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Key data

Target price [PLN]	2,7
DCF Valuation [PLN]	2,9
Comparative Valuation [PLN]	1,9
Market price [PLN]	2,4
Growth/decrease potential [%]	14,6%
Market cap [mln PLN]	148,2
Free float [%]	63,7%
Industry	clothes retail
WSE code	PRT
Bloomberg code	PRT PW

Analyst

Artur Wizner

Tel.: +48 (22) 53 95 548

Company profile

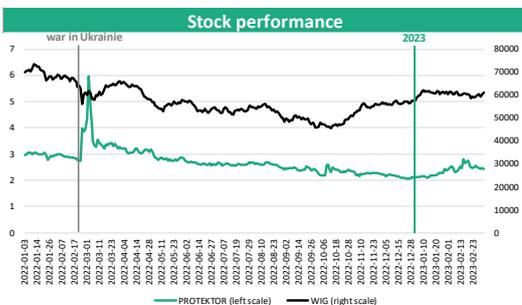
The company focuses on creating own comprehensive collections, aimed mainly at women over 30, in the attractive segment of brand clothing. Production is outsourced, the collections are sold through a network of own showrooms and online.

Source: www.gpw.pl

Shareholders

	[%]
Luma Investment SA	32,1
Porozumienie Akcjonariuszy z dnia 16.10.2018	26,7
Porozumienie Akcjonariuszy z dnia 18.10.2019	8,7
OFE Nationale-Nederlanden	4,0

Growth factors	Risk factors
Increase in public orders	Risk of recession
Competitive offer	Costs pressure
Efficiency improvement	Situation in Transnistria (Moldova)



Source: DM Banku BPS SA calculations

Protektor SA

Analytical report

At the revenue level, we assess the results for 2022 as average.

After three quarters of 2022, Protektor worked out sales in the amount of PLN 77.5 million, which means an increase of 5.4% y/y. The gross margin on sales in this period was higher than a year earlier by 3.7 p.p. and amounted to 35.7 percent. Operating profit, after 3 quarters fell to PLN 3 million (-30.6%), and the period ended with a loss in the amount of PLN 443 thousand. zloty. Profit declines are due to significant growth costs of sales (+66.3%) and an almost two-fold increase financial costs.

We Despite weaker results at the level of profits, the company fundamentals We consider as stable, debt ratio at the end of the third quarter was at a relatively safe level of 0.55. At the end September Protektor had cash in the amount of 982 thousand PLN, which ensures liquidity also relatively safe level (current liquidity was slightly below reference values and amounted to 1.43). In our opinion, the Company's revenue side continues to show potential for growth, recovery will be a challenge profitability at all levels.

Finally, we decrease our valuation to PLN 2.7 per share at the end of 2023, which results from the downward revision of our forecasts at the level of both revenues (we expect that our earlier concerns about the economic slowdown may materialize) and profits.

PLN thd	2021	2022P	2023P	2024P	2025P	2026P
Sales	93 760	101 347	99 923	104 995	110 325	115 926
EBITDA	6 743	8 241	9 320	8 777	9 600	10 883
EBITDA margin	7,2%	8,1%	9,3%	8,4%	8,7%	9,4%
EBIT	624	1 754	2 443	1 460	1 809	2 586
Net income	873	-1 258	583	449	758	1 226
Equity	44 698	18 164	19 339	20 244	21 771	24 242
Net debt	21 214	24 615	25 892	24 193	20 593	14 032
P/E	50,5	-35,1	75,7	98,2	58,2	36,0
P/BV	1,0	2,4	2,3	2,2	2,0	1,8
EV/EBITDA	9,7	8,3	7,5	7,8	6,7	5,3
EPS	0,0	-0,1	0,0	0,0	0,0	0,1

Source: DM Banku BPS SA, E - estimates

Basic definitions

CAPEX (capital expenditures) - investment expenditures on product development, system implementation (including intangible assets) or tangibles assets in the part in which the capital is intended to maintain the company's current ability to generate income.

DCF (discounted cash flows) - discounted cash flows; all future cash flows are estimated and discounted in order to determine their present value. The value of the discount rate used corresponds to the cost of capital and includes an assessment of the risk related to future cash flows.

DFCF - Discounted FCF (Free Cash Flows to Firm).

EBIT (earnings before interest and taxes) - operating income i.e. the income before deduction of taxes and interest.

EBITDA (earnings before interest, taxes, depreciation and amortization) - the company's operating profit before deducting interest on interest-bearing liabilities (loans, bonds), taxes, amortization and depreciation of tangible and intangible assets; here EBITDA = operating income + amortization of tangible fixed assets + depreciation of intangible assets.

EV (Enterprise Value) - total enterprise value; here EV = current stock market capitalization + net debt.

EV / EBITDA - the ratio is calculated by dividing the present value of the enterprise (EV) by the value of EBITDA.

FCFF (Free Cash Flow to Firm) - free cash flows for owners of equity capital and creditors, which can be defined as flows resulting from the company's operating and investment activities, after all financial expectations of capital donors, i.e. all parties financing the company, have been settled.

WSE – Warsaw Stock Exchange.

NOPLAT - net operating result less adjusted taxes; here NOPLAT = EBIT * (1 - tax rate).

P / BV (price / book value) - the ratio is calculated by dividing the current capitalization of a listed company by the book value of its equity, which is provided in the company's balance sheet.

P / E (price earnings ratio) - stock exchange ratio. It is calculated by dividing the market price of one share by the net profit per share.

PV TV - Present Value, ie the residual value (TV) discounted at the present moment.

CR - current report.

SB - Supervisory Board.

TV (Terminal Value) - residual value; enterprise value after the forecast period; here estimated with the help of the Gordon model.

WACC - weighted average cost of capital; financial indicator informing about the average relative cost of capital engaged in financing the enterprise.

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This report is published on the day of its completion on the publicly available <https://dmbps.pl/wsparcie-analityczne/program-wsparcia-pokrycia-analitycznego-gpw/protektor-s-a>

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https://dmbps.pl/informacje/228/Regulamin_zarzadzania_konfliktami_interesow_w_Domu_Maklerskim_Banku_BPS_SA

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