

Key data

| | |
|-------------------------------|----------------|
| Target price [PLN] | 2,7 |
| DCF Valuation [PLN] | 2,5 |
| Comparative Valuation [PLN] | 2,9 |
| Market price [PLN] | 2,3 |
| Growth/decrease potential [%] | 17,2% |
| Market cap [mln PLN] | 43,7 |
| 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

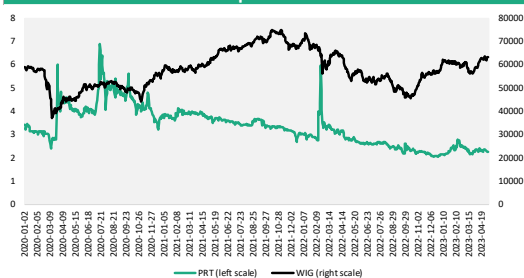
The company focuses on creating own comprehensive collections, aimed mainly at women over 30, in the attractive segment of brand clothing. Production is outsourced, the collections are sold through a network of own showrooms and online.

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 |

Stock performance



Source: DM Banku BPS SA calculations

PROTEKTOR SA

Analytical Report

Uncertainty rules in the economy

Protektor supplies footwear to many sectors (e.g. HoReCa, industry, construction, medical sector) and is in a sense, a barometer of the economy both in Poland (approx. 20% of revenues) and in Western Europe (approx. 80% of revenues), because the forecasted economic slowdown in these markets is discounted on an ongoing basis in the Group's quotations. However, the results for 2022 show an increase in revenues (+7% y/y), including an almost two-fold increase in sales of GROM military footwear. Gross margin on sales in this period was higher than in the previous year by 0.9 p.p. and amounted to 35.2 percent. The operating profit increased to PLN 2.9 million, while the entire period of 2022 ended with a loss of PLN 1.02 million. In our opinion, the Company's revenue side still shows potential for growth, however the challenge will be to rebuild profitability at all levels.

Objectively assessing Protektor results for 2022 and taking into account the condition of all industries that are recipients of the Group's products, we slightly revise our previous forecasts downwards and leave the target price of PLN 2.7 at the end of 2023 unchanged.

Growth factors

Increase in public orders
Competitive offer
Efficiency improvement

Risk factors

Risk of recession
Costs pressure
Situation in Transnistria (Moldova)

| PLN thd | 2021 | 2022 | 2023P | 2024P | 2025P | 2026P | 2027P |
|---------------|--------|---------|--------|---------|---------|---------|---------|
| Sales | 93 760 | 100 361 | 97 358 | 102 942 | 108 846 | 115 089 | 121 690 |
| EBITDA | 6 743 | 9 374 | 9 336 | 10 052 | 10 709 | 12 603 | 13 661 |
| EBITDA margin | 7,2% | 9,3% | 9,6% | 9,8% | 9,8% | 11,0% | 11,2% |
| EBIT | 624 | 2 873 | 2 631 | 3 131 | 3 565 | 5 228 | 6 227 |
| Net income | 873 | -1 018 | 226 | 1 197 | 1 442 | 2 305 | 2 907 |
| Equity | 44 698 | 44 113 | 41 339 | 43 751 | 46 657 | 51 301 | 57 159 |
| Net debt | 21 214 | 32 126 | 34 038 | 32 849 | 32 178 | 31 368 | 28 737 |
| P/E | 50,1 | -42,9 | 192,9 | 36,5 | 30,3 | 19,0 | 15,0 |
| P/BV | 1,0 | 1,0 | 1,1 | 1,0 | 0,9 | 0,9 | 0,8 |
| EV/EBITDA | 9,6 | 8,1 | 8,3 | 7,6 | 7,1 | 6,0 | 5,3 |
| EPS | 0,0 | -0,1 | 0,0 | 0,1 | 0,1 | 0,1 | 0,2 |

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.

Information and legal disclaimer

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This report is published on the day of its completion on the publicly available website <https://dmbps.pl/wsparcie-analityczne/program-wsparcia-pokrycia-analitycznego-gpw/ntt-system-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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List of recommendations issued within the last 12 months

| Company | Recommendation | Target price | Market price | Type of recommendation | Date of Issue | Analyst(s) |
|--------------------|----------------|--------------|--------------|------------------------|---------------|------------------------------|
| VIVID GAMES | N/A | 1,25 | 1,17 | Analysis of results | 13.05.2022 | Łukasz Bryl, Tomasz Czamecki |
| PROTEKTOR | N/A | 3,6 | 2,8 | Analytical report | 13.05.2022 | Artur Wizner |
| PROCHEM | N/A | 37 | 33,6 | Analysis of results | 17.05.2022 | Artur Wizner |
| MONNARI TRADE | N/A | 5,5 | 3,5 | Analytical report | 18.05.2022 | Łukasz Bryl |
| VIVID GAMES | N/A | 1,29 | 1,26 | Analysis of results | 26.05.2022 | Łukasz Bryl |
| MONNARI TRADE | N/A | 6,21 | 3,87 | Analysis of results | 31.05.2022 | Łukasz Bryl |
| NTT SYSTEM | N/A | 7,92 | 4,28 | Analysis of results | 31.05.2022 | Łukasz Bryl |
| UNIBEP | N/A | 11 | 8,1 | Analysis of results | 31.05.2022 | Artur Wizner |
| PROTEKTOR | N/A | 3,6 | 2,83 | Analysis of results | 01.06.2022 | Artur Wizner |
| JSW | BUY | 74 | 38,7 | Analytical report | 12.09.2022 | Artur Wizner |
| UNIBEP | N/A | 10 | 7,2 | Analytical report | 20.09.2022 | Artur Wizner |
| VIVID GAMES | N/A | 1,07 | 1,03 | Analytical report | 29.09.2022 | Łukasz Bryl |
| SNIEZKA | HOLD | 67 | 64,2 | Analytical report | 29.09.2022 | Artur Wizner |
| NTT SYSTEM | N/A | 7,03 | 3,95 | Analytical report | 04.10.2022 | Łukasz Bryl |
| PROCHEM | N/A | 30 | 34,8 | Analytical report | 05.10.2022 | Artur Wizner |
| PROTEKTOR | N/A | 2,9 | 2,6 | Analytical report | 12.10.2022 | Artur Wizner |
| MONNARI TRADE | N/A | 6,74 | 3,87 | Analytical report | 21.10.2022 | Łukasz Bryl |
| PROCHEM | N/A | 30 | 35 | Analysis of results | 15.11.2022 | Artur Wizner |
| UNIBEP | N/A | 10 | 8,84 | Analysis of results | 18.11.2022 | Artur Wizner |
| VIVID GAMES | N/A | 1,09 | 1,05 | Analysis of results | 29.11.2022 | Łukasz Bryl |
| MONNARI TRADE | N/A | 7,20 | 4,85 | Analysis of results | 01.12.2022 | Łukasz Bryl |
| NTT SYSTEM | N/A | 7,50 | 4,12 | Analysis of results | 02.12.2022 | Łukasz Bryl |
| PROTEKTOR | N/A | 2,90 | 2,19 | Analysis of results | 06.12.2022 | Artur Wizner |
| MONNARI TRADE | BUY | 8,63 | 4,82 | Analytical report | 13.03.2023 | Łukasz Bryl |
| PROTEKTOR | HOLD | 2,70 | 2,36 | Analytical report | 13.03.2023 | Artur Wizner |
| ESOTIQ & HENDERSON | BUY | 47,23 | 29,2 | Analytical report | 13.03.2023 | Łukasz Bryl |
| COCCODRILLO | BUY | 26,77 | 17,75 | Analytical report | 13.03.2023 | Łukasz Bryl |
| WITTCHEN | BUY | 40,83 | 27 | Analytical report | 13.03.2023 | Łukasz Bryl |
| VRG | BUY | 5,07 | 3,3 | Analytical report | 13.03.2023 | Artur Wizner |
| WOJAS | BUY | 11,75 | 7,96 | Analytical report | 13.03.2023 | Artur Wizner |
| LPP | HOLD | 9328,17 | 9430 | Analytical report | 13.03.2023 | Artur Wizner |
| CCC | SELL | 27,57 | 35,43 | Analytical report | 13.03.2023 | Artur Wizner |
| SILVANO GROUP | BUY | 14,14 | 5,45 | Analytical report | 13.03.2023 | Łukasz Bryl |
| SNIEZKA | BUY | 83,00 | 71,6 | Analytical report | 17.03.2023 | Artur Wizner |
| JSW | BUY | 71,00 | 45,78 | Analytical report | 05.04.2023 | Artur Wizner |
| NTT SYSTEM | N/A | 7,90 | 5 | Analytical report | 12.04.2023 | Łukasz Bryl |
| VIVID GAMES | N/A | 1,05 | 0,82 | Analytical report | 05.05.2023 | Łukasz Bryl |
| UNIBEP | N/A | 13,30 | 10,4 | Analytical report | 09.05.2023 | Artur Wizner |
| MONNARI TRADE | N/A | 7,84 | 5,34 | Analytical report | 12.05.2023 | Łukasz Bryl |
| PROTEKTOR | N/A | 2,70 | 2,3 | Analytical report | 12.05.2023 | Artur Wizner |