

P&L (PLN m)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Revenues	173.9	111.7	85.3	62.7	39.9	44.3	46.6	53.6
COGS	174.2	150.1	94.3	46.3	38.4	41.5	44.6	49.5
Other operating income, net	0.3	0.8	-16.1	0.8	0.1	0.0	0.0	0.0
Adj. EBITDA	18.6	-21.6	7.1	16.4	5.5	7.8	8.2	11.7
EBITDA	18.6	-21.6	-14.7	21.4	5.5	7.8	8.2	11.7
Operating profit	-0.1	-37.5	-25.1	17.2	1.6	2.9	2.0	4.1
Finance costs	-2.6	-2.4	2.8	0.7	-0.6	-0.6	-0.6	-0.6
Pretax profit	-2.7	-40.0	-22.3	17.9	1.0	2.3	1.4	3.6
Income tax	2.4	12.3	3.4	0.2	0.0	0.0	0.0	0.0
Minorities	4.6	14.8	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued	0.0	0.0	-161.8	-48.5	0.0	0.0	0.0	0.0
Net profit	4.3	-12.9	-180.6	-30.4	1.0	2.3	1.4	3.5
EPS (PLN)	1.19	-3.26	-38.83	-4.07	0.10	0.23	0.14	0.35
EBITDA margin	10.7%	-19.3%	-17.2%	34.2%	13.8%	17.7%	17.6%	21.8%
EBIT margin	0.0%	-33.6%	-29.4%	27.4%	4.0%	6.4%	4.3%	7.7%
Net margin	2.5%	-11.6%	-211.8%	-48.5%	2.5%	5.1%	3.1%	6.6%
ROE	1.9%	-6.0%	-141.8%	-47.7%	1.3%	2.8%	1.7%	4.1%
Balance Sheet (PLN m)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Current assets	36.4	40.7	106.7	42.8	30.8	28.7	26.1	26.2
Cash and equivalents	11.2	16.2	2.3	26.2	22.2	19.1	15.9	14.4
Trade and other receivables	21.3	16.2	6.9	7.9	4.1	4.6	4.9	5.6
Inventories	0.0	0.0	7.1	8.8	4.5	5.1	5.3	6.1
Other	3.9	8.4	90.4	0.0	0.0	0.0	0.0	0.0
Non-current assets	246.9	242.7	7.7	65.9	71.0	75.8	80.3	84.5
PPE	31.7	10.4	-6.4	0.9	0.9	0.9	0.9	1.0
Right-of-use assets	0.0	13.1	9.5	1.1	1.1	1.1	1.1	1.1
Intangibles	124.5	117.4	3.7	44.9	50.0	54.8	59.3	63.3
Goodwill	85.2	84.4	0.8	19.0	19.0	19.0	19.0	19.0
Other	5.4	17.4	0.1	0.0	0.0	0.0	0.0	0.0
Total assets	283.3	283.4	114.4	108.7	101.8	104.5	106.4	110.6
Equity	224.7	207.4	47.4	80.1	81.1	83.4	84.8	88.3
Minority Interest	28.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities	30.6	38.9	14.7	17.1	8.6	8.6	8.6	8.6
Long-term debt	24.2	29.3	7.0	4.2	4.2	4.2	4.2	4.2
Other long-term liabilities	6.4	9.6	7.7	12.8	4.3	4.3	4.3	4.3
Short-term liabilities	27.9	37.1	52.3	11.6	12.2	12.6	13.1	13.8
Short-term debt	16.1	10.1	5.2	5.0	5.0	5.0	5.0	5.0
Trade and other payables	2.1	3.4	4.7	5.8	6.3	6.8	7.2	7.9
Other short-term liabilities	9.8	23.6	42.4	0.8	0.8	0.8	0.8	0.8
Total equity & liabilities	283.3	283.4	114.4	108.7	101.8	104.5	106.4	110.6
Net debt	29.2	23.2	10.0	-16.9	-12.9	-9.8	-6.6	-5.2
Net debt/EBITDA (x)	1.6	-1.1	-0.7	-0.8	-2.4	-1.3	-0.8	-0.4
Cash flow (PLN m)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
CF from operations	13.5	-4.0	-6.5	6.3	5.6	7.2	8.1	10.8
Net profit	4.3	-12.9	-180.6	-30.4	1.0	2.3	1.4	3.5
D&A	18.7	15.9	10.4	4.2	3.9	5.0	6.2	7.6
Chg. In WC	-7.5	-4.6	7.8	-26.5	8.6	-0.5	-0.1	-0.9
Other	-2.0	-2.3	155.9	59.0	-7.9	0.6	0.6	0.6
CF from investment	-2.8	-5.0	-15.8	-1.8	-8.5	-9.3	-10.2	-11.1
CF from financing	-59.7	14.0	17.7	10.0	-1.0	-1.1	-1.1	-1.1
Beginning cash	60.2	11.2	16.2	11.7	26.2	22.2	19.1	15.9
Ending cash	11.2	16.2	11.7	26.2	22.2	19.1	15.9	14.4
DPS (PLN)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company, IPOPEMA Research

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The definitions of terms used in the document include:

NII - Net interest income - interest income minus interest expense.

Net F&C - Net fee and commission income - fee and commission income minus fee and commission expense.

LLP - loan loss provisions - an expense set aside as an allowance for bad loans.

NPL - non-performing loan - loans that are in default or close to be in default.

Cost/Income - operating expenses divided by total banking revenue.

ROE - return on equity - net income (or adjusted net income) divided by the average shareholders' equity.

ROA - return on assets - net income (or adjusted net income) divided by the average assets.

EBIT - earnings before interests and tax.

EBITDA - earnings before interests, tax, depreciation and amortization.

EPS - earnings per share - the net income (or adjusted net income) divided by the number of shares outstanding.

P/E - price to earnings ratio - price divided by earnings per share.

PEG - P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR - compound annual growth rate.

BVPS - book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV - price to book value - price divided by the BVPS.

DPS - dividend per share - dividend of a given year divided by the number of shares outstanding.

DY - dividend yield - dividend of a given year divided by the current price.

DDM - dividend discount model - a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV - Fair Value, calculated based on valuation methods outlined in the document.

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Date	Recommendation	Fair Value	Price at recommendation	Author
06.09.2023	BUY	PLN 45.2	PLN 36.0	Łukasz Kosiarski